



LIFE NEEDS WATER.  
MAKE IT PRIMO.



## Primo Water Investor Day

November 17, 2021



## Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and applicable Canadian securities laws conveying management's expectations as to the future based on plans, estimates and projections at the time the Company makes the statements. Forward-looking statements involve inherent risks and uncertainties, and the Company cautions you that a number of important factors could cause actual results to differ materially from those contained in any such forward-looking statements. The forward-looking statements in this presentation include but are not limited to statements regarding execution of the Company's strategic priorities and the Company's outlook for Q4 2021, full year 2021, and 2024. The forward-looking statements are based on assumptions regarding management's current plans and estimates. Factors that could cause actual results to differ materially from those described in this presentation include, among others: risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, synergies, indebtedness, financial condition, losses and future prospects; the effect of economic, competitive, legal, governmental and technological factors on Primo's business; and the impact of national, regional and global events on our business, including the recent COVID-19 outbreak. The foregoing list of factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Readers are urged to carefully review and consider the various disclosures, including but not limited to risk factors contained in the Company's Annual Report in the Form 10-K and its quarterly reports on Form 10-Q, as well as other periodic reports filed with the securities commissions. The Company does not, except as expressly required by applicable law, undertake to update or revise any of these statements in light of new information or future events.

## Non-GAAP Measures

The Company routinely supplements its reporting of GAAP measures by utilizing certain non-GAAP measures to separate the impact of certain items from its underlying business results. Since the Company uses these non-GAAP measures in the management of its business, management believes this supplemental information is useful to investors for their independent evaluation and understanding of Primo's business. The non-GAAP financial measures described above are in addition to, and not meant to be considered superior to, or a substitute for, the Company's financial statements prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation reflect management's judgment of particular items, and may be different from, and therefore may not be comparable to, similarly titled measures reported by other companies. With respect to our expectations of performance of Primo, our reconciliations of 2021 adjusted EBITDA and ROIC, and expected 2024 adjusted EBITDA, adjusted EPS, net leverage and ROIC are not available, as we are unable to quantify certain amounts to the degree of precision that would be required in the relevant GAAP measures without unreasonable effort. These items include taxes, interest costs that would occur if the company issued debt, and costs to acquire and or sell a business if the company executed such transactions, which could significantly affect our financial results. These items depend on highly variable factors and any such reconciliations would imply a degree of precision that would be confusing or misleading to investors. A copy of this presentation may be found on [www.primowatercorp.com](http://www.primowatercorp.com).

# Today's Speakers



**Tom Harrington**

CHIEF EXECUTIVE  
OFFICER



**Jay Wells**

CHIEF FINANCIAL  
OFFICER



**David Hass**

CHIEF STRATEGY  
OFFICER



**Jon Kathol**

VICE PRESIDENT  
INVESTOR RELATIONS

## AGENDA

- Who is Primo Water
- Strategies to Deliver Growth
- Financial Growth Trajectory



# WHO IS PRIMO WATER



LIFE NEEDS WATER.  
MAKE IT PRIMO.



PURPOSE  
WHY WE EXIST

INSPIRING  
HEALTHIER LIVES  
THRU BETTER  
QUALITY WATER



## VISION

WHAT WE WILL ACCOMPLISH

To become the leading brand in the pure-play water category with a unique portfolio of sustainable drinking water solutions



## PRIMO WATER TODAY

22

COUNTRY FOOTPRINT

~8,800

ASSOCIATES

~2.7M

GLOBAL CUSTOMERS

~300

BRANCH OPERATIONS

42,000+

DISPENSER, EXCHANGE AND REFILL  
RETAIL LOCATIONS

## OUR STRATEGIES



WATER YOUR WAY



CATEGORY LEADING INNOVATION



CUSTOMER FOR LIFE PROMISE



OPERATIONAL EXCELLENCE



ESG LEADERSHIP



INSPIRING ASSOCIATES

## OUR BRANDS



# Organic Growth Outlook



**MULTI-YEAR DIVIDEND INCREASE OF ~15% CAGR**



# Recurring Revenue Business Lines



WATER DISPENSERS



RECURRING USAGE



WATER DIRECT

WATER EXCHANGE & REFILL

Bulk Consumption Via 3 & 5-Gallon Bottle

# Recurring Revenue Business Lines



WATER FILTRATION

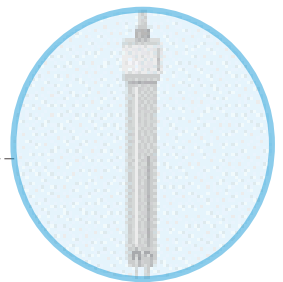


WATER FILTRATION  
DISPENSER



BIBO

RECURRING SERVICE



# Recurring Revenue Business Lines



PRIMO FRESH



RECURRING USAGE



# Large and Growing Market

**\$27 Billion**

U.S. BOTTLED WATER  
MARKET BY 2025

**~30 Million**

ADDRESSABLE  
HOUSEHOLDS (USA)

## Consumer Trends

HEALTH & WELLNESS

PREMIUMIZATION

INCREASED  
BEVERAGE VARIETY

GOOD FOR THE  
ENVIRONMENT

NO-CONTACT  
DELIVERY

DIGITAL EMERGENCE



# Market Tailwinds

Positive tailwinds of the water industry remain largely unchanged and favorable for our future



## MACRO FACTORS



Aging Infrastructure



Water Quality



# OUR STRATEGIES

Playbook to Achieve Our Vision



LIFE NEEDS WATER.  
MAKE IT PRIMO.

# STRATEGIC PILLARS

## 2022 AND BEYOND



### WATER YOUR WAY

Effective connectivity and communication of the Razor Razorblade internally and externally



### CATEGORY LEADING INNOVATION

Drive customers to the category while expanding our offerings



### CUSTOMER FOR LIFE PROMISE

Flawless service every time. Drive retention and category leadership



### OPERATIONAL EXCELLENCE

Enabling flawless execution at the right cost per unit



### ESG LEADERSHIP

Environmentally sustainable offering



### INSPIRING ASSOCIATES

Operationalizing our culture to enhance the associate experience



# Water Your Way



## Our Razor Razorblade Business Lines



WATER DISPENSERS

Recurring Usage

BULK CONSUMPTION



WATER FILTRATION

Recurring Service

VARIABLE CONSUMPTION



PRIMO FRESH

Recurring Usage

ON-THE-GO CONSUMPTION



WATER DIRECT



WATER EXCHANGE & REFILL



RECURRING SERVICE & FILTERS



RECURRING USAGE

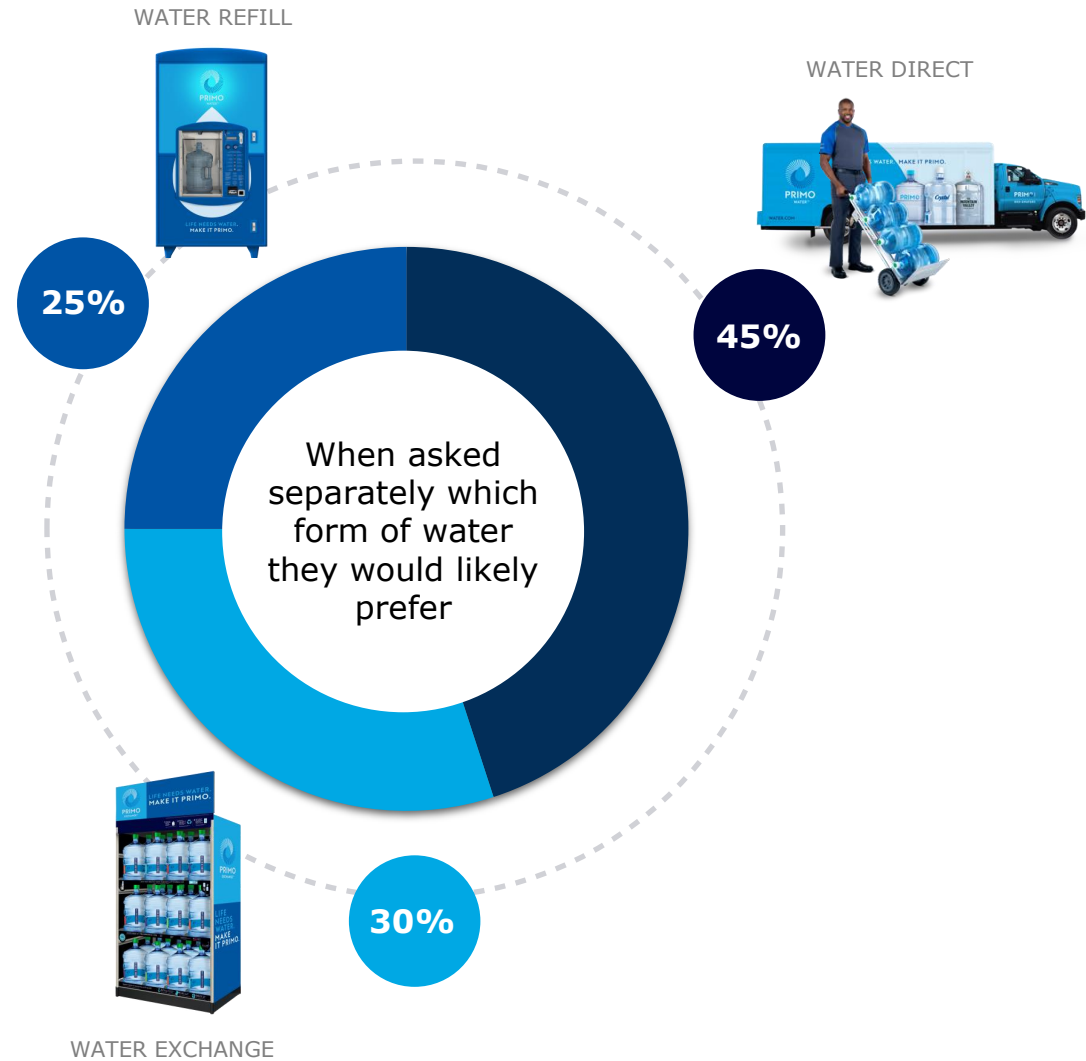
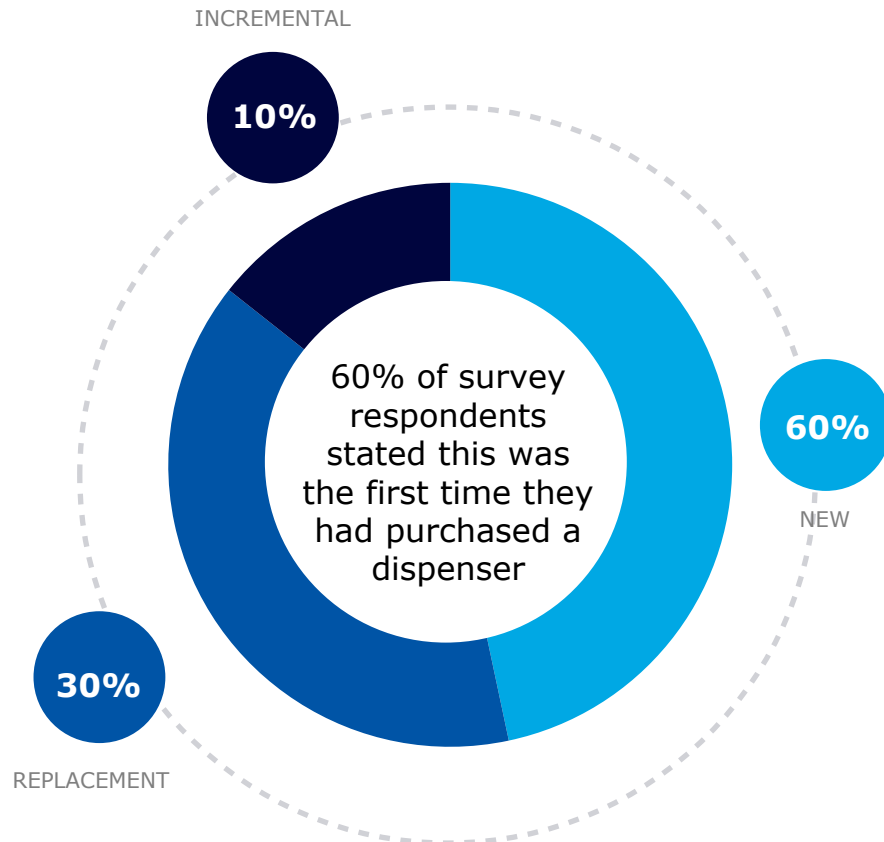




# Water Your Way



## Leverage Dispenser Sell-Thru to Grow Customer Base





# Water Your Way



## Integrated Digital Strategy to Drive Growth





# Water Your Way



## Align Brand and Product Strategy Based On Consumer Trends/Evolving Need States



### Jen, a Mom

FAMILY IS THE PRIORITY

**Key characteristics:**

Dedicated mother, 20-40  
Knowledgeable, concerned,  
budget and value driven.  
Trendy and image conscious.  
Sometimes impulsive in  
spending.



### Kylie

IMAGE -CONCERNED  
YOUNG SINGLE FEMALE

**Key characteristics:**

Female, 18-34, single  
Health conscious,  
Image-driven. High digital  
engagement. Willing to  
spend what she has on  
upholding image.



### Mike

A MID-LIFE LAID BACK  
SINGLE MALE

**Key characteristics:**

Male, 45-54.  
Health aware/ active but  
Laid back, easily swayed in  
purchase behavior. Budget  
conscious but stays on trend.



### Dana

A VERY TRADITIONAL,  
RELIABLE MIDLIFER

**Key characteristics:**

Married, 55+.  
Environmentally aware.  
Health conscious.  
Budget.  
Traditional values.



### Grace

AN OLDER AND ACCOMPLISHED  
WOMAN, LIVING LIFE FULLY

**Key characteristics:**

50 - 59. Income \$150K +  
Environmentally aware. Sociable  
and outgoing. Sophisticated,  
worldly tastes. More engaged with  
traditional media trusted brands.



# Water Your Way

Launching the New Primo Brand



LIFE NEEDS WATER. MAKE IT PRIMO.

## Better water, on your terms

Primo offers everyone a better way to access the highest quality, drinking water at home and on the move. Primo prioritizes customer and community health, wellbeing and satisfaction across all life stages and innovates to meet and exceed customer expectations from a modern, experience-driven brand.

## BRAND TONE-OF-VOICE

Approachable, wholesome & full of life, but also pure, clean & crisp.

Our voice is an expression of our widely available yet pure & unadulterated water.



# Water Your Way

Mountain Valley Premium Spring Water

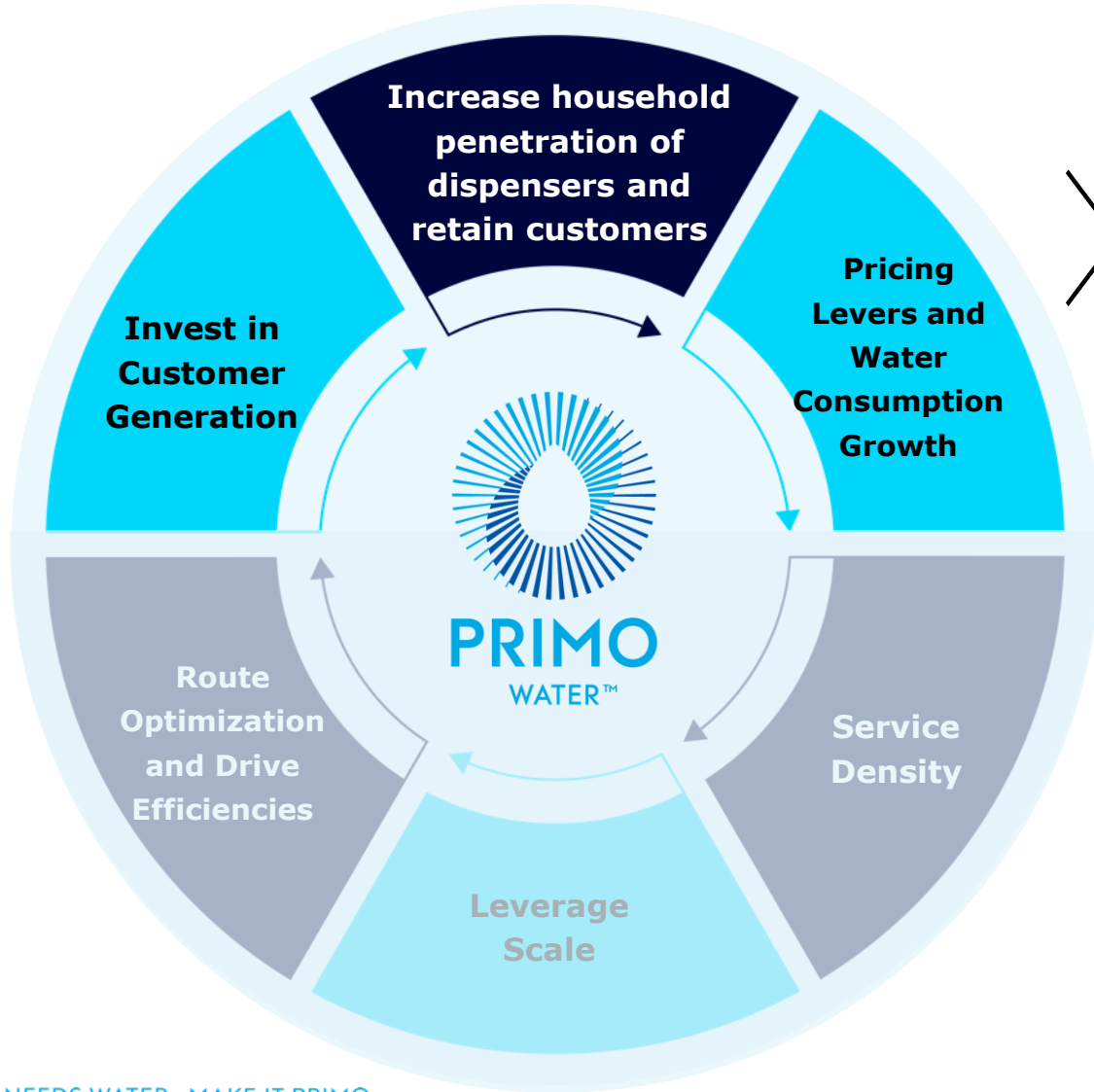




# Water Your Way



The Path to High Single Digit Growth



- Drive Dispenser sales
- Enhance Dispenser and bulk water connectivity
- Drive Water Direct customer additions
- Increase bulk water locations
- Optimize pricing architecture
- Enhance Primo's digital ecosystem
- Invest in retaining and acquiring customers
- Dispenser, water and service innovation



# Category Leading Innovation



Innovative Dispenser Lineup – A Price Point for All Customers



Only  
~5% of U.S.  
Households  
have a  
Dispenser

SRP \$10+

SRP \$260+



# Category Leading Innovation

On-the-Go Complements Primo's Existing Bulk Refill Self-Service Footprint

## CURRENT REFILL SOLUTION



## ON-THE-GO SOLUTION







# Category Leading Innovation

Additional Innovation Set to Launch



BIBO



PRIMO 3G ALKALINE



PRIMO ALKALINE REFILL



# Category Leading Innovation

## Recent Globally Recognized Innovation Success



CATEGORY WINNERS



**Global Water Drinks Awards 2021**

**WINNER**  
Best Technology Innovation

**Primo Water North America**  
AquaBarista




**Global Water Drinks Awards 2021**

**WINNER**  
Best Flavoured Water

**Primo Water North America**  
Mountain Valley 333ml Sparkling Essence  
Key Lime Twist




CATEGORY FINALISTS



**Global Water Drinks Awards 2021**

**FINALIST**  
Best Flavoured Water

**Primo Water North America**  
Mountain Valley 333ml Sparkling Essence  
White Peach




**Global Water Drinks Awards 2021**

**FINALIST**  
Best Flavoured Water

**Primo Water North America**  
Mountain Valley 333ml Sparkling Essence  
Blackberry Pomegranate



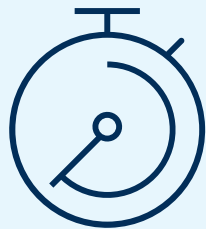
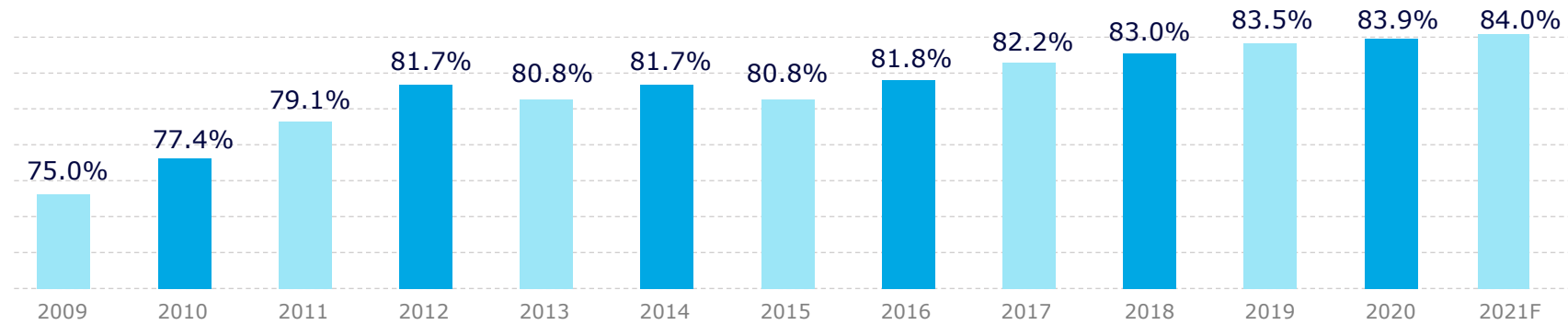



# Customer for Life Promise

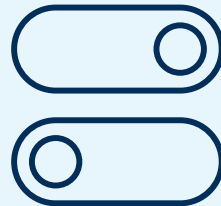


## Improving U.S. Customer Cooler Retention Rate

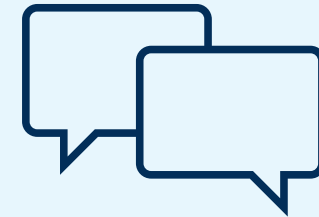
### ADJUSTED COOLER RETENTION <sup>(1)</sup>



“Deliver What I Want,  
When Expected”



“Give Me Control”

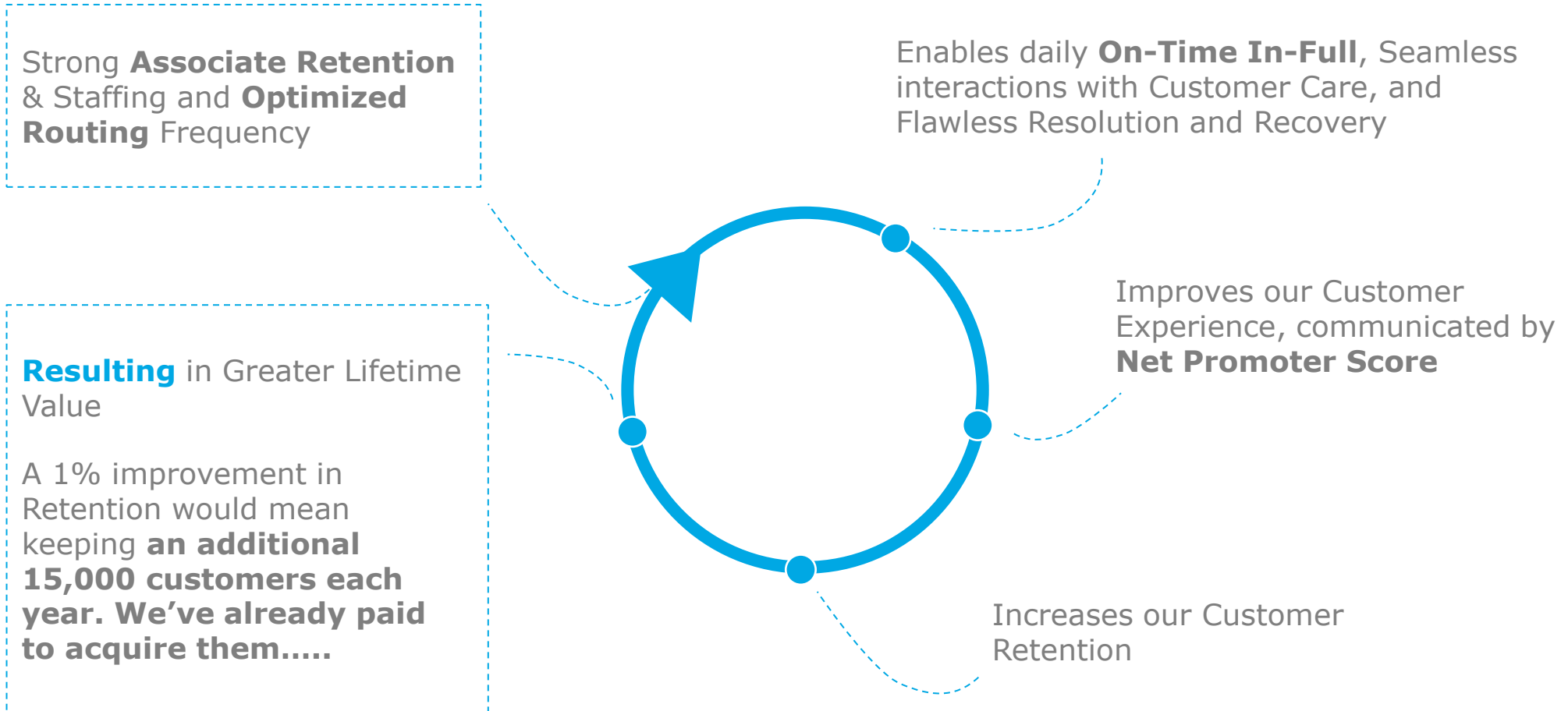


“Communicate with Me”



# Customer for Life Promise

Service Consistency is Foundation for Customer Retention





# Customer for Life Promise



Service Consistency is Foundation for Customer Retention

## FIRST DELIVERY SET RATE

- Measure Our Ability To Set-up Customers As Committed
- Critical We Start With A Great Experience
- First Deliveries Are Daily Priorities



Retention

## ON-TIME IN-FULL

- Measure Our Service Through Eyes Of Customer
- Consistently Fulfill On Our Commitments
- Recover Quickly As Needed



Retention

## FIRST CALL RESOLUTION

- Measure Care Center Efficiency & Effectiveness
- Driven By Associate Engagement & Empowerment
- Ability To Solve Issues On First Call

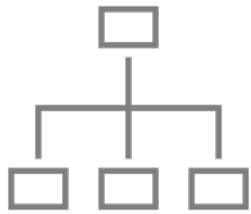


Retention

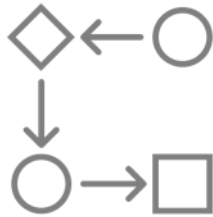


# Operational Excellence

Path to Flawless Execution



Structure



Process



Efficiency & Productivity



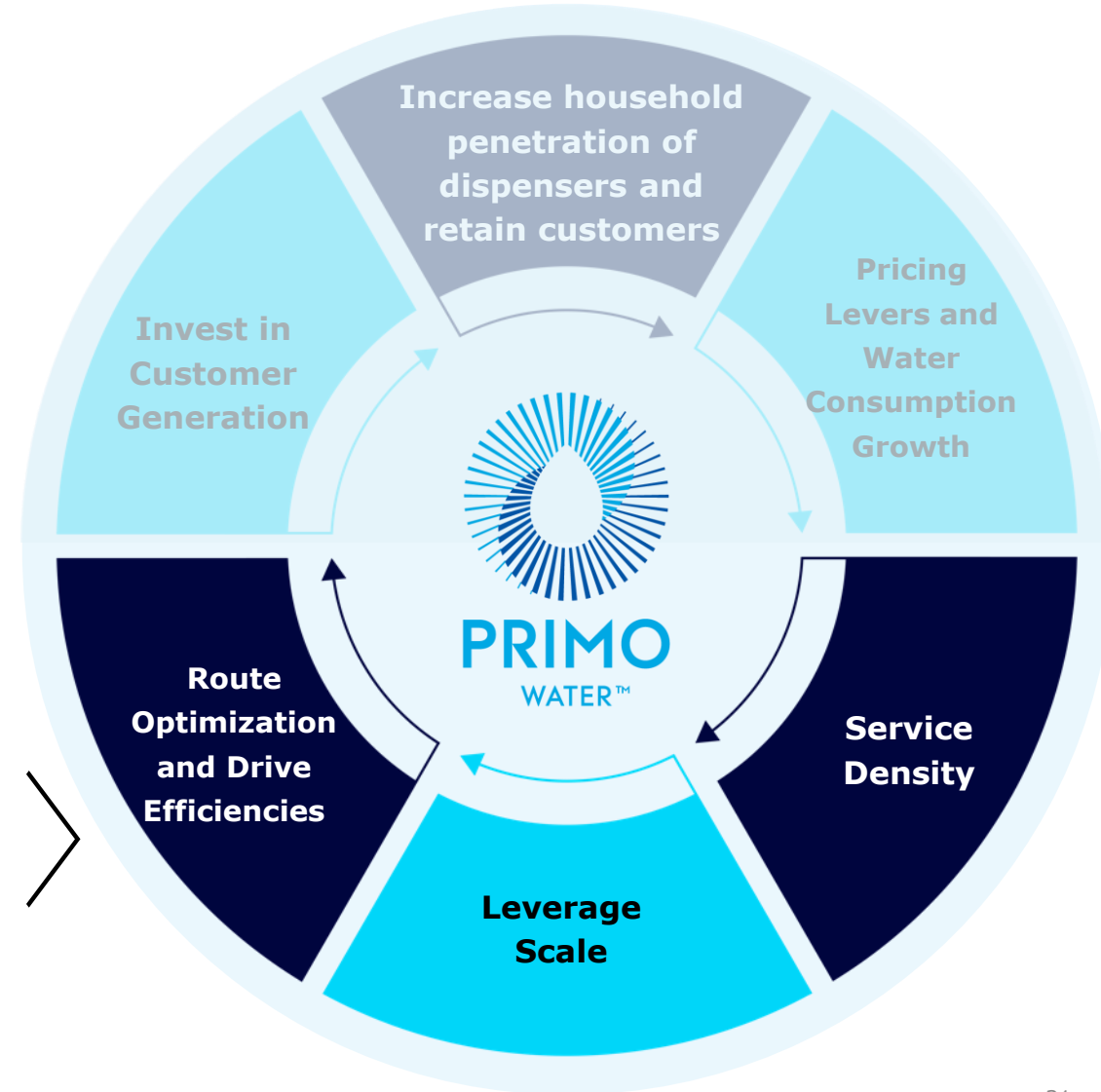


# Operational Excellence



Investments Enable Growth in Adjusted EBITDA Margin and Incremental Adjusted EBITDA

- Optimized routing and modern handheld technology
- Route density
- Route & network optimization
- Mileage, green house gas and fuel expense reductions
- Productivity improvements to reduce cost-per-unit through equipment reliability & investments
- Line efficiency and water reduction
- Improved inventory management and supply / demand planning
- Enhanced ocean and ground freight optimization
- Enhanced executive team with change management operators





# Operational Excellence

## Shared Service Consolidation and Centers of Excellence

Centralized  
Shared Service  
Center in  
Western Europe

Consolidation  
of North  
America  
Operations and  
Leadership

Centralized  
Shared Service  
Center in North  
America





# Operational Excellence

Technology Solutions and Strategic Vendor Partnerships



## Digital/Customer Facing



My Water+



iDeliver

fullstory



DATADOG

## Enterprise Platforms

ORACLE



## Infrastructure/Security



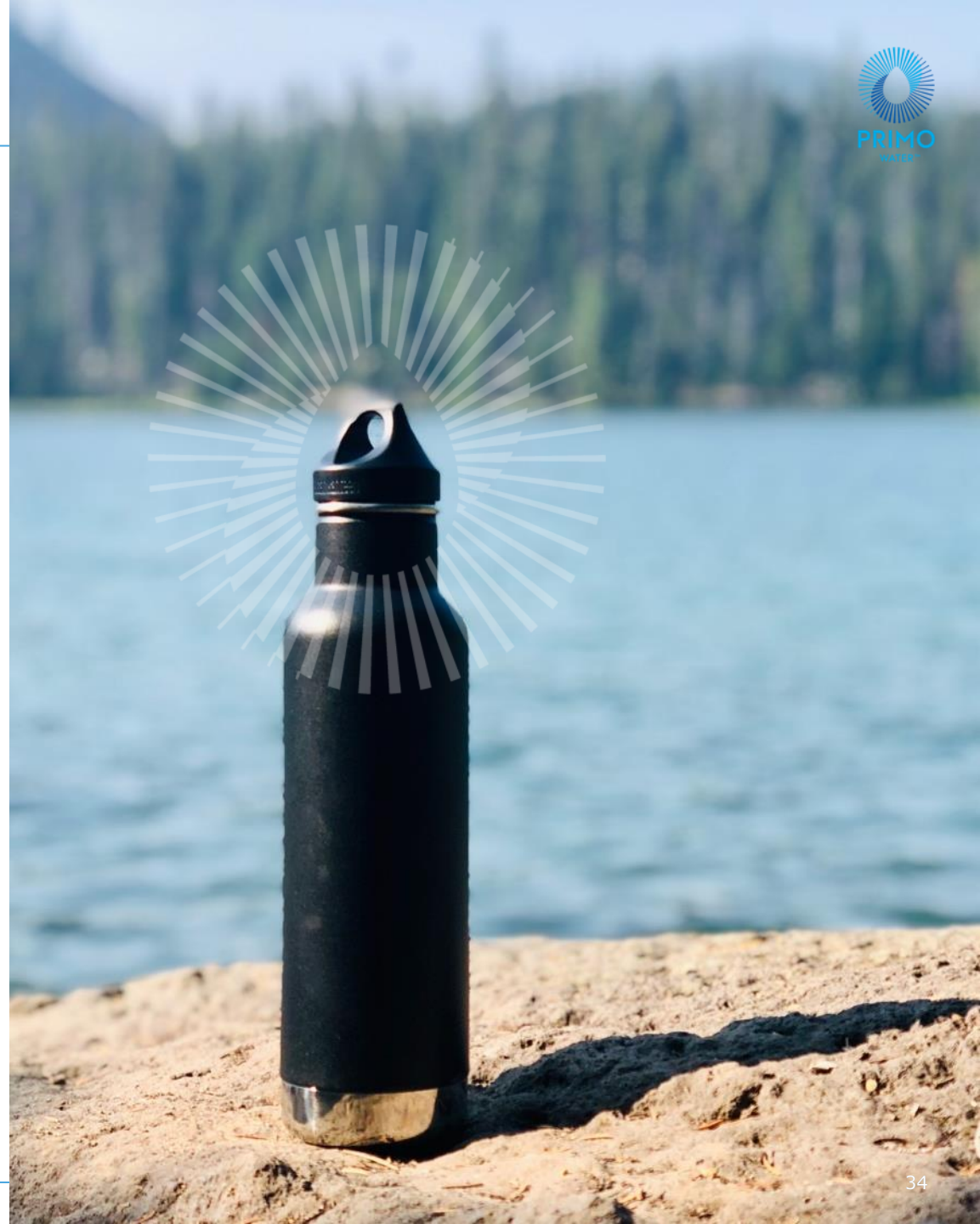
A Dell Technologies Business



## ESG Leadership

We Believe in Creating a Healthier Planet

As a bottled water provider, Primo is a strong supporter of our environment and natural resources. We invest in technology and practices that improve water quality and conservation. Bottled water's environmental footprint is one of the lowest of any packaged beverage.





# ESG Leadership

## Environment

- Achieve Carbon Neutrality globally by end of 2021
- Elevate our water stewardship initiatives through compliance with Alliance for Water Stewardship international standards by 2025
- 5G bottle is very environmentally friendly...typically used ~40 times
- Exiting single-use plastics retail business in North America
- First sustainability report to be issued in 2022



~40x

PRIMO PURE



# ESG Leadership

Enhancing DEI Within Our Culture



DIVERSITY



EQUITY



INCLUSION



Shayron Barnes-Selby  
Chief DEI Officer



# ESG Leadership



Experienced and Diverse Water Leadership Team



Thomas Harrington  
Chief Executive Officer



Jay Wells  
Chief Financial Officer



Cate Gutowski  
Chief Operating Officer



Marni Morgan Poe  
Chief Legal Officer  
and Secretary



Jason Ausher  
Chief Accounting Officer



Anne Melaragni  
Chief Human  
Resources Officer



William "Jamie" Jamieson  
Global Chief  
Information Officer



Mercedes Romero  
Chief Procurement Officer



David Hass  
Chief Strategy Officer



Shayron Barnes-Selby  
Chief Diversity &  
Inclusion Officer



# ESG Leadership



## Board Composition



Thomas J. Harrington  
Chief Executive Officer



Jerry Fowden  
Chairman of the Board



Britta Bomhard  
Board of Directors



Susan E. Cates  
Board of Directors



Stephen H. Halperin  
Board of Directors



Gregory Monahan  
Board of Directors



Mario Pillozzi  
Board of Directors



Billy D. Prim  
Board of Directors



Eric Rosenfeld  
Board of Directors



Graham W. Savage  
Board of Directors



Archana Singh  
Board of Directors



Steven P. Stanbrook  
Board of Directors



## ESG Leadership

We Believe in Creating Healthier Lives

Clean and safe water is a critical need for citizens and first responders immediately following a natural disaster or catastrophic event. During these times, public water systems are often compromised, and bottled water is the best option to deliver clean drinking water into affected areas.





# Inspiring Our Associates

Primo's Values and Behaviors



HEALTHY LIVING WITH A STANDARD OF EXCELLENCE RESPECT FOR ALL AND A COMMITMENT TO DO THE RIGHT THING, ALWAYS

OUR VALUES

# HOW WE LIVE





# Inspiring Our Associates

Primo's Values and Behaviors



INCLUSIVE INNOVATIVE EMPOWERED CURIOUS TEAMWORK

OUR BEHAVIORS

# WAYS WE LEAD



# Inspiring Our Associates

## Succession Planning and Our Leadership Framework



### CORE COMPETENCIES

- ◆ RESULTS & ACCOUNTABILITY
- ◆ STRATEGIC OUTLOOK
- ◆ INNOVATION & CHANGE
- ◆ CAPABILITY BUILDING
- ◆ CULTURE & ENGAGEMENT
- ◆ RELATIONSHIPS & COLLABORATION

### CRITICAL SKILLS Required As Leaders

- ◆ COMPLEX PROBLEM SOLVING
- ◆ CHANGE AGILITY
- ◆ SOCIAL & EMOTIONAL INTELLIGENCE

### BEHAVIORS How We Lead and Where We Exhibit Our Skills

- ◆ INCLUSIVE
- ◆ INNOVATIVE
- ◆ EMPOWERED
- ◆ CURIOUS
- ◆ TEAMWORK

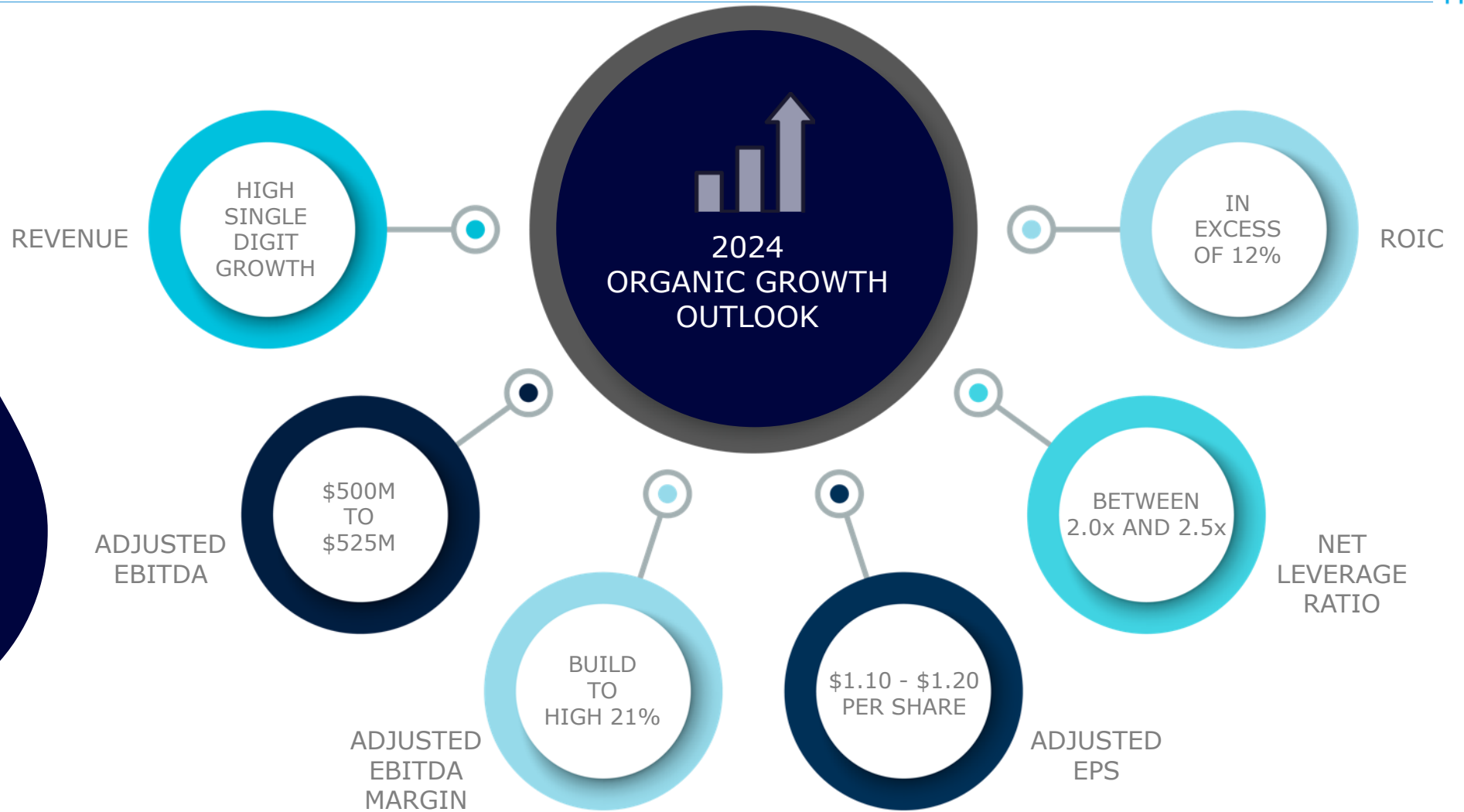


**FINANCIAL GROWTH TRAJECTORY**



**LIFE NEEDS WATER.  
MAKE IT PRIMO.**

# Organic Growth Outlook



**MULTI-YEAR DIVIDEND INCREASE OF ~15% CAGR**

# Organic Growth Outlook



Path to 2024 Adjusted EBITDA Targets



**GROWTH**

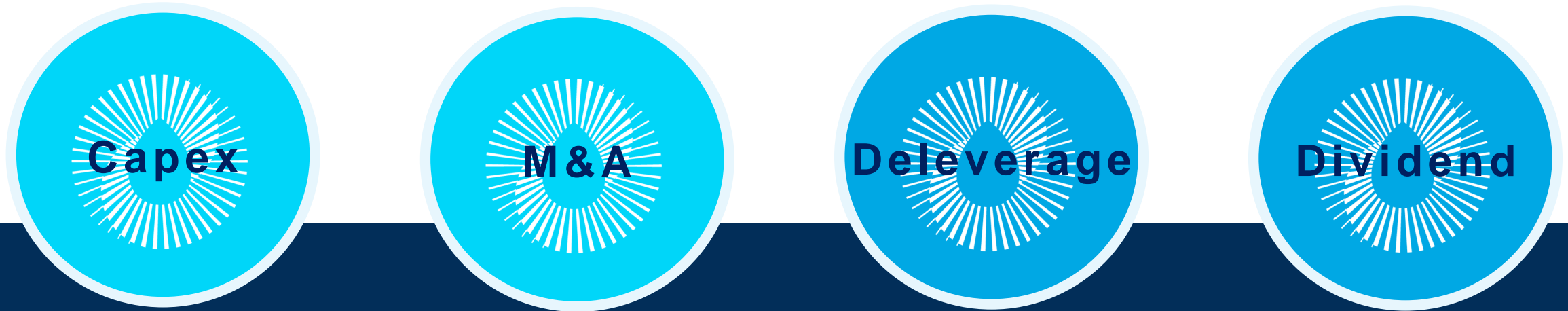


**EFFICIENCIES**

PATH TO 2024 ADJUSTED EBITDA TARGETS

# Committed to Growth

Avenues to Drive Growth, Expand AEBITDA Margin and Generate Shareholder Value



 *Growth Drivers*

 *Incremental Shareholder Value Creation*

# Committed to Growth

## Growth and Maintenance Capital



- Base Capex of ~7% of Revenue (~2/3 growth & ~1/3 maintenance Capex)
- Invest ~\$50M incremental Capex annually over the next 3-years to drive growth and enhance Adjusted EBITDA margins
- Key initiatives:
  - Drive digital growth
  - Dispenser growth through innovation
  - Build more efficient delivery & service fleet
  - Invest in efficient water production lines to reduce water use and increase productivity
  - Drive growth in Primo Fresh (Refill & On-The-Go) and new filtration innovations like BIBO



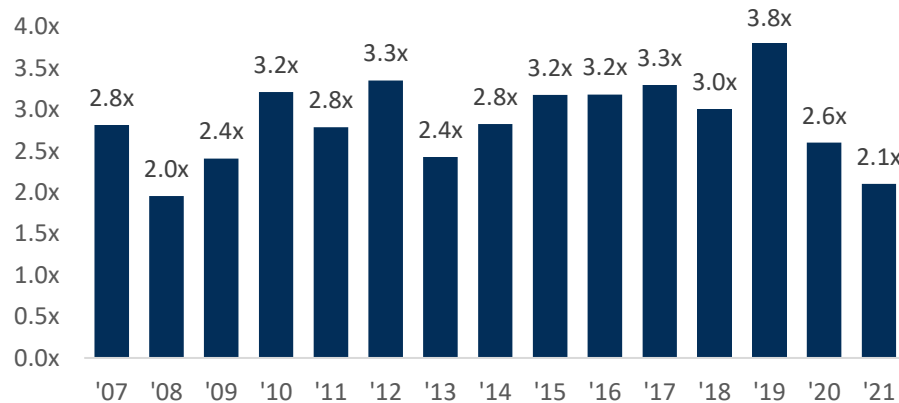
# Committed to Growth

Utilize M&A for Tuck-In, Density, Acquire Innovation or Expand Geographies



- Fund highly accretive tuck-in acquisitions totaling between \$40M to \$60M per year
- Combine delivery routes to increase customer density
- Customer stickiness is high due to the acquisition of long-term customer base within tuck-in targets

Historical North America Synergized Multiple



## NORTH AMERICA TUCK-INS

Average ~\$3.0M  
Synergize to ~3x

## EUROPE TUCK-INS

Average ~\$3.5M  
Synergize to ~4x

- Acquire Customer Lists, Bottles and Coolers
- Add density to current routes, call center volume and back office

## MID-SIZE M&A

Average ~\$20M - \$100M  
Synergize to ~5x - 7x

- Acquire business operations and assets including customer lists, depots, manufacturing plants, fleet, etc.
- Synergies are gained through facility consolidation as well as utilization of back office and call center

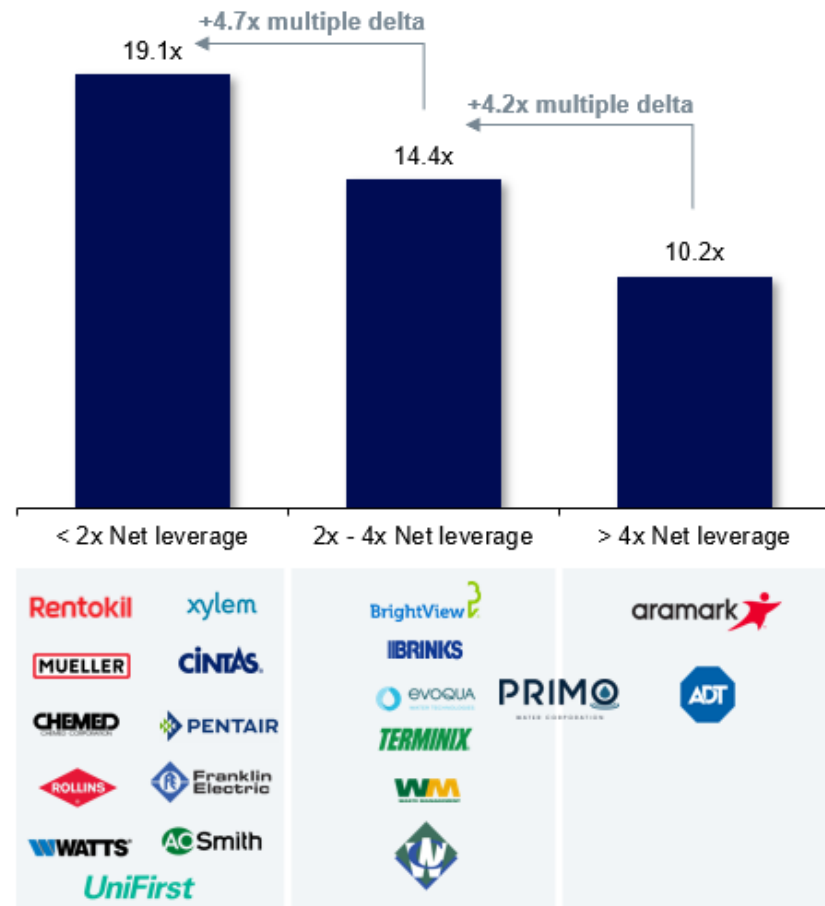


# Committed to Growth

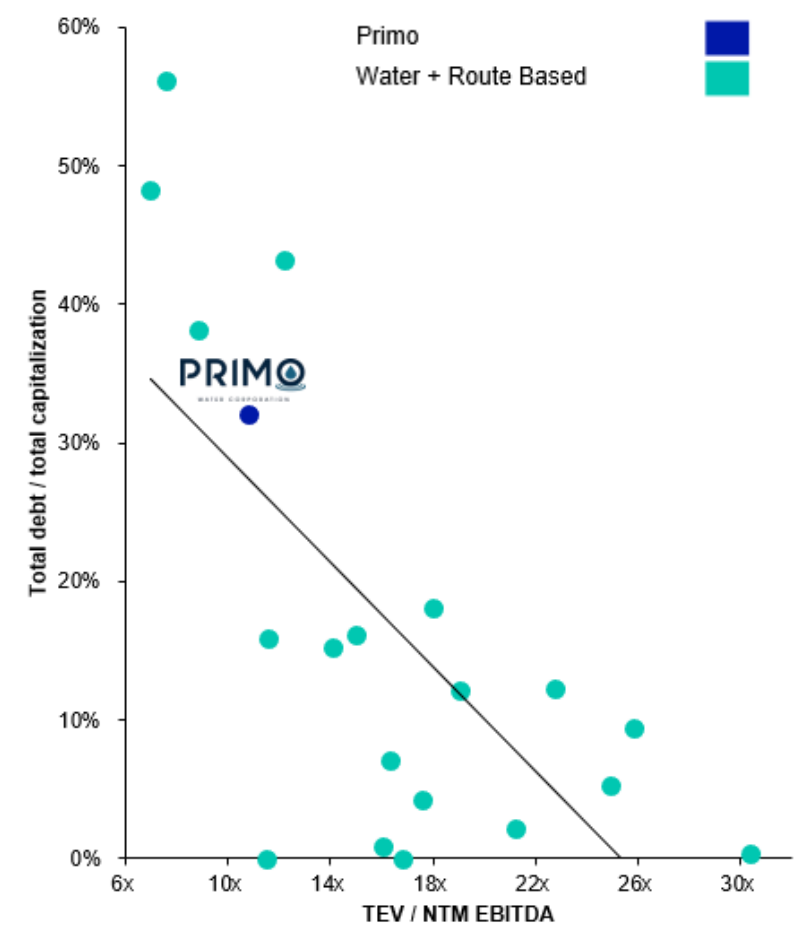
Deleverage Business to Between 2.0x to 2.5x by 2024



## TEV / NTM EBITDA



## DEBT / TOTAL CAPITALIZATION



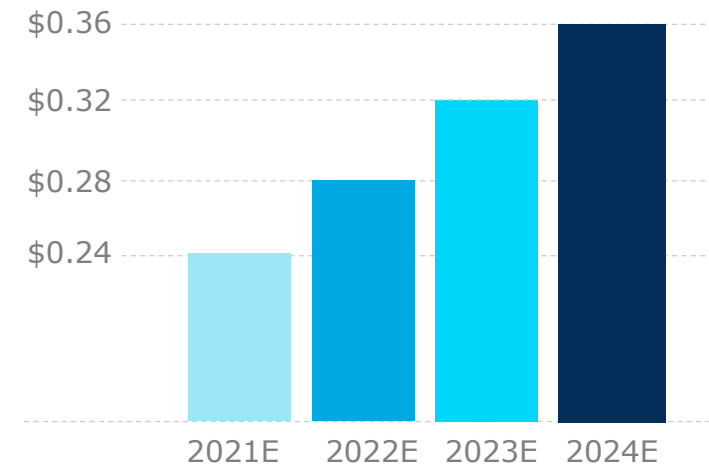
# Committed to Growth

## Dividend Architecture



- Increased free cash flow availability in the business to fund our growth and increase our annual dividend payout
- Increase quarterly dividend \$0.01 per share in 2022, another in 2023 and another in 2024

### ANNUAL DIVIDEND PER SHARE



# Committed to Growth



## Our Financial Outlook In 2024

	<b>PRIMO TODAY</b> <i>(2021F)</i>	<b>PRIMO TOMORROW</b> <i>(2024E)</i>
REVENUE	\$2.1B	HIGH SINGLE DIGIT GROWTH
ADJUSTED EBITDA	\$390M TO \$400M	\$500M TO \$525M
ADJUSTED EBITDA MARGIN %	HIGH-18%	BUILD TO HIGH-21% <i>s</i>
ADJUSTED EPS	\$0.65 - \$0.70	\$1.10 - \$1.20
NET LEVERAGE RATIO	3.6x	BETWEEN 2.0x – 2.5x
ROIC	~8%	IN EXCESS OF 12%



PRIMO  
WATER™