FIRST QUARTER FISCAL YEAR 2026 FINANCIAL RESULTS

CEO & CFO COMMENTARY

Use Of Non-GAAP Financial Measures, Conference Call Information, and Location of Defined Terms and Other Disclaimers

Please view this commentary in conjunction with our earnings release and presentation for our first quarter fiscal year 2026 financial results that can be found on our investor relations website at *ir.cbrands.com*. This commentary and our live conference call may contain non-GAAP financial measures. These and other non-GAAP financial measures, the purposes for which management uses them, why management believes they are useful to investors, and reconciliations to the most directly comparable GAAP financial measures may be found at *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," or "organic" basis.

A live conference call for analysts to discuss our financial results, operating performance, strategic business initiatives, and outlook for the future with President and Chief Executive Officer, Bill Newlands, and Executive Vice President and Chief Financial Officer, Garth Hankinson, which will be hosted at 10:30 a.m. ET on Wednesday, July 2, 2025.

The conference call can be accessed by dialing +1-877-407-9121 and entering conference identification number 13754108, beginning at 10:20 a.m. ET. A live, listen-only webcast of the conference call will be available on our investor relations website at *ir.cbrands.com* under the *News & Events* section.

For anyone unable to participate in the conference call, a replay will be available on our investor relations website.

A list of defined terms used within can be found under the "Defined Terms" heading below, and a list of other disclaimers can be found following the Defined Terms.

Forward-Looking Statements

This commentary, including the oral statements made in the live conference call in connection herewith, contain forward-looking statements that are based on certain assumptions, estimates, expectations, plans, timetables, 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 commentary and the live conference call, words such as "anticipate," "intend," "expect," "plan," "continue," "estimate," "exceed," "may," "will," "project," "predict," "propose," "potential," "targeting," "exploring," "goal," "outlook," "forecast," "trend," "path," "scheduled," "implementing," "ongoing," "seek," "could," "might," "should," "believe," "vision," and similar words or expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Although we believe that the estimates, expectations, plans, and timetables reflected in the forward-looking statements are reasonable, they may vary from management's current estimates, expectations, plans, and timetables, and we can give no assurance that such estimates, expectations, plans, and timetables will prove to be correct, as actual results and future events and timetables could differ materially from those anticipated in such statements. Information provided in this commentary and the live conference call are necessarily summarized and may not contain all available material information.

All statements other than statements of historical fact set forth in this commentary and the live conference call may be forward-looking statements, including without limitation statements regarding or applicable to consumer demand and sentiment, socioeconomic conditions, non-structural socioeconomic factors, demographic projections and trends, our business strategy and objectives, value proposition and opportunity, growth plans, focus areas, operational and commercial execution initiatives, competitive position, innovation, new products, tools, and capabilities, brand building, digital leadership and capabilities, future marketing strategies and investments, future sales, space, partnership, distribution, and supply chain initiatives, our beer expansion, optimization, and/or construction activities, including anticipated scope, capacity, supply, costs, capital expenditures, and timeframes for completion, capital allocation priorities, targets, and commitments, future operations, financial position, net sales, expenses, the anticipated impact of the tariffs, including those announced by the U.S. government on April 2, 2025 and June 3, 2025 and by the Canadian government on March 4, 2025, impairments, hedging programs, cost savings and efficiency initiatives, operating income, operating margins, leverage ratios, including target comparable net leverage ratio, target dividend payout ratio, depreciation, equity in earnings, net interest expense, capital expenditures, tax rates, anticipated tax liabilities, operating cash flow, free cash flow, EPS, shares outstanding, non-controlling interests, and other financial metrics, expected volume, inventory, price, mix, and depletion trends, near-, medium-, and long-term financial models and targets, future acquisition, disposition, and investment activities, our environmental responsibility, CSR, and human capital strategies, aspirations, and targets, the manner, timing, and duration of our share repurchase program and source of funds for share repurchases, the amount and timing of future dividends, macroeconomic headwinds, access to capital markets, liquidity and capital resources, value creation efforts, anticipated inflationary pressures, changing prices, and reductions in consumer discretionary income as well as other unfavorable global and regional economic conditions, geopolitical events, and military conflicts, and our responses thereto, and prospects, plans, and objectives of management, as well as information concerning expected actions of third parties, are forward-looking statements (collectively, "Projections") that involve risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by the Projections.

All Projections speak only as of the date of this commentary. We undertake no obligation to update or revise any Projections, whether as a result of new information, future events, or otherwise. Unless otherwise noted, the Projections do not take into account the impact of any future acquisition, investment, merger, or other business combination, divestiture (including any associated amount of incremental contingent consideration payment paid or received), cost savings, restructuring, or efficiency initiatives, tariff changes, or financing or share repurchases that may be completed after the issuance of this commentary.

In addition to the risks and uncertainties of ordinary business operations and conditions in the general economy and markets in which we compete, the Projections contained in this commentary are also subject to the risk, uncertainty, and possible variance from our current expectations regarding:

- potential declines in the consumption of products we sell and our dependence on sales of our Mexican beer brands;
- impacts of our acquisition, divestiture, investment, and new product development strategies and activities;
- dependence upon our trademarks and proprietary rights, including the failure to protect our intellectual property rights;
- potential damage to our reputation;
- competition in our industry and for talent;
- economic and other uncertainties associated with our international operations, including new or increased tariffs;
- water, agricultural and other raw material, and packaging material supply, production, and/or transportation difficulties, disruptions, and impacts, including limited groups of certain suppliers;
- reliance on complex information systems and third-party global networks as well as risks associated with cybersecurity and artificial intelligence;
- dependence on limited facilities for production of our Mexican beer brands, including beer operations expansion, optimization, and/or construction activities, scope, capacity, supply, costs (including impairments), capital expenditures, and timing;
- operational disruptions or catastrophic loss to our breweries, wineries, other production facilities, or distribution systems;
- severe weather, natural and man-made disasters, climate change, environmental responsibility and CSR-related regulatory compliance, failure to meet environmental sustainability and CSR targets, commitments, and aspirations;
- the success of our cost savings, restructuring, and efficiency initiatives;
- reliance on wholesale distributors, major retailers, and government agencies;
- contamination and degradation of product quality from diseases, pests, weather, and other conditions;
- communicable infection or disease outbreaks, pandemics, or other widespread public health crises impacting our consumers, employees, distributors, retailers, and/or suppliers;
- effects of employee labor activities that could increase our costs;

- our indebtedness and interest rate fluctuations;
- our international operations, worldwide and regional economic trends and financial market conditions, geopolitical uncertainty, including the impact of military conflicts, or other governmental rules and regulations;
- class action or other litigation we face or may face, including related to alleged securities law violations, abuse or misuse of our products, product liability, marketing or sales practices, including product labeling, or other matters;
- potential impairments of our intangible assets, such as goodwill and trademarks;
- changes to tax laws, fluctuations in our effective tax rate, accounting for tax positions, the resolution of tax disputes, changes to accounting standards, elections, assertions, or policies, and the potential impact of a global minimum tax rate;
- uncertainties related to future cash dividends and share repurchases, which may affect the price of our common stock
- ownership of our Class A Common Stock by certain individuals and entities affiliated with the Sands family and their Board of Director nomination rights;
- the choice-of-forum provision in our amended and restated by-laws regarding certain stockholder litigation; and
- other factors and uncertainties disclosed in our filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended February 28, 2025, which could cause actual future performance to differ materially from our current expectations.

Overarching Highlights

While in the first quarter of fiscal 2026 we continued to face softer consumer demand largely driven by what we believe to be non-structural socioeconomic factors, our teams remained focused on executing against the key initiatives underpinning the outlook we recently provided for fiscals 2026 to 2028:

1. While at an Enterprise level – and across both our Businesses – we experienced a year-over-year decline in net sales and dollar sales across Circana U.S. tracked channels, our company continued to outperform the beverage alcohol industry outpacing it by 2% for the quarter.
2. Our Beer Business continued to lead the category in dollar sales share gains supported by high single-digit growth in points of distribution across off-premise retailers, while driving incremental marketing investments across our core brands to support strong and unchanged brand-health metrics.
3. On June 2, 2025, our Wine and Spirits Business closed the previously announced transaction to divest primarily mainstream wine brands. This leaves our remaining portfolio focused exclusively on higher-end wine and craft spirits brands, which continued to deliver depletion growth in the first quarter of fiscal 2026 and outperformed the higher-end wine segment in both dollar sales and volume growth across U.S. tracked channels.
4. Against that backdrop, we generated $637 million in operating cash flow, an 8% decrease year-over-year, and $444 million in free cash flow, a 41% increase, in the first quarter of fiscal 2026, and are still targeting to deliver approximately $2.7 billion to $2.8 billion and approximately $1.5 billion to $1.6 billion in operating and free cash flow, respectively, for the full fiscal year.
5. In light of this strong cash flow generation in the first quarter of fiscal 2026, we remained at our target ~3.0x comparable net leverage ratio and ~30% dividend payout ratio, continued to advance our modular brewery investments, and returned over $300 million to shareholders in share repurchases.

Q1 Fiscal 2026 Results

With that, let us turn to our first quarter fiscal 2026 financial results.

- Starting with the Enterprise, net sales declined 6% – and decreased 4% on an organic basis, adjusted for the net sales associated with the SVEDKA Divestiture for the period March 1, 2024, through May 31, 2024.
    - As noted earlier, these results were delivered against an ongoing challenging consumer demand environment that we believe is largely driven by non-structural socioeconomic factors, which are in turn affecting the year-over-year performance of both our Businesses, as well as that of CPG more broadly.
        - In the first quarter of fiscal 2026, demand headwinds persisted as consumer indicators showed ongoing signs of pressure:

      - Total population and Hispanic unemployment rates remained at similar levels as in the preceding quarter, while economic activity in "4000+ calorie job" sectors, which have a higher impact on beer category elasticities than jobs in other sectors, showed incremental weakness.
        - Markedly, growth in construction employees decelerated noticeably relative to the preceding quarter and the corresponding prior year quarter.
      - In addition, while year-over-year growth in real disposable personal income accelerated in the first quarter of fiscal 2026 according to the U.S. Bureau of Economic Analysis, consumer sentiment further deteriorated during that time and remained at a nearly three-year low in April and May as measured by the University of Michigan.
    - Furthermore, our own "omnibus" survey research to assess consumer sentiment – which we have recently extended beyond Hispanic to non-Hispanic demographics – reinforced some of the challenges captured in the aforementioned indicators:
      - Over 80% of the surveyed Hispanic and non-Hispanic consumers expressed concerns about the socioeconomic environment in the U.S. and more than 70% are specifically concerned about their personal finances.
      - These concerns are impacting social occasions and shopping behaviors with respondents placing gatherings with friends and family in public spaces, gatherings with friends and family at homes, and shopping in convenience stores or gas stations in the top three activities they are doing less of in the last 3 months.
  - Despite these headwinds, the brand-health metrics for our core beer portfolio remain strong:
    - Our Beer portfolio continued to have the highest level of loyalty with Hispanic consumers relative to other major beer suppliers in the U.S. and our top three Beer brands – Modelo, Corona and Pacifico – also continued to increase loyalty among non-Hispanic consumers.
    - In addition, we have realized increases in aided awareness and consideration for those same top three Beer brands, and our Beer portfolio is holding steady on measures of popularity, net favorability, and several other brand health metrics we track.
- Operating income decreased 24% on a reported basis and 11% on a comparable basis, with the latter resulting in a 250 basis point reduction in comparable operating margin to 32.2% at an Enterprise-level.
  - This comparable operating income reduction was largely driven by the impact of lower net sales, while the reduction in comparable operating margin primarily reflected higher marketing investments to support the health and equity of our brands.

- Reported comparable EPS decreased 10% to $2.90 and comparable EPS declined 10% to $3.22 – and while these results exclude impairments, expenses, and costs associated with the 2025 Wine Divestitures and 2025 Restructuring Initiatives, they do not reflect any adjustments for the distributor contractual payments benefits realized by the Wine and Spirits Business in fiscal 2025 nor for the adverse variance also in the Wine and Spirits Business from the changes of financial and volume related contractual obligations with distributors in fiscal 2026.

Beer Business

- Our Beer Business faced ongoing volume headwinds, as subdued spending and value seeking behaviors persisted among consumers in the first quarter of fiscal 2026.
  - This remained particularly notable in our top sales states, and most significantly in zip codes with larger Hispanic populations in these key markets.
- Despite these challenges, our Beer Business captured 0.6 points of dollar sales share of the total beer category while outperforming in dollar sales year-over-year by nearly 2.7 points.
  - We also had 6 of the top 15 dollar share gaining brands across the total beer category and continued to extend our lead as the #1 high-end beer supplier in the U.S., delivering top share gains in the high-end beer segment.
  - More specifically, in relation to the performance of our largest beer brands:
    - Modelo Especial maintained its leading position as the #1 overall beer brand in U.S. tracked channels and continued to gain share – and within the broader brand family, Modelo Chelada Limón y Sal was a top 15 share gainer.
    - Corona Extra remained a top 5 brand in dollar sales – and within the broader brand family, Corona Sunbrew and Corona Familiar were top 15 share gainers.
    - Pacifico delivered double-digit growth and was the #4 dollar sales share gainer across the total Beer category.
- From a depletion perspective, our Beer Business experienced a 2.6% decrease.
  - Depletions in both off-premise and on-premise channels declined 2.6% – these channels represented 88% and 12%, respectively, of our total depletion volume.
    - In the off-premise channels, depletion headwinds continued in the convenience sub-channel – which was consistent with the findings of our consumer research referenced above.
- Our Beer Business net sales decreased by approximately 2%, mostly driven by lower volumes, partially offset by favorable pricing.
  - Shipment volumes declined by 3.3% and we achieved favorable pricing of approximately 2% – the remaining variance was attributable to unfavorable product mix, primarily from a shift in package types.

    - We had one less sell day in the quarter, which had a more than one percent negative impact on our shipment and depletion volumes growth rates.
- Operating income declined by over 5%, resulting in an operating margin reduction of 150 basis points to 39.1%.
    - An over $40 million of net benefit in COGS supported by our cost and operational initiatives was more than offset by materials cost increases inclusive of aluminum tariffs, as well as higher marketing and other SG&A investments to support the health and equity of our brands.
        - As a percent of Q1 fiscal 2026 net sales, marketing was 9% – slightly above our full year expectations.
        - SG&A, was just over 5% of net sales, relatively in line with our full year expectations.
- We also continued to invest in our Beer Business, deploying over $173 million in capital expenditures towards the modular development of our third brewery at Veracruz and the modular expansions of our existing breweries.

<u>Wine and Spirits Business</u>

- For our Wine and Spirits Business, net sales declined 28% and 21% on a reported and organic basis, respectively.
    - This decrease primarily reflected ongoing consumer demand headwinds in the wine category, particularly in lower-price segments – which were further amplified by the challenging socioeconomic environment affecting beverage alcohol more broadly.
    - From a channel perspective, the decline largely manifested in U.S. wholesale – however, our direct-to-consumer channel also began to face consumer demand challenges with visitations remaining consistent but spend decreasing year-over-year.
- Despite these headwinds, our remaining portfolio – which is focused exclusively on higher-end brands following the closing in June of the divestiture of our previously owned primarily mainstream wine brands – delivered depletion volume growth of approximately 2% in the first quarter of fiscal 2026.
    - In addition, our remaining wine brands achieved 3.4% volume growth in Circana U.S. tracked channels and Kim Crawford – the largest wine brand in our portfolio after the 2025 Wine Divestitures transaction – delivered 4.7% volume growth, both significantly outperforming declines of 3.3% and 3.7% in the corresponding higher-end and premium wine segments, respectively.
- Our Wine and Spirits business operating income declined approximately 110% – this year-over-year change is inclusive of $14 million of gross profit less marketing in the first quarter of fiscal 2025 that are no longer part of the wine and spirits segment results due to the SVEDKA Divestiture.

- Operating margin decreased from 15.3% to (2.1)% as efficiencies in marketing investment and other SG&A were more than offset by lower contractual distributor payments and other adverse variances arising from changes in volume related contractual obligations.

Corporate and Other

- Corporate Expense for the first quarter of fiscal 2026 was $58 million reflecting a 2%, or $1 million, decrease year-over-year driven mainly by lower net compensation and benefits impacts.
- Net interest expense was $99 million – an approximately 4% decrease from prior year, driven by lower average borrowings.
    - We ended the first quarter of fiscal 2026 at our comparable net leverage ratio target of approximately 3.0x.
- Our comparable effective tax rate was relatively unchanged at 17.9% versus 18.2% last year.

Fiscal 2026 Outlook

- Moving on to our comparable outlook for fiscal 2026, which remains unchanged.

Enterprise

- For fiscal 2026, we expect organic Enterprise net sales to be down approximately 2% to up approximately 1% – as a reminder, this guidance reflects:
    - the exclusion of a $98 million net sales contribution from SVEDKA for the March 1, 2024 to January 5, 2025 period;
    - the exclusion of a $613 million net sales contribution for the June 1, 2024 to February 28, 2025 period from the brands included in the 2025 Wine Divestitures transaction; and
    - the anticipated impact of the tariffs announced by the U.S. government on April 2, 2025, the additional impact of the increased tariffs announced by the U.S. government on steel and aluminum on June 3, 2025, and the anticipated impact of the tariffs announced by the Canadian government on March 4, 2025, particularly for the Wine and Spirits Business.
- Enterprise comparable operating income is expected to be down approximately 3% to down approximately 1% – similarly as with net sales, this guidance reflects:
    - the exclusion of a $35 million gross profit less marketing contribution from SVEDKA for the March 1, 2024 to January 5, 2025 period;
    - the exclusion of a $210 million gross profit less marketing contribution for the June 1, 2024 to February 28, 2025 period from the brands included in the 2025 Wine Divestitures transaction;
    - an associated at least $55 million of restructuring net cost savings in fiscal 2026 primarily associated with the 2025 Wine Divestitures transaction; and

    - the additional anticipated impact of the tariffs referenced above.
- It is also important to recall that these year-over-year expectations include for the brands remaining in our Wine and Spirits portfolio following the 2025 Wine Divestitures transaction:
    - in fiscal 2025, a $34 million benefit in both net sales and operating income from distributor contractual payments that were realized throughout the year; and
    - in fiscal 2026, an adverse variance of $56 million and $41 million in net sales and operating income, respectively, due to changes of financial and volume related contractual obligations – most of which are expected to be realized in the first half of fiscal 2026.
- All in, for comparable EPS, we expect a range of $12.60 to $12.90 for fiscal 2026.
- We expect to generate between $2.7 billion and $2.8 billion in operating cash flow, and $1.5 billion and $1.6 billion in free cash flow.
    - In addition, we expect cash flows to benefit from the approximately $858 million of net cash proceeds, subject to post-closing adjustments, related to the 2025 Wine Divestitures transaction.
- And in-line with our disciplined and balanced capital allocation priorities we are looking to maintain:
    - our comparable net leverage ratio at approximately our 3.0x target;
    - cash returns to our shareholders through our approximately 30% dividend payout ratio and ongoing opportunistic share repurchases against our three-year, $4 billion share repurchase authorization; and
    - prudent investments primarily focused on capacity additions to our Beer brewing operations to support ongoing growth, with total capital expenditures of nearly $1.2 billion expected for fiscal 2026.

<u>Beer Business</u>

- For our Beer Business, we expect net sales to be flat to up 3%, inclusive of an approximately 1% to 2% price uplift.
    - From a volume perspective, we anticipate shipments and depletions to track closely on an absolute basis for the full fiscal year.
    - And while what we believe to be non-structural socioeconomic factors continue to affect consumer demand, we currently anticipate the seasonal cadence of our Beer Business to remain relatively consistent with that of prior years – which has historically resulted in more than 50% of shipment and depletion volumes being achieved in the first half of the fiscal year.
- Operating income for our Beer Business is anticipated to be flat to up 2% inclusive of a low-single digit to mid-single digit absolute increase in COGS.

    - This outlook continues to reflect our unaltered expectations for volume growth, cost savings, and multi-year hedges – and as noted above, also includes the impact of tariffs as announced by the U.S. government on April 2, as well as the additional impact of the increased tariffs on steel and aluminum announced on June 3.
- Outside of COGS, we expect marketing expense as a percentage of net sales to be approximately 8.5% and other SG&A as a percentage of net sales to be just over 5%.
    - That said, for the second quarter of fiscal 2026, we currently anticipate our investments in marketing and other SG&A to remain above the prior year corresponding period on an absolute basis, as we continue to support the health and equity of our brands in the current challenging consumer environment.
- All in, we continue to expect ongoing best-in-class operating margins of 39% to 40% in our Beer Business for the full fiscal year 2026.

<u>Wine and Spirits Business</u>

- For our Wine and Spirits Business, we continue to expect an organic net sales decline of 17% to 20% – as previously referenced, this is inclusive of:
    - the adverse variances arising from distributor contractual payments that occurred over the course of fiscal 2025, and the financial and volume related contractual obligations resulting from the 2025 Wine Divestitures transaction that are expected to mainly impact the first half of fiscal 2026; and
    - the anticipated impact of the previously referenced tariffs announced by the U.S. and Canadian governments.
- Our Wine and Spirits Business organic operating income is still expected to decline 97% to 100%.
    - This is also mostly a result of the previously noted distributor contractual payments in fiscal 2025 and the adverse variance in fiscal 2026 due to changes of financial and volume related contractual obligations resulting from the 2025 Wine Divestitures transaction.
    - Beyond these adjustments, operating income for our Wine and Spirits Business in fiscal 2026 is expected to benefit from net cost savings, primarily attributable to the restructuring actions which should provide greater favorability in the second half of fiscal 2026.
    - These gains are expected to be partially offset by lower fixed cost absorption due to the initial impact on sales volume from divestiture transactions, as well as the anticipated impact of the tariffs announced by the U.S. government on April 2, 2025 and the Canadian government on March 4, 2025.
- In light of these drivers, Wine and Spirits organic operating margins are expected to be approximately nil in fiscal 2026.
- We expect equity in earnings in our Wine & Spirits Business to be about $30 million.

<u>Corporate and Other</u>

- Corporate expense is still anticipated to be $265 million for fiscal 2026, reflecting an approximately 8% increase year-over-year mainly as a result of inflationary drivers, particularly in compensation and benefits, partially offset by restructuring net cost savings.
- We continue to expect net interest expense to be approximately $385 million driven by lower average borrowings, and our comparable effective tax rate to come in at approximately 18%, as a result of a less favorable impact from changes in inventory, geographic mix, and regulations affecting profits.
- We anticipate weighted average diluted shares outstanding for fiscal 2026 to be around 176 million, inclusive of share repurchase activity.

While our fiscal 2026 outlook remains unchanged, we continue to closely monitor whether recent revisions to key macroeconomic forecasts will result in additional consumer demand softness – and as always, we will consider all potential actions available to address any incremental headwinds while also evaluating how these factors may ultimately impact our current expectations.

We thank you for your interest in Constellation Brands – and as we approach the upcoming Summer holidays of Fourth of July and Labor Day, we invite you to enjoy some of our amazing products as part of your festivities and celebrations!

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
$	U.S. dollars
2025 Wine Divestitures	sale and, in certain instances, exclusive license to use the trademarks of a portion of our wine and spirits business, primarily centered around our mainstream wine brands and associated inventory, wineries, vineyards, offices, and facilities on June 2, 2025
4000+ Calorie Jobs	Jobs that require a significant amount of physical effort, e.g. construction, agriculture, and mining
Beverage Alcohol	Total beverage alcohol, includes beer, wine and spirits segments
Circana	A leading provider of consumer, shopper, and retail market intelligence and insights. Compiles laser-scanning data and other information to develop projected monthly revenues and volume sales on CPG. Provider of syndicated data with detailed analysis of sales.
COGS	Cost of product sold
Comparable basis ("comparable")	Amounts which exclude items that affect comparability, as they are not reflective of core operations of the segments
CPG	Consumer packaged goods
Depletions	Represents U.S. distributor shipments of our respective branded products to retail customers, based on third-party data
EPS	Diluted net income (loss) per share attributable to CBI
FY	Fiscal year
GAAP	General accepted accounting principles in the U.S.
High-End Beer	Beer that sells above $27.00 a case at retail
Higher-End Spirits	Spirits that generally sell above $14.00 - $17.00 per bottle at retail
Higher-End Wine	Wine that sells above $11.00 per bottle at retail for table wine and above $13.00 for sparkling wine
HL	Hectoliters
International markets	Markets outside of the U.S. in which we sell our Wine and Spirits products
Mainstream	Includes wine that sells less than $11.00 per bottle at retail, sparkling wine and all other wine that sells less than $13.00 per bottle at retail, and spirits that sell less than $14.00 per bottle at retail
Nava	Nava, Coahuila, Mexico
Net interest expense	Includes interest expense, interest income, and extinguishment of debt

Premium	Includes wine that sells between $11.00 to $24.99 per bottle at retail, sparkling wine that sells between $13.00 to $34.99 per bottle at retail, tequila that sells between $17.00 to $23.99 per bottle at retail, and whiskey that sell between $17.00 to $24.99 per bottle at retail
Reported basis ("reported")	Derived from amounts as reported under generally accepted accounting principles in the U.S.
SEC	Securities and Exchange Commission
SG&A	Selling, general, and administrative expenses
Shipments	Represents the volume shipped from CBI to distributors
SKU	Stock keeping unit
SVEDKA Divestiture	Sale of the SVEDKA brand and related assets, primarily including inventory and equipment on January 6, 2025
U.S.	United States of America
Veracruz Brewery	A new brewery being constructed in Veracruz

Disclaimers and Caution Regarding Outdated Material

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

Unless the context otherwise requires, the term “consumers” refers to legal drinking age consumers and references to “betterment” products means our lower-alcohol, lower-calorie, non-alcoholic, or no-calorie products. Market positions and industry data discussed in this commentary have been obtained or derived from industry and other third-party publications and our estimates. We have not independently verified the data from the industry and other third-party publications. Unless otherwise indicated, (i) all references to market positions are based on equivalent unit volume, and (ii) data discussed in this commentary is based on our data, analysis, plans, and reporting. Unless otherwise indicated, the information presented in this commentary is as of July 1, 2025, and, to the best of our knowledge, timely and accurate when made. Thereafter, the information contained in this commentary should be considered historical and not subject to further update by us.