

Molson Coors Beverage Company

Q4 and Full Year '19 Results & Outlook

February 12, 2020



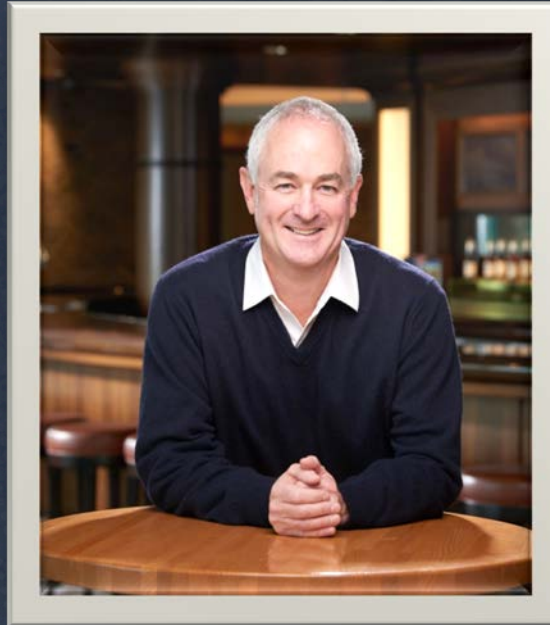
MOLSON Coors

Forward Looking Statements

This presentation includes “forward-looking statements” within the meaning of the U.S. federal securities laws. Generally, the words “believe,” “expect,” “intend,” “anticipate,” “project,” “will,” “outlook,” and similar expressions identify forward-looking statements, which generally are not historic in nature. 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 impact of increased competition resulting from further consolidation of brewers, competitive pricing and product pressures; health of the beer industry and our brands in our markets; economic conditions in our markets; additional impairment charges; our ability to maintain manufacturer/distribution agreements; changes in our supply chain system; availability or increase in the cost of packaging materials; success of our joint ventures; risks relating to operations in developing and emerging markets; changes in legal and regulatory requirements, including the regulation of distribution systems; fluctuations in foreign currency exchange rates; increase in the cost of commodities used in the business; the impact of climate change and the availability and quality of water; loss or closure of a major brewery or other key facility; our ability to implement our strategic initiatives, including executing and realizing cost savings; our ability to successfully integrate newly acquired businesses; cost reduction strategies, including the 2019 revitalization plan and the estimated range of related restructuring charges and timing of cash charges; pension plan and other post-retirement benefit costs; failure to comply with debt covenants or deterioration in our credit rating; our ability to maintain good labor relations; our ability to maintain brand image, reputation and product quality; 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.

Non-GAAP Information

Please see our most recent earnings release or visit the investor relations page of our website – www.molsoncoors.com – to find disclosure and applicable reconciliations of non-GAAP financial measures discussed in this presentation.



Chief Executive Officer
Gavin Hattersley

Our Revitalization Plan

MOLSON *Coors*

Strategic



**Invest in our
iconic brands**



**Aggressively
grow our above
premium
business - in
beer and flavored
beverages**



**Grow
beyond beer**

Organizational



**Strengthen our
capabilities**



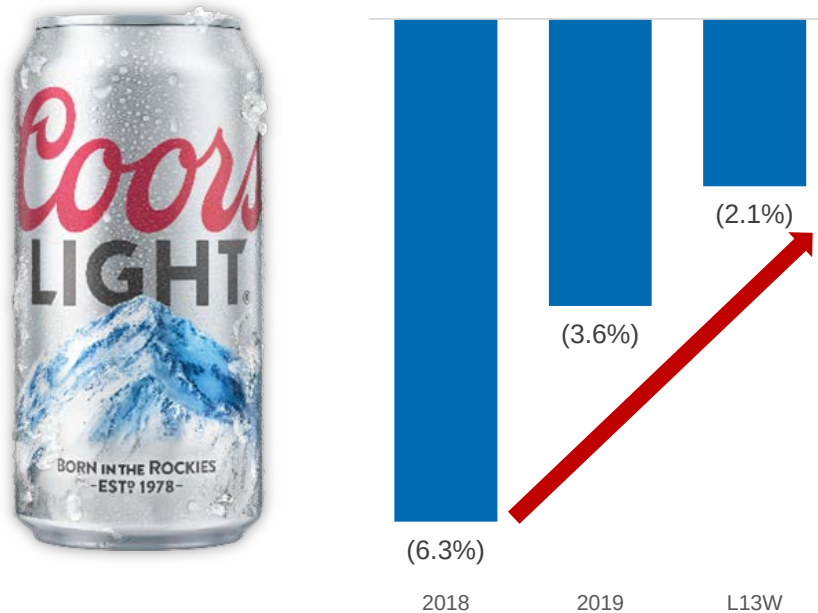
**Streamline our
company**



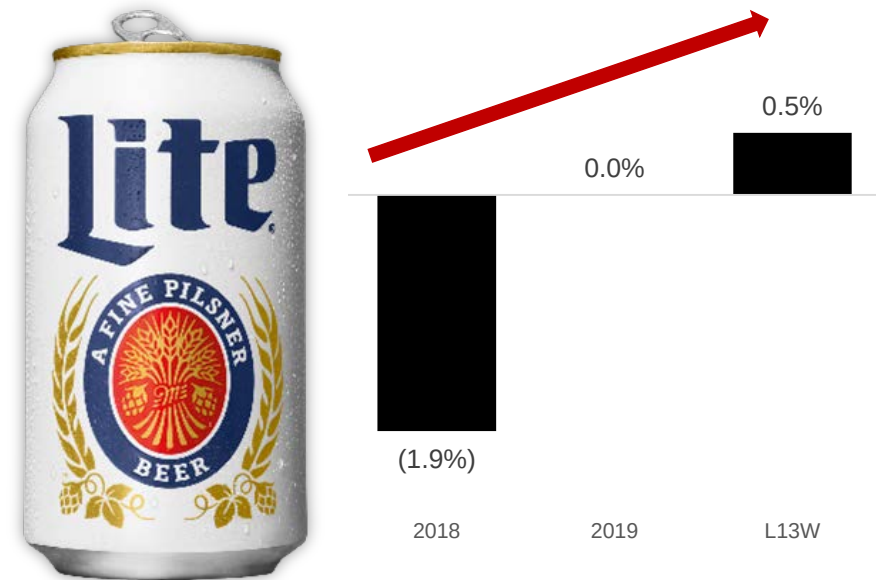
Invest in our Iconic brands

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U.S. Coors Light Sales Volume % Change ⁽¹⁾



U.S. Miller Lite Volume % Change ⁽¹⁾



(1) Nielsen US xAOC + Conv. Data through week ending of January 25, 2020



Grow Above Premium Beer

MOLSON COORS



**MORE FUEL IN U.S.
NATIONAL MARKETING
CAMPAIGN**



**CONTINUED
DOUBLE-DIGIT GROWTH
IN CANADA**



**CELEBRATING 150
YEARS WITH
GROWTH**



**LOW-CAL, LOW-CARB
EXTENSION OF BLUE
MOON FAMILY**



**BETTER TASTING⁽¹⁾
ALTERNATIVE TO
MICHELOB ULTRA**



**4TH LARGEST
CRAFT BREWERY IN
MICHIGAN**

(1) Taste claim based upon a 2019 Beverage Testing Institute professional expert beer panel tasting



Grow Above Premium Flavored Beverages

MOLSON *Coors*

FMBs w/ differentiated, better-for-you angle



Full-flavor, low-sugar
sparkling cocktail



The first hard seltzer
with the antioxidant
vitamin C



Hard coffee with
partner La Colombe



FMB Growth in
Canada



Grow Beyond Beer

MOLSON *Coors*

Equity Stake in Nonalcoholic Incubator



A Modern Take on Vino





Reorganizing to Simplify & Fuel Investment

MOLSON *Coors*

What we said...

- Two business units: North America and Europe
- Consolidating and reorganizing North America office locations
- Integrated and streamlined leadership team
- Increase investment in Marketing and Capabilities
- Incremental annual \$150M of cost savings, taking 2020 – 2022 cost savings program to \$600M

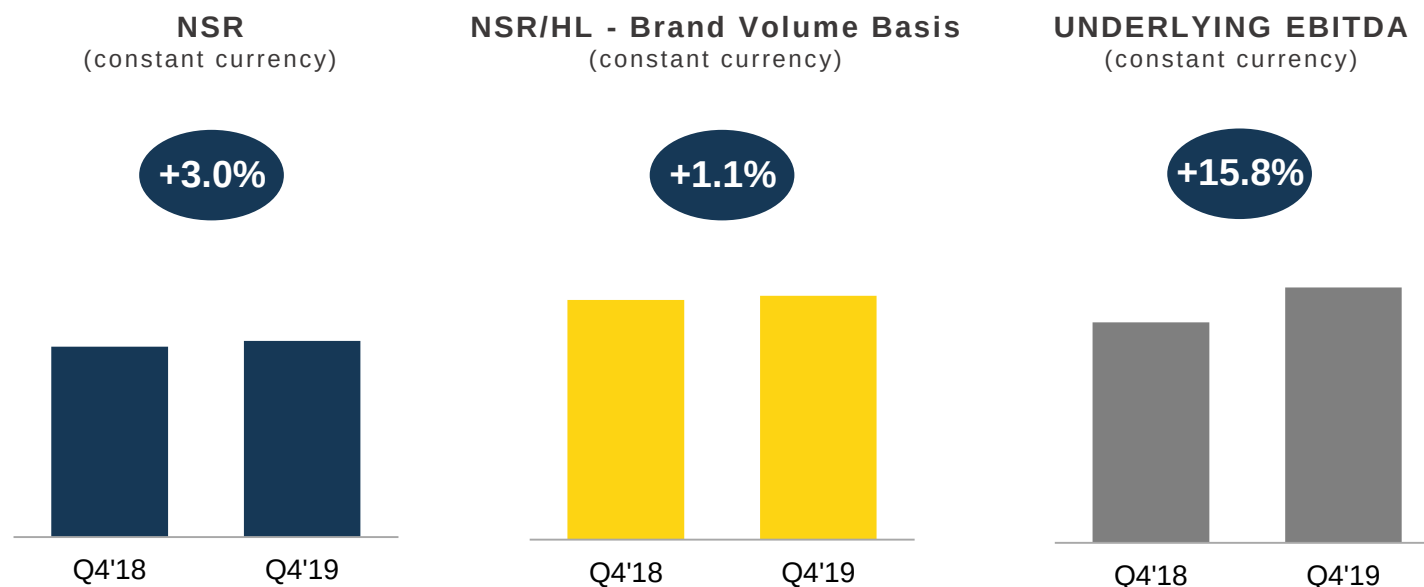
...Where things stand

- North America organization is set: teams selected and office transitions underway
- Europe leadership changes complete, anticipate full organization will be set by end of March
- New leadership team in place
- New analytics team created; expanding and developing commercial and operational support
- \$120M - \$180M in one-time costs to achieve synergies, to be spread over Q4 2019, 2020 and 2021
- Next quarter financials will be reported under new operating structure



Chief Financial Officer
Tracey Joubert

Fourth Quarter 2019



KEY TAKEAWAYS

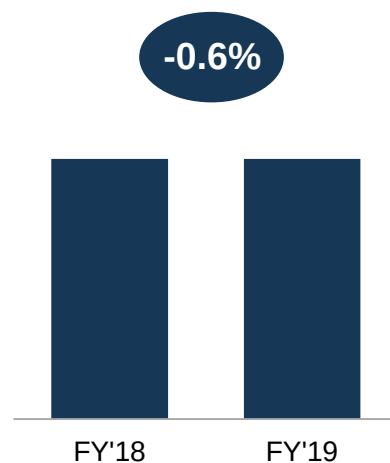
- Positive global pricing & mix
- Positive global financial volume, including expected timing benefit in US
- Sequentially lower NSR/HL increase in US, reflecting shift in timing of general price increase
- Brand volume: US improving industry and better premium light segment trends, Europe improving industry and premiumization
- COGS/HL driven by inflation, benefited from fixed cost absorption in US, cycling one-time costs in Canada
- MG&A lower due to one-time benefits in G&A accounting for approximately 50% of MG&A reduction; Marketing reduction reflects planned shift to support brand launches and align with selling season

Note: Non-GAAP underlying earnings before interest, tax, depreciation and amortization (EBITDA) is calculated by excluding special and other non-core items from the nearest U.S. GAAP measure. See reconciliation to nearest U.S. GAAP measures on our website.

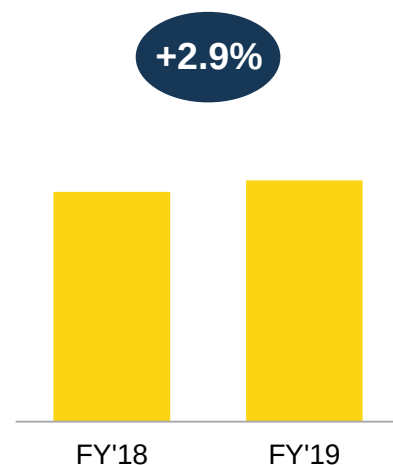
KEY TAKEAWAYS

- Positive global pricing and mix
- Offset by brand volume declines
- COGS/HL increase driven by inflation, volume deleverage and mix, partially offset by savings
- Corporate expense below prior year and prior estimate, driven largely by lower incentive compensation versus prior estimate
- Marketing spend per hectoliter up
- Maintained cash flow focus
- Capital expenditures below prior estimate driven by savings and shifting of spend

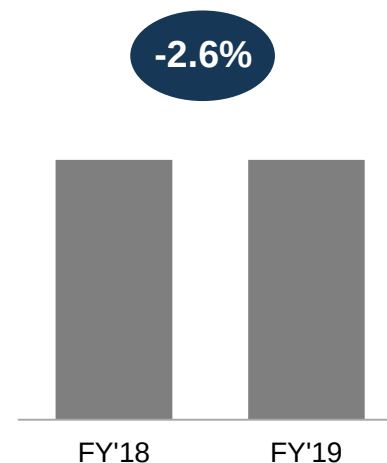
NSR
(constant currency)



NSR/HL - Brand Volume Basis
(constant currency)



UNDERLYING EBITDA
(constant currency)



Outlook And Capital Allocation

2020 Guidance (A Transition Year)

- Net Sales Revenue expected to be flat to down low-single-digits on a constant currency basis
- Underlying EBITDA expected to be down high-single-digits on a constant currency basis from FY 2019 ⁽¹⁾
- Expected Underlying Effective Tax Rate of 20% to 24%
- Expected Interest expense of \$280 million +/- 5%
- Expected Underlying Depreciation and Amortization of approximately \$850 million
- Expected Capital Spending of \$700 million +/- 10%
- Expected Underlying Free Cash Flow of \$1.1 billion +/- 10%
- Expected Cost Savings upsized from \$450M to \$600M for the 2020-2022 program

Post-2020 Guidance

- Improvement in Net Sales Revenue expected
- Expected Underlying EBITDA to grow in constant currency
- Incremental ~\$150M Annual Cost Savings, included within the \$600M program, expected to be reinvested as achieved

Balance Sheet and Return of Capital

- Intend to maintain investment grade rating
- Intend to maintain current dividend payout of 20–25% of trailing annual underlying EBITDA

Note: The change in structure to two business units went into effect on January 1, 2020. The resulting financial reporting changes will be reflected in our first quarter 2020 results

(1) Based on \$2,364 million Underlying EBITDA for FY 2019.

Questions & Answers



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