



Investor Presentation
June 3, 2021



Disclaimer

Industry Information

Market data and industry information used throughout this presentation are based on management's knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management's review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified the information, including market data or industry forecasts, provided by any of these or any other third-party sources referred to in this presentation. No representations or warranties are made by the Company or any of its affiliates as to the accuracy of any such statements or projections. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

Non-GAAP Financial Measures

Included in this presentation and the accompanying oral presentation are certain non-GAAP financial measures designed to supplement the Company's financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures should not be considered in isolation or as substitutes for the Company's results as reported under GAAP. In addition, these non-GAAP financial measures are not calculated in the same manner by all companies, and accordingly, are not necessarily comparable to similarly titled measures of other companies and may not be appropriate measures for performance relative to other companies. Our presentation of the non-GAAP measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed to imply that our future results will be unaffected by these or other unexpected items. See the appendix to this presentation for a reconciliation of each of these non-GAAP measures to their most comparable financial measure compiled in accordance with GAAP.

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical fact contained in this presentation, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," or "would" or the negative of these words or other similar terms or expressions.

Our actual results could differ materially from those indicated for a variety of reasons, including, among others: our ability to execute on our growth strategies; our ability to maintain favorable relationships with suppliers and manufacturers; competition from mass merchants and specialty retailers; regulatory changes and development affecting our current and future products; our ability to obtain additional capital to finance operations; and impacts on our business from the COVID-19 pandemic. Investors are referred to the Company's filings with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K filed with the SEC on December 23, 2020 under the caption "Risk Factors" and elsewhere in such report and in other subsequent disclosure documents filed with the SEC, for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and operating results. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this presentation are based on events or circumstances as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this presentation, to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law.





Leslie's at a glance

Largest and most trusted direct-to-consumer brand in the pool and spa care industry

Physical network of 943 locations in 38 states is larger than the sum of our 20 largest competitors

Digital sales are ~5x as large as that of our largest digital competitor and we capture 60% of all pool & spa digital traffic

Listed on Nasdaq Global Select Market under the ticker symbol "LESL" on October 29, 2020

Record Q2 2021; Sales of \$192.4M, 51.3% comp, \$17.6M improvement in Adj. EBITDA

>\$1.2B
LTM sales

25.7%
LTM sales
YoY growth

\$209.1M
LTM
adj. EBITDA

Note: LTM corresponds to the last twelve months ended April 3, 2021





What makes us unique

Advantaged industry

Large / demand annuity / predictable growth

Integrated ecosystem

Consumer-centric / unmatched scale and reach / total solution provider

Clear path to growth

Whitespace / new capabilities / disruptive innovation



Our strategic growth initiatives

We have identified six key levers to expand our share of the \$11B category

Growing our consumer file

- New marketing capabilities & tools
- Leverage proprietary database of new & existing pools & spas

Deepening relationships with existing consumers

- Loyalty 2.0 launched May 2021
- Enhanced product & service assortment

Attacking the professional market

- 200+ PRO location whitespace
- Affiliate program
- Dedicated PRO website launched June 2021

Continuing programmatic M&A

- Execute on pipeline of identified opportunities
- Two bolt-on acquisitions completed fiscal year to date

Addressing residential whitespace

- Address 700+ underserved markets with mix of digital assets and physical locations

Pursuing / launching disruptive innovations

- Launch AccuBlue Home[®], a fully integrated smart pool subscription solution for the residential consumer



Leslie's financial summary

	Fiscal Year 2020 Actual	Q2 Fiscal 2021 Actual	YTD Q2 Fiscal 2021 Actual	Fiscal Year 2021 Guidance ¹	Long-term Growth Algorithm
Sales	\$1,112M	\$192M	\$337M	\$1,280M to \$1,300M	MSD to HSD %
Adj. EBITDA	\$183M	\$10M	\$9M	\$245M to \$255M	LDD %
Adj. diluted income (loss) per share	\$0.42	\$(0.01)	\$(0.07)	\$0.75 to \$0.80	Mid- to high-teens %
Net income (loss)	\$59M	\$(6M)	\$(37M)	\$115M to \$125M	Mid- to high-teens %
FCF conversion ¹	89%				~80-90%

Note: Please reference page 2 for important disclosures relating to our financials

1. Defined as (Adj. EBITDA – capex) / Adj. EBITDA.
2. As of June 3, 2021





LESLIE'S®



GAAP to Non-GAAP Reconciliation (unaudited)

(In thousands, except per share data)	Fiscal 2020	Q2 Fiscal	YTD Q2
	Actual	2021A	Fiscal 2021A
Net income (loss)	\$ 58,561	\$ (6,452)	\$ (36,709)
Interest expense	84,098	8,126	19,642
Income tax expense (benefit)	2,627	(3,310)	(17,624)
Depreciation and amortization expenses (a)	28,925	6,263	12,858
Loss (gain) on disposition of assets (b)	785	5	(1,753)
Management fee (c)	4,900	—	382
Equity-based compensation expense (d)	1,785	1,951	14,111
Mark-to-market on interest rate cap (e)	22	—	—
Loss on debt extinguishment (f)	—	1,888	9,169
Costs related to equity offerings (g)	—	1,057	9,209
Other (h)	1,067	—	—
Adjusted EBITDA	\$ 182,770	\$ 9,528	\$ 9,285

- (a) Includes depreciation related to our distribution centers and stores, which is included within the cost of merchandise and services sold line item in our condensed consolidated statements of operations.
- (b) Consists of loss (gain) loss on disposition of assets associated with store closures or the sale of property and equipment.
- (c) Represents amounts paid or accrued in connection with our management services agreement. The management services agreement terminated upon the completion of our initial public offering during the six months ended April 3, 2021.
- (d) Represents non-cash charges related to equity-based compensation.
- (e) Includes non-cash charges related to the change in fair value of our interest rate cap agreements, which expired in March 2021.
- (f) Represents non-cash expense due to the write-off of deferred financing costs related to our Term Loan modification during the three months ended April 3, 2021 and the repayment of our Senior Unsecured Notes during the six months ended April 3, 2021.

	Fiscal 2020	Q2 Fiscal	YTD Q2
	Actual	2021A	Fiscal 2021A
Net income (loss)	\$ 58,561	\$ (6,452)	\$ (36,709)
Loss (gain) on disposition of assets (b)	785	5	(1,753)
Management fee (c)	4,900	—	382
Equity-based compensation expense (d)	1,785	1,951	14,111
Mark-to-market on interest rate cap (e)	22	—	—
Loss on debt extinguishment (f)	—	1,888	9,169
Costs related to equity offerings (g)	—	1,057	9,209
Other (h)	1,067	—	—
Tax effects of these adjustments (i)	(2,147)	(1,230)	(7,809)
Adjusted net income	\$ 64,973	\$ (2,781)	\$ (13,400)

	Fiscal 2020	Q2 Fiscal	YTD Q2
	Actual	2021A	Fiscal 2021A
Adjusted net income (loss) per share	\$ 0.42	\$ (0.01)	\$ (0.07)
Weighted average shares outstanding basic and diluted	156,500	186,810	181,900

- (g) Includes one-time payments of contractual amounts incurred in connection with our IPO that was completed in November 2020 and costs incurred for a follow-on equity offering in February 2021.
- (h) Other non-recurring, non-cash or discrete items as determined by management, such as transaction related costs, personnel-related costs, legal expenses, strategic project costs, and miscellaneous costs.
- (i) Represents the tax effect of the total adjustments based on our actual statutory tax rate for Fiscal 2020 and our estimated statutory tax rate for Fiscal 2021.

