

Primo Brands

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Lauren Lieberman: We're going to get started. Good morning, everyone. Really happy to have Primo Brands with us this morning to kick off Day 3 at our conference. We have the company's CEO Robbert Rietbroek, and CFO David Hass with us. We're going to cover a lot of topics, but I wanted to give Robbert a moment to walk through some of the high-level elements of the story. The company re-listed in November, so we're not quite a year, and thought it might be a good opportunity to just share some background on the story.

Robbert Rietbroek: Yeah. Well, good morning and thank you, Lauren, for hosting us here at this wonderful conference. The first time that Primo Brands is here at the Barclays Conference and we're so grateful to be part of this great event and for the interest that we've seen from all the investors, so thank you for that.

Primo Brands is a branded beverage company. It's the third largest in non-alcoholic in volume share in the U.S. We have 7 brands that are 100 years or older, including brands that date all the way back to the 1820s and 1870s like Poland Spring, Saratoga and Mountain Valley. We're really proud of our portfolio of brands and want to be seen and viewed as a branded beverage non-alcoholic company.

Our business is quite unique because we have about 45% in direct delivery and it's primarily 5-gallon formats. We sell PT and glass. We sell Mountain Valley in glass. That's a premium brand, but we also sell brands like Primo and brands like Poland Spring in that format. And those delivery trucks also deliver case packs of water and various other beverage products.

The other 55% is a retail business where we play with those iconic brands. Those include two \$1 billion brands, Pure life and Poland Spring, and then a number of brands that are \$300 million or above. But we play across every price tier including refill, which is equipment at the store where you can refill your own 5-gallon bottle or 3-gallon bottle for about \$0.50 a gallon and exchange, which is a unique business model where we have a direct to store delivery model and deliver 5-gallon bottles at the at the front of the store in about 26,500 stores nationally.

In summary, we're a coast-to-coast manufacturing company with we're vertically integrated on about 45% of the business. We go all the way from production to the end consumer and set the price, and about 55% of the business we go through our valued retail customers.

We launched November 11 on the New York Stock Exchange. We have had 2 quarters so far where we've reported the full combined company, and we're incredibly excited to be here today as part of this lineup of amazing businesses.

Lauren Lieberman: Great. Okay. Thank you so much. Like you said, retail bottled water is your biggest trade category. Can you tell us a little bit about your retail performance to date this quarter?

Robbert Rietbroek: Yeah. Retail bottled water is up 1.5% year to date, and our business is up 2.4%. Year to date, we've grown market share by about 17 basis points. This quarter we see an acceleration in our retail scan performance. Through this weekend when we got the latest Circana data, we're up 3.6% and that's a 33-basis point market share gain in the quarter. We see that there was a bit of choppiness in this category this year. We had a great strong first quarter. The second quarter was affected by a number of particularly climate effects. The Northeast was a little wet and a little cold. The third quarter seems to be coming back quite nicely and obviously, we're pleased with our performance.

The performance is primarily driven by the success of our super premium brands. We own Mountain Valley in still and sparkling, and Saratoga still and sparkling. In fact, I want to thank the conference for allowing us to put Saratoga as the water of the conference. I hope you're all enjoying these beautiful blue bottles. It's a brand that got a lot of media attention this year through social media.

The second thing that's really driving our business is the distribution gains we've had. We've over 10% distribution gains year to date. In fact, the last reading was over 13%. That's a metric that Circana reads every period called TPD, total points of distribution. And I believe that distribution is the gift that keeps on giving. We are in pursuit of more distribution, and we are quite successful in gaining that. Including the launch of Saratoga and Mountain Valley at our valued customer Walmart, which is off to a great start so far. And we're now present in both glass and PT.

Lauren Lieberman: Great. I saw a beautiful Saratoga ad during the U.S. Open this week on TV, which a lot of people seem to be watching. Question on the incremental distribution. One thing that a lot of people look at I think is velocities. You're increasing your distribution, but velocity starts to decelerate. Can you just tell us, how do you think about that? Is decelerating velocity with increasing distribution something to be concerned about or is it anticipated and part of the model?

Robbert Rietbroek: Yeah. When you launch new items, they tend to need to build up trial and repeat. That's the same in laundry detergents or potato chips or any type of category where you launch a new item. And it requires a lot of display merchandising to create household trial. Our case packs, obviously, some of the fastest rotating items in retail in America. In fact, the Poland Spring case pack is the number one SKU in the New York area, so we're used to really high velocities.

Now when you launch a premium pack of, a 6-pack of maybe Mountain Valley or flavored Splash in California, or Arrowhead with flavors, we're not going to get the same immediate velocity as our high velocity case packs. But what we're obviously seeing in the third quarter is this increasing market share, which is driven by both the incremental distribution as well as our super premium brands that are having such success.

Lauren Lieberman: Great. Your updated guidance for 2025 looks for a below algorithm year, which we'll talk about in a moment. But the medium-term outlook is predicated on 3% to 5% net sales growth. Can you just talk about the building blocks that give you confidence in that range beyond this year?

David Hass: Sure. The retail beverage category, especially in the bottled water space, typically grew around 2% to 4%. Coming out of the COVID period, some of that had some price influence to it, but there were more normal course velocities and volume that was helping drive that behavior. We still believe that on a medium-term basis, obviously this year had some exceptional first half disruptions, one being sort of things we cannot control, like weather. And another area was our largest facility that typically bottles and supplies the Ozarka brand in the Southwest and Southeast was struck by a tornado. So that helped interrupt what would have been a typical pattern.

We believe as we go forward, we still have pricing power within those spaces. I think we'll probably talk about private label at a later moment, but that kind of helps shape the framework of the 55% of the business. The 45% of the business is a large format distribution that comes across 3 verticals as Robbert discussed. Refill being \$2.50 where a consumer can approach a kiosk and vend that water. That's typically grown at low to mid, and in some cases depending on the season, high single digits. Currently it's growing around 8% to 9%, so that gives us a pretty strong confidence in that particular vertical.

Exchange is a business of similar size to refill, but has typically grown at high single to low double digits. And both exchange and refill really run off of a razor and blade model where we are the number one supplier of dispensers sold at retail and online. And through those purchases, consumers create household, bring that appliance into their household and seek purchases of those retail bought water.

And then when you get to the largest piece of the direct delivery business, about 45%, again, in aggregate, 45% of our company, that's a business that's typically grown at mid-single digits at or slightly at the higher end of our algorithm. And so, when you put together these parts, we still feel and remain confident in that. The direct delivery business is typically balanced mix between volume from existing and new customer acquisition as well as pricing drivers. As Robbert mentioned, we control price directly to those customers.

Lauren Lieberman: Great. And for those newer to the story, can you also talk a bit about the cyclicity of the bottled water business? And would you say that your own business's macro sensitivity differs from what legacy Primo or legacy cost exposure might have looked like in the past?

David Hass: Yeah. Typically, we are not a 25% per quarter type of recognition. We're essentially about 52% middle 2 quarters, 48% shoulders. And why that happens is when you go through the middle of the year, you get the peak warmth, you get occasion purchases, you get surge purchases with heat, or unfortunately natural disaster style activities that typically happen in those warmer seasons. But the delivery business has a pretty predictable and regular cadence to the customers' consumption patterns. The exception there being, again, exchange and refill. As long as we continue to sell through dispensers, and we talked about that in our revised guidance of leaning in there to help support that in the tariff environment, we continue to create households. And those businesses tend to grow throughout the year.

Again, while there are some shoulder season-type patterns, water has typically followed a behavior of pretty consistent consumption. When we sign up a direct delivery customer at either a small commercial or a residential place of delivery, we can largely predict that consumption. That prediction helps us really handle our supply chain and make sure that we have stock to be able to handle those deliveries.

Lauren Lieberman: Okay. And anything in terms of economic sensitivity?

David Hass: Yeah, typically, we believe that we have a good portfolio. So again, we talked about refill, that's an entry level price of about \$2.50. Exchange typically addresses an income level that's very similar to water delivery. They just choose to save a little money. They typically have younger inhabitants in the home. And when you get into the direct delivery business, excuse me, exchange is about \$7.99, \$8.50 per bottle on the reuse. And then delivery obviously comes at a premium to that plus the delivery fee. And both of those last 2 typically tend to be 6-figure incomes. The difference being, again, whether you're trying to save a little money and do it yourself or you have the time and convenience and the affordability to basically have that delivered.

Lauren Lieberman: Okay, great. 40% of the downward revision to this year's sales outlook did stem from integration disruptions on direct delivery. In hindsight, you took on a tremendous amount of change very quickly post-merger, which you guys have openly talked about. I'm curious if you could talk about what are some of the key learnings from the challenges that you've encountered?

Robbert Rietbroek: I'd be happy to. We put together 2 individually great companies that have very similar activity systems. Both produce water, both sell 5-gallon. And in putting these together, there was tremendous synergies. As we communicated to the market, we initially said \$200 million in 3 years. As we got more into the detail, we were able to confirm \$200 million in year 1 and \$300 million after year 2, so we're very excited about the opportunity there.

As we went about it, we decided to go fast. And we put together the companies probably a little faster than we should have. We closed 48 facilities through the second quarter. In fact, in the second quarter, we closed 40 facilities. Now the 48 are 38 depots and 10 manufacturing sites of which 2 co-packers. We also restructured 1,600 FTEs, full-time equivalent associates. And so in doing that, we actually learned that we needed more modular racks, more bottles in the system to be able to meet supply, so we temporarily saw some service issues.

Our service, which is usually in the 90s, dropped to low 80s. We had, obviously, we had some consumer complaints and we were able to -- we were not able to fulfill all the orders. The good news is that through the end of the year, we'll be adding 42,000 modular racks. That is the equivalent of about 1.7 million bottles, 2 days of national inventory on the 5-gallon front. With that, we'll be able to have a full day of inventory at the branch or depot, a full day on the road, and a full day or 2 days at the factory actually. With 2 days of racks, you need full racks and empty racks. And that is really a key enabler for us to work through this new optimized lean network.

We see week-on-week improved performance right now in terms of deliveries and service. We're optimistic that we're going to get it back. The key markets, Los Angeles, Chicagoland, Dallas, they were probably the hardest impact of markets, have stabilized and we're still working through some of the markets in Florida right now, particularly Orlando and Fort Lauderdale. But we are very optimistic that it will be stabilized and normalized by the end of the year and we'll be able to exit that last mile business on a positive note, on a growth note.

Now, it's also important to say that we have had no disruption on retail. Our retail business continued to run favorably and well as we have demonstrated through our market share growth. It's entirely that integration of that last mile business. So yeah, we've learned that we probably went a little too fast. It's mostly self-inflicted. The fact

that there was a tornado, as David explained, didn't help because the team had to deal with multiple issues at the same time. But we're dealing with it very well I would say and I'm very proud of the team and the way they're moving forward with pace and quality approach. We'll keep you posted on that.

Lauren Lieberman: Okay. And service levels dropped below 80% in early May, and since recovered to low 90s as of early August. Where does that stand today and supply as well? Just want to make sure, you are on track to conclude wave 4 of the integration around September?

Robbert Rietbroek: Yeah. Our delivery success rate sits at 92% over the last week. We have added significantly more deliveries and more customers back into the system, so we'll keep adding more and then keep that high level of customer service in place, simultaneously working on delivery accuracy. Every e-commerce delivery company has a concept called substitution. Substitution is where you maybe order Sparkletts and you get a Primo. We're trying to minimize that as well to really get as accurate delivery as possible. If you deliver -- if you order 10 bottles, we deliver 10, not 8. We're working simultaneously on delivery success rate and delivery accuracy as we add more deliveries to the system every week.

Lauren Lieberman: Okay, and how you mentioned the team and being part of the team, how would you characterize workforce morale around all this disruption and the willingness to adapt particularly as it relates to new technologies?

Robbert Rietbroek: Yeah, I would say it's currently very good. We had deployed new handheld technology to the legacy Primo drivers. This was an effort to align our operating systems with the ERP system that legacy BlueTriton had. Moving from Oracle to SAP and that moves our iPhone based system to the Zebra handheld. The Zebra is more resilient, particularly in warm and hot climates. It doesn't have to cool down or warm up.

Now, the user interface, the associate interface, was different and new for a large part of our workforce. And we've partnered with our IT team to replicate the ease of and the flexibility of the legacy Primo user interface. Which allowed for multiple deliveries a week, maybe a Sunday delivery, maybe a delivery at the Home Depot on the way back to fill the exchange rack, to really allow our drivers to be entrepreneurs and have their own P&L, their own region, and be the master of their own destiny because we work in a commission model. That technology has been upgraded with about over 22 upgrades and replicates very much the interface that we had with Primo. And simultaneously, we do a monthly pulse survey, and we actually saw record high morale last period, so we're very pleased with that.

With regards to the leadership organization, the top 100 people, we pulled them all together, had a kickoff for the company, and we're very excited and the team now is a bit more battle tested and more unified than we've ever been before because of the experience we just went through. There's a lot of a lot of good morale. We love our business. We love our brands. We know this is a business that is accretive, that's free cash flow generating, that is going to be very resilient in the years to come. We see all the price points needed to be able to succeed in a growing economy or even a downturn economy with the refill all the way up to super premium.

And with all of the dynamic around tariffs, we see increased interest in our super premium brands. We're really holding up Mountain Valley and Saratoga as our flagship businesses that the organization is rallying around. I would say we're very pleased with the progress.

Lauren Lieberman: Great. You shared previously that direct delivery churn of 1% to 1.5% was not as bad as you would have expected relative to the extent of disruption. Why do you think that is? And how does that 1% to 1.5% compare to a more normal operating environment churn rate?

David Hass: Sure. We believe that when customers choose to quit, unfortunately that's an experience in this particular case that our service disruptions, product supply and service challenges led to that outcome. Typically, again, we don't have harmonized unified Primo brand data as it takes all of the systems to convert to be able to calculate that effectively. But previously, legacy Primo, which was the largest of the direct delivery businesses, had an annual retention rate when excluding first year customers, of about 86%. And so when we saw obviously the lag effect of the quits that occurred in July, and we're still waiting to understand sort of the August feedback, we were pleased. Obviously, it's an unfortunate situation where we don't want to lose any customer, but we were pleased it wasn't to the degree that maybe we had previously expected or it could have been.

I think it's pretty clear from social sentiment online that people were frustrated. We experienced that in our call center volumes as well. But when you start to look at either public data or call center volumes based on that service resumption and service improvement, a lot of those leading indicators are starting to decline and improve. And in that case, we believe that we're largely through what would be the peak sort of period of frustration. And then that allows us the balance of the year to continue the digital ads that we have been going through as well as the membership programs that we have exclusivity with between Costco and Sam's.

When you look at all of that in summary, we believe that, again, we'll be able to get back to normal levels of retention and it was probably a 2 to 3-month period here that we've experienced the biggest factors of that lagging indicator.

Lauren Lieberman: Okay. Great. And to that point, I know win back programs are the top priority at the moment, but the current expectation seems to be that you can turn your focus to capturing price harmonization in HOD at some point in '26. What metrics will you use to assess when is the appropriate time to start on that work? Because I think you'd want to be careful to not do it prematurely, stabilize the customer base first.

David Hass: Correct. By either geography or by individual customer, we understand where there's been a frustration point. When you look across our approximate 3,000,000 users that receive a delivery from us either at a small commercial or residential contact point, we understand any of those that might have had a service disruption. When you step back and say, okay, a legacy regular refresh customer would have been charged X, a legacy Primo water customer would have been charged Y. Where are they with regard to friction, service, call center interactions? We can go through all that data. As we begin to work through harmonization, we would simply prioritize working through that harmonization effects for those who have been largely unaffected by service.

We will be more patient. Obviously, that was a lever we could have pulled at the beginning of this year. As we started seeing service disruptions, we felt that was inappropriate to do. We will not rush to do that because obviously the large benefit of this merger was the last mile or direct delivery piece of bringing those large service providers together and we don't take that for granted. And we want to make sure that as we improve the service levels and improve this customer satisfaction, that we don't have a footfall with regard to that price harmonization. But that still provides great confidence for where we have avenues to get back to our mid-term algorithm as we approach '26.

Lauren Lieberman: Okay, great. Let's shift gears and talk a bit about retail. Can you just talk about, sticking with pricing, your philosophy of managing price gaps versus private label? And I'm curious here what learnings you may have gleaned in the legacy BlueTriton trade playbook.

Robbert Rietbroek: We have a portfolio that plays at the best value tier with refill and 5-gallon exchange. So that is the best value proposition in the market and that's a business that usually grows at a high single digit or low double-digit clip on a normal basis with the full supply. Refill was unaffected obviously by the integration because it's its own ecosystem. Exchange was somewhat affected, but it's back at the previous stock levels right now as I was validating this week.

Then there's the Pure Life brand, which is really going to be playing against private label as our purified option. We'll always try to maintain a certain price index versus private label. We take a bit more of a premium price on regional spring, i.e., Poland Spring in Northeast, Ozarka in Texas.

And then our super premium spring, Saratoga Mountain Valley, should really be playing at that super premium level. It's approximately right now \$2.99 a bottle to \$3.49 a bottle, and we feel that with that portfolio of price tiers, we can really win across the entire consumer landscape, which is then evidenced by the very strong market leadership position we have amongst branded water companies. And the fact that we're now the third largest volume share player in non-alcoholic branded beverage behind Coke and Pepsi.

We feel that that portfolio is a winning portfolio. Obviously, as we look forward, and this is beyond the integration, we will be an acquisitive company. We'll continue to look at our capital allocation strategy and look at M&A opportunities as well to further drive our branded beverage portfolio forward.

Lauren Lieberman: Okay. Premium brands are only mid-single digit percentage of the portfolio, but their outsize growth makes them a really important contributor to total company top line. What are you most excited about in terms of the growth runway for Saratoga and Mountain Valley?

Robbert Rietbroek: Yeah. Saratoga and Mountain Valley make up about 5% of our global total revenue right now, but if you look at last quarter, Saratoga's retail scans grew over 100%. It was a social media hit through a celebrity called Ashton Hall who dunked his face in water. You've probably all seen it, the banana. But in general, our partnership with the Golden Globes on Saratoga, positioning that as the more glamorous drink of choice for restaurants, for parties in a world where consumers are drinking less alcohol and in a world where 3 categories are growing in the U.S. We have water, protein, and energy in growth and so we're one of 3 categories that are growing and it's becoming more and more fashionable to show up with a beautiful blue bottle at a party for instance or present that at a dinner table, or drink a blue bottle of water or a green bottle of water at the dinner table and restaurant.

We also have aligned Mountain Valley with the American Academy of Country Music Awards. Mountain Valley is a brand from Hot Springs. It's sourced at the source itself and that brand is incredibly popular not just in the South, it's actually really popular in places like the Hamptons and Beverly Hills and Northshore of Chicago. It's a premium brand, but it's available in home delivery and in retail execution. And I would tell you that one of the most exciting projects we're working on is the Saratoga 5-gallon bottle. Saratoga currently is not home delivered in that format, but we're rapidly working on a 5-

gallon format to be able to start delivering that just like Mountain Valley. There seems to be an enormous interest in that and that should come late in the year or early next year.

Lauren Lieberman: Great. You set a long-term EBITDA margin target of 25%. Direct delivery is already close to that level and I think retail is around 20%, but I think more of its synergy capture from the deal comes on that direct delivery side. Can you just walk us through the key considerations on getting to the consolidated 25%?

David Hass: Sure. Primo Brands goes to market as a single segment. However, within the business, a lot of the synergy capture is going to come through the direct delivery system as we have duplicative branches, duplicative production facilities, duplicative headcount across throughout delivery and call center. As you look at the business, when we outlined the original guidance for the year, before synergy consideration, we had about a 20.2% EBITDA outlook on that. It's only about 20 basis points ahead of 2024's final position on a consolidated basis. You can -- and the original guide then contemplated about 23% full year EBITDA margin when considering synergies. So you could see how much the synergies were the driver of that business.

As we revised our outlook recently to \$1.5 billion at the midpoint and 22.2%, again, the large driver there is still going to be the synergy capture across the system. As we end this year and then look forward to more medium and long term of advancing toward that 25% goal, just wanted to remind everyone that again we've not really taken price harmonization activities. That's one lever.

And then when you really start to look at how volume helps our P&L, when you go back to Q1, which was the more normalized performance for this business, we grew top line. 3.0%. 4.2% when taking into consideration the Leap Day impact with that nominal growth. But on algorithm, we were able to grow EBITDA close to 12% and had a nice I think over 100 plus basis points of EBITDA expansion. Volume is the gift through the system that really drives that behavior. And then we, again, have really yet to lean in on price harmonization, so we believe that both of those are avenues that allow us to make that walk in successive years toward that 25% goal.

Lauren Lieberman: Okay, great. And just relatedly, how should we think about fixed versus variable costs? Like how -- and you mentioned volume is a gift. How sensitive is the business?

David Hass: Our largest cost drivers, and I'll talk about those quickly, are labor, fuel, obviously diesel being a large product as well as an oil derivative in resin because a lot of everything we do comes in a PET format, freight and packaging. When you look across those variables, over the last several years we've had fits and starts of different cost challenges, but we seem to be in a very moderate environment, most notably on the labor side.

In the post-COVID period, we had some challenges there, but when you step back and say, okay, when we were in Q1 delivering close to 2.8% of that 3% non Leap adjusted growth, that was all through volume. And again, that was a large driver. Again, when we can get back into a volume accretive position where we are not experiencing these service disruptions, we feel that that really helps the bottom line perform at that point.

Lauren Lieberman: Okay, great. And then you stood by the long-term guidance for \$1 billion in free cash flow by 2027. Can you just talk about some of the specific initiatives you're looking to go after in terms of working capital improvements to support that?

David Hass: Sure. To this point, as we've been bringing the systems together, we've really not addressed a lot of the A/R efficiencies that are possible. Over time, A/P efficiencies will

continue. You've heard Robbert talk about we are proactively leaning in on extra inventory to make sure we don't have product supply shortages. Originally, that \$1 billion was an approximate 50% conversion of that future state adjusted EBITDA. Today, even on a trailing 12-month basis, we're about 120 basis points ahead of that schedule. We're at about 51.2%. Obviously, since we provided that \$1 billion guidance, a lot has changed in the political landscape. The one big beautiful bill really has a lot of avenues for benefits.

We've also repriced some of our long-term debt. That has provided interest tailwinds to us, U.S. interest expense tailwinds to us. And while we don't control the macro or interest rate environment, we feel like we have a lot of access both in future refinancing levers, future drivers of EBITDA capture, as well as most importantly the areas you mentioned and really going after the A/R efficiencies and working capital area elements. Notably in inventory where we can get a more normalized state. So again, we feel pretty confident that that's a great opportunity for us as the company to hit that \$1 billion goal.

Lauren Lieberman: Okay, great. Want to touch about, talk about capital allocation. You've got a \$250 million buyback that you announced in early August. What are your capital allocation priorities?

David Hass: Yeah. Obviously, we don't want to be in a position where we're off algorithm, but clearly, we will prioritize capital that goes into the business that helps drive and focuses on the growth of the top line. Whether that's in OpEx form or CapEx form. Great examples of that are we recently broke ground on a brand new facility for Mountain Valley that will help unlock some of the constrained supply that we have to sort of feed this growth. Saratoga is not in that position, so we've only invested minorly in things like an extra line and such. We will continue to prioritize areas and avenues that help stimulate the top line.

Second, we believe that obviously we have areas to decrease the overall net leverage of the business. We started the year around 3.3x, have opportunities to reduce that. Clearly in the case of a selling shareholder as well as a very opportunistic value chance to buy shares, we've prioritized that in the near term. We do have a dividend policy that produces about a \$0.40 annual dividend.

And then we will consider M&A. And where the company has really thrived in M&A in the past is doing tuck-in acquisitions that are regional or localized home and office delivery businesses. Those become incredibly accretive. We have a long history of consolidating close to 80 or 80 plus of these over the last 5 plus years and they do not require the scale or the effect of the integration that we've gone through of merging ready refresh and legacy premium. We believe that will still be an area. Second to that, acquisition, we will start to look at other beverage opportunities, but we'll be more patient as we really need to prioritize fixing the business in its current state.

Lauren Lieberman: Okay, just in the minute or two we have left, I just wanted to follow up on the other beverage brands or categories piece. I just -- I'm a bit curious, I think previously you talked about white spaces like protein and isotonic. And I guess -- I think picking the winners in beverages is hard, right? Just like picking the winners in beauty is hard. There's a lot of cool brands out there, but which ones really scale and get to the next level is very challenging. I guess when you think about that and knowing it's the last on the list and probably a little bit further out in the future, what's the key? How do you pick those winners? Or is it just the fact you've got this captive route to market that you think that's a key element of being able to take a cool brand like I phrased it to scale?

Robbert Rietbroek: Yeah. Our core brands are all in the water space right now. We do have sparkling and still and flavored and we look at the category through lens of healthy hydration. Our mission is to really drive health in the market and therefore we would be prioritizing

water adjacent products that have functional benefits, potentially flavor benefits. And we call that water plus. But we would be less interested in the spaces that have artificial ingredients, artificial preservatives, artificial flavors, and think about flavored, sparkling, potentially isotonic, potentially functional. That's the space we're looking at. But we're also open to the space around filtration and refill, which is a big part of our business. We're constantly looking at that part of the market as well.

Lauren Lieberman: Okay, great. We'll wrap it up there. We are going to go to a breakout, so please join me in thanking Primo Brands for coming to the conference.

David Hass: Thank you.

Robbert Rietbroek: Yeah. Thank you so much.