YTD18 Results

March 7, 2018

BROWN-FORMAN

Forward-Looking Statements

This presentation 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, 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 Securities and Exchange Commission.

YTD18 Highlights

Reported Results

- Net sales +9%
- Operating income +15%
- EPS +17%

Results driven by strong underlying net sales growth, helped by FX and a modest increase in YOY trade inventories.

Underlying Net Sales[1]

- 3Q growth of 6%
- YTD growth of 7%

Broad-based portfolio and balanced geographic growth, reflects continued execution of our strategic priorities to accelerate growth vs FY17

Operating Leverage

- Reported operating margins +170bps

Solid YOY operating expense leverage, due in part to the timing of certain investments during the fiscal year

Fiscal 2018 Outlook

Reaffirmed outlook for:

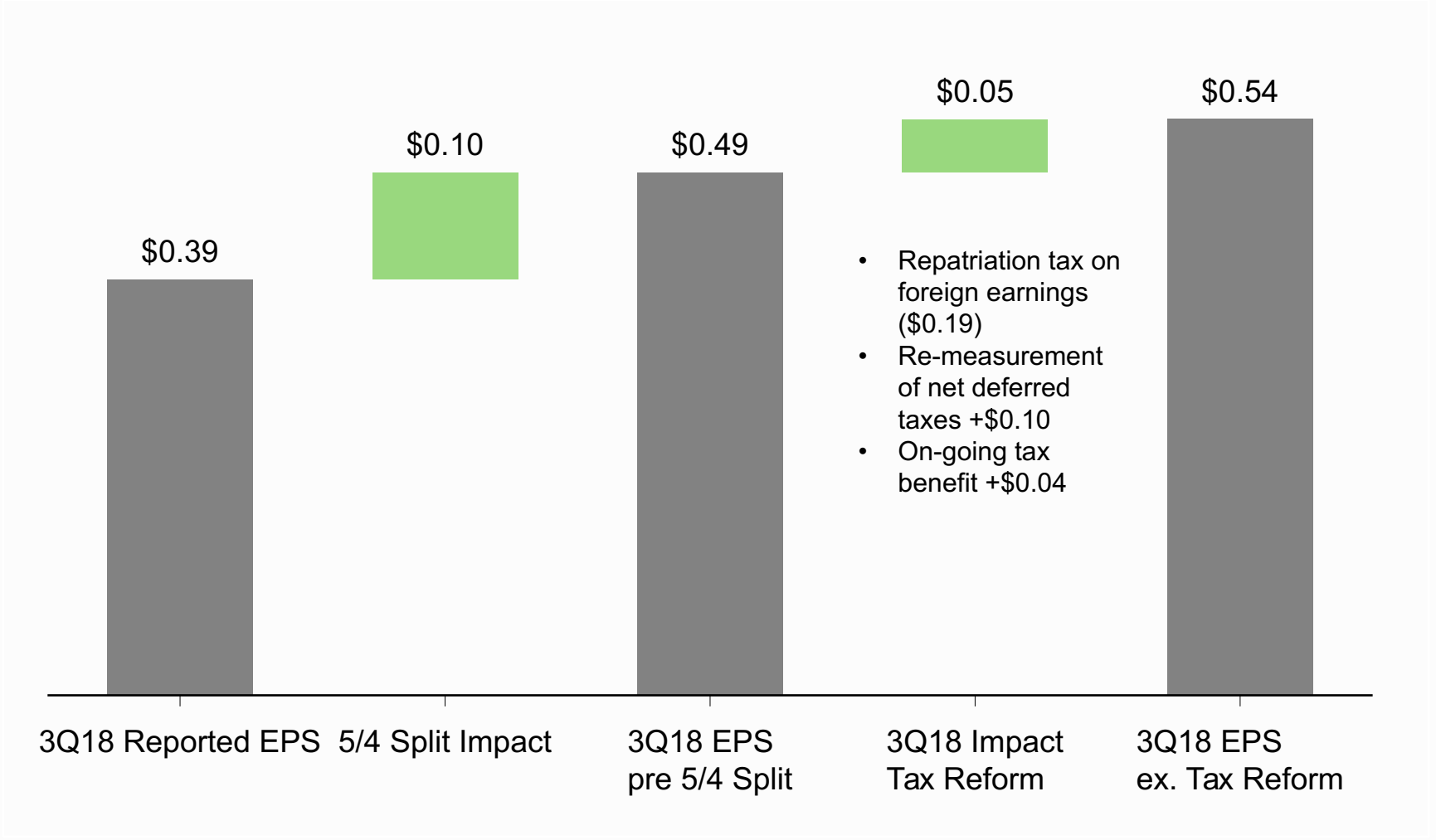
- Underlying net sales growth of 6-7%
- Underlying operating income growth of 8-9%

Updated FY18 EPS range for 5/4 split, tax reform items and 4Q18 establishment of a $60-70M foundation:

- $1.43 - $1.48

[1]Use of Non-GAAP Financial Information: This presentation includes measures not derived in accordance with U.S. generally accepted accounting principles ("GAAP"), including underlying net sales, underlying cost of sales, underlying gross profit, underlying advertising expense, underlying SG&A, and underlying operating income. These measures should not be considered in isolation or as a substitute for any measure derived in accordance with GAAP, and also may be inconsistent with similar measures presented by other companies. Reconciliations of these measures to the most closely comparable GAAP measures, and reasons for the company's use of these measures, are presented in the appendix attached hereto.

3Q18 EPS Summary



3Q18 Results - Strong Top-Line, But as Expected, Higher Costs Moderated Operating Income Growth

	Reported Change (%)	Acquisitions & Divestitures (+/-)	Foreign Exchange Impact (+/-)	Net Change In Estimated Distributor Inventories (+/-)	Underlying Change (%)
Net Sales	9%	—%	-4%	1%	6%
Gross Profit	9%	—%	-5%	1%	5%
Advertising	11%	—%	-5%	—%	6%
SG&A	7%	—%	-3%	—%	4%
Operating Income	11%	—%	-7%	2%	5%

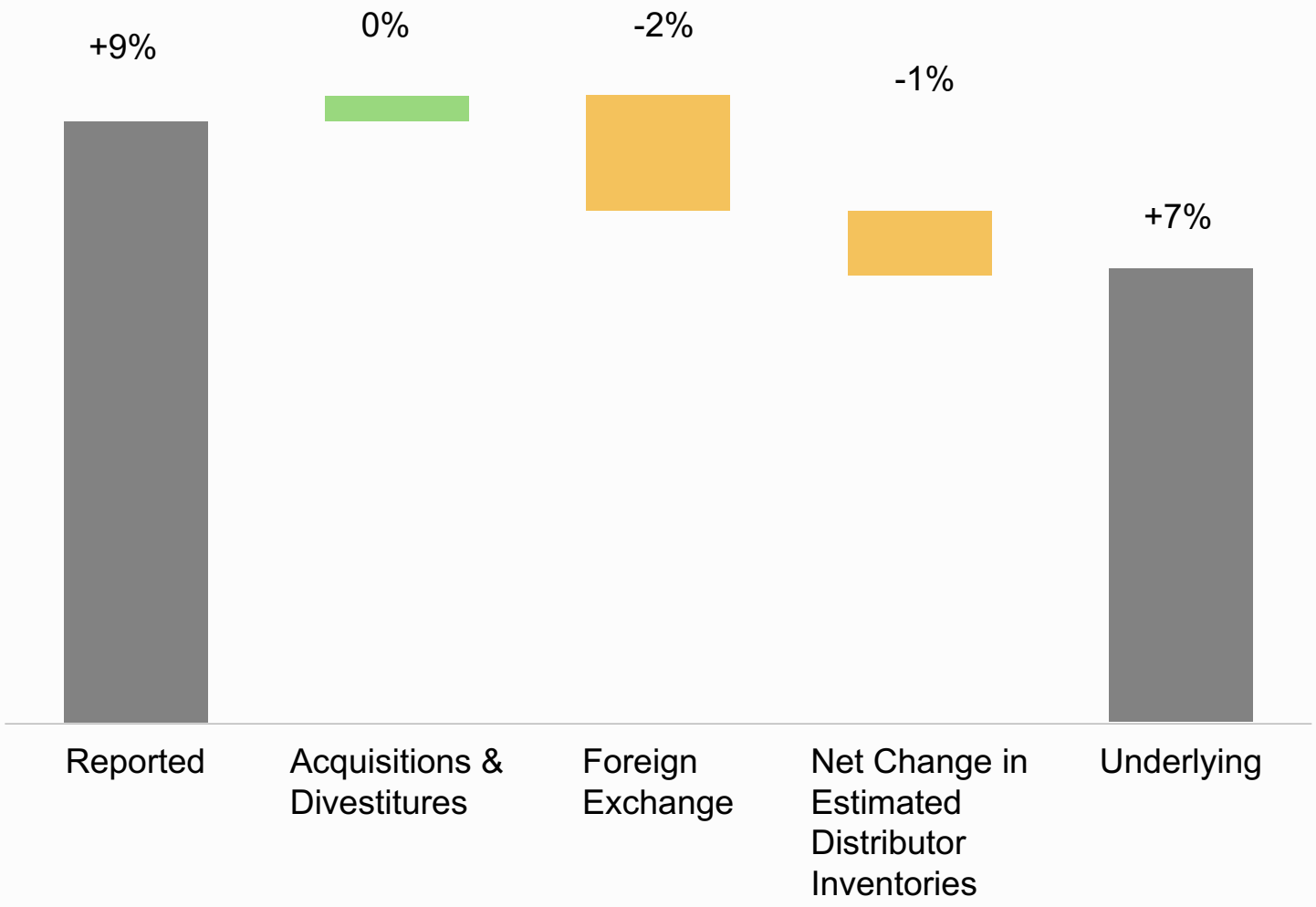
Note: Totals may differ due to rounding

YTD18 Results - Strong Underlying Growth; Reported Growth Rates Helped by Foreign Exchange and Higher Net Inventories

	Reported Change (%)	Acquisitions & Divestitures (+/-)	Foreign Exchange Impact (+/-)	Net Change In Estimated Distributor Inventories (+/-)	Underlying Change (%)
Net Sales	9%	—%	-2%	-1%	7%
Gross Profit	10%	—%	-2%	-1%	7%
Advertising	8%	—%	-2%	—%	5%
SG&A	2%	—%	-1%	—%	—%
Operating Income	15%	—%	-1%	-2%	11%

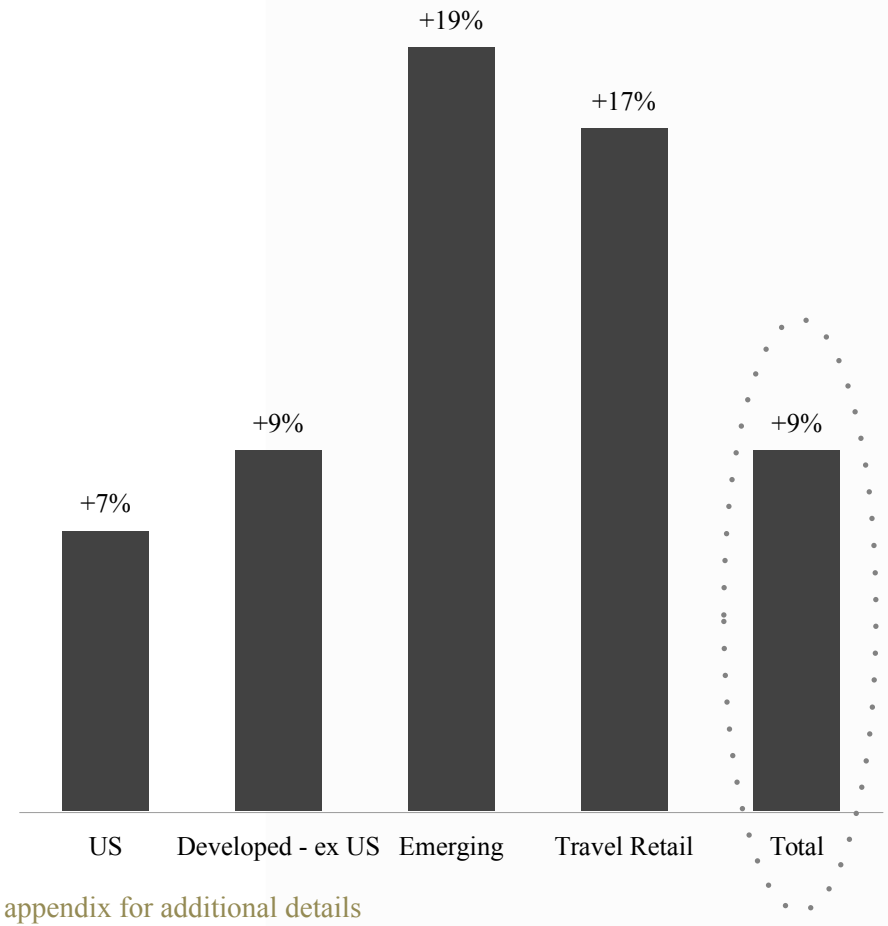
Note: Totals may differ due to rounding

YTD18 Reported Growth of 9% Driven by Strong, 7% Underlying Net Sales Growth

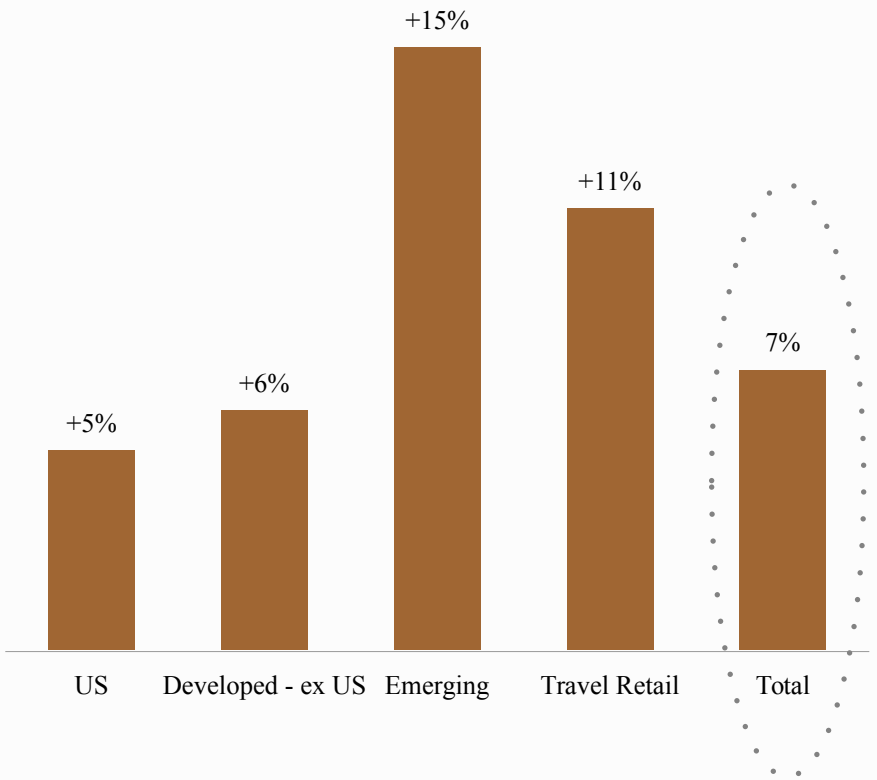


Broad-based Geographic Delivery of YTD Net Sales Growth

Reported



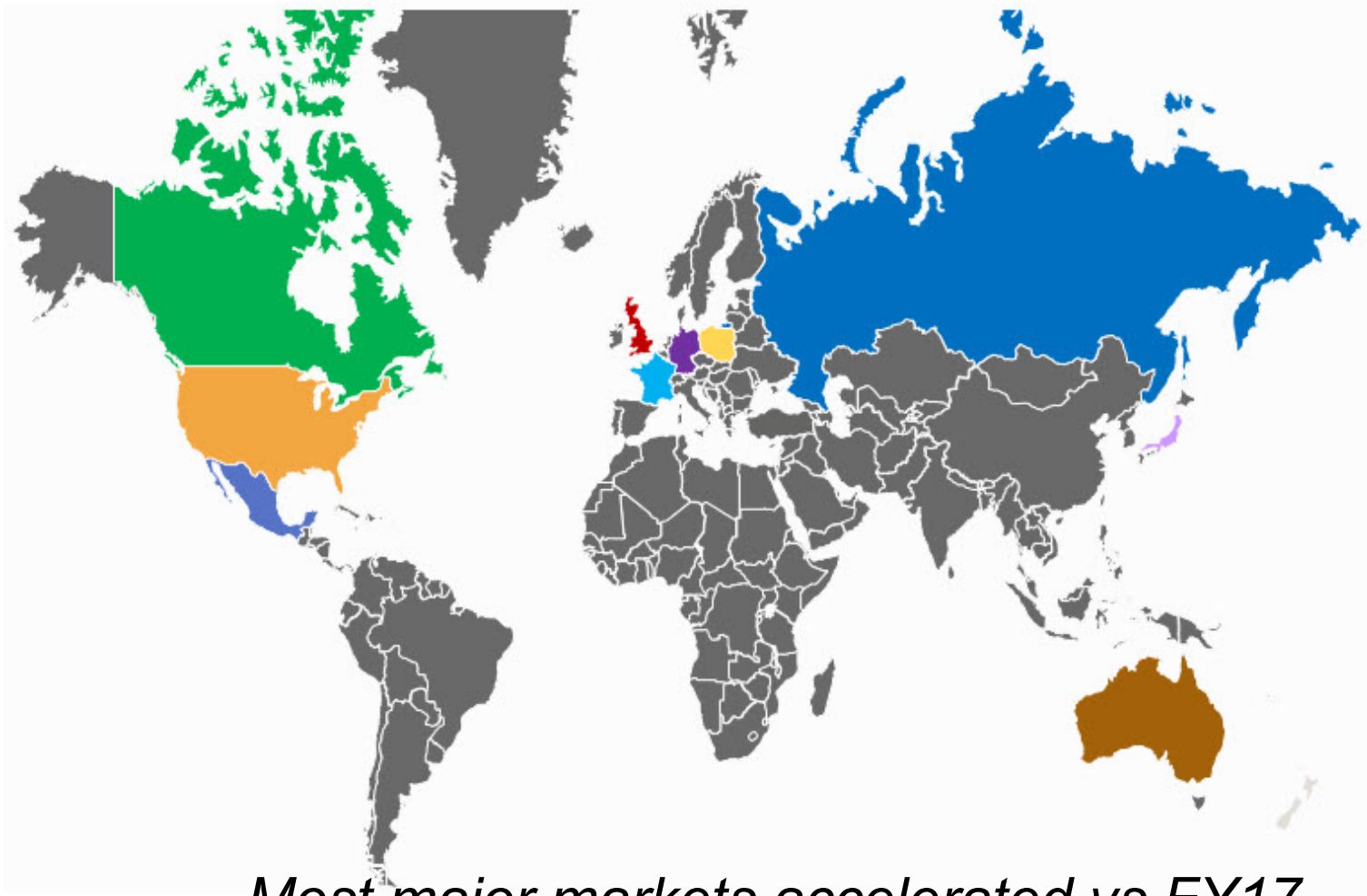
Underlying



* See appendix for additional details

Balanced Growth Across Our Top Markets

YTD18 Net Sales Growth - Reported (Underlying)



United States
+7% (+5%)
Volume-driven growth

United Kingdom
+10% (+6%)
Solid growth in American whiskeys

Australia
+10% (+10%)
Driven by JDTW and RTDs

Mexico
+13% (+10%)
Led by tequilas and JD FOB

Germany
+16% (+11%)
Strong growth in American whiskeys and RTDs

Travel Retail
+17% (+11%)
Led by American whiskeys & tequilas

France
+10% (+5%)
Growth led by JDTW and JDTH

Poland
+25% (+10%)
Led by JDTW

Japan
-13% (-7%)
Modest volume declines in standard whiskey

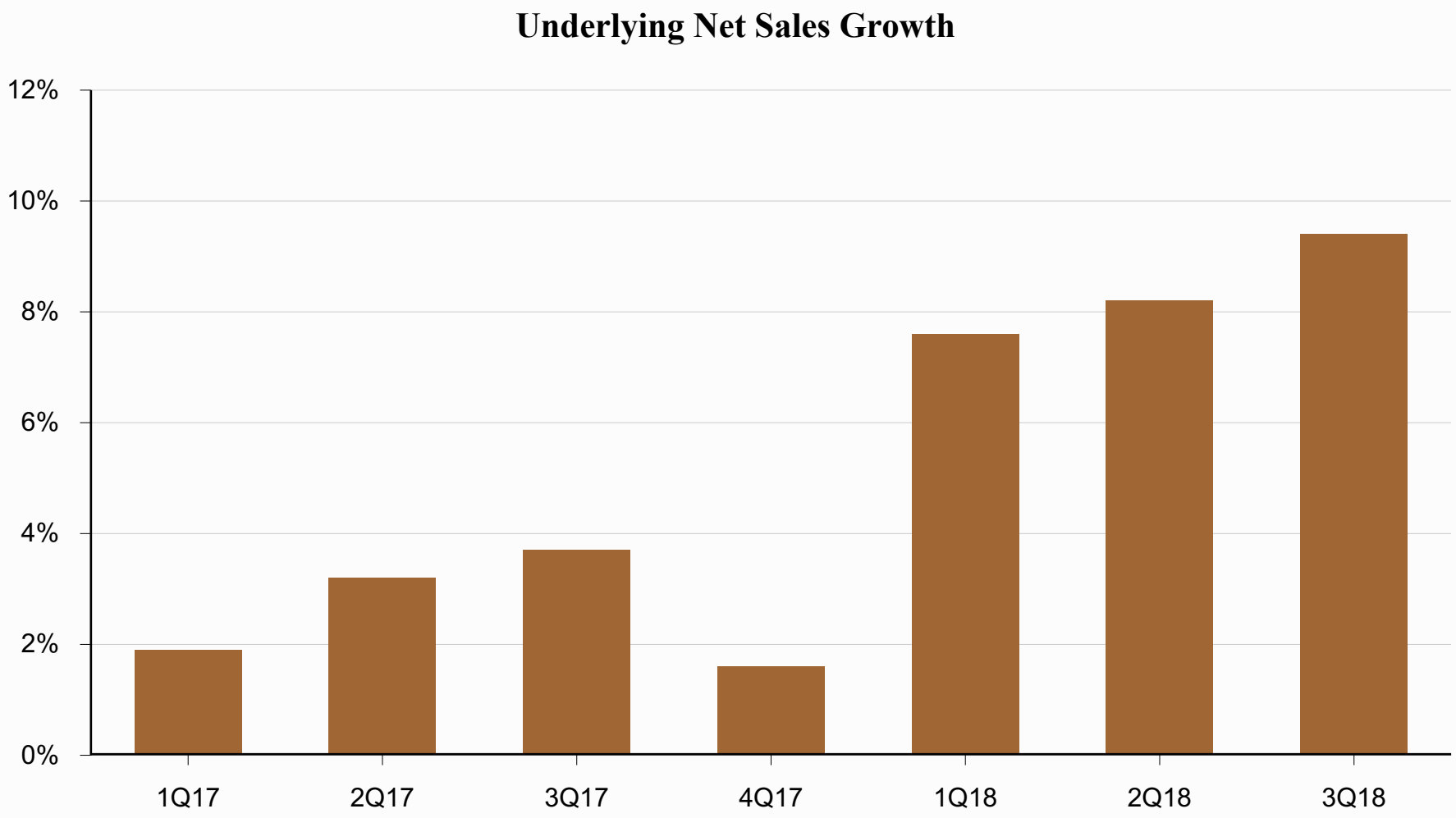
Canada
+4% (+2%)
Modest growth

Russia
+62% (+37%)
Growth led by Finlandia

Most major markets accelerated vs FY17

* See appendix for additional details

Emerging Markets Are Strengthening - Two Year Stack*



* A "two year stack" is the quarterly two year compounded annual growth rate of underlying net sales excluding acquired and divested brands for all periods (Southern Comfort, Tuaca, and BenRiach Distillery brands).

Broad-Based Portfolio Growth

YTD18 Net Sales Growth - Reported (Underlying)

Jack Daniel's Family +10% (+7%)



Old Forester & Woodford Reserve +26% (+22%)

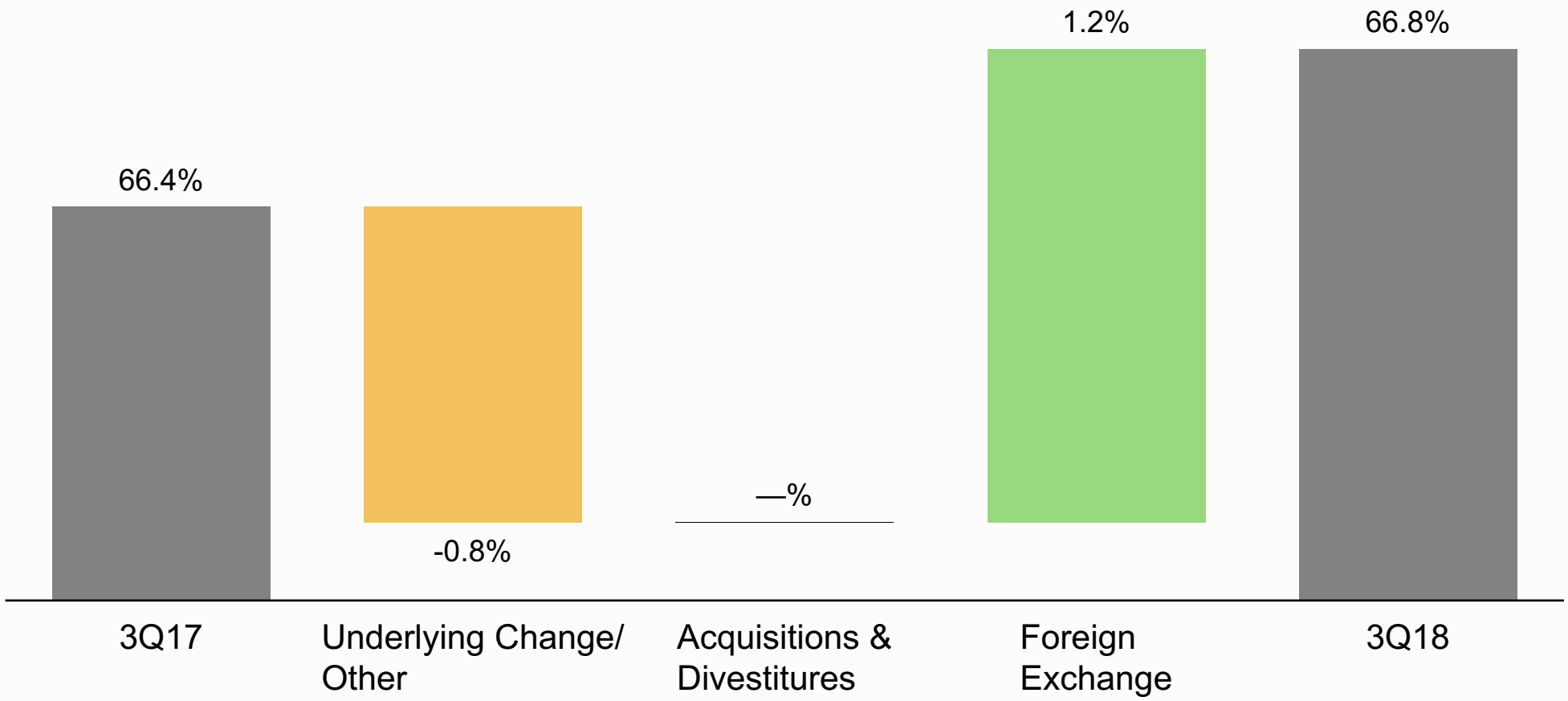


Tequilas +15% (+13%)

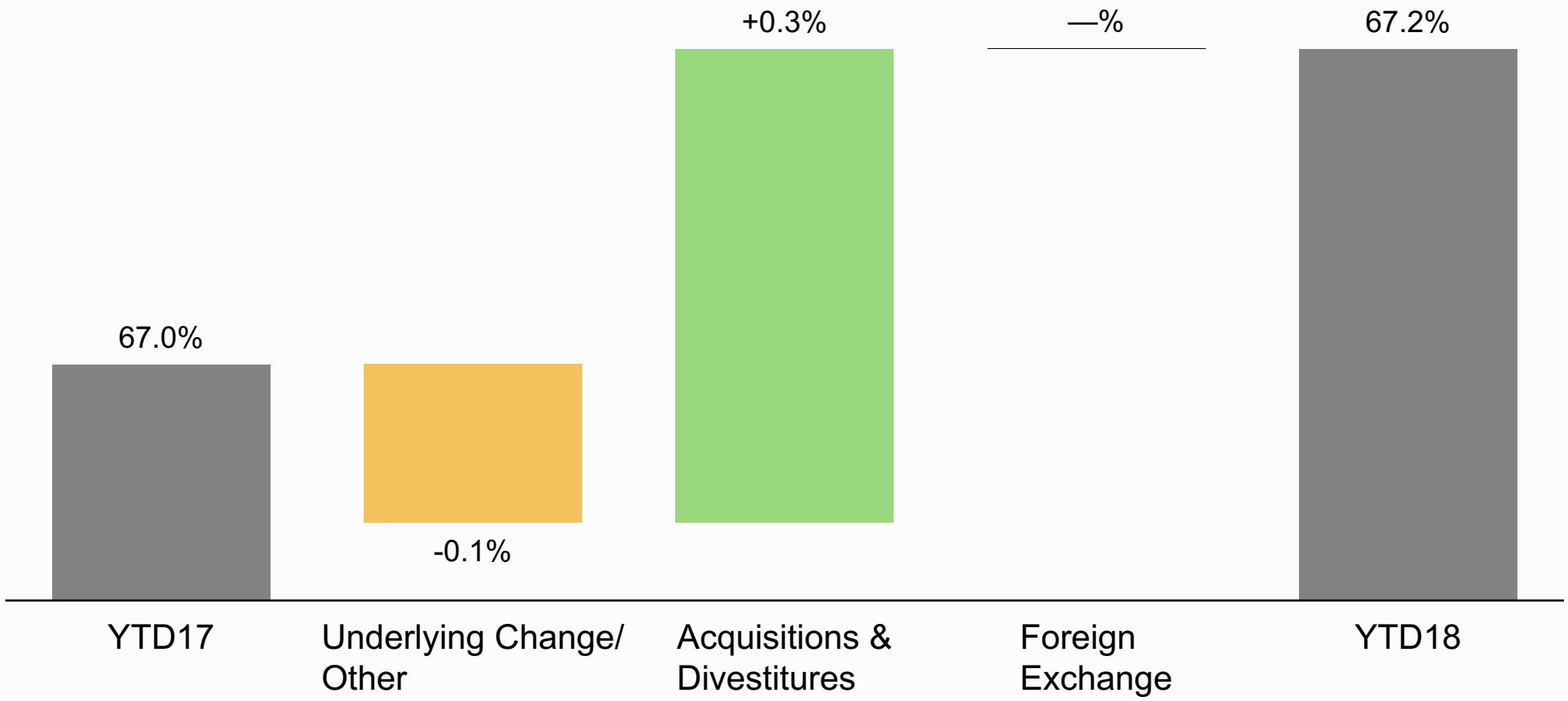


* See appendix for additional details

3Q18 Reported Gross Margins Expanded 40bps; Underlying Margins Pulled Down by Costs



YTD18 Reported Gross Margins Expanded 20bps; Underlying Down Slightly Over Nine Months



YTD18 Operating Leverage due in part to Phasing of Expenses in Fiscal 2018

	Three Months Ended January 31, 2018		Nine Months Ended January 31, 2018	
	Reported Change (%)	Underlying Change (%)	Reported Change (%)	Underlying Change (%)
Net Sales	9%	6%	9%	7%
Gross Profit	9%	5%	10%	7%
Advertising	11%	6%	8%	5%
SG&A	7%	4%	2%	—%
Operating Income	11%	5%	15%	11%
Gross margin	0.4% points		0.2% points	
Operating margin	0.8% points		1.7% points	
Effective tax rate	5.0% points		-0.2% points	
Share count	—%		(1%)	
Diluted earnings per share	4%		17%	

* See appendix for additional details

Fiscal 2018 Outlook

Underlying Net Sales	Underlying Operating Income	Diluted EPS
6 - 7% (prior range of 6-7%)	8 - 9% (prior range of 8-9%)	$1.43 - $1.48 (prior split-adjusted range of $1.52 - $1.58)

Significant Ongoing Benefit from U.S. Tax Reform*

1

Annualized Ongoing Cash Benefit: ~$65 - $75 Million

- Fiscal 2018 ⇨ ~$25 Million
- Fiscal 2019 ⇨ Incremental $40 - $50 Million

2

Tax Rate Benefit	F18		F19
	Before Tax Reform	After Tax Reform	After Tax Reform
U.S. Corporate Tax Rate	35%	30.4%	21%
Effective tax rate forecast	27.5%	~ 28% **	21% to 23%

** U.S. Tax Reform estimates are provisional*

*** Includes one-time and ongoing effects of tax reform*

U.S. Tax Reform*: Slight Negative Effect in FY18

		Increase / (Decrease)	
		EPS	**ETR**
U.S. Tax Reform:			
Net lower full year tax rate		$0.06	(2.7)%
One-time transition items:			
Repatriation tax	($0.19)		
Remeasure net U.S. deferred taxes	$0.10		
		$(0.09)	4.1%
Total U.S. Tax Reform Effect		$(0.03)	1.4%

** U.S. Tax Reform estimates are provisional*

Fiscal 2018 EPS Outlook Reconciliation

	EPS	% Change vs FY17
Prior FY18 Outlook at 2Q18[a]	$1.90-$1.98	11%-16%
Split adjusted Prior Outlook[b]	$1.52-$1.58	11%-16%
Underlying changes to Outlook	$0.00	0%
Foreign exchange	$0.03	2%
Tax Reform[c]	($0.03)	(2%)
Establishment of Foundation - 4Q18[d]	($0.10)	(7%)
Updated Outlook	**$1.43-$1.48**	**5%-8%**

[a] FY18 GAAP EPS Outlook shared on 12-6-17

[b] Adjusted for the 5/4 stock split from February 28, 2018

[c] Includes provisional net negative effect of $0.05 in 3Q18 and ongoing tax benefit of $0.02 in 4Q18

[d] Foundation expected to occur in 4Q18 and result in an ongoing P&L benefit

Note: Totals may differ due to rounding

Appendix

Non-GAAP Reconciliation

We use certain financial measures in this presentation that are not measures of financial performance under U.S. generally accepted accounting principles (GAAP). These non-GAAP measures, defined below, should be viewed as supplements to (not substitutes for) our results of operations and other measures reported under GAAP. The non-GAAP measures we use in this presentation may not be defined and calculated by other companies in the same manner. Reconciliations of these non-GAAP measures to the most closely comparable GAAP measures are presented on the following slides of this presentation.

"Underlying change" in income statement measures. We present changes in certain income statement measures, or line items, that are adjusted to an "underlying" basis. We use "underlying change" for the following income statement measures: (a) underlying net sales, (b) underlying cost of sales, (c) underlying gross profit, (d) underlying advertising expenses, (e) underlying selling, general, and administrative (SG&A) expenses, (f) underlying other expense (income), (g) underlying operating expenses, and (h) underlying operating income. To calculate these measures, we adjust, as applicable, for (a) acquisitions and divestitures, (b) foreign exchange, and (c) estimated net changes in distributor inventories. We explain these adjustments below.

- *"Acquisitions and divestitures."* This adjustment removes (a) any non-recurring effects related to our acquisitions and divestitures (e.g., transaction gains or losses, transaction costs, and integration costs) and (b) the effects of operating activity related to acquired and divested brands for periods that are not comparable on a year-over-year basis (non-comparable periods). By excluding non-comparable periods, we therefore include the effects of acquired and divested brands only to the extent that results are comparable on a year-over-year basis.

  In fiscal 2016, we sold our Southern Comfort and Tuaca brands and related assets to Sazerac Company, Inc. and entered into a related transition services agreement (TSA). During fiscal 2017, we completed our obligations under the TSA. This adjustment removes the net sales and operating expenses recognized in fiscal 2017 pursuant to the TSA related to (a) contract bottling services and (b) distribution services in certain markets.

  On June 1, 2016, we acquired The BenRiach Distillery Company Limited (BenRiach). This adjustment removes (a) transaction and integration costs related to the acquisition and (b) operating activity for the acquisition for the non-comparable period. For both fiscal 2017 and 2018, the non-comparable period is the month of May.

- *"Foreign exchange."* We calculate the percentage change in our income statement line items in accordance with GAAP and adjust to exclude the cost or benefit of currency fluctuations. Adjusting for foreign exchange allows us to understand our business on a constant-dollar basis, as fluctuations in exchange rates can distort the underlying trend both positively and negatively. (In this presentation, "dollar" always means the U.S. dollar unless stated otherwise.) To eliminate the effect of foreign exchange fluctuations when comparing across periods, we translate current year results at prior-year rates and remove foreign exchange gains and losses from the current and prior-year periods.

- *"Estimated net change in distributor inventories."* This adjustment refers to the estimated net effect of changes in distributor inventories on changes in our income statement line items. For each period compared, we use depletion information provided by our distributors to estimate the effect of distributor inventory changes on our income statement line items.

We use the non-GAAP measures "underlying change" for the following reasons: (a) to understand our performance from period to period on a consistent basis; (b) to compare our performance to that of our competitors; (c) in connection with management incentive compensation calculations; (d) in our planning and forecasting processes; and (e) in communications concerning our financial performance with the board of directors, stockholders, and investment analysts. We have consistently applied the adjustments within our reconciliations in arriving at each non-GAAP measure.

Definitions

From time to time, in order to explain our results of operations or to highlight trends and uncertainties affecting our business, we aggregate markets according to stage of economic development as defined by the International Monetary Fund and we aggregate brands by spirits category. Below are definitions of the aggregations used in this presentation.

Geographic Aggregations.

- *"Developed"* markets are "advanced economies" as defined by the International Monetary Fund, with the largest for Brown-Forman being the United States, the United Kingdom, and Australia. Developed international markets are developed markets excluding the United States.
- *"Emerging"* markets are "emerging and developing economies" as defined by the International Monetary Fund, with the largest for Brown-Forman being Mexico and Poland.
- *"Travel Retail"* represents our sales to global duty free customers, travel retail customers, and the U.S. military.

Brand Aggregations.

- *"Jack Daniel's family of brands"* includes Jack Daniel's Tennessee Whiskey (JDTW), Jack Daniel's Tennessee Honey (JDTH), Jack Daniel's RTD and RTP products (JD RTDs/RTP), Gentleman Jack, Jack Daniel's Tennessee Fire (JDTF), Jack Daniel's Single Barrel Collection, Jack Daniel's Tennessee Rye Whiskey, Jack Daniel's Sinatra Select, and Jack Daniel's No. 27 Gold Tennessee Whiskey.
- *"Jack Daniel's RTD and RTP"* products include all RTD line extensions of Jack Daniel's, such as Jack Daniel's & Cola, Jack Daniel's & Diet Cola, Jack & Ginger, Jack Daniel's Country Cocktails, Gentleman Jack & Cola, Jack Daniel's Double Jack, Jack Daniel's American Serve, Jack Daniel's Tennessee Honey RTD, Jack Daniel's Cider, Jack Daniel's Lynchburg Lemonade, and the seasonal Jack Daniel's Winter Jack RTP.
- *"American whiskey"* products include the Jack Daniel's family of brands, premium bourbons, and Early Times.

  "Premium bourbon" products include Old Forester and Woodford Reserve.
- *"Tequila"* products include el Jimador, Herradura, and New Mix.

Definitions

Other Metrics.

- *"Depletions."* When discussing volume, unless otherwise specified, we refer to "depletions," a term commonly used in the beverage alcohol industry. Depending on the context, "depletions" means either (a) our shipments directly to retailers or wholesalers, or (b) shipments from our distributor customers to retailers and wholesalers. We generally record revenues when we ship our products to our customers, so our reported sales for a period do not reflect actual consumer purchases during that period. We believe that our depletions measure volume in a way that more closely reflects consumer demand than our shipments to distributor customers do.
- *"Drinks-equivalent."* Volume is discussed on a nine-liter equivalent unit basis (nine-liter cases) unless otherwise specified. At times, we use a "drinks-equivalent" measure for volume when comparing single-serve ready-to-drink (RTD) or ready-to-pour (RTP) brands to a parent spirits brand. "Drinks-equivalent" depletions are RTD and RTP nine-liter cases converted to nine-liter cases of a parent brand on the basis of the number of drinks in one nine-liter case of the parent brand. To convert RTD volumes from a nine-liter case basis to a drinks-equivalent nine-liter case basis, RTD nine-liter case volumes are divided by 10, while RTP nine-liter case volumes are divided by 5.
- *"Consumer takeaway."* When discussing trends in the market, we refer to "consumer takeaway", a term commonly used in the beverage alcohol industry. "Consumer takeaway" refers to the purchase of product by the consumer from the retail outlet as measured by volume or retail sales value. This information is provided by third-parties, such as Nielsen and the National Alcohol Beverage Control Association (NABCA). Our estimates of market share or changes in market share are derived from consumer takeaway data using the retail sales value metric.

Reconciliation
YTD18 Net Sales Growth by Geography

Nine Months Ending January 31, 2018					
Geographic area	Reported (%)	Acquisitions & Divestitures (+/-)	Foreign Exchange (+/-)	Net Change in Estimated Distributor Inventories (+/-)	Underlying (%)
US	7%	—%	—%	-2%	5%
Developed – ex US	9%	—%	-4%	1%	6%
Emerging	19%	—%	-5%	—%	15%
Travel Retail	17%	—%	1%	-7%	11%

Reconciliation

YTD18 Net Sales Growth by Top Markets

Geographic area	Reported %	Acquisitions & Divestitures +/-	Foreign Exchange +/-	Net Change in Estimated Distributor Inventories +/-	Underlying %
United States	7%	—%	—%	-2%	5%
United Kingdom	10%	—%	-3%	—%	6%
Germany	16%	—%	-5%	—%	11%
France	10%	—%	-5%	—%	5%
Poland	25%	—%	-15%	—%	10%
Russia	62%	—%	-4%	-22%	37%
Australia	10%	1%	-2%	—%	10%
Mexico	13%	—%	-3%	1%	10%
Japan	-13%	—%	2%	4%	-7%
Canada	4%	—%	1%	-2%	2%
Travel Retail	17%	—%	1%	-7%	11%

Reconciliation
YTD18 Net Sales Growth for Aggregated Brands

Aggregated Brands	Reported %	Foreign Exchange +/-	Net Change in Estimated Distributor Inventories +/-	Underlying %
Jack Daniel's Family	10%	-2%	-1%	7%
Old Forester and Woodford Reserve	26%	—%	-4%	22%
el Jimador, Herradura, & New Mix	15%	-2%	-1%	13%