

## NEWS RELEASE

# Molson Coors Beverage Company Reports 2023 First Quarter Results

*Molson Coors Delivers First Quarter Top-Line Growth Across All Business Units*

*First Quarter Income Before Income Taxes Decreased 41%, First Quarter Underlying Income Before Income Taxes Increased 83% on a Constant Currency Basis*

*Reaffirms 2023 Full Year Guidance for Continued Growth While Navigating Global Inflationary Pressures*

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**Golden, Colorado and Montréal, Québec – May 2, 2023** – Molson Coors Beverage Company ("MCBC" or "Molson Coors") (NYSE: TAP, TAP.A; TSX: TPX.A, TPX.B) today reported results for the 2023 first quarter.

### 2023 FIRST QUARTER FINANCIAL HIGHLIGHTS<sup>1</sup>

- Net sales increased 5.9% reported and 8.2% in constant currency, primarily due to positive net pricing and favorable sales mix, partially offset by a slight decline in financial volume.
- Net sales per hectoliter increased 6.1% reported and 8.4% in constant currency, primarily due to positive net pricing and favorable sales mix driven by premiumization.
- U.S. GAAP income before income taxes of \$101.9 million declined 41.3% reported and 45.3% in constant currency.
- Underlying (Non-GAAP) income before income taxes of \$157.8 million improved 82.8% in constant currency.
- U.S. GAAP net income attributable to MCBC of \$72.5 million, \$0.33 per share on a diluted basis. Underlying (Non-GAAP) diluted earnings per share ("EPS") of \$0.54 per share increased 86.2%.

### CEO AND CFO PERSPECTIVES

In the first quarter of 2023, Molson Coors delivered strong net sales growth and increased its underlying income before income taxes on a constant currency basis by high double digits. These results benefited from particularly strong rollover pricing compared to the prior year and were achieved despite continued macro-economic pressures. After growing both these metrics on a full-year basis in 2022, the company continues to deliver against its priorities, growing revenue across both business units in the first quarter and reaffirming its full-year 2023 guidance.

Molson Coors' core brands in the U.S. continue to see strong, stable performance, and in Canada, *Molson Canadian* and *Coors Light* both grew brand volume in the quarter. In the U.K, *Carling* remains the number one brand in the market, and more broadly, Molson Coors' EMEA&APAC business grew total financial volume in the quarter. This growth was supported by Molson Coors' global premiumization strategy and the continued strength of *Madri*, which is now the eighth-largest brand in the U.K. In the U.S., Molson Coors continued to expand its presence beyond traditional beer including *Simply Spiked*, a top five industry growth brand, and the release of *Simply Spiked Peach*. In addition, the Company launched its first foray into ready-to-drink spirits under the *Topo Chico Spirited* banner.

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<sup>1</sup> See Appendix for definitions and reconciliations of non-GAAP financial measures including constant currency.



Gavin Hattersley, President and Chief Executive Officer Statement:

*"Our results in the first quarter of 2023 demonstrate the strength of Molson Coors' foundation across our portfolio of winning brands and business units. These results also reaffirm our belief that we've laid the right groundwork to continue growing sustainably in 2023 and in the future. We've delivered our eighth consecutive quarter of top-line growth and increased our bottom-line on an underlying and constant currency basis by high double digits. Our iconic core brands remain healthy, and our premiumization strategy is working as we see continued momentum across our newest brands in Above Premium Beer and beyond."*



Tracey Joubert, Chief Financial Officer Statement:

*"We are pleased with our first quarter performance, achieving strong net sales revenue and underlying income before taxes growth, while continuing to invest in our business and return cash to shareholders. While we remain mindful of the dynamic global macro-economic environment and beer industry softness, our first quarter performance coupled with the strong foundation we have laid over the last three years, provide us confidence to reaffirm our 2023 annual guidance. Achievement of this guidance would mark another year of growth on a constant-currency basis – delivering on our goal of sustainable top and bottom-line growth."*

## CONSOLIDATED PERFORMANCE - FIRST QUARTER 2023

For the Three Months Ended						
(\$ in millions, except per share data) (Unaudited)			Reported Increase (Decrease)	Foreign Exchange Impact	Constant Currency Increase (Decrease) <sup>(1)</sup>	
	March 31, 2023	March 31, 2022				
Net sales	\$ 2,346.3	\$ 2,214.6	5.9 %	\$ (49.7)	8.2 %	
U.S. GAAP income (loss) before income taxes	\$ 101.9	\$ 173.7	(41.3)%	\$ 6.9	(45.3)%	
Underlying income (loss) before income taxes <sup>(1)</sup>	\$ 157.8	\$ 83.5	89.0 %	\$ 5.2	82.8 %	
U.S. GAAP net income (loss) <sup>(2)</sup>	\$ 72.5	\$ 151.5	(52.1)%			
Per diluted share	\$ 0.33	\$ 0.70	(52.9)%			
Underlying net income (loss) <sup>(1)</sup>	\$ 116.3	\$ 63.8	82.3 %			
Per diluted share	\$ 0.54	\$ 0.29	86.2 %			

(1) Represents income (loss) before income taxes and net income (loss) attributable to MCBC adjusted for non-GAAP items. See Appendix for definitions and reconciliations of non-GAAP financial measures including constant currency.

(2) Net income (loss) attributable to MCBC.

## QUARTERLY CONSOLIDATED HIGHLIGHTS (VERSUS FIRST QUARTER 2022 RESULTS)

- Net sales:** The following table highlights the drivers of the change in net sales and net sales per hectoliter for the three months ended March 31, 2023 compared to March 31, 2022 (in percentages):

For the Three Months Ended March 31, 2023				
	Financial Volume	Price and Sales Mix	Currency	Net Sales
Consolidated - Net sales	(0.2)%	8.4 %	(2.3)%	5.9 %
Consolidated - Net sales per hectoliter	N/A	8.4 %	(2.3)%	6.1 %

Net sales increased 5.9% reported and 8.2% in constant currency driven by favorable price and sales mix offset by a slight decline in financial volume.

Financial volumes decreased 0.2%, primarily due to lower volumes in the Americas segment, partially offset by an increase in EMEA&APAC financial volumes. Brand volumes declined 2.1% due to a 1.5% decline in the Americas as well as a decline in EMEA&APAC.

Price and sales mix favorably impacted net sales and net sales per hectoliter by 8.4% due to increased net pricing to

customers including the rollover benefit of taking several price increases in the previous year as well as favorable sales mix driven by premiumization and geographic mix.

- **Cost of goods sold (COGS):** increased 22.4% on a reported basis, primarily due to higher cost of goods sold per hectoliter partially offset by favorable currency impacts. **Cost of goods sold per hectoliter:** increased 22.7% primarily due to changes to our unrealized mark-to-market commodity positions driving more than two-thirds of the increase, cost inflation related to materials, conversion and energy costs and mix impacts due to portfolio premiumization, partially offset by our cost savings initiatives. **Underlying COGS per hectoliter:** increased 7.4% in constant currency, primarily due to cost inflation related to materials, conversion and energy costs and mix impacts due to portfolio premiumization, partially offset by our cost savings initiatives.
- **Marketing, general & administrative ("MG&A"):** decreased 9.0% on a reported basis, primarily due to cycling the recording of a \$56.0 million accrued liability related to potential losses as a result of the ongoing *Keystone* litigation case. **Underlying MG&A:** increased 1.3% in constant currency.
- **U.S. GAAP income (loss) before income taxes:** declined 41.3% on a reported basis, primarily due to unfavorable changes to our unrealized mark-to-market commodity positions of \$223 million and cost inflation related to materials, conversion and energy costs, partially offset by increased net pricing to customers, lower MG&A expense due to cycling the recording of a \$56.0 million accrued liability related to potential losses as a result of the ongoing *Keystone* litigation case, the cycling of the non-cash impairment charge taken on our Truss LP joint venture asset group in the prior year and favorable sales mix.
- **Underlying income (loss) before income taxes:** improved 82.8% in constant currency, primarily due to increased net pricing to customers and favorable sales mix, partially offset by cost inflation related to materials, conversion and energy costs.

## QUARTERLY SEGMENT HIGHLIGHTS (VERSUS FIRST QUARTER 2022 RESULTS)

### Americas Segment

- **Net sales:** The following table highlights the drivers of the change in net sales and net sales per hectoliter for the three months ended March 31, 2023 compared to March 31, 2022 (in percentages):

	For the Three Months Ended March 31, 2023			
	Financial Volume	Price and Sales Mix	Currency	Net Sales
Americas - Net sales	(0.5)%	7.0 %	(0.9)%	5.6 %
Americas - Net sales per hectoliter	N/A	7.1 %	(1.0)%	6.1 %

Net sales increased 5.6% reported and 6.5% in constant currency, driven by price and sales mix, partially offset by a decline in financial volume.

Financial volumes decreased 0.5% primarily due to industry softness, lower Latin America financial volumes and lower contract volumes, partially offset by an increase in U.S. domestic shipments to build distributor inventory levels to a stronger position compared to the prior year primarily in our core brands. Americas brand volumes decreased 1.5% including a 1.2% decline in the U.S. driven by softer industry performance and lower economy portfolio volumes, partially offset by the timing impact related to one more trading day in the current quarter. Canada brand volumes increased 4.9% due to growth in core brands and in part due to cycling softer on-premise performance in the prior year due to Omicron restrictions. Latin America declined 12.4% largely due to industry softness in some of our major markets in the region.

Price and sales mix favorably impacted net sales and net sales per hectoliter by 7.0% and 7.1%, respectively, primarily due to increased net pricing to customers including the rollover benefit of several price increases taken in the previous year and favorable sales mix driven by brand mix and geographic mix.

- **U.S. GAAP income (loss) before income taxes:** improved 168.0% on a reported basis, primarily due to increased net pricing, lower MG&A expense driven by cycling the recording of a \$56.0 million accrued liability related to potential losses as a result of the ongoing *Keystone* litigation case, the cycling of the non-cash impairment charge taken on our Truss LP joint venture asset group in the prior year and favorable sales mix, partially offset by cost inflation mainly on materials, conversion and energy costs.

- **Underlying income (loss) before income taxes:** improved 37.7% in constant currency, primarily due to increased net pricing and favorable sales mix, partially offset by cost inflation mainly on materials, conversion and energy costs.

## EMEA&APAC Segment

- **Net sales:** The following table highlights the drivers of the change in net sales and net sales per hectoliter for the three months ended March 31, 2023 compared to March 31, 2022 (in percentages):

	For the Three Months Ended March 31, 2023			
	Financial Volume	Price and Sales Mix	Currency	Net Sales
EMEA&APAC - Net sales	0.8 %	15.3 %	(8.5)%	7.6 %
EMEA&APAC - Net sales per hectoliter	N/A	15.1 %	(8.4)%	6.7 %

Net sales increased 7.6% reported and 16.1% in constant currency driven by favorable price and sales mix and an increase in financial volume.

Financial volumes increased 0.8% primarily due to above premium volumes in the U.K. and higher factored volumes, partially offset by inflationary pressures impacting Central and Eastern European consumers' discretionary purchases. EMEA&APAC brand volumes declined 3.9% primarily due to the Russia-Ukraine conflict and inflationary pressures impacting Central and Eastern European countries, partly offset by growth in Western Europe.

Price and sales mix favorably impacted net sales and net sales per hectoliter by 15.3% and 15.1%, respectively, primarily due to increased net pricing to customers including the rollover benefits from price increases taken in the previous year as well as favorable sales mix driven by premiumization and geographic mix.

- **U.S. GAAP income (loss) before income taxes:** loss of \$25.4 million improved 21.1% on a reported basis, primarily due to increased net pricing to customers, favorable sales mix and higher financial volumes, partially offset by cost inflation on materials, transportation and energy, as well as higher MG&A spend. Higher MG&A spend was primarily due to cost inflation.
- **Underlying income (loss) before income taxes:** loss of \$21.8 million improved 27.6% in constant currency, primarily due to increased net pricing to customers, favorable sales mix and higher financial volumes, partially offset by cost inflation on materials, transportation and energy, as well as higher MG&A spend.

## CASH FLOW AND LIQUIDITY HIGHLIGHTS

- **U.S. GAAP cash from operations:** net cash provided by operating activities was \$3.4 million for the three months ended March 31, 2023 which improved \$122.7 million compared to the prior year primarily due to higher net income adjusted for non-cash add-backs, which includes a \$222.1 million change in the add-back related to our unrealized mark-to-market commodity positions, as well as the favorable timing of working capital in the Americas.
- **Underlying free cash flow:** cash used of \$173.7 million for the three months ended March 31, 2023 which represents a decrease in cash used of \$185.1 million from the prior year, primarily due to higher net cash provided by operating activities and lower capital expenditures as result of the timing of capital projects.
- **Debt:** Total debt as of March 31, 2023 was \$6,590.4 million and cash and cash equivalents totaled \$328.2 million, resulting in net debt of \$6,262.2 million and a net debt to underlying EBITDA ratio of 2.98x. As of March 31, 2022, our net debt to underlying EBITDA ratio was 3.28x.
- **Dividends:** On February 20, 2023, our Company's Board of Directors declared a cash dividend of \$0.41 per share, paid on March 17, 2023, to shareholders of Class A and Class B common stock of record on March 3, 2023. Shareholders of exchangeable shares received the CAD equivalent of dividends declared on Class A and Class B common stock, equal to CAD 0.55 per share.
- **Share Repurchase Program:** For the three months ended March 31, 2023, we repurchased 275,000 shares under the share repurchase program, which was approved on February 17, 2022, at a weighted average price of \$52.95 per share, including brokerage commissions, for an aggregate value of \$14.6 million.

## OTHER RESULTS

### Tax Rates Table

(Unaudited)	For the Three Months Ended	
	March 31, 2023	March 31, 2022
U.S. GAAP effective tax rate	28%	21%
Underlying effective tax rate <sup>(1)</sup>	26%	26%

(1) See Appendix for definitions and reconciliations of non-GAAP financial measures.

- The increase in our first quarter **U.S. GAAP effective tax rate** was primarily due to an increase in net discrete tax expense. We recognized discrete tax expense of \$7.5 million in the first quarter of 2023 versus discrete tax benefit of \$0.9 million in the prior year.

## 2023 OUTLOOK

We continue to expect to achieve the following key financial targets for full year 2023. However, inherent uncertainties still exist with beer industry softness and the impacts of continued global inflationary cost pressures.

- Net sales:** low single-digit increase versus 2022 on a constant currency basis.
- Underlying income (loss) before income taxes:** low single-digit increase compared to 2022 on a constant currency basis.
- Capital Expenditures:** \$700 million incurred, plus or minus 5%.
- Underlying free cash flow:** \$1.0 billion, plus or minus 10%.
- Underlying depreciation and amortization:** \$690 million, plus or minus 5%.
- Consolidated net interest expense:** \$240 million, plus or minus 5%.
- Underlying effective tax rate:** in the range of 21% to 23% for 2023.

## NOTES

Unless otherwise indicated in this release, all \$ amounts are in U.S. Dollars, and all quarterly comparative results are for the Company's first quarter ended March 31, 2023 compared to the first quarter ended March 31, 2022. Some numbers may not sum due to rounding.

## CONTACTS

### Investor Relations

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## 2023 FIRST QUARTER INVESTOR CONFERENCE CALL

Molson Coors Beverage Company will conduct an earnings conference call with financial analysts and investors at 11:00 a.m. Eastern Time today to discuss the Company's 2023 first quarter results. The live webcast will be accessible via our website, [ir.molsoncoors.com](http://ir.molsoncoors.com). An online replay of the webcast will be available until 11:59 p.m. Eastern Time on July 31, 2023. The Company will post this release and related financial statements on its website today.

## OVERVIEW OF MOLSON COORS BEVERAGE COMPANY

For more than two centuries Molson Coors Beverage Company has been brewing beverages that unite people to celebrate all life's moments. From Coors Light, Miller Lite, Molson Canadian, Carling and Staropramen to Coors Banquet, Blue Moon Belgian White, Vizzy Hard Seltzer, Leinenkugel's Summer Shandy, Miller High Life and more, Molson Coors produces many beloved and iconic beer brands. While the company's history is rooted in beer, Molson Coors offers a modern portfolio that expands beyond the beer aisle as well.

Our reporting segments include: Americas, operating in the U.S., Canada and various countries in the Caribbean, Latin and South America; and EMEA&APAC, operating in Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, the Republic of Ireland, Romania, Serbia, the U.K., various other European countries, and certain countries within the Middle East, Africa and Asia Pacific. In addition to our reporting segments, we also have certain activity that is not allocated to our reporting segments and reported as "Unallocated", which primarily includes financing-related costs such as interest expense and income, foreign exchange gains and losses on intercompany balances related to financing and other treasury-related activities, and the unrealized changes in fair value on our commodity swaps not designated in hedging relationships recorded within cost of goods sold, which are later reclassified when realized to the segment in which the underlying exposure resides. Additionally, only the service cost component of net periodic pension and OPEB cost is reported within each operating segment, and all other components remain unallocated.

Our Environmental, Social and Governance ("ESG") strategy is focused on People and Planet with a strong commitment to raising industry standards and leaving a positive imprint on our employees, consumers, communities and the environment. To learn more about Molson Coors Beverage Company, visit [molsoncoors.com](https://molsoncoors.com), [MolsonCoorsOurImprint.com](https://MolsonCoorsOurImprint.com) or on Twitter through [@MolsonCoors](https://twitter.com/MolsonCoors).

## **ABOUT MOLSON COORS CANADA INC.**

Molson Coors Canada Inc. (MCCI) is a subsidiary of Molson Coors Beverage Company. MCCI Class A and Class B exchangeable shares offer substantially the same economic and voting rights as the respective classes of common shares of MCBC, as described in MCBC's annual proxy statement and Form 10-K filings with the U.S. Securities and Exchange Commission. The trustee holder of the special Class A voting stock and the special Class B voting stock has the right to cast a number of votes equal to the number of then outstanding Class A exchangeable shares and Class B exchangeable shares, respectively.

## **FORWARD-LOOKING STATEMENTS**

This press release includes "forward-looking statements" within the meaning of the U.S. federal securities laws. Generally, the words "expects," "intend," "goals," "plans," "believes," "continues," "may," "anticipate," "seek," "estimate," "outlook," "trends," "future benefits," "potential," "projects," "strategies," and variations of such words and similar expressions are intended to identify forward-looking statements. Statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements, and include, but are not limited to, statements under the headings "CEO and CFO Perspectives" and "2023 Outlook," with respect to expectations of cost inflation, limited consumer disposable income, consumer preferences, overall volume trends, pricing trends, industry forces, cost reduction strategies, shipment levels and profitability, the sufficiency of capital resources, anticipated results, expectations for funding future capital expenditures and operations, debt service capabilities, timing and amounts of debt and leverage levels, market share and expectations regarding future dividends. In addition, statements that we make in this press release that are not statements of historical fact may also be forward-looking statements.

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 other things, the deterioration of general economic, political, credit and/or capital market conditions, including those caused by the ongoing Russia-Ukraine conflict or other geopolitical tensions; our dependence on the global supply chain and significant exposure to changes in commodity and other input prices and the impacts of supply chain constraints and inflationary pressures; weak, or weakening of, economic, social and other conditions in the markets in which we do business, including cost inflation and reductions in discretionary consumer spending; loss, operational disruptions or closure of a major brewery or other key facility, including those of our suppliers, due to unforeseen or catastrophic events or otherwise; cybersecurity incidents impacting our information systems, and violations of data privacy laws and regulations; our reliance on brand image, reputation, product quality and protection of intellectual property; constant evolution of the global beer industry and the broader alcohol industry, and our position within the global beer industry and success of our product in our markets; competition in our markets; our ability to successfully and timely innovate beyond beer; changes in the social acceptability, perceptions and the political view of the beverage categories in which we operate, including alcohol and cannabis; labor strikes, work stoppages or other employee-related issues; ESG issues, including those related to climate change and sustainability; climate change and other weather events; inadequate supply or availability of quality water; our dependence on key personnel; our reliance on



third party service providers and internal and outsourced systems for our information technology and certain other administrative functions; impacts related to the coronavirus pandemic; investment performance of pension plan holdings and other factors impacting related pension plan costs and contributions; our significant debt level subjects us to financial and operating risks, and the agreements governing such debt, which subject us to financial and operating covenants and restrictions; deterioration in our credit rating; default by, or failure of, our counterparty financial institutions; impairments of the carrying value of our goodwill and other intangible assets; the estimates and assumptions on which our financial projections are based may prove to be inaccurate; our reliance on a small number of suppliers to obtain the input materials we need to operate our business; termination or changes of one or more manufacturer, distribution or production agreements, or issues caused by our dependence on the parties to these agreements; unfavorable outcomes of legal or regulatory matters; our operations in developing and emerging markets; changes to the regulation of the distribution systems for our products; our consolidated financial statements are subject to fluctuations in foreign exchange rates; changes in tax, environmental, trade or other regulations or failure to comply with existing licensing, trade and other regulations; risks associated with operating our joint ventures; failure to successfully identify, complete or integrate attractive acquisitions and joint ventures into our existing operations; the dependence of our U.S. business on independent distributors to sell our products, with no assurance that these distributors will effectively sell our products, and distributor consolidation in the U.S.; government mandated changes to the retail distribution model resulting from new regulations on our Canada business; risks our Americas business joint venture face in the Canadian cannabis industry; indemnities provided to the purchaser of our previous interest in the Cervejarias Kaiser Brasil S.A. business in Brazil; economic trends and intense competition in European markets; the potential for Pentland and the Coors Trust to disagree on a matter submitted to our stockholders or the super-majority of our board of directors to disagree on certain actions; the interests of the controlling stockholders may differ from those of other stockholders; shareholder activism efforts or unsolicited offers from a third party; and other risks discussed in our filings with the SEC, including our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. All forward-looking statements in this press release are expressly qualified by such cautionary statements and by reference to the underlying assumptions. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## **MARKET AND INDUSTRY DATA**

The market and industry data used, if any, in this press release are based on independent industry publications, customer specific data, trade or business organizations, reports by market research firms and other published statistical information from third parties, including Circana (formerly Information Resources, Inc.) for U.S. market data and Beer Canada for Canadian market data (collectively, the “Third Party Information”), as well as information based on management’s good faith estimates, which we derive from our review of internal information and independent sources. Such Third Party Information generally states that the information contained therein or provided by such sources has been obtained from sources believed to be reliable.

## APPENDIX

### STATEMENTS OF OPERATIONS - MOLSON COORS BEVERAGE COMPANY AND SUBSIDIARIES

#### Condensed Consolidated Statements of Operations

(In millions, except per share data) (Unaudited)	For the Three Months Ended	
	March 31, 2023	March 31, 2022
Sales	\$ 2,774.8	\$ 2,643.3
Excise taxes	(428.5)	(428.7)
Net sales	2,346.3	2,214.6
Cost of goods sold	(1,575.6)	(1,286.8)
Gross profit	770.7	927.8
Marketing, general and administrative expenses	(615.0)	(675.7)
Other operating income (expense), net	(0.5)	(27.6)
Equity income (loss)	3.0	(0.1)
Operating income (loss)	158.2	224.4
Interest income (expense), net	(59.1)	(63.3)
Other pension and postretirement benefits (costs), net	2.6	10.6
Other non-operating income (expense), net	0.2	2.0
Income (loss) before income taxes	101.9	173.7
Income tax benefit (expense)	(28.7)	(36.4)
Net income (loss)	73.2	137.3
Net (income) loss attributable to noncontrolling interests	(0.7)	14.2
Net income (loss) attributable to MCBC	\$ 72.5	\$ 151.5
Basic net income (loss) attributable to MCBC per share	\$ 0.33	\$ 0.70
Diluted net income (loss) attributable to MCBC per share	\$ 0.33	\$ 0.70
Weighted average shares outstanding - basic	216.5	217.2
Weighted average shares outstanding - diluted	217.3	217.8
Dividends per share	\$ 0.41	\$ 0.38



## BALANCE SHEETS - MOLSON COORS BEVERAGE COMPANY AND SUBSIDIARIES

### Condensed Consolidated Balance Sheets

(In millions, except par value) (Unaudited)	As of	
	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 328.2	\$ 600.0
Accounts receivable, net	803.8	739.8
Other receivables, net	121.6	126.4
Inventories, net	915.6	792.9
Other current assets, net	382.4	378.9
Total current assets	2,551.6	2,638.0
Properties, net	4,270.1	4,222.8
Goodwill	5,292.4	5,291.9
Other intangibles, net	12,799.3	12,800.1
Other assets	939.1	915.5
Total assets	<u>\$ 25,852.5</u>	<u>\$ 25,868.3</u>
<b>Liabilities and equity</b>		
Current liabilities		
Accounts payable and other current liabilities	\$ 2,893.5	\$ 2,978.3
Current portion of long-term debt and short-term borrowings	412.7	397.1
Total current liabilities	3,306.2	3,375.4
Long-term debt	6,177.7	6,165.2
Pension and postretirement benefits	470.0	473.3
Deferred tax liabilities	2,658.6	2,646.4
Other liabilities	321.0	292.8
Total liabilities	12,933.5	12,953.1
Molson Coors Beverage Company stockholders' equity		
Capital stock		
Preferred stock, \$0.01 par value (authorized: 25.0 shares; none issued)	—	—
Class A common stock, \$0.01 par value (authorized: 500.0 shares; issued and outstanding: 2.6 shares and 2.6 shares, respectively)	—	—
Class B common stock, \$0.01 par value (authorized: 500.0 shares; issued: 211.1 shares and 210.5 shares, respectively)	2.1	2.1
Class A exchangeable shares, no par value (issued and outstanding: 2.7 shares and 2.7 shares, respectively)	102.2	102.2
Class B exchangeable shares, no par value (issued and outstanding: 10.6 shares and 11.0 shares, respectively)	397.7	413.3
Paid-in capital	7,025.6	7,006.4
Retained earnings	6,877.0	6,894.1
Accumulated other comprehensive income (loss)	(1,170.6)	(1,205.5)
Class B common stock held in treasury at cost (10.7 shares and 10.5 shares, respectively)	(537.5)	(522.9)
Total Molson Coors Beverage Company stockholders' equity	12,696.5	12,689.7
Noncontrolling interests	222.5	225.5
Total equity	12,919.0	12,915.2
Total liabilities and equity	<u>\$ 25,852.5</u>	<u>\$ 25,868.3</u>

## CASH FLOW STATEMENTS - MOLSON COORS BEVERAGE COMPANY AND SUBSIDIARIES

### Condensed Consolidated Statements of Cash Flows

(In millions) (Unaudited)	For the Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Cash flows from operating activities</b>		
Net income (loss) including noncontrolling interests	\$ 73.2	\$ 137.3
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	171.5	173.7
Amortization of debt issuance costs and discounts	1.5	1.6
Share-based compensation	9.8	8.5
(Gain) loss on sale or impairment of properties and other assets, net	(2.5)	22.4
Unrealized (gain) loss on foreign currency fluctuations and derivative instruments, net	52.5	(169.6)
Equity (income) loss	(3.0)	0.1
Income tax (benefit) expense	28.7	36.4
Income tax (paid) received	(10.0)	(3.1)
Interest expense, excluding amortization of debt issuance costs and discounts	59.7	62.2
Interest paid	(80.4)	(81.2)
Change in current assets and liabilities and other	(297.6)	(307.6)
Net cash provided by (used in) operating activities	3.4	(119.3)
<b>Cash flows from investing activities</b>		
Additions to properties	(181.4)	(243.8)
Proceeds from sales of properties and other assets	4.6	13.2
Other	(0.6)	4.4
Net cash provided by (used in) investing activities	(177.4)	(226.2)
<b>Cash flows from financing activities</b>		
Exercise of stock options under equity compensation plans	—	0.9
Dividends paid	(89.5)	(82.4)
Payments for purchases of treasury stock	(14.6)	(14.1)
Payments on debt and borrowings	(1.6)	(1.1)
Proceeds on debt and borrowings	3.0	5.0
Net proceeds from (payments on) revolving credit facilities and commercial paper	—	156.3
Other	0.2	7.9
Net cash provided by (used in) financing activities	(102.5)	72.5
Effect of foreign exchange rate changes on cash and cash equivalents	4.7	(5.7)
Net increase (decrease) in cash and cash equivalents	(271.8)	(278.7)
Balance at beginning of year	600.0	637.4
Balance at end of period	\$ 328.2	\$ 358.7

## SUMMARIZED SEGMENT RESULTS (hectoliter volume and \$ in millions) (Unaudited)

Americas	Q1 2023	Q1 2022	Reported % Change	FX Impact	Constant Currency % Change
Net sales <sup>(1)</sup>	\$ 1,939.0	\$ 1,836.2	5.6	\$ (17.4)	6.5
COGS <sup>(2)</sup>	\$ (1,223.7)	\$ (1,178.5)	(3.8)		
MG&A	\$ (484.7)	\$ (547.6)	11.5		
Income (loss) before income taxes	\$ 233.4	\$ 87.1	168.0	\$ 4.3	163.0
Underlying income (loss) before income taxes	\$ 233.9	\$ 166.7	40.3	\$ 4.3	37.7
Financial volume <sup>(1)(3)</sup>	12.936	12.999	(0.5)		
Brand volume	12.246	12.436	(1.5)		
EMEA&APAC	Q1 2023	Q1 2022	Reported % Change	FX Impact	Constant Currency % Change
Net sales <sup>(1)</sup>	\$ 410.1	\$ 381.2	7.6	\$ (32.3)	16.1
COGS <sup>(2)</sup>	\$ (304.0)	\$ (281.9)	(7.8)		
MG&A	\$ (130.3)	\$ (128.1)	(1.7)		
Income (loss) before income taxes	\$ (25.4)	\$ (32.2)	21.1	\$ 1.2	17.4
Underlying income (loss) before income taxes	\$ (21.8)	\$ (31.2)	30.1	\$ 0.8	27.6
Financial volume <sup>(1)(3)</sup>	4.071	4.039	0.8		
Brand volume	3.935	4.095	(3.9)		
Unallocated & Eliminations	Q1 2023	Q1 2022	Reported % Change	FX Impact	Constant Currency % Change
Net sales	\$ (2.8)	\$ (2.8)	—		
COGS <sup>(2)</sup>	\$ (47.9)	\$ 173.6	N/M		
Income (loss) before income taxes	\$ (106.1)	\$ 118.8	N/M	\$ 1.4	N/M
Underlying income (loss) before income taxes	\$ (54.3)	\$ (52.0)	(4.4)	\$ 0.1	(4.6)
Financial volume	(0.001)	(0.001)	N/M		
Consolidated	Q1 2023	Q1 2022	Reported % Change	FX Impact	Constant Currency % Change
Net sales	\$ 2,346.3	\$ 2,214.6	5.9	\$ (49.7)	8.2
COGS	\$ (1,575.6)	\$ (1,286.8)	(22.4)		
MG&A	\$ (615.0)	\$ (675.7)	9.0		
Income (loss) before income taxes	\$ 101.9	\$ 173.7	(41.3)	\$ 6.9	(45.3)
Underlying income (loss) before income taxes	\$ 157.8	\$ 83.5	89.0	\$ 5.2	82.8
Financial volume <sup>(3)</sup>	17.006	17.037	(0.2)		
Brand volume	16.181	16.531	(2.1)		

The reported percent change and the constant currency percent change in the above table are presented as (unfavorable) favorable.

N/M = Not meaningful

- (1) Includes gross inter-segment volumes, sales and purchases, which are eliminated in the consolidated totals.
- (2) The unrealized changes in fair value on our commodity swaps, which are economic hedges, are recorded as cost of goods sold within Unallocated. As the exposure we are managing is realized, we reclassify the gain or loss to the segment in which the underlying exposure resides, allowing our segments to realize the economic effects of the derivative without the resulting unrealized mark-to-market volatility.
- (3) Financial volume in hectoliters for Americas and EMEA&APAC excludes royalty volume of 0.618 million hectoliters and 0.156 million hectoliters, respectively, for the three months ended March 31, 2023, and excludes royalty volume of 0.601 million hectoliters and 0.319 million hectoliters, respectively for the three months ended March 31, 2022.

## WORLDWIDE BRAND AND FINANCIAL VOLUME

(In millions of hectoliters) (Unaudited)	For the Three Months Ended		
	March 31, 2023	March 31, 2022	Change
<b>Financial Volume</b>	17.006	17.037	(0.2)%
Contract brewing and wholesale/factored volume	(1.493)	(1.502)	(0.6)%
Royalty volume	0.774	0.920	(15.9)%
Sales-To-Wholesaler to Sales-To-Retail adjustment	(0.106)	0.076	N/M
<b>Total Worldwide Brand Volume</b>	<u>16.181</u>	<u>16.531</u>	(2.1)%

Worldwide brand volume (or "brand volume" when discussed by segment) reflects owned or actively managed brands sold to unrelated external customers within our geographic markets (net of returns and allowances), royalty volume and our proportionate share of equity investment worldwide brand volume calculated consistently with MCBC owned volume. Financial volume represents owned or actively managed brands sold to unrelated external customers within our geographical markets, net of returns and allowances as well as contract brewing, wholesale non-owned brand volume and company-owned distribution volume. Contract brewing and wholesale/factored volume is included within financial volume, but is removed from worldwide brand volume, as this is non-owned volume for which we do not directly control performance. Factored volume in our EMEA&APAC segment is the distribution of beer, wine, spirits and other products owned and produced by other companies to the on-premise channel, which is a common arrangement in the U.K. Royalty volume consists of our brands produced and sold by third parties under various license and contract-brewing agreements and because this is owned volume, it is included in worldwide brand volume. Our worldwide brand volume definition also includes an adjustment from Sales-to-Wholesaler ("STW") volume to Sales-to-Retailer ("STR") volume. We believe the brand volume metric is important because, unlike financial volume and STWs, it provides the closest indication of the performance of our brands in relation to market and competitor sales trends.

We also utilize net sales per hectoliter and cost of goods sold per hectoliter, as well as the year over year changes in such metrics, as key metrics for analyzing our results. These metrics are calculated as net sales and cost of goods sold, respectively, per our consolidated statement of operations divided by financial volume for the respective period. We believe these metrics are important and useful for investors and management because it provides an indication of the trends in pricing and sales mix on our net sales and the trends of sales mix and other cost impacts such as inflation on our cost of goods sold.

## USE OF NON-GAAP MEASURES

In addition to financial measures presented on the basis of accounting principles generally accepted in the U.S. ("U.S. GAAP"), we also use non-GAAP financial measures, as listed and defined below, for operational and financial decision making and to assess Company and segment business performance. These non-GAAP measures should be viewed as supplements to (not substitutes for) our results of operations presented under U.S. GAAP. We have provided reconciliations of all historical non-GAAP measures to their nearest U.S. GAAP measure and have consistently applied the adjustments within our reconciliations in arriving at each non-GAAP measure.

Our management uses these metrics to assist in comparing performance from period to period on a consistent basis; as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations; in communications with the board of directors, stockholders, analysts and investors concerning our financial performance; as useful comparisons to the performance of our competitors; and as metrics of certain management incentive compensation calculations. We believe these measures are used by, and are useful to, investors and other users of our financial statements in evaluating our operating performance.

- **Underlying Income (Loss) before Income Taxes (Closest GAAP Metric: Income (Loss) Before Income Taxes)** – Measure of the Company's income (loss) before income taxes excluding the impact of certain non-GAAP adjustment items from our U.S. GAAP financial statements. Non-GAAP adjustment items include goodwill and other intangible and tangible asset impairments, restructuring and integration related costs, unrealized mark-to-market gains and losses, potential or incurred losses related to certain litigation accruals and settlements and gains and losses on sales of non-operating assets, among other items included in our U.S. GAAP results that warrant adjustment to arrive at non-GAAP results. We consider these items to be necessary adjustments for purposes of evaluating our ongoing business performance and are often considered non-recurring. Such

adjustments are subjective, involve significant management judgment and can vary substantially from company to company.

- **Underlying COGS (Closest GAAP Metric: COGS)** – Measure of the Company's COGS adjusted to exclude non-GAAP adjustment items (as defined above). Non-GAAP adjustment items include the impact of unrealized mark-to-market gains and losses on our commodity derivative instruments, which are economic hedges, and are recorded through COGS within Unallocated. As the exposure we are managing is realized, we reclassify the gain or loss to the segment in which the underlying exposure resides, allowing our segments to realize the economic effects of the derivatives without the resulting unrealized mark-to-market volatility.
- **Underlying MG&A (Closest GAAP Metric: MG&A)** – Measure of the Company's MG&A expense excluding the impact of certain non-GAAP adjustment items (as defined above).
- **Underlying net income (loss) attributable to MCBC (Closest GAAP Metric: Net income (loss) attributable to MCBC)** – Measure of net income (loss) attributable to MCBC excluding the impact of non-GAAP adjustment items (as defined above), the related tax effects of non-GAAP adjustment items and certain other discrete tax items.
- **Underlying net income (loss) attributable to MCBC per diluted share (Closest GAAP Metric: Net income (loss) attributable to MCBC per diluted share)** – Measure of underlying net income (loss) attributable to MCBC (as defined above) per diluted share. If applicable, a reported net loss attributable to MCBC per diluted share is calculated using the basic share count due to dilutive shares being antidilutive. If underlying net income (loss) attributable to MCBC becomes income excluding the impact of our non-GAAP adjustment items, we include the incremental dilutive shares, using the treasury stock method, into the dilutive shares outstanding.
- **Underlying effective tax rate (Closest GAAP Metric: Effective Tax Rate)** – Measure of the Company's effective tax rate excluding the related tax impact of pre-tax non-GAAP adjustment items (as defined above) and certain other discrete tax items. Discrete tax items include certain significant tax audit and prior year reserve adjustments, impact of significant tax legislation and tax rate changes and significant non-recurring and period specific tax items.
- **Underlying free cash flow (Closest GAAP Metric: Net Cash Provided by (Used in) Operating Activities)** – Measure of the Company's operating cash flow calculated as Net Cash Provided by (Used in) Operating Activities less Additions to Properties and excluding the pre-tax cash flow impact of certain non-GAAP adjustment items (as defined above). We consider underlying free cash flow an important measure of our ability to generate cash, grow our business and enhance shareholder value, driven by core operations and after adjusting for non-GAAP adjustment items, which can vary substantially from company to company depending upon accounting methods and book value of assets and capital structure.
- **Underlying depreciation and amortization (Closest GAAP Metric: Depreciation & Amortization)** – Measure of the Company's depreciation and amortization excluding the impact of non-GAAP adjustment items (as defined above). These adjustments primarily consist of accelerated depreciation or amortization taken related to the Company's strategic exit or restructuring activities.
- **Net debt to underlying earnings before interest, taxes, depreciation, and amortization ("underlying EBITDA") (Closest GAAP Metrics: Cash, Debt, & Income (Loss) Before Income Taxes)** – Measure of the Company's leverage calculated as Net debt (defined as current portion of long-term debt and short-term borrowings plus long-term debt less cash and cash equivalents) divided by the trailing twelve month underlying EBITDA. Underlying EBITDA is calculated as Net Income (Loss) excluding Interest expense (income), income tax expense (benefit), depreciation and amortization, and the impact of non-GAAP adjustment items (as defined above). This measure is not the same as the company's maximum leverage ratio as defined under its revolving credit facility, which allows for other adjustments in the calculation of net debt to EBITDA.
- **Constant currency** - Constant currency is a non-GAAP measure utilized to measure performance, excluding the impact of translational and certain transactional foreign currency movements, and is intended to be indicative of results in local currency. As we operate in various foreign countries where the local currency may strengthen or weaken significantly versus the U.S. dollar or other currencies used in operations, we utilize a constant currency measure as an additional metric to evaluate the underlying performance of each business without consideration of foreign currency movements. We present all percentage changes for net sales, underlying COGS, underlying MG&A and underlying income (loss) before income taxes in constant currency and calculate

the impact of foreign exchange by translating our current period local currency results (that also include the impact of the comparable prior period currency hedging activities) at the average exchange rates during the respective period throughout the year used to translate the financial statements in the comparable prior year period. The result is the current period results in U.S. dollars, as if foreign exchange rates had not changed from the prior year period. Additionally, we exclude any transactional foreign currency impacts, reported within the other non-operating income (expense), net line item, from our current period results.

Our guidance for any of the measures noted above are also non-GAAP financial measures that exclude or otherwise have been adjusted for non-GAAP adjustment items from our U.S. GAAP financial statements. When we provide guidance for any of the various non-GAAP metrics described above, we do not provide reconciliations of the U.S. GAAP measures as we are unable to predict with a reasonable degree of certainty the actual impact of the non-GAAP adjustment items. By their very nature, non-GAAP adjustment items are difficult to anticipate with precision because they are generally associated with unexpected and unplanned events that impact our company and its financial results. Therefore, we are unable to provide a reconciliation of these measures without unreasonable efforts.

## RECONCILIATION TO NEAREST U.S. GAAP MEASURES

### Reconciliation by Line Item

(In millions, except per share data) (Unaudited)		For the Three Months Ended March 31, 2023				
	Cost of goods sold	Marketing, general and administrative expenses	Income (loss) before income taxes	Net income (loss) attributable to MCBC	Net income (loss) attributable to MCBC per diluted share	
Reported (U.S. GAAP)	\$ (1,575.6)	\$ (615.0)	\$ 101.9	\$ 72.5	\$ 0.33	
Adjustments to arrive at underlying						
Restructuring	—	—	0.5	0.5	—	
Unrealized mark-to-market (gains) losses	51.8	—	51.8	51.8	0.24	
Other items	—	3.6	3.6	3.6	0.02	
Total	\$ 51.8	\$ 3.6	\$ 55.9	\$ 55.9	\$ 0.26	
Tax effects on non-GAAP adjustments	—	—	—	(12.1)	(0.06)	
Underlying (Non-GAAP)	\$ (1,523.8)	\$ (611.4)	\$ 157.8	\$ 116.3	\$ 0.54	

### Reconciliation to Underlying Income (Loss) Before Income Taxes by Segment

(In millions) (Unaudited)	For the Three Months Ended March 31, 2023			
	Americas	EMEA&APAC	Unallocated	Consolidated
Income (loss) before income taxes	\$ 233.4	\$ (25.4)	\$ (106.1)	\$ 101.9
Add/Less:				
Cost of goods sold <sup>(1)</sup>	—	—	51.8	51.8
Marketing, general & administrative	0.5	3.1	—	3.6
Other non-GAAP adjustment items	—	0.5	—	0.5
Total non-GAAP adjustment items	\$ 0.5	\$ 3.6	\$ 51.8	\$ 55.9
Underlying income (loss) before income taxes	\$ 233.9	\$ (21.8)	\$ (54.3)	\$ 157.8

- (1) Reflects changes in our mark-to-market positions on our commodity hedges recorded as cost of goods sold within Unallocated. As the exposure we are managing is realized, we reclassify the gain or loss to the segment in which the underlying exposure resides, allowing our segments to realize the economic effects of the derivative without the resulting unrealized mark-to-market volatility.

## Effective Tax Rate Reconciliation

(Unaudited)		For the Three Months Ended	
		March 31, 2023	March 31, 2022
U.S. GAAP	<b>Effective Tax Rate</b>	28%	21%
Add/Less:	Tax effect of non-GAAP adjustment items <sup>(1)</sup>	(2%)	2%
Add/Less:	Discrete tax items <sup>(1)(2)</sup>	—%	3%
Non-GAAP	<b>Underlying (Non-GAAP) Effective Tax Rate</b>	26%	26%

- (1) Adjustments related to the tax effect of non-GAAP adjustment items, as well as certain discrete tax items excluded from our underlying effective tax rate. Discrete tax items include certain significant tax audit and prior year reserve adjustments, impact of significant tax legislation and tax rate changes and significant non-recurring and period specific tax items.
- (2) The change in the tax effect of discrete tax items from prior year is primarily due to the recognition of approximately \$5 million of discrete tax benefit recorded in U.S. GAAP and removed from underlying for the three months ended March 31, 2022.

## Underlying Free Cash Flow

(In millions) (Unaudited)		For the Three Months Ended	
		March 31, 2023	March 31, 2022
U.S. GAAP	<b>Net Cash Provided by (Used In) Operating Activities</b>	\$ 3.4	\$ (119.3)
Less:	Additions to properties <sup>(1)</sup>	(181.4)	(243.8)
Add/Less:	Cash impact of non-GAAP adjustment items <sup>(2)</sup>	4.3	4.3
Non-GAAP	<b>Underlying Free Cash Flow</b>	\$ (173.7)	\$ (358.8)

- (1) Included in net cash provided by (used in) investing activities.
- (2) Included in net cash provided by (used in) operating activities and primarily reflects costs paid for restructuring activities for the three months ended March 31, 2023 and March 31, 2022.

## Net Debt to Underlying EBITDA Ratio

(In millions except net debt to underlying EBITDA ratio) (Unaudited)		As of	
		March 31, 2023	March 31, 2022
U.S. GAAP	Current portion of long-term debt and short-term borrowings	\$ 412.7	\$ 681.9
Add:	Long-term debt	6,177.7	6,631.5
Less:	Cash and cash equivalents	328.2	358.7
	<b>Net debt</b>	<b>\$ 6,262.2</b>	<b>\$ 6,954.7</b>
	Q1 Underlying EBITDA	388.4	320.5
	Q4 Underlying EBITDA	555.5	457.3
	Q3 Underlying EBITDA	593.5	642.6
	Q2 Underlying EBITDA	566.4	697.8
Non-GAAP	<b>Underlying EBITDA<sup>(1)</sup></b>	<b>\$ 2,103.8</b>	<b>\$ 2,118.2</b>
	<b>Net debt to underlying EBITDA ratio</b>	<b>2.98</b>	<b>3.28</b>

- (1) Represents underlying EBITDA on a trailing twelve month basis.



## Underlying EBITDA Reconciliation

(In millions) (Unaudited)		For the Three Months Ended		
		March 31, 2023	March 31, 2022	Change
U.S. GAAP	<b>Net income (loss) attributable to MCBC</b>	<b>\$ 72.5</b>	<b>\$ 151.5</b>	(52.1)%
Add:	Net income (loss) attributable to noncontrolling interests	0.7	(14.2)	N/M
U.S. GAAP	<b>Net income (loss)</b>	<b>73.2</b>	<b>137.3</b>	(46.7)%
Add:	Interest expense (income), net	59.1	63.3	(6.6)%
	Income tax expense (benefit)	28.7	36.4	(21.2)%
	Depreciation and amortization	171.5	173.7	(1.3)%
	Adjustments included in underlying income <sup>(1)</sup>	55.9	(90.2)	N/M
Non-GAAP	<b>Underlying EBITDA</b>	<b>\$ 388.4</b>	<b>\$ 320.5</b>	21.2 %

N/M = Not meaningful

- (1) Includes adjustments to income (loss) before income taxes related to non-GAAP adjustment items. See Reconciliations to Nearest U.S. GAAP Measures by Line Item table for detailed adjustments.