



PRIMO WATER
3rd QUARTER 2023 RESULTS
November 2, 2023



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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 Q4 2023 and the full year 2023, anticipated timing of the recently announced sale of a significant portion of the Company's international businesses (the "Transaction"), use of proceeds relating to the Transaction, the completion of the Transaction on the terms proposed, the potential impact the Transaction will have on the Company, and related matters. 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 excludes from GAAP revenue the impact of foreign exchange and to separate its impact from the Company's results of operations. The Company utilizes Adjusted EBITDA, Adjusted EBITDA margin and revenue by channel pro forma for the Transaction, to separate the impact of certain items from the underlying business. 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. Additionally, the Company 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 the Company's earnings announcement to present adjusted free cash flow, which management believes provides useful information to investors in assessing our performance, comparing the Company'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 the Company'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 Q4 2023 Adjusted EBITDA and full year 2023 Adjusted EBITDA and Adjusted Free Cash Flow, 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.

Q3 2023 Earnings Presentation

Today's Presenters



Tom Harrington

CHIEF EXECUTIVE
OFFICER



David Hass

CHIEF FINANCIAL
OFFICER

AGENDA

- Transaction Highlights
- Q3 Results
- Q&A



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



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**

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

(1) Subject to close. Excludes U.K., Portugal, Israel and Aimia Foods businesses. (2) See appendix for reconciliation. (3) An incremental \$25 million share repurchase will be authorized, revising the share repurchase authorization to \$75 million. (4) Net Leverage ratio defined as total debt, excluding unamortized debt costs, less unrestricted cash divided by Adjusted EBITDA. Go-forward net leverage ratio based on management estimates.

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



- 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

Proceeds Will Drive Value for Shareowners

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⁽¹⁾



In Q3, We Delivered

- 🔥 Consolidated revenue growth of 6%
- 🔥 Adjusted EBITDA growth of 21%
- 🔥 Record Adjusted EBITDA margin of 22.7% (a 270 bps overall increase versus the prior year)
- 🔥 Adjusted free cash flow of \$102 million dollars
- 🔥 Sell-through of approximately 252,000 water dispensers ⁽¹⁾

Source: Q3FY23 earnings press release

(1) 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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Q3 2023 Highlights



Financial Performance

| (\$ in millions) | Q3 2023 | Q3 2022 | Change |
|----------------------|---------|---------|---------|
| Revenue | \$622.0 | \$584.6 | 6% |
| Adj. EBITDA | \$140.9 | \$116.9 | 21% |
| Adj. EBITDA Margin % | 22.7% | 20.0% | 270 bps |

Revenue Growth Through

- Strong revenue growth in Water Direct and Exchange of 7%
- Continued revenue growth in Water Refill and Filtration of 19%
- Increased revenue growth in our European operations of 4%, excluding the impact of foreign exchange
- Global water direct customer retention of approximately 86%, 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 ~252,000 dispensers in Q3
- ~1M dispensers sold-through on a trailing twelve-month basis
- Brick and mortar partner focus

Connectivity Tactics

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

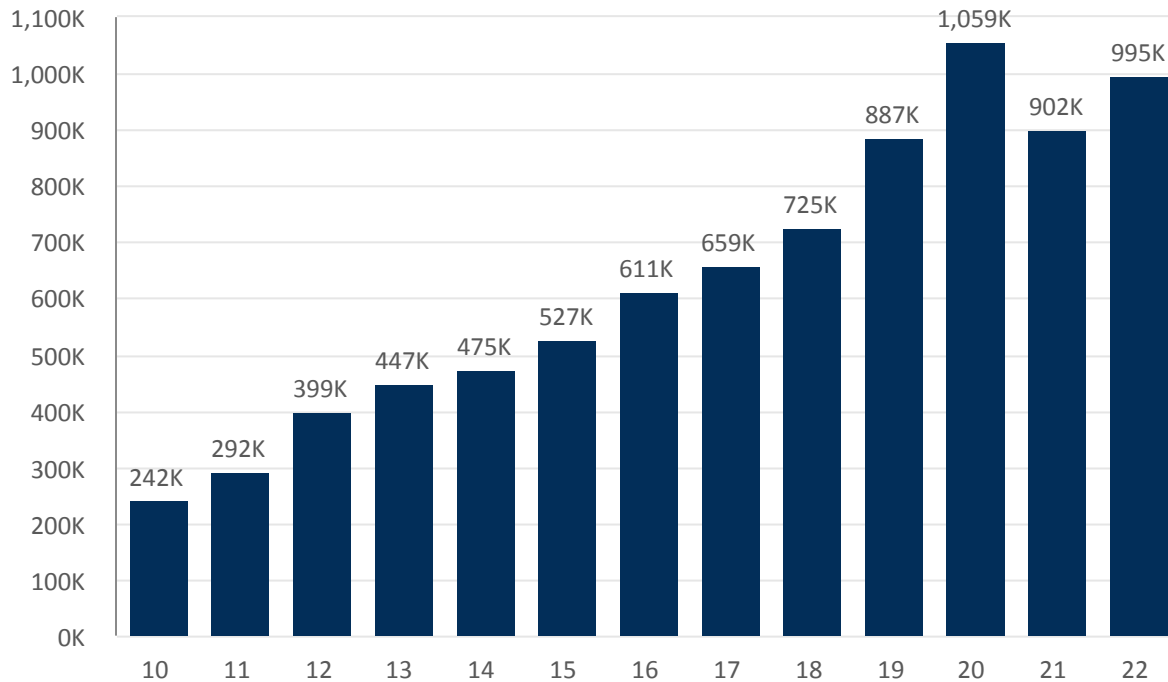
Dispenser Sell-Through



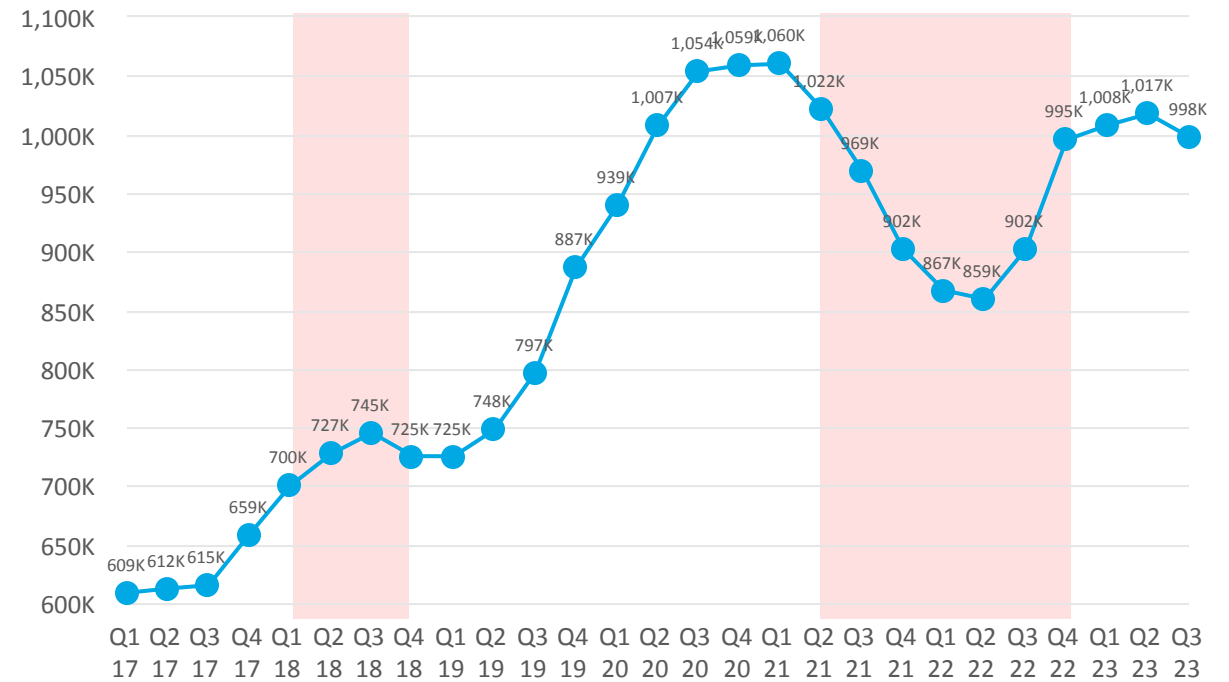
It All Starts with Dispenser Sell-Through

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 ~10,800 North America retail locations

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



19% Revenue Growth

- Price initiatives
- Refill station reliability
- Consistent service levels
- Rebranding



Global Customer Base

Our Connected and Diverse Customer Base of Water and Other Services



Automatic Route Optimization (ARO)

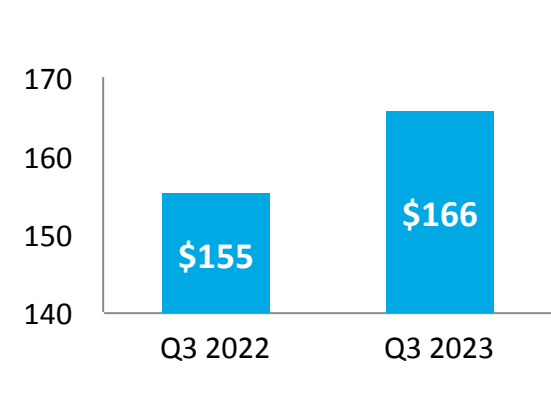
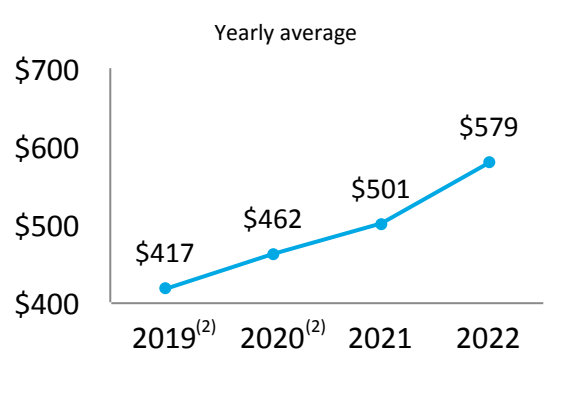


Sequences Routes for the Most Efficient Path Possible

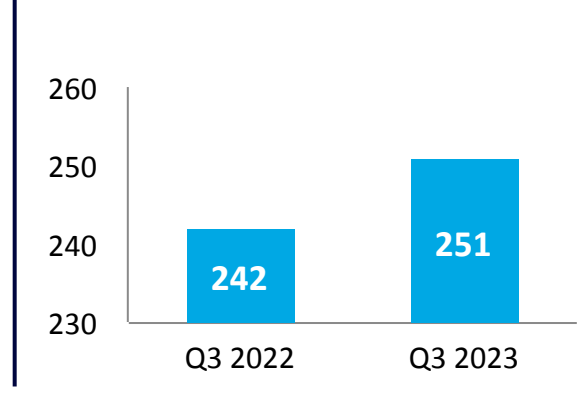
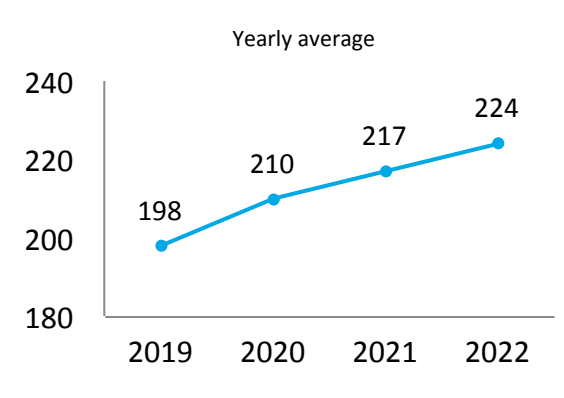
ARO Update and Benefits

- 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

Primo Water 2023 Financial Outlook



| Financial Outlook | Q4 2023 Range | | FY 2023 Range | |
|-------------------------|---------------|-------|---------------|---------|
| | Low | High | Low | High |
| <i>(\$ in millions)</i> | | | | |
| Revenue | \$558 | \$598 | \$2,320 | \$2,360 |
| Adj. EBITDA | \$108 | \$118 | \$460 | \$480 |
| Cash Taxes | | | | ~ \$25 |
| Cash Interest | | | \$70 | \$75 |
| CAPEX | | | | ~ \$200 |
| Adj. Free Cash Flow | | | | ~ \$160 |

Q3 2023 Reported Results – Consolidated



For the Three Months Ended ⁽¹⁾

(in millions of U.S. dollars)

Revenue, net

Water Direct/Water Exchange

Water Refill/Water Filtration

Other Water

Water Dispensers

Other

Revenue, net as reported

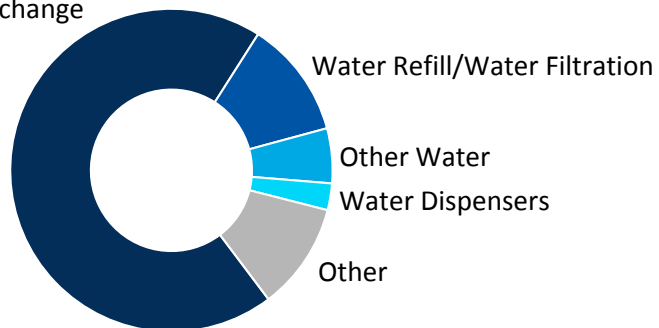
Foreign exchange impact

Revenue excluding foreign exchange impact

| | September 30, 2023 | October 1, 2022 | Change | % Change |
|---|--------------------|-----------------|---------|----------|
| Revenue, net | | | | |
| Water Direct/Water Exchange | \$ 431.2 | \$ 402.2 | \$ 29.0 | 7 % |
| Water Refill/Water Filtration | 73.2 | 61.6 | 11.6 | 19 % |
| Other Water | 34.1 | 32.4 | 1.7 | 5 % |
| Water Dispensers | 16.7 | 23.7 | (7.0) | (30)% |
| Other | 66.8 | 64.7 | 2.1 | 3 % |
| Revenue, net as reported | \$ 622.0 | \$ 584.6 | \$ 37.4 | 6 % |
| Foreign exchange impact | (5.1) | — | (5.1) | n/a |
| Revenue excluding foreign exchange impact | \$ 616.9 | \$ 584.6 | \$ 32.3 | 6 % |

Category Revenue Q3 '23 Mix

Water Direct/Water Exchange



Improves Financial Profile

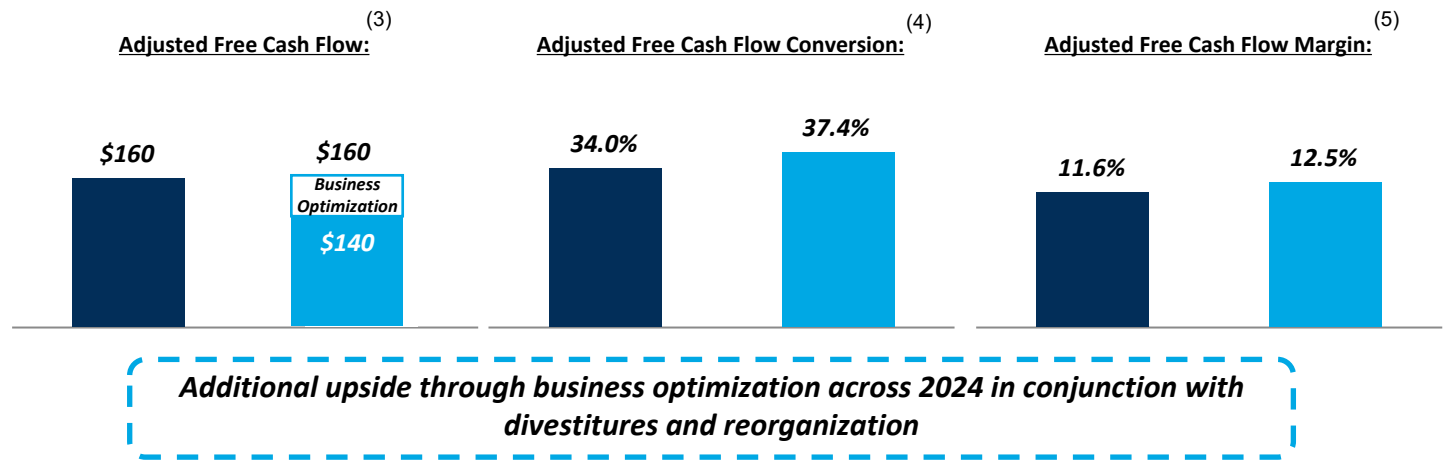
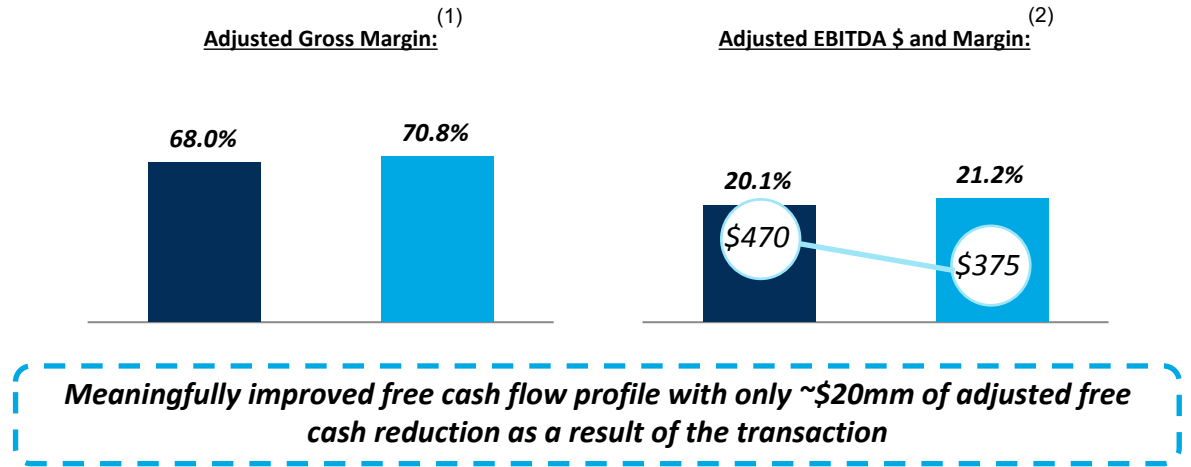


Summary

- Company on pace to achieve previously communicated 2024 targets
- The divestiture 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

Financial Transformation

(\$ in millions)



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

- Current Primo Water
- New Primo Water

Strategic Alternatives Roadmap

Phase 1 (2023+)

- Divest a significant portion of International businesses⁽¹⁾
- 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 domestic business with support from outside consultants
- Adjust segment reporting as timing clarity on divestitures and potential acquisitions takes shape



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



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**



PRIMO
WATER™

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 Nine Months Ended | |
|--|----------------------------|-----------------|---------------------------|-----------------|
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| Revenue, net | \$ 622.0 | \$ 584.6 | \$ 1,761.8 | \$ 1,682.1 |
| Net income (loss) | \$ 33.4 | \$ 1.3 | \$ 60.5 | \$ (27.9) |
| Interest expense, net | 18.6 | 17.4 | 57.2 | 51.3 |
| Income tax expense | 13.8 | 5.1 | 28.0 | 8.9 |
| Depreciation and amortization | 65.1 | 59.6 | 190.4 | 181.0 |
| EBITDA | \$ 130.9 | \$ 83.4 | \$ 336.1 | \$ 213.3 |
| Acquisition and integration costs | 2.6 | 3.3 | 6.4 | 12.5 |
| Share-based compensation costs | 1.4 | 3.2 | 6.7 | 10.7 |
| Impairment charges | — | — | — | 29.1 |
| Foreign exchange and other losses (gains), net | 10.6 | 21.3 | (0.3) | 36.7 |
| Loss on disposal of property, plant and equipment, net | 1.5 | 2.6 | 4.0 | 4.4 |
| Gain on sale of property | (5.3) | — | (5.3) | — |
| Other adjustments, net | (0.8) | 3.1 | 9.8 | 6.1 |
| Adjusted EBITDA | \$ 140.9 | \$ 116.9 | \$ 357.4 | \$ 312.8 |
| Adjusted EBITDA margin % | 22.7 % | 20.0 % | 20.3 % | 18.6 % |

EBITDA and Adjusted EBITDA by Reporting Segment⁽¹⁾



Non-GAAP Reconciliation - Unaudited

(in millions of U.S. dollars)

| | For the Three Months Ended | | | | | | | |
|--|----------------------------|---------|----------|----------|-----------------|----------|-----------|----------|
| | September 30, 2023 | | | | October 1, 2022 | | | |
| | North America | Europe | Other | Total | North America | Europe | Other | Total |
| Revenue, net | \$ 469.8 | \$ 80.8 | \$ 71.4 | \$ 622.0 | \$ 446.8 | \$ 71.4 | \$ 66.4 | \$ 584.6 |
| Operating income (loss) | \$ 70.3 | \$ 9.5 | \$ (7.4) | \$ 72.4 | \$ 52.6 | \$ 5.1 | \$ (12.7) | \$ 45.0 |
| Other (income) expense, net | (3.4) | 8.9 | 1.1 | 6.6 | 1.4 | 15.7 | 4.1 | 21.2 |
| Depreciation and amortization | 48.9 | 10.4 | 5.8 | 65.1 | 44.2 | 9.5 | 5.9 | 59.6 |
| EBITDA | \$ 122.6 | \$ 11.0 | \$ (2.7) | \$ 130.9 | \$ 95.4 | \$ (1.1) | \$ (10.9) | \$ 83.4 |
| Acquisition and integration costs | 1.4 | 0.1 | 1.1 | 2.6 | 2.5 | 0.8 | — | 3.3 |
| Share-based compensation costs | 0.6 | 0.2 | 0.6 | 1.4 | 0.7 | 0.3 | 2.2 | 3.2 |
| Foreign exchange and other losses (gains), net | 0.6 | 8.9 | 1.1 | 10.6 | 1.7 | 15.7 | 3.9 | 21.3 |
| Loss on disposal of property, plant and equipment, net | 1.6 | (0.2) | 0.1 | 1.5 | 2.1 | 0.2 | 0.3 | 2.6 |
| Gain on sale of property | (5.3) | — | — | (5.3) | — | — | — | — |
| Other adjustments, net | (0.8) | 0.4 | (0.4) | (0.8) | (0.2) | (0.4) | 3.7 | 3.1 |
| Adjusted EBITDA | \$ 120.7 | \$ 20.4 | \$ (0.2) | \$ 140.9 | \$ 102.2 | \$ 15.5 | \$ (0.8) | \$ 116.9 |
| Adjusted EBITDA margin % | 25.7 % | 25.2 % | (0.3)% | 22.7 % | 22.9 % | 21.7 % | (1.2)% | 20.0 % |

(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 Nine Months Ended | | | | | | | |
|--|---------------------------|----------|-----------|------------|-----------------|-----------|-----------|------------|
| | September 30, 2023 | | | | October 1, 2022 | | | |
| | North America | Europe | Other | Total | North America | Europe | Other | Total |
| Revenue, net | \$ 1,332.6 | \$ 228.2 | \$ 201.0 | \$ 1,761.8 | \$ 1,280.6 | \$ 205.6 | \$ 195.9 | \$ 1,682.1 |
| Operating income (loss) | \$ 162.3 | \$ 19.5 | \$ (40.3) | \$ 141.5 | \$ 129.2 | \$ (27.6) | \$ (34.7) | \$ 66.9 |
| Other (income) expense, net | (4.0) | (0.1) | (0.1) | (4.2) | (0.3) | 29.2 | 5.7 | 34.6 |
| Depreciation and amortization | 142.5 | 30.2 | 17.7 | 190.4 | 133.8 | 29.4 | 17.8 | 181.0 |
| EBITDA | \$ 308.8 | \$ 49.8 | \$ (22.5) | \$ 336.1 | \$ 263.3 | \$ (27.4) | \$ (22.6) | \$ 213.3 |
| Acquisition and integration costs | 4.6 | 0.4 | 1.4 | 6.4 | 8.3 | 3.0 | 1.2 | 12.5 |
| Share-based compensation costs | 2.2 | 0.5 | 4.0 | 6.7 | 2.3 | 0.6 | 7.8 | 10.7 |
| Impairment charges | — | — | — | — | — | 29.1 | — | 29.1 |
| Foreign exchange and other (gains) losses, net | (0.1) | (0.1) | (0.1) | (0.3) | 1.9 | 29.4 | 5.4 | 36.7 |
| Loss on disposal of property, plant and equipment, net | 3.8 | 0.1 | 0.1 | 4.0 | 3.7 | 0.1 | 0.6 | 4.4 |
| Gain on sale of property | (5.3) | — | — | (5.3) | — | — | — | — |
| Other adjustments, net | (2.2) | 1.5 | 10.5 | 9.8 | (1.2) | 1.3 | 6.0 | 6.1 |
| Adjusted EBITDA | \$ 311.8 | \$ 52.2 | \$ (6.6) | \$ 357.4 | \$ 278.3 | \$ 36.1 | \$ (1.6) | \$ 312.8 |
| Adjusted EBITDA margin % | 23.4 % | 22.9 % | (3.3)% | 20.3 % | 21.7 % | 17.6 % | (0.8)% | 18.6 % |

(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 September 30, 2023 | | | |
|---|---|--------|--------|---------|
| | North America | Europe | Other | Total |
| Change in Adjusted EBITDA | \$ 18.5 | \$ 4.9 | \$ 0.6 | \$ 24.0 |
| Impact of foreign exchange (a) | 0.1 | (2.1) | — | (2.0) |
| Change excluding foreign exchange | \$ 18.6 | \$ 2.8 | \$ 0.6 | \$ 22.0 |
| Percentage change in Adjusted EBITDA | 18.1 % | 31.6 % | NM | 20.5 % |
| Percentage change in Adjusted EBITDA excluding foreign exchange | 18.2 % | 18.1 % | NM | 18.8 % |

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

| | For the Nine Months Ended September 30, 2023 | | | |
|---|--|---------|----------|---------|
| | North America | Europe | Other | Total |
| Change in Adjusted EBITDA | \$ 33.5 | \$ 16.1 | \$ (5.0) | \$ 44.6 |
| Impact of foreign exchange (a) | 0.3 | (2.1) | 0.7 | (1.1) |
| Change excluding foreign exchange | \$ 33.8 | \$ 14.0 | \$ (4.3) | \$ 43.5 |
| Percentage change in Adjusted EBITDA | 12.0 % | 44.6 % | NM | 14.3 % |
| Percentage change in Adjusted EBITDA excluding foreign exchange | 12.1 % | 38.8 % | NM | 13.9 % |

(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 | (-) Q3 2022 YTD | (+) Q3 2023 YTD | Q3 2023 LTM |
|--|----------|-----------------------|-----------------------|----------------|
| Adjusted EBITDA | \$ 420.1 | \$ (312.8) | \$ 357.4 | \$ 464.7 |
| Interest Expense | \$ 69.8 | \$ (51.3) | \$ 57.2 | \$ 75.7 |
| Total debt (a) | | | | \$ 1,451.8 |
| Unrestricted cash (b) | | | | \$ 97.8 |
| Interest Coverage Ratio (c) | | | | 6.1x |
| Net Leverage ratio (d) | | | | 2.9x |

(a) Total debt as of September 30, 2023 of \$1,439.4 million adjusted to exclude \$12.4 million of unamortized debt costs.

(b) Unrestricted cash defined as cash and cash equivalents as of September 30, 2023 of \$97.8 million.

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

(d) Net Leverage ratio defined as total debt, excluding unamortized debt costs, less unrestricted cash divided by Adjusted EBITDA.

Transaction Multiple



Non-GAAP Reconciliation - Unaudited

| (in millions of U.S. dollars) | Twelve Months Ended December 31, 2022 ⁽¹⁾ | Six Months Ended July 2, 2022 ⁽¹⁾ | Six Months Ended July 1, 2023 ⁽¹⁾ | Trailing Twelve Months Ended July 1, 2023 ⁽²⁾ |
|---|---|---|---|--|
| 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 ⁽³⁾ | | | | \$ (4.9) |
| Pro Forma TTM Adjusted EBITDA | | | | \$ 52.6 |
| Purchase Price ⁽⁴⁾ | | | | \$ 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.