

FOX FACTORY HOLDING CORP

Form 424B7

November 18, 2016

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**Filed Pursuant to Rule 424(b)(7)
Registration Statement No. 333-203146**

PROSPECTUS SUPPLEMENT

(To Prospectus dated March 31, 2015)

3,500,000 Shares

FOX FACTORY HOLDING CORP.

COMMON STOCK

The selling stockholder named in this prospectus supplement is selling 3,500,000 shares of our common stock. We will not receive any proceeds from the sale of the shares of common stock by the selling stockholder. See **Selling Stockholder and Option Stockholder**.

Our common stock is listed on the NASDAQ Global Select Market under the symbol **FOXF**. On November 15, 2016, the last sale price of our common stock as reported on the Nasdaq Global Select Market was \$23.30 per share.

The underwriters have agreed to purchase shares of our common stock from the selling stockholder at a price of \$20.51 per share, which will result in \$71,785,000 of proceeds to the selling stockholder before expenses. The underwriters propose to offer the shares of our common stock from time to time for sale in one or more transactions on the NASDAQ Global Select Market, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. See **Underwriting**.

We are an emerging growth company under the U.S. federal securities laws and are subject to reduced public company reporting requirements. Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-8 of this prospectus supplement and on page 4 of the accompanying prospectus.

Delivery of the shares of common stock is expected to be made on or about November 22, 2016. The option stockholder named in this prospectus supplement has granted the underwriters an option for a period of 30 days to purchase up to an additional 525,000 shares of our common stock. We will not receive any proceeds from the sale of the shares of common stock by the selling stockholder or the option stockholder. See **Selling Stockholder and Option Stockholder**.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Baird

William Blair

Prospectus supplement dated November 16, 2016

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part, this prospectus supplement, and the second part, the accompanying prospectus, are each part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf registration process, we, the selling stockholder and the option stockholder may sell shares of our common stock in one or more offerings. In this prospectus supplement, we provide you with specific information about the terms of this offering and updates with respect to information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The accompanying prospectus, including the documents incorporated by reference herein, provides more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or in any document incorporated by reference that was filed with the SEC before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

We, the selling stockholder, the option stockholder and the underwriters have not authorized any other person to provide you with different or additional information other than that contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. We, the selling stockholder, the option stockholder and the underwriters take no responsibility for, and can make no assurance as to the reliability of, any other information that others may give you. We, the selling stockholder, the option stockholder and the underwriters will not make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless we indicate otherwise. Our business, financial condition, results of operations and prospects may have changed since those dates.

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PROSPECTUS SUPPLEMENT SUMMARY

This prospectus supplement summary highlights certain information appearing elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein. As this is a summary, it does not contain all of the information that you should consider in making an investment decision. This prospectus supplement summary is qualified in its entirety by the more detailed information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein. Before investing, you should read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein carefully, including the information under Risk Factors beginning on page S-8 of this prospectus supplement, on page 4 of the accompanying prospectus and in our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016, or the 2016 Third Quarterly Report, and our consolidated financial statements and the related notes thereto incorporated by reference herein. This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward-looking statements that involve risks and uncertainties. See Important Information Regarding Forward-Looking Statements beginning on page S-12 of this prospectus supplement and on page 3 of the accompanying prospectus.

Unless the context otherwise indicates, references in this prospectus to we, our, Fox, the Company, us and similar designations refer, collectively, to Fox Factory Holding Corp., a Delaware corporation, and its consolidated subsidiaries.

Our Company

We are a designer, manufacturer and marketer of performance ride dynamics products used primarily on bicycles, Side-by-Sides, on-road vehicles with off-road capabilities, off-road vehicles and trucks, all-terrain vehicles, or ATVs, snowmobiles, specialty vehicles and applications, and motorcycles. 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 a smoother ride while riding over rough terrain in varied environments. 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 Union Cycliste Internationale Mountain Bike World Cup and the X Games. 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 believe our products are generally sold at premium prices, which to us means manufacturer suggested retail sale prices that are generally in the upper quartile of their respective product categories.

We design our products for, and market our products to, some of the world's leading action sports OEMs and to consumers through the aftermarket channel. Many of our OEM customers, including Giant, Scott, Specialized and Trek in bikes and BRP, Ford, Yamaha and Polaris in powered vehicles, 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 the 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. We currently sell to more than 200 OEMs and distribute our products to more than 5,000 retail dealers and distributors worldwide. In 2015, 63% of our sales resulted from sales to OEM customers and 37%

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resulted from sales to dealers and distributors for resale in the aftermarket channel. No material portion of our business is subject to renegotiation of profit or termination of contracts or subcontracts at the election of the U.S. government.

Our domestic sales totaled \$136.4 million, \$163.1 million, \$128.3 million and \$96.1 million, or 47%, 44%, 42% and 35% of our total sales, in the nine months ended September 30, 2016 and the fiscal years 2015, 2014 and 2013, respectively. Our international sales totaled \$155.1 million, \$203.7 million, \$178.4 million and \$176.6 million, or 53%, 56%, 58% and 65% of our total sales, in the nine months ended September 30, 2016 and the fiscal years 2015, 2014 and 2013, respectively. Sales attributable to countries outside the United States 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 United States.

Our history

Robert C. Fox, Jr. began developing suspension products in 1974 when, having participated in motocross racing, he sought to create a racing suspension shock that performed better than existing coil spring shocks. Working in a friend's garage, Mr. Fox created the Fox AirShox. The product was successful, and went into production in 1975. The next year, in 1976, Fox AirShox was used by the rider who won the AMA 500cc National Motocross Championship.

Sales of Fox AirShox grew rapidly and, in 1978, our operating subsidiary, Fox Factory, Inc., was incorporated in California. From 1978 to 1983, FOX suspension users won numerous major races including 500cc Grand Prix races (motocross), Baja 1000 races (off-road), AMA SuperBike races (motorcycle road racing), and the Indianapolis 500 race (auto racing), generating greater market awareness of the FOX brand among enthusiasts.

As Fox grew, we applied many of the same core suspension technologies developed for motocross racing to other categories. For example, in 1987 we started selling high-performance suspension products for snowmobiles. By 1991, we began supplying the mountain bike industry with rear shocks and we entered the ATV and other off-road vehicle markets in the mid-1990s. Starting in 2001, we began offering front fork suspension products for mountain bikes.

Fox Factory Holding Corp., the registrant of this offering, is the holding company of Fox Factory, Inc. Fox Factory Holding Corp. was incorporated in Delaware on December 28, 2007 by Compass Group Diversified Holdings LLC, or Compass, who purchased a controlling interest in us on January 4, 2008.

For clarification, we are not affiliated with Fox Head, Inc., or Fox Head, an action sports apparel company, although we have entered into an agreement with Fox Head clarifying the parties' respective use of Fox tradenames and service marks.

Corporate information

Our principal executive offices are located at 915 Disc Drive, Scotts Valley, CA 95066, and our telephone number is (831) 274-6500. Our website address is www.ridefox.com. In addition, we maintain a Facebook page at www.facebook.com/fox, a YouTube channel at www.youtube.com/foxracingshox1, a Vimeo page at www.vimeo.com/foxracingshox and a Twitter feed at www.twitter.com/foxracingshox. Information contained on, or that can be accessed through, our website, Facebook page, YouTube channel, Vimeo page or Twitter feed does not constitute part of this prospectus supplement or the accompanying prospectus and inclusions of our website

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address, Facebook page address, YouTube channel address, Vimeo page address and Twitter feed address in this prospectus supplement or the accompanying prospectus are inactive textual references only.

We have a number of registered marks, including, without limitation, FOX®, FOX RACING SHOX® and REDEFINE YOUR LIMITS® in several jurisdictions, including the United States, and we have also applied to register a number of other marks in various jurisdictions. This prospectus supplement and the accompanying prospectus include trademarks and trade names of other companies. All trademarks and trade names appearing in this prospectus supplement or the accompanying prospectus are the property of their respective holders. We do not intend our use or display of other companies' trade names or trademarks to imply a relationship with, or any endorsement or sponsorship of us by, these other companies.

Emerging growth company status

We are an emerging growth company, as that term is defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For as long as we qualify as an emerging growth company, we have taken, and may continue to take, advantage of certain exemptions from various reporting requirements that are applicable to other public companies that do not qualify as emerging growth companies, including, without limitation, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations relating to executive compensation and exemptions from the requirements of holding advisory say-on-pay, say-when-on-pay and golden parachute executive compensation votes.

Under the JOBS Act, we will remain an emerging growth company until the earliest of:

the last day of the fiscal year during which we have total annual gross revenues of \$1 billion or more;

the last day of the fiscal year following the fifth anniversary of our Initial Public Offering, or the IPO, in August 2013;

the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt; or

the date on which we are deemed to be a large accelerated filer under the Securities Exchange Act of 1934, as amended, or the Exchange Act (i.e., the first day of the fiscal year after we have (i) more than \$700 million in outstanding common equity held by our non-affiliates, measured each year on the last day of our second fiscal quarter, and (ii) been public for at least 12 months).

The JOBS Act also provides that an emerging growth company can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. However, we have chosen to opt out of such extended transition period, and, as a result, we have been complying, and will continue to comply, with new or revised accounting standards on the relevant dates on which adoption of such standards is required for companies that are not emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

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THE OFFERING

The offering	3,500,000 shares of common stock offered by the selling stockholder.
Selling stockholder	The selling stockholder in this offering is Compass Group Diversified Holdings LLC, or Compass. Compass Diversified Holdings, a Delaware statutory trust, is the parent of Compass Group Diversified Holdings LLC. Compass Group Diversified Holdings LLC, as the sponsor of Compass Diversified Holdings, beneficially owns our shares of common stock. See Selling Stockholder and Option Stockholder.
Common stock to be outstanding after this offering	36,861,204 shares. This offering will have no effect on the number of shares of our common stock outstanding.
Underwriters' option to purchase additional shares	The underwriters have an option, exercisable for 30 days after the date of this prospectus supplement, to purchase up to an additional 525,000 shares from the option stockholder.
Option stockholder	The option stockholder in this offering is Robert C. Fox, Jr., one of our directors. The option stockholder has only granted the underwriters an option to purchase up to an additional 525,000 shares of our common stock, and is not selling any stock in addition to such option. See Selling Stockholder and Option Stockholder.
Use of proceeds	We will not receive any proceeds from the sale of shares by the selling stockholder or the option stockholder. See Use of Proceeds.
Dividend policy	Currently, we do not anticipate paying cash dividends.
Concentration of ownership	Upon completion of this offering, assuming no exercise by the underwriters of their option to purchase additional shares, our executive officers and directors, and their affiliates, will beneficially own, in the aggregate, approximately 24.1% of our outstanding shares of common stock (or approximately 22.7% if the underwriters' option to purchase additional shares from the option stockholder is exercised in full), and Compass will own approximately 13.9% of our outstanding shares of common stock.

NASDAQ Global Select Market symbol FOXF

Risk Factors

Investing in our shares of common stock involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement and on page 4 of the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in our shares of common stock.

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The number of shares of common stock that will be outstanding after this offering is based on 36,861,204 shares outstanding as of November 10, 2016, and:

excludes 1,480,256 shares of common stock reserved and issuable upon the exercise of options to purchase common stock that were outstanding as of November 10, 2016, with a weighted average exercise price of \$5.33 per share; and

excludes 3,038,651 shares of common stock issuable under our 2013 Omnibus Plan, which include (i) 3,631,709 shares initially reserved for issuance under our 2013 Omnibus Plan, (ii) an additional 62,708 shares that may be granted under our 2013 Omnibus Plan as a result of the forfeiture of options previously granted under our 2008 Stock Option Plan and 2008 Non-Statutory Stock Option Plan less (iii) 655,766 shares issued upon vesting of issued awards as of November 10, 2016. Of these shares of common stock, 818,070 shares were issuable upon the vesting of restricted stock units or exercise of options granted to our directors, officers and other employees as of November 10, 2016.

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The following summary consolidated financial data should be read in conjunction with, and is qualified in its entirety by, the sections entitled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2015, or the 2015 Annual Report, and the 2016 Third Quarterly Report, which are incorporated by reference in this prospectus supplement. The historical results presented below are not necessarily indicative of the results to be expected for any future period.

Consolidated Statement of Income Data

	FOR THE YEARS ENDED DECEMBER 31,					FOR THE NINE MONTHS ENDED	
	2015	2014	2013	2012	2011	SEPTEMBER 30, 2016	SEPTEMBER 30, 2015
(in thousands, except per share data)							
Sales	\$ 366,798	\$ 306,734	\$ 272,746	\$ 235,869	\$ 197,739	\$ 291,522	\$ 271,130
Cost of sales ⁽¹⁾	254,756	212,314	192,617	173,040	140,849	199,191	187,693
Gross profit	112,042	94,420	80,129	62,829	56,890	92,331	83,437
Operating expenses:							
Sales and marketing ⁽¹⁾	23,182	19,192	14,153	12,570	11,748	19,447	17,418
Research and development ⁽¹⁾	17,001	13,642	10,409	9,727	9,750	13,698	12,201
General and administrative ⁽¹⁾	21,053	17,683	11,408	9,063	7,588	20,159	15,428
Amortization of purchased intangibles	8,525	6,424	5,378	5,315	5,217	2,289	6,435
Fair value adjustment of contingent consideration and acquisition related compensation	6,937	2,856				4,681	6,058
Total operating expenses	76,698	59,797	41,348	36,675	34,303	60,274	57,540
Income from operations	35,344	34,623	38,781	26,154	22,587	32,057	25,897
Other expense, net:							
Interest expense	1,549	999	4,125	3,486	1,982	1,515	1,166
Other (income) expense, net	(449)	(693)	(12)	277	13	365	(195)
Total other expense, net	1,100	306	4,113	3,763	1,995	1,880	971

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Income before income taxes	34,244	34,317	34,668	22,391	20,592	30,177	24,926
Provision for income taxes	9,290	6,631	10,566	8,181	7,054	4,315	6,802
Net income	\$ 24,954	\$ 27,686	\$ 24,102	\$ 14,210	\$ 13,538	\$ 25,862	\$ 18,124
Earnings per share:							
Basic	\$ 0.67	\$ 0.75	\$ 0.70	\$ 0.44	\$ 0.45	\$ 0.70	\$ 0.49
Diluted	\$ 0.66	\$ 0.73	\$ 0.68	\$ 0.44	\$ 0.42	\$ 0.69	\$ 0.48
Weighted average shares used to compute earnings per share:							
Basic	36,989	36,756	34,571	32,059	30,030	36,774	36,988
Diluted	37,894	37,807	35,705	32,515	32,295	37,747	37,874
Dividends per share	\$	\$	\$	\$ 2.00	\$	\$	\$

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(1) Includes stock-based compensation (excluding tax effect) as follows:

	FOR THE YEARS ENDED DECEMBER 31					FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016	
	2015	2014	2013	2012	2011	2016	2015
(in thousands)							
Cost of sales	\$ 82	\$ 43	\$ 23	\$	\$	\$ 105	\$ 55
Sales and marketing	430	279	158	160	78	446	321
Research and development	178	88	53	29	12	266	126
General and administrative	4,217	3,634	2,266	1,959	940	3,804	3,183
Total	\$ 4,907	\$ 4,044	\$ 2,500	\$ 2,148	\$ 1,030	\$ 4,621	\$ 3,685

Consolidated Balance Sheet Data

	AS OF DECEMBER 31,					AS OF SEPTEMBER 30, 2016	
	2015	2014	2013	2012	2011	2016	2015
(in thousands)							
Cash and cash equivalents	\$ 6,944	\$ 4,212	\$ 1,683	\$ 15	\$ 114	\$	\$ 15,693
Inventory	68,202	59,191	42,783	34,255	29,531		78,115
Working capital	57,971	48,056	39,884	25,142	23,108		90,042
Property, plant and equipment, net	26,094	19,759	13,418	11,789	9,005		31,022
Total assets	277,716	258,437	157,729	142,120	129,956		324,575
Total debt, including current portion ⁽¹⁾	47,881	50,000	8,000	59,250	15,293		72,588
Total stockholders' equity ⁽²⁾	152,260	128,806	92,292	29,584	67,295		174,218

(1) In June 2012, we completed a recapitalization, or the 2012 Recapitalization. In connection with the 2012 Recapitalization, we amended our debt. Concurrently with the closing of our IPO, in August 2013, we used the net proceeds that we received from the IPO to repay our then outstanding indebtedness. In 2014, in connection with our acquisitions, we entered into amendments to our credit facility entered in August 2013, borrowing \$80.0 million under a secured term loan. In May 2016, we further amended the credit facility, converting \$18.5 million outstanding under our line of credit to term loan and borrowing an additional \$9.0 million in the form of term loan. The principal balance of the term loan and borrowings under our line of credit, net of issuance cost, totaled \$72.6 million at September 30, 2016.

(2) In connection with the 2012 Recapitalization, we paid a \$67.0 million cash dividend, repurchased shares, and restructured certain stock-based compensation awards.

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RISK FACTORS

Any investment in our common stock involves a high degree of risk. You should carefully consider the risks described in the section entitled "Risk Factors" included in our 2016 Third Quarterly Report, as supplemented by the discussion below, and all of the information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus, before making an investment decision. The risks and uncertainties described below and in such incorporated documents are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the following events occur, our financial condition, business and results of operations (including cash flows) may be materially adversely affected. In that event, the market price of our common stock could decline, we may be unable to pay distributions on our common stock and you could lose all or part of your investment.

Risks related to this offering and ownership of our common stock

The trading price of our common stock may be volatile, and you might not be able 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 you could lose all or part of your investment in our common stock. Since our IPO in 2013, our stock price has fluctuated between \$24.23 and \$13.35 per share and such volatility may continue in the future. Factors affecting the trading price of our common stock could include:

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 has experienced significant price fluctuations. Fluctuations in the 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. Some companies that have had volatile market prices for their securities have had securities class actions filed against them. A suit filed against us, regardless of its merits or outcome, could cause us to incur substantial costs and could divert management's attention.

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

If our existing stockholders sell substantial amounts of our common stock in the public market after this offering, or are perceived by the public market as intending to sell, the trading price of our common stock could decline. As of

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November 10, 2016, we had 36,861,204 shares of common stock outstanding, of which 25,111,745 are freely tradable in the public market. As of November 10, 2016, 11,749,460 shares of common stock outstanding were held by directors, executive officers and other affiliates and are subject to volume and manner of sale limitations under Rule 144 under the Securities Act, including the shares offered by the selling stockholder and the option stockholder in this offering.

After our IPO, we filed a registration statement 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.

In March, 2015 we filed a Shelf Registration Statement on Form S-3 with the SEC to enable us, and certain of our stockholders, to quickly go to market should we, or certain of our stockholders, wish to sell our common stock, or additionally, in our case, certain other debt instruments. The selling stockholder and the option stockholder are selling their shares in this offering pursuant to such Shelf Registration Statement.

In addition, our Amended and Restated Certificate of Incorporation authorizes us to issue 90,000,000 shares of common stock, of which 36,861,204 shares were outstanding as of November 10, 2016. In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition or otherwise. If any of these additional shares described are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

We are an emerging growth company, and the reduced disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act. For as long as we are an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding advisory say-on-pay and say-when-on-pay votes on executive compensation and shareholder advisory votes on golden parachute compensation. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year during which we have total annual gross revenues of \$1 billion or more; (ii) the last day of the fiscal year following the fifth anniversary of the completion of our IPO; (iii) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt; or (iv) the date on which we are deemed to be a large accelerated filer under the Exchange Act.

We cannot predict if investors will find our common stock less attractive to the extent we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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 us or our business. If one or more of the analysts who covers 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 ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline.

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Compass and our directors and officers and insiders have substantial control over us and will be able to influence corporate matters.

As of November 10, 2016, Compass beneficially owned approximately 23.4% of our outstanding common stock, and Compass, our directors and executive officers, and their affiliates beneficially owned, in the aggregate, approximately 33.4% of our outstanding common stock. Upon completion of this offering, assuming no exercise by the underwriters of their option to purchase additional shares, Compass beneficially will own approximately 13.9% of our outstanding common stock, and Compass, our directors and executive officers, and their affiliates beneficially will own, in the aggregate, approximately 24.1% of our outstanding common stock. As a result, these stockholders are able to exercise significant influence over all matters requiring stockholder approval, including the election of directors, amendment of our Amended and Restated Certificate of Incorporation, and approval of any merger, consolidation, or sale of all, or substantially all, of our assets or other significant corporate transactions. In addition, Compass continues to have input on all matters before our board of directors because our director Elias Sabo is affiliated with Compass. Compass may also delay or prevent a change of control or otherwise discourage a potential acquirer from attempting to obtain control of us, even if such a change of control would benefit our other stockholders. So long as Compass or any of its affiliates continue to indirectly own a significant amount of our outstanding common stock, they will continue to be able to significantly influence our decisions.

In addition, Compass is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that may compete directly or indirectly with us. Compass may also pursue acquisition opportunities that are complementary to our business and, as a result, those acquisition opportunities may not be available to us.

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

Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, or 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;

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from and after the date that Compass and its affiliates no longer collectively beneficially own (as determined pursuant to Rule 13d-3 under the Exchange Act), directly or indirectly, at least a majority of the voting power of all then outstanding shares of our capital stock entitled to vote generally in the election of directors, or the Trigger Date, prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders;

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) or, until the Trigger Date, Compass;

from and after the Trigger Date, 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.

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In addition, we are subject to Section 203 of the General Corporation Law of the State of Delaware, or DGCL, which generally prohibits a Delaware corporation from engaging in any 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.

Our 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 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.

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IMPORTANT INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as may, might, will, would, should, expect, plan, anticipate, could, intend, contemplate, believe, estimate, predict, likely, potential or continue or the negative of these words or other terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained herein include, but are not limited to, statements about:

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 ability to improve operating and supply chain efficiencies;

our future financial performance, including our sales, cost of sales, gross profit or gross margins, operating expenses, ability to generate positive cash flow and ability to maintain our profitability;

our ability to maintain our premium brand image and high-performance products;

our ability to maintain relationships with the professional athletes and race teams we sponsor;

our transition of the majority of our mountain bike manufacturing operations to Taiwan and our expectations related to such transition;

our ability to selectively add additional dealers and distributors in certain geographic markets;

the growth of the markets in which we compete, our expectations regarding consumer preferences and our ability to respond to changes in consumer preferences;

changes in demand for high-end suspension and ride dynamics products;

our ability to successfully identify, evaluate and manage potential acquisitions and to benefit from such acquisitions;

The outcome of pending litigation; and

future economic or market conditions.

We caution you that the forward-looking statements highlighted above do not encompass all of the forward-looking statements made herein.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained herein 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. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section entitled **Risk factors** and elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein. 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 herein. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein relate only to events as of the date on which the statements are

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made. We undertake no obligation to update any forward-looking statements made in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein to reflect events or circumstances after the date of this prospectus supplement or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

This prospectus, the accompanying prospectus and the documents incorporated by reference herein also contain statistical data, estimates, and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. Although we believe that the third-party sources referred to in this prospectus are reliable, neither we nor the underwriters have independently verified the information provided by these third parties. While we are not aware of any misstatements regarding any third-party information presented herein, their estimates in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under the section entitled **Risk factors** and elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein.

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USE OF PROCEEDS

All of the shares of our common stock offered by this prospectus supplement will be sold by the selling stockholder and the option stockholder. We will not receive any proceeds from the sale of shares by the selling stockholder or the option stockholder.

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Our common stock has been listed on the NASDAQ Global Select Market 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.

The following table sets forth, for the periods indicated, the high and low sales prices per share of our common stock as reported on the NASDAQ Global Select Market.

	HIGH	LOW
Year Ending December 31, 2014		
Quarter ended March 31, 2014	\$ 19.05	\$ 14.33
Quarter ended June 30, 2014	18.98	16.19
Quarter ended September 30, 2014	18.00	14.04
Quarter ended December 31, 2014	17.08	13.35
Year Ending December 31, 2015		
Quarter ended March 31, 2015	\$ 16.55	\$ 14.32
Quarter ended June 30, 2015	17.35	14.84
Quarter ended September 30, 2015	17.25	14.55
Quarter ended December 31, 2015	19.62	15.78
Year Ending December 31, 2016		
Quarter ended April 1, 2016	\$ 18.35	\$ 13.85
Quarter ended July 1, 2016	18.76	15.18
Quarter ended September 30, 2016	23.08	16.92
Quarter ended October 1, 20		