



Pool Corporation (POOL)

Updated July 30th, 2025 by Quinn Mohammed

Key Metrics

Current Price:	\$309	5 Year CAGR Estimate:	9.1%	Market Cap:	\$12 B
Fair Value Price:	\$276	5 Year Growth Estimate:	10.0%	Ex-Dividend Date¹:	08/14/25
% Fair Value:	112%	5 Year Valuation Multiple Estimate:	-2.2%	Dividend Payment Date¹:	08/28/25
Dividend Yield:	1.6%	5 Year Price Target	\$445	Years Of Dividend Growth:	14
Dividend Risk Score:	B	Sector:	Consumer Discretionary	Rating:	Hold

Overview & Current Events

Pool Corporation sells all types of pool products through its network of sales centers. The business sells pool maintenance products (like chemicals, cleaners, filters, and pumps), materials for rebuilding above and in-ground pools (like liners and irrigation equipment), and even building materials like tiles and natural stones for hardscaping around pools. The company has 451 sales centers across North America, Europe, and Australia.

Investors might shy away from this business thinking that since pools are a highly discretionary product, this business is too. However, we don't believe that to be the case. In the US, the pool industry makes 64% of revenues from maintenance and repair, 14% from new pool construction, and 22% of revenues from remodel, renovation, and upgrade. Although purchasing a new pool is a discretionary purchase, once the pool is in the ground, a lot of the maintenance and upkeep costs become necessary costs, which allows Pool Corp to benefit from recurring revenues.

Management reported that in 2024, about 64% of revenues came from non-discretionary purchases (such as maintenance and repair products), 22% of revenues from renovation and remodel products, and the remaining 14% of sales are new construction products.

On April 30th, 2025, Pool Corp announced a 4% increase in the quarterly dividend to \$1.25 per share.

On July 24th, 2025, Pool Corp reported second quarter 2025 results for the period ending June 30, 2025. The company earned \$5.17 per share for the quarter, which was a 4% increase compared to Q2 2024 results. Net sales increased 1% to \$1,785 million from \$1,770 million in the prior year quarter.

Pool Corporation reduced its guidance for 2025, now expecting earnings-per-share of \$10.80 to \$11.30 (from \$11.10 to \$11.60 previously).

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$2.90	\$3.47	\$3.99	\$5.62	\$6.40	\$8.97	\$15.97	\$18.70	\$13.35	\$11.30	\$11.05	\$17.80
DPS	\$1.00	\$1.19	\$1.42	\$1.72	\$2.10	\$2.29	\$2.98	\$3.80	\$4.30	\$4.70	\$5.00	\$7.35
Shares	43	41	40	40	40	40	40	39	39	38	37	32

For the 25 years leading up to 2022, POOL delivered a 28.4% annual return which was the second highest among 1,700 public companies. This incredible stock performance was led by the company's high return on invested capital – demonstrated by the business averaging over 25% return on invested capital from 2015-2020. The business benefits from its high recurring revenue business model which expands in-line with the number of pools built. In 2023, it estimated that 75,000 new pools were built, further increasing the long-term demand for maintenance and upgrade. The number of in-ground pools in the U.S. was approximately 5.4 million in 2023, up from 5.1 million in 2013.

Over the trailing nine and five years, Pool Corp has seen earnings-per-share grow at an average annualized rate of 16% and 12%, respectively. We forecast that the business will continue to grow earnings-per-share by 10% annually over the intermediate term, which guides our 2030 earnings-per-share estimate of \$17.80. Pool Corporation increased its

¹ Estimated Date.

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dividend by 20% over the last nine and five years. Moving forward, we believe annual dividend growth of 8% is reasonable.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	24.6	26.4	28.9	26.5	28.8	30.7	27.7	21.5	22.3	27.4	28.0	25.0
Avg. Yld.	1.4%	1.3%	1.2%	1.2%	1.1%	0.8%	0.7%	0.9%	1.2%	1.2%	1.6%	1.7%

Over the past nine and five years, Pool Corporation has averaged a P/E ratio of 26.5 and 25.9, respectively. We estimate that over the intermediate term, the business will trade for a P/E ratio of around 25, given an expected slowdown in the company’s very strong earnings and dividend growth rates. Today, the stock offers a low 1.6% dividend yield, which isn’t ideal for investors seeking dividend income, but investors may find this business attractive due to its high returns on invested capital.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	34%	34%	36%	31%	33%	26%	19%	20%	32%	42%	45%	41%

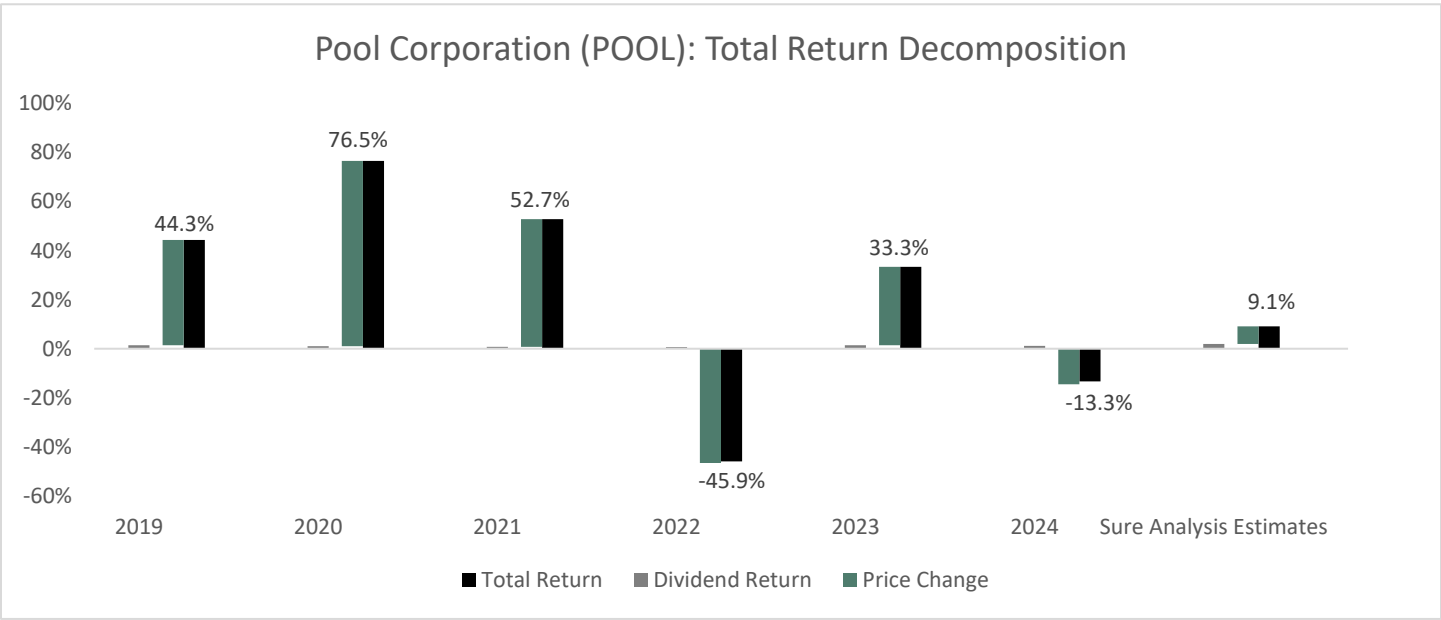
Pool Corporation has a stable payout ratio history, averaging roughly 31% over the trailing decade. For 2025, the dividend appears to be well covered, with a forecasted payout ratio of 45% of earnings.

The company has a competitive advantage as a leader in the pool accessory space, and the business has recession resiliency from the recurring revenue that pool maintenance brings the business.

Final Thoughts & Recommendation

Pool Corporation is a retail business that benefits from the recurring revenue of pool maintenance. This business has a long history of earning high returns on capital, and in turn, high returns for shareholders. At today’s price, we rate the stock as a hold with total return prospects coming in at 9.1% annually over the next five years, due to our estimates of 10.0% annual earnings-per-share growth, a potential valuation headwind from the valuation multiple rerating, and the 1.6% starting yield. We admire Pool Corporation’s simple business model that consistently earns high returns on capital.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,363	2,571	2,788	2,998	3,200	3,937	5,296	6,180	5,542	5311
Gross Profit	676	741	805	870	925	1,131	1,617	1,933	1,660	1575
Gross Margin	28.6%	28.8%	28.9%	29.0%	28.9%	28.7%	30.5%	31.3%	30.0%	29.7%
SG&A Exp.	459	485	521	556	584	660	787	908	913	958
D&A Exp.	17	22	26	28	29	29	30	39	40	45
Operating Profit	216	256	284	314	341	471	830	1,026	747	617
Op. Margin	9.1%	10.0%	10.2%	10.5%	10.7%	12.0%	15.7%	16.6%	13.5%	11.6%
Net Profit	128	149	192	234	262	367	651	748	523	434
Net Margin	5.4%	5.8%	6.9%	7.8%	8.2%	9.3%	12.3%	12.1%	9.4%	8.2%
Free Cash Flow	117	131	136	87	265	376	276	441	828	600
Income Tax	80	93	78	59	56	85	174	237	165	133

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	934	994	1,101	1,241	1,483	1,740	3,230	3,565	3428	3368
Cash & Equivalents	13	22	30	16	29	34	24	46	67	78
Acc. Receivable	18	19	27	16	18	34	28	128	61	116
Inventories	474	486	536	673	702	781	1339	1591	1365	1289
Goodwill & Int.	185	198	203	200	200	280	1,001	997	998	990
Total Liabilities	679	789	878	1,017	1,073	1,100	2,159	2,330	2115	2095
Accounts Payable	247	231	245	238	262	267	399	407	509	525
Long-Term Debt	328	438	520	667	511	416	1,183	1,387	1053	950
Total Equity	256	205	223	224	410	639	1,071	1,235	1313	1273
LTD/E Ratio	1.28	2.13	2.33	2.98	1.25	0.65	1.10	1.12	0.80	0.75

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	14.0%	15.4%	18.3%	20.0%	19.2%	22.8%	26.2%	22.0%	15.0%	12.8%
Return on Equity	51.3%	64.6%	89.5%	105%	82.5%	69.9%	76.1%	64.9%	41.1%	33.6%
ROIC	22.3%	24.3%	27.7%	28.7%	28.9%	37.1%	39.3%	30.7%	21.0%	18.9%
Shares Out.	43	41	40	40	40	40	40	40	39	38
Revenue/Share	53.40	59.81	65.68	71.91	78.29	96.33	130.82	155.25	142.10	138.93
FCF/Share	2.64	3.05	3.20	2.09	6.49	9.20	6.81	11.08	21.24	15.69

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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