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# CONSTELLATION BRANDS ACQUIRES MINORITY STAKE IN PASO ROBLES-BASED BOOKER VINEYARD PORTFOLIO

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## *Investment Bolsters Constellation's Wine and Spirits Premiumization Strategy*

**VICTOR, N.Y. and SAN FRANCISCO, July 16, 2020** – Constellation Brands, Inc. (NYSE: STZ and STZ.B), a leading beverage alcohol company, announced today that it has acquired a stake in Booker Vineyard's super-luxury, direct-to-consumer (DTC) focused portfolio of Paso Robles, California wines. The agreement consists of a minority stake with the potential for majority ownership in the future. As part of the agreement, Constellation's wine and spirits team will support Booker Vineyard's growth objectives to expand distribution for its wholesale, Cabernet Sauvignon-based My Favorite Neighbor and Harvey & Harriet wines, within the United States.

The investment complements Constellation's TRU Fine Wine portfolio, which includes Schrader Cellars, Robert Mondavi Winery, The Prisoner Wine Company, Mount Veeder Winery, To Kalon Vineyard Company, and Ruffino Estates, among others.

"We are pleased to partner with Booker Vineyard as we continue to drive our vision to be a bold and innovative, high-end wine and spirits portfolio that delivers exceptional consumer experiences," said Robert Hanson, president of wine and spirits at Constellation Brands. "Eric Jensen and the Booker Vineyards team have built an exceptionally high-quality collection of Rhône-varietal wines from the Paso Robles AVA. They have done so while building an impressive DTC business with an exciting runway for growth, which aligns with our long-term aspirations to lead the category in DTC and 3-tier eCommerce. We will also look to gain insight from Eric's farming and winemaking approach, along with the expertise of Constellation's acclaimed master winemakers, as we continue to strengthen our fine wine portfolio. We look forward to working closely with the Booker Vineyard team to help them strategically expand their distribution and build their My Favorite Neighbor and Harvey & Harriet brands with consumers, while leveraging their unique expertise and capabilities to accelerate our leadership."

"I couldn't be more excited," said Eric Jensen, Booker Vineyard's founder and winemaker. "Together with Constellation, we're going to bring the best wines from Paso Robles to American consumers while flipping the traditional fine wine experience on its head. I am a farmer and a winemaker at heart, and I have known for some time that I need a strategic partner that shares my

values and brings something to the table that I don't. Constellation has an amazing, growing fine wine portfolio and works with the best minds in the business. With this partnership, we will reap the benefits of Constellation's brand building and sales expertise, plus its leading network to help us grow our business in ways I can't on my own. We are fired up and ready to rock!"

Since its first vintage in 2005, Booker Vineyard has established itself as a highly celebrated producer of luxury Rhône varietals, priced across super-luxury tiers from \$30 to \$165 per bottle and sold primarily through the DTC channel. The wines consistently receive excellent scores from top critics, including 100 points from *Wine Advocate* and an average score of 97 points from wine critic Jeb Dunnuck, and wines from the Booker Vineyard portfolio have made *Wine Spectator's* Top 100 three times. Booker Vineyard's estate vineyards are farmed in accordance with organic and biodynamic practices to sustain the long-term health of the vines and surrounding environment. Jensen will continue to lead the Booker Vineyard team in producing My Favorite Neighbor and Harvey & Harriet wines, as well as producing and selling the estate-sourced, Rhône varietal-based Booker Vineyard DTC wines.

Constellation Brands has always highly regarded the Paso Robles community and its significant contributions to the wine industry. Constellation is proud to partner with Booker Vineyard in support of the Paso Robles Chamber of Commerce for their Downtown City Park initiative, helping local restaurants adapt to COVID-19 related operating guidelines while still offering their guests high quality food and wine experiences. Additionally, Constellation has made a donation to Must! Charities to help support the Paso Robles community's most pressing needs including homelessness and poverty prevention and support.

Constellation's Wine & Spirits portfolio premiumization strategy is gaining traction in the marketplace as the company's Power Brands continue to outpace competitors and take market share at the \$11 and above price point. The company achieved depletion growth for its wine and spirits Power Brands of 5% and consumer takeaway trends over 25% in IRI channels during the company's first quarter, driven by Kim Crawford, Meiomi, and The Prisoner Wine Company, among others. Terms of the agreement 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 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.

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,  and 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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