

July 1, 2020



Constellation Brands Acquires Digitally-Native Wine Brand, Empathy Wines

Purchase reinforces company's wine and spirits transformation with acquisition of industry-leading direct-to-consumer and digital capabilities

VICTOR, N.Y., July 01, 2020 (GLOBE NEWSWIRE) -- Constellation Brands, Inc. (NYSE: STZ and STZ.B), a leading beverage alcohol company, announced today its purchase of Empathy Wines, a high-performing, digitally-native wine brand and direct-to-consumer (DTC) platform co-founded by entrepreneur and media personality Gary Vaynerchuk with business partners Jon Troutman and Nate Scherotter. Empathy Wines focuses on producing high quality, sustainably made wines, sold direct-to-consumer through its eCommerce platform, powered by consumer insights and content-driven digital marketing.

This move aligns with Constellation's wine and spirits vision to be a bold and innovative, high-end portfolio of distinctive brands and products that deliver exceptional consumer experiences. As part of the agreement, Constellation will work with the Empathy Wines team to further scale the brand's growth, while leveraging their rich consumer insights and analytics, proven brand building expertise, and high-performing digital technology to build DTC and digital capabilities that Constellation intends to scale across its wine and spirits brands to help deliver strong and sustainable growth for its portfolio.

"We are committed to transforming our wine and spirits business into a high-performing brand portfolio that consistently delivers growth and shareholder value," said Bill Newlands, president and chief executive officer, Constellation Brands. "Key to our strategy is being consumer obsessed – building a direct relationship with our consumers, meeting them where they are shopping and engaging today, and pushing beyond to meet their evolving preferences well into the future. We believe Empathy Wines has the right team and approach to help us deliver exceptional brands and experiences to our consumers, and thereby industry-leading growth, by expediting our ability to more deeply connect with consumers and build the strongest direct-to-consumer and digital commerce business in the category."

Vaynerchuk (founder of VaynerMedia and Creator and Host of Wine Library TV) and former VaynerMedia executives Troutman and Scherotter, set out to create quality wines made of grapes sourced from sustainable growers, and at a \$20 per bottle price point that benefits both the consumer and the farmer. Empathy Wines has gained traction quickly with consumers, propelled by the founding partners' expertise in scaling consumer brands and building brand equity in a digitally-native way, while providing an elevated purchasing and delivery experience to the consumer. The brand has experienced impressive growth since its initial product launch in 2019, selling approximately 15,000 cases and acquiring more than 2,000 subscription customers to date.

"Our ability to understand and 'empathize' with the modern-day wine consumer's behavior, wants, and needs has been proven through Empathy's incredible growth," said Vaynerchuk. "We are excited to replicate this modern-day, consumer-centric approach at a larger scale,

and with more infrastructure, working with a portfolio of some of the most iconic brands in the world of wine, and with leadership that is making investments in a quickly evolving category.”

As part of the transaction, the Empathy Wines brand will be integrated into Constellation’s wine and spirits brand portfolio. Empathy Wines employees, including co-founders Jon and Nate, will join the Constellation Brands family and work together with its wine and spirits organization. Vaynerchuk will continue to assist Constellation Brands and Empathy Wines in a consulting capacity. Terms of the transaction were not disclosed.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The words “expect,” “intend” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These statements may relate to business strategy, future operations, prospects, plans and objectives of management, as well as information concerning expected actions of third parties. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements.

The forward-looking statements are based on management’s current expectations and should not be construed in any manner as a guarantee that such results will in fact occur or will occur on any contemplated timetable. All forward-looking statements speak only as of the date of this news release and Constellation Brands undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition to risks and uncertainties associated with ordinary business operations, the forward-looking statements contained in this news release are subject to other risks and uncertainties, including the accuracy of all projections and other factors and uncertainties disclosed from time-to-time in Constellation Brands’ filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended February 29, 2020, which could cause actual future performance to differ from current expectations.

ABOUT CONSTELLATION BRANDS

At Constellation Brands (NYSE: STZ and STZ.B), our mission is to build brands that people love because we believe sharing a toast, unwinding after a day, celebrating milestones, and helping people connect, are Worth Reaching For. It’s worth our dedication, hard work, and the bold calculated risks we take to deliver more for our consumers, trade partners, shareholders, and communities in which we live and work. It’s what has made us one of the fastest-growing large CPG companies in the U.S. at retail, and it drives our pursuit to deliver what’s next.

Today, we are a leading international producer and marketer of beer, wine, and spirits with operations in the U.S., Mexico, New Zealand, and Italy. Every day, people reach for our high-end, iconic imported beer brands such as Corona Extra, Corona Light, Corona Premier, Modelo Especial, Modelo Negra, and Pacifico, and our high-quality premium wine and spirits brands, including the Robert Mondavi Brand Family, Kim Crawford, Meiomi, The Prisoner Brand Family, SVEDKA Vodka, Casa Noble Tequila, and High West Whiskey.

But we won’t stop here. Our visionary leadership team and passionate employees from barrel room to boardroom are reaching for the next level, to explore the boundaries of the

beverage alcohol industry and beyond. Join us in discovering what's Worth Reaching For.

To learn more, follow us on Twitter [@cbrands](#) and visit www.cbrands.com.

MEDIA CONTACTS

Mike McGrew 773-251-4934 /

michael.mcgreg@cbrands.com

Alex Wagner 415-328-3172 /

alex.wagner@cbrands.com

INVESTOR RELATIONS CONTACTS

Patty Yahn-Urlaub 585-678-7483 / [patty.yahn-](mailto:patty.yahn-urlaub@cbrands.com)

urlaub@cbrands.com

Bob Czudak 585-678-7170 /

bob.czudak@cbrands.com

A downloadable PDF copy of this news release enhanced with multimedia links can be found here: <http://ml.globenewswire.com/Resource/Download/7ff01b2a-3f49-4910-980b-59c9b598b51f>



Source: Constellation Brands, Inc.