

**MOLSON** *Coors*

**MOLSON COORS BREWING COMPANY**

**ANNUAL NEW YORK INVESTOR/ANALYST MEETING**

**JUNE 7, 2017**

**MARK HUNTER**

**PRESIDENT AND CEO  
MOLSON COORS BREWING COMPANY**

# FORWARD LOOKING STATEMENT

## **Forward Looking Statements**

*This presentation includes estimates or projections that constitute “forward-looking statements” within the meaning of the U.S. federal securities laws. Generally, the words “believe,” “expect,” “intend,” “anticipate,” “project,” “will,” 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, our ability to successfully integrate the acquisition of MillerCoors; our ability to achieve expected tax benefits, accretion and cost savings and synergies; 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; 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. 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 visit the investor relations page of our website – [www.molsoncoors.com](http://www.molsoncoors.com) – to find disclosure and applicable reconciliations of non-GAAP financial measures discussed in this presentation.*

# TODAY'S AGENDA

## **MARK HUNTER, CEO, MOLSON COORS**

- Introductions, corporate overview, and strategic priorities

## **ENTERPRISE GROWTH TEAM & BUSINESS UNIT PRESENTATIONS**

- Kandy Anand, Chief Growth Officer, Enterprise Growth Team
- Gavin Hattersley, CEO, MillerCoors
- Fred Landtmeters, CEO, Molson Coors Canada
- Simon Cox, CEO, Molson Coors Europe
- Stewart Glendinning, CEO, Molson Coors International

## **TRACEY JOUBERT, CFO, MOLSON COORS**

- Strategies to grow profit, cash, total shareholder return

## **CLOSING REMARKS**

## **Q&A WITH FULL LEADERSHIP TEAM**

## **RECEPTION**

# A FOCUS ON DELIVERING GROWTH & LONG TERM SHAREHOLDER VALUE

PACC REMAINS KEY DECISION DRIVER

## BRAND-LED PROFIT GROWTH

- Investing behind core brands
- Driving share in above premium
- Delivering value-added innovation
- Commercial excellence

## CASH GENERATION

- Cost reductions
- Capital expenditure driving efficiencies
- Working Capital improvements
- Sale of non-core assets

## CASH AND CAPITAL ALLOCATION

- Disciplined cash use
- Return-driven criteria
- Balanced priorities

PROFIT AFTER  
CAPITAL CHARGE

---

TOTAL  
SHAREHOLDER  
RETURN  
(TSR)



# ACQUIRING MILLERCOORS & MILLER INTERNATIONAL

## A UNIQUE AND GAME-CHANGING OPPORTUNITY FOR MOLSON COORS





















Consistent with Molson Coors' strategic vision

Iconic American beer brands support global growth

Drives substantial financial benefits to shareholders

Seamless integration based on existing ownership

Continues strategic evolution of Molson Coors

PREMIUM	IMPORT/INT'L	FMB/CIDER	CRAFT	ECONOMY
				
				
				
				

# PURCHASED AT AN ATTRACTIVE VALUATION

ONE OF THE LOWEST INDUSTRY PURCHASE MULTIPLES

**ANNOUNCED MULTIPLE**

**9.2x** based on 2014 EV/EBITDA (adjusted for net present value of expected tax benefits)

**UPDATED MULTIPLE**

**8.5x** based on MillerCoors 2016 EBITDA, including the present value of cash tax benefits

**+37%** underlying EPS accretion in Q1 2017

# MOLSON COORS: YESTERDAY VS. TODAY

NEARLY DOUBLES THE SIZE OF THE COMPANY

**YESTERDAY**  
42% OF MILLERCOORS  
(FY 2015)

**TODAY**  
PRO FORMA – 100%  
OF MILLERCOORS  
(FY 2016)

Net Sales\*

**\$6.8**  
BILLION

**\$11.0**  
BILLION

Underlying EBITDA

**\$1.3**  
BILLION

**\$2.4**  
BILLION

WW Brand Volume\*

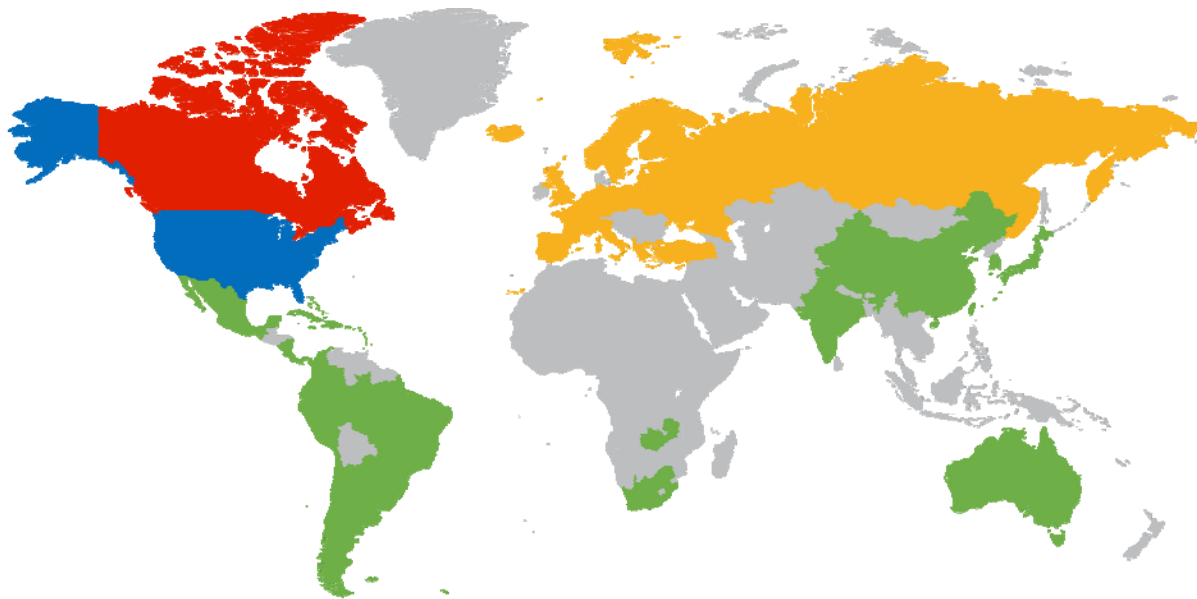
**58**  
MILLION HLs

**95**  
MILLION HLs

Plus: \$550 million of annual cost savings by 2019  
Plus: Average cash tax benefits of >\$275M per year for 15 years

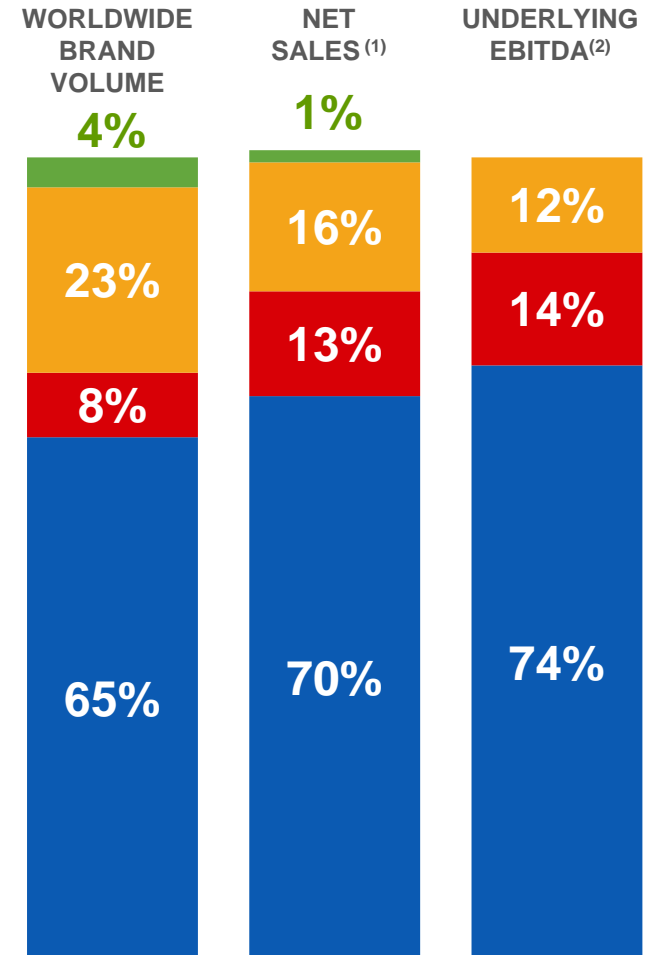
# MOLSON COORS TODAY

\$11 BILLION OF REVENUE AND \$2.4 BILLION OF EBITDA



● UNITED STATES  
● CANADA

● EUROPE  
● INTERNATIONAL MARKETS



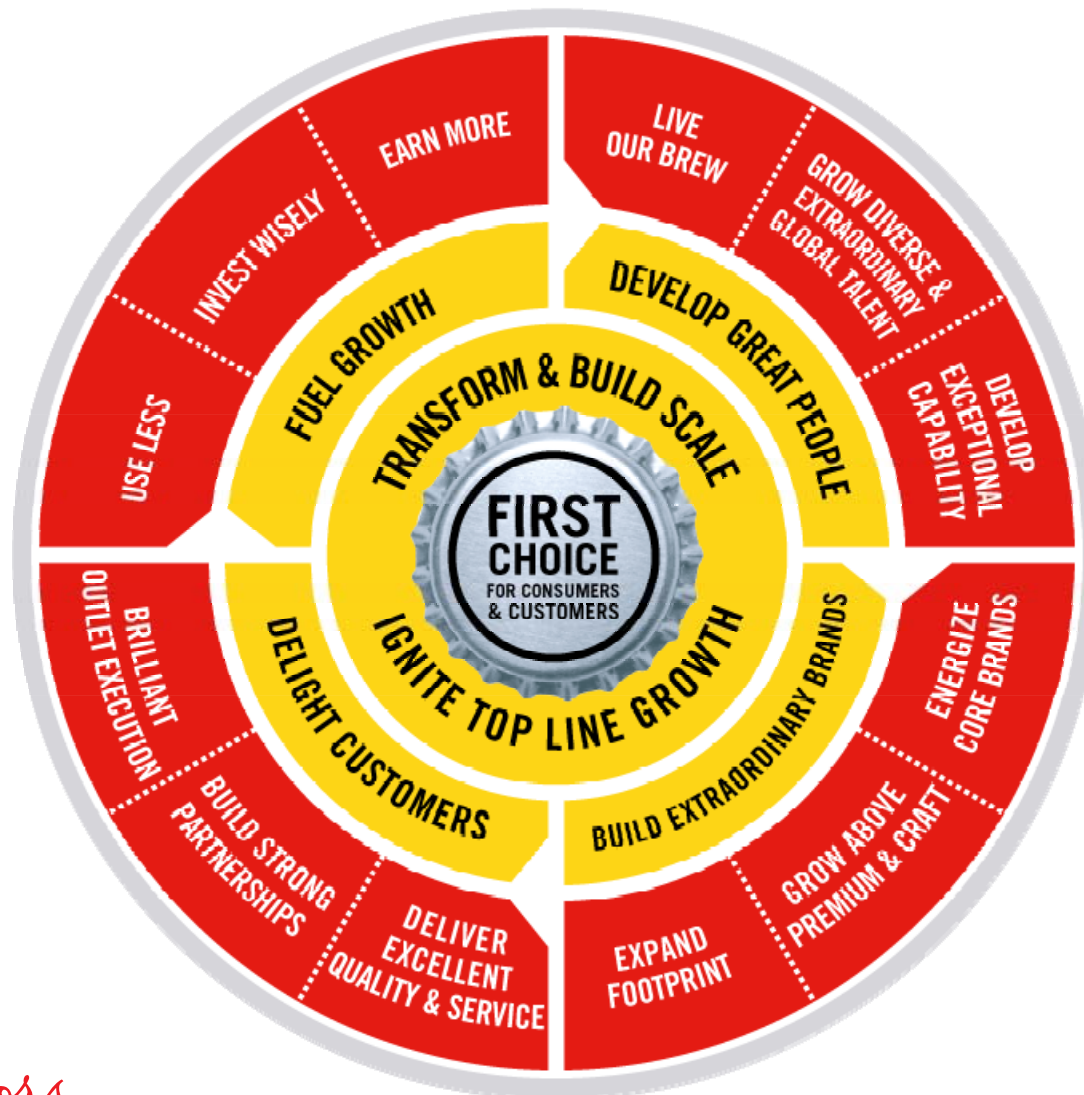
<sup>(1)</sup> Excludes Corporate and Eliminations from the total.

<sup>(2)</sup> Does not include underlying EBITDA for Corporate and MCI. Non GAAP underlying EBITDA is calculated by excluding special and other non-core items from the nearest U.S. GAAP earnings. See reconciliation to nearest U.S. GAAP measures on our website. This is based on underlying EBITDA for Europe and Canada and pro forma underlying EBITDA results of the U.S.

Note: Based on Pro Forma 2016 Results

# OUR STRATEGIC FRAMEWORK – MCBC BREWHOUSE

DRIVING OUR FIRST CHOICE AMBITION



# 2017 GLOBAL PRIORITIES

## STRATEGIC

- Embed Our Brew & Our Brewhouse
- Execute Integration & Cost Savings Plan
- Drive Commercial Excellence Globally – Top Line Growth
  - Enterprise Growth Team
- Accelerate World Class Supply Chain 2.0
- Build Footprint and Scale via MCI
- Deliver Talent & Capability Agenda

Building for the future

# 2017 GLOBAL PRIORITIES

## FINANCIAL

- Deliver \$1.2 Billion in Free Cash Flow, +/- 10%
- Pay Down Debt – Retain Investment Grade Status
- Top and Bottom-Line Performance
- Drive TSR
- Increased Earnings Visibility
  - Cash Tax Benefit
  - Phasing of Cost Savings
  - Medium Term EBITDA Guidance

Driving sustainable growth and long term shareholder returns

# FIRST CHOICE AGENDA ACROSS ALL BUSINESS UNITS

## DRIVING TOP-LINE GROWTH

### US

- Flat Volume by 2018, Volume Growth by 2019 & Beyond

### CANADA

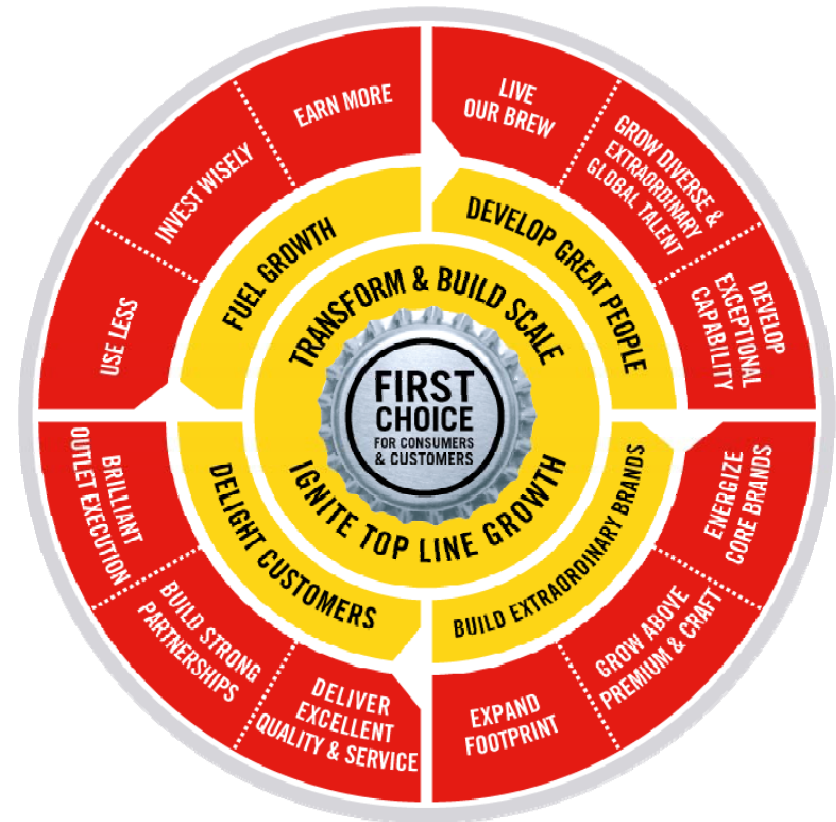
- Reigniting Growth

### EUROPE

- Portfolio Premiumization & Building Off of a Strong Base

### INTERNATIONAL

- Above Premium Portfolio Focus in High Growth Markets



Focus on being First Choice for Consumers & Customers & expand EBITDA margins over medium term

# ENTERPRISE GROWTH TEAM

SUPPORTING THE ACCELERATION OF TOP-LINE GROWTH

BUILD WORLD CLASS  
COMMERCIAL CAPABILITIES

DRIVE TRANSFORMATIONAL  
ACCELERATOR INITIATIVES



Delivered in close collaboration with the business units

**KANDY ANAND**

**CHIEF GROWTH OFFICER  
MOLSON COORS BREWING COMPANY**

# IGNITING TOP AND BOTTOM LINE GROWTH

TWO PRONGED STRATEGY TO ACCELERATE OUR GROWTH TRAJECTORY

BUILD WORLD CLASS  
COMMERCIAL CAPABILITIES

DRIVE TRANSFORMATIONAL  
ACCELERATOR INITIATIVES



Delivered in close collaboration with the business units



# COMMERCIAL CAPABILITIES

QUICK WINS: LIFT AND SHIFT OPPORTUNITIES

## CATEGORY SELLING

- Increases core brand distribution

## RETURN ON MARKETING INVESTMENT (ROMI)

- Delivers ~3% efficiency annually

## CUSTOMER EXCELLENCE

- NPS drives demonstrated First Choice achievement





# COMMERCIAL CAPABILITIES

QUICK WINS: ALIGNED ON GLOBAL APPROACHES

## COMMERCIAL EXCELLENCE FRAMEWORK

- Supports best practice and world class capabilities
- Global processes and tools





# COMMERCIAL CAPABILITIES

## QUICK WINS: GLOBAL SEGMENTATION

- 1 global map; 8 demand occasions; 3 price tiers
- Distinct role for every brand in portfolio

Relax	Connect	Socialize	Celebrate
			
'Relax' mindset driving individual choices	Desire to 'connect' and be 'comfortable' driving choices	Need to 'impress' and 'stand out' often driving choices	Desire to 'celebrate' and 'impress' often driving choices

**OCCASIONS REMAIN CONSISTENT ACROSS MARKETS**

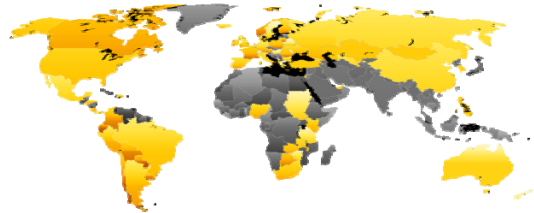


# GLOBAL PRIORITY BRANDS

## GLOBAL SCALE & DEMAND SPACE



Present  
in ~40  
countries



Present  
in ~70  
countries



Present  
in 37  
countries



Present  
in ~25  
countries



## ACQUIRED MILLER VOLUME

2017 EXPECTED VOLUME BY BUSINESS UNIT

### TOTAL CONTRIBUTION

- ~3 Million HL Annual Financial and Royalty Volume

---

### CANADA CONTRIBUTION

- ~10% Financial Volume

### EUROPE CONTRIBUTION

- ~25% Financial & Royalty Volume

### MC INTERNATIONAL CONTRIBUTION

- ~65% Financial & Royalty Volume



Attractive growth opportunities



# ACCELERATOR INITIATIVES

## GLOBAL PRIORITY BRANDS



- Upgrading Miller Lite visual identity by aligning with US
- Currently available in over 20 countries
- Launched MGD SoundClash Platform to accelerate awareness
- Endorsed by global superstar talent “Chainsmokers”
- Upgrading Czech Staropramen visual identity to align with global

Driving global relevance, consistency and efficiency



# ACCELERATOR INITIATIVES

DIGITAL LEADERSHIP FOR THE FUTURE

## DIGITAL PLATFORMS TO DELIGHT OUR CUSTOMERS

- Connect all customer touchpoints on one platform

## MULTI-CHANNEL E-COMMERCE

- Engage in direct-to-consumer

## PRECISION MARKETING

- Give consumers topical reasons to engage with our brands

Underpinned by data & analytics  
to unlock faster growth across our business





# ACCELERATOR INITIATIVES

DRIVE BREAKTHROUGH INNOVATION

GROW CORE BRANDS BY CREATING EXTRAORDINARY EXPERIENCES



GROW THE BEER CATEGORY BY MAKING BEER MORE ACCESSIBLE



GROW BEYOND BEER



IMPROVE PACC





# ACCELERATOR INITIATIVES

GROWTH THROUGH STRATEGIC PARTNERSHIPS



Closing gaps in our portfolio & looking at new categories

# IGNITING TOP AND BOTTOM LINE GROWTH

TWO PRONGED STRATEGY TO ACCELERATE OUR GROWTH TRAJECTORY

BUILD WORLD CLASS  
COMMERCIAL CAPABILITIES

DRIVE TRANSFORMATIONAL  
ACCELERATOR INITIATIVES



Delivered in close collaboration with the business units

**GAVIN HATTERSLEY**

**CEO, MILLERCOORS**

**MOLSON COORS BREWING COMPANY**

# MILLERCOORS GROWTH IMPERATIVE




Flat by 2018

Total volume growth by 2019



Not a rallying cry – it's our plan

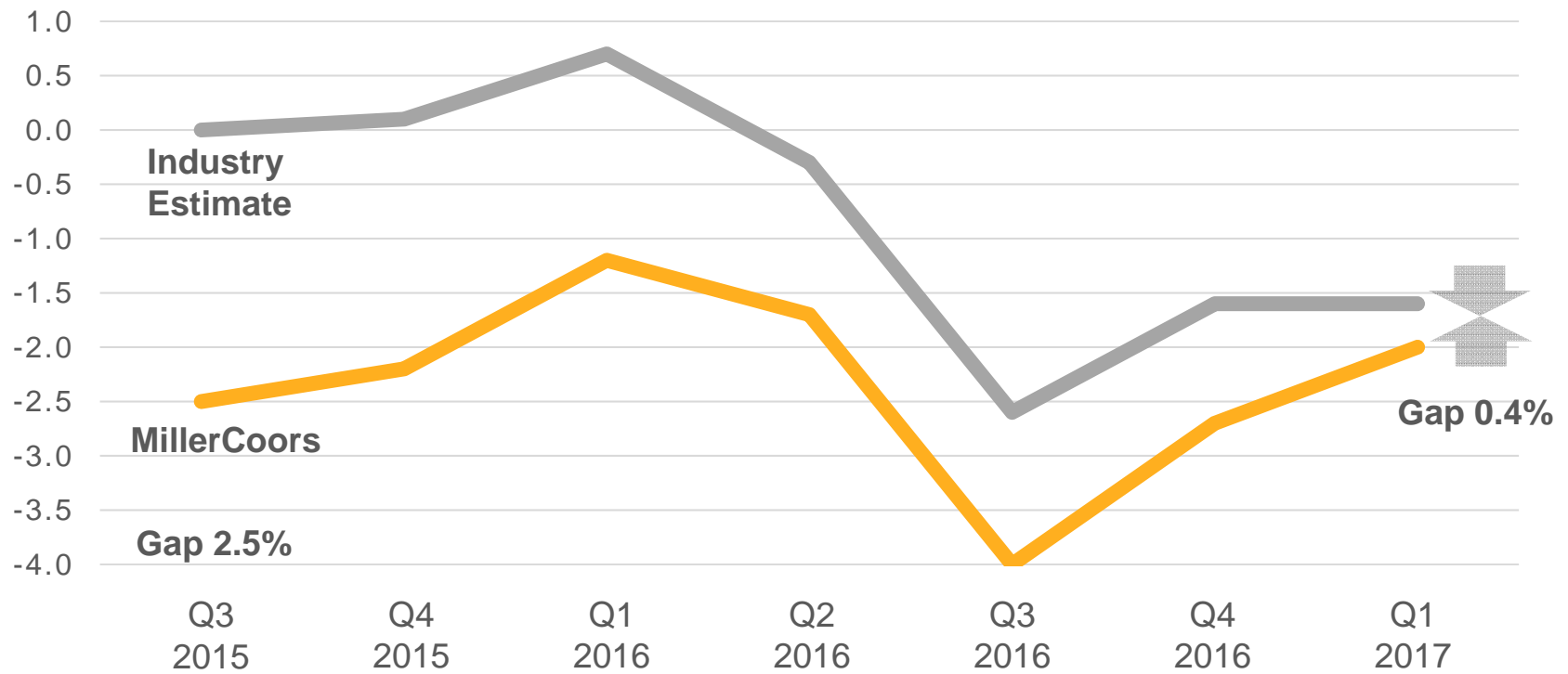
# SHARE PERFORMANCE

	 <small>A MOLSON COORS COMPANY</small>					
Share of Industry Change	YTD Share	L13	YTD Share	L13	YTD Share	L13
Total Volume	26.4	(0.4)	48.6	(0.9)	8.0	1.0
Share of Segment Change	YTD Share	L13	YTD Share	L13	YTD Share	L13
Premium Light	43.6	0.9	55.9	(0.9)		
Premium Regular	12.6	0.5	75.7	(1.6)		
Above Premium	7.6	(0.7)	25.6	(0.2)	24.9	2.1
Economy	32.4	(0.4)	58.9	0.5		

**Q4 2016 and Q1 2017 – best share performance in 4 years**

# VOLUME PERFORMANCE

## STR PERCENT CHANGE VS. PRIOR YEAR



Gap to industry continues to narrow



# PORTFOLIO STRATEGY

HOW WE'LL ACHIEVE OUR GROWTH IMPERATIVE

Continue to grow share in Premium



Accelerate growth in Above Premium



Stabilize Economy to protect and expand the beer category

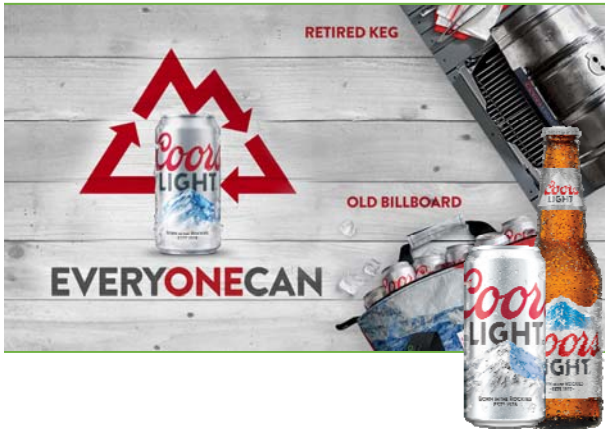


Every segment plays a role in achieving growth



# CONTINUE TO GROW SHARE IN PREMIUM

REJUVENATE & RESTORE RESPECT FOR OUR AMERICAN LAGERS



- Gained segment share for 8 consecutive quarters



- Gained segment share for 10 consecutive quarters



- On its way to an 11th consecutive year of growth

Maintaining strong PL segment share gains into Q2



# ACCELERATE GROWTH IN ABOVE PREMIUM

## CREATE AND SCALE BRANDS IN NEW AND GROWING SEGMENTS



### LEVERAGE NATIONAL CRAFTS

- Belgian White: up low- single digits in Q1
- Leinenkugel's Shandy: up mid-single digits in Q1



### ESTABLISH AND GROW PRESTIGE IMPORTS

- Peroni: best performance since Q1 2012
- Pilsner Urquell: FY 2016 best performance since 2012



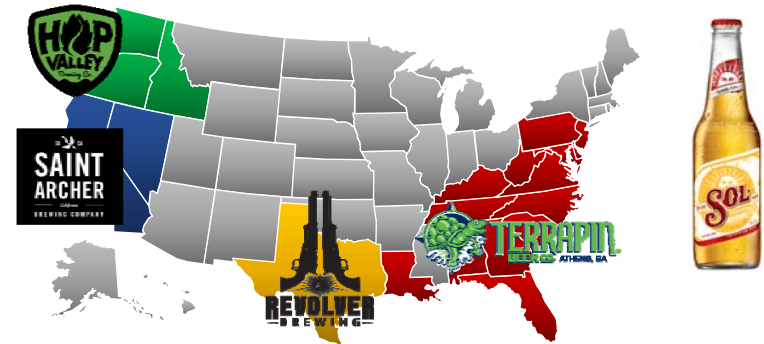
### DRIVE FMBS AND INNOVATIONS

Henry's: top Hard Soda franchise in Q1 and FY 2016

Redd's: Improving trends continue into Q2

Zima: Orders met expectation

### EXPAND NEW BRANDS

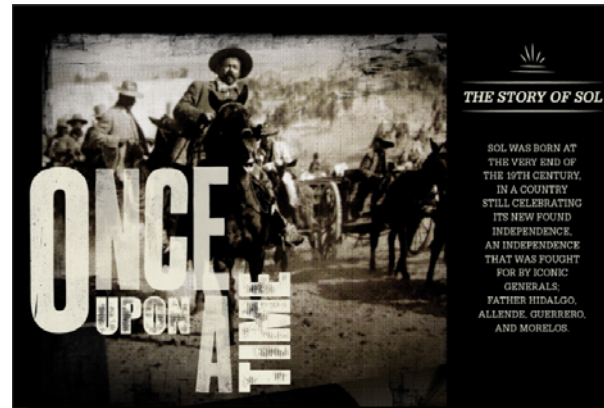


Above Premium percent of portfolio mix increased 60% since 2008



# ACCELERATE GROWTH IN ABOVE PREMIUM HIGH-POTENTIAL AUTHENTIC MEXICAN IMPORT

## Strong brand credentials



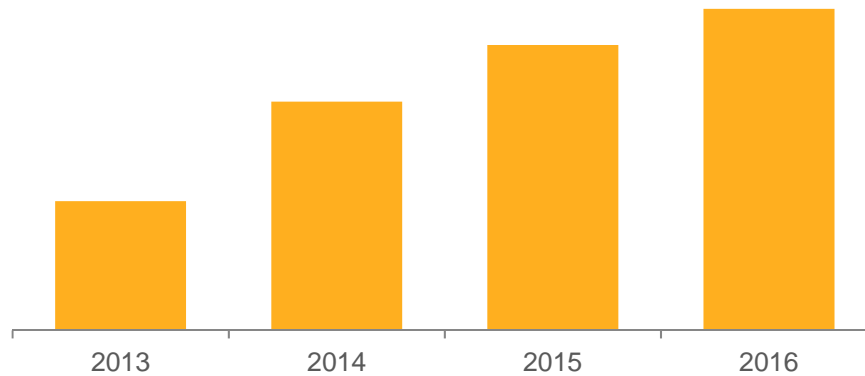
Driving incremental growth within the high-end and fastest-growing segment



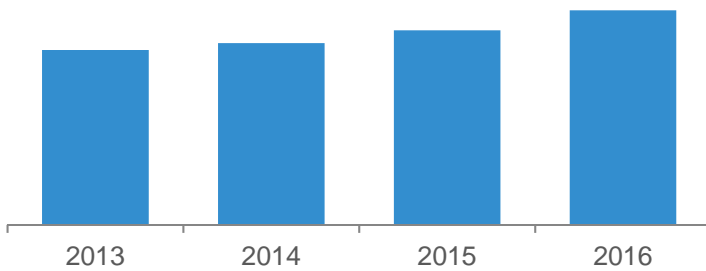
# ACCELERATE GROWTH IN FMB

GROWTH SIGNIFICANTLY HIGHER THAN ABI AND MIKE'S

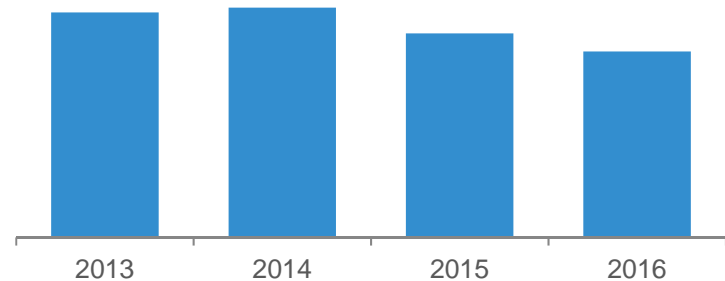
### MILLERCOORS FMB 35.5% CAGR SINCE 2013



### MIKE'S FMB 7.1% CAGR SINCE 2013



### ABI FMB -6.2% CAGR SINCE 2013





# STABILIZE ECONOMY

COMPETE INTELLIGENTLY TO PROTECT AND EXPAND THE BEER CATEGORY



- Best performance since Q3 2009



- Best performance since Q2 2010



- Up low double-digits



- Up high-teens



- Declined low double-digits

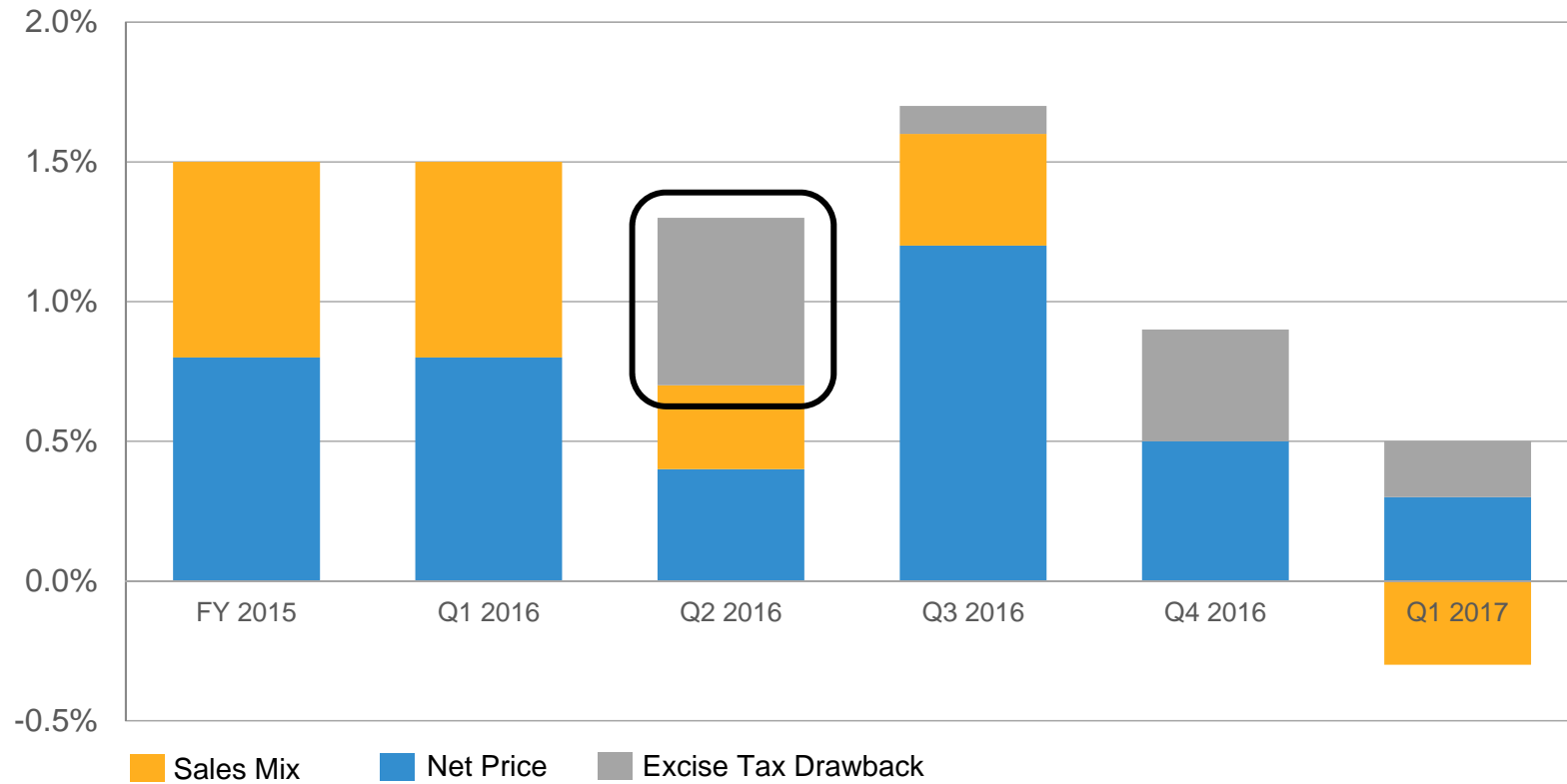
Significant trend improvement in Q1 vs. past several years



# NSR AND BRAND STRATEGIES

LOWER NSR/HL RESULTS IN Q1 DRIVEN BY MANY FACTORS

## PRO FORMA NSR/HL GROWTH



Expect improvement in full-year mix vs. Q1



# MARKETING, PLATFORMS, INVESTMENT

RIGHT PERSON, RIGHT PLACE, RIGHT MESSAGE

## Media strategies with proven ROI, scalable opportunities



## Leveraging ROMI to ensure spend efficiency and effectiveness



# EXPANDING BUILDING WITH BEER

## COMMON WAY OF SELLING ACROSS OUR SYSTEM



- +1% in Core 4 distribution



- Participating distributors growing singles faster than balance of market



- Display Support of Feature +6.1% (L13 weeks 4/29)



- Pilot distributors growing distribution faster than non-users



Increased adoption and expansion into the off-premise driving results



# WINNING IN CHAIN

CHAIN BUSINESS DRIVING IMPROVED TRENDS

## Supplier of the Year Awards

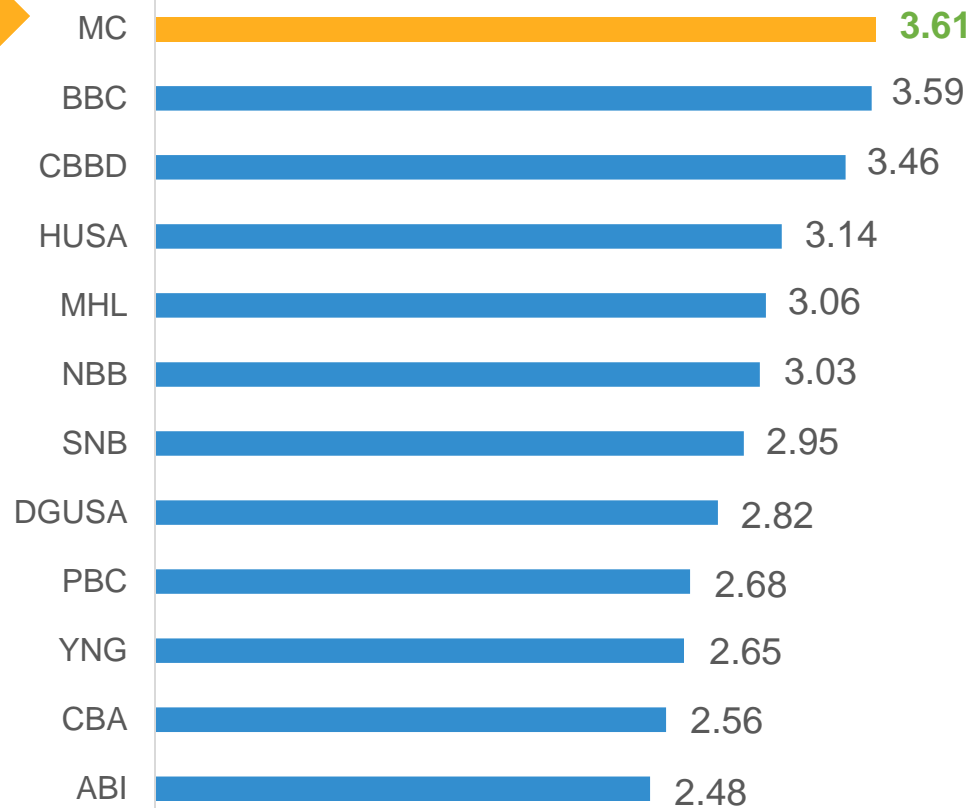


*Condon Oil*

2016 chain volume trends outperformed independents by 250 bps



# CUSTOMER EXCELLENCE



Ranked #1 supplier in Tamarron Distributor Survey

# DRIVING OUR GROWTH IMPERATIVE



Build momentum across all segments

**FREDERIC LANDTMETERS**

**CEO**

**MOLSON COORS CANADA**

# CANADA'S BUSINESS IMPERATIVE

TOP-LINE GROWTH COUPLED WITH COST EFFICIENCIES

## REIGNITING GROWTH

- Investing behind core brands
- Driving share in above premium
- Delighting Consumers & Customers

## REDUCING COST BASE

- Optimizing sales & marketing spend
- Capturing Global Synergies through an optimized network

## SUPPLY CHAIN TRANSFORMATION

- Investing Wisely
- Cost reductions
- Capital expenditure driving efficiencies

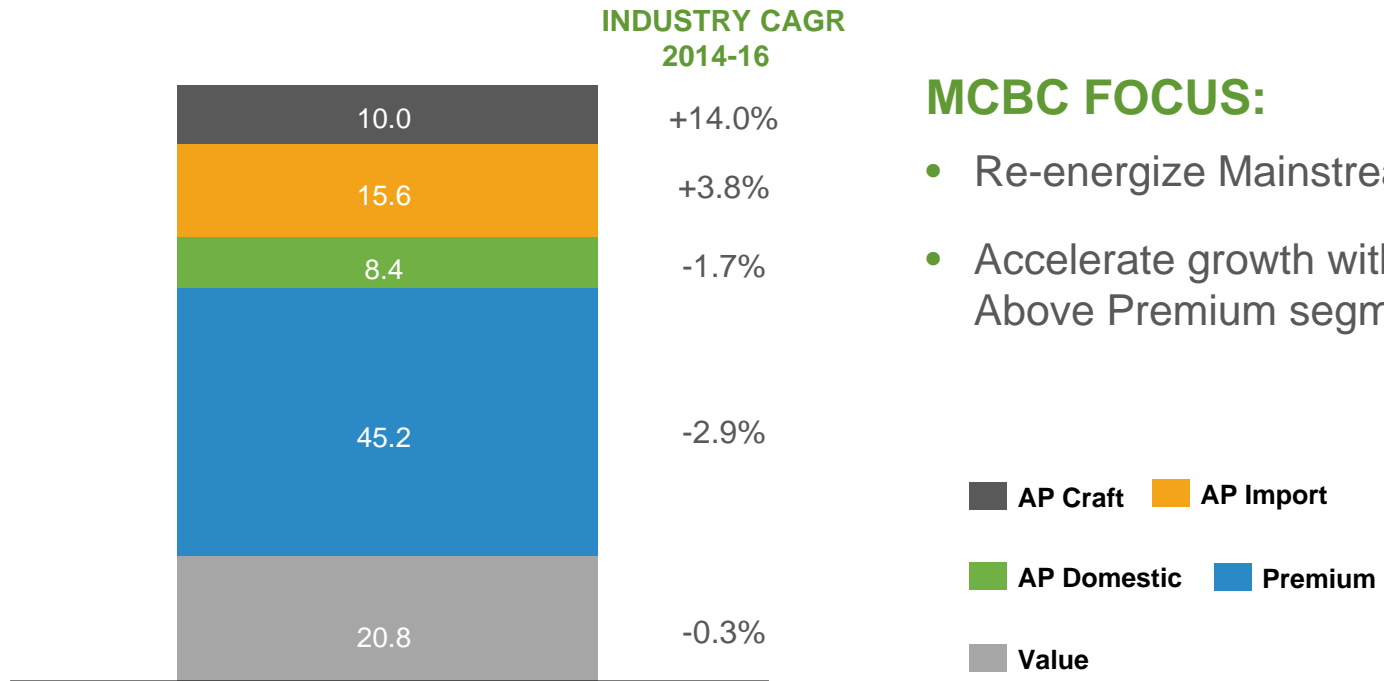
Focus is on three areas to increase overall company value



# CANADIAN BEER INDUSTRY

CONSUMERS SHIFTING TOWARDS ABOVE PREMIUM

## TOTAL CANADIAN BEER INDUSTRY BY SEGMENT





# ENERGIZING THE CORE

## PREMIUM SEGMENT

### SHARE TREND IMPROVING YTD 2017

- Coors Light Q1 improvement in share trend at TBS & LCBO – strong start to closing trial gap with LDA+ audience
- Molson Canadian **30%** increase in display space



Difference makers improving share trend for Coors Light and Molson Canadian vs previous quarter and vs all of 2016



# ENERGIZING THE CORE

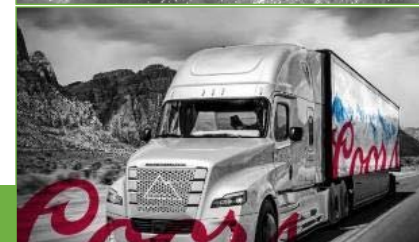
COORS LIGHT

## DIFFERENCE MAKERS TO DRIVE SHARE OF SEGMENT GROWTH

- Strengthen communications & share of voice (highest creative score in 5 years)
- Improve quality & taste perceptions
- Breakthrough innovation
- Reclaim lapsed consumers via multi-channel reach strategy

1<sup>st</sup> Q Momentum: Improving volume & share trends with strong brand health metrics

MOLSON *Coors*





# ENERGIZING THE CORE

MOLSON CANADIAN

## DIFFERENCE MAKERS TO WIN DURING CANADA'S 150TH YEAR

- Grow share through emotional connection nationally & increased trials in Quebec
- Maximize effectiveness of hockey sponsorships
- Quality campaign testing **top 1%** in Canada; **95%** short-term sales likelihood



Q1 Momentum: +10% growth in Quebec and improved trend in rest of Canada; brand health up in key metrics

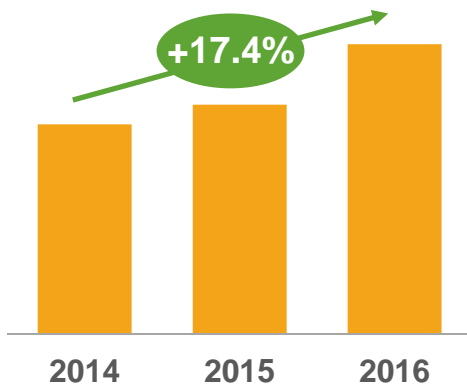
MOLSON *Coors*



# GROWING ABOVE PREMIUM & CRAFT

RESHAPING PORTFOLIO TO PURSUE AREAS OF GROWTH<sup>1</sup>

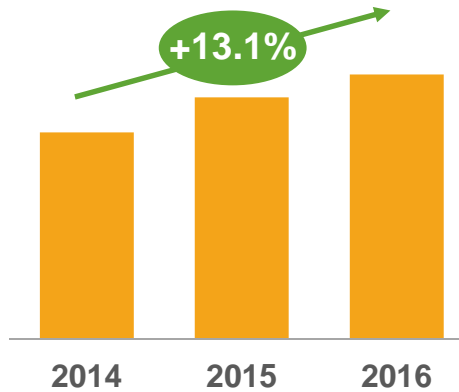
## CRAFT VOLUME



Industry CAGR: 14.0%



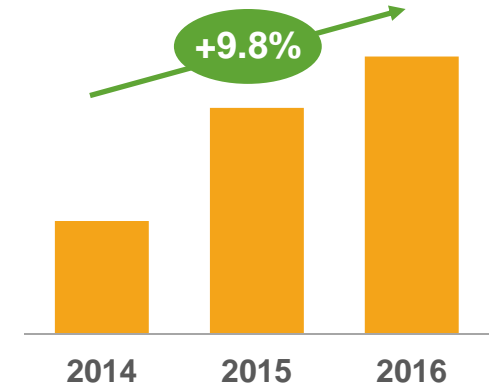
## AP IMPORT VOLUME



Industry CAGR: 3.8%



## CIDER VOLUME



Industry CAGR: 9.6%



MCC's AP & Craft brands are outperforming the overall Canadian industry in the same segments



# GROWING ABOVE PREMIUM & CRAFT

BELGIAN MOON

## LEVERAGING THE #1 CRAFT BEER IN THE UNITED STATES

- Capitalize on High Growth Craft Segment
- Leading Wheat Beer Serves as Entry to Craft
- Investing Wisely With Tactical Media Approach to Media Spend

Belgian Moon grew more than 8x in 2016 vs. prior year





# MAXIMIZING ADJACENCY BRANDS

MAD JACK

## DIFFERENCE MAKERS CONTINUE TO DRIVE AWARENESS (+5pts) and TRIAL (+3.6pts) GAINS

- Capitalize on fastest growing RTD sub-category with innovations
- Drive awareness of TM and new innovations
- Recruit new users - i.e. partnership with worldgaming.com for e-gaming

RTD market is growing 12% (2-yr CAGR) with MCC's Mad Jack fastest growing (+86% vs LY)

**MOLSON** *Coors*





# RE-INTRODUCING MILLER TO MC CANADA

## MILLER BRANDS IN CANADA

### DRIVING AWARENESS & BRAND RELEVANCE OF MILLER IN CANADA

- Leverage strong brand health
- Capitalize on global marketing assets
- Simplify economy portfolio with Miller High Life introduction



IT'S *Miller* TIME.

Miller Brands are fully integrated into MCC and set up for future success

MOLSON *Coors*





# DELIGHTING CUSTOMERS & CONSUMERS

## FIELD SALES MANAGEMENT

### DELIGHTING CONSUMERS & CUSTOMERS THROUGH EXCEPTIONAL OUTLET EXECUTION

- Global tools & Miller Coors best practices: **+10%** increase in outlet compliance
- Improved call coverage: **+20%** vs. 2015
- Territory management and outlet routing optimization – e.g., automated routing live in West



Focus on being First Choice for Customers



# DELIVERING EXCEPTIONAL QUALITY

## CUSTOMER NET PROMOTER SCORE STUDY (NPS)

### SUCCESSFUL PERFORMANCE WITH A FOCUS ON NPS

- Our first choice for customers mandate supported through NPS metrics
  - Retail: score of **38**
  - On Premise: score of **56**
- Transformed customers into MCC promoters
  - Retail Promoters grew **+3%** vs. 2015
  - On Premise Promoters grew **+10%** vs. 2015



Customer relationships continue to strengthen and outperform the competition

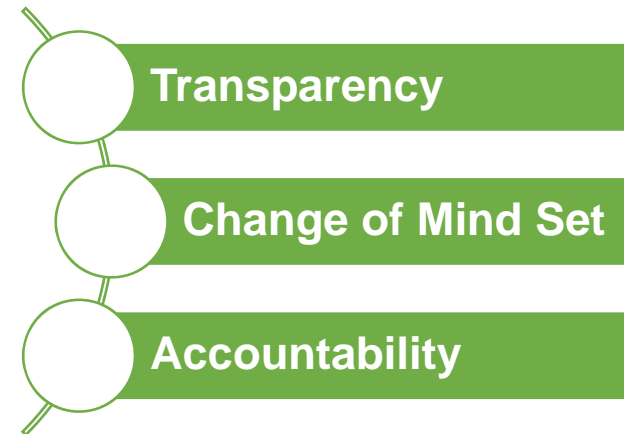


## REDUCING COST BASE

ENABLING GROWTH THROUGH EFFICIENT INFRASTRUCTURE

### MEASURES TO IMPROVE MARKETING SPEND EFFECTIVENESS

- Return on Marketing Investment (ROMI) being integrated into decision-making
- Enhancing Zero Based Budgeting (ZBB) discipline across the business
- Spend efficiencies to be examined at a customer or total business level



Effective investment and spend to enable investment in growth

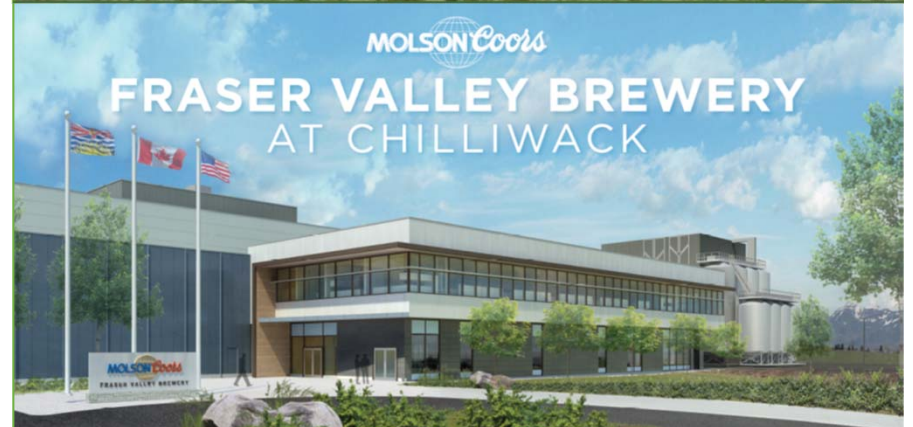


# SUPPLY CHAIN TRANSFORMATION

ASSET RENEWAL, PRODUCTIVITY GAIN, COST REDUCTION

## NEW ASSETS GEARED TO STEP-CHANGE COST REDUCTION

- Breaking ground for new Fraser Valley, BC brewery
- Transforming Western supply chain with diversified production abilities
- Assessing Quebec production opportunities



Our asset footprint continues to evolve and improve

# CANADA'S BUSINESS IMPERATIVE

TOP-LINE GROWTH COUPLED WITH COST EFFICIENCIES

## REIGNITING GROWTH

- Investing behind core brands
- Driving share in above premium
- Delighting Consumers & Customers

## REDUCING COST BASE

- Optimizing sales & marketing spend
- Capturing Global Synergies through an optimized network

## SUPPLY CHAIN TRANSFORMATION

- Investing Wisely
- Cost reductions
- Capital expenditure driving efficiencies

Focus is on three areas to increase overall company value

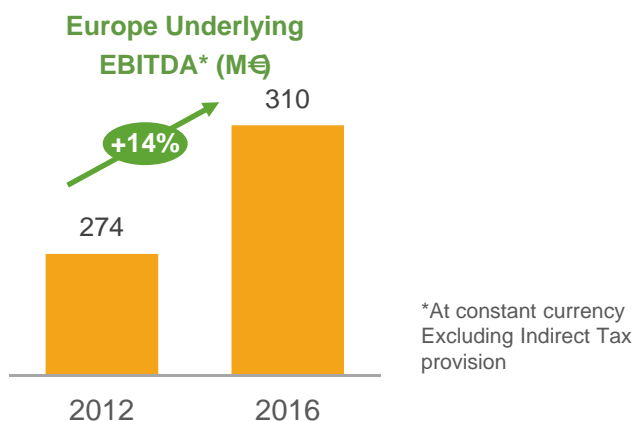
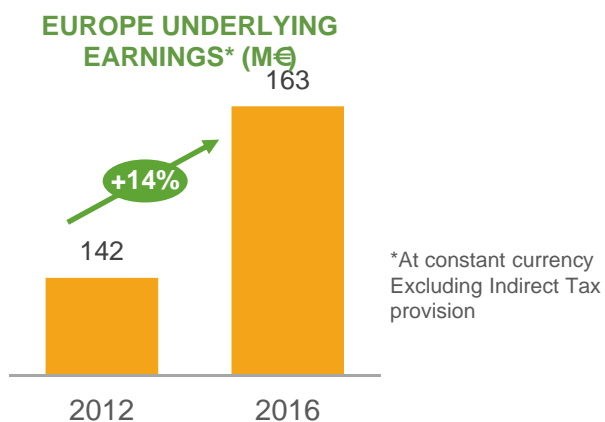
**SIMON COX**

**CEO**

**MOLSON COORS EUROPE**

# MCE HAS A STRONG BASE, WITH UPSIDE POTENTIAL

## SOLID EARNINGS GROWTH



MARKET	MARKET POSITIONS*
UK	#2
Czech Republic	#2
Croatia	#1
Serbia	#1
Bulgaria	#1
Hungary	#3
Romania	#3
Bosnia	#1
Slovakia	#3
Montenegro	#1
Republic of Ireland	#3

## MCE HAS BEEN RE-SHAPED TO COVER ALL MARKETS (EXPORT AND LICENSE)

- More cost efficient and effective operations
- Consistent management of brands across the region
- Pan European customer and partner management



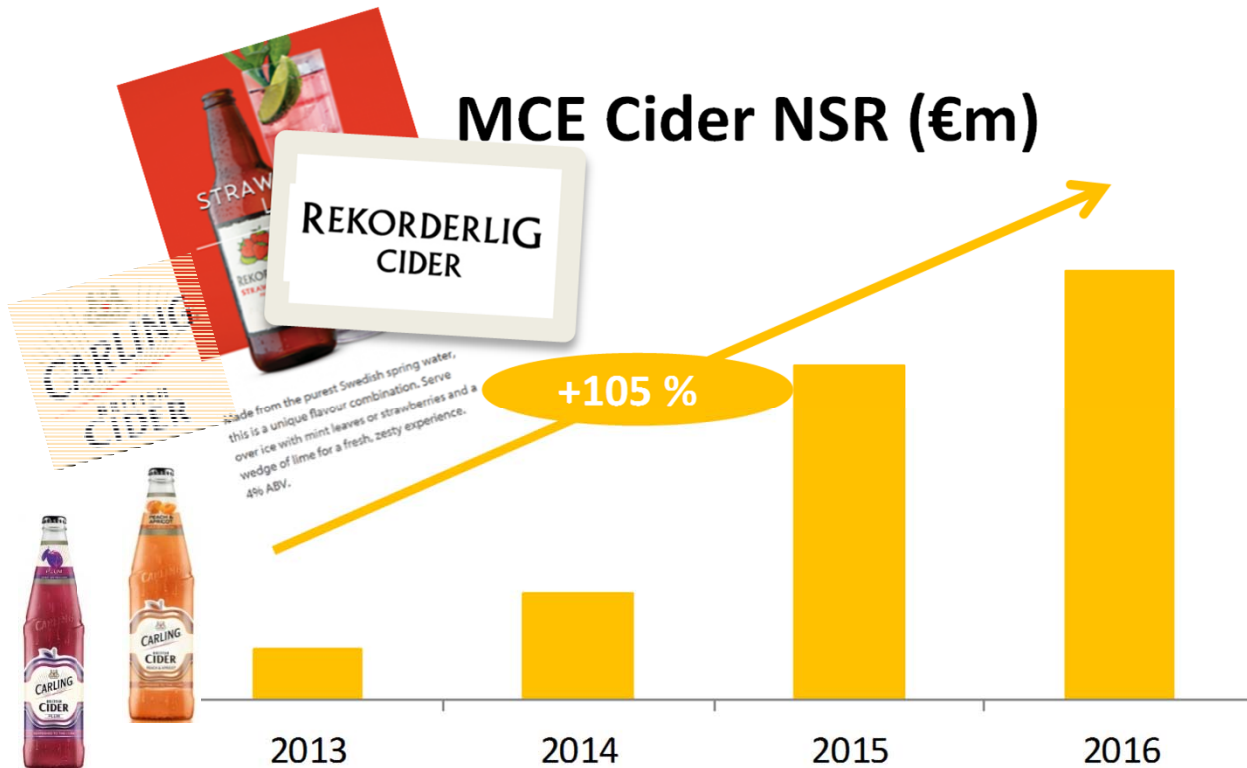


# UK IS OUR LARGEST MCE BUSINESS – PERFORMING STRONGLY AND SET UP FOR FURTHER SUCCESS





# CIDER PROGRESS IS RAPID WITH MORE TO PLAY FOR



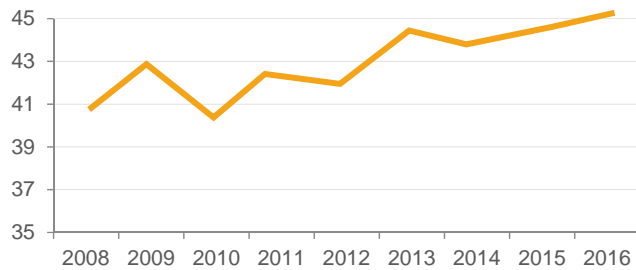
...But still have a lot of opportunity



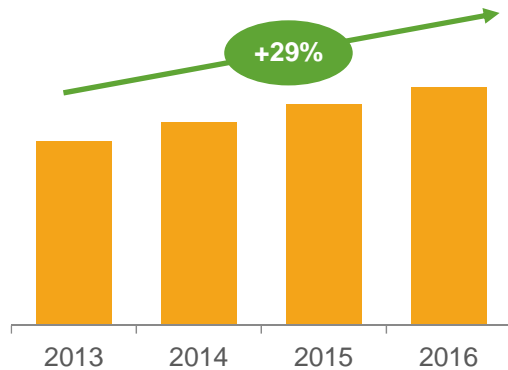
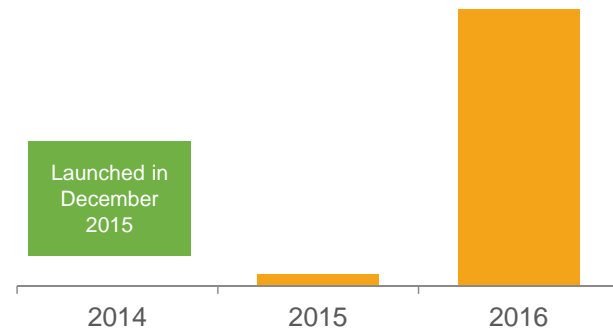
# ENERGIZE CORE BRANDS – MAINTAINING STRONG NO.1 POSITIONS OR BUILDING MOMENTUM



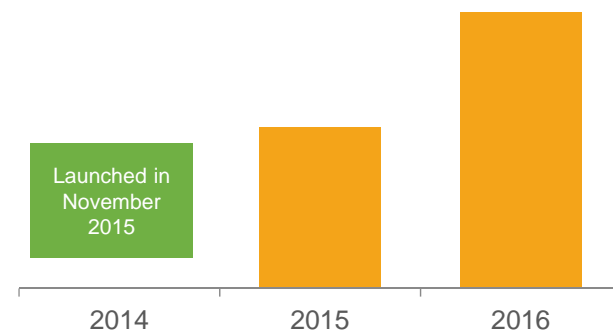
### OZUJSKO SHARE IN MAINSTREAM



### Ožujsko Amber



### Bergenbier Ale





# STAROPRAMEN GROWING STRONGLY ACROSS EUROPE

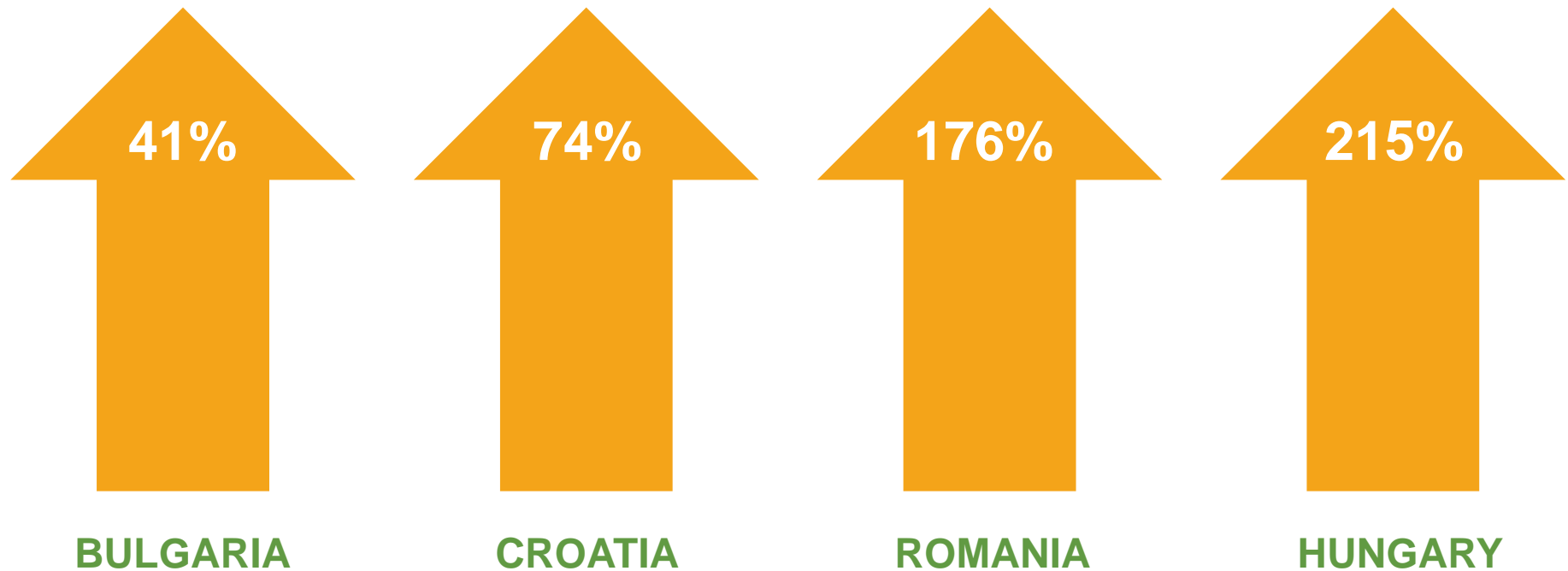




# STAROPRAMEN GROWING STRONGLY ACROSS EUROPE



## GROWTH 2016 vs. 2012



All at above average margin



WE ARE PREMIUMIZING THE PORTFOLIO...

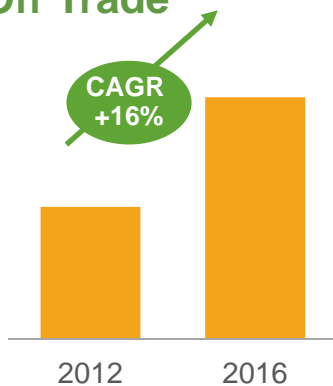




# ...AND WE KNOW HOW TO WIN WITH CRAFT



**DOOM BAR #1 Cask Ale in the On Trade and #1 Premium Bottle Ale in the Off Trade**

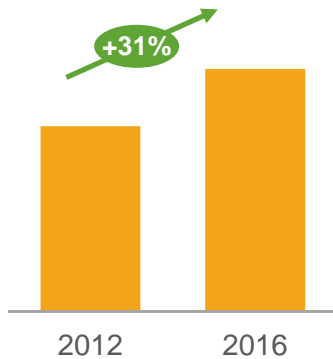


**FRANCISCAN WELL (Chieftain IPA)**

- #1 Craft brand in Republic of Ireland
- With 11% share, significantly over indexed to On Trade



**BLUE MOON CAGR 31%**



**LA SAGRA #1 CRAFT BEER IN SPAIN**

- La Sagra is the biggest craft brewery in Spain
- Overall Spain Craft Market around 100KHL spread over 350 Microbreweries



# WE ARE FIRST CHOICE IN UK AND REPLICATING IN EUROPE

UK			EUROPE
			<h3>NET PROMOTER SCORE</h3>
	2012	2016	
On Premise	6 <sup>th</sup>	2 <sup>nd</sup>	
Off Premise – Mult. Grocers	15 <sup>th</sup>	1 <sup>st</sup>	
Off Premise – Impulse	12 <sup>th</sup>	1 <sup>st</sup>	
NUMBER 1 IN:			



**STEWART GLENDINNING**

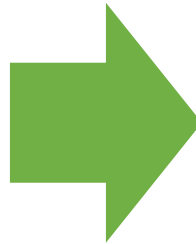
**CHIEF EXECUTIVE OFFICER  
MOLSON COORS INTERNATIONAL (MCI)**

# MCI PRIORITIES

MCI IS FOCUSED ON DRIVING GROWTH OFF A STRONG PLATFORM

## Post acquisition business status

- Increased scale
- More powerful and complementary portfolio
- Transition activities are largely complete
- Capable partners



## 2017 priorities

- Wrap up remaining transition activities
- Leverage global brands and commercial excellence
- Expand portfolio footprint

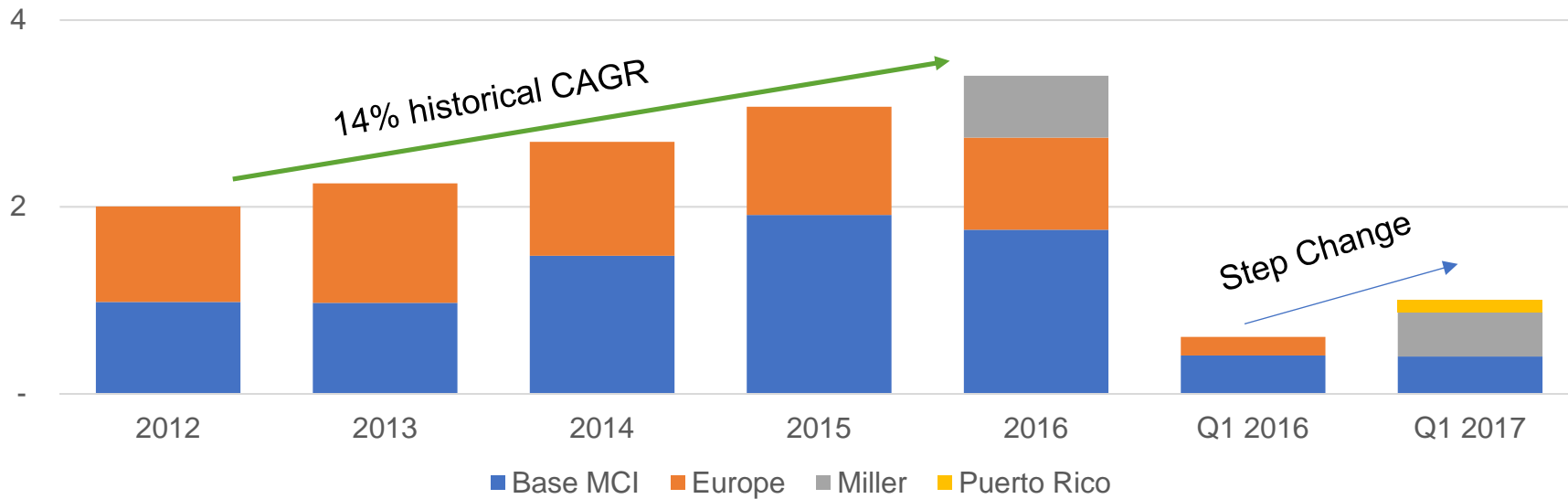
# MCI PRIORITIES

MILLER BRANDS INCREASE SCALE FOR MCI

MCI volumes have been step changed by acquisition of the Miller brands

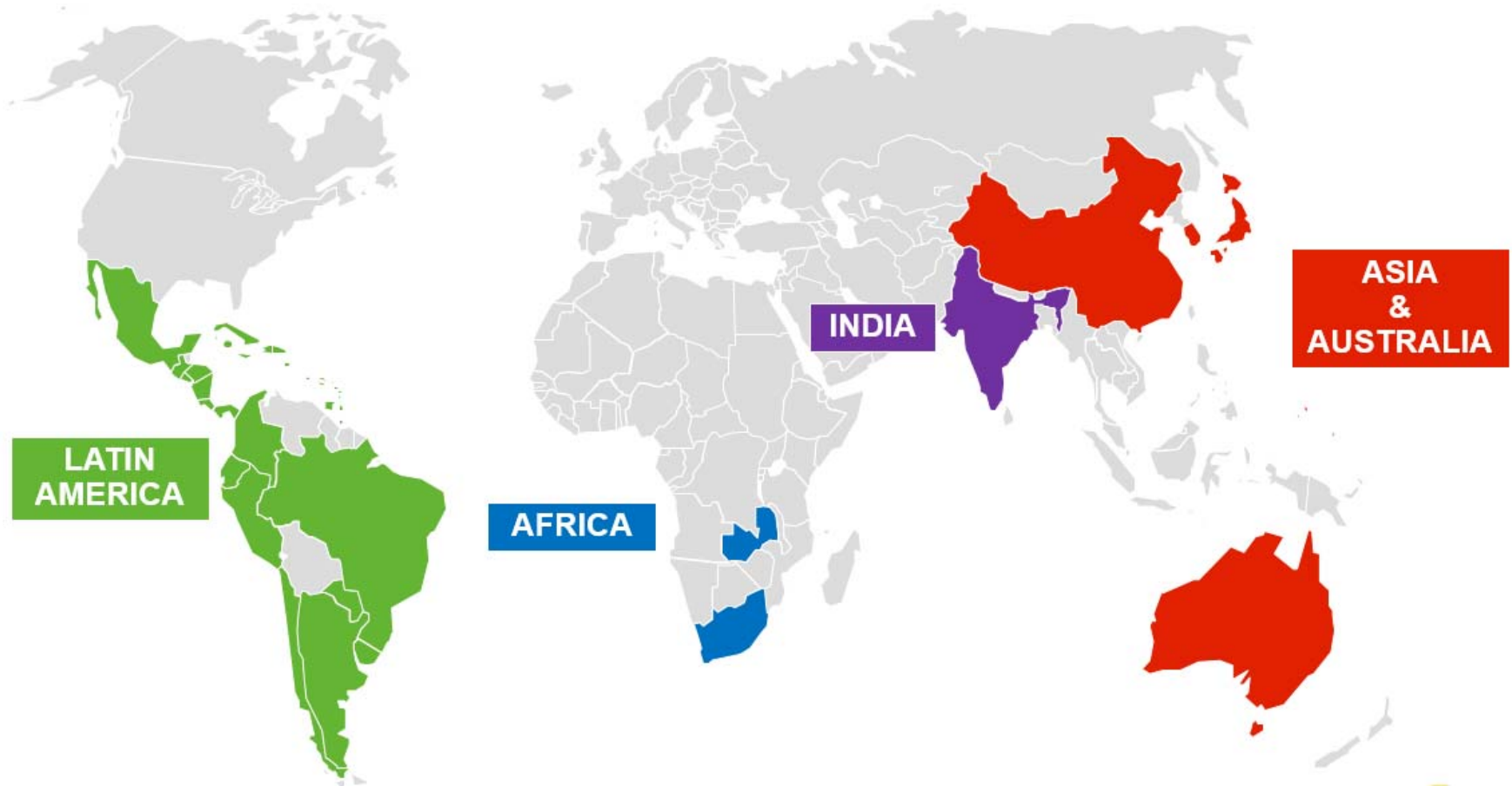


## REPORTED BRAND VOLUME (KHL)



# MCI FOOTPRINT

STRONG INTERNATIONAL REACH



MCI regions account for 54% of global profits and 85% of the global population



## OUR CORE PORTFOLIO

CLEAR BRAND PROPOSITION AND FOCUS IS KEY TO GROWTH



### BRAND PURPOSE:

Celebrate the climb

### STRATEGIC FOCUS:

Grow share in connect space & bring to life brand purpose across all consumer touch points



### BRAND PURPOSE:

Experience the exceptional

### STRATEGIC FOCUS:

Grow share in higher energy social occasions, a brand which stands out in the impress space



### BRAND PURPOSE:

Inspire creativity

### STRATEGIC FOCUS:

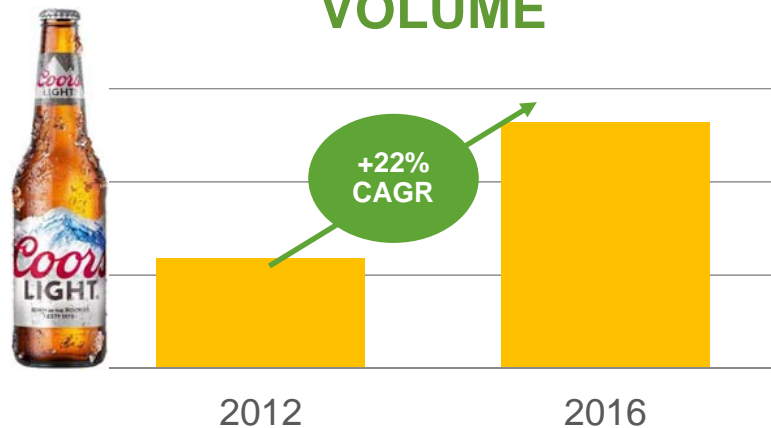
Grow by taking share in socialize and unique brand spaces



# COORS LIGHT VOLUME GROWTH

MCI Coors Light volume has more than doubled over the last four years

## COORS LIGHT VOLUME



MOLSON *Coors*





# MILLER GENUINE DRAFT: ALWAYS ON GLOBAL PLATFORM – BRAND AWARENESS

**RETAIL TOOLS ON AND  
OFF PREMISE**



**EQUITY COMMUNICATION**



**EXPERIENTIAL**



# CRAFT STRATEGY

Leverage Blue Moon to build credibility in new markets

- Lead the craft category in underdeveloped and developing beer markets
- Play in the craft/premium social segments
- Use “Face, Place and Story” to build credentials and credibility



MOLSON *Coors*

FACE



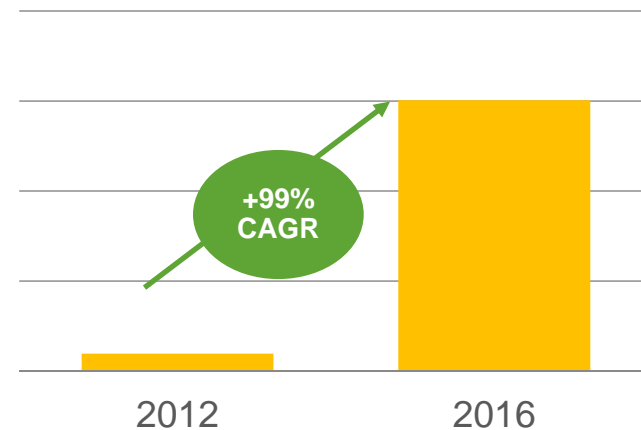
PLACE



STORY

*Artfully Crafted.*

## BLUE MOON VOLUME





# CUSTOMER EXCELLENCE

FSM, NPS AND DISTRIBUTOR MANAGEMENT

## FSM

- Driving discipline and quick execution
- New markets on the horizon

## NPS

- +10 percentage points vs. 2016

## DISTRIBUTOR MANAGEMENT

- Partner selection to distribute Miller and Coors trademarks
- Launched beer champion program

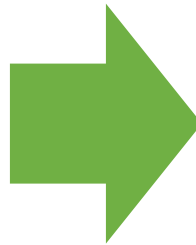


# MCI PRIORITIES

MCI IS FOCUSED ON DRIVING GROWTH OFF A STRONG PLATFORM

## Ongoing profit drivers

- Growing volumes
- Lower NSR/hl with partners
- Higher marketing investments
- Higher G&A/hl in early years



## 2017 Modeling input

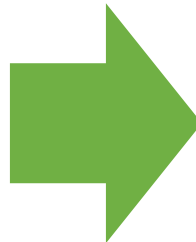
- Early volatility
- G&A organization not fully in place in Q1
- Total gross profit for 2017 will be \$90m +/- 10% with substantially all reinvested to drive growth

# MCI PRIORITIES

MCI IS FOCUSED ON DRIVING GROWTH OFF A STRONG PLATFORM

## Post acquisition business status

- Increased scale
- More powerful and complementary portfolio
- Transition activities are largely complete
- Capable partners



## 2017 priorities

- Wrap up remaining transition activities
- Leverage global brands and commercial excellence
- Expand portfolio footprint

**TRACEY JOUBERT**

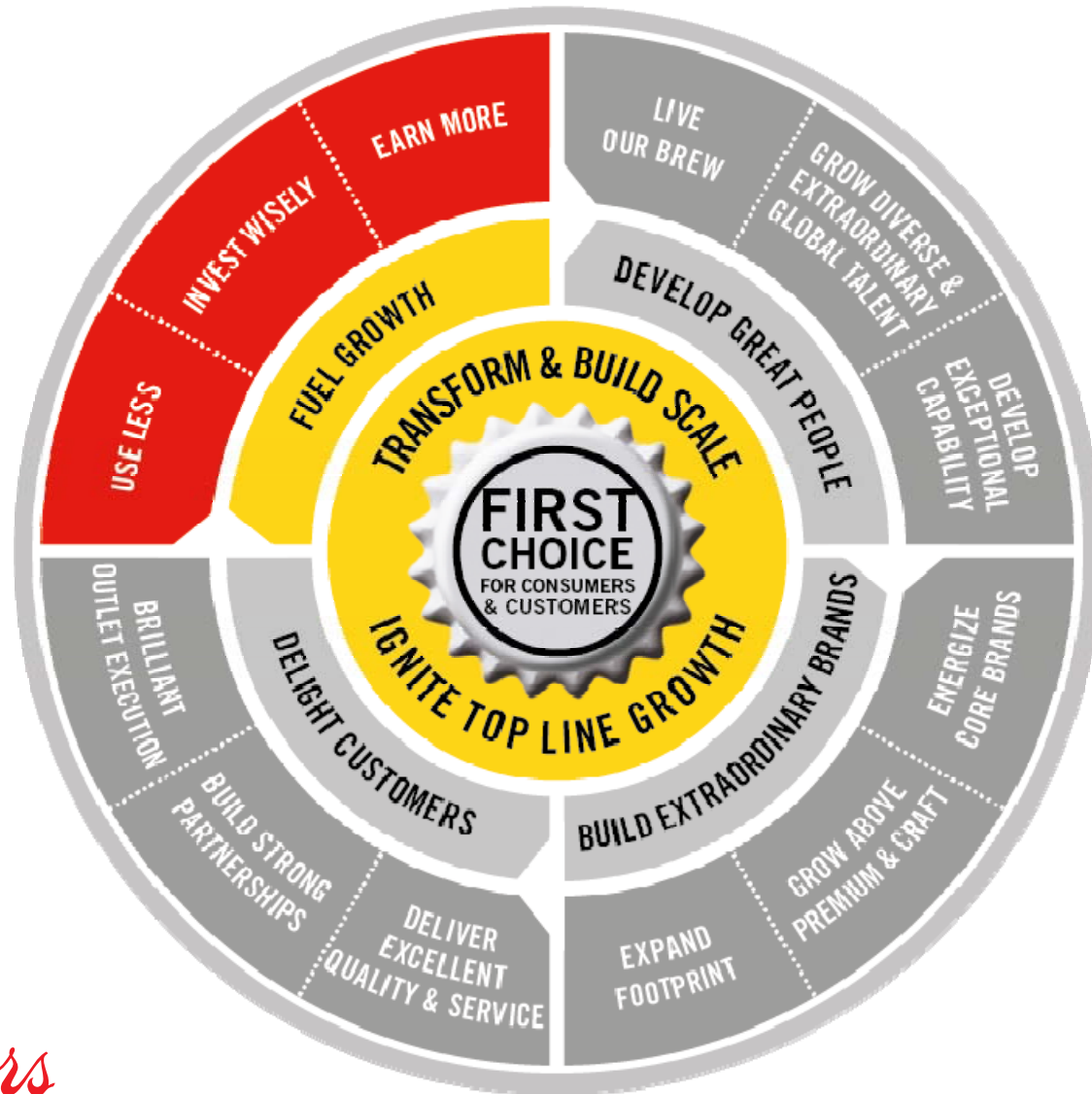
**CFO**

**MOLSON COORS BREWING COMPANY**



# DRIVING GROWTH THROUGH FOCUS ON STRATEGIES AND PACC MODEL

## PACC MODEL





# DELIVERING GROWTH & LONG TERM SHAREHOLDER VALUE

PACC REMAINS KEY DECISION DRIVER

## BRAND-LED PROFIT GROWTH

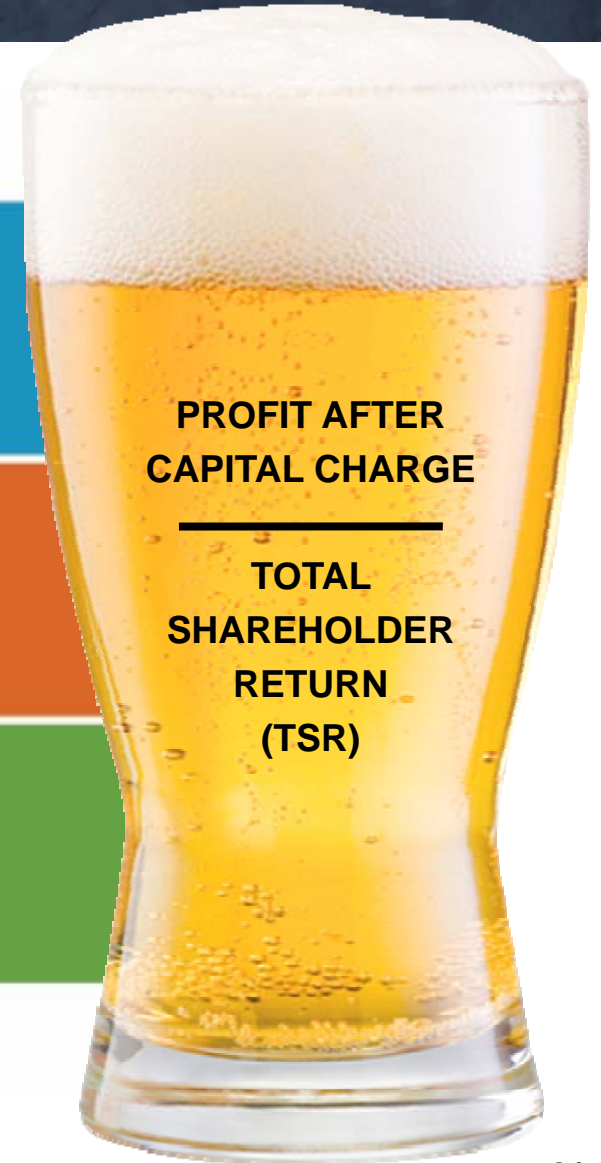
- Investing behind core brands
- Driving share in above premium
- Delivering value-added innovation
- Commercial excellence

## CASH GENERATION

- Cost reductions
- Capital expenditure driving efficiencies
- Working Capital improvements
- Sale of non-core assets

## CASH AND CAPITAL ALLOCATION

- Disciplined cash use
- Return-driven criteria
- Balanced priorities





# DELIVERING GROWTH & LONG TERM SHAREHOLDER VALUE

PACC REMAINS KEY DECISION DRIVER

EARN MORE

USE LESS

INVEST WISELY

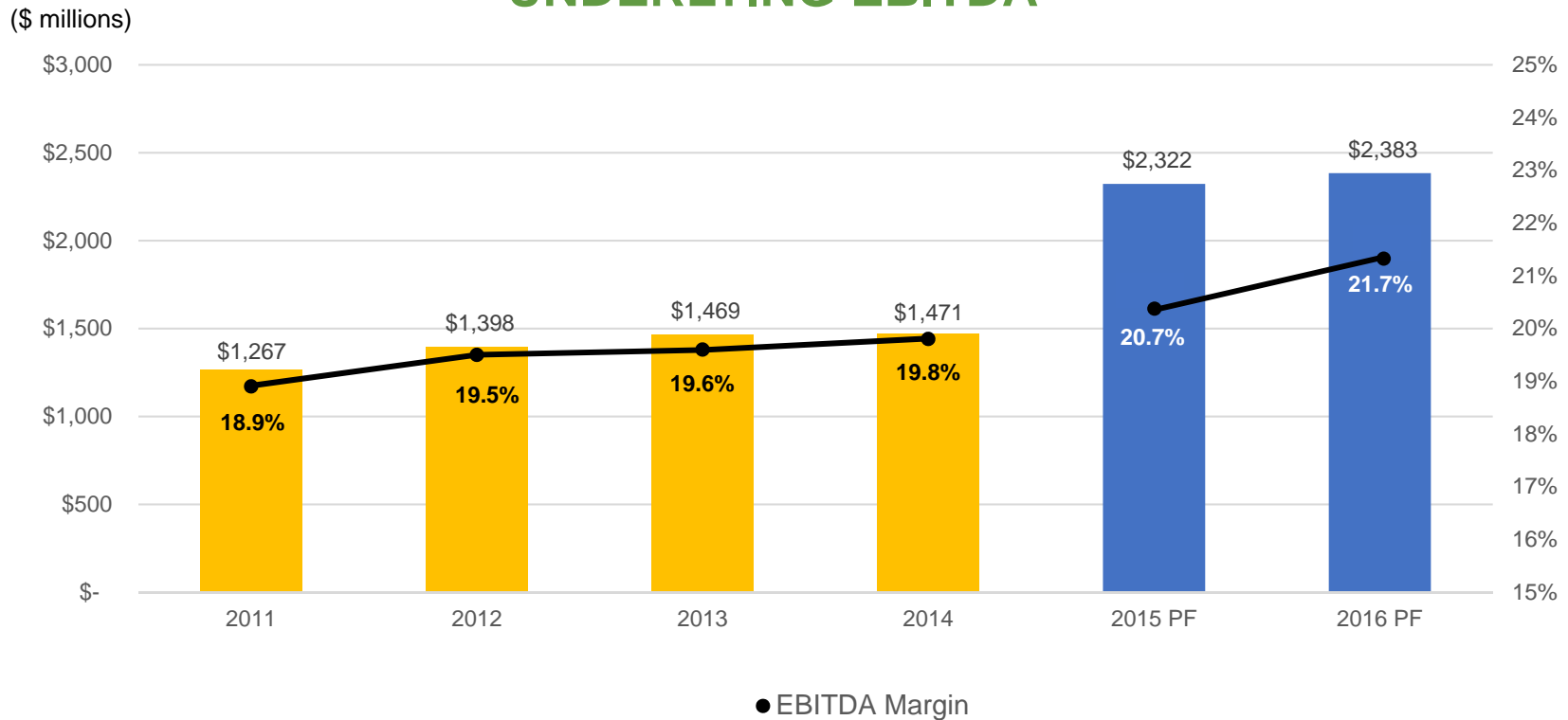




# CONSISTENT FINANCIAL PERFORMANCE

## STEP CHANGE IN SCALE

### UNDERLYING EBITDA (1)



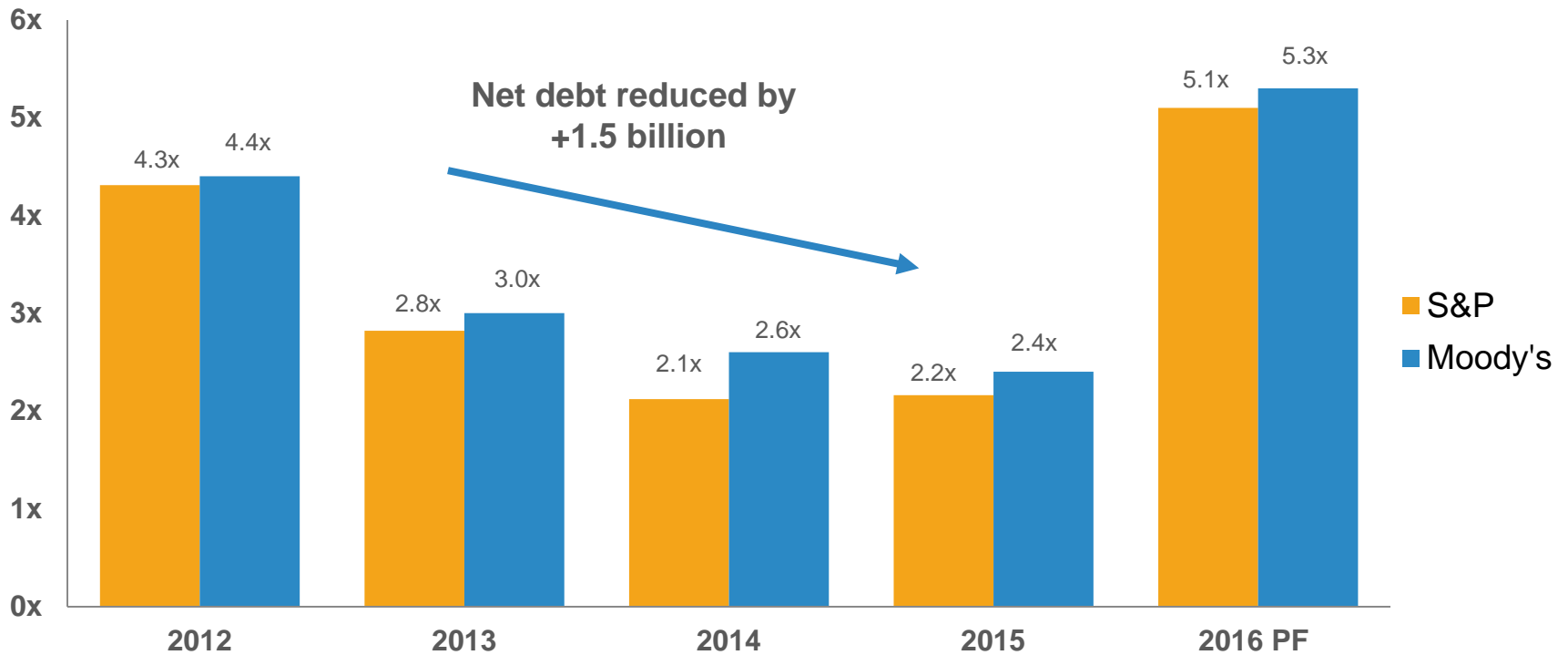
**Up 2.6% in FY 2016 Pro Forma, Earnings Accretive in Year 1**

(1) 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 earnings. 2015 and 2016 results are pro forma for the MillerCoors transaction. See reconciliation to nearest U.S. GAAP measures on our website. Note: Underlying EBITDA margin is calculated by dividing underlying EBITDA by net sales (including 42% of MillerCoors net sales in 2011-2014).



# FOCUS ON PAYING DOWN DEBT

## S&P, MOODY'S DEBT / EBITDA

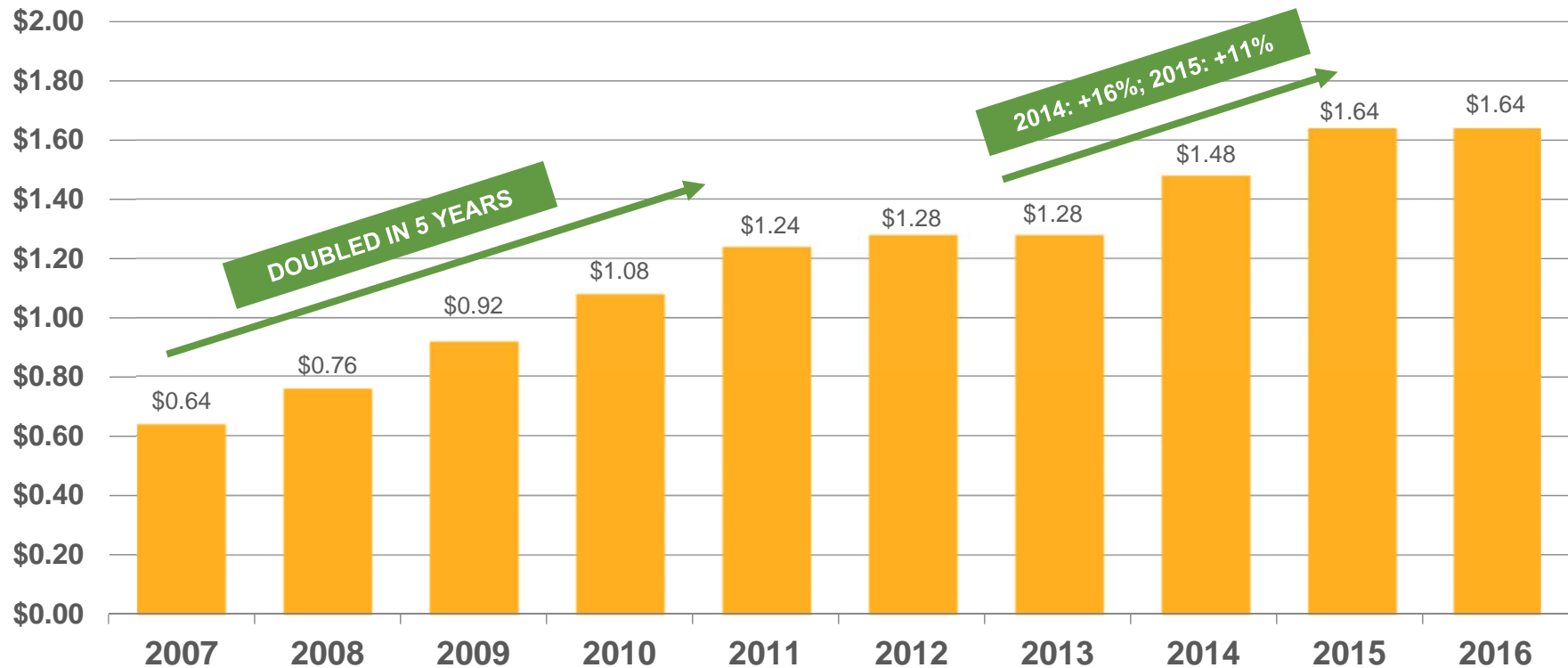


Commitment to maintaining investment-grade debt ratings



# COMMITTED TO CASH RETURNS VIA DIVIDENDS

## DIVIDENDS PAID (ANNUAL PER SHARE)



Will revisit dividend policy once deleveraging is well underway



## DISCIPLINED CASH USE

### CASH-USE PRIORITIES

**STRENGTHEN**  
Balance sheet

Brand-led  
**GROWTH**  
OPPORTUNITIES

**RETURN CASH**  
to shareholders

# GLOBAL PRIORITIES

## FINANCIAL

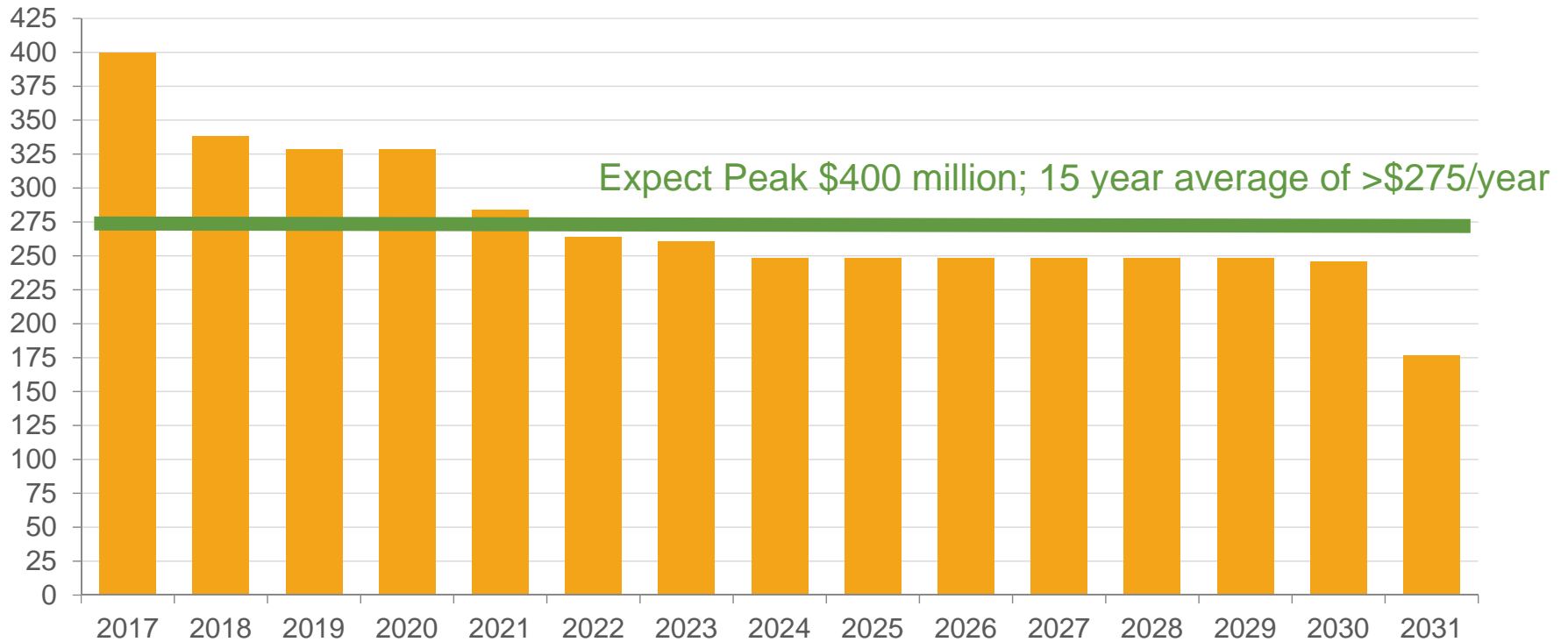
- Deliver \$1.2 Billion in Free Cash Flow, +/- 10%
- Pay Down Debt – Retain Investment Grade Status
- Top and Bottom-Line Performance
- Drive TSR
- **Increased Earnings Visibility**
  - **Cash Tax Benefits**
  - **Phasing of Cost Savings**
  - **Medium-Term EBITDA Guidance**

Driving sustainable growth and long term shareholder returns



# CASH TAX BENEFITS FORECAST

## PROJECTED TRANSACTION-RELATED CASH TAX BENEFITS BY YEAR (in millions - USD)

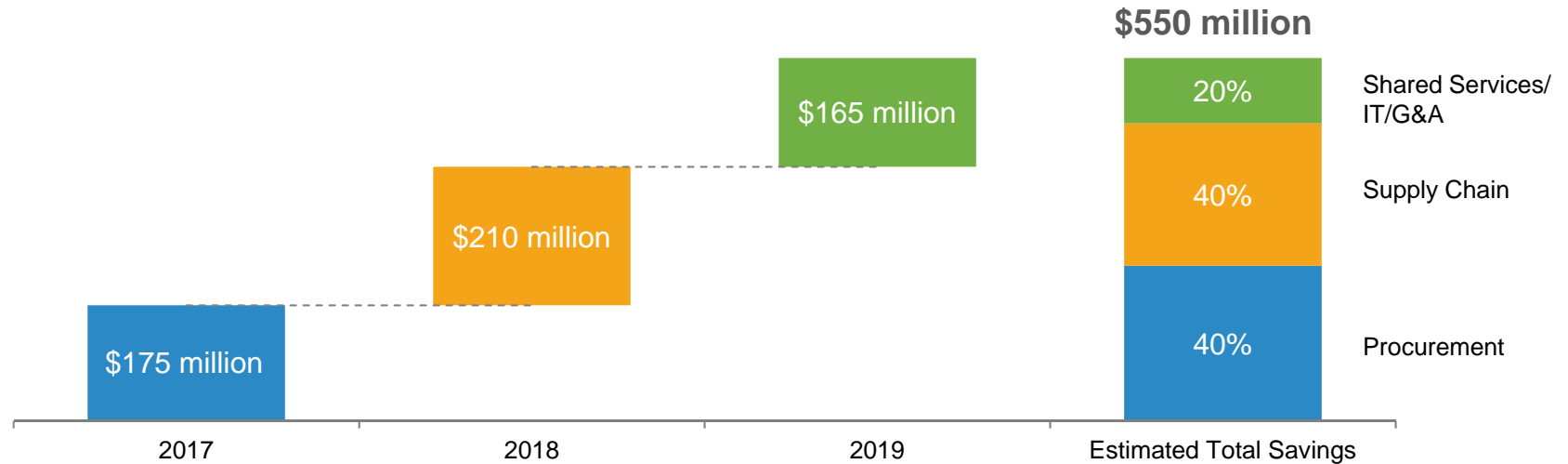


Deal-related cash tax benefits are subject to change due to the following:

- May vary depending on the final purchase-price allocation
- Potential U.S. tax reform
- Any downward adjustment to the purchase price based on the trailing 12 month EBITDA of the Miller International Business (but overall cash positive)



## INCREASED COST SAVINGS VISIBILITY



### ~\$350 MILLION ESTIMATED ONE-TIME COSTS TO DELIVER SAVINGS:

- ~50% - 'Non-Core' Expense; excluded from underlying EBITDA and underlying FCF
- ~50% - Capital spending to achieve cost savings – included in underlying capital spending and FCF guidance
- Primarily in 2017 and 2018 (front-loaded)

# NEW AND CLARIFIED GUIDANCE

## CORPORATE UNDERLYING MG&A GUIDANCE \$170 MILLION, +/- 10%

- INVESTMENTS AHEAD OF THE CURVE IN 2017
- ~\$50 MILLION INCREASE OVER PRIOR YEAR, PRIMARILY DUE TO:
  - 50% driven by Global Growth Agenda
  - 40% Centers of Excellence, world-class performance across global functions
  - 10% non-recurring, accelerated long-term incentive compensation
  - ~\$50 million increase includes ~\$20 million of transfers from the business units

Greater modeling visibility



Note: Underlying MG&A, Depreciation and Amortization (D&A) and Capital Expenditures (CapEx) are calculated by excluding special and other non-core items from the nearest U.S. GAAP measures. 2017 CapEx guidance excludes CapEx for our new **100** brewery in British Columbia.

# NEW AND CLARIFIED GUIDANCE

## CORPORATE UNDERLYING MG&A GUIDANCE \$170 MILLION, +/- 10%

- INVESTMENTS AHEAD OF THE CURVE IN 2017
- ~\$50 MILLION INCREASE OVER PY DRIVEN PRIMARILY BY:
  - 50% driven by Global Growth Agenda
  - 40% Centers of Excellence, world-class performance across global functions
  - 10% non-recurring accelerated long-term incentive compensation
  - ~\$50 million increase includes ~\$20 million of business unit transfers

## NEW: 2017 UNDERLYING DEPRECIATION & AMORTIZATION GUIDANCE

- Approximately \$790 million for 2017 (versus 2016 PF underlying D&A of \$736 million), driven by:
  - Canada incremental amortization expense (\$30 million)
  - New assets in MillerCoors

Greater modeling visibility



Note: Underlying MG&A, Depreciation and Amortization (D&A) and Capital Expenditures (CapEx) are calculated by excluding special and other non-core items from the nearest U.S. GAAP measures. 2017 CapEx guidance excludes CapEx for our new **101** brewery in British Columbia.

# NEW AND CLARIFIED GUIDANCE

## CORPORATE UNDERLYING MG&A GUIDANCE \$170 MILLION, +/- 10%

- INVESTMENTS AHEAD OF THE CURVE IN 2017
- ~\$50 MILLION INCREASE OVER PY DRIVEN PRIMARILY BY:
  - 50% driven by Global Growth Agenda
  - 40% Centers of Excellence, world-class performance across global functions
  - 10% non-recurring accelerated long-term incentive compensation
  - ~\$50 million increase includes ~\$20 million of business unit transfers

## NEW: 2017 UNDERLYING DEPRECIATION & AMORTIZATION GUIDANCE

- Approximately \$790 million for 2017 (versus 2016 PF underlying D&A of \$735.8 million)
  - Increase driven by Canada amortization expense (\$30 million) and new assets in MillerCoors

## FY 2017 UNDERLYING CAPEX GUIDANCE OF \$750 MILLION, +/-10%

- Elevated CapEx expected 2017-2018, followed by...
- Normalized, long-term CapEx of approximately \$650 million per year (+/-10%)

Greater modeling visibility



## EBITDA MARGIN AND UNDERLYING FCF

### UNDERLYING EBITDA MARGIN GUIDANCE

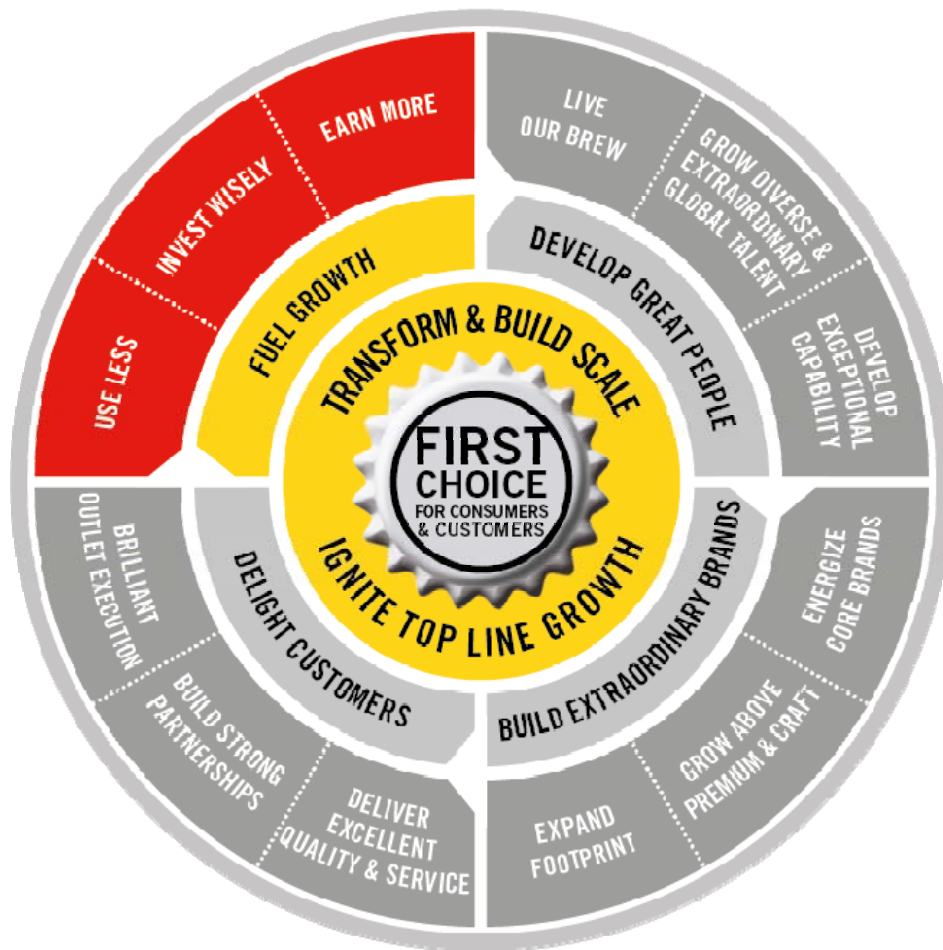
**+30bp to +60bp** PER YEAR AVERAGE NEXT 3-4 YEARS

REVISED UNDERLYING FREE CASH FLOW GUIDANCE:  
**\$1.2 BILLION +/- 10% FOR FY 2017**

- Revision driven by cash tax benefits increase to ~\$400 million in 2017



## 3 AREAS OF FOCUS



**CASH  
GENERATION/DELEVERAGE**

**COST SAVINGS COMMITMENT**

**MEDIUM-TERM EBITDA  
MARGIN GUIDANCE**

**MARK HUNTER**

**PRESIDENT AND CEO  
MOLSON COORS BREWING COMPANY**

# 2017 GLOBAL PRIORITIES

## STRATEGIC

- Embed Our Brew & Our Brewhouse
- Execute Integration & Cost Savings Plan
- Drive Commercial Excellence Globally – Top-Line Growth
- Accelerate World Class Supply Chain 2.0
- Build Footprint and Scale
- Deliver Talent & Capability Agenda

Building for the future

# A FOCUS ON DELIVERING GROWTH & LONG TERM SHAREHOLDER VALUE

PACC REMAINS KEY DECISION DRIVER

## BRAND-LED PROFIT GROWTH

- Investing behind core brands
- Driving share in above premium
- Delivering value-added innovation
- Commercial excellence

## CASH GENERATION

- Cost reductions
- Capital expenditure driving efficiencies
- Working Capital improvements
- Sale of non-core assets

## CASH AND CAPITAL ALLOCATION

- Disciplined cash use
- Return-driven criteria
- Balanced priorities

PROFIT AFTER  
CAPITAL CHARGE

---

TOTAL  
SHAREHOLDER  
RETURN  
(TSR)



**MOLSON** *Coors*

**MOLSON COORS BREWING COMPANY**

**ANNUAL NEW YORK INVESTOR/ANALYST MEETING**

**JUNE 7, 2017**