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

FORM 10-K

(Mark One)

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

For the fiscal year ended January 2, 2026

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)

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If any 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

Based upon the closing price of the registrant's common stock on the NASDAQ Global Select Market on July 4, 2025 (the last business day of the registrant's most recently completed second fiscal quarter), the approximate aggregate market value of the common stock held by non-affiliates of the registrant was approximately $736,414,775. As of February 19, 2026, there were 41,802,281 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference in Part III, Items 10-14 of this Annual Report on Form 10-K.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K 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 United States ("U.S.") Securities and Exchange Commission ("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" 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 Annual Report on Form 10-K are subject to numerous risks and uncertainties, including but not limited to risks related to:

- *changes in general economic conditions, including, among others, market and macro-economic disruptions resulting from escalating tensions between China and Taiwan, or similar events, due to inflation, higher interest rates, or tariffs, or due to the spread of infectious or contagious disease or public health issues;*
- *our dependency on a limited number of suppliers for materials, component parts, and product 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;*
- *our ability to increase our aftermarket penetration;*
- *our ability to accelerate international growth;*
- *our exposure to currency exchange rate fluctuations;*
- *the loss of key customers;*
- *our ability to accurately forecast demand for our products;*
- *our ability to improve operating and supply chain efficiencies;*
- *changes in commodity, freight, and tariff costs (including tariff relief or our ability to mitigate tariffs, particularly in light of the policies of the current presidential administration and retaliatory actions in response thereto);*
- *our ability to mitigate increasing input costs through pricing or other measures;*
- *economic conditions that impact consumer spending or consumer credit, including changes in inflation or interest rates;*
- *our ability to enforce our intellectual property rights;*
- *our future financial performance, including our net sales, cost of sales, gross profit or gross margins, operating expenses, ability to generate positive cash flow and ability to maintain our profitability, ability to remain in compliance with financial covenants;*
- *our ability to maintain our premium brand image and high-performance products;*
- *our ability to execute our cost optimization efforts;*
- *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 and effectively compete against competitors;*
- *changes in demand for performance-defining products;*
- *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;*
- *the outcome of pending litigation;*
- *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, tariffs, international trade policies and other regulatory matters;*
- *our ability to assess and monitor the effects of new technological applications, such as artificial intelligence, on our business and operations;*
- *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 Annual Report on Form 10-K 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 Annual Report on Form 10-K, the risks, uncertainties and other factors expressed or implied discussed in *Item 1A. Risk Factors* *of this Annual Report on Form 10-K 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 Annual Report on Form 10-K. 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 Annual Report on Form 10-K 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 Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K 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.

Fox Factory Holding Corp.
FORM 10-K
Table of Contents

PART I

ITEM 1. BUSINESS

Our company, Fox Factory Holding Corp., is a global leader in the design, engineering, manufacturing and marketing of premium products and systems that deliver championship-level performance for customers worldwide. Fox Factory Holding Corp. is the holding company of Fox Factory, Inc. As used herein, "Fox Factory," "FOX," the "Company," "we," "our," and similar terms refer to Fox Factory Holding Corp. and its subsidiaries, unless the context indicates otherwise. 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, motorcycles and specialty vehicles and applications. In addition, we also offer premium baseball and softball gear and equipment. Some 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-consumer channels.

Fox Factory, Inc., our operating subsidiary, was incorporated in California in 1978. Fox Factory Holding Corp. was incorporated in Delaware on December 28, 2007. In October 2018, we announced the relocation of our business headquarters from Scotts Valley, California to Braselton, Georgia, which was effective on December 31, 2018. In June 2021, we established a principal executive office in Duluth, Georgia.

In August 2013, we completed an initial public offering ("IPO") of our common stock. Our common stock is traded on the NASDAQ Global Select Market (the "NASDAQ") under the symbol "FOXF."

Description of our business

We design, engineer, manufacture and market performance-defining products and systems used primarily on bikes, off-road vehicles and trucks, side-by-sides, on-road vehicles with and without off-road capabilities, ATVs, snowmobiles, and specialty vehicles and applications, and premium baseball and softball gear and equipment. We believe our products offer innovative design, performance, durability and reliability. Our brand is associated with high-performance and technologically advanced products, by which we generally mean products that provide users with improved control and comfort while riding over rough terrain in varied environments or providing improved control and responsiveness for on-road only vehicles or out on a ball field. We believe that the performance of our products has been demonstrated by, and our brand benefits from, the success of professional athletes who use our products in elite competitive events, such as the Olympic Games, the Union Cycliste Internationale Mountain Bike World Cup, the X Games, the Dakar Rally, the Baja 1000, and professional baseball, including Major League Baseball. We believe the exposure our products receive when used by successful professional athletes positively influences the purchasing habits of enthusiasts and other consumers seeking high-performance products. We believe that our strategic focus on the performance and racing segments in our markets influences many aspiring and enthusiast consumers who we believe seek to emulate the performance of professional and other elite athletes.

We design our products for, and market our products to, some of the world's leading cycling and automotive OEMs and to consumers through the aftermarket channel. Many of our OEM customers, including Specialized, Trek Bicycles, Giant, Cube, Orbea, Canyon Bicycles, Santa Cruz Bicycles, and Yeti Cycles in Specialty Sports and BRP, Ford Motor Company ("Ford"), Polaris, Toyota, 4 Wheel Parts, Kawasaki, Yamaha, Stellantis, CF Moto, Honda, BMW, Ducati, Triumph, Moto Morini, and MV Agusta in Powered Vehicles and Aftermarket Applications, are among the market leaders in their respective product categories, and help shape, as well as respond to, consumer trends in their respective categories. We believe that OEMs often prominently display and incorporate our products to improve marketability and consumer demand for their performance models, which reinforces our brand image. In addition, consumers select our products in the aftermarket channel where we market through a global network of dealers and distributors, as well as our direct to customer platforms.

Industry

We participate in large global markets for bikes, powered vehicles, and baseball equipment used by recreational and professional consumers. Today, our products for bicycles are primarily for mountain bikes, e-bikes and gravel bikes. Our products for powered vehicles are used primarily on off-road vehicles and trucks, on-road vehicles with and without off-road capabilities, side-by-sides, ATVs, snowmobiles, specialty vehicles and applications, including military, and motorcycles.

We focus on premium-priced products within each of these categories, which we consider to be the high-end segment because of their higher retail sale prices, where we believe consumers prefer well-designed, performance-oriented equipment. We believe that performance-defining products, which include suspension systems, as well as wheels, cranks, and other components, are critical to the performance of the bikes and powered vehicles in the product categories in which we focus and that technical features, component performance, product design, durability, reliability, and brand recognition strongly influence consumer-purchasing decisions.

We believe the high-end segments in which we participate are well positioned for growth due to several factors, including:

- increasing consumer appetite for performance-defining products;
- increasing average retail sales prices, which we believe are driven by differentiated and feature-rich products with advanced technologies;
- continuing product cycle innovation, which we observed often motivates consumers to upgrade and purchase new products for enhanced performance; and
- increasing sales opportunities for high-end bikes, powered vehicles, and premium baseball equipment in international markets.

As vehicles in our end-markets evolve and grow more capable, performance-defining products and systems have become, and we believe will continue to be, increasingly more important for improved performance and control. Additionally, we believe there are opportunities to continue to leverage our technical know-how of suspension products to provide solutions beyond our current applications and end-markets.

Our competitive strengths

Broad offering of performance-defining products across multiple consumer markets

Our performance-defining products enhance vehicle performance across multiple consumer markets. Through the use of adjustable suspension, position sensitive damping, multiple air spring technologies, lightweight and rigid materials, and other technologies and methods, our products improve the performance and control of the vehicles used by our consumers. We believe our reputation for performance-defining products is reinforced by the successful finishes in world class competitive events by athletes incorporating our products in their vehicles, gear and equipment.

Premium brand with strong consumer loyalty

We believe that we developed a reputation for performance-defining products and that we own and license established trademarks, such as FOX®, FOX RACING SHOX®, BLACK WIDOW®, ROCKY RIDGE®, METHOD RACE WHEELS®, BDS®, BAJA KITS®, RACE FACE®, MARZOCCHI®, MARUCCI®, VICTUS®, BAUM BAT®, LIZARD SKINS®, and BASEBALL PERFORMANCE LAB®, which are perceived as premium brands. As such, our performance-defining products are generally sold at premium prices. We take great effort to maintain our brands in the eyes of consumers. For instance, our FOX® logo is prominently displayed on our FOX® branded products used on bikes and powered vehicles sold by our OEM customers, which helps further reinforce our brand image. We believe that our brands achieved strong loyalty from our consumers. To support our brands, we introduce new products that we believe feature innovative technologies designed to improve performance and enhance our brand loyalty with consumers.

Track record of innovation and new product introductions

Innovation, including new product development, is a key component of our growth strategy. Due to our experience in suspension engineering and design in multiple markets and with a variety of vehicles, solutions we develop for use in one market can ultimately be deployed across multiple markets. For example, we believe our success in the high-end ATV category led to the widespread adoption of our suspension technology in the side-by-side market. Our innovative product development and speed to market are supported by:

- our racing culture, including on-site technical race support for professional athletes, which provides us with unique real-time insights as to the evolving performance-defining product needs of those participating in challenging world-class events and is an integral part of our research and development efforts;
- ongoing research and development through a team of full-time engineers and numerous other technicians and employees who spend at least part of their time testing and using our products and helping develop engineering-based solutions to enhance our product offerings;
- feedback from professional athletes, race teams, enthusiasts and other consumers who use our products;
- strategic and collaborative relationships with OEM customers, which furthers our ability to extend technologies and applications across end-markets; and
- our integrated manufacturing facilities and performance testing centers, which allow us to quickly move from concept to product.

Over the past several years, we developed multiple new products, such as:

- Fox Factory Silverado 1500, the first Fox upfitted vehicle showcasing Semi-Active Dual Live Valve Shocks, Baja Kits Long-Travel Suspension with 15” Wheel Travel, Supercharged to 700, and a host of additional exclusive performance and design upgrades.
- Semi-active Dual Live Valve shocks with compression and rebound control, for ultimate confidence and control, which such technology is currently being used in utility terrain vehicles (“UTVs”) and the top tier of off-road performance trucks;
- Live Valve, our proprietary semi-active, electronic suspension that processes data from multiple vehicle sensors to adjust the suspension virtually instantaneously to the demands of changing terrain, which such technology is currently used in UTVs, trucks, and mountain bikes;
- The next generation of Live Valve combined with a 3.1-inch diameter anodized aluminum shock body, specifically designed to withstand the higher internal pressures created by the new valve’s wider dynamic range, which such technology has been adopted at the top tier of trucks in the U.S.;
- Electronically adjustable rear suspension pre-load allowing a user to easily compensate for the additional weight and bring a vehicle back to optimal ride height, which such technology is currently in use on select motorcycles to adapt to added passenger and luggage weight without using tools;
- Ridetech RidePro E5 Air Suspension Control System, improving comfort and performance to your vehicle, which is currently being used in many classic muscle car and truck applications;
- Ridetech 62-67 Nova Suspension System (Coil-Over & Air), complete suspension upgrades with either coil or air sprung adjustable shocks that bring modern performance to vintage and classic muscle cars;
- Ridetech 67-69 Camaro Subframe – this product goes one step beyond Ridetech’s suspension kits and replaces the entire subframe to allow larger wheel and tire fitments, modern steering and modern powertrains. This gives consumers the option to solve many pain points with a single product that delivers performance gains beyond that of a typical suspension-only upgrade;
- XT Series of lift kits to better serve the go-fast off-road market. These suspension kits come standard with top of the line shock technology;
- BDS Tundra Lift Kits incorporate Toyota Tundra that provide shock, suspension and ground clearance upgrades to aid off-road performance;
- Market leading 3-4” Bronco suspension lift products that are custom designed to each model configuration and that range from load spacers and coil-overs, to remote adjustable shocks for increased off-road performance, comfort and control;
- Fox Grip SL, Grip X and Grip X2 line of innovative dampers for all Fox Factory series forks. This new line of innovative dampers builds off the highly successful and race proven GRIP architecture. Further living into our purpose-built suspension philosophy; the Grip SL is focused on XC and endurance applications, Grip X on-trail and all-mountain riding, and Grip X2 is our highest performing gravity-focusing damper. The Grip X2 damper was awarded 2024 suspension product of the year by the largest global mountain bike media site (Pinkbike.com).
- Rhythm series fork products developed to address a lower price point offering without compromising proven FOX performance;
- FOX AWL suspension fork for the growing electronic sports utility vehicle commuter and e-mobility segment combining the confidence and stability of off-road capable suspension with the convenience of direct mount compatibility with full wrap fenders, lights, and anti-lock braking system, which such technology is found on a wide range of electric bikes;
- Race Face Vault Hub, a 120-point high-engagement mountain bike hubset featuring tool-free end caps that simplify conversion among all major axle standards and is approved for e-bike applications, which such technology is found in select Race Face mountain bike wheels and as standalone hubs;
- Easton EC90 SL Crankset, a versatile and ultralight gravel road bike crankset that allows quick conversion between 1x and 2x chainring configurations;
- Method Raised Wheels, a series of new wheels featuring innovative new styles ranging from bold to sophisticated. Raised series of wheels is a fusion of design and best structural warranty, giving consumers unmatched visual appeal and peace of mind;
- The Marucci CATX2, a premium metal baseball bat engineered for elite performance, that features patented anti-vibration technology in both the knob and the end of the barrel for a smoother swing;
- The Marucci MXB Footwear Collection, the first baseball and softball footwear to feature the BOA® Fit System, allowing a more personalized fit for athletes during play;

- The Marucci CATX Puck Knob, the first metal bat featuring an integrated puck knob that optimizes the weight distribution of the bat;
- FOX Live Valve Aftermarket Kit, the most advanced semi active suspension that enables aftermarket upgrades for sport utility vehicles ("SUV") and trucks;
- Strut for Mercedes Sprinter Van, Performance Elite and Factory Race Series;
- QSE Link for Jeep JL and JT, 2025 SEMA Best Truck and Offroad Product winner; and
- Street Performance shocks for Corvette and Challenger.

Strategic brand for OEMs, dealers and distributors, and retailers

Through our strategic relationships, we are often sought out by our OEM customers and work closely with them to develop and design new products and product enhancements. We believe our collaborative approach and product development processes strengthen our relationships with our OEM customers. We believe consumers value our branded products when selecting performance bikes and powered vehicles, and as a result, OEMs purchase and incorporate our products in their bikes and powered vehicles in order to increase the sales of their premium-priced products. In addition, we believe the inclusion of our products on high-end bikes and powered vehicles reinforces our premium brand image which helps to drive our sales in the aftermarket channel where dealers and distributors sell our products to consumers.

Experienced management team

We have an experienced senior management team led by Michael C. Dennison, our Chief Executive Officer. Many members of our management team and many of our employees are avid users of our products, which further extends their knowledge of, and expertise in, our products and end-markets. We are able to attract and retain highly trained and specialized employees who enhance our Company culture and serve as strong brand advocates.

Our strategy

Our goal is to expand our leadership position in designing, engineering, manufacturing and marketing performance-defining products designed to enhance ride dynamics and performance. We intend to focus on the following key strategies in pursuit of this goal:

Continue to develop new and innovative products in current end-markets

We intend to continue to develop and introduce new and innovative products in our current end-markets to improve ride dynamics and performance for our consumers. For example, our patented position-sensitive damping systems provide terrain optimized ride characteristics across many of our product lines. We believe that performance and control are important to our consumer base, and that our frequent introduction of products with innovative and improved technologies increases both OEM and aftermarket demand as consumers seek out products for their vehicles that can deliver these characteristics. We also believe evolving market trends, such as changing bike wheel and tire sizes and increasing adoption rates of off-road capable, on-road trucks should increase demand for vehicles in our end-markets, which, in turn, should increase demand for our suspension products.

Leverage technology and brand to expand into new categories and end-markets

We believe innovation is the foundation of our company. As we continue to leverage the latest technology to develop a diverse portfolio of performance-defining products, our Powered Vehicle Group facility extends our ability to not only scale to newer levels but also do it efficiently. We have great relations with our OEM and aftermarket partners and given our key distinct strengths, we believe we have and will continue to win more applications. Leveraging our technology and scale, we successfully expanded into recreational vehicles and street car applications, international truck and SUV applications, and entry premium bike applications, and we believe there are opportunities to further penetrate these markets and grow with more pioneering product applications. Additionally, to grow our end user base, we are now looking at ways to explore international opportunities with some of our applications.

Opportunistically expand our business platform through acquisitions

Over the past several years, we completed acquisitions that we believe enhance our business and strategically expand our product offerings. In March 2023, we purchased all of the outstanding equity of CWH Blocker Corp., ("Blocker"), and thereafter, through Blocker, acquired all of the outstanding equity interest of CWH Holdco, LLC, the parent company of Custom Wheel House, LLC ("Custom Wheel House"). Custom Wheel House is a designer, marketer, and distributor of high-performance wheels, performance off-road tires, and accessories, including the premier flagship brand Method Race Wheels. In November 2023, through our wholly owned subsidiary, Marucci Merger Sub, Inc., we acquired substantially all the issued and outstanding capital stock of Wheelhouse Holdings, Inc., the parent company of Marucci Sports, LLC ("Marucci"), a leading designer, manufacturer, and marketer of highly engineered premium wood, aluminum and composite baseball bats as well as other diamond sports products. In December 2024, through our wholly owned subsidiary, Marzocchi Suspension Holding S.r.l., we acquired all of the outstanding equity of Marzocchi Suspension S.r.l. ("Marzocchi"), a leader in motorbike suspension manufacturing. The Company expects that these acquisitions will continue to support the expansion of its North American geographic manufacturing footprint and the broadening of its product offerings in the automotive and sport industries. We believe there is opportunity to expand our total available market by broadening our acquisition focus to include a more diverse range of performance products that add to or improve our customers' enjoyment of their activities of choice. We also believe that our passionate customer base has a desire for other types of performance products beyond those that attach to a vehicle or bike.

Increase our aftermarket penetration

We currently have a broad aftermarket distribution network of thousands of retail dealers and distributors worldwide. We intend to further penetrate the aftermarket channel by selectively adding dealers and distributors in certain geographic markets, increasing our internal sales force and strategically expanding aftermarket-specific products and services to existing vehicle platforms.

Accelerate international growth

We believe international expansion represents a significant opportunity for us and we have, and intend to continue to, selectively increase infrastructure investments and focus on identified geographic regions. We believe that rising consumer discretionary income in a number of developing markets and increasing consumer preferences for premium performance bikes and powered vehicles should contribute to increasing demand for our products. In addition, we believe increasing international viewership of racing and extreme sports and other outdoor events, such as the Union Cycliste Internationale Mountain Bike World Cup and the X Games, is contributing to the growth of international participation in activities in which our products are used. We intend to leverage the recognition of our brands to capitalize on these trends by globally increasing our sales to both OEMs and dealers and distributors, particularly in markets where we perceive significant opportunities.

Seasonality

Certain portions of our business are seasonal; we believe this seasonality is due to the delivery of new products. As we diversified our product offerings and our product launch cycles, seasonal fluctuations are becoming less material.

Competition

The markets for performance-defining products are highly competitive. We compete with other companies that produce products for sale to OEMs, dealers and distributors, and retailers as well as with OEMs that produce their own line of products for their own use. Some of our competitors may have greater financial, research and development or marketing resources than we do. Competition in the high-end segment of the performance-defining market revolves around technical features, performance, product design, innovation, reliability and durability, brand, time to market, customer service and reliable order execution. While the pricing of competing products is always a factor, we believe the performance of our products helps justify our premium pricing. Within our markets, we compete with several large companies and numerous small companies that provide branded and unbranded products across many of our product lines. These competitors can be divided into the following categories:

Powered Vehicles Group (“PVG”)

Within the market for off-road and specialty vehicle suspension components, we compete with ThyssenKrupp Bilstein Suspension GmbH (commonly known as “Bilstein”), King Shock Technology, Inc. (commonly known as “King Shocks”), Icon Vehicle Dynamics, Sway-A-Way, Pro Comp USA Suspension, Rancho (commonly known as “Tenneco”), and others.

Within the market for powered vehicle suspension components, we compete with several companies in different submarkets. In the ATV and side-by-side markets, outside of vertically-integrated OEMs, we compete with ZF Sachs (ZF Friedrichshafen AG), and Walker Evans Racing for OEM business and Elka Suspension Inc., Öhlins Racing AB, Works Performance Products, and Penske Racing Shocks / Custom Axis, Inc. for aftermarket business, and others. In the snowmobile market, we compete with KYB (Kayaba Industry Co., Ltd.), Öhlins Racing AB, Walker Evans Racing, Works Performance Products, Inc., Penske Racing Shocks / Custom Axis, Inc, and others.

Aftermarket Applications Group (“AAG”)

In the market for suspension systems, or lift kits, we compete with TransAmerican Wholesale/Pro Comp USA, Rough Country Suspension Systems, TeraFlex, Falcon, ReadyLIFT Suspension, Tuff Country EZ-Ride Suspension, Rusty’s Off-Road, MTS Offroad, Thumper Fab, and others.

In the market for upfitted vehicles, we compete with Roush Performance, Waldoch, Sherrod Vans, American Luxury Coach, DSI Custom Vehicles, Storyteller Overland, Remote Vans, Winnebago, Airstream, Grench, Grit Overland, Roadtrek, Pleasureway, Benchmark, Sync Vans, Titan Van, Off Highway Vans, and others. In the market for aftermarket wheels, we compete with Wheel Pros (KMC, Black Rhino, Fuel, XD Wheels) and Raceline, as well as others.

Specialty Sports Group (“SSG”)

Within the market for bike suspension components, we compete with several companies that manufacture front and rear suspension products, including RockShox (a subsidiary of SRAM Corp.), X-Fusion Shox (a wholly owned subsidiary of A-Pro), Manitou (a subsidiary of HB Performance Systems), SR Suntour, DT Swiss (a subsidiary of Vereinigte Drahtwerke AG), Cane Creek Cycling, DVO Suspension, Bos-Mountain Bike Suspensions, and Öhlins Racing AB. In the market for other bike components, we compete with SRAM, Truvativ and Zipp (all subsidiaries of SRAM Corp.), DT Swiss (a subsidiary of Vereinigte Drahtwerke AG), Mavic (a subsidiary of Bourrelier), and Shimano, as well as others.

Within the market for baseball and softball gear and equipment, we compete with offerings from multiple large baseball equipment manufacturers, including Easton (under the Easton and Rawlings brands) and Wilson Sporting Goods Company (under the Wilson, DeMarini, Louisville Slugger, and Evoshield brands), and numerous smaller wood bat specific brands including Old Hickory, Chandler Bats, Tucci, Dove Tail, Sam Bat, and D-Bat, as well as others.

Our products

We design, engineer and manufacture performance-defining products, of which a significant portion are suspension products. These suspension products dissipate the energy and force generated by bikes and powered vehicles while they are in motion. Suspension products allow wheels or skis (in the case of snowmobiles) to move up and down to absorb bumps and shocks while maintaining contact with the ground for better control. Our products use adjustable suspension, position-sensitive damping, electronically controllable damping, multiple air spring technologies, low weight and structural rigidity, all of which improve user control for greater performance. We also offer premium baseball and softball gear and equipment.

We use high-grade materials in our products and developed a number of sophisticated assembly processes to maintain quality across all product lines. Our suspension products are assembled according to precise specifications throughout the assembly process to create consistently high-performance levels and customer satisfaction.

Powered Vehicles

In our powered vehicle product categories, we offer premium products under the FOX brand for off-road vehicles and trucks, side-by-sides, on-road vehicles with and without off-road capabilities, ATVs, snowmobiles, specialty vehicles and applications, and motorcycles. In each of the years ended January 2, 2026, January 3, 2025 and December 29, 2023, approximately 33%, 33% and 36%, respectively, of our net sales were attributable to net sales of powered vehicles related products.

Products for these vehicles are designed for use on roads, trail riding, racing, and to help maximize performance and comfort. Our products have also been used on limited quantities of off-road military vehicles and other small-scale select military applications. Our aftermarket truck suspension component products in the powered vehicles category range from two-inch bolt-on shocks to our patented position sensitive internal bypass shocks. In addition, we manufacture suspension systems that enhance the handling and ride quality of muscle cars, trucks, sports cars and hot rods. With the recent acquisition of Marzocchi in 2024, we expanded our product portfolio to include Marzocchi motorcycle shocks, forks, cushioning, and hydraulic components. This acquisition enhances our market position by aligning us with Marzocchi's established client base, which includes leading motorcycle manufacturers such as Ducati, BMW, and Triumph.

Aftermarket Applications

Our range of aftermarket applications products includes premium products under the BDS Suspension, Zone Offroad, JKS Manufacturing, RT Pro UTV, 4x4 Posi-Lok, Ridetech, Fox Factory Vehicles, Black Widow, Rocky Ridge, Outside Van, and Custom Wheel House brands, including Method Race Wheels, 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. In each of the years ended January 2, 2026, January 3, 2025 and December 29, 2023, approximately 32%, 30% and 38%, respectively, of our net sales were attributable to net sales of aftermarket applications related products.

We also offer lift kits and components with our shock products and aftermarket accessory packages for use in trucks, suspension tuning services and high-performance wheels, and off-road tires and accessories. Our upfitting category leverages our strong partnerships with Ford, General Motors, Jeep, Nissan and RAM, enabling us to obtain truck, van and SUV chassis directly from the manufacturers' facilities. We seek to improve each vehicle's capability with high quality, proprietary components and products, such as lift kits, shock products, superchargers, interior accessories, wheels, tires, lighting, and body enhancements, while still maintaining the factory warranty and safety standards that our customers expect. Our upfitting category includes brands such as Black Widow, Rocky Ridge, Badlander, Black Ops, Harley-Davidson and Shelby American.

Specialty Sports

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. Primarily for the mountain bike market, we offer mid-end and high-end front fork and rear suspension products designed for cross-country, trail, all-mountain, free-ride and downhill riding. Our mountain bike suspension products are sold in five series and under the Marzocchi brand: (i) our Marzocchi BOMBER series, designed for a rider who values ease of use over adjustability; (ii) our FOX Rhythm series, designed to provide FOX performance at the entry price point of the high-end mountain bikes segment; (iii) our FOX Performance series, designed for demanding enthusiasts; (iv) our FOX Performance Elite series, designed for experienced and expert riders; and (v) our FOX Factory series, designed for maximum performance at a professional level. We also offer mountain and gravel bike wheels and other performance-defining cycling components under the Race Face and Easton Cycling brands including cranks, chainrings, pedals, bars, stems, and seat posts.

We offer six categories of baseball and softball products under the Marucci brands: (i) metal bats, (ii) wood bats, (iii) apparel & accessories, (iv) batting gloves, (v) fielding gloves, and (vi) bags & protective equipment. Our product strategy encompasses producing high quality products recognized by consumers for their performance, craftsmanship, and value, and building on a rich history to introduce innovative new products.

In each of the years ended January 2, 2026, January 3, 2025 and December 29, 2023, approximately 35%, 37% and 26%, respectively, of our net sales were attributable to net sales of specialty sports-related products.

Research and development

Research and development are at the core of our product innovation and market leadership strategy. We have a growing team of engineers and technicians focused on designing innovative products and developing engineering-based solutions to enhance our product offerings. In addition, a large number of our other employees, many of whom use our products in their recreational activities, contribute to our research and development and product innovation initiatives. Their involvement in the development of new products ranges from participating in initial brainstorming sessions to test riding products in development. Product development also includes collaborating with OEM customers across end-markets, field testing by professional athletes and sponsored race teams and working with enthusiasts and other users of our products. This feedback helps us to develop innovative products that meet our demanding standards as well as the evolving needs of professional and recreational end users and to quickly commercialize these products.

Our research and development activities are supported by state-of-the-art engineering software design tools, integrated manufacturing facilities and a performance-testing center equipped to enhance product safety, durability and performance. Our testing center collects data and tests products prior to and after commercial introduction. Suspension products undergo a variety of rigorous performance and accelerated life tests before they are introduced into the market. Baseball and softball products are also subject to rigorous product validation on the field and in the Marucci performance lab where professional and amateur players test and provide feedback before product rollout and distribution. Research and development expenses totaled approximately $69.4 million, $60.3 million and $53.2 million in fiscal years 2025, 2024 and 2023, respectively.

Intellectual property

Intellectual property is an important aspect of our business. We rely upon a combination of patents, trademarks, trade names, licensing arrangements, trade secrets, know-how and proprietary technology to secure and protect our intellectual property rights.

Our intellectual property counsel diligently protects our new technologies with patents and trademarks and defends against patent infringement allegations. We patent our proprietary technologies related to vehicle suspension and other products in the U.S. and various foreign patent offices. Our principal intellectual property also includes our registered trademarks in the U.S. and a number of international jurisdictions, including the marks of FOX® and others from our subsidiaries. Although our intellectual property is important to our business operations and constitutes a valuable asset in the aggregate, we do not believe that any single patent, trademark or trade secret is critical to the success of our business as a whole. We cannot be certain that our patent applications will be issued or that any issued patents will provide us with any competitive advantages or will not be challenged by third parties.

In addition to the foregoing protections, we generally control access to and use of our proprietary and other confidential information using internal and external controls, including contractual protections with employees, OEMs, distributors and others.

Customers

Our OEM customers include market leaders in their respective categories, and they help define, as well as respond to, consumer trends in their respective industries. These OEM customers include our products on a number of their performance models. We believe OEMs often use our products to improve the marketability and demand of their own products, which, in turn, strengthens our brand image. In addition, consumers select our performance-defining products in the aftermarket channel, where we market through a global network of dealers and distributors. We currently sell to approximately 270 OEMs and distribute our products to more than 9,600 retail dealers and distributors worldwide. In 2025, approximately 44% of our net sales resulted from net sales to OEM customers, approximately 49% resulted from net sales to dealers and distributors for resale in the aftermarket channel, and approximately 7% resulted from net sales through direct-to-consumer channels. No material portion of our business is subject to renegotiation of profits or termination of contracts or subcontracts at the election of the U.S. government.

Net sales attributable to our 10 largest customers, which can vary from year-to-year, collectively accounted for approximately 35%, 36%, and 35% of our net sales in fiscal years 2025, 2024 and 2023, respectively. In 2025, 2024, and 2023, our sales to Ford, a powered vehicles OEM, accounted for approximately 12%, 15%, and 13%, of total net sales, respectively.

Although we refer to the branded bike OEMs that use our products throughout this document as “our customers,” “our OEM customers” or “our bike OEM customers,” branded bike OEMs often use contract manufacturers to manufacture and assemble their bikes. As a result, even though we typically negotiate price and volume requirements directly with our bike OEM customers, the contract manufacturer may place the purchase order and therefore assumes the payment responsibilities.

Our North American net sales totaled $1,119.2 million, $1,097.3 million, and $1,127.6 million, or 76%, 79% and 77%, of our total net sales in 2025, 2024 and 2023, respectively. Our international net sales totaled $348.1 million, $296.6 million and $336.6 million, or 24%, 21% and 23%, of our total net sales in fiscal years 2025, 2024 and 2023, respectively. Net sales attributable to countries outside the U.S. are based on shipment location. Our international net sales, however, do not necessarily reflect the location of the end users of our products, as many of our products are incorporated into bikes and powered vehicles that are assembled at international locations and then shipped back to the U.S. Additional information about our product revenues and certain geographical information is available in Note 2. Revenues of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Powered Vehicles

We sell our powered vehicle suspension products to OEMs, including BRP, Ford, Polaris, Toyota, Kawasaki, Yamaha, Stellantis, CF Moto, Ducati, BMW, Triumph, and Honda. We also are continually nurturing and developing relationships with our existing and new OEMs as the powered vehicles market continues to grow. After incorporating our products on their powered vehicles, OEMs typically sell their powered vehicles to independent dealers, which then sell directly to consumers.

Aftermarket Applications

In the aftermarket, we typically sell suspension products to dealers and distributors, both domestically and internationally. Our dealers sell directly to consumers. When we sell to our distributors, they sell to independent dealers, which then sell directly to consumers. In our upfitting product category, we sell to a broad network of automotive dealerships, including Ford, General Motors, and Stellantis (Ram and Jeep).

Specialty Sports

We sell our bike suspension and components products to a broad network of domestic and international bike OEMs, including Specialized, Trek Bicycles, Giant, Cube, Orbea, Canyon Bicycles, Santa Cruz Bicycles, and Yeti Cycles. We have long-standing relationships with many of the top bike OEMs. After incorporating our products on their bikes, OEMs typically sell their bikes to independent dealers, which then sell directly to consumers.

In the aftermarket, we typically sell to North American dealers and through distributors internationally. Our dealers sell directly to aftermarket consumers. Our international distributors sell to independent dealers, which then sell directly to consumers.

We sell our baseball and softball gear and equipment products through several channels including big box retailers; direct-to-consumer, direct-to-team, the Company's experiential clubhouse retail stores and other Company-owned channels; and third-party e-commerce and resellers.

Sales and marketing

We employ specialized and dedicated sales professionals. Each sales professional is fully responsible for servicing either OEM or aftermarket customers within our product categories, which ensures that our customers are in contact with capable and knowledgeable sales professionals to address their specific needs. We strongly believe that providing a high level of service to our end customers is essential to maintaining our reputational excellence in the marketplace. Our sales professionals receive training on the brands' latest products and technologies and attend trade shows and events to increase their market knowledge.

Our marketing strategy focuses on strengthening and promoting our brands in the marketplace. We strategically focus our marketing efforts on enthusiasts seeking high-end, performance-defining products and systems through promotions at destination riding locations and individual and team sponsorships. We believe the performance of our products has been demonstrated by, and our brands benefit from, the success of professional athletes who use our products in elite competitive events such as the Olympic Games, the Union Cycliste Internationale Mountain Bike World Cup, the X Games, the Baja 1000, and Major League Baseball games. We also believe these successes positively influence the purchasing habits of enthusiasts and other consumers seeking performance-defining products.

We believe that our strategic focus on the performance and racing segments in our markets, including our sponsorships of a number of professional athletes and race teams, influences many aspiring and enthusiast consumers and enables our products to be sold at premium price points. In order to continue to enhance our brand image, we will need to maintain our position in the suspension products industry and to continue to provide high-quality products and services.

We have also been able to develop long-term strategic relationships with leading OEMs. Our reputation for performance-defining products plays a critical role in our aftermarket sales to consumers.

In addition to our websites and traditional marketing channels, such as print advertising and tradeshows, we maintain an active social media presence, including Instagram feeds, Facebook pages, YouTube channels, Vimeo channels and X feeds to increase brand awareness, foster loyalty and build a community of users. As strategies and marketing plans are developed for our products, our internal marketing and communications group works to ensure brand cohesion and consistency.

Manufacturing

We manufacture and complete final assembly on most of our products. By controlling the manufacturing process of our products, we can maintain our strict quality standards, customize our machines and processes for the specific requirements of our products, and quickly respond to feedback we receive on our products in development and otherwise. Furthermore, manufacturing our own products enables us to adjust our labor and production inputs to meet seasonal demands and the customized requirements of some of our customers.

Powered Vehicles

Our Gainesville facility expanded and diversified our manufacturing platform and provided additional long-term capacity to support growth in our PVG.

Furthermore, we strategically reallocated a majority of the aftermarket production to our El Cajon, California facility, leveraging its capabilities and optimizing resource allocation.

Aftermarket Applications

We expanded our existing product mix to other areas in the upfitting, high-performance wheels, off-road tires and accessories businesses, enhancing our market reach and product offerings. These initiatives significantly contributed to the increased manufacturing and production output, positioning us favorably to meet growing demand and capitalize on market opportunities.

Specialty Sports

With the acquisition of Marucci in 2023, we expanded our manufacturing footprint to baseball and softball gear and equipment products. We maintain a vertically integrated wood bat manufacturing process with domestic production facilities in Baton Rouge, Louisiana and King of Prussia, Pennsylvania, supported by two timber mills and a wood drying facility. The Company sources other product lines, including metal bats, apparel, and accessories, from an established international supplier network.

Suppliers and raw materials

The primary raw materials used in the production of our products are aluminum, magnesium, carbon and steel. We generally use multiple suppliers for our raw materials and believe that our raw materials are in adequate supply and available from many suppliers at competitive prices. We do, however, depend on a limited number of suppliers for certain of our components. If our current suppliers for such components are unable to timely fill orders, or if we are required to transition to other suppliers, we could experience significant production delays or disruption to our business. Please read Item 1A. Risk Factors – Risks Related to Our Business and Operations - *"We depend on a limited number of suppliers for some of our materials, component parts, and our products. The loss of any of these suppliers or an increase in cost of raw materials could harm our business."* In addition, prices for our raw materials fluctuate from time to time. While we have been able to mitigate the impacts of price fluctuations on our business historically, we actively monitor current market conditions and price trends.

We also have OEM partners that supply vehicle chassis used in our upfitting operations. Our operations could be, and have been, negatively impacted if we are not able to receive vehicle chassis according to our production needs, or if an OEM decides to discontinue supplying chassis for other reasons.

We work closely with our supply base, and depend upon certain suppliers to provide raw inputs, such as forgings, castings and molded polymers optimized for weight, structural integrity, wear and cost. In certain circumstances, we depend upon a limited number of suppliers for such raw inputs. We typically have no firm contractual sourcing agreements with our suppliers other than purchase orders.

Miyaki is the exclusive producer of the Kashima coating for our suspension component tubes. As part of our agreement with Miyaki, we have been granted the exclusive right to use the trademark "KASHIMACOAT" on products comprising the aluminum finished parts for suspension components (e.g., tubes) and on related sales and marketing material worldwide, subject to a minimum year order and certain other exclusions.

Human Capital Resources

Employee Overview

As of January 2, 2026, we had approximately 3,700 employees in the U.S., Canada, Europe, Taiwan, Thailand and Australia. Our employees are primarily located in the U.S. We also use temporary employees at our manufacturing facilities to help us meet seasonal demands. None of our employees are subject to collective bargaining agreements.

Health and Safety

Employee health and safety in the workplace is one of our top priorities. We are committed to providing a safe and healthy work environment by following guidance from relevant health and safety organizations, as well as state and local regulations. We implemented measures to support employee well-being, including offering paid sick leave or paid time off for illness and absences. Our commitment to employee safety and well-being remains a top priority.

Inclusion, Diversity and Engagement

At FOX, we believe that people are our greatest asset. Therefore, we are committed to building and maintaining an inclusive workplace in which all employees feel they belong, are empowered to be their best, and are inspired to deliver maximum performance. Our employees have diverse skills, experiences and unique perspectives that collectively contribute to greater opportunities for engagement, innovation and business growth. Our commitment to inclusion, diversity, and engagement aligns with our values of leadership, trust, service, agility, ingenuity, and collaboration and is a critical component of being a purpose-led organization. This strategy is sponsored by the entire Executive Leadership Team and is centered on the following objectives:

- build a globally diverse, high-performing workforce that mirrors the populations around us;
- foster an inclusive workplace culture where all feel like they are heard, welcomed, valued, and empowered; and
- engage our people in making an impact in the marketplace where we live, work, and play.

Employee Benefits

Our employee benefits are designed to attract and retain our employees and include medical, health and dental insurance, short-term and long-term disability insurance, accidental death and disability insurance, voluntary supplemental coverages, employee discount programs, and our 401(k) Plan. As part of the 401(k) Plan, FOX matches 100% of the first 3% and 50% of the next 2% of compensation contributed by the employee, including executive officers, into the 401(k) Plan, for a maximum employer match of 4% of compensation.

Practices related to working capital items

The Company does not believe that it, or the industry in general, has any special practices or special conditions affecting working capital items that are material to understanding our business, except for our arrangements to obtain chassis. For more details on chassis arrangements, refer to Note 12. Commitments and Contingent Liabilities. Information about the Company’s working capital is incorporated herein by reference to Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and to the Consolidated Statements of Cash Flows within Item 8 of this Annual Report on Form 10-K.

Government regulation

Environmental

Our manufacturing operations, facilities and properties in the U.S., Europe, Canada, and Taiwan are subject to evolving foreign, international, federal, state and local environmental and occupational health and safety laws and regulations, including those governing air emissions, wastewater discharge and the storage and handling of chemicals and hazardous substances. If we fail to comply with such laws and regulations, we could be subject to significant fines, penalties, costs, liabilities or restrictions on operations, which could negatively affect our financial condition.

We believe that our operations are in compliance, in all material respects, with applicable environmental and occupational health and safety laws and regulations, and our compliance with such laws and regulations has not had, nor is it expected to have, a material impact on our earnings or competitive position. However, new requirements, more stringent application of existing requirements or the discovery of previously unknown environmental conditions could result in material environmental related expenditures in the future. Please read “Risks Related to Laws and Regulations - *Increasing focus on environmental, social and governance responsibility may impose additional costs on us and expose us to new risks*” within Item 1A. Risk Factors in this Annual Report on Form 10-K.

Employment

We are subject to numerous foreign, federal, state and local government laws and regulations governing our relationships with our employees, including those relating to minimum wage, overtime, working conditions, hiring and firing, non-discrimination, work permits and employee benefits. We believe that our operations are conducted in compliance, in all material respects, with such laws and regulations. We never experienced a material work stoppage or disruption to our business relating to employee matters. We believe that our relationship with our employees is good.

Consumer safety

We are subject to the jurisdiction of the U.S. Consumer Product Safety Commission ("CPSC"), and other federal, state and foreign regulatory bodies including the National Highway Traffic Safety Administration ("NHTSA"), which enforces the Federal Motor Vehicle Safety standards. Under CPSC regulations, a manufacturer of consumer goods is obligated to notify the CPSC, if, among other things, the manufacturer becomes aware that one of its products has a defect that could create a substantial risk of injury. If the manufacturer has not already undertaken to do so, the CPSC may require a manufacturer to recall a product, which may involve product repair, replacement or refund. During the past three years, we initiated one voluntary product recall. For additional information, see Item 1A. Risk Factors in this Annual Report on Form 10-K.

Government contracts

No material portion of our business is subject to renegotiation of profits or termination of contracts or subcontracts at the election of the U.S. government.

Financial information about segments and geographic areas

We operate in three reportable segments: PVG, AAG, and SSG. Through these segments, we focus on manufacturing, sales and service of performance-defining products. PVG is comprised of sales to off-road and power sports OEM and aftermarket businesses that sell shocks directly to dealers and distributors. AAG is comprised of aftermarket businesses that offer custom vehicle shock, tuning, suspension, lift kit, upfitting, and wheel and tire solutions for automotive and power sports enthusiasts. SSG consists of sales to OEM and aftermarket businesses that provide components for performance mountain bikes, e-bikes, and gravel bikes, as well as sales through dealers, distributors, and direct-to-customer channels, offering premium baseball and softball equipment. Additional information about our product segments and certain geographic information is available in Note 2. Revenues and Note 5. Property, Plant and Equipment, net of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Corporate and available information

Our principal executive offices are located at 2055 Sugarloaf Circle, Suite 300, Duluth, GA 30097, and our telephone number is (831) 274-6500. Our website address is www.ridefox.com.

We file reports with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any other filings required by the SEC. We make available through the Investor Relations section of our website, free of charge, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information on our website is not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC.

The public may read and copy any materials we file with the SEC at the SEC's Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

ITEM 1A. RISK FACTORS

Our business, financial condition, operating results and prospects could be materially and adversely affected by various risks and uncertainties that are described herein. In addition to the risks and uncertainties discussed elsewhere in this Annual Report on Form 10-K, you should carefully consider the risks and uncertainties described below. If any of these risks actually occur, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the trading price of our common stock could decline.

Summary of Risk Factors

The risks described below include, but are not limited to, the following:

Risks Related to Our Business and Operations

- the impact of the risks associated with international geopolitical conflicts is uncertain, but may prove to negatively impact our business and operations;
- our dependency on a limited number of suppliers for materials, component parts, and products could lead to an increase in material costs, disruptions in our supply chain, or reputational costs;
- failure to effectively compete against competitors, effectively to the opportunity presented by new technological applications, enhance existing products or develop, manufacture and market new products that respond to consumer needs and preferences and achieve market acceptance could result in a decrease in demand for our products and negatively impact our business and financial results;
- our performance-defining products, and the bikes and powered vehicles into which many of them are incorporated, are discretionary purchases and may be adversely impacted by changes in the economy;
- our business, financial condition and results of operations have been and may continue to be adversely affected by global public health epidemics or pandemics;
- our business depends substantially on our ability to maintain our premium brand image, the continued expansion of the market and demand for our products, and to attract and retain experienced and qualified talent;
- changes in our customer, channel and product mix could place demands that are more rigorous on our infrastructure and cause our profitability percentages to fluctuate;
- a disruption in the operations of our facilities or along our global supply chain, such as labor or supply chain issues or infrastructure constraints, could have a negative effect on our business, financial condition or results of operations;
- we may not be able to sustain our past growth or successfully implement our growth strategy, which may have a negative effect on our business, financial condition or results of operations;
- our cost optimization efforts may not succeed or may be significantly delayed;
- our business is dependent in large part on our relationships with dealers and distributors and their success and the orders we receive from our OEM customers and from their success. The loss of all or a substantial portion of our sales to any of these customers, including a group of relatively small number of customers that account for a substantial portion of our sales, could have a material adverse impact on us and our results of operations;
- our international operations are exposed to risks associated with conducting business globally;
- our sales could be impacted by the disruption of sales by other manufacturers or if other manufacturers enter into the specialty markets in which we operate;
- if we are unable to enforce our intellectual property rights, our reputation and sales could be adversely affected, while intellectual property disputes could lead to significant costs or the inability to sell products;
- if we inaccurately forecast demand for our products or inaccurately predict destocking and restocking cycles and production schedules, we may manufacture insufficient or excess quantities or our manufacturing costs could increase;
- product recalls and significant product repair and/or replacement due to product warranty costs and claims, including any material product liability claims, may have a material adverse impact on our business;
- we and our employees are subject to certain risks in our manufacturing and in the testing of our products;
- fuel shortages, or high prices for fuel, could have a negative effect on the use of powered vehicles that use our products;
- we do not control our suppliers, athletic programs, OEMs, other customers, or partners, or require them to comply with a formal code of conduct, and actions that they might take could harm our reputation and sales;
- we rely on increasingly complex information systems for management of our various functions. If our information systems fail to perform these functions adequately, if we or our vendors or partners experience an interruption in our operations, or if we are impacted by cybersecurity attacks or data privacy issues, our business could suffer;
- we have grown and may continue to grow through acquisitions, and we may not be able to effectively integrate businesses we acquire, or we may not be able to identify or complete future acquisitions on favorable terms, or at all;
- our operating results are subject to quarterly variations in our sales, which could make our operating results difficult to predict and could adversely affect the price of our common stock;

- qualitative data and limited sources support our beliefs regarding the future growth of the performance-defining product market and may not be reliable;
- the current inflation and changes in interest rates in response, could harm us in the future;

Risks Related to Our Indebtedness and Liquidity

- our amended credit agreement with Wells Fargo Bank, National Association, and other named lenders ("2022 Credit Facility") places operating restrictions on us and creates default risks, and the variable rate makes us more vulnerable to increases in interest rates;
- we continue to have the ability to incur debt, and our levels of debt may affect our operations and our ability to pay the principal of and interest on our debt;

Risks Related to Laws and Regulations

- changes in tax laws and regulations or other factors could cause our income tax obligations to increase, potentially reducing our net income and adversely affecting our cash flows;
- we are subject to extensive U.S. federal and state, foreign and international safety, environmental, employment practices and other government regulations that may require us to incur expenses or modify product offerings in order to maintain compliance with such regulations, which could have a negative effect on our business and results of operations;
- unpredictability in increasingly stringent emission standards and increasing focus on environmental, social and governance responsibility, including climate change, may impose additional costs and new risks on us;
- we are subject to employment practice laws and regulations, and, as such, are exposed to litigation risks;
- we are subject to environmental laws and regulations and potential exposure, costs and liabilities due to laws and regulations regarding conflict minerals, environmental matters, land-use, and noise and air pollution may have a negative impact on our future sales and results of operations;
- we retain certain personal data about individuals and are subject to various privacy and consumer protection laws;
- U.S. policies related to global trade and tariffs could have a material adverse effect on our results of operations;
- we are, and may in the future be, subject to legal proceedings, which could have a negative effect on our business and results of operations if the outcomes of these proceedings are adverse to us;

Risks Related to Ownership of Our Common Stock

- potential volatility in our trading price, publications by securities or industry analysts, and future issuances, sales, and the perception of such could cause our stock price and trading volume to decline;
- anti-takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control of our Company;
- we cannot guarantee that our share repurchase program will be fully consummated or that it will enhance stockholder value, and the volatility of the price of our common stock could increase;
- our Second Amended and Restated Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain actions and proceedings initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees; and

General Risk Factors

- failure of our internal control over financial reporting could adversely affect our business and financial results.

RISKS RELATED TO OUR BUSINESS AND OPERATIONS

The impact of the risks associated with international geopolitical conflicts—including, among others, the continuing tensions between Taiwan and China—on the global economy, energy supplies, and raw materials is uncertain, and may prove to negatively impact our business and operations.

In recent years, diplomatic and trade relationships between the U.S. and China have become increasingly frayed, and the threat of a takeover of Taiwan by China has increased. Since we have manufacturing in Taiwan and source products globally, our business, operations, and supply chains could be materially and adversely impacted by political, economic or other actions from China, or changes in China-Taiwan relations that impact Taiwan and its economy. In addition, we continue to monitor other geopolitical tensions or conflicts that have or may have an adverse impact on the global economy, our business and operations, and our suppliers and customers. To the extent that continuing political tensions may adversely affect our business, it may heighten many of the other risks described in our risk factors, such as those relating to data security, supply chain, volatility of price inputs, and market conditions; any of which could negatively affect our business and financial condition.

We depend on a limited number of suppliers for some of our materials, component parts, and products. The loss of any of these suppliers or an increase in the cost of raw materials could harm our business.

We depend on a limited number of suppliers for certain products and components. If our current suppliers—particularly, the minority of those that are "single-source" suppliers—cannot timely fulfill orders, or if we are required to transition to other suppliers, we could experience significant production delays or disruption to our business. We define a single-source supplier as a supplier from which we purchase all of a particular raw material or input used in our manufacturing operations, although other suppliers are available from which to purchase the same raw material or input of an equivalent substitute. For the majority of our products, we do not maintain long-term supply contracts with our suppliers and instead purchase these components on a purchase-order basis. As a result, we cannot force suppliers to sell us the necessary components we use to manufacture our products, and we could face significant supply disruptions should they refuse to do so. As the majority of our bike-component manufacturing occurs in Taiwan, we could experience difficulties locating qualified suppliers geographically closer to these facilities. Furthermore, such suppliers could experience difficulties in providing us with some or all of the materials we require, which could result in disruptions to our manufacturing operations. Similarly, all non-wood products sold by Marucci and wheels sold by Custom Wheel House are sourced from third-party suppliers, which could risk supply-chain challenges if those third-party suppliers are unable to fulfill production quotas. Our business, financial condition or results of operations could be materially and adversely impacted if we experience difficulties with our suppliers or manufacturing delays caused by our suppliers.

Our products require various raw materials (e.g., aluminum, magnesium, steel, carbon, and timber) for production output and manufacturing purposes. Historically, we effectively mitigated the impacts of price fluctuations for these components and raw materials on our business. However, if we experience material price increases of these components or raw materials in the future and are unable to pass on those increases to our customers, it could negatively affect our business, financial condition or operation results.

If we are unable to continue to enhance existing products and develop, manufacture and market new products that respond to consumer needs and preferences and achieve market acceptance, we may experience a decrease in demand for our products, and our business and financial results could suffer.

Our growth strategy involves the continuous development of innovative performance-defining products. We may not be able to compete as effectively with our competitors and ultimately satisfy the needs and preferences of our customers and the end users of our products, unless we continue to enhance existing products and develop new, innovative products in the global markets in which we compete. In addition, we must continuously compete not only for end users who purchase our products through the dealers and distributors who are our customers, but also for the OEMs, which incorporate our products into their bikes and powered vehicles. These OEMs regularly evaluate our products against those of our competitors to determine if they are allowing the OEMs to achieve higher sales and market share on a cost-effective basis. Should one or more of our OEM customers determine that they could achieve overall better financial results by incorporating a competitor's new or existing product, they would likely do so, which could harm our business, financial condition, or results of operations.

Product development requires significant financial, technological, and other resources. While we expended approximately $69.4 million, $60.3 million and $53.2 million for our research and development efforts in fiscal years 2025, 2024 and 2023, respectively, there can be no assurance that this level of investment in research and development will be sufficient in the future to maintain our competitive advantage in product innovation, which could cause our business, financial condition or results of operations to suffer.

We face intense competition in all product lines, including from some competitors that have greater financial and marketing resources. Failure to compete effectively against competitors would negatively impact our business and operating results.

The industries in which we operate are highly competitive. We compete with a number of other manufacturers that produce and sell performance-defining products to OEMs and aftermarket dealers and distributors, including OEMs that produce their own lines of products for their own use. Our continued success depends on our ability to compete effectively against our competitors, some of which have significantly greater financial, marketing and other resources than we have. Several of our competitors offer broader product lines to OEMs, which they may sell in connection with suspension products as part of a package offering. In addition, some of our subsidiaries compete in marketplaces that heavily rely on industry-specific brand awareness and distribution channels, and our past performance reaching consumers is not indicative of future results. As a result, our products may be unable to compete successfully with our competitors' products, which could negatively affect our business, financial condition, or results of operations.

If we are unable to anticipate and respond effectively to the threat of, and the opportunity presented by, new technological applications, such as artificial intelligence, machine learning, robotics, blockchain or other new approaches to data mining, we may be exposed to competitive risks related to the adoption and application of such technology.

New products and technologies are important to operating our business. We may encounter competitive risks related to the adoption and application of new technology, such as artificial intelligence, by our competitors and other established market participants (for example, through disintermediation), start-up companies and others. We must consider developing and implementing technology solutions and technical expertise among our employees that anticipate and keep pace with rapid changes in technology, industry standards, client preferences and control standards. We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis, and our ideas may not be accepted in the marketplace. Additionally, the effort to gain technological expertise and develop new technologies in our business may require us to incur significant expenses. Our technological development projects may also not deliver the benefits we expect once they are completed or may be replaced or become obsolete more quickly than expected, which could result in the accelerated recognition of expenses. If we are unable to develop or implement new technologies as quickly as our competitors, or if our competitors develop more cost-effective technologies or product offerings, we could experience a material adverse effect on our business, financial condition or results of operations.

Our business is sensitive to economic conditions that impact consumer spending. Our performance-defining products, including the bikes and powered vehicles into which many of them are incorporated, are discretionary purchases and may be adversely impacted by changes in the economy.

Our business depends substantially on global economic and market conditions. In particular, we believe that currently, a significant majority of the end users of our products live in North American and European countries. These areas historically experienced recessions, disruptions in banking and/or financial systems, and economic weakness and uncertainty. The risks associated with a U.S. or global recession and higher inflation could negatively impact our business. The severity and occurrence of these risks depend on a number of factors, including, among others, those related to geopolitical events, fluctuating energy costs, global supply chain disruptions, changing interest rates, and other economic changes. In addition, many of our products are recreational in nature and are generally discretionary purchases by consumers. Consumers are usually more willing to make discretionary purchases during periods of favorable general economic conditions and high consumer confidence. Discretionary spending may also be affected by many other factors, including interest rates, gas prices, the availability of consumer credit, taxes, and consumer confidence in future economic conditions. During periods of unfavorable economic conditions or periods when other negative market factors exist, consumer discretionary spending is typically reduced, which in turn could reduce our product sales and negatively affect our business, financial condition, or results of operations.

There could also be a number of secondary effects resulting from an economic downturn, such as insolvency of our suppliers resulting in product delays, an inability of our OEM, distributor and dealer customers to obtain credit to finance purchases of our products, customers delaying payment to us for the purchase of our products due to financial hardship or an increase in bad debt expense. Any of these effects could negatively affect our business, financial condition, or results of operations.

Our business, financial condition, and results of operations could be impacted by public health issues and related business interruptions.

Public health issues, including epidemics, pandemics (such as the COVID-19 pandemic), and other outbreaks adversely affected, and could in the future materially adversely affect, our business, financial condition, and results of operations. The impacts of public health issues, including changes in consumer demand and behavior; pandemic fears and market downturns; the imposition of protective public safety measures, such as stringent travel restrictions, limitations on freight services and the movement of products between regions, quarantine requirements or precautions, and related governmental actions; economic volatility and reduced economic activity; and disruptions to our supply chain and distribution channels have also adversely affected, and could in the future materially adversely affect, our business and the businesses of our third-party vendors and business partners.

If we are unable to maintain our premium brand image, our business may suffer as a result of brand degradation.

Dealers, distributors, and customers select our products in part because of our premium brand reputation. Therefore, our success depends on our ability to maintain and build the image of our brands. We focus on building our brands through producing products or acquiring businesses that produce products that we believe are innovative, high in performance, and highly reliable. In addition, some of our brands benefit from our strong relationships with our OEM customers, dealers, and distributors and through marketing programs aimed at bike and powered vehicle enthusiasts in various media and other channels. For example, we sponsor a number of professional athletes, professional race teams, top college programs, and franchise clubs.

In order to continue to enhance the image of our brands, we need to maintain our position in the performance-defining products industry, continue to provide high-quality products and services, and preserve our reputation. Social media and other consumer-oriented technologies pose risks and challenges that could cause damage to our brands and reputation. Social media may also increase the likelihood, speed, and magnitude of negative publicity.

Any adverse impact on our brands could negatively affect our business, financial condition, or results of operations.

Our growth in PVG and AAG depends on our continued ability to expand our product sales into powered vehicles that require performance-defining products and the continued expansion of the market for these powered vehicles.

Our growth in PVG and AAG is in part attributable to the expansion of the market for powered vehicles that require performance-defining products. Such market growth includes the creation of new classes of vehicles that benefit from our products, such as trucks that are upfitted with products to enhance their on-road and off-road capability, and our ability to create products for these vehicles. In the event these markets stop expanding or contract due to economic factors, changes in consumer preferences, or other reasons, or we are unsuccessful in creating new products for these markets or other competitors successfully enter into these markets, we may fail to achieve future growth or our sales could decrease, and our business, financial condition or results of operations could be negatively affected.

A significant portion of SSG's sales is highly dependent on the demand for high-end bikes and Marucci products. A material decline in the demand for these bikes, bike suspension components, or Marucci products could have a material adverse effect on our business or results of operations.

During 2025, approximately 22% of our net sales were generated from the sale of bike products. Part of our success is attributed to the growth in the high-end bike industry, including increases in average retail sales prices, as better-performing product designs and technologies have been incorporated into these products. If the popularity of high-end or premium-priced bikes does not increase or declines; the number of bike enthusiasts seeking such bikes or premium-priced suspension products, wheels, cranks and other specialty components for their bikes does not increase or declines; or the average price point of these bikes declines; we may fail to achieve future growth or our sales could decrease, and our business, financial condition or results of operations could be negatively affected. In addition, if current bike enthusiasts stop purchasing our products due to changes in preferences, we may fail to achieve future growth or our sales could be decreased, and our business, financial condition or results of operations could be negatively affected.

Additionally, in the fourth quarter of 2023, SSG expanded and diversified with the acquisition of Marucci. Part of Marucci's success derives from the demand for high-performing products, notably within the baseball and softball industry. If professional athletes and performance enthusiasts no longer demand Marucci's products, we could experience slower or declining growth or sales, which may adversely affect our business. Similarly, if overall demand for sporting products declines, Marucci sales could decrease and reduce future growth opportunities. A material decline in the demand for Marucci products may adversely impact our business, financial condition, or operation results.

Our business depends substantially on our ability to attract and retain experienced and qualified talent, including our senior management team.

We depend upon the contributions, talent, and leadership of our senior management team, particularly our Chief Executive Officer, Michael C. Dennison. We do not have a "key person" life insurance policy on Mr. Dennison or any other key employees. We believe that the top seven members of our senior management team are crucial to establishing our focus and executing our corporate strategies, as they have extensive knowledge of our business, systems and processes. Given our senior management team's knowledge of our industry and the limited number of direct competitors in the industry, we believe that it could be difficult to find replacements should any of the members of our senior management team leave and could have a material adverse effect on our business, operating results, and financial condition.

Changes in our customer base, marketing and distribution channels, or product mix could place demands that are more rigorous on our infrastructure and cause our profitability percentages to fluctuate.

We may encounter changes to our customer base as a result of product alterations or market shifts. Additionally, we may pursue new customers, target different distribution channels, or penetrate new markets. Our product mix may encounter fluctuations depending on our customers' purchasing behavior. Moreover, if we develop new products or discontinue products, our product mix may change. We may leverage new or experimental sales channels to drive growth within our business. Any such changes to our customers, marketing and distribution channels, or product mix may place demands on our business that require more rigorous infrastructure and supply chain solutions. Our overall profitability and profitability percentages may fluctuate as adapt to any changes. For instance, if customers begin to require more lower-margin products from us and fewer higher-margin products, or place demands on our performance that increase our costs, our business, results of operations, and financial condition may be adversely affected.

A disruption in the operations of our facilities could have a negative effect on our business, financial condition, or results of operations.

Equipment failures, delivery delays, or catastrophic loss at any of our facilities could lead to production or service disruptions, curtailments, or shutdowns. In the event of a stoppage in production or a slowdown in production due to high employee turnover or a labor dispute at any of our facilities, even if only temporary, or if we experience delays as a result of events that are beyond our control, delivery times to our customers could be severely affected. If there was a manufacturing disruption in any of our manufacturing facilities, we might be unable to meet product delivery requirements and our business, financial condition or results of operations could be negatively affected, even if the disruption was covered in whole or in part by our business interruption insurance. Any significant delay in deliveries to our customers could lead to increased returns or cancellations, expose us to damage claims from our customers or damage our brands, and, in turn, negatively affect our business, financial condition, or results of operations.

Interruptions in operations, infrastructure constraints, labor issues, supply chain issues, or other disruptions, including those affecting our suppliers or customers, could adversely affect our business, financial condition, and results of operations.

Our operations depend on complex global supply chains; transportation networks, including the infrastructure and logistics of certain seaports; manufacturing facilities; and third-party service providers that are subject to labor disputes, capacity constraints, infrastructure limitations or failures, accidents, natural disasters, and other events that are beyond our control. Disruptions to our business or operations may occur as a result of such events impacting our suppliers, customers, or markets in which we operate. Labor disputes, production interruptions, supply chain issues, and other operational challenges faced by our customers could also reduce demand for our products, delay purchasing decisions, or negatively impact our business. For example, some of our automotive OEM customers have been impacted by, and in the future could be subject to, strikes, work stoppages, or other interruptions due to negotiations with their employees represented by the United Auto Workers Union.

The effects of such disruptions may continue once the underlying event is resolved. Moreover, the timing, severity, and duration of these disruptions are typically unpredictable and beyond our control. We may not be able to prevent or mitigate the adverse effects of such events, which could adversely affect our business, financial condition, and results of operations.

We may not be able to sustain our past growth or successfully implement our growth strategy, which may have a negative effect on our business, financial condition, or results of operations.

Our future growth will depend upon various factors, including the strength of our brands, our ability to continue to produce innovative performance-defining products, consumer acceptance of our products, competitive conditions in the marketplace, our ability to make strategic acquisitions, the growth in emerging baseball and softball markets for Marucci products, the growth in emerging markets for products requiring high-end suspension products, and, in general, the continued growth of the high-end bike and powered vehicle markets. Our beliefs regarding the future growth of markets for high-end suspension products and sporting equipment are based largely on qualitative judgments and limited sources, which may be unreliable. If we are unable to sustain our past growth or successfully implement our growth strategy, our business, financial condition, or results of operations could be negatively affected.

Our cost optimization efforts may not succeed or may be significantly delayed, which may impact our ability to deliver improved margins.

Due to challenges in the OEM market and broader market conditions impacting discretionary consumer spending, we implemented (and are continuing to implement) certain immediate and longer-term actions to strengthen our business, including aggressive cost management and strategic operational improvements. We developed a plan to adjust our business structure to operate efficiently in a number of demand environments intended to protect margins and drive significant, and consistent, free cash flow to de-lever our balance sheet. However, our cost optimization strategy relies on a number of factors and may distract management, slow improvements to our products and services, and limit our ability to increase production quickly if demand accelerates in the future. We may not achieve the expected benefits of the cost optimization measures on our anticipated timeline, or at all. Failure to achieve our cost optimization targets could have a material adverse effect on our results of operations, liquidity and financial condition.

We depend on our relationships with dealers, distributors, and retailers and their ability to sell and service our products. Any disruption in these relationships could harm our sales.

We sell many of our products to dealers, distributors, and retailers, and we depend on their willingness and ability to market and sell our products to consumers and provide customer and product service as needed. We also rely on our dealers, distributors, and retailers to be knowledgeable about our products and their features. If we are not able to educate our dealers, distributors, and retailers so that they may effectively sell our products as part of a positive buying experience, or if they fail to implement effective retail sales initiatives, focus selling efforts on our competitors' products, reduce the quantity of our products that they sell or reduce their operations due to financial difficulties or otherwise, our brands and business could suffer.

We do not control our dealers, distributors, or retailers, and many of our contracts allow these entities to offer our competitors' products. Our competitors may incentivize our dealers, distributors, and retailers, to favor their products. In addition, we do not have long-term contracts with a majority of our dealers, distributors, and retailers, and our dealers, distributors, and retailers are not obligated to purchase specified amounts of our products. Consequently, with little or no notice, many of these dealers, distributors, and retailers may terminate their relationships with us or materially reduce their purchases of our products. If we were to lose one or more of our dealers, distributors, or retailers we would need to obtain a new dealer, distributor, or retailer, as applicable, to cover the particular location or product line, which may not be possible on favorable terms or at all.

We are a supplier in the high-end bike and powered vehicles markets, and our business largely depends on the orders we receive from our OEM customers and on their success.

As a supplier to OEM customers, we largely depend on the success of our OEM customers' businesses. Model year changes by our OEM customers, production disruptions or hiatuses, or other barriers impacting our OEM customers' ability or choice to conduct their operations may adversely impact our sales or cause our sales to vary from quarter to quarter. In addition, losses in market share individually or a decline in the overall market of our OEM customers or the discontinuance by our OEM customers of their products which incorporate our products could negatively impact our business, financial condition, or results of operations.

A relatively small number of customers account for a substantial portion of our sales. The loss of all or a significant portion of our sales to any of these customers, including but not limited to the losses as a result of (i) the temporary or permanent discontinuation of customer products which incorporate or otherwise relate to our products or (ii) the loss of market share by these customers could have a material adverse impact on us and our results of operations.

Net sales attributable to our five largest customers, which can vary from year to year, collectively accounted for approximately 26%, 28%, and 27% of our net sales in fiscal years 2025, 2024 and 2023. Because our products are complementary in nature to, or reliant on the continued production of, certain products produced by these customers, (i) a temporary or permanent discontinuation of those customers' products that incorporate or otherwise relate to our products or (ii) the loss of market share by these customers due to manufacturing challenges or other problems, including disruptions related to labor strikes, may result in the loss of all or a substantial portion of our sales to these customers, which in turn, could have a material impact on our business, financial condition, or results of operations.

Currency exchange rate fluctuations could impact our gross margins and expenses.

Foreign currency fluctuations could have an adverse effect on our business, financial condition, or results of operations. U.S. government policy—including changes in interest rates by the Federal Reserve—may impact the exchange rate between the U.S. Dollar and foreign currencies. We sell our products inside and outside of the U.S., primarily in U.S. Dollars and New Taiwan Dollars. However, some of the OEMs purchasing products from us sell their products in Europe and other foreign markets using the Euro and other foreign currencies. As a result, as the U.S. Dollar appreciates against these foreign currencies, our products will become relatively more expensive for these OEMs. Accordingly, competitive products that our OEM customers can purchase in other currencies may become more attractive, and we could lose sales as these OEMs seek to replace our products with cheaper alternatives. In addition, should the U.S. Dollar depreciate significantly, this could have the effect of decreasing our gross margins and adversely impact our business, financial condition, or results of operations.

Our international operations are exposed to risks associated with conducting business globally.

As a result of our international presence, we are exposed to increased risks inherent in conducting business outside of the U.S. In addition to foreign currency risks, these risks include:

- difficulty in transporting materials internationally, including labor disputes or other interruptions at seaports that handle a large amount of our products;
- political, economic, or other actions from China or changes in China-Taiwan relations could impact Taiwan and its economy, which may adversely affect our operations in Taiwan, our customers, and our supply chain;

- geopolitical regional conflicts, including the impact of the Russian war in Ukraine, the Israel-Palestine conflict, and the conflict over nuclear facilities between the U.S. and Iran on the global economy, energy supplies and raw materials, terrorist activity, political unrest, civil strife, acts of war, and other political uncertainty;
- increased difficulty in protecting our intellectual property rights and trade secrets;
- changes in tax laws and the interpretation of those laws;
- exposure to local economic conditions;
- unexpected government action or changes in legal or regulatory requirements;
- changes in tariffs, quotas, trade barriers (including import bans and other orders issued by the U.S. Customs and Border Protection), and other similar restrictions on sales;
- the effects of any anti-American sentiments on our brands or sales of our products;
- increased difficulty in ensuring compliance by employees, agents, and contractors with our policies as well as with the laws of multiple jurisdictions, including but not limited to the U.S. Foreign Corrupt Practices Act, local and international environmental, health and safety laws, and increasingly complex regulations relating to the conduct of international commerce;
- increased difficulty in controlling and monitoring foreign operations from the U.S., including increased difficulty in identifying and recruiting qualified personnel for our foreign operations; and
- increased difficulty in staffing and managing foreign operations or international sales.

An adverse change in any of these conditions could have a negative effect upon our business, financial condition, or results of operations.

Our sales could be adversely impacted by the disruption or cessation of sales by other manufacturers or if other manufacturers enter the specialty markets in which we operate.

Most bikes that incorporate our suspension products are built using products and components manufactured by other bike component manufacturers. We face similar concerns with manufacturers in our other lines of business. If those other manufacturers stopped selling or producing the products and components for which our products depend on, our sales may be adversely affected. Similarly, if those other manufacturers experience sales disruptions, lose their competitive position in the marketplace, or face reputational damage, customers could migrate to complementary products, some of which may be incompatible with our suspension products or directly compete with our products. Moreover, other manufacturers could begin manufacturing products such as bike suspension products, wheels, or cranks, or bundle their components with competitors' products. In any of these scenarios, our sales could decline, which may negatively impact our business, financial condition, or results of operation.

We have been and may become subject to intellectual property disputes that could cause us to incur significant costs, pay significant damages, or prohibit us from selling our products.

As we develop new products or attempt to use our brands in connection with new products, we seek to avoid infringing upon our competitors' valid patents and other intellectual property rights. However, from time to time, third parties alleged, or may allege in the future, that our products or trademarks infringe upon their proprietary rights. We evaluate any such claims and, where appropriate, may obtain or seek to obtain licenses or other business arrangements. To date, there have been no significant interruptions in our business as a result of any claims of infringement, and we do not hold patent infringement insurance. Any claim, regardless of its merit, could be expensive and time-consuming to defend and distract management from our business. Moreover, if our products or brands are found to infringe third-party intellectual property rights, we may be unable to obtain a license to use such technology or associated intellectual property rights on acceptable terms. A court determination that our brands, products, or manufacturing processes infringe the intellectual property rights of others could result in significant liability and/or require us to make material changes to our products and/or manufacturing processes or preclude our ability to use certain brands. In most circumstances, we are not indemnified for our use of a licensor's intellectual property if such intellectual property is found to be infringing. Any of the foregoing results could require us to redesign our products or defend legal actions, which could cause us to incur substantial costs that could negatively affect our business, financial condition, or results of operations.

If we are unable to enforce our intellectual property rights, our reputation and sales could be adversely affected.

Intellectual property is an important component of our business. We patent our proprietary technologies related to vehicle suspension and other products in the U.S. and various foreign patent offices. Additionally, we registered or applied for trademarks and service marks with the U.S. Patent and Trademark Office and a number of foreign countries. When appropriate, we may assert our rights against those who infringe on our patents, trademarks, trade dress, or other intellectual property. However, we may not be successful in enforcing our patents or asserting trademark, trade name or trade dress protection with respect to our brand names and our product designs, and third parties may seek to oppose or challenge our patents or trademark registrations. If our efforts to develop and enforce our intellectual property are unsuccessful, or if a third party misappropriates our rights, this may adversely affect our business, financial condition, or results of operations. Additionally, intellectual property protection may be unavailable or limited in some foreign countries where laws or law enforcement practices may not protect our proprietary rights as fully as in the U.S., and it may be more difficult for us to successfully challenge the use of our proprietary rights by other parties in these countries. The failure to prevent or limit infringements and imitations could have a permanent negative impact on the pricing of our products or reduce our product sales and product margins, even if we are ultimately successful in limiting the distribution of a product that infringes our rights, which in turn may affect our business, financial condition, or results of operations.

If we inaccurately forecast demand for our products or inaccurately predict OEM and dealer destocking and restocking cycles and production schedules, we may manufacture insufficient or excess quantities or our manufacturing costs could increase, which could adversely affect our business.

We plan our manufacturing capacity based on forecasted demand for our products. In the OEM channel, our forecasts are largely based on the number of our product specifications for new bikes and powered vehicles and projections from our OEM customers. In the aftermarket channel, our forecasts are based partially on discussions with our dealers and distributors as well as our own assessment of markets. Our forecasts are also dependent on OEM and dealer destocking and restocking cycles and OEM production schedules, which are subject to change. In the baseball industry, our production of products is dependent on the demand for and popularity of items. If we cannot keep up with the increased demand, we may lose customers to our competitors who have more resources. If we incorrectly forecast demand, we may incur capacity issues in our manufacturing plant and supply chain, increased material costs, increased freight costs, additional overtime, and costs associated with excess inventory—all of which, in turn, adversely impact our cost of sales and our gross margin. Economic weakness and uncertainty in the U.S., Europe, and other international markets may make accurate forecasting particularly challenging.

Product recalls, and significant product repair and/or replacement due to product warranty costs and claims, including material product liability claims, may have a material adverse impact on our business.

The use of our products by consumers, often under extreme conditions, exposes us to risks associated with product liability claims. If our products are defective or used incorrectly by our customers, bodily injury, property damage or other injury, including death, may result in, and could give rise to product liability claims against us, which could adversely affect our brands' image or reputation. We encountered product liability claims in the past and carry product liability insurance to help protect us against the costs of such claims, although our insurance may be insufficient to cover all losses.

Unless otherwise required by law, we generally provide a limited warranty for our 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 our 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. From time to time, our customers may negotiate for longer or different warranty coverage. In the ordinary course of business, we incur warranty costs and reserve against such costs in our financial statements. However, there is a risk that a product could underperform and require us to adjust our warranty reserves or incur costs in excess of these reserves, which could adversely affect our results of operations.

If any of our products are, or are alleged to be, defective, we may be required to participate in a recall involving such products. Our products and items where our products are incorporated as original equipment on the purchased item are frequently subject to regulation by various agencies, including, for example, the NHTSA, the CPSC and/or similar state and international regulatory authorities. In the past, we had product recalls and may have additional recalls in the future, whether voluntary or involuntary, involving our products or products that incorporate or relate to our products. Although we carry product liability and product recall insurance, no assurance can be made that such insurance will provide adequate coverage against any potential claims, such insurance is available in the appropriate markets or that we will be able to obtain such insurance on acceptable terms in the future. In addition to the direct costs related to these or other recalls, our aftermarket and OEM sales could be adversely affected if we do not have a ready replacement product for such recalled products. Such recall events could also adversely affect our brands and have a negative effect on our relationships with our OEMs, sponsored athletes and race teams, or otherwise have a negative effect on our business, financial condition or results of operations.

We and our employees are subject to certain risks in our manufacturing and in the testing of our products.

As of January 2, 2026, we employed approximately 3,700 employees worldwide, a large percentage of which work at our manufacturing facilities. Our business involves complex manufacturing processes that can be inherently dangerous. Although we employ safety procedures in the design and operation of our facilities, there is a risk that an accident or death could occur in one of our facilities. In addition, prior to the introduction of new products, our employees test the products under rigorous conditions, which involve the risk of injury or death. Any accident could result in manufacturing or product delays, which could negatively affect our business, financial condition or results of operations. The outcome of litigation is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, could have a negative effect on our business, financial condition, or results of operations.

Fuel shortages, or high fuel prices, could have a negative effect on the use of powered vehicles that use our products.

Gasoline or diesel fuel is required to operate most powered vehicles that use our products. There can be no assurance that the supply of these fuels will continue uninterrupted, that rationing will not be imposed, or that the price of or tax on these petroleum products will not significantly increase. Future shortages of gasoline and diesel fuel and substantial increases in the price of fuel could have a material adverse effect on our powered vehicle product category, which could have a negative effect on our business, financial condition, or results of operations.

We do not control our suppliers, athletic programs, OEMs, other customers, or partners, or require them to comply with a formal code of conduct, and actions that they might take could harm our reputation and sales.

We do not control our suppliers, athletic programs, OEMs, other customers or partners, or their labor, environmental, or other practices. A violation of labor, environmental, intellectual property or other laws by our suppliers, OEMs, other customers or partners, or a failure of these parties to follow generally accepted ethical business practices, could create negative publicity and harm our reputation. In addition, we may be required to seek alternative suppliers or partners if these violations or failures were to occur. We do not inspect or audit compliance of our suppliers, athletic programs, OEMs, customers, or partners with these laws or practices, and we do not require our suppliers, OEMs, customers or partners to comply with a formal code of conduct. Any conduct or actions that our suppliers take could reduce demand for our products, harm our ability to meet demand or harm our reputation, brand image, business, financial condition or results of operations.

We rely on increasingly complex information systems to manage our manufacturing, distribution, sales, and other functions. If our information systems fail to perform these functions adequately or if we experience an interruption in our operations, our business could suffer.

All of our major operations, including manufacturing, distribution, sales, and accounting, depend on our complex information systems. Our information systems are vulnerable to damage or interruption from, among other things:

- earthquake, fire, flood, hurricane, and other natural disasters;
- power loss, computer systems failure, internet and telecommunications or data network failure; and
- hackers, computer viruses, software bugs, implementing new functions or releases of software.

Any damage or significant disruption in the operation of such systems or the failure of our information systems to perform as expected could disrupt our operations, reduce our efficiency, delay our fulfillment of customer orders, or require significant unanticipated expenditures to correct, and thereby have a negative effect on our business, financial condition, or results of operations.

Enterprise Resource Planning ("ERP") implementations are complex and time-consuming projects that involve substantial expenditures on system software and implementation activities. ERP implementations also require transformation of business and financial processes in order to reap the benefits of the ERP system. Any such future transformation, due to acquisition integration or business growth and consolidation, involves risks inherent in the conversion to a new computer system, including loss of information and potential disruption to our normal operations. Our business and results of operations may be adversely affected if we experience operating problems or cost overruns during the ERP implementation process, or if the ERP system and the associated process changes do not give rise to the benefits that we expect.

Additionally, if we do not effectively implement the ERP system as planned or the system does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected.

Our operations may be impaired if our technology systems fail to perform adequately, and we could be negatively impacted by cybersecurity attacks.

Information technology systems are critically important to operating our business. We rely on information technology systems to manage business data, communications, supply chain, order entry and fulfillment, and other business processes. The failure of any of the information technology systems to perform as anticipated could disrupt our business and could result in transaction errors, processing inefficiencies and the loss of sales and customers, which could materially adversely affect our business, financial condition, or results of operations.

Information technology systems are also vulnerable to unauthorized access, computer viruses, ransomware attacks and other similar types of malicious activities and cyber-attacks, including attempts by others to gain access to our proprietary or sensitive information, and range from individual attempts to advanced persistent threats. To alleviate the financial, operational, and reputational impact of a ransomware attack, it may be preferable to make extortion payments, but we may be unwilling or unable to do so, including, for example, if applicable laws or regulations prohibit such payments. Given the persistent and advanced nature of cybersecurity threats, we continue to invest in upgraded programs, implement advanced features, and establish adequate controls designed to stop or curtail these threats. However, investing in upgraded programs, advanced programs and adequate controls is expensive and an ongoing, rapidly changing challenge and the procedures and controls we use to monitor these threats and mitigate our exposure may not be sufficient to prevent cybersecurity incidents. Data and security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by our employees or by persons with whom we have commercial relationships.

The results of these incidents could include misstated financial data, theft of trade secrets or other intellectual property, liability for disclosure of confidential customer, supplier or employee information, increased costs arising from the implementation of additional security protective measures, litigation and reputational damage, which could materially adversely affect our financial condition, business or results of operations. Any remedial costs or other liabilities related to cybersecurity incidents may not be fully insured or indemnified by other means.

We are subject to evolving privacy laws in the U.S. and other jurisdictions that could adversely impact our business and require that we incur substantial costs.

The use of personal data by our business is highly regulated. We are subject to various laws and regulations that are continuously evolving and developing regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. The European Union’s General Data Protection Regulation (as amended, the “GDPR”), and similar regulations implemented in other non-U.S. geographies, add a broad array of requirements with respect to personal data, including the public disclosure of significant data breaches, and imposes substantial penalties for noncompliance. The California Consumer Privacy Act (as amended, the “CCPA”) imposes additional obligations and consumer privacy rights with respect to the personal data of California residents. The CCPA provides civil penalties for violations, as well as a private right of action for certain data breaches. Furthermore, there is a trend toward more stringent privacy legislation in the U.S., as a number of states across the country enacted privacy laws of broad applicability and others are considering and proposing similar laws.

If we, our third-party service providers, or those with whom we share personal data fail to comply with such laws and regulations, such as the GDPR and the CCPA, our reputation could be damaged, possibly resulting in lost business, and we could be subjected to additional legal risk or financial losses as a result of non-compliance.

Our vendors’ and commercial partners’ information technology systems may fail or suffer security breaches, which could result in a material disruption of our operations.

Despite the implementation of security measures, our vendors' or commercial partners' information technology systems are vulnerable to damage from computer viruses, ransomware software viruses and other similar types of malicious activities, unauthorized access, natural disasters, and electrical failures. Such events could cause disruptions in our operations. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data, or inappropriate disclosure of confidential or proprietary information, we could be subject to litigation and reputational harm, which could materially adversely affect our financial condition, business, or results of operations.

We have grown and may continue to grow in the future through acquisitions. Growth by acquisitions involves risks, and we may not be able to effectively integrate businesses we acquire, or we may not be able to identify or consummate any future acquisitions on favorable terms, or at all.

We have opportunistically expanded our business platform through acquisitions. Additionally, we intend to selectively evaluate additional acquisitions in the future. Acquisitions are subject to various risks and uncertainties and could have a negative impact on our business, financial condition, or results of operations. These risks include the inability to integrate effectively the operations, products, technologies, and personnel of the acquired companies (some of which may be spread out in different geographic regions), the inability to achieve anticipated cost savings or operating synergies, the earn-outs we may contractually obligate ourselves to pay, and the risk we may not be able to effectively manage our operations at an increased scale of operations resulting from such acquisitions. In the event we complete acquisitions in the future, such acquisitions could affect our cash flows and net income as we expend funds, increase indebtedness, and incur additional expenses in connection with pursuing acquisitions. We may also issue shares of our common stock or other securities from time to time as consideration for future acquisitions and investments. We may not be able to identify or consummate any future acquisitions on favorable terms, or at all.

Our operating results are subject to quarterly variations in our sales, which could make our operating results difficult to predict and could adversely affect the price of our common stock.

We experienced, and expect to continue to experience, substantial quarterly variations in our sales and net income. Our quarterly results of operations fluctuate, in some cases significantly, as a result of a variety of factors, including, among other things:

- the timing of new product releases or other significant announcements by us or our competitors;
- new advertising initiatives;
- fluctuations in raw materials and component costs; and
- changes in our practices with respect to building inventory.

As a result of these quarterly fluctuations, comparisons of our operating results between different quarters within a single year are not necessarily meaningful and may not be accurate indicators of our future performance. Any future quarterly fluctuations that we report may differ from the expectations of market analysts and investors, which could cause the price of our common stock to fluctuate significantly.

Qualitative data and limited sources support our beliefs regarding the future growth of the performance-defining product market and may not be reliable.

We generate virtually all of our revenues from sales of performance-defining products. Our beliefs regarding the outlook of the performance-defining product market come from qualitative data and limited sources, which may be unreliable. If our beliefs regarding the opportunities in the market for our products are incorrect or the number of consumers who we believe are willing to pay premium prices for well-designed, performance-oriented equipment in the markets in which we sell our products does not increase or declines, we may fail to achieve future growth and our business, financial condition, or results of operations could be negatively affected.

Because of the current inflation affecting the economy and the Federal Reserve's changes in interest rates in response, we may be harmed in the future.

We believe inflation, and actions taken by the Federal Reserve in response, currently pose a risk to us in a number of ways. General inflation in the U.S. has risen to levels not experienced in recent decades, including rising energy prices, prices for consumer goods, interest rates, wages, and currency volatility and downgrades by rating agencies to the U.S. government's credit rating or concerns about its credit and deficit levels in general, could cause interest rates and borrowing costs to rise. These increases and any fiscal or other policy interventions by the U.S. government in reaction to such events could negatively impact our business by increasing our operating costs and our borrowing costs as well as decreasing capital. The Federal Reserve reduced benchmark interest rates in 2025 and could enact further reduction(s) to benchmark interest rates in 2026, which could lead to an increase in inflation and the overall cost of goods and services across the U.S.

The raw materials and other supplies we use to produce our products experienced increasing prices during recent periods as a result of inflation. In response, we increased the prices we charge customers for our products. These price adjustments could have a negative effect on sales and continued increases in inflation rates may result in a reduction of customers or sales volumes. Additionally, if the Federal Reserve raises interest rates in the future, the result could be a recession, which could slow demand for our products, hinder our sales growth, or cause sales to decline in future periods. As of the date of this Annual Report, we cannot predict how extensive the inflation or the effects of the Federal Reserve's responses thereto will be, its duration, or the ultimate impact on us. Additionally, the U.S. government's credit and deficit concerns, the European sovereign debt crisis, and the trade war with China and other countries, could further cause interest rates to be volatile, which may negatively impact our ability to access the debt markets on favorable terms.

RISKS RELATED TO OUR INDEBTEDNESS AND LIQUIDITY

The Amended Credit Agreement places operating restrictions on us and creates default risks.

The Amended Credit Agreement with Wells Fargo Bank, National Association, and other named lenders contains covenants that restrict our operating activities. These covenants, among other things, limit our ability to:

- pay dividends or make distributions to our stockholders or redeem our stock;
- incur additional indebtedness or permit additional encumbrances on our assets; and
- make acquisitions, complete mergers or sales of assets, or engage in new businesses.

These restrictions may interfere with our ability to obtain financing or engage in other business activities, which may have a material adverse effect on our business, financial condition, or results of operations.

If we are unable to comply with the covenants contained in the Amended Credit Agreement, it could constitute an event of default, and our lenders could declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable. If we are unable to repay or otherwise refinance these borrowings when due, our lenders could sell the collateral securing the Amended Credit Agreement, which constitutes substantially all of our assets.

We continue to have the ability to incur debt, and our levels of debt may affect our operations and our ability to pay the principal of and interest on our debt.

In the future, we may be able to incur substantial additional debt from amendments to the Amended Credit Agreement, additional lending sources subject to the restrictions contained in the Amended Credit Agreement, or because of certain debt instruments we may issue.

As of January 2, 2026, we had $673.5 million of indebtedness and $349.8 million in revolving credit available to borrow under the Amended Credit Agreement. Our ability to borrow under the Amended Credit Agreement fluctuates from time to time due to, among other factors, our borrowings under the Amended Credit Agreement.

Our indebtedness could be costly or have adverse consequences, such as:

- requiring us to dedicate a substantial portion of our cash flows from operations to payments on our debt;
- limiting our ability to obtain future financing for working capital, capital expenditures, acquisitions, debt obligations and other general corporate requirements;
- making us more vulnerable to adverse conditions in the general economy or our industry and to fluctuations in our operating results, including affecting our ability to comply with and maintain any financial tests and ratios required under our indebtedness;
- limiting our flexibility to engage in certain transactions or to plan for, or react to, changes in our business and industry;
- putting us at a disadvantage compared to competitors that have less relative or less restrictive debt; and
- subjecting us to additional restrictive financial and other covenants.

If we incur substantial additional indebtedness in the future, these higher levels of indebtedness may affect our ability to pay the principal of and interest on existing indebtedness and our creditworthiness generally.

Our outstanding indebtedness under the Amended Credit Agreement bears interest at a variable rate, which makes us more vulnerable to increases in interest rates and could cause our interest expense to increase and decrease cash available for operations and other purposes.

Borrowings under the Amended Credit Agreement bear interest on a variable rate, which increases and decreases based upon changes in the underlying interest rate and/or our leverage ratio. Any such increases in the interest rate or increases of our borrowings under the Amended Credit Agreement will increase our interest expense.

While the Federal Reserve decreased benchmark interest rates multiple times in 2025, interest rates remain subject to change in 2026. Any future increases in these rates increase our interest expense and reduce our funds available for operations and other purposes. Although from time to time we may enter into agreements to hedge a portion of our interest rate exposure, such as the 2022 Interest Rate Swap Agreement, these agreements may be costly and may not protect against all interest rate fluctuations. Accordingly, we may experience material increases in our interest expense as a result of increases in interest rate levels generally. Refer to Note 11. Derivatives and Hedging for additional information regarding the interest rate swap arrangement.

As of January 2, 2026, we had $680.8 million of interest-bearing indebtedness outstanding under the Amended Credit Agreement. Based on the $180.8 million of variable interest rate indebtedness that was outstanding under the Amended Credit Agreement as of January 2, 2026, after giving effect to our interest rate swaps, a hypothetical 100 basis point increase or decrease in the interest rate would have resulted in an approximately $1.8 million increase or decrease in interest expense for the year ended January 2, 2026, respectively.

RISKS RELATED TO LAWS AND REGULATIONS

Changes in tax laws and regulations or other factors could cause our income tax obligations to increase, potentially reducing our net income and adversely affecting our cash flows.

We are subject to income tax requirements in various jurisdictions in the U.S. and internationally. In preparing our financial statements, we provide for income taxes based on current tax laws and regulations and the estimated taxable income within each of these jurisdictions. Our income tax obligations may be higher, which could materially impact our net income and cash flows due to numerous factors, such as:

- changes to tax laws or interpretations proposed by the current administration in the U.S.;
- modifications to the U.S. tax reform enacted in December 2017;
- revisions to estimates regarding our ability to utilize foreign tax credits, particularly increases in revenues generated in Taiwan or changes in the export potential from Taiwan;
- increases in applicable tax rates; and
- actions by tax authorities in jurisdictions in which we operate.

We are subject to extensive U.S. federal and state, foreign and international safety, environmental, employment practices, and other government regulations that may require us to incur expenses or modify product offerings to maintain compliance with such regulations, which could have a negative effect on our business and results of operations.

We are subject to extensive laws and regulations relating to safety, environmental, and other laws and regulations promulgated by the U.S. federal and state governments, as well as foreign and international regulatory authorities. Future regulations may require additional safety standards that would require additional expenses and/or modification of product offerings to maintain such compliance. Failure to comply with applicable regulations could result in fines, increased expenses to modify our products, and reputational harm, all of which could have an adverse effect on our business, financial condition, or results of operations.

Moreover, certain of our product offerings require us to comply with the rules and regulations of various standards of standard-setting organizations, such as the CPSC, the NHTSA, and the European Committee for Standardization. Failure to comply with the requirements of such organizations could result in the loss of certain customer contracts, fines and penalties, or both, which could have an adverse effect on our business, financial condition, or results of operations.

Unpredictability in the adoption, implementation, and enforcement of increasingly stringent emission standards by multiple jurisdictions could adversely affect our business.

A portion of our products are subject to extensive statutory and regulatory requirements governing emission and noise, including standards imposed by the Environmental Protection Agency, the European Union, state regulatory agencies (such as the California Air Resources Board ("CARB")), and other regulatory agencies around the world. We made, and continue to make, capital and research expenditures to ensure certain of our products comply with these emission standards. Developing products to meet numerous changing government regulatory requirements, with different implementation timelines and emission requirements, makes developing products efficiently for multiple markets complicated and could result in additional costs that may be difficult to recover in certain markets. In some cases, we may be required to develop new products to comply with new regulations, particularly those relating to air emissions. We work cooperatively with consultants and CARB to comply with current CARB regulations that may apply to our modified vehicles. Depending on the results of modified vehicle emissions testing, we could be limited in types of modifications and products sold into California or have to adjust our business model for California sales in a way that makes such modified vehicles uneconomical and/or unachievable. The successful development and introduction of new and enhanced products in order to comply with new regulatory requirements are subject to other risks, such as delays in product development, cost overruns, and unanticipated technical and manufacturing difficulties.

In addition to these risks, the nature and timing of government implementation and enforcement of increasingly stringent emission standards is unpredictable. Any delays in implementation or enforcement could result in the products we developed or modified to comply with these standards becoming unnecessary or becoming necessary later than expected, which in turn could delay, diminish, or eliminate the expected return and may adversely affect our business.

Increasing focus on environmental, social, and governance responsibility may impose additional costs on us and expose us to new risks.

Regulators, stockholders, and other interested constituencies focus increasingly on the environmental, social, and governance practices of companies. For example, in March 2024, the SEC adopted new rules for extensive and prescriptive climate-related disclosure in annual reports and registration statements, which would also require the inclusion of certain climate-related financial metrics in a note to companies' audited financial statements. Following a number of challenges to the rules by federal courts and prior statements that the SEC would vigorously defend the validity of the rule, the SEC, under new administration, changed course in February 2025, stating that it would no longer defend the rules and the rules would be removed under new leadership. While we may no longer face the stringent reporting requirements under SEC rules, our customers may require us to implement environmental, social, or governance responsibility procedures or standards before conducting business with us. Additionally, we may face reputational challenges in the event that our environmental, social, or governance responsibility procedures or standards do not meet the standards set by certain constituencies. The occurrence of any of the foregoing could have a material adverse effect on the price of our shares and our business, financial condition, and results of operations.

Climate change and related regulatory responses may adversely impact our business.

There is increasing concern that a gradual increase in global average temperatures due to the increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Changes in weather patterns and an increased frequency, intensity, and duration of extreme weather conditions could, among other things, (a) disrupt the operation of our supply chain since our bike suspension manufacturing is entirely located in Taiwan, which is prone to typhoons, (b) increase our product costs and impact the types and amounts of products that consumers purchase since the majority of our products are used in outdoor recreation, and (c) affect Marucci's wood bat production since our timber supply could be impacted by adverse weather conditions. In addition, a number of our facilities are located in California, a state that frequently experiences earthquakes and has recently experienced increasingly frequent and severe wildfires, flooding, and landslides. As a result, the effects of climate change could have a long-term adverse impact on our business and results of operations.

Laws, regulations, and policies addressing concerns regarding climate change, greenhouse gases, air quality, and other concerns related to the environment continue to develop or be enacted in areas in which we operate. These laws, regulations, and policies may differ by global region, country, and within national boundaries. Regulators can also propose and enact different standards on short notice. As this regulatory landscape evolves, it could have the potential to impact our operations directly or indirectly as a result of required compliance by our suppliers and us. In addition, we may choose to take voluntary steps to mitigate our impact on climate change. As a result, we may experience increases in energy, production, transportation, raw material costs, capital expenditures, or insurance premiums and deductibles. Inconsistency of legislation and regulations among jurisdictions may also affect the costs of compliance with such laws and regulations. Any assessment of the potential impact of future climate change legislation, regulations, or industry standards, as well as any international treaties and accords, is uncertain given the scope of potential regulatory change in the countries in which we operate.

We are subject to employment practice laws and regulations. As such, we are exposed to litigation risks and may incur higher employee costs in the future.

We are subject to extensive laws and regulations relating to employment practices, including wage and hour, wrongful termination, and discrimination. Complying with such laws and regulations, and defending against allegations of our failure to comply (including meritless allegations), can be expensive and time-consuming. We believe that our policies and processes comply with applicable employment standards and related regulations; however, we are subject to risks of litigation by employees and others that might involve allegations of illegal, unfair, or inconsistent employment practices, including wage and hour violations, employment discrimination, misclassification of independent contractors as employees, wrongful termination, and other concerns, which could require additional expenditures.

As we expand internationally, we are also subject to applicable laws in each such jurisdiction. Increases in the mandated wage in any or all of the jurisdictions in which we operate could subject us to increased costs, thereby impacting our business, financial condition, or results of operations. Further, the evolving labor market and increased ability for employees in our industry and other industries to work from home or have remote work arrangements may impact the turnover of our employees, potentially making it more difficult for us to compete.

We maintain a self-insured healthcare plan for our employees based in the U.S. We have insurance coverage in place for individual claims above a specified amount in any year. Inflation in healthcare costs, as well as additional costs we may incur as a result of current or future federal or state healthcare legislation and regulations, could significantly increase our employee healthcare costs in the future. Continued increases in our employee costs could adversely affect our earnings, financial condition, and liquidity.

We are subject to environmental laws and regulations and potential exposure for environmental costs and liabilities.

Our operations, facilities, and properties are subject to a variety of foreign, federal, state, and local laws and regulations relating to health, safety, and the protection of the environment. These environmental laws and regulations include those relating to the use, generation, storage, handling, transportation, treatment, and disposal of solid and hazardous materials and wastes, emissions to air, discharges to waters and the investigation and remediation of contamination. Many of these laws impose strict, retroactive, joint and several liability upon owners and operators of properties, including with respect to environmental matters that occurred prior to the time the party became an owner or operator. In addition, we may have liability with respect to third-party sites to which we send waste for disposal. Failure to comply with such laws and regulations can result in significant fines, penalties, costs, liabilities, or restrictions on operations that could negatively affect our business, financial condition, or results of operations. From time to time, we have been involved in administrative or legal proceedings relating to environmental, health, or safety matters and incurred expenditures relating to such matters in the past.

Environmental issues relating to presently known or unknown matters could give rise to currently unanticipated investigation, assessment, or expenditures. Compliance with laws or regulations that are more stringent, as well as different interpretations of existing laws, more vigorous enforcement by regulators or unanticipated events, could require additional expenditures that may materially affect our business, financial condition, or results of operations.

Federal, state, local, foreign, and international laws and regulations relating to environmental matters, land-use, and noise and air pollution may have a negative impact on our future sales and results of operations.

Our PVG products are used in vehicles that are subject to numerous federal, state, local, foreign, and international laws and regulations relating to noise and air pollution. Powered vehicles, and even bikes, have become subject to laws and regulations prohibiting their use on certain lands and trails. For example, in San Mateo County, California, mountain bikes are not allowed on county trails, and ATV and side-by-sides riding is not allowed in Zion National Park, among many other national and state parks. If more of these laws and regulations are passed and the users of our products lose convenient locations to ride their mountain bikes and powered vehicles, our sales could decrease, and our business, financial condition, or results of operations could suffer.

We retain certain personal data about individuals and are subject to various privacy and consumer protection laws.

We collect personal data for various purposes and through various methods, including from third parties and directly from consumers through our website, at events and sales, and via telephone and email. Certain individuals may object to the processing of this data, request the deletion of this data, or opt out of the sharing of this data, any of which may negatively impact our ability to provide effective customer service or otherwise impact our operations. Collection and use of personal data in conducting our business may be subject to federal and/or state laws and regulations in the U.S. and foreign jurisdictions including, in particular, various jurisdictions in Europe, and such laws and regulations may restrict our processing of such personal data and may hinder our ability to attract new customers or market to existing customers. We may incur significant expenses to comply with privacy, consumer protection, and security standards and protocols imposed by law, regulation, industry standards, or contractual obligations.

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. The new Trump administration enhanced these measures beginning in 2025 by increasing the tariffs on aluminum and steel to 50% for all countries except the United Kingdom, expanding the products on which the tariffs will be assessed to include derivative products containing steel or aluminum, and terminating all countrywide exemptions and the product specific exemption process. There is an inclusion process through which domestic industry can request the U.S. include new derivative steel and aluminum products that will be subject to the increased tariffs.

Since taking office, the new Trump administration implemented various new strategies regarding tariffs. President Trump invoked the International Emergency Economic Powers Act ("IEEPA") to impose 25% tariffs on products from Mexico and 25% tariffs on products from Canada (with a lower 10% tariff on Canadian energy and energy resources) but exempted from the tariffs those products that are entitled to preferential treatment under the United States-Mexico-Canada Agreement. President Trump also imposed a 20% tariff on all imports from China and Hong Kong under the International Emergency Economic Powers Act. Acting on an investigation concluded during the first Trump administration, the current Trump administration-imposed tariffs of 25% on certain passenger vehicles and light trucks and parts for those vehicles.

In April 2024, the Trump administration imposed a universal "reciprocal" tariff of at least 10% on all countries and higher rates for certain countries, which took effect on August 1, 2025. On February 20, 2026, the U.S. Supreme Court issued a decision finding that IEEPA does not authorize the President to impose tariffs. The Company continues to evaluate the potential ramifications of the U.S. Supreme Court's ruling and any impacts on the Company from that ruling, including refunds from the government, and any contractual obligations arising from such refunds. Responding to that ruling, President Trump rescinded the tariff actions based on IEEPA and signed a new proclamation imposing, effective February 24, 2026, a 10% global tariff (to be increased to 15%) under Section 122 of the Trade Act of 1974 ("Section 122"). There are various exemptions to this Section 122 tariff, and, by statute, the tariff will remain in effect for only 150 days, unless extended by the Congress. The Trump administration also announced that it will conduct additional investigations on an expedited basis under Section 301 of the Trade Act of 1974, while President Trump also cited taking actions using authorities already enacted by Congress.

The tariff actions by the U.S. may result in a decrease of global trade volumes due to uncertainty, may create an administrative burden and will cause retailers to make difficult decisions as to how to pay the tariff or absorb the cost into their profit margins.

While we have exposure to implemented tariffs at this time, in regard to our supply chain and end-user demand, 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.

In addition, with respect to sourcing products and raw materials from third-party suppliers in other countries, our ability to timely or successfully import such products or those made with such raw materials may be adversely affected by changes in U.S. laws. As a result, products we import into the U.S. could be held for inspection by U.S. Customs and Border Patrol ("U.S. CBP") based on a suspicion of noncompliance. Additionally, the Uyghur Forced Labor Prevention Act ("UFLPA") empowers the U.S. CBP to withhold release of items produced in whole or in part in countries or by companies included on the UFLPA entities list, creating a presumption that such goods were produced using forced labor. In January 2025, the Department of Homeland Security added to the UFLPA entity list, marking the largest single expansion of the list to date, and including a large supplier of critical minerals and one of the world's largest textile manufacturers, both linked to forced labor practices in the People's Republic of China. Although we do not believe that our suppliers source materials from entities included on the UFLPA for the products they sell to us or use to manufacture our products and we could be subject to penalties, fines or sanctions if any of the suppliers from which we purchase goods is found to have dealings, directly or indirectly, with entities on the ULFPA entities list. We are committed to complying with the UFLPA and have taken significant steps to assess and mitigate risks within our supply chain. Given the complexity and multi-tiered nature of global supply chains, achieving full traceability for every supplier and sub-supplier presents substantial challenges. However, we are continuously working to enhance our due diligence processes, leveraging available data and supplier engagement to ensure compliance to the fullest extent possible.

Recently, in September 2025, the U.S. CBP issued a Withhold Release Order against bicycles, bicycle parts, and accessories manufactured in Taiwan by Giant Manufacturing Co. Ltd., based on information of possible forced labor use. The similarity in product offerings and our company's products being associated with Giant Manufacturing Co. Ltd. may subject our Taiwan-based or other operations to increased scrutiny and review, which could result in compliance and reporting costs and hinder or delay the importation and delivery of our products manufactured in Taiwan. With the majority of our manufacturing operations for our bike products occurring in Taiwan, any adverse order issued by the U.S. CBP on our company or other manufacturers of bicycles, bicycle parts, and related accessories could negatively affect our business, financial condition or results of operations.

We are, and may in the future be, subject to legal proceedings. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, financial condition and results of operations.

We are subject to various litigation matters from time to time, the outcome of which could have a material adverse effect on our business, financial condition and results of operations. Regardless of merit, these litigation matters and any potential future claims against the Company may be both time-consuming and disruptive to the Company's operations and cause significant expense, increased insurance costs, reputational harm and diversion of management attention. Claims arising out of actual or alleged violations of law could be asserted against us by individuals, either individually or through class actions, by governmental entities in civil or criminal investigations and proceedings or by other entities. These actions could expose us to adverse publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business.

RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK

The trading price of our common stock may be volatile, and you might be unable to sell your shares at or above the price you pay for the shares.

The trading price of our common stock could be volatile, and investors could lose all or part of their investment in our common stock. For example, from December 31, 2022 through January 2, 2026, our stock price fluctuated between $127.54 and $13.08 per share, and such volatility may continue in the future. Factors affecting the trading price of our common stock could include, among others:

- variations in our operating results or those of our competitors;
- new product or other significant announcements by us or our competitors;
- changes in our product mix;
- changes in consumer preferences;
- fluctuations in currency exchange rates;
- the gain or loss of significant customers;
- recruitment or departure of key personnel;
- changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to follow our common stock;
- changes in general economic conditions as well as conditions affecting our industry in particular; and
- sales of our common stock by us, our significant stockholders, or our directors or executive officers.

In addition, in recent years, the stock market experienced significant price fluctuations. Fluctuations in the overall stock market generally or with respect to companies in our industry could cause the trading price of our common stock to fluctuate for reasons unrelated to our business, operating results, or financial condition. Further, some companies with volatile market prices for their securities had securities class actions filed against them. A lawsuit filed against us, regardless of its merits or outcome, could cause us to incur substantial costs and divert management's attention.

Future issuances and sales of our shares, or the perception that such sales may occur, could cause our stock price to decline.

The issuance of additional shares of our common stock, such as the follow-on offering of approximately 2.8 million shares of common stock that we completed in June 2020, could dilute the ownership interest of our common stockholders and could depress the market price of shares of our common stock.

Our Second Amended and Restated Certificate of Incorporation authorizes us to issue 90,000,000 shares of common stock, 41,802,023 of which shares were outstanding as of January 2, 2026. In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with financings, acquisitions, registration statements, or otherwise.

After our IPO in 2013 and, more recently, in May 2022, we filed registration statements under the Securities Act to register shares of our common stock that we may issue under our equity plans. As a result, all such shares can be freely sold in the public market upon issuance, subject to any vesting or contractual lock-up agreements.

We also have a number of institutional stockholders that own significant blocks of our common stock. If one or more of these stockholders were to sell large portions of their holdings in a relatively short time, for liquidity or other reasons, the prevailing price of shares of our common stock could be negatively affected.

If securities or industry analysts do not publish research or publish unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about our business or us. If one or more of the analysts who cover us downgrades our stock or publishes unfavorable research about our business or our industry, our stock price would likely decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline.

Anti-takeover provisions in our charter documents and Delaware law could discourage, delay, or prevent a change in control of our Company.

Our Second Amended and Restated Certificate of Incorporation and Second Amended and Restated Bylaws (together, our "Charter Documents"), as well as Delaware law, contain provisions that may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. Among other things, these provisions:

- authorize the issuance of "blank check" preferred stock that could be issued by our Board of Directors to discourage a takeover attempt;
- establish a classified Board of Directors, as a result of which the successors to the directors whose terms have expired will be elected to serve from the time of election and qualification until the third annual meeting following their election;
- require that directors be removed from office only for cause;
- provide that vacancies on our Board of Directors, including newly created directorships, may be filled only by a majority vote of directors then in office;
- provide that no action be taken by stockholders by written consent;
- provide that special meetings of our stockholders may be called only by our Board of Directors, our Chairperson of the Board of Directors, our Lead Director (if we do not have a Chairperson or the Chairperson is disabled), our Chief Executive Officer or our President (in the absence of a Chief Executive Officer);
- require supermajority stockholder voting for our stockholders to effect certain amendments to our Charter Documents; and
- establish advance notice requirements for nominations for elections to our Board of Directors or for proposing other matters that can be acted upon by stockholders at stockholder meetings.

In addition, we are subject to Section 203 of the General Corporation Law of the State of Delaware ("DGCL"), which generally prohibits a Delaware corporation from engaging in a broad range of business combinations with a stockholder owning 15% or more of such corporation's outstanding voting stock for a period of three years following the date on which such stockholder became an "interested" stockholder. In order for us to consummate a business combination with an interested stockholder within three years of the date on which the stockholder became interested, either: (i) the business combination or the transaction that resulted in the stockholder becoming interested must be approved by our Board of Directors prior to the date the stockholder became interested; (ii) the interested stockholder must own at least 85% of our outstanding voting stock at the time the transaction commences (excluding voting stock owned by directors who are also officers and certain employee stock plans); or (iii) the business combination must be approved by our Board of Directors and authorized by at least two-thirds of our stockholders (excluding the interested stockholder) at a special or annual meeting (not by written consent). This provision could have the effect of delaying or preventing a change in control, whether or not it is desired by or beneficial to our stockholders. Any delay or prevention of a change in control transaction or changes in our Board of Directors and management could deter potential acquirers or prevent the completion of a transaction in which our stockholders could receive a substantial premium over the then-current market price for their shares of our common stock.

We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long-term stockholder value, and share repurchases could increase the volatility of the price of our common stock.

Pursuant to the share repurchase program authorized by our Board of Directors on November 1, 2023, we are authorized to repurchase up to $300.0 million of outstanding shares of our common stock through various methods, including, but not limited to, open market, privately negotiated, or accelerated share repurchase transactions. This program will expire on November 1, 2028, and may be suspended or discontinued at any time. We are not obligated to repurchase a specified number or dollar of shares, and the timing, manner, price, and actual amount of share repurchases will be made at management's discretion at prices management considers to be attractive and in the best interests of both the Company and its stockholders, subject to the availability of stock, general market conditions, the trading price of the stock, alternative uses for capital, and the Company's financial performance. The program does not obligate the Company to acquire a minimum amount of shares. The timing of repurchases pursuant to our share repurchase program could affect our stock price and increase its volatility. We cannot guarantee that we will repurchase shares, and there can be no assurance that any repurchases pursuant to our stock repurchase program will enhance stockholder value because the market price of our common stock may decline below the levels at which we repurchase such shares. In addition, there is no guarantee that our stock repurchases in the past or in the future will be able to successfully mitigate the dilutive effect of recent and future employee stock option exercises and restricted stock unit vesting. The amounts and timing of the repurchases may also be influenced by general market conditions, regulatory developments (including recent legislative actions which, subject to certain conditions, imposed an excise tax of 1% on our stock repurchases), and the prevailing price and trading volumes of our common stock. If our financial condition deteriorates or we decide to use our cash for other purposes, we may suspend repurchase activity at any time.

Our Second Amended and Restated Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our Second Amended and Restated Certificate of Incorporation provides that, with certain limited exceptions, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of our Company owed to us or our stockholders; (iii) any action asserting a claim against us arising pursuant to any provision of the DGCL or our Charter Documents; (iv) any action to interpret, apply, enforce or determine the validity of our Charter Documents; or (v) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have received notice of and consented to the foregoing provisions. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and employees. Alternatively, if a court were to find this choice of forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

GENERAL RISK FACTORS

Failure of our internal controls over financial reporting could adversely affect our business and financial results.

Our management is responsible for establishing and maintaining effective internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, as amended. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with generally accepted accounting principles in the United States ("GAAP"). Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that we would prevent or detect a misstatement of our financial statements or fraud. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and timely or to detect and prevent fraud. The identification of a material weakness could indicate a lack of controls adequate to generate accurate financial statements that, in turn, could cause a loss of investor confidence and a decline in the market price of our common stock. We cannot assure you that we will be able to timely remediate any material weaknesses that may be identified in future periods or maintain all of the controls necessary for continued compliance. Likewise, we cannot assure you that we will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program is integrated into our overall enterprise risk management program and shares common methodologies, reporting channels, and governance processes that apply across other legal, strategic, operational, and financial risk areas.

Risk Management and Strategy

Our cybersecurity risk management program includes:

- policies, processes, and tools designed to identify, assess, and mitigate cyber risks across all aspects of our operations;
- a cybersecurity team principally responsible for managing our cybersecurity risk assessment processes, our security controls, and our response to cybersecurity incidents (as such term is used and defined in Item 106(a) of Regulation S-K, as amended and supplemented, of the Securities Act ("Regulation S-K"));
- the use of external service providers, where appropriate, to assess, test, monitor, or otherwise assist with aspects of our cybersecurity controls;
- cybersecurity awareness training for our employees and contractors; and
- a Cybersecurity Incident Response Plan that includes procedures for responding to cybersecurity incidents.

Governance

Our Board of Directors has ultimate oversight of cybersecurity risk, which it manages as part of our enterprise risk management program while our executive officers are responsible for the day-to-day management of the material risks we face. Our Board of Directors administers its cybersecurity risk oversight function directly, as well as through the Audit Committee of the Board of Directors, and receives regular updates on relevant information regarding cybersecurity.

The Audit Committee receives regular reports from management on our Company's cybersecurity risks and activities, including but not limited to any recent cybersecurity incidents and related responses, and any cybersecurity systems testing. In addition, management updates the Audit Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser potential impact.

Our Chief Information Officer, who oversees our cybersecurity team, is responsible for assessing and managing our material risks from cybersecurity threats (as such term is used and defined in Item 106(a) of Regulation S-K). The Chief Information Officer and our cybersecurity team have primary responsibility for our overall cybersecurity risk management program and supervise both our internal personnel dedicated to cybersecurity as well as our engaged and retained external cybersecurity consultants. Our cybersecurity team is supported by the information technology department as well as our engaged third parties and our retained service providers and, in addition, is informed about policies and processes to monitor the prevention, detection, mitigation, and remediation of cybersecurity incidents. Our Chief Information Officer has over 20 years of experience in managing large-scale information technology infrastructure and associated technologies and other members of our cybersecurity team have experience and certifications relevant to cybersecurity. In addition, all personnel involved in cybersecurity engage in regular training on cybersecurity matters.

Breaches

We have not identified any risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition.

Notwithstanding the extensive approach we take to cybersecurity, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. While we maintain cybersecurity insurance, the costs related to cybersecurity threats or disruptions may not be fully insured. For more information on our cybersecurity related risks, see Item 1A. Risk Factors of this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

At January 2, 2026, we occupied the following square footage by location:

	U.S.	Other Countries	Total
Leased facilities	2,298,267	379,289	2,677,556
Owned facilities	1,726,373	179,789	1,906,162
Total	4,024,640	559,078	4,583,718

Certain administrative, research and development and manufacturing operations are located in California and Georgia. We also manufacture in Michigan, Indiana, Alabama, Pennsylvania, Louisiana, Utah, Arizona, and Oregon, and internationally in Taiwan, Italy, and Canada, and maintain sales and service offices in the U.S., Australia, and Europe.

We believe that our properties are generally suitable to meet our needs for the foreseeable future. In addition, to the extent we require additional space in the future, we believe that it would be readily available on commercially reasonable terms.

ITEM 3. 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. On August 16, 2024, the plaintiff filed an amended complaint that purported 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 asserted claims under Sections 10(b) and 20 of the Securities Exchange Act and alleged 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 sought money damages, interest, attorneys’ fees, and other costs. On October 15, 2024, the defendants filed a motion to dismiss the amended complaint, which plaintiff opposed. On March 13, 2025, the Court dismissed the amended complaint but granted plaintiff leave to file a second amended complaint. On April 14, 2025, plaintiff filed a second amended complaint asserting essentially the same claims and relief. The defendants moved to dismiss the second amended complaint on May 30, 2025, which plaintiff opposed on July 14, 2025, following which the defendants filed their reply on August 11, 2025. On February 10, 2026, the Court issued its opinion and order dismissing with prejudice the second amended complaint for failing to state a claim. Judgment was entered on February 12, 2026. If plaintiff chooses to appeal, it must file a notice of appeal on or before March 16, 2026.

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 court stayed these cases pending a final, non-appealable decision on the motion to dismiss the securities fraud litigation. The defendants deny all allegations of wrongdoing, believe the plaintiffs’ claims are without merit, and intend to vigorously defend themselves.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock has been listed on the NASDAQ under the symbol "FOXF" since August 8, 2013. Our IPO was priced at $15.00 per share on August 8, 2013. Prior to that date, there was no public trading market for our common stock. On February 19, 2026, the closing price per share of our common stock as reported on NASDAQ was $19.19 per share.

Stockholders

As of January 31, 2026, there were approximately 9 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We did not declare or pay any dividends in the years ended January 2, 2026, January 3, 2025, and December 29, 2023. In addition, our Amended Credit Agreement contains covenants limiting our ability to pay dividends to our stockholders. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Amended Credit Agreement for additional information. While we currently intend to reinvest our earnings, any future determination to declare cash dividends will be made at the discretion of our Board of Directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and any other factors that our Board of Directors may deem relevant. We do not intend to pay dividends in the foreseeable future.

Share Repurchase Plan

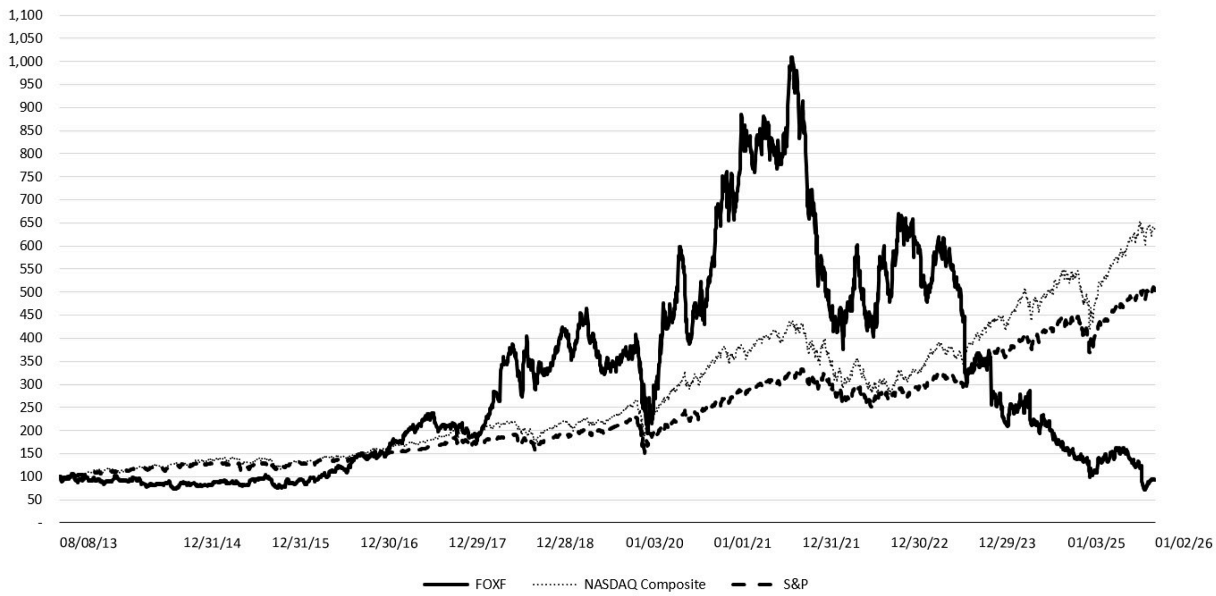
On November 1, 2023, the Company's Board of Directors authorized a share repurchase plan for up to $300,000 in shares of the Company's common stock, par value $0.001 per share. The share repurchase program is scheduled to expire on November 1, 2028. Repurchases of shares of Common Stock under the stock 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. For repurchase activity during the year ended January 2, 2026, refer to Note 13. Stockholders' Equity.

Equity Compensation Plan Information

For equity compensation plan information, refer to Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters of this Annual Report on Form 10-K.

Performance Graph

The following graph shows a comparison from August 8, 2013 (the date our common stock commenced trading on the NASDAQ) through January 2, 2026 of the total cumulative return of our common stock with the total cumulative return of the NASDAQ Composite Index (the “NASDAQ Composite”) and S&P 500 Index (“S&P 500”). The figures represented below assume an investment of $100 in our common stock at the closing price of $18.61 on August 8, 2013 and in the NASDAQ Composite and S&P 500. Data for the NASDAQ Composite and S&P 500 assume reinvestment of dividends. The comparisons in the graph are historical and are not intended to forecast or be indicative of possible future performance of our common stock.



This performance graph shall not be deemed to be “soliciting material” or “filed” or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Exchange Act except as shall be expressly set forth by specific reference in such filing.

Recent Sales of Unregistered Securities

There were no unregistered securities sold by the Company during the three-year period ended January 2, 2026.

Issuer Purchases of Equity Securities

The table below sets forth information regarding repurchases of our common stock by us during the quarter ended January 2, 2026:

Period	Total Number of Shares Purchased (1)	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs (2)
10/4-11/7	298	$ 22.11	—	$ 250,000,000
11/8-12/5	—	$ —	—	$ 250,000,000
12/6-1/2	—	$ —	—	$ 250,000,000
Total	298	$ 22.11	—	$ 250,000,000

(1) Shares acquired from holders of restricted stock unit awards to satisfy tax-withholding obligations.

(2) 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 13. Stockholders’ Equity for further details.

ITEM 6. RESERVED

ITEM 7. 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, generally, as of and for fiscal years 2025 and 2024 should be read in conjunction with the consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K. For discussion related to the results of operations and changes in financial condition for fiscal year 2024 compared to fiscal year 2023 refer to Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in our fiscal year 2024 Form 10-K, which was filed with the SEC on February 28, 2025. The purpose of this discussion is to focus on information concerning our financial condition and results of operations that is not readily apparent from our consolidated financial statements and related notes. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. You should review the "Risk Factors" and "Special Note Regarding Forward-Looking Statements" sections of this Annual Report on Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We design, engineer, manufacture and market performance-defining products and systems for customers worldwide. Our premium brands on performance-defining products and systems are used primarily on bikes, side-by-sides, on-road vehicles with and without off-road capabilities, off-road vehicles and trucks, motorcycles, all terrain vehicles ("ATVs"), snowmobiles, and specialty vehicles and applications. In addition, we also offer premium baseball and softball gear and equipment. Virtually all of our revenue was from our product sales. Miscellaneous sources of revenue such as service-related repair work and the associated sale of parts represented less than 2% of our sales in each of the years ended January 2, 2026, January 3, 2025 and December 29, 2023.

We determined that we operate in three reportable segments: PVG, AAG, and SSG. Our products fall into the following three categories:

- powered vehicles, including side-by-sides, certain on-road vehicles with and without off-road capabilities, off-road vehicles and trucks, ATVs, snowmobiles, specialty vehicles and applications, including military, motorcycles, and commercial trucks;
- aftermarket applications, mainly consisting of products for off-road vehicles and trucks, side-by-sides, on-road vehicles with or without off-road capabilities, specialty vehicles and applications as well as lift kits and components with our shock products and aftermarket accessory packages; and
- specialty sports products, which consist primarily of bike suspension, component products, and gear and equipment for baseball and softball.

The following table summarizes percentages of net sales by segment:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Powered Vehicles Group	33 %	33 %	36 %
Aftermarket Applications Group	32 %	30 %	38 %
Specialty Sports Group	35 %	37 %	26 %
	100 %	100 %	100 %

Sales attributable to countries outside the U.S. are based on shipment location. Our international sales, however, do not necessarily reflect the location of the end users of our products as many of our products are incorporated into bikes that are assembled at international locations and then shipped back to the U.S.

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
North America	76 %	79 %	77 %
International	24 %	21 %	23 %
	100 %	100 %	100 %

Opportunities, challenges and risks

We intend to focus on generating sales of our performance-defining products through OEMs, aftermarket, retail, and direct-to-consumer channels. To do this, we intend to continue to develop and introduce new and innovative products in our current end-markets and we intend to selectively develop products for applications and end-markets in which we do not currently participate. Currently, the majority of our sales are dependent on the demand for performance-defining products.

As a supplier to OEM customers, we are largely dependent on the success of the business of our OEM customers. Model year changes by our OEM customers may adversely impact our sales or cause our sales to vary from quarter to quarter. Losses in market share or a decline in the overall market of our OEM customers or the discontinuance by our OEM customers of their products that incorporate our products could negatively impact our business and our results of operations. See “Risks Related to Our Business and Operations” within Item 1A. Risk Factors.

Our aftermarket distribution network currently consists of more than 9,600 retail dealers and distributors worldwide. To further penetrate the aftermarket channel, we intend to selectively add additional dealers and distributors in certain geographic markets, expand our internal sales force and strategically increase the number of aftermarket specific products and services that we offer for existing vehicle platforms.

From time to time, we have experienced, and may continue to experience, inventory risks, including excess, obsolete, or slow-moving inventory, as well as warranty costs and claims relating to our products. In the ordinary course of business, we reserve for these matters in our financial statements. There is a risk, however, that in the future we will experience higher than expected inventory adjustments or write-downs, warranty costs and claims, as well as other related costs. Please read “Risks Related to Our Business and Operations - *If we inaccurately forecast demand for our products or inaccurately predict OEM and dealer destocking and restocking cycles and production schedules, we may manufacture insufficient or excess quantities or our manufacturing costs could increase, which could adversely affect our business*” and “*Product recalls, and significant product repair and/or replacement due to product warranty costs and claims have had, and in the future, could have, a material adverse impact on our business*” within Item 1A. Risk Factors of this Annual Report on Form 10-K.

From time to time, we evaluate our portfolio of businesses and may pursue divestitures of non-core or underperforming operations as part of our strategy to focus on higher-growth, higher-margin areas. Divestitures may result in transitional costs, potential loss of revenue, and other financial impacts during and after the separation, including possible gains or losses on disposal depending on the structure and timing of the transaction. These transactions can also create operational risks, including disruption to employees and customers and reliance on transition services arrangements for a period of time. We continue to assess opportunities to streamline our portfolio and allocate capital and management attention to areas that best support our strategic objectives.

We intend to evaluate selective potential acquisition opportunities for performance-defining products and technologies that we believe will help us extend our performance-defining product platform. Any acquisitions that we might make are subject to various risks and uncertainties and could have a negative impact on our results of operations. In addition, we may contractually obligate ourselves to contingent consideration or acquisition-related compensation payments in conjunction with such acquisitions, which could have a negative impact on our cash flow and results of operations. See Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Material Cash Requirements for additional information.

Our operations and supply chain are directly impacted by evolving U.S. trade policies and global tariffs. The current presidential administration expanded tariffs on steel, aluminum, and derivative products, imposed new tariffs on imports from China, Hong Kong, Mexico, and Canada, and proposed a shift toward reciprocal tariffs. These changes create uncertainty in global trade, potentially increasing our material costs, disrupting our supply chain, and affecting our pricing strategies. As tariffs continue to evolve, we may need to adjust our sourcing, production, and pricing to remain competitive and mitigate financial and operational risks. Please read “Risks Related to Laws and Regulations - *U.S. policies related to global trade and tariffs could have a material adverse effect on our results of operations*” within Item 1A. Risk Factors of this Annual Report on Form 10-K.

Basis of presentation

Composition of net sales

Sales from:

- *Product sales:* consist of sales of performance-defining products and systems to customers worldwide. Sales are measured based on the consideration specified in a contract with a customer. We recognize sales when a performance obligation is satisfied by transferring control of a product to a customer, generally at the time of shipment for most products and over the time it takes to complete certain Outside Van upfit packages. Contracts are generally in the form of purchase orders and are governed by standard terms and conditions. For larger OEMs, dealers and retailers, we may also enter into master agreements;
- *Service sales:* consist of revenue generated from maintenance, repair, installation, and other support services provided to customers. These services are typically recognized as revenue when the service is performed;
- *Tariff surcharges:* consist of amounts billed to customers to recover tariff costs and are recorded as revenue when the associated products are recognized as revenue; and
- *Shipping and handling fees:* consists of shipping and handling fees billed to customers.

Net of:

- *Rebates:* consists of incentives we provide to customers based on sales of eligible products; and
- *Sales returns allowances:* consists of an estimate of our sales returns. This allowance is based upon estimates of the projected returns in future periods based on our experience with returns recorded in previous periods. Sales returns have not been significant to date.

Cost of sales

Cost of sales includes the cost of purchased parts and manufactured products (raw materials consumed, the cost to procure materials, labor costs, including wages, and employee benefits, and factory overhead to produce finished goods or products), including:

- the costs to inspect and repair products;
- shipping costs associated with inbound freight (such costs are capitalized as part of inventory and included in cost of sales as the inventory is sold);
- royalty expenses, including payments to certain parties for our use of licensed technology incorporated into our products;
- freight expenses incurred for certain shipments to customers;
- tariffs;
- warranty costs associated with the repair or replacement of products under warranty; and
- reductions in the carrying value of inventory to its net realizable value, if required, for estimated excess, obsolescence or impaired balances.

Gross profit/gross margin

Our gross profit equals our net sales minus cost of sales. Our gross margin measures our gross profit as a percentage of net sales.

Our gross margins fluctuate based on production volumes, product, customer and channel mix and overall supply chain and manufacturing efficiencies. Generally, we earn higher gross margins on our products sold to the aftermarket/non-OEM channel.

Operating expenses

Our operating expenses consist of the following:

- goodwill impairment;
- sales and marketing;
- research and development;
- general and administrative;

- amortization of purchased intangibles; and
- intangible and long-lived asset impairment.

Our goodwill impairment expense reflects non-cash charges recognized when the carrying value of goodwill exceeds its estimated fair value. We perform a goodwill impairment assessment at least annually but may perform interim assessments in the event of a triggering event that may indicate the fair value of a reporting unit decreased below its carrying value. During the year ended January 2, 2026, we recorded $557.3 million goodwill impairment charges as a result of our assessments. No goodwill impairments were identified in the years ended January 3, 2025 and December 29, 2023.

Our sales and marketing expenses include costs related to our net sales, customer service and marketing personnel, including their wages, employee benefits and related stock-based compensation, and occupancy-related expenses. Other significant sales and marketing expenses include commissions paid to outside sales representatives, promotional materials and products, our sales office costs, third-party marketing spend, race support and sponsorships of events and athletes, advertising and promotions related to trade shows, and travel and entertainment.

Our research and development expenses consist primarily of salaries and personnel costs, including wages, employee benefits and related stock-based compensation for our engineering, research and development teams, occupancy-related expenses, fees for third party consultants, service fees, and expenses for prototype tooling and materials, travel, and supplies. We expense research and development costs as incurred and such costs are included as research and development expenses on our consolidated statements of operations.

Our general and administrative expenses include costs related to our executive, finance, legal, information technology, business development, human resources and administrative personnel, including wages, employee benefits and related stock-based compensation expenses. We record professional and contract service expenses, occupancy-related expenses associated with corporate locations and equipment, and legal expenses in general and administrative expenses.

Our amortization of purchased intangibles includes amortization over their respective useful lives of our purchased intangible assets, such as customer lists, trade names, and our core technology. Our intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be fully recoverable. In the year ended January 2, 2026, we recognized $8.0 million impairments of intangible assets. No impairments of intangible assets were identified in the years ended January 3, 2025 and December 29, 2023.

Our intangible and long-lived asset impairment expense includes non-cash charges recognized when the carrying value of intangible and other long-lived assets is not recoverable. When indicators of impairment are present, we assess the asset's recoverability and, if necessary, write it down to its estimated fair value. In the year ended January 2, 2026, we recorded total intangible and long-lived asset impairments of $13.5 million, inclusive of the $8.0 million intangible asset impairments described above. No impairments of long-lived assets were identified in the years ended January 3, 2025 and December 29, 2023.

Income from operations

We define income from operations as gross profit less our operating expenses.

Interest and other expense, net

Interest expense consists of interest charged to us under our credit facility, changes related to our interest rate swap, and interest on supplier-financed chassis.

Other expense, net, consists of foreign currency transaction gains and losses, gains and losses on the disposal of fixed assets, and other miscellaneous items.

Income taxes

We are subject to income taxes in the U.S. (federal and state) and various other foreign jurisdictions. Our effective tax rate could be affected by numerous factors such as changes in our business operations, acquisitions, investments, entry into new businesses and geographies, intercompany transactions, the relative amount of our foreign earnings, losses incurred in jurisdictions for which we are not able to realize related tax benefits, changes in our deferred tax assets and liabilities and their valuation, changes in the laws, regulations, administrative practices, principles, and interpretations related to tax, including changes to the global tax framework and other laws and accounting rules in various jurisdictions.

For the years ended January 2, 2026, January 3, 2025 and December 29, 2023, we had effective tax rates of 5.5%, (543.5)% and 12.8%, respectively.

As of January 2, 2026, our deferred tax assets included foreign tax credits of approximately $45.4 million, which begin to expire in 2028 unless utilized.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company is implementing tax planning strategies and operational measures to support the realizability of its general category foreign tax credits and to mitigate valuation allowance risk. As of January 2, 2026, the Company determined a valuation allowance was needed for branch foreign tax credits. In the future, our effective tax rate could vary as we update our assessment of valuation allowances for our deferred tax assets, including those associated with credit carryforwards. It is reasonably possible that we could record a material adjustment to the valuation allowance in the next 12 months.

We are subject to examination of our income tax returns by the U.S. Internal Revenue Service ("IRS") and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our income tax liabilities and expense. Should actual events or results differ from our current expectations, charges or credits to our income tax expense may become necessary. Any such adjustments could have a significant impact on our effective tax rate.

Non-controlling interests ("NCI")

Non-controlling interests represent the portion of income or loss and the corresponding equity attributable to third-party equity holders in certain consolidated subsidiaries that are not 100% owned by us. NCI are presented as separate components in our consolidated statements of operations to clearly differentiate between our interests and the economic interests of third parties in those entities. Net (loss) income attributable to FOX stockholders, as reported in the consolidated statements of operations, is presented net of the portion of net income (loss) attributable to non-controlling interests.

In May 2024, the Company formed a joint venture, The Stable JV, LLC, whereby the Company owns a 51% membership interest. The joint venture was created with the purpose of offering specialized training programs to high performance athletes, as well as the development of training apparel and other products.

Results of operations

The table below summarizes our results of operations for the fiscal years ended January 2, 2026, January 3, 2025, and December 29, 2023:

	For the fiscal years ended		
(in millions)	**January 2, 2026**	**January 3, 2025**	**December 29, 2023**
Net sales	$ 1,467.3	$ 1,393.9	$ 1,464.2
Cost of sales	1,024.1	970.3	999.4
Gross profit	443.2	423.6	464.8
Operating expenses:			
Goodwill impairment	557.3	—	—
General and administrative	151.8	139.9	124.6
Sales and marketing	132.1	121.2	100.5
Research and development	69.4	60.3	53.2
Amortization of purchased intangibles	42.0	44.5	26.5
Intangible and long-lived asset impairment	13.5	—	—
Total operating expenses	966.2	365.9	304.7
(Loss) income from operations	(522.9)	57.7	160.1
Interest expense	53.7	54.9	19.3
Other (income) expense, net	(0.3)	1.7	2.1
(Loss) income before income taxes	(576.3)	1.0	138.7
(Benefit) provision for income taxes	(31.6)	(5.5)	17.8
Net (loss) income	(544.7)	6.5	120.8
Less: net loss attributable to non-controlling interest	(0.1)	—	—
Net (loss) income attributable to FOX stockholders	$ (544.6)	$ 6.6	$ 120.8

**Amounts may not foot due to rounding.*

The following table sets forth statement of operations data as a percentage of net sales for the years indicated:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Net sales	100.0 %	100.0 %	100.0 %
Cost of sales	69.8	69.6	68.3
Gross profit	30.2	30.4	31.7
Operating expenses:			
Goodwill impairment	38.0	—	—
General and administrative	10.3	10.0	8.5
Sales and marketing	9.0	8.7	6.9
Research and development	4.7	4.3	3.6
Amortization of purchased intangibles	2.9	3.2	1.8
Intangible and long-lived asset impairment	0.9	—	—
Total operating expenses	65.8	26.3	20.8
(Loss) income from operations	(35.6)	4.1	10.9
Interest expense	3.7	3.9	1.3
Other (income) expense, net	—	0.1	0.1
(Loss) income before income taxes	(39.3)	0.1	9.5
(Benefit) provision for income taxes	(2.2)	(0.4)	1.2
Net (loss) income	(37.1)	0.5	8.3
Less: net loss attributable to non-controlling interest	—	—	—
Net (loss) income attributable to FOX stockholders	(37.1)%	0.5 %	8.3 %

**Percentages may not foot due to rounding.*

Fiscal year ended January 2, 2026 compared to fiscal year ended January 3, 2025

Net sales

(in millions)	For the fiscal years ended January 2, 2026	For the fiscal years ended January 3, 2025	Change ($)	Change (%)
Net sales	$ 1,467.3	$ 1,393.9	$ 73.4	5.3 %

Net sales for the year ended January 2, 2026 increased approximately $73.4 million, or 5.3%, compared to the year ended January 3, 2025. The increase in net sales is primarily due to increased demand for aftermarket applications, improved performance in our upfitting product lines, and the market share gain in powersports, which offset lower industry demand in the automotive OE product lines. Although net sales increased, high interest rates impacting industry and consumer demands, high vehicle costs, and macro-economic conditions remain headwinds.

Cost of sales

(in millions)	For the fiscal years ended January 2, 2026	For the fiscal years ended January 3, 2025	Change ($)	Change (%)
Cost of sales	$ 1,024.1	$ 970.3	$ 53.8	5.5 %

Cost of sales for the year ended January 2, 2026 increased approximately $53.8 million, or 5.5%, compared to the year ended January 3, 2025. The increase in cost of sales was mainly due to our increased sales and the impact of tariffs.

For the year ended January 2, 2026, our gross margin was 30.2% compared to 30.4% for the year ended January 3, 2025. The decrease in gross margin for the fiscal year 2025 was primarily due to the shifts in our product line mix and the impact of tariffs.

Operating expenses

(in millions)	For the fiscal years ended January 2, 2026	For the fiscal years ended January 3, 2025	Change ($)	Change (%)
Operating expenses:				
Goodwill impairment	$ 557.3	$ —	$ 557.3	N/A
General and administrative	151.8	139.9	11.9	8.5 %
Sales and marketing	132.1	121.2	10.9	9.0
Research and development	69.4	60.3	9.1	15.1
Amortization of purchased intangibles	42.0	44.5	(2.5)	(5.6)
Intangible and long-lived asset impairment	13.5	—	13.5	N/A
Total operating expenses	$ 966.1	$ 365.9	$ 600.2	164.0 %

Total operating expenses for the year ended January 2, 2026 increased approximately $600.2 million, or 164.0%, over the comparable period in 2024. When expressed as a percentage of net sales, operating expenses increased to 65.8% of net sales for the year ended January 2, 2026, compared to 26.3% of net sales for the fiscal year ended January 3, 2025.

During the fiscal year 2025, we recognized goodwill impairment charges of $557.3 million and intangible and long-lived asset impairment charges of $13.5 million as a result of our quantitative assessments on goodwill and long-lived assets triggered by adverse changes in U.S. tariff policies, new and expanded tariffs enacted by the current presidential administration, and resulting sustained decline in our stock price. General and administrative expenses increased by approximately $11.9 million primarily due to organizational restructuring. Sales and marketing expenses and research and development expenses increased approximately $10.9 million and $9.1 million, respectively, driven by higher investments to support future growth and product innovation. Amortization of purchased intangible assets for the year ended January 2, 2026 decreased by approximately $2.5 million, as compared to the year ended January 3, 2025, primarily due to certain intangible assets becoming fully amortized early in the year.

(Loss) income from operations

	For the fiscal years ended			
(in millions)	January 2, 2026	January 3, 2025	Change ($)	Change (%)
(Loss) income from operations	$ (522.9)	$ 57.7	$ (580.6)	(1006.2)%

As a result of the factors discussed above, (loss) income from operations for the year ended January 2, 2026 decreased approximately $580.6 million compared to the year ended January 3, 2025.

Interest and other expense, net

	For the fiscal years ended			
(in millions)	January 2, 2026	January 3, 2025	Change ($)	Change (%)
Interest expense	$ 53.7	$ 54.9	$ (1.2)	(2.2)%
Other (income) expense, net	(0.3)	1.7	(2.0)	(117.6)
Interest and other expense, net	$ 53.4	$ 56.6	$ (3.2)	(5.7)%

Interest and other expense, net for the year ended January 2, 2026 decreased by approximately $3.2 million to $53.4 million, compared to $56.6 million for the year ended January 3, 2025. Interest expense decreased by $1.2 million due to lower debt and interest rates.

Income taxes

	For the fiscal years ended			
(in millions)	January 2, 2026	January 3, 2025	Change ($)	Change (%)
Benefit from income taxes	$ (31.6)	$ (5.5)	$ (26.1)	(474.5)%

Income tax benefit for the year ended January 2, 2026 increased by approximately $26.1 million to a benefit of $31.6 million compared to $5.5 million for the year ended January 3, 2025. The increase primarily resulted from the impairment impact of non-deductible goodwill recognized during the year.

The effective tax rates were 5.5% and (543.5)% for the years ended January 2, 2026 and January 3, 2025, respectively.

For the year ended January 2, 2026, the difference between our effective tax rate and the 21% federal statutory rate resulted primarily from the impairment impact of non-deductible goodwill recognized during the year.

For the year ended January 3, 2025, the difference between our effective tax rate and the 21% federal statutory rate resulted primarily from a benefit from the U.S. research and development tax credit.

Net (loss) income

	For the fiscal years ended			
(in millions)	January 2, 2026	January 3, 2025	Change ($)	Change (%)
Net (loss) income	$ (544.7)	$ 6.5	$ (551.2)	(8,480.0)%

As a result of the factors described above, our net income decreased $551.2 million to $544.7 million net loss in the fiscal year ended January 2, 2026 from $6.5 million net income for the fiscal year ended January 3, 2025.

Net (loss) income attributable to FOX stockholders

(in millions)	For the fiscal years ended January 2, 2026	January 3, 2025	Change ($)	Change (%)
Net (loss) income attributable to FOX stockholders	$ (544.6)	$ 6.6	$ (551.2)	(8,351.5)%

As a result of factors described above, our net income attributable to FOX stockholders decreased $551.2 million to $544.6 million net loss in the fiscal year ended January 2, 2026 from $6.6 million net income for the fiscal year ended January 3, 2025.

Segment Review

For additional financial information related to our operating segments including the reconciliation of segment adjusted EBITDA to (loss) income before income taxes, see Note 20. Segment Information.

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

(in millions)	For the fiscal years ended January 2, 2026	January 3, 2025	Change ($)	Change (%)
Net sales				
Powered Vehicles Group	$ 488.1	$ 461.4	$ 26.7	5.8 %
Aftermarket Applications Group	470.0	421.4	48.6	11.5
Specialty Sports Group	509.2	511.1	(1.9)	(0.4)
Net sales	$ 1,467.3	$ 1,393.9	$ 73.4	5.3 %
Adjusted EBITDA				
Powered Vehicles Group	$ 62.3	$ 53.8	$ 8.5	15.8 %
Aftermarket Applications Group	55.8	51.7	4.1	7.9
Specialty Sports Group	107.6	117.8	(10.2)	(8.7)

Powered Vehicles Group

Powered Vehicles Group net sales increased by approximately $26.7 million, or 5.8%, due to higher sales in powersports and aftermarket applications, which offset lower industry demand in automotive OE product lines.

Powered Vehicles Group adjusted EBITDA increased by approximately $8.5 million or 15.8%, mainly due to an increase in gross profit.

Aftermarket Applications Group

Aftermarket Applications Group net sales increased by approximately $48.6 million, or 11.5%, driven by increased demand for aftermarket products and higher upfitting sales; however, high interest rates, high vehicle costs, and macro-economic conditions impacting dealers and consumers continue to pose challenges.

Aftermarket Applications Group adjusted EBITDA increased by approximately $4.1 million, or 7.9%, mainly due to higher gross profit.

Specialty Sports Group

Specialty Sports Group net sales decreased by approximately $1.9 million, or 0.4%, primarily due to lower diamond sports product sales partially offset by higher bike sales.

Specialty Sports Group adjusted EBITDA decreased by approximately $10.2 million, or 8.7%, primarily due to a decrease in gross profit.

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 have generally financed our liquidity needs with operating cash flows, borrowings under our Amended Credit Agreement, and the issuance of common stock. These sources of liquidity may be impacted by factors and events described in Special Note Regarding Forward-Looking Statements and Item 1A. Risk Factors.

As of January 2, 2026, we held $8.9 million of our $58.0 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:

	For the years ended		
(in millions)	**January 2, 2026**	**January 3, 2025**	**December 29, 2023**
Net cash provided by operating activities	$ 60.9	$ 131.8	$ 178.7
Net cash used in investing activities	(34.0)	(76.3)	(750.4)
Net cash (used in) provided by financing activities	(40.0)	(67.3)	509.0
Effect of exchange rate changes on cash and cash equivalents	(0.6)	(0.2)	1.1
Decrease in cash and cash equivalents	$ (13.7)	$ (12.0)	$ (61.6)

**Amounts may not foot due to rounding.*

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

Operating activities

In the fiscal year ended January 2, 2026, net cash provided by operating activities was $60.9 million. The change in our operating assets and liabilities is a result of an increase in prepaids and other current assets of $27.1 million, an increase in accounts receivable of $23.5 million, a decrease in accrued expenses and other liabilities of $7.3 million, and a decrease in income taxes payable of $1.9 million, partially offset by a decrease in inventory of $18.0 million, and an increase in accounts payable of $1.2 million. The increase in prepaids and other current assets is primarily due to an increase in prepaid chassis deposits to meet next year upfitting production needs. The increase in our accounts receivable reflects higher sales and the timing of customer collections. The decrease in our accounts payable is driven by timing of inventory purchases and vendor payments. The decrease in income taxes payable is mainly due to lower pre-tax income and tax payments. The decrease in inventory is driven by strong execution of continuous improvement efforts to optimize inventory levels across the organization, particularly within PVG, which offset some of the impact from higher tariffs.

In the fiscal year ended January 3, 2025, net cash provided by operating activities was $131.8 million. The change in our operating assets and liabilities is a result of a decrease in prepaids and other current assets of $48.5 million, an increase in accounts payable of $15.0 million, a decrease in accounts receivable of $10.4 million, and an increase in accrued expenses and other liabilities of $5.4 million, partially offset by an increase in inventory of $26.5 million, and a decrease in income taxes payable of $11.2 million. The decrease in prepaids and other current assets is primarily due to lower prepaid chassis deposits driven by the sale of 2023 and 2024 model year chassis. The change in our accounts payable is driven by timing of inventory purchases and vendor payments. The change in our accounts receivable reflects a shift in our product line mix and the timing of customer collections. The increase in inventory excluding acquired inventory reflects an imbalance between expected and realized orders. The change in income taxes payable is mainly due to lower pre-tax income.

In the fiscal year ended December 29, 2023, cash provided by operating activities was $178.7 million. Our investment in operating assets and liabilities is a result of an increase in prepaids and other current assets of $38.2 million primarily due to carrying more chassis to meet current year production needs for the upfitting product lines, and decreases in accounts payable of $44.0 million, accrued expenses and other liabilities of $21.4 million, and income taxes payable of $19.1 million, partially offset by decreases in accounts receivable of $64.5 million and inventory of $31.6 million. The change in our accounts receivable reflects a shift in our product line 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 and our cost control measures, partially offset by acquired accrued expenses. The decrease in inventory excluding acquired inventory reflects our continued efforts to optimize inventory levels.

Investing activities

In the fiscal year ended January 2, 2026, cash used in investing activities consisted of $34.0 million in property and equipment additions.

In the fiscal year ended January 3, 2025, cash used in investing activities was $76.3 million, which primarily consisted of $44.0 million in property and equipment additions, $25.8 million in cash considerations for our acquisitions including the acquisition of Marzocchi, $5.4 million in cash consideration for our purchase of other assets, and $1.1 million paid for acquisition foreign exchange hedge settlement related to the acquisition of Marzocchi.

In the fiscal year ended December 29, 2023, cash used in investing activities was $750.4 million, which primarily consisted of $701.1 million in cash consideration for our acquisitions of Marucci and Custom Wheel House, $46.9 million in property and equipment additions, and $2.4 million in cash consideration for our purchase of other assets.

Financing activities

In the fiscal year ended January 2, 2026, net cash used in financing activities was $40.0 million, which primarily consisted of $567.4 million in repayments on our Incremental Term Loans (as defined below), $282.0 million in payments on our revolver, $2.9 million in deferred fees for debt modifications, and payments of $1.3 million to repurchase shares of our common stock to cover withholding taxes from our stock-based compensation program, partially offset by $534.6 million proceeds from the Term Loan and $279.0 million proceeds from the Revolving Credit Facility (as defined below) issued under the Amended Credit Agreement (as defined below), which were used to repay all outstanding amounts owed under the Credit Agreement (as defined below) and for general corporate purposes.

In the fiscal year ended January 3, 2025, net cash provided by financing activities was $67.3 million, which primarily consisted of $406.0 million in payments on our revolver, $25.0 million to repurchase shares of our common stock, $19.3 million in repayments on our Incremental Term Loans (as defined below), $3.4 million in deferred fees for debt modifications, $2.6 million net of proceeds from the exercise of stock options, as part of our stock-based compensation program, partially offset by $200.0 million proceeds from the Delayed Draw Term Loan (as defined below) and $189.0 million proceeds from the revolver, which were used to support our working capital and the acquisition of Marzocchi.

In the fiscal year ended December 29, 2023, net cash provided by financing activities was $509.0 million, which primarily consisted of proceeds from our Credit Agreement (as defined below) of $793.5 million, which was used to support our working capital and the purchases of Marucci and Custom Wheel House, partially offset by $230.0 million in payments on our revolver, $20.0 million in prepayments on our Term A Loan (as defined below), $25.0 million to repurchase shares of our common stock, $6.2 million to repurchase shares of our common stock to cover withholding taxes from our stock-based compensation program, and $3.4 million in deferred debt issuance costs.

Credit Agreement

On April 5, 2022, the Company entered into a new credit agreement with Wells Fargo Bank, National Association, and other named lenders (the “Credit Agreement”). The Credit Agreement, 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.

The Company may borrow, prepay and re-borrow principal under the Credit Agreement during its term. Advances under the Credit Agreement 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 2.25%. 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, the Company entered into the First Incremental Facility Amendment (the "First Amendment") amending the Credit Agreement. The Amendment provided the Company with a term loan in an amount of $400.0 million (the "Incremental Term A Loan") and a delayed draw term loan in an amount of $200.0 million (the "Delayed Draw Term Loan" and, together with the Incremental Term A Loan, the "Incremental Terms Loans"), each of which are permitted under the Credit Agreement, 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 May 14, 2024 and the date on which the Delayed Draw Term Loan 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 Credit Agreement.

The Company paid $10.1 million in debt issuance costs, of which $6.7 million were allocated to the Incremental Term A Loan and $3.4 million were allocated to the Delayed Draw Term Loan. Loan fees allocated to the Incremental Term A Loan are amortized using the interest method over the term of the Credit Agreement. 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 $200.0 million 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.

On July 31, 2024 and December 20, 2024, the Company entered into the Third and Fourth Amendments to the Credit Agreement, respectively, to secure an improved covenant profile on its capital structure to provide more flexibility given the uncertain macro environment. The Company paid $3.5 million in loan fees for the Third and Fourth Amendments, of which $3.4 million were allocated among the revolver and the Incremental Term Loans to be amortized over the remaining term of the Credit Agreement.

Amended Credit Agreement

On October 24, 2025, the Company entered into the Fifth Amendment to the Credit Agreement and Second Amendment to Guaranty and Security Agreement (the "Fifth Amendment") among the Company, certain subsidiaries of the Company, Wells Fargo Bank, National Association, as administrative agent, swingline lender and L/C issuer (the "Agent"), and a group of lenders party thereto. The Fifth Amendment amends the Credit Agreement, dated as of April 5, 2022 (as amended prior to the Fifth Amendment, the "Credit Agreement" and, as amended by the Fifth Amendment, the "Amended Credit Agreement"), and the Guaranty and Security Agreement, dated as of April 5, 2022, as amended prior to the Fifth Amendment, which secures the obligations under the Credit Agreement in favor of the Agent for the benefit of the lenders and other secured parties. Terms not otherwise defined below will have the meaning as set forth in the Amended Credit Agreement.

The Fifth Amendment, among other things, amends the Credit Agreement to replace the existing loans provided under the Credit Agreement with (i) a term loan in the aggregate outstanding amount of $537.5 million (the "Term Loan"), which will be repaid by the Company in quarterly installments in the amount of $6.7 million, (ii) revolving loans in an aggregate amount of up to $500.0 million, with sub-facilities for swing line loans in an aggregate amount of up to $25.0 million and letters of credit in an aggregate amount of up to $25.0 million (the "Revolving Credit Facility"), and (iii) an incremental loan facility, subject to additional terms set forth in the Amended Credit Agreement, in an aggregate amount of up to $175.0 million plus an unlimited amount so long as after giving effect to the incurrence of such incremental loans, on a pro forma basis, the Consolidated Net Leverage Ratio is less than 3.25. To the extent not previously paid, all then-outstanding amounts under the Term Loan and the Revolving Credit Facility are due and payable on October 24, 2030.

The Term Loan and advances under the Revolving Credit Facility can be either SOFR loans or base rate loans. SOFR loans bear interest on the outstanding principal amount thereof for each interest period at a rate per annum equal to the term SOFR for such calculation plus a margin ranging from 1.00% to 2.50%. Base rate 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 Agent as its "prime rate," and (iii) term SOFR rate for a one-month tenor plus 1.00%, subject to the interest rate floors set forth in the Amended Credit Agreement, plus a margin ranging from 0.00% to 1.50%.

In connection with the Fifth Amendment, the Company borrowed $710.0 million under the Amended Credit Agreement consisting of the $537.5 million Term Loan and $172.5 million under the Revolving Credit Facility, which was used to repay all outstanding amounts owed under the Credit Agreement prior to the Fifth Amendment and for general corporate purposes.

The Company paid $6.0 million in debt issuance costs in connection with the Fifth Amendment, of which $5.8 million was allocated between the Term Loan and the Revolving Credit Facility to be amortized over the term of the Amended Credit Agreement. Additionally, the Company had $8.1 million of remaining unamortized debt issuance costs related to the Credit Agreement, of which $6.3 million were carried forward to the Amended Credit Agreement and $1.8 million were written off as a loss on debt extinguishment.

The Amended Credit Agreement 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 January 2, 2026.

At January 2, 2026, the one-month SOFR and three-month SOFR rates were 3.78% and 4.00%, respectively. At January 2, 2026, our weighted-average interest rate on outstanding borrowing was 6.05%.

Material Cash Requirements

As of January 2, 2026, we had the following material cash requirements related to commitments or contractual obligations (in millions):

Payments due by period	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Long-term borrowings	$ 680.9	$ 26.9	$ 53.8	$ 600.2	$ —
Operating lease obligations	128.8	20.4	34	27.8	46.6
Other obligations	16.3	6.6	6.6	3.1	—
Total	$ 826.0	$ 53.9	$ 94.4	$ 631.1	$ 46.6

**Amounts may not foot due to rounding.*

Seasonality

Certain portions of our business are seasonal; we believe this seasonality is due to the delivery of new products. As we have diversified our product offerings and our product launch cycles, seasonal fluctuations are becoming less material.

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.

Interest Rates

Interest rate volatility can impact our borrowing costs and overall financial condition. While fluctuations in interest rates have not historically had a material effect on our results of operations, significant increases could lead to higher interest expense on our variable-rate debt. To mitigate this risk and enhance predictability, we utilize interest rate swaps to manage our exposure to interest rate fluctuations.

Recent Developments

Global Trade Actions and Tariffs - New and expanded tariffs announced under the current administration and triggered retaliatory actions by certain affected countries, and other foreign governments have introduced additional costs and uncertainty into our supply chain, which impact our cost structure and working capital needs in the near term. We are evaluating the potential effect on our supply chain and sourcing strategies, and while we expect some volatility in cash flows as we adjust, we believe our existing liquidity and access to the Amended Credit Agreement provide sufficient flexibility to manage these developments. Please read "*U.S. policies related to global trade and tariffs could have a material adverse effect on our results of operations*" within Item 1A. Risk Factors of this Annually Report on Form 10-K.

One Big Beautiful Bill Act ("OBBBA") - On July 4, 2025, the OBBBA was enacted in the U.S. This legislation introduces several significant tax provisions, including the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, changes to the international tax framework, and the reinstatement of favorable tax treatment for select business provisions. The OBBBA includes multiple effective dates, with certain provisions taking effect in 2025 and others phased in through 2027. We reviewed the enacted legislation and determined that these provisions do not affect the measurement of our deferred tax assets and liabilities as of January 2, 2026. We will continue to assess the impact on the effective tax rate for future periods.

Critical Accounting Policies and Estimates

We adopted various accounting policies to prepare the consolidated financial statements in accordance with U.S. GAAP. Our significant accounting policies are described in Note 1. Description of the Business, Basis of Presentation and Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements. Some of those significant accounting policies require us to make difficult, subjective, or complex judgments or estimates. An accounting estimate is considered to be critical if it is made in accordance with GAAP and it meets both of the following criteria: (i) the estimate requires assumptions about matters that are highly uncertain at the time the accounting estimate is made, and (ii) different estimates reasonably could have been used, or changes in the estimate that are reasonably likely to occur may have a material impact on our financial condition or results of operations. The significant accounting policies that management believes are critical to the understanding and evaluating our reported financial results include the following: income taxes, inventory, warranty, goodwill and intangible assets, stock-based compensation, revenue recognition, provision for credit losses and fair value measurement. For further information see Note 1. Description of the Business, Basis of Presentation and Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Critical Accounting Policies

Income taxes

We are subject to income taxes in the U.S. (federal and state) and foreign jurisdictions. We compute our provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using the currently enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. The income tax effects of these differences are classified as long-term deferred tax assets and liabilities in our consolidated balance sheets.

Significant judgments are required in order to determine the realizability of these deferred tax assets. In assessing the need for a valuation allowance, we evaluate all significant available positive and negative evidence, including but not limited to, historical operating results, forecasted earnings, estimates of future taxable income of a character necessary to realize the deferred asset, relative proportions of revenue and pre-tax income in the various domestic and jurisdictions in which we operate, and the existence of prudent and feasible tax planning strategies. Changes in the expectations regarding the realization of deferred tax assets could materially impact income tax expense in future periods.

Additionally, our judgments, assumptions, and estimates relative to the provision for income taxes take into account enacted tax laws, regulations, administrative practices, interpretations in various jurisdictions and possible outcomes of current and future audits conducted by tax authorities. Our effective tax rates could be affected by numerous factors, such as changes in our business operations, acquisitions, investments, entry into new businesses and geographies, intercompany transactions, the relative amount of our foreign earnings, losses incurred in jurisdictions for which we are not able to realize related tax benefits, changes in our deferred tax assets and liabilities and their valuation, changes in the laws, regulations, administrative practices, principles, and interpretations related to tax, including changes to the global tax framework and other laws and accounting rules in various jurisdictions.

We utilize a two-step approach to recognizing and measuring uncertain income tax positions. The first step is to determine if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. We consider many factors when evaluating tax positions such as the closing of a tax audit, the refinement of estimates, and the expiration of a statute of limitations that may require periodic adjustments that impact our tax provision in our consolidated statements of operations. Interest and penalties associated with income taxes are recorded as income tax expense. Refer to Note 15. Income Taxes for further details.

Inventories

Inventories are stated at the lower of actual cost (or standard cost which generally approximates actual costs on a first-in first-out basis) or net realizable value. Cost includes raw materials and inbound freight, as well as direct labor and manufacturing overhead for products we manufacture. Net realizable value is based on current replacement cost for raw materials and on a net realizable value for finished goods. Adjustments to reduce the cost of inventory to its net realizable value are made, if required, for estimated excess, obsolete or impaired balances.

We regularly monitor inventory quantities on hand and on order and record write-downs for excess and obsolete inventories based on our estimate of the demand for our products, potential obsolescence of technology, product life cycles, and when pricing trends or forecasts indicate that the carrying value of inventory exceeds our estimated selling price. These factors are affected by market and economic conditions, technology changes, and new product introductions and require estimates that may include elements that are uncertain. Actual demand may differ from forecasted demand and may have a material effect on our gross margin. If inventory is written down, a new cost basis will be established at the end of that fiscal period that cannot be increased in future periods.

Warranty

Unless otherwise required by law, the Company generally offers limited warranties on its products for a one, two or three-year period. We accrue estimated costs related to warranty activities as a component of cost of sales upon product shipment or when information becomes available indicating that an adjustment to the warranty reserves is appropriate. Management estimates are based upon historical and projected product failure rates and historical costs incurred in correcting product failures. The warranty reserve is assessed from time to time for adequacy and adjusted as necessary for specifically identified warranty exposures. Actual warranty expenses are charged against our estimated warranty liability when incurred. Factors that affect our liability include the number of units, historical and anticipated rates of warranty claims, and the cost per claim. An increase in warranty claims or the related costs associated with satisfying these warranty obligations could increase our cost of sales and negatively affect our operating results. Total accrued warranty liabilities were approximately $15.2 million and $21.6 million as of January 2, 2026 and January 3, 2025, respectively. Refer to Note 8. Accrued Expenses for further details.

Goodwill, intangible assets and long-lived assets

Goodwill

Goodwill represents the excess of purchase price over the fair value of the net assets of businesses acquired. On an annual basis, the Company performs a qualitative assessment to determine if it is more likely than not that the fair value of the reporting unit is less than its carrying amount, including goodwill. If the Company determines that the fair value of the reporting unit is less than its carrying amount, it will perform a quantitative analysis; otherwise, no further evaluation is necessary.

For the quantitative impairment test, the Company compares the fair value of the reporting unit to its carrying value, including goodwill. The Company determines the fair value of the reporting unit based on a weighting of income and market approaches. The income approach employs a discounted cash flow model, projecting revenue and cash flows over a multi-year period. These projections are based on management's estimates, historical performance trends, and industry outlooks. These cash flows, along with a terminal value, are discounted to their present value using a weighted-average cost of capital ("WACC") that reflects a market rate appropriate for each reporting unit. The market approach employs multiples for public companies that reasonably compare to the reporting units. Sensitivity analyses are performed to assess the impact of changes in key assumptions. As a reasonableness check, the impairment assessment also includes a comparison of the aggregate estimated fair value of the reporting units to the Company's total market capitalization.

If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not impaired and no further testing is performed. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then the Company will recognize a loss equal to the excess, limited to the total amount of goodwill allocated to that reporting unit. Impairments, if any, are charged directly to earnings.

In early fiscal year 2025, the Company recognized a non-cash goodwill impairment charge of $262.1 million within operating expenses, which impacted all reporting units. The impairment resulted from a triggering event related to adverse changes in U.S. tariff policies, new and expanded tariffs enacted by the current presidential administration, and resulting sustained decline in our stock price. The impairment charge reflects the amount by which the carrying values of the reporting units exceeded their estimated fair values. In the second quarter, the Company conducted a qualitative assessment and concluded that no additional impairment existed as of July 4, 2025. The annual impairment assessment was performed in the third quarter, and the Company concluded that it was not more likely than not that the fair values of the reporting units were less than the carrying values. In the fourth quarter, the Company conducted another quantitative impairment assessment due to a further sustained decrease in our stock price and recorded another non-cash goodwill impairment charge of $295.2 million within operating expenses.

The Company's goodwill impairment assessment is subject to significant estimates and assumptions. Adverse changes in key assumptions, including projected revenue growth rates, the terminal growth rate, or the WACC could result in additional goodwill impairment charges. As of January 2, 2026, SSG was the only reporting unit with a remaining goodwill balance following the recorded goodwill impairment charges. Based on the most recent quantitative assessment, and for purposes of this sensitivity analysis assuming a 100% weighting to the income approach, a 1.5% increase in the WACC would result in a full future impairment of SSG's remaining goodwill.

Indefinite-lived intangible assets

Certain trademarks and trade names, including FOX and others from certain subsidiaries, are considered to be indefinite life intangibles, and are not amortized but are subject to testing for impairment annually. Due to the triggering events as described above, the indefinite-lived intangible assets were also assessed for impairment. The Company concluded that no impairment existed as of April 4, 2025. A qualitative assessment performed in the second quarter reached the same conclusion as of July 4, 2025. The annual impairment assessment conducted in the third quarter and the quantitative assessment performed in the fourth quarter also indicated no impairment.

Finite-lived intangible assets and other long-lived assets

We assess the recoverability of identifiable finite-lived intangible assets whenever events or changes in circumstances indicate that an asset or asset group's carrying amount may be impaired. Impairment of certain finite-lived intangible assets, particularly customer relationships, certain trade names and core technology, is measured by comparing the carrying amount of the asset group to which the assets are assigned to the sum of the undiscounted estimated future cash flows the asset group is expected to generate. If the asset or asset group is considered to be impaired, the amount of such impairment would be measured by the difference between the carrying amount of the asset and its fair value.

The Company reviews other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset is impaired or the estimated useful lives are no longer appropriate. If indicators of impairment exist and the undiscounted projected cash flows associated with such assets are less than the carrying amount of the assets, an impairment loss is recorded to write the assets down to their estimated fair values. Fair value is estimated based on discounted future cash flows.

During the fourth quarter of fiscal 2025, due to lower expected cash flows, the Company performed a recoverability test and related quantitative impairment assessment for its finite-lived intangible assets and other long-lived assets. As a result, the Company recorded $13.5 of intangible and long-lived asset impairment in operating expenses.

Acquisition of certain identifiable definite-lived and indefinite-lived assets

In conjunction with an acquisition of a business, the Company records identifiable definite-lived and indefinite-lived intangible assets acquired at their respective fair values as of the date of acquisition. The estimates used in assessing the fair value for the assets acquired include projected future cash flows, associated discount rates used to calculate present value, asset life cycles, customer retention rates and royalty rates. The fair value calculated for indefinite-lived intangible assets such as certain trade names, in addition to intangible assets that are definite-lived such as customer relationships and other technology-based assets may change during the finalization of the purchase price allocation, due to the significant estimates used in determining their fair value. As a result, the Company may make adjustments to the provisional amounts recorded for certain items as part of the purchase price allocation subsequent to the acquisition, not to exceed one year after the acquisition date, until the purchase accounting allocation is finalized.

Stock-based compensation

The Company measures stock-based compensation for all stock-based awards, including stock options and restricted stock units ("RSUs"), based on their estimated fair values on the date of the grant and recognizes the stock-based compensation cost for time-vested awards on a straight-line basis over the requisite service period. For performance-based RSUs, the number of shares ultimately expected to vest is estimated at each reporting date based on management's expectations regarding the relevant performance criteria. To the extent shares are expected to vest, the stock-based compensation cost is recognized on a straight-line basis over the requisite service period. Stock-based compensation was $14.3 million, $9.6 million and $16.5 million for the fiscal years ended January 2, 2026, January 3, 2025 and December 29, 2023, respectively. Refer to Note 13. Stockholders' Equity for further details. The Company does not estimate forfeitures in recognizing stock-based compensation expense.

The determination of the grant date fair value of options using an option-pricing model is affected by our common stock fair value as well as assumptions including our expected stock price volatility over the expected term of the options, stock option exercise and cancellation behaviors, risk-free interest rates and expected dividends.

Stock-based compensation expenses are classified in the statements of operations based on the department to which the related employee reports. Our stock-based awards subsequent to our IPO have been comprised principally of RSU awards.

Revenue recognition

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 over 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, dealers and retailers, the Company may also enter into master agreements. 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, which we record as a prepaid asset, 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 upfit packages from our Outside Van and Upfit UTV generally include the vehicle chassis, of which the Company has the risks and rewards of ownership.

We elected as a practical expedient to not capitalize the incremental costs to obtain contracts with customers because 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. Accrued sales rebates were $7.0 million, $7.9 million, and $11.9 million as of January 2, 2026, January 3, 2025, and December 29, 2023, respectively. Sales returns allowances have historically been immaterial to the financial statements.

Allowance for credit losses

We record an allowance for credit losses deemed not collectible using the aging method. The allowance is based on how long a receivable has been outstanding, taking into account the historical credit loss rate and adjusting for both current conditions and reasonable and supportable forecasts of future economic conditions that may impact collectability. Our methodology reflects the expected credit loss model, which does not solely rely on past events or incurred losses but also considers forward-looking information to estimate potential credit deterioration. If circumstances change, such as higher-than-expected defaults or an unexpected material adverse change in a major customer’s ability to meet its financial obligations, we reassess our estimates and determine whether the recoverability of the amounts due could be reduced by a material amount.

Fair value measurement and financial instruments

Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, 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).

We apply fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. We define fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between reasonable market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, we consider the principal or most advantageous market in which we would transact and the market-based risk measurements or assumptions that reasonable market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk.

As of January 2, 2026, the carrying amount of the principal under the Company’s Credit Agreement - 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.

The Company mitigates the cash flow risk associated with changes in interest rates on its variable rate debt through interest rate swap agreements. Refer to Note 11. Derivatives and Hedging for additional details of the agreements. In accordance with ASC 815, interest rate swap contracts are recognized as assets or liabilities on the consolidated balance sheets and are measured at fair values. The fair values were estimated based on expected cash flows over the life of the swaps. 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.

Recent Accounting Pronouncements

See Note 1 - Description of the Business, Basis of Presentation, and Summary of Significant Accounting Policies within the accompanying Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K for further details regarding this topic.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate sensitivity

We are exposed to market risk in the normal course of our business operations due to our ongoing investing and financing activities. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We established policies and procedures governing our management of market risks and the use of financial instruments to manage exposure to such risks. As of January 2, 2026, we had $680.8 million of interest-bearing indebtedness outstanding under our Amended Credit Agreement. Based on the $180.8 million of variable interest rate indebtedness that was outstanding as of January 2, 2026, after giving effect to our interest rate swaps, a hypothetical 100 basis point increase or decrease in the interest rate would have resulted in an approximately $1.8 million increase or decrease in interest expense for the year ended January 2, 2026. As of January 2, 2026, our supplier-financed chassis on hand through the floor plan arrangements were $20.7 million. A hypothetical 100 basis point increase or decrease in the interest rate would have resulted in an approximately $0.2 million increase or decrease in interest expense for the year ended January 2, 2026.

Exchange rate sensitivity

As of January 2, 2026, we are exposed to changes in foreign currency exchange rates. While historically this exposure to changes in foreign currency exchange rates has not had a material effect on our financial condition or results of operations, foreign currency fluctuations could have an adverse effect on our business and results of operations in the future. Historically, our primary exposure has been related to transactions denominated in the Euro, New Taiwanese Dollar, and Canadian Dollar. The majority of our sales, both domestically and internationally, are denominated in U.S. Dollars. Historically, the majority of our expenses have also been in U.S. Dollars, and we have been somewhat insulated from currency fluctuations. However, we may be exposed to greater exchange rate sensitivity in the future. At times, we enter into short-term foreign currency swap contracts to mitigate our foreign currency exposure; however, we may consider strategies to mitigate our foreign currency exposure further in the future if deemed necessary.

Credit and other risks

We are exposed to credit risk associated with cash and cash equivalents, interest rate swap agreements and trade receivables. As of January 2, 2026, the majority of our cash and cash equivalents consisted of cash balances in non-interest bearing checking accounts which significantly exceed the insurance coverage provided on such deposits. We do not believe that our cash equivalents and interest rate swap agreements present significant credit risks because the counterparties to the instruments consist of major financial institutions. Substantially all trade receivable balances of our businesses are unsecured. The credit risk with respect to trade receivables is concentrated by the number of significant customers that we have in our customer base and a prolonged economic downturn could increase our exposure to credit risk on our trade receivables. To manage our exposure to such risks, we perform ongoing credit evaluations of our customers and maintain an allowance for potential credit losses.

We do not currently hedge our exposure to increases in the prices for our primary raw materials.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and the report of our independent registered public accounting firm are included in Part IV. Report of Independent Registered Public Accounting Firm of this Annual Report on Form 10-K. The index to these reports and our financial statements is included in Item 15. Exhibits, Financial Statement Schedules below.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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 January 2, 2026. Based on the evaluation of our disclosure controls and procedures as of January 2, 2026, 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.

Management’s Report on Internal Control Over Financial Reporting

The Management’s Report on Internal Control Over Financial Reporting is contained in Part IV. Management’s Report on Internal Control Over Financial Reporting of this Annual Report on Form 10-K and is incorporated herein by reference.

Attestation Report of Independent Registered Public Accounting Firm

Grant Thornton, LLP, the independent registered public accounting firm that audited the Company’s consolidated financial statements, issued an attestation report on the Company’s internal control over financial reporting. A report of independent registered public accounting firm is contained in Part IV. Report of Independent Registered Public Accounting Firm of this Annual Report on Form 10-K.

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 quarter ended January 2, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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 control 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 control 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 not be detected.

ITEM 9B. OTHER INFORMATION

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

During the three months ended January 2, 2026, 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).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this Item regarding our directors and executive officers is incorporated by reference to the sections of our proxy statement to be filed with the SEC in connection with our 2026 Annual Meeting of Stockholders (the “Proxy Statement”) entitled “Election of Class I Directors” and “Corporate Governance.”

Information required by this Item regarding our corporate governance, including our audit committee and code of ethics, is incorporated by reference to the sections of the Proxy Statement entitled “Corporate Governance” and “The Board of Directors.”

Information required by this Item regarding compliance with Section 16(a) of the Exchange Act required by this Item is incorporated by reference to the section of the Proxy Statement entitled “Delinquent Section 16(a) Reports.”

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item regarding executive compensation is incorporated by reference to the information set forth under the captions “Executive Compensation,” “Director Compensation” and “Corporate Governance” in our Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding security ownership of certain beneficial owners and management is incorporated by reference to the section of the Proxy Statement entitled “Security Ownership of Certain Beneficial Owners and Management.”

Information required by this item regarding securities authorized for issuance under our equity compensation plans is incorporated by reference to the information set forth under the caption “Executive Compensation” in our Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item is incorporated by reference to the section of the Proxy Statement entitled "Certain Relationships and Related Transactions and Director Independence."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this Item is incorporated by reference to the section of the Proxy Statement entitled "Ratification of Appointment of Independent Registered Public Accounting Firm."

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements

(b) Exhibits

ITEM 16. FORM 10-K SUMMARY

None.

Index to Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	File No.	Filing Date	Filed or Furnished Herewith
2.1	Agreement and Plan of Merger, dated November 1, 2023, by and among (i) Fox Factory, Inc; (ii) Marucci Merger Sub, Inc.; (iii) Wheelhouse Holdings Inc.; and (iv) Compass Group Diversified Holdings LLC, as the Equityholders' Representative	8-K	001-36040	November 3, 2023	
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	
4.1	Form of Common Stock Certificate	S-1	333-189841	July 8, 2013	
4.2	Form of Indenture	S-3	333-203146	March 31, 2015	
4.3	Description of Securities	10-K	001-36040	February 23, 2023	
10.1†	Employment Agreement, dated August 29, 2018, by and between Fox Factory Holding Corp. and Michael C. Dennison	10-K	001-36040	February 26, 2019	
10.2†	Amended and Restated Employment Agreement, dated June 26, 2019, by and between Fox Factory Holding Corp. and Michael C. Dennison	8-K	001-36040	July 1, 2019	
10.3†	Amendment to the Amended and Restated Employment Agreement, by and between Fox Factory Holding Corp. and Michael C. Dennison, dated August 5, 2020.	8-K	001-36040	August 10, 2020	
10.4†	2023 Policy Regarding Terms Applicable to Restricted Stock Unit and Performance Share Unit Award Agreements in the Event of Qualified Retirement	10-K	001-36040	February 23, 2024	
10.5†	Sixth Amended and Restated Non-Employee Director Compensation Policy, effective January 1, 2022.	10-K	001-36040	February 23, 2024	
10.6†	Form of Indemnification Agreement, by and between Fox Factory Holding Corp. and certain of its officers, directors and/or advisors	10-Q	001-36040	October 31, 2018	
10.7†	Fox Factory Holding Corp. 2022 Omnibus Plan	8-K	001-36040	May 6, 2022	
10.8†	Form of Employee Restricted Stock Unit Award Agreement for Non-Employee Directors under 2022 Omnibus Plan (U.S.)	8-K	001-36040	May 6, 2022	
10.9†	Form of Restricted Stock Unit Award Agreement under 2022 Omnibus Plan (U.S.)	10-K	001-36040	February 23, 2024	
10.10†	Form of Performance Share Unit Award Agreement under the 2022 Omnibus Plan	10-K	001-36040	February 23, 2024	
10.11†	Form of Performance Share Unit Award Agreement under the 2022 Omnibus Plan	8-K	001-36040	March 21, 2024	
10.12†	Form of Revenue Growth Performance Share Unit Award Agreement under the 2022 Omnibus Plan	8-K	001-36040	March 21, 2024	
10.13	First Incremental Facility Amendment, dated November 14, 2023, by and among Fox Factory Holding Corp., Bank of America, N.A., Wells Fargo Bank, National Association and PNC Bank, National Association	8-K	001-36040	November 15, 2023	
10.14	Pilot Agreement, between the Gainesville and Hall County Development Authority and Fox Factory, Inc., effective June 12, 2020.	8-K	001-36040	June 16, 2020	
10.15	Bond Purchase Agreement, between the Gainesville and Hall County Development Authority and Fox Factory, Inc., effective June 12, 2020.	8-K	001-36040	June 16, 2020	
10.16	Financing Agreement, between the Gainesville and Hall County Development Authority and Fox Factory, Inc., effective June 12, 2020.	8-K	001-36040	June 16, 2020	

10.17	Lease Agreement, between the Gainesville and Hall County Development Authority and Fox Factory, Inc., effective June 12, 2020.	8-K	001-36040	June 16, 2020	
10.18	Amendment No. 1 to Lease Agreement between the Gainesville and Hall County Development Authority and Fox Factory, Inc., dated December 31, 2020.	10-K	001-36040	February 24, 2022	
10.19	Amendment No. 2 to Lease Agreement between the Gainesville and Hall County Development Authority and Fox Factory, Inc., dated December 31, 2021.	10-K	001-36040	February 24, 2022	
10.20	Deed to Secure Debt and Security Agreement, between the Gainesville and Hall County Development Authority and Fox Factory, Inc., effective June 12, 2020.	8-K	001-36040	June 16, 2020	
10.21	Assignment of Lease Agreement, between the Gainesville and Hall County Development Authority and Fox Factory, Inc., effective June 12, 2020.	8-K	001-36040	June 16, 2020	
10.22	Direct Payment Agreement, between the Gainesville and Hall County Development Authority and Fox Factory, Inc., effective June 12, 2020.	8-K	001-36040	June 16, 2020	
10.23	Credit Agreement, among Fox Factory Holding Corp., Wells Fargo Bank, N.A., as Administrative Agent, Swingline Lender and L/C Issuer, and a group of lenders party thereto, dated April 5, 2022.	8-K	001-36040	April 5, 2022	
10.24†	Deferred Compensation Plan, effective June 30, 2021.	S-8	333-264858	June 29, 2021	
10.25	Securities Purchase Agreement, between Fox Factory, Inc., CWH Holdco, LLC, CWH Blocker Corp., and Thompson Street Capital Partners V, L.P., effective February 17, 2023.	10-K	001-36040	February 23, 2023	
10.26	Amendment No. 3 to Lease Agreement between the Gainesville and Hall County Development Authority and Fox Factory, Inc., dated December 31, 2022.	10-Q	001-36040	May 4, 2023	
10.27†	Employment Agreement, by and between Fox Factory Holding Corp. and Dennis C. Schemm, dated June 12, 2023	10-Q	001-36040	August 4, 2023	
10.28†	Employment Agreement, by and between Fox Factory Holding Corp. and Toby D. Merchant, dated April 13, 2021	10-Q	001-36040	August 4, 2023	
10.29	Second Amendment to Credit Agreement and First Amendment to Guaranty and Security Agreement, dated June 5, 2024	10-Q	001-36040	August 2, 2024	
10.30	Third Amendment to Credit Agreement, dated July 31, 2024	10-Q	001-36040	November 1, 2024	
10.31	Amendment to Pilot Agreement, dated September 25, 2024	10-Q	001-36040	November 1, 2024	
10.32	Fourth Amendment to the Credit Agreement, dated December 20, 2024.	8-K	001-36040	December 20, 2024	
10.33†	Form of EBITDA Performance Share Unit Award Agreement under 2022 Omnibus Plan	10-K	001-36040	February 28, 2025	
10.34	Fifth Amendment to Credit Agreement and Second Amendment to Guaranty and Security Agreement, dated October 24, 2025	8-K	001-36040	October 27, 2025	
10.35	Cooperation Agreement, dated February 8, 2026	8-K	001-36040	February 9, 2026	
19.1	Insider Trading Policy	8-K	001-36040	February 28, 2025	
21.1	List of Subsidiaries				**X**
23.1	Consent of Independent Registered Public Accounting Firm				**X**
24.1	Power of Attorney (contained in signature page to this Annual Report on Form 10-K)				**X**
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 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 adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended					**X**
32.1*	Certification of Principal Executive 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**
32.2*	Certification of 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**
97.1	Clawback Policy	10-K	001-36040	February 23, 2024		
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					**X**

† Management contract or compensatory plan.

X Filed herewith

* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Annual Report on Form 10-K 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, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		FOX FACTORY HOLDING CORP.
February 26, 2026	By:	/s/ Dennis C. Schemm
		Dennis C. Schemm, Chief Financial Officer
		(Principal Financial Officer & Duly Authorized Signatory)
February 26, 2026	By:	/s/ Brendan R. Enick
		Brendan R. Enick, Chief Accounting Officer
		(Principal Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Dennis C. Schemm and Michael C. Dennison, and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution for him or her, and in his or her name in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and either of them, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Michael C. Dennison Michael C. Dennison	Chief Executive Officer and Director (*Principal Executive Officer*)	February 26, 2026
/s/ Dennis C. Schemm Dennis C. Schemm	Chief Financial Officer *(Principal Financial Officer)*	February 26, 2026
/s/ Dudley W. Mendenhall Dudley W. Mendenhall	Chairman	February 26, 2026
/s/ Thomas E. Duncan Thomas E. Duncan	Director	February 26, 2026
/s/ Elizabeth A. Fetter Elizabeth A. Fetter	Director	February 26, 2026
/s/ Jean H. Hlay Jean H. Hlay	Director	February 26, 2026
/s/ Ted D. Waitman Ted D. Waitman	Director	February 26, 2026
/s/ Sidney Johnson Sidney Johnson	Director	February 26, 2026

Management's Report on Internal Control Over Financial Reporting

The management of Fox is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Fox's internal control over financial reporting is a process designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation and fair presentation of financial statements issued for external purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Under the supervision of our management, including our Chief Executive Officer and Chief Financial Officer, Fox conducted an evaluation of the effectiveness of our internal control over financial reporting.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In making its assessment of internal control over financial reporting, management used criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on the evaluation, our management concluded that its internal control over financial reporting was effective as of January 2, 2026.

Grant Thornton LLP, the independent registered public accounting firm that audited the Company's consolidated financial statements, issued an attestation report on the Company's internal control over financial reporting, which is included elsewhere in this Annual Report on Form 10-K.

February 26, 2026

/s/ Michael C. Dennison
Michael C. Dennison
Chief Executive Officer

/s/ Dennis C. Schemm
Dennis C. Schemm
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Fox Factory Holding Corp.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Fox Factory Holding Corp. (a Delaware corporation) and subsidiaries (the "Company") as of January 2, 2026 and January 3, 2025, the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity, and cash flows for each of the three years in the period ended January 2, 2026, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 2, 2026 and January 3, 2025, and the results of its operations and its cash flows for each of the three years in the period ended January 2, 2026, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of January 2, 2026, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 26, 2026 expressed an unqualified opinion.

Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Net realizable value of inventory

As described further in Note 1 to the consolidated financial statements, adjustments to reduce the cost of inventory to its net realizable value are made, if required, for estimated excess, obsolescence or impaired balances. We identified the net realizable value of inventory for certain product categories as a critical audit matter.

The principal consideration for our determination that the net realizable value of inventory represents a critical audit matter is that the assessment of the net realizable value of inventory is complex and includes an estimate of forecasted demand. The demand estimate is subjective and requires the Company to consider significant assumptions such as economic conditions, technology changes, and new product introductions, which are subject to significant uncertainty and therefore require significant auditor judgment.

Our audit procedures related to the net realizable value of inventory included the following, among others:

- We tested selected inventory items and evaluated the appropriateness of judgments and assumptions by reviewing industry reports and inquiring with various staff members outside of the finance function to understand macroeconomic, technology, and product trends.
- We performed a retrospective review by comparing previous demand forecasts to actual usage during the year for a sample of items.
- We compared estimated demand for selected inventory items to actual customer sales orders and forecasted demand information as provided by the sales and operations team in order to test the accuracy of demand information included in the calculation.
- We tested the design and operating effectiveness of controls related to the forecasted demand for the Company's products as well as management's review of the net realizable value of inventory.

Realizability of foreign tax credits

As discussed in Note 1 to the consolidated financial statements, deferred tax assets and liabilities are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are provided when necessary to reduce net deferred tax assets to an amount that is more likely than not to be realized. We identified the realizability of deferred tax assets relating to the Company's foreign tax credits as a critical audit matter.

The principal considerations for our determination that the realizability of deferred tax assets relating to the Company's foreign tax credits represents a critical audit matter are the significance of the Company's foreign tax credits and the use of forecasted profitability by jurisdiction and source. The forecasts, including future sales and expenses by jurisdiction, are subject to a high level of estimation uncertainty and subjectivity. Additionally, realizability depends on continued implementation of a tax planning strategy. As a result, significant auditor judgment is necessary to evaluate management's judgments and assumptions.

Our audit procedures related to the realizability of deferred tax assets relating to the Company's foreign tax credits included the following, among others:

- We evaluated management's assessment of its intent and ability to implement planned operating model changes that are expected to significantly reduce the generation of future foreign tax credits.
- We evaluated management's assertions regarding anticipated reductions in withholding taxes on intercompany charges in selected jurisdictions, including assessing the consistency and credibility of those assertions with available evidence.
- We assessed the reasonableness of management's assumptions related to future foreign-source taxable income by reviewing underlying forecasts, historical results, industry data, and evaluating the internal consistency of the projections.
- We tested the design and operating effectiveness of controls related over management's assessment of the realizability of deferred tax assets related to foreign tax credits.

Goodwill impairment assessments

As discussed in Note 1 to the consolidated financial statements, the Company recorded a non-cash goodwill impairment charge of $557 million for the year ended January 2, 2026 resulting from two triggering events identified during the year. The Company performs a qualitative assessment to determine if it is more likely than not that the fair value of the given reporting unit is less than its carrying amount, including goodwill. If the Company determines that the fair value of the reporting unit is less than its carrying amount, it will perform a quantitative analysis; otherwise, no further evaluation is necessary. We identified these goodwill impairment assessments as a critical audit matter.

The principal consideration for our determination that the goodwill impairment assessments are a critical audit matter is that the assessments required significant judgment, including the estimation of future cash flows, the determination of appropriate discount rates, and the assessment of market and operating conditions as of each testing date. During the year, economic and company-specific conditions changed, which required management to reassess key assumptions and judgments and update projections. Auditing management's goodwill impairment assessments involved challenging and subjective auditor judgment due to the sensitivity of certain assumptions within the valuation models.

Our audit procedures related to the goodwill impairment assessments of the reporting units included the following, among others:

- We tested management's process for determining the fair value and carrying value of the reporting units. We also evaluated the reasonableness of management's significant assumptions, including forecasts. We evaluated whether these forecasts were reasonable.
- With assistance of valuation specialists, we evaluated the appropriateness of the valuation methods and tested the Company's income approach and market approach for the reporting units, including the reasonableness of the key underlying assumptions.
- We evaluated the design and tested the operating effectiveness of internal controls related to the goodwill impairment assessments, including internal controls over determination of the fair values of the reporting units and the identification of triggering events.

/s/ GRANT THORNTON LLP

We have served as the Company’s auditor since 2008.

San Jose, California

February 26, 2026

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Fox Factory Holding Corp.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Fox Factory Holding Corp. (a Delaware corporation) and subsidiaries (the "Company") as of January 2, 2026, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 2, 2026, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended January 2, 2026, and our report dated February 26, 2026 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

San Jose, California

February 26, 2026

FOX FACTORY HOLDING CORP.
Consolidated Balance Sheets
(in thousands, except par value)

	As of January 02, 2026	As of January 03, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 58,008	$ 71,674
Accounts receivable (net of allowances of $2,881 and $1,848 at January 2, 2026 and January 3, 2025, respectively)	190,670	165,827
Inventory	388,635	404,736
Prepaids and other current assets	108,424	85,443
Total current assets	745,737	727,680
Property, plant and equipment, net	234,635	246,393
Lease right-of-use assets	99,002	104,019
Deferred tax assets	90,397	46,842
Goodwill	83,575	639,505
Trademarks and brands, net	241,820	264,126
Customer and distributor relationships, net	137,648	161,585
Core technologies, net	19,950	23,154
Other assets	18,985	21,484
Total assets	$ 1,671,749	$ 2,234,788
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 141,378	$ 135,802
Accrued expenses	92,095	99,692
Current portion of long-term debt	26,875	24,286
Total current liabilities	260,348	259,780
Revolver	150,000	153,000
Term Loan, less current portion	496,663	527,775
Other liabilities	94,733	93,089
Total liabilities	1,001,744	1,033,644
Commitments and contingent liabilities (Refer to Note 12. Commitments and Contingent Liabilities)		
Non-controlling interest	(179)	(38)
Stockholders' equity		
Preferred stock, $0.001 par value — 10,000 authorized and no shares issued or outstanding as of January 2, 2026 and January 3, 2025	—	—
Common stock, $0.001 par value — 90,000 authorized; 42,692 shares issued and 41,802 outstanding as of January 2, 2026; 42,574 shares issued and 41,684 outstanding as of January 3, 2025	42	42
Additional paid-in capital	352,239	339,266
Treasury stock, at cost; 890 common shares as of January 2, 2026 and January 3, 2025	(13,754)	(13,754)
Accumulated other comprehensive income ("AOCI")	832	224
Retained earnings	330,825	875,404
Total stockholders' equity	670,184	1,201,182
Total liabilities and stockholders' equity	$ 1,671,749	$ 2,234,788

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

FOX FACTORY HOLDING CORP.
Consolidated Statements of Operations
(in thousands, except per share data)

	For the fiscal years ended		
	January 2, 2026	**January 3, 2025**	**December 29, 2023**
Net sales	$ 1,467,321	$ 1,393,921	$ 1,464,178
Cost of sales	1,024,074	970,345	999,366
Gross profit	443,247	423,576	464,812
Operating expenses:			
Goodwill impairment	557,307	—	—
General and administrative	151,827	139,857	124,582
Sales and marketing	132,058	121,207	100,451
Research and development	69,441	60,314	53,179
Amortization of purchased intangibles	42,030	44,528	26,509
Intangible and long-lived asset impairment	13,517	—	—
Total operating expenses	966,180	365,906	304,721
(Loss) income from operations	(522,933)	57,670	160,091
Interest expense	53,667	54,942	19,320
Other (income) expense, net	(311)	1,716	2,108
(Loss) income before income taxes	(576,289)	1,012	138,663
(Benefit) provision for income taxes	(31,569)	(5,500)	17,817
Net (loss) income	$ (544,720)	$ 6,512	$ 120,846
Less: net loss attributable to non-controlling interest	(141)	(38)	—
Net (loss) income attributable to Fox stockholders	$ (544,579)	$ 6,550	$ 120,846
(Net loss) earnings per share:			
Basic	$ (13.03)	$ 0.16	$ 2.86
Diluted	$ (13.03)	$ 0.16	$ 2.85
Weighted-average shares used to compute earnings per share:			
Basic	41,783	41,681	42,305
Diluted	41,783	41,717	42,432

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

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

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Net (loss) income	$ (544,720)	$ 6,512	$ 120,846
Other comprehensive (loss) income			
Interest rate swap			
Change in net unrealized gain	(1,406)	6,418	830
Reclassification of net gain on interest rate swaps to net earnings	(4,757)	(8,460)	(6,775)
Tax effects	(1,471)	(466)	(1,303)
Net change, net of tax effects	(7,634)	(2,508)	(7,248)
Foreign currency translation adjustments	8,242	(6,309)	1,507
Other comprehensive income (loss)	608	(8,817)	(5,741)
Comprehensive (loss) income	$ (544,112)	$ (2,305)	$ 115,105
Less: comprehensive loss attributable to non-controlling interest	(141)	(38)	—
Comprehensive (loss) income attributable to Fox stockholders	$ (543,971)	$ (2,267)	$ 115,105

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

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

	Common Stock		Treasury		Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Total stockholders' equity	Non-controlling interest
	Shares	Amount	Shares	Amount					
Balance - December 30, 2022	**43,160**	**$ 42**	**890**	**$ (13,754)**	**$ 356,239**	**$ 14,782**	**$ 764,077**	**$ 1,121,386**	**$ —**
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding	112	—	—	—	(6,195)	—	—	(6,195)	—
Stock-based compensation expense	—	—	—	—	16,465	—	—	16,465	—
Purchase and retirement of common stock	(428)	—	—	—	(18,163)	—	(6,837)	(25,000)	—
Other comprehensive loss	—	—	—	—	—	(5,741)	—	(5,741)	—
Net income	—	—	—	—	—	—	120,846	120,846	—
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	108	—	—	—	(2,609)	—	—	(2,609)	—
Stock-based compensation expense	—	—	—	—	9,606	—	—	9,606	—
Purchase and retirement of common stock	(378)	—	—	—	(16,077)	—	(9,232)	(25,309)	
Other comprehensive loss	—	—	—	—	—	(8,817)	—	(8,817)	—
Net income	—	—	—	—	—	—	6,550	6,550	(38)
Balance - January 3, 2025	**42,574**	**$ 42**	**890**	**$ (13,754)**	**$ 339,266**	**$ 224**	**$ 875,404**	**$ 1,201,182**	**$ (38)**
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding	118	—	—	—	(1,293)	—	—	(1,293)	—
Stock-based compensation expense	—	—	—	—	14,266	—	—	14,266	—
Other comprehensive income	—	—	—	—	—	608	—	608	—
Net loss	—	—	—	—	—	—	(544,579)	(544,579)	(141)
Balance - January 2, 2026	**42,692**	**$ 42**	**890**	**$ (13,754)**	**$ 352,239**	**$ 832**	**$ 330,825**	**$ 670,184**	**$ (179)**

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

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

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
OPERATING ACTIVITIES:			
Net (loss) income	$ (544,720)	$ 6,512	$ 120,846
Adjustments to reconcile net income to net cash provided by operating activities:			
Goodwill impairment	557,266	—	—
Depreciation and amortization	92,310	83,907	60,095
Provision for inventory reserve	3,524	5,631	6,184
Stock-based compensation	14,266	9,606	16,465
Amortization of acquired inventory step-up	342	4,485	13,008
Amortization of loan fees	4,839	3,748	905
Amortization of deferred gains on prior swap settlements	(783)	(4,334)	(4,252)
Proceeds from interest rate swap settlements	4,032	4,026	2,522
Intangible and long-lived asset impairment	13,487	—	—
Loss on extinguishment of debt	1,777	—	—
Deferred taxes	(44,835)	(23,310)	(7,867)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(23,523)	10,372	64,527
Inventory	18,005	(26,503)	31,613
Income taxes	(1,896)	(11,168)	(19,094)
Prepaids and other assets	(27,106)	48,463	(40,702)
Accounts payable	1,235	14,969	(44,029)
Accrued expenses and other liabilities	(7,302)	5,428	(21,478)
Net cash provided by operating activities	60,918	131,832	178,743
INVESTING ACTIVITIES:			
Purchases of property and equipment	(33,967)	(44,040)	(46,852)
Acquisition of businesses, net of cash acquired	—	(25,785)	(701,112)
Acquisition foreign exchange hedge settlement	—	(1,118)	—
Acquisition of other assets	—	(5,344)	(2,432)
Net cash used in investing activities	(33,967)	(76,287)	(750,396)
FINANCING ACTIVITIES:			
Proceeds from revolver	279,000	189,000	400,000
Payments on revolver	(282,000)	(406,000)	(230,000)
Proceeds from issuance of debt, net of origination fees	534,615	200,000	393,528
Repayment of term debt	(567,433)	(19,286)	(20,000)
Purchase and retirement of common stock	—	(25,000)	(25,000)
Repurchases from stock compensation program, net	(1,294)	(2,608)	(6,195)
Deferred debt issuance/modification costs	(2,897)	(3,434)	(3,354)
Net cash (used in) provided by financing activities	(40,009)	(67,328)	508,979
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(608)	(185)	1,066
CHANGE IN CASH AND CASH EQUIVALENTS	(13,666)	(11,968)	(61,608)
CASH AND CASH EQUIVALENTS—Beginning of year	71,674	83,642	145,250
CASH AND CASH EQUIVALENTS—End of year	$ 58,008	$ 71,674	$ 83,642

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

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

	For the fiscal years ended		
SUPPLEMENTAL CASH FLOW INFORMATION:	January 2, 2026	January 3, 2025	December 29, 2023
Cash paid during the period for:			
Income tax payment(1)	$ 15,181	$ 29,159	$ 44,655
Interest	$ 49,518	$ 57,004	$ 21,147
Amounts included in the measurement of lease liabilities	$ 20,889	$ 18,844	$ 14,009
Non-cash operating activities:			
Right-of-use assets obtained in exchange for lease obligations	$ 16,309	$ 39,541	$ 54,949
Non-cash investing and financing activities:			
Capital expenditures included in accounts payable	$ 1,202	$ 747	$ 977

(1) Disaggregated income tax paid information is presented in the following table:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
U.S. federal	$ 2,784	$ 14,031	$ 6,013
U.S. state	$ 3,591	$ 5,789	$ 4,683
Foreign			
Taiwan	$ 8,437	$ 9,469	$ 28,865
Canada	954	(2,464)	1,495
Germany	(543)	2,177	3,115
Others	(42)	156	484
Total Foreign	$ 8,806	$ 9,338	$ 33,959
Total cash paid for income taxes, net of refunds	$ 15,181	$ 29,158	$ 44,655

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

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 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 retailers.

Throughout this Annual Report on Form 10-K, 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 consolidated financial statements have been prepared in accordance with United States of America ("U.S.") generally accepted accounting principles ("GAAP").

Fiscal Year Calendar - The Company operates using a 52-53-week fiscal year calendar ending on the Friday nearest to December 31. Therefore, the financial results of certain fiscal years and quarters, which will contain 53 and 14 weeks, respectively, will not be exactly comparable to the prior and subsequent fiscal years and quarters, which contain 52 and 13 weeks, respectively. For the fiscal years 2025, 2024, and 2023, the Company's fiscal year ended on January 2, 2026, January 3, 2025, and December 29, 2023 and had 52, 53, and 52 weeks, respectively.

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

Use of Estimates - The preparation of the Company's 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.

Foreign Currency Translation and Transaction - The functional currency of the Company's non-U.S. entities is the local currency of the respective operations. The Company translates the financial statements of its non-U.S. entities into U.S. Dollars each reporting period for purposes of consolidation. Assets and liabilities of the Company's foreign subsidiaries are translated at the period-end currency exchange rates while sales and expenses are translated at the average currency exchange rates in effect for the period. The effects of these translation adjustments are a component of other comprehensive income.

Foreign currency transaction gain of $2,001, and losses of $1,811, and $1,465 for the years ended January 2, 2026, January 3, 2025, and December 29, 2023, respectively, are included as a component of other income or expense.

Cash and Cash Equivalents - Cash consists of cash maintained in checking or money market accounts. All highly liquid investments purchased with an original maturity date of 90 days or less at the date of purchase are considered to be cash equivalents.

(in thousands)

Accounts Receivable - Accounts receivable are unsecured customer obligations which generally require payment within various terms from the invoice date. The receivables are stated at the invoice amount. Financing terms vary by customer. Invoices are considered past due when payment is not received within the terms stated within the contract. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice or if unspecified, generally to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by an allowance for credit losses that reflects management's best estimate of amounts that may not be collected. All accounts or portions thereof deemed to be uncollectible or that may require an excessive collection cost are written off to the allowance for credit losses. The Company records the allowance for credit losses using the aging method, considering the length of time a receivable has been outstanding. This assessment incorporates historical credit loss rates, current conditions, and reasonable and supportable forecasts of future economic conditions that may impact collectability. Our methodology follows the expected credit loss model, which not only accounts for past events and incurred losses but also integrates forward-looking information to estimate potential credit deterioration. If circumstances change, such as higher-than-expected defaults or an unexpected material adverse change in a major customer's financial condition, we reassess our estimates to determine whether the recoverability of amounts due could be materially impacted.

The following table presents the activity in the allowance for credit losses:

	For the fiscal years ended		
Allowance for credit losses:	January 2, 2026	January 3, 2025	December 29, 2023
Balance, beginning of year	$ 1,848	$ 1,158	$ 443
Add: bad debt expense	1,369	913	907
Less: write-offs, net of recoveries	(336)	(223)	(192)
Balance, end of year	$ 2,881	$ 1,848	$ 1,158

Concentration of Credit Risk - Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist primarily of cash and accounts receivable. As of January 2, 2026 the Company held $49,063 in cash at U.S. subsidiaries and $8,946 at subsidiaries outside the U.S. The account balances may significantly exceed the insurance coverage provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions with reputable credit and therefore bear minimal credit risk. The Company has not experienced any losses in its uninsured accounts.

The Company mitigates its credit risk with respect to accounts receivable by performing ongoing credit evaluations and monitoring of its customers' accounts receivable balances. The following customers accounted for 10% or more of the Company's accounts receivable balance:

	January 2, 2026	January 3, 2025
Customer A	11%	14%

In 2025, 2024, and 2023, our sales to customer A accounted for approximately 12%, 15%, and 13% of total net sales, respectively. No other customers were individually significant in any of these periods presented.

The Company depends on a limited number of vendors to supply component parts for its products. The Company purchased 30%, 26%, and 29% of its product components for the years ended January 2, 2026, January 3, 2025, and December 29, 2023, respectively, from ten vendors. As of January 2, 2026 and January 3, 2025, amounts due to these vendors represented 21% and 21% of accounts payable, respectively.

Inventories - Inventories are stated at the lower of actual cost (or standard cost which generally approximates actual costs on a first-in first-out basis) or net realizable value. Cost includes raw materials and inbound freight, as well as direct labor and manufacturing overhead for products we manufacture. Net realizable value is based on current replacement cost for raw materials and on a net realizable value for finished goods. Adjustments to reduce the cost of inventory to its net realizable value are made, if required, for estimated excess, obsolescence or impaired balances.

Property and Equipment - Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs are charged to expense as incurred, and improvements and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the balance sheet, and any resulting gain or loss is reflected in operations in the period realized.

Leasehold improvements are amortized on a straight-line basis over the terms of the lease, or the useful lives of the assets, whichever is shorter. The value assigned to land associated with buildings we own is not amortized. Depreciation and amortization periods for the Company's property and equipment are as follows:

Asset Classification	Estimated useful life
Building and building improvements	15-39 years
Information systems, office equipment and furniture	3-7 years
Internal-use computer software	10 years
Land improvements	15 years
Machinery and manufacturing equipment	5-15 years
Transportation equipment	3-5 years

Internal-use Computer Software Costs - Costs incurred to purchase and develop computer software for internal use are capitalized during the application development and implementation stages. These software costs have been for enterprise-level business and finance software that is customized to meet the Company's operational needs. Capitalized costs are included in property and equipment and are amortized on a straight-line basis over the estimated useful life of the software beginning when the software project is substantially complete and placed in service. Costs incurred during the preliminary project stage and costs for training, data conversion, and maintenance are expensed as incurred.

Business Combinations - The Company accounts for acquisitions of entities that include inputs and processes and have the ability to create outputs as business combinations. The Company allocates the purchase price of the acquisition to the tangible assets acquired, liabilities assumed, and identifiable intangible assets acquired based on their estimated fair values. The excess of the purchase price over those fair values is recorded as goodwill. Acquisition-related expenses and restructuring costs are expensed as incurred. During the measurement period, the Company records adjustments to provisional amounts recorded for assets acquired and liabilities assumed with the corresponding offset to goodwill. After the measurement period, which could be up to one year after the transaction date, subsequent adjustments are recorded to the Company's consolidated statements of operations.

Goodwill and Indefinite-Lived Intangible Assets - Goodwill represents the excess of purchase price over the fair value of the net assets of businesses acquired. On an annual basis, the Company makes a qualitative assessment to determine if it is more likely than not that the fair value of the reporting unit is less than its carrying amount, including goodwill. If the Company determines that the fair value of the reporting unit is less than its carrying amount, it will perform a quantitative analysis; otherwise, no further evaluation is necessary. For the quantitative impairment test, the Company compares the fair value of the reporting unit to its carrying value, including goodwill. The Company determines the fair value of the reporting unit based on a weighting of income and market approaches. The income approach employs a discounted cash flow model, projecting revenue and cash flows over a multi-year period. These projections are based on management's estimates, historical performance trends, and industry outlooks. These cash flows, along with a terminal value, are discounted to their present value using a WACC that reflects a market rate appropriate for each reporting unit. The market approach employs multiples for public companies that reasonably compare to the reporting units. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that reporting unit, goodwill is not impaired and no further testing is performed. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then the Company will recognize a loss equal to the excess, limited to the total amount of goodwill allocated to that reporting unit. Additional impairment may be recognized in connection with the write-off of associated deferred tax liabilities that are no longer needed due to the decrease in goodwill. All impairments, if any, are charged directly to earnings. In early fiscal year 2025, the Company recognized a non-cash goodwill impairment charge of $262,129 within operating expenses, which impacted all reporting units. The impairment resulted from a triggering event related to adverse changes in U.S. tariff policies, new and expanded tariffs enacted by the current presidential administration, and resulting sustained decline in our stock price. The impairment charge reflects the amount by which the carrying values of the reporting units exceeded their estimated fair values. In the second quarter, the Company conducted a qualitative assessment and concluded that no additional impairment existed as of July 4, 2025. The annual impairment assessment was performed in the third quarter, and the Company concluded that it was not more likely than not that the fair values of the reporting units were less than the carrying values. In the fourth quarter, the Company conducted another quantitative impairment assessment due to a further sustained decrease in our stock price and recorded a non-cash goodwill impairment charge of $295,178 within operating expenses. Refer to Note 7. Goodwill and Intangible Assets for the goodwill impairment charges by reporting unit.

While the Company believes that the estimates and assumptions used in the impairment test are reasonable, changes in key assumptions, including lower revenue growth, terminal growth rate, or increase in WACC could result in a future goodwill impairment. As of January 2, 2026, SSG was the only reporting unit with a remaining goodwill balance following the recorded goodwill impairment charges. Based on the most recent quantitative assessment, and for purposes of this sensitivity analysis assuming a 100% weighting to the income approach, a 1.5% increase in the WACC would result in a full future impairment of SSG's remaining goodwill.

Certain trademarks and brands are considered to be indefinite life intangibles and are not amortized but are subject to testing for impairment annually. No impairments of indefinite-lived intangible assets were identified in the years ended January 2, 2026, January 3, 2025, and December 29, 2023.

Intangible and Long-lived Assets - Finite-lived intangible assets including customer relationships, certain trademarks, and the Company's core technology, are subject to amortization over their respective useful lives, and are classified in intangibles, net in the accompanying consolidated balance sheet. These intangibles and other long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be fully recoverable. If facts and circumstances indicate that the carrying value might not be recoverable, projected undiscounted net cash flows associated with the related asset or group of assets over their estimated remaining useful lives is compared against their respective carrying amounts. If an asset is found to be impaired, the impairment charge will be measured as the amount by which the carrying amount of the asset exceeds its fair value.

During the fourth quarter of fiscal 2025, due to lower expected cash flows, the Company performed a recoverability test and related quantitative impairment assessment for its finite-lived intangible assets and other long-lived assets. As a result, Intangible asset impairment charges of $2,984 and $5,020 were recognized within PVG and AAG's operating expenses, respectively, for the year ended January 2, 2026. No impairments of intangible assets were identified in the years ended January 3, 2025 and December 29, 2023. During the year ended January 2, 2026, the Company recorded $1,082 and $4,431 long-lived asset impairment charges within PVG and AAG's operating expenses, respectively. No impairment charges were recorded during the years ended January 3, 2025 and December 29, 2023.

Self-Insurance - The Company is self-insured for its U.S. employee health and welfare benefits. The Company's liability for self-insurance is based on claims filed and an estimate of claims incurred but not yet reported. The Company considers a number of factors, including historical claims information, when determining the amount of the accrual. Costs related to the administration of the plan and related claims are expensed as incurred. The Company has third-party insurance coverage to limit exposure for individually significant claims. The estimates for unpaid claims incurred as of January 2, 2026 and January 3, 2025 are $1,782 and $2,031 respectively, and are recorded within accrued expenses on the consolidated balance sheets.

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 recognized as a prepaid asset on Stellantis vehicle chassis, however that deposit is refunded when the chassis is sold through to the end customer. For other chassis, the Company entered into floor plan 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 upfit packages from our Outside Van subsidiary generally include the vehicle chassis, of which the Company has the risks and rewards of ownership.

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.

Cost of Sales - Cost of sales primarily consists of materials and labor expense in the manufacturing of the Company's products sold to customers. Cost of sales also includes provisions for excess and obsolete inventory, warranty costs, certain allocated costs for facilities, depreciation and other manufacturing overhead. Additionally, it includes stock-based compensation for personnel directly involved with manufacturing the Company's product offerings.

Shipping and Handling Fees and Costs - The Company includes shipping and handling fees billed to customers in sales. Shipping costs associated with freight are capitalized as part of inventory and included in cost of sales as products are sold.

Sales and Marketing - Our sales and marketing expenses include costs related to our sales, customer service and marketing personnel, including their wages, employee benefits and related stock-based compensation, and occupancy-related expenses. Other significant sales and marketing expenses include commissions paid to outside sales representatives, promotional materials and products, our sales office costs, race support and sponsorships of events and athletes, advertising and promotions related to trade shows, and travel and entertainment.

Advertising - Advertising costs are expensed as incurred and recorded as sales and marketing expenses on our consolidated statements of operations. Costs incurred for advertising totaled $10,524, $10,695, and $6,717 for the years ended January 2, 2026, January 3, 2025, and December 29, 2023, respectively.

Research and Development - Research and development expenses consist primarily of salaries and personnel costs, including wages, employee benefits and related stock-based compensation for the Company's engineering, research and development teams, occupancy-related expenses, fees for third party consultants, service fees, and expenses for prototype tooling and materials, travel, and supplies. The Company expenses research and development costs as incurred.

General and Administrative - General and administrative expenses include costs related to executive, finance, information technology, human resources and administrative personnel, including wages, employee benefits and related stock-based compensation expenses. The Company records professional and contract service expenses, occupancy-related expenses associated with corporate locations and equipment, and legal expenses in general and administrative expenses.

Stock-Based Compensation - The Company measures stock-based compensation for all stock-based awards, including stock options and RSUs, based on their estimated fair values on the date of the grant and recognizes the stock-based compensation cost for time-vested awards on a straight-line basis over the requisite service period. For performance-based RSUs, the number of shares ultimately expected to vest is estimated at each reporting date based on management's expectations regarding the relevant performance criteria. To the extent shares are expected to vest, the stock-based compensation cost is recognized on a straight-line basis over the requisite service period. The fair value of each stock option granted is estimated using the Black-Scholes option-pricing model. The Company does not estimate forfeitures in recognizing stock-based compensation expense. The fair value of the RSUs is equal to the fair value of the Company's common stock, that is a derivative of RSUs, on the grant date of the award.

Income Taxes - Income taxes are computed using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Operating loss and tax credit carryforwards are measured by applying currently enacted tax laws. Valuation allowances are provided when necessary to reduce net deferred tax assets to an amount that is more likely than not to be realized.

The Company accounts for global intangible low-taxed income ("GILTI") in the year the tax is incurred, rather than recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years. The net GILTI inclusion for the year ended January 2, 2026 was partially offset by foreign tax credits associated with the income.

The Company recognizes the tax effects of an uncertain tax position only if it is more likely than not to be sustained based solely on its technical merits as of the reporting date and then only in an amount more likely than not to be sustained upon review by the tax authorities. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments, and which may not accurately anticipate actual outcomes.

Warranties - The Company offers limited warranties on its products generally for one to three years. The Company recognizes estimated costs related to warranty activities as a component of cost of sales upon product shipment. The estimates are based upon historical product failure rates and historical costs incurred in correcting product failures. The recorded amount is adjusted from time to time for specifically identified warranty exposures. Actual warranty expenses are charged against the Company's estimated warranty liability when incurred. Factors that affect the Company's liability include the number of units, historical and anticipated rates of warranty claims, and the cost per claim.

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 stockholders and customers, we have three operating and reportable segments: PVG, AAG, and SSG. 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 segments for purposes of allocating resources and evaluating financial performance. Adjusted EBITDA is utilized by the CODM to evaluate segment profitability and inform strategic decisions regarding investments, cost management, and resource allocation.

Reclassifications - We reclassified certain prior period amounts within our consolidated balance sheets, consolidated statements of cash flows, and related notes to conform to our current year presentation.

The reclassifications primarily related to:

- Deferred Taxes: For fiscal year 2024, amounts previously presented on a net basis within deferred tax assets were recast to other liabilities to reflect deferred tax liabilities separately. The updated presentation is also reflected in Note 15. Income Taxes.
- Accrued Payroll and Others: For fiscal year 2024, amounts previously included in accounts payable were recast to accrued expenses to better reflect their nature. Corresponding changes are reflected in Note 8. Accrued Expenses, and in the consolidated statement of cash flows.

The reclassifications did not have any impact on net income or other major financial statement line items.

Fair Value Measurements and Financial Instruments - The Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification 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).

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.

Certain Significant Risks and Uncertainties - 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, disruptions in the operations of its or its customers' facilities, or along its global supply chain, the successful protection of its proprietary technologies, compliance with government regulations, and the possibility of not being able to obtain additional financing when needed.

The impact of international geopolitical conflicts, including, among others, continuing tensions between Taiwan and China, on the global economy, energy supplies and raw materials may prove to negatively impact the Company's business and operations. Additionally, the imposition of U.S. tariffs on China and retaliatory tariffs by China on the U.S. may increase costs, disrupt supply chains, and impact demand for the Company's products. Furthermore, domestic and foreign political instability and uncertainty may create economic volatility, regulatory changes, and trade disruptions that pose additional risks to the Company's business environment.

Recent Accounting Pronouncements - 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 adopted ASU 2023-07 in the Annual Report on Form 10-K for fiscal year 2024 ending January 3, 2025. Refer to Significant Accounting Policies - Segments above and Note 20. Segment Information for further details.

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 adopted ASU 2023-09 in this Annual Report on Form 10-K for the fiscal year ending January 2, 2026. The Company provided enhanced income tax disclosures, including further disaggregation of the effective tax rate reconciliation and separate disclosure of income taxes paid by jurisdiction. The disclosures include identification of income tax rate drivers and presentation of income taxes paid at the federal, state, and significant foreign jurisdiction levels. Refer to Note 15. Income Taxes for further details.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). ASU 2024-03 introduces enhanced income statement expense disclosure requirements. The amendments in ASU 2023-03 require new tabular disclosures in the notes to financial statements, disaggregating specific expense categories within relevant income statement captions. These categories include inventory purchases, employee compensation, depreciation, and intangible asset amortization. The guidance is effective for fiscal years beginning after December 15, 2026, and must be applied prospectively. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, “Financial Instrument - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.” The ASU provides a practical expedient for estimating current expected credit losses by allowing entities to assume that conditions existing as of the balance sheet date do not change for the remaining life of the assets. The guidance is effective for interim and annual reporting periods beginning after December 15, 2025. The Company is currently evaluating the impact of the ASU and does not expect it to have a material effect on its consolidated financial statements or related disclosures.

In September 2025, the FASB issued ASU 2025-06, “Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software.” The amendments in ASU 2025-06 clarify and modernize the capitalization of costs related to internal-use software. The ASU removes all references to project stages throughout Subtopic 350-40 and clarifies the threshold entities apply to begin capitalizing costs. The guidance is effective for interim and annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of the ASU on its consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU 2025-09, “Derivatives and Hedging (Topic 815): Hedge Accounting Improvements.” The amendments introduce targeted improvements across several areas, including similar-risk assessments for groups of forecasted transactions, hedging interest payments on choose-your-rate debt instruments, and cash flow hedges of nonfinancial forecasted transactions. The guidance is intended to better align hedge accounting with entities’ risk-management activities and reduce unintuitive hedge dedesignation events. The guidance is effective for annual reporting periods, including interim periods within those periods, beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of the ASU and does not expect it to have a material effect on its consolidated financial statements or related disclosures.

In December 2025, the FASB issued ASU 2025-10, “Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities.” The ASU establishes authoritative guidance on the recognition, measurement, and presentation of government grants received by business entities, leveraging principles from IAS 20 and introducing targeted improvements to U.S. GAAP. The ASU also modifies certain existing disclosure requirements in ASC 832 to enhance transparency of government assistance. The guidance is effective for annual periods beginning after December 15, 2028 for public business entities, and one year later for all other entities, with early adoption permitted. The Company is currently evaluating the impact of the ASU on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, “Interim Reporting (Topic 270): Narrow-Scope Improvements.” The amendments clarify that Topic 270 applies to all entities providing interim financial statements under GAAP, consolidate required interim disclosures, introduce a disclosure principle for material post–year-end events, and refine guidance on the form and content of interim financial statements. The amendments do not change the nature or scope of existing interim reporting requirements. The guidance is effective for interim reporting periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of these updates on its consolidated financial statements and related disclosures.

FOX FACTORY HOLDING CORP.
Notes to Consolidated Financial Statements - Continued
January 2, 2026
(in thousands)

In December 2025, the FASB issued ASU 2025-12, "Codification Improvements." The ASU introduces various technical corrections, clarifications, and minor improvements across a wide range of ASC Topics and are not expected to significantly affect current accounting practice or impose significant costs on most entities. General transition guidance is provided in ASC 105-10-65-10, with separate transition provisions for the earnings-per-share amendments in ASC 260. The guidance is effective for annual periods beginning after December 15, 2026, including interim periods within those fiscal years. The Company is currently evaluating the impact of these updates and does not expect them to have a material impact on its consolidated financial statements and related disclosures.

2. Revenues

The following table summarizes total net sales by segment:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Powered Vehicles Group	$ 488,143	$ 461,403	$ 523,862
Aftermarket Applications Group	470,013	421,453	551,143
Specialty Sports Group	509,165	511,065	389,173
Total net sales	$ 1,467,321	$ 1,393,921	$ 1,464,178

The following table summarizes total net sales by sales channel:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
OEM	$ 642,473	$ 612,679	$ 725,232
Aftermarket/Non-OEM(1)	824,848	781,242	738,946
Total net sales	$ 1,467,321	$ 1,393,921	$ 1,464,178

(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 fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
North America	$ 1,119,215	$ 1,097,329	$ 1,127,587
Europe	198,546	165,043	187,762
Asia	124,037	109,074	125,488
Rest of the World	25,523	22,475	23,341
Total net sales	$ 1,467,321	$ 1,393,921	$ 1,464,178

FOX FACTORY HOLDING CORP.
Notes to Consolidated Financial Statements - Continued
January 2, 2026
(in thousands)

3. Inventory

Inventory consisted of the following:

	January 2, 2026	January 3, 2025
Raw materials	$ 226,341	$ 245,368
Work-in-process	22,440	16,519
Finished goods	139,854	142,849
Total inventory	$ 388,635	$ 404,736

4. Prepaids and Other Current Assets

Prepaids and other current assets consisted of the following:

	January 2, 2026	January 3, 2025
Prepaid chassis deposits	$ 67,203	$ 47,094
Advanced payments and prepaid contracts	26,139	26,496
Other current assets	15,082	11,853
Total prepaids and other assets	$ 108,424	$ 85,443

(in thousands)

5. Property, Plant and Equipment, net

Property, plant and equipment consisted of the following:

	January 2, 2026	January 3, 2025
Machinery and manufacturing equipment	$ 193,865	$ 177,261
Building and building improvements	83,550	82,224
Internal-use computer software	40,399	38,572
Information systems, office equipment and furniture	32,412	28,725
Leasehold improvements	44,279	40,663
Transportation equipment	25,609	23,299
Land and land improvements	15,561	15,521
Total property, plant and equipment	435,675	406,265
Less: accumulated depreciation and amortization	(201,040)	(159,872)
Total property, plant and equipment, net	$ 234,635	$ 246,393

Depreciation expense was $48,123, $39,038, and $32,094 for the years ended January 2, 2026, January 3, 2025, and December 29, 2023, respectively.

The following table summarizes the allocation of depreciation expense in the accompanying consolidated statements of operations:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Cost of sales	$ 24,226	$ 19,153	$ 15,040
General and administrative	18,902	15,092	13,098
Research and development	3,069	3,158	2,916
Sales and marketing	1,926	1,635	1,040
Total depreciation expense	$ 48,123	$ 39,038	$ 32,094

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

	January 2, 2026	January 3, 2025
United States	$ 196,439	$ 203,937
International	38,196	42,456
Total long-lived assets	$ 234,635	$ 246,393

FOX FACTORY HOLDING CORP.
Notes to Consolidated Financial Statements - Continued
January 2, 2026
(in thousands)

6. Leases

An agreement is considered a lease when it gives the Company the right to substantially all of the economic benefits from an identified asset and the ability to direct its use throughout the term of the agreement. The Company has operating lease agreements for administrative, research and development, manufacturing, and sales and marketing facilities. These leases have remaining lease terms ranging from under one year to 19 years, some of which include options to extend or terminate the leases. The Company considered these options to the extent that they were reasonably certain to be exercised in determining the lease term used to establish its right-of-use assets and lease liabilities. Certain leases are subject to annual escalations as specified in the lease agreements. These lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company elected the practical expedient related to treating lease and non-lease components as a single lease component for all of its leases and elected a policy exclusion permitting leases with an original lease term of less than one year to be excluded from the right-of-use assets and lease liabilities. Our lease right-of-use assets are tested for impairment in accordance with ASC 360.

In the year ended January 2, 2026, the Company recorded $4,772 impairment charges on its operating lease right-of-use assets, which is reflected within intangible and long-lived asset impairment in the consolidated statement of operations.

As most of the Company's leases do not provide an interest rate, the Company used the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The weighted-average remaining lease term for the Company's operating leases was 8.64 years, and the weighted-average incremental borrowing rate was 4.30% as of January 2, 2026.

Operating lease costs consisted of the following:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Operating lease cost	$ 22,500	$ 21,467	$ 15,656
Other lease costs (1)	5,806	4,443	3,846
Total lease costs	$ 28,306	$ 25,910	$ 19,502

(1) Includes short-term leases and variable lease costs. The Company elected a policy exclusion permitting leases with an original lease term of less than one year to be excluded from the right-of-use assets and lease liabilities.

Supplemental balance sheet information related to the Company's operating leases is as follows:

	Balance Sheet Classification	January 2, 2026
Operating lease right-of-use assets	Lease right-of-use assets	$ 99,002
Current lease liabilities	Accrued expenses	$ 16,221
Non-current lease liabilities	Other liabilities	$ 89,791

(in thousands)

Maturities of lease liabilities by fiscal year for the Company’s operating leases are as follows:

For fiscal year	Total future payments
2026	$ 20,425
2027	17,197
2028	16,803
2029	14,977
2030	12,843
Thereafter	46,617
Total lease payments	128,862
Less: imputed interest	(22,850)
Present value of lease liabilities	106,012
Less: current portion	(16,221)
Lease liabilities less current portion	$ 89,791

7. Goodwill and Intangible Assets

Intangible assets, excluding goodwill, are comprised of the following:

	Gross carrying amount	Accumulated amortization	Impairment	Net carrying amount	Weighted average life (years)
January 02, 2026					
Trademarks and brands, subject to amortization	$ 234,194	$ (42,230)	$ (5,714)	$ 186,250	14
Customer and distributor relationships	293,058	(153,340)	(2,070)	137,648	12
Core technologies	61,278	(41,108)	(220)	19,950	10
Total	$ 588,530	$ (236,678)	$ (8,004)	343,848	
Trademarks and brands, not subject to amortization				55,570	
Total				$ 399,418	
January 3, 2025					
Trademarks and brands, subject to amortization	$ 233,728	$ (25,172)	$ —	$ 208,556	14
Customer and distributor relationships	292,934	(131,349)	—	161,585	12
Core technologies	62,169	(39,015)	—	23,154	10
Total	$ 588,831	$ (195,536)	$ —	393,295	
Trademarks and brands, not subject to amortization				55,570	
Total				$ 448,865	

The following table summarizes the amortization of intangible assets in the accompanying consolidated statements of operations:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Amortization of intangibles	$ 42,030	$ 44,528	$ 26,509

(in thousands)

Future amortization expense for finite-lived intangibles as of January 2, 2026 is as follows:

For fiscal year:	Amortization Expense
2026	$ 40,269
2027	39,031
2028	36,452
2029	35,228
2030	25,292
Thereafter	167,576
Total expected future amortization	$ 343,848

Goodwill activity attributable to each reporting unit consisted of the following:

	PVG	AAG	SSG	Total
Balance as of December 29, 2023	**$ 90,683**	**$ 257,972**	**$ 287,910**	**$ 636,565**
Acquisitions (Refer to Note 18. Acquisitions)	3,504	1,879	—	5,383
Purchase price adjustments (Refer to Note 18. Acquisitions)	—	(1,608)	(670)	(2,278)
Currency translation and other adjustments	(124)	—	(41)	(165)
Balance as of January 3, 2025	**$ 94,063**	**$ 258,243**	**$ 287,199**	**$ 639,505**
Impairment losses	(95,328)	(258,243)	(203,695)	(557,266)
Purchase price adjustments (Refer to Note 18. Acquisitions)	1,252	—	—	1,252
Currency translation and other adjustments	13	—	71	84
Balance as of January 2, 2026	**$ —**	**$ —**	**$ 83,575**	**$ 83,575**

(in thousands)

8. Accrued Expenses

Accrued expenses consisted of the following:

	January 2, 2026	January 3, 2025
Payroll and related expenses	$ 32,743	$ 24,402
Income tax payable	7,354	9,343
Warranty	15,173	21,593
Current portion of lease liabilities	16,221	16,683
Accrued sales rebate	7,031	7,852
Other accrued expenses	13,573	19,819
Total accrued expenses	$ 92,095	$ 99,692

Activity related to warranties is as follows:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Beginning warranty liability	$ 21,593	$ 20,001	$ 17,071
Charge to cost of sales	10,071	18,276	16,114
Fair value of warranty assumed in acquisition	—	514	391
Costs incurred	(16,491)	(17,198)	(13,575)
Ending warranty liability	$ 15,173	$ 21,593	$ 20,001

9. Related Party Transactions

On March 3, 2023, the Company acquired all of the outstanding equity interest of 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 was an employee of the Company until May 2024. Rent expense under these leases was $371 and $600 for the years ended January 3, 2025 and December 29, 2023, respectively.

10. Debt

Credit Agreement

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

The Company may borrow, prepay, and re-borrow principal under the Credit Agreement during its term. Advances under the Credit Agreement 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 2.25%. 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 administrative agent 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, the Company entered into the First Amendment amending the Credit Agreement. The First Amendment provided the Company with the Incremental Term A Loan in an amount of $400,000 and the Delayed Draw Term Loan in an amount of $200,000, each of which are permitted under the Credit Agreement, 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 Credit Agreement.

The Company paid $10,063 in debt issuance costs, of which $6,709 were allocated to the Incremental Term A Loan and $3,354 were allocated to the Delayed Draw Term Loan. Loan fees allocated to the Incremental Term A Loan are amortized using the interest method over the term of the Credit Agreement. 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.

On July 31, 2024 and December 20, 2024, the Company entered into the Third and Fourth Amendments to the Credit Agreement, respectively, to secure an improved covenant profile on its capital structure to provide more flexibility given the uncertain macro environment. The Company paid $3,490 in loan fees for the Third and Fourth Amendments, of which $3,433 were allocated among the revolver and the Incremental Term Loans to be amortized over the remaining term of the Credit Agreement.

Amended Credit Agreement

On October 24, 2025, the Company entered into the Fifth Amendment among the Company, certain subsidiaries of the Company, Wells Fargo Bank, National Association, as administrative agent, swingline lender and L/C issuer, and a group of lenders party thereto. The Fifth Amendment amends the Credit Agreement, dated as of April 5, 2022, and the Guaranty and Security Agreement, dated as of April 5, 2022, as amended prior to the Fifth Amendment, which secures the obligations under the Credit Agreement in favor of the Agent for the benefit of the lenders and other secured parties. Terms not otherwise defined below will have the meaning as set forth in the Amended Credit Agreement.

The Fifth Amendment, among other things, amends the Credit Agreement to replace the existing loans provided under the Credit Agreement with (i) the Term Loan in the aggregate outstanding amount of $537,500, which will be repaid by the Company in quarterly installments in the amount of $6,719, (ii) the Revolving Credit Facility in an aggregate amount of up to $500,000, with sub-facilities for swing line loans in an aggregate amount of up to $25,000 and letters of credit in an aggregate amount of up to $25,000, and (iii) an incremental loan facility, subject to additional terms set forth in the Amended Credit Agreement, in an aggregate amount of up to $175,000 plus an unlimited amount so long as after giving effect to the incurrence of such incremental loans, on a pro forma basis, the Consolidated Net Leverage Ratio is less than 3.25. To the extent not previously paid, all then-outstanding amounts under the Term Loan and the Revolving Credit Facility are due and payable on October 24, 2030.

The Term Loan and advances under the Revolving Credit Facility can be either SOFR loans or base rate loans. SOFR loans bear interest on the outstanding principal amount thereof for each interest period at a rate per annum equal to the term SOFR for such calculation plus a margin ranging from 1.00% to 2.50%. Base rate 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 Agent as its "prime rate," and (iii) term SOFR rate for a one-month tenor plus 1.00%, subject to the interest rate floors set forth in the Amended Credit Agreement, plus a margin ranging from 0.00% to 1.50%.

In connection with the Fifth Amendment, the Company borrowed $710,000 under the Amended Credit Agreement consisting of the $537,500 Term Loan and $172,500 under the Revolving Credit Facility, which was used to repay all outstanding amounts owed under the Credit Agreement prior to the Fifth Amendment and for general corporate purposes.

The Company paid $6,012 in debt issuance costs in connection with the Fifth Amendment, of which $5,782 were allocated between the Term Loan and the Revolving Credit Facility to be amortized over the term of the Amended Credit Agreement.

FOX FACTORY HOLDING CORP.
Notes to Consolidated Financial Statements - Continued
January 2, 2026
(in thousands)

Additionally, the Company had $8,090 of remaining unamortized debt issuance costs related to the Credit Agreement, of which $6,313 were carried forward to the Amended Credit Agreement and $1,777 were written off as a loss on debt extinguishment. Debt issuance costs related to the Term Loan are presented as a direct deduction from the carrying amount of long-term debt on the consolidated balance sheet and are amortized using the effective interest method over the term of the Term Loan. Debt issuance costs related to the Revolving Credit Facility are presented in other non-current assets and are amortized on a straight-line basis over the term of the Revolving Credit Facility.

The Amended Credit Agreement 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 January 2, 2026.

At January 2, 2026, the one-month SOFR and three-month SOFR rates were 3.78% and 4.00%, respectively. At January 2, 2026, our weighted-average interest rate on outstanding borrowing was 6.05%.

The following table summarizes the revolver under the Amended Credit Agreement:

	January 2, 2026	January 3, 2025
Amount outstanding	$ 150,000	$ 153,000
Standby letters of credit	$ 167	$ 155
Available borrowing capacity	$ 349,833	$ 496,845
Total borrowing capacity	$ 500,000	$ 650,000
Maturity date	October 24, 2030	April 5, 2027

As of January 2, 2026, future principal payments for term loan debt, including the current portion, as summarized as follows:

For fiscal year	**January 2, 2026**
2026	$ 26,875
2027	26,875
2028	26,875
2029	26,875
2030	423,281
Total	$ 530,781
Debt issuance cost	(7,243)
Long-term debt, net of issuance cost	523,538
Less: current portion	(26,875)
Long-term debt less current portion	$ 496,663

(in thousands)

11. 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 three-month Term 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 January 2, 2026 and January 3, 2025, the Company had the following interest rate swap contracts:

			January 2, 2026	January 3, 2025
Effective Date	Termination Date	Notional Amount	Unrealized Gain (Loss) in AOCI	Unrealized Gain (Loss) in AOCI
September 2, 2020	June 11, 2021	$200,000	$ —	$ 16
July 2, 2021	April 5, 2022	$200,000	—	767
April 5, 2022	April 5, 2027	$100,000	1,068	2,650
September 20, 2024	December 26, 2025	$100,000	—	(87)
September 20, 2024	December 25, 2026	$200,000	(407)	903
September 20, 2024	September 21, 2029	$100,000	(86)	2,219
December 26, 2025	December 22, 2028	$100,000	(269)	N/A
Total			$ 306	$ 6,468

On June 11, 2021, the Company terminated its existing swap agreement (the “2020 Swap Agreement”) with an effective date of September 2, 2020 and entered into an interest rate swap agreement (the “2021 Swap Agreement”) with an effective date of July 2, 2021 and 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 with a notional amount of $100,000 with an effective date of April 5, 2022. The terminated 2020 and 2021 Swap Agreements resulted in unrealized gains of $324 and $12,270, respectively, at the termination dates that continued to be accounted for in accumulated other comprehensive income and amortized into earnings over the term of the associated debt instrument. The remaining unrealized gains from the terminated agreements were fully amortized as of April 4, 2025.

On August 26, 2024, the Company entered into new interest rate swap agreements with an aggregate notional amount of $400,000, one of which matured on December 26, 2025. On December 16, 2025, the Company entered into a new three-year interest rate swap agreement, effective December 26, 2025, with a notional amount of $100,000.

The interest rate swaps are indexed to a three-month Term SOFR as defined in the agreements. The interest rate swaps met the criteria as cash flow hedges under ASC 815, Derivatives and Hedging (“ASC 815”), and are recorded to other assets or other liabilities on the consolidated balance sheets. Refer to Note 16. 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 consolidated statements of operations 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 deferred to accumulated other comprehensive income resulting from the derivative instruments designated as cash flow hedges for the years ended January 2, 2026, January 3, 2025, and December 29, 2023 were a loss of $1,406, and gains of $6,418, and $830, respectively. The reclassifications of gains from accumulated other comprehensive income into earnings related to the derivative instruments designated as cash flow hedges during the years ended January 2, 2026, January 3, 2025, and December 29, 2023 were $4,757, $8,640, and $6,775, respectively. The aggregate tax effects on activity in accumulated other comprehensive income associated with the derivative instruments designated as cash flow hedges during the years ended January 2, 2026, January 3, 2025, and December 29, 2023 were losses of $1,471, $466, and $1,303, respectively.

Over the next 12 months, the Company estimates that $306 will be reclassified as a decrease to interest expense related to the interest rate swap contracts.

12. Commitments and Contingent Liabilities

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 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 - From time to time, the Company is involved in legal proceedings that arise in the ordinary course of business. Although the Company cannot assure the outcome of any such legal proceedings, based on information currently available, management does not believe that the ultimate resolution of any pending matters, either individually or in the aggregate, will have a material adverse effect on the Company's financial condition, results of operations or cash flows.

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. On August 16, 2024, the plaintiff filed an amended complaint that purported 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 asserted claims under Sections 10(b) and 20 of the Securities Exchange Act and alleged 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 sought money damages, interest, attorneys' fees, and other costs. On October 15, 2024, the defendants filed a motion to dismiss the amended complaint, which plaintiff opposed. On March 13, 2025, the Court dismissed the amended complaint but granted plaintiff leave to file a second amended complaint. On April 14, 2025, plaintiff filed a second amended complaint asserting essentially the same claims and relief. The defendants moved to dismiss the second amended complaint on May 30, 2025, which plaintiff opposed on July 14, 2025, following which the defendants filed their reply on August 11, 2025. On February 10, 2026, the Court issued its opinion and order dismissing with prejudice the second amended complaint for failing to state a claim. Judgment was entered on February 12, 2026. If plaintiff chooses to appeal, it must file a notice of appeal on or before March 16, 2026.

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 court stayed these cases pending a final, non-appealable decision on the motion to dismiss the securities fraud litigation. The defendants deny all allegations of wrongdoing, believe the plaintiffs' claims are without merit, and intend to vigorously defend themselves.

(in thousands)

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 consolidated balance sheets until the chassis are 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 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 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 consolidated statements of cash flows.

At January 2, 2026 and January 3, 2025, the Company utilized $9,566 and $36,008 out of a maximum of $38,300 and $36,100 of Ford allocation of chassis, respectively, and $11,152 and $10,857, respectively, out of a maximum of $49,500 and $49,500 GM allocation of chassis. The Company incurred $3,641 and $1,271 of interest expense related to chassis on hand during the years ended January 2, 2026 and January 3, 2025, respectively.

The following table sets forth a rollforward of GM and Ford chassis utilization:

	For the fiscal years ended	
	January 2, 2026	January 3, 2025
Beginning balance: Supplier financed chassis	$ 46,865	$ 20,398
Add: New supplier financed chassis	240,833	298,156
Less: Supplier financed chassis sold	(266,980)	(271,689)
Ending balance: Supplier financed chassis	$ 20,718	$ 46,865

(in thousands, except per share data)

13. Stockholders' Equity

Share Repurchase Plan

There were no repurchases of common stock during the fiscal year ended January 2, 2026. During the fiscal year January 3, 2025, 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.

Equity Incentive Plan

The Company has outstanding awards under 2022 Omnibus Plan (the "2022 Plan"). Under the 2022 Plan, the Company has the ability to issue incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock awards, RSUs, performance units and/or performance shares.

The 2022 Plan is administered by the Compensation Committee of the Board of Directors of the Company, which has the authority to determine the type of incentive award, as well as the terms and conditions of the awards. Options granted under the 2022 Plan have vesting periods ranging from one to 10 years and expire no later than 10 years from the date of grant. As of January 2, 2026, there were no outstanding options. RSUs generally vest over a three to four-year period with equal annual installments beginning at the end of one year and the remaining vesting annually thereafter. In addition to time-based vesting criteria, certain of our RSUs include performance-based vesting criteria. As of January 2, 2026, there were 2,094 shares available for issuance under the 2022 Plan. The Company generally issues new shares in connection with awards under its equity incentive plans.

Stock-Based Compensation

Compensation expense related to the Company's share-based awards for the fiscal years ended January 2, 2026, January 3, 2025, and December 29, 2023 was $14,266, $9,606, and $16,465, respectively, all of which related to RSUs and performance share units ("PSUs"). No compensation expense related to stock options was incurred during the fiscal years ended January 2, 2026, January 3, 2025, and December 29, 2023.

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

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Cost of sales	$ 1,122	$ 1,124	$ 1,179
General and administrative	10,186	5,981	12,610
Sales and marketing	1,509	1,303	1,501
Research and development	1,449	1,198	1,175
Total	$ 14,266	$ 9,606	$ 16,465

Stock-based compensation expense capitalized to inventory was not material for the years ended January 2, 2026, January 3, 2025, and December 29, 2023.

(in thousands, except per share data)

Restricted Stock Units

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 RSU activity:

	Unvested RSUs	
	Number of shares outstanding	Weighted-average grant date fair value
Unvested at December 30, 2022	297	$ 87.05
Granted	135	$ 109.23
Canceled	(44)	$ 90.91
Vested	(141)	$ 83.97
Unvested at December 29, 2023	247	$ 100.21
Granted	333	$ 45.82
Canceled	(43)	$ 71.30
Vested	(137)	$ 94.76
Unvested at January 3, 2025	400	$ 59.88
Granted	572	$ 25.87
Canceled	(51)	$ 38.43
Vested	(175)	$ 65.90
Unvested at January 2, 2026	746	$ 33.95

The fair value of vested RSUs was $3,901, $5,837, and $15,516 for the years ended January 2, 2026, January 3, 2025, and December 29, 2023, respectively. As of January 2, 2026, the Company had approximately $15,721 of unrecognized stock-based compensation expense related to RSUs, which will be recognized over the remaining weighted-average vesting period of approximately 1.75 years.

Performance Stock Units

During the year ended January 2, 2026, the Company issued 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, on certain measures including EBITDA margin. 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 fair value of PSUs is calculated based on the stock price on the date of grant.

(in thousands, except per share data)

The following table summarizes the activity for the Company's unvested PSUs for the year ended January 2, 2026:

	Unvested PSUs	
	Number of shares outstanding	Weighted-average grant date fair value
Unvested at December 30, 2022	48	$ 126.69
Granted	45	$ 114.04
Canceled	(10)	$ 120.08
Vested	(13)	$ 141.57
Unvested at December 29, 2023	70	$ 116.54
Granted	232	$ 46.38
Canceled	(26)	$ 52.30
Vested	(30)	$ 118.09
Unvested at January 3, 2025	246	$ 57.00
Granted	262	$ 26.14
Canceled	(6)	$ 40.65
Vested	(38)	$ 115.16
Unvested at January 2, 2026	464	$ 35.03

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. Future stock-based compensation expense for unvested performance-based awards could reach a maximum of $17,134 assuming achievement at the maximum level. The unrecognized stock-based compensation expense is expected to be recognized over a weighted average period of 1.63 years.

Stock Options

There was no stock option activity during the years ended January 2, 2026, January 3, 2025, and December 29, 2023.

(in thousands, except per share data)

14. (Net Loss) Earnings Per Share

Basic earnings per share amounts are computed by dividing net (loss) income attributable to Fox stockholders 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 (loss) 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 restricted stock units, which are reflected in diluted earnings per share by application of the treasury stock method.

When the Company incurs a net loss for a period, all potential common shares are considered anti-dilutive in accordance with ASC 260. Accordingly, diluted net loss per share is the same as basic net loss per share for such periods, and the impact of stock-based awards and other potentially dilutive securities is excluded from the computation of diluted net loss per share.

The Company excluded 271, 127, and 12 shares from the calculation of diluted earnings per share for the years ended January 2, 2026, January 3, 2025, and December 29, 2023, respectively, as these shares would have been antidilutive.

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

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Net (loss) income attributable to FOX stockholders	$ (544,579)	$ 6,550	$ 120,846
Weighted average shares used to compute basic earnings per share	41,783	41,681	42,305
Dilutive effect of employee stock plans	—	36	127
Weighted average shares used to compute diluted earnings per share	41,783	41,717	42,432
(Net loss) earnings per share:			
Basic	$ (13.03)	$ 0.16	$ 2.86
Diluted	$ (13.03)	$ 0.16	$ 2.85

(in thousands)

15. Income Taxes

Provision for Income Taxes

The components of income tax expense are as follows:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Current:			
Federal	$ 7,483	$ 9,464	$ 14,427
State	1,979	3,568	5,404
Foreign	3,823	4,646	5,850
Total current	13,285	17,678	25,681
Deferred:			
Federal	(31,986)	(21,107)	(4,782)
State	(9,852)	(2,041)	(2,693)
Foreign	(3,016)	(30)	(389)
Total deferred	(44,854)	(23,178)	(7,864)
(Benefit) provision for income taxes	$ (31,569)	$ (5,500)	$ 17,817

The Company’s income (loss) before provision for income taxes was subject to taxes in the following jurisdictions for the following periods:

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
United States	$ (595,930)	$ (13,351)	$ 114,128
Foreign	19,641	14,363	24,535
Total income before provision for income taxes	$ (576,289)	$ 1,012	$ 138,663

(in thousands)

The following table presents a reconciliation of the statutory federal rate and the Company’s effective tax rate for the periods presented:

	For the fiscal years ended					
	January 2, 2026		January 3, 2025		December 29, 2023	
US Federal Statutory Income Tax Rate	$ (121,020)	21.0 %	$ 213	21.0 %	$ 29,120	21 %
Domestic Federal:						
Tax Credits						
Research and Development Credit	(1,201)	0.2	(6,530)	(645.2)	(5,296)	(3.8)
Foreign Tax Credit	(2,341)	0.4	(8,322)	(822.3)	(12,753)	(9.2)
Nontaxable or Nondeductible Items						
Goodwill Impairment	90,471	(15.7)	—	0.0	—	0.0
Stock-based Compensation	1,289	(0.2)	1,981	195.7	419	0.3
Meals and Entertainment Expense	188	0.0	175	17.3	235	0.2
Executive Compensation Deduction Limitation	175	0.0	205	20.2	822	0.6
Fines and Penalties Expense	—	0.0	16	1.6	3	0.0
Cross-Border tax laws						
Global intangible low-taxed income	2,100	(0.4)	1,277	126.2	103	0.1
Foreign-derived intangible income	(820)	0.1	(2,670)	(263.8)	(6,064)	(4.4)
Other						
Amended Return	—	0.0	1,483	146.6	(1,035)	(0.7)
Return to Provision	67	0.0	(1,546)	(152.7)	1,469	1.1
Deferred True Up	(1,449)	0.3	(2,465)	(243.5)	995	0.7
Other	296	(0.1)	71	7.0	(283)	(0.4)
Domestic state and local income taxes, net of federal effect	(6,159)	1.1	1,221	120.6	1,076	0.8
Domestic changes in valuation allowance	2,272	(0.4)	573	56.6	—	0.0
Foreign Tax Effects						
Canada						
Statutory income tax rate differential	(10)	0.0	178	17.6	130	0.1
Non-Deductible Stock Compensation Expense	(176)	0.0	(137)	(13.6)	(106)	(0.1)
SR&ED Credit Adjustment	(37)	0.0	(13)	(1.3)	9	0.0
Other	12	0.0	4	0.4	203	0.1
Germany						
Statutory income tax rate differential	(211)	0.0	221	21.8	45	0.0
Other	263	0.0	—	0.0	—	0.0
Thailand						
Changes in Valuation Allowance	34		45	4.4	(141)	(0.1)
Other	(12)	0.0	—	0.0	1	0.0
Japan						
Statutory income tax rate differential	(3)	0.0	(21)	(2.1)	(1)	0.0
Other	163	0.0	—	0.0	—	0.0
Sweden						
Changes in Valuation Allowance	(103)	0.0	98	9.7	—	0.0
Foreign NOLs	103	0.0	62	6.2	—	0.0
Other	(3)	0.0	2	0.2	1	0.0
Taiwan						
Statutory income tax rate differential	(236)	0.0	(141)	(13.9)	(227)	(0.2)
Witholding taxes	7,798	(1.4)	7,412	732.3	7,753	5.6
Other	11	0.0	1	0.1	(4)	0.0
United Kingdom						

FOX FACTORY HOLDING CORP.
Notes to Consolidated Financial Statements - Continued
January 2, 2026
(in thousands)

Statutory income tax rate differential	3	0.0	(41)	(4.1)	(36)	0.0
Foreign NOLs	19	0.0	(25)	0.0	(50)	0.0
Changes in Valuation Allowance	(1,527)	0.3	413	0.4	387	0.0
Foreign Branch					—	
Statutory income tax rate differential	(1,425)	0.2	774	0.8	24	0.0
Other foreign jurisdictions	(322)	0.1	1	0.0	72	0.0
Worldwide changes in unrecognized tax benefits	222	0.0	(15)	0.0	946	0.0
Effective tax rate	$ (31,569)	5.5 %	$ (5,500)	(543.5)%	$ 17,817	12.8 %

Deferred Income Taxes

	January 2, 2026	January 3, 2025
Deferred tax assets:		
Foreign tax credits, including amounts associated with accrued charges	$ 45,409	$ 47,394
Capitalized research & development	45,210	44,967
Lease liability	19,321	21,368
Inventory	8,938	9,555
Accrued liabilities	7,369	7,519
Interest Carryforward	6,917	5,868
Net operating losses	5,005	2,071
Research and development tax credits	4,261	4,946
Interest rate swap	2,473	1,544
Stock-based compensation	72	—
Other	2,308	2,441
Total deferred tax asset	147,283	147,673
Valuation allowance	(2,927)	(1,785)
Net deferred tax asset	144,356	145,888
Deferred tax liabilities:		
Intangible assets	(30,467)	(63,016)
Lease right-of-use-asset	(17,806)	(21,389)
Depreciation	(5,686)	(12,554)
Other	—	(2,087)
Total deferred tax liability	(53,959)	(99,046)
Net deferred tax asset	$ 90,397	$ 46,842

As of January 2, 2026, the Company had foreign tax credits of $45,409 that begin to expire in 2028, unless previously utilized.

As of January 2, 2026, the Company assessed the realizability of deferred tax assets and evaluated the need for a valuation allowance for deferred tax assets for each jurisdiction based on the framework of ASC 740. For the year ended January 2, 2026, the valuation allowance increased by $1,142, primarily due to the establishment of a valuation allowance on branch foreign tax credits, partially offset by the release of U.K. net operating loss carryforward. It is reasonably possible that the company could record a material adjustment to the valuation allowance in the next twelve months related to the carrying value of foreign tax credits.

(in thousands)

Unrecognized Tax Benefits

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Balance - beginning of period	$ 29	$ 1,274	$ 119
Increase related to current year tax positions	281	686	1,274
Decrease related to prior year tax positions	(259)	(1,931)	(119)
Balance - end of period	$ 51	$ 29	$ 1,274

As of January 2, 2026, the Company had $51 of unrecognized tax benefits related to certain state tax positions. The Company regularly engages in discussions and negotiations with tax authorities regarding tax matters in various jurisdictions. It is reasonably possible that significant changes in the unrecognized tax benefit may occur within the next twelve months, including settlement of the full amount with the taxing authority.

The Company's 2021 and forward federal tax returns, state tax returns from 2019 and forward, and foreign tax returns from 2021 and forward are subject to examination by tax authorities. In 2024, the IRS commenced an examination of our 2021 income tax return, which is ongoing.

(in thousands)

16. Fair Value Measurements and Financial Instruments

The FASB's Accounting Standards Codification 820, "Fair Value Measurements and Disclosures" 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).

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

	January 2, 2026				January 3, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Interest Rate Swaps	$ —	$ 1,068	$ —	$ 1,068	$ —	$ 5,685	$ —	$ 5,685
Deferred Compensation Plan Investments	4,693	—	—	4,693	4,394	—	—	4,394
Total assets measured at fair value	$ 4,693	$ 1,068	$ —	$ 5,761	$ 4,394	$ 5,685	$ —	$ 10,079
Liabilities:								
Interest Rate Swaps	$ —	$ 762	$ —	$ 762	$ —	$ —	$ —	$ —
Incremental Term Loans	—	530,781	—	530,781	—	560,714	—	560,714
Deferred Compensation Plan Liabilities	4,675	—	—	4,675	4,300	—	—	4,300
Revolver	—	150,000	—	150,000	—	153,000	—	153,000
Total liabilities measured at fair value	$ 4,675	$ 681,543	$ —	$ 686,218	$ 4,300	$ 713,714	$ —	$ 718,014

There were no transfers of assets or liabilities between Level 1, Level 2, and Level 3 categories of the fair value hierarchy during the years ended January 2, 2026, and January 3, 2025.

As of January 2, 2026, the carrying amount of the principal under the Company's Amended Credit Agreement - Term Loan 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.

The Company mitigates the cash flow risk associated with changes in interest rates on its variable rate debt through interest rate swap agreements. Refer to Note 11. Derivatives and Hedging for additional details of the agreements. In accordance with ASC 815, interest rate swap contracts are recognized as assets or liabilities on the consolidated balance sheets and are measured at fair values. The fair values were estimated based on expected cash flows over the life of the swaps. 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. The corresponding deferred compensation plan liabilities are recorded at fair value based on the quoted market price of the underlying investments and are included in accrued expenses on the consolidated balance sheets.

(in thousands)

17. Retirement Plan

The Company established a 401(k) plan to provide tax deferred salary deductions for all eligible employees. Participants may make voluntary contributions to the 401(k) plan, limited by certain IRS restrictions. The Company made matching contributions of $6,490, $3,687, and $3,873 for each of the years ended January 2, 2026, January 3, 2025, and December 29, 2023, respectively.

18. Acquisitions

Acquisition of Custom Wheel House

On February 17, 2023 the Company entered into a Securities Purchase Agreement with CWH Holdco, LLC (“CWH”), CWH Blocker Corp., (“Blocker”), Thompson Street Capital Partners V, L.P., and each other member of CWH to purchase all of the outstanding equity of Blocker, and thereafter Blocker acquired all of the outstanding equity interest of CWH. CWH is the parent company of Custom Wheel House, LLC. Custom Wheel House is a designer, marketer, and distributor of high-performance wheels, performance off-road tires, and accessories, including the premier flagship brand Method Race Wheels. The Company believes that this acquisition will be complementary to its upfitting businesses and will help to expand its product offerings. This acquisition was financed through the Company’s existing Amended Credit Agreement. The acquisition was closed on March 3, 2023 and accounted for as a business combination.

The purchase price of Custom Wheel House is allocated to the assets acquired and liabilities assumed based on their estimated respective fair values as of March 3, 2023 with the excess purchase price allocated to goodwill. The weighted average amortization period of the total acquired intangible assets was 11 years. The weighted average amortization periods of the acquired trade name, customer relationship and core technology assets were 12, 7, and 10 years, respectively. The acquired goodwill represents the value of combining operations of Custom Wheel House and the Company, $25,000 of which is deductible for tax purposes.

The Company’s allocation of the purchase price to the net tangible and intangible assets acquired and liabilities assumed is as follows:

Fair market values		
Tangible assets acquired	$	34,622
Liabilities assumed		(19,593)
Intangible assets		48,753
Goodwill		66,002
Total	$	129,784

The Company incurred $1,001 of transaction costs related to the acquisition of Custom Wheel House during the year ended December 29, 2023. These costs are classified as general and administrative expenses in the accompanying consolidated statements of operations. The results of operations for Custom Wheel House have been included in the Company's consolidated statements of operations since the closing date of the acquisition on March 3, 2023. The total revenue and pre-tax loss for the year ended December 29, 2023 amounted to $65,558 and $1,630, respectively.

(in thousands)

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") from Compass Group Diversified Holdings LLC for $567,236, net of cash acquired. Wheelhouse is the parent company of 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 is 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. The following table summarizes the fair values of the identifiable assets acquired and liabilities assumed at the date of the acquisition:

Acquisition consideration		
Cash consideration, net of cash acquired	$	567,092
Due to sellers		144
Total consideration at closing	$	567,236
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		244,120
Other assets		583
Total assets acquired	$	637,679
Accounts payable	$	13,626
Accrued expenses		10,512
Other current liabilities		1,854
Deferred Taxes		37,462
Other liabilities		6,989
Total liabilities assumed	$	70,443
Purchase price allocation	$	567,236

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

The Company incurred $3,798 of acquisition costs in conjunction with the Marucci acquisition. These costs are classified as general and administrative expenses in the accompanying consolidated statements of operations. Additional debt issuance costs of $6,709 were incurred in association with financing the transaction. Refer to Note 10. Debt for further details.

(in thousands)

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 $244,120 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 operations since the closing date of the acquisition on November 14, 2023. The total revenue and pre-tax income for the year ended January 3, 2025 amounted to $192,372 and $9,989, respectively. The total revenue and pre-tax loss for the year ended December 29, 2023 amounted to $16,791 and $3,150, respectively.

Acquisition of Marzocchi Suspension S.r.l.

On December 19, 2024, the Company, through Marzocchi Suspension Holding S.r.l., acquired all of the outstanding equity of Marzocchi from VRM S.P.A. for $20,501, net of cash acquired. Marzocchi is a leader in motorbike suspension manufacturing. The Company believes that this acquisition will be complementary to its powered vehicle businesses and will help to expand its product offerings. This transaction was accounted for as a business combination.

The purchase price of Marzocchi is allocated to the assets acquired and liabilities assumed based on their estimated respective fair values as of December 19, 2024 with the excess purchase price allocated to goodwill. During the year ended January 2, 2026, and translated into U.S. dollars using the exchange rate at the acquisition date, the Company recorded a decrease of $1,058 to accounts receivable, and increases of $744 to other assets, $411 to accrued expenses, $413 to other liabilities, and $1,138 to goodwill. The following table summarizes the fair values of the identifiable assets acquired and liabilities assumed at the date of the acquisition:

Acquisition consideration		
Cash consideration, net of cash acquired	$	20,501
Total consideration at closing	$	20,501
Fair market value		
Accounts receivable	$	5,648
Inventory		12,097
Prepaids and other current assets		1,527
Property, plant, and equipment		5,888
Trademarks and brands		1,500
Customer and distributor relationships		2,000
Goodwill		4,613
Other assets		5,601
Total assets acquired	$	38,874
Accounts payable	$	12,175
Accrued expenses		2,587
Deferred tax liability		840
Other liabilities		2,771
Total liabilities assumed	$	18,373
Purchase price allocation	$	20,501

(in thousands)

The gross contractual accounts receivable acquired in the acquisition was $5,648, all of which had been collected as of January 2, 2026.

The Company incurred $2,004 of acquisition costs in conjunction with the Marzocchi acquisition, of which $528 were incurred during the years ended January 2, 2026. These costs are classified as general and administrative expenses in the accompanying consolidated statements of operations.

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 $4,613 reflects the strategic fit of Marzocchi with the Company's operations. The weighted average amortization periods of the customer and distributor relationships and trade names and trademarks were 15 years. Goodwill is expected to have an indefinite life and will be subject to impairment testing. In the acquisition of Marzocchi, the Company stepped up the intangibles by $3,500, which is not deductible for Italian income tax purposes.

The results of operations for Marzocchi have been included in the Company's consolidated statements of operations since the closing date of the acquisition on December 19, 2024. The total revenues and pre-tax loss for the year ended January 2, 2026 amounted to $40,600 and $9,619, respectively.

19. Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in accumulated other comprehensive income (loss):

	Interest Rate Swaps	Foreign Currency Translation	Total
Balance as of December 29, 2023	$ 10,522	$ (1,481)	$ 9,041
Change in interest rate swaps fair value	6,418	—	6,418
Net gain reclassified to interest expense	(8,460)	—	(8,460)
Income tax provision on interest rate swaps	(466)	—	(466)
Foreign currency translation adjustments	—	(6,309)	(6,309)
Balance as of January 3, 2025	$ 8,014	$ (7,790)	$ 224
Change in interest rate swaps fair value	(1,406)	—	(1,406)
Net gain reclassified to interest expense	(4,757)	—	(4,757)
Income tax provision on interest rate swaps	(1,471)	—	(1,471)
Foreign currency translation adjustments	—	8,242	8,242
Balance as of January 2, 2026	$ 380	$ 452	$ 832

20. 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 and 1 plant in Italy. 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 13 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 8 plants and 11 distribution facilities (9 in the United States, 3 in Taiwan, and 1 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.

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, (i) strategic transformation costs, (j) goodwill impairment, and (k) intangible and long-lived asset impairment. 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. All transactions between reportable segments are eliminated in consolidation.

FOX FACTORY HOLDING CORP.
Notes to Consolidated Financial Statements - Continued
January 2, 2026
(in thousands)

The tables that follow show selected segment financial information including information for prior comparative 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 fiscal years ended		
	January 2, 2026	**January 3, 2025**	**December 29, 2023**
Net sales			
Powered Vehicles Group	$ 488,143	$ 461,403	$ 523,862
Aftermarket Applications Group	470,013	421,453	551,143
Specialty Sports Group	509,165	511,065	389,173
Net sales	$ 1,467,321	$ 1,393,921	$ 1,464,178
Adjusted EBITDA			
Powered Vehicles Group	62,283	53,819	79,159
Aftermarket Applications Group	55,769	51,745	126,784
Specialty Sports Group	107,642	117,811	117,766
	$ 225,694	$ 223,375	$ 323,709
Reconciliation of segment adjusted EBITDA			
Unallocated corporate expenses	(57,338)	(56,362)	(62,661)
Goodwill impairment	(557,307)	—	—
Intangible and long-lived asset impairment	(13,517)	—	—
Depreciation and amortization(1)	(88,398)	(83,566)	(58,603)
Non-cash stock-based compensation	(14,266)	(9,606)	(16,465)
Litigation and settlement-related expenses	(2,042)	(4,329)	(2,724)
Other acquisition and integration-related expenses(2)	(2,375)	(8,054)	(19,214)
Organizational restructuring expenses(3)	(13,890)	(3,218)	(3,952)
Loss on fixed asset disposals related to organizational restructure	—	—	(1,027)
Strategic transformation costs	(491)	(1,689)	—
Interest and other expense, net	(52,359)	(55,539)	(20,400)
Consolidated income before income taxes	$ (576,289)	$ 1,012	$ 138,663

(1) Depreciation excludes amortization for purchase accounting property, plant and equipment fair value adjustment and accelerated depreciation related to organizational restructuring initiatives.

(2) 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 and property, plant and equipment valuation adjustments recorded in connection with the purchase of acquired assets.

(3) Represents expenses associated with various restructuring initiatives. See Note 21. Restructuring Charges for more information.

FOX FACTORY HOLDING CORP.
Notes to Consolidated Financial Statements - Continued
January 2, 2026
(in thousands)

The CODM relies on adjusted EBITDA for assessing performance and allocating resources across segments. On a regular basis, the CODM reviews budget-to-actual variances for adjusted EBITDA to guide capital and personnel distribution. During the annual budgeting and forecasting process, segment adjusted EBITDA is used by the CODM to measure segment performance and to allocate resources such as employees, financial assets, or capital. Additionally, adjusted EBITDA is reviewed by the CODM in evaluating the efficiency of cost management strategies within each segment, ensuring that financial and operational resources are optimized and aligned with the Company's overall strategic objectives. No expense details by segment are regularly provided to the CODM, and accordingly, no significant segment expenses have been disclosed. The CODM reviews consolidated expense information.

The following table presents the Company’s other segment items that consist of costs of sales and operating expenses excluding goodwill impairment, intangible and long-lived asset impairment, depreciation and amortization, non-cash stock-based compensation, litigation and settlement-related expenses, other acquisition and integration-related expenses, organizational restructuring-related expenses, and strategic transformation costs, which represent the computable difference between segment net sales and segment adjusted EBITDA.

	For the fiscal years ended		
	January 2, 2026	January 3, 2025	December 29, 2023
Powered Vehicles Group	$ 425,860	$ 407,584	$ 444,703
Aftermarket Applications Group	414,244	369,708	424,359
Specialty Sports Group	401,523	393,254	271,407

21. Restructuring Charges

During the fiscal year ended January 2, 2026, the Company undertook various restructuring initiatives intended to improve operational efficiency, realign resources, and support the Company’s long-term strategic objectives, which resulted in costs for employee severance, relocation expenses, consulting and advisory fees, and losses related to lease terminations and disposal of fixed assets. The majority of the costs were related to our footprint consolidations and workforce reductions.

Obligations related to these restructuring activities, primarily severance and lease termination costs, were settled shortly after they were incurred. No material restructuring liabilities remained outstanding as of January 2, 2026.

The following table summarizes the charges recorded in connection with the restructuring activities by reportable segment:

For the fiscal year ended January 2, 2026

	PVG	AAG	SSG	Corporate	Total
Facility closure and other related costs	$ —	$ 7,369	$ 3,880	$ —	$ 11,249
Severance and employee related costs	29	199	1,892	194	2,314
Other restructuring costs	13	—	12	302	327
	$ 42	$ 7,568	$ 5,784	$ 496	$ 13,890

22. Subsequent Events

Subsequent to January 2, 2026, the Company initiated a process to divest its Phoenix, Arizona AAG operations, including the Upfit UTV, Geiser, and Shock Therapy businesses, as part of ongoing efforts to streamline operations. The divestiture is expected to be completed by the end of the first quarter of fiscal 2026. The Company is continuing to evaluate the financial reporting implications of this anticipated transaction.

Exhibit 21.1

Fox Factory Holding Corp.

List of Subsidiaries as of January 2, 2026

Company Name	State or Other Jurisdiction of Incorporation or Organization	Name under which Business is Conducted
Fox Factory Australia Pty Ltd	Australia	Sola Sport/Fox Australia
RFE Holding (Canada) Corp.	British Columbia, Canada	Race Face / Easton
Fox Factory, Inc.	California	Fox Factory, Inc.
FF US Holding LLC	Georgia	FF US Holding LLC
FF Indiana Holding LLC	Indiana	FF Indiana Holding LLC
ST USA Holding Corp.	Delaware	Sport Truck, USA
RT Acquisition Corp.	Delaware	Ridetech
SCA Performance Holdings, Inc.	Delaware	SCA Performance Holdings, Inc.
SCA Performance, Inc.	Delaware	SCA Performance, Inc.
Rocky Ridge Trucks, Inc.	Delaware	Rocky Ridge Trucks, Inc.
Rocky Ridge Real Estate, LLC	Delaware	Rocky Ridge Real Estate, LLC
Rocky Mountain Truckworks, Inc.	Delaware	Rocky Mountain Truckworks, Inc.
Manifest Joy LLC	Oregon	Outside Van
Outsidevan LLC	Oregon	Outside Van
Outsideparts, LLC	Oregon	Outside Van
Outsidetruck, LLC	Oregon	Outside Van
Shock Therapy Suspension, Inc.	Delaware	Shock Therapy
CWH Blocker Corp.	Delaware	CWH Blocker Corp.
CWH Holdco, LLC	Delaware	CWH Holdco, LLC
Custom Wheel House, LLC	Delaware	Custom Wheel House, LLC
Wheelhouse Holdings Inc.	Delaware	Wheelhouse Holdings Inc.
Marucci Sports, LLC	Delaware	Marucci Sports, LLC
SEP VI LS Holdings, Inc.	Delaware	Marucci Sports, LLC
Lizard Skins, LLC	Delaware	Marucci Sports, LLC
CaT Timber Products, LLC	Pennsylvania	Marucci Sports, LLC
Marucci Bat Company LLC	Louisiana	Marucci Sports, LLC
Marucci Elite Training, L.L.C.	Louisiana	Marucci Sports, LLC
Marucci Hitters House, LLC	Delaware	Marucci Sports, LLC
Marucci Clubhouse, LLC	Delaware	Marucci Sports, LLC
Marucci Clubhouse IP, LLC	Delaware	Marucci Sports, LLC
ALMM, L.L.C.	Louisiana	Marucci Sports, LLC
Rounding Third Sports LLC	Delaware	Marucci Sports, LLC
Baseball Performance Lab Inc.	Louisiana	Marucci Sports, LLC
Carpenter Trade LLC	Delaware	Marucci Sports, LLC
Marucci and Victus Sports Japan LLC	Japan	Marucci Sports, LLC
Fox Factory GmbH	Germany	Fox Factory GmbH
FF US Holding Corp.	Delaware	FF US Holding Corp.
FF US Acquisition Corp.	Delaware	Tuscany
Fox Factory UK Limited	United Kingdom	Fox Factory UK Limited
Fox Factory Switzerland GmbH	Switzerland	Fox Factory Switzerland GmbH LLC

Fox Factory Thailand Holdings LLC	Delaware	Fox Factory Thailand Holdings LLC
Fox Factory Thailand Ltd.	Thailand	Fox Factory Thailand Ltd.
Marzocchi Suspension Holding S.r.l.	Italy	Marzocchi Suspension Holding S.r.l.
Marzocchi Suspension S.r.l.	Italy	Marzocchi Suspension S.r.l.
Upfit UTV, Inc.	Delaware	Upfit UTV, Inc. / Geiser Performance

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated February 26, 2026, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Fox Factory Holding Corp. on Form 10-K for the year ended January 2, 2026. We consent to the incorporation by reference of said reports in the Registration Statements of Fox Factory Holding Corp. on Forms S-8 (File No. 333-264858, File No. 333-257516 and File No. 333-192238) and Form S-3ASR (File No. 333-239231).

/s/ GRANT THORNTON LLP

San Jose, California
February 26, 2026

EXHIBIT 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Michael C. Dennison, certify that:

1. I have reviewed this Annual Report on Form 10-K 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.

/s/ Michael C. Dennison
Michael C. Dennison
Chief Executive Officer
February 26, 2026

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Dennis C. Schemm, certify that:

1. I have reviewed this Annual Report on Form 10-K 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.

/s/ Dennis C. Schemm

Dennis C. Schemm
Chief Financial Officer
February 26, 2026

EXHIBIT 32.1

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

In connection with the Annual Report on Form 10-K for the fiscal year ended January 2, 2026 of Fox Factory Holding Corp. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael C. Dennison, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael C. Dennison
Michael C. Dennison
Chief Executive Officer
(Principal Executive Officer)
February 26, 2026

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Fox Factory Holding Corp. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

EXHIBIT 32.2

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

In connection with the Annual Report on Form 10-K for the fiscal year ended January 2, 2026 of Fox Factory Holding Corp. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dennis C. Schemm, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Dennis C. Schemm
Dennis C. Schemm
Chief Financial Officer
(Principal Financial Officer)
February 26, 2026

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Fox Factory Holding Corp. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.