



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. The Company 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, the sensitivity of our business to weather conditions, changes in the economy and the housing market, our ability to maintain favorable relationships with suppliers and manufacturers, competition from other leisure product alternatives and mass merchants, excess tax benefits or deficiencies recognized under ASU 2016-09 and other risks detailed in POOLCORP's 2020 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 is furnished in our Current Report on Form 8-K filed with the SEC.

POOL Profile

Industry

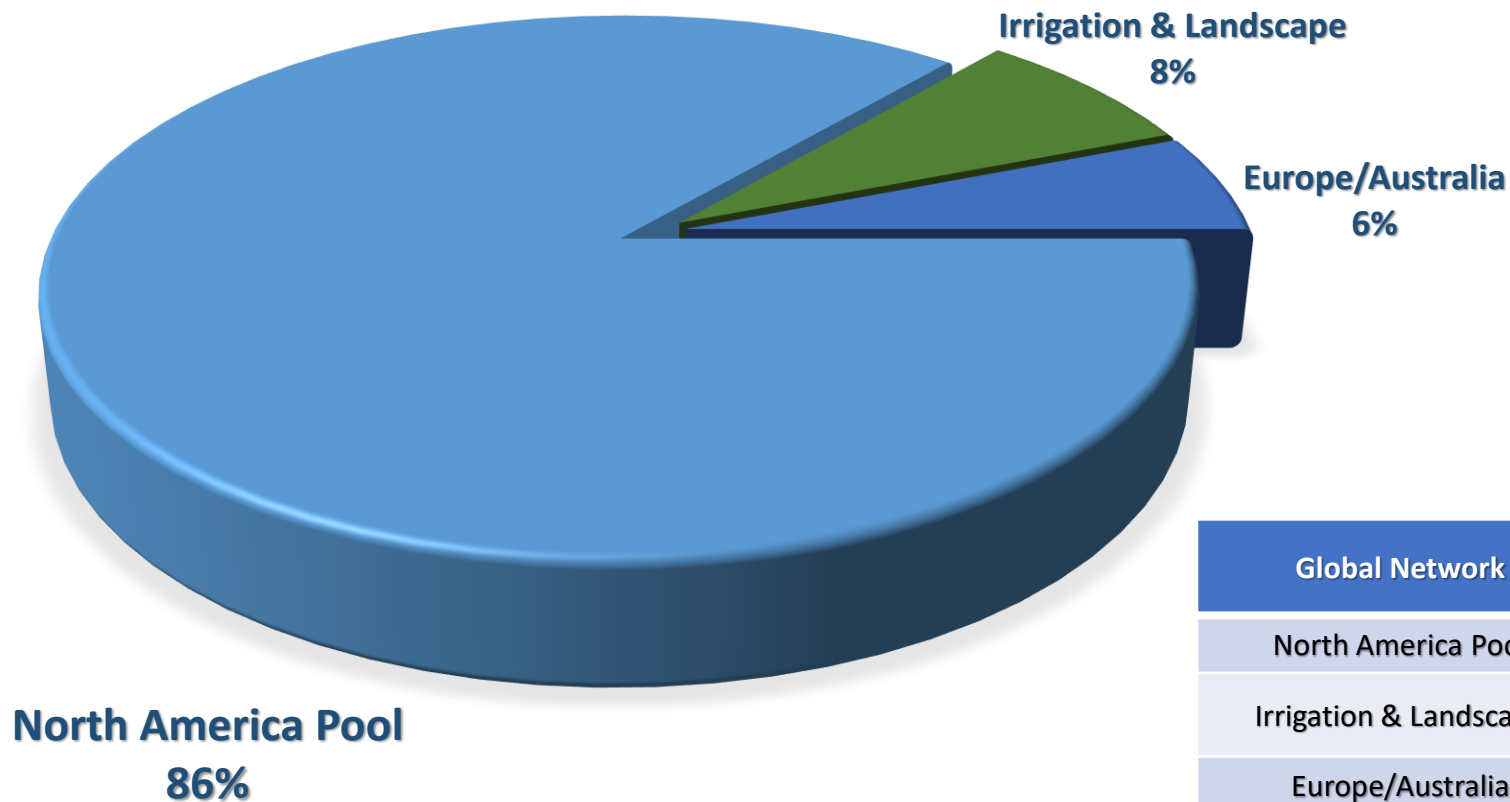
- Installed base of swimming pools drives high non-discretionary, recurring revenue
- Highly fragmented, niche industry with favorable long-term growth dynamics
- Work-from-home, outdoor living and leisure spending trends support long term growth model

POOLCORP

- Unique value-add distribution model generates customer retention and organic growth
- Strong execution discipline driving high margins and operating leverage
- Exceptional historical performance and shareholder returns

‘The undisputed leader in an industry with favorable dynamics’

POOLCORP Global Network Revenue



Global Network	Sales Centers ⁽¹⁾
North America Pool	306
Irrigation & Landscape	80
Europe/Australia	22
Total	408

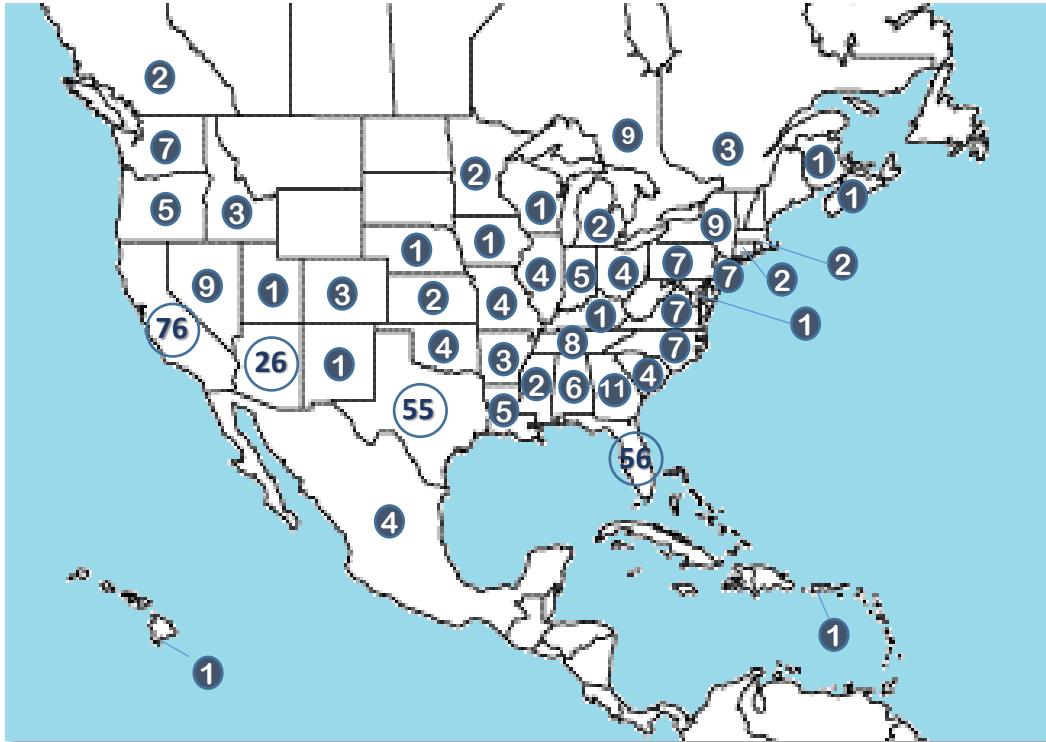
⁽¹⁾As of June 30, 2021

Vision: 'To be the best worldwide distributor of outdoor lifestyle home products'

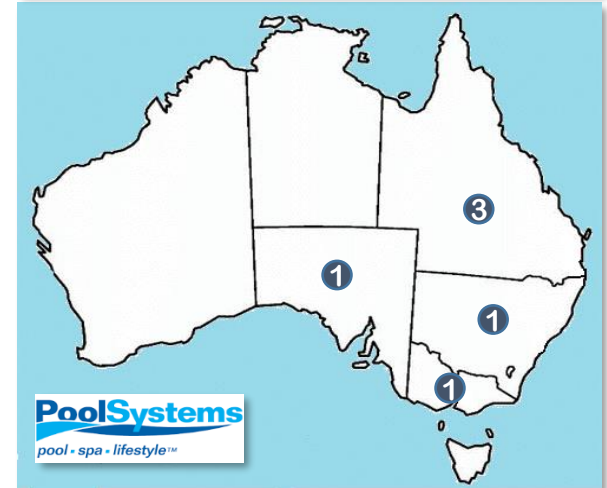
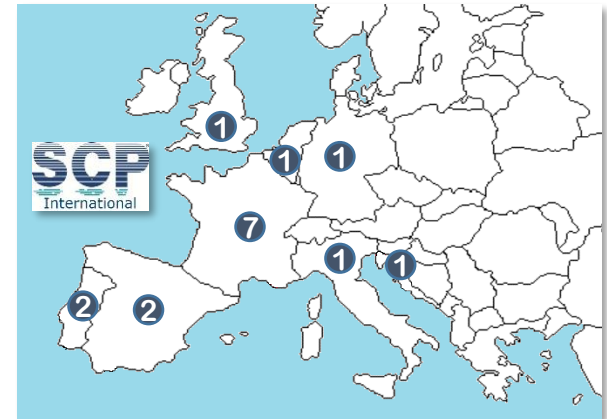
Source: Company Financial Data

POOLCORP Worldwide

North America



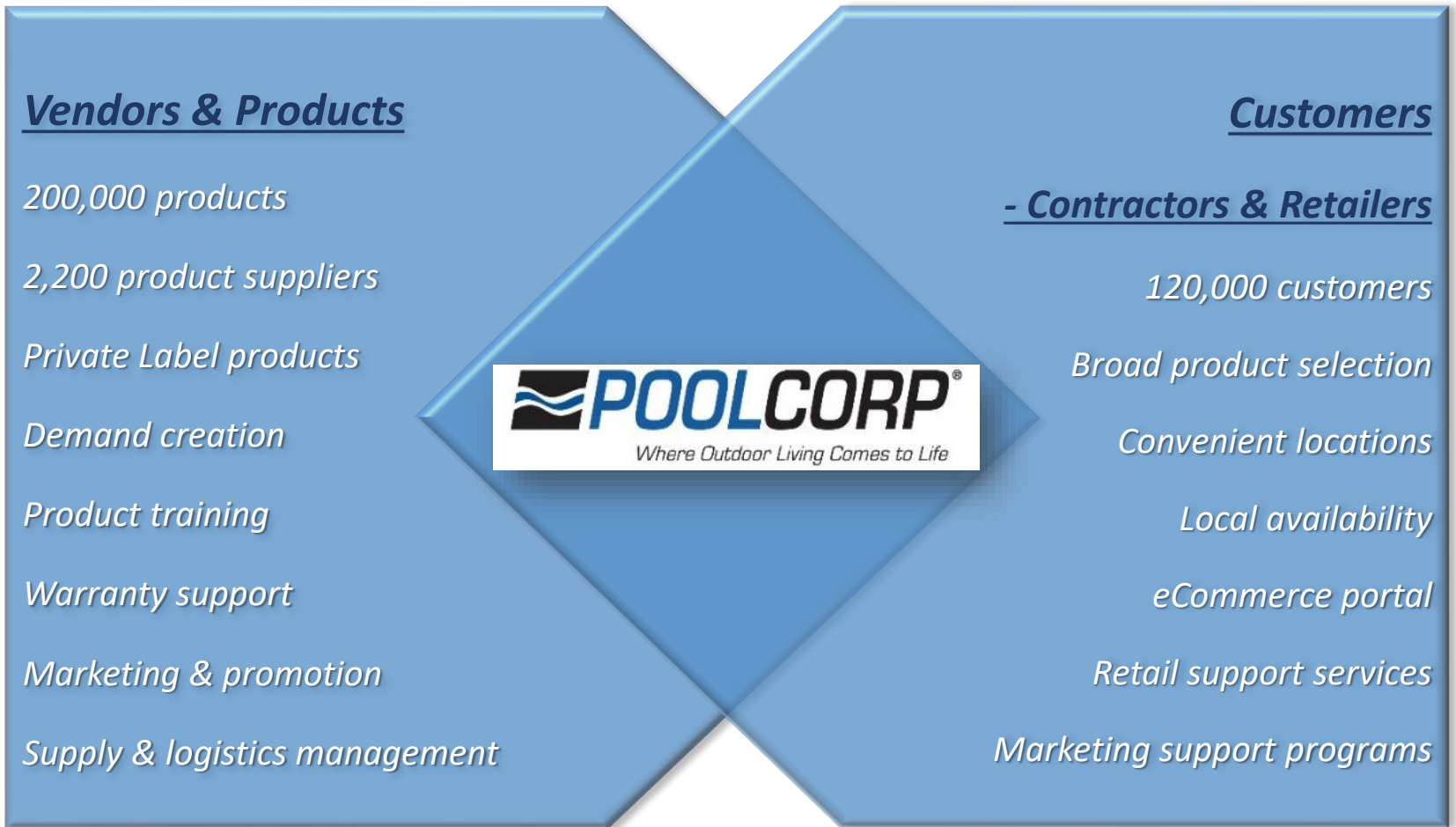
Europe/Australia



'Sales and distribution centers serving pool and irrigation markets worldwide'

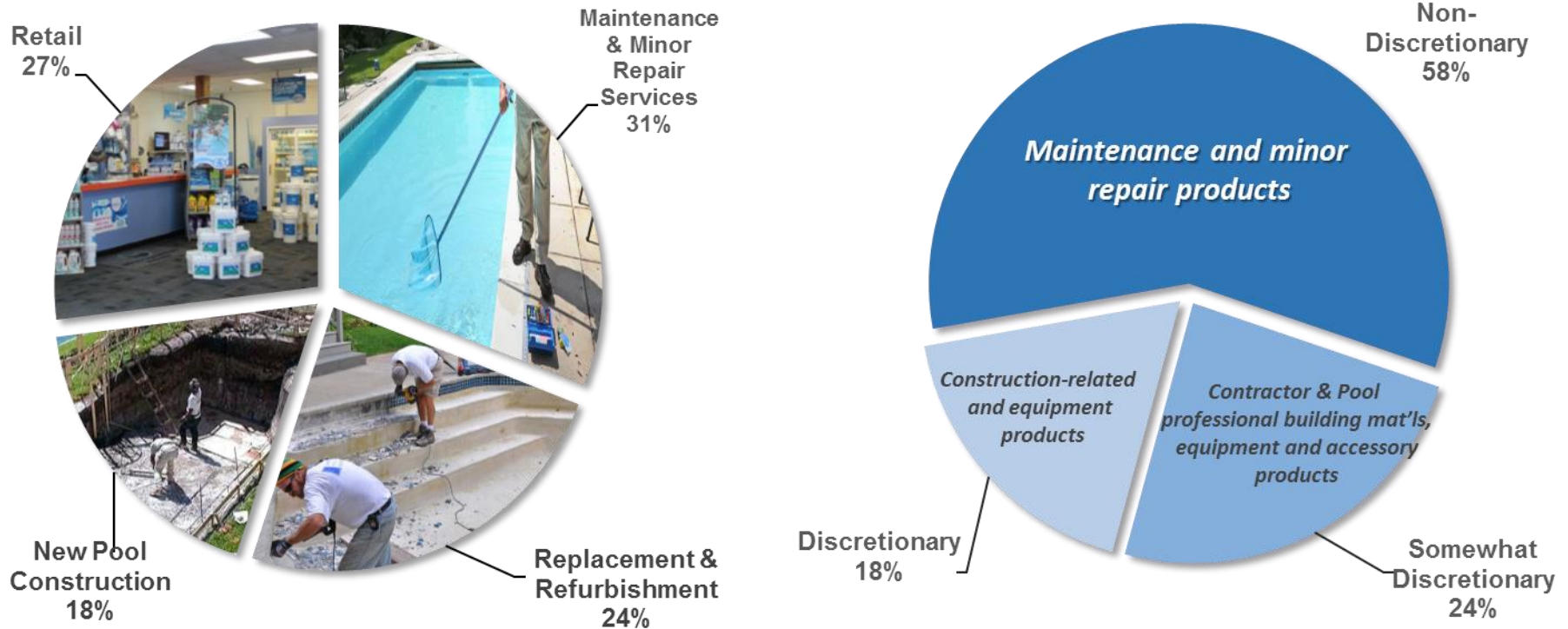
Source: Company Financial Data

Unique Value-Added Distribution



'Providing world-class distribution to a fragmented, diverse marketplace'

U.S. Pool Products Channels & Spend



‘Substantial non-discretionary sales with growing pool installed base’

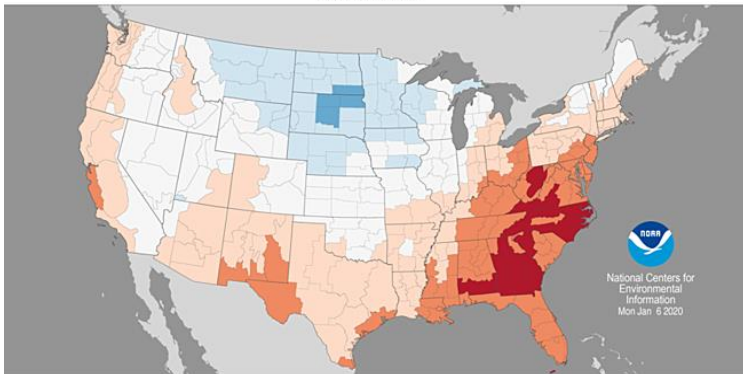
Competitive Advantages

Sales Center Networks	Strategic market reach and penetration
Broad Product Selection	One-stop shopping
Private Label & Exclusive Products	Brand and margin leverage
Sourcing and Supply Chain	Global reach, scale and flexibility
Capital Strength	Flexibility to pursue investment and growth
Performance-based Culture	Disciplined execution and ROI focus

‘Combination of scale and execution discipline create a powerful business model’

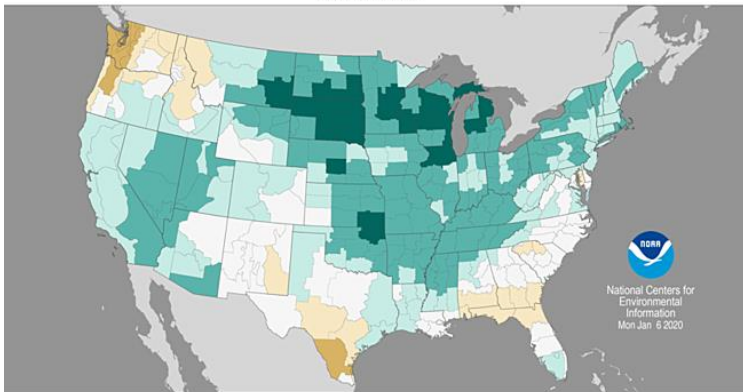
External Effects - Weather

Divisional Average Temperature Ranks
January–December 2019
Period: 1895–2019



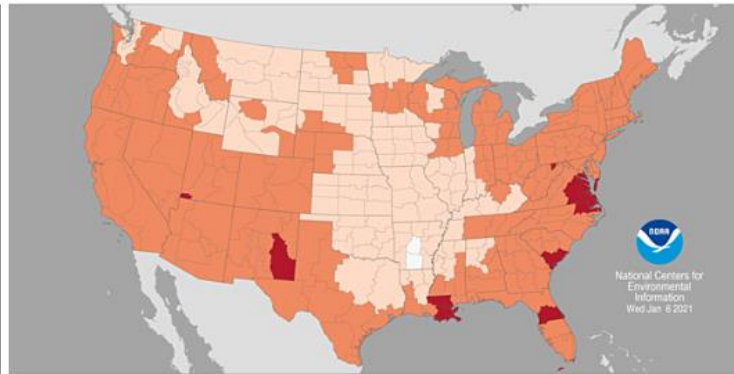
Record Coldest
Much Below Average
Below Average
Near Average
Above Average
Much Above Average
Record Warmest

Divisional Precipitation Ranks
January–December 2019
Period: 1895–2019



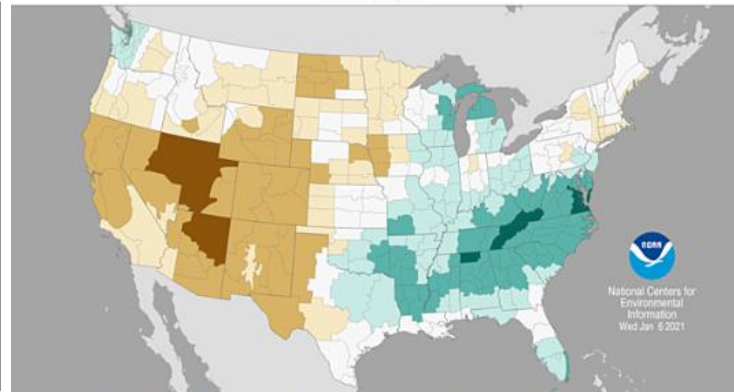
Record Driest
Much Below Average
Below Average
Near Average
Above Average
Much Above Average
Record Wettest

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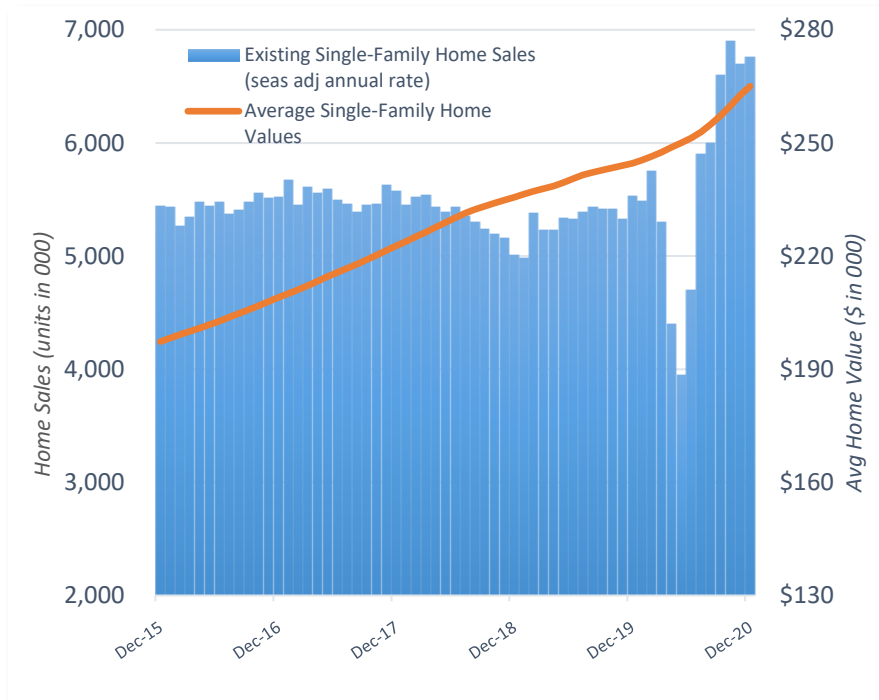
Warmer weather throughout US in 2020 vs 2019

Dry conditions for the central and western US in 2020 compared to 2019

‘Weather variations affect business results in the short term’

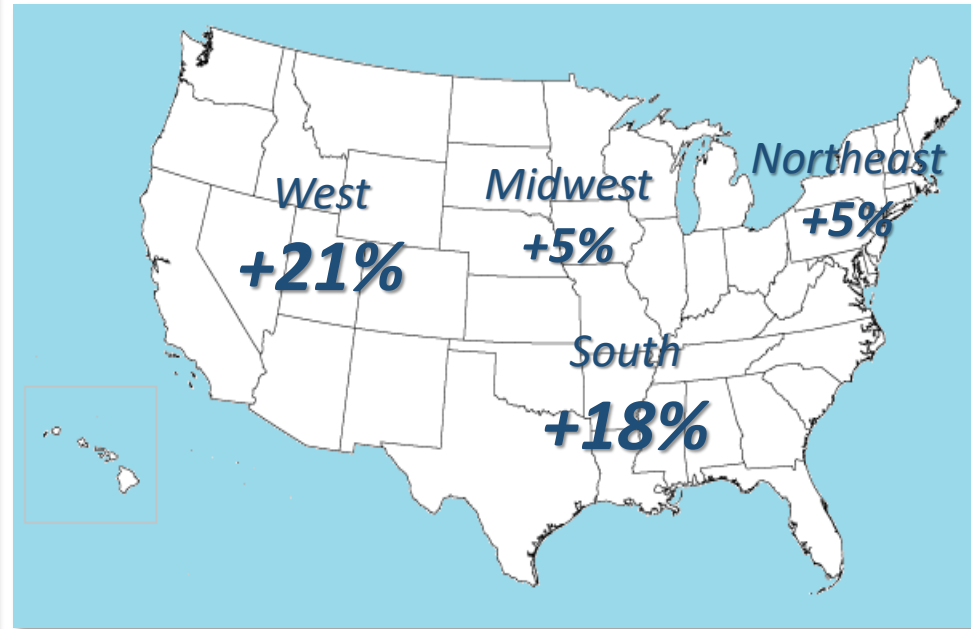
External Effects – Housing and Population Shift

Existing Single Family Home Sales & Values



Sources: National Association of Realtors; Zillow

Projected U.S. Population Growth through 2040

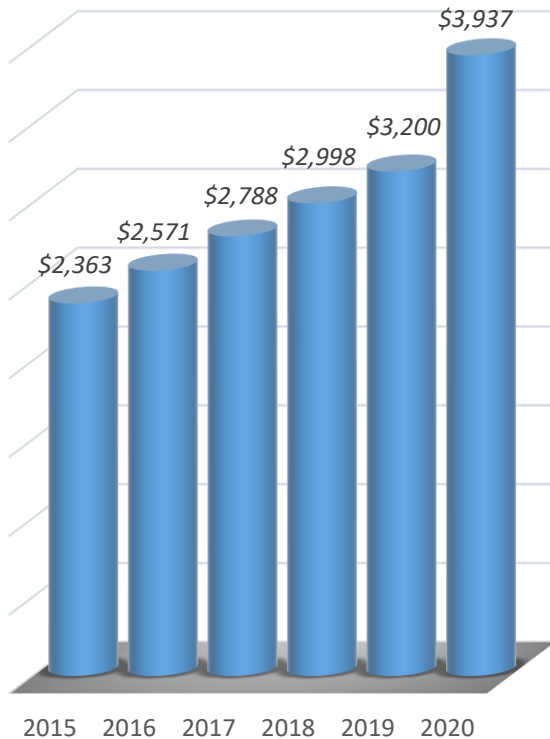


Source: U.S. Census Bureau

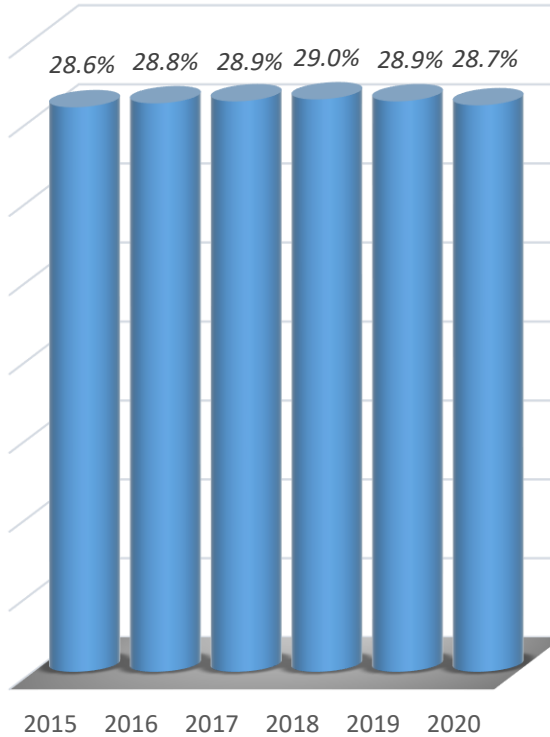
‘Population migration/growth to markets with greatest POOL presence’

Financial Performance

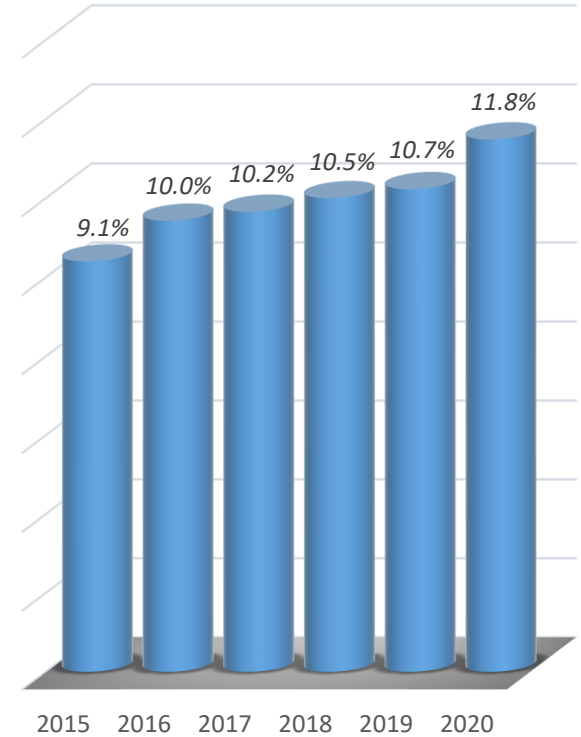
Net Sales
(in millions)



Gross Profit Margin



Operating Margin



‘Consistent sales growth, stable gross margin and operating leverage’

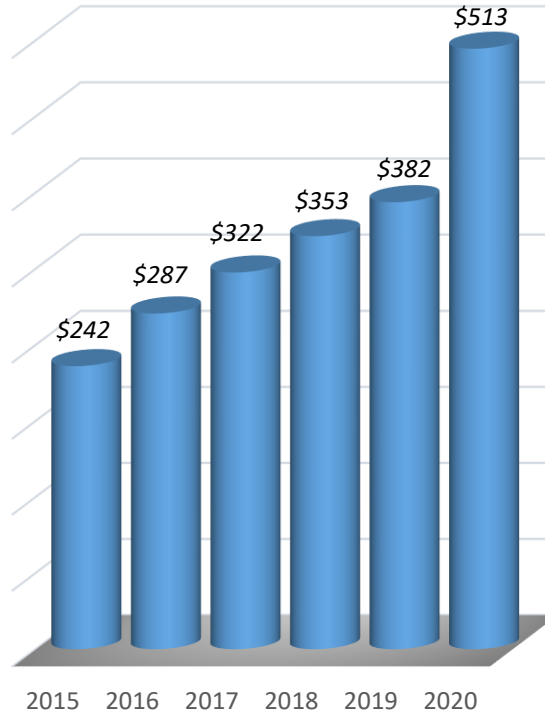
Source: Company Financial Data

Financial Performance

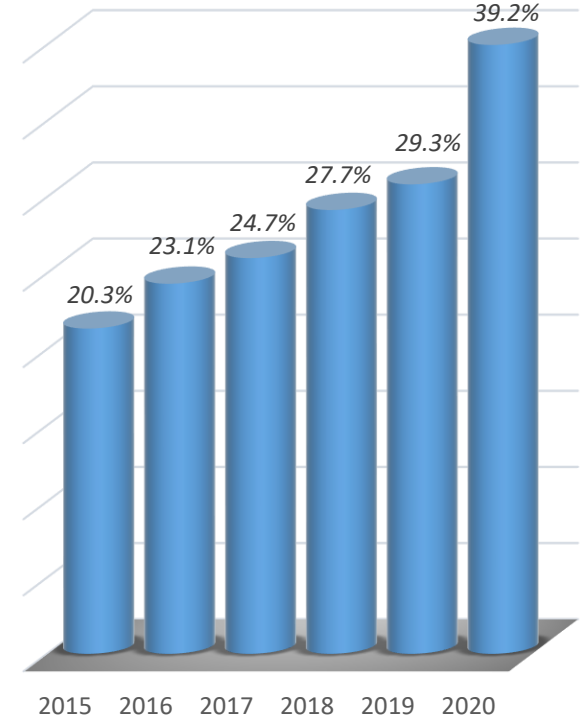
Diluted Earnings per Share¹



Adjusted EBITDA¹
(in millions)



Return on Invested Capital¹



¹ See Appendix for Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS, Reconciliation of Adjusted EBITDA and ROIC calculation

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

Source: Company Financial Data

25 Years of Exceptional Shareholder Returns

Holding Period	POOL Total Shareholder Return* (CAGR as of 12/31/20)	S&P 500 Total Shareholder Return* (CAGR as of 12/31/20)
5 years	37.3%	15.2%
10 years	34.2%	13.9%
15 years	18.5%	9.9%
20 years	22.1%	7.5%
25 years	28.4%	9.6%

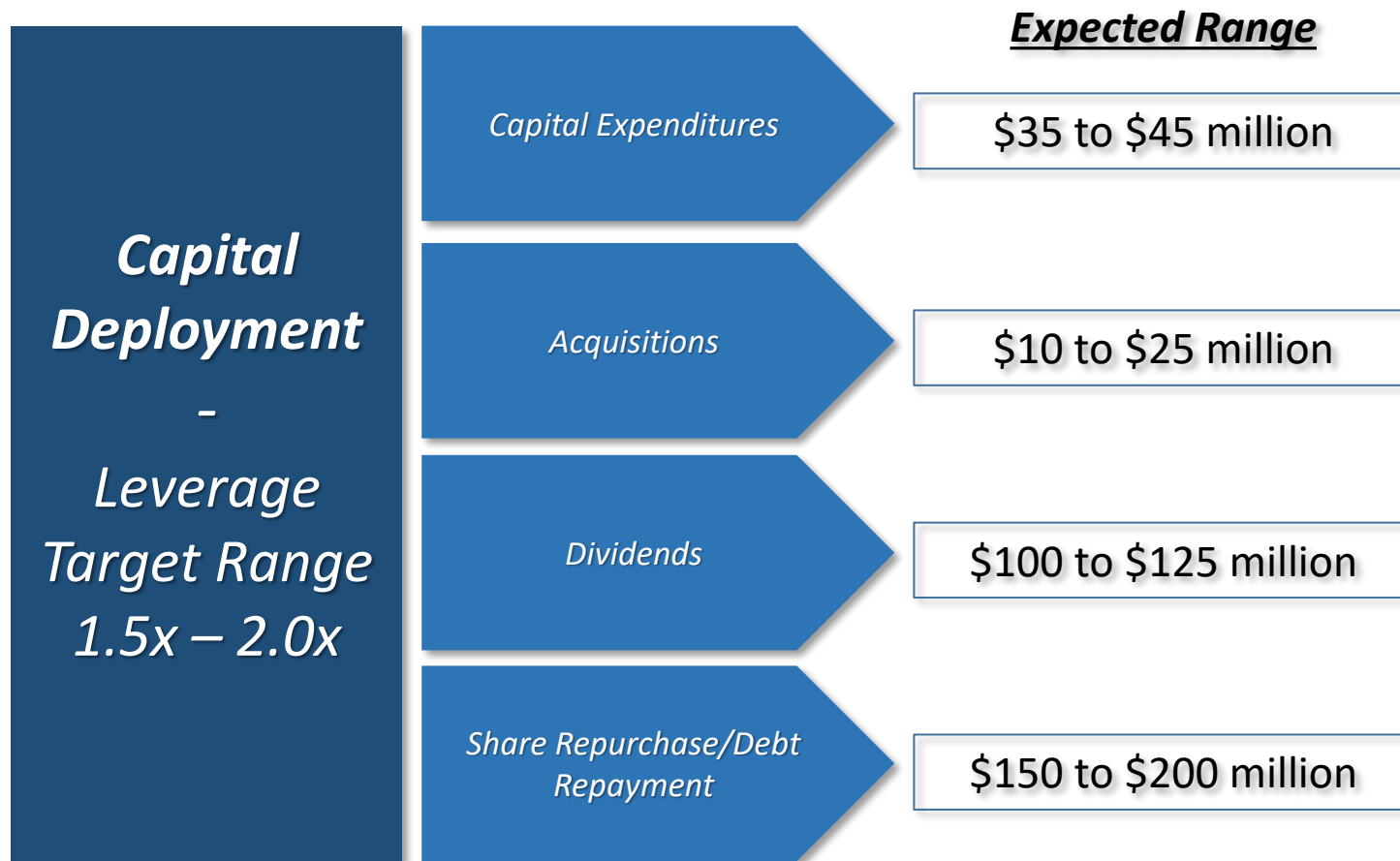
* Including dividend reinvestment

\$ 100,000
*invested in POOL shares in
December 1995 is worth
over*
\$ 64,000,000
*in June 2021**

‘Exceptional, consistent value created over the long-term’

Source: Company Financial Data

Capital Allocation



‘Balancing growth investments and capital returned to shareholders’

Source: Company Financial Data

2020 Milestones & Achievements

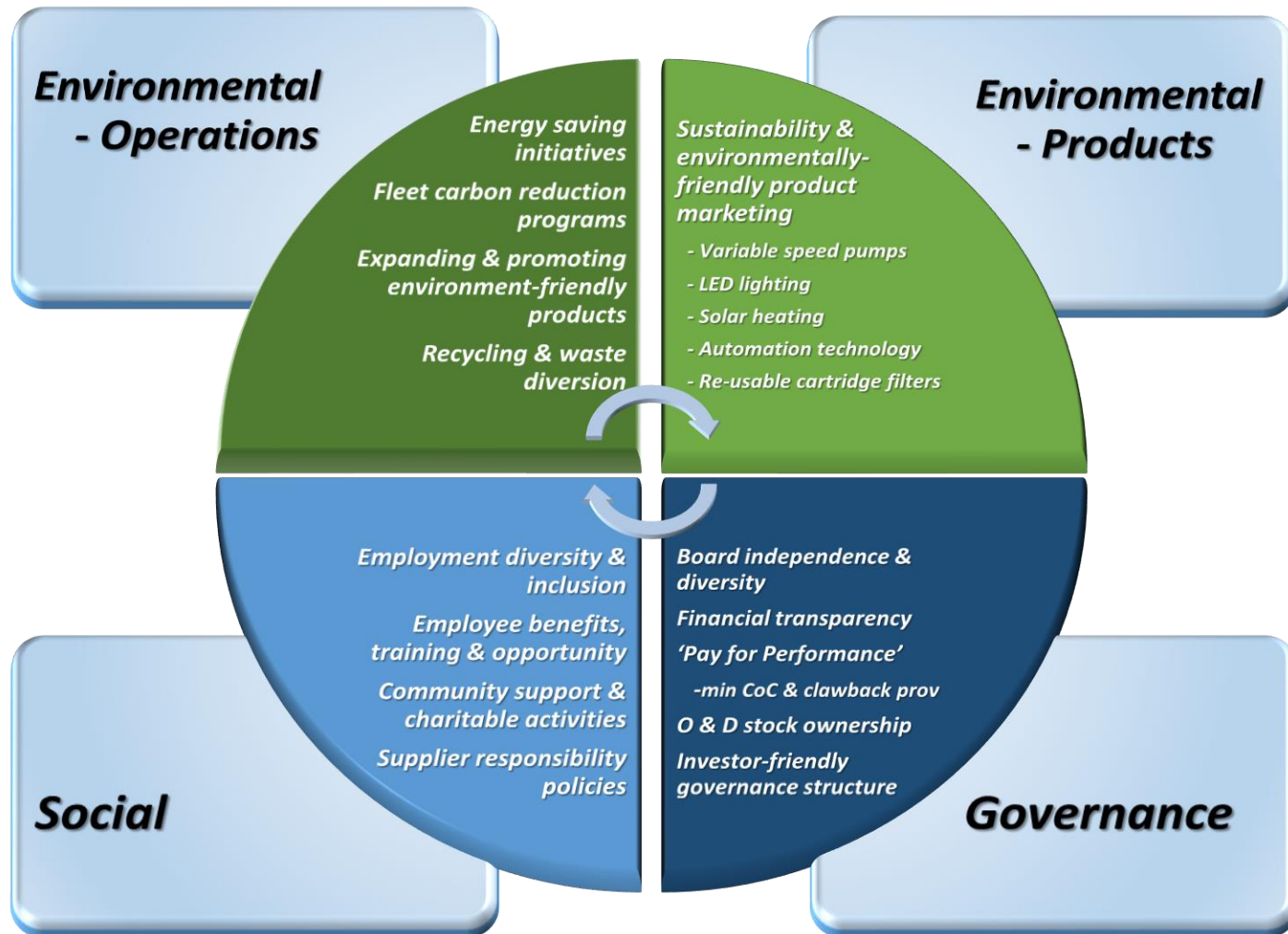
- Added to S&P 500 Index in October
- Celebrated 25th year IPO anniversary
 - 2nd highest Total Shareholder Return (*TSR*) among ~1,700 US publicly-traded companies since IPO
 - 28% CAGR *TSR*
- Adj Operating Margin reaches 12%*
- ROIC¹ tops 39% in 2020



‘Extraordinary performance record over time’

*Adjusted for \$6.9 million impairment expense; ¹ See Appendix for ROIC calculation

POOL and ESG



Near Term Outlook

- Work-from-home trends continuing in 2021 and beyond even as COVID effects diminish
- Pool builders/remodelers reporting strong backlogs
- Installed base growth of approx. 2%
- Inflation anticipated at 5% - 6% in 2021
- 2020 acquisitions will contribute 4% - 5% growth
- 2021 revenue growth forecast – over 25%; higher in 1H, lower in 2H

‘Positive near-term outlook as demand continues strong’

POOL Financial Model

Financial Measurement	Prior 5 Year History	2020 Results	2021 Estimate	Longer term Outlook
Revenue Growth	5% - 9%	23%	25%+	6% - 8%
Gross Profit Margins	28.6% - 29.0%	28.7%	Moderate increase	Stable
Growth Contribution Margin ¹	14% - 23%	17%	20%+	Mid-teens %
Earnings per Share Growth*	11% - 23%	44%	60%+	Mid-teens %

¹ Incremental Operating Income Growth/Incremental Sales Growth

* Excludes ASU 2016-09 and impairment effects

‘Beneficiary of COVID in 2020-21; Long-term outlook unchanged’

Source: Company Financial Data

Summary

- High recurring revenue business model with substantial growth opportunity
- Sustainable competitive advantages with highly experienced team
- Work-from-home, home investment trends support short term momentum and long-term growth model
- Consistent, exceptional investment performance

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Appendix

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

	FYE 12/31/20	FYE 12/31/19	FYE 12/31/18	FYE 12/31/17
Reported Diluted EPS before adjustments and effects of tax and accounting changes	\$8.97	\$6.40	\$5.62	\$4.51
Less:				
Per diluted share effect of application of ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, standard	(0.70)	(0.57)	(0.36)	(0.24)
Per diluted share provisional tax benefit recorded for remeasurement of deferred tax liabilities upon enactment of the Tax Cut and Jobs Act				(0.28)
Per diluted share effect of non-cash charges for impairment of goodwill and other assets	0.15			
Adjusted Diluted EPS	<u>\$8.42</u>	<u>\$5.83</u>	<u>\$5.26</u>	<u>\$3.99</u>

Reconciliation of Net Income to Adjusted EBITDA

		FYE 12/31/20	FYE 12/31/19	FYE 12/31/18	FYE 12/31/17	FYE 12/31/16	FYE 12/31/15
Net income	(\$ in thousands)	\$366,738	\$261,575	\$234,461	\$191,339	\$148,603	\$128,224
Add:							
Interest expense ⁽¹⁾		10,605	22,425	20,336	15,360	13,802	7,298
Provision for income taxes		85,231	56,161	58,774	77,982	92,931	80,137
Share-based compensation		14,516	13,472	12,874	12,482	9,902	9,543
Goodwill impairment		6,944	-	-	-	613	-
Equity (earnings) losses in unconsolidated investments, net of tax		(295)	(262)	(242)	(139)	(156)	(211)
Depreciation		27,967	27,885	26,122	24,157	20,338	16,373
Amortization ⁽²⁾		1,032	956	1,102	976	1,012	398
Adjusted EBITDA		<u>\$512,738</u>	<u>\$382,212</u>	<u>\$353,427</u>	<u>\$322,157</u>	<u>\$287,045</u>	<u>\$241,762</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

	2020	2019	2018	2017	2016 ⁽²⁾	2015 ⁽²⁾
<u>Numerator (trailing four quarters total):</u>						
Net Income attributable to Pool Corporation ⁽¹⁾	\$366,738	\$261,575	\$234,461	\$179,633	\$148,955	\$128,275
Interest and other non-operating expenses, net	12,353	23,772	20,896	15,189	14,481	8,072
Less: taxes on Interest and other non-operating expenses, net at 18.9%, 17.7% in 2019, 20.1% for 2018, 33.4% ⁽¹⁾ for 2017 and at respective effective tax rates for previous years	(2,335)	(4,205)	(4,200)	(5,073)	(5,575)	(3,108)
	<u>\$376,756</u>	<u>\$281,142</u>	<u>\$251,157</u>	<u>\$189,749</u>	<u>\$157,861</u>	<u>\$133,239</u>
<u>Denominator (average of trailing four quarters):</u>						
Long-term debt, net	\$432,829	\$595,247	\$602,984	\$520,950	\$441,026	\$400,204
Short-term borrowings and current portion of long-term debt	12,373	17,323	15,190	11,030	3,806	1,732
Total stockholders' equity ⁽¹⁾	<u>516,040</u>	<u>346,049</u>	<u>289,979</u>	<u>236,901</u>	<u>237,380</u>	<u>254,298</u>
	<u>\$961,242</u>	<u>\$958,619</u>	<u>\$908,153</u>	<u>\$768,881</u>	<u>\$682,212</u>	<u>\$656,234</u>
Return on invested capital	39.2%	29.3%	27.7%	24.7%	23.1%	20.3%

⁽¹⁾ We reduced Net income attributable for Pool Corporation for 2017 by \$12.0 million in calculating ROIC for the year. This amount represents our benefit related to the enactment of the Tax Cuts and Jobs Act. We also adjusted our effective tax rate and our December 31, 2020, 2019, 2018 and 2017 retained earnings balance for this benefit. ROIC for 2020, 2019, 2018 and 2017 based on reported amounts is 39.2%, 29.3%, 27.5% and 26.2%

⁽²⁾ Our 2015-2016 ROIC calculations have been conformed to our 2017-2020 presentation.