THIRD QUARTER 2023 EARNINGS

October 31, 2023



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THIRD 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 and outlook for future periods; 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

- Strong execution; delivered Q3 2023 in line with expectations
- Expanded gross profit margins at reduced volume levels
- Entered the new pool season with leaner channel inventory levels
- Strengthened the business; well positioned for long-term profitable growth
- Updated full year guidance largely to reflect more challenging macro conditions outside the US

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Financial Overview

Q3 2023

- Net sales of $220.3M
- Gross profit margin of 47.8%
- Adj. EBITDA[1] of $47.2M
- Adj. EBITDA margin[1] of 21.4%
- Adj. diluted EPS[1] of $0.09



RESULTS REFLECT:

- Solid execution in the US and Europe
- Normalizing distributor inventory levels
- 5% list price realization offset by change in channel rebate achievement YoY and increased mix of dealer incentives
- Strong gross profit margin expansion
- Disciplined SG&A cost control partially offset by increased field service warranty costs

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

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Business Update

End Demand	✓ End demand, reflected in channel sell through, consistent with expectations ✓ Demand for discretionary products impacted by economic uncertainty, rising interest rate environment
Products / Technology	✓ One of the largest US pool builders standardizing on Omni IoT platform; 94% of Omni units used via highly-rated App ✓ New Omni retrofit kit pathway to upgrade legacy Hayward controls to superior Omni automation platform
Channel Inventory	✓ Entered the 2024 pool season with leaner channel inventory levels ✓ Early buy orders as expected, but channel partners taking a cautious approach to overall ordering ahead of 2024
Price - Cost	✓ Maintaining price-cost neutrality ✓ Expanding gross margins through disciplined cost control, manufacturing productivity improvements
Operational Excellence	✓ Manufacturing footprint consolidation in Spain; better utilizing our newest facility in Barcelona ✓ Leveraging new/modern facility; aligns manufacturing, engineering, product management; supports margins
Working Capital	✓ Effective working capital management resulting in cash flow generation ✓ Reduced total working capital by $139 million YTD through Q3

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Third Quarter 2023 Financials

NET SALES OF $220.3M

NET SALES (10%) YoY

- Net price -3% (list price increases of 5% offset by the change in channel rebate achievement YoY and mix of dealer incentives)
- Volume -8% (channel inventory movements, reduced sell through)

GROSS PROFIT OF $105.4M

GROSS PROFIT MARGIN OF 47.8%

- Gross margin increased 390 bps YoY
- Price-cost neutrality, disciplined cost control, rightsized production levels

ADJ. EBITDA[1] OF $47.2M

ADJ. EBITDA[1] MARGIN OF 21.4%

- Realizing expected savings under prior SG&A cost reduction plans
- Increased field service warranty costs primarily due to higher labor costs and reduced spare parts availability

ADJ. DILUTED EPS[1] OF $0.09

DILUTED EPS OF $0.05; ADJ. DILUTED EPS[1] OF $0.09

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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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Third Quarter 2023 Segment Overview

North America	
Net Sales	$185.1M
YoY Change	*(9.1%)*
Gross Profit	$91.5M
Gross Profit Margin	*49.4%*
Adj. Segment Income[1]	$46.1M
Adj. Segment Income Margin[1]	*24.9%*

- Pricing -4%, volume -5%
- Volume reductions primarily due to reduced end demand and channel inventory levels
- Canadian market more sensitive to economic conditions and rising interest rates
- Gross margin increased 430 bps YoY

Europe and Rest of World	
Net Sales	$35.2M
YoY Change	*(15.3%)*
Gross Profit	$14.0M
Gross Profit Margin	*39.6%*
Adj. Segment Income[1]	$6.7M
Adj. Segment Income Margin[1]	*18.9%*

- Pricing +4%, F/X +3%, volume -22%
- Volume reductions due to geopolitical events, reduced end demand and channel inventory levels
- Gross margin increased 130 bps YoY

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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)

	9/30/2023
Cash and cash equivalents	$244
Total debt principal	$1,113
Term debt (2028 maturity)[1]	$1,101
ABL revolver (2026 maturity)	$0
LTM adj. EBITDA[2]	$225
Net leverage[3]	3.9x

$600M fixed rate, remainder variable

Blended interest rate of 6.7%[6]

CASH FLOW ($M)

	YTD 2023	YTD 2022
Cash flow from operating activities	$217	$144
Less capex	($23)	($24)
Free cash flow[4]	$194	$120

$402M TOTAL LIQUIDITY

NO NEAR-TERM DEBT OR INTEREST RATE SWAP MATURITIES

ROBUST CASH FLOW GENERATION IN SEASONALLY STRONG Q2 AND Q3

EXPECT 2023 FCF ~$125M TO $150M[5]

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. Excluding financing fees

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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
De-levering	✓ Debt repayment
Strategic M&A	✓ Pipeline of tuck-in opportunities to complement our product offering, geographic footprint, commercial relationships
Return to Shareholders	✓ $400M remaining on existing $450M 3-year authorization

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

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FY 2023 Financial Outlook

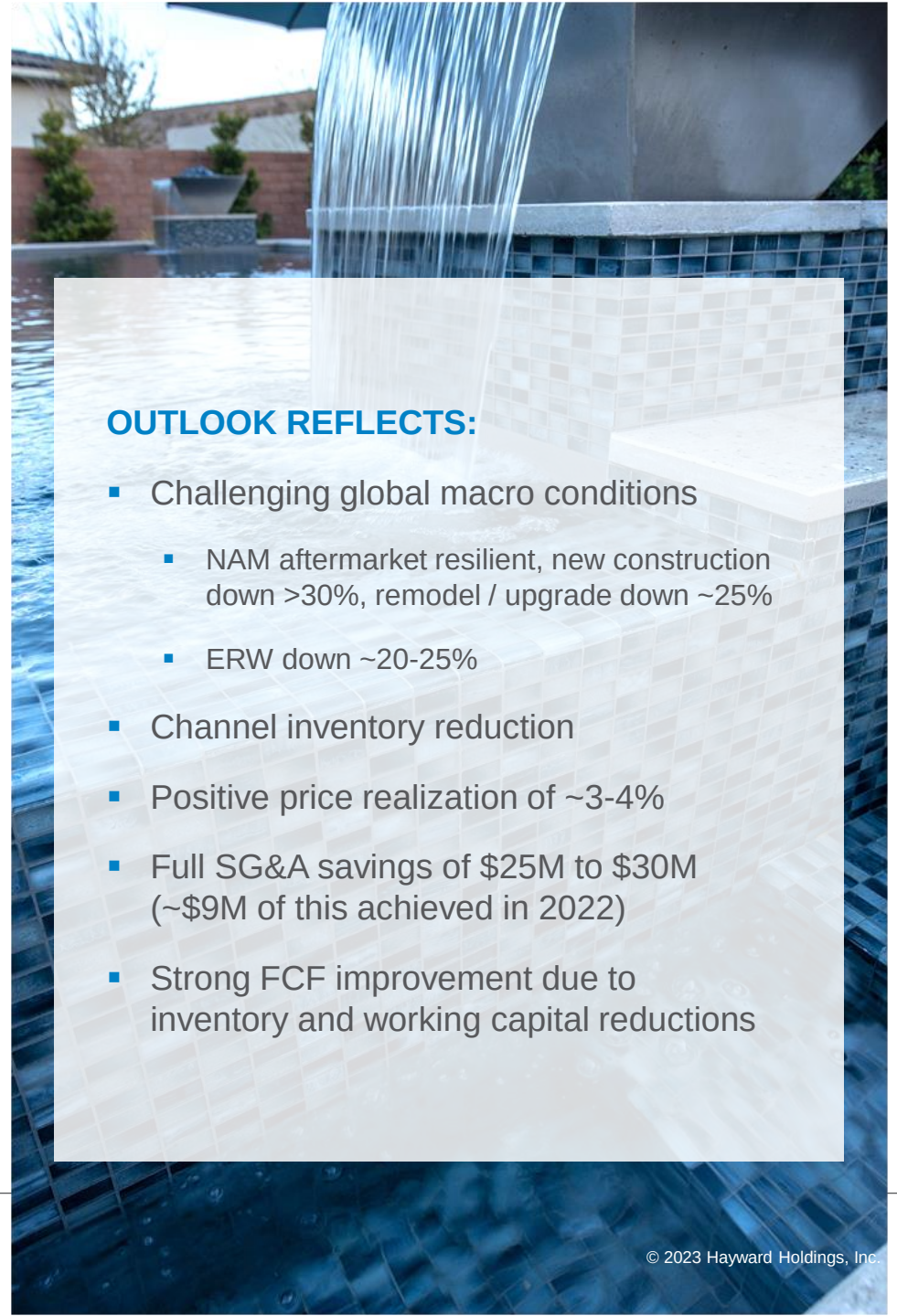
Net sales down 24% to 26%

Adjusted EBITDA[1] of $245M to $255M

Free cash flow[1] of $125M to $150M

FY 2023 modeling assumptions:

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



OUTLOOK REFLECTS:

- Challenging global macro conditions
  - NAM aftermarket resilient, new construction down >30%, remodel / upgrade down ~25%
  - ERW down ~20-25%
- Channel inventory reduction
- Positive price realization of ~3-4%
- 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

- Strong execution; delivered Q3 2023 in line with expectations
- Expanded gross profit margins at reduced volume levels
- Entered the new pool season with leaner channel inventory levels
- Strengthened the business; well positioned for long-term profitable growth
- Updated full year guidance largely to reflect more challenging macro conditions outside the US

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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		Nine Months Ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Net income	$ 11,788	$ 23,087	$ 49,651	$ 163,379
Depreciation	4,428	4,333	13,018	13,931
Amortization	9,260	10,249	27,803	28,437
Interest expense	17,448	13,938	55,939	35,105
Income taxes	(2,259)	3,549	12,343	47,968
EBITDA	40,665	55,156	158,754	288,820
Stock-based compensation [(a)]	269	(4)	1,001	1,248
Currency exchange items [(b)]	145	52	1,276	2,776
Acquisition and restructuring related expense, net [(c)]	3,348	2,288	6,220	9,499
Other [(d)]	2,784	2,935	4,367	11,970
Total Adjustments	6,546	5,271	12,864	25,493
Adjusted EBITDA	$ 47,211	$ 60,427	$ 171,618	$ 314,313
Adjusted EBITDA margin	21.4 %	24.6 %	24.0 %	29.8 %

(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 September 30, 2023 are primarily driven by $1.9 million of separation costs associated with the centralization of operations in Europe and $1.5 million of costs associated with the relocation of the corporate headquarters. Adjustments in the three months ended October 1, 2022 primarily include $1.3 million of costs associated with the reduction-in-force as part of the 2022 enterprise cost reduction program and $1.1 million of costs associated with the relocation of the corporate headquarters, partially offset by other individual immaterial items.

Adjustments in the nine months ended September 30, 2023 are primarily driven by $2.1 million of costs associated with the relocation of the corporate headquarters, $1.9 million of separation costs associated with the centralization of operations in Europe, $1.3 million of separation costs associated with the enterprise cost-reduction program initiated in 2022 and $0.8 million of integration costs from prior acquisitions. Adjustments in the nine months ended October 1, 2022 are primarily driven by $4.2 million of costs associated with the relocation of the corporate headquarters, $3.1 million of transaction costs associated with the acquisition of the specialty lighting business of Halco Technologies, LLC (the "Specialty Lighting Business"), $1.4 million of costs associated with the reduction-in-force and other individual immaterial items.

(d) Adjustments in the three months ended September 30, 2023 primarily include $1.9 million of costs related to inventory and fixed assets as part of the centralization of operations in Europe and $0.8 million of costs incurred related to the selling stockholder offerings of shares during 2023, which are reported in SG&A in the unaudited condensed consolidated statement of operations. Adjustments in the three months ended October 1, 2022 are primarily driven by a $2.7 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.

Adjustments in the nine months ended September 30, 2023 primarily includes $1.9 million of costs related to inventory and fixed assets as part of the centralization of operations in Europe, $1.5 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 nine months ended October 1, 2022 are primarily driven by a one-time $5.5 million expense associated with the discontinuation of a product joint development agreement, a $2.7 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, $1.4 million of transitional expenses incurred to enable go-forward public company regulatory compliance, $1.2 million of costs associated with follow-on equity offerings, $0.9 million of expenses related to the corporate headquarters transition, $0.4 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

(Dollars in thousands)	Last Twelve Months[e] September 30, 2023	Fiscal Year December 31, 2022
Net income	$ 65,619	$ 179,347
Depreciation	18,333	19,246
Amortization	37,759	38,393
Interest expense	72,221	51,387
Income taxes	19,265	54,890
EBITDA	213,197	343,263
Stock-based compensation [a]	1,355	1,602
Currency exchange items [b]	(574)	926
Acquisition and restructuring related expense, net [c]	4,883	8,162
Other [d]	6,019	13,622
Total Adjustments	11,683	24,312
Adjusted EBITDA	$ 224,880	$ 367,575
Adjusted EBITDA margin	23.1 %	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 September 30, 2023 include $2.9 million of costs associated with the relocation of the corporate headquarters, $2.9 million separation costs associated with a reduction-in-force from the 2022 enterprise cost-reduction program, $1.9 million of separation costs associated with the centralization of operations in Europe, $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 September 30, 2023 include $1.9 million of costs related to inventory and fixed assets as part of the centralization of operations in Europe, $1.7 million of costs associated with follow-on equity offerings, $1.2 million of transitional expenses incurred to enable go-forward public company regulatory compliance and a $0.7 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.

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 September 30, 2023 are calculated by adding the items for the nine months ended September 30, 2023 plus fiscal year ended December 31, 2022 and subtracting the items for the nine months ended October 1, 2022.

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Adjusted Net Income and Adjusted EPS Reconciliation

APPENDIX

(Dollars in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Net income	$ 11,788	$ 23,087	$ 49,651	$ 163,379
Tax adjustments [a]	(4,401)	(2,897)	(2,905)	(3,128)
Other adjustments and amortization:				
Stock-based compensation [b]	269	(4)	1,001	1,248
Currency exchange items [c]	145	52	1,276	2,776
Acquisition and restructuring related expense, net [d]	3,348	2,288	6,220	9,499
Other [e]	2,784	2,935	4,367	11,970
Total other adjustments	6,546	5,271	12,864	25,493
Amortization	9,260	10,249	27,803	28,437
Tax effect [f]	(3,554)	(3,756)	(9,838)	(13,066)
Certain transaction-related adjustments [g]:				
Acquisitions	—	—	—	2,761
Tax effect [f]	—	—	—	(667)
Adjusted net income	$ 19,639	$ 31,954	$ 77,575	$ 203,209
Weighted average number of common shares outstanding, basic	213,416,502	212,905,429	212,933,763	222,009,824
Weighted average number of common shares outstanding, diluted	220,863,228	222,006,615	220,634,232	232,131,395
Basic EPS	$ 0.06	$ 0.11	$ 0.23	$ 0.74
Diluted EPS	$ 0.05	$ 0.10	$ 0.23	$ 0.70
Adjusted basic EPS	$ 0.09	$ 0.15	0.36	0.92
Adjusted diluted EPS	$ 0.09	$ 0.14	0.35	0.88

(a) Tax adjustments for the three and nine months ended September 30, 2023 reflect a normalized tax rate of 22.5% and 24.2% compared to the Company's effective tax rate of (23.7)% and 19.9%. The Company's effective tax rate for the three months ended September 30, 2023 includes the tax benefits resulting from the exercise of stock options, the release of the valuation allowance against foreign tax credit carryovers and prior period return-to-provision adjustments, while the nine months ended rate includes the aforementioned items, partially offset by the impact of a discrete tax expense related to a change in the indefinite reinvestment assertion for one jurisdiction. Tax adjustments for the three and nine months ended October 1, 2022 reflect a normalized tax rate of 24.2% and 24.5% compared to the effective tax rates of 13.3% and 22.7%, respectively. The Company's effective tax rate for the three and nine months ended October 1, 2022 includes the impact of the revaluation of deferred tax liabilities as a result of state tax law changes and 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 September 30, 2023 are primarily driven by $1.9 million of separation costs associated with the centralization of operations in Europe and $1.5 million of costs associated with the relocation of the corporate headquarters. Adjustments in the three months ended October 1, 2022 primarily include $1.3 million of costs associated with the reduction-in-force as part of the 2022 enterprise cost reduction program and $1.1 million of costs associated with the relocation of the corporate headquarters, partially offset by other individual immaterial items.

Adjustments in the nine months ended September 30, 2023 are primarily driven by $2.1 million of costs associated with the relocation of the corporate headquarters, $1.9 million of separation costs associated with the centralization of operations in Europe, $1.3 million of separation costs associated with the enterprise cost-reduction program initiated in 2022 and $0.8 million of integration costs from prior acquisitions. Adjustments in the nine months ended October 1, 2022 are primarily driven by $4.4 million of costs associated with the relocation of the corporate headquarters, $3.1 million of transaction costs associated with the acquisition of the Specialty Lighting Business, $1.4 million of costs associated with the reduction-in-force and other individual immaterial items.

(e) Adjustments in the three months ended September 30, 2023 primarily include $1.9 million of costs related to inventory and fixed assets as part of the centralization of operations in Europe and $0.8 million of costs incurred related to the selling stockholder offerings of shares during 2023, which are reported in SG&A in the unaudited condensed consolidated statement of operations. Adjustments in the three months ended October 1, 2022 are primarily driven by a $2.7 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.

Adjustments in the nine months ended September 30, 2023 primarily includes $1.9 million of costs related to inventory and fixed assets as part of the centralization of operations in Europe, $1.5 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 nine months ended October 1, 2022 are primarily driven by a one-time $5.5 million expense associated with the discontinuation of a product joint development agreement, a $2.7 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, $1.4 million of transitional expenses incurred to enable go-forward public company regulatory compliance, $1.2 million of costs associated with follow-on equity offerings, $0.9 million of expenses related to the corporate headquarters transition, $0.4 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 nine months ended October 1, 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 September 30, 2023			Three Months Ended October 1, 2022		
	Total	NAM	E&RW	Total	NAM	E&RW
Net sales	$ 220,304	$ 185,070	$ 35,234	$ 245,267	$ 203,674	$ 41,593
Gross profit	$ 105,411	$ 91,456	$ 13,955	$ 107,784	$ 91,850	$ 15,934
Gross profit margin %	47.8 %	49.4 %	39.6 %	43.9 %	45.1 %	38.3 %
Income from operations before income taxes	$ 9,529			$ 26,636		
Expenses not allocated to segments						
Corporate expense, net	6,741			6,344		
Acquisition and restructuring related expense	3,348			2,288		
Amortization of intangible assets	7,523			8,521		
Interest expense, net	17,448			13,938		
Other (income) expense, net	1,932			(234)		
Segment income	$ 46,521	$ 40,108	$ 6,413	$ 57,493	$ 48,704	$ 8,789
Segment income margin %	21.1 %	21.7 %	18.2 %	23.4 %	23.9 %	21.1 %
Depreciation	$ 4,273	$ 4,027	$ 246	$ 4,049	$ 3,853	$ 196
Amortization	1,738	1,738	—	1,728	1,728	—
Stock-based compensation	86	75	11	(276)	(284)	8
Other [(a)]	115	115	—	2,516	2,878	(362)
Total adjustments	6,212	5,955	257	8,017	8,175	(158)
Adjusted segment income	$ 52,733	$ 46,063	$ 6,670	$ 65,510	$ 56,879	$ 8,631
Adjusted segment income margin %	23.9 %	24.9 %	18.9 %	26.7 %	27.9 %	20.8 %

(a) The three months ended September 30, 2023 for NAM includes miscellaneous items the Company believes are not representative of its ongoing business operations. The three months ended October 1, 2022 includes a $2.7 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.

The three months ended October 1, 2022 for E&RW includes $0.4 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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