

First Quarter 2022 Earnings

April 28, 2022

HAYWARD®



First Quarter 2022 Earnings Call

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NYSE: HAYW

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements and within the meaning of the Private Litigation Securities Reform Act of 1995 that are based on the beliefs of management as well as assumptions made by, and information currently available to management. These statements include, but are not limited to, statements about Hayward's expected future financial position; business plans and objectives; general economic and industry trends; operating results; and working capital and liquidity and other statements contained in this presentation and results that are not historical facts. When used in this presentation, words such as "guidance", "outlook" "may," "will," "should," "could," "intend," "potential," "continue," "anticipate," "believe," "estimate," "expect," "plan," "target," "predict," "project," "seek" and similar expressions as they relate to us are intended to identify forward-looking statements. These statements reflect management's current views with respect to future events, are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual results or events could differ materially from the plans, intentions and expectations disclosed in forward-looking statements.

Hayward has based these forward-looking statements largely on management's current expectations and projections about future events and financial trends that management believes may affect Hayward's business, financial condition and results of operations. Important factors that could affect Hayward's future results and could cause those results or other outcomes to differ materially from those indicated in the forward-looking statements include the following: our ability to execute on our growth strategies and expansion opportunities; our ability to maintain favorable relationships with suppliers and manage disruptions to our global supply chain and the availability of raw materials; our relationships with and the performance of distributors, builders, buying groups, retailers and servicers who sell our products to pool owners; competition from national and global companies, as well as lower cost manufacturers; impacts on our business from the sensitivity of our business to seasonality and unfavorable economic and business conditions, including as a result of the COVID-19 pandemic; our ability to identify emerging technological and other trends in our target end markets; our ability to develop, manufacture and effectively and profitably market and sell our new planned and future products; failure of markets to accept new product introductions and enhancements; the ability to successfully identify, finance, complete and integrate acquisitions; our ability to attract and retain senior management and other qualified personnel; regulatory changes and developments affecting our current and future products; volatility in currency exchange rates; our ability to service our existing indebtedness and obtain additional capital to finance operations and our growth opportunities; impacts on our business from political, regulatory, economic, trade, and other risks associated with operating foreign businesses, including impacts on the global economy as a result of geo-political activity including the armed conflict in Ukraine and the imposition of related governmental sanctions; our ability to establish and maintain intellectual property protection for our products, as well as our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights of others; the impact of material cost increases and other inflationary pressures; the impact of changes in laws, regulations and administrative policy, including those that limit US tax benefits or impact trade agreements and tariffs; the outcome of litigation and governmental proceedings; impacts on our business from the COVID-19 pandemic; and other risks and uncertainties set forth under "Risk Factors" in the prospectus for Hayward's most recent form 10-K and in Hayward's subsequent SEC filings.

The forward-looking statements in this presentation represent management's views as of the date of this presentation. Unless required by United States federal securities laws, Hayward neither intends nor assumes any obligation to update these forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations.

NON-GAAP FINANCIAL MEASURES

This presentation includes certain financial measures not presented in accordance with the generally accepted accounting principles in the United States ("GAAP"), including EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted segment income, adjusted segment income and margin. These financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income (loss), segment income or other measures of profitability, liquidity or performance under GAAP. You should be aware that Hayward's presentation of these measures may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. See the appendix for a reconciliation of historical non-GAAP measures to the most directly comparable GAAP measures.

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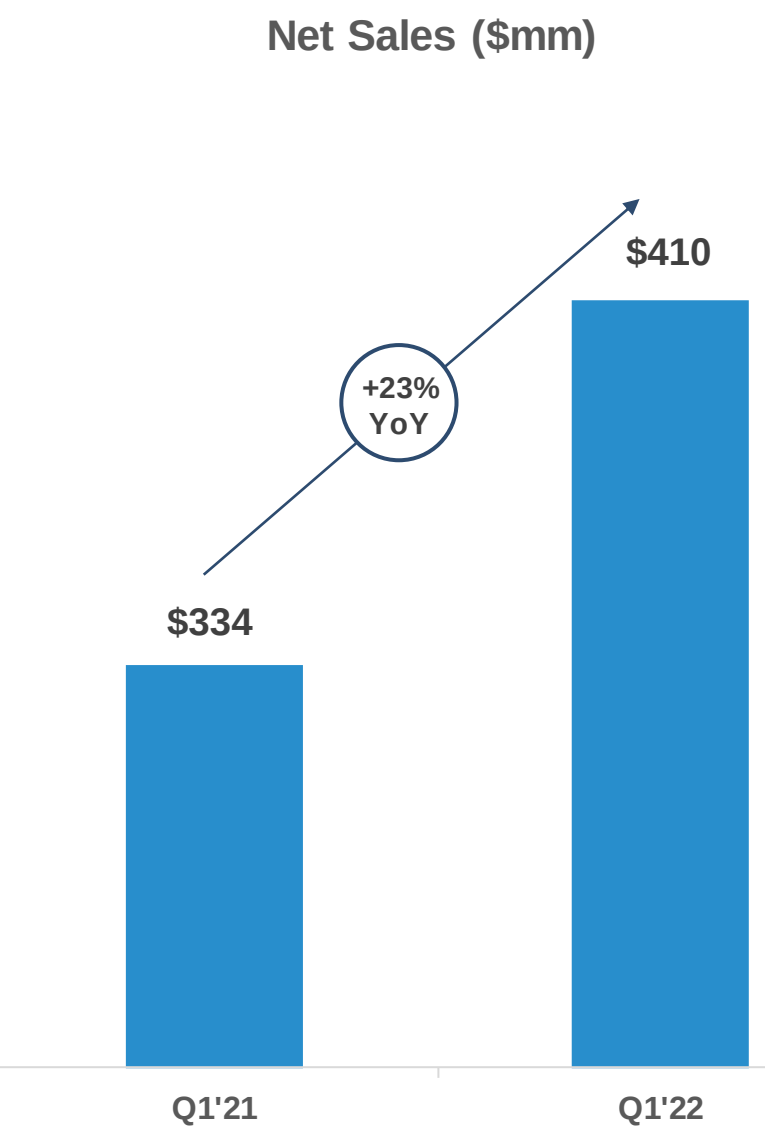
Q1 Financial Overview



Record Sales and Adjusted EBITDA

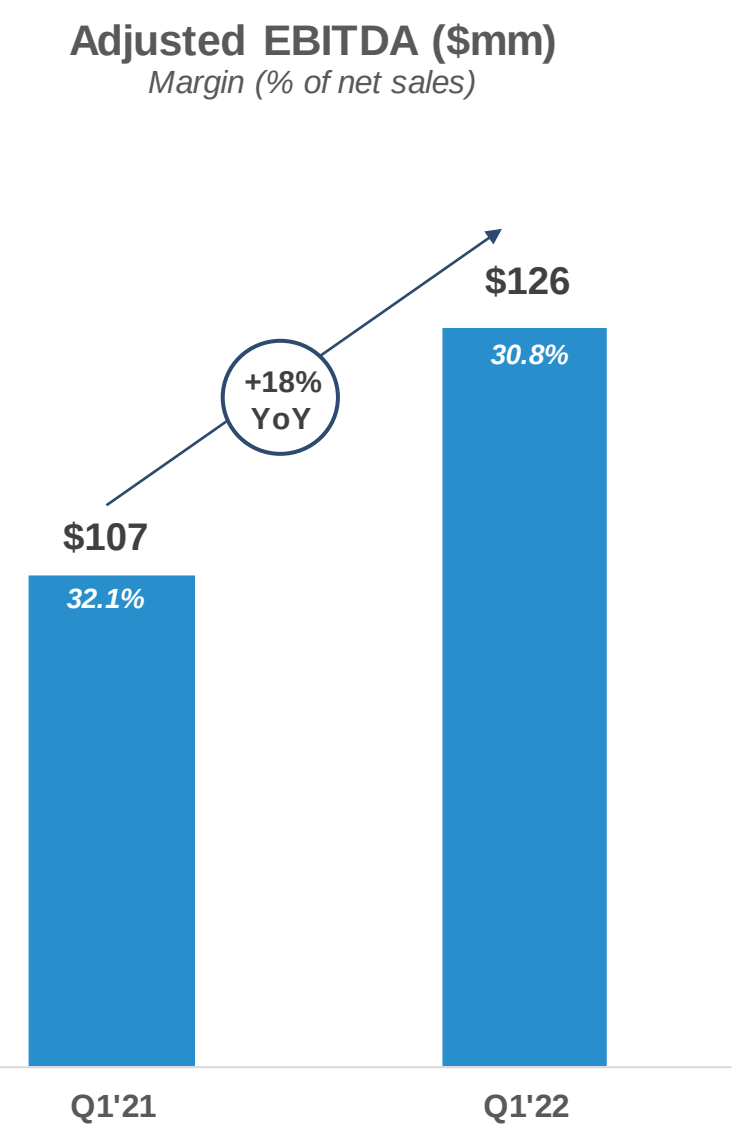
Demand for products across segments, increased output and strategic pricing drive higher sales growth

Increased Product Adoption

New product technologies increasing market penetration and adoption of Omni platform

Enhanced Operations

Stronger manufacturing footprint supporting supply chain and capacity utilization



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Hayward Drivers of Growth

IoT Digital Leadership

- ✓ Launch of new Omni Control derivatives
- ✓ YoY Omni user base increased >45%
- ✓ >94% connected via Smart App

Dealer Conversions

- ✓ Established field-base Business Development roles 100% focus new dealer acquisition
- ✓ Totally Hayward Partners YoY growth >21%

New Product Technologies

- ✓ Launched 6 new platform products
- ✓ Acquired 3 technology companies
- ✓ NPI Vitality Index 1Q YoY growth 37%

Operational Excellence

- ✓ Global production YoY growth of 54%
- ✓ US accounted for ~85% of domestic supply
- ✓ New European facility focused on automation and sanitization

Broad Channel Access

- ✓ Growth across diversified Distribution, Retail and Online channels

Environmental Sustainability

- ✓ 1.5b kWh saved from VS Pumps & LED Lights
- ✓ 120m lbs Chlorine saved from Salt/UV Ozone
- ✓ 3.7b gallons Water saved from Cartridge filters

Hayward's Strategic Growth Drivers Delivered 42% YoY LTM Sales Growth



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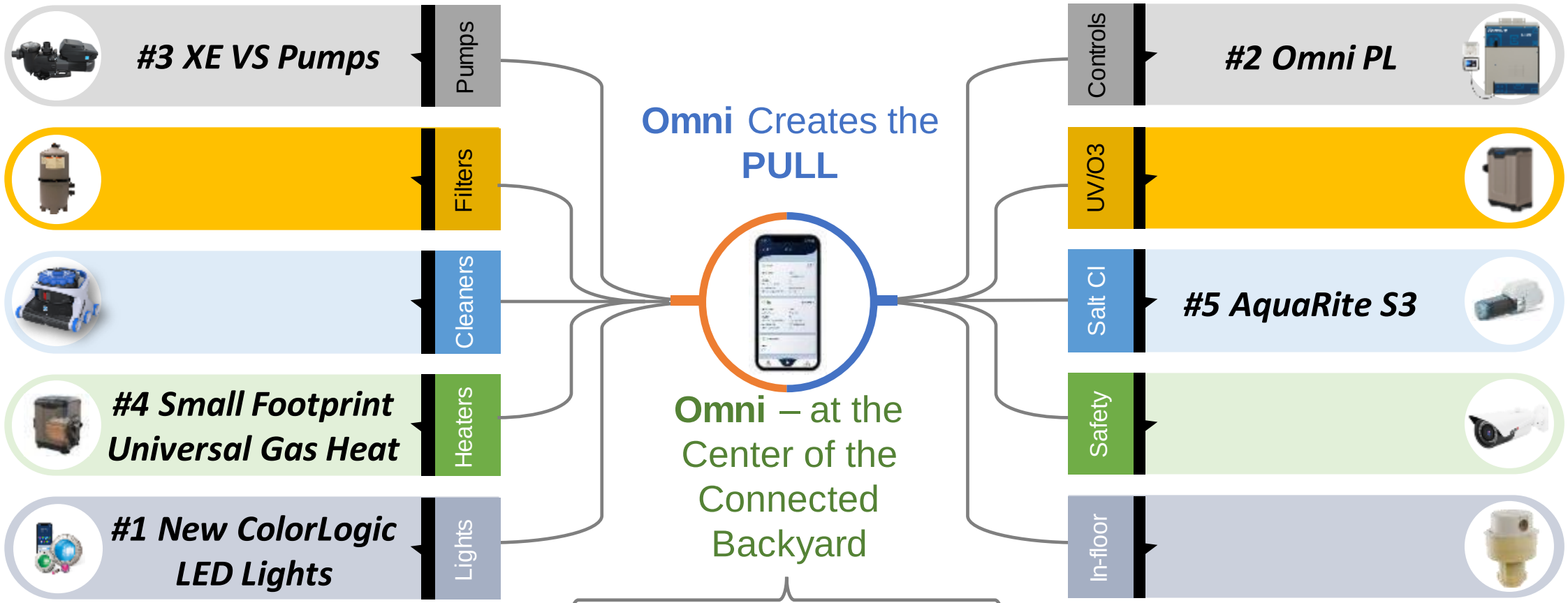
Omni Controls – Winning Technology at Heart of SmartPad™



#1 to *#5* represent US Industry YoY Unit Growth (*#1* highest) for top 5 Key Product Segments for Fiscal Year 2021

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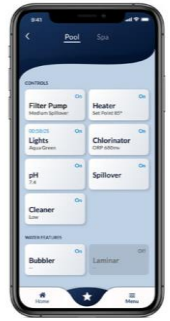
US Pool Market SmartPad™ Aftermarket Conversion Upgrades

Key Sustainable Aftermarket Conversion Opportunities Increase TAM

	Aftermarket	New Construction		
Controls / No Controls	~28% Controls	~65% No Controls	**Digital Conversion**	**37%** of 5.3mm Pools @ $1,500 OEM Price = **$3.0bn**
Salt / Non-Salt	~35% Salt	~60% Non-Salt	**Chemical Conversion**	**25%** of 5.3mm Pools @ $1,000 OEM Price = **$1.3bn**
VSP / Non-VSP	~35% VSP	~75% Non-VSP	**Energy Conversion**	**40%** of 5.3mm Pools @ $750 OEM Price = **$1.6bn**













Source: Management Estimates based on US market.

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US Pool Market SmartPad™ New Construction & Remodel Opportunity

New Construction/Aftermarket Remodel Lifetime Value

Technology, feature-rich pools increase TAM in Year 1 at Construction, then create an Aftermarket opportunity over ~30-year life of the Pool



Non-SmartPad Pool
OEM equipment Sales Average $3,000



SmartPad Pool
OEM equipment Sales Average $10,000

Year 1 Initial Construction $7,000 opportunity

Over ~30-year life of Pool, equipment replaced 2 times

Lifetime Value of Incremental $21,000 per Pool

Source: Management Estimates based on US market.

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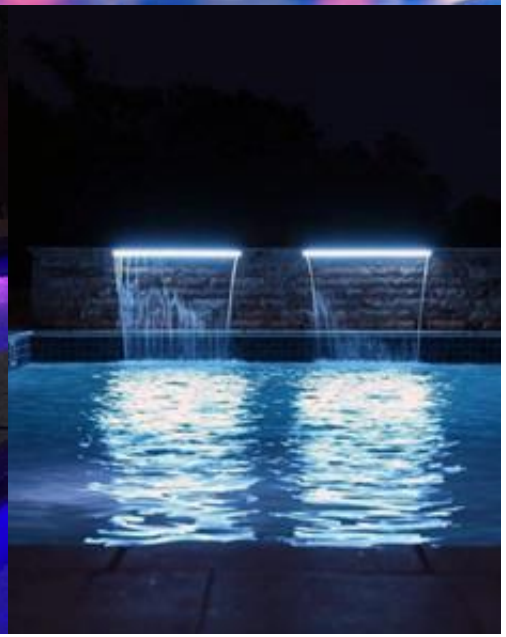
M&A Adding Value to Omni & the Hayward SmartPad™







Closed on 3 IoT enabled technology businesses focused on ambiance and enjoyment of the pool/outdoor living space

- ✓ ***Omni ready*** - LED Light Controls
- ✓ ***Omni ready*** - Hydraulic Valve design for dynamic Water Feature Control
- ✓ Innovative and attractive designs of water features
  - LED Glass or Resin Bowls
  - LED Bubblers
  - LED Sheers (with or without LED lighting)
- ✓ Integration progressing well and product launches scheduled for later this year

Our pipeline is strong and expanding

- ✓ Focus on core Pool “tuck-ins”, related technology or outdoor living adjacencies to expand TAM

Strong balance sheet unlocking new opportunities

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First Quarter 2022 Highlights

+23% YoY
Net Sales growth

Net Sales of $410 million

- ✓ Strategic pricing to combat continued inflation
- ✓ Higher sales driven by new product adoption & SmartPad conversion
- ✓ Accelerated production capacity despite constrained supply chains

+19% YoY
Gross Profit growth

Gross Profit of $190 million, 46.4% of Net Sales

- ✓ Margins contracted by 144 basis points YoY
- ✓ Continued inflation and robust prior year comparisons lead to YoY decline

+18% YoY
Adj. EBITDA[1] growth

Adj. EBITDA[1] of $126 million, 30.8% of Net Sales

- ✓ Margins decreased134 basis points YoY
- ✓ Growing income by proactively managing inflation
- ✓ Prioritizing investments to support long term growth

2.0x
Net Debt / LTM Adj. EBITDA[1]

Net Debt $882 million / LTM Adj. EBITDA[1] $441 million

- ✓ Reflects prior year leverage reduction and improved profitability profile

Source: Company financial data. [1] See Appendix for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures.

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North America Q1 Segment Overview

Net Sales	**$346 million** *+27.6% YoY*	✓ Higher demand for environmentally sustainable, automated products ✓ Improving mix and market adoption of recently launched platforms
Gross Profit Margin	**47.1%** *-252 bps YoY*	✓ Pricing actions combatting inflation pressure ✓ Elevated inflation from raw materials and freight
Segment Income	**$109 million** *+26.6% YoY*	✓ Segment income margin decreased 25 bps YoY to 31.4% ✓ Higher variable expenses related to marketing and distribution
Adjusted Segment Income[1]	**$114 million** *+19.2% YoY*	✓ Adjusted segment income margin decreased 231 bps YoY to 33.0%

Source: Company financial data. [1] See Appendix for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures.

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Europe & ROW Q1 Segment Overview

Net Sales	**$64 million** *+2.0% YoY*	✓ Growth on top of stellar prior year and rising regional uncertainty ✓ Foreign currency effects negatively impacting sales
Gross Profit Margin	**42.6%** *+246 bps YoY*	✓ Favorable customer and product mix and price realization ✓ Partially offset by higher raw material and shipping costs
Segment Income	**$17 million** *+14.0% YoY*	✓ Segment income margin improved 279 bps YoY to 26.4% ✓ Higher sales and improved profitability and lower variable expenses
Adjusted Segment Income[1]	**$18 million** *+16.4% YoY*	✓ Adjusted segment income margin improved 354 bps YoY to 28.7%

Source: Company financial data. [1] See Appendix for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures.

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Our ESG Strategic Pillars

PRODUCTS

- Environmentally Sustainable Products
- Product Safety

PLANET

- Environmental Management (Green House Gas, Energy, Water, Waste)
- Responsible Supply Chain & Materials

PEOPLE

- Diversity, Equity, & Inclusion
- Employee Health, Wellbeing, & Engagement

PRINCIPLES

- Business Ethics
- Board Diversity & Independence
- Data Privacy & Security



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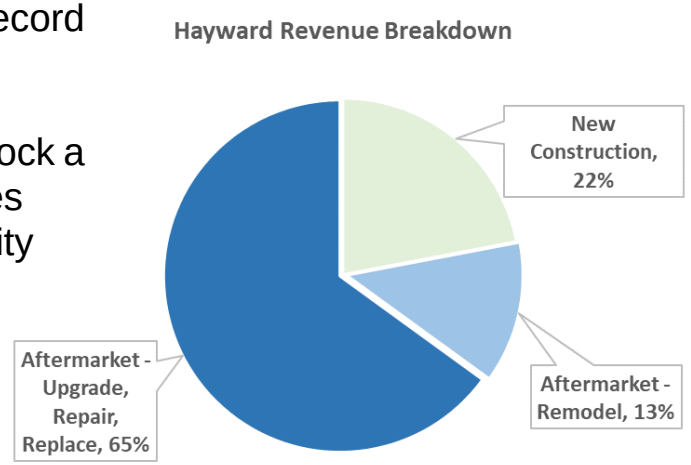
Sustainability of Growth

Macroeconomics

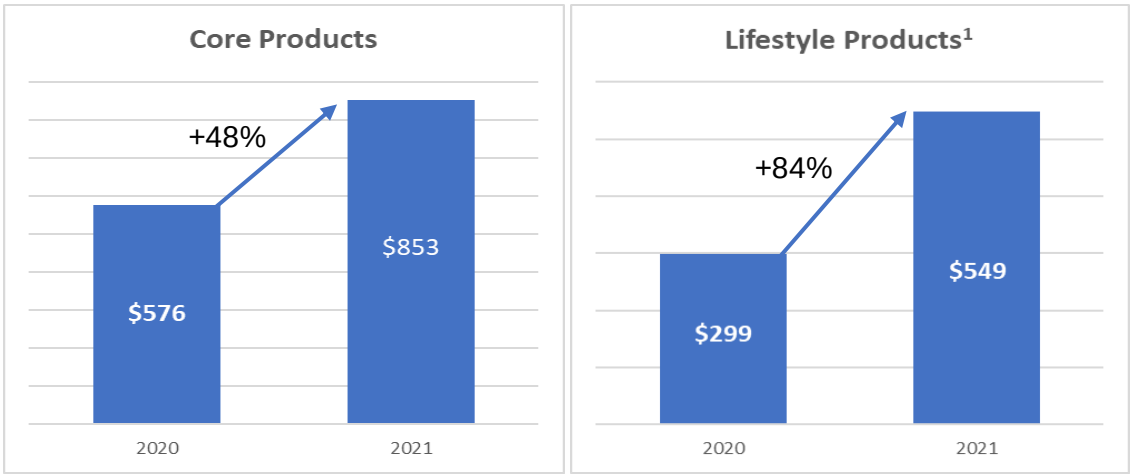
- ✓ Strong long-term secular trends continue
  - Deurbanization, Migration to sunbelt, Millennial buyers, WFH
- ✓ Key economic indicators remain positive
  - Employment, Residential Investment, Home Prices & Equity
- ✓ Remodeling activity is strong
  - Focus on home renovation, RMI strong

2021 Aftermarket Growth to ~80% Sales

- ✓ Average age of Pools record >23 years old
- ✓ Low technology Pool stock a rich source for Upgrades and Remodel opportunity

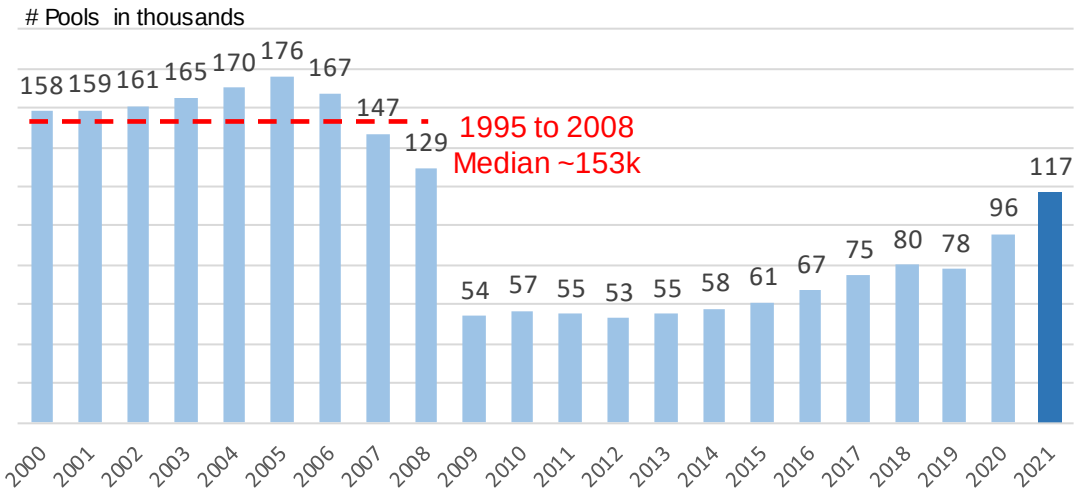


SmartPad Increasing Content/Mix & Margin



[1]Lifestyle Products = Controls, Sanitization, LED Lights, Heaters

USA In-Ground New Pool Construction



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2022 Financial Outlook

Full Year

- ✓ Net Sales growth of 9% to 12% YoY (with de minimis acquisition contribution)
- ✓ Adjusted EBITDA[1] of $460 to $475 million; up 9% to 13% YoY

Outlook Reflects:

- ✓ Strong carry over consumer demand trends and expected conversion of 2022 order file
- ✓ Price realization to offset inflation driven by material availability, labor & logistics
- ✓ Leadership in Omni SmartPad and energy efficient technology
- ✓ Trade customer backlogs continue to support healthy demand

[1]Reconciliation for the full-year fiscal 2022 Adjusted EBITDA outlook is not being provided, as Hayward does not currently have sufficient data to accurately estimate variables and individual adjustments for such reconciliation

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Hayward's Value Proposition



Pure Play Market Leading Brand in Growing Outdoor Living Sector

Competitive Moat – Full Product Line, Omni Channel Presence, Operational Excellence and Large Installed Base

Leaders in the SmartPad™ Conversion – IoT-Connected and Environmentally Conscious Products

Strategic Vision to Grow the Addressable Market

Robust Financial Performance with Recurring Sales Model



Appendix

Non-GAAP Reconciliations

Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation

(Dollars in thousands)	Three Months Ended	
	April 2, 2022	April 3, 2021
Net income	$ 74,032	$ 36,867
Depreciation	4,840	4,748
Amortization	9,097	10,392
Interest expense	9,562	18,272
Income taxes	23,340	15,184
Loss on extinguishment of debt	—	5,810
EBITDA	120,871	91,273
Stock-based compensation [(a)]	937	10,634
Sponsor management fees [(b)]	—	90
Currency exchange items [(c)]	(729)	3,823
Acquisition and restructuring related expense, net [(d)]	2,271	33
Other [(e)]	2,899	1,459
Total Adjustments	5,378	16,039
Adjusted EBITDA	$ 126,249	$ 107,312
Adjusted EBITDA margin	30.8 %	32.1 %

(a) Represents non-cash stock-based compensation expense related to equity awards issued to management, employees, and directors.

(b) Represents fees paid to certain of the Company's controlling stockholders for services rendered pursuant to a 2017 management services agreement. This agreement and the corresponding payment obligation ceased on March 16, 2021, the effective date of Hayward's initial public offering (the "IPO").

(c) Represents non-cash mark-to-market losses (gains) on foreign currency contracts.

(d) Adjustments in the three months ended April 2, 2022 include costs associated with the relocation of the corporate headquarters. For the three months ended April 3, 2021, costs associated with an early stage product business acquired in 2018 have been reclassified from "Acquisition and restructuring related expense, net" to "Other" to be consistent with the current period's presentation.

(e) Adjustments in the three months ended April 2, 2022 includes bad debt write-offs for certain customers in Russia and Ukraine. Adjustments in the three months ended April 3, 2021 includes expenses incurred in preparation for the IPO and transaction related bonuses.

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Adjusted Segment Income Reconciliation

Following is a reconciliation from segment income to adjusted segment income for the North America ("NAM") and Europe & Rest of World ("E&RW") segments:

(Dollars in thousands)	Three Months Ended April 2, 2022			Three Months Ended April 3, 2021		
	Total	NAM	E&RW	Total	NAM	E&RW
Net sales	$ 410,460	$ 346,296	$ 64,164	$ 334,363	$ 271,465	$ 62,898
Gross profit	$ 190,394	$ 163,057	$ 27,337	$ 159,904	$ 134,656	$ 25,248
Gross profit margin %	46.4 %	47.1 %	42.6 %	47.8 %	49.6 %	40.1 %
Segment income	$ 125,580	$ 108,611	$ 16,969	$ 100,694	$ 85,815	$ 14,879
Segment income margin %	30.6 %	31.4 %	26.4 %	30.1 %	31.6 %	23.7 %
Depreciation	$ 4,503	$ 4,334	$ 169	$ 4,658	$ 4,291	$ 367
Amortization	1,487	1,487	—	1,562	1,562	—
Stock-based compensation	$ (370)	$ (409)	$ 39	$ 4,243	$ 3,696	$ 547
Other [a]	$ 1,410	$ 200	$ 1,210	$ 437	$ 432	$ 5
Total adjustments	$ 7,030	$ 5,612	$ 1,418	$ 10,900	$ 9,981	$ 919
Adjusted segment income	$ 132,610	$ 114,223	$ 18,387	$ 111,594	$ 95,796	$ 15,798
Adjusted segment income margin %	32.3 %	33.0 %	28.7 %	33.4 %	35.3 %	25.1 %
Expenses not allocated to segments						
Corporate expense, net	$ 9,279			$ 12,130		
Acquisition and restructuring related	2,271			33		
Amortization of intangible assets	7,610			8,830		
Operating income	$ 106,420			$ 79,701		

(a) The three months ended April 2, 2022 for NAM include $0.2 million of one-time general and administrative expenses Hayward believes are not representative of its ongoing business operations. The three months ended April 3, 2021 include $0.4 million of operating losses which relate to an early stage product business acquired in 2018 that was phased out in 2021.

The three months ended April 2, 2022 for E&RW includes $1.2 million of bad debt write-offs for certain customers in Russia and Ukraine.

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Last Twelve Months Adjusted EBITDA Reconciliation

(Dollars in thousands)	Last Twelve Months	
	April 2, 2022	December 31, 2021
Net income	$ 240,890	$ 203,725
Depreciation	18,918	18,826
Amortization	37,695	38,990
Interest expense	42,144	50,854
Income taxes	64,572	56,416
Loss on extinguishment of debt	3,608	9,418
EBITDA	407,827	378,229
Stock-based compensation [(a)]	9,322	19,019
Sponsor management fees [(b)]	—	90
Currency exchange items [(c)]	(67)	4,485
Acquisition and restructuring related expense, net [(d)]	17,268	15,030
Other [(e)]	6,324	4,884
Total Adjustments	32,847	43,508
Adjusted EBITDA	$ 440,674	$ 421,737
Adjusted EBITDA margin	29.8 %	30.1 %

(a) Represents non-cash stock-based compensation expense related to equity awards issued to management, employees, and directors.

(b) Represents fees paid to certain of the Company's controlling stockholders for services rendered pursuant to a 2017 management services agreement. This agreement and the corresponding payment obligation ceased on March 16, 2021, the effective date of Hayward's IPO.

(c) Represents non-cash mark-to-market losses (gains) on foreign currency contracts.

(d) Adjustments in the last twelve months ended April 2, 2022 and December 31, 2021 each include business restructuring related costs associated with the exit of an early-stage product business acquired in 2018, severance and relocation costs associated with the relocation of our Corporate headquarters, and business restructuring related costs associated with the exit of redundant manufacturing and distribution facilities.

(e) Adjustments in the last twelve months ended April 2, 2022 include net insurance settlement proceeds for property damage loss as well as the consequential business interruption loss amount caused by the fire incident in Yuncos Spain, legal reserve and fee expenses, operating losses related to the early stage product business acquired in 2018 mentioned above, debt refinancing expenses, expenses incurred in preparation with the IPO, bad debt write-offs for certain customers in Russia and Ukraine, and other immaterial items.

Adjustments in the twelve months ended December 31, 2021 include net insurance settlement proceeds for property damage loss as well as the consequential business interruption loss amount caused by the fire incident in Yuncos Spain, legal reserve and fee expenses, operating losses related to the early stage product business acquired in 2018 mentioned above, debt refinancing expenses, expenses incurred in preparation with the IPO, and other immaterial items.

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