UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2024

OR

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

For transition period from to

Commission File Number 001-40694

Traeger, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**82-2739741**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
533 South 400 West, Salt Lake City, Utah	**84101**
(Address of principal executive offices)	(Zip code)

(801) 701-7180

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 $0.0001 per share	COOK	New York Stock Exchange

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

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

As of November 1, 2024, there were 130,601,857 shares of the registrant’s common stock, par value $0.0001 per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in 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”). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates," “believes,” “estimates,” “forecasts,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to statements regarding our future results of operations and financial position, general macroeconomic trends, industry and business trends, equity compensation, business strategy, plans, market growth and our objectives for future operations.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, our history of operating losses, our ability to manage our future growth effectively, our ability to expand into additional markets, our ability to maintain and strengthen our brand to generate and maintain ongoing demand for our products, our ability to cost-effectively attract new customers and retain our existing customers, our failure to maintain product quality and product performance at an acceptable cost, the impact of product liability and warranty claims and product recalls, the highly competitive market in which we operate, the use of social media and community ambassadors, issues in relation to environmental, social and governance (“ESG”) matters, both in relation to our own operations and the operations of our supply chain partners, a decline in sales of our grills, our dependence on three major retailers, risks associated with our international operations, our reliance on a limited number of third-party manufacturers and problems with (or loss of) our suppliers or an inability to obtain raw materials, and the ability of our stockholders to influence corporate matters and the other important factors discussed in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission on March 8, 2024. The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TRAEGER, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	September 30, 2024	December 31, 2023
	(unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 16,872	$ 29,921
Accounts receivable, net	70,786	59,938
Inventories	105,058	96,175
Prepaid expenses and other current assets	24,348	30,346
Total current assets	217,064	216,380
Property, plant, and equipment, net	38,241	42,591
Operating lease right-of-use assets	45,429	48,188
Goodwill	74,725	74,725
Intangible assets, net	438,922	470,546
Other non-current assets	3,695	8,329
Total assets	$ 818,076	$ 860,759
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 30,575	$ 33,280
Accrued expenses	56,630	52,941
Line of credit	12,000	28,400
Current portion of notes payable	250	250
Current portion of operating lease liabilities	3,744	3,608
Current portion of contingent consideration	—	15,000
Other current liabilities	498	495
Total current liabilities	103,697	133,974
Notes payable, net of current portion	398,159	397,300
Operating leases liabilities, net of current portion	27,574	29,142
Deferred tax liability	8,241	8,236
Other non-current liabilities	579	759
Total liabilities	538,250	569,411
Commitments and contingencies—See Note 10		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 25,000,000 shares authorized and no shares issued or outstanding as of September 30, 2024 and December 31, 2023	—	—
Common stock, $0.0001 par value; 1,000,000,000 shares authorized		
Issued and outstanding shares - 130,427,492 and 125,865,303 as of September 30, 2024 and December 31, 2023	13	13
Additional paid-in capital	956,195	935,272
Accumulated deficit	(681,927)	(654,877)
Accumulated other comprehensive income	5,545	10,940
Total stockholders' equity	279,826	291,348
Total liabilities and stockholders' equity	$ 818,076	$ 860,759

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

TRAEGER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Revenue	$ 122,050	$ 117,730	$ 435,435	$ 442,403
Cost of revenue	70,362	73,064	248,856	278,983
Gross profit	51,688	44,666	186,579	163,420
Operating expenses:				
Sales and marketing	26,162	25,913	76,065	75,903
General and administrative	24,135	24,823	86,764	103,873
Amortization of intangible assets	8,819	8,889	26,456	26,666
Change in fair value of contingent consideration	—	(2,300)	—	508
Restructuring costs	—	225	—	225
Total operating expense	59,116	57,550	189,285	207,175
Loss from operations	(7,428)	(12,884)	(2,706)	(43,755)
Other income (expense):				
Interest expense	(8,534)	(7,517)	(25,308)	(23,408)
Other income (expense), net	(3,964)	1,992	993	8,020
Total other expense	(12,498)	(5,525)	(24,315)	(15,388)
Loss before provision (benefit) for income taxes	(19,926)	(18,409)	(27,021)	(59,143)
Provision (benefit) for income taxes	(137)	852	29	1,214
Net loss	$ (19,789)	$ (19,261)	$ (27,050)	$ (60,357)
Net loss per share, basic and diluted	$ (0.15)	$ (0.16)	$ (0.21)	$ (0.49)
Weighted average common shares outstanding, basic and diluted	128,291,933	124,053,643	126,886,385	123,265,134
Other comprehensive income (loss):				
Foreign currency translation adjustments	$ 25	$ (27)	$ 111	$ (24)
Change in cash flow hedge	—	—	—	(2,088)
Amortization of dedesignated cash flow hedge	(1,456)	(2,666)	(5,506)	(7,808)
Total other comprehensive loss	(1,431)	(2,693)	(5,395)	(9,920)
Comprehensive loss	$ (21,220)	$ (21,954)	$ (32,445)	$ (70,277)

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

TRAEGER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)
(in thousands, except share amounts)

	Three Months Ended September 30, 2024 and 2023					
	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance at June 30, 2024	129,110,864	$ 13	$ 952,435	$ (662,138)	$ 6,976	$ 297,286
Issuance of common stock under stock plan	1,961,570	—	—	—	—	—
Shares withheld related to net share settlement	(644,942)	—	(2,141)	—	—	(2,141)
Stock-based compensation	—	—	5,901	—	—	5,901
Net loss	—	—	—	(19,789)	—	(19,789)
Foreign currency translation adjustments	—	—	—	—	25	25
Amortization of dedesignated cash flow hedge	—	—	—	—	(1,456)	(1,456)
Balance at September 30, 2024	130,427,492	$ 13	$ 956,195	$ (681,927)	$ 5,545	$ 279,826
Balance at June 30, 2023	123,960,782	$ 12	$ 923,048	$ (611,571)	$ 16,036	$ 327,525
Issuance of common stock under stock plan	1,698,188	1	—	—	—	1
Stock-based compensation	—	—	6,201	—	—	6,201
Net loss	—	—	—	(19,261)	—	(19,261)
Foreign currency translation adjustments	—	—	—	—	(27)	(27)
Amortization of dedesignated cash flow hedge	—	—	—	—	(2,666)	(2,666)
Balance at September 30, 2023	125,658,970	$ 13	$ 929,249	$ (630,832)	$ 13,343	$ 311,773

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

TRAEGER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)
(in thousands, except share amounts)

	Nine Months Ended September 30, 2024 and 2023					
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Member's and Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2023	125,865,303	$ 13	$ 935,272	$ (654,877)	$ 10,940	$ 291,348
Issuance of common stock under stock plan	5,207,131	—	—	—	—	—
Shares withheld related to net share settlement	(644,942)	—	(2,141)	—	—	(2,141)
Stock-based compensation	—	—	23,064	—	—	23,064
Net loss	—	—	—	(27,050)	—	(27,050)
Foreign currency translation adjustments	—	—	—	—	111	111
Amortization of dedesignated cash flow hedge	—	—	—	—	(5,506)	(5,506)
Balance at September 30, 2024	130,427,492	$ 13	$ 956,195	$ (681,927)	$ 5,545	$ 279,826
Balance at December 31, 2022	122,624,414	$ 12	$ 882,069	$ (570,475)	$ 23,263	$ 334,869
Issuance of common stock under stock plan	3,034,556	1	—	—	—	1
Stock-based compensation	—	—	47,180	—	—	47,180
Net loss	—	—	—	(60,357)	—	(60,357)
Foreign currency translation adjustments	—	—	—	—	(24)	(24)
Change in cash flow hedge	—	—	—	—	(2,088)	(2,088)
Amortization of dedesignated cash flow hedge					(7,808)	(7,808)
Balance at September 30, 2023	125,658,970	$ 13	$ 929,249	$ (630,832)	$ 13,343	$ 311,773

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

TRAEGER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (27,050)	$ (60,357)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation of property, plant and equipment	10,139	11,204
Amortization of intangible assets	31,936	32,074
Amortization of deferred financing costs	1,500	1,519
Loss on disposal of property, plant and equipment	414	2,262
Stock-based compensation expense	23,064	47,180
Unrealized loss (gain) on derivative contracts	7,526	(2,689)
Amortization of dedesignated cash flow hedge	(5,506)	(7,808)
Change in contingent consideration	(15,000)	288
Other non-cash adjustments	1,425	141
Change in operating assets and liabilities:		
Accounts receivable	(10,851)	(9,099)
Inventories	(8,883)	51,580
Prepaid expenses and other current assets	2,596	(6,077)
Other non-current assets	86	(393)
Accounts payable and accrued expenses	5,020	(15,467)
Other non-current liabilities	—	1
Net cash provided by operating activities	16,416	44,359
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	(10,034)	(15,678)
Capitalization of patent costs	(312)	(373)
Proceeds from sale of property, plant, and equipment	113	2,925
Net cash used in investing activities	(10,233)	(13,126)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	47,000	103,100
Repayments on line of credit	(63,400)	(161,809)
Repayments of long-term debt	(188)	(188)
Payment of deferred financing costs	(119)	—
Principal payments on finance lease obligations	(384)	(386)
Payments of acquisition related contingent consideration	—	(12,225)
Taxes paid related to net share settlement of equity awards	(2,141)	—
Net cash used in financing activities	(19,232)	(71,508)
Net decrease in cash, cash equivalents and restricted cash	(13,049)	(40,275)
Cash, cash equivalents and restricted cash at beginning of period	29,921	51,555
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 16,872	$ 11,280

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

TRAEGER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

(Continued)	Nine Months Ended September 30,	
	2024	2023
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 29,643	$ 30,243
Income taxes paid, net of refunds	$ 1,575	$ 2,449
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Equipment purchased under finance leases	$ 206	$ 451
Property, plant, and equipment included in accounts payable and accrued expenses	$ 51	$ 2,152

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

TRAEGER, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Nature of Operations – Traeger, Inc. and its wholly owned Subsidiaries (collectively "Traeger" or the "Company") design, source, sell, and support wood pellet fueled barbecue grills sold to retailers, distributors, and direct to consumers. The Company produces and sells the pellets used to fire the grills and also sells Traeger-branded rubs, spices and sauces, as well as grill accessories (including P.A.L. Pop-And-Lock accessory rails, covers, barbecue tools, trays, liners, MEATER smart thermometers and merchandise). A significant portion of the Company's sales are generated from customers throughout the United States ("U.S."), and the Company continues to develop distribution in Canada and Europe. The Company's headquarters are in Salt Lake City, Utah.

Basis of Presentation and Principles of Consolidation – The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The balance sheet as of December 31, 2023 has been derived from the audited consolidated financial statements at that date but does not include all information and footnotes required by U.S. GAAP for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 8, 2024 (the "Annual Report on Form 10-K").

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all normal and recurring adjustments necessary to fairly present the consolidated financial position, results of operations and cash flows for the interim periods presented. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of results that may be expected for any other interim period or for the year ended December 31, 2024

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform with the current period's presentation. The reclassifications did not have a significant impact on the accompanying unaudited condensed consolidated financial statements.

There have been no significant changes in the Company's significant accounting policies during the three and nine months ended September 30, 2024, as compared with those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 8, 2024.

Emerging Growth Company Status – The Company is an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised financial accounting standards until such time as those standards apply to private companies. The Company has elected to use the extended transition period for complying with the adoption of new or revised accounting standards and as a result of this election, its financial statements may not be comparable to companies that comply with public company effective dates. The Company will remain an emerging growth company until the earliest of (i) the end of the fiscal year in which the market value of its common stock that is held by non-affiliates is at least $700 million as of the last business day of its most recently completed second fiscal quarter, (ii) the end of the fiscal year in which the Company has total annual gross revenues of $1.24 billion or more during such fiscal year, (iii) the date on which the Company issues more than $1.0 billion in non-convertible debt in a three-year period, or (iv) December 31, 2026.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates – The preparation of these financial statements in accordance with U.S. 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 revenues and expenses during the reporting period. The most significant estimates and the assumptions made by management that present the greatest amount of estimation uncertainty include customer credits and returns, obsolete inventory reserves, valuation and impairment of intangible assets including goodwill, unrealized positions on foreign currency derivatives and reserves for warranty. Actual results could differ from these estimates.

Concentrations – Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash in banks, trade accounts receivable, foreign currency contracts, and business activity with certain third-party contract manufacturers of our products. Credit is extended to customers based on an evaluation of the customer's financial condition and collateral is not generally required in the Company's sales transactions. Three customers (each large U.S. retailers) that accounted for a significant portion of net sales are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Customer A	29 %	14 %	24 %	18 %
Customer B	18 %	20 %	18 %	18 %
Customer C	6 %	8 %	9 %	12 %

Concentrations of credit risk exist to the extent credit terms are extended with four customers that account for a significant portion of the Company's trade accounts receivables. As of September 30, 2024, there were four customers A, B, C, and D that accounted for 37%, 24%, 3%, and 12% of the Company's trade accounts receivables as compared to 37%, 11%, 6%, and 14% as of December 31, 2023. A disruption to a business that would impact its ability to meet its financial obligations on the part of any one of these four customers could result in a material amount of exposure to the Company. No other single customer accounted for greater than 10% of trade accounts receivable as of September 30, 2024 or December 31, 2023. Additionally, no other single customer accounted for greater than 10% of the Company's net sales for the three and nine months ended September 30, 2024 and 2023, respectively.

The Company's sales to dealers and distributors located outside the United States are generally denominated in U.S. dollars. The Company does have sales to certain dealers located in the European Union, the United Kingdom and Canada which are denominated in Euros, British Pounds and Canadian Dollars, respectively.

The Company relies on a limited number of suppliers for its contract manufacturing of grills and accessories. A significant disruption in the operations of certain of these manufacturers, or in the transportation of parts and accessories would impact the production of the Company's products for a substantial period of time, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Revenue Recognition and Sales Reserves and Allowances – The Company recognizes revenue at the amount to which it expects to be entitled when a contract exists with a customer that specifies the goods and services to be provided at an agreed upon sales price and when the performance obligation is satisfied. The performance obligation for most of the Company's sales transactions is considered complete when control transfers, which is determined when products are shipped or delivered to the customer depending on the terms of the contract. Sales are made on normal and customary short-term credit terms or upon delivery of point-of-sale transactions.

Shipping charges billed to customers are included in net sales and related shipping costs are included in cost of sales. The company has elected to account for shipping and handling activities performed after control has been transferred to the customer as a fulfillment cost.

The Company enters into contractual arrangements with customers in the form of individual customer orders which specify the goods, quantity, pricing, and associated order terms. The Company does not have long-term contracts that are satisfied over time. Due to the nature of the contracts, no significant judgment exists in relation to the identification of the customer contract or satisfaction of the performance obligation. The Company expenses incremental costs of obtaining a contract due to the short-term nature of the contracts.

The Company has certain contractual programs and practices with customers that can give rise to elements of variable consideration such as customer cooperative advertising and volume incentive rebates. The Company estimates the variable consideration using the most likely amount method based on sales and contractual rates with each customer and records the estimated amount of credits for these programs as a reduction to net sales.

The Company has entered into contracts with some customers that allow for credits to be claimed for certain matters of operational compliance or for returns to the retail customer from end consumers. Credits that will be issued associated with these items are estimated using the expected value method and are based on actual historical experience and are recorded as a reduction of revenue at the time of recognition or when circumstances change resulting in a change in estimated returns. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

New Accounting Pronouncements Recently Adopted – In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-07.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

3 – REVENUE

The following tables disaggregate revenue by product category, geography, and sales channel for the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
Revenue by product category	**2024**	**2023**	**2024**	**2023**
Grills	$ 74,931	$ 56,573	$ 246,721	$ 239,444
Consumables	22,531	25,385	88,621	90,330
Accessories	24,588	35,772	100,093	112,629
Total revenue	$ 122,050	$ 117,730	$ 435,435	$ 442,403

	Three Months Ended September 30,		Nine Months Ended September 30,	
Revenue by geography	**2024**	**2023**	**2024**	**2023**
North America	$ 112,709	$ 102,125	$ 389,914	$ 399,280
Rest of world	9,341	15,605	45,521	43,123
Total revenue	$ 122,050	$ 117,730	$ 435,435	$ 442,403

	Three Months Ended September 30,		Nine Months Ended September 30,	
Revenue by sales channel	**2024**	**2023**	**2024**	**2023**
Retail	$ 100,118	$ 91,764	$ 367,617	$ 359,726
Direct to consumer	21,932	25,966	67,818	82,677
Total revenue	$ 122,050	$ 117,730	$ 435,435	$ 442,403

4 – ACCOUNTS RECEIVABLES, NET

Accounts receivable consists of the following (in thousands):

	September 30, 2024	December 31, 2023
Trade accounts receivable	$ 89,121	$ 77,299
Allowance for expected credit losses	(446)	(549)
Sales reserves, discounts and allowances	(17,889)	(16,812)
Total accounts receivable, net	$ 70,786	$ 59,938

5 – INVENTORIES

Inventories consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Raw materials	$ 5,372	$ 6,645
Work in process	6,943	9,798
Finished goods	92,743	79,732
Inventories	$ 105,058	$ 96,175

6 – ACCRUED EXPENSES

Accrued expenses consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Accrual for inventories in-transit	$ 8,669	$ 9,927
Warranty accrual	6,443	7,240
Accrued compensation and bonus	7,089	6,935
Other	34,429	28,839
Accrued expenses	$ 56,630	$ 52,941

The changes in the Company's warranty accrual, included in accrued expenses on the accompanying condensed consolidated balance sheets, were as follows for the fiscal periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Warranty accrual, beginning of period	$ 6,756	$ 7,486	$ 7,240	$ 7,368
Warranty claims	(1,373)	(2,435)	(3,695)	(6,015)
Warranty costs accrued	1,060	2,120	2,898	5,818
Warranty accrual, end of period	$ 6,443	$ 7,171	$ 6,443	$ 7,171

7 – DERIVATIVES

Interest Rate Swap

On February 25, 2022, the Company entered into a floating-to-fixed interest rate swap agreement to hedge or otherwise protect against fluctuations on a portion of the Company's variable rate debt. The agreement provides for a notional amount of $379.2 million, fixed rate of 2.08% and a maturity date of February 28, 2026. This agreement was designated as a cash flow hedge on the exposure of the variability of future cash flows subject to the variable monthly interest rates on $379.2 million of the term loan portion under the First Lien Term Loan Facility (as defined below). The Company assessed hedge effectiveness at the time of entering into the agreement, utilizing a regression analysis, and determined the hedge is expected to be highly effective.

As a cash flow hedge, the interest rate swap is revalued at current market rates, with the changes in valuation being recorded in other comprehensive income within the accompanying condensed consolidated statements of operations and comprehensive loss, to the extent that the hedge is effective. The gains or losses on the interest rate swaps are recorded in accumulated other comprehensive income within the accompanying condensed consolidated balance sheets and are reclassified into interest expense in the periods in which the interest rate swap affects earnings. The cash flows related to interest settlements and changes in valuation are classified consistent with the treatment of the hedged monthly interest payments generally as operating activities on the accompanying condensed consolidated statement of cash flows.

In January 2023, the Company changed the interest reset period from one month to three months on the term loan portion under the First Lien Term Loan Facility (as defined below). As a result, the Company dedesignated its hedging relationship. At the time of dedesignation total amount recorded in accumulated other comprehensive income ("AOCI") was $21.3 million and will be amortized into earnings as a reduction of interest expense over the term of the previously hedged interest payments. As of September 30, 2024, the Company had $5.5 million remaining within AOCI to be amortized into earnings as a reduction of interest expense.

For periods where the net position is in an asset balance, the balance is recorded within prepaid expenses and other current assets and other non-current assets on the accompanying condensed balance sheets. The gross and net balances from the interest rate swap contract position were as follows (in thousands):

	September 30, 2024	December 31, 2023
Gross Asset Fair Value	$ 8,706	$ 16,248
Gross Liability Fair Value	—	—
Net Asset Fair Value	$ 8,706	$ 16,248

Foreign Currency Contracts

The Company is exposed to foreign currency exchange rate risk related to its purchases and international operations. The Company utilizes foreign currency contracts to manage foreign currency risk in purchasing inventory and capital equipment, and future settlement of foreign denominated assets and liabilities. The volume of the Company's foreign currency contract activity is limited by the amount of transaction exposure in each foreign currency and the Company's election as to whether to hedge the transactions. There are no derivative instruments entered into for speculative purposes.

The Company had outstanding foreign currency contracts as of September 30, 2024 and December 31, 2023. The Company did not elect hedge accounting for any of these contracts. The fair market value of the contracts in an asset position are offset by the fair market value of the contracts in a liability position to reach a net position. For periods where the net position is an asset balance, the balance is recorded within prepaid expenses and other current assets on the accompanying condensed consolidated balance sheets and for periods where the net position is a liability balance, the balance is recorded within other current liabilities on the accompanying condensed consolidated balance sheets. Changes in the net fair value of contracts are recorded in other income (expense), net within the accompanying condensed consolidated statements of operations and comprehensive loss.

The gross and net balances from foreign currency contract positions were as follows (in thousands):

	September 30, 2024	December 31, 2023
Gross Asset Fair Value	$ 91	$ 76
Gross Liability Fair Value	—	—
Net Fair Value	$ 91	$ 76

Gains (losses) from foreign currency contracts were recorded in other income (expense), net within the accompanying condensed consolidated statements of operations and comprehensive loss as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Realized losses	$ (328)	$ (804)	$ (865)	$ (2,484)
Unrealized gains (losses)	390	410	15	(279)
Total losses	$ 62	$ (394)	$ (850)	$ (2,763)

8 – FAIR VALUE MEASUREMENTS

For financial assets and liabilities recorded at fair value on a recurring or non-recurring basis, fair value is the price the Company would receive to sell an asset, or pay to transfer a liability, in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In the absence of such data, fair value is estimated using internal information consistent with what market participants would use in a hypothetical transaction. In determining fair value, observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Significant inputs to the valuation model are unobservable.

The following table presents information about the fair value measurement of the Company's financial instruments (in thousands):

Financial Instruments Recorded at Fair Value on a Recurring Basis:	Fair Value Measurement Level	As of September 30, 2024	As of December 31, 2023
Assets:			
Derivative assets—foreign currency contracts (1)	2	$ 91	$ 76
Derivative assets—interest rate swap contract (2)	2	8,706	16,248
Total assets		$ 8,797	$ 16,324
Liabilities:			
Contingent consideration—earn out (3)	3	$ —	$ 15,000
Total liabilities		$ —	$ 15,000

(1) Included in prepaid expenses and other current assets in the accompanying condensed consolidated balance sheets.
(2) Included in prepaid expenses and other current assets and other non-current assets in the accompanying condensed consolidated balance sheets.
(3) Included in current contingent consideration in the accompanying condensed consolidated balance sheets.

Transfers of assets and liabilities among Level 1, Level 2 and Level 3 are recorded as of the actual date of the events or change in circumstances that caused the transfer. As of September 30, 2024 and December 31, 2023, there were no transfers between levels of the fair value hierarchy of the Company's assets or liabilities measured at fair value.

The fair value of the Company's derivative assets through its foreign currency contracts is based upon observable market-based inputs that reflect the present values of the differences between estimated future foreign currency rates versus fixed future settlement prices per the contracts, and therefore, are classified within Level 2. The fair value of the Company's interest rate swap contract held with a financial institution is classified as a Level 2 financial instrument, which is valued using observable underlying interest rates and market-determined risk premiums at the reporting date.

On November 10, 2022, the Company entered into the second amendment to the share purchase agreement associated with the Apption Labs business combination to extend the earn out period through the end of fiscal year 2023. This amendment also modified the contingent consideration calculation associated with the achievement of certain revenue, earnings, and successful product launch thresholds for fiscal years 2022 and 2023. In April 2024, the Company paid the remaining $15.0 million of contingent consideration based on the achievement of certain earnings and product launch thresholds for fiscal year 2023.

The fair values of the Company's contingent consideration earn out obligation were estimated using a Black Scholes model. Key assumptions used in these estimates include the weighted average cost of capital and the probability assessments with respect to the likelihood of achieving the forecasted performance targets consistent with the level of risk of achievement. As these are significant unobservable inputs, the contingent consideration earn out obligation is included in Level 3 inputs.

At each reporting date, the Company revalues the contingent consideration obligation to its fair value and records increases and decreases in fair value in the revaluation of contingent consideration in our accompanying condensed consolidated statements of operations and comprehensive loss. Changes in the fair value of the contingent consideration obligation results from changes in discount periods and rates, and changes in probability assumptions with respect to the likelihood of achieving the performance targets.

The following table presents the fair value of contingent consideration (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Contingent consideration, beginning of period	$ —	$ 13,110	$ 15,000	$ 22,747
Payments of contingent consideration	—	—	(15,000)	(12,445)
Change in fair value of contingent consideration	—	(2,300)	—	508
Contingent consideration, end of period	$ —	$ 10,810	$ —	$ 10,810

The following table reconciles the changes in fair value of contingent consideration and payments of contingent consideration to the accompanying condensed consolidated statement of cash flows and condensed consolidated statements of operations and comprehensive loss (in thousands):

	Nine Months Ended September 30,	
	2024	2023
Total payment of contingent consideration	$ 15,000	$ 12,445
Less: amounts paid in excess of the acquisition date fair value of the contingent consideration (1)	(15,000)	(220)
Acquisition date fair value of contingent consideration (2)	$ —	$ 12,225
Change in fair value of contingent consideration (3)	$ —	$ 508
Less: amounts paid in excess of the acquisition date fair value of the contingent consideration (1)	(15,000)	(220)
Net change in contingent consideration (4)	$ (15,000)	$ 288

(1) Included in the change in contingent consideration as an operating activity in the accompanying condensed consolidated statement of cash flows.
(2) Agrees to the payments of acquisition related contingent consideration as a financing activity within the accompanying condensed consolidated statement of cash flows.
(3) Agrees to the change in fair value of contingent consideration in the accompanying condensed consolidated statement of operations and comprehensive loss.
(4) Agrees to the change in contingent consideration as an operating activity in the accompanying condensed consolidated statement of cash flows.

The following financial instruments are recorded at their carrying amount (in thousands):

	As of September 30, 2024		As of December 31, 2023	
Financial Instruments Recorded at Carrying Amount:	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Liabilities:				
Debt—Credit Facilities (1)	$ 403,638	$ 382,447	$ 403,825	$ 357,498
Total liabilities	$ 403,638	$ 382,447	$ 403,825	$ 357,498

(1) Included in current portion of notes payable and notes payable, net of current portion within the accompanying condensed consolidated balance sheets. Due to the unobservable nature of the inputs these financial instruments are considered to be Level 3 instruments in the fair value hierarchy.

9 – DEBT AND FINANCING ARRANGEMENTS

Notes Payable

On June 29, 2021, the Company refinanced its existing credit facilities and entered into a new first lien credit agreement, as borrower, with Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and other lenders party thereto as joint lead arrangers and joint bookrunners (the "First Lien Credit Agreement"). The First Lien Credit Agreement provides for a $560.0 million senior secured term loan facility (the "First Lien Term Loan Facility"), including a $50.0 million delayed draw term loan, and a $125.0 million revolving credit facility (the "Revolving Credit Facility" and, together with the First Lien Term Loan Facility, the "Credit Facilities"). The Company entered into an agency transfer agreement on April 30, 2024, pursuant to which Morgan Stanley Senior Funding, Inc. succeeded Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent for the Credit Facilities. The Company’s obligations under the First Lien Credit Agreement are substantively unchanged.

The First Lien Term Loan Facility accrues interest at a rate per annum that considers both fixed and floating components. The fixed component ranges from 3.00% to 3.25% per annum based on the Company's Public Debt Rating (as defined in the First Lien Credit Agreement). The floating component was based on the Term SOFR (as defined in the First Lien Credit Agreement) for the relevant interest period. The First Lien Term Loan Facility requires periodic principal payments from December 2021 through June 2028, with any remaining unpaid principal and any accrued and unpaid interest due on the maturity date of June 29, 2028. As of September 30, 2024, the total principal amount outstanding on the First Lien Term Loan Facility was $403.6 million.

Loans under the Revolving Credit Facility accrue interest at a rate per annum that considers both fixed and floating components. The fixed component ranges from 2.75% to 3.25% per annum based on the Company's most recently determined First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement). The floating component was based on the Term SOFR for the relevant interest period. The Revolving Credit Facility also has a variable commitment fee, which is based on the Company's most recently determined First Lien Net Leverage Ratio and ranges from 0.25% to 0.50% per annum on undrawn amounts. Letters of credit may be issued under the Revolving Credit Facility in an amount not to exceed $15.0 million which, when issued, lower the overall borrowing capacity of the facility. The Revolving Credit Facility expires on June 29, 2026 and no principal payments are due before such date. As of September 30, 2024, the Company had no outstanding loan amounts under the Revolving Credit Facility.

The First Lien Credit Agreement contains certain affirmative and negative covenants that limit the Company's ability to, among other things, incur additional indebtedness or liens (with certain exceptions), make certain investments, engage in fundamental changes or transactions including changes of control, transfer or dispose of certain assets, make restricted payments (including dividends), engage in new lines of business, make certain prepayments and engage in certain affiliate transactions. In addition, the Company is subject to a financial covenant and is required to maintain a First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement) not to exceed 6.20 to 1.00. As of September 30, 2024, the Company was in compliance with the covenants under the Credit Facilities.

Accounts Receivable Credit Facility

On November 2, 2020, the Company entered into a receivables financing agreement (as amended, the "Receivables Financing Agreement"). Through the Receivables Financing Agreement, the Company participates in a trade receivables securitization program, administered on its behalf by MUFG Bank Ltd. ("MUFG"), using outstanding accounts receivable balances as collateral, which have been contributed by the Company to its wholly owned subsidiary and special purpose entity, Traeger SPE LLC (the "SPE"). While the Company provides operational services to the SPE, the receivables are owned by the SPE once contributed to it by the Company. The Company is the primary beneficiary and holds all equity interests of the SPE, thus the Company consolidates the SPE without any significant judgments.

On November 8, 2023, the Company entered into Amendment No. 9 to the Receivables Financing Agreement in order to extend the expiration of the facility by one year to June 27, 2025. As part of the amendment, the maximum borrowing capacity was decreased from $100.0 million to $75.0 million and allows for seasonal adjustments, at the discretion of the Company (with consent of the lenders under the Receivables Financing Agreement), to change the capacity anywhere between $30.0 million and $75.0 million. The Company is required to pay fixed interest on outstanding cash advances of 2.5%, a floating interest based on the CP Rate (as defined in the Receivables Financing Agreement), and an unused capacity charge that ranges from 0.25% to 0.5%. Amendment No. 9 also implemented a new liquidity threshold at $42.5 million of liquidity. If the Company's liquidity falls below this threshold, it may result in an increase in the required level of reserves, which would result in a reduction of the Company's borrowing base under the Receivables Financing Agreement during such a liquidity shortfall.

On August 6, 2024, the Company entered into Amendment No. 10 to the Receivables Financing Agreement in order to extend the expiration of the facility to August 6, 2027. As part of the amendment, the Company is required to pay an upfront fee for the facility, along with a fixed interest rate on outstanding cash advances of approximately 2.6% and a floating interest rate based on the CP Rate or Adjusted Term SOFR (each as defined in the Receivables Financing Agreement). The Company was in compliance with the covenants under the Receivables Financing Agreement as of September 30, 2024.

As of September 30, 2024, the Company had drawn down $12.0 million under this facility for general corporate and working capital purposes.

10 – COMMITMENTS AND CONTINGENCIES

Legal Matters

In the normal course of business, the Company is involved in legal proceedings and other potential loss contingencies, some of which are covered by insurance. In accordance with Accounting Standards Codification (“ASC”) Topic 450, Contingencies ("Topic 450"), the Company establishes accruals for contingencies when it is probable that a loss will be incurred and the amount, or range of amounts, can be reasonably estimated. If the reasonable estimate is a range, the Company will accrue the best estimate in that range. When no amount within the range is a better estimate than any other amount, the Company will accrue the minimum amount in the range. Legal proceedings and other contingencies for which no accrual has been established are disclosed to the extent required by ASC Topic 450.

In August 2024, the Company received an offer of compromise to reach an out-of-court settlement for a product liability matter. The Company believes this matter, and any monetary settlement associated with it, is covered by its insurance policies. The Company establishes accruals when a particular contingency is probable and reasonably estimable. As of September 30, 2024, although the loss is probable, the Company has not recorded an accrual because the amount is not reasonably estimable.

The Company regularly evaluates the status of legal proceedings and other matters in which the Company is involved to assess whether a loss is probable or there is a reasonable possibility that a loss or additional loss may have been incurred to determine if accruals are appropriate. The Company further evaluates each legal proceeding and other matters to assess whether an estimate of possible loss or range of loss can be made to determine whether accruals are appropriate. For the matter described above, management is unable to provide a meaningful estimate of the possible loss or range of possible loss because, among other reasons, there is uncertainty as to the outcome of the settlement negotiations. For this matter, while management does not believe, based on currently available information and the anticipated coverage from the Company's insurance policies, that the outcomes of the matter will have a material effect on the Company's condensed consolidated financial position, results of operations or cash flows, we cannot give any assurance regarding the ultimate outcome of the matter.

11 – STOCK-BASED COMPENSATION

The Traeger, Inc. 2021 Incentive Award Plan (the "2021 Plan") provides for the grant of stock options, including incentive stock options, and nonqualified stock options, restricted stock, dividend equivalents, restricted stock units, stock appreciation rights, and other stock or cash awards to the Company’s employees and consultants and directors of the Company and its subsidiaries. Subject to the adjustment described in the following sentence, the initial number of shares of the Company's common stock available for issuance under awards granted pursuant to the 2021 Plan was equal to 14,105,750 shares, increased to 19,983,145 shares on January 1, 2022 by operation of an annual increase provision in the 2021 Plan, and which shares may be authorized but unissued shares, treasury shares, or shares purchased in the open market. On January 1, 2024 and 2023, an additional 6,293,265 and 6,131,220 shares of common stock became available for issuance under awards granted pursuant to the 2021 Plan, respectively, as a result of the operation of an automatic annual increase provision in the 2021 Plan. Notwithstanding anything to the contrary in the 2021 Plan, no more than 100,000,000 shares of our common stock may be issued pursuant to the exercise of incentive stock options under the 2021 Plan.

The Company's stock-based compensation was classified as follows in the accompanying condensed consolidated statements of operations and comprehensive loss (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of revenue	$ 17	$ 20	$ 60	$ 55
Sales and marketing	785	1,386	2,330	3,068
General and administrative	5,099	4,795	20,674	44,057
Total stock-based compensation	$ 5,901	$ 6,201	$ 23,064	$ 47,180

2023 Performance Shares

On April 13, 2023, following mutual agreement between the Company and each named executive officer, our board of directors approved the cancellation and termination of the unearned performance stock units originally granted to certain executives in connection with the initial public offering. On the same day, the Company’s board of directors approved a grant to the Chief Executive Officer (“CEO”) of an award of 1,037,728 performance-based restricted shares (the “2023 Performance Shares”).

The 2023 Performance Shares were eligible to be earned upon the achievement of an Adjusted EBITDA goal during the fiscal year ending on December 31, 2023. Based on the achievement of the Adjusted EBITDA goal, the 2023 Performance Shares became earned and vested on March 31, 2024.

2024 Performance Shares

On February 6, 2024, the Company's board of directors approved a grant to the CEO of an award of 2,075,456 performance-based restricted shares (the "2024 Performance Shares" and, together with the 2023 Performance Shares, the "CEO Performance Shares"). The 2024 Performance Shares were issued under the 2021 Plan and are intended to retain and incentivize the CEO to lead the Company to sustained, long-term superior financial performance.

The number of 2024 Performance Shares eligible to be earned are determined upon the achievement of the Threshold, Target and Maximum Adjusted EBITDA Goals (as defined in the performance-based restricted stock agreement) for the fiscal year ending on December 31, 2024. Any 2024 Performance Shares that become earned based on the achievement of the Adjusted EBITDA goals will vest on March 31, 2025.

To the extent that the Company achieves Adjusted EBITDA that is less than the Threshold Adjusted EBITDA Goal during the 2024 fiscal year, then 1,037,728 of the 2024 Performance Shares will instead become eligible to be earned based on the achievement of a stock price goal of $18.00 per share (the "Stock Price Goal") for the period beginning on January 1, 2025 and ending on August 2, 2031. If the Stock Price Goal is achieved, the 2024 Performance Shares that become earned as a result of the achievement of the Stock Price Goal will vest on the later of March 31, 2025 or the date on which the Stock Price Goal is achieved.

The vesting of the 2024 Performance Shares is in all cases subject to the CEO's continued service as the Company's Chief Executive Officer or Executive Chairman of our board of directors.

Performance-Based Restricted Stock Units

On April 5, 2024, the Company's board of directors approved the granting of performance-based restricted stock units ("PSUs") to certain executives. The number of PSUs eligible to be earned are determined upon the achievement of the Threshold, Target and Maximum Adjusted EBITDA Goals (as defined in the PSU Agreement) for the fiscal year ending on December 31, 2024. Any PSUs that become earned based on the achievement of the Adjusted EBITDA goals will primarily vest on March 31, 2025.

The vesting of the PSUs is in all cases subject to the continued employment with the Company or its affiliates.

For the time-based restricted stock units ("RSUs") and PSUs, the compensation expense is recognized on a straight-line basis over the vesting schedule and on an accelerated basis over the tranche's requisite service period, respectively. For the CEO Performance Shares, the compensation expense is recognized on an accelerated basis over the tranche's requisite service period. The compensation expense related to the PSUs and CEO Performance Shares could increase or decrease depending on the estimated probability of achieving the Adjusted EBITDA goals over the requisite service period. In addition, when an award is forfeited prior to the vesting date, the Company will recognize an adjustment for the previously recognized expense in the period of the forfeiture, with the exception of performance-based awards for which the requisite service period has been satisfied.

The grant date fair values of the 2024 Performance Shares and PSUs were based on the shares and units eligible to be earned under the Target Adjusted EBITDA Goal as of the applicable grant date.

A summary of the time-based restricted stock unit activity during the nine months ended September 30, 2024 was as follows:

	Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	8,098,660	$ 4.84
Granted	4,775,837	2.55
Vested	(3,131,675)	6.10
Forfeited	(553,736)	4.21
Outstanding at September 30, 2024	9,189,086	$ 3.26

As of September 30, 2024, the Company had $22.1 million of unrecognized stock-based compensation expense related to unvested time-based restricted stock units that is expected to be recognized over a weighted-average period of 1.99 years.

A summary of the performance-based restricted stock unit and performance-based restricted share activity during the nine months ended September 30, 2024 was as follows:

	Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	1,037,728	$ 15.58
Granted	3,152,807	2.21
Vested	(1,037,728)	15.58
Forfeited or cancelled	—	—
Outstanding at September 30, 2024	3,152,807	$ 2.21

As of September 30, 2024, the Company had $3.0 million of unrecognized stock-based compensation expense related to unvested performance-based restricted stock units and performance-based restricted shares that are expected to be recognized over a weighted-average period of 0.64 years.

During the nine months ended September 30, 2024, the Company paid $2.1 million for the net settlement of income tax obligations related to employee equity awards that vested during the period. During the nine months ended September 30, 2023, no amounts were paid for the net settlement of income tax obligations related to employee equity awards that vested during the period.

12 – INCOME TAXES

For the three months ended September 30, 2024 and 2023, the Company recorded an income tax benefit and provision of $137,000 and $852,000, respectively. For the nine months ended September 30, 2024 and 2023, the Company recorded an income tax provision of $29,000 and $1,214,000, respectively.

The Company regularly evaluates the realizability of its deferred tax assets and establishes a valuation allowance if it is more likely than not that some or all the deferred tax assets will not be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, loss carryback and tax planning strategies. Generally, more weight is given to objectively verifiable evidence, such as the cumulative loss in recent years, as a significant piece of negative evidence to overcome. As of September 30, 2024, the Company's U.S. operations have resulted in losses, and as such, the Company maintains a valuation allowance against substantially all its U.S. deferred tax assets.

13 – RELATED PARTY TRANSACTIONS

The Company outsources a portion of its customer service and support through a third party who is an affiliate of the Company through common ownership. For the three months ended September 30, 2024 and 2023, the Company recorded expenses associated with such services of $1.5 million and $1.7 million, respectively. For the nine months ended September 30, 2024 and 2023, the Company recorded expenses associated with such services of $4.0 million and $4.4 million, respectively. Amounts payable to the third party as of September 30, 2024 and December 31, 2023 was $1.0 million and $1.0 million, respectively.

14 – NET LOSS PER SHARE

The Company computes basic earnings (loss) per share ("EPS") attributable to common stockholders by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted EPS is calculated by adjusting weighted average shares outstanding for the dilutive effect of potential common shares, determined using the treasury-stock method. For purposes of the diluted EPS calculation, restricted stock units and performance shares are considered to be potential common shares.

The following table sets forth the computation of the Company's basic and diluted EPS attributable to common stockholders for the fiscal periods indicated (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	$ (19,789)	$ (19,261)	$ (27,050)	$ (60,357)
Weighted-average common shares outstanding—basic	128,291,933	124,053,643	126,886,385	123,265,134
Effect of dilutive securities:				
Restricted stock units and performance shares	—	—	—	—
Weighted-average common shares outstanding—diluted	128,291,933	124,053,643	126,886,385	123,265,134
Loss per share				
Basic and diluted	$ (0.15)	$ (0.16)	$ (0.21)	$ (0.49)

The following table includes the number of units and shares that may be dilutive common shares in the future, and were not included in the computation of diluted earnings (loss) per share because the effect was anti-dilutive for the fiscal periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Restricted stock units and performance shares	12,341,893	9,313,853	12,341,893	9,313,853

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

The following discussion and analysis of financial condition and results of operations should be read together with our condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2023 (our "Annual Report on Form 10-K"), filed with the Securities and Exchange Commission (the "SEC"), on March 8, 2024. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. As a result of many important factors, such as those set forth in Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K, our actual results may differ materially from those anticipated in these forward-looking statements. For convenience of presentation, some of the numbers have been rounded in the text below.

Overview

Traeger is the creator and category leader of the wood pellet grill, an outdoor cooking system that ignites all-natural hardwoods to grill, smoke, bake, roast, braise, and barbecue. Our grills are versatile and easy to use, empowering cooks of all skill sets to create delicious meals with a wood-fired flavor that cannot be replicated with gas, charcoal, or electric grills. Grills are at the core of our platform and are complemented by Traeger wood pellets, rubs, sauces and accessories.

Our marketing strategy has been instrumental in building our brand and driving customer advocacy and revenue. We have disrupted the outdoor cooking market and created a passionate community, the Traegerhood, which includes foodies, pitmasters, backyard heroes, moms and dads, professional athletes, outdoorsmen and outdoorswomen, and world-class chefs. This community, together with our various marketing initiatives, has helped to promote our brand and products to the wider consumer population and supported our efforts to redefine outdoor cooking as an experience accessible to everyone. We have an active online and social media presence and a content-rich website that drives significant customer engagement and brings our Traegerhood together. We also directly engage with our current and target customers by sponsoring and participating in a variety of events, including live shows, outdoor festivals, rodeos, music and film festivals, barbecue competitions, fishing tournaments, and retailer events. We believe the style and authenticity of our customer engagement reinforces our brand and drives new and existing customer interest in our products and community.

Our revenue is primarily generated through the sale of our wood pellet grills, consumables and accessories. We currently offer seven series of grills – Pro (with and without WiFIRE), Ironwood, Timberline, and Flatrock – as well as a selection of smaller, portable grills within our Town and Travel Series and a special Club Lineup through targeted channels. Our grills are available in a number of different sizes and can be upgraded through a variety of accessories. A growing number of our grills feature WiFIRE technology, which allows users to monitor and adjust their grills remotely using our Traeger app. Our consumables include our wood pellets, which are made from natural, virgin hardwood and are available in a variety of flavors, as well as rubs and sauces. Our accessories include MEATER smart thermometers, P.A.L. Pop-And-Lock accessory rails, grill covers, liners, tools, apparel and other ancillary items.

We sell our grills using an omnichannel distribution strategy that consists primarily of retail and direct to consumer ("DTC") channels. Our retail channel covers brick-and-mortar retailers, e-commerce platforms, and multichannel retailers, who, in turn, sell our grills to their end customers. Our retailers include Ace Hardware, Amazon, Costco, The Home Depot, and Best Buy, among others, as well as a significant number of independent retailers that cater to local communities and specific categories, such as hardware, camping, outdoor, farm, ranch, barbecue and other categories. Our DTC channel covers sales directly to customers through our website and Traeger app, as well as certain country- and region-specific Traeger or distributor websites. Our consumables and accessories are available through the same channels as our grills.

Over the last several years, we have made significant investments in our supply chain and manufacturing operations. Our supply chain includes third party manufacturers for our grills and accessories and pellet production facilities for our wood pellets that we own or lease. We work closely with our manufacturers to evolve on design, manufacturing process and product quality. Our grills are currently manufactured in China and Vietnam, our wood pellets are produced at facilities located in New York, Oregon, Georgia, Virginia, and Texas, and our MEATER smart thermometer accessories are currently manufactured in Taiwan. We have entered into manufacturing agreements covering the supply of substantially all of our grills and accessories, pursuant to which we make purchases on a purchase order basis. We rely on several third-party suppliers for the components used in our grills, including integrated circuits, processors, and system on chips.

Our revenue increased by 3.7% and decreased by 1.6% for the three and nine months ended September 30, 2024, respectively, as compared to the three and nine months ended September 30, 2023, respectively, and was $122.1 million and

$435.4 million for the three and nine months ended September 30, 2024, respectively, up from $117.7 million and down from $442.4 million for the three and nine months ended September 30, 2023, respectively. We recorded a net loss of $19.8 million and $27.1 million for the three and nine months ended September 30, 2024, respectively, compared to a net loss of $19.3 million and $60.4 million for the three and nine months ended September 30, 2023, respectively.

Key Factors Affecting Our Financial Condition and Results of Operations

We believe that our financial condition and results of operations have been, and will continue to be, affected by a number of factors that present significant opportunities for us but also pose risks and challenges, including those below and in Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K.

Macroeconomic Conditions

There is significant uncertainty regarding how macroeconomic conditions, including sustained high levels of inflation and higher interest rates, will impact consumer demand for durable goods. While some of these conditions have negatively impacted consumer discretionary spending behavior, we continue to see demand for our products. We have, however, seen instances of consumer sensitivity to higher price points. Therefore, we have utilized promotional activity and strategic pricing action on select grills, which has primarily attributed to unit volume growth in excess of 80%, partially offset by high-double digit reduction in average selling price due to mix shift to lower priced grills, strategic pricing action on select grills, and higher mix of direct import sales for the nine months ended September 30, 2024 as compared to the prior year period. As a result, revenue from our grills increased by $7.3 million to $246.7 million for the nine months ended September 30, 2024 as compared to the prior year period.

In response to these macroeconomic conditions, we have taken actions to identify and execute on cost savings initiatives, while simultaneously seeking to maintain product quality and reliability across the supply chain. For example, we have partnered with certain retailers in a direct import program, executed long-term transportation contracts, and implemented operational efficiencies across our pellet mill operations. As a result, we have experienced an increase in gross margin to 42.8% for the nine months ended September 30, 2024 from 36.9% for the nine months ended September 30, 2023. We expect continued cost savings to improve operating results in the long-term, but given the uncertainty of the macroeconomic environment in the near-term, there can be no assurance regarding the outcome of our continuing efforts to help mitigate the effects of these conditions on our business. We will continue to monitor and, if necessary, take additional action to mitigate the effects of the macroeconomic environment on our business.

Components of Results of Operations

Revenue

We derive substantially all of our revenue from the sale of grills, consumables and accessories in North America, which includes the United States and Canada. We recognize revenue, net of product returns, for our grills, consumables and accessories generally at the time of delivery to retailers through our retail channel and to customers through our DTC channel. Estimated product returns are recorded as a reduction of revenue at the time of recognition and are calculated based on product returns history, observable changes in return behavior, and expected returns based on sales volume and mix. We also have certain contractual programs that can give rise to elements of variable consideration, such as volume incentive rebates, with estimated amounts of credits recorded as a reduction to revenue.

Although we experience demand for our products throughout the year, there is seasonal fluctuations in our revenue. We have typically experienced moderately higher levels of sales of our grills in the first and second quarters of the year as our retailers purchase inventory in advance of warmer weather, when demand for outdoor cooking products is the highest across our key markets. Higher sales also coincide with social events and national holidays, which occur during the same warm weather timeframe. Additionally, we have typically experienced higher sales volume of our accessories during the fourth quarter of the year, due in part to seasonal holiday demand.

Gross Profit

Gross profit reflects revenue less cost of revenue. Cost of revenue consists of product costs, including the costs of components, costs of products from our third-party manufacturers, direct and indirect manufacturing costs across all products, packaging, inbound freight and duties, warehousing and fulfillment, warranty costs, product quality testing and inspection costs, excess and obsolete inventory write-downs, cloud-hosting costs for our WiFIRE connected grills, depreciation of tooling and manufacturing equipment, amortization of internal use software and patented technology, and certain employee-related expenses.

We calculate gross margin as gross profit divided by revenue. Gross margin can be impacted by several factors, including, in particular, product mix and sales channel mix. For example, gross margin on sales through our DTC channel is generally higher than gross margin on sales through our retail channel. If our DTC sales grow faster than sales from our retail channel, and if we are able to realize greater economies of scale or product cost improvements through engineering and sourcing, we would expect a favorable impact to overall gross margin over time. Additionally, gross margin on sales of certain of our products is higher than for others. If revenue from sales of wood pellets increased as a percentage of total revenue, we would expect to see an increase in overall gross margin. These favorable anticipated gross margin impacts may not be realized, or may be offset by other unfavorable gross margin factors. Additionally, any new products that we develop, or our planned expansion into new geographies, may impact our future gross margin. External factors beyond our control, such as duties and tariffs and costs of doing business in certain geographies can also impact gross margin.

Sales and Marketing

Sales and marketing expense consists primarily of the costs associated with advertising and marketing of our products and employee-related expenses, including salaries, benefits, and stock-based compensation expense, as well as sales incentives and professional services. These costs can include print, internet and television advertising, travel-related expenses, direct customer acquisition costs, costs related to conferences and events, and broker commissions. We anticipate that sales and marketing expense as a percentage of revenue will fluctuate from period to period based on revenue for such period and the timing of the expansion of our sales and marketing functions, as these activities may vary in scope and scale over future periods.

General and Administrative

General and administrative expense consists primarily of employee-related expenses and facilities for our executive, finance, accounting, legal, human resources, information technology and other administrative functions. General and administrative expense also includes fees for professional services, such as external legal, accounting, and information and technology services, and insurance.

In addition, general and administrative expense includes research and development expenses incurred to develop and improve our future products and processes, which primarily consist of employee and facilities-related expenses, including salaries, benefits and stock-based compensation expense, as well as fees for professional services, costs related to prototype tooling and materials, and software platform costs. Research and development expense was $3.3 million and $2.8 million for the three months ended September 30, 2024, and 2023, respectively, and $11.8 million and $8.0 million for the nine months ended September 30, 2024 and 2023, respectively.

We continue to expect our general and administrative expenses, including our research and development expenses and external legal and accounting expenses, to normalize as we continue to manage our investments to support our growth and develop new and enhance existing products. We anticipate that general and administrative expense as a percentage of revenue will vary from period to period, but we expect to leverage these expenses over time as we grow our revenue.

Amortization of Intangible Assets

Amortization of intangible assets primarily consists of amortization of identified finite-lived customer relationships, distributor relationships, non-compete arrangements and trademark assets that were allocated a considerable portion of the purchase price from the corporate reorganization and acquisition of our Company in 2017, as well as the July 2021 acquisition of Apption Labs Limited and its subsidiaries (collectively, "Apption Labs") pursuant to a share purchase agreement (the "Share Purchase Agreement"). These costs are amortized on a straight-line basis over 2.5 to 25 year useful lives and, as a result, amortization expense on these assets is expected to remain stable over the coming years. Future business acquisitions may result in incremental amortization of intangible assets acquired in any such transactions.

Change in Fair Value of Contingent Consideration

The fair values of our contingent consideration earn out obligation associated with the Apption Labs business combination is estimated based on probability adjusted present values of the consideration expected to be transferred using significant inputs. At each reporting date, we revalue the contingent consideration obligation to its fair value and records increases and decreases in fair value in the general and administrative expenses in our accompanying condensed consolidated statements of operations and comprehensive loss. Changes in the fair value of the contingent consideration obligation results from changes in discount periods and rates, and changes in probability assumptions with respect to the likelihood of achieving the performance targets in the Share Purchase Agreement.

Total Other Expense

Total other expense consists of interest expense and other income (expense), net. Interest expense includes interest and other fees associated with our Credit Facilities, Receivables Financing Agreement (each as defined below) as well as the amortization of amounts recorded within accumulated other comprehensive income prior to the dedesignation of the interest rate swap derivative contracts as a cash flow hedge. Other income (expense), net consists of any realized and unrealized gains (losses) from our interest rate swap derivative contract subsequent to the dedesignation of the swap contract from a cash flow hedge, foreign currency realized and unrealized gains and losses resulting from exchange rate fluctuations on transactions denominated in a currency other than the U.S. Dollar and from the foreign currency contracts that we use to manage our exposure to foreign currency exchange rate risk related to our purchases and international operations.

Results of Operations

The following tables summarize key components of our unaudited results of operations for the periods presented (dollars in thousands). The period-to-period comparisons of our historical results are not necessarily indicative of the results that may be expected in the future.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	Amount	%	2024	2023	Amount	%
Revenue	$ 122,050	$ 117,730	$ 4,320	3.7 %	$ 435,435	$ 442,403	$ (6,968)	(1.6)%
Cost of revenue	70,362	73,064	(2,702)	(3.7)%	248,856	278,983	(30,127)	(10.8)%
Gross profit	51,688	44,666	7,022	15.7 %	186,579	163,420	23,159	14.2 %
Operating expenses:								
Sales and marketing	26,162	25,913	249	1.0 %	76,065	75,903	162	0.2 %
General and administrative	24,135	24,823	(688)	(2.8)%	86,764	103,873	(17,109)	(16.5)%
Amortization of intangible assets	8,819	8,889	(70)	(0.8)%	26,456	26,666	(210)	(0.8)%
Change in fair value of contingent consideration	—	(2,300)	2,300	100.0 %	—	508	(508)	(100.0)%
Restructuring costs	—	225	(225)	(100.0)%	—	225	(225)	(100.0)%
Total operating expense	59,116	57,550	1,566	2.7 %	189,285	207,175	(17,890)	(8.6)%
Loss from operations	(7,428)	(12,884)	(5,456)	(42.3)%	(2,706)	(43,755)	(41,049)	(93.8)%
Other income (expense):								
Interest expense	(8,534)	(7,517)	1,017	13.5 %	(25,308)	(23,408)	1,900	8.1 %
Other income (expense), net	(3,964)	1,992	(5,956)	(299.0)%	993	8,020	(7,027)	87.6 %
Total other expense	(12,498)	(5,525)	6,973	126.2 %	(24,315)	(15,388)	8,927	58.0 %
Loss before provision (benefit) for income taxes	(19,926)	(18,409)	1,517	8.2 %	(27,021)	(59,143)	(32,122)	(54.3)%
Provision (benefit) for income taxes	(137)	852	(989)	(116.1)%	29	1,214	(1,185)	(97.6)%
Net loss	$ (19,789)	$ (19,261)	$ 528	2.7 %	$ (27,050)	$ (60,357)	$ (33,307)	(55.2)%

Comparison of the Three Months Ended September 30, 2024 and 2023

Revenue

	Three Months Ended September 30,		Change	
	2024	2023	Amount	%
	(dollars in thousands)			
Revenue:				
Grills	$ 74,931	$ 56,573	$ 18,358	32.5 %
Consumables	22,531	25,385	(2,854)	(11.2)%
Accessories	24,588	35,772	(11,184)	(31.3)%
Total Revenue	$ 122,050	$ 117,730	$ 4,320	3.7 %

Revenue increased by $4.3 million, or 3.7%, to $122.1 million for the three months ended September 30, 2024 compared to $117.7 million for the three months ended September 30, 2023. The increase was driven primarily by higher sales of grills partially offset by lower sales from MEATER smart thermometers, lower consumables sales, and lower Traeger branded accessories sales.

Revenue from our grills increased by $18.4 million, or 32.5%, to $74.9 million for the three months ended September 30, 2024 compared to $56.6 million for the three months ended September 30, 2023. The increase was primarily driven by unit volume growth in excess of 80% partially offset by reduction in average selling price in excess of 20%. Higher unit volume was driven by effective promotional activity and strategic pricing action on select grills. The decrease in average selling price was primarily due to mix shift to lower priced grills, higher mix of direct import sales, and strategic pricing action on select grills.

Revenue from our consumables decreased by $2.9 million, or 11.2%, to $22.5 million for the three months ended September 30, 2024 compared to $25.4 million for the three months ended September 30, 2023. The decrease was primarily driven by high-single digit reduction in wood pellet unit volume and high-double digit reduction in food consumables unit volume. Lower wood pellet and food consumables unit volume was due to seasonal ordering shifts.

Revenue from our accessories decreased by $11.2 million, or 31.3%, to $24.6 million for the three months ended September 30, 2024 compared to $35.8 million for the three months ended September 30, 2023. The decrease was driven primarily by lower sales of MEATER smart thermometers and unit volume reductions in excess of 20% in Traeger branded accessories.

Gross Profit

	Three Months Ended September 30,		Change	
	2024	2023	Amount	%
	(dollars in thousands)			
Gross profit	$ 51,688	$ 44,666	$ 7,022	15.7 %
Gross margin (Gross profit as a percentage of revenue)	42.3 %	37.9 %		

Gross profit increased by $7.0 million, or 15.7%, to $51.7 million for the three months ended September 30, 2024 compared to $44.7 million for the three months ended September 30, 2023. Gross margin increased to 42.3% for the three months ended September 30, 2024 from 37.9% for the three months ended September 30, 2023. The increase in gross margin was driven primarily by favorability from freight, logistics, and other supply chain costs.

Sales and Marketing

	Three Months Ended September 30,		Change	
	2024	2023	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 26,162	$ 25,913	$ 249	1.0 %
As a percentage of revenue	21.4 %	22.0 %		

Sales and marketing expense increased by $0.2 million, or 1.0%, to $26.2 million for the three months ended September 30, 2024 compared to $25.9 million for the three months ended September 30, 2023. As a percentage of revenue, sales and marketing expense decreased to 21.4% for the three months ended September 30, 2024 from 22.0% for the three months ended September 30, 2023.

General and Administrative

	Three Months Ended September 30,		Change	
	2024	2023	Amount	%
		(dollars in thousands)		
General and administrative	$ 24,135	$ 24,823	$ (688)	(2.8)%
As a percentage of revenue	19.8 %	21.1 %		

General and administrative expense decreased by $0.7 million, or 2.8%, to $24.1 million for the three months ended September 30, 2024 compared to $24.8 million for the three months ended September 30, 2023. As a percentage of revenue, general and administrative expense decreased to 19.8% for the three months ended September 30, 2024 from 21.1% for the three months ended September 30, 2023.

Change in Fair Value of Contingent Consideration

	Three Months Ended September 30,		Change	
	2024	2023	Amount	%
		(dollars in thousands)		
Change in fair value of contingent consideration	$ —	$ (2,300)	$ 2,300	100.0 %
As a percentage of revenue	— %	(2.0)%		

Change in fair value of contingent consideration, attributable to the revalued earn out obligation associated with the Apption Labs business combination, increased by $2.3 million for the three months ended September 30, 2024 as compared to prior year period. The change in fair value was primarily driven by the change during each period in the likelihood of achieving the fiscal year 2023 performance targets. In April 2024, the Company paid the remaining $15.0 million of contingent consideration based on the achievement of certain earnings and product launch thresholds for fiscal year 2023.

Total Other Expense

	Three Months Ended September 30,		Change	
	2024	2023	Amount	%
		(dollars in thousands)		
Interest expense	$ (8,534)	$ (7,517)	$ 1,017	13.5 %
Other income (expense), net	(3,964)	1,992	(5,956)	299.0 %
Total other expense	$ (12,498)	$ (5,525)	$ 6,973	126.2 %
As a percentage of revenue	(10.2)%	(4.7)%		

Total other expense increased by $7.0 million, or 126.2%, to $12.5 million for the three months ended September 30, 2024 compared to $5.5 million for the three months ended September 30, 2023. This increase was primarily due to the unrealized losses from our interest rate swap as well as increased interest expense on our First Lien Term Loan Facility, partially offset by changes in realized and unrealized gains and losses from foreign currencies.

Comparison of the Nine Months Ended September 30, 2024 and 2023

Revenue

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change Amount	Change %
	(dollars in thousands)			
Revenue:				
Grills	$ 246,721	$ 239,444	$ 7,277	3.0 %
Consumables	88,621	90,330	(1,709)	(1.9)%
Accessories	100,093	112,629	(12,536)	(11.1)%
Total Revenue	$ 435,435	$ 442,403	$ (6,968)	(1.6)%

Revenue decreased by $7.0 million, or 1.6%, to $435.4 million for the nine months ended September 30, 2024 compared to $442.4 million for the nine months ended September 30, 2023. The decrease was driven primarily by lower sales from our accessories and consumables, partially offset by higher grill sales.

Revenue from our grills increased by $7.3 million, or 3.0%, to $246.7 million for the nine months ended September 30, 2024 compared to $239.4 million for the nine months ended September 30, 2023. The increase was primarily driven by unit volume growth in excess of 20% partially offset by high-double digit reduction in average selling price. Higher unit volume was driven by effective promotional activity and strategic pricing action on select grills. The decrease in average selling price was primarily due to mix shift to lower priced grills, higher mix of direct import sales, and strategic pricing action on select grills.

Revenue from our consumables decreased by $1.7 million, or 1.9%, to $88.6 million for the nine months ended September 30, 2024 compared to $90.3 million for the nine months ended September 30, 2023. The decrease was driven by low-single digit reduction in wood pellet unit volume.

Revenue from our accessories decreased by $12.5 million, or 11.1%, to $100.1 million for the nine months ended September 30, 2024 compared to $112.6 million for the nine months ended September 30, 2023. The decrease was driven primarily by lower sales of MEATER smart thermometers and low-double digit unit volume reduction in Traeger branded accessories.

Gross Profit

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change Amount	Change %
	(dollars in thousands)			
Gross profit	$ 186,579	$ 163,420	$ 23,159	14.2 %
Gross margin (Gross profit as a percentage of revenue)	42.8 %	36.9 %		

Gross profit increased by $23.2 million, or 14.2%, to $186.6 million for the nine months ended September 30, 2024 compared to $163.4 million for the nine months ended September 30, 2023. Gross margin increased to 42.8% for the nine months ended September 30, 2024 from 36.9% for the nine months ended September 30, 2023. The increase in gross margin was driven primarily by favorability from freight, logistics, and other supply chain costs, as well as favorability due to changes in foreign exchange rates.

Sales and Marketing

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change Amount	Change %
	(dollars in thousands)			
Sales and marketing	$ 76,065	$ 75,903	$ 162	0.2 %
As a percentage of revenue	17.5 %	17.2 %		

Sales and marketing expense increased by $0.2 million, or 0.2%, to $76.1 million for the nine months ended September 30, 2024 compared to $75.9 million for the nine months ended September 30, 2023. As a percentage of revenue, sales and marketing expense increased to 17.5% for the nine months ended September 30, 2024 from 17.2% for the nine months ended September 30, 2023.

General and Administrative

	Nine Months Ended September 30,		Change	
	2024	2023	Amount	%
		(dollars in thousands)		
General and administrative	$ 86,764	$ 103,873	$ (17,109)	(16.5)%
As a percentage of revenue	19.9 %	23.5 %		

General and administrative expense decreased by $17.1 million, or 16.5%, to $86.8 million for the nine months ended September 30, 2024 compared to $103.9 million for the nine months ended September 30, 2023. As a percentage of revenue, general and administrative expense decreased to 19.9% for the nine months ended September 30, 2024 from 23.5% for the nine months ended September 30, 2023. The decrease in general and administrative expense was driven by a decrease in stock-based compensation expense of $23.4 million primarily due to the cancellation of the unearned CEO PSUs and IPO PSUs as well as losses on the disposal of property, plant and equipment in the comparable prior year period, partially offset by increased employee and occupancy costs.

Change in Fair Value of Contingent Consideration

	Nine Months Ended September 30,		Change	
	2024	2023	Amount	%
		(dollars in thousands)		
Change in fair value of contingent consideration	$ —	$ 508	$ (508)	(100.0)%
As a percentage of revenue	— %	0.1 %		

Change in fair value of contingent consideration, attributable to the revalued earn out obligation associated with the Apption Labs business combination, decreased by $0.5 million for the nine months ended September 30, 2024 as compared to prior year period. The change in fair value was primarily driven by the change during each period in the likelihood of achieving the fiscal year 2023 performance targets. In April 2024, the Company paid the remaining $15.0 million of contingent consideration based on the achievement of certain earnings and product launch thresholds for fiscal year 2023.

Total Other Expense

	Nine Months Ended September 30,		Change	
	2024	2023	Amount	%
		(dollars in thousands)		
Interest expense	$ (25,308)	$ (23,408)	$ 1,900	8.1 %
Other income, net	993	8,020	(7,027)	87.6 %
Total other expense	$ (24,315)	$ (15,388)	$ 8,927	58.0 %
As a percentage of revenue	(5.6)%	(3.5)%		

Total other expense increased by $8.9 million, or 58.0%, to $24.3 million for the nine months ended September 30, 2024 compared to $15.4 million for the nine months ended September 30, 2023. This increase was primarily due to unrealized losses from our interest rate swap as well as increased interest expense on our First Lien Term Loan Facility, partially offset by changes in realized and unrealized gains and losses from our foreign currency contracts.

Liquidity and Capital Resources

Historically, our cash requirements have principally been for working capital purposes, capital expenditures, and debt service payments. We have funded our operations through cash flows from operating activities, cash on hand, and borrowings under our credit facilities and receivables financing agreement. In the event of failure of any of our financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

As of September 30, 2024, we had cash and cash equivalents of $16.9 million, $125.0 million borrowing capacity under our Revolving Credit Facility (as defined below) and $34.9 million borrowing capacity under our Receivables Financing Agreement (as defined below). As of September 30, 2024, we had no outstanding loan amounts under the Revolving Credit Facility and had drawn down $12.0 million on the Receivables Financing Agreement. As of September 30, 2024, the total principal amount outstanding under our First Lien Term Loan Facility was $403.6 million. Based on our current business plan and revenue prospects, we believe that our existing cash and cash equivalents, availability under our Revolving Credit Facility and Receivables Financing Agreement, and our anticipated cash flows from operating activities will be sufficient to meet our working capital and operating resource expenditure requirements for at least the next twelve months from the date of this Quarterly Report on Form 10-Q. However, our future working capital requirements will depend on many factors, including our rate of revenue growth and profitability, the timing and size of future acquisitions, and the timing of introductions of new products and investments in our supply chain and implementation of technologies.

We may from time to time seek to raise additional equity or debt financing to support our growth or in connection with the acquisition of complementary businesses. Any equity financing we may undertake could be dilutive to our existing stockholders, and any additional debt financing we may undertake could require debt service and financial and operational requirements that could adversely affect our business. There is no assurance we would be able to obtain future financing on acceptable terms or at all. See Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K and Part II, Item 1A. “Risk Factors” in this Quarterly Report on Form 10-Q.

Cash Flows

The following table sets forth cash flow data for the periods indicated therein (in thousands):

	Nine Months Ended September 30,	
	2024	**2023**
Net cash provided by operating activities	$ 16,416	$ 44,359
Net cash used in investing activities	(10,233)	(13,126)
Net cash used in financing activities	(19,232)	(71,508)
Net decrease in cash, cash equivalents and restricted cash	$ (13,049)	$ (40,275)

Cash Flow from Operating Activities

Cash flows related to operating activities are dependent on net loss, non-cash adjustments to net loss, and changes in working capital. The decrease in cash provided by operating activities during the nine months ended September 30, 2024 compared to cash provided by operating activities during the nine months ended September 30, 2023 is primarily due to an increase in net cash used for working capital, partially offset by a decrease in net loss, adjusted for non-cash items, as compared to the prior year period. The increase in cash used for working capital was primarily due to a decrease in the change in accounts receivable in the current period, primarily driven by the collections of large trade receivable balances in the prior year period that were outstanding at the beginning of the prior year period, partially offset by a decrease in the change in inventory balances in the current period as a result of strategic inventory management in the prior year period to reduce the high inventory levels at the beginning of the prior year period.

Cash Flow from Investing Activities

The decrease in cash used in investing activities during the nine months ended September 30, 2024 was primarily related the prior year construction costs for our new corporate headquarters, partially offset by proceeds received from the prior year sale of property, plant, and equipment.

Cash Flow from Financing Activities

The decrease in cash used in financing activities during the nine months ended September 30, 2024 was primarily driven by the decrease in net borrowing on our Revolving Credit Facility, and payment in the prior year period associated with the acquisition date fair value of contingent consideration.

Credit Facilities

On June 29, 2021, we refinanced our existing credit facilities and entered into a new first lien credit agreement, as borrower, with Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and other lenders party thereto as joint lead arrangers and joint bookrunners (the "First Lien Credit Agreement"). The First Lien Credit Agreement provides for a senior secured term loan facility (the "First Lien Term Loan Facility") and a revolving credit facility (the "Revolving Credit Facility" and, together with the First Lien Term Loan Facility, the "Credit Facilities"). We entered into an agency transfer agreement on April 30, 2024, pursuant to which Morgan Stanley Senior Funding, Inc. succeeded Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent for the Credit Facilities. Our obligations under the First Lien Credit Agreement are substantively unchanged.

First Lien Credit Agreement

The First Lien Credit Agreement provides for a $560.0 million First Lien Term Loan Facility (including a $50.0 million delayed draw term loan) and a $125.0 million Revolving Credit Facility.

The First Lien Term Loan Facility accrues interest at a rate per annum that considers both fixed and floating components. The fixed component ranges from 3.00% to 3.25% per annum based on our Public Debt Rating (as defined in the First Lien Credit Agreement). The floating component is based on the Term SOFR (as defined in the First Lien Credit Agreement) for the relevant interest period. The First Lien Term Loan Facility requires periodic principal payments from December 2021 through June 2028, with any remaining unpaid principal and any accrued and unpaid interest due on the maturity date of June 29, 2028. As of September 30, 2024, the total principal amount outstanding on the First Lien Term Loan Facility was $403.6 million.

Loans under the Revolving Credit Facility accrue interest at a rate per annum that considers both fixed and floating components. The fixed component ranges from 2.75% to 3.25% per annum based on our most recently determined First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement). The floating component is based on the Term SOFR for the relevant interest period. The Revolving Credit Facility also has a variable commitment fee, which is based on our most recently determined First Lien Net Leverage Ratio and ranges from 0.25% to 0.50% per annum on undrawn amounts. Letters of credit may be issued under the Revolving Credit Facility in an amount not to exceed $15.0 million which, when issued, lower the overall borrowing capacity of the facility. The Revolving Credit Facility expires on June 29, 2026 and no principal payments are due before such date. As of September 30, 2024, we had no outstanding loan amounts under the Revolving Credit Facility.

Except as noted below, the Credit Facilities are collateralized by substantially all of the assets of TGP Holdings III LLC, TGPX Holdings II LLC, Traeger Pellet Grills Holdings LLC and certain subsidiaries of Traeger Pellet Grills Holdings LLC, including intellectual property, mortgages and the equity interest of each of these respective entities. The assets of Traeger SPE LLC, substantively consisting of our accounts receivable, collateralize the receivables financing agreement discussed below and do not collateralize the Credit Facilities. There are no guarantees from parent entities above Traeger, Inc.

The First Lien Credit Agreement contains certain affirmative and negative covenants that limit our ability to, among other things, incur additional indebtedness or liens (with certain exceptions), make certain investments, engage in fundamental changes or transactions including changes of control, transfer or dispose of certain assets, make restricted payments (including dividends), engage in new lines of business, make certain prepayments and engage in certain affiliate transactions. In addition, we are subject to a financial covenant whereby we are required to maintain a First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement) not to exceed 6.20 to 1.00. As of September 30, 2024, we were in compliance with the covenants under the Credit Facilities.

Accounts Receivable Credit Facility

On November 2, 2020, we entered into a receivables financing agreement (as amended, the “Receivables Financing Agreement”). Through the Receivables Financing Agreement, we participate in a trade receivables securitization program, administered on our behalf by MUFG Bank Ltd. ("MUFG"), using outstanding accounts receivables balances as collateral, which have been contributed by us to our wholly owned subsidiary, Traeger SPE LLC (the "SPE"). While we provide operational services to the SPE, the receivables are owned by the SPE once contributed to it by us. We are the primary beneficiary and hold all equity interests of the SPE, thus we consolidate the SPE without any significant judgments.

On November 8, 2023, we entered into Amendment No. 9 to the Receivables Financing Agreement in order to extend the expiration of the facility by one year to June 27, 2025. As part of the amendment, the maximum borrowing capacity was decreased from $100.0 million to $75.0 million and allows for seasonal adjustments, at our discretion (with consent of the lenders under the Receivables Financing Agreement), to change the capacity anywhere between $30.0 million and $75.0. million. We are required to pay fixed interest on outstanding cash advances of 2.5%, a floating interest based on the CP Rate (as defined in the Receivables Financing Agreement), and an unused capacity charge that ranges from 0.25% to 0.5%. Amendment No. 9 also implemented a new liquidity threshold at $42.5 million of liquidity. If our liquidity falls below this threshold, it may result in an increase in the required level of reserves, which would result in a reduction of our borrowing base under the Receivables Financing Agreement during such a liquidity shortfall.

On August 6, 2024, we entered into Amendment No. 10 to the Receivables Financing Agreement in order to extend the expiration of the facility to August 6, 2027. As part of the amendment, we are required to pay an upfront fee for the facility, along with a fixed interest rate on outstanding cash advances of approximately 2.6% and a floating interest rate based on the CP Rate or Adjusted Term SOFR (each as defined in the Receivables Financing Agreement). We were in compliance with the covenants under the Receivables Financing Agreement as of September 30, 2024.

As of September 30, 2024, we had drawn down $12.0 million under this facility for general corporate and working capital purposes.

Contractual Obligations

There have been no material changes to our contractual obligations as of September 30, 2024 from those disclosed in our Annual Report on Form 10-K. Refer to the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" included in our Annual Report on Form 10-K for a discussion of our debt and operating lease obligations, respectively.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of our financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

Our critical accounting policies and estimates are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K, the notes to the consolidated financial statements included therein and Note 2 – *Summary of Significant Accounting Policies* to the accompanying unaudited condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q. During the nine months ended September 30, 2024, except as indicated below, there were no material changes to our critical accounting policies and estimates from those discussed in our Annual Report on Form 10-K.

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, see Note 2 – *Summary of Significant Accounting Policies* to the unaudited condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our disclosures regarding our exposure to market risk as described in Part II, Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" of our Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are from time to time subject to various legal proceedings, claims, and governmental inspections, audits, or investigations that arise in the ordinary course of our business. We believe that the ultimate resolution of these matters would not be expected to have a material adverse effect on our business, financial condition, or operating results. For more information, see Note 10 – *Commitments and Contingencies* to the unaudited condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes with respect to the risk factors disclosed in Part I, Item 1A. “Risk Factors” of our Annual Report on Form 10-K.

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

Recent Sales of Unregistered Securities; Purchases of Equity Securities by the Issuer or Affiliated Purchaser

None.

Use of Proceeds

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.

None.

(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors.

None.

(c) Insider Trading Arrangements and Policies.

During the three months ended September 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Description	Incorporated by Reference Form	Date	Number	Filed/Furnished Herewith
3.1	Amended and Restated Certificate of Incorporation of Traeger, Inc.	8-K	08/03/21	3.1	
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Traeger, Inc., dated June 12, 2024.	8-K	06/17/24	3.1	
3.3	Bylaws of Traeger, Inc.	8-K	08/03/21	3.2	
4.1	Stockholders Agreement, dated July 28, 2021, by and among Traeger, Inc. and the Stockholders party thereto.	8-K	08/03/21	10.2	
4.2	Amendment No. 1 to Stockholders Agreement, dated April 30, 2024, by and among Traeger, Inc. and the Stockholders party thereto.	10-Q	08/07/24	4.1	
10.1	Form of 2024 Performance-Based Restricted Stock Unit Agreement.	10-Q	08/07/24	10.2	
10.2	Amendment No. 10 to the Receivables Financing Agreement, by and among Traeger SPE LLC, MUFG Bank, Ltd., Traeger Pellet Grills LLC and the lenders party thereto, dated August 6, 2024.	10-Q	08/07/24	10.3	
31.1	Certificate of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)				*
31.2	Certificate of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)				*
32.1	Certificate of Chief Executive Officer pursuant to 18 U.S.C. Section 1350				**
32.2	Certificate of Chief Financial Officer pursuant to 18 U.S.C. Section 1350				**
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.				*
101.SCH	Inline XBRL Taxonomy Extension Schema Document				*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				*

* Filed herewith.
** Furnished herewith.

SIGNATURES

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

TRAEGER, INC.

Date: November 6, 2024

By:	/s/ Jeremy Andrus	
Name:	Jeremy Andrus	
Title:	Chief Executive Officer (*Principal Executive Officer*)	

Date: November 6, 2024

By:	/s/ Dominic Blosil	
Name:	Dominic Blosil	
Title:	Chief Financial Officer (*Principal Financial Officer and Principal Accounting Officer*)	

Exhibit 31.1

CERTIFICATION

I, Jeremy Andrus, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Traeger, Inc.;

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.

Date: November 6, 2024	By:	/s/ Jeremy Andrus
		Jeremy Andrus
		Chief Executive Officer
		(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Dominic Blosil, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Traeger, Inc.;

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.

Date: November 6, 2024	By:	/s/ Dominic Blosil
		Dominic Blosil
		Chief Financial Officer
		(*Principal Financial Officer and Principal Accounting Officer*)

Exhibit 32.1

CERTIFICATION 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 Quarterly Report of Traeger, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeremy Andrus, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 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.

Date: November 6, 2024

By: /s/ Jeremy Andrus

Jeremy Andrus
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION 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 Quarterly Report of Traeger, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dominic Blosil, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 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.

Date: November 6, 2024

By: /s/ Dominic Blosil

Dominic Blosil
Chief Financial Officer
(*Principal Financial Officer and Principal Accounting Officer*)