



MOLSON
COORS beverage
company

Q3 2020 Results & Outlook October 29, 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 results, 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 “Outlook,” expectations regarding the impacts of the Coronavirus pandemic on our business, overall volume trends, marketing spend, 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

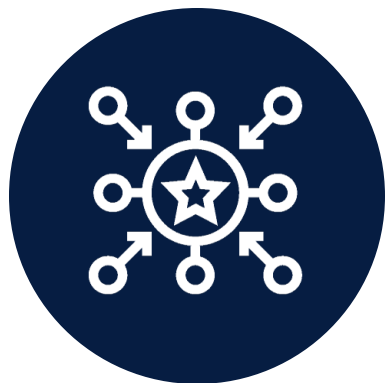


Driving Toward Top-Line Growth



Our Revitalization Plan

STRATEGIC



Build on the strength of our iconic brands



Aggressively grow Above Premium



Expand in Beyond Beer

ORGANIZATIONAL



Invest in our capabilities



Support our people and communities

Improving U.S. Packaging Inventory

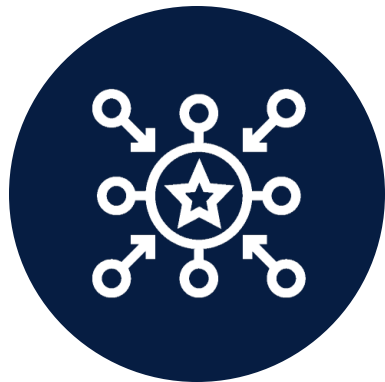
Unprecedented Demand

- Sold 300 million more cans of beer YTD20 vs. YTD19
- At times during the past few months, demand for tall cans was 4x 2019 levels

Our Response

- Approaching historical levels of paperboard supply
- 12 oz can supply is stabilizing and expect will continue to increase throughout the year
- Expect steady improvement in tall can inventory through the end of the year

Successfully Executing Our Revitalization Plan



Build on the strength of our iconic brands



Aggressively grow Above Premium



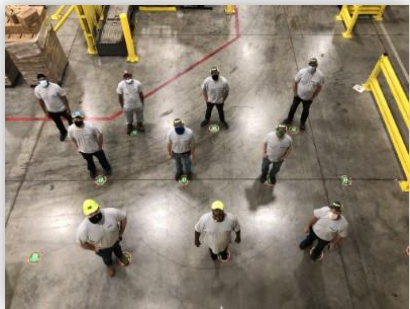
Expand in Beyond Beer



Investing in our capabilities



Support our people and communities to enable growth



Building on the Strength of Our Core and Capturing Greater Share



Above Premium Products Reach Record High* Portion of Portfolio Driven by Innovation



* Since the business formed in 2008

Targeting Our Emerging Growth Division to Become a Billion Dollar Business by 2023



Investing in Our Capabilities, Powering Our Business Forward



- Expanding hard seltzer capacity by over 400% and Blue Moon LightSky capacity by approximately 400%
- Investments to modernize brewery footprint and supply chain efficiency
- Addition of sleek new can production line at our Rocky Mountain Metal Company (Joint Venture) facility in Colorado, capable of producing 750 million cans per year
- Improved e-commerce capabilities, boosting online sales in the U.S by 200% through the three-tier system

Supporting Our People and Our Communities



"We are very pleased with our performance in the third quarter, as we beat top and bottom-line expectations and made tangible progress on our revitalization plan. We had bold plans for our business at the beginning of 2020: to build on the strength of our iconic core brands, aggressively grow our above premium portfolio, expand beyond the beer aisle, invest in our capabilities and support our people and our communities.

"The challenges throughout the year presented a lot of new obstacles, for us and every other business around the world. But we met each challenge head on and we never lost sight of our goals or the path we set out on early in the year. Now we are showing what's possible when we execute that plan and it's our strategy that will allow us to reach further as we drive toward top-line growth."

Chief Executive Officer
Gavin Hattersley





Chief Financial Officer
Tracey Joubert



Resilient Consolidated Q3 2020 Results

-3.6%*

NSR
(constant currency)

+2.1%*

**NSR/HL –
Brand Volume Basis**
(constant currency)

+0.5%*

UNDERLYING EBITDA
(constant currency)

*YOY Q3 2020 vs. Q3 2019

KEY TAKEAWAYS

NSR declined due to lower financial volumes related to on-premise restrictions, with resulting negative channel mix, partially offset by higher net pricing, positive brand mix, and favorable U.S. shipment timing despite packaging material constraints.

Underlying COGS/HL increased due to volume deleverage and inflation, partially offset by cost savings initiatives.

MG&A declined due to lower marketing spend in areas most impacted by the coronavirus pandemic.

Note: Non-GAAP underlying earnings before interest, tax, depreciation and amortization (Underlying 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.

Solid North America Q3 2020 Results

-0.8%*

NSR
(constant currency)

+3.6%*

**NSR/HL –
Brand Volume Basis**
(constant currency)

+2.5%*

UNDERLYING EBITDA
(constant currency)

*YOY Q3 2020 vs. Q3 2019

KEY TAKEAWAYS

NSR declined due to lower financial volumes attributed to on-premise channel restrictions and packaging constraints, partially offset by positive net pricing and positive U.S. sales mix.

NSR/HL growth driven by net pricing increases in both the U.S. and Canada and favorable brand and package mix in the U.S., partially offset by negative brand and channel mix in Canada due to shift from on to off premise.

MG&A declined due to lower marketing spend in areas impacted by the pandemic as well as revitalization plan cost savings, partially offset by cycling one-time G&A benefits in Q3 2019 primarily related to long-term incentive compensation.

Note: Non-GAAP underlying earnings before interest, tax, depreciation and amortization (Underlying 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.

Europe Q3 2020 Results Reflect Cost Mitigation

-15.3%*

NSR
(constant currency)

-5.9%*

**NSR/HL –
Brand Volume Basis**
(constant currency)

-8.0%*

UNDERLYING EBITDA
(constant currency)

*YOY Q3 2020 vs. Q3 2019

KEY TAKEAWAYS

NSR declined due to lower financial volumes and lower NSR/HL primarily driven by unfavorable channel, brand and geographic mix, particularly from the higher margin U.K. business.

Underlying EBITDA decline represented lower NSR and gross profit, partially offset by reduced MG&A expenses as a result of cost mitigation actions.

Note: Non-GAAP underlying earnings before interest, tax, depreciation and amortization (Underlying 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.

Remaining Agile Amidst Uncertainty

OUTLOOK

NSR & Volume:

- While supply constraints related to increased off-premise demand are anticipated to largely alleviate in Q4 2020, expect continued supply constraints in the quarter, primarily for the tall aluminum can
- U.S. domestic wholesaler shipment trends expected to be higher than brand volume trends in Q4 2020

Marketing

YoY increase in Q4 2020 to support core brands and innovation

G&A

Unfavorable expense comparisons anticipated for Q4 2020 due to cycling lower incentive compensation and non-recurring vendor benefit in the year-ago period

Free Cash Flow

Repayment of approximately half of >\$200M YTD stimulus-related tax deferrals in Q4 2020

Improving Liquidity and Focusing on Maintaining Investment Grade Rating

OUTLOOK

- Reduced net debt position by over \$1.2 billion since the beginning of the revitalization plan in October 2019, including payment of C\$500 million in principal debt due in Q3 2020
- Strong borrowing capacity with \$1.4 billion available under US revolving credit facility and £300 million under UK commercial paper facility as of October 29, 2020
- Continued focus on cost mitigation actions
- On target to achieve previously announced \$200 million reduction in 2020 planned capital expenditures while still investing in capacity expansions to support demand

Questions & Answers





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