Constellation Brands Inc. (STZ)

Updated January 14th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$156	**5 Year CAGR Estimate:**	13.9%	**Market Cap:**	$27 B
Fair Value Price:	$206	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	01/29/26
% Fair Value:	76%	**5 Year Valuation Multiple Estimate:**	5.7%	**Dividend Payment Date:**	02/12/26
Dividend Yield:	2.6%	**5 Year Price Target**	$276	**Years Of Dividend Growth:**	10
Dividend Risk Score:	C	**Sector:**	Consumer Staples	**Rating:**	Hold

Overview & Current Events

Constellation Brands was founded in 1945. The $27 billion market cap company produces and distributes alcoholic beverages including beer, wine, and spirits. It is the third largest beer company in the U.S., and imports and sells beer brands such as Corona, Modelo Especial (the #1 Beer in U.S.), Modelo Negra, and Pacifico. In addition, Constellation has many wine brands including Robert Mondavi and Kim Crawford, as well as spirits brands including Casa Noble Tequila, and High West Whiskey. The company also has a stake in cannabis company Canopy Growth.

Constellation Brands declared a $1.02 quarterly dividend on April 9th, 2025, which represented a 1% increase.

In June 2025, Constellation completed its divestiture of some of its wine and spirits brands to The Wine Group. The brands divested include Woodbridge, Meiomi, Robert Mondavi Private Selection, Cook's, SIMI, and J. Roget sparkling wine, as well as its inventory, facilities, and vineyards. Constellation retained its high-end wine and spirits brands.

On January 7th, 2026, Constellation Brands reported third quarter fiscal 2026 results for the period ended November 30, 2025. For the quarter, the company recorded $2.22 billion in net sales, down 10% compared to the same prior year period. Beer sales fell 1% year-over-year, while wine and spirits sales plunged 51% due primarily to the SVEDKA and wine divestitures. Comparable earnings-per-share equaled $3.06 for the quarter, which was 6% lower compared to Q3 2025, but $0.43 ahead of analyst estimates.

Year-to-date, Constellation Brands repurchased $824 million of its shares and paid $539 million in dividends.

Constellation Brands reiterated its outlook for adjusted earnings-per-share of $11.30 - $11.60 for fiscal 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$5.43	$6.76	$8.72	$9.28	$9.12	$9.97	$10.20	$10.65	$12.06	$13.78	***$11.45***	***$15.32***
DPS	$1.24	$1.60	$2.08	$2.96	$3.00	$3.00	$3.04	$3.20	$3.56	$4.04	***$4.08***	***$5.46***
Shares[1]	199.0	195.0	191.0	191.0	195.0	196.0	191.0	185.0	183.0	179.9	***176.0***	***155.0***

Constellation Brands has set together an impressive record in the last decade, growing earnings-per-share by 10.9% per year. However, EPS growth has decreased to 8.6% over the past five years. In 2020, performance declined due to the COVID-19 pandemic, but the company subsequently recovered and continues to report strong financial results. We are forecasting 6% annual EPS growth over the intermediate term.

In a highly competitive U.S. beer, wine, and spirits market, Constellation Brands has differentiated itself with a focus on what the company describes as "premiumization" trends. This means the company is pursuing growth in the high-end of the beer, wine, and spirits categories.

In 2023, Constellation Brands divested its craft beers business, including Funky Buddha and Four Corners, to focus on its core portfolio. And in January 2025, it divested its SVEDKA Vodka business.

[1] In millions.

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Constellation is expecting to invest $2 billion between fiscal 2026 and fiscal 2028 on expanding capacity in Mexico. These investments will support future growth for the company's high-end Mexican beer portfolio.

Share repurchases also aided EPS growth over the long term. Furthermore, it has recently approved a new $4 billion share repurchase authorization for FY26 to FY28. In management's medium-term outlook, it expects an outstanding share count of approximately 166 million shares by FY 2028.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	23.6	23.3	22.7	22.2	21.1	18.4	22.7	21.2	20.0	18.1	***13.7***	***18.0***
Avg. Yld.	1.0%	1.1%	1.4%	1.6%	1.6%	1.3%	1.3%	1.3%	1.4%	1.5%	***2.6%***	***2.0%***

From 2021 through 2025, shares of Constellation Brands traded hands on average at 20.1 times earnings. We are using 18.0 times earnings as a fair value multiple. With shares presently trading at 13.7 times our earnings forecast, this implies the potential for a meaningful valuation tailwind.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	23%	24%	24%	32%	33%	30%	30%	30%	30%	29%	***36%***	***36%***

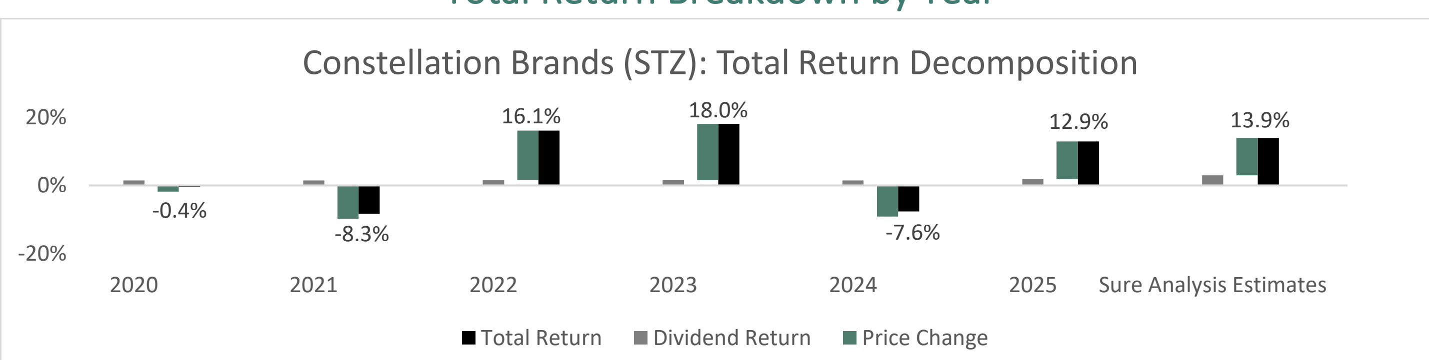
Constellation Brands has several competitive advantages. Its long list of strong brands gives the company pricing power. Its strong distributor network provides an effective route-to-market for the company's strategy in premium categories. Another benefit of Constellation Brands' business is that it can withstand downturns very well. Alcoholic beverages are generally resistant to recessions. During the Great Recession, Constellation Brands reported earnings-per-share of $1.68, $1.44, $1.60, and $1.91 during the 2006 through 2009 stretch. Results improved in 2021 and 2022 as well following the COVID pandemic.

As of the most recent report, Constellation Brands held $152 million in cash and cash equivalents, $2.9 billion in current assets (47% of which was inventory) and $21.7 billion in total assets against $2.2 billion in current liabilities and $13.7 billion in total liabilities. Long-term debt stood at $10.3 billion. Constellation maintained its comparable net leverage ratio at 3.0X, which is in line with its target of 3.0X.

Final Thoughts & Recommendation

Constellation Brands' share price has suffered in the trailing one year, declining by 14%. The company has been restructuring its portfolio to focus on its high-end brands while divesting its non-core brands. And Constellation is investing heavily in brewery expansions over the next few years to drive growth. We are forecasting 13.9% total return potential stemming from 6.0% EPS growth, a 2.6% starting dividend yield, and a potential valuation tailwind. Constellation Brands earns a hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	6,548	7,321	7,580	8,116	8,344	8,615	8,821	9,453	9,962	10210
Gross Profit	2,942	3,519	3,813	4,080	4,152	4,466	4,707	4,769	5,018	5,315
Gross Margin	44.9%	48.1%	50.3%	50.3%	49.8%	51.8%	53.4%	50.4%	50.4%	52.1%
SG&A Exp.	1,177	1,392	1,533	1,668	1,622	1,665	1,711	1,926	1,848	1,950
D&A Exp.	180	238	294	333	327	294	337	384	428	446
Operating Profit	1,765	2,127	2,280	2,412	2,530	2,801	2,996	2,843	3,170	3,365
Operating Margin	27.0%	29.0%	30.1%	29.7%	30.3%	32.5%	34.0%	30.1%	31.8%	33.0%
Net Profit	1,055	1,529	2,303	3,436	-12	1,998	-40	-71	1,727	-81
Net Margin	16.1%	20.9%	30.4%	42.3%	-0.1%	23.2%	-0.5%	-0.8%	17.3%	-0.8%
Free Cash Flow	522	789	874	1,360	1,825	1,942	1,679	1,722	1,511	1,938
Income Tax	441	550	23	686	-967	511	309	422	457	-52

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	16965	18602	20,539	29,232	27,323	27,105	25,856	24,660	25,690	21,650
Cash & Equivalents	83	177	90	94	81	461	199	134	152	68
Accounts Receivable	733	737	776	847	865	785	899	902	833	737
Inventories	1,852	1,955	2,084	2,130	1,374	1291	1,573	1,899	2,078	1,437
Goodwill & Int. Ass.	10542	11298	11,388	11,287	10,476	10,526	10,618	10,650	10,710	7,659
Total Liabilities	10273	11718	12,547	16,394	14,849	13,176	13,808	15,930	15,630	14,520
Accounts Payable	429	560	592	617	558	460	899	942	1,107	940
Long-Term Debt	8,081	9,238	10,187	13,617	12,185	10,442	10,417	12,460	11,880	11,500
Shareholder's Equity	6,560	6,891	7,975	12,551	12,132	13,599	11,732	8,414	9,743	6,882
LTD/E Ratio	1.23	1.34	1.28	1.08	1.00	0.77	0.89	1.48	1.22	1.67

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	6.6%	8.6%	11.8%	13.8%	0.0%	7.3%	-0.2%	-0.3%	6.9%	-0.3%
Return on Equity	17.1%	22.7%	31.0%	33.5%	-0.1%	15.5%	-0.3%	-0.7%	18.4%	-1.0%
ROIC	7.5%	9.9%	13.4%	15.4%	0.0%	8.2%	-0.2%	-0.3%	8.0%	-0.4%
Shares Out.	199	195	191	191	195	196	191	193	184	181
Revenue/Share	32.13	35.87	37.76	41.51	43.54	44.11	46.27	49.09	54.15	56.25
FCF/Share	1.80	2.56	3.86	4.35	6.96	9.52	9.94	8.80	8.21	10.68

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.