



# FOX FACTORY



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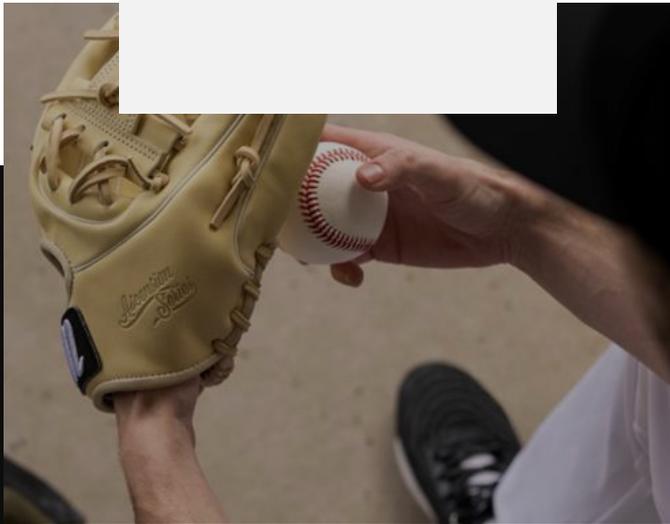
This presentation contains certain non-GAAP financial measures determined by methods other than in accordance with generally accepted accounting principles (“GAAP”). We use non-GAAP financial measures, including “Adjusted EBITDA,” as useful measures of the Company’s core operating performance and trends 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.

# Fox Factory Introduction

## Why We Exist

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



## Who We Are

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Our people play to win in all they do  
Their passion and diverse experiences make us the best of the best



## What We Do

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Fox Factory delivers performance-defining products that dominate their respective markets through innovative solutions and technologies



# How We **Win**

## Innovation leader

Undisputed leader in ideation and technological advancement, creating a multi-year pipeline of performance defining products

## Premium component manufacturer

Best in class manufacturer backed by a disciplined continuous improvement mindset

## Aspirational brands unparalleled in space

Sought after by professional athletes, desired by performance enthusiasts and mass markets

## Unique growth and diversification strategy

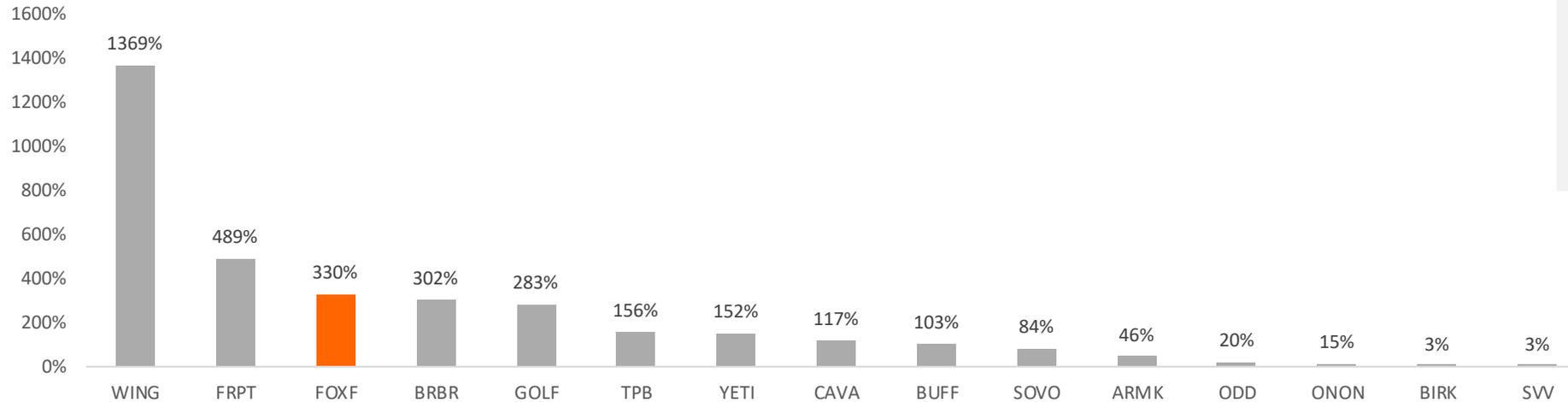
1+1=3 growth mindset unlocks top and bottom line expansion opportunities



# 1+1=3 Mindset Leads To Transformational Growth

Consumer IPO since 2013 (% Return since IPO)

Source: FactSet as of 1-30-2024, Publicly available information



Fox Factory has outperformed the majority of consumer IPOs since 2013

2013      2014      2015      2017      2019      2020      2021      2023



## Proven Performance Through

- Expansion into adjacencies
- Geographic expansion
- New products
- Highly accretive M&A
- Synergistic with brands
- Strong ROI on Capex investments

# Dominant Aspirational Brands Drive Growth

TOXOHOLIC'S  
SUSPENSION SERVICE CENTER

EASTON  
CYCLING



TUSCANY  
MOTOR CO.  
A DIVISION OF FOX FACTORY

ridetech

SCA  
PERFORMANCE  
PASSION. DRIVEN.



Custom Wheel-House  
MILWAUKEE TENSOR GIGI dusty times

marucci

Professional Athletes

Demand the best product for a competitive edge

PROS

Ultra & Performance Enthusiasts

Desire for the same performance as the professional athletes they admire

ELITE

Affluent Consumers

Fulfill their dream of living the affluent adventurer lifestyle, where only the best of the best matters

EVERYDAY ENTHUSIASTS

Brand Halo Drives Loyalty Across The Consumer Landscape

Core Consumer

Transformational Growth Opportunity

# Strong Secular Trends Underpin **Our Strategy**

## Personalization



We design product offerings so consumers can customize their gear

## Affluent Customer Spending



Higher wealth consumers continue to spend through challenging macro environments

## Halo Effect



Enthusiasts around the globe want to identify with and have what "**the best**" in the industry are using

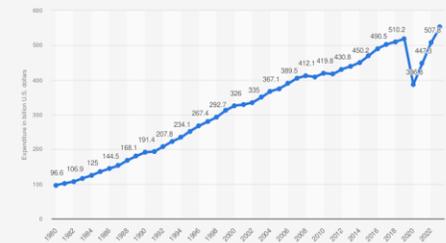
## Outdoor Living



Consumers are enjoying more time outdoors and want the best performing products

## Spending on Sports

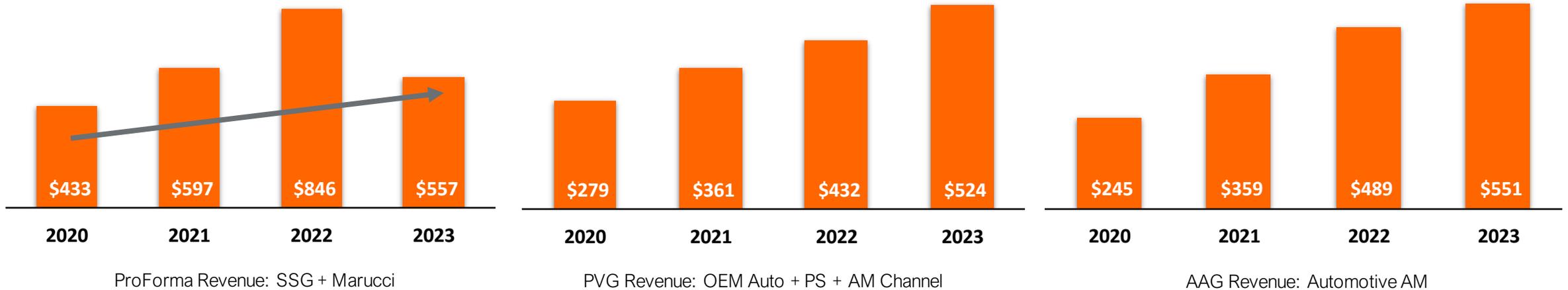
Total expenditure on recreation in the United States from 1980 to 2022, with a forecast for 2023 (in billion U.S. dollars)



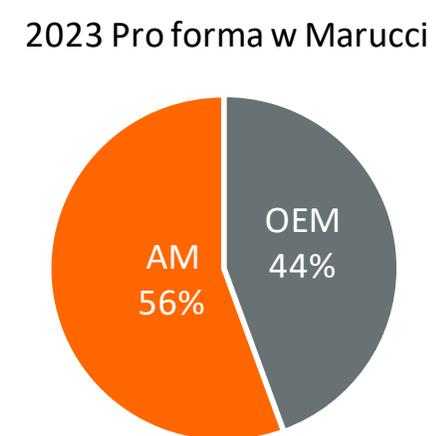
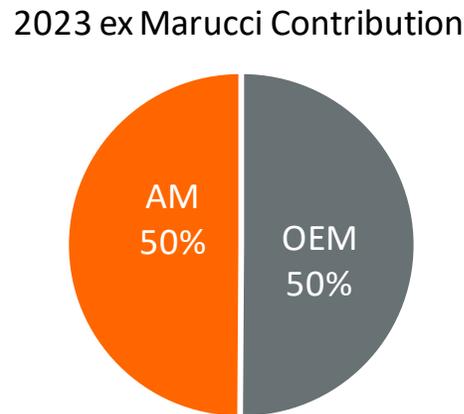
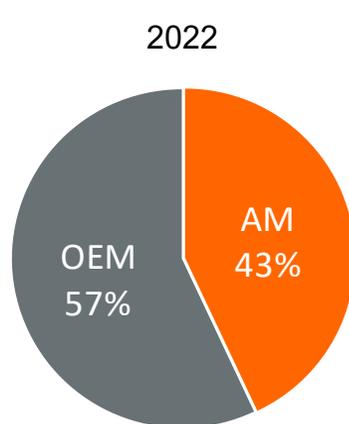
Source: BDO WPP  
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Spending on sports is on the rise as growing investor base, societal changes, R&D converge to grow the overall market

# Diversification Is Our Strength - Three Growing Groups



Fox will drive end consumer adoption and brand value by entering new markets in the aftermarket channel, ultimately leading to OEM specification wins. Maintaining a healthy balance between the two channels will sustain long term growth and drive more predictability.

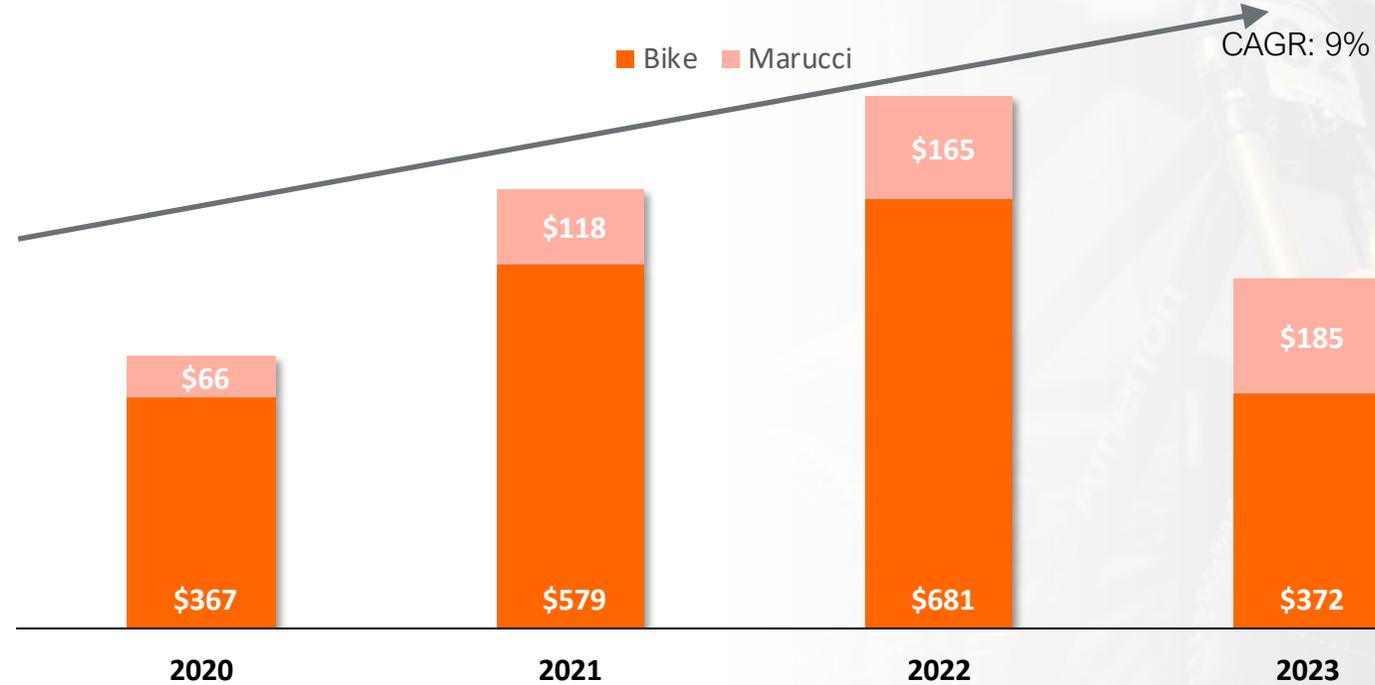


# Specialty Sports Group



# SSG Pro Forma Growth

\*\$ REVENUE IN MILLIONS



We expect Bike to grow in the high-single digits over the long term  
And Marucci to grow in the mid-teens over the near term before achieving a mid-single digit run rate over the longer term

# Deep Moats Position SSG on **Runway for Long Term Growth**

## Bikes

### Brand:

Market leader in suspension on bikes > \$3.5k

### R&D:

Leading innovation with increasing spec share

### Manufacturing:

Wholly owned and vertically integrated shocks, forks, and components manufacturing

### Relationships:

Passionate / Rider driven organization

## Marucci

### Brand:

Marucci / Victus are #1 and #2 brands in MLB  
Lizard Skins #1 grip in MLB and NHL

### R&D:

Player / Field tested  
IP on Gloves  
BPL  
First mover advantage on select technology

### Manufacturing:

Vertically integrated Wood Bat supply chain

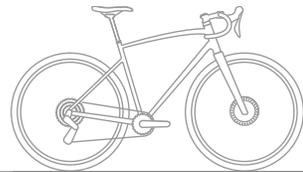
### Relationships:

CEO/Founder and Management have strong ties with the Game and Players

# A Portfolio Of Performance Defining Brands & Products

MOUNTAIN BIKE

GRAVEL & ROAD



## MTB-NEWS.DE

2023 Suspension Fork Brand of the year

2023 Shock brand of the year

## VITAL MTB 2022 READER SURVEY

FOX #1 Shock (11 years running), #2 Fork, #4 Seatpost to buy.

## VITAL MTB STARS

4.5 Stars - FLOAT Shock

4.5 Stars - FOX 38 Factory Fork

4.5 Stars - FOX 34 GRIP2 Factory Fork

PINKBIKE 2022  
EDITORS CHOICE VALUE GEAR  
FOX GRIP

## PINKBIKE READER SURVEY

FOX #1 Fork + Shock to Purchase Next + #1 Fork + Shock on Current Bike

## FLOW MOUNTAIN BIKE

Best XC Fork – FOX 34 SC

## ENDURO MTB

2022 Best Brand Suspension Forks and Rear Shock – FOX

Best in Test FOX 38

## BIKERADAR

FOX 38 Best in Test - 5/5 Stars

FOX 36 - 4.5/5 Stars

## MBR.CO.UK

Best Damping - FOX 36 Factory GRIP2

Best Enduro Fork - FOX 38 Perf. Elite

Best Trail Fork - FOX 34 Factory Grip2

## DESIGN AND INNOVATION AWARD

32 Taper Cast

## OUTSIDE MAGAZINE

Best MTB Accessories - FOX DHX Factory Shock

## BIKERADAR

Marzocchi Z1 4.5/5 Stars

## MBR.CO.UK

Best Value Fork – Marzocchi Z1

## VITAL MTB STARS

4.5 Stars – Bomber Air

4.5 Stars – Bomber DJ

4.5 Stars – Bomber Z1 + Z1 Coil

# A Portfolio Of Performance Defining Brand and Products

**marucci**

**marucci**  
CATX



**marucci**  
CATX

RAPIDLY GROWING  
LEADERSHIP IN METAL BAT

#1 & #2

THE MOST USED BATS  
IN BIG LEAGUES

**Victus**



**Baum**



#1 WOOD COMPOSITE BAT

**Lizard Skins**



#1 BAT GRIP

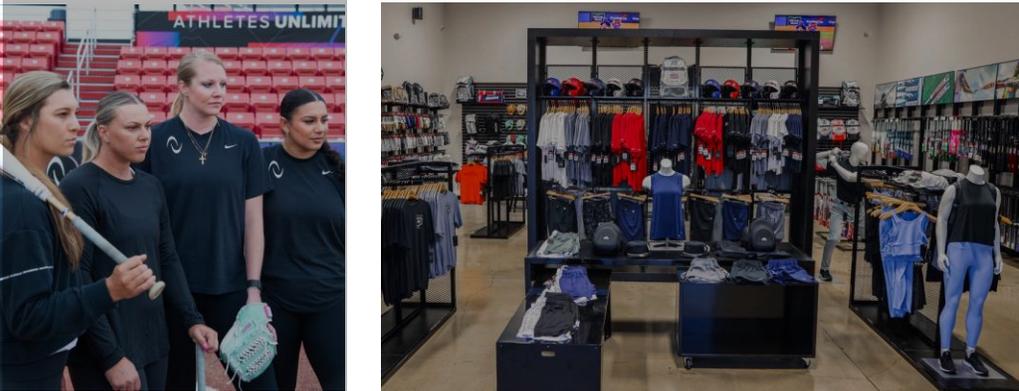
OFFICIAL GRIP OF  
THE



# Growth Opportunity & White Space

Growth Driver →	SSG Legacy (e.g. Bike) +	Marucci
Market Expansion:	Enter forks and suspension in the \$1.5K-\$3.5K price point, effectively doubling TAM	Softball, Grips
Emerging Segments:	E MTB and Gravel	International, Shoes, Gloves
Innovative Segment:	Live Valve	Puck Knob & Carpenter Gloves
Integrated System:	Live Valve w/ Crank Sensor	Pro Lab to fit Pros with Bats
After Sales Service:	Expansion Through Loyalty	Hitter's House
After Market:	Components, Apparel	Protective Gear
Growth (3-5 years)	Mid to High Single Digits	Mid to High Teens

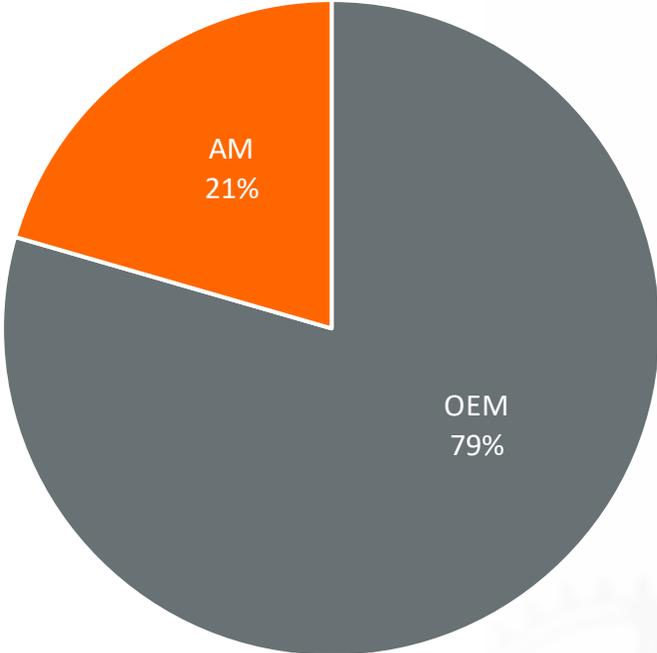
# Marucci's Growth Vectors



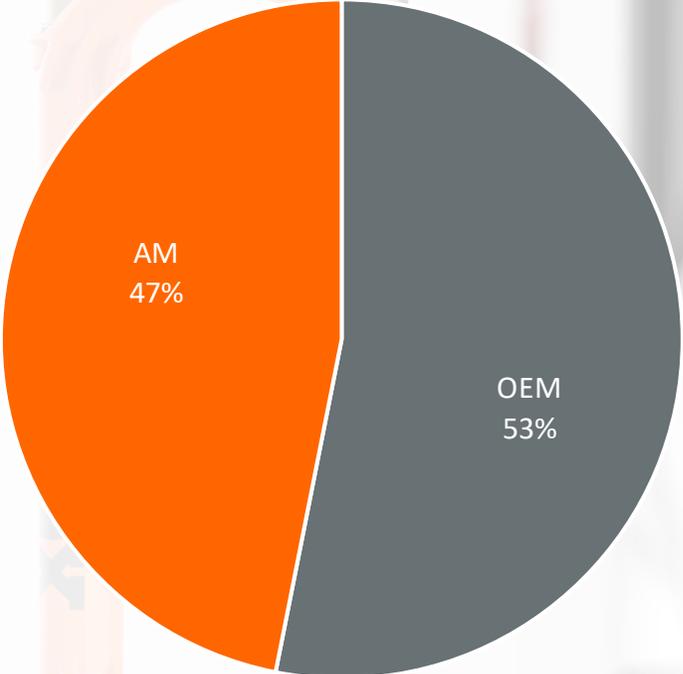
# Diversification of SSG

After Market (AM) allows Fox to have more control over outcomes

SSG w/o Marucci  
2023



Proforma  
SSG w/ Marucci  
2023

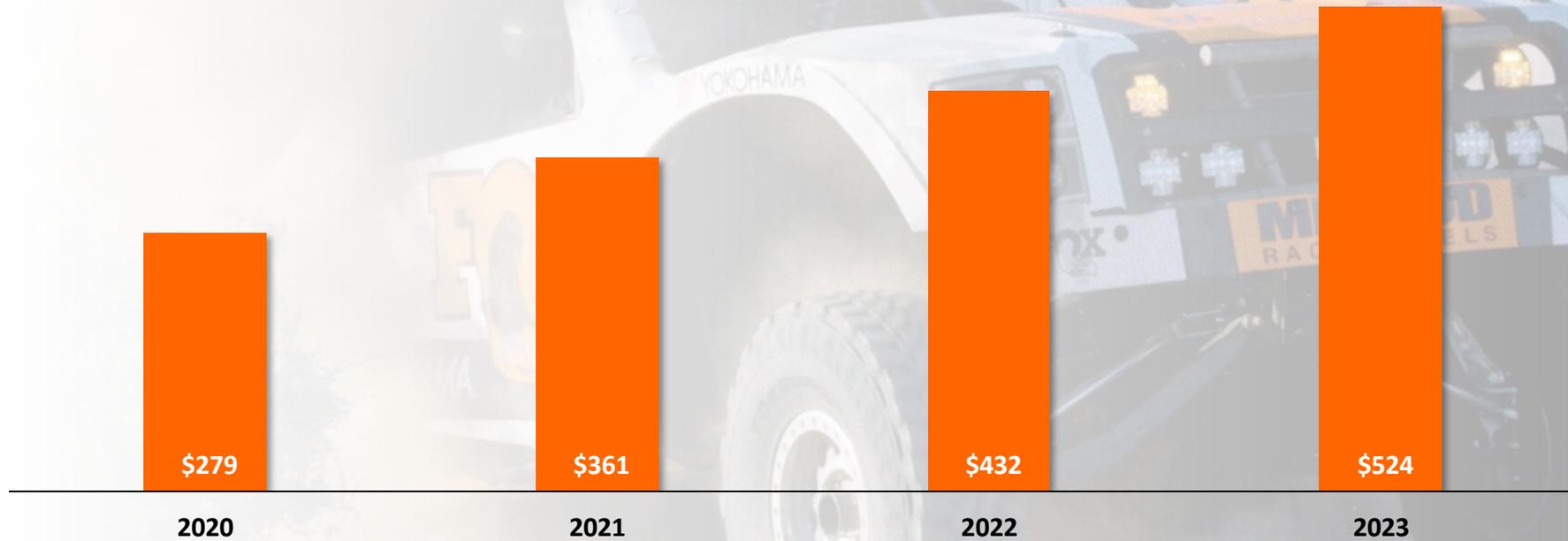


# Powered Vehicles Group



# PVG Growth

FOX has demonstrated low double-digit long-term growth target due to strong growth in off-road-capable powered vehicles (including those used in on-road sport/recreational markets)



\*\$ REVENUE IN MILLIONS

21%  
FY'23 Growth

13%  
5-Year CAGR

# Growth Opportunities & White Space

Strong market share & runway for growth



Truck & SUV



Off-Road



UTV



ATV



SNOW

OEM market expansion through **newer platforms** and **product innovation**

Additional opportunities



Defense



International Expansion

Military market expansion through **dedicated facility** operations in Southern California

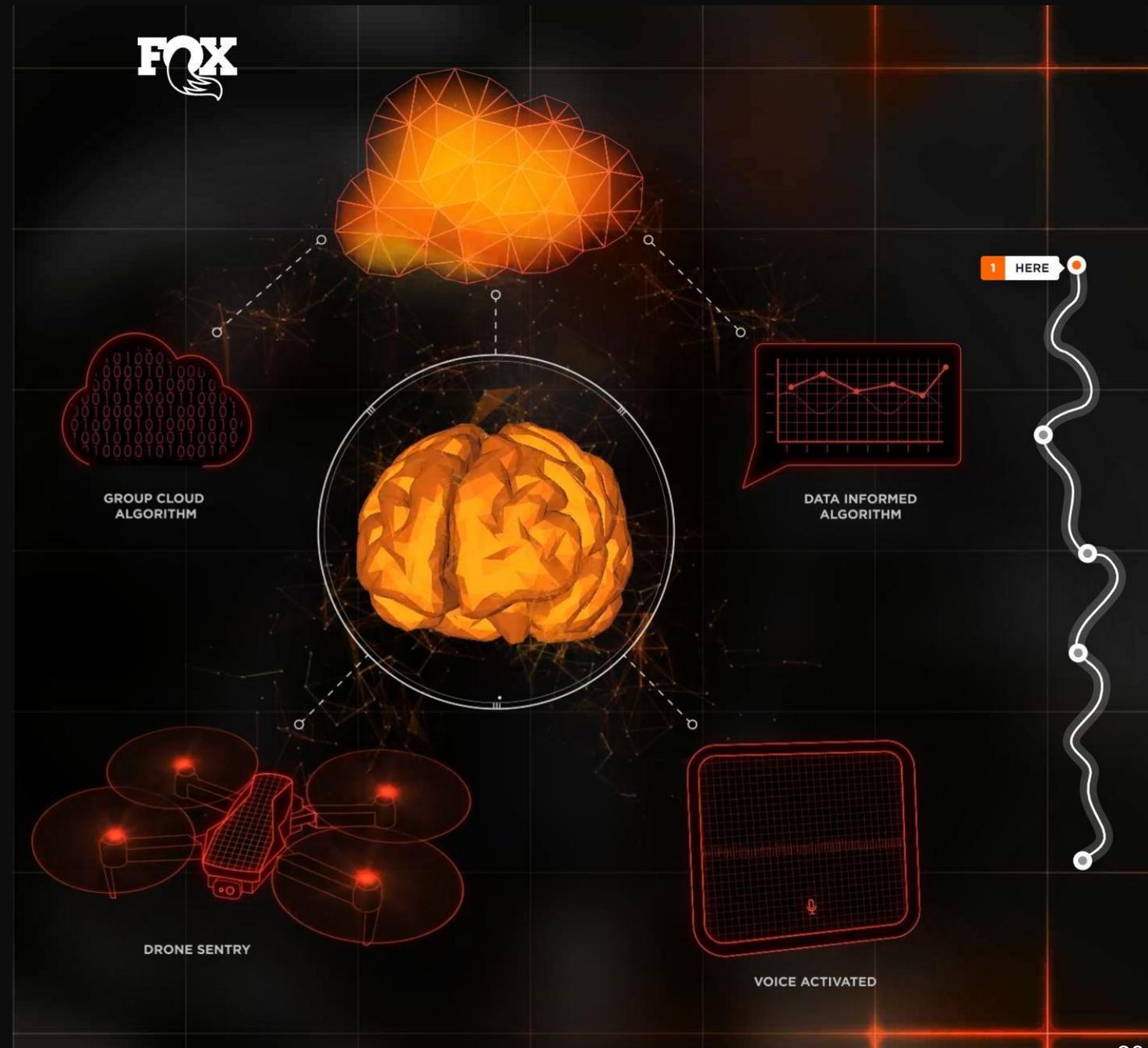
**International** catalog and proprietary applications for vehicles not offered in the US

# Product Innovation, Software Defined Suspension Matters

OE customers find software defined suspension (SDS) provides performance advantages across a wider set of uses, which differentiates the OEM to end customers

Average price per SDS creates a higher average sale price compared to analog suspension (ASPs)

Volume growth driven by accelerated adoption of SDS within Ford and Toyota and expanded market share at other OE customers

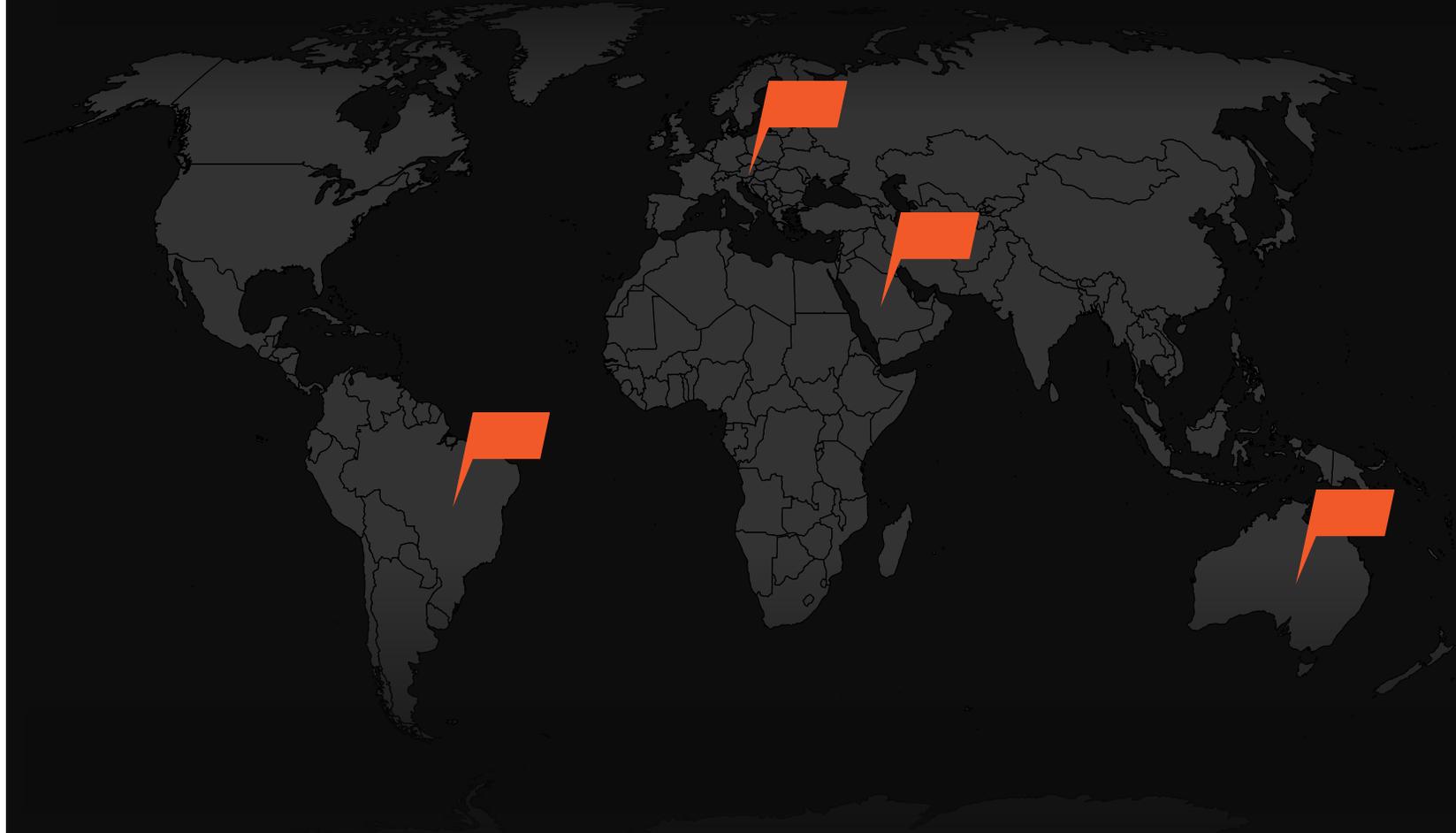


# Expanding Internationally

## KEY ACTIONS

Finalize international catalog and proprietary applications for vehicles not offered in the US

Place a regionally based business development team member in each of the largest truck and powersport regions (Europe, Middle East and Australia/New Zealand) and enter Brazil market now that we have obtained INMETRO Certification (awarded in 2023)

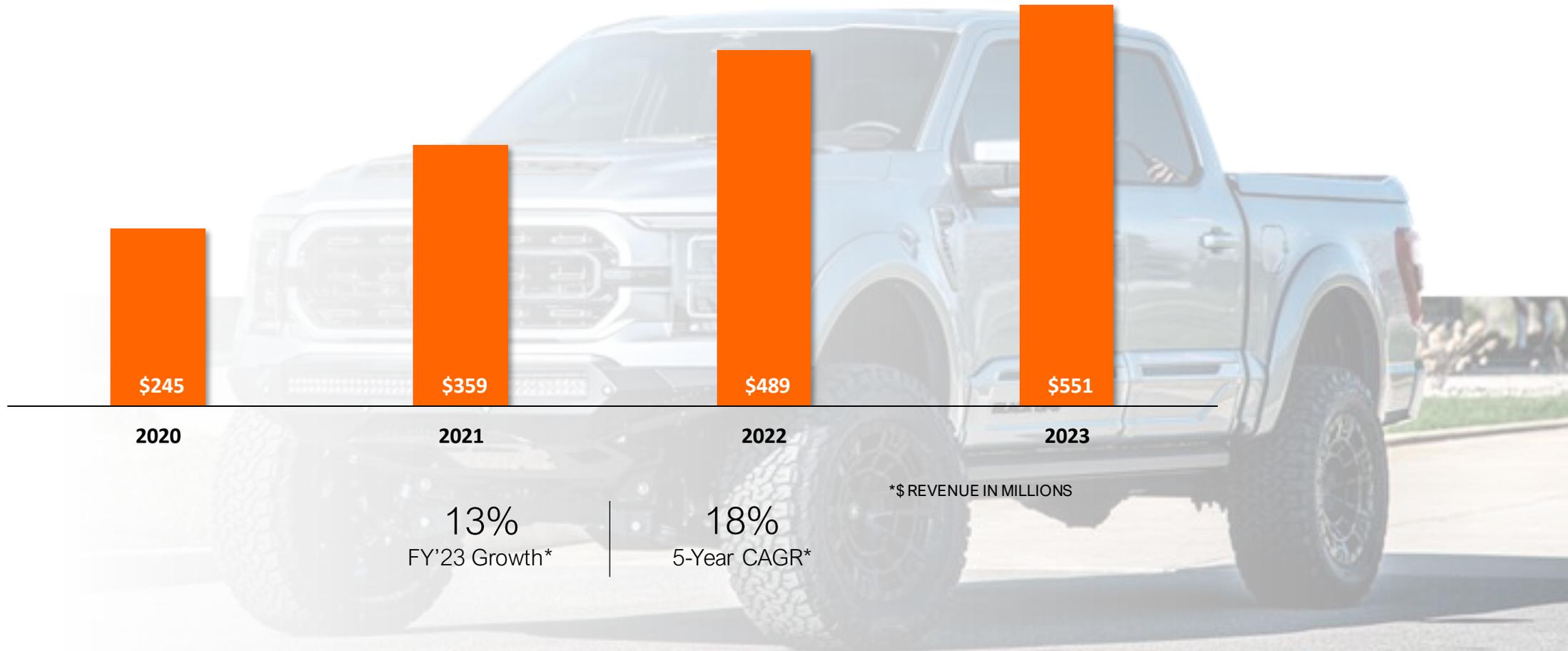


# Aftermarket Applications Group



# AAG Growth

Continued demonstration of our 1+1=3 strategy has enabled FOX to create a synergistic product portfolio, helping us expand our TAM, enter adjacent or new markets and deliver on low double-digit long-term growth target



# AAG Growth Strategy of 1+1 = 3

## FOX Factory Vehicles



Enthusiast defined performance, demonstrated in use case specific applications deliberately released to market

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Limited Run (pre-pay)

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Integrated Solutions / Individual Brands

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Halo Level Performance

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Deliberate Go-to-Market

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Direct Customer Relationship



## Strategic Partnership



Expanding reach into new use cases, channels and market opportunities with established leaders in the space

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Range of Engagements

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Expanded Applications

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New Media Experience is Key

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AM Innovation Lab

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Experience Base, Community Development



## Easy to Buy



Selling in a manner we haven't before: Integrated solutions, experience (not-gear head) based

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Common Marketplace

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Portfolio Sales (max revenue per relationship)

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International

# System of Synergies

Strong growth in off-road-capable powered vehicles (including those used in on-road sport/recreational markets) and acquisitions have enabled FOX to grow and provide premium packages to consumers who want to immediately blaze their own path

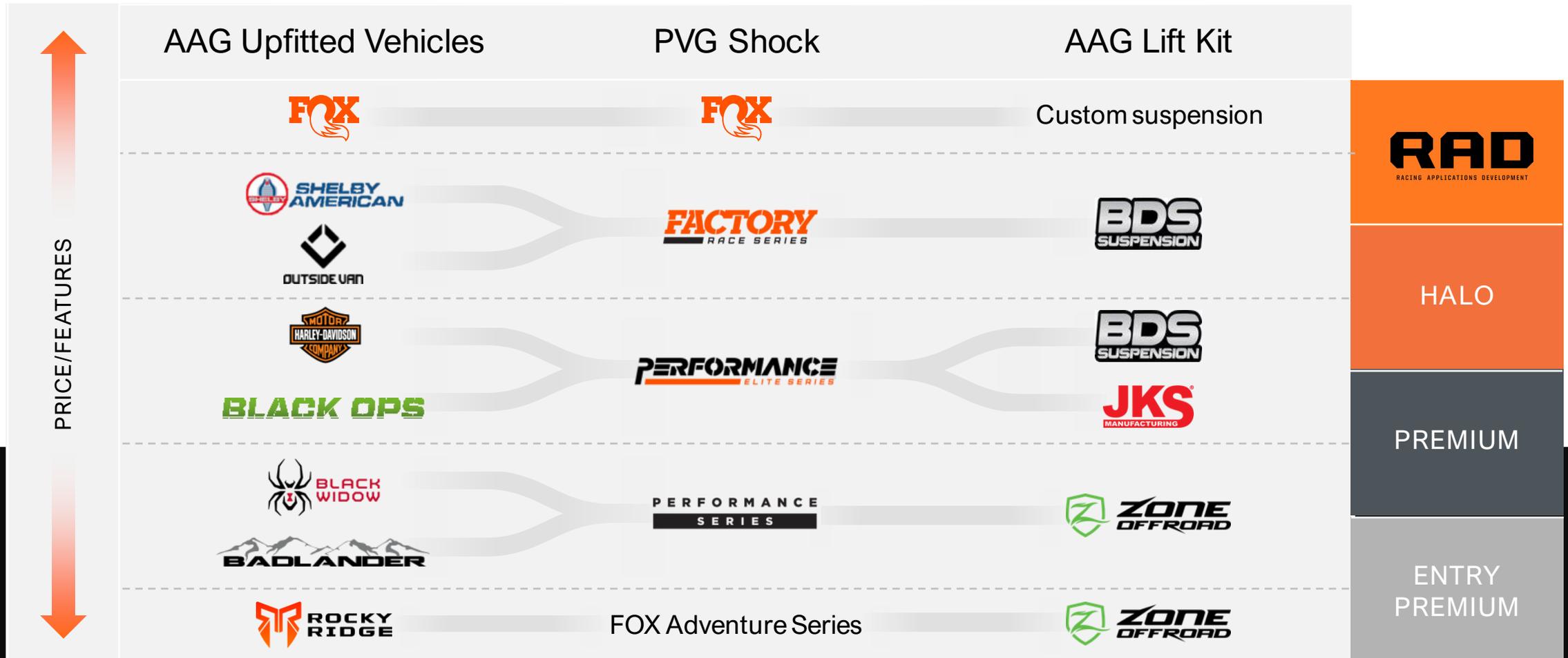
PREMIUM, RACE-PROVEN  
PRODUCT INNOVATION  
MANUFACTURED AT SCALE

DELIVERING CREDIBLE & ASPIRATIONAL  
VEHICLE EXPERIENCES THAT ACHIEVE  
MAXIMUM PERFORMANCE



# Vertical Integration Strategy In Action

Dynamic product portfolio engineered to maximize value at multiple market tiers



# TAM Growth Across all segments

New Vehicles				
Chassis (Units)	2.2m		701k	1.4m
Premium Chassis*	44k	440k	140k	260k
YOY	9.4%		-9.9%	2.7%
Avg order Value	\$14k	\$371		\$246

Existing Vehicles				
Chassis (Units)	52m			3.3m
YOY	4.0%			4.1%
Avg order Value	\$408		\$405	\$1.5k

OE's are pushing truck prices higher. Aside from the Raptor R and TRX models, they are also expanding their offerings in the luxury segment, which provides a natural TAM expansion opportunity for Fox.

The midsize truck segment is going through a refresh, with Chevrolet/GMC, Ford, and Toyota's all-new Tacoma offering refreshed products.

We are expanding into kits for customers who cannot afford higher-priced products in both domestic and international markets.

We are leveraging e-commerce to make the customer experience easy and enjoyable.

# Financial Review



# Financial Highlights

## Sales

FY' 21	FY' 22
\$1,299M	\$1,602M
FY' 22	FY' 23
\$1,602M	\$1,464M

+23%

-9%

## Adjusted EBITDA\*

FY' 21	FY' 22
\$264M	\$322M
FY' 22	FY' 23
\$322M	\$261M

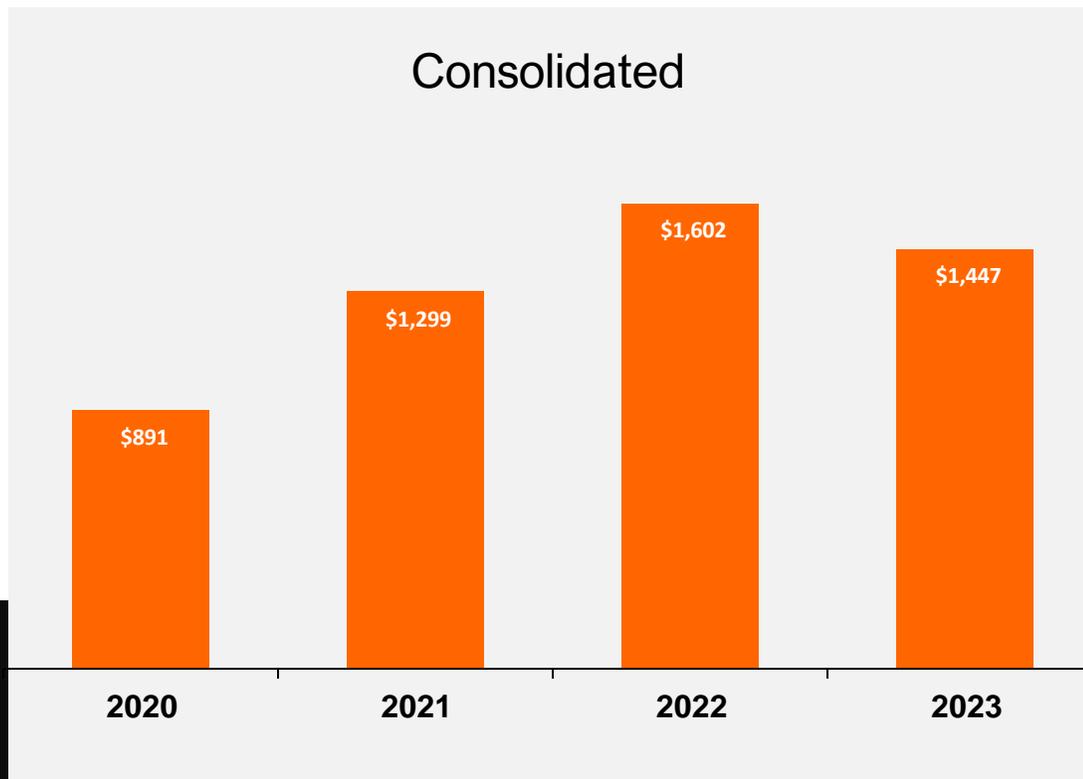
+22%

-19%

\*FOX defines adjusted EBITDA as net income adjusted for interest and other expense, net, income taxes, amortization of purchased intangibles, depreciation, non-cash stock-based compensation, strategic transformation costs, acquisition-related compensation expense, litigation and settlement-related costs, organization restructuring-related expenses, non-recurring property tax assessment and certain other acquisition and integration-related costs that are more fully described in the appendix.

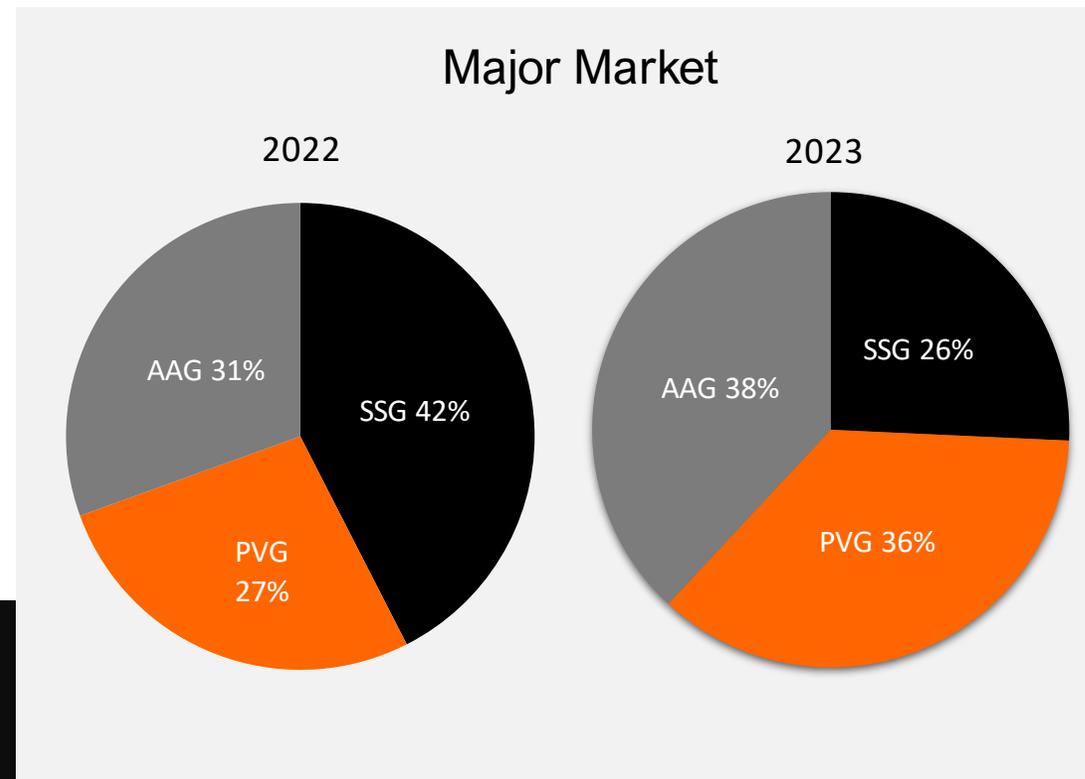
\*FY'23 includes \$17M of Marucci revenue. Deal closed Nov 14, 2023.

# Sales Growth (ex Marucci)



**-9.7%**  
FY'23  
GROWTH

**18%**  
CAGR



**23%**  
PVG  
CAGR

**1%**  
SSG  
CAGR

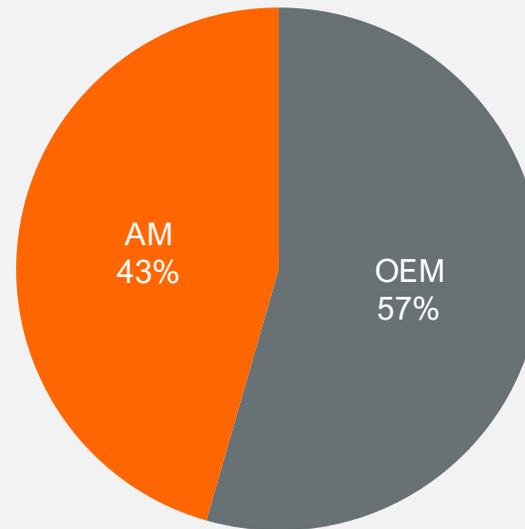
**31%**  
AAG  
CAGR

# Original Equipment & Aftermarket Segments (ex Marucci)

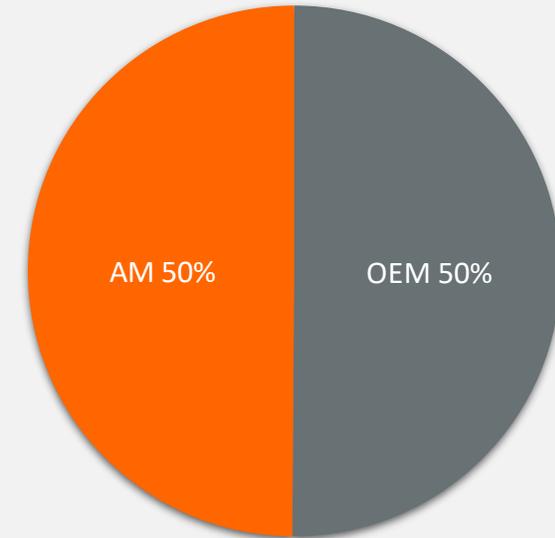
Leveraging aftermarket strength to drive OEM spec growth and expand customer base

FOX typically enters new markets in the **aftermarket channel** to drive end-consumer adoption and brand value, which often leads to **OEM spec wins**

Focused on maintaining a healthy balance between the two channels to sustain **long-term growth and competitive advantage**



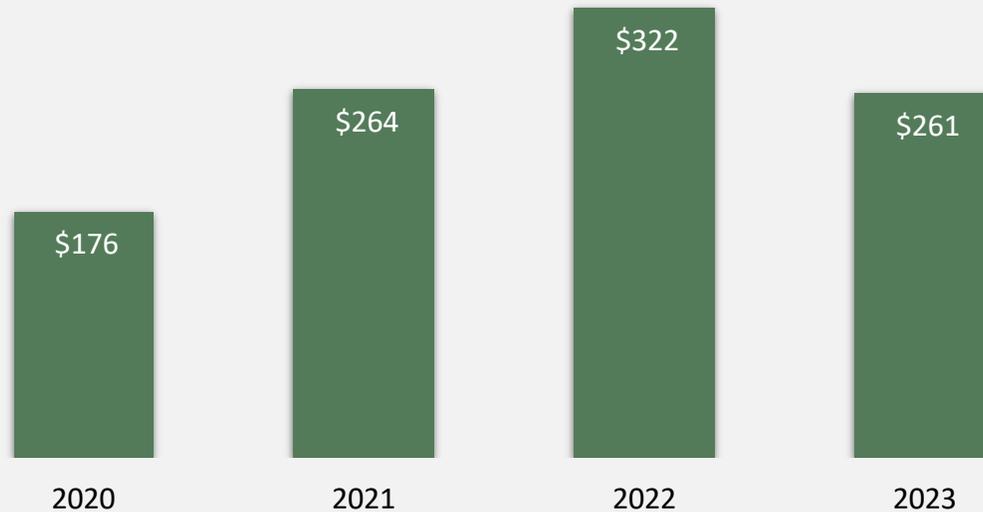
2022



2023

# Profitability (includes Marucci)

## ADJUSTED EBITDA



14%

3-Year CAGR

(19%) 17.8%

DECLINE MARGIN  
FY'23 ADJUSTED EBITDA

## Highlights

Opportunity exists to achieve strong sustainable Adjusted EBITDA Margins through continued improvement initiatives and growth

Initiatives Include:

Powered Vehicle manufacturing optimization

R&D platform expansion

Supply chain optimization in North America

Expansion of upfitting dealer network and content per truck

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

# Finding New Opportunities For Growth / Margin Improvement

## M&A Objectives

Adjacent  
markets



New product  
technologies



Geographic  
expansion



Synergistic with  
our vision and brand

***marucci***

# Capital Allocation

## Priorities

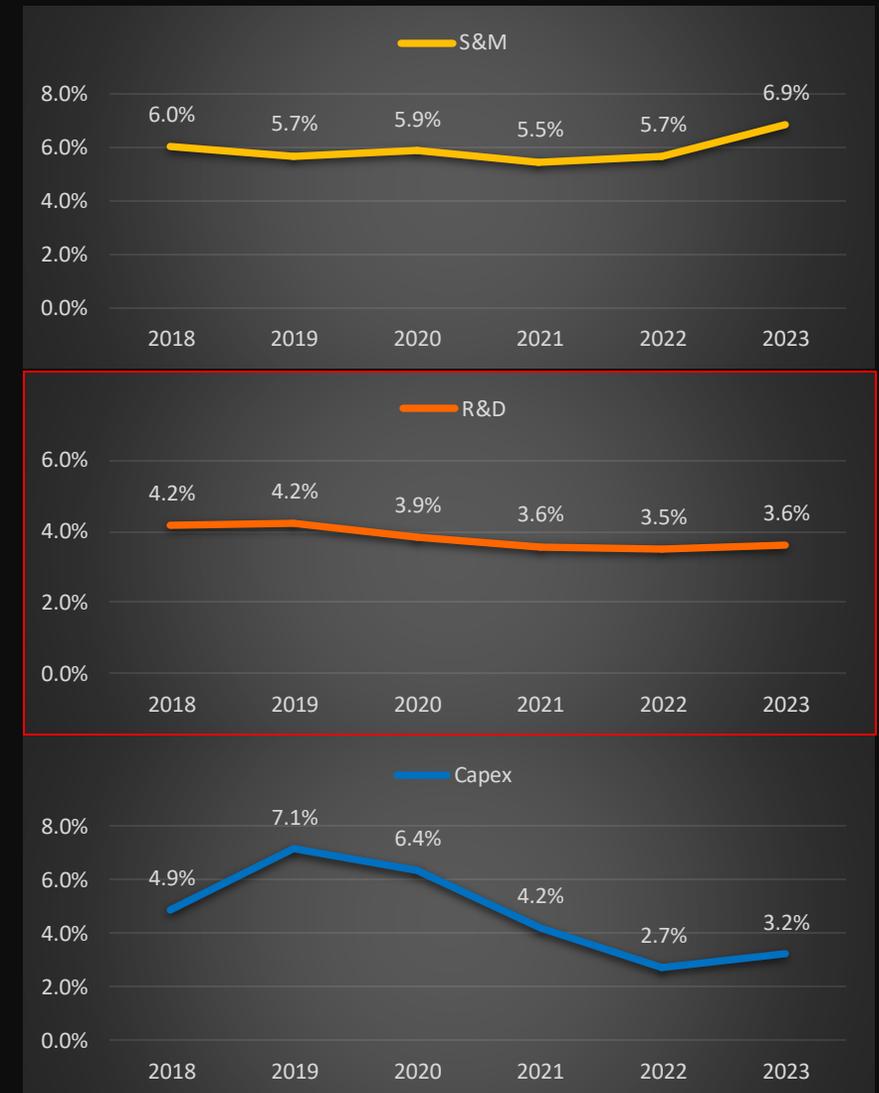
Organic Growth through investment in R&D, Sales, Marketing, and Capex

Debt Paydown

Inorganic Opportunities: Small opportunities in adjacent spaces to improve Revenue and/or EBITDA

Share Repurchase: Opportunistic to offset dilution

## Investing in our core is our single greatest return for the company



# Solid Liquidity & Cash Generation

Positive cash flow from operations provides additional flexibility

New Term Loan of \$400M, prepaid \$20M

Drew \$175M for Marucci in Nov 2023 after paying down debt associated with the March 2023 acquisition of CWH for \$131M

## Flexibility on capital allocation

### Net Leverage Ratio<sup>(1)</sup>

(1) Net leverage ratio is calculated using debt, less cash, to trailing 12-month adjusted EBITDA, including pro forma for recent acquisitions

FY'23

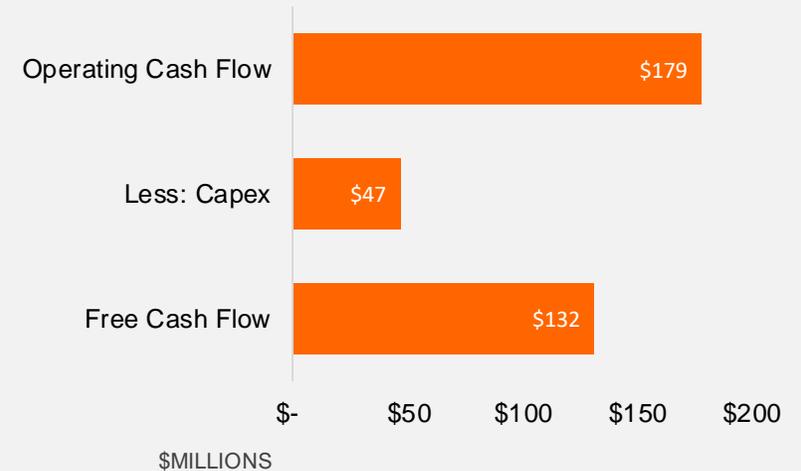
2.3x

LONG TERM

$\leq 3.0x$

### 2023

Expected long-term annual capex target of ~3.0-4.0% of sales.



# Share Repurchases

## Opportunistic repurchases through a disciplined/measured approach

### Share Repurchase Program Updates

- Purpose: Offset Dilution
  - Share buyback in Q4'23

	Shares Purchase	Avg Price	Buyback \$
Q4'23	427,555	\$58.44	\$25M

- Authorization Amount: \$300M
  - ~1% of ~42M shares outstanding as of Dec 29, 2023
- Timing: Program expires 5 years after date of inception (Nov 1<sup>st</sup>, 2023)

# Strong History of Creating Value Through Inorganic Growth

2013 2014 2015 2017 2019 2020 2021 2023



**TOXOHOLIC'S**  
SUSPENSION SERVICE CENTER



**EASTON**  
CYCLING

**RACE**  
**2FACE**

SPORT TRUCK USA



**TUSCANY**  
MOTOR CO.  
A DIVISION OF FOX FACTORY



**ridetech**



**SCA**  
PERFORMANCE  
PASSION. DRIVEN.



**OUTSIDE VAN**



**RC**  
RIDE CONCEPTS

Custom Wheel-House  
METHOD TENSOR GYZE dusty times

**marucci**

# Flexible Capital Structure

## Strong cash position and credit facility

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Cash position along with capacity on revolver provides adequate near-term liquidity

## Cash management

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Focused on imperative operational and strategic initiatives

Leveraging the lessons learned to improve our cash management moving forward

## Organic & Inorganic Growth

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Continued expansion of our core business

M&A screen for possible future acquisitions

## Share Repurchase

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Initiated ~\$300M share repurchase program

Primary purpose to offset any dilution

# Appendix



# Adjusted EBITDA Reconciliation

(\$ in Millions)	Fiscal Year				
	2019	2020	2021	2022	2023
Net Income	\$94.5	\$91.7	\$163.8	\$205.3	\$120.8
Provision for Income Taxes	14.1	12.8	24.6	28.5	17.8
Depreciation & Amortization	17.6	33.9	43.4	49.2	58.6
Non-Cash Stock-Based Compensation	6.9	8.6	13.9	16.4	16.5
Litigation and Settlement-Related Expenses	4.4	2.0	0.8	4.2	2.7
Other Acquisition and Integration Related Expenses (1)	2.7	14.9	5.5	1.7	19.2
Organizational restructuring expenses (2)	-	-	-	-	4.0
Loss on fixed asset disposals related to organization restructure	-	-	-	-	1.0
Strategic Transformation Costs (3)	1.7	2.8	3.4	2.8	-
Non-Recurring Property Tax Assessment (4)	-	-	-	0.8	-
Tax reform implementation costs	0.2	-	-	-	-
Interest and Other Expense, Net	4.1	9.6	8.5	12.9	20.4
<b>Adjusted EBITDA</b>	<b>\$146.2</b>	<b>\$176.3</b>	<b>\$263.9</b>	<b>\$321.8</b>	<b>\$261.0</b>
Divided by Sales	\$751.0	\$890.6	\$1,299.1	\$1,602.5	\$1,464.2
<b>Adjusted EBITDA margin</b>	<b>19.5%</b>	<b>19.8%</b>	<b>20.3%</b>	<b>20.1%</b>	<b>17.8%</b>

(1) Represents various acquisition-related costs and expenses incurred to integrate acquired entities into the Company's operations, excluding \$114 in stock-based compensation for the twelve months ended December 30, 2022, and the impact of the finished goods inventory valuation adjustment recorded in connection with the purchase of acquired assets, per period as follows:

(\$ in Millions)	Year To Date	
	Q4'22	Q4'23
Acquisition Related Costs and Expenses	1.7	6.2
Finished Goods Inventory Valuation Adjustment	-	13.0
Other Acquisition and Integration-Related Expenses	<b>1.7</b>	<b>19.2</b>

(2) Represents expenses associated with various restructuring initiatives, such as the reduction of our Specialty Sports Group workforce, excluding \$75 in stock-based compensation for the twelve month period ended December 29, 2023. For the twelve month period ended December 29, 2023, \$2,865 is classified as cost of sales and \$1,087 is classified as operating expense.

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

(4) Represents amounts paid for a non-recurring property tax assessment.

# Thank You

RIDEFOX.COM



WE'RE NEVER DONE

