Q3’19 Results & Revitalization Plan

October 30, 2019
This presentation includes “forward-looking statements” within the meaning of the U.S. federal securities laws. Generally, the words “believe,” “expect,” “intend,” “anticipate,” “project,” “will,” “outlook,” and similar expressions identify forward-looking statements, which generally are not historic in nature. Although the Company believes that the assumptions upon which its forward-looking statements are based are reasonable, it can give no assurance that these assumptions will prove to be correct. Important factors that could cause actual results to differ materially from the Company’s historical experience, and present projections and expectations are disclosed in the Company’s filings with the Securities and Exchange Commission (“SEC”). These factors include, among others, the impact of increased competition resulting from further consolidation of brewers, competitive pricing and product pressures; health of the beer industry and our brands in our markets; economic conditions in our markets; additional impairment charges; our ability to maintain manufacturer/distribution agreements; changes in our supply chain system; availability or increase in the cost of packaging materials; success of our joint ventures; risks relating to operations in developing and emerging markets; changes in legal and regulatory requirements, including the regulation of distribution systems; fluctuations in foreign currency exchange rates; increase in the cost of commodities used in the business; the impact of climate change and the availability and quality of water; loss or closure of a major brewery or other key facility; our ability to implement our strategic initiatives, including executing and realizing cost savings; our ability to successfully integrate newly acquired businesses; cost reduction strategies, including the 2019 revitalization plan and the estimated range of related restructuring charges and timing of cash charges; pension plan and other post-retirement benefit costs; failure to comply with debt covenants or deterioration in our credit rating; our ability to maintain good labor relations; our ability to maintain brand image, reputation and product quality; and other risks discussed in our filings with the SEC, including our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. All forward-looking statements in this presentation are expressly qualified by such cautionary statements and by reference to the underlying assumptions. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Information

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

We are one of the world’s leading brewers with beers that have stood the test of time.

In the face of changing consumer behavior and taste, we must change to get to consistent topline growth.

We are implementing a plan to invest in our brands, making hard choices to unlock resources.

We will streamline decision-making, move faster as a company and take calculated risks.
**KEY TAKEAWAYS**

- **NSR (constant currency)**
  - Q3'18: -2.0%
  - Q3'19: +5.9%
  - YTD'19: -1.6% YoY, +5.8% YoY

- **UNDERLYING COGS/HL (constant currency)**
  - Q3'18: +5.9%
  - Q3'19: -5.6%
  - Q3'18: -1.6% YoY, +5.8% YoY
  - Q3'19: -7.2% YoY

- **UNDERLYING EBITDA (constant currency)**
  - Q3'18: -5.6%
  - Q3'19: +5.9%
  - YTD'19: -7.2% YoY

**Note**: Non-GAAP underlying earnings before interest, tax, depreciation and amortization (EBITDA) is calculated by excluding special and other non-core items from the nearest U.S. GAAP earnings. See reconciliation to nearest U.S. GAAP measures on our website. COGS/HL on a financial volume basis in constant currency.

- Strong pricing in all BUs
- Positive global sales mix
- Offset by volume declines
- Inflation, volume deleverage, partially offset by savings
- Lower incentive compensation
- Marketing spend per hectoliter up slightly in Q3 and YTD
- Maintained cash flow focus
Note: Non-GAAP underlying earnings before interest, tax, depreciation and amortization (EBITDA) is calculated by excluding special and other non-core items from the nearest U.S. GAAP earnings. See reconciliation to nearest U.S. GAAP measures on our website. COGS/HL on a financial volume basis.
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International
Q3 2019 Performance

**KEY TAKEAWAYS**

- Volume decline driven by Paraguay, India, Puerto Rico, and shipment timing
- Net sales decrease driven by geographic mix
- Geographic mix, inflation
- Lower marketing spend and incentive compensation expense

**Notes:**

- 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. See reconciliation to nearest U.S. GAAP measures on our website.
- COGS/HL on a financial volume basis in constant currency.
## 2019 Outlook

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimate</th>
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<tbody>
<tr>
<td><strong>COST SAVINGS</strong></td>
<td>~$700M 2017-2019</td>
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<tr>
<td><strong>2019 CONSOLIDATED UNDERLYING COGS/HL</strong></td>
<td>Mid-single digit percentage increase constant currency</td>
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<td><strong>2019 CONSOLIDATED INTEREST EXPENSE</strong></td>
<td>$275M +/- 5%</td>
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<tr>
<td><strong>2019 CAPITAL SPENDING</strong></td>
<td>$700M +/- 10%</td>
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<td><strong>2019 UNDERLYING D&amp;A</strong></td>
<td>~$850M</td>
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<tr>
<td><strong>2019 UNDERLYING FCF</strong></td>
<td>$1.4 billion +/- 10%</td>
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Revitalization Plan
We Have The Scale & Brands To Compete Successfully

- $10.5 billion in net sales revenue
- Nearly 90 million HL brand volume
- $2.3 billion in underlying EBITDA
- $1.3 billion in underlying free cash flow

Note: For the 12-months ended September 30, 2019
Financial Discipline

Cost Savings

$700M expected savings from 2017-2019

Strong Cash Flow

Anticipated 3 year average FCF delivery of more than $1.4B (1)

Balance Sheet Strength

$2.7B debt reduction (2)

Strong Cash Return

Increased dividend by ~40% in September 2019

(1) Fiscal years 2017 - 2019
(2) Debt reduction since Q4'16
What Has Affected Molson Coors Performance

Fundamental Changes in Growth Drivers…

- Rapidly shifting drinking preferences and behaviors
- Innovation and direct customer communication led by disruptive brands
- Overall beer losing share to other alcoholic and non-alcoholic beverages
- Fast growing segments: Above Premium, Imports and FMBs

...Opportunity to improve

- Increase exposure to growing segments
- Bigger and faster innovations
- Simplify structure and decision making
- Increase brand investments
- Increase marketing spend and innovation capabilities
Our Revitalization Plan

<table>
<thead>
<tr>
<th>Strategic</th>
<th>Organizational</th>
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<tbody>
<tr>
<td>Invest in our iconic brands</td>
<td>Increase investment in marketing and capabilities</td>
</tr>
<tr>
<td>Aggressively grow above premium beer</td>
<td>Streamline our company to enable growth</td>
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<tr>
<td>Expand in adjacencies and beyond beer</td>
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Invest In Iconic Brands

Stabilize brand performance and position for sustainable growth

- **Accelerating** investment behind our largest brands
- **Focusing on recruitment** of new legal drinking age consumers
- Driving relevance with **breakthrough marketing**
- **Innovating** on core brands to attract new legal age drinkers
Making Progress on Coors Light, Our Top Priority

- Attracting new legal age drinkers
- Refreshed brand purpose; stronger emotional relevancy
- Breakthrough new creative highlighting new occasions
- Driving talkability in culture

2 billion PR impressions earned in Q3

Coors Light Sales Volume % Change

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume Change</th>
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<tbody>
<tr>
<td>2018</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>L52W</td>
<td>(4.4%)</td>
</tr>
<tr>
<td>L13W</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>L4W</td>
<td>(1.2%)</td>
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(1) Nielsen All Outlet as of October 19, 2019.
Redefining “Miller Time” For a New Generation

(1) Nielsen All Outlet as of October 19, 2019.

Miller Lite Volume % Change (1)

20 quarters of consecutive segment share gain
Aggressively Grow Above Premium

**Over 30% of Europe portfolio is above premium** (1)

**+53% Year over year, fastest growing top-30 import in the US** (2)

**Blue Moon Belgian White’s best quarter since 2017 in the US**

**+40% YTD in Canada** (1)

(1) Internal data. YTD through September 30, 2019
(2) Nielsen All Outlet through October 19, 2019
Exciting New Innovation Pipeline for 2020

Premiumize

Develop Above Premium Brands to Enhance Value

The ultimate light beer
National distribution to start in 2020

One-of-a-kind taste, lower calories
To launch in 2020

Pure light beer – organic ingredients
To launch in March 2020
Recent Success Expanding into Adjacencies

Carling Black Fruits Draught +75% Year Over Year (1)

Wine Spritzers, a Light & Refreshing Alternative to Beer, 4 Months to Market

Top 10 Growth Brand (2)

Two #1 New FMB Brand Franchise in 2018 and 2019

Rapid Scale-Up Leveraging Distribution Platform

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(1) Internal data. YTD through September 30, 2019
(2) Nielsen All Outlet for the 14 weeks ended September 16, 2019
Strong Pipeline of Additional Adjacencies

**Positive Market Test Results**
Capitalizing on RTD Coffee Growth

**Iconic Brand**
Delivering a low sugar and low calorie recipe

**Introducing Vizzy!**
The first hard seltzer infused with super fruits

**Early Mover Advantage**
Full portfolio of THC and CBD non-alc beverages
Increased Investment in Capabilities

- Targeted Insights and New Forms of Innovation
- EC Commerce
- Precision Marketing
- Next-Gen In-House Marketing Capabilities
Reorganizing to Simplify and Fund Growth

Streamlining our company...

- Consolidating operations for the U.S. and Canada
- Two business units: North America and Europe
- Consolidating and reorganizing North America office locations
- Integrated and streamlined leadership team
- Incremental $150M of cost savings, taking 2020 – 2022 cost savings program to $600M

...To Support Our Growth

- Delivers nimble, faster moving company
- Creates more accountability within the leadership team
- All cost savings reinvested in brand building and organizational capabilities
- $120M - $180M in costs to achieve synergies, to be spread over the balance of this year, 2020 and 2021
Outlook And Capital Allocation

2020 Guidance

• A Transition Year
• Net Sales Revenue expected to be flat to down low-single-digits on a constant currency basis
• Underlying EBITDA expected to be down mid-single-digits on a constant currency basis from trailing twelve months (1)
• Expected Underlying Free Cash Flow of $1.1 billion +/- 10%
• Expected Cost Savings upsized from $450M to $600M for the 2020-2022 program

Post-2020 Guidance

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

Balance Sheet and Return of Capital

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

More Details to Be Provided on 4Q 2019 Call

Note: The change in structure to two business units will not be effective until January 1, 2020, and therefore the resulting financial reporting changes will not be reflected until our first quarter 2020 results

(1) Based on $2,289 million Underlying EBITDA for the 12-months ended September 30, 2019.
Molson Coors Beverage Company
Questions & Answers