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# Molson Coors Beverage Co. (TAP)

Consumer Analyst Group Of New York Conference - Q4 2025 Earnings

## CORPORATE PARTICIPANTS

### Rahul Goyal

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

### Tracey I. Joubert

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### Robert Ottenstein

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## MANAGEMENT DISCUSSION SECTION

### Bonnie Herzog

*Analyst, Goldman Sachs & Co. LLC*

Good evening, everyone. It's a pleasure to welcome Molson Coors back to CAGNY this year. Joining us today, we have President and CEO, Rahul Goyal and CFO Tracey Joubert. Also, please join me in thanking them for their sponsorship of the beverage reception immediately following their presentation, which will be right outside the stairs. Thank you so much for that.

Now, it's an exciting time for Molson Coors as the company has made progress on its transformation journey, having changed over the course of a few years, how it invests, how it markets and how it operates to return the company back to growth. Having completed its revitalization plan, the company is now into the next leg of its journey, which is to accelerate growth as well as taking complexity out of their system, allowing them to deliver sustainable top and bottom line growth.

So with that, I'm going to turn it over to Rahul to hear more about their efforts. Thanks.

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### Rahul Goyal

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

Thank you, Bonnie. Thanks for the introduction and good afternoon, everybody. Thanks for being here. Before I get started, our lawyer said I got to read every single word on the slide. I think, they were doing the new guy joke on me. So, the only thing I'm going to say is our discussions today include forward looking statements within the meaning of US federal securities law. So please refer to the forward looking statements disclosure in our presentation materials for more information.

So I am excited. I'm excited to be here to share an update about our business. I'm excited about sharing our new plans and our new strategy going forward. After 25 years in the company, I get the honor of defining the next chapter for Molson Coors, a company that has a 240 year old legacy in this country. For those who have followed us and those who are new to our company, we are a top five global brewer. We're in about 80 countries. We have about 16,000 people with one purpose, to unite people to celebrate all of life's moment.

But more importantly, we're in some of the most exciting and largest profit pools of the world, and we've made progress. We've made progress around our core brands in most of our markets. We've kept share that we gained in the United States in 2023. We've kept about 70% of that share that we gained in 2023 with our core brands. We've been on our journey for premiumization and portfolio transformation, and we've increased that about 5 percentage points. And we are on the early innings of our Beyond Beer beverage strategy, and we are approaching about 10% of our revenue based on Beyond Beer and a lot more runway in front of us. And we've done that on the back of brands like the Topo Chico Hard and Fever-Tree.

Along with that, we have strengthened our balance sheet. Our debt is lower than what we started with, and our leverage ratio is in a much healthy place. And we've been consistent in terms of delivering cash back to our shareholders, whether it's through a consistent increase in our dividend or by executing about 70% of our buyback program in just nine quarters, which was a \$2 billion program over five years. So we know we have delivered shareholder value, but we do know that the next chapter for creating shareholder value is going to be on the back of consistent, scalable and repeatable top and bottom line growth. And that's what the new plan is.

Well, before I talk about the new plan, I want to address the 2026 guidance. It's no secret that our industry is facing significant headwinds. 2025 saw material industry declines, and that was typically deviations from what the historical trends were. And that uncertainty remains for us.

So if you go deeper into the bottom line guidance we just shared, there are two factors that are impacting our business right now. One is COGS inflation through the increases in the Midwest Premium and aluminum pricing. And two, is about lapping of a one-time incentive comp because we didn't achieve anything in 2025. Now we're navigating this period of uncertainty and volatility with discipline. We took immediate action in Q4 on focusing on costs. We're taking the right actions in pricing, making sure our brands by region are being competitive, and frankly speaking, we're looking at everything around the Midwest Premium.

Along with that, we want to make sure we are investing in our business, investing in smart ways, getting our business back to growth. And this means investing in our brands, in our capabilities and in technology. We will navigate this period of volatility, being diligent and taking the hard decisions, but we want to make sure we set our business up right for growth in the future.

And so what does all this mean? Right? For now, this is what I leave you with. We have a strong foundation. We have brands that have scale. We have a historical track record of delivering cash – of creating cash generation. We are doing a reset in 2026 just to navigate this moment of volatility and uncertainty, to get our business back. And I'm excited to talk about the next chapter of figuring out how to grow our business, both top and bottom line going forward in the medium-term.

So, it all starts with our new plan, Horizon 2030. Folks, this is not just a new plan on a page. It is a plan and a blueprint of how we get our business back to growth. It is about rewiring our business in a world of constant change. It is about taking bold opportunities and reacting on that quickly, and it means spending more time in the market where our consumers are and where our customers operate. That's what's going to get us back to growth.

And it starts with our portfolio, so let's talk about our portfolio. Now, each segment has a role to play and to make sure that we as a business can reach our full potential. But we are making different choices. We are investing differently, and we are executing differently of our brands in the markets. And across these portfolio pillars, we feel we have the plans to grow share, revenue and profits for our total business. And I want to take you a little deeper on that.

But then look at the second part of our plan. And this is what we are doing to operate differently, and this is what I call rewiring our business differently. We're going to put commercial execution as closest to customers and consumers. We're going to modernize our capabilities to make sure we're driving efficiency and value. And then, we are going to champion beer and beer occasions. In this industry where the category is under challenge, we're going to champion beer, and we're going to evolve our culture to drive ownership amongst our people.

Now, all of this has to be supported by being disciplined on our cost savings and having a clear, dynamic approach to capital allocation. So we're going to go deeper into all of these key areas, right? Let's just start with our portfolio. This is what we do. This is our bedrock. It spans beer and Beyond Beer to reach consumers where they are. And it's based on the thesis that all segments matter, but within that we are making clear choices. We have to strengthen our big brands, the core and value segments, while we transform our above premium and Beyond beer strategy.

So let's talk about the core, and you probably know this. Loyal core beer drinkers represents the vast majority of all beer volume. But what you probably don't know is that this group has the strongest loyalty with premium lights, and we have the brands to compete there. And we have the opportunity to continue to strengthen our brands with this core consumer and gain more share ahead of the category.

So how are we going to do this? It does mean investment in our brands and breakthrough marketing. And you probably saw some of this in the NFL and leading up to the Olympics with the Miller Lite campaign. It talks about real life connections. It talks about real life occasions and with the perfect spokesman in Christopher Walken that spans generations. And you can expect us to come forward with more work like that for Coors Light. We're going to continue the journey on Coors Banquet and leading into that brand as we grow that with volume and share, and with Molson Canadian, where we're gaining both volume and share in Canada.

In this subcategory, we are also identifying new opportunities like the lower strength beer. We're expanding Miller Extra Light which is about a 2.8% ABV brand in key markets and regions. These brands have the scale. They have the trust of millions of our consumers, and they have the right to win with our core consumers and get our share of the category.

Now, let's talk about the part of the portfolio that we probably haven't spoken about in a long time, which is the value segment. We are elevating that, because in a K-shaped economy today, the value consumer is feeling the pressure and they are looking for options within their budget. And frankly speaking, we have the scale. Just for context, if you just think about our value segment, we're probably the fifth – we are the fifth largest beer company in the country. So this category matters. This is not about just being defensive. This is, how do we use that and make sure we're leaning in with, for the consumers that are looking for this option. But we're going to increase the focus on value in a very selective way. We're going to have selective investment in selective markets and with very pointed innovation.

We're going to extend brands like Miller High Life Light across a few more states. We have some new innovation coming with Keystone, the Keystone Apple in the summer which is again very directed to this subsegment. Our

value portfolio has a strong reach. We have deep consumer loyalty and this is the way to win for us, but even for our distributors.

Now, as you think about value, premiumization is not going anywhere, and we have the opportunity to just get some more runway there. If you look at our business, we're pretty strong in premiumization in Canada and in the UK, but in the US we are underrepresented. And therefore, we just have the new opportunity to keep leaning into that. Things like Peroni and you probably saw that in the Olympics, again leaning into the brand with on-premise brand ambassadors. All the work we already have done in Madri in the UK and continue to grow in UK, but also expand that brand across Europe and Canada. And while Blue Moon Belgian White is still a work in progress, the Blue Moon non-alc brand is growing 25%, and is now probably the number two non-alc craft brand in the country.

Now, the other side of premiumization is Beyond Beer. I talked about being in the most exciting profit pools, and this is where the consumer needs are evolving. And we're going to continue on our total beverage journey to make sure that our brands meet the consumers and meet them in [ph] more moments (00:12:29). And we're proud of the progress we've made. And if you think about the Beyond Beer strategy, you have first is flavor and this category has been volatile and there we need to be agile. We had some great success initially, but then we've got to figure out a way to pivot and we did with Topo Chico. We've pivoted from being a hard seltzer brand now to a full flavor beverage with higher ABV innovation and new different packaging for more occasions. And we've changed the trajectory of this brand. We have been consensual dollars, and share trend performance improvement in all of quarters of 2025.

And with Fever-Tree we're just getting started. We just finished the transition last year, we're getting it into our network and we have an excited distributor network. We have an excited retail network and we have an excited team to get really behind it. There's a few brands that you can get the whole trifecta working, and we believe we have the opportunity to do that with Fever-Tree. And this in this space, we have the better opportunity of deploying M&A dollars in a very disciplined way to make sure we are augmenting and filling gaps in our portfolio. And I know Tracey is going to talk a little bit more about that in the future.

So, hopefully that gives you a sense of the clear choices we are making in our portfolio. But let's talk about how are we going to make this happen? And this is where, folks, we are executing a big change within the organization, because how we execute, how we make sure we rewire our business is super important in this business, in this category. And it starts by putting our customer and consumer at the heart of everything we do. Folks talk about beer being a global business, we talk about beer being a national business, but actually beer is a very, very local business. And we need to make sure we're putting the P&L accountability at the level closest to the customer. That's where pricing decisions, promotions, assortment, investment, that's where those decisions are being made, and that's what we need to unlock for our teams.

We've got to unlock clear accountability that drives outcomes. We've got to make sure we're taking decisions with precision where we can change tactics, move spend across the actions that are working for our total portfolio in particular markets. And we need to do it with speed where decisions are done in days, not weeks, not months and definitely not quarters. And this is not just academic principles, this is how we want to make sure our planning process and our execution model changes. And we have already started that journey in Q4 and going into 2026 with our distributors.

The next part of our plan is, we talk about capabilities and I talked about us being in the largest profit pools, but we also have the largest platforms in these profit pools where basically we execute across the entire market. And so, we will keep investing in our capabilities, investing in capabilities that drive efficiency and value to the bottom line. This is in the areas of sales and marketing where we're going to put capabilities in AI and in analytics to

make sure our sales teams are front-forward looking and not looking in the back. And when I talk about AI, this is not about using in marketing just to create new brands and assets. Obviously, we're going to do that and drive efficiency, but how do we literally use it to make investment decisions?

And then the third element of our capabilities is our investment in our ERP and our technology to augment and automate areas in our supply chain to drive value and to optimize business processes. And as we think about our internal business, we have to keep a lens externally, and that involves championing beer. We talk about the category declining, et cetera, and one of the things I talked to our distributor network is, none of us should accept declining categories. That should not be okay. We must find a way to get this category healthy again, and we need to do it together as an industry. This is not about us. We have the humility to realize that this is one company can't change it, but we need to lean in to make sure we can build beers' relevance back. We need to make sure we can bring people back into the occasions where beer fits.

And so we got to lean in this and we're going to do our part. We're going to do our part in marketing, on how we talk about Miller Lite, you saw that, but also a new campaign we had just over the holidays, which was just about, Just Bring the Beer. This campaign is designed to put beer back on the shopping list. It's to put it in the center of social moments, driving category relevance. Again, this is not, what's the word I want to use, this is not an illusive idea. I mean, when we think about our sales teams, we have about 22% market share in the country, the category captains for 60% of our retailers. So how do we really lead with the category front focus?

And then the fourth pillar is around building a culture of ownership. We have 16,000 people that are passionate about our business, are passionate about our brands, but we need to change how we operate in this moment. And that's where I'm asking them to lean in two of our key values, being bold and decisive and take accountability. This is designed to empower our teams to move with urgency, to move with pace and drive ownership within the business. And this matches the complexity we have from an outside world perspective.

So hopefully you see that and then you see, okay, how do you know we're going to make progress, like what are the key metrics. We should be seeing market share improvements in our key markets. We have to continue the acceleration of our portfolio transformation across all our portfolio and the investments we're making in our capabilities and cost savings, need to show margin improvement. And while we're doing this, we're going to be disciplined about returning cash to shareholders.

We are setting 2026 with clarity and transparency, but we are rewiring our business and our operating model for execution. We're investing in brands and our capabilities, but we are being very deliberate on how we do that. And we're going to fund our growth with discipline. And there's two key elements of the plan that I'm going to have Tracey come over and talk about, which is making sure we're disciplined about cost savings and having a clear and dynamic approach to capital allocation.

So with that, Tracey?

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## Tracey I. Joubert

*Chief Financial Officer, Molson Coors Beverage Co.*

Thank you, Rahul. Hello, everyone. Good to be back here. Look, as Rahul highlighted, we have a compelling strategy. We're really focused on discrete actions that will support our medium-term growth algorithm. I want to give a little bit more color on our financial discipline and the capital allocation priorities that Rahul mentioned, and I'll highlight how they support our ability to execute against our strategy.

So our ability to drive strategy starts with the strong cash generation. We feel that we have compelling cash conversion and we continue to be a very cash generative business. Now, we delivered over \$1.1 billion in 2025 and as we announced earlier, with our release earlier this afternoon or earlier this evening, we expect to deliver a similar amount in 2026. Now, we plan to build on this very strong base through profitable growth and also new cost savings program.

So over the past five years, we have delivered over \$1 in free cash flow for every dollar of underlying earnings, and we have amongst the highest free cash flow yield in all of CPG. Our solid cash generation has significantly strengthened our balance sheet. Now moving forward, it should enable us to invest in ways that we believe will drive value for our shareholders.

So let me take you through a few of the details around our new cost savings program, which we believe supports both our medium-term algorithm and also strong cash generation.

So to help fuel our strategy, we are announcing a three year cost savings program targeting up to \$450 million with savings beginning in 2026. The program anticipates savings across both our business units, and it'll also come through multiple lines in our P&L. Now in cost of goods sold, we have a very strong pipeline of plans and projects. This is enabled by procurement, the investment that we make in capital and productivity and efficiency improvements that are going to get delivered to our world-class supply chain program.

Now in Americas G&A, we've already unlocked meaningful savings by implementing our new structure at the end of 2025, and as you heard from Rahul, we expect to deliver further savings in M&A enabled by technology and new capabilities that we'll be investing in. In EMEA, APAC, we have plans that are designed to expand operating margin and also improve profitability in that business unit. And this will be done through implementing new technologies, evaluating supply chain opportunities and also portfolio optimization. Now these savings are intended to be used to mitigate the impact of inflation and also will allow the right levels of investment to fuel our business for growth.

So let's talk about how we're thinking about deploying our capital to execute that strategy. Now, our first priority is to invest in our business to drive long-term sustainable growth through capital projects and new capabilities, investing behind our brands and using our financial flexibility to fund M&A. From a capital standpoint, we are rebasing our medium-term CapEx expectations, and we now expect to spend approximately \$650 million a year. Now, this level should allow us to continue to invest in margin enhancing cost savings projects and also make investments in technology to drive efficiencies and increase our capabilities.

And we target double digit returns on our cost savings programs, and we have delivered against that goal over the last few years with programs including our variety packaging, the capabilities we built in Fort Worth, adding seltzer capability in Canada, and also the domestic production of Peroni in the US. And to grow our business, our aim is to look to invest in M&A to drive meaningful portfolio transformation. Now we would target deals that would add around 1% to 2% NSR annually to the enterprise, but that are also bottom line accretive. To contextualize these could be in the range of about \$200 million to \$350 million, and I expect it to be funded from cash from operations. Now, these targets must be scalable, they must fill white spaces and they're also must be in areas where we believe we have the right to win.

Second, we remain committed to maintaining a leverage ratio below 2.5 times. At the time of the 2016 MillerCoors acquisition, our net debt was \$15.4 billion – sorry, \$11.5 billion and our leverage ratio was 4.8 times. And by the end of the year in 2025, our net debt was \$5.4 billion and our leverage ratio at 2.3 times, so reducing both by more than half. And we've continued to hold the highest credit rating that we've had since 2016.

Now, that brings me to our third capital allocation priority. Molson Coors has a long track record of paying cash dividends to its shareholders, and it remains our intention to sustainably increase our dividend, just as we have done for the last five years. We also feel that we've made tremendous progress against our \$2 billion share buyback program, which is over five years. We announced that back in October of 2023. And as Rahul said, through just nine months, we've executed 72% of that authorization, tracking to complete the \$2 billion well ahead of the schedule.

Now given what we view as a compelling valuation for our stock, our board has approved an increase to the amount and extended the duration of our existing share repurchase program. So this increases the initial authorization from up to \$2 billion to an aggregate authorization of up to \$4 billion, and that's inclusive of the approximately \$1.4 billion that we've already spent up until the end of 2025. And that plan will now run through December 31, 2031.

Now, we believe that this should not only help to drive earnings power, but it also demonstrates our confidence in our business, our confidence in our strategy and our confidence in our medium-term growth algorithm.

So with that, we look forward to taking your questions and Rahul will come back up and we'll ask [ph] Greg (00:26:31) to maybe just manage the questions for us.

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## QUESTION AND ANSWER SECTION

**Bonnie Herzog**

*Analyst, Goldman Sachs & Co. LLC*

Here they come.

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**Rahul Goyal**

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

I can repeat the question, Bonnie.

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**Bonnie Herzog**

*Analyst, Goldman Sachs & Co. LLC*

A little question on the 2026 guidance. Your guide has quite a bit of deleverage. It would be helpful for a lot of us if you can unpack that a bit for us, help us understand the expected negative impact you're expecting on gross margin, certainly where Midwest Premium, the inflation, but just how and why is that going to be such a drag on your business in 2026. Kind of talk to that on the gross margin level and then maybe help frame for us with the plan you laid out, the marketing expense that you're expecting.

Q

**Rahul Goyal**

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

Yeah. So look, I'll take it and Tracey can add. So if you look at the Midwest Premium and aluminum pricing, right, I mean I think we shared an estimate last year of what we think the exposure is. And if you look at this year, that was somewhere in the range of \$40 million to \$45 million range. We have an incremental headwind of about \$125 million this year, in 2026. And this is, when Midwest Premium goes up 300%, there's not immediate actions you can take to action that. Obviously, we took all the actions we could in terms of cost savings in the Americas. So,

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the Midwest Premium is the biggest part of our COGS inflation. If you look at our 2025 results and if you look at COGS inflation, we have initiatives and we have deep programs to make sure that we're managing to it. We're trying to manage \$125 million increases. So you're going to see that in the way it shows up in gross margin through the Midwest Premium.

The one time incentive comp is just, it's a lapping issue from and so that's more of the G&A. And then the marketing and capabilities investment, I would say the simplest way to think about it is we know we can get this business back to our medium-term growth algorithm, the mid-single digit. And we just want to make sure we're building our brands and supporting our brands in a pretty competitive context of the category being what the category is. So I think that's how I'd break it down, Bonnie, is the Midwest Premium being the big part in COGS. And then the other two pieces are of this [indiscernible] (00:29:09).

**Bonnie Herzog**

*Analyst, Goldman Sachs & Co. LLC*

Yeah. Thank you, got it.

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Thank you. [indiscernible] (00:29:14).

**Kevin Grundy**

*Analyst, BNP Paribas Exane*

Thank you. Kevin Grundy, BNP Paribas. Rahul, maybe with the longer-term guidance, I suspect we'll probably be surprised about the decision to maintain it, just given the challenges in the alcohol industry already.

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**Rahul Goyal**

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

Yeah.

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**Kevin Grundy**

*Analyst, BNP Paribas Exane*

Where we've seen domestic beer volumes decline, not just the past two years, three years, five years and even going back to maybe even going back 2015 and they've been down low single-digits. And in certain cases, your portfolio, they've been even more challenged than that. In 2025, it was more dire.

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**Rahul Goyal**

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

Yeah.

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**Kevin Grundy**

*Analyst, BNP Paribas Exane*

So I think, maybe a little bit more on that, like what gives you confidence, what you're doing in terms of execution, that things are going to get better because the data points just seem to be mounting against the industry in terms of younger consumers moving away, and it's going to take the industry collectively. But even more than that, it's probably moving into new areas. Lastly with your answer, I think it's topical, we've seen a number of food companies from PepsiCo to Mills to Kraft Heinz invest in price as part of solution...

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**Rahul Goyal**

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

Yeah.

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**Kevin Grundy**

*Analyst, BNP Paribas Exane*

...to stimulate volumes in an industry where volumes are challenged. Did that come into your thinking at all as part of the solution to stimulate volumes? So thanks for that.

Q

**Rahul Goyal**

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

Yeah. So let me try to address the two or three parts of the question. So first is, how do we get our business back to top line growth? If you look at our share losses even in the recent past over the last few years, we've done a decent job in making sure our core share is there. We've lost a little bit, but not in a big way. Our challenges has been in some of the other parts of our portfolio. That's why you see us elevating on the value segment, because if you look at the majority of our share losses, a big part of our share losses has been the value and flavor and some of those pieces.

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So we need to make sure that our portfolio, when we talk about strengthening the core and the value, it just means making sure we can keep our ground on our share, right? So make sure we're keeping share and gaining share in that space. What the category does, we'll see what the category does, but that's about share.

Then it does become a question of mix. Can we transform the portfolio fast enough to make sure that we can handle the potential declines in the core piece? So the three pieces that we think about as we think about driving our top line revenue is obviously volume, but it's price and mix. And I think those are the two levers that gives us confidence that we can get this business back.

Your question on pricing, we definitely look at pricing by brand and by region, but we also want to make sure we're competitive, and that's why you see us leading in the value segment. We have a portfolio which meets the consumer needs at the right price point, at the right budget levels they have. Usually in beer, people don't leave their brands. In core, they're usually looking for different price packs, they're looking for different channels. So if you look at what's happening in our business, we got singles doing really well and we've got big packs doing really well. So with our core business, our core brands, we need to make sure we're leading in that space. But the value piece is where we need to make sure we can get some support on the volume piece.

So I think between price mix and the transformation on Beyond Beer, is that's where we have confidence we can get our business back to low single-digit growth. So, I think this is, just it's a low base in that regard. And in terms of the pricing decision, it's making sure we can use all levers of our portfolio to really get after the volume play.

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[indiscernible] (00:33:08).

**Eric A. Serotta**

*Analyst, Morgan Stanley & Co. LLC*

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Great. Thank you. Eric Serotta from Morgan Stanley. You mentioned that the mid-term, that the cost savings \$450 million would offset inflation and allow for reinvestment. Hopefully, can you expand upon the reinvestment side a little bit. Can you give us any context for what kind of quantum you're expecting in terms of reinvestment for 2026 and the mid-term, whether it's marketing, technology, other capabilities? How to think about that?

And then, in terms of – one for Tracey, in terms of the mid-term algo, mid-single digit pre-tax and then high single-digit on EPS, if you're going to be spending more or investing more on M&A and that's going to be funded from cash from operations. The cash has to come from somewhere. Shouldn't there be less of a contribution from buybacks than you have historically or your leverage would go up? Thanks.

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**Rahul Goyal**

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

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Thank you. I'll let you hit on the buyback one, Tracey. But let me make sure I address the two questions you have. First is on the cost savings and then the investment profile, right? So if you look at our cost savings, there are three broad buckets. So obviously, the work we need to do in the Americas and we took all those hard decisions in quarter four. So, making sure we can take the actions and optimizing our teams, how we execute, making sure we have the right resources and pressure on the front end of the organization versus internally.

On supply chain, we're going to keep looking at opportunities on optimizing and driving savings. So other than the one-time issues that we have with Midwest Premium aluminum, our teams do a great job of making sure we match and drive savings for any COGS inflation. And then EMEA APAC is where the opportunity lies. And that business has done a good job in terms of growth, but we have the opportunity to improve our margins there. So that's where we try to unpack all the areas of our business to make sure we can lean on the savings side.

If you think about our investment, the way I'd leave this is, we're not looking to step up investment in a significant way. We want to make sure that our brands are competitive. We want to make sure we are putting the right pressure against our brands across all these segments. When I talk about elevating the value segment, this is not about big investment in the value segment. This is about pointed investment in brands, in particular geographies in terms of winning. We do have investments in our capabilities around systems and infrastructure, and again, both to drive value and efficiency to the bottom line. So we judge that and carefully make sure we are investing in the right places. But we talk about the ERP implementation, but all of that investment needs to drive some outcome. And that's what I mean by when I talk about efficiency and value.

So, I would say, not a significant step up in terms of investment that we're looking for. We feel our brands are well-supported and some of it is to manage the challenges we have and the headwinds we have, but that's the cost savings and then making sure we invest it right. And Tracey you want to take the...

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**Tracey I. Joubert**

*Chief Financial Officer, Molson Coors Beverage Co.*

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Yeah. So I think, look, we're really proud of the work that we've done on our balance sheet, going from a leverage ratio of 4.8 times to 2.5 times, it has given us a lot of optionality. So, we have done things like reducing our medium-term CapEx spend. If you recall, in previous years, that was in the range of \$750 million plus or minus, and we've reduced that to \$650 million. We also believe that we have opportunities in working capital, and so we'll continue to focus on that. And then as we grow the top line and expand our margins through some of the efficiencies and the capabilities that we're building, that's obviously going to contribute to the bottom line.

But we are a very cash generative business. We have delivered on our free cash flow and with our new share repurchase program, it does extend out to 2031. And we will make the right decisions around how much and

when to buy shares. But as we've said, we've done a really good job of that. I mean, we're already 72% of the way in our previous share buyback program. So, it gives us confidence that we're able to, with our strong balance sheet, do all of those things. Number one, invest in the business, to drive long-term sustainable growth. We're going to be very disciplined around the investments, for example, the capital. And with that, we're able to sustainably increase the dividend and continue the buyback program.

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[indiscernible] (00:38:06).

**Robert Ottenstein**

*Analyst, Evercore ISI*

Q

Yeah. Thank you very much. Robert Ottenstein, Evercore ISI. I was wondering if you could talk a little bit about the change, the fundamental change that you're making in terms of how your organization is run, driving accountability, more local, pricing decisions more local. So, certainly at number one, where did the idea or where did the changes come from? And two, could you talk a little bit about execution of that, how exactly does that get executed, how you deal with national accounts, how do you keep coordinated and not going to trip over yourself in certain areas and how local is local? I mean, rough idea, just how does this get implemented?

**Rahul Goyal**

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

A

Yeah. No, I think, Robert, that's a great question. Again, this is something that is important, when I got into the role, we made some changes in our leadership team and it was to drive to that outcome. I mean, I think one of the previous question was, we know that the category is a challenge, we know the shape of our portfolio. So we have to figure out a way to execute with the portfolio we have and use the investments we have. I mean, I talk about this all the time. We've got to make sure our marketing dollars and our people dollars are going after the right things in the market.

So your question of how are we going to make it? We took all those actions. We have the leaders of sales and marketing and our Canada business around the table now. We're making sure that we reoriented our regions in the United States. And this is, by the way, applicable even to our EMEA, APAC business. We're making sure that we look at our investments as a collective pool and making sure we're getting the right ROI against that by geography. What's the right level, Robert, I think that's a little bit more, we'll share that little bit later.

But we want to make sure, in terms of how the brands show up, your question about how do you coordinate. How the brands show up is obviously going to be in one way, right? You're not going to have five Coors Light or four Coors Light. You're going to have one Coors Light. You're going to have one Miller Lite. But how those brands are executed in those geographies matter differently. And this is what I say is beer is very local. And it's true, by the way, for brands like Coors Light and Miller Lite and obviously for the value segment.

So the question is, how do we rewire our business to really drive that? So we implemented the changes in quarter four, we're in the process of executing it, we reoriented our planning with our distributors. So this is more of our distributor-facing organization. And we frankly are leaning into that starting already in January. And this has resulted in different conversations with our distributors, right, on how we bring funds and how they bring funds on really winning in that particular geography.

So it is the concept of beer being local. It is about reorganizing our teams and then frankly, we did the hard stuff in Q4 to really put that within our organization. The only other part I'd add is, we're also changing the incentive plans, incentive plans of how we measure our people. When I talk about P&L accountability closest to the market, that doesn't mean anything if folks are not measured more than the top and the bottom line as closest to the market as possible.

A

[indiscernible] (00:41:41).

**Chris Carey**

*Analyst, Wells Fargo Securities LLC*

Hey, guys. Chris Carey, Wells Fargo. Just, I guess this serves as an earnings call, so I'm going to be a bit tactical about this and then strategic. But Tracey, is there any [ph] phasing (00:41:59) considerations that you want to put out there for the guidance this year? Midwest Premium [ph] phasing (00:42:07)...

Q

**Tracey I. Joubert**

*Chief Financial Officer, Molson Coors Beverage Co.*

Yeah.

A

**Chris Carey**

*Analyst, Wells Fargo Securities LLC*

...brand volume [ph] phasing (00:42:09), whatever that is. And connected to this is, some of this is going to have to or ultimately get to like an exit rate for the business. We're talking about medium-term top line growth, bottom line growth, in a way you're going to be measured against perhaps that you exit 2026. I don't really know how all that will go. But at what point do we start anchoring you toward the medium-term objectives that you've laid out today? And what are the metrics that we should be looking at over the course of 2026, like improving market share?

Q

**Tracey I. Joubert**

*Chief Financial Officer, Molson Coors Beverage Co.*

Yeah.

A

**Chris Carey**

*Analyst, Wells Fargo Securities LLC*

Should we expect volume to be turning positive, like whatever you think that we should be looking at or maintaining that perspective? So just the basing thing on this year, how do we measure for the [indiscernible] (00:43:01)? Thanks.

Q

**Tracey I. Joubert**

*Chief Financial Officer, Molson Coors Beverage Co.*

So, let me start. So in terms of [ph] basing (00:43:05), we expect the quarter to look very similar to this last year. So, STWs the shape quarter by quarter, quarter very similar, we got the same number of days. April sort of fell into the same quarter as last year. There might be a little bit of loading for 4th of July, but really very similar. 2025 was different because we had the contract brewing arrangement that was coming out and so it was a lot more volatile with that.

A

In terms of the Midwest Premium, if you look back, the Midwest Premium really rapidly went up in the second half of last year. So, the first half was still a little bit muted, although from February it did sort of go up. But the big rise was really in the second half of the year, so we'll be lapping that only in the second half. Other than that, I mean, the pricing when we take pricing that's all very similar, the way that we're investing in our brands generally, we tend to invest marketing dollars more in the summer selling season where it matters. So, you'll probably see similar phasing around that as well.

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### Rahul Goyal

*President, Chief Executive Officer & Director, Molson Coors Beverage Co.*

A

Yeah. And your question about what metrics and how do we see we're making progress, I'd call out, the market share is obviously a key one. I mean, we know, where we are in the category, we know the shape of our portfolio, but we are starting share improvement. The other thing I'd call out is in the portfolio transformation journey is mix. I mean, more and more of our NSR, I think the question was. So, while pricing lever, we'll lean on that where we can, but mix has to be an important aspect because that's where the portfolio transformation happens.

We're excited about the Fever-Tree business coming into our portfolio full year 2026. I think Fever-Tree is our biggest per hectoliter brand we have now. So, I would say, those two are the key ones, and obviously the cost savings and our investment, all is around margins. So those three, I would say are the key metrics we're going to keep talking about and making sure we can show progress along with the buyback. I know the questions about cash and buyback is fair, but we're committed to making sure we continue on that buyback journey, while we're making sure we use that and get our business back to growth. I mean, Bonnie is coming us to give us a sign. There's one more question.

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### Bonnie Herzog

*Analyst, Goldman Sachs & Co. LLC*

I think, we're running out of time. So I think we're going to have to stop there. Please join me in thanking Molson Coors again for the upcoming reception. It's again outside, down the stairs, they'll be around to hopefully answer any more of your questions. And as a reminder, please don't forget to take all of your belongings because this room will be locked. Thank you.

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