



TFSA Investors: 1 Bottled Water Value Stock to Buy

Description

Primo Water (TSX:BCB)(NYSE:COT) is a leading [pure-play water solutions](#) provider in North America, Europe, and Israel. Primo operates largely under a recurring razor revenue model. The razor in Primo's revenue model is the company's industry leading line-up of sleek and innovative water dispensers, which are sold through major retailers and online at various price points or leased to customers.

The dispensers help increase [household penetration](#), which drives recurring purchases of Primo's razorblade offering. Primo's razorblade offering is comprised of water direct, water exchange, and water refill. Through the company's water direct business, Primo delivers sustainable hydration solutions direct to the customer's door, whether at home or to commercial businesses.

Extensive water solutions

Through the company's water exchange and water refill businesses, Primo offers pre-filled and reusable containers at over 13,000 locations and water refill units at approximately 22,000 locations, respectively. Primo's water solutions expand consumer access to purified, spring and mineral water to promote a healthier, more sustainable lifestyle while simultaneously reducing plastic waste and pollution.

Primo ensures strict adherence to safety, quality, sanitation, and regulatory standards for the benefit of consumer protection. In the third quarter of 2020, the company's United States operations achieved a carbon neutral certification under the Carbon Neutral Protocol international standard. This certification is in addition to the certifications in the company's European operations, where it has maintained carbon neutrality for the past nine consecutive years in several markets.

Superior customer service

The company's scale and density in key markets, industry-leading infrastructure, and Primo's emphasis on superior customer service has created significant competitive strengths. Primo continually invests in delivery, exchange and refill infrastructure, call centres and service capabilities to earn a well-

deserved position as an industry leader. These investments have positioned it to capitalize on a number of positive industry dynamics and new growth opportunities.

The company intends to capture new customers, as it capitalizes on favourable consumer trends across addressable markets, including increased focus on health and wellness, and concerns about deteriorating municipal water quality. Second, Primo's ability to cross-sell complementary water and filtration products and services represents a significant untapped opportunity. Third, the highly fragmented market in which it operates affords Primo ample opportunity to execute synergistic tuck-in acquisitions across all service areas. These strengths will allow it to capitalize on growth opportunities to drive sustainable and profitable growth.

Filtration leader

Primo has a leading volume-based national presence in the North American and European residential and commercial industry for bottled water. It offers a portfolio of well-known brands with longstanding heritages, which have contributed to the company's leadership position in the residential and commercial bottled water industry.

In water filtration, the company offers a complete range of products, including carbon filtration and reverse osmosis filtration. The company is one of the leading direct-to-customer providers that can offer comprehensive services to residential customers and small- and medium-sized businesses as well as large regional and national corporations and retailers.

Primo's broad direct-to-consumer network creates an advantage in marketing and customer reach, while the company's extensive range of products and capabilities allow it to offer customers a convenient, single solution for high-quality drinking water.

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