

BROWN-FORMAN

First Quarter of Fiscal 2024

August 30, 2023

BOLDER.
BETTER.
TOGETHER.

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," "can," "continue," "could," "envision," "estimate," "expect," "expectation," "intend," "may," "might," "plan," "potential," "project," "pursue," "see," "seek," "should," "will," "would," and similar words indicate 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:

- Our substantial dependence upon the continued growth of the Jack Daniel's family of brands
- Substantial competition from new entrants, consolidations by competitors and retailers, and 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
- Route-to-consumer changes that affect the timing of our sales, temporarily disrupt the marketing or sale of our products, or result in higher fixed costs
- Disruption of our distribution network or inventory fluctuations in our products by distributors, wholesalers, or retailers
- Changes in consumer preferences, consumption, or purchase patterns – particularly away from larger producers in favor of small distilleries or local producers, or away from brown spirits, our premium products, or spirits generally, and our ability to anticipate or react to them; further legalization of marijuana; bar, restaurant, travel, or other on-premise declines; shifts in demographic or health and wellness trends; or unfavorable consumer reaction to new products, line extensions, package changes, product reformulations, or other product innovation
- 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, or labor
- Risks associated with acquisitions, dispositions, business partnerships, or investments – such as acquisition integration, termination difficulties or costs, or impairment in recorded value
- Impact of health epidemics and pandemics, and the risk of the resulting negative economic impacts and related governmental actions
- Unfavorable global or regional economic conditions and related economic slowdowns or recessions, 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
- Product recalls or other product liability claims, product tampering, contamination, or quality issues
- Negative publicity related to our company, products, brands, marketing, executive leadership, employees, Board of Directors, family stockholders, operations, business performance, or prospects
- Failure to attract or retain key executive or employee talent
- Risks associated with being a U.S.-based company with a global business, including commercial, political, and financial risks; local labor policies and conditions; protectionist trade policies, or economic or trade sanctions, including additional retaliatory tariffs on American whiskeys and the effectiveness of our actions to mitigate the negative impact on our margins, sales, and distributors; compliance with local trade practices and other regulations; terrorism, kidnapping, extortion, or other types of violence; and health pandemics
- Failure to comply with anti-corruption laws, trade sanctions and restrictions, or similar laws or regulations
- Fluctuations in foreign currency exchange rates, particularly a stronger U.S. dollar
- Changes in laws, regulatory measures, or governmental policies, especially those affecting production, importation, marketing, labeling, pricing, distribution, sale, or consumption of our beverage alcohol products
- Tax rate changes (including excise, corporate, sales or value-added taxes, property taxes, payroll taxes, import and export duties, and tariffs) or changes in related reserves, changes in tax rules or accounting standards, and the unpredictability and suddenness with which they can occur
- Decline in the social acceptability of beverage alcohol in significant markets
- Significant additional labeling or warning requirements or limitations on availability of our beverage alcohol products
- Counterfeiting and inadequate protection of our intellectual property rights
- Significant legal disputes and proceedings, or government investigations
- Cyber breach or failure or corruption of our key information technology systems or those of our suppliers, customers, or direct and indirect business partners, or failure to comply with personal data protection laws
- Our status as a family "controlled company" under New York Stock Exchange rules, and our dual-class share structure

For further information on these and other risks, please refer to our public filings, including 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.



HIGHLIGHTS

First Quarter of Fiscal 2024

Reported net sales growth of **3%**
(+2% organic[1])



GIN MARE & DIPLOMÁTICO
2%
increase to the company's net sales*



NEW MIX
52%
net sales growth*
(+32% organic[1])



EL JIMADOR
27%
net sales growth*
(+26% organic[1])



JACK DANIEL'S TENNESSEE APPLE
49%
net sales growth*
(+52% organic[1])

Gross margin* expanded	Advertising expense* increased	Operating income* decreased	Earnings per share decreased
90 basis points	**19%** *(+14% organic[1])*	**4%** *(-6% organic[1])*	**7%** to **$0.48**

*As Reported
[1]See appendix for reconciliations from non-GAAP measures to most comparable GAAP measures, non-GAAP measure definitions, and additional information.

FIRST QUARTER
of Fiscal 2024

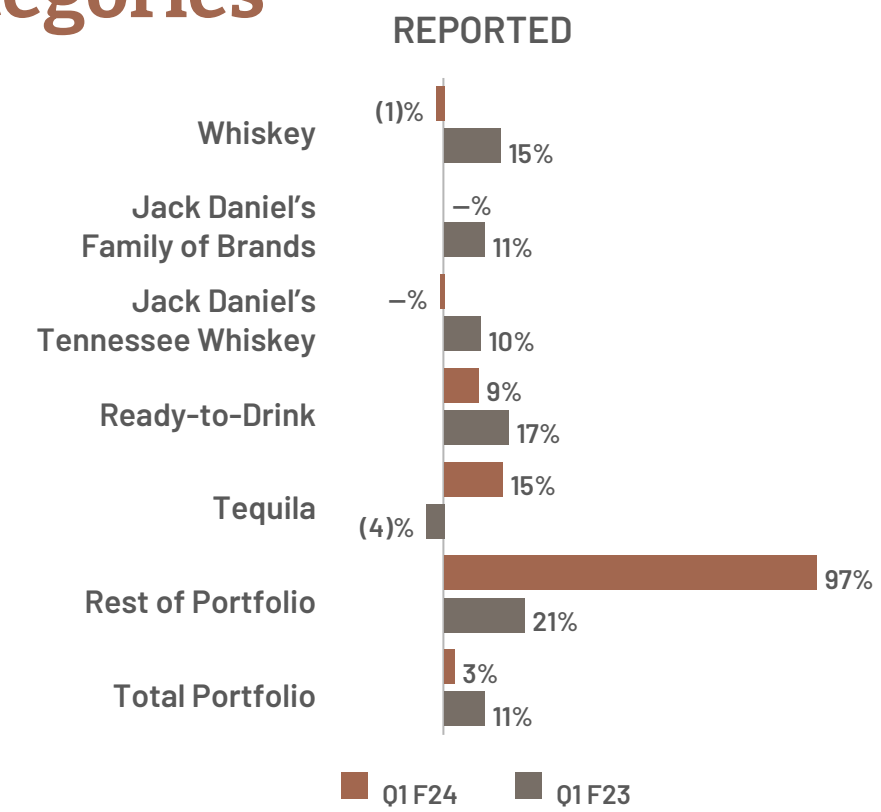
	Reported ($ in millions, except per share amount)	Reported Change (%)	Acquisitions and Divestitures (+/-)	Foreign Exchange (+/-)	Organic Change[1] (%)
Net Sales	$1,038	3%	(2)%	1%	2%
Gross Profit	$651	5%	(1)%	2%	5%
Advertising Expense	$131	19%	(5)%	(1)%	14%
SG&A Expense	$200	14%	(1)%	(1)%	12%
Operating Income	$327	(4)%	(1)%	–%	(6)%
EPS	$0.48	(7)%			

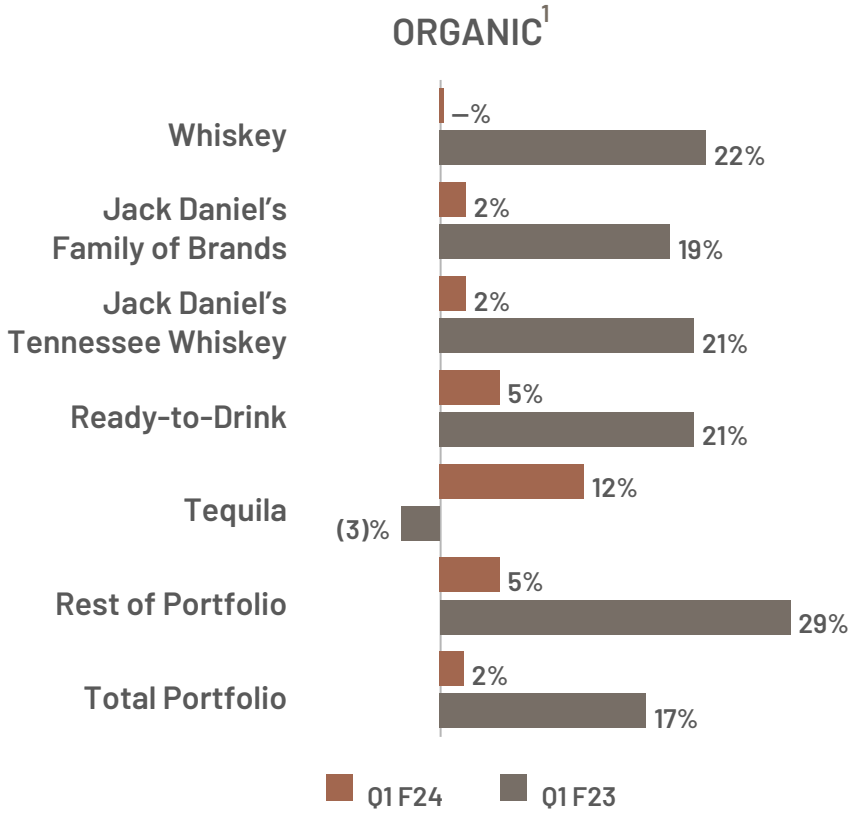
Notes - Change is versus prior-year period. Totals may differ due to rounding.
[1]See appendix for reconciliations from non-GAAP measures to most comparable GAAP measures, non-GAAP measure definitions, and additional information.



NET SALES

Across Categories



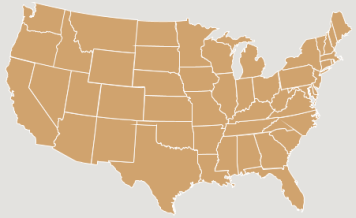


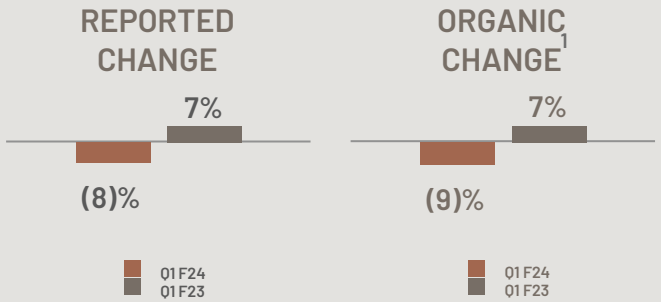
Notes - Change is versus prior-year period. Totals may differ due to rounding.
Beginning in fiscal 2023, we began presenting "Ready-to-Drink" products as a separate aggregation. These products are no longer included in the Whiskey and Tequila aggregations. See the brand aggregations in Definitions section of the appendix.
[1]See appendix for reconciliations from non-GAAP measures to most comparable GAAP measures, non-GAAP measure definitions, and additional information.

BROAD-BASED NET SALES GROWTH

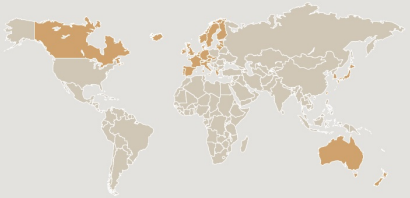
Across Most Geographic Clusters Reflecting Normalization

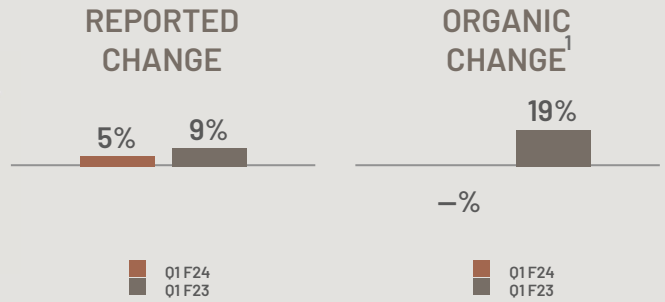
U.S.





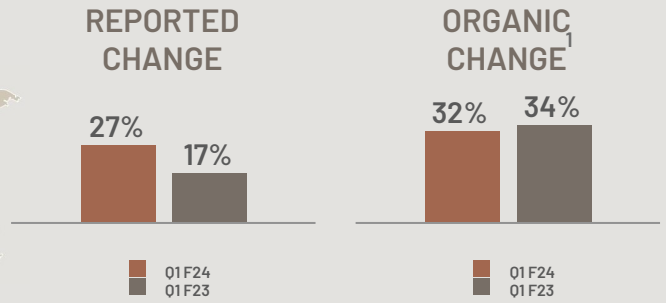
DEVELOPED





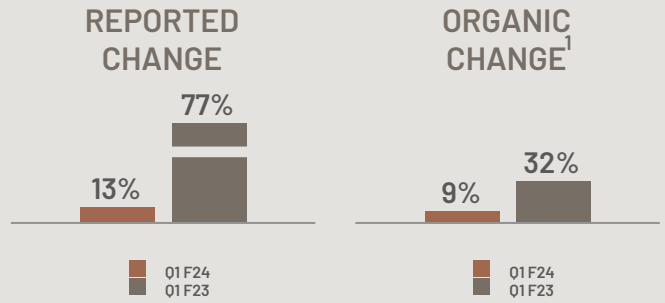
EMERGING





GLOBAL TRAVEL RETAIL





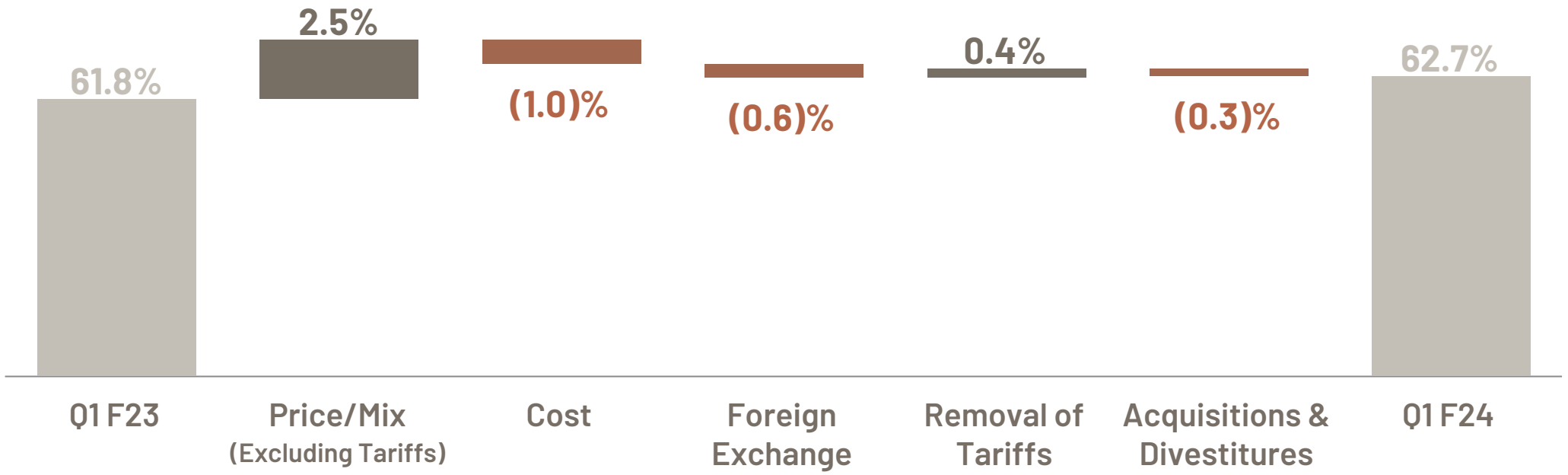
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GROSS MARGIN

Increased 90 Basis Points

Driven by favorable price/mix, lower supply chain disruption related costs, and lower tariff-related costs. This growth was partially offset by higher input costs and the negative effect of foreign exchange.



Notes - Change is versus prior-year period. Totals may differ due to rounding.

OUTLOOK



Organic[1] net sales growth expected to be in the 5% to 7% range.



Anticipate 6% to 8% organic[1] operating income growth.



Expect full year effective tax rate to be in range of approximately 21% to 23%.



Capital expenditures are planned to be in the range of $250 to $270 million.

[1] See appendix for reconciliations from non-GAAP measures to most comparable GAAP measures, non-GAAP measure definitions, and additional information.

APPENDIX

Non-GAAP Financial Measures and Reconciliation

Use of Non-GAAP Financial Information. We use some 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. Other companies may not define or calculate these non-GAAP measures in the same way.

"Organic change" in measures of statements of operations. We present changes in certain measures, or line items, of the statements of operations that are adjusted to an "organic" basis. We use "organic change" for the following measures: (a) organic net sales; (b) organic cost of sales; (c) organic gross profit; (d) organic advertising expenses; (e) organic selling, general, and administrative (SG&A) expenses; (f) organic other expense (income) net; (g) organic operating expenses*; and (h) organic operating income. To calculate these measures, we adjust, as applicable, for (1) acquisitions and divestitures and (2) foreign exchange. We explain these adjustments below.

- *"Acquisitions and divestitures."* This adjustment removes (a) the gain or loss recognized on sale of divested brands, (b) any non-recurring effects related to our acquisitions and divestitures (e.g., transaction, transition, and integration costs), and (c) the effects of operating activity related to acquired and divested brands for periods not comparable year over year (non-comparable periods). Excluding non-comparable periods allows us to include the effects of acquired and divested brands only to the extent that results are comparable year over year.

  During the third quarter of fiscal 2023, we acquired Gin Mare Brand, S.L.U. and Mareliquid Vantguard, S.L.U., which own the Gin Mare brand (Gin Mare). Also, during the third quarter of fiscal 2023, we acquired (a) International Rum and Spirits Distributors Unipessoal, Lda., (b) Diplomático Branding Unipessoal Lda., (c) International Bottling Services, S.A., (d) International Rum & Spirits Marketing Solutions, S.L., and (e) certain assets of Destilerias Unidas Corp., which collectively own the Diplomático Rum brand and related assets (Diplomático).

  This adjustment removes the transaction, transition, and integration costs related to the acquisitions and operating activity for Gin Mare and Diplomático, for the non-comparable period, which is activity in the first quarter of fiscal 2024. We believe that these adjustments allow for us to better understand our organic results on a comparable basis.

- *"Foreign exchange."* We calculate the percentage change in certain line items of the statements of operations 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 organic 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 transactional and hedging foreign exchange gains and losses from current- and prior-year periods.

We use the non-GAAP measure "organic change," along with other metrics, to: (a) understand our performance from period to period on a consistent basis; (b) compare our performance to that of our competitors; (c) calculate components of management incentive compensation; (d) plan and forecast; and (e) communicate our financial performance to the Board of Directors, stockholders, and investment community. We have consistently applied the adjustments within our reconciliations in arriving at each non-GAAP measure. We believe these non-GAAP measures are useful to readers and investors because they enhance the understanding of our historical financial performance and comparability between periods.

In addition to the non-GAAP financial measures presented, we believe that our results are affected by changes in distributor inventories, particularly in our largest market, the United States, where the spirits industry is subject to regulations that essentially mandate a so-called "three-tier system," with a value chain that includes suppliers, distributors, and retailers. Accordingly, we also provide information concerning estimated fluctuations in distributor inventories. We believe such information is useful in understanding our performance and trends as it provides relevant information regarding customers' demand for our products.

*Organic operating expenses include organic advertising expenses, organic SG&A expenses, and organic other expenses (income), net.

Definitions

From time to time, 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 (IMF), and we aggregate brands by beverage alcohol category. Below, we define the geographic and brand aggregations used in this presentation.

Geographic Aggregations.

- "Developed International" markets are "advanced economies" as defined by the IMF, excluding the United States. Our top developed international markets were Germany, Australia, the United Kingdom, France, Canada, and Japan. This aggregation represents our net sales of branded products to these markets.
- "Emerging" markets are "emerging and developing economies" as defined by the IMF. Our top emerging markets were Mexico, Poland, and Brazil. This aggregation represents our net sales of branded products to these markets.
- "Travel Retail" represents our net sales of branded products to global duty-free customers, other travel retail customers, and the U.S. military, regardless of customer location.
- "Non-branded and bulk" includes net sales of used barrels, contract bottling services, and non-branded bulk whiskey and wine, regardless of customer location.

Brand Aggregations.

In this presentation we provide supplemental information for our top brands ranked by percentage of reported net sales. In addition to brands listed by name, we include the following aggregations outlined below.

Beginning in fiscal 2023, we began presenting "Ready-to-Drink" products as a separate aggregation due to its more significant contribution to our growth in recent years and industry-wide category growth trends. "Whiskey" no longer contains Jack Daniel's ready-to-drink (RTD) and ready-to-pour (RTP), and "Tequila" no longer includes New Mix. These brands are now included in the "Ready-to-Drink" brand aggregation.

- "Whiskey" includes all whiskey spirits and whiskey-based flavored liqueurs. The brands included in this category are the Jack Daniel's family of brands (excluding the "Ready-to-Drink" products defined below), the Woodford Reserve family of brands (Woodford Reserve), the Old Forester family of brands (Old Forester), GlenDronach, Benriach, Glenglassaugh, Slane Irish Whiskey, and Coopers' Craft.
  - "American whiskey" includes the Jack Daniel's family of brands (excluding the "Ready-to-Drink" products defined below) and premium bourbons (defined below).
    - "Premium bourbons" includes Woodford Reserve, Old Forester, and Coopers' Craft.
  - "Super-premium American whiskey" includes Woodford Reserve, Gentleman Jack, and other super-premium Jack Daniel's expressions.

Definitions (continued)

- *"Ready-to-Drink"* includes all ready-to-drink (RTD) and ready-to-pour (RTP) products. The brands included in this category are Jack Daniel's RTD and RTP products (JD RTD/RTP), New Mix, and other RTD/RTP products.
    - *"Jack Daniel's RTD/RTP"* products include all RTD line extensions of Jack Daniel's, such as Jack Daniel's & Cola, Jack Daniel's Country Cocktails, Jack Daniel's Double Jack, Jack Daniel's & Coca-Cola RTD, and other malt- and spirit-based Jack Daniel's RTDs, along with Jack Daniel's Winter Jack RTP.
        - *"Jack Daniel's & Coca-Cola RTD"* includes all Jack Daniel's and Coca-Cola RTD products and Jack Daniel's bulk whiskey shipments for the production of this product.
- *"Tequila"* includes the Herradura family of brands (Herradura), el Jimador, and other tequilas.
- *"Wine"* includes Korbel California Champagnes and Sonoma-Cutrer wines.
- "Vodka" includes Finlandia.
- "Rest of Portfolio" includes Chambord, Gin Mare, Korbel Brandy, Diplomático, and Fords Gin.
- "Non-branded and bulk" includes net sales of used barrels, contract bottling services, and non-branded bulk whiskey and wine.
- "Jack Daniel's family of brands" includes Jack Daniel's Tennessee Whiskey (JDTW), JD RTD/RTP, Jack Daniel's Tennessee Honey (JDTH), Gentleman Jack, Jack Daniel's Tennessee Fire (JDTF), Jack Daniel's Tennessee Apple (JDTA), Jack Daniel's Single Barrel Collection (JDSB), Jack Daniel's Bonded Tennessee Whiskey, Jack Daniel's Sinatra Select, Jack Daniel's Tennessee Rye Whiskey (JDTR), Jack Daniel's Bottled-in-Bond, Jack Daniel's Triple Mash Blended Straight Whiskey, Jack Daniel's No. 27 Gold Tennessee Whiskey, Jack Daniel's 10 Years Old, and Jack Daniel's 12 Years Old.

Definitions (continued)

Other Metrics.

- *"Shipments."* We generally record revenues when we ship or deliver our products to our customers. In this report, unless otherwise specified, we refer to shipments when discussing volume.
- *"Depletions."* This is a term commonly used in the beverage alcohol industry to describe volume. Depending on the context, depletions usually means either (a) where Brown-Forman is the distributor, shipments directly to retail or wholesale customers or (b) where Brown-Forman is not the distributor, shipments from distributor customers to retailers and wholesalers. We believe that depletions measure volume in a way that more closely reflects consumer demand than our shipments to distributor customers do.
- *"Consumer takeaway."* When discussing trends in the market, we refer to consumer takeaway, a term commonly used in the beverage alcohol industry that refers to the purchase of product by consumers from retail outlets, including products purchased through e-commerce channels, 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. We believe consumer takeaway is a leading indicator of consumer demand trends.
- *"Estimated net change in distributor inventories."* We generally recognize revenue when our products are shipped or delivered to customers. In the United States and certain other markets, our customers are distributors that sell downstream to retailers and consumers. We believe that our distributors' downstream sales more closely reflect actual consumer demand than do our shipments to distributors. Our shipments increase distributors' inventories, while distributors' depletions (as described above) reduce their inventories. Therefore, it is possible that our shipments do not coincide with distributors' downstream depletions and merely reflect changes in distributors' inventories. Because changes in distributors' inventories could affect our trends, we believe it is useful for investors to understand those changes in the context of our operating results.

  We perform the following calculation to determine the "estimated net change in distributor inventories":

  - For both the current-year period and the comparable prior-year period, we calculate a "depletion-based" amount by (a) dividing the organic dollar amount (e.g. organic net sales) by the corresponding shipment volumes to arrive at a shipment per case amount, and (b) multiplying the resulting shipment per case amount by the corresponding depletion volumes. We subtract the year-over-year percentage change of the "depletion-based" amount from the year-over-year percentage change of the organic amount to calculate the "estimated net change in distributor inventories."
  - A positive difference is interpreted as a net increase in distributors' inventories, which implies that organic trends could decrease as distributors reduce inventories; whereas, a negative difference is interpreted as a net decrease in distributors' inventories, which implies that organic trends could increase as distributors rebuild inventories.

FIRST QUARTER
of Fiscal 2024 Reconciliation

Three months ended July 31, 2023	Reported	Acquisitions & Divestitures (+/-)	Foundation (+/-)	Impairment Charges (+/-)	Foreign Exchange (+/-)	Organic
Net Sales	3%	(2)%	—%	—%	1%	2%
Gross Profit	5%	(1)%	—%	—%	2%	5%
Operating Expenses	16%	(1)%	—%	—%	5%	19%
Advertising Expense	19%	(5)%	—%	—%	(1)%	14%
SG&A Expense	14%	(1)%	—%	—%	(1)%	12%
Operating Income	(4)%	(1)%	—%	—%	—%	(6)%

Three months ended July 31, 2022	Reported	Acquisitions & Divestitures (+/-)	Foundation (+/-)	Impairment Charges (+/-)	Foreign Exchange (+/-)	Organic
Net Sales	11%	—%	—%	—%	6%	17%
Gross Profit	13%	—%	—%	—%	8%	21%
Operating Expenses	6%	—%	—%	2%	—%	8%
Advertising Expense	23%	—%	—%	—%	6%	28%
SG&A Expense	4%	—%	—%	—%	3%	7%
Operating Income	19%	—%	—%	(2)%	16%	32%

Notes - Change is versus prior-year period. Totals may differ due to rounding.

BRAND RECONCILIATION

First Quarter of Fiscal 2024 Net Sales Growth

Three months ended July 31, 2023	Reported	Acquisitions & Divestitures (+/-)	Foreign Exchange (+/-)	Organic
Whiskey	(1)%	—%	2%	—%
Jack Daniel's Family of Brands	—%	—%	2%	2%
Jack Daniel's Tennessee Whiskey	—%	—%	3%	2%
Jack Daniel's Tennessee Apple	49%	—%	3%	52%
Ready-to-Drink	9%	—%	(4)%	5%
New Mix	52%	—%	(21)%	32%
Tequila	15%	—%	(3)%	12%
Herradura	1%	—%	(4)%	(3)%
el Jimador	27%	—%	(1)%	26%
Gin Mare & Diplomático	2%	NM	NM	NM
Rest of Portfolio	97%	(97)%	5%	5%
Total Portfolio	3%	(2)%	1%	2%
Three months ended July 31, 2022	**Reported**	**Acquisitions & Divestitures (+/-)**	**Foreign Exchange (+/-)**	**Organic**
Whiskey	15%	—%	7%	22%
Jack Daniel's Family of Brands	11%	—%	8%	19%
Jack Daniel's Tennessee Whiskey	10%	—%	11%	21%
Jack Daniel's Tennessee Apple	(29)%	—%	6%	(22)%
Ready-to-Drink	17%	—%	4%	21%
New Mix	44%	—%	(3)%	41%
Tequila	(4)%	—%	—%	(3)%
Herradura	(4)%	—%	—%	(5)%
el Jimador	3%	—%	1%	4%
Rest of Portfolio	21%	—%	8%	29%
Total Portfolio	11%	—%	6%	17%

Notes - Change is versus prior-year period. Totals may differ due to rounding.

GEOGRAPHIC RECONCILIATION
First Quarter of Fiscal 2024 Net Sales Growth

Three months ended July 31, 2023	Reported	Acquisitions & Divestitures (+/-)	Foreign Exchange (+/-)	Organic
United States	(8)%	(1)%	–%	(9)%
Developed International	5%	(4)%	(1)%	–%
Emerging	27%	(1)%	5%	32%
Travel Retail	13%	(3)%	(1)%	9%

Three months ended July 31, 2022	Reported	Acquisitions & Divestitures (+/-)	Foreign Exchange (+/-)	Organic
United States	7%	–%	–%	7%
Developed International	9%	–%	10%	19%
Emerging	17%	–%	16%	34%
Travel Retail	77%	–%	8%	85%

Notes - Change is versus prior-year period. Totals may differ due to rounding.



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