

Constellation Brands

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Corona maker Constellation shares hop amid strong fiscal 4Q numbers. sale of wine labels

Constellation Brands Inc (NYSE:STZ), owner of alcohol brands including Corona, Modelo and Svedka, posted fiscal fourth-quarter numbers that have traders toasting their results. The strong numbers followed an announcement from the company Wednesday that it was selling about 30 wine and spirit brands to J. Gallo Winery for \$1.7 billion.

The New York-based alcohol producer brought in earnings of \$1.84 per share on revenue of \$1.79 billion for the quarter, compared to Street expectations of \$1.72 EPS on revenue of \$1.73 billion. A year ago, the company posted \$1.89 EPS on revenue of \$1.76 billion.

Shares foamed up by 6% to \$190.38.

READ: Alcohol companies get a buzz from playing offense in cannabis industry For the year, Constellation's \$9.28 EPS on \$8.1 billion in revenue beat analyst expectations of \$9.17 EPS on \$8.05 billion in revenue.

Canopy Growth on the horizon

In November, the company extended its reach into the cannabis sector and closed a \$4 billion investment in Canopy Growth Corp (NYSE:CGC, TSX:WEED). The deal brought its stake in the Canadian company to 37%. The funding will allow Canopy to build scale where medical cannabis is legal and create a foundation of supply if recreational cannabis becomes legal.

A cannabis-based beverage may be on the horizon, especially given the passage of the 2018 Farm bill in the US, which legalized the production of CBD from industrial hemp.

Canopy stock slipped 0.5% to C\$58 on the TSE and gained 0.2% to US\$43.46 on the NYSE.

Looking forward, the company expects to report between \$8.50 and \$8.80 EPS in fiscal 2020. Analysts expect \$9.44 EPS on average.

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Price: 183.83

Market Cap: \$35.23 billion

1 Year Share Price Graph



Share Information

Code: STZ

Listing: NYSE ASX

52 week High Low
214.36 150.37

Sector: Food & drink

Website: www.cbrands.com

Company Synopsis:

Constellation Brands is a wine company with a market position in each of its core markets, which include the United States, Canada, the United Kingdom, Australia and New Zealand.

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