



PRIMO
WATER™

PRIMO WATER
2nd QUARTER 2023 RESULTS
(August 10, 2023)



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

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 Q3 2023 and the full year 2023 and the Company's long-term financial outlook. 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 Water's business; and the impact of national, regional and global events on our business. 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 Water utilizes certain non-GAAP financial measures. Primo Water excludes from GAAP revenue the impact of foreign exchange and to separate its impact from Primo Water's results of operations. Primo Water utilizes Adjusted EBITDA and Adjusted EBITDA margin to separate the impact of certain items from the underlying business. Because Primo Water 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 Water's underlying business performance and the performance of its management. Additionally, Primo Water 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 Water's earnings announcement to present adjusted free cash flow, which management believes provides useful information to investors in assessing our performance, comparing Primo Water'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 Water'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 Q3 2023 Adjusted EBITDA and full year 2023 Adjusted EBITDA and Adjusted Free Cash Flow, as well as net leverage as of the end of 2023 and 2024, 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 Water 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 Water's financial statements prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation and in Primo Water'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.

Q2 2023 Earnings Presentation

Today's Presenters



Tom Harrington

CHIEF EXECUTIVE
OFFICER



David Hass

CHIEF FINANCIAL
OFFICER

AGENDA

- Highlights and Results
- Financial Growth Trajectory
- Q&A



In Q2, We Delivered

- ◆ Normalized FX neutral revenue growth of 8% ⁽¹⁾
- ◆ Adjusted EBITDA growth of 13%
- ◆ Adjusted EBITDA margin of 20.5% ⁽²⁾ (a 160 basis point overall increase versus the prior year)
- ◆ Adjusted free cash flow of \$41 million dollars ⁽²⁾
- ◆ Sell-through of approximately 251,000 water dispensers ⁽³⁾

(1) Normalized revenue comparisons exclude the exited North America single-use bottled water retail business and exited Russia business

(2) Source: Q2FY23 earnings press release

(3) Dispenser sell through number reflects estimated retail sales data received by retail & e-commerce partners. As actual results are received historical figures are updated.



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Q2 2023 Highlights



Financial Performance

(\$ in millions)	Q2 2023	Q2 2022	Change
Net Revenue ⁽¹⁾	\$593.3	\$571.4	3.8%
Adj. EBITDA	\$121.6	\$108.0	12.6%
Adj. EBITDA Margin %	20.5%	18.9%	160 bps

(1) Reported revenue in Q2 2022 includes \$14.4 million of revenues associated with our North American single use bottled water retail business and \$3.7 million of revenues associated with our Russia business; there is no revenue attributable to these businesses in Q2 2023, as we exited these businesses before the second quarter of 2023. See appendix for full reconciliation.

Revenue Growth Through

- ◆ Strong revenue growth in Water Direct and Exchange of 7%
- ◆ Continued revenue growth in Water Refill and Filtration of 18%
- ◆ Increased revenue growth in our European operations of 9%, excluding the impact of foreign exchange
- ◆ Global water direct customer retention of approximately 85%, consistent with last quarter



Driving Dispenser and Water Connectivity

Clarifying Dispenser Sell-In and Sell-Through⁽¹⁾

1 Dispenser Sell-In

- We recognize revenue when we sell units “into” the retail channel

Retailer 2

- Retailer merchandises units in-store and online
- Sells dispenser units to consumers



4 Connectivity

- Activities to drive connectivity between dispenser unit sell-through and our water solutions

Dispenser Sell-Through 3

- Consumers purchase dispenser units
- Indicator of household penetration and future water demand

Dispenser Sell-Through

- Sell-through ~251,000 dispensers in Q2
- 4% increase in sell-through vs. Q2 '22
- ~1M dispensers sold-through on a trailing twelve-month basis

Connectivity Tactics

- In-box free water coupons
- Online awareness
- In-aisle signage
- In-store free water programs
- Water only customer sign-ups

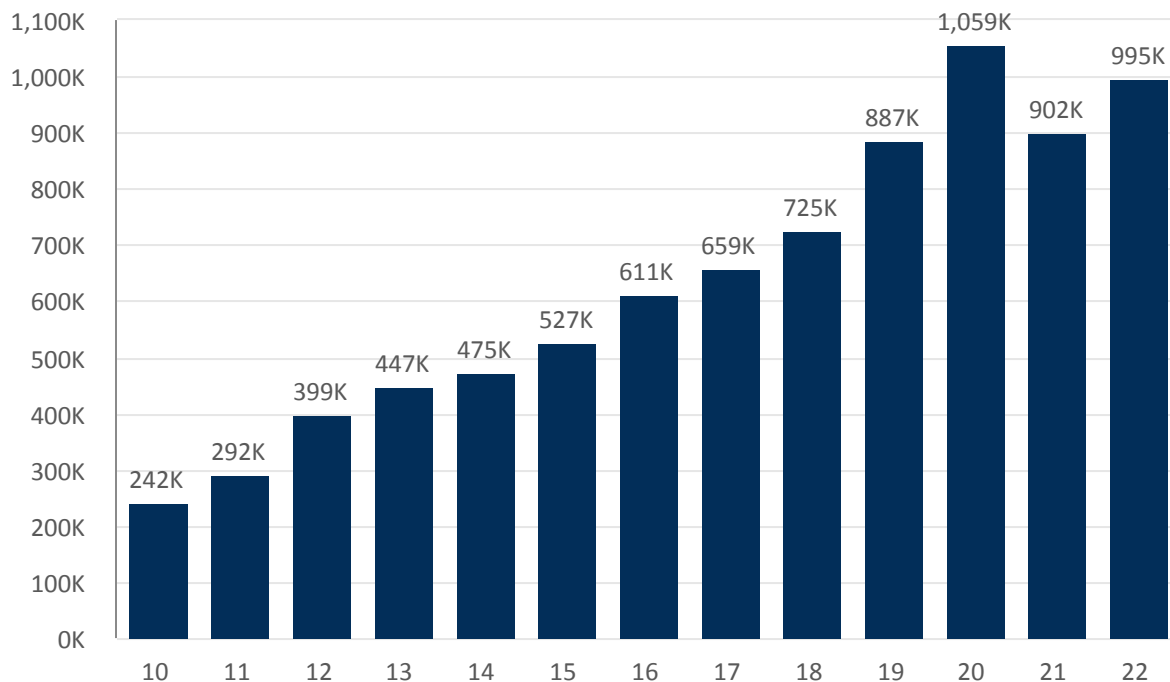
Dispenser Sell-Through



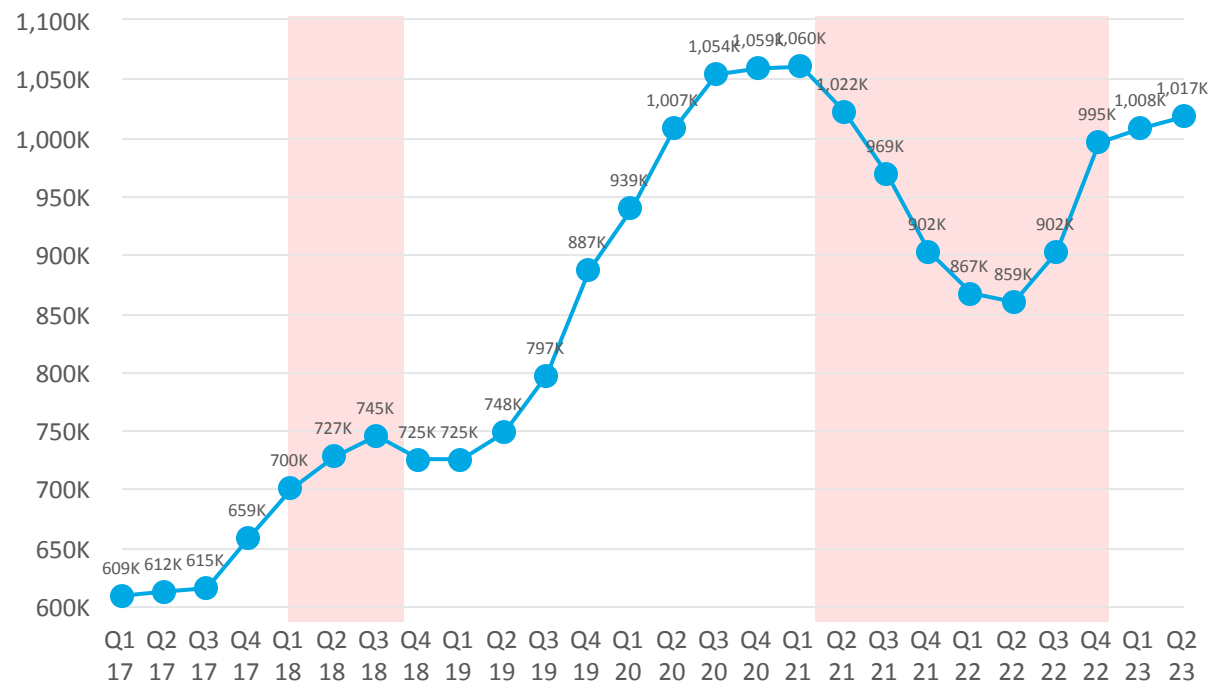
It All Starts with Dispenser Sell-Through

Dispenser Sell-Through ⁽¹⁾

Annual Sell-Through



Rolling Trailing Twelve Month Sell-Through



- 💧 Sell-Through: The measurement of a dispenser sold to a customer (via retail or e-commerce)
- 💧 Dispensers are sold today in ~10,300 North America retail locations

⁽¹⁾ Dispenser sell-through includes e-commerce and retail units sold to end consumers. Dispenser sell through number reflects estimated retail sales data received by retail & e-commerce partners. As actual results are received historical figures are updated.

Consolidated Category Revenue Performance



Strong Performance in all Categories

Water Direct / Exchange



7% Revenue Growth

- Price initiatives
- Customer retention
- Digital enhancements
- Increased marketing efforts
- Strategic partnerships (Costco)



Water Refill / Filtration



18% Revenue Growth

- Price initiatives
- Improved refill station reliability
- Higher service levels
- Rebranding



Global Customer Base



Our Connected and Diverse Customer Base of Water and Other Services



Water Filtration



~225,000
 Global Customers

Mountain Valley



~12,500
 U.S. Retail Locations
 "Customers"

#1 in Natural Foods Channel

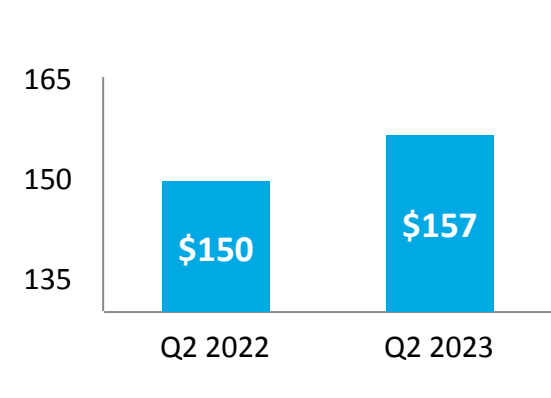
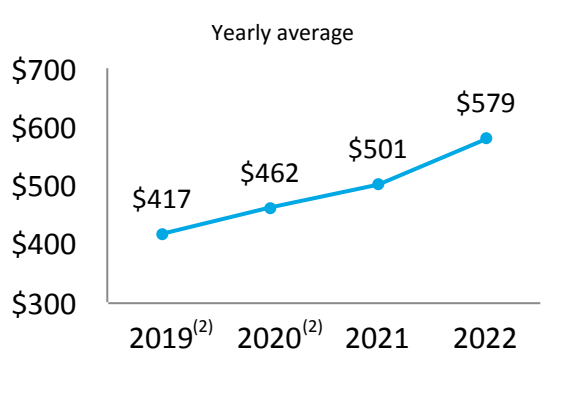
Automatic Route Optimization (ARO)

Sequences Routes for the Most Efficient Path Possible

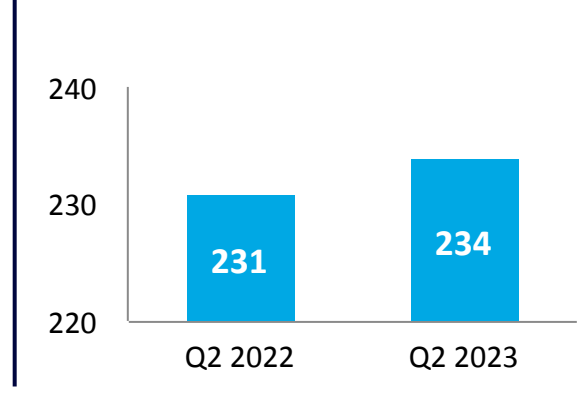
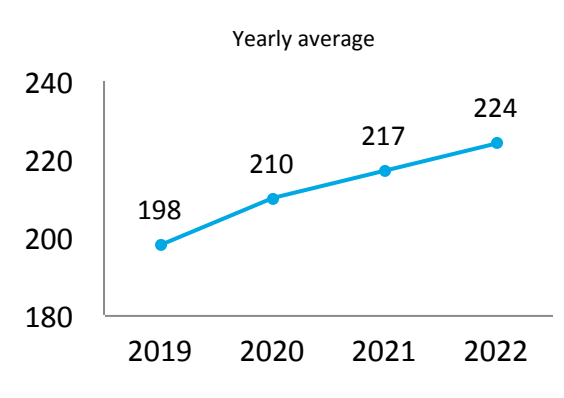
ARO Update and Benefits

- Captures efficiencies and improves service levels
- Supports commitment to reduce green house gas emissions
- Introducing ARO to Water Refill and Water Filtration later this year

U.S. Water Direct & Exchange Revenue⁽¹⁾ / Route (000's)



U.S. Water Direct & Exchange Units / Route / Day



(1) Revenue related to route operations.

(2) Revenue for 2019 and 2020 adjusted to reflect Legacy Primo exchange pricing (attributable solely to Legacy Primo) Source: Company information

We Have Embraced Sustainability as a Core Strategic Pillar

2022 Environmental, Social, and Governance (ESG) Report Highlights



Environmental

- **Carbon Neutral company** certification for our global operations in accordance with the CarbonNeutral Protocol, the leading global framework for carbon neutrality
- **25% reduction** in carbon emissions
- Connected Primo Water to Europe's **renewable energy strategy** with water stewardship, **saving 415 million gallons** of scope 2 water withdrawals.
- Removed over **22 million kg of single-use plastics** from our drinking water portfolio.
- **Canada Plastic Pact** signatory
- **Mountain Valley brand saved over 2,200 metric tons of CO2 emissions** through the introduction of rail transportation.
- Advanced a cleaner fleet, **reducing approximately 400 metric tons of CO2.**



Social

- **Donated over \$1,000,000 to global causes**, including disaster relief, UNICEF Ukraine associate-giving campaign, and multiple-cause non-governmental organization (NGO) partnerships in Israel.
- **11% increase** in global Voice of Associate survey participation with a **2% improvement** in our overall engagement score



Governance

- **40% reduction** in ethics reporting line calls compared to 2021.
- Increased board diversity, with **30% of the board represented by women.**
- Completed Primo Water's **first Carbon Disclosure Project (CDP) submission.**



OUR IMPACT IN ACTION

2022 Primo® Water Corporation
Environmental, Social +
Governance Report



Primo Water 2023 Financial Outlook



Financial Outlook	Q3 2023 Range		FY 2023 Range	
	Low	High	Low	High
<i>(\$ in millions)</i>				
Revenue	\$612	\$632	\$2,320	\$2,360
Adjusted EBITDA ⁽¹⁾	\$129	\$139	\$460	\$480
Cash Taxes			~ \$25	
Interest			\$70	\$75
CAPEX			~ \$200	
Adj. Free Cash Flow ⁽²⁾			~ \$150	

(1) EBITDA excluding acquisition and integration costs, share-based compensation costs, impairment charges, foreign exchange and other (gains) losses, net, loss on disposal of property, plant and equipment, net, loss on extinguishment of long-term debt, (gain) loss on sale of business, (gain) loss on sale of property, and other adjustments

(2) Free Cash Flow excluding Acquisition and integration cash costs, Cash costs related to additions to PP&E for integration of acquired entities, Cash taxes paid for property sales, and tariffs refunds related to PP&E. Source: Primo Water management estimates

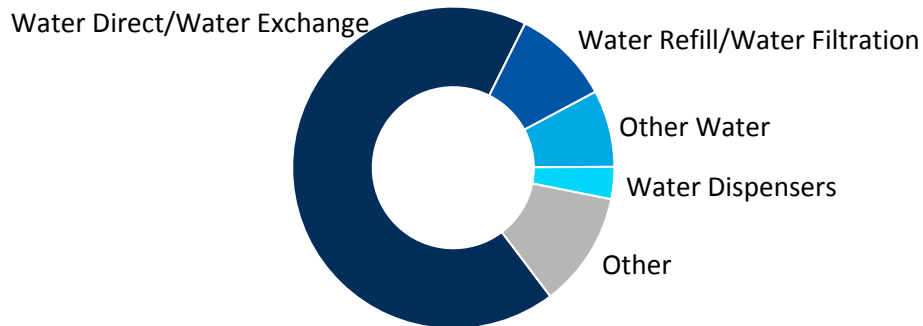
Q2 2023 Reported Results – Consolidated



(in millions of U.S. dollars)

	For the Three Months Ended ⁽¹⁾			
	July 1, 2023	July 2, 2022	Change	% Change
Revenue, net				
Water Direct/Water Exchange	\$ 414.1	\$ 386.5	\$ 27.6	7 %
Water Refill/Water Filtration	66.1	56.2	9.9	18 %
Other Water	31.9	44.1	(12.2)	(28)%
Water Dispensers	17.1	18.5	(1.4)	(8)%
Other	64.1	66.1	(2.0)	(3)%
Revenue, net as reported	\$ 593.3	\$ 571.4	\$ 21.9	4 %
Foreign exchange impact	2.4	—	2.4	n/a
Revenue excluding foreign exchange impact	\$ 595.7	\$ 571.4	\$ 24.3	4 %

Category Revenue Q2 '23 Mix



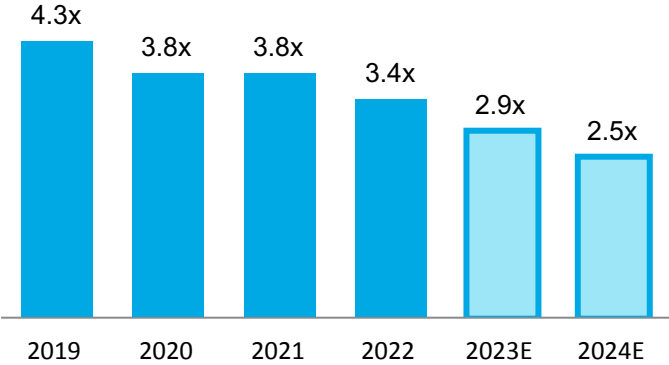
Our Capital Allocation Decisions Have Driven Value

We have returned excess capital to shareowners and intend to further reduce capital used in the business

DELEVERAGING

- Organic EBITDA growth supports reduction in leverage ratio to approximately 2.5x by year-end 2024
- Senior Note debt maturity not until 2028 and 2029

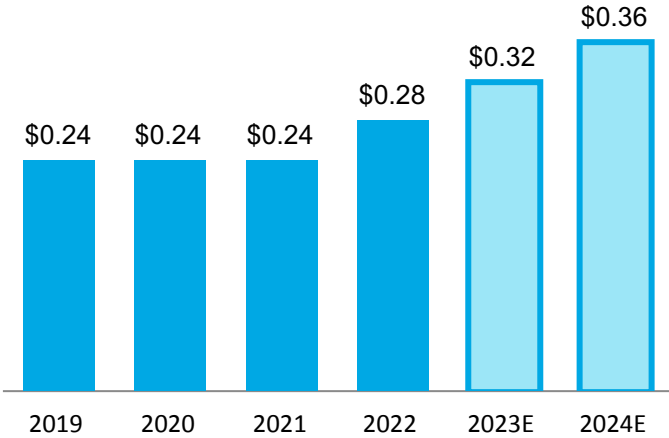
Net Leverage (1)



INCREASING THE DIVIDEND

- Annual dividend increase of \$0.04 per share in each of 2022 and 2023, a 14% increase over last year's rate
- We anticipate a further increase in 2024, building to \$0.36 per share

Annualized Dividend (2)

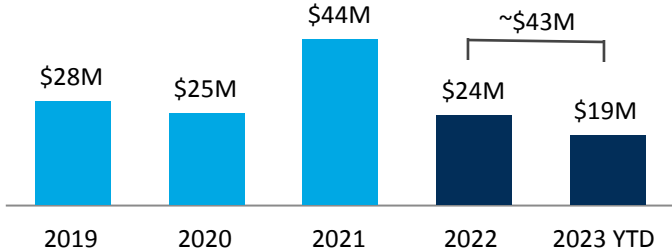


OPPORTUNISTIC SHARE REPURCHASES

- \$43 million repurchased under previous opportunistic share repurchase program
- Board authorizes new \$50 million opportunistic share repurchase program

Share Repurchases (3)

■ Amount Repurchased Under Previous Authorization



Source: Company Information

1. Net Leverage ratio defined as net debt (total debt, as adjusted, minus unrestricted cash) divided by Adjusted EBITDA. Net Leverage levels for FY 2023E and 2024E are based on management estimates.
 2. Dividend for FY 2023E annualized based on \$0.08/share dividend announced in Primo Water's press release on August 10, 2023. 2024E dividend based on management estimates.
 3. Share repurchases through July 1, 2023.

Long-Term Financial Snapshot

High-Single Digit

Organic Revenue Growth

Operating Leverage Drives Incremental

Adjusted EBITDA Margin &

Accelerates Adjusted Free Cash Flow Generation

Investment Highlights

- Our future is bright, Primo Water is the only public pure-play consumable water platform with leading national and local brands
- Recession-resistant revenue base and a highly-variable cost structure
- Transformed the business to focus on our core competency in water
- Organic revenue growth supported by favorable tailwinds
- Geographic reach and scale with predictable recurring revenue base and attractive margins
- Compelling long-term financial outlook



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Q&A



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APPENDIX

Revenue Base Clarification



Clarifying Primo Water's Revenue Base – Revenue of Businesses Exited in 2022

Revenue Base Changes

<i>(\$ in millions)</i>	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022
Single-Use Retail	(\$36.9)	(\$36.5)	(\$37.3)	(\$31.4)	(\$142.1)	(\$26.6)	(\$14.4)	-	-	(\$41.0)
Russia	(\$3.0)	(\$3.5)	(\$3.5)	(\$3.6)	(\$13.6)	(\$2.8)	(\$3.7)	(\$0.9)	-	(\$7.4)
Total: No Longer in Primo's Revenue Base	(\$39.9)	(\$40.0)	(\$40.8)	(\$35.0)	(\$155.7)	(\$29.4)	(\$18.1)	(\$0.9)		(\$48.4)

- June 2022 was the last month with North American retail single-use business included in our financials
- July 2022 was the last month with Russia results included in our financials

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



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars)

	For the Three Months Ended		For the Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Revenue, net	\$ 593.3	\$ 571.4	\$ 1,139.8	\$ 1,097.5
Net income (loss)	\$ 21.3	\$ (22.5)	\$ 27.1	\$ (29.2)
Interest expense, net	19.8	17.0	38.6	33.9
Income tax expense	11.0	1.4	14.2	3.8
Depreciation and amortization	62.9	60.2	125.3	121.4
EBITDA	\$ 115.0	\$ 56.1	\$ 205.2	\$ 129.9
Acquisition and integration costs	1.8	4.9	3.8	9.2
Share-based compensation costs	3.0	4.2	5.3	7.5
Impairment charges	—	29.1	—	29.1
Foreign exchange and other (gains) losses, net	(5.0)	11.5	(10.9)	15.4
Loss on disposal of property, plant and equipment, net	1.2	0.1	2.5	1.8
Other adjustments, net	5.6	2.1	10.6	3.0
Adjusted EBITDA	\$ 121.6	\$ 108.0	\$ 216.5	\$ 195.9
Adjusted EBITDA margin %	20.5 %	18.9 %	19.0 %	17.8 %

EBITDA and Adjusted EBITDA by Reporting Segment⁽¹⁾



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars)

	For the Three Months Ended							
	July 1, 2023				July 2, 2022			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Revenue, net	\$ 450.5	\$ 78.0	\$ 64.8	\$ 593.3	\$ 436.7	\$ 69.9	\$ 64.8	\$ 571.4
Operating income (loss)	\$ 57.3	\$ 7.1	\$ (16.8)	\$ 47.6	\$ 48.3	\$ (29.1)	\$ (12.6)	\$ 6.6
Other (income) expense, net	(0.3)	(4.8)	0.6	(4.5)	0.1	9.7	0.9	10.7
Depreciation and amortization	46.8	10.2	5.9	62.9	44.3	10.1	5.8	60.2
EBITDA	\$ 104.4	\$ 22.1	\$ (11.5)	\$ 115.0	\$ 92.5	\$ (28.7)	\$ (7.7)	\$ 56.1
Acquisition and integration costs	1.5	—	0.3	1.8	3.3	1.0	0.6	4.9
Share-based compensation costs	0.8	0.1	2.1	3.0	0.8	—	3.4	4.2
Impairment charges	—	—	—	—	—	29.1	—	29.1
Foreign exchange and other (gains) losses, net	(0.6)	(4.9)	0.5	(5.0)	0.7	9.9	0.9	11.5
Loss on disposal of property, plant and equipment, net	0.9	0.3	—	1.2	0.2	(0.1)	—	0.1
Other adjustments, net	(0.4)	0.2	5.8	5.6	(0.2)	0.7	1.6	2.1
Adjusted EBITDA	\$ 106.6	\$ 17.8	\$ (2.8)	\$ 121.6	\$ 97.3	\$ 11.9	\$ (1.2)	\$ 108.0
Adjusted EBITDA margin %	23.7 %	22.8 %	(4.3)%	20.5 %	22.3 %	17.0 %	(1.9)%	18.9 %

(1) 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.

EBITDA and Adjusted EBITDA by Reporting Segment⁽¹⁾



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars)

	For the Six Months Ended							
	July 1, 2023				July 2, 2022			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Revenue, net	\$ 862.8	\$ 147.4	\$ 129.6	\$ 1,139.8	\$ 833.8	\$ 134.2	\$ 129.5	\$ 1,097.5
Operating income (loss)	\$ 92.0	\$ 10.0	\$ (32.9)	\$ 69.1	\$ 76.6	\$ (32.7)	\$ (22.0)	\$ 21.9
Other (income) expense, net	(0.6)	(9.0)	(1.2)	(10.8)	(1.7)	13.5	1.6	13.4
Depreciation and amortization	93.6	19.8	11.9	125.3	89.6	19.9	11.9	121.4
EBITDA	\$ 186.2	\$ 38.8	\$ (19.8)	\$ 205.2	\$ 167.9	\$ (26.3)	\$ (11.7)	\$ 129.9
Acquisition and integration costs	3.2	0.3	0.3	3.8	5.8	2.2	1.2	9.2
Share-based compensation costs	1.6	0.3	3.4	5.3	1.6	0.3	5.6	7.5
Impairment charges	—	—	—	—	—	29.1	—	29.1
Foreign exchange and other (gains) losses, net	(0.7)	(9.0)	(1.2)	(10.9)	0.2	13.7	1.5	15.4
Loss on disposal of property, plant and equipment, net	2.2	0.3	—	2.5	1.6	(0.1)	0.3	1.8
Other adjustments, net	(1.4)	1.1	10.9	10.6	(1.0)	1.7	2.3	3.0
Adjusted EBITDA	\$ 191.1	\$ 31.8	\$ (6.4)	\$ 216.5	\$ 176.1	\$ 20.6	\$ (0.8)	\$ 195.9
Adjusted EBITDA margin %	22.1 %	21.6 %	(4.9)%	19.0 %	21.1 %	15.4 %	(0.6)%	17.8 %

(1) 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.

Analysis of Change in Adjusted EBITDA by Reporting Segment



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars, except percentage amounts)

	For the Three Months Ended July 1, 2023			
	North America	Europe	Other	Total
Change in Adjusted EBITDA	\$ 9.3	\$ 5.9	\$ (1.6)	\$ 13.6
Impact of foreign exchange (a)	\$ 0.1	\$ (0.7)	\$ 0.2	\$ (0.4)
Change excluding foreign exchange	\$ 9.4	\$ 5.2	\$ (1.4)	\$ 13.2
Percentage change in Adjusted EBITDA	9.6 %	49.6 %	NM	12.6 %
Percentage change in Adjusted EBITDA excluding foreign exchange	9.7 %	43.7 %	NM	12.2 %

(in millions of U.S. dollars, except percentage amounts)

	For the Six Months Ended July 1, 2023			
	North America	Europe	Other	Total
Change in Adjusted EBITDA	\$ 15.0	\$ 11.2	\$ (5.6)	\$ 20.6
Impact of foreign exchange (a)	\$ 0.2	\$ —	\$ 0.7	\$ 0.9
Change excluding foreign exchange	\$ 15.2	\$ 11.2	\$ (4.9)	\$ 21.5
Percentage change in Adjusted EBITDA	8.5 %	54.4 %	NM	10.5 %
Percentage change in Adjusted EBITDA excluding foreign exchange	8.6 %	54.4 %	NM	11.0 %

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

Interest Coverage Ratio and Net Leverage Ratio



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars, except financial ratios)	FY 2022	(-) Q2 2022 YTD	(+) Q2 2023 YTD	Q2 2023 LTM
Adjusted EBITDA	\$ 420.1	\$ (195.9)	\$ 216.5	440.7
Interest Expense	\$ 69.8	\$ (33.9)	\$ 38.6	74.5
Total debt (a)			\$	1,550.5
Unrestricted cash (b)			\$	86.8
Interest Coverage Ratio (c)				5.9x
Net Leverage ratio (d)				3.3x

(a) Total debt as of July 1, 2023 of \$1,537.4 million adjusted to exclude \$13.1 million of unamortized debt costs.

(b) Unrestricted cash defined as cash and cash equivalents as of July 1, 2023 of \$86.8 million.

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

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