THIRD QUARTER 2024 EARNINGS

October 29, 2024

HAYWARD

THIRD QUARTER 2024 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 2024 financial guidance and business outlook for future periods; business plans and objectives; anticipated SG&A cost savings and capital expenditures; future channel inventory stocking 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; Hayward’s exposure to credit risk on its accounts receivable; 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, maintain and effectively enforce 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; uncertainties related to distribution channel inventory practices and the impact on net 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.

Key Messages

1. Reported Q3 2024 results in line with expectations
2. Delivered strong gross profit margin expansion
3. Generated robust cash flow; reduced net leverage[1] to 2.8x
4. Improved in-season order rates in North America
5. Refined full year 2024 guidance; raised lower end of the ranges

1. Net leverage is a non-GAAP measure and calculated as (A) total debt less cash & cash equivalents and short-term investments divided by (B) the sum of last twelve months adjusted EBITDA. Adjusted EBITDA is a non-GAAP financial measure. See the appendix for a reconciliation to the most directly comparable GAAP measure.

Financial Overview

Q3 2024

- Net sales of $227.6M
- Gross profit margin of 49.7%
- Adj. EBITDA[1] of $51.1M
- Adj. EBITDA margin[1] of 22.5%
- Adj. diluted EPS[1] of $0.11

RESULTS REFLECT:

- Continued solid execution, notably in NAM
- Positive net price realization offset by reduced volumes
- Strong gross profit margin expansion; includes 70 bps dilutive impact of acquisition purchase accounting
- Disciplined SG&A cost control

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

Business Update

END DEMAND

- ✓ Recent demand trends generally consistent with expectations
- ✓ NAM outperforming Europe and Rest of World
- ✓ Resilient aftermarket maintenance; new construction and remodel impacted by economic and interest rate environment

EARLY BUY

- ✓ Early buy programs progressing as expected
- ✓ Nearing completion in NAM, underway in Europe

PRICE OPTIMIZATION

- ✓ Implementing value-based pricing initiatives, SKU rationalization
- ✓ Expecting ~2% net price realization in 2024

PRODUCT INNOVATION

- ✓ Received separate awards from largest U.S. distributor for Innovation Leadership and Operational Excellence
- ✓ Early success with Microchannel Heat+Chill Pump, an industry first single-unit heater/chiller
- ✓ Launched new Paramount RDX unblockable drain

CUSTOMER EXPERIENCE

- ✓ Investing in enhanced customer service and support under dedicated new leadership
- ✓ Increasing adoption of the new Omni Pro App, a cloud-based productivity tool for trade professionals

CHLORKING®

- ✓ Integration with Hayward's existing commercial business progressing as planned
- ✓ Solid performance in the first full quarter of ownership
- ✓ Advances our position in the commercial pool market

Third Quarter 2024 Financials

NET SALES OF $227.6M

NET SALES +3.3% YoY
- Net price +5.6% (gross price increase, normalized discounts & allowances)
- Volume -4.7%
- Acquisition +2.5% (ChlorKing)

GROSS PROFIT OF $113.1M

GROSS PROFIT MARGIN OF 49.7%
- Increased 190 bps YoY despite 70 bps purchase accounting impact
- Strong execution, increased operational efficiencies
- Positive price realization offsetting inflation

ADJ. EBITDA[1] OF $51.1M

ADJ. EBITDA[1] MARGIN OF 22.5%
- Increased 110 bps YoY
- Disciplined cost control
- Targeted organizational investments in sales & customer service

ADJ. DILUTED EPS[1] OF $0.11

DILUTED EPS OF $0.07; ADJ. DILUTED EPS[1] OF $0.11

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

Third Quarter 2024 Segment Overview

NORTH AMERICA

NET SALES	GROSS PROFIT	ADJ. SEGMENT INCOME[1]
$195.0M	$101.9M	$59.3M
YoY Change: +5.3%	*Gross Profit Margin: 52.3%*	*Adj. Segment Income Margin[1]: 30.5%*

- Net price +6%, volume -4%, M&A +3%
- US +5%, Canada +17%
- Volume reduction in US due to end demand in new construction and large remodels
- Gross margin increased 290 bps YoY driven by operational efficiencies and normalized discounts & allowances

EUROPE & REST OF WORLD

NET SALES	GROSS PROFIT	ADJ. SEGMENT INCOME[1]
$32.6M	$11.2M	$2.7M
YoY Change: (7.5%)	*Gross Profit Margin: 34.4%*	*Adj. Segment Income Margin[1]: 8.4%*

- Net price +2%, volume -10%
- Europe -4%, Rest of World -11%
- Volume reduction due to macro conditions and geopolitical events
- Gross margin reduced 520 bps YoY driven by lower volumes, discrete inventory adjustment, and unfavorable mix

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

Balance Sheet and Cash Flow Highlights

BALANCE SHEET ($M)

	9/28/2024
Cash and cash equivalents	$274
Total debt principal	$984
Term debt (2028 maturity)[1]	$970
ABL revolver (2026 maturity)	$0
LTM adjusted EBITDA[2]	$254
Net leverage[3]	2.8x

$600M fixed rate, remainder variable

Blended interest rate of 6.2%[5]

>> Net leverage reduced to 2.8x from 3.9x in the prior year period

>> No near-term debt maturities; $388M total liquidity[4]

CASH FLOW ($M)

	YTD 2024	YTD 2023
Cash flow from operating activities	$276	$217
Less capex	($18)	($23)
Free cash flow[6]	$258	$194

>> Expected FY 2024 FCF ~$160M; conversion >100% of net income[7]

>> YTD cash flow from operating activities up 27% YoY

HAYWARD

1. $600M of the term debt is swapped with interest rate swap maturities in 2025 ($250M), 2026 ($100M) 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 & cash equivalents and short-term investments divided by (B) the sum of last twelve months adjusted EBITDA.
4. Total liquidity includes cash and equivalents of $274 million plus availability under our credit facilities of $114 million.
5. Excluding financing fees and inclusive of the impact of the interest rate hedge.
6. Free cash flow is calculated as net cash provided by operating activities less capital expenditures.
7. Free cash flow divided by net income.

Capital Allocation Priorities

1

GROWTH INVESTMENTS

- Innovative new product development, IoT digital leadership
- Commercial programs, dealer conversions
- Operational excellence, productivity, growth capex

2

DE-LEVERING

- Debt repayment

3

STRATEGIC M&A

- Pipeline of tuck-in opportunities to complement our product offering, geographic footprint, commercial relationships

4

RETURN TO SHAREHOLDERS

- $400M remaining on existing $450M authorization

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

FY 2024 Financial Outlook

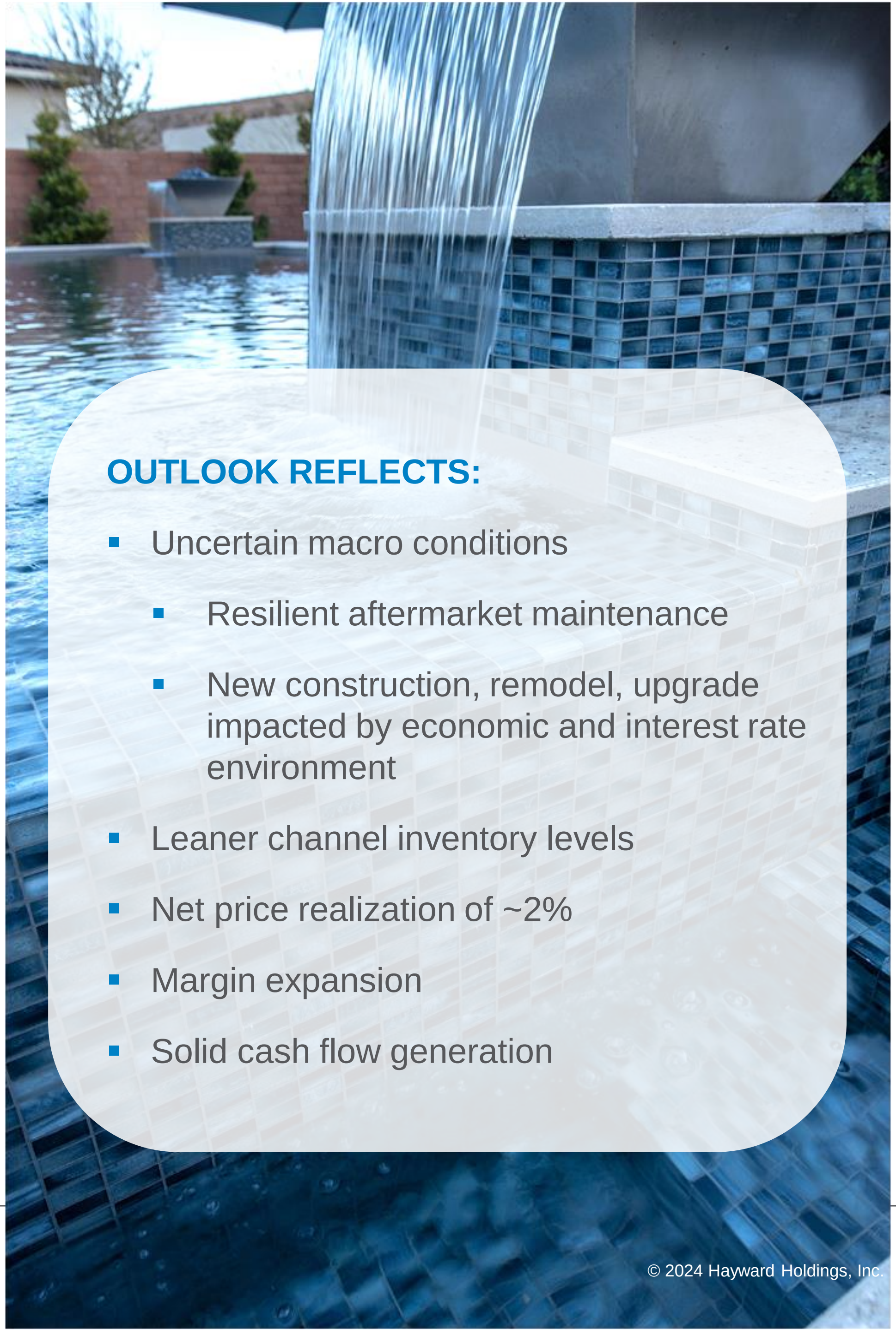
Net sales of $1.020B to $1.040B, up ~3% to 5%

Adjusted EBITDA[1] of $260M to $270M

Free cash flow[1] of ~$160M, >100% of net income

Modeling assumptions:

- Net interest expense ~$63M
- Effective tax rate ~25% for the remainder of the year
- Capex ~$25M



OUTLOOK REFLECTS:

- Uncertain macro conditions
  - Resilient aftermarket maintenance
  - New construction, remodel, upgrade impacted by economic and interest rate environment
- Leaner channel inventory levels
- Net price realization of ~2%
- Margin expansion
- Solid cash flow generation

1. Reconciliation for the full-year fiscal 2024 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 2024 are calculated in a manner consistent with historical adjusted EBITDA and free cash flow, respectively, included in this presentation

Key Messages

1. Reported Q3 2024 results in line with expectations
2. Delivered strong gross profit margin expansion
3. Generated robust cash flow; reduced net leverage[1] to 2.8x
4. Improved in-season order rates in North America
5. Refined full year 2024 guidance; raised lower end of the ranges

1. Net leverage is a non-GAAP measure and calculated as (A) total debt less cash & cash equivalents and short-term investments divided by (B) the sum of last twelve months adjusted EBITDA. Adjusted EBITDA is a non-GAAP financial measure. See the appendix for a reconciliation to the most directly comparable GAAP measure.

COMPANY OVERVIEW

Hayward at a Glance

~$1B
2023
Net Sales

$247M
2023
Adj. EBITDA[1]
(25% margin)

#1
products brand amongst U.S. pool professionals

~80%
of sales from aftermarket[2] historically

>550
current / pending patents globally

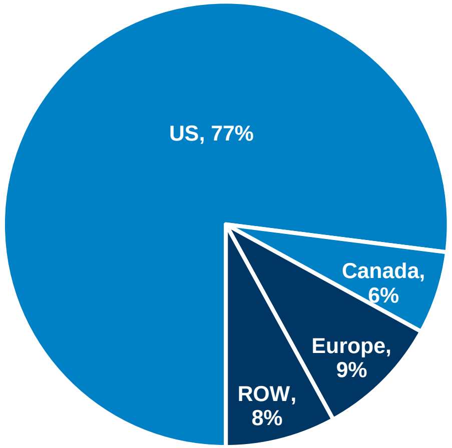
~90%
of products associated with sustainability themes

94%
attach rate for the Omni app[2]

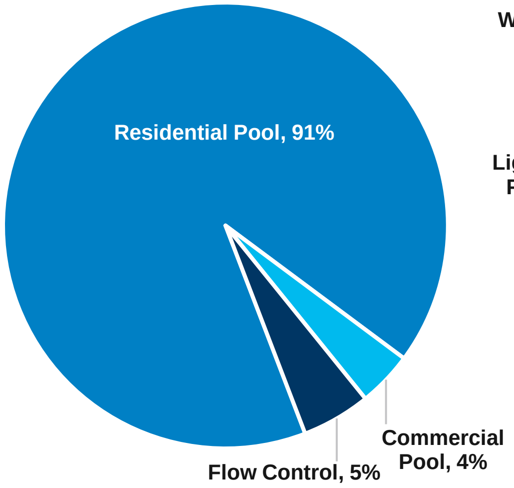
20+
year relationships on average with top 20 customers

- ✓ Global leader in pool and outdoor living technology with the industry's most recognized and trusted brand
- ✓ Strong, recurring aftermarket sales driven by one of the largest installed bases in the world
- ✓ Energy-efficient, environmentally sustainable products catering to increased focus on outdoor living
- ✓ Industry-leading smart home technology (Omni) for increased pool owner connectivity and automation

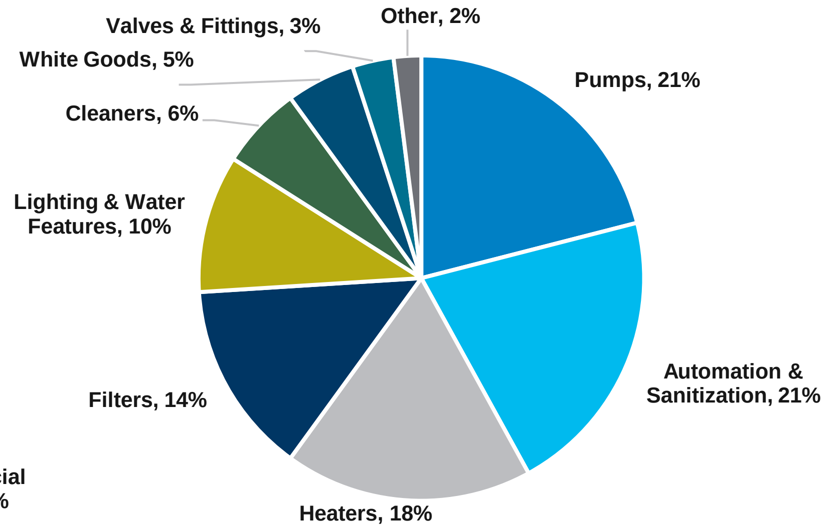
Net Sales by Segment[3]



Net Sales by End Market[3]



Net Sales by Product Category[3]



1. See Appendix for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures. 2. Aftermarket equipment sales are driven primarily by the ongoing repair, replacement, remodeling and upgrading of equipment for existing pools. Aftermarket sales based upon feedback from certain representative customers and management's interpretation of available industry and government data, and not upon our GAAP net sales results. 3. Source: company financial data for year ending December 31, 2023.

Why Invest in Hayward?

Pure Play Leader In Attractive Industry

Attractive Industry
- Secular tailwinds (sunbelt migration, healthy outdoor living)
- Large installed base that grows every year
- Disciplined industry, demonstrated pricing power

Recurring Aftermarket Model
- Aftermarket[1] sales mix of ~80%
- Majority non-discretionary purchases to maintain existing pools
- Early in the technology adoption cycle of IoT-enabled smart products

Competitive Advantages
- Technology leadership. Innovative, best-in-class products in high-growth categories
- Operational excellence. Agile manufacturing and supply chain management
- Go-to-market. New customer acquisition / loyalty programs with significant traction

Strong Financial Profile
- Long-term organic sales CAGR of mid-to-high single digits
- High 40s gross margins, mid-to-high 20s adjusted EBITDA margins on an annual basis
- Robust FCF generation, capital allocation optionality

Commitment to Sustainability
- Energy-efficient, environmentally sustainable products
- Established strategy and reporting framework – Products, Planet, People, Principles
- Morningstar Sustainalytics 2023 "Regional Top Rated" award, MSCI "A" rating

1. Aftermarket equipment sales are driven primarily by the ongoing repair, replacement, remodeling and upgrading of equipment for existing pools. Aftermarket sales based upon feedback from certain representative customers and management's interpretation of available industry and government data, and not upon our GAAP net sales results.

Attractive Long-Term Growth Dynamics

Secular Tailwinds

- ✓ Healthy outdoor living
- ✓ Sunbelt migration
- ✓ "Smart home" IoT adoption
- ✓ Environmentally sustainable products

Industry Drivers

- ✓ Growing, aging installed base
- ✓ Predictable, non-discretionary aftermarket spending
- ✓ Demonstrated pricing power
- ✓ Conversion to connected product technologies

Competitive Advantages

- ✓ Strong brand and installed base
- ✓ Technology leadership
- ✓ Operational excellence
- ✓ Multi-channel strength

HAYWARD IS WELL POSITIONED TO DRIVE COMPELLING LONG-TERM GROWTH

APPENDIX

Non-GAAP Reconciliations

Adjusted EBITDA & Adjusted EBITDA Margin Three Months Ended
Reconciliation

APPENDIX

(Dollars in thousands)	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net income	$ 16,501	$ 11,788	$ 63,922	$ 49,651
Depreciation	4,862	4,428	13,929	13,018
Amortization	9,253	9,260	26,299	27,803
Interest expense	13,209	17,448	48,600	55,939
Income taxes	4,411	(2,259)	16,841	12,343
Loss on debt extinguishment	—	—	4,926	—
EBITDA	48,236	40,665	174,517	158,754
Stock-based compensation [(a)]	136	269	556	1,001
Currency exchange items [(b)]	(344)	145	(470)	1,276
Acquisition and restructuring related expense, net [(c)]	1,145	3,348	2,488	6,220
Other [(d)]	1,920	2,784	1,657	4,367
Total Adjustments	2,857	6,546	4,231	12,864
Adjusted EBITDA	$ 51,093	$ 47,211	$ 178,748	$ 171,618
Net income margin	7.3 %	5.4 %	8.8 %	7.0 %
Adjusted EBITDA margin	22.5 %	21.4 %	24.7 %	24.0 %

(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 Hayward's initial public offering (the "IPO").

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

(c) Adjustments in the three months ended September 28, 2024 are primarily driven by $0.7 million of transaction and integration costs associated with the acquisition of the ChlorKing business and $0.4 million of costs to finalize actions initiated in prior years. Adjustments in the three months ended September 30, 2023 are primarily driven by $1.9 million of separation costs associated with the centralization and consolidation of operations in Europe and $1.5 million of costs associated with the relocation of the corporate headquarters.

Adjustments in the nine months ended September 28, 2024 are primarily driven by $1.3 million of transaction and integration costs associated with the acquisition of ChlorKing, $0.7 million of separation and other costs associated with the centralization and consolidation of operations in Europe and $0.4 million of costs to finalize actions initiated in prior years. 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 and consolidation 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.

(d) Adjustments in the three months ended September 28, 2024 are primarily driven by a $1.6 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 acquisition of the ChlorKing business and $0.3 million of costs incurred related to litigation. 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 and consolidation 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 nine months ended September 28, 2024 are primarily driven by a $1.6 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 acquisition of the ChlorKing business and $0.5 million of costs incurred related to litigation, partially offset by $0.5 million of gains on the sale of assets. 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.

Adjusted EBITDA & Adjusted EBITDA Margin Last Twelve Months Reconciliation

APPENDIX

(Dollars in thousands)	Last Twelve Months[e] September 28, 2024	Fiscal Year December 31, 2023
Net income	$ 94,958	$ 80,687
Depreciation	16,894	15,983
Amortization	35,575	37,079
Interest expense	66,245	73,584
Income taxes	24,898	20,400
Loss on debt extinguishment	4,926	—
EBITDA	243,496	227,733
Stock-based compensation [a]	825	1,270
Currency exchange items [b]	(960)	786
Acquisition and restructuring related expense, net [c]	9,481	13,213
Other [d]	1,561	4,271
Total Adjustments	10,907	19,540
Adjusted EBITDA	$ 254,403	$ 247,273
Net income margin	9.5 %	8.1 %
Adjusted EBITDA margin	25.4 %	24.9 %

(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 (gains) losses on foreign denominated monetary assets and liabilities and foreign currency contracts.

(c) Adjustments in the last twelve months ended September 28, 2024 primarily include $6.7 million of costs related to the discontinuation of a product line leading to an impairment of the associated fixed assets, inventory and intangible assets, $1.3 million of transaction and integration costs associated with the acquisition of ChlorKing, $1.2 million related to programs to centralize and consolidate operations and professional services in Europe and $0.3 million of costs to finalize actions initiated in prior years.

Adjustments in the year ended December 31, 2023 primarily include $6.7 million of costs related to the discontinuation of a product line leading to an impairment of the associated fixed assets, inventory and intangible assets, $2.4 million related to programs to centralize and consolidate operations and professional services in Europe, $1.9 million of costs associated with the relocation of the corporate headquarters, $1.2 million separation costs associated with the 2022 cost reduction program and $0.8 million of costs associated with integration costs from prior acquisitions.

(d) Adjustments in the last twelve months ended September 28, 2024 are primarily driven by a $1.6 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 acquisition of the ChlorKing business, $0.5 million of costs incurred related to litigation, partially offset by $0.5 million of gains on the sale of assets.

Adjustments in the year ended December 31, 2023 primarily include $1.8 million related to inventory and fixed asset write-offs in Europe and $1.5 million of costs incurred related to the selling stockholder offerings of shares in March, May and August 2023, which are reported in SG&A in our consolidated statements of operations.

(e) Items for the last twelve months ended September 28, 2024 are calculated by adding the items for the nine months ended September 28, 2024 plus fiscal year ended December 31, 2023 and subtracting the items for the nine months ended September 30, 2023.

Adjusted Net Income & Adjusted EPS Reconciliation

APPENDIX

(Dollars in thousands)	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net income	$ 16,501	$ 11,788	$ 63,922	$ 49,651
Tax adjustments [(a)]	(451)	(4,401)	(2,203)	(2,905)
Other adjustments and amortization:				
Stock-based compensation [(b)]	136	269	556	1,001
Currency exchange items [(c)]	(344)	145	(470)	1,276
Acquisition and restructuring related expense, net [(d)]	1,145	3,348	2,488	6,220
Other [(e)]	1,920	2,784	1,657	4,367
Total other adjustments	2,857	6,546	4,231	12,864
Loss on debt extinguishment	—	—	4,926	—
Amortization	9,253	9,260	26,299	27,803
Tax effect [(f)]	(2,815)	(3,554)	(8,360)	(9,838)
Adjusted net income	$ 25,345	$ 19,639	$ 88,815	$ 77,575
Weighted average number of common shares outstanding, basic	215,231,886	213,416,502	214,836,643	212,933,763
Weighted average number of common shares outstanding, diluted	221,436,206	220,863,228	221,251,355	220,634,232
Basic EPS	$ 0.08	$ 0.06	$ 0.30	$ 0.23
Diluted EPS	$ 0.07	$ 0.05	$ 0.29	$ 0.23
Adjusted basic EPS	$ 0.12	$ 0.09	$ 0.41	$ 0.36
Adjusted diluted EPS	$ 0.11	$ 0.09	$ 0.40	$ 0.35

(a) Tax adjustments for the three and nine months ended September 28, 2024 reflect a normalized tax rate of 23.2% and 22.5%, respectively, compared to the Company's effective tax rate of 21.1% and 20.9%, respectively. The Company's effective tax rate for the three months ended September 28, 2024 primarily includes the tax benefits resulting from stock compensation and the nine months ended September 28, 2024 additionally includes a tax benefit resulting from a return-to-provision adjustment. Tax adjustments for the three and nine months ended September 30, 2023 reflect a normalized tax rate of 22.5% and 24.2%, respectively, compared to the Company's effective tax rate of (23.7)% and 19.9%, respectively. 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.

(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 (gains) losses on foreign denominated monetary assets and liabilities and foreign currency contracts.

(d) Adjustments in the three months ended September 28, 2024 are primarily driven by $0.7 million of transaction and integration costs associated with the acquisition of the ChlorKing business and $0.4 million of costs to finalize actions initiated in prior years. Adjustments in the three months ended September 30, 2023 are primarily driven by $1.9 million of separation costs associated with the centralization and consolidation of operations in Europe and $1.5 million of costs associated with the relocation of the corporate headquarters.

Adjustments in the nine months ended September 28, 2024 are primarily driven by $1.3 million of transaction and integration costs associated with the acquisition of ChlorKing, $0.7 million of separation and other costs associated with the centralization and consolidation of operations in Europe and $0.4 million of costs to finalize actions initiated in prior years. 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 and consolidation 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.

(e) Adjustments in the three months ended September 28, 2024 are primarily driven by a $1.6 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 acquisition of the ChlorKing business and $0.3 million of costs incurred related to litigation. 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 and consolidation 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

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

Adjusted Segment Income Three Months Ended Reconciliation

APPENDIX

(Dollars in thousands)	Three Months Ended September 28, 2024		Three Months Ended September 30, 2023	
	NAM	E&RW	NAM	E&RW
Net sales	$ 194,968	$ 32,601	$ 185,070	$ 35,234
Gross profit	$ 101,877	$ 11,218	$ 91,456	$ 13,955
Gross profit margin %	52.3 %	34.4 %	49.4 %	39.6 %
Segment income	$ 51,569	$ 2,475	$ 40,108	$ 6,413
Depreciation	$ 4,404	$ 271	$ 4,027	$ 246
Amortization	1,677	—	1,738	—
Stock-based compensation	107	—	75	11
Other [(a)]	1,704	—	115	—
Total adjustments	7,892	271	5,955	257
Adjusted segment income	$ 59,461	$ 2,746	$ 46,063	$ 6,670
Segment income margin %	26.4 %	7.6 %	21.7 %	18.2 %
Adjusted segment income margin %	30.5 %	8.4 %	24.9 %	18.9 %

(a) The three months ended September 28, 2024 primarily includes a $1.6 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 acquisition of the ChlorKing business. The three months ended September 30, 2023 includes miscellaneous items the Company believes are not representative of its ongoing business operations.

Adjusted Segment Income Nine Months Ended Reconciliation

APPENDIX

(Dollars in thousands)	Nine Months Ended September 28, 2024		Nine Months Ended September 30, 2023	
	NAM	E&RW	NAM	E&RW
Net sales	$ 609,510	$ 115,021	$ 585,126	$ 128,857
Gross profit	$ 319,184	$ 43,577	$ 288,911	$ 50,901
Gross profit margin %	52.4 %	37.9 %	49.4 %	39.5 %
Segment income	$ 166,646	$ 16,800	$ 144,346	$ 25,647
Depreciation	$ 12,619	$ 791	$ 11,952	$ 694
Amortization	4,874	—	5,026	—
Stock-based compensation	176	10	417	34
Other [(a)]	1,723	—	503	—
Total adjustments	19,392	801	17,898	728
Adjusted segment income	$ 186,038	$ 17,601	$ 162,244	$ 26,375
Segment income margin %	27.3 %	14.6 %	24.7 %	19.9 %
Adjusted segment income margin %	30.5 %	15.3 %	27.7 %	20.5 %

(a) The nine months ended September 28, 2024 primarily includes a $1.6 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 acquisition of the ChlorKing business. The nine months ended September 30, 2023 includes miscellaneous items the Company believes are not representative of its ongoing business operations.

THANK YOU