

Pool & Spa Products Distribution Market Update

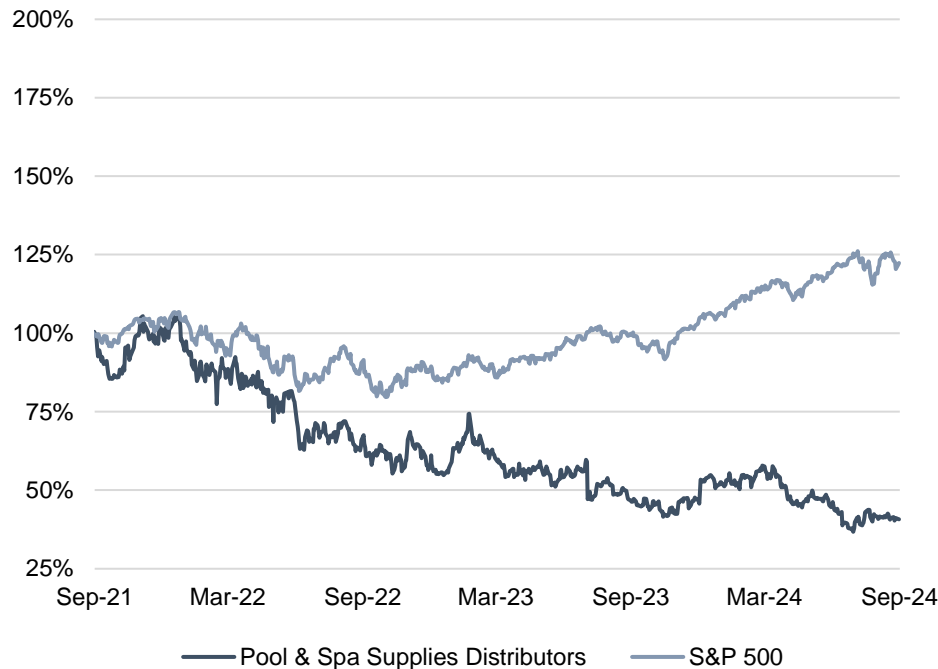
September 2024



Public Market Trends

Pool & Spa supplies wholesalers realized compressed earnings due to weak discretionary spending, a trend expected to ease in coming months

Pool & Spa Supplies Wholesaling Public Market Performance



Pool & Spa Supplies Wholesalers



Pool & Spa Distribution EV / EBITDA Multiples



Industry Guidance



Pool Corporation
President & CEO – Peter Arvan

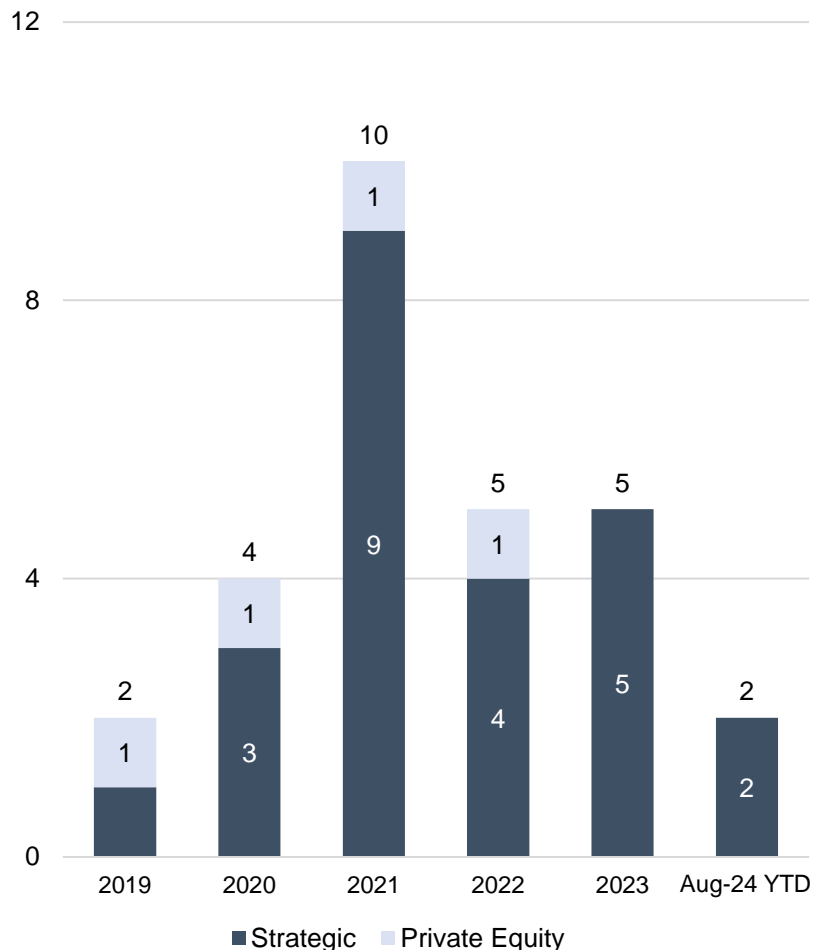
June 2024 Season Update

“Despite the recent trends dampening discretionary spending, we continue to believe that the desire for swimming pools and outdoor living projects remains strong, which allows our industry to grow over time as new pools are added to the installed base every year. We are confident that the strategic investments in our business position us for growth coming out of this economic cycle and are allowing us to continue to gain market share by providing unmatched value to our customers and suppliers.”

Recent Transaction Activity

Transaction activity has remained steady in recent years as the industry performs well and M&A continues to be in focus for key players across the sector

Pool & Spa Supplies Wholesaler Transactions by Type¹

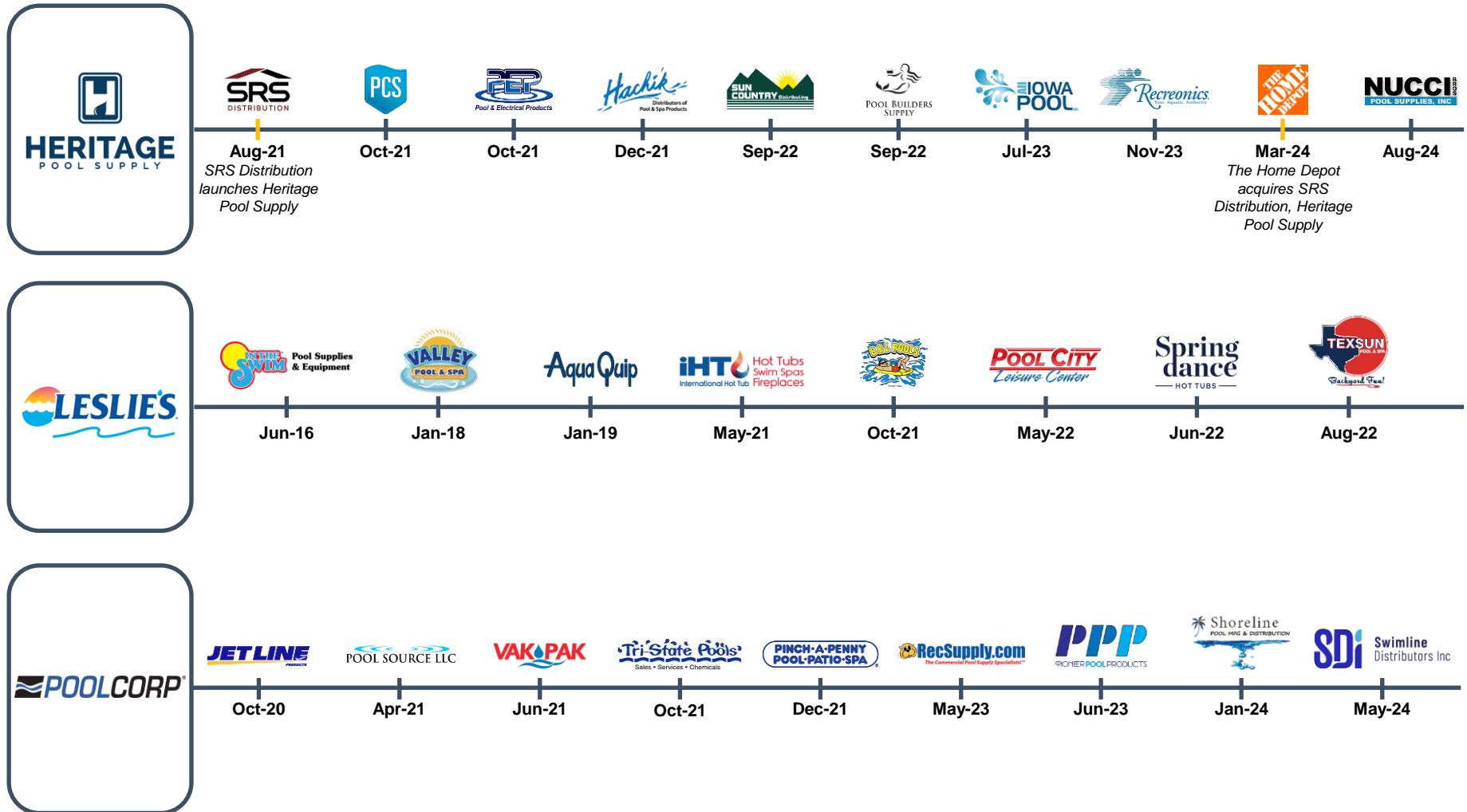


Recent Pool & Spa Supplies Wholesaler Transactions

Seller	Acquirer	Date
NUCCI POOL SUPPLIES, INC.	HERITAGE POOL SUPPLY GROUP	Aug 9, 2024
SDI	POOLCORP	May 31, 2024
Recronics	HERITAGE POOL SUPPLY GROUP	Nov. 6, 2023
IOWA POOL	HERITAGE POOL SUPPLY GROUP	Jul. 28, 2023
PPP PIONEER POOL PRODUCTS	POOLCORP	Jun. 1, 2023
RecSupply.com The Commercial Pool Supply Specialists™	POOLCORP	May 22, 2023
SUN COUNTRY	HERITAGE POOL SUPPLY GROUP	Sep. 30, 2022
TEXSUN "Wholesale Star"	LESLIE'S	Aug. 6, 2022
Great Plains Supply Pool and Spa Products	marcone	Aug. 1, 2022
Spring dance HOT TUBS	LESLIE'S	Jun. 1, 2022
POOL CITY Leisure Center	LESLIE'S	May 5, 2022
Hackitt Distributors of Pool & Spa Products	HERITAGE POOL SUPPLY GROUP	Dec. 22, 2021
PEP Pool & Electrical Products	HERITAGE POOL SUPPLY GROUP	Dec. 21, 2021
PCS POOL CONTRACTORS SUPPLY	HERITAGE POOL SUPPLY GROUP	Oct. 8, 2021

Active Consolidators

The sector has multiple consolidators expanding through acquisitions



Specialty Distribution Coverage

Founders has focused coverage efforts on the specialty distribution sector

Specialty Distribution Coverage

Commercial and Industrial

Automotive & Heavy-Duty Aftermarket



Equipment Dealers



Fastener / MRO



Fluid Power



Foodservice



Gases & Welding Equipment



Hoses & Fittings



Janitorial & Sanitation



Specialty Chemical



Building Products

Electrical



HVACR



Landscape Supplies



Lumber & Building Materials



Pipes, Valves, & Fittings



Plumbing



Pool & Spa



Roofing



Wallboard / Gypsum



Recent Specialty Distribution Transactions



April 2024

Provider of contract packaging and turnkey fulfillment service and delivery



October 2023

Distributes and services heavy-duty truck and trailer parts for a regional customer base



March 2023

Distributes refrigeration parts and equipment to restaurants, bars, and supermarkets



July 2022

Distributes and services industrial valves and other flow control products across the Southeast



December 2021

Distributes plumbing supplies and fixtures to residential repair and construction end markets



December 2023

Provider of parts, systems, and equipment for aggregate and mineral producer end markets



March 2023

Distributes fasteners and strut accessories to OEM and construction end markets



September 2022

Distributes lumber and building materials to residential construction end markets



June 2022

Distributes heavy-duty truck parts and accessories to enthusiasts via the e-commerce channel



October 2021

Distributes pool and spa products to dealers in the Southeast

Industrials Group Overview

With expertise across many Industrial sectors, our group brings valuable knowledge, contacts, and resources to our clients

Overview

- Founders' Industrials Group consists of 15 professionals who bring a wealth of knowledge, industry expertise, and commitment to our clients
- Our Senior Bankers have over 90 years of collective experience in industry and investment banking providing expert M&A advisory services to founder-owned companies
- Our deal teams are typically comprised of four professionals that are dedicated to helping our clients navigate complex M&A transactions and achieve their strategic and personal goals

Experience Across a Wide Array of Sectors

Advanced Mfg. and Process Equipment

Facility and Industrial Services

Advanced Materials

Plastics & Packaging

Automation & IIoT

Power and Infrastructure

Connectors and Electronics

Specialty Distribution

Construction and Building Materials

Test & Measurement

Recent Transactions



April 2024



February 2024



December 2023



November 2023



October 2023



August 2023



March 2023

Founders Overview

Founders utilizes proven expertise and process-based solutions to produce exceptional outcomes for our clients

- Independent merger and acquisition advisory firm focused on private businesses for the last 20 years
- Expertise across five industries that include Consumer, Healthcare, Industrials, and Technology & Business Services
- Senior bankers with decades of experience in investment banking, private equity, business development, and industry
- Headquartered in Birmingham, AL, with an additional office in Dallas, TX

FOUNDERS ADVISORS

2003

Year founded

INDUSTRY COVERAGE

Industrials



Technology



Consumer



Healthcare



Business Services



45+

Professionals

90%+

*Percentage of
clients that are
family owned*

FOUNDERS

ADVISORS

BIRMINGHAM | DALLAS

2400 Fifth Avenue South, Suite 100 • Birmingham, AL 35233 • 205.949.2043

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