

JEFFERIES INDUSTRIALS CONFERENCE

August 9, 2022





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Disclaimer

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains certain statements that are “forward-looking statements” as that term is defined under the Private Securities Litigation Reform Act of 1995 (the “Act”) and releases issued by the Securities and Exchange Commission (the “SEC”). Such forward-looking statements relating to Hayward are based on the beliefs of Hayward’s management as well as assumptions made by, and information currently available to it. These forward-looking statements include, but are not limited to, statements about Hayward’s strategies, plans, objectives, expectations, intentions, expenditures and assumptions and other statements contained in or incorporated by reference in this presentation that are not historical facts. When used in this presentation, words such as “guidance,” “may,” “will,” “should,” “could,” “intend,” “potential,” “continue,” “anticipate,” “believe,” “estimate,” “expect,” “plan,” “target,” “predict,” “project,” “seek” and similar expressions as they relate to Hayward are intended to identify forward-looking statements. Hayward believes that it is important to communicate its future expectations to its stockholders, and it therefore makes forward-looking statements in reliance upon the safe harbor provisions of the Act. However, there may be events in the future that Hayward is not able to accurately predict or control, and actual results may differ materially from the expectations it describes in 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 ability to execute on its growth strategies and expansion opportunities; its ability to maintain favorable relationships with suppliers and manage disruptions to its global supply chain and the availability of raw materials, including as a result of the COVID-19 pandemic; its relationships with and the performance of distributors, builders, buying groups, retailers and servicers who sell Hayward’s products to pool owners; competition from national and global companies, as well as lower-cost manufacturers; impacts on Hayward’s business from the sensitivity of its business to seasonality and unfavorable economic and business conditions; Hayward’s ability to identify emerging technological and other trends in its target end markets; Hayward’s ability to develop, manufacture and effectively and profitably market and sell its 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; Hayward’s ability to attract and retain senior management and other qualified personnel; regulatory changes and developments affecting Hayward’s current and future products; volatility in currency exchange rates; Hayward’s ability to service its existing indebtedness and obtain additional capital to finance operations and its growth 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; 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 increases and other inflationary pressures; 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; the impact of product manufacturing disruptions, including as a result of catastrophic and other events beyond our control, including risks associated with geopolitical conflict; impacts on Hayward’s business from the COVID-19 pandemic; and other factors set forth in “Risk Factors” in Hayward’s Annual Report on Form 10-K for the year ended December 31, 2021 and in Hayward’s subsequent SEC filings.

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 after the date of this presentation 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”), including EBITDA, adjusted EBITDA and adjusted EBITDA 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) or other measures of profitability 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. Reconciliation for the forward-looking full year fiscal 2022 adjusted EBITDA outlook is not being provided, as Hayward does not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliation.

Key Messages

Premier company in advantaged industry

- ✓ Favorable secular trends, increasing technology adoption, recurring aftermarket model
- ✓ Leading margins, strong FCF conversion
- ✓ Demonstrated pricing power, structural share gains
- ✓ Sustainable competitive advantages in product/technology leadership, operational excellence

Proactively addressing temporary challenges

- ✓ Resetting H2 2022 expectations to reflect reduced channel inventory levels, macro dynamics, and unfavorable weather in seasonal markets
- ✓ Rightsizing the cost structure to support margins
- ✓ Reducing working capital



POSITIONING THE COMPANY TO DRIVE SOLID LONG-TERM PERFORMANCE AND SHAREHOLDER VALUE CREATION

ABOUT HAYWARD

Discover your best life.

We aim to take the worry out of pool ownership, giving you more moments than responsibilities.



PURE-PLAY POOL EQUIPMENT PROVIDER

Market leading brand in outdoor living space



COMPETITIVE MOAT

Full product line, diverse channel presence, operational excellence, large installed base



LEADING FINANCIAL PERFORMANCE

Robust financial performance with recurring sales model



ABOUT HAYWARD

Discover new efficiencies.

Help us do our part in protecting the environment by upgrading to the latest smart technologies.



LEADERS IN SMARTPAD™ CONVERSION

IoT connected, smart products for total control



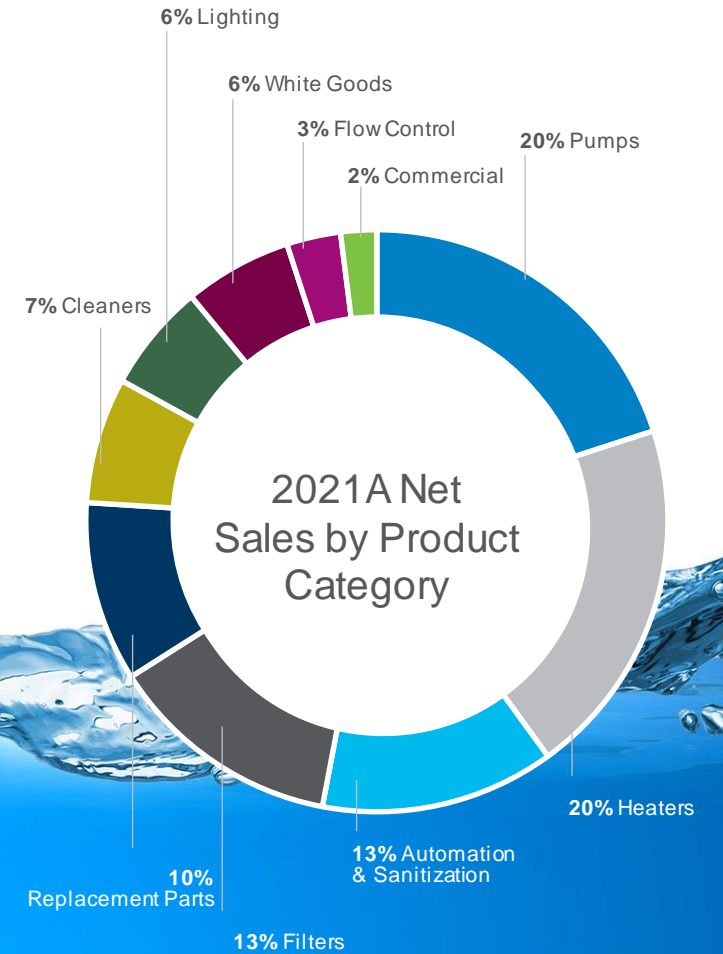
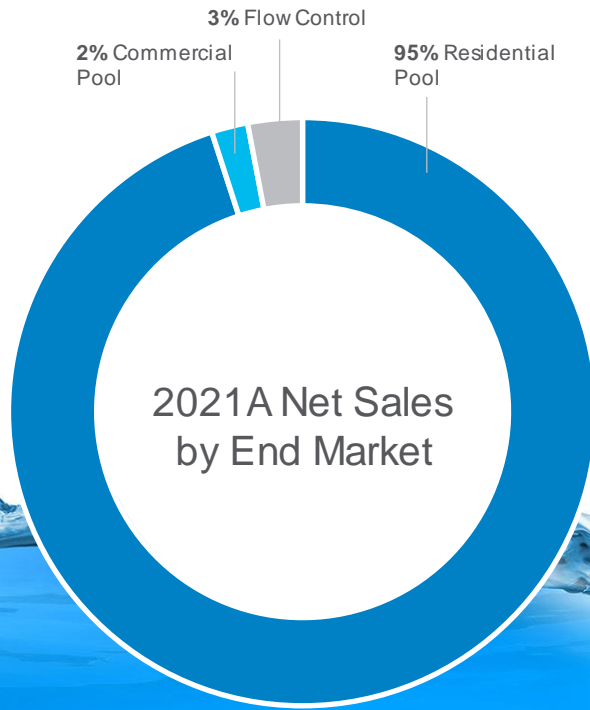
ENVIRONMENTALLY SUSTAINABLE PRODUCTS

Strategic vision to grow the addressable market through key aftermarket conversions



AT A GLANCE

Discover Hayward.



Winning Technology at Heart of SmartPad



#1 TO #7 REPRESENT US INDUSTRY YOY UNIT GROWTH (#1 HIGHEST) FOR TOP 7 PRODUCT SEGMENTS



OUR ESG STRATEGIC PILLARS



STRATEGIC GROWTH DRIVERS

Hayward Drivers of Growth

IoT Digital Leadership	<ul style="list-style-type: none">✓ Launch of new Omni Control derivatives✓ YoY Omni user base increased >64%✓ >94% connected via Smart App
Dealer Conversions	<ul style="list-style-type: none">✓ Business Development roles 100% focus new dealer acquisition✓ Totally Hayward Partners growth >1,000 dealers added YTD
New Product Technologies	<ul style="list-style-type: none">✓ Launched 6 new platform products✓ Acquired 4 companies in Controls, Water Features and Lighting spaces✓ NPI Vitality Index 2Q YTD growth of 29%
Operational Excellence	<ul style="list-style-type: none">✓ Global production YoY growth of 20%✓ US production accounted for ~94% of domestic supply✓ New European facility focused on automation and sanitization
Broad Channel Access	<ul style="list-style-type: none">✓ Growth across diversified Distribution, Retail and Online channels
Environmental Sustainability	<ul style="list-style-type: none">✓ 1.7b kWh saved from VS Pumps & LED Lights✓ 129m lbs Chlorine saved from Salt/UV Ozone✓ 3.9b gallons Water saved from Cartridge filters

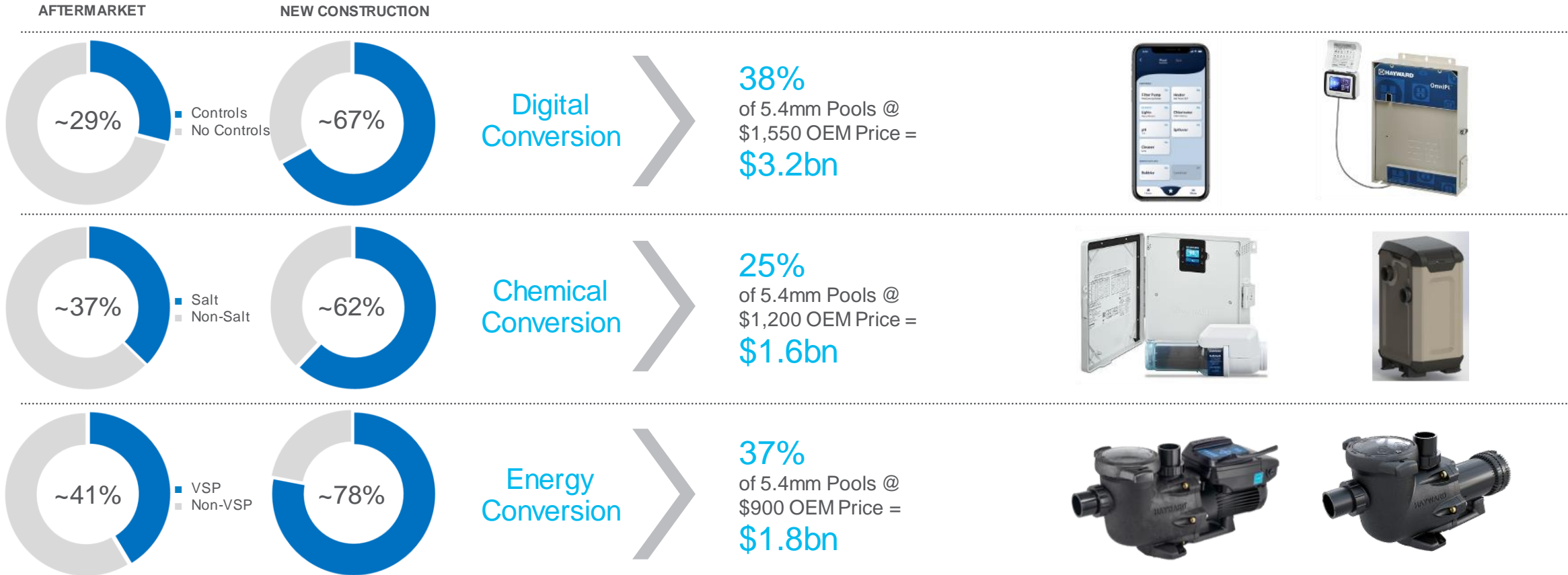
**Hayward's
Strategic Growth
Drivers Delivered**

28%

**YoY LTM
Sales Growth
as of Q2 2022**

SmartPad™ Aftermarket Conversion Upgrades

Key Sustainable Aftermarket Conversion Opportunities Increase TAM



Source: Management Estimates based on US market.

FINANCE

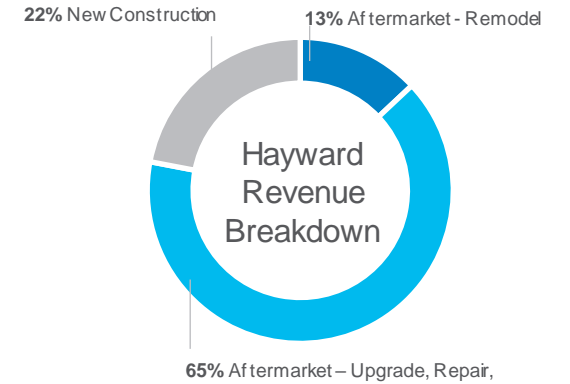
Sustainability of Growth

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

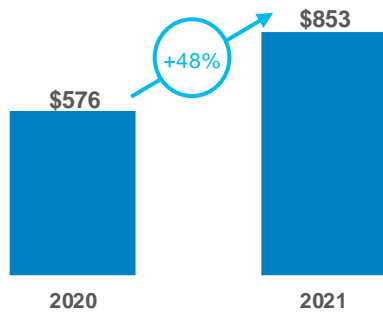
2021 AFTERMARKET GROWTH TO ~80% SALES

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

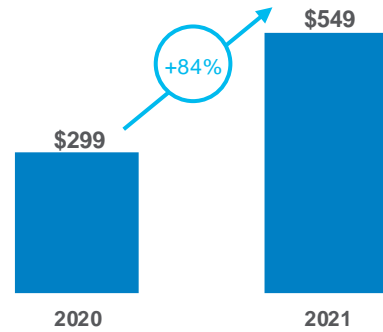


SMARTPAD INCREASING CONTENT/MIX & MARGIN

CORE PRODUCTS

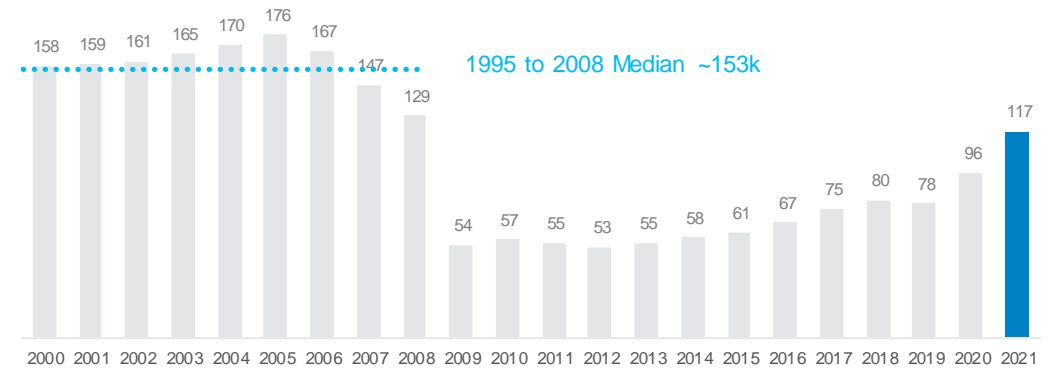


LIFESTYLE PRODUCTS¹



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

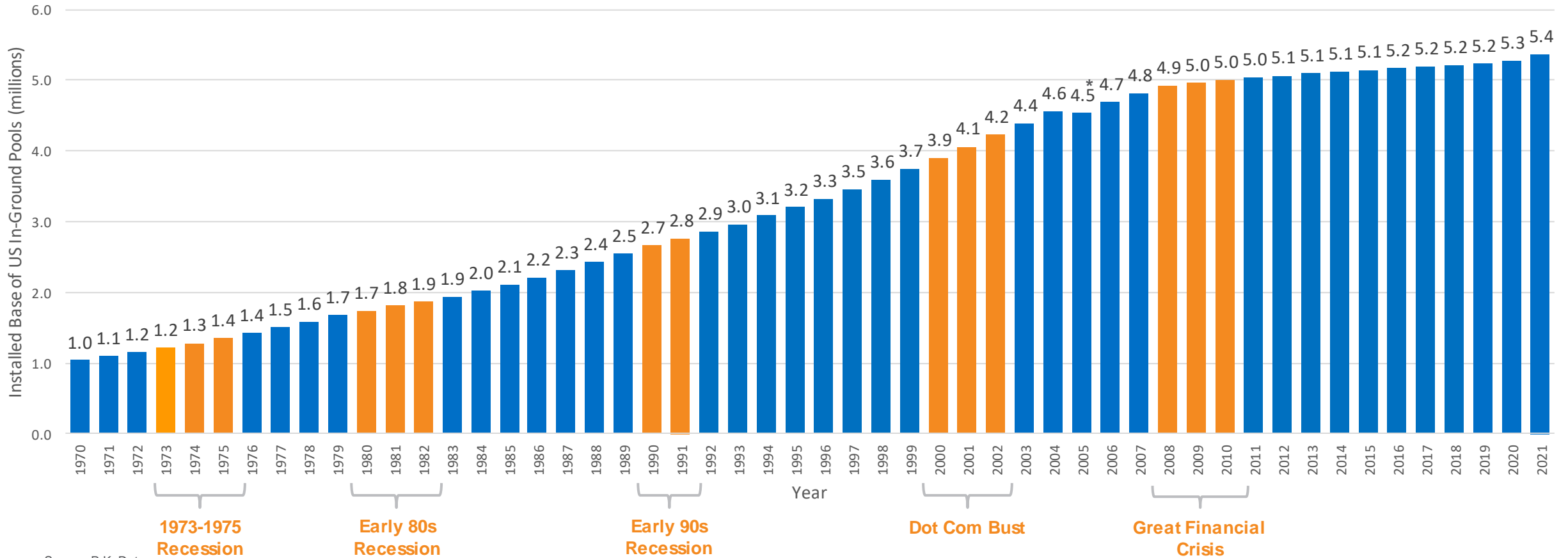
USA IN-GROUND NEW POOL CONSTRUCTION (IN 000'S)



INSTALLED BASE

Resilience of Aftermarket

Large and Growing Installed Base of US In-Ground Pools

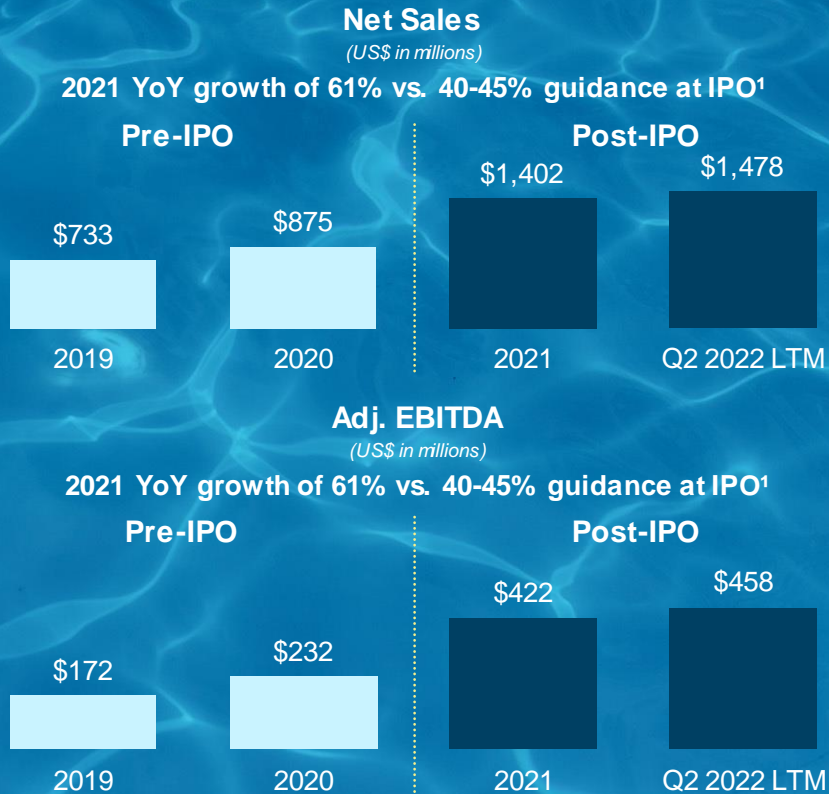


Source: P.K. Data

* Beginning in 2005, P.K. Data factors subtractions of Pools through attrition (by measuring permits for Pools to be removed) as negative input to installed base

Strong Execution Since IPO

Financial Performance



Source: Company financial data. Note: See Appendix for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures. ¹ FY2021 YoY growth guidance per Q1 2021 earnings presentation.

Operational Execution

- ✓ **Record Sales**
Demand for products across segments, increased output, and strategic pricing drives higher sales growth
- ✓ **Increased Product Adoption**
New product technologies increasing market penetration and adoption of Omni Platform
 - Ongoing demand for products in core markets and new product adoption primarily drove strong sales growth in Q2
- ✓ **Enhanced Operations**
Stronger manufacturing footprint supporting supply chain and capacity utilization
 - Allowing for accelerated production capacity despite constrained supply chains
- ✓ **M&A Strategy**
Continued track record with four “tuck-in” acquisitions focused on “connected” pool products

LOOKING AHEAD

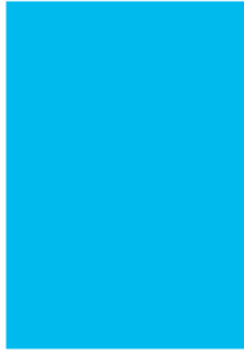
2022 Financial Outlook

CHANGE (USD MILLIONS)

2022 Acquisitions
\$20



Channel Inventory Reduction
of 4-6 Weeks
\$(120)



Demand, Europe, FX
\$(60)



Unfavorable Weather in
Northeast / Midwest US, Canada
\$(40)



Total
\$(200)



UPDATED GUIDANCE (PROVIDED 7/28/2022)
FY2022 Net Sales down 2% to 6% YoY

PRIOR GUIDANCE (PROVIDED 4/28/2022)
FY2022 Net Sales up 9% to 12% YoY

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



PURE PLAY MARKET LEADER IN CONNECTED POOL PRODUCTS, DRIVEN BY INNOVATION AND OPERATIONAL EXCELLENCE



APPENDIX

Non-GAAP Reconciliations



Last Twelve Months Adjusted EBITDA Reconciliation

APPENDIX

(Dollars in thousands)	Last Twelve Months ^(f)	Fiscal Year
	July 2, 2022	December 31, 2021
Net income	\$ 254,334	\$ 203,725
Depreciation	19,175	18,826
Amortization	36,680	38,990
Interest expense	40,774	50,854
Income taxes	73,099	56,416
Loss on extinguishment of debt	—	9,418
EBITDA	424,062	378,229
Stock-based compensation ^(a)	4,372	19,019
Sponsor management fees ^(b)	—	90
Currency exchange items ^(c)	3,979	4,485
Acquisition and restructuring related expense, net ^(d)	20,572	15,030
Other ^(e)	4,932	4,884
Total Adjustments	33,855	43,508
Adjusted EBITDA	\$ 457,917	\$ 421,737
Adjusted EBITDA margin	30.3 %	30.1 %

- (a) Represents non-cash stock-based compensation expense related to equity awards issued to management, employees, and directors. Beginning in the three months ended July 2, 2022, 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"), whereas in prior periods, the adjustment included stock-based compensation expense for all equity awards. Under the historical presentation, the stock-based compensation adjustment for the three and six months ended July 2, 2022 would have been an expense of \$1.9 million and \$2.9 million, respectively.
- (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 the IPO.
- (c) Represents unrealized non-cash losses (gains) on foreign denominated monetary assets and liabilities and foreign currency contracts.
- (d) Adjustments in the last twelve months ended July 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 July 2, 2022 include expenses associated with the discontinuation of a product joint development agreement, follow-on equity offerings, legal reserve and fee expenses, operating losses related to the early stage product business acquired in 2018 mentioned above, and bad debt reserves for certain customers in Russia and Ukraine, partially offset by gains resulting from an insurance policy reimbursement related to the fire incident in Yuncos, Spain.

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, and expenses incurred in preparation with the IPO.

- (f) Last twelve months adjusted EBITDA is calculated as six months ended July 2, 2022 Adjusted EBITDA plus Fiscal Year ended December 31, 2021 Adjusted EBITDA less six months ended July 3, 2021 Adjusted EBITDA.

Adjusted EBITDA & Adjusted EBITDA Margin Reconciliation

APPENDIX

	(Dollars in thousands)		Three Months Ended		Six Months Ended	
	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021
Net income	\$ 66,260	\$ 52,816	\$ 140,292	\$ 89,683		
Depreciation	4,758	4,503	9,598	9,251		
Amortization	9,091	10,105	18,188	20,497		
Interest expense	11,605	12,975	21,167	31,247		
Income taxes	21,079	12,552	44,419	27,736		
Loss on extinguishment of debt	—	3,608	—	9,418		
EBITDA	112,793	96,559	233,664	187,832		
Stock-based compensation ^(a)	315	5,265	1,252	15,899		
Sponsor management fees ^(b)	—	—	—	90		
Currency exchange items ^(c)	3,453	(593)	2,724	3,230		
Acquisition and restructuring related expense, net ^(d)	4,940	1,636	7,211	1,669		
Other ^(e)	6,136	7,527	9,035	8,986		
Total Adjustments	14,844	13,835	20,222	29,874		
Adjusted EBITDA	\$ 127,637	\$ 110,394	\$ 253,886	\$ 217,706		
Adjusted EBITDA margin	32.0 %	30.3 %	31.3 %	31.2 %		

- (a) Represents non-cash stock-based compensation expense related to equity awards issued to management, employees, and directors. Beginning in the three months ended July 2, 2022, 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"), whereas in prior periods, the adjustment included stock-based compensation expense for all equity awards. Under the historical presentation, the stock-based compensation adjustment for the three and six months ended July 2, 2022 would have been an expense of \$1.9 million and \$2.9 million, respectively.
- (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 the IPO.
- (c) Represents unrealized non-cash losses (gains) on foreign denominated monetary assets and liabilities and foreign currency contracts.
- (d) Adjustments in the three and six months ended July 2, 2022 are primarily driven by transaction costs associated with the acquisition of the specialty lighting business of Halco Lighting Technologies, LLC and costs associated with the relocation of the corporate headquarters. Adjustments in the three and six months ended July 3, 2021 are primarily driven by restructuring related costs associated with the exit of a redundant manufacturing and distribution facility.
- (e) Adjustments in the three months ended July 2, 2022 include expenses associated with the discontinuation of a product joint development agreement, costs incurred for follow-on equity offerings in May 2022, which are reported in SG&A in our unaudited condensed consolidated statements of operations, partially offset by gains resulting from an insurance policy reimbursement related to the fire incident in Yuncos, Spain. Adjustments in the three months ended July 3, 2021 include a write-off related to the aforementioned fire in Yuncos, Spain, costs related to our debt refinancing, and operating losses related to an early stage product business acquired in 2018 that was phased out.

Adjustments in the six months ended July 2, 2022 include expenses associated with the discontinuation of a product joint development agreement, follow-on equity offerings in May 2022, which are reported in SG&A in our unaudited condensed consolidated statements of operations, partially offset by gains resulting from an insurance policy reimbursement related to the fire incident in Yuncos, Spain. Also included in the six months ended are bad debt reserves for certain customers in Russia and Ukraine partially offset by collections of these previously reserved receivables. Adjustments in the six months ended July 3, 2021 include a write-off related to the aforementioned fire in Yuncos, Spain, expenses incurred in preparation for the IPO and transaction related bonuses, costs related to our debt refinancing, and operating losses related to an early stage product business acquired in 2018 that was phased out.



THANK YOU

