



Investor Presentation  
Stifel Cross Sector Insight Conference  
June 2024

*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**

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. This presentation includes certain non-GAAP financial measures. 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 measures to these non-GAAP measures can be found in the Appendix to this presentation.

For the definitions of certain non-GAAP measures, how such non-GAAP 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.

Net Debt and Net Debt Leverage Ratio are non-GAAP financial measures used in monitoring and evaluating our overall liquidity, financial flexibility, and leverage. Other companies may calculate similarly-titled non-GAAP measures differently, limiting their usefulness as comparative measures. 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: Leading Outdoor Living Company



The leading consumer brand in the residential pool market with the broadest portfolio of branded products known for quality, durability and aesthetics

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

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Unique distribution model driving business for our dealer partners

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Strong financial position; positioned for accelerated, profitable growth as pool industry rebounds. Multiple levers to continue to drive efficiencies

# 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 more than 90 fiberglass pool models and almost 550 fiberglass pool molds across our global manufacturing footprint
- Vast portfolio of ~35 vinyl pool molds and ~45 vinyl designer finishes, 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

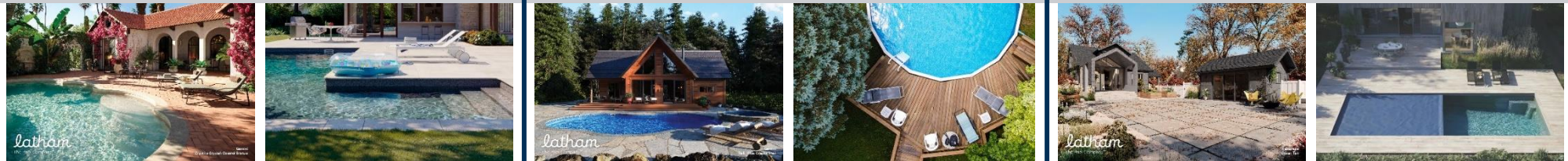


Business consulting teams to help dealers through challenges (e.g., Scaling from 30–50 pools a year to 75–100 pools by adding crews and following case studies)

# Leader in Every Pool Category in Which We Compete

## #1 in In-Ground Swimming Pools, Liners, and Covers

Category	In-Ground Swimming Pools		Liners		Covers	
<b>Subcategory</b>	Fiberglass	Packaged	In-ground vinyl liners	Above-ground vinyl liners	Winter safety covers	Automatic safety covers
<b>Examples</b>	<ul style="list-style-type: none"> <li>• Pools</li> <li>• Spillover spas</li> <li>• Tanning ledges</li> </ul>	Walled Pools <ul style="list-style-type: none"> <li>• Steel</li> <li>• Polymer</li> <li>• Insulated aluminum</li> </ul> Steps <ul style="list-style-type: none"> <li>• Vinyl over</li> <li>• Thermoformed</li> <li>• Fiberglass</li> </ul>	<ul style="list-style-type: none"> <li>• New install</li> <li>• Replacement</li> </ul>	<ul style="list-style-type: none"> <li>• New install</li> <li>• Replacement</li> </ul>	<ul style="list-style-type: none"> <li>• Solid</li> <li>• Mesh</li> </ul>	<ul style="list-style-type: none"> <li>• Automatic safety system</li> <li>• New and replacement automatic safety system</li> </ul>
<b>Primary go-to-market</b>	Direct	Wholesale distribution	Wholesale distribution	Wholesale distribution	Wholesale distribution	Value-added reseller
<b>Stocked products</b>	No	Yes	No	Yes	No	No
<b>Market – New custom installs or installed base (replacement)</b>	New custom installs	New custom installs	New custom installs and installed base (replacement)	New custom installs and installed base (replacement)	Installed base (replacement)	New custom installs and installed base (replacement)
<b>Pool type application (includes competitive pool types)</b>	N/A	N/A	Packaged pools	Above-ground pools	<ul style="list-style-type: none"> <li>• Fiberglass</li> <li>• Packaged pools</li> <li>• Concrete</li> </ul>	<ul style="list-style-type: none"> <li>• Fiberglass</li> <li>• Packaged pools</li> <li>• Concrete</li> </ul>

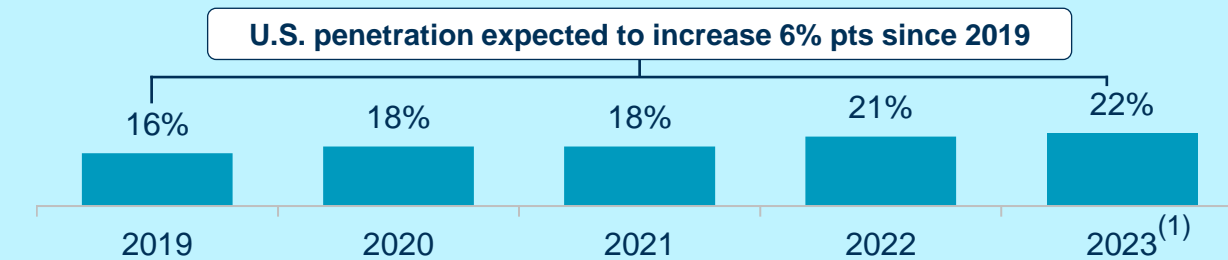


# Fiberglass: The Future of the Industry

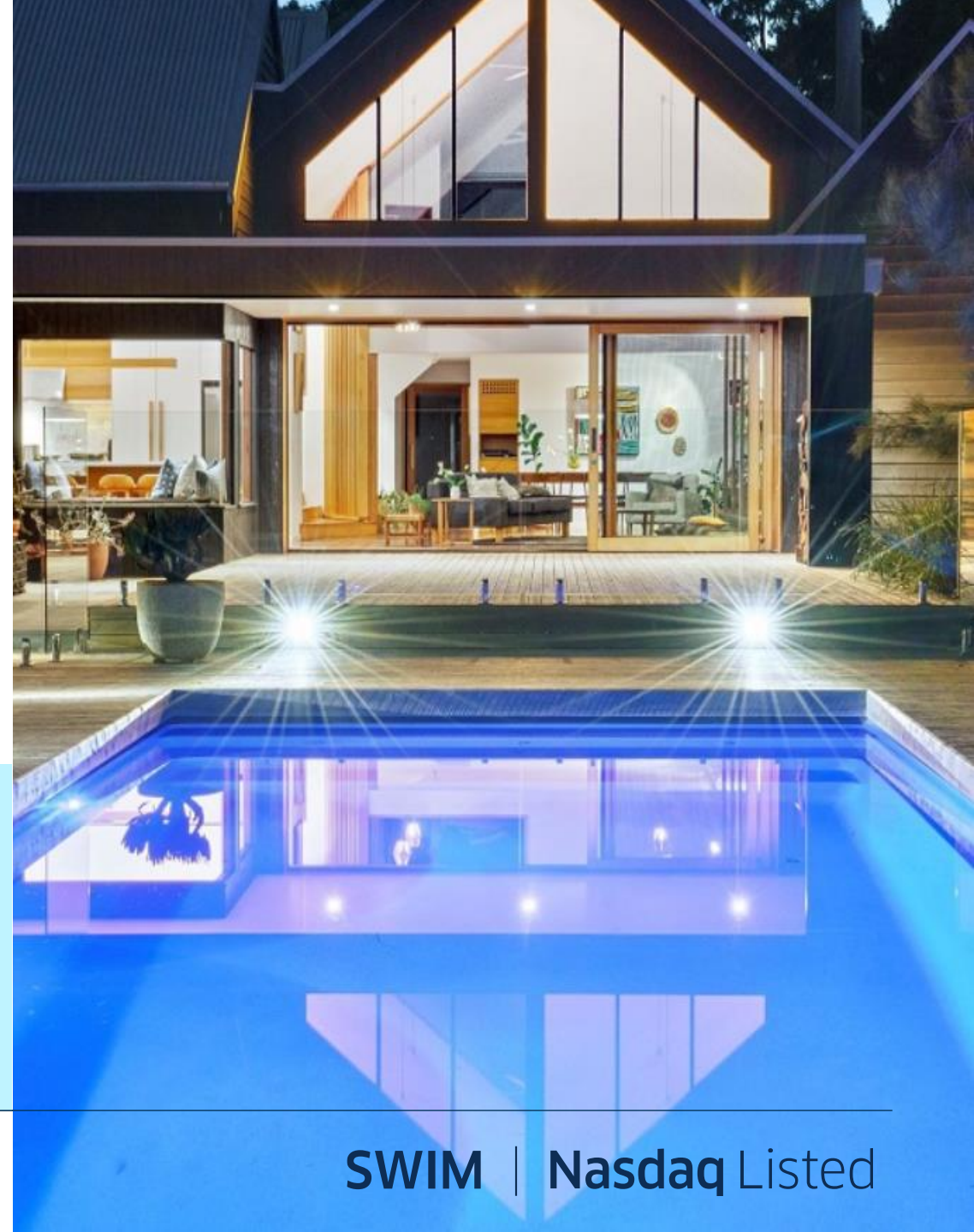
- 1 Premium quality and exceptional design**  
With impressive strength that outperforms concrete and our proprietary stunning finishes, our fiberglass pools are the most durable and attractive swimming pools in the market
- 2 Less chemicals, saltwater friendly**  
The smooth, non-porous finish of fiberglass 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 covered by a lifetime warranty. Say goodbye to refinishing and resurfacing concrete pools

## Fiberglass Share of Pool Installations

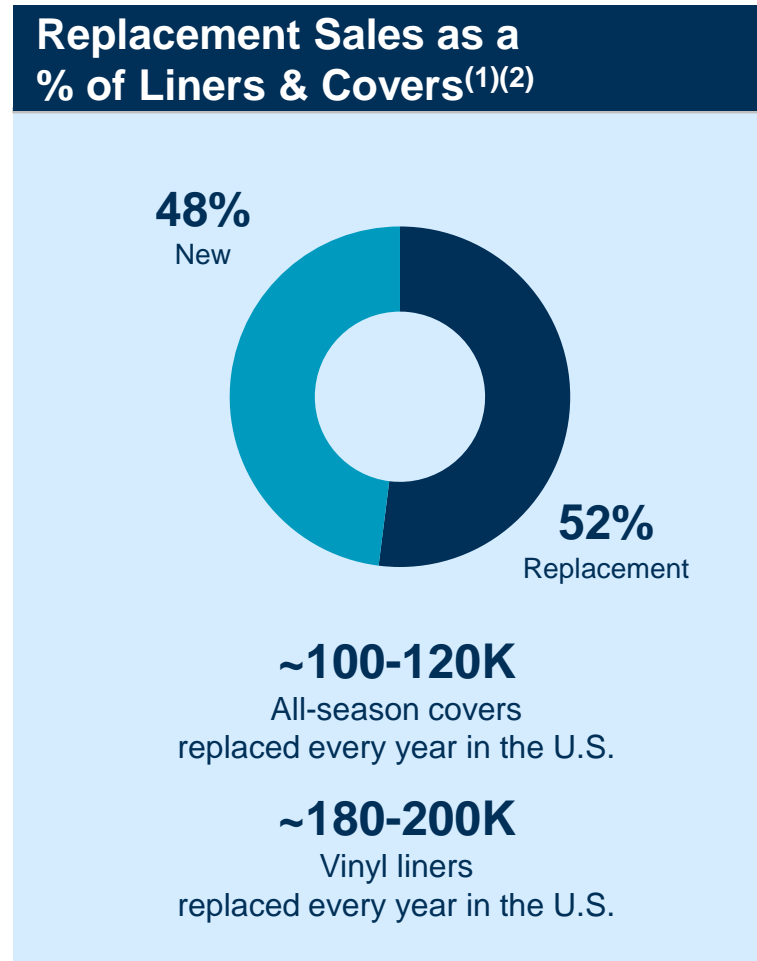
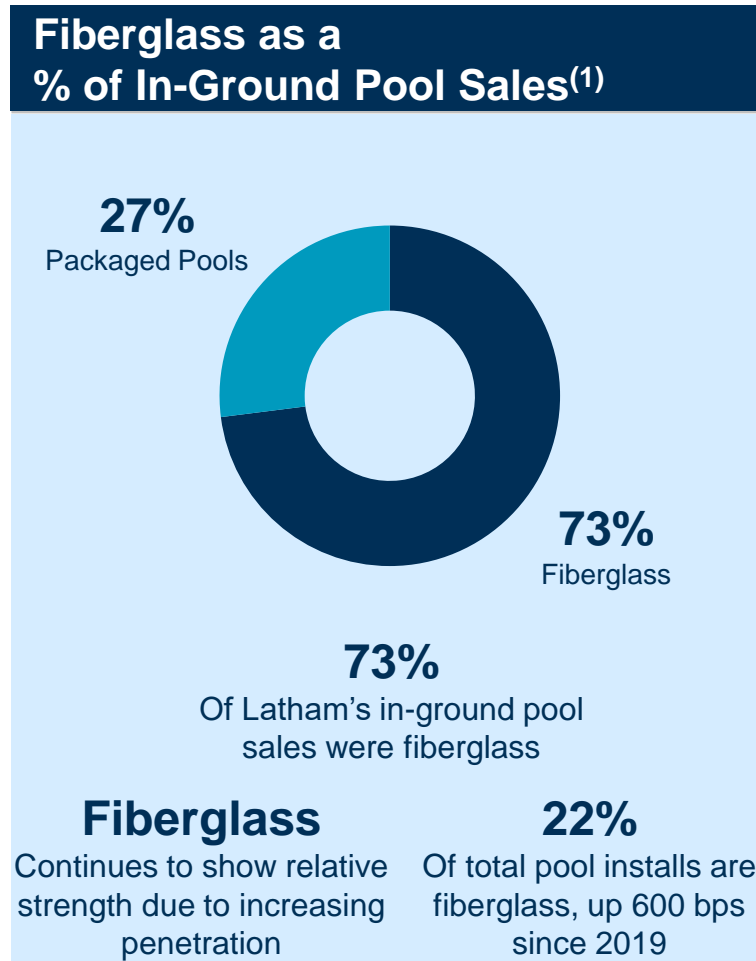
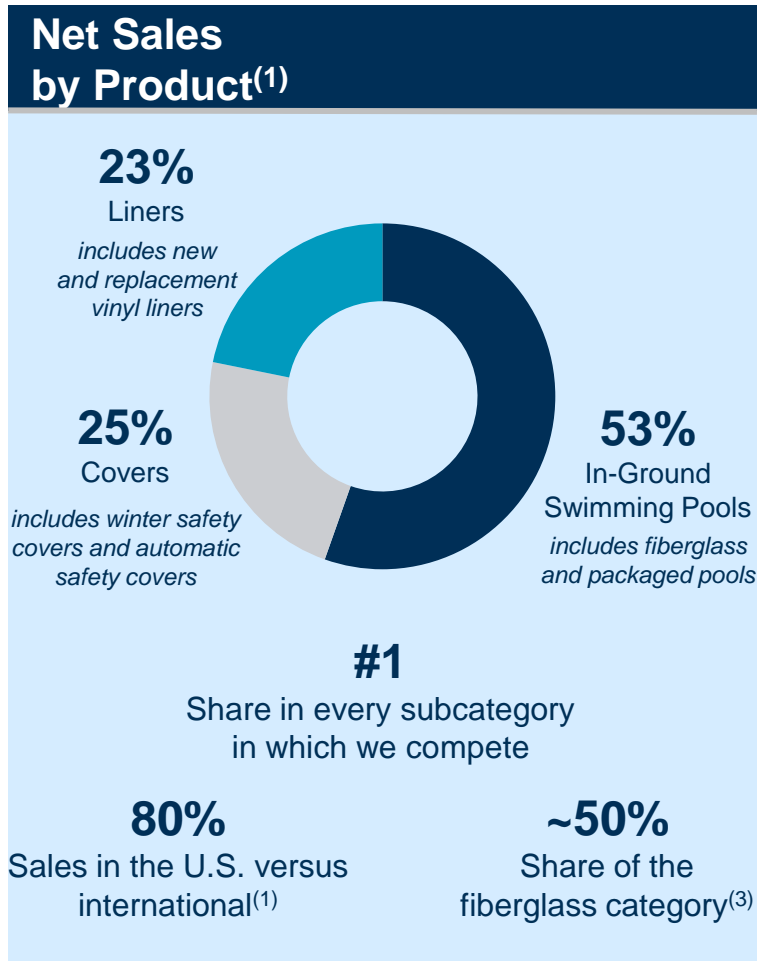
(% of residential in-ground swimming pools)



(1) Management estimates



# 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'23 reported figures.

(2) Based on management's internal estimates.

(3) Reflects share in North America.

## Re-Affirming Full Year 2024 Outlook<sup>(1)</sup>

\$ in millions	2024 Outlook	
Metric	Low	High
Net Sales	\$490	\$520
Adjusted EBITDA <sup>(2)</sup>	\$60	\$70
Capital Expenditures	\$18	\$22

### Reflects

- Managing to ~15% decline in new in-ground pool installations in 2024, planning for recovery in 2025;
- Benefits from our cost saving, and lean and value engineering initiatives; and
- Continued investment in sales and marketing, value engineering and R&D, and ongoing digital transformation programs + normalized performance-based compensation.

(1) Represents guidance given by the Company as of March 12, 2024. 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 Long-term Growth Story



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

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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 pool industry rebounds

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