



Chris Swasbrook

Managing Director, Elevation Capital Management





MOLSON COORS BREWING CO [TAP:US]



IMPORTANT DISCLOSURE/S & DISCLAIMER/S

DISCLAIMER

This presentation has been prepared by Elevation Capital Management Limited ("Elevation Capital") for distribution to clients of Elevation Capital in New Zealand and other jurisdictions to whom, under relevant law, this presentation lawfully may be distributed. It may not be distributed in any other jurisdiction or to any other persons.

The information, investment views and recommendations in this presentation are provided for general information purposes only. To the extent that any such information, views, and recommendations constitute advice, they do not take into account any person's particular financial situation or goals and, accordingly, do not constitute personalised financial advice under the Financial Advisers Act 2008, nor do they constitute advice of a legal, tax, accounting or other nature to any person. Elevation Capital recommends that recipients seek advice specific to their circumstances from their adviser before making any investment decision or taking any action.

NON-RELIANCE, NO WARRANTIES, NO LIABILITY

This presentation does not, and does not attempt to, contain all material or relevant information about all companies/stocks referred to in this Presentation or other matters referred to in this presentation. The presentation is published in good faith and is based on publicly available information. Information and opinions contained in this presentation reflect a judgment at the date of publication by Elevation Capital and are subject to change without notice. Elevation Capital is under no obligation to update or keep current any of the information in this publication.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information, assumptions, views, opinions, statements, data or conclusions contained, referred to, or reflected in, or supplied or communicated orally or in writing to any person in connection with, this presentation (together, the "Information"), or as to the reasonableness of such Information. Nothing in this presentation should be construed as a solicitation to buy or sell any security or other product, or to engage in or refrain from doing so or engaging in any other transaction.

To the maximum extent permitted by law, neither Elevation Capital nor any of Elevation Capital's directors, employees, shareholders, subsidiaries, agents, advisers or any other person shall have any liability to any person for any loss (including, without limitation, any liability arising from any fault or negligence on the part of Elevation Capital or any of Elevation Capital's directors, employees, shareholders, subsidiaries, agents, advisers or any other person) arising in respect of or in relation to this presentation or any of the Information.

Certain Information used in this presentation has been derived or obtained from filings made with the Securities and Exchange Commission ("SEC") or other regulatory authorities and from other third party sources. Elevation Capital has not sought or obtained consent from any third party to use any such Information. The use of any such Information should not be viewed as indicating the support of such third party for the views expressed in this presentation by Elevation Capital or Elevation Capital's endorsement of such third party Information. No warranty is made that any Information, whether derived or obtained from filings made with the SEC, any other regulatory agency, from any third party or otherwise, is accurate. No audit or review has been undertaken by an independent third party of this presentation or the Information.

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. All statements contained in this presentation that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words "anticipate," "believe," "expect," "possible," "potential," "opportunity," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements are subject to various risks and uncertainties. Nothing in this presentation is a promise or representation as to the future. Statements or assumptions in this presentation as to future matters may prove to be incorrect. Neither Elevation Capital nor any of Elevation Capital's directors, employees, shareholders, subsidiaries, agents, advisers or any other person makes any representation or warranty as to the accuracy of such statements or assumptions. Circumstances may change and the contents of



IMPORTANT DISCLOSURE/S & DISCLAIMER/S

this presentation may become outdated as a result. No audit or review has been undertaken by an independent third party of the assumptions, data, results, calculations and forecasts contained in or referred to in this presentation.

CONCERNING INTELLECTUAL PROPERTY

All registered or unregistered service marks, trade marks and trade names referred to in this presentation are the property of their respective owners, and Elevation Capital's use in this presentation does not imply an affiliation with, or endorsement by, the owners of these service marks, trade marks and trade names.

CONCERNING ELEVATION CAPITAL

Elevation Capital is registered as a financial service provider in New Zealand under the Financial Service Providers (Registration and Disputes Resolution) Act 2008 (FSP# 9601). Christopher Swasbrook is also registered under that Act (FSP# 110649); however, he is not an authorised financial adviser for the purposes of the Financial Advisers Act 2008. Despite such registration, neither Elevation Capital nor Mr Swasbrook is providing any personalised financial advice to any person as a result of this presentation.

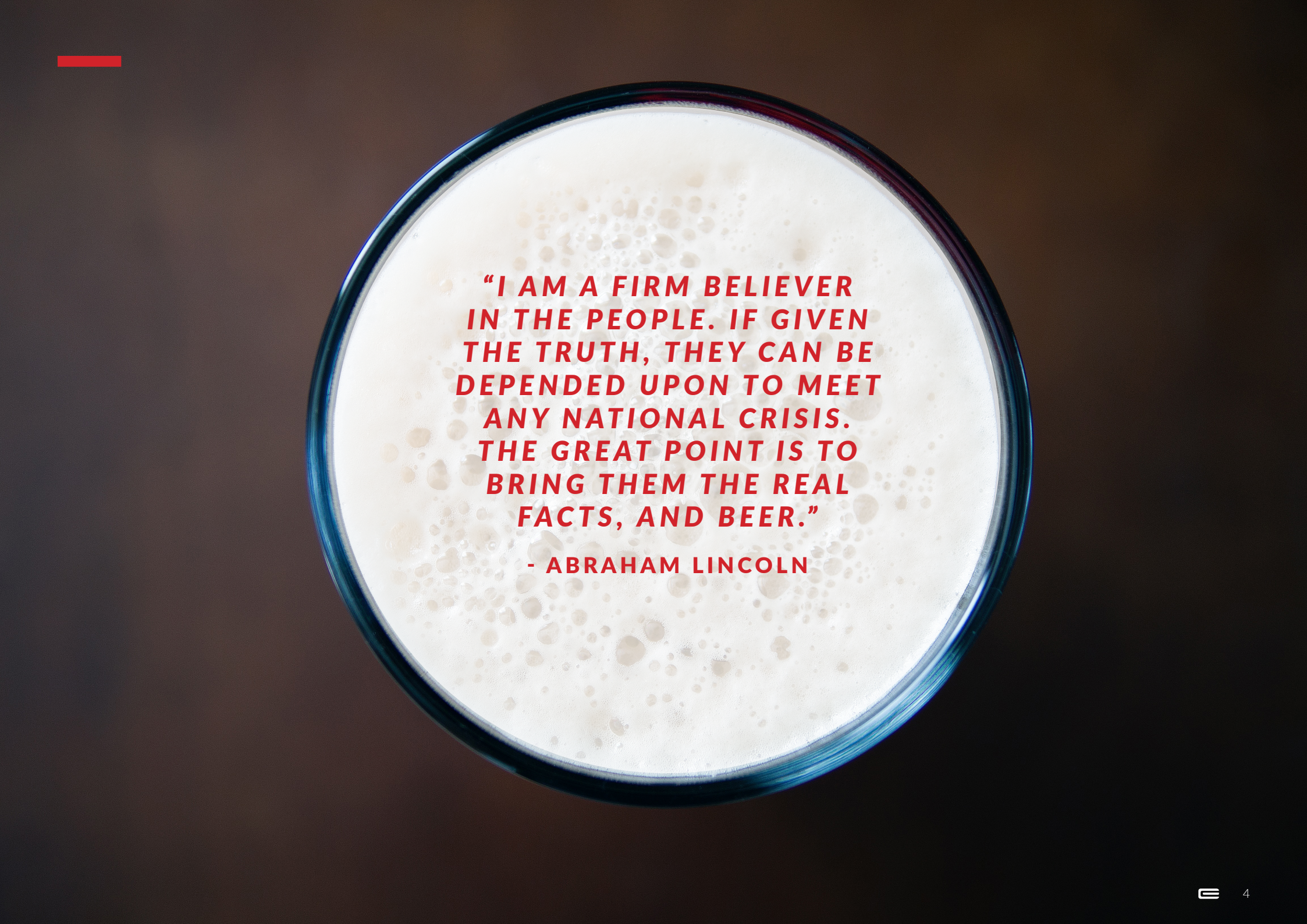
Elevation Capital is the manager of the Elevation Capital Value Fund ("Fund"). Copies of the Product Disclosure Statement ("PDS") & Statement of Investment Policy ("SIPO") in respect of the Fund are available on request from:

Mail: PO Box 28053, Remuera, Auckland 1541, New Zealand;
Email: info@elevationcapital.co.nz
Phone: +64 9 379 6493

or via the Disclose Register:
<https://disclose-register.companiesoffice.govt.nz>

At the date of this presentation (21 December 2018), Elevation Capital, Elevation Capital Value Fund and accounts managed by Elevation Capital and other persons associated with Elevation Capital may own (legally, beneficially or both) and/or have an interest (economic or otherwise) in securities of the Issuer referenced. Elevation Capital is under no obligation to update readers of its holdings in the Issuer referenced.

Past performance is not an indication of future results.



**“I AM A FIRM BELIEVER
IN THE PEOPLE. IF GIVEN
THE TRUTH, THEY CAN BE
DEPENDENT UPON TO MEET
ANY NATIONAL CRISIS.
THE GREAT POINT IS TO
BRING THEM THE REAL
FACTS, AND BEER.”**

- ABRAHAM LINCOLN



MOLSON COORS BREWING CO [TAP:US]

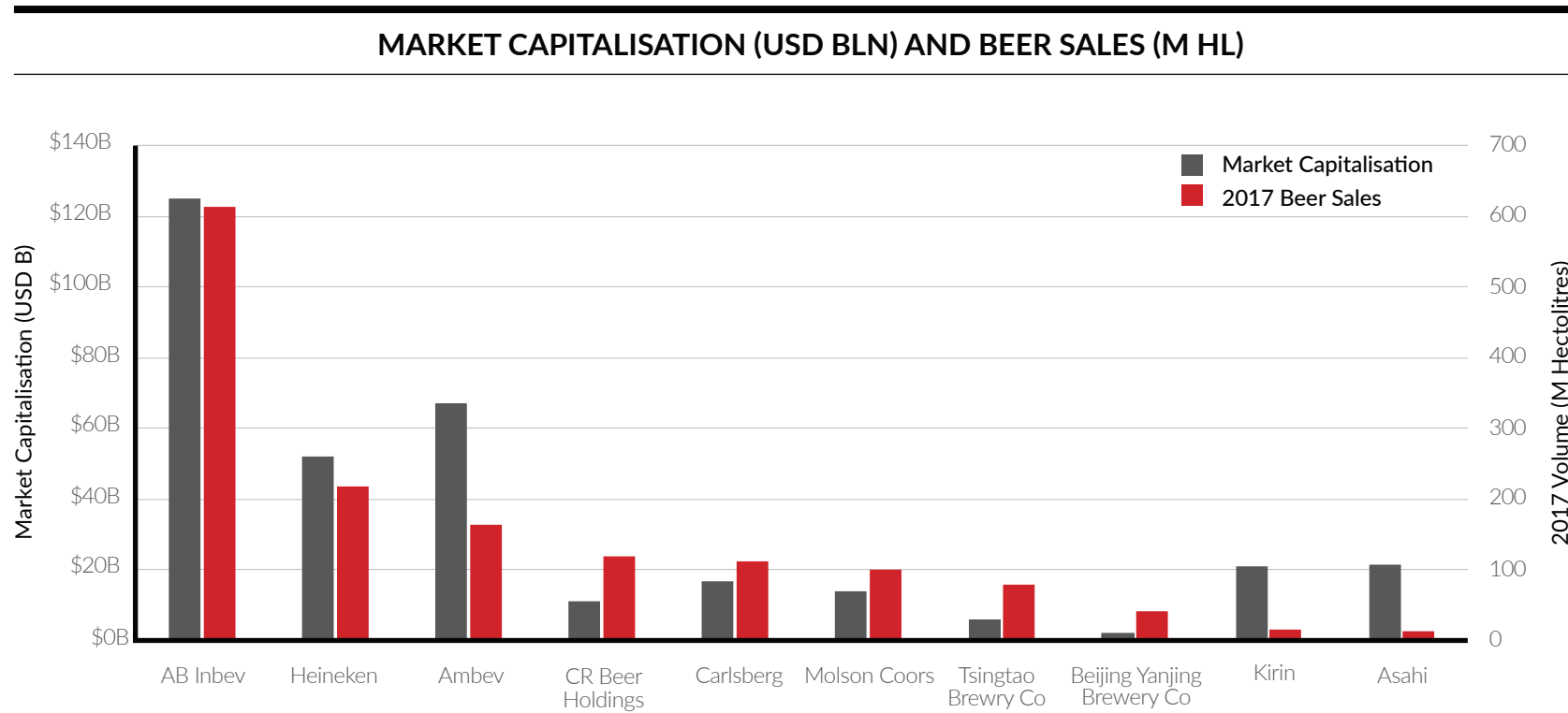
INTRODUCTION

MOLSON
CANADIAN
BIERE LAGER BEER
12 FL OZ (355mL)

Coors
LIGHT

OVERVIEW

- Molson Coors Brewing Company (TAP:US, Market Capitalisation = USD 14.0B*) is the 6th largest brewer in the world by volume**.



* As at 23 November 2018 ** Based on 2017 figures

THE CREATION OF TODAY'S MOLSON COORS



1786 – Molson Brewery founded in Montreal – The oldest brewery in North America

1945 – Became a Public Traded Company

2008 – Molson Coors and SABMiller combined their US operations to create MillerCoors – The 2nd largest brewer in the US (Molson Coors owns 42% economical interest, and 50% voting power)

2005 – Molson merged with Coors to form Molson Coors Brewing Company - creating the world's fifth largest brewer

2016 – Molson Coors acquires remaining 58% of the MillerCoors JV from SABMiller when SABMiller was acquired by AB Inbev

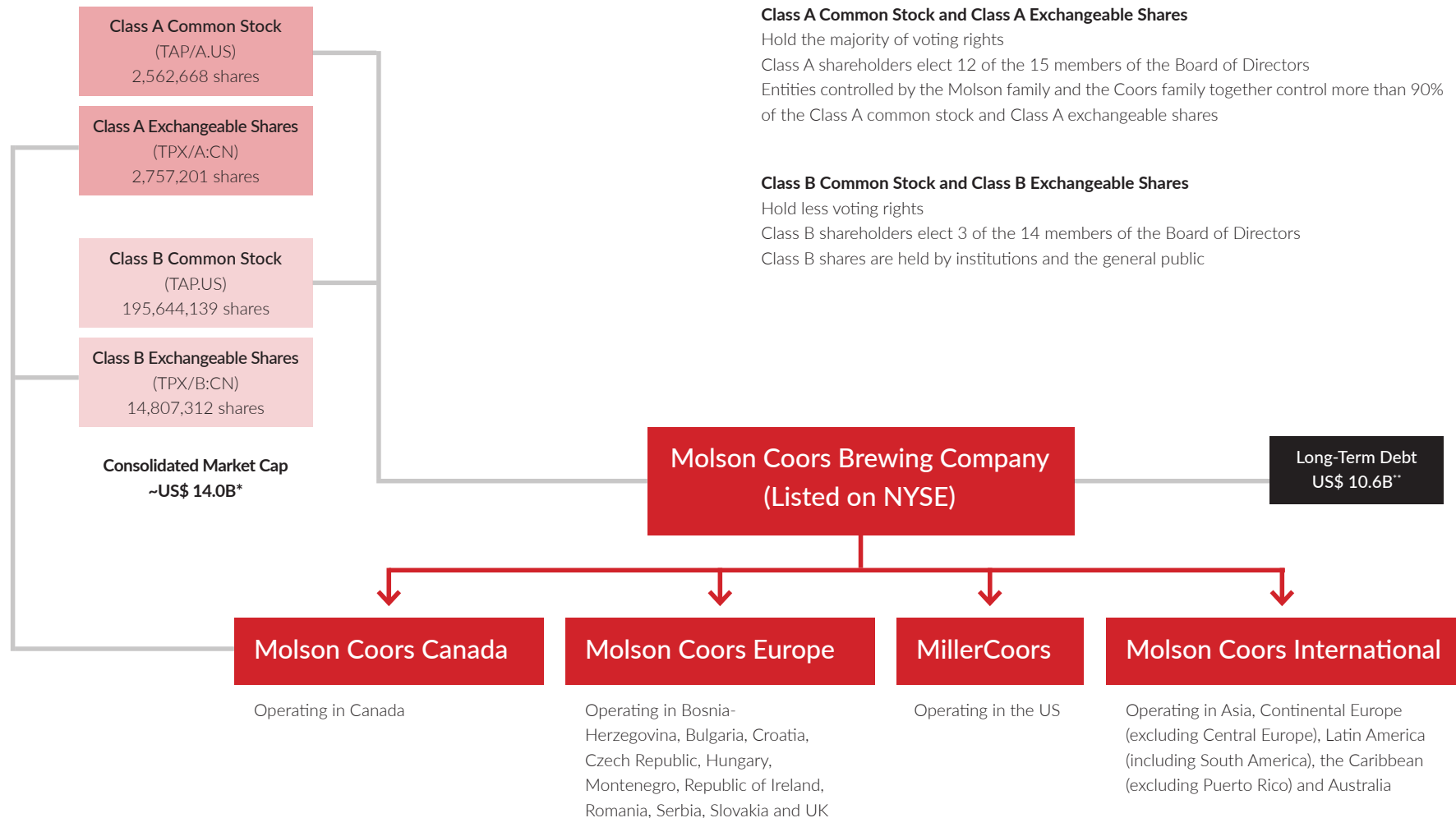


1873 – Adolph Coors opens the Golden Brewery in Golden, Colorado

1975 – Became a Publicly Traded Company



HOLDING COMPANY STRUCTURE & OWNERSHIP



* As at 23 November 2018

** As at 30 September 2018

HISTORY - CENTURIES-OLD HERITAGE (1)

- Molson Brewery (a subsidiary of Molson Coors) is the second oldest company in Canada...

1786 John Molson opens the Molson Brewery in Montreal, Canada.

1873 Adolph Coors opens the Golden Brewery in Golden, Colorado.

1945 Molson offers up public ownership in the company.

1975 Coors becomes a publicly traded company.

1989 Molson merges with Carling O'Keefe becoming Canada's largest brewer and the fifth largest brewer in North America.

2002 Coors acquires the England and Wales-based business of Bass Brewers. Creates Coors Brewers, Ltd., the UK's second largest brewer with more than 20% market share.

2005 Molson and Coors combine in a merger of equals, creating the world's fifth largest brewer, with the operating scale and balance sheet to take a leading role in the consolidating global beer industry.



HISTORY - CENTURIES-OLD HERITAGE (2)

- Today, Molson Coors is currently the 6th largest brewer in the world by volume.

2008

Molson Coors and SABMiller form a joint venture, MillerCoors, that combines their US and Puerto Rico businesses.



2011

Molson Coors creates JV with Cobra Beer Company in India. It also acquires Sharp's Brewery in Cornwall, England.



2012

Molson Coors acquires StarBev and changes its name to Molson Coors Central Europe.



2015

Molson Coors acquires Mt. Shivalik Brewery in India. It also acquires Saint Archer Brewing Co., San Diego, California.



2016

Molson Coors acquires the remaining shares of the MillerCoors JV from SABMiller - *“Total purchase price of \$12.0 billion for the remaining 58% of the MillerCoors joint venture, ownership of the Miller Brand Family globally, an estimated \$2.4 billion present value of cash tax benefits, and perpetual, royalty-free U.S. rights to all imported and licensed brands”.*



2016 MILLERCOORS TRANSACTION



2016 MILLERCOORS TRANSACTION TIMELINE

2015

In our March 2015 Molson Coors presentation, we stated:

“Should SABMiller be acquired by AB InBev it is likely that the combined entity would be required to divest MillerCoors (a joint venture between Molson Coors and SABMiller) in order to comply with antitrust regulations. Molson Coors is the most likely acquirer and will benefit from the synergies between the businesses and a lack of competition for the asset given the JV structure.”

2015

On 11 November 2015, Molson Coors announced it had entered into a definitive agreement with AB InBev to purchase SABMiller’s 58% stake in MillerCoors, conditional upon the closing of AB InBev’s acquisition of SABMiller. Under the agreement, Molson Coors acquired full ownership of the Miller brand portfolio outside of the U.S. and retained the rights to all of the brands currently in the MillerCoors portfolio for the US market, including Redd’s and imported brands such as Peroni and Pilsner Urquell. The transaction was valued at USD 12.0 billion.

2016

On 11 October 2016, Molson Coors announced the successful completion of the transaction.

Molson Coors to Acquire Full Ownership of MillerCoors Joint Venture and Global Miller Brand Portfolio for \$12 Billion

Transaction Represents a Game Changing Opportunity for Molson Coors

Transaction Will Strengthen Molson Coors' Position in Highly Attractive U.S. Beer Market, Enhance Global Competitiveness, Unlock Further Operational Synergies and Improve Tax Efficiency

Includes Compelling Opportunity to Leverage Miller Trademark Globally

Transaction to Be Significantly Accretive to Cash Earnings in First Full Year of Operations

Annualized Cost Synergies of at Least \$200 Million Anticipated by Year Four

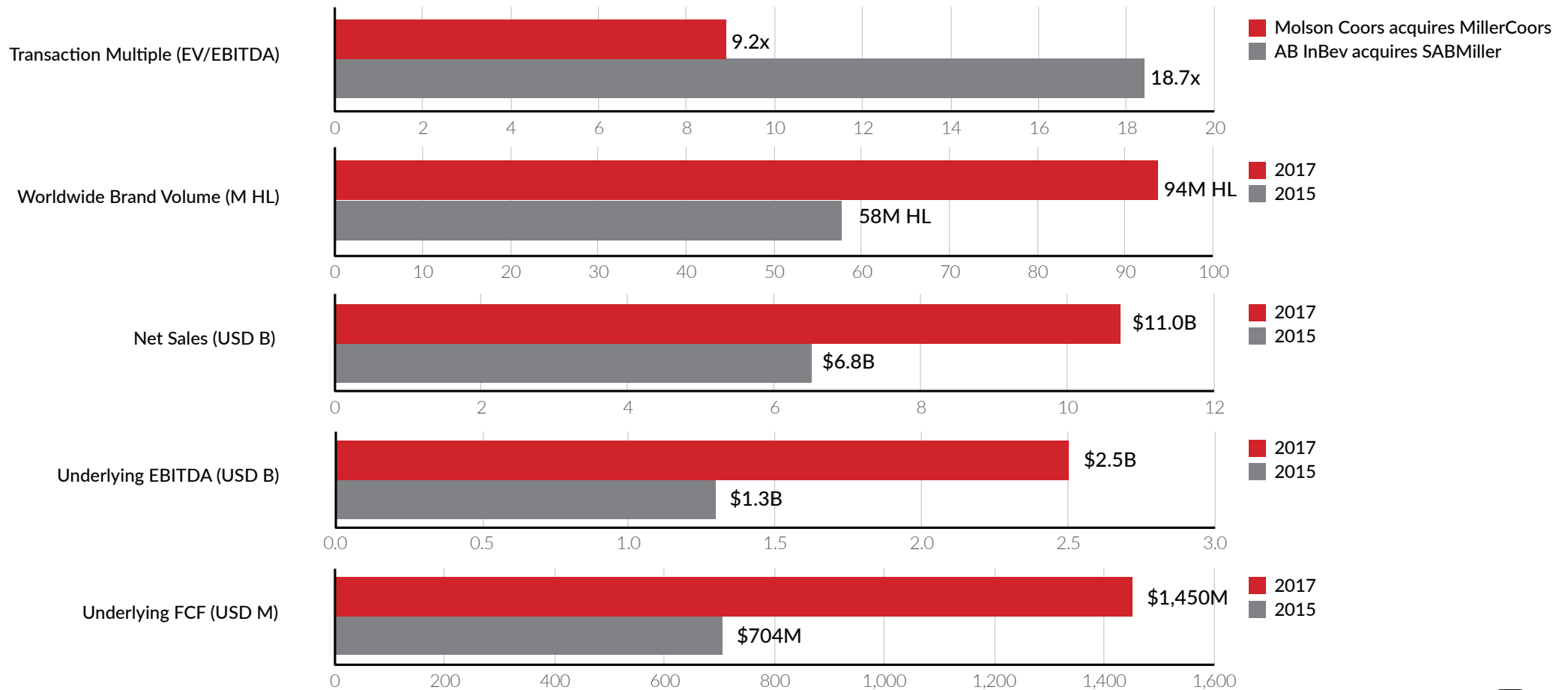
Molson Coors Completes Acquisition of Full Ownership of MillerCoors and Global Miller Brand Portfolio

Becomes World's Third Largest Brewer by Enterprise Value and Strengthens Position in Highly Attractive U.S. Beer Market

Well Positioned to Execute Growth Strategy and Deliver Long-Term Shareholder Value

2016 MILLERCOORS TRANSACTION ALMOST DOUBLED THE SIZE OF THE COMPANY

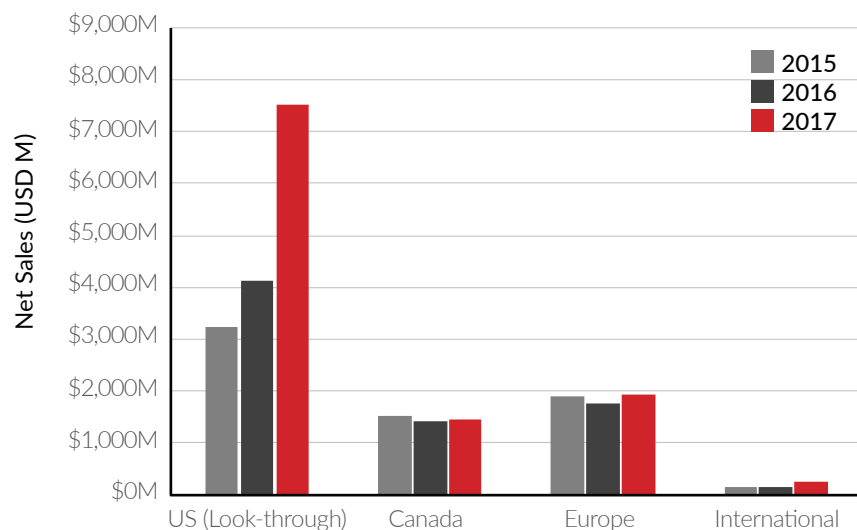
- Management noted that the 58% stake in MillerCoors was purchased at a very attractive valuation at 9.2x EV/EBITDA multiple (post adjustment for net present values ("NPVs") of expected tax benefits) – this compared to AB InBev paying 18.7x for SABMiller.
- A further compelling fact of the transaction was it nearly doubled the size of the Company – and beer is a scale business globally.



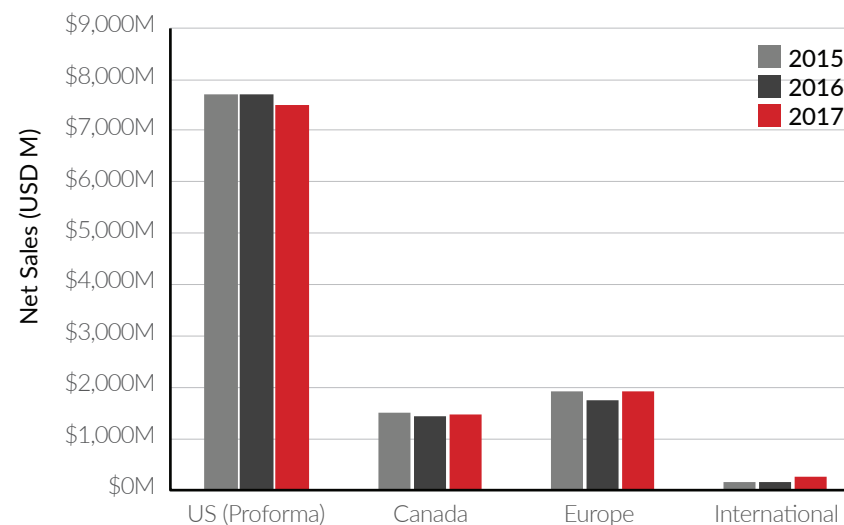
GEOGRAPHICAL SEGMENTS AFTER 2016 MILLERCOORS TRANSACTION

- On a look-through basis (left chart below), we note the importance of the US market for Molson Coors today. The US market now accounts for 68% of the 2017 total net sales, vs 48% in 2015.
- On a proforma basis, MillerCoors's US net sales have been in decline over the last two years. This is the primary concern for investors in Molson Coors at present.

NET SALES BY GEOGRAPHY (US - LOOK-THROUGH)



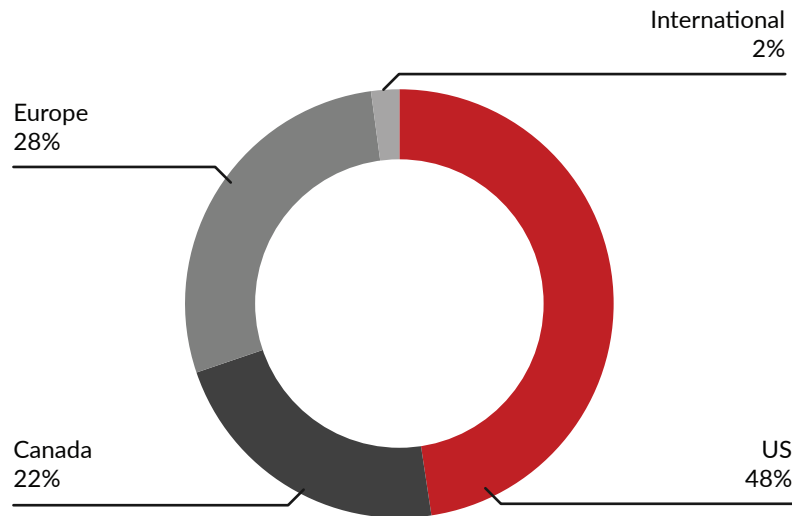
NET SALES BY GEOGRAPHY (US - PROFORMA)



GEOGRAPHICAL SEGMENTS AFTER 2016 MILLERCOORS TRANSACTION

- The charts below illustrate the changes of Molson's Coors' market concentration post the MillerCoors transaction. The US market accounts for 68% of net sales, and North America (the US + Canada) accounts for 81% of 2017 net sales. Therefore, Management's efforts and consumer preference/trends in this market will significantly impact the financial results of the Company.

NET SALES BY GEOGRAPHY - 2015



48% → 68%

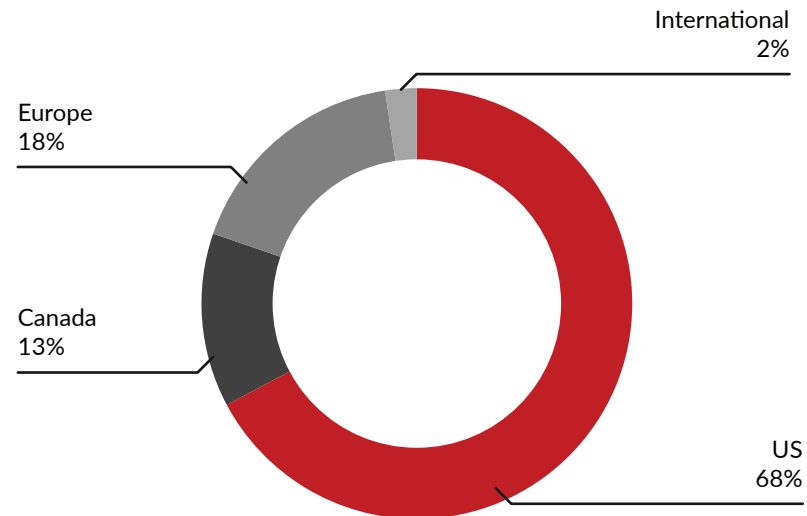


22% → 13%



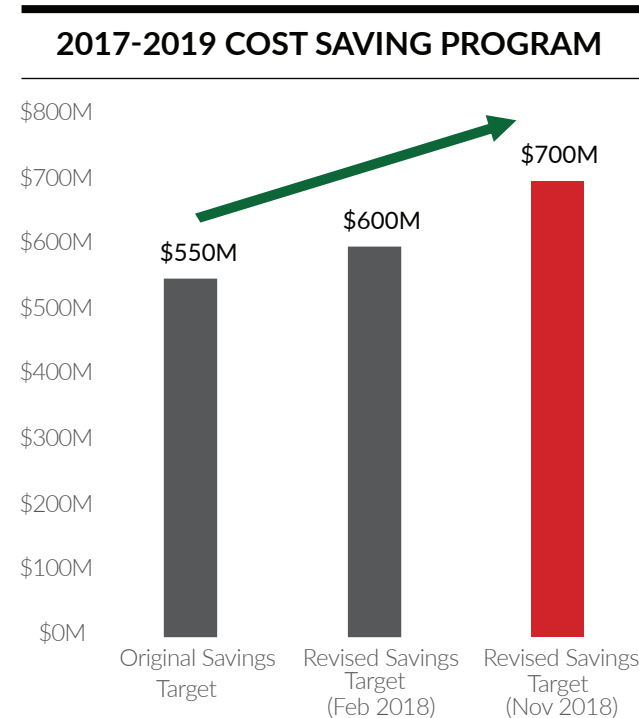
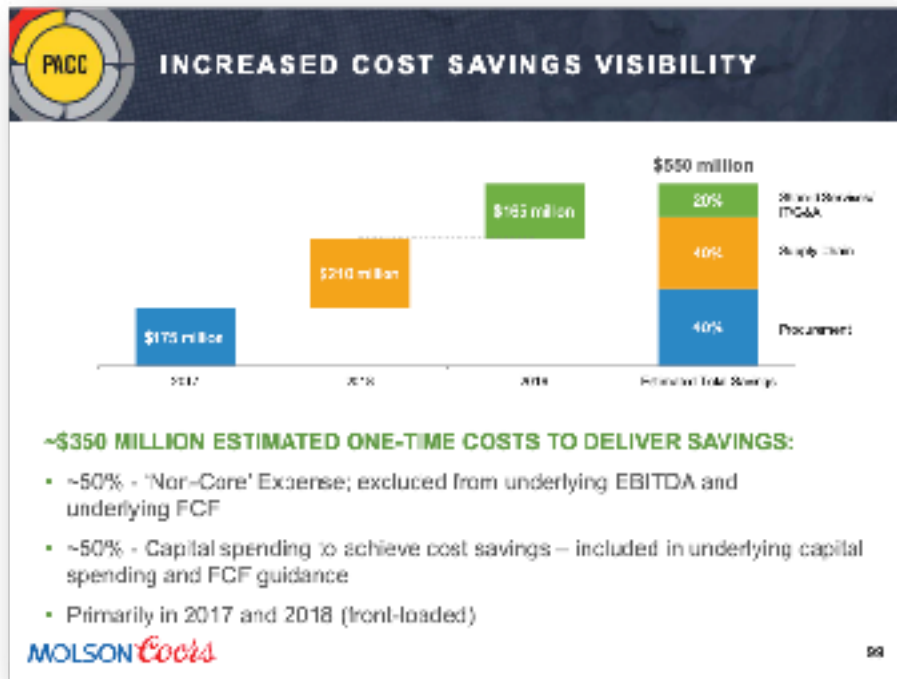
28% → 18%

NET SALES BY GEOGRAPHY - 2017



COST SAVING OPPORTUNITIES AFTER 2016 MILLERCOORS TRANSACTION

- Cost savings opportunities across the organisation after the MillerCoors have continued to improve.
- Management had forecast underlying EBITDA Margins to improve +30bps to +60bps per year on average for the next 3-4 years.
- Originally, Management targeted its 2017-2019 cost savings program to deliver USD550M in total cost reduction. As visibility improved, this number was revised up to USD600M in February 2018, and then again to approximately USD700M in November 2018. This highlights the compelling fundamentals of the MillerCoors transaction which the Company is getting little or no credit for at present.



Source: Molson Coors Annual NY Investor/Analyst Meeting – 7 June 2017



MOLSON COORS BREWING CO [TAP:US]

BRAND PORTFOLIO

MOLSON
CANADIAN
BIERE LAGER BEER
12 OZ (355ML)

Coors
LIGHT

GLOBAL PRIORITY BRANDS

- These brands are considered by Management to offer the greatest growth potential globally:



Blue Moon/
Belgian Moon



Coors Banquet



Coors Light



Miller Genuine
Draft



Miller Lite



Staropramen

BUT ALSO, STRATEGICALLY POSITIONED FOR CRAFT BEER GROWTH

#1

Craft Brewer in US



#1

Craft Brand in US
- Blue Moon



#1

Craft Brand in Spain
- La Sagra



#1

Craft Brand in Ireland
- Franciscan Well



CANADA

Leading craft brands in Canada



REGIONAL CHAMPION BRANDS

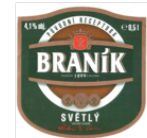
US



CANADA



EUROPE



INTERNATIONAL

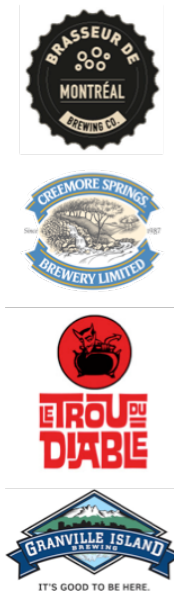


CRAFT AND IMPORTED BRANDS

US*



CANADA



INTERNATIONAL

Licensed and Premium Import Brands**



* Grolsch, Peroni Nastro Azzurro and Pilsner Urquell are under perpetual royalty-free license from Asahi. Sol is under license from Heineken
 ** Under license from Heineken

OTHER BRANDS

US

Hard Cider



Flavoured Malt Beverages*

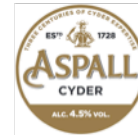


© 2015 AB InBev

CANADA**



EUROPE***



REKORDERLIG CIDER



INTERNATIONAL



* Under perpetual royalty-free license from ABI

** Under contract brewing arrangements with Asahi and North American Breweries, Inc. to produce for the US market

*** The European business has licensing and distribution agreements with various other brewers through which it also brews and distributes



MOLSON COORS BREWING CO [TAP:US]

INDUSTRY OUTLOOK

MOLSON
CANADIAN
BIERE LAGER BEER
12 OZ (355ML)

Coors
LIGHT



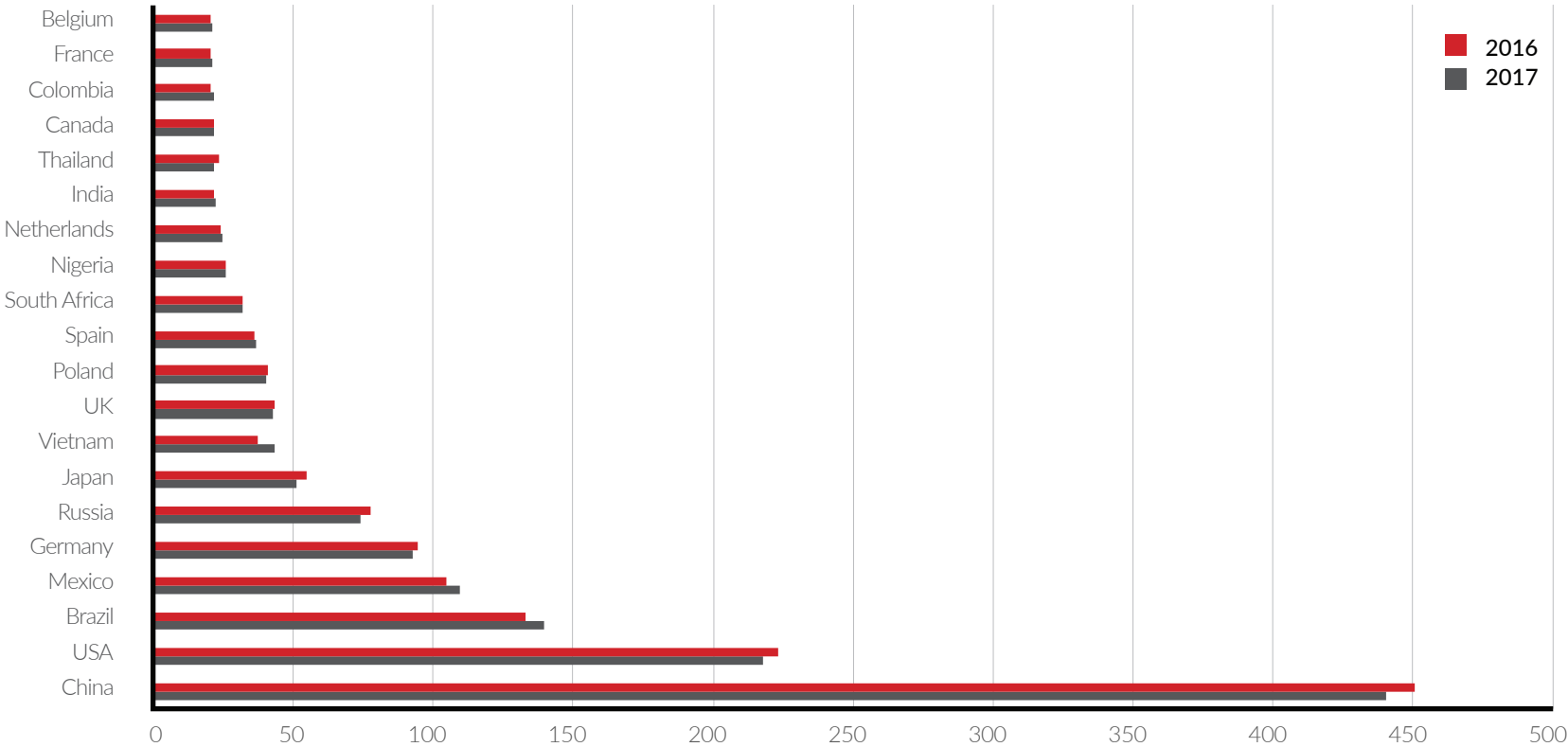
**“BEER IS NOW ADAPTING TO
OUR LIFESTYLES - WHEREAS
IN THE PAST OUR LIFESTYLES
ADAPTED TO BEER”**

**- CHRISTIAN PURSER,
CEO, INTERBRAND LONDON**

GLOBAL BEER PRODUCTION

- We utilise the data from the 2018 Barth Report. On average, the top 20 countries in the world produced +0.6% more beer in 2017 than 2016. However, the two largest producers – China and the US both produced less beer in 2017, declining by -2.3% and -2.6% respectively.

TOP 20 BEER PRODUCTION COUNTRIES (M HL)



Data Source: The 2018 Barth Report: https://www.barthhaasgroup.com/images/mediacenter/press_release/pdfs/834/barth-bericht20172018en.pdf

GLOBAL BEER CONSUMPTION

- We utilise the data from Kirin’s 2018 Data Book*, which details that global beer consumption grew steadily from 2007 and peaked in 2014.

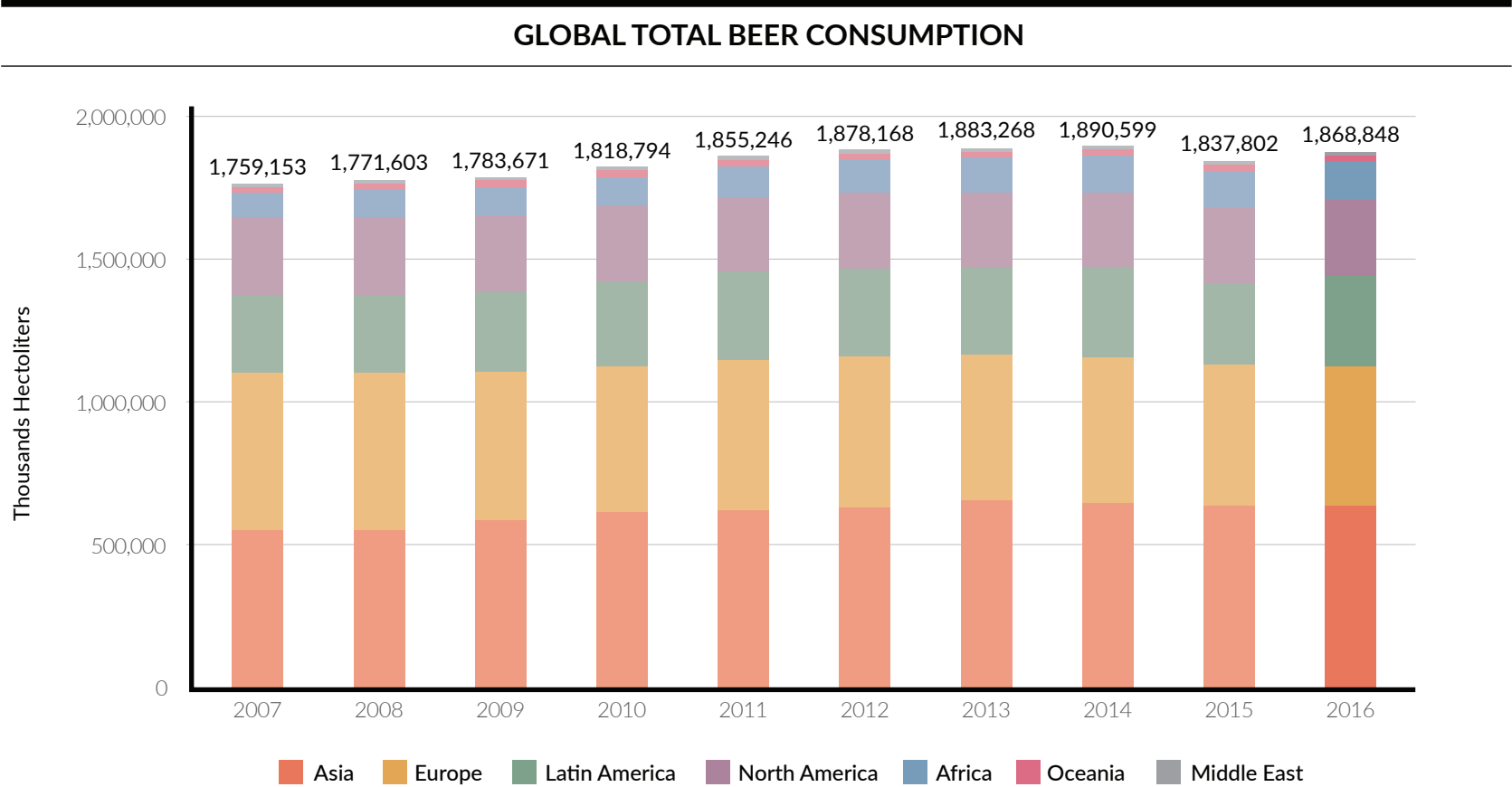
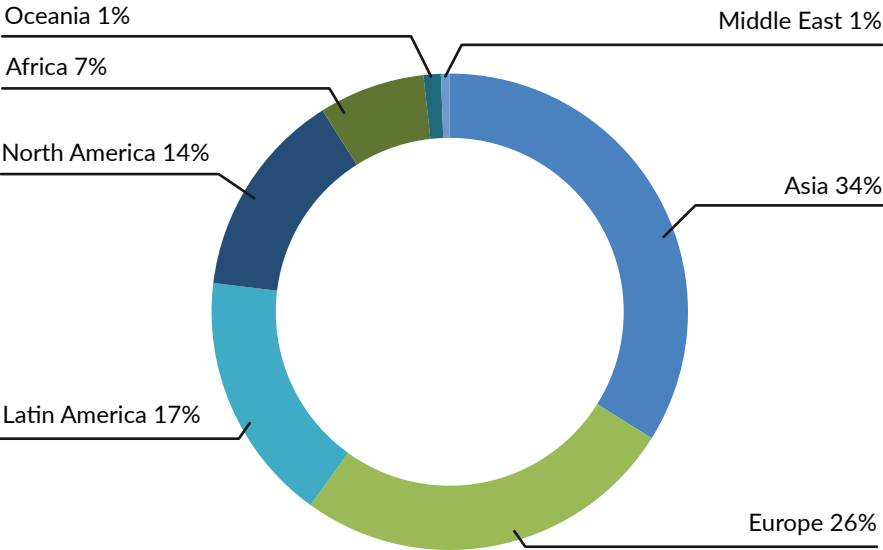


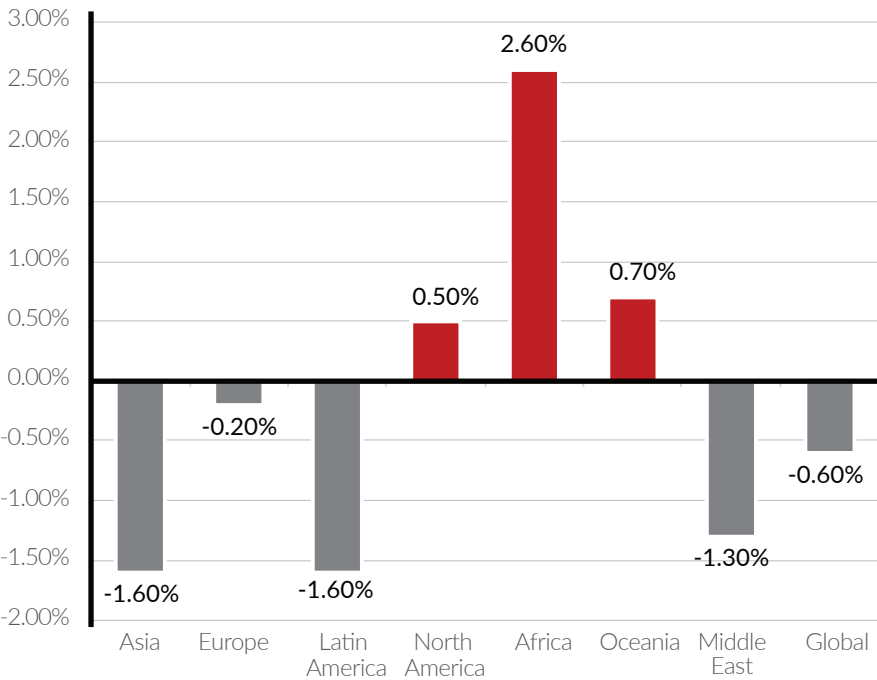
Chart Source: Kirin 2018 Data Book: <https://www.kirinholdings.co.jp/english/ir/library/integrated/pdf/report2018/kirinreport2018e.pdf>

BEER CONSUMPTION BY REGION

BREAKDOWN OF BEER CONSUMPTION BY REGION

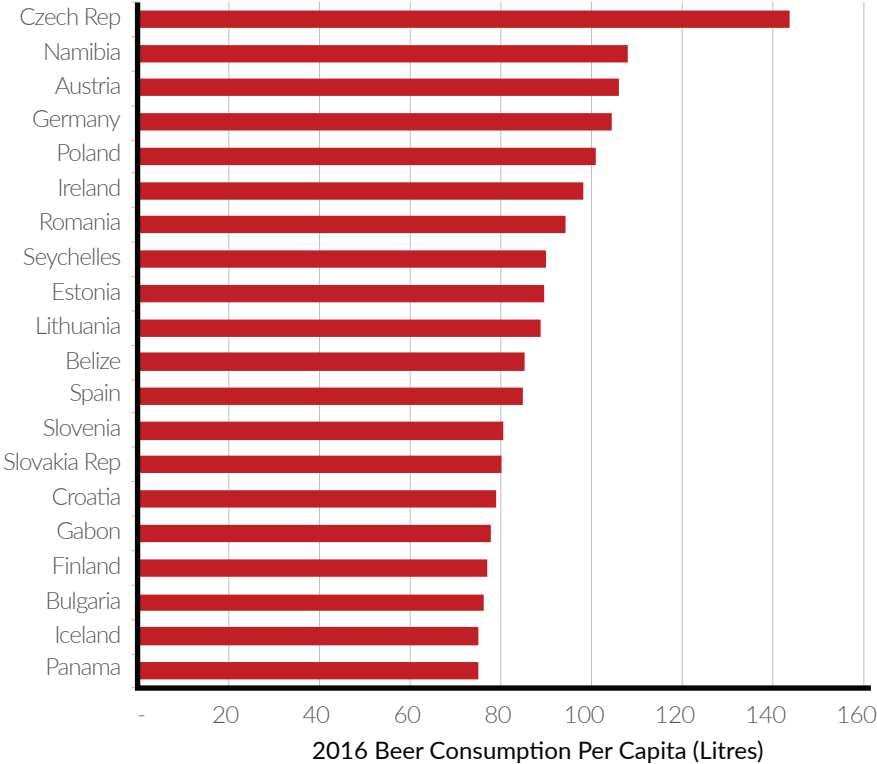


YEAR-ON-YEAR % CHANGE (2016 vs 2015)

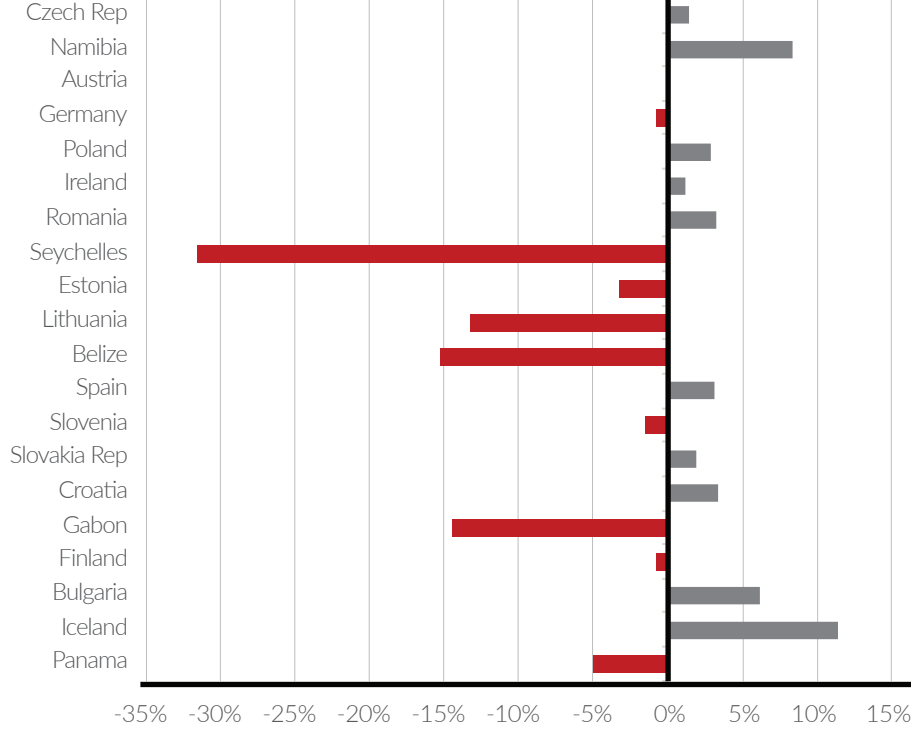


BEER CONSUMPTION PER CAPITA BY COUNTRY

BEER CONSUMPTION PER CAPITA - TOP 20 COUNTRIES



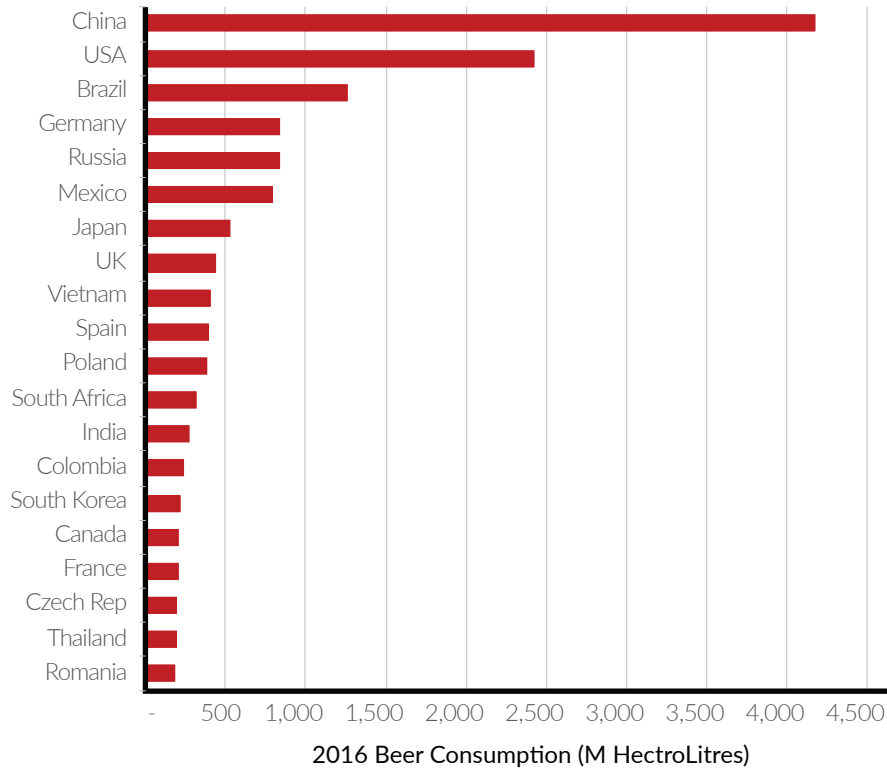
YEAR-ON-YEAR % CHANGE



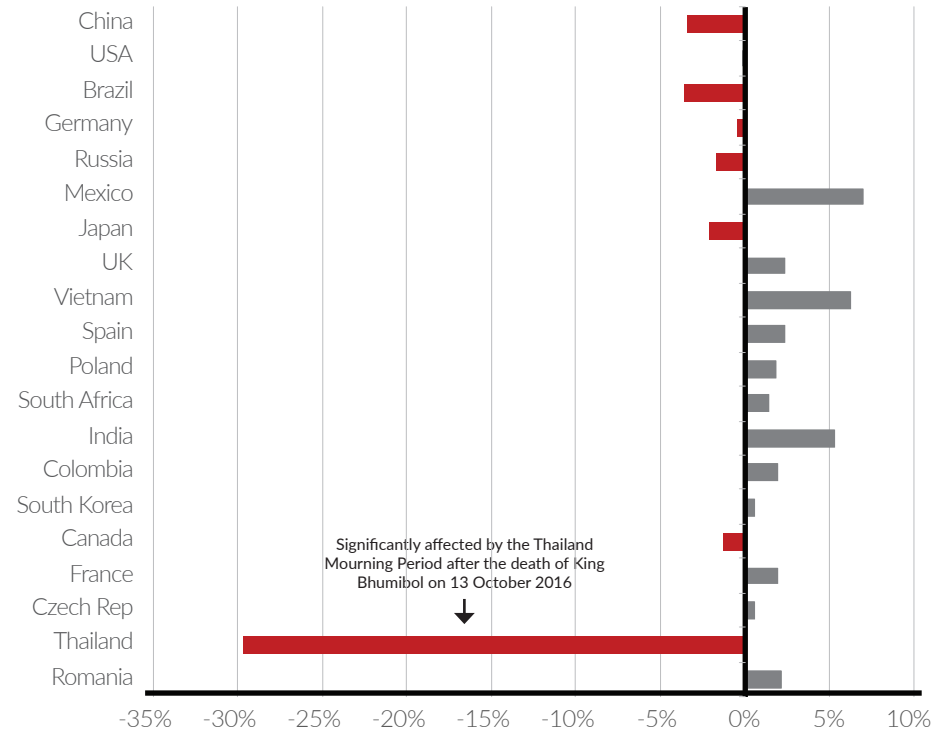
Data Source: Kirin 2018 Data Book

BEER CONSUMPTION BY COUNTRY

BEER CONSUMPTION - TOP 20 COUNTRIES



YEAR-ON-YEAR % CHANGE (2016 vs 2015)





MOLSON COORS BREWING CO [TAP:US]

BOARD, MANAGEMENT, COMPANY CULTURE & EMPLOYEE EFFICIENCY

BOARD OF DIRECTORS

- When investing in Molson Coors, one has to be comfortable with the Molson/Coors families having voting control. The Company's bylaws *"require the authorisation of a super-majority (two-thirds) of the board of directors to take certain transformational actions. Thus, it is possible that the Company will not be authorised to take action even if it is supported by a simple majority of the board of directors"**.

MOLSON/COORS FAMILIES (4)

Chairman

Peter H. Coors

Vice Chairman

Geoffrey E. Molson

Director

Peter J. Coors

Director

Andrew T. Molson

MANAGEMENT (1)

Director/President/CEO

Mark R. Hunter

INDEPENDENT DIRECTORS (9)

Independent Director

Betty K. DeVita

Independent Director

Charles M. Herington

Independent Director

Douglas D. Tough

Independent Director

Franklin W. Hobbs

Independent Director

H. Sanford Riley

Independent Director

Louis Vachon

Independent Director

Roger G. Eaton

Independent Director

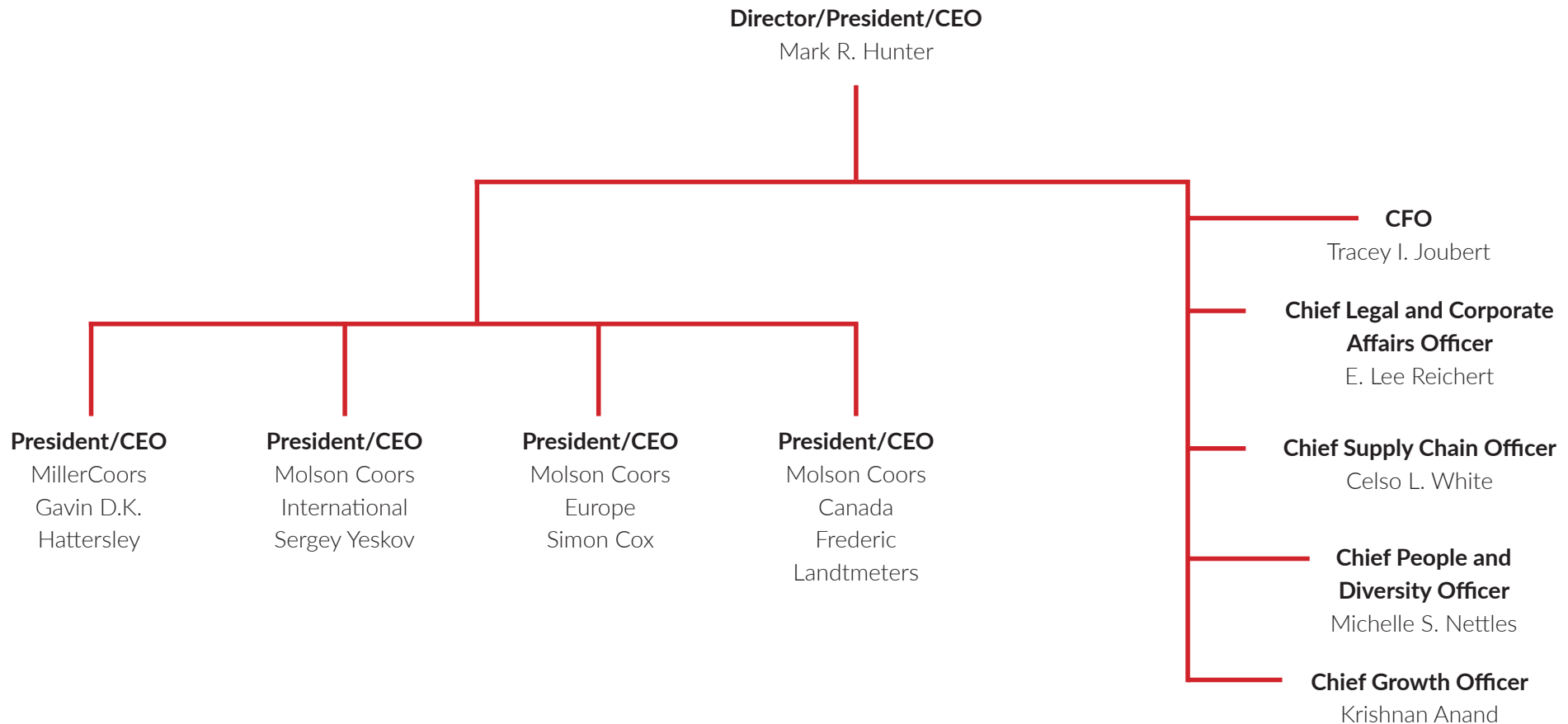
Iain J.G. Napier

Independent Director

Mary Lynn Ferguson-
McHugh

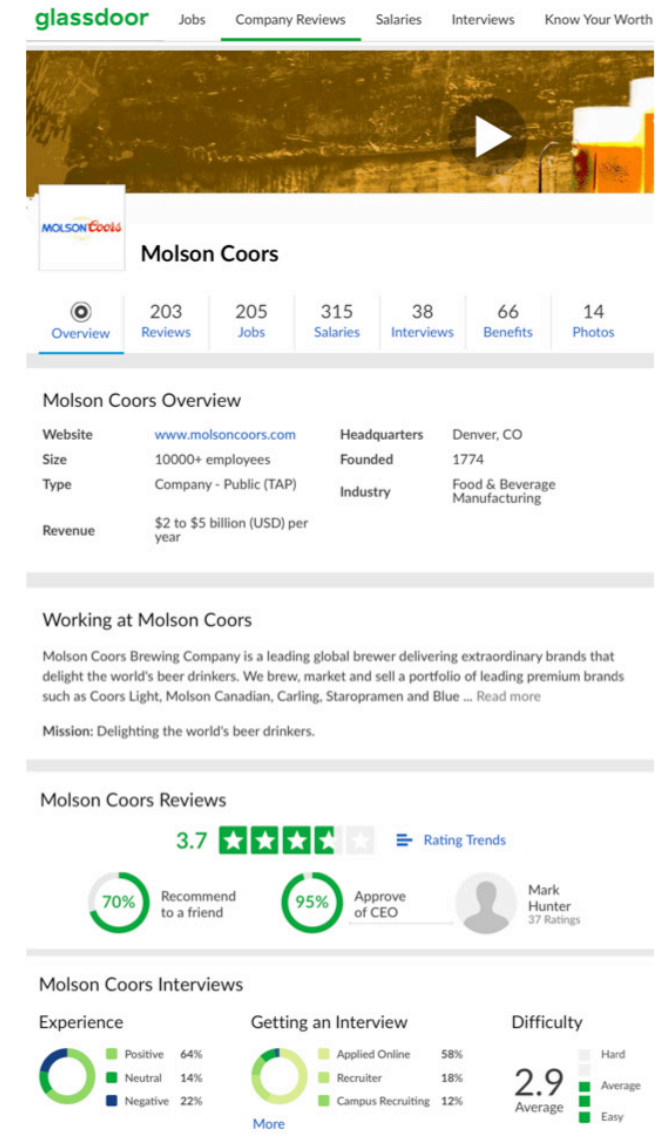
MANAGEMENT

- We note that most of senior management are seasoned/veteran managers with the Company.
- See Appendix 2 for additional information on the managers.



COMPANY CULTURE / WORKPLACE

- We analysed Glassdoor (www.glassdoor.com) where employees and former employees anonymously review companies and their management.
- Molson Coors has above average ratings and improving trends based on the reviews. The 95% approval rating for the CEO Mark Hunter is especially high. Employees do recognise the difficult business environment, hence the low 36% rating for “Positive Business Outlook”. However, impressively it still has a 70% “Recommend to a Friend” rating.



EMPLOYEE EFFICIENCY

- We utilise the Enterprise Value to Employee Ratio to measure how worker-intensive a business or industry is. We also use this metric to compare businesses within the same industry to rank their relative efficiency.
- Impressively, Molson Coors has one of the highest employee efficiency amongst the larger global brewers. We attribute this to its economies of scale in the all important North America markets. For example, the Coors Brewery in Golden, Colorado is one of the world's largest single-site breweries.

EV / NUMBER OF EMPLOYEES



Coors Brewery in Golden, Colorado



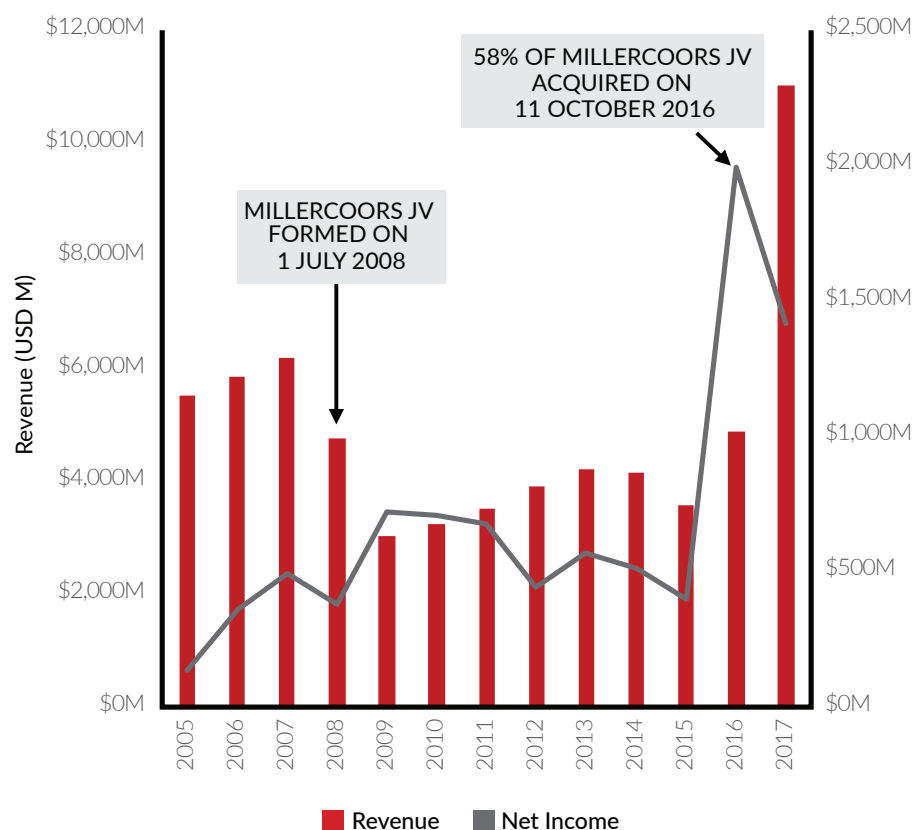
MOLSON COORS BREWING CO [TAP:US]

FINANCIALS, FINANCIAL STRUCTURE & CAPITAL RETURN HISTORY

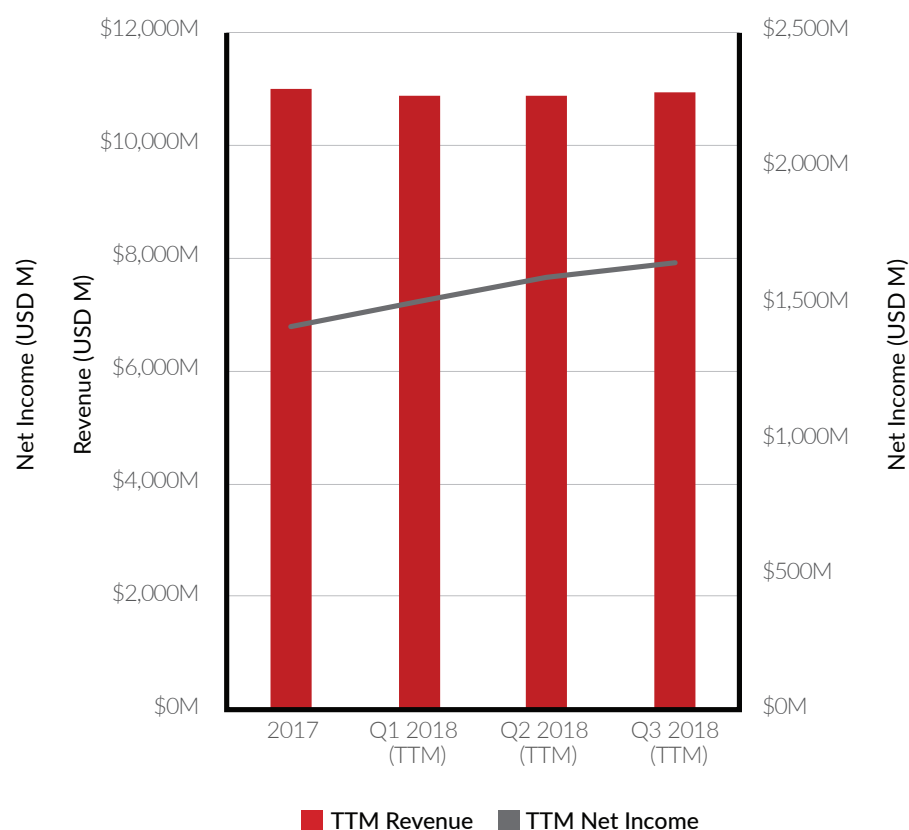
HISTORICAL REVENUE & NET PROFIT

- Below we detail the historical revenue and net profit since Molson merged with Coors in 2005.
- Historical revenue and net profit figures are distorted due to the creation of MillerCoors JV in 2008 and also the acquisition of the remaining 58% of MillerCoors JV in 2016.
- In the chart on the right below we highlight that in the last three quarters, TTM revenue has declined slightly while TTM net profit improved due to the Company's over-delivering on its cost saving initiatives.

REVENUE & NET PROFIT : 2005 - 2017



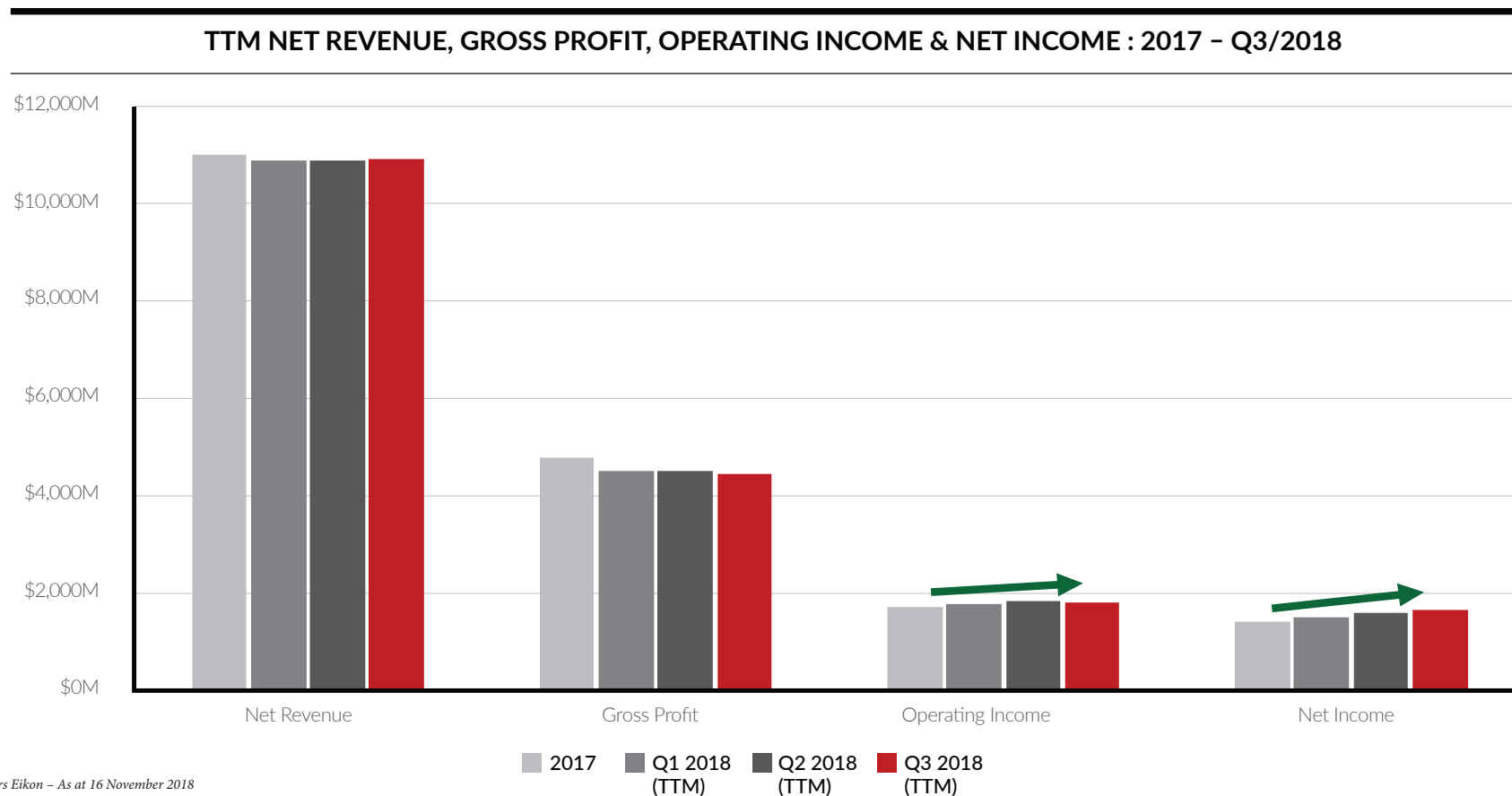
TTM REVENUE & NET PROFIT : 2017-2018Q3



* Source: Thomson Reuters Eikon - As at 16 November 2018

FINANCIAL PERFORMANCE IN RECENT QUARTERS

- Below we illustrate the TTM net revenue/gross profit/operating income/net income for the last four quarterly periods. This chart provides a picture of what has occurred since Molson Coors acquired the remaining 58% stake of the MillerCoors JV.
- We note that even when revenue and gross profit are under pressure due to a weak US market and cost inflation, the Company has had success in its cost saving program to stabilise/improve TTM operating/net income/s.

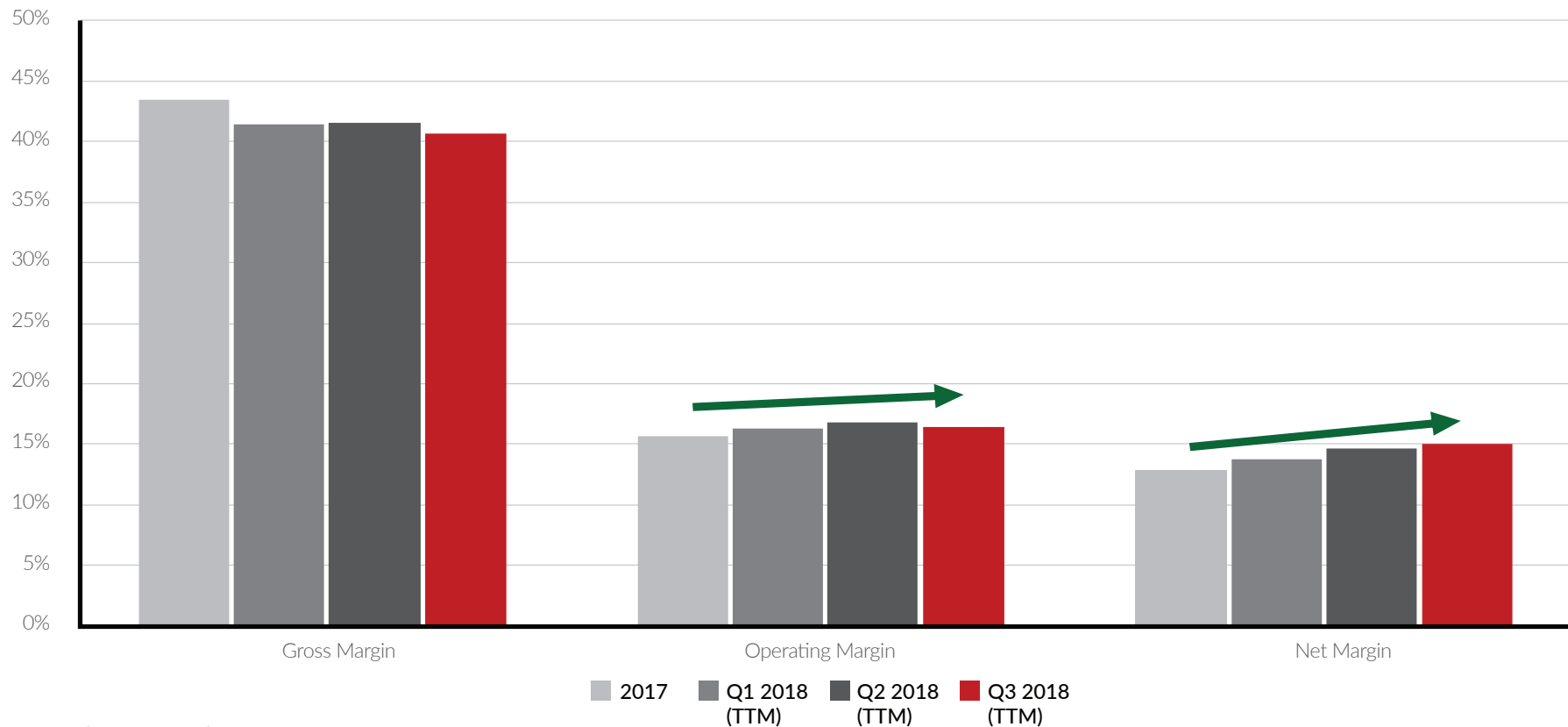


* Source: Thomson Reuters Eikon - As at 16 November 2018

MARGIN STORY IN RECENT QUARTERS

- Looking at the margins, as we noted, TTM gross profit are under pressure due to a weak US market and cost inflation. However, both TTM operating and net margins are trending up due to cost vigilance and greater than forecast synergy extraction.

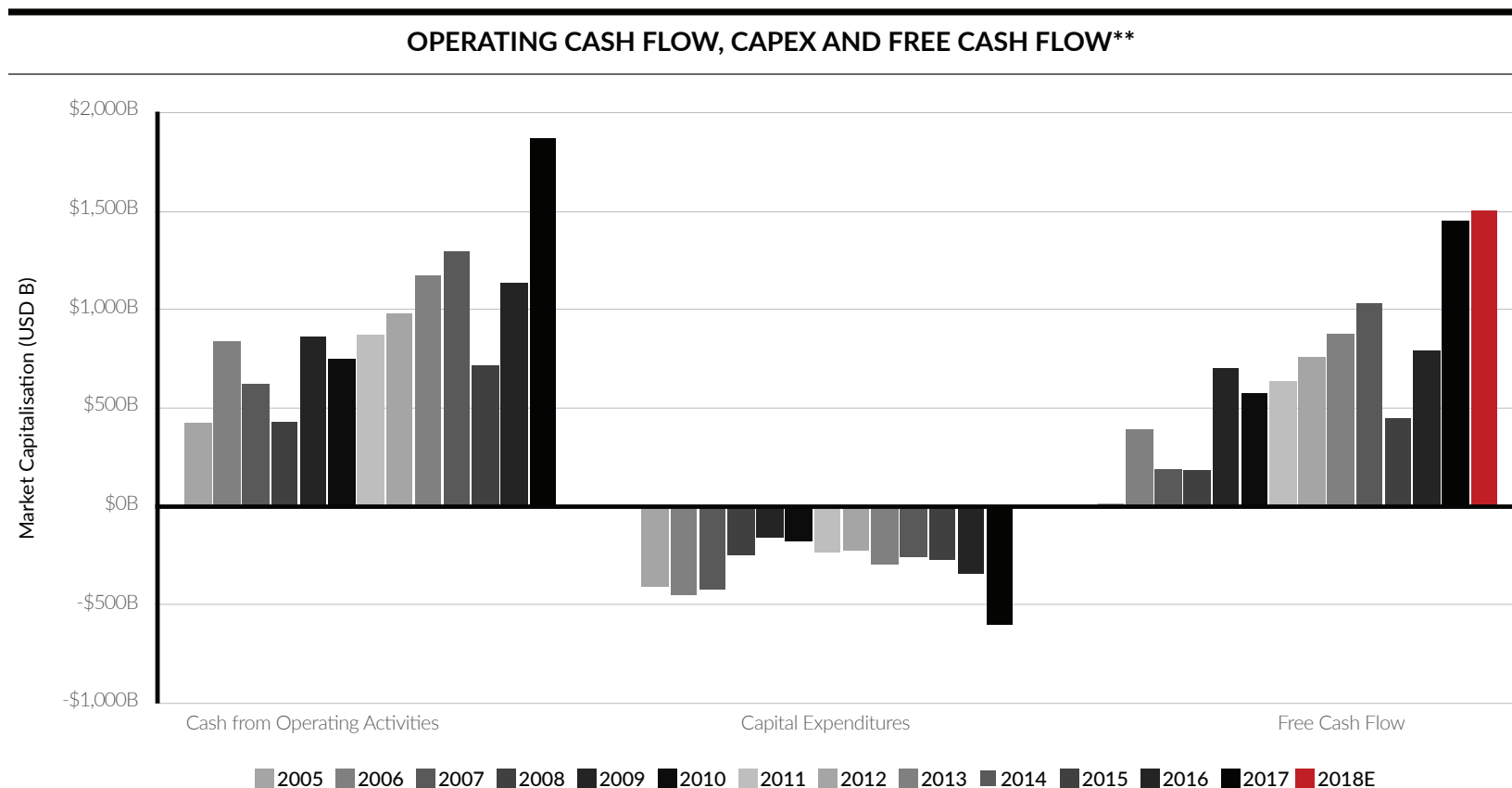
TTM GROSS/OPERATING/NET MARGINS : 2017 - Q3/2018



* Source: Thomson Reuters Eikon - As at 16 November 2018

CAPITAL EXPENDITURE & FREE CASH FLOW GENERATION

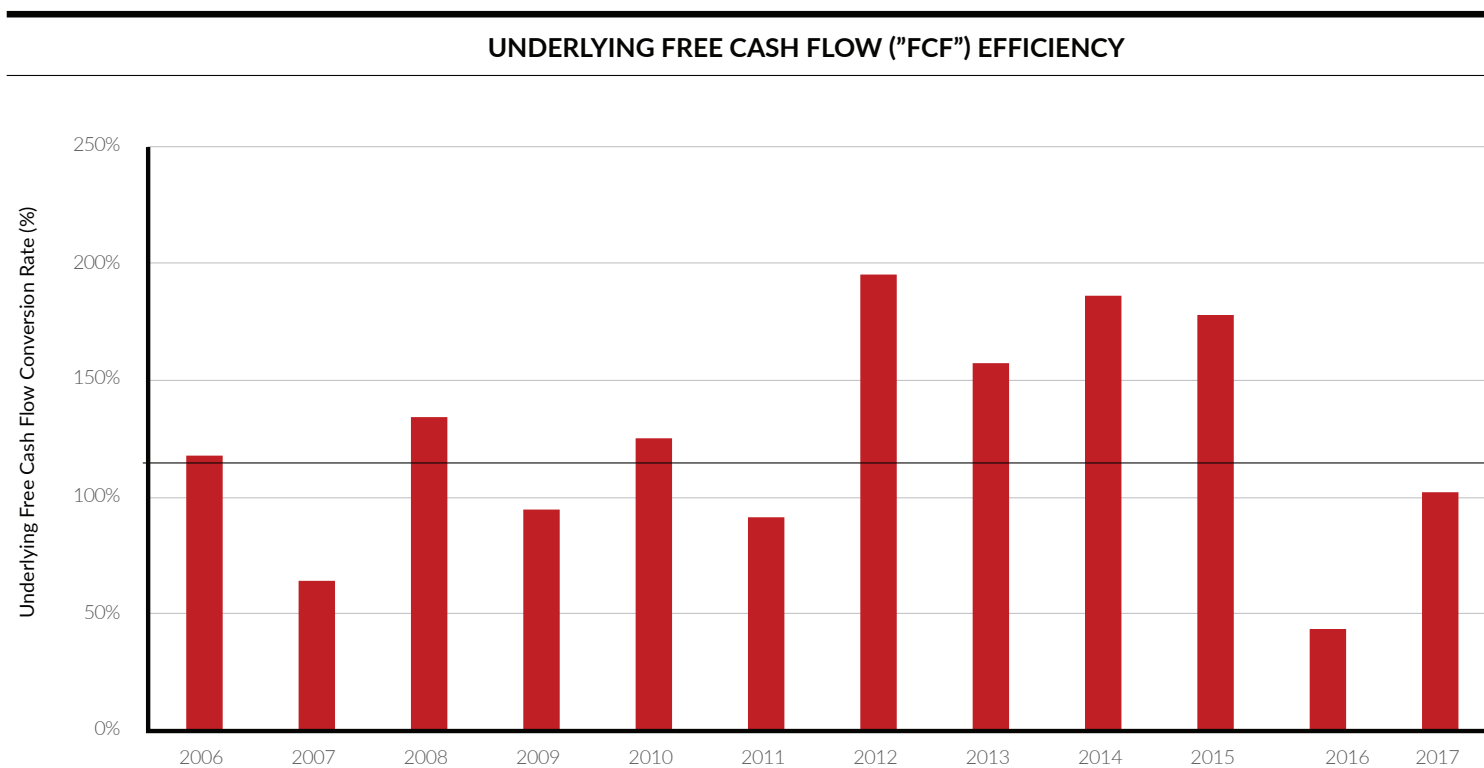
- FY2017 Underlying FCF = USD1.45B. Company projected FY2018 Underlying FCF = USD1.5B +/- 10%.
- Currently, the stock has a 10.4% FY2017 Free Cash Flow Yield*, which we argue is a strong indicator that the stock is currently trading at a discount to its intrinsic value.



* Based on a market cap of USD14.0B as at 23 November 2018
 ** Data Source: Thomson Reuters Eikon and Molson Coors company presentations

FREE CASH FLOW EFFICIENCY

- It is important to understand a company's ability to generate cash without external financings. We look at measures such as Free Cash Flow (FCF) Efficiency* to help gauge the resources available for strategic opportunities such as undertaking acquisitions, investing in the business, strengthening the balance sheet, and to assess the robustness of a company's earnings performance.
- The chart below details that Molson Coors has a good record of generating free cash flow versus its accounting net income (Average = 124% since 2006). We utilise the "Underlying Free Cash Flow" figures provided by the Company**.
- FCF Efficiency in 2016 was below 100% due mainly to the significant non-cash USD3B revaluation gain from the MillerCoors transaction.



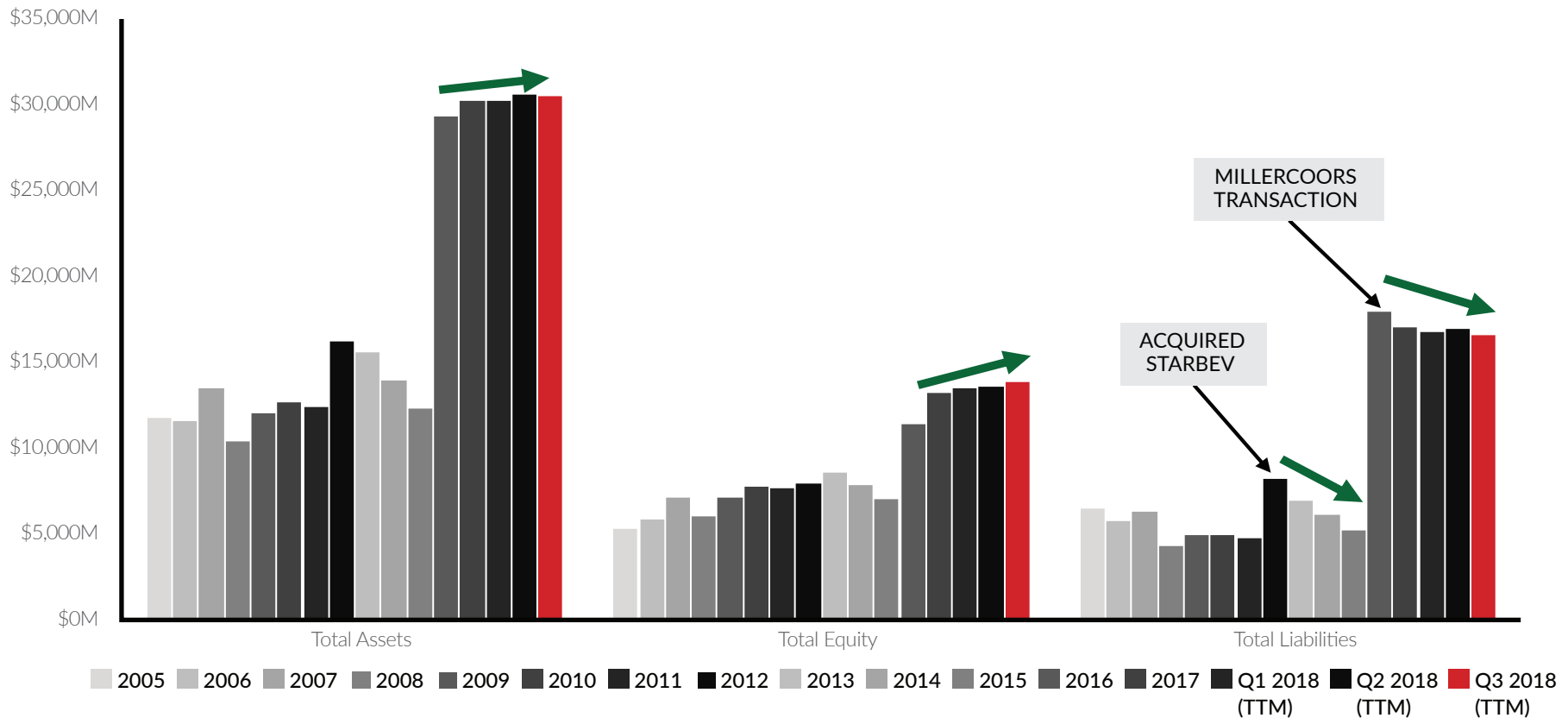
* Free Cash Flow Efficiency is defined as Free Cash Flow / Net Income and it illustrates how efficient the business is at generating free cash flow versus its reported/accounting net income.

** Source: Molson Coors company presentations

BALANCE SHEET

- The 2016 MillerCoors transaction significantly changed the size of the Company's balance sheet, and also increased its financial leverage.
- However, Management has proven to be astute in its acquisition strategy (cash flow accretive) and has been equally vigilant in its subsequent debt reduction.

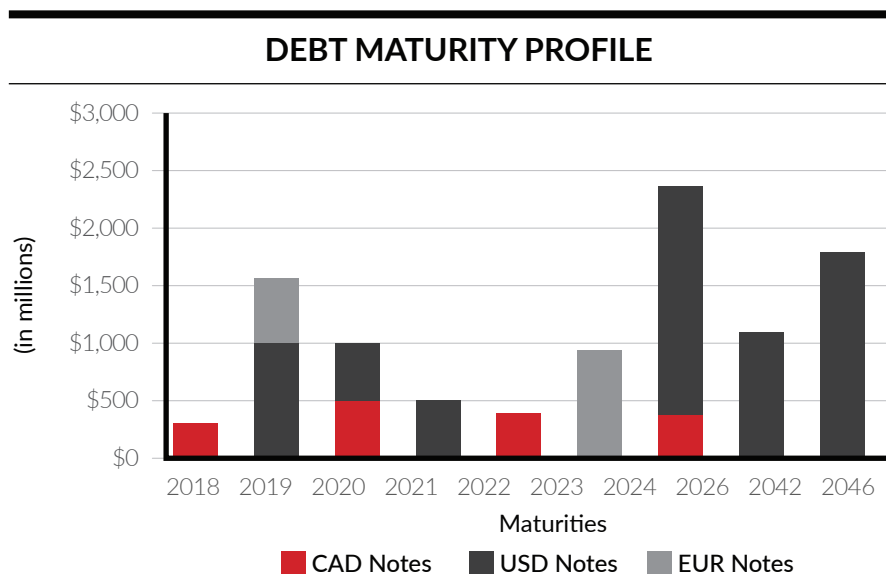
TOTAL ASSETS, BOOK VALUE AND TOTAL LIABILITIES : 2017 - 2018 Q3



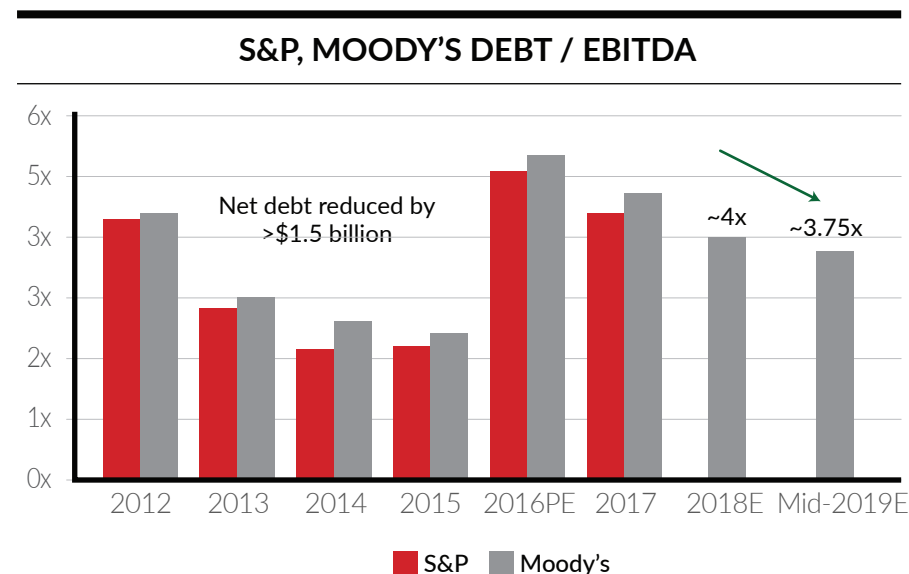
Data Source: Thomson Reuters Eikon and Molson Coors company presentations

CREDIT RATINGS & TERM STRUCTURE OF DEBT

- Molson Coor's current long-term credit ratings are*:
 - S&P: BBB-/Stable Outlook
 - Moody's: Baa3/Stable Outlook
 - DBRS: BBB(Low)/Stable Outlook
- The Company issued ~USD6.9B of fixed-rate senior notes to fund the USD12B MillerCoors transaction.
- Management are working on deleveraging the balance sheet with the strong free cash flow generation to bring the Debt / EBITDA ratio down from over 5x in 2016 to ~3.75x by Mid-2019.



Source: Molson Coors Q2 2018 10Q Report

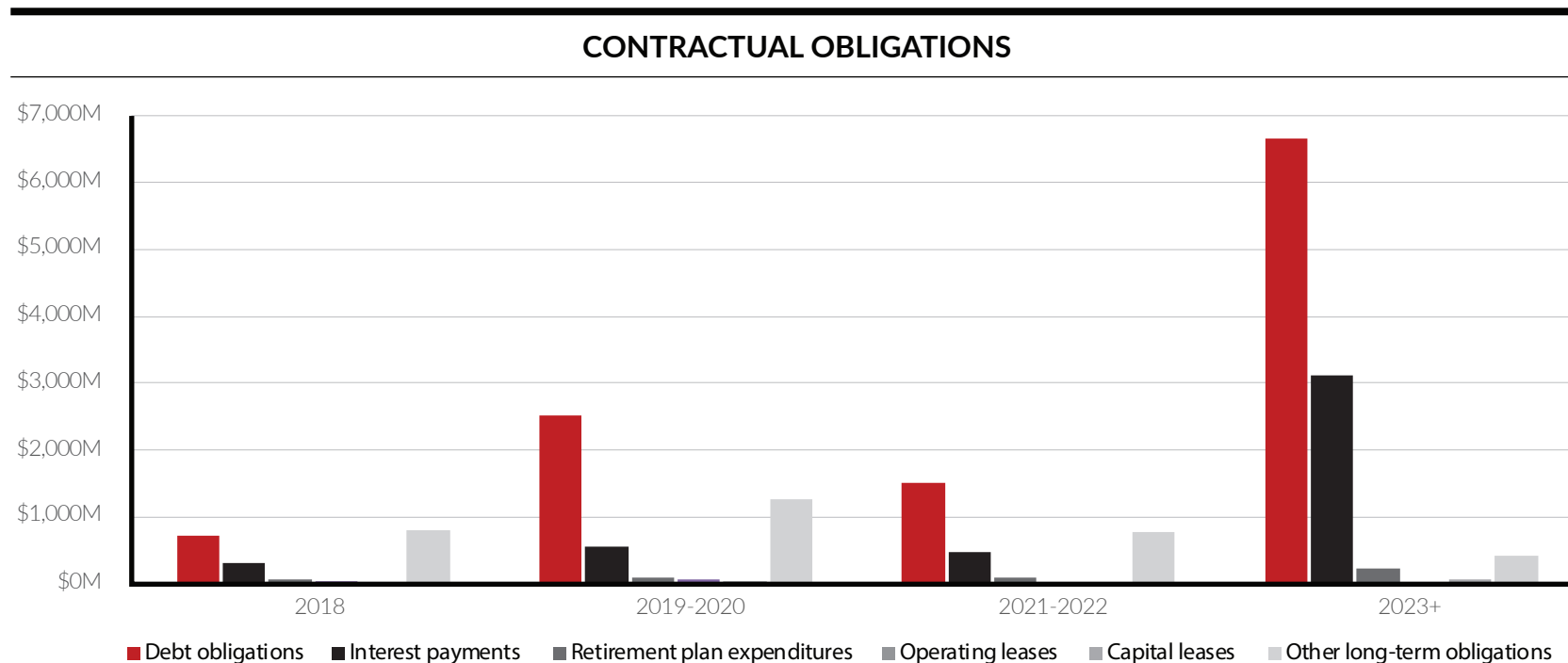


Source: BGCSC Presentation - 5 September 2018

* Source: Molson Coors Q2 2018 10Q Report p59

CONTRACTUAL OBLIGATIONS

- The chart below details the Company's major contractual obligations in the coming years.
- As at 31 December 2017, the Company has the following major contractual obligations:
 - Debt obligations: \$11.38B
 - Interest payments: \$4.50B
 - Other long-term obligations: \$3.29B – This consists of \$2.2B of long-term supply contracts and \$0.9B of commitments for advertising and promotions, including sports sponsorship.
- The Company reported that at the end of Q3 2018, it has reduced its long-term debt in the nine-month period by USD367M to \$10.56B.



* Data Source: Molson Coors 2017 Annual Report p60

EQUITY OWNERSHIP

- The table below from the Company's proxy statement provides a picture of the major equity holders in the Company (5% Stockholders, Directors and Management).
- It also illustrates which entities/names the Molson/Coors families use to hold the majority of the Class A shares.
- Many investors will not be comfortable with the two share class structure. However, in this particular case, we are comfortable to be minority shareholders in this Company with the Molson/Coors families, given the long-term track record / stewardship.

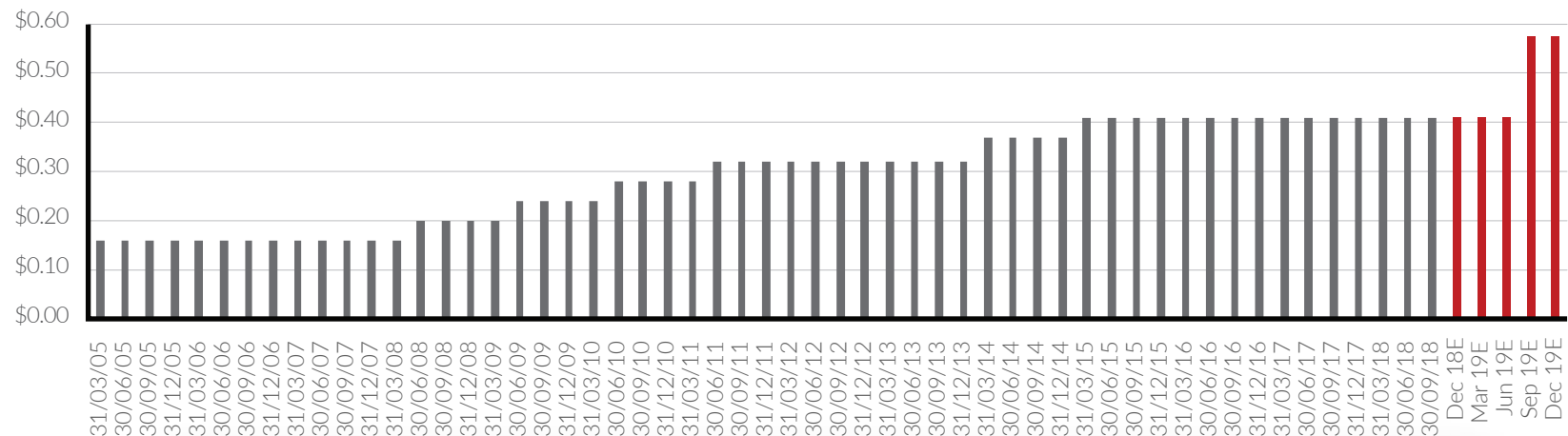
Name of Beneficial Owner	Number of Class A Shares	Percent of class (%) ⁽¹⁾	Number of Class B Shares ⁽²⁾	Percent of class (%) ⁽¹⁾
5% Stockholders:				
Adolph Coors Company LLC	5,044,534 ⁽³⁾⁽⁴⁾	92.74%	21,522,798 ⁽⁴⁾	10.23%
Adolph Coors Jr. Trust	5,044,534 ⁽³⁾⁽⁴⁾	92.74%	5,830,000 ⁽⁴⁾	2.77%
Pentland Securities (1981) Inc.	5,044,534 ⁽³⁾	92.74%	3,449,600 ⁽⁵⁾	1.64%
4280661 Canada Inc.	5,044,534 ⁽³⁾	92.74%	0	0
The Vanguard Group	0	0	18,903,909 ⁽⁶⁾	8.99%
JPMorgan Chase & Co.	0	0	15,610,660 ⁽⁷⁾	7.42%
Lazard Asset Management LLC	0	0	13,532,999 ⁽⁸⁾	6.43%
BlackRock, Inc.	0	0	11,435,122 ⁽⁹⁾	5.44%
Directors:				
Peter H. Coors	2,000 ⁽¹⁰⁾	*	719,392 ⁽¹¹⁾	*
Peter J. Coors	0 ⁽¹⁰⁾	0	48,519 ⁽¹²⁾	*
Betty K. DeVita	0	0	736 ⁽¹³⁾	*
Roger G. Eaton	0	0	15,099 ⁽¹⁴⁾	*
Mary Lynn Ferguson-McHugh	0	0	0	0
Charles M. Herington	0	0	24,526 ⁽¹⁵⁾	*
Franklin W. Hobbs	0	0	52,868 ⁽¹⁶⁾	*
Mark R. Hunter	0	0	405,695 ⁽¹⁷⁾	*
Andrew T. Molson	100	*	3,455,926 ⁽¹⁸⁾	1.64%
Geoffrey E. Molson	1,632 ⁽¹⁹⁾	*	16,412 ⁽¹⁹⁾	*
Iain J.G. Napier	0	0	17,361 ⁽²⁰⁾	*
H. Sanford Riley	0	0	44,881 ⁽²¹⁾	*
Douglas D. Tough	0	0	8,203 ⁽²²⁾	*
Louis Vachon	0	0	12,629 ⁽²³⁾	*
Management:				
Tracey I. Joubert	0	0	49,673 ⁽²⁴⁾	*
Gavin D.K. Hattersley	0	0	140,276 ⁽²⁵⁾	*
Samuel D. Walker	0	0	91,869 ⁽²⁶⁾	*
Krishnan Anand	0	0	228,539 ⁽²⁷⁾	*
All directors and executive officers as a group (24 persons)	3,732 ⁽²⁸⁾	*	5,490,680 ⁽²⁸⁾	2.60%

* Denotes less than 1%

CAPITAL RETURNS VIA DIVIDENDS

- The Company primarily utilises dividends to return capital to its shareholders. The dividend policy is conservative, and hence sustainable.
- It has been 15 quarters since the Company increased its quarterly dividends. However, the Company has promised to increase dividends as soon as a leverage ratio of 3.75x debt to EBITDA is achieved sometime near 2H 2019. The Company expects the quarterly dividend to increase by +40% to +75% (\$0.57 to \$0.71) from the current level (\$0.41)*. This will increase the dividend yield from 2.56% to the range of 3.55% - 4.42% (based on \$64.21 share price as at 23 November 2018).

QUARTERLY DIVIDENDS SINCE 2005, AND FORECASTS FOR 2019



Dividends and Stock Repurchases

As a result of the Acquisition, we currently plan to maintain our current quarterly dividend of \$0.41 per share until we achieve a leverage ratio of 3.75x debt to EBITDA on a rating agency basis, which we expect to achieve near the second half of 2019. As a reminder, we previously communicated in June of this year that upon achieving about 3.75x leverage, our board's intention is to reinstitute a dividend payout-ratio target in the range of 20-25% of annual trailing EBITDA for the second half of 2019 and ongoing thereafter. We have suspended our share repurchase program as we continue to pay down debt which we plan to revisit as we deleverage.

Source: Molson Coors 2018 Q3 10-Q Report - p64

* Data Source: Molson Coors presentation - Barclays Consumer Staples Conference - 5 September 2018

CAPITAL RETURNS VIA SHARE REPURCHASE

- In 2011, the Company announced a 3-year USD1.2B share repurchase program and bought back 7.5M shares for \$321.1M that year. However, the program was suspended in 2012 due to the StarBev acquisition.
- In 2015, the Company again announced a USD1B share repurchase program and bought back 2M shares for \$150M that year. However, the program was once again suspended in 2016 due to the MillerCoors transaction.
- We hypothesise that the Company should be in position to reinstate its share repurchase program in 2020/2021. We believe a combination of sustainable/growing dividends and a strong and opportunistic multi-year share repurchase program can create significant value for long-term oriented shareholders.

Share Repurchase Program

On February 10, 2015, we announced that our board of directors approved and authorized a new program to repurchase up to \$1.0 billion of our Class A and Class B common stock. The number, price and timing of the repurchases will be at the Company's sole discretion and will be evaluated depending on market conditions, liquidity needs or other factors. The Company's board of directors may suspend, modify or terminate the program at any time without prior notice. This repurchase program replaces and supersedes any repurchase programs previously approved by the board of directors. Under Delaware state law, these shares are not retired, and we have the right to resell any of the shares repurchased. Beginning in April 2015, under this program, we entered into accelerated share repurchase agreements ("ASRs") with a financial institution. In exchange for up-front payments, the financial institution delivered shares of our common stock during the purchase periods of each ASR. The total number of shares ultimately delivered, and therefore the average repurchase price paid per share, was determined at the end of the applicable purchase period of each ASR based on the volume weighted-average price of our common stock during that period. The up-front payments for the treasury stock were accounted for as a reduction to shareholders' equity in the consolidated balance sheet in the periods the payments are made. We reflected each ASR as a repurchase of common stock in the period delivered for purposes of calculating earnings per share and as forward contracts indexed to our own common stock. Each ASR met all of the applicable criteria for equity classification, and therefore, was not accounted for as a derivative instrument.

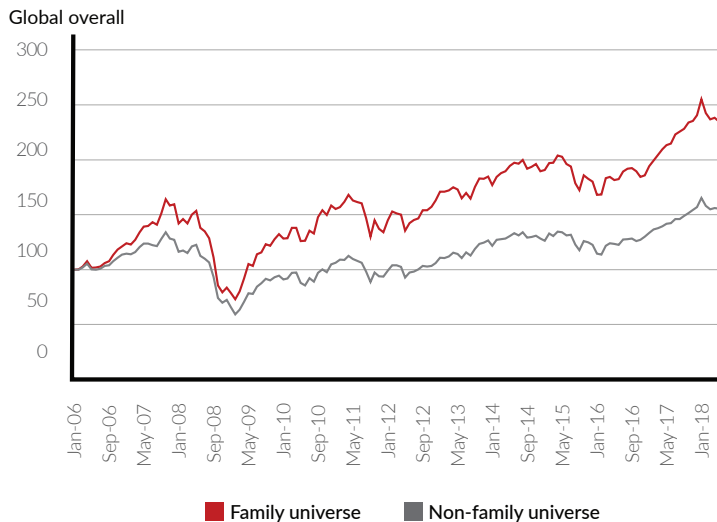
As a result of the Acquisition, we suspended the share repurchase program and thus, there have been no shares of Class A or Class B common stock repurchased in 2017 or 2016. During 2015, we purchased approximately 2 million shares of our Class B common stock under the share repurchase program for an aggregate of approximately \$150 million .

FAMILY-OWNED BUSINESSES DELIVER

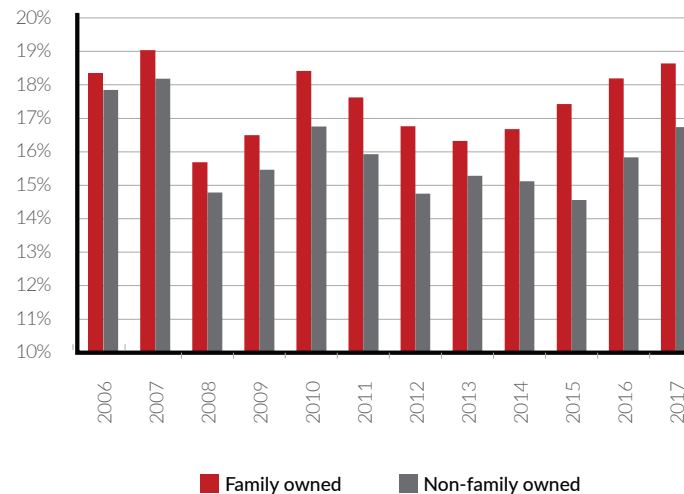
- Molson Coors is one of the oldest family controlled publicly listed companies. It is ranked 34th in Credit Suisse’s 2018 “Family 1000 Report”*. Investors are increasingly intrigued on why family controlled businesses have substantially better long-term returns and superior margins versus non-family controlled businesses, as illustrated by the two charts below. Credit Suisse suggests that the outperformance is due “to the longer time horizon that family-owned companies adopt in their decision

*“Having a longer-term investment focus provides companies with the flexibility to move away from the quarter-to-quarter earnings calendar and instead focus on through-cycle growth, margins and returns. This also allows for a smoother cash-flow profile, thereby lowering the need for external funding. In turn, all of this has supported the share-price outperformance of family-owned companies since 2006.” - Credit Suisse 2018 Family 1000 Report**

FAMILY-OWNED COMPANIES HAVE OUTPERFORMED NON-FAMILY OWNED COMPANIES SINCE 2006



FAMILY-OWNED COMPANIES GENERATE BETTER MARGINS THAN NON-FAMILY-OWNED COMPANIES



50 oldest companies		
Company	Founding	Mkt. cap. (USD bn)
Wendel	1704	6.6
LVMH	1743	174.2
Man	1758	16.1
Jeronimo Martins	1792	9.4
Bucher Industries	1807	3.3
Wiley John & Sons	1807	3.1
Merck Kgaa	1827	13.7
Exmar	1829	0.4
Bossard 'B'	1831	1.3
Hermes Intl.	1837	66.5
Oeneo	1838	0.7
Carlsberg 'B'	1847	18.3
Robertet	1850	1.2
Bank Of The Philp.	1851	8.2
Anheuser-Busch Inbev	1852	201.5
Bonduelle	1853	1.2
Kws Saat	1856	2.6
Wheelock	1857	14.3
Davide Campari	1860	10.0
DORMA KABA HOLD	1862	2.7
Solvay	1863	14.0
Bombay Burmah Trading	1863	1.6
Immobel	1863	0.6
Dksh Holding	1865	4.8
Hongkong & Shai.HtIs.	1866	2.2
Scotts Miracle-Gro	1868	4.3
Sainsbury J	1869	9.5
Brown-Forman 'B'	1870	16.7
Sartorius	1870	5.5
Continental	1871	43.2
Heineken	1873	59.1
Heidelbergcement	1873	16.3
Hal Trust	1873	14.7
Molson Coors Brewing 'B'	1873	13.5
Schindler 'P'	1874	24.6
Watts Water Techs.	1874	2.9
Henkel Preference	1876	51.2
Greif 'A'	1877	1.4
Erlingklinger N	1879	0.8
Bekaert (D)	1880	1.6
Kering	1881	66.9
Nippon Paint Holdings	1881	14.1
Beiersdorf	1882	26.4
Weston George	1882	10.5
Berli Jucker	1882	6.7
Alfa Laval	1883	11.4
Dabur India	1884	11.4
Haverty Frtr.Cos.	1885	0.4
Wharf Holdings	1886	10.1
Bosch	1886	8.5

* <https://www.credit-suisse.com/corporate/en/articles/news-and-expertise/the-family-business-premium-201809.html>

THE NEED FOR A LONG-TERM FOCUS

“One of society’s most vexing problems is the relentlessly short-term orientation that manifests itself in investing, in business decision-making, and in our politics.”

"Consider corporate time horizons. It's a choice to attempt to maximize corporate results over the very short run and a different and sometimes harder decision to take a longer-term view. I'm convinced that one of society's most vexing problems is the relentlessly short-term orientation that manifests itself in investing, in business decision-making, and in our politics. Educational and philanthropic endowments, for example, with institutional time horizons that necessarily span centuries, invest their funds with monthly performance comparisons."

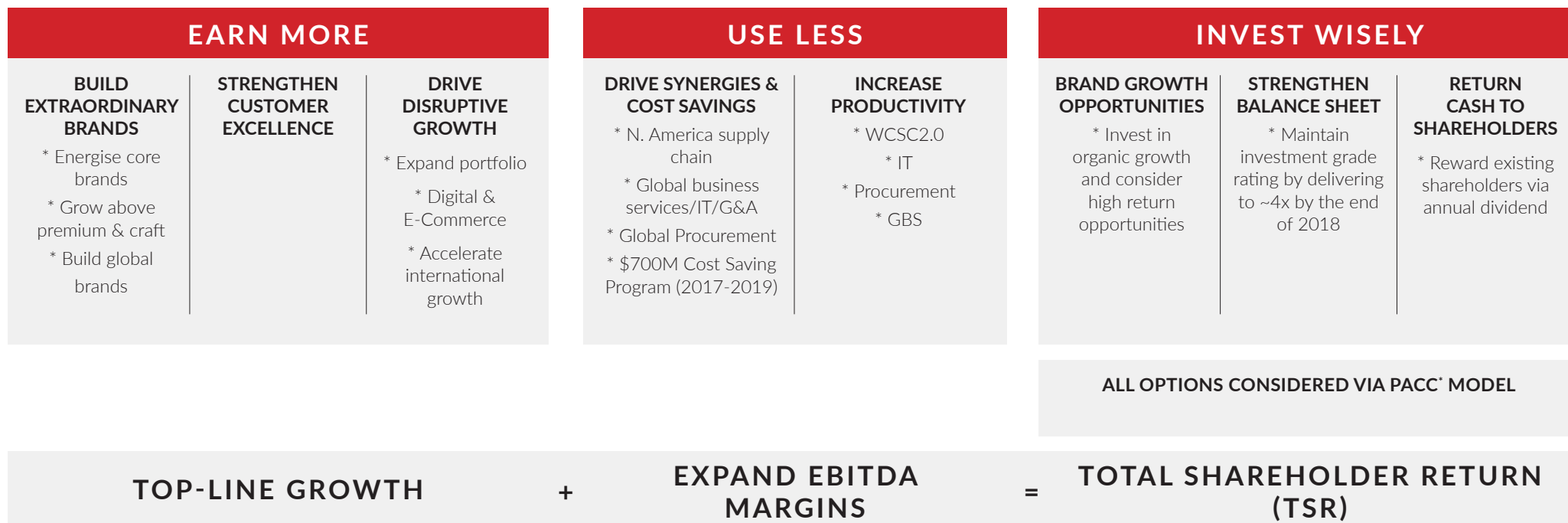
“Many feedback loops reinforce today’s short-term business and financial-market orientation. Louis Gerstner Jr. (MBA 1965), former CEO and chair of IBM, has written that you always get more of whatever you measure. Certainly, the constant measurement of professional money managers pressures them to perform well over the shortest measurement horizons. The more pressure you put on money managers for near-term performance, the more short-term their focus becomes. And the more pressure Wall Street puts on corporate America to deliver strong short-term performance, the more myopic the underlying businesses become.” - Seth Klarman at Harvard Business School

* <https://www.alumni.hbs.edu/stories/Pages/story-bulletin.aspx?num=6818>



SHAREHOLDER-ORIENTED CORPORATE STRATEGIC FRAMEWORK

- Below is a summary table that illustrates the current strategic framework Management utilises to strategise on how to deliver sustainable growth & long-term shareholder value.



* PACC = Profit After Capital. Charge and is the framework Molson Coors uses to make and measure financial decisions and ultimately, drive profitability



MOLSON COORS BREWING CO [TAP:US]

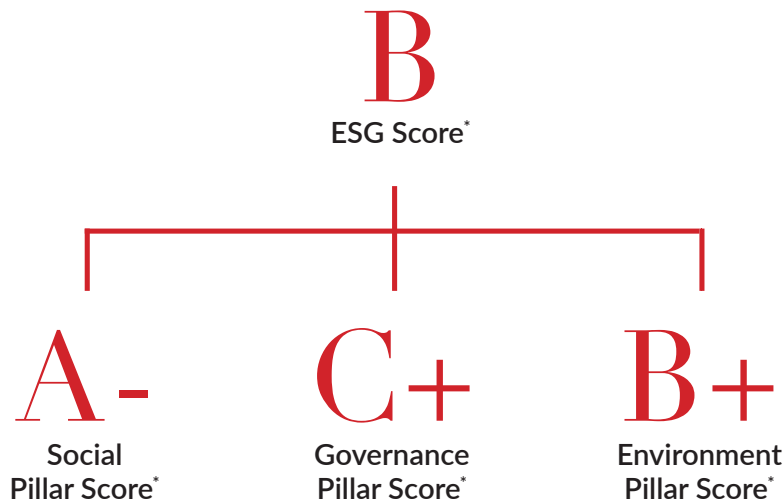
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RATING

MOLSON
CANADIAN
BIERE LAGER BEER
12 OZ (355mL)

Coors
LIGHT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RATING

- With a Thomson Reuters ESG score of B*, it seems Molson Coors on the surface is not doing a great job in its sustainability and ESG efforts. However, the overall ESG score of B is dragged down by a C+ in governance which is not unusual with family controlled companies that have dual-class share structures.
- Despite this, our observation is that the Company places significant efforts in its various sustainability and ESG responsibilities**. We encourage the readers of this presentation to download the Company’s latest "Beer Print Report" and "ESG Report" at <https://www.molsoncoors.com/en/sustainability/overview/sustainability-reporting>



IN THIS REPORT

- 2 Introduction
- 6 Responsibly Refreshing
- 14 Sustainably Brewing
- 26 Collectively Crafted

Our Beer Print 2025

WHAT WE BELIEVE IN	2025 GOALS	STATUS	FIND OUT MORE
Responsibly Refreshing: Enjoying One of Life's Simple Pleasures <small>Supporting the UN SDGs</small>	Prevention of underage drinking and drunk driving in all our countries where we have brewing and selling operations	9 countries	Page 8
	Partner with other global alcohol producers to achieve 10% reduction globally in harmful alcohol use	In progress	Page 9
	Responsible marketing and advertising of all our products	In progress	Page 10
	Deliver nutritional information, alcohol serving facts and ingredients for all our products	On 96 product labels; On 248 product websites	Page 11
	Low- and no-alcohol choices in all our countries where we have brewing and selling operations	14 countries	Page 12
Sustainably Brewing: From Grain to Glass <small>Supporting the UN SDGs</small>	Improve water-use efficiency in our primary breweries to achieve a 2.8 hl/hl water-to-beer ratio	3.57 hl/hl	Page 16
	Protect local water resources in partnership with others	Three of our at-risk brewery watersheds have stewardship programs	Page 18
	Reduce carbon emissions across our operations by 50%, and throughout our value chain by 20%	Emissions reduced by: -15% in operations -6.2% in value chain	Page 19
	Achieve zero waste to landfill at all our brewing and major manufacturing facilities	14 facilities	Page 21
	Improve water-use efficiency of our agricultural supply chain and malting operations by 10%	In progress	Page 23
	100% of barley and hops sourced from sustainable suppliers in key growing regions	In progress	Page 24
Collectively Crafted: For Our People and Communities <small>Supporting the UN SDGs</small>	Recognition on the Great Place to Work® Index	In progress	Page 28
	Greater health and safety in the workplace with 40% reduction in Lost Time Accident (LTA) rate	15% LTA rate reduction	Page 30
	\$100 million investment aiming to improve livelihoods, foster empowerment and build resilient communities	\$22.6 million invested	Page 31
	Ethical and sustainable supply chain practices	In progress	Page 34
	Supplier diversity across the business	\$1.01 billion spent	Page 35

MOLSON COORS OUR BEER PRINT REPORT 2018 5

* Molson Coors' ESG score as at 23 November 2018

** <https://www.molsoncoors.com/en/sustainability/overview/sustainability-reporting>



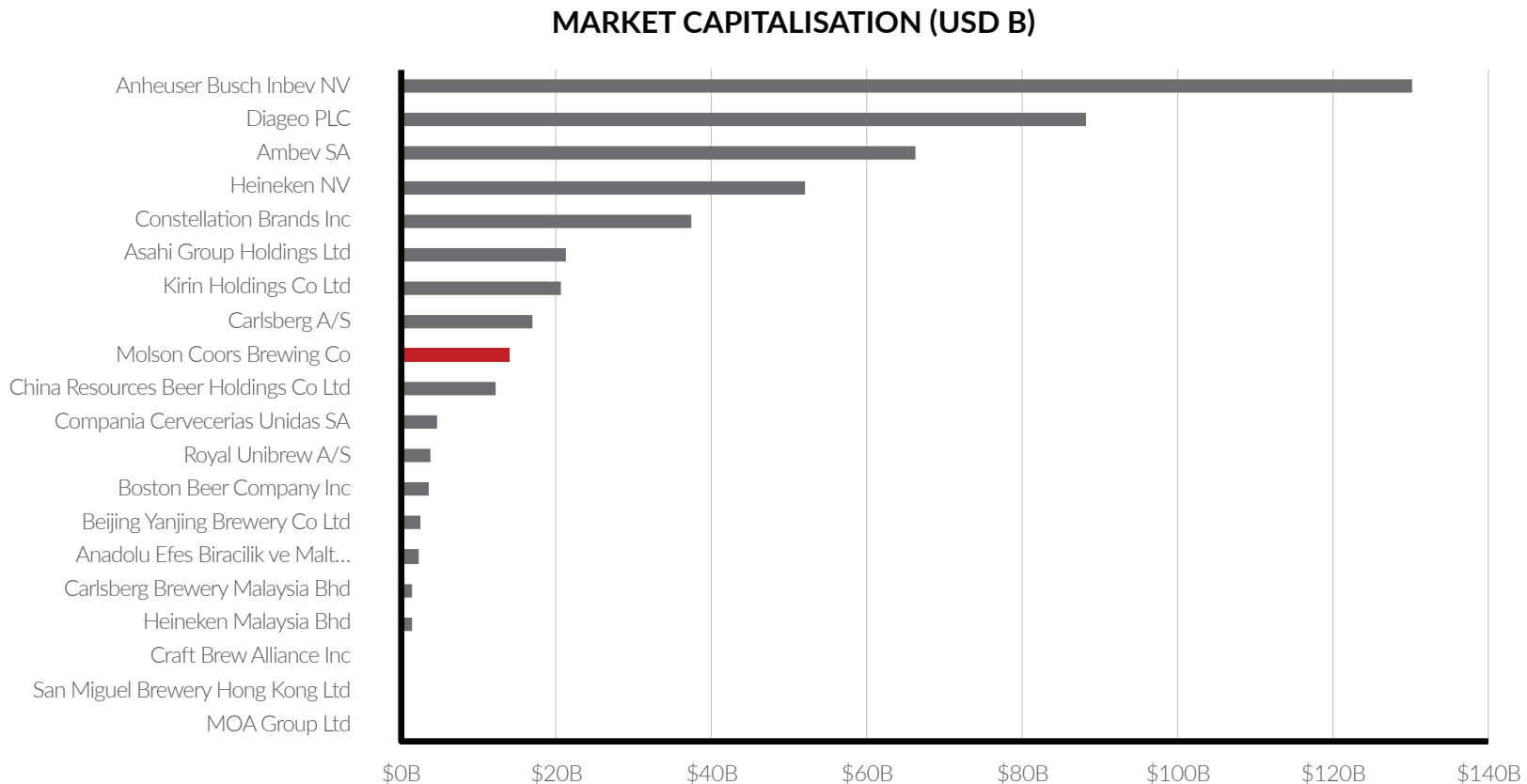
MOLSON COORS BREWING CO [TAP:US]

COMPARABLE COMPANIES



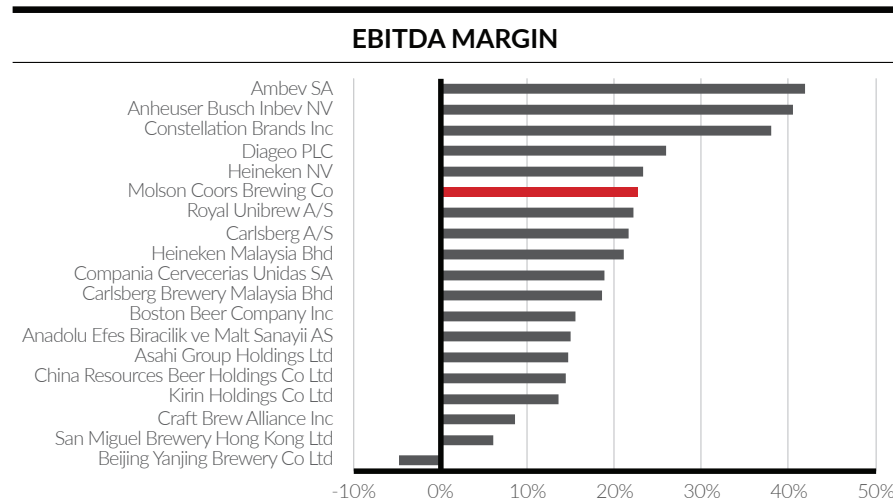
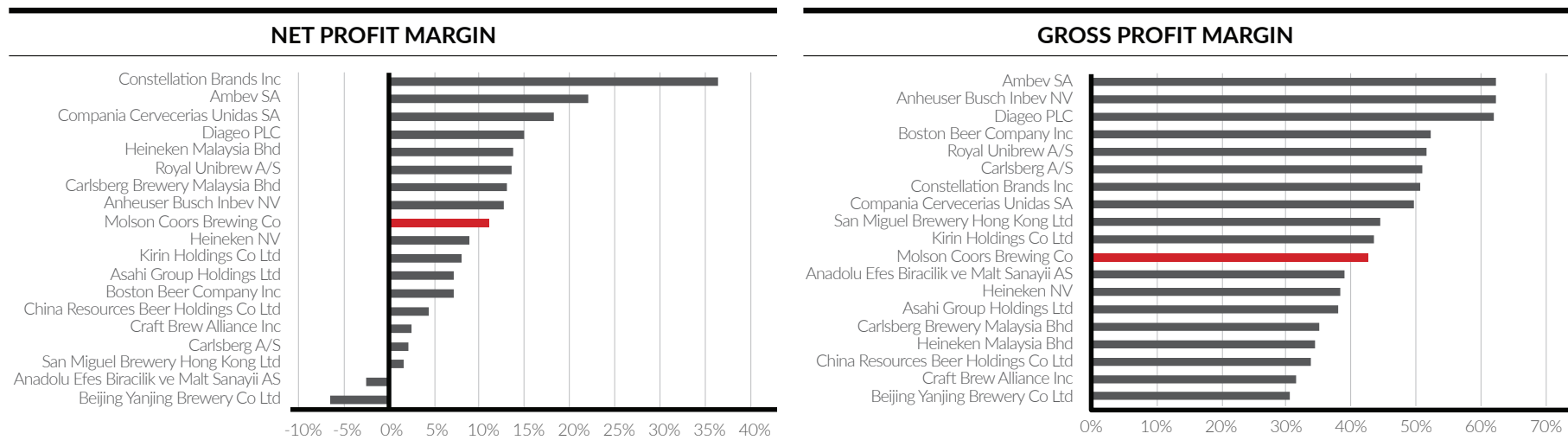
MARKET CAPITALISATION

- Molson Coors is the 6th largest brewer in the world by volume. With a market capitalisation of \$14.0B, it is relatively small when compared to the larger global alcoholic beverage peers (e.g, AB Inbev's market capitalisation is almost ten times that of Molson Coors). Therefore, we believe Molson Coors remains a potential M&A target when its financial leverage is restored to normal levels.



MARGINS

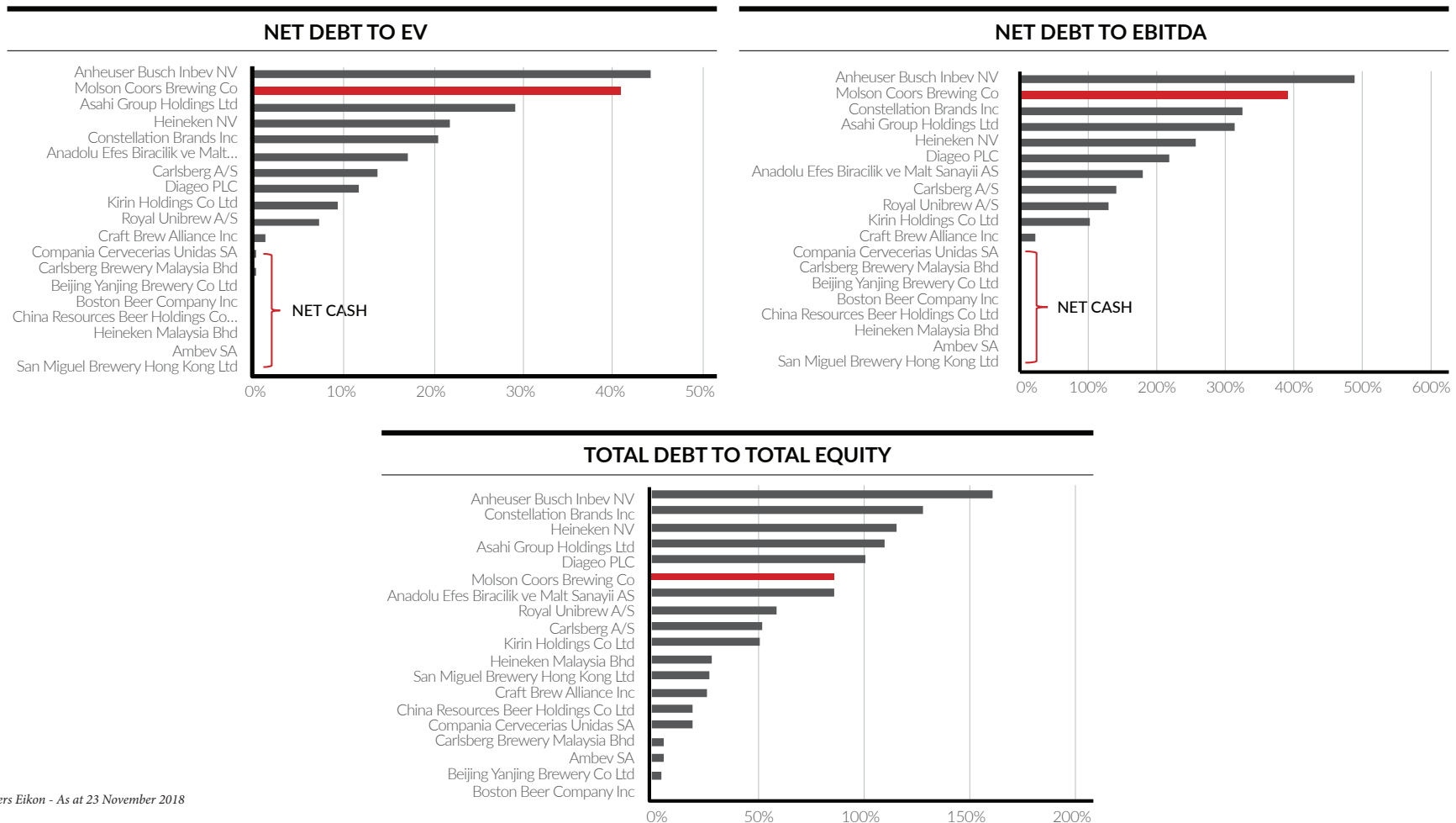
- Apart from Gross Profit, Molson Coors has above average margins when compared to its peers.
- We believe Management's continued efforts on cost savings/synergy extraction will drive further margin expansion.



* Source: Thomson Reuters Eikon - As at 23 November 2018

NET FINANCIAL LEVERAGE

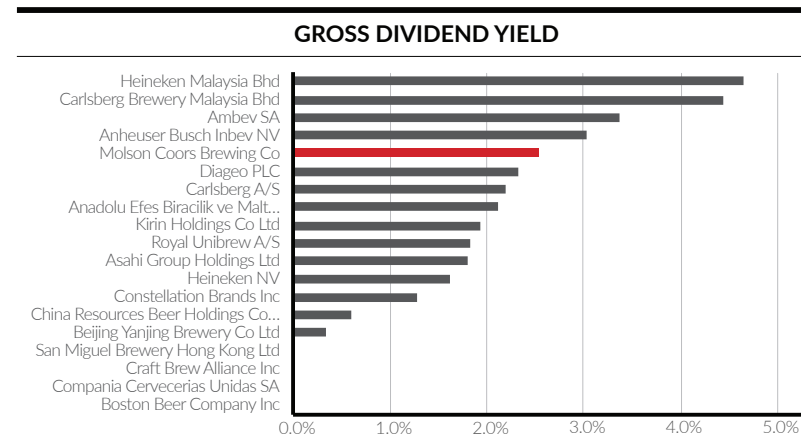
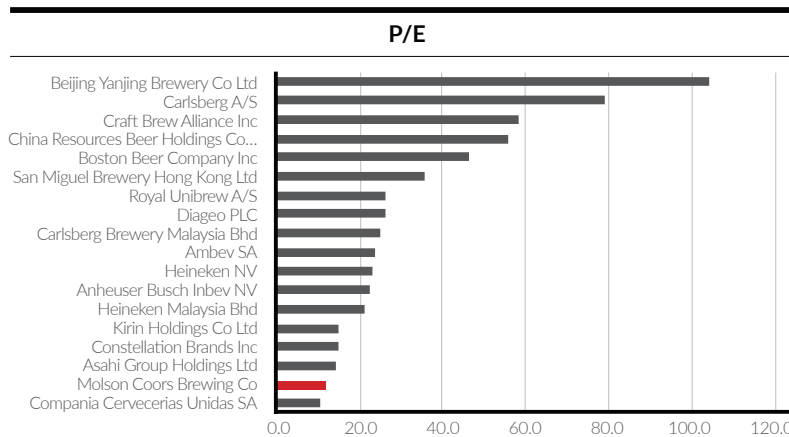
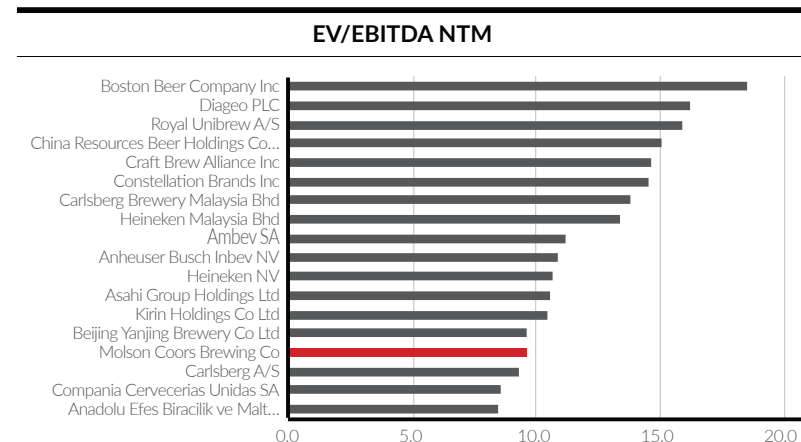
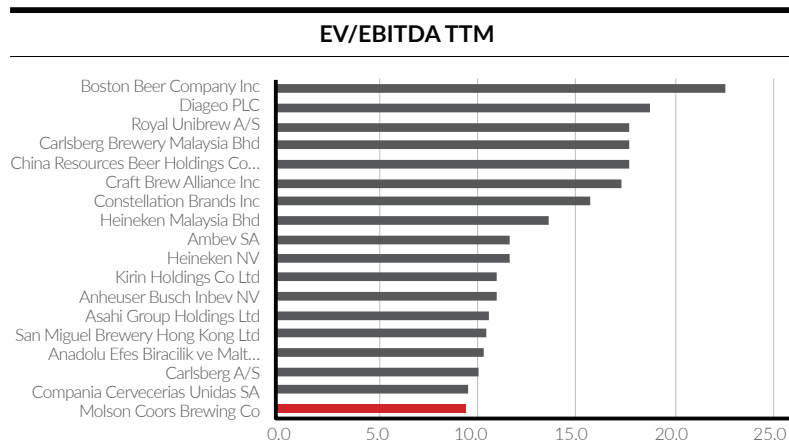
- One of the main reasons investors have become despondent with Molson Coors (more than its peers) is due to its higher financial leverage, both in absolute and relative terms post the MillerCoors transaction.
- However, we were/are comfortable with the short-term financial leverage needed to acquire the 58% MillerCoors stake. The improved cash flow profile of the business post this acquisition will deleverage the balance sheet by 2/H 2019 and should see the stock re-rate.



* Source: Thomson Reuters Eikon - As at 23 November 2018

VALUATION AND DIVIDEND YIELD

- Molson Coors is trading at a discount to its peers on both EV/EBITDA multiples (both TTM & NTM) and P/E multiples (TTM).
- It offers one of the higher yields amongst its peer group, even though its quarterly dividend has not increased for the past 15 quarters.
- We believe the stock will re-rate post 2018/2019 as the Company achieves its leverage target (3.75x) and increases its quarterly dividend (by an estimated +40% to +75%).



* Source: Thomson Reuters Eikon - As at 23 November 2018



MOLSON COORS BREWING CO [TAP:US]

GLOBAL BREWING INDUSTRY CONSOLIDATION



GLOBAL BREWING INDUSTRY CONSOLIDATION

- The global brewing industry has experienced significant consolidation in recent years. Below we have detailed a sample of M&A transactions since 2008.
- Molson Coors clearly stands to benefit from further industry consolidation. When AB InBev acquired SABMiller, it was forced to dispose of its 58% stake in MillerCoors to Molson Coors at one of the lowest EV/EBITDA transaction multiples (9.2x) in over a decade.
- We continue to believe that that Molson Coors itself remains a potential M&A target when its financial leverage is restored to normal levels.
- Based on the average M&A multiples of 14.0x, our calculations suggest Molson Coors is worth at least USD115.33 per share in a takeover scenario (offering an upside potential of +80% from current prices*).

Recent Transactions

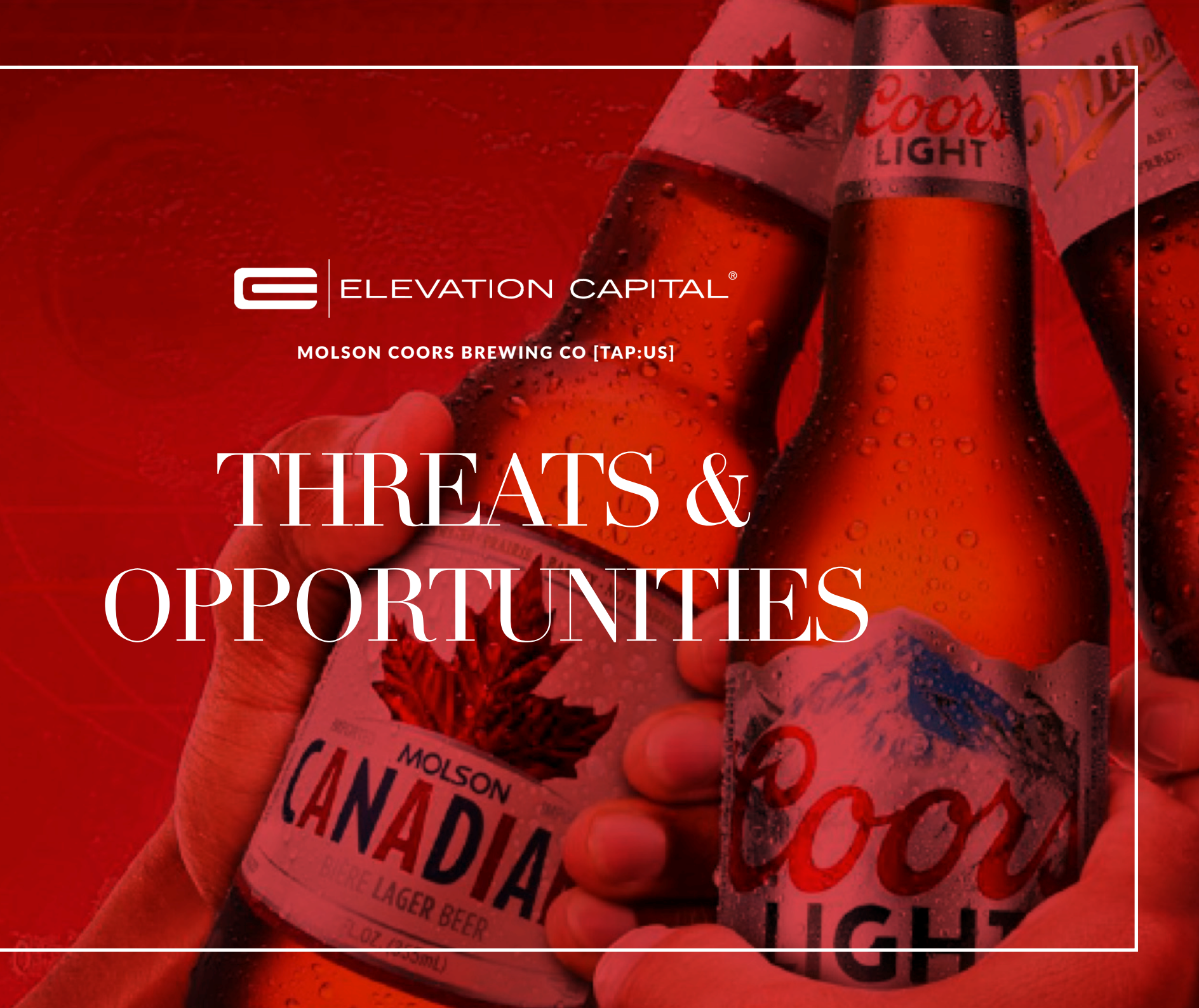
Transaction	Acquisition Price	EV/EBITDA Multiple
Heineken, Carlsberg acquisition of Scottish and Newcastle (2008)	US\$ 15.4B	15.3x
Acquisition of Anheuser Busch by InBev (2008)	US\$ 52B	12.4x
Kirin acquisition of Lion Nathan (2009)	US\$ 4.5B	12.5x
Kirin acquisition of Schincariol (2011)	US\$ 5.0B	15.7x
SABMiller acquisition of Foster's Group (2011)	US\$ 2.1B	13.8x
Heineken acquisition of Asia Pacific Breweries (2012)	US\$ 5.6B	17.1x
AB InBev acquisition of Grupo Modelo (2012)	US\$ 20B	12.9x
AB InBev acquisition of Oriental Brewery Co (2014)	US\$ 5.8B	11.6x
AB InBev acquisition of SABMiller (2016)	US\$ 105B	18.7x
Heineken acquisition of Guinness Anchor (2016)	US\$ 781M	14.5x
Asahi acquisition of SABMiller's Central/Eastern European Beers (2016)	US\$ 7.8B	14.8x
Molson Coor's acquisition of 58% stake of MillerCoors (2016)	US\$ 12B	9.2x
Transaction Sample Average:	US\$ 19.7B	14.0x

* Based on Molson Coors' share price of USD64.10 as at 23 November 2018



MOLSON COORS BREWING CO [TAP:US]

THREATS & OPPORTUNITIES



THREATS (1)

Competition within the Beer Industry – Global Brewers

- Global brewers must invest significantly in marketing in order to distinguish their product from other competitors' offerings. At the same time economies of scale play an important role for major brewers to remain competitive and profitable when producing and distributing their products. Continued industry consolidation could significantly change market dynamics amongst major brewers.
- Molson Coors is #2 in the US/Canada markets and #6 globally by volume, and is #1 or #2 in eleven core countries/markets. However, competition is still intense amongst global participants (AB InBev, Heineken, Carlsberg, Molson Coors, Kirin and Asahi). We believe smaller players will remain open to M&A opportunities to improve their competitiveness vs larger players.



THREATS (2)

Competition within the Beer Industry – Craft Brewers

- Although the US and Canada markets are still dominated by two companies – AB InBev and Molson Coors. The number of craft brewers in the US increased 312% between 2008 and 2017, from 1,521 to 6,266* and provides a different perspective on the competitive landscape. Hence, craft beer is called “The Strangest, Economic Story in America”**. The craft-beer revolution is driven by two factors:
 1. Tastes – The growing consumer preference for hops and sours (e.g., the hoppy India Pale Ales (IPAs)).
 2. Regulation – The US alcohol regulations are designed to discourage vertical consolidation. Additionally, in 1978, US Congress approved the legalisation of home-brewing that was the genesis of the current craft-beer revolution.
- Molson Coors counters this craft-beer revolution through the “premiumisation” of its brand portfolio. It has also been acquiring a stable of craft brewers around the world and also licenses/acquires above premium beer brands. Currently “Above Premium” brands account for ~20% of Molson Coors’ volume and the category grew +21% in 2017.



#1 Craft Brewer in US



#1 Craft Brand in US



#1 Craft Brand in Spain



#1 Craft Brand in Ireland



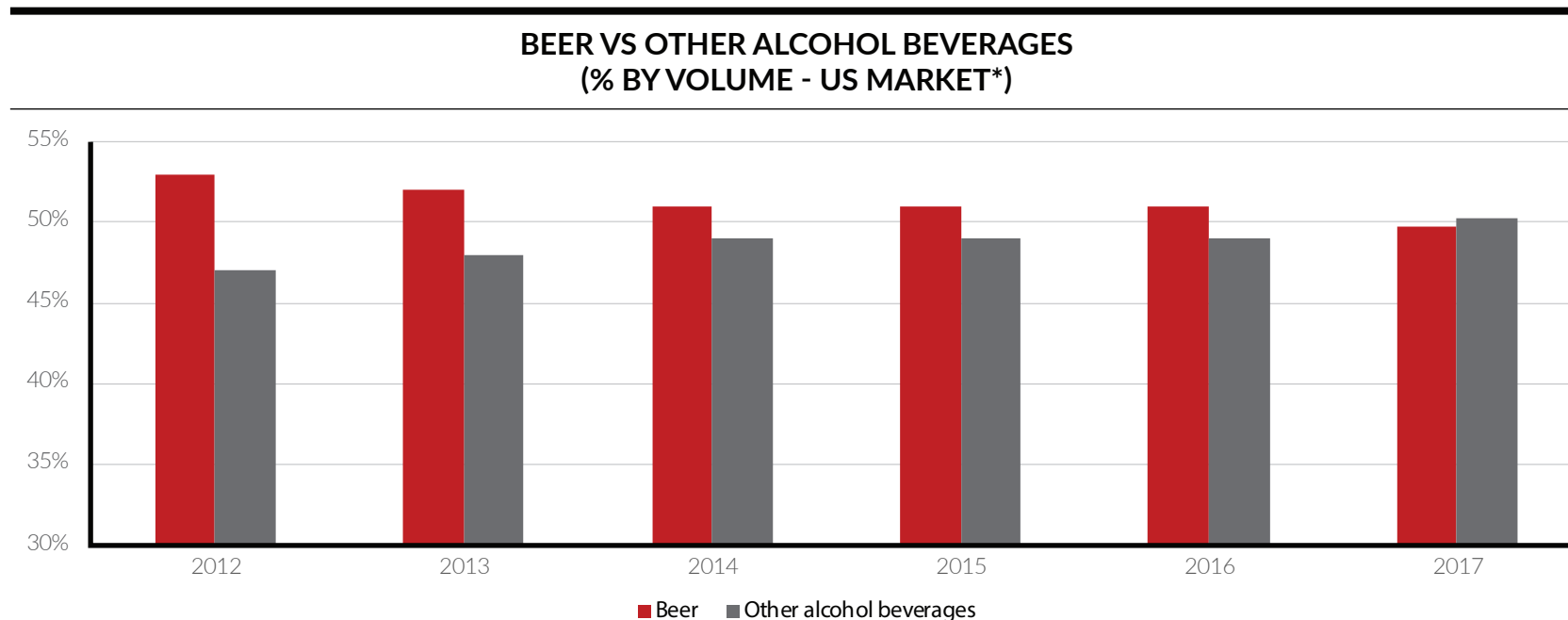
Leading craft brands in Canada

* <https://www.brewersassociation.org/statistics/number-of-breweries/>
** <https://www.theatlantic.com/business/archive/2018/01/craft-beer-industry/550850/>

THREATS (3)

Competition within the Alcoholic Beverages Industry – Wines & Spirits

- Even with growth in craft beers, beer consumption in the US is still in decline as a percentage of overall alcohol beverages as popularity of wines and spirits gathered pace in recent years. In 2017, volume of “Other Alcohol Beverages” exceeded that of Beer for the first time.
- Molson Coors and its peers are countering declining volumes by increasing prices and premiumisation. US Bureau of Labor Statistics data shows beer prices rose +42% between 2000 and 2017, compared with +11% for wine and +19% for spirits**. However, the question arises – “How long before the brewers cannot raise prices fast enough to offset the declining volumes or when above-premium beers become direct competitors of wines and spirits?”



* Data Source: Molson Coors 2017 Annual Report and Beer Institute

** <https://www.wsj.com/articles/americas-long-love-affair-with-beer-is-on-the-rocks-1533133041>

What's killing Big American Beer?

by Nathaniel Meyersohn @CNNAMoney

July 4, 2018: 12:14 PM ET

Why Americans are ditching American beer

More Americans are putting down Buds and Coors, instead grabbing wine, liquor, Corona and Michelob.

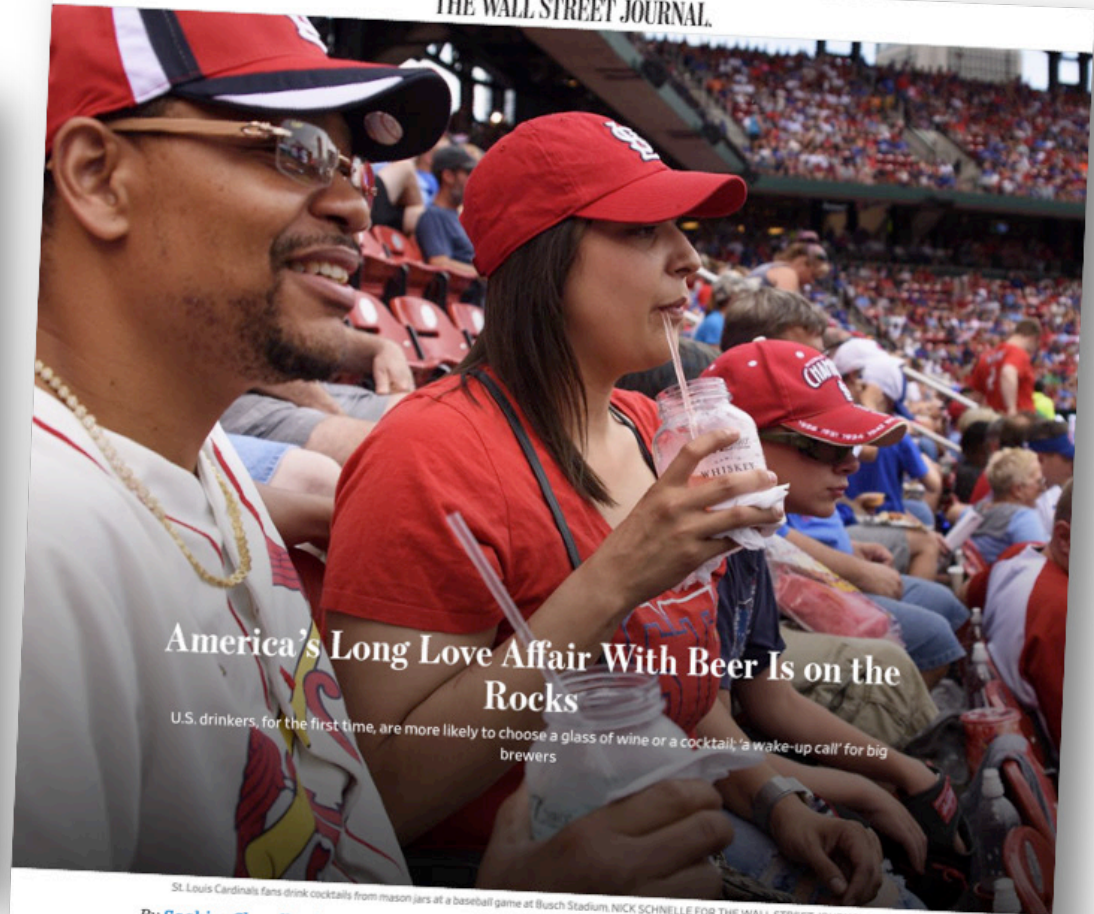
Americans' changing drinking habits have been taking shape for years, but the trend accelerated in 2018. Beer shipments from US breweries are down 3.5% so far this year, according to The Beer Institute, an industry trade group.

The big four US brands — Bud Light, Miller Lite, Coors Light, and Budweiser — have been hit particularly hard.

What's wrong with Big American Beer? Drinkers think it's stale, compared to the innovative new brands and creative concepts emerging from craft breweries, vineyards and distilleries.

"Well-established category leaders are finding it challenging to maintain their relevance against a backdrop with so much innovation and new brand activity," said Cowen analyst Vivien Azer. "You now see a much more promiscuous alcohol consumer."

<https://money.cnn.com/2018/06/29/news/companies/bud-light-miller-lite-budweiser-coors-light/index.html>



America's Long Love Affair With Beer Is on the Rocks

U.S. drinkers, for the first time, are more likely to choose a glass of wine or a cocktail, a wake-up call for big brewers

St. Louis Cardinals fans drink cocktails from mason jars at a baseball game at Busch Stadium, NICK SCHNELLE FOR THE WALL STREET JOURNAL

By Saabira Chaudhuri and Annie Gasparro

Aug. 1, 2018 10:17 a.m. ET

An American walks into a bar. "What'll it be?" says the bartender.

For years, more likely than not, the answer would have been: "Make it a beer."

Not anymore. Last year, for the first time, Americans reaching for a drink more often chose a glass of wine or a cocktail.

U.S. drinkers, particularly young ones, are having relationship problems with the national beverage. It's no longer true they start out favoring mild pilsners and low-calorie beers, then graduate to harder stuff later in life, if at all. Now they are thinking about other things: taste, value, beer bellies.

<https://www.wsj.com/articles/americas-long-love-affair-with-beer-is-on-the-rocks-1533133041>

THREATS (4)

Competition outside the Alcoholic Beverages Industry

- Outside the alcoholic beverages industry, alternatives are becoming available to many beer drinkers. For example, the legalisation of Cannabis in Canada and several states in the US could affect existing beer sales as new cannabis products promise to be hangover-less, low-calorie with the dose-response curve similar to regular beer. It is suggested that legal marijuana could “**canna-balise**” 7.1% of revenues from the existing US retail beer industry*.
- Also, many people who are health conscious are starting to turn towards low or non-alcoholic brews. This trend is creating new threats and opportunities for existing brewers as they have to carefully navigate and craft their marketing messages so as not to cannibalise their existing alcoholic beverages sales too much and attempt to grow non-alcoholic sales at the same time.


* <http://www.cannabizconsumergroup.com/cannabis-legalization-a-factor-in-beer-sales/>


Forbes

Billionaires Innovation Leadership Money Consumer Industry

17,318 views | Mar 13, 2017, 09:11am

Beer Industry Could Lose \$2 Billion From Legal Marijuana

 Debra Borchardt Contributor ©
Retail



The Cannabiz Consumer Group believes that cannabis consumers will switch from drinking beer and just stick with marijuana. (AP Photo/Rich Pedroncelli)

Beer sales could take a huge hit if more states legalize recreational marijuana. A [new report from Cannabiz Consumer Group \(C2G\)](#) predicts that the beer industry could lose more than \$2 billion in retail sales due to legal marijuana.

The company reported that 27% of beer drinkers said they have already substituted cannabis for beer or would make that switch if marijuana was legal in their state. Wine and spirits sales could see a drop in sales.

C2G noted that some believe the substitution would be short-lived since the novelty of legalized marijuana would wear off. That said, they said that the cannabis consumer is an invested and educated shopper.

<https://www.forbes.com/sites/debraborchardt/2017/03/13/beer-industry-could-lose-2-billion-from-legal-marijuana/>

THREATS (5)

Global Economic Conditions

- Beer consumption, as a normal good in the economic sense, is closely tied to general economic conditions. To this extent global economic growth patterns have a direct effect on Molson Coors' business.
- Matters such as commodity prices and trade wars can also impact the business. For example, the aluminum tariffs/inflation and freight carrier headwinds/fuel cost inflation are all negatively affecting Molson Coors at present.

Ownership Issues

- The Molson and Coors families collectively control the company through their ownership of shares with majority voting rights. The risk is that the families will have interests which differ from other shareholders, particularly in the event of a takeover offer. Otherwise, we believe that minority shareholders in Molson Coors are benefiting from the family control of the business because of the long-term horizon/view the families take in managing the business.

WSJ OPINION

Home World U.S. Politics Economy Business Tech Markets Opinion Life & Arts Real Estate WSJ Magazine

OPINION | COMMENTARY

In a Trade War, It's Hard to Get a Head

MillerCoors buys half a billion pounds of aluminum every year, and 28% of the cost is a mysterious fee.

By Pete Coors
May 14, 2018 6:45 p.m. ET 36 Comments




PHOTO: GETTY IMAGES

A cold can of beer on a hot summer day is as American as it gets. But now that experience will cost you more, one of many unfortunate effects of the 10% tariff President Trump imposed on aluminum imports in March.

I say this as a fourth-generation brewer. My great-grandfather founded the Coors family business almost 150 years ago in Golden, Colo. In 1958 my uncle Bill Coors, now 101, led a team that created the first aluminum beer can. He couldn't have imagined that his innovation would be caught in the crossfire of a trade war decades later.

Since January, as the president's tariff talk intensified, aluminum prices have risen in the U.S., even for domestic aluminum forged from scrap. The price index for transport and storage of aluminum has doubled. While some U.S. allies received temporary exemptions, the policy is already hurting businesses across the country. As a leader in the \$100 billion-a-year U.S. beer business, I'm deeply concerned about a possible pullback in expansion, acquisition and innovation in the industry.

This can't be what President Trump—a shrewd businessman—had in mind. At Molson Coors Brewing and its U.S. business, MillerCoors, we respect the president and assume the best. We wonder: Why fuss with tariffs? Is he working an angle?

In "The Art of the Deal," Mr. Trump offers an oft-quoted line that may explain his role in the tariff turmoil: "The worst of times often create the best opportunities to make good deals." Perhaps he is creating a crisis to talk America's rivals into fairer trade deals. The tariff, which is ultimately a tax on American businesses and consumers, has exposed inefficiencies and antiquated practices in the aluminum industry. We have an opportunity to modernize the market and offset the new costs.

<https://www.wsj.com/articles/in-a-trade-war-its-hard-to-get-a-head-1526337947>

THREATS (6)

Regulation

- Increased taxes or new regulations may negatively affect Molson Coors' business. Excise taxes on alcohol accounted for ~18.3% of gross revenue in 2017.

Labour Union Issues

- The prominence of labour unions in Canada, the UK and, to a lesser extent, the USA subjects Molson Coors to certain risks. These are in the form of potential interruption of supply in the event of strikes as well as the potential for increasing wage expenses.

Global Warming

- The beer industry consumes ~17% of global barley production. A recent research report warns that severe climate events like drought and heat may cause substantial decreases in barley yields worldwide, negatively affecting the supply used to make beer*.

Foreign Exchange

- All businesses which conduct operations on a global basis are exposed to currency risk and Molson Coors is no different. Molson Coors reports in US dollars and accordingly if there is a significant shift in the value of the US dollar upward, then the business will experience negative translation effects (e.g., the decline in GBP due to Brexit).


* <https://phys.org/news/2018-10-beer-threatened-future-weather-extremes.html>

The Washington Post
Democracy Dies in Darkness

PostEverything • Perspective

Our research found that climate change could cause a beer shortage. Here's why.

Drought and heat waves are bad news for barley.



Oktoberfests like this year's in Munich could be less joyful in the future, if the changing climate makes producing beer harder. (Christof Stache/AFP/Getty Images)

By **Tariq Ali, Dabo Guan and Wei Xei**
October 23

The price of beer could double under unchecked climate change, as droughts and extreme temperatures cause barley yields to drop. That's one conclusion of research we recently published in [Nature Plants](#).

We first became curious about barley, and the beer it produces, as this relatively minor crop was clearly affected by climate extremes yet had never caught the attention of climate scientists. And unlike many other food crops, barley grown for beer is required to meet very specific quality parameters. Malted barley gives beer much of its flavor, yet if it is too hot or there isn't enough water during critical growing stages, the malt cannot be extracted.

<https://www.washingtonpost.com/outlook/2018/10/23/our-research-found-that-climate-change-could-cause-beer-shortage-heres-why/>

OPPORTUNITIES (1)

Growth Beyond Beer – Low-Alcoholic and Non-Alcoholic Beers

- As discussed in the threats section, health conscious consumers are turning to low-alcoholic and non-alcoholic beers. AB InBev predicts 20% of its production volume will be low-alcoholic and non-alcoholic beers by 2025.
- Molson Coors is therefore broadening its portfolio to include a wider range of low-alcoholic and non-alcoholic beers (Alcohol Free Beers – “AFBs”) such as Coors Edge for consumers looking for healthier soft drinks or those consumers who cannot drink alcohol for religious reasons (Many of the Muslim-majority countries have alcohol prohibition). Interbrand suggests a strong parent brand can help to develop AFB, and we believe Molson Coors is in that position to develop strong AFB products within its portfolio.
- One interesting fact about AFBs is that they will generate significantly more revenue versus traditional beers because there is no alcohol/excise tax to pay.

Growth Beyond Beer – Brewed, Fermented or Distilled

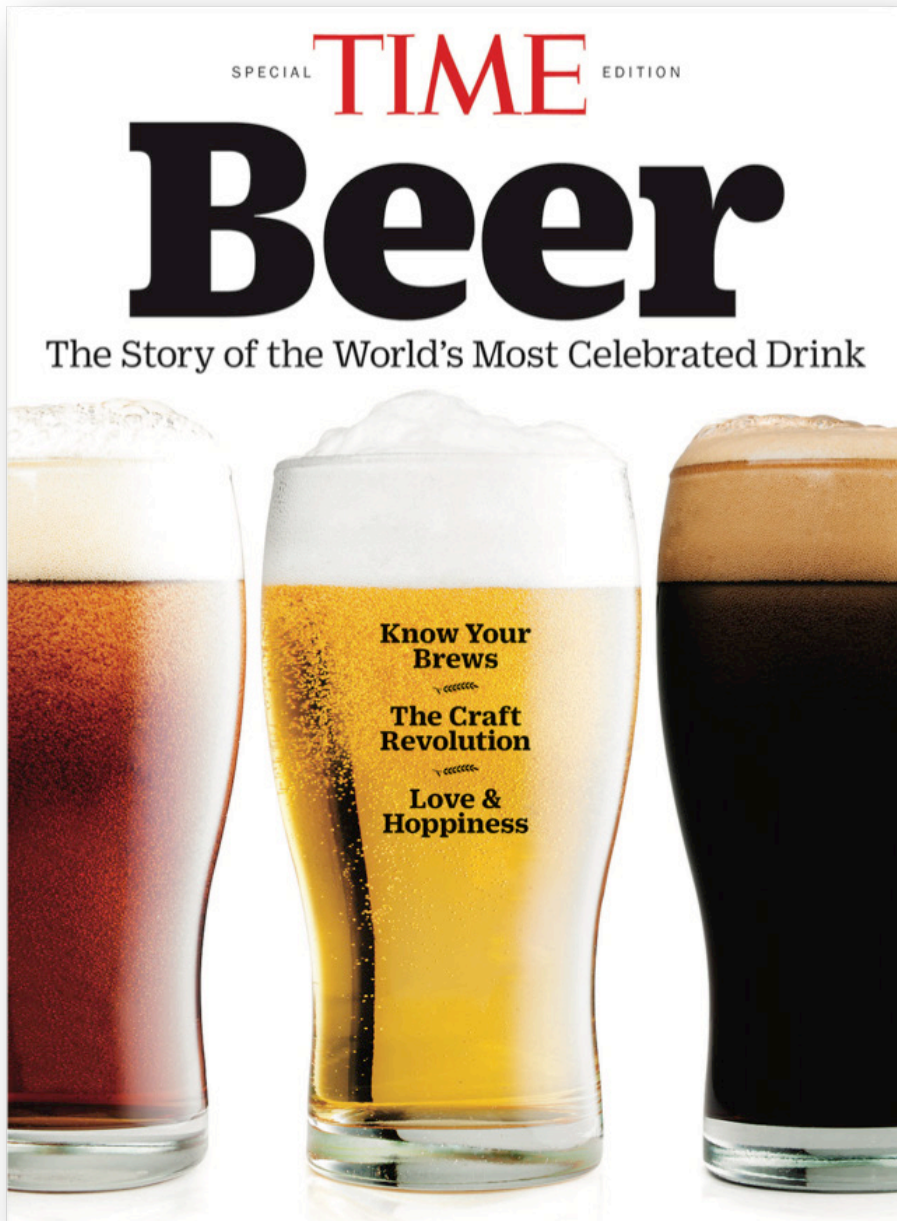
- Molson Coors has also expanded its portfolio by investing in diversified brewed beverages such as the Bhakti Chai tea company and Clearly Kombucha.

Growth Beyond Beer – Hard Sparking/Spiked Seltzer

- One fast growing segment is the hard sparking/spiked seltzer category. The drink is a carbonated sparkling water spiked with nearly 5% alcohol by volume. It is becoming popular due to its low carbohydrate, sugar and calorie counts. Research firm L2 noted recently that “*With remarkable revenue growth of over 400% in just 18 months, hard seltzer rode a wave of success throughout 2018*”*. The Company's Henry's Hard Sparkling is one of the top five brands in the US that saw tremendous growth in recent years.



* <https://www.l2inc.com/daily-insights/seltzer-goes-hard>



<http://time.com/5407072/why-beer-is-most-popular-drink-world/>

CNN BUSINESS Markets Tech Media Success Perspectives Video

Traders

Forget craft beer. The next craze is non-alcoholic brews

by Ivana Kottasová @ivanakottasova

🕒 February 9, 2018: 1:25 PM ET

When craft beer super fan Steve Dass gave up alcohol for health reasons, he went looking for a quality non-alcoholic substitute.

He couldn't find one, so he started his own brewery.

"When I ... started talking about it to friends and investors, they asked whether I've bumped my head or something," said Dass.

But Dass was onto something: His Nirvana Brewery in London now brews 3,200 liters of low and alcohol-free beer a week, and he sells to stores such as Whole Foods.

It's still a very niche segment, but big brewers are scrambling to get in on the action.

That's because drinkers are turning to brews that don't come with a buzz. They're increasingly worried about the health risks associated with alcohol.

Global consumption of traditional beer dropped in 2015 and 2016. But the market for non-alcoholic beer grew 5% in 2016, according to research firm Euromonitor International.

Anheuser-Busch InBev (**BUD**), which launched non-alcoholic versions of Budweiser and Corona in 2016, predicts that low or alcohol-free beer will make up a stunning 20% of its production volume by 2025.

Heineken (**HEINY**) released a competitor -- Heineken 0.0 -- last May and Guinness owner Diageo (**DEO**) followed suit in January with Open Gate Pure Brew.

<https://money.cnn.com/2018/02/09/news/beer-non-alcoholic/index.html>

OPPORTUNITIES (2)


Growth Beyond Beer – Non-Alcoholic Cannabis-Infused Beverages

- On 1 August 2018, Molson Coors announced that it has formed a JV with a leading Canadian cannabis producer, The Hydrothecary Corporation (“**HEXO**”) “to pursue opportunities to develop non-alcoholic, cannabis-infused beverages for the Canadian market following legalisation”.
- Management estimated that the beverages segment of the cannabis market in Canada (to be opened up in the fall of 2019) could be circa USD1.5B, based on a 20% to 30% market share of a conservatively estimated USD7B to USD10B cannabis market in Canada. This JV (called “**TRUSS**”) is expected to be in a ready-to-go position by the fall of 2019 and one of the first to the market as the Canadian market opens up and take a meaningful share of that market. The Company is also evaluating its options and strategy for the much larger US market as more states open up for the legalisation of cannabis.


“There will be a range of beverages, so it could be teas, seltzer, or beer that’s been dealcoholized, and on occasions where people want to kick back and relax and socialize with their friends, they’ll be able to enjoy all of those flavors, but alcohol will be replaced with a cannabis compound.” - Molson Coors CEO Mark Hunter interview with Bloomberg News on 25 September 2018

REUTERS World Business Markets Politics TV
WEALTH NOVEMBER 8, 2018 / 7:30 AM / 4 DAYS AGO

Michigan vote to legalize pot fires up investor momentum behind cannabis

David Randall 5 MIN READ  

NEW YORK (Reuters) - Michigan's vote Tuesday to become the 10th U.S. state where the recreational use of cannabis is legal is adding more momentum to a trend that some investors now say is inevitable: that marijuana will become legal nationwide within the next 5 years.



As a result, companies, portfolio managers, and high-ranking executives are racing to position themselves to profit from what is expected to become a multi-billion dollar market.

Executives at companies including Amazon.com Inc (**AMZN.O**), Molson Coors Brewing Co (**TAP.N**), and Nike Inc (**NKE.N**) have jumped to roles at Canadian cannabis companies such as Tilray Inc (**TLRY.O**) and Canopy Growth Corp (**WEED.TO**) over the last 18 months in order to gain experience in the industry.

At the same time companies ranging from Coca-Cola Co (**KO.N**) to Corona beer-maker Constellation Brands Inc (**STZ.N**) have taken the first steps into building cannabis-infused products.

<https://www.reuters.com/article/us-usa-funds-marijuana/michigan-vote-to-legalize-pot-fires-up-investor-momentum-behind-cannabis-idUSKCN1NC2KM>

Is Marijuana the Future of Beer?

By Clint Rainey



'We made a choice not to be a spectator': Molson Coors Canada CEO on Hydrophoecary deal

Molson Coors Canada is entering the hot cannabis sector. BNN Bloomberg speaks with Molson Coors Canada CEO Frederic Landmeters and Hydrophoecary CEO Sebastien St. Louis about the partnership to develop cannabis-infused beverages.

“And clearly, there are lots of numbers which are being bandied around with regard to the potential size of the cannabis market in Canada. I think if you take an average, then it suggests this market may be somewhere between \$7 billion and \$10 billion in market value, but beverage is somewhere between 20% and 30%, and that's obviously nonalcoholic cannabis infused beverages. Even if you take the low end of that estimate, then it suggests that the beverages segment could be circa \$1.5 billion of value. If you look at the strength of our go-to-market in Canada, if you look at at our understanding of Canadian consumers our understanding of brand building in Canada and the capability that we have through our partner, HEXO, we believe that we're well-placed to be ready to take a meaningful share of that segment when it's legislated for and opens up in the fall of 2019.”

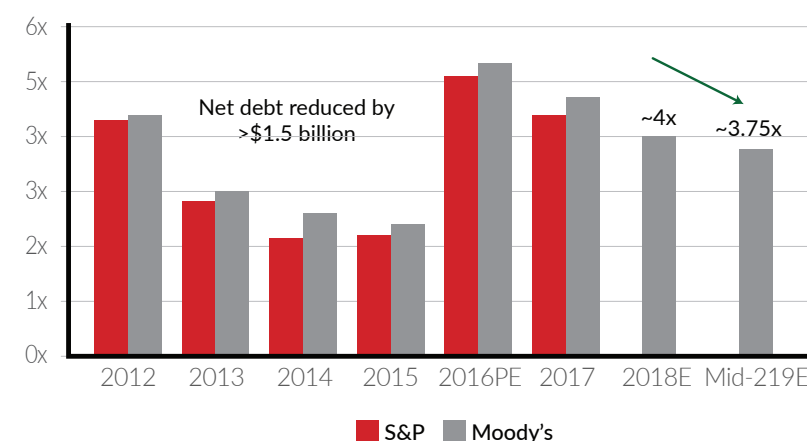
- Molson Coors Q3 2018 Earnings Call – 31 October 2018

OPPORTUNITIES (3)

Deleveraging

- Management recognised it is imperative to achieve a swift balance sheet deleverage to restore/enhance investor confidence post the MillerCoors transaction. The strong free cash flow generation (Estimated \$1.5B in 2018) will be utilised to bring the Debt / EBITDA ratio down quickly from over 5x in 2016 to ~3.75x by Mid-2019.
- When the balance sheet is deleveraged, a number of options will be available for Management to create value for shareholders:
 1. Increase Quarterly Dividend – As noted before, as soon as the Debt/EBITDA ratio is at/below 3.75x sometime near 2H 2019, Management expects to increase the quarterly dividend by +40% to +75% (\$0.57 to \$0.71) from current levels (\$0.41)*.
 2. Reinstate Share Repurchase Program – Management will be able to reinstate the USD1B share repurchase program that was suspended due to the additional borrowings for the MillerCoors transaction.
 3. M&A Opportunities – Management can again consider M&A when opportunities present themselves. The Company can either be a consolidator or an acquisition target. Either way this could potentially create value for shareholders.
- Based on the above opportunities, we believe the stock will re-rate in 2H 2019 when the Company announces it has achieved its deleveraging target of Debt/EBITDA ratio of 3.75x.

S&P, MOODY'S DEBT / EBITDA



OPPORTUNITIES (4)

M&A Opportunities

- Management and the Board have a proven track record of creating shareholders value through careful acquisition/merger/JV transactions. We believe there will be further industry consolidation, and the Company will be able to take advantage of the opportunities to create further value for the shareholders.

Long-Term Minded Controlling Shareholders

- The Molson and Coors families have allowed/guided Management to execute corporate decisions that sometimes cause short-term pain but create long-term value (e.g., suspended share buybacks and frozen dividends to deleverage, increase debt/leverage to acquire).

Further Cost Saving Initiatives

- We are impressed by Management's recent statement that its 2017-2019 cost saving program will now deliver +27% additional cost savings than originally planned, which has seen an upgrade of total cost savings from USD550M to USD700M. Higher margins may also produce a virtuous cycle which could further accelerate the re-rating of the stock.





MOLSON COORS BREWING CO [TAP:US]

ESTIMATED INTRINSIC VALUES & INVESTMENT CONCLUSION

ELEVATION CAPITAL ESTIMATED INTRINSIC VALUE RANGE

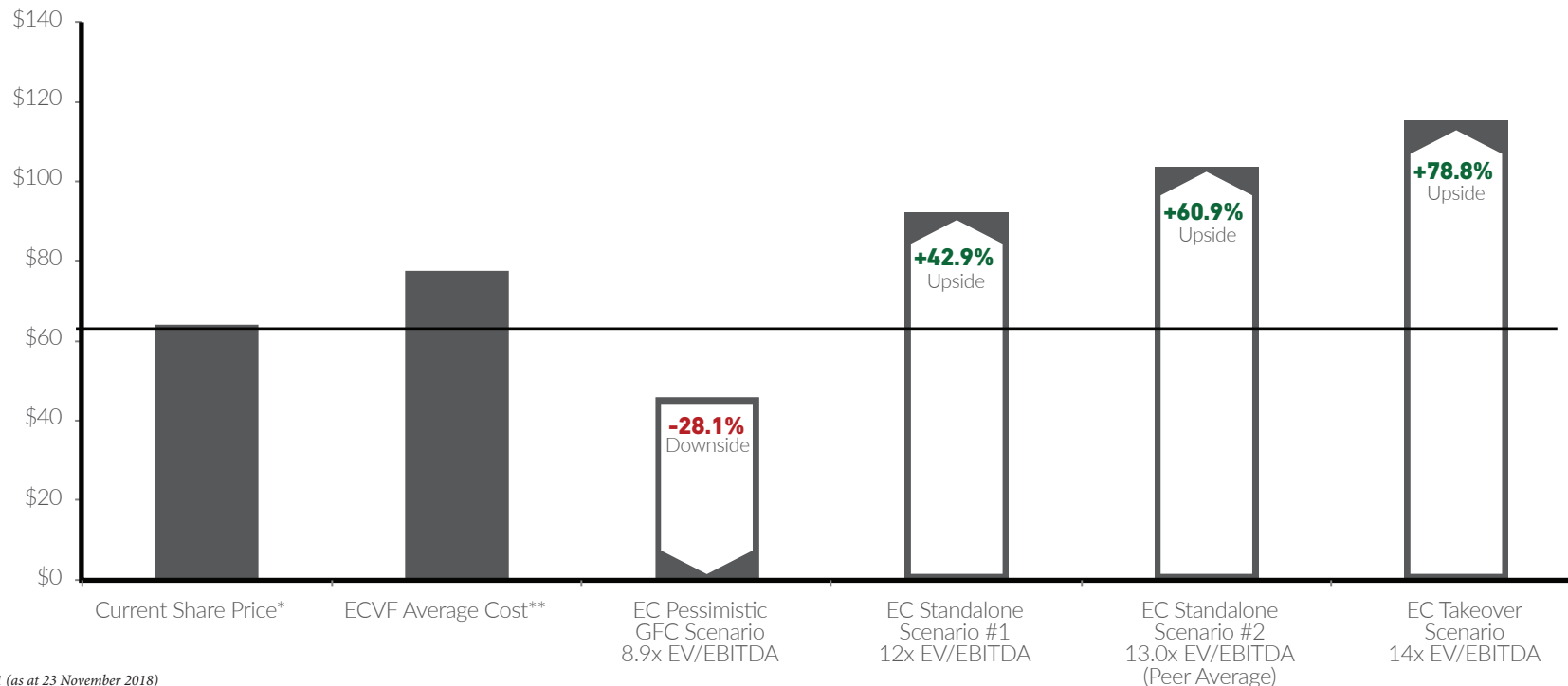
Elevation Capital – Estimated Intrinsic Value Range:

US\$ 46.06 - US\$ 115.33
PER SHARE

Downside/Upward Potential Range:

-28.1% - +78.8%

VALUATION SUMMARY



* Current Share Price = USD64.1 (as at 23 November 2018)

** Elevation Capital Value Fund ("ECVF") Average Cost = USD77.66 (as at 23 November 2018)

EC = Elevation Capital, ECVF = Elevation Capital Value Fund

ASSUMPTIONS FOR THE ESTIMATED INTRINSIC VALUES

SCENARIO	ASSUMPTIONS
EC PESSIMISTIC GFC SCENARIO	We assume the shares trade at 8.9x EV/EBITDA, which is the average EV/EBITDA ratio during 2007 - 2008, and discount the FY2018E Forecast EBITDA of USD 2,495M* by 10% = USD 2,246M.
EC STANDALONE SCENARIO #1	We assume the Company does not get taken over, and the shares trade at EV/EBITDA multiple of 12x when the Company successfully deleverages its balance sheet, increases quarterly dividends, premised on FY2018E Forecast EBITDA of USD 2,495M*.
EC STANDALONE SCENARIO #2	We assume the Company does not get taken over, and the shares trade at the peer average EV/EBITDA multiple of 13x due to continuing improvement in investor sentiment towards the Company, premised on FY2018E Forecast EBITDA of USD 2,495M*.
EC TAKEOVER SCENARIO	We assume the Company is taken over at a 14.0x EV/EBITDA valuation, which is the average EV/EBITDA multiple from recent industry transactions, premised on FY2018E Forecast EBITDA of USD 2,495M*.



WE FIRST INVESTED IN MOLSON COORS IN MARCH 2011...

- We first invested in Molson Coors in 2011 during a time when investors were once again pessimistic towards large brewers globally as consumers shifted consumption away from beer towards wine and spirits.
- We exited our position in 2015 when the share price rose to \$93.52 as our investment thesis (at the time) played out when Molson Coors announced it was acquiring the remaining 58% of the MillerCoors JV from SABMiller as SABMiller was acquired by AB Inbev.
- Our investment in Molson Coors during this period generated an annualised return of +29.8% over a span of 4.7 years.



Elevation Capital's 2015 Realised Positions

MOLSON COORS: CYCLICAL OR SECULAR?

- In 2011, we observed market pessimism for large beer brewers in North America with statistics showing many beer swiggers had become wine sippers, and emerging competition from craft beer brewers
- We believed the Company would be able to navigate through difficult domestic market conditions, and at the same time expand its international market and craft beer business through smart acquisitions
- We initiated our position in the Elevation Capital Value Fund in March 2011, with an average cost of US\$ 40.87 (as at 21 June 2013)**
- Current share price (TAP:US)*** = US\$ 75.32 (Market Capitalisation = US\$ 14.0B)



* FOR ELEVATION CAPITAL VALUE FUND (ONLY)
 ** ELEVATION CAPITAL SEPARATE ACCOUNTS PURCHASED THE STOCK BETWEEN US\$ 40.50 - US\$ 71.49 DURING THE PERIOD 1 APRIL 2013 - 20 OCTOBER 2014
 *** AS AT 16 MARCH 2015

MOLSON COORS: KEY RISKS (1)

Competition

Brewers must invest significantly in marketing in order to distinguish their product from competitor's offerings. The industry has seen annual increases in prices > CPI for a long time because of the oligopolistic market structure.

Substitution of Beer for Wine or Spirits

Beer consumption has been reducing in a number of western countries as consumers become more open to trying wines and spirits. Although emerging markets have been areas of strong growth for beer producers, if the trend of reducing beer consumption continues it will hurt earnings. A 2014 study of global beer consumption trends by Kirin found that beer consumption was at record levels but this was largely being driven by emerging markets such as China, Brazil, Mexico and Poland. Some key European markets for Molson Coors were declining, such as Germany (-1.6%), the United Kingdom (-3.7%) and France (-1.5%).

General Economic Conditions

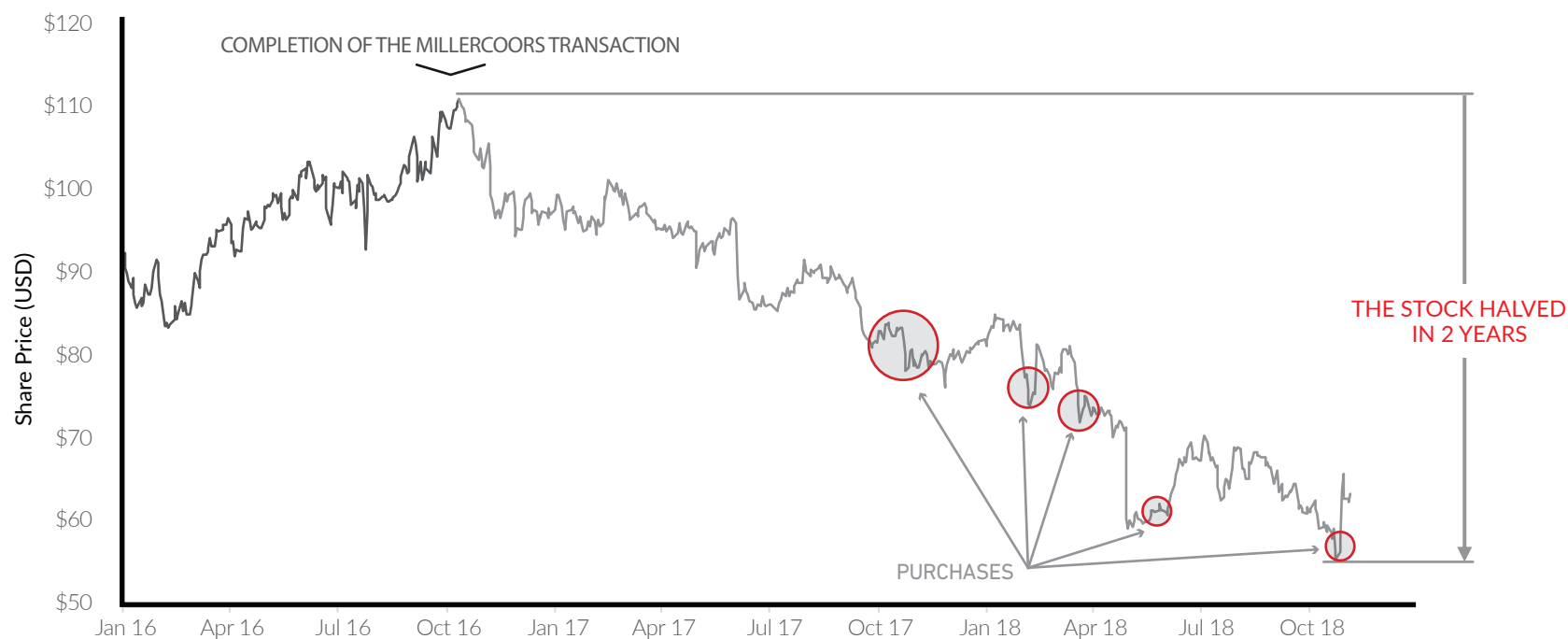
Beer consumption, as a normal good in the economic sense, is closely tied to general economic conditions. To this extent global economic growth patterns have a direct effect on Molson Coors business.



MOLSON COORS SHARE PRICE HAS DECLINED SIGNIFICANTLY RECENTLY

- Molson Coors (TAP.US) share price peaked in October 2016 when Molson Coors announced the successful completion of the MillerCoors transaction (see slides 17-20). After that, the stock started to slide, and has declined by 50% in the subsequent two year period.
- We re-established a position in Molson Coors in October 2017 (after the upgrades of the cost out program post the MillerCoors transaction), and continued to add to it in 2018 on the back of continued share price weakness.

MOLSON COORS - SHARE PRICE MOVEMENT SINCE 2016

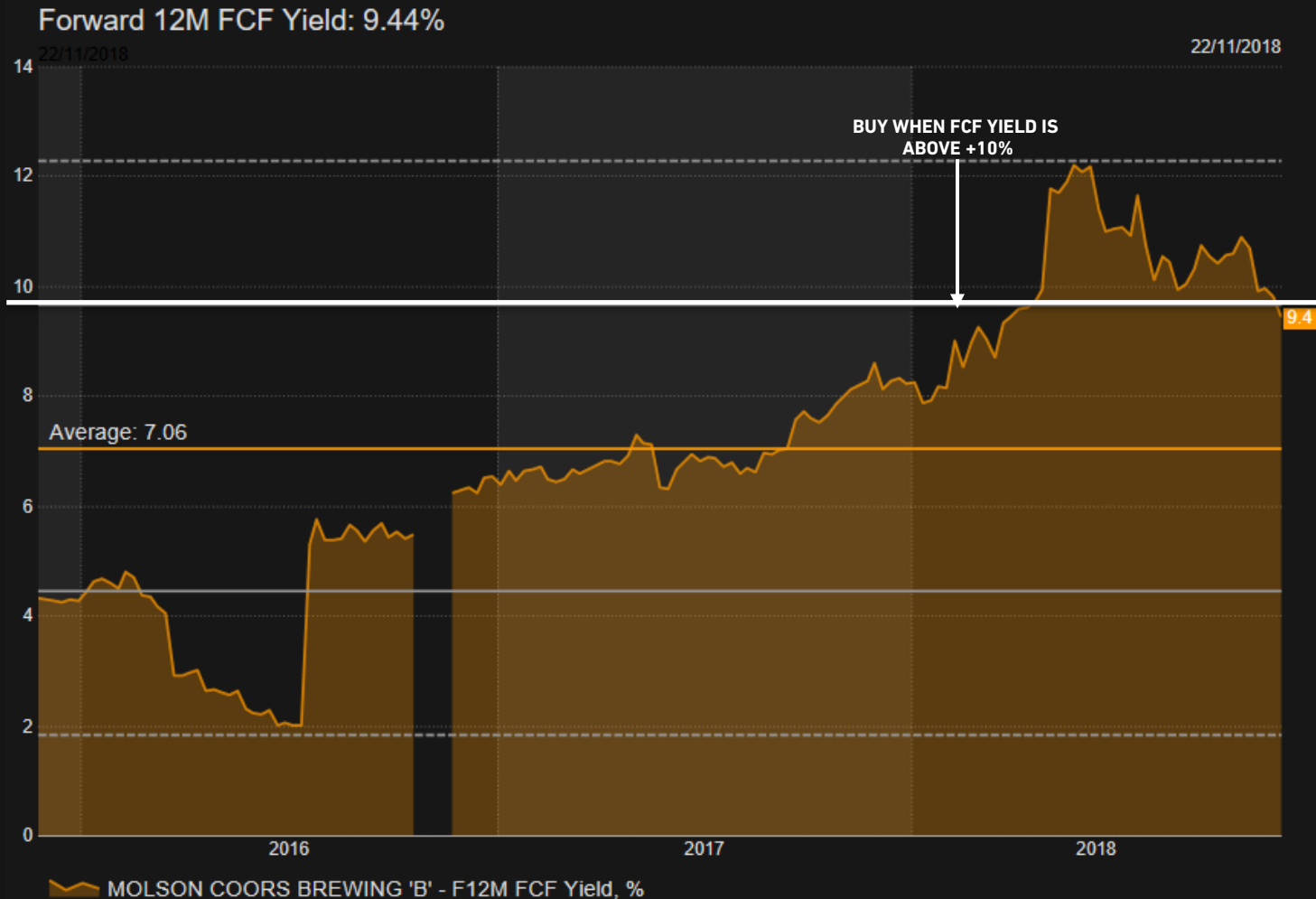


BUY MOLSON COORS WHEN IT IS TRADING BELOW BOOK VALUE



Source: Thomson Reuters Datastream

BUY MOLSON COORS WHEN ITS FCF YIELD IS ABOVE +10%



Source: Thomson Reuters Datastream



MOLSON COORS BREWING CO [TAP:US]

OPPORTUNITY KNOCKS AGAIN?

MOLSON
CANADIAN
BIERE LAGER BEER
12 OZ (355ML)

Coors
LIGHT

INVESTMENT CONCLUSION

- Through successive rounds of M&A, Molson Coors has become one of the largest brewers in the world. However in recent years, beer consumption (especially non-craft beers) is in decline in developed countries. This coupled with Molson Coors' higher leverage (to fund the USD12B MillerCoors transaction) are the main reasons why Molson Coors is one of the worst performing publicly listed global brewers recently, and currently trading near/below Book Value - with a +10% FCF Yield.
- We believe the following factors will see the stock re-rate in 2019/2020:
 1. A continuation of the deleveraging to achieve a Debt / EBITDA ratio of 3.75x;
 2. Increase in quarterly dividends by +40% to +70% from current levels;
 3. Introduction of its first non-alcoholic cannabis-infused beverages for the Canadian market;
 4. Early delivery on its cost saving targets of \$700M for the 2017-2019 period; and,
 5. A share repurchase program reinstated.
- We believe the stock will re-rate to at least 12x EV/EBITDA, which implies a price of USD92.20 per share, which offers upside potential of +44% from current levels*.
- In a takeover scenario, we believe the stock is worth 14x EV/EBITDA, which implies a price of USD115.33, offering upside potential of +80%*.





APPENDICES

APPENDICES

- Appendix 1 – Background of Molson Coors Directors
- Appendix 2 – Background of Molson Coors Management
- Appendix 3 – Thomson Reuters Eikon ESG Score System



APPENDIX 1: BACKGROUND OF MOLSON COORS DIRECTORS (1)*

NAME	BACKGROUND
<p>Peter H. Coors Director Of Molson Coors Since: 2005; And Chairman Since: May 2017</p>	<p>Mr. Coors has served as our Chief Customer Relations Officer (CCRO) since October 2016. He also serves as a trustee and is Co-Chairman of Adolph Coors Company, LLC, the trust holding company of the Adolph Coors Jr. Trust (Coors Trust) and other Coors' family trusts. He is Chairman of the Trust Committee of the Coors Trust and trustee of various other Coors' Family Trust Committees. He is also the President of the Adolph Coors Foundation, a family foundation and a manager of Keystone, Inc., the holding company for Coorstek and other Coors' family owned businesses. He has also been a director of Energy Corporation of America since 1996. Since joining our Company in 1971, he has served in a number of different executive and management positions for Adolph Coors Company, Coors Brewing Company and Molson Coors. He served Coors Brewing Company, our wholly owned subsidiary, as Chairman of the board of directors since 2002, as a director since 1973, and as the Chief Executive Officer from 1992 to 2000. He also served Adolph Coors Company, as chief executive officer from 2000 to 2002 and as chairman of the board from 2002 to 2005. At various times since 2005, Mr. Coors has served as our Chairman and Vice Chairman of our Board. Mr. Coors also serves on numerous community and civic boards, including the American Enterprise Institute, the National Western Stock Show and the Denver Area Council of the Boy Scouts of America.</p>
<p>Geoffrey E. Molson Director Of Molson Coors Since: 2009; Vice Chairman Of Our Board Since: May 2017</p>	<p>Mr. Molson has been a general partner of CH Group Limited Partnership since December 2009 and the President and Chief Executive Officer of CH Group Limited Partnership since 2011, which owns the Montreal Canadiens, evenko, Equipe Spectra, and the Bell Centre. He currently represents Molson Coors as an ambassador, representing the Molson family in key strategic areas of our business. He is also a member of the board of directors of RES PUBLICA Consulting Group, and a member of the Molson Foundation, a family foundation dedicated to the betterment of Canadian society, St. Mary's Hospital Foundation and the Montreal Canadiens Children's Foundation. From June 2015 to May 2017, Mr. Molson served as our Chairman. From 1999 to 2009, he served in various roles of increasing responsibility for Molson Inc., including its former U.S. business. Mr. Molson holds an M.B.A. from Babson Business School and a Bachelor of Arts degree from St. Lawrence University.</p>
<p>Peter J. Coors Director Of Molson Coors Since: 2015</p>	<p>Mr. Coors has been the Senior Manager of International Craft Brewing Development, Supply Chain since October 2016. He also serves on the Board of Trustees for the Adolph Coors Company LLC and various Coors' family trusts. Prior to his current role, Mr. Coors held various management positions across the U.S. within the MillerCoors organization. He served as the Brewery Manager at the MillerCoors Shenandoah Brewery from September 2014 to late 2016, and as Manager of Trade and Consumer Quality for MillerCoors. Prior to joining MillerCoors, he held various positions within the Molson Coors organization. Mr. Coors also serves on numerous community and civic boards, including the Executive Board of Trustees of the Denver Area Council of the Boy Scouts of America. He holds a Master's Degree and his undergraduate degree in Operations Research Industrial Engineering from Cornell University College of Engineering.</p>
<p>Andrew T. Molson Director Of Molson Coors Since: 2005</p>	<p>Andrew Molson is a shareholder and chairman of RES PUBLICA Consulting Group, an organization that he first joined as a consultant, in 1997. With headquarters in Montreal, RES PUBLICA is the holding and management company of AVENIR GLOBAL, a network uniting five strategic communications firms across Canada, the U.S. and Europe, including NATIONAL Public Relations, NATIONAL Equicom, AXON, Madano and SHIFT Communications. AVENIR GLOBAL is one of the 25 most important public relations concerns in the world. Mr. Molson sits on the board of directors of Groupe Deschênes Inc., Dundee Corporation and the CH Group Limited Partnership, owner of the Montreal Canadiens. He became a member of the Quebec Bar in 1995 after studying law at Laval University in Quebec City. He also holds a bachelor of arts degree from Princeton University and a masters of science in corporate governance and ethics from University of London (Birkbeck College).</p> <p>Mr. Molson serves on several non-profit boards, including the Institute for Governance of Private and Public Organizations, Concordia University Foundation, The Banff Centre, the evenko foundation for emerging talent, the Public Policy Forum and the Molson Foundation, a family foundation dedicated to the betterment of Canadian society. He is chairman of the Montreal General Hospital Foundation and of Pointe-à-Callière, Montreal's Archaeology and History Museum.</p> <p>He previously served as chairman of our board from May 2011 to May 2013, and vice-chairman of our board from May 2009 to May 2011.</p>

APPENDIX 1: BACKGROUND OF MOLSON COORS DIRECTORS (2)*

NAME	BACKGROUND
<p>Betty K. DeVita Director Of Molson Coors Since: 2016; Independent Director</p>	<p>Ms. DeVita has served as the Chief Commercial Officer, Commerce Platform, Digital Payments & Labs at MasterCard Worldwide since 2015. Prior to that, she served as President of MasterCard Canada, Inc. from September 2010 to April 2015. Before joining MasterCard, she held various positions of increasing responsibility with CitiGroup Inc. from 1982 to 2010. She left Citigroup as the Chairman and Chief Executive Officer for Citibank Canada Inc. Ms. DeVita holds a chief executive officer program Certificate from Wharton Business School, Seoul, Korea; is a certified director from the Institute of Corporate Directors, University of Toronto Rotman Business School; and received a Bachelor of Science degree from St. John's University.</p>
<p>Charles M. Herington Director Of Molson Coors Since: 2005; Independent Director</p>	<p>Mr. Herington has served as Vice Chairman and President of Global Operations at Zumba Fitness LLC since August 2013. He also sits on the boards of Klox Technologies, Gildan Activewear Inc. (NYSE: GIL) and various portfolio companies of Palladium Equity Partners. He previously served as a director of NII Holding (Nextel International) where he also served as Chairman of the compensation committee between 2003 and 2013. He also served as a director of our predecessor company, Adolph Coors Company, since 2003. From March 2006 to August 2012 he held positions of increasing responsibility leading up to office of the Chairman/EVP of Emerging and Developing Market Group at Avon Products Inc., a global consumer products company. From 1999 to 2006 Mr. Herington was President and Chief Executive Officer of AOL Latin America. Prior to that, he served as President at Revlon Latin America from 1997 to 1999. From 1990 to 1997 he held a variety of executive positions in several different geographies leading to division president with Pepsico Restaurant International. From 1981 to 1990 he held various marketing and executive positions in different countries at Procter & Gamble.</p>
<p>Douglas D. Tough Director Of Molson Coors Since: 2012; Independent Director</p>	<p>Mr. Tough was the Chief Executive Officer of International Flavors & Fragrances (IFF), a creator and manufacturer of flavors and fragrances, from March 2010 to September 2014. He also served as IFF's Chairman of the board of directors from March 2010 to December 2014. After joining IFF's board of directors in 2008, he served as its non-executive Chairman of the board from October 2009 to March 2010, when he became IFF's Chief Executive Officer. Mr. Tough holds an M.B.A. from the University of Western Ontario and a B.B.A. from the University of Kentucky.</p>
<p>Franklin W. Hobbs Director Of Molson Coors Since: 2005; Independent Director</p>	<p>Mr. Hobbs has served as the President and Chief Executive Officer of Ribbon Communications Inc. f/k/a Sonus Networks, Inc. (NASDAQ: RBBN) since December 2017 and on their board of directors since November 2017. He has also served as an advisor to One Equity Partners, a private equity investment firm, since 2004. He currently serves as the Chairman of the board of directors of Ally Financial Inc., and is on the board of directors of the U.S. Fund of UNICEF. He previously served as Chairman of the supervisory board of BAWAG P.S.K. from March 2013 to March 2017 and on the board of directors of Lord, Abbett, & Co. until April 2018. Mr. Hobbs also previously served as a director of Molson Coors' predecessor company, Adolph Coors Company, since 2001. In 2014, he was named an Outstanding Director of the Year by the Financial Times for his role at Ally Financial Inc. Mr. Hobbs is a graduate of Harvard College and Harvard Business School.</p>
<p>H. Sanford Riley Director Of Molson Coors Since: 2005; Independent Director</p>	<p>Mr. Riley has served as President and Chief Executive Officer of Richardson Financial Group Limited, a specialized financial services company, since 2003. In addition, he has been a director of: the two public companies noted above; and Manitoba Hydro, a Canadian crown corporation, where he also serves as Chairman of the board of directors, since May 2016. Mr. Riley previously served as a director of GMP Capital, Inc. (TSX: GMP), an investment dealer, from 2009 to 2017 and Manitoba Telecom Services Inc. (TSX: MBT) from 2011 to 2017. He also previously served as a director of Molson, Inc. since 1999. Mr. Riley is also involved with various community organizations, including serving as Chairman of the University of Winnipeg Foundation past Chancellor of the University of Winnipeg and past Chairman of the Manitoba Business Council. Mr. Riley holds a J.D. from Osgoode Hall Law School, a Bachelor of Arts degree from Queen's University and is a Member of the Order of Canada.</p>

* <http://www.molsoncoors.com/en/our-people/board-of-directors>

APPENDIX 1: BACKGROUND OF MOLSON COORS DIRECTORS (3)*

NAME	BACKGROUND
<p>Iain J.G. Napier Director Of Molson Coors Since: 2008; Independent Director</p>	<p>Mr. Napier has served as the senior independent director of William Grant and Sons Holdings Limited, a private company that produces and distributes spirits, since April 2014, and currently serves as the Chairman of William Grant and Sons Holdings Limited's audit committee. From 2008 to 2017, he served as Chairman of the board of directors of McBride plc, where he also served as the Chairman of the nomination committee and as a member of the remuneration committee. From September 2008 to May 2016 he served as a director of John Menzies plc, where he also served as Chairman of the board of directors and its nominating committee. In addition, from March 2000 to February 2014, he served as a non-executive director of Imperial Brands plc, where he served as Chairman of the board of directors and its nominating committee beginning in 2007. From 2001 to 2006, he served as the Chief Executive Officer of Taylor Woodrow plc. From 2000 to 2001, he was Vice President U.K. and Ireland for InBev S.A. following its acquisition of Bass Brewers Ltd. and Chief Executive Officer of Bass Brewers and Bass International Brewers from 1996 to 2000. Mr. Napier is a chartered global management accountant and a fellow of the Chartered Institute of Management Accountants.</p>
<p>Louis Vachon Director Of Molson Coors Since: 2012; Independent Director</p>	<p>Mr. Vachon has served as President and Chief Executive Officer of the National Bank of Canada since June 2007. He has also served as a director of the National Bank of Canada since 2006, where he has taken positions of increasing responsibility since 1996. He also currently serves as a director of the Business Council of Canada and CH Group Inc., and has, in the past, held a variety of other board positions. Most recently, he served as a director of Fiera Capital Corporation from April 2012 until January 2017. In 2016, he was appointed as a member of the Order of Canada and was the recipient of the Global Citizens Award from the United Nations Association in Canada. In 2014, Mr. Vachon was named Chief Executive Officer of the year by the Canadian Business magazine. Mr. Vachon holds a Master of International Business degree in international finance from the Fletcher School at Tufts University, a Bachelor of Arts degree in economics from Bates College and a CFA certification from the CFA Institute.</p>
<p>Mary Lynn Ferguson-McHugh Director Of Molson Coors Since: 2015; Independent Director</p>	<p>Ms. Ferguson-McHugh has served as Group President, Global Family Care and P&G Ventures at Procter & Gamble Co. since November 2015. She has been with Procter & Gamble Co. since 1986, in various roles of increasing responsibility. In particular, before serving in her current position, she served as Group President, Global Family Care at Procter & Gamble Co. from December 2014 to November 2015. From 2011 to 2014, she served as Group President, Western Europe, Global Discounter and Pharmacy Channels. Ms. Ferguson-McHugh holds an M.B.A. from the University of Pennsylvania, Wharton School of Business, and Bachelor of Science degree from the University of the Pacific.</p>
<p>Louis Vachon Director Of Molson Coors Since: 2012; Independent Director</p>	<p>Mr. Vachon has served as President and Chief Executive Officer of the National Bank of Canada since June 2007. He has also served as a director of the National Bank of Canada since 2006, where he has taken positions of increasing responsibility since 1996. He also currently serves as a director of the Business Council of Canada and CH Group Inc., and has, in the past, held a variety of other board positions. Most recently, he served as a director of Fiera Capital Corporation from April 2012 until January 2017. In 2016, he was appointed as a member of the Order of Canada and was the recipient of the Global Citizens Award from the United Nations Association in Canada. In 2014, Mr. Vachon was named Chief Executive Officer of the year by the Canadian Business magazine. Mr. Vachon holds a Master of International Business degree in international finance from the Fletcher School at Tufts University, a Bachelor of Arts degree in economics from Bates College and a CFA certification from the CFA Institute.</p>
<p>Roger G. Eaton Director Of Molson Coors Since: 2012; Independent Director</p>	<p>Mr. Eaton has served as Chief Executive Officer of KFC, a division of Yum! Brands, Inc. (NYSE: YUM), an operator of fast food restaurants, since August 2015. Prior to that, he held several US and international positions at Yum!. From April 2011 to August 2015 he served as the Chief Operations Officer of Yum!. From January 2014 to April 2015 he served as President of the KFC division, overseeing KFC's business in the Middle East, Thailand, Asia Franchise Business Unit, Canada, Latin America, and the Caribbean. Additionally, in 2011 he served as the Yum! Operational Excellence Officer. From June 2008 to February 2011, he served as the Chief Executive Officer and President of KFC USA. Mr. Eaton holds a post graduate diploma in accounting and a bachelor's degree in commerce from the University of Natal - Durban in South Africa. He passed the South African Public Accountants and Auditors Board exams in 1982, and is a member of the Australian Institute of Chartered Accountants.</p>

* <http://www.molsoncoors.com/en/our-people/board-of-directors>

APPENDIX 2: BACKGROUND OF MOLSON COORS MANAGEMENT (1)*

NAME	BACKGROUND
<p>Mark R. Hunter President And Chief Executive Officer Molson Coors Brewing Company</p>	<p>Mr. Hunter has served as President and CEO of our Company since January 2015. Prior to becoming President and CEO of our Company, he held various positions within our organization. From January 2013 to December 2014 he served as President and Chief Executive Officer of Molson Coors Europe. From June 2012 to January 2013 he served as President and Chief Executive Officer of Molson Coors Central Europe. From December 2007 to June 2012, he served as President and Chief Executive Officer of Molson Coors UK. Prior to that, he has served our Company in various roles of increasing responsibility for Molson Coors and its predecessor, Bass Brewers, since 1989. Mr. Hunter holds a Bachelor Honours degree in Marketing and Business Administration from the University of Strathclyde in Glasgow, Scotland, where he was also awarded an Honorary Doctorate in 2009.</p>
<p>Tracey I. Joubert CFO Of Molson Coors Since November 2016. Molson Coors Brewing Company</p>	<p>Business Experience: Prior to her current role, Ms. Joubert served as the Chief Financial Officer and Executive Vice President of MillerCoors from 2012 to November 2016. Prior to entering that role in 2012, Ms. Joubert served as Vice President of Finance, Planning & Analysis and Controller since the formation of MillerCoors in 2008. Prior to joining MillerCoors, she served as Director of Finance and Group Services at Miller Brewing Company. She began her career in beer with SAB Limited in Johannesburg, South Africa, where she served as Financial Manager of technical accounting and Financial Manager of finance services. Prior to joining SAB Limited, she was Financial Manager at Barloworld, Ltd and articulated at KPMG South Africa. In November 2017, Ms. Joubert was appointed to the board of directors of Cooper Tire & Rubber Company, a publicly-traded manufacturer and marketer of replacement tires (NYSE: CTB). She also serves on the Board of Trustees for the Boys and Girls Clubs of Milwaukee.</p> <p>Education: Ms. Joubert holds bachelor's degrees in commerce and accounting from the University of Witwatersrand in South Africa. She passed the Public Accountants and Auditors Board exams in 1989.</p>
<p>Gavin D.K. Hattersley CEO/President Of Millercoors Since September 2015</p>	<p>Business Experience: Prior to his current position, Mr. Hattersley served as the interim Chief Executive Officer of MillerCoors from July 2015 until his permanent appointment to his current role in September 2015. Prior to joining MillerCoors, Mr. Hattersley served as Chief Financial Officer of Molson Coors from June 2012 to September 2015. From July 2008 to June 2012, Mr. Hattersley served as Executive Vice President and Chief Financial Officer of MillerCoors. He also served as Senior Vice President, Finance for Miller Brewing Company from October 2002 to July 2008. He came to Miller Brewing Company from SAB Limited of Johannesburg, South Africa, where he held several financial management positions before becoming Chief Financial Officer in 1999. Prior to joining SAB Limited in 1997, he spent almost 10 years in Barloworld Limited in various finance positions.</p> <p>Education: Mr. Hattersley holds an Honors degree in accounting science and a bachelor's degree from the University of South Africa. He passed the Public Accountants and Auditors Board exams in 1987.</p>
<p>Sergey Yeskov CEO/President Of Molson Coors International Since January 2018</p>	<p>Business Experience: Prior to his current position, Mr. Yeskov served as the Chief Sales & Customer Excellence Officer of Molson Coors Canada from December 2016 to December 2017. He also served as the Regional President of our Croatia, Bosnia and Slovenia business unit from 2010 to 2016. From 2007 to 2009, he served as the General Manager of Croatia.</p> <p>Education: Mr. Yeskov holds a master's degree of International Economy from Kharkov Economic University, a master's degree of Radio-Electronic from Ukrainian National Aviation University and an M.B.A. from IEDC Bled School.</p>

* <http://www.molsoncoors.com/en/our-people/board-of-directors>

APPENDIX 2: BACKGROUND OF MOLSON COORS MANAGEMENT (2)*

NAME	BACKGROUND
<p>Simon Cox CEO/President Of Molson Coors Europe Since January 2015</p>	<p>Business Experience: Prior to his current role, Mr. Cox served as Managing Director for Molson Coors UK from September 2012 until December 2014. He joined Molson Coors in 2005 as Director of Supply Chain Strategy based in U.K. and developed increasing responsibility through senior positions as Strategy Director and Managing Director-Independent On-Premise. Before joining Molson Coors, Mr. Cox held a number of senior leadership positions within Carlsberg, a global brewer.</p> <p>Education: Mr. Cox holds a degree in Biochemistry from Manchester University.</p>
<p>Frederic Landtmeters CEO/President Of Molson Coors Canada Since October 2016</p>	<p>Business Experience: Prior to serving in his current role, Mr. Landtmeters was the Managing Director, Molson Coors UK and Ireland from January 2015 to October 2016. Mr. Landtmeters served from January 2013 to January 2015 as the Chief Commercial Officer for Molson Coors Europe, and from 2012 to 2013 he served as the Chief Marketing Officer for Molson Coors Europe. Prior to joining Molson Coors, Mr. Landtmeters served as the Chief Marketing Officer for StarBev from 2010 to 2012 and the Marketing Director at AB InBev from 2006 to 2010.</p> <p>Education: Mr. Landtmeters holds a Master's Degree in Applied Economics and Engineering from the University of Antwerp, Belgium.</p>
<p>Krishnan Anand Chief Growth Officer Of Molson Coors Since October 2016</p>	<p>Business Experience: Prior to his current role, Mr. Anand served as President and Chief Executive Officer of Molson Coors International from December 2009 to October 2016. Before joining Molson Coors, Mr. Anand held a variety of positions at The Coca Cola Company, most recently as president of Coca Cola's Philippine business from 2007 to 2009. He also served as vice president of Coca Cola's Global Commercial Leadership from 2004 to 2007 and prior to that as vice president of global brands strategy. Mr. Anand was appointed to the board of directors of Wingstop Inc. in August 2018 and previously served on the board of directors of Popeyes Louisiana Kitchen Inc. (NASDAQ: PLKI) from November 2010 to 2017. He also served in various senior marketing strategy roles with Unilever in India from 1980 to 1996.</p> <p>Education: Mr. Anand holds an M.B.A. degree from the Indian Institute of Management.</p>
<p>Celso L. White Chief Supply Chain Officer Of Molson Coors Since January 2013</p>	<p>Business Experience: Prior to serving in his current role, Mr. White served as Chief Supply Chain Officer of Molson Coors International from September 2010 to January 2013. Prior to joining Molson Coors, he was Pepsi Cola's vice president and general manager of Concentrate Operations, responsible for the Americas and parts of Asia from 2004 to 2010.</p> <p>Education: Mr. White holds an M.B.A. with concentration in Operations Management from DePaul University and a Bachelor of Science degree in electrical engineering from Bradley University.</p>

* <http://www.molsoncoors.com/en/our-people/board-of-directors>

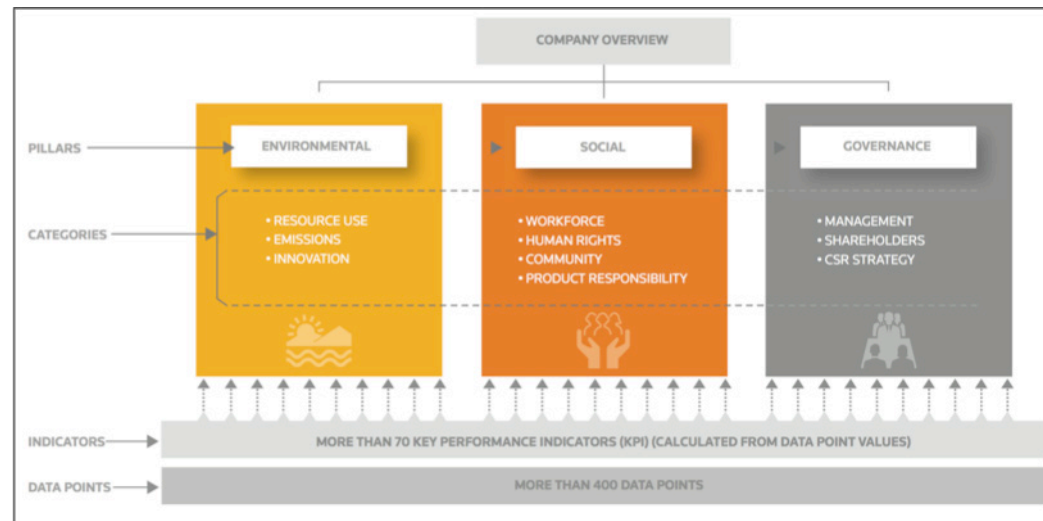
APPENDIX 2: BACKGROUND OF MOLSON COORS MANAGEMENT (3)*

NAME	BACKGROUND
<p>Michelle S. Nettles Chief People And Diversity Officer Of Molson Coors Since October 2016</p>	<p>Business Experience: Prior to serving in her current role, Ms. Nettles served as the Chief Human Resources Officer of MillerCoors from October 2014 to October 2016. She also served as senior director of diversity and integrated talent management for MillerCoors from June 2012 to September 2014. Before joining MillerCoors, Ms. Nettles served as the executive director for Quest Milwaukee, a K-12 program at Marquette University that provides services and support to private and charter schools in the City of Milwaukee from April 2007 to August 2009. Prior to joining Quest, Ms. Nettles worked for Miller Brewing Company in a number of capacities including Director, HR Strategic Projects and Assistant General Counsel.</p> <p>Education: Ms. Nettles holds a J.D. from the University of Wisconsin-Madison and a Bachelor of science degree from Florida A&M University.</p>
<p>E. Lee Reichert Chief Legal And Corporate Affairs Officer Of Molson Coors Since February 2018; And Secretary Of Molson Coors Since 2016</p>	<p>Business Experience: Prior to his current role, Mr. Reichert served as Deputy General Counsel of Molson Coors from 2012 to 2018 and as Chief Legal Officer of Molson Coors International from 2011 to 2017. Prior to joining Molson Coors, he was a partner at Lathrop & Gage, where he served on the firm's Executive Committee. He is an elected member of the American Law Institute.</p> <p>Education: Mr. Reichert holds a J.D. from University of Illinois College of Law and a bachelor's degree from Colgate University.</p>

* <http://www.molsoncoors.com/en/our-people/board-of-directors>

APPENDIX 3: THOMSON REUTERS EIKON ESG SCORE SYSTEM

- We utilise Thomson Reuters ESG scores to evaluate a company's ESG efforts.
- Thomson Reuters offers one of the most comprehensive ESG databases in the industry covering over 6,000 public companies, across more than 400 different company level ESG metrics.



Thomson Reuters ESG Framework



Score Range	Grade
0.0 <= score <= 0.083333	D -
0.083333 < score <= 0.166666	D
0.166666 < score <= 0.250000	D +
0.250000 < score <= 0.333333	C -
0.333333 < score <= 0.416666	C
0.416666 < score <= 0.500000	C +
0.500000 < score <= 0.583333	B -
0.583333 < score <= 0.666666	B
0.666666 < score <= 0.750000	B +
0.750000 < score <= 0.833333	A -
0.833333 < score <= 0.916666	A
0.916666 < score <= 1	A +

Thomson Reuters ESG Score Range / Grade

‘INDEPENDENT THINKING – DISCIPLINED INVESTING’

INDEPENDENT THINKING

[In-de-pend-ent Think-ing] **inde'pendənt THiNkiNG** *verb*

Is essential to long-term investment success. We are often contrarian and do not pay attention to index compositions when making investment decisions. We believe that when you're several thousand miles away from Wall Street in a different nation, it's easier to be independent and buy the things that other people are selling, and sell the things that other people are buying. We also believe that cash is sometimes the most attractive investment.

DISCIPLINED INVESTING

[Dis-ci-plined In-vest-ing] **disciplinəd inves'ting** *verb*

The market presents opportunities every day, but disciplined investing is as much about the opportunities you do not take. Our investments are premised on the concept of “Margin of Safety” which we believe reduces risk.

37B George Street, Newmarket
Auckland 1023, New Zealand

Phone: + 64 9 379 6493

Website: www.elevationcapital.co.nz

Email: info@elevationcapital.co.nz

Twitter: [ElevationNZ](https://twitter.com/ElevationNZ)

