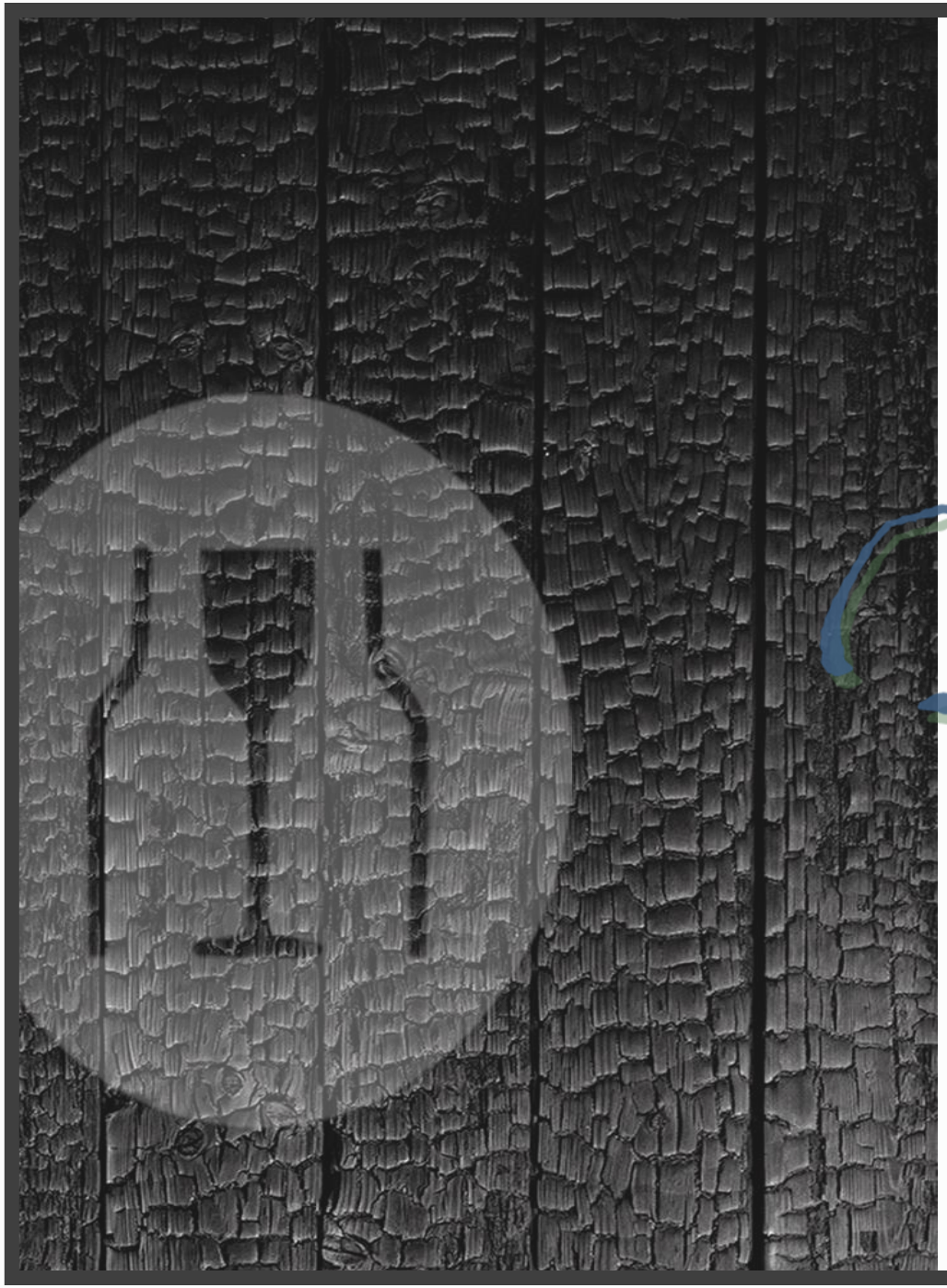


Building Forever

2016 Brown-Forman Investor Day

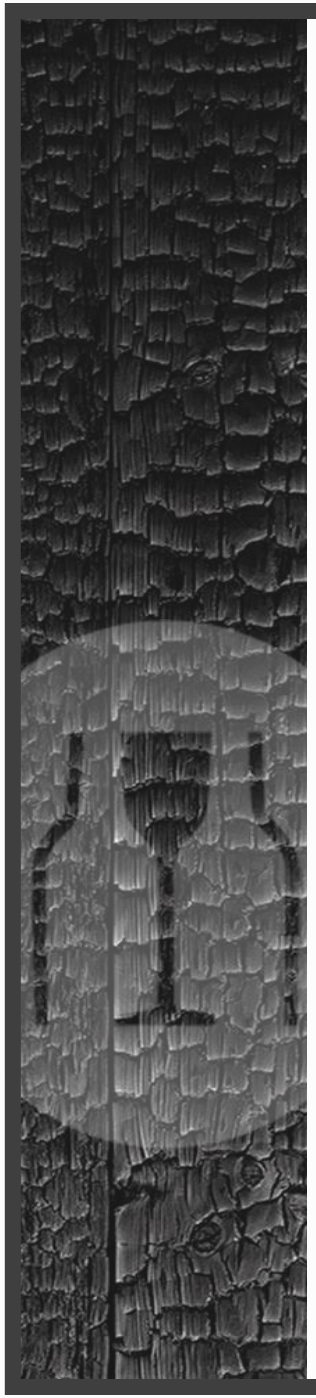
Jay Koval, VP Investor & Community Relations

Forward-Looking Statements

This press release contains statements, estimates, and projections that are "forward-looking statements" as defined under U.S. federal securities laws. Words such as "aim," "anticipate," "aspire," "believe," "continue," "could," "envision," "estimate," "expect," "expectation," "intend," "may," "plan," "potential," "project," "pursue," "see," "seek," "should," "will," and similar words identify forward-looking statements, which speak only as of the date we make them. Except as required by law, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. By their nature, forward-looking statements involve risks, uncertainties and other factors (many beyond our control) that could cause our actual results to differ materially from our historical experience or from our current expectations or projections. These risks and uncertainties include, but are not limited to:

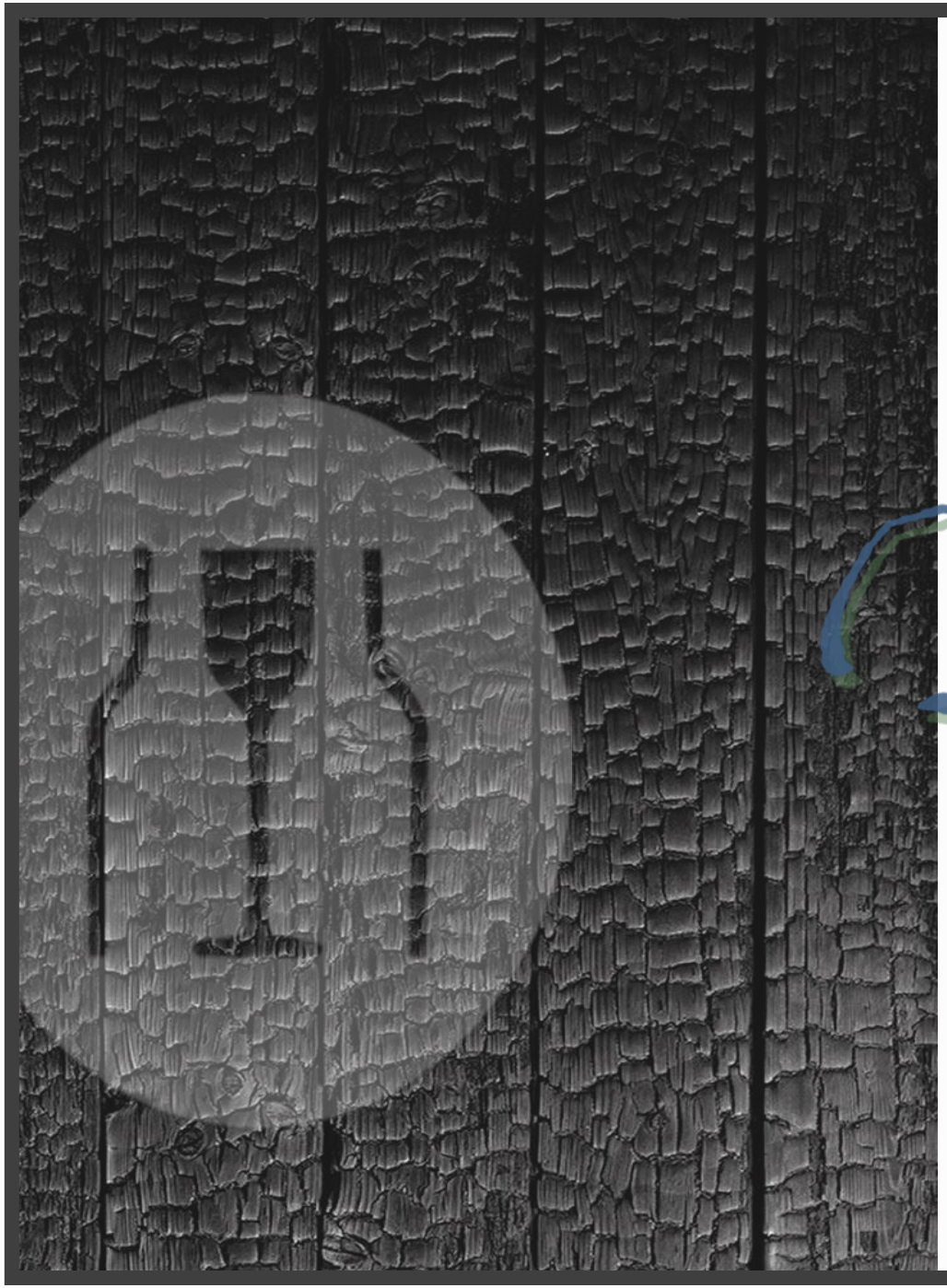
- Unfavorable global or regional economic conditions, and related low consumer confidence, high unemployment, weak credit or capital markets, budget deficits, burdensome government debt, austerity measures, higher interest rates, higher taxes, political instability, higher inflation, deflation, lower returns on pension assets, or lower discount rates for pension obligations
- Risks associated with being a U.S.-based company with global operations, including commercial, political and financial risks; local labor policies and conditions; protectionist trade policies or economic or trade sanctions; compliance with local trade practices and other regulations, including anti-corruption laws; terrorism; and health pandemics
- Fluctuations in foreign currency exchange rates, particularly a stronger U.S. dollar
- Changes in laws, regulations, or policies - especially those that affect the production, importation, marketing, labeling, pricing, distribution, sale, or consumption of our beverage alcohol products
- Tax rate changes (including excise, sales, VAT, tariffs, duties, corporate, individual income, dividends, capital gains) or changes in related reserves, changes in tax rules (for example, LIFO, foreign income deferral, U.S. manufacturing and other deductions) or accounting standards, and the unpredictability and suddenness with which they can occur
- Dependence upon the continued growth of the Jack Daniel's family of brands
- Changes in consumer preferences, consumption or purchase patterns - particularly away from larger producers in favor of smaller distilleries or local producers, or away from brown spirits, our premium products, or spirits generally, and our ability to anticipate or react to them; bar, restaurant, travel or other on-premise declines; shifts in demographic trends; unfavorable consumer reaction to new products, line extensions, package changes, product reformulations, or other product innovation
- Decline in the social acceptability of beverage alcohol products in significant markets
- Production facility, aging warehouse or supply chain disruption
- Imprecision in supply/demand forecasting
- Higher costs, lower quality or unavailability of energy, water, raw materials, product ingredients, labor or finished goods
- Route-to-consumer changes that affect the timing of our sales, temporarily disrupt the marketing or sale of our products, or result in higher implementation-related or fixed costs
- Inventory fluctuations in our products by distributors, wholesalers, or retailers
- Competitors' consolidation or other competitive activities, such as pricing actions (including price reductions, promotions, discounting, couponing or free goods), marketing, category expansion, product introductions, or entry or expansion in our geographic markets or distribution networks
- Risks associated with acquisitions, dispositions, business partnerships or investments - such as acquisition integration, or termination difficulties or costs, or impairment in recorded value
- Inadequate protection of our intellectual property rights
- Product recalls or other product liability claims; product counterfeiting, tampering, contamination, or product quality issues
- Significant legal disputes and proceedings; government investigations (particularly of industry or company business, trade or marketing practices)
- Failure or breach of key information technology systems
- Negative publicity related to our company, brands, marketing, personnel, operations, business performance or prospects
- Failure to attract or retain key executive or employee talent
- Our status as a family "controlled company" under New York Stock Exchange rules

For further information on these & other risks, please refer to the "Risk Factors" section of our annual report on Form 10-K and quarterly reports on Form 10-Q filed with the SEC.



Investor Day Agenda

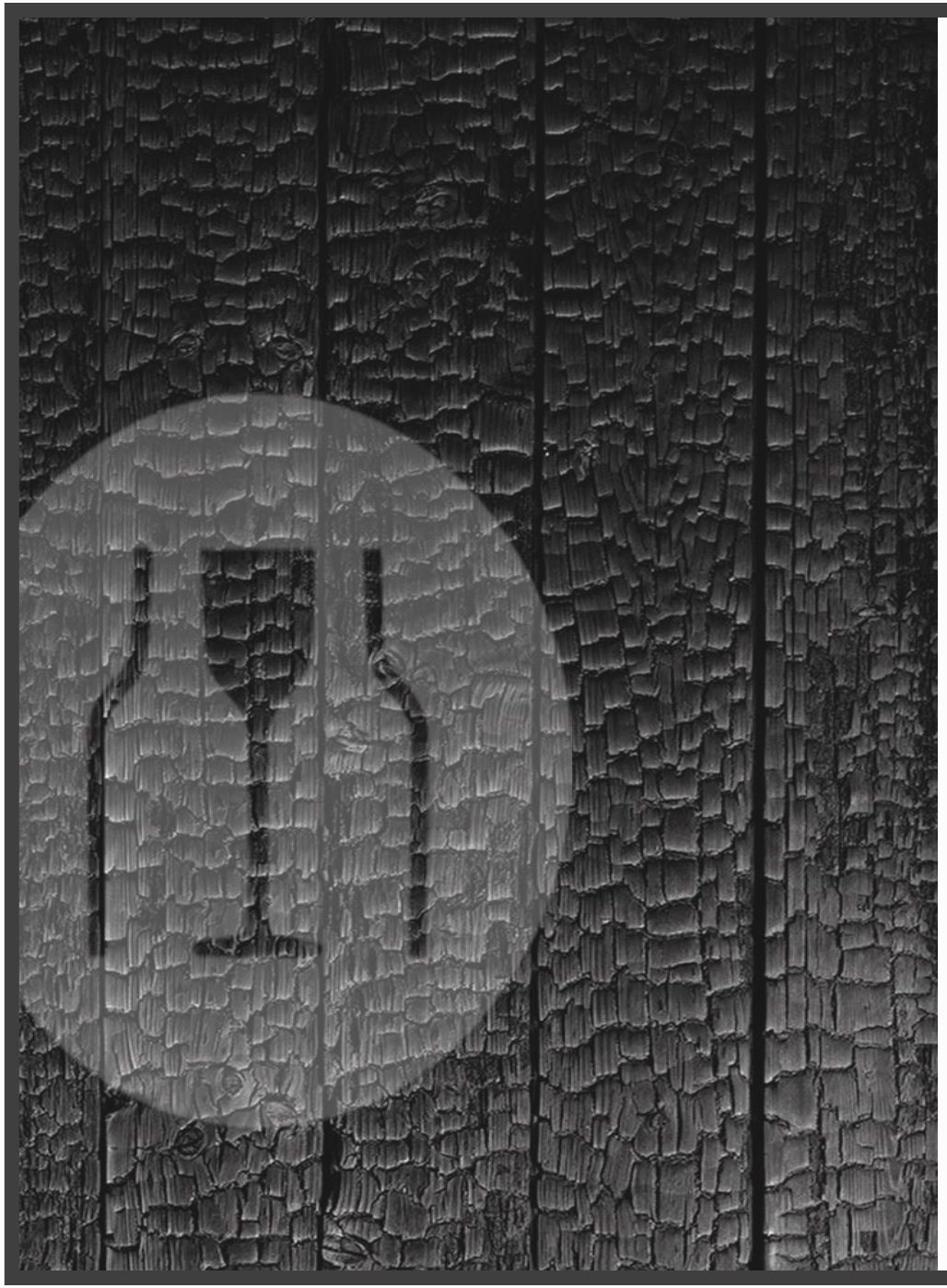
1:00PM	Jack Daniel's Experience	**Jack Daniel's Team Members**
2:00PM	Presentations	**2:00-2:10PM Paul Varga** – Chairman and Chief Executive Officer **2:10-2:40PM Mark McCallum** – EVP, President, Jack Daniel's Brands **2:40-3:00PM Lawson Whiting** – EVP, Chief Brands and Strategy Officer
3:00PM	Break	
3:15PM	Presentations	**3:15-3:35PM Jane Morreau** – EVP, Chief Financial Officer **3:35-3:50PM Geo. Garvin Brown IV** – Chairman, Board of Directors **3:50-4:00PM Paul Varga** – Chairman and Chief Executive Officer
4:00PM	Q&A Session	
5:00PM	Cocktails, Whiskey Tastings & Jack Daniel's Experience	

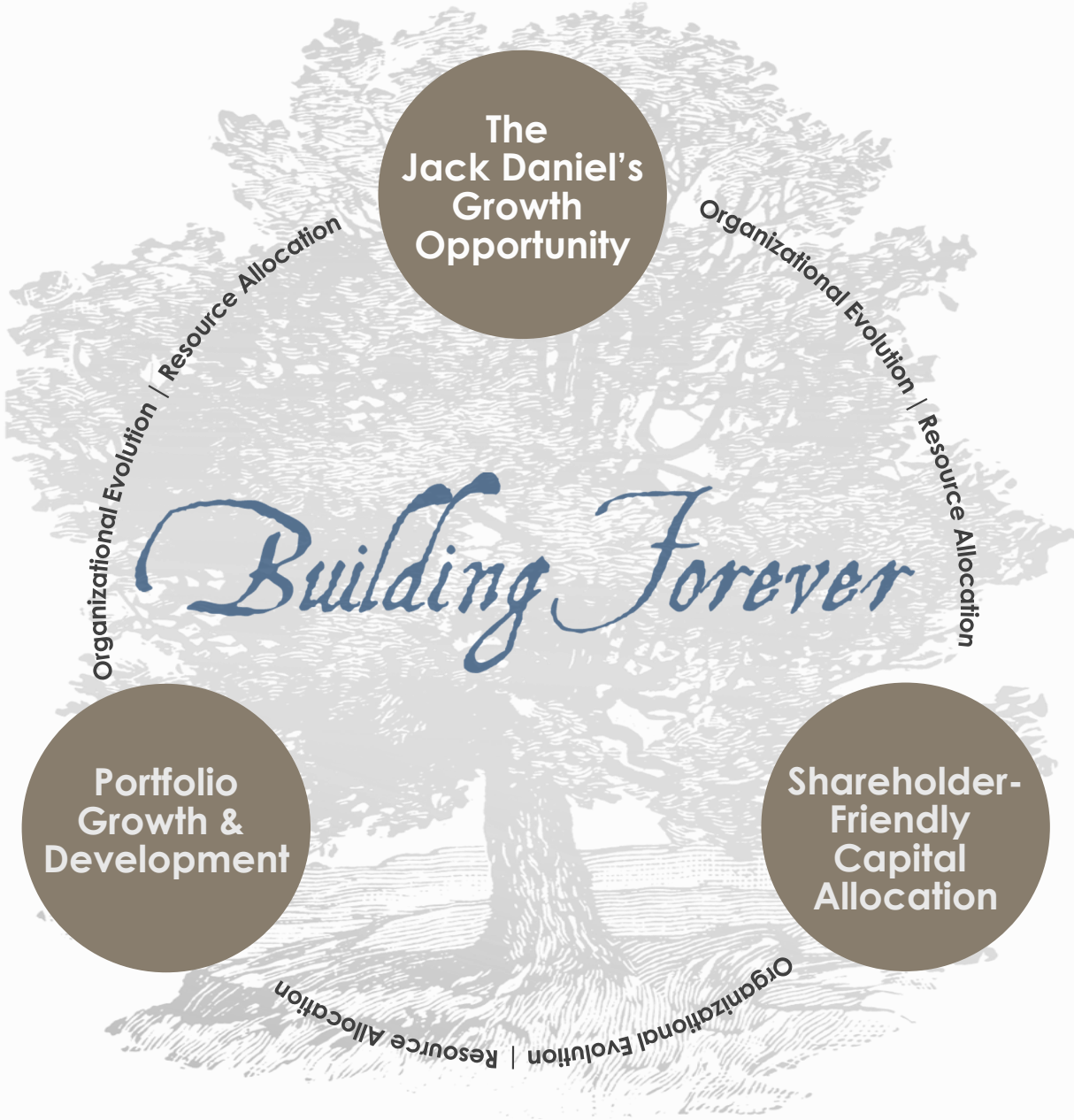


Building Forever

2016 Brown-Forman Investor Day

Paul Varga, Chairman & CEO




The Jack Daniel's Growth Opportunity
Organizational Evolution | Resource Allocation
Building Forever
Portfolio Growth & Development
Shareholder-Friendly Capital Allocation
Organizational Evolution | Resource Allocation
Organizational Evolution | Resource Allocation

Brown-Forman – A Leading Global Spirits Company

- Jack Daniel's - A Global Growth Opportunity
- Premium, Focused Portfolio
- Track Record of Brand Building
- Financial Attractiveness
- Shareholder-Friendly Capital Allocation
- The Brown Family and our Long-Term View





Why American Whiskey?









JACK DANIEL'S®

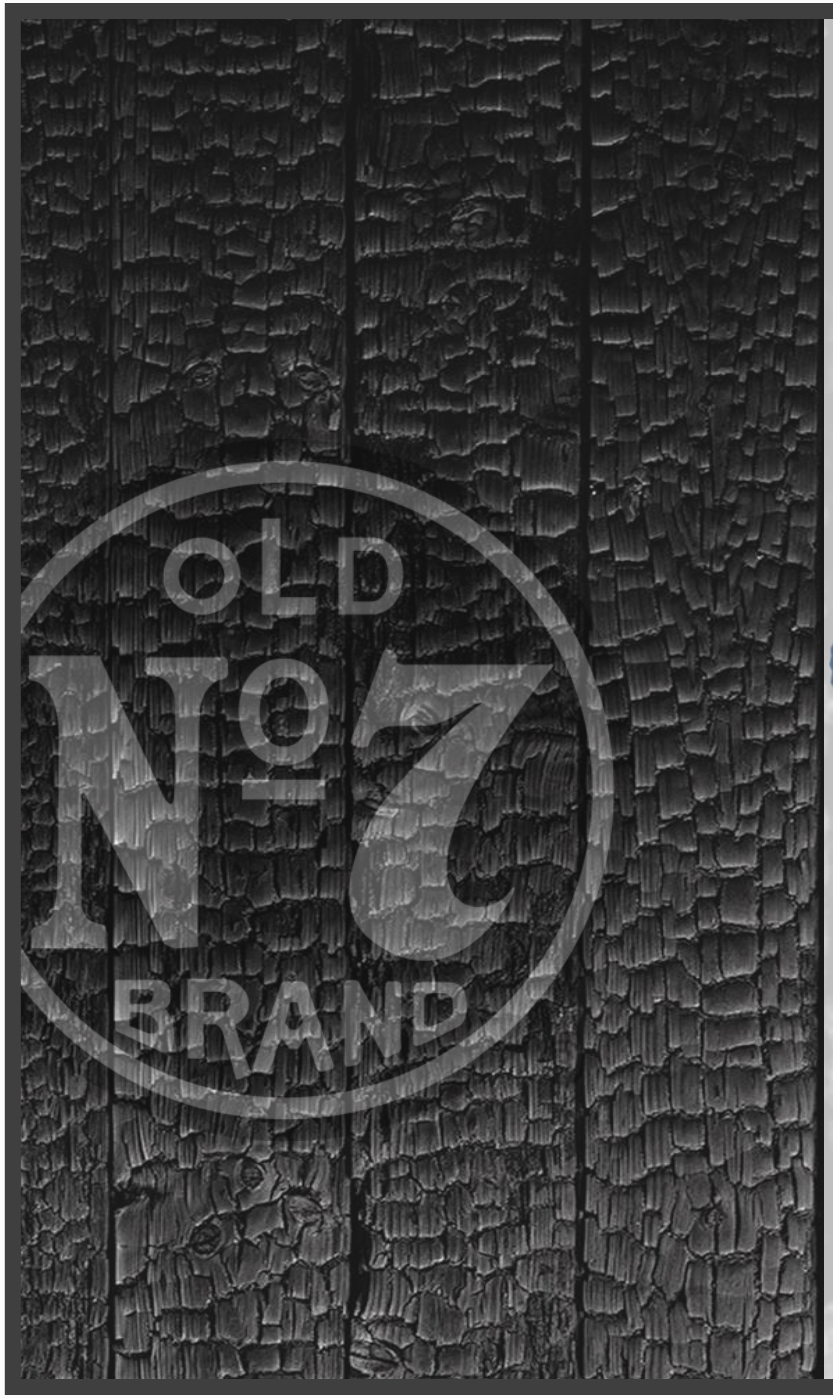
1866 150TH 2016

ANNIVERSARY

OF THE

JACK DANIEL

DISTILLERY



Building Forever

The Jack Daniel's Growth Opportunity

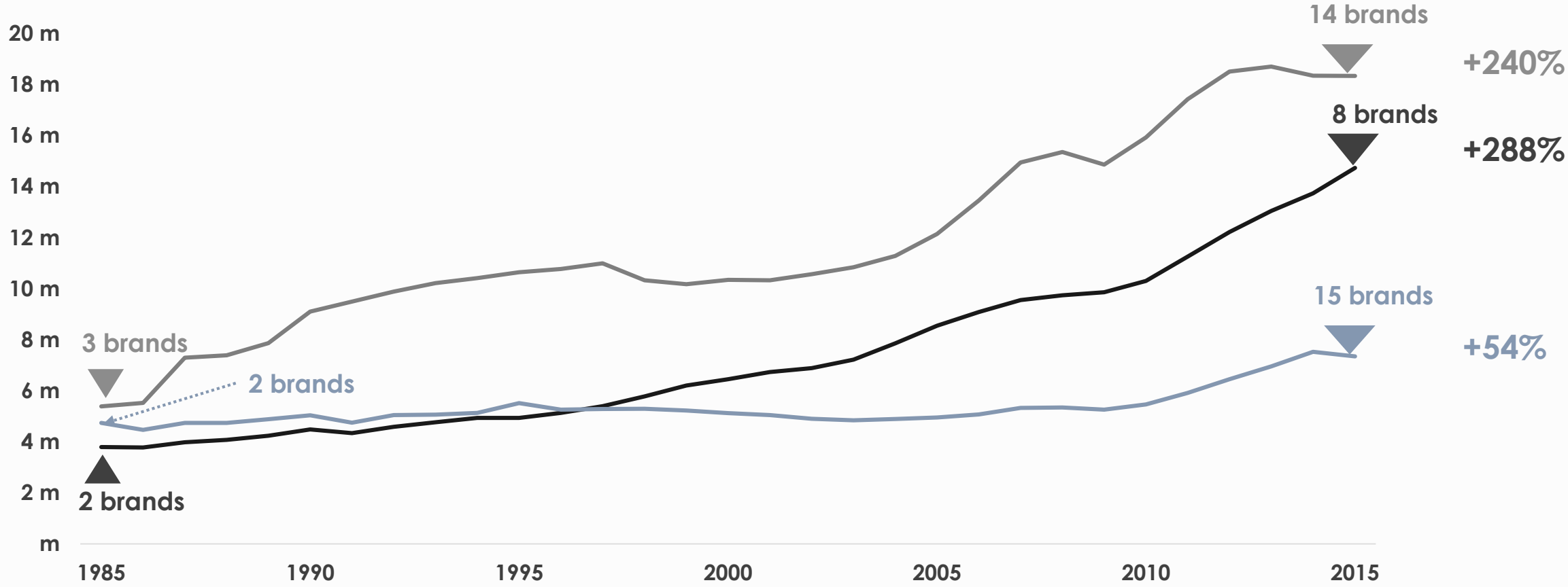
Mark McCallum, EVP, President Jack Daniel's Brands

30 Year CAGR for Jack Daniel's FOB of 5%

JD FoB 10yr CAGR = 3%
JDTW 10yr CAGR = 3%

JD FoB 10yr CAGR = 5%
JDTW 10yr CAGR = 5%

JD FoB 10yr CAGR = 6%
JDTW 10yr CAGR = 4%



Source: IWSR 2015 Volume – Full Strength Portfolio

Confident In Future Opportunities



Earth

Birth

Girth

Worth





1.5 billion new middle class consumers globally by 2025*





*Source: OECD

Growth Through Evolved Global Footprint

1M+

United States
United Kingdom



Source: IWSR, 9L Depletions 2015

Growth Through Evolved Global Footprint

1M+

501K – 1M

Germany
France
Australia
Global Travel Retail



Source: IWSR, 9L Depletions 2015

Growth Through Evolved Global Footprint

1M+

501K – 1M

201K – 500K

Canada
Poland
Mexico
Japan
Brazil



Source: IWSR, 9L Depletions 2015

Growth Through Evolved Global Footprint

1M+

501K – 1M

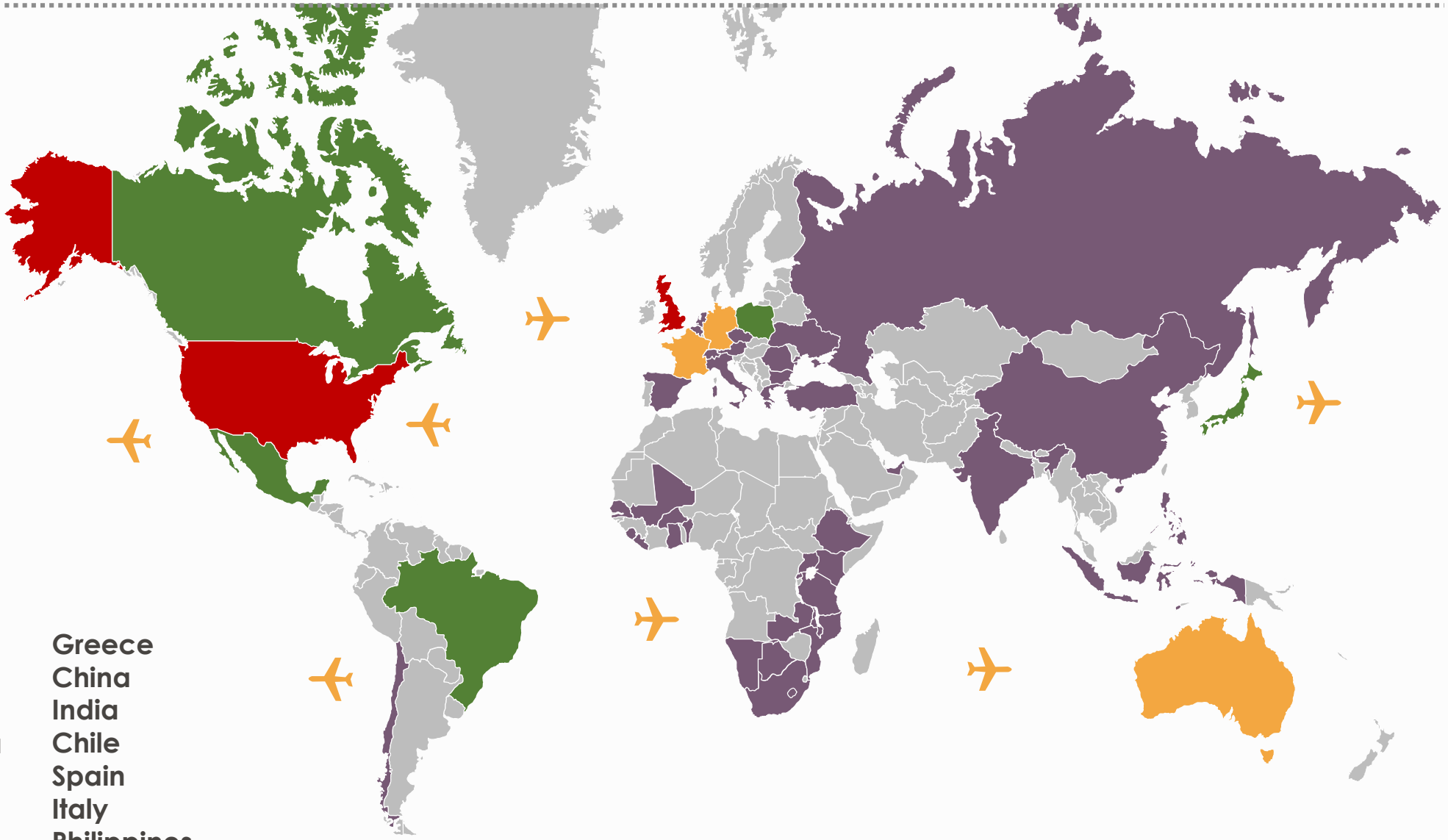
201K – 500K

50K – 200K

South Africa
Indonesia
Belgium
Emerging Africa
Netherlands
Switzerland
Czech Republic

Russia
Bulgaria
Austria
Romania
Turkey
Ukraine
U.A.E.

Greece
China
India
Chile
Spain
Italy
Philippines



Source: IWSR, 9L Depletions 2015

Thoughtful Innovation



1989



1997



1998



2011



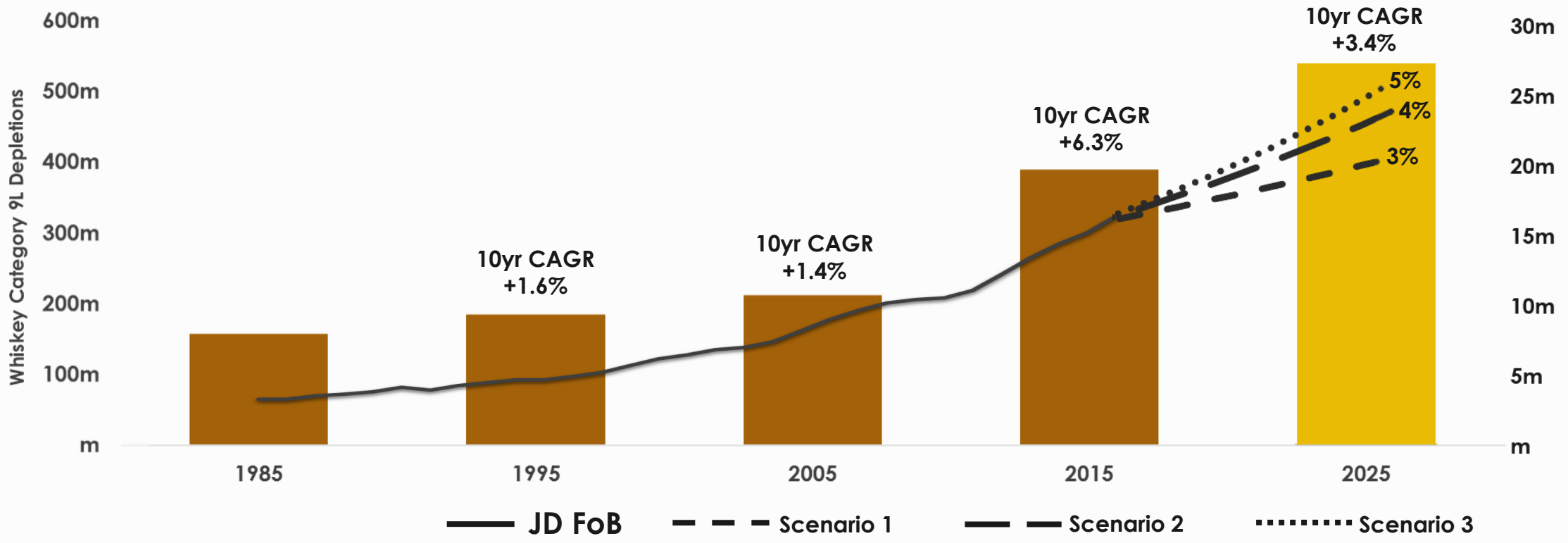
2014

Continued Thoughtful Innovation



We Predict Continued Opportunity For Growth

JD FoB 10yr CAGR = 3% JDTW 10yr CAGR = 3%	JD FoB 10yr CAGR = 5% JDTW 10yr CAGR = 5%	JD FoB 10yr CAGR = 6% JDTW 10yr CAGR = 4%	JD FoB 10yr CAGR = see below



Source: IWSR and Internal Scenarios; 9L depletions; JD FoB adjusted for RTD equivalents

What Makes Jack Special

ICONIC NAME AND PACKAGE

A SPECIAL PRODUCT

REAL STORIES

DISTINCT VOICE



GLOBAL CONSUMER CONNECTION AND BRAND PASSION

TRADEMARK GIRTH

FOCUSED AND DEDICATED RTC

EXCELLENT BUSINESS MODEL

Jack Daniel's "His Way" Video



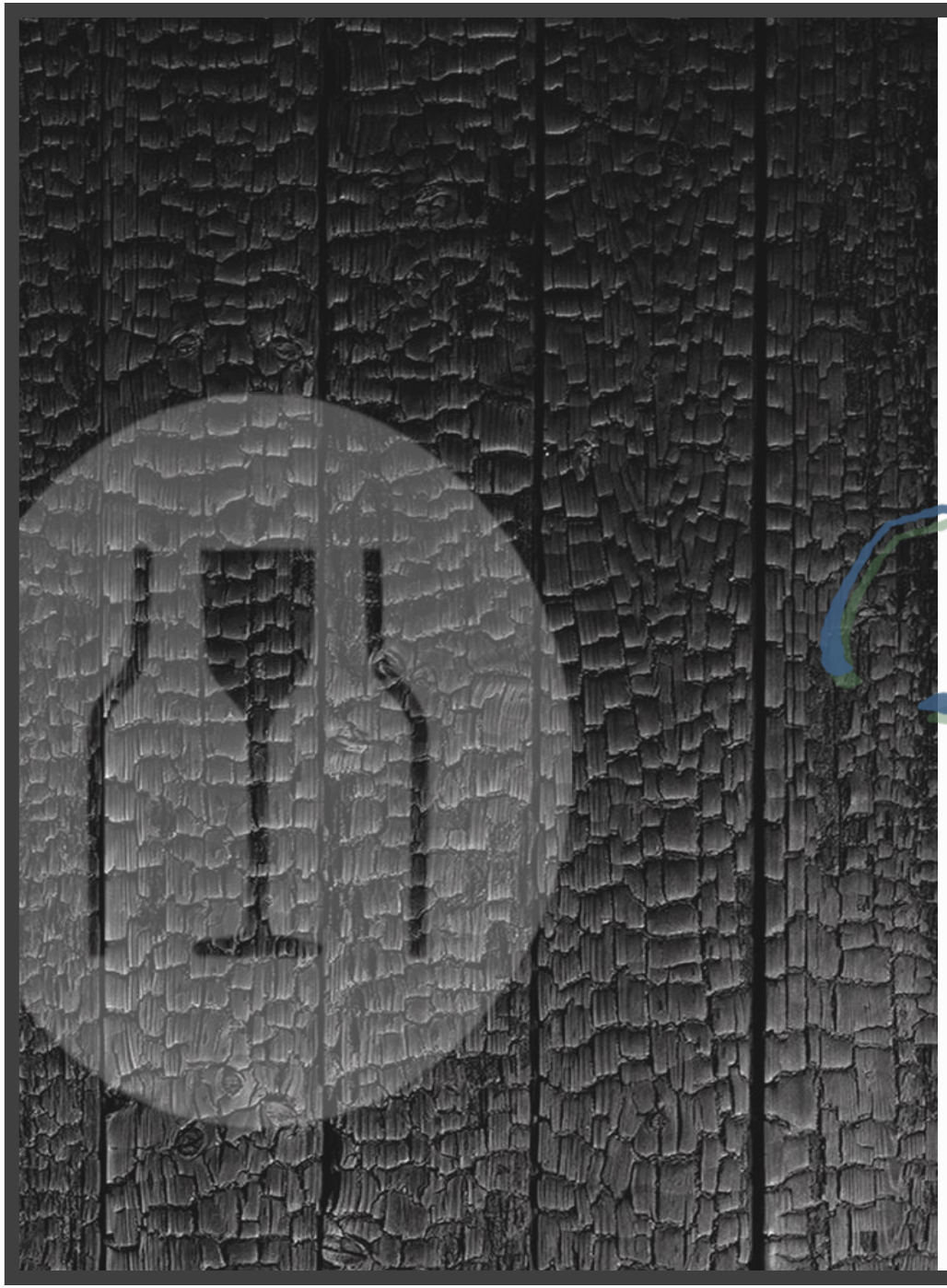
Jack Daniel's "Our Town" Video



We Send Them All Over!



Your friends at JACK DANIEL'S remind you to drink responsibly.



Building Forever

Portfolio Growth & Development

Lawson Whiting, EVP, Chief Brands and Strategy Officer,
B-F Brands

Disciplined Approach to Brand Value Creation



Active Portfolio Management

Premium Spirit Focus

History of Excellent Brand Building

Seeding For The Future

10+ Years of Active Portfolio Management - Dispositions









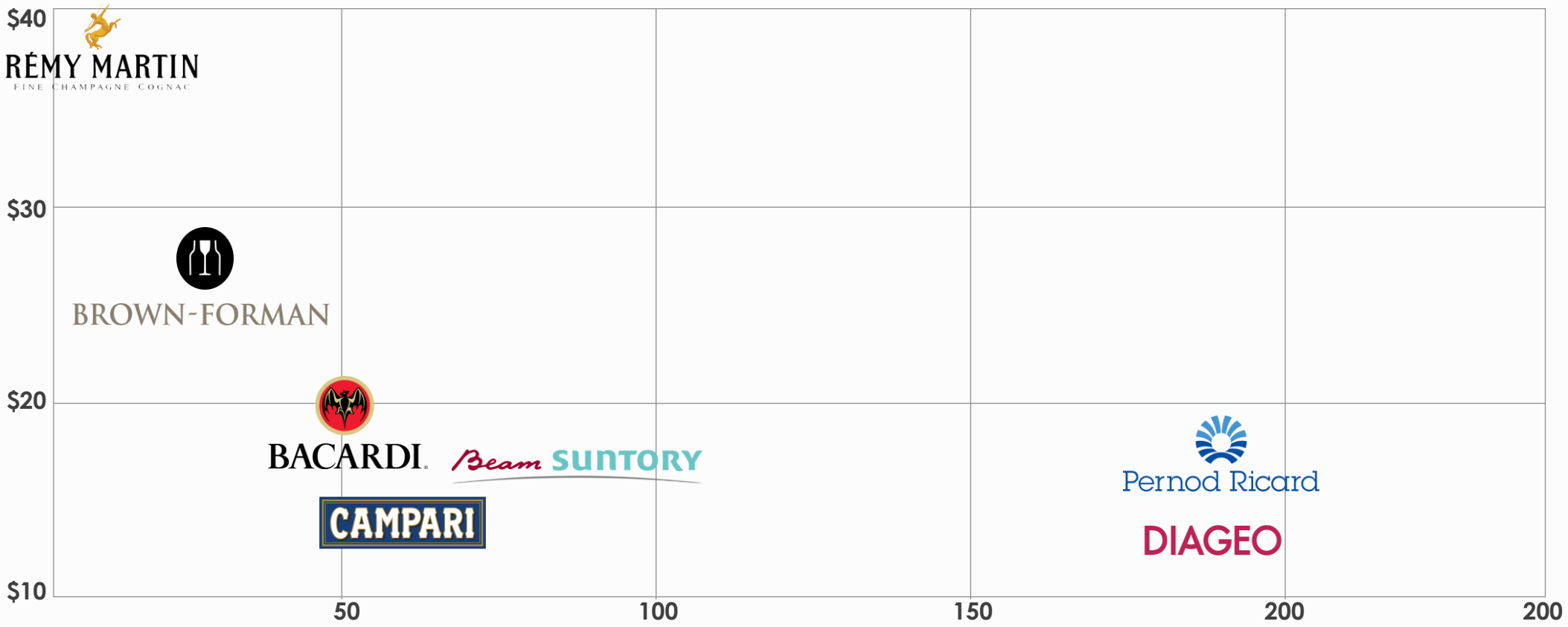




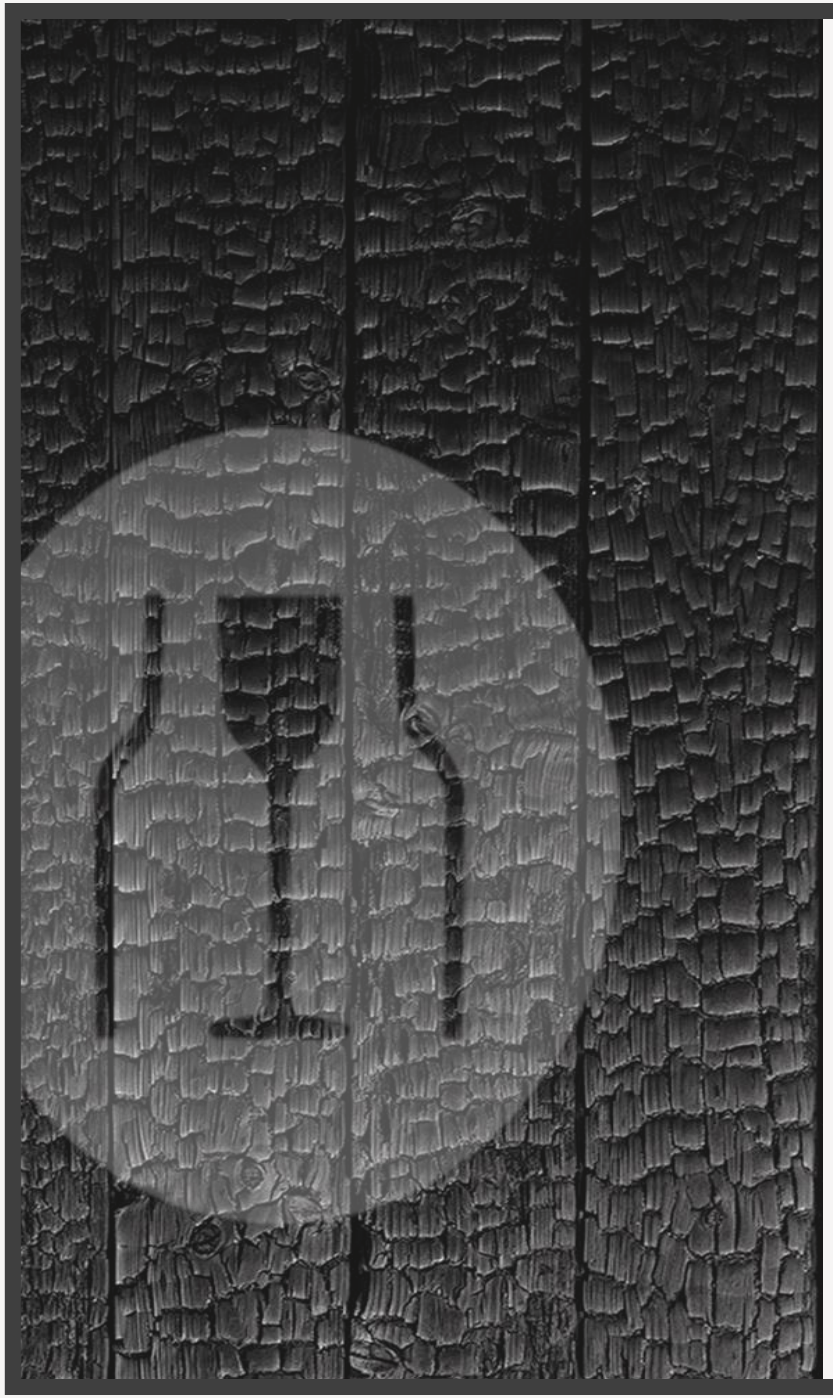
10+ Years of Active Portfolio Management



Focused, Premium Portfolio



Source: ISWR



History of Excellent Brand Building









Woodford Reserve Video



Woodford Reserve





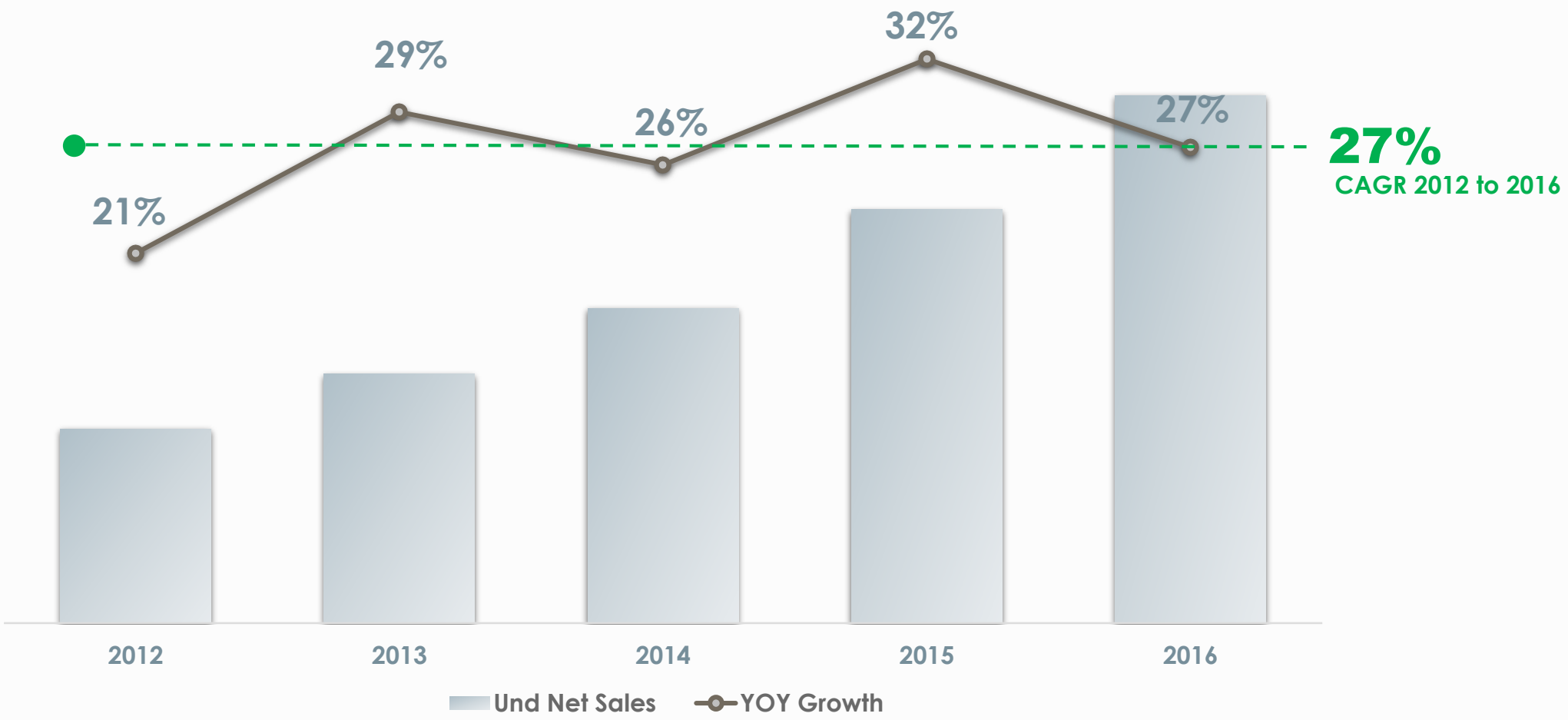








Woodford Reserve –Net Sales



Source: Company information. See appendix for additional details on non-GAAP disclosures.

EST'D 1870

OLD FORESTER®

DISTILLERY

OPENING IN 2018.

OLDFORESTER.COM

PLEASE SIP OLD FORESTER RESPONSIBLY.

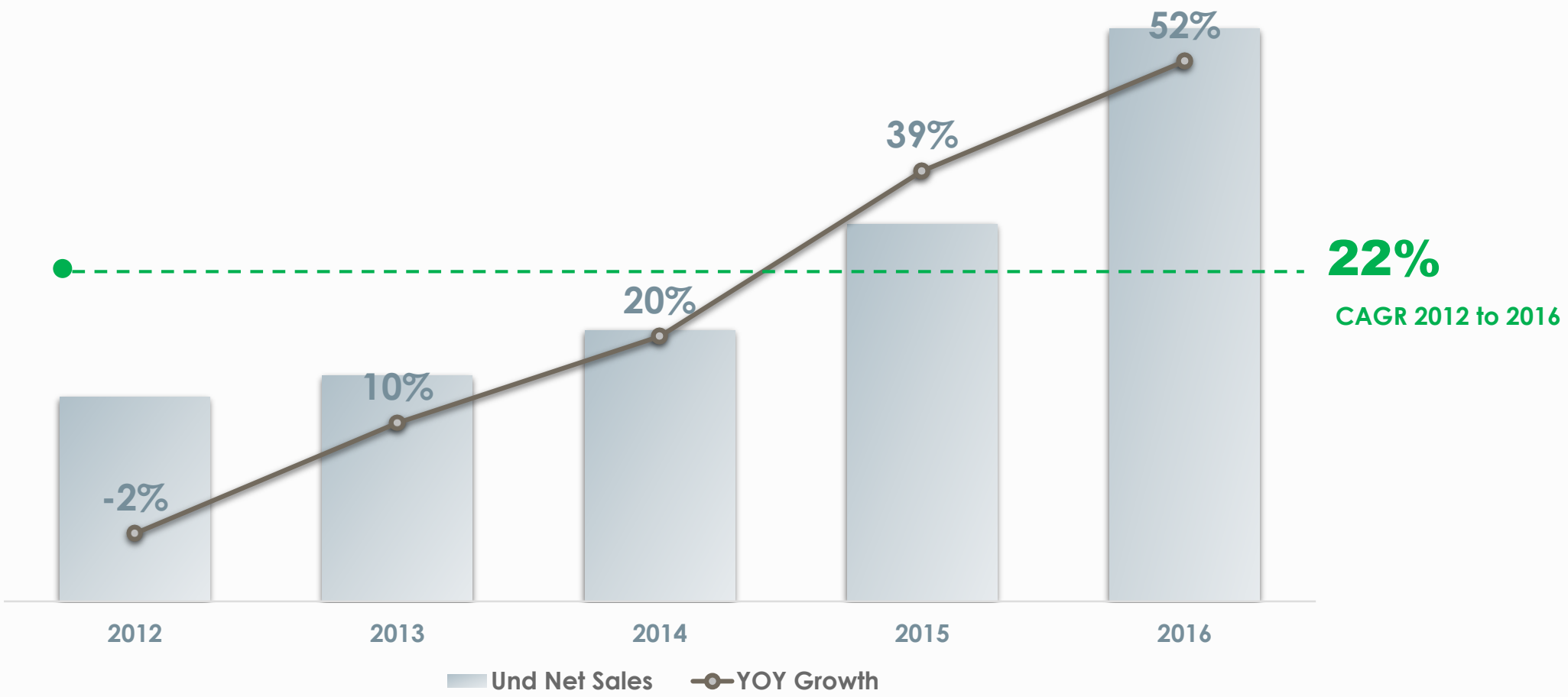
RESPONSIBILITY.ORG







Old Forester – Net Sales



Source: Company Information. See appendix for additional details on non-GAAP disclosures.

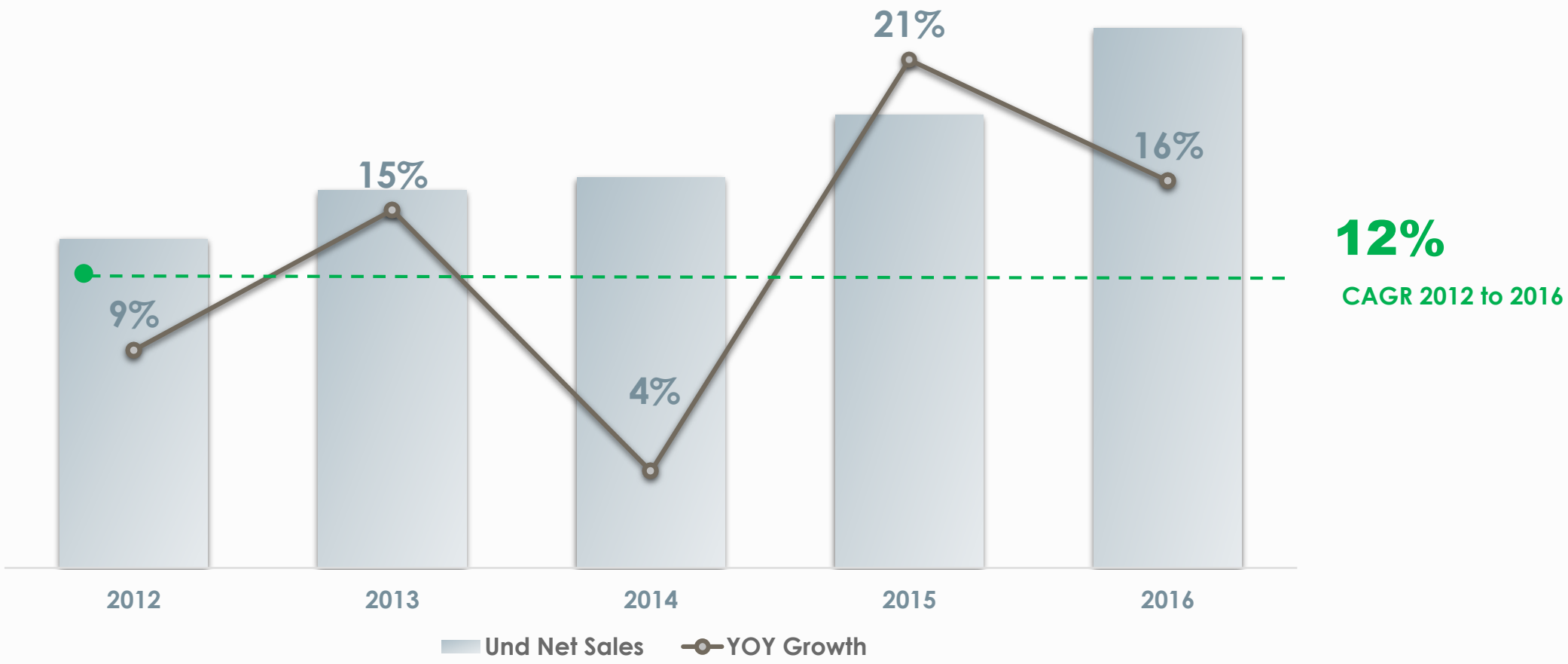






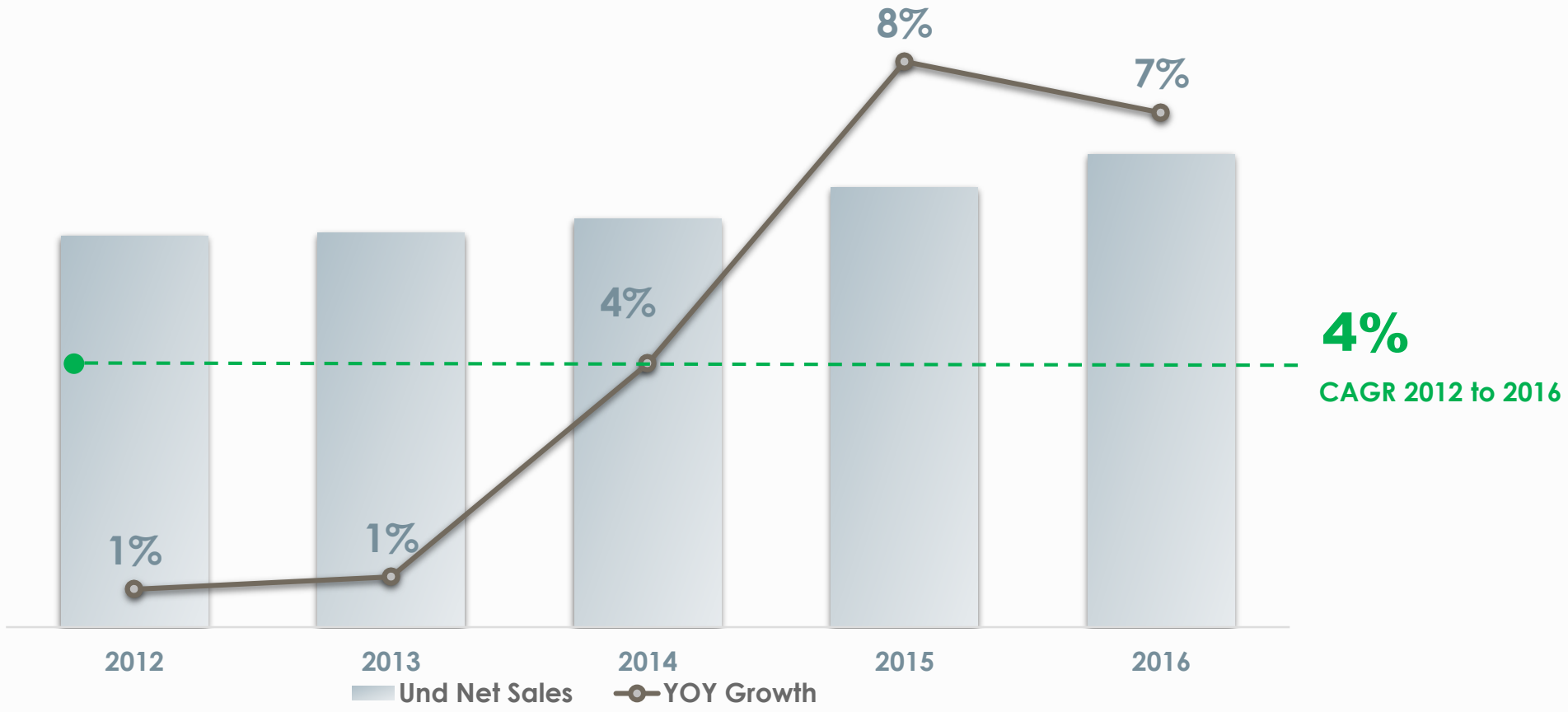
Tequila Brands

Herradura Tequila – Net Sales



Source: Company Information. See appendix for additional details on non-GAAP disclosures.

El Jimador Tequila – Net Sales

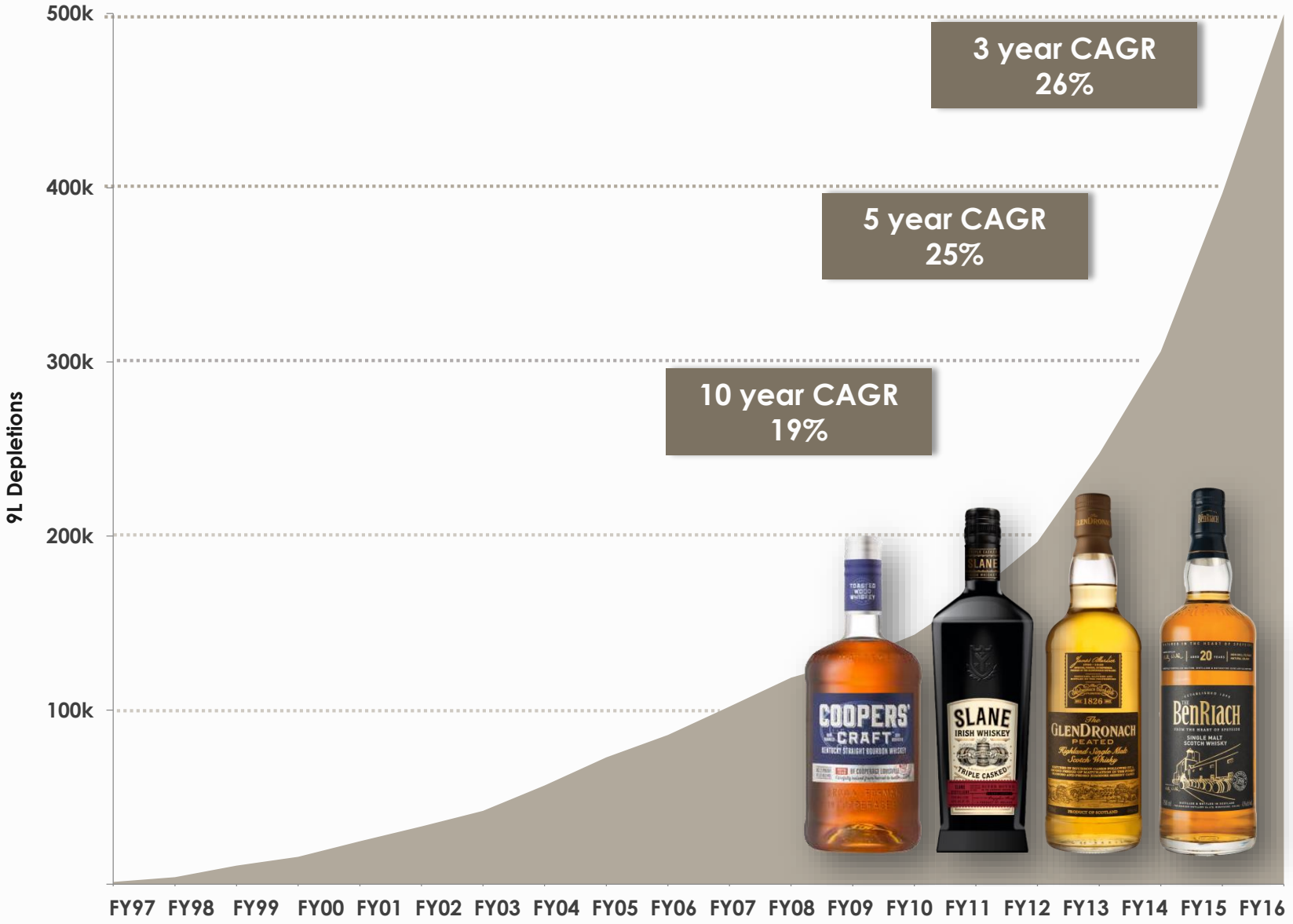


Source: Company Information. See appendix for additional details on non-GAAP disclosures.



Source: WR FOB Internal Data; 9L Depletions

Creating the Next Woodford-Like Growth Drivers



Seeding for the Future







Seeding for the Future







Seeding for the Future







Disciplined Approach to Brand Value Creation

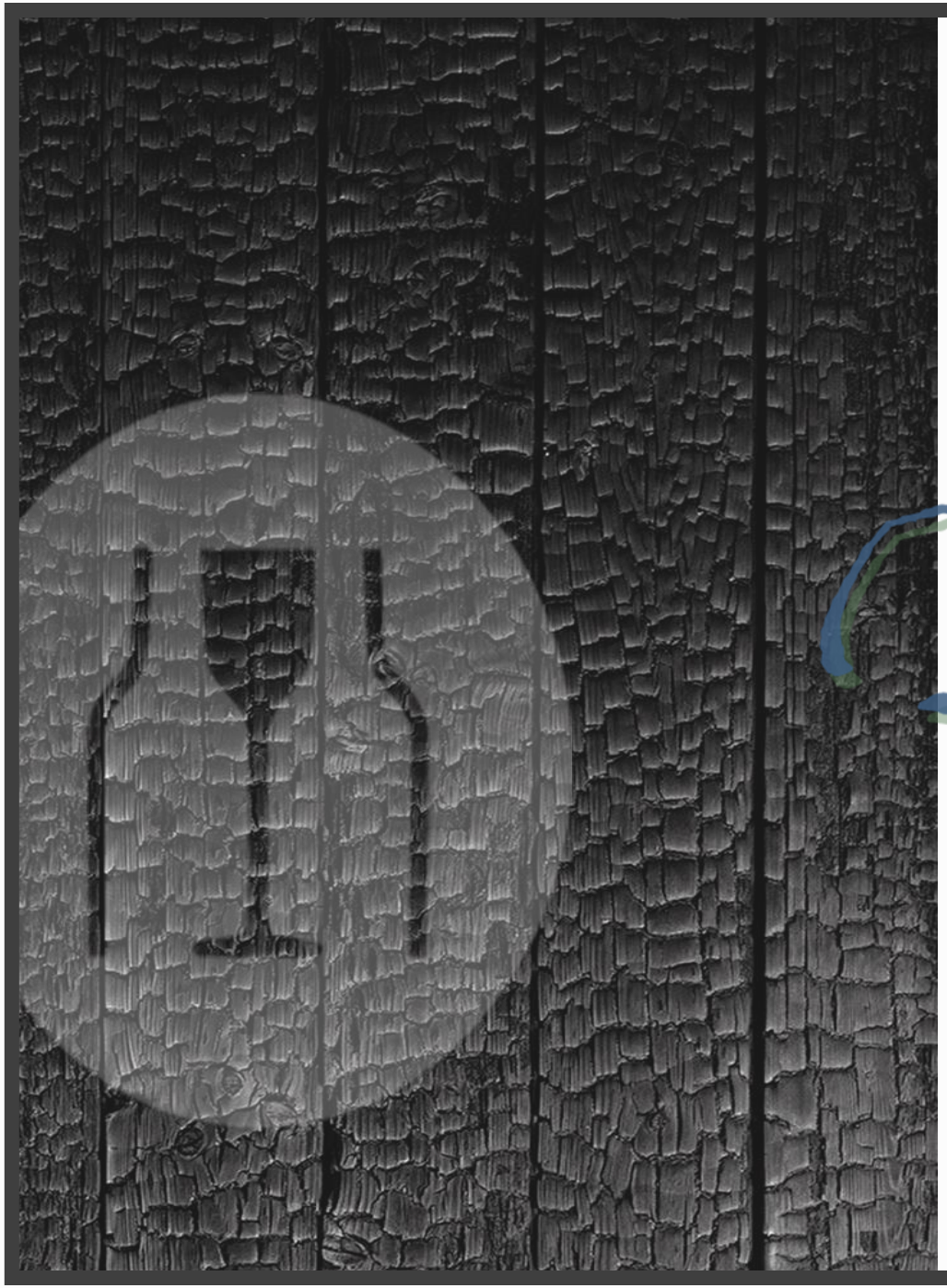


Active Portfolio Management

Spirit Category Focus

History of Excellent Brand Building

Seeding For The Future

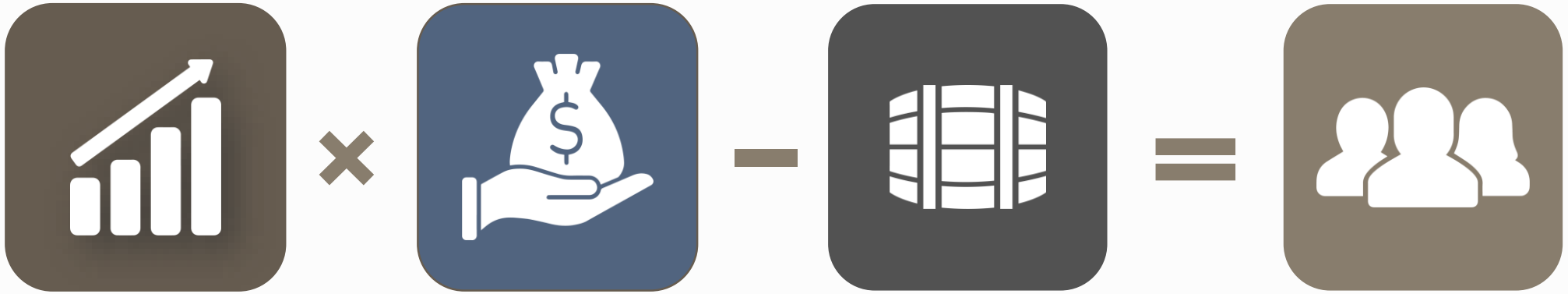


Building Forever

Excellent Business Enables Shareholder-Friendly Capital Allocation

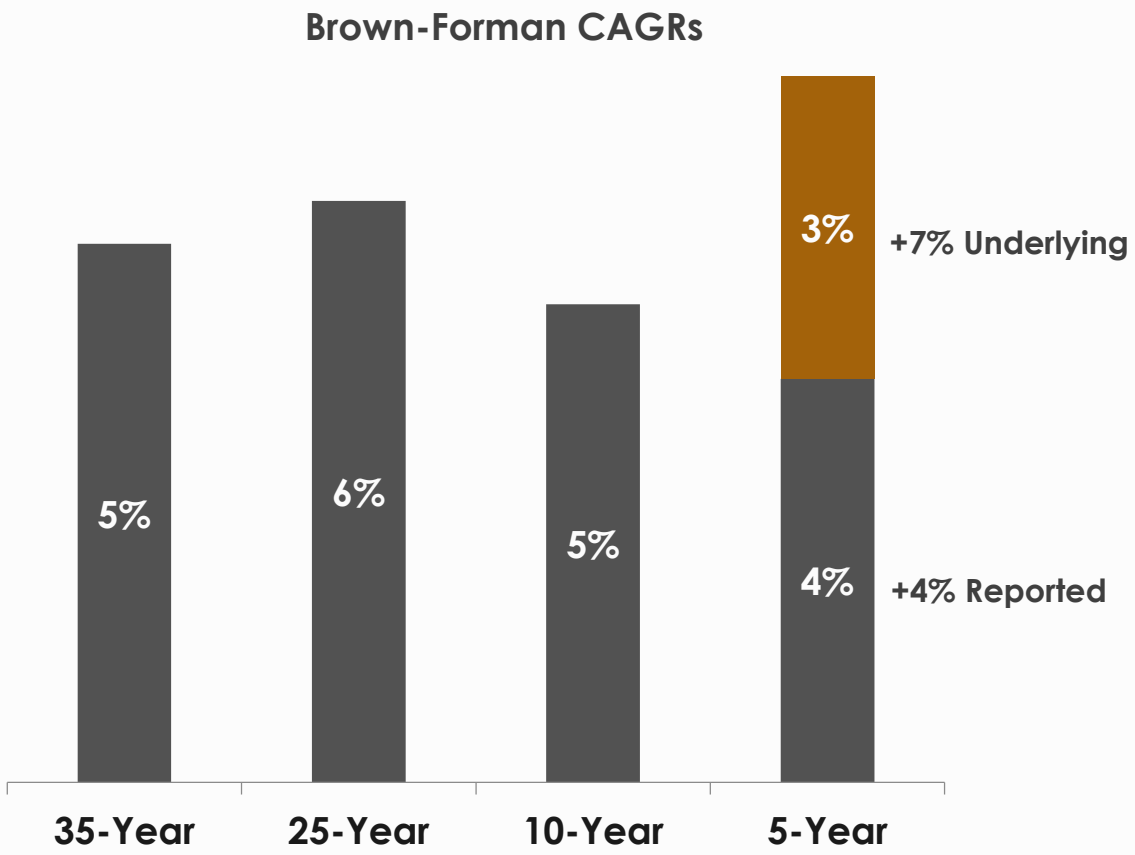
Jane Morreau, EVP, Chief Financial Officer

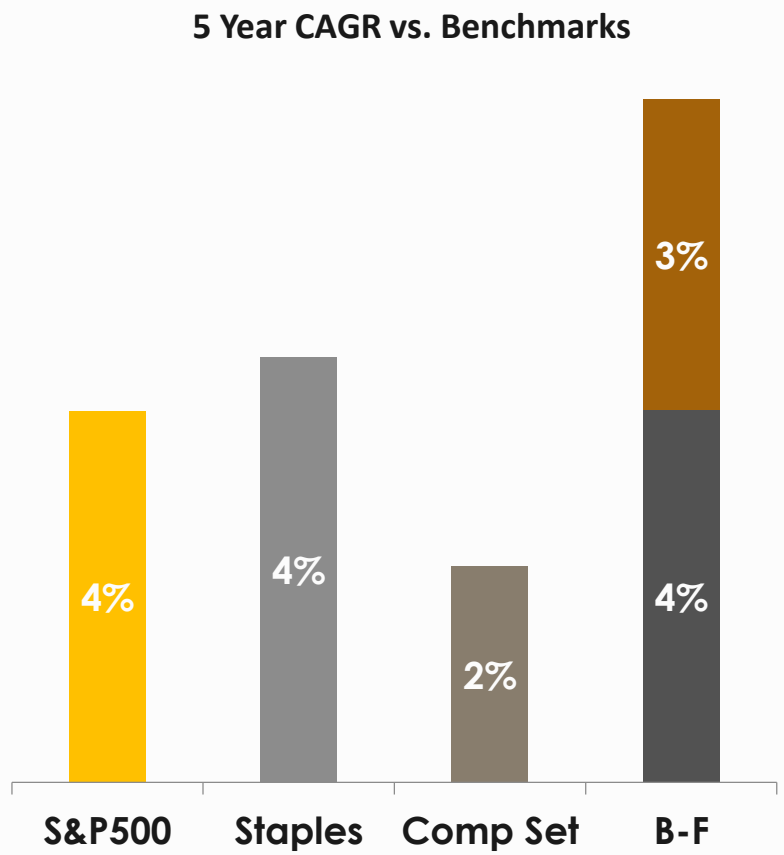
An Excellent Business for Shareholders



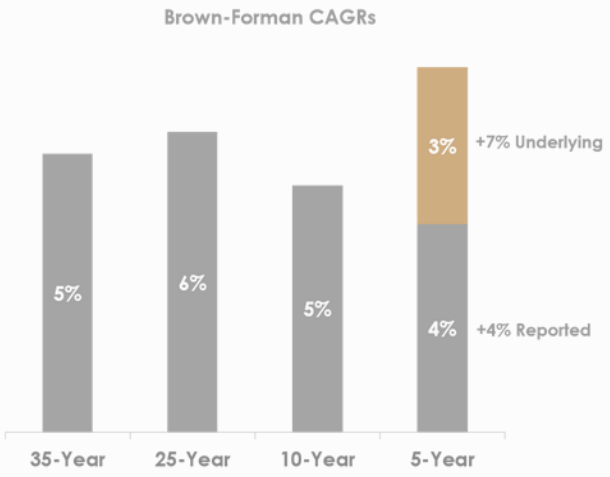
Consistent, Balanced Growth × Industry-Leading Margins − Capital Efficiency = Shareholder-Friendly Capital Allocation

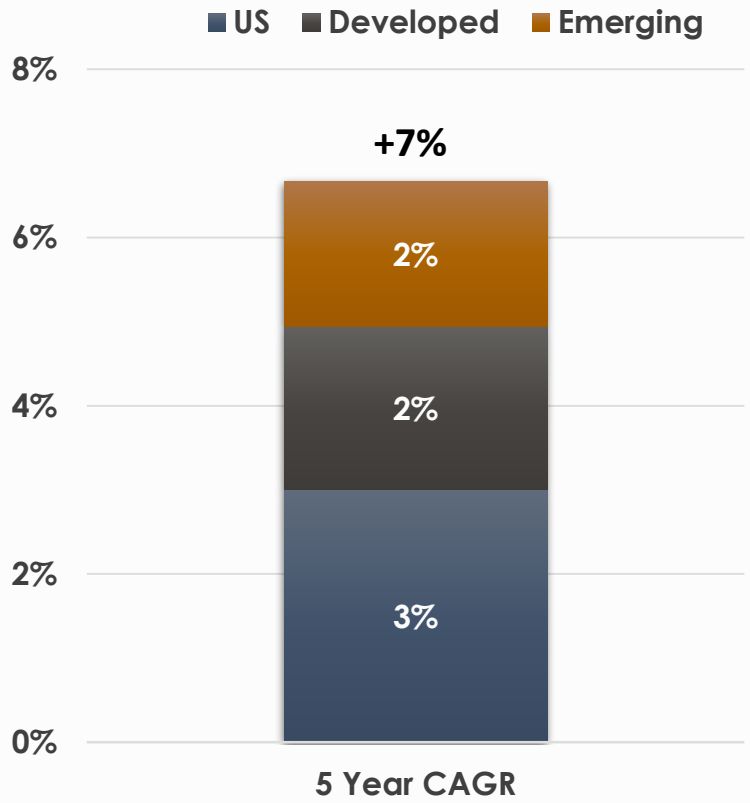
Consistent Revenue Growth

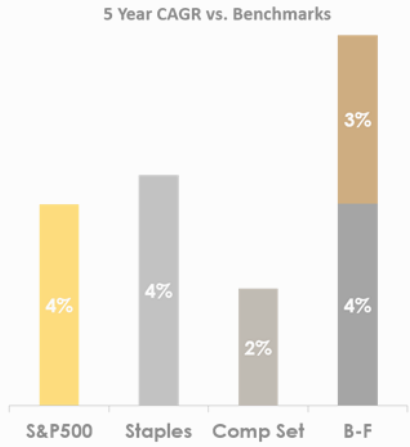




Balanced Geographic Growth Drivers







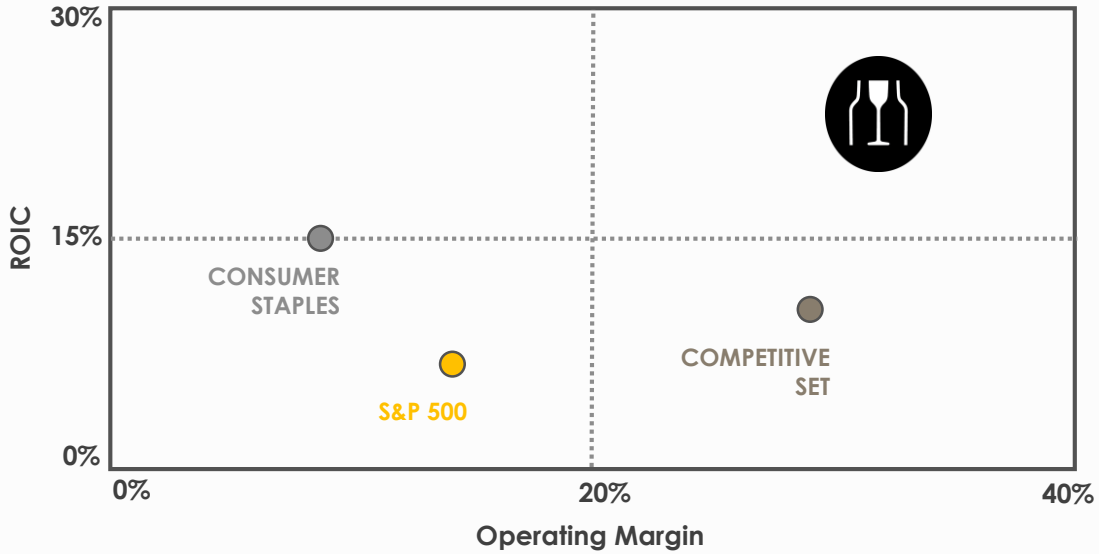
Source: Factset and company information. The competitive set is a weighted average based upon the last five fiscal years sales growth, and includes Diageo, Pernod, Campari, and Remy. See appendix for additional details on non-GAAP disclosures.

Strong and Improved Operating Margins

Brown-Forman Reported Operating Margin (2006 – 2016)

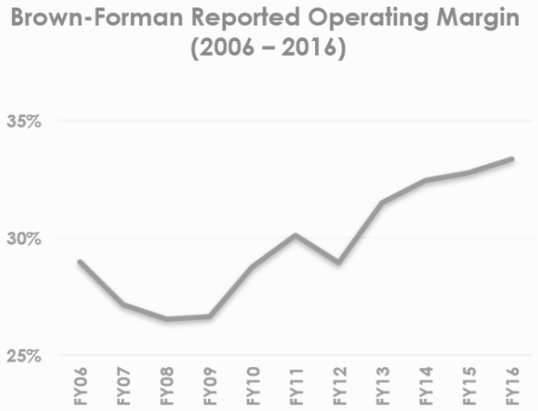


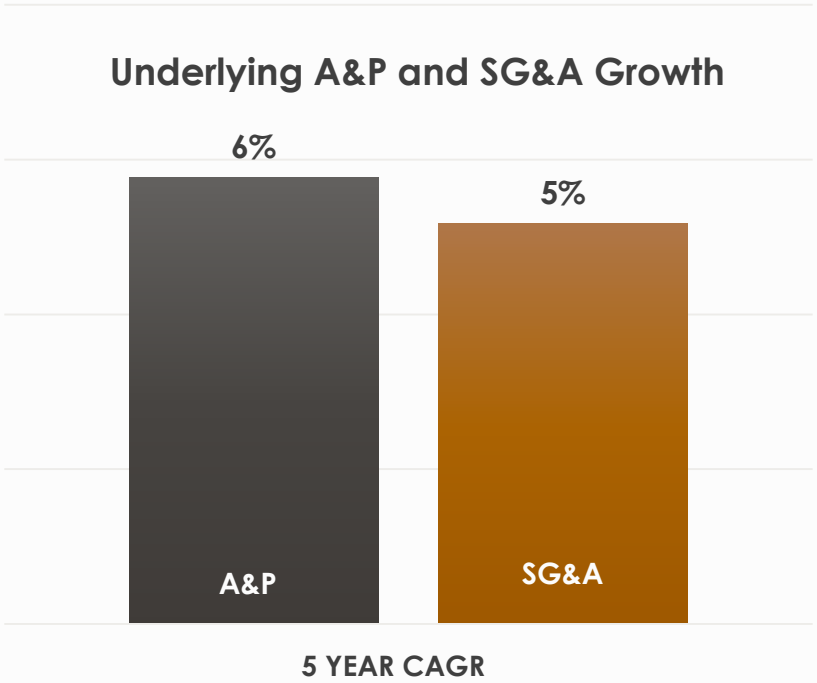
Financial Attractiveness

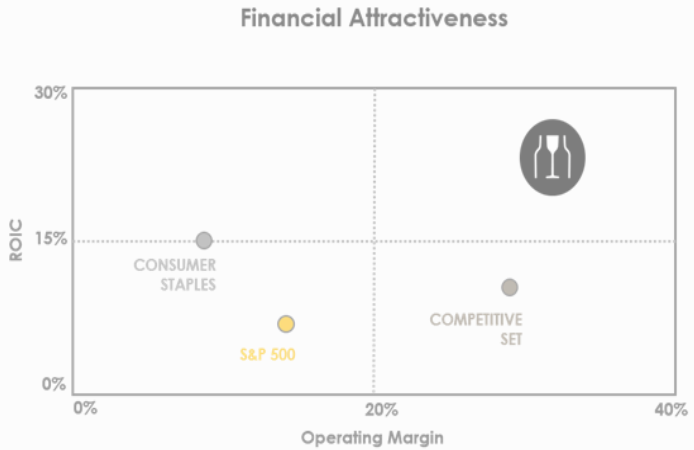


Source: Factset and company information. The competitive set is a weighted average based upon the last five fiscal years sales growth, and includes Diageo, Pernod, Campari, and Remy. See appendix for additional details on non-GAAP disclosures. ROIC is defined as the sum of net income (excluding the gain on the sale of Southern Comfort and Tuaca) and after-tax interest expense, divided by average invested capital. Invested capital equals assets less liabilities, excluding interest-bearing debt.

Consistent Investments Behind Brands and People

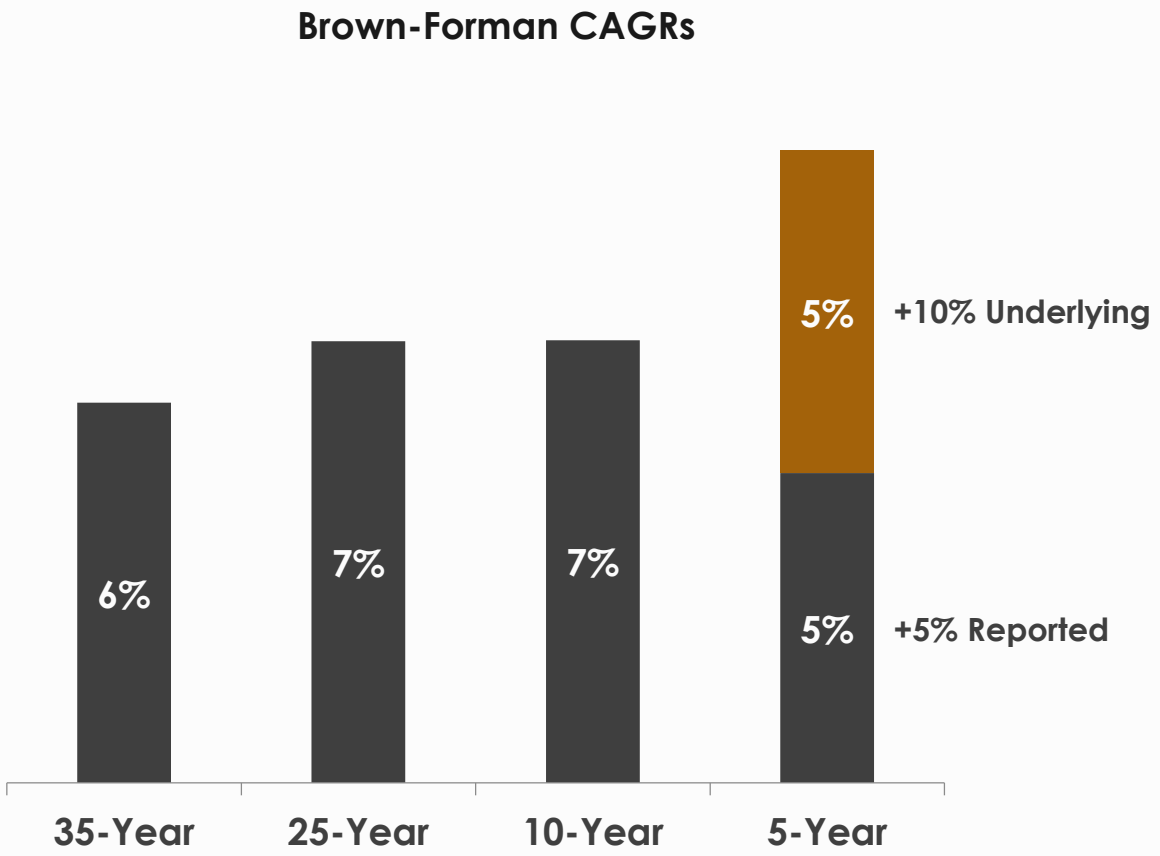


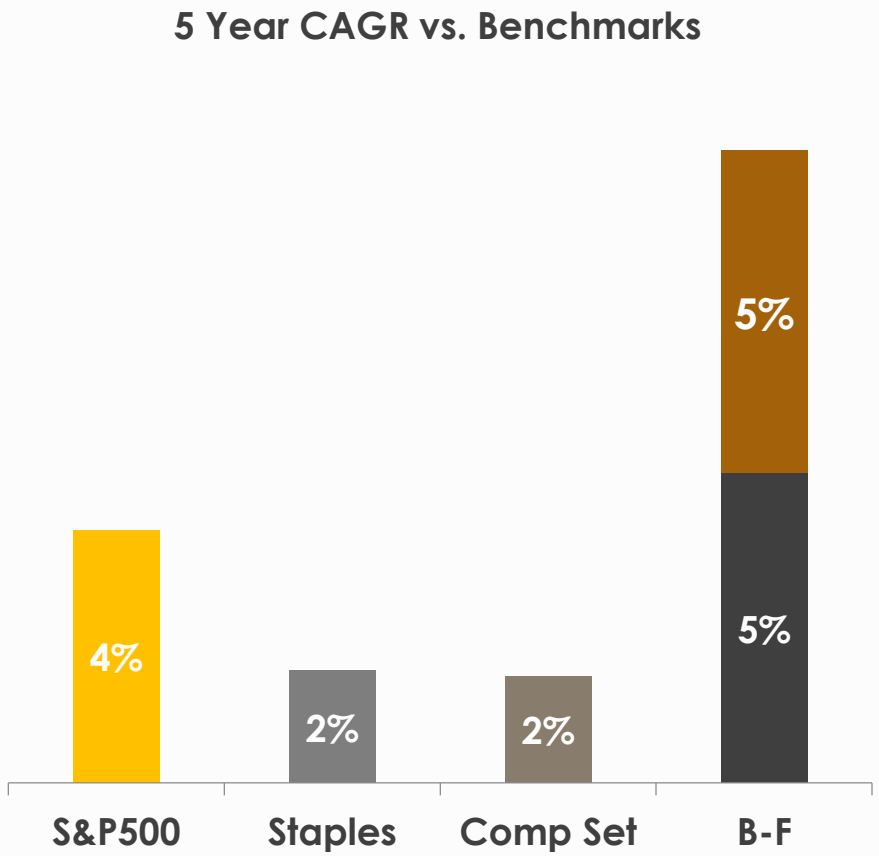




Source: Factset and company information. The competitive set is a weighted average based upon the last five fiscal years sales growth, and includes Diageo, Pernod, Campari, and Remy. See appendix for additional details on non-GAAP disclosures.

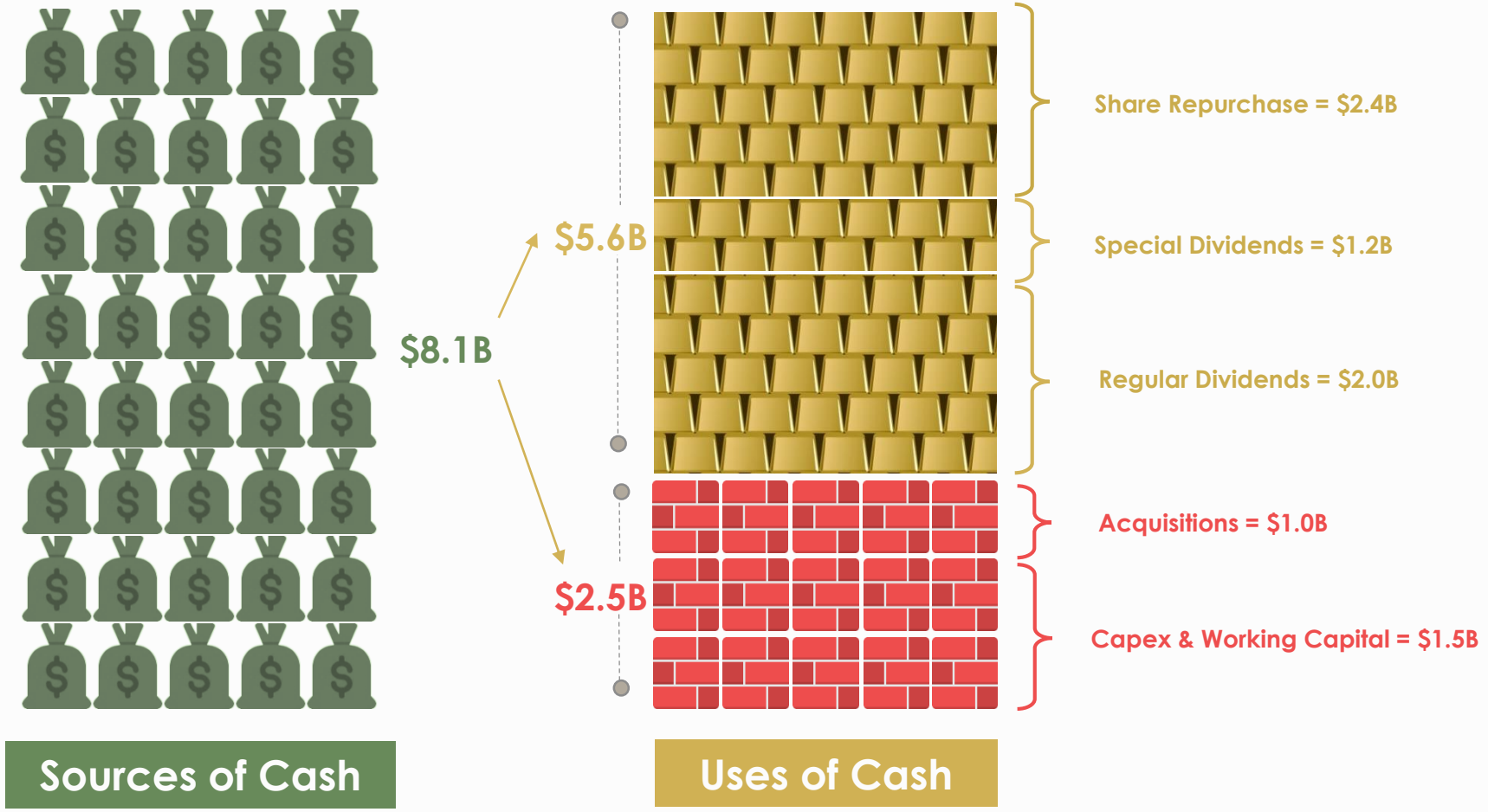
Consistent Long-Term Operating Income Growth





Source: Factset and company information. The competitive set is a weighted average based upon the last five fiscal years sales growth, and includes Diageo, Pernod, Campari, and Remy. See appendix for additional details on non-GAAP disclosures.

Generating Significant Cash Over the Past Decade



Source: Company information (FY07 – FY16)

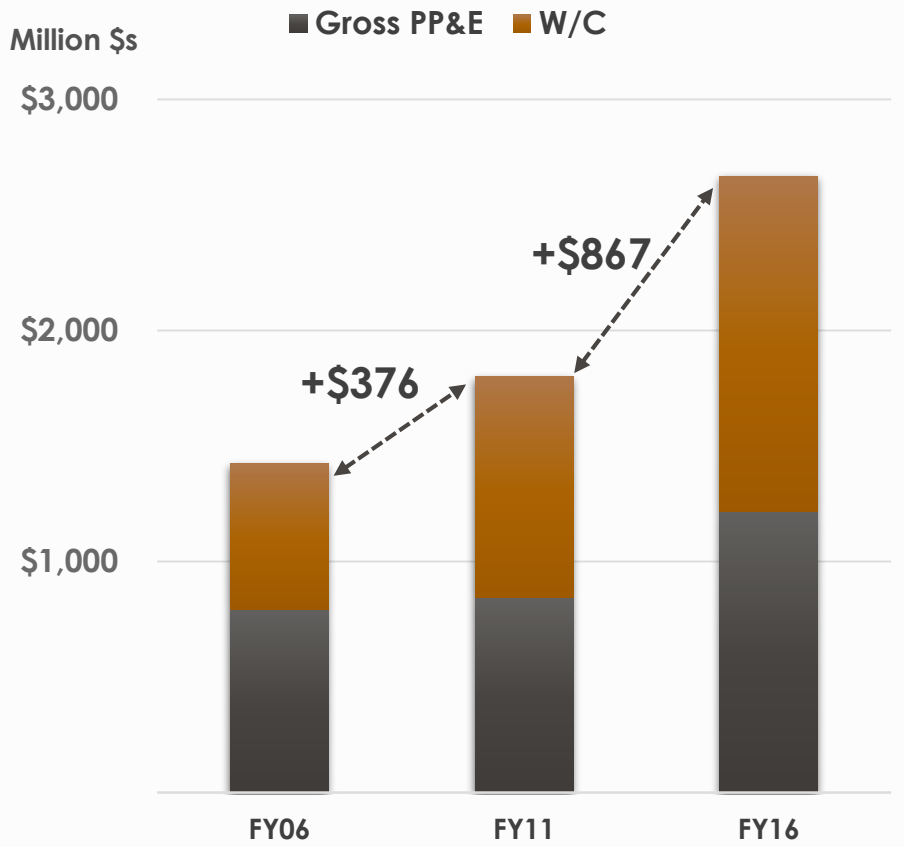
Reinvesting To Support Future Growth









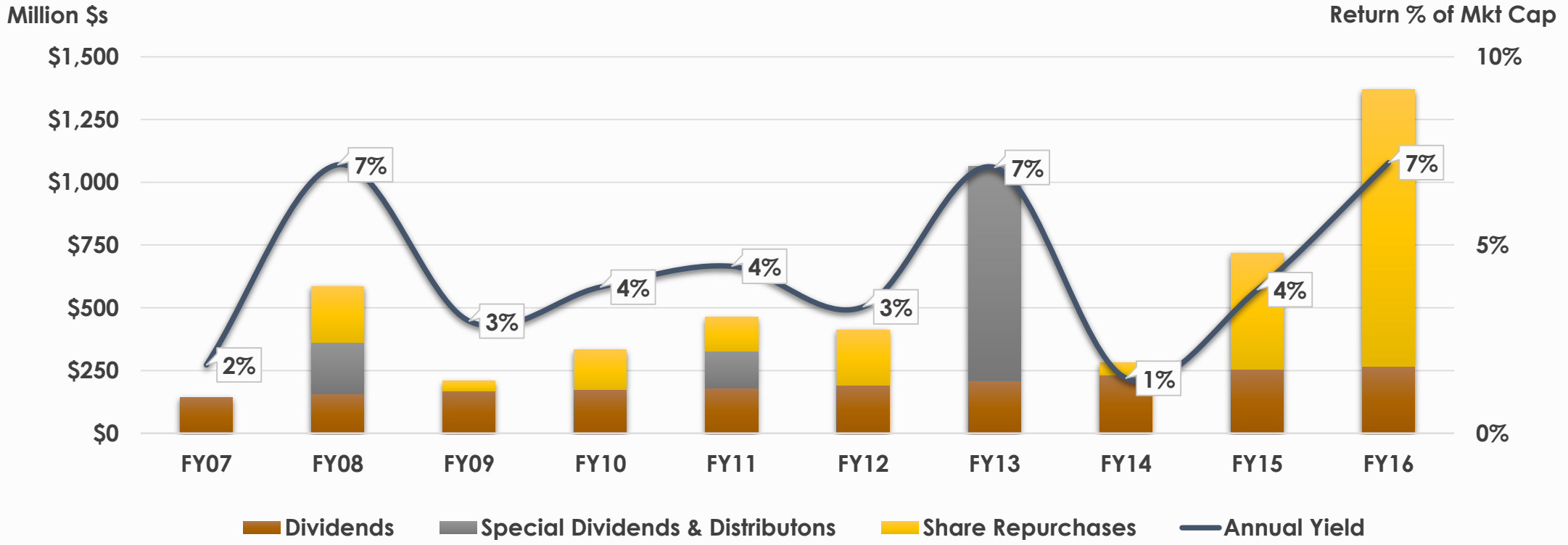


Free cash flow yield should improve as capex returns toward historic levels after FY18

Source: Company information

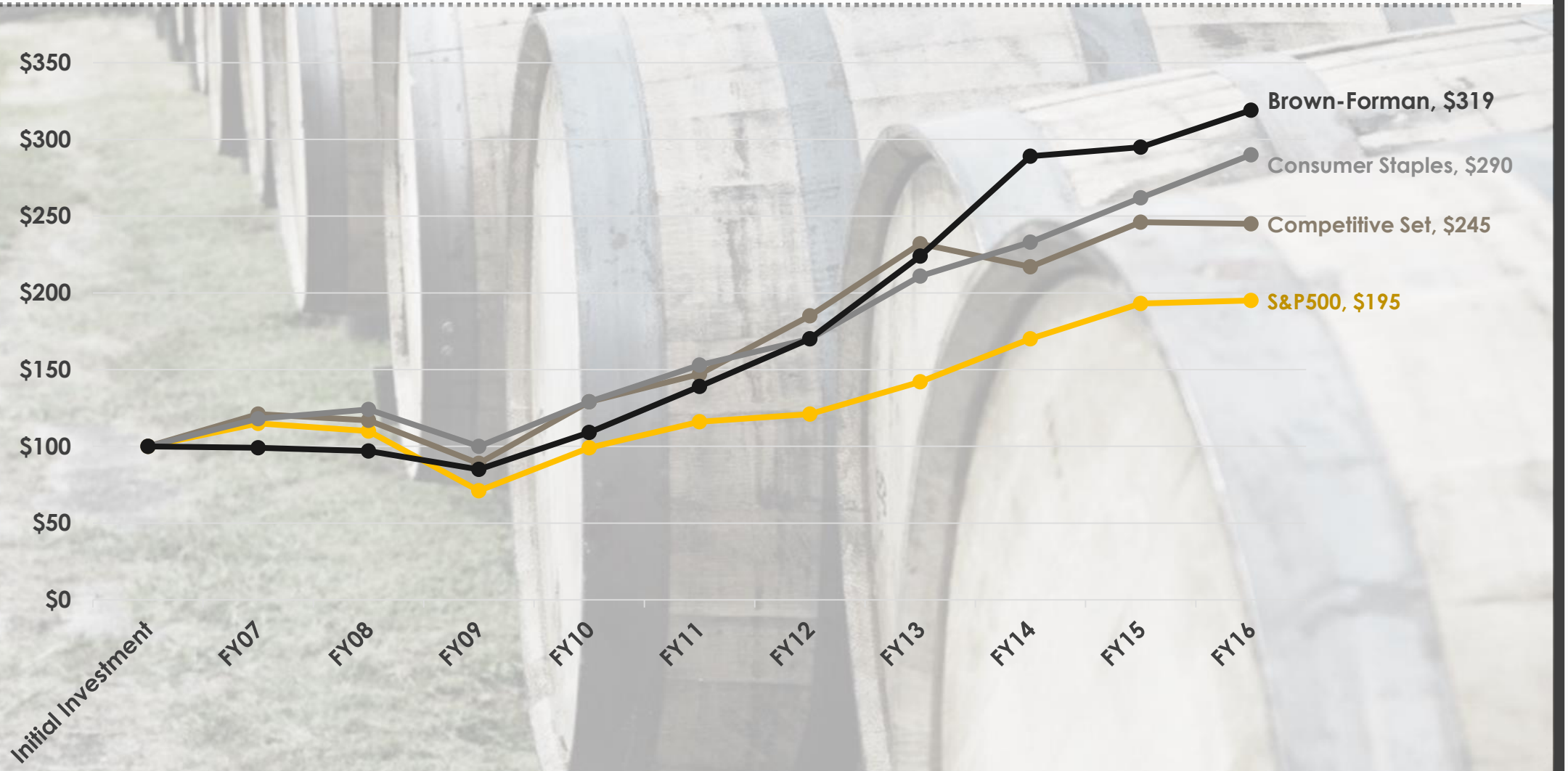
Shareholder-Friendly Capital Allocation

Average Annual 'Yield' of 4.3% Over Last Decade; 43% Return of Capital



Source: Factset and company information

Driving Top-Tier, Long-Term Returns for Shareholders



Source: Factset, as of April 30, 2016, in local currency, assuming dividends reinvested. Note – the Competitive set is a weighted average based upon each competitor's LTM sales.

2025 Aspirations

Expect mid single-digit growth from Jack Daniel's FoB and even faster growth from other brands

Expect growth outside of the U.S. to outpace U.S. growth
- -Emerging Markets approaching 30% of total revenues
- -Route To Consumer - continued investment opportunity

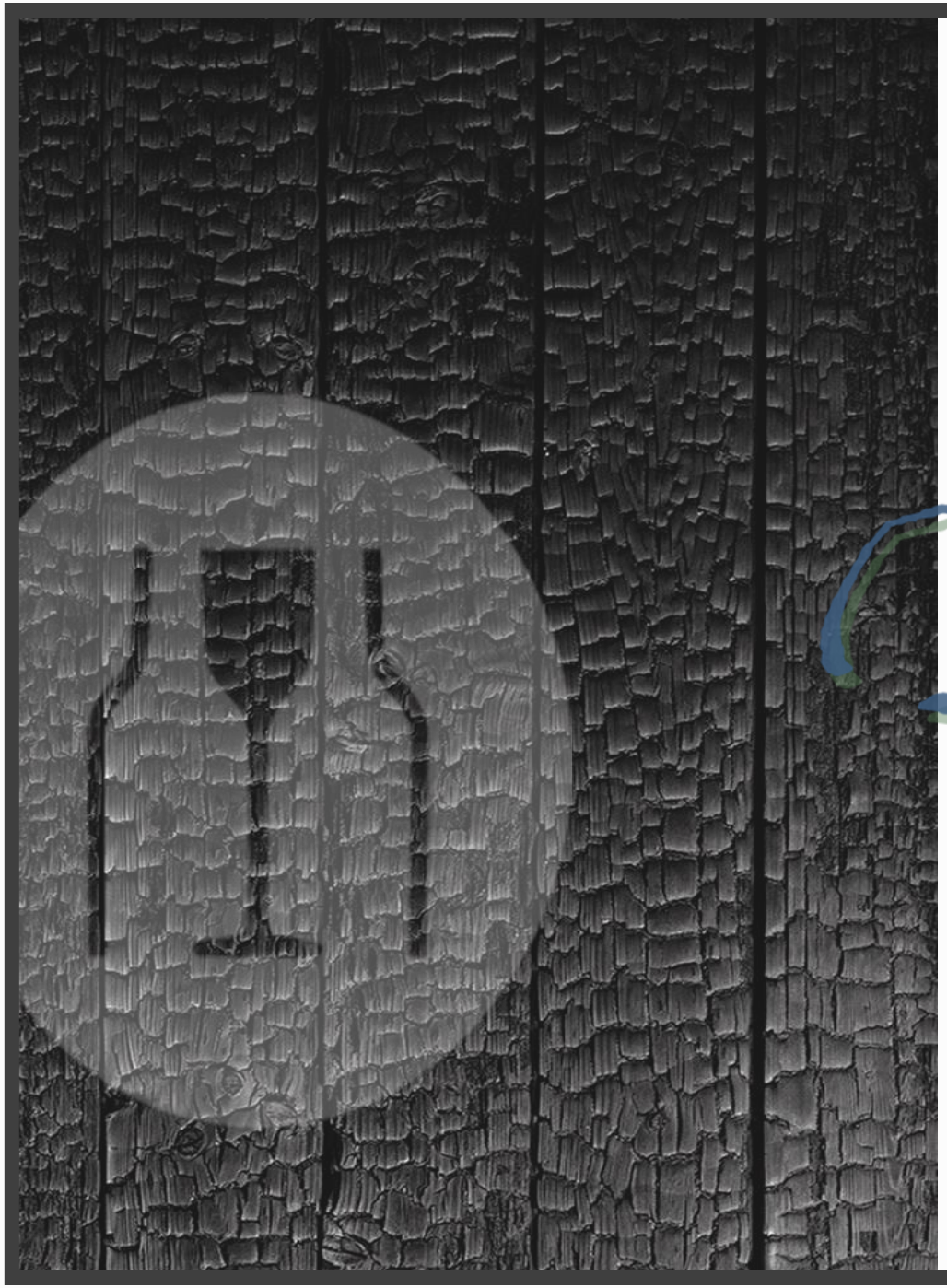
Strong margins and consistently high ROI

High single-digit growth in Operating Income and expanding free cash flow margins

Continued Shareholder-Friendly Capital Allocation & top-tier TSR

2025 Aspirations



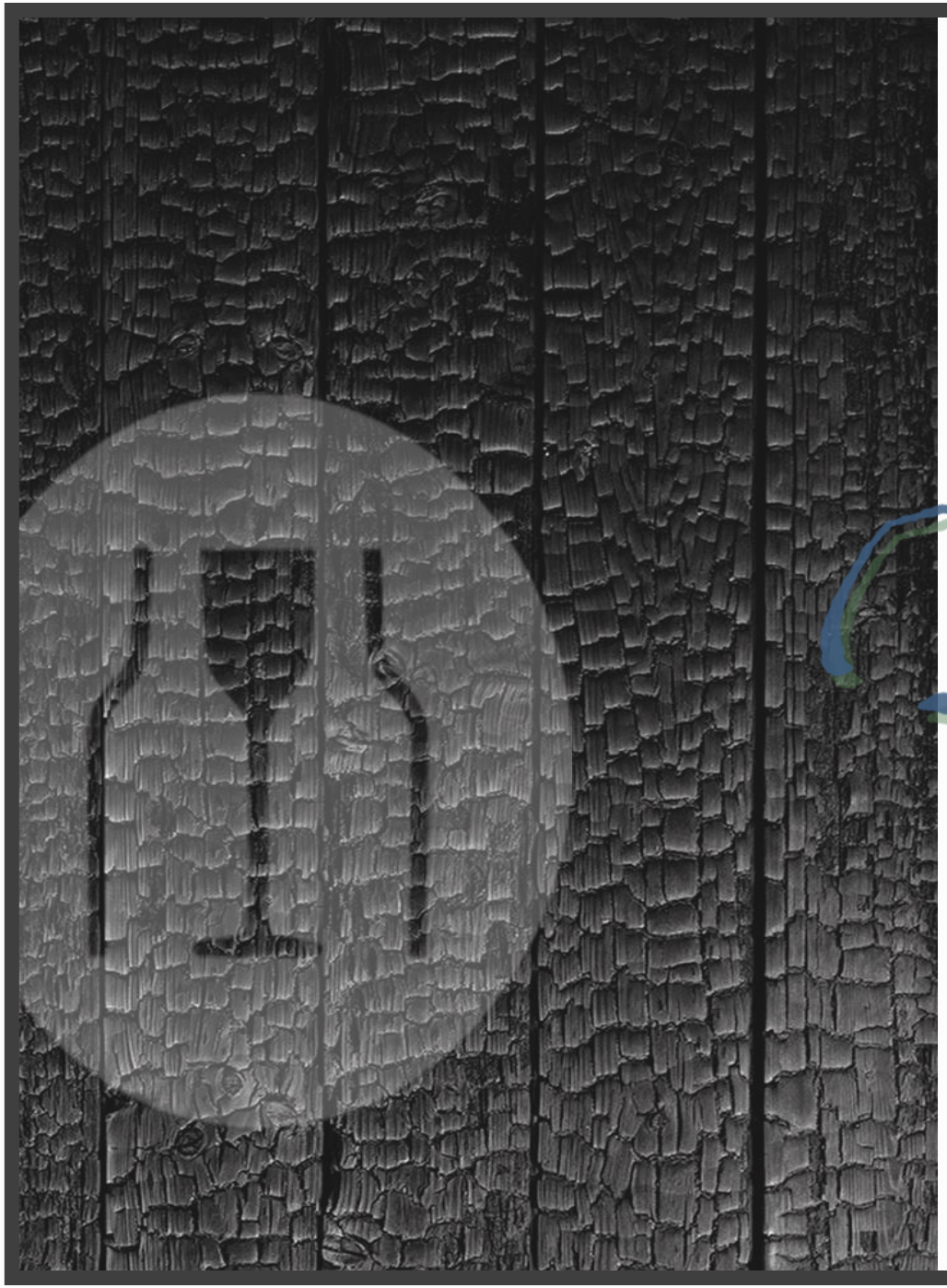


Building Forever

Family Perspective

Geo. Garvin Brown IV
Chairman of the Board

Remarks only.



Building Forever

Closing Comments

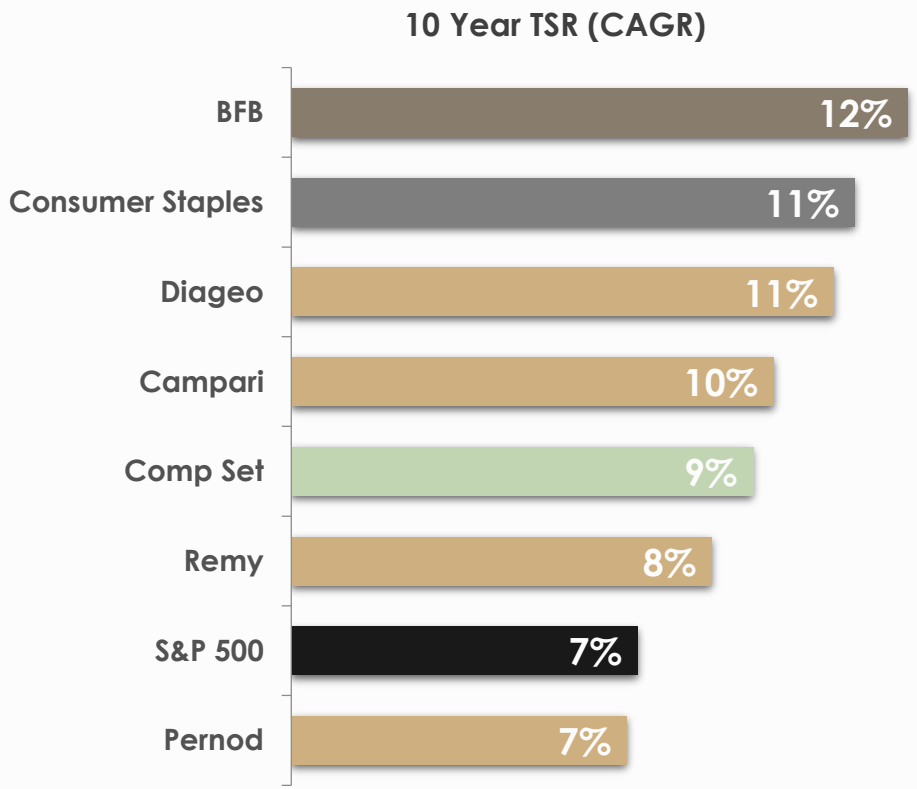
Paul Varga, Chairman & CEO

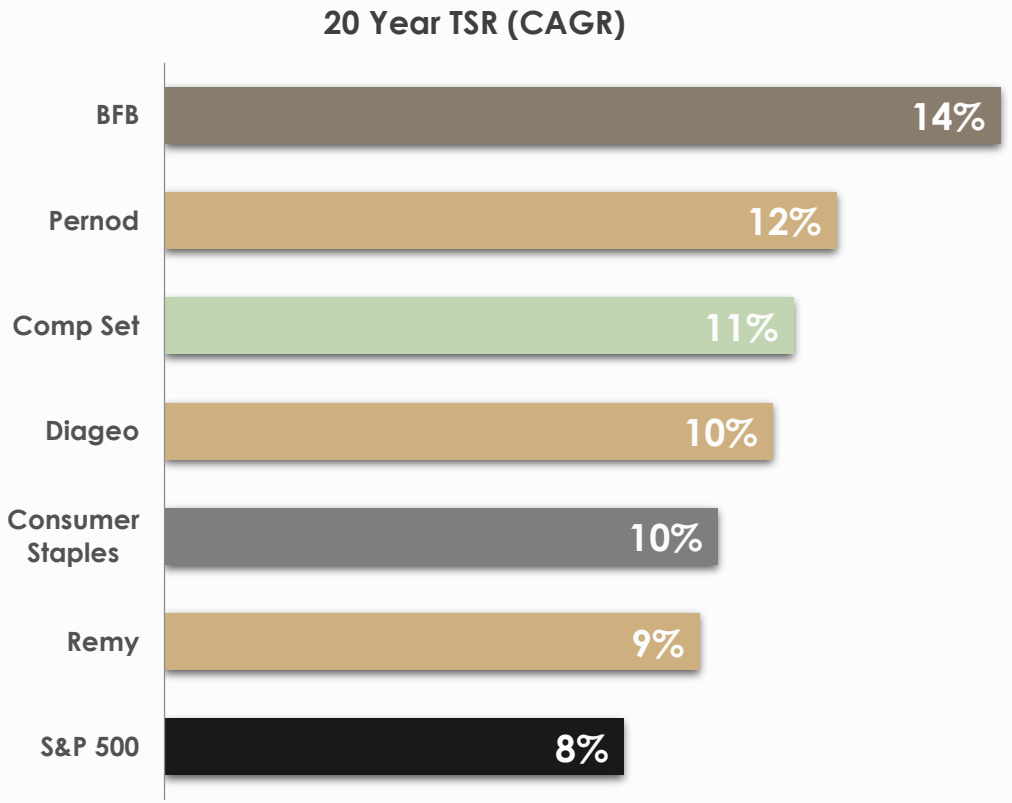
Brown-Forman – A Leading Global Spirits Company

- Jack Daniel's - A Global Growth Opportunity
- Premium, Focused Portfolio
- Track Record of Brand Building
- Financial Attractiveness
- Shareholder-Friendly Capital Allocation
- The Brown Family and our Long-Term View

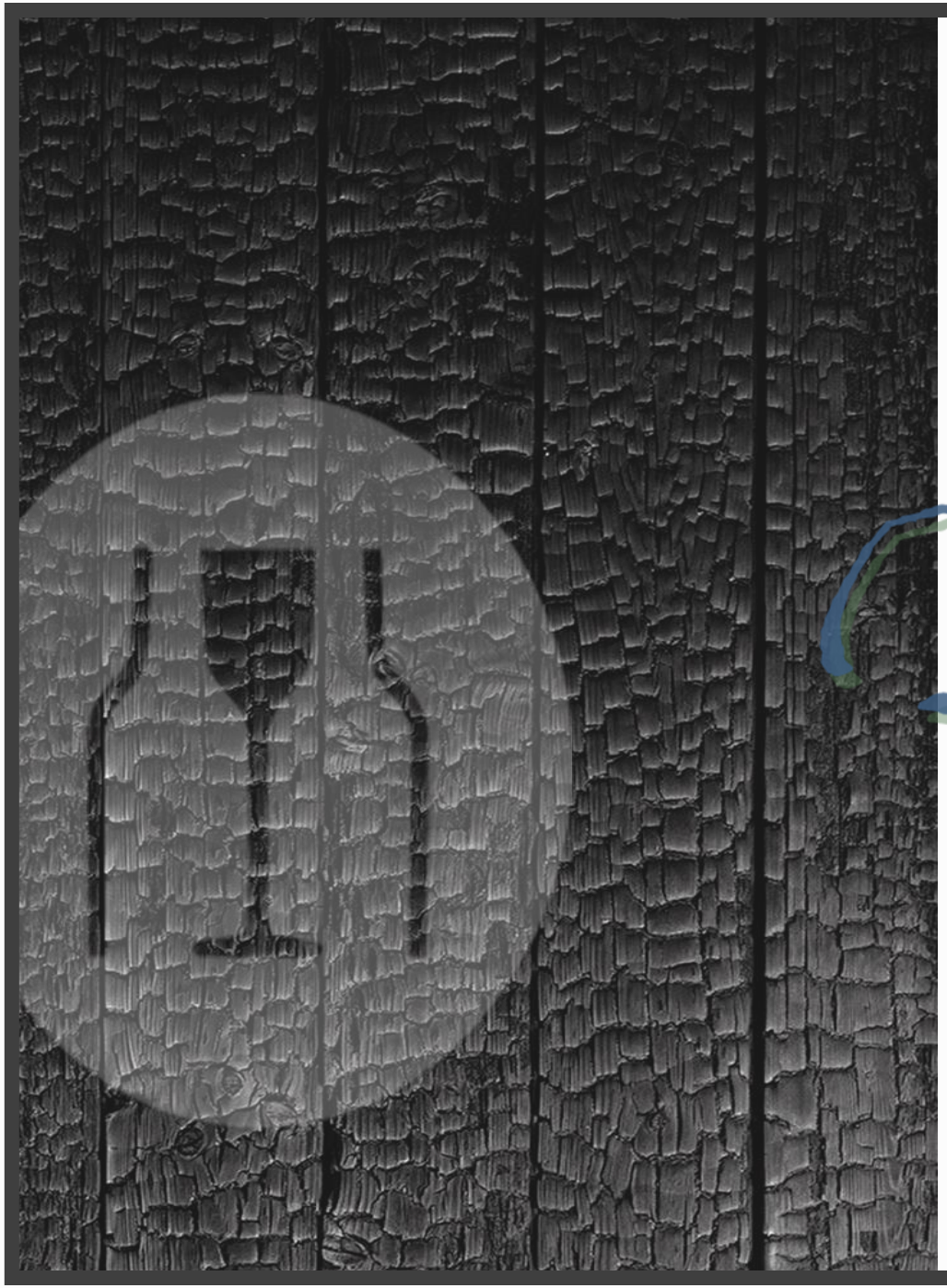


10 Year and 20 Year Total Shareholder Return CAGR





Source: Factset, as of April 30, 2016, in local currency, assuming dividends reinvested. Note – the Competitive set is a weighted average based upon each competitor's LTM sales.



Building Forever

2016 Brown-Forman Investor Day