



Investor Presentation

January 11, 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.

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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.

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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, including its Annual Report on Form 10-K filed with the Securities and Exchange Commission on December 23, 2020, for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statements.

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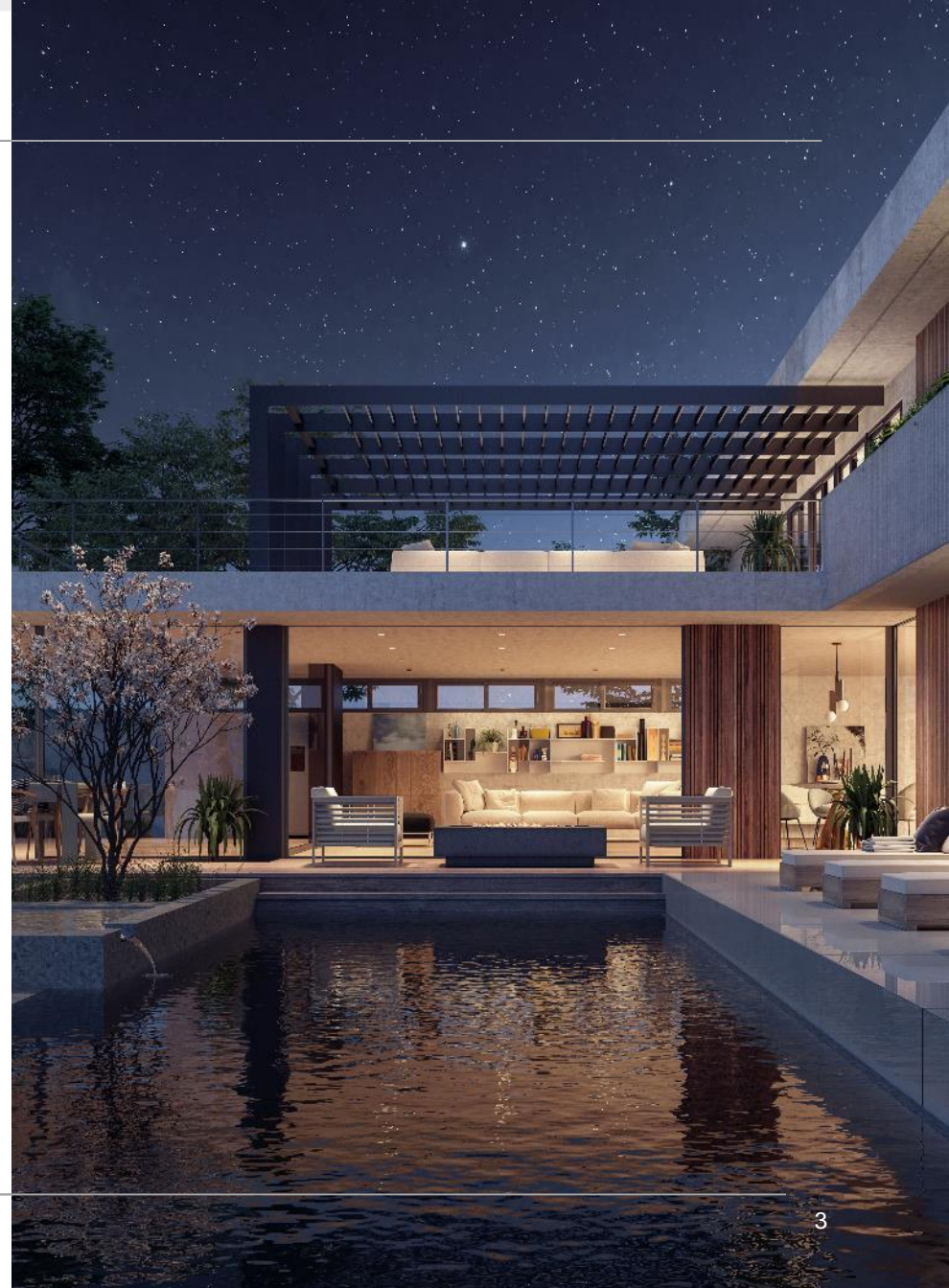
The forward-looking statements made in this presentation are based on events or circumstances as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this presentation, to reflect events or circumstances after the date of this presentation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





Today's agenda

- 01** Executive summary
- 02** The advantaged pool industry
- 03** Consumer-centric, integrated ecosystem
- 04** Attractive financial model
- 05** Growth strategies



01 Executive summary





Leslie's at a glance



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

Physical network larger than the sum of our **20** largest competitors

Digital sales are **~5x** as large as that of our largest digital competitor

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

11M	>\$1.1B	19.8%	\$183M
Consumers	FY2020 sales	FY2020 sales YoY growth	FY2020 adj. EBITDA





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



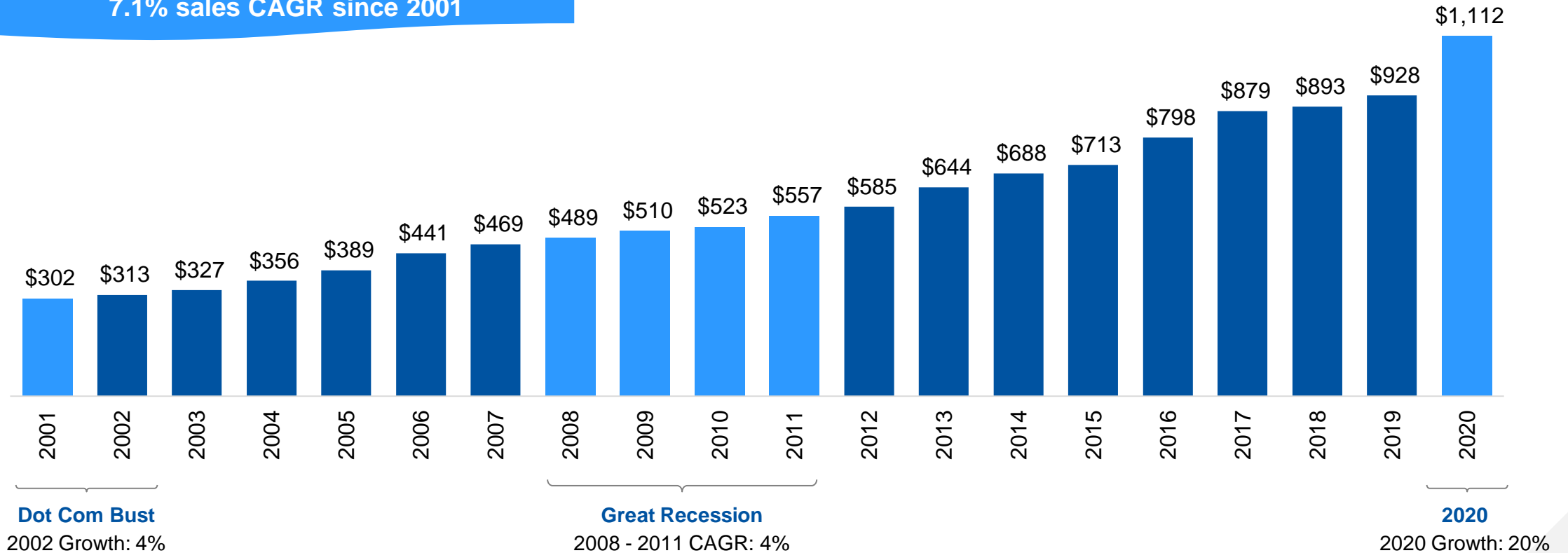


Extraordinary track record of consistent growth and recent acceleration...

Net sales since 2001

57 consecutive years of sales growth
7.1% sales CAGR since 2001

(\$ in millions)



02 The advantaged pool industry





A highly predictable and fundamentally attractive industry

Scale

14M

U.S. pool & spa
installed base

\$11B

U.S. aftermarket
opportunity

Predictability

80%

Non-discretionary
product sales

Highly stable,
annuity-like demand

Accelerating growth

3.8%

Industry CAGR from
2015-2019

32%

YoY growth in new
pool permit activity

The aftermarket pool and spa care industry is one of the most fundamentally attractive consumer categories given its scale, predictability, and accelerating growth



... And once a pool is in the ground, there is no option but to maintain it

If a pool is...

Not maintained



Expensive chemical treatments and risk of permanent equipment damage



Drained



Risk of structural failures



Decommissioned



Prohibitively expensive / home value depreciation





Weekly maintenance over decades creates highly attractive unit economics

$$\begin{array}{ccc} \mathbf{\$800} & \times & \mathbf{30\ Years} & = & \mathbf{\$24,000} \\ \text{Annual spend} & & \text{Long-term,} & & \text{Aftermarket} \\ \text{on essential,} & & \text{annuity-like demand} & & \text{lifetime value}^1 \\ \text{non-discretionary} & & & & \\ \text{products} & & & & \end{array}$$

~200K new in-ground pools being installed in 2020-2021 creates ~\$5B in new lifetime value

1. Represents estimated average spend of in-ground pool owner on maintenance products over life of a pool.



03 Consumer-centric, integrated ecosystem



Who we serve

We serve all types of consumers in the market

Residential pool



8.5M Addressable pools
\$6.1B TAM

Residential spa



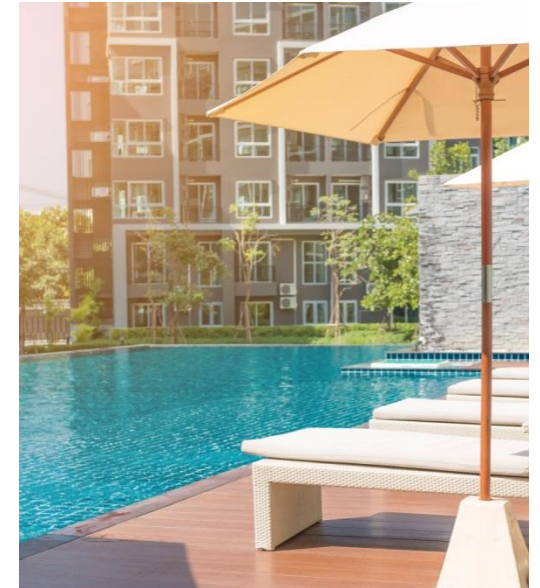
5.5M Addressable spas
\$1.8B TAM

Professional pool



45K Professionals
\$650M TAM

Commercial pool



250K Addressable pools
\$2.0B TAM

TAM of 14M bodies of water and **\$11B** of annual aftermarket spend

Source: Third party research



How we serve

Strategic physical network

Physical network larger than the sum of our twenty largest competitors

Residential locations



903
locations

PRO locations



16
locations

Commercial Service Centers



17
locations

350+
bulk SKUs

900
in-store SKUs

1,500+
in-store SKUs

Wide selection of 30K+ SKUs available online



How we serve

Digital platform capturing over 60% of all online pool traffic

	Owned sites			Mobile app	Marketplaces
		 (Launching in 2021)			
Product / service emphasis	Full offering of quality products from trusted brands	Full assortment for the pool professional	Broad assortment at entry to mid price points	Synch in-store prescriptions, monitor performance and transact	Curated offering of basic pool care supplies
Key highlights	Highest traffic pool supply website in the industry	Qualified access site dedicated to the pool professional	Highest sales volume website in the industry	>500K downloads, average 4.6 / 5.0 rating	Highest volume marketplace player in the industry

Digital sales are ~5x as large as that of our largest digital competitor

How we serve

Leslie's is committed to responsible and sustainable business practices



Environmental

- **Sanitation & Safety:**
 - Business focused on educating consumers and providing essential products and services related to water sanitation and safety
- **Sustainability**
 - Environmentally friendly products, such as energy saving pumps and low NOx heaters, and initiatives underway to reduce packaging footprint
- **Reduce, Reuse, and Recycle**



Social

- **Water & Operating Safety**
 - Our highest operational priority
- **Health**
 - Health and wellness programs, training, educational assistance, and benefit programs
- **COVID-19**
 - Proactive actions to protect associates and consumers throughout our operations
- **Social Equity**
 - Fostering diversity and inclusion among our leadership and workforce with our DIVE IN initiative – Diversity and Inclusion council comprised of associates from C-suite to store associates



Governance

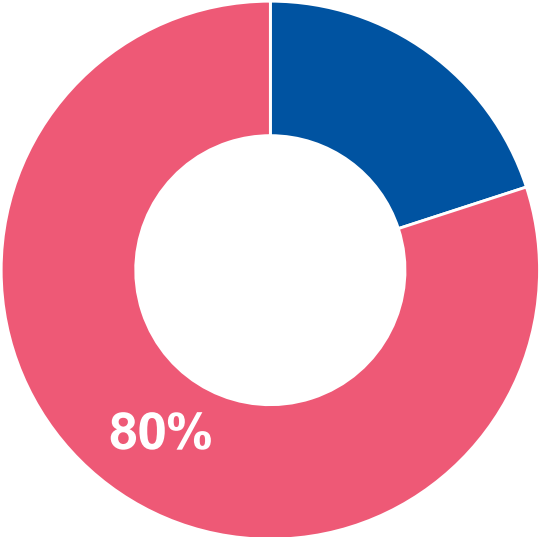
- **Code of Conduct**
 - Adhering to the highest ethical standards in conducting our business
- **Oversight**
 - Principled and consistent oversight across corporate leadership
- **Board Diversity**
 - Three women and two ethnically diverse members of our board of directors
- **Board Committee Independence**
 - Fully independent audit committee and majority independent compensation committee

What we serve

Majority of our products are both non-discretionary and exclusive

Recurring sales

80% of sales are non-discretionary

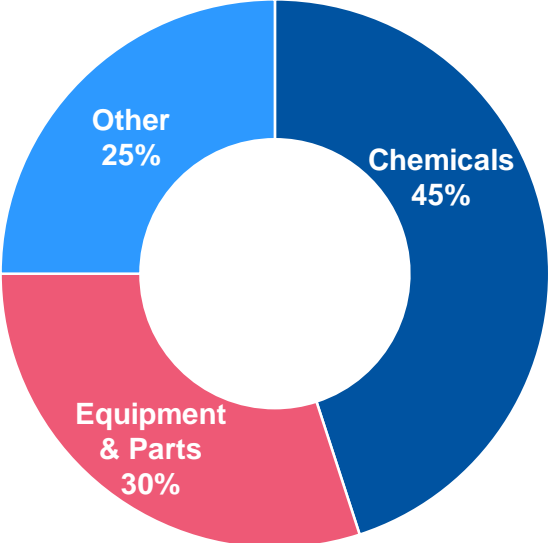


Proprietary brands

55% of products sold are **80%** proprietary chemicals



Diversified assortment¹



1. "Other" includes all sales related to certain acquired businesses where detailed information is not available on a consistent basis. Sales included in "Other" may be associated with other classifications presented in this chart.

What we serve

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

In-store services

4,000+ in-store associates provide skilled support

- ✓ Expert advice and consumer education
- ✓ Free water testing and customized treatment plans
- ✓ Free in-store repairs

In-field service

200+ certified in-field technicians provide essential on-site equipment installation and repair services to residential and commercial consumers

Our service teams provide our consumers with the complete step-by-step pool care solutions



What we serve

We pioneered the complimentary water test and continue to innovate with rollout of AccuBlue

57 Years

of conducting water tests

40M+

water tests performed

17K

lines of proprietary code to generate prescription and treatment plan

10-Point test

calibrated specifically to Leslie's product specifications

Consumers who test their water with us spend more than those who don't

Pool Details
 Pool & Spa 14000 Gal
 Salt 3000-4000 Pebble

2005 E Indian School Rd
 602-366-3999

S0572000047524
 James Hamilton

Test completed 09/21/20 09:47 by James H. Your next test is due on 09/28/20.

- Due To Variations In Chemical Products, Leslie's Proprietary Water Test Prescription Is For Leslie's Customers Only -
 - 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 1 lbs 0 oz of any Leslie's Shock weekly.

3. Prevent
 Add 7 Fl oz of Leslie's Perfect Weekly every week.

Pro Tip For problem pools with heavy use, swimming animals, or significant debris, add 5 Fl oz of Leslie's Algae Control weekly.

Test	Ideal Range	Result	
Free Chlorine	1 - 4 ppm	3.8	
Total Chlorine	Within 0.2 of FAC	4	●
pH	7.2 - 7.8	7.6	
Total Alkalinity	80 - 120 ppm	50 *	●
Calcium Hardness	200 - 400 ppm	475	●
Cyanuric Acid	50 - 100 ppm	90	
Iron	0 - 0.2 ppm	0.3	●
Copper	0 - 0.2 ppm	0	
Phosphates	0 - 100 ppb	250	●
Salt	3000 - 4000 ppm	3800	

Water Test Quality Score

50% Tests In Range

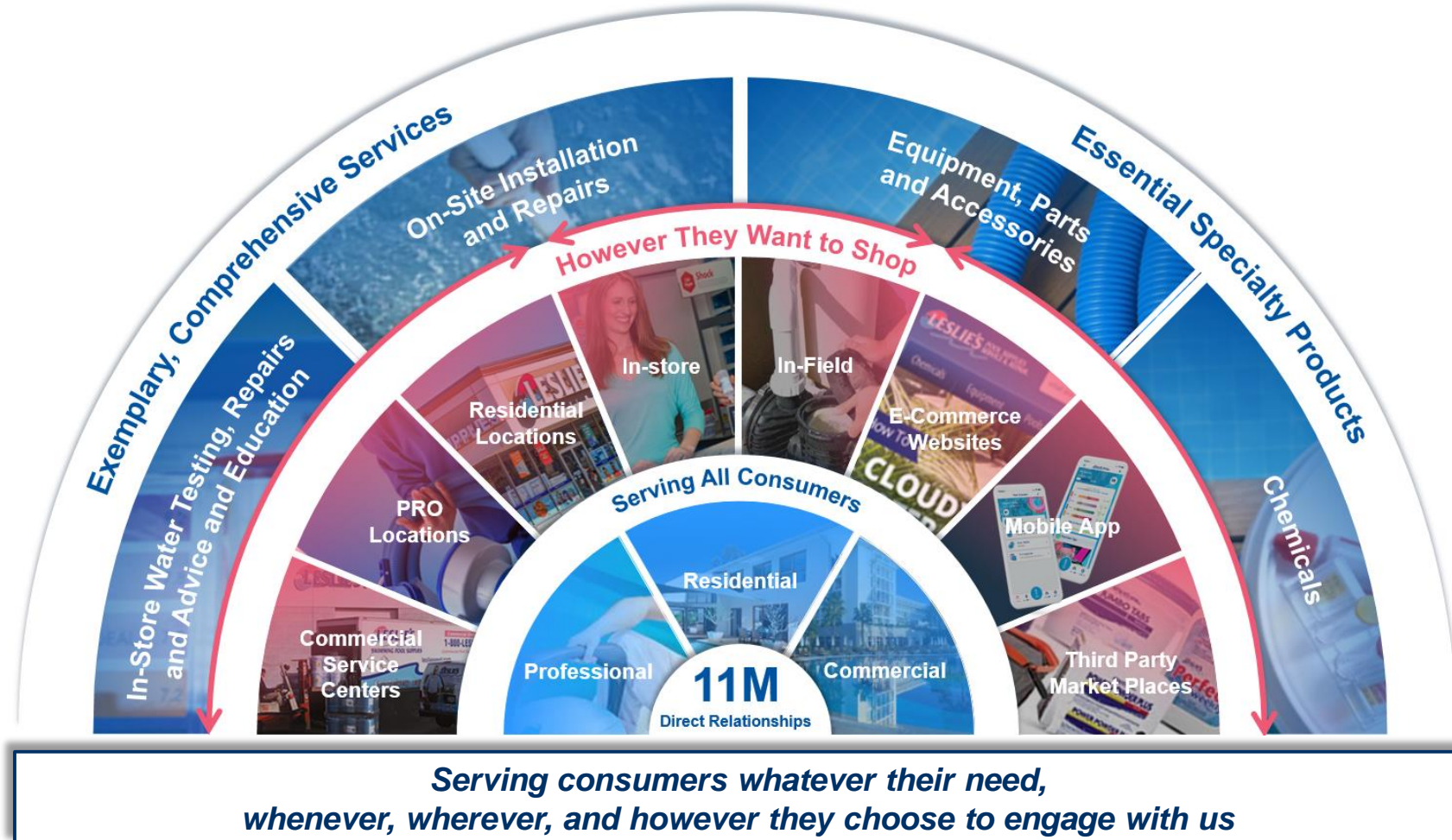
* Total Alkalinity has been adjusted due to the effect of CyA on tested Total Alkalinity

Problems Reported

<input type="checkbox"/> Green or Yellow/Brown Algae	<input type="checkbox"/> Scale Formation	<input type="checkbox"/> Water Foaming
<input type="checkbox"/> Black Algae	<input type="checkbox"/> Cloudy/Hazy Water	<input type="checkbox"/> Fresh Fill
<input type="checkbox"/> Surface Stains	<input type="checkbox"/> Dark Oily Water Ring	<input type="checkbox"/> Dirty Filter

Problem	Product	Solution
<p>1 Low Total Alkalinity Low Total Alkalinity causes pH issues, corrosion of metal parts, surface damage and swimmer discomfort.</p>		<p>1. Your pool needs a Total Amount of 9 lbs 13 oz of Leslie's Alkalinity Up. The Maximum Dose you should add at any one time is 14 lbs 0 oz. 2. Broadcast the Alkalinity Up into your pool water with the pump running. 3. Wait 4 hours and add additional product (never exceeding the Maximum Dose) until the Total Amount has been added. (We recommend retesting after half of the Total Amount has been added.) Additional adjustments may be needed when complete. 4. After the last dose has been added, wait 4 hours, then proceed to next step.</p> <p style="font-size: 0.7em; border: 1px solid gray; padding: 2px;">Caution: Do not add Leslie's Alkalinity Up the same day as Leslie's Hardness Plus.</p> <p style="font-size: 0.7em;">Pro Tip: Adjusting the Total Alkalinity affects the pH. Retest both as additional balancing may be required.</p>

We have created the industry's only consumer-centric integrated ecosystem



04 Attractive financial model



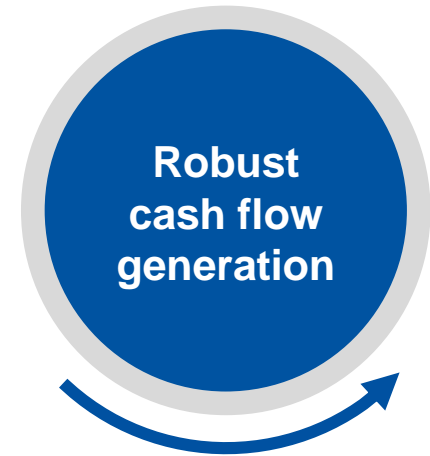
Attractive business model



Consistent, predictable industry growth driven by annuity-like demand



Structurally advantaged margins due to direct relationships with manufacturers and vertical integration



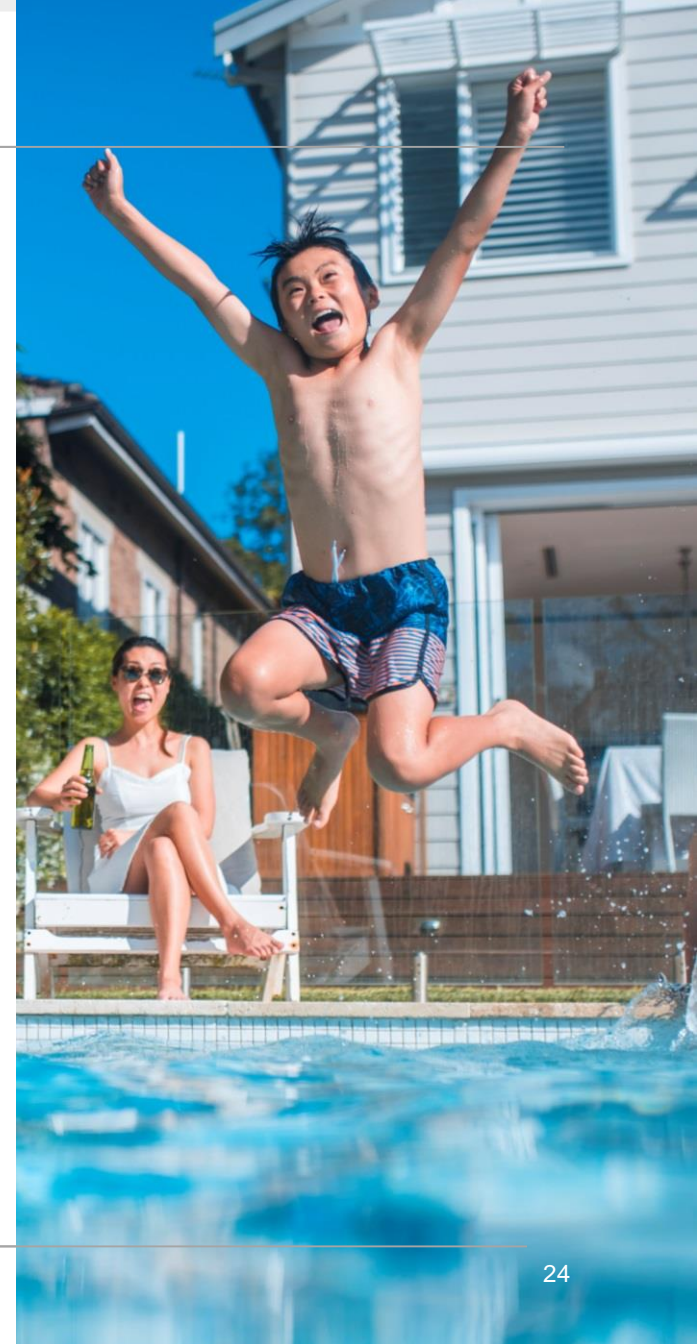
High free cash flow and free cash flow conversion due to modest ongoing capital investment needs



Leslie's financial model

	Fiscal 2020 Actual	Fiscal 2021 Guidance	Long-term Growth Algorithm
Sales	\$1,112M	\$1,155M to \$1,175M	MSD to HSD %
Adj. EBITDA	\$183M	\$192M to \$198M	LDD %
Adj. diluted income per share	\$0.42	\$0.50 to \$0.55	Mid- to high-teens %
GAAP Net Income	\$58M	\$82M to \$92M	Mid- to high-teens %

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



05 Growth strategies



We have identified six key levers to attack the ~\$10B opportunity

Growing our consumer file

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

Deepening relationships with existing consumers

- Introduction of Loyalty 2.0
- Enhanced product & service assortment

Attacking the professional market

- 200+ PRO location whitespace
- Affiliate program
- PRO website launching in 2021

Continuing programmatic M&A

- Execute on pipeline of identified opportunities

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

Growing our consumer file

New digital and analytics capabilities

Shifting spend from traditional direct mail marketing to higher return digital channels supported by new analytics capabilities, targeting three distinct opportunities:

200k new pools



- More than 200k new in-ground pools are forecasted to be installed in 2020-21
- Each pool represents aftermarket lifetime spend of \$24k
- Significant opportunity to drive growth by acquiring these new pool consumers

5.5M consumers



- We have more than 5.5 million consumers who are not regularly transacting with Leslie's
- We will use our new analytics capabilities to target and reactivate these lapsed consumers

Proprietary database of 14M pool and spa locations



- We maintain a proprietary database of virtually all pool and spa locations across the United States
- We will leverage our database to identify and acquire new consumers through targeted marketing efforts

Deepening relationships with existing consumers

Launching Loyalty 2.0 for pool season 2021

Enhanced benefits



- Increased earn rate
- Extended equipment warranties
- Free shipping
- Early access to sales
- Personalized communications

Targeted marketing



- We will invest behind our newly launched loyalty program with marketing tactics designed to drive loyalty adoption
- We expect this initiative to increase our loyalty penetration while growing our overall customer file

Enhanced assortment

Spa & Hot Tub Assortment



Lifestyle & Recreation Products



Advanced RD&D on eco-products



Attacking the professional market

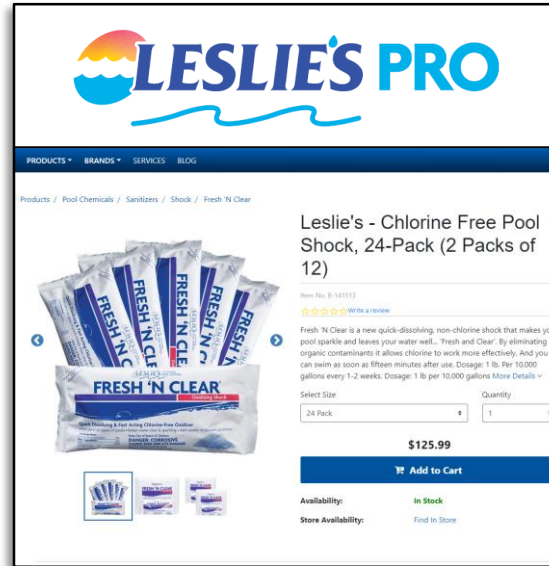
Adding PRO locations through conversions and new builds



200+ whitespace opportunities identified

We will address these whitespace opportunities through a mix of **conversions** and **new builds**

Leslie's PRO website launching in 2021



Serving our professional consumers **whenever, wherever, and however** they choose to engage with us

Leslie's Pool Service Professional Affiliate Program



Launching program to **partner with PROs**

Provides affiliates with a **basket of benefits** to **increase share of wallet**

Completes the ecosystem for residential pool owners

Programmatic M&A

Track record of successful M&A execution and integration...



...a clear M&A framework...

New capabilities

New consumers

New markets

Growth and/or margin accretive

...and the consolidator of choice in a fragmented industry

Largest and most trusted

direct-to-consumer pool & spa care brand

8,000+

Regional and local independent retailers



Addressing residential whitespace

Third party analysis has reconfirmed 700+ opportunities in underserved markets.

We will determine how to best serve these markets through our diverse and agile route-to-market capabilities.

Digital marketing

Highly targeted

digital consumer acquisition capabilities

Diverse platform

of e-commerce brands to address the needs of all consumer types

Omni-channel

Superior convenience

offered through new BOPIS, BORIS, and STS capabilities

Advantaged fulfillment

model to reach more consumers in shorter time with new SFS capabilities

Physical locations

Proven payback model

featuring capital-light buildouts and attractive unit-level economics

Proprietary database

of new and existing pools and spas to optimize and refine site-selection



AccuBlue Home[®] represents the next wave of connected home innovation



Security



3+

Fitness



3+

Pool



Climate



3+

Music / Voice



3+

Entertainment



4+

Options





Closing remarks

Advantaged industry

Large / annuity-like demand / predictable growth

Integrated ecosystem

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

Clear path to growth

Whitespace / new capabilities / disruptive innovation



Appendix





GAAP to Non-GAAP Reconciliation (unaudited)

<i>In thousands, except per share amounts</i>	<u>Fifty-Three Weeks Ended</u> October 3, 2020	<i>In thousands, except per share amounts</i>	<u>Fifty-Three Weeks Ended</u> October 3, 2020
Net income	\$ 58,561	Net income	\$ 58,561
Interest expense	84,098	Loss on disposition of assets (b)	785
Income tax expense	2,627	Management fee (c)	4,900
Depreciation and amortization expenses (a)	28,925	Equity-based compensation expense (d)	1,785
Loss on disposition of assets (b)	785	Mark-to-market on interest rate cap (e)	22
Management fee (c)	4,900	Other (f)	1,067
Equity-based compensation expense (d)	1,785	Tax effects of these adjustments (g)	(2,147)
Mark-to-market on interest rate cap (e)	22	<u>Adjusted net income</u>	<u>\$ 64,973</u>
Other (f)	1,067		
<u>Adjusted EBITDA</u>	<u>\$ 182,770</u>	Basic and Diluted	
		Net income per share	\$ 0.37
		Adjusted net income per share	\$ 0.42
		Weighted average shares outstanding	156,500

(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 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 IPO.

(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.

(f) 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.

(g) Represents the tax effect of the total adjustments based on our statutory tax rate for the fiscal year.

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.

