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

FORM 10-Q

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

For the quarterly period ended March 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	**0-26640**	**36-3943363**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
109 Northpark Boulevard, Covington, Louisiana		**70433-5001**
(Address of principal executive offices)		(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

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 Regulations 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

As of April 24, 2025, there were 37,594,914 shares of the registrant's common stock outstanding.

POOL CORPORATION
Form 10-Q
For the Quarter Ended March 31, 2025

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Net sales	**$ 1,071,526**	$ 1,120,810
Cost of sales	**759,157**	782,250
Gross profit	**312,369**	338,560
Selling and administrative expenses	**234,831**	229,840
Operating income	**77,538**	108,720
Interest and other non-operating expenses, net	**11,164**	13,419
Income before income taxes and equity in earnings	**66,374**	95,301
Provision for income taxes	**12,883**	16,473
Equity in earnings of unconsolidated investments, net	**54**	57
Net income	**$ 53,545**	$ 78,885
Earnings per share attributable to common stockholders:		
Basic	**$ 1.42**	$ 2.05
Diluted	**$ 1.42**	$ 2.04
Weighted average common shares outstanding:		
Basic	**37,460**	38,205
Diluted	**37,630**	38,467
Cash dividends declared per common share	**$ 1.20**	$ 1.10

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

POOL CORPORATION
Consolidated Statements of Comprehensive Income
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2025	**2024**
Net income	**$ 53,545**	$ 78,885
Other comprehensive income (loss):		
Foreign currency translation gain (loss)	**3,927**	(3,668)
Unrealized (loss) gain on interest rate swaps, net of the change in taxes of $970 and $(742)	**(2,911)**	2,226
Total other comprehensive income (loss)	**1,016**	(1,442)
Comprehensive income	**$ 54,561**	$ 77,443

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

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

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)	December 31, 2024 (Audited)
Assets			
Current assets:			
Cash and cash equivalents	**$ 71,644**	$ 67,974	$ 77,862
Receivables, net	**146,209**	150,240	115,835
Receivables pledged under receivables facility	**350,867**	376,935	199,026
Product inventories, net	**1,460,680**	1,496,947	1,289,300
Prepaid expenses and other current assets	**48,177**	44,521	47,091
Total current assets	**2,077,577**	2,136,617	1,729,114
Property and equipment, net	**251,011**	230,423	251,324
Goodwill	**699,250**	699,424	698,910
Other intangible assets, net	**288,770**	296,494	290,732
Equity interest investments	**1,511**	1,350	1,439
Operating lease assets	**315,097**	308,593	314,853
Other assets	**79,233**	85,926	81,812
Total assets	**$ 3,712,449**	$ 3,758,827	$ 3,368,184
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	**$ 890,167**	$ 907,806	$ 525,235
Accrued expenses and other current liabilities	**109,893**	99,557	171,194
Short-term borrowings and current portion of long-term debt	**57,059**	36,655	49,473
Current operating lease liabilities	**100,697**	92,162	98,284
Total current liabilities	**1,157,816**	1,136,180	844,186
Deferred income taxes	**81,147**	68,904	81,408
Long-term debt, net	**968,031**	942,522	900,883
Other long-term liabilities	**45,473**	42,807	44,959
Non-current operating lease liabilities	**221,291**	222,730	223,283
Total liabilities	**2,473,758**	2,413,143	2,094,719
Stockholders' equity:			
Common stock, 0.001 par value; 100,000,000 shares authorized; 37,659,549, 38,462,331 and 37,691,942 shares issued and outstanding at March 31, 2025, March 31, 2024 and December 31, 2024, respectively	**38**	38	38
Additional paid-in capital	**651,053**	620,278	638,615
Retained earnings	**600,248**	720,228	648,476
Accumulated other comprehensive (loss) income	**(12,648)**	5,140	(13,664)
Total stockholders' equity	**1,238,691**	1,345,684	1,273,465
Total liabilities and stockholders' equity	**$ 3,712,449**	$ 3,758,827	$ 3,368,184

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

POOL CORPORATION
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2025	**2024**
Operating activities		
Net income	**$ 53,545**	$ 78,885
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**9,840**	8,661
Amortization	**2,147**	2,088
Share-based compensation	**6,055**	5,328
Equity in earnings of unconsolidated investments, net	**(54)**	(57)
Other	**1,377**	(853)
Changes in operating assets and liabilities, net of effects of acquisitions:		
Receivables	**(180,546)**	(181,705)
Product inventories	**(168,410)**	(133,249)
Prepaid expenses and other assets	**19,051**	15,741
Accounts payable	**366,728**	401,384
Accrued expenses and other liabilities	**(82,509)**	(50,781)
Net cash provided by operating activities	**27,224**	145,442
Investing activities		
Acquisition of businesses, net of cash acquired	**—**	(1,348)
Purchases of property and equipment, net of sale proceeds	**(13,295)**	(17,038)
Other investments, net	**(266)**	(566)
Net cash used in investing activities	**(13,561)**	(18,952)
Financing activities		
Proceeds from revolving line of credit	**427,700**	228,400
Payments on revolving line of credit	**(454,600)**	(365,500)
Payments on term loan under credit facility	**(6,250)**	(6,250)
Proceeds from asset-backed financing	**207,300**	208,600
Payments on asset-backed financing	**(91,000)**	(138,000)
Payments on term facility	**(9,938)**	—
Proceeds from short-term borrowings and current portion of long-term debt	**1,816**	14
Payments on short-term borrowings and current portion of long-term debt	**(480)**	(1,561)
Proceeds from stock issued under share-based compensation plans	**6,383**	8,773
Payments of cash dividends	**(45,226)**	(42,334)
Repurchases of common stock	**(56,316)**	(16,304)
Net cash used in financing activities	**(20,611)**	(124,162)
Effect of exchange rate changes on cash and cash equivalents	**730**	(894)
Change in cash and cash equivalents	**(6,218)**	1,434
Cash and cash equivalents at beginning of period	**77,862**	66,540
Cash and cash equivalents at end of period	**$ 71,644**	$ 67,974

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

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

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	
	Shares	Amount	Capital	Earnings	Loss	Total
Balance at December 31, 2024	37,692	$ 38	$ 638,615	$ 648,476	$ (13,664)	$ 1,273,465
Net income	—	—	—	53,545	—	53,545
Foreign currency translation	—	—	—	—	3,927	3,927
Interest rate swaps, net of the change in taxes $970	—	—	—	—	(2,911)	(2,911)
Repurchases of common stock, net of retirements	(169)	—	—	(56,530)	—	(56,530)
Share-based compensation	—	—	6,055	—	—	6,055
Issuance of stock under share-based compensation plans	137	—	6,383	—	—	6,383
Declaration of cash dividends	—	—	—	(45,243)	—	(45,243)
Balance at March 31, 2025	**37,660**	**$ 38**	**$ 651,053**	**$ 600,248**	**$ (12,648)**	**$ 1,238,691**

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	
	Shares	Amount	Capital	Earnings	Income	Total
Balance at December 31, 2023	38,355	$ 38	$ 606,177	$ 699,990	$ 6,582	$ 1,312,787
Net income	—	—	—	78,885	—	78,885
Foreign currency translation	—	—	—	—	(3,668)	(3,668)
Interest rate swaps, net of the change in taxes of $(742)	—	—	—	—	2,226	2,226
Repurchases of common stock, net of retirements	(41)	—	—	(16,304)	—	(16,304)
Share-based compensation	—	—	5,328	—	—	5,328
Issuance of stock under share-based compensation plans	148	—	8,773	—	—	8,773
Declaration of cash dividends	—	—	—	(42,343)	—	(42,343)
Balance at March 31, 2024	38,462	$ 38	$ 620,278	$ 720,228	$ 5,140	$ 1,345,684

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

Note 1 – Summary of Significant Accounting Policies

Pool Corporation (the *Company*, which may also be referred to as *we, us* or *our*) prepared the unaudited interim Consolidated Financial Statements following U.S. generally accepted accounting principles (GAAP) and the requirements of the Securities and Exchange Commission (SEC) for interim financial information. As permitted under those rules, we have condensed or omitted certain footnotes and other financial information required for complete financial statements.

The interim Consolidated Financial Statements include all normal and recurring adjustments that are necessary for a fair presentation of our financial position and operating results. All significant intercompany accounts and intercompany transactions have been eliminated.

A description of our significant accounting policies is included in our 2024 Annual Report on Form 10-K. You should read the interim Consolidated Financial Statements in conjunction with the Consolidated Financial Statements and accompanying notes in our 2024 Annual Report on Form 10-K. The results for our three-month period ended March 31, 2025, are not necessarily indicative of the expected results for our fiscal year ending December 31, 2025.

Income Taxes

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. 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. We record all excess tax benefits as a component of income tax benefit or expense on the Consolidated Statements of Income in the period in which stock options are exercised or restrictions on restricted stock awards lapse. We recorded excess tax benefits of $3.8 million in the first quarter of 2025 compared to $7.4 million in the first quarter of 2024.

Retained Earnings

We account for the retirement of repurchased shares as a reduction of Retained earnings. As of March 31, 2025, the Retained earnings on our Consolidated Balance Sheets reflects (i) cumulative net income, (ii) the cumulative impact of adjustments for changes in accounting pronouncements, (iii) share retirements since the inception of our share repurchase programs of $2.8 billion and (iv) cumulative dividends of $1.3 billion.

Accumulated Other Comprehensive (Loss) Income

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

	March 31,		December 31,
	2025	2024	2024
Foreign currency translation adjustments	**$ (25,161)**	$ (16,367)	$ (29,088)
Unrealized gains on interest rate swaps, net of tax	**12,513**	21,507	15,424
Accumulated other comprehensive (loss) income	**$ (12,648)**	$ 5,140	$ (13,664)

Recent Accounting Pronouncements Pending Adoption

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

Standard	Description	Effective Date	Effect on Financial Statements and Other Significant Matters
ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* and related amendments	In November 2024, the FASB issued ASU 2024-03 and in January 2025, the FASB issued ASU 2025-01*, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, 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 effect the adoption of this standard will have on our disclosures.
ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*	In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which will require enhancements and further transparency for decision usefulness to various income tax disclosures, most notably the tax rate reconciliation and income taxes paid.	Annual periods beginning after December 15, 2024 on a prospective basis and retrospective application is permitted. Early adoption is also permitted.	We expect that the adoption of this standard will expand our disclosures but do not expect the adoption of this standard to have a material impact on our consolidated financial statements.
ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*	In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, 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.	The amendments in ASU 2023-06 will be effective 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 the adoption of this standard to have a material impact on our consolidated financial statements since we are already subject to the requirements under Regulation S-X and Regulation S-K.

Note 2 – 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 payment 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 184,000 for the three months ended March 31, 2025, and 205,000 for the three months ended March 31, 2024.

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):

	Three Months Ended March 31,	
	2025	**2024**
Net income	**$ 53,545**	$ 78,885
Amounts allocated to participating securities	**(263)**	(413)
Net income attributable to common stockholders	**$ 53,282**	$ 78,472
Weighted average common shares outstanding:		
Basic	**37,460**	38,205
Effect of dilutive securities:		
Stock options and employee stock purchase plan	**170**	262
Diluted	**37,630**	38,467
Earnings per share attributable to common stockholders:		
Basic	**$ 1.42**	$ 2.05
Diluted	**$ 1.42**	$ 2.04
Anti-dilutive stock options excluded from diluted earnings per share computations (1)	**118**	57

(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 3 – 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.

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

Note 4 – Fair Value Measurements and Interest Rate Swaps

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 March 31,	
	Input Level	**Classification**	**2025**	**2024**
Assets				
Unrealized gains on interest rate swaps	Level 2	Prepaid expenses and other current assets	**$ —**	$ 4,984
Unrealized gains on interest rate swaps	Level 2	Other assets	**16,728**	23,738
Deferred compensation plan asset	Level 1	Other assets	**17,477**	17,025
Liabilities				
Deferred compensation plan liability	Level 1	Other long-term liabilities	**$ 17,477**	$ 17,025

Interest Rate Swaps

We utilize interest rate swap contracts to reduce our exposure to fluctuations in variable interest rates for future interest payments on a portion of our variable rate borrowings.

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.

We recognize any differences between the variable interest rate in effect and the fixed interest rates per our swap contracts as an adjustment to interest expense over the life of the swaps. 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) income on the Consolidated Balance Sheets.

Our interest rate swaps in effect during the quarter 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) income on the Consolidated Balance Sheets.

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
Interest rate swap 1	February 5, 2020	February 26, 2021	February 28, 2025	$150.0	1.3260 %

We currently have two 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 2	March 9, 2020	September 29, 2022	February 26, 2027	$150.0	0.6690 %
Interest rate swap 3	March 9, 2020	February 28, 2025	February 26, 2027	$150.0	0.7630 %

For the interest rate swap contracts in effect at March 31, 2025, 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) income on the Consolidated Balance Sheets to Interest and other non-operating expenses, net on the Consolidated Statements of Income. These amounts were not material in the three-month periods ended March 31, 2025 or March 31, 2024.

Failure of any 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 were in a net pay position.

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.

Other

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 of 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.

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

Note 5 – Debt

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

	March 31, 2025	March 31, 2024
Variable rate debt		
Short-term borrowings	**$ 1,733**	$ —
Current portion of long-term debt:		
Australian credit facility	**11,576**	11,655
Current portion of term loans under credit facility	**43,750**	25,000
Short-term borrowings and current portion of long-term debt	**$ 57,059**	$ 36,655
Long-term portion:		
Revolving credit facility	**$ 167,700**	$ 115,400
Term loan under credit facility	**412,500**	456,250
Term facility	**100,000**	109,937
Receivables securitization facility	**290,400**	262,300
Less: financing costs, net	**2,569**	1,365
Long-term debt, net	**968,031**	942,522
Total debt	**$ 1,025,090**	$ 979,177

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, net 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.

Note 6 - 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 served 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. The accounting policies for our segment are the same as those described in "Note 1 - Significant Accounting Policies" in our Annual Report on Form 10-K for the year ended December 31, 2024, and in Note 1 above.

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):

	Three Months Ended March 31,	
	2025	**2024**
Net sales	**$ 1,071,526**	$ 1,120,810
Cost of sales	**759,157**	782,250
Gross profit	**312,369**	338,560
Compensation expenses	**120,369**	119,209
Freight out expenses	**17,122**	17,896
Other selling and administrative expenses	**97,340**	92,735
Operating income	**77,538**	108,720
Reconciliation:		
Interest and other non-operating expenses, net	**11,164**	13,419
Income before income taxes and equity in earnings	**$ 66,374**	$ 95,301

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

	Three Months Ended March 31,	
	2025	**2024**
Depreciation	**$ 9,840**	$ 8,661
Amortization	**2,147**	2,088

	March 31,	
	2025	**2024**
Receivables, net	**$ 146,209**	$ 150,240
Receivables pledged under receivables facility	**350,867**	376,935
Product inventories, net	**1,460,680**	1,496,947

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with the accompanying interim Consolidated Financial Statements and notes, the Consolidated Financial Statements and accompanying notes in our 2024 Annual Report on Form 10-K and Management's Discussion and Analysis in our 2024 Annual Report on Form 10-K.

Forward-Looking Statements

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 industry, economic, 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 due to one or more factors, including the sensitivity of our business to weather conditions; changes in economic conditions, 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 our 2024 Annual Report on Form 10-K, as updated by our subsequent filings with the U.S. Securities and Exchange Commission. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

OVERVIEW

Financial Results

First quarter ended March 31, 2025 compared to the first quarter ended March 31, 2024

Net sales decreased 4% in the first quarter of 2025. On a same-selling day basis, sales declined 2% in the first quarter of 2025, consistent with the 2% decrease we saw in the fourth quarter of 2024, which was an improved sequential trend from earlier in 2024. Maintenance-related product sales supported overall sales, as chemical volumes grew 1% with double-digit growth in our private-label chemical products. While discretionary projects remained pressured, we saw an improvement in overall sales in March following challenging weather patterns in January and February.

Gross profit decreased 8% in the first quarter of 2025 from the same period of 2024. Gross margin decreased 100 basis points to 29.2% compared to 30.2%. In the first quarter of 2024, our gross profit benefited by 4% and our gross margin by 110 basis points from the non-recurring reversal of $12.6 million for estimated import taxes. Without the 110 basis points included in our prior quarter gross margin, our first quarter of 2025 gross margin was 10 basis points higher than last year.

Selling and administrative expenses (operating expenses) in the first quarter of 2025 were held to a 2% increase compared to the first quarter of 2024. Operating expenses increased from inflationary impacts and sales center network expansion but were partially offset by our management of variable costs. As a percentage of net sales, operating expenses increased to 21.9% in the first quarter of 2025 compared to 20.5% in the same period of 2024.

Operating income in the first quarter of 2025 decreased 29%. Operating margin was 7.2% in the first quarter of 2025 compared to 9.7% in the first quarter of 2024, including the 110 basis points attributable to the import tax reversal discussed above.

We recorded a $3.8 million tax benefit from Accounting Standards Update (ASU) 2016-09, *Improvements to Employee Share-Based Payment Accounting*, in the quarter ended March 31, 2025, compared to a tax benefit of $7.4 million realized in the same period of 2024. This resulted in a $0.10 per diluted share tax benefit in the first quarter of 2025, a $0.02 increase from the $0.08 we estimated in our 2024 Annual Report on Form 10-K, compared to the $0.19 per diluted share tax benefit realized in the same period of 2024.

Net income decreased to $53.5 million in the first quarter of 2025 compared to $78.9 million in the first quarter of 2024. Earnings per diluted share decreased 30% to $1.42 in the first quarter of 2025 compared to $2.04 in the same period of 2024, which included a $0.24 benefit from the import tax reversal discussed above. Without the impact from ASU 2016-09 in both periods, earnings per diluted share decreased 29% to $1.32 compared to $1.85 in the first quarter of 2024. Further, without the impact from ASU 2016-09 and the import tax reversal, earnings per diluted share decreased 18%, or $0.29, from the first quarter of 2024 to the same period in 2025.

See RESULTS OF OPERATIONS below for definitions of our non-GAAP measures and reconciliations of our non-GAAP measures to GAAP measures.

References to product line and product category data throughout this report generally reflect data related to the North American swimming pool market, as this data is more readily available for analysis and represents the largest component of our operations.

In this Form 10-Q and other of our public disclosures, we 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.

Financial Position and Liquidity

Total net receivables, including pledged receivables, decreased 6% at March 31, 2025 compared to March 31, 2024, reflecting year-over-year sales trends, which were partially offset by positive credit and collections activities. Our days sales outstanding (DSO), as calculated on a trailing four quarters basis, was 25.9 days at March 31, 2025 and 26.9 days at March 31, 2024. Our allowance for doubtful accounts balance was $8.5 million at March 31, 2025 and $9.3 million at March 31, 2024.

In light of current market conditions, we thoughtfully executed early buy ordering to ensure the appropriate inventory was available when needed. Our inventory levels decreased from March 31, 2024 by $36.3 million, or 2%, to $1.46 billion as a result of the stocking improvements we have implemented. Our inventory reserve was $27.1 million at March 31, 2025 and $24.2 million at March 31, 2024. Our inventory turns, as calculated on a trailing four quarters basis, were 2.8 times at March 31, 2025 and 2.7 times at March 31, 2024.

Total debt outstanding was $1.0 billion at March 31, 2025, up $45.9 million from March 31, 2024, due to increased share repurchases in 2025.

For additional information, see "Liquidity and Capital Resources” below.

Current Trends and Outlook

For a detailed discussion of trends impacting us through 2024, see the Current Trends and Outlook section of Management’s Discussion and Analysis included in Part II, Item 7 of our 2024 Annual Report on Form 10-K.

We expect sales for the full year of 2025 to be flat to slightly positive compared to 2024. We primarily source our products domestically and expect that currently announced tariffs will positively impact net sales by approximately 1% based on vendor price increases to-date.

We expect gross margin for the full year of 2025 to be in line with our 2024 gross margin of 29.7%, with our highest margin in the second quarter of the year. Our efforts in pricing optimization and supply chain initiatives are expected to mitigate discretionary headwinds from product and customer mix that are currently pressuring our long-term gross margin outlook of 30.0%.

We expect to leverage our existing infrastructure and strategically manage discretionary spending while continuing to invest in our sales center network. We project that our operating expenses in 2025 will increase around 3% compared to 2024.

In 2025, we expect our effective tax rate will be around 25.0% without the impact of ASU 2016-09. Due to ASU 2016-09 requirements, 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 $3.8 million, or $0.10 per diluted share, tax benefit from ASU 2016-09 for the three months ended March 31, 2025. We may recognize additional tax benefits related to stock option exercises in 2025 from grants that expire in future years. We have not included any expected tax benefits in our full year guidance beyond what we have recognized as of March 31, 2025.

We expect 2025 diluted EPS in the range of $11.10 to $11.60, including the impact of year-to-date tax benefits of $0.10. We expect to continue to use cash for the payment of cash dividends as and when declared by our Board of Directors (Board) and to fund opportunistic share repurchases under our Board-authorized share repurchase program.

The forward-looking statements in the foregoing section and elsewhere in this report are based on current market conditions, 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 risks detailed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024. See "Cautionary Statement for Forward-Looking Statements."

RESULTS OF OPERATIONS

As of March 31, 2025, we conducted operations through 449 sales centers in North America, Europe and Australia. For the three months ended March 31, 2025, approximately 95% of our net sales were from our operations in North America.

The following table presents information derived from the Consolidated Statements of Income expressed as a percentage of net sales:

	Three Months Ended March 31,	
	2025	**2024**
Net sales	**100.0 %**	100.0 %
Cost of sales	**70.8**	69.8
Gross profit	**29.2**	30.2
Selling and administrative expenses	**21.9**	20.5
Operating income	**7.2**	9.7
Interest and other non-operating expenses, net	**1.0**	1.2
Income before income taxes and equity in earnings	**6.2 %**	8.5 %

Note: Due to rounding, percentages presented in the table above may not add to Operating income or Income before income taxes and equity in earnings.

We have included the results of operations from acquisitions in 2025 and 2024 in our consolidated results since the acquisition dates.

Three Months Ended March 31, 2025 Compared to Three Months Ended March 31, 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 we consolidate 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-Q as our base business results for the three months ending March 31, 2025 closely approximated consolidated results for the same period. Acquired and new market sales centers excluded from base business contributed less than 1% to the change in net sales.

The table below summarizes the changes in our sales center count during the first three months of 2025:

December 31, 2024	448
New locations	2
Closed location	(1)
March 31, 2025	449

Net Sales

(in millions)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Change	
Net sales	**$ 1,071.5**	$ 1,120.8	$ (49.3)	(4)%

Net sales of $1.07 billion in the first quarter of 2025 decreased 4% compared to $1.12 billion in the first quarter of 2024 anchored by consistent sales of non-discretionary products while sales of discretionary products continued to feel downward pressure from current market conditions and unfavorable weather in January and February.

The following factors impacted our sales during the quarter and are listed in order of estimated magnitude:

- stability from maintenance-related activities evidenced by volume growth in chemicals, which had flat sales growth for the quarter and represented 13% of total sales;
- lower sales volumes of products used in pool construction and discretionary activities (see discussion below);
- one less selling day, which lowered sales by approximately 2% compared to first quarter 2024; and
- a benefit of approximately 1% from inflationary product cost increases, which is net of price deflation for some products.

In the first quarter of 2025, sales of equipment for maintenance, renovation and new construction activities, including swimming pool heaters, pumps, lights, filters and automation devices, declined 4% versus the same period last year, and collectively represented approximately 34% of net sales for the period. Sales of building materials, which are primarily used in new construction and remodeling, decreased 5% compared to the first quarter of 2024 and represented approximately 13% of net sales in the first quarter of 2025.

Gross Profit

(in millions)	Three Months Ended March 31, 2025	2024	Change	
Gross profit	**$ 312.4**	$ 338.6	$ (26.2)	(8)%
Gross margin	**29.2 %**	30.2 %		

Gross profit decreased 8% in the first quarter of 2025 from the same period of 2024. Gross margin decreased 100 basis points to 29.2% compared to 30.2%. In the first quarter of 2024, our gross profit benefited by 4% and our gross margin by 110 basis points from the non-recurring reversal of $12.6 million for estimated import taxes. Without the 110 basis points included in our prior quarter gross margin, our first quarter of 2025 gross margin was 10 basis points higher than last year, reflecting benefits from our strategic pricing and supply chain initiatives, which were partially offset by a less advantageous customer mix and a slight drag from product mix due to lower building material sales.

Operating Expenses

(in millions)	Three Months Ended March 31, 2025	2024	Change	
Selling and administrative expenses	**$ 234.8**	$ 229.8	$ 5.0	2%
Operating expenses as a % of net sales	**21.9 %**	20.5 %		

Selling and administrative expenses in the first quarter of 2025 were held to a 2% increase compared to the first quarter of 2024. Operating expenses increased from inflationary impacts and sales center network expansion but were partially offset by our management of variable costs. As a percentage of net sales, operating expenses increased to 21.9% in the first quarter of 2025 compared to 20.5% in the same period of 2024.

Interest and Other Non-Operating Expenses, Net

Interest and other non-operating expenses, net for the first quarter of 2025 decreased $2.3 million compared to the first quarter of 2024, primarily due to lower average interest rates on debt borrowings between periods. Our weighted average effective interest rate decreased to 4.5% in the first quarter of 2025 compared to 5.3% in the first quarter of 2024 on average outstanding debt of $962.4 million and $999.1 million for the respective periods.

Income Taxes

Our effective income tax rate was 19.4% for the three months ended March 31, 2025, compared to 17.3% for the three months ended March 31, 2024. We recorded a $3.8 million tax benefit from ASU 2016-09 in the quarter ended March 31, 2025, compared to a tax benefit of $7.4 million realized in the same period last year. Without the benefit from ASU 2016-09 in both periods, our effective tax rate was 25.2% for the first quarter of 2025 and 25.1% for the first quarter of 2024.

Net Income and Earnings Per Share

Net income decreased to $53.5 million in the first quarter of 2025 compared to $78.9 million in the first quarter of 2024. Earnings per diluted share decreased 30% to $1.42 in the first quarter of 2025 compared to $2.04 in the same period of 2024, which included a $0.24 benefit from the import tax reversal discussed above. Without the impact from ASU 2016-09 in both periods, earnings per diluted share decreased 29% to $1.32 compared to $1.85 in the first quarter of 2024.

See the reconciliation of GAAP to non-GAAP measures below.

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-Q.

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-Q. 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)	Three Months Ended March 31,	
	2025	**2024**
Diluted EPS	**$ 1.42**	$ 2.04
ASU 2016-09 tax benefit	**(0.10)**	(0.19)
Adjusted diluted EPS	**$ 1.32**	$ 1.85

Seasonality and Quarterly Fluctuations

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 and irrigation and landscape installations and maintenance. Sales are lower during the first and fourth quarters. In 2024, we generated approximately 60% of our net sales and 73% 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 and share repurchases, our peak borrowing usually occurs during the second quarter, primarily because extended payment terms offered by our suppliers typically are payable in April, May and June, while our peak accounts receivable collections typically occur in June, July and August.

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)	QUARTER							
(in thousands)	**2025**	**2024**				**2023**		
	First	**Fourth**	**Third**	**Second**	**First**	**Fourth**	**Third**	**Second**
Statement of Income Data								
Net sales	**$ 1,071,526**	$ 987,480	$ 1,432,879	$ 1,769,784	$ 1,120,810	$ 1,003,050	$ 1,474,407	$ 1,857,363
Gross profit	**312,369**	290,244	416,403	530,141	338,560	293,775	428,731	567,783
Operating income	**77,538**	60,651	176,353	271,481	108,720	79,344	194,443	327,009
Net income	**53,545**	37,300	125,701	192,439	78,885	51,437	137,843	232,250
Balance Sheet Data								
Total receivables, net	**$ 497,076**	$ 314,861	$ 425,693	$ 577,529	$ 527,175	$ 342,910	$ 461,582	$ 630,950
Product inventories, net	**1,460,680**	1,289,300	1,180,491	1,295,600	1,496,947	1,365,466	1,259,308	1,392,886
Accounts payable	**890,167**	525,235	401,702	515,645	907,806	508,672	429,436	485,099
Total debt	**1,025,090**	950,356	923,829	1,116,553	979,177	1,053,320	1,033,897	1,184,586

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, when warranted, 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	**Possible Effects**
Hot and dry	• Increased purchases of chemicals and supplies for existing swimming pools • Increased purchases of above-ground pools and irrigation and lawn care products
Unseasonably cool weather or extraordinary amounts of rain	• Fewer pool and irrigation and landscape installations • Decreased purchases of chemicals and supplies • Decreased purchases of impulse items such as above-ground pools and accessories
Unseasonably early warming trends in spring/late cooling trends in fall (primarily in the northern half of the U.S. and Canada)	• A longer pool and landscape season, thus positively impacting our sales
Unseasonably late warming trends in spring/early cooling trends in fall (primarily in the northern half of the U.S. and Canada)	• A shorter pool and landscape season, thus negatively impacting our sales

Weather Impacts on 2025 and 2024 Results

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 not enough 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.

CRITICAL ACCOUNTING ESTIMATES

We prepare our Consolidated Financial Statements in accordance with U.S. generally accepted accounting principles (GAAP), which require management to make estimates and assumptions that affect reported amounts and related disclosures. Management identifies critical accounting estimates as:

- those that require the use of assumptions about matters that are inherently and highly uncertain at the time the estimates are made; and
- those for which changes in the estimates or assumptions, or the use of different estimates and assumptions, could have a material impact on our consolidated results of operations or financial condition.

Management has discussed the development, selection and disclosure of our critical accounting estimates with the Audit Committee of our Board. For a description of our critical accounting estimates that require us to make the most difficult, subjective or complex judgments, please see our 2024 Annual Report on Form 10-K. We have not changed any of these policies from those previously disclosed in that report.

Recent Accounting Pronouncements

See Note 1 of "Notes to Consolidated Financial Statements," included in Part I, Item 1 of this Form 10-Q for discussion of recent accounting pronouncements.

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 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 vehicle fleet;
- 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 2024 and 2023. Based on management's current plans, we project capital expenditures for 2025 will be approximately 1.0% to 1.5% of net sales.

Sources and Uses of Cash

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

	Three Months Ended March 31,	
	2025	**2024**
Provided by operating activities	**$ 27,224**	$ 145,442
Used in investing activities	**(13,561)**	(18,952)
Used in financing activities	**(20,611)**	(124,162)

Net cash provided by operations was $27.2 million in the first three months of 2025 compared to $145.4 million in the first three months of 2024. Of the $118.2 million decline, $68.5 million related to federal tax payments deferred from 2024 to the first quarter of 2025, while the remaining difference is attributable to changes in working capital, including a $69.8 million headwind from the changes in inventory and accounts payable due to higher purchases in the first quarter of 2025, and lower net income in 2025.

Net cash used in investing activities for the first three months of 2025 decreased $5.4 million compared to the first three months of 2024, primarily due to a reduction of $3.7 million in net capital expenditures and a $1.3 million decline in acquisition costs.

Net cash used in financing activities was $20.6 million for the first three months of 2025 compared to $124.2 million for the first three months of 2024, primarily reflecting $74.5 million of net debt proceeds in the first three months of 2025 versus $74.3 million of net debt payments in the first three months of 2024 and a $40.0 million increase in share repurchases.

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 Third Amended and Restated Revolving 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 Part II, Item 8 in our 2024 Annual Report on Form 10-K and Note 5 of "Notes to Consolidated Financial Statements" included in Part I, Item 1 of this Form 10-Q.

Credit Facility

Our Credit Facility provides for $1.3 billion in borrowing capacity consisting of an $800.0 million unsecured 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 family 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 (Term SOFR), plus an applicable margin. The term loan requires quarterly amortization payments with all remaining principal due on September 25, 2026. The revolving credit facility matures 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 March 31, 2025, there was $167.7 million of revolving borrowings outstanding, a $456.3 million term loan, $15.1 million of standby letters of credit outstanding and $617.2 million available for borrowing. The weighted average effective interest rate for the Credit Facility as of March 31, 2025, was approximately 3.7%, excluding commitment fees and including the impact of our interest rates swaps.

Term Facility

Our Term Facility provides for $185.0 million in borrowing capacity and matures on December 30, 2026. Proceeds from the Term Facility were used to pay down the Credit Facility in December 2019, adding borrowing capacity for future share repurchases, acquisitions and growth-oriented working capital expansion. 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, with the final principal repayment due on the maturity date. We may prepay amounts outstanding under the Term Facility without penalty other than interest breakage costs.

At March 31, 2025, there was $100.0 million outstanding under the Term Facility with a weighted average effective interest rate of 5.6%.

Receivables Securitization Facility

Our two-year accounts receivable securitization facility (the Receivables Facility) offers us a low-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 March 31, 2025, there was $290.4 million outstanding under the Receivables Facility at a weighted average effective interest rate of 5.3%, 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 March 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 March 31, 2025, our average total leverage ratio equaled 1.47 (compared to 1.42 as of December 31, 2024) and the TTM average total indebtedness amount used in this calculation was $957.3 million.

- *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 March 31, 2025, our fixed charge ratio equaled 4.89 (compared to 5.07 as of December 31, 2024) and TTM Rental Expense was $106.5 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 our credit facilities 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 the fixed rates plus the applicable margin on the respective borrowings.

As of March 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 4 of "Notes to Consolidated Financial Statements" included in Part I, Item 1 of this Form 10-Q.

Compliance and Future Availability

As of March 31, 2025, we were in compliance with all material 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 material covenants and financial ratio requirements throughout the next twelve months. For additional information regarding our debt arrangements, see Note 5 of "Notes to Consolidated Financial Statements," included in Part II, Item 8 of our 2024 Annual Report on Form 10-K, as updated by Note 5 of "Notes to Consolidated Financial Statements," included in Part I, Item 1 of this Form 10-Q.

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 would have the ability to finance any such transactions.

As of April 24, 2025, $290.8 million remained available to purchase shares of our common stock under our current Board-approved share repurchase program. We expect to repurchase shares on 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 the above-described credit facilities.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

There have been no material changes in our exposure to interest rate risk during the three months ended March 31, 2025, from what we reported in our 2024 Annual Report on Form 10-K. For additional information on our interest rate risk, refer to "Quantitative and Qualitative Disclosures about Market Risk" included in Part II, Item 7A in our 2024 Annual Report on Form 10-K.

Currency Risk

There have been no material changes in our exposure to currency risk during the three months ended March 31, 2025, from what we reported in our 2024 Annual Report on Form 10-K. For additional information on our currency risk, refer to "Quantitative and Qualitative Disclosures about Market Risk" included in Part II, Item 7A in our 2024 Annual Report on Form 10-K.

Item 4. 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 Securities and Exchange 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 March 31, 2025, management, including our CEO and CFO, performed an evaluation of the effectiveness of our disclosure controls and procedures. Based on that evaluation, management, including our CEO and CFO, concluded that as of March 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.

The effectiveness of our system of disclosure controls and procedures or internal control over financial reporting is subject to certain limitations, including the exercise of judgment in designing, implementing and evaluating such systems, the assumptions used in identifying the likelihood of future events and the inability to eliminate misconduct completely. As a result, there can be no assurance that our control systems will detect all errors or fraud. By their nature, our system can provide only reasonable assurance regarding management's control objectives.

PART II. OTHER INFORMATION

Item 1. 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 and our current insurance coverages, 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 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, which could adversely affect our business, financial condition or future results. We urge you to carefully consider (i) the other information set forth in this report and (ii) the risk factors discussed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes to the risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below summarizes the repurchases of our common stock in the first 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)
January 1-31, 2025	68,320	$ 337.88	68,320	$ 339,785,778
February 1-28, 2025	20,920	$ 346.53	8,660	$ 336,788,938
March 1-31, 2025	79,850	$ 325.40	79,850	$ 310,805,860
Total	169,090	$ 333.05	156,830	

(1) Includes 12,260 shares of our common stock surrendered to us during the first 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 May 2024, our Board authorized an additional $316.2 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 April 24, 2025, $290.8 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.

Our Board may declare future dividends at their 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 the "Liquidity and Capital Resources" section of Management's Discussion and Analysis in Part I, Item 2 of this Form 10-Q. 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.

Item 5. Other Information

During the quarter ended March 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 S-K).

Item 6. Exhibits

Exhibits filed as part of this report are listed below.

No.		Description	Filed/ Furnished with this Form 10-Q	Incorporated by Reference		
				Form	File No.	Date Filed
3.1		Restated Certificate of Incorporation of the Company.		10-Q	000-26640	8/9/2006
3.2		Amended and Restated Bylaws 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	5/19/2006
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 furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
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			
104	+	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	X			

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

SIGNATURE

Pursuant to the requirements 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 April 29, 2025.

POOL CORPORATION

By: /s/ Melanie Housey Hart

Melanie Housey Hart
Senior Vice President and Chief Financial Officer, and duly authorized signatory on behalf of the registrant

EXHIBIT 31.1

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Melanie Housey Hart, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pool Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2025

/s/ Melanie Housey Hart
Melanie Housey Hart
Senior Vice President and Chief Financial Officer

EXHIBIT 31.2

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peter D. Arvan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pool Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2025

/s/ Peter D. Arvan
Peter D. Arvan
President and Chief Executive Officer

EXHIBIT 32.1

Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350
(Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q of Pool Corporation (the "Company") for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Peter D. Arvan, as Chief Executive Officer of the Company, and Melanie Housey Hart, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 29, 2025

/s/ Peter D. Arvan
Peter D. Arvan
President and Chief Executive Officer

/s/ Melanie Housey Hart
Melanie Housey Hart
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.