Q1 2025 Earnings Presentation

May 6, 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) and Adjusted EBITDA margin 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, 2023. 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.

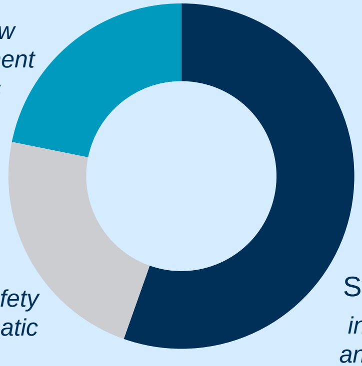
Latham: A Compelling Long-term Growth Story

- Serving a large and attractive market benefitting from fiberglass and autocover category share gains
- 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
- Multiple levers to continue to drive efficiencies
- Positioned for accelerated, profitable growth as volumes increase

Balanced Portfolio Serving an Attractive Market

Net Sales by Product[1]

23%
Liners
includes new and replacement vinyl liners



26%
Covers
includes winter safety covers and automatic safety covers

51%
In-Ground Swimming Pools
includes fiberglass and packaged pools

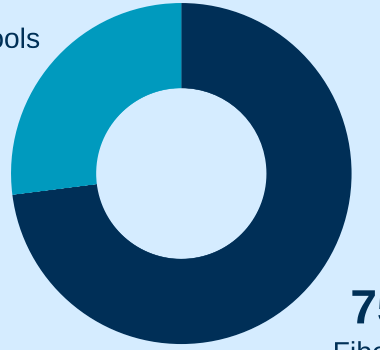
#1
Share in every subcategory in which we compete

80%
Sales in the U.S. versus international[1]

~50%
Share of the fiberglass category[3]

Fiberglass as a % of In-Ground Pool Sales[1]

25%
Packaged Pools



75%
Fiberglass

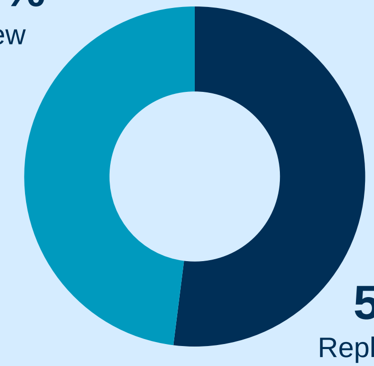
17%
Of Latham's Fiberglass pool sales were in the Sand States

Fiberglass
Continues to show relative strength due to increasing penetration

23%
Of total pool installs are fiberglass, up 600 bps since 2019

Replacement Sales as a % of Liners & Covers[1][2]

49%
New



51%
Replacement

~100-120K
All-season covers replaced every year in the U.S.

~180-200K
Vinyl liners 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'24 reported figures.
(2) Based on management's internal estimates.
(3) Reflects share in North America.

Expanding Share in the Sand States - A Key Growth Driver

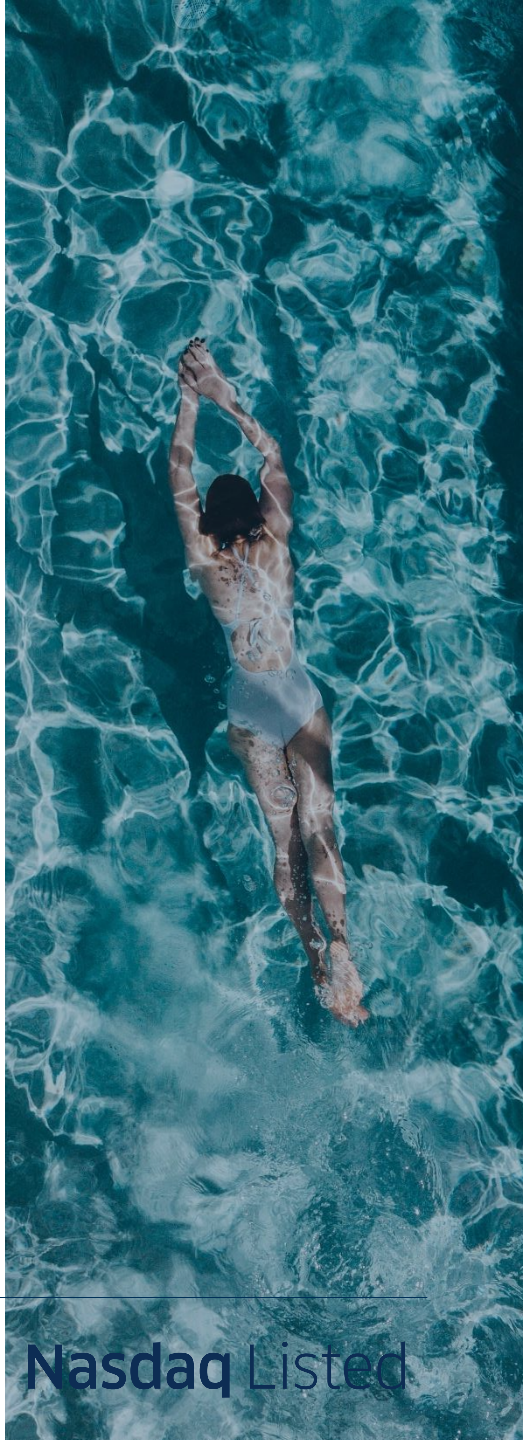
1 Expanding the Pool Dealer Base
- Driving pool builder expansion and development
- Opportunities to “stand up” new builders and convert concrete builders to Fiberglass

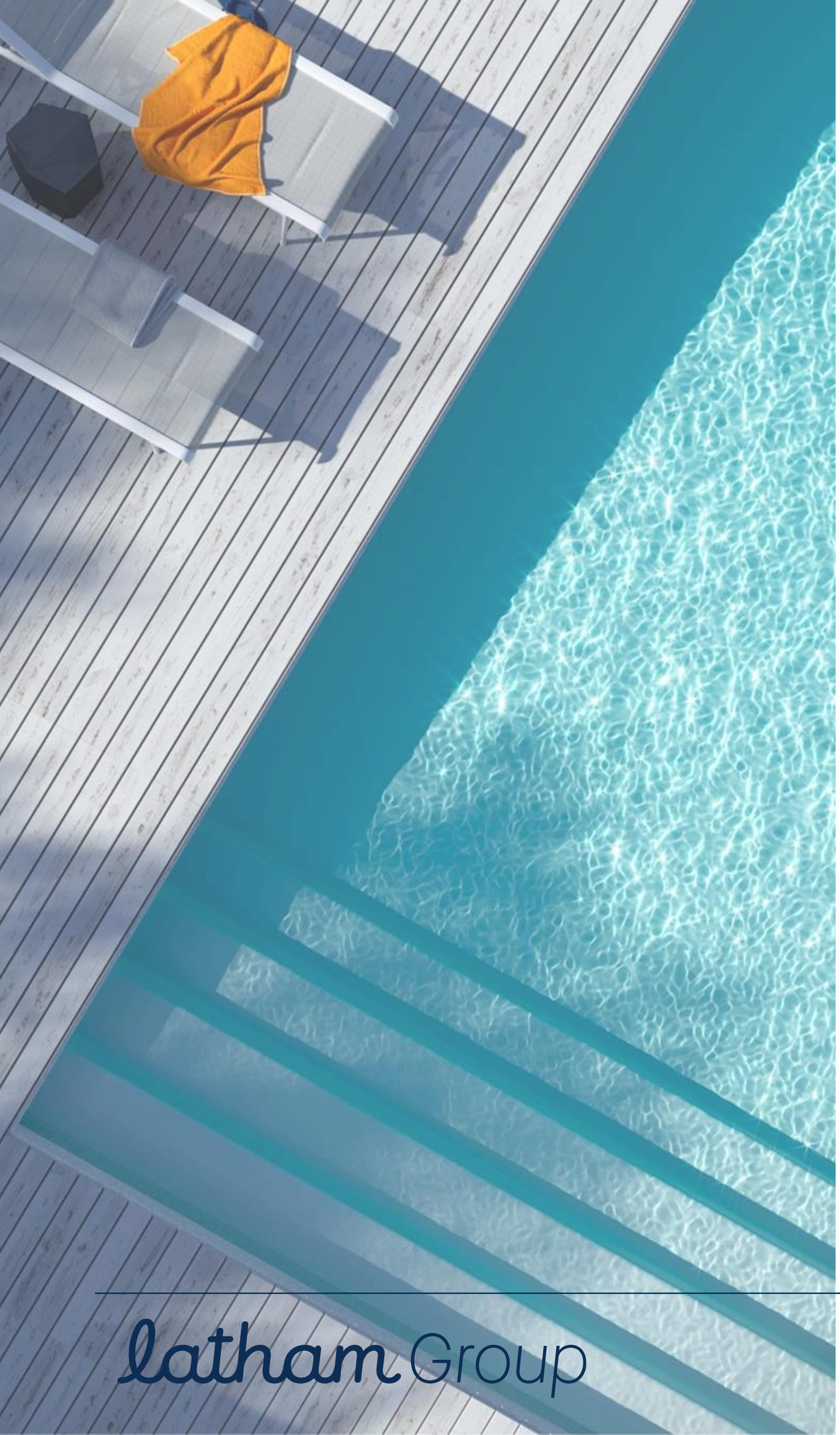
2 Targeting Master Planned Communities (MPC’s)
- Massive opportunity in Master Planned Communities; ~30K new homes constructed in Master Planned Communities in 2023
- 75% of largest Master Planned Communities found in Florida and Texas(1)

3 Aligning Products with Demand
- Rectangular shapes, pool/spa combos, and plunge pools are increasingly popular in the Sand States
- Extending pool model offerings to meet this demand

4 Marketing to Consumers & Builders
- Highlight Fiberglass benefits to consumers: faster installation, lower cost of ownership than concrete
- Highlight Fiberglass benefits to builders: more profitable, faster to scale than concrete
- Launched a new Fiberglass marketing campaign in Texas and Florida – “Get Out Of The Stone Age” (GOOTSA) – with plans to broaden its reach in 2025
- Hosted events at Master Planned Community in Florida, producing large turnout and solid lead generation

(1) RCLCO Real Estate Consulting, 2024 Sales Top 50, Master-Planned Communities Ranking.





2025 Outperformance

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

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

Full Year 2025 Outlook[1]

$ in millions	2025 Outlook		
Metric	**Low**	**High**	**YoY Growth @ Midpoint**
Net Sales	$535	$565	8%
Adjusted EBITDA[2]	$90	$100	19%
Capital Expenditures	$27	$33	

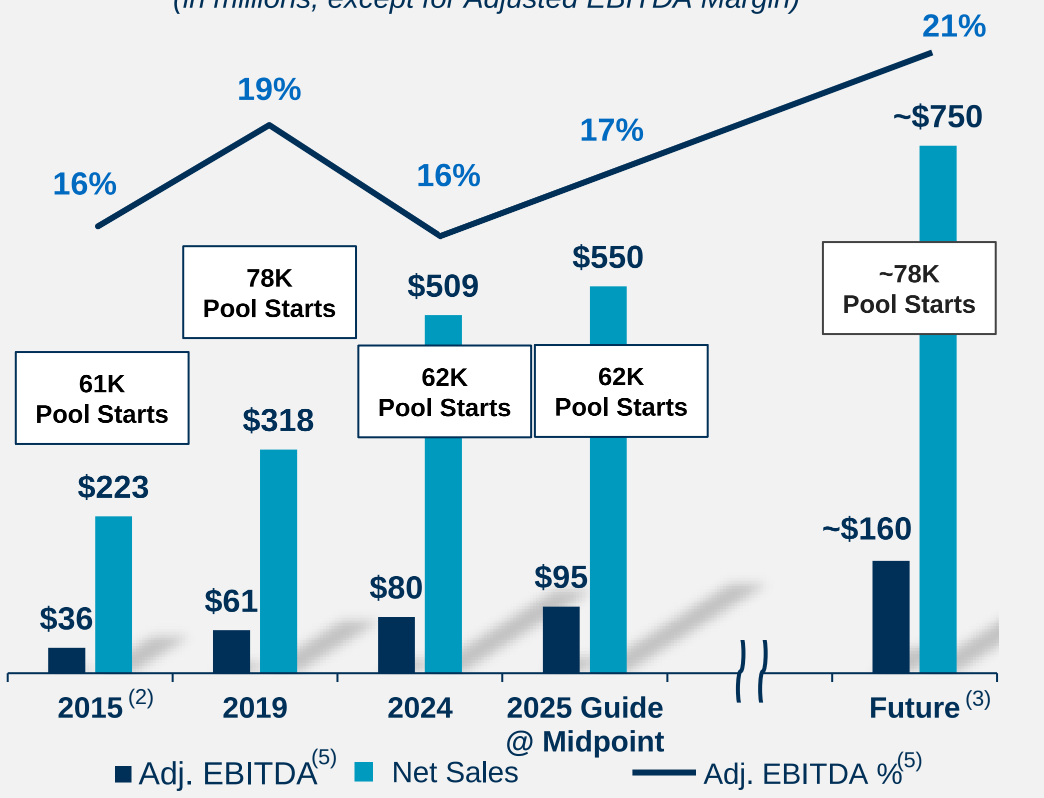
Maintaining forecast for flat YoY new in-ground pool installations in 2025

(1) Represents guidance given by the Company as of March 6, 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 expense (benefit).

Impact of Growth Initiatives & Production Efficiencies

Growth Trajectory

(in millions, except for Adjusted EBITDA Margin)

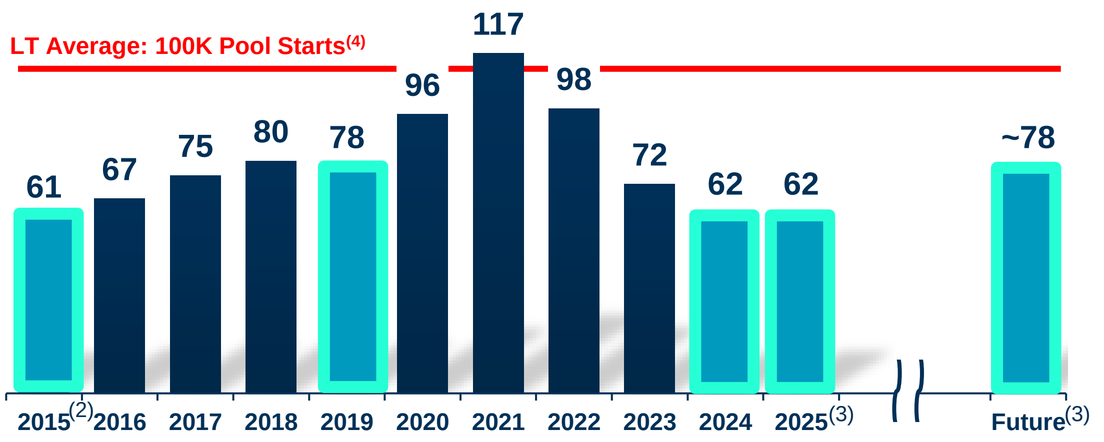


Initiatives

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[1]

(in thousands)



(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

(in thousands)	Fiscal Quarter Ended March 29, 2025	Fiscal Quarter Ended March 30, 2024
Net loss	$ (5,962)	$ (7,864)
Depreciation and amortization	12,400	10,375
Interest expense, net	6,371	4,982
Income tax (benefit) expense	(4,079)	532
(Gain) loss on sale and disposal of property and equipment	(69)	12
Restructuring charges[(a)]	15	318
Stock-based compensation expense[(b)]	1,971	1,243
Unrealized (gains) losses on foreign currency transactions[(c)]	(417)	1,584
Strategic initiative costs[(d)]	644	1,123
Acquisition and integration related costs[(e)]	267	—
Other[(f)]	(2)	(12)
Adjusted EBITDA	$ 11,139	$ 12,293
Net sales	$ 111,420	$ 110,629
Net loss margin	(5.4)%	(7.1)%
Adjusted EBITDA margin	10.0%	11.1%

(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 non-cash stock-based compensation expense.

(c) Represents unrealized foreign currency transaction 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)	March 29, 2025
Total debt	$ 306,913
Less:	
Cash	(23,966)
Net Debt	282,947
LTM Adjusted EBITDA[(1)]	79,065
Net Debt Leverage Ratio	3.6
LTM Pro Forma Adjusted EBITDA[(2)]	84,514
Pro Forma Net Debt Leverage Ratio	3.3

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

(2) LTM Pro Forma Adjusted EBITDA includes pre-acquisition portion of Adjusted EBITDA for the trailing twelve months that is not included in historical results.

Non-GAAP Reconciliations
Adjusted EBITDA and Adjusted EBITDA Margin

	Year Ended December 31,		
	2024	2019	2015 (unaudited)
(in thousands)			
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[(a)]	512	980	—
Management fees[(b)]	—	500	539
Stock-based compensation expense[(c)]	7,392	808	—
Unrealized losses (gains) on foreign currency transactions[(d)]	6,223	(300)	505
Strategic initiative costs[(e)]	3,329	964	587
Acquisition and integration related costs[(f)]	2,348	3,612	11,696
Other[(g)]	(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