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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended November 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: **001-08495**

Constellation Brands

CONSTELLATION BRANDS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**16-0716709**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

50 East Broad Street, Rochester, New York 14614
(Address of principal executive offices) (Zip code)

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

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Common Stock	STZ	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

There were 180,704,555 shares of Class A Common Stock and 25,777 shares of Class 1 Common Stock outstanding as of December 31, 2024.

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This Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. For further information regarding such forward-looking statements, risks, and uncertainties, please see "Information Regarding Forward-Looking Statements" under MD&A.

Defined Terms

Unless the context otherwise requires, the terms "Company," "CBI," "we," "our," or "us" refer to Constellation Brands, Inc. and its subsidiaries. We use terms in this Form 10-Q and in our Notes that are specific to us or are abbreviations that may not be commonly known or used.

Term	Meaning
$	U.S. dollars
10b5-1 Trading Plan	a pre-arranged trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act
2021 Authorization	authorization to repurchase up to $2.0 billion of our publicly traded common stock, approved by our Board of Directors in January 2021 and fully utilized in November 2024
2022 Credit Agreement	tenth amended and restated credit agreement, dated as of April 14, 2022, that provides for an aggregate revolving credit facility of $2.25 billion, inclusive of October 2022 Credit Agreement Amendment
2023 Authorization	authorization to repurchase up to $2.0 billion of our publicly traded common stock, approved by our Board of Directors in November 2023
2023 Canopy Promissory Note	C$100.0 million principal amount of 4.25% promissory note issued to us by Canopy in April 2023, exchanged, in part, for Exchangeable Shares in April 2024
2024 Annual Report	our Annual Report on Form 10-K for the fiscal year ended February 29, 2024
3.60% May 2022 Senior Notes	$550.0 million principal amount of 3.60% senior notes issued in May 2022, now repaid in full
3-tier	distribution channel where products are sold to a distributor (wholesaler) who then sells to a retailer; the retailer sells the products to a consumer
3-tier eCommerce	digital commerce experience for consumers to purchase beverage alcohol from retailers
4.75% November 2014 Senior Notes	$400.0 million principal amount of 4.75% senior notes issued in November 2014, now repaid in full
ABA	alternative beverage alcohol
Administrative Agent	Bank of America, N.A., as administrative agent for the senior credit facility
AOCI	accumulated other comprehensive income (loss)
C$	Canadian dollars
Canopy	Canopy Growth Corporation, an Ontario, Canada-based public company in which we have an investment
Canopy Debt Securities	debt securities issued by Canopy in June 2018, no longer outstanding
Canopy Equity Method Investment	an investment in Canopy common shares, no longer applicable following conversion of Canopy common shares into Exchangeable Shares in April 2024
CB International	CB International Finance S.à r.l., a wholly-owned subsidiary of ours
Class 1 Stock	our Class 1 Convertible Common Stock, par value $0.01 per share
Class A Stock	our Class A Common Stock, par value $0.01 per share
CODM	chief operating decision maker, our President and Chief Executive Officer
Comparable Adjustments	certain items affecting comparability that have been excluded by management
CPG	consumer packaged goods
Craft Beer Divestitures	the Four Corners Divestiture and the Funky Buddha Divestiture, collectively
Daleville Facility	production facility located in Roanoke, Virginia, sold in May 2023
Depletions	represent U.S. distributor shipments of our respective branded products to retail customers, based on third-party data
Digital Business Acceleration	a multi-year initiative by the Company to create a cohesive digital strategy and build an advanced digital business

Term	Meaning
DTC	direct-to-consumer inclusive of (i) a digital commerce experience for consumers to purchase directly from brand websites with inventory coming straight from the supplier and (ii) consumer purchases at hospitality locations (tasting rooms and tap rooms) from the supplier
ESG	environmental, social, and governance
Exchangeable Shares	class of non-voting and non-participating exchangeable shares in Canopy which are convertible into common shares of Canopy on a one-for-one basis
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Financial Statements	our consolidated financial statements and notes thereto included herein
Fiscal 2024	the Company’s fiscal year ended February 29, 2024
Fiscal 2025	the Company’s fiscal year ending February 28, 2025
Fiscal 2026	the Company’s fiscal year ending February 28, 2026
Fiscal 2027	the Company’s fiscal year ending February 28, 2027
Fiscal 2028	the Company’s fiscal year ending February 29, 2028
Fiscal 2029	the Company’s fiscal year ending February 28, 2029
Fiscal 2030	the Company’s fiscal year ending February 28, 2030
Form 10-Q	this Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2024, unless otherwise specified
Four Corners Divestiture	sale of the Four Corners craft beer business
Funky Buddha Divestiture	sale of the Funky Buddha craft beer business
GHG	greenhouse gas
IRA	Inflation Reduction Act of 2022
IT	information technology
MD&A	Management’s Discussion and Analysis of Financial Condition and Results of Operations under Part I – Item 2. of this Form 10-Q
Mexicali Brewery	canceled brewery construction project located in Mexicali, Baja California, Mexico, sold the remaining assets classified as held for sale in July 2024
Mexico Beer Projects	expansion, optimization, and/or construction activities at the Obregón Brewery, Nava Brewery, and Veracruz Brewery
M&T	Manufacturers and Traders Trust Company
Nava	Nava, Coahuila, Mexico
Nava Brewery	brewery located in Nava
Nelson’s Green Brier	Nelson’s Green Brier craft spirits business, fully owned by us
Net sales	gross sales less promotions, returns and allowances, and excise taxes
Net Shares Received	the quantity of Class A Stock received by an individual net of shares withheld by us to satisfy taxes in connection with the net settlement of equity awards
Nine Months 2024	the Company’s nine months ended November 30, 2023
Nine Months 2025	the Company’s nine months ended November 30, 2024
NM	not meaningful
Note(s)	notes to the consolidated financial statements
Obregón	Obregón, Sonora, Mexico
Obregón Brewery	brewery located in Obregón
OCI	other comprehensive income (loss)
October 2022 Credit Agreement Amendment	amendment dated as of October 18, 2022, to the 2022 Credit Agreement, effective in April 2024
Pre-issuance hedge contracts	treasury lock and/or swap lock contracts designated as cash flow hedges entered into to hedge treasury rate volatility on future debt issuances

Term	Meaning
Sands Family Stockholders	RES Master LLC, RES Business Holdings LP, SER Business Holdings LP, RHT 2015 Business Holdings LP, RSS Master LLC, RSS Business Holdings LP, SSR Business Holdings LP, RSS 2015 Business Holdings LP, RCT 2015 Business Holdings LP, RCT 2020 Investments LLC, NSDT 2009 STZ LLC, NSDT 2011 STZ LLC, RSS Business Management LLC, SSR Business Management LLC, LES Lauren Holdings LLC, MES Mackenzie Holdings LLC, Abigail Bennett, Zachary Stern, A&Z 2015 Business Holdings LP (subsequently liquidated), Marilyn Sands Master Trust, MAS Business Holdings LP, Sands Family Foundation, Richard Sands, Robert Sands, WildStar Partners LLC, Astra Legacy LLC, AJB Business Holdings LP, and ZMSS Business Holdings LP
Sea Smoke	Sea Smoke wine business, acquired by us
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
SOFR	secured overnight financing rate administered by the Federal Reserve Bank of New York
SVEDKA Divestiture	sale of the SVEDKA brand and related assets, primarily including inventory and equipment
Third Quarter 2024	the Company’s three months ended November 30, 2023
Third Quarter 2025	the Company’s three months ended November 30, 2024
U.S.	United States of America
Veracruz	Heroica Veracruz, Veracruz, Mexico
Veracruz Brewery	a new brewery being constructed in Veracruz

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except share and per share data)
(unaudited)

	November 30, 2024	February 29, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 73.7**	$ 152.4
Accounts receivable	**836.2**	832.8
Inventories	**2,129.6**	2,078.3
Prepaid expenses and other	**590.0**	666.0
Total current assets	**3,629.5**	3,729.5
Property, plant, and equipment	**7,785.3**	8,055.2
Goodwill	**5,612.4**	7,980.3
Intangible assets	**2,718.2**	2,731.7
Deferred income taxes	**1,914.7**	2,055.0
Other assets	**1,146.1**	1,140.0
Total assets	**$ 22,806.2**	$ 25,691.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	**$ 890.1**	$ 241.4
Current maturities of long-term debt	**503.3**	956.8
Accounts payable	**1,055.9**	1,107.1
Other accrued expenses and liabilities	**839.7**	836.4
Total current liabilities	**3,289.0**	3,141.7
Long-term debt, less current maturities	**10,185.7**	10,681.1
Deferred income taxes and other liabilities	**1,259.8**	1,804.3
Total liabilities	**14,734.5**	15,627.1
Commitments and contingencies		
CBI stockholders' equity:		
Class A Stock, $0.01 par value – Authorized, 322,000,000 shares; Issued, 212,698,298 shares and 212,698,298 shares, respectively	**2.1**	2.1
Additional paid-in capital	**2,132.7**	2,047.3
Retained earnings	**13,159.7**	13,417.2
Accumulated other comprehensive income (loss)	**(724.7)**	376.8
Class A Stock in treasury, at cost, 31,994,945 shares and 29,809,881 shares, respectively	**(6,752.0)**	(6,100.3)
Total CBI stockholders' equity	**7,817.8**	9,743.1
Noncontrolling interests	**253.9**	321.5
Total stockholders' equity	**8,071.7**	10,064.6
Total liabilities and stockholders' equity	**$ 22,806.2**	$ 25,691.7

The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions, except per share data)
(unaudited)

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2024	2023	**2024**	2023
Sales	**$ 8,644.2**	$ 8,410.7	**$ 2,644.4**	$ 2,658.2
Excise taxes	**(599.7)**	(588.1)	**(180.6)**	(187.3)
Net sales	**8,044.5**	7,822.6	**2,463.8**	2,470.9
Cost of product sold	**(3,844.6)**	(3,844.3)	**(1,179.5)**	(1,200.3)
Gross profit	**4,199.9**	3,978.3	**1,284.3**	1,270.6
Selling, general, and administrative expenses	**(1,444.7)**	(1,438.0)	**(491.3)**	(473.7)
Goodwill impairment	**(2,250.0)**	—	**—**	—
Operating income (loss)	**505.2**	2,540.3	**793.0**	796.9
Income (loss) from unconsolidated investments	**65.8**	(477.4)	**(15.0)**	(41.8)
Interest expense, net	**(311.2)**	(333.7)	**(104.4)**	(104.2)
Income (loss) before income taxes	**259.8**	1,729.2	**673.6**	650.9
(Provision for) benefit from income taxes	**79.7**	(368.4)	**(44.5)**	(130.0)
Net income (loss)	**339.5**	1,360.8	**629.1**	520.9
Net (income) loss attributable to noncontrolling interests	**(45.6)**	(25.8)	**(13.2)**	(11.8)
Net income (loss) attributable to CBI	**$ 293.9**	$ 1,335.0	**$ 615.9**	$ 509.1
Comprehensive income (loss)	**$ (810.4)**	$ 1,713.0	**$ 319.3**	$ 447.0
Comprehensive (income) loss attributable to noncontrolling interests	**2.8**	(42.1)	**(1.1)**	(7.9)
Comprehensive income (loss) attributable to CBI	**$ (807.6)**	$ 1,670.9	**$ 318.2**	$ 439.1
Class A Stock:				
Net income (loss) per common share attributable to CBI – basic	**$ 1.61**	$ 7.28	**$ 3.40**	$ 2.77
Net income (loss) per common share attributable to CBI – diluted	**$ 1.61**	$ 7.25	**$ 3.39**	$ 2.76
Weighted average common shares outstanding – basic	**181.988**	183.431	**181.243**	183.525
Weighted average common shares outstanding – diluted	**182.555**	184.096	**181.753**	184.170
Cash dividends declared per common share	**$ 3.03**	$ 2.67	**$ 1.01**	$ 0.89

The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions)
(unaudited)

	Class A Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interests	Total
Balance at February 29, 2024	$ 2.1	$ 2,047.3	$ 13,417.2	$ 376.8	$ (6,100.3)	$ 321.5	$ 10,064.6
Comprehensive income (loss):							
Net income (loss)	—	—	877.0	—	—	15.8	892.8
Other comprehensive income (loss), net of income tax effect	—	—	—	(9.0)	—	0.3	(8.7)
Comprehensive income (loss)							884.1
Repurchase of shares	—	—	—	—	(200.0)	—	(200.0)
Dividends declared	—	—	(184.7)	—	—	—	(184.7)
Noncontrolling interest distributions	—	—	—	—	—	(17.5)	(17.5)
Shares issued under equity compensation plans	—	5.7	—	—	2.4	—	8.1
Stock-based compensation	—	17.3	—	—	—	—	17.3
Balance at May 31, 2024	2.1	2,070.3	14,109.5	367.8	(6,297.9)	320.1	10,571.9
Comprehensive income (loss):							
Net income (loss)	—	—	(1,199.0)	—	—	16.6	(1,182.4)
Other comprehensive income (loss), net of income tax effect	—	—	—	(794.8)	—	(36.6)	(831.4)
Comprehensive income (loss)							(2,013.8)
Repurchase of shares	—	—	—	—	(249.2)	—	(249.2)
Dividends declared	—	—	(183.3)	—	—	—	(183.3)
Noncontrolling interest distributions	—	—	—	—	—	(15.0)	(15.0)
Shares issued under equity compensation plans	—	21.2	—	—	0.4	—	21.6
Stock-based compensation	—	23.7	—	—	—	—	23.7
Balance at August 31, 2024	2.1	2,115.2	12,727.2	(427.0)	(6,546.7)	285.1	8,155.9
Comprehensive income (loss):							
Net income (loss)	—	—	615.9	—	—	13.2	629.1
Other comprehensive income (loss), net of income tax effect	—	—	—	(297.7)	—	(12.1)	(309.8)
Comprehensive income (loss)							319.3
Repurchase of shares	—	—	—	—	(218.9)	—	(218.9)
Dividends declared	—	—	(183.4)	—	—	—	(183.4)
Noncontrolling interest distributions	—	—	—	—	—	(15.0)	(15.0)
Shares issued under equity compensation plans	—	5.8	—	—	13.6	—	19.4
Stock-based compensation	—	19.8	—	—	—	—	19.8
Purchase of noncontrolling interest	—	(8.1)	—	—	—	(17.3)	(25.4)
Balance at November 30, 2024	$ 2.1	$ 2,132.7	$ 13,159.7	$ (724.7)	$ (6,752.0)	$ 253.9	$ 8,071.7

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions)
(unaudited)

	Class A Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interests	Total
Balance at February 28, 2023	$ 2.1	$ 1,903.0	$ 12,343.9	$ 28.5	$ (5,863.9)	$ 320.3	$ 8,733.9
Comprehensive income (loss):							
Net income (loss)	—	—	135.9	—	—	3.3	139.2
Other comprehensive income (loss), net of income tax effect	—	—	—	214.4	—	10.9	225.3
Comprehensive income (loss)							364.5
Repurchase of shares	—	—	—	—	(35.0)	—	(35.0)
Dividends declared	—	—	(163.1)	—	—	—	(163.1)
Noncontrolling interest distributions	—	—	—	—	—	(11.3)	(11.3)
Shares issued under equity compensation plans	—	0.6	—	—	4.1	—	4.7
Stock-based compensation	—	14.5	—	—	—	—	14.5
Balance at May 31, 2023	2.1	1,918.1	12,316.7	242.9	(5,894.8)	323.2	8,908.2
Comprehensive income (loss):							
Net income (loss)	—	—	690.0	—	—	10.7	700.7
Other comprehensive income (loss), net of income tax effect	—	—	—	191.5	—	9.3	200.8
Comprehensive income (loss)							901.5
Dividends declared	—	—	(164.0)	—	—	—	(164.0)
Noncontrolling interest distributions	—	—	—	—	—	(10.0)	(10.0)
Shares issued under equity compensation plans	—	62.6	—	—	7.6	—	70.2
Stock-based compensation	—	18.1	—	—	—	—	18.1
Balance at August 31, 2023	2.1	1,998.8	12,842.7	434.4	(5,887.2)	333.2	9,724.0
Comprehensive income (loss):							
Net income (loss)	—	—	509.1	—	—	11.8	520.9
Other comprehensive income (loss), net of income tax effect	—	—	—	(70.0)	—	(3.9)	(73.9)
Comprehensive income (loss)							447.0
Repurchase of shares	—	—	—	—	(214.7)	—	(214.7)
Dividends declared	—	—	(164.2)	—	—	—	(164.2)
Noncontrolling interest distributions	—	—	—	—	—	(13.7)	(13.7)
Shares issued under equity compensation plans	—	3.4	—	—	(0.4)	—	3.0
Stock-based compensation	—	17.0	—	—	—	—	17.0
Balance at November 30, 2023	$ 2.1	$ 2,019.2	$ 13,187.6	$ 364.4	$ (6,102.3)	$ 327.4	$ 9,798.4

The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	For the Nine Months Ended November 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	**$ 339.5**	$ 1,360.8
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Unrealized net (gain) loss on securities measured at fair value	**2.5**	85.4
Deferred tax provision (benefit)	**(184.2)**	28.2
Depreciation	**339.8**	321.8
Stock-based compensation	**60.7**	49.5
Equity in (earnings) losses of equity method investees and related activities, net of distributed earnings	**(25.8)**	257.3
Noncash lease expense	**85.2**	62.9
Impairment of equity method investments	**2.4**	136.1
Net gain in connection with Exchangeable Shares	**(44.7)**	—
Goodwill impairment	**2,250.0**	—
Change in operating assets and liabilities, net of effects from purchase and sale of business:		
Accounts receivable	**(7.7)**	6.9
Inventories	**(54.2)**	(90.4)
Prepaid expenses and other current assets	**(47.2)**	(49.1)
Accounts payable	**117.4**	24.5
Other accrued expenses and liabilities	**(117.4)**	37.1
Other	**(158.8)**	115.8
Total adjustments	**2,218.0**	986.0
Net cash provided by (used in) operating activities	**2,557.5**	2,346.8
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	**(931.5)**	(911.9)
Purchase of business, net of cash acquired	**(158.7)**	(7.5)
Investments in equity method investees and securities	**(31.1)**	(34.6)
Proceeds from sale of assets	**34.8**	21.8
Proceeds from sale of business	**—**	5.4
Other investing activities	**(11.7)**	(3.1)
Net cash provided by (used in) investing activities	**(1,098.2)**	(929.9)

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	For the Nine Months Ended November 30,	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	**—**	744.8
Principal payments of long-term debt	**(956.0)**	(807.5)
Net proceeds from (repayments of) short-term borrowings	**648.7**	(706.4)
Dividends paid	**(551.3)**	(491.1)
Purchases of treasury stock	**(668.1)**	(249.7)
Proceeds from shares issued under equity compensation plans	**66.2**	89.0
Payments of minimum tax withholdings on stock-based payment awards	**(13.8)**	(11.2)
Payments of debt issuance, debt extinguishment, and other financing costs	**(0.1)**	(5.3)
Distributions to noncontrolling interests	**(47.5)**	(35.0)
Payment of contingent consideration	**(0.7)**	—
Purchase of noncontrolling interest	**(16.2)**	—
Net cash provided by (used in) financing activities	**(1,538.8)**	(1,472.4)
Effect of exchange rate changes on cash and cash equivalents	**0.8**	0.7
Net increase (decrease) in cash and cash equivalents	**(78.7)**	(54.8)
Cash and cash equivalents, beginning of period	**152.4**	133.5
Cash and cash equivalents, end of period	**$ 73.7**	$ 78.7
Supplemental disclosures of noncash investing and financing activities		
Additions to property, plant, and equipment	**$ 111.3**	$ 178.1
Purchase of noncontrolling interest	**$ 9.2**	$ —

The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOVEMBER 30, 2024
(unaudited)

1. BASIS OF PRESENTATION

We have prepared the Financial Statements, without audit, pursuant to the rules and regulations of the SEC applicable to quarterly reporting on Form 10-Q and reflect, in our opinion, all adjustments necessary to present fairly our financial information. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements, prepared in accordance with generally accepted accounting principles, have been condensed or omitted as permitted by such rules and regulations. These Financial Statements should be read in conjunction with the consolidated financial statements and related notes included in the 2024 Annual Report. Results of operations for interim periods are not necessarily indicative of annual results.

Reclassification

We reclassified equity method investments to other assets on our consolidated balance sheet as of February 29, 2024, to conform with current year presentation.

2. INVENTORIES

Inventories are stated at the lower of cost (primarily computed in accordance with the first-in, first-out method) or net realizable value. Elements of cost include materials, labor, and overhead and consist of the following:

	November 30, 2024	February 29, 2024
(in millions)		
Raw materials and supplies	$ 244.8	$ 254.1
In-process inventories	1,198.9	1,096.0
Finished case goods	685.9	728.2
	$ 2,129.6	$ 2,078.3

The inventories balance at November 30, 2024, exclude amounts reclassified to assets held for sale. See Notes 5 and 7 for further discussion.

3. DERIVATIVE INSTRUMENTS

Overview

Our risk management and derivative accounting policies are presented in Notes 1 and 6 of our consolidated financial statements included in our 2024 Annual Report and have not changed significantly for the nine months and three months ended November 30, 2024.

The aggregate notional value of outstanding derivative instruments is as follows:

	November 30, 2024	February 29, 2024
(in millions)		
Derivative instruments designated as hedging instruments		
Foreign currency contracts	$ 2,854.4	$ 2,045.6
Pre-issuance hedge contracts	$ 75.0	$ —
Derivative instruments not designated as hedging instruments		
Foreign currency contracts	$ 448.9	$ 735.9
Commodity derivative contracts	$ 337.9	$ 397.5

Credit risk

We are exposed to credit-related losses if the counterparties to our derivative contracts default. This credit risk is limited to the fair value of the derivative contracts. To manage this risk, we contract only with major financial institutions that have earned investment-grade credit ratings and with whom we have standard International Swaps and Derivatives Association agreements which allow for net settlement of the derivative contracts. We have also established counterparty credit guidelines that are regularly monitored. Because of these safeguards, we believe the risk of loss from counterparty default to be immaterial.

In addition, our derivative instruments are not subject to credit rating contingencies or collateral requirements. As of November 30, 2024, the estimated fair value of derivative instruments in a net liability position due to counterparties was $60.1 million. If we were required to settle the net liability position under these derivative instruments on November 30, 2024, we would have had sufficient available liquidity on hand to satisfy this obligation.

Results of period derivative activity

The estimated fair value and location of our derivative instruments on our balance sheets are as follows (see Note 4):

	Assets		Liabilities		
	November 30, 2024	February 29, 2024		November 30, 2024	February 29, 2024
(in millions)					
Derivative instruments designated as hedging instruments					
Foreign currency contracts:					
Prepaid expenses and other	$ 44.2	$ 154.1	Other accrued expenses and liabilities	$ 34.9	$ 3.5
Other assets	$ 43.4	$ 153.5	Deferred income taxes and other liabilities	$ 77.8	$ 0.2
Pre-issuance hedge contracts:					
Prepaid expenses and other	$ 3.1	$ —	Other accrued expenses and liabilities	$ —	$ —

	Assets			Liabilities	
	November 30, 2024	February 29, 2024		November 30, 2024	February 29, 2024
(in millions)					
Derivative instruments not designated as hedging instruments					
Foreign currency contracts:					
Prepaid expenses and other	$ 1.0	$ 3.6	Other accrued expenses and liabilities	$ 0.9	$ 1.7
Commodity derivative contracts:					
Prepaid expenses and other	$ 5.7	$ 4.8	Other accrued expenses and liabilities	$ 18.7	$ 27.9
Other assets	$ 3.2	$ 1.4	Deferred income taxes and other liabilities	$ 6.1	$ 8.1

The principal effect of our derivative instruments designated in cash flow hedging relationships on our results of operations, as well as OCI, net of income tax effect, is as follows:

Derivative Instruments in Designated Cash Flow Hedging Relationships	Net Gain (Loss) Recognized in OCI	Location of Net Gain (Loss) Reclassified from AOCI to Income (Loss)	Net Gain (Loss) Reclassified from AOCI to Income (Loss)
(in millions)			
For the Nine Months Ended November 30, 2024			
Foreign currency contracts	$ (209.2)	Sales	$ 0.6
		Cost of product sold	89.5
Pre-issuance hedge contracts	3.1	Interest expense, net	—
	$ (206.1)		$ 90.1
For the Nine Months Ended November 30, 2023			
Foreign currency contracts	$ 177.1	Sales	$ (0.2)
		Cost of product sold	102.3
Pre-issuance hedge contracts	0.5	Interest expense, net	(0.4)
	$ 177.6		$ 101.7
For the Three Months Ended November 30, 2024			
Foreign currency contracts	$ (62.0)	Sales	$ 0.3
		Cost of product sold	18.9
Pre-issuance hedge contracts	3.1	Interest expense, net	—
	$ (58.9)		$ 19.2
For the Three Months Ended November 30, 2023			
Foreign currency contracts	$ 27.2	Sales	$ —
		Cost of product sold	36.6
Pre-issuance hedge contracts	(0.1)	Interest expense, net	(0.1)
	$ 27.1		$ 36.5

We expect $8.3 million of net gains, net of income tax effect, to be reclassified from AOCI to our results of operations within the next 12 months.

The effect of our undesignated derivative instruments on our results of operations is as follows:

Derivative Instruments Not Designated as Hedging Instruments	Location of Net Gain (Loss) Recognized in Income (Loss)	Net Gain (Loss) Recognized in Income (Loss)
(in millions)		
For the Nine Months Ended November 30, 2024		
Commodity derivative contracts	Cost of product sold	$ (10.5)
Foreign currency contracts	Selling, general, and administrative expenses	(31.0)
		$ (41.5)
For the Nine Months Ended November 30, 2023		
Commodity derivative contracts	Cost of product sold	$ (28.9)
Foreign currency contracts	Selling, general, and administrative expenses	12.7
		$ (16.2)
For the Three Months Ended November 30, 2024		
Commodity derivative contracts	Cost of product sold	$ (0.8)
Foreign currency contracts	Selling, general, and administrative expenses	(4.3)
		$ (5.1)
For the Three Months Ended November 30, 2023		
Commodity derivative contracts	Cost of product sold	$ (13.3)
Foreign currency contracts	Selling, general, and administrative expenses	(9.8)
		$ (23.1)

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Authoritative guidance establishes a framework for measuring fair value, including a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy includes three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs include data points that are observable such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) such as volatility, interest rates, and yield curves that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

Fair value methodology

The following methods and assumptions are used to estimate the fair value of our financial instruments:

Foreign currency and commodity derivative contracts

The fair value is estimated using market-based inputs, obtained from independent pricing services, entered into valuation models. These valuation models require various inputs, including contractual terms, market foreign exchange prices, market commodity prices, interest-rate yield curves, and currency volatilities, as applicable (Level 2 fair value measurement).

Interest rate swap and Pre-issuance hedge contracts

The fair value is estimated based on quoted market prices from respective counterparties. Quotes are corroborated by using discounted cash flow calculations based upon forward interest-rate yield curves, which are obtained from independent pricing services (Level 2 fair value measurement).

Short-term borrowings

Our short-term borrowings consist of our commercial paper program and the revolving credit facility under our senior credit facility. The revolving credit facility is a variable interest rate bearing note with a fixed margin, adjustable based upon our debt rating (as defined in our senior credit facility). For these short-term borrowings, the carrying value approximates the fair value.

Long-term debt

The fair value of our fixed interest rate long-term debt is estimated by discounting cash flows using interest rates currently available for debt with similar terms and maturities (Level 2 fair value measurement). As of November 30, 2024, the carrying amount of long-term debt, including the current portion, was $10,689.0 million, compared with an estimated fair value of $10,075.5 million. As of February 29, 2024, the carrying amount of long-term debt, including the current portion, was $11,637.9 million, compared with an estimated fair value of $10,775.8 million.

The carrying amounts of certain of our financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, approximate fair value as of November 30, 2024, and February 29, 2024, due to the relatively short maturity of these instruments.

Recurring basis measurements

The following table presents our financial assets and liabilities measured at estimated fair value on a recurring basis:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in millions)				
November 30, 2024				
Assets:				
Foreign currency contracts	$ —	$ 88.6	$ —	$ 88.6
Commodity derivative contracts	$ —	$ 8.9	$ —	$ 8.9
Pre-issuance hedge contracts	$ —	$ 3.1	$ —	$ 3.1
Liabilities:				
Foreign currency contracts	$ —	$ 113.6	$ —	$ 113.6
Commodity derivative contracts	$ —	$ 24.8	$ —	$ 24.8
February 29, 2024				
Assets:				
Foreign currency contracts	$ —	$ 311.2	$ —	$ 311.2
Commodity derivative contracts	$ —	$ 6.2	$ —	$ 6.2
Liabilities:				
Foreign currency contracts	$ —	$ 5.4	$ —	$ 5.4
Commodity derivative contracts	$ —	$ 36.0	$ —	$ 36.0

Nonrecurring basis measurements

The following table presents our assets and liabilities measured at estimated fair value on a nonrecurring basis for which an impairment assessment was performed for the periods presented:

	Fair Value Measurements Using			
(in millions)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses
For the Nine Months Ended November 30, 2024				
Goodwill [1]	$ —	$ —	$ 491.3	$ 2,250.0
Equity method investments [2]	—	—	—	2.4
Total	$ —	$ —	$ 491.3	$ 2,252.4
For the Nine Months Ended November 30, 2023				
Equity method investments [2]	$ 94.8	$ 0.6	$ 0.6	$ 136.1

(1) Fair value determined during our interim quantitative assessment, excluding goodwill reclassified to held for sale. See Notes 5 and 7 for further discussion.

(2) Included in other assets within our consolidated balance sheets.

Goodwill

As of August 31, 2024, in connection with negative trends within our Wine and Spirits business primarily attributable to our U.S. wholesale market, driven by declines in both the overall wine market and in our mainstream and premium wine brands, management updated its Fiscal 2025 outlook for this reporting unit. The updated forecast indicated it was more likely than not the fair value of the Wine and Spirits reporting unit might be below its carrying value. Accordingly, we performed an interim quantitative assessment for goodwill impairment. This assessment indicated that the carrying value of the Wine and Spirits reporting unit exceeded its estimated fair value, resulting in a $2,250.0 million goodwill impairment. This loss from impairment was included in goodwill impairment within our consolidated results for the nine months ended November 30, 2024. See Notes 5, 6, and 9 for further discussion.

When performing a quantitative assessment for impairment of goodwill, we measure the amount of impairment by calculating the amount by which the carrying value exceeds its estimated fair value. The estimated fair value is determined based on the discounted cash flow calculation. The most significant assumptions used in the discounted cash flow calculation were: (i) a 9% discount rate, (ii) a 1.5% expected long-term growth rate, and (iii) the annual cash flow projections. If there are adverse deviations from our expectations about our Wine and Spirits business or the macroeconomic environment, which could be influenced by a variety of factors including if broader industry and market conditions continue to decline and/or our expectations of future performance as reflected in our current strategic operating plans are not fully realized, a future impairment of the Wine and Spirits goodwill is reasonably possible.

Equity method investments

As of August 31, 2024, and November 30, 2023, we evaluated certain equity method investments, made through our corporate venture capital function within the Corporate Operations and Other segment, and determined there were other-than-temporary impairments due to business underperformance. These losses from impairment were included in income (loss) from unconsolidated investments within our consolidated results for the respective periods. The estimated fair values were based largely on the cash flows expected to be generated by the investment using unobservable data points.

As of August 31, 2023, we evaluated certain equity method investments, made through our corporate venture capital function, and determined there were other-than-temporary impairments due to business underperformance. Investments with a $14.9 million carrying value were written down to $2.6 million, their estimated fair value, resulting in a $12.3 million impairment. These investments are part of the Corporate Operations and Other segment. This loss from impairment was included in income (loss) from unconsolidated investments within our consolidated results for the nine months ended November 30, 2023. The estimated fair value was based largely on observable prices for similar assets. In October 2023, we exited one of these equity method investments in exchange for a note receivable.

We evaluated the Canopy Equity Method Investment as of May 31, 2023, and determined there was an other-than-temporary impairment. Our conclusion was based on several contributing factors, including: (i) the fair value being less than the carrying value and the uncertainty surrounding Canopy's stock price recovering in the near-term, (ii) Canopy recorded significant costs in its fourth quarter of fiscal 2023 results designed to align its Canadian cannabis operations and resources in response to continued unfavorable market trends, (iii) the substantial doubt about Canopy's ability to continue as a going concern, as disclosed by Canopy, and (iv) Canopy's identification of material misstatements in certain of its previously reported financial results related to sales in its BioSteel Sports Nutrition Inc. reporting unit that were accounted for incorrectly, including the recording of a goodwill impairment during its restated second quarter of fiscal 2023. As a result, the Canopy Equity Method Investment with a $266.2 million carrying value was written down to $142.7 million, its estimated fair value, resulting in a $123.5 million impairment. This loss from impairment was included in income (loss) from unconsolidated investments within our consolidated results for the nine months ended November 30, 2023. The estimated fair value was determined based on the closing price of the underlying equity security as of May 31, 2023. We no longer apply the equity method to our investment in Canopy following the April 2024 conversion of our Canopy common shares to Exchangeable Shares. See Note 7 for further discussion.

5. GOODWILL

The changes in the carrying amount of goodwill are as follows:

(in millions)	Beer	Wine and Spirits	Consolidated
Balance, February 28, 2023	$ 5,188.9	$ 2,736.5	$ 7,925.4
Purchase accounting allocations [1]	—	6.5	6.5
Foreign currency translation adjustments	49.3	(0.9)	48.4
Balance, February 29, 2024	5,238.2	2,742.1	7,980.3
Purchase accounting allocations [2]	—	71.1	71.1
Foreign currency translation adjustments	(117.1)	1.3	(115.8)
Goodwill impairment	—	(2,250.0)	(2,250.0)
Reclassified to assets held for sale [3]	—	(73.2)	(73.2)
Balance, November 30, 2024	$ 5,121.1	$ 491.3	$ 5,612.4

(1) Purchase accounting allocations associated with the June 2023 acquisition of the Domaine Curry wine business.

(2) Preliminary purchase accounting allocations associated with the Sea Smoke acquisition.

(3) In connection with the SVEDKA Divestiture, goodwill associated with the business being sold was reclassified to assets held for sale based on the relative fair value of the portion of the business being sold and the remaining wine and spirits portfolio. The relative fair values were determined using the transaction price and the income approach based on assumptions, including projected revenue growth, terminal growth, and discount rates and other projected financial information. See "Subsequent event" below.

Acquisition

Sea Smoke

In June 2024, we acquired the Sea Smoke business, including a California-based luxury wine brand, vineyards, and a production facility for $158.7 million, net of closing and post-closing adjustments. This transaction also included the acquisition of goodwill, inventory, and a trademark. The results of operations of Sea Smoke are reported in the Wine and Spirits segment and have been included in our consolidated results of operations from the date of acquisition.

Divestitures

Craft Beer Divestitures

In June 2023, we completed the Craft Beer Divestitures. Prior to the Craft Beer Divestitures, we recorded the results of operations of such craft beer brands in the Beer segment.

Subsequent event

SVEDKA Divestiture

On January 6, 2025, we sold the SVEDKA brand and related assets, primarily including inventory and equipment. We received $409.2 million of cash proceeds, subject to certain post-closing adjustments, which will be used primarily for general corporate purposes. Prior to the completion of the SVEDKA Divestiture, we recorded the results of operations of the SVEDKA brand in the Wine and Spirits segment. We expect to recognize a gain of $250 million to $275 million in connection with this divestiture. This gain will be included within our consolidated results of operations for the year ended February 28, 2025. See Note 7 for further discussion.

6. INTANGIBLE ASSETS

The major components of intangible assets are as follows:

	November 30, 2024		February 29, 2024	
	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
(in millions)				
Amortizable intangible assets				
Customer relationships	$ 85.3	$ 15.2	$ 85.3	$ 16.2
Other	20.7	0.3	20.8	0.3
Total	$ 106.0	15.5	$ 106.1	16.5
Nonamortizable intangible assets				
Trademarks		2,702.7		2,715.2
Total intangible assets		$ 2,718.2		$ 2,731.7

The intangible assets balance at November 30, 2024, exclude trademarks reclassified to assets held for sale. We did not incur costs to renew or extend the term of acquired intangible assets for the nine months and three months ended November 30, 2024, and November 30, 2023. Net carrying amount represents the gross carrying value net of accumulated amortization.

Additionally, as of August 31, 2024, in connection with the assessment of the same events and circumstances triggering the interim goodwill impairment test for the Wine and Spirits reporting unit, we completed an interim impairment test of our wine and spirits trademarks. We performed qualitative evaluations considering the results of the most recent fair value measurements as of January 1, 2024, and the likely impact of the negative trends for our Wine and Spirits business on the fair values of the trademarks and concluded it is more likely than not that the fair values of these intangible assets exceeded their carrying amounts.

7. OTHER ASSETS

The major components of other assets are as follows:

(in millions)	November 30, 2024	February 29, 2024
Operating lease right-of-use asset	$ 545.0	$ 615.3
Equity method investments	151.0	170.6
Assets held for sale	110.5	25.7
Other investments in debt and equity securities	100.9	73.0
Exchangeable Shares	58.7	—
Derivative assets	46.6	154.9
Other	133.4	100.5
	$ 1,146.1	$ 1,140.0

Equity method investments

The carrying value of our equity method investments are as follows:

(in millions)	November 30, 2024	February 29, 2024
Canopy Equity Method Investment [(1)]	$ —	$ 42.5
Other equity method investments	151.0	128.1
	$ 151.0	$ 170.6

(1) Following the April 2024 conversion to Exchangeable Shares we no longer apply the equity method.

Assets held for sale

Mexicali Brewery

In July 2024, we sold the remaining assets classified as held for sale at the canceled Mexicali Brewery. These net assets had met held for sale criteria as of February 29, 2024, and through the date of sale.

SVEDKA Divestiture

In January 2025, we completed the SVEDKA Divestiture and sold the related assets classified as held for sale. The SVEDKA net assets had met held for sale criteria as of November 30, 2024, and through the date of sale.

Other investments in debt and equity securities

We have multiple investments through our corporate venture capital function in debt and equity securities.

Exchangeable Shares

As of November 30, 2024, we evaluated the Exchangeable Shares for impairment primarily due to the business and industry factors that led to the decline in Canopy's common share price since the date of conversion and exchange. We concluded that an impairment did exist, and accordingly, the Exchangeable Shares with a $97.3 million carrying value were written down to $58.7 million, their estimated fair value, resulting in a $38.6 million impairment. The estimated fair value was determined using the same valuation model as of the date of conversion and exchange as noted below. This loss from impairment was included in income (loss) from unconsolidated investments within our consolidated results for the nine months and three months ended November 30, 2024. Future impairments, if any, will also be reported in income (loss) from unconsolidated investments within our consolidated results.

In April 2024, we elected to convert our 17.1 million Canopy common shares into Exchangeable Shares on a one-for-one basis. Additionally, in April 2024, we exchanged C$81.2 million of the principal amount of the C$100.0 million 4.25% promissory note issued to us by Canopy for 9.1 million Exchangeable Shares and forgave all accrued but unpaid interest together with the remaining principal amount of the note. As a result of these transactions, we (i) have 26.3 million Exchangeable Shares and (ii) recognized an $83.3 million net gain in income (loss) from unconsolidated investments within our consolidated results for the nine months ended November 30, 2024. The fair value of Exchangeable Shares on the date of the conversion and exchange was estimated using a valuation model based primarily on the following inputs: (i) Canopy's common share price, (ii) the expected volatility of Canopy's common shares, and (iii) the probability and timing of U.S. federal legalization of recreational cannabis. As the Exchangeable Shares are an equity security without a readily determinable fair value, we elected to account for the Exchangeable Shares under the measurement alternative method.

8. BORROWINGS

Borrowings consist of the following:

	November 30, 2024			February 29, 2024
	Current	Long-term	Total	Total
(in millions)				
Short-term borrowings				
Commercial paper	$ 890.1			$ 241.4
	$ 890.1			$ 241.4
Long-term debt				
Senior notes	$ 499.3	$ 10,180.1	$ 10,679.4	$ 11,620.1
Other	4.0	5.6	9.6	17.8
	$ 503.3	$ 10,185.7	$ 10,689.0	$ 11,637.9

Bank facilities

The Company, CB International, the Administrative Agent, and certain other lenders are parties to the 2022 Credit Agreement. The October 2022 Credit Agreement Amendment revised certain defined terms and covenants in the 2022 Credit Agreement and became effective in April 2024 following the (i) amendment by Canopy of its Articles of Incorporation, (ii) conversion of our Canopy common shares into Exchangeable Shares, and (iii) resignation of our nominees from the board of directors of Canopy.

Information with respect to borrowings under the 2022 Credit Agreement is as follows:

	Outstanding borrowings	Interest rate	SOFR margin	Outstanding letters of credit	Remaining borrowing capacity [1]
(in millions)					
November 30, 2024					
Revolving credit facility [2] [3]	$ —	— %	— %	$ 11.3	$ 1,347.2
February 29, 2024					
Revolving credit facility [2] [3]	$ —	— %	— %	$ 11.5	$ 1,997.0

(1) Net of outstanding revolving credit facility borrowings and outstanding letters of credit under the 2022 Credit Agreement and outstanding borrowings under our commercial paper program of $891.5 million and $241.5 million (excluding unamortized discount) as of November 30, 2024 and February 29, 2024, respectively (see "Commercial paper program" below).

(2) Contractual interest rate varies based on our debt rating (as defined in the agreement) and is a function of SOFR plus a margin and a credit spread adjustment, or the base rate plus a margin, or, in certain circumstances where SOFR cannot be adequately ascertained or available, an alternative benchmark rate plus a margin.

(3) We and/or CB International are the borrower under the $2,250.0 million revolving credit facility with a maturity date of April 14, 2027. Includes a sub-facility for letters of credit of up to $200.0 million.

We and our subsidiaries are subject to covenants that are contained in the 2022 Credit Agreement, including those restricting the incurrence of additional subsidiary indebtedness, additional liens, mergers and consolidations, transactions with affiliates, and sale and leaseback transactions, in each case subject to numerous conditions, exceptions, and thresholds. The financial covenants are limited to a minimum interest coverage ratio and a maximum net leverage ratio.

Commercial paper program

We have a commercial paper program which provides for the issuance of up to an aggregate principal amount of $2.25 billion of commercial paper. Our commercial paper program is backed by unused commitments under our revolving credit facility under our 2022 Credit Agreement. Accordingly, outstanding borrowings under our commercial paper program reduce the amount available under our revolving credit facility. Information with respect to our outstanding commercial paper borrowings is as follows:

	November 30, 2024	February 29, 2024
(in millions)		
Outstanding borrowings [1]	$ 890.1	$ 241.4
Weighted average annual interest rate	5.0 %	5.7 %
Weighted average remaining term	13 days	4 days

(1) Outstanding commercial paper borrowings are net of unamortized discount.

Debt payments

As of November 30, 2024, the required principal repayments under long-term debt obligations (excluding unamortized debt issuance costs and unamortized discounts of $49.2 million and $21.4 million, respectively) for the remaining three months of Fiscal 2025 and for each of the five succeeding fiscal years and thereafter are as follows:

(in millions)	
Fiscal 2025	$ 1.0
Fiscal 2026	1,404.1
Fiscal 2027	603.1
Fiscal 2028	1,801.3
Fiscal 2029	900.0
Fiscal 2030	800.0
Thereafter	5,250.1
	$ 10,759.6

9. INCOME TAXES

Our effective tax rate for the nine months ended November 30, 2024, was 30.7% of tax benefit compared with 21.3% of tax expense for the nine months ended November 30, 2023. Our effective tax rate for the three months ended November 30, 2024, and November 30, 2023, was 6.6% and 20.0%, respectively.

For the nine months ended November 30, 2024, our effective tax rate did not approximate the federal statutory rate of 21% largely due to (i) the benefit of lower effective tax rates applicable for foreign businesses, (ii) a net income tax benefit recognized as a result of the resolution of various tax examinations and assessments related to prior periods, and (iii) a net income tax benefit following the reversal of valuation allowances for capital loss carryforwards in connection with the SVEDKA Divestiture, partially offset by a net income tax impact resulting from the non-deductible portion of the Wine and Spirits goodwill impairment.

For the three months ended November 30, 2024, our effective tax rate did not approximate the federal statutory rate of 21% largely due to (i) a net income tax benefit following the reversal of valuation allowances for capital loss carryforwards in connection with the SVEDKA Divestiture and (ii) the benefit of lower effective tax rates applicable for foreign businesses.

For the nine months and three months ended November 30, 2023, our effective tax rate approximated the federal statutory rate of 21% as the increase in the valuation allowance related to our investment in Canopy was largely offset by the benefit of lower effective tax rates applicable to our foreign businesses.

The Organization for Economic Cooperation and Development introduced a framework under Pillar Two which includes a 15% global minimum tax rate. Many jurisdictions in which we do business have started to enact laws implementing Pillar Two. We are monitoring these developments and currently do not believe these rules will have a material impact on our financial condition and/or consolidated results.

10. DEFERRED INCOME TAXES AND OTHER LIABILITIES

The major components of deferred income taxes and other liabilities are as follows:

(in millions)	November 30, 2024	February 29, 2024
Operating lease liability	$ 540.4	$ 588.7
Unrecognized tax benefit liabilities	246.5	407.9
Deferred income taxes	224.1	591.5
Derivative liabilities	83.9	8.3
Deferred revenue	71.3	80.2
Other	93.6	127.7
	$ 1,259.8	$ 1,804.3

11. STOCKHOLDERS' EQUITY

Common stock

The number of shares of common stock issued and treasury stock, and associated share activity, are as follows:

	Class A Stock	Class 1 Stock	Class A Stock in Treasury
Balance at February 29, 2024	212,698,298	23,661	29,809,881
Share repurchases	—	—	775,334
Exercise of stock options	—	1,880	(149,324)
Vesting of restricted stock units (1)	—	—	(85,650)
Vesting of performance share units (1)	—	—	(8,757)
Balance at May 31, 2024	212,698,298	25,541	30,341,484

	Class A Stock	Class 1 Stock	Class A Stock in Treasury
Share repurchases	—	—	1,002,947
Exercise of stock options	—	—	(103,561)
Employee stock purchases	—	—	(28,472)
Vesting of restricted stock units [1]	—	—	(5,204)
Balance at August 31, 2024	212,698,298	25,541	31,207,194
Share repurchases	—	—	914,167
Exercise of stock options	—	236	(126,416)
Balance at November 30, 2024	212,698,298	25,777	31,994,945
Balance at February 28, 2023	212,697,428	22,705	29,498,426
Share repurchases	—	—	153,937
Conversion of shares	80	(80)	—
Exercise of stock options	—	800	(129,595)
Vesting of restricted stock units [1]	—	—	(71,189)
Vesting of performance share units [1]	—	—	(13,113)
Balance at May 31, 2023	212,697,508	23,425	29,438,466
Conversion of shares	220	(220)	—
Exercise of stock options	—	606	(364,530)
Employee stock purchases	—	—	(30,172)
Vesting of restricted stock units [1]	—	—	(5,172)
Balance at August 31, 2023	212,697,728	23,811	29,038,592
Share repurchases	—	—	889,429
Conversion of shares	570	(570)	—
Exercise of stock options	—	—	(22,587)
Vesting of restricted stock units [1]	—	—	(68)
Balance at November 30, 2023	212,698,298	23,241	29,905,366

[1] Net of the following shares withheld to satisfy tax withholding requirements:

	For the Three Months Ended May 31,	For the Three Months Ended August 31,	For the Three Months Ended November 30,	For the Nine Months Ended November 30,
2024				
Restricted Stock Units	48,501	147	—	48,648
Performance Share Units	5,728	—	—	5,728
2023				
Restricted Stock Units	39,839	170	—	40,009
Performance Share Units	8,735	—	—	8,735

Stock repurchases

In each of January 2021 and November 2023, our Board of Directors authorized the repurchase of up to $2.0 billion of our publicly traded common stock. The Board of Directors did not specify a date upon which these authorizations would expire. Shares repurchased under these authorizations become treasury shares. The 2021 Authorization was fully utilized during the three months ended November 30, 2024.

For the nine months ended November 30, 2024, through open market transactions, we repurchased 2,462,271 shares of Class A Stock pursuant to the 2021 Authorization at an aggregate cost of $613.7 million and 230,177 shares of Class A Stock pursuant to the 2023 Authorization at an aggregate cost of $54.4 million.

As of November 30, 2024, total shares repurchased under our board authorizations are as follows:

	Repurchase Authorization	Class A Stock: Dollar Value of Shares Repurchased	Class A Stock: Number of Shares Repurchased
(in millions, except share data)			
2021 Authorization	$ 2,000.0	$ 2,000.0	8,337,547
2023 Authorization [(1)]	$ 2,000.0	$ 54.4	230,177

(1) As of November 30, 2024, $1,945.6 million remains available for future share repurchases, excluding the impact of Federal excise tax owed pursuant to the IRA.

Purchase of noncontrolling interest

In October 2024, we purchased the remaining 25% noncontrolling interest in Nelson’s Green Brier, a portfolio of Tennessee-based craft bourbon and whiskey products.

12. NET INCOME (LOSS) PER COMMON SHARE ATTRIBUTABLE TO CBI

Net income (loss) per common share – basic for Class A Stock has been computed based on the weighted average shares of common stock outstanding during the period. Net income (loss) per common share – diluted for Class A Stock reflects the weighted average shares of common stock plus the effect of dilutive securities outstanding during the period using the treasury stock method. The effect of dilutive securities includes the impact of outstanding stock-based awards. The dilutive computation does not assume conversion, exercise, or contingent issuance of securities that would have an anti-dilutive effect on the net income (loss) per common share attributable to CBI. The computation of basic and diluted net income (loss) per common share for Class A Stock are as follows:

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2024	2023	2024	2023
(in millions, except per share data)				
Net income (loss) attributable to CBI	$ 293.9	$ 1,335.0	$ 615.9	$ 509.1
Weighted average common shares outstanding – basic	181.988	183.431	181.243	183.525
Stock-based awards, primarily stock options	0.567	0.665	0.510	0.645
Weighted average common shares outstanding – diluted	182.555	184.096	181.753	184.170
Net income (loss) per common share attributable to CBI – basic	$ 1.61	$ 7.28	$ 3.40	$ 2.77
Net income (loss) per common share attributable to CBI – diluted	$ 1.61	$ 7.25	$ 3.39	$ 2.76

13. COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO CBI

Comprehensive income (loss) consists of net income (loss), foreign currency translation adjustments, unrealized net gain (loss) on derivative instruments, pension/postretirement adjustments, and our share of OCI of equity method investments. The reconciliation of net income (loss) attributable to CBI to comprehensive income (loss) attributable to CBI is as follows:

	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
(in millions)			
For the Nine Months Ended November 30, 2024			
Net income (loss) attributable to CBI			$ 293.9
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net gain (loss)	$ (809.7)	$ —	(809.7)
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	(809.7)	—	(809.7)
Unrealized gain (loss) on cash flow hedges:			
Net derivative gain (loss)	(221.3)	25.9	(195.4)
Amounts reclassified	(97.8)	11.5	(86.3)
Net gain (loss) recognized in other comprehensive income (loss)	(319.1)	37.4	(281.7)
Pension/postretirement adjustments:			
Net actuarial gain (loss)	0.7	(0.2)	0.5
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	0.7	(0.2)	0.5
Share of OCI of equity method investments			
Net gain (loss)	—	—	—
Amounts reclassified	(10.8)	0.2	(10.6)
Net gain (loss) recognized in other comprehensive income (loss)	(10.8)	0.2	(10.6)
Other comprehensive income (loss) attributable to CBI	$ (1,138.9)	$ 37.4	(1,101.5)
Comprehensive income (loss) attributable to CBI			$ (807.6)
For the Nine Months Ended November 30, 2023			
Net income (loss) attributable to CBI			$ 1,335.0
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net gain (loss)	$ 264.2	$ —	264.2
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	264.2	—	264.2
Unrealized gain (loss) on cash flow hedges:			
Net derivative gain (loss)	192.1	(22.9)	169.2
Amounts reclassified	(108.8)	12.6	(96.2)
Net gain (loss) recognized in other comprehensive income (loss)	83.3	(10.3)	73.0
Pension/postretirement adjustments:			
Net actuarial gain (loss)	(0.4)	0.1	(0.3)
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	(0.4)	0.1	(0.3)

	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
(in millions)			
Share of OCI of equity method investments			
Net gain (loss)	(0.9)	(0.1)	(1.0)
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	(0.9)	(0.1)	(1.0)
Other comprehensive income (loss) attributable to CBI	$ 346.2	$ (10.3)	335.9
Comprehensive income (loss) attributable to CBI			$ 1,670.9
For the Three Months Ended November 30, 2024			
Net income (loss) attributable to CBI			$ 615.9
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net gain (loss)	$ (222.7)	$ —	(222.7)
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	(222.7)	—	(222.7)
Unrealized gain (loss) on cash flow hedges:			
Net derivative gain (loss)	(63.8)	7.6	(56.2)
Amounts reclassified	(20.9)	2.4	(18.5)
Net gain (loss) recognized in other comprehensive income (loss)	(84.7)	10.0	(74.7)
Pension/postretirement adjustments:			
Net actuarial gain (loss)	0.2	—	0.2
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	0.2	—	0.2
Share of OCI of equity method investments			
Net gain (loss)	—	—	—
Amounts reclassified	(0.8)	0.3	(0.5)
Net gain (loss) recognized in other comprehensive income (loss)	(0.8)	0.3	(0.5)
Other comprehensive income (loss) attributable to CBI	$ (308.0)	$ 10.3	(297.7)
Comprehensive income (loss) attributable to CBI			$ 318.2
For the Three Months Ended November 30, 2023			
Net income (loss) attributable to CBI			$ 509.1
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net gain (loss)	$ (59.4)	$ —	(59.4)
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	(59.4)	—	(59.4)
Unrealized gain (loss) on cash flow hedges:			
Net derivative gain (loss)	29.3	(3.4)	25.9
Amounts reclassified	(39.3)	4.6	(34.7)
Net gain (loss) recognized in other comprehensive income (loss)	(10.0)	1.2	(8.8)
Pension/postretirement adjustments:			
Net actuarial gain (loss)	0.1	—	0.1
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	0.1	—	0.1

	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
(in millions)			
Share of OCI of equity method investments			
Net gain (loss)	(1.7)	(0.2)	(1.9)
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	(1.7)	(0.2)	(1.9)
Other comprehensive income (loss) attributable to CBI	$ (71.0)	$ 1.0	(70.0)
Comprehensive income (loss) attributable to CBI			$ 439.1

Accumulated other comprehensive income (loss), net of income tax effect, includes the following components:

	Foreign Currency Translation Adjustments	Unrealized Net Gain (Loss) on Derivative Instruments	Pension/ Postretirement Adjustments	Share of OCI of Equity Method Investments	Accumulated Other Comprehensive Income (Loss)
(in millions)					
Balance, February 29, 2024	$ 102.9	$ 266.2	$ (2.6)	$ 10.3	$ 376.8
Other comprehensive income (loss):					
Other comprehensive income (loss) before reclassification adjustments	(809.7)	(195.4)	0.5	—	(1,004.6)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(86.3)	—	(10.6)	(96.9)
Other comprehensive income (loss)	(809.7)	(281.7)	0.5	(10.6)	(1,101.5)
Balance, November 30, 2024	$ (706.8)	$ (15.5)	$ (2.1)	$ (0.3)	$ (724.7)

14. BUSINESS SEGMENT INFORMATION

Our internal management financial reporting consists of two business divisions: (i) Beer and (ii) Wine and Spirits and we report our operating results in three segments: (i) Beer, (ii) Wine and Spirits, and (iii) Corporate Operations and Other. In the Beer segment, our portfolio consists of high-end imported beer brands and ABAs. We have an exclusive perpetual brand license to produce our Mexican beer portfolio and to import, market, and sell such portfolio in the U.S. In the Wine and Spirits segment, we sell a portfolio that includes higher-end wine brands complemented by certain higher-end spirits brands. Amounts included in the Corporate Operations and Other segment consist of costs of corporate development, corporate finance, corporate strategy, executive management, growth, human resources, internal audit, investor relations, IT, legal, and public relations, as well as our Canopy investment and investments made through our corporate venture capital function. All costs included in the Corporate Operations and Other segment are general costs that are applicable to the consolidated group and are, therefore, not allocated to the other reportable segments. All costs reported within the Corporate Operations and Other segment are not included in our CODM's evaluation of the operating income (loss) performance of the other reportable segments. The business segments reflect how our operations are managed, how resources are allocated, how operating performance is evaluated by senior management, and the structure of our internal financial reporting. Long-lived tangible assets and total asset information by segment is not provided to, or reviewed by, our CODM as it is not used to make strategic decisions, allocate resources, or assess performance.

In addition, management excludes 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 the incentive compensation of segment management are evaluated based on core segment operating income (loss) which does not include the impact of these Comparable Adjustments.

We evaluate segment operating performance based on operating income (loss) of the respective business units. Comparable Adjustments that impacted comparability in our segment operating income (loss) for each period are as follows:

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2024	2023	2024	2023
(in millions)				
Cost of product sold				
Settlements of undesignated commodity derivative contracts	$ 23.8	$ 8.5	$ 8.3	$ 2.3
Net gain (loss) on undesignated commodity derivative contracts	(10.5)	(28.9)	(0.8)	(13.3)
Flow through of inventory step-up	(7.6)	(2.7)	(5.2)	(1.2)
Comparable Adjustments, Cost of product sold	5.7	(23.1)	2.3	(12.2)
Selling, general, and administrative expenses				
Restructuring and other strategic business development costs	(29.9)	(23.6)	(3.6)	(5.3)
Transition services agreements activity	(15.9)	(17.9)	(8.3)	(5.2)
Transaction, integration, and other acquisition-related costs	(0.9)	(0.6)	(0.1)	—
Other gains (losses) [(1)]	(19.8)	(9.3)	0.5	(0.2)
Comparable Adjustments, Selling, general, and administrative expenses	(66.5)	(51.4)	(11.5)	(10.7)
Goodwill impairment	(2,250.0)	—	—	—
Comparable Adjustments, Operating income (loss)	$ (2,310.8)	$ (74.5)	$ (9.2)	$ (22.9)

(1) Primarily includes the following:

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2024	2023	2024	2023
(in millions)				
Net loss on foreign currency as a result of the resolution of various tax examinations and assessments	$ (20.7)	$ —	$ —	$ —
Gain (loss) on sale of business	$ —	$ (15.1)	$ —	$ (0.2)
Recognition of a previously deferred gain upon release of a related indemnity	$ —	$ 5.6	$ —	$ —

The accounting policies of the segments are the same as those described for the Company in Note 1 of our consolidated financial statements included in our 2024 Annual Report. Segment information is as follows:

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2024	2023	2024	2023
(in millions)				
Beer				
Net sales	$ 6,835.4	$ 6,459.8	$ 2,032.4	$ 1,968.5
Segment operating income (loss)	$ 2,770.6	$ 2,509.0	$ 769.9	$ 757.3
Capital expenditures	$ 758.3	$ 704.4	$ 186.7	$ 264.1
Depreciation and amortization	$ 262.3	$ 242.2	$ 93.4	$ 82.0

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2024	2023	2024	2023
(in millions)				
Wine and Spirits				
Net sales:				
Wine	$ 1,040.1	$ 1,180.7	$ 374.6	$ 435.8
Spirits	169.0	182.1	56.8	66.6
Net sales	$ 1,209.1	$ 1,362.8	$ 431.4	$ 502.4
Segment operating income (loss)	$ 225.4	$ 287.6	$ 95.2	$ 127.6
Income (loss) from unconsolidated investments	$ 31.4	$ 38.1	$ 25.6	$ 27.5
Equity method investments	$ 130.5	$ 130.5	$ 130.5	$ 130.5
Capital expenditures	$ 128.6	$ 107.1	$ 38.0	$ 29.6
Depreciation and amortization	$ 63.3	$ 68.1	$ 20.5	$ 22.5
Corporate Operations and Other				
Segment operating income (loss)	$ (180.0)	$ (181.8)	$ (62.9)	$ (65.1)
Income (loss) from unconsolidated investments	$ (5.5)	$ (62.7)	$ (1.7)	$ (8.3)
Equity method investments	$ 20.5	$ 102.8	$ 20.5	$ 102.8
Capital expenditures	$ 44.6	$ 100.4	$ 3.7	$ 36.2
Depreciation and amortization	$ 15.2	$ 12.5	$ 5.4	$ 3.9
Comparable Adjustments				
Operating income (loss)	$ (2,310.8)	$ (74.5)	$ (9.2)	$ (22.9)
Income (loss) from unconsolidated investments	$ 39.9	$ (452.8)	$ (38.9)	$ (61.0)
Consolidated				
Net sales	$ 8,044.5	$ 7,822.6	$ 2,463.8	$ 2,470.9
Operating income (loss)	$ 505.2	$ 2,540.3	$ 793.0	$ 796.9
Income (loss) from unconsolidated investments [1]	$ 65.8	$ (477.4)	$ (15.0)	$ (41.8)
Equity method investments	$ 151.0	$ 233.3	$ 151.0	$ 233.3
Capital expenditures	$ 931.5	$ 911.9	$ 228.4	$ 329.9
Depreciation and amortization	$ 340.8	$ 322.8	$ 119.3	$ 108.4

(1) Income (loss) from unconsolidated investments consists of:

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2024	2023	2024	2023
(in millions)				
Net gain (loss) in connection with Exchangeable Shares [i]	$ 44.7	$ —	$ (38.6)	$ —
Equity in earnings (losses) from other equity method investees and related activities	26.0	32.4	23.9	26.0
Unrealized net gain (loss) on securities measured at fair value [i]	(2.5)	(85.4)	—	(11.0)
Impairment of equity method investments	(2.4)	(136.1)	(0.3)	(0.3)
Equity in earnings (losses) from Canopy and related activities	—	(288.3)	—	(56.5)
	$ 65.8	$ (477.4)	$ (15.0)	$ (41.8)

(i) Effective as of May 31, 2023, we determined that the 2023 Canopy Promissory Note did not have future economic value given the substantial doubt about Canopy's ability to continue as a going concern, as disclosed by Canopy, prior to the maturity of the note. Accordingly, the fair value of the remaining balance for this instrument was determined to be zero. In April 2024, we exchanged the 2023 Canopy Promissory Note for Exchangeable Shares. Additionally, as of November 30, 2024, we impaired our Exchangeable Shares.

15. ACCOUNTING GUIDANCE NOT YET ADOPTED

Segment reporting

In November 2023, the FASB issued a standard requiring disclosures, on an annual and interim basis, of significant segment expenses and other segment items that are regularly provided to the CODM as well as the title and position of the CODM. We are required to adopt these disclosures for our annual period ending February 28, 2025, and interim periods beginning March 1, 2025, with early adoption permitted. The amendments in this standard will be applied retrospectively to all prior periods presented in the financial statements. We expect this standard to impact our disclosures with no material impacts to our results of operations, cash flows, or financial condition.

Income taxes

In December 2023, the FASB issued a standard aimed at improving tax disclosure requirements, primarily through enhanced disclosures related to the income tax rate reconciliation and income taxes paid. We are required to adopt these disclosures for our annual period ending February 28, 2026, with early adoption permitted and this standard may be applied retrospectively. We expect this standard to impact our disclosures with no material impacts to our results of operations, cash flows, or financial condition.

Climate

In March 2024, the SEC adopted final rules to require disclosures about certain climate-related information in registration statements and annual reports. In April 2024, the SEC issued an order to stay the rules pending the completion of judicial review of multiple petitions challenging the rules. The rules will require disclosure of, among other things, material climate-related risks, how the board of directors and management oversee and manage such risks, and the actual and potential material impacts of such risks on us. The rules also require disclosure about material climate-related targets and goals, Scope 1 and Scope 2 GHG emissions, and the financial impacts of severe weather events and other natural conditions. The SEC has indicated that it will publish a new effective date for the rules, if ultimately implemented, at the conclusion of the stay. These rules will be applied prospectively. We are currently assessing the impact of these rules on our SEC filings.

Disaggregation of income statement expenses

In November 2024, the FASB issued a standard requiring disaggregated information about certain income statement expense line items to be disclosed in the notes to the financial statements on an annual and interim basis. We are required to adopt these disclosures for our annual period ending February 29, 2028, with early adoption permitted and this standard may be applied retrospectively. We expect this standard to impact our disclosures with no material impacts to our results of operations, cash flows, or financial condition.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

This MD&A provides additional information on our businesses, current developments, financial condition, cash flows, and results of operations. It should be read in conjunction with our Financial Statements and with our consolidated financial statements and notes included in our 2024 Annual Report. This MD&A is organized as follows:

Overview. This section provides a general description of our business, which we believe is important in understanding the results of our operations, financial condition, and potential future trends.

Strategy. This section provides a description of our strategy and a discussion of a recent development and significant divestitures, acquisitions, and investments.

Results of operations. This section provides an analysis of our results of operations presented on a business segment basis for the three months ended November 30, 2024, and November 30, 2023, and nine months ended November 30, 2024, and November 30, 2023. In addition, a brief description of significant transactions and other items that affect the comparability of the results is provided.

Liquidity and capital resources. This section provides an analysis of our cash flows, outstanding debt, and liquidity position. Included in the analysis of outstanding debt is a discussion of the financial capacity available to fund our on-going operations and future commitments, as well as a discussion of other financing arrangements.

Overview

We are an international producer and marketer of beer, wine, and spirits with operations in the U.S., Mexico, New Zealand, and Italy with powerful, consumer-connected, high-quality brands like Corona Extra, Modelo Especial, Robert Mondavi Winery, Kim Crawford, Meiomi, The Prisoner Wine Company, High West, Casa Noble, and Mi CAMPO. In the U.S., we are one of the top growth contributors at retail among beverage alcohol suppliers. We are the second-largest beer company in the U.S. and continue to strengthen our leadership position as the #1 share gainer in the high-end beer segment and the overall U.S. beer market. In Fiscal 2024, Modelo Especial became the #1 beer brand in the U.S. beer market in dollar sales and continues to hold that position. Within wine and spirits, we have reshaped our brand portfolio to a higher-end focused business and continue our efforts to expand our supply channels through DTC and international markets. The strength of our brands makes us a supplier of choice to many of our consumers and our customers, which include wholesale distributors, retailers, and on-premise locations. We conduct our business through entities we wholly own as well as through a variety of joint ventures and other entities.

Our internal management financial reporting consists of two business divisions: (i) Beer and (ii) Wine and Spirits and we report our operating results in three segments: (i) Beer, (ii) Wine and Spirits, and (iii) Corporate

Operations and Other. In the Beer segment, our portfolio consists of high-end imported beer brands and ABAs. We have an exclusive perpetual brand license to produce our Mexican beer portfolio and to import, market, and sell such portfolio in the U.S. In the Wine and Spirits segment, we sell a portfolio that includes higher-end wine brands complemented by certain higher-end spirits brands. Amounts included in the Corporate Operations and Other segment consist of costs of corporate development, corporate finance, corporate strategy, executive management, growth, human resources, internal audit, investor relations, IT, legal, and public relations, as well as our Canopy investment and investments made through our corporate venture capital function. All costs included in the Corporate Operations and Other segment are general costs that are applicable to the consolidated group and are, therefore, not allocated to the other reportable segments. All costs reported within the Corporate Operations and Other segment are not included in our CODM's evaluation of the operating income (loss) performance of the other reportable segments. The business segments reflect how our operations are managed, how resources are allocated, how operating performance is evaluated by senior management, and the structure of our internal financial reporting.

Goodwill impairment

As of August 31, 2024, in connection with negative trends within our Wine and Spirits business primarily attributable to our U.S. wholesale market, driven by declines in both the overall wine market and in our mainstream and premium wine brands, management updated its Fiscal 2025 outlook for this reporting unit. Based on the aforementioned factors, we performed an interim quantitative assessment for goodwill impairment which indicated that the carrying value of the Wine and Spirits reporting unit exceeded its estimated fair value, resulting in a $2,250.0 million goodwill impairment. This loss from impairment was included in goodwill impairment within our consolidated results for Nine Months 2025. See Notes 4, 5, and 9 for further discussion.

Strategy

Business strategy

Our overall strategic vision is to consistently deliver industry-leading total stockholder returns over the long-term through a focus on these key pillars:

- continue building strong brands people love with advantaged routes to market;
- build a culture that is consumer-obsessed and leverages robust innovation capabilities to stay on the forefront of consumer trends;
- deploy capital in line with disciplined and balanced priorities;
- deliver on impactful ESG initiatives that we believe are not only good business, but also good for the world; and
- empower the whole enterprise to achieve best-in-class operational efficiency.

We will continue to strive for success by ensuring consumer-led decision making drives all aspects of our business; building a diverse talent pipeline with best-in-class people development; investing in infrastructure that supports and enables our business, including data systems and architecture; and exemplifying intentional and proactive fiscal management. We place focus on positioning our portfolio on higher-margin, higher-growth categories of the beverage alcohol industry to align with consumer-led premiumization, product, and purchasing trends, which we anticipate will continue to drive faster relative growth rates across beer, wine, and spirits. To continue capitalizing on consumer-led premiumization trends, become more competitive, and grow our business, we have employed a strategy dedicated to organic growth and supplemented by targeted investments and acquisitions. We also believe a key component to driving faster relative growth rates is to invest and strengthen our position within the DTC and 3-tier eCommerce channels. We intend for our multi-year Digital Business Acceleration initiative to enable us to drive results by enhancing our technology capabilities in key areas. In Fiscal 2025, we continue to focus on end-to-end digital supply chain planning, logistics, and procurement, as well as introducing a new focus area, revenue growth management. Additionally, we believe our continued focus on maintaining a strong balance sheet provides a solid financial foundation to support our broader strategic initiatives.

Our business strategy for the Beer segment focuses on upholding our leadership position in the U.S. beer market, including the high-end segment, and continuing to grow our high-end imported beer brands through maintenance of leading margins, enhancements to our results of operations and operating cash flow, and exploring new avenues for growth. This includes continued focus on growing our beer portfolio in the U.S. through expanding distribution for key brands, including within the 3-tier eCommerce channel, as well as investing in the next increment of modular capacity additions required to sustain our momentum. We continue to focus on consumer-led innovation by creating new line extensions behind celebrated, trusted brands and package formats, as well as new to world brands, that are intended to meet emerging needs. Additionally, expansion, optimization, and/or construction activities continue under our Mexico Beer Projects to align with our anticipated future growth expectations.

Our business strategy for the Wine and Spirits segment continues to focus on delivering growth and improving margins by driving our higher-end brands and operating efficiencies, while also seeking to deliver value from our mainstream brands. We have reshaped our portfolio through an enhanced focus on higher-end, higher-margin, and higher-growth wine and spirits brands. Our business is organized into three distinct category-based teams focused on (i) U.S. wine, (ii) international wine, and (iii) spirits. While each team has its own distinct brand execution strategy, all three remain aligned to the goal of accelerating performance by growing organic net sales and expanding margins. In addition, we are advancing our aim to become a global, omni-channel competitor in line with evolving consumer preferences. Our business continues its efforts to progressively expand into DTC channels (including hospitality), 3-tier eCommerce, and international markets, while remaining a major supplier in U.S. 3-tier brick-and-mortar distribution. In markets where it is feasible, we entered into a contractual arrangement with Southern Glazer's Wine and Spirits to consolidate our U.S. distribution in order to obtain dedicated distributor selling resources which focus on our U.S. wine and spirits portfolio to drive organic growth.

Marketing, sales, and distribution of our products are primarily managed on a geographic basis allowing us to leverage leading market positions. In addition, market dynamics and consumer trends vary across each of our markets. Within our primary market in the U.S., we offer a range of beverage alcohol products across the imported beer, ABA, and branded wine and spirits categories, with generally separate distribution networks utilized for (i) our beer portfolio and (ii) our wine and spirits portfolio. The environment for our products is competitive in each of our markets.

We remain committed to our long-term financial model of: growing sales, expanding margins, and increasing cash flow in order to continue to achieve comparable earnings per share growth as well as our target net leverage ratio on a comparable basis and target dividend payout ratio; investing to support the growth of our business; and delivering additional returns to stockholders through periodic share repurchases. Our results of operations and financial condition have been affected by macroeconomic headwinds, including rising unemployment, inflation, changing prices, other unfavorable global and regional economic conditions, global supply chain disruptions and constraints, and geopolitical events, as well as reductions in the discretionary income of consumers available to purchase our products and shifting consumer behaviors. Additionally, ongoing macroeconomic headwinds, particularly rising unemployment, have led to a recent deceleration in the rate of growth of consumer demand for our products. We are also monitoring potential changes to trade and tariff policies, particularly on imports from Mexico into the U.S. and possible retaliatory tariffs imposed by the Mexican government. We expect some or all of these impacts to continue during the remainder of Fiscal 2025 which could have a material impact on our results of operations. We intend to continue to monitor the economic environment, the shifting behavior of consumers, and their impacts on our business. In addition, we are continuing our commodity and foreign exchange hedging programs while also seeking to identify additional cost savings, inventory management, and efficiency initiatives. However, there can be no assurance that we will be able to fully mitigate rising costs, including as a result of potential new tariffs, through increased selling prices, cost savings, inventory management, and efficiency initiatives, and/or our commodity and foreign exchange hedging programs. Furthermore, to the extent climate-related severe weather events, such as droughts, floods, wildfires, extreme heat, and/or late frosts, or other weather conditions that constrain consumer purchasing occasions, continue to occur or accelerate in future periods, it could have a material impact on our results of operations and financial condition.

ESG strategy

During the course of our history, we have been committed to safeguarding our environment, making a positive difference in our communities, and advocating for responsible consumption of beverage alcohol products. We believe our ESG strategy enables us to better meet stakeholder expectations and create and protect value for our business, reflects our Company values, and directly addresses pressing environmental and societal needs that are important to our stockholders, communities, consumers, and employees.

Specifically, we have focused on areas where we believe we have the greatest opportunities to make meaningful, positive impacts for people and the planet in a manner that strengthens our Company, and we dedicate our resources towards:

Serving as good stewards of our environment and natural resources
Improving water availability and resilience for our communities where we operate; reducing GHG emissions through energy conservation and renewable energy initiatives; and reducing operational waste and enhancing our use of returnable, recyclable, or renewable packaging

Enhancing social equity within our industry and communities
Championing the professional development and advancement of women in the beverage alcohol industry and our communities; enhancing economic development and prosperity in disadvantaged communities; and championing an inclusive workplace culture, characterized by diversity in background and thought, which reflects our consumers and the communities where we live and work

Promoting responsible beverage alcohol consumption
Ensuring the responsible promotion and marketing of our products; and empowering adults to make responsible choices in their alcohol (substance) consumption by supporting fact-based education, engagement programs, and policies

Recent Development

SVEDKA Divestiture

On January 6, 2025, we sold the SVEDKA brand and related assets, primarily including inventory and equipment. We received $409.2 million of cash proceeds, subject to certain post-closing adjustments, which will be used primarily for general corporate purposes. Prior to the completion of the SVEDKA Divestiture, we recorded the results of operations of the SVEDKA brand in the Wine and Spirits segment. We expect to recognize a gain of $250 million to $275 million in connection with this divestiture. This gain will be included within our consolidated results of operations for Fiscal 2025. This transaction supports our strategic focus on consumer-led premiumization trends and meeting the evolving needs of our consumer.

Divestitures, Acquisitions, and Investments

Beer segment

Mexicali Brewery

In July 2024, we sold the remaining assets classified as held for sale at the canceled Mexicali Brewery.

Craft Beer Divestitures

In June 2023, we completed the Craft Beer Divestitures. Accordingly, our consolidated results of operations include the results of operations of such craft beer brands through the dates of these divestitures. The Craft Beer Divestitures are consistent with our strategic focus on continuing to grow our high-end imported beer brands through maintenance of leading margins and enhancements to our results of operations.

Daleville Facility

In May 2023, we sold the Daleville Facility in connection with our decision to exit the craft beer business.

Wine and Spirits segment

Nelson's Green Brier investment

In October 2024, we purchased the remaining 25% noncontrolling interest in Nelson's Green Brier, a portfolio of Tennessee-based craft bourbon and whiskey products.

Sea Smoke acquisition

In June 2024, we acquired the Sea Smoke business, including a California-based luxury wine brand, vineyards, and a production facility. This transaction also included the acquisition of goodwill, inventory, and a trademark. The results of operations of Sea Smoke are reported in the Wine and Spirits segment and have been included in our consolidated results of operations from the date of acquisition.

These Wine and Spirits segment activities support our strategic focus on consumer-led premiumization trends and meeting the evolving needs of our consumers.

Corporate Operations and Other segment

Corporate ventures

As of August 31, 2024, and November 30, 2023, we evaluated certain equity method investments, made through our corporate venture capital function, and determined there were other-than-temporary impairments due to business underperformance, for the respective periods.

As of August 31, 2023, we evaluated certain equity method investments, made through our corporate venture capital function, and determined there were other-than-temporary impairments due to business underperformance. Investments with a $14.9 million carrying value were written down to $2.6 million, their estimated fair value, resulting in a $12.3 million impairment. This loss from impairment was included in income (loss) from unconsolidated investments within our consolidated results for Nine Months 2024. In October 2023, we exited one of these equity method investments in exchange for a note receivable.

Canopy investment

We have an investment in Canopy, a North American cannabis and CPG company providing medical and adult-use cannabis products, which expands our portfolio into adjacent categories.

Exchangeable Shares —

As of November 30, 2024, we evaluated the Exchangeable Shares for impairment primarily due to the business and industry factors that led to the decline in Canopy's common share price since the date of conversion and exchange. We concluded that an impairment did exist, and accordingly, the Exchangeable Shares with a $97.3 million carrying value were written down to $58.7 million, their estimated fair value, resulting in a $38.6 million impairment. This loss from impairment was included in income (loss) from unconsolidated investments within our consolidated results for Third Quarter 2025 and Nine Months 2025.

In April 2024, we elected to convert our 17.1 million Canopy common shares into Exchangeable Shares on a one-for-one basis. Additionally, in April 2024, we exchanged C$81.2 million of the principal amount of our 2023 Canopy Promissory Note for 9.1 million Exchangeable Shares and forgave all accrued but unpaid interest together with the remaining principal amount of the note. As a result of these transactions, we (i) have 26.3 million Exchangeable Shares and (ii) recognized an $83.3 million net gain based on the fair value of Exchangeable Shares on the date of the conversion and exchange. This net gain is included in income (loss) from unconsolidated investments within our consolidated results for Nine Months 2025.

Canopy Equity Method Investment —

We evaluated the Canopy Equity Method Investment as of May 31, 2023, and determined there was an other-than-temporary impairment. Our conclusion was based on several contributing factors, including: (i) the fair value being less than the carrying value and the uncertainty surrounding Canopy's stock price recovering in the near-term, (ii) Canopy recorded significant costs in its fourth quarter of fiscal 2023 results designed to align its Canadian cannabis operations and resources in response to continued unfavorable market trends, (iii) the substantial doubt about Canopy's ability to continue as a going concern, as disclosed by Canopy, and (iv) Canopy's identification of material misstatements in certain of its previously reported financial results related to sales in its BioSteel Sports Nutrition Inc. reporting unit that were accounted for incorrectly, including the recording of a goodwill impairment during its restated second quarter of fiscal 2023. As a result, the Canopy Equity Method Investment with a $266.2 million carrying value was written down to $142.7 million, its estimated fair value, resulting in a $123.5 million impairment. This loss from impairment was included in income (loss) from unconsolidated investments within our consolidated results for Nine Months 2024. We no longer apply the equity method to our investment in Canopy following the April 2024 conversion of our Canopy common shares to Exchangeable Shares.

Other Canopy investments —
In April 2023, we extended the maturity of the remaining C$100.0 million principal amount of our then-existing Canopy Debt Securities by exchanging them for the 2023 Canopy Promissory Note. The fair value of the Canopy Debt Securities was $69.6 million as of February 28, 2023. As of May 31, 2023, we determined that the 2023 Canopy Promissory Note did not have future economic value and, accordingly, the fair value was reduced to zero.

For additional information on this recent development and these divestitures, acquisitions, and investments refer to Notes 4, 5, 7, and 11.

Results of Operations

Financial Highlights

Third Quarter 2025 compared with Third Quarter 2024

- Our results of operations were positively impacted by (i) no longer recognizing equity losses from Canopy's results following the conversion of our Canopy common shares to Exchangeable Shares and (ii) improvements within the Beer segment as a successful execution of cost savings initiatives and a favorable impact from pricing outpaced higher marketing spend as compared to Third Quarter 2024, partially offset by (i) a Third Quarter 2025 impairment of our Exchangeable Shares and (ii) a decline in Wine and Spirits segment net sales.

- **Net sales remained relatively flat** as a decline in Wine and Spirits net sales led by a decrease in branded shipment volume were offset by an increase in Beer net sales driven primarily by the favorable pricing and shipment volume growth.

- **Operating income remained relatively flat** as the decline in Wine and Spirits segment net sales was offset by (i) lower losses recognized on undesignated commodity derivative contracts for Third Quarter 2025 as compared to Third Quarter 2024 and (ii) improvements within the Beer segment as the successful execution of cost savings initiatives and the favorable pricing outpaced the higher marketing spend.

- **Net income attributable to CBI** and **diluted net income per common share attributable to CBI increased 21% and 23%, respectively**, largely due to lower provision for income taxes and the items discussed above.

Nine Months 2025 compared to Nine Months 2024

- Our results of operations were negatively impacted by the Nine Months 2025 Wine and Spirits goodwill impairment and a decline in the Wine and Spirits segment driven by a decrease in branded shipment volume, partially offset by (i) no longer recognizing equity losses from Canopy's results following the conversion of our Canopy common shares to Exchangeable Shares, (ii) improvements within the Beer segment driven by 4.6% shipment volume growth and our successful execution of cost savings initiatives, (iii) a Nine Months 2024 impairment of our then-existing Canopy Equity Method

Investment, (iv) a decrease in unrealized net losses on securities measured at fair value, and (v) a net gain in connection with Exchangeable Shares for the Nine Months 2025.

- **Net sales increased 3%** largely due to an increase in Beer net sales driven primarily by shipment volume growth and favorable impact from pricing, partially offset by a decline in Wine and Spirits net sales led by a decrease in branded shipment volume.

- **Operating income decreased 80%** largely due to the Nine Months 2025 Wine and Spirits goodwill impairment, partially offset by the improvements within the Beer segment resulting from shipment volume growth, lower cost of product sold, driven by the successful execution of cost savings initiatives, and favorable pricing.

- **Net income attributable to CBI** and **diluted net income per common share attributable to CBI each decreased 78%** largely due to the items discussed above, partially offset by a Nine Months 2025 benefit from income taxes as compared to a provision for income taxes for Nine Months 2024.

Comparable Adjustments

Management excludes items that affect comparability 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 the incentive compensation of segment management are evaluated based on core segment operating income (loss) which does not include the impact of these Comparable Adjustments.

As more fully described herein and in the related Notes, the Comparable Adjustments that impacted comparability in our segment results for each period are as follows:

	Third Quarter 2025	Third Quarter 2024	Nine Months 2025	Nine Months 2024
(in millions)				
Cost of product sold				
Settlements of undesignated commodity derivative contracts	$ 8.3	$ 2.3	$ 23.8	$ 8.5
Flow through of inventory step-up	(5.2)	(1.2)	(7.6)	(2.7)
Net gain (loss) on undesignated commodity derivative contracts	(0.8)	(13.3)	(10.5)	(28.9)
Comparable Adjustments, Cost of product sold	2.3	(12.2)	5.7	(23.1)
Selling, general, and administrative expenses				
Transition services agreements activity	(8.3)	(5.2)	(15.9)	(17.9)
Restructuring and other strategic business development costs	(3.6)	(5.3)	(29.9)	(23.6)
Transaction, integration, and other acquisition-related costs	(0.1)	—	(0.9)	(0.6)
Other gains (losses)	0.5	(0.2)	(19.8)	(9.3)
Comparable Adjustments, Selling, general, and administrative expenses	(11.5)	(10.7)	(66.5)	(51.4)
Goodwill impairment	—	—	(2,250.0)	—
Comparable Adjustments, Operating income (loss)	$ (9.2)	$ (22.9)	$ (2,310.8)	$ (74.5)
Comparable Adjustments, Income (loss) from unconsolidated investments	$ (38.9)	$ (61.0)	$ 39.9	$ (452.8)

Cost of product sold

Undesignated commodity derivative contracts

Net gain (loss) on undesignated commodity derivative contracts represents a net gain (loss) from the changes in fair value of undesignated commodity derivative contracts. The net gain (loss) is reported outside of segment operating results until such time that the underlying exposure is recognized in the segment operating results. At settlement, the net gain (loss) from the changes in fair value of the undesignated commodity derivative contracts is reported in the appropriate operating segment, allowing the results of our operating segments to reflect the economic effects of the commodity derivative contracts without the resulting unrealized mark to fair value volatility.

Flow through of inventory step-up

In connection with acquisitions, the allocation of purchase price in excess of book value for certain inventories on hand at the date of acquisition is referred to as inventory step-up. Inventory step-up represents an assumed manufacturing profit attributable to the acquired business prior to acquisition.

Selling, general, and administrative expenses

Transition services agreements activity

We recognized costs in connection with transition services agreements related to the previous sale of a portion of our wine and spirits business.

Restructuring and other strategic business development costs

We recognized costs in connection with certain activities which are intended to streamline, increase efficiencies, and reduce our cost structure primarily within our Wine and Spirits segment.

Transaction, integration, and other acquisition-related costs

We recognized costs in connection with our investments, acquisitions, and divestitures.

Other gains (losses)

We recognized other gains (losses) primarily from (i) a net loss on foreign currency as a result of the resolution of various tax examinations and assessments (Nine Months 2025), (ii) losses on the sales of the Daleville Facility and Craft Beer Divestitures (Nine Months 2024), and (iii) recognition of a previously deferred gain upon release of a related indemnity (Nine Months 2024).

Goodwill impairment

We recognized a goodwill impairment in connection with negative trends within our Wine and Spirits business (Nine Months 2025). For additional information, refer to Notes 4, 5, and 9.

Income (loss) from unconsolidated investments

We recognized income (loss) primarily from (i) a net gain (loss) in connection with Exchangeable Shares (Third Quarter 2025, Nine Months 2025), (ii) comparable adjustments to equity in losses from Canopy's results (Third Quarter 2024, Nine Months 2024), (iii) an impairment of our then-existing Canopy Equity Method Investment (Nine Months 2024), (iv) unrealized net losses from the changes in fair value of our securities measured at fair value (Nine Months 2025, Third Quarter 2024, Nine Months 2024), (v) impairment of our Exchangeable Shares (Third Quarter 2025, Nine Months 2025), and (vi) impairments of certain other equity method investments. For additional information, refer to Notes 4 and 7.

Business Segments

Third Quarter 2025 compared to Third Quarter 2024

Net sales

	Third Quarter 2025	Third Quarter 2024	Dollar Change	Percent Change
(in millions)				
Beer	$ 2,032.4	$ 1,968.5	$ 63.9	3 %
Wine and Spirits:				
Wine	374.6	435.8	(61.2)	(14 %)
Spirits	56.8	66.6	(9.8)	(15 %)
Total Wine and Spirits	431.4	502.4	(71.0)	(14 %)
Consolidated net sales	$ 2,463.8	$ 2,470.9	$ (7.1)	(0 %)

Beer segment	Third Quarter 2025	Third Quarter 2024	Dollar Change	Percent Change
(in millions, branded product, 24-pack, 12-ounce case equivalents)				
Net sales	$ 2,032.4	$ 1,968.5	$ 63.9	3 %
Shipments	102.7	101.1		1.6 %
Depletions				3.2 %

The increase in Beer net sales is due to (i) $39.2 million of favorable impact from pricing in select markets and (ii) $31.2 million of shipment volume growth, partially offset by $6.5 million of unfavorable product mix primarily from a shift in package types. While our shipment volume growth benefited from continued consumer demand, we believe it was negatively impacted by subdued overall spend and prolonged value seeking behavior among consumers. Additionally, shipments trailed depletions due to normal seasonality and the impact of planned maintenance activities at our breweries.

Wine and Spirits segment	Third Quarter 2025	Third Quarter 2024	Dollar Change	Percent Change
(in millions, branded product, 9-liter case equivalents)				
Net sales	$ 431.4	$ 502.4	$ (71.0)	(14 %)
Shipments	5.1	6.1		(16.4 %)
U.S. Wholesale shipments	4.3	5.4		(20.4 %)
Depletions				(4.3 %)

The decrease in Wine and Spirits net sales is largely driven by (i) a $74.8 million decrease in branded wine and spirits shipment volume, (ii) a $12.2 million decrease in non-branded net sales led by a decline in bulk wine sales, and (iii) a $7.8 million decrease from pricing actions in certain markets, as well as a $2.5 million decrease in contractual distributor payments as compared to Third Quarter 2024, partially offset by $26.4 million of favorable product mix driven by consumer-led premiumization. The decrease in branded wine and spirits shipment volume is attributable to our U.S. wholesale market, primarily driven by declines in both the overall wine market and in our mainstream and premium wine brands, as well as retailer inventory destocking.

Gross profit

	Third Quarter 2025	Third Quarter 2024	Dollar Change	Percent Change
(in millions)				
Beer	$ 1,076.7	$ 1,039.1	$ 37.6	4 %
Wine and Spirits	205.3	243.7	(38.4)	(16 %)
Comparable Adjustments	2.3	(12.2)	14.5	NM
Consolidated gross profit	$ 1,284.3	$ 1,270.6	$ 13.7	1 %

The increase in Beer gross profit is due to (i) the $39.2 million favorable impact from pricing and (ii) $16.5 million of shipment volume growth, partially offset by (i) $14.9 million of increased cost of product sold and (ii) $3.2 million of unfavorable product mix. The higher cost of product sold is primarily due to (i) $15.1 million of higher depreciation resulting from the Mexico Beer Projects, (ii) a $9.4 million increase in brewery costs, including compensation and benefits, and (iii) $8.1 million of higher material costs, including malt and aluminum, partially offset by $5.9 million of favorable foreign currency translation benefit and (i) $5.6 million of decreased transportation costs and (ii) $4.1 million of favorable fixed cost absorption related to increased production levels as compared to Third Quarter 2024, each driven by efficiency initiatives. To partially offset the increase in cost of product sold we are executing efficiency initiatives focused largely on logistics and procurement that resulted in almost $40 million of cost savings for Third Quarter 2025.

The decrease in Wine and Spirits gross profit is attributable to a $43.2 million decline in branded wine and spirits shipment volume and the $7.8 million impact from pricing actions in certain markets, as well as the $2.5 million decrease in contractual distributor payments, partially offset by $15.5 million of reduced cost of product sold. The decrease in cost of product sold was largely attributable to lower operational costs, including transportation and warehousing costs, partially offset by increased raw materials costs, including grapes, and unfavorable fixed cost absorption related to decreased production levels as compared to Third Quarter 2024.

Gross profit as a percent of net sales increased to 52.1% for Third Quarter 2025 compared with 51.4% for Third Quarter 2024. This increase was largely due to (i) approximately 80 basis points of favorable impact from Beer pricing, (ii) approximately 65 basis points of rate growth from lower cost of product sold within the Wine and Spirits segment, and (iii) a favorable change in Comparable Adjustments, contributing 60 basis points, partially offset by (i) approximately 65 basis points of rate decline from unfavorable product mix within the Wine and Spirits segment and (ii) approximately 60 basis points of rate decline from higher cost of product sold within the Beer segment.

Selling, general, and administrative expenses

	Third Quarter 2025	Third Quarter 2024	Dollar Change	Percent Change
(in millions)				
Beer	$ 306.8	$ 281.8	$ 25.0	9 %
Wine and Spirits	110.1	116.1	(6.0)	(5 %)
Corporate Operations and Other	62.9	65.1	(2.2)	(3 %)
Comparable Adjustments	11.5	10.7	0.8	NM
Consolidated selling, general, and administrative expenses	$ 491.3	$ 473.7	$ 17.6	4 %

The increase in Beer selling, general, and administrative expenses is largely driven by $32.8 million of higher marketing spend primarily led by advertising campaigns to support our high-end imported beer brands, partially offset by $7.5 million of decreased general and administrative expenses. The decrease in general and administrative expenses is primarily due to lower short-term incentive accruals and favorable foreign currency impact as compared to Third Quarter 2024.

The decrease in Wine and Spirits selling, general, and administrative expenses is largely due to $3.7 million and $2.4 million of decreased general and administrative expenses and marketing spend, respectively. The decrease in general and administrative expenses is driven by lower short-term incentive accruals and depreciation expense, partially offset by higher other payroll expenses as compared to Third Quarter 2024. Marketing as a percentage of net sales increased year-over-year driven by support of our largest brands.

The decrease in Corporate Operations and Other selling, general, and administrative expenses is largely due to lower short-term incentive accruals, partially offset by higher (i) stock-based compensation expense, (ii) consulting services, (iii) depreciation expense as a result of our June 2024 corporate headquarters relocation, and (iv) other payroll expenses as compared to Third Quarter 2024.

Selling, general, and administrative expenses as a percent of net sales increased to 19.9% for Third Quarter 2025 as compared to 19.2% for Third Quarter 2024. The increase is largely driven by (i) approximately 50 basis points of rate growth from Beer selling, general, and administrative expenses and (ii) approximately 30 basis points of rate growth from Wine and Spirits as the decrease in Wine and Spirits net sales exceeded the decrease in selling, general and administrative expenses, partially offset by approximately 10 basis points of rate decline from Corporate Operations and Other selling, general, and administrative expenses.

Operating income (loss)

	Third Quarter 2025	Third Quarter 2024	Dollar Change	Percent Change
(in millions)				
Beer	$ 769.9	$ 757.3	$ 12.6	2 %
Wine and Spirits	95.2	127.6	(32.4)	(25 %)
Corporate Operations and Other	(62.9)	(65.1)	2.2	3 %
Comparable Adjustments	(9.2)	(22.9)	13.7	NM
Consolidated operating income (loss)	$ 793.0	$ 796.9	$ (3.9)	(0 %)

The increase in Beer operating income is largely attributable to the cost savings initiatives, the favorable impact from pricing, and shipment volume growth, partially offset by the increased marketing spend, higher depreciation, and increase in brewery costs, as described above.

The decrease in Wine and Spirits operating income is largely attributable to the decline in branded wine and spirits shipment volume and impact from pricing actions in certain markets, partially offset by the lower cost of product sold, as described above.

As previously discussed, the decrease in Corporate Operations and Other operating loss is largely due to net compensation and benefits impacts.

Income (loss) from unconsolidated investments

(in millions)	Third Quarter 2025	Third Quarter 2024	Dollar Change	Percent Change
Net gain (loss) in connection with Exchangeable Shares	$ (38.6)	$ —	$ (38.6)	NM
Equity in earnings (losses) from other equity method investees and related activities	23.9	26.0	(2.1)	(8 %)
Equity in earnings (losses) from Canopy and related activities	—	(56.5)	56.5	NM
Impairment of equity method investments	(0.3)	(0.3)	0.0	0 %
Unrealized net gain (loss) on securities measured at fair value	—	(11.0)	11.0	NM
	$ (15.0)	$ (41.8)	$ 26.8	64 %

Interest expense, net

Interest expense, net remained relatively flat at $104.4 million for Third Quarter 2025 as compared to $104.2 million for Third Quarter 2024 as (i) approximately 5 basis points of higher weighted average interest rates and (ii) a decrease in capitalized interest in connection with the Mexico Beer Projects as compared to the Third Quarter 2024 were offset by approximately $40 million of lower average borrowings. For additional information, refer to Note 8.

(Provision for) benefit from income taxes

The provision for income taxes decreased to $44.5 million for Third Quarter 2025 from $130.0 million for Third Quarter 2024. Our effective tax rate for Third Quarter 2025 was 6.6% as compared with 20.0% for Third Quarter 2024. In comparison to prior year, our income taxes were impacted primarily by the net income tax benefit resulting from the reversal of valuation allowances for capital loss carryforwards in connection with the SVEDKA Divestiture. For additional information, refer to Note 9.

Net income (loss) attributable to CBI

Net income (loss) attributable to CBI increased to $615.9 million for Third Quarter 2025 from $509.1 million for Third Quarter 2024. This increase of $106.8 million, or 21%, is largely attributable to the lower provision for income taxes as compared to Third Quarter 2024.

Nine Months 2025 compared to Nine Months 2024

Net sales

(in millions)	Nine Months 2025	Nine Months 2024	Dollar Change	Percent Change
Beer	$ 6,835.4	$ 6,459.8	$ 375.6	6 %
Wine and Spirits:				
Wine	1,040.1	1,180.7	(140.6)	(12 %)
Spirits	169.0	182.1	(13.1)	(7 %)
Total Wine and Spirits	1,209.1	1,362.8	(153.7)	(11 %)
Consolidated net sales	$ 8,044.5	$ 7,822.6	$ 221.9	3 %

Beer segment	Nine Months 2025	Nine Months 2024	Dollar Change	Percent Change
(in millions, branded product, 24-pack, 12-ounce case equivalents)				
Net sales	$ 6,835.4	$ 6,459.8	$ 375.6	6 %
Shipments	346.4	331.1		4.6 %
Depletions [1]				3.9 %

[1] Includes an adjustment to remove volumes associated with the Craft Beer Divestitures for the period March 1, 2023, through May 31, 2023.

The increase in Beer net sales is due to (i) $296.4 million of shipment volume growth and (ii) $124.3 million of favorable impact from pricing in select markets, partially offset by $45.1 million of unfavorable product mix primarily from a shift in package types. While our shipment volume growth benefited from continued consumer demand, we believe it was negatively impacted by subdued overall spend and prolonged value seeking behavior among consumers. We expect shipment volume to generally align with depletion volume for Fiscal 2025.

Wine and Spirits segment	Nine Months 2025	Nine Months 2024	Dollar Change	Percent Change
(in millions, branded product, 9-liter case equivalents)				
Net sales	$ 1,209.1	$ 1,362.8	$ (153.7)	(11 %)
Shipments	16.2	18.1		(10.5 %)
U.S. Wholesale shipments	14.1	15.9		(11.3 %)
Depletions				(11.6 %)

The decrease in Wine and Spirits net sales is largely driven by (i) a $132.9 million decrease in branded wine and spirits shipment volume, (ii) a $20.5 million decrease in non-branded net sales led by a decline in bulk wine sales, and (iii) $10.6 million of unfavorable product mix, partially offset by $16.1 million from higher contractual distributor payments as compared to Nine Months 2024. The decrease in branded wine and spirits shipment volume is attributable to our U.S. wholesale market, primarily driven by declines in both the overall wine market and in our mainstream and premium wine brands, as well as retailer inventory destocking. We expect U.S. Wholesale shipment volume to generally align with depletion volume for Fiscal 2025.

Gross profit

	Nine Months 2025	Nine Months 2024	Dollar Change	Percent Change
(in millions)				
Beer	$ 3,656.2	$ 3,366.5	$ 289.7	9 %
Wine and Spirits	538.0	634.9	(96.9)	(15 %)
Comparable Adjustments	5.7	(23.1)	28.8	NM
Consolidated gross profit	$ 4,199.9	$ 3,978.3	$ 221.6	6 %

The increase in Beer gross profit is primarily due to (i) $158.3 million of shipment volume growth, (ii) the $124.3 million of favorable impact from pricing, and (iii) $37.0 million of reduced cost of product sold, partially offset by $29.9 million of unfavorable product mix. The reduced cost of product sold is primarily due to (i) $35.4 million of favorable fixed cost absorption related to increased production levels as compared to Nine Months 2024, (ii) $29.2 million of decreased transportation costs, (iii) $13.7 million due to costs related to a voluntary product recall of select kegs for Nine Months 2024, and (iv) $7.5 million of lower material costs, including aluminum, cartons, and lumber, each driven by efficiency initiatives, tempered by higher malt costs, partially offset by (i) $25.9 million of higher depreciation resulting from the Mexico Beer Projects and (ii) a $23.9 million increase in brewery costs, including compensation and benefits. To partially offset the expected increases in cost of product sold we are executing initiatives focused largely on logistics and procurement that resulted in nearly $155 million of cost savings for Nine Months 2025.

The decrease in Wine and Spirits gross profit is attributable to (i) a $73.7 million decrease in branded wine and spirits shipment volume and (ii) $40.1 million of unfavorable product mix from lower-margin net sales, partially offset by (i) $16.1 million from the higher contractual distributor payments and (ii) $4.9 million of reduced cost of product sold. The decrease in cost of product sold was largely attributable to lower operational costs, including short-term incentive accruals and transportation and warehousing costs, partially offset by unfavorable fixed cost absorption related to decreased production levels as compared to Nine Months 2024 and increased raw materials costs, including grapes.

Gross profit as a percent of net sales increased to 52.2% for Nine Months 2025 compared with 50.9% for Nine Months 2024. This increase was largely due to (i) 75 basis points of favorable impact from Beer pricing, (ii) approximately 45 basis points of rate growth from lower cost of product sold within the Beer segment, (iii) a favorable change in Comparable Adjustments, contributing approximately 35 basis points, and (iv) approximately 15 basis points of rate growth from non-branded net sales, partially offset by approximately 45 basis points of rate decline resulting from unfavorable product mix within the Wine and Spirits segment.

Selling, general, and administrative expenses

	Nine Months 2025	Nine Months 2024	Dollar Change	Percent Change
(in millions)				
Beer	$ 885.6	$ 857.5	$ 28.1	3 %
Wine and Spirits	312.6	347.3	(34.7)	(10 %)
Corporate Operations and Other	180.0	181.8	(1.8)	(1 %)
Comparable Adjustments	66.5	51.4	15.1	NM
Consolidated selling, general, and administrative expenses	$ 1,444.7	$ 1,438.0	$ 6.7	0 %

The increase in Beer selling, general, and administrative expenses is largely driven by $46.9 million of additional marketing spend primarily led by advertising campaigns to support our high-end imported beer brands as well as new product launches, partially offset by $18.4 million of decreased general and administrative expenses. The decrease in general and administrative expenses is primarily due to lower short-term incentive accruals and decreased legal expenses, partially offset by higher other compensation and benefits, including stock-based compensation expense.

The decrease in Wine and Spirits selling, general, and administrative expenses is largely driven by $26.6 million and $8.0 million of decreased general and administrative expenses and marketing spend, respectively. The decrease in general and administrative expenses is primarily due to lower (i) short-term incentive accruals, (ii) litigation expenses, and (iii) consulting services. Marketing spend as a percentage of net sales remained relatively consistent year-over-year.

Corporate Operations and Other selling, general, and administrative expenses remained relatively flat as decreased costs associated with lower short-term incentive accruals and a tax credit resulting from our June 2024 corporate headquarters relocation were offset by higher (i) stock-based compensation expense, (ii) consulting services, (iii) other payroll expenses, and (iv) depreciation expense driven by the headquarters relocation.

Selling, general, and administrative expenses as a percent of net sales decreased to 18.0% for Nine Months 2025 as compared with 18.4% for Nine Months 2024. The decrease is largely driven by (i) approximately 55 basis points of rate decline as the increase in Beer net sales exceeded the increase in selling, general, and administrative expenses and (ii) approximately 10 basis points of rate decline from a decrease in Wine and Spirits' selling, general, and administrative expenses, partially offset by an unfavorable change in Comparable Adjustments, contributing approximately 20 basis points of rate growth.

Operating income (loss)

(in millions)	Nine Months 2025	Nine Months 2024	Dollar Change	Percent Change
Beer	$ 2,770.6	$ 2,509.0	$ 261.6	10 %
Wine and Spirits	225.4	287.6	(62.2)	(22 %)
Corporate Operations and Other	(180.0)	(181.8)	1.8	1 %
Comparable Adjustments	(2,310.8)	(74.5)	(2,236.3)	NM
Consolidated operating income (loss)	$ 505.2	$ 2,540.3	$ (2,035.1)	(80 %)

The increase in Beer operating income is largely attributable to the shipment volume growth, cost savings initiatives, and the favorable impact from pricing, partially offset by the increased marketing spend, unfavorable product mix, the higher depreciation, and the increase in brewery costs, as described above.

The decrease in Wine and Spirits operating income is largely attributable to the decline in branded wine and spirits shipment volume and unfavorable product mix, partially offset by decreased selling, general, and administrative expenses and the higher contractual distributor payments, as described above.

As previously discussed, Corporate Operations and Other operating loss remained relatively flat as lower net compensation and benefits impacts and the tax credit were offset by higher consulting services.

Income (loss) from unconsolidated investments

(in millions)	Nine Months 2025	Nine Months 2024	Dollar Change	Percent Change
Net gain in connection with Exchangeable Shares	$ 44.7	$ —	$ 44.7	NM
Equity in earnings (losses) from other equity method investees	26.0	32.4	(6.4)	(20 %)
Equity in earnings (losses) from Canopy and related activities	—	(288.3)	288.3	NM
Impairment of equity method investments	(2.4)	(136.1)	133.7	98 %
Unrealized net gain (loss) on securities measured at fair value	(2.5)	(85.4)	82.9	97 %
	$ 65.8	$ (477.4)	$ 543.2	114 %

Interest expense, net

Interest expense, net decreased to $311.2 million for Nine Months 2025 as compared to $333.7 million for Nine Months 2024. This decrease of $22.5 million, or 7%, is largely due to (i) approximately $265 million of lower short-term and long-term average borrowings and (ii) an increase in capitalized interest in connection with the Mexico Beer Projects as compared to Nine Months 2024. For additional information, refer to Note 8.

(Provision for) benefit from income taxes

The (provision for) benefit from income taxes increased to $79.7 million for Nine Months 2025 from $(368.4) million for Nine Months 2024. Our effective tax rate for Nine Months 2025 was 30.7% as compared with 21.3% for Nine Months 2024. In comparison to prior year, our income taxes were impacted primarily by:

- a Nine Months 2025 net income tax benefit recognized following the (i) resolution of various tax examinations and assessments related to prior periods and (ii) reversal of valuation allowances for capital loss carryforwards in connection with the SVEDKA Divestiture; partially offset by
- the net income tax impacts resulting from the (i) non-deductible portion of the Wine and Spirits goodwill impairment and (ii) sale of the remaining assets at the canceled Mexicali Brewery.

For additional information, refer to Note 9.

We expect our reported effective tax rate for Fiscal 2025 to be in the range of 7% to 9%. This range includes the impact of the SVEDKA Divestiture.

Net income (loss) attributable to CBI

Net income (loss) attributable to CBI decreased to $293.9 million for Nine Months 2025 from $1,335.0 million for Nine Months 2024. This decrease of $1,041.1 million, or 78%, is largely attributable to the Nine Months 2025 Wine and Spirits goodwill impairment, partially offset by the (i) favorable impact from income (loss) from unconsolidated investments driven by Canopy-related activities, (ii) benefit from income taxes, and (iii) Nine Months 2025 improvements within the Beer segment.

Liquidity and Capital Resources

General

Our primary source of liquidity has been cash flow from operating activities. Our ability to consistently generate robust cash flow from our operations is one of our most significant financial strengths; it enables us to invest in our people and our brands, make capital investments and strategic acquisitions, provide a cash dividend program, and from time-to-time, repurchase shares of our common stock. Our largest use of cash in our operations is for purchasing and carrying inventories and carrying seasonal accounts receivable. Historically, we have used this cash flow to repay our short-term borrowings and fund capital expenditures. Additionally, our commercial paper program is used to fund our short-term borrowing requirements and to maintain our access to the capital markets. We use our short-term borrowings, including our commercial paper program, to support our working capital requirements and capital expenditures, among other things.

We seek to maintain adequate liquidity to meet working capital requirements, fund capital expenditures, and repay scheduled principal and interest payments on debt. Absent deterioration of market conditions, we believe that cash flows from operating and financing activities will provide adequate resources to satisfy our working capital, scheduled principal and interest payments on debt, anticipated dividend payments, periodic share repurchases, and anticipated capital expenditure requirements for both our short-term and long-term capital needs.

We have an agreement with a financial institution for payment services and to facilitate a voluntary supply chain finance program through this participating financial institution. The program is available to certain of our suppliers allowing them the option to manage their cash flow. We are not a party to the agreements between the participating financial institution and the suppliers in connection with the program. Our rights and obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted. As of November 30, 2024, and February 29, 2024, the amount payable to this participating financial institution for suppliers who voluntarily participate in the supply chain finance program was $0.8 million and $7.3 million, respectively, and was included in accounts payable within our consolidated balance sheets. We account for payments made under the supply chain finance program the same as our other accounts payable, as a reduction to our cash flow from operating activities.

Cash Flows

	Nine Months 2025	Nine Months 2024	Dollar Change
(in millions)			
Net cash provided by (used in):			
Operating activities	$ 2,557.5	$ 2,346.8	$ 210.7
Investing activities	(1,098.2)	(929.9)	(168.3)
Financing activities	(1,538.8)	(1,472.4)	(66.4)
Effect of exchange rate changes on cash and cash equivalents	0.8	0.7	0.1
Net increase (decrease) in cash and cash equivalents	$ (78.7)	$ (54.8)	$ (23.9)

Operating activities

The increase in net cash provided by (used in) operating activities consists of:

	Nine Months 2025	Nine Months 2024	Dollar Change
(in millions)			
Net income (loss)	$ 339.5	$ 1,360.8	$ (1,021.3)
Unrealized net (gain) loss on securities measured at fair value	2.5	85.4	(82.9)
Deferred tax provision (benefit)	(184.2)	28.2	(212.4)
Equity in (earnings) losses of equity method investees and related activities, net of distributed earnings	(25.8)	257.3	(283.1)
Impairment of equity method investments	2.4	136.1	(133.7)
Net gain in connection with Exchangeable Shares	(44.7)	—	(44.7)
Goodwill impairment	2,250.0	—	2,250.0
Other non-cash adjustments	326.9	550.0	(223.1)
Change in operating assets and liabilities, net of effects from purchase and sale of business	(109.1)	(71.0)	(38.1)
Net cash provided by (used in) operating activities	$ 2,557.5	$ 2,346.8	$ 210.7

The $38.1 million net change in operating assets and liabilities was largely driven by lower (i) accrued expenses for the Beer segment driven by the timing of marketing accruals and (ii) inventory levels for the Beer segment driven by higher demand for our products. These changes were partially offset by higher (i) accounts payable for the Beer segment resulting from the timing of payments and the growth of our beer business and (ii) inventory levels for the Wine and Spirits segment led by declines in both the overall wine market and in our mainstream and premium wine brands, as well as retailer inventory destocking. Additionally, net cash provided by operating activities was negatively impacted by higher Nine Months 2025 income tax payments following the resolution of various tax examinations and assessments as compared to Nine Months 2024.

Investing activities

Net cash used in investing activities increased to $1,098.2 million for Nine Months 2025 from $929.9 million for Nine Months 2024. This increase of $168.3 million, or 18%, was primarily due to a $151.2 million increase in business acquisitions, driven by the June 2024 Sea Smoke acquisition, and $19.6 million of additional capital expenditures, largely related to the Mexico Beer Projects. The increase in net cash used in investing activities was partially offset by $13.0 million in higher proceeds from the sale of assets for Nine Months 2025 as compared to Nine Months 2024.

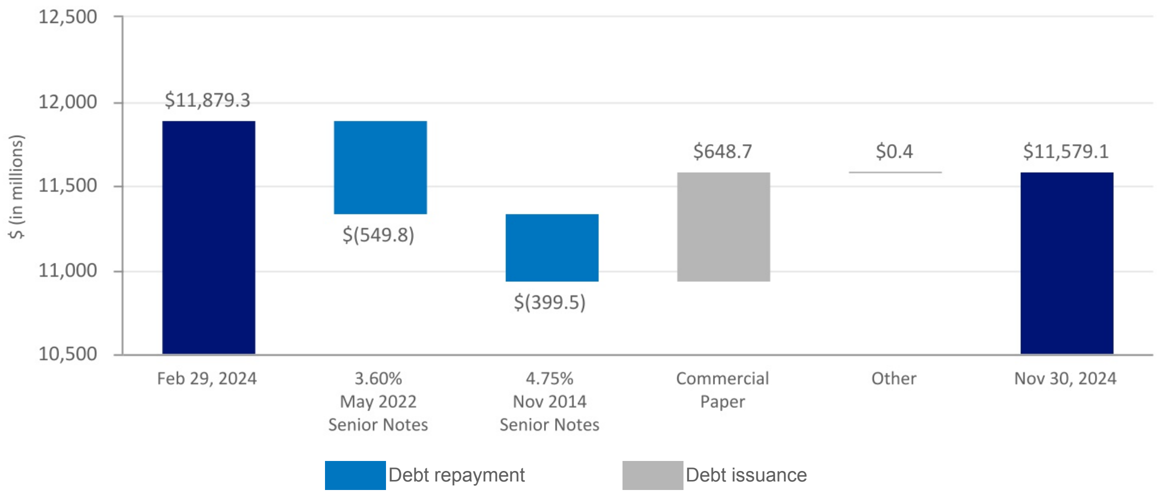
Financing activities

The increase in net cash provided by (used in) financing activities consists of:

	Nine Months 2025	Nine Months 2024	Dollar Change
(in millions)			
Net proceeds from (payments of) debt, current and long-term, and related activities	$ (307.4)	$ (774.4)	$ 467.0
Dividends paid	(551.3)	(491.1)	(60.2)
Purchases of treasury stock	(668.1)	(249.7)	(418.4)
Net cash provided by stock-based compensation activities	52.4	77.8	(25.4)
Distributions to noncontrolling interests	(47.5)	(35.0)	(12.5)
Payment of contingent consideration	(0.7)	—	(0.7)
Purchase of noncontrolling interest	(16.2)	—	(16.2)
Net cash provided by (used in) financing activities	$ (1,538.8)	$ (1,472.4)	$ (66.4)

Debt

Total debt outstanding as of November 30, 2024, amounted to $11,579.1 million, a decrease of $300.2 million, or 3%, from February 29, 2024. This decrease consisted of:



Bank facilities

The Company, CB International, the Administrative Agent, and certain other lenders are parties to the 2022 Credit Agreement. The October 2022 Credit Agreement Amendment revised certain defined terms and covenants in the 2022 Credit Agreement and became effective in April 2024 following the (i) amendment by Canopy of its Articles of Incorporation, (ii) conversion of our Canopy common shares into Exchangeable Shares, and (iii) resignation of our nominees from the board of directors of Canopy.

General

The majority of our outstanding borrowings as of November 30, 2024, consisted of fixed-rate senior unsecured notes, with maturities ranging from calendar 2025 to calendar 2050.

Additionally, we have a commercial paper program which provides for the issuance of up to an aggregate principal amount of $2.25 billion of commercial paper. Our commercial paper program is backed by unused commitments under our revolving credit facility under our 2022 Credit Agreement. Accordingly, outstanding borrowings under our commercial paper program reduce the amount available under our revolving credit facility.

We do not have purchase commitments from buyers for our commercial paper and, therefore, our ability to issue commercial paper is subject to market demand. If the commercial paper market is not available to us for any reason when commercial paper borrowings mature, we will utilize unused commitments under our revolving credit facility under our 2022 Credit Agreement to repay commercial paper borrowings. We do not expect that fluctuations in demand for commercial paper will affect our liquidity given our borrowing capacity available under our revolving credit facility.

We had the following remaining borrowing capacity available under our 2022 Credit Agreement:

	November 30, 2024	December 31, 2024
(in millions)		
Revolving credit facility [1]	$ 1,347.2	$ 1,489.2

[1] Net of outstanding revolving credit facility borrowings and outstanding letters of credit under our 2022 Credit Agreement and outstanding borrowings under our commercial paper program (excluding unamortized discount) of $891.5 million and $749.5 million as of November 30, 2024, and December 31, 2024, respectively.

The financial institutions participating in our 2022 Credit Agreement have complied with prior funding requests and we believe they will comply with any future funding requests. However, there can be no assurances that any particular financial institution will continue to do so.

As of November 30, 2024, we and our subsidiaries were subject to covenants that are contained in our 2022 Credit Agreement, including those restricting the incurrence of additional subsidiary indebtedness, additional liens, mergers and consolidations, transactions with affiliates, and sale and leaseback transactions, in each case subject to numerous conditions, exceptions, and thresholds. The financial covenants are limited to a minimum interest coverage ratio and a maximum net leverage ratio, both as defined in our 2022 Credit Agreement. As of November 30, 2024, under our 2022 Credit Agreement, the minimum interest coverage ratio was 2.5x and the maximum net leverage ratio was 4.0x.

Our indentures relating to our outstanding senior notes contain certain covenants, including, but not limited to: (i) a limitation on liens on certain assets, (ii) a limitation on certain sale and leaseback transactions, and (iii) restrictions on mergers, consolidations, and the transfer of all or substantially all of our assets to another person.

As of November 30, 2024, we were in compliance with our covenants under our 2022 Credit Agreement and our indentures, and have met all debt payment obligations.

For further discussion and presentation of our borrowings and available sources of borrowing, refer to Note 12 of our consolidated financial statements included in our 2024 Annual Report and Note 8.

Common Stock Dividends

On January 8, 2025, our Board of Directors declared a quarterly cash dividend of $1.01 per share of Class A Stock and $0.91 per share of Class 1 Stock payable on February 21, 2025, to stockholders of record of each class as of the close of business on February 7, 2025.

We currently expect to continue to pay a regular quarterly cash dividend to stockholders of our common stock in the future, but such payments are subject to approval of our Board of Directors and are dependent upon our financial condition, results of operations, capital requirements, and other factors, including those set forth under Item 1A. “Risk Factors” of our 2024 Annual Report as supplemented by the additional factors set forth under Item 1A. “Risk Factors” included in this Form 10-Q.

Share Repurchase Program

Our Board of Directors authorized the repurchase of our publicly traded common stock of up to $2.0 billion under the 2021 Authorization and an additional repurchase of up to $2.0 billion under the 2023 Authorization. The 2021 Authorization was fully utilized during Third Quarter 2025, through open market transactions.

As of November 30, 2024, total shares repurchased under the 2021 Authorization and the 2023 Authorization are as follows:

		Class A Stock	
	Repurchase Authorization	Dollar Value of Shares Repurchased	Number of Shares Repurchased
(in millions, except share data)			
2021 Authorization	$ 2,000.0	$ 2,000.0	8,337,547
2023 Authorization	$ 2,000.0	$ 54.4	230,177

Share repurchases under the 2023 Authorization may be accomplished at management’s discretion from time to time based on market conditions, our cash and debt position, and other factors as determined by management. Shares may be repurchased through open market or privately negotiated transactions. We may fund future share repurchases with cash generated from operations and/or proceeds from borrowings. Any repurchased shares will become treasury shares, including shares previously repurchased under the 2021 Authorization and the 2023 Authorization.

We currently expect to continue to repurchase shares in the future, but such repurchases are dependent upon our financial condition, results of operations, capital requirements, and other factors, including those set forth under Item 1A. “Risk Factors” of our 2024 Annual Report as supplemented by the additional factors set forth under Item 1A. “Risk Factors” included in this Form 10-Q.

For additional information, refer to Note 17 of our consolidated financial statements included in our 2024 Annual Report and Note 11.

Capital Expenditures

Management reviews the capital expenditure program periodically and modifies it as required to meet current and projected future business needs. We now plan to spend $1.3 billion for capital expenditures in Fiscal 2025, including $1.0 billion for the Beer segment associated primarily with the Mexico Beer Projects. The remaining planned Fiscal 2025 capital expenditures continue to consist of improvements to existing operating facilities and replacements of existing equipment and/or buildings.

Accounting Guidance

Accounting guidance adopted for Nine Months 2025 did not have a material impact on our Financial Statements.

Information Regarding Forward-Looking Statements

This Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. All statements other than statements of historical fact included in this Form 10-Q are forward-looking statements, including without limitation:

- The statements under MD&A regarding:
  - our business strategy, strategic vision, growth plans, innovation and Digital Business Acceleration initiatives, new products, future operations, financial position, net sales, expenses, hedging programs, cost savings and efficiency initiatives, capital expenditures, effective tax rates and anticipated tax liabilities, expected volume, inventory, supply, and demand levels, balance, and trends, long-term financial model, access to capital markets, liquidity and capital resources, and prospects, plans, and objectives of management;
  - our beer expansion, optimization, and/or construction activities, including anticipated scope, capacity, costs, capital expenditures, and timeframes for completion;
  - macroeconomic headwinds, including rising unemployment, inflation, changing prices, other unfavorable global and regional economic conditions, global supply chain disruptions and constraints, and geopolitical events, as well as reductions in consumer discretionary income, and shifting consumer behaviors, and our responses thereto;
  - expected or potential actions of third parties, including possible changes to laws, rules, and regulations, such as potential changes to trade and tariff policies, particularly on imports from Mexico into the U.S. and possible retaliatory tariffs imposed by the Mexican government;
  - the potential impact of climate-related severe weather events or other weather conditions;
  - the expected use of cash proceeds from and gain to be recognized in connection with the SVEDKA Divestiture;
  - the availability of a supply chain finance program;
  - the manner, timing, and duration of the share repurchase program and source of funds for share repurchases;
  - the amount and timing of future dividends and our target dividend payout ratio; and
  - our target net leverage ratio.
- The statements regarding the future reclassification of net gains from AOCI.
- The statements regarding potential future impairments of our Wine and Spirits goodwill or Canopy investment.

When used in this Form 10-Q, the words "anticipate," "expect," "intend," "will," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. All forward-looking statements speak only as of the date of this Form 10-Q. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. 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 Form 10-Q 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 as well as risks associated with cybersecurity and artificial intelligence;
- economic and other uncertainties associated with our international operations, including potential new tariffs;
- dependence on limited facilities for production of our Mexican beer brands, including beer operations expansion, optimization, and/or construction activities, scope, capacity, supply, costs (including impairments), capital expenditures, and timing;
- operational disruptions or catastrophic loss to our breweries, wineries, other production facilities, or distribution systems;
- the impact of military conflicts, geopolitical tensions, and responses, including on inflation, supply chains, commodities, energy, and cybersecurity;
- climate change, ESG regulatory compliance and failure to meet emissions, stewardship, and other ESG targets, objectives, or ambitions, and timing changes for our ESG reporting;
- reliance on wholesale distributors, major retailers, and government agencies;
- contamination and degradation of product quality from diseases, pests, weather, and other conditions;
- communicable disease outbreaks, pandemics, or other widespread public health crises and associated governmental containment actions;
- effects of employee labor activities that could increase our costs;
- a potential decline in the consumption of products we sell and our dependence on sales of our Mexican beer brands;
- impacts of our acquisition, divestiture, investment, and new product innovation strategies and activities, including the Sea Smoke acquisition and the SVEDKA Divestiture;
- the success of operational and commercial execution, cost savings, and efficiency initiatives;
- dependence upon our trademarks and proprietary rights, including the failure to protect our intellectual property rights;
- potential damage to our reputation;
- competition in our industry and for talent;
- our indebtedness and interest rate fluctuations;
- our international operations, worldwide and regional economic trends and financial market conditions, including macroeconomic headwinds, geopolitical uncertainty, or other governmental rules and regulations;
- class action or other litigation we may face;
- potential write-downs of our intangible assets, such as goodwill and trademarks, including potential future impairments of our Wine and Spirits goodwill;
- changes to tax laws, fluctuations in our effective tax rate, including tax impacts resulting from the non-deductible portion of the Wine and Spirits goodwill impairment and the sale of the remaining assets at the canceled Mexicali Brewery, accounting for tax positions, the resolution of tax disputes, changes to accounting standards, elections, assertions, or policies, and the impact of a global minimum tax rate;
- the amount, timing, and source of funds for any share repurchases;
- the amount and timing of future dividends; and
- ownership of our Class A Stock by the Sands Family Stockholders and their Board of Director nomination rights as well as the choice-of-forum provision in our amended and restated by-laws.

For additional information about risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by our forward-looking statements, please refer to Item 1A. “Risk Factors” of our 2024 Annual Report as supplemented by the additional factors set forth under Item 1A. “Risk Factors” included in this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a result of our global operating, investment, acquisition, divestiture, and financing activities, we are exposed to market risk associated with changes in foreign currency exchange rates, commodity prices, and interest rates. To manage the volatility relating to these risks, we periodically purchase and/or sell derivative instruments including foreign currency forward and option contracts, commodity swap contracts, interest rate swap contracts, and Pre-issuance hedge contracts. We use derivative instruments to reduce earnings and cash flow volatility resulting from shifts in market rates, as well as to hedge economic exposures. We do not enter into derivative instruments for trading or speculative purposes.

Foreign currency and commodity price risk

Foreign currency derivative instruments are or may be used to hedge existing foreign currency denominated assets and liabilities, forecasted foreign currency denominated sales/purchases to/from third parties as well as intercompany sales/purchases, intercompany principal and interest payments, and in connection with investments, acquisitions, or divestitures outside the U.S. As of November 30, 2024, we had exposures to foreign currency risk primarily related to the Mexican peso, Canadian dollar, euro, and New Zealand dollar. Approximately 100% of our balance sheet exposures and 92% of our forecasted transactional exposures for the remaining three months of Fiscal 2025 were hedged as of November 30, 2024.

Commodity derivative instruments are or may be used to hedge forecasted commodity purchases from third parties as either economic hedges or accounting hedges. As of November 30, 2024, exposures to commodity price risk which we are currently hedging include aluminum, corn, diesel fuel, and natural gas prices. Approximately 88% of our forecasted transactional exposures for the remaining three months of Fiscal 2025 were hedged as of November 30, 2024.

We have performed a sensitivity analysis to estimate our exposure to market risk of foreign exchange rates and commodity prices reflecting the impact of a hypothetical 10% adverse change in the applicable market. The volatility of the applicable rates and prices is dependent on many factors which cannot be forecasted with reliable accuracy. Gains or losses from the revaluation or settlement of the related underlying positions would substantially offset such gains or losses on the derivative instruments. The aggregate notional value, estimated fair value, and sensitivity analysis for our open foreign currency and commodity derivative instruments are summarized as follows:

	Aggregate Notional Value		Fair Value, Net Asset (Liability)		Increase (Decrease) in Fair Value – Hypothetical 10% Adverse Change	
	November 30, 2024	November 30, 2023	November 30, 2024	November 30, 2023	November 30, 2024	November 30, 2023
(in millions)						
Foreign currency contracts	$ 3,303.3	$ 2,812.2	$ (25.0)	$ 316.5	$ 210.7	$ (185.1)
Commodity derivative contracts	$ 337.9	$ 383.9	$ (15.9)	$ (21.8)	$ 28.6	$ 31.4

Interest rate risk

The estimated fair value of our fixed interest rate debt is subject to interest rate risk, credit risk, and foreign currency risk. In addition, we also have variable interest rate debt outstanding (primarily SOFR-based), certain of which includes a fixed margin subject to the same risks identified for our fixed interest rate debt.

As of November 30, 2024, and November 30, 2023, we had $75.0 million and $125.0 million, respectively, of outstanding cash flow designated, Pre-issuance hedge contracts designed to minimize interest rate volatility on our future debt issuances. There were no cash flow designated or undesignated interest rate swap contracts outstanding as of November 30, 2024, or November 30, 2023.

We have performed a sensitivity analysis to estimate our exposure to market risk of interest rates reflecting the impact of a hypothetical 1% increase in the prevailing interest rates. The volatility of the applicable rates is dependent on many factors which cannot be forecasted with reliable accuracy.

The aggregate notional value, estimated fair value, and sensitivity analysis for our outstanding fixed-rate debt, including current maturities, are summarized as follows:

	Aggregate Notional Value		Fair Value, Net Asset (Liability)		Increase (Decrease) in Fair Value – Hypothetical 1% Rate Increase	
	November 30, 2024	November 30, 2023	November 30, 2024	November 30, 2023	November 30, 2024	November 30, 2023
(in millions)						
Fixed interest rate debt	$ 10,759.6	$ 11,320.0	$ (10,075.5)	$ (10,320.7)	$ (562.7)	$ (599.2)
Pre-issuance hedge contracts	$ 75.0	$ 125.0	$ 3.1	$ (0.1)	$ 5.5	$ (3.2)

A 1% hypothetical change in the prevailing interest rates would have increased interest expense on our variable interest rate debt by $3.7 million and $6.7 million for the nine months ended November 30, 2024, and November 30, 2023, respectively.

For additional discussion on our market risk, refer to Notes 3 and 4.

Item 4. Controls and Procedures.

Disclosure controls and procedures

Our Chief Executive Officer and our Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this report, that the Company's "disclosure controls and procedures" (as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal control over financial reporting

In connection with the foregoing evaluation by our Chief Executive Officer and our Chief Financial Officer, no changes were identified in the Company's "internal control over financial reporting" (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during our fiscal quarter ended November 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

For information regarding Legal Proceedings, see Item 1A. "Risk Factors."

Item 1A. Risk Factors.

In addition to information discussed elsewhere in this Form 10-Q, you should carefully consider the risk factors disclosed in the 2024 Annual Report. The risk factors associated with our business have not materially changed compared to the risk factors disclosed in the 2024 Annual Report except for the updated risk factor below. The risk factor described below and the additional risks described in the 2024 Annual Report are not the only risks we face. Additional factors not presently known to us or that we currently deem to be immaterial could materially affect our business, liquidity, financial condition, and/or results of operations in future periods. The following risk factor is organized under a relevant heading; however, it may be relevant to other headings as well.

Strategic Risks

Dependence upon trademarks and proprietary rights, failure to protect our intellectual property rights

Our future success depends significantly on our ability to protect our current and future brands and products and to defend our intellectual property rights. We have been granted numerous trademark registrations and use certain trademarks under license covering our brands and products, and we have filed, and expect to continue to file or have filed on our behalf, trademark applications seeking to protect newly developed brands and products. We cannot be sure that trademark registrations will be issued with respect to any of such trademark applications. We could also, by omission, fail to timely renew or protect a trademark and our competitors could challenge, invalidate, or circumvent any existing or future trademarks issued to, or licensed by, us.

Our subsidiaries CB Brand Strategies, LLC, Crown Imports LLC, and Compañía Cervecera de Coahuila, S. de R.L. de C.V. were named as defendants in a lawsuit originally filed in U.S. District Court for the Southern District of New York on February 15, 2021, and most recently amended in March 2022, by Cervecería Modelo de México, S. de R.L. de C.V. and Trademarks Grupo Modelo, S. de R.L. de C.V. The plaintiffs alleged, among other things, that our sub-license of the trademarks for our Mexican beer brands should not permit us to use the Corona brand name on our Corona Hard Seltzer or the Modelo brand name on our Modelo Ranch Water. At a trial in March 2023, the jury returned a unanimous verdict in our favor on all counts in the plaintiffs' complaint, and the court entered judgment dismissing the complaint. In May 2023, the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Second Circuit. In March 2024, the Second Circuit issued an order affirming the judgment of the district court. Plaintiffs did not petition the U.S. Supreme Court for a Writ of Certiorari prior to the June 24, 2024 deadline. Consequently, the district court's judgment dismissing this case is final and no longer subject to appeal.

We have been and may continue to be subject to other litigation related to our trademarks and intellectual property rights. Litigation is inherently unpredictable and subject to substantial uncertainties and unfavorable developments and resolutions could occur. A substantial adverse judgment or other unfavorable resolution of these matters or our failure to otherwise protect our intellectual property rights as well as the costs associated with such activities could have a material adverse effect on our business, liquidity, financial condition, and/or results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program [1][2]
(in millions, except share and per share data)				
September 1 – 30, 2024	—	$ —	—	$ 2,164.5
October 1 – 31, 2024	633,250	$ 240.99	633,250	$ 2,011.9
November 1 – 30, 2024	280,917	$ 235.99	280,917	$ 1,945.6
Total	914,167	$ 239.45	914,167	

(1) In January 2021, we announced that our Board of Directors authorized the repurchase of up to $2.0 billion of our publicly traded common stock under the 2021 Authorization. The Board of Directors did not specify a date upon which the 2021 Authorization would expire. Share repurchases for the periods included herein were effected through open market transactions and exclude the impact of Federal excise tax owed pursuant to the IRA. In November 2024, we utilized the remaining $11.9 million available under the 2021 Authorization to repurchase 50,740 shares of Class A Stock excluding the impact of Federal excise tax owed pursuant to the IRA, through open market transactions, thereby completing the 2021 Authorization.

(2) In November 2023, we announced that our Board of Directors authorized an additional repurchase of up to $2.0 billion of our publicly traded common stock under the 2023 Authorization. The Board of Directors did not specify a date upon which the 2023 Authorization would expire. Share repurchases for the periods included herein were effected through open market transactions and exclude the impact of Federal excise tax owed pursuant to the IRA.

Item 5. Other Information.

10b5-1 Trading Plans

On November 14, 2024, William A. Newlands, our President and Chief Executive Officer and a member of our Board of Directors, adopted a 10b5-1 Trading Plan that provides for the potential sale of (i) 100% of the Net Shares Received upon the vesting of 12,772 restricted stock units and up to 19,670 performance stock units in May 2025, and (ii) the exercise and sale of up to 75,608 stock options, in each case in amounts and subject to certain price limitations set forth in the plan. The 19,670 performance stock units reflect a payout at the maximum level for this award; however, any actual payout of shares may be less than this amount and will be based on the level of achievement of the performance criteria associated with the award. The 10b5-1 Trading Plan was adopted during an open insider trading window, and no sales will commence under the plan until completion of the required cooling off period. The 10b5-1 Trading Plan terminates on November 11, 2025, unless terminated sooner in accordance with its terms.

During the three months ended November 30, 2024, none of our other directors or officers (as defined in Exchange Act Rule 16a-1(f)) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits.

		Incorporated by Reference		
Exhibit No.	Exhibit Description	Form	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Company.	8-K	3.1	November 10, 2022
3.2	Amended and Restated By-Laws of the Company.	8-K	3.2	November 10, 2022
4.1	Indenture, dated as of April 17, 2012, by and among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.1	April 23, 2012
4.1.1	Supplemental Indenture No. 8, with respect to 4.750% Senior Notes due 2024, dated as of November 3, 2014, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.2	November 7, 2014
4.1.2	Supplemental Indenture No. 9, with respect to 4.750% Senior Notes due 2025, dated as of December 4, 2015, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.1	December 8, 2015
4.1.3	Supplemental Indenture No. 10, dated as of January 15, 2016, among the Company, Home Brew Mart, Inc., and M&T, as Trustee.	10-K	4.26	April 25, 2016
4.1.4	Supplemental Indenture No. 11 with respect to 3.700% Senior Notes due 2026, dated as of December 6, 2016, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.1	December 6, 2016
4.1.5	Supplemental Indenture No. 13 with respect to 3.500% Senior Notes due 2027, dated as of May 9, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.2	May 9, 2017
4.1.6	Supplemental Indenture No. 14 with respect to 4.500% Senior Notes due 2047, dated as of May 9, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.3	May 9, 2017
4.1.7	Supplemental Indenture No. 19 with respect to 3.600% Senior Notes due 2028, dated as of February 7, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.2	February 7, 2018
4.1.8	Supplemental Indenture No. 20 with respect to 4.100% Senior Notes due 2048, dated as of February 7, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.3	February 7, 2018
4.1.9	Supplemental Indenture No. 22 with respect to 4.400% Senior Notes due 2025, dated as of October 29, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.2	October 29, 2018
4.1.10	Supplemental Indenture No. 23 with respect to 4.650% Senior Notes due 2028, dated as of October 29, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.3	October 29, 2018
4.1.11	Supplemental Indenture No. 24 with respect to 5.250% Senior Notes due 2048, dated as of October 29, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.4	October 29, 2018
4.1.12	Supplemental Indenture No. 25 with respect to 3.150% Senior Notes due 2029, dated as of July 29, 2019, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.1	July 29, 2019
4.1.13	Supplemental Indenture No. 26 with respect to 2.875% Senior Notes due 2030, dated as of April 27, 2020, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	April 27, 2020

		Incorporated by Reference		
Exhibit No.	Exhibit Description	Form	Exhibit	Filing Date
4.1.14	Supplemental Indenture No. 27 with respect to 3.750% Senior Notes due 2050, dated as of April 27, 2020, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.2	April 27, 2020
4.1.15	Supplemental Indenture No. 28 with respect to 2.250% Senior Notes due 2031, dated as of July 26, 2021, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	July 26, 2021
4.1.16	Supplemental Indenture No. 30 with respect to 4.350% Senior Notes due 2027, dated as of May 9, 2022, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.2	May 9, 2022
4.1.17	Supplemental Indenture No. 31 with respect to 4.750% Senior Notes due 2032, dated as of May 9, 2022, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.3	May 9, 2022
4.1.18	Supplemental Indenture No. 32 with respect to 5.000% Senior Notes due 2026, dated as of February 2, 2023, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	February 2, 2023
4.1.19	Supplemental Indenture No. 33 with respect to 4.900% Senior Notes due 2033, dated as of May 1, 2023, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	May 1, 2023
4.1.20	Supplemental Indenture No. 34 with respect to 4.800% Senior Notes due 2029, dated as of January 11, 2024, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	January 11, 2024
4.2	Restatement Agreement, dated as of April 14, 2022, by and among the Company, CB International, Bank of America, N.A., as Administrative Agent, and the Lenders party thereto, including the Tenth Amended and Restated Credit Agreement dated as of April 14, 2022, by and among the Company, CB International, Bank of America, N.A., as Administrative Agent, and the Lenders party thereto. †	8-K	4.1	April 15, 2022
4.2.1	Amendment No. 1, dated as of October 18, 2022, to Tenth Amended and Restated Credit Agreement, dated as of April 14, 2022, by and among the Company, CB International Finance S.à r.l., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto. †	8-K	4.2	October 26, 2022
10.1	Form of Executive Employment Agreement between the Company and certain of its Executive Officers (including E. Yuri Hermida) (filed herewith). *			
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act (filed herewith).			
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act (filed herewith).			
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 (furnished herewith).			
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (furnished herewith).			
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (filed herewith).			
101.SCH	XBRL Taxonomy Extension Schema Document (filed herewith).			

Exhibit No.	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith).			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (filed herewith).			
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (filed herewith).			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith).			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).			

* Designates management contract or compensatory plan or arrangement.

† The exhibits, disclosure schedules, and other schedules, as applicable, have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of such exhibits, disclosure schedules, and other schedules, as applicable, or any section thereof, to the SEC upon request.

The Company agrees, upon request of the SEC, to furnish copies of each instrument that defines the rights of holders of long-term debt of the Company or its subsidiaries that is not filed herewith pursuant to Item 601(b)(4)(iii)(A) because the total amount of long-term debt authorized under such instrument does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis.

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, thereunto duly authorized.

			CONSTELLATION BRANDS, INC.
Date:	January 10, 2025	By:	/s/ Darrell Hearne
			Darrell Hearne, Senior Vice President and Controller
Date:	January 10, 2025	By:	/s/ Garth Hankinson
			Garth Hankinson, Executive Vice President and Chief Financial Officer (principal financial officer and principal accounting officer)

Exhibit 10.1

EXECUTIVE EMPLOYMENT AGREEMENT

This Agreement is made as of ______________ between Constellation Brands, Inc., a Delaware corporation ("Constellation"), and ______________ ("Executive").

[Executive has contributed substantially to the growth and success of Constellation. Accordingly,] Constellation desires to retain Executive's services as set forth in the Agreement and to provide the necessary consideration to assure such services.

Constellation and Executive therefore agree as follows:

1. Employment. Constellation hereby employs Executive as its ______________ or in such other senior executive position with Constellation or its affiliates as Constellation and Executive shall mutually agree upon. Executive hereby accepts the employment specified herein, agrees to perform, in good faith, the duties, consistent with his position, to abide by the terms and conditions described in this Agreement and to devote substantially all of his full working time and best efforts to Constellation and its affiliates. These obligations shall not restrict Executive from engaging in customary activities as a director or trustee of other business or not-for-profit organizations so long as such activities, in the reasonable opinion of Constellation or its Board of Directors, do not materially interfere with the performance of Executive's responsibilities under this Agreement or create a real or apparent conflict of interests.

2. Term. The term of this Agreement shall commence on the date set forth above and shall expire on February [28/29], 20__, provided that on February [28/29], 20__, and on each subsequent anniversary thereof, the term shall automatically be extended by the parties for an additional one-year period, until Constellation gives Executive notice, not less than 180 days prior to February [28/29], 20__, or an anniversary thereof, of a decision not to extend the Agreement for an additional one-year period.

3. Compensation. During the term of Executive's employment, Constellation shall pay Executive a base salary at the rate of $__________ per annum or such greater amount as the Human Resources Committee of the Board shall determine ("Base Salary"). Such Base Salary shall be payable in accordance with Constellation's standard payroll practices for senior executives. Constellation may pay Executive a bonus in such amount and at such time or times as the Human Resources Committee of the Board shall determine.

4. Reimbursement for Expenses/Benefits. Executive shall be expected to incur various reasonable business expenses customarily incurred by persons holding like positions, including but not limited to traveling, entertainment and similar expenses incurred for the benefit of Constellation. Constellation shall reimburse Executive for such expenses from time to time, at Executive's request, and Executive shall account to Constellation for such expenses. Executive shall participate in such benefit plans that are generally made available to all executives of Constellation.

5. Definitions.

"Board" or "Board of Directors" means the Board of Directors of Constellation Brands, Inc.

"COBRA" means the continuation of health care rules of Part 6 of Title I of the Employee Retirement Income Security Act of 1974, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"For Cause Termination" means Constellation terminates Executive for (a) any intentional, non-incidental misappropriation of funds or property of Constellation by Executive; (b) unreasonable (and persistent) neglect or refusal by Executive to perform his duties as provided in Section 1 hereof and which he does not remedy within thirty days after receipt of written notice from Constellation; (c) the material breach by Executive of any provision of Sections 8 or 10 which he does not remedy within thirty days after receipt of written notice from Constellation; or (d) conviction of Executive of a felony.

"Good Reason Termination" means Executive terminates his employment under this Agreement for "good reason" upon 30 days' notice to Constellation given within 90 days following the occurrence of any of the following events without his consent, each of which shall constitute a "good reason" for such termination; provided that the following events shall not constitute "good reason" if the event is remedied by Constellation within 30 days after receipt of notice given by Executive to Constellation specifying the event:

(a) Constellation acts to materially reduce Executive's employment band or materially reduce Executive's duties and responsibilities;

(b) Constellation materially reduces the amount of Executive's Base Salary; or

(c) Constellation materially breaches this Agreement.

"Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Department regulations and other authoritative guidance issued thereunder.

"Termination Date" means the date of the Executive's "separation from service" (within the meaning of Section 409A) from Constellation.

6. Consequence of Termination or Expiration of Agreement. If (i) Executive voluntarily ceases employment with Constellation and its affiliates, quits or terminates this Agreement for any reason other than a Good Reason Termination, or (ii) Constellation terminates the employment of Executive in a For Cause Termination, then Executive's rights and Constellation's obligations hereunder shall forthwith terminate except that Executive shall be

paid, as soon as administratively practicable after the Termination Date, all earned but unpaid base salary, accrued paid time off and accrued but unreimbursed expenses required to be reimbursed under this Agreement.

If Executive's employment with Constellation and its affiliates terminates on the date that this Agreement expires or if, during the term of this Agreement, Executive's employment with Constellation and its affiliates is terminated (i) by Executive for a Good Reason Termination or (ii) by Constellation for any reason other than a For Cause Termination, then Executive shall be entitled to the following (which shall be in full and complete satisfaction of all of Constellation's obligations under this Agreement):

(a) Constellation shall pay to Executive all earned but unpaid Base Salary**,** accrued paid time off and accrued but unreimbursed expenses required to be reimbursed under this Agreement; and

(b) Constellation shall pay to Executive a cash amount equal to two (2) times his Base Salary as in effect on the Termination Date plus two (2) times his Previous Bonus (as defined below). For purposes of this Agreement, "Previous Bonus" shall equal the average annual cash bonus paid to Executive over the three most recently completed fiscal years, whether under Constellation's Annual Management Incentive Plan or as part of another annual cash bonus program (provided, however, that solely for purposes of calculating the Previous Bonus, if Executive was not employed by Constellation for the three most recently completed fiscal years and therefore did not receive an annual cash bonus for any of the three most recently completed fiscal years, then the Executive's target annual cash bonus amount as of the Termination Date shall be used as the annual cash bonus paid to the Executive for any year that the Executive did not receive an annual cash bonus); and

(c) Commencing on the first business day of the month following the month in which the Termination Date occurs and for the 23 months following such date, Constellation shall pay Executive an amount equal to the monthly cost of Executive's medical and dental coverage as of the Termination Date taking into account both Constellation's and Executive's cost for such coverage; provided that the first payment shall not be made until the first business day occurring on or after the forty-fifth (45^{th}) day following the Termination Date and the payment on that date shall include all payments that would otherwise have been paid absent this forty-five (45) day delay; and

(d) For the eighteen (18) month period commencing on the first business day occurring on or after the forty-fifth (45^{th}) day after the Termination Date, Constellation shall provide Executive with reasonable outplacement services; and

(e) Constellation shall provide Executive with the opportunity to purchase continued health care coverage under Constellation's plans as required by COBRA; and

(f) Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor will any payments hereunder be subject to offset in respect of compensation earned as a result of Executive's employment with another employer subsequent to the Executive's termination with Constellation and its affiliates.

7. Timing of Payments

All payments under Section 6(a) shall be due and payable, as soon as administratively practicable after the Termination Date. All payments under Section 6(b) shall be due and payable in a single lump sum amount on the first business day occurring on or after the forty-fifth (45th) day after the Termination Date. Payments or benefits set forth in Sections 6(c)-(d) shall be paid or provided at such times set forth therein. Notwithstanding any provision in this Agreement to the contrary, no amounts or benefits under Sections 6(b)-(d) shall be paid to Executive hereunder unless Executive signs and executes a release substantially in the form attached hereto as Exhibit A and such release becomes effective and nonrevocable within forty-five (45) days after the Termination Date.

Notwithstanding any provision in this Agreement to the contrary, in the event that Executive is a "specified employee" (within the meaning of Section 409A) on the Termination Date and Constellation determines that delaying the payment of amounts under this Agreement is necessary to comply with the requirements of Section 409A, the payments under Sections 6(b) and 6(c) that would have otherwise been paid within the six month period after the Termination Date shall instead be paid on the first business day of the seventh month following the Termination Date. The timing of all payments and benefits under this Agreement shall be made consistent with the requirements of Section 409A to the extent a payment or benefit is subject to such requirements.

8. Restrictive Covenant.

(a) Executive agrees that (i) during the period of his employment hereunder and (ii) provided that Executive is entitled to the payment under Section 6(b) or is terminated due to a For Cause Termination, for a period of two (2) years after he ceases employment, he will not, without the written consent of Constellation, seek or obtain a position with a Competitor (as defined below) in which Executive will use or is likely to use any confidential information or trade secrets of Constellation or any affiliate of Constellation, or in which Executive has duties for such Competitor that involve Competitive Services (as defined below) and that are the same or similar to those services actually performed by Executive for Constellation or any affiliate of Constellation. The parties agree that Executive may continue service on any boards of directors on which he is serving while employed by Constellation or its affiliates. If Executive's employment is terminated by Executive for a Good Reason Termination or by Constellation for any reason other than a For Cause Termination, then Constellation will not unreasonably withhold such consent provided Constellation receives information and assurances, satisfactory to Constellation, regarding Executive's new position.

(b) Executive understands and agrees that the relationship between Constellation and its affiliates and each of their respective employees constitutes a valuable asset of Constellation and its affiliates and may not be converted to Executive's own use. Accordingly, Executive hereby agrees that (i) during the period of his employment hereunder and (ii) for a period of twelve months (12) months after he ceases employment, Executive shall not directly or indirectly, on his own behalf or on behalf of another person, solicit or induce any employee to terminate his or her employment relationship with Constellation or any affiliate of Constellation or to enter into employment with another person. The foregoing shall not apply to employees who respond to solicitations of employment directed to the general public or who seek employment at their own initiative.

(c) For the purposes of this Section 8, "Competitive Services" means the provision of goods or services that are competitive with any goods or services offered by Constellation or any affiliate of Constellation including, but not limited to manufacturing, importing, exporting, distributing or selling cannabis, wine, beer, liquor or other alcoholic beverages in the United States, Canada, New Zealand, Italy and/or Mexico. The parties acknowledge that Constellation or its affiliates may from time to time during the term of this Agreement change or increase the line of goods or services it provides and its geographic markets, and Executive agrees that this Agreement shall be deemed to be amended from time to time to include such different or additional goods, services, and geographic markets to the definition of "Competitive Services" for purposes of this Section 8. "Competitor" means any individual or any entity or enterprise engaged, wholly or in part, in Competitive Services.

(d) Executive agrees that, due to his position of trust and confidence, the restrictions contained in this Section 8 are reasonable, and the benefits conferred on him in this Agreement, including his compensation, are adequate consideration, and, since the nature of Constellation's and its affiliates' collective business is international in scope, the geographic restriction herein is reasonable.

(e) Executive acknowledges that a breach of this Section 8 will cause irreparable injury and damage, which cannot be reasonably or adequately compensated by money damages. Accordingly, he acknowledges that the remedies of injunction and specific performance shall be available in the event of such a breach, and Constellation shall be entitled to money damages, costs and attorneys' fees, and other legal or equitable remedies, including an injunction pending trial, without the posting of bond or other security. Any period of restriction set forth in this Section 8 shall be extended for a period of time equal to the duration of any breach or violation thereof.

(f) In the event of Executive's breach of this Section 8, in addition to the injunctive relief described above, Constellation's remedy shall include (i) the right to require Executive to account for and pay over to Constellation all compensation, profits, monies, accruals, increments or other benefits derived or received by Executive as the result of any transactions constituting a breach of the restrictive covenants in this Section 8, and (ii) in the case of a breach during the term of Executive's employment hereunder, the termination of all compensation otherwise payable to Executive under Sections 3 and 4 with respect to the period of time after such breach, or (iii) in the case of a breach during the period described in Section 8(a)(ii) or 8(b)(ii) above, the forfeiture to Constellation of any payment made under Sections 6(b) herein.

(g) In the event that any provision of this Section 8 is held to be in any respect an unreasonable restriction, then the court so holding may modify the terms thereof, including the period of time during which it operates or the geographic area to which it applies, or effect any other change to the extent necessary to render this Section 8 enforceable, it being acknowledged by the parties that the representations and covenants set forth herein are of the essence of this Agreement. Notwithstanding anything in this Agreement to the contrary, the post-employment restrictive covenants described in this Section above will not apply to the extent required under California law or other applicable law, as determined by the Company.

9. Limitation on Payments. Notwithstanding anything contained in this Agreement or any other compensation plan to the contrary, if upon or following a change in the "ownership or effective control" of Constellation or in the "ownership of a substantial portion of the assets" of Constellation (each within the meaning of Section 280G of the Code), the tax imposed by Section 4999 of the Code (the "Excise Tax") applies to any payments, benefits and/or amounts received by the Executive pursuant to this Agreement or otherwise, including, without limitation, any benefits received by the Executive as a result of any automatic vesting, lapse of restrictions and/or accelerated target or performance achievement provisions, or otherwise, applicable to outstanding grants or awards to the Executive under any of Constellation's incentive plans, including without limitation, Constellation's Long-Term Stock Incentive Plan (collectively, the "Total Payments"), then the Total Payments shall be reduced so that the maximum amount of the Total Payments (after reduction) shall be one dollar ($1.00) less than the amount which would cause the Total Payments to be subject to the Excise Tax; provided that such reduction to the Total Payments shall be made only if the total after-tax benefit to the Executive is greater after giving effect to such reduction than if no such reduction had been made. If such a reduction is required, Constellation shall reduce or eliminate the Total Payments by eliminating or reducing the payment under Section 6(b) and then, if necessary, eliminating or reducing the payment under Section 6(c). In the case of reductions under Section 6(c) the payments shall be reduced in reverse order beginning with the payments which are to be paid the farthest in time.

10. Trade Secrets and Confidential Information. Executive agrees that unless duly authorized in writing by Constellation, he will neither during his employment by Constellation or its affiliates nor at any time thereafter divulge or use in connection with any business activity other than that of Constellation or its affiliates any trade secrets or confidential information first acquired by him during and by virtue of his employment with Constellation or its affiliates. Executive acknowledges that this Agreement does not prohibit Executive from filing a charge with, communicating with, or participating in any investigation or proceeding conducted by any federal, state, or local governmental agency or entity, including the Equal Employment Opportunity Commission and the Securities and Exchange Commission.

11. Indemnification. Constellation and its successors and/or assigns will indemnify, hold harmless, and defend Executive to the fullest extent permitted by the law of the State of

Delaware and the Certificate of Incorporation and By-Laws of Constellation as in effect on the date of this Agreement with respect to any claims that may be brought against Executive arising out of any action taken or not taken by Executive in his capacity as an employee, officer or director of Constellation. In addition, Constellation will advance to Executive reasonable legal fees and expenses, as such fees and expenses are incurred by Executive, to the fullest extent permitted by law, subject only to any requirements as are imposed by law. Executive shall not unreasonably withhold his consent to the settlement of any claim for monetary damages for which Executive is entitled to full indemnification hereunder. Executive shall be covered, in respect of his activities as an officer or director of Constellation, by any Directors and Officers liability policy or other similar policies maintained or obtained by Constellation or any of its successors and/or assigns to the fullest extent permitted by such policies. Notwithstanding anything to the contrary contained in this Agreement, Executive's rights under this Section 11 shall survive the Termination Date and the expiration or termination of this Agreement and shall continue without limit for so long as Executive may be subject to any claims covered by this Section 11. No amendment to the Certificate of Incorporation or By-Laws of Constellation after the date of this Agreement will affect or impair Executive's rights under this Section 11 even with respect to any action taken or not taken by Executive after the effective date of any such amendment.

12. Notice. Any and all notices referred to herein shall be sufficient if furnished in writing and sent by registered mail to the parties.

13. Transferability. The rights, benefits and obligations of Constellation under this Agreement shall be transferable, and all covenants and agreements hereunder shall inure to the benefit of and be enforceable by or against, its successors and assigns. Whenever the term "Constellation" is used in this Agreement, such term shall mean and include Constellation Brands, Inc. and its successors and assigns. The rights and benefits of Executive under this Agreement shall not be transferable other than rights to property or compensation that may pass on his death to his estate or beneficiaries through his will or the laws of descent and distribution and the terms of any Constellation compensation or benefit plan.

14. Severability. If any provision of this Agreement or the application thereof is held invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any other provisions of this Agreement which can be given effect without the invalid or unenforceable provision, and to this end the provisions of this Agreement are to be severable.

15. Amendment; Waiver. This Agreement contains the entire agreement of the parties with respect to the employment of Executive by Constellation and/or its affiliates and upon execution of this Agreement supersedes any previous agreement with Constellation and/or its affiliates. No amendment or modification of this Agreement shall be valid unless evidenced by a written instrument executed by the parties hereto. No waiver by either party of any breach by the other party of any provision or conditions of this Agreement shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time.

16. Tax Withholding. Constellation may withhold from any payments due to Executive hereunder such amounts as Constellation may determine are required to be withheld

under applicable federal, state and local tax laws. To the extent that there are no cash payments to withhold upon, Executive shall promptly remit to Constellation cash payments that are sufficient to cover all applicable withholdings.

17. Section 409A. The parties intend that benefits under this Agreement are to be either exempt from, or comply with, the requirements of Section 409A, and this Agreement shall be interpreted and administered in accordance with the intent that Executive not be subject to tax under Section 409A. If any provision of the Agreement would otherwise conflict with or frustrate this intent, that provision will be interpreted and deemed amended so as to avoid the conflict. Any reference in this Agreement to "terminates employment", "employment with Constellation and its affiliates terminates", or similar phrase shall mean an event that constitutes a "separation from service" within the meaning of Section 409A. Constellation shall not be responsible for any tax, penalty, interest or similar assessment imposed on Executive as a consequence of Section 409A. Each payment hereunder shall be treated as a separate payment for purposes of Section 409A.

18. Governing Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State of New York without regard to principles of conflicts of laws.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Executive Employment Agreement as of the date first set forth above.

CONSTELLATION BRANDS, INC.

By: ______________________________
Name: [Name]
Title: [Title]

____
[Name]

Exhibit A

FULL AND FINAL RELEASE OF CLAIMS

1. In consideration of the payments provided for in Sections 6(b)-(d) of the Executive Employment Agreement (hereinafter referred to as the "Employment Agreement") between **CONSTELLATION BRANDS, INC.** and _______________ (hereinafter referred to as "Executive"), which is attached hereto and forms a part of this Full and Final Release of Claims, on behalf of himself, his heirs, administrators and assigns, Executive hereby releases and forever discharges Constellation Brands, Inc., its subsidiaries and affiliates and each of its and their respective officers, directors, employees, servants and agents, and their successors and assigns, (hereinafter collectively referred to as "Constellation Released Parties") jointly and severally from any and all actions, causes of action, contracts and covenants, whether express or implied, claims and demands for damages, indemnity, costs, attorneys' fees, interest, loss or injury of every nature and kind whatsoever arising under any federal, state, or local law, or the common law, which Executive may heretofore have had, may now have or may hereinafter have in any way relating to any matter, including but not limited to, any matter related to Executive's employment by Constellation Released Parties and the termination of that employment; provided, however, nothing in this Full and Final Release of Claims shall release (i) Executive's right to receive the payments or benefits provided for in Sections 6(b)-(d) of the Employment Agreement, (ii) Executive's vested benefits under Constellation Brands, Inc.'s pension plans or rights under any existing equity awards (including but not limited to restricted stock units, performance share units, or stock options) held by Executive, or (iii) any right to indemnification or advancement of expenses pursuant to Section 11 of the Employment Agreement or the Certificate of Incorporation or By-laws of Constellation Brands, Inc. (the items in the foregoing clauses (i) through (iii) are hereinafter referred to as the "Preserved Rights").

a. This Full and Final Release of Claims covers, without limitation, any claims of discrimination, unlawful retaliation or harassment, or denial of rights, on the basis of any

protected status, characteristic or activity, including, but not limited to, sex, disability, handicap, race, color, religion, creed, national origin, ancestry, citizenship, ethnic characteristics, sexual orientation, marital status, military status, or age (including, without limitation, any right or claim arising under the Age Discrimination in Employment Act), need for a leave of absence, or complaint about discrimination, harassment, or other matter, arising under any state, federal, or local law (whether statutory or common law), regulation or ordinance which may be applicable to his employment by Constellation Released Parties. This Full and Final Release of Claims also covers, without limitation, any claims of wrongful termination, breach of express or implied contract, breach of implied covenant of good faith and fair dealing, violation of public policy, intentional or negligent infliction of emotional distress, defamation, invasion of privacy, fraud or negligent misrepresentation, intentional or negligent interference with contractual relations, and any other common law tort. Except to the extent that they constitute Preserved Rights, this Full and Final Release of Claims also covers any claims for severance pay, bonus, life insurance, health and medical insurance, disability benefits, or any other fringe benefit, and claims related to any other transaction, occurrence, act, or omission or any loss, damage or injury whatsoever, known or unknown, resulting from any act or omission by or on the part of Constellation Released Parties, or any of them, committed or omitted prior to the date of this Full and Final
Release of Claims. This Full and Final Release of Claims also includes any claims based on any local, state, or federal constitution, statute, rule, or regulation, and any claims based on, but not limited to, the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, the Family and Medical Leave Act, the Equal Pay Act, the Pregnancy Discrimination Act, the Rehabilitation Act of 1973, the Worker Adjustment and Retraining Notification Act, the Occupational Safety and Health Act, the Genetic Information Non-discrimination Act, the Uniformed Services Employment and Reemployment Rights Act, and the Immigration Reform and Control Act, all as amended.

b. Executive understands that this Full and Final Release of Claims does not prohibit, prevent or otherwise limit Executive from filing a charge or complaint with, communicating with, or participating testifying, or assisting in any investigation, hearing or proceeding conducted by any federal, state, or local governmental agency or entity, including the Equal Employment Opportunity Commission and the Securities and Exchange Commission (“Government Agencies”) or in any legislative or judicial proceeding nor does anything in this Full and Final Release of Claims preclude, prohibit or otherwise limit, in any way, Executive’s rights and abilities to contact, communicate with or report unlawful conduct, or provide documents, to federal, state, or local officials for investigation or participate in any whistleblower program administered by any such agencies. Executive specifically acknowledges and agrees, however, that although Executive may file such a charge or participate in an investigation or proceeding by a Government Agency, by signing this Full and Final Release of Claims Executive has waived and released, to the fullest extent permitted by law, any damages in connection with any such charge, investigation, or proceeding. In addition, nothing in this Full and Final Release of Claims prohibits Executive from: (1) reporting possible violations of federal or other law or regulations, including any possible securities laws violations, to any governmental agency or entity, including but not limited to the U.S. Department of Justice, the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission, the U.S. Congress, or any agency Inspector General; (2) making any other disclosures that are protected under the whistleblower provisions of federal or other law or regulations; or (3) filing a charge or complaint or otherwise fully participating in any governmental whistleblower programs, including but not limited to any such programs managed or administered by the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission and/or the Occupational Safety and Health Administration. Executive is not required to notify or obtain permission from the Company when filing a governmental whistleblower charge or complaint or engaging or participating in protected whistleblower activity. Moreover, nothing in this Full and Final Release of Claims prohibits or prevents Executive from receiving individual monetary awards or other individual relief by virtue of participating in such governmental whistleblower programs. Additionally, nothing in this Full and Final Release of Claims prohibits or prevents Executive from testifying in any administrative, legislative, or judicial proceeding concerning alleged criminal conduct or sexual harassment on the part of the Company or any agents or employees of the Company, when Executive has been required or requested to attend the proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the Legislature.

c. Executive affirms that no promise, inducement, or agreement not expressed in this Full and Final Release of Claims has been made, that any prior agreement between the parties is hereby extinguished, and that this Full and Final Release of Claims contains the entire understanding and agreement of the parties related to the subject matter hereof. Notwithstanding the foregoing, any written agreement previously entered into between Executive and the Company concerning protection of the Company's confidential information and trade secrets shall remain in full force and effect. Executive understands that nothing in this Full and Final Release of Claims or any previous confidentiality agreement prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Securities and Exchange Commission, or making other disclosures that are protected under the whistleblower protections of federal law or regulation, including the Defend Trade Secrets Act of 2016 ("DTSA"). Executive understands that, under the DTSA, Executive may not be held criminally or civilly liable under federal or state trade secrets laws for the disclosure of trade secrets if the disclosure is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or similar proceeding, provided the filing is made under seal.

d. Executive understands and agrees that the giving of the aforementioned consideration is deemed to be no admission of liability on the part of the Constellation Released Parties.

e. In the event that Executive should hereafter make any claim or demand or commence or threaten to commence any action, claim or proceeding against the Constellation Released Parties for or by reason of any cause, matter or thing other than a Preserved Right, this document may be raised as a complete bar to any such claim, demand or action.

f. To the extent Executive worked or resides in California, to effect a full and complete general release as described above, Executive hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the California Civil Code reads as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Constellation Released Parties, Executive expressly acknowledges this Full and Final Release of Claims is intended to include in its effect, without limitation, all claims Executive does not know or suspect to exist in Executive's favor at the time of signing this Full and Final Release of Claims, and that this Full and Final Release of Claims contemplates the extinguishment of any such claims. Executive warrants Executive has read this

Full and Final Release of Claims, including this waiver of California Civil Code section 1542, and that Executive has consulted with or had the opportunity to consult with counsel of Executive's choosing about this Full and Final Release of Claims and specifically about the waiver of section 1542, and that Executive understands this Full and Final Release of Claims and the section 1542 waiver, and so Executive freely and knowingly enters into this Full and Final Release of Claims. Executive further acknowledges that Executive later may discover facts different from or in addition to those Executive now knows or believes to be true regarding the matters released or described in this Full and Final Release of Claims, and even so Executive agrees that the releases and agreements contained in this Full and Final Release of Claims shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Executive expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Full and Final Release of Claims or with regard to any facts now unknown to Executive relating thereto.

2. By signing this Full and Final Release of Claims, Executive acknowledges that:

a. He has been afforded a reasonable and sufficient period of time to review, and deliberate thereon, and has been specifically urged by Constellation Released Parties to consult with legal counsel or a representative of his choice before signing this Full and Final Release of Claims and that he has had a fair opportunity to do so; and

b. He has carefully read and understands the terms of this Full and Final Release of Claims; and

c. He has signed this Full and Final Release of Claims freely and voluntarily and without duress or coercion and with full knowledge of its significance and consequences, and of the rights and claims relinquished, surrendered, released and discharged hereunder; and

d. He acknowledges he is not entitled to the consideration described above in the absence of signing this Full and Final Release of Claims; and

e. The consideration which he is receiving in exchange for his release of claims is of value to him; and

f. The only consideration for signing this Full and Final Release of Claims are the terms stated herein, and no other promise, agreement or representation of any kind has been made to him by any person or entity whatsoever to cause him to sign this Full and Final Release of Claims; and

g. He was offered a minimum period of at least twenty-one (21) days after his receipt of this Full and Final Release of Claims to review and consider it and for deliberation thereon, and, to the extent he has elected to sign it prior to the expiration of the twenty-one (21) day period, he does so voluntarily on his own initiative without any inducement or encouragement on the part of the Constellation Released Parties to do so.

h. He understands that this Full and Final Release of Claims may be revoked in writing by him at any time during the period of seven (7) calendar days following the date of his execution of this Full and Final Release of Claims by delivering such written revocation to _________, at his office located at ____________________________. If such seven-day revocation period expires without him exercising his revocation right, the obligations of this Full and Final Release of Claims will then become fully effective as more fully set forth herein.

IN WITNESS WHEREOF, Executive has hereunto executed this Full and Final Release of Claims by affixing his hand this ____ day of ____________________, 20__ in the presence of the witness whose signature is subscribed below.

____
[Name]

Sworn to before me this
_____ day of ____________, 20__.

____
Notary Public

IN WITNESS WHEREOF, _________________ has hereunto executed this Full and Final Release of Claims on behalf of Constellation Brands, Inc., its subsidiaries, affiliates, by affixing [his/her] hand this ____ day of ____________________, 20__ in the presence of the witness whose signature is subscribed below.

____
[Name]
[Title]

Sworn to before me this
_____ day of ____________, 20__.

____
Notary Public

Exhibit 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF CHIEF EXECUTIVE OFFICER

Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended November 30, 2024

I, William A. Newlands, certify that:

1. I have reviewed this report on Form 10-Q of Constellation Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 10, 2025

/s/ William A. Newlands
William A. Newlands
President and
Chief Executive Officer

Exhibit 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF CHIEF FINANCIAL OFFICER

Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended November 30, 2024

I, Garth Hankinson, certify that:

1. I have reviewed this report on Form 10-Q of Constellation Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 10, 2025

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

Exhibit 32.1

SECTION 1350 CERTIFICATION
OF CHIEF EXECUTIVE OFFICER

Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended November 30, 2024

In connection with the Constellation Brands, Inc. Quarterly Report on Form 10-Q for the Fiscal Quarter Ended November 30, 2024, I, William A. Newlands, certify pursuant to 18 U.S.C. Section 1350 that, to the best of my knowledge:

1. The Quarterly Report on Form 10-Q for the Fiscal Quarter Ended November 30, 2024 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the periodic report on Form 10-Q for the Fiscal Quarter Ended November 30, 2024 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated:	January 10, 2025	/s/ William A. Newlands
		William A. Newlands President and Chief Executive Officer

Exhibit 32.2

SECTION 1350 CERTIFICATION
OF CHIEF FINANCIAL OFFICER

Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended November 30, 2024

In connection with the Constellation Brands, Inc. Quarterly Report on Form 10-Q for the Fiscal Quarter Ended November 30, 2024, I, Garth Hankinson, certify pursuant to 18 U.S.C. Section 1350 that, to the best of my knowledge:

1. The Quarterly Report on Form 10-Q for the Fiscal Quarter Ended November 30, 2024 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the periodic report on Form 10-Q for the Fiscal Quarter Ended November 30, 2024 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: January 10, 2025

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