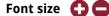
News

Constellation Brands secures final price of US\$810m for E&J Gallo offload

Rhodri Morgan | 6 January 2021







Constellation Brands has confirmed a price of US\$810m as it completes a sale of lower-value wine and spirits assets to **E&J Gallo Winery**.



The deal between Constellation Brands and E&J Gallo was first announced in April 2019

The final price is some way below the original US\$1.7bn tag attached to the deal when it was first announced almost two years ago. Since then, Constellation Brands has removed brands including Mission Bell Winery and Cook's California Champagne from the deal because of competition concerns.

Yesterday's announced price is also \$220m less than the expected amount released late last month. Constellation said the new transaction price reflects changes in inventory built into the deal.

The deal gives E&J Gallo brands predominantly priced at \$11 and below per bottle and some production facilities in the states of California, New York and Washington. A separate agreement with Gallo to offload Nobilo Wine in New Zealand also closed yesterday for \$130m. Constellation's offload of its US grape juice concentrate business to Californian grape processor Vie-Del Co has also completed

Most popular

Super Bowl LV - Drinks ads as they're announced

Interview - Diageo CEO Ivan Meneze

Has spirits emerged stronger from C

just-drinks speaks to Diageo CEO Iva

The Super Bowl 2020 drinks ad shov focus

MORE

Sazerac Co's purchase of Constellation's Paul Masson Grande Amber Brandy, announced six months ago, should be finalised this month, Constellation said.

Market research

United States of America Cider Market Insights 202 Insights and Drivers behin and Cider Market Perform

"The closing of these deals positions our wine and spirits business for accelerated revenue growth and operating margin performance going forward," said Constellation Brands CEO Bill Newlands. "We continue to see the staying power of consumer-driven premiumisation trends, and these moves align with our vision of building a winning portfolio of bold and distinctive higher-end brands."

<u>How to tailor your spirits marketing to the consumer of today - and tomorrow - click here for a just-</u> drinks comment

Sectors: Mergers & acquisitions, Spirits, Wine Companies: Constellation Brands, E&J Gallo

Expert Analysis

United States America (USA) Wine - Market Assessment and Forecasts to 2024

United States America (USA) Wine - Market Assessment and Forecasts to 2024

GlobalData's Country Profile report on the wine sector in the US provides insights on high growth markets to target, trends in the usage of packaging materials, types and closures category level distr...

VIEW REPORT

Related Content



Constellation Brands offloads lower-end wines to E&J Gallo in US\$1.7bn deal...



E&J Gallo follows valuegrowth approach with Pahlmeyer Winery purchase - just-drinks comments...



Constellation's wine sale to Gallo – It had to be you – analysis...



Constellation Brands to offload Black Velvet Canadian Whisky to Heaven Hill Brands...



Rhodri's account | Logout

Rhodri's account

Logout

NEWS & COMMENT IN-DEPTH FEATURES REGIONS COMPANIES SECTORS RESEARCH MAGAZINE ADVERTISE





Buy beverage market research
New beverage market research
Beverage sector market research
Beverage companies market research

Beverage industry consultants
Beverage industry thought leaders
News & comment by region

Advertise on just-drinks Subscribe to just-drinks RSS feeds