William Blair 43rd Annual Growth Stock Conference

June 2023

latham Group

SWIM | Nasdaq Listed

Disclaimer

Forward-looking Statements

Certain statements in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation other than statements of historical fact may constitute forward-looking statements, including statements regarding our future operating results and financial position, our business strategy and plans, business and market trends, our objectives for future operations, macroeconomic and geopolitical conditions, and the sufficiency of our cash balances, working capital and cash generated from operating, investing, and financing activities for our future liquidity and capital resource needs. These statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside of our control, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including: secular shifts in consumer demand for swimming pools and spending on outdoor living spaces; slow pace of material conversion from concrete pools to fiberglass pools in the pool industry; changes in access to consumer credit or increases in interest rates impacting consumers' ability to finance their purchases of pools; macroeconomic conditions; our ability to sustain further growth in our business; adverse weather conditions; natural disasters, war, terrorism, public health issues or other catastrophic events; our ability to attract, develop and retain highly qualified personnel; our ability to attract dealers and distributors to purchase our products; the loss of our largest customers or suppliers; our ability to source the quantity or quality of raw materials and components, and increases in costs thereof; inflationary impacts; product quality issues, warranty claims or safety concerns; competition; failure to meet customer specifications or consumer expectations; our inability to collect accounts receivables from our customers; challenges in the implementation of our enterprise resource planning system; changes or increases in environmental, health, safety, transportation and other government regulations; the effects of climate change and the expanding legal and regulatory restrictions intended to address climate change; our ability to obtain transportation services to deliver our product and to obtain raw materials timely, and increases in transportation costs; enforcement of intellectual property rights by or against us; the risks of doing business internationally; cyber security breaches and data leaks, and our dependence on information technology systems; and other factors set forth under "Risk Factors" and elsewhere in our most recent Annual Report on Form 10-K and subsequent reports we file or furnish with the SEC. New emerging risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business, financial condition, results of operations and cash flows. Although we believe that the expectations reflected in the forward-looking statements are reasonable and our expectations based on third-party information and projections are from sources that management believes to be reputable, we cannot guarantee future results, levels of activities, performance or achievements. These forward-looking statements reflect our views with respect to future events as of the date hereof or the date specified herein, and we have based these forward-looking statements on our current expectations and projections about future events and trends. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date hereof. We anticipate that subsequent events and developments will cause our views to change. Our forward-looking statements further do not reflect the potential impact of any future acquisitions, merger, dispositions, joint ventures or investments we may undertake.

Non-GAAP Financial Measures

We track our non-GAAP financial measures to monitor and manage our underlying financial performance. This presentation includes the presentation of Adjusted EBITDA (including on a last twelve months' basis), Adjusted EBITDA margin, Net Debt, and Net Debt Leverage Ratio. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures that exclude the impact of certain costs, losses and gains that are required to be included in our profit and loss measures under GAAP. Net Debt and Net Debt Leverage Ratio are non-GAAP financial measures used in monitoring and evaluating our overall liquidity, financial flexibility, and leverage. Although we believe these measures are useful to investors and analysts for the same reasons it is useful to management, as discussed below, these measures are neither a substitute for, nor superior to, U.S. GAAP financial measures or disclosures. Other companies may calculate similarly-titled non-GAAP measures differently, limiting their usefulness as comparative measures. We have reconciled Adjusted EBITDA and Net Debt to the applicable most comparable GAAP measure, net loss and total debt, respectively, in this presentation.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA margin are key metrics used by management and our board of directors to assess our financial performance. Adjusted EBITDA and Adjusted EBITDA margin are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry, when considered alongside other GAAP measures. We use Adjusted EBITDA and Adjusted EBITDA margin to supplement GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, to utilize as a significant performance metric in our annual management incentive bonus plan compensation, and to compare our performance against that of other companies using similar measures, and as a performance measure in certain employee incentive programs. We have presented Adjusted EBITDA and Adjusted EBITDA margin solely as supplemental disclosures because we believe they allow for a more complete analysis of results of operations and assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that are non-cash items or which we do not believe are indicative of our core operating performance, such as (i) depreciation and amortization, (ii) interest expense, (iii) income tax (benefit) expense, (iv) loss (gain) on sale and disposal of property and equipment, (v) restructuring charges, (vi) stock-based compensation expense, (vii) unrealized (gains) losses on foreign currency transactions, (viii) strategic initiative costs, (ix) acquisition and integration related costs, (x) loss on extinguishment of debt, (xi) underwriting fees related to offering of common stock, (xii) the Odessa fire and other such unusual events, (xiii) IPO costs and (xiv) other items that we do not believe are indicative of our core operating performance.

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures and should not be considered as alternatives to net loss as a measure of financial performance or any other performance measure derived in accordance with GAAP, and they should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA and Adjusted EBITDA margin, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. There can be no assurance that we will not modify the presentation of Adjusted EBITDA and Adjusted EBITDA margin in the future, and any such modification may be material. In addition, other companies, including companies in our industry, may not calculate Adjusted EBITDA and Adjusted EBITDA margin at all or may calculate Adjusted EBITDA and Adjusted EBITDA margin differently and accordingly, are not necessarily comparable to similarly entitled measures of other companies, which reduces the usefulness of Adjusted EBITDA and Adjusted EBITDA margin as tools for comparison.

Adjusted EBITDA and Adjusted EBITDA margin have their limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are that Adjusted EBITDA and Adjusted EBITDA margin:

- do not reflect every expenditure, future requirements for capital expenditures or contractual commitments;
- do not reflect changes in our working capital needs;
- do not reflect the interest expense, or the amounts necessary to service interest or principal payments, on our outstanding debt;
- do not reflect income tax (benefit) expense, and because the payment of taxes is part of our operations, tax expense is a necessary element of our costs and ability to operate;
- do not reflect non-cash stock-based compensation, which will remain a key element of our overall compensation package; and
- do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations.

Although depreciation and amortization are eliminated in the calculation of Adjusted EBITDA and Adjusted EBITDA margin, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA and Adjusted EBITDA margin do not reflect any costs of such replacements.

Net Debt and Net Debt Leverage Ratio

We define Net Debt as total debt less cash and cash equivalents. We define the Net Debt Leverage Ratio as Net Debt divided by last twelve months ("LTM") of Adjusted EBITDA. We believe this measure is an important indicator of our ability to service our long-term debt obligations. There are material limitations to using Net Debt Leverage Ratio as we may not always be able to use cash to repay debt on a dollar-for-dollar basis.

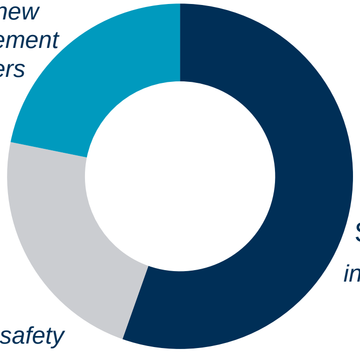
Latham at a Glance

- The leader in every pool subcategory in which we compete
- The only pool company that has established a direct relationship with the homeowner
- Unique direct-to-homeowner model delivers purchase-ready leads to the largest dealer network in the world
- Capitalizing on the significant material conversion opportunity from concrete to fiberglass
- Coast-to-coast manufacturing and distribution platform consisting of 2,000+ employees across over 30 locations
- Thirteen consecutive years of net sales and adjusted EBITDA growth through full year fiscal 2022

Balanced Portfolio Serving an Attractive Market

Net Sales by Product (1)

22%
Liners
includes new and replacement vinyl liners



55%
In-Ground Swimming Pools
includes fiberglass and packaged pools

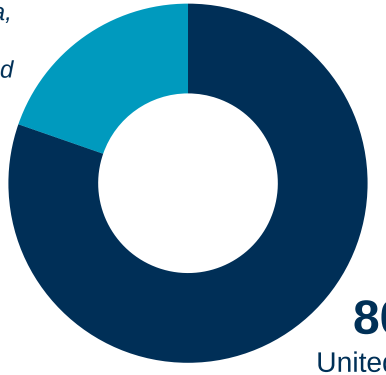
23%
Covers
includes winter safety covers and automatic safety covers

#1
Share in every subcategory in which we compete

~50%
Share of the fiberglass category (3)

Net Sales by Geography (1)

20%
International
includes Canada, Australia and New Zealand



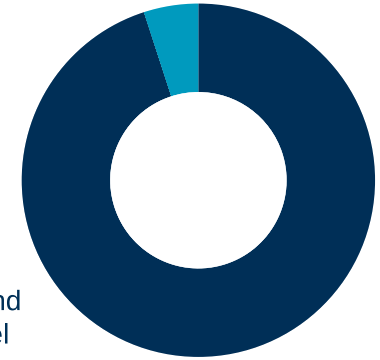
80%
United States

95%
Of the U.S. population can be reached in two days with our fleet

Only
Coast-to-coast manufacturer

Net Sales by End Market (2)

5%
New Construction



95%
Repair and Remodel

~100K – 120K
All-season covers

~180K – 200K
Vinyl liners must be replaced every year in the U.S.

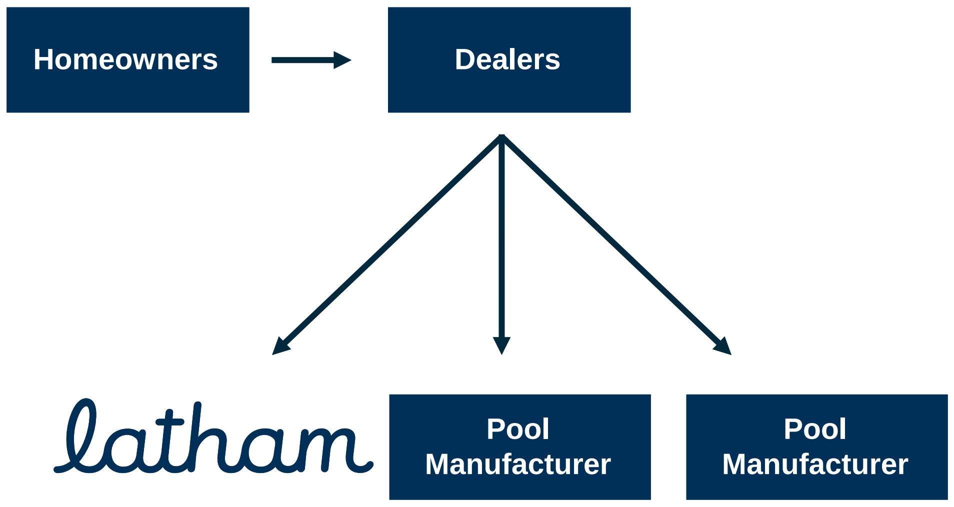
Source: Management's analysis based on information from studies by a third-party research consulting firm commissioned by the Company, management's knowledge as market participants and PK Data.
(1) Reflects FY'22 reported figures.
(2) Repair and remodel defined as pools installed on existing homes built more than one year prior (based on 2020 year-end data).
(3) Reflects share in North America.

Transformational B2C Go-to-Market Fiberglass Strategy

Latham's unique direct-to-homeowner model provides meaningful differentiation that is being enhanced through ongoing investment

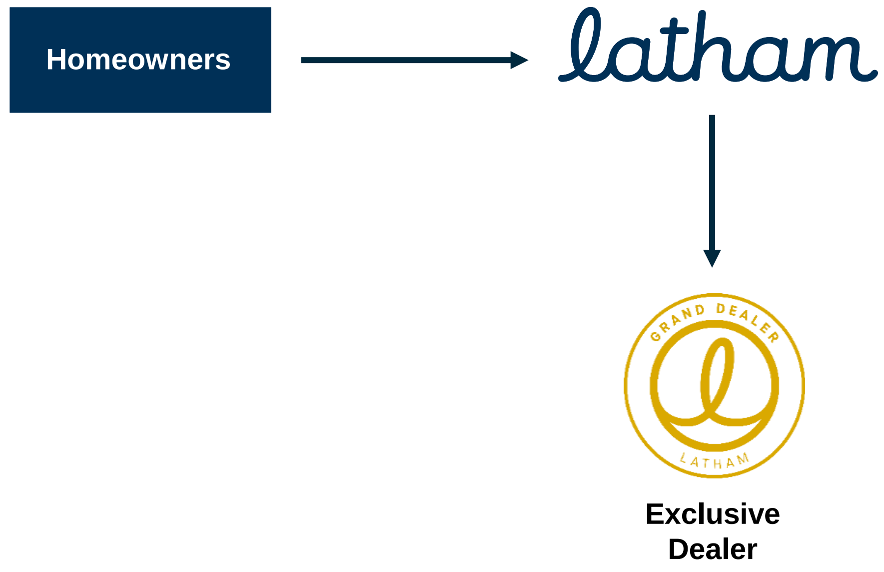
Yesterday

Homeowners relied on their local dealer to provide them information on pool manufacturers, shapes, sizes and materials and were restricted by dealer inventories



Today

Today, Latham controls the homeowner education process and has the ability to funnel purchase-ready leads to pre-qualified dealers through its website or mobile app



Significant Competitive Advantages

Latham's leading position is driven by its unparalleled geographic reach, scaled manufacturing footprint and broad offering of products

Geographic Reach

Latham's Extensive Footprint, Including Over 30 Locations, Lowers Transportation Costs and Lead Times

With a national network, we can strategically invest in internal freight costs to meet regional fluctuations

Proximity to customers is vital; over-highway transportation costs become very expensive beyond 400–500 miles

Ability to serve 95% of the U.S. in two days

Timeliness of delivery is key, as a multi-hour miss vs. schedule can meaningfully impact profit on a project

Latham views last mile delivery as a core competency (full-time drivers, owned trucks)

Manufacturing Processes and Production Capability

Footprint Creates Advantages Due to Significant Facility Startup Costs and Time

- Latham continues to effectively add manufacturing capacity
- Broad portfolio of about 90 fiberglass pool models and over 600 fiberglass pool molds across our global manufacturing footprint
- Vast portfolio of about 35 vinyl pool molds, enabling Latham to create custom pools to address a variety of homeowner preferences
- Local and state air permits are integral to manufacturing fiberglass pools
- We have secured and amended permits such that we can easily double fiberglass manufacturing capacity
- We manufacture all products to meet or exceed pool requirements under ICC code

Compelling Value Proposition

Scale and Access to Capital to Invest in Customers; No Other Competitor Can Provide

Latham can cost efficiently provide dealers with well-qualified leads

Localized digital marketing spend, co-branding, enhanced product literature, better in-store display samples and white-label websites

"Latham University" provides start-up training as well as continuing education on products and best practices

Business consulting teams to help dealers through challenges (e.g., Scaling from 30–50 pools a year to 75–100 pools by adding crews and following case studies)

Latham's Commitment to ESG Excellence

Sustainability

- **Our products save water and energy**

  Consistent use of automatic safety covers lead to ~90% reduction in water evaporation and over 50% reduction in energy usage
- **Fiberglass penetration reduces pollution**

  Fiberglass growth compresses demand for cement, the third largest source of industrial pollution(1)
- **Clean, "chemical-light" water**

  Fiberglass pools decrease algae and reduce chemical needs

Focus on Customer Safety

- **Our products save lives**

  Automatic safety covers enforce the highest level of safety for children and pets
- **Creating and adhering to industry standards**

  Leader in designing pools that meet the highest consumer safety standards

COMMITTED TO SERVING OUR CUSTOMERS, COMMUNITIES AND THE ENVIRONMENT

Commitment to Human Capital

- **Diversity and inclusion**

  >50% of Latham workforce comprised of underrepresented minorities

  ~50% female representation across multiple functions and progressing in others
- **Best-in-class workforce safety**

  Strict safety standards, senior management oversight, and mandatory training
- **Made in America**

  All of our domestically-sold products are manufactured in the USA

Corporate Governance

- **Board and Senior Management Oversight**

  Regular reporting of ESG program progress to Board committee; cross-functional internal work group determines and tracks key metrics
- **Separation of Chairman and CEO**

  Example of commitment to best practices in corporate governance
- **Experienced perspective**

  High-quality board of directors comprised of visionary leaders of branded, disruptive businesses and experienced, successful, long-term investors

NOTE: *See https://ir.lathampool.com/esg to view our ESG report and ESG website*

1. *United States Environmental Protection Agency.*

Unique Long-Term Growth Formula

Leverage Leading Brand and Digital Assets

- Content-rich platform provides homeowners with education and engagement tools that help them navigate the pool buying journey and connects them with our dealer partners

Accelerate Pace of Fiberglass Material Conversion

- Scale and industry leadership allow Latham to drive material conversion from concrete to fiberglass pools
- Focus on driving homeowner awareness of the lower cost and superior performance of fiberglass pools and dealer education on greater profit opportunity

Strategic Partnerships with Priority Dealers

- True business partner approach allows Latham to secure exclusivity from its dealers and enable fiberglass pools to take market share in the residential in-ground swimming pool industry

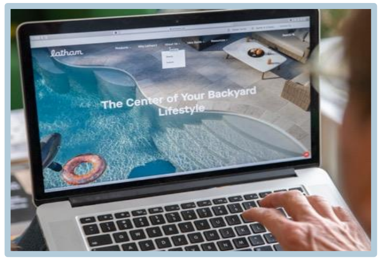
Strategic Acquisitions to Enhance the Latham Platform

- Strategic acquisitions and partnerships to expand geographic reach, enhance the existing product portfolio, and drive operational efficiencies

Transforming the Industry Through Our Digital Strategy

Leverage Leading Brand and Digital Assets

SUITE OF DIGITAL ASSETS



LAUNCHED IN 2019, OUR NEW WEBSITE HAS US ON TOP OF SEARCH RESULTS

AR VISUALIZER

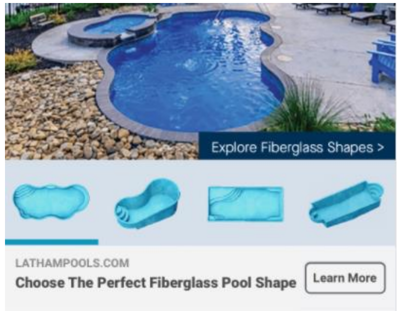
LINER VISUALIZER

MY LATHAM

POOL COST ESTIMATOR

OUR POOL-SHOPPING APPS ARE CHANGING THE WAY PURCHASES ARE MADE

LEAD ENGINE



OUR NEW LEAD ENGINE DROVE ~20K LEADS TO DEALERS IN 2022

Our unique direct-to-homeowner model and suite of digital technologies creates a superior customer experience

We have invested more in our portfolio of digital assets and capabilities than the rest of the industry, combined

Our online resources and educational tools simplify the consumer buying experience

We generate demand for our pools by providing high quality, purchase-ready consumer-lead generation for our dealers

Paid search is a lever to drive additional leads to our dealer partners

Fiberglass: The Future of the Industry

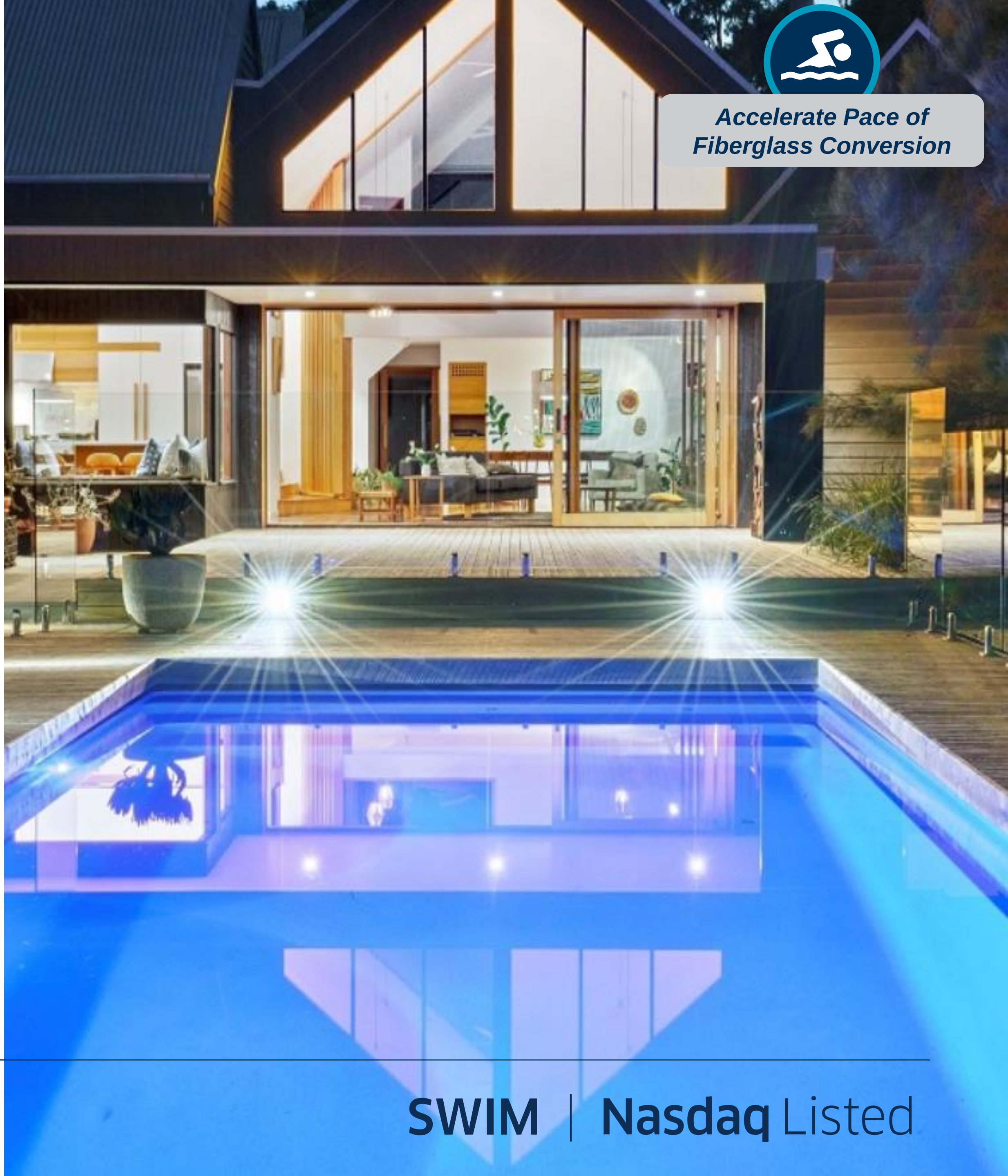
1. **Premium quality and exceptional design**
   With impressive strength that outperforms concrete and our proprietary stunning finishes, our fiberglass pools are the most durable and attractive swimming pools in the market

2. **Less chemicals, saltwater friendly**
   The smooth, non-porous finish of fiberglass eliminates the need for harsh chemicals. It also allows consumers to opt for an eye and skin-friendly saltwater pool without concerns of saltwater corrosion

3. **Lower cost: now and for a lifetime**
   Fiberglass pools have less upfront costs and lower repair expenses compared to concrete

4. **Buy today, swim tomorrow**
   Fiberglass pools can be installed in as little as two-to-three days, compared to up to three months for concrete pools. Rapid installation means less time managing a construction site and more time swimming

5. **Built to last**
   Your Latham pool is guaranteed for a lifetime. Say goodbye to refinishing and resurfacing concrete pools

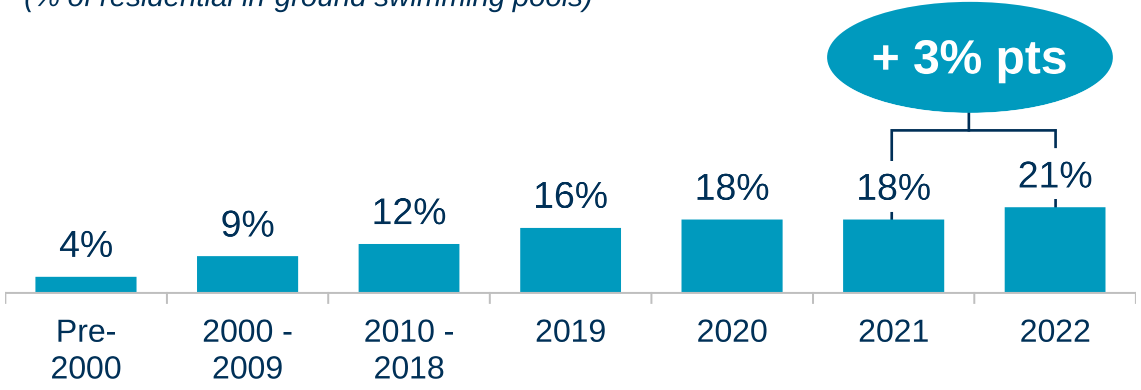


Significant Opportunity to Accelerate Material Conversion

Accelerate Pace of Fiberglass Conversion

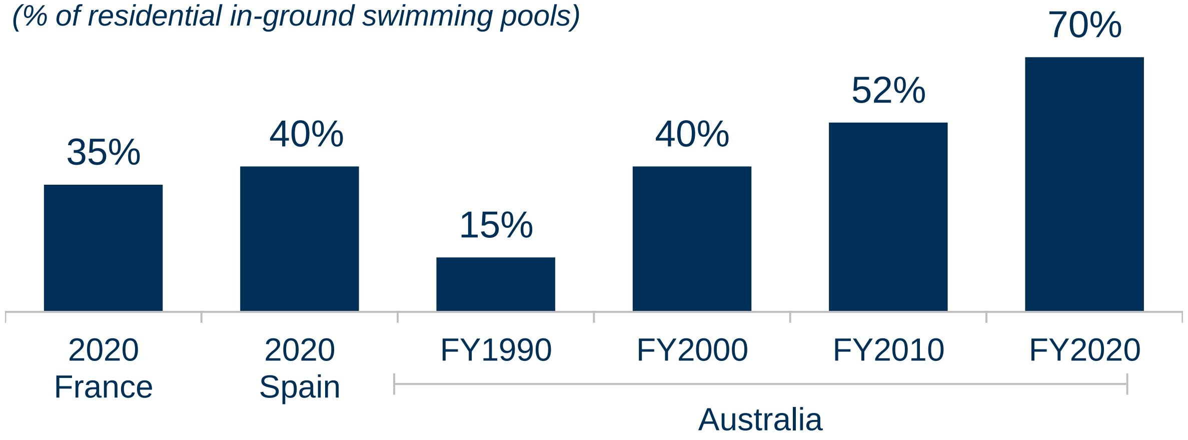
Fiberglass Share of U.S. Pool Installations

(% of residential in-ground swimming pools)

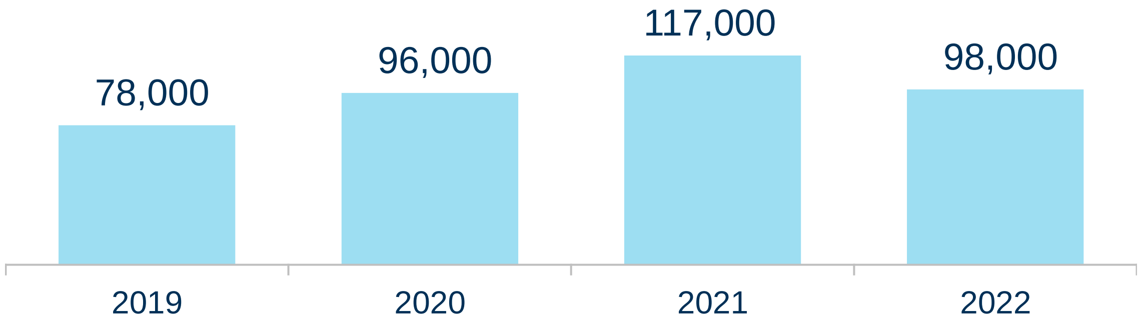


International Fiberglass Market Penetration

(% of residential in-ground swimming pools)



New U.S. In-ground Residential Pool Installations (1)



Source: Management's analysis based on information from studies by a third-party research consulting firm in 2019-2020 commissioned by the Company, management's knowledge of market participants, and PK Data

(1) Defined as new in-ground pool starts, per PK Data.

Latham's Superior Value Proposition

Accelerate Pace of Fiberglass Conversion

Fiberglass pools offer a superior value proposition that is underpinned by lower up-front and total lifecycle costs for the homeowner and attractive economics for the dealer

Accelerating Conversion

Fiberglass is built to last

Lower Cost: Now and for a Lifetime

Homeowner Economics

	Fiberglass	Vinyl	Concrete
Upfront Cost	~$78,000	~$51,000	~$104,250
# of Major Repairs	-	1	1
10-year Maintenance	~$11,660	~$21,530	~$43,050
Total 10-year Cost	~$89,660	~$72,530	~$147,350
Lifetime Warranty	✓	✗	✗
Customer Satisfaction	1	#3	#2

Installer Economics

	Fiberglass	Vinyl	Concrete
Total Project Time	1 week	1 month	3 months
1-year Install Capacity	~125 pools	~35 pools	~20 pools
Labor Crew	3 people	6-8 people	8-10 people
Profit Per Pool	$5-10K	$5-10K	$5-15K
Install Profitability	~$1.25M	~$350K	~$300K

+25% savings in up front costs

+39% savings in total lifecycle upkeep costs

Source: Management's analysis based on information from studies by a third-party research consulting firm in 2019-2020 commissioned by the Company and management's knowledge as market participants.
Note: Assumes pool of a certain size, with all other conditions being the same; Assumes certain number of working days per year with one pool building crew; certain number of days per installation of each type of pool, resulting in certain number of pool installations per year for each type of pool. Assumes pool of a certain size, with all other conditions being the same.

Positioning Dealer Partners for Success

Strategic Partnerships with Priority Dealers

+350 (1)	8	~20K
Exclusive Partnerships formed Globally	**Dealer Bootcamp Training Events in FY22**	**Qualified Leads Shared with Dealers in FY22**

Exclusive Partnerships

Lead Generation

Education On Fiberglass

Hands-On Training

Business Excellence Coaching

Installation Assistance

NOTE:
(1) Includes dealers in the U.S, Canada, Australia, and New Zealand.

Lead Generation Engine

- Latham funnels demand through its website and mobile app to deliver well-qualified leads to dealer partners
- Latham's proven lead generation engine has allowed it to secure exclusivity from the top 350+ dealers
- Latham has proven it can cost efficiently provide a greater volume of leads than its dealers can handle

Latham Dealer Partners

- "Latham Grand" dealer program allows 250+ North American dealers to benefit from access to purchase-ready leads
- Latham has transitioned its dealers away from three legacy sub-brand affiliations
- Exclusive supply agreements with top builders in the nation driving fiberglass conversion from concrete
- Continue to rollout new partnerships in under-serviced markets, focused on accelerating the fiberglass conversion story

Training Resources Provided

- Latham University provides hands-on installation training for dealer partners
  - Hosted 8 fiberglass and packaged pool bootcamp training events in FY22, which were attended by over 200 individuals, representing approximately 100 companies
- Latham's dealer partners discover firsthand the benefits of fiberglass pools
- Latham operates a dedicated facility in Florida that offers specialized in-person training
- Latham's "business excellence" coaches help dealers scale by adding crews

Latham provides high quality leads, hands-on training and business excellence coaching for its dealer partners

Execute and Integrate Strategic Acquisitions

Strategic Acquisitions to Enhance Latham Platform

Latham has a history of successful M&A integration and has ample opportunity for additional add-ons given industry fragmentation

A Clear M&A Framework…

Strategically expand U.S. and international footprint	Seek high-quality businesses with complementary offerings
Target companies with high growth and strong margins	Focus on the consumer experience through shared technology and best practices

Significant white space to execute on our successful M&A playbook and accelerate Company growth

…with a Successful Track Record of M&A…

Radiant Pools · GLI Pool Products · Narellan pools · Blue Hawaiian Fiberglass Pools · Viking Pools (The Standard of Fiberglass) · Coverstar (We make it strong. We make it easy.) · Trilogy Pools (endless possibilities)

…in a Fragmented Industry

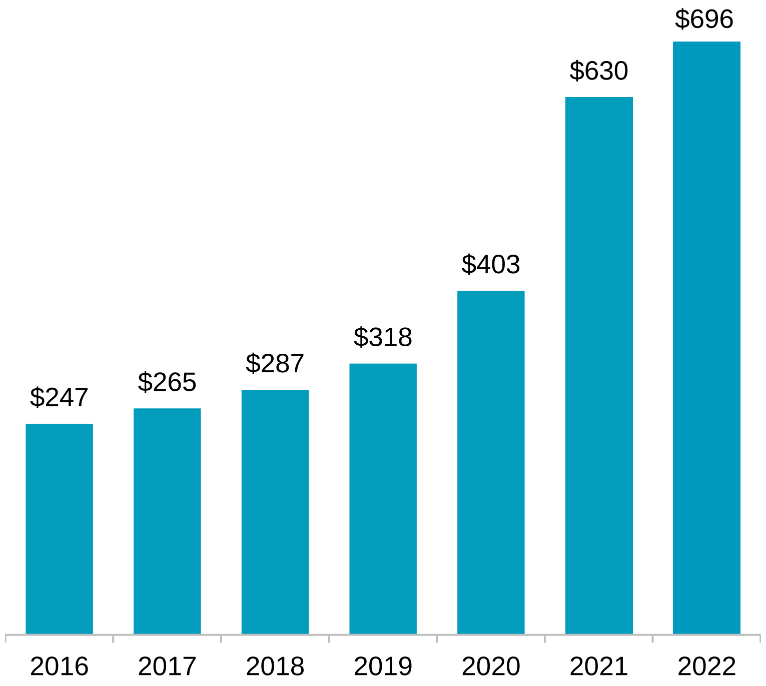
Primarily made up of many small regional players focused on one product category

Latham Has a Track Record of Driving Growth

Our fiberglass pool sales have outpaced the overall markets' sales from 2016 – 2022

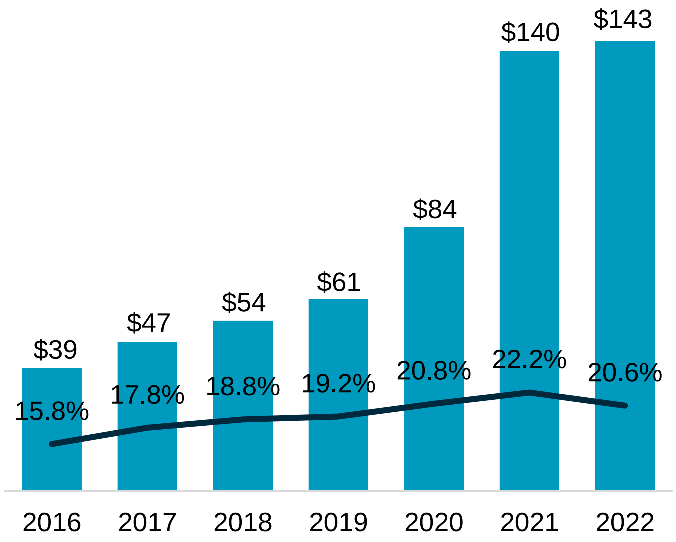
Net Sales

($ in millions)



Adj. EBITDA and Adj. EBITDA Margin[1]

($ in millions)



NOTE: Net Sales and Adjusted EBITDA reflect reported figures.

1. See Appendix for the reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin to net income (loss) and net income (loss) margin, respectively. Adjusted EBITDA margin is Adjusted EBITDA divided by net sales.

Disciplined Approach to Capital Allocation

Reinvesting in the Business	• Targeted investments in organic growth opportunities that generate significant returns and value creation • Focus on fiberglass production / delivery equipment and new fiberglass molds
Selective Strategic Investments in Inorganic Growth	• Strong history of successful M&A integration • Ample opportunity for additional add-ons given industry fragmentation
Maintaining a Strong Balance Sheet	• As of April 1, 2023, cash and cash equivalents of $55 million, $27 million of borrowing availability on our $75 million Revolving Credit Facility, and total debt of $360 million • Net Debt Leverage Ratio[(1)] was 2.9x at end of Q1 2023
Returning Capital to Shareholders	• As of April 1, 2023, $77 million remained available for share repurchases of its shares of Common Stock pursuant to the Company's $100 million authorization

(1) Calculated by net debt divided by LTM Adjusted EBITDA for the four fiscal quarters ended April 1, 2023. See appendix for the reconciliation of Adjusted EBITDA to net loss and Net Debt and Net Debt Leverage Ratio to the comparable GAAP measure.

Fiscal 2023 Outlook[1]

Metric	Low	High
Net Sales	$565 million	$615 million
Adjusted EBITDA[2]	$90 million	$110 million
Capital Expenditures	$35 million	$40 million

Reflects:

- First quarter fiscal 2023 results
- The impact of macroeconomic challenges on consumer spending and demand, resulting in anticipated declines in the industry for U.S. new in-ground pool installations in 2023 versus 2022
- Normalization of packaged pool channel inventory in the wholesale distribution channel from elevated levels, which is expected to remain a headwind through at least the first half of 2023
- Continued progress executing our strategy to drive material conversion from concrete to fiberglass swimming pools, supported by our continued momentum on our lead generation efforts and digital tools
- Benefits from previously announced cost reduction actions and continuous improvement initiatives
- Disciplined capital investments with a focus on the completion of projects for the Kingston, Ontario and Seminole, Oklahoma fiberglass manufacturing facilities

(1) Represents guidance given by the Company as of May 9, 2023. 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 loss is not available due to uncertainty related to our future income tax expense.

Latham: A Compelling Growth Story

- Serving a large and attractive market benefitting from material conversion
- The leading consumer brand in the residential pool market
- Unique direct-to-homeowner model driving business for our dealer partners
- Broadest portfolio of branded products known for quality, durability, and aesthetics
- Broad reach, regulatory expertise, and technological capabilities create significant competitive advantages
- Multiple levers to continue to drive growth across our platform
- Visionary management team with proven track record of execution

Appendix

Non-GAAP Reconciliations
Adjusted EBITDA and Adjusted EBITDA Margin

(in thousands)	Predecessor			Successor		
	Fiscal Year Ended December 31,		Period of January 1, 2018 through December 18,	Period of December 19, 2018 through December 31,	Fiscal Year Ended December 31,	
	2016	2017	2018	2018	2019	2020
Net income (loss)	$ 2,900	$35,236	$1,889	$ (5,032)	$7,457	$15,983
Depreciation and amortization	14,162	14,587	14,767	1,228	21,659	25,365
Interest expense	14,550	14,143	11,116	664	22,639	18,251
Income tax expense (benefit)	5,720	(13,516)	4,229	(981)	(4,671)	6,776
Loss (gain) on sale and disposal of property and equipment	233	(204)	914	34	680	332
Restructuring charges(1)	609	176	1,271	47	980	1,265
Management fees(2)	500	500	482	18	500	-
Stock-based compensation expense(3)	9	9	(18)	-	808	1,827
Unrealized (gains) losses on foreign currency transactions(4)	47	(1,596)	2,312	85	(300)	(1,111)
Strategic initiative costs(5)	-	-	-	-	964	6,264
Acquisition and integration related costs (6)	592	239	19,135	707	3,612	5,497
Other(7)	(259)	(2,322)	1,227	45	6,722	1,656
IPO costs(8)	-	-	-	-	-	1,731
Adjusted EBITDA	$39,063	$47,252	$57,324	$ (3,185)	$61,050	$83,836
Adjusted EBITDA margin	15.8%	17.8%	20.1%	NM	19.2%	20.8%

(1) Represents the cost of shutting down production and warehouse facilities in New Market, New Hampshire, Decatur, Georgia, Oregon City, Oregon, and Mississauga, Ontario, Canada, including the cost to transfer and dispose of property and equipment and involuntary workforce reductions. Also includes severance and other costs for our executive management changes.
(2) Represents management fees paid to our Principal Stockholders in accordance with our expense reimbursement arrangement, which terminated as of the effective date of our IPO.
(3) Represents non-cash stock-based compensation expense.
(4) Represents foreign currency transaction (gains) and losses associated with our international subsidiaries and changes in the fair value of the contingent consideration recorded in connection with the acquisition of Narellan, which was settled in September 2020.
(5) Represents fees paid to external consultants for our strategic initiatives, including our rebranding initiative.
(6) Represents acquisition and integration costs primarily related to the acquisition of Narellan, the acquisition of GLI, the equity investment in Premier Pools & Spas, as well as other costs related to a transaction that was abandoned.
(7) Other costs consist of other discrete items as determined by management, including: (i) fees paid to external consultants for tax restructuring, (ii) the cost for legal defense of a specified matter, (iii) the cost incurred and insurance proceeds received related to our production facility fire in Dix, Illinois, in 2016, and our production facility fire in Picton, Australia, in 2020, (iv) temporary cleaning, equipment and salary costs incurred in response to the COVID-19 pandemic, offset by government grants received in the United States, Canada and New Zealand, (v) non-cash adjustments to record the step-up in the fair value of inventory related to the Acquisition, the acquisition of Narellan and the acquisition of GLI, which are amortized through cost of sales in the annual consolidated and in the interim condensed consolidated statements of operations, (vi) non-cash adjustments related to our frozen defined benefit pension plans, which were terminated in 2020, and (vii) other items.
(8) Represents items management believes are not indicative of ongoing operating performance. These expenses are primarily composed of legal, accounting and professional fees incurred in connection with the IPO that are not capitalizable, which are included within selling, general and administrative expense.

Non-GAAP Reconciliations
Adjusted EBITDA and Adjusted EBITDA Margin

(in thousands)	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2021
Net loss	$ (5,694)	$ (62,348)
Depreciation and amortization	38,175	32,230
Interest expense	15,753	24,433
Income tax (benefit) expense	19,415	8,818
Loss on sale and disposal of property and equipment	193	275
Restructuring charges(1)	1,607	906
Stock-based compensation expense	50,634	128,775
Unrealized (gains) losses on foreign currency transactions(2)	2,534	1,151
Strategic initiative costs(3)	3,948	2,531
Acquisition and integration related costs(4)	326	3,576
Loss on extinguishment of debt(5)	3,465	—
Underwriting fees related to offering of common stock(6)	11,437	—
Odessa fire(7)	869	—
IPO costs(8)	—	3,956
Other(9)	590	(4,484)
Adjusted EBITDA	$ 143,252	$ 139,819
Net sales	$ 695,736	$ 630,456
Net loss margin	(0.8)%	(9.9)%
Adjusted EBITDA margin	20.6%	22.2%

(1) Represents costs related to a cost reduction plan announced in 2022 to optimize production and shift schedules, implement a workforce reduction, and to shut down our Bossier City, Louisiana facility. Also includes severance and other costs for our executive management changes.
(2) Represents foreign currency transaction (gains) and losses associated with our international subsidiaries and changes in the fair value of the contingent consideration recorded in connection with the acquisition of Narellan, which was settled in September 2020.
(3) Represents expenses for our strategic initiatives, including our rebranding initiative and fees paid to external consultants.
(4) Represents acquisition and integration costs primarily related to the acquisitions of GLI and Radiant, the equity investment in Premier Pools & Spas, as well as other costs related to potential transactions.
(5) Represents the loss on extinguishment of debt in connection with our debt refinancing on February 23, 2022.
(6) Represents underwriting fees related to our offering of common stock that was completed in January 2022.
(7) Represents costs incurred and insurance recoveries related to a production facility fire in Odessa, Texas.
(8) These expenses are primarily composed of legal, accounting and professional fees incurred in connection with our initial public offering that are not capitalizable, and that are included within selling, general and administrative expense.
(9) Other costs consist of other discrete items as determined by management, primarily including: (i) fees paid to external advisors for various matters, (ii) the cost incurred and insurance proceeds related to our production facility fire in Picton, Australia in 2020, (iii) non-cash adjustments to record the step-up in the fair value of inventory related to the acquisitions of GLI and Radiant, which were amortized through cost of sales in the consolidated statements of operations, (iv) gain on sale of portion of equity method investment, and (v) other items.

Non-GAAP Reconciliations
Adjusted EBITDA and Adjusted EBITDA Margin

(in thousands)	Fiscal Quarter Ended April 1, 2023	Fiscal Quarter Ended April 2, 2022
Net loss	$ (14,368)	$ (2,840)
Depreciation and amortization	9,258	9,494
Interest expense	10,804	1,765
Income tax (benefit) expense	(2,928)	5,307
Loss on sale and disposal of property and equipment	8	—
Restructuring charges[(1)]	519	13
Stock-based compensation expense[(2)]	6,769	16,925
Unrealized losses (gains) on foreign currency transactions[(3)]	730	(4)
Strategic initiative costs[(4)]	1,067	1,818
Acquisition and integration related costs[(5)]	11	257
Loss on extinguishment of debt[(6)]	—	3,465
Underwriting fees related to offering of common stock[(7)]	—	11,437
Odessa fire[(8)]	(864)	—
Other[(9)]	27	325
Adjusted EBITDA	$ 11,033	$ 47,962
Net sales	$ 137,719	$ 191,614
Net loss margin	(10.4) %	(1.5)%
Adjusted EBITDA margin	8.0 %	25.0%

(1) Represents costs related to a cost reduction plan announced in 2022 to optimize production and shift schedules, implement a workforce reduction, and to shut down our Bossier City, Louisiana facility. Also includes severance and other costs for our executive management changes.
(2) Represents non-cash stock-based compensation expense.
(3) Represents unrealized foreign currency transaction losses (gain) associated with our international subsidiaries.
(4) Represents fees paid to external consultants for our strategic initiatives.
(5) Represents acquisition and integration costs primarily related to the acquisition of Radiant, the equity investment in Premier Pools & Spas, as well as other costs related to potential transactions.
(6) Represents the loss on extinguishment of debt in connection with our debt refinancing on February 23, 2022.
(7) Represents underwriting fees related to our offering of common stock that was completed in January 2022.
(8) Represents costs incurred and insurance recoveries in excess of costs incurred for the period related to a production facility fire in Odessa, Texas.
(9) 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 acquisitions of Radiant, which was amortized through cost of sales in the condensed consolidated statements of operations, and (iii) other items.

Non-GAAP Reconciliations
Net Debt and Net Debt Leverage Ratio

(in thousands)	As of April 1, 2023	
Total debt	$	360,461
Less:		
Cash		(55,016)
Net Debt		305,455
LTM Adjusted EBITDA[(a)]		106,323
Net Debt Leverage Ratio		2.9x

(a) LTM Adjusted EBITDA is the sum of the Company's Adjusted EBITDA for the four fiscal quarters ended April 1, 2023. See Appendix for the reconciliation of Adjusted EBITDA to net loss.