

Constellation Brands, Inc

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Constellation Brands cuts EPS guidance for full year as it counts cost of Canopy Growth investment

Constellation Brands Inc (NYSE:STZ) shares sank over 12% before the New York bell as the big brewing group posted an outlook for the year which missed expectations, dented by higher interest expenses.

The New York-headquartered group said it expects to earn between \$9.20 and \$9.30 per share for its 2019 fiscal year on an adjusted basis, while scribes on Wall Street had expected \$9.43 per share.

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Last quarter, it predicted earnings per share (EPS) of between \$9.60 to \$9.75 for the fiscal year.

Elsewhere, for the third quarter, the firm posted a beat. Net income came in at \$303.1 million, or \$1.56 per share.

Excluding items, Constellation earned \$2.37 per share for the three months, beating the \$2.06 per share expected by analysts.

Constellation is the third-biggest beer company in the U.S. and has imported brands such as Corona Extra, Corona Light, Modelo Especial, Modelo Negra and Pacific.

In November, the firm invested \$4 billion into cannabis firm Canopy Growth, financing it with debt, and the interest expense is set to take 25% off EPS for the year, according to the firm.

Shares shed 12.09% to \$172.34.

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Share Information

Code: CBR

Listing: ASX

Sector: Food & drink

Website: www.cbrands.com

Company Synopsis:

Constellation Brands, Inc. is an international producer and marketer of beverage alcohol with a portfolio of wine brands complemented by spirits, imported beers and other select beverage alcohol products.

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