SECOND QUARTER 2023 EARNINGS

August 2, 2023



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SECOND QUARTER 2023 EARNINGS CALL

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Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This presentation includes certain statements that are “forward-looking statements” as that term is defined under the Private Securities Litigation Reform Act of 1995 that are based on the beliefs of Hayward’s management as well as assumptions made by, and information currently available to it. Examples of forward-looking statements include, among others, statements Hayward makes regarding: Hayward’s 2023 guidance; business plans and objectives; anticipated SG&A cost savings; anticipated channel inventory rebalancing levels; general economic and industry trends; business prospects; future product development and acquisition strategies; and growth and expansion opportunities. Hayward may not achieve the plans, intentions or expectations disclosed in Hayward’s forward-looking statements, and you should not place significant reliance on its forward-looking statements. Important factors that could affect Hayward’s future results and could cause those results or other outcomes to differ materially from those indicated in its forward-looking statements include the following: its relationships with and the performance of distributors, builders, buying groups, retailers and servicers who sell Hayward’s products to pool owners; impacts on Hayward’s business from the sensitivity of its business to seasonality and unfavorable economic business and weather conditions; competition from national and global companies, as well as lower-cost manufacturers; Hayward’s ability to develop, manufacture and effectively and profitably market and sell its new planned and future products; its ability to execute on its growth strategies and expansion opportunities; impacts on Hayward’s business from political, regulatory, economic, trade, and other risks associated with operating foreign businesses, including risks associated with geopolitical conflict; its ability to maintain favorable relationships with suppliers and manage disruptions to its global supply chain and the availability of raw materials; Hayward’s ability to identify emerging technological and other trends in its target end markets; failure of markets to accept new product introductions and enhancements; the ability to successfully identify, finance, complete and integrate acquisitions; its reliance on information technology systems and susceptibility to threats to those systems, including cybersecurity threats, and risks arising from its collection and use of personal information data; regulatory changes and developments affecting Hayward’s current and future products; volatility in currency exchange rates and interest rates; Hayward’s ability to service its existing indebtedness and obtain additional capital to finance operations and its growth opportunities; Hayward’s ability to establish and maintain intellectual property protection for its products, as well as its ability to operate its business without infringing, misappropriating or otherwise violating the intellectual property rights of others; the impact of material cost and other inflation; Hayward’s ability to attract and retain senior management and other qualified personnel; the impact of changes in laws, regulations and administrative policy, including those that limit U.S. tax benefits, impact trade agreements and tariffs, or address the impacts of climate change; the outcome of litigation and governmental proceedings; impacts on Hayward's product manufacturing disruptions, including as a result of catastrophic and other events beyond its control, including risks associated with geopolitical conflict; uncertainties affecting the pace of distribution channel destocking and its impact on sales volumes; Hayward's ability to realize cost savings from restructuring activities; Hayward’s and its customers’ ability to manage product inventory in an effective and efficient manner; and other factors set forth in Hayward’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

The forward-looking statements included in this presentation are made only 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 to conform these statements to actual results or to changes in Hayward’s 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”) These measures should not be considered in isolation or as an alternative to their comparable measures under GAAP. See the appendix for a reconciliation of historical non-GAAP measures to the most directly comparable GAAP measures.

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Key Messages

- Delivered Q2 2023 results ahead of expectations
- Channel inventory rebalance progressing; expected completion by end of Q3
- Achieved record gross profit margins at reduced volume levels
- Generated strong cash flow through effective working capital management
- Full year Adjusted EBITDA within range; refined net sales guidance

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Financial Overview

Q2 2023

- Net sales of $283.5M
- Gross profit margin of 48.1%
- Adj. EBITDA[1] of $79.5M
- Adj. EBITDA margin[1] of 28.0%
- Adj. diluted EPS[1] of $0.19



RESULTS REFLECT:

- Positive price realization
- Reduced distribution inventory levels
- Difficult macroeconomic conditions
- Record gross profit margins
- Disciplined SG&A cost control

1. Non-GAAP financial measure. See the appendix for a reconciliation to the most directly comparable GAAP measure.

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Business Update

Market Share	✓ Targeting share gain through new product innovation, enhanced commercial programs ✓ Evolving go-to-market strategy, integrated customer engagement structure, allocating resources to high-growth regions
Channel Sell Through	✓ Sell through exceeded expectations in Q2 ✓ Northern Europe negatively impacted by geopolitical events, Rest of World outperforming expectations
Channel Inventory	✓ Channel inventory levels declined in Q2; reductions expected to be fundamentally complete by end of Q3 ✓ Channel partners planning lean positions entering 2024
Price - Cost	✓ Positive price realization, maintaining price-cost neutrality ✓ Expanding margins through disciplined cost control, manufacturing productivity improvements
Working Capital	✓ Effective working capital management resulting in strong cash flow generation ✓ Reduced balance sheet inventory by $78 million and total working capital by $135 million YoY in Q2
ESG	✓ Continued progress on ESG journey; MSCI upgrade to “A” rating ✓ Full suite of variable-speed pumps ENERGY STAR certified by US Environmental Protection Agency



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Second Quarter 2023 Financials

NET SALES OF $283.5M

NET SALES (29%) YoY

- Price +4%, acquisitions +1%
- Volume -35% (channel inventory movements, reduced sell through)

GROSS PROFIT OF $136.5M

GROSS PROFIT MARGIN OF 48.1%

- Gross margin increased 70 bps YoY and 150 bps sequentially
- Price-cost neutrality, disciplined cost control, rightsized production levels

ADJ. EBITDA[1] OF $79.5M

ADJ. EBITDA[1] MARGIN OF 28.0%

- SG&A cost actions supporting margins

ADJ. DILUTED EPS[1] OF $0.19

DILUTED EPS OF $0.13; ADJ. DILUTED EPS[1] OF $0.19

- Diluted share count reduced by ~8M shares (4%) YoY

HAYWARD

Source: Company financial data.
1. Non-GAAP financial measure. See Appendix for a reconciliation to the most directly comparable GAAP measure.

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Second Quarter 2023 Segment Overview

North America	
Net Sales	$237.4M
YoY Change	*(30.6%)*
Gross Profit	$118.4M
Gross Profit Margin	*49.9%*
Adj. Segment Income[1]	$76.9M
Adj. Segment Income Margin[1]	*32.4%*

- Pricing +4%, acquisitions +1%, volume -36%
- Volume reductions primarily due to reduced channel inventory levels
- Gross margin increased 110 bps YoY and 130 bps sequentially

Europe and Rest of World	
Net Sales	$46.2M
YoY Change	*(19.5%)*
Gross Profit	$18.1M
Gross Profit Margin	*39.1%*
Adj. Segment Income[1]	$9.6M
Adj. Segment Income Margin[1]	*20.8%*

- Pricing +4%, F/X +1%, volume -25%
- Volume reductions due to geopolitical events, reduced channel inventory levels and end demand
- Rest of World outperforming Europe

1. Non-GAAP financial measure. See Appendix for a reconciliation to the most directly comparable GAAP measure.

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Balance Sheet and Cash Flow Highlights

BALANCE SHEET ($M)

	7/1/2023
Cash and cash equivalents	$205
Total debt principal	$1,116
Term debt (2028 maturity)[1]	$1,104
ABL revolver (2026 maturity)	$0
LTM adj. EBITDA[2]	$238
Net leverage[3]	3.8x

$600M fixed rate, remainder variable

Expect closer to 3x by year-end 2023

CASH FLOW ($M)

	YTD 2023	YTD 2022
Cash flow from operating activities	$167	$64
Less capex	($16)	($16)
Free cash flow[4]	$151	$48

$437M TOTAL LIQUIDITY

NO NEAR-TERM DEBT OR INTEREST RATE SWAP MATURITIES

ROBUST CASH FLOW GENERATION IN SEASONALLY STRONG Q2

EXPECT 2023 FCF >$175M[5]; CONVERSION >100% OF NET INCOME[6]

1. $600M of the term debt is swapped with swap maturities in 2025 ($350M) and 2027 ($250M).
2. Non-GAAP financial measure. See Appendix for a reconciliation to the most directly comparable GAAP measure.
3. Net leverage is a non-GAAP measure and calculated as (A) total debt less cash and cash equivalents divided by (B) the sum of trailing twelve months adjusted EBITDA.
4. Free cash flow is calculated as net cash provided by operating activities less capital expenditures.
5. Reconciliation for the full-year fiscal 2023 free cash flow guidance is not being provided, as Hayward does not currently have sufficient data to accurately estimate variables and individual adjustments for such reconciliation. Free cash flow estimated for full year fiscal 2023 are calculated in a manner consistent with historical free cash flow included in this presentation
6. Free cash flow divided by net income.

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Balanced Capital Allocation Priorities

Growth Investments	✓ Innovative new product development, IoT digital leadership ✓ Commercial programs, dealer conversions ✓ Operational excellence, productivity, growth capex
Strategic M&A	✓ Pipeline of tuck-in opportunities to complement our product offering, geographic footprint, commercial relationships ✓ Four acquisitions in Controls, Water Features and Lighting in last two years for $85M[1]
Return to Shareholders	✓ Share repurchases of $343M in 2022 ✓ $400M remaining on existing $450M 3-year authorization

Funding **strategic growth investments and shareholder returns** while maintaining **prudent financial leverage**

1. Combined purchase price, net of cash acquired

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FY 2023 Financial Outlook

Net sales down 20% to 23%

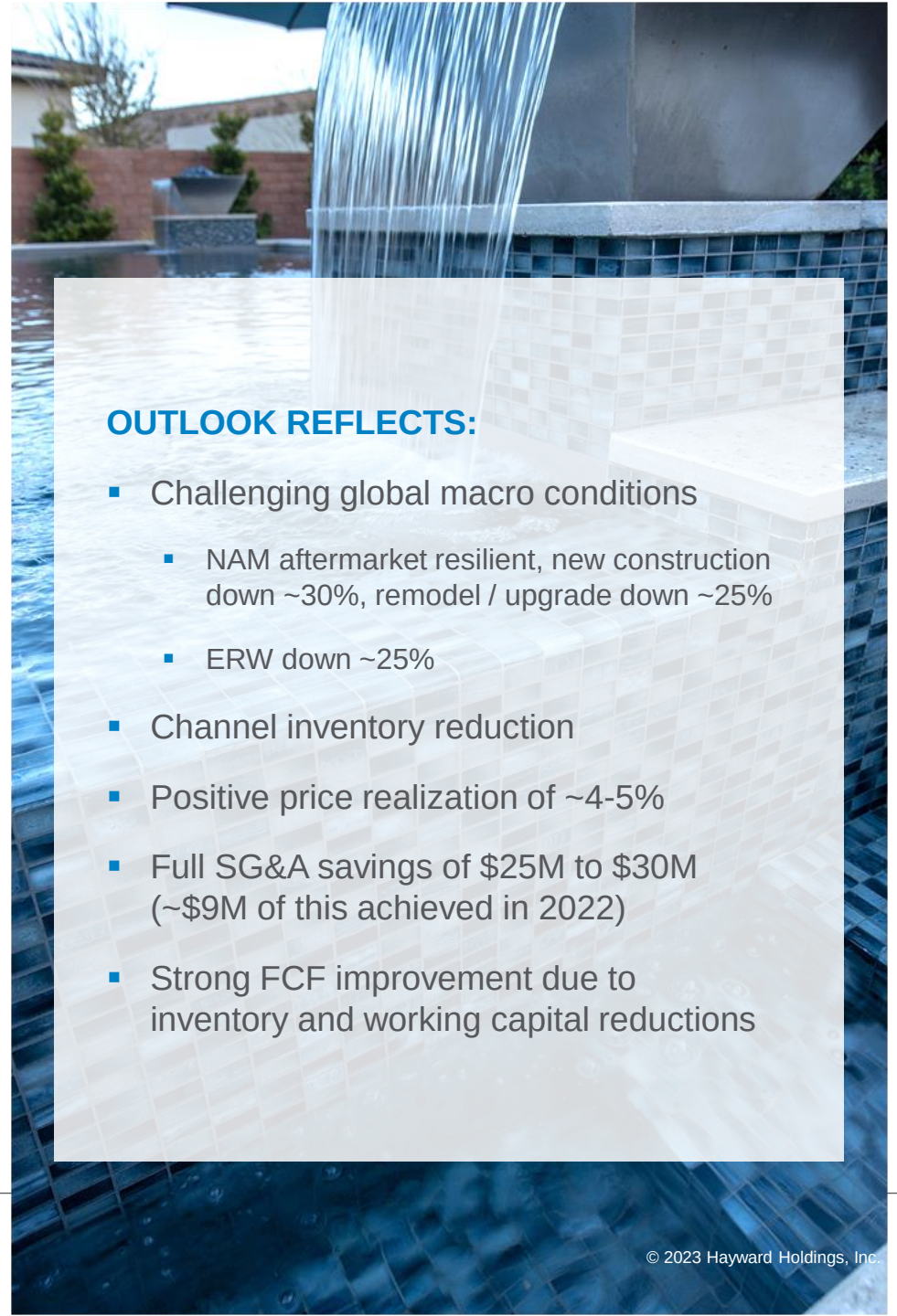
Reversion to more normal seasonality

Adjusted EBITDA[1] of $265M to $280M

Free cash flow[1] exceeding $175M (>100% of net income)

FY 2023 modeling assumptions:

- Interest expense ~$75M
- Effective tax rate ~25% for the remainder of the year
- Capex ~$25M to $30M



OUTLOOK REFLECTS:

- Challenging global macro conditions
  - NAM aftermarket resilient, new construction down ~30%, remodel / upgrade down ~25%
  - ERW down ~25%
- Channel inventory reduction
- Positive price realization of ~4-5%
- Full SG&A savings of $25M to $30M (~$9M of this achieved in 2022)
- Strong FCF improvement due to inventory and working capital reductions

1. Reconciliation for the full-year fiscal 2023 Adjusted EBITDA and free cash flow guidance is not being provided, as Hayward does not currently have sufficient data to accurately estimate variables and individual adjustments for such reconciliation, Adjusted EBITDA and free cash flow estimated for full-year fiscal 2023 are calculated in a manner consistent with historical adjusted EBITDA and free cash flow, respectively, included in this presentation

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Key Messages

- Delivered Q2 2023 results ahead of expectations
- Channel inventory rebalance progressing; expected completion by end of Q3
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APPENDIX

Non-GAAP Reconciliations

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Adjusted EBITDA & Adjusted EBITDA Margin Reconciliation

APPENDIX

(Dollars in thousands)	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Net income	$ 29,453	$ 66,260	$ 37,863	$ 140,292
Depreciation	4,228	4,758	8,590	9,598
Amortization	9,289	9,091	18,543	18,188
Interest expense	19,130	11,605	38,491	21,167
Income taxes	13,767	21,079	14,602	44,419
EBITDA	75,867	112,793	118,089	233,664
Stock-based compensation [(a)]	375	315	732	1,252
Currency exchange items [(b)]	1,205	3,453	1,131	2,724
Acquisition and restructuring related expense, net [(c)]	1,309	4,940	2,872	7,211
Other [(d)]	722	6,136	1,583	9,035
Total Adjustments	3,611	14,844	6,318	20,222
Adjusted EBITDA	$ 79,478	$ 127,637	$ 124,407	$ 253,886
Adjusted EBITDA margin	28.0 %	32.0 %	25.2 %	31.3 %

(a) Represents non-cash stock-based compensation expense related to equity awards issued to management, employees, and directors. The adjustment includes only expense related to awards issued under the 2017 Equity Incentive Plan, which were awards granted prior to the effective date of Hayward's initial public offering (the "IPO").

(b) Represents unrealized non-cash losses on foreign denominated monetary assets and liabilities and foreign currency contracts.

(c) Adjustments in the three months ended July 1, 2023 are primarily driven by $0.5 million of separation costs associated with the enterprise cost-reduction program initiated in 2022, $0.5 million of integration costs from prior acquisitions and $0.3 million of costs associated with the relocation of the corporate headquarters. Adjustments in the three months ended July 2, 2022 primarily include $3.1 million of costs associated with the acquisition of the specialty lighting business of Halco Technologies, LLC (the "Specialty Lighting Business"), $1.2 million of costs associated with the relocation of the corporate headquarters and other immaterial items.

Adjustments in the six months ended July 1, 2023 are primarily driven by $1.3 million of separation costs associated with the enterprise cost-reduction program initiated in 2022, $0.8 million of integration costs from prior acquisitions and $0.6 million of costs associated with the relocation of the corporate headquarters. Adjustments in the six months ended July 2, 2022 are primarily driven by $3.3 million of costs associated with the relocation of the corporate headquarters, $3.2 million of transaction costs associated with the acquisition of the Specialty Lighting Business and other immaterial items.

(d) Adjustments in the three months ended July 1, 2023 primarily include $0.3 million of costs incurred related to the selling stockholder offering of shares in May 2023, which are reported in SG&A in the unaudited condensed consolidated statement of operations, and other miscellaneous items the Company believes are not representative of its ongoing business operations. Adjustments in the three months ended July 2, 2022 are primarily driven by a one-time $5.5 million expense associated with the discontinuation of a product joint development agreement, $0.9 million of costs associated with follow-on equity offerings, $0.7 million of transitional expenses incurred to enable go-forward public company regulatory compliance, and other miscellaneous items partially offset by $1.1 million of gains resulting from an insurance policy reimbursement related to the fire incident in Yuncos, Spain.

Adjustments in the six months ended July 1, 2023 primarily includes $0.6 million of costs associated with follow-on equity offerings, $0.4 million of transitional expenses incurred to enable go-forward public company regulatory compliance and other miscellaneous items the Company believes are not representative of its ongoing business operations. Adjustments in the six months ended July 2, 2022 are primarily driven by a one-time $5.5 million expense associated with the discontinuation of a product joint development agreement, $1.0 million of transitional expenses incurred to enable go-forward public company regulatory compliance, $0.9 million of costs associated with follow-on equity offerings, $0.9 million of expenses related to the corporate headquarters transition, $0.7 million of bad debt reserves related to certain customers impacted by the conflict between Russia and Ukraine, net of subsequent collections, and other immaterial items, partially offset by $1.1 million of gains resulting from an insurance policy reimbursement related to the fire incident in Yuncos, Spain.

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Adjusted EBITDA & Adjusted EBITDA Margin Reconciliation

APPENDIX

Following is a reconciliation from net income to adjusted EBITDA for the last twelve months:

(Dollars in thousands)	Last Twelve Months[e] July 1, 2023	Fiscal Year December 31, 2022
Net income	$ 76,918	$ 179,347
Depreciation	18,238	19,246
Amortization	38,748	38,393
Interest expense	68,711	51,387
Income taxes	25,073	54,890
EBITDA	227,688	343,263
Stock-based compensation [a]	1,082	1,602
Currency exchange items [b]	(667)	926
Acquisition and restructuring related expense, net [c]	3,823	8,162
Other [d]	6,170	13,622
Total Adjustments	10,408	24,312
Adjusted EBITDA	$ 238,096	$ 367,575
Adjusted EBITDA margin	23.9 %	28.0 %

(a) Represents non-cash stock-based compensation expense related to equity awards issued to management, employees, and directors. The adjustment includes only expense related to awards issued under the 2017 Equity Incentive Plan, which were awards granted prior to the effective date of the IPO.

(b) Represents unrealized non-cash losses on foreign denominated monetary assets and liabilities and foreign currency contracts.

(c) Adjustments in the last twelve months ended July 1, 2023 include $4.2 million separation costs associated with a reduction-in-force from the enterprise cost-reduction program, $2.3 million of costs associated with the relocation of the corporate headquarters, $0.8 million of integration costs from prior acquisitions and other immaterial items, partially offset by a $2.4 million gain resulting from the release of certain reserves associated with the exit of an early-stage product line discontinued in 2021 and a $1.3 million purchase-price adjustment related to the acquisition of the Specialty Lighting Business.

Adjustments in the year ended December 31, 2022 primarily include $5.0 million of costs associated with the relocation of the corporate headquarters, $2.9 million separation costs associated with a reduction-in-force, and $1.9 million transaction costs associated with the acquisition of the Specialty Lighting Business, partially offset by a $2.4 million gain resulting from the release of certain reserves associated with the exit of an early-stage product line discontinued in 2021.

(d) Adjustments in the last twelve months ended July 1, 2023 include $3.3 million non-cash increase in cost of goods sold resulting from the fair value inventory step-up adjustment recognized as part of the purchase accounting for the Specialty Lighting Business, $1.6 million of transitional expenses incurred to enable go-forward public company regulatory compliance, $1.1 million of costs incurred related to registered share offerings by selling stockholders, which are reported in SG&A in the consolidated statements of operations, $0.2 million of gains on the sale of fixed assets, and other immaterial items, partially offset by $0.5 million of subsequent collections against bad debt reserves taken in response to the conflict between Russia and Ukraine.

Adjustments in the year ended December 31, 2022 include $5.5 million of expenses associated with the discontinuation of a product joint development agreement, a $3.3 million non-cash increase in cost of goods sold resulting from the fair value inventory step-up adjustment recognized as part of the purchase accounting for the Specialty Lighting Business, $2.3 million of transitional expenses incurred to enable go-forward public company regulatory compliance, $1.4 million of costs incurred related to the selling stockholder offering of shares in May 2022, which are reported in SG&A in the consolidated statements of operations, $0.9 million of expenses related to the corporate headquarters transition, $0.2 million bad debt reserves related to certain customers impacted by the conflict between Russia and Ukraine, and other immaterial items, partially offset by subsequent collections and $1.1 million of gains resulting from an insurance policy reimbursement related to the fire incident in the manufacturing and administrative facilities in Yuncos, Spain.

(e) Items for the last twelve months ended July 1, 2023 are calculated by adding the items for the six months ended July 1, 2023 plus fiscal year ended December 31, 2022 and subtracting the items for the six months ended July 2, 2022.

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Adjusted Net Income and Adjusted EPS Reconciliation

APPENDIX

(Dollars in thousands)	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Net income	$ 29,453	$ 66,260	$ 37,863	$ 140,292
Tax adjustments [a]	3,046	(250)	1,498	(250)
Other adjustments and amortization:				
Stock-based compensation [b]	375	315	732	1,252
Currency exchange items [c]	1,205	3,453	1,131	2,724
Acquisition and restructuring related expense, net [d]	1,309	4,940	2,872	7,211
Other [e]	722	6,136	1,583	9,035
Total other adjustments	3,611	14,844	6,318	20,222
Amortization	9,289	9,091	18,543	18,188
Tax effect [f]	(3,200)	(5,845)	(6,284)	(9,315)
Certain transaction-related adjustments [g]:				
Acquisitions	—	849	—	2,291
Tax effect [f]	—	(207)	—	(553)
Adjusted net income	$ 42,199	$ 84,742	$ 57,938	$ 170,875
Weighted average number of common shares outstanding, basic	212,861,564	218,401,182	212,692,393	225,358,529
Weighted average number of common shares outstanding, diluted	220,503,544	228,642,982	220,506,921	235,943,099
Basic EPS	$ 0.14	$ 0.30	$ 0.18	$ 0.62
Diluted EPS	$ 0.13	$ 0.29	$ 0.17	$ 0.59
Adjusted basic EPS	$ 0.20	$ 0.39	0.27	0.76
Adjusted diluted EPS	$ 0.19	$ 0.37	0.26	0.72

(a) Tax adjustments for the three and six months ended July 1, 2023 reflect a normalized tax rate of 24.8% and 25.0% compared to the Company's effective tax rate of 31.9% and 27.8%. The Company's effective tax rate for the three and six months ended July 1, 2023 includes the impact of the recognition of withholding taxes on accumulated earnings of the Company's Canadian subsidiary due to a change in its indefinite reinvestment assertion, partially offset by a tax benefit resulting from the exercise of stock options. Tax adjustments for the three and six months ended July 2, 2022 reflect a normalized tax rate of 24.4% and 24.2% compared to the effective tax rates of 24.1% and 24.0%, respectively. The Company's effective tax rate for the three and six months ended July 2, 2022 includes the tax benefit resulting from the exercise of stock options. All non-tax adjustments are effected at the normalized rate.

(b) Represents non-cash stock-based compensation expense related to equity awards issued to management, employees, and directors. The adjustment includes only expense related to awards issued under the 2017 Equity Incentive Plan, which were awards granted prior to the effective date of the IPO.

(c) Represents unrealized non-cash losses on foreign denominated monetary assets and liabilities and foreign currency contracts.

(d) Adjustments in the three months ended July 1, 2023 are primarily driven by $0.5 million of separation costs associated with the enterprise cost-reduction program initiated in 2022, $0.5 million of integration costs from prior acquisitions and $0.3 million of costs associated with the relocation of the corporate headquarters. Adjustments in the three months ended July 2, 2022 primarily include $3.1 million of costs associated with the acquisition of the specialty lighting business of Halco Technologies, LLC (the "Specialty Lighting Business"), $1.2 million of costs associated with the relocation of the corporate headquarters and other immaterial items.

Adjustments in the six months ended July 1, 2023 are primarily driven by $1.3 million of separation costs associated with the enterprise cost-reduction program initiated in 2022, $0.8 million of integration costs from prior acquisitions and $0.6 million of costs associated with the relocation of the corporate headquarters. Adjustments in the six months ended July 2, 2022 are primarily driven by $3.3 million of costs associated with the relocation of the corporate headquarters, $3.2 million of transaction costs associated with the acquisition of the Specialty Lighting Business and other immaterial items.

(e) Adjustments in the three months ended July 1, 2023 primarily include $0.3 million of costs incurred related to the selling stockholder offering of shares in May 2023, which are reported in SG&A in the unaudited condensed consolidated statement of operations, and other miscellaneous items the Company believes are not representative of its ongoing business operations. Adjustments in the three months ended July 2, 2022 are primarily driven by a one-time $5.5 million expense associated with the discontinuation of a product joint development agreement, $0.9 million of costs associated with follow-on equity offerings, $0.7 million of transitional expenses incurred to enable go-forward public company regulatory compliance, and other miscellaneous items partially offset by $1.1 million of gains resulting from an insurance policy reimbursement related to the fire incident in Yuncos, Spain.

Adjustments in the six months ended July 1, 2023 primarily includes $0.6 million of costs associated with follow-on equity offerings, $0.4 million of transitional expenses incurred to enable go-forward public company regulatory compliance and other miscellaneous items the Company believes are not representative of its ongoing business operations. Adjustments in the six months ended July 2, 2022 are primarily driven by a one-time $5.5 million expense associated with the discontinuation of a product joint development agreement, $1.0 million of transitional expenses incurred to enable go-forward public company regulatory compliance, $0.9 million of costs associated with follow-on equity offerings, $0.9 million of expenses related to the corporate headquarters transition, $0.7 million of bad debt reserves related to certain customers impacted by the conflict between Russia and Ukraine, net of subsequent collections, and other immaterial items, partially offset by $1.1 million of gains resulting from an insurance policy reimbursement related to the fire incident in Yuncos, Spain.

(f) The tax effect represents the immediately preceding adjustments at the normalized tax rates as discussed in footnote (a) above.

(g) The adjustments for the three and six months ended July 2, 2022 represent adjustments related to the acquisition of the Specialty Lighting Business as if the acquisition had occurred at the beginning of the period.

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Adjusted Segment Income Reconciliations

APPENDIX

(Dollars in thousands)	Three Months Ended July 1, 2023			Three Months Ended July 2, 2022		
	Total	NAM	E&RW	Total	NAM	E&RW
Net sales	$ 283,543	$ 237,352	$ 46,191	$ 399,442	$ 342,080	$ 57,362
Gross profit	$ 136,510	$ 118,441	$ 18,068	$ 189,365	$ 166,818	$ 22,547
Gross profit margin %	48.1 %	49.9 %	39.1 %	47.4 %	48.8 %	39.3 %
Income from operations before income taxes	$ 43,220			$ 87,339		
Expenses not allocated to segments						
Corporate expense, net	8,425			8,386		
Acquisition and restructuring related expense	1,309			4,940		
Amortization of intangible assets	7,637			7,697		
Interest expense, net	19,130			11,605		
Other (income) expense, net	625			3,804		
Segment income	$ 80,346	$ 70,962	$ 9,384	$ 123,771	$ 110,539	$ 13,232
Segment income margin %	28.3 %	29.9 %	20.3 %	31.0 %	32.3 %	23.1 %
Depreciation	$ 4,068	$ 3,837	$ 231	$ 4,454	$ 4,248	$ 206
Amortization	1,651	1,651	—	1,394	1,394	—
Stock-based compensation	191	179	12	829	765	64
Other [(a)]	290	290	—	5,040	5,538	(498)
Total adjustments	6,200	5,957	243	11,717	11,945	(228)
Adjusted segment income	$ 86,547	$ 76,920	$ 9,627	$ 135,488	$ 122,484	$ 13,004
Adjusted segment income margin %	30.5 %	32.4 %	20.8 %	33.9 %	35.8 %	22.7 %

(a) The three months ended July 1, 2023 for NAM includes miscellaneous items the Company believes are not representative of its ongoing business operations. The three months ended July 2, 2022 includes a one-time $5.5 million expense associated with the discontinuation of a product joint development agreement.

The three months ended July 2, 2022 for E&RW includes $0.5 million of collections associated with previous bad debt write-offs related to certain customers impacted by the conflict between Russia and Ukraine.

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