



MOLSON
COORS beverage
company

2023 Strategy Day

MOLSON
COORS
STRATEGY DAY • 2023

Forward Looking Statements

This presentation includes "forward-looking statements" within the meaning of the U.S. federal securities laws. Generally, the words "expects", "intend", "goals", "plans", "believes", "continues", "may", "anticipate", "seek", "estimate", "outlook", "trends", "future benefits", "potential", "projects", "strategies," and variations of such words and similar expressions are intended to identify forward-looking statements. Statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements, and include, but are not limited to, statements with respect to expectations of cost inflation, limited consumer disposable income, consumer preferences, overall volume trends, pricing trends, industry forces, cost reduction strategies, shipment levels and profitability, the sufficiency of capital resources, anticipated results, expectations for funding future capital expenditures and operations, debt service capabilities, timing and amounts of debt and leverage levels, market share, expectations regarding future dividends and the impact of the coronavirus pandemic on our operations, liquidity, financial condition and financial results. Although the Company believes that the assumptions upon which its forward-looking statements are based are reasonable, it can give no assurance that these assumptions will prove to be correct. Important factors that could cause actual results to differ materially from the Company's historical experience, and present projections and expectations are disclosed in the Company's filings with the Securities and Exchange Commission ("SEC"). These factors include, among others, the deterioration of general economic, political, credit and/or capital market conditions; our dependence on the global supply chain and significant exposure to changes in commodity and other input prices and the impacts of supply chain constraints and inflationary pressures; economic conditions in our markets; loss or closure of a major brewery or other key facility; cybersecurity incidents impacting our information systems, and violations of data privacy laws and regulations; our reliance on brand image, reputation, product quality and protection of intellectual property; constant evolution of the global beer industry and the broader alcohol industry, and our position within the global beer industry and success of our product in our markets; competition in our markets; our ability to successfully and timely innovate beyond beer; changes in the social acceptability, perceptions and the political view of the beverage categories in which we operate; labor strikes, work stoppages and other employee-related issues; ESG issues, including ESG targets, goals, commitment and programs; the Company's investments in socioeconomic programs and related impacts; greenhouse gas emissions, water management and other environmental efforts; reuse and recycling and waste reduction measures; agricultural, raw materials and other sourcing matters; climate change and other weather events; inadequate supply or availability of quality water; our dependence on key personnel; our reliance on third party service providers; impacts related to the coronavirus pandemic; investment performance of pension plan holdings and other factors impacting related pension plan costs and contributions; failure to comply with debt covenants or deterioration in our credit rating; default by, or failure of, our counterparty financial institutions; impairments of the carrying value of our goodwill and other intangible assets; the estimates and assumptions on which our financial projections are based may prove to be inaccurate; our reliance on a small number of suppliers to obtain our input materials; termination or changes of one or more manufacturer, distribution or production agreements, or issues caused by our dependence on the parties to these agreements; risks relating to operations in developing and emerging markets; unfavorable outcomes of legal or regulatory matters; fluctuations in foreign exchange rates; changes in tax, environmental, trade or other regulations, including the regulation of distribution systems; our ability to implement our strategic initiatives; success of our joint ventures and partnerships; shareholder activism efforts; and other risks discussed in our filings with the SEC, including our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. All forward-looking statements in this presentation are expressly qualified by such cautionary statements and by reference to the underlying assumptions. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Information: Please see the Appendix to find disclosure and applicable reconciliations of non-GAAP financial measures discussed in this presentation.

Market and Industry Data: Further, the market and industry data used, if any in this presentation, are based on independent industry publications, customer specific data, trade or business organizations, reports by market research firms and other published statistical information from third parties, including Circana for U.S. market data and Beer Canada for Canadian market data (collectively, the Third Party Information"), as well as information based on management's good faith estimates, which we derive from our review of internal information and independent sources. Such Third-Party Information generally states that the information contained therein or provided by such sources has been obtained from sources believed to be reliable.



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Chief Financial Officer

TRACEY JOUBERT



Focused on Delivering Sustainable Growth

Long-term growth algorithm designed to deliver net revenue growth fueled by reinvestment across the business



Revenue growth, combined with multiple margin levers expected to drive attractive earnings growth

Strong free cash flow generation and substantially improved balance sheet, expected to provide increased optionality to drive shareholder return

Built a Strong Foundation for Growth

Consolidated

	2017 – 2019 [CAGR]	2022	FY23 Guidance*
Net Sales Revenue (constant currency basis)	Low-Single Digit Decline	High-Single Digit <u>Growth</u>	High-Single Digit <u>Growth</u>
Underlying Income before Income Taxes (constant currency basis)**	Low-Single Digit Decline	High-Single Digit <u>Growth</u>	+23-26%

Introducing Our Long-Term Growth Objectives

	L-T Annual Growth Algo
Net Sales Revenue (constant currency basis)	+LSD%
Underlying Income Before Income Taxes (constant currency basis)*	+MSD%
Underlying Earnings per Share*	+HSD%

MARGIN EXPANSION LEVERS



Pricing Opportunities



Premiumization / Positive Mix Shifts

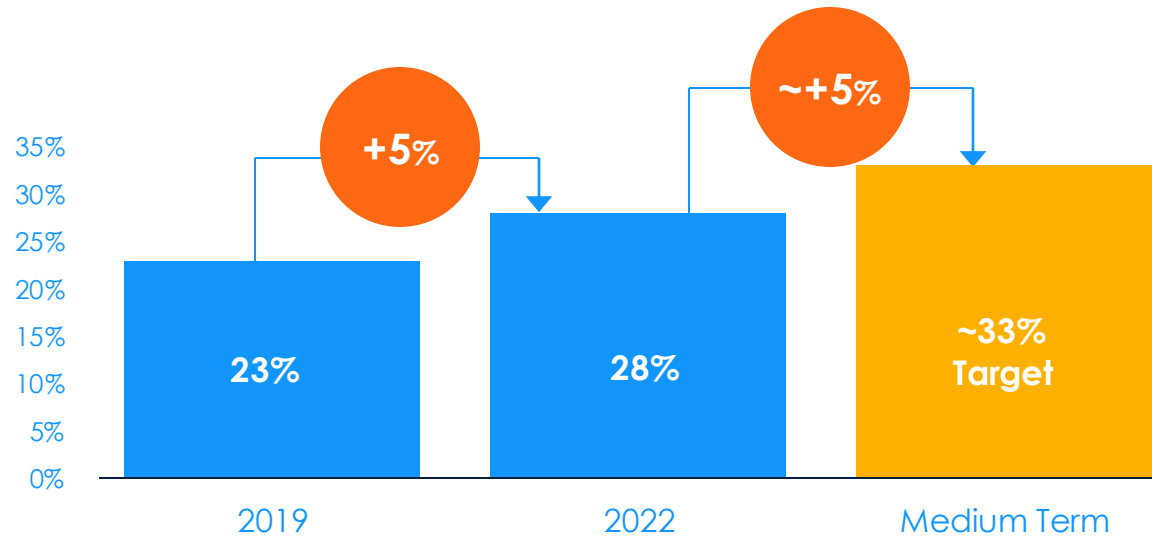


Productivity and Cost Savings

Note: Margin reflects Underlying Income before Income Tax margin and supports long-term growth algorithm assumption of bottom-line growth exceeding top-line growth.

Premiumizing Our Portfolio

Above Premium as a Percentage of Global Net Sales Revenue*



* Represents percentage of total consolidated net sales revenue on a brand volume basis; excludes contract brewing, factored brands and wholesaler non-owned brands.

Realizing Productivity and Cost Savings

INVESTMENTS IN CAPABILITIES:

- Added capacity and capabilities around flavor production and co-packing
- Employing World Class Supply Chain methodologies
- Expanded supplier base
- Replaced breweries in Canada with state-of-the-art facilities
- Modernizing Golden Colorado brewery



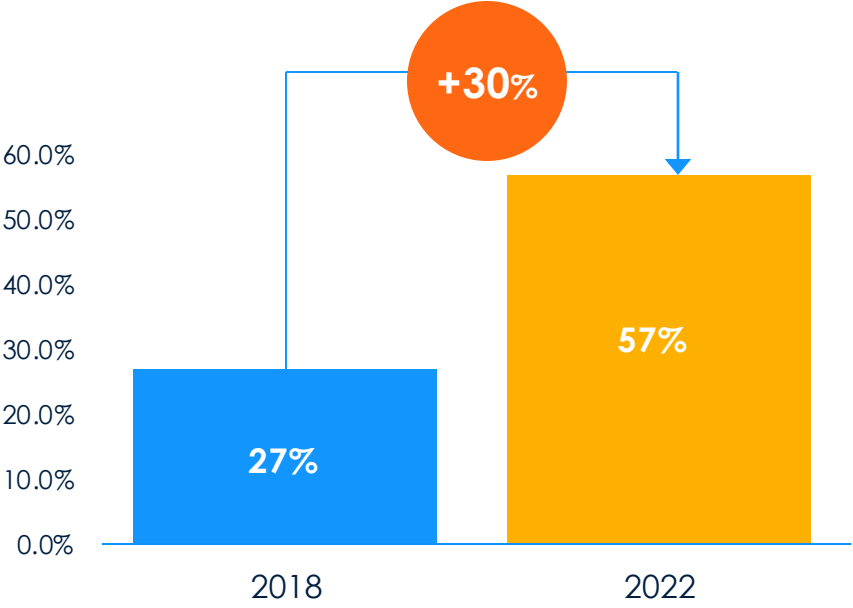
Managing Our Cost Structure

COMMODITIES HEDGING PROGRAM:

- Typically hedge commodities over 1-3 years, depending on the commodity
- Opportunistic approach utilizing guardrails
- Insulates from large swings in commodities pricing

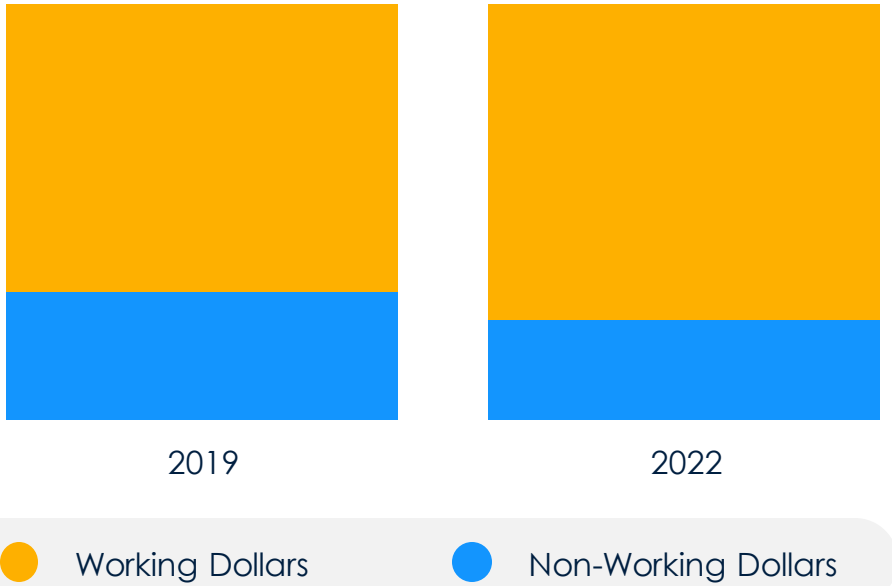


Increasing Marketing Effectiveness & Efficiency



Note: Digital as a % of total U.S. media spend

Evolving strategy with increased digital marketing provides flexibility



Reduced percentage of spend on non-working dollars by 7 percentage points since 2019 in U.S.

IMPROVED OPTIONALITY IN CAPITAL ALLOCATION



Investing in
the Business



Reducing
Net Debt



Returning Cash
to Shareholders

Investing in Our Business



Golden, Colorado Brewery Modernization



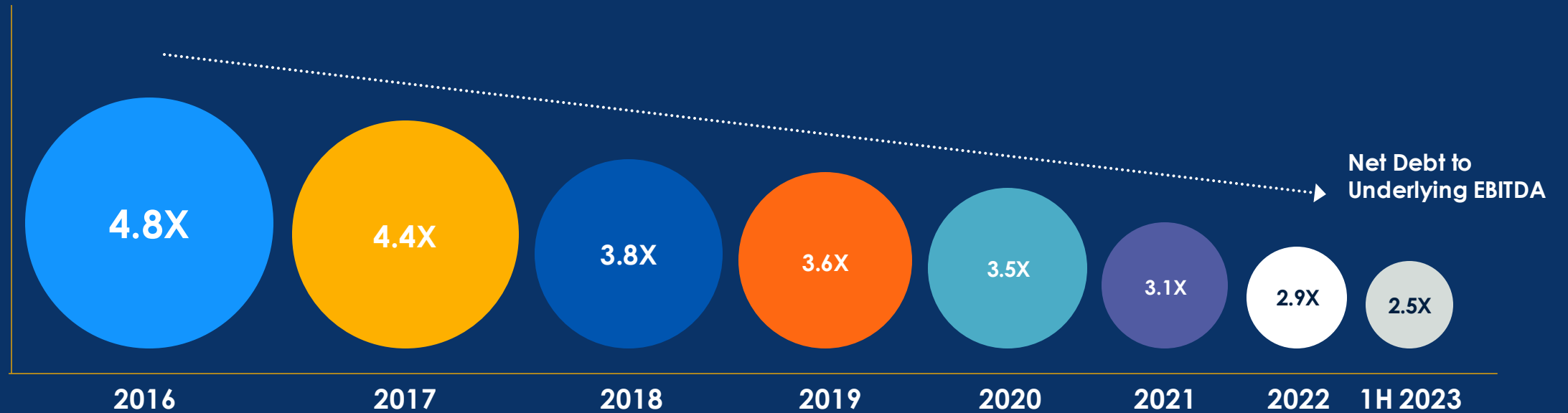
New State-of-the-Art Canada Brewery



String of Pearls M&A Strategy

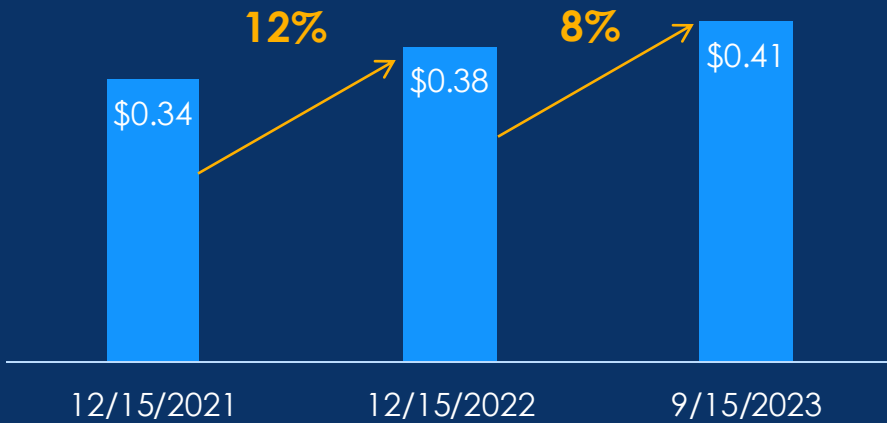
Reducing Our Net Debt

Achieved **net debt to underlying EBITDA ratio*** of 2.5x by the end of Q2 2023, with target to be **below 2.5x long-term**



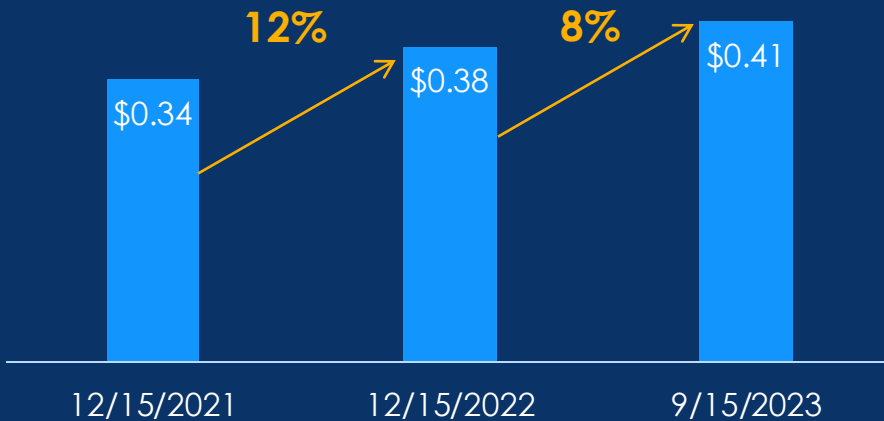
Returning Cash to Shareholders

HISTORICAL DIVIDENDS



Returning Cash to Shareholders

HISTORICAL DIVIDENDS



AUTHORIZED A NEW **\$2 BILLION** SHARE REPURCHASE PLAN TO BE EXECUTED OVER NEXT 5 YEARS

- Intended for opportunistic implementation
- Balanced and cohesive approach to shareholder value creation

Driving Value Creation

- 1 Success of our Revitalization Plan sets a solid foundation for future growth
- 2 Recent U.S. momentum is not believed to be temporary and reflects our efforts to deliver sustainable top and bottom-line growth
- 3 New Acceleration Plan is rooted in our ability to grow core power brand revenue, aggressively premiumize our portfolio, scale & expand in beyond beer, invest in our capabilities and support our people, communities & planet
- 4 More confident than ever in our ability to drive shareholder value, as evidenced by our long-term growth plan
- 5 Focused on investing in our business, paying down debt and returning cash to shareholders, supported by our new share repurchase program



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Appendix



Underlying Income (loss) Before Income Taxes Reconciliation

In millions	12/31/2022	12/31/2021 *	12/31/2020 *	12/31/2019*	12/31/2018*	12/31/2017*
(U.S GAAP) Income (loss) before income taxes	(62.5)	1,239.0	(643.9)	479.9	1,359.8	1,383.2
Adjustments to arrive at underlying:						
Goodwill impairment	845.0	-	1,484.3	674.4	-	-
Restructuring	9.1	37.6	187.1	93.2	71.2	41.0
Intangible and tangible asset impairments, excluding goodwill	36.3	13.5	71.5	9.5	-	-
(Gains) and losses on other disposals	(6.8)	(6.6)	(2.7)	(68.3)	7.1	(4.6)
Unrealized mark-to-market (gains) losses ⁽¹⁾	225.8	(236.6)	(107.6)	0.8	166.2	(123.3)
Acquisition purchase price adjustment settlement gain	-	-	-	-	(328.0)	-
Other items ⁽²⁾	57.9	2.6	62.4	74.5	52.4	64.7
(Non-GAAP) Underlying Income (loss) before income taxes	1,104.8	1,049.5	1,051.1	1,264.0	1,328.7	1,361.0

* The presentation of the 2017 through 2021 periods are conformed to the presentation as shown in the 2022 year end earnings release.

Underlying Income (Loss) before Income Taxes (Closest GAAP Metric: Income (Loss) Before Income Taxes) – Measure of our income (loss) before income taxes excluding the impact of certain non-GAAP adjustment items from our U.S. GAAP financial statements. Non-GAAP adjustment items include goodwill and other intangible and tangible asset impairments, restructuring and integration related costs, unrealized mark-to-market gains and losses, potential or incurred losses related to certain litigation accruals and settlements and gains and losses on sales of non-operating assets, among other items included in our U.S. GAAP results that warrant adjustment to arrive at non-GAAP results. We consider these items to be necessary adjustments for purposes of evaluating our ongoing business performance and are often considered non-recurring. Such adjustments are subjective, involve significant management judgment and can vary substantially from company to company. Refer to our 10-K filings for the respective year for further detail on recorded impairment charges, restructuring charges and gains losses on disposals.

1. The unrealized changes in fair value on our commodity swaps, which are economic hedges, are recorded as cost of goods sold within Unallocated. As the exposure we are managing is realized, we reclassify the gain or loss to the segment in which the underlying exposure resides, allowing our segments to realize the economic effects of the derivative without the resulting unrealized mark-to-market volatility.
2. In 2022, adjustments include the recording of an accrued liability of \$56.6 million as the best estimate of probable loss in the Keystone litigation case based on the judgment plus associated post-judgment interest and a non-cash pension settlement loss of \$8.0 million as a result of an annuity purchase for a portion of one of our Canada pension plans, partially offset by a non-cash pension settlement gain of \$5.3 million as a result of an annuity purchase for a portion of our U.S. Qualified Pension Plan.

In 2020, adjustments include keg sales returns and finished goods obsolescence charges and adjustments related to the on-premise impacts resulting from the coronavirus pandemic in addition to temporary "thank you" pay for certain essential North America brewery employees. Non-GAAP adjustments do not include any estimates of lost revenue resulting from the coronavirus pandemic.

In 2019, adjustments include \$30.5 million related primarily to a settlement charge related to certain Canada pension plans, \$27.7 million of acquisition related integration cost, and a loss of \$17.8 million related to the unrealized mark-to-market changes of the HEXO warrants.

In 2018, adjustments include \$43.7 million of acquisition integration costs, a \$0.9 million loss as a result of a pension and OPEB curtailment, settlement or special termination and a loss of \$23.8 million related to the unrealized mark-to-market changes of the HEXO warrants, partially offset by a gain of \$11.7 million for the sale of a non-operating asset and a gain of \$4.3 million recorded for the release of our guarantee of the Montreal Canadiens' obligations under a ground lease.

In 2017, adjustments include \$81.3 million of acquisition related integration costs, partially offset by a gain of \$8.3 million resulting from a purchase price adjustment related to the historical sale of Molson Inc's ownership interest in the Montreal Canadiens and an \$8.3 million pension and OPEB curtailment/settlement gain.

Net Debt to Underlying EBITDA Reconciliation

In millions (except net debt to underlying EBITDA)

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016*</u>
Current portion of long-term debt and short-term borrowings	397.1	514.9	1,020.1	928.2	1,594.5	714.8	684.8
Add: Long-term debt	6,165.2	6,647.2	7,208.2	8,109.5	8,893.8	10,598.7	11,387.7
Less: Cash and cash equivalents	600.0	637.4	770.1	523.4	1,057.9	418.6	560.9
Net Debt	5,962.3	6,524.7	7,458.2	8,514.3	9,430.4	10,894.9	11,511.6
(Non-GAAP) Underlying EBITDA	2,035.9	2,077.7	2,132.1	2,364.0	2,453.7	2,496.6	2,406.5
(Non-GAAP) Net debt to underlying EBITDA	2.93	3.14	3.50	3.60	3.84	4.36	4.78

Underlying EBITDA Reconciliation

In millions

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016*</u>
Net income (loss) attributable to MCBC	(175.3)	1,005.7	(949.0)	241.7	1,116.5	1,565.6	294.6
Add: Net income (loss) attributable to noncontrolling interests	(11.2)	2.8	3.3	4.5	18.1	22.2	16.9
Net income (loss)	(186.5)	1,008.5	(945.7)	246.2	1,134.6	1,587.8	311.5
Add: Interest expense (income), net	246.3	258.3	271.3	272.7	298.2	343.3	368.8
Add: Income tax expense (benefit)	124.0	230.5	301.8	233.7	225.2	(204.6)	477.2
Add: Depreciation and amortization	684.8	786.1	922.0	859.0	857.5	812.8	851.4
Adjustments included in underlying income ⁽¹⁾	1,167.3	(189.5)	1,695.0	784.1	(31.1)	(22.2)	513.2
Adjustments to arrive at underlying EBITDA	-	(16.2)	(112.3)	(31.7)	(30.7)	(20.5)	(115.6)
(Non-GAAP) Underlying EBITDA	2,035.9	2,077.7	2,132.1	2,364.0	2,453.7	2,496.6	2,406.5

*Represents pro forma net debt to underlying EBITDA and underlying EBITDA. Refer to the filed 2016 earnings release for an explanation of the purpose and calculation of pro forma information.

Net debt to underlying earnings before interest, taxes, depreciation and amortization ("underlying EBITDA") is a measure of our leverage calculated as net debt (defined as the current portion of long-term debt and short-term borrowings plus long-term debt less cash and cash equivalents) divided by the trailing twelve-month underlying EBITDA. Underlying EBITDA is calculated as net income (loss) excluding interest expense (income), income tax expense (benefit), depreciation and amortization, and the impact of non-GAAP adjustment items. Non-GAAP adjustment items include goodwill and other intangible and tangible asset impairments, restructuring and integration related costs, unrealized mark-to-market gains and losses, potential or incurred losses related to certain litigation accruals and settlements and gains and losses on sales of non-operating assets, among other items included in our U.S. GAAP results that warrant adjustment to arrive at non-GAAP results. We consider these items to be necessary adjustments for purposes of evaluating our ongoing business performance and are often considered non-recurring. Such adjustments are subjective, involve significant management judgment and can vary substantially from company to company. This measure is not the same as our maximum leverage ratio as defined under our revolving credit facility, which allows for other adjustments in the calculation of net debt to EBITDA.

(1) Refer to the filed earnings release for each respective year for a detailed summary of Non-GAAP adjustment items.

Our guidance for Underlying Income Before Income Taxes and Underlying Earnings per Share are also non-GAAP financial measures that exclude or otherwise have been adjusted for non-GAAP adjustment items from our U.S. GAAP financial statements. When we provide guidance for any of the various non-GAAP metrics described above, we do not provide reconciliations of the U.S. GAAP measures as we are unable to predict with a reasonable degree of certainty the actual impact of the non-GAAP adjustment items. By their very nature, non-GAAP adjustment items are difficult to anticipate with precision because they are generally associated with unexpected and unplanned events that impact our company and its financial results. Therefore, we are unable to provide a reconciliation of these measures without unreasonable efforts.