



2025 ANNUAL REPORT

OUR NETWORKS AND LOCATIONS

NORTH AMERICA



EUROPE



AUSTRALIA



DRIVING BOLD NEW INNOVATION

TABLE OF CONTENTS

Message to Our Shareholders	1
Financial Highlights	2
A Connected Digital Experience	3
Expanding Growth Opportunity Across Core Customer Bases	4
Pool Corporation 2025 Form 10-K	5
Shareholder Information, Company Officers & Directors	Inside Back Cover

VISION STATEMENT

To be the best worldwide distributor of outdoor lifestyle products that include all products relating to swimming pools, irrigation & other products that enhance the quality of outdoor home life.

MISSION STATEMENT

To provide exceptional value to our customers and suppliers,
creating exceptional return for our shareholders while
providing exceptional opportunities for our employees.

MESSAGE TO OUR SHAREHOLDERS



DEAR FELLOW SHAREHOLDERS,

In 2025, Pool Corporation continued to define and advance the outdoor living industry, serving as the leading channel to market for our valued vendor partners. Our current year achievements, along with our focus on operational excellence, reinforce our differentiation as the world's largest distributor of swimming pool and outdoor-related products and support our objective of achieving above-market, long-term earnings growth.

DELIVERING STEADY FINANCIAL PERFORMANCE

For the full year, we generated \$5.3 billion in net sales, holding steady compared to 2024, and expanded our gross margin through structural improvements in a tough industry environment. Our gross margin of 29.7% reflects disciplined pricing and supply chain management and a 20-basis points year-over-year improvement without the import tax benefit we recorded in the first quarter of 2024. Operating income reached \$580 million, with investments in technology and network expansion. We achieved a double-digit operating margin and diluted earnings per share of \$10.85, or \$10.73 excluding ASU tax benefits.

Our robust cash generation enabled us to deliver nearly \$530 million to our shareholders in 2025 through dividends and share repurchases. We raised our quarterly dividend by 4% and reduced shares outstanding by 3%. Our capital allocation remains disciplined, investing in inventory, network expansion, and our digital ecosystem, with a focus on opportunities that generate strong returns and long-term shareholder value.

NAVIGATING A DYNAMIC INDUSTRY LANDSCAPE

Throughout the year, we saw little change in the macroeconomic environment. With elevated interest rates and borrowing costs continuing to weigh on consumer uncertainty, we estimate that new in-ground pool units dropped to just below 60,000 units in 2025, half of pandemic peak levels. Even with this backdrop, our building materials sales were flat for the year, with growth in the back half of 2025, and our maintenance revenues showed growth. Our ability to outperform industry trends, with sales declining far less than new pool builds, highlights the resilience of revenues from the existing installed base, our strategic actions, the success of our private-label initiatives, new product introductions, enhanced customer experience, and the accelerating adoption of POOL360. Collectively,

these areas point to the strength of our business model, the adaptability of our teams and our relentless focus on delivering superior value to our customers and industry partners.

EXPANDING OUR NETWORK AND DIGITAL CAPABILITIES

We enhanced our industry-leading sales center network by opening eight new locations and acquiring three, bringing the total to 456 sales centers at year-end. Our Pinch A Penny franchise network grew to over 300 stores, adding 10 locations during the year, including two new states, and remains a key driver of untapping the DIY end market. Our investments in POOL360 over the past two years boosted digital sales to a record 15% of total revenue for the year.

PREPARING FOR THE FUTURE

Looking ahead to 2026, we are confident in the resilience of our maintenance business and in our team's ability to outperform the industry through growth opportunities across our exclusive brands, our broad and innovative product offerings, and our commitment to an exceptional customer experience. We expect our operational efficiency initiatives and network optimization efforts to drive further margin improvements, and our disciplined approach to capital allocation will remain unchanged. We are focused on leveraging maintenance activity, pricing discipline, and ongoing operational improvements, while monitoring the broader economic landscape for a rebound in discretionary spending, which we will be ready to seize.

OUR COMMITMENT TO EXCELLENCE

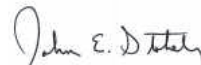
We appreciate your ongoing support and trust in Pool Corporation. Through another demanding year, we delivered solid results and laid the foundation for continued progress. With the most skilled team in the industry, largest sales center network, broadest product offering, industry-leading digital platforms, and a customer-centric culture, we believe we are well positioned to continue driving superior financial performance and value creation.

Thank you for your partnership. We look forward to creating exceptional opportunities for you, our customers, our vendors, our employees, and the communities we serve in the years ahead.



PETER D. ARVAN

President and
Chief Executive Officer



JOHN E. STOKELY

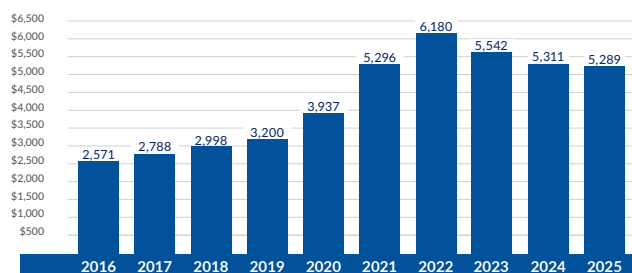
Chair of the Board of Directors
and Lead Independent Director

FINANCIAL HIGHLIGHTS

2025 AT A GLANCE

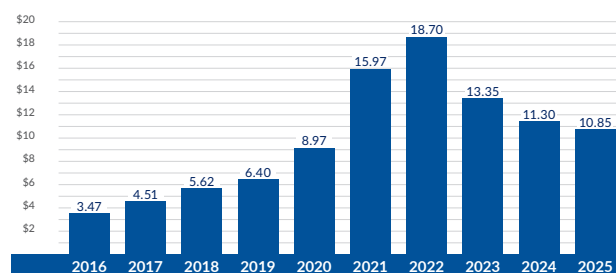
NET SALES (in millions)

8% CAGR 2015-2025



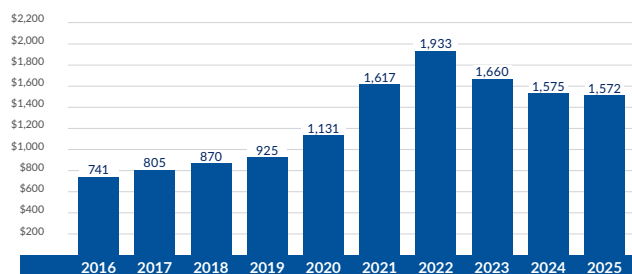
DILUTED EARNINGS PER SHARE

14% CAGR 2015-2025



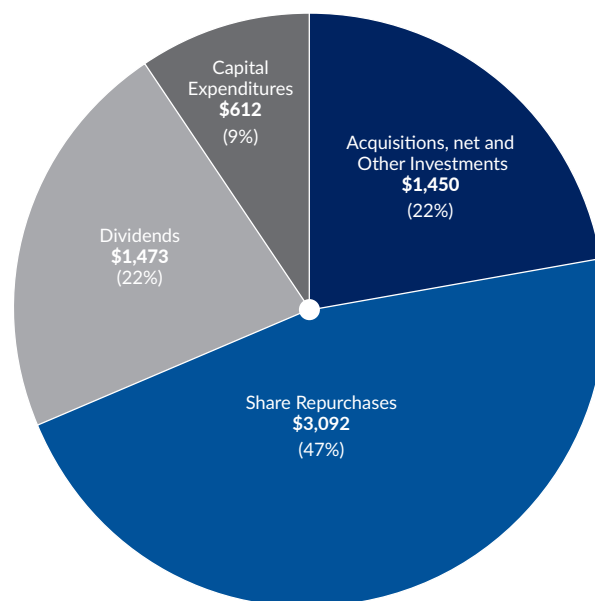
GROSS PROFIT (in millions)

9% CAGR 2015-2025



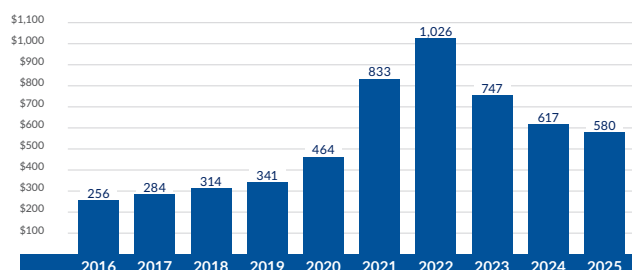
USES OF CASH

Since company inception (in millions)



OPERATING INCOME (in millions)

10% CAGR 2015-2025



A CONNECTED DIGITAL EXPERIENCE

Our technology enables an exceptional customer experience for our pool professionals and homeowners through a fully connected digital ecosystem. By aligning demand, domain, and data, we deliver seamless navigation and comprehensive tools across both B2B and B2C feature sets—each enhancing the other.

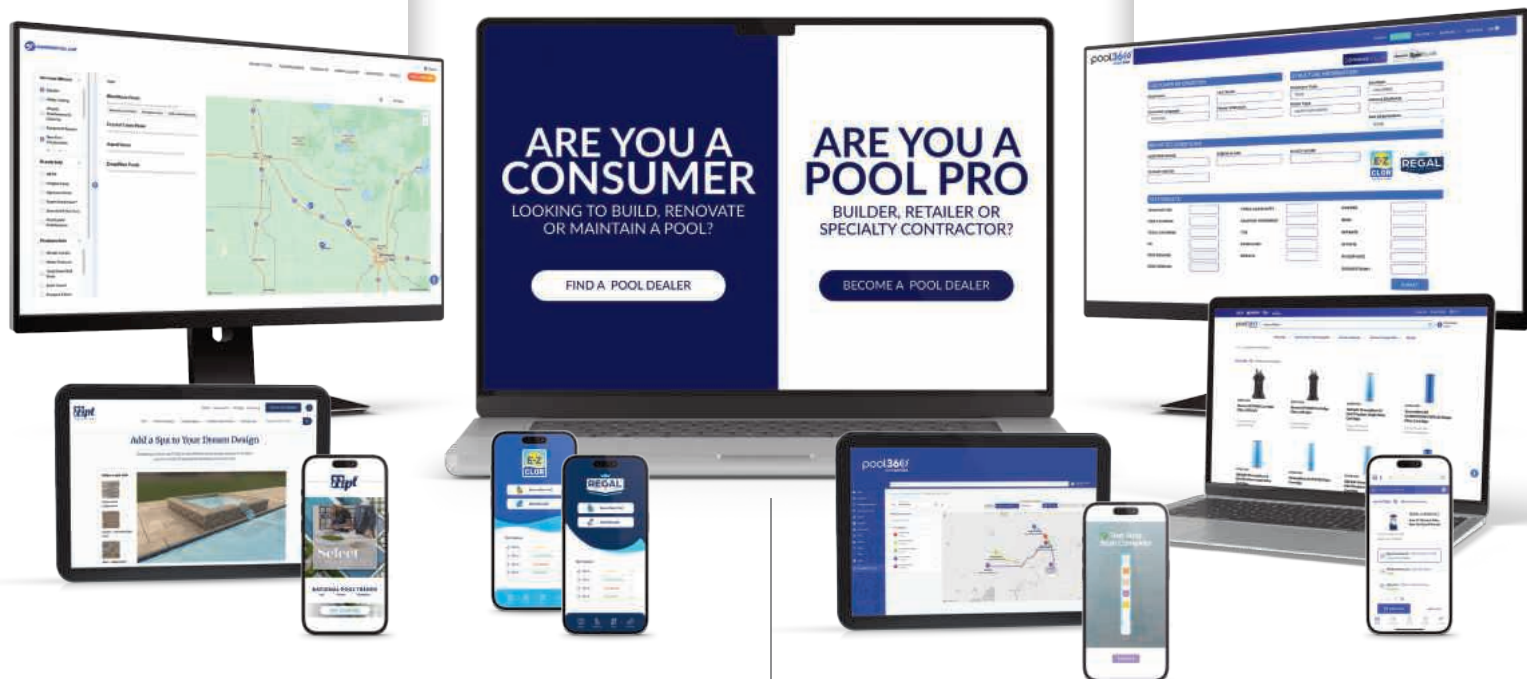
Our national network of chemical, maintenance, and service brands is directly linked with our **POOL360®** software solutions including **POOL360® WaterTest**, **POOL360® PoolService**, and our at-home water testing mobile apps for **Regal®** and **E-Z Clor®**. The result is a unified network that drives sales, improves customer retention, and builds lasting brand loyalty.

Our technology suite brings the full power of **Pool Corporation** to our customers' fingertips 24 hours a day, 7 days a week.

B2C

POOL

B2B



EXPANDING GROWTH OPPORTUNITY ACROSS CORE CUSTOMER BASES

RETAIL | SERVICE | BUILDER

SIMPLIFYING POOL MAINTENANCE

In 2025, we introduced "A New Era of Pool Care," a suite of top-tier pool care systems from our leading chemical brands. The Regal® Royal Treatment and E-Z Clor® Gold Standard simplify pool maintenance with high-performance products.

The systems are supported with compelling marketing campaigns, promotions, and high-end display racks for our retail customers.



ADVANCING THE INDUSTRY THROUGH INNOVATION

Capitalizing on millions of annual face-to-face transactions in our sales centers, we deliver an exceptional, tech-enabled customer experience to get our service pros in and out quickly and stocked with the trade-grade products they trust. In 2025, we introduced new exclusive opportunities and innovative products from industry-leading manufacturers.

INTRODUCING NATIONAL POOL TRENDS

This year marked the transformation of our building materials brand from National Pool Tile to **National Pool Trends (NPT)** alongside new product introductions in hardscapes and pool finishes.

The updated NPT portfolio represents our ongoing commitment to inspiring outdoor spaces, setting industry trends, and giving our partners and homeowners a brand that connects with their vision of a complete backyard experience.



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____



POOL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

0-26640

(Commission File Number)

36-3943363

(I.R.S. Employer
Identification No.)

**109 Northpark Boulevard,
Covington, Louisiana**

(Address of principal executive offices)

70433-5001

(Zip Code)

(985) 892-5521

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	POOL	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant based on the closing sales price of the registrant’s common stock as of June 30, 2025 was \$10,541,563,662.

As of February 20, 2026, there were 36,787,820 shares of common stock outstanding.

Documents Incorporated by Reference

Portions of the registrant’s Proxy Statement for the 2026 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

POOL CORPORATION

TABLE OF CONTENTS

	<u>Page</u>
PART I.	
Item 1. Business	1
Item 1A. Risk Factors	12
Item 1B. Unresolved Staff Comments	20
Item 1C. Cybersecurity	21
Item 2. Properties	23
Item 3. Legal Proceedings	25
Item 4. Mine Safety Disclosures	25
PART II.	
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	26
Item 6. [Reserved]	27
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	28
Item 7A. Quantitative and Qualitative Disclosures about Market Risk	46
Item 8. Financial Statements and Supplementary Data	47
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	83
Item 9A. Controls and Procedures	83
Item 9B. Other Information	85
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	85
PART III.	
Item 10. Directors, Executive Officers and Corporate Governance	86
Item 11. Executive Compensation	86
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	86
Item 13. Certain Relationships and Related Transactions, and Director Independence	86
Item 14. Principal Accountant Fees and Services	86
PART IV.	
Item 15. Exhibits, Financial Statement Schedules	87
Item 16. Form 10-K Summary	87
Index to Exhibits and Signatures	

PART I.

Item 1. Business

General

Pool Corporation (the *Company*, which may also be referred to as *we*, *us* or *our*), a member of the S&P 500 Index, is the world's largest wholesale distributor of swimming pool supplies, equipment and related leisure products and is one of the leading distributors of irrigation and landscape maintenance products in the United States.

As of December 31, 2025, we operated 456 sales centers strategically located in North America, Europe and Australia, from which we sell swimming pool supplies, equipment and related leisure products, irrigation and landscape maintenance products and hardscapes, tile and stone products. Our customer base generally includes pool builders, pool service companies, retail stores, commercial pool operators and landscape contractors. We distribute products through our five distribution networks listed below:

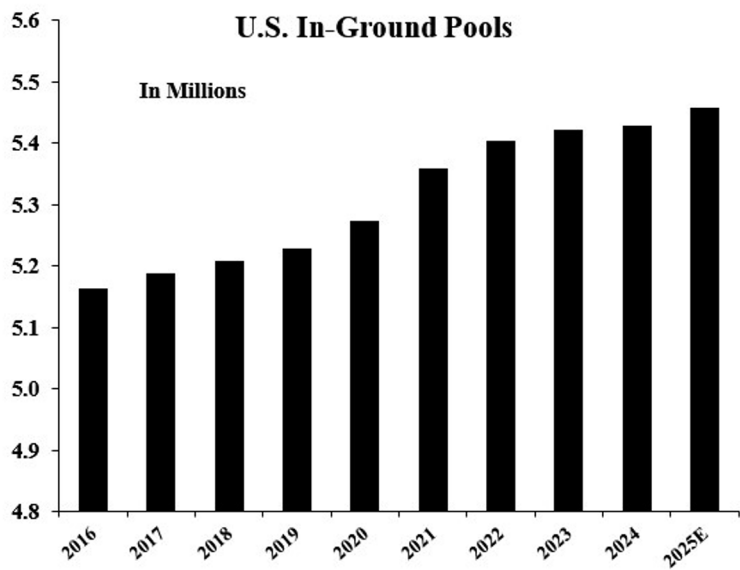
- SCP Distributors (SCP);
- Superior Pool Products (Superior);
- Horizon Distributors (Horizon);
- National Pool Trends (NPT), formerly National Pool Tile prior to November 2025; and
- Sun Wholesale Supply (Sun Wholesale).

Operating in a fragmented industry, we add considerable value by purchasing products from a large number of manufacturers and then efficiently distributing the products with high levels of customer service on conditions that are generally more favorable than our customers could obtain on their own.

Our Industry

We operate in the outdoor living industry, which services more than 14.0 million swimming pools and hot tubs in the United States alone, including approximately 5.5 million in-ground swimming pools. We anticipate that the outdoor living industry will continue to grow with the increased penetration of new pools at households with the discretionary income and yard capacity to install a swimming pool. These pools present significant growth opportunities requiring continuous maintenance throughout their lifetime and periodic remodeling, equipment replacement and upgrade activities as the installed base of swimming pools ages. The desire for consumers to enhance their outdoor living spaces with water-sensing and battery-powered alternatives, hardscapes, lighting and other outdoor living-related products provides us with additional future growth opportunities, and we continually add products to take advantage of technological advancements and the development of sustainable, energy-efficient and more aesthetically attractive products.

The following table reflects growth in the domestic installed base of in-ground swimming pools over the past 10 years (based on Company estimates for 2025 and information from 2024 P.K. Data, Inc. reports):



We believe that the following favorable demographic and socioeconomic trends have positively impacted our industry over the past several years and will continue over the long term:

- long-term growth in housing in warmer climate markets due to the population migration toward the southern United States, where outdoor home entertainment is more prevalent and extends longer throughout the year;
- increased homeowner spending on outdoor living spaces for relaxation and entertainment;
- healthy home equity levels providing consumers additional capacity to renovate their existing homes;
- increased customer bundling of the purchase of a new or remodeled swimming pool with new irrigation systems, landscaping, outdoor kitchens and overall improvements to outdoor living spaces, viewing these elements as key components to both pool installations and remodels;
- increased demand for automation and control products, higher quality materials and other pool features that add to our sales opportunities over time; and
- increased customer focus on sustainable, energy-efficient products.

We believe our swimming pool business mix underscores the power of the installed base to generate recurring revenue. In 2025, approximately:

- 64% of sales were from recurring maintenance and minor repair of existing pool installations;
- 22% of sales were generated from pool remodeling, renovations and upgrades; and
- 14% of sales stemmed from new pool construction.

Maintaining a safe and consistent water chemistry as well as necessary upkeep and repair of swimming pool equipment, such as pumps, heaters, filters, lights and safety equipment, creates non-discretionary demand for pool chemicals, equipment and other related parts and supplies. The recurring nature of the maintenance and repair market has helped maintain a relatively consistent rate of industry contribution to revenue over time. This characteristic helps support our performance when unfavorable economic conditions, such as higher interest rates and softness in the housing market, adversely impact consumer discretionary spending, including pool construction and major replacement, renovation and upgrade activities. As the installed base of in-ground swimming pools ages, we also believe cosmetic considerations such as a pool’s appearance and the overall look of backyard environments create ongoing demand for our other discretionary and non-discretionary products.

The activity in the remodel, renovation and upgrade market is driven by the aging of the installed base of pools and availability of enhanced feature products such as automated controls, variable speed pumps, robotic cleaners and LED pool and hot tub lighting.

Many new homeowners with existing pools transform older pools into a modern backyard oasis through upgraded pool finishes, tile, decking, equipment and enhanced features. The timing of these types of expenditures is more sensitive to economic factors including home values, existing single-family home sales and consumer confidence as compared to the non-discretionary demand of the maintenance and minor repair market.

The demand for new pools is generally driven by the perceived benefits of pool ownership including increased use of outdoor space, enhanced property value, relaxation, entertainment, family activity, health and wellness and convenience. The industry competes for new pool sales against other discretionary consumer purchases such as kitchen and bathroom remodeling, boats, motorcycles, recreational vehicles and vacations.

The irrigation and landscape maintenance industry shares many characteristics with the pool industry, and we believe that it exhibits similar long-term growth potential. Irrigation system installations often occur in tandem with new single-family home construction making demand for them more susceptible to the economic variables that drive new home sales. Sales of landscape power equipment and related landscape maintenance services offer recurring revenue streams in an industry otherwise closely tied to the new housing market. The irrigation and landscape maintenance distribution business serves both residential and commercial markets, with the majority of sales related to the residential market. In the United States, we provide residential and commercial irrigation systems, landscape maintenance products, power equipment, hardscapes and specialty outdoor products and accessories within the overall addressable market, primarily focused in the Sunbelt.

Economic Environment

Certain trends in the housing market, the cost and availability of consumer credit and general economic conditions (as commonly measured by Gross Domestic Product or GDP) affect our industry, particularly the installation of new pools and irrigation systems, as well as the timing and extent of pool remodels, equipment replacements and upgrades, landscaping projects and outdoor living space renovations. Consumers typically spend more on new pools, new irrigation systems, renovations, replacements and upgrades when general economic conditions are strong.

We believe that over the long term, higher rates of home appreciation and turnover have a positive impact on new pool installations. While most new swimming pools are installed in existing homes, there has also been a correlation of new pool construction activity to new home construction activities over time. We also believe that homeowners' discretionary spending capacity, availability of consumer credit and favorable borrowing rates are critical factors enabling the purchase of new swimming pools and irrigation systems. Similar to other discretionary purchases, replacement, upgrade and renovation activities are more heavily impacted by economic factors such as consumer confidence, GDP and employment levels.

In recent years, steady increases in home values, lack of affordable new homes and increased mortgage rates have positioned homeowners to stay in their homes longer and upgrade their home environments, including their backyards. Although homeowners' investment in their houses has moderated from the pandemic heightened levels of 2020 to 2022, homeowners continue to invest in their homes. Based on industry data, we estimate that new in-ground pool construction units decreased 3% to 5% from 62,000 units in 2024 to just below 60,000 units in 2025, primarily due to cautious consumer discretionary spending and elevated financing costs.

We generally pass industry price increases through our supply chain and from time to time may make strategic volume inventory purchases ahead of vendor price increases in order to obtain favorable pricing. Inflationary product cost increases moderated from heightened pandemic levels in 2023, which saw levels at approximately 3% to 4%. In 2024, inflationary product cost increases returned to our historical average of approximately 1% to 2%. Inflationary product cost increases were approximately 2% to 3% in 2025, including a 1% impact from U.S. tariffs enacted during the year. We expect inflationary product cost increases to be approximately 1% to 2% in 2026.

Business Strategy and Growth Strategy

Our mission is to provide exceptional value to our customers and suppliers, creating exceptional return to our shareholders, while providing exceptional opportunities to our employees. Our core strategies are as follows:

- to promote the growth of our industry;
- to promote the growth of our customers' businesses; and
- to continuously strive to operate more effectively.

We promote the growth of our industry through various advertising and promotional programs intended to raise consumer awareness of new and existing product offerings by our vendors, the benefits and affordability of pool ownership, the ease of pool maintenance and the many ways in which a pool and the surrounding spaces may be enjoyed beyond swimming. These programs include digital and media advertising, industry-oriented website development such as www.swimmingpool.com®, www.hottubs.com® and www.nptpool.com®, social media platforms and other digital marketing initiatives, including our all-inclusive Regal and E-Z Clor Pool Care mobile apps that enable at-home water testing. We use these programs and tools to educate consumers and lead prospective pool owners to our customers. We also promote the growth of our industry by offering a growing selection of energy-efficient and environmentally friendly products, which support sustainability and help pool owners save energy, water, time and money. Our environmentally friendly technology products include variable speed pumps, LED pool and hot tub lights and high-efficiency heat pumps. Our Horizon sales centers offer organic fertilizers, organic pesticides, and irrigation and drainage products that reduce water usage and soil erosion, allowing our customers and homeowners to have less of an impact on freshwater reserves.

We promote the growth of our customers' businesses by offering the broadest product assortment through the largest number of conveniently located market-based sales centers and through comprehensive support programs that include promotional tools and marketing support to help our customers generate increased sales. We provide in-depth training that allows our customers to expand the scope of their product offerings. We also provide uniquely tailored advertising programs through our EDGE Marketing Portal that include features such as digital marketing, customer lead generation, personalized websites, brochures, direct mailers, marketing campaigns and business development training. We assist certain customers with aspects of their businesses, including site selection, store layout and design, product merchandising, comprehensive product offering selections and efficient ordering and inventory management processes. In addition to these programs, we feature consumer showrooms in many of our sales centers and host our annual Retail Summit. We also function as a day-to-day resource by offering product and market expertise to serve our customers' unique needs.

In addition to our efforts aimed at promoting industry and customer growth, we strive to operate more effectively by continuously focusing on improvements in our operations, which we define as capacity creation. We create capacity with business-to-business (B2B) development tools and execution aimed at developing best-in-class service and value creation for our customers and suppliers. In particular, our POOL360 and Horizon 24/7 B2B internet and mobile platforms help our customers be more productive by allowing them access to our full inventory network to digitally review and order our products, while leveraging our customer service staff resources, particularly during peak business periods. These tools offer real-time integration into our enterprise resource planning system, creating efficiencies in our business processes and provide our customers graphical catalog presentation in the same platform. Our BlueStreak mobile ordering platform enables our sales associates to process orders faster, often eliminating the need for customers to get out of their vehicles. Similarly, we employ various processes and technologies to enhance the operational efficiencies of our sales centers and warehouses.

We believe that ongoing investments in digital transformation and technology help us provide best-in-class service to our customers by improving the customer experience, enhancing our existing customer relationships and expanding our customer base. Our POOL360 digital ecosystem is a suite of products transforming the way pool professionals do business. POOL360 WaterTest and POOL360 PoolService are tools designed to unlock capacity for our customers and our sales center network. By integrating e-commerce, software applications and data-driven insights, POOL360 enhances both customer experience and operational efficiency. POOL360 WaterTest is a professional water testing software available to our retail customers that incorporates our complete line of proprietary-branded pool and hot tub chemicals into pool owners' water chemistry maintenance requirements. Our POOL360 PoolService mobile application allows pool professionals to better manage their service business through providing a complete Customer Relationship Management (CRM) tool, routing, billing and other day-to-day management capabilities, while improving

their customers' experiences. Each of these tools links directly into our POOL360 B2B platform, creating efficiencies for both us and our customers. We plan to continue expanding our POOL360 technologies to provide additional resources for our customers.

We have grown our distribution networks through new sales center openings, acquisitions and the expansion of existing sales centers based on our market presence, existing market capacity and local population trends. For additional information regarding our new sales center openings, acquisitions and closures/consolidations, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 8, Note 2 of "Notes to Consolidated Financial Statements," included in this Form 10-K.

We plan to continue to make strategic acquisitions and open new sales centers to further penetrate existing markets and expand into both new geographic markets and new product categories. We believe that our high customer service levels and expanded product offerings have enabled us to gain market share historically. Going forward, we expect to continue to realize sales growth through market share gains and continued expansion of our product offerings with a focus on our proprietary and exclusive brands, such as our recently expanded Regal, E-Z Clor, SuperPro and PoolStyle lines.

Customers and Products

We proudly serve approximately 125,000 customers, the majority of whom are small, entrepreneurial, family-owned businesses. These customers provide specialized labor and technical services directly to end customers and typically operate as independent contractors, professional pool servicers or specialty retailers. Their modest size and capital base typically make them highly reliant on our broad product selection, competitive pricing and value-added support. While these businesses may also purchase products and services from manufacturers, regional distributors, mass merchants and online retailers, we believe our scale and service excellence set us apart as their preferred partner. Our customer base is well-diversified, with no single customer representing 10% or more of our 2025 sales.

We provide extended payment terms to qualified customers for sales under pre-season early buy programs, which typically occur during the fourth and first quarters. The extended terms usually require payments in equal installments during the second quarter of each year. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Allowance for Doubtful Accounts" for additional information.

We sell our products primarily to the following types of customers:

- swimming pool remodelers and builders;
- specialty retailers that sell swimming pool supplies, including independently owned and operated Pinch A Penny franchise stores;
- swimming pool repair and service businesses;
- irrigation construction and landscape maintenance contractors; and
- commercial pool operators and pool contractors who build, remodel or service large commercial installations such as hotels, universities and community recreational facilities.

We conduct our operations through 456 sales centers in North America, Europe and Australia. Our primary markets with the highest concentration of swimming pools are California, Florida, Texas and Arizona, collectively representing approximately 53% of our 2025 net sales. In 2025, we generated approximately 95% of our sales in North America (including Canada and Mexico), 4% in Europe and less than 1% in Australia. While we continue to expand both domestically and internationally, we expect this geographic mix to be similar over the next few years. References to product line and product category data throughout this Form 10-K generally reflect data related to our North America swimming pool market, as it is more readily available for analysis and represents the largest component of our operations.

Our goal is to be a trusted resource for industry professionals, retailers and consumers in the outdoor living industry. Our sales and marketing personnel focus on developing customer training programs and promotional activities, creating and enhancing sales management tools and providing product and market expertise. Our local sales personnel work from our sales centers as trusted resources for our customers and are charged with understanding and meeting our customers' specific needs. Our sales center personnel help educate our customers on a variety of topics including the newest, most innovative products and solutions that can elevate their businesses.

We offer our customers more than 200,000 manufacturer, proprietary and exclusive brand products. We sell the following types of products:

- pool maintenance products, such as chemicals, supplies and pool accessories;
- repair and replacement parts for pool equipment, such as cleaners, filters, heaters, pumps and lights;
- building materials, such as concrete, plumbing and electrical components, both functional and decorative pool surfaces, decking materials, tile, hardscapes and natural stone, used for pool installations and remodeling;
- pool equipment and components for new pool construction and the remodeling, replacement and upgrade of existing pools;
- irrigation and related products, including irrigation system components and professional turf care equipment and supplies;
- commercial pool products, including American Society of Material Engineers-certified heaters, safety equipment, commercial decking equipment and commercial pumps and filters;
- fiberglass pools and hot tubs and packaged pool kits including walls, liners, braces and coping for in-ground and above-ground pools; and
- other pool construction and recreational products, which consist of a number of product categories and include discretionary recreational and related outdoor living products, such as grills and components for outdoor kitchens.

We believe that our selection of pool building materials, equipment, supplies, chemicals, replacement parts, irrigation and related products and other pool construction and recreational products is the most comprehensive in the industry. We currently have over 700 product lines and approximately 40 product categories. Based on our 2025 product classifications, sales for our pool and hot tub chemicals product category represented approximately 14% of total net sales in 2025, 15% in 2024 and 14% in 2023. No other product categories accounted for 10% or more of total net sales in any of the last three fiscal years.

We continue to identify new related product categories, and we typically introduce new categories each year in select markets. We then evaluate the performance in these markets and focus on those product categories that we believe exhibit the best long-term growth potential. We expect to achieve continued sales growth for these types of product offerings by expanding the number of locations that offer these products, increasing the number of products offered at certain locations and continuing a modest broadening of these product offerings on a company-wide basis.

Innovative product technologies unlock new opportunities for enhanced energy efficiency, expanded control and greater convenience in leisure activities. We have broadened our selection of energy-efficient and environmentally friendly products, empowering pool owners to save energy, water, time and money while supporting sustainability initiatives. Leading equipment manufacturers consistently develop retrofit kits that allow homeowners to control their pools and hot tubs directly from their smartphones. We pursue these advancements viewing them as strategic growth drivers that strengthen our market position and create value for our shareholders.

Over the last several years, we have increased our product offerings and service abilities related to commercial swimming pools. We consider the commercial market to be a key growth opportunity as we focus more attention on providing products to customers who operate or provide services to large commercial installations such as hotels, condominiums, apartment complexes, universities and community recreational facilities. Additionally, we assist with bid-to-spec design for new projects. In 2025, we designated four commercial warehouses throughout the country to serve these customers more efficiently. We continue to leverage our existing sales center networks and customer and vendor relationships to drive growth for this market.

Operating Strategy

We distribute swimming pool supplies, equipment and related leisure products domestically through our SCP and Superior sales center networks and internationally through our SCP network. We adopted the strategy of operating two distinct distribution networks within the U.S. swimming pool market primarily to offer our customers a choice of distinctive product selections, locations and service personnel. We distribute irrigation, landscape maintenance and related products through our Horizon network.

Swimming pool tile, decking materials and interior pool surfacing products are distributed through our NPT network, as well as through SCP and Superior networks. Our NPT network primarily serves the swimming pool market with our market-leading brand of pool tile and composite pool finish products and also serves the irrigation and landscape industry through NPT hardscapes and other outdoor living products. As consumers create and enhance outdoor living areas and invest more in their outdoor environment, we

believe we can capture this demand by leveraging our existing pool and irrigation and landscape maintenance customer base. The ongoing development of our NPT network serves as a natural extension of our distribution model, strengthening our market reach. In addition to our 19 dedicated NPT sales centers, we operate 124 SCP and Superior sales centers featuring consumer showrooms. These showrooms enable swimming pool and landscape contractors, as well as homeowners, to view and select pool components, including tile, decking and surfacing, in a wide range of styles and grades. Our innovative virtual tools, such as the tools found on www.nptpool.com®, empower homeowners to design, customize, and visualize their pool and outdoor environments alongside their chosen contractors. By combining showroom experiences, local product stocking, specialized delivery equipment and virtual support, we differentiate ourselves in these categories and maintain a distinct competitive advantage. Given the more discretionary nature of these products, this business tends to be more sensitive to external market factors compared to our business overall.

Sun Wholesale Supply distributes swimming pool supplies, equipment and related leisure products, primarily servicing independently owned and operated Pinch A Penny franchise locations. Since our acquisition of this business in December 2021, we have expanded Pinch A Penny franchise operations through additional locations of Pinch A Penny franchised stores and plan to continue these expansion initiatives. Sun Wholesale Supply also owns and operates a specialty chemical re-packaging plant that sells proprietary pool chemical products principally to the Pinch A Penny franchised store network. Sun Wholesale Supply also provides chemical products to our SCP and Superior networks.

We evaluate our sales centers based on their performance relative to predetermined standards that include both financial and operational measures. Our corporate support groups provide our field operations with various services, such as developing and coordinating customer and vendor related programs, real estate support services to find appropriate locations for our sales centers, human resources support, information systems support, support from our logistics and fleet teams, accounting and financial analysis support and expert resources to help them achieve their goals. We believe our incentive programs and feedback tools, along with the competitive nature of our sales center network, stimulate and enhance the performance of our employees.

Distribution

Our sales centers are located within population centers near customer concentrations, typically in industrial, commercial or mixed-use zones. Customers may pick up products at any sales center location, or we may deliver products to their premises or job sites via our trucks or third-party carriers. For additional information on our sales centers, see Item 2, “Properties,” of this Form 10-K.

Our sales centers generally maintain well-stocked inventories to meet our customers’ immediate needs. We utilize warehouse management technology to optimize receiving, inventory control, picking, packing and shipping functions. For additional information regarding our inventory management, see Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Inventory Obsolescence,” of this Form 10-K.

We also operate four centralized shipping locations (CSLs) in the United States and one CSL in Europe that redistribute products we purchase in bulk quantities to our sales centers or, in some cases, directly to customers. Our CSLs are regional locations that carry a wide range of outdoor living products.

Purchasing and Suppliers

We believe we enjoy good relationships with our suppliers, who generally offer competitive pricing, return policies and promotional allowances. It is customary in our industry for certain manufacturers to manage their shipments by offering seasonal terms to qualifying purchasers such as Pool Corporation, which are referred to as early buy purchases. These early buy purchases typically allow us to place orders in the fall at a modest discount, take delivery of product during the off-season months and pay for these purchases in the spring or early summer.

Our preferred vendor program encourages our distribution networks to stock and sell products from a smaller number of vendors offering better overall terms and service to optimize profitability and shareholder return. We also work closely with our vendors to develop programs and services to better meet the needs of our customers and to concentrate our inventory investments. These practices, together with a more comprehensive service offering, have positively impacted our selling margins and our returns on inventory investments. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Vendor Programs,” for additional information.

We regularly evaluate supplier relationships and consider alternate sourcing to ensure competitive cost, service and quality standards. Our largest suppliers include Pentair plc, Zodiac Pool Systems, Inc. and Hayward Holdings, Inc., which accounted for approximately 20%, 12% and 11%, respectively, of the cost of products we sold in 2025.

Competition

We are the largest wholesale distributor of swimming pool and related backyard products (based on industry knowledge and available data) and one of the only national wholesale distributors focused on the swimming pool industry in the United States. We are also one of the leading distributors of irrigation and landscape maintenance products in the United States. We face intense competition from many regional and local distributors in our markets and from a limited number of other national wholesale distributors. We also face competition, both directly and indirectly, from mass market retailers (both store-based and internet) and large pool supply retailers who primarily buy directly from manufacturers.

Some geographic markets we serve, particularly the four largest and higher pool density markets of California, Florida, Texas and Arizona have a greater concentration of competition than others. Barriers to entry in our industry are relatively low. We believe that the principal competitive factors in swimming pool and irrigation and landscape supply distribution are:

- the breadth and availability of products offered;
- the quality and level of customer service, including online communications and access, ease of ordering and speed of product delivery;
- the availability of sales and marketing programs;
- consistency and stability of business relationships with customers and suppliers;
- competitive product pricing; and
- geographic proximity to the customer.

Human Capital Management

We strive to be an Employer of Choice by focusing on the engagement, development, retention, and health and well-being of our employees. We believe that our success is a direct result of the contributions and commitment of our employees. We provide competitive pay and benefits, training and continuing education, and professional development and promotional opportunities to engage and reward our team. We have established a set of standard operating procedures to optimize our human capital management function, including recruitment and employee relations policies, training practices and operational instructions. We focus on the following factors in implementing and developing our human capital strategy:

- employee health, safety and wellness;
- talent empowerment;
- employee development; and
- employee compensation and benefits.

We employed approximately 6,000 people at December 31, 2025 and approximately 90% of our employees were located in the U.S. Given the seasonal nature of our business, our peak employment period is the summer season and, depending on expected sales levels, we add 100 to 200 employees to our work force to meet seasonal demand. We believe that we have good relations with our employees and none of our employees are currently covered under any collective bargaining agreements.

Employee Health, Safety and Wellness

Our commitment to the health, safety and wellness of our employees ranks at the top of our core operating priorities. We are committed to supporting our employees' overall well-being and offer a wide range of wellness resources. We aim to achieve zero serious injuries through continued investment in, and focus on, our core safety programs and injury-reduction initiatives. This effort begins at the moment of hire with new employees and is reinforced regularly through online and in-person safety awareness training, frequent communication about risk identification and other essential safety protocols, including regular audits and investigations as needed. We also continue to modernize our fleet with advanced safety features and closely monitor overall workers' compensation and auto claims, Occupational Safety and Health Administration recordable incidents, Department of Transportation compliance and other internally established safety prevention elements in an effort to make every workday safe.

Talent Empowerment

We value the differences in perspective and lived experience that our thousands of employees bring to work. We strive to attract and retain the best talent by building a culture where people want to work and fostering an environment where everyone feels that their voice is heard and valued.

We demonstrate this by:

- recruiting, developing and retaining a dynamic workforce and providing developmental opportunities for career advancement for all employees;
- ensuring that our policies, practices and procedures are fair and provide equal employment opportunity for a wide range of prospective candidates and employees; and
- communicating that we, as an Employer of Choice, are committed to creating a culture with action-oriented programs that produce results and employee engagement.

We also support our employees with training and development opportunities, which include content aimed at creating and sustaining an inclusive environment and have established a mentoring program to cultivate the growth and development of our high potential employees.

Employee Development

Investing in our employees helps us grow our business and become an Employer of Choice. Our goal is to attract, develop and retain a talented team inspired by our mission to maintain exceptional relationships with our customers and suppliers and create exceptional return to our shareholders, while providing exceptional opportunities for our employees. Our success depends on our employees understanding how their work contributes to the company's overall strategy and how they have the opportunity to grow.

When our employees succeed, the company succeeds. To help our employees achieve success in their roles, we emphasize continuous training and career development opportunities. These opportunities include annual performance reviews, succession planning, promotion and advancement opportunities, ongoing training in safety and security protocols, updates on new products and service offerings and deployment of technologies. We also provide a series of managerial training to our field and departmental leaders. This coursework covers topics such as recruitment best practices, effective communications, leading and empowering others and managing employee performance.

We provide an entry level training program to prepare managers in training (MITs) for sales and operations management opportunities and build our pipeline for field leadership. Our MITs gain valuable experience during their training program through field-based interaction with customers and operating management. Our program includes interaction with subject matter experts, hands-on projects and role play to provide MITs with practical industry knowledge, leadership skills and the tools necessary to succeed within our organization.

Employees across our organization work together to contribute their time and talents to various outreach programs ranging from disaster relief to support for local food banks and other community initiatives. At the heart of these efforts is SWiMPACT!, a POOLCORP program that provides water safety lessons to underserved children through our partnership with YMCAs around the country.

Employee Compensation and Benefits

We strive to provide market-driven compensation, benefits and services to our employees. Our performance-based compensation philosophy rewards our employees' individual contributions to our success. Our total compensation package includes cash compensation (base salary and incentive or bonus payments), company contributions toward additional benefits (such as health and disability plans), retirement plans with a company match and paid time off. We also offer the opportunity to become a shareholder through equity grants for certain roles and our employee stock purchase plan. Our employees can take advantage of a range of benefits, including healthcare and wellness programs, tuition reimbursement for eligible employees and multi-year scholarship

opportunities for dependents, and financial wellness programs to help provide education and tools to assist our employees in planning their financial future.

Seasonality and Weather

Our business is seasonal. In general, sales and operating income are highest during the second and third quarters, which represent the peak months of both swimming pool use and installation, as well as irrigation and landscape installations and maintenance. Sales are lower during the first and fourth quarters. In 2025, we generated approximately 61% of our net sales and 78% of our operating income in the second and third quarters of the year.

We typically experience a build-up of product inventories and accounts payable during the winter months in anticipation of the peak selling season. Excluding borrowings to finance acquisitions, dividend payments and share repurchases, our peak borrowing usually occurs during the second quarter, primarily because extended payment terms offered by certain of our suppliers are typically payable in April, May and June, while our peak accounts receivable collections typically occur in June, July and August.

We expect that our quarterly results of operations will continue to fluctuate depending on the timing and amount of revenue contributed by new and acquired sales centers. Based on our peak summer selling season, we generally open new sales centers and close or consolidate sales centers, either in the first quarter before the peak selling season begins or in the fourth quarter after the peak selling season ends.

Weather is one of the principal external factors affecting our business. The table below presents some of the possible effects resulting from various weather conditions.

Weather

Hot and dry

Unseasonably cool weather or extraordinary amounts of rain

Unseasonably early warming trends in spring/late cooling trends in fall (primarily in the northern half of the U.S. and Canada)

Unseasonably late warming trends in spring/early cooling trends in fall (primarily in the northern half of the U.S. and Canada)

Possible Effects

- Increased purchases of chemicals and supplies for existing swimming pools
- Increased purchases of above-ground pools and irrigation and lawn care products
- Fewer pool and irrigation and landscaping installations
- Decreased purchases of chemicals and supplies
- Decreased purchases of impulse items such as above-ground pools and accessories
- A longer pool and landscape season, thus positively impacting our sales
- A shorter pool and landscape season, thus negatively impacting our sales

For discussion regarding the effects seasonality and weather had on our results of operations in 2025 and 2024, see Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Seasonality and Quarterly Fluctuations,” of this Form 10-K.

Government Regulations

Our business is subject to a wide variety of regulations, principally under local fire codes and international, federal, state and local environmental and health and safety requirements, including regulation by the Environmental Protection Agency, the Consumer Product Safety Commission, the Department of Transportation, the Occupational Safety and Health Administration, the National Fire Protection Agency and the International Maritime Organization. Most of these requirements govern the packaging, labeling, handling, transportation, storage and sale of chemicals and fertilizers. We store certain types of chemicals and/or fertilizers at each of our sales centers and the storage of these items is strictly regulated by local fire codes. In addition, we sell algaecides and pest control products that are regulated as pesticides under the Federal Insecticide, Fungicide and Rodenticide Act and various state pesticide laws. These laws primarily relate to labeling, annual registration and licensing.

Intellectual Property

We maintain both domestic and foreign registered trademarks and patents, primarily for our proprietary and exclusive brand products that are important to our current and future business operations. We also own rights to numerous internet domain names.

Geographic Areas

See Note 12 of “Notes to Consolidated Financial Statements,” included in Item 8 of this Form 10-K for financial information about geographic areas for the past three years.

Website Access and Additional Information

Our website is www.poolcorp.com. Our website and other websites mentioned in this Form 10-K are for information only and the contents of such websites are not incorporated in, or otherwise to be regarded as part of, this Form 10-K.

Our periodic reports, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge on our website at www.poolcorp.com as soon as reasonably practicable after we electronically file such reports with, or furnish them to, the Securities and Exchange Commission (SEC).

We regularly evaluate the possibility of acquiring additional companies or assets, and at any given time may be engaged in discussions or negotiations regarding these transactions. We generally do not announce our acquisitions until they are completed unless it is required by regulatory or other rules to announce when a definitive agreement is reached.

Investors should also be aware that while we customarily provide high-level sales and earnings guidance and may answer questions raised by securities analysts, it is against our policy to disclose any material non-public information or other confidential information. Accordingly, investors should not assume that we agree with any statement or report issued by an analyst with respect to our past or projected performance. To the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

Unless otherwise indicated, information contained in this report and other documents filed by us under the federal securities laws concerning our views and expectations regarding the industries in which we operate are based on estimates made by us using data from industry sources and making assumptions based on our industry knowledge and experience. We have not independently verified data from industry or other third-party sources and cannot guarantee its accuracy or completeness.

In this annual report and other of our public disclosures, we may estimate the impact that favorable or unfavorable weather had on our operating results. In connection with these estimates, we make several assumptions and rely on various third-party sources. It is possible that others assessing the same data could reach conclusions that differ from ours.

Item 1A. Risk Factors

Cautionary Statement for Purposes of the “Safe Harbor” Provisions of the Private Securities Litigation Reform Act of 1995

This report contains forward-looking information that involves risks and uncertainties. Our forward-looking statements express our current expectations or forecasts of possible future results or events, including projections of earnings and other financial performance measures, statements of management’s expectations regarding our strategic, operational and capital allocation plans and objectives, management’s views on economic, industry, competitive, technological and regulatory conditions and other forecasts of trends and other matters. Forward-looking statements speak only as of the date of this filing, and we undertake no obligation to publicly update or revise such statements to reflect new circumstances or unanticipated events as they occur. You can identify these statements by the fact that they do not relate strictly to historic or current facts and often use words such as “anticipate,” “estimate,” “expect,” “intend,” “believe,” “will,” “outlook,” “project,” “may,” “can,” “plan,” “target,” “potential,” “should” and other words and expressions of similar meaning.

No assurance can be given that the expected results in any forward-looking statement will be achieved, and actual results may differ materially from those anticipated due to one or more factors, including the risks described below in this Item 1A, below in Item 7 of this Form 10-K and elsewhere in this Form 10-K. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act.

Risk Factors

Investing in our securities involves multiple risks and uncertainties. Certain factors that may affect our business and could cause actual results to differ materially from those expressed in any forward-looking statement are described below. Investors should carefully consider the risks described below in addition to the other information set forth in this Annual Report on Form 10-K. If any of the events described below were to occur, our business, prospects, financial condition or results of operations could be materially adversely affected and the price of our common stock could decline. The risks discussed below are not the only risks we face. Other risks or uncertainties not presently known to us, or that we currently believe are immaterial, may emerge or materially affect our business if they occur. Further, our business may also be affected by additional factors that generally apply to all companies operating in the U.S. and globally, which we have not included below.

Risks Relating to Macroeconomic Conditions or Events

The demand for our products may be adversely affected by unfavorable economic conditions and changes in discretionary consumer spending.

Demand for our products is subject to fluctuations and is difficult to predict, often due to factors outside of our control. Discretionary consumer spending significantly affects our sales and is impacted by a variety of factors, including changes in general economic conditions, the housing market, unemployment rates, wage levels, interest rate fluctuations, inflation, disposable income levels, consumer confidence and access to credit. Any material decline in discretionary consumer spending could reduce our sales and harm our business. In times of economic uncertainty, the demand for swimming pool, irrigation, landscape and related outdoor living products typically declines, often corresponding with declines in discretionary consumer spending. Currently, we estimate that approximately 64% of our net sales are derived from maintenance and minor repair products, while approximately 22% of our sales are derived from products used to remodel, renovate, and upgrade pools. However, the growth in these portions of our business depends on the expansion of the installed pool base, which has been and could in the future be adversely affected by decreases in construction activities, similar to the trends experienced since the latter half of 2022. Economic weakness or uncertainty may also cause consumers to defer discretionary replacement, renovation and upgrade activity. Even in generally favorable economic conditions, severe or prolonged downturns in the housing market could have a material adverse impact on our financial performance. Such downturns expose us to certain additional risks, including but not limited to the risk of customer closures or bankruptcies, which could shrink our potential customer base and inhibit our ability to collect on those customers’ receivables.

We believe that homeowners’ access to consumer credit at attractive interest rates is a critical factor enabling the purchase of new pools, irrigation systems and outdoor living products and to a lesser extent, major renovations and remodel projects. Unfavorable economic conditions or a downturn in the housing market could result in a significant tightening of credit markets, which can limit the ability of consumers to access financing for these purchases.

Discretionary spending is often adversely affected during times of economic, social or political uncertainty, whether caused by health threats, man-made or natural disasters, technological change or other similar events discussed below in this Item 1A. Likewise, new pool construction and major remodeling projects over the past few years have decreased, impacted by higher interest rates and inflation, increased economic uncertainties, tightened consumer credit and fewer new housing developments. These events could create uncertainties that negatively impact our business in ways that we cannot presently predict.

Catastrophic events or societal unrest could adversely impact our operations.

An outbreak of disease or similar public health threat, terrorism and other acts of violence, wars, rioting, labor strife, civil disturbances, societal unrest, geopolitical tensions or political instability could negatively impact us directly by interfering with our ability to operate due to adverse impacts on our workforce, supply chain or operations or indirectly by depressing macroeconomic conditions. Our customers could also encounter hardships that negatively impact their ability to make timely payments to us or to continue doing business with us.

Risks Relating to Our Business and Industry

We are susceptible to adverse weather conditions, which could intensify as a result of changing climate patterns.

Given the nature of our business, weather is one of the principal external factors affecting our business and the effect of seasonality has a significant impact on our results. In 2025, we generated 61% of our net sales and 78% of our operating income in the second and third quarters of the year. These quarters represent the peak months of swimming pool use, pool and irrigation installation and maintenance activities. Unfavorable weather during these quarters in our largest geographic regions can significantly affect our results, as further described in “Seasonality and Weather” in Item 1 of this Form 10-K. Natural disasters and other significant weather events can create more variability in our reported results in the short term or otherwise adversely impact our sales or operations. Drought conditions or water management initiatives may lead to government-imposed water use restrictions or an increase in the number of homeowners unwilling to construct or maintain a pool. Such restrictions could result in decreased pool and irrigation system installations which could negatively impact our sales.

Certain extreme weather events and natural disasters, such as hurricanes, tornadoes, earthquakes, tropical storms, floods, intense storms, drought, wildfires and extreme heat, may adversely impact us in several ways, including interfering with our ability to deliver our products and services, interfering with our receipt of supplies from our vendors, reducing demand for our products and services, and damaging our facilities. In the past, we have experienced short-term impacts on our sales due to closures from weather events such as Hurricanes Francine, Helene and Milton in 2024. Similar events in the future could result in similar short-term impacts or potentially result in more severe damage to our business. The areas in which we operate, including Florida, California, Texas and other coastal areas, have experienced, and are expected to continue to experience, natural disasters and extreme weather events. The physical effects of changing climate patterns may increase the frequency or severity of natural disasters and extreme weather events in the future, which would increase our exposure to these risks.

For additional discussion regarding seasonality and weather, see Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Seasonality and Quarterly Fluctuations,” of this Form 10-K.

Our distribution business is highly dependent on our ability to maintain favorable and stable relationships with suppliers.

As a distribution company, maintaining favorable relationships with our suppliers is critical to our success. We believe that we add considerable value to the swimming pool and irrigation supply chains by purchasing products from a large number of manufacturers and distributing the products to a highly fragmented customer base on conditions that are more favorable than these customers could obtain on their own. We believe that we currently enjoy good relationships with our suppliers, who generally offer us competitive pricing, return policies and promotional allowances. However, any failure to maintain favorable relationships with our suppliers could have an adverse effect on our business.

Our largest suppliers are Pentair plc, Zodiac Pool Systems, Inc. and Hayward Holdings, Inc., which accounted for 20%, 12% and 11%, respectively, of the costs of products we sold in 2025. A decision by our largest suppliers, acting individually or in concert, to sell their products directly to retailers or other end users, bypassing distribution companies like ours, would have an adverse effect on our business. Additionally, if our suppliers experience difficulties or disruptions in their operations, if there is any material interruption in

our supply chain or if we lose any significant supplier due to financial failure or any other reason, we may experience increased supply costs or delays in establishing replacement supply sources that meet our quality and control standards, which may affect our profitability.

We purchase many of our products from suppliers pursuant to vendor arrangements that entitle us under certain conditions to receive rebates. These rebates effectively reduce the costs of our products. Rebate arrangements are subject to renegotiation with our suppliers from time to time. If we fail to qualify for these rebates or are unable to renew rebate programs at desirable terms, or a supplier materially reduces or stops offering rebates, our costs could increase substantially, and our gross margin and net income could be materially adversely affected.

Failure to achieve and maintain a high level of product and service quality and safety could damage our reputation, expose us to litigation and negatively impact our financial performance.

We rely on a global network of manufacturers and other suppliers to provide us with the products we distribute. To succeed, we must continue to maintain effective business relationships with qualified suppliers who can timely and efficiently supply us with high quality products. Our proprietary and exclusive brand products we distribute also expose us to potential liability claims. Product and service quality issues could negatively impact customer confidence in our brands and our business. If our product and service offerings do not meet applicable safety standards or our customers' expectations regarding safety or quality, we could experience lost sales, increased costs and be exposed to legal, financial and reputational risks, including litigation, governmental enforcement actions and costly product recalls. Similar concerns impacting our competitors could damage the reputation of our industry and indirectly have an unfavorable impact on our operations.

We face intense competition both from within our industry and from other leisure product alternatives.

Within our industry, we directly compete against national, regional and local distributors for the business of pool owners and other end-use customers. We indirectly compete against store-based mass market retailers and large pool or irrigation supply retailers as they purchase the majority of their supplies directly from manufacturers. We compete to a lesser extent with internet retailers, as they purchase the majority of their supplies from distributors. Outside of our industry, we compete indirectly with alternative suppliers of big-ticket discretionary leisure or homeowner products, such as boat and motor home distributors and with other home and backyard remodelers. We may not be able to compete effectively against our competitors and other leisure and homeowner product alternatives, which could have an adverse impact on our business.

New competitors may emerge as there are low barriers to entry in our industry, which has led to highly competitive markets consisting of various-sized entities, ranging from small or local operators to large regional businesses. If our customers are attracted by the alternatives afforded by any of our competitors, they may be less inclined to purchase products or services from us, impacting our results of operations. Given the density and demand for pool products, some geographic markets that we serve also tend to have a higher concentration of competitors than others, particularly California, Florida, Texas and Arizona. These states encompass our four largest markets and represented approximately 53% of our net sales in 2025. The entry of significant new competitors into these markets could negatively impact our sales.

We may also be unable to market and sell products if they are not competitive, including on the basis of price, quality, technical performance, ease of use, availability, delivery timing and reliability. Competitive pressures may limit our ability to maintain or raise prices, and an inability to maintain revenue or raise prices to offset increases in costs could have a significant adverse effect on our gross margin.

More aggressive competition by store- and internet-based mass merchants and large pool or irrigation supply retailers could adversely affect our sales.

We face competition from both store-based and internet-based mass market retailers, which have greater scale and bargaining power than us. Today these retailers carry a limited range of, and devote a limited amount of shelf space to, merchandise and products targeted to our industry. Historically, mass market retailers have generally expanded by adding new stores and products, but their offering of pool and irrigation related products has remained relatively constant. Should store- and internet-based mass market retailers increase their focus on the pool or irrigation industries or increase the breadth of their pool and irrigation and related product offerings, they would likely become a more significant competitor for our direct customers and end-use consumers, which could have

an adverse impact on our business. Additionally, because the internet facilitates competitive entry, online ordering, price transparency and comparison shopping, increased internet transactions by us or our customers or competitors could increase the level of competition we face, reduce our margins or reduce our customers' reliance on us. Further, we may face additional competitive pressures if large pool or irrigation supply retailers look to expand their customer base to compete more directly with us.

We depend on our ability to attract, develop and retain highly qualified personnel.

We consider our employees to be the foundation for our growth and success. As such, our future success depends in large part on our ability to attract, retain and motivate qualified personnel. This includes succession planning related to our executive officers and key management personnel. Hiring and retaining such qualified individuals may be adversely impacted by several factors, including (i) uncertainties regarding general economic conditions or industry conditions, (ii) our failure to offer competitive compensation and (iii) increased competition for qualified individuals. If we are unable to attract and retain key personnel, our operating results could be adversely affected.

Given the seasonal nature of our business, we may hire additional employees during the summer months, including seasonal and part-time employees, who generally are not employed during the off-season. If we are unable to attract and hire additional personnel during the peak season, our operating results could be negatively impacted. Additionally, competition for qualified employees could require us to pay higher wages to attract and retain a sufficient number of employees.

Inflation and other events over the past few years have increased employees' expectations regarding compensation and benefits and workplace flexibility. These developments have made it more difficult and costly for us to attract and retain top talent. While we do not expect these developments to have a material adverse impact on us, we can provide no assurances to this effect.

Past growth may not be indicative of future growth.

Historically, we have experienced substantial sales growth through organic market share gains, new sales center openings, expanded product offerings and acquisitions that have increased our size, scope and geographic footprint. Our various business strategies and initiatives, including our growth initiatives, are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control. While we contemplate continued growth through internal expansion and acquisitions, no assurance can be made as to our ability to:

- penetrate new markets;
- generate sufficient cash flows to support expansion plans and general operating activities;
- obtain financing;
- identify appropriate acquisition candidates and successfully integrate acquired businesses;
- identify appropriate locations for new sales centers and successfully integrate them into our network;
- maintain favorable supplier arrangements and relationships; and
- identify and close or consolidate locations or divest assets which no longer meet our objectives.

If we do not successfully manage these potential difficulties or successfully execute our business strategies and initiatives, our operating results could be adversely affected.

We are subject to inventory management risks. Insufficient inventory may result in lost sales opportunities or delayed revenue, while excess inventory may negatively impact our gross margin.

We strive to balance the need to maintain inventory levels that are sufficient to maximize operational efficiencies and minimize potential supply chain constraints against the risk of inventory obsolescence due to changing consumer preferences and fluctuating commodity prices. To successfully manage our inventories, we must estimate demand from our customers and purchase products that substantially correspond to consumer demand, which depends in part on our ability to identify and respond to evolving trends in demographics and consumer preferences. If we overestimate demand and purchase too much of a particular product, we face a risk that the price of that product will fall, leaving us with inventory that we cannot sell at optimal profit margins. In addition, we may have to write down such inventory if we are unable to sell it for its recorded value. If we underestimate demand and purchase insufficient quantities of products, inventory shortages could result in delayed revenue or loss of sales opportunities altogether as potential customers turn to competitors' products that are readily available. If we maintain insufficient inventory levels and prices rise

for these products, we could be forced to purchase products at higher prices and forego profitability in order to meet customer demand. Our business, financial condition and results of operations could be negatively impacted if we fail to (i) timely identify or effectively respond to changing consumer tastes, preferences, spending patterns and swimming pool, irrigation, landscape and related outdoor living products needs, (ii) accurately forecast demand for these products or (iii) successfully manage our inventories.

Changes in our customer base or customer preferences could change the mix of products we sell and reduce our profitability.

Changes in our customer base could impact our revenues or gross margin, reducing our profitability. Our business could be adversely impacted if (i) consolidation of our customers leads to changes in purchasing habits, (ii) more people choose to live in urban settings, rented space or housing complexes with a single community pool or (iii) more homeowners bypass our customers by directly purchasing their own supplies or undertaking their own improvement projects.

Our gross margins vary across our products and can change over time due to a variety of factors, including changes in the mix of products we sell. We derive higher revenues or profits from certain of our products compared to others. If customers or end-users opt to use an increased amount of lower-revenue or lower-margin products, our results of operations would be adversely affected.

Risks Relating to Technology, Cybersecurity, Artificial Intelligence and Data Privacy

We rely on information technology systems to support our business operations. A significant disruption, breach or cybersecurity attack of our technological infrastructure could adversely affect our financial condition and results of operations.

Information technology supports several aspects of our business, including among others, transaction processing, customer service, pricing, product sourcing, inventory management, financial reporting, collections and cost management. Our ability to operate effectively on a day-to-day basis, communicate with our customers and accurately report our results depends on a reliable technological infrastructure, which is inherently susceptible to internal and external threats. We are vulnerable to interruption, including by fire, natural disaster, extreme weather events, power loss, telecommunication failures, internet failures, security breaches and other catastrophic events. Exposure to various types of cyber-attacks such as malware, computer viruses, worms, ransomware, social engineering or other malicious acts, as well as human error, could also potentially disrupt our operations, result in a significant interruption in the delivery of our goods and services or result in the loss of sensitive data.

We are making, and expect to continue to make, investments in technology to maintain and update our computer systems and to expand our ability to engage in e-commerce with our customers. We may experience delays in making these updates and may not implement these changes as quickly or successfully as our customers expect, or as quickly or successfully as changes implemented by our competitors. In addition, implementing significant system changes increases the risk of computer system disruption. The potential problems and interruptions associated with implementing technology initiatives or conversions, as well as providing training and support for those initiatives, could disrupt or reduce our operational efficiency. Advances in computer and software capabilities, encryption technology and other discoveries increase the complexity of our technological environment, including how each interact with our various software platforms. Such advances could delay or hinder our ability to process transactions or could compromise the integrity of our data, resulting in a material adverse impact on our financial condition and results of operations. We also may experience occasional system interruptions and delays that make our information systems unavailable or slow to respond, including the interaction of our information systems with those of third parties or the failure of software provided by third parties that we do not control. A lack of sophistication or reliability of our information systems could adversely impact our operations and customer service and could require major repairs or replacements, resulting in significant costs and foregone revenue. Increasing complexity of technology could increase our cost of doing business.

We devote significant resources to protect our systems and data from cyber-attacks. Refer to Item 1C, “Cybersecurity” of this Form 10-K for further information on our cybersecurity risk management, strategy and governance. In recent years we have faced, and expect to continue to face, various attempted cyber-attacks of increasing sophistication. To date, we are not aware of any cybersecurity incident or threat that materially impacted or could reasonably be anticipated to materially affect our business, results of operations or financial condition. However, we cannot guarantee that we will not experience such an incident in the future. The risk of breaches is likely to continue to increase due to several factors, including (i) the increasing use of machine learning, artificial intelligence (AI) and other sophisticated techniques to initiate cyber attacks and social engineering threats, such as phishing or deepfake schemes, (ii) the wider accessibility of cyber-attack tools that can circumvent security controls and evade detection, (iii) the expanded size, scope, use and complexity of our systems, and (iv) our increased reliance on e-commerce, open source software, cloud

computing services and work-from-home staffing. Consequently, we may not be able to implement security barriers or other preventative measures that repel all future cyber-attacks or detect such attacks in a timely manner, which may result in significant expenses from system downtime, lower sales, increases in insurance costs, fines and fees, lost business relationships, managerial distractions, litigation, increases to regulatory oversight, expenditures for additional threat prevention technologies or reputational harm, any of which could materially impact us. We also participate in a broader ecosystem of supply chain partners, both digital and physical, who face similar risks. Cyber-attacks on our partners could negatively impact our business.

Although we maintain insurance coverage that may, subject to policy terms and conditions (including self-insured deductibles, coverage restrictions and monetary coverage caps), cover certain aspects of our cyber risks, such insurance coverage may be unavailable or insufficient to cover our losses.

We use AI in our business, which could result in reputational harm, competitive harm and legal liability, and adversely affect our business, results of operation and financial condition.

As part of our broader digital transformation strategy, we are integrating artificial intelligence to support our internal business functions and exploring additional uses for the future. AI presents risks and challenges and may result in unintended consequences, including producing inaccurate data. AI algorithms and training methodologies may be flawed. While we aim to develop and use AI responsibly, we may be unsuccessful in identifying or resolving issues and risks before they arise. The AI-related legal and regulatory landscape is evolving and remains uncertain and may be inconsistent from jurisdiction to jurisdiction. Our obligations to comply with the evolving legal and regulatory landscape could entail significant costs or limit our ability to incorporate certain AI capabilities into our operations and products. AI-related issues, deficiencies and failures could also give rise to legal or regulatory action (including with respect to proposed legislation regulating AI in jurisdictions such as the European Union and others, and as a result of new and different applications of existing data protection, privacy, intellectual property and other laws), damage our reputation or otherwise materially harm our business.

Failure to maintain the security of confidential information could damage our reputation and expose us to litigation. Additionally, changes in data privacy laws and our ability to comply with them could have a material adverse effect on us.

In the course of doing business, we collect and store data that is sensitive to us and our employees, customers and vendors. The failure to prevent unauthorized access to our data or the personal data of our customers or suppliers could put us at a competitive disadvantage. Such a breach could result in damage to our reputation and subject us to potential litigation, liability, fines and penalties and require us to incur significant expense to address and remediate or otherwise resolve these issues, resulting in a possible material adverse impact on our financial condition and results of operations.

A variety of state, national, foreign and international laws and regulations apply to the collection, use, retention, protection, security, disclosure, transfer and other processing of personal and other data. The European Union and other international regulators, as well as state governments, have enacted or enhanced data privacy regulations, such as the California Consumer Privacy Rights Act, and other governments are considering establishing similar or stronger protections. These regulations impose certain obligations for handling specified personal information in our systems and for apprising individuals of the information we have collected about them. Many of these laws are complex and change frequently and often conflict with the laws in other jurisdictions. Despite our best efforts to comply, any noncompliance could result in incurring potential substantial penalties and reputational damage.

Risks Relating to Legal, Regulatory and Compliance Matters

The nature of our business subjects us to potential non-compliance with employment, environmental, health, transportation, safety and other governmental regulations. Changes in, expanded enforcement of, or adoption of new federal, state, local or international laws and regulations could increase our costs of doing business.

We are subject to numerous federal, state, local and international laws and regulations, many of which are complex and subject to varying interpretations, including regulations related to employment, environmental, health, transportation and safety requirements, which govern such things as packaging, labeling, handling, transportation, storage and sale of chemicals and fertilizers. These laws and regulations, and related enforcement levels, may change as a result of a variety of factors, including political, economic or social events. Changes in, expanded enforcement of, or adoption of new federal, state, local or international laws and regulations, including those governing minimum wage or living wage requirements, the classification of exempt and non-exempt employees or other wage, labor or workplace regulations, could adversely impact our results of operations.

We sell algacides and pest control products that are regulated as pesticides under the Federal Insecticide, Fungicide and Rodenticide Act and various state pesticide laws. These laws primarily relate to labeling, annual registration and licensing. Management has processes in place to facilitate and support our compliance with these requirements. However, failure to comply with these laws and regulations may result in investigations, the assessment of administrative, civil and criminal fines, damages, seizures, disgorgements, penalties or the imposition of injunctive relief. Although we presently do not expect to incur any capital or other expenditures relating to regulatory matters in amounts that may be material to us, we may be required to make such expenditures in the future. These laws and regulations have changed substantially and rapidly over the years, and we anticipate that there will be continuing changes. It is possible that the costs of compliance with increasingly prescriptive laws and regulations will continue to increase. We might not be able to successfully anticipate and remain in compliance with evolving future regulatory requirements, which could adversely impact our results of operations.

Governmental actions designed to address changing climate patterns or the failure to comply with climate-related and other sustainability requirements could adversely affect our business and increase our costs of doing business.

Concerns over changing climate patterns have led to, and may in the future continue to lead to, new or increased legal and regulatory requirements designed to reduce or mitigate the effects of changing climate patterns, which could increase our compliance obligations. In particular, advocates of change are continuing to explore ways to reduce greenhouse gas emissions. These changes over time could affect the availability and cost of certain consumer products, commodities and energy, which in turn may impact our ability to procure certain products or services required for the operation of our business at the quantities and levels we require. The regulation of greenhouse gas emissions could result in additional taxes or other costs to us or require us to modify our facilities or vehicle fleet. Changes in customers' attitudes toward the environmental impact of a pool's energy consumption or pool chemical products could reduce demand for our products.

Climate-related and other sustainability disclosures we make reflect our current plans and aspirations, and it is possible that we may not be able to achieve our desired impact, which may cause us to suffer from legal claims, reputational damage or a loss of demand for our products. Investors or other stakeholders could react negatively to disclosures we make on climate-related and other sustainability matters, which could negatively impact our relationships with such stakeholders or result in claims that our disclosures harmed them or us.

Various governmental bodies in Europe and the United States, particularly in the state of California, have adopted or proposed laws or regulations increasing the obligations of companies to disclose information about climate-related and other sustainability matters. We expect that these initiatives will expose us to additional compliance costs and potential risks.

We handle and store chemicals, fertilizers and other combustible materials that involve fire, safety and casualty risks.

We handle and store chemicals and fertilizers, including certain combustibles and oxidizing compounds, at our sales centers and at our chemical re-packaging plant. In addition to training our employees on safety protocols and procedures, we follow local fire marshal regulations at our facilities, which vary by jurisdiction and are subject to change, and assess the need for sprinklers and chemical storage vaults. A fire, explosion or flood affecting one of our facilities could give rise to safety and casualty losses and related liability claims. We also maintain what we believe is prudent insurance protection. However, we cannot guarantee that our insurance

coverage will be adequate to cover future claims that may arise or that we will be able to maintain adequate insurance in the future at rates we consider reasonable. Successful claims for which we are not fully insured may adversely affect our working capital and profitability. In addition, changes in the insurance industry have generally led to higher insurance costs and decreased availability of coverage.

We conduct business internationally, which exposes us to additional risks.

Our ability to successfully conduct operations in, and source products and materials from, international markets is affected by many of the same risks we face in our U.S. operations, as well as unique costs and difficulties of managing international operations. Our international operations, including Canada and Mexico, accounted for 7% of our total net sales in 2025 and expose us to certain additional risks, including:

- difficulty in staffing international subsidiary operations;
- different political, economic and regulatory conditions;
- local laws and customs;
- currency fluctuations (including changes in the relative strength of the U.S. dollar compared to foreign currencies), exchange controls and repatriation restrictions;
- adverse tax consequences; and
- adverse consequences for violating anti-corruption, anti-competition, economic sanctions, immigration and other laws governing international commerce.

For foreign-sourced products, we may be subject to certain trade restrictions that would prevent us from obtaining products, as well as delivery delays or failures if we order products from vendors with whom we have no prior relations. Fluctuations in other factors relating to international trade, such as tariffs, trade restrictions, transportation costs and inflation are additional risks for our international operations.

We do not have operations in the Middle East, Russia, Ukraine or South America. However, the contributory effects of the geopolitical conflicts in these and other areas globally may result in higher inflation, labor costs, energy and commodity prices and costs of materials and services (together with shortages or inconsistent availability of materials and services), which could negatively affect our business (particularly our European operations), results of operations and financial condition.

Changes in import policy or trade relations, interruptions in our supply chain or increased commodity or supply chain costs could adversely affect our results of operations.

Because we source certain products from outside the United States, major changes in tax policy, import or export regulations, other trade restrictions or trade relations, such as the imposition of tariffs or duties on imported products, could adversely affect our business, results of operations, effective income tax rate, liquidity and net income. Additionally, following annual administrative reviews, final duty rates determined by the U.S. Department of Commerce may be higher or lower than rates paid at import. As a result, we may receive refunds or owe additional duties on imported product. The outcome can vary by year and by product.

The variability and complexity of tariffs and duties exposes us to the risk of higher costs and inadvertent noncompliance associated with our imported products. Moreover, in recent years, the United States has increased its tariff rates or imposed new tariffs or trade restrictions. Changes in laws, court rulings or differences in interpretation on product classification could lead to changes in duty and tariff rates on these or other imported products.

Excess tax benefits or deficiencies recognized from our accounting for share-based awards impact our reported earnings.

In 2017, we adopted Accounting Standards Update (ASU) 2016-09, *Improvements to Employee Share-Based Payment Accounting*. Our projections of financial statement impacts related to ASU 2016-09 are subject to several assumptions, including our estimated share price and the period that our employees will exercise vested stock options. Our actual results may vary significantly from our projected results. Excess tax benefits or deficiencies recognized under ASU 2016-09 vary from quarter to quarter and past results may not be indicative of future results.

Financial Risks

The cost of servicing our debt could reduce our profitability if interest rates increase or remain at elevated levels.

Our unsecured syndicated senior credit facility, term facility and receivables securitization facility bear interest at variable rates. We have entered into interest rate swap contracts to reduce our exposure to fluctuations in variable interest rates on current and future interest payments that we owe on a portion of our variable rate borrowings. While the Federal Reserve has been cutting interest rates since the latter parts of 2024, interest rates remain relatively high compared to the recent past. If interest rates remain elevated or increase, the cost of servicing our variable rate debt not covered by our interest rate swaps could materially reduce our profitability and cash flows. For additional information regarding our interest rate risk, see Item 7A, “Quantitative and Qualitative Disclosures about Market Risk” of this Form 10-K.

Changes in tax laws and accounting standards related to tax matters have caused, and may in the future cause, fluctuations in our effective tax rate.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. Changes in tax laws, tax policy, tax rates, tax law interpretations and accounting standards and guidance related to tax matters may cause fluctuations in or adversely affect our effective tax rate. Our effective tax rate may also be impacted by changes in the geographic mix of our earnings.

We cannot assure you we will continue paying dividends or repurchasing shares at the current rates, or at all.

We cannot assure you we will continue periodic dividends on our capital stock at the current rates, or at all. Any quarterly dividends on our common stock will be paid from funds legally available for such purpose when, and if, declared by our Board of Directors. Decisions on whether, when and in which amounts to continue making any future dividend distributions will remain at all times entirely at the discretion of our Board of Directors, which reserves the right to change or terminate our dividend practices at any time and for any reason without prior notice. Holders of our common stock should be aware they have no contractual or other legal right to receive dividends.

Similarly, holders of our common stock should be aware that repurchases of our common stock under any repurchase plan then in effect are completely discretionary and may be suspended or discontinued at any time for any reason regardless of our financial position.

Lapses in our disclosure controls and procedures or internal control over financial reporting could materially and adversely affect us.

We maintain disclosure controls and procedures designed to provide reasonable assurances regarding the accuracy and completeness of our reports filed with the SEC and internal control over financial reporting designed to provide reasonable assurance regarding the reliability and compliance of our financial statements with U.S. generally accepted accounting principles. We cannot assure you these measures will be effective.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Our cybersecurity program, which is primarily documented in our business interruption and incident response policy, is designed to assess, identify and manage material risks from cybersecurity threats. Our program leverages components from the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), which we use to help us identify, assess and manage cybersecurity risks relevant to our business. Our cybersecurity program is a component of our overall enterprise risk program. We deploy multiple strategies and dedicate significant resources toward systems designed to identify, assess, manage, mitigate and respond to cybersecurity threats. We also consistently strive to improve the detection and response capabilities of our cybersecurity program. To do this, we monitor best cybersecurity practices and endeavor to incorporate those in our own cybersecurity program.

Our cybersecurity policies and procedures include the controls and technology we use to identify, assess and respond to cybersecurity threats and incidents. These policies and procedures also focus on identifying vulnerabilities in our internal and external environments and remediating those vulnerabilities. To combat cybersecurity risk, we focus on proactive procedures such as patch management and emphasize the importance of cybersecurity across our organization. We provide our employees quarterly cybersecurity training courses that expose them to cybersecurity risks and threat actor tactics and we conduct simulated phishing exercises to test and educate employees on real-world threats.

We evaluate our controls and response protocols at least twice a year using external third-party assessors and consultants in both advisory and adversarial engagements. These third-party experts are familiar with our systems and could be retained in the event of a significant incident to assist us in evaluating and responding to such an incident. We also regularly test our environment as part of our focus on identifying and eliminating vulnerabilities. We incorporate the lessons learned from these engagements into our cybersecurity program. Recognizing the risks posed by external partners, we have implemented a third-party risk management program, which includes due diligence assessments, contractual safeguards, and regular monitoring of vendors and partners with access to our systems or data; however, we cannot ensure in all circumstances that their defensive efforts will be successful.

Like most large organizations, we face constant and dynamic risks related to cybersecurity. The emergence of artificial intelligence and its role in accelerating cybersecurity attacks will only make this area of risk more dynamic and difficult to prevent. In recent years we have faced, and expect to continue to face, various attempted cyberattacks including those that bear the hallmarks of being produced through the use of AI. We continue to observe attacks that are well planned and sophisticated. To date, we are not aware of any cybersecurity incident or threat that materially affected or could reasonably be anticipated to materially affect our business, results of operations or financial condition. However, we cannot guarantee that we will not experience such an incident in the future. For a further description of these risks, see “Risk Factors – Risks Relating to Technology, Cybersecurity, Artificial Intelligence and Data Privacy,” included in Item 1A of this Form 10-K, which should be read in conjunction with this Item 1C.

Governance

Our Board of Directors (Board) is responsible for oversight of our risk management programs and assisting management in addressing specific risks, including cybersecurity risk. The Audit Committee assists our Board in reviewing cybersecurity and other information technology risks, controls and procedures, including our plans to mitigate cybersecurity risks and to respond to data breaches. The Audit Committee also helps in reviewing with management any specific cybersecurity issues that could have a material impact on us. Our Chief Information Officer (CIO) provides the Board with updates on cybersecurity risks at regularly scheduled board meetings at least twice a year. These updates include the results of any third-party reviews and related remediation items.

Primary responsibility for assessing, monitoring and managing our cybersecurity risks rests with our CIO, who has held that role since 2019 and has been employed by the company since 2004. With over 20 years of experience in cybersecurity, our CIO has extensive cybersecurity expertise and in-depth knowledge and experience instrumental in developing and executing our cybersecurity strategies. Our CIO oversees our cyber governance programs, evaluates our compliance with applicable standards and remediates known risks. Our CIO also oversees our internal phishing tests, leads our employee cyber training program and seeks to promote company-wide awareness of cybersecurity risk through broad-based communications and educational initiatives.

At the day-to-day operational level, our CIO manages an information security team tasked with executing our cybersecurity program. This team includes a director of network security, technical director of enterprise architecture, system architects and network security staff. Members of our information technology (IT) management group, led by our CIO, have extensive years of combined experience in defending large, complex corporate environments. Our CIO, IT management group, architects and network security team members receive briefings and annual training on cybersecurity threats and response methods that provide real world threat scenarios to measure the effectiveness of our programs and technologies in protecting our systems. Our team of professionals also monitors our compliance with laws governing privacy rights, data protection and cybersecurity.

Our incident response policy outlines our protocols for assessing, managing and responding to cyber incidents. This policy guides the response of our global IT team, which, depending on the significance of the incident, may include escalating the issue to executive management, notifying one or more members of our Board, maintaining communication with users and notifying law enforcement and other agencies if warranted. We may also receive assistance from a third-party security operations center (SOC) and other industry-leading third-party providers.

Item 2. Properties

We lease our corporate offices, which consist of approximately 60,000 square feet of office space in Covington, Louisiana, from an entity in which we have a 50% ownership interest. We own fifteen sales center facilities, which includes seven sales center facilities in Florida, two in Texas, two in Alabama, and one in each of California, Georgia, Mississippi and Tennessee.

As part of our 2021 acquisition of Porpoise Pool & Patio, Inc., we own the corporate headquarters, which consist of approximately 46,000 square feet and the Sun Wholesale Supply facilities located in Florida, which consist of approximately 209,000 square feet. We also own a chemical re-packaging plant in Florida, which is approximately 105,000 square feet, and lease two additional properties for storage space, measuring 39,000 square feet and 122,000 square feet.

We lease all of our other properties, and the majority of our leases have three-to-seven year terms. As of December 31, 2025, we had sixteen leases with remaining terms longer than seven years that expire between 2033 and 2036. Most of our leases contain renewal options, some of which involve rent increases. In addition to minimum rental payments, which are set at competitive rates, certain leases require reimbursement for taxes, maintenance and insurance. We do not believe that any single lease is material to our operations.

Our sales centers range in size from approximately 2,000 square feet to 95,000 square feet and generally consist of warehouse, counter, display and office space. Our centralized shipping locations (CSLs) range in size from approximately 115,000 square feet to 185,000 square feet.

We believe that our facilities are well maintained, suitable for our business and occupy sufficient space to meet our operating needs. As part of our normal business, we regularly evaluate sales center performance and site suitability and may relocate a sales center or consolidate multiple locations if a sales center is redundant in a market, underperforming or otherwise deemed unsuitable. We do not believe that any single lease is material to our operations.

The table below summarizes the changes in our sales centers during the year ended December 31, 2025:

Network	12/31/24	New Locations	Consolidated/ Closed Locations	Acquired Locations	12/31/25
SCP	216	6	—	2	224
Horizon	90	1	(3)	—	88
Superior	74	1	—	—	75
NPT ⁽¹⁾	18	—	—	1	19
Sun Wholesale Supply ⁽²⁾	2	—	—	—	2
Total Domestic	400	8	(3)	3	408
SCP International	48	—	—	—	48
Total	448	8	(3)	3	456

⁽¹⁾ In addition to the stand-alone NPT sales centers, there are 124 SCP and Superior locations that have consumer showrooms and serve as stocking locations that feature NPT brand tile and composite finish products.

⁽²⁾ We also own and operate a chemical re-packaging plant and one Pinch A Penny retail store.

The tables below identify the number of sales centers in each state, territory or country by distribution network as of December 31, 2025:

Location	SCP	Horizon	Superior	NPT	Sun Wholesale Supply	Total
United States						
California	29	20	25	7	—	81
Florida	44	16	6	—	1	67
Texas	32	18	5	4	1	60
Arizona	8	12	8	3	—	31
Georgia	8	—	2	1	—	11
Washington	3	8	—	—	—	11
Nevada	3	3	3	1	—	10
Tennessee	6	0	4	0	—	10
New York	9	—	—	—	—	9
North Carolina	5	1	2	1	—	9
Alabama	5	—	2	—	—	7
New Jersey	5	—	2	—	—	7
Pennsylvania	6	—	1	—	—	7
Virginia	3	3	1	—	—	7
Louisiana	5	—	—	1	—	6
Illinois	4	—	1	—	—	5
Indiana	2	—	3	—	—	5
Oregon	1	4	—	—	—	5
South Carolina	4	—	1	—	—	5
Colorado	1	1	2	—	—	4
Missouri	3	—	1	—	—	4
Ohio	2	—	2	—	—	4
Oklahoma	2	—	1	1	—	4
Arkansas	3	—	—	—	—	3
Idaho	1	2	—	—	—	3
Kansas	3	—	—	—	—	3
Massachusetts	3	—	—	—	—	3
Michigan	3	—	—	—	—	3
Mississippi	3	—	—	—	—	3
Utah	3	—	—	—	—	3
Connecticut	2	—	—	—	—	2
Hawaii	2	—	—	—	—	2
Kentucky	1	—	1	—	—	2
Maryland	2	—	—	—	—	2
Minnesota	1	—	1	—	—	2
Wisconsin	1	—	1	—	—	2
Iowa	1	—	—	—	—	1
Nebraska	1	—	—	—	—	1
New Mexico	1	—	—	—	—	1
North Dakota	1	—	—	—	—	1
Puerto Rico	1	—	—	—	—	1
West Virginia	1	—	—	—	—	1
Total United States	224	88	75	19	2	408
International						
Canada	17	—	—	—	—	17
France	9	—	—	—	—	9
Australia	6	—	—	—	—	6
Mexico	5	—	—	—	—	5
Portugal	3	—	—	—	—	3
Italy	2	—	—	—	—	2
Spain	2	—	—	—	—	2
Belgium	1	—	—	—	—	1
Croatia	1	—	—	—	—	1
Germany	1	—	—	—	—	1
United Kingdom	1	—	—	—	—	1
Total International	48	—	—	—	—	48
Total	272	88	75	19	2	456

Item 3. Legal Proceedings

From time to time, we are subject to various claims and litigation arising in the ordinary course of business, including product liability, personal injury, commercial, contract and employment matters. While the outcome of any litigation is inherently unpredictable, based on currently available facts, we do not believe that the ultimate resolution of any of these matters will have a material adverse impact on our financial condition, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock

Our common stock is traded on the Nasdaq Global Select Market under the trading symbol "POOL." On February 20, 2026, there were approximately 842 holders of record of our common stock and a significantly larger number of beneficial holders of our common stock.

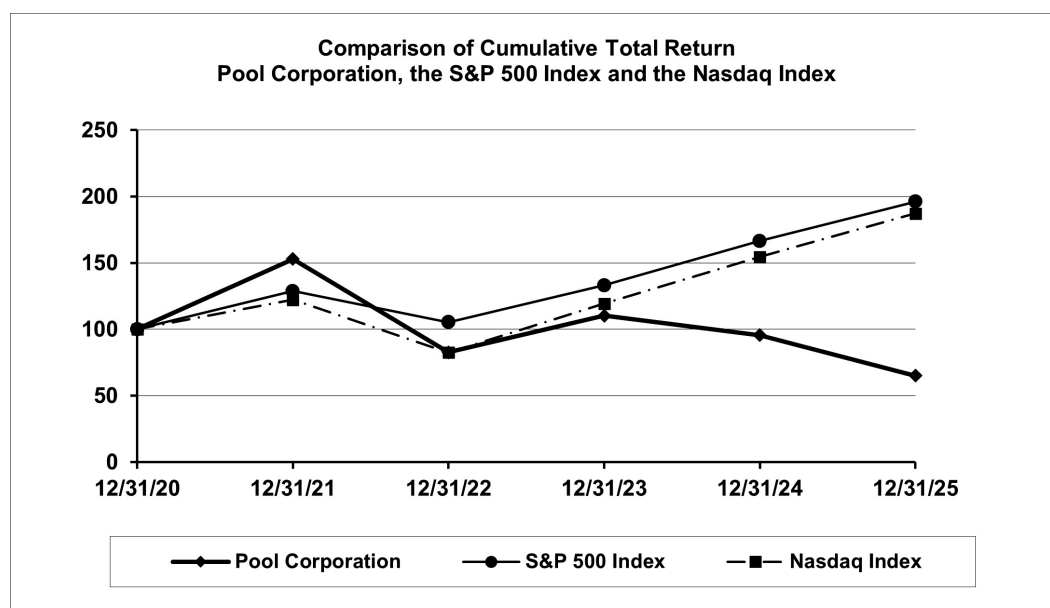
Common Stock Dividends

We initiated quarterly dividend payments to our shareholders in the second quarter of 2004 and we have continued payments in each subsequent quarter. Our Board has increased the dividend amount twenty times, most recently in the second quarters of 2011 through 2025. Our Board may declare future dividends at its discretion, after considering various factors, including our earnings, capital requirements, financial position, contractual restrictions and other relevant business considerations. For a description of restrictions on dividends in our Credit Facility, Term Facility and Receivables Facility, see Note 5 of "Notes to Consolidated Financial Statements," included in Item 8 of this Form 10-K. We cannot assure shareholders or potential investors that dividends will be declared or paid any time in the future if our Board determines that there is a better use of our funds.

Stock Performance Graph

The information included under the caption "Stock Performance Graph" in this Item 5 of this Annual Report on Form 10-K is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 (the 1934 Act) or to the liabilities of Section 18 of the 1934 Act, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the 1934 Act, except to the extent we specifically incorporate it by reference into such a filing.

The following graph compares the cumulative total shareholder return on our common stock for the last five fiscal years with the total return on the S&P 500 Index (of which we have been a member since 2020) and the Nasdaq Index for the same period, in each case assuming the investment of \$100 on December 31, 2020 and the reinvestment of all dividends. We believe the S&P 500 Index is comprised of similar-sized public companies that represent the most likely alternative investments for investors. Additionally, we chose the S&P 500 Index for comparison, as opposed to an industry index, because we do not believe that we can reasonably identify a peer group or a published industry or line-of-business index that contains a sufficient number of companies in a similar line of business.



Company / Index	Base Period	Indexed Returns Years Ending				
	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Pool Corporation	\$ 100.00	\$ 152.98	\$ 82.56	\$ 110.22	\$ 95.46	\$ 65.10
S&P 500 Index	100.00	128.71	105.40	133.10	166.40	196.16
Nasdaq Index	100.00	122.18	82.43	119.22	154.48	187.14

As shown in the graph above, our cumulative total shareholder return for the five-year period ended December 31, 2025 trailed both the S&P 500 Index and the Nasdaq Index in recent periods. During the COVID-19 pandemic (generally 2020 through 2022), we experienced unprecedented demand, driving up sales and earnings. Since the latter half of 2022, these trends moderated resulting in significantly reduced discretionary spending on new pool construction and remodeling activities. Our full-year 2025 results include a fifth consecutive year of sales exceeding \$5.0 billion, diluted earnings per share of \$10.85 and double-digit operating margin.

Issuer Purchases of Equity Securities

The table below summarizes the repurchases of our common stock in the fourth quarter of 2025:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan ⁽²⁾	Maximum Approximate Dollar Value of Shares That May Yet be Purchased Under the Plan ⁽²⁾
October 1 – October 31, 2025	68,271	\$296.07	67,046	\$493,151,746
November 1 – November 30, 2025	405,536	\$246.44	405,536	\$393,213,236
December 1 – December 31, 2025	266,733	\$233.39	266,733	\$330,961,555
Total	740,540	\$246.31	739,315	

⁽¹⁾ Includes 1,225 shares of our common stock surrendered to us during fourth quarter of 2025 by employees in order to satisfy minimum tax withholding obligations in connection with certain exercises of employee stock options or lapses upon vesting of restrictions on previously restricted share awards, and/or to cover the exercise price of such options granted under our share-based compensation plans.

⁽²⁾ In April 2025, our Board authorized an additional \$309.2 million under our share repurchase program for the repurchase of shares of our common stock in the open market at prevailing market prices bringing the total authorization available under the program to \$600.0 million. As of February 20, 2026, \$331.0 million of the authorized amount remained available for use under our current share repurchase program. The share repurchase program does not obligate us to acquire any specific amount of shares and does not have an expiration date.

Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities during the three months ended December 31, 2025.

Item 6. [RESERVED]

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For a discussion of our base business calculations, see the RESULTS OF OPERATIONS section below.

2025 FINANCIAL OVERVIEW

Financial Results

Net sales were \$5.3 billion for 2025, comparable to 2024 net sales. Sales of non-discretionary products were steady throughout the year. In the back half of the year, we noticed improved sales trends for discretionary products.

Gross margin was 29.7% in 2025 and 2024. Gross margin in 2024 included a 20 basis points benefit from the reversal of \$12.6 million for estimated import taxes. Without this benefit included in our 2024 gross margin, our 2025 gross margin improved 20 basis points, reflecting positive impacts from price increases and disciplined supply chain management.

Selling and administrative expenses (operating expenses) increased 4% to \$992.3 million in 2025 compared to \$958.1 million in 2024. The growth in expenses was primarily driven by incremental investments in our technology initiatives and sales center network expansion, as well as inflationary impacts, particularly on base wages and facility costs.

Operating income of \$580.2 million for the year was 6% lower than \$617.2 million in 2024.

Net income decreased to \$406.4 million in 2025 compared to \$434.3 million in 2024. Without the impact of the 2024 import tax reversal discussed above, 2025 operating income was 4% lower than in 2024.

Earnings per diluted share declined 4% to \$10.85 in 2025 compared to \$11.30 in 2024, which included a \$0.25 benefit from the import tax reversal discussed above. We recorded a \$4.6 million, or \$0.12 per diluted share, tax benefit from Accounting Standards Update (ASU) 2016-09, Improvements to Employee Share-Based Payment Accounting, in 2025 compared to an \$8.8 million, or \$0.23 per diluted share, tax benefit in 2024. Adjusting for the impact from ASU 2016-09 in both years, earnings per diluted share decreased 3% to \$10.73 in 2025 compared to \$11.07 in 2024. See RESULTS OF OPERATIONS below for definitions of our non-GAAP measures and reconciliations of our non-GAAP measures to GAAP measures.

Financial Position and Liquidity

Net cash provided by operations was \$365.9 million in 2025. Our cash flows were impacted by working capital investments, including increases in inventory and \$68.5 million in federal tax payments from 2024 that were deferred into 2025 due to relief granted by the IRS. The deferred tax payment increased operating cash flows in 2024 and decreased operating cash flows in 2025. Our 2025 operating cash flows helped to fund \$184.9 million of quarterly cash dividend payments to shareholders and net capital expenditures and acquisitions of \$67.2 million.

Total net receivables, including pledged receivables, increased 10% compared to December 31, 2024, primarily due to higher sales in December 2025. Our allowance for doubtful accounts was \$8.0 million at December 31, 2025 and \$8.6 million at December 31, 2024. Our days sales outstanding ratio, as calculated on a trailing four quarters basis, was 26.3 days at December 31, 2025 and at December 31, 2024.

Our inventory balance increased 13% to \$1.5 billion at December 31, 2025 compared to \$1.3 billion at December 31, 2024. This growth was primarily driven by increased purchasing ahead of price increases. Our inventory balance also reflects increases from inflation (including mid-season vendor price increases) and the addition of new and acquired sales centers. Our reserve for inventory obsolescence was \$23.9 million at December 31, 2025 compared to \$26.7 million at December 31, 2024. Our inventory turns, as calculated on a trailing four quarters basis, were 2.7 times at December 31, 2025 and 2.8 times at December 31, 2024.

Total debt outstanding of \$1.2 billion at December 31, 2025 increased \$249.1 million compared to December 31, 2024, primarily to fund open market share repurchases of \$341.1 million in 2025 and working capital needs.

Current Trends and Outlook

Consumers' investments in their homes, including backyard renovations, continue to be favorable. In recent years, steady increases in home values, lack of affordable new homes and increased mortgage rates have positioned homeowners to stay in their homes longer and upgrade their home environments, including their backyards. During the COVID-19 pandemic (generally 2020 through 2022), we experienced unprecedented demand as families spent more time at home and sought opportunities to create or expand home-based outdoor living and entertainment spaces. This trend had a positive impact on our financial performance during 2020 through 2022. Beginning in the latter half of 2022, these trends moderated resulting in lagging new pool construction and remodeling activities. Based on industry data, we estimate that new in-ground pool construction units decreased 3% to 5% from 62,000 units in 2024 to just below 60,000 units in 2025.

As in 2024, market conditions during the majority of 2025 were challenged by generally higher interest rates than the recent past, and product cost and labor inflation, which led to consumer hesitancy on discretionary spending and some cyclical suppression of demand. These market conditions impacted new pool construction and remodeling projects, particularly in the first half of the year. Throughout the year, non-discretionary maintenance product sales were stable. As lower housing turnover and market conditions encourage consumers to stay in their homes longer, we expect that consumers will continue to invest in outdoor living spaces as they consider backyards an extension of their home space. We believe that we are well positioned to benefit from the inherent long-term growth opportunities in our industry fueled by favorable population migration trends, and product developments and technological advancements as consumers focus on more sustainable and energy-efficient products.

In view of current trends, we established our outlook for 2026 based on reasonable expectations for industry demand, pricing and inflationary conditions, variable expense reductions, realization of our digital transformation initiatives and leverage of existing investments in our business. We also plan to broaden our geographic presence by opening 5 to 8 new sales centers in 2026 and by making selective acquisitions if and when appropriate opportunities arise.

We base our assumptions on normal weather conditions and do not incorporate alternative weather predictions into our guidance. Favorable weather positively impacts industry activity by accelerating growth in any given year, expanding the number of available construction days, extending the pool season and pool usage and positively impacting demand for discretionary products. Conversely, unfavorable weather typically impedes growth.

The following summarizes our outlook for 2026:

- We expect sales to be a low single digit increase compared to 2025, impacted by the following factors and assumptions:
 - normal weather patterns for 2026;
 - slight growth in sales of pool maintenance products;
 - consistent new construction units to 2025;
 - flat to slightly up renovation and remodel activity;
 - inflationary product cost increases, which generally pass through to customers, of approximately 1% to 2%; and
 - the same number of selling days each quarter compared to 2025.
- We project gross margin for the full year of 2026 to be similar to our 2025 gross margin of 29.7%. We expect our gross margin to benefit from effective supply chain management, advantageous pricing strategies and increased private label sales. Our actual gross margin will depend on changes in product and customer mix and on amounts and timing of sales and inflationary price increases.

- We expect to leverage our existing infrastructure and strategically manage discretionary spending. We project that our operating expenses in 2026 will be impacted by the following factors:
 - o an increase of approximately \$10.0 million to \$15.0 million as performance-based compensation normalizes;
 - o \$5.0 million of spend to add greenfields to our sales center network;
 - o utilization of technological solutions to enhance capacity creation;
 - o inflationary increases in areas such as labor and occupancy costs with some offsets from our efficiency initiatives; and
 - o leverage from enhanced profitability efforts at our recent greenfield locations.

In 2026, we expect our effective tax rate will be around 25% without the impact of ASU 2016-09. Our effective tax rate is dependent upon our results of operations and may change if actual results are different from our current expectations. Due to ASU 2016-09, we expect our effective tax rate will fluctuate from quarter to quarter, particularly in periods when employees elect to exercise their vested stock options or when restrictions on share-based awards lapse. We recorded a \$4.6 million benefit in our provision for income taxes for the year ended December 31, 2025 related to ASU 2016-09.

We project that 2026 earnings will be in the range of \$10.85 to \$11.15 per diluted share. Our 2026 guidance does not include any estimated unrealized tax benefits related to stock option exercises, stock option expirations or restricted stock awards vesting in 2026. We expect to continue to use cash for the payment of dividends as and when declared by our Board and to fund opportunistic share repurchases at our discretion over the next year.

The forward-looking statements in this Current Trends and Outlook section and elsewhere in this report are based on current market conditions and our current business plans, speak only as of the filing date of this report, are based on several assumptions and are subject to significant risks and uncertainties, including the sensitivity of our business to weather conditions; changes in the economy, consumer discretionary spending, the housing market, inflation, or interest rates; our ability to maintain favorable relationships with suppliers and manufacturers; competition from other leisure product alternatives or mass merchants; our ability to continue to execute our growth strategies; changes in the regulatory environment; new or additional taxes, duties or tariffs; excess tax benefits or deficiencies recognized under ASU 2016-09 and other risks detailed in Item 1A of this Form 10-K. Also see “Cautionary Statement for Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995” prior to the heading “Risk Factors” in Item 1A.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those estimates made in accordance with U.S. generally accepted accounting principles that involve a significant level of estimation uncertainty and have had, or are reasonably likely to have, a material impact on our financial condition or results of operations.

Management has discussed the development, selection and disclosure of our critical accounting estimates with the Audit Committee of our Board. Our critical accounting estimates are discussed below, including, to the extent material and reasonably available, the impact such estimates have had, or are reasonably likely to have, on our financial condition or results of operations.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts based on an estimate of the losses we will incur if our customers do not make required payments. We perform periodic credit evaluations of our customers and typically do not require collateral. Consistent with industry practices, we generally require payment from our North American customers within 30 days, except for sales under early buy programs for which we provide extended payment terms to qualified customers. The extended terms usually require payments in equal installments in April, May and June or May and June, depending on geographic location. Credit losses have generally been within or better than our expectations.

Similar to our business, our customers' businesses are seasonal. Sales are lowest in the winter months and our past due accounts receivable balance as a percentage of total receivables generally increases during this time. We provide reserves for uncollectible accounts based on our accounts receivable aging. These reserves range from 0.05% for amounts currently due to up to 100% for specific accounts more than 60 days past due.

At the end of each quarter, we perform a reserve analysis of all accounts with balances greater than \$20,000 and more than 60 days past due. Additionally, we perform a separate reserve analysis on the balance of our accounts receivables with emphasis on past due accounts. We estimate future losses based upon historical bad debts, customer receivable balances, age of customer receivable balances, customers' financial conditions and current economic trends, including certain trends in the housing market, the availability of consumer credit and general economic conditions (as commonly measured by GDP). We monitor housing market trends through review of the House Price Index as published by the Federal Housing Finance Agency, which measures the movement of single-family home prices.

During the year, we write off account balances when we have exhausted reasonable collection efforts and determined that the likelihood of collection is remote. These write-offs are charged against our allowance for doubtful accounts. In the past five years, write-offs have averaged approximately 0.10% of net sales annually. Write-offs as a percentage of net sales approximated 0.10% in 2025, 0.16% in 2024 and 0.12% in 2023. We expect that write-offs will approximate 0.10% of net sales in 2026.

At the end of each fiscal year, we prepare a hindsight analysis by comparing the prior year-end allowance for doubtful accounts balance to (i) current year write-offs and (ii) any significantly aged outstanding receivable balances. Based on our most recent hindsight analysis, we concluded that the prior year allowance was within a range of acceptable estimates and that our estimation methodology is appropriate.

If the allowance for doubtful accounts increased or decreased by 20% at December 31, 2025, pretax income would change by approximately \$1.6 million and earnings per share would change by approximately \$0.03 per diluted share (based on the number of weighted average diluted shares outstanding for the year ended December 31, 2025).

Inventory Obsolescence

Product inventories represent the largest asset on our balance sheet. Our goal is to minimize stock-outs to provide the highest level of service to our customers. To do this, we maintain an adequate inventory of stock keeping units (SKUs) with the highest sales volumes. At the same time, we continuously strive to better manage our slower moving classes of inventory, which are not as critical to our customers and thus, inherently turn at slower rates.

We establish our reserve for inventory obsolescence based on inventory with lower sales velocity and inventory with no sales for the past 12 months, which we believe represent some exposure to inventory obsolescence. The reserve is intended to reflect the value of inventory at net realizable value. We have not changed our methodology from prior years.

In evaluating the adequacy of our reserve for inventory obsolescence, we consider a combination of factors, including:

- the level of inventory in relation to historical sales by product, including inventory usage based on product sales at both the sales center level and on a company-wide basis;
- changes in customer preferences or regulatory requirements;
- seasonal fluctuations in inventory levels;
- geographic location; and
- superseded products and new product offerings.

We periodically adjust our reserve for inventory obsolescence as changes occur in the above-identified factors. At the end of each fiscal year, we prepare a hindsight analysis by comparing the prior year-end obsolescence reserve balance to (i) current year inventory write-offs and (ii) the value of products with no sales for the past 12 months that remain in inventory. Based on our most recent hindsight analysis, we concluded that our prior year reserve was within a range of acceptable estimates and that our estimation methodology is appropriate.

If the reserve for inventory obsolescence increased or decreased by 20% at December 31, 2025, pretax income would change by approximately \$4.8 million and earnings per share would change by approximately \$0.10 per diluted share (based on the number of weighted average diluted shares outstanding for the year ended December 31, 2025).

Vendor Programs

Many of our vendor arrangements provide for us to receive specified amounts of consideration when we achieve certain measures. These measures generally relate to the volume level of purchases from our vendors, or our net cost of products sold, and may include negotiated pricing arrangements. We account for consideration under vendor programs as a reduction of the prices of the vendor's products and therefore a reduction of product inventories until we sell the product, at which time we recognize such consideration as a reduction of cost of sales in our income statement.

Throughout the year, we estimate the amount earned based on our expectation of total purchases for the fiscal year relative to the purchase levels that mark our progress toward earning consideration under each program. We accrue vendor program benefits on a monthly basis using these estimates provided that we determine they are probable and reasonably estimable. Our estimates for annual purchases, future inventory levels and sales of qualifying products are driven by our sales projections, which can be significantly impacted by a number of external factors including changes in economic conditions and weather. Changes in our purchasing mix also impact our estimates, as certain program rates can vary depending on our volume of purchases from specific vendors.

We continually revise these estimates throughout the year to reflect actual purchase levels and identifiable trends. As a result, our estimated quarterly vendor program benefits accrual may include cumulative catch-up adjustments to reflect any changes in our estimates between reporting periods. These adjustments have a greater impact on gross margin in the fourth quarter since it is our seasonally slowest quarter and because the majority of our vendor arrangements are based on calendar year periods. We update our estimates for these arrangements at year end to reflect actual annual purchase or sales levels. In the first quarter of the subsequent year, we prepare a hindsight analysis by comparing actual vendor credits received to the prior year vendor receivable balances. Based on our most recent hindsight analysis, we concluded that our vendor program estimates were within a range of acceptable estimates and that our estimation methodology is appropriate.

If market conditions were to change, vendors may change the terms of some or all of these programs. Although such changes would not affect the amounts we have recorded related to products already purchased, they may lower or raise our cost for products purchased and sold in future periods.

Income Taxes

We record deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using currently enacted rates and laws that will be in effect when we expect the differences to reverse. Due to changing tax laws and state income tax rates, significant judgment is required to estimate the effective tax rate expected to apply to tax differences that are expected to reverse in the future.

We record Global Intangible Low Tax Income (GILTI) on foreign earnings as period costs if and when incurred. We have not realized any impacts since the December 2017 enactment of U.S. tax reform.

As of December 31, 2025, U.S. income taxes were not provided on the earnings or cash balances of our foreign subsidiaries, outside of the provisions of the transition tax from U.S. tax reform. As we have historically invested or expect to invest the undistributed earnings indefinitely to fund current cash flow needs in the countries where held, additional income tax provisions may be required. Determining the amount of unrecognized deferred tax liability on these undistributed earnings and cash balances is not practicable due to the complexity of tax laws and regulations and the varying circumstances, tax treatments and timing of any future repatriation.

We operate in 41 states, 1 United States territory and 11 foreign countries. We are subject to regular audits by federal, state and foreign tax authorities, and the amount of income taxes we pay is subject to adjustment by the applicable tax authorities. We recognize a benefit from an uncertain tax position only after determining it is more likely than not that the tax position will withstand examination by the applicable taxing authority. Our estimate for the potential outcome of any uncertain tax issue is highly judgmental. We regularly evaluate our tax positions and incorporate these expectations into our reserve estimates. We believe we have adequately provided for any reasonably foreseeable outcome related to these matters. However, our future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are made or resolved, or when statutes of limitation on potential assessments expire. These adjustments may include changes in valuation allowances that we have established. As a result of these uncertainties, our total income tax provision may fluctuate on a quarterly basis.

Each year, we prepare a return to provision analysis upon filing our income tax returns. Based on our most recent hindsight analysis, we concluded that our prior year income tax provision was within a range of acceptable estimates and that our provision calculation methodology is appropriate. Differences between our effective income tax rate and federal and state statutory tax rates are primarily due to excess tax benefits associated with the exercise of deductible nonqualified stock options and the lapse of restrictions on deductible restricted stock awards.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was signed into law in the U.S., including a broad range of tax reform provisions. We currently do not expect the changes resulting from the OBBBA to have a material impact on our income tax provision.

Performance-Based Compensation Accrual

The Compensation and Human Capital Management Committee of our Board (Compensation Committee) and our management have designed compensation programs intended to create a performance culture. The primary objectives of our compensation programs are to attract, motivate, reward and retain our employees without leading to unnecessary risk taking. Our compensation packages include bonus plans that are specific to groups of eligible participants and their levels and areas of responsibility. The majority of our bonus plans consist of annual cash payments that are based primarily on objective performance criteria. We calculate bonuses based on the achievement of certain key measurable financial and operational results, including operating income.

We use an annual cash performance award (annual bonus) to focus corporate behavior on short-term goals for growth, financial performance and other specific financial and business improvement metrics. Management sets the company's annual bonus objectives at the beginning of the bonus plan year using both historical information and forecasted results of operations for the current plan year. Management also establishes specific business improvement objectives for both our operating units and corporate employees. The Compensation Committee approves objectives for annual bonus plans involving executive management.

We record annual performance-based compensation accruals based on operating income achieved in a quarter as a percentage of total expected operating income for the year. Our estimate of full-year operating income incorporates management's assessment of expected incentive payouts under the bonus plan objectives and is regularly updated throughout the year.

Our quarterly performance-based compensation expense and accrual balances may vary relative to actual annual bonus expense and payouts due to differences between estimated and actual performance and the discretionary components of the bonus plans.

We generally make bonus payments at the end of February following the most recently completed fiscal year. Each year, we compare the actual bonus payouts to amounts accrued at the previous year's end to determine the accuracy of our performance-based compensation estimates. Based on our most recent hindsight analysis, we concluded that our performance-based compensation accrual balances were within a reasonable range of acceptable estimates and that our estimation methodologies are appropriate.

Impairment of Goodwill and Other Indefinite-Lived Intangible Assets

Goodwill is our largest intangible asset. At December 31, 2025, our goodwill balance was \$707.3 million, representing approximately 20% of total assets. Goodwill represents the excess of the amount we paid to acquire a company over the estimated fair value of tangible assets and identifiable intangible assets acquired less liabilities assumed.

We perform a goodwill impairment test in the fourth quarter of each year or on a more frequent basis if events or changes in circumstances occur that indicate potential impairment. We have the option of first analyzing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. When a qualitative goodwill test is performed, we analyze factors to determine whether it is more likely than not that the fair value of a reporting unit is less than the carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test. The evaluation of qualitative factors includes an assessment of relevant facts, events and circumstances including but not limited to: macroeconomic conditions, industry and market conditions, and the current and forecasted financial performance of the reporting unit. In combination with our qualitative test, we also estimate the fair value of our reporting units by projecting company-wide future cash flows using management's assumptions for sales growth rates, operating margins and discount rates. Estimated earnings multiples are then used to estimate the fair value of each reporting unit. These estimates can significantly affect the outcome of our impairment test.

To the extent our qualitative test indicates it is more likely than not that the fair value of a reporting unit is less than the carrying amount or for any reporting unit where we only perform a quantitative test, we perform a discounted cash flow analysis at the reporting unit level to estimate its fair value. If the carrying value of the reporting unit exceeds the fair value, we record a goodwill impairment charge for the difference, up to the carrying value of the goodwill. The fair value estimates used in our impairment test are determined using discounted cash flow models, which require the use of significant unobservable inputs, representative of a Level 3 fair value measurement. Since we define an operating segment as an individual sales center and we do not have operations below the sales center level, we define a reporting unit as an individual sales center.

To test the reasonableness of our fair value estimate, we compared our company-wide estimated fair value to our market capitalization as of the date of our annual impairment test. In 2025, our company-wide estimated fair value was in line with our market capitalization. To facilitate a sensitivity analysis, we reduced our consolidated fair value estimate to reflect more conservative discounted cash flow assumptions, the sensitivity of a 50 basis point increase in our estimated weighted average cost of capital or a 50 basis point decrease in the estimated perpetuity growth rate. Our sensitivity analysis resulted in a fair value modestly lower than our market capitalization and did not result in the identification of additional locations for which it is more likely than not that the fair value is less than the carrying amount.

If our assumptions or estimates in our fair value calculations change or if operating results are less than forecasted, we could incur impairment charges in future periods. Impairment charges would decrease operating income, negatively impact diluted EPS and result in lower asset values on our balance sheet.

As of October 1, 2025, we had 253 reporting units with allocated goodwill balances. Our most significant goodwill balance of \$401.6 million was related to our Porpoise Pool & Patio reporting unit. The average goodwill balance of our remaining reporting units was \$1.2 million.

In October 2025, we performed our annual goodwill impairment test and recorded an aggregate goodwill impairment charge of \$0.3 million related to our reporting unit in Germany and the closure of a Horizon reporting unit in Florida. We performed a discounted cash flow analysis for these reporting units and determined that the estimated fair value of the reporting units no longer exceeded their carrying value. In connection with our testing, we also identified one of our reporting units in Tennessee with goodwill of \$12.1 million as most at risk for goodwill impairment due to marginal results in recent years. We performed a discounted cash flow analysis for this reporting unit and its estimated fair value exceeded its carrying value by 7.0%. The most sensitive assumptions related to our fair value for this location relate to the timing of macroeconomic market improvements and their impact on future projected sales growth.

In October 2024, we performed our annual goodwill impairment test and did not record any goodwill impairment at the reporting unit level.

In September 2023, we recorded an aggregate goodwill impairment charge of \$0.6 million, primarily related to one of our Horizon reporting units in Texas that we previously identified as being most at risk of goodwill impairment. We had been monitoring this location's results, which came in below expectations at the end of the 2023 season. We performed an interim goodwill impairment analysis, which included a discounted cash flow analysis, and determined that the estimated fair value of the reporting unit no longer exceeded its carrying value. Following this, in October 2023, we performed our annual goodwill impairment test and did not recognize any goodwill impairment at the reporting unit level.

Recent Accounting Pronouncements

See Note 1 of "Notes to Consolidated Financial Statements," included in Item 8 of this Form 10-K for details.

RESULTS OF OPERATIONS

The table below summarizes information derived from our Consolidated Statements of Income expressed as a percentage of net sales for the past three fiscal years:

	Year Ended December 31,		
	2025	2024	2023
Net sales	100.0%	100.0%	100.0%
Cost of sales	70.3	70.3	70.0
Gross profit	29.7	29.7	30.0
Operating expenses	18.8	18.0	16.5
Operating income	11.0	11.6	13.5
Interest and other non-operating expenses, net	0.9	0.9	1.1
Income before income taxes and equity in earnings	10.1%	10.7%	12.4%

Note: Due to rounding, percentages may not add to operating income or income before income taxes and equity in earnings.

Our discussion of consolidated operating results includes the operating results from acquisitions in 2025, 2024 and 2023. We have included the results of operations in our consolidated results since the respective acquisition dates.

Fiscal Year 2025 compared to Fiscal Year 2024

Base Business

When calculating our base business results, we exclude for a period of 15 months sales centers that are acquired, opened in new markets or closed. We also exclude consolidated sales centers when we do not expect to maintain the majority of the existing business and existing sales centers that are consolidated with acquired sales centers.

We generally allocate corporate overhead expenses to excluded sales centers on the basis of their net sales as a percentage of total net sales. After 15 months, we include acquired, consolidated and new market sales centers in the base business calculation including the comparative prior year period.

We have not provided separate base business income statements within this Form 10-K as base business results for the quarter and year ended December 31, 2025 closely approximated consolidated results. Excluded sales centers contributed less than 1% to the change in our reported net sales.

The table below summarizes the changes in our sales center count during 2025:

December 31, 2024	448
Acquired locations	3
New locations	8
Consolidated/closed locations	(3)
December 31, 2025	456

For information about our recent acquisitions, see Note 2 of “Notes to Consolidated Financial Statements,” included in Item 8 of this Form 10-K.

Net Sales

(in millions)

	Year Ended December 31,		Change	
	2025	2024		
Net sales	\$ 5,289.4	\$ 5,311.0	\$ (21.6)	–%

Net sales in 2025 were consistent with 2024. During 2025, maintenance product sales held steady, indicating stable demand for non-discretionary products. Sales volumes for discretionary products declined, impacted by unfavorable macroeconomic conditions.

The following factors impacted our 2025 sales and are listed in order of estimated magnitude:

- stable maintenance product sales;
- lower sales volume of products used in pool construction and discretionary activities (see discussion below); and
- a benefit of approximately 2% to 3% from inflationary product cost increases, partially offset by 1% price deflation on some items.

In 2025, sales of equipment for maintenance, renovation and new construction activities, including swimming pool heaters, pumps, lights, filters and automation devices, were flat compared to 2024 and represented approximately 31% of net sales in 2025. Sales of building materials, which are primarily used in new pool construction and remodeling, were also comparable to 2024 and represented approximately 12% of net sales in 2025.

2025 Quarterly Sales Performance Compared to 2024 Quarterly Sales Performance

	Quarter			
	2025			
	First	Second	Third	Fourth
Net Sales (Decline) Growth	(4)%	1%	1%	(1)%

- In the first quarter of 2025, net sales were anchored by consistent sales of non-discretionary products while sales of discretionary products continued to feel downward pressure from macroeconomic constraints and unfavorable weather in January and February. Net sales benefited approximately 2% from inflationary product cost increases, partially offset by 1% price deflation on certain items. One less selling day also lowered sales.
- Although the market environment remained constrained in the second quarter of 2025, we saw overall sales expansion and discretionary activities were less of a drag on overall sales. Net sales benefited approximately 2% to 3% from inflationary product cost increases, partially offset by 1% price deflation on certain items.
- Net sales in the third quarter of 2025 were supported by stable demand for maintenance products and sales growth of building materials products. Net sales benefited approximately 3% from inflationary product cost increases, partially offset by 1% price deflation on certain items.
- Sales in the fourth quarter of 2025 were impacted by lower sales volumes compared to the fourth quarter of 2024, which benefited from repair and replacement activity following Hurricanes Helene and Milton in Florida. Net sales benefited approximately 3% from inflationary product cost increases, partially offset by 1% price deflation on certain items.

In addition to the sales discussion above, see further details of significant weather impacts under the subheading *Seasonality and Quarterly Fluctuations* below.

Gross Profit

(in millions)	Year Ended December 31,		Change	
	2025	2024		
Gross profit	\$ 1,572.5	\$ 1,575.3	\$ (2.8)	–%
Gross margin	29.7%	29.7%		

Gross margin was 29.7% in 2025 and 2024. In 2024, gross margin benefited 20 basis points from the reversal of \$12.6 million for estimated import taxes. In 2025, our gross margin reflected positive impacts from our strategic pricing and supply chain initiatives, partially offset by a less advantageous customer mix and the absence of the import tax reversal recognized in the prior year.

Operating Expenses

(in millions)	Year Ended December 31,		Change	
	2025	2024		
Selling and administrative expenses	\$ 992.3	\$ 958.1	\$ 34.2	4%
Operating expenses as a percentage of net sales	18.8%	18.0%		

Operating expenses increased 4%, or \$34.2 million, to \$992.3 million in 2025, up from \$958.1 million in 2024. Our operating expenses have increased due to investments in our technology initiatives and expanding our sales center network, along with inflationary impacts on rent, base wages and insurance.

Interest and Other Non-operating Expenses, net

Interest and other non-operating expenses, net decreased \$3.5 million compared to 2024, primarily due to a decrease in the weighted average effective interest rate between periods, which includes benefits from our 2025 refinancings. Our weighted average effective interest rate was 4.5% in 2025 and 5.2% in 2024 on average outstanding debt of \$1.0 billion in 2025 versus \$956.3 million in 2024.

Income Taxes

Our effective income tax rate was 23.8% at December 31, 2025 and 23.4% at December 31, 2024. We recorded a \$4.6 million, or \$0.12 per diluted share, benefit from ASU 2016-09 for the year ended December 31, 2025 compared to a benefit of \$8.8 million, or \$0.23 per diluted share, realized in 2024. Without the benefits from ASU 2016-09, our effective tax rate was 24.7% for the year ended 2025 and 25.0% for the year ended 2024.

Net Income and Earnings Per Share

Net income decreased to \$406.4 million in 2025 compared to \$434.3 million in 2024. Earnings per diluted share declined 4% to \$10.85 in 2025 compared to \$11.30 in 2024.

Reconciliation of Non-GAAP Financial Measures

The non-GAAP measures described below should be considered in the context of all of our other disclosures in this Form 10-K.

Adjusted Diluted EPS

We have included adjusted diluted EPS, a non-GAAP financial measure, as a supplemental disclosure, because we believe this measure is useful to management, investors and others in assessing our period-to-period operating performance.

Adjusted diluted EPS is a key measure used by management to demonstrate the impact of tax benefits from ASU 2016-09 on our diluted EPS and to provide investors and others with additional information about our potential future operating performance to supplement GAAP measures.

We believe this measure should be considered in addition to, not as a substitute for, diluted EPS presented in accordance with GAAP, and in the context of our other disclosures in this Form 10-K. Other companies may calculate this non-GAAP financial measure differently than we do, which may limit its usefulness as a comparative measure.

The table below presents a reconciliation of diluted EPS to adjusted diluted EPS.

(Unaudited)	Year Ended December 31,	
	2025	2024
Diluted EPS	\$ 10.85	\$ 11.30
Less: ASU 2016-09 tax benefit	0.12	0.23
Adjusted diluted EPS	<u>\$ 10.73</u>	<u>\$ 11.07</u>

Fiscal Year 2024 compared to Fiscal Year 2023

For a detailed discussion of the Results of Operations in Fiscal Year 2024 compared to Fiscal Year 2023, see the Results of Operations section of Management's Discussion and Analysis included in Part II, Item 7 of our 2024 Annual Report on Form 10-K.

Seasonality and Quarterly Fluctuations

For discussion regarding the effects seasonality and weather have on our business, see Item 1, “Business,” of this Form 10-K.

The following table presents certain unaudited quarterly income statement and balance sheet data for the most recent eight quarters to illustrate seasonal fluctuations in these amounts. We believe this information reflects all normal and recurring adjustments considered necessary for a fair presentation of this data. The results of any one or more quarters are not necessarily a good indication of results for an entire fiscal year or of continuing future trends for a variety of reasons, including the seasonal nature of our business and the impact of new and acquired sales centers.

(Unaudited) (in thousands)	QUARTER							
	2025				2024			
	First	Second	Third	Fourth	First	Second	Third	Fourth
Statement of Income Data								
Net sales	1,071,526	1,784,530	1,451,131	982,209	1,120,810	1,769,784	1,432,879	987,480
Gross profit	312,369	535,161	429,183	295,745	338,560	530,141	416,403	290,244
Operating income	77,538	272,670	177,987	52,008	108,720	271,481	176,353	60,651
Net income	53,545	194,258	127,013	31,587	78,885	192,439	125,701	37,300
Net sales as a % of annual net sales	20%	34%	27%	19%	21%	33%	27%	19%
Gross profit as a % of annual gross profit	20%	34%	27%	19%	21%	34%	26%	18%
Operating income as a % of annual operating income	13%	47%	31%	9%	18%	44%	29%	10%
Balance Sheet Data								
Total receivables, net	497,076	576,804	443,609	347,803	527,175	577,529	425,693	314,861
Product inventories, net	1,460,680	1,330,221	1,223,809	1,454,672	1,496,947	1,295,600	1,180,491	1,289,300
Accounts payable	890,167	529,316	457,319	652,619	907,806	515,645	401,702	525,235
Total debt	1,025,090	1,229,919	1,062,002	1,199,453	979,177	1,116,553	923,829	950,356

Note: Due to rounding, the sum of quarterly percentage amounts may not equal 100%.

Weather Impacts on Fiscal Year 2025 to Fiscal Year 2024 Comparisons

Weather conditions in the first quarter of 2025 were mixed across our key markets. Early January snowstorms and overall cooler temperatures through much of February negatively impacted early season sales activity. While March brought warmer and drier weather, these improvements provided only partial relief to our sales trends and were insufficient to offset the slower start to the quarter. During the first quarter of 2024, above-average temperatures in some regions, including California, contributed positively to economic activities. However, the adverse effects of cooler and wetter weather in Florida and the Southeast, and excessive precipitation in Texas and the Northeast, outweighed the positives, resulting in an overall unfavorable impact on net sales.

Weather conditions in the second quarter of 2025 were generally marked by above-average temperatures and higher-than-normal precipitation. Warm conditions generally supported seasonal trends, though localized disruptions occurred due to severe storms, flash flooding and tornado outbreaks, particularly in April and May. Around mid-June, we observed intense heat across many regions, further supporting demand in key markets. Overall, while weather patterns were variable, we believe that the net impact on our results was broadly neutral. In the second quarter of 2024, weather across the U.S. was mixed, with wetter conditions in the central regions and Texas, drier conditions in the West, and warmer-than-average temperatures, especially in June, supporting maintenance activities and leading to varied impacts across our markets.

Temperatures in the third quarter of 2025 were above average in several regions, including the Northwest, Midwest, South and Western regions. Localized flooding occurred early in the quarter, followed by drought conditions across the Central and Western regions. In the third quarter of 2024, temperatures were slightly warmer than the third quarter of 2025, and there were more variable weather conditions in the third quarter of 2024 with several notable weather events. Overall, weather conditions did not significantly impact our sales results for the third quarter of 2025.

Weather conditions in the fourth quarter of 2025 were generally warmer than average across much of the U.S., particularly in October and November. Precipitation patterns were mixed, with localized drought conditions in parts of the central regions and variable rainfall elsewhere. In October, rainy weather in California slowed sales, which is typically among Horizon's busier months. December brought colder temperatures and winter weather in North and Northeastern markets, consistent with normal seasonal patterns. In 2024, repair and replacement activity following Hurricanes Helene and Milton provided some weather-related benefits to Florida's results, contributing to an increase in consolidated sales of approximately 1%. Overall, the fourth quarter of 2025 did not see similar benefits from weather conditions as the fourth quarter of 2024.

Weather Impacts on Fiscal Year 2024 to Fiscal Year 2023 Comparisons

For a detailed discussion of Weather Impacts on Fiscal Year 2024 compared to Fiscal Year 2023, see the Seasonality and Quarterly Fluctuations section of Management's Discussion and Analysis included in Part II, Item 7 of our 2024 Annual Report on Form 10-K.

Geographic Areas

Since all of our sales centers have similar operations and share similar economic characteristics, we aggregate our sales centers into a single reportable segment. For additional details, see Note 1 of our "Notes to Consolidated Financial Statements," included in Item 8 of this Form 10-K.

For a breakdown of net sales and property, plant and equipment between our United States and international operations, see Item 1, "Business," of this Form 10-K.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is defined as the ability to generate adequate amounts of cash to meet short-term and long-term cash needs. We assess our liquidity in terms of our ability to generate cash to fund our operating activities, taking into consideration the seasonal nature of our business. Significant factors which could affect our liquidity include the following:

- cash flows generated from operating activities;
- the adequacy of available bank lines of credit;
- the quality of our receivables;
- acquisitions;
- dividend payments;
- capital expenditures;
- changes in income tax laws and regulations;
- the timing and extent of share repurchases; and
- the ability to attract long-term capital with satisfactory terms.

Our primary capital needs are seasonal working capital obligations, debt repayment obligations and other general corporate initiatives, including acquisitions, opening new sales centers, technology-related investments, dividend payments and discretionary share repurchases. Our primary working capital obligations are for the purchase of inventory, payroll, rent, other facility costs and selling and administrative expenses. Our working capital obligations fluctuate during the year, driven primarily by seasonality and the timing of inventory purchases. Our primary sources of working capital are cash from operations supplemented by bank borrowings, which have historically been sufficient to support our growth and finance acquisitions. We have funded our capital expenditures and share repurchases in substantially the same manner.

We prioritize our use of cash based on investing in our business, maintaining a prudent capital structure, including a modest amount of debt, and returning cash to our shareholders through dividends and share repurchases. Our specific priorities for the use of cash are as follows:

- capital expenditures primarily for maintenance and growth of our sales center network, technology-related investments and fleet vehicles;
- inventory and other operating expenses;
- strategic acquisitions executed opportunistically;
- payment of cash dividends as and when declared by our Board;
- repayment of debt to maintain an average total target leverage ratio (as defined below) between 1.5 and 2.0; and
- discretionary repurchases of our common stock under our Board authorized share repurchase program.

We focus our capital expenditure plans based on the needs of our existing sales centers and the opening of new sales centers. Our capital spending primarily relates to leasehold improvements, delivery and service vehicles and information technology. In recent years, we have increased our investment in technology and automation enabling us to operate more efficiently and better serve our customers.

Historically, our capital expenditures have averaged roughly 1.0% of net sales. Capital expenditures were 1.1% of net sales in 2025, 2024 and 2023. Based on management's current plans, we project capital expenditures for 2026 will be approximately 1% to 1.5% of net sales.

We believe we have adequate availability of capital to fund present operations and the current capacity to finance any working capital needs that may arise. We continually evaluate potential acquisitions and hold discussions with acquisition candidates. If suitable acquisition opportunities arise that would require financing, we believe that we have the ability to finance any such transactions.

As of February 20, 2026, \$331.0 million remained available to purchase shares of our common stock under our current Board-approved share repurchase plan program. We expect to repurchase additional shares in the open market from time to time subject to market conditions. We plan to fund these repurchases with cash provided by operations and borrowings under our credit and receivables facilities described below.

Sources and Uses of Cash

The following table summarizes our cash flows (in thousands):

	Year Ended December 31,	
	2025	2024
Operating activities	\$ 365,850	\$ 659,186
Investing activities	(67,792)	(66,169)
Financing activities	(273,379)	(576,550)

Cash provided by operations of \$365.9 million for 2025 decreased \$293.3 million compared to 2024. The change in net cash flow from operations is mainly attributable to increased working capital investments, such as higher inventory balances, and \$68.5 million in federal tax payments deferred from 2024 into 2025 as a result of relief granted by the IRS. This deferred tax payment increased operating cash flows in 2024 and decreased operating cash flows in 2025.

Cash used in investing activities increased \$1.6 million to \$67.8 million in 2025, primarily reflecting an increase of \$6.1 million in payments for acquisitions compared to 2024, partially offset by a decrease of \$3.1 million in net capital expenditures between years.

Cash used in financing activities decreased to \$273.4 million in 2025 compared to \$576.6 million in 2024. The change in financing activities primarily reflects \$249.5 million of net debt proceeds in 2025 versus \$101.7 million of net debt payments in 2024, partially offset by increases in share repurchases of \$40.0 million and dividends paid of \$5.3 million in 2025 versus 2024.

For a discussion of our sources and uses of cash in 2023, see the Liquidity and Capital Resources – Sources and Uses of Cash section of Management's Discussion and Analysis included in Part II, Item 7 of our 2024 Annual Report on Form 10-K.

Future Sources and Uses of Cash

To supplement cash from operations as our primary source of working capital, we plan to continue to utilize our three major credit facilities, which are the Fourth Amended and Restated Credit Facility (the Credit Facility), the Term Facility (the Term Facility) and the Receivables Securitization Facility (the Receivables Facility). For additional details regarding these facilities, see the summary descriptions below and more complete descriptions in Note 5 of our “Notes to Consolidated Financial Statements,” included in Item 8 of this Form 10-K.

Credit Facility

Our Credit Facility provides for \$1.3 billion in borrowing capacity consisting of an \$800.0 million revolving credit facility and a \$500.0 million term loan facility. The Credit Facility also includes an accordion feature permitting us to request one or more incremental term loans or revolving credit facility commitment increases up to \$250.0 million and sublimits for the issuance of swingline loans and standby letters of credit. We pay interest on revolving and term loan borrowings under the Credit Facility at a variable rate based on the one-month term secured overnight financing rate (SOFR), plus an applicable margin. The term loan requires quarterly amortization payments commencing on September 30, 2027 with all remaining principal due on September 30, 2029. We intend to continue to use the Credit Facility for general corporate purposes, for future share repurchases and to fund future growth initiatives.

At December 31, 2025, there was \$925.1 million outstanding, including a \$500.0 million term loan, with \$14.4 million in standby letters of credit outstanding and \$360.5 million available for borrowing under the Credit Facility. The weighted average effective interest rate for the Credit Facility as of December 31, 2025 was approximately 4.0%, excluding commitment fees and including the impact of our interest rate swaps.

Term Facility

Our Term Facility provides for \$90.0 million in borrowing capacity. We pay interest on borrowings under the Term Facility at a variable rate based on one-month Term SOFR, plus an applicable margin. The Term Facility is repaid in quarterly installments of 1.250% of the Term Facility beginning in the third quarter of 2027, with the final principal repayment due on September 30, 2029. We may prepay amounts outstanding under the Term Facility without penalty other than interest breakage costs.

At December 31, 2025, the Term Facility had an outstanding balance of \$90.0 million at a weighted average effective interest rate of 5.0%

Receivables Securitization Facility

Our two-year accounts receivable securitization facility offers us a lower-cost form of financing. Under this facility, we can borrow up to \$375.0 million between April through May and from \$210.0 million to \$350.0 million during the remaining months of the year. We pay interest on borrowings under the Receivables Facility at a variable rate based on one-month Term SOFR, plus an applicable margin. The Receivables Facility matures on October 30, 2026.

The Receivables Facility provides for the sale of certain of our receivables to a wholly owned subsidiary (the Securitization Subsidiary). The Securitization Subsidiary transfers variable undivided percentage interests in the receivables and related rights to certain third-party financial institutions in exchange for cash proceeds, limited to the applicable funding capacities. Upon payment of the receivables by customers, rather than remitting to the financial institutions the amounts collected, we retain such collections as proceeds for the sale of new receivables until payments become due.

At December 31, 2025, there was \$174.5 million outstanding under the Receivables Facility at a weighted average effective interest rate of 4.6%, excluding commitment fees.

Financial Covenants

Financial covenants of the Credit Facility, Term Facility and Receivables Facility include maintenance of a maximum average total leverage ratio and a minimum fixed charge coverage ratio, which are our most restrictive financial covenants. As of December 31, 2025, the calculations of these two covenants are detailed below:

- ***Maximum Average Total Leverage Ratio.*** On the last day of each fiscal quarter, our average total leverage ratio must be less than 3.25 to 1.00. Average Total Leverage Ratio is the ratio of the sum of (i) Total Non-Revolving Funded Indebtedness as of such date, (ii) the trailing twelve months (TTM) Average Total Revolving Funded Indebtedness and (iii) the TTM Average Accounts Securitization Proceeds divided by TTM EBITDA (as those terms are defined in the Credit Facility). As of December 31, 2025, our average total leverage ratio equaled 1.67 (compared to 1.42 as of December 31, 2024) and the TTM average total indebtedness amount used in this calculation was \$1.1 billion.
- ***Minimum Fixed Charge Coverage Ratio.*** On the last day of each fiscal quarter, our fixed charge ratio must be greater than or equal to 2.25 to 1.00. Fixed Charge Ratio is the ratio of the TTM EBITDAR divided by TTM Interest Expense paid or payable in cash plus TTM Rental Expense (as those terms are defined in the Credit Facility). As of December 31, 2025, our fixed charge ratio equaled 4.78 (compared to 5.07 as of December 31, 2024) and TTM Rental Expense was \$112.2 million.

The Credit Facility and Term Facility limit the declaration and payment of dividends on our common stock to a manner consistent with past practice, provided no default or event of default has occurred and is continuing, or would result from the payment of dividends. We may declare and pay quarterly dividends so long as (i) the amount per share of such dividends is not greater than the most recently publicly announced amount of dividends per share and (ii) our Average Total Leverage Ratio is less than 3.25 to 1.00 both immediately before and after giving pro forma effect to such dividends. Under the Credit Facility and Term Facility, we may repurchase shares of our common stock provided no default or event of default has occurred and is continuing, or would result from the repurchase of shares, and our maximum average total leverage ratio (determined on a pro forma basis) is less than 3.25 to 1.00.

Other covenants in each of our credit facilities include restrictions on our ability to grant liens, incur indebtedness, make investments, merge or consolidate, and sell or transfer assets. Failure to comply with any of our financial covenants or any other terms of the Credit Facility and the Term Facility could result in, among other things, higher interest rates on our borrowings or the acceleration of the maturities of our outstanding debt.

Interest Rate Swaps

We utilize interest rate swap contracts to reduce our exposure to fluctuations in variable interest rates for future interest payments on our variable rate borrowings. Interest expense related to the notional amounts under all swap contracts is based on applicable fixed rates plus the applicable margin on the respective borrowings.

As of December 31, 2025, we had two interest rate swap contracts in place, each of which has the effect of converting our exposure to variable interest rates on a portion of our variable rate borrowings to fixed interest rates. For more information, see Note 5 of “Notes to Consolidated Financial Statements” included in Item 8 of this Form 10-K.

Compliance and Future Availability

As of December 31, 2025, we were in compliance with all covenants and financial ratio requirements under our Credit Facility, our Term Facility and our Receivables Facility. We believe we will remain in compliance with all covenants and financial ratio requirements throughout the next 12 months. For additional information regarding our debt arrangements, see Note 5 of “Notes to Consolidated Financial Statements,” included in Item 8 of this Form 10-K.

Future Obligations

We have certain fixed contractual obligations and commitments that include future estimated payments for general operating purposes. Changes in our business needs, fluctuating interest rates and other factors may result in actual payments differing from our estimates. We cannot provide certainty regarding the timing and amounts of these payments. The following table summarizes our obligations as of December 31, 2025 (in thousands) that are expected to impact liquidity and cash flow in future periods. We believe we will be able to fund these obligations through our existing cash, cash expected to be generated from operations, borrowings on our facilities and proceeds from any future refinancing transactions.

	Total	Payments Due by Period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt	\$ 1,202,629	\$ 187,529	\$ 44,250	\$ 970,850	\$ —
Operating leases	387,601	106,657	161,568	85,926	33,450
Purchase obligations	131,094	30,490	67,318	33,286	—
	<u>\$ 1,721,324</u>	<u>\$ 324,676</u>	<u>\$ 273,136</u>	<u>\$ 1,090,062</u>	<u>\$ 33,450</u>

The significant assumptions used in our determination of amounts presented in the above table are as follows:

- Long-term debt amounts represent only the future principal payments on our debt as of December 31, 2025. Estimates of interest payable on this debt is separately reflected in the table appearing below. On our Consolidated Balance Sheets, we classify the entire outstanding balance of the Receivables Facility as Long-term debt as we intend and have the ability to refinance the obligations on a long-term basis. For additional information regarding our debt arrangements, see Note 5 of our “Notes to Consolidated Financial Statements,” included in Item 8 of this Form 10-K.
- Operating lease amounts include future rental payments under the current terms of our operating leases. For additional information regarding our operating leases, see Note 9 of our “Notes to Consolidated Financial Statements,” included in Item 8 of this Form 10-K.
- Purchase obligations include all legally binding contracts such as firm minimum commitments for inventory purchases and software commitments. We issue inventory purchase orders in the normal course of business, which represent authorizations to purchase that are cancellable by their terms. We do not consider our cancellable purchase orders to be firm inventory commitments; therefore, they are excluded from the table above.

For certain of our future obligations, such as unrecognized tax benefits, uncertainties exist regarding the timing of future payments and the amount by which these potential obligations will increase or decrease over time. As such, we have excluded unrecognized tax benefits from the table above. See Note 7 of “Notes to Consolidated Financial Statements,” included in Item 8 of this Form 10-K for additional discussion related to our unrecognized tax benefits. The table also excludes various other liabilities that are not contractual in nature, including contingent liabilities, litigation accruals and contract termination fees.

The table below contains estimated interest payments (in thousands) related to our long-term debt obligations presented in the table above. We calculated estimates of future interest payments based on the December 31, 2025 outstanding debt balances, using the fixed rates under our interest rate swap agreements for the applicable notional amounts and the weighted average effective interest rates as of December 31, 2025 for the remaining outstanding balances not covered by our swap contracts. To project the estimated interest expense to coincide with the time periods used in the table above, we projected the estimated debt balances for future years based on the scheduled maturity dates of the Credit Facility, the Term Facility and the Receivables Facility. Our actual interest payments could vary substantially from the amounts projected.

	Total	Estimated Interest Payments Due by Period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Interest	<u>\$ 175,004</u>	<u>\$ 44,023</u>	<u>\$ 95,107</u>	<u>\$ 35,874</u>	<u>\$ —</u>

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks, including interest rate risk and foreign currency risk. The adverse effects of potential changes in these market risks are discussed below. The following discussion does not consider the effects of the reduced level of overall economic activity that could exist following such changes. Further, in the event of changes of such magnitude, we would likely take actions to mitigate our exposure to such changes.

Interest Rate Risk

Our earnings are exposed to changes in short-term interest rates because of the variable interest rates on our debt. However, we have entered into interest rate swap contracts to reduce our exposure to interest rate fluctuations. For information about our debt arrangements and interest rate swaps, see Note 5 of “Notes to Consolidated Financial Statements,” included in Item 8 of this Form 10-K.

In 2025, there was no interest rate risk related to the notional amounts under our interest rate swap contracts. The portions of our outstanding balances under the Credit Facility, Term Facility and the Receivables Facility that were not covered by our interest rate swap contracts were subject to variable interest rates. To calculate the potential impact in 2025 related to interest rate risk, we performed a sensitivity analysis assuming that we borrowed the maximum \$1.3 billion available under the Credit Facility, the \$375 million maximum available under the Receivables Facility and the full \$500 million outstanding under our Term Facility. In this analysis, we assumed that the variable interest rates for each facility increased by 1.0%. Based on this calculation, our pretax income would have decreased by approximately \$13.7 million and earnings per share would have decreased by approximately \$0.27 per diluted share (based on the number of weighted average diluted shares outstanding for the year ended December 31, 2025).

Failure of our swap counterparties would result in the loss of any potential benefit to us under our swap agreements. In this case, we would still be obligated to pay the variable interest payments underlying our debt agreements. Additionally, failure of our swap counterparties would not eliminate our obligation to continue to make payments under our existing swap agreements if we continue to be in a net pay position.

Currency Risk

Changes in the exchange rates for the functional currencies of our international subsidiaries, as shown in the table below, may positively or negatively impact our sales, operating expenses and earnings. Historically, we have not hedged our currency exposure and fluctuations in exchange rates have not materially affected our operating results. While our international operations, including Canada and Mexico, accounted for only 7% of total net sales in 2025, our exposure to currency rate fluctuations could be material in 2026 and future years to the extent that either currency rate changes are significant or that our international operations comprise a larger percentage of our consolidated results.

Functional Currencies	
Canada	Canadian Dollar
United Kingdom	British Pound
Belgium	Euro
Croatia	Euro
France	Euro
Germany	Euro
Italy	Euro
Portugal	Euro
Spain	Euro
Mexico	Mexican Peso
Australia	Australian Dollar

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	48
Consolidated Statements of Income	50
Consolidated Statements of Comprehensive Income	51
Consolidated Balance Sheets	52
Consolidated Statements of Cash Flows	53
Consolidated Statements of Changes in Stockholders' Equity	54
Notes to Consolidated Financial Statements	55

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Pool Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Pool Corporation (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 26, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Valuation of Goodwill

Description of the Matter

At December 31, 2025, the Company's goodwill was \$707.3 million, including \$401.6 million of goodwill relating to one reporting unit. As discussed in Note 3 of the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level. The Company's goodwill is assigned to reporting units as of the acquisition date.

Auditing management's annual goodwill impairment test for this reporting unit was complex and highly judgmental due to the estimation required to determine the fair value of the reporting unit. In particular, the fair value estimate is sensitive to certain assumptions, such as changes in the weighted average cost of capital, revenue growth rate, operating margin, and terminal growth rate which are affected by expectations about future market or economic conditions.

*How We Addressed
the Matter in Our
Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's goodwill impairment review process, including controls over management's review of the significant assumptions described above.

To test the estimated fair value of the Company's largest reporting unit, we performed audit procedures that included, among others, assessing methodologies and testing the significant assumptions discussed above and the underlying data used by the Company in its analysis. We compared the significant assumptions used by management to current industry and economic trends and other relevant factors, such as historical results. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the assumptions. We also involved a specialist to assist in our evaluation of the valuation methodology applied by the Company and certain significant assumptions used in estimating the fair value of the reporting unit. In addition, we reviewed the comparison of the Company's fair value of its largest reporting unit and the fair value of all other reporting units to the Company's market capitalization.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1994.

New Orleans, Louisiana
February 26, 2026

POOL CORPORATION
Consolidated Statements of Income
(In thousands, except per share data)

	Year Ended December 31,		
	2025	2024	2023
Net sales	\$ 5,289,396	\$ 5,310,953	\$ 5,541,595
Cost of sales	3,716,938	3,735,606	3,881,551
Gross profit	1,572,458	1,575,347	1,660,044
Selling and administrative expenses	992,254	958,143	913,477
Operating income	580,204	617,204	746,567
Interest and other non-operating expenses, net	46,770	50,250	58,431
Income before income taxes and equity in earnings	533,434	566,954	688,136
Provision for income taxes	127,132	132,836	165,084
Equity in earnings of unconsolidated investments, net	102	207	177
Net income	<u>\$ 406,404</u>	<u>\$ 434,325</u>	<u>\$ 523,229</u>
Earnings per share attributable to common stockholders:			
Basic	<u>\$ 10.89</u>	<u>\$ 11.37</u>	<u>\$ 13.45</u>
Diluted	<u>\$ 10.85</u>	<u>\$ 11.30</u>	<u>\$ 13.35</u>
Weighted average common shares outstanding:			
Basic	<u>37,149</u>	<u>38,007</u>	<u>38,704</u>
Diluted	<u>37,288</u>	<u>38,228</u>	<u>38,997</u>
Cash dividends declared per common share	\$ 4.95	\$ 4.70	\$ 4.30

The accompanying Notes are an integral part of these Consolidated Financial Statements.

POOL CORPORATION
Consolidated Statements of Comprehensive Income
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	<u>\$ 406,404</u>	<u>\$ 434,325</u>	<u>\$ 523,229</u>
Other comprehensive income (loss):			
Foreign currency translation adjustments	15,765	(16,389)	6,909
Unrealized losses on interest rate swaps, net of the change in taxes of \$2,874, \$1,285 and \$2,074	<u>(8,621)</u>	<u>(3,857)</u>	<u>(6,222)</u>
Total other comprehensive income (loss)	<u>7,144</u>	<u>(20,246)</u>	<u>687</u>
Comprehensive income	<u><u>\$ 413,548</u></u>	<u><u>\$ 414,079</u></u>	<u><u>\$ 523,916</u></u>

The accompanying Notes are an integral part of the Consolidated Financial Statements.

POOL CORPORATION
Consolidated Balance Sheets
(In thousands, except share data)

	December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 104,963	\$ 77,862
Receivables, net	136,063	115,835
Receivables pledged under receivables facility	211,740	199,026
Product inventories, net	1,454,672	1,289,300
Prepaid expenses and other current assets	62,426	47,091
Total current assets	1,969,864	1,729,114
Property and equipment, net	267,065	251,324
Goodwill	707,345	698,910
Other intangible assets, net	283,882	290,732
Equity interest investments	1,576	1,439
Operating lease assets	327,398	314,853
Other assets	68,996	81,812
Total assets	\$ 3,626,126	\$ 3,368,184
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 652,619	\$ 525,235
Accrued expenses and other current liabilities	109,301	171,194
Short-term borrowings and current portion of long-term debt	13,029	49,473
Current operating lease liabilities	105,336	98,284
Total current liabilities	880,285	844,186
Deferred income taxes	95,633	81,408
Long-term debt, net	1,186,424	900,883
Other long-term liabilities	48,313	44,959
Non-current operating lease liabilities	230,242	223,283
Total liabilities	2,440,897	2,094,719
Stockholders' equity:		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 36,577,686 shares issued and outstanding at December 31, 2025 and 37,691,942 shares issued and outstanding at December 31, 2024	37	38
Additional paid-in capital	671,050	638,615
Retained earnings	520,662	648,476
Accumulated other comprehensive loss	(6,520)	(13,664)
Total stockholders' equity	1,185,229	1,273,465
Total liabilities and stockholders' equity	\$ 3,626,126	\$ 3,368,184

The accompanying Notes are an integral part of these Consolidated Financial Statements.

POOL CORPORATION
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Operating activities			
Net income	\$ 406,404	\$ 434,325	\$ 523,229
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	42,678	36,784	31,585
Amortization	8,927	8,697	8,555
Share-based compensation	22,733	19,248	19,582
(Benefit) provision for doubtful accounts receivable, net of write-offs	(589)	(3,122)	2,197
(Benefit) provision for inventory obsolescence, net of write-offs	(2,756)	3,048	1,930
Provision for deferred income taxes	17,030	15,739	10,359
Gains on sales of property and equipment	(611)	(1,645)	(317)
Equity in earnings of unconsolidated investments, net	(102)	(207)	(177)
Net (gains) losses on foreign currency transactions	(492)	218	(813)
Goodwill impairment	285	—	550
Other	(271)	(245)	200
Changes in operating assets and liabilities, net of effects of acquisitions:			
Receivables	(27,324)	29,146	10,108
Product inventories	(147,405)	66,201	231,240
Prepaid expenses and other assets	91,799	75,122	57,840
Accounts payable	119,358	14,429	96,128
Accrued expenses and other liabilities	(163,814)	(38,552)	(103,967)
Net cash provided by operating activities	<u>365,850</u>	<u>659,186</u>	<u>888,229</u>
Investing activities			
Acquisition of businesses, net of cash acquired	(10,831)	(4,692)	(11,533)
Purchases of property and equipment, net of sale proceeds	(56,334)	(59,476)	(60,096)
Other investments, net	(627)	(2,001)	32
Net cash used in investing activities	<u>(67,792)</u>	<u>(66,169)</u>	<u>(71,597)</u>
Financing activities			
Proceeds from revolving line of credit	1,929,200	1,517,800	1,548,618
Payments on revolving line of credit	(1,698,700)	(1,575,700)	(1,815,829)
Proceeds from term loan under credit facility	50,000	—	—
Payments on term loan under credit facility	(12,500)	(25,000)	(12,500)
Proceeds from asset-backed financing	473,500	727,000	552,500
Payments on asset-backed financing	(473,100)	(744,600)	(560,300)
Payments on term facility	(19,938)	—	(47,313)
Proceeds from short-term borrowings and current portion of long-term debt	17,700	8,873	19,998
Payments on short-term borrowings and current portion of long-term debt	(16,644)	(10,103)	(19,338)
Payments of deferred financing costs	(1,397)	(2,077)	(52)
Payments of deferred and contingent acquisition consideration	—	—	(551)
Proceeds from stock issued under share-based compensation plans	9,702	13,190	10,455
Payments of cash dividends	(184,916)	(179,633)	(167,461)
Repurchases of common stock	(346,286)	(306,300)	(306,359)
Net cash used in financing activities	<u>(273,379)</u>	<u>(576,550)</u>	<u>(798,132)</u>
Effect of exchange rate changes on cash and cash equivalents	2,422	(5,145)	2,449
Change in cash and cash equivalents	27,101	11,322	20,949
Cash and cash equivalents at beginning of year	77,862	66,540	45,591
Cash and cash equivalents at end of year	<u>\$ 104,963</u>	<u>\$ 77,862</u>	<u>\$ 66,540</u>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

POOL CORPORATION
Consolidated Statements of Changes in Stockholders' Equity
(In thousands)

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	
	Shares	Amount	Capital	Earnings	Income (Loss)	Total
Balance at December 31, 2022	39,069	\$ 39	\$ 575,776	\$ 653,484	\$ 5,895	\$ 1,235,194
Net income	—	—	—	523,229	—	523,229
Foreign currency translation	—	—	—	—	6,909	6,909
Interest rate swaps, net of the change in taxes of \$2,074	—	—	—	—	(6,222)	(6,222)
Repurchases of common stock, net of retirements	(862)	(1)	—	(309,262)	—	(309,263)
Share-based compensation	—	—	19,582	—	—	19,582
Issuance of stock under share-based compensation plans	148	—	10,819	—	—	10,819
Declaration of cash dividends	—	—	—	(167,461)	—	(167,461)
Balance at December 31, 2023	38,355	38	606,177	699,990	6,582	1,312,787
Net income	—	—	—	434,325	—	434,325
Foreign currency translation	—	—	—	—	(16,389)	(16,389)
Interest rate swaps, net of the change in taxes of \$1,285	—	—	—	—	(3,857)	(3,857)
Repurchases of common stock, net of retirements	(843)	—	—	(306,206)	—	(306,206)
Share-based compensation	—	—	19,248	—	—	19,248
Issuance of stock under share-based compensation plans	180	—	13,190	—	—	13,190
Declaration of cash dividends	—	—	—	(179,633)	—	(179,633)
Balance at December 31, 2024	37,692	38	638,615	648,476	(13,664)	1,273,465
Net income	—	—	—	406,404	—	406,404
Foreign currency translation	—	—	—	—	15,765	15,765
Interest rate swaps, net of the change in taxes of \$2,874	—	—	—	—	(8,621)	(8,621)
Repurchases of common stock, net of retirements	(1,271)	(1)	—	(349,261)	—	(349,262)
Share-based compensation	—	—	22,733	—	—	22,733
Issuance of stock under share-based compensation plans	157	—	9,702	—	—	9,702
Declaration of cash dividends	—	—	—	(184,957)	—	(184,957)
Balance at December 31, 2025	36,578	\$ 37	\$ 671,050	\$ 520,662	\$ (6,520)	\$ 1,185,229

The accompanying Notes are an integral part of these Consolidated Financial Statements.

POOL CORPORATION
Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Description of Business

As of December 31, 2025, Pool Corporation and our subsidiaries (the *Company*, which may also be referred to as *we*, *us* or *our*) operated 456 sales centers in North America, Europe and Australia from which we sell swimming pool supplies, equipment and related leisure products, irrigation and landscape maintenance products and hardscapes, tile and stone products to pool builders, retail stores, service companies, landscape contractors and others. We distribute products through five networks: SCP Distributors (SCP), Superior Pool Products (Superior), Horizon Distributors (Horizon), National Pool Trends (NPT) and Sun Wholesale Supply (Sun Wholesale).

Basis of Presentation and Principles of Consolidation

We prepared the Consolidated Financial Statements following U.S. generally accepted accounting principles (GAAP) and the requirements of the Securities and Exchange Commission (SEC). The financial statements include all normal and recurring adjustments that are necessary for a fair presentation of our financial position and operating results. The Consolidated Financial Statements include the accounts of Pool Corporation and our subsidiaries. All of our subsidiaries are wholly owned. All significant intercompany accounts and intercompany transactions have been eliminated.

Use of Estimates

To prepare financial statements that conform to GAAP, we make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Our most significant estimates relate to the allowance for doubtful accounts, inventory obsolescence reserves, vendor programs, income taxes, performance-based compensation accruals and goodwill impairment evaluations. We continually review our estimates and make adjustments as necessary, but actual results could be significantly different from what we expected when we made these estimates.

Newly Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*, which enhances the transparency of income tax disclosures through greater disaggregation in the effective tax rate reconciliation and expanded disclosures of income taxes paid. We adopted ASU 2023-09 prospectively for the year ended December 31, 2025. The adoption of this standard, which enhanced our income tax related disclosures, did not have an impact on our consolidated financial statements. See Note 7 for the additional disclosures required under this standard.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides a practical expedient allowing entities to assume that current conditions as of the balance sheet date will continue for the remaining life of current accounts receivable and contract assets. We adopted ASU 2025-05 prospectively for the year ended December 31, 2025, electing the practical expedient for our trade receivables. The adoption of this standard did not have a material impact on our consolidated financial statements or related disclosures, and we do not expect it to have a material impact in future periods.

Seasonality and Weather

Our business is seasonal, and weather is one of the principal external factors affecting our business. In general, sales and net income are highest during the second and third quarters, which represent the peak months of swimming pool use, pool and irrigation installation and remodeling and repair activities. Sales are lower during the first and fourth quarters.

Revenue Recognition

We recognize a sale when a customer obtains control of the product, and we record the amount that reflects the consideration we expect to receive in exchange for such product. We recognize a sale when a customer picks up product at any sales center, when we deliver product to their premises or job sites via our trucks or when we present the product to a third-party carrier.

We consider our distribution of products to represent one reportable revenue stream. Our products are similar in nature, and our revenue recognition policy is the same across our distribution networks. Our customers share similar characteristics and generally purchase products across all categories. We recognize revenue when our customers take control of our products. We include shipping and handling fees billed to customers as freight out income within net sales.

We measure revenue as the amount of consideration we expect to receive in exchange for transferring our products. Consideration may vary due to volume incentives and expected customer returns. We offer volume incentives to some of our customers and account for these incentives as a reduction of sales. We estimate the amount of volume incentives earned based on our estimate of cumulative sales for the fiscal year relative to our customers' progress toward achieving minimum purchase requirements. We record customer returns, including those associated with customer early buy programs, as a reduction of sales. Based on available information related to our customers' returns, we record an allowance for estimated returns, which historically has not been material. We regularly review our marketing programs, coupons and customary business practices to determine if any variable consideration exists. Other items that we record as reductions to sales include cash discounts, pricing adjustments and credit card fees related to customer payments.

The majority of our sales transactions do not contain additional performance obligations after delivery; therefore, we do not have multiple performance obligations for which to allocate the transaction price. We recognize shipping and handling costs associated with outbound freight in Selling and administrative expenses.

We report sales net of tax amounts that we collect from our customers and remit to governmental authorities. These tax amounts may include, but are not limited to, sales, use, value-added and some excise taxes.

Vendor Programs

Many of our arrangements with our vendors provide for us to receive specified amounts of consideration when we achieve any of a number of measures. These measures are generally related to the volume level of purchases from our vendors, or our net cost of products sold, and may include negotiated pricing arrangements. We account for consideration under vendor programs as a reduction of the prices of the vendors' products and as a reduction of inventory until we sell the products, at which time such considerations are recognized as a reduction of Cost of sales on our Consolidated Statements of Income.

Throughout the year, we estimate the amount earned based on our expectation of total purchases for the fiscal year relative to the purchase levels that mark our progress toward earning consideration under each program. We accrue vendor benefits on a monthly basis using these estimates, provided that we determine they are probable and reasonably estimable. We continually revise these estimates to reflect actual credits earned based on actual purchase levels and trends related to sales and purchasing mix. When we make adjustments to our estimates, we determine whether any portion of the adjustment impacts the amount of vendor credits that are deferred in inventory. We recognize changes in our estimates as a cumulative catch-up adjustment to the amounts recognized to date in our Consolidated Financial Statements.

Shipping and Handling Costs

We record shipping and handling costs associated with inbound freight as cost of sales. The table below presents shipping and handling costs associated with outbound freight, which we include in Selling and administrative expenses (in thousands):

2025	2024	2023
\$ 89,667	\$ 90,268	\$ 84,932

Share-Based Compensation

We record share-based compensation for stock options and other share-based awards over the requisite service period based on the estimated fair value as measured on the grant date. For stock option awards, we use a Black-Scholes model for estimating the grant date fair value. The grant date fair value of share-based awards is equal to the closing market price of our common stock on the grant date. For additional discussion of share-based compensation, see Note 6.

Advertising Costs

We expense advertising costs when incurred. The table below presents advertising expense for the past three years (in thousands):

2025	2024	2023
\$ 22,884	\$ 25,209	\$ 28,532

Income Taxes

Our income tax provision is based on income before income taxes and is accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to settle. We recognize future tax benefits, such as net operating losses and tax credits, to the extent that realizing these benefits is considered in its judgment to be more likely than not. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income or expense in the period that includes the enactment date. We regularly review the recoverability of our deferred tax assets by considering our historic profitability, projected future taxable income and timing of the reversals of existing temporary differences. When appropriate, we record a valuation allowance against deferred tax assets that are deemed not more likely than not to be realizable.

We reduce federal and state income taxes payable by the tax benefits associated with the exercise of nonqualified stock options and the lapse of restrictions on restricted stock awards or increase for tax deficiencies. To the extent realized tax deductions exceed the amount of previously recognized deferred tax benefits related to share-based compensation, we record an excess tax benefit. To the extent realized tax deductions are less than the amount of previously recognized deferred tax benefits related to share-based compensation, we record an excess tax expense. We record all excess tax benefits or deficiencies as a component of income tax benefit or expense in the period in which stock options are exercised or restrictions on stock awards lapse.

We record Global Intangible Low Tax Income (GILTI) on foreign earnings as period costs if and when incurred. We have not realized any impacts since the U.S. first imposed taxes on GILTI in December 2017.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was signed into law in the U.S., including a broad range of tax reform provisions. We currently do not expect the changes resulting from the OBBBA to have a material impact on our income tax provision.

For additional information regarding income taxes, see Note 7.

Equity Method Investments

We account for our 50% investment in Northpark Corporate Center, LLC (NCC) using the equity method of accounting. Accordingly, we report our share of income or loss based on our ownership interest in this investment.

Earnings Per Share

We calculate basic and diluted earnings per share using the two-class method. Earnings per share under the two-class method is calculated using net income attributable to common stockholders, which is net income reduced by earnings allocated to participating securities. Our participating securities include share-based awards that contain a non-forfeitable right to receive dividends and are considered to participate in undistributed earnings with common shareholders.

Diluted EPS reflects the dilutive effects of potentially dilutive securities, which include in-the-money outstanding stock options and shares to be purchased under our employee stock purchase plan. Using the treasury stock method, the effect of dilutive securities includes these additional shares of common stock that would have been outstanding based on the assumption that these potentially dilutive securities had been issued. For additional discussion of earnings per share, see Note 8.

Foreign Currency

The functional currency of each of our foreign subsidiaries is its applicable local currency. We translate our foreign subsidiary financial statements into U.S. dollars based on published exchange rates. We include these translation adjustments as a component of Accumulated other comprehensive loss on the Consolidated Balance Sheets. We include realized transaction gains and losses that arise from exchange rate fluctuations in Interest and other non-operating expenses, net on the Consolidated Statements of Income. We realized a net foreign currency transaction gain of \$0.5 million in 2025, loss of \$0.2 million in 2024 and gain of \$0.8 million in 2023.

Fair Value Measurements

Recurring Fair Value Measurements

Our assets and liabilities that are measured at fair value on a recurring basis include the unrealized gains or losses on our interest rate swap contracts and our deferred compensation plan asset and liability. The three levels of the fair value hierarchy under the accounting guidance are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; or
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The table below presents our assets and liabilities measured and recorded at fair value on a recurring basis (in thousands):

			Fair Value at December 31,	
	Input Level	Classification	2025	2024
Assets				
Unrealized gains on interest rate swaps	Level 2	Prepaid expenses and other current assets	\$ —	\$ 734
Unrealized gains on interest rate swaps	Level 2	Other assets	9,115	19,876
Deferred compensation plan asset	Level 1	Other assets	19,682	18,018
Liabilities				
Deferred compensation plan liability	Level 1	Other long-term liabilities	\$ 19,682	\$ 18,018

We use significant other observable market data or assumptions (Level 2 inputs) in determining the fair value of our interest rate swap contracts that we believe market participants would use in pricing similar assets or liabilities, including assumptions about counterparty risk. Our fair value estimates reflect an income approach based on the terms of the interest rate swap contracts and inputs corroborated by observable market data including interest rate curves.

Our deferred compensation plan asset represents investments in securities (primarily mutual funds) traded in an active market (Level 1 inputs) held for the benefit of certain employees as part our deferred compensation plan. We record an equal and offsetting deferred compensation plan liability, which represents our obligation to participating employees. Changes in the fair value of the plan asset and liability are reflected in Selling and administrative expenses on the Consolidated Statements of Income. For additional discussion of our nonqualified deferred compensation plan, see Note 11.

The carrying values of cash and cash equivalents, receivables, accounts payable and accrued expenses approximate fair value due to the short maturity of those instruments. The carrying value of long-term debt approximates fair value. Our determination of the

estimated fair value reflects a discounted cash flow model using our estimates, including assumptions related to borrowing rates (Level 3 inputs).

Nonrecurring Fair Value Measurements

In addition to our assets and liabilities that we measure at fair value on a recurring basis, our assets and liabilities are also subject to nonrecurring fair value measurements. Certain of our assets are recorded at fair value on a nonrecurring basis, primarily assets acquired in a business combination or those subject to impairment charges. For additional discussion of goodwill and intangible assets and impairment, see Note 3.

Derivatives and Hedging Activities

At inception, we formally designate and document our interest rate swap contracts that qualify for hedge accounting as cash flow hedges of interest payments on variable rate borrowings. We formally assess, both at inception and at least quarterly, whether the financial instruments used in hedging transactions are effective at offsetting changes in cash flows of the related underlying exposure. To the extent our derivatives are effective in offsetting the variability of the hedged cash flows, we record the changes in the estimated fair value of our interest rate swap contracts to Accumulated other comprehensive loss on the Consolidated Balance Sheets.

Our interest rate swap contracts are subject to master netting arrangements. According to our accounting policy, we do not offset the fair values of assets with the fair values of liabilities related to these contracts.

We recognize any differences between the variable interest rate in effect and the fixed interest rate per our swap contracts as an adjustment to interest expense over the life of the swaps.

For our interest rate swap contracts currently in effect, a portion of the change in the estimated fair value between periods relates to future interest expense. Recognition of the change in fair value between periods attributable to accrued interest is reclassified from Accumulated other comprehensive loss to Interest and other non-operating expenses, net on the Consolidated Statements of Income. These amounts were not material in any period presented. For additional discussion of our interest rate swaps, see Note 5.

Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Credit Risk and Allowance for Doubtful Accounts

We record trade receivables at the invoiced amounts less an allowance for doubtful accounts for estimated losses we may incur if customers do not pay. We perform periodic credit evaluations of our customers, and we typically do not require collateral. Consistent with industry practices, we generally require payment from our North American customers within 30 days, except for sales under early buy programs for which we provide extended payment terms to qualified customers.

We estimate future losses based on historical bad debts, customer receivable balances, age of customer receivable balances, customers' financial conditions and current economic trends, including certain trends in the housing market, the availability of consumer credit and general economic conditions (as commonly measured by GDP). We monitor housing market trends through review of the House Price Index as published by the Federal Housing Finance Agency, which measures the movement of single-family house prices. At the end of each quarter, we perform a reserve analysis of all accounts with balances greater than \$20,000 that are more than 60 days past due. During the year, we write off account balances when we have exhausted reasonable collection efforts and determined that the likelihood of collection is remote. These write-offs are charged against our allowance for doubtful accounts.

The following table summarizes the changes in our allowance for doubtful accounts for the past three years (in thousands):

	2025	2024	2023
Balance at beginning of year	\$ 8,593	\$ 11,718	\$ 9,522
Bad debt expense	2,868	4,187	7,526
Write-offs, net of recoveries	(3,457)	(7,312)	(5,330)
Balance at end of year	<u>\$ 8,004</u>	<u>\$ 8,593</u>	<u>\$ 11,718</u>

Product Inventories and Reserve for Inventory Obsolescence

Product inventories consist primarily of goods we purchase from manufacturers to sell to our customers. We record inventory at the lower of cost, using the moving average cost method, or net realizable value. We establish our reserve for inventory obsolescence based on inventory with lower sales velocity and inventory with no sales for the past 12 months, which we believe represent some exposure to inventory obsolescence. The reserve is intended to reflect the net realizable value of inventory that we may not be able to sell at a profit.

In evaluating the adequacy of our reserve for inventory obsolescence, we consider a combination of factors including:

- the level of inventory in relation to historical sales by product, including inventory usage based on product sales at both the sales center and on a company-wide basis;
- changes in customer preferences or regulatory requirements;
- seasonal fluctuations in inventory levels;
- geographic location; and
- superseded products and new product offerings.

We periodically adjust our reserve for inventory obsolescence as changes occur in the above-identified factors.

The following table summarizes the changes in our reserve for inventory obsolescence for the past three years (in thousands):

	2025	2024	2023
Balance at beginning of year	\$ 26,662	\$ 23,464	\$ 21,208
Provision for inventory write-downs	3,951	10,484	8,483
Deduction for inventory write-offs	(6,707)	(7,286)	(6,227)
Balance at end of year	<u>\$ 23,906</u>	<u>\$ 26,662</u>	<u>\$ 23,464</u>

Property and Equipment

Property and equipment are stated at cost. We depreciate property and equipment on a straight-line basis over the following estimated useful lives:

Buildings	40 years
Leasehold improvements ⁽¹⁾	1 - 10 years
Autos and trucks	3 - 6 years
Machinery and equipment	3 - 15 years
Computer equipment	3 - 7 years
Furniture and fixtures	5 - 10 years

⁽¹⁾ For substantial improvements made near the end of a lease term where we are reasonably certain the lease will be renewed, we amortize the leasehold improvement over the remaining life of the lease including the expected renewal period.

The table below presents depreciation expense for the past three years (in thousands):

2025	2024	2023
\$ 42,678	\$ 36,784	\$ 31,585

Acquisitions

We use the acquisition method of accounting and recognize assets acquired and liabilities assumed at fair value as of the acquisition date. Any contingent assets acquired and contingent liabilities assumed are also recognized at fair value if we can reasonably estimate fair value during the measurement period (which cannot exceed one year from the acquisition date). We re-measure any contingent liabilities at fair value in each subsequent reporting period. We expense all acquisition-related costs as incurred, including any restructuring costs associated with a business combination.

Any excess of the purchase price over the estimated fair values of the identifiable net assets acquired is recorded as goodwill. Significant judgment is often required in estimating the fair value of assets acquired, particularly intangible assets. Our fair value estimates are based on available historical information and on expectations and assumptions about the future, considering the perspective of market participants. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the underlying estimates and assumptions.

If our initial acquisition accounting is incomplete by the end of the reporting period in which a business combination occurs, we report provisional amounts for incomplete items. Once we obtain information required to finalize the accounting for incomplete items, we adjust the provisional amounts recognized. We make adjustments to these provisional amounts during the measurement period.

For all acquisitions, we include the results of operations in our Consolidated Financial Statements as of the acquisition date. For additional discussion of acquisitions, see Note 2.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the amount we paid to acquire a company over the estimated fair value of tangible assets and identifiable intangible assets acquired less liabilities assumed. We test goodwill and other indefinite-lived intangible assets for impairment annually as of October 1st and at any other time when impairment indicators exist.

We have the option of first analyzing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. When a qualitative goodwill test is performed, we analyze factors to determine whether it is more likely than not that the fair value of a reporting unit is less than the carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test. The evaluation of qualitative factors includes an assessment of relevant facts, events and circumstances including but not limited to: macroeconomic conditions, industry and market conditions, and the current and forecasted financial performance of the reporting unit. In combination with our qualitative test, we also estimate the fair value of our reporting units by projecting company-wide future cash flows using management's assumptions for sales growth rates, operating margins and discount rates. Estimated earnings multiples are then used to estimate the fair value of each reporting unit.

To the extent our qualitative test indicates it is more likely than not that the fair value of a reporting unit is less than the carrying amount or for a reporting unit where we only perform a quantitative test, we perform a quantitative test using a discounted cash flow analysis at the reporting unit level to estimate its fair value. If the carrying value of the reporting unit exceeds the fair value, we record a goodwill impairment charge for the difference, up to the carrying value of the goodwill. We recognize any impairment loss in operating income. The assumptions used in our impairment test are considered unobservable inputs (Level 3 inputs as defined in the accounting guidance). Since we define an operating segment as an individual sales center and we do not have operations below the sales center level, our reporting unit is an individual sales center. For additional discussion of goodwill and other intangible assets, see Note 3.

Receivables Securitization Facility

Our accounts receivable securitization facility (the Receivables Facility) provides for the sale of certain of our receivables to a wholly owned subsidiary (the Securitization Subsidiary). The Securitization Subsidiary transfers variable undivided percentage interests in the receivables and related rights to certain third-party financial institutions in exchange for cash proceeds, limited to the applicable funding capacities.

We account for the sale of the receivable interests as a secured borrowing on our Consolidated Balance Sheets. The receivables subject to the agreement collateralize the cash proceeds received from the third-party financial institutions. We classify the entire

outstanding balance as Long-term debt on our Consolidated Balance Sheets as we intend and have the ability to refinance the obligations on a long-term basis. We present the receivables that collateralize the cash proceeds separately as Receivables pledged under receivables facility on our Consolidated Balance Sheets. For additional discussion of the Receivables Facility, see Note 5.

Self-Insurance

We are self-insured for employee health benefits, workers' compensation coverage, property and casualty, and automobile insurance. To limit our exposure, we also maintain excess and aggregate liability coverage. We establish self-insurance reserves based on estimates of claims incurred but not reported and information that we obtain from third-party service providers regarding known claims. Our management reviews these reserves based on consideration of various factors, including but not limited to the age of existing claims, estimated settlement amounts and other historical claims data.

Accumulated Other Comprehensive Loss

The table below presents the components of our Accumulated other comprehensive loss balance (in thousands):

	December 31,	
	2025	2024
Foreign currency translation adjustments	\$ (13,323)	\$ (29,088)
Unrealized gains on interest rate swaps, net of tax	6,803	15,424
Accumulated other comprehensive loss	<u>\$ (6,520)</u>	<u>\$ (13,664)</u>

Retained Earnings

We account for the retirement of share repurchases as a decrease to our Retained earnings on our Consolidated Balance Sheets. As of December 31, 2025, the retained earnings reflects cumulative net income, the cumulative impact of adjustments for changes in accounting pronouncements, treasury share retirements since the inception of our share repurchase programs of \$3.1 billion and cumulative dividends of \$1.5 billion.

Supplemental Cash Flow Information

The following table presents supplemental disclosures to the accompanying Consolidated Statements of Cash Flows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Cash paid during the year for:			
Interest	\$ 47,670	\$ 51,046	\$ 58,131
Income taxes, net of refunds	180,473	42,990	153,157

Cash paid for income taxes in 2024 was lower due to a \$68.5 million deferral of our third and fourth quarter estimated tax payments, subsequently paid in February 2025, as allowed for companies impacted by Hurricane Francine.

Recent Accounting Pronouncements Pending Adoption

The following table summarizes the remaining recent accounting pronouncements that we plan to adopt in future periods:

Standard	Description	Effective Date	Effect on Financial Statements and Other Significant Matters
ASU 2025-06, <i>Intangibles—Goodwill and Other— Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software</i>	In September 2025, the FASB issued ASU 2025-06, which modernizes the accounting for internal-use software to current development practices, clarifies when to begin capitalizing costs and enhances disclosure requirements.	For annual periods beginning after December 15, 2027, including interim periods within those fiscal years. The ASU may be adopted on a prospective or retrospective basis with early adoption permitted.	We are currently evaluating the impact that the adoption of this standard will have on our consolidated financial statements and related disclosures.
ASU 2024-03, <i>Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses</i> and related amendments	In November 2024, the FASB issued ASU 2024-03, which adds new disclosure requirements, including more detailed information about certain income statement expense line items and a separate disclosure for selling expenses.	For annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The ASU may be adopted on a prospective or retrospective basis with early adoption permitted.	We are currently evaluating the impact that the adoption of this standard will have on our disclosures.
ASU 2023-06, <i>Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative</i>	In October 2023, the FASB issued ASU 2023-06, which will impact various disclosure areas, including the statement of cash flows, accounting changes and error corrections, earnings per share, debt, equity, derivatives, and transfers of financial assets.	On the date the related disclosures are removed from Regulation S-X or Regulation S-K by the SEC and will no longer be effective if the SEC has not removed the applicable disclosure requirement by June 30, 2027. Early adoption is prohibited.	We do not expect that the adoption of this standard will have a material impact on our consolidated financial statements or related disclosures.

Note 2 - Acquisitions

2025 Acquisitions

In October 2025, we acquired the distribution assets of Vegas Stone Brokers, a stone and hardscapes supplier, adding one location in Nevada.

In August 2025, we acquired the distribution assets of Great Plains Supply and Spa Products, a wholesale distributor of swimming pool products and supplies, adding one location in Kansas and one location in Texas.

2024 Acquisitions

In May 2024, we acquired the distribution assets of Swimline Distributors, Inc., a wholesale distributor of swimming pool products and supplies, adding one location in Georgia.

In January 2024, we acquired the distribution assets of Shoreline Pool Distribution, a wholesale distributor of swimming pool products and supplies, adding one location in Mississippi.

2023 Acquisitions

In December 2023, we acquired the distribution assets of A.C. Solucoes para Piscinas, Lda., a wholesale distributor of swimming pool equipment, chemicals and supplies, adding one location in Braga, Portugal.

In June 2023, we acquired the distribution assets of Pioneer Pool Products, Inc., a wholesale distributor of swimming pool equipment, chemicals and supplies, adding one location in Alabama.

In May 2023, we acquired the distribution assets of Recreation Supply Company, a wholesale distributor of commercial swimming pool products, adding one location in North Dakota.

In March 2023, we acquired the distribution assets of Pro-Water Irrigation & Landscape Supply, Inc., a wholesale distributor of irrigation and landscape supply products, adding two locations in Arizona.

We have completed our accounting for these acquisitions, subject to adjustments for standard holdback provisions per the terms of the purchase agreements, which are not material.

Note 3 - Goodwill and Other Intangible Assets

The table below presents changes in the carrying amount of goodwill and our accumulated impairment losses (in thousands):

Goodwill (gross) at December 31, 2023	\$ 714,622
Acquired goodwill	2,170
Foreign currency translation and other adjustments ⁽¹⁾	<u>(3,338)</u>
Goodwill (gross) at December 31, 2024	<u>713,454</u>
Accumulated impairment losses at December 31, 2023	(14,544)
Goodwill impairment	<u>—</u>
Accumulated impairment losses at December 31, 2024	<u>(14,544)</u>
Goodwill (net) at December 31, 2024	<u>\$ 698,910</u>
Goodwill (gross) at December 31, 2024	\$ 713,454
Acquired goodwill	7,197
Foreign currency translation and other adjustments	<u>1,523</u>
Goodwill (gross) at December 31, 2025	<u>722,174</u>
Accumulated impairment losses at December 31, 2024	(14,544)
Goodwill impairment	<u>(285)</u>
Accumulated impairment losses at December 31, 2025	<u>(14,829)</u>
Goodwill (net) at December 31, 2025	<u>\$ 707,345</u>

⁽¹⁾ Includes a \$2.0 million reduction of goodwill for our Porpoise Pool & Patio reporting unit for the sale of two Pinch A Penny retail stores in 2024.

The determination of our reporting units' goodwill and intangibles fair values includes numerous assumptions that are subject to various risks and uncertainties when performing a quantitative test. The principal assumptions, all of which are considered Level 3 inputs, used in our cash flow analyses consisted of changes in market conditions, forecasted future operating results (including sales growth rates and operating margins) and discount rates (including our weighted-average cost of capital).

As of October 1, 2025, we had 253 reporting units with allocated goodwill balances. Our most significant goodwill balance of \$401.6 million was related to our Porpoise Pool & Patio reporting unit. The average goodwill balance of our remaining reporting units was \$1.2 million.

In October 2025, we performed our annual goodwill impairment test and recorded an aggregate goodwill impairment charge of \$0.3 million related to our reporting unit in Germany and the closure of a Horizon reporting unit in Florida. We performed a discounted cash flow analysis for these reporting units and determined that the estimated fair value of the reporting units no longer exceeded their carrying value. In connection with our testing, we also identified one of our reporting units in Tennessee with goodwill of \$12.1 million as most at risk for goodwill impairment due to marginal results in recent years. The most sensitive assumptions related to our

fair value for this location relate to the timing of macroeconomic market improvements and their impact on future projected sales growth.

In October 2024, we performed our annual goodwill impairment test and did not record any additional goodwill impairment at the reporting unit level.

We record goodwill and intangibles impairment in Selling and administrative expenses on our Consolidated Statements of Income.

Other intangible assets consisted of the following (in thousands):

	December 31,						Weighted
	2025			2024			Average
	Intangibles Gross	Accumulated Amortization	Intangibles Net	Intangibles Gross	Accumulated Amortization	Intangibles Net	Useful Life
Horizon tradename	\$ 8,400	\$ —	\$ 8,400	\$ 8,400	\$ —	\$ 8,400	Indefinite
Pinch A Penny brand name	169,000	—	169,000	169,000	—	169,000	Indefinite
National Pool Tile (NPT) tradename	1,500	(1,338)	162	1,500	(1,262)	238	20
Non-compete agreements	7,569	(5,766)	1,803	6,419	(4,394)	2,025	4.47
Customer relationships	109,000	(22,021)	86,979	109,000	(16,573)	92,427	20
Franchise agreements	22,000	(4,462)	17,538	22,000	(3,358)	18,642	20
Total other intangibles	\$ 317,469	\$ (33,587)	\$ 283,882	\$ 316,319	\$ (25,587)	\$ 290,732	

The Horizon tradename and Pinch A Penny brand name each have an indefinite useful life and are not subject to amortization. We evaluate the useful life of these intangible assets and test for impairment annually by analyzing qualitative factors to determine whether it is more likely than not that their fair values are less than their carrying amounts as a basis for determining whether it is necessary to perform quantitative impairment testing. The NPT tradename, our non-compete agreements, customer relationships and franchise agreements have finite useful lives, and we amortize the estimated fair value of these agreements using the straight-line method over their respective useful lives. In October 2025, we performed our annual impairment test and did not identify any indicators of impairment related to these assets. The useful lives for our non-compete agreements are based on their contractual terms.

Other intangible amortization expense was \$8.0 million in 2025, \$7.8 million in 2024 and \$7.8 million in 2023.

The table below presents estimated amortization expense for other intangible assets for the next five years (in thousands):

2026	\$ 7,703
2027	6,950
2028	6,778
2029	6,667
2030	6,627

Note 4 - Details of Certain Balance Sheet Accounts

The table below presents additional information regarding certain balance sheet accounts (in thousands):

	December 31,	
	2025	2024
Receivables, net:		
Trade accounts	\$ 44,043	\$ 31,472
Vendor programs	94,998	90,199
Other, net	5,026	2,757
Total receivables	144,067	124,428
Less: Allowance for doubtful accounts	(8,004)	(8,593)
Receivables, net	<u>\$ 136,063</u>	<u>\$ 115,835</u>
Prepaid expenses and other current assets:		
Prepaid expenses	\$ 53,514	\$ 42,904
Other current assets	8,912	4,187
Prepaid expenses and other current assets	<u>\$ 62,426</u>	<u>\$ 47,091</u>
Property and equipment, net:		
Land	\$ 23,911	\$ 24,474
Buildings	58,970	58,744
Leasehold improvements	100,583	90,337
Autos and trucks	169,244	144,556
Machinery and equipment	143,126	126,606
Computer equipment	35,546	36,707
Furniture and fixtures	11,906	10,042
Fixed assets in progress	6,481	15,012
Total property and equipment	549,767	506,478
Less: Accumulated depreciation	(282,702)	(255,154)
Property and equipment, net	<u>\$ 267,065</u>	<u>\$ 251,324</u>
Accrued expenses and other current liabilities:		
Salaries and payroll deductions	\$ 18,727	\$ 18,956
Performance-based compensation	15,598	18,312
Taxes payable	23,629	87,848
Other current liabilities	51,347	46,078
Accrued expenses and other current liabilities	<u>\$ 109,301</u>	<u>\$ 171,194</u>

Note 5 - Debt

The table below presents the components of our debt (in thousands):

	December 31,	
	2025	2024
Variable rate debt		
Current portion of long-term debt:		
Australian credit facility	\$ 13,029	\$ 11,973
Current portion of term loans under credit facility	—	37,500
Short-term borrowings and current portion of long-term debt	<u>13,029</u>	<u>49,473</u>
 Long-term portion:		
Revolving credit facility	425,100	194,600
Term loans under credit facility	500,000	425,000
Term facility	90,000	109,937
Receivables securitization facility	174,500	174,100
Less: financing costs, net	<u>3,176</u>	<u>2,754</u>
Long-term debt, net	<u>1,186,424</u>	<u>900,883</u>
Total debt	<u>\$ 1,199,453</u>	<u>\$ 950,356</u>

Credit Facility

On July 10, 2025, we entered into the Fourth Amended and Restated Credit Agreement (the Amended Agreement), by and among us, as U.S. Borrower, SCP Distributors Canada Inc., as Canadian Borrower, SCP International, Inc., as Euro Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and certain other lenders party thereto. The Amended Agreement amended and restated the terms of our predecessor credit agreement principally by refinancing the predecessor \$500.0 million term loan, extending the term loan maturity date from September 26, 2026 to September 30, 2029 and removing the term secured overnight financing rate (Term SOFR) adjustment of 0.10%. Under the Amended Agreement, the term loan requires quarterly amortization payments commencing on September 30, 2027, with all remaining principal due on September 30, 2029.

Otherwise, the Amended Agreement retains the core features of the predecessor credit agreement, including:

- \$1.3 billion in borrowing capacity, consisting of:
 - o an \$800.0 million revolving credit facility;
 - o a \$500.0 million term loan facility
- an accordion feature permitting us to request one or more incremental term loans or revolving credit facility commitment increases up to \$250.0 million;
- an option permitting us to extend the maturity date of the revolving credit facility up to two years, subject to various conditions and restrictions; and
- sublimits for the issuance of swingline loans and standby letters of credit.

Substantially all of the other terms of the term loan and revolving credit facility in the Amended Agreement remain similar to the predecessor credit agreement. The Amended Agreement continues to require us to maintain a maximum average total leverage ratio and a minimum fixed charge coverage ratio consistent with the terms specified in the predecessor credit agreement. All obligations under the Amended Agreement continue to be guaranteed on an unsecured basis by substantially all of our existing and future domestic subsidiaries. The Amended Agreement also continues to contain various customary affirmative and negative covenants and events of default. Failure to comply with any of the financial covenants or the occurrence of any other events of default would permit the lenders to, among other things, require immediate payment of all amounts outstanding under the Amended Agreement.

At December 31, 2025, there was \$925.1 million outstanding, including a \$500.0 million term loan, \$14.4 million in standby letter of credits outstanding, and \$360.5 million available for borrowing under the Credit Facility. The weighted average effective interest rate for the Credit Facility as of December 31, 2025 was approximately 4.0%, excluding commitment fees and including the impact of our interest rate swaps.

Revolving and term borrowings under the Credit Facility bear interest, at our option, at either of the following and, in each case, plus an applicable margin:

- a. a base rate, which is the highest of (i) the Agent's prime rate, (ii) the Federal Funds Rate plus 0.50% and (iii) Term SOFR (defined below) for a one-month tenor in effect on such day plus 1.000%; or
- b. Term SOFR, the rate per annum equal to Term SOFR for such calculation.

Borrowings by the Canadian Borrower bear interest, at the Canadian Borrower's option, at either of the following and, in each case, plus an applicable margin:

- a. a base rate, which is the greatest of (i) the Canadian Reference Bank prime rate and (ii) the Canadian Dealer Offered Rate (CDOR) plus 1.000%; or
- b. Adjusted Term Canadian Overnight Repo Rate Average (CORRA), which is the rate equal to Term CORRA plus the Term CORRA Adjustment of 0.29547%.

Borrowings by the Euro Borrower bear interest at the Adjusted Eurocurrency rate plus an applicable margin.

Borrowings under any swingline loans under the Credit Facility bear interest, at our option, at either of the following and, in each case, plus an applicable margin:

- a. the Term SOFR Swingline Rate, which is Term SOFR for a period equal to one month (commencing on the date of determination of such interest rate); or
- b. a base rate, which is the highest of (i) the Agent's prime rate, (ii) the Federal Funds Rate plus 0.500% and (iii) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.000%.

The interest rate margins on the borrowings and letters of credit issued under the Credit Agreement are based on our leverage ratio and will range from 0.000% to 0.425% on Base Rate, Canadian Base Rate and Base Rate swingline loans and from 0.910% to 1.425% on CDOR, Adjusted Term CORRA, Adjusted Eurocurrency rate and Term SOFR Swingline Rate loans (with all such rates being calculated in accordance with the terms and by reference to the definitions specified in the Credit Agreement). We are also required to pay an annual facility fee with respect to the lenders' aggregate revolving credit commitment, the amount of which is based on our leverage ratio.

Term Facility

On July 10, 2025, we also entered into the Fourth Amendment to Credit Agreement, by and among us, as Borrower, the guarantors party thereto, and Bank of America, N.A., as lender (the Fourth Amendment), which amends that certain Credit Agreement by and among us, as borrower, the guarantors party thereto and Bank of America, N.A., as lender, dated as of December 30, 2019, as amended by that certain First Amendment to Credit Agreement dated October 12, 2021, that certain Second Amendment to Credit Agreement, dated June 30, 2023, and that certain Third Amendment to Credit Agreement, dated September 30, 2024 (as amended, the Term Agreement). The Fourth Amendment principally extends the maturity of the term loan under the Term Agreement from December 30, 2026 to September 30, 2029 to be concurrent with the maturity of the loans under the Amended Agreement and removes the Term SOFR adjustment of 0.10%. Under the Term Agreement, the term loan is repaid in quarterly installments of 1.250% of the term loan on the last business day of each quarter beginning in the third quarter of 2027 with the final principal repayment due September 30, 2029.

Our obligations under the Term Facility are guaranteed on an unsecured basis by substantially all of our existing and future domestic subsidiaries. The Term Facility Agreement contains various customary affirmative and negative covenants and events of default. The occurrence of any of these events of default would permit the lenders to, among other things, require immediate payment of all amounts outstanding under the Term Facility Agreement.

At December 31, 2025, the Term Facility had an outstanding balance of \$90.0 million at a weighted average effective interest rate of 5.0%.

Borrowings under the Term Facility bear interest, at our option, at either of the following and, in each case, plus an applicable margin:

- a. a base rate, which is the greatest of (i) the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the business day next succeeding such day plus 0.50%, (ii) Bank of America's "prime rate," or (iii) the Term SOFR Rate (defined below) plus 1.00%; or
- b. the Term SOFR Rate, which is the greater of (i) the rate per annum equal to the Term SOFR Screen Rate administered by CME Group Benchmark Administration Limited or any successor administrator or (ii) the rate per annum equal to the Term SOFR Screen Rate with a term of one month commencing that day.

The interest rate margins on the borrowings under the Term Facility are based on our leverage ratio and will range from 0.000% to 0.625% on Base Rate borrowings and 1.000% to 1.625% on Adjusted Term SOFR Rate borrowings (with all such rates being calculated in accordance with the terms and by reference to the definitions specified in the Term Facility Agreement).

Receivables Securitization Facility

On October 31, 2024, our subsidiaries entered into the Joinder and Amendment No. 13 to the Receivables Purchase Agreement by and among Superior Commerce LLC, as Seller, SCP Distributors LLC, as the Servicer, the purchasers from time to time party thereto (the "Purchasers"), and Wells Fargo Bank, National Association, as Administrative Agent (as amended, the "Amended Receivables Purchase Agreement"). The Amended Receivables Purchase Agreement provides for a receivable securitization facility that matures on October 30, 2026, with a maximum facility limit of \$375.0 million in the months of April through May. The funding capacity during the remaining months ranges from \$210.0 million to \$350.0 million. Amounts outstanding under the Receivables Facility bear interest at Term SOFR plus an applicable margin of 0.85%.

The Receivables Facility provides for the sale of certain of our receivables to a wholly owned subsidiary (the "Securitization Subsidiary"). The Securitization Subsidiary transfers variable undivided percentage interests in the receivables and related rights to certain third-party financial institutions in exchange for cash proceeds, limited to the applicable funding capacities. Upon payment of the receivables by customers, rather than remitting to the financial institutions the amounts collected, we retain such collections as proceeds for the sale of new receivables until payments become due to the financial institutions.

The Receivables Facility is subject to terms and conditions (including representations, covenants and conditions precedent) customary for transactions of this type. Additionally, an amortization event will occur if we fail to meet certain covenants, including maintaining a maximum average total leverage ratio (average total funded debt/EBITDA) of 3.25 to 1.00 and a minimum fixed charge coverage ratio (EBITDAR/cash interest expense plus rental expense) of 2.25 to 1.00.

At December 31, 2025, there was \$174.5 million outstanding under the Receivables Facility at a weighted average effective interest rate of 4.6%, excluding commitment fees.

We also pay an unused fee on the excess of the facility limit over the average daily capital outstanding. The unused fee is 0.25% if utilization is greater than or equal to 50% or 0.35% otherwise. We pay this fee monthly in arrears.

Australian Seasonal Credit Facility

In the second quarter of 2017, Pool Systems Pty. Ltd. (PSL) entered into a credit facility to fund expansion and supplement working capital needs. The credit facility provides a borrowing capacity of AU\$20.0 million.

Cash Pooling Arrangement

Certain of our foreign subsidiaries entered into a cash pooling arrangement with a financial institution for cash management purposes. This arrangement allows the participating subsidiaries to withdraw cash from the financial institution to the extent that aggregate cash deposits held by these subsidiaries are available at the financial institution. To the extent the aggregate of the participating subsidiaries is in an overdraft position, such overdrafts are recorded as short-term borrowings under a committed cash overdraft facility. These borrowings bear interest at a variable rate based on 3-month Euro Interbank Offered Rate (EURIBOR), plus a fixed margin. Our borrowing capacity under this overdraft facility is €14.0 million.

Maturities of Long-Term Debt

The table below presents maturities of long-term debt, excluding unamortized deferred financing costs, for the next five years (in thousands):

2026	\$	187,529
2027		14,750
2028		29,500
2029		970,850
2030		—

Our Receivables Facility matures on October 30, 2026 and is included in the table above according to its stated maturity date. On our Consolidated Balance Sheets, we classify the entire outstanding balance of the Receivables Facility as Long-term debt as we intend and have the ability to refinance the obligations on a long-term basis.

Interest Rate Swaps

Our interest rate swaps in effect during the year were previously forward-starting and converted the variable interest rate to a fixed interest rate on a portion of our variable rate borrowings. Interest expense related to the notional amounts under our swap contracts was based on the fixed rates plus the applicable margin on our variable rate borrowings. Changes in the estimated fair value of these interest rate swap contracts were recorded to Accumulated other comprehensive loss on the Consolidated Balance Sheets.

We currently have two interest rate swap contracts in place. The following table provides additional details related to these swap contracts:

Derivative	Inception Date	Effective Date	Termination Date	Notional Amount (in millions)	Fixed Interest Rate
Interest rate swap 1	March 9, 2020	September 29, 2022	February 26, 2027	\$ 150.0	0.6690%
Interest rate swap 2	March 9, 2020	February 28, 2025	February 26, 2027	\$ 150.0	0.7630%

One of our interest rate swap contracts terminated on February 28, 2025. The following table provides additional details related to this former swap contract:

Derivative	Inception Date	Effective Date	Termination Date	Notional Amount (in millions)	Fixed Interest Rate
Former interest rate swap 1	February 5, 2020	February 26, 2021	February 28, 2025	\$ 150.0	1.3260%

The net difference between interest paid and interest received related to our swap agreements resulted in an interest benefit of \$10.6 million in 2025, \$12.7 million in 2024 and \$12.2 million in 2023.

Failure of our swap counterparties would result in the loss of any potential benefit to us under our swap agreements. In this case, we would still be obligated to pay the variable interest payments underlying our debt agreements. Additionally, failure of our swap counterparties would not eliminate our obligation to continue to make payments under our existing swap agreements if we continue to be in a net pay position.

Financial and Other Covenants

The Credit Facility and Term Facility limit the declaration and payment of dividends on our common stock to a manner consistent with past practice, provided no default or event of default has occurred and is continuing, or would result from the payment of dividends. We may declare and pay quarterly dividends so long as (i) the amount per share of such dividends is not greater than the most recently publicly announced dividends per share and (ii) our Average Total Leverage Ratio is less than 3.25 to 1.00 both immediately before and after giving pro forma effect to such dividends. Under the Credit Facility and Term Facility, we may

repurchase shares of our common stock provided no default or event of default has occurred and is continuing, or would result from the repurchase of shares, and our maximum average total leverage ratio (determined on a pro forma basis) is less than 3.25 to 1.00.

Other covenants in each of our credit facilities include restrictions on our ability to grant liens, incur indebtedness, make investments, merge or consolidate, and sell or transfer assets. Failure to comply with any of our financial covenants or any other terms of the Credit Facility and the Term Facility could result in, among other things, higher interest rates on our borrowings or the acceleration of the maturities of our outstanding debt.

As of December 31, 2025, we were in compliance with all covenants and financial ratio requirements related to the Credit Facility, the Term Facility and the Receivables Facility.

Deferred Financing Costs

We capitalize financing costs we incur related to implementing and amending our debt arrangements. We record these costs as a reduction of Long-term debt, net on our Consolidated Balance Sheets and amortize them over the contractual life of the related debt arrangements. The table below summarizes changes in deferred financing costs for the past two years (in thousands):

	December 31,	
	2025	2024
Deferred financing costs:		
Balance at beginning of year	\$ 5,015	\$ 4,264
Financing costs deferred	1,397	2,077
Write-off of fully amortized deferred financing costs	—	(1,326)
Balance at end of year	6,412	5,015
Less: Accumulated amortization	(3,236)	(2,261)
Deferred financing costs, net of accumulated amortization	<u>\$ 3,176</u>	<u>\$ 2,754</u>

Note 6 - Share-Based Compensation

Share-Based Plans

Current Plan

In May 2007, our shareholders approved the 2007 Long-Term Incentive Plan (the LTIP), which authorizes the Compensation Committee of our Board of Directors (the Board) to grant non-qualified stock options and restricted stock awards to employees, directors, consultants or advisors. In May 2016, our shareholders approved an amendment and restatement of the 2007 Long-Term Incentive Plan (the Amended LTIP) and increased the number of shares that may be issued to a total of 9,315,000 shares. In October 2025, our Board approved and amended the Amended LTIP to allow for the granting of restricted stock units (“RSU”) among other items. As of December 31, 2025, we had 3,783,983 shares available for future issuance including 734,295 shares that may be issued as restricted stock.

Stock options granted under the Amended LTIP have an exercise price equal to our stock’s closing market price on the grant date and expire ten years from the grant date. Restricted stock awards granted under the Amended LTIP are issued at no cost to the grantee. Both stock options and restricted stock awards vest over time depending on an employee’s length of service with the company. Share-based awards to our employees granted before 2025 generally vest either five years from the grant date or on a three/five-year split vest schedule, where half of the awards vest three years from the grant date and the remainder of the awards vest five years from the grant date. Share-based awards granted to our employees in 2025 vest three years from the grant date. Share-based awards to our non-employee directors vest one year from the grant date.

PS-I Awards

Restricted stock awards granted to our employees from 2016 to 2023 contain performance-based criteria in addition to the service-based vesting criteria described above. The awards provide for a three-year performance period for the metric to be achieved. If the performance metric fails to be met, it may be extended by one or two years; however, if it is not met by the end of the extended performance period, then all shares of performance-based restricted stock will be immediately forfeited and canceled. For each of the

performance-based grants from 2016 through 2023, we achieved the performance condition in the initial three-year performance period.

PS-2 Awards

Certain restricted stock awards granted to our employees from 2023 to 2025 contain performance-based criteria in addition to the service-based vesting criteria described above. The awards provide for a three-year performance period for the metric to be achieved. If the performance condition is not met, all shares of the performance-based restricted stock will be immediately forfeited and canceled. The performance condition for the grant in 2023 was not met, and we have concluded that the performance condition for the 2024 grant is not probable to be achieved. For the 2025 grant, we have concluded that the minimum performance condition is probable to be attained in the three-year performance period.

Stock Option Awards

The following table summarizes stock option activity under our share-based plans for the year ended December 31, 2025:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance at December 31, 2024	468,779	\$ 205.78		
Granted	36,216	340.88		
Less: Exercised	78,915	92.44		
Forfeited	11,890	290.11		
Balance at December 31, 2025	<u>414,190</u>	\$ 236.78	4.24	\$ 21,002,216
Exercisable at December 31, 2025	273,686	\$ 173.70	2.61	\$ 21,002,216

The following table presents information about stock options outstanding and exercisable at December 31, 2025:

Range of Exercise Prices	Outstanding Stock Options			Exercisable Stock Options	
	Shares	Weighted Average Remaining Contractual Term (Years)	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
\$80.78 to \$138.03	158,769	1.12	\$ 111.10	158,769	\$ 111.10
\$138.04 to \$338.47	142,129	4.98	265.13	100,164	238.34
\$338.48 to \$515.41	113,292	7.66	377.35	14,753	408.55
	<u>414,190</u>	4.24	\$ 236.78	<u>273,686</u>	\$ 173.70

The following table summarizes the cash proceeds and tax benefits realized from the exercise of stock options:

(in thousands, except share amounts)	Year Ended December 31,		
	2025	2024	2023
Options exercised	78,915	122,300	90,439
Cash proceeds	\$ 7,295	\$ 10,749	\$ 8,368
Intrinsic value of options exercised	\$ 19,146	\$ 36,198	\$ 23,356
Tax benefits realized	\$ 4,786	\$ 9,049	\$ 5,839

We estimated the fair value of employee stock option awards at the grant date based on the assumptions summarized in the following table:

(Weighted average)	Year Ended December 31,		
	2025	2024	2023
Expected volatility	33.5%	32.0%	31.0%
Expected term	6.9 years	8.1 years	7.4 years
Risk-free interest rate	4.14%	4.29%	4.01%
Expected dividend yield	1.20%	1.15%	1.15%
Grant date fair value	\$ 129.04	\$ 149.37	\$ 130.74

We calculated expected volatility over the expected term of the awards based on the historical volatility of our common stock. We use weekly price observations for our historical volatility calculation because we believe this provides the most appropriate measurement of volatility given the trading patterns of our common stock. We estimated the expected term based on the vesting period of the awards and our historical exercise activity for awards with similar characteristics. The risk-free interest rate is based on the U.S. Treasury zero-coupon issues with a remaining term approximating the expected term of the option. We determined the expected dividend yield based on the dividends we anticipate paying over the expected term.

For purposes of recognizing share-based compensation expense, we ratably expense the estimated fair value of employee stock options over the options' requisite service period. The requisite service period for our share-based awards is either the vesting period, or if shorter, the period from the grant date to the date the employee becomes eligible to retire under our share-based award agreements. We recognize compensation cost for awards with graded vesting using the graded vesting recognition method. We estimate a forfeiture rate to calculate our share-based compensation expense for our share-based awards based on an analysis of actual forfeitures. We continue to evaluate the appropriateness of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover and other factors.

The following table presents the total share-based compensation expense for stock option awards for the past three years (in thousands):

	2025	2024	2023
Option grants share-based compensation expense	\$ 4,585	\$ 4,387	\$ 4,618
Option grants share-based compensation tax benefits	1,146	1,097	1,154

At December 31, 2025, the unamortized compensation expense related to stock option awards totaled \$6.7 million. We anticipate recognizing this expense over a weighted average period of 1.9 years.

Restricted Stock Awards

The table below presents restricted stock award activity under our share-based plans for the year ended December 31, 2025:

	Shares	Weighted Average Grant Date Fair Value
Balance unvested at December 31, 2024	204,453	\$ 351.56
Granted (at market price)	78,465	344.70
Less: Vested	51,681	286.61
Forfeited	9,751	373.33
Balance unvested at December 31, 2025	<u>221,486</u>	<u>\$ 363.20</u>

At December 31, 2025, the unamortized compensation expense related to the restricted stock awards totaled \$22.3 million. We anticipate recognizing this expense over a weighted average period of 2.0 years.

The table below presents the total number of restricted stock awards that vested for the past three years and the related fair value of those awards (in thousands, except share amounts):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Restricted stock awards - shares vested	51,681	49,512	58,705
Fair value of restricted stock awards vested	\$ 17,508	\$ 19,241	\$ 20,906

The following table presents the total share-based compensation expense for restricted stock awards for the past three years (in thousands):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Restricted stock awards share-based compensation expense	\$ 17,723	\$ 14,436	\$ 14,487

Employee Stock Purchase Plan

We maintain the Pool Corporation Amended and Restated Employee Stock Purchase Plan (the ESPP), which was last approved by the Board and our stockholders in 2016. In October 2025, our Board of Directors approved and amended the ESPP for minor administrative updates. Under the ESPP, employees who meet minimum age and length of service requirements may purchase stock at 85% of the lower of:

- the closing price of our common stock at the end of a six month plan period ending either July 31 or January 31; or
- the average of the beginning and ending closing prices of our common stock for such six month period.

No more than 956,250 shares of our common stock may be issued under the ESPP. For the two six month offering periods in each of the last three years, our employees purchased the following aggregate number of shares:

<u>2025</u>	<u>2024</u>	<u>2023</u>
8,676	7,707	7,640

The grant date fair value for the most recent ESPP purchase period ended July 31, 2025 was \$46.22 per share. Share-based compensation expense related to our ESPP was \$0.4 million in 2025, \$0.4 million in 2024 and \$0.5 million in 2023.

Note 7 - Income Taxes

Income before income taxes and equity in earnings is attributable to the following jurisdictions (in thousands):

	Year Ended December 31,		
	2025	2024	2023
United States	\$ 520,558	\$ 553,533	\$ 662,138
Foreign	12,876	13,421	25,998
Total	<u>\$ 533,434</u>	<u>\$ 566,954</u>	<u>\$ 688,136</u>

The provision for income taxes consisted of the following (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ 86,408	\$ 97,251	\$ 120,122
State	18,784	14,462	26,444
Foreign	4,910	5,384	8,159
Total current provision for income taxes	<u>110,102</u>	<u>117,097</u>	<u>154,725</u>
Deferred:			
Federal	15,966	9,199	9,929
State	1,179	6,070	807
Foreign	(115)	470	(377)
Total deferred provision for income taxes	<u>17,030</u>	<u>15,739</u>	<u>10,359</u>
Provision for income taxes	<u>\$ 127,132</u>	<u>\$ 132,836</u>	<u>\$ 165,084</u>

The provision for income taxes results in effective rates that differ from the statutory rates. A reconciliation of our 2025 income tax expense computed at the statutory federal income tax rate to the total tax expense computed at the effective tax rate is as follows (amounts in thousands):

	Year Ended December 31, 2025	
	Amount	Percent
U.S. federal statutory tax rate	\$ 112,021	21.0%
State and local income taxes, net of federal income tax effect ⁽¹⁾	16,114	3.0
Foreign tax effects	1,605	0.3
Effect of cross-border tax laws	(1,018)	(0.2)
Tax credits	(79)	0.0
Nontaxable or nondeductible items	2,078	0.4
Changes in unrecognized tax benefits	991	0.2
Other adjustments		
Excess tax benefits on share-based payments	(4,580)	(0.9)
Total effective tax rate	<u>\$ 127,132</u>	<u>23.8%</u>

⁽¹⁾ State taxes in California, Florida and Arizona made up the majority of the tax effect in this category.

A reconciliation of the U.S. federal statutory tax rate to our 2024 and 2023 effective tax rate on Income before income taxes and equity in earnings is as follows:

	Year Ended December 31,	
	2024	2023
Federal statutory rate	21.00%	21.00%
Change in valuation allowance	0.20	0.05
Stock-based compensation	(1.55)	(0.97)
Other, primarily state income tax rate	3.78	3.91
Total effective tax rate	<u>23.43%</u>	<u>23.99%</u>

In 2024, several countries in which we operate adopted the Global Anti-Base Erosion Model Rules (Pillar Two), which generally provides for a minimum effective tax rate of 15%, as established by the Organization for Economic Co-operation and Development (OECD) Pillar Two Framework. The Pillar Two directive did not have a material effect on our financial statements.

A summary of income taxes paid is as follows (in thousands):

	Year Ended December 31, 2025
Federal income taxes paid	\$ 158,500
State income taxes paid	18,756
Foreign income taxes paid	3,217
Total income taxes paid ⁽¹⁾	<u>\$ 180,473</u>

⁽¹⁾ Taxes paid for the year ended December 31, 2025 included \$68.5 million of federal tax payments deferred from 2024 as a result of relief granted by the IRS.

We reduce federal and state income taxes payable by the tax benefits associated with the exercise of deductible nonqualified stock options and the lapse of restrictions on deductible restricted stock awards or increase for tax deficiencies. To the extent realized tax deductions exceed the amount of previously recognized deferred tax benefits related to share-based compensation, we record an excess tax benefit. To the extent realized tax deductions are less than the amount of previously recognized deferred tax benefits related to share-based compensation, we record an excess tax expense. We record all excess tax benefits or deficiencies as income tax benefit or expense in the income statement. We recorded excess tax benefits of \$4.6 million to our income tax provision in 2025, \$8.8 million in 2024 and \$6.7 million in 2023.

The table below presents the components of our deferred tax assets and liabilities (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Product inventories	\$ 14,436	\$ 13,625
Trade discounts on purchases	2,654	1,044
Accrued expenses	658	824
Leases	77,249	74,108
Share-based compensation	11,538	10,844
Uncertain tax positions	4,396	4,133
Net operating losses	3,077	2,336
Other	5,797	4,843
Total non-current	119,805	111,757
Less: Valuation allowance	(2,859)	(2,255)
Component reclassified for net presentation	(115,902)	(108,583)
Total non-current, net	1,044	919
Total deferred tax assets	1,044	919
Deferred tax liabilities:		
Prepaid expenses	11,324	9,380
Leases	76,988	73,583
Intangible assets, primarily goodwill	84,572	73,334
Depreciation	36,372	28,541
Interest rate swaps	2,279	5,153
Total non-current	211,535	189,991
Component reclassified for net presentation	(115,902)	(108,583)
Total non-current, net	95,633	81,408
Total deferred tax liabilities	95,633	81,408
Net deferred tax liability	\$ 94,589	\$ 80,489

At December 31, 2025, certain of our international subsidiaries had tax loss carryforwards totaling approximately \$11.0 million, which expire in various years after 2026. Deferred tax assets related to the tax loss carryforwards of these international subsidiaries were \$3.1 million as of December 31, 2025 and \$2.3 million as of December 31, 2024. We have recorded a corresponding valuation allowance of \$2.7 million and \$2.1 million in the respective years.

As of December 31, 2025, United States income taxes were not provided on earnings or cash balances of our foreign subsidiaries, outside of the provisions of the transition tax from U.S. tax reform enacted in December 2017. As we have historically invested or expect to invest the undistributed earnings indefinitely to fund current cash flow needs in the countries where held, additional income tax provisions may be required. Determining the amount of unrecognized deferred tax liability on these undistributed earnings and cash balances is not practicable due to the complexity of tax laws and regulations and the varying circumstances, tax treatments and timing of any future repatriation.

The following table summarizes the activity related to uncertain tax positions for the past three years (in thousands):

	2025	2024	2023
Balance at beginning of year	\$ 19,679	\$ 17,871	\$ 15,489
Increases for tax positions taken during the current period	4,588	4,517	4,457
Decreases resulting from the expiration of the statute of limitations	3,333	2,709	2,075
Balance at end of year	\$ 20,934	\$ 19,679	\$ 17,871

The total amount of unrecognized tax benefits that, if recognized, would decrease the effective tax rate was \$16.5 million at December 31, 2025 and \$15.5 million at December 31, 2024.

We record interest expense related to unrecognized tax benefits in Interest and other non-operating expenses, net, while we record related penalties in Selling and Administrative expenses on our Consolidated Statements of Income. For unrecognized tax benefits, we had interest expense of \$0.4 million in 2025 and \$0.8 million in 2024. Accrued interest related to unrecognized tax benefits was approximately \$3.2 million at December 31, 2025 and \$2.7 million at December 31, 2024.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2022.

Note 8 - Earnings Per Share

We calculate basic and diluted earnings per share using the two-class method. Earnings per share under the two-class method is calculated using net income attributable to common stockholders, which is net income reduced by the earnings allocated to participating securities. Our participating securities include share-based awards that contain a non-forfeitable right to receive dividends and are considered to participate in undistributed earnings with common shareholders. Participating securities excluded from weighted average common shares outstanding were 182,000 for the year ended December 31, 2025, 206,000 for the year ended December 31, 2024 and 207,000 for the year ended December 31, 2023.

The table below presents the computation of earnings per share, including the reconciliation of basic and diluted weighted average shares outstanding (in thousands, except per share data):

	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 406,404	\$ 434,325	\$ 523,229
Amounts allocated to participating securities	(1,980)	(2,250)	(2,771)
Net income attributable to common stockholders	<u>\$ 404,424</u>	<u>\$ 432,075</u>	<u>\$ 520,458</u>
Weighted average common shares outstanding:			
Basic	37,149	38,007	38,704
Effect of dilutive securities:			
Stock options and employee stock purchase plan	139	221	293
Diluted	<u>37,288</u>	<u>38,228</u>	<u>38,997</u>
Earnings per share attributable to common stockholders:			
Basic	<u>\$ 10.89</u>	<u>\$ 11.37</u>	<u>\$ 13.45</u>
Diluted	<u>\$ 10.85</u>	<u>\$ 11.30</u>	<u>\$ 13.35</u>
Anti-dilutive stock options excluded from diluted earnings per share computations ⁽¹⁾	<u>190</u>	<u>57</u>	<u>64</u>

⁽¹⁾ Since these options have exercise prices that are higher than the average market prices of our common stock, including them in the calculation would have an anti-dilutive effect on earnings per share.

Note 9 - Commitments and Contingencies

Lease Commitments

We lease facilities for our corporate and administrative offices, sales centers and centralized shipping locations under operating leases that expire in various years through 2036. Most of our leases contain five-year terms with renewal options that allow us to extend the lease term beyond the initial period, subject to terms agreed upon at lease inception including rent increase provisions in some cases. Based on our leasing practices and contract negotiations, we determined that we are not reasonably certain to exercise the renewal options at lease commencement and, as such, we have not included optional renewal periods in our measurement of operating lease assets, liabilities and expected lease terms. We exclude short-term leases from our Consolidated Balance Sheets and combine lease and non-lease components.

For leases with step rent provisions whereby the rental payments increase incrementally over the life of the lease, we recognize expense on a straight-line basis determined by the total lease payments over the lease term. To the extent we determine that future obligations related to real estate taxes, insurance and other lease components are variable, we exclude them from the measurement of our operating lease assets and liabilities.

Some of our real estate agreements include rental payments adjusted periodically for inflation. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The table below presents rent expense associated with facility and vehicle operating leases for the past three years (in thousands):

Lease Cost	Classification	2025	2024	2023
Operating lease cost ⁽¹⁾	Selling and administrative expenses	\$ 114,247	\$ 106,404	\$ 92,939
Variable lease cost	Selling and administrative expenses	29,036	27,474	24,535

⁽¹⁾ Includes short-term lease cost, which is not material.

Based on our lease portfolio as of December 31, 2025, the table below sets forth the approximate future lease payments related to operating leases with initial terms of one year or more (in thousands):

2026	\$ 106,657
2027	91,856
2028	69,712
2029	50,581
2030	35,345
Thereafter	33,450
Total lease payments	387,601
Less: interest	52,023
Present value of lease liabilities	\$ 335,578

To calculate the present value of our lease liabilities, we determined our incremental borrowing rate based on the effective interest rate on our Credit Facility adjusted for a collateral feature similar to that of our leased properties, as we are unable to derive implicit rates from our existing leases.

The table below presents the weighted-average remaining lease term (years) of our operating leases and the weighted-average discount rate used in the above calculation:

Lease Term and Discount Rate for Operating Leases	December 31,		
	2025	2024	2023
Weighted-average remaining lease term (years)	4.60	4.65	4.81
Weighted-average discount rate	4.66%	4.56%	4.04%

The table below presents the amount of cash paid for amounts included in the measurement of lease liabilities and lease assets obtained in exchange for lease obligations (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Operating cash flows for lease liabilities	\$ 103,246	\$ 96,267	\$ 84,703
Operating lease assets obtained in exchange for operating lease obligations	114,437	89,239	107,869

Contingencies

From time to time, we are subject to various claims and litigation arising in the ordinary course of business, including product liability, personal injury, commercial, contract and employment matters. Each quarter, we evaluate developments related to claims and litigation and record a liability if we deem a loss to be probable and estimable. When evaluating these matters for accrual and disclosure, we consider factors such as historical experience, specific facts and claims asserted, the likelihood we will prevail and the magnitude of any potential loss. The outcome of any litigation is inherently unpredictable. Based on currently available facts, we do not believe that the ultimate resolution of any of these claims and litigation matters will have a material adverse impact on our financial condition, results of operations or cash flows. We do not believe our exposure for any of these matters is material for disclosure, either individually or in the aggregate.

Note 10 - Related Party Transactions

We lease corporate and administrative offices from NCC, an entity we have held a 50% ownership interest in since 2005. NCC owns and operates an office building in Covington, Louisiana. We lease corporate and administrative offices from NCC, occupying approximately 60,000 square feet of office space, and we pay rent of \$0.1 million per month. Our lease term ends May 2026. We expect to renew this lease in the second quarter of 2026.

The table below presents rent expense associated with this lease for the past three years (in thousands):

	2025	2024	2023
NCC	\$ 1,255	\$ 1,222	\$ 1,222

Note 11 - Employee Benefit Plans

We offer a 401(k) savings and retirement plan, which is a defined contribution plan that provides benefits for substantially all employees who meet length of service requirements. Eligible employees are able to contribute up to 75% of their compensation, subject to the federal dollar limit. For plan participants, we provide a matching contribution. We contribute a total maximum match on employee contributions of up to 4% of their compensation, with a 100% match on the first 3% of compensation deferred and a 50% match on deferrals between 3% and 5% of compensation. We also offer retirement plans for certain of our international entities. The plan funding is calculated as a percentage of the employee's earnings and in compliance with local laws and practices. The related expense is not material and is included in the table below.

We have a nonqualified deferred compensation plan that allows certain employees who occupy key management positions to defer salary and bonus amounts. This plan also provides a matching contribution similar to that provided under our 401(k) plan to the extent that a participant's contributions to the 401(k) plan are limited by IRS deferral and compensation limitations. The total combined company matching contribution provided to a participant under the 401(k) plan and the nonqualified deferred compensation plan for any one year may not exceed 4% of a participant's salary and bonus. The employee and company matching contributions are invested in certain equity and fixed income securities based on individual employee elections.

The table below sets forth our contributions for the past three years (in thousands):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Defined contribution and international retirement plans	\$ 11,573	\$ 10,953	\$ 10,973
Deferred compensation plan	102	238	218

Note 12 - Segment Information

Since all of our sales centers have similar operations and share similar economic characteristics, we aggregate our sales centers into a single reportable segment and one reportable revenue stream. These similarities include (i) the nature of our products and services, (ii) the types of customers we sell to and (iii) the distribution methods we use. Our chief operating decision maker (CODM) is our president and chief executive officer. Our CODM evaluates each sales center based on individual performance that includes both financial and operational measures. These measures include operating income, accounts receivable and inventory management criteria.

A bottom-up approach is used to develop the operating budget for each individual sales center. Our CODM makes resource allocation decisions primarily on a sales center-by-sales center basis. No single sales center meets any of the quantitative thresholds (10% of revenues, profit or assets) for separately reporting information about an operating segment. We do not track sales by product lines and product categories on a consolidated basis. We lack readily available financial information due to the number of our product lines and product categories and the fact that we make ongoing changes to product classifications within these groups, thus making it impracticable to report our sales by product category.

Our segment derives revenue from sales centers in North America, Europe and Australia that sell swimming pool supplies, equipment and related leisure products, irrigation and landscape maintenance products and hardscapes, tile and stone products to pool builders, retail stores, service companies, landscape contractors and others. No single customer accounted for 10% or more of our sales. The accounting policies for our segment are the same as those described in Note 1.

The table below presents segment revenue, operating expenses and operating income and reconciles segment operating income to consolidated income before taxes and equity in earnings (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Net sales	\$ 5,289,396	\$ 5,310,953	\$ 5,541,595
Cost of sales	3,716,938	3,735,606	3,881,551
Gross profit	1,572,458	1,575,347	1,660,044
Compensation expenses	506,379	486,824	477,971
Freight out expenses	89,667	90,268	84,932
Other selling and administrative expenses	396,208	381,051	350,574
Operating income	580,204	617,204	746,567
Reconciliation:			
Interest and other non-operating expenses, net	46,770	50,250	58,431
Income before income taxes and equity in earnings	\$ 533,434	\$ 566,954	\$ 688,136

The tables below present supplemental information for our segment (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Depreciation	\$ 42,678	\$ 36,784	\$ 31,585
Amortization	8,927	8,697	8,555
Goodwill impairment	285	—	550

	December 31,	
	2025	2024
Receivables, net	\$ 136,063	\$ 115,835
Receivables pledged under receivables facility	211,740	199,026
Product inventories, net	1,454,672	1,289,300

The table below presents net sales by geographic region, with international sales translated into U.S. dollars at prevailing exchange rates, for the past three years (in thousands):

	Year Ended December 31,		
	2025	2024	2023
United States	\$ 4,900,465	\$ 4,936,981	\$ 5,126,308
International	388,931	373,972	415,287
	\$ 5,289,396	\$ 5,310,953	\$ 5,541,595

The table below presents net property and equipment by geographic region, with international property and equipment balances translated into U.S. dollars at prevailing exchange rates, for the past three years (in thousands):

	December 31,		
	2025	2024	2023
United States	\$ 256,899	\$ 241,891	\$ 215,109
International	10,166	9,433	8,820
	\$ 267,065	\$ 251,324	\$ 223,929

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

The term “disclosure controls and procedures” is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the Act). The rules refer to the controls and other procedures designed to ensure that information required to be disclosed in reports that we file or submit under the Act is (1) recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. As of December 31, 2025, management, including the CEO and CFO, performed an evaluation of the effectiveness of our disclosure controls and procedures. Based on that evaluation, management, including the CEO and CFO, concluded that as of December 31, 2025, our disclosure controls and procedures were effective.

We maintain a system of internal control over financial reporting that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Based on the most recent evaluation, we have concluded that no change in our internal control over financial reporting occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management’s Report on Internal Control Over Financial Reporting

Pool Corporation’s management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Any evaluation or projection of effectiveness to future periods is also subject to risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Pool Corporation’s management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the *Internal Control-Integrated Framework* (2013 Framework). Based on this assessment, management has concluded that, as of December 31, 2025, Pool Corporation’s internal control over financial reporting was effective.

The independent registered public accounting firm that audited the Consolidated Financial Statements included in Item 8 of this Form 10-K has issued a report on Pool Corporation’s internal control over financial reporting. This report appears below.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Pool Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Pool Corporation's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Pool Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated February 26, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New Orleans, Louisiana
February 26, 2026

Item 9B. Other Information

Amendments to the Long-Term Incentive Plan and Employee Stock Purchase Plan

The Board of Directors, upon the recommendation of the Compensation and Human Capital Management Committee, has approved an amendment and restatement of each of our Amended and Restated 2007 LTIP and our Amended and Restated ESPP. The amended LTIP allows for the granting of restricted stock units (“RSUs”) in addition to the restricted stock and stock options previously authorized under the LTIP, with any such RSUs subject to substantially the same terms and limitations as apply to restricted stock. The amended LTIP also includes administrative updates, including the elimination of obsolete provisions relating to granting qualified performance-based compensation under former Section 162(m) of the Internal Revenue Code, increased flexibility for tax withholding up to maximum applicable rates, and the addition of a clawback/recoupment policy provision. The amended ESPP reflects minor updates to administrative practices.

Copies of the amended and restated LTIP and ESPP are attached as exhibits to this Annual Report and are incorporated herein by reference. The foregoing descriptions are qualified in their entirety by reference to such documents.

Trading arrangements

During the quarter ended December 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408(a) of Regulation SK).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to Pool Corporation's 2026 Proxy Statement to be filed with the SEC.

We have a Code of Business Conduct and Ethics (the Code) that applies to all of our employees, officers and directors, and is available on our website at www.poolcorp.com. Any substantive amendments to the Code, or any waivers granted to any directors or executive officers, including our principal executive officer, principal financial officer or principal accounting officer and controller, will be disclosed on our website and remain there for at least 12 months.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to Pool Corporation's 2026 Proxy Statement to be filed with the SEC.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to Pool Corporation's 2026 Proxy Statement to be filed with the SEC.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to Pool Corporation's 2026 Proxy Statement to be filed with the SEC.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference to Pool Corporation's 2026 Proxy Statement to be filed with the SEC.

PART IV.

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this report:

(1) Consolidated Financial Statements:

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	48
Consolidated Statements of Income	50
Consolidated Statements of Comprehensive Income	51
Consolidated Balance Sheets	52
Consolidated Statements of Cash Flows	53
Consolidated Statements of Changes in Stockholders' Equity	54
Notes to Consolidated Financial Statements	55

(2) Financial Statement Schedules.

All schedules are omitted because they are not applicable or are not required or because the required information is provided in our Consolidated Financial Statements or accompanying Notes included in Item 8 of this Form 10-K.

(3) The exhibits listed in the Index to Exhibits.

Item 16. Form 10-K Summary

None.

INDEX TO EXHIBITS

No.	Description	Filed/ Furnished with this Form 10-K	Incorporated by Reference		
			Form	File No.	Date Filed
3.1	Restated Certificate of Incorporation of the Company.		10-Q	000-26640	08/09/2006
3.2	Amended and Restated By-laws of the Company.		8-K	000-26640	10/25/2023
4.1	Form of certificate representing shares of common stock of the Company.		8-K	000-26640	05/19/2006
4.2	Description of the Securities of Pool Corporation Registered Under Section 12 of the Securities and Exchange Act of 1934.		10-K	000-26640	02/27/2024
10.1	* Pool Corporation Amended and Restated Employee Stock Purchase Plan.	X			
10.2	* Pool Corporation Amended and Restated 2007 Long-Term Incentive Plan.	X			
10.3	* Form of Performance-Based Restricted Stock Agreement under the Pool Corporation Amended and Restated 2007 Long-Term Incentive Plan (2025 PS-2).	X			
10.4	* Form of Stock Option Agreement for Employees under the Amended and Restated 2007 Long-Term Incentive Plan.		10-K	000-26640	02/27/2025
10.5	* Form of Restricted Stock Agreement for Employees under the Amended and Restated 2007 Long-Term Incentive Plan.		10-K	000-26640	02/27/2025
10.6	* Form of Performance-Based Restricted Stock Agreement under the Pool Corporation Amended and Restated 2007 Long-Term Incentive Plan (2024 PS-2).		10-K	000-26640	02/27/2025
10.7	* Form of Performance-Based Restricted Stock Agreement under the Pool Corporation Amended and Restated 2007 Long-Term Incentive Plan (2023 PS-2).		10-K	000-26640	02/27/2025
10.8	* Form of Performance-Based Restricted Stock Agreement under the Pool Corporation Amended and Restated 2007 Long-Term Incentive Plan (PS-1).		10-K	000-26640	02/25/2022
10.9	* Form of Stock Option Agreement for Directors under the Amended and Restated 2007 Long-Term Incentive Plan.		8-K	000-26640	05/06/2009
10.10	* Form of Restricted Stock Agreement for Directors under the Amended and Restated 2007 Long-Term Incentive Plan.		8-K	000-26640	05/06/2009
10.11	* Form of Employment Agreement for Executive Officers, Including CEO.		10-Q	000-26640	10/29/2025
10.12	* Nonqualified Deferred Compensation Plan Basic Plan Document, dated March 1, 2005.		10-Q	000-26640	04/29/2005
10.13	* Nonqualified Deferred Compensation Plan Adoption Agreement by and among SCP Distributors, L.L.C., Superior Pool Products, L.L.C. and Cypress, Inc., dated March 1, 2005.		10-Q	000-26640	04/29/2005
10.14	* Trust Agreement by and among SCP Distributors, L.L.C., Superior Pool Products, L.L.C. and Cypress, Inc. and T. Rowe Price Trust Company, dated March 1, 2005, establishing a trust relating to Registrant's Nonqualified Deferred Compensation Plan.		10-Q	000-26640	04/29/2005
10.15	Fourth Amended and Restated Credit Agreement dated July 10, 2025, by and among Pool Corporation, as U.S. Borrower, SCP Distributors Canada Inc., as Canadian Borrower, SCP International, Inc., as Euro Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and certain other lenders party thereto.		8-K	000-26640	07/14/2025

No.	Description	Filed/ Furnished with this Form 10-K	Incorporated by Reference		
			Form	File No.	Date Filed
10.16	Receivables Sale and Contribution Agreement, dated as of October 11, 2013, between SCP Distributors LLC, Horizon Distributors, Inc., Superior Pool Products LLC and Poolfx Supply LLC, as Originators and Superior Commerce LLC, as Buyer.		8-K	000-26640	10/17/2013
10.17	Joinder and Amendment No. 13 to the Receivables Purchase Agreement, effective October 31, 2024, among Superior Commerce LLC, as Seller, SCP Distributors LLC, as the Servicer, the Purchasers from time to time party thereto, and Wells Fargo Bank, National Association, as Administrative Agent, including Exhibit A/B containing the Receivables Purchase Agreement, as amended and restated through October 31, 2024.		8-K	000-26640	11/05/2024
10.18	Performance Undertaking, dated as of October 11, 2013, by and between Pool Corporation and Superior Commerce LLC in respect of the Receivables Sale and Contribution Agreement.		8-K	000-26640	10/17/2013
10.19	Credit Agreement, dated as of December 30, 2019, among Pool Corporation as the Borrower, Certain Subsidiaries of the Borrower Party Hereto, as the Guarantors, and Bank of America, N.A., as the Lender.		8-K	000-26640	01/02/2020
10.20	as amended by First Amendment to Credit Agreement dated October 12, 2021.		10-Q	000-26640	10/28/2021
10.21	as amended by Second Amendment to Credit Agreement dated June 30, 2023.		8-K	000-26640	07/05/2023
10.22	as amended by Third Agreement to Credit Agreement dated September 30, 2024.		10-Q	000-26640	10/30/2024
10.23	as amended by Fourth Amendment to Credit Agreement dated July 10, 2025.		8-K	000-26640	07/14/2025
19.1	Pool Corporation Insider Trading Policy.		10-K	000-26640	02/27/2024
21.1	Subsidiaries of the registrant.	X			
23.1	Consent of Ernst & Young LLP.	X			
31.1	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
97.1	Pool Corporation Clawback Policy.		10-K	000-26640	02/27/2024
101.INS	+ Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X			
101.SCH	+ Inline XBRL Taxonomy Extension Schema Document	X			
101.CAL	+ Inline XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.DEF	+ Inline XBRL Taxonomy Extension Definition Linkbase Document	X			
101.LAB	+ Inline XBRL Taxonomy Extension Label Linkbase Document	X			
101.PRE	+ Inline XBRL Taxonomy Extension Presentation Linkbase Document	X			

No.	Description	Filed/ Furnished with this Form 10-K	Incorporated by Reference		
			Form	File No.	Date Filed
104	+ Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	X			

* Indicates a management contract or compensatory plan or arrangement

+ Attached as Exhibit 101 to this report are the following items formatted in iXBRL (Inline Extensible Business Reporting Language):

1. Consolidated Statements of Income for the years ended December 31, 2025, December 31, 2024 and December 31, 2023;
2. Consolidated Statements of Comprehensive Income for the years ended December 31, 2025, December 31, 2024 and December 31, 2023;
3. Consolidated Balance Sheets at December 31, 2025 and December 31, 2024;
4. Consolidated Statements of Cash Flows for the years ended December 31, 2025, December 31, 2024 and December 31, 2023;
5. Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2025, December 31, 2024 and December 31, 2023; and
6. Notes to Consolidated Financial Statements.

[This page intentionally left blank]

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on February 26, 2026.

POOL CORPORATION

By: /s/ JOHN E. STOKELY
John E. Stokely, Chair of the Board
and Lead Independent Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities indicated on February 26, 2026.

Signature:	Title:
<u>/s/ JOHN E. STOKELY</u> John E. Stokely	Chair of the Board and Lead Independent Director
<u>/s/ PETER D. ARVAN</u> Peter D. Arvan	President, Chief Executive Officer and Director (principal executive officer)
<u>/s/ MELANIE M. HART</u> Melanie M. Hart	Senior Vice President and Chief Financial Officer (principal financial officer)
<u>/s/ WALKER F. SAIK</u> Walker F. Saik	Chief Accounting Officer and Corporate Controller (principal accounting officer)
<u>/s/ MARTHA S. GERVASI</u> Martha S. Gervasi	Director
<u>/s/ JAMES D. HOPE</u> James D. Hope	Director
<u>/s/ KEVIN M. MURPHY</u> Kevin M. Murphy	Director
<u>/s/ DEBRA S. OLER</u> Debra S. Oler	Director
<u>/s/ MANUEL J. PEREZ DE LA MESA</u> Manuel J. Perez de la Mesa	Director
<u>/s/ CARLOS A. SABATER</u> Carlos A. Sabater	Director
<u>/s/ DAVID G. WHALEN</u> David G. Whalen	Director

[This page intentionally left blank]

SHAREHOLDER INFORMATION

SEC FILINGS / INVESTOR CONTACT

Pool Corporation reports filed with or furnished to the Securities and Exchange Commission are available without charge to shareholders upon written request. These requests and other investor inquiries should be directed to Investor Relations at the company's corporate address below.

SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting of Pool Corporation will be held on **Wednesday, April 29, 2026, at 9:00 a.m., Eastern Time**. This year's Annual Meeting will be a virtual meeting via live webcast on the Internet. Shareholders of record as of **March 12, 2026**, will be entitled to vote at this meeting.

STOCK LISTING

Pool Corporation's common stock is traded on the Nasdaq Global Select Market under the symbol POOL.

COMPANY ADDRESS

POOL CORPORATION

109 Northpark Boulevard
Covington, LA 70433-5001
Phone: 985.892.5521

www.poolcorp.com

REGISTRAR AND TRANSFER AGENT

COMPUTERSHARE TRUST COMPANY, N.A.

P.O. Box 43006
Providence, RI 02940-3006
Phone: 877.373.6374

www.computershare.com

Inquiries regarding stock transfers, lost certificates or address changes should be directed to Computershare at the above address.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ERNST & YOUNG LLP New Orleans, LA

OUTSIDE SECURITIES COUNSEL

JONES WALKER LLP New Orleans, LA

- | | |
|---|---|
| (1) Executive Officer | (6) Chair, Nominating and Corporate Governance Committee |
| (2) Chair, Audit Committee | (7) Member, Nominating and Corporate Governance Committee |
| (3) Member, Audit Committee | (8) Chair, Strategic Planning Committee |
| (4) Chair, Compensation and Human Capital Management Committee | (9) Member, Strategic Planning Committee |
| (5) Member, Compensation and Human Capital Management Committee | |

COMPANY OFFICERS AND DIRECTORS

OFFICERS

PETER D. ARVAN (1)

President and Chief Executive Officer

MELANIE M. HART (1)

Senior Vice President, Chief Financial Officer and Treasurer

CAROLYNE "KENDALL" K. LARGE

Vice President, Marketing

TODD R. MARSHALL

Vice President and Chief Information Officer

JENNIFER M. NEIL (1)

Senior Vice President, Secretary and Chief Legal Officer

JONATHAN P. PECHON

Vice President, Supply Chain

WALKER F. SAIK

Chief Accounting Officer and Corporate Controller

KENNETH G. ST. ROMAIN (1)

Senior Vice President

LUTHER A. WILLEMS

Vice President and Chief Human Resources Officer

BOARD OF DIRECTORS

JOHN E. STOKELY

Chair of the Board
Retired, Former President, Chief Executive Officer and Chairman of Richfood Holdings, Inc.

MANUEL J. PEREZ DE LA MESA

Vice Chair of the Board
Retired, Former President and Chief Executive Officer of Pool Corporation

PETER D. ARVAN

President and Chief Executive Officer

MARTHA "MARTY" S. GERVASI (4), (9)

Retired, Former Chief Human Resources Officer of The Hartford Financial Services Group

JAMES "JIM" D. HOPE (2), (7)

Retired, Former Executive Vice President and Chief Financial Officer of Performance Food Group Company

KEVIN M. MURPHY (5)

Group Chief Executive Officer at Ferguson Enterprises Inc.

DEBRA S. OLER (5), (8)

Retired, Former Senior Vice President/President North American Sales and Service of W.W. Grainger, Inc.

CARLOS A. SABATER (3), (7), (9)

Retired, Former Senior Global Partner at Deloitte & Touche LLP

DAVID G. WHALEN (3), (6), (9)

Retired, Former President and Chief Executive Officer of A.T. Cross Company

This annual report contains certain forward-looking statements, as defined by the federal securities laws. These forward-looking statements are not guarantees of future results, are based on current expectations only and are subject to risk and uncertainties. Actual events and results may differ materially from those anticipated by us in those statements due to several factors, including those disclosed in our filings with the Securities and Exchange Commission.



POWERING^{THE} INDUSTRY

THE CHANNEL. THE SCALE. THE STANDARD.



UNMATCHED
**NETWORK &
SELECTION**



BEST-IN-CLASS
DIGITAL ECOSYSTEM



DIFFERENTIATED
**BRANDS & GROWTH
PLATFORMS**



THE INDUSTRY'S
PARTNER OF CHOICE

POOL CORPORATION | 109 Northpark Boulevard, Covington, LA 70433-5001
Phone: 985.892.5521 | www.poolcorp.com

