



# **FIRST QUARTER FISCAL YEAR 2025 FINANCIAL RESULTS**

---

July 3, 2024

# FORWARD-LOOKING STATEMENTS

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

All statements other than statements of historical fact in this presentation may be forward-looking statements, including without limitation statements regarding or applicable to our business strategy and vision, value proposition and opportunity, growth plans and growth drivers, operational and commercial execution initiatives, innovation, new products, tools, and capabilities, brand building, digital leadership and capabilities, including through our Digital Business Acceleration initiatives, future marketing strategies and spend, future focus areas, demographic and consumer projections and trends, future sales, space, partnership, distribution, and supply chain initiatives, our beer expansion, optimization, and/or construction activities, including anticipated scope, capacity, supply, costs, capital expenditures, and timeframes for completion, capital allocation priorities and commitments, future operations, financial position, liquidity and capital resources, net sales, costs, expenses, cost savings initiatives, operating income, operating margins, leverage ratios, including target net leverage ratio, target dividend payout ratio, depreciation, equity in earnings, interest expense, tax rates, non-controlling interests, diluted shares outstanding, earnings per share, cash flows, capital expenditures, and other financial metrics, expected volume, inventory, price/mix, and depletion trends, near- and medium-term financial models and targets, future acquisition, disposition, and investment activities, our ESG approach, corporate social responsibility and sustainability initiatives, environmental stewardship targets, and human capital and DEI objectives, ambitions, and priorities, the manner, timing, and duration of our share repurchase program and source of funds for share repurchases, the amount and timing of future dividends, anticipated inflationary pressures, changing prices, and reductions in consumer discretionary income as well as other unfavorable global and regional economic conditions, geopolitical events, and military conflicts, and our responses thereto, and prospects, plans, and objectives of management.



# FORWARD-LOOKING STATEMENTS

In addition to the risks and uncertainties of ordinary business operations and conditions in the general economy and markets in which we compete, our forward-looking statements contained in this presentation are also subject to the risk, uncertainty, and possible variance from our current expectations regarding: water, agricultural and other raw material, and packaging material supply, production, and/or shipment difficulties which could adversely affect our ability to supply our customers; the ability to respond to anticipated inflationary pressures, including reductions in consumer discretionary income and our ability to pass along rising costs through increased selling prices; the actual impact to supply, production levels, and costs from global supply chain disruptions and constraints, transportation challenges (including from labor strikes or other labor activities), shifting consumer behaviors, wildfires, and severe weather events; reliance on complex information systems and third-party global networks as well as risks associated with cybersecurity and artificial intelligence; economic and other uncertainties associated with our international operations; 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; results of the sale of the remaining assets at the Mexicali brewery inclusive of the expected tax benefits; 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; 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; the success of operational and commercial execution initiatives for our wine and spirits business; 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, 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; changes to tax laws, fluctuations in our effective tax rate, 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; ownership of our Class A common stock by members of the Sands family and their Board of Director nomination rights as well as the choice-of-forum provision in our Amended and Restated By-laws; and other factors and uncertainties disclosed from time to time in our filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended February 29, 2024. Forward-looking statements in this presentation are made as of July 3, 2024, and Constellation does not intend and expressly disclaims any obligation to update or revise the forward-looking information contained in this presentation, whether as a result of new information, future events, or otherwise, except as required by law. Accordingly, viewers and listeners are cautioned not to place undue reliance on forward-looking information.

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

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

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

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

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

Unless otherwise indicated, the information presented as of July 3, 2024, and, to the best of Constellation's knowledge, timely and accurate when made. Thereafter, the information contained in this presentation should be considered historical and not subject to further update by Constellation.

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

# FIRST QUARTER FISCAL YEAR 2025 FINANCIAL TAKEAWAYS

1

## Beer Business

High-single digit net sales growth and double-digit operating income growth  
260bps operating margin expansion  
Continues to expect net sales growth of +7-9% and operating income growth of +10-12% for FY25

2

## Wine and Spirits Business

Mid-single digit net sales decline  
Operating margin decreased 370bps  
Reaffirmed net sales decline (0.5)% to growth of +0.5% and operating income decline of 9-11% for FY25

3

## Capital Allocation

Reduced net leverage ratio to ~3.1X<sup>1</sup>  
Declared dividend of \$1.01 per share  
Executed over \$240M of share repurchases through June 2024  
Capital expenditure of \$375M primarily focused on Beer brewing capacity additions

4

## Enterprise Outlook

Updated FY25 reported EPS outlook to \$14.63 - \$14.93 and affirmed comparable EPS outlook of \$13.50 - \$13.80  
Affirmed FY25 targets for operating cash flow \$2.8B to \$3.0B and free cash flow of \$1.4B to \$1.5B

<sup>1</sup> Comparable basis

# DELIVERING AGAINST OUR STRATEGIC INITIATIVES IN FISCAL YEAR 2025

CONTINUE TO BUILD  
POWERFUL BRANDS  
THAT PEOPLE LOVE

DEVELOP  
CONSUMER-LED  
INNOVATIONS  
ALIGNED WITH  
EMERGING TRENDS

DEPLOY CAPITAL  
IN-LINE WITH  
DISCIPLINED AND  
BALANCED  
PRIORITIES

OPERATE IN A WAY  
THAT IS GOOD FOR  
BUSINESS AND GOOD  
FOR THE WORLD

EMPOWER  
ENTERPRISE TO  
ACHIEVE BEST IN  
CLASS OPERATIONAL  
EFFICIENCY

## Q1 FY25 Depletion Growth <sup>1</sup>

Modelo Especial	~11%
Corona Extra	(~1%)
Pacifico	~21%
Modelo Chelada Brands	~5%



Rising Star in  
Food &  
Beverage<sup>2</sup>



Expanded to  
20 additional  
markets



Testing in  
select Eastern  
U.S. markets

Net leverage ratio  
Reduced to **3.1X<sup>3</sup>** in Q1'25 and  
expect to achieve **3.0X<sup>3</sup>** in FY25

Enhance Returns  
Returned over **\$185M** through  
**dividend payout** and **over  
\$240M** through **share  
repurchases<sup>4</sup>**

Organic Investments  
to Support Growth  
On track with planned  
capacity additions  
**+10M HL** in FY24-FY25  
**+6M HL** in FY26-FY27  
**+6M HL** in FY28

Progress towards the  
following FY25 Targets

**5 billion gallons**  
water withdrawal restoration<sup>5</sup>

**15% Reduction** in Scope 1 and  
Scope 2 GHG emissions<sup>6</sup>

Obregón brewery received  
**Silver TRUE Certification for  
Zero Waste** (April 2024)

Nava brewery received  
**Gold TRUE Certification for  
Zero Waste** (May 2024)

## Beer Business

Achieved **~\$50M of cost  
savings** in Q1 FY25  
Expect **~\$300M** in cumulative  
cost savings by FY28

## Wine and Spirits Business

Expect **~\$125M to \$150M** in  
cumulative cost savings by FY28

1 Company Measures

2 Circana, 2024 New Product Pacesetters Report

3 Comparable basis

4 Share repurchase activity through June 2024

5 From FY23 to FY25

6 From baseline FY20 to FY25



# FIRST QUARTER FISCAL YEAR 2025 FINANCIAL SUMMARY TABLES

## ENTERPRISE

	Net Sales	Operating Income (Loss)	Net Income (Loss) Attributable to CBI	Adjusted EBIT	EPS
First Quarter Fiscal Year 2025   In millions, except per share data					
Reported	\$2,662	\$942	\$877	\$1,024	\$4.78
% Change	6%	23%	NM	193%	NM
Comparable	\$2,662	\$924	\$655	\$923	\$3.57
% Change	6%	12%	22%	16%	17%

## BEER

	Shipments	Depletions	Net Sales	Operating Income (Loss)
Three Months Ended   In millions; branded product, 24-pack, 12-ounce case equivalents				
May 31, 2024	115.1		\$2,272.8	\$923.0
May 31, 2023	107.0		\$2,098.6	\$797.8
% Change	7.6%	6.4%	8%	16%

## WINE AND SPIRITS

	Shipments	Depletions	Net Sales	Operating Income (Loss)
Three Months Ended   In millions; branded product, 9-liter case equivalents				
May 31, 2024	5.6		\$389.0	\$59.7
May 31, 2023	5.9		\$416.3	\$79.3
% Change	(5.1%)	(12.7%)	(7%)	(25%)

# NET SALES Q1 FY25 VS Q1 FY24 RESULTS

**ENTERPRISE**

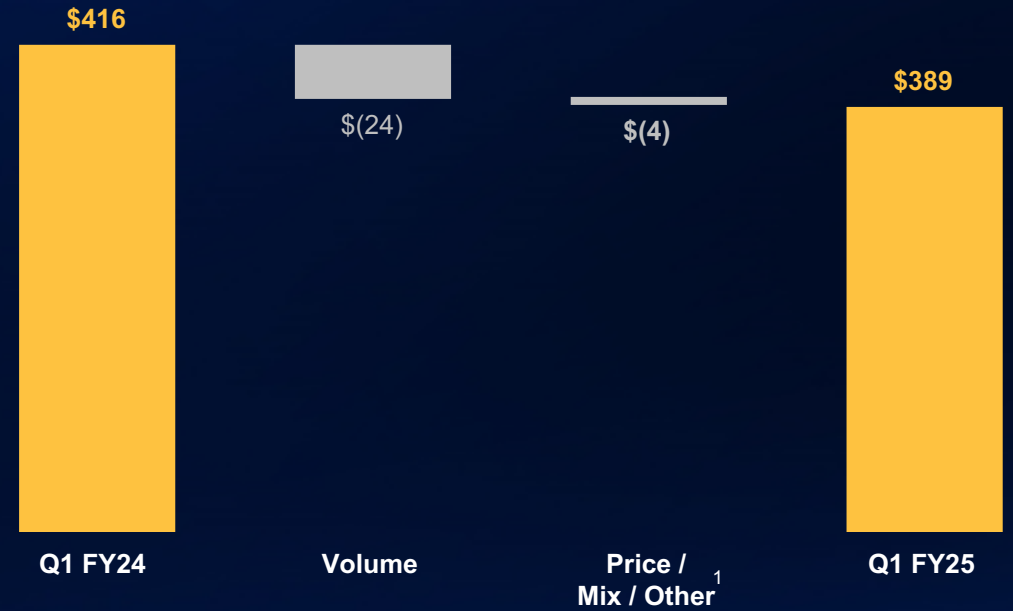
**Q1 FY25 \$2.7B**  
**VS Q1 FY24 +6%**

## Beer Business

\$ MILLIONS



## Wine & Spirits Business



Note: Totals may not sum due to rounding  
1 Other includes nonbranded sales



# OPERATING INCOME Q1 FY25 VS Q1 FY24 RESULTS

**ENTERPRISE**

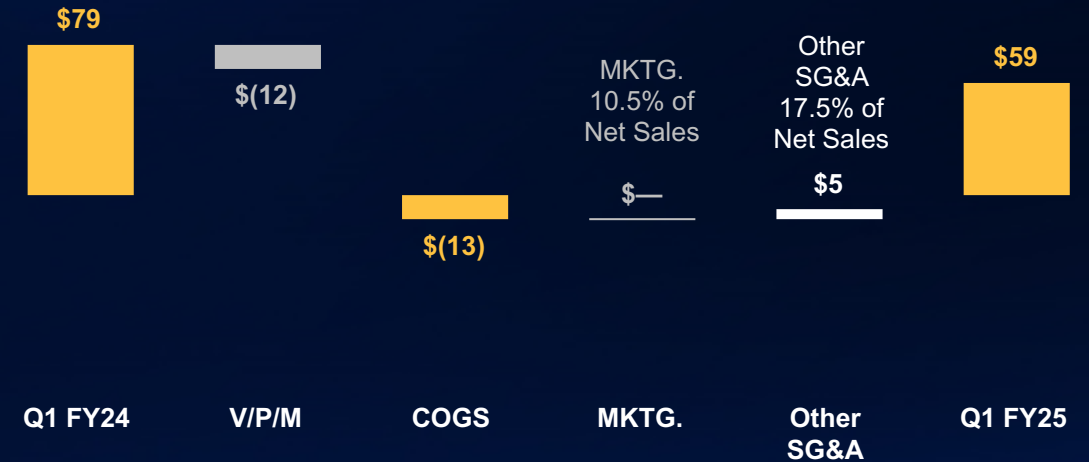
Q1 FY25 **\$942M<sup>1 2</sup>**  
VS Q1 FY24 **+23%**

## Beer Business

\$ MILLIONS



## Wine & Spirits Business



1 Comparable basis  
2 Inclusive of \$59M of corporate expense.

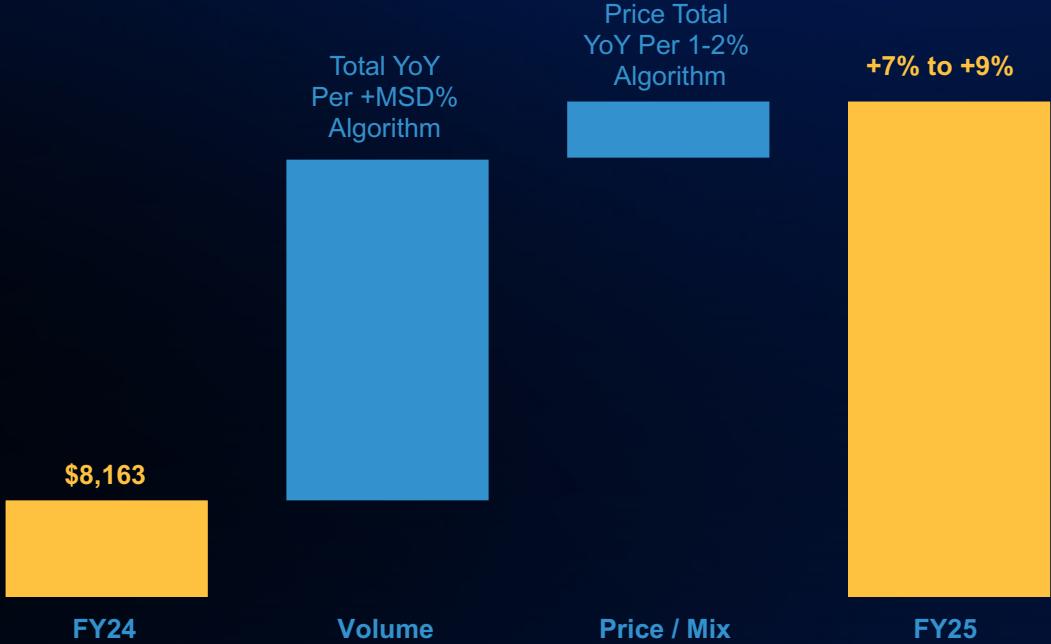
# NET SALES FY25 OUTLOOK VS FY24 RESULTS

**ENTERPRISE**

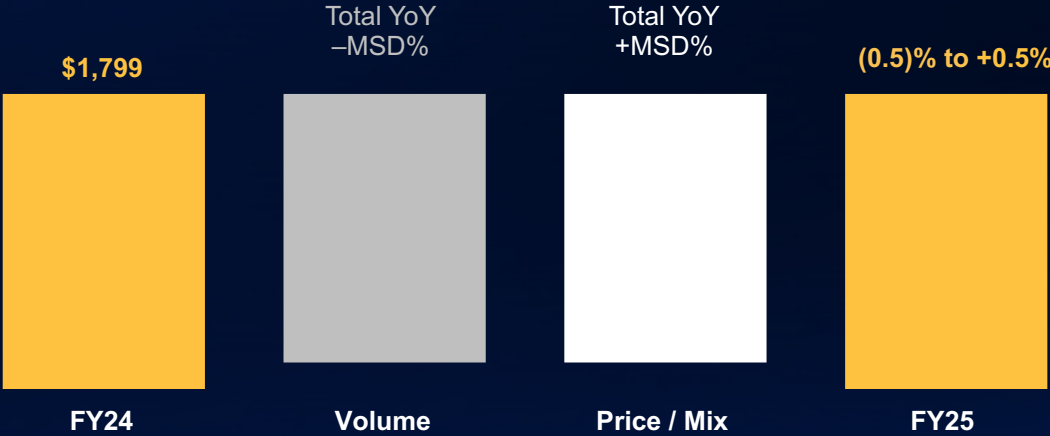
**6% to 7% Growth**

## Beer Business

\$ MILLIONS



## Wine and Spirits Business



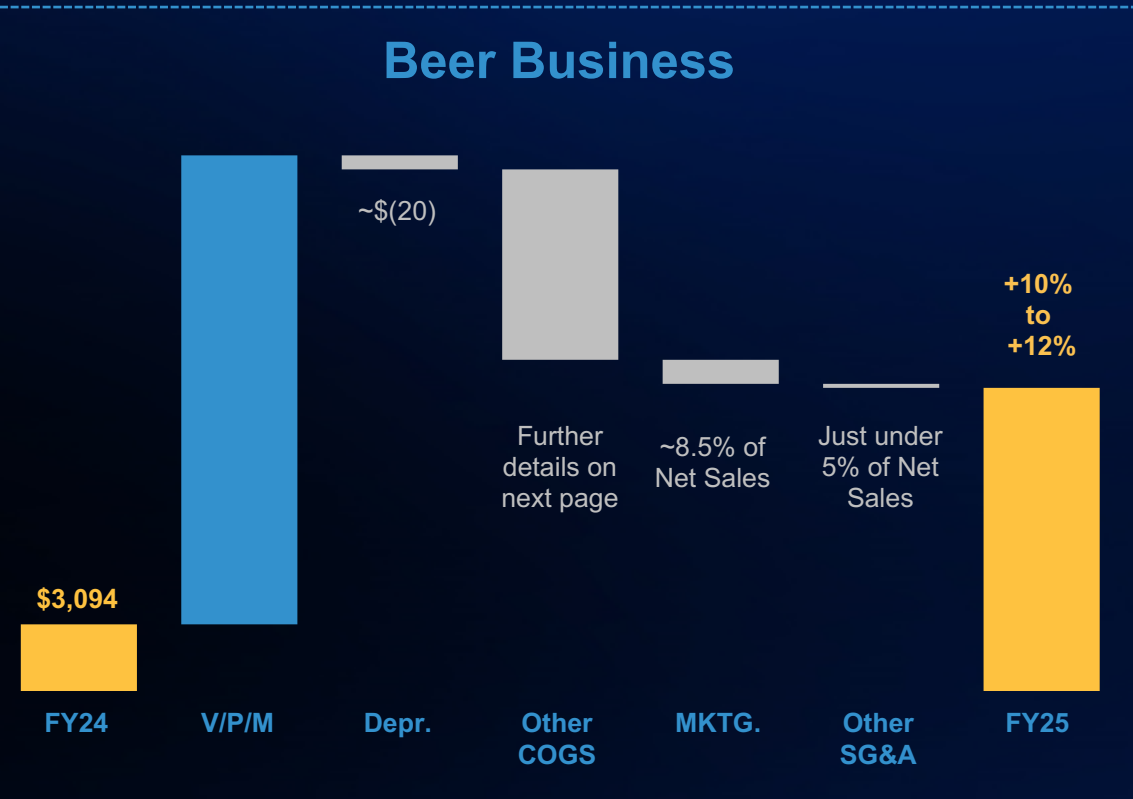
Note: Totals may not sum due to rounding.

# OPERATING INCOME FY25 OUTLOOK VS FY24 RESULTS

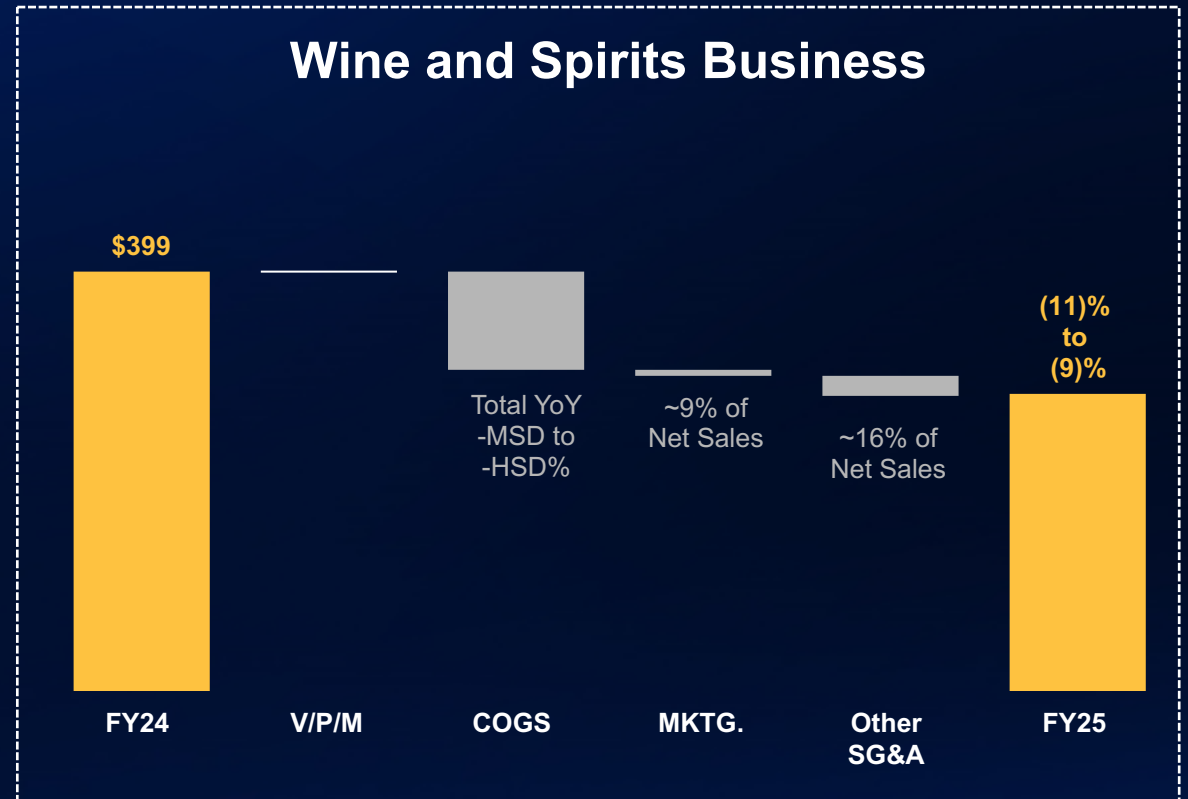
**ENTERPRISE**

**+10% to +12% REPORTED<sup>1</sup>**  
**+8% to +10% COMPARABLE<sup>1</sup>**

## Beer Business



## Wine and Spirits Business



Note: Totals may not sum due to rounding  
<sup>1</sup> Inclusive of ~\$260M of corporate expense.



# BEER BUSINESS OTHER COGS DETAIL

Beer Business Other COGS	FY25 Outlook	
	Share of Total COGS	% Change YoY <i>(absolute basis)</i>
Packaging & Raw Materials	~55-60%	+MSD to +HSD
Logistics	~20%	+MSD
Labor & Overhead	~15%	+HT

# FIRST QUARTER FISCAL YEAR 2025 RESULTS & FULL YEAR OUTLOOK

(% CHANGE YoY)	Q1 FY25 Results	FY25 Outlook	Other FY25 Outlook Considerations
<b>Net Sales</b>	<b>Enterprise</b> \$2.7B   +6% <b>Beer</b> \$2B   +8% <b>W&amp;S</b> \$389M   (7%)	<b>Enterprise</b> +6% to +7% <b>Beer</b> +7% to +9% <b>W&amp;S</b> (0.5)% to 0.5%	<b>Beer</b> ~55% of volumes expected in H1 <b>W&amp;S</b> ~45% of volumes expected in H1
<b>Segment Operating Income (Loss)</b>	<b>Enterprise</b> \$924M   +12% <b>Beer</b> \$923M   +16% <b>W&amp;S</b> \$60M   (25%) <b>Corporate Expense</b> \$59M   (18%)	<b>Enterprise</b> +10% to +12% Reported +8% to +10% Comparable <b>Beer</b> +10% to +12% <b>W&amp;S</b> (11)% to (9)% <b>Corporate Expense</b> \$260M	<b>Beer</b> ~25% of COGS variable (includes 10-15% that are hedgeable) <b>W&amp;S</b> ~25% of COGS variable
<b>Equity In Earnings (Losses)</b>	\$ (1)M	\$30M	Largely Opus contribution to W&S in Q3
<b>Interest Expense, Net</b>	\$103M	\$445 - \$455M	~5% of total debt on floating rates
<b>Comparable Tax Rate</b>	18.2%	18.5%	NA
<b>Non-Controlling Interests</b>	\$16M	\$35M	NA
<b>Diluted Shares Outstanding</b> <sup>1</sup>	183M	~183M <sup>2</sup>	~\$2.4B remaining buy-back authorization <sup>3</sup>
<b>Reported EPS</b>	\$4.78	\$14.63 - \$14.93	NA
<b>Comparable EPS</b>	\$3.57	\$13.50 - \$13.80	NA
<b>Operating Cash Flow</b>	\$691M	\$2.8B to \$3.0B	NA
<b>CAPEX</b>	\$375M	\$1.4B to \$1.5B Beer \$1.2B	Beer: ~+5M HL of additional capacity
<b>Free Cash Flow</b>	\$315M	\$1.4B to \$1.5B	NA

1 Weighted average calculation  
2 Inclusive of share repurchases

3 As of July 3, 2024

---

# APPENDIX



---

# DEFINED TERMS

# DEFINED TERMS

Unless the context otherwise requires, the terms “Company,” “CBI,” “STZ,” “we,” “our,” or “us” refer to Constellation Brands, Inc. and its subsidiaries. We use terms in this presentation that are specific to us or are abbreviations that may not be commonly known or used.

Term	Meaning
<b>CAM</b>	Contribution after marketing, which equals gross profit less marketing expenses
<b>Canopy</b>	Canopy Growth Corporation
<b>COGS</b>	Cost of goods sold
<b>DEI</b>	Diversity, equity, and inclusion
<b>DEPR.</b>	Depreciation
<b>EBIT</b>	Earnings before interest and taxes
<b>EIE</b>	Equity in earnings
<b>EPS</b>	Diluted net income (loss) per share attributable to CBI
<b>ESG</b>	Environmental, social, and governance
<b>FY</b>	Fiscal year
<b>GAAP</b>	General accepted accounting principles in the U.S.
<b>GHG</b>	Greenhouse gas
<b>HL</b>	Hectoliters

Term	Meaning
<b>HSD</b>	High single-digit
<b>HT</b>	High teen
<b>LSD</b>	Low single-digit
<b>MKTG.</b>	Marketing
<b>MSD</b>	Mid single-digit
<b>NA</b>	Not applicable
<b>NM</b>	Not meaningful
<b>SEC</b>	Securities and Exchange Commission
<b>SG&amp;A</b>	Selling, general, and administrative expenses
<b>U.S.</b>	United States of America
<b>V/P/M</b>	Volume / Price / Mix
<b>W&amp;S</b>	Wine and Spirits
<b>YoY</b>	Year-over-year



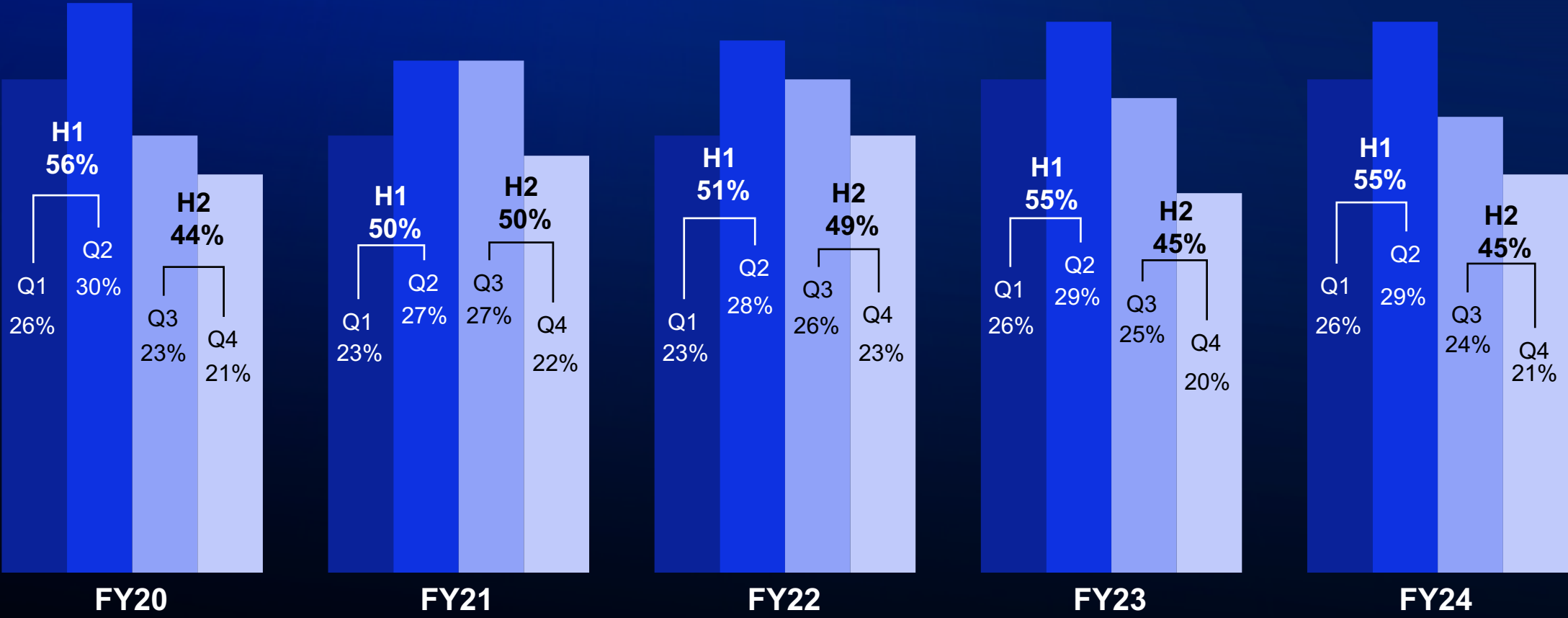
---

# SHIPMENT AND DEPLETION HISTORICAL CADENCE



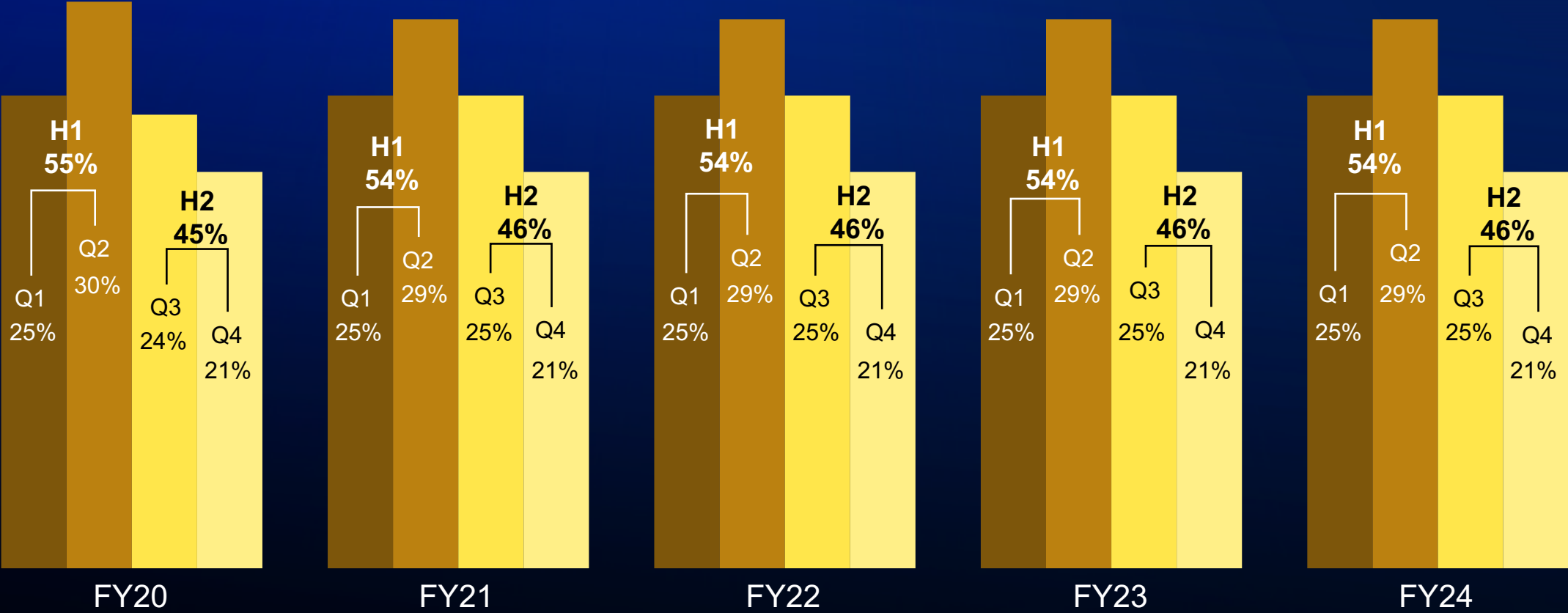
# BEER BUSINESS

## HISTORICAL SHIPMENT VOLUME CADENCE



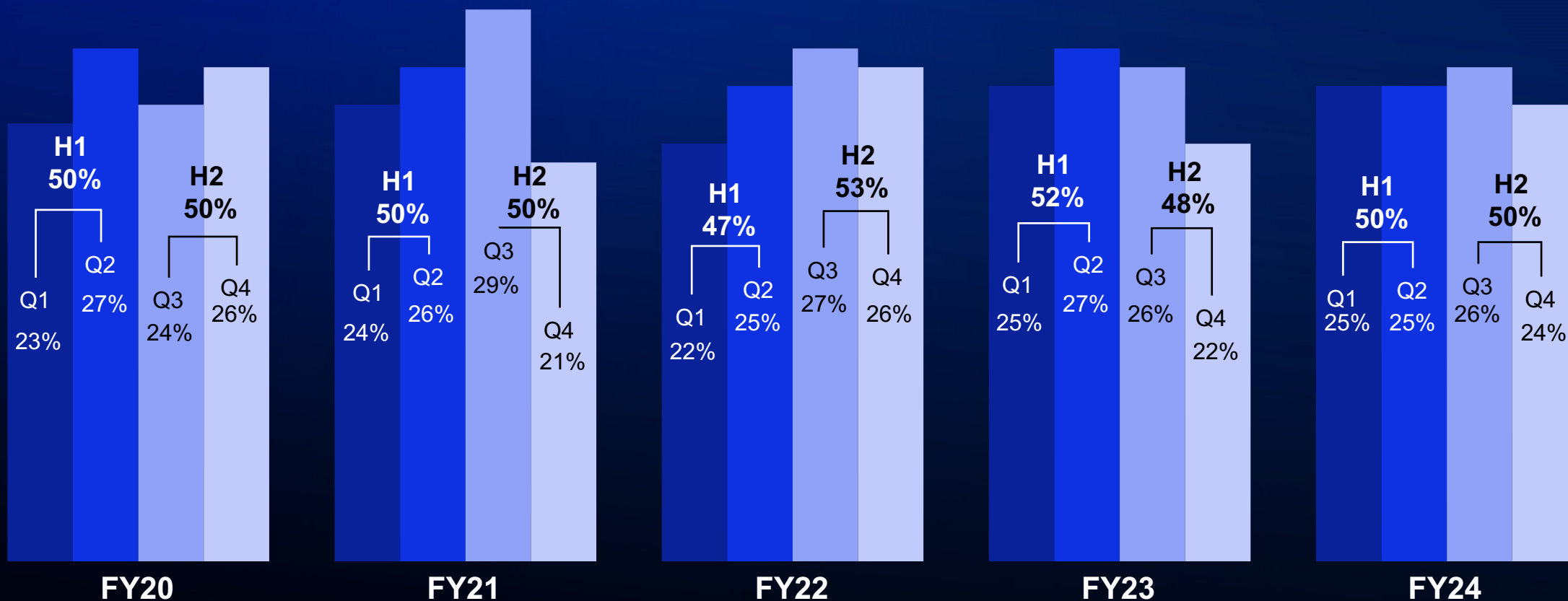
Note: Totals may not sum due to rounding.

# BEER BUSINESS HISTORICAL DEPLETION VOLUME CADENCE



Note: Totals may not sum due to rounding.

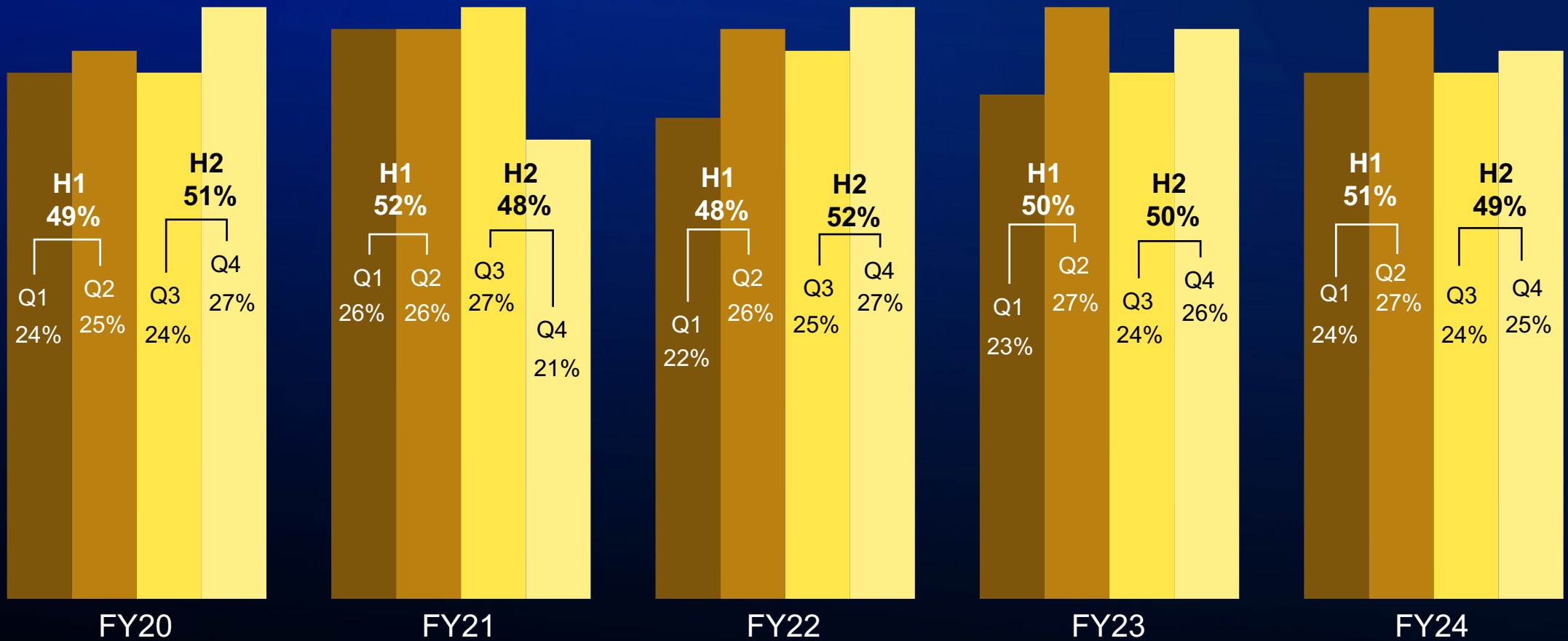
# WINE AND SPIRITS BUSINESS HISTORICAL SHIPMENT VOLUME CADENCE



Note: Totals may not sum due to rounding.



# WINE AND SPIRITS BUSINESS HISTORICAL DEPLETION VOLUME CADENCE



Note: Totals may not sum due to rounding.

---

# FINANCIAL INFORMATION

**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in millions)  
(unaudited)

	<b>May 31, 2024</b>	<b>February 29, 2024</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 73.8	\$ 152.4
Accounts receivable	893.9	832.8
Inventories	2,127.0	2,078.3
Prepaid expenses and other	733.7	666.0
<b>Total current assets</b>	<b>3,828.4</b>	<b>3,729.5</b>
Property, plant, and equipment	8,298.0	8,055.2
Goodwill	7,985.4	7,980.3
Intangible assets	2,731.5	2,731.7
Deferred income taxes	2,020.3	2,055.0
Other assets	1,196.5	1,140.0
<b>Total assets</b>	<b>\$ 26,060.1</b>	<b>\$ 25,691.7</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ 793.2	\$ 241.4
Current maturities of long-term debt	406.2	956.8
Accounts payable	1,139.3	1,107.1
Other accrued expenses and liabilities	783.5	836.4
<b>Total current liabilities</b>	<b>3,122.2</b>	<b>3,141.7</b>
Long-term debt, less current maturities	10,682.9	10,681.1
Deferred income taxes and other liabilities	1,683.1	1,804.3
<b>Total liabilities</b>	<b>15,488.2</b>	<b>15,627.1</b>
<b>CBI stockholders' equity</b>	<b>10,251.8</b>	<b>9,743.1</b>
Noncontrolling interests	320.1	321.5
<b>Total stockholders' equity</b>	<b>10,571.9</b>	<b>10,064.6</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 26,060.1</b>	<b>\$ 25,691.7</b>



**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in millions, except per share data)  
(unaudited)

	Three Months Ended	
	May 31, 2024	May 31, 2023
Sales	\$ 2,860.7	\$ 2,699.5
Excise taxes	(198.9)	(184.6)
<b>Net sales</b>	<b>2,661.8</b>	<b>2,514.9</b>
Cost of product sold	(1,258.0)	(1,257.1)
<b>Gross profit</b>	<b>1,403.8</b>	<b>1,257.8</b>
Selling, general, and administrative expenses	(462.2)	(493.1)
<b>Operating income (loss)</b>	<b>941.6</b>	<b>764.7</b>
Income (loss) from unconsolidated investments	82.0	(415.4)
Interest expense, net	(102.8)	(118.9)
<b>Income (loss) before income taxes</b>	<b>920.8</b>	<b>230.4</b>
(Provision for) benefit from income taxes	(28.0)	(91.2)
<b>Net income (loss)</b>	<b>892.8</b>	<b>139.2</b>
Net (income) loss attributable to noncontrolling interests	(15.8)	(3.3)
<b>Net income (loss) attributable to CBI</b>	<b>\$ 877.0</b>	<b>\$ 135.9</b>
<b>Class A Common Stock:</b>		
Net income (loss) per common share attributable to CBI – basic	\$ 4.80	\$ 0.74
Net income (loss) per common share attributable to CBI – diluted	\$ 4.78	\$ 0.74
Weighted average common shares outstanding – basic	182.766	183.270
Weighted average common shares outstanding – diluted	183.461	183.863
Cash dividends declared per common share	1.01	0.89

**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)  
(unaudited)

	Three Months Ended	
	May 31, 2024	May 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 892.8	\$ 139.2
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	—	71.8
Deferred tax provision (benefit)	25.0	(0.3)
Depreciation	111.6	105.3
Stock-based compensation	17.3	14.5
Equity in (earnings) losses of equity method investees and related activities, net of distributed earnings	1.3	220.6
Noncash lease expense	29.1	22.0
Impairment of equity method investments	—	123.5
net gain on conversion and exchange to Canopy exchangeable shares	(83.3)	—
Change in operating assets and liabilities, net of effects from purchase and sale of business:		
Accounts receivable	(63.4)	(31.5)
Inventories	(47.3)	(57.6)
Prepaid expenses and other current assets	(61.4)	(17.9)
Accounts payable	62.7	34.2
Deferred revenue	15.6	24.3
Other accrued expenses and liabilities	(97.7)	(73.2)
Other	(111.8)	90.5
Total adjustments	(202.3)	526.2
<b>Net cash provided by (used in) operating activities</b>	<b>690.5</b>	<b>665.4</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant, and equipment	(375.3)	(277.0)
Investments in equity method investees and securities	(13.0)	(21.6)
Proceeds from sale of assets	12.9	—
Proceeds from sale of business	—	6.7
Other investing activities	(2.0)	—
<b>Net cash provided by (used in) investing activities</b>	<b>(377.4)</b>	<b>(291.9)</b>

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

	Three Months Ended	
	May 31, 2024	May 31, 2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	—	744.8
Principal payments of long-term debt	(552.2)	(502.5)
Net proceeds from (repayments of) short-term borrowings	551.8	(346.3)
Dividends paid	(185.3)	(164.1)
Purchases of treasury stock	(200.0)	(35.0)
Proceeds from shares issued under equity compensation plans	24.7	15.9
Payments of minimum tax withholdings on stock-based payment awards	(13.8)	(11.2)
Payments of debt issuance, debt extinguishment, and other financing costs	—	(5.0)
Distributions to noncontrolling interests	(17.5)	(11.3)
Payment of contingent consideration	(0.7)	—
<b>Net cash provided by (used in) financing activities</b>	<b>(393.0)</b>	<b>(314.7)</b>
Effect of exchange rate changes on cash and cash equivalents	1.3	0.2
Net increase (decrease) in cash and cash equivalents	(78.6)	59.0
Cash and cash equivalents, beginning of period	152.4	133.5
<b>Cash and cash equivalents, end of period</b>	<b>\$ 73.8</b>	<b>\$ 192.5</b>



**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**SUMMARIZED SEGMENT, INCOME (LOSS) FROM UNCONSOLIDATED INVESTMENTS,**  
**AND DEPRECIATION AND AMORTIZATION INFORMATION**

(in millions)  
(unaudited)

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.

	Three Months Ended		Percent Change
	May 31, 2024	May 31, 2023	
<b>Consolidated</b>			
Net sales	\$ 2,661.8	\$ 2,514.9	6%
Gross profit	\$ 1,403.8	\$ 1,257.8	12%
Operating income (loss)	\$ 941.6	\$ 764.7	23%
Income (loss) from unconsolidated investments	\$ 82.0	\$ (415.4)	NM
Depreciation and amortization	\$ 111.9	\$ 105.7	6%
<b>Comparable adjustments <sup>(1)</sup></b>			
Gross profit	\$ 22.0	\$ (34.8)	NM
Operating income (loss)	\$ 17.6	\$ (62.5)	NM
Income (loss) from unconsolidated investments	\$ 83.3	\$ (384.4)	NM
<b>Beer</b>			
Net sales	\$ 2,272.8	\$ 2,098.6	8%
Segment gross profit	\$ 1,213.1	\$ 1,098.7	10%
<i>% Net sales</i>	53.4 %	52.4 %	
Segment operating income (loss)	\$ 923.0	\$ 797.8	16%
<i>% Net sales</i>	40.6 %	38.0 %	
Segment depreciation and amortization	\$ 86.4	\$ 78.8	10%
<b>Wine and Spirits</b>			
Wine net sales	\$ 329.3	\$ 361.0	(9%)
Spirits net sales	59.7	55.3	8%
Net sales	\$ 389.0	\$ 416.3	(7%)
Segment gross profit	\$ 168.7	\$ 193.9	(13%)
<i>% Net sales</i>	43.4 %	46.6 %	
Segment operating income (loss)	\$ 59.7	\$ 79.3	(25%)
<i>% Net sales</i>	15.3 %	19.0 %	
Segment income (loss) from unconsolidated investments	\$ 0.4	\$ 2.3	(83%)
Segment depreciation and amortization	\$ 21.3	\$ 22.5	(5%)
<b>Corporate Operations and Other</b>			
Segment operating income (loss)	\$ (58.7)	\$ (49.9)	(18%)
Segment income (loss) from unconsolidated investments	\$ (1.7)	\$ (33.3)	95%
Segment depreciation and amortization	\$ 4.2	\$ 4.4	(5%)

<sup>(1)</sup> See slide 31 for further information on comparable adjustments.

**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**SUPPLEMENTAL SHIPMENT AND DEPLETION INFORMATION**

(in millions)  
(unaudited)

	Three Months Ended		Percent Change
	May 31, 2024	May 31, 2023	
<b>Beer</b>			
(branded product, 24-pack, 12-ounce case equivalents)			
Shipments	115.1	107.0	7.6%
Depletions <sup>(1) (2)</sup>			6.4%
<b>Wine and Spirits</b>			
(branded product, 9-liter case equivalents)			
Shipments	5.6	5.9	(5.1%)
U.S. Wholesale shipments	4.9	5.2	(5.8%)
Depletions <sup>(1)</sup>			(12.7%)

<sup>(1)</sup> Depletions represent U.S. distributor shipments of our respective branded products to retail customers, based on third-party data.

<sup>(2)</sup> Includes an adjustment to remove volumes associated with the craft beer brand divestitures for the period March 1, 2023, through May 31, 2023, included in the three months ended May 31, 2023.

**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES**

(in millions, except per share data)  
(unaudited)

We report our financial results in accordance with GAAP. However, non-GAAP financial measures, as defined in the reconciliation tables below, are provided because we use this information in evaluating the results of our core operations and/or internal goal setting. In addition, we believe this information provides our investors valuable insight on underlying business trends and results in order to evaluate year-over-year financial performance. See the tables below for supplemental financial data and corresponding reconciliations of these non-GAAP financial measures to GAAP financial measures for the periods presented. Non-GAAP financial measures should be considered in addition to, not as a substitute for, or superior to, our reported results prepared in accordance with GAAP.

	Three Months Ended	
	May 31, 2024	May 31, 2023
<b>Operating income (loss) (GAAP)</b>	\$ 941.6	\$ 764.7
Comparable adjustments (Non-GAAP) <sup>(1)</sup>	(17.6)	62.5
<b>Comparable operating income (loss) (Non-GAAP)</b>	<u>\$ 924.0</u>	<u>\$ 827.2</u>
<b>Net income (loss) attributable to CBI (GAAP)</b>	\$ 877.0	\$ 135.9
Net income (loss) attributable to noncontrolling interests (GAAP)	15.8	3.3
Provision for (benefit from) income taxes (GAAP)	28.0	91.2
Interest expense, net (GAAP)	102.8	118.9
<b>Adjusted EBIT (Non-GAAP)</b>	<u>1,023.6</u>	<u>349.3</u>
Comparable adjustments (Non-GAAP) <sup>(1)</sup>	(100.9)	446.9
Comparable Canopy EIE (Non-GAAP) <sup>(2)</sup>	—	30.8
<b>Comparable EBIT (Non-GAAP)</b>	<u>\$ 922.7</u>	<u>\$ 827.0</u>
<b>Net income (loss) attributable to CBI (GAAP)</b>	\$ 877.0	\$ 135.9
Comparable adjustments (Non-GAAP) <sup>(1)</sup>	(222.5)	398.6
Comparable Canopy EIE (Non-GAAP) <sup>(2)</sup>	—	24.3
<b>Comparable net income (loss) attributable to CBI (Non-GAAP)</b>	<u>\$ 654.5</u>	<u>\$ 558.8</u>
<b>EPS (GAAP)</b>	\$ 4.78	\$ 0.74
Comparable adjustments (Non-GAAP) <sup>(1)</sup>	(1.21)	2.17
Comparable Canopy EIE (Non-GAAP) <sup>(2)</sup>	—	0.13
<b>Comparable EPS (Non-GAAP) <sup>(3)</sup></b>	<u>\$ 3.57</u>	<u>\$ 3.04</u>
Weighted average common shares outstanding - diluted <sup>(3)</sup>	183.461	183.863

<sup>(1)</sup> See slide 30 for further information on comparable adjustments.

<sup>(2)</sup> See slide 32 for further information on comparable Canopy EIE.

<sup>(3)</sup> Comparable basis diluted net income (loss) per share ("comparable EPS") may not sum due to rounding as each item is computed independently. The comparable adjustments and comparable EPS are calculated on a fully dilutive basis.



**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)**

(in millions, except per share data)  
(unaudited)

The comparable adjustments that impacted comparability in our results for each period are as follows:

	Three Months Ended	
	May 31, 2024	May 31, 2023
Net gain (loss) on undesignated commodity derivative contracts	\$ 14.6	\$ (34.7)
Settlements of undesignated commodity derivative contracts	8.5	0.6
Flow through of inventory step-up	(1.1)	(0.7)
<b>Comparable adjustments, Gross profit</b>	<b>22.0</b>	<b>(34.8)</b>
Transition services agreements activity	(2.8)	(5.7)
Restructuring and other strategic business development costs	(1.8)	(14.9)
Transaction, integration, and other acquisition-related costs	(0.2)	(0.3)
Other gains (losses)	0.4	(6.8)
<b>Comparable adjustments, Operating income (loss)</b>	<b>17.6</b>	<b>(62.5)</b>
Comparable adjustments, Income (loss) from unconsolidated investments	83.3	(384.4)
<b>Comparable adjustments, Adjusted EBIT</b>	<b>100.9</b>	<b>(446.9)</b>
Comparable adjustments, Interest expense, net	—	(0.7)
Comparable adjustments, (Provision for) benefit from income taxes	121.6	49.0
<b>Comparable adjustments, Net income (loss) attributable to CBI</b>	<b>\$ 222.5</b>	<b>\$ (398.6)</b>

*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.

*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.

*Transaction, integration, and other acquisition-related costs*

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

*Other gains (losses)*

Primarily includes the following:

	Three Months Ended	
	May 31, 2024	May 31, 2023
Gain (loss) on sale of business	\$ —	\$ (7.0)

**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)**

(in millions, except per share data)  
(unaudited)

*Comparable adjustments, Income (loss) from unconsolidated investments*

Primarily includes the following:

	Three Months Ended	
	May 31, 2024	May 31, 2023
Net gain on conversion and exchange to Canopy exchangeable shares	\$ 83.3	\$ —
Impairment of equity method investments	\$ —	\$ (123.5)
Comparable adjustments to Canopy EIE (see page 32 for further information)	\$ —	\$ (189.0)
Unrealized gain (loss) from the changes in fair value of securities measured at fair value	\$ —	\$ (71.8)

*Comparable adjustments, Interest expense, net*

We recognized losses from the write-off of an unamortized discount and debt issuance costs in connection with the repayment of outstanding term loan facility borrowings.

*Comparable adjustments, (Provision for) benefit from income taxes*

The effective tax rate applied to each comparable adjustment amount is generally based upon the jurisdiction in which the comparable adjustment was recognized. Comparable adjustments, (Provision for) benefit from income taxes also include items solely impacting income taxes and consist of the following:

	Three Months Ended	
	May 31, 2024	May 31, 2023
Net income tax benefit recognized as a result of the resolution of various tax examinations and assessments related to prior periods	\$ 121.2	\$ —
Net income tax (provision) benefit recognized for adjustments to valuation allowances	\$ 4.4	\$ —
Net income tax benefit recognized as a result of a change in tax entity classification	\$ —	\$ 28.9
Net income tax benefit recognized as a result of a legislative update in Switzerland	\$ —	\$ 4.7

**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)**

(in millions, except per share data)  
(unaudited)

**Canopy Equity Earnings (Losses) and Related Activities (“Canopy EIE”)**

Non-GAAP Canopy EIE financial measures for the three months ended May 31, 2023, are provided because management used this information to separately monitor our former equity method investment in Canopy. Financial measures excluding Canopy EIE are non-GAAP and are provided because management used this information to evaluate the results of our core operations which management determined did not include our former equity method investment in Canopy. In addition, we believe this information provides our investors valuable insight to understand how management views the Company’s performance and on underlying business trends and results in order to evaluate year-over-year financial performance of our ongoing core business, including relative to industry competitors.

	For the Three Months Ended May 31, 2023
<hr/>	
(in millions)	
<b>Equity earnings (losses) and related activities, Canopy EIE (GAAP) <sup>(1)</sup></b>	\$ (219.8)
(Provision for) benefit from income taxes <sup>(2)</sup>	6.5
<b>Net income (loss) attributable to CBI, Canopy EIE (GAAP) <sup>(1)</sup></b>	<u>\$ (213.3)</u>
<b>Equity earnings (losses) and related activities, Canopy EIE (GAAP) <sup>(1)</sup></b>	\$ (219.8)
Restructuring and other strategic business development costs	160.6
Goodwill impairment	14.1
Net (gain) loss on fair value financial instruments	6.9
(Gain) loss on dilution of Canopy stock ownership	3.6
Acquisition costs	0.9
Other (gains) losses, net	2.9
<b>Comparable adjustments, Canopy EIE (Non-GAAP)</b>	<u>189.0</u>
<b>Comparable equity earnings (losses), Canopy EIE (Non-GAAP) <sup>(1)</sup></b>	(30.8)
Comparable (provision for) benefit from income taxes (Non-GAAP) <sup>(2)</sup>	6.5
<b>Comparable net income (loss) attributable to CBI, Canopy EIE (Non-GAAP) <sup>(1)</sup></b>	<u>\$ (24.3)</u>

	For the Three Months Ended May 31, 2023
<hr/>	
<b>EPS, Canopy EIE (GAAP)</b>	\$ (1.16)
Comparable adjustments, Canopy EIE (Non-GAAP)	1.03
<b>Comparable EPS, Canopy EIE (Non-GAAP) <sup>(3)</sup></b>	<u>\$ (0.13)</u>

**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)**

(in millions, except per share data)  
(unaudited)

	Three Months Ended					
	May 31, 2024			May 31, 2023		
	Income (loss) before income taxes	(Provision for) benefit from income taxes <sup>(2)</sup>	Effective tax rate <sup>(4)</sup>	Income (loss) before income taxes	(Provision for) benefit from income taxes <sup>(2)</sup>	Effective tax rate <sup>(4)</sup>
<b>Reported basis (GAAP)</b>	\$ 920.8	\$ (28.0)	3.0 %	\$ 230.4	\$ (91.2)	39.6 %
Comparable adjustments - (Non-GAAP)	(100.9)	(121.6)		447.6	(49.0)	
Comparable Canopy EIE (Non- GAAP)	—	—		30.8	(6.5)	
<b>Comparable basis (Non-GAAP)</b>	<u>819.9</u>	<u>(149.6)</u>	<b>18.2 %</b>	<u>708.8</u>	<u>(146.7)</u>	<b>20.7 %</b>

<sup>(1)</sup> Equity earnings (losses) and related activities are included in income (loss) from unconsolidated investments.

<sup>(2)</sup> The benefit from income taxes effective tax rate applied to our Canopy EIE is generally based on the tax rates of the legal entities that hold our investment. The comparable adjustment effective tax rate applied to each comparable adjustment amount is generally based upon the jurisdiction in which the adjustment was recognized.

<sup>(3)</sup> May not sum due to rounding as each item is computed independently. The comparable adjustments and comparable EPS are calculated on a fully dilutive basis.

<sup>(4)</sup> Effective tax rate is not considered a GAAP financial measure, for purposes of this reconciliation, we derived the reported GAAP measure based on GAAP results, which serves as the basis for the reconciliation to the comparable non-GAAP financial measure.

**Operating Income Guidance**

	Guidance Range for the Year Ending February 28, 2025		Actual for the Year Ended February 29, 2024	Percentage Change	
<b>Operating income (GAAP)</b>	\$ 3,502	\$ 3,567	\$ 3,169.7	10 %	13 %
Comparable adjustments (Non-GAAP) <sup>(1)</sup>	3	3	75.8		
<b>Comparable operating income (Non-GAAP)</b>	<u>\$ 3,505</u>	<u>\$ 3,570</u>	<u>\$ 3,245.5</u>	<b>8 %</b>	<b>10 %</b>

<sup>(1)</sup> Comparable adjustments include: <sup>(2)(3)</sup>

	Estimated for the Year Ending February 28, 2025	Actual for the Year Ended February 29, 2024
Transition services agreements activity	\$ 20	\$ 24.9
Flow through of inventory step-up	\$ 4	\$ 3.6
Restructuring and other strategic business development costs	\$ 2	\$ 46.3
Net (gain) loss on undesignated commodity derivative contracts	\$ (15)	\$ 44.2
Settlements of undesignated commodity derivative contracts	\$ (9)	\$ (15.0)
(Gain) loss on sale of business	\$ —	\$ 15.1
Other (gains) losses	\$ —	\$ 11.4
Transaction, integration, and other acquisition-related costs	\$ —	\$ 0.6
Insurance recoveries	\$ —	\$ (55.1)
Costs associated with the reclassification, conversion, and exchange of our Class B Convertible Common Stock into our Class A Common Stock	\$ —	\$ (0.2)

<sup>(2)</sup> See page 30 for further information on comparable adjustments.

<sup>(3)</sup> May not sum due to rounding.



**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)**

(in millions, except per share data)  
(unaudited)

**EPS Guidance**

	Range for the Year Ending February 28, 2025		Actual for the Year Ended February 29, 2024
<b>Forecasted EPS (GAAP)</b>	<b>\$ 14.63</b>	<b>\$ 14.63</b>	<b>\$ 9.39</b>
Comparable adjustments (Non-GAAP) <sup>(1)</sup>	(1.13)	(1.13)	2.67
Comparable basis, Canopy EIE (Non-GAAP)	—	—	0.32
<b>Forecasted comparable EPS (Non-GAAP) <sup>(2)</sup></b>	<b>\$ 13.50</b>	<b>\$ 13.50</b>	<b>\$ 12.38</b>

<sup>(1)</sup> Comparable adjustments include: <sup>(2)(3)</sup>

	Estimated for the Year Ending February 28, 2026	Actual for the Year Ended February 28, 2025
Net income tax benefit recognized as a result of the resolution of various tax examinations and assessments related to prior periods	\$ (0.66)	\$ —
(Income) loss from unconsolidated investments	\$ (0.46)	\$ 2.58
Net (gain) loss on undesignated commodity derivative contracts	\$ (0.06)	\$ 0.18
Settlements of undesignated commodity derivative contracts	\$ (0.03)	\$ (0.06)
Net income tax benefit recognized for adjustments to valuation allowances	\$ (0.02)	\$ —
Transition services agreements activity	\$ 0.08	\$ 0.10
Flow through of inventory step-up	\$ 0.02	\$ 0.01
Restructuring and other strategic business development costs	\$ 0.01	\$ 0.20
(Gain) loss on sale of business	\$ —	\$ 0.06
Other (gains) losses	\$ —	\$ 0.06
Loss of interest income on write-off of a convertible note	\$ —	\$ 0.01
Insurance recoveries	\$ —	\$ (0.25)
Net income tax benefit recognized as a result of a change in tax entity classification	\$ —	\$ (0.17)
Net income tax benefit recognized as a result of a legislative update in Switzerland	\$ —	\$ (0.05)

<sup>(2)</sup> May not sum due to rounding as each item is computed independently. The comparable adjustments and comparable EPS are calculated on a fully dilutive basis.

<sup>(3)</sup> See page 30 for further information on comparable adjustments.

**CONSTELLATION BRANDS, INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)**

(in millions, except per share data)  
(unaudited)

**Free Cash Flow Guidance**

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

	Range for the Year Ending February 28, 2025	
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$ 2,800</b>	<b>\$ 3,000</b>
Purchase of property, plant, and equipment	(1,400)	(1,500)
<b>Free cash flow (Non-GAAP)</b>	<b>\$ 1,400</b>	<b>\$ 1,500</b>
	Three Months Ended	
	May 31, 2024	May 31, 2023
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$ 690.5</b>	<b>\$ 665.4</b>
Purchase of property, plant, and equipment	(375.3)	(277.0)
<b>Free cash flow (Non-GAAP)</b>	<b>\$ 315.2</b>	<b>\$ 388.4</b>