

up to approximately \$100 million in 2021. We continue to analyze the potential cash impacts of the final regulations to minimize cash outflows over time.

During the third quarter of 2020, the U.K. government enacted, and royal assent was received for, legislation to repeal the previously enacted reduction to the U.K. corporate income tax rate. This legislation changed the previously anticipated corporate income tax rate of 17% back to 19%. Remeasurement of our deferred tax liabilities under the higher income tax rate resulted in the recognition of additional tax expense of approximately \$6 million in 2020.

Our tax rate can be more or less volatile and may change with, among other things, the amount and source of pre-tax income or loss, our ability to utilize foreign tax credits, excess tax benefits or deficiencies from share-based compensation, changes in tax laws, and the movement of liabilities established pursuant to accounting guidance for uncertain tax positions as statutes of limitations expire, positions are effectively settled, or when additional information becomes available. There are proposed or pending tax law changes in various jurisdictions and other changes to regulatory environments in countries in which we do business that, if enacted, may have an impact on our effective tax rate.

See Part II—Item 8 Financial Statements and Supplementary Data, [Note 6, "Income Tax"](#) for additional details regarding our effective tax rate.

## Segment Results of Operations

### North America Segment

	For the years ended			
	December 31, 2020	Change	December 31, 2019	Change
	(In millions, except percentages)			
	December 31, 2020		December 31, 2019	December 31, 2018
Financial volume in hectoliters <sup>(1)</sup>	65.010	(6.0)%	69.180	72.283
Sales <sup>(1)</sup>	\$ 9,505.8	(4.8)%	\$ 9,985.3	\$ 10,157.4
Excise taxes	(1,268.8)	(7.2)%	(1,367.1)	(1,433.0)
Net sales <sup>(1)</sup>	8,237.0	(4.4)%	8,618.2	8,724.4
Cost of goods sold <sup>(1)</sup>	(4,983.1)	(2.5)%	(5,112.5)	(5,112.3)
Gross profit	3,253.9	(7.2)%	3,505.7	3,612.1
Marketing, general and administrative expenses	(1,960.2)	(9.5)%	(2,166.5)	(2,211.2)
Special items, net <sup>(2)</sup>	(212.5)	(69.0)%	(685.6)	261.9
Operating income	1,081.2	65.4 %	653.6	1,662.8
Interest income (expense), net	(2.4)	N/M	2.8	8.8
Other income (expense), net	1.7	N/M	(11.4)	(9.7)
Income (loss) before income taxes	\$ 1,080.5	67.5 %	\$ 645.0	\$ 1,661.9

N/M = Not meaningful

- (1) Excludes royalty volume of 2.052 million hectoliters, 2.258 million hectoliters and 2.014 million hectoliters for 2020, 2019 and 2018, respectively. The results for 2019 and 2018 have been recast to reflect the segment changes as part of the revitalization plan.
- (2) Includes gross inter-segment sales, purchases, and volumes, which are eliminated in the consolidated totals.
- (3) See Part II—Item 8 Financial Statements and Supplementary Data, [Note 7, "Special Items"](#) for detail of special items.

### Significant events

We continue to monitor the coronavirus pandemic, which had a material adverse effect on our North America results of operations for fiscal year 2020 and we expect it will continue to have a material adverse effect on our results of operations in 2021. We experienced a significant adverse impact in the first half of 2020 resulting from the initial closure of, and subsequent continued impacts to, the on-premise channel. While we began to see some of the on-premise return in June, due to limitations and restrictions as well as consumer uncertainty, volume has not returned to pre-pandemic levels. Additionally, continuing governmental or societal impositions on bars and restaurants and restrictions on public gatherings including the growing risk of a return of shutdowns, especially if prolonged in nature, we expect will continue to have adverse effects on on-premise traffic and, in turn, our business performance, cash flows and liquidity. Further, the CAD has become volatile as a result of the