

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) June 24, 2020

CONSTELLATION BRANDS, INC.

(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>001-08495</u> (Commission File Number)	<u>16-0716709</u> (IRS Employer Identification No.)
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207 High Point Drive, Building 100, Victor, NY 14564
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(585) 678-7100**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock	STZ	New York Stock Exchange
Class B Common Stock	STZ.B	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On June 25, 2020, Constellation Brands, Inc. (“Constellation”) issued a news release, a copy of which release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference, announcing that as part of its Wine and Spirits Transformation, it has signed separate agreements to divest the Paul Masson Grande Amber Brandy brand and the Nobile Wine brand.

References to Constellation’s website and/or other social media sites or platforms in the release do not incorporate by reference the information on such websites, social media sites or platforms into this Current Report on Form 8-K, and Constellation disclaims any such incorporation by reference. The information in the news release attached as Exhibit 99.1 is incorporated by reference into this Item 7.01 in satisfaction of the public disclosure requirements of Regulation FD. This information is “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and is not otherwise subject to the liabilities of that section. Such information may be incorporated by reference in another filing under the Securities Exchange Act of 1934 or the Securities Act of 1933 only if and to the extent such subsequent filing specifically references the information incorporated by reference herein.

Item 8.01 Other Events.

Effective as of June 24, 2020, Constellation, Sazerac Investments, LLC and Sazerac Company, Inc. entered into an asset purchase agreement (the “PMGA Asset Purchase Agreement”) pursuant to which Sazerac Investments, LLC agreed to acquire the Paul Masson Grande Amber Brandy brand, related inventory and interests in certain contracts in a transaction with an estimated aggregate purchase price value of approximately \$255 million (the “PMGA Transaction”). This aggregate purchase price, payable to Constellation in cash and calculated pursuant to the PMGA Asset Purchase Agreement, is subject to certain purchase price and closing adjustments. The PMGA Asset Purchase Agreement contains customary representations, warranties, covenants and indemnities for a transaction of this type and also contemplates that as a condition to closing, the Federal Trade Commission will accept for public comment a consent order relating to the previously disclosed transaction between Constellation and E. & J. Gallo Winery (“Gallo”) regarding the sale to Gallo of a portion of Constellation’s wine and spirits business principally consisting of various brands having a retail price of \$11.00 and below, and certain other related assets (the “Gallo Wine and Spirits Transaction”). The PMGA Transaction is subject to regulatory clearance. It is also expected that Sazerac Investments, LLC will provide certain trademark licenses to Gallo and receive certain transition services from Constellation in relation to the purchased assets.

Constellation, Sazerac Investments, LLC and Sazerac Company, Inc. have also agreed that they intend to consummate the PMGA Transaction even in the event the Gallo Wine and Spirits Transaction is terminated and does not close. To that end, Constellation, Sazerac Investments, LLC and Sazerac Company, Inc. have agreed that in such event they will amend and restate the PMGA Asset Purchase Agreement to, among other things, remove all references to the Gallo Wine and Spirits Transaction, include a requirement to make all required filings under applicable competition laws, and provide that Sazerac Investments, LLC will provide certain trademark licenses to Constellation in relation to the purchased assets.

Nothing in the PMGA Asset Purchase Agreement or the PMGA Transaction is intended to confer upon any person other than Constellation, Sazerac Investments, LLC or Sazerac Company, Inc. any right or remedy under or by reason of the PMGA Asset Purchase Agreement or the PMGA Transaction.

Item 9.01 Financial Statements and Exhibits.

For the exhibit that is furnished herewith, see the Index to Exhibits immediately following.

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
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| (99) | ADDITIONAL EXHIBITS |
| (99.1) | News Release of Constellation Brands, Inc. dated June 25, 2020 (filed herewith). |
| (104) | Cover Page Interactive Data File (embedded within the Inline XBRL document). |
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 25, 2020

CONSTELLATION BRANDS, INC.

By: /s/ Garth Hankinson
Garth Hankinson
Executive Vice President and
Chief Financial Officer



PRESS RELEASE

#WORTHREACHINGFOR



CONSTELLATION BRANDS SIGNS SEPARATE AGREEMENTS TO DIVEST PAUL MASSON GRANDE AMBER BRANDY AND NOBILO WINE BRANDS AS PART OF COMPANY'S WINE & SPIRITS TRANSFORMATION

VICTOR, N.Y., June 25, 2020 - Constellation Brands, Inc. (NYSE: STZ and STZ.B), a leading beverage alcohol company, today announced it has signed an agreement with Sazerac Company, Inc., one of America's oldest privately held distillers, to divest the Paul Masson Grande Amber Brandy brand, related inventory and interests in certain contracts for an aggregate of approximately \$255 million. The deal is subject to certain purchase price and closing adjustments, requires FTC review and clearance, and is expected to close in the second quarter of fiscal 2021.

Constellation has signed a separate agreement with E. & J. Gallo Winery to divest its Nobile Wine brand and certain related assets and liabilities for \$130 million, subject to purchase price and closing adjustments. The Nobile transaction is expected to close by the end of the second quarter of fiscal 2021. This agreement was previously announced in December 2019 and is contingent on closing the amended revised deal announced in May 2020 in which Constellation agreed to divest a portion of its wine and spirits portfolio principally priced at \$11 retail and below, and certain related facilities to E. & J. Gallo Winery for approximately \$1.03 billion, subject to closing adjustments, of which \$250 million is an earnout based on divested brand performance over a two-year period after closing. This amended revised deal, which requires FTC review and clearance, and governmental approvals, is expected to close in the second quarter of fiscal 2021.

"These agreements represent another step forward in our efforts to transform our wine and spirits business," said Bill Newlands, president and chief executive officer at Constellation Brands. "Thanks to the continued hard work of our Constellation team members, together with our distributor and retailer partners, our strategy continues to gain momentum. We look forward to closing these transactions in the coming months."

Additional commentary related to these agreements will be provided during Constellation Brands' first quarter fiscal 2021 results conference call to be held Wednesday, July 1, 2020, at 11:30 a.m. EDT. The conference call can be accessed by dialing +1-877-673-1771 and entering conference identification number 2076116, beginning at 11:20 a.m. EDT. A live, listen-only webcast of the conference call will be available on the company's website, www.cbrands.com, under the Investors/Events & Presentations section.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The word “expect” 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. The revised wine and spirits transaction, the Nobilo transaction and the Paul Masson Grande Amber Brandy transaction are each subject to the satisfaction of certain closing conditions, including the receipt of required regulatory clearances and other governmental approvals. The Nobilo transaction is also conditioned on the completion of the revised wine and spirits transaction. There can be no assurance that the revised wine and spirits transaction, the Nobilo transaction, or the Paul Masson Grande Amber Brandy transaction will occur or will occur on the terms or timetables contemplated hereby or that Constellation Brands will receive any earnout (contingent consideration).

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 completion of the revised wine and spirits transaction, the Nobilo transaction, and the Paul Masson Grande Amber Brandy transaction on the expected terms, conditions, and timetables; regulatory requirements; actual purchase price adjustments and other actual closing adjustments; the actual market performance of brands included in the contingent consideration payment opportunity; 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](#).

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