

Molson Coors Beverage Company

Q1 2020 Results & Outlook

April 30, 2020

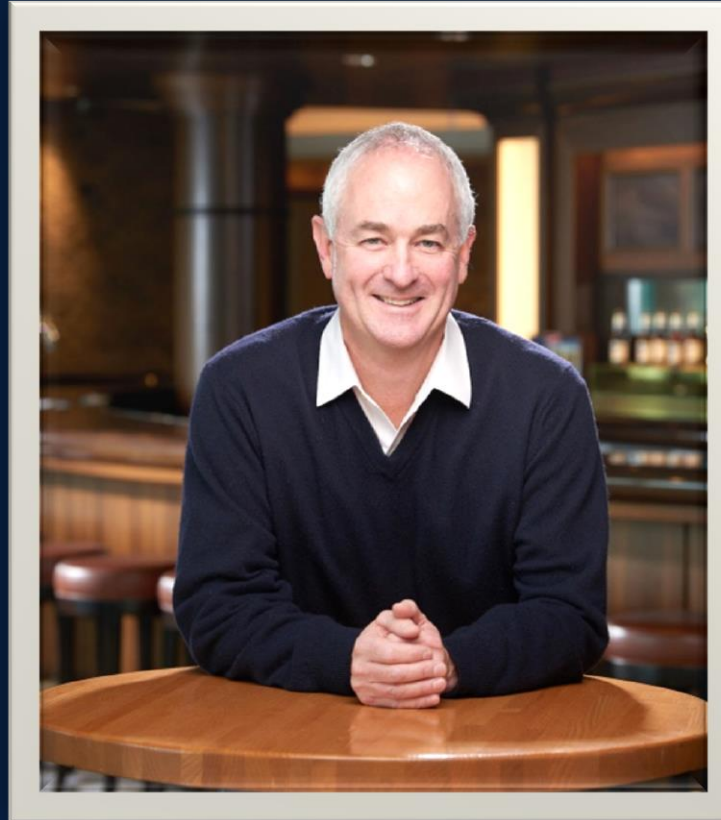


Forward Looking Statements

This presentation includes “forward-looking statements” within the meaning of the U.S. federal securities laws. Generally, the words “believe,” “aims,” “expect,” “intend,” “anticipate,” “project,” “will,” “outlook,” and similar expressions identify forward-looking statements, which generally are not historic in nature. Statements that refer to projections of our future financial performance, our anticipated growth, cost savings 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 under the heading “2020 Outlook,” expectations regarding the impacts of the Coronavirus pandemic on our business, future dividends, overall volume trends, consumer preferences, pricing trends, industry forces, cost reduction strategies, including our revitalization plan announced in 2019 and the estimated range of related charges and timing of cash charges, anticipated results, expectations for funding future capital expenditures and operations, debt service capabilities, timing and amounts of debt and leverage levels, shipment levels and profitability, market share and the sufficiency of capital resources. 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 the Coronavirus pandemic, 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; 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 press release 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**



Progress on Revitalization Plan in Q1

Pre-coronavirus



**Momentum with iconic
core brands**



**Innovation in the above
premium segment**



**Progress on
org restructure**



**Generating
savings**

Q1 Performance

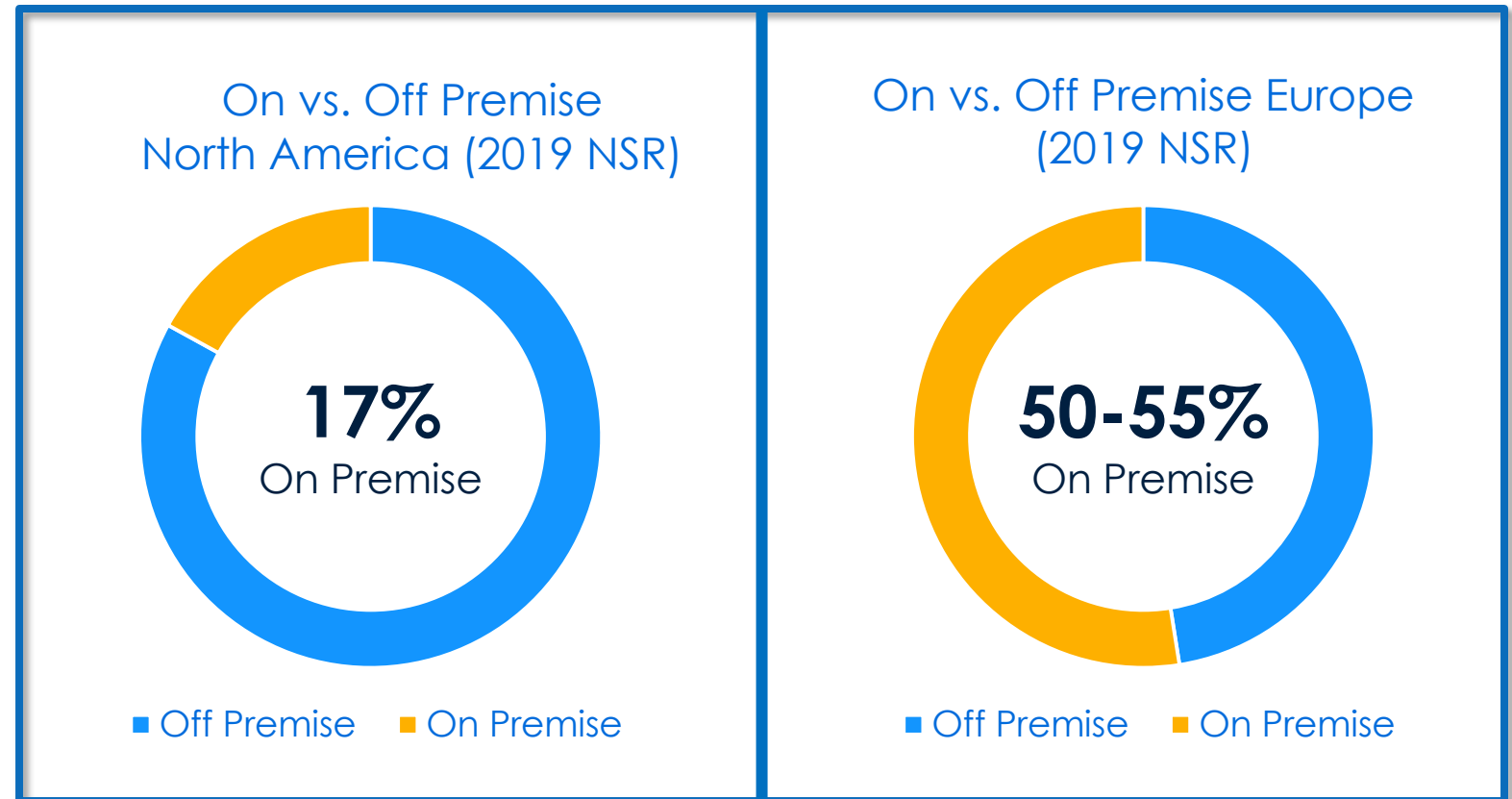
Main Drivers

Coronavirus

Milwaukee Incident

Coronavirus Impact

- Material impact on the business
- Withdrew financial outlook for 2020 and beyond
- Protect cash and liquidity position
- Significant hit, particularly in Europe, due to closing of on-premise accounts



Steps We're Taking

Protecting our employees

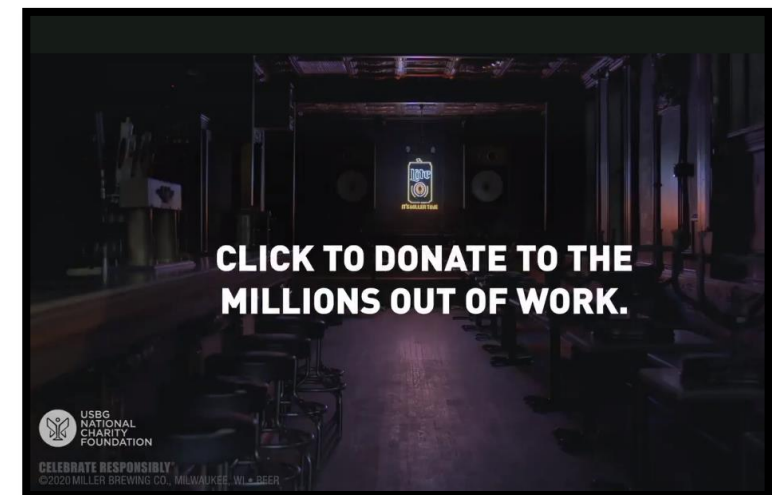
1. Additional health and safety measures in breweries and distribution centers
2. Cleaning, sanitization, hygiene, social distancing, temperature screenings, cloth facemasks, and hand sanitizer
3. Paid leave policy and program
4. Thank you pay incentive for essential brewery workers
5. Voluntary unpaid leave program

Supporting Our Communities Across North America and Europe



Shifting How We Market

1. Shifting media & creative to today's consumer reality
2. Strong presence behind our big, most trusted brands to stay top of mind
3. Re-think playbooks for new product launches
4. Build on strength in economy
5. Accelerating e-commerce



Managing the Business Moving Forward

Financial actions we've taken...

- Reducing 2020 capital expenditures by approximately \$200M vs initial expectations
- Substantially reducing discretionary spending
- Scrutinizing G&A including limiting new hiring and furloughs
- Examining marketing investments and eliminating anything that will not deliver value in current environment
- Additional financial actions; desire to maintain investment grade rating

Mitigating Short-Term Risk & Position for Long-Term



Chief Financial Officer
Tracey Joubert



Consolidated Q1 2020

KEY TAKEAWAYS

- Challenged global financial volumes and coronavirus related sales returns
- Decreased NSR/HL driven by sales returns, as well as negative global mix impacts, offset by positive pricing
- Brand volume decline driven largely by Europe on-premise, impacted heavily by coronavirus impacts
- COGS/HL increase driven by global deleverage and inflation, offset by cost savings
- MG&A lower due to revitalization plan savings and cost mitigation efforts, partly offset by higher marketing

NSR
(constant currency)

-8.2%



Q1'19 Q1'20

NSR/HL - Brand Volume Basis
(constant currency)

-1.6%



Q1'19 Q1'20

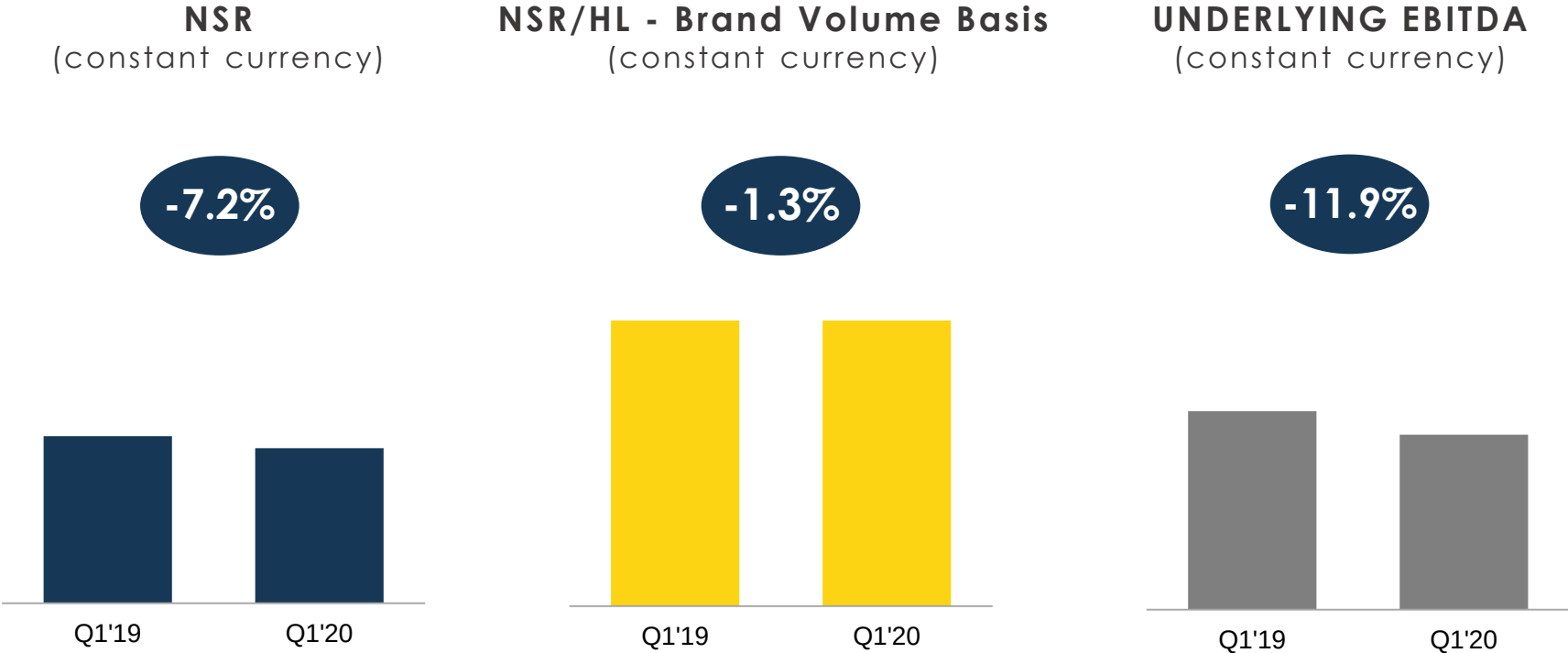
UNDERLYING EBITDA
(constant currency)

-15.8%



Q1'19 Q1'20

North America Q1 2020



KEY TAKEAWAYS

- Decreased NSR/HL driven by keg sales returns and negative mix, offset by pricing
- Decline in financial volumes driven by under-shipment position (Brewery downtime); Brand volumes up 0.4%, benefitting from trading day and pantry load in late March
- COGS/HL increase driven by volume deleverage and inflation, partially offset by cost savings
- MG&A lower due to revitalization plan savings and one-time benefits in G&A, partly offset by a slight increase in Marketing
- On-Premise closure negatively impacting volume and mix post Q1

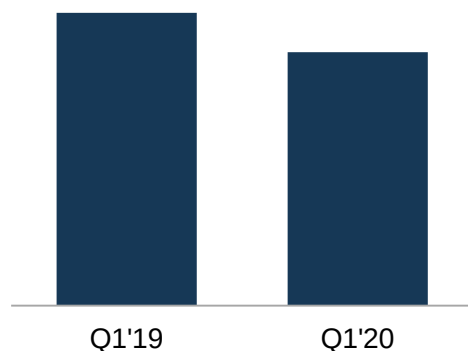
Europe Q1 2020

KEY TAKEAWAYS

- Lower NSR/HL caused by unfavorable geographic mix, partially offset by net positive pricing
- Decline in financial and brand volumes driven by coronavirus impact
- COGS/HL increase driven by volume deleverage and inflation
- MG&A lower as a result of cost mitigation actions
- Continued significant impacts (volume and mix) from closures due to high share in the on-premise channel (50-55% of NSR*)

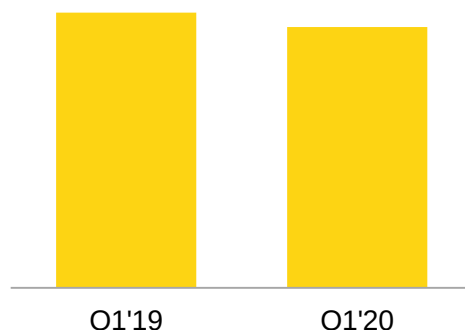
NSR
(constant currency)

-13.4%



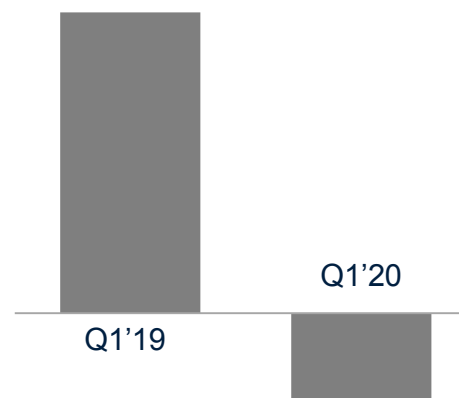
NSR/HL - Brand Volume Basis
(constant currency)

-5.2%



UNDERLYING EBITDA
(constant currency)

-131.0%



Outlook

Near-term volume headwinds

We expect Europe to be materially impacted due to high On-Premise business

We expect negative impacts to North America, but to a lesser degree relative to Europe

We expect negative mix due to On-premise losses

We expect that volume deleverage will put additional pressure on COGS

Desire to maintain our investment grade rating

- Reducing 2020 capital expenditures by approximately \$200M
- Substantially reducing discretionary spending
- Scrutinizing G&A including limiting new hiring and furloughs within European and N. America hospitality businesses
- Significantly reducing marketing investments, eliminating anything that doesn't deliver value in current environment
- Additional financial actions, if necessary, in an effort to maintain investment grade rating

Questions & Answers

