

# CONSTELLATION BRANDS

SECOND QUARTER

OCTOBER 5, 2023

Fiscal Year 2024 Financial Results

# FORWARD-LOOKING STATEMENTS

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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 or Canopy's 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," "scheduled," "implementing," "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, growth plans and growth drivers, innovation, new products, future operations, financial position, liquidity and capital resources, net sales, costs, expenses, cost savings initiatives, operating income, leverage ratios, including target net leverage ratio, dividend payout ratio, depreciation, equity in earnings, interest expense, tax rates, non-controlling interests, diluted shares outstanding, EPS, cash flows, capital expenditures, and other financial metrics, expected volume, inventory, price/mix, and depletion trends, our long-term financial model, future marketing strategies and spend, and prospects, plans, and objectives of management; 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; our ESG strategy, corporate social responsibility and sustainability initiatives, environmental stewardship targets, and human capital and DEI objectives, goals, and priorities; the continued refinement of our wine and spirits portfolio; the manner, timing, and duration of our share repurchase program and source of funds for share repurchases; the amount and timing of future dividends; our beer expansion, optimization, and/or construction activities, including anticipated scope, capacity, supply, costs, capital expenditures, and timeframes for completion; current and future acquisition, disposition, and investment activities; and capital allocation priorities and commitments.

# FORWARD-LOOKING STATEMENTS

In addition to the risks and uncertainties of ordinary business operations and conditions in the general economy and markets in which we compete, our forward-looking statements contained in this presentation are also subject to the risk, uncertainty, and possible variance from our current expectations regarding: water, agricultural and other raw material, and packaging material supply, production, and/or shipment difficulties which could adversely affect our ability to supply our customers; the ability to respond to anticipated inflationary pressures, including reductions in consumer discretionary income and our ability to pass along rising costs through increased selling prices; the actual impact to supply, production levels, and costs from global supply chain disruptions and constraints, transportation challenges (including from labor strikes or other labor activities), shifting consumer behaviors, wildfires, and severe weather events; reliance on complex information systems and third-party global networks; the actual balance of supply and demand for our products, the actual performance of our distributors, and the actual demand, net sales, channel proportions, and volume trends for our products; beer operations expansion, optimization, and/or construction activities, scope, capacity, supply, costs (including impairments), capital expenditures, and timing; results of the potential sale of the remaining assets at the Mexicali Brewery or obtaining other forms of recovery; the impact of the military conflict in Ukraine and associated internal destabilization in Russia, geopolitical tensions, and responses, including on inflation, supply chains, commodities, energy, and cybersecurity; contamination and degradation of product quality from diseases, pests, weather, and other conditions; communicable diseases outbreaks, pandemics, or other widespread public health crises, such as the COVID-19 pandemic, and associated governmental containment actions, which may include the closure of non-essential businesses (including our manufacturing facilities); the amount, timing, and source of funds for any share repurchases and number of shares outstanding; our cash and debt position; the amount and timing of future dividends which are subject to the determination and discretion of our Board of Directors; the impact of our investment in Canopy, including recording our proportional share of Canopy's estimated pre-tax losses; the accuracy of management's projections relating to the Canopy investment; the timeframe and amount of any potential future impairment of our investment in Canopy; Canopy's failure to receive the requisite approval of its shareholders necessary to approve the Canopy Transaction, any other delays with respect to, or the failure to complete, the Canopy Transaction, the ability to recognize the anticipated benefits of the Canopy Transaction and the impact of the Canopy Transaction on the market price of Canopy's common stock; completion of the Canopy Transaction, the exchange of our promissory note issued by Canopy for Exchangeable Shares, and the impact from converting our Canopy common shares for Exchangeable Shares on our relationship with and investment in Canopy; any impact of U.S. federal laws on Canopy Strategic Transactions or upon the implementation of such Canopy Strategic Transactions, or the impact of any Canopy Strategic

Transaction upon our future ownership level in Canopy or our future share of Canopy's reported earnings and losses; the expected impacts of wine and spirits portfolio refinement activities; purchase accounting with respect to any transaction, or the assumptions used regarding the assets purchased and liabilities assumed to determine their fair value; general economic, geopolitical, domestic, international, and regulatory conditions, world financial market and banking sector instability, including economic slowdown or recession, and a potential U.S. federal government shutdown; the ability to continue to recognize anticipated benefits of the Reclassification; our targeted net leverage ratio due to market conditions, our ability to generate cash flow at expected levels, and our ability to generate expected earnings; accuracy of supply projections, including relating to beer operations expansion, optimization, and construction activities, wine and spirits operating activities, product inventory levels, and glass sourcing; our ability to achieve and timeframes for achieving expected target debt leverage ratios, cash flows, operating margin, earnings, and other financial metrics; operating and financial risks related to managing future growth; competition in our industry; financing, market, economic, regulatory, and environmental risks; reliance on key personnel; litigation matters; increases in capital or operating costs; changes to international trade agreements, tariffs, accounting standards, elections, assertions, or policies, tax laws, or other governmental regulations; changes in interest rates and the inherent unpredictability of currency fluctuations, commodity prices, and raw materials; any incremental contingent consideration payment paid; accuracy of all projections, including those associated with announced acquisitions, investments, and divestitures; accuracy of forecasts relating to joint venture businesses; the actual amount and timing of cost reductions based on management's final plans; and other factors and uncertainties disclosed from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended February 28, 2023, and our Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2023. Forward-looking statements are made as of October 5, 2023, and Constellation does not intend and expressly disclaims any obligation to update or revise the forward-looking information contained in this presentation, whether as a result of new information, future events, or otherwise, except as required by law. Accordingly, readers are cautioned not to place undue reliance on forward-looking information.

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

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

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Unless otherwise indicated, the information presented is as of October 5, 2023, and, to the best of Constellation's knowledge, timely and accurate when made. Thereafter, it should be considered historical and not subject to further update by Constellation.

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

## SECOND QUARTER FISCAL YEAR 2024 KEY TAKEAWAYS

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★ BEER BUSINESS DELIVERS DOUBLE-DIGIT NET SALES AND OPERATING INCOME GROWTH DRIVEN BY HIGH SINGLE-DIGIT SHIPMENT GROWTH<sup>(1)</sup>

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★ HIGHER-END WINE PORTFOLIO GAINS SHARE AND OUTPACES THE TOTAL WINE CATEGORY <sup>(2)</sup>

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★ COMPANY CONTINUES TO DEPLOY CAPITAL PER STATED PRIORITIES, INCLUDING LOWERING NET LEVERAGE RATIO TOWARD ~3.0X TARGET

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★ COMPANY ELECTS TWO NEW INDEPENDENT DIRECTORS TO THE BOARD AS PART OF GOVERNANCE ENHANCEMENTS

# SECOND QUARTER FISCAL YEAR 2024 FINANCIAL HIGHLIGHTS

<b>CONSOLIDATED</b>	<b>Net Sales</b>	<b>Operating Income (Loss)</b>	<b>Net Income (Loss) Attributable to CBI</b>	<b>Adjusted Earnings Before Interest &amp; Taxes</b>	<b>Diluted Net Income (Loss) Per Share Attributable to CBI (EPS)</b>	<b>EPS Excluding Canopy EIE</b>
<b>Q2 FY24 <sup>(1)</sup>   In millions, except per share data</b>						
<b>Reported</b>	\$2,837	\$979	\$690	\$959	\$3.74	NA
<b>% Change</b>	7%	20%	NM	NM	NM	NA
<b>Comparable</b>	\$2,837	\$968	\$682	\$955	\$3.70	\$3.80
<b>% Change</b>	7%	10%	16%	12%	17%	14%

<b>BEER</b>	<b>Shipments</b>	<b>Depletions</b>	<b>Net Sales</b>	<b>Operating Income (Loss)</b>
<b>Three Months Ended   In millions; branded product, 24-pack, 12-ounce case equivalents</b>				
<b>August 31, 2023</b>	123.0		\$2,392.7	\$953.9
<b>August 31, 2022</b>	113.2		\$2,139.3	\$865.6
<b>% Change</b>	8.7%	7.9%	12%	10%

<b>WINE AND SPIRITS</b>	<b>Shipments</b>	<b>Organic Shipments<sup>(1)</sup></b>	<b>Depletions<sup>(1)</sup></b>	<b>Net Sales<sup>(2)</sup></b>	<b>Organic Net Sales</b>	<b>Operating Income (Loss)<sup>(2)</sup></b>
<b>Three Months Ended   In millions; branded product, 9-liter case equivalents</b>						
<b>August 31, 2023</b>	6.1	6.1		\$444.1	\$444.1	\$80.7
<b>August 31, 2022</b>	7.4	7.2		\$515.8	\$501.4	\$99.4
<b>% Change</b>	(17.6%)	(15.3%)	(7.8%)	(14%)	(11%)	(19%)

# DELIVERING AGAINST OUR STRATEGIC INITIATIVES IN FISCAL YEAR 2024

		Q2 FY24 DEPLETION GROWTH (DECLINE) <sup>(1)</sup>	
<h2>1</h2>	<p>CONTINUE TO BUILD POWERFUL BRANDS THAT PEOPLE LOVE</p>	 <ul style="list-style-type: none"> <li>• Modelo Especial: ~9%</li> <li>• Corona Extra: ~1%</li> <li>• Pacifico: ~15%</li> <li>• Modelo Chelada Brands: ~42%</li> </ul>	 <ul style="list-style-type: none"> <li>• Meiomì: ~7%</li> <li>• Kim Crawford: ~6%</li> <li>• The Prisoner Wine Co.: ~2%</li> <li>• Mi Campo: ~60%</li> </ul>
<h2>2</h2>	<p>DEVELOP CONSUMER-LED INNOVATIONS ALIGNED WITH EMERGING TRENDS</p>	  <ul style="list-style-type: none"> <li>• Top 10 Share Gainer <sup>(2)</sup></li> <li>• Top 10 Share Gainer in Non-Alcoholic Segment <sup>(2)</sup></li> </ul>	  <ul style="list-style-type: none"> <li>• #1 New Wine Brand <sup>(2)</sup></li> <li>• SIMI Brightful #5 New Betterment Brand <sup>(2)(3)</sup></li> <li>• Vodka Spritz #4 New Brand <sup>(2)(3)</sup></li> </ul>
<h2>3</h2>	<p>DEPLOY CAPITAL IN-LINE WITH DISCIPLINED AND BALANCED PRIORITIES</p>	 <ul style="list-style-type: none"> <li>• Reduced net leverage ratio <sup>(4)</sup> to ~3.2X</li> </ul>	 <ul style="list-style-type: none"> <li>• Obregon: 5M HL ramped in Q1</li> <li>• Nava: ABA 5M HL on track for end of FY24</li> <li>• Veracruz: On track for FY25-FY26</li> </ul>
<h2>4</h2>	<p>OPERATE IN A WAY THAT IS GOOD FOR BUSINESS AND GOOD FOR THE WORLD</p>	 <ul style="list-style-type: none"> <li>• Pursuing TRUE Certification for Zero Waste in key operating facilities <sup>(5)</sup> and enhanced use of circular packaging targets by FY25</li> <li>• Making progress on FY25 GHG emissions reduction targets</li> </ul>	 <ul style="list-style-type: none"> <li>• Enhanced governance with introduction of 2 new independent directors to the Board</li> </ul>

(1) Company measures.

(2) Circana, Total U.S. Multi-Outlet + Convenience, 12 weeks ended September 10, 2023

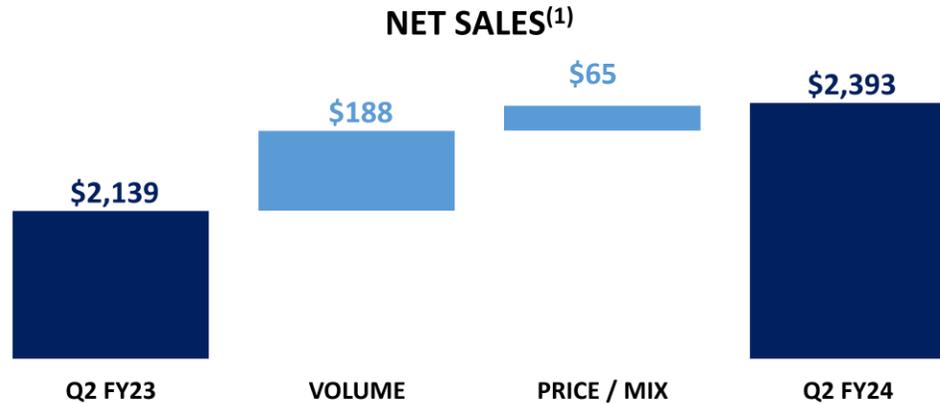
(3) Fresca™ Mixed results are primarily included as part of beer segment but reported under the spirits category in Circana tracked channel data. #5 SIMI Brightful among Betterment brands introduced within the last 2 years; #4 Fresca™ Mixed Vodka Spritz among Spirits brands introduced within last 2 years

(4) Excludes Canopy EIE

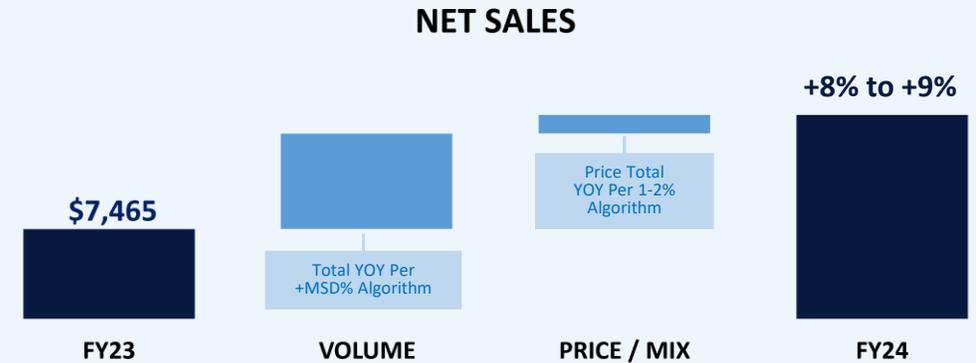
(5) Key operating facilities, for the purposes of this target, consist of our major production facilities (i.e., our breweries in Mexico and our U.S. wineries generating the vast majority of waste).

# BEER BUSINESS MAINTAINED ITS INDUSTRY-LEADING PERFORMANCE

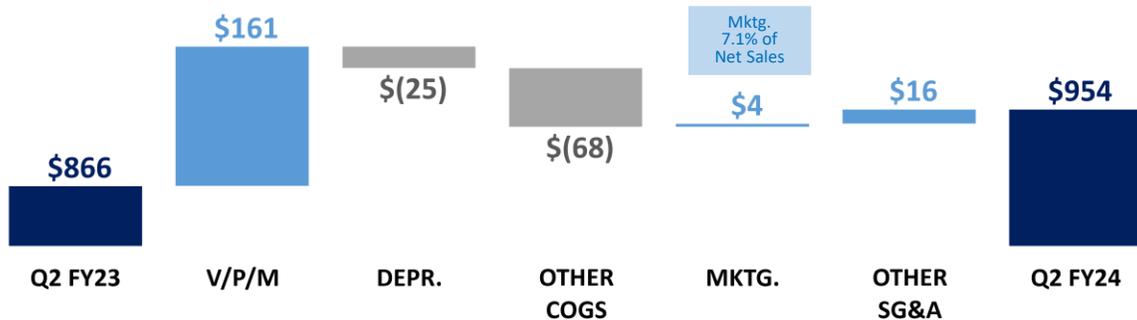
## Q2 FY24 vs Q2 FY23 RESULTS (\$ IN MILLIONS)



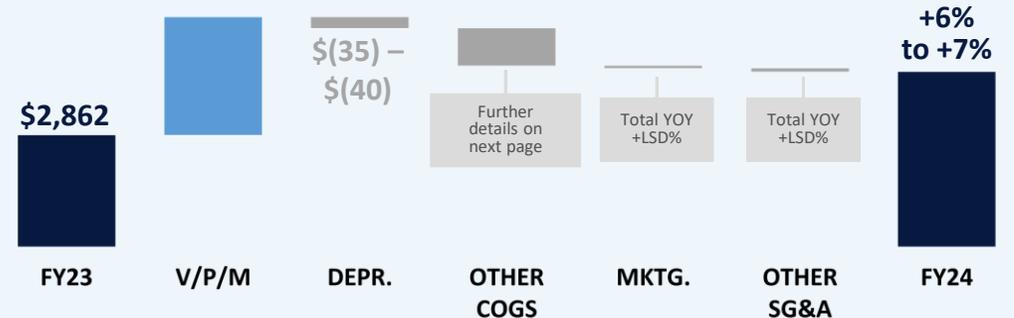
## FY24 OUTLOOK vs FY23 RESULTS (\$ IN MILLIONS)



## OPERATING INCOME



## OPERATING INCOME <sup>(2)</sup>



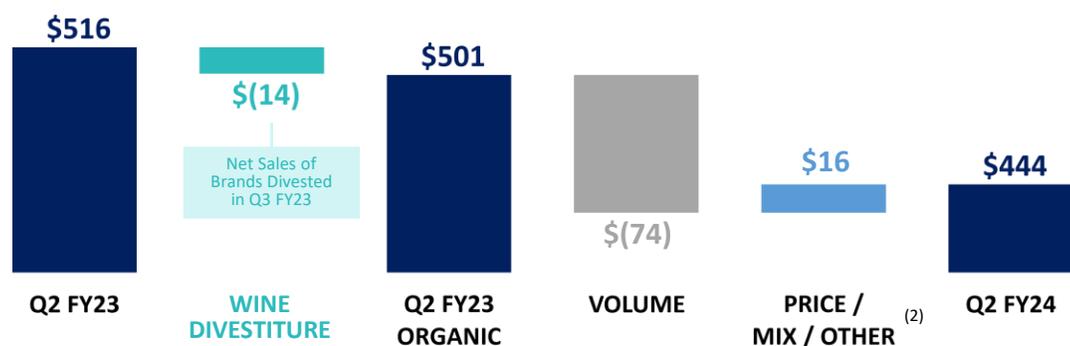
# BEER BUSINESS OTHER COGS AFFECTED BY INFLATIONARY PRESSURES

BEER BUSINESS OTHER COGS	FY24 OUTLOOK	
	Share	% Change YOY
PACKAGING & RAW MATERIALS	55-60% <i>(OF TOTAL COGS)</i>	+HSD
FREIGHT	20-25% <i>(OF TOTAL COGS)</i>	+HSD
LABOR & OVERHEAD	10-15% <i>(OF TOTAL COGS)</i>	+HT

# WINE & SPIRITS BUSINESS CONTINUED TO ADVANCE ITS STRATEGY

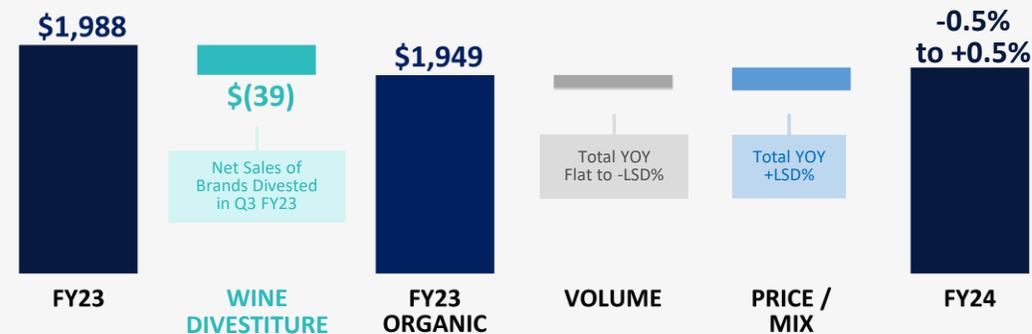
## Q2 FY24 vs Q2 FY23 RESULTS (\$ IN MILLIONS)

### NET SALES <sup>(1)</sup>

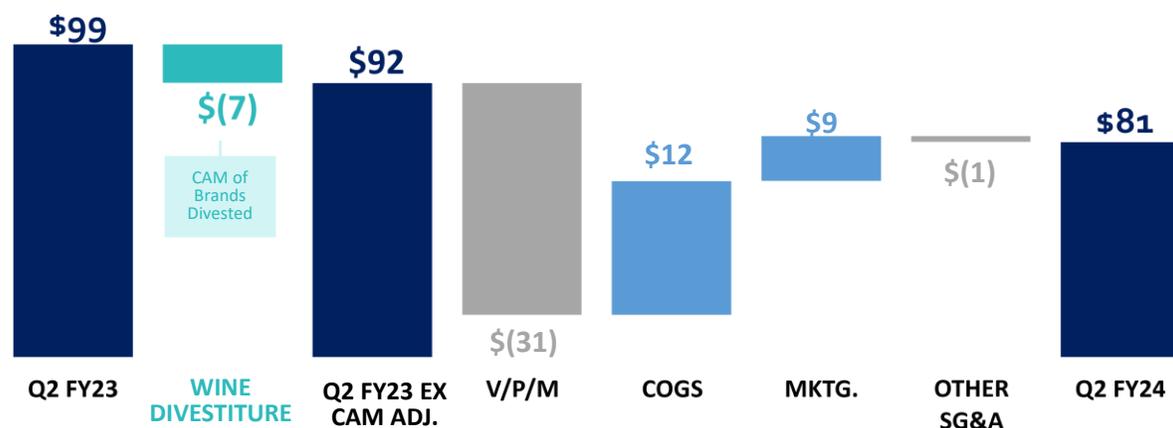


## FY24 OUTLOOK vs FY23 RESULTS (\$ IN MILLIONS)

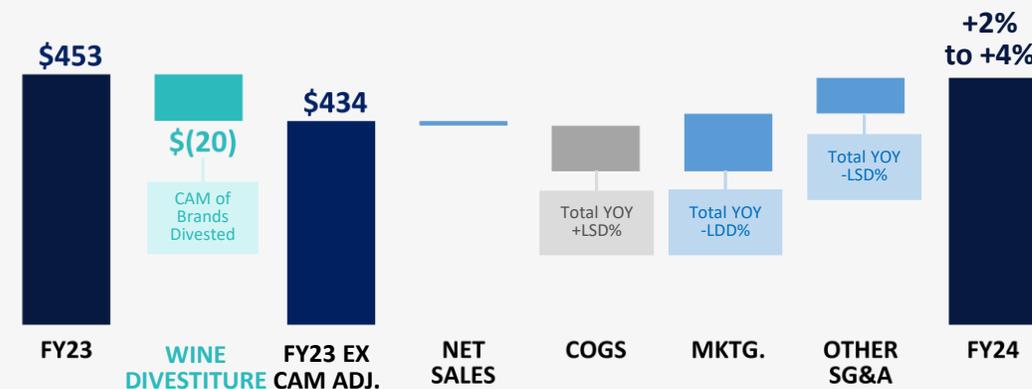
### NET SALES <sup>(1)</sup>



### OPERATING INCOME <sup>(1)(3)</sup>

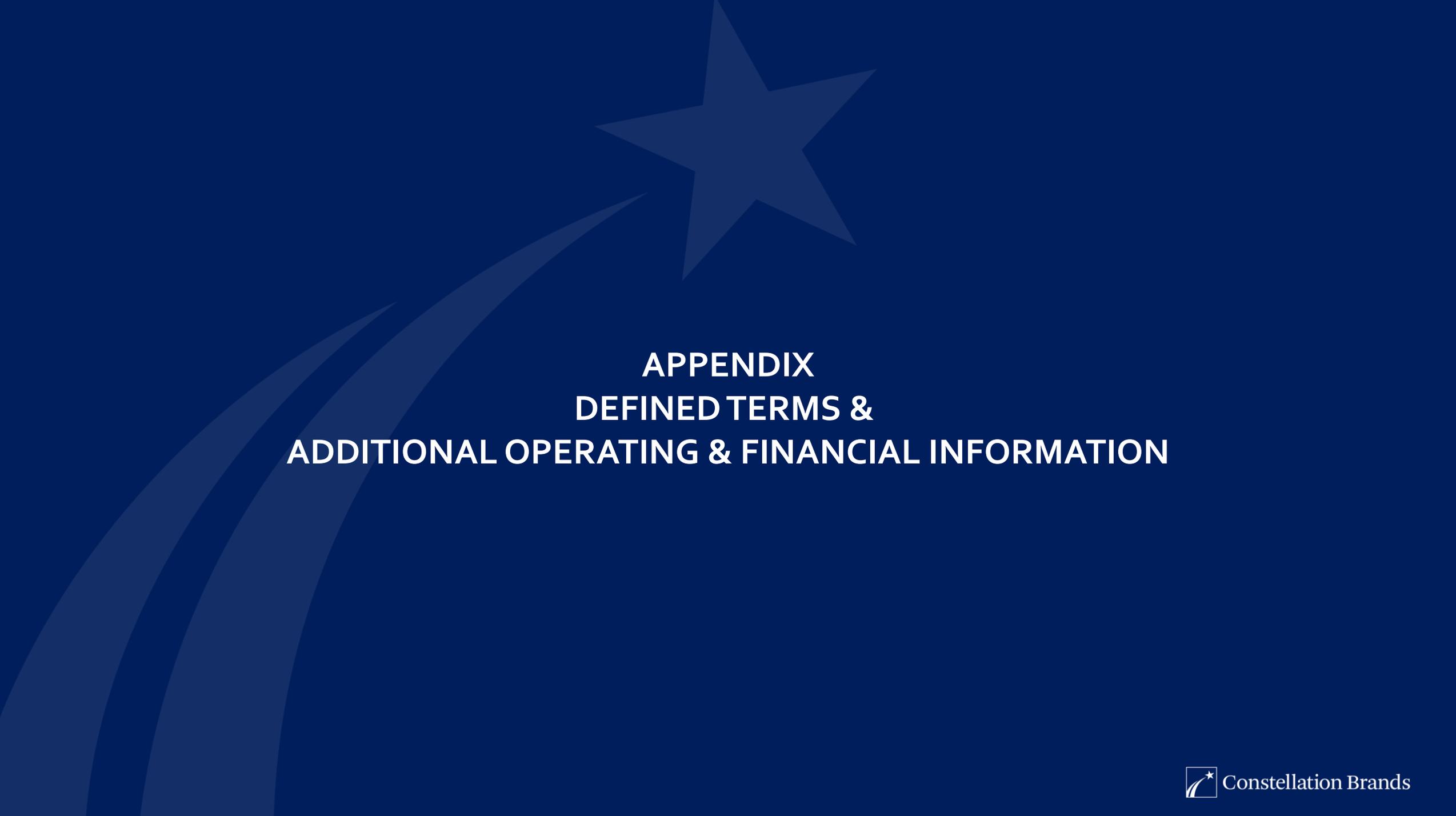


### OPERATING INCOME <sup>(1) (3)</sup>



# SECOND QUARTER FISCAL YEAR 2024 RESULTS & FULL YEAR OUTLOOK

(% CHANGES YOY)	Q2 FY24 RESULTS	FY24 OUTLOOK	OTHER FY24 OUTLOOK CONSIDERATIONS
<b>Net Sales</b>	<b>Beer:</b> \$2.4B   +12% <b>W&amp;S:</b> \$444M   (14%) Reported (11%) Organic <sup>(1)</sup>	<b>Beer:</b> +8% to +9% <b>W&amp;S:</b> (0.5%) to +0.5% Organic <sup>(2)</sup>	<b>Beer:</b> ~55% of volumes expected in H1 <b>W&amp;S:</b> ~55% of volumes expected in H2
<b>Segment Operating Income (Loss)</b>	<b>Beer:</b> \$954M   +10% <b>W&amp;S:</b> \$81M   (19%) Reported  <b>Corporate:</b> \$(67M)	<b>Beer:</b> +6% to +7% <b>W&amp;S:</b> +2% to +4%  <b>Corporate:</b> ~(\$270M)	<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) (Ex. Canopy)</b>	(\$6M)	~\$35M	Largely Opus contribution to W&S expected in Q3
<b>Interest Expense</b>	\$111M	~\$460M <sup>(4)</sup>	~5% of total debt on floating rates
<b>Comparable Tax Rate (Ex. Canopy)</b>	17.8%	~19%	NA
<b>Non-Controlling Interests</b>	\$10.7M	~\$40M	NA
<b>Diluted Shares Outstanding<sup>(3)</sup></b>	184.3M	184M <sup>(5)</sup>	~\$0.8B remaining buy-back authorization
<b>Reported EPS</b>	\$3.74	\$9.60 to \$9.80	NA
<b>Comparable EPS (Ex. Canopy)</b>	\$3.80	\$12.00 to \$12.20	NA
<b>Operating Cash Flow</b>	\$1.6B (Q2 FY24 YTD)	\$2.4B to \$2.6B	NA
<b>CAPEX</b>	\$0.6B (Q2 FY24 YTD)	\$1.2B to \$1.3B <b>Beer:</b> ~\$1B	<b>Beer:</b> Obregon 5M HL expansion online in Q1; Nava ABA 5M production line ramp-up in Q4
<b>Free Cash Flow</b>	\$1.0B (Q2 FY24 YTD)	\$1.2B to \$1.3B	NA



**APPENDIX  
DEFINED TERMS &  
ADDITIONAL OPERATING & FINANCIAL INFORMATION**

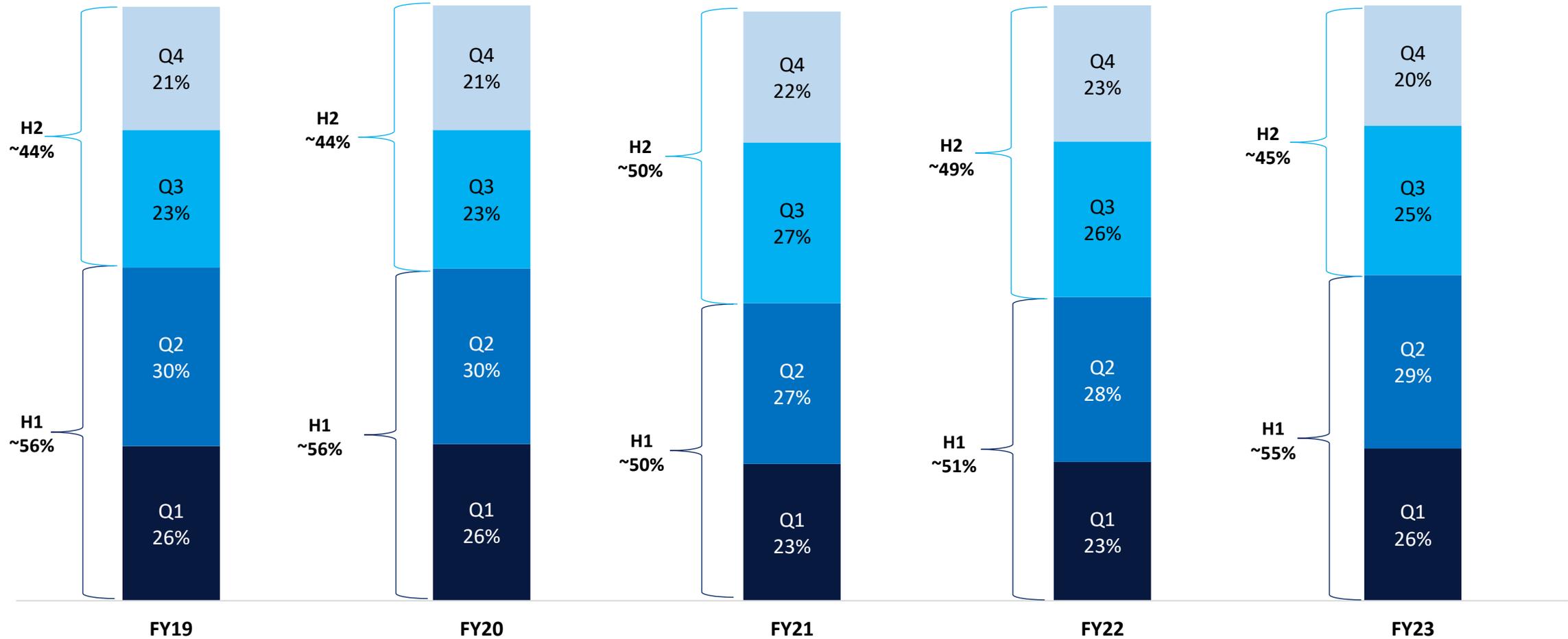
# DEFINED TERMS

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.

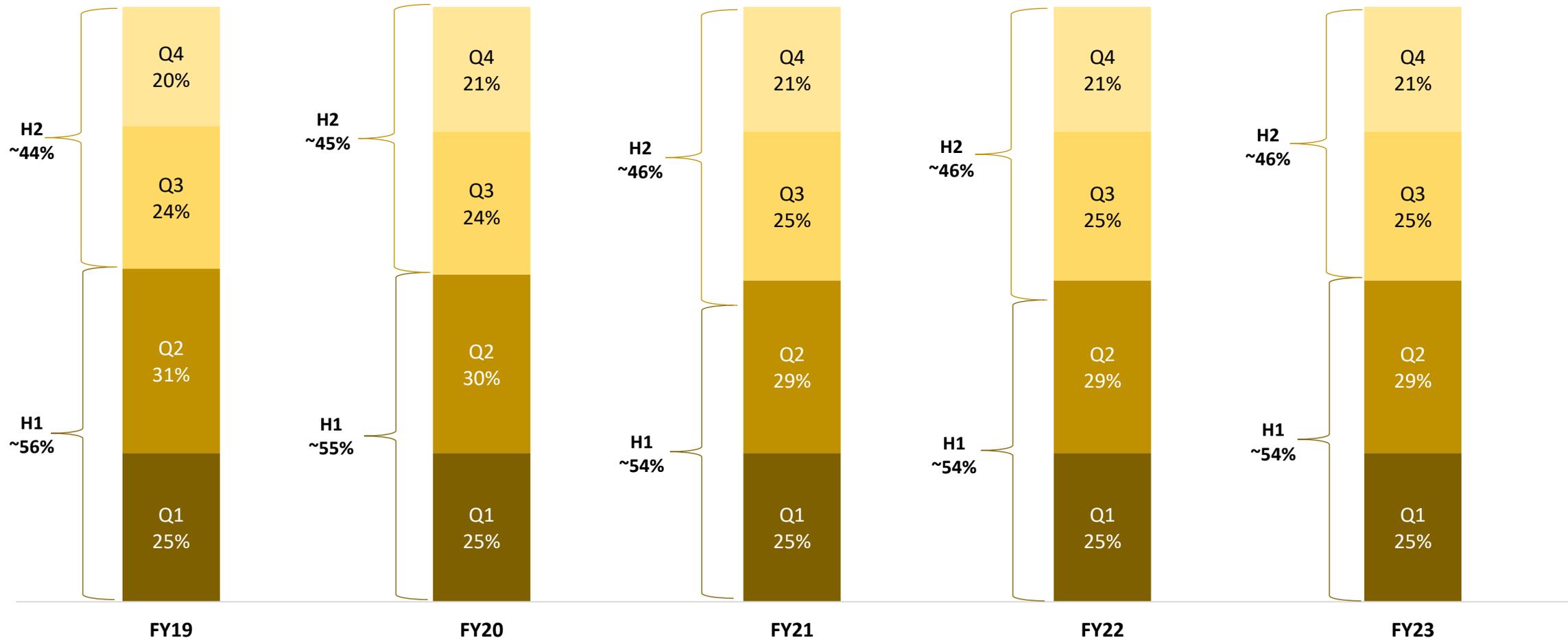
Term	Meaning
ABA	Alternative Beverage Alcohol
CAM	Contribution after marketing, which equals gross profit less marketing expenses
Canopy	Canopy Growth Corporation
Canopy Strategic Transaction(s)	Any potential acquisition, divestiture, investment, or other similar transaction made by Canopy, including but not limited to the Canopy Transaction
Canopy Transaction	Proposed corporate transaction by Canopy, including the creation of Exchangeable Shares, designed to consolidate its U.S. cannabis assets into Canopy USA
COGS	Cost of goods sold
Common Shares	Canopy's common shares
DEPR.	Depreciation
EBIT	Earnings before interest and taxes
EIE	Equity in earnings
ESG	Environmental, social, and governance
Exchangeable Shares	Proposed new class of non-voting and non-participating exchangeable shares in Canopy which will be convertible into Common Shares
FY	Fiscal year
GAAP	General accepted accounting principles in the U.S.
GHG	Greenhouse gas

Term	Meaning
HL	Hectoliters
HSD	High single-digit
HT	High teen
LDD	Low double-digit
LSD	Low single-digit
MKTG.	Marketing
MSD	Mid single-digit
NA	Not applicable
NM	Not meaningful
Reclassification	Reclassification, exchange, and conversion of the common stock to eliminate the Class B Common Stock pursuant to the terms and conditions of the reclassification agreement, dated June 30, 2022, among the Company and the members of the Sands stockholder group
SG&A	Selling, general, and administrative expenses
U.S.	United States of America
V/P/M	Volume / Price / Mix
Wine Divestiture	Divestiture of certain mainstream and premium wine brands and related inventory sold October 6, 2022
YOY	Year-over-year

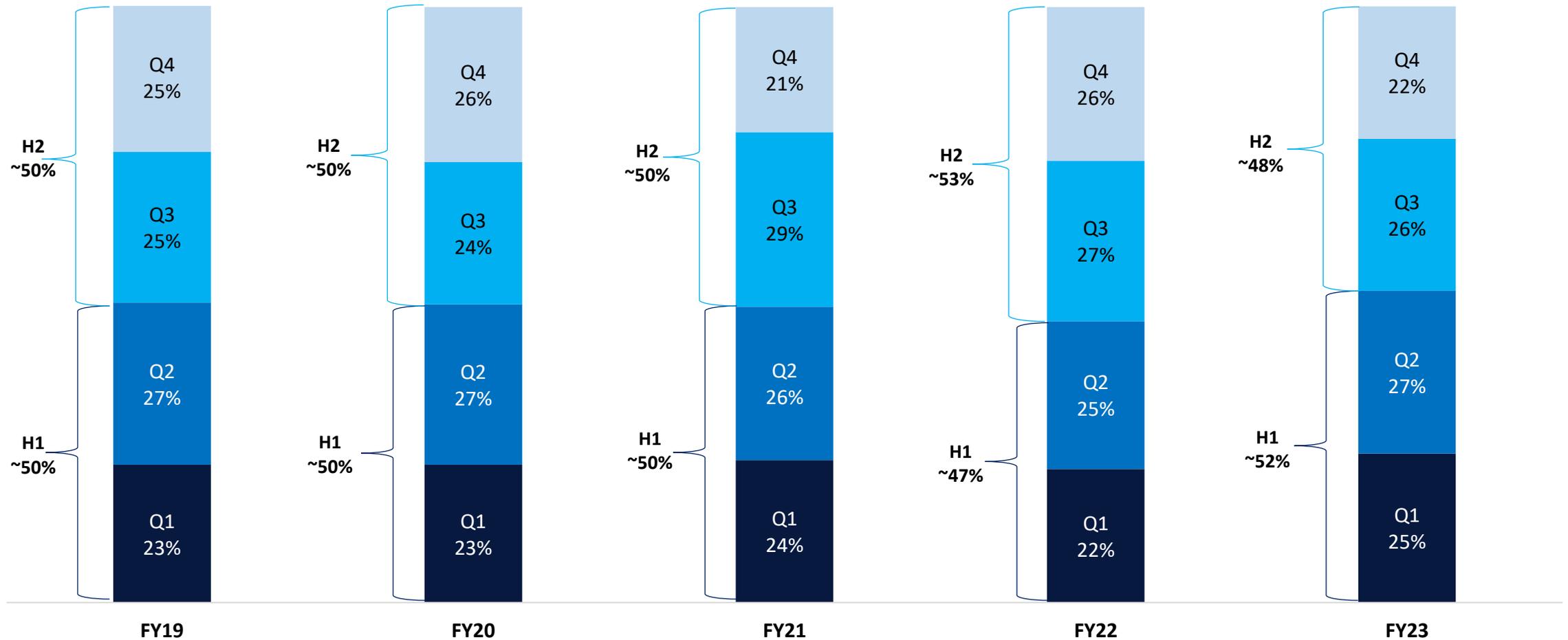
# HISTORICAL BEER BUSINESS SHIPMENT VOLUME CADENCE



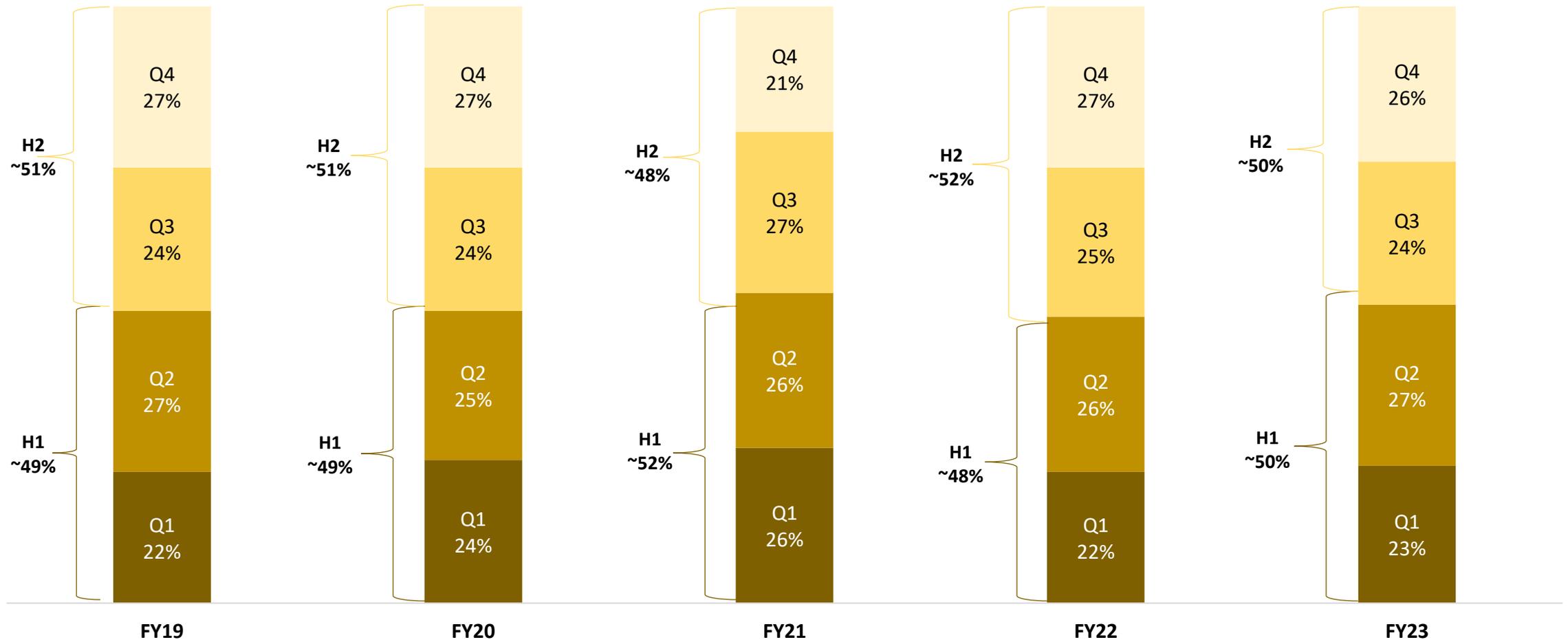
# HISTORICAL BEER BUSINESS DEPLETION VOLUME CADENCE



# HISTORICAL WINE & SPIRITS BUSINESS SHIPMENT VOLUME CADENCE



# HISTORICAL WINE & SPIRITS BUSINESS DEPLETION VOLUME CADENCE



# CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions)  
(unaudited)

	August 31, 2023	February 28, 2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 83.3	\$ 133.5
Accounts receivable	933.2	901.6
Inventories	1,814.0	1,898.7
Prepaid expenses and other	603.8	562.3
<b>Total current assets</b>	<b>3,434.3</b>	<b>3,496.1</b>
Property, plant, and equipment	7,580.3	6,865.2
Goodwill	7,985.6	7,925.4
Intangible assets	2,734.5	2,728.1
Equity method investments	277.1	663.3
Deferred income taxes	2,147.6	2,193.3
Other assets	770.6	790.9
<b>Total assets</b>	<b>\$ 24,930.0</b>	<b>\$ 24,662.3</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ 467.4	\$ 1,165.3
Current maturities of long-term debt	558.3	9.5
Accounts payable	978.8	941.5
Other accrued expenses and liabilities	853.0	852.0
<b>Total current liabilities</b>	<b>2,857.5</b>	<b>2,968.3</b>
Long-term debt, less current maturities	10,680.8	11,286.5
Deferred income taxes and other liabilities	1,667.7	1,673.6
<b>Total liabilities</b>	<b>15,206.0</b>	<b>15,928.4</b>
<b>CBI stockholders' equity</b>	<b>9,390.8</b>	<b>8,413.6</b>
Noncontrolling interests	333.2	320.3
<b>Total stockholders' equity</b>	<b>9,724.0</b>	<b>8,733.9</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 24,930.0</b>	<b>\$ 24,662.3</b>

# CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended		Six Months Ended	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Sales	\$ 3,053.0	\$ 2,864.3	\$ 5,752.5	\$ 5,405.0
Excise taxes	(216.2)	(209.2)	(400.8)	(386.7)
<b>Net sales</b>	<b>2,836.8</b>	<b>2,655.1</b>	<b>5,351.7</b>	<b>5,018.3</b>
Cost of product sold	(1,386.9)	(1,329.2)	(2,644.0)	(2,437.4)
<b>Gross profit</b>	<b>1,449.9</b>	<b>1,325.9</b>	<b>2,707.7</b>	<b>2,580.9</b>
Selling, general, and administrative expenses	(471.2)	(512.8)	(964.3)	(951.4)
<b>Operating income (loss)</b>	<b>978.7</b>	<b>813.1</b>	<b>1,743.4</b>	<b>1,629.5</b>
Income (loss) from unconsolidated investments	(20.2)	(1,719.1)	(435.6)	(1,907.0)
Interest expense	(110.6)	(94.3)	(228.8)	(182.8)
Loss on extinguishment of debt	—	(8.0)	(0.7)	(23.3)
<b>Income (loss) before income taxes</b>	<b>847.9</b>	<b>(1,008.3)</b>	<b>1,078.3</b>	<b>(483.6)</b>
(Provision for) benefit from income taxes	(147.2)	(132.4)	(238.4)	(257.8)
<b>Net income (loss)</b>	<b>700.7</b>	<b>(1,140.7)</b>	<b>839.9</b>	<b>(741.4)</b>
Net (income) loss attributable to noncontrolling interests	(10.7)	(10.5)	(14.0)	(20.3)
<b>Net income (loss) attributable to CBI</b>	<b>\$ 690.0</b>	<b>\$ (1,151.2)</b>	<b>\$ 825.9</b>	<b>\$ (761.7)</b>
<b>Net income (loss) per common share attributable to CBI:</b>				
Basic – Class A Common Stock	\$ 3.76	\$ (6.30)	\$ 4.50	\$ (4.13)
Basic – Class B Convertible Common Stock	NA	\$ (5.73)	NA	\$ (3.77)
<b>Diluted – Class A Common Stock</b>	<b>\$ 3.74</b>	<b>\$ (6.30)</b>	<b>\$ 4.49</b>	<b>\$ (4.13)</b>
Diluted – Class B Convertible Common Stock	NA	\$ (5.73)	NA	\$ (3.77)
<b>Weighted average common shares outstanding:</b>				
Basic – Class A Common Stock	183.498	161.730	183.384	163.532
Basic – Class B Convertible Common Stock	NA	23.206	NA	23.206
<b>Diluted – Class A Common Stock</b>	<b>184.277</b>	<b>161.730</b>	<b>184.074</b>	<b>163.532</b>
Diluted – Class B Convertible Common Stock	NA	23.206	NA	23.206
<b>Cash dividends declared per common share:</b>				
Class A Common Stock	\$ 0.89	\$ 0.80	\$ 1.78	\$ 1.60
Class B Convertible Common Stock	NA	\$ 0.72	NA	\$ 1.44

# CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)  
(unaudited)

	Six Months Ended	
	August 31, 2023	August 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 839.9	\$ (741.4)
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	74.4	31.7
Deferred tax provision (benefit)	26.3	208.6
Depreciation	213.7	183.5
Stock-based compensation	32.5	37.8
Equity in (earnings) losses of equity method investees and related activities, net of distributed earnings	226.5	815.6
Noncash lease expense	43.3	44.4
Amortization of debt issuance costs and loss on extinguishment of debt	6.1	28.2
Impairment of equity method investments	135.8	1,060.3
Gain (loss) on settlement of pre-issuance hedge contracts	1.2	20.7
Change in operating assets and liabilities, net of effects from purchase and sale of business:		
Accounts receivable	(30.0)	(84.8)
Inventories	81.3	(86.3)
Prepaid expenses and other current assets	(47.9)	165.6
Accounts payable	(56.4)	188.9
Deferred revenue	17.6	9.5
Other accrued expenses and liabilities	(33.9)	(287.7)
Other	91.6	59.7
Total adjustments	782.1	2,395.7
Net cash provided by (used in) operating activities	1,622.0	1,654.3

	Six Months Ended	
	August 31, 2023	August 31, 2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant, and equipment	(582.0)	(435.0)
Purchase of business, net of cash acquired	(7.5)	(37.2)
Investments in equity method investees and securities	(27.6)	(21.0)
Proceeds from sale of assets	14.8	6.6
Proceeds from sale of business	5.4	—
Other investing activities	(4.0)	0.6
Net cash provided by (used in) investing activities	(600.9)	(486.0)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	744.8	1,846.8
Principal payments of long-term debt	(805.1)	(1,654.7)
Net proceeds from (repayments of) short-term borrowings	(697.9)	340.9
Dividends paid	(327.6)	(295.3)
Purchases of treasury stock	(35.0)	(1,400.5)
Proceeds from shares issued under equity compensation plans	86.2	30.5
Payments of minimum tax withholdings on stock-based payment awards	(11.2)	(10.5)
Payments of debt issuance, debt extinguishment, and other financing costs	(5.3)	(33.3)
Distributions to noncontrolling interests	(21.3)	(22.5)
Net cash provided by (used in) financing activities	(1,072.4)	(1,198.6)
Effect of exchange rate changes on cash and cash equivalents	1.1	(4.0)
Net increase (decrease) in cash and cash equivalents	(50.2)	(34.3)
Cash and cash equivalents, beginning of period	133.5	199.4
Cash and cash equivalents, end of period	\$ 83.3	\$ 165.1

# RECONCILIATION OF REPORTED AND ORGANIC NET SALES

(in millions)  
(unaudited)

For periods of acquisition, we define organic net sales as current period reported net sales less net sales of products of acquired businesses reported for the current period, as appropriate. For periods of divestiture, we define organic net sales as prior period reported net sales less net sales of products of divested businesses reported for the prior period, as appropriate. We provide organic net sales because we use this information in monitoring and evaluating the underlying business trends of our core operations. Wine and Spirits net sales are provided by channel and market categories as management uses this information to monitor this business. In addition, we believe this information provides investors, financial analysts covering the Company, rating agencies, and other external users ("our investors") valuable insight on underlying business trends and results and, in the case of Wine and Spirits, the underlying composition of segment net sales and results, in order to evaluate year-over-year financial performance.

The divestiture impacting the period below consists of the sale of certain mainstream and premium wine brands and related inventory (the "Wine Divestiture") (sold October 6, 2022).

	Three Months Ended			Six Months Ended		
	August 31, 2023	August 31, 2022	Percent Change	August 31, 2023	August 31, 2022	Percent Change
<b>Consolidated net sales</b>	\$ 2,836.8	\$ 2,655.1	7%	\$ 5,351.7	\$ 5,018.3	7%
Wine Divestiture <sup>(1)</sup>	—	(14.4)		—	(34.8)	
<b>Consolidated organic net sales</b>	<u>\$ 2,836.8</u>	<u>\$ 2,640.7</u>	7%	<u>\$ 5,351.7</u>	<u>\$ 4,983.5</u>	7%
<b>Beer net sales</b>	\$ 2,392.7	\$ 2,139.3	12%	\$ 4,491.3	\$ 4,037.5	11%
<b>Wine and Spirits net sales <sup>(2)</sup></b>	\$ 444.1	\$ 515.8	(14%)	\$ 860.4	\$ 980.8	(12%)
Wine Divestiture <sup>(1)</sup>	—	(14.4)		—	(34.8)	
<b>Wine and Spirits organic net sales</b>	<u>\$ 444.1</u>	<u>\$ 501.4</u>	(11%)	<u>\$ 860.4</u>	<u>\$ 946.0</u>	(9%)

<sup>(1)</sup> For the periods June 1, 2022, through August 31, 2022, and March 1, 2022, through August 31, 2022, included in the three months and six months ended August 31, 2022, respectively.

<sup>(2)</sup> Wine and Spirits net sales by channel and market categories are as follows:

	Three Months Ended			Six Months Ended		
	August 31, 2023	August 31, 2022	Percent Change	August 31, 2023	August 31, 2022	Percent Change
U.S. Wholesale <sup>(i)</sup>	\$ 370.3	\$ 422.0	(12%)	\$ 714.5	\$ 797.3	(10%)
International <sup>(i)</sup>	45.9	56.3	(18%)	90.3	112.3	(20%)
DTC	11.5	12.4	(7%)	28.7	27.6	4%
Other	16.4	25.1	(35%)	26.9	43.6	(38%)
<b>Wine and Spirits net sales</b>	<u>\$ 444.1</u>	<u>\$ 515.8</u>	(14%)	<u>\$ 860.4</u>	<u>\$ 980.8</u>	(12%)

<sup>(i)</sup> Includes the impacts of the Wine Divestiture.

# SUPPLEMENTAL SHIPMENT AND DEPLETION INFORMATION

(in millions)  
(unaudited)

	Three Months Ended			Six Months Ended		
	August 31, 2023	August 31, 2022	Percent Change	August 31, 2023	August 31, 2022	Percent Change
<b>Beer</b>						
(branded product, 24-pack, 12-ounce case equivalents)						
Shipments	123.0	113.2	8.7%	230.0	212.7	8.1%
Depletions <sup>(1)</sup>			7.9%			6.8%
<b>Wine and Spirits</b>						
(branded product, 9-liter case equivalents)						
Shipments	6.1	7.4	(17.6%)	12.0	14.2	(15.5%)
Organic shipments <sup>(2)</sup>	6.1	7.2	(15.3%)	12.0	13.7	(12.4%)
U.S. Domestic shipments	5.4	6.4	(15.6%)	10.6	12.2	(13.1%)
U.S. Domestic organic shipments <sup>(2)</sup>	5.4	6.3	(14.3%)	10.6	11.9	(10.9%)
Depletions <sup>(1) (2)</sup>			(7.8%)			(7.0%)

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

<sup>(2)</sup> Includes adjustments to remove volumes associated with the Wine Divestiture for the periods June 1, 2022, through August 31, 2022, and March 1, 2022, through August 31, 2022, included in the three months and six months ended August 31, 2022, respectively.

# SUMMARIZED SEGMENT 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			Six Months Ended		
	August 31, 2023	August 31, 2022	Percent Change	August 31, 2023	August 31, 2022	Percent Change
<b>Consolidated</b>						
Net sales	\$ 2,836.8	\$ 2,655.1	7%	\$ 5,351.7	\$ 5,018.3	7%
Gross profit	\$ 1,449.9	\$ 1,325.9	9%	\$ 2,707.7	\$ 2,580.9	5%
Operating income (loss)	\$ 978.7	\$ 813.1	20%	\$ 1,743.4	\$ 1,629.5	7%
<b>Comparable adjustments</b>						
Gross profit	\$ 23.9	\$ (46.4)	NM	\$ (10.9)	\$ (22.0)	NM
Operating income (loss)	\$ 10.9	\$ (69.6)	NM	\$ (51.6)	\$ (45.7)	NM
<b>Beer</b>						
Net sales	\$ 2,392.7	\$ 2,139.3	12%	\$ 4,491.3	\$ 4,037.5	11%
Segment gross profit	\$ 1,228.7	\$ 1,147.6	7%	\$ 2,327.4	\$ 2,167.1	7%
% Net sales	51.4 %	53.6 %		51.8 %	53.7 %	
Segment operating income (loss)	\$ 953.9	\$ 865.6	10%	\$ 1,751.7	\$ 1,628.4	8%
% Net sales	39.9 %	40.5 %		39.0 %	40.3 %	
<b>Wine and Spirits</b>						
Wine net sales	\$ 383.9	\$ 442.0	(13%)	\$ 744.9	\$ 846.1	(12%)
Spirits net sales	60.2	73.8	(18%)	115.5	134.7	(14%)
Net sales	\$ 444.1	\$ 515.8	(14%)	\$ 860.4	\$ 980.8	(12%)
Segment gross profit	\$ 197.3	\$ 224.7	(12%)	\$ 391.2	\$ 435.8	(10%)
% Net sales	44.4 %	43.6 %		45.5 %	44.4 %	
Segment operating income (loss)	\$ 80.7	\$ 99.4	(19%)	\$ 160.0	\$ 190.4	(16%)
% Net sales	18.2 %	19.3 %		18.6 %	19.4 %	
<b>Corporate Operations and Other</b>						
Segment operating income (loss)	\$ (66.8)	\$ (82.3)	19%	\$ (116.7)	\$ (143.6)	19%

# 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			Six Months Ended		
	August 31, 2023	August 31, 2022	Percent Change	August 31, 2023	August 31, 2022	Percent Change
<b>Operating income (loss) (GAAP)</b>	\$ 978.7	\$ 813.1	20%	\$ 1,743.4	\$ 1,629.5	7%
Less: Comparable adjustments (Non-GAAP) <sup>(1)</sup>	10.9	(69.6)		(51.6)	(45.7)	
<b>Comparable operating income (loss) (Non-GAAP)</b>	\$ 967.8	\$ 882.7	10%	\$ 1,795.0	\$ 1,675.2	7%
<b>Net income (loss) attributable to CBI (GAAP)</b>	\$ 690.0	\$ (1,151.2)	NM	\$ 825.9	\$ (761.7)	NM
Plus: Net income (loss) attributable to noncontrolling interests (GAAP)	10.7	10.5		14.0	20.3	
Provision for (benefit from) income taxes (GAAP)	147.2	132.4		238.4	257.8	
Loss on extinguishment of debt (GAAP)	—	8.0		0.7	23.3	
Interest expense (GAAP)	110.6	94.3		228.8	182.8	
<b>Adjusted EBIT (Non-GAAP)</b>	958.5	(906.0)	NM	1,307.8	(277.5)	NM
Less: Comparable adjustments (Non-GAAP) <sup>(1)</sup>	3.5	(1,755.1)		(443.4)	(1,866.6)	
<b>Comparable EBIT (Non-GAAP)</b>	\$ 955.0	\$ 849.1	12%	\$ 1,751.2	\$ 1,589.1	10%
<b>Net income (loss) attributable to CBI (GAAP)</b>	\$ 690.0	\$ (1,151.2)	NM	\$ 825.9	\$ (761.7)	NM
Less: Comparable adjustments (Non-GAAP) <sup>(1)</sup>	8.2	(1,739.9)		(390.4)	(1,854.2)	
<b>Comparable net income (loss) attributable to CBI (Non-GAAP)</b>	\$ 681.8	\$ 588.7	16%	\$ 1,216.3	\$ 1,092.5	11%
<b>EPS (GAAP)</b>	\$ 3.74	\$ (6.30)	NM	\$ 4.49	\$ (4.13)	NM
Less: Comparable adjustments (Non-GAAP) <sup>(1)</sup>	0.04	(9.37)		(2.12)	(9.89)	
<b>Comparable EPS (Non-GAAP) <sup>(2)</sup></b>	\$ 3.70	\$ 3.17	17%	\$ 6.61	\$ 5.83	13%
Weighted average common shares outstanding - diluted <sup>(2)</sup>	184.277	185.737		184.074	187.540	

(1) See Slide 25 for further information on comparable adjustments. The comparable adjustments and comparable basis diluted net income (loss) per share ("comparable EPS") are calculated on a fully dilutive basis. Comparable EPS may not sum due to rounding as each item is computed independently.

(2) 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. For the three months and six months ended August 31, 2022, we have excluded 24.007 million and 24.008 million weighted average common shares outstanding, respectively, from the calculation of comparable EPS, as the effect of including these would have been anti-dilutive.

# 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		Six Months Ended	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Net gain (loss) on undesignated commodity derivative contracts	\$ 19.1	\$ (15.4)	\$ (15.6)	\$ 33.1
Settlements of undesignated commodity derivative contracts	5.6	(31.3)	6.2	(54.6)
Flow through of inventory step-up	(0.8)	(0.9)	(1.5)	(1.9)
Net flow through of reserved inventory	—	1.2	—	1.2
Recovery of (loss on) inventory write-down	—	—	—	0.2
<b>Comparable adjustments, Gross profit</b>	<b>23.9</b>	<b>(46.4)</b>	<b>(10.9)</b>	<b>(22.0)</b>
Transition services agreements activity	(7.0)	(4.5)	(12.7)	(7.9)
Restructuring and other strategic business development costs	(3.4)	(1.2)	(18.3)	(2.6)
Transaction, integration, and other acquisition-related costs	(0.3)	(0.5)	(0.6)	(0.7)
Costs associated with the Reclassification	—	(20.6)	0.2	(21.3)
Other gains (losses)	(2.3)	3.6	(9.3)	8.8
<b>Comparable adjustments, Operating income (loss)</b>	<b>10.9</b>	<b>(69.6)</b>	<b>(51.6)</b>	<b>(45.7)</b>
Comparable adjustments, Income (loss) from unconsolidated investments	(7.4)	(1,685.5)	(391.8)	(1,820.9)
<b>Comparable adjustments, Adjusted EBIT</b>	<b>3.5</b>	<b>(1,755.1)</b>	<b>(443.4)</b>	<b>(1,866.6)</b>
Comparable adjustments, Loss on extinguishment of debt	—	(8.0)	(0.7)	(23.3)
Comparable adjustments, (Provision for) benefit from income taxes	4.7	23.2	53.7	35.7
<b>Comparable adjustments, Net income (loss) attributable to CBI</b>	<b>\$ 8.2</b>	<b>\$ (1,739.9)</b>	<b>\$ (390.4)</b>	<b>\$ (1,854.2)</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.

## *Net flow through of reserved inventory*

We sold reserved inventory previously written down following the 2020 U.S. West Coast wildfires.

## *Recovery of (loss on) inventory write-down*

We recognized a gain from a change in estimate on reserved bulk wine inventory and certain grapes as a result of smoke damage sustained during the 2020 U.S. West Coast wildfires.

## *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 the Wine and Spirits segment.

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

We recognized transaction, integration, and other acquisition-related costs in connection with our investments, acquisitions, and divestitures.

## *Costs associated with the Reclassification*

We recognized costs primarily related to professional and consulting fees and all filing and other fees paid to the Securities and Exchange Commission in connection with the reclassification, conversion, and exchange of our Class B Convertible Common Stock into our Class A Common Stock (the "Reclassification").

# RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (CONTINUED)

## *Other gains (losses)*

Primarily includes the following:

	Three Months Ended		Six Months Ended	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Gain (loss) on sale of business	\$ (7.9)	\$ —	\$ (14.9)	\$ —
Recognition of previously deferred gain upon release of a related indemnity	\$ 5.6	\$ —	\$ 5.6	\$ —
Decrease (increase) in estimated fair values of contingent liabilities associated with prior period acquisitions	\$ —	\$ 4.4	\$ —	\$ 4.4
Gain from remeasurement of previously held equity method investments	\$ —	\$ —	\$ —	\$ 5.2

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

Primarily includes the following:

	Three Months Ended		Six Months Ended	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Impairment of equity method investments	\$ (12.3)	\$ (1,060.3)	\$ (135.8)	\$ (1,060.3)
Unrealized gain (loss) from the changes in fair value of our securities measured at fair value	\$ (2.6)	\$ (9.3)	\$ (74.4)	\$ (31.7)
Comparable adjustments to Canopy EIE	\$ 7.5	\$ (615.9)	\$ (181.5)	\$ (728.9)

## *Comparable adjustments, Loss on extinguishment of debt*

We recognized losses primarily from a premium payment and the write-off of debt issuance costs in connection with tender offers of certain senior notes and make-whole payments resulting from the early redemption of certain senior notes.

## *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		Six Months Ended	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Net income tax benefit recognized as a result of a change in tax entity classification	\$ 2.3	\$ —	\$ 31.2	\$ —
Net income tax benefit recognized as a result of a legislative update in Switzerland	\$ —	\$ —	\$ 4.7	\$ —
Net income tax benefit related to a prior period divestiture	\$ —	\$ 150.4	\$ —	\$ 150.4
Net income tax (provision) benefit recognized for adjustments to valuation allowances	\$ —	\$ (192.0)	\$ —	\$ (192.0)

# 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")

The measures that exclude all of our equity in the earnings (losses) of Canopy and related activities on a reported basis are defined as "excluding Canopy EIE." Financial measures excluding Canopy EIE are non-GAAP and are provided because management uses this information to monitor our investment in Canopy. In addition, we believe this information provides our investors valuable insight to understand how management views the Company's performance and on underlying business trends and results in order to evaluate year-over-year financial performance of our ongoing core business, including relative to industry competitors.

	Three Months Ended		Six Months Ended	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
(in millions)				
<b>Equity earnings (losses) and related activities, Canopy EIE (GAAP) <sup>(1)</sup></b>	\$ (12.0)	\$ (650.7)	\$ (231.8)	\$ (815.7)
(Provision for) benefit from income taxes <sup>(2)</sup>	1.7	28.2	8.2	48.4
<b>Net income (loss) attributable to CBI, Canopy EIE (GAAP) <sup>(1)</sup></b>	<b>\$ (10.3)</b>	<b>\$ (622.5)</b>	<b>\$ (223.6)</b>	<b>\$ (767.3)</b>
<b>Equity earnings (losses) and related activities, Canopy EIE (GAAP) <sup>(1)</sup></b>	\$ (12.0)	\$ (650.7)	\$ (231.8)	\$ (815.7)
Net (gain) loss on fair value financial instruments	(15.0)	52.7	(8.1)	61.6
(Gain) loss on dilution of Canopy stock ownership	4.2	93.5	7.8	94.0
Acquisition costs	1.8	1.1	2.7	1.5
Restructuring and other strategic business development costs	0.4	1.8	161.0	102.7
Goodwill impairment	—	460.8	14.1	460.8
Other (gains) losses, net	1.1	6.0	4.0	8.3
<b>Comparable adjustments, Canopy EIE (Non-GAAP)</b>	<b>(7.5)</b>	<b>615.9</b>	<b>181.5</b>	<b>728.9</b>
<b>Comparable equity earnings (losses), Canopy EIE (Non-GAAP) <sup>(1)</sup></b>	<b>(19.5)</b>	<b>(34.8)</b>	<b>(50.3)</b>	<b>(86.8)</b>
Comparable (provision for) benefit from income taxes (Non-GAAP) <sup>(2)</sup>	1.7	4.5	8.2	11.7
<b>Comparable net income (loss) attributable to CBI, Canopy EIE (Non-GAAP) <sup>(1)</sup></b>	<b>\$ (17.8)</b>	<b>\$ (30.3)</b>	<b>\$ (42.1)</b>	<b>\$ (75.1)</b>

	Three Months Ended		Six Months Ended	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
<b>EPS, Canopy EIE (GAAP)</b>	\$ (0.06)	\$ (3.35)	\$ (1.21)	\$ (4.09)
Comparable adjustments, Canopy EIE (Non-GAAP)	(0.04)	3.19	0.99	3.69
<b>Comparable EPS, Canopy EIE (Non-GAAP) <sup>(3)</sup></b>	<b>\$ (0.10)</b>	<b>\$ (0.16)</b>	<b>\$ (0.23)</b>	<b>\$ (0.40)</b>

# RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (CONTINUED)

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

	Three Months Ended					
	August 31, 2023			August 31, 2022		
	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>	\$ 847.9	\$ (147.2)	17.4 %	\$ (1,008.3)	\$ (132.4)	(13.1)%
Comparable adjustments - (Non-GAAP)	(3.5)	(4.7)		1,763.1	(23.2)	
<b>Comparable basis (Non-GAAP)</b>	844.4	(151.9)	18.0 %	754.8	(155.6)	20.6 %
Less: Comparable basis, Canopy EIE (Non-GAAP)	(19.5)	1.7		(34.8)	4.5	
<b>Comparable basis, excluding Canopy EIE (Non-GAAP)</b>	\$ 863.9	\$ (153.6)	17.8 %	\$ 789.6	\$ (160.1)	20.3 %

	Three Months Ended		Six Months Ended	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
<b>Comparable EPS (Non-GAAP) <sup>(5)</sup></b>	\$ 3.70	\$ 3.17	\$ 6.61	\$ 5.83
Comparable EPS, Canopy EIE (Non-GAAP)	0.10	0.16	0.23	0.40
<b>Comparable EPS, excluding Canopy EIE (Non-GAAP) <sup>(3)</sup></b>	\$ 3.80	\$ 3.33	\$ 6.84	\$ 6.23

<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.

# RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (CONTINUED)

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

EPS Guidance	Range for the Year Ending February 29, 2024	
<b>Forecasted EPS (GAAP)</b>	\$ 9.60	\$ 9.80
Comparable adjustments (Non-GAAP) <sup>(1)</sup>	2.17	2.17
Comparable basis, Canopy EIE (Non-GAAP)	0.23	0.23
<b>Forecasted comparable EPS, excluding Canopy EIE (Non-GAAP) <sup>(2)</sup></b>	<b>\$ 12.00</b>	<b>\$ 12.20</b>
		Actual for the Year Ended February 28, 2023
<b>EPS (GAAP) <sup>(3)</sup></b>		<b>\$ (0.11)</b>
Reclassification (Non-GAAP) <sup>(4)</sup>		(0.27)
Comparable adjustments (Non-GAAP) <sup>(1)</sup>		11.03
<b>Comparable EPS (Non-GAAP) <sup>(2)</sup></b>		<b>10.65</b>
Comparable basis, Canopy EIE (Non-GAAP)		0.75
<b>Comparable EPS, excluding Canopy EIE (Non-GAAP) <sup>(2)</sup></b>		<b>\$ 11.40</b>

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

	Estimated for the Year Ending February 29, 2024	Actual for the Year Ended February 28, 2023
(Income) loss from unconsolidated investments	\$ 2.11	\$ 9.92
Transition services agreements activity	\$ 0.10	\$ 0.08
Restructuring and other strategic business development costs	\$ 0.08	\$ 0.04
Net (gain) loss on undesignated commodity derivative contracts	\$ 0.06	\$ 0.06
Net (gain) loss on sale of business	\$ 0.06	\$ (0.05)
Flow through of inventory step-up	\$ 0.01	\$ 0.02
Net income tax benefit recognized as a result of a change in tax entity classification	\$ (0.17)	\$ —
Net income tax provision (benefit) recognized as a result of a legislative update in Switzerland	\$ (0.03)	\$ 0.06
Settlements of undesignated commodity derivative contracts	\$ (0.03)	\$ 0.31
Other (gains) losses	\$ (0.03)	\$ (0.11)
Net income tax provision recognized for adjustments to valuation allowances	\$ —	\$ 1.03
Impairments of assets	\$ —	\$ 0.27
Costs associated with the Reclassification	\$ —	\$ 0.20
Loss on extinguishment of debt	\$ —	\$ 0.10
Transaction, integration, and other acquisition-related costs	\$ —	\$ 0.01
Net income tax benefit related to a prior period divestiture	\$ —	\$ (0.89)
Net flow through of reserved inventory	\$ —	\$ (0.01)

<sup>(2)</sup> May not sum due to (i) rounding as each item is computed independently and (ii) income allocated through the date of the Reclassification for the year ended February 28, 2023. The comparable adjustments and comparable EPS are calculated on a fully dilutive basis.

<sup>(3)</sup> EPS was computed using the two-class method, until such conversion took place pursuant to Reclassification.

<sup>(4)</sup> Adjustment for income allocated through the date of the Reclassification.

# 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 29, 2024	
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$ 2,400.0</b>	<b>\$ 2,600.0</b>
Purchase of property, plant, and equipment	(1,200.0)	(1,300.0)
<b>Free cash flow (Non-GAAP)</b>	<b>\$ 1,200.0</b>	<b>\$ 1,300.0</b>
	Six Months Ended	
	August 31, 2023	August 31, 2022
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$ 1,622.0</b>	<b>\$ 1,654.3</b>
Purchase of property, plant, and equipment	(582.0)	(435.0)
<b>Free cash flow (Non-GAAP)</b>	<b>\$ 1,040.0</b>	<b>\$ 1,219.3</b>

THANK YOU



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