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WHAT EXACTLY IS
ALKALINE WATER?

CSE:WTER | NASDAQ:WTER

A CELEBRITY- ENDORSED FORCE DOMINATING A BOOMING DRINKS MARKET

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THE BOTTLED
WATER BRAND
SHAKING UP AN
ENTIRE INDUSTRY

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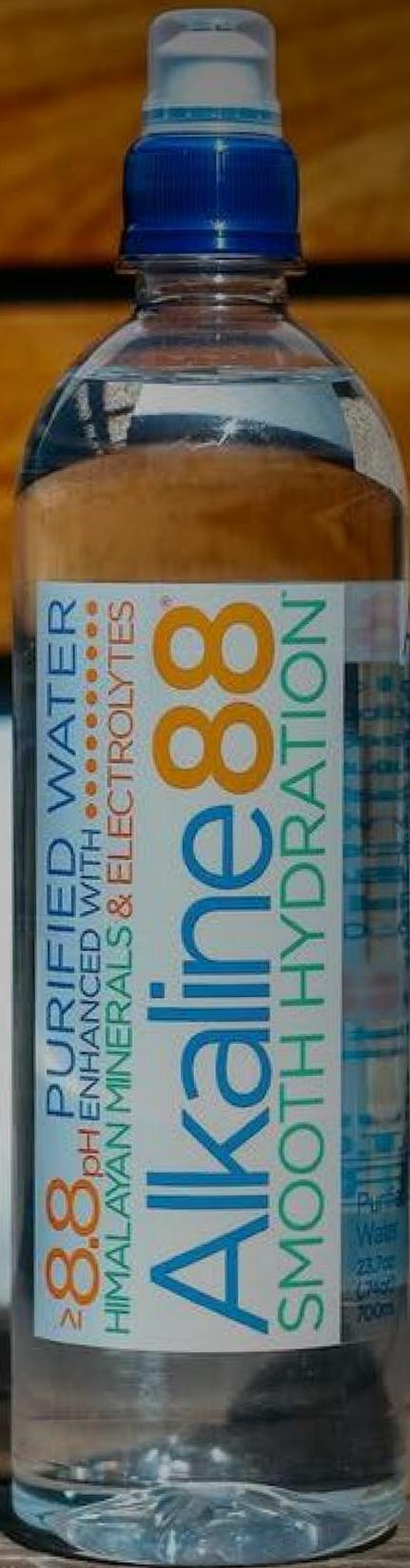
FROM START-UP TO
SECTOR LEADER

Already the largest
independent alkaline
water company in the US
and outpacing its nearest rival
five times over

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The Bottled Water Brand Shaking Up An Entire Industry.



Bottled water.

On first impression, you might not think there's much of a market here for a challenger brand. After all, it's such an established space, you'd probably imagine it has been long dominated by just a few key players.

But think again.

When you read about what **The Alkaline Water Company** has already done, how it's grown, and how it plans to continue growing in the future...

You'll quickly realize that a huge opportunity remains in this sector for smart investors.

Indeed, as you'll see in this special report, the bottled water **The Alkaline Water Company** is producing is no ordinary bottled water.

In fact, as you'll soon find out, the market itself is not as simple as you might have first thought.

You see, within the overall bottled water industry, there are numerous niche sectors that themselves are worth billions.

For example, the alkaline water category—one of **The Alkaline Water Company's** main areas of focus—is set to be worth a massive \$1.3 billion by as soon as 2023.

But as you'll also find out, though the work the firm has done (and continues to do) in this space with its flagship brand—Alkaline88—is exciting, its imminent expansion into other sectors is set to result in even greater revenues.

Bottom line is, the story of **The Alkaline Water Company** is really one of continuing growth.



Having overcome the odds by introducing a relatively unknown product into a well-established market, the business's focus is now on further building the excellent awareness it has established and leveraging it to expand its reach and range.

Indeed, when you learn that legendary basketball player turned shrewd businessman Shaquille O'Neal recently came on board as a brand ambassador, and that the consistently higher revenues the company is racking up haven't even enjoyed the fruits of this endorsement yet...

You'll begin to see just how exciting an investment opportunity **The Alkaline Water Company** represents.

Though you would have never thought it on first impression, you'll soon understand why this particular bottled water firm could be one of the smartest investments you make this year.



What Exactly Is Alkaline Water?

Before we explore why The Alkaline Water Company is such an exciting proposition for investors right now, we should step back briefly.

Indeed, you may well be wondering...

What exactly is alkaline water?

It's a reasonable question. Sure, the sector is growing at speed and more and more people are starting to choose alkaline water over regular bottled water...

But why?

Well, alkaline water, as the name suggests, is water with a higher-than-normal pH level.

Take **The Alkaline Water Company's** flagship product—Alkaline88—as an example—it has a pH level of 8.8, rather than the neutral 7 that you would find in regular drinking water. It also contains Pink Himalayan Rock Salt, which itself has many perceived health benefits.



WHAT EXACTLY IS ALKALINE WATER?

It all combines to create a water that provides superior hydration, as well as what many consider superior quality and superior taste.

And its factors like these that **athletes such as LeBron James and Tom Brady** and **celebrities like Mark Wahlberg and Beyonce** cite in particular when singing the praises of alkaline water in general.

It's a trend that's been growing and is now becoming a lot more mainstream, which is echoed in the consistent revenue growth **The Alkaline Water Company** is seeing month after month after month.

In fact, it's already the largest independent alkaline water company in the US and is outpacing its nearest rival five times over.

How?

We'll explore that in the next section, and we'll look at why, far from being over, the rise of **The Alkaline Water Company** is only just beginning, making it the perfect time for smart investors to get on board.

From Start-Up To **Sector Leader**



Of course, there are many reasons why **The Alkaline Water Company** has been able to establish such a dominant position in the alkaline water sector over the last decade.

There's the super-focused leadership team that has been driving the growth...

There's the fact that alkaline water and alkaline diets have themselves been attracting more and more interest...

And there's the organic interest generated from respected athletes and celebrities endorsing the product.

But perhaps one of the biggest drivers of the business's success so far is simply the sensibly structured and strategic approach it has taken from the very beginning.



The Alkaline Water Company began by establishing an extensive but focused range of products it was able to market effectively to quickly establish a recognizable brand.

As mentioned before, the flagship product—Alkaline88—is now available in many different formats to suit various needs.

But at the same time, the company also wisely chose a distribution model that would help its range to be put in front of as many potential customers as possible.

You see, by using what it calls a direct-to-warehouse approach, the company is able to take advantage of a network of regional and national brokers and co-packers (or contract packers) to get products into a vast number of stores very quickly.

STRONG BROKER NETWORK & STRATEGIC CO-PACKER

Co-Packaging Facilities

- Alton, VA
- Phoenix, AZ
- Los Angeles, CA
- Commerce, CA
- Arlington, GA
- Waco, TX
- Leesburg, FL
- Navasota, TX
- Ambridge, PA



Broker Network

- Advantage Solutions
- Archpoint Group
- CA Fortune
- Carlin Group
- Impact Group
- JOH
- Bellator Group

Indeed, years spent developing such a focused range of products and distributing them to consumers as efficiently as possible has positioned **The Alkaline Water Company** perfectly.

For one, it's been able to establish a huge national footprint.

In fact, the company's alkaline water portfolio—and its increasing number of CBD products—can now be found in more than 75,000 major retail locations across the US.

These sites range from grocery majors like Walmart, Safeway, and Whole Foods to leading pharmaceutical chains like Rite Aid and discount retailers like 99 Cents Only.



In addition to this, the company also enjoys unparalleled brand loyalty.

Alkaline88 is not only the “most loved” brand in the US alkaline water category, but a striking 50% of sales come from shoppers buying four or more times. In other words, once a customer buys an Alkaline88 product, they are highly likely to buy it again.

So, what do this strong presence and growing army of loyal followers mean for **The Alkaline Water Company** and its investors?

Well, for one thing, both factors have resulted in some truly impressive growth figures.

For example, having enjoyed an impressive compound annual growth rate of more than 52% over the last six years, **The Alkaline Water Company** is now **the largest independent, non-flavored water company in the whole of the US.**



Not only that, but consider:

It's the only top 10 value-added water company to have grown by double digits in *every month* since 2019...

It's outperformed the broader value-added water category in the past year by an impressive 11.8% and 16.7% in dollar and unit volume respectively, and...

Over the year to May 2021, it's one-gallon Alkaline88 bottle was the third best-selling of *all* branded one-gallon water products in the US.

The list of impressive feats goes on. But perhaps even more importantly for investors, it's also critical to note that **The Alkaline Water Company's** rapid growth has translated into strong balance sheet performance too.

Take the firm's financial results for its fiscal year to 31 March as an example...

Here, it revealed record revenues of **\$46 million**—a 20% year-on-year jump—alongside gross profits of \$16.4 million, a quarter higher than fiscal 2020.

It's no wonder **The Alkaline Water Company** has already seen its share price rise from around \$0.50 to north of \$1.75 in *spite* of the pandemic.

But still, as you'll see in the next section, there's still so much more room for this firm to grow...

Proven Products For Proven Buyers: The Alkaline Water Company's Exciting Growth Plans

You now know that the alkaline water trend has been on a major, multi-year tear.

You also know that The Alkaline Water Company's shrewd approach and strong product range have seen it become one of the sector's premier players.

But as we've already suggested...

This is really only the start of something much bigger.

You see, "value-added water"—water containing added flavors, vitamins, and nutrients—is far from a flash in the pan. The value of the space in the US alone is projected to reach an incredible *\$6.5 billion* within just two years.

And, excitingly, alkaline water itself is expected to be one of the key drivers behind this area's growth. Forecasts project a rise in sales from less than \$95 million in 2015 to some \$1.3 billion by 2023. That's a fifth of the *entire* value-added water space.

For its part, The Alkaline Water Company is focused on gaining exposure to as much of this upside as possible.

The million—or rather *billion*—dollar question, then, is:

How?

Well, first, there's its drive to continue expanding its retailer footprint across the US.

More than 75,000 stores may *sound* like an awful lot, but it's really still a small slice of the total number of existing outlets where The Alkaline Water Company's products could be sold.

More than
75,000 stores

So, to enable the growth of this small slice, the firm is rapidly bolstering its production capacity by doubling its employee count, adding new raw material manufacturers, and hiring new brokers and co-packers.

Doubling its employee count

Its work here is already bearing significant fruit, with Alkaline88 and A88CBD (the name for its range of CBD-based products) entering retailers such as Yesway, Cefco, Meijer, Harris Teeter, Giant Foot, and United Pacific for the very first time in 2021.

Stocked in major retailers

Most recently, the business even revealed that its products will be available in nine major US airports, exposing it to millions of customers from all around the world.

Available in nine major US airports

And moving forward, the continued growth of these outlets—and, in turn, **The Alkaline Water Company's** US-wide footprint—is alone expected to drive significant revenue and profit growth in the current financial year.

But to capitalize fully on rapid growth in the alkaline water sector itself, **The Alkaline Water Company** is going even further.

As you'll see next, the firm is now using its strong existing presence and powerful brand to penetrate a range of additional sales channels *beyond* traditional bricks and mortar retail...

Four Exciting New Channels Driving Record Growth For The Alkaline Water Company

1

HOSPITALITY & FOODSERVICE



Surprisingly, despite accounting for just 13% of all bottled water drunk in the US, hospitality venues account for close to 50% of total dollars sold in bottled water every year.

Clearly, this represents a golden opportunity for a business like **The Alkaline Water Company**. So, the firm recently hired industry veteran Gary Bliss as its director of hospitality to oversee its aggressive push into the \$14 billion-a-year market.

In Bliss's short time with the company so far, the organization has already signed deals to have its products in more than 800 gyms, fitness centers, and spas nationwide and in more than 100 retail locations across nine major US airports serving hundreds of millions of passengers a year. The company has also partnered with DOT Foods, the largest food redistributor in the US.

With **The Alkaline Water Company** recently re-emphasizing its commitment to hospitality with plans to add more distributors and brokers...

It seems likely the space will become an increasingly pivotal revenue stream for the company as its scale-up continues.

2

E-COMMERCE



The Alkaline Water Company knows the power of online retail. That's why it has set up online stores for both its Alkaline88 and A88CBD ranges and has worked to get its products onto online retail platforms like Amazon, Walmart, and Kroger.

But now it plans to do more.

The company hired Chris Pittman as its director of e-commerce to increase its online presence and ensure the web is responsible for a larger portion of its overall revenue mix.

In his previous role at one of the company's major competitors, Essentia, Pittman successfully grew e-commerce over 160% into a force that accounted for an estimated \$40 million of total revenue.

Now, **The Alkaline Water Company's** goal is for him to do the same—and even more—for its own online operations.

3

DIRECT STORE DELIVERY



It's well established that beverage start-ups can grow their sales by up to three times their baseline by partnering with premier direct stock delivery—or “DSD”—providers.

Why?

Well, as the name would suggest, a DSD strategy is one where goods travel directly from suppliers to retailers. The DSD providers work to ensure that the products they carry are always in stock on the shelves and looking good.

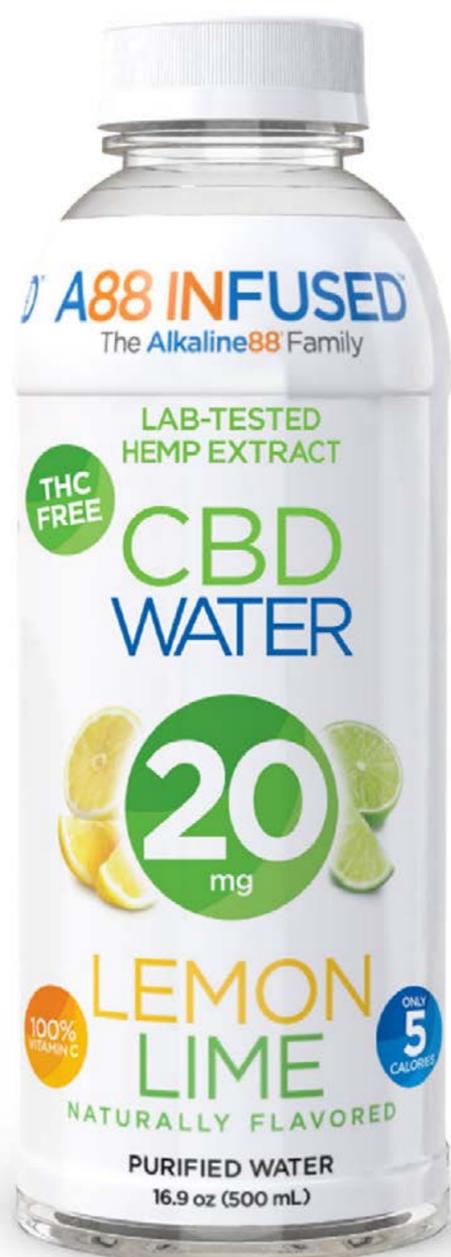
With this in mind, **The Alkaline Water Company** has started to establish a network of DSD distributors to complement its direct-to-warehouse model.

Specifically, the firm's plan is to use the strategy to increase its penetration of the enormous US convenience store channel where DSD networks are very common.

And after recently striking deals with DSD providers like Hensley, Nevada Beverage, and others, the company's DSD network now has access to 50,000 potential convenience store customers.

4

CBD BEVERAGES



Having already demonstrated its ability to build a successful brand in the functional drinks space with Alkaline88...

The Alkaline Water Company now plans to take its expertise to a range of additional, related markets.

First up is the CBD water space, with the company recently unveiling its line of six A88CBD functional waters.

Once again, this represents an enormous opportunity, with the CBD beverages space expected to grow from \$163 million in 2020 to more than \$1.9 billion by 2026.

And thanks to the existing strength and familiarity of its existing brand, **The Alkaline Water Company** is positioned to quickly take a dominant lead in this booming market.

A similar pivot saw competitor Celsius grow from around \$4.60 a share at the beginning of 2020 to nearly \$90 today with a valuation of \$6.4 billion. If **The Alkaline Water Company** can replicate even a fraction of this success through its own pivot into new functional drinks markets, it could be transformational.

On Track For Record Growth This Year And Beyond

When it comes to **The Alkaline Water Company's** balance sheet...

The positive impact of its enormous expansion efforts is already clear.

Indeed, the firm recently revealed its thirty-third straight month of record year-over-year sales.

Specifically, it generated **\$14.1 million** in revenues over the period, an increase of **19.6%** on a two-year stacked basis, alongside a gross profit of **\$4.8 million**.

Likewise, the company also highlighted extremely encouraging data recently from Catalina Hub360 in the results. In fact, this shows that Alkaline88 sales have jumped by a third compared to the same four-week period last year.

On their own, the data and the figures are an encouraging testament to the effectiveness of **The Alkaline Water Company's** growth plans, even at this early stage.



But things get really exciting when you consider their implication on the firm's longer-term outlook.

In fact, performance was so encouraging over the period, that the business re-stated its full-year fiscal 2022 revenue forecast of \$62 million. For context, that would represent incredible year-over-year growth of 35%.

Likewise, the firm said it is also on track to hit its strong estimated gross profit figure of \$23.5 million over the 12-month period.



It all sets the scene for The Alkaline Water Company to move rapidly closer to its overarching goal of becoming the world's largest alkaline water company.

And, of course, it sets the company up for a long-term and potentially sharp increase in its share price and valuation.

This is particularly exciting for investors thanks to the ongoing trend in the US beverage sector for rapidly growing, up-and-coming brands to be purchased by their larger rivals at a price of between three to five times revenue.

Just take a look at the image below for a number of examples of this trend in action:





Bottom line is, while **The Alkaline Water Company** has already delivered superb returns for its investors to date, the fact that its aggressive expansion plans are already beginning to have a huge impact on revenues and profits positions it for much bigger things in the future.

This is especially the case when you also consider the company has healthy cash reserves of \$4.5 million as of September 2021, which minimizes the need for additional shareholder dilution.

And it's worth pointing out that this doesn't even include the proceeds of the recent \$5 million placing and the \$20 million Roth Capital Partners facility, from which the company is yet to draw down.

Any way you cut it here, the numbers for **The Alkaline Water Company**—and the prospects for investors who get in now—are looking very, very good.

This Bottled Water Company Could Be The Smartest Play You Make This Year

The scale of **The Alkaline Water Company's** ambition is clear for all to see.

In fact, CEO Ricky Wright recently reiterated the firm's goal of becoming the world's largest alkaline water company in its most recent quarterly earnings call:

*"In my opinion," he commented, "there's an amazing opportunity for **The Alkaline Water Company** to become one of the most successful start-up beverage companies in history."*

As you can see from the work the company has already done and the strategy it has in place...

His ambition is not unrealistic.

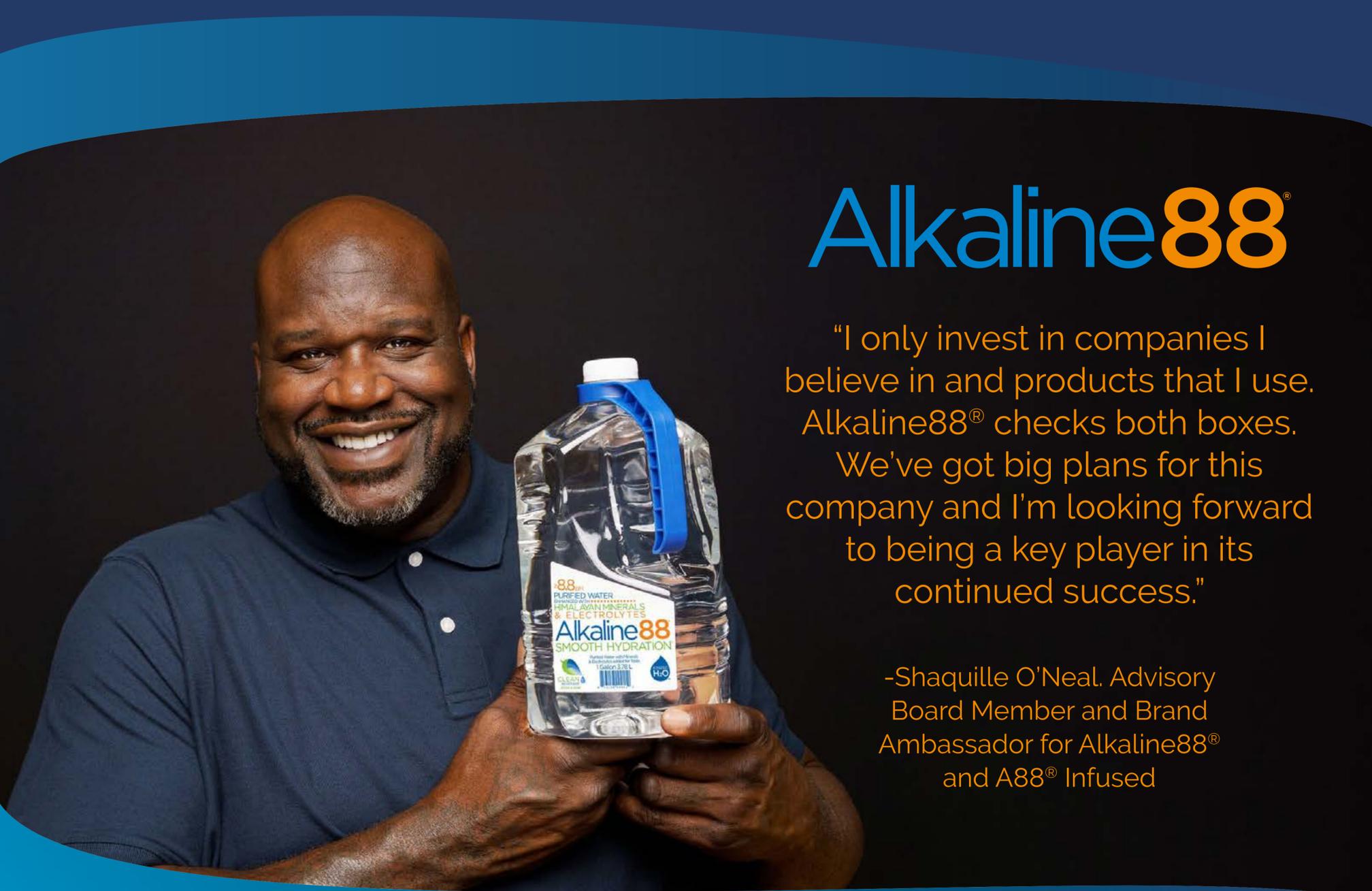
Indeed, plans to push out beyond the USA—with licenses and agreements to sell in Mexico, Canada, and Puerto Rico already in place—is another factor that will help Wright and his team to achieve their goal.

And the fact is, we've not even fully explored what could be one of the biggest catalysts for growth in the coming weeks and months.

You see, as mentioned at the top of this report, **The Alkaline Water Company** recently signed a deal with the legendary Shaquille O'Neal to become a brand ambassador.

THIS BOTTLED WATER COMPANY COULD BE THE SMARTEST PLAY YOU MAKE THIS YEAR

The former basketball ace turned businessman joined the firm's board of advisors earlier this year. He then immediately went on to display his belief in the business's potential when he put \$1million of his own cash into a \$5 million placing alongside chairman Aaron Keay.



Alkaline88[®]

"I only invest in companies I believe in and products that I use. Alkaline88[®] checks both boxes. We've got big plans for this company and I'm looking forward to being a key player in its continued success."

-Shaquille O'Neal, Advisory Board Member and Brand Ambassador for Alkaline88[®] and A88[®] Infused

The Alkaline Water Company's plan now is to leverage Shaq's status under the guidance of new marketing director Tom Hutchison—formerly of Sprouts Farmers Market.

Efforts here have already kicked off in earnest, with the company announcing its first Shaq-branded product—a six-pack of one-liter bottles of Alkaline88 water called the "Shaq Paq".

THIS BOTTLED WATER COMPANY COULD BE THE SMARTEST PLAY YOU MAKE THIS YEAR

It's another reason why **The Alkaline Water Company** looks like such a good play right now.

The Shaquille O'Neal deal...

The industry experts coming on board to target e-commerce and hospitality...

The increased distribution around the country and in airports nationwide...

The continually upward revenue trend...

The growing brand loyalty and repeat business...

The potential buy-out interest from a multi-national...

The evidence that The Alkaline Water Company represents a smart investment is clear.

Yet right now it is still massively undervalued by the market.

That said, with so many new developments ahead that could attract a lot of attention for the company, this might not be the case for much longer.

Indeed, **The Alkaline Water Company's** aim to become the world's most well-known alkaline water company is looking more achievable every day.

And investors who claim a piece of the company now could well be looking at a very nice payday if the company's ambition becomes a reality.

Seven Reasons To Add The Alkaline Water Company To Your Portfolio Today

1

With Shaquille O'Neal recently coming on board as a product ambassador, the brand equity of Alkaline88 and The Alkaline Water Company's other associated products is set to rise to a whole new level.

2

The employment of industry veteran Garry Bliss to focus on and expand the company's reach into the hospitality and food service industries is one of many major catalysts that could see sales increase significantly over the coming months.

3

Having already established itself as a leading brand, The Alkaline Water Company no longer faces the same challenges it did as a start-up and can now focus on expanding its reach and range. Plus, having already established its brand, it has a natural advantage in new sectors.

4

The fact the company recently racked up its thirty-third straight comparable quarter of record sales in Q1 fiscal 2022 shows just how strong the trend is for growth and, given all the recent developments and deals that this period doesn't even cover, it seems likely the trend will continue.

5

Bringing Chris Pittman onboard to target growth through e-commerce could be another huge catalyst that sees sales increase and the brand's equity become even stronger. Sales are already up online as a result, and Pittman's proven experience will surely see that trend continue.

6

Thanks to the significant market share it's already claimed, there is serious potential for **The Alkaline Water Company** to become the target of a takeover by one of the larger multinationals who have a stake in the industry, potentially at three to five times revenue.

7

The pivot into CBD beverages could be huge, with the emerging space on track for considerable growth. The additional revenue from this venture alone could be transformative and, as an already established brand, the company has a major advantage over many competitors.



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Alkaline88[®]

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