



LIFE NEEDS WATER.
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Primo Water

First Quarter 2022 Results

May 12, 2022



Cautionary Statements



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, the Company's outlook for Q2 2022 and the full year 2022, the Company's long-term growth outlook, the Company's planned exit from its North American small-format retail water category and its planned exit of its Russia business. 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 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

To supplement its reporting of financial measures determined in accordance with GAAP, Primo utilizes certain non-GAAP financial measures. Primo excludes from GAAP revenue the impact of foreign exchange and the impact of the small-format single-use retail bottled water business in North America to separate the impact of these items from Primo's results of operations. Primo utilizes adjusted net income (loss), adjusted net income (loss) per diluted share, Adjusted EBITDA and Adjusted EBITDA margin to separate the impact of certain items from the underlying business. Because Primo uses these adjusted financial results in the management of its business, management believes this supplemental information is useful to investors for their independent evaluation and understanding of Primo's underlying business performance and the performance of its management. Additionally, Primo supplements its reporting of net cash provided by (used in) operating activities from continuing operations determined in accordance with GAAP by excluding additions to property, plant and equipment and additions to intangible assets to present free cash flow, and by excluding the items identified on the exhibits to Primo's earnings announcement to present adjusted free cash flow, which management believes provides useful information to investors in assessing our performance, comparing Primo's performance to the performance of the Company's peer group and assessing the Company's ability to service debt and finance strategic opportunities, which include investing in Primo's business, making strategic acquisitions, paying dividends, and strengthening the balance sheet. With respect to the Company's expectations of its performance, the Company's reconciliations of Q2 2022 and full year 2022 estimated Adjusted EBITDA, along with targeted 2024 Adjusted EBITDA, Adjusted EBITDA margin, net leverage, adjusted EPS, and ROIC, are not available, as the Company is unable to quantify certain amounts to the degree of precision that would be required in the relevant GAAP measures without unreasonable efforts. 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. Primo expects the variability of these factors to have a significant, and potentially unpredictable, impact on the Company's future GAAP financial results. The non-GAAP financial measures described above are in addition to, and not meant to be considered superior to, or a substitute for, Primo's financial statements prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation and in Primo's earnings announcement 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.

AGENDA

- ◆ Q1 2022 Consolidated Results
- ◆ Visits to Retail and Recreational Locations
- ◆ B2B customer base
- ◆ ESG Initiatives Update
- ◆ Growth Drivers
- ◆ Q2 and Full Year 2022 Outlook
- ◆ Long-Term Growth Outlook



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Q1 Consolidated Results

(\$ in millions)	Q1 2022	Q1 2021	Change
Net Revenue	\$526.1	\$478.4	10%
Net Revenue, ex-traditional retail	\$499.5	\$441.5	13%
Net Revenue, ex-traditional retail, FX neutral	\$504.1	\$441.5	14%
Adjusted EBITDA*	\$87.9	\$76.2	15%
Adjusted EBITDA Margin %	16.7%	15.9%	80bps

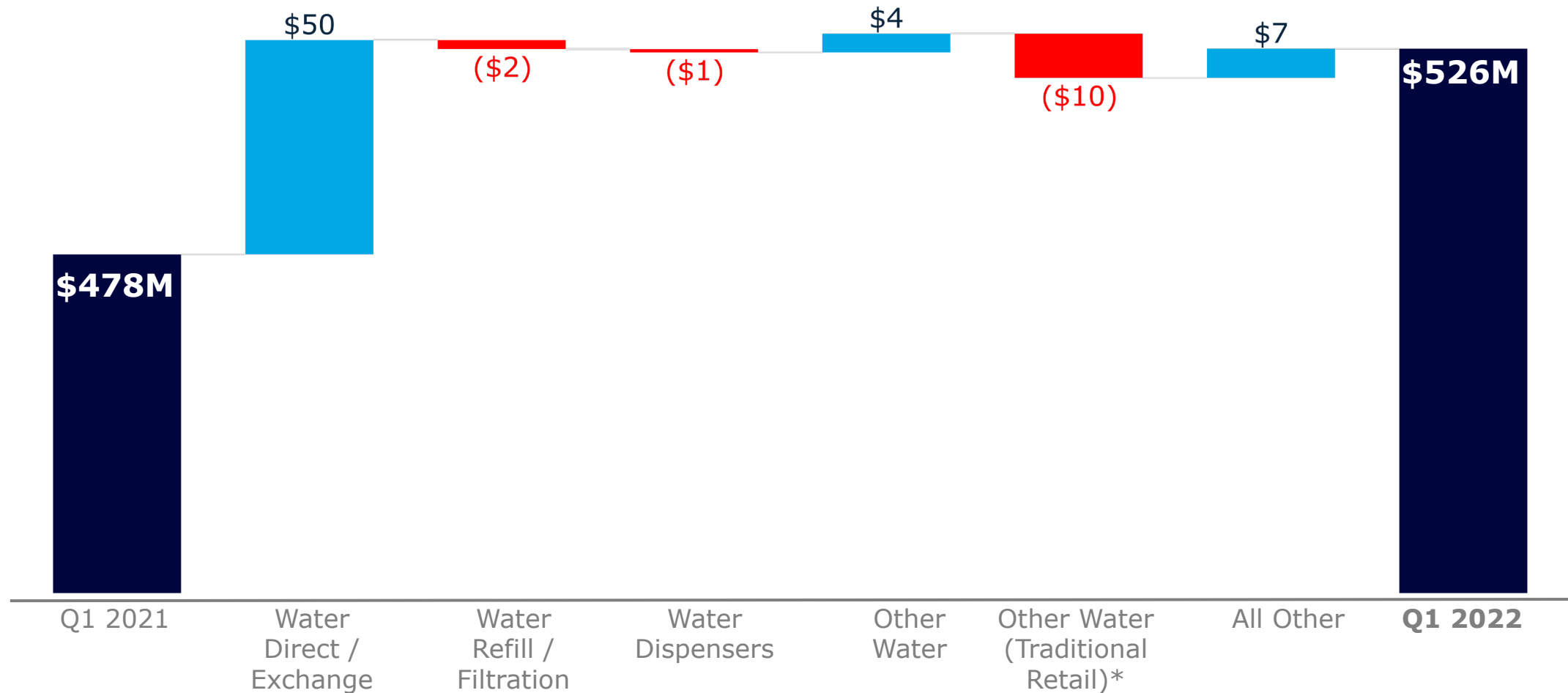


Source: Primo Management
 *See appendix for non-GAAP reconciliations

Q1 Consolidated Results



Revenue Bridge



*Impact of small-format single-use retail bottled water business in North America (planned exit previously announced)

Note: Amounts may not add due to rounding

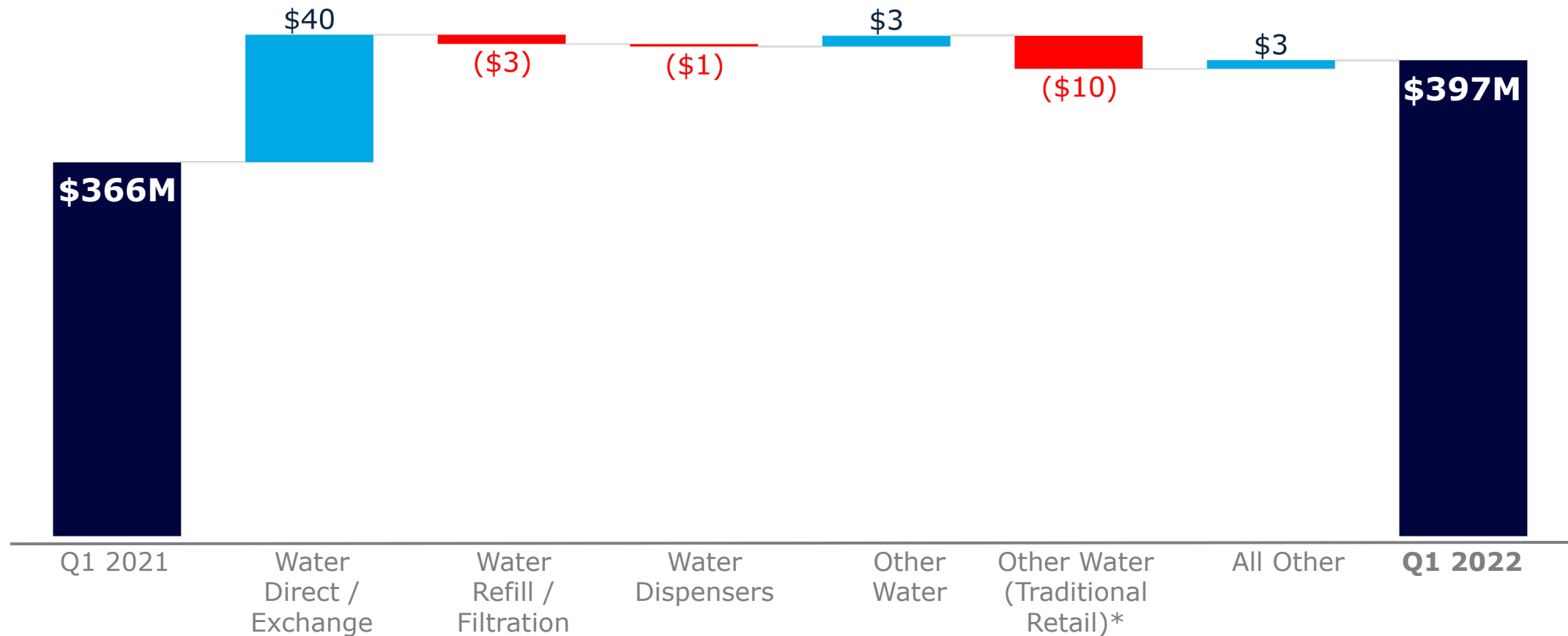
Source: Primo Management

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Q1 North America - Reporting Segment Performance



Revenue Bridge



*Impact of small-format single-use retail bottled water business (planned exit previously announced)

Note: Amounts may not add due to rounding

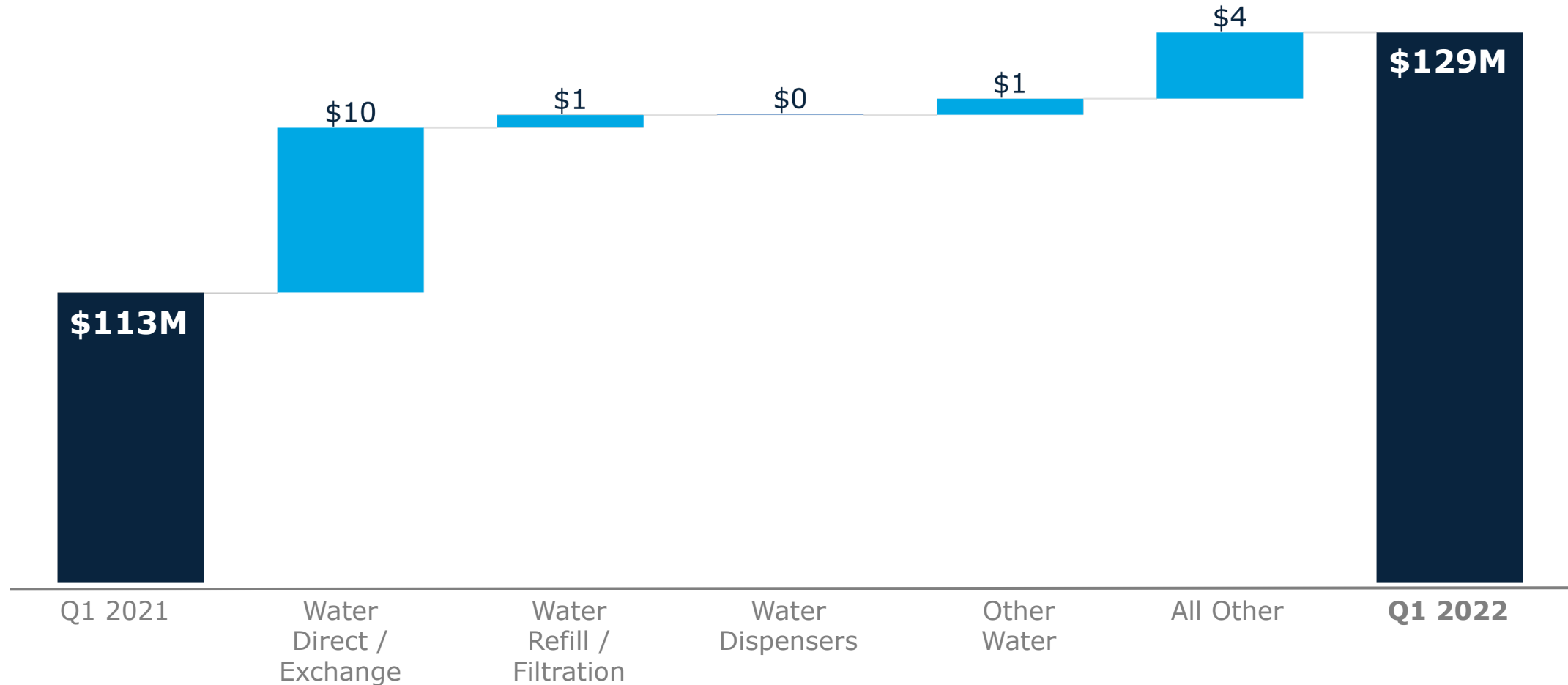
Source: Primo Management

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Q1 Rest of World (ROW) - Reporting Segment Performance



Revenue Bridge

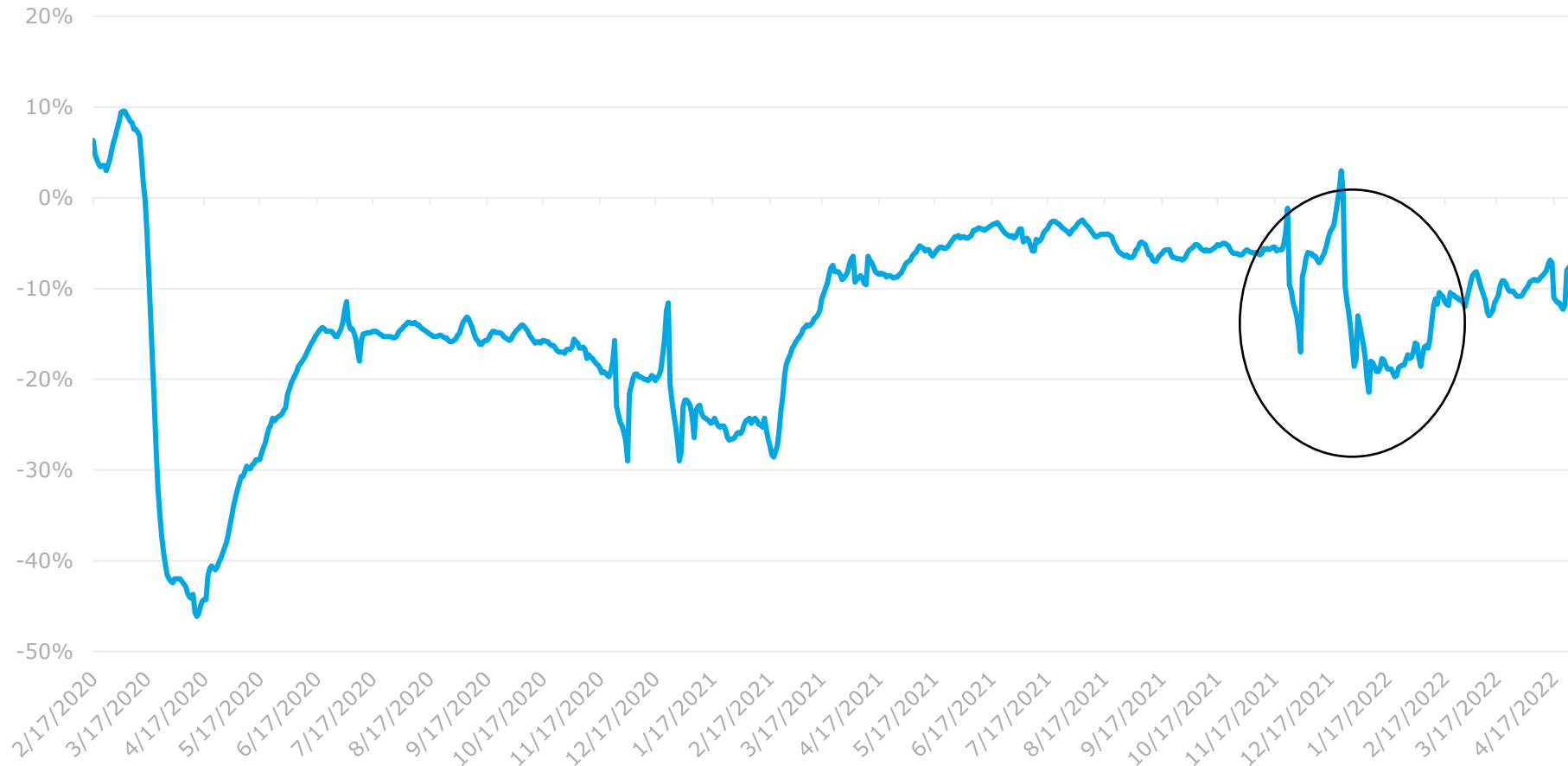


Note: Amounts may not add due to rounding
Source: Primo Management

Visits to Retail and Recreational Locations - United States

Google COVID-19 Community Mobility Trends

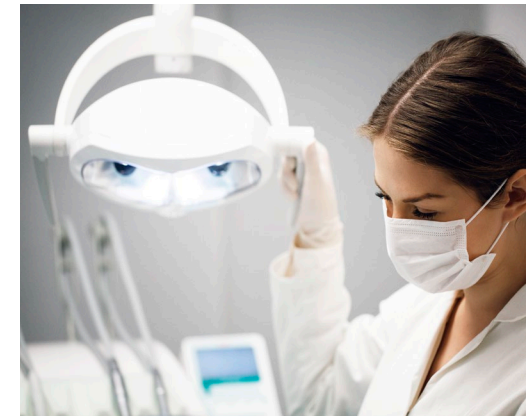
This data shows how the number of visitors to places of retail and recreation has changed relative to the period before the pandemic. This includes places like restaurants, cafés, shopping centers, theme parks, museums, libraries, movie theaters.



After declining sharply in December and January (aka “the swoon”), we have seen a partial rebound since January

B2B Customer Base U.S. - Diverse Mix of Business Types

Business Type	% of Revenue
PHYSICIANS & SURGEONS	2.30%
DENTISTS	1.81%
ATTORNEYS	1.30%
SCHOOLS	1.19%
NONCLASSIFIED ESTABLISHMENTS	0.79%
INSURANCE	0.77%
AUTOMOBILE REPAIRING & SERVICE	0.62%
CHURCHES	0.60%
AUTOMOBILE DEALERS-NEW CARS	0.53%
REAL ESTATE	0.52%
BANKS	0.48%
HOTELS & MOTELS	0.43%
ELECTRIC CONTRACTORS	0.40%
GENERAL CONTRACTORS	0.40%
CLINICS	0.39%
GROCERS-RETAIL	0.38%
HOSPITALS	0.37%
RESTAURANTS	0.37%
ACCOUNTANTS	0.36%
AUTOMOBILE BODY-REPAIRING & PAINTING	0.36%

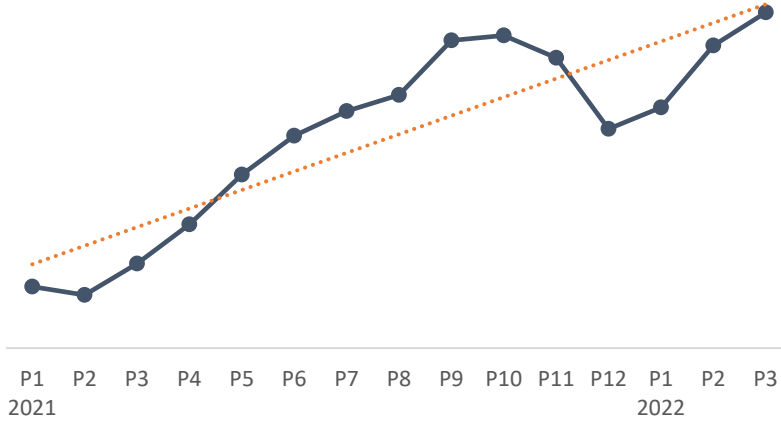


Source: Primo Management - % of revenue relative to sampled revenue in the US from B2B customers for transaction dates between 2/1/2021 and 3/15/22

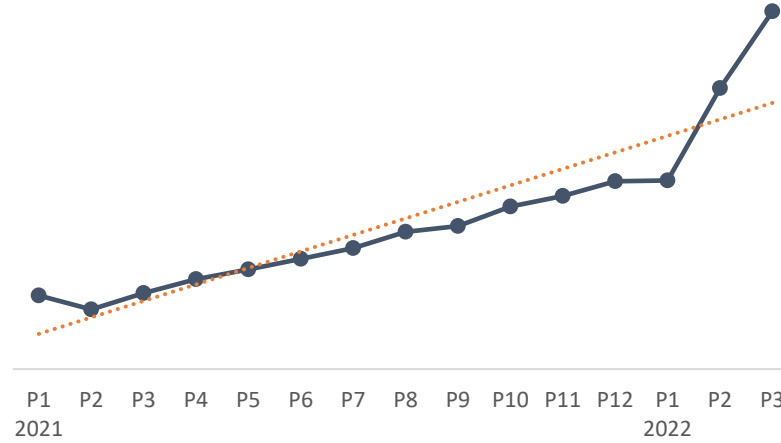
Growth Drivers



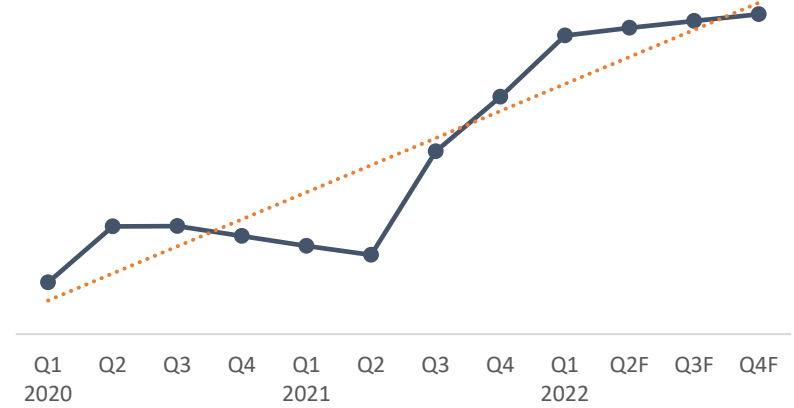
Water Direct Customers (US)



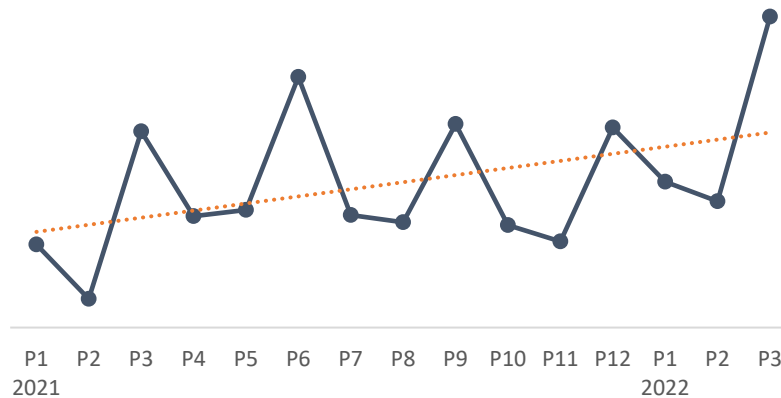
Exchange Customers (US)



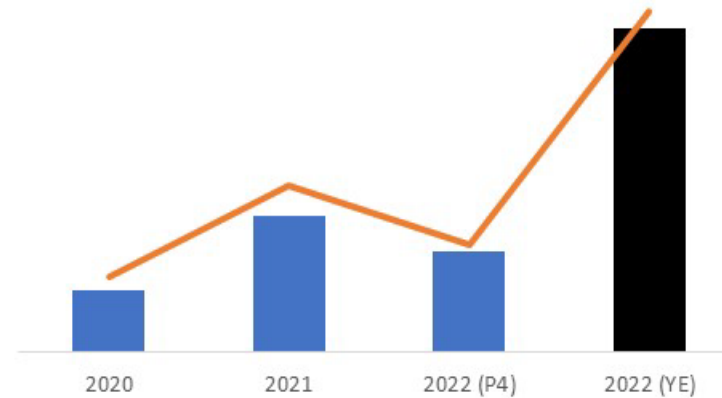
Water Direct 5G/3G A.S.P. (US)



Mountain Valley Spring Company Revenue



Water Ecommerce Revenue and Bottles



Source: Primo Management

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Protecting our Planet

- Climate Change
- Water stewardship
- Packaging and Waste Management



Serving our People & Community

- Occupational health & safety
- Diversity, equity & inclusion
- Human capital development
- Responsible supply chain
- Community engagement and investment



Committing to Ethical Practices

- Business Ethics & Risk Management
- Corporate Governance
- Product safety & quality

Second Quarter & Full Year 2022 Outlook



(\$ in millions)	Q2 2022		FY 2022	
	Range		Range	
	Low	High	Low	High
Revenue	\$540	\$560	9%	10% ⁽¹⁾
Adjusted EBITDA	\$100	\$110	\$410	\$420
Cash Taxes	-	-	~ \$10	
Interest	-	-	~ \$60	
Cap-Ex	-	-	~ \$200	

(1) Normalized for the exit of the North American single-use retail bottled water category. Reflects estimated revenue from 2021 tuck-in acquisitions. Assumes current FX rates.

Primo Water Corporation Long-Term Growth Outlook



In millions of USD

	PRIMO 2022E	PRIMO 2024E
REVENUE	9% to 10% ⁽¹⁾	HIGH SINGLE DIGIT % ORGANIC GROWTH
ADJUSTED EBITDA	\$410M - \$420M	APPROACHING \$525M
ADJUSTED EBITDA MARGIN %	19%+	21% to 22%
NET LEVERAGE RATIO ⁽²⁾	3.4x	< 2.5x

(1) Normalized for the exit of the North American single-use retail bottled water category. Reflects estimated revenue from 2021 tuck-in acquisitions

(2) Net leverage ratio defined as net debt (total debt, adjusted to exclude unamortized debt costs, minus unrestricted cash) divided by Adjusted EBITDA

Source: Primo Management



APPENDIX



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Adjusted Revenue by Reporting Segment

Non-GAAP Reconciliation - Unaudited



(in millions of U.S. dollars)

	For the Three Months Ended April 2, 2022			For the Three Months Ended April 3, 2021			% Change		
	North America	Rest of World	Total	North America	Rest of World	Total	North America	Rest of World	Total
Revenue, net as reported	\$ 397.1	\$ 129.0	\$ 526.1	\$ 365.5	\$ 112.9	\$ 478.4	8.6%	14.3%	10.0%
(-) Impact of the single-use retail bottled water business	(26.6)	-	(26.6)	(36.9)	-	(36.9)			
Adjusted revenue, net	\$ 370.5	\$ 129.0	\$ 499.5	\$ 328.6	\$ 112.9	\$ 441.5	12.8%	14.3%	13.1%
(-) Impact of foreign exchange (a)	-	4.6	4.6	-	-	-			
Adjusted revenue, net FX neutral	\$ 370.5	\$ 133.6	\$ 504.1	\$ 328.6	\$ 112.9	\$ 441.5	12.8%	18.3%	14.2%

(a) Impact of foreign exchange is the difference between the current period revenue translated utilizing the current period average foreign exchange rates less the current period revenue translated utilizing the prior period average foreign exchange rates.

Source: Primo Management

Organic Revenue and Organic Revenue Growth^(a)



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars)

	For the Three Months Ended April 2, 2022			For the Three Months Ended April 3, 2021		
	North America	Rest of World	Total	North America	Rest of World	Total
Revenue, net as reported	\$ 397.1	\$ 129.0	\$ 526.1	\$ 365.5	\$ 112.9	\$ 478.4
(-) Revenue from acquisitions/divestitures	(5.3)	(6.1)	(11.4)	-	-	-
(-) Single-use retail bottled water business revenue	(26.6)	-	(26.6)	(36.9)	-	(36.9)
(+) Impact of foreign exchange	-	4.2	4.2	-	-	-
Organic Revenue	\$ 365.2	\$ 127.1	\$ 492.3	\$ 328.6	\$ 112.9	\$ 441.5
Organic Revenue Growth %	11.1%	12.6%	11.5%			

(a) Organic Revenue is a non-GAAP measure of revenue excluding from the current period and comparative prior year period the impacts of acquisitions and divestitures completed during the current period and completed in the prior fiscal year, as applicable, foreign exchange measured using the average foreign exchange rates in the prior year period to present the revenue on a constant currency basis relative to the comparative period average foreign exchange rates, and revenue from businesses the Company plans to exit as publicly announced. Organic Revenue Growth is a non-GAAP measure of revenue growth calculated from comparable Organic Revenue for the periods presented.

Source: Primo Management

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars)	For the Three Months Ended	
	April 2, 2022	April 3, 2021
Revenue, net	\$ 526.1	\$ 478.4
Net loss	\$ (6.7)	\$ (10.2)
Interest expense, net	16.9	19.0
Income tax expense	2.4	4.7
Depreciation and amortization	61.2	53.1
EBITDA	\$ 73.8	\$ 66.6
Acquisition and integration costs	4.3	1.3
Share-based compensation costs	3.3	2.4
COVID-19 costs	-	0.7
Foreign exchange and other losses (gains), net	3.9	(0.1)
Loss on disposal of property, plant and equipment, net	1.7	2.1
Other adjustments, net	0.9	3.2
Adjusted EBITDA	\$ 87.9	\$ 76.2
Adjusted EBITDA margin %	16.7 %	15.9 %

Q1 EBITDA and Adjusted EBITDA by Reporting Segment*



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars)

	For the Three Months Ended April 2, 2022				For the Three Months Ended April 3, 2021			
	North America	Rest of World	All Other	Total	North America	Rest of World	All Other	Total
Revenue, net as reported	\$ 397.1	\$ 129.0	\$ -	\$ 526.1	\$ 365.5	\$ 112.9	\$ -	\$ 478.4
Operating income (loss) (a)	\$ 28.3	\$ (3.2)	\$ (9.8)	\$ 15.3	\$ 26.1	\$ (3.6)	\$ (9.4)	\$ 13.1
Other (income) expense, net	(1.8)	3.9	0.6	2.7	(0.7)	0.3	-	(0.4)
Depreciation and amortization	45.3	15.5	0.4	61.2	37.8	14.9	0.4	53.1
EBITDA	\$ 75.4	\$ 8.4	\$ (10.0)	\$ 73.8	\$ 64.6	\$ 11.0	\$ (9.0)	\$ 66.6
Acquisition and integration costs	2.5	1.2	0.6	4.3	0.7	0.1	0.5	1.3
Share-based compensation costs	0.8	0.5	2.0	3.3	1.2	0.4	0.8	2.4
COVID-19 costs	-	-	-	-	0.7	-	-	0.7
Foreign exchange and other (gains) losses, net	(0.5)	3.8	0.6	3.9	(0.4)	0.3	-	(0.1)
Loss on disposal of property, plant and equipment, net	1.4	0.3	-	1.7	1.9	0.2	-	2.1
Other adjustments, net	(0.8)	1.6	0.1	0.9	(0.3)	2.6	0.9	3.2
Adjusted EBITDA	\$ 78.8	\$ 15.8	\$ (6.7)	\$ 87.9	\$ 68.4	\$ 14.6	\$ (6.8)	\$ 76.2
Adjusted EBITDA margin %	19.8%	12.2%	n/a	16.7%	18.7%	12.9%	n/a	15.9%

*EBITDA by reporting segment is derived from operating income (loss) as operating income (loss) is the performance measure regularly reviewed by the chief operating decision maker when evaluating performance of our reportable segments.

Source: Primo Management

Interest Coverage Ratio and Net Leverage Ratio



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars except financial ratios)	FY 2021	(-) Q1 2021	(+) Q1 2022	LTM Q1 2022
Adjusted EBITDA	\$ 380.0	\$ (76.2)	\$ 87.9	\$ 391.7
Interest expense	\$ 68.8	\$ (19.0)	\$ 16.9	\$ 66.7
Total debt (a)				\$ 1,566.5
Unrestricted cash				\$ 98.0
Interest Coverage ratio (b)				5.9x
Net Leverage ratio (c)				3.7x

(a) Total debt as of April 2, 2022 of \$1,550.3 million adjusted to exclude \$16.2 million of unamortized debt costs.

(b) Interest Coverage ratio defined as Adjusted EBITDA divided by interest expense.

(c) Net Leverage ratio defined as net debt (total debt, as adjusted, minus unrestricted cash) divided by Adjusted EBITDA.

Source: Primo Management

FY2021 Supplemental Net Revenue Information



Net Revenue Excluding North America Single-Use Plastic Retail Net Revenue - Unaudited

(in millions of U.S. dollars)

	Three Months Ended				Year Ended
	April 3, 2021	July 3, 2021	October 2, 2021	January 1, 2022	January 1, 2022
Consolidated net revenue, as reported	\$ 478.4	\$ 526.1	\$ 550.8	\$ 518.0	\$ 2,073.3
Less: North America single-use plastic retail net revenue	(36.9)	(36.5)	(37.3)	(31.4)	(142.1)
Consolidated adjusted net revenue	\$ 441.5	\$ 489.6	\$ 513.5	\$ 486.6	\$ 1,931.2

2022 Revenue Outlook



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars)

2021 Consolidated net revenue, as reported	\$	2,073
Less: North America single-use plastic retail net revenue		<u>(142)</u>
2021 Consolidated adjusted net revenue (2021 Base Revenue)	\$	1,931

Company Guidance

	<u>Year Ending December 31, 2022</u>	
	<u>Low</u>	<u>High</u>
Organic Growth	+7%	+8%
2021 Tuck-Ins	+2%	+2%
Overall Revenue Growth (a)	+9%	+10%
FY2022E Net Revenue before estimated contribution from North America single-use retail bottled water	\$ 2,105	\$ 2,124
Plus: 2022E North America single-use plastic retail net revenue	\$ 40	\$ 40
FY2022E Net Revenue	\$ 2,145	\$ 2,164

(a) Computed from 2021 Base Revenue

Source: Primo Management