

First Quarter 2021 Earnings

May 5, 2021

HAYWARD®



First Quarter 2021 Earnings Call

Kevin Holleran
President and Chief Executive Officer

Eifion Jones
Senior Vice President and Chief Financial Officer

NYSE: HAYW

© 2021 Hayward Holdings, Inc.

HAYWARD

Cautionary Statement

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements and information relating to the Company 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 the Company's 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 that are not historical facts. When used in this presentation, words such as "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.

The Company 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 the Company's business, financial condition and results of operations. Important factors that could affect the Company'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; 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; 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; 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 the Company's initial public offering.

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, the Company 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 adjusted net income, EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted segment income, adjusted segment income margin and net debt. 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 loss or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company'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 these non-GAAP measures to the most directly comparable GAAP measures.

© 2021 Hayward Holdings, Inc.

HAYWARD

First Quarter 2021 Highlights

96% YoY[1]
Net Sales growth

→ Record Net Sales of $334 million, LTM[2] >$1 billion

+340bps YoY
Gross Profit Margin expansion

→ Gross Profit of $159.9 million, 47.8% of Net Sales

+200% YoY
Adjusted EBITDA growth

→ Adjusted EBITDA of $107 million, 32.1% of Net Sales

3.3x
Net Debt / LTM AEBITDA

→ Net Debt $993 million / LTM AEBITDA $303 million

1. *Year-over-Year ("YoY")*
2. *Last twelve months ("LTM")*

© 2021 Hayward Holdings, Inc.

HAYWARD

2021 Financial Outlook

Full Year

- ✓ Net Sales growth 40% to 45% YoY
- ✓ Adjusted EBITDA[1] of $360 to $390 million; up 55% to 68% YoY

Outlook Reflects:

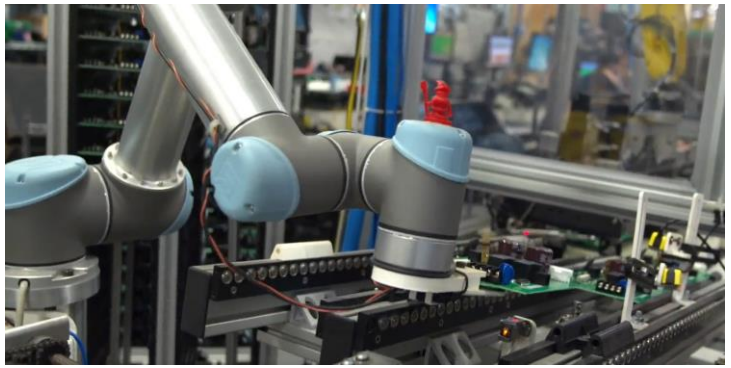
- ✓ Strong Q1 results and increased visibility into 2021 with robust backlog
- ✓ Continued broad based strength across products
- ✓ Market demand to remain healthy for 2021 and beyond

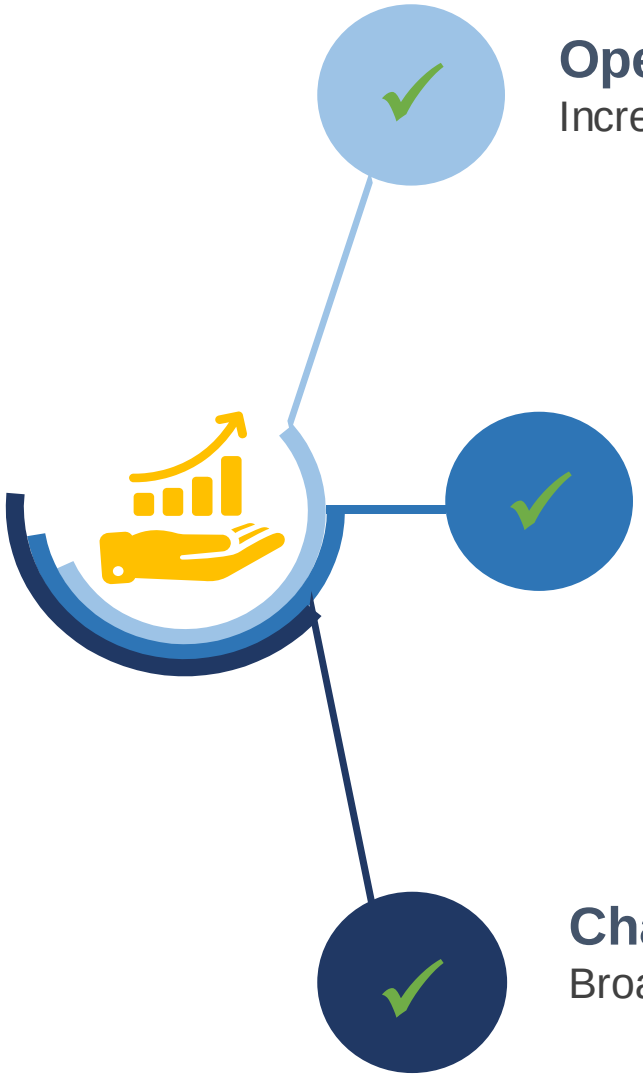
[1]Reconciliation for the full-year fiscal 2021 Adjusted EBITDA outlook is not being provided, as Hayward does not currently have sufficient data to accurately estimate variables and individual adjustments for such reconciliation

© 2021 Hayward Holdings, Inc.

HAYWARD

What Makes Us Different?





Operational Excellence

Increased Q1 production >75% YoY

Innovative, ESG Product Focus

Attractive new solutions – grows the market and Hayward share



OmniLogic Automation



AquaRite
Salt Chlorine Generators



Variable Speed Pumps

Channel Presence

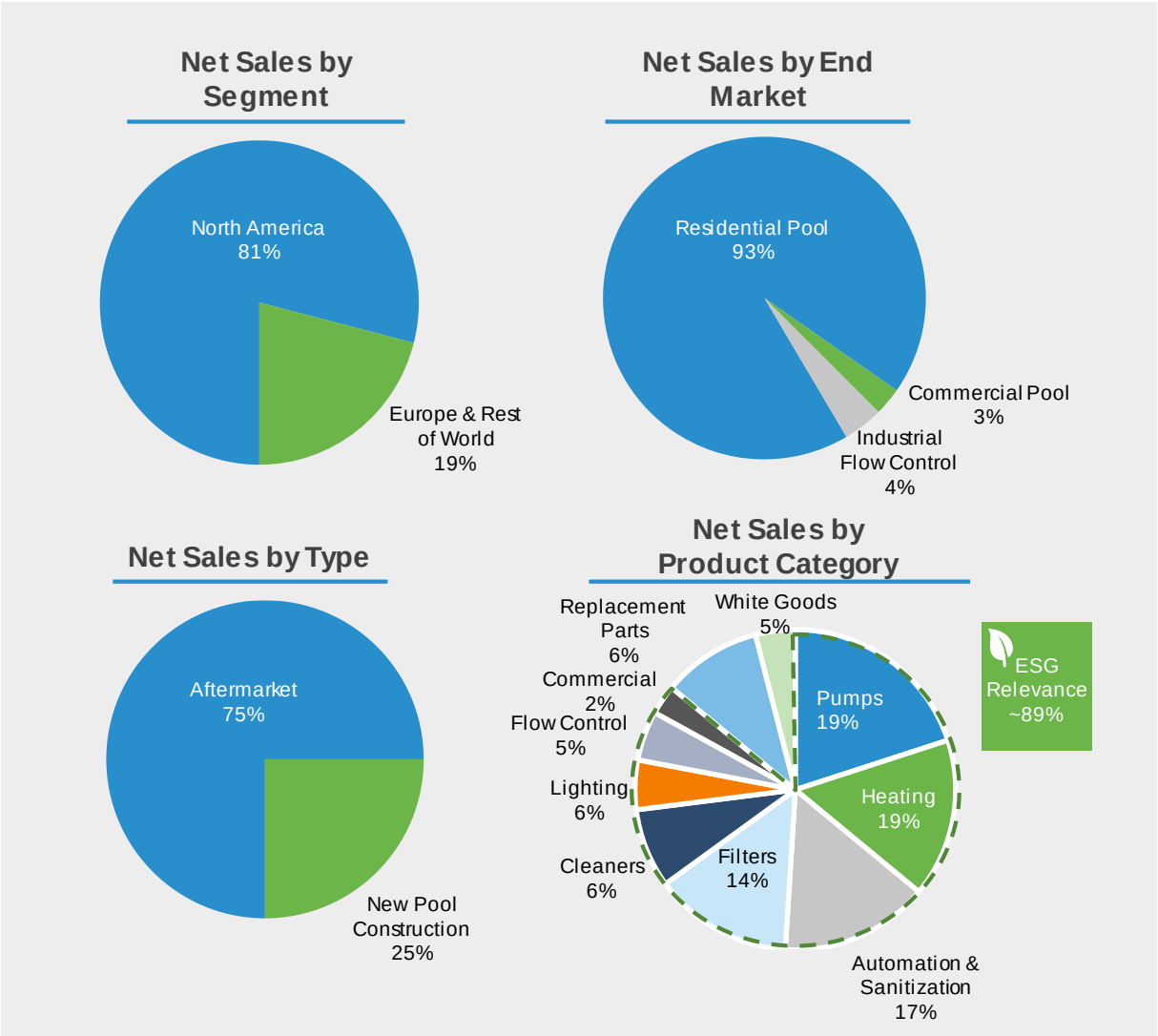
Broad, longstanding relationships



© 2021 Hayward Holdings, Inc.

HAYWARD

Hayward at a Glance



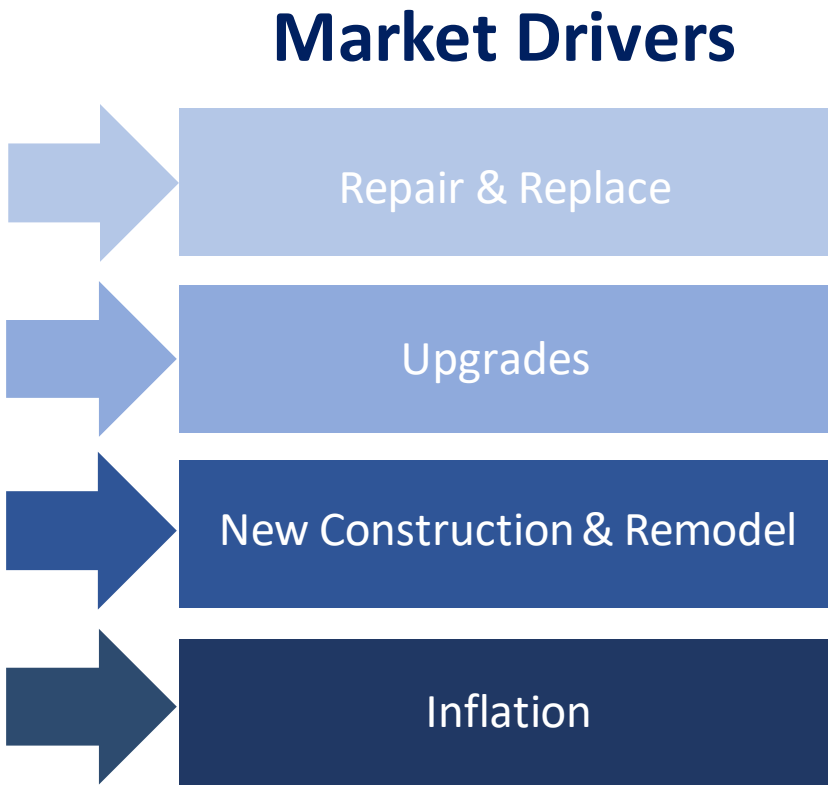
2020 Full Year Net Sales

- ✓ Market leader in rapidly growing outdoor living space
- ✓ Pure-play pool equipment provider
- ✓ Leading financial performance

© 2021 Hayward Holdings, Inc.

Acceleration of Strong Secular Trends Support Long-Term Growth

- ✓ Continued expansion of large after-market annuity
- ✓ Demand for higher functioning, sustainable, connected products
- ✓ Home investment and outdoor living trends
- ✓ Inflation management

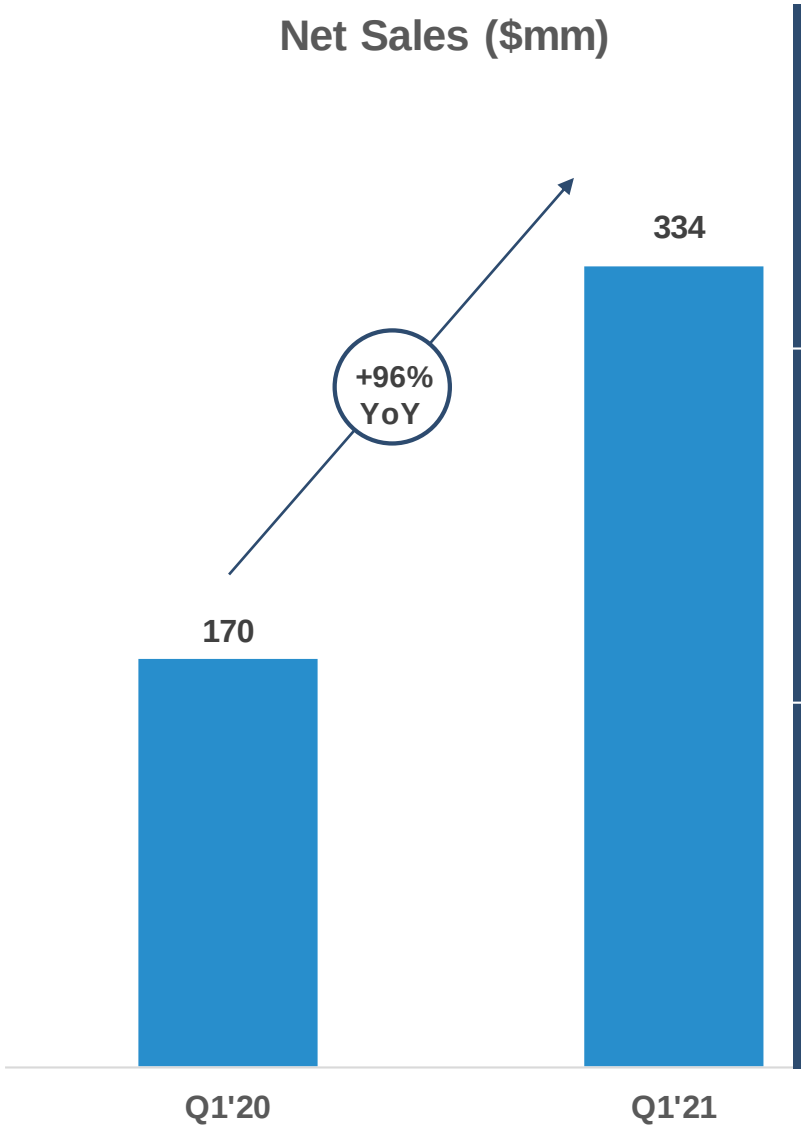


Trend for outdoor living is accelerating historical market growth drivers of +6% to +8% to new long-term levels

© 2021 Hayward Holdings, Inc.

HAYWARD

Q1 Financial Overview



Strong Sales Growth

Demand increased across all end markets, expanded production capacity

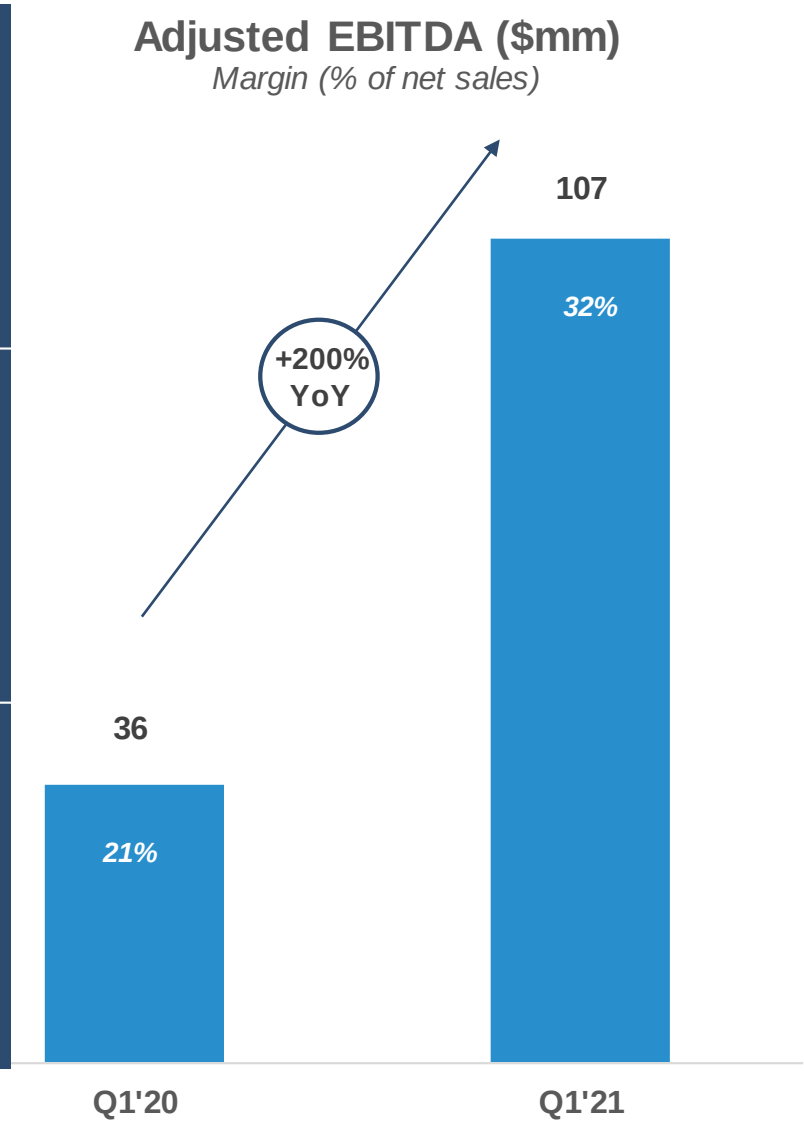
Significant Margin Expansion

Improvement of 340 bps in gross profit margin & 1,110 bps in AEBITDA margin

Driven by volume leverage and pricing

Driving Record Performance

Increased production delivering higher sales and improved margin profile



© 2021 Hayward Holdings, Inc.

North America Segment Q1 Overview

Net Sales	**$272 million** *+105% YoY*	✓ Robust opening order file with continued in-quarter demand ✓ Increased production capacity to support demand
Gross Profit Margin	**49.6%** *+350bps YoY*	✓ Driven by volume leverage and price realization ✓ Strategic buying actions mitigated higher inflation
Segment Income	**$86 million** *+280% YoY*	✓ Segment income margin improved 1,450 bps YoY to 31.6% ✓ Higher sales, slightly offset by higher volume-driven SG&A
Adjusted Segment Income	**$96 million** *+220% YoY*	✓ Adjusted segment income margin improved 1,270 bps YoY to 35.3%

© 2021 Hayward Holdings, Inc.

HAYWARD®

Europe & ROW Q1 Segment Overview

Net Sales	**$63 million** *+66% YoY*	✓ Sales driven by strong demand and favorable FX impact ✓ Focused go-to-market model driving European growth
Gross Profit Margin	**40.1%** *+200bps YoY*	✓ Favorable product mix from sanitization and heat pumps ✓ Price realization ✓ Production leverage
Segment Income	**$15 million** *+166% YoY*	✓ Segment income margin improved 890 bps YoY to 23.7% ✓ Higher volume, price, favorable mix, and tailwind from foreign currency
Adjusted Segment Income	**$16 million** *+147% YoY*	✓ Adjusted segment income margin improved 820 bps YoY to 25.1%

© 2021 Hayward Holdings, Inc.

HAYWARD

Core Values Drive Commitment to ESG

Environmental

- ✓ Environmentally sustainable products
- ✓ Safe-use product training
- ✓ Responsible manufacturing



Social

- ✓ Culture of diversity and inclusion
- ✓ Fair wage and career advancement
- ✓ Focus on safety, health and wellness

Governance

- ✓ Ethics and integrity are core to our business
- ✓ ESG governance and reporting
- ✓ Board structure
- ✓ Leadership competencies and values based policies

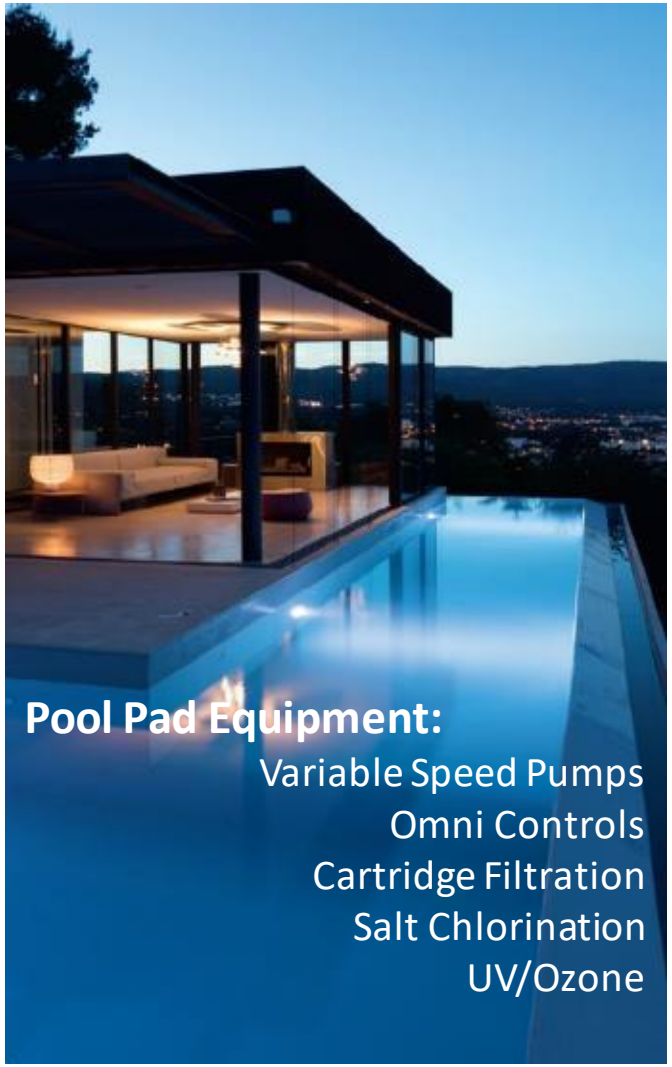
© 2021 Hayward Holdings, Inc.

New Product Innovation Focus on ESG

90%
Reduction in energy use
1.1bn
kWh saved from variable speed pumps

50%
Reduction in chlorine use
81m lbs
Less chemical chlorine by salt/UV/ozone

16%
Reduction in water use
2bn
Gallons of water saved through cartridge filtration





© 2021 Hayward Holdings, Inc.

HAYWARD

Hayward's Value Proposition



Pure Play Market Leader in Growing Outdoor Living Sector

IoT Enabled and Environmentally Conscious Product Innovation

Competitive Moat - Scale, Brand, and Large Installed Base

Recurring Sales Model Provides Stable Growth

Growth Initiatives Creating Incremental Value



Appendix

Non-GAAP Reconciliations

Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation

Following is a reconciliation from net income to adjusted EBITDA (in millions):

	Three Months Ended		Increase (Decrease)	Percentage Change
	April 3, 2021	March 28, 2020		
Net income (loss)	$ 36.9	$ (10.4)	$ 47.3	(454.8)%
Depreciation	4.7	4.6	0.1	2.2 %
Amortization	10.4	10.9	(0.5)	(4.6)%
Interest expense	18.3	19.6	(1.3)	(6.6)%
Income taxes	15.2	(3.0)	18.2	n/m
Loss on extinguishment of debt	5.8	—	5.8	n/m
EBITDA	91.3	21.7	69.6	320.7 %
Stock-based compensation [(a)]	10.6	0.7	9.9	n/m
Sponsor management fees [(b)]	0.1	0.2	(0.1)	(50.0)%
Currency exchange items [(c)]	3.8	6.1	(2.3)	(37.7)%
Acquisition and restructuring related expense, net [(d)]	0.4	7.0	(6.6)	(94.3)%
Other [(e)]	1.1	0.1	1.0	n/m
Total Adjustments	$ 16.0	$ 14.1	$ 1.9	13.5 %
Adjusted EBITDA	$ 107.3	$ 35.8	$ 71.5	199.7 %
Adjusted EBITDA margin	32.1 %	21.0 %		

(a) Represents non-cash stock-based compensation expense related to equity awards issued and includes the post IPO vesting of certain performance based stock options and restricted stock awards for the three months ended April 3, 2021

(b) Represents discretionary fees paid to our Sponsors for management services rendered pursuant to a management agreement with the Company. These payments ceased as of the effective date of our initial public offering on March 12, 2021.

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

(d) Adjustments in the three months ended March 28, 2020 primarily include $5.5 million of business restructuring related costs, $0.8 million of severance and retention costs, and $1.3 million of operating losses related to an early stage product business acquired in 2018 that is being phased out in 2021. Adjustments in the three months ended April 3, 2021 is mostly related to the same early stage product business previously mentioned.

(e) Includes expenses incurred in preparation for our initial public offering and transaction related bonuses for the three months ended April 3, 2021.

© 2021 Hayward Holdings, Inc.

HAYWARD

Adjusted Segment Income Reconciliation

Following is a reconciliation from segment income to adjusted segment income for North America (in millions):

	Three Months Ended	
	April 3, 2021	March 28, 2020
Segment income	$ 85.8	$ 22.6
Depreciation	4.3	4.1
Amortization	1.6	1.3
Stock-based compensation	3.7	0.4
Acquisition and restructuring related expense, net [a]	0.4	1.9
Other [b]	—	(0.4)
Total Adjustments	10.0	7.3
Adjusted segment income	$ 95.8	$ 29.9
Adjusted segment income margin	35.3 %	22.6 %

(a) Includes non-recurring severance expenses, and operating losses of approximately $1.3 million related to an early stage product business acquired in 2018 that is being phased out in 2021 for the three months ended March 28, 2020, compared to a $0.4 million operating loss for the three months ended April 3, 2021

(b) Includes professional fees, additional health and safety expenses related to Covid-19, and other miscellaneous costs we believe are not representative of our ongoing business operations for the three months ended March 28, 2020.

Following is a reconciliation from segment income to adjusted segment income for Europe & Rest of World (in millions):

	Three Months Ended	
	April 3, 2021	March 28, 2020
Segment income	$ 14.9	$ 5.6
Depreciation	0.4	0.3
Stock-based compensation	0.5	0.1
Currency exchange items [a]	—	0.4
Total Adjustments	0.9	0.8
Adjusted segment income	$ 15.8	$ 6.4
Adjusted segment income margin	25.1 %	16.9 %

(a) Represents currency exchange impact.

© 2021 Hayward Holdings, Inc.

HAYWARD