

Fourth Quarter 2021 Earnings

March 2, 2022

HAYWARD®



Fourth Quarter 2021 Earnings Call

Kevin Holleran
President and Chief Executive Officer

Eifion Jones
Senior Vice President and Chief Financial Officer

Stuart Baker
Vice President of Business Development

NYSE: HAYW

© 2022 Hayward Holdings, Inc.

HAYWARD

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 and other inflation; 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 initial public offering and in Hayward's subsequent SEC filings.

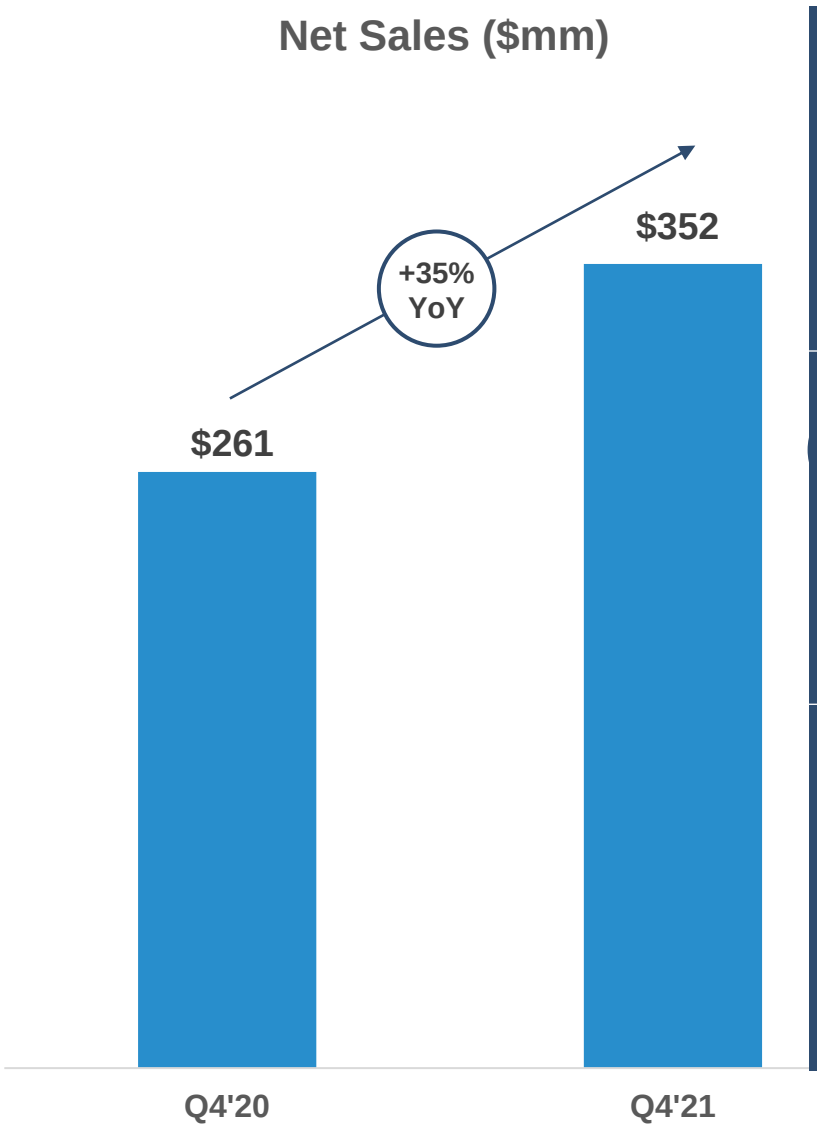
The forward-looking statements in this presentation represent management's views as of the date of this presentation. Unless required by United States federal securities laws, Hayward neither intends nor assumes any obligation to update these forward-looking statements for any reason after the date of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

© 2022 Hayward Holdings, Inc.

Q4 Financial Overview



Strong Sales Growth

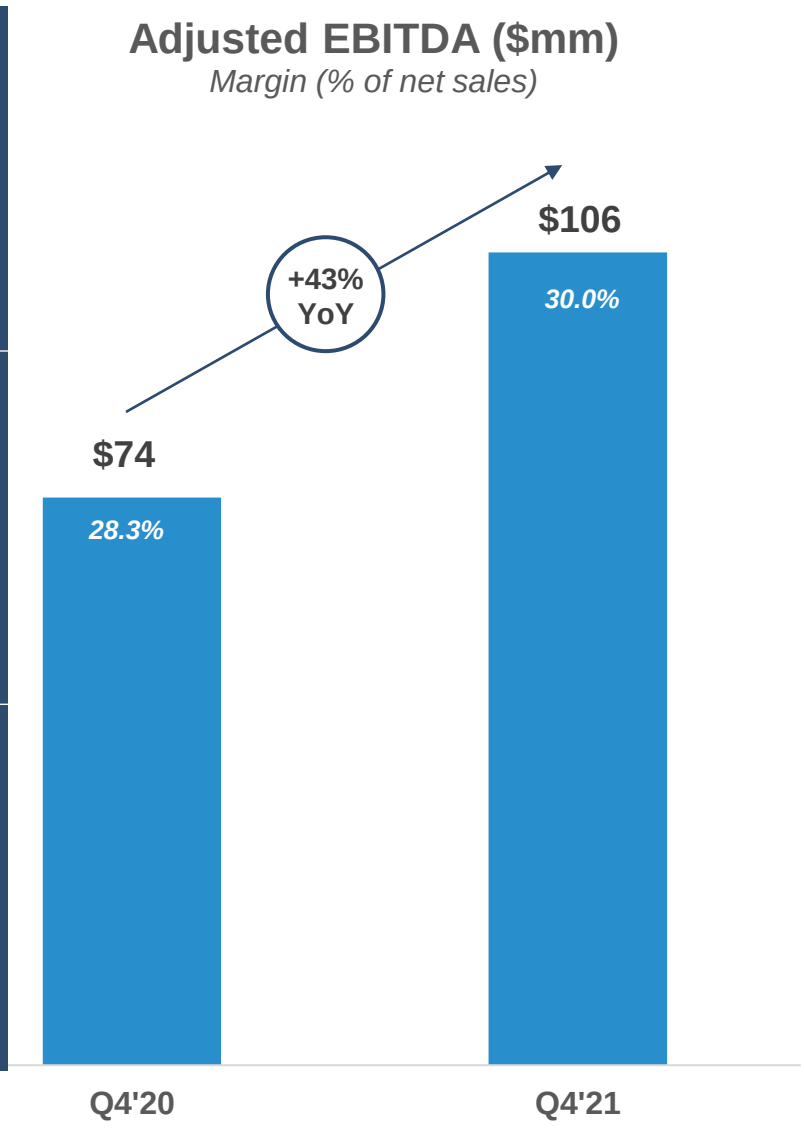
Ongoing demand for products across segments, increased output and strategic pricing drive higher sales growth

Continued Margin Expansion

169 bps in AEBITDA margin driven by higher net sales and operating leverage

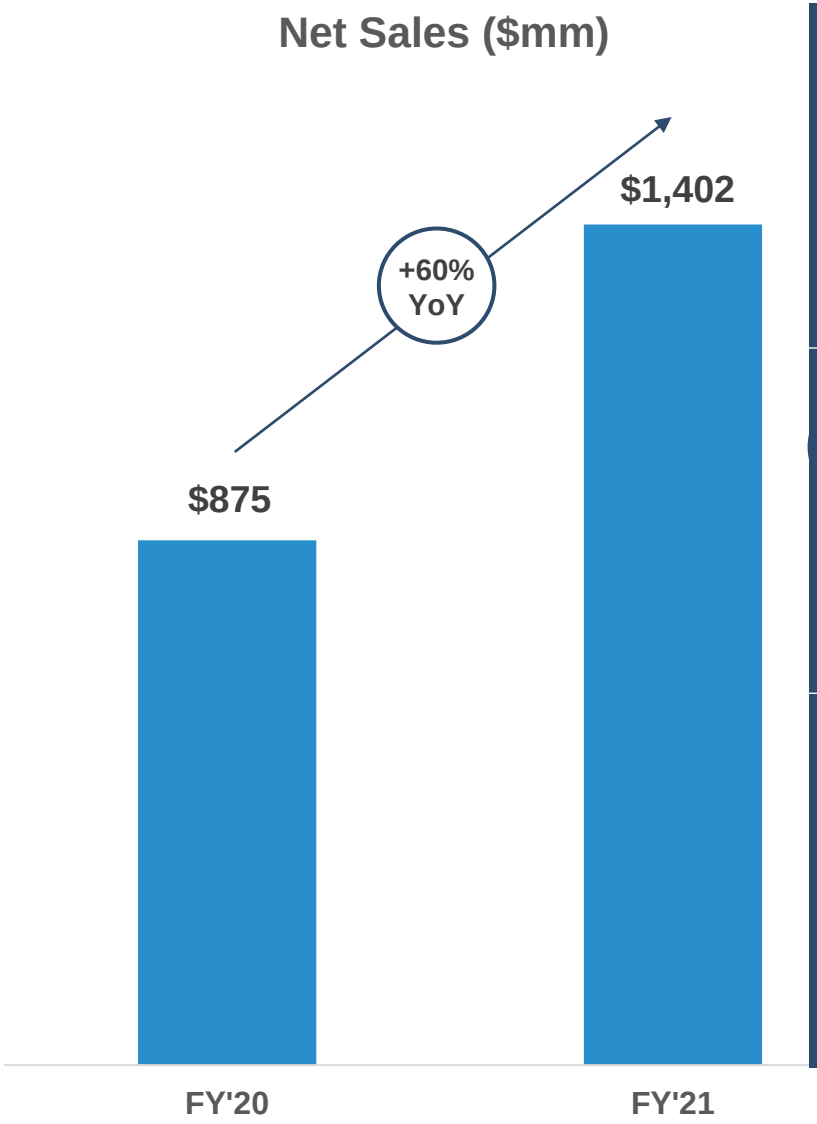
Operations Enabling Performance

Capacity utilization servicing higher volume demand



© 2022 Hayward Holdings, Inc.

FY 2021 Financial Overview



Record Sales Growth

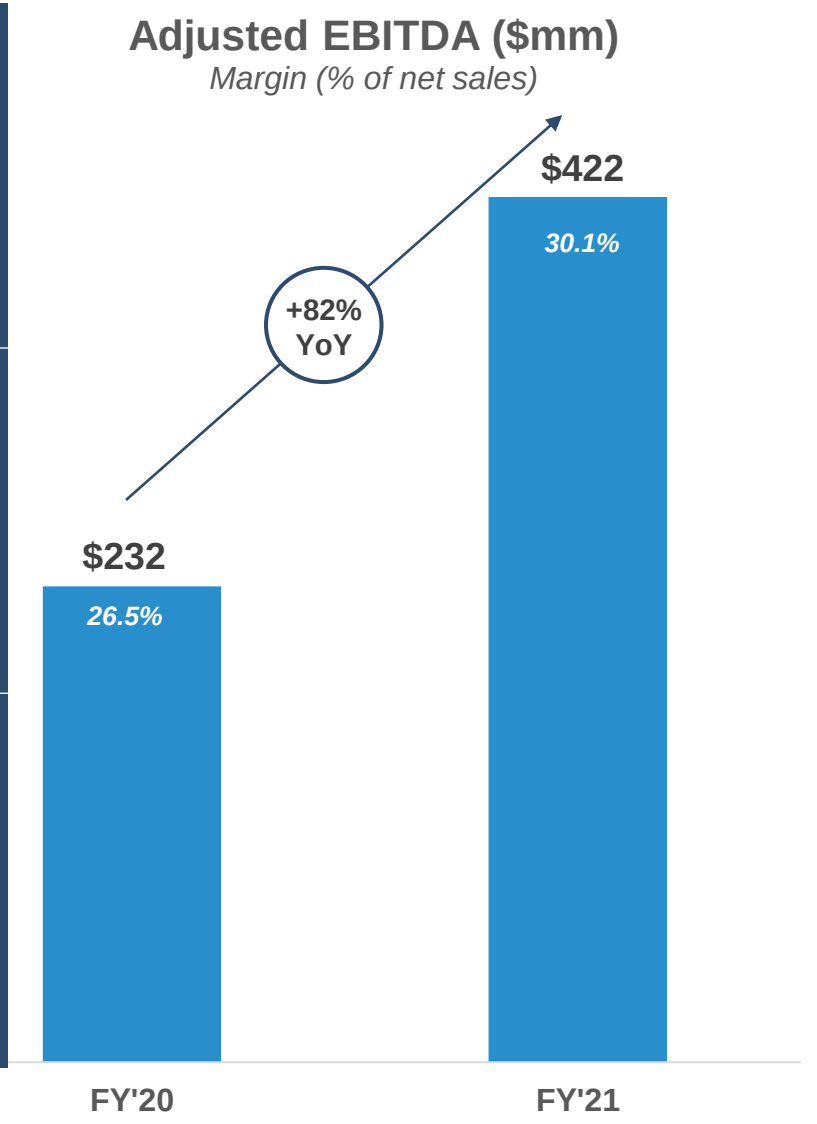
Higher volumes driven by robust demand for equipment and increased market adoption of products

Robust Margin Expansion

363 bps in AEBITDA margin driven by higher net sales and operating leverage

Execution Driving Performance

Increased capacity utilization and improved operations, along with new product introduction, customer growth, digital leadership and omni-channel capabilities supported higher demand levels



© 2022 Hayward Holdings, Inc.

Hayward 2021 Drivers of Growth

IoT Digital Leadership

- ✓ Launch of new Omni Control derivatives
- ✓ YoY Omni user base increased >47%
- ✓ >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 YoY growth 20%

Operational Excellence

- ✓ Global production YoY growth of 54%
- ✓ US production accounted for ~85% of domestic supply

Omni Channel Access

- ✓ Growth across diversified Distribution, Retail and Online channels

Environmental Sustainability

- ✓ 1.3b kWh saved from VS Pumps
- ✓ 108m lbs Chlorine saved from Salt/UV Ozone
- ✓ 3.4b gallons Water saved from Cartridge filters

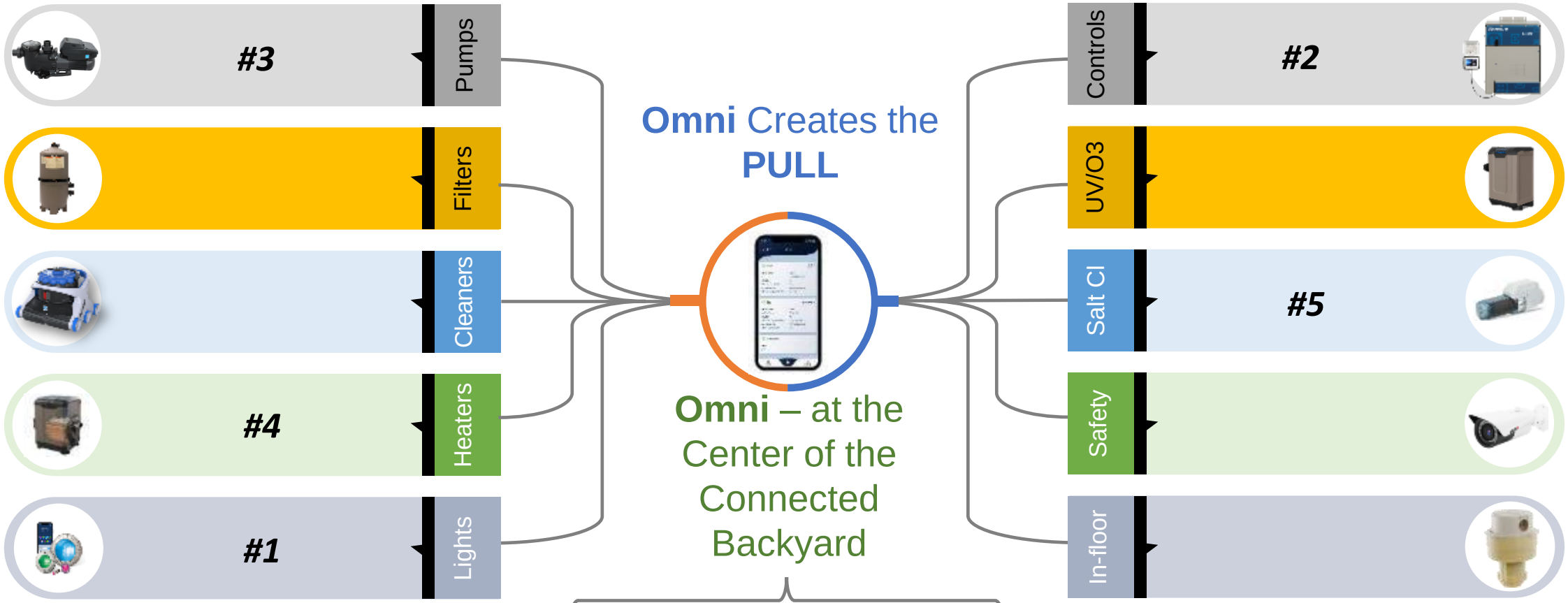
Hayward's Strategic Growth Drivers Delivered 60% YoY Sales Growth in 2021



© 2022 Hayward Holdings, Inc.

HAYWARD

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

© 2022 Hayward Holdings, Inc.

HAYWARD

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.

© 2022 Hayward Holdings, Inc.

HAYWARD

US Pool Market SmartPad™ New Construction & Remodel Annuity

New Construction/Aftermarket Remodel Lifetime Annuity Value

Technology, feature-rich pools increase TAM in
Year 1 at Construction then create an Aftermarket annuity 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

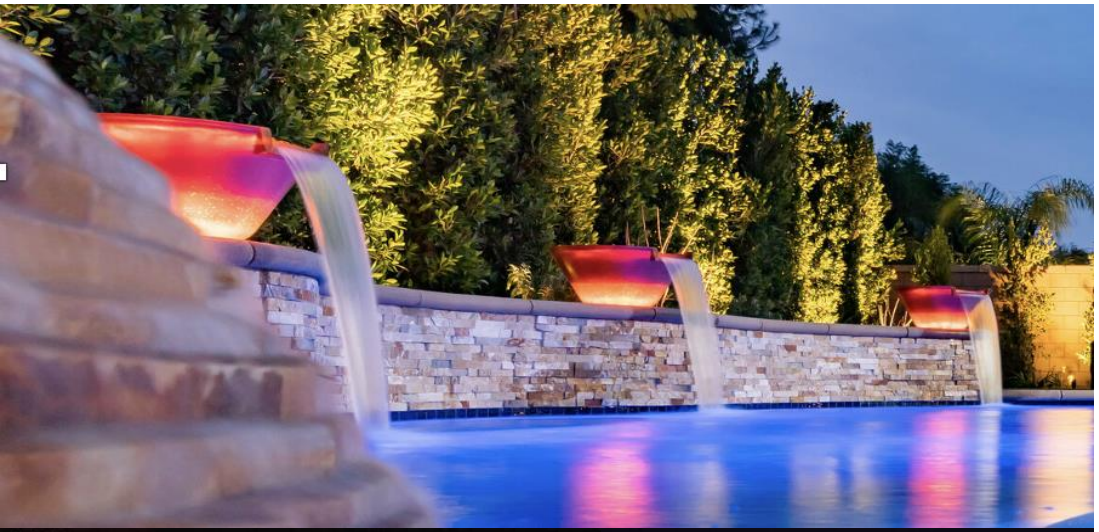
Over ~30 year life of Pool, equipment replaced 2 times

Lifetime Annuity of Incremental $21,000 per Pool

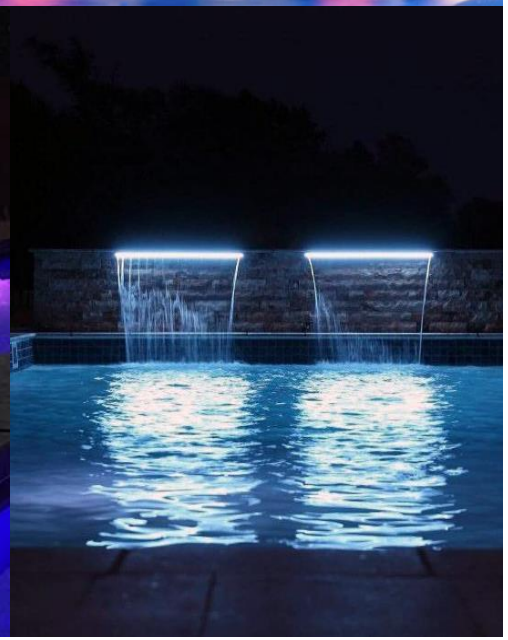
Source: Management Estimates based on US market.

© 2022 Hayward Holdings, Inc.

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)

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

© 2022 Hayward Holdings, Inc.

HAYWARD

Fourth Quarter 2021 Highlights

+35% YoY
Net Sales growth

Net Sales of $352 million

- ✓ Higher volumes driven by new product adoption & SmartPad conversion
- ✓ Accelerated production capacity despite constrained supply chains
- ✓ Achieved record daily shipment rates of $5.9 million

+41% YoY
Gross Profit growth

Gross Profit of $165 million, 46.9% of Net Sales

- ✓ Margins expanded by 188 basis points YoY
- ✓ Benefited from increased volumes and favorable mix
- ✓ Strategic pricing actions to substantially offset inflationary pressures

+43% YoY
Adj. EBITDA[1] growth

Adj. EBITDA[1] of $106 million, 30.0% of Net Sales

- ✓ Margins expanded by 169 basis points YoY
- ✓ Driven by net sales increase and leverage across the cost base

1.7x
Net Debt / LTM Adj. EBITDA[1]

Net Debt $737 million / LTM Adj. EBITDA[1] $422 million

- ✓ IPO proceeds reduced leverage and increased financial flexibility
- ✓ Continued strong cash flow generation and adjusted EBITDA growth

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

© 2022 Hayward Holdings, Inc.

HAYWARD

Full Year 2021 Highlights

+60% YoY
Net Sales growth

Net Sales of $1,402 million

- ✓ Secular trends in outdoor living and conversion drove robust demand
- ✓ Increased market adoption of new products and technologies
- ✓ Investments in capacity and distribution increased output levels

+65% YoY
Gross Profit growth

Gross Profit of $656 million, 46.8% of Net Sales

- ✓ 143 basis points of margin expansion
- ✓ Improvement the result of volume, price and regional mix

+82% YoY
Adj. EBITDA[1] growth

Adj. EBITDA[1] of $422 million, 30.1% of Net Sales

- ✓ Strategic investments in operations and supply chain
- ✓ Met increased customer demand despite challenging supply conditions

~80% of Sales
From Resilient Aftermarket

Expanded Share of Pool Pad through Product Innovation

- ✓ Aftermarket driven by repair & replacement and upgrade
- ✓ Focused on key conversion trends around SmartPad technology
- ✓ Leveraged increased adoption of Omni automation

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

© 2022 Hayward Holdings, Inc.

HAYWARD

North America Q4 Segment Overview

Net Sales	**$298 million** *+39.9% YoY*	✓ Higher demand for environmentally sustainable, automated products ✓ Increased production levels to meet sustained demand
Gross Profit Margin	**47.8%** *+73 bps YoY*	✓ Inflationary environment and supply chain disruptions lead to higher costs ✓ Realized benefit from previously enacted strategic pricing actions
Segment Income	**$93 million** *+70.2% YoY*	✓ Segment income margin improved 560 bps YoY to 31.2% ✓ Higher sales, slightly offset by higher volume-driven SG&A
Adjusted Segment Income	**$103 million** *+52.7% YoY*	✓ Adjusted segment income margin improved 300 bps YoY to 34.7%

© 2022 Hayward Holdings, Inc.

HAYWARD

North America FY 2021 Segment Overview

Net Sales	**$1,161 million** *+64.3% YoY*	✓ Higher volumes in residential pool equipment sales ✓ Favorable pricing and foreign currency
Gross Profit Margin	**48.2%** *+79 bps YoY*	✓ Benefiting from net sales growth, manufacturing leverage and cost savings ✓ Offsetting inflationary increases from raw materials and freight
Segment Income	**$360 million** *+109.5% YoY*	✓ Segment income margin improved 668 bps YoY to 31.0% ✓ Higher sales, slightly offset by higher volume-driven SG&A
Adjusted Segment Income	**$396 million** *+91.6% YoY*	✓ Adjusted segment income margin improved 486 bps YoY to 34.1%

© 2022 Hayward Holdings, Inc.

HAYWARD

Europe & ROW Q4 Segment Overview

Net Sales	**$55 million** *+14.3% YoY*	✓ Sustained market demand in Europe and strong recovery in Asia ✓ Significant volume growth on top of strong prior year growth
Gross Profit Margin	**42.5%** *+630 bps YoY*	✓ Favorable product mix and accelerated price realization ✓ Partially offset by higher raw material and shipping costs
Segment Income	**$21 million** *+114.4% YoY*	✓ Segment income margin improved to 39.0% from 20.8% in prior year ✓ Higher sales and improved profitability
Adjusted Segment Income	**$16 million** *+39.4% YoY*	✓ Adjusted segment income margin improved 540 bps YoY to 29.9%

© 2022 Hayward Holdings, Inc.

HAYWARD

Europe & ROW FY 2021 Segment Overview

Net Sales	**$241 million** *+42.7% YoY*	✓ Sustained market demand and reopening of economies ✓ Strong volume growth, favorable pricing and foreign currency
Gross Profit Margin	**40.2%** *+323 bps YoY*	✓ Favorable product mix and volume leverage ✓ Partially offset by higher materials and shipping costs
Segment Income	**$59 million** *+92.2% YoY*	✓ Segment income margin improved 633 bps YoY to 24.6% ✓ Increased sales and improved profitability
Adjusted Segment Income	**$61 million** *+78.5% YoY*	✓ Adjusted segment income margin improved 510 bps YoY to 25.4%

© 2022 Hayward Holdings, Inc.

HAYWARD

Core Values Drive Commitment to ESG

Environmental

- ✓ Focus on energy efficient, water conserving and chemical avoidant products
- ✓ 2021 Energy Star® Award
- ✓ Commitment to recycling
- ✓ ~70% of molding machines are electric or hybrid



Social

- ✓ Diversity, Equity, and Inclusion
- ✓ Safety procedures aligned with OSHA standards
- ✓ >500 employees submitted safety improvements implemented annually

Governance

- ✓ Global ethics reporting platform
- ✓ ESG metrics reported to senior leadership
- ✓ Board structure with committee charters

Recent Developments

- ✓ Completed Global Employee Engagement Review
- ✓ Platinum Sponsorship of “Step Into Swim”
  - Charity providing swimming lessons to underprivileged



- ✓ Inaugural ESG report to be published in 2022

Core Values

Focus on more environmentally sustainable products

Responsible manufacturing practices

Commitment to a safe and inclusive workplace

Clear governance and compliance practices

© 2022 Hayward Holdings, Inc.

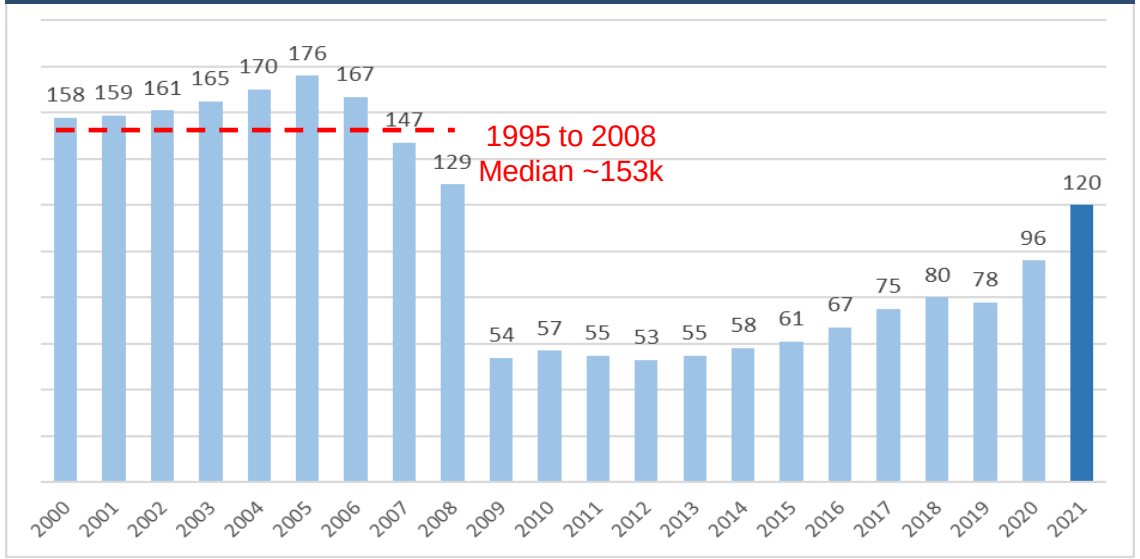
HAYWARD

Sustainability of Growth

Macroeconomics

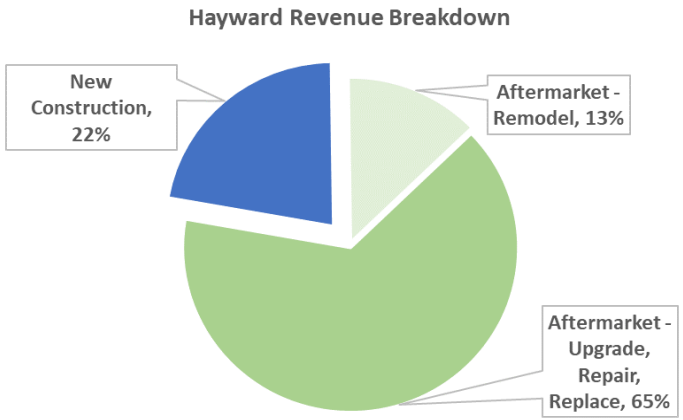
- ✓ Strong long-term secular trends continue
  - Deurbanization, Migration to sunbelt, Millennial buyers, WFH
- ✓ Key economic indicators remain positive
  - Employment, Residential Investment, Home Prices & Equity
- ✓ Remodeling activity is strong
  - Focus on home renovation, RMI strong

USA In-Ground New Pool Construction

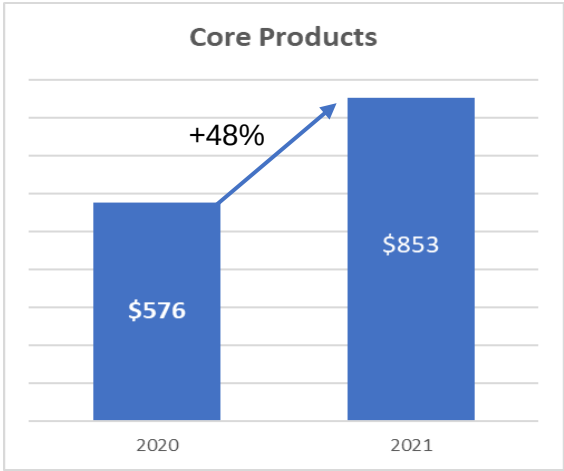


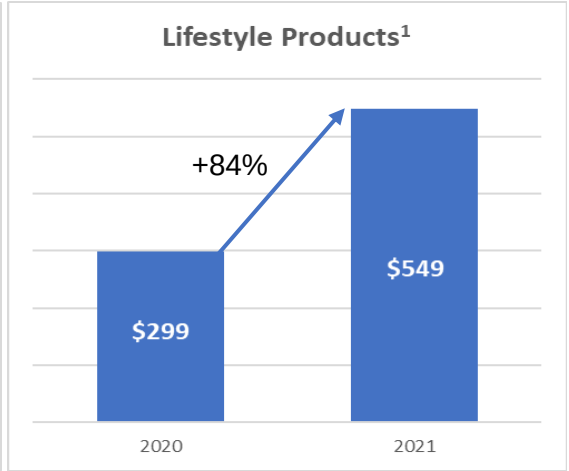
2021 Aftermarket Growth to ~80% Sales

- ✓ Average age of Pools record >22 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

© 2022 Hayward Holdings, Inc.

HAYWARD

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 demand trends and expected conversion of 2022 order file
- ✓ Price realization to offset inflation driven by material availability, labor & logistics
- ✓ Continued broad based strength across products & new SmartPad technology adoption
- ✓ 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

© 2022 Hayward Holdings, Inc.

HAYWARD

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

(In thousands)	Three Months Ended		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net income	$ 63,721	$ 19,799	$ 203,725	$ 43,302
Depreciation	4,730	4,292	18,826	18,783
Amortization	8,087	11,217	38,990	44,039
Interest expense	8,557	19,446	50,854	73,615
Income taxes	14,344	6,585	56,416	14,483
Loss on extinguishment of debt	—	—	9,418	—
EBITDA	99,439	61,339	378,229	194,222
Stock-based compensation(a)	2,636	(16)	19,019	1,946
Sponsor management fees(b)	—	199	90	796
Currency exchange items(c)	106	(1,943)	4,485	(4,721)
Acquisition and restructuring related expense, net(d)	12,578	1,742	15,030	19,311
Other(e)	(9,056)	12,485	4,884	19,997
Total Adjustments	6,264	12,467	43,508	37,329
Adjusted EBITDA	105,703	73,806	$ 421,737	$ 231,551
Adjusted EBITDA margin	30.0 %	28.3 %	30.1 %	26.5 %

(a) Represents stock based compensation expense related to equity awards issued.

(b) Represents discretionary fees paid to certain of our Sponsors for management 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 our IPO.

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

(d) Adjustments for the fiscal quarter ended December 31, 2021 include $9.9 million of business restructuring related costs associated with the exit of an early stage product business acquired in 2018, and $2.6 million severance and retention costs associated with the relocation of our Corporate headquarters. Adjustments for the fiscal quarter ended December 31, 2020 include $1.8 million of business restructuring related costs associated with the exit of manufacturing and distribution facilities. Costs associated with an early stage product business acquired in 2018 and being phased out in 2021 that were recorded in prior periods have been reclassified from "Acquisition and restructuring related expense, net" to "Other" to be consistent with the current period's presentation.

Adjustments for the year ended December 31, 2021 primarily include $9.9 million of business restructuring related costs associated with the exit of an early-stage product business acquired in 2018, $3.0 million severance and relocation costs associated with the relocation of our Corporate headquarters, and $2.1 million of business restructuring related costs associated with the exit of redundant manufacturing and distribution facilities. Adjustments in 2020 include business restructuring costs related to a global manufacturing and distribution consolidation and expansion project. 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 for the fiscal quarter ended December 31, 2021 primarily include $12.8 million income related to the property damage and business interruption as a result of the second quarter fire accident in Yuncos, Spain for which payment was received in the fourth quarter as well as $2.5 million of operating losses associated with the early stage product business mentioned above, and other immaterial items. Adjustments for the fiscal quarter ended December 31, 2020 include $2.1 million of operating losses related to an early stage product business purchased in 2018 that were recorded in prior periods as restructuring related costs, $4.0 million of inventory write-offs, $2.3 million of severance and retention costs, $2.0 million of IPO related costs, $0.6 million of additional health and safety expenses related to COVID-19, $0.6 million for a legal settlement, and other miscellaneous costs that we believe are not representative of our ongoing business operations.

Adjustments for the year ended December 31, 2021 primarily include $7.4 million net insurance settlement proceeds which reflects an incurred property damage loss of $5.4 million, recorded in the second quarter, offset by insurance policy reimbursement of $12.8 million received in the fourth quarter for the aforementioned property loss as well as the consequential business interruption loss amount caused by the fire incident in Yuncos Spain, a $4.0 million legal reserve and fees, $4.0 million of operating losses related to the early stage product business acquired in 2018 mentioned above, $1.9 million related to debt refinancing, $1.0 million related to our IPO, and other immaterial items. Adjustments for the year ended December 31, 2020 include $5.1 million of operating losses related to the same early stage product business, $4.0 million of inventory write-offs, $2.5 million of COVID-19 related health and safety expenses, $2.3 million of severance and retention costs, $2.0 million of IPO related costs, $1.1 million for a legal settlement, and other miscellaneous costs that we believe are not representative of our ongoing business operations.

© 2022 Hayward Holdings, Inc.

Adjusted Segment Income Reconciliation

(In thousands)

NAM	Three Months Ended		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Segment income	$ 92,866	$ 54,572	$ 359,886	$ 171,815
Depreciation	4,218	3,771	16,871	16,568
Amortization	1,611	1,948	6,351	6,233
Stock-based compensation	1,323	(73)	8,641	1,183
Other [(a)]	3,114	7,320	4,665	11,105
Total adjustments	10,266	12,966	36,528	35,089
Adjusted segment income	$ 103,132	$ 67,538	$ 396,414	$ 206,904
Adjusted segment income margin	34.7 %	31.7 %	34.1 %	29.3 %

(a) Adjustments for the fiscal quarter ended December 31, 2021 are primarily related to the operating losses of approximately $2.5 related to an early stage product business acquired in 2019 that was phased out in 2021. Adjustments for the fiscal quarter ended December 31, 2020 are primarily related to $3.5 million adjustment for inventory obsolescence and operating losses of $2.1 million related to an early stage product business acquired in 2018 that was phased out in 2021 as well as additional health and safety expenses associated with COVID-19.

Adjustments for the year ended December 31, 2021 and December 31, 2020 include non-recurring severance expenses, retention bonuses, legal fees, and the operating losses of approximately $4.0 million and $5.1 million, respectively, related to an early stage product business acquired in 2018 that was phased out in 2021. The operating losses that were recorded in prior periods under "Acquisition and restructuring related expense, net" have been reclassified to "Other" to be consistent with the current period's presentation. The remaining adjustments for Fiscal Year 2020 include professional fees, additional health and safety expenses related to COVID-19, additional reserves for obsolete and nonsalable inventories and other miscellaneous costs we believe are not representative of our ongoing business operations.

E&RW	Three Months Ended		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Segment income	$ 21,367	$ 9,968	$ 59,195	$ 30,804
Depreciation	177	560	1,020	1,514
Amortization	1	—	1	—
Stock-based compensation	4	24	590	338
Other [(a)]	(5,157)	1,231	283	1,580
Total adjustments	(4,975)	1,815	1,894	3,432
Adjusted segment income	$ 16,392	$ 11,783	$ 61,089	$ 34,236
Adjusted segment income margin	29.9 %	24.6 %	25.4 %	20.3 %

(a) The fiscal quarter ended December 31, 2021 includes $5.4 million insurance proceeds associated with the fire incident in our Spain facility. The twelve months ended December 31, 2021 includes $5.4 million of costs related to a fire at our manufacturing and administrative facilities in Yuncos Spain incurred in the second quarter of 2021 that were offset by the insurance proceeds received in the fourth quarter of 2021. The fiscal quarter and year ended December 31, 2020 include additional reserves for obsolete and nonsalable inventories, COVID-19 related health and safety expenses, and other miscellaneous costs we believe are not representative of our ongoing business operations. Currency exchange items have been reclassified from "Currency exchange items" to "Other" to be consistent with the current period's presentation.

© 2022 Hayward Holdings, Inc.

HAYWARD