



2022 Investor Day

November 30, 2022

Disclaimer

INDUSTRY INFORMATION

This presentation includes market data and certain other statistical information and estimates that are based on reports and other publications from industry analysts, market research firms, and other independent sources, as well as management's own good faith estimates and analyses. We believe these third-party reports to be reputable, but have not independently verified the underlying data sources, methodologies, or assumptions. Information that is based on estimates, forecasts, projections, market research, or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances reflected in this information.

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 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, objectives of management for future operations, and expected industry dynamics, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain 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 or outcomes could differ materially from those indicated in these forward-looking statements for a variety of reasons, including, among others: our ability to execute on our growth strategies; supply disruptions; our ability to maintain favorable relationships with suppliers and manufacturers; competition from mass merchants and specialty retailers; impacts on our business from the sensitivity of our business to weather conditions, changes in the economy, and the housing market; our ability to implement technology initiatives that deliver the anticipated benefits, without disrupting our operations; regulatory changes and development affecting our current and future products; our ability to obtain additional capital to finance operations; commodity price inflation and deflation; impacts on our business from the COVID-19 pandemic, impacts on our business from cyber and other security threats or disruptions; and other risks and uncertainties, including those listed in the section titled "Risk Factors" in our filings with the U.S. Securities and Exchange Commission, including but not limited to, our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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.

To the extent forward looking non-GAAP financial measures are provided herein, they are not reconciled to comparable forward-looking GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation.

Agenda

8:00 – 8:05am	Introductions
8:05 – 8:30am	FY22 Results + FY23 Guidance
8:30 – 8:45am	Company Overview
8:45 – 9:00am	Advantaged Industry
9:00 – 9:15am	Integrated Ecosystem
9:15 – 9:30am	– <i>Break</i> –
9:30 – 10:00am	Clear Path to Growth <ul style="list-style-type: none">• Grow our Customer File• Deepen Relationships with Consumers• PRO• Residential Whitespace• Programmatic M&A• Disruptive Innovation
10:00 – 11:00am	Q&A
11:00am – 12:00pm	– <i>Break</i> –
12:00pm	Buses depart for office and store tours

Today's Presenters



Mike Egeck

Chief Executive Officer



Steve Weddell

EVP and Chief Financial Officer



Paula Baker

Chief Revenue Officer



Mike Africa

Chief Digital Officer



Moyo LaBode

Chief Merchandising Officer



Clay Spann

VP Strategy and M&A



Q4 & FY22 Results



Fourth Quarter 2022 Summary

+16%

Sales growth

Sales of \$476M

- Comp sales growth: +10%
- Two-year stack comp: +27%

45.7%

Margin rate

Margin of \$217M

- Growth: +16%
- Margin rate flat to prior year

+21%

Adj. EBITDA¹
growth

Adj. EBITDA¹ of \$100M

- Adj. EBITDA¹ growth: +\$18M vs. prior year

Residential Pool

+10%
sales growth

PRO Pool

+18%
Sales growth

Residential Hot Tub

+80%
Sales growth

Key Updates

- **NJ DC operations fully stabilized**
- **Promotions normalized**
- Fourth quarter customer file:
 - **Contracted (2)% on an adjusted² basis**
 - **Grew +7%** on a two-year stack basis
- **Opened 2 new locations** during the quarter
- **Acquired Texsun Pools** and **One Stop Pools**, adding nine locations
- **Acquired Stellar Manufacturing** to bolster supply chain

Fiscal 2022 Summary

+16%

Sales growth

Sales of \$1,562M

- Comp sales growth: +11%
- Two-year stack comp: +32%
- Three-year stack comp: +50%

43.1%

Margin rate

Margin of \$674M

- Growth: +13%

+8%

Adj. EBITDA¹
growth

Adj. EBITDA¹ of \$292M

- Adj. EBITDA margin: 18.7%

Residential Pool

+10%
sales growth

PRO Pool

+20%
Sales growth

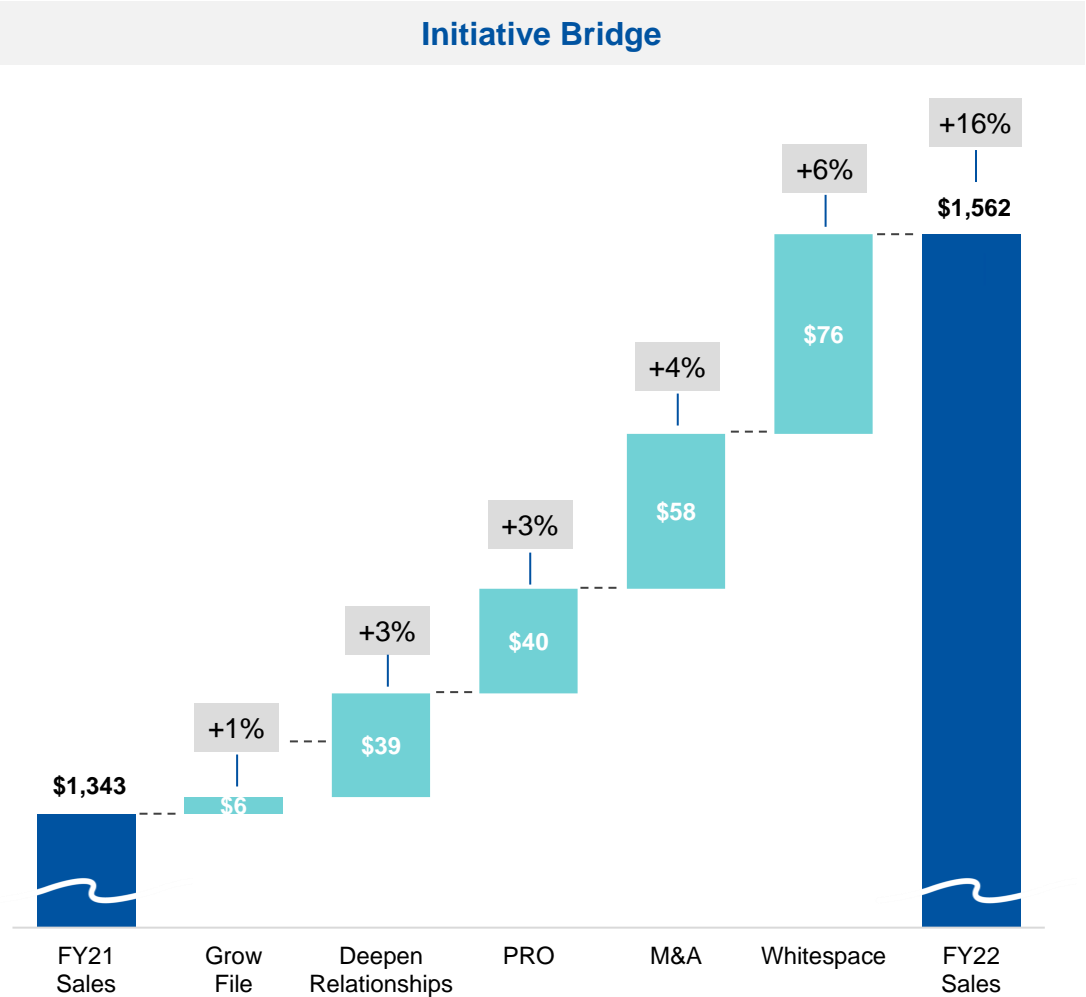
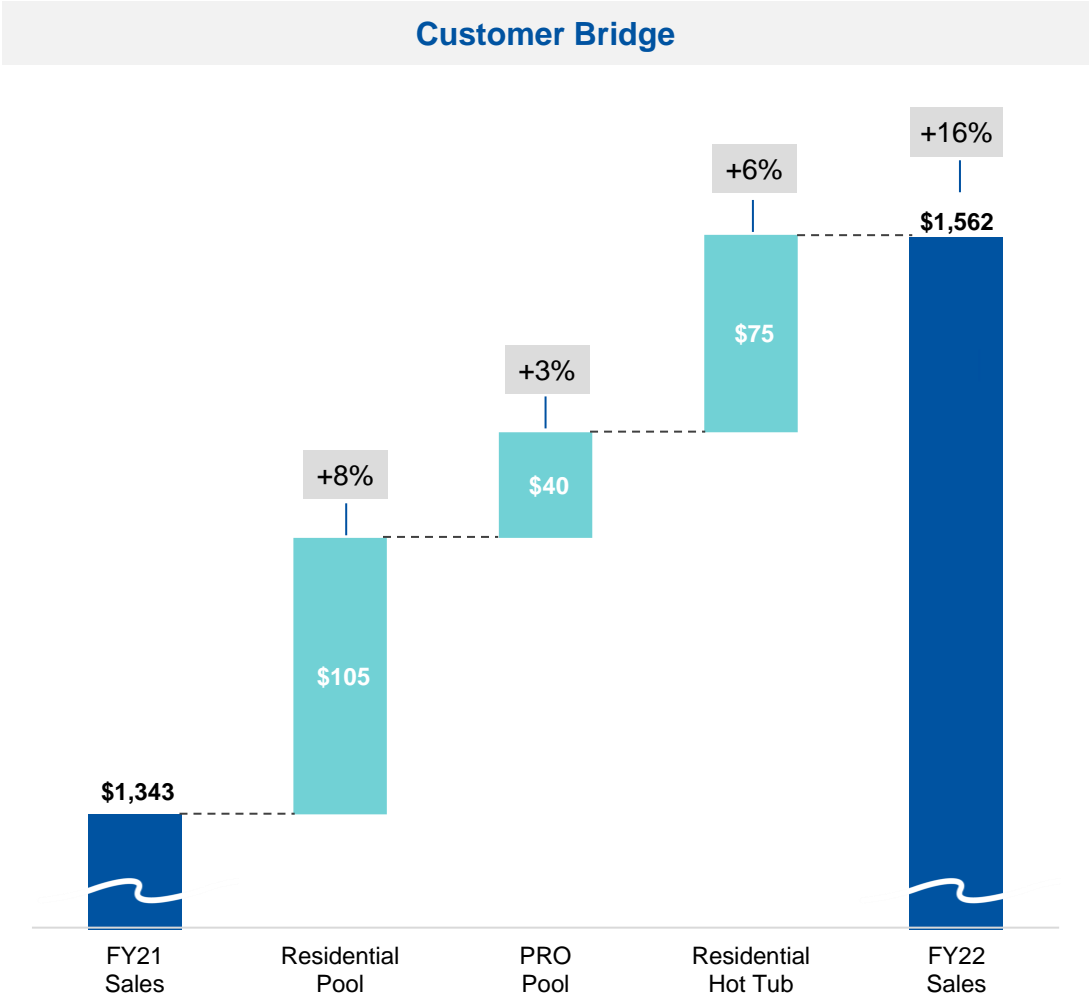
Residential Hot Tub

+80%
Sales growth

Key Updates

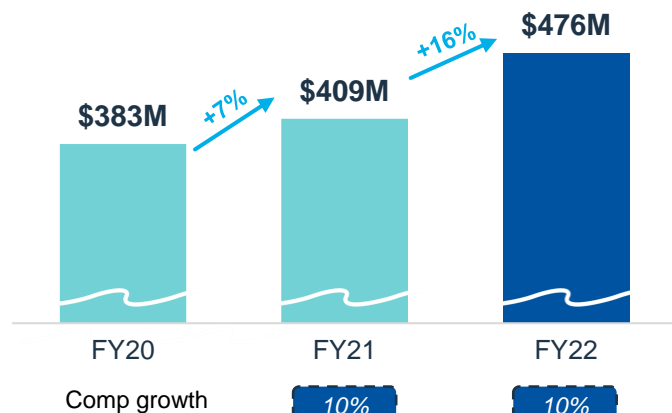
- FY22 customer file:
 - **Grew +3% on an adjusted² basis**
 - **Grew +11% on an unadjusted two-year stack basis**
- **Six acquisitions in FY22**, adding 27 locations
- **Acquired Splash Pools** in November, adding five locations across Florida and Louisiana
- Added a net total of **38 locations** during FY22
- Now operating **990 locations** in 39 states

FY22 Sales Bridges (\$M)

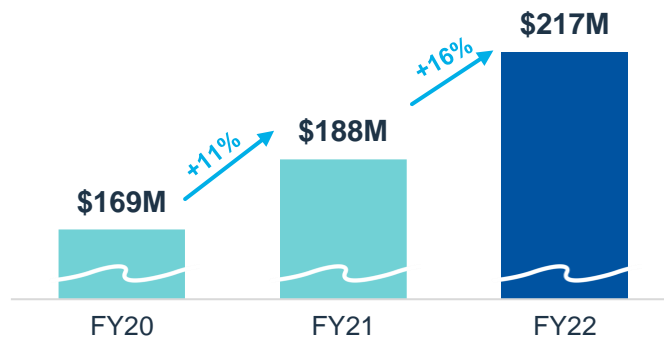


Fourth Quarter Financial Results

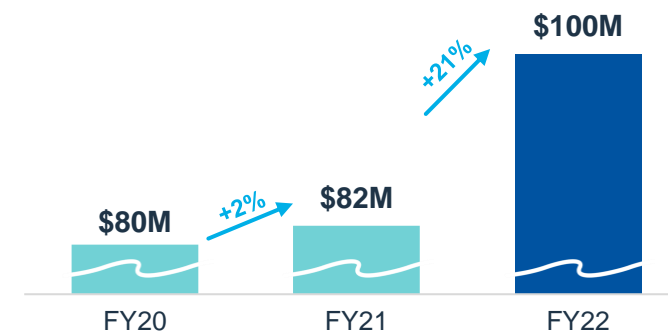
Sales



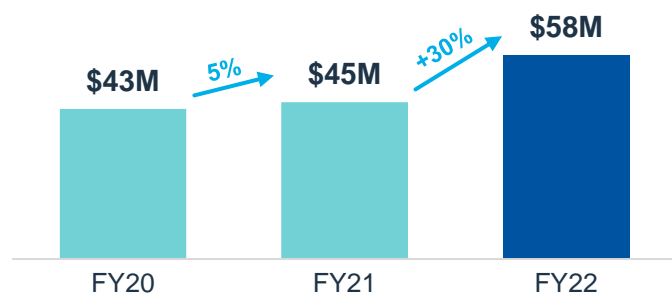
Gross Profit



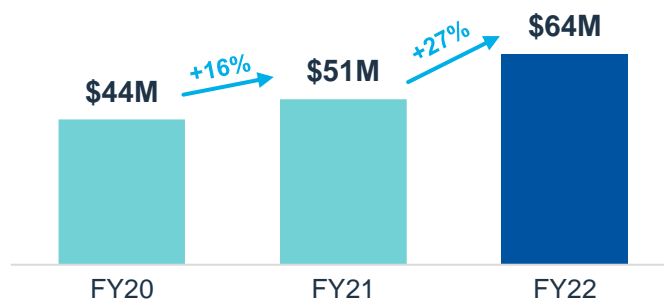
Adj. EBITDA¹



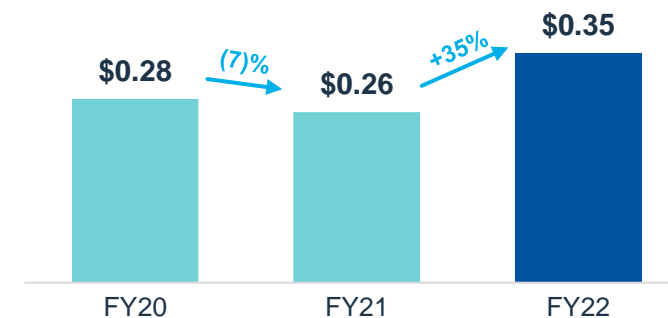
Net Income



Adj. Net Income¹

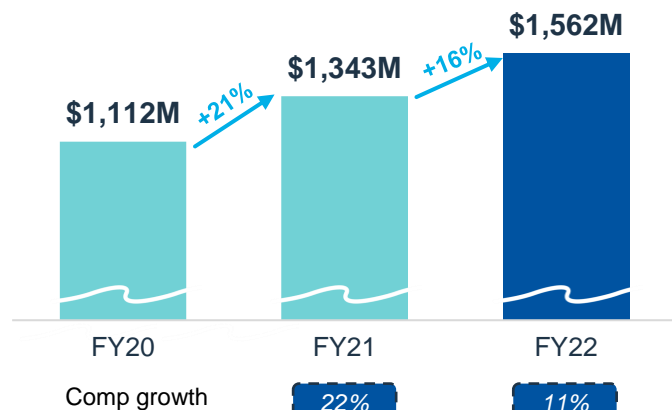


Adj. Diluted EPS¹

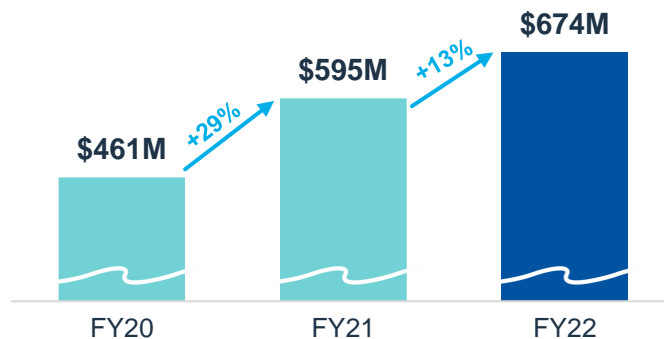


Fiscal 2022 Financial Results

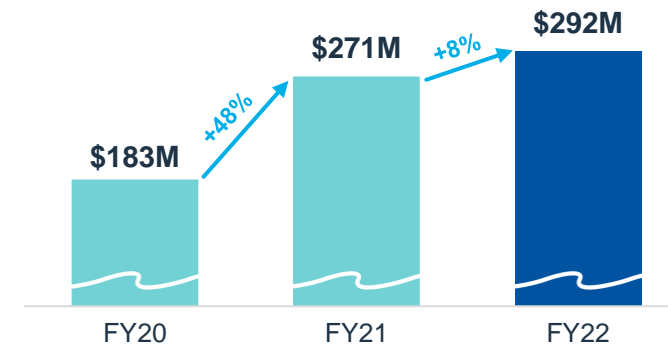
Sales



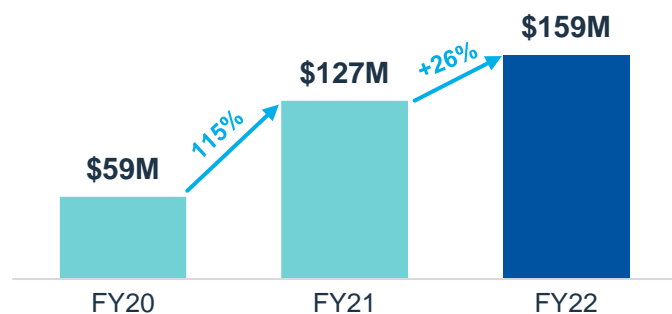
Gross Profit



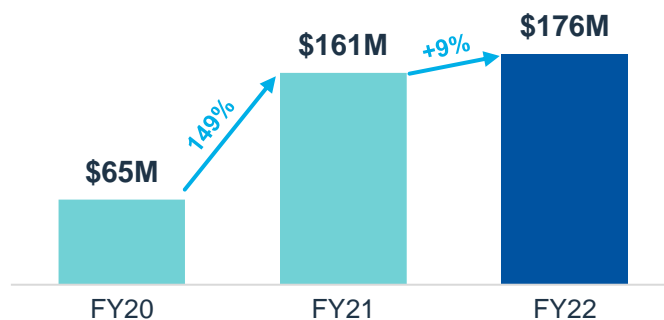
Adj. EBITDA¹



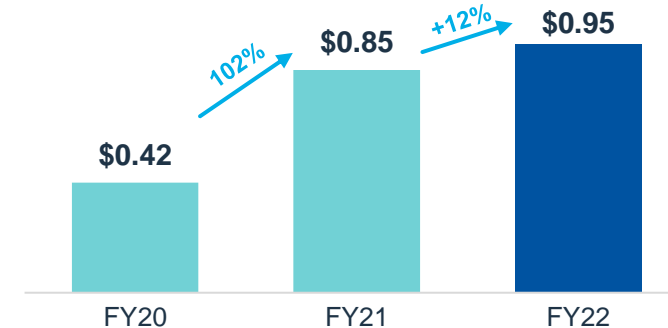
Net Income



Adj. Net Income¹



Adj. Diluted EPS¹





Fiscal 2023 Guidance



Fiscal 2023 Guidance

	FY23		Long-term Algorithm
	\$	Δ	Δ
Sales	\$1,560M to \$1,640M	Flat to +5%	MSD to HSD %
Gross Profit	\$667M to \$708M	(35)bps to flat	Flat to +25bps
Adj. EBITDA ¹	\$280M to \$310M	(4)% to +6%	LDD %
Adj. Net Income ¹	\$145M to \$160M	(18)% to (9)%	Mid- to High-teens %
Adj. EPS ¹	\$0.78 to \$0.86	(18)% to (9)%	

Fiscal 2023 Guidance Scenarios

			% FY22 Sales	Low-end	Midpoint	High-end
Comp Sales ¹				(5.0)% / (\$80)M	(2.5)% / (\$40)M	Flat
Comp Sales Drivers ²	Non-discretionary Sales ex. Trichlor	66%		(5.0)%	(2.5)%	Flat
	Trichlor Pricing	14%		(15.0)%	(12.5)%	(10.0)%
	Discretionary Sales	20%		(20.0)%	(17.5)%	(15.0)%
	Inflation			5.0%	5.0%	5.0%
Non-Comp Sales				5.0% / \$75M	5.0% / \$75M	5.0% / \$75M
SG&A				\$440M	\$445M	\$450M
Interest Rates / Interest Expense				4.8% / \$60M	4.8% / \$60M	4.8% / \$60M

Capital Allocation

Optimize Balance Sheet

Invest in Growth

Return Capital to Shareholders

FY22

- Net debt divided by adjusted EBITDA of 2.3x¹
- Total liquidity of ~\$300M

- Invested \$140M in growth initiatives, including \$108M in M&A
- Completed six acquisitions, adding 27 locations
- Added a net total of 38 locations

- \$152M in share repurchases in 2022

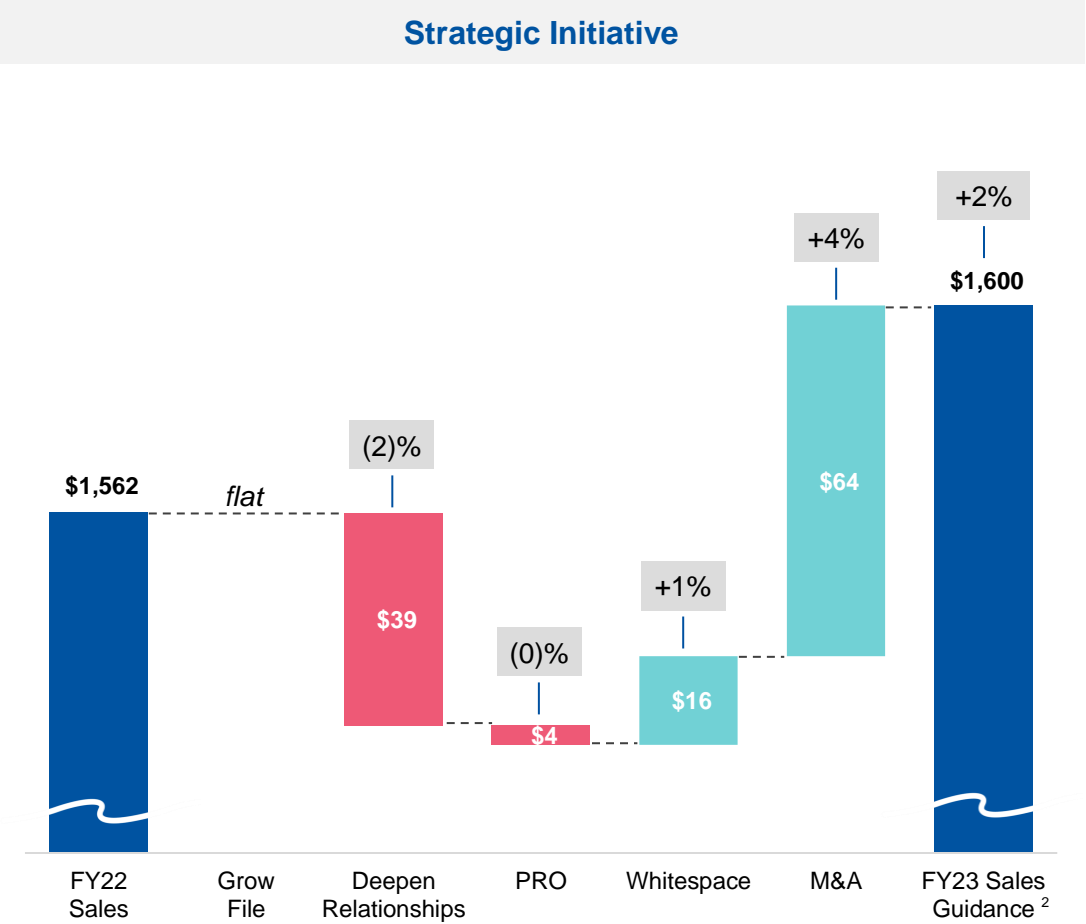
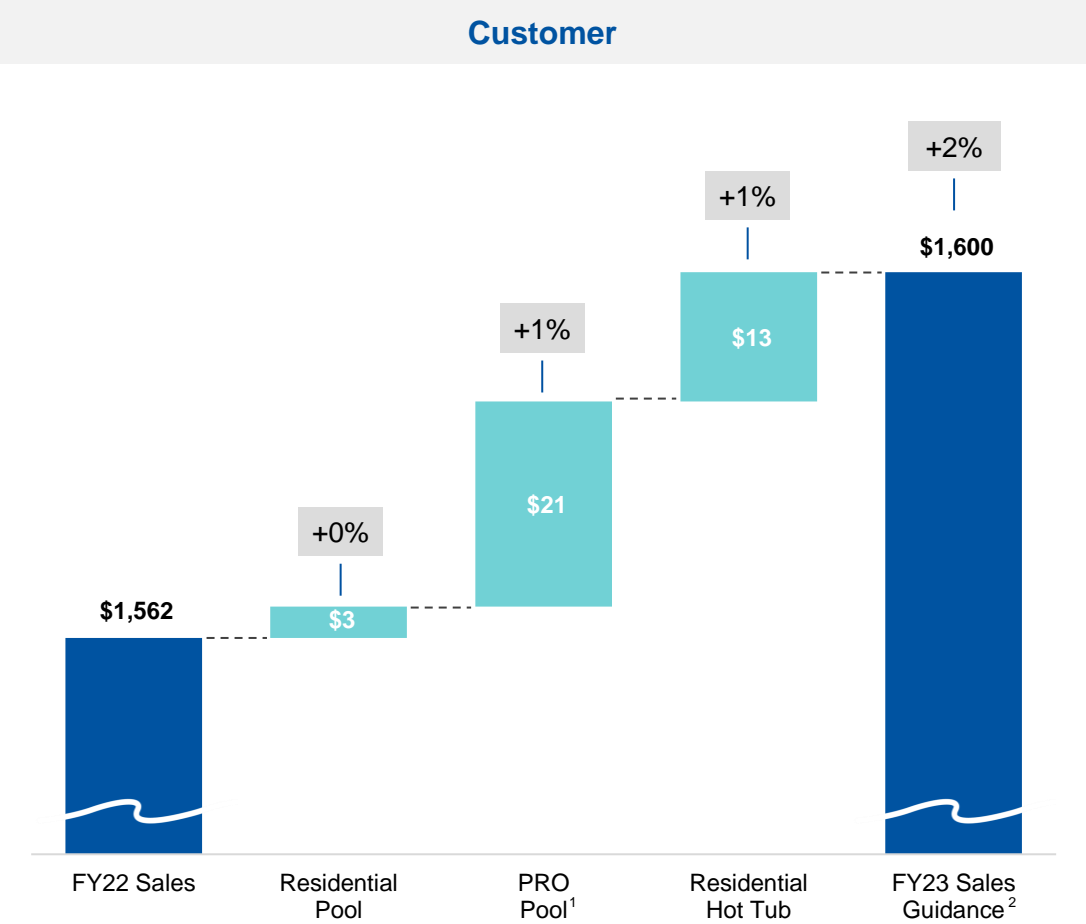
FY23

- Targeting FY23E net debt divided by adjusted EBITDA of 1.8x to 2.2x
- FY23E ending liquidity of \$400M+

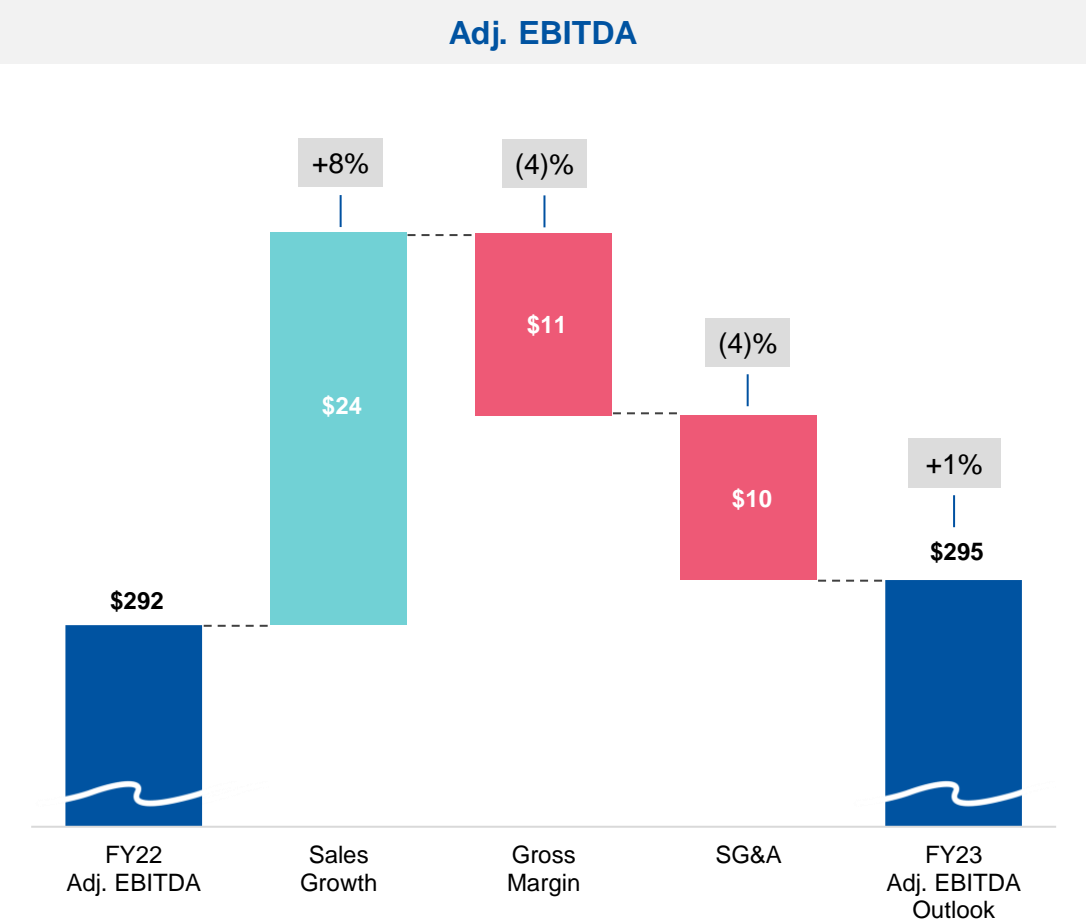
- Capex at 3% of sales
- Expand store base via M&A or new locations
- Continued infrastructure investments

- \$148M total authorization available
- Opportunistic share repurchases

Bridge to FY23 Sales Guidance (\$M)



FY23 Guidance Bridges



Gross Margin Drivers	
Product Margins	+
Business Mix	-
Distribution Expenses	-
Occupancy	flat



Investor Presentation



Our Aspiration



Backyard moments that
become memories

Purpose

Pride and joy in the pool

Core
Beliefs

- Get it Right
- Here to Serve
- Make it Easy
- Have Some Fun

Leslie's
Solution

Trusted pool expertise

Consumer
Challenge

A clean, safe, and beautiful pool

At a Glance

A large, curved infinity pool with clear turquoise water, situated on a white terrace overlooking a deep blue bay and distant mountains under a clear sky. A small table with white chairs is visible on the terrace.

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

990 locations, more than our
20 largest competitors combined

Digital sales **~5x** our largest digital competitor

>\$1.5B
FY22 Sales

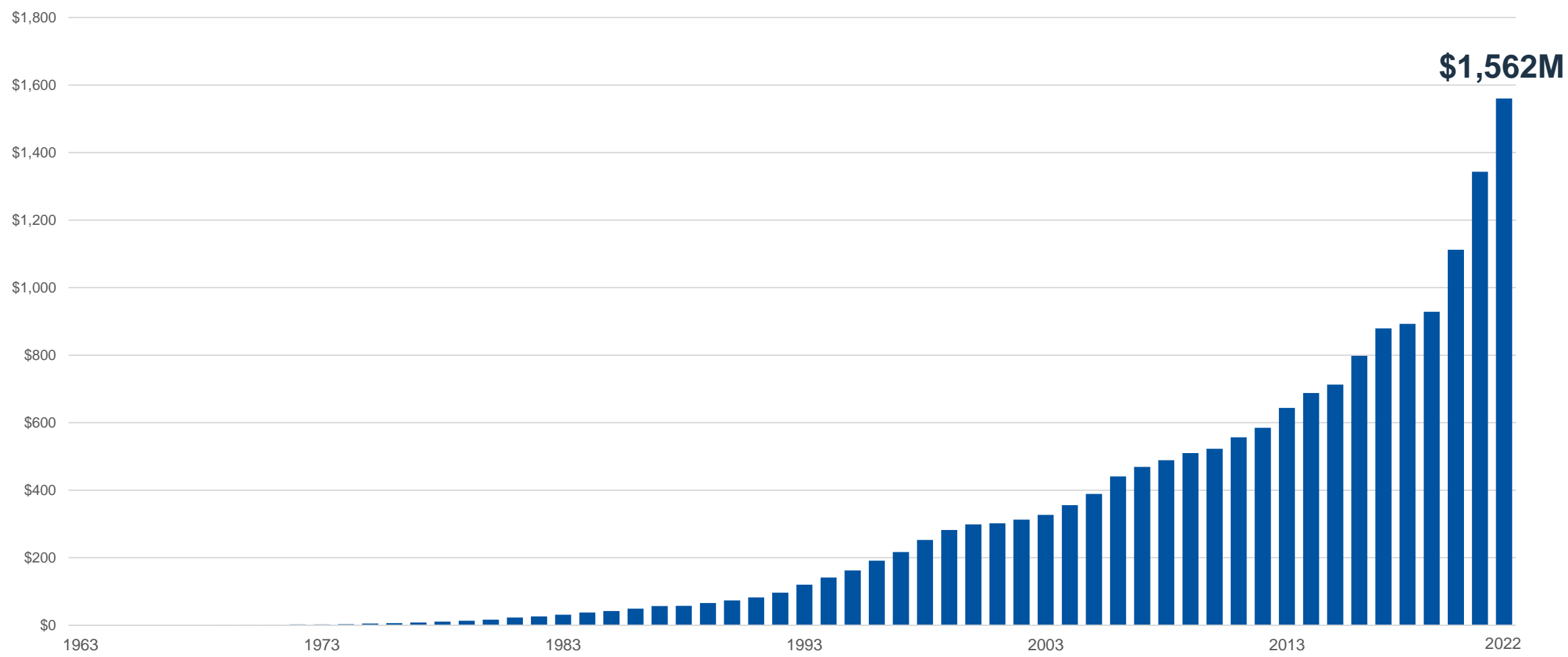
16.3%
Sales Growth

\$292
FY22
Adj. EBITDA¹

8.0%
Adj. EBITDA¹
Growth

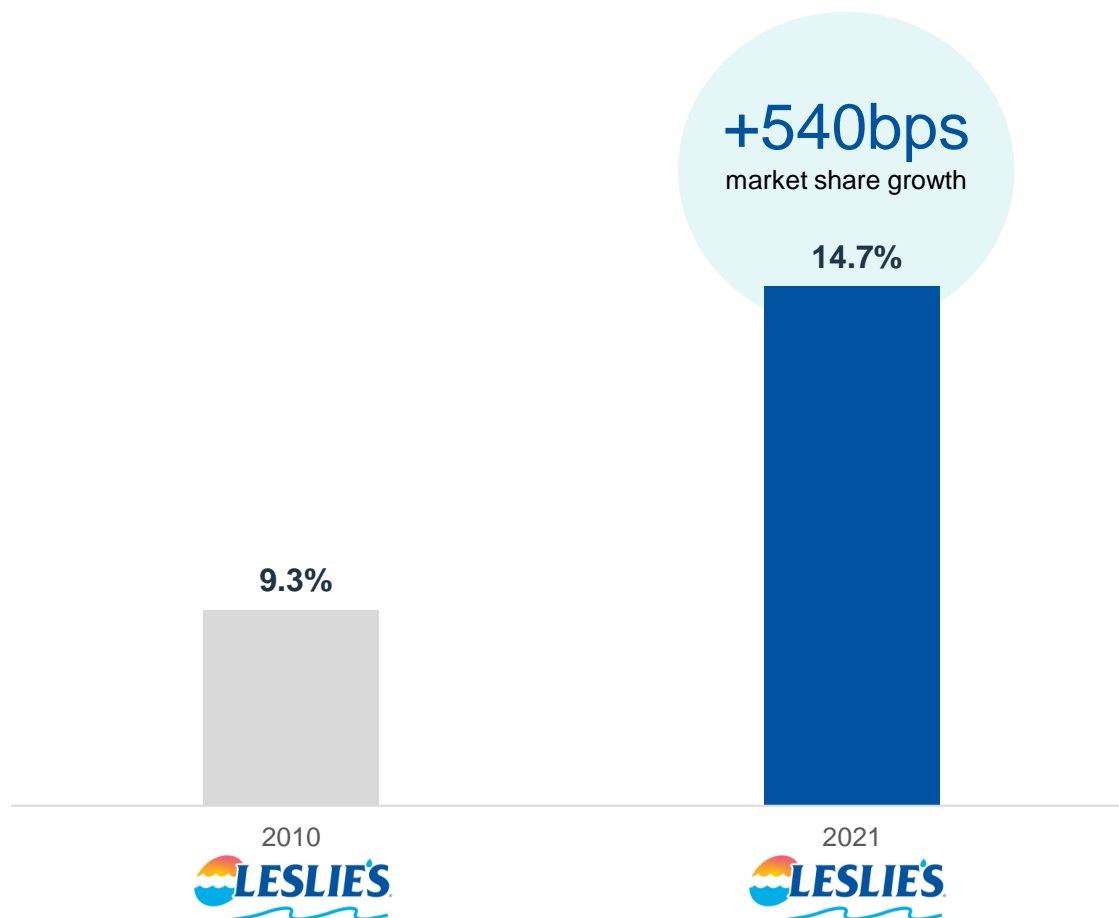
¹ See Appendix for reconciliation of non-GAAP measures to the most directly comparable GAAP measures

59 Consecutive Years of Sales Growth...

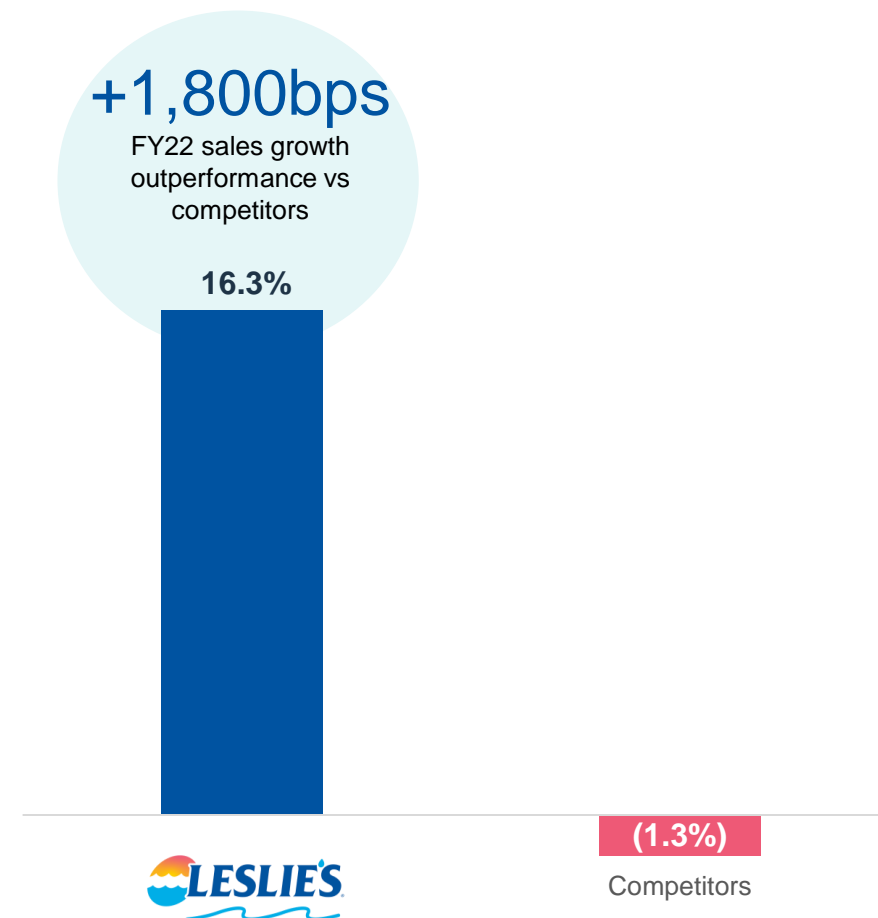


...and Strong Market Share Gains in Recent Years...


Leslie's Share of Residential Aftermarket Pool Supply Sales¹



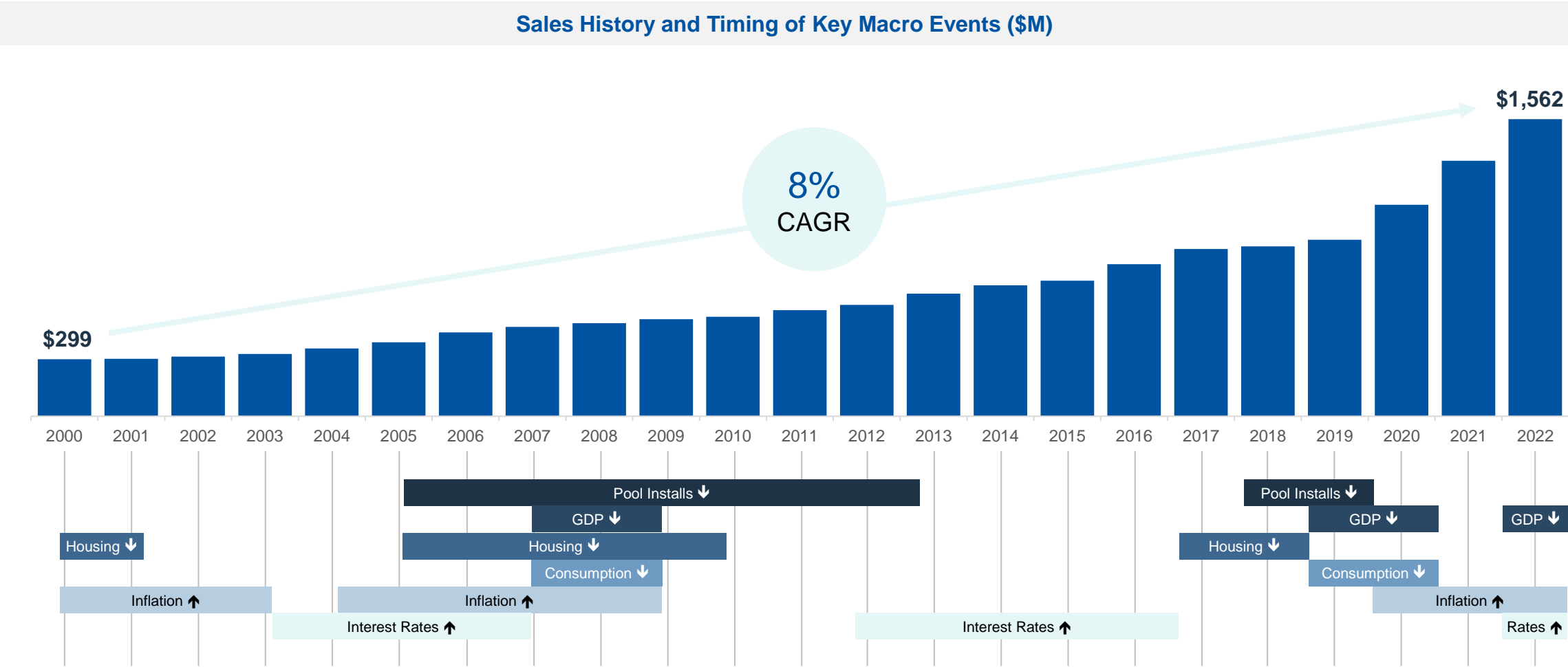
FY22 Sales Growth vs Competitors²



...With Consistency Through a Range of Macro Environments...

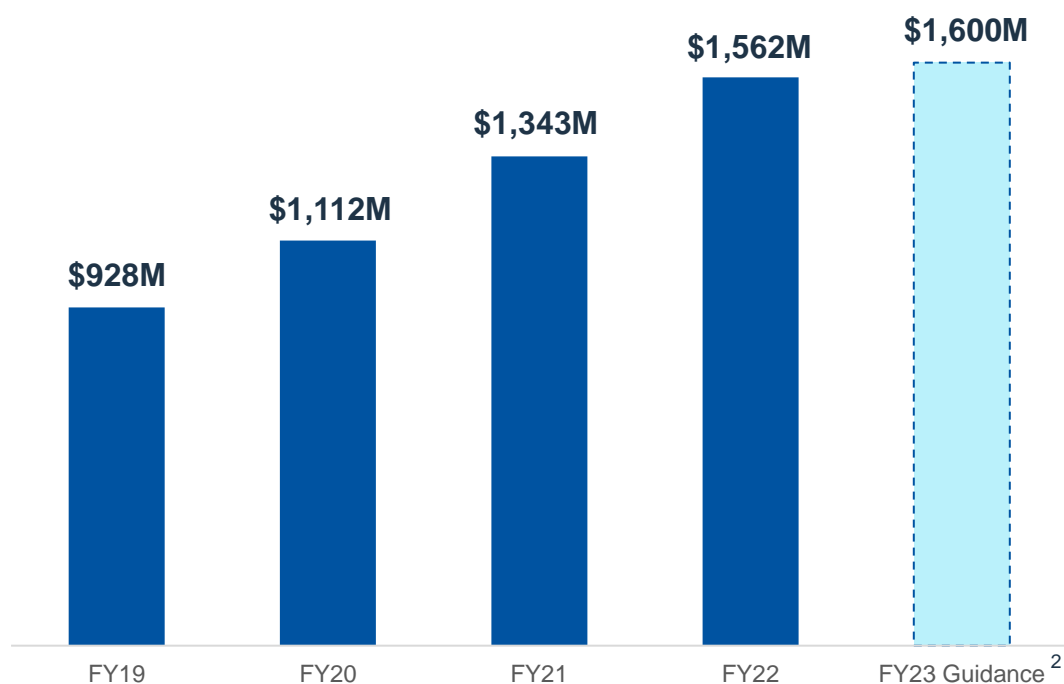
	 Sales Growth ¹	Instances Since 2000	2000-22 Performance Highlights
Decline in New Pool Installations	+6%	2	<ul style="list-style-type: none"> • +8% sales CAGR • +14% adj. EBITDA CAGR • +1,400bps Adj. EBITDA margin expansion • During the 2006-09 financial crisis and recession: <ul style="list-style-type: none"> • +16% sales CAGR • Positive comp each year • +350bps margin expansion • +47% Adj. EBITDA growth • +2% installed base CAGR
Decline in Nominal GDP	+12%	3	
Decline in Housing Starts	+6%	3	
Decline in Consumer Spending	+12%	2	
High Inflation	+6%	3	
Rising Interest Rates	+8%	3	

...Underscoring the Durability of Leslie's Business Model



Recent Results Reinforce Our Business Model Strength

Sales



Algorithm

MSD/HSD % Growth

YoY

+20%

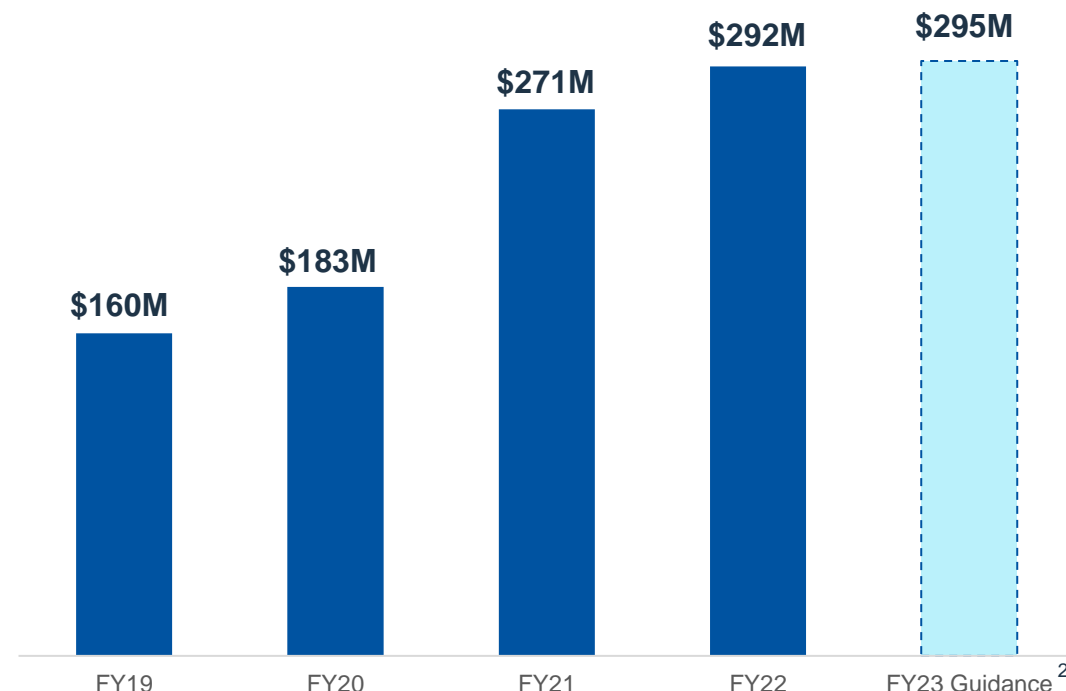
+21%

+16%

+2%

FY19-FY23 Guidance CAGR: **+15%**

Adj. EBITDA¹



Algorithm

Low Double-Digit Growth

YoY

+14%

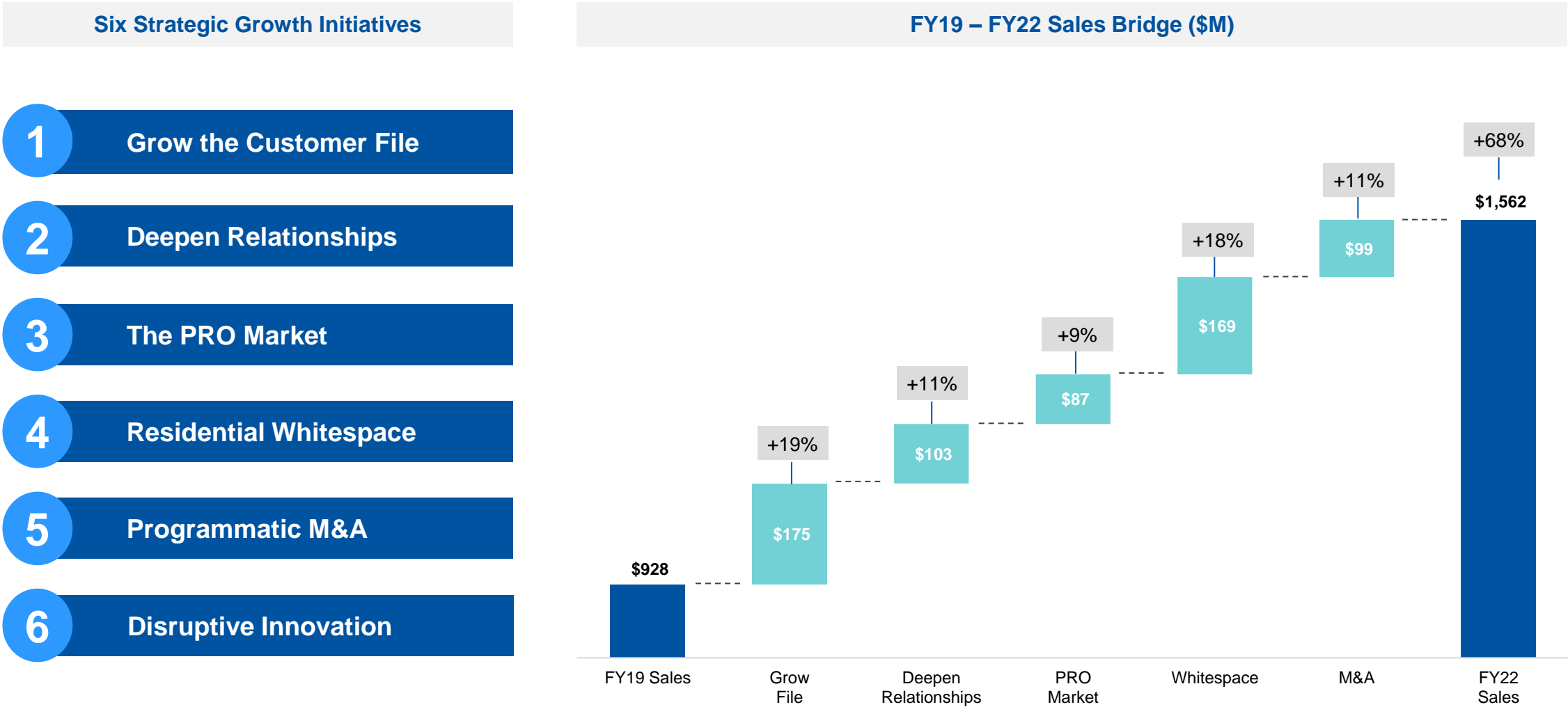
+48%

+8%

+1%

FY19-FY23 Guidance CAGR: **+17%**

Strategic Initiatives Are Driving Results



Deep Leadership Team Has Extensive Retail Industry Experience



Mike Egeck
CEO



Steve Weddell
CFO



Paula Baker
Chief Revenue Officer



Moyo LaBode
Chief Merchandising Officer



Mike Africa
Chief Digital Officer



Jason Richard
Chief Technology Officer



Brad Gazaway
Chief Legal Officer



Naomi Cramer
CHRO



Banner Health



Clay Spann
VP Strategy and M&A



ESG Leadership – 2021 Report Highlights

Environmental

+40% 2021 YoY growth of eco-products sold, surpassing our 20% goal

7,561 Total metric tons of CO2 offset in FY2021

3,567 Tons of waste diverted from landfills

Equivalent environmental impacts:

8,004
Metric tons of CO2 equivalent reduced

7,201
Trees planted

4.24M
Gallons of water saved

Social

\$46M Total FY2021 diversity procurement spend

\$700K Total donations to local and pillar partners in FY2021

Philanthropy Partners:

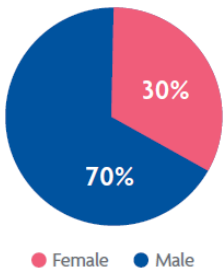


NAACP

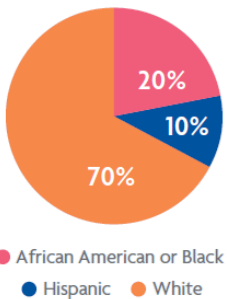


Governance

BOARD BY GENDER

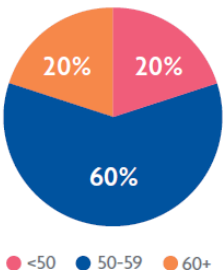


BOARD BY RACE AND/OR ETHNICITY

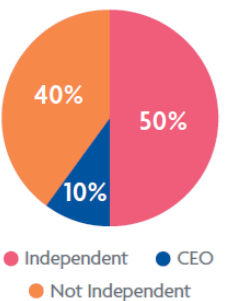


Increased racial and ethnic diversity as compared to 2020

BOARD BY AGE



BOARD BY INDEPENDENCE



What Makes **LESLIE'S** Unique?





Advantaged Industry

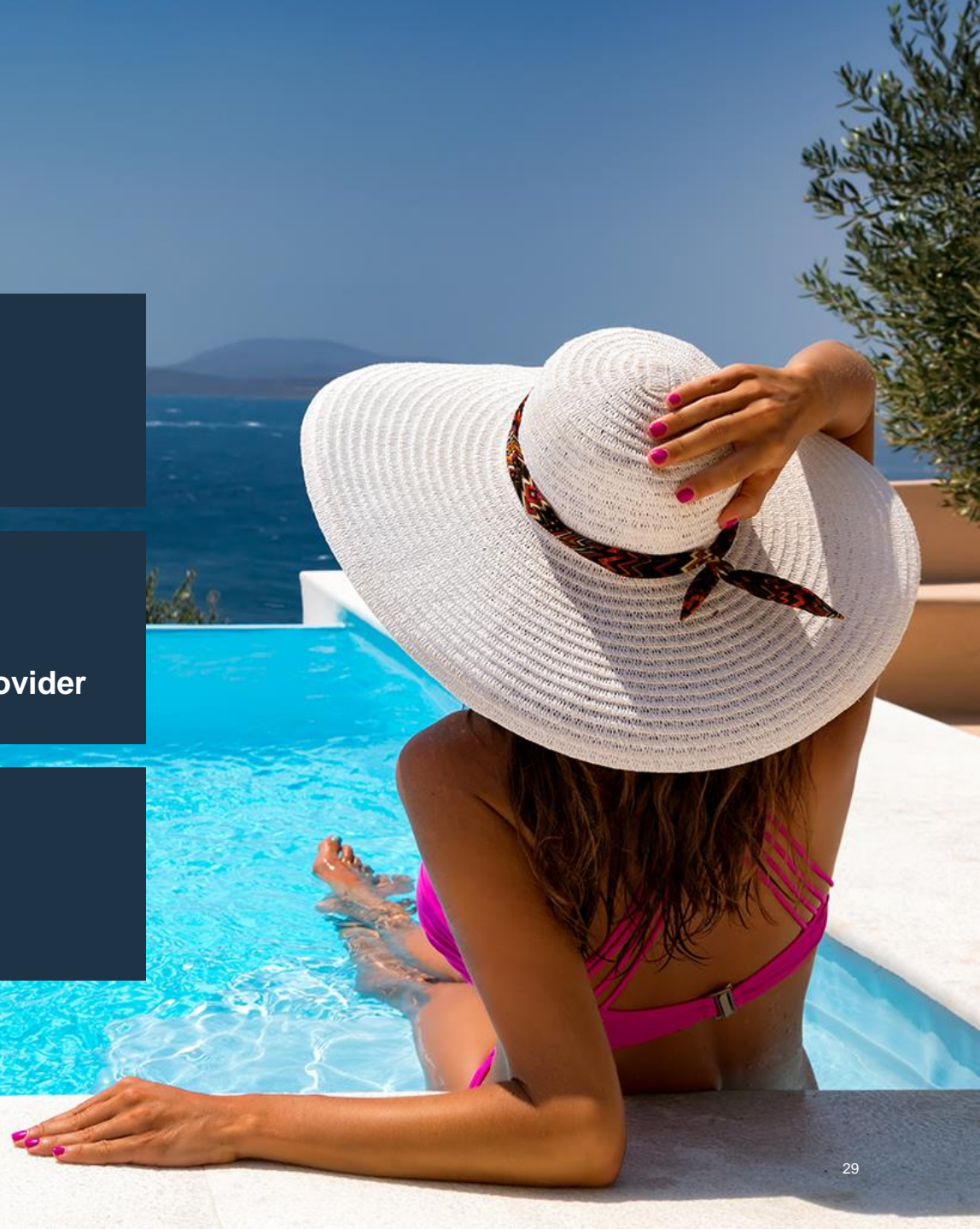
Large / Annuity-Like Demand / Predictable Growth

Integrated Ecosystem

Unmatched Scale and Reach / Consumer-Centric / Total Solution Provider

Clear Path to Growth

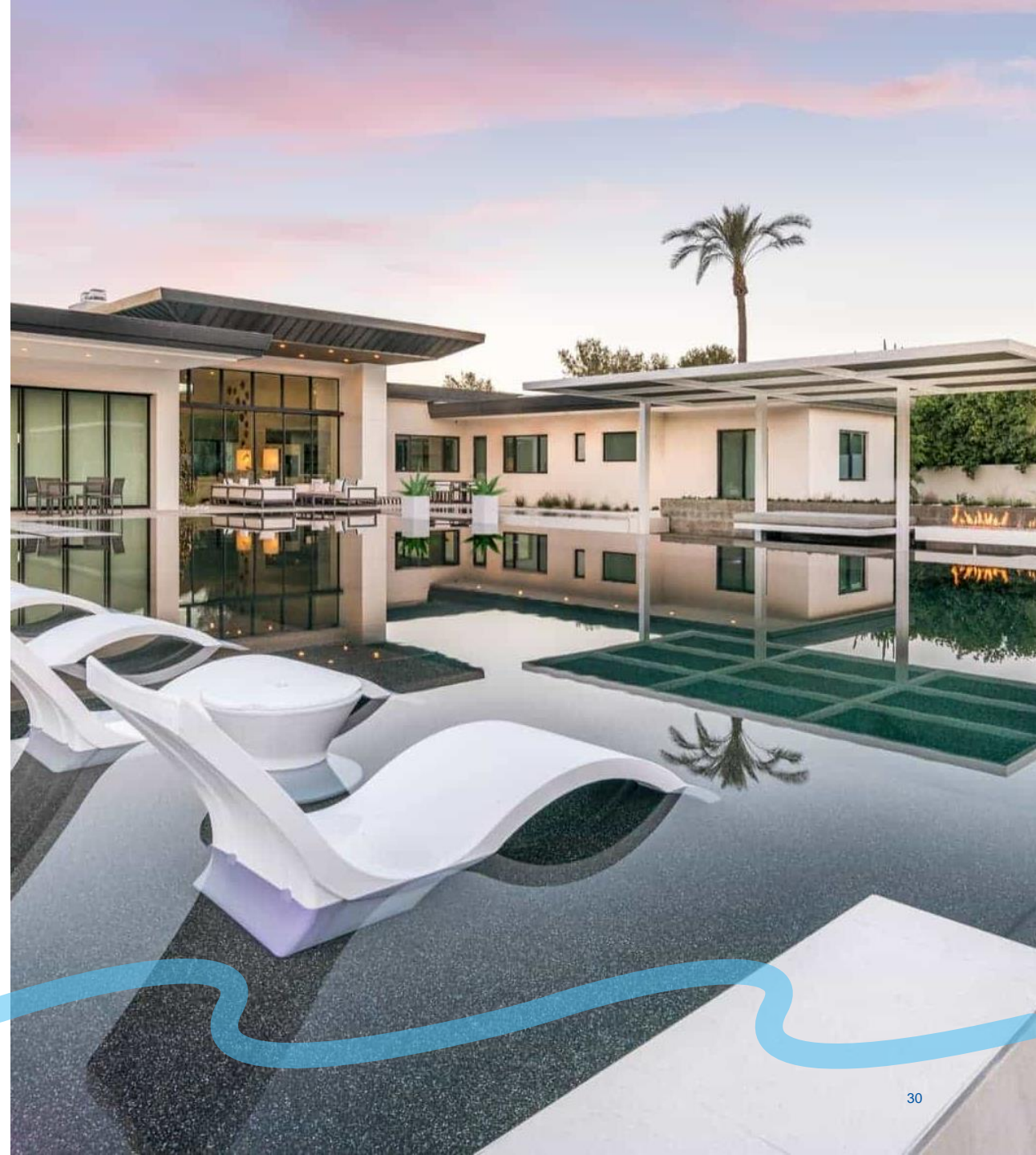
Six Strategic Growth Initiatives





Advantaged Industry

Large
Annuity-Like Demand
Predictable Growth



The Aftermarket Pool and Spa Industry is Large...

Residential Pool



8.7M Addressable pools

\$8.5B TAM

Residential Hot Tub



5.5M Addressable spas

\$2.3B TAM

Professional Pool



45k Pros / **250k** Commercial pools

\$4.4B TAM

14M bodies of water = \$15B of annual aftermarket spend

...With Fundamental Drivers Creating Annuity-Like Demand



**Pool care is
complex**



**Pools require
routine maintenance**



**Pools last
30+ years**

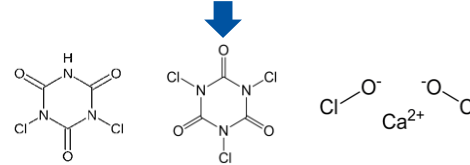
Pool Care Is Complex...

Water balance

pH level: 7.2-7.8
total alkalinity (TA) level: 80-120 ppm
calcium hardness (CH) level: 200-400 ppm
cyanuric acid (CYA) level: 30-50 ppm
free available chlorine (FAC) level: 1.0-4.0 ppm

Water sanitation

Trichloro-s-triazinetriene
Dichloro-s-triazinetriene
Calcium Hypochlorite



Water circulation

Single Speed Pump | Variable Speed Pump

↓
1 hour per
10° F
Air Temperature

↓
High RPM 3-4 Hours &
Low RPM for
6-8 Hours

Filtration

Sand | Cartridge | Diatomaceous Earth

↓
Clean and backwash regularly when
pressure gauge increases 8-10 PSI;
periodic replacement of filter media

Cleaning

Robotic Pool Cleaner | Manual Cleaning

↓
Frequent water surface, skimmer
basket, and filter cleaning

Water testing

pH | total alkalinity | calcium hardness |
total available chlorine (TAC) |
free available chlorine (FAC) |
cyanuric acid (CYA) |
phosphates | iron | copper |
total dissolved solids (TDS)

... And There Is No Option but to Maintain a Pool...

If a pool is...

Not Maintained



- Expensive chemical treatments
- Risk of permanent equipment failure

Drained



- Risk of structural failures

Decommissioned



- Prohibitively expensive
- Home value depreciation

...Which Drives Annuity-Like Demand Over Its 30-Year Life

$$\text{\$900} \times \text{30 Years} = \text{\$27,000}$$

Annual
non-discretionary spend

Long-term,
annuity-like demand

Aftermarket
lifetime value¹

Installation of ~340k new in-ground pools during 2019-22 creates ~\$9B in new lifetime value

The installed base has
grown each year for
50+ years



Secular Tailwinds Are Driving Growth

Consumers are...

Investing in their homes

Moving to the Sunbelt

Working from home

Increasing attention to sanitization

Pursuing outdoor lifestyles

Adopting new technologies

Driving...

Pool & spa usage

New pool installations

Interest in pool & spa ownership

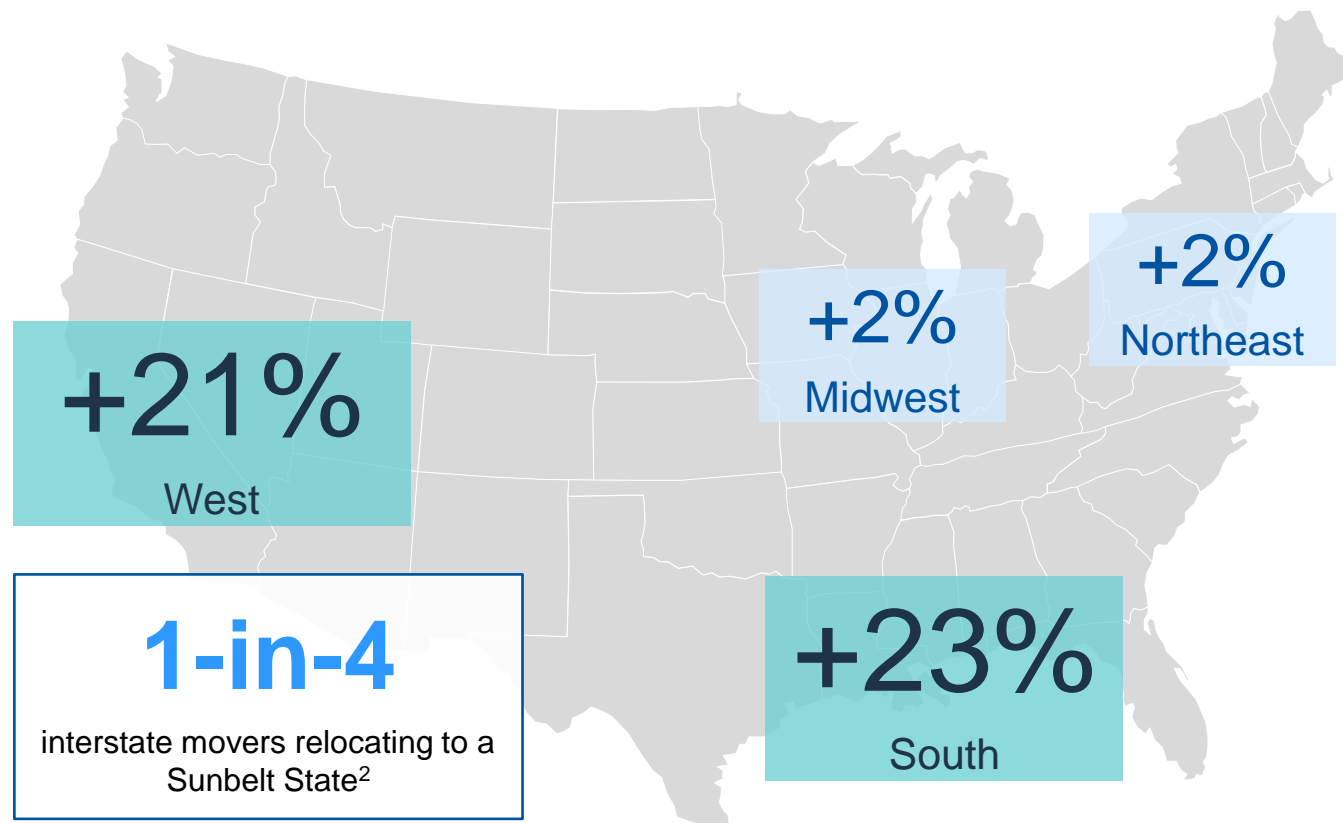
New spa purchases

Pool equipment upgrades



Americans Are Moving to the South and Southwest

Projected U.S. population Growth Through 2040¹



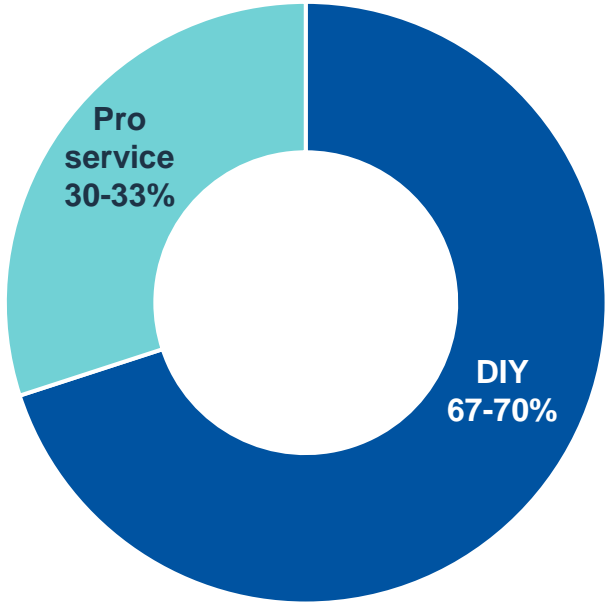
Pool Equipment Innovation Driving Next Phase of Growth

Equipment	Driver	Penetration		Sales Opportunity
		Aftermarket ¹	New Builds ²	
Automation Systems	<ul style="list-style-type: none"> • Energy efficiency • Convenience 	~30%	~55%	= \$4.1B
Variable Speed Pumps	<ul style="list-style-type: none"> • Energy efficiency • Noise reduction 	~40%	~80%	= \$6.3B
Salt Chlorinators	<ul style="list-style-type: none"> • Personal preference • Convenience 	~15%	~55%	= \$3.2B
Robotic Pool Cleaners	<ul style="list-style-type: none"> • Efficacy • Energy efficiency 	~15%	~35%	= \$1.3B

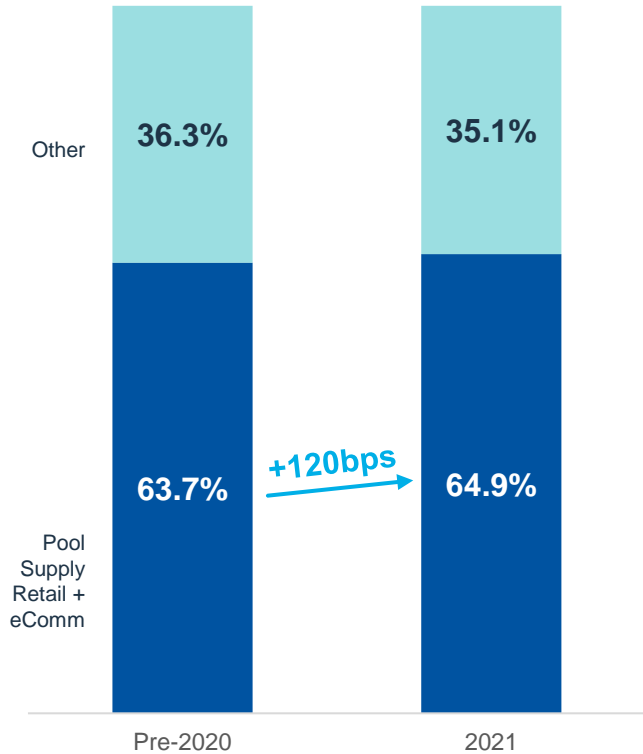
Aftermarket sales opportunity of new equipment = \$15B

Consumer Behavior Favors Leslie's Competitive Positioning

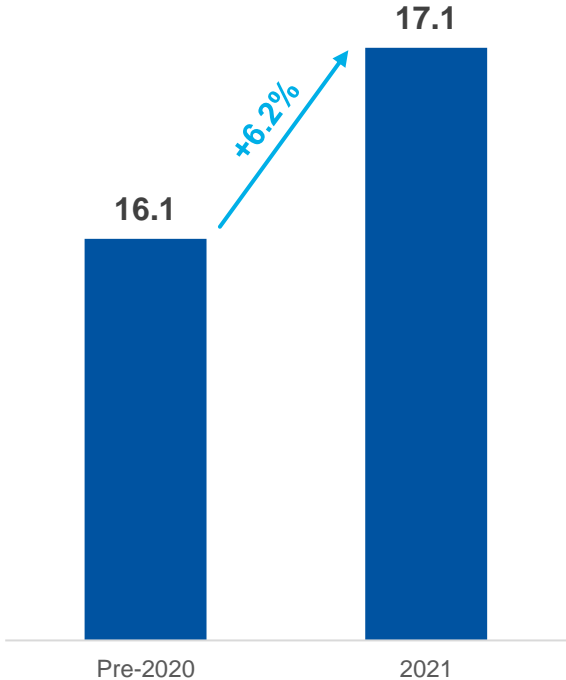
2021 Residential Pool Maintenance



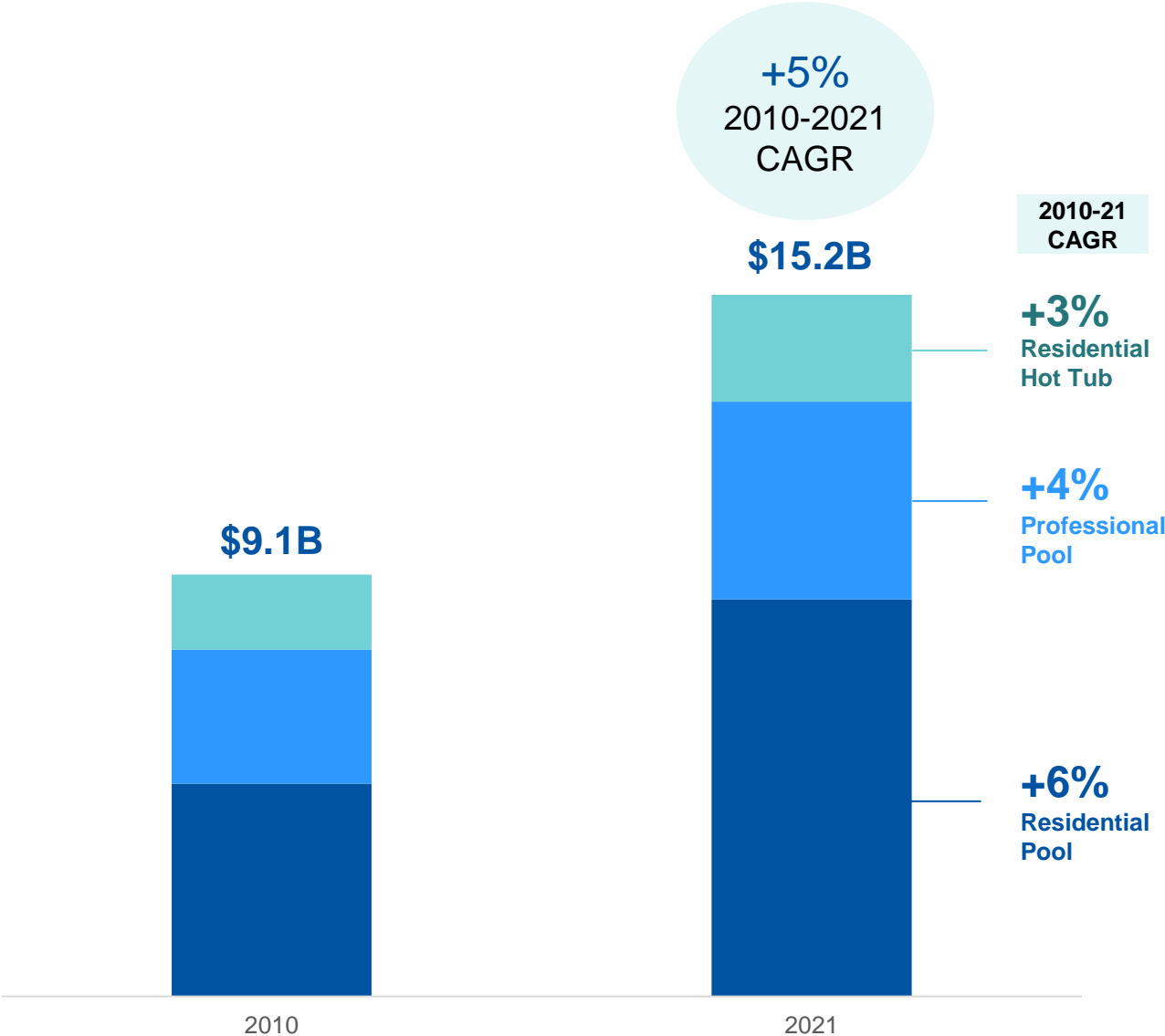
Chemical Purchases by Channel



Average Days per Month of Pool Usage



Leslie's Total Addressable Market Has Expanded and Continues to Grow





Integrated Ecosystem

Unmatched Scale and Reach
Consumer-centric
Total Solution Provider



An Integrated Network of Physical and Digital Properties

Physical Network – 990 Total Locations

Larger physical network than 20 largest competitors combined

863

Residential locations



80

Professional locations



47

Hot Tub locations



All locations serve Residential and PRO customers

Digital Platform

Digital sales >5x largest digital competitor

Owned Sites



Mobile App



Marketplaces



Leslie's Connect Integrates Our Physical and Digital Properties

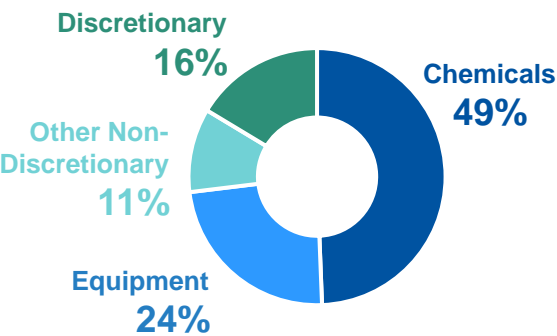


Proprietary Brands and Non-Discretionary Products Drive Sales

Products

Majority of products are non-discretionary and exclusive

Recurring Sales



>80%
non-discretionary sales

Proprietary Brands

55%
proprietary products

85%
proprietary chemicals

Services

We help consumers spend less time maintaining and more time enjoying their pools

In-Store Service

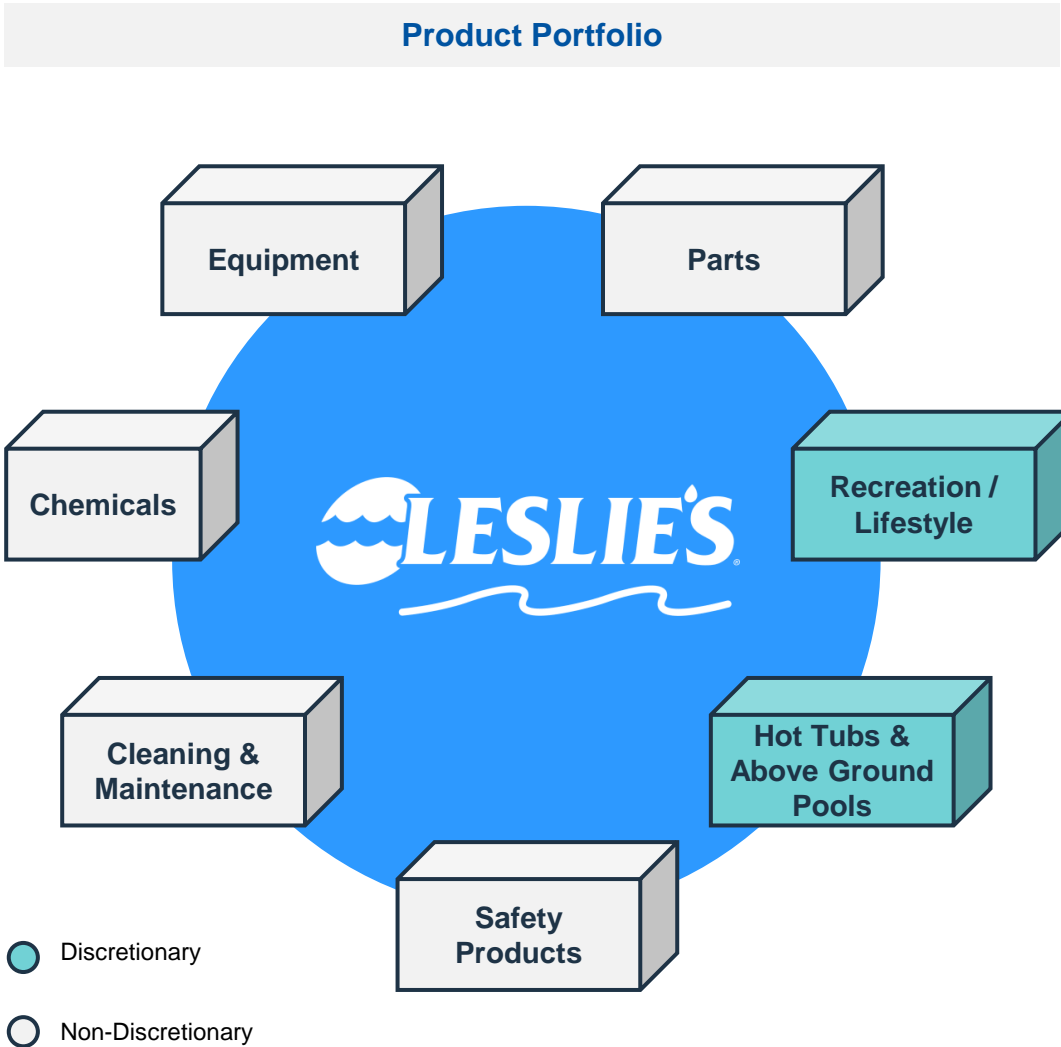
3,000+
in-store associates






- ✓ Expert advice
- ✓ Free water testing
- ✓ Free in-store repairs

In-Field Service

350+
certified technicians
for equipment
installation & repair

Comprehensive Product Assortment



Proprietary Brands	
	<ul style="list-style-type: none">• Most trusted name in pool care• Superior quality products
	<ul style="list-style-type: none">• Quality products at a great price for the DIY consumer• Only available online
	<ul style="list-style-type: none">• Pool equipment products exclusive to Leslie's¹
	<ul style="list-style-type: none">• Value alternative to OEM parts
	<ul style="list-style-type: none">• Total solution for a clean, safe, and sparkling pool• Most comprehensive and accurate water test available• Exclusive to Leslie's

Proprietary AccuBlue Water Testing Provides Total Solution for a Safe, Clean, Beautiful Pool

59 Years

conducting
water tests

17K


lines of
proprietary code

50M+


water tests
performed

10-Point test

calibrated specifically to
Leslie's product specifications



Pool Details
 Pool & Spa 45000 Gal
 Salt 4000-5000 Pebble
 2005 E INDIAN SCHOOL RD STE 101
 (602) 956-0601
 Moyo Labode



Test completed 11/09/22 10:02 by Scott B. **Your next test is due on 11/30/22.**

- Leslie's Water Test Prescription is for Leslie's Chemicals only and is based upon the Pool Details above -
 - Always run your pump on high speed when adding chemicals to your pool or spa -

Leslie's Weekly Maintenance Program

Follow this weekly maintenance program to help maintain a safe and healthy pool.

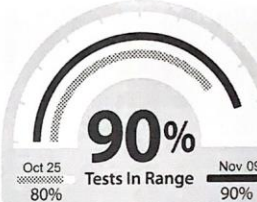
1. Sanitize
 Adjust your Salt Chlorine Generator to maintain 1-4 ppm free chlorine.

2. Shock
 Add 3 lbs 2 oz of any Leslie's Shock weekly.

3. Prevent
 Add 23 Fl oz of Leslie's Perfect Weekly every week.

Pro Tip For problem pools with heavy use, swimming animals, or significant debris, add 14 Fl oz of Leslie's Algae Control weekly.




Test	Ideal Range	Result
Free Chlorine	1 - 4 ppm	1.16
Total Chlorine	Within 0.2 of FAC	1.27
pH	7.2 - 7.8	7.8
Total Alkalinity	80 - 120 ppm	87 *
Calcium Hardness	200 - 400 ppm	218
Cyanuric Acid	50 - 100 ppm	74
Iron	0 - 0.2 ppm	0.1
Copper	0 - 0.2 ppm	0
Phosphates	0 - 100 ppb	0
Salt	4000 - 5000 ppm	741

Water Test Quality Score

 Oct 25 80% Tests In Range Nov 09 90%

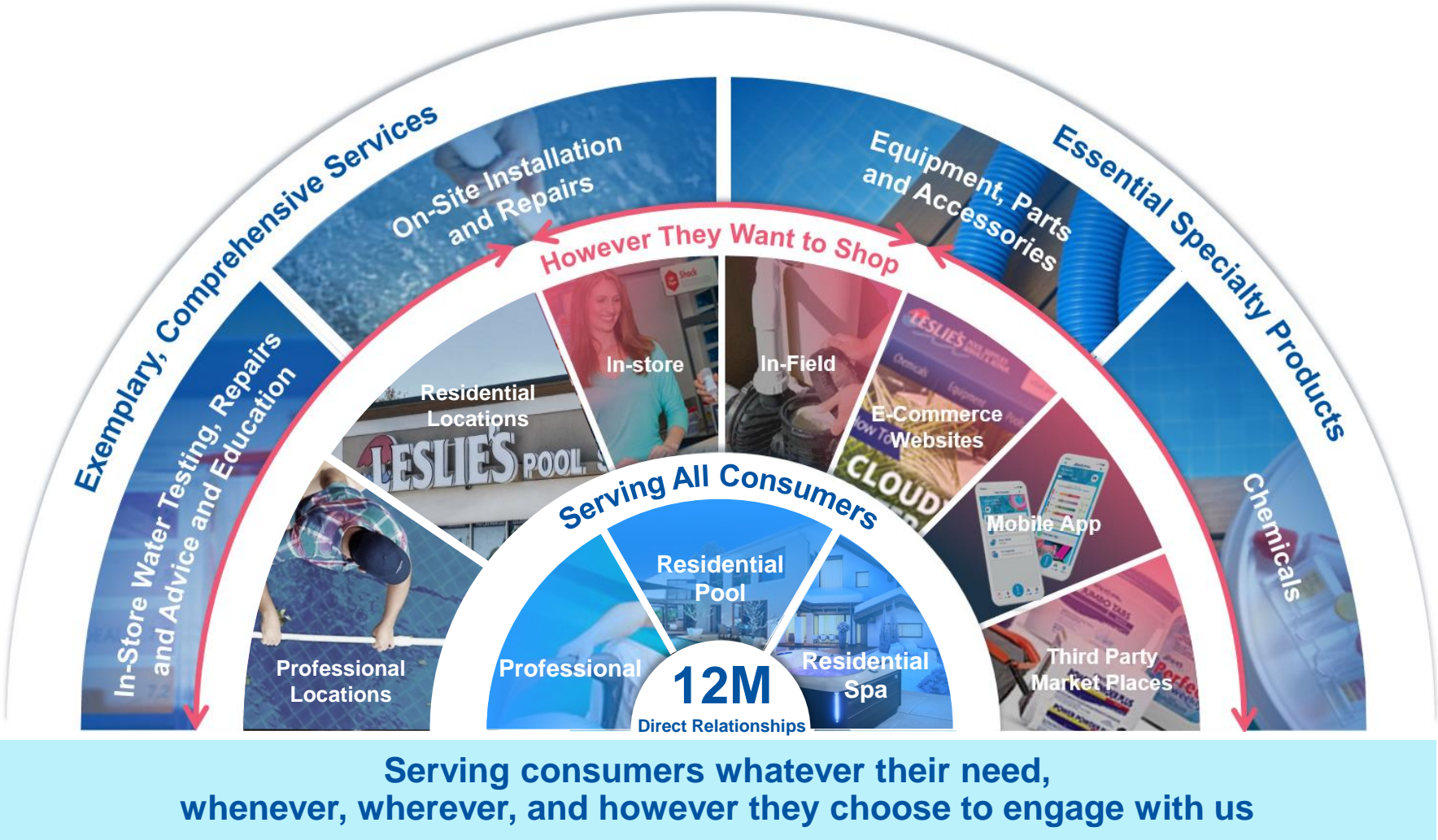
* Total Alkalinity has been adjusted due to the effect of CyA on tested Total Alkalinity

Problems Reported

- ☐ Green or Yellow/Brown Algae
- ☐ Black Algae
- ☐ Surface Stains
- ☐ Scale Formation
- ☐ Cloudy/Hazy Water
- ☐ Dark Oily Water Ring
- ☐ Water Foaming
- ☐ Fresh Fill
- ☐ Dirty Filter

Problem	Product	Solution
1: Low FAC Low FAC can lead to cloudy water, swimmer discomfort and algae growth.	  	1. Add 1 lbs 8 oz of Leslie's Power Powder Plus 73 OR 1 lbs 4 oz of Leslie's Chlor Brite OR 106 Fl oz of Sodium Hypochlorite into your pool water with the pump running. 2. Wait 4 hours, then proceed to next step. Caution: Ensure the FAC level is within the recommended range of 2.0 - 4.0 ppm before entering the pool water. Pro Tip: To help maintain your FAC level in the proper range, increase your chlorinator or chlorine generator feed rate or run time if necessary. Shock your pool water weekly to maximize the efficiency of your Free Available Chlorine level.

Leslie's Has the Industry's Only Consumer-centric Integrated Ecosystem





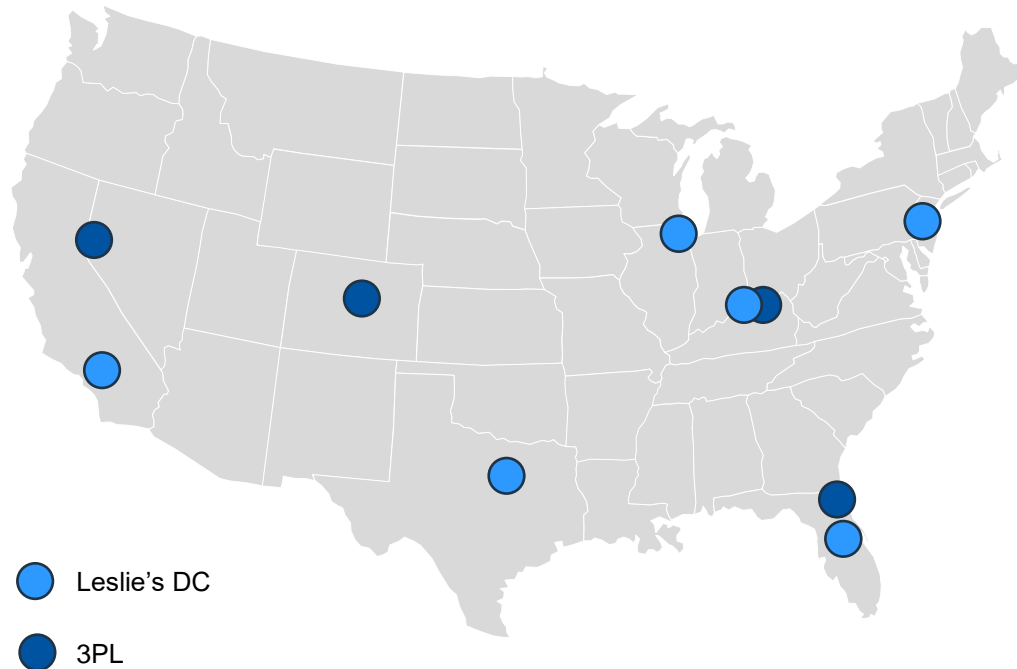
Optimizing Our Supply Chain

Expand Capacity
Carry More Inventory
Diversify Supply Base



Capacity Requirements Monitored Daily and Have Expanded to Serve Demand

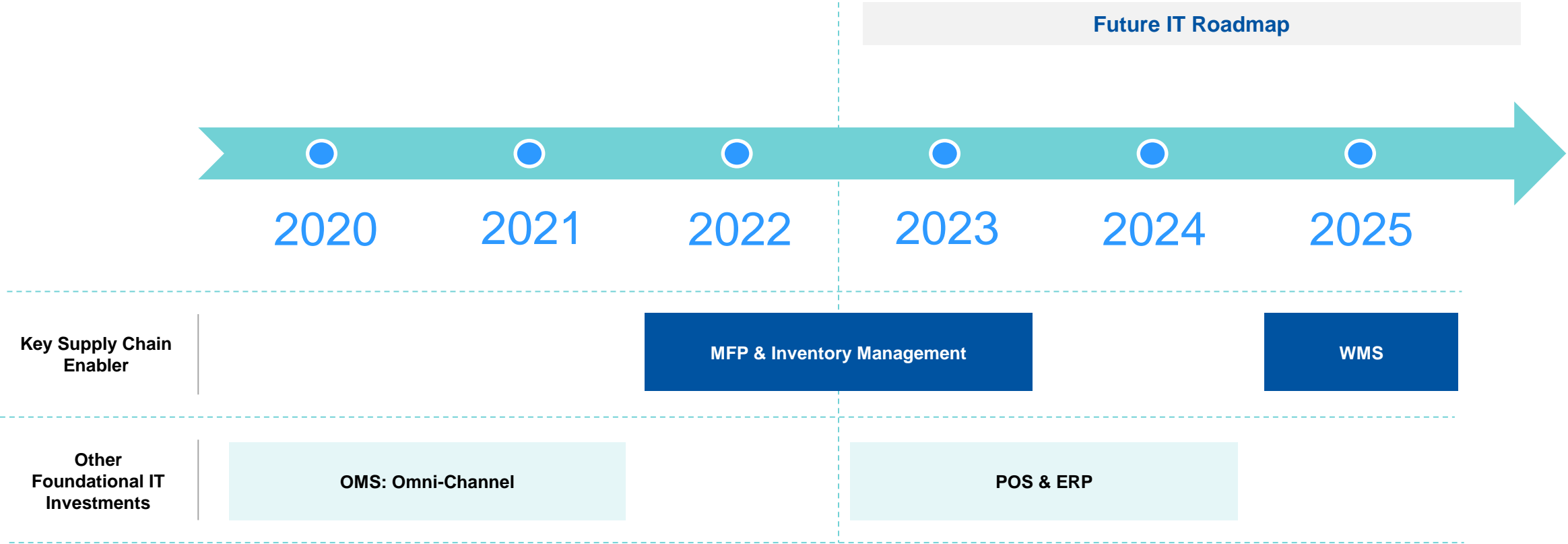
Six Residential Pool DCs and Four 3PLs



Investments to Support Growth

- Flexibility to operate a two-shift / seven-day model; ability to increase operating hours per week by 40% compared to FY22
- Adding two 3PLs, one in the northeast
- Driving further vertical integration
- Shifting tableting to Leslie's-owned Stellar Manufacturing
- Expanding tableting capacity at Stellar Manufacturing
- Hired experienced omni-channel fulfillment leader

Information Technology Investments Enable Supply Chain Optimization



Carrying More Inventory to Serve Omni-Channel Demand

Rationale

- Ensure in-stock position across network to meet consumer demand
- Vendor deliveries have been unpredictable
- Experienced intermittent stock-outs of key products
- Strong balance sheet enables us to bolster inventory position to mitigate the unpredictable nature of industry supply
- Strong growth over last three years has stretched our vendor base

Tactics

- Increased inventory prior to 2023 season
- Contracted supply of key raw materials
- Sourcing inventory direct from manufacturers
- Leveraging strong relationships with key vendors
- Expanding production capacity at Leslie's owned Stellar Manufacturing
- Will maintain heightened inventory balance until supply chain normalizes

Diversify Supply Base

Rationale

- Recent growth has outstripped the capacity of some legacy suppliers
- Expanded supply network enables Leslie's to be more agile and better address peak-season demand

Tactics

- Expanding partnerships in fast turning chemical and sanitizer categories
- Ongoing exploration and vetting of suitable long-term category partners



Clear Path to Continued Growth

Strategic Growth Initiatives



Consumer File Expected to Contribute +100-300bps of Growth

LTM Target Consumer File



Near-Term Opportunities and Initiatives

Enhanced Targeting Capabilities

- Leverage proprietary pool database and new capabilities to capture new customers
- Apply recency, frequency, and monetary valuation to prioritize retention tactics and shape new customer onboarding

Optimized Marketing Mix

- Build brand awareness, drive consideration, and increase conversion
- Measure offline impact through marketing mix modeling and multi-touch attribution

Relevant Marketing and Content

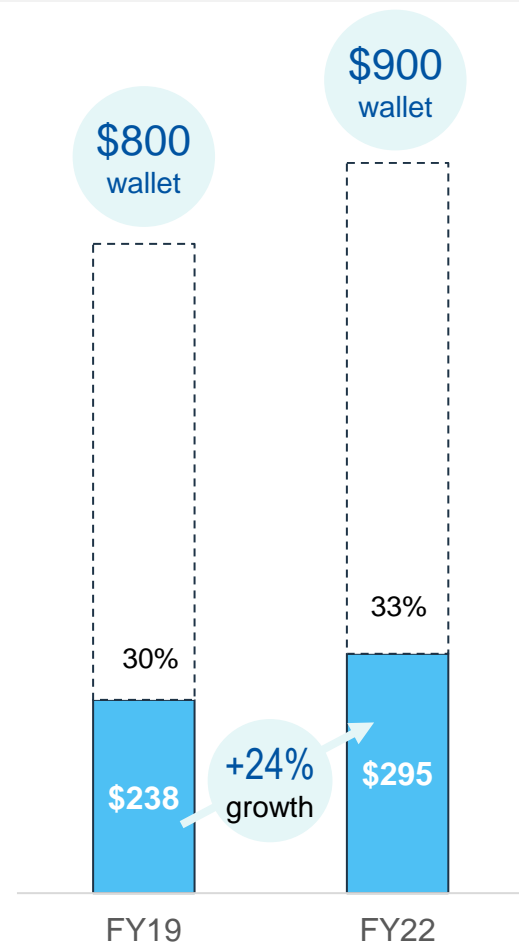
- Identify changes in behavior and employ multi-tier campaigns to drive retention
- Trigger automated email campaigns based on consumer attributes
- Deliver relevant content and promotions based on customer's lifecycle status

Investment in customer experience and retention driving strong return metrics

LTV¹/CAC:18x

Deeper Customer Relationships Expected to Contribute +100-300bps of Growth

Residential ARC¹ / Share of Wallet



Opportunity Overview

We are gaining share of wallet with our customers, but there is significant remaining share to be captured

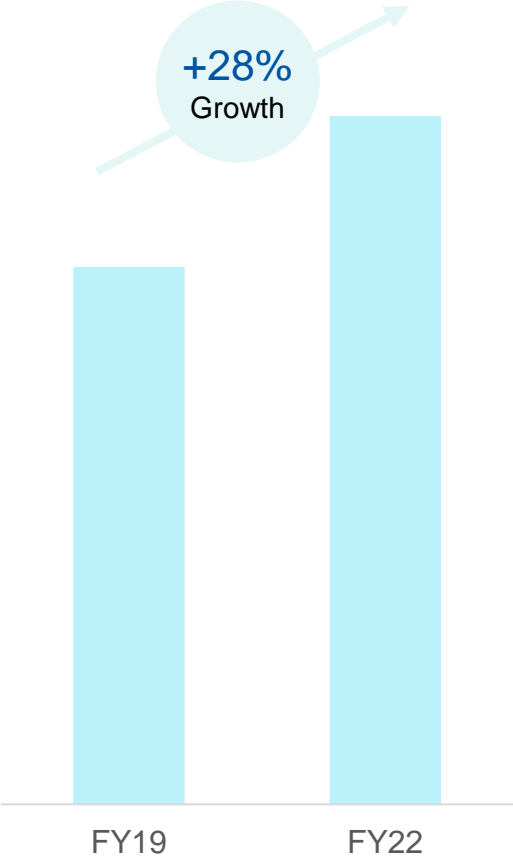
Key Initiatives

- **Marketing:** leverage in-house data to increase frequency and expand share of wallet through category adoption
- **Omni-channel:** promote omni-channel adoption to drive transaction frequency and wallet share gains
- **AccuBlue:** advance AccuBlue adoption to drive retention and transaction frequency
- **Assortment:** introduce eco products and expand into new categories to create new purchase occasions

Once a customer is in our file for more than 12 months, their **ARC increases to \$354**

Pool Perks Loyalty Program is a Strong Enabler of Growth

Loyalty File Growth



Industry-Leading Benefits



EARN 5%
IN POOL PERKS REWARDS



FREE
SHIPPING



EXTENDED
WARRANTIES



EXCLUSIVE
OFFERS & PROMOTIONS

KPIs

- Active loyalty members +9% CAGR since FY19
- Loyalty ARC 2x non-loyalty
- Loyalty retention 3x non-loyalty
- Loyalty LTV 3x non-loyalty

PRO Expected to Contribute +100-300bps of Growth



Leslie's PRO Partner Program



Leslie's PRO Locations



Leslie's PRO Website



Pool professionals spend 25x more than residential pool owners



Leslie's PRO Partner Program

- Launched 2020
- 2,750+ total contracts
- PRO Partners commit minimum spend
- PRO Partners receive:
 - Preferred pricing
 - Customer referrals for pool maintenance
 - Rebate programs
 - AccuBlue water testing
 - In-store equipment inspection and repair

Leslie's PRO Locations

- 80 Leslie's PRO Locations:
 - ~4,200 sqft. / ~1,500 SKUs
 - Convenient locations
 - Extended store hours
 - Expanded assortment
 - Omni-channel capabilities
 - Trusted store teams that are trained and knowledgeable on PRO customer needs
- Opportunity to operate 350 PRO locations

Leslie's PRO Website

- Dedicated, members-only website
- Omni-channel capabilities
- Enables PRO customers to shop and check inventory availability at their convenience

Extensive Network of Locations is a Distinct Competitive Advantage in the PRO Market

How We Compete

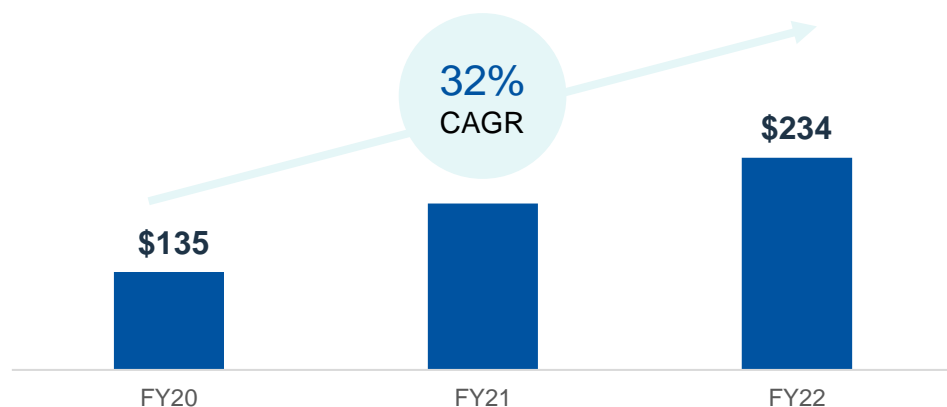
Convenience

- 90% of pools are within 15 mins of a Leslie's
- Serve PROs through all Leslie's locations
- Extended hours of operation in PRO locations

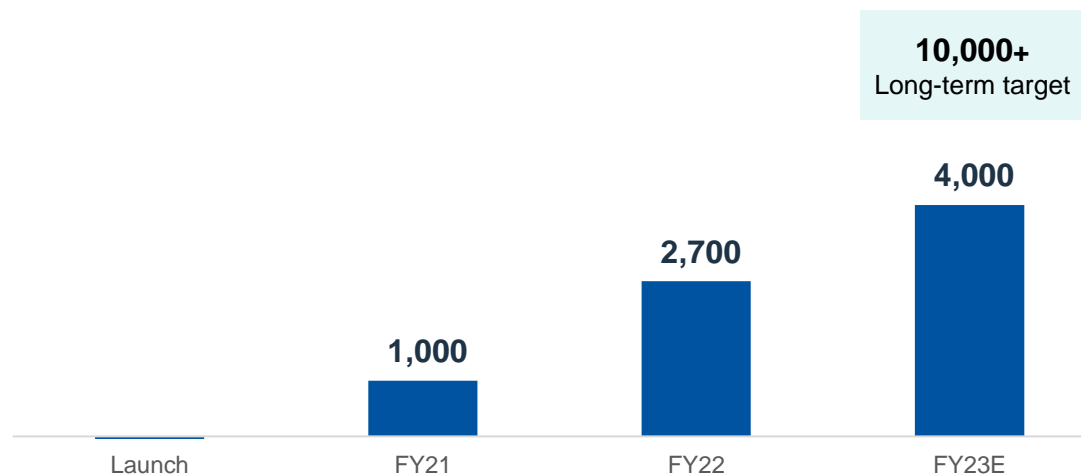
Value

- Competitive wholesale pricing
- Customer referrals for Leslie's PRO Partners
- Free AccuBlue Water Testing
- Free In-Store Equipment Repair

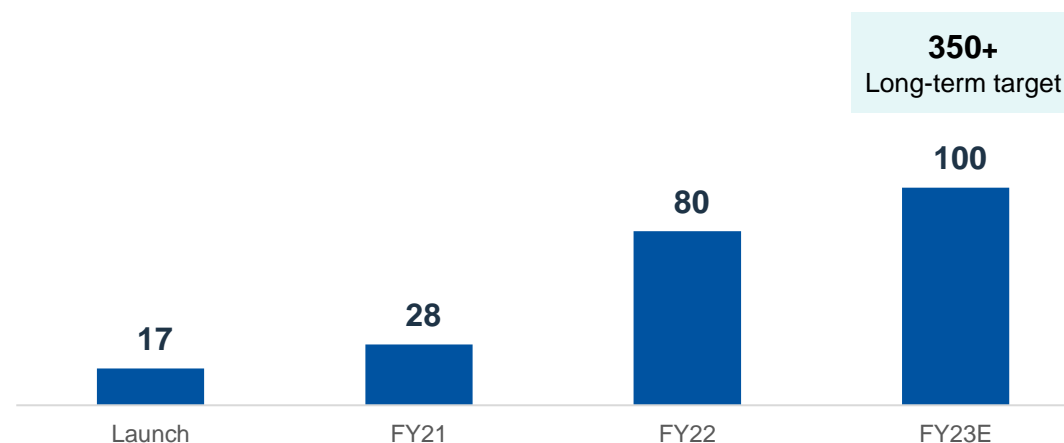
Pro Sales Performance



Pro Partner Contracts



Pro Locations



Expanding into Whitespace Expected to Contribute +100-300bps of Growth

Targeting Pool-Dense Areas in Existing and New Markets

Strategies to enter underserved markets

Build New Stores

Acquire Stores

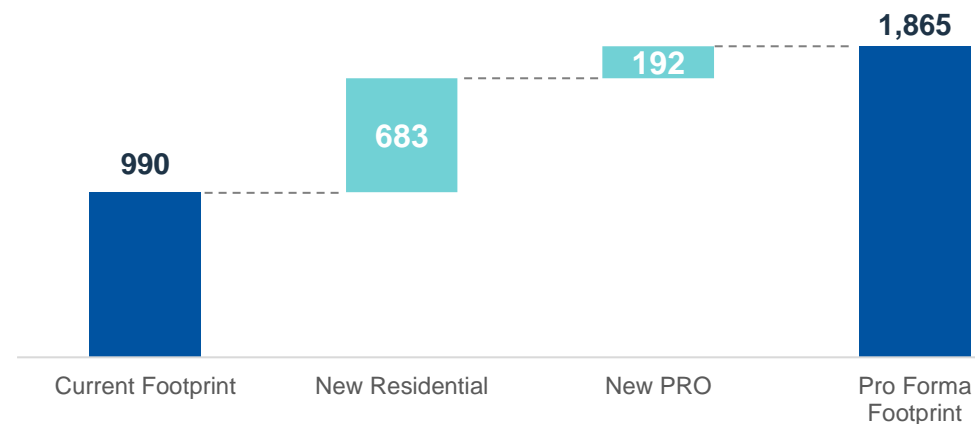
Digital Properties

Format Overview



Square footage	~3,500 sqft.	~4,200 sqft.
SKUs	~900	~1,500
Hours of operation	9am – 6pm	7am – 6pm

New Store Opportunity



M&A Opportunity

~8,000

Independent
pool supply retailers

~2,500

Independent
hot tub dealers

Programmatic M&A Expected to Contribute +100-300bps of Growth

Opportunity Overview

- 8,000 specialty pool retail targets
- Typically <\$25M sales and actionable <5.0x TEV / EBITDA
- Rapidly integrate assets and realize synergies
- Blended payback period of <2 years

Investment Criteria

Leaders within respective markets

Cultural alignment

Actionable synergy opportunities

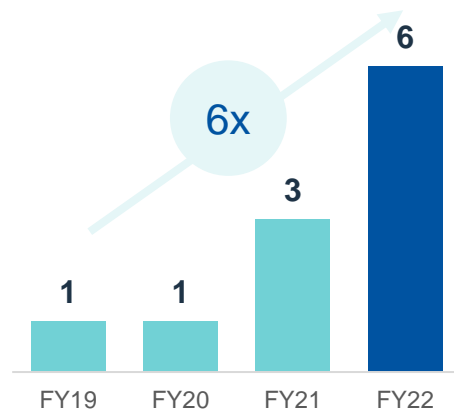
Overweight non-discretionary pool supply retailers

Strict valuation discipline

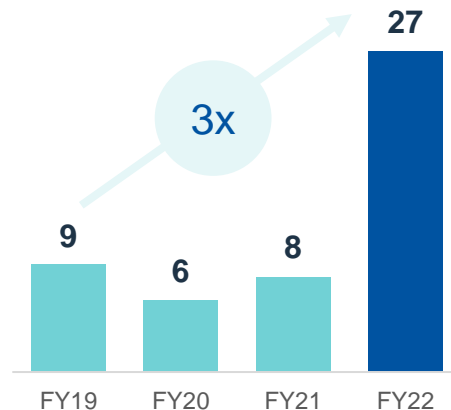
Overweight Sunbelt

Accelerating Our Pace of Acquisitions

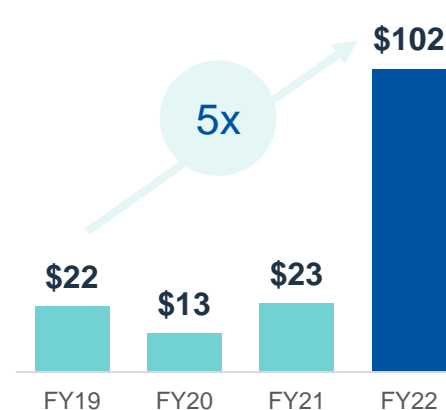
Acquisitions



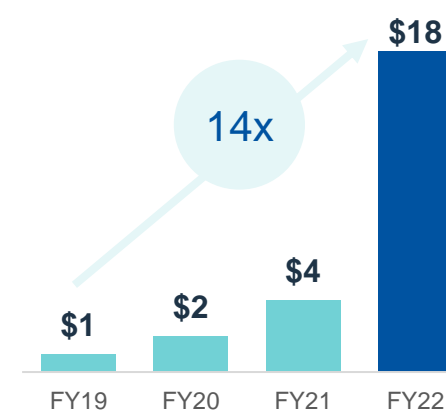
Locations Acquired



Revenue Acquired¹ (\$M)



Adj. EBITDA Acquired¹ (\$M)



Legacy of Leadership and Disruptive Innovation Drives Upside Potential

Complimentary Water Testing



Complimentary Equipment Repair



Industry's First Loyalty Program



Industry's Only Omni-Channel Platform



AccuBlue Home



v1.0



v2.0

Free AccuBlue Water Testing Is Offered in All Leslie's Locations

Pool Owners That Regularly Test with Leslie's...

Spend
2x
more

Transact
2x
more often

Are
2x
more likely to
be retained

AccuBlue Home™

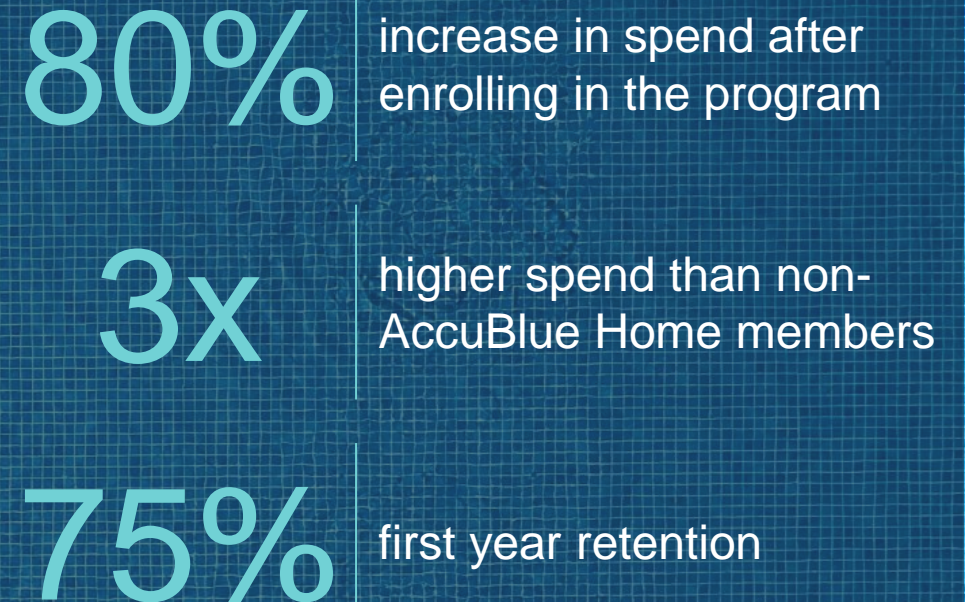
The total solution for a clean, safe, and beautiful pool.

Program Overview

- AccuBlue Home is a monthly membership program
- Members receive a free AccuBlue Home device upon sign-up
- AccuBlue Home integrates with the Leslie's app to deliver the same comprehensive and easy to follow treatment plan Leslie's customers receive in store, with the added convenience of testing from home
- \$50 monthly membership fee
- Members receive \$50 in AccuBlue Membership credits each month
- Credits are good for a year can be used toward Leslie's purchases – in app, online, or in store
- Members return their device to Leslie's if they choose to exit the program



AccuBlue Home v1.0 Pilot Observations





57%

trial intent among
surveyed pool owners

What Makes Unique?

Advantaged Industry

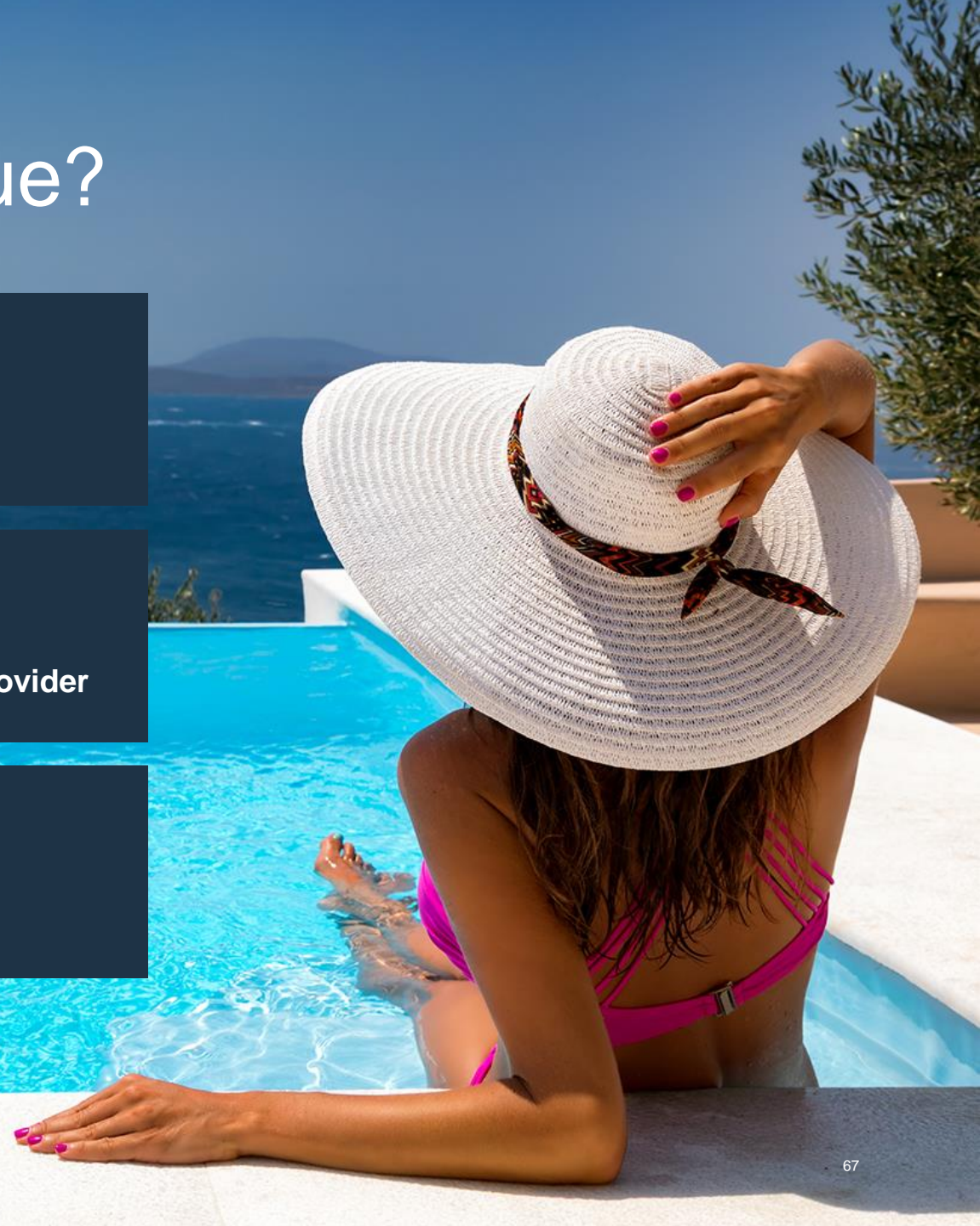
Large / Annuity-Like Demand / Predictable Growth

Integrated Ecosystem

Unmatched Scale and Reach / Consumer-Centric / Total Solution Provider

Clear Path to Growth

Six Strategic Growth Initiatives





Q&A



GAAP to Non-GAAP reconciliation tables

	Three Months Ended			Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020 ⁽¹⁾	October 1, 2022	October 2, 2021	October 3, 2020 ⁽¹⁾
Net income	\$ 57,934	\$ 44,541	\$ 42,640	\$ 159,029	\$ 126,634	\$ 58,561
Interest expense	9,581	7,369	19,501	30,240	34,410	84,098
Income tax expense (benefit)	15,569	14,746	7,229	49,088	36,495	2,627
Depreciation and amortization expense ⁽²⁾	7,889	7,348	8,463	30,769	26,553	28,925
Management fees ⁽³⁾	—	—	1,752	—	382	4,900
Equity-based compensation expense ⁽⁴⁾	3,097	5,030	(8)	11,922	25,621	1,785
Loss on debt extinguishment ⁽⁵⁾	—	—	—	—	9,169	—
Costs related to equity offerings ⁽⁶⁾	—	458	—	550	10,444	—
Strategic project costs ⁽⁷⁾	532	—	—	4,960	—	—
Executive transition costs and other ⁽⁸⁾	4,940	2,490	479	5,718	905	1,874
Adjusted EBITDA	\$ 99,542	\$ 81,982	\$ 80,056	\$ 292,276	\$ 270,613	\$ 182,770

(1) The three months ended and year ended October 3, 2020 included 14 weeks and 53 weeks, respectively. The amounts for the three months ended October 3, 2020 differ from amounts previously reported, as a result of the retrospective presentation of the effects of the adoption of Topics 606 and 842 which were adopted on October 3, 2020. The amounts for the year ended October 3, 2020 included the full year impact and no amounts differ.

(2) Includes depreciation related to our distribution centers and locations, which is reported in cost of merchandise and services sold in our consolidated statements of operations.

(3) Represents amounts paid or accrued in connection with our management services agreement, which was terminated upon the completion of our IPO in November 2020 and are reported in SG&A in our consolidated statements of operations.

(4) Represents charges related to equity-based compensation and the related Company payroll tax expense, which are reported in SG&A in our consolidated statements of operations.

(5) Represents non-cash expense due to the write-off of deferred financing costs related to the term loan modification and the repayment of our senior unsecured notes in Fiscal 2021, which are reported in loss on debt extinguishment in our consolidated statements of operations.

(6) Includes one-time payments of contractual amounts incurred in connection with our IPO that was completed in November 2020, which are reported in SG&A, and costs incurred for follow-on equity offerings, which are reported in other (income) expenses, net in our consolidated statements of operations.

(7) Represents non-recurring costs, such as third-party consulting costs, which are not part of our ongoing operations and are incurred to execute differentiated, strategic projects, and are reported in SG&A in our consolidated statements of operations.

(8) Includes executive transition costs, losses (gains) on disposition of fixed assets, merger and acquisition costs and other non-recurring, non-cash or discrete items as determined by management. Amounts are reported in SG&A and other (income) expenses, net in our consolidated statements of operations.

Note: A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future, although it is important to note that these factors could be material to our results computed in accordance with GAAP.

GAAP to Non-GAAP reconciliation tables

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Strategic project costs ⁽⁶⁾	532	—	—	4,960	—	—
Executive transition costs and other ⁽⁷⁾	4,940	2,490	479	5,718	905	1,874
Tax effects of these adjustments ⁽⁸⁾	(2,143)	(2,005)	(558)	(5,788)	(11,677)	(2,147)
Adjusted net income	<u>\$ 64,360</u>	<u>\$ 50,514</u>	<u>\$ 44,305</u>	<u>\$ 176,391</u>	<u>\$ 161,478</u>	<u>\$ 64,973</u>

	Three Months Ended			Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020 ⁽¹⁾	October 1, 2022	October 2, 2021	October 3, 2020 ⁽¹⁾
Diluted earnings per share	\$ 0.31	\$ 0.23	\$ 0.27	\$ 0.85	\$ 0.67	\$ 0.37
Adjusted diluted earnings per share	\$ 0.35	\$ 0.26	\$ 0.28	\$ 0.95	\$ 0.85	\$ 0.42
Weighted average shares outstanding						
Basic	183,267	189,582	156,500	184,347	185,412	156,500
Diluted	184,688	192,729	156,500	186,148	190,009	156,500

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(8) Represents the tax effect of the total adjustments based on our actual statutory tax rate. Amounts are reported in income tax expense in our consolidated statements of operations.

Note: A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future, although it is important to note that these factors could be material to our results computed in accordance with GAAP.