

Risk Factors Comparison 2025-02-27 to 2024-02-29 Form: 10-K

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In addition to the risks stated elsewhere in this Annual Report on Form 10-K, set forth below are certain risk factors that we believe are material. If any of these risks occur, our business, financial condition, results of operations, cash flows and reputation could be harmed. You should also consider these risk factors when you read forward-looking statements elsewhere in this report.

Risks Related to Our Business Our business depends on the performance of distributors, builders, buying groups, retailers and servicers. We distribute our products through our customers who are distributors, builders, buying groups, retailers and servicers, many of whom sell products of competing manufacturers. We rely on our customers to stock, market and recommend our products to pool owners and our business depends on retaining good relationships with our customers. However, the financial condition of these resellers could weaken, they could stop distributing our products or reduce sales of our products ~~and prefer others in favor of our competitors~~. Further, uncertainty regarding demand for our products could cause them to reduce their ordering and marketing of our products. As a result, our business, financial condition, results of operations and cash flows could be materially impacted. **In several geographic markets, such as Europe, many potential consumers prefer local suppliers, in some cases because of existing relationships and in other cases because of local legal restrictions or incentives that favor local businesses. Our success in these markets depends on obtaining and maintaining relationships with local channel partners who can effectively sell our products to pool owners in the applicable market.** We have invested and intend to continue to invest in programs designed to enhance sales to distributors, builders, buying groups, retailers and servicers, including through volume rebates with key distributors. However, these programs may not be successful in retaining or increasing product purchases by these customers or in maintaining or increasing our net income. The demand for our swimming pool equipment products may be adversely affected by unfavorable economic and business conditions. We compete in various geographic regions and product markets around the world. Among these, the most significant are residential markets in the United States, Canada, Europe and Australia, as well as commercial markets in the United States and Europe. We have experienced, and expect to continue to experience, fluctuations in sales and results of operations due to economic and business cycles. Consumer spending affects sales of our products for initial pool installation and, more broadly, to our customers, such as distributors, builders, buying groups, retailers and servicers, who sell our products to pool owners and who must account for anticipated changes in consumer demand when they purchase our products from us. Consumer spending is impacted by factors outside of our control, including general economic and geopolitical conditions, interest rates, the residential housing market, unemployment rates and wage levels, inflation, disposable income levels, consumer confidence, and access to credit. In economic downturns, the demand for swimming pool equipment products and the growth rate of pool-eligible households and swimming pool construction may decline. A weak economy may also cause pool owners to defer replacement and refurbishment activity or upgrades to new pool equipment, or to purchase less expensive brands, and historically our aftermarket product sales have comprised most of our net sales. Even in generally favorable economic conditions, severe and / or prolonged downturns in the housing market could have a material adverse impact on our financial performance. In addition, we believe that homeowners' access to consumer credit is a critical factor enabling the purchase of new pools and related products. High interest rates and tightened credit markets limit the ability of homeowners to access financing for new swimming pools and related supplies, and consequently, replacement, repair and operation of equipment, which could negatively impact our product sales. Any of the above factors, individually or in the aggregate, could reduce demand for our products, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We operate in markets with high levels of competition, which may result in pressure on our profit margins and limit our ability to maintain or increase the market share of our products. The markets for our products are geographically diverse and highly competitive. We compete against large and well-established national and global companies, as well as regional and local niche OEM's, lower cost manufacturers and new market entrants. Our competitors offer pool equipment of varied quality and across a wide range of retail price points. We compete based on brand recognition with pool owners, strong relationships with our distributors and resellers, and the loyalty of our builders and servicers with whom we have built a large installed base. In addition, we compete based on our technical innovation, intellectual property, reputation for providing quality and reliable products, competitive pricing and contractual terms. Some of our competitors, in particular smaller companies, compete based primarily on price and local relationships, especially with respect to products that do not require significant engineering or technical expertise. In addition, during economic downturns average selling prices tend to decrease as market participants compete more aggressively on price, which may significantly and adversely impact our profit margins. Moreover, demand for our products is affected by changes in customer order and consumer purchasing patterns, such as changes in the levels of inventory maintained by customers and the timing of customer and consumer purchases, and changes in customers' and consumers' preferences for our products. For example, our results of operations have been negatively impacted, and in the future may continue to be negatively impacted, by customer decisions to reduce inventory levels. Consumer purchasing behavior may also shift by product mix in the market or result in a shift to new distribution channels, including e-commerce, which is a rapidly developing area. In addition, our products have and may continue to become subject to competition from counterfeit products, which are products sold under the same or very similar brand names and / or having a similar appearance to genuine products, but which are sold without proper licenses or approvals. **Similarly, our products also have and may continue to be subject to competition from producers that attempt to reverse engineer our products, produce similar products in low cost-of-labor locations, and sell those products at low margins, significantly undercutting our pricing. In each case, Such-such** products divert sales from genuine

products, often are of lower cost and quality, and have the potential to damage the reputation for quality and effectiveness of the genuine product and of our brands. If we are unable to continue to differentiate our products or adapt to changes in consumer purchasing behavior or shifts in distribution channels, or if we are forced to cut prices or to incur additional costs to remain competitive, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our future success depends on developing, manufacturing and attaining market adoption of new products. Even if we attain significant market acceptance of our planned or future products, the commercial success of these products is not guaranteed. Our future financial success will depend substantially on our ability to develop, manufacture, ~~and effectively and profitably~~ market and sell ~~our future new~~ products **we develop**. Pool owners are increasingly demanding “ smart home ” technology, automation and environmentally friendly, sustainable and ethical product features to enhance their pools. Staying at the forefront of product innovation and consumer demand is important to our future success. We must continue to develop and bring to market innovative products, which requires hiring and retaining technical staff, maintaining and upgrading manufacturing facilities and equipment and expanding our intellectual property rights. We must also identify emerging technological and **ESG-commercial** trends in our target end markets, as well as understand and react to potential regulatory changes. Successful growth of our sales and marketing efforts will depend on the strength of our marketing infrastructure and the effectiveness of our sales and marketing strategies, as well as the continued quality, reliability and innovation of our products. Because we sell our products primarily through distributors, we **rely are reliant** in part on the efforts of third- party sales representatives, who may be required to learn about the new features or other aspects of our new products to effectively sell those products, which may prove challenging. Further, our ability to satisfy product demand driven by our sales and marketing efforts will be largely dependent on our ability to maintain a commercially viable manufacturing process that is compliant with regulatory standards. Failure to manufacture, market and sell our **newly developed** ~~planned or future~~ products could have a material adverse effect on our business, financial condition, and results of operations . In several geographic markets, such..... and cash flows could be **adversely affected**. Our results of operations and cash flows may fluctuate from quarter to quarter for many reasons, including seasonality and weather conditions. We experience seasonal demand with customers and pool owners and, as a result, we experience fluctuations in quarterly results. During the second quarter of a fiscal year, sales are typically higher in anticipation of the start of the summer pool season. In the fourth quarter, we incentivize trade customers to buy and stock up in preparation for next year’ s pool season under an “ Early Buy ” program, which features a price discount and extended payment terms. Under the **2023-2024** Early Buy program, we generally ship products beginning in the late third quarter through approximately the first quarter of **2024-2025** and expect to receive payments for most of these shipments during the second quarter of **2024-2025**. As a result, our accounts receivable balance increases from September to April before the Early Buy payment is received. In addition, cash flow is higher in the second quarter as the seasonality of our business peaks and payments are received. Also, because most of our sales are to distributors whose inventory of our products may vary due to reasons beyond our control, such as end- user demand, supply chain lead times and macroeconomic factors, our revenue may fluctuate from period- to- period. For example, our results of operations have been negatively impacted, and in the future may ~~continue to~~ be negatively impacted, by distributors reducing inventory levels. As a result, management believes that period- to- period comparisons of results of operations are not necessarily meaningful and should not be relied upon as any indication of future performance or results expected for the fiscal year. In addition, seasonal effects in our business may vary from year to year and be impacted by weather patterns, particularly by temperature, heavy flooding and droughts, which patterns may become less predictable and more extreme as a result of climate change. Additionally, while the majority of our sales are driven by aftermarket repair, replacement and remodeling products, adverse weather conditions, such as cold or wet weather, may negatively affect demand for, and sales of, pool equipment as a result of diminished use and reduced construction speed. A loss of, or material cancellation, reduction or delay in purchases by, one or more of our largest customers could harm our business. Most of our net sales are generated from sales to distributors, including our largest customer, Pool Corporation, ~~who~~ **which** represented approximately 36 % of our net sales in Fiscal Year **2023-2024** and approximately **38-47** % of our accounts receivable on December 31, **2023-2024**. ~~Although we do not have any other~~ **Another** ~~customers-~~ **customer** that accounted for **10-11** % ~~or more~~ of our net sales in Fiscal Year **2023-2024** and ~~we have a customer with~~ approximately **10-11** % of our accounts receivable **in Fiscal Year on December 31, 2023-2024**, ~~and we have other customers that are key to the success of our business~~. Our top five customers accounted for approximately **59-61** % of our net sales in Fiscal Year **2023-2024**. Our concentration of sales to a relatively small number of larger customers makes our relationship with each of these customers important to our business. Our success is dependent on retaining these customers, which requires us to successfully manage relationships and anticipate the needs of our customers in the channels in which we sell our products. The loss of one or more of our largest customers, any material cancellation, reduction or delay in purchases by these customers, or our inability to successfully develop relationships with additional customers could have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, as our largest customers continue to evolve their approach relative to assessing their necessary and historic inventory levels on hand, our net sales have been and in the future could be adversely affected by purchasing decisions of our largest customers associated with a reduction of their inventory levels. We are exposed to credit risk on our accounts receivable and this risk is heightened during periods when economic conditions worsen. We distribute our products through distributors, large pool builders, buying groups, services and specialty online resellers. A substantial majority of our outstanding accounts receivables are not covered by collateral, third- party bank support or financing arrangements, or credit insurance. Further, a significant portion of our accounts receivables are typically concentrated within a relatively small number of distributors, builders, buying groups, retailers and servicers. As of December 31, **2023-2024**, our largest customer represented approximately **38-47 % of our accounts receivable, and another customer represented approximately 11** % of our accounts receivable. In addition, our exposure to credit and collectability risk on our accounts receivable is higher in certain international markets **, and our ability to mitigate such risks are is** limited. ~~Although we have procedures to monitor and limit exposure to~~

credit risk on our accounts receivable, there **There** can be no assurance ~~such that our~~ procedures **to monitor and limit exposure to credit risk on our accounts receivable** will effectively limit our credit risk and avoid losses. If general economic conditions worsen, it may be more likely that one or more of our customers will default on payments owed to us, **and it may be harder for us to enforce any judgment debts against such customers**, which may result in a significant write-off of accounts receivable and may have a material adverse effect on our results of operations. We are exposed to political, regulatory, economic, trade and other risks that arise from our international business operations, including the risks associated with geopolitical conflicts. Sales outside of the United States for Fiscal Year ~~2023~~ **2024** accounted for approximately ~~23~~ **22** % of our net sales. Furthermore, we obtain some components and raw materials from non- U. S. suppliers and have manufacturing facilities in Europe and China. Accordingly, our business is subject to the political, regulatory, economic, trade and other risks that are inherent in operating in numerous countries. These risks include: • adverse changes in general economic and political conditions in countries where we operate, particularly in emerging markets; • the imposition of tariffs, duties, exchange controls, licensing requirements and restrictions or other trade restrictions; • geopolitical conflicts, including sanctions imposed in response to geopolitical conflicts, may be unpredictable; • changes in tax treaties, laws or rulings that could have a material adverse impact on our effective tax rate; • the difficulty of enforcing agreements and collecting receivables through non- U. S. legal systems; • the difficulty of communicating and monitoring evolving standards and directives across our product lines, services, and global facilities; • the threat of nationalization and expropriation and limitations on repatriation of earnings or other regionally- imposed capital requirements; • difficulty in staffing and managing widespread operations in non- U. S. labor markets; • the difficulty of protecting intellectual property and other proprietary rights in non- U. S. countries; and • changes in and required compliance with a variety of non- U. S. laws and regulations. In addition, changes in U. S. or foreign government administrative policy, including between the U. S. and China, may affect our ability, or the ability of our partners and contract manufacturers to import products or raw materials into the United States. We maintain a manufacturing facility in China and purchase certain of our key parts and components from suppliers in China, **and we maintain a manufacturing facility in Europe**. As such, we are exposed to risks relating to any deterioration in the relationship between the U. S. and China, **or the U. S. and the European Union**, including through increases in tariffs between the United States and ~~China~~ **such regions**. Our success depends in part on our ability to anticipate and effectively manage these and other risks. We cannot provide assurance that these and other factors will not have a material adverse effect on our international operations or on our business ~~in the applicable market~~. Past growth may not be indicative of future growth. Historically, we have experienced substantial sales growth through organic market share gains, geographic expansion, technological innovation, new product offerings, increased demand for outdoor living products and acquisitions that have increased our size, scope and geographic footprint. During the first two years of the COVID- 19 pandemic, residential pool equipment sales increased. This increase in demand was experienced broadly across all of our product lines as consumers refocused their attention on improving the quality of the homeowner' s outdoor living experience. In addition, because of channel customer expectations with respect to increased lead- times during the COVID- 19 pandemic, demand for our products was partially accelerated. As the impact of the COVID- 19 pandemic has lessened, we believe that these pandemic- fueled trends have generally abated and the industry has returned to more normalized historical seasonal trends. Our various business strategies and initiatives, including our growth initiatives, are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control. If we are not able to continue to compete in our markets, expand into new markets, and grow our business, our business, financial condition, results of operations and cash flows **could be adversely affected**. We may not be able to identify, finance and complete suitable acquisitions, and any completed acquisitions may be unsuccessful or consume significant resources. Our business strategy includes acquiring businesses that complement our existing businesses. To date, we have experienced significant growth through acquisitions, completing multiple acquisitions over the past two decades, but we may not be able to maintain this growth. We continue to analyze and evaluate the acquisition of strategic businesses or product lines with the potential to strengthen our industry position or enhance our existing set of product offerings. We may not be able to identify suitable acquisition candidates, obtain financing or have sufficient cash necessary for acquisitions in the future. Acquisitions may involve significant cash expenditures, debt incurrences, equity issuances, operating losses and expenses. Acquisitions involve numerous other risks, including: • diversion of management time and attention from daily operations; • difficulties integrating acquired businesses, technologies and personnel into our business; • difficulties in obtaining and verifying the financial statements and other data of acquired businesses; • inability to obtain required regulatory approvals; • cybersecurity risk related to the integration of acquired information technology systems; • potential loss of key employees, contractual relationships or customers of acquired companies or of ours; • assumption of the liabilities and exposure to unforeseen liabilities of acquired companies, including risks relating to anti- corruption laws such as the FCPA and privacy laws, including the GDPR; and • the incurrence of indebtedness or the dilution of interests of holders of our shares through the issuance of equity securities or equity- linked securities. Any acquisitions or investments may not be successful or meet our expectations and may ultimately result in impairment charges and have a material adverse effect on our business, financial condition, results of operations and cash flows. We may be negatively impacted by litigation and other claims, including intellectual property, product liability or warranty claims, and health and safety concerns, including product recalls. We have been, and in the future may be, made a party to litigation arising in the ordinary course of our business, including those relating to commercial or contractual disputes with suppliers, customers or parties to acquisitions and divestitures, intellectual property matters, product liability, the use or installation of our products, consumer matters, employment and labor matters, violations of securities laws and environmental, health and safety matters, including claims based on alleged exposure to asbestos- containing product components. The outcome of such legal proceedings cannot be predicted with certainty, and some may be disposed of unfavorably to us. Regardless of the outcome, legal proceedings can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. In addition, we have agreed to provide indemnification in connection with prior acquisitions or dispositions for

certain of these matters, and we cannot provide any assurance that material indemnification claims will not be brought against us in the future. **Relatedly, we have been, and in the future may be, subject to lawsuits or other actions related to products produced by companies we have acquired.** We have in the past and may in the future implement a voluntary recall or market withdrawal or may be required to do so by a regulatory authority. A recall or market withdrawal of one of our products would be costly and would divert management resources. A recall or withdrawal of one of our products, or a similar product processed by another entity, also could impair sales of our products because of confusion concerning the scope of the recall or withdrawal, or because of the damage to our reputation for quality and safety. If our products are, or are alleged to be, defectively designed, manufactured or labeled, contain or are alleged to contain, defective components or components containing hazardous materials, such as asbestos, or are misused, we may become subject to costly litigation initiated by pool owners as well as government enforcement actions. Product liability claims could harm our reputation, divert management's attention from our core business, be expensive to defend, reduce product sales and may result in sizable damage awards against us. Although we maintain product liability insurance, we may not have sufficient insurance coverage for future product liability claims, and claims brought against us, with or without merit, could increase our product liability insurance rates or prevent us from securing continuing coverage. In addition, successful product liability claims made against one of our competitors could cause claims to be made against us or expose us to a perception that we are vulnerable to similar claims. We have significant goodwill and intangible assets and future impairment of our goodwill and intangible assets could have a material adverse effect on our results of operations. We test goodwill and other indefinite-lived intangible assets for impairment on at least an annual basis, and more frequently if circumstances warrant. As of December 31, ~~2023~~ **2024**, our goodwill and intangible assets were \$ ~~1,971~~ **974.41** million and represented approximately ~~67~~ **66**% of our total assets. Declines in value could result in future goodwill and intangible asset impairment charges. Exchange rate fluctuations could adversely affect our financial condition, results of operations and cash flows. We incur currency transaction risk whenever we enter into either a purchase or sale transaction using a currency other than the local currency of the transacting entity. We conduct business in various locations throughout the world and are subject to market risk due to changes in value of foreign currencies in relation to our reporting currency, the U. S. dollar. The functional currencies of our international operating locations are generally the local currency. We manage various operating activities at the local level and net sales, costs, assets and liabilities are denominated in both the local currency and the U. S. dollar. Our results of operations and assets and liabilities are reported in U. S. dollars and thus will fluctuate with changes in applicable exchange rates, affecting our reported results and the comparability of our results of operations and cash flows between periods. The Company's financial instruments that can be affected by foreign currency fluctuations and exchange risks consist primarily of cash and cash equivalents, trade receivables, trade payables and net sales denominated in currencies other than the U. S. dollar. For the Fiscal Year ~~2023~~ **2024**, approximately 17 % of our net sales were made by our international operating locations that use a functional currency other than the U. S. dollar. These sales were primarily transacted in Euros as well as Canadian dollars. Consequently, we are exposed to the impact of exchange rate volatility between the U. S. dollar and these currencies. We periodically enter into foreign currency derivative contracts to manage these risks. We expect that the amount of our sales denominated in non-dollar currencies may increase in future periods. Given the volatility of exchange rates, there can be no assurance that we will be able to effectively manage our currency transaction risks or that any volatility in currency exchange rates will not have a material adverse effect on our financial condition or results of operations. See "Quantitative and Qualitative Disclosures about Market Risk." Further, currency fluctuations may negatively affect our debt service requirements, which are primarily in U. S. dollars. Changes in our effective tax rate or exposure to additional income tax liabilities could adversely affect our financial results. Taxation and tax policy changes, tax rate changes, new tax laws, revised tax law interpretations and changes in accounting standards and guidance related to tax matters may cause fluctuations in our effective tax rate. In addition, our effective tax rate may also be impacted by changes in the geographic mix of our earnings. We may experience cost and other inflation. In the past, we have experienced material cost and other inflation in several of our businesses. **Recently, Cost cost** inflation ~~stemming from the COVID-19 pandemic~~ has caused prices to increase across various sectors of the economy and we have been impacted by increases in the prices of our raw materials and other associated manufacturing costs. We strive for productivity improvements and seek to implement increases in selling prices to help mitigate cost increases in raw materials (especially metals and resins), energy and other costs including wages, pension, health care and insurance. We continue to implement operational initiatives designed to mitigate the impacts of this inflation and reduce our costs. However, these actions may not be successful in managing our costs or increasing our productivity. Continued cost inflation or the failure of our initiatives to generate cost savings or improve productivity could have a material adverse effect on our business, financial condition, results of operations and cash flows. We depend on our ability to attract, develop, and retain highly qualified personnel, including key members of management. Our future success depends on the continued efforts of the members of our executive management team. If one or more of our executives or other key personnel are unable or unwilling to continue in their present positions, or if we are unable to attract and retain high-quality executives or key personnel in the future, our business may be adversely affected. In addition, we consider our employees to be the foundation for our growth and success. As such, our future success depends in large part on our ability to attract, train, retain, and motivate qualified personnel. For example, during periods of unexpected demand for our products, we may need to hire additional personnel to maintain sufficient inventory levels. If we are unable to attract, hire and retain qualified personnel, our operating results could be adversely affected. Disruptions in the financial markets could adversely affect us, our customers, consumers and suppliers by increasing funding costs or reducing the availability of credit. In the normal course of our business, we may access credit markets to, for example, refinance or repay indebtedness, complete acquisitions, add to working capital, repurchase shares, make capital expenditures and make investments in our subsidiaries. Our access to and the cost of capital could be negatively impacted by disruptions in the credit markets, which have occurred in the past and made financing terms for borrowers unattractive or unavailable. In addition, financial market disruptions may make it more difficult for our suppliers to **obtain financing to** meet demand for their

products or for our ~~customer-~~**customers** and prospective consumers of our products **to obtain financing** to commence new projects ~~, as our customers, consumers and suppliers may experience increased costs of debt financing or difficulties in obtaining debt financing.~~ Disruptions in the financial markets have had adverse effects on other areas of the economy and have led to a slowdown in general economic activity that may adversely affect our businesses. One or more of these factors could adversely affect our business, financial condition, results of operations or cash flows. We rely on information technology systems to support our business operations. A significant disturbance or breach of our technological infrastructure, or those of our vendors or others with which we do business, could adversely affect our financial condition and results of operations. Additionally, failure to maintain the security of confidential information could damage our reputation and expose us to litigation. We rely upon information technology systems and networks in connection with a variety of business activities, some of which are managed by third parties **, whose products, services and systems are beyond our control**. We expect our reliance on information technology systems to increase as we ~~continue to develop IoT-enabled products, such as our Omni mobile app, and~~ implement new technologies to facilitate our operations, such as our **new** ERP system and **new** human resources information system, which are in the process of being implemented. As a result, our ability to operate effectively on a day-to-day basis and accurately report our results depends on a reliable technological infrastructure, which is inherently susceptible to internal and external threats **, including malicious code embedded in open-source software, or misconfigurations, “ bugs ” or other vulnerabilities in commercial software that is integrated into our (or our suppliers’ or service providers’) information technology systems and networks, products or services**. We are vulnerable to interruption and breakdown by **system downtime or failure**, fire, natural disaster, power loss, telecommunication failures, internet failures, security breaches and other catastrophic events. We ~~may~~ **are subject to vulnerabilities in our software and systems and those of third parties. We and certain of our third-party service providers have in the past experienced, and we expect in the future will continue to** ~~and have in the past, experienced-~~ **experience, cybersecurity attacks and other unauthorized or inadvertent disclosure incidents that threaten the confidentiality, integrity and availability of certain information technology systems and networks and** confidential information, including personal information **, that we or third parties collect, maintain and / or process**. We periodically evaluate and test the adequacy of our systems, measures, controls and procedures and perform third-party risk assessments. However, such threats have increased in frequency, scope, and potential impact in recent years. Because the techniques used to obtain unauthorized access or to sabotage systems change frequently and are often not recognized until after they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. **We prioritize the remediation of identified security vulnerabilities based on known and anticipated risks, and we aim to patch vulnerabilities within reasonable timeframes. However, we are unable to comprehensively identify all vulnerabilities (particularly as related to third-party software and systems), apply patches or confirm that mitigating measures are in place, or ensure that any patches will be applied by us or third parties before exploitation by a threat actor. If attackers are able to exploit vulnerabilities before patches are installed or mitigating measures are implemented, significant compromises could impact our systems and data.** The development of artificial intelligence technologies may exacerbate these **cybersecurity risks and pose new or unknown cybersecurity risks and challenges. As a result, we may be unable to detect, investigate, remediate or recover from future attacks or incidents, or to avoid a material adverse impact to our information technology systems and networks, confidential information or business**. The accidental or willful security breaches or other unauthorized access by third parties to our information technology systems or facilities, or those of our vendors and / or others with which we do business, or the existence of computer viruses, such as ransomware or other malware, in our or their data or software, and / or any other failure of our or their information technology systems could expose us to a risk of information loss, the misappropriation of proprietary and confidential information, work stoppages, reputational damage, regulatory **investigations and enforcement actions, regulatory** fines or penalties, litigation by affected parties, possible financial obligations for liabilities and damages related to the theft or misuse of this information and / or the defective manufacture or defective design of our products, which could expose us to liability **, and / or significant incident response, system restoration or remediation and future compliance costs**. In addition, while we currently maintain insurance coverage that, subject to its terms and conditions, is intended to address costs associated with certain aspects of cybersecurity incidents and information systems failures, this insurance coverage may not, depending on the specific facts and circumstances surrounding an incident, cover all losses or all types of claims that arise from an incident, or the damage to our reputation that may result from an incident. The occurrence of any of these events could have an adverse effect on our business, financial condition, results of operations and reputation. **There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our information technology systems and confidential information.** Establishing and maintaining systems and processes to address these threats may increase our costs and may be mandated by regulation. For example, the California Internet of Things Security Law, which became effective in 2020, requires us to implement reasonable security measures for IoT devices, and failure to do so could expose us to penalties. We may encounter difficulties in operating or implementing a new ERP system and human resources information system, which may adversely affect our operations and financial reporting. We are in the process of implementing a new ERP system for most of our business as part of our ongoing efforts to improve and strengthen our operational and financial processes and our reporting systems. In addition, we are implementing a **new** human resources information system, which is designed to improve the efficiency of our global HR process. These systems may not provide the benefits anticipated, could add costs and complications to ongoing operations, and may impact our ability to process transactions efficiently, all of which may have a material adverse effect on our business and results of operations **. Misuse of our technology-enabled products could lead to reduced sales, increased costs, liability claims or harm to our reputation. As we continue to design and develop products, services and solutions that leverage our hosted or cloud-based resources, the IoT and other wireless / remote technologies, such as our OmniLogic app, and**

include networks of distributed and interconnected devices that contain sensors, data transfers and other computing capabilities, our customers' data and systems may be subjected to harmful or illegal content or attacks, including potential cybersecurity threats. Additionally, we may not have adequately anticipated or precluded such cybersecurity threats through our product design or development. These products, services and solutions may contain vulnerabilities or critical security defects which may not have been remedied and cannot be disclosed without compromising security. We may also make prioritization decisions in determining which vulnerabilities or security defects to fix, and the timing of these fixes, which could result in compromised security. These vulnerabilities and security defects could expose us or our customers to a risk of loss, disclosure, or misuse of information / data; result in litigation, liability or regulatory action; deter customers or sellers from using our products, services and solutions; cause damage to our or our customers' property; and otherwise harm our business and reputation. If we fail to maintain an effective system of internal controls, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act of 2002, or the Sarbanes- Oxley Act, and the rules and regulations and the listing standards of the NYSE. The Sarbanes- Oxley Act requires, among other things, that we evaluate the effectiveness of our disclosure controls and procedures and internal control over financial reporting. For fiscal years ended December 31, 2022 and 2021, we identified material weaknesses in our internal control over financial reporting relating to our policies and procedures and controls over the segregation of duties within our financial reporting function and the preparation and review of journal entries, among other items. While no material weaknesses were **have been** identified in **since Fiscal fiscal Year 2023-2022**, there can be no assurance that we will not experience additional material weaknesses in the future. If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately or timely report our financial condition or results of operations or prevent fraud, which may adversely affect investor confidence in us and, as a result, the value of our common stock. Any failure to maintain effective disclosure controls and procedures and internal control over financial reporting could have an adverse effect on our business and results of operations and financial condition. In addition, if we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control, investors may lose confidence in the accuracy and completeness of our financial reports, which could cause the price of our common stock to decline, or may risk **the Company** being **delisting delisted** from the NYSE.

Risks Related to the Manufacturing, Supply and Distribution of Our Products We depend on suppliers, including single- source suppliers and, in a few cases, sole- source suppliers, to consistently supply us with components for our products, and any failure to procure such components could have a material adverse effect on our business, product inventories, sales and profit margins. Our suppliers (and those they depend upon for materials and services) are subject to risks, including labor disputes or constraints, union organizing activities, financial liquidity, inclement weather, public health epidemics, natural disasters, significant public health and safety events, supply constraints, and general economic and political conditions that could limit their ability to provide us with materials at acceptable prices or at all. Although we have manufacturing and supply agreements with the most strategic and critical of our suppliers, for most of our suppliers we place purchase orders on an as-needed basis. Our suppliers could discontinue the manufacturing or supply of these components at any time. We carry safety stocks within our inventory, but these may not suffice to meet our needs. Our suppliers may not be able to meet our demand for their products, either because of acts of nature, the nature of our agreements with those manufacturers or our relative importance to them as a customer, and these manufacturers may decide in the future to discontinue or reduce the level of business they conduct with us. In addition, we rely on single- source suppliers for certain types of parts in our products, and, in a few cases, on sole- source suppliers. A single- source supplier is a supplier from which we make all purchases of a particular component used in our products even though other suppliers of the component exist. A sole- source supplier is a supplier from which we make all purchases of a particular component used in our product, and the supplier is the only source of that particular component in the market. Establishing additional or replacement suppliers for any of these materials or components, if required, or any supply interruption from our suppliers, could limit our ability to manufacture our products, result in production delays and increased costs and adversely affect our ability to deliver products to our customers on a timely basis or at all. If we are not able to identify alternate sources of supply for the components, we might need to modify our product to use substitute components, which could cause delays in shipments, increase design and manufacturing costs and increase prices for our products. Any such modified product might not be as effective as the predecessor product or might not gain market acceptance. This could lead to customer or consumer dissatisfaction and damage to our reputation and could materially and adversely affect our business, product inventories, sales and profit margins. If we or our customers do not manage product inventory in an effective and efficient manner, it could adversely affect profitability. Many factors affect the efficient use and planning of product inventory, such as effectiveness of predicting demand, preparing manufacturing to meet demand, meeting product mix and product demand requirements, and managing product expiration. We typically build- up product inventory during the first quarter in anticipation of the upcoming pool season and during the third quarter in anticipation of shipments of products purchased through our Early Buy program in the fourth quarter. However, we may not accurately anticipate the level of demand during these periods. We may be unable to manage our inventory efficiently, keep inventory within expected budget goals, keep our work- in- process inventory on hand or manage it efficiently, control expired product, or keep sufficient product on hand to meet demand. Failure to do so may harm our long- term growth prospects. Moreover, we sell our products primarily through distributors whose inventory of our products may fluctuate due to changes in demand, perception of our ability to meet demand, changes in customer order patterns, such as changes in the levels of inventory maintained by customers and the timing of customer purchases, adoption of new technology and connected products, and changes in customers' preferences for our products, or other reasons. We cannot control the level of inventory of the distributors who sell our products, and may experience difficulties in forecasting demand as a result. Reductions in the inventory levels of our distributors have adversely affected and in the future

may adversely affect our net sales in a particular period and our ability to manage our inventory efficiently. Product manufacturing disruptions, including as a result of catastrophic and other events beyond our control, could cause us to be unable to meet customer demands or increase our costs. If operations at any of our manufacturing facilities, **warehouses or any of our suppliers** were to be disrupted as a result of significant equipment failures, natural or man-made disasters, earthquakes, power outages, fires, explosions, terrorism, adverse weather conditions, **hurricanes**, labor disputes, public health epidemics or other catastrophic events or events outside of our control, we may be unable to fill customer orders and otherwise meet customer demand for our products. **In addition, in some instances, we maintain inventory and own manufacturing equipment at locations owned and operated by third parties, limiting our ability to mitigate these risks.** As a result, any of such events could have a material adverse effect on our business, financial condition, results of operations and cash flows. **As we have in the past, and may in the future** COVID-19 pandemic and the related transportation disruptions, we experienced **experience** higher costs and delays, **both for with respect to** obtaining raw materials and components and shipping finished goods to customers. **The Geopolitical conflicts, labor disputes and adverse weather events made worse by climate change, have all caused increases in shipping costs in recent years, and such conditions, or others affecting the global supply chain, may worsen. In the past,** supply chain disruptions **have** resulted in higher costs for raw materials and other associated manufacturing costs, which **have** had an **adverse** impact on our profitability. Interruptions in production, in particular at our manufacturing facilities, could increase our costs and reduce our sales. Any interruption in production capability could require us to make substantial capital expenditures to fill customer orders. While we maintain property damage insurance, as well as business interruption insurance to mitigate losses resulting from any production interruption or shutdown caused by an insured loss, any recovery under our insurance policies may not offset the lost sales or increased costs, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. **Tariffs and other trade restrictions could adversely affect our business and financial results, and we may not be able to raise prices sufficiently to offset increased costs caused by any such tariffs. Our business is impacted by international or cross-border trade, including the import and export of products and goods into and out of the United States and trade tensions among nations. The U. S. government has implemented or proposed implementing significant tariffs on certain goods, including goods from China, and on all steel and aluminum imports, all of which could significantly increase our costs. We purchase key parts and components from suppliers in China and use steel and aluminum in many of our products. Relatedly, we sell our products globally, and if other countries enact retaliatory tariffs in response to U. S. trade policy, our sales into such countries may be impacted. While we historically have been able to pass along price increases to our consumers to help offset price increases we incur, we may not be able to continue to do so, thereby adversely impacting our margins as a result of any tariffs imposed on our operations.** The cost of raw materials could increase our cost of goods sold and cause our results of operations and financial condition to suffer. Our principal raw materials are resins (ABS, PP, HDPE, PVC), metals (copper, steel, aluminum, titanium, ruthenium) and liner board (packaging), which are commodity materials. The prices of these commodity materials are a function of, among other things, manufacturing capacity and demand. While we have generally passed through raw material price increases to our consumers, we may not always be able to do so. We purchase most of our key parts and components primarily from large suppliers in the United States, Mexico and China. We believe that alternate sources of supply are available for all of our raw materials. However, we may not always have access to reliable sources of supply. Additionally, significant price fluctuations or shortages in raw materials needed for our products may increase our cost of goods sold and cause our results of operations and financial condition to suffer.

Risks Related to Government Regulation The nature of our business subjects us to compliance with, and liabilities under, employment, environmental, health, transportation, safety, and other governmental regulations. We are subject to foreign, federal, state, and local laws and regulations relating to matters such as product labeling, weights and measures, zoning, land use, environmental protection, local fire codes and health and safety, including regulation by the USEPA, the Federal Communications Commission, the Consumer Product Safety Commission, OSHA, the National Fire Protection Agency, and the Federal Trade Commission. Most of these requirements govern the packaging, labeling, handling, transportation, storage, sale and use of our products. We and certain of our affiliates store certain types of hazardous materials and chemicals at various locations, and the storage of these items is strictly regulated by local fire codes. In addition, we sell UV, Ozone, and Salt Chlorinator and related products that are regulated under FIFRA, which primarily relate to testing, use, reporting, sale, distribution, licensing and market verification of these products. We are also subject to regulation passed by the DOE relating to the labeling, testing, reporting and certification of new and replacement pumps sold for swimming pools. Failure to comply with these laws and regulations, or others that we may be subject to in the future, may result in investigations, the assessment of administrative, civil and criminal fines, damages, seizures, disgorgements, penalties, cessation of operations or the imposition of injunctive relief. These laws and regulations have changed substantially and rapidly in recent years, and we anticipate that there will be continuing changes. The clear trend in environmental, health, transportation, and safety regulations is to place more restrictions and limitations on activities that impact the environment, such as the use and handling of hazardous materials and chemicals. Under certain environmental laws and regulations, we could be held strictly, jointly and severally liable for costs related to contamination at our currently or formerly owned, leased or operated properties or at third-party sites where we have sent wastes. We could also be liable to third parties for related damages, including property damage or personal injuries. Certain of our properties have had a history of industrial and other uses that have resulted in contamination. In addition, from time to time, we have been involved in investigation and remediation activities, and there can be no assurance that any future costs or liabilities relating to such activities will not be material. Increasingly, strict restrictions and limitations have resulted in higher costs for us and it is possible that the costs of compliance with such laws and regulations will continue to increase. We cannot provide any assurance that we will not incur material costs to comply with such laws and regulations in the future. Our handling of personal information could give rise to significant costs and liabilities, including as a result of governmental regulation, which may have

a material adverse effect on our reputation, business, financial condition and results of operations. We collect, use, store, transmit and otherwise process data that is sensitive to the Company and its employees, customers, dealers and suppliers. A variety of state, federal, and foreign laws, regulations and binding industry standards apply to the collection, use, retention, protection, disclosure, transfer and other processing of certain types of data, including the California Consumer Privacy Act (CCPA), the European Union's General Data Protection Regulation (GDPR), Canada's Personal Information Protection and Electronic Documents Act, and Australia's Privacy Act. Furthermore, other states in the United States have enacted data privacy laws that have come into effect or will come into effect in the coming months and years. Some jurisdictions also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity of delivering our products and services. For example, the GDPR generally restricts the transfer of personal information, including employee and consumer information, to countries outside of the EEA without appropriate safeguards or other measures. If we cannot implement a valid compliance mechanism for cross-border privacy and security transfers, we may face increased exposure to regulatory actions, substantial fines and injunctions against processing or transferring personal information from Europe or elsewhere. Many foreign data privacy regulations, including the GDPR, which has extraterritorial scope, are more stringent than laws and regulations in the United States. The GDPR has resulted and will continue to result in significantly greater compliance burdens and costs for companies with customers, users, or operations in the European Union. The GDPR's requirements for using and sharing personal information may be operationally costly, and fines of up to 20 million Euros or up to 4% of the annual global revenues of the infringer, whichever is greater, can be imposed for violations. Similarly, the regulations of many U. S. states may impose obligations and potential liability on us. The CCPA, for example, requires covered companies to provide certain disclosures to California consumers and provide such consumers data protection and privacy rights, including the ability to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations enforceable by the California Attorney General, as well as a private right of action for certain data breaches that result in the loss of personal information. We make public statements about our use and disclosure of personal information through our privacy policies, information provided on our website and press statements. The publication of our privacy policies and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Compliance with existing and forthcoming data privacy and security laws, regulations and industry standards can be costly and time consuming, and may require changes to our information technologies, systems and practices and to those of any third parties that process personal information on our behalf. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with obligations related to data privacy and security, we could face significant consequences, including, but not limited to, proceedings against the company by governmental entities (for example, investigations, fines, penalties, audits, inspections) or other entities or individuals, additional reporting requirements or oversight bans, damage to our reputation and credibility, or inability to process data or operate in certain jurisdictions, any of which could have a negative impact on our business, reputation, revenues and profits. Our employees, commercial partners, and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements. We are exposed to the risk that our employees, commercial partners, and vendors may engage in fraudulent or illegal activity. Misconduct by these parties could include intentional, reckless, or negligent conduct that violates the rules of the applicable regulatory bodies, manufacturing standards, data privacy laws, or laws that require the complete and accurate reporting of financial information or data. It is not always possible to identify and deter misconduct by our employees and other third parties, and the precautions we take to detect and prevent these activities may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations. Whether or not we are successful in defending against any such actions or investigations, even if no misconduct occurred, we could incur substantial costs, which could have a material adverse effect on our business, financial condition and results of operations. Violations of the U. S. Foreign Corrupt Practices Act (the "FCPA"), U. K. Bribery Act, and other anti-corruption laws outside the United States could have a material adverse effect on us. The FCPA, U. K. Bribery Act and other anti-corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. **Although the U. S. Government recently announced a 180-day cessation on FCPA enforcement actions, recent recent** years have seen a substantial increase in anti-bribery law enforcement activity, **including with more frequent and aggressive investigations and enforcement proceedings by both the U. S. Department of Justice and the SEC,** increased enforcement activity by non-U. S. regulators and increases in criminal and civil proceedings brought against companies and individuals. Our policies mandate compliance with these anti-bribery laws. We operate in many parts of the world that are recognized as having governmental and commercial corruption and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. Because many of our suppliers, customers and consumers are involved in infrastructure construction and energy production, they are often subject to increased scrutiny by regulators. We cannot provide any assurance that our internal control policies and procedures will always protect us from reckless or criminal acts committed by our employees or third-party intermediaries. Violations of these laws may require costly investigations, self-disclosure to government agencies and result in criminal or civil sanctions, which could disrupt our business and result in a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. Our failure to satisfy international trade compliance regulations, and changes in U. S. government sanctions, could have a material adverse effect on us. Our global operations require importing and exporting goods and technology across international borders on a regular basis. Certain of the products we manufacture are "dual use" products, which are products that may have both civil

and military applications, or may otherwise be involved in weapons proliferation, and may be subject to more stringent export controls. From time to time, we obtain or receive information alleging improper activity in connection with imports or exports. Our policy mandates strict compliance with U. S. and non- U. S. trade laws applicable to our products, including investigating allegations of improper activity and, if warranted, reporting our findings to the relevant governmental authorities. However, these policies may not protect us from violations and, even when we are in strict compliance with law and our policies, we may suffer reputational damage if certain of our products are sold through various intermediaries to entities operating in sanctioned countries. Any improper actions could subject us to civil or criminal penalties, including material monetary fines, or other adverse actions including denial of import or export privileges, and could damage our reputation and business prospects. Climate change and legal or regulatory responses thereto may have an adverse impact on our business and results of operations.

The impacts of climate change are highly unpredictable, and ~~There~~ ~~there~~ is growing concern that a gradual increase in global average temperatures as a result of increased concentration of greenhouse gases in the atmosphere **is causing, and will in the future** cause, significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Such climate change **and the adverse weather conditions caused thereby** may impair our production capabilities, disrupt our supply chain or impact demand for our products. **The impacts of climate change present potential challenges to water- related products, such as degradation of water quality and changes in water conservation or efficiency requirements. Certain events may disrupt our operations or negatively affect the demand for our products in impacted regions, while other events may drive increased demand for our products if pools gain popularity in warming regions, which may create volatility in our business and results of operations.** Growing concern over climate change also may result in additional legal or regulatory requirements designed to reduce the output of greenhouse gases or mitigate the effects of climate change on the environment. For example, ~~in response to the multi-~~ **European Union enacted the Corporate Sustainability Reporting Directive, which will require in -scope companies** ~~year drought in the Western United States, some municipalities have placed limitations on new pool construction. Droughts in the Western United States or elsewhere may lead to mandatory water use restrictions-, including us, to provide detailed information about climate change impacts facing them and their own greenhouse gas emissions, among other items. Compliance~~ **with this law will likely be costly and time consuming** ~~respect to new pool construction or the operation of existing pools-~~. In addition, increased energy or compliance costs and expenses as a result of increased legal or regulatory requirements may cause disruptions in, or an increase in the costs associated with, the manufacturing and distribution of our products. The impacts of climate change and legal or regulatory initiatives to address climate change could have a long- term adverse impact on our business and results of operations. **There is increasing scrutiny from stakeholders on environmental, social, and other sustainability matters. Investors, customers, policymakers, and other stakeholders are increasingly attuned to companies’ management of environmental, social, and other sustainability (“ Sustainability ”) matters, such as climate change and human capital. We engage in various initiatives to manage such matters and address stakeholder expectations; however, such initiatives can be costly and may not have the desired effect. For example, many of our Sustainability initiatives leverage methodologies, standards, and data that are complex, at times reliant on third- parties, and continue to evolve. Moreover, stakeholders have different, and at times conflicting, expectations, and proponents and opponents of varying topics are increasingly resorting to activism, including litigation, to advance their perspectives. Addressing stakeholder expectations on Sustainability matters, including evolving legal requirements, entails costs, and any failure to successfully navigate such expectations, as well as evolving interpretations of any existing laws or regulations, may result in reputational harm, loss of customers or employees, regulatory or investor engagement, or other adverse impacts to our business.**

Risks Related to Intellectual Property Matters If we are unable to adequately obtain and maintain our intellectual property and proprietary rights or if we are accused of infringing on, misappropriating or otherwise violating the intellectual property of others, our competitive position could be harmed or we could be required to incur significant expenses to enforce or defend our rights. Patents, trademarks and other intellectual property rights are important to our business, and our success depends in part on our ability to obtain and maintain patent and trademark protection in the United States and other countries. As of December 31, ~~2023~~ **2024**, we held approximately ~~207~~ **220** issued U. S. patents and ~~241~~ **247** issued foreign patents relating to our technologies, such as pumps, filters, heaters, drains and white goods, robotic cleaners, in- floor cleaning systems, lights, automation and controls, sanitization, valves and flow control, and IoT and other technologies, as well as approximately ~~134~~ **143** U. S. trademark registrations and ~~711~~ **708** foreign trademark registrations covering our marks, brands and products. As of December 31, ~~2023~~ **2024**, we also held approximately ~~50~~ **39** pending U. S. patent applications, ~~68~~ **53** pending foreign patent applications, ~~14~~ **6** pending U. S. trademark applications and ~~42~~ **31** pending foreign trademark applications. See “ Business — Intellectual Property. ” In addition, we have in- licensed patents and patent applications to certain technologies incorporated in our products. Pending and future patent applications may not result in patents being issued that protect our products or which effectively prevent others from commercializing competitive technologies and products. Moreover, the coverage claimed in a patent application can be significantly reduced before the patent is issued. Even once issued, the scope, validity, enforceability and commercial value of patent rights are uncertain. This uncertainty has been exacerbated by recent actions by the U. S. Congress, the U. S. federal courts and the USPTO, modifying and in some instances weakening the laws and regulations governing patents. Further, any patents that we hold or in- license may be challenged, narrowed, circumvented or invalidated by third parties, and this could allow others to commercialize our technology or products and compete directly with us or result in our inability to manufacture or commercialize products without infringing third- party rights. Even if we obtain intellectual property protection for our products and technology, it may not preclude competitors from developing products similar to ours or from challenging our names, brands or products. In addition, participants in our markets may use challenges to intellectual property as a means to compete. If we do not adequately maintain our intellectual property, we may lose our rights. For example, we are required to pay various periodic and renewal fees on registered intellectual property, and our failure to do so could result in the affected

intellectual property being partially or completely invalidated. If this were to occur, our competitors may be able to use our technologies, names, brands or the goodwill we have acquired in the marketplace and erode or negate any competitive advantage we may have. Competitors **have in the past, and may in the future,** infringe our intellectual property. To defend against such actions can be expensive and time-consuming, and an adverse result in any proceeding could put our intellectual property rights at risk of being invalidated or narrowed. In addition, it may be difficult or impossible to obtain evidence of infringement in a third party's product. We may need to spend significant resources monitoring, enforcing and defending our intellectual property rights. **As discussed above, competitors who infringe on our intellectual property or otherwise create products that mimic ours may supplant demand for our products and otherwise damage our business.** We may not prevail in any disputes that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of dispute. From time to time, we have been notified that we may be infringing certain patents or other intellectual property rights of third parties. The defense costs and settlements for patent infringement lawsuits are not covered by insurance. If we do not prevail in any dispute regarding intellectual property, in addition to any damages we might have to pay, we could be required to cease the infringing activity or obtain a license requiring us to make royalty payments. It is possible that a required license may not be available to us on commercially acceptable terms, if at all, potentially precluding us from making use of affected products. If we fail to successfully enforce our intellectual property rights or register new patents, our competitive position could suffer, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest, and third parties could assert trademark infringement claims against us. If our trademarks and trade names are not successfully registered and adequately protected, we may not be able to build name recognition in our target markets and our business may be adversely affected. Competitors or other third parties have in the past, and may in the future, adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity, possibly leading to market confusion and potentially requiring us to pursue legal action. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our unregistered trademarks or trade names. Our efforts to enforce or protect our proprietary rights related to trademarks, domain names or other similar intellectual property may be ineffective and could result in substantial costs, diversion of resources and the payment by us of money damages or injunctive relief preventing us from using certain of such intellectual property, each of which could adversely impact our financial condition or results of operations. We rely on access to intellectual property owned by third parties, so our rights to develop and commercialize certain products are subject to the terms and conditions of licenses granted to us by others. Some of our products incorporate intellectual property owned by third parties and as a result, we are reliant on licenses from such third parties. For example, we license patents to certain technologies used in our pool cleaner and lighting products. These licenses may not provide us rights (whether exclusive or non-exclusive) to use such intellectual property for all purposes or in all territories that we may wish to commercialize our products, now and in the future. As a result, others may also include such intellectual property in their products, which may weaken any competitive advantage that our licensed intellectual property may provide us. In addition, if our licensors fail to prosecute, maintain, enforce, and defend such intellectual property or otherwise lose their rights therein, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize any of our products that are the subject of such licensed rights could be adversely affected. Furthermore, disputes with our licensors, or future negotiations with respect to such licenses, may result in the termination or modification of such license agreements, which could eliminate our ability to exclusively develop and commercialize products covered by these license agreements or at all. We may be subject to claims that our employees, consultants, or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property. Third parties may in the future make claims challenging the inventorship or ownership of our intellectual property. For example, although we take measures to prevent our employees, consultants and advisors from using the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property of others. In addition, we may face claims by third parties that our agreements with employees obligating them to assign intellectual property to us are invalid, which could result in ownership disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such intellectual property. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be precluded from using certain intellectual property or may lose our exclusive rights in such intellectual property. Either outcome could harm our business and competitive position. We may not be able to effectively enforce our intellectual property rights throughout the world. The laws of some foreign countries do not afford intellectual property protection to the same extent as the laws of the United States, and many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. Consequently, we may not be able to prevent third parties from utilizing our patented technologies outside the United States or exporting otherwise infringing products to territories where we have patent protection and competing with our products. **Risks Related to Our Indebtedness** Our indebtedness could adversely affect our financial condition. As of December 31, **2023-2024**, the Company's indebtedness totaled approximately \$ **973.1**, **111.9** million, including \$ **965.1**, **098.4** million under our first lien term loan facility, \$ **2.4**, **7** million of finance lease obligations and \$ **8.6**, **85** million of other long-term debt. In addition, ~~under~~ our asset-based lending facility (the "ABL Facility"), ~~we may permits us to~~ borrow up to an additional \$425.0 million, ~~or and up to~~ \$475.0 million ~~under in~~ certain ~~circumstances~~ **seasons of year, subject to compliance with certain financial covenants. Draws are subject to a borrowing base calculation which may lower the amount available to borrow in any given month.** As of December 31, **2023-2024**,

the loan balance on the we had no outstanding borrowings under our ABL Facility was zero and approximately \$ 163. 4 million of undrawn lines of credit available under the ABL Facility . Our substantial indebtedness, combined with our other financial obligations and contractual commitments, could have important consequences, including: • requiring us to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness, thereby reducing funds available for working capital, capital expenditures, acquisitions, selling and marketing efforts, product development and other purposes; • increasing our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage compared to our competitors that have relatively less indebtedness; • increasing our exposure to rising interest rates, as certain of our borrowings are at variable interest rates; • limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate; • restricting us from making strategic acquisitions or causing us to make non- strategic divestitures; and • limiting our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, product development and other corporate purposes. Although the terms of the agreements governing our indebtedness contain restrictions on the incurrence of additional indebtedness, such restrictions are subject to a number of important exceptions and indebtedness incurred in compliance with such restrictions could be substantial. If we and our restricted subsidiaries incur significant additional indebtedness, including under the ABL Facility, the related risks that we face could increase. Servicing our debt requires a significant amount of cash. Our ability to generate sufficient cash depends on numerous factors beyond our control, and we may be unable to generate sufficient cash flow to service our debt obligations. Our business may not generate sufficient cash flow from operating activities to service our debt obligations .

Moreover, a significant portion of our indebtedness is subject to variable interest rates. While we enter into interest rate swap agreements in an effort to mitigate the risk of variable interest rates, we may still experience higher debt service costs if interest rates rise. Based on our December 31, 2024 variable rate loan balances, an increase or decrease of 1 % in the effective interest rate would have caused an increase or decrease in interest cost of approximately \$ 3. 7 million, net of interest rate swap settlements . Our ability to make payments on and to refinance our debt and to fund planned capital expenditures depends on our ability to generate cash in the future. To some extent, this is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we are unable to generate sufficient cash flow from operations to service our debt and meet our other commitments, we may need to refinance all or a portion of our debt, sell material assets or operations, delay capital expenditures or raise additional debt or equity capital. We may not be able to effect any of these actions on a timely basis, on commercially reasonable terms or at all, and these actions may not be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt agreements may restrict us from pursuing any of these alternatives. Moreover, because a significant portion of our indebtedness bears interest at variable rates, increases in market interest rates could require a greater portion of our cash flow to be used to pay interest, which could further hinder our operations. The terms of our indebtedness restrict our current and future operations, particularly our ability to respond to change or to take certain actions. The agreements governing our outstanding indebtedness contain several restrictive covenants that impose operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long- term best interest, including, among other things, restrictions on our ability to: • incur additional indebtedness; • create liens on assets; • declare or pay certain dividends and other distributions; • make certain investments, loans, guarantees or advances; • consolidate, amalgamate, merge, sell or otherwise dispose of all or substantially all of our assets; and • enter into certain transactions with our affiliates; In addition, the ABL Facility contains a financial covenant requiring us to maintain a specified fixed charge coverage ratio during the specified periods described therein. These restrictions could impede our ability to operate our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition and other corporate opportunities. See Note 9. “ Long- Term Debt ” of Notes to Consolidated Financial Statements in this Form 10- K. Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants and maintain these financial tests and ratios. A breach of such covenants could result in an event of default unless we obtain a waiver to avoid such default. If we are unable to obtain a waiver, such a default may allow our creditors to accelerate the related debt and may result in the acceleration of, or default under, any other debt to which a cross- acceleration or cross- default provision applies. In the event our lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Because our operations are conducted through our subsidiaries, we are dependent on the receipt of distributions and dividends or other payments from our subsidiaries for cash to fund our operations and expenses, including to make future dividend payments, if any. Our operations are conducted through our subsidiaries. As a result, our ability to make future dividend payments, if any, is dependent on the earnings of our subsidiaries and the payment of those earnings to us in the form of dividends, loans or advances and through repayment of loans or advances from us. Payments to us by our subsidiaries will be contingent upon our subsidiaries’ earnings and other business considerations and may be subject to statutory or contractual restrictions. We do not currently expect to declare or pay dividends on our common stock for the foreseeable future. However, to the extent that we determine in the future to pay dividends on our common stock, the ability of Hayward Holdings, Inc. ’ s operating subsidiaries to pay dividends is restricted by the credit agreements governing our indebtedness. Despite our debt, we may still be able to incur significantly more debt, which would increase the risks described herein. We may also require additional capital, which may not be available on acceptable terms, if at all. Despite our current indebtedness levels, we may increase our levels of debt in the future to finance our operations or in connection with acquisitions. The agreements relating to our indebtedness limit but do not prohibit our ability to incur additional debt. If we increase our total indebtedness, our debt service obligations, and our exposure to the risks described above, will increase. **Our As of December 31, 2023, we had approximately \$ 256. 5 million of undrawn lines of credit available under the ABL Facility permits us to borrow up to \$ 425. 0 million, or \$ 475. 0 million in certain seasons of the year , subject to certain conditions, including compliance with certain financial covenants . Draws are subject to a borrowing base calculation which may lower the amount available to borrow in any given month. As of December 31, 2024, we had approximately \$ 163. 4 million of undrawn lines of credit available under the ABL Facility .** We regularly

consider market conditions and our ability to incur indebtedness to either refinance existing indebtedness or for working capital. We may require more financing to fund our operations or finance acquisitions. However, financing may not be available to us on acceptable terms, if at all. If we incur additional debt or raise equity, the terms of the debt or capital shares issued may give the holders rights, preferences and privileges senior to those of holders of our ordinary shares, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on our operations than we currently have. If we raise funds through the issuance of additional equity, the percentage ownership of existing shareholders in our company would decline. If we are unable to raise additional capital when needed, our financial condition could be adversely affected. Unfavorable changes in the ratings that rating agencies assign to our debt may ultimately negatively impact our access to the debt capital markets and increase the costs we incur to borrow funds. Risks Related to our Corporate Structure Provisions in our charter documents and Delaware law may deter takeover efforts that stockholders may believe to be beneficial to stockholder value. Provisions in our certificate of incorporation and bylaws and Delaware law could make it harder for a third party to acquire us, even if doing so might be beneficial to our stockholders, and could also make it difficult for stockholders to elect directors that are not nominated by the current members of our Board of Directors or take other corporate actions, including effecting changes in our management. These provisions include a classified board of directors and the ability of our Board of Directors to issue preferred stock without stockholder approval that could be used to dilute a potential hostile acquiror. Our certificate of incorporation also imposes certain restrictions on mergers and other business combinations between us and any holder of 15 % or more of our outstanding common stock other than ~~our Sponsors~~ **certain specified entities**. As a result, stockholders may lose their ability to sell their stock for a price in excess of the prevailing market price due to these protective measures, and efforts by stockholders to change the direction or management of the company may be unsuccessful. Our certificate of incorporation, as currently amended, designates specific courts as the sole and exclusive forum for certain claims or causes of action that may be brought by our stockholders, which could discourage lawsuits against us and our directors and officers. Our certificate of incorporation, as currently amended (our “certificate of incorporation”), provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware is, to the fullest extent permitted by applicable law, the sole and exclusive forum for certain types of claims, including any derivative claim brought in the right of the Company, any claim asserting a breach of a fiduciary duty to the Company or the Company’s stockholders owed by any current or former director, officer or other employee or stockholder of the Company, any claim against the Company arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our amended and restated bylaws, any claim to interpret, apply, enforce or determine the validity of our certificate of incorporation or our amended and restated bylaws, any claim against the Company governed by the internal affairs doctrine, and any other claim, not subject to exclusive federal jurisdiction and not asserting a cause of action arising under the Securities Act of 1933, as amended. This provision does not apply to claims brought to enforce a duty or liability created by the Exchange Act. Our certificate of incorporation further provides that the federal district courts of the United States of America are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. The choice of forum provisions contained in our certificate of incorporation may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. While the Delaware courts have determined that such choice of forum provisions are facially valid, it is possible that a court of law in another jurisdiction could rule that the choice of forum provisions contained in our certificate of incorporation are inapplicable or unenforceable if they are challenged in a proceeding or otherwise, which could cause us to incur additional costs associated with resolving such action in other jurisdictions. Risks Related to Ownership of our Common Stock Future sales of our common stock, or the perception in the public markets that these sales may occur, may depress the price of common stock. In the future, we may issue additional shares of our common stock. ~~In addition, investment funds affiliated with our Sponsors may sell a substantial number of shares of our common stock.~~ Issuing additional shares of our common stock or other equity securities or securities convertible into equity may dilute the economic and voting rights of our existing stockholders and reduce the market price of our common stock. As of December 31, ~~2023~~ **2024**, we had ~~214,215~~ **165,778**, ~~676,520~~ shares of common stock outstanding and ~~507,505~~ **167,555**, ~~167,555~~ **955,111** shares of common stock issuable upon potential exchanges and / or conversions. We have filed a registration statement on Form S- 8 under the Securities Act registering 30, 639, 900 shares of our common stock reserved for issuance under the Second Amended and Restated 2017 Equity Incentive Plan, the 2021 Equity Incentive Plan and the 2021 Employee Stock Purchase Plan and a shelf registration statement on Form S- 3 under the Securities Act pursuant to which certain stockholders, including investment funds affiliated with ~~the Sponsors~~ **certain of our large stockholders**, may sell shares from time to time. Additional sales of a substantial number of our shares of common stock in the public market, or the perception that sales could occur, could have a material adverse effect on the price of our common stock and could impair our ability to raise capital through the sale of additional stock. The price of our common stock has been, and may in the future be, volatile and your investment in our common stock could suffer a decline in value. The market price for our common stock has been, and may in the future be, volatile and could fluctuate significantly in response to a number of factors, most of which we cannot control. These factors include, among others, factors described in these risk factors; guidance, if any, that we provide to the public, any changes in such guidance or our failure to meet such guidance; changes in financial estimates or ratings by any securities analysts who follow our common stock, our failure to meet such estimates or failure of those analysts to initiate or maintain coverage of our common stock; and price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole. In the past, stockholders have instituted securities class action litigation following periods of market volatility, and as discussed under Note 14. “Commitments and Contingencies” of Notes to Consolidated Financial Statements in this Form 10- K, we are currently the subject of a securities class action lawsuit. We may incur substantial costs and our resources and the attention of management could be diverted from our business as a result of this, or any similar, lawsuit.

