



 **POOLCORP[®]**

Where Outdoor Living Comes to Life[®]

Forward-Looking Statements

This presentation may contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements speak only as of the date of this presentation and are subject to change. POOLCORP undertakes no obligation to update or revise forward-looking statements to reflect new circumstances or unanticipated events as they occur. Actual results may differ materially due to a variety of factors, including impacts on our business from the COVID-19 pandemic and the extent to which home-centric trends will continue, accelerate or reverse, the sensitivity of our business to weather conditions, changes in the economy, consumer discretionary spending or the housing market, our ability to maintain favorable relationships with suppliers and manufacturers, competition from other leisure product alternatives and mass merchants, our ability to execute our growth strategies, excess tax benefits or deficiencies recognized under ASU 2016-09 and other risks detailed in POOLCORP's 2021 Annual Report on Form 10-K filed with the Securities and Exchange Commission as updated by POOLCORP's subsequent filings with the SEC.

This presentation may also contain references to certain non-GAAP financial measures as defined by the SEC. A reconciliation of non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles can be found in the Appendix at the end of this presentation, if applicable at http://ir.poolcorp.com/NonGAAP_Financial_Measures, or in the Company's most recent earnings release, which was furnished in our Current Report on Form 8-K filed with the SEC.



POOL Profile

#1 worldwide distributor of pool-related outdoor living products

\$5.3 billion in sales through over 400 Sales Centers in 12 countries

Multi-category, multi-channel, value-add distribution

Swimming pool, hardscapes & outdoor living, irrigation & landscape maintenance products

120,000+ professional contractor & retailer customers

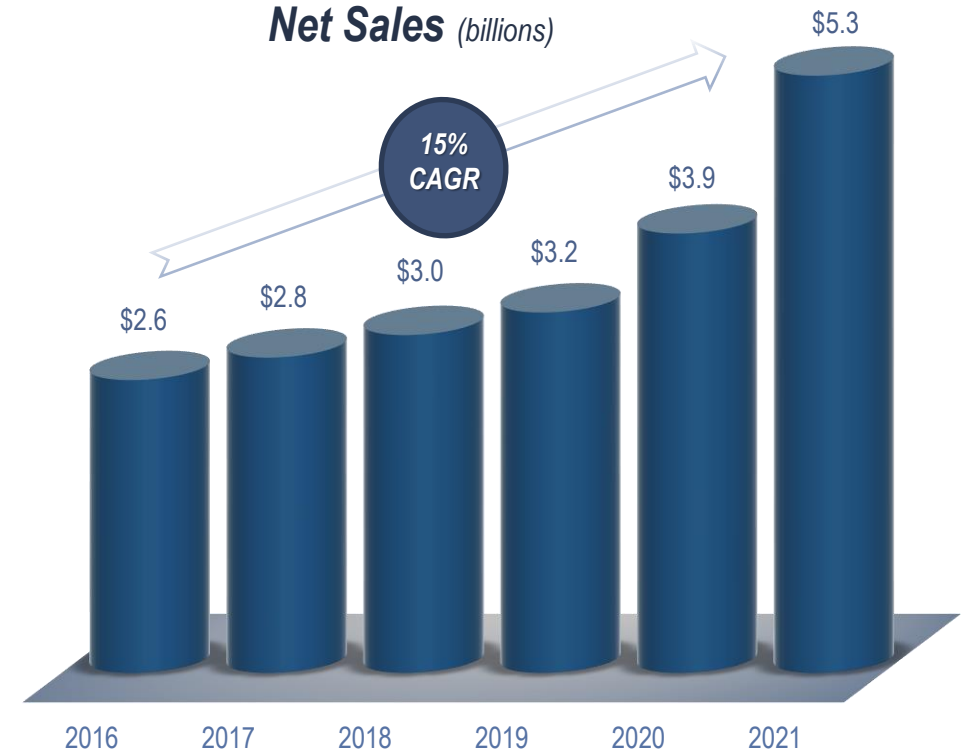
Over 2,000 market-based sales & customer service representatives

Technology-enabled B2B & retailer support services

Over 200,000 products across more than 50 product categories from over 2,200 suppliers

Strong Growth History

Net Sales (billions)



POOLCORP Business Mix - 2021

Geographic Markets

(% of total sales)

United States – 90%
Europe – 5%
Canada & Other Int'l – 5%

Product Application Spend

(est % of total sales)

Maintenance/Repair – 60%
Reno, Remodel, Upgrade – 20%
New Construction – 20%

Customer Profile

(est % of total sales)

Bldg & Maint Contractor – 80%
Retailer – 12%
Other – 8%

Network Channels to Market

SCP **SUPERIOR** - US Pool
SCP DISTRIBUTORS LLC POOL PRODUCTS LLC
SCP - International Pool
International
Horizon - US Irrigation & Landscape
PINCH-A-PENNY POOL-PATIO-SPA - Retail Store Franchisor
The Perfect People For A Perfect Pool & Distributor

Largest Worldwide
Distributor of Pool-
related Outdoor Living
Products

Significant Recurring
Revenues from
Large, Growing
Installed Base

Value-Add
Distribution Serving a
Fragmented
Customer Base

Leading, Recognized
Brands in Growing
Industry Sectors

Source: Company information



Remarkable 2021 Achievements

- 35% Revenue Growth - 29% Base Business Growth
- 30.5% Gross Profit Margin - 180bps improvement over 2020
- Operating Margin reaches record 15.7% of revenue
- Porpoise Pool & Patio acquisition - future strategic growth & synergy opportunities
- ROIC¹ reaches 43.9%

‘Extraordinary performance with future growth investment’

¹ See Appendix for ROIC calculation



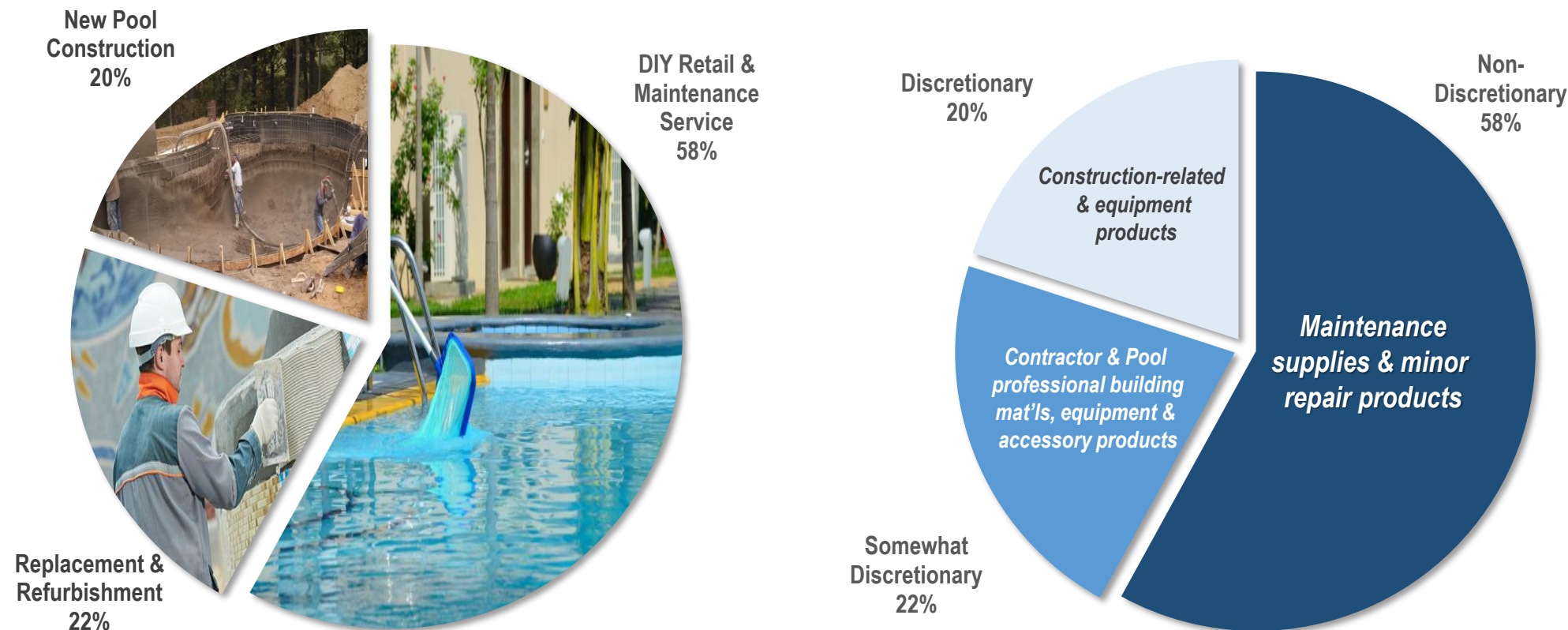
Near-term Business Environment

- Builders' backlogs easing
 - Demand normalizing from heightened 2021 levels
 - Remodel/renovation project backlogs remain elevated
- Inflation expected to moderate
 - Vendor price change frequency decreasing
 - Inventory gain-related margin enhancements receding
- Supply chain delays & product shortages improving; reducing inventory levels
 - Inventory position returning to historical turnover rates as conditions normalize
 - Strong cash flow generation expected in 2H 2022 with inventory sell-through as peak pool season subsides

'Industry conditions remain favorable, supply chains improving'



U.S. Pool Products Industry Spend Characteristics

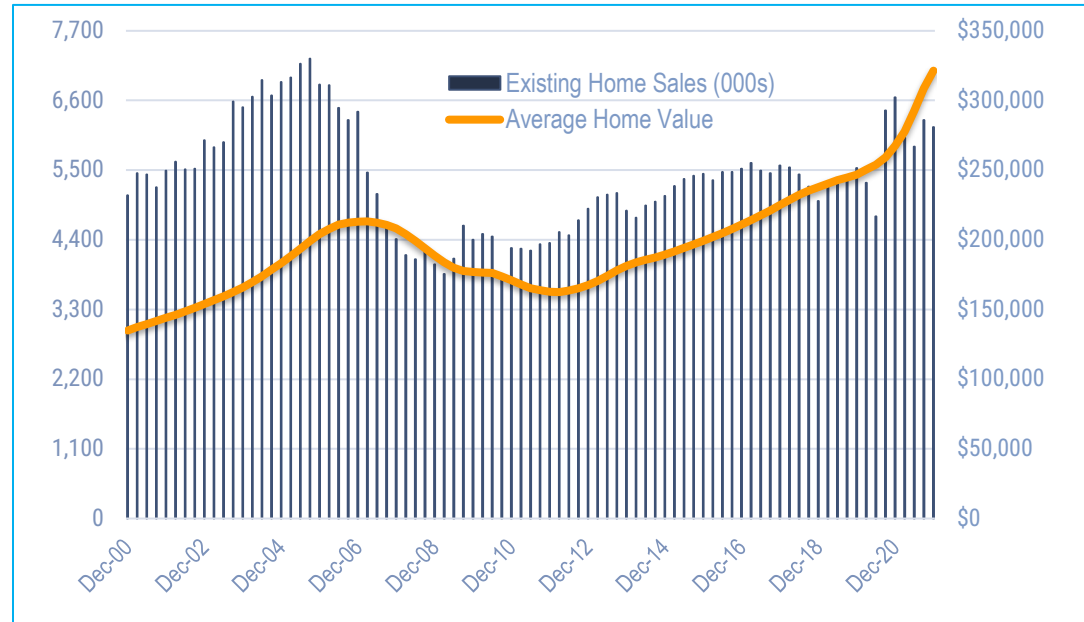


At wholesale value
Source: Company estimates & industry data

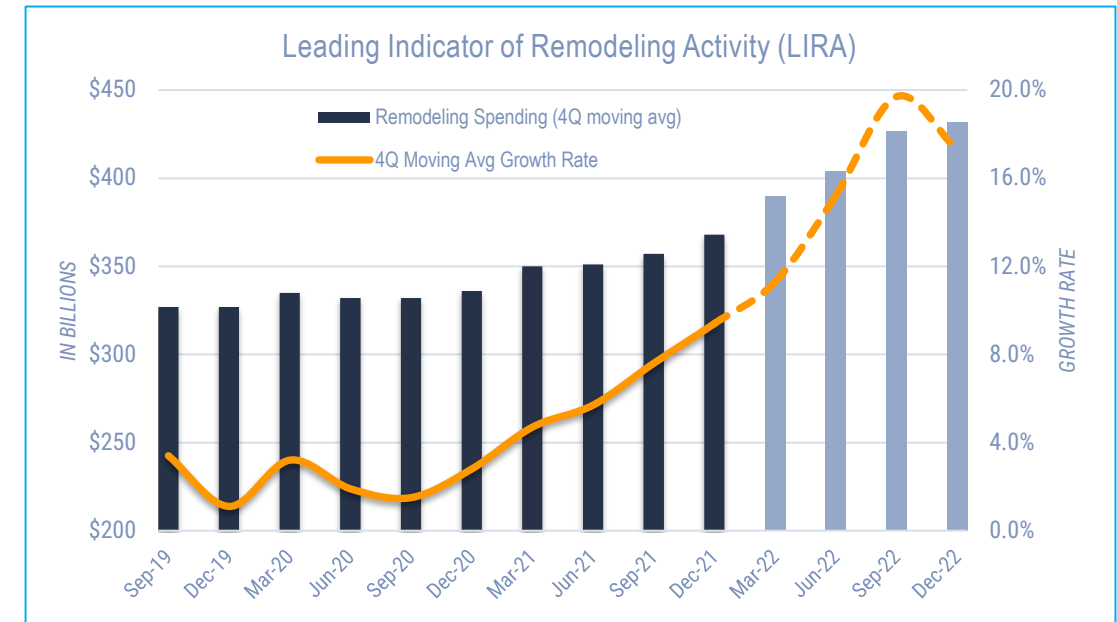
'Growing installed base driving non-discretionary, recurring sales'



Market Trends – Home Investment



- US existing homes sales approaching highest levels in 20 years
- Estimated deficit of 2 million single family homes¹ driving robust housing activity
- Rising home values support increased home improvement spending



- Home improvement spending increasing
- Pools & outdoor living consistent rank among top features desired by homeowners
- Increased content & automation spending on new pools, renovations & outdoor living

¹ Wall Street Journal, June 10, 2021
Sources: Zillow, FRED

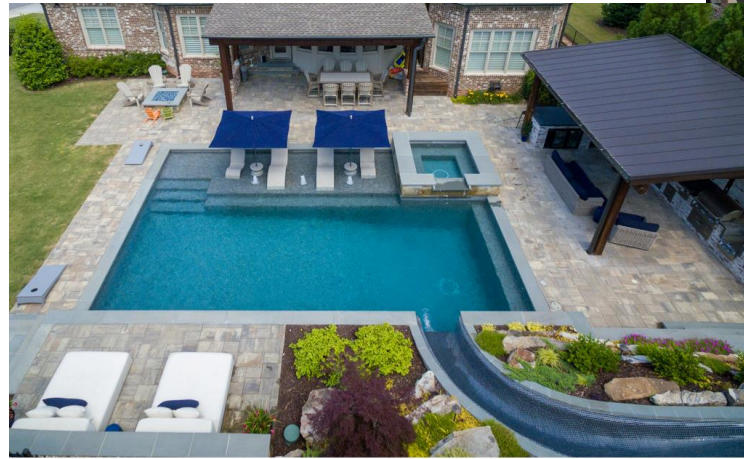
Source: Harvard University Joint Center for Housing Studies



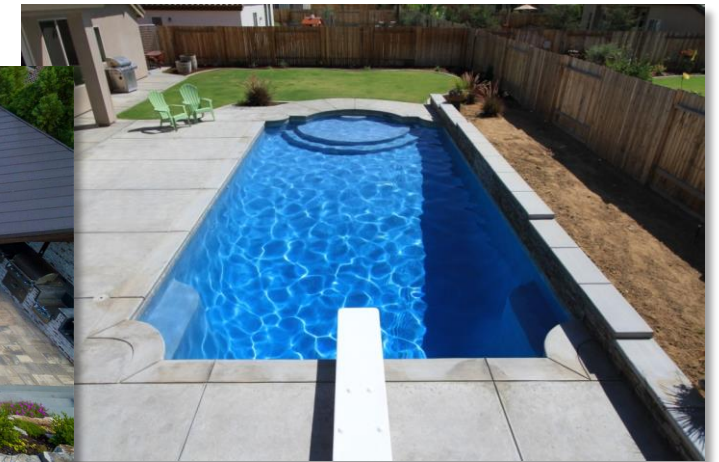
Market Trends – *Increased pool content value*

Product Category	2021 growth vs 2019
Automation Controls	91%
Sanitizing Systems <small>(Salt chlorination, UV, Ozone)</small>	100%
Heaters & Heat Pumps	101%
Robotic Cleaners	102%
Variable Speed Pumps	103%
Natural Stone Pavers	108%
LED Lighting	109%

- New pools incorporating higher value, energy-saving features & technology
- Existing pool renovations upgrading with higher value content, automation
- Less than 30% of existing pools are estimated to have automation
- Majority of new pools incorporating automation



Today's pool & outdoor living space



Traditional pool from the past

'More, higher value features incorporated into pools & outdoor living spaces'



Tech-Enabled, Value-Added Distribution



'Technology enablement taking POOL to the next level'



Competitive Advantages

Sales Center Networks	Market reach, convenience & coordination
Broad Product Selection	Time-saving, one stop shopping
Enabling Technologies	Enhanced customer service & efficiency
Sourcing & Supply Chain Management	Global reach, scale & flexibility
Capital Strength	Growth investment capacity & flexibility
Performance-based Culture	Disciplined execution and ROI focus

‘Scale, capabilities & execution focus enable a powerful business model’



Financial Performance



Source: Company Financial Data

'Consistent sales growth, stable gross margin and operating leverage'

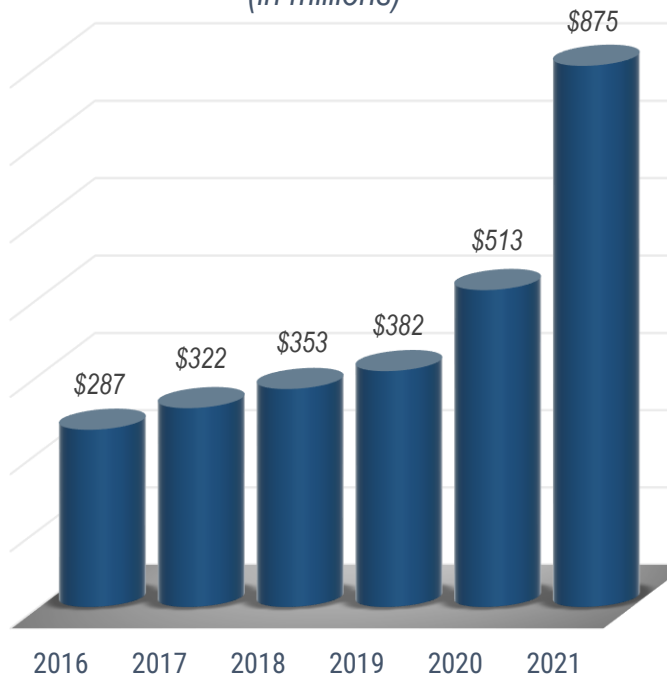


Financial Performance

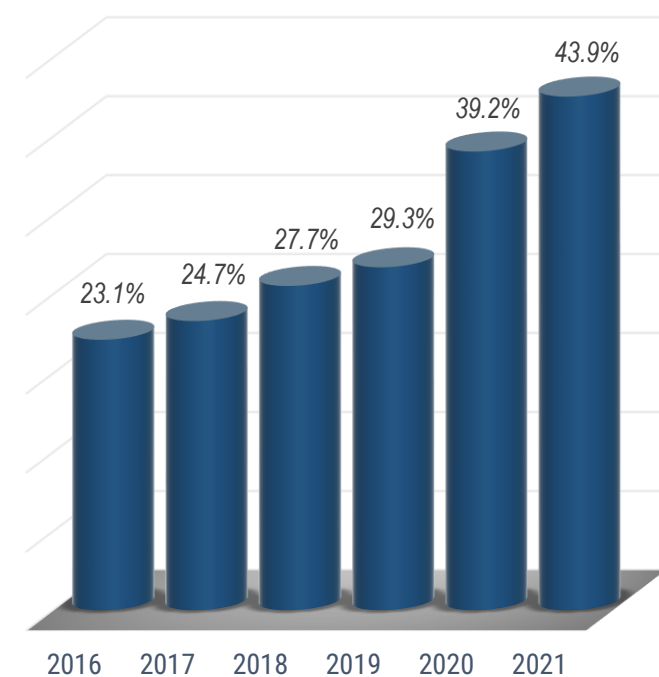
Diluted Earnings per Share



Adjusted EBITDA¹
(in millions)



Return on Invested Capital¹



¹ See Appendix for Reconciliation of Adjusted EBITDA and ROIC calculation

‘Strong earnings growth and cash flow generation with high ROIC’



Exceptional, Consistent Shareholder Returns

Holding Period	POOL Total Shareholder Return* (CAGR as of 6/30/22)
3 years	23.5%
5 years	25.7%
10 years	25.6%
20 years	19.8%

* Including dividend reinvestment

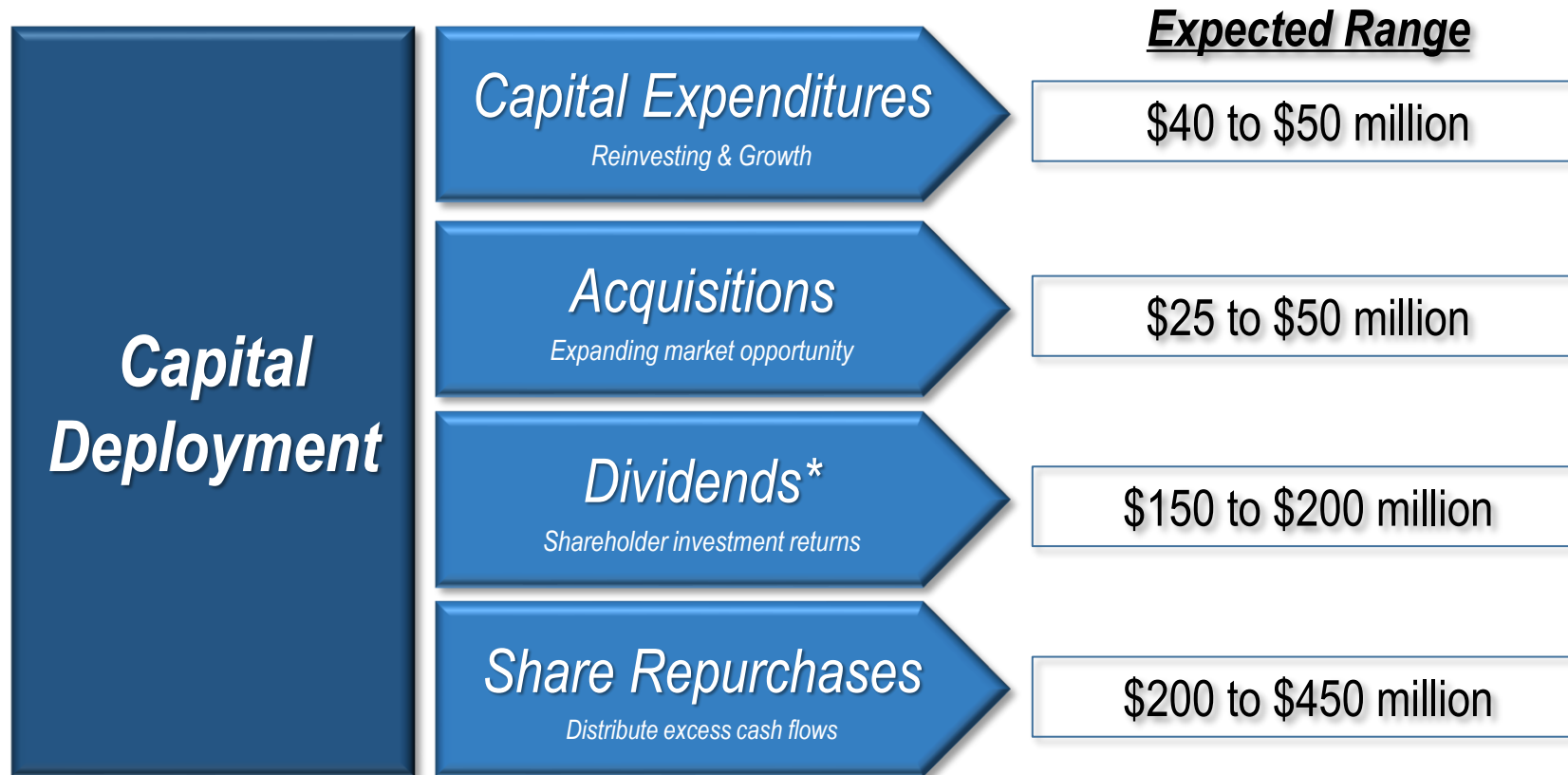
\$ 1,000,000
*invested in POOL shares
 20 years ago is worth over*
\$ 37,000,000
*in June 2022**

Cash Returned to Shareholders (in 000s; cumulative as of 6/30/2022)	
Cash Dividends	\$ 862,410
Share Repurchases	1,942,874
Total Cash Returned to Shareholders	\$2,805,284

‘Consistent, extraordinary value created over the long-term’



Capital Allocation



Source: Company estimates

*subject to Board of Directors approval

'Continued investments in growth while returning capital to shareholders'



POOL Financial Model

Financial Measurement	Prior 5 Year History	2020 Results	2021 Results	2022 Guidance	Longer term Outlook
Organic Revenue Growth	5% - 9%	20%	29%	12% - 14% (17% - 19% incl acquisitions)	6% - 9%
Gross Profit Margins	28.6% - 29.0%	28.7%	30.5%	<i>Slightly higher than 2021</i>	Stable at approx. 30.0%
Growth Contribution Margin ¹	14% - 23%	17%	27%	High-Teens	Mid- to High-teens %
Earnings per Share Growth*	11% - 23%	44%	80%	20% - 25%	Mid-teens %

¹ Incremental Operating Income Growth/Incremental Sales Growth

* Excludes ASU 2016-09 and impairment effects

‘Extraordinary growth experienced in 2020-21; long-term growth anticipated’

Source: Company Financial Data



1H 2022 Performance Overview

- Solid growth driven by pricing & acquisitions despite weather, Europe, FX offsets
 - Slow start to seasonal North America markets due to cooler spring conditions
 - 22% 1H sales growth; ~10% inflation, 6% acquisitions contribution
- Gross margin improvement
 - 220 bps YTD gross margin improvement, to 32.1%
 - Inflation-related inventory gains, accretive acquisitions contribution, supply chain & pricing management enhancements
- Strong operating leverage
 - 250 bps YTD operating margin expansion, to 18.9%
 - Operating efficiencies, expense management complemented gross margin improvement

‘Sales growth & margin enhancements, supply chains improving’



Full Year 2022 Expectations & Outlook

2022 Guidance Summary

- **17% - 19% Revenue Growth**
 - 10%-11% inflation
 - 5% from acquisitions
- **Slightly higher Gross Margin**
- **20% - 25% EPS Growth**
- **EPS of \$18.38 - \$19.13**
(incl \$.22 ASU benefit)

2022 Outlook

- Consistent growth in 2H supported by continuing builder/remodeler backlogs
- Gross margins lower in 2H as inflation gains diminish
- Operating margin improvement; slower pace than 2020-21 period
- Strong cash flow as inventories decline, supply chain conditions improve

‘Strong demand, pricing drive continued revenue & earnings growth’



POOL and ESG



Responsible Stewardship

- Commitment to diversity & inclusion throughout POOL
- 'Green Pool' marketing, training & product promotion
- Environment & energy-friendly policies implemented
- Local community involvement & support
- Inaugural Corporate Responsibility Report published in Q2

'Promoting responsible practices for a better business & community environment'



Summary

- Powerful operating model with substantial growth opportunity
- Favorable long-term industry conditions & market trends
- Capacity & scale drive efficiencies & operating leverage
- Sustainable competitive advantages
- Technology initiatives & deployment enabling future growth & customer experience benefits
- Consistent, exceptional investment performance





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Appendix

Reconciliation of Net Income to Adjusted EBITDA

		<u>FYE 12/31/21</u>	<u>FYE 12/31/20</u>	<u>FYE 12/31/19</u>	<u>FYE 12/31/18</u>	<u>FYE 12/31/17</u>	<u>FYE 12/31/16</u>
Net income	(\$ in thousands)	\$650,624	\$366,738	\$261,575	\$234,461	\$191,339	\$148,603
Add:							
Interest expense ⁽¹⁾		8,314	10,605	22,425	20,336	15,360	13,802
Provision for income taxes		173,812	85,231	56,161	58,774	77,982	92,931
Share-based compensation		15,187	14,516	13,472	12,874	12,482	9,902
Goodwill impairment		(2,500)	6,944	-	-	-	613
Equity (earnings) losses in unconsolidated investments, net of tax		(291)	(295)	(262)	(242)	(139)	(156)
Depreciation		28,287	27,967	27,885	26,122	24,157	20,338
Amortization ⁽²⁾		1,325	1,032	956	1,102	976	1,012
Adjusted EBITDA		<u>\$874,758</u>	<u>\$512,738</u>	<u>\$382,212</u>	<u>\$353,427</u>	<u>\$322,157</u>	<u>\$287,045</u>

⁽¹⁾ Shown net of interest income, impact of foreign currency transactions and includes amortization of deferred financing costs

⁽²⁾ Excludes amortization of deferred financing costs

Return on Invested Capital

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Numerator (trailing four quarters total):</u>						
Net Income attributable to Pool Corporation	\$650,624	\$366,738	\$261,575	\$234,461	\$179,633	\$148,955
Interest and other non-operating expenses, net	8,639	12,353	23,772	20,896	15,189	14,481
Less: taxes on Interest and other non-operating expenses, net at 21.1%, 18.9% for 2020, 17.7% for 2019, 20.1% for 2018, 33.4% for 2017	(1,823)	(2,335)	(4,205)	(4,200)	(5,073)	(5,575)
	<u>\$657,440</u>	<u>\$376,756</u>	<u>\$281,142</u>	<u>\$251,157</u>	<u>\$189,749</u>	<u>\$157,861</u>
<u>Denominator (average of trailing four quarters):</u>						
Long-term debt, net	\$589,368	\$432,829	\$595,247	\$602,984	\$520,950	\$441,026
Short-term borrowings and current portion of long-term debt	11,246	12,372	17,323	15,190	11,030	3,806
Total stockholders' equity	897,320	516,040	346,049	289,979	236,901	237,380
	<u>\$1,497,934</u>	<u>\$961,242</u>	<u>\$958,619</u>	<u>\$908,153</u>	<u>\$768,881</u>	<u>\$682,212</u>
Return on invested capital	43.9%	39.2%	29.3%	27.7%	24.7%	23.1%

