



Transaction Overview  
Materials  
*November 2, 2023*



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

# Cautionary Statements



## Safe Harbor Statements

**Forward Looking Statements:** 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 statement. The forward-looking statements contained in this presentation include, but are not limited to, statements related to the use of proceeds, the anticipated timing of the recently announced sale of a significant portion of the Company's international businesses (the "Transaction"), the completion of the Transaction on the terms proposed, the potential impact the Transaction will have on the Company, and the execution of our strategic priorities. 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: the satisfaction of the conditions to the Transaction and other risks related to the completion of the Transaction and actions related thereto; the Company's and Culligan's ability to complete the Transaction on the anticipated terms and schedule, including the ability to obtain regulatory approvals; 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 risk that disruptions from the Transaction will harm the Company's business; and the effect of economic, competitive, legal, governmental and technological factors on the Company's 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, the Company utilizes certain non-GAAP financial measures. The Company utilizes Adjusted EBITDA for the international businesses included in the Transaction, as well as revenue by channel pro forma for the Transaction. Because the Company 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 the Company's underlying business performance and the performance of its management, as well as an understanding of the impact of the Transaction on the Company's results. With respect to the Company's expectations of its performance, the Company's reconciliations of net leverage as of the end of 2023 and 2024, as well as 2023 expected adjusted gross margin, adjusted EBITDA, adjusted EBITDA margin, adjusted free cash flow, adjusted free cash flow conversion, and adjusted free cash flow margin, both on consolidated and pro forma basis for the Transaction, 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. The Company 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, 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.

# Compelling Strategic Transaction



Creates shareowner value at an **attractive valuation of ~11x<sup>(1)</sup>** for a significant portion of Primo Water's International businesses<sup>(2)</sup>



Enables focus on the North America market where Primo Water has **leadership, scale** and a **significant addressable customer opportunity**



Drives **organic growth, reduces leverage, creates revenue diversifying and Water Direct tuck-in M&A opportunities** and **returns shareowner capital** via share repurchases



**Improves financial profile** of newly transformed Primo Water



Unlocks value by enabling **additional strategic paths**

# Executive Summary / Transaction Overview



<b>Transaction Overview / Valuation Summary</b>	<ul style="list-style-type: none"><li>◆ Primo Water (NYSE &amp; TSX: PRMW) has entered into a definitive agreement to sell a significant portion of its International businesses to Culligan International for up to \$575mm<sup>(1)</sup></li><li>◆ Transaction implies a multiple of ~11x Adjusted EBITDA<sup>(2)</sup></li><li>◆ Primo Water is executing strategic alternatives for the remaining international businesses</li></ul>
<b>Timing</b>	<ul style="list-style-type: none"><li>◆ Transaction is expected to close following the receipt of certain regulatory approvals and customary closing conditions</li><li>◆ Subsequent divestitures to occur across 2024</li></ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"><li>◆ Upon closing, Primo Water intends to repay outstanding balance on the cash flow revolver, pursue \$75mm<sup>(3)</sup> in share buybacks and a long-term goal of sustaining less than 2.5x<sup>(4)</sup> net leverage</li><li>◆ Additional proceeds will be used to fund organic growth, invest in long-term capital projects, M&amp;A and return of capital to shareowners</li></ul>
<b>Dividend</b>	<ul style="list-style-type: none"><li>◆ Declared a dividend of US\$0.08 per share on common shares, payable in cash on December 1, 2023 to shareowners of record at the close of business on November 21, 2023</li></ul>

# Evolution to Focused, Pure-Play Water Leader...

2019  
Transformation  
Begins

2020-2023  
Pure Play  
Water  
Company  
Formed

2024 Onwards  
Focused  
Leader in  
North America

- Acquisitions of DS Services, Mountain Valley and European assets begin transformation into a scaled water provider
- Divestiture of legacy Cott CSD / Juice business

- Divestiture of S&D Coffee business
- Acquisition of Legacy Primo Water creates a leading pure-play water Company in North America
- Investment and focus on *Water Your Way* with Razor-Razorblade Business Model

- Divestiture of remaining International businesses
- Expand scale and operational focus in North America
- Execute highly-synergistic Water Direct tuck-ins
- Pursue revenue diversifying M&A in current and adjacent water services

## Core Strengths

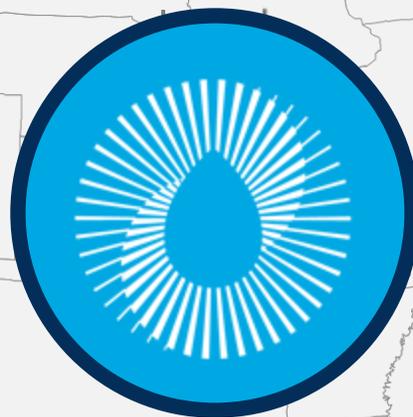


- ✓ **Pure-Play Water Player:** Leading pure-play water solutions provider
- ✓ **Razor / Razorblade Business Model:** Sticky customer base creates recurring revenue
- ✓ **Operational Footprint:** Leading North American footprint with proximity to B2C, B2B and Retail customers
- ✓ **ESG Leader:** Core focus on sustainable drinking water solutions

## Enhanced Operating Model



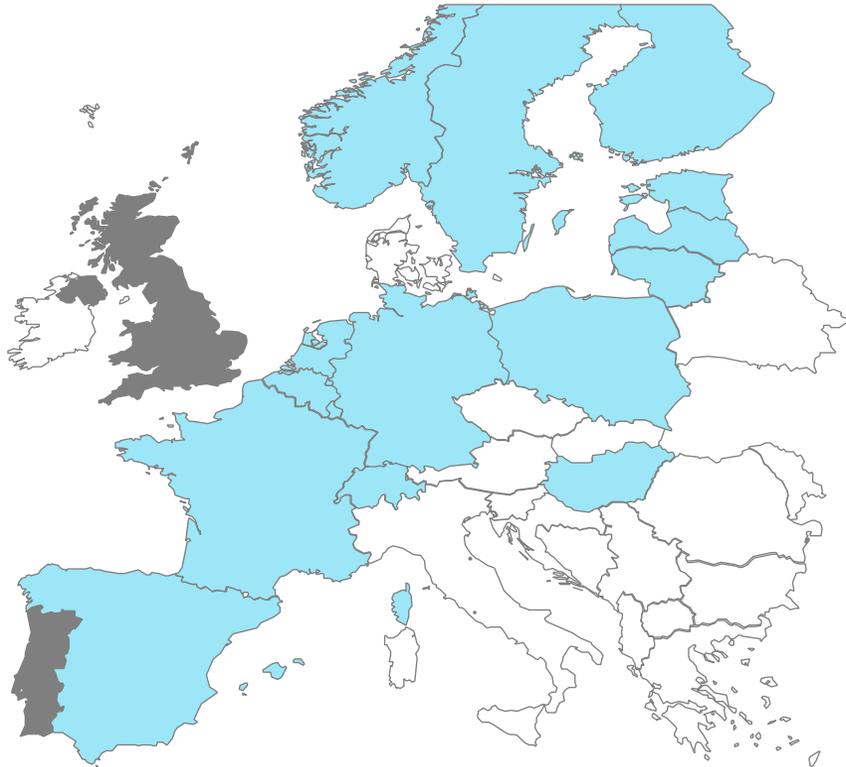
- ✓ **Reduced Complexity:** Fewer countries, plants and routes
- ✓ **Enhanced Efficiency:** Heightened focus on connectivity, efficiencies, and innovation in North America
- ✓ **Greater Flexibility:** Operational agility to invest in growth
- ✓ **Improved Financial Profile:** Improved margin, profit and cash generation profile



# Creates Shareowner Value at a Premium Multiple

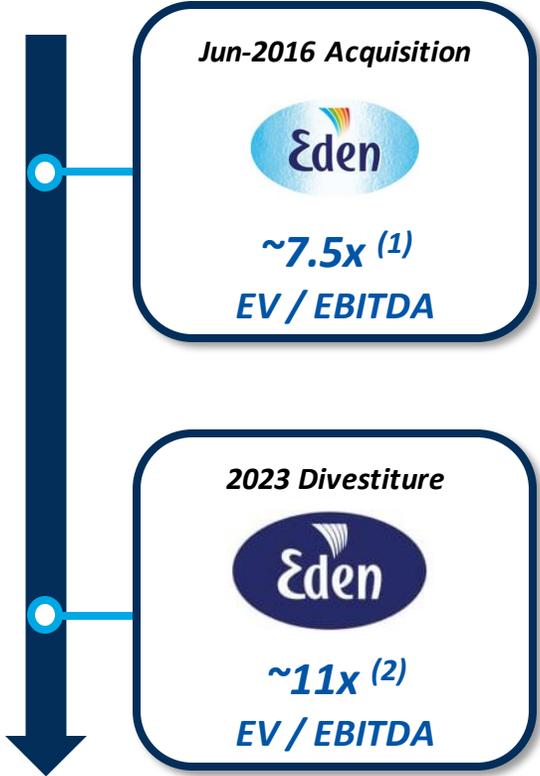
## European Markets Included in Deal

- Adjusted EBITDA multiple premium relative to Primo Water's original acquisition of Eden Springs in 2016
- Premium to current Primo Water LTM trading multiple
- Allows Primo Water to focus on core North American leadership position



■ Included in deal    
 ■ Current operation excluded from deal

## Creates Shareowner Value



*Premium multiple relative to original purchase*

(1) Refer to the Eden acquisition Press Release filed June 7, 2016. (2) See appendix for reconciliation. Excludes U.K., Portugal, Israel and Aimia Foods Businesses.

## Large, Highly Attractive Category Driven By Multiple Tailwinds...

~\$25.5BN  
Bottled Water  
Category<sup>(1)</sup>

~4.8%  
Annual  
Growth<sup>(2)</sup>



Aging  
Infrastructure



Water  
Quality



Health &  
Wellness

## ...and Primo Water is Better Positioned to Take Advantage of the Category Opportunity



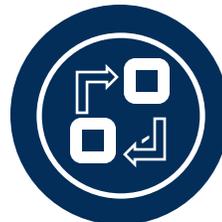
**Leader** in Water Dispensers, Water Direct, Water Exchange and Water Refill



Existing **infrastructure** and customer proximity drives **route density**



**Water Your Way** offering with flexible channel options to service customers



**Razor / Razorblade** business model with dispensers driving repeat purchases

## Drive Organic Growth

- Invest in organic customer growth, digital initiatives and customer retention activities
- Capital investments in operational areas such as production lines, private fleet and delivery trucks

## Reduce Leverage

- De-levering the business allows for increased flexibility and leverage levels in line with comparable public companies

## Fund M&A

- Drive highly-synergistic Water Direct tuck-in acquisitions
- Acquire diversified revenue streams in our core water services
- Pursue potential water adjacencies to help drive long-term value creation

## Support Return of Capital

- Return cash to shareowners via opportunistic share repurchases<sup>(1)</sup>

## Reduced Net Leverage<sup>(1)</sup>



### Adjusted Net Leverage:

- Original year-end 2023 target was less than 3.0x Adjusted Net Leverage
- With cash flow revolver reduction and Adjusted EBITDA performance better than planned, Primo Water achieved 2.9x as of TTM Q3<sup>(2)</sup>, a full-quarter earlier than projected
- With use of proceeds and continued Adjusted EBITDA performance, Primo Water is targeting less than 2.5x<sup>(3)</sup> on a go-forward basis

## Return of Capital

### Share Repurchase:

- \$50mm share repurchase authorization announced on August 10<sup>th</sup>, 2023
- An incremental \$25mm share repurchase will be authorized in connection with the transaction revising share purchase authorization to \$75mm<sup>(4)</sup>

### Dividend:

- Declared a dividend of US\$0.08 per share on common shares, payable in cash on December 1, 2023 to shareowners of record at the close of business on November 21, 2023

## Primo Water Today <sup>(1)</sup>

(TTM as of Q3 2023)



Revenue By Segment

	PWNA	\$1,738	75.7%
	Europe	\$288	12.5%
	Other	\$269	11.8%

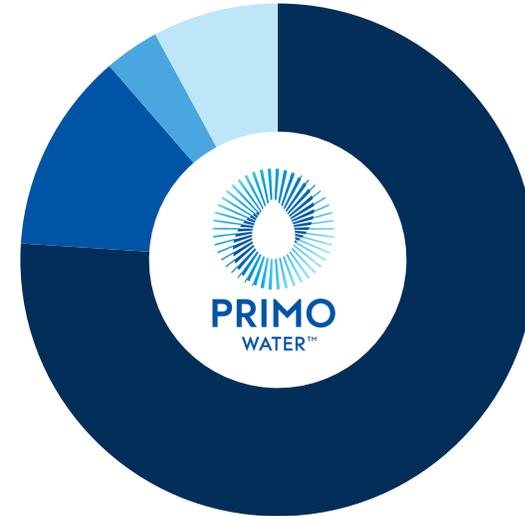


Revenue By Channel

	Water Direct / Exchange	\$1,586	69.1%
	Water Refill / Filtration	\$260	11.3%
	Water Dispensers	\$61	2.7%
	Other	\$388	16.9%

## Pro Forma for Transaction <sup>(1)</sup>

(TTM as of Q3 2023)



	North America	\$1,738	100%
--	---------------	---------	------

	Water Direct / Exchange	\$1,321	76.0%
	Water Refill / Filtration	\$220	12.6%
	Water Dispensers	\$60	3.5%
	Other	\$137	7.9%

## Summary

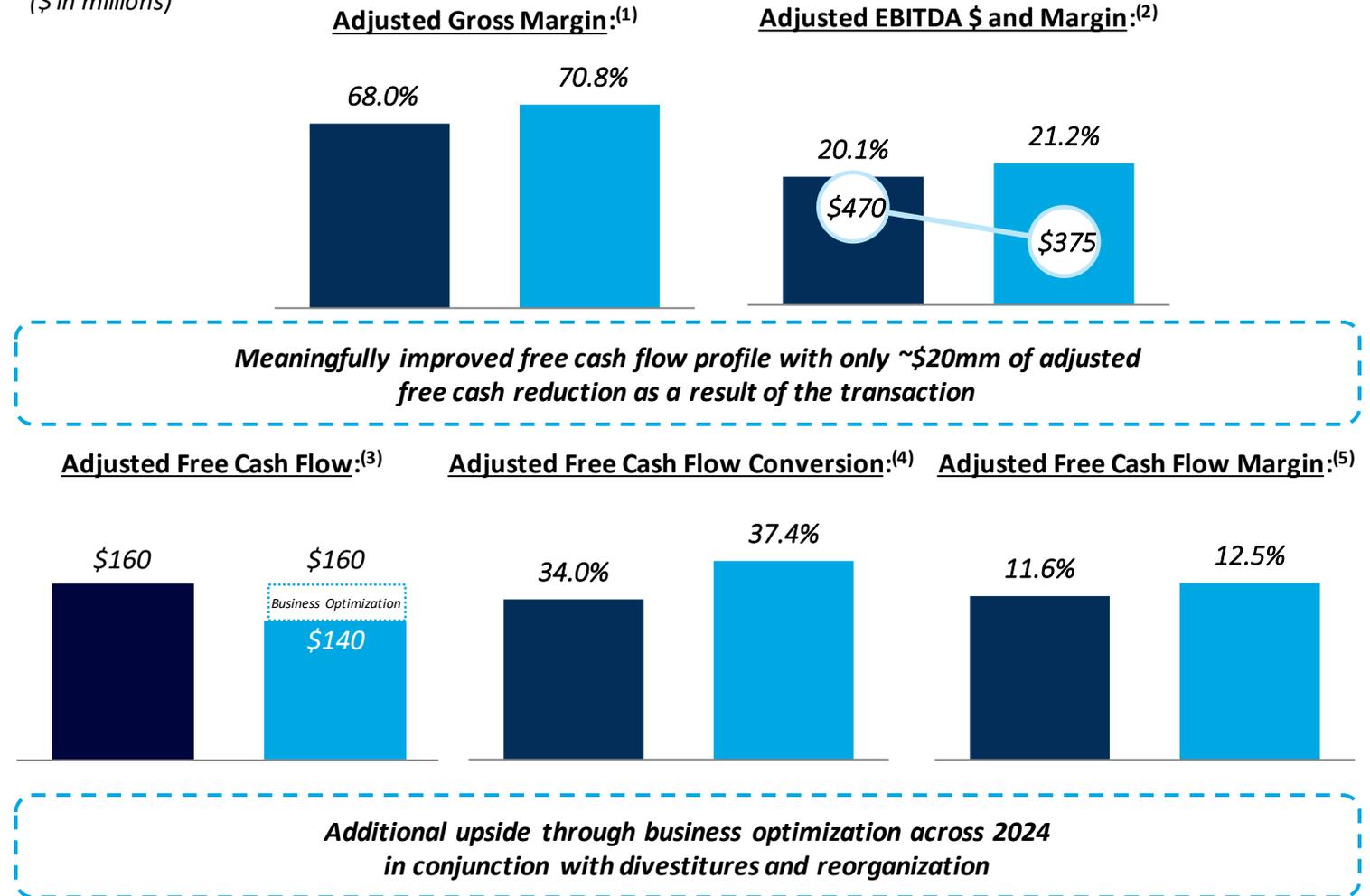
- Company on pace to achieve previously communicated 2024 targets
- Transaction accelerates financial target achievement by up to one year
- Creates a transformed and focused version of Primo Water with ability to unlock further upside in financial targets
- 2024 financial guidance to be provided with Q4 earnings release in February 2024

**Legend** (Financials refer to FY2023 Mid-Point of Guidance)

- Current Primo Water
- New Primo Water

## Financial Transformation

(\$ in millions)



Note: All financial references are to FY2023 mid-point of guidance for the go-forward Primo Water North American business and equivalent overhead support excluding all contemplated transactions for the International businesses ("New Primo Water"). (1) Adjusted to exclude depreciation and a amortization expense. (2) Defined as Adjusted EBITDA / Revenue. The New Primo Water (~\$375mm) is prior to any benefit from business optimization that will occur across 2024. (3) Up to ~\$20mm in potential benefit as Primo Water optimizes the overhead support with the shift to focus on North America. (4) Defined as Adjusted Free Cash Flow / Adjusted EBITDA. (5) Defined as Adjusted Free Cash Flow / Revenue.

## Phase 1 (2023+)

- ◆ Divest a significant portion of International businesses<sup>(1)</sup>
- ◆ Close subject to receipt of certain regulatory approvals and customary closing conditions

## Phase 2 (2024)

- ◆ Divest remaining International businesses
- ◆ Active strategic alternatives process underway for remaining International businesses

## Phase 3 (2024+)

- ◆ North American focused Company
- ◆ Right-size overhead cost structure for North America business with support from outside consultants
- ◆ Adjust segment reporting as timing clarity on divestitures and potential acquisitions takes shape

# Compelling Strategic Transaction



Creates shareowner value at an **attractive valuation of ~11x<sup>(1)</sup>** for a significant portion of Primo Water's International businesses<sup>(2)</sup>



Enables focus on the North America market where Primo Water has **leadership, scale** and a **significant addressable customer opportunity**



Drives **organic growth, reduces leverage, creates revenue diversifying and Water Direct tuck-in M&A opportunities** and **returns shareowner capital** via share repurchases



**Improves financial profile** of newly transformed Primo Water



Unlocks value by enabling **additional strategic paths**

# Appendix

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

# Revenue by Segment Trailing Twelve Months (TTM)



## Non-GAAP Reconciliation – Unaudited

(in millions of U.S. dollars)

	Three Months Ended December 31, 2022 <sup>(1)</sup>	Nine Months Ended September 30, 2023 <sup>(2)</sup>	Trailing Twelve Months September 30, 2023 <sup>(3)</sup>
PWNA Total Revenue as Reported	\$ 405.0	\$ 1,332.6	\$ 1,737.6
Europe Total Revenue as Reported	\$ 59.7	\$ 228.2	\$ 287.9
Other Total Revenue as Reported	\$ 68.3	\$ 201.0	\$ 269.3

(1) Source: Q4 2022 Earnings Release filed February 23, 2023.

(2) Source: Q3 2023 Earnings Release filed November 2, 2023.

(3) Represents the sum of the three months ended December 31, 2022 revenue and the nine months ended September 30, 2023 revenue.

# Revenue by Channel and Pro Forma for Transactions TTM



## Non-GAAP Reconciliation – Unaudited

(in millions of U.S. dollars)

	Three Months Ended December 31, 2022	Nine Months Ended September 30, 2023	Trailing Twelve Months Ended September 30, 2023 <sup>(2)</sup>
<b>Consolidated Primo Water Corporation <sup>(1)</sup></b>			
Water Direct/Exchange Revenue as Reported	\$ 364.7	\$ 1,221.1	\$ 1,585.8
Water Refill/Filtration Revenue as Reported	\$ 58.7	\$ 200.9	\$ 259.6
Water Dispenser Revenue as Reported	\$ 14.1	\$ 46.6	\$ 60.7
Other Revenue as Reported <sup>(3)</sup>	\$ 95.5	\$ 293.2	\$ 388.7
<b>Europe <sup>(1)</sup></b>			
Water Direct/Exchange Revenue as Reported	\$ 44.4	\$ 176.4	\$ 220.8
Water Refill/Filtration Revenue as Reported	\$ 8.0	\$ 28.9	\$ 36.9
Water Dispenser Revenue as Reported	\$ -	\$ 0.7	\$ 0.7
Other Revenue as Reported <sup>(3)</sup>	\$ 7.3	\$ 22.2	\$ 29.5
<b>Other <sup>(1,4)</sup></b>			
Water Direct/Exchange Revenue as Reported	\$ 11.0	\$ 33.2	\$ 44.2
Water Refill/Filtration Revenue as Reported	\$ 0.8	\$ 2.4	\$ 3.2
Water Dispenser Revenue as Reported	\$ -	\$ -	\$ -
Other Revenue as Reported <sup>(3,4)</sup>	\$ 56.4	\$ 164.9	\$ 221.3
<b>Pro Forma for Transactions <sup>(5)</sup></b>			
Water Direct/Exchange Revenue as Reported	\$ 309.3	\$ 1,011.5	\$ 1,320.8
Water Refill/Filtration Revenue as Reported	\$ 49.9	\$ 169.6	\$ 219.5
Water Dispenser Revenue as Reported	\$ 14.1	\$ 45.9	\$ 60.0
Other Revenue as Reported <sup>(3)</sup>	\$ 31.8	\$ 106.1	\$ 137.9

(1) Source: Q4 2022 Earnings Release filed February 23, 2023 for the three months ended December 31, 2022 and Q3 2023 Earnings Release filed November 2, 2023 for the nine months ended September 30, 2023.

(2) Represents the sum of the three months ended December 31, 2022 revenue and the nine months ended September 30, 2023 revenue.

(3) Includes the 'Other Water' and 'Other' channels disclosed in the respective filings.

(4) Other Revenue channel adjusted to remove revenues remaining with Primo Water Corporation totaling \$ .6 million for the trailing twelve months ended September 30, 2023.

(5) Represents Revenue by Channel post transactions. Calculation is Consolidated Primo Water Corporation channel revenues less Europe and Other channel revenues.

# Transaction Multiple



## Non-GAAP Reconciliation – Unaudited

(in millions of U.S. dollars)	Twelve Months Ended December 31, 2022 <sup>(1)</sup>	Six Months Ended July 2, 2022 <sup>(1)</sup>	Six Months Ended July 1, 2023 <sup>(1)</sup>	Trailing Twelve Months Ended July 1, 2023 <sup>(2)</sup>
Operating (loss) income	\$ (28.4)	\$ (32.7)	\$ 10.0	\$ 14.3
Other loss (income)	12.6	13.5	(9.0)	(9.9)
Depreciation and amortization	38.9	19.9	19.8	38.8
EBITDA	\$ (2.1)	\$ (26.3)	\$ 38.8	\$ 63.0
Acquisition and integration	3.2	2.2	0.3	1.3
Share-based compensation costs	0.2	0.3	0.3	0.2
Impairment charges	29.1	29.1	-	-
Foreign exchange and other losses (gains), net	13.1	13.7	(9.0)	(9.6)
Loss (gain) on disposal of property, plant and equipment, net	0.2	(0.1)	0.3	0.6
Gain on sale of business	(0.4)	-	-	(0.4)
Other adjustments, net	3.0	1.7	1.1	2.4
Europe Adjusted EBITDA	\$ 46.3	\$ 20.6	\$ 31.8	\$ 57.5
TTM Adjusted EBITDA of Excluded Entities <sup>(3)</sup>				\$ (4.9)
Pro Forma TTM Adjusted EBITDA				\$ 52.6
Purchase Price <sup>(4)</sup>				\$ 575.0
Transaction Multiple				10.9x

(1) Europe Adjusted EBITDA as reported. Source: Primo Q4 2022 Earnings Presentation for the twelve months ended December 31, 2022 and Q2 2023 Earnings Presentation for the six months ended July 2, 2022 and July 1, 2023. Presentations available at primowatercorp.com.

(2) Represents the twelve months ended December 31, 2022 less the six months ended July 2, 2022 plus the six months ended July 1, 2023.

(3) Source: Management information.

(4) Subject to closing.