

Primo Water Corp
Form S-1/A
May 13, 2011

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As filed with the Securities and Exchange Commission on May 13, 2011

Registration No. 333-173554

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Amendment No. 1
to
Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

PRIMO WATER CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

5149

*(Primary Standard Industrial
Classification Code Number)*

30-0278688

*(I.R.S. Employer
Identification Number)*

**104 Cambridge Plaza Drive
Winston-Salem, North Carolina 27104
(336) 331-4000**

*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*

**Mark Castaneda
Chief Financial Officer
Primo Water Corporation
104 Cambridge Plaza Drive
Winston-Salem, North Carolina 27104
(336) 331-4000**

*(Name, address, including zip code, and telephone number,
including area code, of agent for service)*

Please send copies of all communications to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell securities, and it is not soliciting an offer to buy these securities, in any state or jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 13, 2011

PRELIMINARY PROSPECTUS

**6,000,000 Shares
Common Stock
\$ per share**

We are offering 3,421,369 shares of our common stock and the selling stockholders identified in this prospectus are offering an additional 2,578,631 shares of our common stock. We will not receive any of the proceeds from the sale of shares by selling stockholders other than as described in Use of Proceeds.

Our common stock trades on the Nasdaq Global Market under the symbol PRMW. On May 11, 2011 the last reported sale price of our common stock on the Nasdaq Global Market was \$14.26 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page 12.

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$
Proceeds, before expenses, to selling stockholders	\$	\$

We and the selling stockholders have granted the underwriters a 30-day option to purchase up to an additional 900,000 shares of common stock to cover over-allotments, if any. Delivery of the shares is expected to be made on or about , 2011.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Stifel Nicolaus Weisel

BB&T Capital Markets

Janney Montgomery Scott

Signal Hill

The date of this prospectus is , 2011.

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information that is different from that contained in this prospectus. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies, regardless of the time of delivery of this prospectus or of any sale of our common stock.

Primo®, Taste Perfection®, Zero Waste, Perfect Taste™, www.primowater.com, the Primo logo and other trademarks or service marks of Primo Water Corporation appearing in this prospectus are the property of Primo Water Corporation. Trade names, trademarks and service marks of other companies appearing in this prospectus are the property of the respective owners.

Industry and Market Data

We obtained the industry and market data used throughout this prospectus through our research, surveys and studies conducted by third-parties and industry and general publications. Some data are also based on our good faith estimates, which are derived from our review of internal surveys, as well as independent industry publications, government publications, reports by market research firms or other published sources. None of the independent industry publications referred to in this prospectus were prepared on our behalf or at our expense. The foregoing discussion does not, in any manner, disclaim our responsibilities with respect to the disclosures contained in this prospectus.

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PROSPECTUS SUMMARY

This summary highlights information about our Company and this offering contained elsewhere herein and is qualified in its entirety by the more detailed information and financial statements included elsewhere in this prospectus. You should read this entire prospectus carefully, including Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and related notes included elsewhere herein, before making an investment decision. In this prospectus, unless otherwise specified or the context otherwise requires, the terms Primo, we, us, our, our Company, or ours refer to Primo Water Corporation and its consolidated subsidiaries together with the Refill Business (as defined below) that we acquired on November 10, 2010. These terms do not refer to or include information about our former subsidiary, Prima Bottled Water, Inc., which was spun off to our stockholders effective December 31, 2009.

Our Business

We are a rapidly growing provider of multi-gallon purified bottled water, self-serve filtered drinking water and water dispensers sold through major retailers in the United States and Canada. We believe the market for purified water is growing due to evolving taste preferences, perceived health benefits and concerns regarding the quality of municipal tap water. Our products provide an environmentally friendly, economical, convenient and healthy solution for consuming purified and filtered water. On November 10, 2010, in connection with our initial public offering, we purchased certain assets from Culligan Store Solutions, LLC and Culligan of Canada, Ltd. (Culligan Canada) related to their business of providing reverse osmosis water filtration systems that generate filtered water for refill vending machines and store-use water services in the United States and Canada. This business also sells empty reusable water bottles for use at refill vending machines (such business is referred to herein as the Refill Business).

Our business is designed to generate recurring demand for our purified bottled water or self-serve filtered drinking water through the sale of innovative water dispensers. This business strategy is commonly referred to as razor-razorblade because the initial sale of a product creates a base of users who frequently purchase complementary consumable products. We believe dispenser owners consume an average of 35 multi-gallon bottles of water annually. Once our bottled water is consumed using a water dispenser, empty bottles are exchanged at our recycling center displays, which provide a recycling ticket that offers a discount toward the purchase of a new bottle of Primo purified water (exchange) or they are refilled at a self-serve filtered drinking water location (refill). Each of our multi-gallon water bottles can be sanitized and reused up to 40 times before being taken out of use, crushed and recycled, substantially reducing landfill waste compared to consumption of equivalent volumes of single-serve bottled water. As of March 31, 2011, our exchange and refill services were offered in each of the contiguous United States and in Canada at approximately 14,600 combined retail locations, including Lowe's Home Improvement, Walmart, Kroger, Safeway, Albertsons and Walgreens.

We provide major retailers throughout the United States and Canada with single-vendor solutions for water bottle exchange and refill vending services, addressing a market demand that we believe was previously unmet. Our solutions are easy for retailers to implement, require minimal management supervision and store-based labor, and provide centralized billing and detailed performance reports. Our exchange solution offers retailers attractive financial margins and the ability to optimize typically unused retail space with our displays. Our refill solution provides filtered water through the installation and servicing of reverse osmosis water filtration systems in the back room of the retailer's store location, which minimizes the usage of the customer's retail space. The refill vending machine, which is typically accompanied by a sales display containing empty reusable bottles, is located within the retailer customer's floor space. Additionally, due to the recurring nature of water consumption, retailers benefit from year-round customer traffic and highly predictable revenue.

We benefit significantly from management experience gained over the last 15 years in exchange-based businesses, which enables us to implement best practices and develop and maintain key business relationships. Prior to founding Primo, our Chief Executive Officer founded Blue Rhino Corporation, a propane cylinder exchange business, in 1994 and, with several of our other key executive officers, led its initial public offering in 1998 and successful sale in 2004. At the time of the sale, we believe Blue Rhino was a market leader in propane grill cylinder exchange with over 29,000 retail locations in 49 states.

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Recent Developments

Purchase of Canada Bulk Water Exchange Business

On March 8, 2011, we completed the acquisition of certain of Culligan Canada's assets related to its bulk water exchange business (the "Canada Bulk Water Exchange Business"). The consideration paid for the Canada Bulk Water Exchange Business was approximately \$5.4 million, which consisted of a cash payment of approximately \$1.6 million and the issuance of 307,217 shares of our common stock, and the assumption of certain specified liabilities (the "Canada Bulk Water Transaction"). The Canada Bulk Water Exchange Business provides refill and delivery of water in 18-liter containers to commercial retailers in Canada for resale to consumers.

The acquisition of the Canada Bulk Water Exchange Business expands our existing exchange service offering and provides us with an immediate network of regional operators and major retailers in Canada with approximately 780 retail locations.

Purchase of Omnifrio Single-Serve Beverage Business

On April 11, 2011, we completed the acquisition of certain intellectual property and other assets (the "Omnifrio Single-Serve Beverage Business") from Omnifrio Beverage Company, LLC ("Omnifrio") for total consideration of up to approximately \$13.2 million, consisting of:

- a cash payment at closing of \$2.0 million;
- the issuance at closing of 501,080 shares of our common stock;
- a cash payment of \$2.0 million on the 15-month anniversary of the closing date (subject to our setoff rights in our Asset Purchase Agreement with Omnifrio and certain of its members (the "Omnifrio Purchase Agreement"));
- up to \$3.0 million in cash milestone payments; and
- the assumption of certain specified liabilities relating to the Omnifrio Single-Serve Beverage Business.

The Omnifrio Single-Serve Beverage Business primarily consists of technology related to single-serve cold carbonated beverage appliances and consumable flavor cups, or "S-cups", and CO₂ cylinders used with the appliances to make a variety of cold beverages.

The acquisition of the Omnifrio Single-Serve Beverage Business serves as an entry point into the U.S. market for carbonated beverages and the rapidly growing self-carbonating appliance and single-serve beverage segments. According to a November 2010 report by independent market analyst Datamonitor, *Carbonated Soft Drinks in the United States*, the U.S. carbonated beverage market generated revenues of \$62 billion in 2009 and is the world's largest carbonated beverage market. We believe the Omnifrio Single-Serve Beverage Business acquisition will allow us to:

- complement our existing water bottle exchange and refill vending services with a new razor-razorblade business segment that is designed to generate recurring demand for our bottled water, consumable flavor cups, or "S cups", and CO₂ cylinders through the sale of our appliances;
- broaden the single-vendor solution that we provide existing retail relationships;
- enhance the attractiveness of our product offering for new retail relationships;
- increase our household adoption and penetration with an enhanced beverage product offering for consumers;
- provide consumers with an innovative alternative to existing packaged carbonated beverages that includes customization of flavor, carbonation level and drink volume;
- sell additional products that reduce waste in landfills;
- utilize our competitive strengths and supply chain to deliver the same benefits for retailers and consumers as our current business segments;

leverage our existing distribution infrastructure in order to offer retailers an exchange program for the CO₂ cylinders used with our appliance;
leverage our existing set of diverse nationwide retail locations to provide consumers with convenient access to our carbonated beverage appliance and consumables; and
enhance our ability to add innovative beverage and hydration solutions to our line of water dispensers.

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Industry Overview

We believe there are several trends that support consumer demand for our water bottle exchange service, refill vending service and water dispensers including the following:

Emphasis on Health and Wellness.

As part of a desire to live a healthier lifestyle, we believe consumers are increasingly focused on drinking greater quantities of water.

Concerns Regarding Quality of Municipal Tap Water.

Many consumers purchase bottled water because of concerns regarding municipal tap water quality. Municipal water is typically surface water that is treated centrally and pumped to homes, which can allow contaminants to dissolve into the water through municipal or household pipes impacting taste and quality.

Growing Preference for Bottled Water.

We believe consumer preference toward bottled water relative to tap water continues to grow as bottled water has become accepted on a mainstream basis. According to an April 2010 report by independent market analyst Datamonitor, *Bottled Water in the United States*, the U.S. bottled water market generated revenues of \$17.1 billion in 2009.

Increasing Demand for Products with Lower Environmental Impact.

We believe that consumers are increasingly favoring products with a lower environmental impact with a reuse, recycle, reduce mindset becoming a common driver of consumer behavior. Most single-serve polyethylene terephthalate (PET) water bottles are produced using fossil fuels and contribute to landfill waste given that only 28% of PET bottles are recycled according to a November 2010 Environmental Protection Agency report. Governmental legislation also reflects these concerns with the passage of bottle bills in many jurisdictions that tax the purchase of plastic water bottles, require deposits with the purchase of certain plastic bottles, prohibit the use of government funds to purchase plastic water bottles and ban certain plastic bottles from landfills.

Availability of an Economical Water Bottle Exchange Service, Refill Vending Service and Innovative Water Dispensers.

Based on estimates derived from industry data, we believe the current household penetration rate of multi-gallon water dispensers is approximately 4% in the United States, with the vast majority of these households utilizing traditional home delivery services. We believe the lack of innovation, design enhancement and functionality and the retail pricing structure of our competitors dispenser models have prevented greater household adoption. Compounding these issues, we believe there previously were no economical water bottle exchange and refill vending services with major retailer relationships throughout the United States and Canada to promote dispenser usage beyond the traditional home delivery model. We believe our water bottle exchange and refill vending services provide this alternative and we believe we are currently the only provider delivering a solution to retailers throughout United States and Canada. We believe there are over 200,000 major retail locations throughout the United States and Canada that we can target to sell our dispensers or offer our bottled water services.

Our Competitive Strengths

We believe that Primo's competitive strengths include the following:

Appeal to Consumer Preferences

Environmental Awareness. Both our water bottle exchange and refill vending services incorporate the reuse of existing bottles, recycle water bottles when their lifecycle is complete and reduce landfill waste and fossil fuel usage compared to alternative methods of bottled water consumption.

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Value. We provide consumers the opportunity for cost savings when consuming our bottled water compared to both single-serve bottled water and typical home and office delivery services. Our water dispensers are sold at attractive retail prices in order to enhance consumer awareness and adoption of our water bottle exchange and refill vending services, increase household penetration and drive sales of our purified and filtered water.

Convenience. Our water bottle exchange and refill services and water dispensers are available at major retail locations in the United States and Canada. In addition, our water bottle exchange and refill services provide consumers the convenience of either exchanging empty bottles and purchasing full bottles or refilling the empty bottles at any participating retailer.

Taste. We have dedicated significant time and effort to develop our water purification process and formulate the proprietary blend of mineral ingredients included in our Primo purified water offered through our water bottle exchange service. We believe that Primo purified water has a silky smooth taste profile.

Health and Wellness. As part of a desire to live a healthier lifestyle, we believe that consumers are increasingly focused on drinking more water relative to consumption of other beverages. As we raise our brand awareness, we believe consumers will recognize that our water bottle exchange and refill vending services are an effective option for their water consumption needs.

Key Retail Relationships Served by a Single-Vendor Solution.

We believe we are the only provider of water bottle exchange and refill vending services with a single-vendor solution for retailers in the United States and Canada. Our direct sales force actively pursues headquarters-based retail relationships to better serve our retail customers and to minimize layers of approval and decision-making with regard to the addition of new retail locations. Our bottlers and distributors utilize our MIS tools and processes to optimize their production and distribution assets while servicing our retail customers. We believe the combination of our major retail relationships, unique single-vendor solution for retail customers, bottling and distribution network and our MIS tools is difficult to replicate. We anticipate these factors will facilitate our introduction of new water-related products in the future.

Ability to Attract and Retain Consumers.

We offer razor-razorblade products designed to generate recurring demand for Primo bottled water (the razorblade) through the initial sale of our innovative water dispensers (the razor), which include a coupon for a free three- or five-gallon bottle of Primo purified water. We acquire new consumers and enhance recycling efforts by accepting most dispenser-compatible water bottles in exchange for a recycle ticket discount toward the purchase of a full bottle of Primo purified water. In addition, we believe our offering high-quality water dispensers enhances consumer awareness and adoption of our water bottle exchange and refill vending services, increases household penetration and drives sales of our water.

Efficient Business Model.

Our business model allows us to efficiently offer our solutions to our retail partners and centrally manage our bottling and distribution network without a substantial capital investment. We believe our business processes and MIS tools enable us to manage the bottling and distribution of our water, servicing of our refill locations, our product quality, retailer inventory levels and the return of used bottles on a centralized basis, leveraging our invested capital and personnel.

Benefit from Management's Proven Track Record.

We benefit greatly from management experience gained over the last 15 years in exchange businesses to implement and refine best practices and develop and maintain key business relationships. In addition to our Chief Executive Officer, our Chief Financial Officer, Senior Vice President of Operations, Vice President of Products and Vice President of National Accounts all held comparable positions within the Blue Rhino organization during its rapid sales and location growth.

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Our Growth Strategy

We seek to increase our market share and drive further growth in our business by pursuing the following strategies:

Increase Penetration with Existing Retail Relationships and Develop New Retail Relationships.

We believe we have significant opportunities to increase store penetration with our existing retail relationships. As of March 31, 2011, our water bottle exchange service and our refill vending service were offered at a combined total of 11,500 of our top ten retailers' locations. If we were to offer both our water bottle exchange service and our refill vending service at each of our top ten retailers' approximate 20,200 individual locations, these top ten retailers would provide us with a combined total of approximately 40,400 locations to provide our services. As a result, these top ten retailers present us an opportunity to add either our water bottle exchange service or our refill vending service at a combined total of approximately 28,900 additional locations. There is minimal overlap where our water bottle exchange and refill vending services are both currently offered. We intend to further penetrate our other existing retail customers with our supplementary hydration solutions, which collectively provide us the opportunity to be present in more than a combined total 50,000 additional water bottle exchange or refill vending locations.

Our long-term strategy includes increasing our locations to 40,000 to 50,000 retail store locations (which includes new locations with our existing retail customers) within our primary retail categories of home centers, hardware stores, mass merchants, membership warehouses, grocery stores, drug stores and discount general merchandise stores for our water bottle exchange service or our refill vending service. We believe that the introduction of additional hydration solutions to our product portfolio will allow us to cross-sell products to our existing and newly-acquired retail customers.

Drive Consumer Adoption Through Innovative Water Dispenser Models.

We intend to continue to develop and sell innovative water dispensers at attractive retail prices, which we believe is critical to increasing consumer awareness and driving consumer adoption of our water services. We believe the current household penetration rate of multi-gallon water dispensers is approximately 4% in the United States. Our long term strategy is to provide multiple water-based beverages from a single Primo water dispenser, which we believe will lead to greater household penetration, with consistent promotion of our water bottle exchange and refill vending services to supply the water. At December 31, 2010, we offered our water dispensers at approximately 5,500 locations in the United States, including Walmart, Target, Kmart, Sam's Club, Costco, and Lowes Home Improvement.

Increase Same Store Sales.

We sell our water dispensers at minimal margin and provide a coupon for a free three- or five-gallon bottle of water with the sale of various water dispensers at certain retailers to drive consumer demand for our water bottle exchange and refill vending services. We believe increasing unit sales of Primo water is dependent on generating greater consumer awareness of the environmentally friendly and economical aspects of and the convenience associated with our water bottle exchange and refill vending services. We expect that our branding, cross-promotion marketing and sales efforts will result in greater usage of our water bottle exchange and refill vending services.

Develop and Install Other Hydration Solutions.

We believe we have significant opportunities to leverage our bottling and distribution network and our systems and processes to offer other environmentally friendly, economical, convenient and healthy hydration solutions to our retail partners without significant increases in our centralized costs.

Pursue Strategic Acquisitions to Augment Geographic and Retail Relationships.

In addition to our recent acquisitions of the Refill Business, the Canada Bulk Water Exchange Business and the Omnifrio Single-Serve Beverage Business, we believe opportunities exist to expand through selective acquisitions, including smaller water bottle exchange businesses with established retail accounts, other on-premises self-service

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water refill vending machine networks and retail accounts, ice dispenser machine networks and retail accounts and water dispenser or other beverage-related appliance companies.

Risk Factors

Our business is subject to numerous risks, as more fully described in the section entitled "Risk Factors" beginning on page 12. You should carefully consider these risks before deciding to invest in our common stock. These risks include, among others:

We have incurred operating losses in the past and may incur operating losses in the future.

We depend on a small number of large retailers for most of our consumer sales. Our arrangements with these retailers for our bottled water exchange services and sales of our water dispensers are nonexclusive and may be terminated at will.

We may experience difficulties in integrating the Refill Business, the Canada Bulk Water Exchange Business and the Omnifrio Single-Serve Beverage Business with our current business and may not be able to fully realize all of the anticipated synergies from these acquisitions.

The success of our business depends on retailer and consumer acceptance of our water bottle exchange and refill vending services and water dispensers.

If we lose key personnel, in particular our Chairman, President and Chief Executive Officer, Billy D. Prim, or are unable to recruit qualified personnel, our ability to implement our business strategies could be delayed or hindered.

In our bottled water business, we depend on independent bottlers, distributors and suppliers for our business to operate.

We operate in a highly competitive industry, face competition from companies with far greater resources than we have and could encounter significant competition from these companies in our niche market of water bottle exchange services and related products and refill vending services.

If the water we sell became contaminated, our business could be seriously harmed.

Interruption or disruption of our supply chain, distribution channels or bottling and distribution network could adversely affect our business, financial condition and results of operations.

While many members of our senior management have experience as executives of a products and exchange services business, there can be no assurances that this experience and past success will result in our business becoming profitable.

We depend on key management information systems.

Our Corporate Information

We were incorporated as a Delaware corporation on October 20, 2004. Our headquarters are located at 104 Cambridge Plaza Drive, Winston-Salem, North Carolina 27104 and our telephone number is (336) 331-4000. Our website is www.primowater.com. Information on, or accessible through, our website is not a part of and is not incorporated into this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

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THE OFFERING

Issuer	Primo Water Corporation
Common stock offered by us	3,421,369 shares (3,626,652 shares if the underwriters exercise in full their option to purchase additional shares to cover over-allotments, if any)
Common stock offered by selling stockholders	2,578,631 shares (3,273,348 shares if the underwriters exercise in full their option to purchase additional shares to cover over-allotments, if any)
Common stock to be outstanding after this offering	23,353,550 shares (23,558,833 shares if the underwriters exercise in full their option to purchase additional shares to cover over-allotments, if any)
Use of proceeds	<p>We estimate that the net proceeds to us from this offering will be approximately \$45.9 million (or approximately \$48.6 million if the underwriters exercise in full their option to purchase additional shares to cover over-allotments, if any). This estimate is based upon an assumed public offering price of \$14.26 per share, which was the last reported sale price of our common stock on May 11, 2011, less estimated underwriting discounts and commissions and offering expenses payable by us. We will not receive any proceeds from the sale of shares of our common stock by our selling stockholders other than as described in Use of Proceeds.</p> <p>We intend to use the net proceeds from this offering for the following purposes:</p> <ul style="list-style-type: none"> \$27.6 million to repay borrowings under our current senior revolving credit facility; and \$18.3 million for working capital and general corporate purposes, including establishing new store locations for our water bottle exchange and refill vending services.
Nasdaq Global Market symbol	PRMW
Conflict of Interest	<p>Branch Banking & Trust Company, an affiliate of BB&T Capital Markets, a division of Scott & Stringfellow, LLC, is a lender under our senior revolving credit facility. Because an affiliate of BB&T Capital Markets, a division of Scott & Stringfellow, LLC, will receive more than 5% of the net proceeds of the offering, BB&T Capital Markets, a division of Scott & Stringfellow, LLC, is deemed to have a conflict of interest under Rule 5121 of the Financial Industry Regulatory Authority, Inc., or FINRA. Because a bona fide public market (as defined in</p>

FINRA Rule 5121) exists for the common stock, a qualified independent underwriter is not required to be appointed; however, this offering will be conducted in accordance with all other applicable provisions of FINRA Rule 5121.

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The number of shares of our common stock outstanding after this offering is based on 19,932,181 shares outstanding as of May 11, 2011 and:

includes 68,823 shares of unvested restricted common stock;
excludes 453,586 shares of common stock issuable upon the exercise of outstanding stock options;
excludes 81,000 shares of common stock issuable in connection with outstanding restricted stock units that are to be settled in shares of common stock;
excludes 846,393 shares of common stock issuable upon the exercise of outstanding warrants;
excludes an additional 481,184 shares of common stock issuable under our 2010 Omnibus Long-Term Incentive Plan that are not currently subject to outstanding awards;
excludes an aggregate of 23,958 shares of common stock issuable under our 2010 Employee Stock Purchase Plan; and
assumes no exercise of the underwriters' over-allotment option to purchase up to 900,000 additional shares of our common stock from us and the selling stockholders.

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SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables set forth, for the periods and dates indicated, our summary historical and pro forma consolidated financial and other data. The summary historical consolidated financial data as of and for the three years ended December 31, 2010 was derived from our audited historical consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial data as of and for the three months ended March 31, 2010 and 2011 was derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of our management, reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for those periods. The results for any interim period are not necessarily indicative of the results that may be expected for a full year. The historical results included here and elsewhere in this prospectus are not necessarily indicative of future performance or results of operations.

The summary unaudited pro forma consolidated statement of operations data for the year ended December 31, 2010 have been prepared to give pro forma effect to (1) our initial public offering at \$12.00 per share, (2) our entry into and making of borrowings under our current senior revolving credit facility, (3) the application of the net proceeds from our initial public offering and borrowings under our current senior revolving credit facility for the purposes described in our Registration Statement on Form S-1 (Registration No. 333-165452) and (4) the consummation of our acquisition of the Refill Business. These pro forma adjustments have been made as if these events had occurred on January 1, 2010. This data is subject and gives effect to the assumptions and adjustments described in the notes accompanying the unaudited pro forma consolidated statement of operations included elsewhere in this prospectus. The summary unaudited pro forma consolidated statement of operations data is presented for informational purposes only and should not be considered indicative of actual results of operations that would have been achieved had our acquisition of the Refill Business and such other transactions described above been consummated on the dates indicated, and do not purport to be indicative of the results of operations as of any future date or for any future period.

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The summary historical consolidated financial data presented below represent portions of our consolidated financial statements and are not complete. You should read this information in conjunction with Use of Proceeds,

Capitalization, Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations, Unaudited Pro Forma Consolidated Statement of Operations and the consolidated financial statements and related notes included elsewhere in this prospectus.

	Historical		Three Months		Pro Forma	
	Year Ended December 31,		Ended March 31,		Year Ended	
	2008	2009	2010	2010	December 31,	
				2011	2010	
					(Unaudited)	
				(Unaudited)		
	(In thousands, except per share data)					
Consolidated statements of operations data:						
Net sales	\$ 34,647	\$ 46,981	\$ 44,607	\$ 8,829	\$ 17,139	\$ 67,053
Operating costs and expenses:						
Cost of sales	30,776	38,771	34,213	6,922	12,113	45,534