

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 5, 2021

CONSTELLATION BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-08495
(Commission
File Number)

16-0716709
(IRS Employer
Identification No.)

207 High Point Drive, Building 100, Victor, NY 14564
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(585) 678-7100**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock	STZ	New York Stock Exchange
Class B Common Stock	STZ.B	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On January 5, 2021, Constellation Brands, Inc. (“Constellation”) issued a news release announcing that it has completed the sale to E. & J. Gallo Winery (“Gallo”) of a portion of Constellation’s wine and spirits portfolio principally consisting of brands priced at \$11.00 retail and below, including certain related facilities located in California, New York, and Washington State. Constellation also announced the completion of the separate but related sale to Gallo of the Nobilo wine brand and certain related assets and liabilities, as well as the completion of the sale to Vie-Del Company of certain brands used in Constellation’s grape juice concentrate business, together with related inventory, interests in certain contracts, and liabilities. A copy of the release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

On January 5, 2021, Constellation issued a news release announcing the full redemption of its 3.75% Senior Notes due 2021. A copy of the release is furnished herewith as Exhibit 99.2 and is incorporated herein by reference.

References to Constellation’s website and/or other social media sites or platforms in the release do not incorporate by reference the information on such websites, social media sites or platforms into this Current Report on Form 8-K, and Constellation disclaims any such incorporation by reference. The information in the news releases attached as Exhibit 99.1 and Exhibit 99.2 is incorporated by reference into this Item 7.01 in satisfaction of the public disclosure requirements of Regulation FD. This information is “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and is not otherwise subject to the liabilities of that section. Such information may be incorporated by reference in another filing under the Securities Exchange Act of 1934 or the Securities Act of 1933 only if and to the extent such subsequent filing specifically references the information incorporated by reference herein.

Item 8.01 Other Events.

On January 5, 2021, Constellation and Gallo completed Gallo’s acquisition of a portion of Constellation’s wine and spirits portfolio, described in Constellation’s Current Report on Form 8-K dated May 22, 2020, filed with the United States Securities and Exchange Commission on May 29, 2020, and principally consisting of brands priced at \$11.00 retail and below, including certain related facilities located in California, New York, and Washington State (the “Wine and Spirits Transaction”). The aggregate transaction price for the assets sold in the Wine and Spirits Transaction was approximately \$810 million, consisting of (i) \$560 million in cash paid at closing, which amount is subject to certain post-closing adjustments plus (ii) the opportunity for Constellation to receive up to \$250 million in aggregate incremental contingent consideration payments if the acquired brands meet certain brand performance targets over a two-year period following the January 5, 2021, completion of the Wine and Spirits Transaction. Also on January 5, 2021, Constellation announced the completion by Constellation of its previously disclosed separate but related sale to Gallo of the Nobilo wine brand and certain related assets and liabilities, as previously described in Constellation’s Current Report on Form 8-K dated June 22, 2020, filed with the United States Securities and Exchange Commission on June 25, 2020 (the “Nobilo Transaction”). The aggregate transaction price for the assets sold in the Nobilo Transaction was approximately \$130 million in cash paid at closing, which amount is subject to certain post-closing adjustments. Additionally on January 5, 2021, Constellation announced the completion of its previously disclosed sale to Vie-Del Company of certain brands used in Constellation Brands U.S. Operations, Inc.’s (“CBUSO”) concentrates and high-color concentrates business, and certain related intellectual property, inventory, goodwill, interests in certain contracts, assets, and liabilities, described in Constellation’s Current Report on Form 8-K dated June 24, 2020, filed with the United States Securities and Exchange Commission on June 29, 2020. CBUSO is a wholly-owned subsidiary of Constellation.

Following the consummation of the Wine and Spirits Transaction, on January 5, 2021, Constellation also announced the full redemption of its 3.75% Senior Notes due May 2021, for which, as of January 5, 2021, there were \$500 million in aggregate principal amount of the notes outstanding.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The word “expect,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These statements may relate to business strategy, future operations and business, prospects, plans and objectives of management, as well as information concerning expected actions of third parties. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements.

The forward-looking statements are based on management’s current expectations and should not be construed in any manner as a guarantee that such results will in fact occur or will occur on the timetable contemplated hereby. Consummation of the previously announced Paul Masson Grande Amber Brandy transaction is subject to the satisfaction of certain closing conditions. There can be no assurance that the Paul Masson Grande Amber Brandy transaction will occur or will occur on the contemplated terms, conditions or timetable, or that Constellation will receive any incremental contingent consideration payment or any specific amount of incremental contingent consideration payment associated with the Wine and Spirits Transaction. All forward-looking statements speak only as of the date of this Current Report on Form 8-K and Constellation does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition to risks and uncertainties associated with ordinary business operations, the forward-looking statements contained in this Current Report on Form 8-K are subject to other risks and uncertainties, including completion of the Paul Masson Grande Amber Brandy transaction on the expected terms, conditions and timetables; actual purchase price adjustments and other actual post-closing adjustments; the actual performance of brands whose performance is relevant for determination of the incremental contingent consideration payment opportunity; the accuracy of all other projections and estimates; and other factors and uncertainties disclosed from time-to-time in Constellation Brands, Inc.’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended February 29, 2020, which could cause actual future performance to differ from current expectations.

Item 9.01 Financial Statements and Exhibits.

For the exhibits that are furnished herewith, see the Index to Exhibits immediately following.

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
(99)	ADDITIONAL EXHIBITS
(99.1)	News Release of Constellation Brands, Inc. dated January 5, 2021 (filed herewith).
(99.2)	News Release of Constellation Brands, Inc. dated January 5, 2021 regarding full redemption of 3.75% Senior Notes due 2021 (filed herewith).
(104)	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 5, 2021

CONSTELLATION BRANDS, INC.

By: /s/ Garth Hankinson
Garth Hankinson
Executive Vice President and
Chief Financial Officer



PRESS RELEASE

#WORTHREACHINGFOR |  

CONSTELLATION BRANDS COMPLETES WINE AND SPIRITS TRANSACTIONS WITH E. & J. GALLO TO FOCUS PORTFOLIO ON CONSUMER PREMIUMIZATION TRENDS

VICTOR, N.Y., Jan. 5, 2021- Constellation Brands, Inc. (NYSE: STZ and STZ.B), a leading beverage alcohol company, announced today that it has closed its transaction with E. & J. Gallo Winery to divest a portion of Constellation's wine and spirits portfolio principally priced at \$11 retail and below, including certain related facilities located in California, New York, and Washington state. The aggregate transaction price was approximately \$810 million, consisting of approximately \$560 million in cash paid at closing and the opportunity to receive up to \$250 million in earnout payments if brand performance targets are met over a two-year period after closing. The transaction price reflects various adjustments of approximately \$220 million related primarily to changes in inventory for which Constellation has already received the benefit.

Constellation also closed its separate but related transaction with Gallo to divest the Nobile wine brand and certain related assets and liabilities for approximately \$130 million, subject to certain post-closing adjustments.

"The closing of these deals positions our wine and spirits business for accelerated revenue growth and operating margin performance going forward," said Bill Newlands, Constellation Brands' president and chief executive officer. "We continue to see the staying power of consumer-driven premiumization trends, and these moves align with our vision of building a winning portfolio of bold and distinctive higher-end brands. We are grateful for the dedication of our internal teams, and the support and collaboration from Gallo and our business partners to help us close these transactions and ensure as smooth a transition as possible."

Separately, Constellation has also closed its transaction with Vie-Del Company to divest certain brands used in Constellation's grape juice concentrate business, together with related inventory, interests in certain contracts, and liabilities. Constellation's agreement with Sazerac to divest the Paul Masson Grande Amber Brandy brand, related inventory, and interests in certain contracts for approximately \$255 million, subject to certain closing and post-closing adjustments, has been authorized by the Federal Trade Commission and is expected to close in January 2021.

Constellation's remaining wine and spirits portfolio represents a collection of powerhouse brands such as the iconic Robert Mondavi brand family, The Prisoner Wine Company brand family, Kim Crawford - the #1 sauvignon blanc in the U.S. market, Meiomi - the #1 pinot noir in the U.S., and SVEDKA Vodka - the #1 imported vodka in the U.S. The company's portfolio also includes a collection of highly-rated, higher-end brands such as SIMI, Schrader Cellars, Mount Veeder Winery, High West Whiskey, and Casa Noble Tequila, as well as premium wine innovations such as Unshackled, High West barrel finished cocktails, Meiomi Cabernet Sauvignon, and Kim Crawford Illuminate.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The word "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These statements may relate to business strategy, future operations, future revenue growth, future operating margin performance, prospects, plans, and objectives of management, as well as information concerning expected actions of third

parties. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements.

The forward-looking statements are based on management's current expectations and should not be construed in any manner as a guarantee that such results will in fact occur or will occur on any contemplated timetable. All forward-looking statements speak only as of the date of this news release and Constellation Brands undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. There can be no assurance that Constellation Brands will receive any earnout (contingent consideration) from its recently completed Wine and Spirits Transaction with E. & J. Gallo Winery. The pending Paul Masson Grande Amber Brandy transaction with Sazerac Investments, LLC is subject to closing conditions. There can be no assurance the Paul Masson Grande Amber Brandy transaction will occur or will occur on the terms, conditions or timetable contemplated hereby or that Constellation will receive any specific amount of proceeds from that transaction.

In addition to risks and uncertainties associated with ordinary business operations, the forward-looking statements contained in this news release are subject to other risks and uncertainties, including completion of the Paul Masson Grande Amber Brandy transaction; actual purchase price adjustments and other actual post-closing adjustments; the actual market performance of brands included in the contingent consideration payment opportunity; the accuracy of all projections; and other factors and uncertainties disclosed from time-to-time in Constellation Brands' filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended February 29, 2020, which could cause actual future performance to differ from current expectations.

ABOUT CONSTELLATION BRANDS

At Constellation Brands (NYSE: STZ and STZ.B), our mission is to build brands that people love because we believe sharing a toast, unwinding after a day, celebrating milestones, and helping people connect, are Worth Reaching For. It's worth our dedication, hard work, and the bold calculated risks we take to deliver more for our consumers, trade partners, shareholders, and communities in which we live and work. It's what has made us one of the fastest-growing large CPG companies in the U.S. at retail, and it drives our pursuit to deliver what's next.

Today, we are a leading international producer and marketer of beer, wine, and spirits with operations in the U.S., Mexico, New Zealand, and Italy. Every day, people reach for our high-end, iconic imported beer brands such as Corona Extra, Corona Light, Corona Premier, Modelo Especial, Modelo Negra, and Pacifico, and our high-quality premium wine and spirits brands, including the Robert Mondavi Brand Family, Kim Crawford, Meiomi, The Prisoner Brand Family, SVEDKA Vodka, Casa Noble Tequila, and High West Whiskey.

But we won't stop here. Our visionary leadership team and passionate employees from barrel room to boardroom are reaching for the next level, to explore the boundaries of the beverage alcohol industry and beyond. Join us in discovering what's Worth Reaching For.

To learn more, follow us on Twitter [@cbrands](#) and visit www.cbrands.com.

MEDIA CONTACTS

Mike McGrew 773-251-4934 / michael.mcgreg@cbrands.com
Amy Martin 585-678-7141 / amy.martin@cbrands.com

INVESTOR RELATIONS CONTACTS

Patty Yahn-Urlaub 585-678-7483 / patty.yahn-urlaub@cbrands.com
Marisa Pepelea 312-741-2316 / marisa.pepelea@cbrands.com



PRESS RELEASE

#WORTHREACHINGFOR |  

CONSTELLATION BRANDS ANNOUNCES FULL REDEMPTION OF 3.75% SENIOR NOTES DUE 2021

VICTOR, N.Y., Jan. 5, 2021 -Constellation Brands, Inc. (NYSE: STZ and STZ.B), a leading beverage alcohol company, announced today that it has given notice for full redemption prior to maturity of all of its outstanding 3.75% Senior Notes due 2021 (CUSIP Number: 21036PAK4) (the "notes") to be effected on February 4, 2021 (the "redemption date"). As of January 5, 2021, there were \$500.0 million in aggregate principal amount of the notes outstanding.

The redemption price for the notes, payable in cash, will be calculated pursuant to the formula set forth in the supplemental indenture relating to the notes, and will include a make-whole premium of approximately \$4.0 million.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Statements which are not historical facts and relate to future plans, events or performance are forward-looking statements that are based upon management's current expectations and are subject to risks and uncertainties. The forward-looking statements are based on management's current expectations and should not be construed in any manner as a guarantee that such events or results will in fact occur. All forward-looking statements speak only as of the date of this news release and Constellation Brands undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Detailed information regarding risk factors with respect to the company are included in the company's filings with the SEC.

ABOUT CONSTELLATION BRANDS

Constellation Brands is an international producer and marketer of beer, wine and spirits with operations in the U.S., Mexico, New Zealand, and Italy. Constellation is the third-largest beer company in the U.S. and a leading, higher-end wine and spirits company in the U.S. market. Constellation's brand portfolio includes Corona Extra, Corona Light, Corona Premier, Modelo Especial, Modelo Negra, Pacifico, the Robert Mondavi brand family, Kim Crawford, Meiomi, The Prisoner brand family, SVEDKA Vodka, Casa Noble Tequila, and High West Whiskey.

MEDIA CONTACTS

Mike McGrew 773-251-4934 / michael.mcgreg@cbrands.com
Amy Martin 585-678-7141 / amy.martin@cbrands.com

INVESTOR RELATIONS CONTACTS

Patty Yahn-Urlaub 585-678-7483 / patty.yahn-urlaub@cbrands.com
Marisa Pepelea 312-741-2316 / marisa.pepelea@cbrands.com