



# Constellation Brands

WORTH REACHING FOR

**FISCAL YEAR 2023 FINANCIAL RESULTS  
& FISCAL YEAR 2024 OUTLOOK**

# 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,” “scheduled,” “implementing,” “could,” “might,” “should,” “believe,” 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, future operations, innovation and DBA strategies, the refinement of our wine and spirits portfolio, new products, future financial position and liquidity, future, target, or expected growth and growth drivers, future net sales, operating income (loss), expenses, depreciation, equity in earnings, interest expense, tax rate, 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, our ESG strategy, corporate social responsibility and sustainability initiatives, environmental stewardship targets, and human capital and DEI objectives, goals, 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, our beer expansion, optimization, and/or construction activities, including anticipated scope, capacity, supply, costs, capital expenditures, and timeframes for completion, and capital allocation priorities and commitments.

# FORWARD-LOOKING STATEMENTS (CONT.)

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 constraints, transportation challenges (including from labor strikes or other labor activities), 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 and the performance of our distributors; 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; the impact of the military conflict in Ukraine and associated geopolitical tensions and responses, including on inflation, supply chains, commodities, energy, and cyber-security; communicable disease outbreaks, pandemics, or other widespread public health crises, including duration and impact of the COVID-19 pandemic and associated governmental containment actions; the amount, timing, and source of funds for any share repurchases and number of shares outstanding; the amount and timing of future dividends which are subject to the determination and discretion of our Board of Directors and may be impacted if our ability to use cash flow to fund dividends is affected by unanticipated increases in total net debt, we are unable to generate cash flow at anticipated levels, or we fail to generate expected earnings; the impact and fair value of our investment in Canopy; 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; any impact of U.S. federal laws on Canopy Strategic Transactions; 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 cannabis industry, including legalization, the demand for cannabis products, and operational risks inherent in the conduct of cannabis activities; expected benefits of our investment in Canopy that may not materialize in the manner or timeframe expected or at all; the transaction to consolidate Canopy's U.S. cannabis assets and our plans to exchange our remaining notes in Canopy for Exchangeable Shares which may not be completed at all, including because Canopy may not receive the required approval of its shareholders, that such transactions, if completed, may significantly alter our relationship with and investment in Canopy, including by Canopy no longer being able to derive benefits from its current strategic relationship with us, which could negatively impact Canopy, by limiting our right or opportunity to derive economic benefits from our investment in Canopy if Canopy declares dividends or dissolves and we continue to hold Exchangeable Shares or to increase our ownership in Canopy if Canopy's stock price were to recover prior to the expiration of our Canopy warrants that would be surrendered, or by the potential to subject our financial statements to additional volatility if we account for the Exchangeable Shares at fair value; Canopy's consolidation of its U.S. cannabis assets if it is not viewed favorably by members of the investment community, whether or not it is completed, which may cause a decrease in the value of Canopy's common shares and impair its liquidity and marketability or that if such transaction is not completed for any reason, then Canopy will have expended substantial time and resources that could otherwise have been spent on Canopy's existing businesses and the pursuit of other opportunities that could have been beneficial to Canopy; the potential that Canopy will not remain listed on the stock exchanges it is currently listed on and related impacts; the expected impacts of wine and spirits portfolio refinement activities; 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; purchase accounting with respect to any transaction, or the assumptions used regarding the assets purchased and liabilities assumed to determine their fair value; our ability to achieve and timeframes for achieving expected target debt leverage ratios, cash flows, operating margin, earnings, and other financial metrics; receipt of any necessary regulatory approvals; operating and financial risks related to managing future growth; competition in our industry or in the cannabis industry; financing, market, economic, regulatory, and environmental risks; general economic, geopolitical, domestic, international, and regulatory conditions, world financial market and banking sector, including economic slowdown or recession; 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 previously announced acquisitions, investments, and divestitures as well as others associated with Canopy; accuracy of forecasts relating to joint venture businesses; the actual amount and timing of cost reductions based on management's final plans; the ability to recognize anticipated benefits of the Reclassification; the impact of the Reclassification on the market price of our common stock; 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, 2022 and our Quarterly Report on Form 10-Q for the quarter ended November 30, 2022. Forward-looking statements are made as of April 6, 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 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. 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 organic basis.

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

Unless otherwise indicated, the information presented is as of April 6, 2023. 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.

# FISCAL YEAR 2023 FINANCIAL HIGHLIGHTS

	Net Sales	Operating Income	Net Income (Loss) Attributable to CBI	EBIT	Diluted Net Income (Loss) Per Share Attributable to CBI (EPS)	Diluted EPS Excluding Canopy
<b>Fiscal Year 2023 <sup>(1)</sup>   In millions, except per share data</b>						
Reported	\$9,453	\$2,843	\$(71)	NA	\$(0.11)	NA
% Change	7%	22%	\$(76)	NA	50%	NA
Comparable	\$9,453	\$3,037	\$1,982	\$2,908	\$10.65	\$11.40
% Change	7%	3%	1%	4%	4%	4%

<i>beer</i>	Shipments	Depletions	Net Sales	Operating Income
<b>Year Ended   In millions; branded product, 24-pack, 12-ounce case equivalents</b>				
February 28, 2023	389.2		\$7,465.0	\$2,861.5
February 28, 2022	364.2		\$6,751.6	\$2,703.3
% Change	6.9%	7.5%	11%	6%

<i>wine and spirits</i>	Shipments	Organic Shipments	Depletions	Net Sales <sup>(1)</sup>	Organic Net Sales	Operating Income <sup>(1)</sup>
<b>Year Ended   In millions; branded product, 24-pack, 12-ounce case equivalents</b>						
February 28, 2023	27.1	27.1		\$1,987.6	\$1,987.6	\$453.1
February 28, 2022	29.9	29.4		\$2,069.1	\$2,025.0	\$470.7
% Change	(9.4%)	(7.8%)	(3.0%)	(4%)	(2%)	(4%)

# FISCAL YEAR 2023 KEY TAKEAWAYS

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**COMPANY DELIVERS RECORD NET SALES OF \$9.5 BILLION AND IS RECOGNIZED AS A CPG GROWTH LEADER FOR 10<sup>TH</sup> CONSECUTIVE YEAR <sup>(1)</sup>**



**BEER BUSINESS DELIVERS 7.5% DEPLETION GROWTH AND OUTPERFORMS NET SALES AND OPERATING INCOME GROWTH OUTLOOK <sup>(2)</sup>**



**WINE AND SPIRITS BUSINESS FURTHER PREMIUMIZES PORTFOLIO AND GROWS OMNI-CHANNEL AND INTERNATIONAL FOOTPRINT**



**NEARLY \$2.3 BILLION RETURNED TO SHAREHOLDERS IN SHARE REPURCHASES AND DIVIDENDS <sup>(2)</sup>**



# DELIVERING AGAINST OUR STRATEGIC INITIATIVES IN FISCAL YEAR 2023

## FY23 DEPLETION GROWTH <sup>(1)</sup>

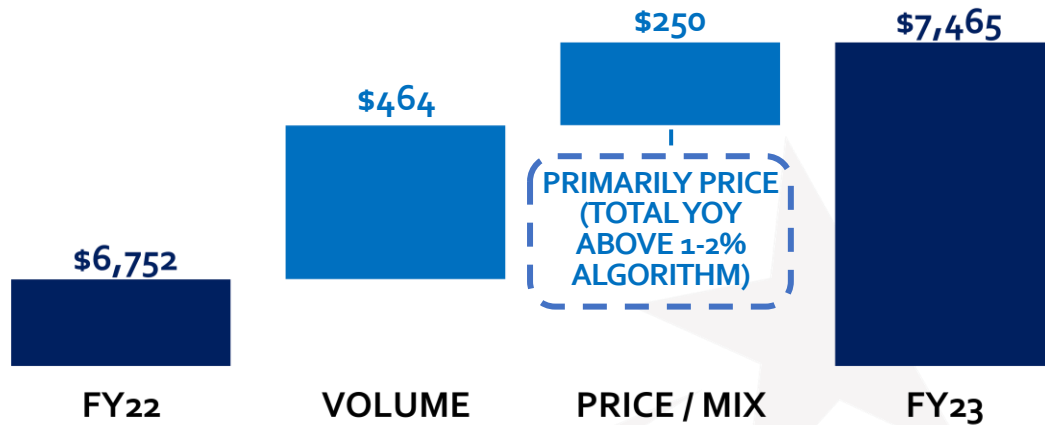
<p><b>1</b> CONTINUE TO BUILD POWERFUL BRANDS THAT PEOPLE LOVE</p>	 <ul style="list-style-type: none"> <li>• MODELO ESPECIAL: ~9%</li> <li>• CORONA EXTRA: ~4%</li> <li>• PACIFICO: ~30%</li> <li>• MODELO CHELADA BRANDS: ~45%</li> </ul>	 <ul style="list-style-type: none"> <li>• MEIOMI: ~5%</li> <li>• KIM CRAWFORD: ~7%</li> <li>• THE PRISONER WINE CO.: ~10%</li> <li>• CRAFT SPIRITS BRANDS: ~29%</li> </ul>
<p><b>2</b> DEVELOP CONSUMER-LED INNOVATIONS ALIGNED WITH EMERGING TRENDS</p>	 <ul style="list-style-type: none"> <li>• LIMÓN Y SAL 12-OZ 12-PACK: TOP 15 NEW PACKAGE <sup>(2)</sup></li> <li>• VARIETY PACK: TOP 10 NEW BRAND <sup>(2)</sup></li> </ul>	 <ul style="list-style-type: none"> <li>• MEIOMI RED BLEND: #2 NEW WINE SKU <sup>(2)</sup></li> <li>• KIM CRAWFORD PROSECCO: #2 NEW WINE BRAND <sup>(2)</sup></li> </ul>
<p><b>3</b> DEPLOY CAPITAL IN-LINE WITH DISCIPLINED AND BALANCED PRIORITIES</p>	 <p>EXCEEDED TARGET TO RETURN \$5B IN DIVIDENDS AND SHARE REPURCHASES TO SHAREHOLDERS (FY20-FY23)</p>	 <p>NAVA NEW ABA CAPACITY RAMPING-UP, OBREGON EXPANSIONS CONTINUING PER PLAN, AND BROKE GROUND AT VERACRUZ</p>
<p><b>4</b> OPERATE IN A WAY THAT IS GOOD FOR BUSINESS AND GOOD FOR THE WORLD</p>	 <p>SET FY25 WATER RESTORATION AND GHG EMISSIONS REDUCTION TARGETS</p>	 <p>PUBLISHED FIRST ESG IMPACT REPORT WITH REFERENCE TO SASB STANDARD AND TAKING INTO CONSIDERATION TCFD RECOMMENDATIONS</p>

(1) Source: Company measures.  
 (2) Source: IRI, Total U.S. Multi-Outlet + Convenience, 52 weeks ending February 26, 2023.

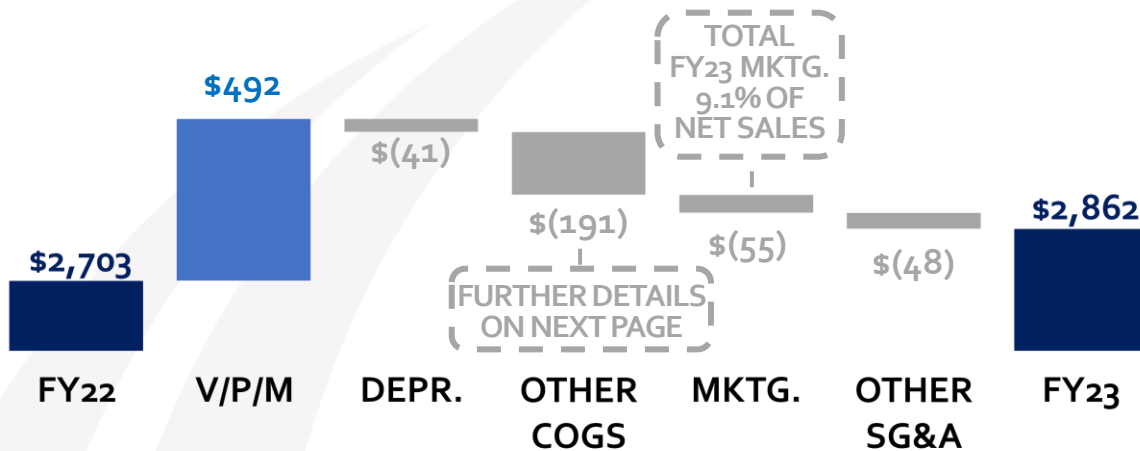
# BEER BUSINESS MAINTAINED ITS INDUSTRY-LEADING PERFORMANCE

## FY23 VS FY22 RESULTS (\$ IN MILLIONS)

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

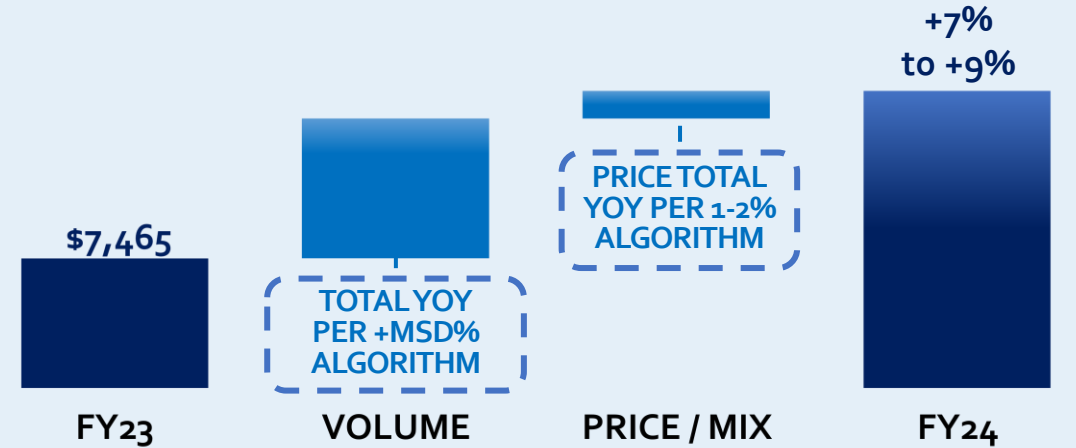


### SEGMENT OPERATING INCOME <sup>(1) (2)</sup>

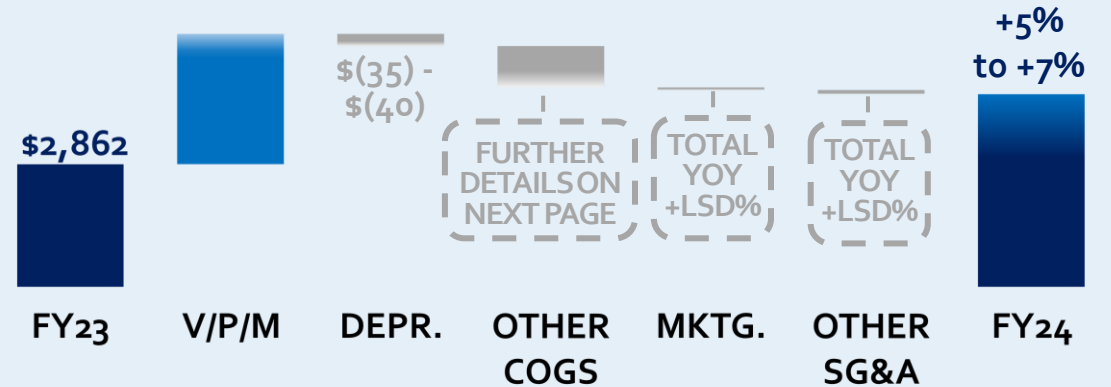


## FY24 OUTLOOK VS FY23 RESULTS (\$ IN MILLIONS)

### NET SALES



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





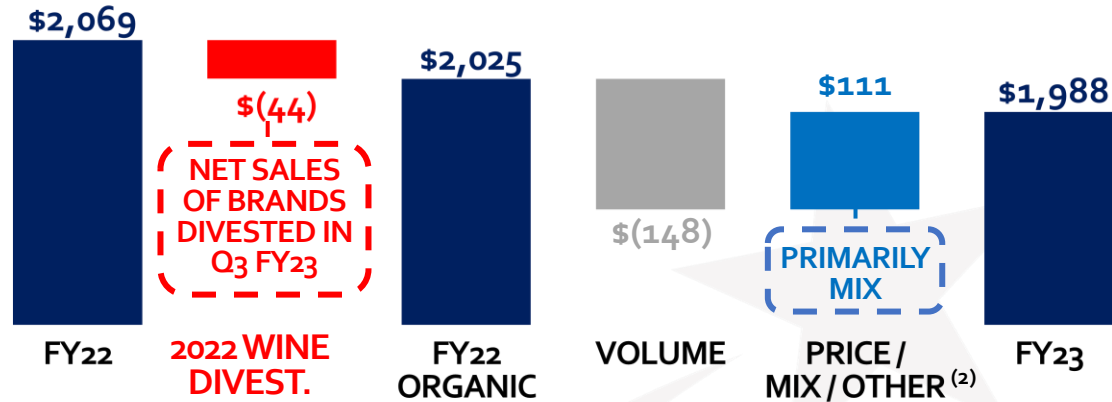
# BEER BUSINESS OTHER COGS AFFECTED BY INFLATIONARY PRESSURES

BEER BUSINESS OTHER COGS	FY23 RESULTS		FY24 OUTLOOK	
	SHARE	% CHANGEYOY	SHARE	% CHANGEYOY
<b>IMPORT PORTION OF BEER BUSINESS <sup>(1)</sup></b>				
PACKAGING & RAW MATERIALS	JUST OVER 55% (OF IMPORT PORTION TOTAL COGS)	+16% (+8% PER CASE <sup>(2)</sup> )	55-60% (OF IMPORT PORTION TOTAL COGS)	+HSD
FREIGHT	JUST UNDER 25% (OF IMPORT PORTION TOTAL COGS)	+12% (+5% PER CASE <sup>(2)</sup> )	20-25% (OF IMPORT PORTION TOTAL COGS)	+HSD
LABOR & OVERHEAD	JUST UNDER 15% (OF IMPORT PORTION TOTAL COGS)	+14% (+7% PER CASE <sup>(2)</sup> )	10-15% (OF IMPORT PORTION TOTAL COGS)	+HT

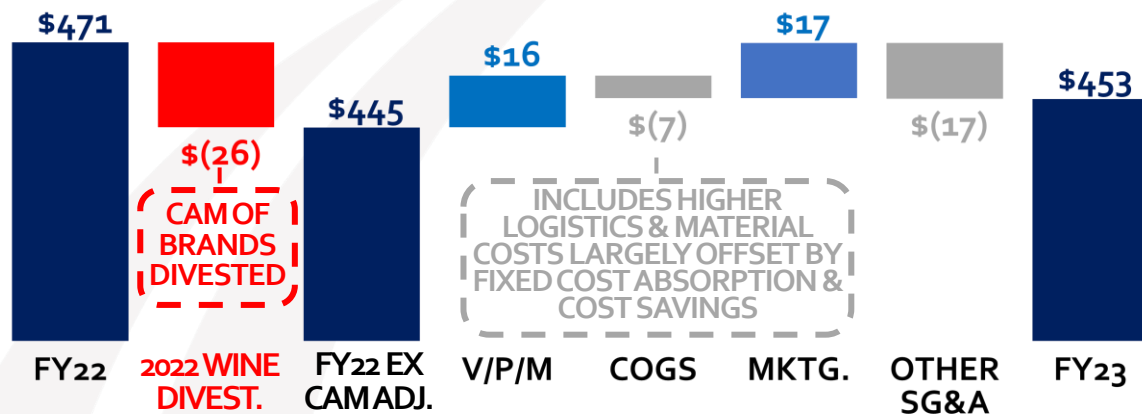
# WINE & SPIRITS BUSINESS CONTINUED TO ADVANCE ITS STRATEGY

## FY23 VS FY22 RESULTS (\$ IN MILLIONS)

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

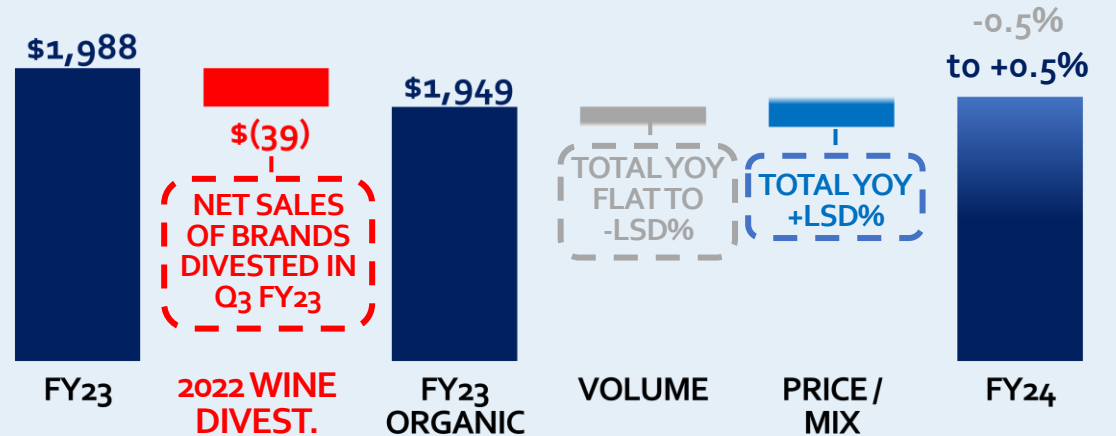


### SEGMENT OPERATING INCOME <sup>(1)</sup> <sup>(3)</sup>

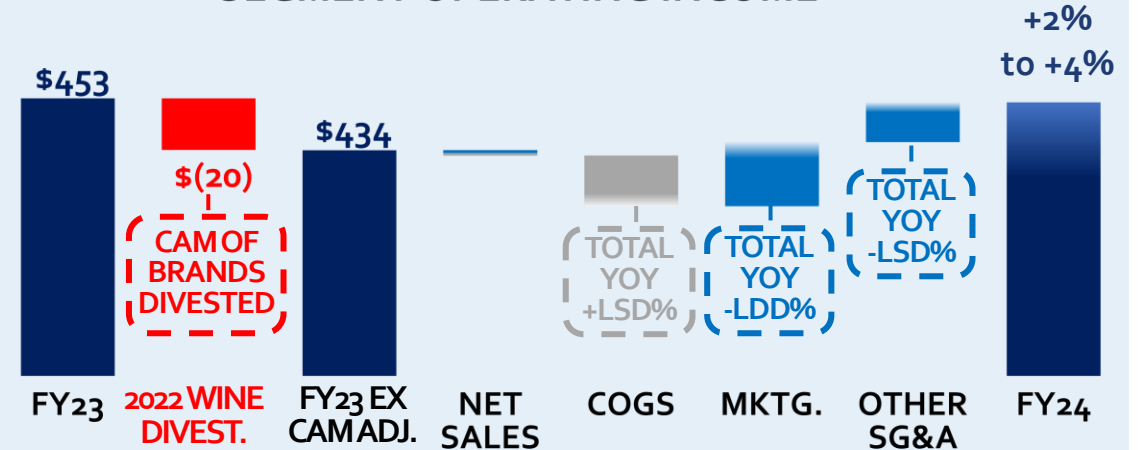


## FY24 OUTLOOK VS FY23 RESULTS (\$ IN MILLIONS)

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



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



# FISCAL YEAR 2023 RESULTS & FISCAL YEAR 2024 OUTLOOK

(% CHANGES YOY)	FY23 RESULTS	FY24 OUTLOOK	OTHER FY24 OUTLOOK CONSIDERATIONS
<b>NET SALES</b>	<b>Beer:</b> \$7.5B   +11% <b>W&amp;S:</b> \$2.0B   (4%) Reported, (2%) Organic <sup>(1)</sup>	<b>Beer:</b> +7% 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 / SEGMENT OPERATING LOSS</b>	<b>Beer:</b> \$2.9B   +6% <b>W&amp;S:</b> \$453M   (4%) Reported, +2% CAM Adj. <sup>(1)</sup> <b>Corporate:</b> (\$278M)	<b>Beer:</b> +5% to +7% <b>W&amp;S:</b> +2% to +4% CAM Adj. <sup>(2)</sup> <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 (EX. CANOPY)</b>	\$30M	~\$35M	Largely Opus contribution to W&S expected in Q3
<b>INTEREST EXPENSE</b>	\$399M	~\$500M	~15% of total debt on floating rates
<b>COMPARABLE TAX RATE (EX. CANOPY)</b>	19.2%	~19%	N/A
<b>NON CONTROLLING INTERESTS</b>	\$33M	~\$40M	N/A
<b>DILUTED SHARES OUTSTANDING <sup>(3)</sup></b>	169.3M Reported, 186.2M Comparable	184M	~\$860M remaining buy-back authorization
<b>REPORTED EPS</b>	(\$0.11)	\$11.60 to \$11.90	N/A
<b>COMPARABLE EPS (EX. CANOPY)</b>	\$11.40	\$11.70 to \$12.00	N/A
<b>OPERATING CASH FLOW</b>	\$2.8B	\$2.4B to \$2.6B	N/A
<b>CAPEX</b>	\$1B <b>Beer:</b> \$814M	\$1.2B to \$1.3B <b>Beer:</b> ~\$1B	<b>Beer:</b> Obregon 5M HL expansions ramp-up in Q1; Nava ABA production line ramp-up in Q4
<b>FREE CASH FLOW</b>	\$1.7B	\$1.2B to \$1.3B	N/A

(1) Organic excludes from FY22 \$44.1 million of net sales and \$26.2 million of CAM and <\$1M SG&A and OI&E adjustments that are no longer part of the Wine & Spirits Business results due to the 2022 Wine Divestiture.

(2) Excludes from FY23 \$38.5 million of net sales and \$19.5 million of CAM that are no longer part of the Wine & Spirits Business results due to the 2022 Wine Divestiture.

(3) Weighted average calculation.

**APPENDIX  
DEFINED TERMS &  
ADDITIONAL 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
2022 Wine Divest.	Divestiture of certain mainstream and premium wine brands and related sold October 6, 2022
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 potential transaction with Acreage and 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
CPG	Consumer Packaged Goods
DEPR.	Depreciation
EBIT	Earnings before interest and taxes
EIE	Equity in earnings
ESG	Environmental, social, and governance
Exchangeable Shares	New class of non-voting and non-participating exchangeable shares of Canopy which will be convertible into Common Shares
FY	Fiscal year
GAAP	General accepted accounting principles in the U.S.
GHG	Greenhouse Gas
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
OI&E	Other income and expenses
Reclassification	Reclassification, exchange, and conversion of our common stock to eliminate our Class B Common Stock pursuant to the terms and conditions of the reclassification agreement, dated June 30, 2022, among the Company and the members of the Sands stockholder group
SASB	Sustainability Accounting Standards Board
SG&A	Selling, general, and administrative expenses
TCFD	Task Force on Climate-related Financial Disclosures
U.S.	United States of America
V/P/M	Volume / Price / Mix
YOY	Year-over-year

# CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions)  
(unaudited)

	February 28, 2023	February 28, 2022
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 133.5	\$ 199.4
Accounts receivable	901.6	899.0
Inventories	1,898.7	1,573.2
Prepaid expenses and other	562.3	658.1
<b>Total current assets</b>	<b>3,496.1</b>	<b>3,329.7</b>
Property, plant, and equipment	6,865.2	6,059.6
Goodwill	7,925.4	7,862.4
Intangible assets	2,728.1	2,755.2
Equity method investments	663.3	2,688.7
Securities measured at fair value	93.2	191.4
Deferred income taxes	2,193.3	2,351.5
Other assets	697.7	617.3
<b>Total assets</b>	<b>\$ 24,662.3</b>	<b>\$ 25,855.8</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ 1,165.3	\$ 323.0
Current maturities of long-term debt	9.5	605.3
Accounts payable	941.5	899.2
Other accrued expenses and liabilities	852.0	871.3
<b>Total current liabilities</b>	<b>2,968.3</b>	<b>2,698.8</b>
Long-term debt, less current maturities	11,286.5	9,488.2
Deferred income taxes and other liabilities	1,673.6	1,621.0
<b>Total liabilities</b>	<b>15,928.4</b>	<b>13,808.0</b>
<b>CBI stockholders' equity</b>	<b>8,413.6</b>	<b>11,731.9</b>
Noncontrolling interests	320.3	315.9
<b>Total stockholders' equity</b>	<b>8,733.9</b>	<b>12,047.8</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 24,662.3</b>	<b>\$ 25,855.8</b>



# CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended		Years Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Sales	\$ 2,147.6	\$ 2,268.8	\$ 10,177.2	\$ 9,529.1
Excise taxes	(149.8)	(166.3)	(724.6)	(708.4)
<b>Net sales</b>	<b>1,997.8</b>	2,102.5	<b>9,452.6</b>	8,820.7
Cost of product sold	(1,036.6)	(969.9)	(4,683.6)	(4,113.4)
<b>Gross profit</b>	<b>961.2</b>	1,132.6	<b>4,769.0</b>	4,707.3
Selling, general, and administrative expenses	(494.5)	(455.1)	(1,926.1)	(1,709.7)
Impairment of brewery construction in progress	—	—	—	(665.9)
<b>Operating income (loss)</b>	<b>466.7</b>	677.5	<b>2,842.9</b>	2,331.7
Income (loss) from unconsolidated investments	(92.2)	(93.7)	(2,036.4)	(1,635.5)
Interest expense	(117.2)	(85.9)	(398.7)	(356.4)
Loss on extinguishment of debt	(0.9)	—	(24.2)	(29.4)
<b>Income (loss) before income taxes</b>	<b>256.4</b>	497.9	<b>383.6</b>	310.4
(Provision for) benefit from income taxes	(33.2)	(92.3)	(422.1)	(309.4)
<b>Net income (loss)</b>	<b>223.2</b>	405.6	<b>(38.5)</b>	1.0
Net (income) loss attributable to noncontrolling interests	(0.2)	(10.2)	(32.5)	(41.4)
<b>Net income (loss) attributable to CBI</b>	<b>\$ 223.0</b>	\$ 395.4	<b>\$ (71.0)</b>	\$ (40.4)
<b>Net income (loss) per common share attributable to CBI:</b>				
Basic – Class A Common Stock	\$ 1.21	\$ 2.11	\$ (0.11)	\$ (0.22)
Basic – Class B Convertible Common Stock	NA	\$ 1.92	\$ (2.02)	\$ (0.20)
<b>Diluted – Class A Common Stock</b>	<b>\$ 1.21</b>	\$ 2.07	<b>\$ (0.11)</b>	\$ (0.22)
Diluted – Class B Convertible Common Stock	NA	\$ 1.91	\$ (2.02)	\$ (0.20)
<b>Weighted average common shares outstanding:</b>				
Basic – Class A Common Stock	183.895	166.634	169.337	167.431
Basic – Class B Convertible Common Stock	NA	23.208	23.206	23.225
<b>Diluted – Class A Common Stock</b>	<b>184.534</b>	190.685	<b>169.337</b>	167.431
Diluted – Class B Convertible Common Stock	NA	23.208	23.206	23.225
<b>Cash dividends declared per common share:</b>				
Class A Common Stock	\$ 0.80	\$ 0.76	\$ 3.20	\$ 3.04
Class B Convertible Common Stock	NA	\$ 0.69	\$ 2.16	\$ 2.76

# CONSOLIDATED STATEMENTS OF CASH FLOWS

in millions)  
(unaudited)

	Years Ended	
	February 28, 2023	February 28, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (38.5)	\$ 1.0
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Unrealized net (gain) loss on securities measured at fair value	45.9	1,644.7
Deferred tax provision (benefit)	207.8	84.8
Depreciation	383.8	337.3
Stock-based compensation	68.5	44.9
Equity in (earnings) losses of equity method investees and related activities, net of distributed earnings	971.8	61.6
Noncash lease expense	89.3	81.9
Impairment and amortization of intangible assets	16.2	5.1
Amortization of debt issuance costs and loss on extinguishment of debt	34.0	39.9
Net (gain) loss on sale of unconsolidated investment	—	(51.0)
Impairment of equity method investment	1,060.3	—
Impairment of long-lived assets	53.5	665.9
Gain (loss) on settlement of pre-issuance hedge contracts	20.7	—
Change in operating assets and liabilities, net of effects from purchase and sale of business:		
Accounts receivable	(3.9)	(114.0)
Inventories	(356.4)	(261.3)
Prepaid expenses and other current assets	197.9	(113.2)
Accounts payable	114.9	213.7
Deferred revenue	12.8	118.0
Other accrued expenses and liabilities	(239.8)	(28.8)
Other	118.1	(25.1)
Total adjustments	2,795.4	2,704.4
<b>Net cash provided by (used in) operating activities</b>	<b>2,756.9</b>	<b>2,705.4</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant, and equipment	(1,035.4)	(1,026.8)
Purchase of business, net of cash acquired	(37.1)	(53.5)
Investments in equity method investees and securities	(30.8)	(36.6)
Proceeds from sale of assets	6.7	4.1
Proceeds from sale of unconsolidated investment	—	74.4
Proceeds from sale of business	96.7	4.6
Other investing activities	0.5	(2.0)
<b>Net cash provided by (used in) investing activities</b>	<b>(999.4)</b>	<b>(1,035.8)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	3,344.9	995.6
Principal payments of long-term debt	(2,159.7)	(1,365.3)
Net proceeds from (repayments of) short-term borrowings	842.3	323.0

# CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(in millions)  
(unaudited)

	Years Ended	
	February 28, 2023	February 28, 2022
Dividends paid	(587.7)	(573.0)
Purchase of treasury stock	(1,700.2)	(1,390.5)
Proceeds from shares issued under equity compensation plans	42.4	177.6
Payments of minimum tax withholdings on stock-based payment awards	(10.4)	(9.8)
Payments of debt issuance, debt extinguishment, and other financing costs	(36.2)	(34.6)
Distributions to noncontrolling interests	(55.3)	(52.5)
Payment to holders of Class B Stock in connection with the Reclassification	(1,500.0)	—
<b>Net cash provided by (used in) financing activities</b>	<b>(1,819.9)</b>	<b>(1,929.5)</b>
Effect of exchange rate changes on cash and cash equivalents	(3.5)	(1.3)
Net increase (decrease) in cash and cash equivalents	(65.9)	(261.2)
Cash and cash equivalents, beginning of year	199.4	460.6
<b>Cash and cash equivalents, end of year</b>	<b>\$ 133.5</b>	<b>\$ 199.4</b>



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

	Three Months Ended			Years Ended		
	February 28, 2023	February 28, 2022	Percent Change	February 28, 2023	February 28, 2022	Percent Change
<b>Consolidated net sales</b>	\$ 1,997.8	\$ 2,102.5	(5%)	\$ 9,452.6	\$ 8,820.7	7%
2022 Wine Divestiture <sup>(1)</sup>	—	(26.7)		—	(44.1)	
<b>Consolidated organic net sales</b>	<u>\$ 1,997.8</u>	<u>\$ 2,075.8</u>	(4%)	<u>\$ 9,452.6</u>	<u>\$ 8,776.6</u>	8%
<b>Beer net sales</b>	\$ 1,535.6	\$ 1,565.7	(2%)	\$ 7,465.0	\$ 6,751.6	11%
<b>Wine and Spirits net sales</b> <sup>(2)</sup>	\$ 462.2	\$ 536.8	(14%)	\$ 1,987.6	\$ 2,069.1	(4%)
2022 Wine Divestiture <sup>(1)</sup>	—	(26.7)		—	(44.1)	
<b>Wine and Spirits organic net sales</b>	<u>\$ 462.2</u>	<u>\$ 510.1</u>	(9%)	<u>\$ 1,987.6</u>	<u>\$ 2,025.0</u>	(2%)

<sup>(1)</sup> For the periods December 1, 2021, through February 28, 2022, and October 6, 2021, through February 28, 2022, included in the three months and the year ended February 28, 2022, respectively.

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

	Three Months Ended			Years Ended		
	February 28, 2023	February 28, 2022	Percent Change	February 28, 2023	February 28, 2022	Percent Change
U.S. Wholesale <sup>(i)</sup>	\$ 375.6	\$ 468.1	(20%)	\$ 1,617.4	\$ 1,724.9	(6%)
International <sup>(i)</sup>	36.6	37.5	(2%)	199.8	197.9	1%
DTC	21.9	16.2	35%	76.8	59.4	29%
Other	28.1	15.0	87%	93.6	86.9	8%
Wine and Spirits net sales	<u>\$ 462.2</u>	<u>\$ 536.8</u>	(14%)	<u>\$ 1,987.6</u>	<u>\$ 2,069.1</u>	(4%)

<sup>(i)</sup> Includes the impacts of the 2022 Wine Divestiture.

# SUPPLEMENTAL SHIPMENT AND DEPLETION INFORMATION

(in millions)  
(unaudited)

	Three Months Ended			Years Ended		
	February 28, 2023	February 28, 2022	Percent Change	February 28, 2023	February 28, 2022	Percent Change
<b>Beer</b>						
(branded product, 24-pack, 12-ounce case equivalents)						
Shipments	<b>78.7</b>	83.2	(5.4%)	<b>389.2</b>	364.2	6.9%
Depletions <sup>(1)</sup>			6.3%			7.5%
<b>Wine and Spirits</b>						
(branded product, 9-liter case equivalents)						
Shipments	<b>6.0</b>	7.7	(22.1%)	<b>27.1</b>	29.9	(9.4%)
Organic shipments <sup>(2)</sup>	<b>6.0</b>	7.4	(18.9%)	<b>27.1</b>	29.4	(7.8%)
U.S. Domestic shipments	<b>5.3</b>	7.0	(24.3%)	<b>23.5</b>	26.3	(10.6%)
U.S. Domestic organic shipments <sup>(2)</sup>	<b>5.3</b>	6.8	(22.1%)	<b>23.5</b>	25.9	(9.3%)
Depletions <sup>(1) (2)</sup>			(4.9%)			(3.0%)

<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 shipment and depletion volume associated with the 2022 Wine Divestiture for the periods December 1, 2021, through February 28, 2022, and October 6, 2021, through February 28, 2022, included in the three months and the year ended February 28, 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. Amounts included below for Canopy Growth Corporation (“Canopy”) represent 100% of Canopy’s reported results on a two-month lag, prepared in accordance with GAAP, and converted from Canadian dollars to U.S. dollars. Although we own less than 100% of the outstanding shares of Canopy, 100% of its results are included in the information below and subsequently eliminated in order to reconcile to our consolidated financial statements.

	Three Months Ended			Years Ended		
	February 28, 2023	February 28, 2022	Percent Change	February 28, 2023	February 28, 2022	Percent Change
<b>Consolidated</b>						
Net sales	\$ 1,997.8	\$ 2,102.5	(5%)	\$ 9,452.6	\$ 8,820.7	7%
Gross profit	\$ 961.2	\$ 1,132.6	(15%)	\$ 4,769.0	\$ 4,707.3	1%
Operating income (loss)	\$ 466.7	\$ 677.5	(31%)	\$ 2,842.9	\$ 2,331.7	22%
<b>Comparable adjustments</b>						
Gross profit	\$ (48.8)	\$ 51.1	NM	\$ (96.0)	\$ 82.4	NM
Operating income (loss)	\$ (125.1)	\$ 18.6	NM	\$ (193.8)	\$ (604.1)	NM
<b>Beer</b>						
Net sales	\$ 1,535.6	\$ 1,565.7	(2%)	\$ 7,465.0	\$ 6,751.6	11%
Segment gross profit	\$ 781.2	\$ 841.2	(7%)	\$ 3,937.8	\$ 3,677.0	7%
% Net sales	50.9 %	53.7 %		52.8 %	54.5 %	
Segment operating income (loss)	\$ 523.1	\$ 613.6	(15%)	\$ 2,861.5	\$ 2,703.3	6%
% Net sales	34.1 %	39.2 %		38.3 %	40.0 %	
<b>Wine and Spirits</b>						
Wine net sales	\$ 406.1	\$ 468.2	(13%)	\$ 1,722.7	\$ 1,819.3	(5%)
Spirits net sales	56.1	68.6	(18%)	264.9	249.8	6%
Net sales	\$ 462.2	\$ 536.8	(14%)	\$ 1,987.6	\$ 2,069.1	(4%)
Segment gross profit	\$ 228.8	\$ 240.3	(5%)	\$ 927.2	\$ 947.9	(2%)
% Net sales	49.5 %	44.8 %		46.6 %	45.8 %	
Segment operating income (loss)	\$ 127.9	\$ 121.8	5%	\$ 453.1	\$ 470.7	(4%)
% Net sales	27.7 %	22.7 %		22.8 %	22.7 %	
<b>Corporate Operations and Other</b>						
Segment operating income (loss)	\$ (59.2)	\$ (76.5)	23%	\$ (277.9)	\$ (238.2)	(17%)
<b>Canopy</b>						
Canopy net sales	\$ 74.6	\$ 111.9	(33%)	\$ 339.3	\$ 444.3	(24%)
Canopy gross profit (loss)	\$ (1.8)	\$ 8.0	(123%)	\$ (125.7)	\$ (18.6)	NM
% Net sales	(2.4)%	7.1 %		(37.0)%	(4.2)%	
Canopy operating income (loss)	\$ (113.3)	\$ (122.1)	7%	\$ (2,105.9)	\$ (630.1)	NM
% Net sales	NM	NM		NM	NM	
<b>Consolidation and Eliminations</b>						
Net sales	\$ (74.6)	\$ (111.9)	33%	\$ (339.3)	\$ (444.3)	24%
Gross profit (loss)	\$ 1.8	\$ (8.0)	123%	\$ 125.7	\$ 18.6	NM
Operating income (loss)	\$ 113.3	\$ 122.1	(7%)	\$ 2,105.9	\$ 630.1	NM

NM = Not Meaningful



# 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. Please refer to our investor relations website at [ir.cbrands.com/financial-information/financial-history-non-gaap](http://ir.cbrands.com/financial-information/financial-history-non-gaap) for a more detailed description and further discussion of these non-GAAP financial measures.

	Three Months Ended			Years Ended		
	February 28, 2023	February 28, 2022	Percent Change	February 28, 2023	February 28, 2022	Percent Change
<b>Operating income (loss) (GAAP)</b>	\$ 466.7	\$ 677.5	(31%)	\$ 2,842.9	\$ 2,331.7	22%
Less: Comparable adjustments (Non-GAAP)	<u>(125.1)</u>	<u>18.6</u>		<u>(193.8)</u>	<u>(604.1)</u>	
<b>Comparable operating income (loss) (Non-GAAP)</b>	<u>\$ 591.8</u>	<u>\$ 658.9</u>	(10%)	<u>\$ 3,036.7</u>	<u>\$ 2,935.8</u>	3%
<b>Net income (loss) attributable to CBI (GAAP)</b>	\$ 223.0	\$ 395.4	(44%)	\$ (71.0)	\$ (40.4)	(76%)
Plus: Net income (loss) attributable to noncontrolling interests (GAAP)	0.2	10.2		32.5	41.4	
Provision for (benefit from) income taxes (GAAP)	33.2	92.3		422.1	309.4	
Loss on extinguishment of debt (GAAP)	0.9	—		24.2	29.4	
Interest expense (GAAP)	<u>117.2</u>	<u>85.9</u>		<u>398.7</u>	<u>356.4</u>	
<b>EBIT (Non-GAAP)</b>	<u>374.5</u>	<u>583.8</u>	(36%)	<u>806.5</u>	<u>696.2</u>	16%
Less: Comparable adjustments (Non-GAAP)	<u>(180.4)</u>	<u>(38.9)</u>		<u>(2,101.5)</u>	<u>(2,092.3)</u>	
<b>Comparable EBIT (Non-GAAP)</b>	<u>\$ 554.9</u>	<u>\$ 622.7</u>	(11%)	<u>\$ 2,908.0</u>	<u>\$ 2,788.5</u>	4%
<b>Net income (loss) attributable to CBI (GAAP)</b>	\$ 223.0	\$ 395.4	(44%)	\$ (71.0)	\$ (40.4)	(76%)
Less: Comparable adjustments (Non-GAAP)	<u>(142.1)</u>	<u>(56.3)</u>		<u>(2,053.3)</u>	<u>(2,000.2)</u>	
<b>Comparable net income (loss) attributable to CBI (Non-GAAP)</b>	<u>\$ 365.1</u>	<u>\$ 451.7</u>	(19%)	<u>\$ 1,982.3</u>	<u>\$ 1,959.8</u>	1%
<b>EPS (GAAP) <sup>(1)</sup></b>	\$ 1.21	\$ 2.07	(42%)	\$ (0.11)	\$ (0.22)	50%
Less: Reclassification (Non-GAAP) <sup>(2)</sup>	NA	NA		0.27	NA	
Comparable adjustments (Non-GAAP)	<u>(0.77)</u>	<u>(0.30)</u>		<u>(11.03)</u>	<u>(10.41)</u>	
<b>Comparable EPS (Non-GAAP) <sup>(3)</sup></b>	<u>\$ 1.98</u>	<u>\$ 2.37</u>	(16%)	<u>\$ 10.65</u>	<u>\$ 10.20</u>	4%
Weighted average common shares outstanding - diluted <sup>(3)</sup>	184.534	190.685		169.337	167.431	

<sup>(1)</sup> EPS was computed using the two-class method, until such conversion took place pursuant to the reclassification, conversion, and exchange of our Class B Convertible Common Stock into our Class A Common Stock (the "Reclassification").

<sup>(2)</sup> Adjustment for income allocated through the date of the Reclassification for the year ended February 28, 2023.

<sup>(3)</sup> Comparable EPS may not sum due to rounding as each item is computed independently. The comparable adjustments and comparable basis diluted net income (loss) per share ("comparable EPS") are calculated on a fully dilutive basis. For the years ended February 28, 2023, and February 28, 2022, we have excluded 16.862 million and 24.791 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		Years Ended	
	February 28,	February 28,	February 28,	February 28,
	2023	2022	2023	2022
Net gain (loss) on undesignated commodity derivative contracts <sup>(1)</sup>	\$ (40.3)	\$ 61.8	\$ (15.0)	\$ 109.9
Settlements of undesignated commodity derivative contracts <sup>(1)</sup>	(7.9)	(11.1)	(76.7)	(35.9)
Flow through of inventory step-up <sup>(2)</sup>	(0.5)	(0.1)	(4.5)	(0.1)
Strategic business development costs <sup>(3)</sup>	(0.1)	—	(1.2)	(2.6)
Net flow through of reserved inventory <sup>(4)</sup>	—	0.5	1.2	12.1
Recovery of (loss on) inventory write-down <sup>(5)</sup>	—	—	0.2	(1.0)
<b>Comparable adjustments, Gross profit</b>	<b>(48.8)</b>	<b>51.1</b>	<b>(96.0)</b>	<b>82.4</b>
Impairments of assets <sup>(6)</sup>	(66.5)	—	(66.5)	—
Transition services agreements activity <sup>(7)</sup>	(9.1)	(7.5)	(20.5)	(19.2)
Restructuring and other strategic business development costs <sup>(3)</sup>	(7.1)	0.5	(9.9)	0.6
Costs associated with the Reclassification <sup>(8)</sup>	(6.3)	—	(37.8)	—
Transaction, integration, and other acquisition-related costs <sup>(9)</sup>	(0.2)	(0.6)	(1.4)	(1.4)
Gain (loss) on sale of business <sup>(10)</sup>	1.2	(0.2)	15.0	1.7
Impairment of brewery construction in progress <sup>(11)</sup>	—	—	—	(665.9)
Other gains (losses) <sup>(12)</sup>	11.7	(24.7)	23.3	(2.3)
<b>Comparable adjustments, Operating income (loss)</b>	<b>(125.1)</b>	<b>18.6</b>	<b>(193.8)</b>	<b>(604.1)</b>
Income (loss) from unconsolidated investments <sup>(13)</sup>	(55.3)	(57.5)	(1,907.7)	(1,488.2)
<b>Comparable adjustments, EBIT</b>	<b>(180.4)</b>	<b>(38.9)</b>	<b>(2,101.5)</b>	<b>(2,092.3)</b>
Loss on extinguishment of debt <sup>(14)</sup>	(0.9)	—	(24.2)	(29.4)
Comparable adjustments, (Provision for) benefit from income taxes <sup>(15)</sup>	39.2	(17.4)	72.4	121.5
<b>Comparable adjustments, Net income (loss) attributable to CBI</b>	<b>\$ (142.1)</b>	<b>\$ (56.3)</b>	<b>\$ (2,053.3)</b>	<b>\$ (2,000.2)</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> We recognized costs primarily in connection with certain activities which are intended to streamline, increase efficiencies, and reduce our cost structure.

<sup>(4)</sup> We sold reserved inventory previously written down following the 2020 U.S. West Coast wildfires.

<sup>(5)</sup> We primarily recognized a loss on the write-down of bulk wine inventory and certain grapes as a result of smoke damage sustained during the 2020 U.S. West Coast wildfires.

<sup>(6)</sup> We recognized trademark and other long-lived asset impairment losses in connection with certain continued negative trends within our craft beer business.

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

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

- (7) We recognized costs in connection with transition services agreements related to the previous sale of a portion of our wine and spirits business.
- (8) We recognized costs in connection with the Reclassification primarily related to professional and consulting fees, printing and mailing the associated proxy statement/prospectus, all filing and other fees paid to the Securities and Exchange Commission, and the acceleration of certain commitments.
- (9) We recognized transaction, integration, and other acquisition-related costs in connection with our investments, acquisitions, and divestitures.
- (10) We recognized a net gain (loss) primarily on the completion of the 2022 Wine Divestiture.
- (11) We recognized an impairment of long-lived assets in connection with certain assets at the Mexicali Brewery.
- (12) Primarily includes the following:

	Three Months Ended		Years Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Decrease (increase) in estimated fair values of contingent liabilities associated with prior period acquisitions	\$ 7.0	\$ (9.6)	\$ 12.9	\$ (9.6)
Insurance recovery related to a prior severe weather event	\$ 2.3	\$ —	\$ 5.2	\$ —
Gain from remeasurement of previously held equity method investments	\$ —	\$ —	\$ 5.2	\$ 13.5
Property tax settlement	\$ —	\$ —	\$ —	\$ 10.4
Adjustment to understated excise tax accruals primarily related to a prior period acquisition	\$ —	\$ (13.3)	\$ —	\$ (13.3)

- (13) We recognized income (loss) primarily from (i) an unrealized gain (loss) from the changes in fair value of our securities measured at fair value, (ii) comparable adjustments to equity in earnings (losses) from Canopy's results, including equity in losses from Canopy largely related to costs designed to improve their organizational focus, streamline operations, and align production capability with projected demand, and (iii) a net gain recognized from the sale of an equity method investment made through our corporate venture capital function.
- (14) We recognized losses primarily from make-whole payments in connection with the early redemption of certain senior notes.
- (15) 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 primarily consist of the following:

	Three Months Ended		Years Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Net income tax benefit related to a prior period divestiture	\$ 22.7	\$ —	\$ 166.4	\$ —
Net income tax provision recognized as a result of a legislative update in Switzerland	\$ (10.9)	\$ —	\$ (10.9)	\$ (11.9)
Net income tax (provision) benefit recognized for adjustments to valuation allowances	\$ —	\$ —	\$ (192.0)	\$ 3.1
Net income tax benefit recognized due to the release of a deferred tax liability associated with an intra-entity transfer of assets	\$ —	\$ 18.9	\$ —	\$ 18.9

# 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")

Canopy EIE non-GAAP financial measures 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		Years Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
<b>Equity earnings (losses) and related activities, Canopy EIE (GAAP)</b> <sup>(1)</sup>	\$ (72.8)	\$ (34.1)	\$ (949.3)	\$ (73.6)
Comparable adjustments, Canopy EIE (Non-GAAP) <sup>(2)(3)</sup>	38.1	(1.5)	791.1	(104.6)
<b>Comparable equity earnings (losses) and related activities, Canopy EIE (Non-GAAP)</b>	<b>(34.7)</b>	<b>(35.6)</b>	<b>(158.2)</b>	<b>(178.2)</b>
(Provision for) benefit from income taxes <sup>(3)</sup>	3.3	1.7	18.4	25.3
<b>Comparable net income (loss) attributable to CBI, Canopy EIE (Non-GAAP)</b>	<b>\$ (31.4)</b>	<b>\$ (33.9)</b>	<b>\$ (139.8)</b>	<b>\$ (152.9)</b>

	Three Months Ended		Years Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
<b>EPS, Canopy EIE (GAAP)</b>	\$ (0.38)	\$ (0.17)	\$ (4.80)	\$ (0.22)
Comparable adjustments, Canopy EIE (Non-GAAP)	0.21	(0.01)	4.05	(0.58)
<b>Comparable EPS, Canopy EIE (Non-GAAP)</b> <sup>(4)</sup>	<b>\$ (0.17)</b>	<b>\$ (0.18)</b>	<b>\$ (0.75)</b>	<b>\$ (0.80)</b>

	February 28, 2023			February 28, 2022		
	Income (loss) before income taxes	(Provision for) benefit from income taxes <sup>(3)</sup>	Effective tax rate <sup>(5)</sup>	Income (loss) before income taxes	(Provision for) benefit from income taxes <sup>(3)</sup>	Effective tax rate <sup>(5)</sup>
	<b>Reported basis (GAAP)</b>	\$ 383.6	\$ (422.1)	110.0 %	\$ 310.4	\$ (309.4)
Comparable adjustments - (Non-GAAP)	2,125.7	(72.4)		2,121.7	(121.5)	
<b>Comparable basis (Non-GAAP)</b>	<b>2,509.3</b>	<b>(494.5)</b>	<b>19.7 %</b>	<b>2,432.1</b>	<b>(430.9)</b>	<b>17.7 %</b>
Less: Comparable basis, Canopy EIE (Non-GAAP)	(158.2)	18.4		(178.2)	25.3	
<b>Comparable basis, excluding Canopy EIE (Non-GAAP)</b>	<b>\$ 2,667.5</b>	<b>\$ (512.9)</b>	<b>19.2 %</b>	<b>\$ 2,610.3</b>	<b>\$ (456.2)</b>	<b>17.5 %</b>

	Three Months Ended		Years Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
<b>Comparable EPS (Non-GAAP)</b>	\$ 1.98	\$ 2.37	\$ 10.65	\$ 10.20
Comparable EPS, Canopy EIE (Non-GAAP)	0.17	0.18	0.75	0.80
<b>Comparable EPS, excluding Canopy EIE (Non-GAAP)</b> <sup>(4)</sup>	<b>\$ 2.15</b>	<b>\$ 2.55</b>	<b>\$ 11.40</b>	<b>\$ 10.99</b>

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

(2) Comparable adjustments, Canopy EIE include: a goodwill impairment, restructuring and other strategic business development costs, unrealized net (gain) loss from the mark to fair value of securities measured at fair value and related activities, acquisition costs, and other (gains) losses.

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

(4) 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.

(5) 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>	<b>\$ 11.60</b>	<b>\$ 11.90</b>
Comparable adjustments (Non-GAAP) <sup>(1)</sup>	0.10	0.10
<b>Forecasted comparable EPS, excluding Canopy EIE (Non-GAAP)<sup>(2)</sup></b>	<b>\$ 11.70</b>	<b>\$ 12.00</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
Transition services agreements activity	\$ 0.08	\$ 0.08
Flow through of inventory step-up	\$ 0.03	\$ 0.02
(Income) loss from unconsolidated investments	\$ —	\$ 9.92
Net income tax provision recognized for adjustments to valuation allowances	\$ —	\$ 1.03
Settlements of undesignated commodity derivative contracts	\$ —	\$ 0.31
Impairments of assets	\$ —	\$ 0.27
Costs associated with the Reclassification	\$ —	\$ 0.20
Loss on extinguishment of debt	\$ —	\$ 0.10
Net (gain) loss on undesignated commodity derivative contracts	\$ —	\$ 0.06
Net income tax provision recognized as a result of a legislative update in Switzerland	\$ —	\$ 0.06
Restructuring and other strategic business development costs	\$ —	\$ 0.04
Transaction, integration, and other acquisition-related costs	\$ —	\$ 0.01
Net income tax benefit related to a prior period divestiture	\$ —	\$ (0.89)
Other (gains) losses	\$ —	\$ (0.11)
Net (gain) loss on sale of business	\$ —	\$ (0.05)
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 for the year ended February 28, 2023.

# 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>

	For the Years Ended	
	February 28, 2023	February 28, 2022
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$ 2,756.9</b>	<b>\$ 2,705.4</b>
Purchase of property, plant, and equipment	(1,035.4)	(1,026.8)
<b>Free cash flow (Non-GAAP)</b>	<b>\$ 1,721.5</b>	<b>\$ 1,678.6</b>