

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) November 2, 2023

**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:

<b><u>Title of Each Class</u></b>	<b><u>Trading Symbol(s)</u></b>	<b><u>Name of Each Exchange on Which Registered</u></b>
Class A Common Stock	STZ	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 November 2, 2023, Constellation Brands, Inc. ("Constellation" or the "Company") issued a news release (the "release") regarding, and presentation materials (the "materials") to be used by the Company at, its Investor Day event on Thursday, November 2, 2023. The materials address, among other things, the Company's strategic business initiatives, financial metrics, operating performance, environmental, social, and governance approach, as well as outlook for the future. A copy of each of the release and the materials are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively, and each is incorporated herein by reference.

References to Constellation's website and/or other social media sites or platforms in the release and the materials 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 release and the materials attached as Exhibit 99.1 and Exhibit 99.2 are 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 November 2, 2023, the Company's Board of Directors authorized the repurchase of up to \$2 billion of the Company's publicly traded common stock. Share repurchases under the new authorization, which is in addition to the remaining amount available under the Company's current \$2 billion share repurchase authorization, may be accomplished at management's discretion from time to time based on market conditions, the Company's cash and debt position, and other factors as determined by management. Shares may be repurchased through open market or privately negotiated transactions.

**Item 9.01 Financial Statements and Exhibits.**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	<a href="#"><u>News Release of Constellation Brands, Inc. dated November 2, 2023.</u></a>
99.2	<a href="#"><u>Constellation Brands, Inc. Presentation Materials dated November 2, 2023.</u></a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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## **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: November 2, 2023

CONSTELLATION BRANDS, INC.

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



# PRESS RELEASE

#WORTHREACHINGFOR | VISIT US   

## CONSTELLATION BRANDS TO OUTLINE STRATEGIC FOUNDATION FOR CONTINUED GROWTH AT 2023 INVESTOR DAY

*Beer Business Medium-Term ~7-9% Net Sales Growth and ~39-40% Operating Margins Outlook Unchanged*  
*Wine & Spirits Business Now Expects Medium-Term ~1-3% Net Sales Growth and ~25-26% Operating Margins*  
*Company Targeting Annual Low Double-Digit Diluted EPS Growth (Excluding Canopy EIE) Over Medium-Term*  
*Expects Cumulative \$15-17B Operating Cash Flow and \$10-12B Free Cash Flow from Fiscal 2024 to Fiscal 2028*  
*Capital Allocation Priorities Unchanged, Company Announces Additional \$2B Share Repurchase Authorization*

**VICTOR, N.Y., Nov. 2, 2023** – Constellation Brands, Inc. (NYSE: STZ), a leading beverage alcohol company, will today reinforce its strategic foundation for continued growth at its Investor Day hosted at 2:00 p.m. EDT at the New York Stock Exchange in New York City. The event will provide investors, analysts, and other stakeholders with a comprehensive overview of the company's continued value creation opportunities supported by its strategic priorities.

"We remain extremely optimistic about the future outlook of our business and look forward to sharing our plans to continue to deliver shareholder value," said Bill Newlands, Constellation Brands' President and Chief Executive Officer. "We are confident in our ability to deliver sustained, strong profitable growth through our strategy, which remains focused on continuing to drive our iconic high-end portfolio, consumer-led innovation, disciplined capital allocation, and advancing our ESG commitments."

"We are pleased to see Constellation Brands' continued commitment to profitable growth, prudent capital allocation and enhanced governance," said Marc Steinberg, Elliott Management Senior Portfolio Manager, and Michael Goldberg, Elliott Management Portfolio Manager. "As investors will see today, the Company's strategy includes a double-digit earnings-per-share growth target supported by the Beer Business' sustainable volume trajectory and a capital-allocation approach prioritizing organic investment and shareholder returns. We look forward to continuing to work with Bill and the team as they drive further shareholder value creation."

During the event, members of Constellation Brands' executive and broader leadership teams will present insights into the company's leading performance and plans for ongoing success, including through:

### **Continuing to Deliver Best-in-Class Growth and Profitability from Beer Business**

Constellation remains committed to delivering best-in-class ~7-9% annual net sales growth for its Beer Business over the medium term, mainly driven by strong volume growth due to continued high consumer demand for its brands. The company's core beer brands continue to have significant momentum, with Modelo Especial becoming the #1 dollar sales beer brand in U.S. tracked channels, Corona Extra also holding a top five spot across the entire market, and Pacifico doubling in size since fiscal 2019 to a top 10 high-end brand. The company also expects its Beer Business to deliver operating margins of ~39-40% and achieve increased cash generated over the medium term. This will support, among other things, an optimized investment plan for brewing capacity expansions amounting to 18 million hectoliters from its fiscal year 2024 through fiscal year 2028. The revised expansion plans account for capacity additions from brewery efficiency and optimization initiatives, which will reduce previously anticipated capital expenditures by approximately \$1 billion.





## Driving Growth and Higher Profitability of Wine & Spirits Business

The company anticipates sequential improvement in the top-line and profitability of its Wine & Spirits Business, reaching ~1-3% net sales growth and ~25-26% operating margins over the medium term. Constellation's Wine & Spirits portfolio underwent significant transformation over the last several years, doubling its number of fine wine and craft spirits brands since fiscal year 2019. Notable higher-end acquisitions, including Casa Noble, Meiomi, The Prisoner Wine Company, High West, and My Favorite Neighbor, have underpinned this transformation with further growth delivered through innovative varietal, betterment, and ready-to-drink cocktail extensions to these brands. The Wine & Spirits Business is also making progress broadening its avenues for growth by significantly increasing sales in direct-to-consumer channels and expanding share in international markets.

## Targeting Low Double-Digit Diluted EPS Growth (Excluding Canopy EIE) and Incremental Cash Flows

Strong outlooks in both the Beer and Wine & Spirits Business give the company confidence to aim to deliver double-digit diluted EPS growth (excluding Canopy EIE) as part of its medium-term algorithm. In addition, the company anticipates a step-up in operating cash flow growth, which combined with optimized organic investments primarily focused on supporting incremental brewing capacity, are expected to enable the company to deliver between \$10 and \$12 billion in free cash flow from its fiscal year 2024 to fiscal year 2028.

## Reinforced Capital Allocation Priorities, \$2 Billion Increase in Share Repurchase Authorization

The company remains committed to maintaining a disciplined financial foundation while balancing investments and additional returns. Its capital allocation priorities, originally introduced in its fiscal year 2020, are being reinforced, including strengthening its balance sheet; delivering significant cash returns to shareholders; continuing to invest in organic growth opportunities, particularly in its Beer Business; and executing tuck-in acquisitions, primarily to close gaps in its Wine & Spirits portfolio in-line with prior successful transactions. Notably, the company's Board recently authorized an incremental \$2 billion in share repurchases.

## ESG Progress Aligned with Business Objectives

Beginning in its fiscal year 2020, the company adopted an evolved approach to its environmental and social initiatives in an effort to more strategically align its ESG efforts to its business objectives. Constellation's ESG focus areas include serving as good stewards of the environment and natural resources, enhancing social equity within its industry and communities, and promoting the responsible consumption of beverage alcohol. Progress made in these areas, including surpassing its original target of restoring 1.1 billion gallons of water withdrawals ahead of schedule, are detailed in the company's 2023 [ESG Impact Report](#).

Presentation materials and a live video webcast of the event will be made available through the company's investor relations website at [ir.cbrands.com](https://ir.cbrands.com) under the [News & Events](#) section. When the presentation begins, financial information discussed in the presentation, and a reconciliation of reported GAAP financial measures with comparable and other non-GAAP financial measures, will also be available on the company's investor relations website under the [Financial History](#) section. For anyone unable to participate in the webcast, a replay will be available on the company's investor relations website through the close of business on May 2, 2024.

## ABOUT CONSTELLATION BRANDS

Constellation Brands (NYSE: STZ) is a leading international producer and marketer of beer, wine, and spirits with operations in the U.S., Mexico, New Zealand, and Italy. Our mission is to build brands that people love because we believe elevating human connections is Worth Reaching For. It's worth our dedication, hard work, and calculated risks to anticipate market trends and deliver more for our consumers, shareholders, employees, and industry. This dedication is what has driven us to become one of the fastest-growing, large CPG companies in the U.S. at retail, and it drives our pursuit to deliver what's next.

Every day, people reach for our high-end, iconic imported beer brands such as those in the Corona brand family like the flagship Corona Extra, Modelo Especial and the flavorful lineup of Modelo Cheladas, Pacifico, and Victoria;



our fine wine and craft spirits brands, including The Prisoner Wine Company, Robert Mondavi Winery, Casa Noble Tequila, and High West Whiskey; and our premium wine brands such as Kim Crawford and Meiomi.

As an agriculture-based company, we have a long history of operating sustainably and responsibly. Our ESG strategy is embedded into our business and our work focuses on serving as good stewards of the environment, enhancing social equity within our industry and communities, and promoting responsible beverage alcohol consumption. These commitments ground our aspirations beyond driving the bottom line as we work to create a future that is truly Worth Reaching For.

To learn more, visit [www.cbrands.com](http://www.cbrands.com) and follow us on [X](#), [Instagram](#), and [LinkedIn](#).

## 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 and objectives, strategic priorities, growth plans, innovation, new products, future operations, financial position and targets, including expected net sales, operating margins, diluted EPS growth, operating cash flow, free cash flow, capital expenditures, capital allocation priorities, amount, manner, and timing of share repurchases under share repurchase authorizations, continued value creation opportunities, organic investments, ESG initiatives and efforts, investor day activities, and future 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. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur.

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. All forward-looking statements speak only as of the date of this news release 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 news release are subject to other risks and uncertainties, including 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 28, 2023 and its Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2023, which could cause actual future performance to differ from current expectations.

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## SUPPLEMENTAL FINANCIAL INFORMATION

The company discusses free cash flow, a non-GAAP measure, in this news release. Free cash flow, as defined in the reconciliation below, is considered a liquidity measure and is considered to provide useful information to investors about the amount of cash generated, which can then be used, after required debt service and dividend payments, for other general corporate purposes. A limitation of free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. Free cash flow should be considered in addition to, not as a substitute for, or superior to, cash flow from operating activities prepared in accordance with GAAP.

Range for  
Fiscal 2024 to Fiscal 2028

(in millions)

### Net cash provided by operating activities (GAAP)

Purchase of property, plant, and equipment

### Free cash flow (Non-GAAP)

\$	15,000.0	\$	17,000.0
	(5,000.0)		(5,000.0)
\$	<u>10,000.0</u>	\$	<u>12,000.0</u>

## MEDIA CONTACTS

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## INVESTOR RELATIONS CONTACTS

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# INVESTOR DAY 2023





# JOSEPH SUAREZ

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VICE PRESIDENT, INVESTOR RELATIONS



# INTRODUCTION



## — FORWARD-LOOKING STATEMENTS

This presentation, including the oral statements made in connection herewith, contain forward-looking statements that are based on certain assumptions, estimates, expectations, plans, analyses, and opinions made by management in light of their experience and perception of historical trends, current conditions, and expected future developments, as well as other factors management believes are appropriate in the circumstances. These forward-looking statements are subject to various risks and uncertainties, many of which are beyond our control, and which could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. When used in this presentation, words such as "anticipate," "intend," "expect," "plan," "continue," "estimate," "exceed," "may," "will," "project," "predict," "propose," "potential," "targeting," "exploring," "goal," "outlook," "forecast," "trend," "path," "scheduled," "implementing," "ongoing," "seek," "could," "might," "should," "believe," "vision," and similar words or expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Although we believe that the estimates, expectations, plans, and timetables reflected in the forward-looking statements are reasonable, they may vary from management's current estimates, expectations, plans, and timetables, and we can give no assurance that such estimates, expectations, plans, and timetables will prove to be correct, as actual results and future events and timetables could differ materially from those anticipated in such statements. Information provided in this presentation is necessarily summarized and may not contain all available material information.

All statements other than statements of historical fact in this presentation may be forward-looking statements, including without limitation statements regarding or applicable to our business strategy and vision, value proposition and opportunity, growth plans and growth drivers, innovation, new products, tools, and capabilities, brand building, digital leadership and capabilities, including through our Digital Business Acceleration initiative, future marketing strategies and spend, future focus areas, demographic and consumer projections and trends, future sales, space, partnership, distribution, and supply chain initiatives, our beer expansion, optimization, and/or construction activities, including anticipated scope, capacity, supply, costs, capital expenditures, and timeframes for completion, capital allocation priorities and commitments, future operations, financial position, liquidity and capital resources, net sales, costs, expenses, cost savings initiatives,

operating income, operating margins, leverage ratios, including target net leverage ratio, dividend payout ratio, depreciation, equity in earnings, interest expense, tax rates, non-controlling interests, diluted shares outstanding, EPS, cash flows, capital expenditures, and other financial metrics, expected volume, inventory, price/mix, and depletion trends, near- and medium-term financial models and targets, the continued refinement of our wine and spirits portfolio, wine and spirits optimization and efficiency initiatives, future acquisition, disposition, and investment activities, our ESG approach, corporate social responsibility and sustainability initiatives, environmental stewardship targets, and human capital and DEI objectives, ambitions, and priorities, the manner, timing, and duration of our share repurchase program and source of funds for share repurchases, the amount and timing of future dividends, anticipated inflationary pressures, changing prices, and reductions in consumer discretionary income as well as other unfavorable global and regional economic conditions, geopolitical events, and military conflicts, and our responses thereto, and prospects, plans, and objectives of management.



# — FORWARD-LOOKING STATEMENTS

In addition to the risks and uncertainties of ordinary business operations and conditions in the general economy and markets in which we compete, our forward-looking statements contained in this presentation are also subject to the risk, uncertainty, and possible variance from our current expectations regarding: water, agricultural and other raw material, and packaging material supply, production, and/or shipment difficulties which could adversely affect our ability to supply our customers; the ability to respond to anticipated inflationary pressures, including reductions in consumer discretionary income and our ability to pass along rising costs through increased selling prices; the actual impact to supply, production levels, and costs from global supply chain disruptions and constraints, transportation challenges (including from labor strikes or other labor activities), shifting consumer behaviors, wildfires, and severe weather events; reliance on complex information systems and third-party global networks; the actual balance of supply and demand for our products, the actual performance of our distributors, and the actual demand, net sales, channel proportions, and volume trends for our products; beer operations expansion, optimization, and/or construction activities, scope, capacity, supply, costs (including impairments), capital expenditures, and timing; results of the potential sale of the remaining assets at the Mexicali Brewery or obtaining other forms of recovery; the impact of the military conflicts in Ukraine and in Israel and surrounding areas, geopolitical tensions, and responses, including on inflation, supply chains, commodities, energy, and cybersecurity; contamination and degradation of product quality from diseases, pests, weather, and other conditions; communicable diseases outbreaks, pandemics, or other widespread public health crises, such as the COVID-19 pandemic, and associated governmental containment actions, which may include the closure of non-essential businesses (including our manufacturing facilities); the amount, timing, and source of funds for any share repurchases and number of shares outstanding; our cash and debt position; the amount and timing of future dividends which are subject to the determination and discretion of our Board of Directors; the impact of our investment in Canopy, including recording our proportional share of Canopy's estimated pre-tax losses; the accuracy of management's projections relating to the Canopy investment; the timeframe and amount of any potential future impairment of our investment in Canopy; Canopy's failure to receive the requisite approval of its shareholders necessary to approve the Canopy Transaction, any other delays with respect to, or the failure to complete, the Canopy Transaction, the ability to recognize the anticipated benefits of the Canopy Transaction and the impact of the Canopy Transaction on the market price of Canopy's common stock; completion of the Canopy Transaction, the exchange of our promissory note issued by Canopy for Exchangeable Shares, and the impact from converting our Canopy common shares for Exchangeable Shares on our relationship with and investment in Canopy; any impact of U.S. federal laws on Canopy Strategic Transactions or upon the implementation of such Canopy Strategic Transactions, or the impact of any Canopy Strategic Transaction upon our future ownership level in Canopy or our future share of Canopy's reported earnings and losses; the expected impacts of wine and spirits portfolio refinement activities; purchase accounting with respect to any transaction, or the assumptions used regarding the assets purchased and liabilities assumed to determine their fair value; general economic, geopolitical, domestic, international, and regulatory conditions, world financial market and banking sector instability, including economic slowdown or recession, and a potential U.S. federal government shutdown; the ability to continue to recognize anticipated benefits of the Reclassification; our targeted net leverage ratio due to market conditions, our ability to generate cash flow at expected levels, and our ability to generate expected earnings; accuracy of supply projections, including relating to beer operations expansion, optimization, and construction activities, wine and spirits operating activities, product inventory levels, and glass sourcing; our ability to achieve and timeframes for achieving expected target debt leverage ratios, cash flows, operating margin, earnings, and other financial metrics; operating and financial risks related to managing future growth; competition in our industry; financing, market, economic, regulatory, and environmental risks; reliance on key personnel; litigation matters; increases in capital or operating costs; changes to international trade agreements, tariffs, accounting standards, elections, assertions, or policies, tax laws, or other governmental regulations; changes in interest rates and the inherent unpredictability of currency fluctuations, commodity prices, and raw materials; any incremental contingent consideration payment paid; accuracy of all projections, including those associated with announced acquisitions, investments, and divestitures; accuracy of forecasts relating to joint venture businesses; the actual amount and timing of cost reductions based on management's final plans; and other factors and uncertainties disclosed from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended February 28, 2023, and our Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2023. Forward-looking statements are made as of November 2, 2023, and Constellation does not intend and expressly disclaims any obligation to update or revise the forward-looking information contained in this presentation, whether as a result of new information, future events, or otherwise, except as required by law. Accordingly, readers are cautioned not to place undue reliance on forward-looking information.



# USE OF NON-GAAP FINANCIAL MEASURES, DISCLAIMERS, CAUTION REGARDING OUTDATED MATERIAL, AND LOCATION OF DEFINED TERMS

This presentation may contain non-GAAP financial measures. These and other non-GAAP financial measures, the purposes for which management uses them, why management believes they are useful to investors, and a reconciliation to the most directly comparable GAAP financial measures can be found in the appendix of this presentation or at [ir.cbrands.com](http://ir.cbrands.com) under the *Financial Info/Financial History (Non-GAAP)* section. All references to profit measures and earnings per share on a comparable basis exclude items that affect comparability. Non-GAAP financial measures are also referred to as being presented on a comparable, adjusted, organic, or "excluding Canopy EIE" basis.

The notes offered under Constellation's commercial paper program have not been and will not be registered under the Securities Act of 1933 and may not be offered or sold in the U.S. absent registration or an applicable exemption from registration requirements. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy Constellation's notes under the commercial paper program.

Unless otherwise indicated, the information presented is as of November 2, 2023, and, to the best of Constellation's knowledge, timely and accurate when made. Thereafter, it should be considered historical and not subject to further update by Constellation.

Unless the context otherwise requires, the term "consumers" refers to LDA consumers and references to "betterment" products means Constellation's lower-alcohol, lower-calorie, non-alcoholic, or no-calorie products.

Constellation owned a 50% interest in the entity reflected in Beer Business reported figures for periods prior to June 7, 2013.

Market positions and industry data discussed in this presentation have been obtained or derived from industry and other third-party publications and our estimates. We have not independently verified the data from the industry and other third-party publications. Unless otherwise noted, all references to market positions are based on equivalent unit volume. Unless otherwise indicated, data discussed in this presentation is based on Constellation data, analysis, plans, and reporting.

A list of defined terms used within can be found in the appendix of this presentation.



## TODAY'S AGENDA

STRATEGIC  
OUTLOOK

CONSUMER  
INSIGHTS &  
INNOVATION

BEER  
BUSINESS

Q&A

WINE & SPIRITS  
BUSINESS

ESG

FINANCIAL  
OUTLOOK

Q&A

BILL  
NEWLANDS

MALLIKA  
MONTEIRO

JIM  
SABIA

BILL  
NEWLANDS

ROBERT  
HANSON

MIKE  
MCGREW

GARTH  
HANKINSON

BILL  
NEWLANDS

President & Chief Executive Officer	EVP & Chief Growth, Strategy & Digital Officer	EVP & President Beer Division	President & Chief Executive Officer	EVP & President Wine and Spirits Division	EVP & Chief Communications, CSR & Diversity Officer	EVP & Chief Financial Officer	President & Chief Executive Officer
		<b>BILL RENSPIE</b> Chief Customer Officer	<b>MALLIKA MONTEIRO</b> EVP & Chief Growth, Strategy & Digital Officer	<b>MATT MCHARGUE</b> SVP Fine Wine and Craft Spirits			<b>ROBERT HANSON</b> EVP & President Wine and Spirits Division
		<b>JOHN KESTER</b> SVP Operations Services	<b>JIM SABIA</b> EVP & President Beer Division	<b>SAM GLAETZER</b> SVP Global Operations & International Sales			<b>MIKE MCGREW</b> EVP & Chief Communications, CSR & Diversity Officer
		<b>TOM MCCORRY</b> SVP Finance		<b>LISA BROWN</b> SVP Supply Chain			<b>GARTH HANKINSON</b> EVP & Chief Financial Officer
				<b>KEN METZ</b> SVP Finance			
							 Constellation Brands



# INVESTOR DAY 2023



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# BILL NEWLANDS

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PRESIDENT AND CHIEF EXECUTIVE OFFICER

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# STRATEGIC OVERVIEW



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## OUR KEY HIGHLIGHTS FOR YOU TODAY

1

We remain confident in our strategy and plans for our  
**Beer Business to keep delivering best-in-class growth and profitability**



- 2 We continue to anticipate sequential improvement from the strategic transformation of our **Wine and Spirits Business to drive growth and higher profitability**
- 3 We are aiming to maintain our status as a top growth leader in CPG **targeting low double-digit diluted EPS growth as part of our medium-term algorithm**
- 4 We expect a step-up in operating cash flow growth and targeted organic investments to **yield \$10B to \$12B of free cash flow cumulatively from FY24 to FY28**
- 5 We are committed to our capital allocation priorities more broadly and our Board has **approved a \$2B increase in our share repurchase authorization to \$2.8B<sup>1</sup>**
- 6 We are making significant progress toward our ESG commitments and have **clear plans to further our ESG efforts in line with our business objectives**

<sup>1</sup> \$2B represents authorization approved by Board of Directors November 2023, \$0.8B represents remaining portion of authorization approved by Board of Directors in January 2021 to repurchase up to \$2.0B of the company's publicly traded common stock as of August 31, 2023.



## A COMPELLING VALUE PROPOSITION

### BEST-IN-CLASS GROWTH

10 consecutive years as a growth leader among CPG peers<sup>1</sup>



### FINANCIAL DISCIPLINE

Consistent capital allocation priorities since FY19

**1.0X**  
reduction in net leverage ratio<sup>2</sup>

**\$5.7B**

### ENHANCED STEWARDSHIP

Significant ESG improvements achieved in last year

**1 Share = 1 Vote**  
with Class B Collapse

**New Board**

### VALUE CREATION

Outperformance of total shareholder returns over multiple periods<sup>3</sup>



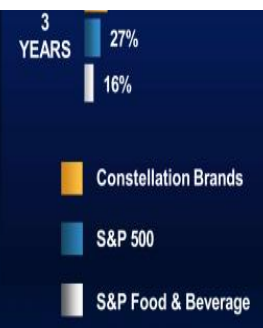


in dividends & share repurchases

**15M HL**  
additional beer brewing capacity

members and key roles rotated

**Water Stewardship**  
initial target exceeded



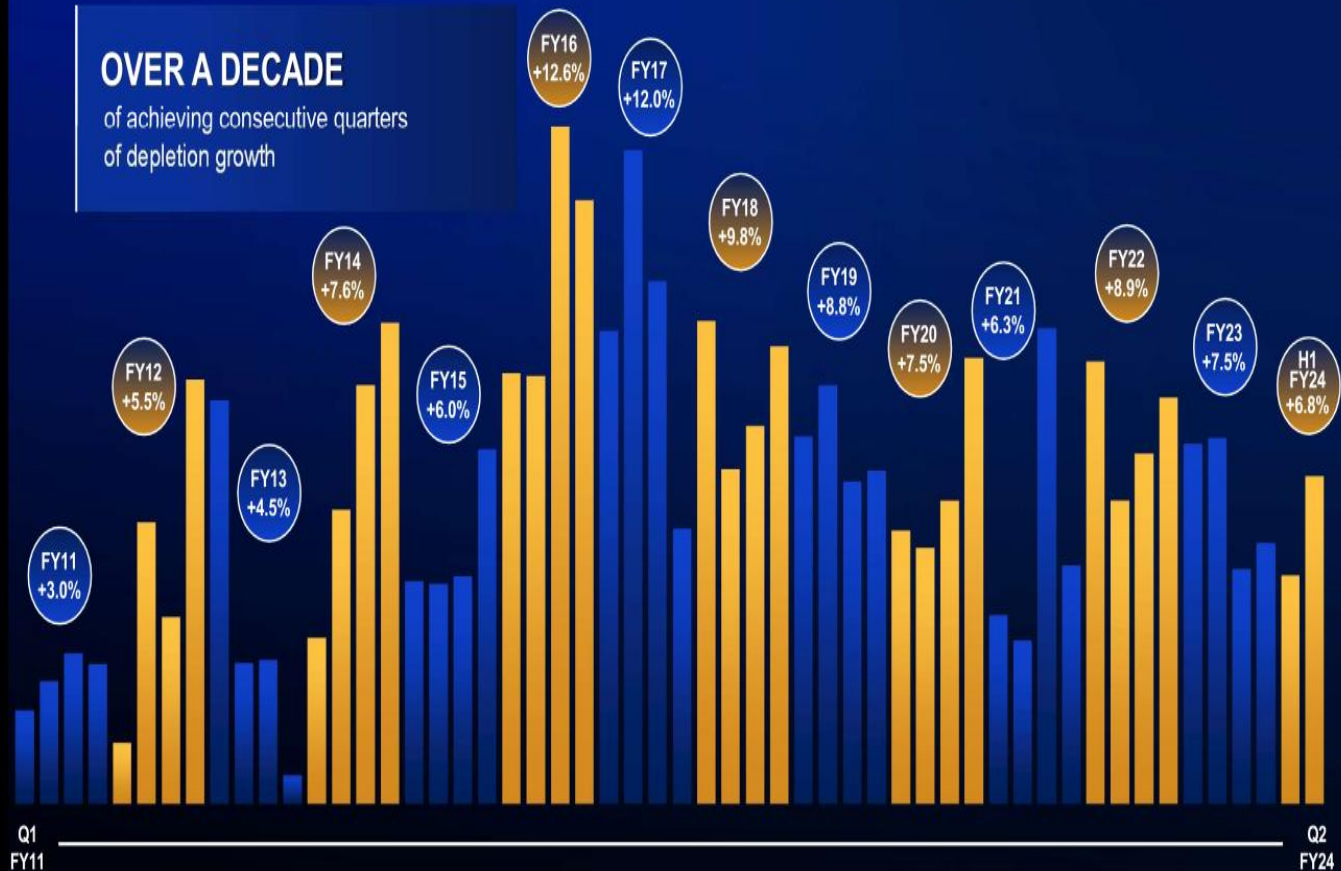
1 Source: Circana and BCG analysis.  
2 On a comparable basis excluding Canopy EIE.  
3 Source: FactSet data as of October 27, 2023.

## DELIVERING ON OUR COMMITMENTS

# DRIVING RELENTLESS GROWTH IN OUR BEER BUSINESS

### OVER A DECADE

of achieving consecutive quarters  
of depletion growth



Source: Company quarterly depletion growth rates from FY11 through Q2 FY24; highlighted percentages represent the depletion growth for the fiscal year and half year for H1 FY24; excludes import brands no longer within portfolio (St. Pauli Girl, Tsingtao, and Somersby).



# DELIVERING ON OUR COMMITMENTS

## DRIVING RELENTLESS GROWTH IN OUR BEER BUSINESS

Conviction and execution in our Beer Business have maintained its momentum

### BEER BUSINESS ANNUAL DEPLETION GROWTH



**~110** MILLION CASES SHIPPED  
**#6** BRAND IN U.S. BEER MARKET  
**#2** HIGH-END BEER IN U.S. MARKET



**~110** MILLION CASES SHIPPED  
**#7** BRAND IN U.S. BEER MARKET  
**#3** HIGH-END BEER IN U.S. MARKET



**~10** MILLION CASES SHIPPED  
**#33** BRAND IN U.S. BEER MARKET  
**#17** HIGH-END BEER IN U.S. MARKET

Source: Company annual depletion growth rates from FY11 through FY19 excluding import brands no longer within portfolio (St. Pauli Girl, Tsingtao, and Somersby); company shipment data; Circana, Total U.S. Multi-Outlet + Convenience, 52 weeks ending March 3, 2019.



# DELIVERING ON OUR COMMITMENTS

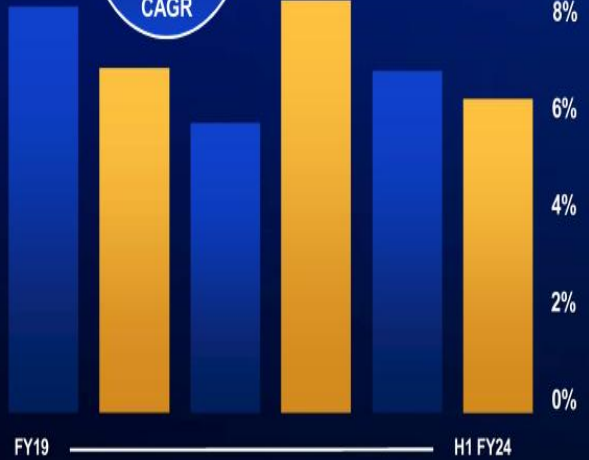
## DRIVING RELENTLESS GROWTH IN OUR BEER BUSINESS

Conviction and execution in our Beer Business have maintained its momentum

### BEER BUSINESS ANNUAL DEPLETION GROWTH

NOW

**~8%**  
FY19 TO  
H1 FY24 LTM  
CAGR



CERVEZA  
**Modelo**  
*Special*

**~180** MILLION CASES SHIPPED  
**#1** BRAND IN U.S. BEER MARKET  
**#1** HIGH-END BEER IN U.S. MARKET

CERVEZA  
**Corona**  
*Extra*

**~120** MILLION CASES SHIPPED  
**#5** BRAND IN U.S. BEER MARKET  
**#3** HIGH-END BEER IN U.S. MARKET

CERVEZA  
**PACIFICO**  
CLARA

**~20** MILLION CASES SHIPPED  
**#20** BRAND IN U.S. BEER MARKET  
**#9** HIGH-END BEER IN U.S. MARKET

Source: Company annual depletion growth rates from FY19 through H1 FY24 excluding import brands no longer within portfolio (St. Pauli Girl, Tsingtao, and Somersby); company shipment data for H1 FY24 LTM; Circana, Total U.S. Multi-Outlet + Convenience, 26 weeks ending September 3, 2023.

Constellation Brands

## DELIVERING ON OUR COMMITMENTS DRIVING RELENTLESS GROWTH IN OUR BEER BUSINESS

Conviction and execution in our Beer Business have maintained its momentum

CERVEZA  
**Modelo**  
*Special*

**+331BPS +391BPS**

DOLLAR SALES SHARE OF BEER  
Q2 FY24 LTM vs FY19

DOLLAR SALES SHARE OF BEER  
FY19 vs FY11

CERVEZA  
**Corona**  
*Extra*

**+46BPS +98BPS**

DOLLAR SALES SHARE OF BEER  
Q2 FY24 LTM vs FY19

DOLLAR SALES SHARE OF BEER  
FY19 vs FY11

CERVEZA  
**PACIFICO**  
CLARA

**+35BPS +14BPS**

DOLLAR SALES SHARE OF BEER  
Q2 FY24 LTM vs FY19

DOLLAR SALES SHARE OF BEER  
FY19 vs FY11



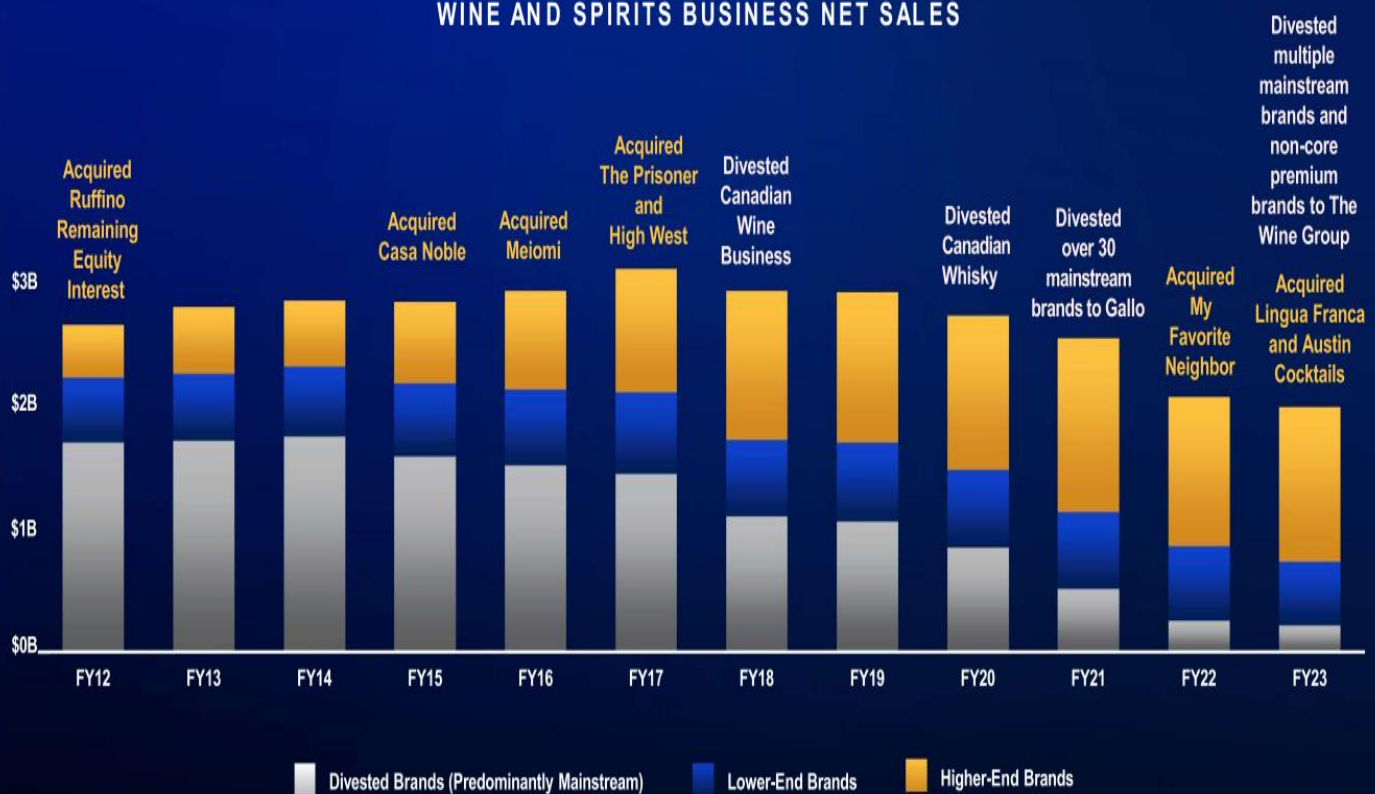
Source: Circana, Total U.S. Multi-Outlet + Convenience, 52 weeks ending September 3, 2023, 52 weeks ending March 3, 2019, and 52 weeks ending February 28, 2010.

 Constellation Brands

# DELIVERING ON OUR COMMITMENTS

## TRANSFORMING OUR WINE AND SPIRITS BUSINESS

### WINE AND SPIRITS BUSINESS NET SALES



Source: Company reported annual net sales from FY12 through FY23.



DELIVERING ON OUR COMMITMENTS

# TRANSFORMING OUR WINE AND SPIRITS BUSINESS

Our investments in scalable Wine and Spirits higher-end brands are delivering strong growth



MEIOMI®



HIGH WEST



**+30%**

DOLLAR SALES  
CAGR SINCE  
ACQUISITION

**+25%**

DOLLAR SALES  
CAGR SINCE  
ACQUISITION

**+28%**

DOLLAR SALES  
CAGR SINCE  
ACQUISITION

**+33%**

DOLLAR SALES  
CAGR SINCE  
ACQUISITION

**+23%**

DOLLAR SALES  
CAGR SINCE  
ACQUISITION

Source: Circana, Total U.S. Multi-Outlet + Convenience, 52 weeks ending August 31, 2014 (Casa Noble), August 2, 2015 (Meiomi), October 2, 2016 (The Prisoner, High West), November 14, 2021 (My Favorite Neighbor), and September 3, 2023.



DELIVERING ON OUR COMMITMENTS

# TRANSFORMING OUR WINE AND SPIRITS BUSINESS

More recent Wine and Spirits actions have accelerated the transformation of the Business

LARGEST  
BRANDS

GROWTH  
PROFILE

MARGIN  
PROFILE

SCALE &  
DISTRIBUTION

STRATEGIC  
RELEVANCE

	BRANDS	PROFILE	PROFILE	DISTRIBUTION	RELEVANCE
FY21 DIVESTITURES					
FY23 DIVESTITURES					
	Weak            Intermediate            Strong				Constellation Brands

# DELIVERING ON OUR COMMITMENTS

## TRANSFORMING OUR WINE AND SPIRITS BUSINESS

More recent Wine and Spirits actions have accelerated the transformation of the Business

	CURRENT PORTFOLIO	LARGEST BRANDS	GROWTH PROFILE	MARGIN PROFILE	SCALE & DISTRIBUTION	STRATEGIC RELEVANCE
HIGHER-END	CRAFT SPIRITS					
	FINE WINE					



## DELIVERING ON OUR COMMITMENTS

# TRANSFORMING OUR WINE AND SPIRITS BUSINESS

		FY19			FY24 Q2 LTM		
HIGHER-END	FINE WINE & CRAFT SPIRITS	11 BRANDS	8% OF NET SALES	~11% 1-YEAR DOLLAR SALES GROWTH	22 BRANDS	23% OF NET SALES	~13% 1-YEAR DOLLAR SALES GROWTH
	PREMIUM WINE	12 BRANDS	44% OF NET SALES	~9% 1-YEAR DOLLAR SALES GROWTH	5 BRANDS	42% OF NET SALES	~3% 1-YEAR DOLLAR SALES GROWTH
LOWER-END	MAINSTREAM WINE & SPIRITS	34 BRANDS	58% OF NET SALES	~0% 1-YEAR DOLLAR SALES GROWTH	4 BRANDS	35% OF NET SALES	~(5)% 1-YEAR DOLLAR SALES CHANGE

Source: Net Sales percentage represents portion of the Wine and Spirits Business; Circana, Total U.S. Multi-Outlet + Convenience, 52 weeks ending March 3, 2019 and September 3, 2023.



DELIVERING ON OUR COMMITMENTS

# A SOLID TRACK RECORD OF FOCUSED INNOVATION

Two clear consumer-led focus areas established to drive our innovation efforts

FY 19

## BETTERMENT OFFERINGS



## FLAVOR OFFERINGS



 Constellation Brands

DELIVERING ON OUR COMMITMENTS

# A SOLID TRACK RECORD OF FOCUSED INNOVATION

Significantly expanded innovation offerings aligned with two consumer-led focus areas

NOW

## BETTERMENT OFFERINGS

## FLAVOR OFFERINGS

Corona  
Light

Corona  
PREMIER

MEIOMI  
BRIGHT  
KIM CRAWFORD  
ILLUMINATE

Modelo  
Oro

Corona  
NON-ALCOHOLIC

SIMI



SVEDKA

MI CAMPO

Modelo  
CHELADA

Corona  
SELTZER

FRESCA  
MIXED

HIGH  
WEST

AUSTIN  
COCKTAILS

Modelo  
RANCH WATER

Corona  
TROPICAL  
PUNCH

WOODBIDGE  
Fruiful Blends



Constellation Brands

## DELIVERING ON OUR COMMITMENTS

# A SOLID TRACK RECORD OF FOCUSED INNOVATION

Strong share of growth delivered by focused, consumer-led innovation efforts

BEER BUSINESS  
INNOVATION

WINE & SPIRITS BUSINESS  
INNOVATION

95%  
CAGR

81%  
CAGR

**CAGR**  
FIVE-YEAR  
TRACKED CHANNELS  
ANALYSIS

**CAGR**  
FIVE-YEAR  
TRACKED CHANNELS  
ANALYSIS

Source: Constellation Brands CY23 mid-year innovation analysis; Circana, Total U.S. Multi-Outlet + Convenience, 52 weeks ending July 22, 2018 and July 16, 2023.



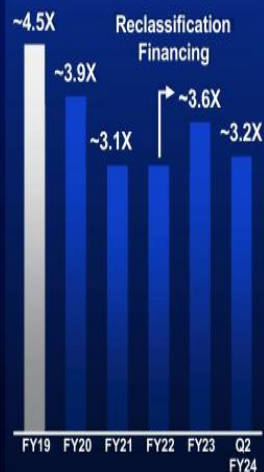
# DELIVERING ON OUR COMMITMENTS

## CONSISTENT, DISCIPLINED CAPITAL ALLOCATION

Firm delivery against our capital allocation priorities introduced in FY20

### SOLID INVESTMENT GRADE RATING

Reduced net leverage  
ratio to 3-3.5x



### DIVIDEND GROWTH IN-LINE WITH EARNINGS

Dividend payout ratio  
at ~30%



### ORGANIC INVESTMENTS TO SUPPORT GROWTH

Material uplift in  
brewing capacity



### SHARE REPURCHASES TO ENHANCE RETURNS

Total \$3B+ in  
share repurchases



### SMALLER / TUCK IN ACQUISITIONS

Fundamental shift  
in M&A spend



Note: Net leverage ratio defined as debt net of cash divided by comparable basis EBITDA excluding Canopy EIE. EBITDA is calculated on a comparable basis and is a non-GAAP financial measure. A reconciliation to the most directly comparable GAAP financial measure is included within the appendix. Payout ratio defined as dividend per share divided by comparable basis earnings per share excluding Canopy EIE.

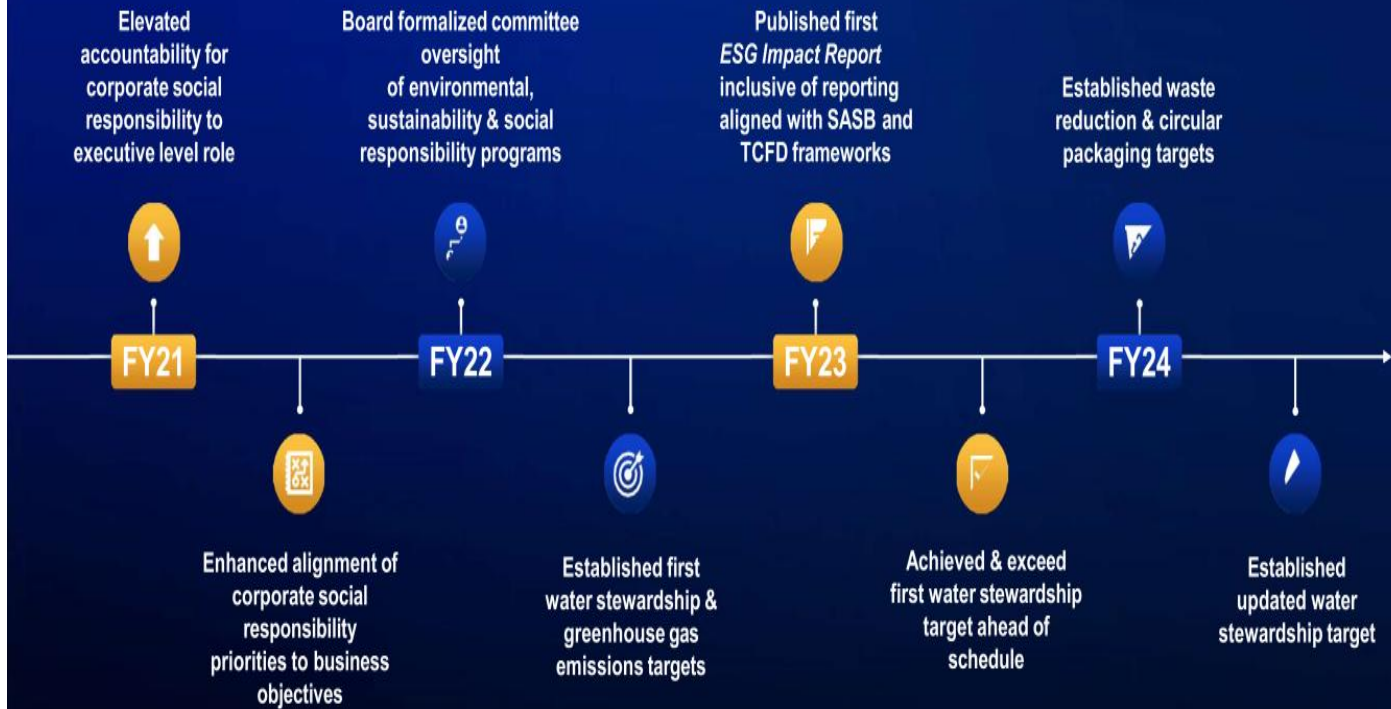




## DELIVERING ON OUR COMMITMENTS

# DOING GOOD FOR THE WORLD AND FOR OUR BUSINESS

Environmental and social initiatives more closely designed to align with our business objectives



## DELIVERING ON OUR COMMITMENTS

# EVOLVING OUR GOVERNANCE STRUCTURE

Significant governance enhancements introduced in the last year

RECLASSIFICATION  
OF CLASS B  
COMMON STOCK

Alignment of shareholder  
voting power and  
economic ownership

RETIREMENT OF PREVIOUSLY  
CONTROLLING SHAREHOLDER  
(ROB SANDS) AS BOARD CHAIR

Appointment of  
interim independent Chair

RESIGNATION OF CONTROLLING  
SHAREHOLDER (ROB SANDS)  
AS NON-VOTING BOARD  
COMMITTEE MEMBER

Sands Family waives any future non-  
voting Board committee participation

RETIREMENT OF TWO  
LONGEST TENURED  
NON-EXECUTIVE DIRECTORS

Retirements also resulted in  
appointment of new chairs for  
HR and CGN&R committees

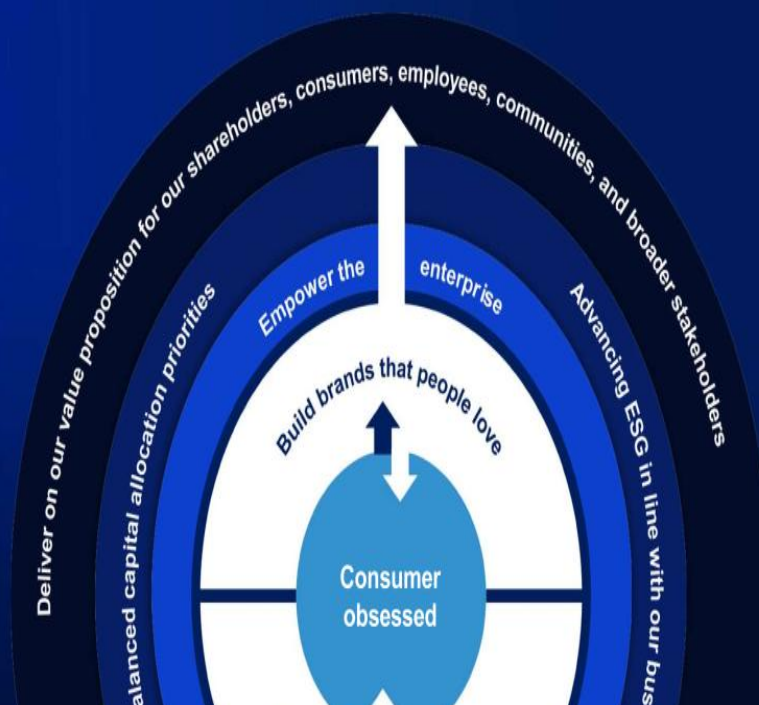
APPOINTMENT  
OF TWO NEW  
INDEPENDENT DIRECTORS

Strong financial expertise,  
as well as CPG and  
retail sector experience

BOARD ADOPTED ANTI-PLEDGING  
POLICY FOR DIRECTORS  
AND EXECUTIVE OFFICERS

Capped carve-out  
for Sands Family  
and affiliated entities

OUR PATH FORWARD  
OUR STRATEGIC  
INITIATIVES  
UPHOLD OUR  
COMPELLING VALUE  
PROPOSITION





---

## OUR PATH FORWARD

# ONGOING FOCUS ON KEY CONSUMER TRENDS

CONSUMER  
OBSESSION

# 300,000

LDA consumer  
interviews  
conducted in  
last 2 years

# 10,000

Consumption  
occasions mapped



FOUR CONSUMER-LED  
KEY MACRO FORCES IDENTIFIED

Premiumization



Uniqueness



Channel Fluidity



Positive Impact



PRODUCT  
OFFERINGS

Consumer-led  
Authentic  
Differentiated  
Incremental

CONSUMER  
REACH

Traditional and digital  
distribution and  
marketing channels  
to reach LDA consumers



## OUR PATH FORWARD

# CONTINUED RUNWAY FOR OUR BEER BUSINESS

We remain confident in our medium-term strategy and plans for our Beer Business to keep delivering best-in-class growth and profitability

MAINTAINING  
STRONG VOLUME  
GROWTH

ADDING

**100M+  
CASES**

FY28 vs FY23

MAINTAINING  
~7-9% NET SALES  
ANNUAL GROWTH

UPLIFT OF

**~\$3B -  
~\$4B**

FY28 vs FY23

RETURNING TO  
~39-40%  
OPERATING MARGINS

UPLIFT OF

**~\$1.2B -  
~\$1.7B**

FY28 vs FY23

OPTIMIZING  
MODULAR CAPACITY  
GROWTH

ADDING

**~22M  
HL**

FY24 to FY28

 Constellation Brands

## OUR PATH FORWARD

# PIVOTAL MOMENT FOR OUR WINE AND SPIRITS BUSINESS

We continue to anticipate sequential improvement from the strategic transformation of our Wine and Spirits Business to accelerate growth and drive higher profitability

LIFTING  
HIGHER-END  
MIX GROWTH

**+2000  
BPS**

HIGHER-END  
NET SALES  
FY28 vs FY23

REVISED TARGET  
NET SALES ANNUAL  
GROWTH TO ~1-3%

UPLIFT OF  
**~\$40M-  
~\$220M**

FY28 vs FY23

CONTINUING TO DRIVE  
MSD OPERATING INCOME  
ANNUAL GROWTH

UPLIFT OF  
**~\$60M-  
~\$130M**

FY28 vs FY23

REVISED  
OPERATING MARGIN  
EXPANSION TO ~25-26%

UPLIFT OF  
**~2.7%-  
~3.7%**

FY28 vs FY23

 Constellation Brands

## OUR PATH FORWARD PUSHING OUR INNOVATION PLANS AND CAPABILITIES EVEN FURTHER

DISTINCTIVE APPROACH  
TO EMERGING BRANDS

1

**Ownership & Accountability**

Dedicated resources & funding

2

**Multi-year Journey**

Adapt over multiple years

R&D FACILITIES AT  
NAVA AND WOODBRIDGE



DIFFERENTIATED LIQUIDS  
NOW BEING TESTED

Patented  
Nitrogen  
Technology

Patented  
Flavor Change  
Technology



Adapt over multiple years

3

### Targeted Testing Approach

Initial launch in smaller markets





## OUR PATH FORWARD

# REINFORCED CAPITAL ALLOCATION PRIORITIES

SOLID INVESTMENT GRADE RATING	DIVIDEND GROWTH IN-LINE WITH EARNINGS	ORGANIC INVESTMENTS TO SUPPORT GROWTH	SHARE REPURCHASES TO ENHANCE RETURNS	TUCK IN ACQUISITIONS
<p>Expect to achieve target of</p> <p>~3.0x net leverage ratio during FY25</p>	<p>Expect to maintain target of</p> <p>~30% annual dividend payout ratio</p>	<p>Expect total growth and maintenance Capex of</p> <p>~\$4B in Beer Business from FY24 to FY28</p>	<p>Total board authorization of</p> <p>~\$2.8B for share buybacks now in place<sup>1</sup></p>	<p>Disciplined and rigorous process to</p> <p>assess with strict criteria any M&amp;A considered</p>

Note: Net leverage ratio defined as debt net of cash divided by comparable basis EBITDA excluding Canopy EIE. EBITDA is calculated on a comparable basis and is a non-GAAP financial measure. A reconciliation to the most directly comparable GAAP financial measure is included within the appendix. Payout ratio defined as dividend per share divided by comparable basis earnings per share excluding Canopy EIE.  
<sup>1</sup> \$2B represents authorization approved by Board of Directors November 2023; \$0.8B represents remaining portion of authorization approved by Board of Directors in January 2021 to repurchase up to \$2.0B of the company's publicly traded common stock as of August 31, 2023.



## OUR PATH FORWARD

# ESG PROGRESS ALIGNED WITH OUR BUSINESS OBJECTIVES

### MODELING WATER STEWARDSHIP

Increasing our  
restoration target

from 1.1B to ~5B  
gallons of water  
between FY23  
and FY25

### REDUCING GHG EMISSIONS

Continuing to work  
toward target of

15% reduction  
in Scope 1 and 2  
GHG emissions  
by FY25

### REDUCING WASTE AND ENHANCING PACKAGING

Expecting  
to attain

TRUE Certification  
for Zero Waste  
to landfill  
and enhance  
circular packaging  
by FY25

### FOSTERING AN INCLUSIVE CULTURE

Continuing to work  
toward our ambition for

a more diverse,  
equitable workforce

### FURTHER ENHANCING OUR BOARD

Process underway  
to appoint

new  
independent  
Board Chair

## OUR PATH FORWARD

# SIGNIFICANT VALUE UPLIFT OPPORTUNITY

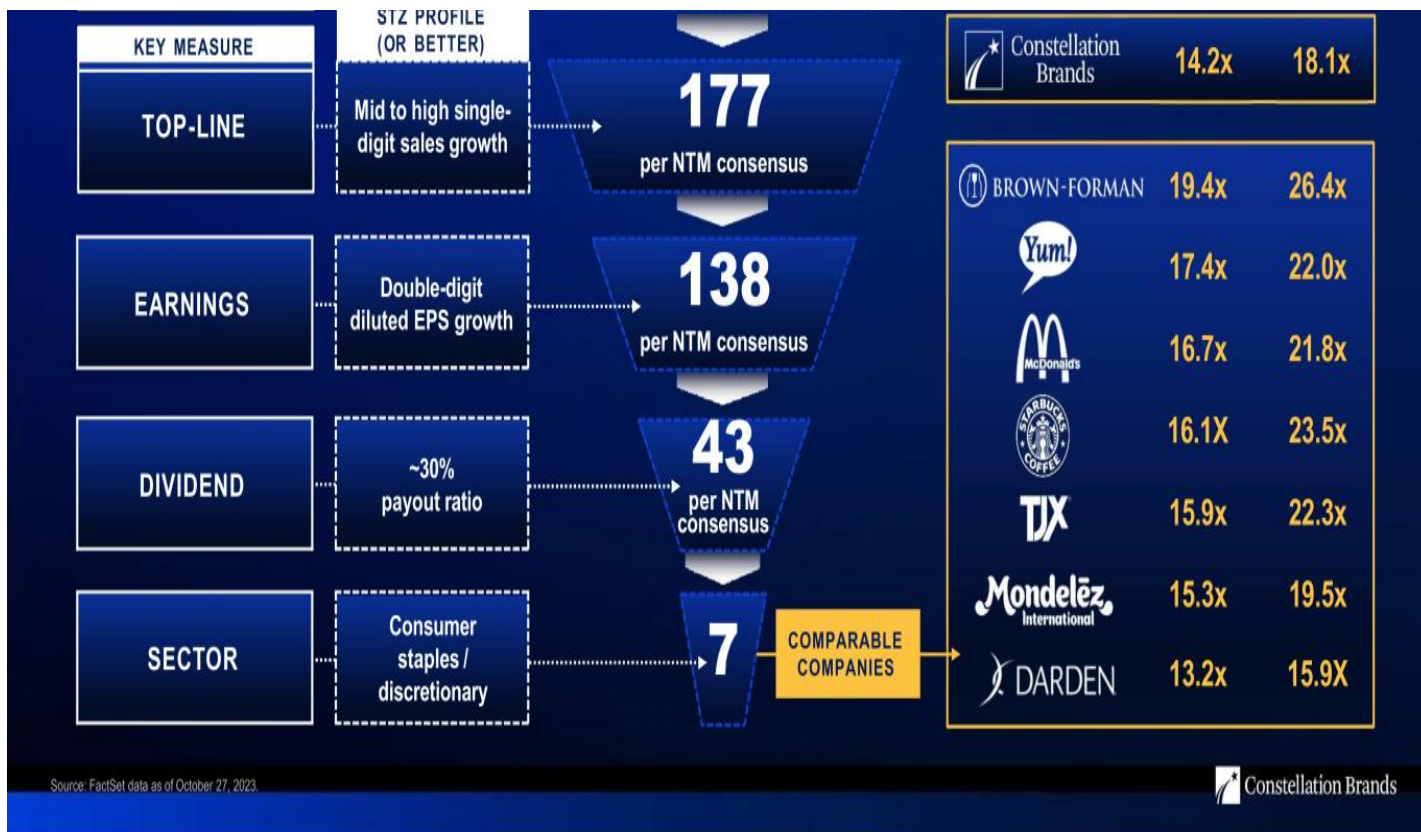
NUMBER OF COMPANIES

TOTAL  
S&P 500

503

EV/EBITDA  
NTM

P/E  
NTM



## OUR PATH FORWARD COMMITTED LEADERSHIP DRIVING A CONSISTENT STRATEGY TO DELIVER RESULTS



**BILL NEWLANDS**  
President & Chief  
Executive Officer



**JIM BOURDEAU**  
EVP & Chief Legal  
Officer



**KRIS CAREY**  
EVP & Chief Human  
Resources Officer



**GARTH HANKINSON**  
EVP & Chief Financial  
Officer





**ROBERT HANSON**

EVP & President  
Wine & Spirits



**MICHAEL MCGREW**

EVP & Chief Communications,  
CSR and Diversity Officer



**MALLIKA MONTEIRO**

EVP & Chief Growth, Strategy  
& Digital Officer



**JIM SABIA**

EVP & President  
Beer



# INVESTOR DAY 2023



# MALLIKA MONTEIRO

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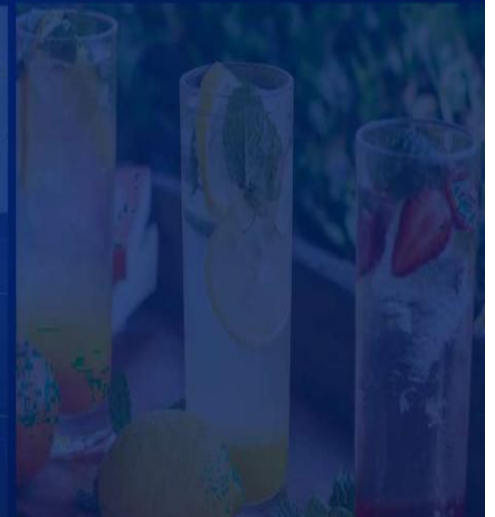
EVP, CHIEF GROWTH, STRATEGY & DIGITAL OFFICER



# CONSUMER INSIGHTS AND INNOVATION



**WE ARE FOCUSED ON GROWTH**





CULTURE OF  
CONSUMER OBSESSION

NEXT GENERATION  
TOOLS & CAPABILITIES

INNOVATION & EMERGING  
BRANDS



## CONSTELLATION BRANDS IS CONSUMER OBSESSED





# BUILT ON DEEP CONSUMER UNDERSTANDING, INSIGHTS AND ANALYTICS

**+300K**

LDA CONSUMER  
CONVERSATIONS

**2.5M**

CONSUMERS

**240M**

U.S. LDA  
ADULTS<sup>1</sup>

Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

— AND GROUNDED  
IN THE NEEDS AND  
MOTIVATIONS OF  
TODAY'S CONSUMER





Constellation Brands

## WITH ON-THE-GROUND MARKET INTELLIGENCE

CULTURE



CONSUMER  
BEHAVIOR



ON-PREMISE  
TRENDS



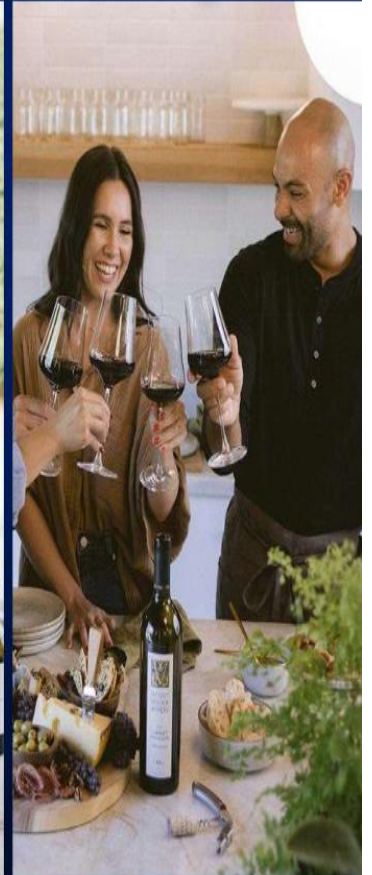
CONSUMER  
EXPECTATIONS







# WE UNDERSTAND LUXURY WINE DRINKERS



# HISPANIC CONSUMERS CONTINUE TO BE A CRITICAL GROWTH DRIVER FOR CONSTELLATION BRANDS

**60%**

OF TOTAL  
U.S. POPULATION  
GROWTH

**\$2T**

PURCHASING  
POWER

LARGEST  
AFFLUENT  
U.S. GEN Z  
CONSUMERS

**50M**

U.S. LDA  
DRINKERS  
BY 2030



Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

## GENERAL MARKET CONSUMERS CONNECT TO OUR BEER BRANDS

**+50%**

**+70%**



+30%

CONSTELLATION  
BEER  
DOLLARS<sup>1</sup>



+70%

CONSTELLATION  
BEER  
GROWTH<sup>1</sup>



<sup>1</sup> Circana Hispanic Insights Advantage (HIA) database and Total US Food-Convenience L52W ending 9/10/23.

 Constellation Brands

## TURNING OUR CONSUMER OBSESSION INTO ACTION







# TURNING OUR CONSUMER OBSESSION INTO ACTION

CERVEZA  
**Modelo**  
• SPIKED •  
**AGUAS  
FRESCAS**

**#1**

NEW FMB  
IN LAS VEGAS<sup>1</sup>

**150**

HISPANIC  
CONSUMER INDEX  
#1 AHEAD OF TOP 5  
NATIONAL FMBs<sup>2</sup>

NITRO  
TECHNOLOGY

AUTHENTIC  
FLAVOR &  
TASTE



<sup>1</sup> Circana L12W ending 9/10/23

<sup>2</sup> Circana HIA, Total US Food+Conv; L52W week ending 10/15/23

# TURNING OUR CONSUMER OBSESSION INTO RESULTS



NEW & EXISTING  
BRAND EXTENSIONS

**\$3B**

CIRCANA  
DOLLAR SALES  
SINCE 2018<sup>1</sup>



**+18%**

HH PENETRATION  
GROWTH OVER  
LAST 3 YEARS<sup>2</sup>

**#1**

REPEAT RATE  
AMONG HISPANICS<sup>2</sup>



SINCE ACQUISITION :

**+260%**

NET SALES

**~40%**

NET SALES  
BEYOND RED BLEND<sup>3</sup>

<sup>1</sup> Circana MUO+C L52 Weeks ending 7/22/18 through 7/16/23

<sup>2</sup> Circana Consumer and Shopper Insights Advantage (CSIA) database; L52W ending 9/10/23

<sup>3</sup> Constellation Brands data, analyses, and plans.



## WE ARE FOCUSED ON GROWTH







# NEXT GENERATION TOOLS AND CAPABILITIES



**INNOVATION  
AND R&D**

**BRAND BUILDING  
AND MEDIA**

**DIGITAL BUSINESS  
ACCELERATION**

## — OPERATIONAL AND R&D INVESTMENTS





# ACCELERATED INNOVATION AGENDA DRIVING GROWTH



Over last 5 years,  
Innovation at CBI delivered:

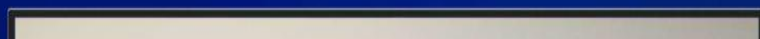
**\$3.4B** OF TOTAL CBI INNOVATION  
DOLLAR SALES<sup>1</sup>

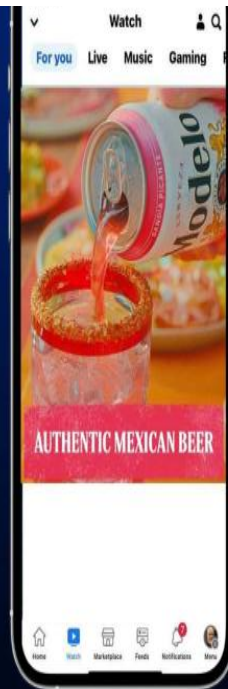
**~30%** OF CBI PORTFOLIO  
DOLLAR SALES GROWTH<sup>1</sup>

Note: Commercialized CBI Innovation in market in 2023 and select upcoming 2024 launches. Examples not exhaustive.  
<sup>1</sup> Circana, Total U.S. – Multi-Outlet + Convenience, L52 Weeks 7-22-18 through 7-16-23

 Constellation Brands

## BRAND BUILDING AND MEDIA





 Constellation Brands

## CONSTELLATION BRANDS' BRAND BUILDING





**LDA CONSUMER**



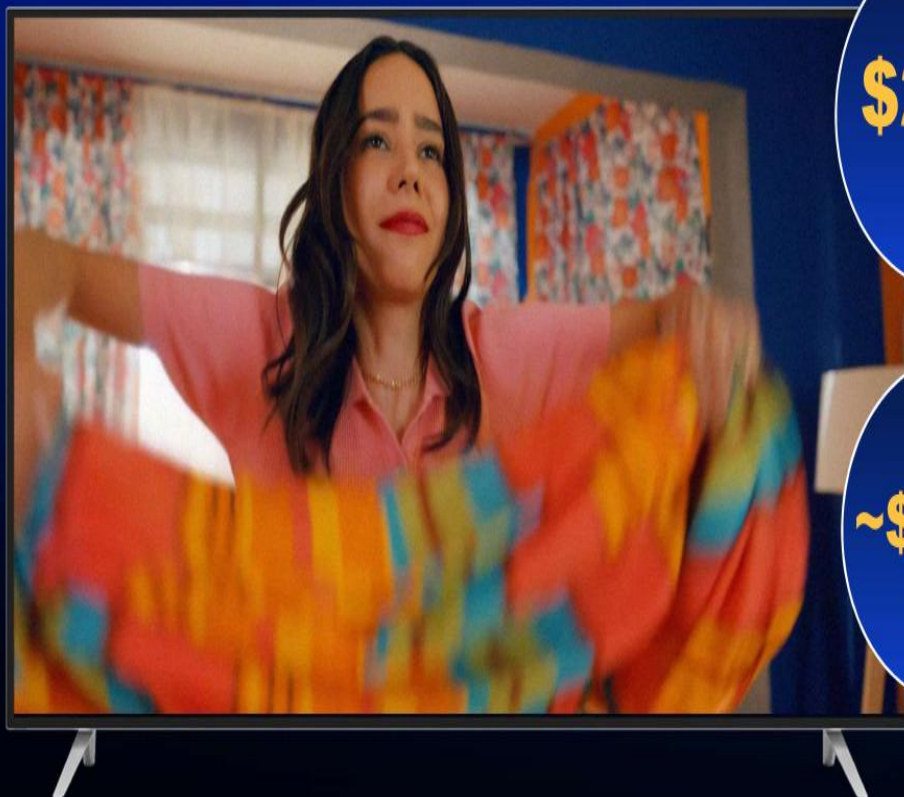
**CREATIVITY**



**CONSISTENCY**



# — CONSTELLATION BRANDS' BRAND BUILDING = HIGH MEDIA ROI IN BEER<sup>1</sup>



**\$2.50**

ROI

**~\$750M**

PROFIT



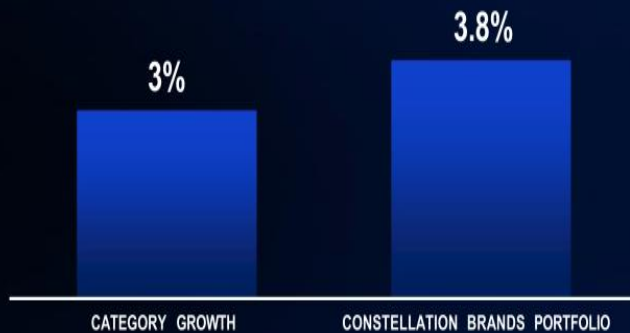
<sup>1</sup>Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

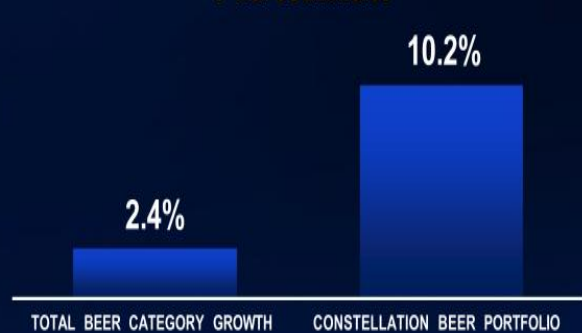
# CONSTELLATION BRANDS WAS AN EARLY ADOPTER IN DIGITAL COMMERCE



BEVERAGE ALCOHOL CATEGORY PERFORMANCE<sup>1</sup>  
3-Tier eCommerce



BEER CATEGORY PERFORMANCE<sup>1</sup>  
3-Tier eCommerce



<sup>1</sup>Circana L52 Wks Ending 9/10/23. Circana ePOS tracked accounts = Albertsons, Amazon, Lowes Foods, Giant Eagle, Kroger, Meijer, Raley's, Schnucks, SEG, Target, Total Wine & More, and Walgreens

 Constellation Brands

## ACCELERATING OUR DIGITAL LEADERSHIP



- \$60M - \$80M planned investment in first 2 years of program
- Technology, Data and Analytics, Talent and Agile Delivery



## PROCUREMENT



## SUPPLY CHAIN



## MARKETING

# ACCELERATING OUR DIGITAL LEADERSHIP



## PROCUREMENT

- Data Transparency and Automation
- \$60M savings (FY23 and FY24)



## SUPPLY CHAIN

- Sustained OTIF improvement
- \$0.02 per case efficiency savings







## MARKETING

- 8% sales uplift for Pacifico
- Expansion to Corona and Modelo



CERVEZA  
**PACIFICO**

Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

# WE ARE FOCUSED ON GROWTH



CULTURE OF  
CONSUMER OBSESSION



NEXT GENERATION  
TOOLS & CAPABILITIES



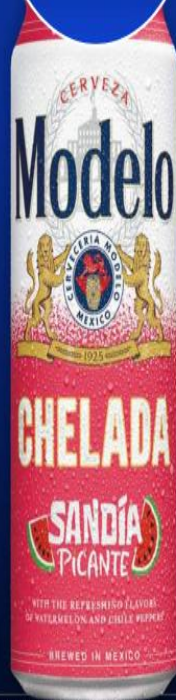
INNOVATION & EMERGING  
BRANDS

# INNOVATION AND EMERGING BRANDS

**#1**  
INNOVATION  
BRAND<sup>1</sup>



**#1**  
NEW SINGLE  
SERVE<sup>1</sup>



CBI  
BETTERMENT  
PRODUCTS  
GROWING<sup>2</sup>  
**2.5x**



<sup>1</sup>Source: Circana, Total U.S. Multi-Outlet + Convenience, 12 weeks ending 9/10/23; Ranking based on brands introduced nationally this year.  
<sup>2</sup>Circana L52W ending 6/18/23.

Note: Betterment Wine is defined as still wine, in a bottle, popular+ price segment, below 10% ABV, including core varietals but excluding flavored wines

 Constellation Brands

# INNOVATION AND EMERGING BRANDS





+43pp

GIN



+71pp

MEZCAL



+71pp

ULTRA PREMIUM WINE



+101pp

NA BEER



+101pp

LUXURY WINE



¹Circana, Total U.S. – Multi-Outlet + Convenience, L62W ending 6/18/23; Outperformance compares Circana segment growth to Ventures brand Internal Net Sales data

Constellation Brands

—

CURRENT STRATEGY DRIVING GROWTH

CBI TOTAL PORTFOLIO CORE AND INNOVATION VS COMPETITIVE SET<sup>2</sup>

OVER LAST 5 YEARS

DELIVERING

\$3.4B

OF TOTAL CBI INNOVATION DOLLAR SALES<sup>1</sup>

INNOVATION DROVE

~30%

OF CBI PORTFOLIO DOLLAR SALES GROWTH<sup>1</sup>

DOLLAR SALES

CBI



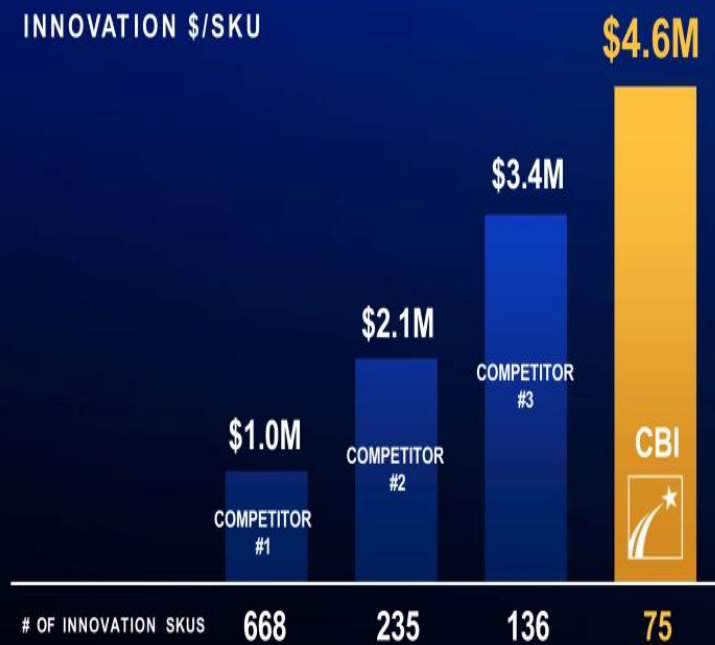
COMPETITORS RANKED BY TOTAL NET GROWTH/DECLINE

<sup>1</sup> Circana, Total U.S. – Multi-Outlet + Convenience, L52 Weeks 7-22-18 through 7-16-23.  
<sup>2</sup> Circana, Total U.S. – Multi-Outlet + Convenience, L52 Weeks through 7-16-23

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# OUR BEER INNOVATION DELIVERS MORE DOLLARS PER SKU THAN OUR LARGE BEER COMPETITORS

INNOVATION \$/SKU



Source: Circana L52 Wks Ending 7/16/23.

 Constellation Brands



# CURRENT STRATEGY DRIVING GROWTH

## ORGANIC INNOVATION



## INCUBATION OF EMERGING BRANDS



## VENTURE INVESTING



## TUCK IN M&A



 Constellation Brands

# CURRENT STRATEGY DRIVING GROWTH

ORGANIC INNOVATION

INCUBATION OF EMERGING BRANDS



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## CONSUMER OBSESSED











# HIGH GROWTH MARKET SEGMENTS

## FLAVORS & BETTERMENT

Corona Non-Alcoholic is the  
#1 share-gaining brand  
in non-alcoholic Beer category<sup>1</sup>



## READY TO SERVE & BETTERMENT

KC Illuminate + Meiomi Bright  
up 56% vs  
Betterment Category up 21%<sup>2</sup>



Note:

For Flavors: Beer Flavors segment defined as flavored malt beverages, malt/sugar seltzers, flavored beer, and cider.

For Beer Betterment: Beer Betterment segment defined as high-end light beers and non-alcoholic beers.

For Wine Betterment: Wine Betterment segment defined as still wine, in a bottle, popular+ price segment, below 10% ABV, including core varietals but excluding flavored wines.

<sup>1</sup> Circana, Total U.S. - Multi-Outlet + Convenience, L12 Weeks through 9-10-23

<sup>2</sup> Circana, L52 Weeks through 6-18-23

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## PRIORITIZE BRAND EXTENSIONS

CBI INNOVATION  
GENERATES

**20x**

INNOVATION GROWTH  
OF 2 OTHER TOP BEER  
SUPPLIERS<sup>1</sup>



<sup>1</sup> Circana, 152 Weeks through 7-16-23

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## AUTHENTIC & UNIQUE LIQUIDS



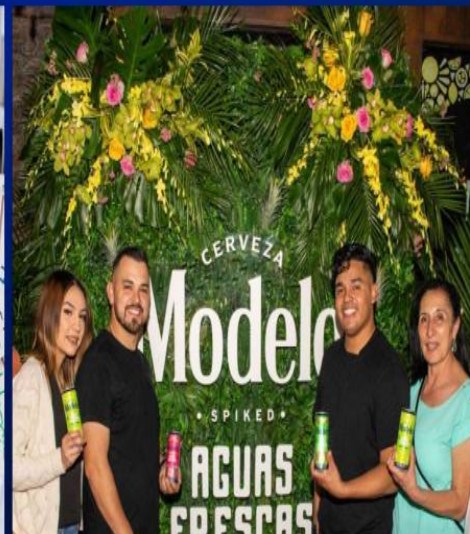




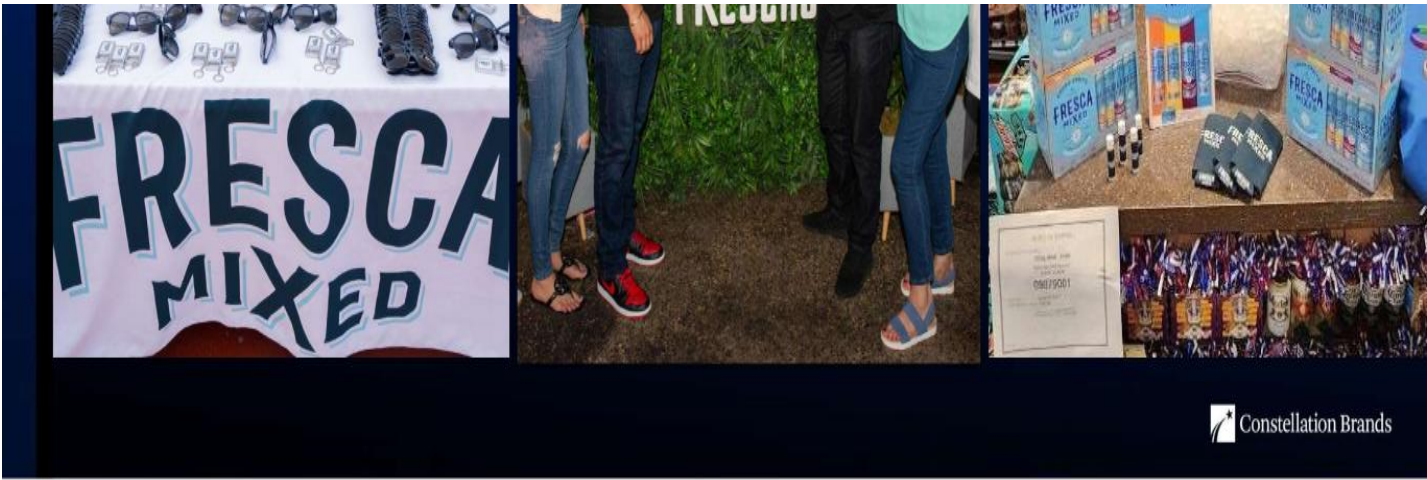
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TEST TO LEARN









## DISCIPLINED

CBI  
GENERATES

**5x**

THE SALES PER SKU  
OF THE TWO OTHER  
TOP BEER SUPPLIERS<sup>1</sup>



<sup>1</sup>Source: Circana, Multi-Outlet + Convenience across entire Beer Imports Portfolio, L52 weeks through 9/17/2023





# INCREMENTAL VALUE CREATION

CBI  
INCREMENTALITY  
ABOVE  
**30-40%**  
INDUSTRY  
AVERAGE<sup>1</sup>



<sup>1</sup>Circana Custom Study provided to Constellation Brands, Inc.

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## EMERGING BRANDS AT CONSTELLATION







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## EMERGING BRANDS AT CONSTELLATION



**OWNERSHIP &**



**PATIENCE &  
MULTI-YEAR**



**TARGETED**

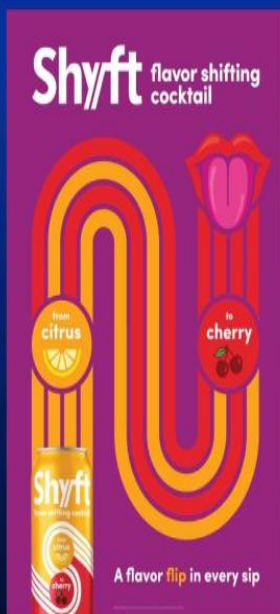
**ACCOUNTABILITY**

**MULTI-YEAR  
JOURNEY**

**TEST MARKETS**

# Shyft

flavor shifting cocktail





# WE ARE FOCUSED ON GROWTH

CULTURE OF  
CONSUMER OBSESSION



WE ARE INVESTING  
IN THE FUTURE



WE HAVE A CONSUMER-DRIVEN  
& DISCIPLINED APPROACH  
TO INNOVATION



 Constellation Brands

# INVESTOR DAY 2023

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EVP & PRESIDENT, BEER DIVISION

A decorative horizontal bar consisting of a thin bright blue line above a thicker dark blue line, both spanning the width of the page.

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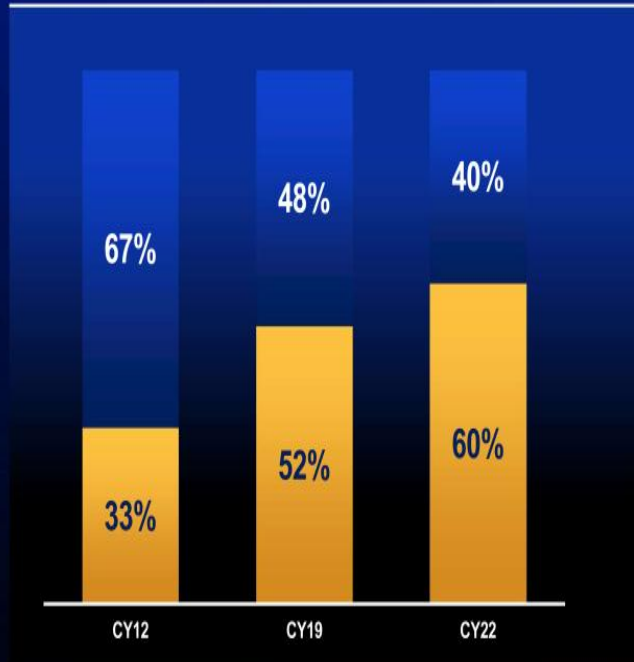


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# BEER BUSINESS

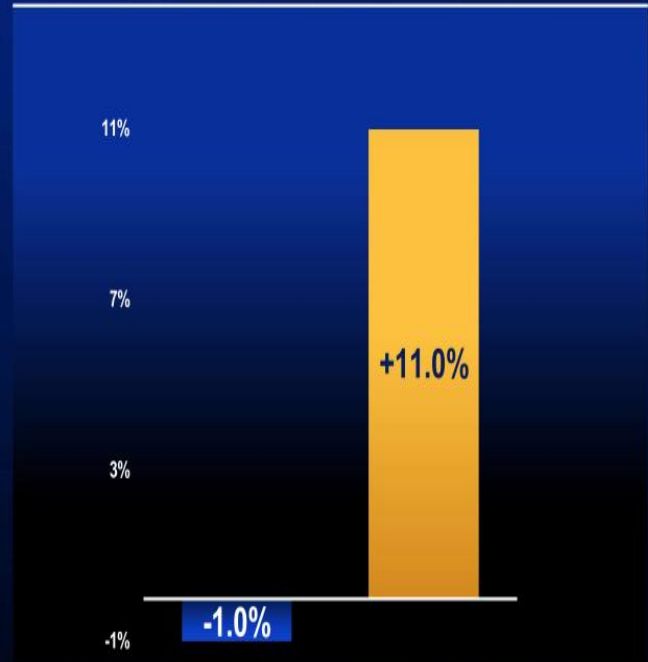
# CONSUMER-LED PREMIUMIZATION HAS SHIFTED GROWTH IN THE U.S. BEER MARKET TO THE HIGH-END...

U.S. BEER \$ SALES



Source: Circana, Multi-Outlet + Convenience, Calendar Years 2012, 2019, and 2022.

U.S. BEER \$ SALES CAGR CY12-CY22



Source: Circana, Total U.S. Multi-Outlet + Convenience, Calendar Year 2012 and 2022.

High-end Low-end


Constellation Brands

...AND OUR HIGH-END PORTFOLIO HAS BEEN WINNING THE PREMIUMIZING LDA CONSUMER FOR OVER A DECADE...


CHANNEL DOLLAR SALES - LARGEST SUPPLIERS U.S. BEER MARKET

INDUSTRY

HIGH-END

		INDUSTRY		HIGH-END	
	CY12 - CY22 CAGR	CY12 SHARE	CY22 SHARE	CY12 HE SHARE	CY22 HE SHARE
 Constellation Brands	+14%	7%	16%	21%	27%
ABInBev	+1%	50%	36%	26%	22%
MOLSON COORS <small>beverage company</small>	0%	25%	17%	7%	5%

Source: Circana, Multi-Outlet + Convenience, Calendar Years 2012-2022. Note: Constellation Brands CAGR figures are Import trends only.

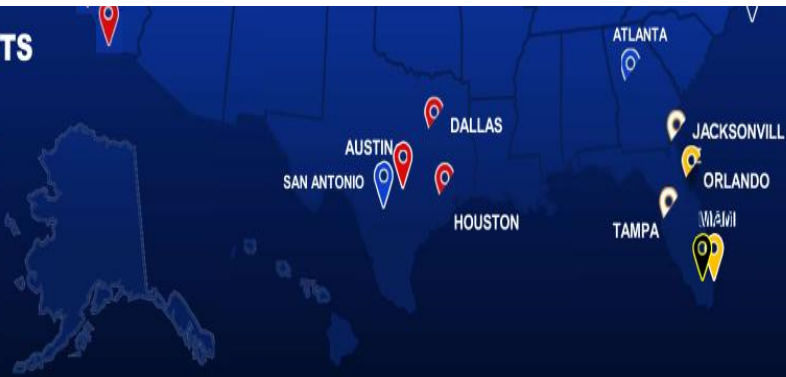
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### #3 MARKETS

Portland  
Jacksonville  
Richmond  
Seattle  
Hartford  
Tampa



### #2 MARKETS

Miami  
New York City  
Portland  
Boise

### #3 MARKETS

San Antonio  
Atlanta

Source: Circana, Multi-Outlet + Convenience, L52 weeks through 10/8/2023

 Constellation Brands

## ...AND OUR LARGEST BRAND RECENTLY RISING TO THE OVERALL #1 SPOT IN THE U.S. BEER MARKET...

The New York Times

### *How a Mexican Lager Quietly Rose to Become America's Best-Selling Beer*

A decade before Bud Light faced a conservative-led boycott over a transgender influencer, **Modelo Especial** was on track to take the No. 1 spot.

**Modelo's** rise to No. 1 beer was no fluke,  
even with the Bud Light controversy

THE WALL STREET JOURNAL

Bud Light Loses Title  
as Top-Selling U.S. Beer

**Modelo** rides demographic wave to  
top of US beer sales

Savvy marketing and a growing Hispanic population helped **Modelo Especial** overtake Bud Light as the top-selling U.S. beer in May, experts say.

**Modelo** Extends Its Lead  
Over Bud Light And  
Budweiser In The U.S.

SCIENCE OF SUCCESS

### How America's New Favorite Beer Hammered the Competition

**Modelo Especial** dethroning Bud Light was a decade in the making—and its coronation began with one man blocking a \$20 billion deal

THE WALL STREET JOURNAL

CNN TODAY

### How **Modelo's** Marketing Beat Bud Light (It Wasn't Just the Boycott)

Shifting demographics and Bud Light's decline are only part of the reason that **Modelo Especial** has risen to the top

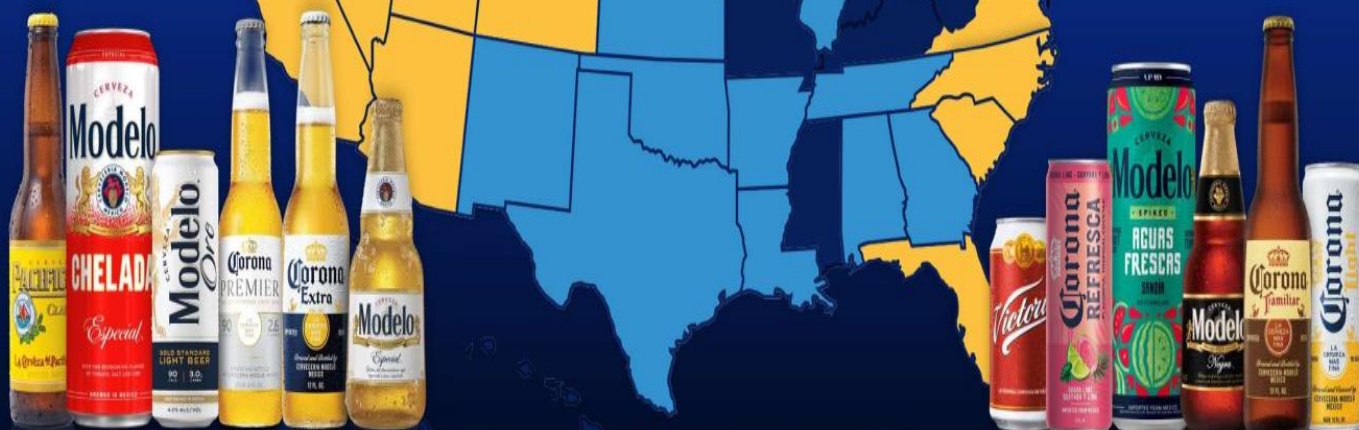
How **Modelo** dethroned Bud Light to become the  
top-selling U.S. beer

Note: Modelo Especial's #1 Position is based from Tracked Channel data and is in Dollar Sales

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## THE U.S. CONTINUES TO PREMIUMIZE

### HIGH-END SHARE POINTS OVER LAST TWO YEARS

 Constellation Brands

**~20-30%** OF EXPECTED  
VOLUME GROWTH







Lead the high-end  
and drive differentiated,  
incremental portfolio growth

Unlock new occasions and  
LDA consumers in order to diversify our  
long-term sources of growth

Leverage portfolio breadth to  
address shifting consumer demands  
for betterment options

# STRATEGIC GROWTH IMPERATIVES

## GO-FORWARD VISION

### MAXIMIZE MOMENTUM

- Large-scale, mature brands
- Market-leading share & equity
- Commercial prioritization
- Majority of investment



FY23  
DEPLETIONS

**~180M**  
CASES

**~120M**  
CASES

**~19M**  
CASES

FY24-28  
OUTLOOK

MSD-HSD  
ANNUAL  
GROWTH

LSD ANNUAL  
GROWTH

LDD ANNUAL  
GROWTH

### ACCELERATE MOMENTUM

- Developing, mid-scale brand with high growth potential
- Emerging equity & awareness
- Over-index investment & commercial prioritization



**DRIVE  
GROWTH**

**WITH THE CORE**

Lead the high-end  
and drive differentiated,  
incremental portfolio growth

Source: Constellation Brands data, analyses, and plans.

 Constellation Brands



# STRATEGIC GROWTH IMPERATIVES GO-FORWARD VISION

## DEVELOPING, MID-SCALE BRANDS

with high growth  
potential



FY23  
DEPLETIONS

**18M**  
CASE MILESTONE

FY24-28  
OUTLOOK

LDD ANNUAL  
GROWTH

## SMALL-SCALE BRANDS

with growth upside in  
high potential segments



## FOCUSED INVESTMENT

in key tactics,  
regions, and DMAs



## BUILD FOCUSED APPROACH

### TO FLAVORS

Unlock new occasions and  
LDA consumers to diversify  
our long-term sources of growth

Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

# STRATEGIC GROWTH IMPERATIVES GO-FORWARD VISION

**50%+**

CONSUMERS SEEKING



CONSUMERS SEEKING

## HEALTHIER OPTIONS\*

**10%**

**CAGR**

OVER LAST 10 YEARS  
(HIGH-END LIGHT)\*\*

**1/3 OF**

**INDUSTRY**

IN "LIGHT"  
OFFERINGS\*\*\*



## ACCELERATE GROWTH

IN BETTERMENT

Leverage portfolio breadth to  
address shifting consumer demands  
for betterment options

\*Source: Morning Consult Survey April 2023. \*\*Source: Circana, Multi-Outlet + Convenience, Calendar Years 2012-2022. \*\*\*Source: Circana, Multi-Outlet + Convenience, L52 Weeks through 8/16/2023

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## EFFICIENCY & EARNINGS DRIVERS GO-FORWARD VISION



**FOCUSED &  
DISCIPLINED**

PORTFOLIO ARCHITECTURE



**EFFECTIVE &  
ENHANCED**

MARKETING INVESTMENTS



**EVOLVED &  
OPTIMIZED**

SUPPLY NETWORK

Maintain an efficient  
set of brands and SKUs  
while developing new  
price points for the LDA consumer to  
access our brands

Continue to grow  
investments in marketing  
while enhancing their  
effectiveness and returns

Advance modular brewing capacity  
expansions while optimizing production and  
supply chain  
footprint and capabilities



## FOCUSED PORTFOLIO OF BRANDS AND SKUs

	BRAND FAMILIES	SKUs	NET SALES PER SKU
	 Constellation Brands	5	\$54M/SKU
	ABInBev	100	\$10.25M/SKU
	 MOLSON COORS beverage company	50	\$10.9M/SKU

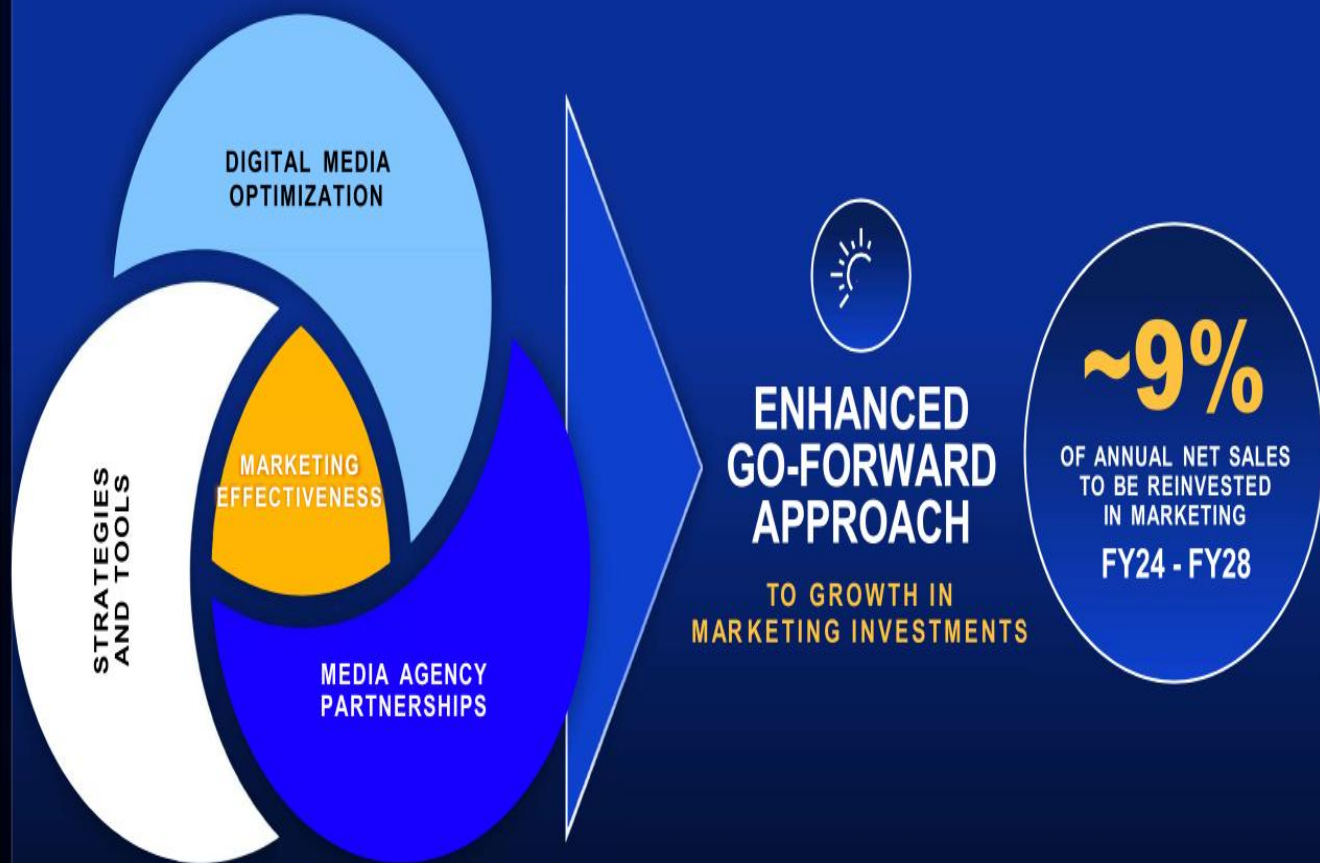
### DISCIPLINED GO-FORWARD APPROACH TO RECENT SKU EXTENSIONS



Source: Circana, Multi-Outlet + Convenience, L52 weeks through 9/17/2023

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# ACHIEVING EVEN GREATER MARKETING EFFECTIVENESS





**BILL RENSPIE**

Chief Customer Officer



**JOHN KESTER**

SVP, Operations Services



**TOM McCORRY**

SVP, Beer Finance



**BILL RENSPIE**



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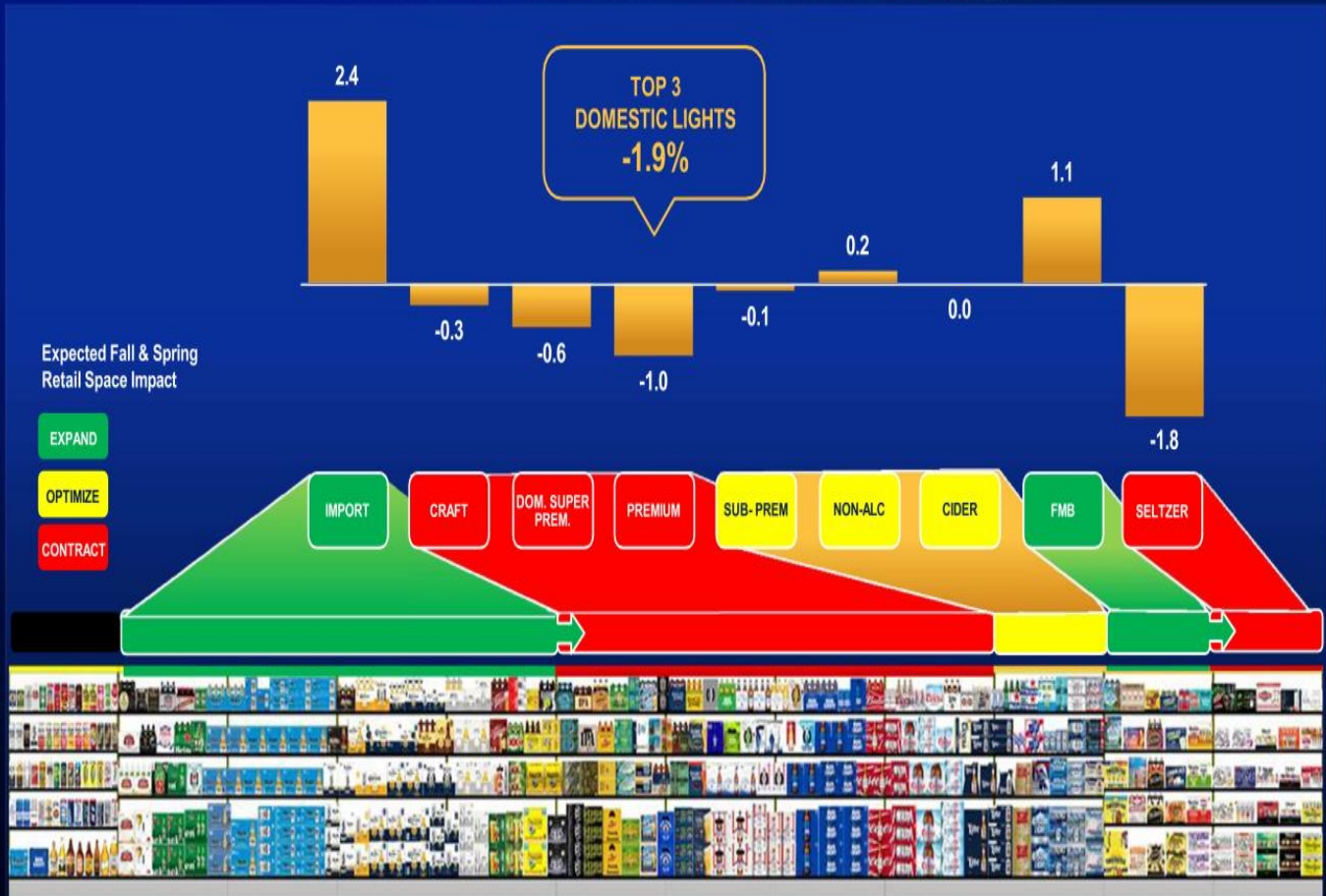
CHIEF CUSTOMER OFFICER



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# BEER INDUSTRY SEGMENT DYNAMICS

DOLLAR SHARE CHANGE 13WK ENDING 9/10/2023

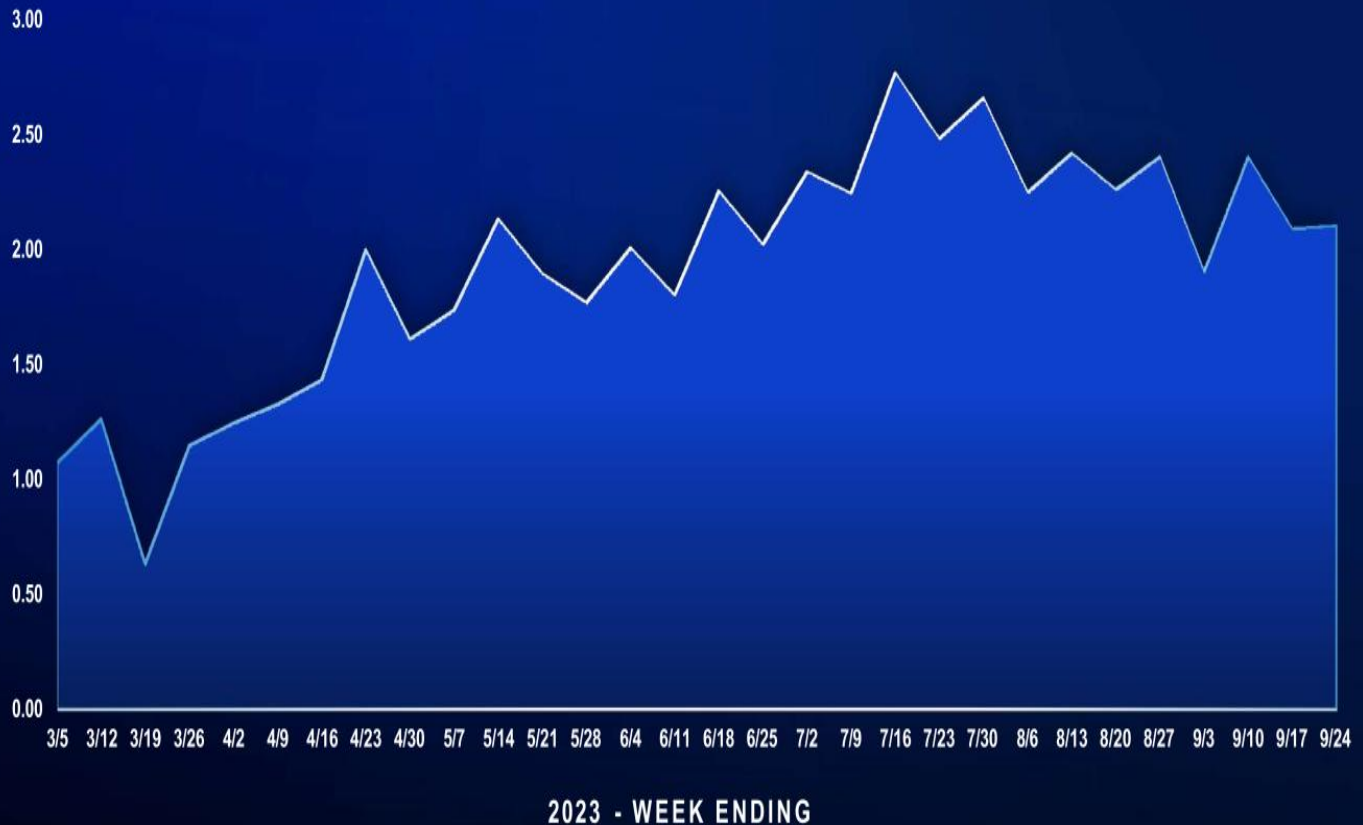


Source: Circana Total MULO + C-Store, 13 WKS Ending 9-10-2023

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# CONSTELLATION BEER WEEKLY SHARE GAINS

FYTD 2024



Source: Circana Total MUJO + C-Store, Constellation Fiscal Year 2024 Ending 09-24-2023

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## SALES INITIATIVES - DISTRIBUTION & SPACE

Robust Goal Setting of Top-two

### ALIGNMENT TO COMPANY GOALS

- Top-Line Sales & Bottom-Line Return Expectations
- Strategic Goals & Innovation Objectives for Sustained Growth



**DATA DRIVEN TARGETS**  
'Precise Targets, Exact Execution'





Sales Priorities Expected to  
Lead to the Delivery of Volume  
Plan & Achievement of  
Strategic Objectives



COLLABORATION



TARGETED GOALS



CONSISTENT TRACKING



EXPECTED TO LEAD TO...

**+25%**

Increase in  
On-Prem Simple  
PODs Since  
Covid

**700K+**

Incremental  
Off-prem  
Effective PODs  
Since 2019

**101.5%**

Avg. Volume  
Plan Attainment  
for the Past 3yrs

**+100K**

Linear Feet  
Gained since  
2021

**+57K**

SFS Three-Pillar  
Resets since  
2018

Distribution & space are embedded in every conversation, action, and activity  
by the sales team and our Gold Network partners.

Source: Constellation Brands data, analyses, and plans.

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## SPACE INITIATIVE: STRATEGIC GOAL SETTING

Utilizing velocity and distribution runway to build targeted goals designed to deliver on volume plan



### GOAL SETTING OBJECTIVE

Set space growth goals to achieve  
overarching volume plan



### SUPPLEMENTAL PLANNING FACTORS

- Cold Linear Feet per Account
- Average CBI PODs per Account



### SPACE STRATEGIC IMPERATIVES

**1**

**Defend & Grow  
The Core**

Velocity  
Needed on  
Existing  
SKUs

CBI  
Space  
Growth  
Goal

Distribution  
Growth  
Planned

- Gap between CBI Volume Share & Cooler Share
- Market Nuances, Risks & Dependencies
- Historical Space Growth

2

**Win With Innovation  
Adjacencies**

3

**Balancing Retailer  
Incrementality &  
Consumer Access**

# SHOPPER-FIRST SHELF

A truly objective approach to category management with proven results for CBI's Distributors & Retailers

## SFS OFF-PREMISE BEER CATEGORY PROGRAM

### FLOW

- Improve Shopability of Category to Make Buying Easy and Intuitive

### SPACE

- Build Holding Power for High-Growth Brands

### ASSORTMENT

- Offer Right Selection to Meet Consumer Needs

### RESULTS

**+4-6% AVG. RETAILER  
\$ SALES LIFT**

TOTAL ~60,000 SFS RESETS  
FOR CHAIN AND INDEPENDENT ACCOUNTS



## SFS STRATEGIC RETAILER PARTNERSHIPS



### BEFORE



### AFTER



Source: Constellation Brands data, analyses, and plans.

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# STRATEGIC CATEGORY PARTNERSHIPS

## BROADENING OUR POSITION AS THE LEADING CATEGORY PARTNER

### TOP 25 BEER RETAILERS

Retailer Count by Partnership Position and Share of Depletions in Retailers Counted in Each Partnership Position

FY19	CAPTAIN	CO-CAPTAIN	VALIDATOR	INFLUENCER					FY23
	2	1	8	14	CAPTAIN	CO-CAPTAIN	VALIDATOR	INFLUENCER	
	6%	2%	44%	48%	11	1	8	5	
					51%	2%	25%	22%	
	CAPTAIN				CO-CAPTAIN	VALIDATOR			

#### ALL GEOGRAPHIES



#### SELECT AREAS



#### ALL GEOGRAPHIES



#### SELECT AREAS



Source: Constellation Brands data, analyses, and plans.

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## SPACE FY23 RESULTS & FY24 PROGRESS

### FY23 RESULTS

INDEPENDENT ACCOUNT SPACE RESULTS

### FY24 PROGRESS YTD

INDEPENDENT ACCOUNT SPACE RESULTS



**+2.2 Pts**

CBI COOLER SHARE GROWTH



CONNECT  
**SHOPPERFIRST**  
by Constellation Brands

**17,200**

SHOPPER-FIRST SHELF RESETS ACROSS  
CHAIN & INDEPENDENT ACCOUNTS



**+3.1 Pts**

CBI COOLER SHARE GROWTH



CONNECT  
**SHOPPERFIRST**  
by Constellation Brands

**18,400**

SHOPPER-FIRST SHELF  
RESETS ACROSS CHAIN &  
INDEPENDENT ACCOUNTS



**~21,000**

PROJECTED RESETS  
BY YEAR-END

Source: Constellation Brands data, analyses, and plans.



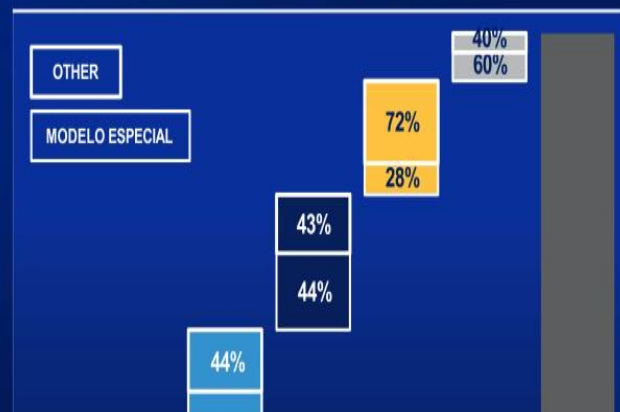
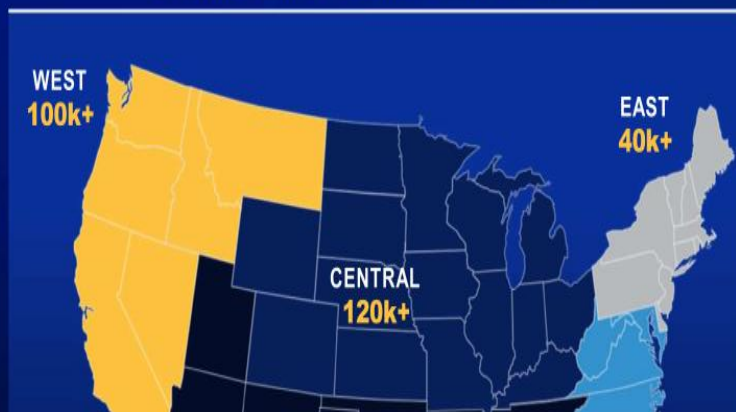
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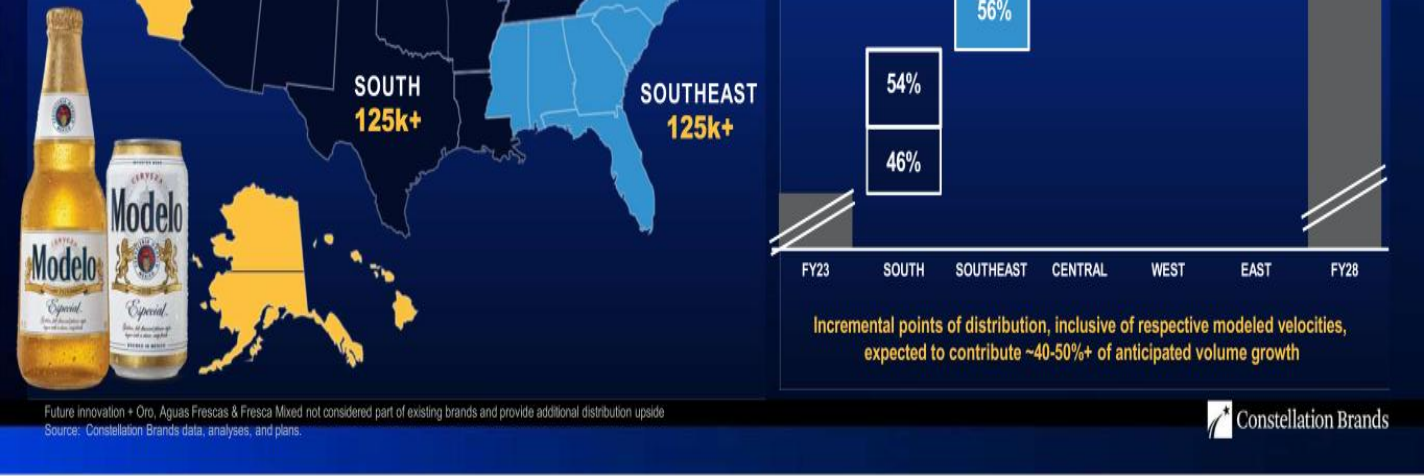
## DISTRIBUTION GROWTH RUNWAY

### FY24-FY28 DISTRIBUTION GAIN OUTLOOK

INCREMENTAL POINTS OF  
DISTRIBUTION BY BUSINESS UNIT REGIONS

INCREMENTAL SHARE OF  
POINT OF DISTRIBUTION GAINS









# JOHN KESTER

---

SENIOR VICE PRESIDENT, OPERATIONS SERVICES

# FROM IMPORTER TO BREWER

2013 - 2023

**235M**

CASES  
ADDED



NAVA THEN

NAVA NOW

**110M**

CASES  
ADDED



OBREGON BREWERY

 Constellation Brands

# FROM BUILDER TO OPERATOR







Continuing to Invest Beyond Our Hard Assets



Moving Into Next Phase of Optimization



Unlocking Further Efficiencies & Flexibility



## EXECUTING OPTIMIZED MODULAR BREWERY CAPACITY ADDITIONS TO SUPPORT GROWTH

+10M HL  
VS FY23

+6M HL  
VS FY25

+6M HL  
vs FY27

FY28  
**~64M**  
HL TOTAL  
CAPACITY







# ENHANCING DIGITAL CAPABILITIES

## TO TRANSFORM OUR BUSINESS

### CLOUD-BASED TRACK AND TRACE TOOLS



### PREDICTIVE ANALYTICS TOOLS



### PRESCRIPTIVE ANALYTICS TOOLS



### COMMERCIAL BENCHMARKING TOOLS



**FY24 investments in digital platforms to support logistics are expected to have full net savings payback in less than 3 years**

# END TO END PLANNING & FULFILLMENT OPTIMIZATION STRATEGY

Deliver a quantitative, efficient decision-making process that links high level strategic plans with day-to-day operations in preparation for the ability to deliver **+100M cases**



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## UNLOCKING GREATER VALUE THROUGH DBA AND BEYOND

PROCUREMENT

LOGISTICS

INTEGRATED BUSINESS  
PLANNING & EXECUTION

CROSS-FUNCTIONAL  
COLLABORATION



Implemented  
organizational  
reset

Accelerating savings  
through data transparency  
and automation

Undergoing  
transformation following  
procurement model

Delivering efficiencies  
and savings through  
TMS & WMS

Drastic  
advancement of all  
facets of IBP&E

Improved demand  
forecast accuracy by  
15-20% nationally

Implementation  
of reusable pallets and  
double-stacking

Conversion  
from 50 to 60' railcars

**At least \$300M**

in savings anticipated FY24 - FY28

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## THE FRAMEWORK FOR OUR FUTURE SUPPLY CHAIN

TRUE END TO END



CUSTOMER  
CENTRICITY & AGILITY



RESILIENCY



PROFITABILITY

Right beer,  
right place,  
right time,  
right cost



QUALITY &  
SUSTAINABILITY





**TOM McCORRY**

---

SENIOR VICE PRESIDENT, BEER FINANCE



# CONSISTENT AND SUSTAINABLE GROWTH, PROFITABILITY, AND CASH GENERATION

Volume growth + pricing increases + efficiency and cost initiatives expected to offset expansions' depreciation and fixed costs + inflation to drive positive operating leverage near-term and maintain profitability over medium-term



## SUSTAINABLE NET SALES GROWTH

ACHIEVED  
**9.4% CAGR**

FY19-  
FY23

TARGET  
**~7-9% Annually**

FY24-  
FY28



## BEST-IN-CLASS OPERATING MARGINS

ACHIEVED  
**39.7% Avg.**

TARGET  
**~39-40%**

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## CONTINUE TO TARGET ~7-9% ANNUAL NET SALES GROWTH OVER THE NEXT FIVE YEARS



\$12B

FY24 Revised Guidance  
**~8-9% Growth**

NET SALES

\$9B

\$6B

\$3B

\$0B

FY19 FY20 FY21 FY22 FY23 FY24 FY28

9.4% CAGR

**Target ~7-9%**

Annual Growth  
FY24 – FY28

## KEY GROWTH DRIVERS

- 1 Continued growth of core brands
- 2 Contributions from consumer-led innovation (Flavors & Betterment)
- 3 Consistent ~1-2% annual average price increases

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## BEST-IN-CLASS ~39-40% OPERATING MARGIN

STILL EXPECTED ON AVERAGE OVER NEXT FIVE YEARS

ANNUAL MARGINS AFFECTED BY VARIABLES BUT  
AVERAGE EXPECTED TO REMAIN WITHIN TARGETED RANGE

Margin favorability  
FY19-FY22 driven by materials  
costs, FX impact, glass joint  
venture, and optimization projects

Material costs and general inflation  
impacts expected to be mitigated  
though renegotiation with suppliers  
and cost savings agenda

42%

41%

**TARGET ~39-40%**  
OPERATING MARGIN

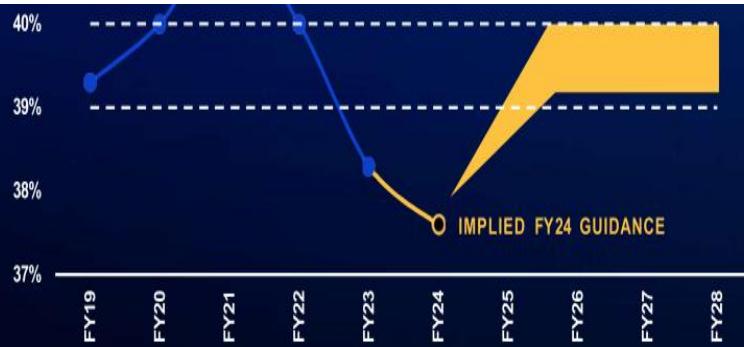
## KEY MARGIN VARIABLES

### DRIVERS

- Volume growth
- Annual pricing increase
- Cost / ops

### DRAGS

- Incremental capacity depreciation
- COGS inflation



cost efficiencies

#### OTHER FACTORS

- Marketing investment
- SG&A
- MXN-USD FX rate



# PROACTIVE EFFICIENCY AND COST INITIATIVES EXPECTED TO MITIGATE INFLATION AND DEPRECIATION IMPACTS

## EFFICIENCY AND COST SAVINGS INITIATIVES

Optimization of operations and supply chain intended to continue being a key driver of margin improvement

Procurement Negotiations

Logistics & Integrated Planning Enhancements

Cross-functional Collaboration

Initiatives expected to deliver at least \$300M in savings FY24-FY28

## MATERIALS, LOGISTICS, AND LABOR INFLATION

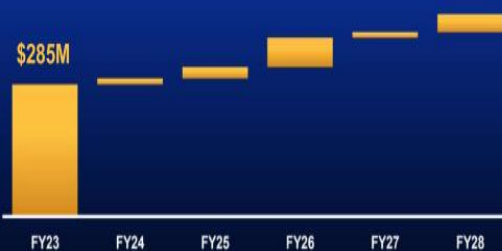
After experiencing elevated inflation over last 2 years, expect to return to prior historical levels in next 4 years

FY19 – FY22	FY23 – FY24	FY25 – FY28
FY19 and FY20 Low-single digits	FY23 Low to mid-teens	FY25 – FY28 Low-single digits
FY21 Low to mid-single digits	FY24 High-single digits to low-teens	
FY22 Mid to high-single digits		

## INCREMENTAL DEPRECIATION

Total annual depreciation  
~3.5-4% of net sales

Incremental depreciation  
reflective of new brewery expansion  
and facilities starting production



# TARGETED, EFFICIENT MARKETING INVESTMENTS AND DISCIPLINED APPROACH TO SG&A

## MARKETING

Still expecting marketing investment growth at 8% CAGR for FY24 - FY28 but anticipate higher effectiveness to reduce marketing spend relative net sales to ~9%

### BRAND PRIORITIZATION

Grow icons & next wave investment, moderate investment in seed brands

### EFFICIENCIES

Leverage buying power, target geographies and demographics, and optimize balance of channels



## KEY INITIATIVES

## OTHER SG&A

Expect to realize SG&A leverage shifting from ~5-6% of net sales in FY19 - FY23 to ~4-5% of net sales in FY24 - FY28

### DISCIPLINED INVESTMENTS

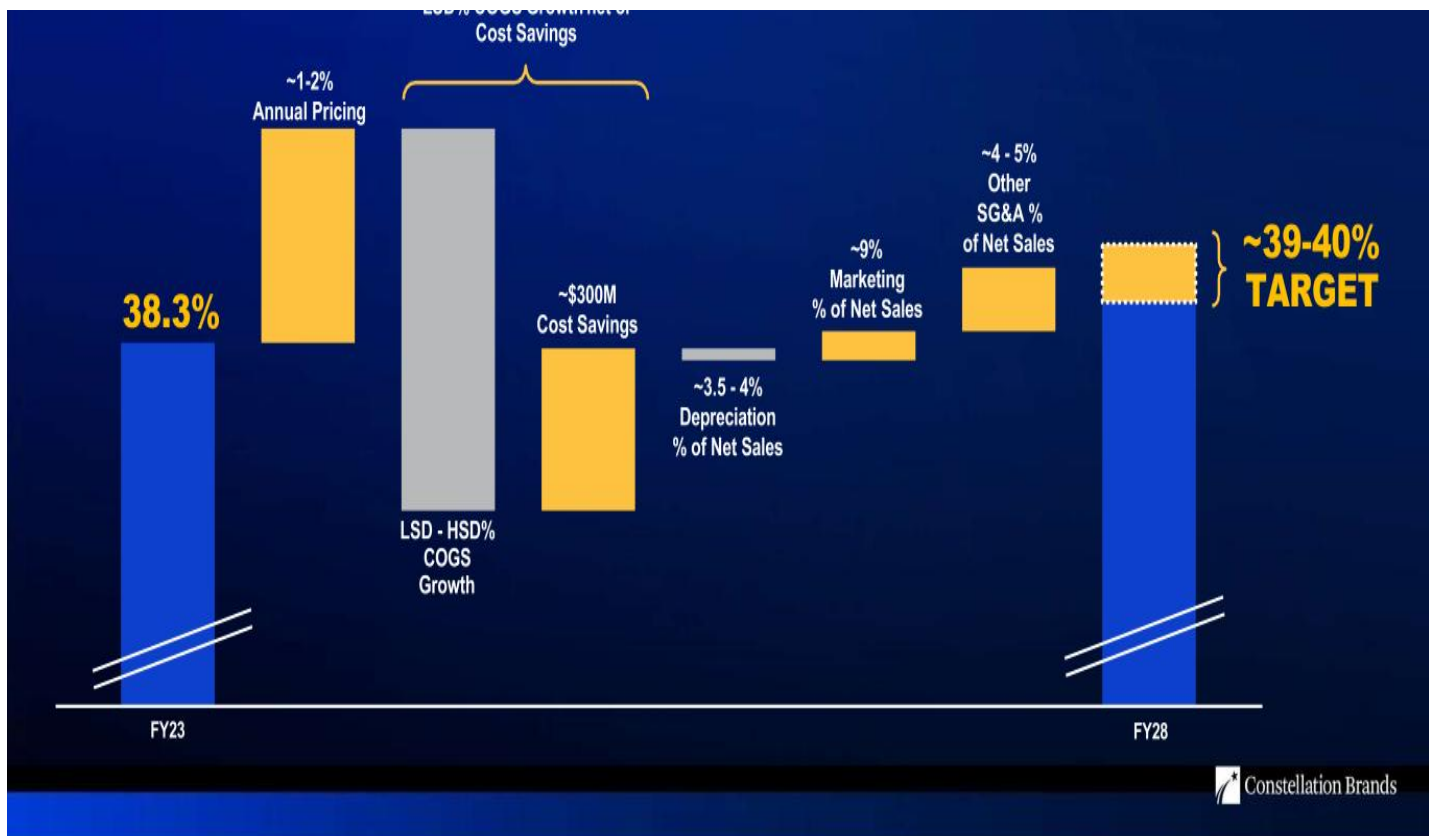
Net sales growth projected to outpace organizational growth as category management and supply chain optimization investments setup to support higher productivity from sales and administrative teams



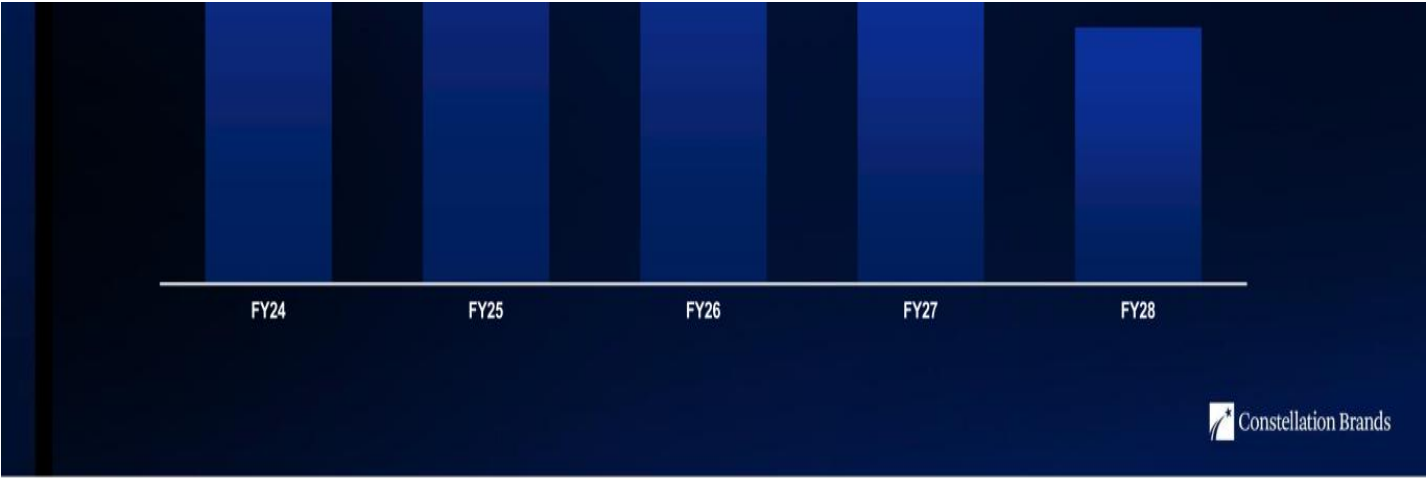
## PATH TO SUSTAINED BEST-IN-CLASS BEER OPERATING MARGINS

FY24:  
HSD% COGS Growth

FY25-FY28:  
LSD% COGS Growth net of







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# DELIVERING ENHANCED GROWTH AND PROFITABILITY

We expect sustainable net sales growth of 7-9% combined with ongoing optimizations efforts and disciplined investment back into the business to deliver enhanced growth and profitability

	FY19 – FY23		FY24 – FY28
NET SALES	<b>9.4%</b> CAGR	<b>\$31.1B</b> TOTAL	<b>~7 – 9%</b> GROWTH ANNUALLY
OPERATING INCOME	<b>39.7%</b> MARGIN	<b>\$12.3B</b> TOTAL	<b>~39 – 40%</b> MARGIN
DEPRECIATION	<b>3.7%</b> OF NET SALES	<b>\$1.1B</b> TOTAL	<b>~3.5 – 4.0%</b> OF NET SALES
CAPITAL EXPENDITURE		<b>\$3.6B</b> TOTAL	<b>~\$4B</b> TOTAL



Constellation Brands

# INVESTOR DAY 2023



Constellation Brands





**ROBERT HANSON**

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PRESIDENT WINE & SPIRITS



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**WINE & SPIRITS  
BUSINESS**



# FY24 GUIDANCE

## REVISED ORGANIC NET SALES OUTLOOK, MAINTAINED OPERATING MARGIN



**(2)-(1)%**  
REVISED ORGANIC  
NET SALES DECLINE

**2-4%**  
MAINTAINED  
OPERATING INCOME GROWTH

### NET SALES DRIVERS

- Mature Canadian, Australia, New Zealand, and Italian markets performing similarly to decelerating U.S. wholesale market
- Competitor pricing environment putting pressure on full pricing realization
- Changes in Canadian Liquor Control Board inventory regulation driving destocking

### MARGIN DRIVERS

- Positive price and mix across higher-end portfolio
- Sustained market outperformance of higher-end portfolio
- Return-focused marketing and SG&A leverage
- Distributor contractual performance obligations



## OUR KEY HIGHLIGHTS FOR YOU TODAY

- 1 Our strategic portfolio actions have premiumized our business and we expect **our higher-end brands to be an even larger part of our mix and drive growth**
- 2 We have diversified our route-to-market beyond U.S. wholesale and expect **our DTC and international efforts to deliver growth outperformance**
- 3 The optimization and efficiency initiatives underway across our business are expected to **deliver margin enhancement while supporting our higher-end shift**
- 4 We are committed to achieving our medium-term financial targets of **~1 - 3% net sales growth and ~25 - 26% operating margins**



## OUR STRATEGIC FOCUS IS THE FOUNDATION OF OUR FUTURE SUCCESS

**Largest premium still wine producer globally  
with omni-channel route-to-market capabilities**

FY23

**~27M** CASES SOLD

**~21%** OF CONSTELLATION BRANDS NET SALES

**~16%** OF CONSTELLATION BRANDS OPERATING INCOME



Source: Constellation Brands data, analyses, and plans.



OUR TRANSITION TO A HIGHER-END PORTFOLIO AND A GLOBAL OMNI-CHANNEL ROUTE-TO-MARKET REQUIRES

## A DIFFERENT APPROACH TO TRACK OUR BUSINESS

**Circana tracked channel data is constrained in the tracking of fine wine and craft spirits brands**

Circana tracked channels remain relevant to assess directional performance of mainstream and premium wine brands; IWSR & NABCA are sourced for our higher-end wines and spirits globally; and Sovos ShipCompliant is sourced for DTC

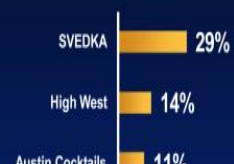
### CIRCANA COVERAGE STZ WINE & SPIRITS BUSINESS

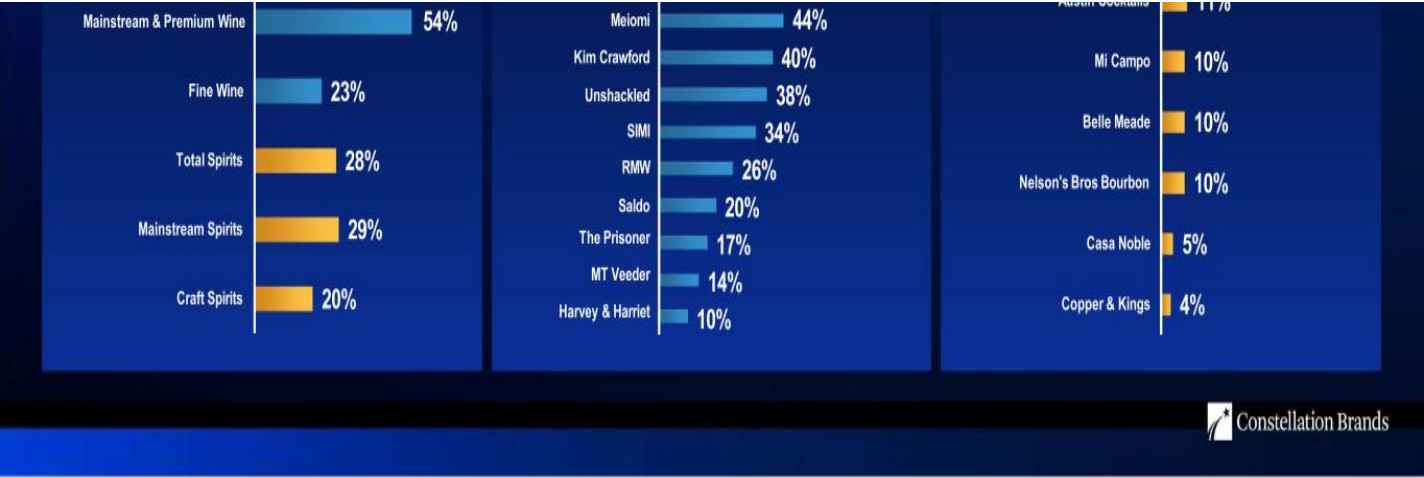


### CIRCANA COVERAGE STZ WINE BRANDS



### CIRCANA COVERAGE STZ SPIRITS BRANDS







# OUR STRATEGY IS ALIGNED TO KEY CONSUMER-LED TRENDS

## PREMIUMIZATION

U.S. Wine & Spirits Categories  
\$ Sales Growth (IWSR)



## DTC + DIGITAL

DTC shipment value CAGR of >12%  
of total winery sales in U.S.

DTC VALUE  
**12.3%**  
CAGR  
(CY12 – CY22)



## BETTERMENT

Growth in the Better-for-You Category  
in the U.S.

**25%**  
CAGR  
(CY19 – CY22)



## INTERNATIONAL MARKET GROWTH

Wine Industry CAGR  
(CY12-CY22)

**1.4%**  
CAGR  
GLOBAL

FLAT CAGR  
APAC

2% CAGR  
EMEA

10% CAGR  
LATAC

2% CAGR  
CANADA

Source: IWSR (High-End Wine >= \$14.50, Low-End Wine < \$14.50, High-End Spirits >= \$22.00, Low-End Spirits < \$22.00) and International, Circana, Betterment, DTC: Sovos ShipCompliant

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# LEVERAGING CATEGORY PREMIUMIZATION, WE HAVE RESHAPED OUR BUSINESS TO A HIGHER-END AND HIGHER-VALUE PORTFOLIO

WINE & SPIRITS PORTFOLIO (FY19)



Lower-end, volumetric portfolio

WINE & SPIRITS PORTFOLIO (FY23 AND BEYOND)



Higher-end, higher-value portfolio

Source: Constellation Brands data, analyses, and plans.

Constellation Brands

## CAM PROFITABILITY ANALYSIS REINFORCES OUR HIGHER-END PORTFOLIO HAS FURTHER GROWTH AND SCALE MOMENTUM

HIGHER

BUBBLE SIZE: FY28 CAM (\$M)





## OUR CONSUMER-LED PREMIUMIZATION STRATEGY IS SUCCESSFUL

From FY19-FY23, our premiumization has enabled our total business to outperform the category;  
Our higher-end shift will continue

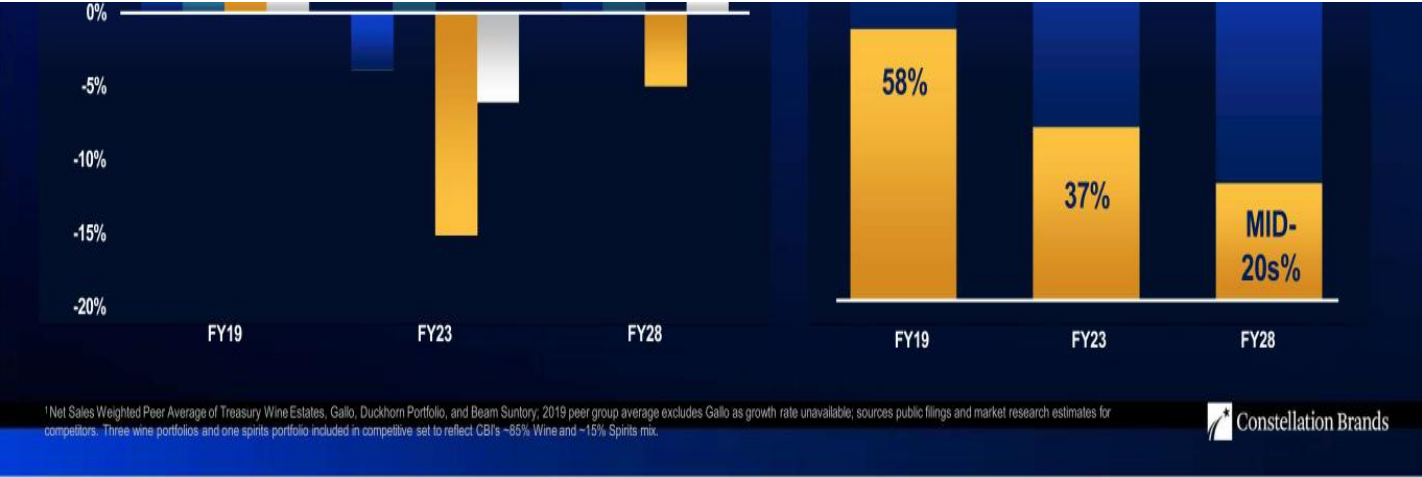
STZ W&S BUSINESS PERFORMANCE VS SELECT COMPETITORS



SHIFT IN STZ W&S BUSINESS NET SALES MIX







# WE HAVE A PROVEN AND SUCCESSFUL M&A AND INNOVATION TRACK RECORD

## M&A TRACK RECORD

Proven ability to integrate  
and scale acquisitions

NET SALES CAGR SINCE ACQUISITION<sup>1</sup>

MEIOMI<sup>®</sup>  
WINES

**+13%** FY17 - FY23

*The Prisoner*

**+16%** FY18 - FY23

HIGH WEST  
DISTILLERY  
PARK CITY - UTAH

**+29%** FY17 - FY23

Schrader  
DOUBLE DIAMOND

**+9%** FY19 - FY23



MY FAVORITE NEIGHBOR

**+121%** FY23

## INNOVATION / ORGANIC GROWTH

Net sales from NPD over last three years  
represents 7% of our FY23 organic net sales

NET SALES CAGR OVER RECENT PERIODS<sup>2</sup>

### BETTERMENT

KIM CRAWFORD  
ILLUMINATE **+138%** FY21 - FY23

MEIOMI<sup>®</sup>  
BRIGHT **+46%** EXPECTED THROUGH FY24

### SHOULDER EXTENSIONS

*The Prisoner*  
WINE CO. **+46%** FY21 - FY23

READY-TO-SERVE  
TEQUILA **Mi CAMPO** **+52%** EXPECTED THROUGH FY24

<sup>1</sup>Net Sales CAGR from first full year since acquisition date to FY23.

<sup>2</sup>Meiomi Bright and Mi Campo RTS CAGRs include full-year growth estimate for FY24 as both brands launched within FY23.

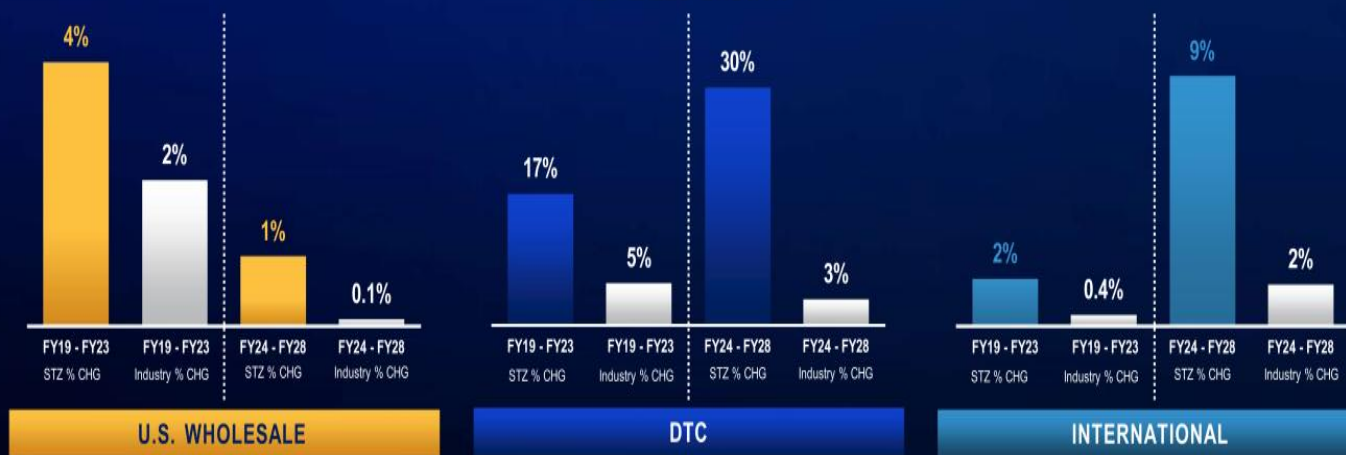
# SHIFTING OUR GEOGRAPHIC AND CHANNEL MIX

To emphasize international and DTC growth aligned with consumer preferences and category tailwinds

## SHIFT IN STZ W&S BUSINESS NET SALES MIX



## NET SALES GROWTH



CBI is actual and long-range plan; 2) Market: IWSR for wholesale and international, Sovos ShipCompliant for DTC

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## OUR GLOBAL OMNI-CHANNEL STRATEGY

POSITIONS US FOR FUTURE GROWTH

US WHOLESALE

DTC

INTERNATIONAL

Scaling underpenetrated channels

Optimizing multi-channel DTC capability

Key cities strategy driving meaningful



### Scaling underpenetrated channels

- Built key account plans for top 10 key national accounts
- Plan to shift mix to underpenetrated channels
  - General market off-premise share of mix +500Bps
  - On-premise share of mix +600Bps
  - 3-tier ecommerce share of mix +200bps



Source: Constellation Brands data, analyses, and plans.

### Optimizing multi-channel DTC capability

**Hospitality:** Investing in key visitor centers and scaling corporate, private and trade

- ~10% net sales CAGR and 60%+ gross margin

**Ecommerce:** Investing in underdeveloped channel, affiliate marketing, and personalization

- ~Mid-40s% net sales CAGR and 40%+ gross margin

**Loyalty:** Category-leading wine club, corporate and events strategy delivering

- ~Mid-40s% net sales CAGR and 55%+ gross margin



### Key cities strategy driving meaningful, profitable net sales growth

- Shift toward higher-end portfolio in FY20-FY23 resulted in 38% operating income growth
- \$200M net sales poised to double in the medium-term
- Higher-end wine portfolio expected to represent >90% of mix from 65% today



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## OUR STRATEGY SUPPORTS AND IS ALIGNED TO OUR MEDIUM-TERM ALGORITHM



~1-3%

NET SALES GROWTH

### NET SALES DRIVERS

- Higher-End Brand and Product Mix
- Innovation
- U.S. Wholesale National Accounts, General Market, On-Premise and 3TE Penetration
- Combined DTC & International Double-Digit Growth

**~25-26%**  
**OPERATING MARGIN**

## MARGIN DRIVERS

- Consumer-Led Premiumization
- End-To-End Supply Chain
- Cost Optimization
- Optimized Marketing



# MATT McHARGUE

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SENIOR VICE PRESIDENT  
BRAND MANAGEMENT

# SAM GLAETZER

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SENIOR VICE PRESIDENT  
GLOBAL OPERATIONS & INTERNATIONAL SALES



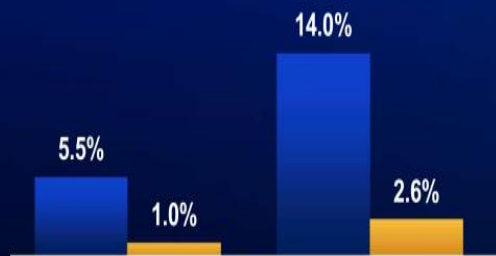
# PORTFOLIO & OMNI-CHANNEL ROUTE-TO-MARKET OUTLOOK



OUR HIGHER-END PORTFOLIO AND KEY BRANDS  
**HAVE OUTPERFORMED**

FY23 CIRCANA \$ SALES GROWTH

30.1%



HIGHER-END WINE

HIGHER-END SPIRITS

STZ Higher-end Portfolio

Category Segment



PREMIUM WINE

Melomi

Kim Crawford

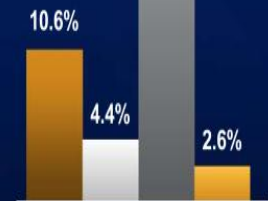
Category Segment



FINE WINE

The Prisoner

Category Segment



HIGHER-END SPIRITS

High West

Mi Campo

Casa Noble

Category Segment

Source: W&S FY23 results, Market - Circana

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## CONTINUING THE SUCCESS OF OUR HIGHER-END WINE BRANDS

THE PRISONER WINE COMPANY NOW

BUILDING UPON OUR SUCCESSFUL  
HOUSE OF BRANDS INNOVATION STRATEGY

GROWTH  
**30% CAGR**  
FY19 - 23 (U.S. NET SALES)

PROFITABILITY  
**62% GROSS MARGIN**  
FY23

**#1**

SUPER LUXURY  
RED BLEND  
(THE PRISONER)  
IN U.S.

**#1**

LUXURY  
RED BLEND  
(UNSHACKLED)



OPTIMIZE

ACCELERATE

*The Prisoner*

UNSHACKLED

SALDO

BLINDFOLD

DRIVERS

DRIVERS

DRIVERS

DRIVERS

• Volume: +Mid 20s%

• Volume: +Low 30s%

• Volume: +High Teens%

• Volume: + >100%

• Net Sales: +Mid 20s%

• Net Sales: +Mid 30s%

• Net Sales: +Mid 20's%

• Net Sales: + >100%

• Price/Mix: +LSD%

• Price/Mix: +MSD%

• Price/Mix: +MSD%

• Price/Mix: +HSD%

• Distribution: +Mid

• Distribution: +Low 30s%

• Distribution: +MSD%

• Distribution: + >70%



(UNSHACKLED)  
IN U.S.

#1

SUPER LUXURY  
ZINFANDEL  
(SALDO)  
IN U.S.

Teens%

- Velocity: +HSD%
- Innovation: +MSD% annually

• Velocity: +MSD%

• Innovation: +MSD% annually

• Velocity: +Low Teens%

• Innovation: +LSD% annually

• Velocity: +Mid 20s%

• Innovation: +Mid Teens% annually

The Prisoner and Blindfold are market makers leading ACV penetration

Unshackled has significant opportunity with 88% of Decoy penetration gap

Saldo targeting to maintain lead over Rombauer Zinfandel penetration

Source: Constellation Brands data, analyses, and plans.

 Constellation Brands



# CONTINUING THE SUCCESS OF OUR HIGHER-END WINE BRANDS

Continued success in our market leading and incremental betterment innovation

## MEIOMI BRIGHT

### DRIVERS

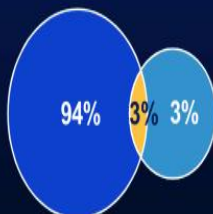
- Volume: +LDD%
- Net Sales: +High Teens%
- Price/Mix: +MSD%
- Distribution: +MSD%
- Velocity: +LSD%
- Innovation: +MSD% annually
- Penetration: Close distribution gap to Josh

GROWTH  
**15% CAGR**  
FY19 - 23 (U.S. SALES)

PROFITABILITY  
**60% GROSS MARGIN**  
FY23



### BUYER OVERLAP



**50%**  
of Meiomi Bright PN Buyers  
bought Meiomi Bright PN  
exclusively and not Meiomi PN

**#1**

ULTRA-PREMIUM  
WINE BRAND  
IN THE U.S.

**#1**

PINOT NOIR  
IN U.S.

**#5**

ULTRA-PREMIUM  
CHARDONNAY  
IN U.S.

## KIM CRAWFORD

### DRIVERS

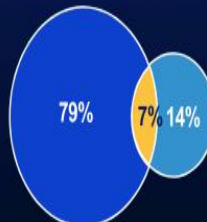
- Volume: +LDD%
- Net Sales: +Low 20s%
- Price/Mix: +HSD%
- Distribution: +MSD%
- Velocity: +LSD%
- Innovation: +MSD% annually
- Penetration: Close distribution gap to Josh

GROWTH  
**14% CAGR**  
FY19 - 23 (U.S. SALES)

PROFITABILITY  
**56% GROSS MARGIN**  
FY23



### BUYER OVERLAP



**65%**  
of KC Illuminate SB Buyers  
bought KC Illuminate SB  
exclusively and not KC SB

**#1**

NEW ZEALAND  
WINE BRAND  
IN THE U.S.

**#1**

SAUVIGNON  
BLANC  
IN U.S.

**#3**

SUPER PREMIUM  
PROSECCO  
IN U.S.

Source: Circana, ShopperLoyaltyPanel; All Shopper Loyalty Venues; 52 weeks ending August 13, 2023.  
Source: Constellation Brands data, analyses, and plans.

Constellation Brands

# CONTINUING THE SUCCESS OF OUR HIGHER-END WINE BRANDS

## TEQUILA – CASA NOBLE | MI CAMPO

CASA NOBLE®  
TEQUILA

### DRIVERS

- Volume: + >40%
- Net Sales: + >50%
- Price/Mix: + HSD%
- Distribution: + 20s%
- Velocity +Mid-Teens%
- Innovation: +MSD% annually
- Penetration: Close distribution gap to Don Julio

TOP TRENDING  
TEQUILA  
IN U.S.



TEQUILA **MI CAMPO**

### DRIVERS

- Volume: + >100%
- Net Sales: + >100%
- Price/Mix: +MSD%
- Distribution: + >50%
- Velocity: +30s%
- Innovation: +Low Teens% annually
- Penetration: Close distribution gap to Espolon

**59%**

DEPLETION  
GROWTH  
IN FY23



COMBINED GROWTH

**19% CAGR**

FY19 - 23 (U.S. SALES)

COMBINED PROFITABILITY

**43% GROSS MARGIN**

FY23

## WHISKEY – HIGH WEST

### DRIVERS

- Volume: +30s%
- Net Sales: +Mid 30s%
- Price/Mix: +MSD%
- Distribution: +LDD%
- Velocity: +Mid-Teens%
- Innovation: +MSD%
- Penetration: Close distribution gaps to Basil Hayden & Angel's Envy

**#3**

HIGHER-END  
AMERICAN RYE  
WHISKEY  
IN U.S.



GROWTH

**21% CAGR**

FY19 - 23 (U.S. SALES)

PROFITABILITY

**57% GROSS MARGIN**

FY23

Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

# TRANSFORMING OUR MAINSTREAM BRANDS

## SVEDKA AND WOODBRIDGE

### SVEDKA

Returning to SVEDKA's

Targeting LDD net sales growth,

### WOODBIDGE

Transforming into a

Hold share in



**original essence:  
PURE SEDUCTION**

beating price segment, and  
improving margin from  
Mid 40s% to 50s%

**FROM**

- Unfocused and dilutive flavor innovation
- Mainstream and commoditized vodka



**TO**

- Focused and elevated 80 Proof & SVEDKA Martini Collection
- Distinctive affordable luxury vodka
- Channel growth in on-premise, liquor, key states and cities



Source: Constellation Brands data, analyses, and plans.

**modernized  
& accessible wine brand**

a declining  
market segment

**FROM**

- Traditional mainstream wine brand
- Heritage sensory misaligned with target consumer expectations
- Margin-dilutive at low 20% GP



**TO**

- Contemporary broadly appealing wine brand
- Sweeter sensory aligned with target consumer preferences
- Channel growth in grocery and convenience
- Margin improvement to Mid 20s% GP



 Constellation Brands

## STRENGTHENING OUR POSITION IN MATURE U.S. WHOLESALE MARKET

FOCUSED ON UNDERPENETRATED  
CHANNELS OUTPERFORMING  
TOTAL U.S. WHOLESALE

- Ultra-Premium grow HSD;  
Mainstream decline MSD
- Core SKU ACV to 85-90%  
from 60-65%
- Triple shoulder SKUs ACV

KEY ACCOUNT PLANS  
IN PLACE FOR ALL NATIONAL  
CUSTOMERS



GROW GENERAL MARKET >500BPS  
GROW ON-PREMISE >600BPS





from >20% to >60%

- RGM driving 50-100bps of annual pricing
- Targeting innovation growing at HSD% annually

Total Wine  
& MORE

COSTCO  
WHOLESALE



OMNI HOTELS

LANDRY'S  
WASH. HOSPITALITY. ENTERTAINMENT. CAREERS.

Source: Constellation Brands data, analyses, and plans.

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# OUR OMNI-CHANNEL STRATEGY

## POSITIONS US FOR GROWTH AHEAD

Our new cross-channel DTC strategy drove +29% growth in FY23 through brand awareness, recurring net sales, customer engagement, and first-person data; optimizing this strategy aims to sustain ~20-30% net sales CAGR

### HOSPITALITY

- Net Sales +>10%
- Gross Margin >60%
- Capex for Robert Mondavi Winery, The Prisoner, Lingua Franca, High West, Nelson's Green Brier and Casa Noble
- Scaling corporate, private and trade events
- High avg. order value: Tasting Room >\$300

### ECOMMERCE

- Net Sales +>40%
- Gross Margin >40%
- Accelerating affiliate marketing and personalization

### LOYALTY

- Net Sales +>40%
- Gross Margin >55%
- Enhancing personalization across Wine Club, Corporate, Ambassador Programs, Events
- High Club avg. order value of >\$250 | Corporate >\$600



Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

# TARGETING OUTSIZED GROWTH WITH OUR INTERNATIONAL STRATEGY

Scaling our international business with prioritized markets and brands to deliver strong growth

\$200M  
NET  
SALES

DOUBLE  
MEDIUM-TERM

## FINE WINE FOCUS

- Prioritize fine wine investment
- Launch craft spirits in key markets
- Develop ecommerce, DTC in key markets
- Implement global RTM, shift to net pricing

## FULL FINE / ULTRA-PREMIUM WINE AND CRAFTS SPIRITS PORTFOLIO

- Invest in ultra-premium wine portfolio
- Accelerate growth of fine wine
- Global brand management
- Grow cross-functional process

## PRIORITIZING OUR HIGHER-END BRANDS

We are strategically focused on expanding our higher-end brands across our targeted international markets



Source: Constellation Brands data, analyses, and plans.

Constellation Brands

# OUR KEY CITIES EXPANSION STRATEGY PROVIDES FOCUS AND RUNWAY FOR GROWTH

OUR GLOBAL FOOTPRINT PROVIDES OPPORTUNITY IN HIGHER-GROWTH  
EMERGING MARKETS AND RUNWAY TO FURTHER SCALE MORE MATURE MARKETS

OUR FOCUSED  
CITY GROWTH STRATEGY





**SAM  
GLAETZER**

**LISA  
BROWN**

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SENIOR VICE PRESIDENT  
GLOBAL OPERATIONS & INTERNATIONAL SALES

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SENIOR VICE PRESIDENT SUPPLY CHAIN



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# OPERATIONS & SUPPLY CHAIN OUTLOOK



## OUR GLOBAL TERROIR AND PRODUCTION DIVERSIFICATION ENABLES ASSET OPTIMIZATION AND RISK MITIGATION

### CALIFORNIA AVAS

REGION	CBI BRAND PORTFOLIO
NAPA	   
SONOMA	   
PASO ROBLES	  
SAN LUIS OBISPO	 
CENTRAL VALLEY	  
CENTRAL COAST	  
NORTH COAST	 

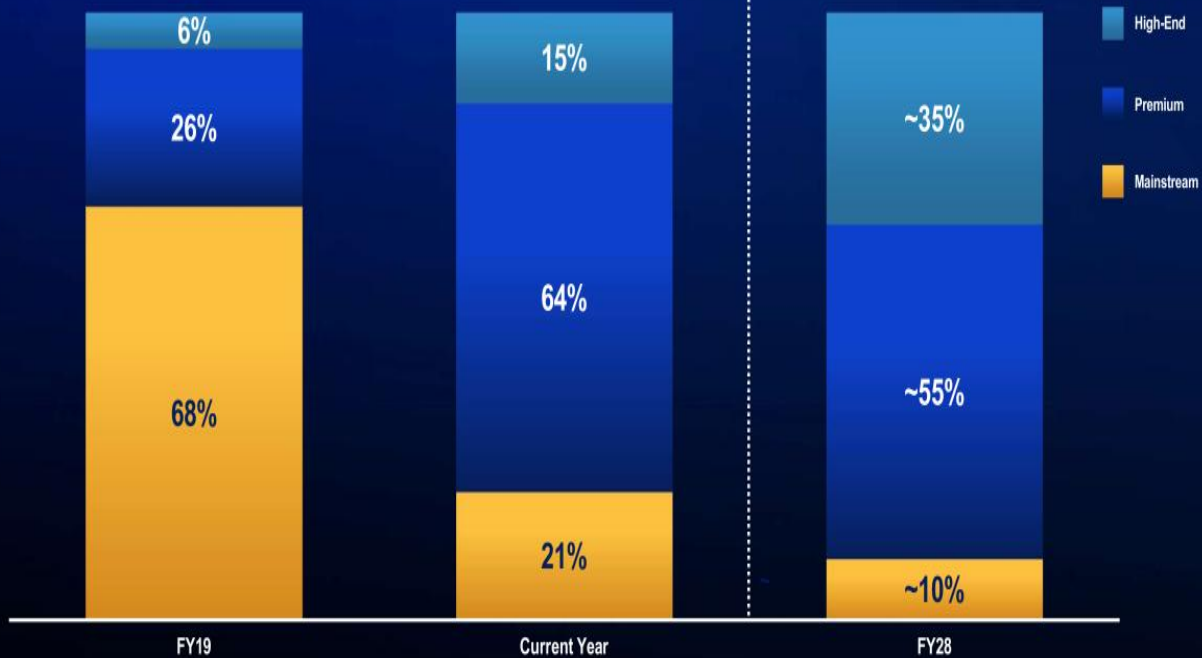
### REST OF WORLD AVAS

REGION	CBI BRAND PORTFOLIO
ITALY	  
AUSTRALIA / NEW ZEALAND	 
OREGON	
FRANCE	

OUR ASSET ALLOCATION IS ALIGNED WITH  
**MIX SHIFTS THAT SUPPORT HIGHER RETURNS**

HISTORICAL  
GRAPE ALLOCATION

FORECASTED  
GRAPE ALLOCATION



Source: Constellation Brands data, analyses, and plans.

Constellation Brands

## WE HAVE WIDE-RANGING OPERATIONAL AND SUPPLY CHAIN EFFICIENCY INITIATIVES

SUSTAINABLE DESIGN ACCELERATION + SKU RATIONALIZATION

+50-75 BPS GROSS PROFIT MARGIN EXPANSION OPPORTUNITY

INITIAL PHASE (FY23-FY24)

COST SAVINGS  
~\$12-14M  
CUMULATIVE

SCOPE  
23 BRANDS

NEXT PHASE (STARTING FY25)

COST SAVINGS  
~\$5-8M  
CUMULATIVE

SCOPE  
9 BRANDS

LIGHTWEIGHT GLASS

CAPSULE REMOVAL

CLOSURE OPTIMIZATION

LABEL AND CORK OPTIMIZATION



Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

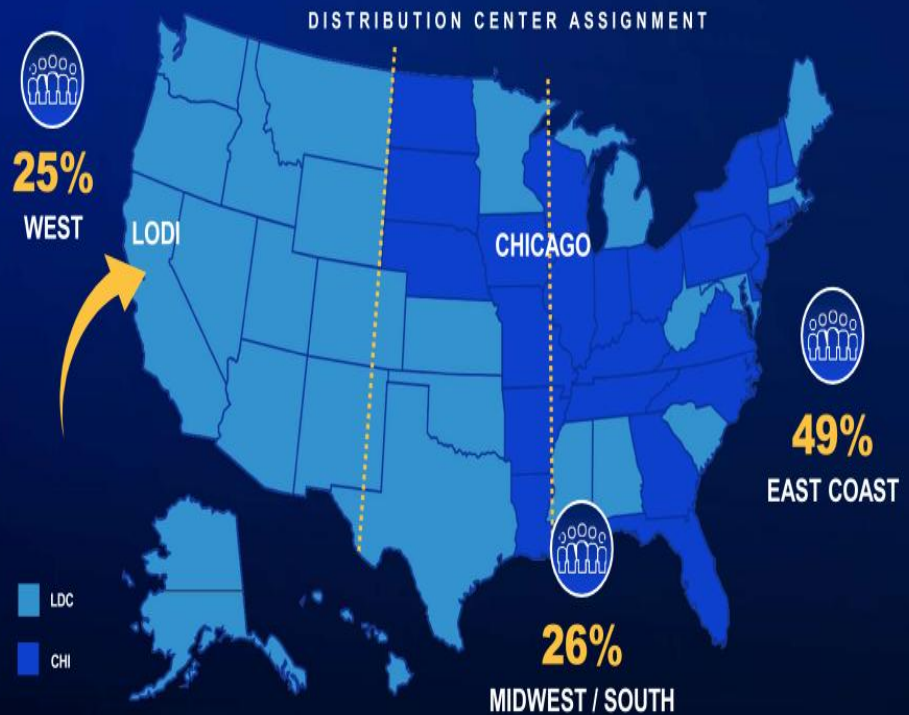


# WE HAVE WIDE-RANGING OPERATIONAL AND SUPPLY CHAIN EFFICIENCY INITIATIVES

## PRODUCTION FACILITY & SUPPLY CHAIN NETWORK OPTIMIZATION

+25-35 BPS GROSS PROFIT MARGIN EXPANSION OPPORTUNITY

- Recommissioning Napa Bottling Center, insourcing our bottling capability to reduce cost 20% versus outsourcing
- Supply chain network rationalized from multi-location CA warehouses to Lodi and Chicago, driving a rate per case reduction of \$0.11/case
- Further opportunity to optimize cellar capacity and supplement with third-party crush during variable harvest conditions



Source: Constellation Brands data, analyses, and plans.

Constellation Brands

# WE HAVE WIDE-RANGING OPERATIONAL AND SUPPLY CHAIN EFFICIENCY INITIATIVES

## SPIRITS PRODUCTION AND DTC INSOURCING

+45-55 BPS GROSS PROFIT MARGIN EXPANSION OPPORTUNITY

- Spirits production optimization by relocating High West bottling and insourcing components of SVEDKA production; \$7-10M annual savings opportunity
- Joint investment in Tequila capacity to scale the tequila portfolio with production benefits driving 25% ROIC
- Insourcing supply chain for Schrader results in \$1-1.5M average annualized savings, implying \$7-10M cumulative opportunity when scaled across DTC portfolio

### SVEDKA Dry Goods & Product Optimization

- \$1-1.5M annualized savings from FY26
- \$22M in capex cost avoidance via 3rd party business model



CURRENT 80P

FUTURE 80P AND FLAVORS

### DTC Internalization - Schrader Example

- In FY24 Schrader DTC was insourced to Lodi Distribution Center
- Annualized savings from \$560K in FY24 to \$1-1.5M FY25+
- Extending across total DTC implies \$7-10M cumulative savings opportunity



Source: Constellation Brands data, analyses, and plans.

 Constellation Brands





**KEN METZ**

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SENIOR VICE PRESIDENT FINANCE



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**FINANCIAL OUTLOOK**





## COMMITTED TO ACHIEVING OUR MEDIUM-TERM FINANCIAL TARGETS

Growth and operating leverage expected over the medium-term driven by mix and channel shift + pricing increases + efficiency and cost initiatives more than offsetting mainstream U.S. Wholesale headwinds + inflation

PIVOT TO  
NET SALES GROWTH

TARGET  
**~1-3%**  
ANNUALLY

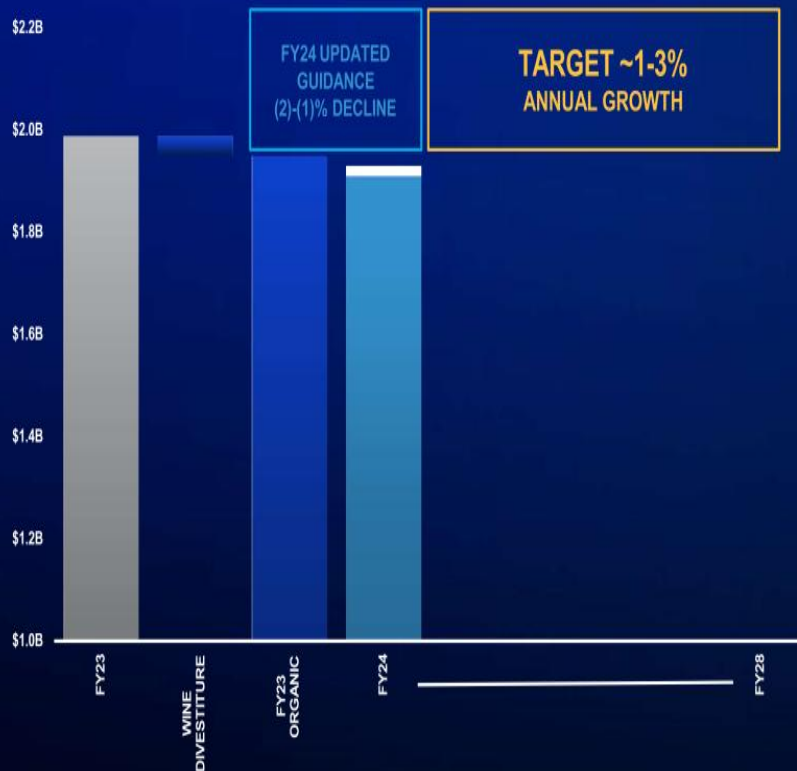
CONTINUED OPERATING  
MARGIN IMPROVEMENT

TARGET  
**~25-26%**

Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

# TARGETING ~1-3% ANNUAL NET SALES GROWTH



## KEY GROWTH DRIVERS

- 1 Continued growth of higher-end brands
- 2 Contributions from higher growth DTC & International
- 3 Consistent ~1% annual average price increases

Source: Constellation Brands data, analyses, and plans.

 Constellation Brands

# TARGETING ~25-26% OPERATING MARGINS

ANNUAL MARGINS AFFECTED BY VARIABLES BUT EXPECTED TO BE WITHIN TARGETED RANGE ON AVERAGE





## KEY MARGIN VARIABLES

### DRIVERS

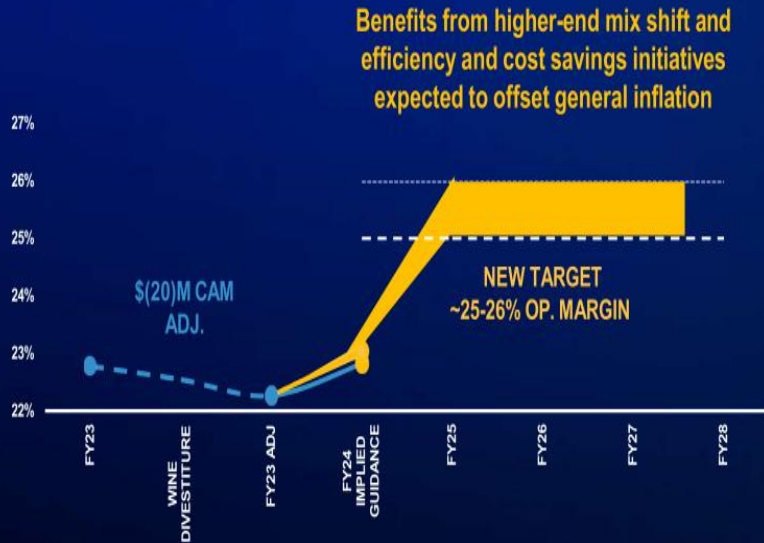
- Continued mix shift to higher-end
- Annual pricing increase
- Cost / ops. efficiencies

### DRAGS

- COGS inflation
- Depreciation

### OTHER FACTORS

- Marketing investment
- SG&A
- EUR-USD | NZD-USD FX rates



Source: Constellation Brands data, analyses, and plans.

Constellation Brands

## INCREASED PRODUCTIVITY EXPECTED TO SUPPORT MARGIN EXPANSION

### EFFICIENCY AND COST SAVINGS INITIATIVES

Optimization of operations and supply chain will continue being a key driver of margin improvement

Sustainable design acceleration

Spirits production and DTC insourcing

Production facilities optimization

### MATERIALS, LOGISTICS, AND LABOR INFLATION

After experiencing elevated inflation over last 2 years, expect to return to prior historical levels in next 4 years

#### AVERAGE ANNUAL INFLATION

FY19 - FY21

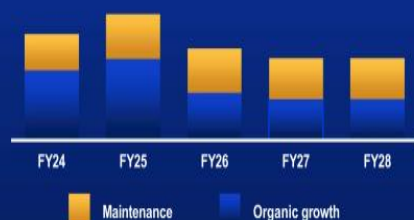
LSD

FY22 - FY24

HSD-LDD

### MAINTENANCE & HOSPITALITY INVESTMENTS DEPRECIATION

CAPEX TARGET  
~\$0.8B TOTAL FY24-FY28



Supply chain  
network  
optimization

Tail SKU and  
targeted low  
margin SKU  
rationalization

Other  
initiatives

FY22 - FY24  
FY25 - FY28

FY22 - FY24  
LSD-MSD

DEPRECIATION TARGET  
~\$85-105M ANNUALLY



Initiatives Expected to Deliver  
~\$125-150M in Cumulative Savings FY24-FY28

Source: Constellation Brands data, analyses, and plans.

## EFFICIENT APPROACH TO MARKETING INVESTMENTS AND SG&A

### MARKETING

Expect marketing spend relative to net sales to decline to ~8-8.5% with greater alignment to higher-end portfolio but overall investment still above industry average



### OTHER SG&A

Expect non-marketing SG&A spend relative to net sales to decline to ~14.5%, despite inflation



Source: Constellation Brands data, analyses, and plans.



# DELIVERING ENHANCED GROWTH AND PROFITABILITY

We expect sustainable net sales growth combined with ongoing margin expansion efforts and focused investment back into the business to support improved performance

	FY 24	FY25 - FY28
NET SALES	<b>~(2) - (1)%</b> DECLINE	<b>~1 - 3%</b> GROWTH ANNUALLY
OPERATING INCOME	<b>~2 - 4%</b> GROWTH	<b>~25 - 26%</b> AVG. MARGIN
DEPRECIATION	<b>~\$80 - 85M</b>	<b>~\$85 - 105M</b> ANNUALLY
CAPITAL EXPENDITURE	<b>~\$0.2B</b> TOTAL	<b>~\$0.6B</b> TOTAL

Source: Constellation Brands data, analyses, and plans.



Constellation Brands

# INVESTOR DAY 2023

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CHIEF COMMUNICATIONS, CSR & DIVERSITY OFFICER

A decorative horizontal bar consisting of a thin black line at the top, followed by a thicker blue line, and then a black line at the bottom.

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# ESG

## EVOLVING OUR APPROACH RAISING THE BAR OVER THE YEARS



CENTRALIZED  
RESPONSIBILITY



BOLSTERED  
SUPPORT



ELEVATED  
OVERSIGHT



EMBEDDED  
INTO BUSINESS  
PLANNING

## EVOLVING OUR APPROACH HONING OUR FOCUS





CONSUMER  
OBSESSED

CONSUMERS  
EXPECT MORE

BRANDS ALIGNED  
WITH VALUES  
AND PASSIONS

CREATE AND  
PROTECT VALUE  
FOR OUR BUSINESS

83%

OF CONSUMERS THINK  
COMPANIES SHOULD BE  
ACTIVELY SHAPING ESG  
BEST PRACTICES<sup>1</sup>



<sup>1</sup> PwC Consumer Intelligence Series June 2, 2021

 Constellation Brands

## — CREATING A FUTURE WORTH REACHING FOR

1



SAFEGUARDING  
OUR ENVIRONMENT  
AND  
NATURAL RESOURCES

2



ENHANCING  
SOCIAL EQUITY WITHIN  
OUR INDUSTRY AND  
COMMUNITIES

3



ADVOCATING  
FOR RESPONSIBLE  
BEVERAGE ALCOHOL  
CONSUMPTION



Improving water availability

Reducing greenhouse  
gas emissions

Commitment to waste reduction  
and circular packaging

Championing  
professional development

Enhancing economic development

Fostering an inclusive culture

Ensuring responsible  
promotion and marketing

Empowering responsible  
alcohol consumption choices  
by LDA adults

# IMPROVING WATER AVAILABILITY

EXCEEDED PREVIOUS TARGET OF  
**~1.1 BILLION GALLONS**  
OF WATER WITHDRAWAL RESTORATION  
FROM FY23 TO FY25

Built 3 dams in agricultural district near Obregon Brewery which increased **irrigation efficiency from 88% to 92%**

Nava Brewery collaborated with local and state governments in Mexico **to improve water access for ~4,000 families in the city of Zaragoza**

Implemented new irrigation technologies to **enhance water efficiency at our California vineyards**



NEW TARGET  
**5 BILLION GALLONS**  
OF WATER WITHDRAWAL RESTORATION  
FROM FY23 TO FY25

Irrigation district projects expected to yield continued reduction of water loss and new water recovery plant at Obregon expected to provide **720 cubic meters of clean water per day**

Multi-year project with Pronatura to **restore the hydrological region** in the Serranía del Burro near Nava Brewery

Multi-year investment with The Nature Conservancy to **support Global Resilient Watersheds program** in California's San Joaquin Valley

# REDUCING WATER WITHDRAWALS AND RESTORING IT TO LOCAL TO WATERSHEDS

In FY23 restored **50% of total water withdrawals** through discharges and restoration efforts



## REDUCING GREENHOUSE GAS EMISSIONS

SCOPE 1 & SCOPE 2  
GHG emissions continuing to work toward target of  
**~15% reduction by FY25**

Maturing our  
SCOPE 3  
**Data collection & analysis**



15% reduction by FY25

2024-2025 Strategic Plan

## SCOPE 1

**Introduction of zero and low emission vehicles**  
across our facilities worldwide

**Including over 80 vehicles added to the fleet**  
at our Obregon Brewery

**Implementation of solar technology**  
at our Ruffino winery and the Prisoner Wine Company

## SCOPE 2

**Transitioning energy procured to cleaner options**  
offered by suppliers available to our breweries in Mexico

**100% of electricity from renewable sources**  
at our Woodbridge winery

## SCOPE 3

**Enhancing processes and controls**, including to meet mandatory reporting requirements and implemented an upgraded Scope 3 **data calculation** methodology to enhance data accuracy

Progress towards **aligning with science-based targets initiative**

# COMMITMENT TO WASTE REDUCTION AND CIRCULAR PACKAGING

SEEK TO ATTAIN TRUE CERTIFICATION FOR ZERO WASTE<sup>1</sup>

### BEER PACKAGE FORMAT MIX

Steel Kegs  
3%

### WINE AND SPIRITS PACKAGE FORMAT MIX

Aluminum Cans  
12%

### ENHANCED CIRCULAR PACKAGING TARGETED PLANS

1

Reduce ratio<sup>2</sup> of packaging weight to product weight by 10% across wine and spirits portfolio by end of FY25<sup>3</sup>

2

Ensure 80% of wine and spirits packaging

Aluminum  
Cans  
37%

Glass  
Bottles  
60%

Plastic  
17%

Glass  
Bottles  
71%

2

is returnable, recyclable, or renewable

3

Replace hi-cone plastic rings with  
recyclable paperboard for all applicable  
4-pack and 6-pack beer SKUs

1 True Certification for Zero Waste sought for key operating facilities which, for the purposes of this target, consist of our major production facilities (i.e., our breweries in Mexico and our U.S. wineries generating the vast majority of waste).

2 Total packaging weight vs weight of wine or spirits liquid.

3 From baseline fiscal year 2022 ratio of packaging weight to product weight in Wine & Spirits portfolio.



 Constellation Brands

# ENHANCING SOCIAL EQUITY

## WITHIN OUR INDUSTRY

Female and minority led or founded

**>\$98M** INVESTED SINCE FY19

DURHAM  
Distillery  
TRADITIONALLY PRODUCED IN THE SOUTHERN STATES

KERR  
CELLARS

SAPERE  
we make bubbles

PRESS  
PREMIUM VODKA DISTILLERS

ArcherRoose

4 of 5 previous  
venture investments outpacing  
their respective categories

AUSTIN  
★  
COCKTAILS™



Full acquisition from ventures portfolio in  
FY23 and delivering +6% dollar sales  
CAGR in tracked channels since transaction

DOMAIN™



Continuing to invest in  
female and minority  
ventures in FY24



# ENHANCING SOCIAL EQUITY

## WITHIN OUR COMMUNITIES



CY21 - CY23

# \$4.1M INVESTED

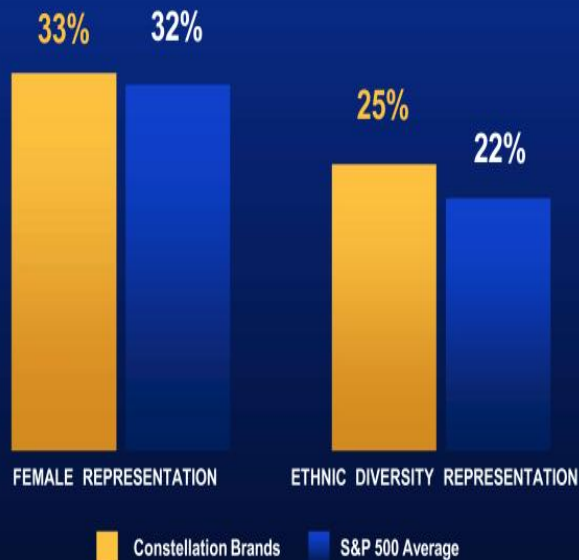


# DIVERSITY, EQUITY AND INCLUSION

BOARD OF DIRECTORS<sup>1</sup>

COMMITMENT TO DEI AT ALL LEVELS





- 1 Global DEI strategy in place to drive consistent efforts across the organization
- 2 Over 60% employee engagement in business resource groups<sup>2</sup>
- 3 Executive team members directly involved in DEI strategy and each sponsoring a business resource group

<sup>1</sup> Diversity data is as of February 28, 2023, is based on self-disclosed information, and includes independent and non-management board members, which excludes Constellation Brands' CEO.  
<sup>2</sup> U.S. Full Time Salaried employees as of 8.31.23.



## PROMOTING RESPONSIBLE BEVERAGE ALCOHOL CONSUMPTION

RESPONSIBLE BEVERAGE ALCOHOL CONSUMPTION  
PROMOTIONS & MARKETING



BETTERMENT  
LOW-ALCOHOL AND NON-ALCOHOL OPTIONS

From our breweries

Corona  
Light

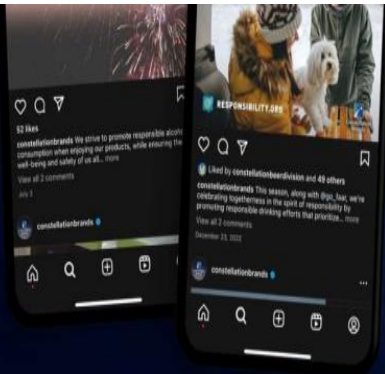
Corona  
PREMIER

Corona  
NON-ALCOHOLIC

CERVEZA  
Modelo  
Oro

From our wineries

EST. 1876



MEIOMI  
BRIGHT

SIMI  
Brightful

WOODBRIDGE  
*Sessions*


KIM CRAWFORD  
ILLUMINATE

From our ventures

HOP  
WTR

KARMA  
water

TÖST

 Constellation Brands

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## DELIVERING ON OUR COMMITMENTS

# EVOLVING OUR GOVERNANCE STRUCTURE

Significant governance enhancements introduced in the last year

### RECLASSIFICATION OF CLASS B COMMON STOCK

Alignment of shareholder  
voting power and  
economic ownership

### RETIREMENT OF PREVIOUSLY CONTROLLING SHAREHOLDER (ROB SANDS) AS BOARD CHAIR

Appointment of  
interim independent Chair

### RESIGNATION OF CONTROLLING SHAREHOLDER (ROB SANDS) AS NON-VOTING BOARD COMMITTEE MEMBER

Sands Family waives any future non-  
voting Board committee participation

### RETIREMENT OF TWO LONGEST TENURED NON-EXECUTIVE DIRECTORS

Retirements also resulted in  
appointment of new chairs for  
HR and CGN&R committees

### APPOINTMENT OF TWO NEW INDEPENDENT DIRECTORS

Strong financial expertise,  
as well as CPG and  
retail sector experience

### BOARD ADOPTED ANTI-PLEDGING POLICY FOR DIRECTORS AND EXECUTIVE OFFICERS

Capped carve-out  
for Sands Family  
and affiliated entities

# CREATING A FUTURE WORTH REACHING FOR

1



## SAFEGUARDING OUR ENVIRONMENT AND NATURAL RESOURCES

Improving water availability

Reducing greenhouse  
gas emissions

Commitment to waste reduction  
and circular packaging

2



## ENHANCING SOCIAL EQUITY WITHIN OUR INDUSTRY AND COMMUNITIES

Championing  
professional development

Enhancing economic development

Fostering an inclusive culture

3



## ADVOCATING FOR RESPONSIBLE BEVERAGE ALCOHOL CONSUMPTION

Ensuring responsible  
promotion and marketing

Empowering responsible  
alcohol consumption choices  
by LDA adults

 Constellation Brands



# INVESTOR DAY 2023



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CHIEF FINANCIAL OFFICER



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# FINANCIAL OUTLOOK

# KEY FINANCIAL HIGHLIGHTS

1

## Enterprise-wide financial targets over the medium term

- Mid to high single-digit net sales growth
- Operating income margin ~33-35%
- Low double-digit earnings per share growth<sup>1</sup>

2

## Commitment to consistent, disciplined capital allocation

- Refined Beer Capex investment to ~\$4B from FY24 - FY28
- Incremental \$2B share repurchase authorization<sup>2</sup>
- Expect to achieve target ~3.0x<sup>1</sup> net leverage ratio during FY25



Constellation Brands

<sup>1</sup>Excludes Canopy EE

<sup>2</sup>\$2B authorization approved by Board of Directors in November 2023.

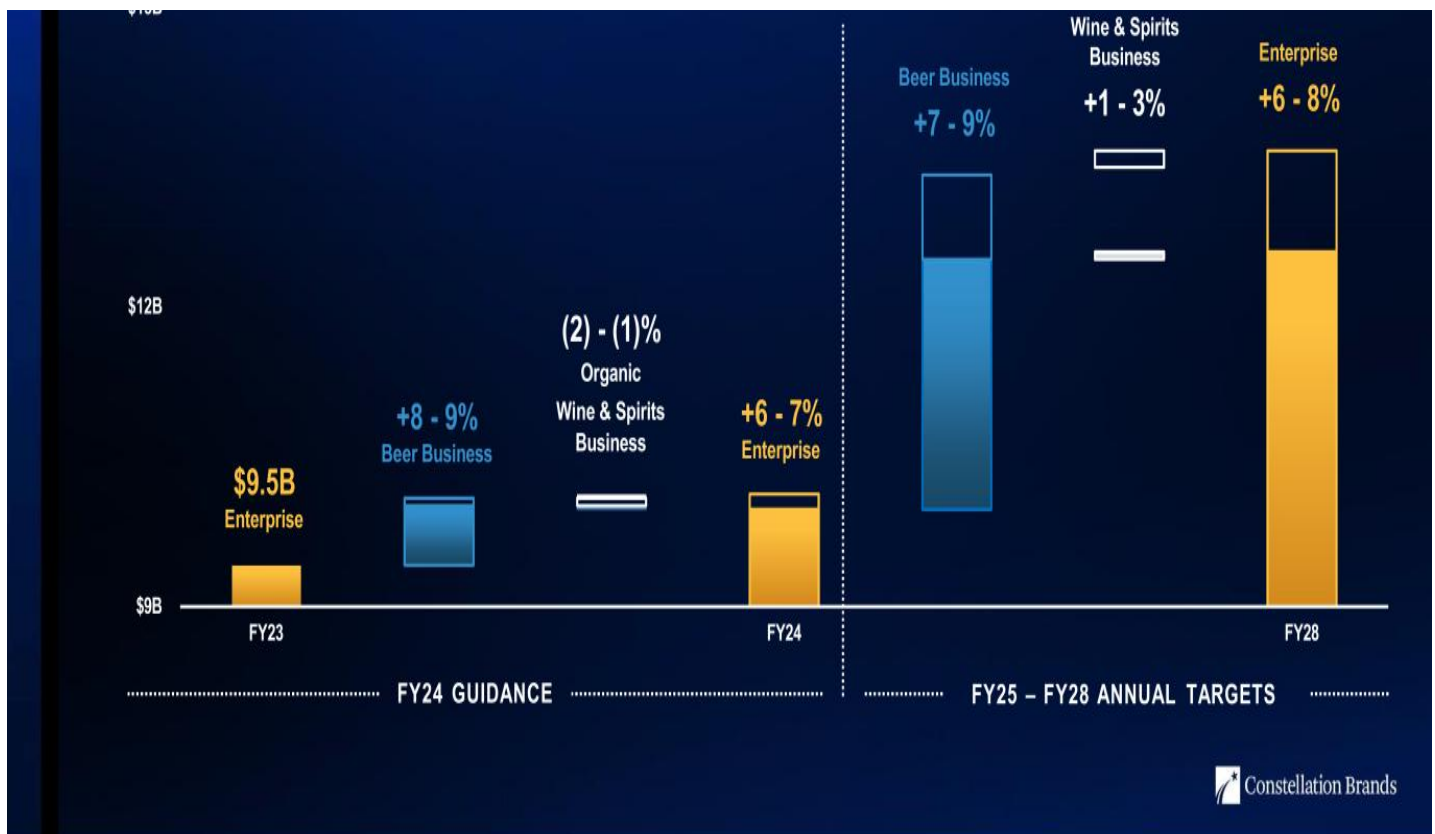


# ENTERPRISE NET SALES GROWTH TARGET OF ~6-8%

NET SALES OUTLOOK FY28 vs FY23

**UPLIFT OF ~\$3B - \$4B**





## ENTERPRISE OP. INCOME MARGIN TARGET OF ~33-35%

OPERATING INCOME OUTLOOK FY28 vs FY23

UPLIFT OF ~\$1.3B-\$1.8B





<sup>1</sup>Comparable basis excluding Canopy EIE

<sup>2</sup>The year ended February 28, 2023 includes \$19.5M of gross profit less marketing that are no longer part of the wine and spirits segment results due to the Wine Divestiture.



# DILUTED EPS GROWTH TARGET OF LOW-DOUBLE DIGITS OVER MEDIUM TERM

FY25 – FY28

Enterprise Net Sales: ~6-8% Growth

BEER: ~7-9% GROWTH

- Momentum of core and next wave brands
- +1-2% average pricing

WINE & SPIRITS: ~1-3% GROWTH

- Mix shift to higher-end | higher-end brands momentum
- +1% average pricing

Enterprise Operating Income Margin: ~33-35%

WINE & SPIRITS: ~25-26% OPERATING MARGIN

BEER: ~39-40% OPERATING MARGIN

- + Operational efficiencies & savings
- +/- FX & commodity trends

- + Marketing optimization & efficiencies
- Depreciation ramp-up

- + SG&A leverage
- Inflationary pressures

CORPORATE EXPENSE: +LSD-MSD% GROWTH

Ongoing investments in technology and talent

EFFECTIVE TAX RATE: ~20-22%

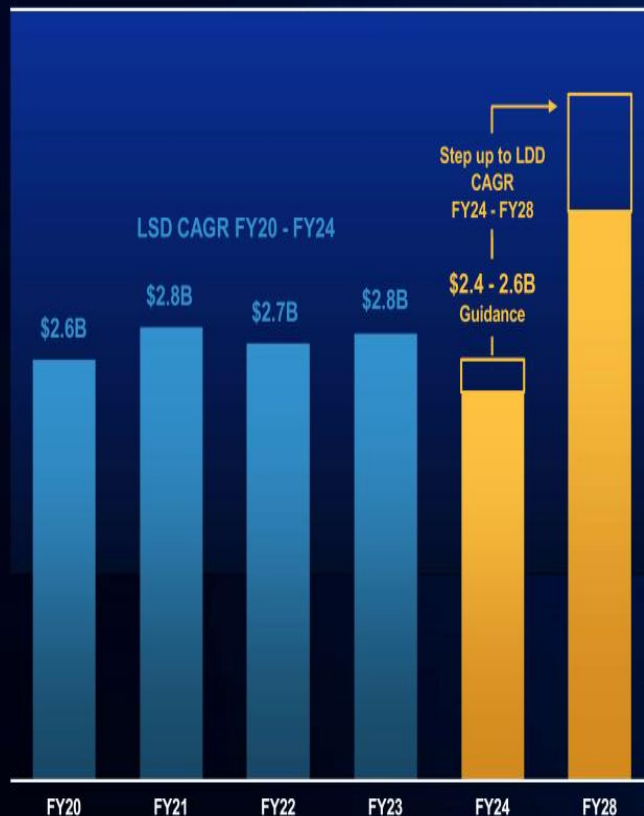
INTEREST EXPENSE: \$450 -600M

DILUTED EPS TARGET: +LDD% GROWTH



# EXPECTED STRONG CASH GENERATION & DISCIPLINED CASH USE

## ANNUAL OPERATING CASH FLOW



## CUMULATIVE OPERATING CASH FLOW



Committed to deploying cash in alignment with consistent capital allocation priorities

Solid investment grade rating

Dividend growth in-line with earnings

Organic investments to support growth

Share repurchases to enhance returns

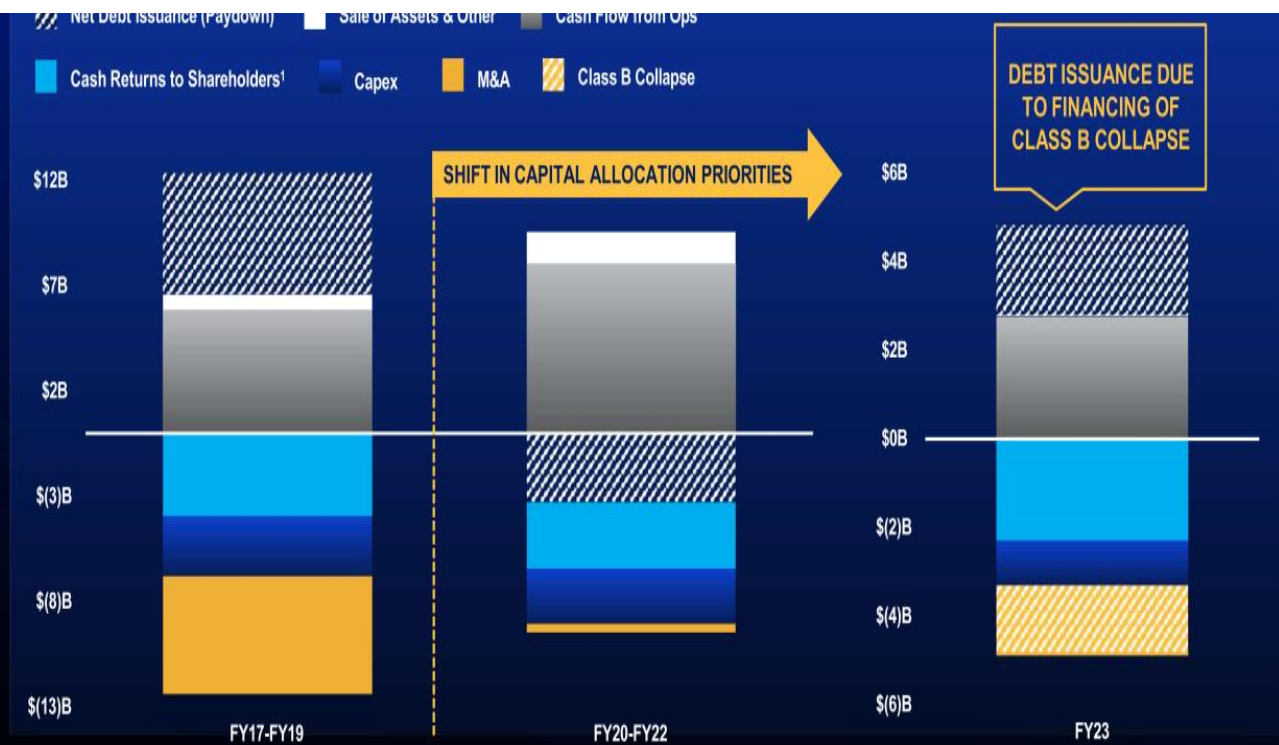
Tuck in acquisitions

Constellation Brands

# NOTABLE CHANGE IN CAPITAL ALLOCATION WITH CURRENT LEADERSHIP

## SOURCES AND USES OF CASH

/// Net Debt Issuance (Paydowns) ■ Sale of Assets & Other ■ Cash Flow from Ops



## ADVANCING OUR CAPITAL ALLOCATION PRIORITIES

**SOLID  
INVESTMENT GRADE  
RATING**

Expect to  
achieve target of

~3.0x<sup>1</sup>  
net leverage ratio

**DIVIDEND GROWTH  
IN-LINE WITH  
EARNINGS**

Expect to  
maintain target of

~30%  
annual dividend

**ORGANIC  
INVESTMENTS TO  
SUPPORT GROWTH**

Expect growth and  
maintenance CAPEX of

~\$5B  
across enterprise

**SHARE  
REPURCHASES TO  
ENHANCE RETURNS**

Total board  
authorization of

~\$2.8B for  
share buybacks

**TUCK IN  
ACQUISITIONS**

Disciplined and  
rigorous process to

assess with  
strict criteria any

during FY25

payout ratio<sup>2</sup>

from FY24 to FY28

now in place<sup>3</sup>

M&A considered

<sup>1</sup> Excludes Canopy EIE.

<sup>2</sup> Payout ratio defined as dividend per share divided by comparable basis earnings per share excluding Canopy EIE.

<sup>3</sup> \$2B authorization approved by Board of Directors in November 2023; \$0.88 represents remaining portion of authorization approved by Board of Directors in January 2021 to repurchase up to \$2.0 billion of the company's publicly traded common stock as of August 31, 2023.



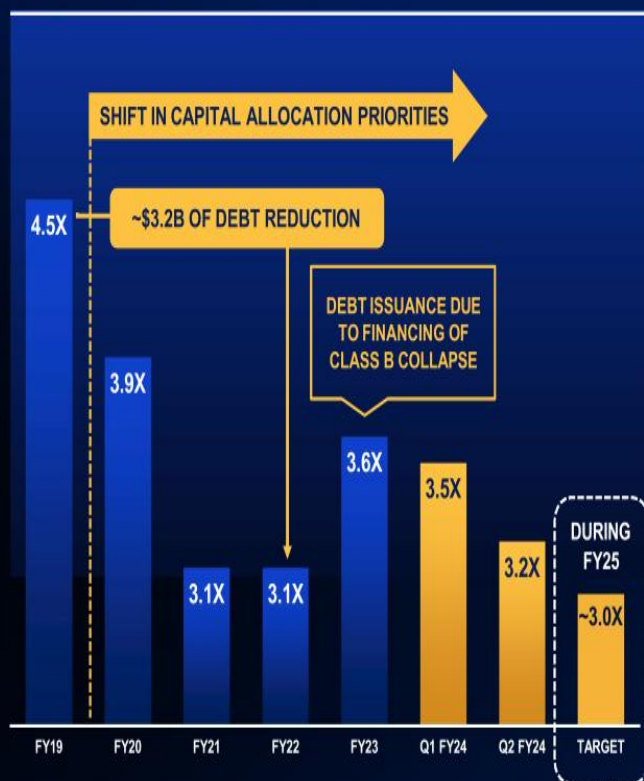
## A CONSIDERED APPROACH TO CAPITAL ALLOCATION

SOLID INVESTMENT GRADE RATING	DIVIDEND GROWTH IN-LINE WITH EARNINGS	ORGANIC INVESTMENTS TO SUPPORT GROWTH	SHARE REPURCHASES TO ENHANCE RETURNS	TUCK IN ACQUISITIONS
<p><b>Near-term Considerations</b></p> <p>Interest Expense Reduction</p> <p>Macroeconomic Backdrop</p> <p><b>Medium-term Considerations</b></p> <p>Credit Rating Impact</p> <p>Cost Of Capital Benefit</p>	<p><b>Near-term Considerations</b></p> <p>Return vs Organic Investments</p> <p>Return vs Share Repurchases</p> <p><b>Medium-term Considerations</b></p> <p>Dividend Payout Relative to Peers</p>	<p><b>Near-term Considerations</b></p> <p>Mid-Teen IRR Threshold</p> <p>Return vs Share Repurchases and / or Dividends</p> <p><b>Medium-term Considerations</b></p> <p>Strategic Benefit to Business</p>	<p><b>Near-term Considerations</b></p> <p>Temporary Share Price and / or Market Dislocation</p> <p><b>Medium-term Considerations</b></p> <p>External vs Internal Valuation</p> <p>Return vs Organic Investments</p>	<p><b>Near-term and Medium-term Considerations</b></p> <p>Fulfillment of Financial and Strategic M&amp;A Criteria</p> <p>Return vs Organic Investments and / or Share Repurchases and / or Dividends</p>

# MAINTAINING A SOLID INVESTMENT GRADE RATING

Revolver Capacity  
Senior Notes

NET LEVERAGE RATIO<sup>1</sup>

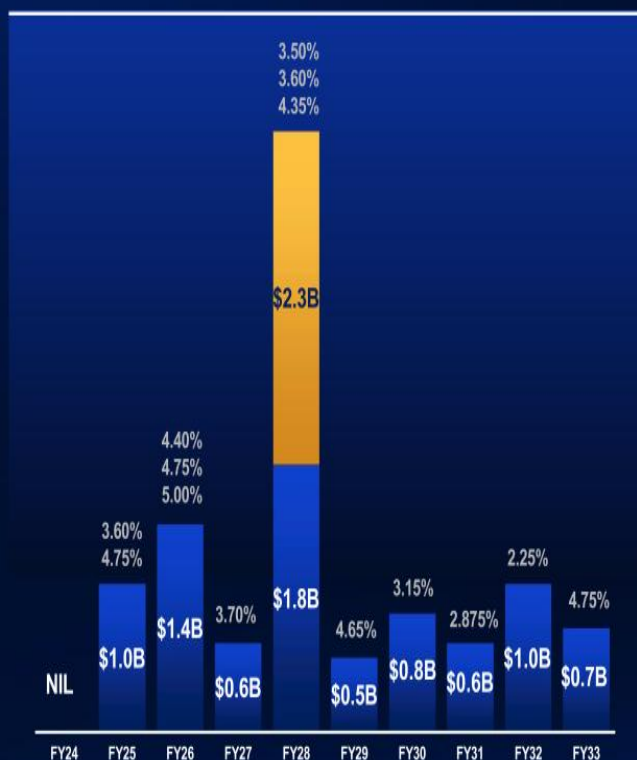


<sup>1</sup>Net leverage ratio defined as debt net of cash divided by comparable basis EBITDA excluding Canopy EIE. EBITDA is calculated on a comparable basis and is a non-GAAP financial measure. A reconciliation to the most directly comparable GAAP financial measure is included within the appendix.

<sup>2</sup>Debt maturity profile with corresponding interest rates, excluding commercial paper of \$468M (excluding unamortized discount) as of August 31, 2023, working capital lines, letters of credit, and senior notes maturing in FY48, FY49, and FY51.

Constellation Brands

DEBT MATURITY PROFILE<sup>2</sup>

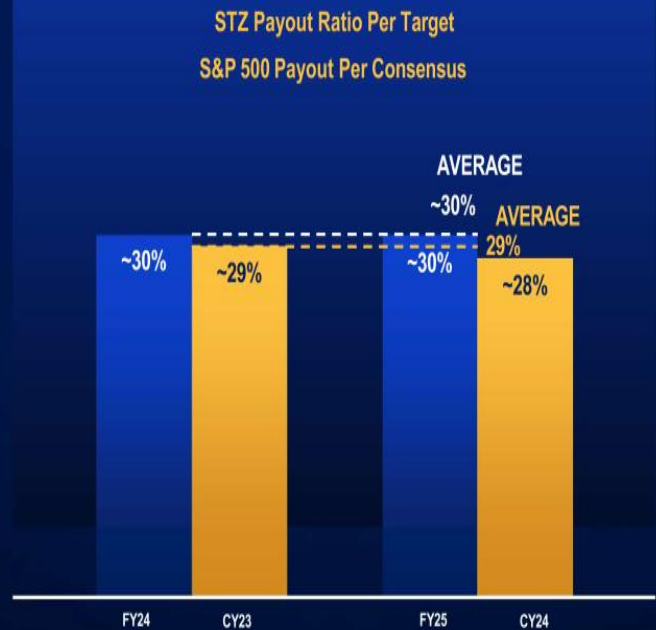
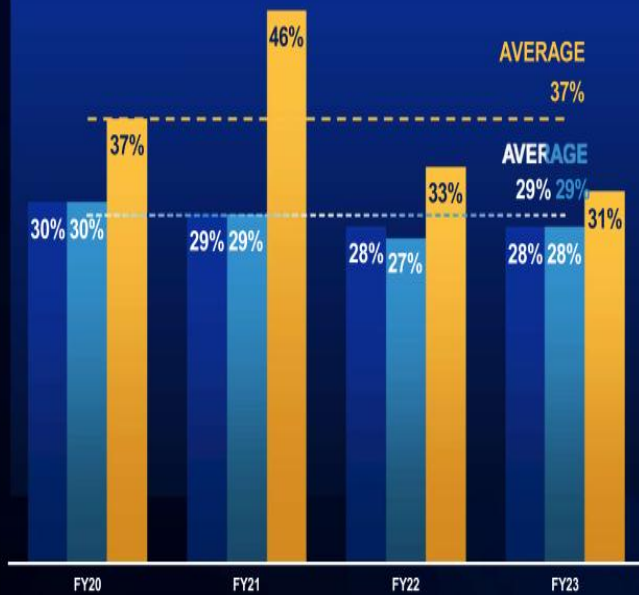


# PROVIDING A COMPETITIVE DIVIDEND PAYOUT RATIO

Constellation Brands  
S&P 500  
10-K Competitors

HISTORICAL DIVIDEND PAYOUT RATIO

EXPECTED DIVIDEND PAYOUT RATIO



Sources: Payout ratio for Constellation Brands defined as dividend per share divided by comparable basis earnings per share excluding Canopy EIE and for others payout ratio calculated as dividend per share divided by adjusted earnings per share. Historical calculation data sourced from financial results press release of Constellation Brands and competitors and NASDAQ IR Insights. Consensus data sourced from FactSet. Constellation Brands historical data reflects 03/01/19 to 02/28/23 period. Competitor historical data reflects fiscal year or cumulative quarterly / half-yearly periods amounting to a year immediately preceding the corresponding Constellation Brands fiscal year period(s). Consensus estimates only available for competitors on their corresponding fiscal year basis resulting in disparate April 30, June 30, December 31 year-end estimates. Consensus estimates available for S&P 500 on a calendar year basis.



## INVESTING THOUGHTFULLY IN ORGANIC GROWTH



### CAPITAL EXPENDITURES

Total Beer Business ~\$4B  
Total Wine & Spirits Business ~\$0.8B

CAPEX AS A PERCENT  
OF NET SALES

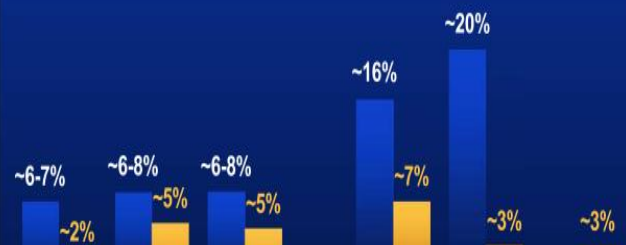
FY23: 11%

FY28: ~4-6%

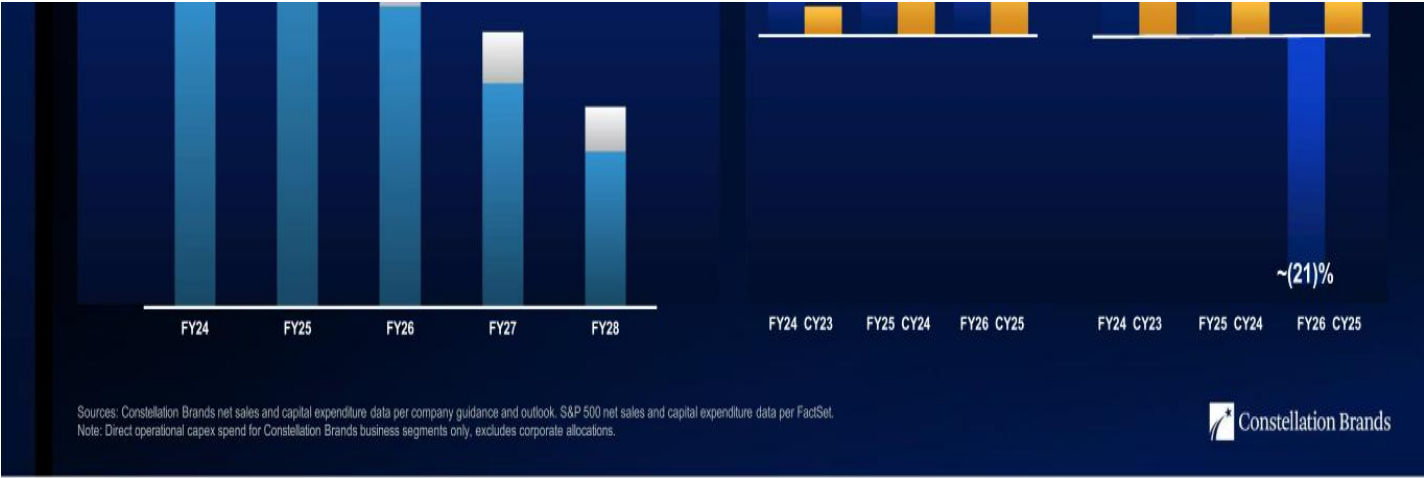
### NET SALES GROWTH

### CAPEX GROWTH

STZ Growth Rates Per Guidance and Outlook  
S&P500 Growth Rates Per Consensus



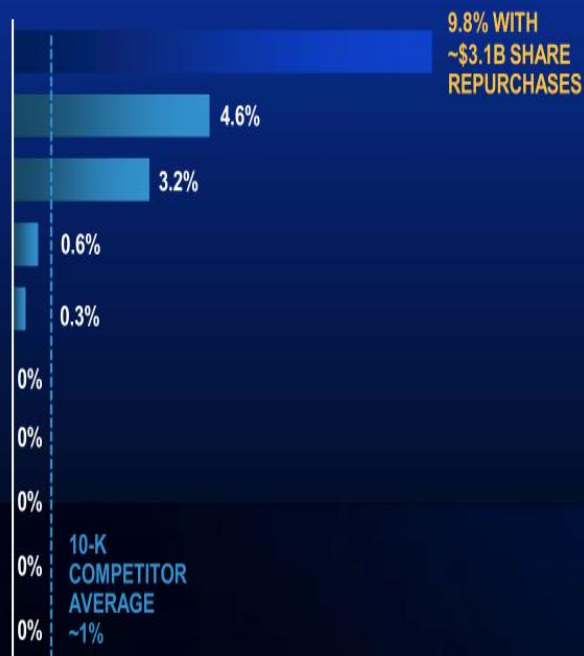




# CONDUCTING MEANINGFUL BUT PRUDENT SHARE REPURCHASES

Constellation Brands    Other Announcements  
10-K Competitors

SHARE REPURCHASE RATIO FY20 - FY23



SHARE REPURCHASE RATIO FOR  
CY23 SHARE REPURCHASE ANNOUNCEMENTS



Sources: Constellation Brands data reflects 03/01/19 to 02/28/23 period. Competitor data reflects the fiscal year immediately preceding the corresponding Constellation Brands fiscal year period(s) for publicly traded 10-K competitors. Share repurchase ratio calculated as share repurchases divided by market capitalization. Calculation data sourced from Bloomberg. Share repurchase announcement data sourced from MarketBeat for all companies with CY23 disclosures on new or incremental repurchases.

# ASSESSING TUCK IN M&A OPPORTUNITIES WITH RIGOR

<4% of operating cash flow between  
FY20 - FY23 spent on M&A expenditures

Recent acquisitions of high-growth brands almost entirely  
self-funded through sale of successful venture investment

## MY FAVORITE NEIGHBOR

Higher-end wines from Paso Robles, California,  
with strong DTC business, including ecommerce



Higher-end wines from  
Willamette Valley, Oregon



Premium brand in  
high-growth RTD segment



 Constellation Brands

## COMPELLING MEDIUM-TERM OUTLOOK

CONSOLIDATED  
NET SALES

Mid to High Single-Digit Growth

CONSOLIDATED  
OPERATING INCOME

High Single-Digit Growth

DILUTED  
EPS TARGET

Low Double-Digit Growth



mid to high single digit growth

~33-35% Operating Margin

## DOUBLE DIGIT OPERATING CASH FLOW GROWTH

Expect to  
achieve target of

~3.0x<sup>1</sup>  
net leverage ratio  
during FY25

Expect to  
maintain target of

~30%  
annual dividend  
payout ratio

Expect growth and  
maintenance Capex of

~\$5B  
across enterprise  
from FY24 to FY28

Total board  
authorization of

~\$2.8B for  
share buybacks  
now in place<sup>2</sup>

Disciplined and  
rigorous process to

assess with  
strict criteria any  
M&A considered

<sup>1</sup> Excludes Canopy EE

<sup>2</sup> \$2B represents authorization approved by Board of Directors in November 2023; \$0.8B represents remaining portion of authorization approved by Board of Directors in January 2021 to repurchase up to \$2.0 billion of the company's publicly traded common stock as of August 31, 2023.

 Constellation Brands

 Constellation Brands

# INVESTOR DAY 2023



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# APPENDIX



## GLP-1 DRUGS CURRENT CONSUMER INSIGHTS

**~1%**  
OF U.S.  
POPULATION

Currently has a GLP-1  
prescription

**> 2/3**  
OF PATIENTS

No longer taking GLP-1  
after 1 year in 4,000  
people study

**\$1,000**  
OR MORE

Monthly cost per patient  
for GLP-1 treatment

**~71%**  
OF PEOPLE

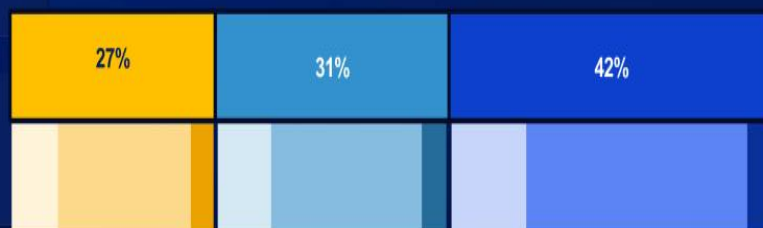
In over 2.6M GLP-1 social  
conversations indicated they  
would not try GLP-1 even if  
price is accessible

**ONLY 2%**

Of those same social  
conversations raised the topic of  
reduced alcohol consumption

### GLP-1 IMPACT ON BEVERAGE ALCOHOL POTENTIALLY LIMITED TO SMALL SUBSET OF U.S. LDA CONSUMERS

Healthy Weight Overweight Obese



Non-Drinkers 6% Low / Moderate Drinkers 18% Frequent Drinkers 3% Non-Drinkers 18% Low / Moderate Drinkers 21% Frequent Drinkers 3% Non-Drinkers 10% Low / Moderate Drinkers 29% Frequent Drinkers 3%

Sources: RBC Capital Markets research; MotivBase, Social Standards research for Constellation Brands; Constellation Brands research. Drinking status categories used sex-specific thresholds according to definition of alcohol use by the National Institute on Alcohol and Alcoholism: non-drinkers, low-moderate drinkers ( $\leq 14$  drinks/wk for men and  $\leq 7$  drinks/wk for women), and frequent drinkers ( $> 14$  drinks/wk for men and  $> 7$  drinks/wk for women).



## COMPARABLE MEASURES AND OTHER NON-GAAP FINANCIAL MEASURES

- We report our financial results in accordance with GAAP. However, non-GAAP financial measures are provided because management excludes items that affect comparability ("Comparable Adjustments") in evaluating the results of the core operations of the Company and/or internal goal setting. In addition, the Company believes this information provides investors, financial analysts covering the Company, rating agencies, and other external users ("our investors") valuable insight on underlying business trends and results in order to evaluate year-over-year financial performance. As such, certain items, when appropriate, are excluded from comparable results. Please refer to the Company's investor relations website at [ir.cbrands.com/financial-information/financial-results](http://ir.cbrands.com/financial-information/financial-results) for a more detailed description and further discussion of these non-GAAP financial measures.

- See the following tables for supplemental financial data and corresponding reconciliations of these non-GAAP financial measures to GAAP financial measures for the periods presented. Non-GAAP financial

See the following tables for supplemental financial data and corresponding reconciliations of these non-GAAP financial measures to GAAP financial measures for the periods presented. Non-GAAP financial measures should be considered in addition to, not as a substitute for, or superior to, our reported results prepared in accordance with GAAP.

- Canopy equity earnings (losses) and related activities ("Canopy EIE") - The measures that exclude all of our equity in the earnings (losses) of Canopy and related activities on a reported basis are defined as "excluding Canopy EIE." Financial measures excluding Canopy EIE are non-GAAP and are provided because management uses this information to monitor our investment in Canopy. In addition, we believe this information provides our investors valuable insight to understand how management views the Company's performance and on underlying business trends and results in order to evaluate year-over-year financial performance of our ongoing core business, including relative to industry competitors.
- Adjusted Earnings before Interest and Taxes ("Adjusted EBIT") is defined by the Company as net income (loss) attributable to CBI plus (i) net income (loss) attributable to noncontrolling interests, (ii) provision for (benefit from) income taxes, (iii) loss on extinguishment of debt, and (iv) interest expense. Comparable Basis EBIT is defined by the Company as Adjusted EBIT on a comparable basis. Adjusted EBIT and Comparable Basis EBIT are considered performance measures, and the Company considers net income (loss) attributable to CBI the most comparable GAAP measure for each. Adjusted EBIT and Comparable Basis EBIT are used by management in evaluating the results of the core operations of the Company including, the results of its equity method investments. In addition, the Company believes this information provides our investors valuable insight on underlying business trends and results in order to evaluate year-over-year financial performance.
- Comparable Basis Earnings before Interest, Taxes, Depreciation, and Amortization ("Comparable Basis EBITDA") is defined by the Company as net income (loss) attributable to CBI plus (i) net income (loss) attributable to noncontrolling interests, (ii) provision for (benefit from) income taxes, (iii) loss on extinguishment of debt, (iv) interest expense, (v) depreciation, and (vi) amortization, all on a comparable basis. The Company has disclosed its debt to Comparable Basis EBITDA ratio and net debt to Comparable Basis EBITDA ratio. These are financial measures that management believes are of interest to our investors and lenders in relation to the Company's overall capital structure and its ability to borrow additional funds. The Company considers Comparable Basis EBITDA a measure of liquidity and considers net cash provided by operating activities the most comparable GAAP measure.
- Free cash flow is defined by the Company as net cash flow from operating activities prepared in accordance with GAAP less capital expenditures for property, plant, and equipment. Free cash flow is considered a liquidity measure and provides useful information to our investors about the amount of cash generated, which can then be used, after required debt service and dividend payments, for other general corporate purposes. A limitation of free cash flow is that it does not represent the total increase or decrease in the cash balance for the period.



## REPORTED STATEMENTS OF OPERATIONS (GAAP)

	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FIRST QUARTER 2023	SECOND QUARTER 2023	THIRD QUARTER 2023	FOURTH QUARTER 2023	FISCAL YEAR 2023	FIRST QUARTER 2024	SECOND QUARTER 2024	SIX MONTHS 2024
(IN MILLIONS, EXCEPT SHARE AND PER SHARE DATA)												
Net sales	\$ 8,116.0	\$ 8,343.5	\$ 8,614.9	\$ 8,820.7	\$ 2,363.2	\$ 2,655.1	\$ 2,436.5	\$ 1,997.8	\$ 9,452.6	\$ 2,514.9	\$ 2,836.8	\$ 5,351.7
Cost of product sold	(4,035.7)	(4,191.6)	(4,148.9)	(4,113.4)	(1,108.2)	(1,329.2)	(1,209.6)	(1,036.6)	(4,683.6)	(1,257.1)	(1,386.9)	(2,644.0)
Gross profit	4,080.3	4,151.9	4,466.0	4,707.3	1,255.0	1,325.9	1,226.9	961.2	4,769.0	1,257.8	1,449.9	2,707.7
Selling, general, and administrative expenses	(1,668.1)	(1,621.8)	(1,665.1)	(1,711.4)	(438.6)	(512.8)	(480.2)	(494.5)	(1,926.1)	(493.1)	(471.2)	(964.3)
Impairment of brewery construction in progress	—	—	—	(665.9)	—	—	—	—	—	—	—	—
Impairment of assets held for sale	—	(449.7)	(24.0)	—	—	—	—	—	—	—	—	—
Gain (loss) on sale of business	—	74.1	14.2	1.7	—	—	—	—	—	—	—	—
Operating income (loss)	2,412.2	2,154.5	2,791.1	2,331.7	816.4	813.1	746.7	466.7	2,842.9	764.7	978.7	1,743.4
Income (loss) from unconsolidated investments	2,101.6	(2,668.6)	150.3	(1,835.5)	(187.9)	(1,719.1)	(37.2)	(92.2)	(2,036.4)	(415.4)	(20.2)	(435.6)
Interest expense	(367.1)	(428.7)	(385.7)	356.4	(88.5)	(94.3)	(98.7)	(117.2)	(398.7)	(118.2)	(110.6)	(228.8)
Loss on extinguishment of debt	(1.7)	(2.4)	(12.8)	(29.4)	(15.3)	(8.0)	—	(0.9)	(24.2)	(0.7)	—	(0.7)
Income (loss) before income taxes	4,145.0	(945.2)	2,542.9	310.4	524.7	(1,008.3)	610.8	256.4	383.6	230.4	847.9	1,078.3
(Provision for) benefit from income taxes	(685.9)	966.6	(511.1)	(309.4)	(125.4)	(132.4)	(131.1)	(33.2)	(422.1)	(91.2)	(147.2)	(238.4)
Net income (loss)	3,459.1	214	2,031.8	1.0	399.3	(1,140.7)	479.7	223.2	(38.5)	139.2	700.7	839.9
Net (income) loss attributable to noncontrolling interests	(23.2)	(33.2)	(33.8)	(41.4)	(9.8)	(10.5)	(12.0)	(0.2)	(32.5)	(3.3)	(10.7)	(14.0)
Net income (loss) attributable to CBI	\$ 3,435.9	\$ (11.8)	\$ 1,998.0	\$ (40.4)	\$ 389.5	\$ (1,151.2)	\$ 467.7	\$ 223.0	\$ (71.0)	\$ 135.9	\$ 690.0	\$ 825.9
Diluted net income (loss) per common share attributable to CBI	\$ 17.57	\$ (0.07)	\$ 10.23	\$ (0.22)	\$ 2.06	\$ (6.30)	\$ 2.52	\$ 1.21	\$ (0.11)	\$ 0.74	\$ 3.74	\$ 4.49

Diluted weighted average common shares outstanding	195,532	168,329	195,308	167,431	189,333	161,730	185,291	184,534	169,337	183,663	184,277	184,074
<b>CASH DIVIDENDS DECLARED PER COMMON SHARE:</b>												
Class A Common Stock	\$ 2.96	\$ 3.00	\$ 3.00	\$ 3.04	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 3.20	\$ 0.89	\$ 0.89	\$ 1.78
Class B Convertible Common Stock	\$ 2.68	\$ 2.72	\$ 2.72	\$ 2.76	\$ 0.72	\$ 0.72	\$ 0.72	NA	\$ 2.16	NA	NA	NA
Effective tax rate	16.5%	102.3%	20.1%	99.7%	23.9%	(13.1%)	21.5%	12.9%	110.0%	39.6%	17.4%	22.1%
<b>ITEMS AS A PERCENT OF NET SALES:</b>												
Cost of product sold	49.7%	50.2%	48.2%	46.6%	46.9%	50.1%	49.6%	51.9%	49.5%	50.0%	48.9%	49.4%
Gross profit	50.3%	49.8%	51.8%	53.4%	53.1%	49.9%	50.4%	48.1%	50.5%	50.0%	51.1%	50.6%
Selling, general, and administrative expenses	20.6%	19.4%	19.3%	19.4%	18.6%	19.3%	19.7%	24.8%	20.4%	19.6%	16.6%	18.0%
Operating income (loss)	29.7%	25.6%	32.4%	26.4%	34.5%	30.6%	30.6%	23.4%	30.1%	30.4%	34.5%	32.6%

NA - Not Applicable



## RECONCILIATION OF REPORTED AND COMPARABLE NON-GAAP INFORMATION

(IN MILLIONS, EXCEPT PER SHARE DATA)	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FIRST QUARTER 2023	SECOND QUARTER 2023	THIRD QUARTER 2023	FOURTH QUARTER 2023	FISCAL YEAR 2023	FIRST QUARTER 2024	SECOND QUARTER 2024	SIX MONTHS 2024
<b>NET SALES</b>												
Reported Net Sales	\$ 8,116.0	\$ 8,343.5	\$ 8,614.9	\$ 8,820.7	\$ 2,363.2	\$ 2,655.1	\$ 2,436.5	\$ 1,997.8	\$ 9,452.6	\$ 2,514.9	\$ 2,836.8	\$ 5,351.7
Comparable Net Sales	\$ 8,116.0	\$ 8,343.5	\$ 8,614.9	\$ 8,820.7	\$ 2,363.2	\$ 2,655.1	\$ 2,436.5	\$ 1,997.8	\$ 9,452.6	\$ 2,514.9	\$ 2,836.8	\$ 5,351.7
<b>COST OF PRODUCT SOLD</b>												
Reported Cost of Product Sold	\$ (4,035.7)	\$ (4,191.6)	\$ (4,148.9)	\$ (4,113.4)	\$ (1,108.2)	\$ (1,329.2)	\$ (1,209.6)	\$ (1,036.6)	\$ (4,683.6)	\$ (1,257.1)	\$ (1,386.9)	\$ (2,644.0)
Comparable Adjustments <sup>(1)</sup>	29.9	162.3	51.6	(82.4)	(24.4)	46.4	25.2	48.8	96.0	34.8	(23.9)	0.9
Comparable Cost of Product Sold	\$ (4,005.8)	\$ (4,029.3)	\$ (4,097.3)	\$ (4,195.8)	\$ (1,132.6)	\$ (1,282.8)	\$ (1,184.4)	\$ (987.8)	\$ (4,587.6)	\$ (1,222.3)	\$ (1,410.8)	\$ (2,633.1)
<b>GROSS PROFIT</b>												
Reported Gross Profit	\$ 4,080.3	\$ 4,151.9	\$ 4,466.0	\$ 4,707.3	\$ 1,255.0	\$ 1,325.9	\$ 1,226.9	\$ 961.2	\$ 4,769.0	\$ 1,257.8	\$ 1,449.9	\$ 2,707.7
Comparable Adjustments <sup>(1)</sup>	29.9	162.3	51.6	(82.4)	(24.4)	46.4	25.2	48.8	96.0	34.8	(23.9)	0.9
Comparable Gross Profit	\$ 4,110.2	\$ 4,314.2	\$ 4,517.6	\$ 4,624.9	\$ 1,230.6	\$ 1,372.3	\$ 1,252.1	\$ 1,010.0	\$ 4,865.0	\$ 1,292.6	\$ 1,426.0	\$ 2,718.6
<b>SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES</b>												
Reported Selling, General, and Administrative Expenses	\$ (1,668.1)	\$ (1,621.8)	\$ (1,665.1)	\$ (1,711.4)	\$ (438.6)	\$ (512.8)	\$ (480.2)	\$ (494.5)	\$ (1,926.1)	\$ (493.1)	\$ (471.2)	\$ (964.3)
Comparable Adjustments <sup>(1)</sup>	174.1	40.0	35.6	22.3	0.5	23.2	(2.2)	76.3	97.8	27.7	13.0	40.7
Comparable Selling, General, and Administrative Expenses	\$ (1,494.0)	\$ (1,581.8)	\$ (1,629.5)	\$ (1,689.1)	\$ (438.1)	\$ (489.6)	\$ (482.4)	\$ (418.2)	\$ (1,828.3)	\$ (465.4)	\$ (458.2)	\$ (923.6)
<b>IMPAIRMENT OF BREWERY CONSTRUCTION IN PROGRESS</b>												
Reported Impairment of Brewery Construction in Progress	\$ —	\$ —	\$ —	\$ (665.9)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Comparable Adjustments <sup>(1)</sup>	—	—	—	665.9	—	—	—	—	—	—	—	—
Comparable Impairment of Brewery Construction in Progress	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

(1) Please refer to the Company's investor relations website at [cbrands.com/financial-information/financial-results](http://cbrands.com/financial-information/financial-results) for a more detailed description and further discussion of these non-GAAP financial measures.

(CONTINUED)

(IN MILLIONS, EXCEPT SHARE AND PER SHARE DATA)

(1) Please refer to the Company's investor relations website at [ir.brands.com/financial-information/financial-results](http://ir.brands.com/financial-information/financial-results) for a more detailed description and further discussion of these non-GAAP financial measures.



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(IN MILLIONS, EXCEPT SHARE AND PER SHARE DATA)

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(PROVISION FOR) BENEFIT FROM INCOME TAXES

Reported (Provision For) Benefit From Income Taxes	\$ (685.9)	\$ 966.6	\$ (511.1)	\$ (309.4)	\$ (125.4)	\$ (132.4)	\$ (131.1)	\$ (33.2)	\$ (422.1)	\$ (91.2)	\$ (147.2)	\$ (238.4)
Comparable Adjustments <sup>(1)</sup>	278.6	(1,270.7)	103.9	(121.5)	(12.5)	(23.2)	2.5	(39.2)	(72.4)	(49.0)	(4.7)	(53.7)
Comparable (Provision For) Benefit From Income Taxes	\$ (407.3)	\$ (304.1)	\$ (407.2)	\$ (430.9)	\$ (137.9)	\$ (155.6)	\$ (128.6)	\$ (72.4)	\$ (494.5)	\$ (140.2)	\$ (151.9)	\$ (292.1)
NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS												
Reported Net (Income) Loss Attributable to Noncontrolling Interests	\$ (23.2)	\$ (33.2)	\$ (33.8)	\$ (41.4)	\$ (9.8)	\$ (10.5)	\$ (12.0)	\$ (0.2)	\$ (32.5)	\$ (3.3)	\$ (10.7)	\$ (14.0)
Comparable Net (Income) Loss Attributable to Noncontrolling Interests	\$ (23.2)	\$ (33.2)	\$ (33.8)	\$ (41.4)	\$ (9.8)	\$ (10.5)	\$ (12.0)	\$ (0.2)	\$ (32.5)	\$ (3.3)	\$ (10.7)	\$ (14.0)
NET INCOME (LOSS) ATTRIBUTABLE TO CBI												
Reported Net Income (Loss) Attributable to CBI	\$ 3,435.9	\$ (11.8)	\$ 1,998.0	\$ (40.4)	\$ 389.5	\$ (1,151.2)	\$ 467.7	\$ 223.0	\$ (71.0)	\$ 135.9	\$ 690.0	\$ 825.9
Comparable Adjustments <sup>(1)</sup>	(1,620.7)	1,789.7	(51.5)	2,000.2	114.3	1,739.9	57.0	142.1	2,053.3	398.6	(8.2)	390.4
Comparable Net Income (Loss) Attributable to CBI	\$ 1,815.2	\$ 1,777.9	\$ 1,946.5	\$ 1,959.8	\$ 503.8	\$ 588.7	\$ 524.7	\$ 365.1	\$ 1,982.3	\$ 534.5	\$ 681.8	\$ 1,216.3
DILUTED NET INCOME (LOSS) PER COMMON SHARE ATTRIBUTABLE TO CBI												
Reported Diluted Net Income (Loss) Per Common Share Attributable to CBI <sup>(2)</sup>	\$ 17.57	\$ (0.07)	\$ 10.23	\$ (0.22)	\$ 2.06	\$ (6.30)	\$ 2.52	\$ 1.21	\$ (0.11)	\$ 0.74	\$ 3.74	\$ 4.49
Comparable Adjustments <sup>(1)</sup>	(8.29)	9.18	(0.26)	10.40	0.60	9.36	0.30	0.77	11.03	2.17	(0.04)	2.12
Comparable Diluted Net Income (Loss) Per Common Share Attributable to CBI <sup>(3)</sup>	9.28	\$ 9.12	\$ 9.97	\$ 10.20	\$ 2.66	\$ 3.17	\$ 2.83	\$ 1.98	\$ 10.65	\$ 2.91	\$ 3.70	\$ 6.61
Diluted weighted average common shares outstanding												
	195,532	194,881	195,308	192,222	189,333	185,737	185,291	184,534	186,199	183,863	184,277	184,074

(1) Please refer to the Company's investor relations website at [ir.cbrands.com/financial-information/financial-results](http://ir.cbrands.com/financial-information/financial-results) for a more detailed description and further discussion of these non-GAAP financial measures.

(2) EPS was computed using the two-class method, until such conversion took place pursuant to the reclassification, conversion, and exchange of our Class B Convertible Common Stock into our Class A Common Stock on November 10, 2022 (the "Reclassification"). Amount includes an adjustment for income allocated through the date of the Reclassification.

(3) Comparable Diluted Net Income (Loss) Per Common Share Attributable to CBI may not sum as comparable amounts are calculated on a fully diluted basis and Reported Diluted Net Income (Loss) Per Common Share Attributable to CBI may be calculated excluding issuable shares if the effect of including these would have been anti-dilutive. May not sum due to rounding as each item is computed independently.



## CANOPY EQUITY EARNINGS (LOSSES) AND RELATED ACTIVITIES ("CANOPY EIE")

	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FIRST QUARTER 2023	SECOND QUARTER 2023	THIRD QUARTER 2023	FOURTH QUARTER 2023	FISCAL YEAR 2023	FIRST QUARTER 2024	SECOND QUARTER 2024	SIX MONTHS 2024
(IN MILLIONS EXCEPT PER SHARE DATA)												
COMPARABLE NET INCOME (LOSS) ATTRIBUTABLE TO CBI - CANOPY EIE CALCULATION												
Equity earnings (losses) and related activities, Canopy EIE	\$ (2.6)	\$ (575.9)	\$ (679.0)	\$ (73.6)	\$ (165.0)	\$ (650.7)	\$ (60.8)	\$ (72.8)	\$ (949.3)	\$ (219.8)	\$ (12.0)	\$ (231.8)
Comparable Adjustments, Canopy EIE <sup>(1)</sup>	(13.9)	354.2	532.8	(104.6)	113.0	615.9	24.1	38.1	791.1	189.0	(7.5)	181.5
Comparable equity earnings (losses) and related activities, Canopy EIE	(16.5)	(221.7)	(146.2)	(178.2)	(52.0)	(34.8)	(36.7)	(34.7)	(158.2)	(30.8)	(19.5)	(50.3)
Benefit from income taxes Canopy EIE <sup>(1)</sup>	3.9	73.2	52.8	25.3	7.2	4.5	3.4	3.3	18.4	6.5	1.7	8.2
Comparable net income (loss) attributable to CBI, Canopy EIE	\$ (12.6)	\$ (148.5)	\$ (93.4)	\$ (152.9)	\$ (44.8)	\$ (30.3)	\$ (33.3)	\$ (31.4)	\$ (139.8)	\$ (24.3)	\$ (17.8)	\$ (42.1)
COMPARABLE DILUTED NET INCOME (LOSS) PER COMMON SHARE ATTRIBUTABLE TO CBI - CANOPY EIE CALCULATION												
Reported Diluted Net Income (Loss) Per Common Share Attributable to CBI - Canopy EIE	\$ (0.01)	\$ (2.22)	\$ (2.62)	\$ (0.22)	\$ (0.78)	\$ (3.35)	\$ (0.31)	\$ (0.38)	\$ (4.80)	\$ (1.16)	\$ (0.06)	\$ (1.21)
Comparable Adjustments, Canopy EIE	(0.05)	1.39	2.09	(0.58)	0.53	3.19	0.13	0.21	4.05	1.03	(0.04)	0.99



Comparable Diluted Net Income (Loss)  
Per Common Share Attributable to CBI, Canopy EIE <sup>(2)</sup>

\$	(0.06)	\$	(0.76)	\$	(0.48)	(0.80)	\$	(0.24)	\$	(0.16)	\$	(0.18)	\$	(0.17)	(0.75)	\$	(0.13)	\$	(0.10)	(0.23)
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COMPARABLE DILUTED NET INCOME (LOSS)  
PER COMMON SHARE ATTRIBUTABLE TO CBI,  
EXCLUDING CANOPY EIE CALCULATION

Comparable Diluted Net Income (Loss)  
Per Common Share Attributable to CBI

\$	9.28	\$	9.12	\$	9.97	\$	10.20	\$	2.66	\$	3.17	\$	2.83	\$	1.98	\$	(10.65)	\$	2.91	\$	3.70	\$	6.61
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Comparable Diluted Net Income (Loss)  
Per Common Share Attributable to CBI, Canopy EIE

	(0.06)		(0.76)		(0.48)		(0.80)		(0.24)		(0.16)		(0.18)		(0.17)		(0.75)		(0.13)		(0.10)		(0.23)
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Comparable Diluted Net Income (Loss)  
Per Common Share Attributable to CBI, excluding Canopy EIE <sup>(2)</sup>

\$	9.34	\$	9.89	\$	10.44	\$	10.99	\$	2.90	\$	3.33	\$	3.01	\$	2.15	\$	11.40	\$	3.04	\$	3.80	\$	6.84
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(1) The Comparable Adjustments Canopy EIE effective tax rate applied to each Comparable Adjustments Canopy EIE amount is generally based upon the jurisdiction in which the adjustment was recognized. The benefit from income taxes effective tax rate applied to our Canopy EIE is generally based on the tax rates of the legal entities that hold our investment.  
(2) May not sum due to rounding as each item is computed independently. The comparable adjustments and comparable basis diluted net income (loss) per common share are calculated on a fully dilutive basis.



## ADJUSTED EBIT, COMPARABLE BASIS EBITDA CALCULATION AND RECONCILIATION & FREE CASH FLOW RECONCILIATION (NON-GAAP)

(IN MILLIONS)	FISCAL YEAR 2018	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FIRST QUARTER 2023	SECOND QUARTER 2023	THIRD QUARTER 2023	FOURTH QUARTER 2023	FISCAL YEAR 2023	FIRST QUARTER 2024	SECOND QUARTER 2024	SIX MONTHS 2024
COMPARABLE BASIS EBITDA CALCULATION													
Net income (loss) attributable to CBI	\$ 2,303.4	\$ 3,435.9	\$ (11.8)	\$ 1,998.0	\$ (40.4)	\$ 389.5	\$ (1,151.2)	\$ 467.7	\$ 223.0	\$ (71.0)	\$ 135.9	\$ 690.0	\$ 825.9
Net income (loss) attributable to NCI	11.9	23.2	33.2	33.8	1.4	9.8	10.5	12.0	0.2	32.5	3.3	10.7	14.0
Provision for (benefit from) income taxes	22.7	685.9	(966.6)	511.1	309.4	125.4	132.4	131.1	33.2	422.1	91.2	147.2	238.4
Loss on extinguishment of debt	97.0	1.7	2.4	12.8	29.4	15.3	8.0	—	0.9	24.2	0.7	—	0.7
Interest expense	332.0	367.1	428.7	385.7	356.4	88.5	94.3	98.7	117.2	398.7	118.2	110.6	228.8
Adjusted EBIT	2,767.0	4,513.8	(514.1)	2,941.4	696.2	628.5	(906.0)	709.5	374.5	808.5	349.3	958.5	1,307.8
Comparable adjustments	(263.9)	(1,880.9)	3,058.0	(168.2)	2,092.3	111.5	1,755.1	54.5	180.4	2,101.5	446.9	(3.5)	443.4
Comparable Basis EBIT	2,503.1	2,632.9	2,543.9	2,773.2	2,788.5	740.0	849.1	764.0	554.9	2,908.0	796.2	955.0	1,751.2
Comparable Depreciation	293.8	324.2	318.9	293.7	337.3	92.7	90.8	94.9	105.4	383.8	105.3	108.4	213.7
Comparable Amortization	5.9	6.0	5.7	5.3	5.1	1.0	0.9	0.9	0.4	3.2	0.4	0.3	0.7
Total Depreciation and Amortization	299.7	330.2	324.6	299.0	342.4	93.7	91.7	95.8	105.8	387.0	105.7	108.7	214.4
COMPARABLE BASIS EBITDA	\$ 2,802.8	\$ 2,963.1	\$ 2,868.5	\$ 3,072.2	\$ 3,130.9	\$ 833.7	\$ 940.8	\$ 859.8	\$ 660.7	\$ 3,295.0	\$ 901.9	\$ 1,063.7	\$ 1,965.6

(1) Certain items, when material, are reported as part of the Change in Operating Assets and Liabilities in the Company's quarterly filings. If not material, these same items are reported as part of Other Items. Additionally, non-recurring items are included herein.

## ADJUSTED EBIT, COMPARABLE BASIS EBITDA CALCULATION AND RECONCILIATION & FREE CASH FLOW RECONCILIATION (NON-GAAP)

(CONTINUED)

(IN MILLIONS)

### COMPARABLE BASIS EBITDA RECONCILIATION

	FISCAL YEAR 2018	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FIRST QUARTER 2023	SECOND QUARTER 2023	THIRD QUARTER 2023	FOURTH QUARTER 2023	FISCAL YEAR 2023	FIRST QUARTER 2024	SECOND QUARTER 2024	SIX MONTHS 2024
Net Cash Provided By Operating Activities	\$ 1,931.4	\$ 2,246.3	\$ 2,551.1	\$ 2,806.5	\$ 2,705.4	\$ 758.2	\$ 896.1	\$ 626.3	\$ 476.3	\$ 2,756.9	\$ 665.4	\$ 956.6	\$ 1,622.0
Debt to LTM Net Cash Provided by Operating Activities	5.3	6.1	4.8	3.7	3.9	4.0	3.9	4.8	4.5	4.5	4.6	4.3	4.3
Provision for (Benefit from) Income Taxes	22.7	685.9	(966.6)	511.1	309.4	125.4	132.4	131.1	33.2	422.1	91.2	147.2	238.4
Interest Expense	332.0	367.1	428.7	385.7	356.4	88.5	94.3	98.7	117.2	398.7	118.2	110.6	228.8
Change in Operating Assets and Liabilities <sup>(1)</sup>	323.4	237.5	85.1	(148.3)	303.6	43.8	60.5	35.2	147.8	287.3	146.0	(59.1)	86.9
Equity in Earnings (Losses) of Equity Method Investees, Net of Distributed Earnings	3.6	(13.5)	(560.8)	(673.4)	(61.6)	(165.5)	(650.1)	(29.8)	(126.4)	(971.8)	(220.6)	(5.9)	(226.5)
Unrealized Net Gain (Loss) on Securities Measured at Fair Value	464.3	1,971.2	(2,126.4)	802.0	(1,644.7)	(22.4)	(9.3)	(7.4)	(6.8)	(45.9)	(71.8)	(2.6)	(74.4)
Deferred Tax Provision (Benefit)	237.4	(389.3)	1,153.7	(336.4)	(84.8)	(21.5)	(187.1)	(9.8)	10.6	(207.8)	0.3	(26.6)	(26.3)
Stock-Based Compensation Expense	(60.9)	(64.1)	(60.4)	(63.0)	(44.9)	(16.8)	(21.0)	(18.3)	(12.4)	(68.5)	(14.5)	(18.0)	(32.5)
Noncash Lease Expense	—	—	(88.3)	(83.3)	(81.9)	(21.6)	(22.8)	(22.3)	(22.6)	(89.3)	(22.0)	(21.3)	(43.3)
Comparable Adjustments	(263.9)	(1,889.8)	3,050.4	(168.3)	2,092.3	111.5	1,755.1	54.5	180.4	2,101.5	446.9	(3.5)	443.4
Other Items	(187.2)	(188.2)	(598.0)	39.6	(718.3)	(45.9)	(1,107.3)	1.6	(136.6)	(1,288.2)	(237.2)	(13.7)	(250.9)
COMPARABLE BASIS EBITDA RECONCILIATION	\$ 2,802.8	\$ 2,963.1	\$ 2,868.5	\$ 3,072.2	\$ 3,130.9	\$ 833.7	\$ 940.8	\$ 859.8	\$ 660.7	\$ 3,295.0	\$ 901.9	\$ 1,063.7	\$ 1,965.6

(1) Certain items, when material, are reported as part of the Change in Operating Assets and Liabilities in the Company's quarterly filings. If not material, these same items are reported as part of Other Items. Additionally, non-recurring items are included herein.



## ADJUSTED EBIT, COMPARABLE BASIS EBITDA CALCULATION AND RECONCILIATION & FREE CASH FLOW RECONCILIATION (NON-GAAP)

(CONTINUED)

(IN MILLIONS)

	FISCAL YEAR 2018	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FIRST QUARTER 2023	SECOND QUARTER 2023	THIRD QUARTER 2023	FOURTH QUARTER 2023	FISCAL YEAR 2023	FIRST QUARTER 2024	SECOND QUARTER 2024	SIX MONTHS 2024
LTM COMPARABLE BASIS EBITDA	\$ 2,802.8	\$ 2,963.1	\$ 2,868.5	\$ 3,072.2	\$ 3,130.9	\$ 3,208.2	\$ 3,362.5	\$ 3,347.0	\$ 3,295.0	\$ 3,295.0	\$ 3,363.1	\$ 3,486.0	\$ 3,486.0
TOTAL DEBT	\$ 10,186.7	\$ 13,616.5	\$ 12,184.6	\$ 10,442.3	\$ 10,416.5	\$ 10,977.3	\$ 10,950.2	\$ 12,172.3	\$ 12,461.3	\$ 12,461.3	\$ 12,357.0	\$ 11,706.5	\$ 11,706.5



Debt to LTM Net Cash Provided  
by Operating Activities

5.3 6.1 4.8 3.7 3.9 4.0 3.9 4.8 4.5 4.5 4.6 4.3 4.3

Debt to LTM Comparable Basis EBITDA

3.6 4.6 4.2 3.4 3.3 3.4 3.3 3.6 3.8 3.8 3.7 3.4 3.4

#### FREE CASH FLOW RECONCILIATION

Net Cash Provided By Operating Activities

\$ 1,931.4 \$ 2,246.3 \$ 2,551.1 \$ 2,806.5 \$ 2,705.4 \$ 758.2 \$ 896.1 \$ 626.3 \$ 476.3 \$ 2,756.9 \$ 665.4 \$ 956.6 \$ 1,622.0

Purchase of Property, Plant, and Equipment

(1,057.6) (886.3) (726.5) (864.6) (1,026.8) (196.6) (238.4) (248.8) (351.6) (1,035.4) (277.0) (305.0) (582.0)

FREE CASH FLOW

\$ 873.8 \$ 1,360.0 \$ 1,824.6 \$ 1,941.9 \$ 1,678.6 \$ 561.6 \$ 657.7 \$ 377.5 \$ 124.7 \$ 1,721.5 \$ 388.4 \$ 651.6 \$ 1,040.0

#### NET DEBT TO LTM COMPARABLE BASIS EBITDA

Total Debt

\$ 10,186.7 \$ 13,616.5 \$ 12,184.6 \$ 10,442.3 \$ 10,416.5 \$ 10,977.3 \$ 10,950.2 \$ 12,172.3 \$ 12,461.3 \$ 12,461.3 \$ 12,357.0 \$ 11,706.5 \$ 11,706.5

Cash

(90.3) (93.6) (81.4) (460.6) (199.4) (101.8) (165.1) (185.0) (133.5) (133.5) (192.5) (83.3) (83.3)

NET DEBT

\$ 10,096.4 \$ 13,522.9 \$ 12,103.2 \$ 9,981.7 \$ 10,217.1 \$ 10,875.5 \$ 10,785.1 \$ 11,987.3 \$ 12,327.8 \$ 12,327.8 \$ 12,164.5 \$ 11,623.2 \$ 11,623.2

Net Debt to LTM Net Cash Provided  
by Operating Activities

5.2 6.0 4.7 3.6 3.8 4.0 3.8 4.7 4.5 4.5 4.6 4.3 4.3

Net Debt to LTM Comparable Basis EBITDA

3.6 4.6 4.2 3.2 3.3 3.4 3.2 3.6 3.7 3.7 3.6 3.3 3.3



## COMPARABLE BASIS EBIT AND COMPARABLE BASIS EBITDA CALCULATION AND RECONCILIATION, EXCLUDING CANOPY EIE (NON-GAAP)

(IN MILLIONS)

COMPARABLE BASIS EBIT,  
Excluding Canopy EIE Calculation

	FISCAL YEAR 2018	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FIRST QUARTER 2023	SECOND QUARTER 2023	THIRD QUARTER 2023	FOURTH QUARTER 2023	FISCAL YEAR 2023	FIRST QUARTER 2024	SECOND QUARTER 2024	SIX MONTHS 2024
Comparable Basis EBIT		\$ 2,632.9	\$ 2,543.9	\$ 2,773.2	\$ 2,788.5	\$ 740.0	\$ 849.1	\$ 764.0	\$ 554.9	\$ 2,908.0	\$ 796.2	\$ 955.0	\$ 1,751.2
Less: Comparable Canopy EIE		(16.5)	(221.7)	(146.2)	(178.2)	(52.0)	(34.8)	(36.7)	(34.7)	(158.2)	(30.8)	(19.5)	(50.3)
Comparable Basis EBIT, excluding Canopy EIE		\$ 2,649.4	\$ 2,765.6	\$ 2,919.4	\$ 2,966.7	\$ 792.0	\$ 883.9	\$ 800.7	\$ 589.6	\$ 3,066.2	\$ 827.0	\$ 974.5	\$ 1,801.5

COMPARABLE BASIS EBITDA,  
Excluding Canopy EIE Calculation

Comparable Basis EBITDA	\$ 2,802.8	\$ 2,963.1	\$ 2,868.5	\$ 3,072.2	\$ 3,130.9	\$ 833.7	\$ 940.8	\$ 859.8	\$ 660.7	\$ 3,295.0	\$ 901.9	\$ 1,063.7	\$ 1,965.6
Less: Comparable Canopy EIE		(16.5)	(221.7)	(146.2)	(178.2)	(52.0)	(34.8)	(36.7)	(34.7)	(158.2)	(30.8)	(19.5)	(50.3)
Comparable Basis EBITDA, excluding Canopy EIE	\$ 2,802.8	\$ 2,979.6	\$ 3,090.2	\$ 3,218.4	\$ 3,309.1	\$ 885.7	\$ 975.6	\$ 896.5	\$ 695.4	\$ 3,453.2	\$ 932.7	\$ 1,083.2	\$ 2,015.9

LTM Comparable Basis EBITDA,  
excluding Canopy EIE

\$ 2,802.8 \$ 2,979.6 \$ 3,090.2 \$ 3,218.4 \$ 3,309.1 \$ 3,394.1 \$ 3,553.3 \$ 3,506.1 \$ 3,453.2 \$ 3,453.2 \$ 3,500.1 \$ 3,607.8 \$ 3,607.8

Total Debt

\$ 10,186.7 \$ 13,616.5 \$ 12,184.6 \$ 10,442.3 \$ 10,416.5 \$ 10,977.3 \$ 10,950.2 \$ 12,172.3 \$ 12,461.3 \$ 12,461.3 \$ 12,357.0 \$ 11,706.5 \$ 11,706.5

Debt to LTM net cash provided by operating activities	5.3	6.1	4.8	3.7	3.9	4.0	3.9	4.8	4.5	4.5	4.6	4.3	4.3
Debt to LTM comparable basis EBITDA, excluding canopy EIE	3.6	4.6	3.9	3.2	3.1	3.2	3.1	3.5	3.6	3.6	3.5	3.2	3.2
NET DEBT TO LTM COMPARABLE BASIS EBITDA, Excluding Canopy EIE Reconciliation													
Total Debt	\$ 10,186.7	\$ 13,616.5	\$ 12,184.6	\$ 10,442.3	\$ 10,416.5	\$ 10,977.3	\$ 10,950.2	\$ 12,172.3	\$ 12,461.3	\$ 12,461.3	\$ 12,357.0	\$ 11,706.5	\$ 11,706.5
Cash	(90.3)	(93.6)	(81.4)	(460.6)	(199.4)	(101.8)	(165.1)	(185.0)	(133.5)	(133.5)	(192.5)	(83.3)	(83.3)
Net Debt	\$ 10,096.4	\$ 13,522.9	\$ 12,103.2	\$ 9,981.7	\$ 10,217.1	\$ 10,875.5	\$ 10,785.1	\$ 11,987.3	\$ 12,327.8	\$ 12,327.8	\$ 12,164.5	\$ 11,623.2	\$ 11,623.2
Debt to LTM net cash provided by operating activities	5.2	6.0	4.7	3.6	3.8	4.0	3.8	4.7	4.5	4.5	4.6	4.3	4.3
Net debt to LTM comparable basis EBITDA, excluding canopy EIE	3.6	4.5	3.9	3.1	3.1	3.2	3.0	3.4	3.6	3.6	3.5	3.2	3.2

## BUSINESS SEGMENT INFORMATION

Management excludes items that affect comparability ("Comparable Adjustments") from its evaluation of the results of each operating segment as these Comparable Adjustments are not reflective of core operations of the segments. Segment operating performance and incentive compensation of segment management are evaluated based upon core segment operating income (loss) which do not include the impact of these Comparable Adjustments.

(IN MILLIONS)	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FISCAL YEAR 2023	FIVE YEAR AVERAGE
<b>NET SALES <sup>(1)</sup></b>						
Beer	\$ 5,202.1	\$ 5,615.9	\$ 6,074.6	\$ 6,751.6	\$ 7,465.0	\$ 6,221.8
Wine and Spirits						
Wine	2,532.5	2,367.5	2,208.4	1,819.3	1,722.7	2,130.1
Spirits	381.4	360.1	331.9	249.8	264.9	317.6
Wine and Spirits	2,913.9	2,727.6	2,540.3	2,069.1	1,987.6	2,447.7
Comparable Adjustments	—	—	—	—	—	—
<b>Consolidated Net Sales</b>	<b>\$ 8,116.0</b>	<b>\$ 8,343.5</b>	<b>\$ 8,614.9</b>	<b>\$ 8,820.7</b>	<b>\$ 9,452.6</b>	<b>\$ 8,669.5</b>
<b>GROSS PROFIT</b>						
Beer	\$ 2,830.7	\$ 3,125.2	\$ 3,402.4	\$ 3,677.0	\$ 3,937.8	
Wine and Spirits	1,279.5	1,189.0	1,115.2	947.9	927.2	
Corporate Operations and Other	—	—	—	—	—	
Comparable Adjustments	(29.9)	(162.3)	(51.6)	82.4	(96.0)	
<b>Consolidated Gross Profit</b>	<b>\$ 4,080.3</b>	<b>\$ 4,151.9</b>	<b>\$ 4,466.0</b>	<b>\$ 4,707.3</b>	<b>\$ 4,769.0</b>	
<b>SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES</b>						
Beer	\$ 787.8	\$ 877.3	\$ 908.1	\$ 973.7	\$ 1,076.3	\$ 924.6
Wine and Spirits	508.3	480.6	492.8	477.2	474.1	486.6
Corporate Operations and Other	197.9	223.9	228.6	238.2	277.9	233.3
Comparable Adjustments	174.1	415.6	45.4	686.5	97.8	283.9
<b>Consolidated Selling, General, and Administrative Expenses</b>	<b>\$ 1,668.1</b>	<b>\$ 1,997.4</b>	<b>\$ 1,674.9</b>	<b>\$ 2,375.6</b>	<b>\$ 1,926.1</b>	<b>\$ 1,928.4</b>

(1) Please refer to the Company's investor relations website at [ir.constellationbrands.com/financial-information/financial-results](http://ir.constellationbrands.com/financial-information/financial-results) for a more detailed description and further discussion of organic net sales and shipment and depletion volumes.





## BUSINESS SEGMENT INFORMATION

(CONTINUED)

(IN MILLIONS)

### OPERATING INCOME (LOSS)

	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FISCAL YEAR 2023	FIVE YEAR AVERAGE
Beer	\$ 2,042.9	\$ 2,247.9	\$ 2,494.3	\$ 2,703.3	\$ 2,861.5	\$ 2,470.0
Wine and Spirits	771.2	708.4	622.4	470.7	453.1	605.2
Corporate Operations and Other	(197.9)	(223.9)	(228.6)	(238.2)	(277.9)	(233.3)
Comparable Adjustments	(204.0)	(577.9)	(97.0)	(604.1)	(193.8)	(335.4)
<b>Consolidated Operating Income (Loss)</b>	<b>\$ 2,412.2</b>	<b>\$ 2,154.5</b>	<b>\$ 2,791.1</b>	<b>\$ 2,331.7</b>	<b>\$ 2,842.9</b>	<b>\$ 2,506.5</b>

### INCOME (LOSS) FROM UNCONSOLIDATED INVESTMENTS

Beer	\$ —	\$ —	\$ —	\$ —	\$ —	
Wine and Spirits	33.4	36.4	31.7	34.4	41.6	
Corporate Operations and Other	(16.7)	(224.9)	(146.6)	(181.7)	(170.3)	
Comparable Adjustments	2,084.9	(2,480.1)	265.2	(1,488.2)	(1,907.7)	
<b>Consolidated Income (Loss) from Unconsolidated Investments</b>	<b>\$ 2,101.6</b>	<b>\$ (2,668.6)</b>	<b>\$ 150.3</b>	<b>\$ (1,635.5)</b>	<b>\$ (2,036.4)</b>	

### DEPRECIATION AND AMORTIZATION

Beer	\$ 203.5	\$ 204.3	\$ 194.7	\$ 248.7	\$ 285.4	\$ 227.3
Wine and Spirits	98.4	98.7	89.9	80.7	83.2	90.2
Corporate Operations and Other	28.3	21.6	14.4	13.0	18.4	19.1
Comparable Adjustments	8.9	7.6	0.1	—	—	3.3
<b>Consolidated Depreciation and Amortization</b>	<b>\$ 339.1</b>	<b>\$ 332.2</b>	<b>\$ 299.1</b>	<b>\$ 342.4</b>	<b>\$ 387.0</b>	<b>\$ 340.0</b>



## BUSINESS SEGMENT INFORMATION

(CONTINUED)

(IN MILLIONS)

### GROSS PROFIT AS A PERCENT OF NET SALES:

	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	FISCAL YEAR 2023	FIVE YEAR AVERAGE
Beer	54.4%	55.6%	56.0%	54.5%	52.8%	
Wine and Spirits	43.9%	43.6%	43.9%	45.8%	46.6%	

Consolidated Gross Profit

50.3%

49.8%

51.8%

53.4%

50.5%

50.5%

SG&A EXPENSES AS A PERCENT OF NET SALES:

Beer

15.1%

15.6%

14.9%

14.4%

14.4%

14.9%

Wine and Spirits

17.4%

17.6%

19.4%

23.1%

23.9%

19.9%

Consolidated SG&A Expenses

20.6%

23.9%

19.4%

26.9%

20.4%

22.2%

OPERATING INCOME (LOSS) AS A PERCENT OF NET SALES:

Beer

39.3%

40.0%

41.1%

40.0%

38.3%

39.7%

Wine and Spirits

26.5%

26.0%

24.5%

22.7%

22.8%

24.7%

Consolidated Operating Income (Loss)

29.7%

25.8%

32.4%

26.4%

30.1%

28.9%

DEPRECIATION AND AMORTIZATION AS A PERCENT OF NET SALES:

Beer

3.9%

3.6%

3.2%

3.7%

3.8%

3.7%

Wine and Spirits

3.4%

3.6%

3.5%

3.9%

4.2%

3.7%

Consolidated Depreciation and Amortization

4.2%

4.0%

3.5%

3.9%

4.1%

3.9%



## FREE CASH FLOW GUIDANCE

Free cash flow, as defined in the reconciliation below, is considered a liquidity measure and is considered to provide useful information to investors about the amount of cash generated, which can then be used, after required debt service and dividend payments, for other general corporate purposes. A limitation of free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. Free cash flow should be considered in addition to, not as a substitute for, or superior to, cash flow from operating activities prepared in accordance with GAAP.

(IN MILLIONS)

RANGE FY24 - FY 28

\$ 15,000.0

\$ 17,000.0

Net cash provided by operating activities (GAAP)

\$ 15,000.0

\$ 17,000.0

Purchase of property, plant and equipment

(5,000.0)

(5,000.0)

Free cash flow (Non-GAAP)

\$ 10,000.0

\$ 12,000.0



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# DEFINED TERMS

## DEFINED TERMS



TERM	MEANING
\$   USD	U.S. dollars
10-K Competitors	10-K competitors, which are both private and public companies, consist of Anheuser-Busch InBev, The Boston Beer Company, Heineken, Mark Anthony, Molson Coors, Deutsch Family Wine & Spirits, Duckhorn Portfolio, E. J. Gallo Winery, Ste. Michelle Wine Estates, Treasury Wine Estates, Trinchero Family Estates, The Wine Group, Bacardi USA, Beam Suntory, Brown-Forman, Diageo, Fifth Generation, Pernod Ricard, Sazerac Company
ACV	All Commodity Volume
APAC	Asia-Pacific
B	Billions
Beverage Alcohol	Total beverage alcohol, includes beer, wine and spirits segments
BPS	Basis points
CA	California
CAGR	Compound annual growth rate
CAM	Contribution after marketing, which equals gross profit less marketing expenses
Canopy	Canopy Growth Corporation, an Ontario, Canada-based public company
Canopy Strategic Transaction(s)	Any potential acquisition, divestiture, investment, or other similar transaction made by Canopy, including but not limited to the Canopy Transaction
Canopy Transaction	Proposed corporate transaction by Canopy, including the creation of Exchangeable Shares, designed to consolidate its U.S. cannabis assets into Canopy USA
Capex	Capital expenditure
CGN&R	Corporate Governance, Nominating & Responsibility
CHG	Change
Class B Collapse	Reclassification, exchange, and conversion of our common stock to eliminate our Class B Common Stock pursuant to the terms and conditions of the reclassification agreement, dated June 30, 2022, among the Company and the members of the Sands stockholder group

## DEFINED TERMS



TERM	MEANING
COGS	Cost of goods sold
Common Shares	Canopy's common shares
Comparable Basis EBIT	EBIT reflecting certain items affecting comparability that have been excluded by management
CPG	Consumer packaged goods

Craft Spirits	Spirits that generally sell above \$14.00 to \$17.00 per bottle at retail
CY	Calendar year
DEI	Diversity, equity, and inclusion
DMA	Designated market area
DTC	Direct-to-consumer
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EIE	Equity in earnings
EMEA	Europe, Middle East, and Africa
EPS	Earnings per share
ESG	Environmental, social, and governance
EV	Enterprise value
EVP	Executive Vice President
Exchangeable Shares	Proposed new class of non-voting and non-participating exchangeable shares in Canopy which will be convertible into common shares of Canopy
Fine Wine	Includes wines that sell above \$25.00 per bottle at retail and sparkling wines that sell above \$35.00 per bottle at retail

## DEFINED TERMS



TERM	MEANING
FMB	Flavored malt beverage
Free cash flow	Net cash provided by operating activities less purchases of property, plant, and equipment
FX	Foreign exchange
FY	Fiscal year
FYTD	Fiscal year to date
GAAP	General accepted accounting principles in the U.S.
Gen Z consumers	Consumer that were born between 1997 and 2012
GHG	Greenhouse Gas
GP	Gross profit
H1	First half of the fiscal year
HE	High-end
HH	Household



High-End Beer	Beer that sells above \$27.00 a case at retail
Higher-End Spirits	Spirits that generally sell above \$14.00 to \$17.00 per bottle at retail
Higher-End Wine	Wine that sells above \$11.00 per bottle at retail for table wine and above \$13.00 for sparkling wine
HL	Hectoliters
HR	Human Resources
HSD	High single digits
IBP&E	Integrated business planning and execution

## DEFINED TERMS



TERM	MEANING
IRR	Internal rate of return
IWSR	International wine and spirits research
LATAC	Latin America and the Caribbean
LDA	Legal drinking age
LDD	Low double digits
Lower-End Spirits	Spirits that generally sell for less than \$14.00 to \$17.00 per bottle at retail
Lower-End Wine	Wine that sells for less than \$11.00 per bottle at retail for table wine and less than \$13.00 for sparkling wine
LSD	Low single digits
LTM	Last 12 months
M	Millions
M&A	Mergers and acquisitions
Mainstream	Includes wine that sells less than \$11.00 per bottle at retail, sparkling wine and all other wine that sells less than \$13.00 per bottle at retail, and spirits that sell less than \$14.00 per bottle at retail
Mainstream Vodka	Vodka that sells less than \$11.00 per bottle at retail
Medium Term	Medium term is a forward looking view of 3 to 5 years
Mexicali Brewery	canceled brewery construction project located in Mexicali, Baja California, Mexico
MSD	Mid single digits
MXN	Mexican peso
Near Term	Near term is a forward looking view of 1 to 3 years

## DEFINED TERMS



TERM	MEANING
NTM	Next 12 months
OTIF	On time in full
P/E	Price to earnings
POD	Point of distribution
PP	Percentage points
Premium +	Includes wine that sell above \$11.00 per bottle at retail, sparkling wine that sells above \$13.00 per bottle at retail, and spirits that sell above \$14.00 per bottle at retail.
Premium Wine	Includes wine that sells between \$11.00 to \$24.99 per bottle at retail and sparkling wine that sells between \$13.00 to \$34.99 per bottle at retail
R&D	Research and development
Reclassification	The reclassification, exchange, and conversion of the Company's common stock to eliminate the Class B Common Stock pursuant to the terms and conditions of the reclassification agreement, dated June 30, 2022, among the Company and the members of the Sands stockholder group
RMW	Robert Mondavi Winery
ROI	Return on investment
ROIC	Return on invested capital
RTD	Ready to drink
RTM	Route to market
RTS	Ready to serve
Scope 1	direct GHG emissions from sources that are owned or controlled by a company, such as emissions associated with furnaces or vehicles
Scope 2	indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling
Scope 3	GHG emissions that are not produced by the company itself and are not the result of activities from assets owned or controlled, but is indirectly responsible for within their value chain
SFS	Shopper first shelf
SG&A	Selling, general, and administrative expenses

## DEFINED TERMS



TERM	MEANING
SKU	Stock keeping unit
Sparkling Super Premium Wine Price Segment	Wine that sells between \$13.00 to \$17.99 per bottle at retail
Super Luxury Wine Price Segment	Wine that sells above \$25.00 per bottle at retail
SVP	Senior Vice President



T	Trillion
TMS	Transportation management system
True Certification for Zero Waste	The first zero waste certification program dedicated to measuring, improving, and recognizing zero waste performance by encouraging the adoption of sustainable materials management and reduction practices which contribute to positive environmental, health, and economic outcomes
U.S.	United States of America
Ultra Premium Wine Segment	Wine that sells between \$15.00 to \$19.99 per bottle at retail
Wine Divestiture	Sale of certain mainstream and premium wine brands and related inventory
WMS	Warehouse management system
YTD	Year to date



# INVESTOR DAY 2023



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