

# Q3 2025 Earnings Call

November 4, 2025



*Latham Group*

**SWIM** | Nasdaq Listed

# Disclaimer

## **Forward-looking Statements**

Certain statements in this presentation constitute forward-looking statements under federal securities laws. These forward-looking statements reflect our views with respect to future events and financial performance as of the date of this presentation or otherwise specified herein. Actual events and results may differ materially from those contemplated by such forward-looking statements due to risks and other factors that are set forth in our Annual Report on Form 10-K and subsequent reports filed or furnished with the SEC, as well as our earnings release issued as of the date of this presentation. Our forward-looking statements further do not reflect the potential impact of any future acquisitions, merger, dispositions, joint ventures or investments we may undertake. We expressly disclaim any obligation to update any forward-looking statements, except as required by applicable law.

## **Non-GAAP Financial Measures**

This presentation includes Adjusted EBITDA (including on a last twelve months' basis), Adjusted EBITDA Margin, Net Debt, Net Debt Leverage Ratio, and Pro Forma Net Debt Leverage Ratio, including in some instances on an historical and pro forma basis, which are non-GAAP financial measures. Our pro forma presentation gives effect to the Coverstar Central, LLC ("Coverstar Central") acquisition as if it occurred as of January 1, 2024. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to GAAP financial measures, and they should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Reconciliations of directly comparable GAAP financial measures to these non-GAAP financial measures can be found in the Appendix to this presentation.

For the definitions of certain non-GAAP financial measures, how such non-GAAP financial measures provide useful information to investors, how management utilizes them and the limitations on their use, see our earnings release issued as of the date of this presentation.



# Latham: A Compelling Long-term Growth Story



Serving a large and attractive market benefitting from fiberglass and autocover category share gains

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The leading consumer brand in the residential pool market

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Unique direct-to-homeowner model driving business for our dealer partners

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Broadest portfolio of branded products known for quality, durability, and aesthetics

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Multiple levers to continue to drive efficiencies

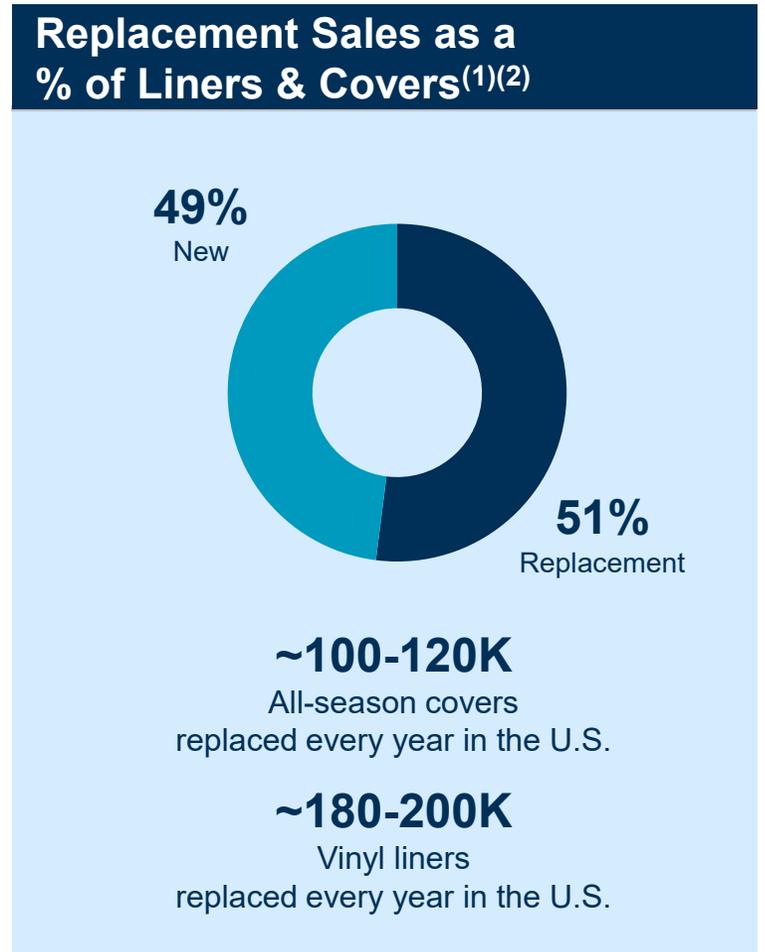
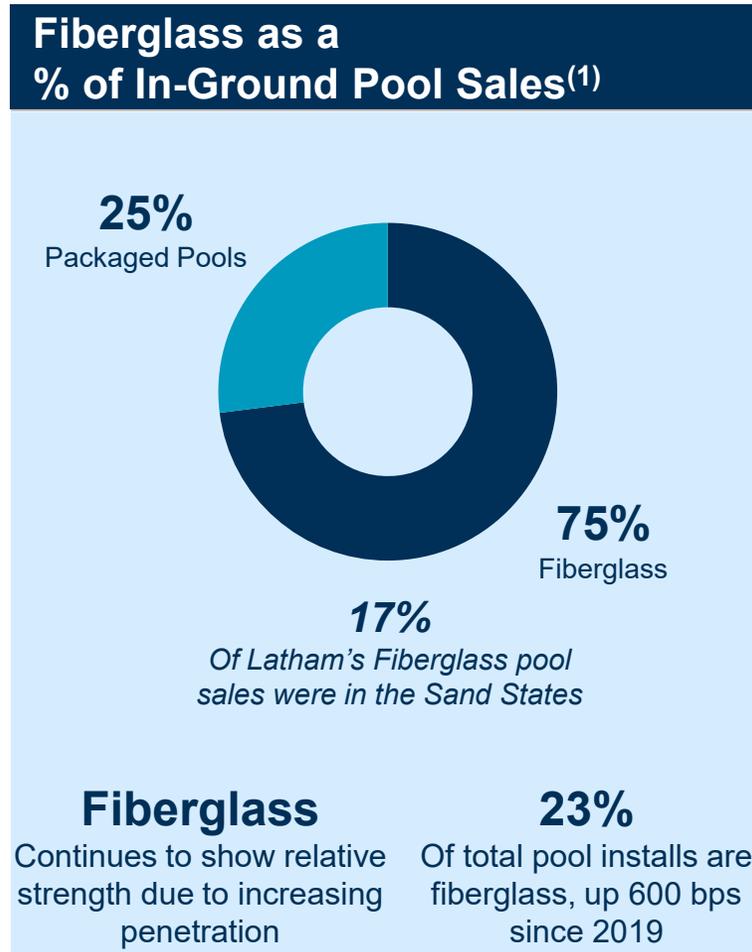
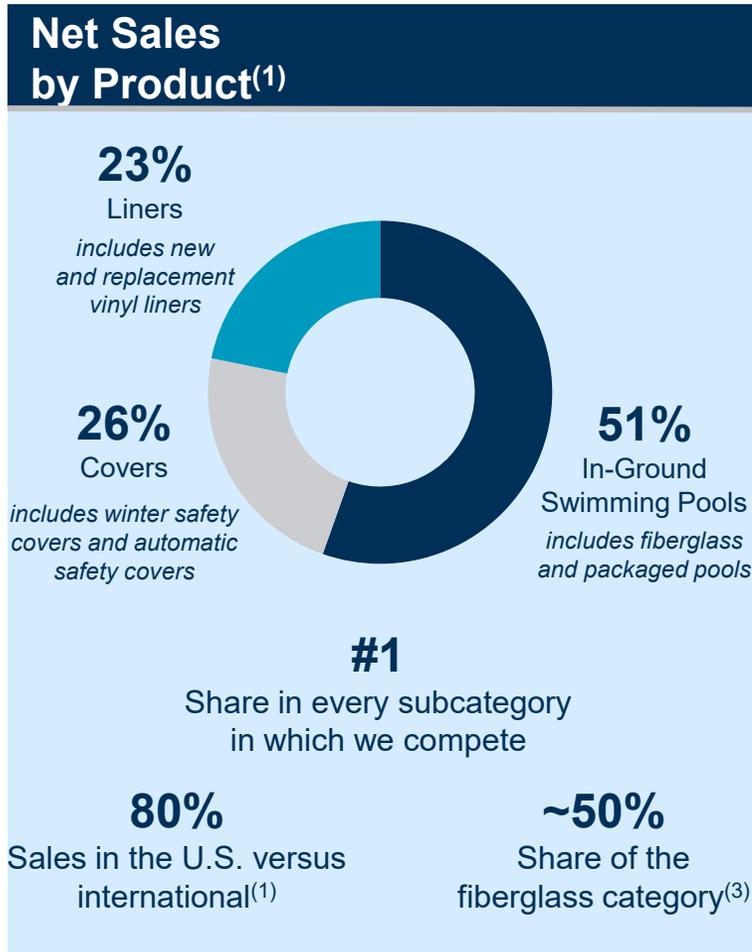
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Positioned for accelerated, profitable growth as volumes increase

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# Balanced Portfolio Serving an Attractive Market



Source: Management's analysis based on information from studies by a third-party research consulting firm commissioned by the Company, management's knowledge as market participants, and PK Data.

(1) Reflects FY'24 reported figures.

(2) Based on management's internal estimates.

(3) Reflects share in North America.

# Expanding Share in the Sand States – Year-to-Date Achievements

1

## Expanding the Pool Dealer Base

- Broadened our reach through new dealer sign-ups in priority-market Florida

2

## Targeting Master Planned Communities (MPC's)

- Latham now present in several MPC's in Florida

3

## Aligning Products with Demand

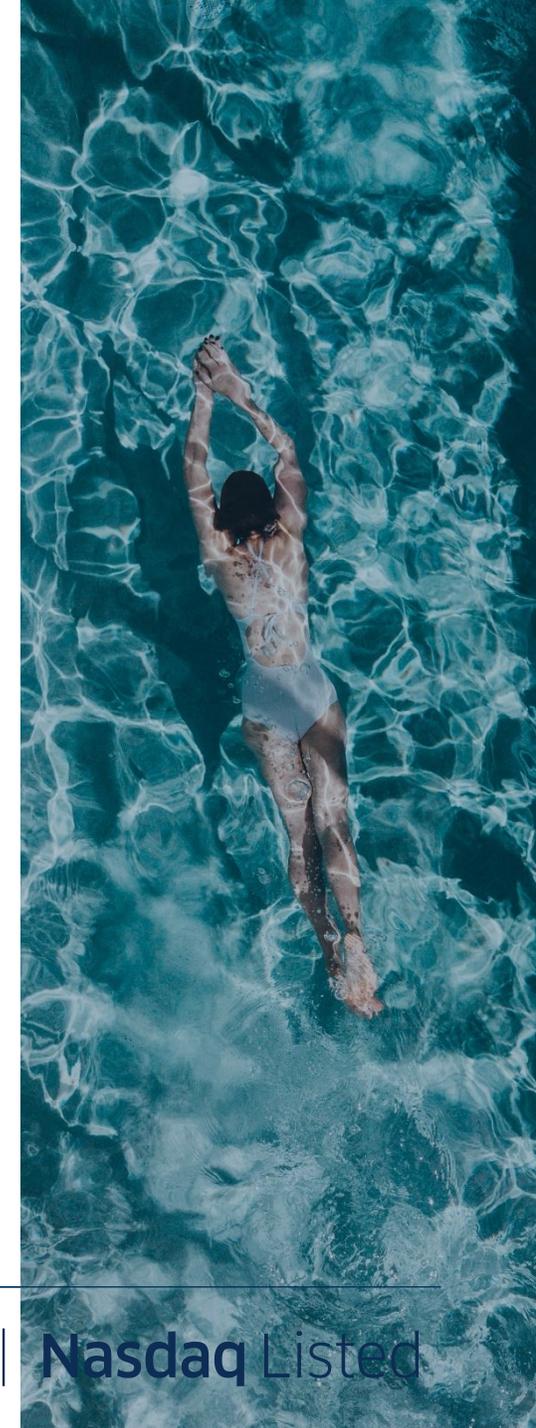
- New pool models introduced to meet consumer preference in the Sand States, including rectangular shapes, pool/spa combos, and plunge pools

4

## Marketing to Consumers & Builders

- Successful advertising and marketing campaigns driving substantial leads for pool builders
- Established new strategic partnerships with several custom homebuilders in Florida who will feature Latham fiberglass pools

*YTD Net Sales in Florida Have Increased at a High-Single-Digit Rate*





# Drivers of Latham's Outperformance vs. The Market

- 1 Accelerating Fiberglass Share Gains Nationally and in the Sand States
- 2 Increased Awareness and Adoption of Automatic Safety Covers
- 3 Benefits from Coverstar Central, Coverstar New York, and Coverstar Tennessee acquisitions

## 2025 Market Expectations

Forecasting continued market trough;  
New U.S. pool starts flat to slightly down vs. 2024

# Full Year 2025 Outlook<sup>(1)</sup> - Narrowing Net Sales, Adj. EBITDA, & CapEx Guide

2025 Outlook						
\$ in millions	Updated			Prior		
Metric	Low	High	YoY Growth @ Midpoint	Low	High	YoY Growth @ Midpoint
Net Sales	\$540	\$550	7%	\$535	\$565	8%
Adjusted EBITDA <sup>(2)</sup>	\$92	\$98	19%	\$90	\$100	19%
Capital Expenditures	\$22	\$24		\$27	\$33	

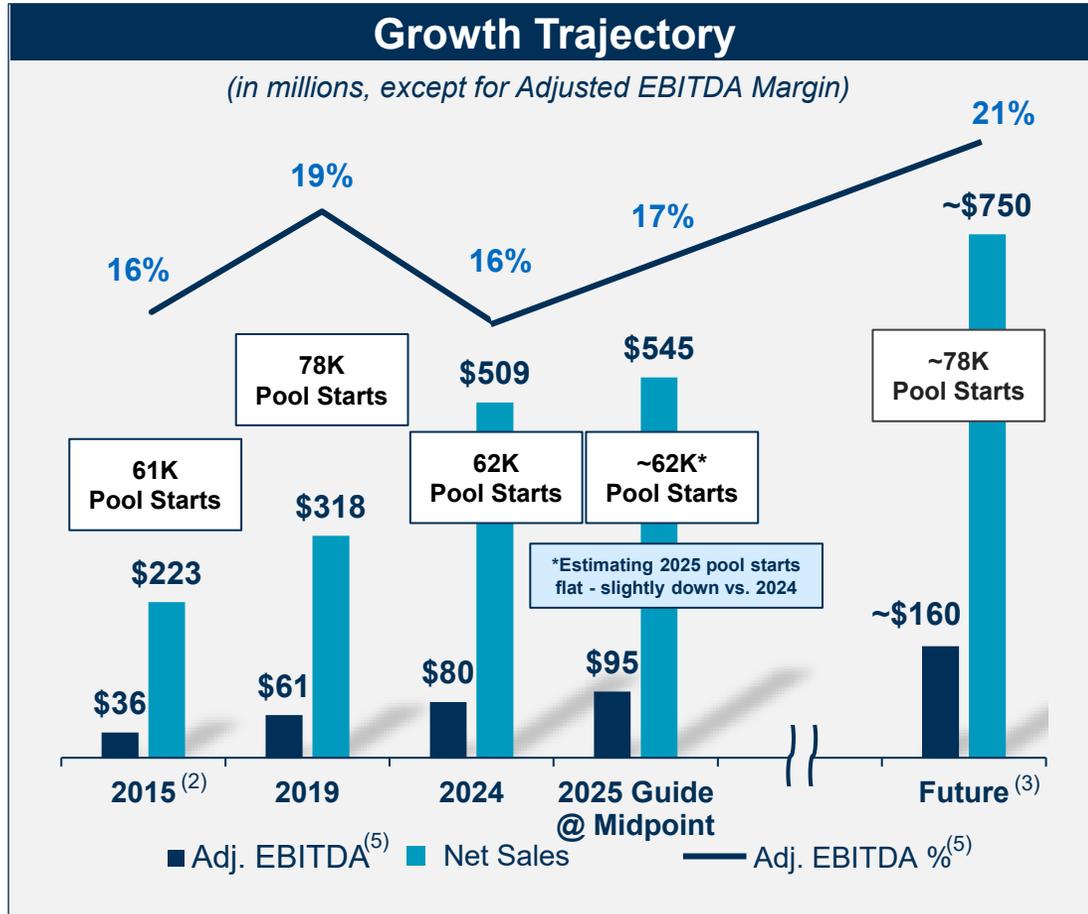
## Reflects

- Forecasting **new U.S. pool starts** in 2025 flat to slightly down from 2024 levels.
- Narrowing **net sales** guidance by \$15M at the high end & \$5M at the low end, reflecting 7% growth at the midpoint.
- Narrowing **adj. EBITDA** guidance by \$2M at the high & low ends, reflecting 19% growth at the midpoint.
- Revising **CapEx** guidance, reflecting project efficiencies and timing shifts to align with consumer demand trends.

(1) Represents guidance given by the Company as of August 5, 2025. These are forward-looking statements. See "Forward-Looking Statements" on page 2 of this presentation.

(2) A reconciliation of Latham's projected Adjusted EBITDA to net income (loss) for 2025 is not available without unreasonable effort due to uncertainty related to our future income tax (benefit) expense.

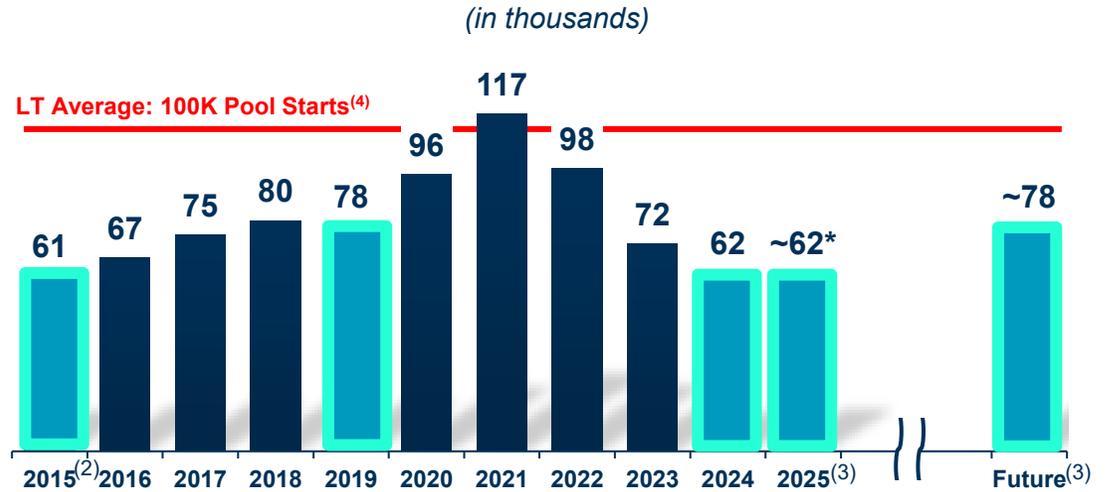
# Impact of Growth Initiatives & Production Efficiencies



### Initiatives

1. Drive growth in Fiberglass share in the **Sand States**
2. Drive growth in **Automatic Safety Covers**, aided by the Coverstar Central, New York, & Tennessee acquisitions
3. Drive growth in pool Liners and Covers, aided by the full roll-out of **“Measure by Latham”**
4. Continued impacts of **Lean Manufacturing & Value Engineering**

### U.S. Pool Starts<sup>(1)</sup>



(1) Historical U.S. pool starts determined from PK Data; 2025 and beyond are based on management estimates.  
 (2) Unaudited  
 (3) Management model  
 (4) 25-year average (1999-2024)  
 (5) See Appendix for reconciliation of Adjusted EBITDA. Adjusted EBITDA Margin is Adjusted EBITDA divided by Net Sales.

# Appendix

# Non-GAAP Reconciliations

## Adjusted EBITDA and Adjusted EBITDA Margin

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
(in thousands)				
Net income	\$ 8,117	\$ 5,896	\$ 18,135	\$ 11,310
Depreciation and amortization	12,881	11,323	37,978	32,291
Interest expense, net	6,067	9,155	19,587	20,150
Income tax expense	7,466	(43)	8,517	931
Loss on sale and disposal of property and equipment	(26)	41	20	118
Restructuring charges <sup>(a)</sup>	—	132	160	497
Stock-based compensation expense <sup>(b)</sup>	1,980	1,844	5,332	5,187
Unrealized (gains) losses on foreign currency transactions <sup>(c)</sup>	1,181	(722)	(2,878)	1,668
Strategic initiative costs <sup>(d)</sup>	684	706	2,246	2,680
Acquisition and integration related costs <sup>(e)</sup>	7	1,930	289	2,305
Other <sup>(f)</sup>	(29)	(433)	(32)	(539)
Adjusted EBITDA	\$ 38,328	\$ 29,829	\$ 89,354	\$ 76,598
Net sales	\$ 161,903	\$ 150,496	\$ 445,962	\$ 421,247
Net income margin	5.0 %	3.9 %	4.1 %	2.7 %
Adjusted EBITDA margin	23.7 %	19.8 %	20.0 %	18.2 %

(a) Represents costs that include severance and other expenses for our executive management changes.

(b) Represents non-cash stock-based compensation expense.

(c) Represents unrealized foreign currency transaction (gains) losses associated with our international subsidiaries.

(d) Represents fees paid to external consultants and other expenses for our strategic initiatives.

(e) Represents acquisition and integration costs, as well as other costs related to potential transactions.

(f) Other costs consist of other discrete items as determined by management, primarily including: (i) fees paid to external advisors for various matters and (ii) other items.

# Non-GAAP Reconciliations

## Net Debt and Net Debt Leverage Ratio

(in thousands)		<b>September 27, 2025</b>
Total debt	\$	281,073
Less:		
Cash		(70,518)
Net Debt		210,555
LTM Adjusted EBITDA <sup>(1)</sup>		92,976
Net Debt Leverage Ratio		2.3

(1) LTM Adjusted EBITDA is defined as Adjusted EBITDA for the most recent twelve (12) month period. See Slide 10 for the reconciliation of Adjusted EBITDA to net income (loss).

# Non-GAAP Reconciliations

## Adjusted EBITDA and Adjusted EBITDA Margin

	Year Ended December 31,		
	2024	2019	2015 (unaudited)
<i>(in thousands)</i>			
Net (loss) income	\$ (17,860)	\$ 7,457	\$ (9,992)
Depreciation and amortization	44,446	21,659	14,466
Interest expense	24,840	22,639	8,228
Income tax expense (benefit)	9,120	(4,671)	3,384
Loss on sale and disposal of property and equipment	408	680	—
Restructuring charges <sup>(a)</sup>	512	980	—
Management fees <sup>(b)</sup>	—	500	539
Stock-based compensation expense <sup>(c)</sup>	7,392	808	—
Unrealized losses (gains) on foreign currency transactions <sup>(d)</sup>	6,223	(300)	505
Strategic initiative costs <sup>(e)</sup>	3,329	964	587
Acquisition and integration related costs <sup>(f)</sup>	2,348	3,612	11,696
Other <sup>(g)</sup>	(539)	6,722	6,703
Adjusted EBITDA	\$ 80,219	\$ 61,050	\$ 36,116
Net sales	\$ 508,520	\$ 317,975	\$ 223,103
Net (loss) income margin	(3.5) %	2.3 %	(4.5) %
Adjusted EBITDA margin	15.8 %	19.2 %	16.2 %

(a) Represents costs related to a cost reduction plan that includes severance and other costs for our executive management changes and additional costs related to our cost reduction plans, which include further actions to reduce our manufacturing overhead by reducing headcount in addition to facility shutdowns.

(b) Represents management fees paid to our Principal Stockholders in accordance with our arrangement.

(c) Represents non-cash stock-based compensation expense.

(d) Represents unrealized foreign currency transaction losses associated with our international subsidiaries.

(e) Represents fees paid to external consultants and other expenses for our strategic initiatives.

(f) Represents acquisition and integration costs as well as other costs related to potential transactions.

(g) Other costs consist of other discrete items as determined by management, primarily including: (i) fees paid to external advisors for various matters, (ii) non-cash adjustments to record the step-up in the fair value of inventory related to the acquisition by Pamplona and the acquisition of Narellan, which are amortized through cost of sales in the annual consolidated statements of operations, and (iii) other items.