

BROWN-FORMAN

REIMAGINING OUR FUTURE

2021 Annual Meeting of Stockholders

Lawson E. Whiting, President and Chief Executive Officer

July 22, 2021

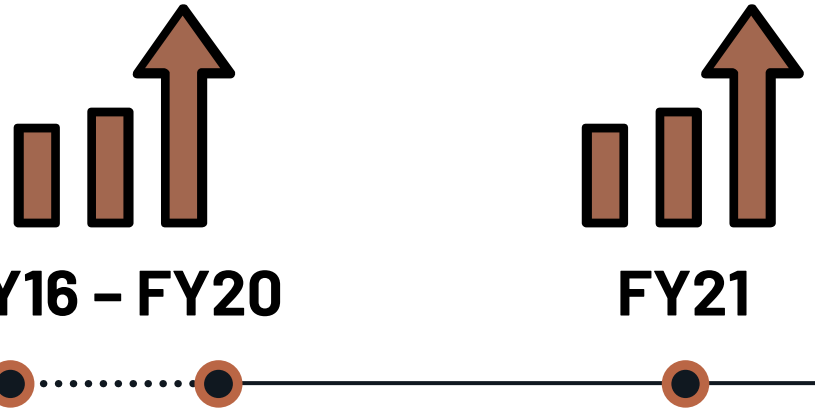
Forward-Looking Statements

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; shifts in consumer purchase practices; 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
- Impact of health epidemics and pandemics, including the COVID-19 pandemic, and the risk of the resulting negative economic impact and related governmental actions
- Unfavorable global or regional economic conditions, particularly related to the COVID-19 pandemic, 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 acquisitions, dispositions, business partnerships, or investments – such as acquisition integration, termination difficulties or costs, or impairment in recorded value
- 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; 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 that affect the 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.

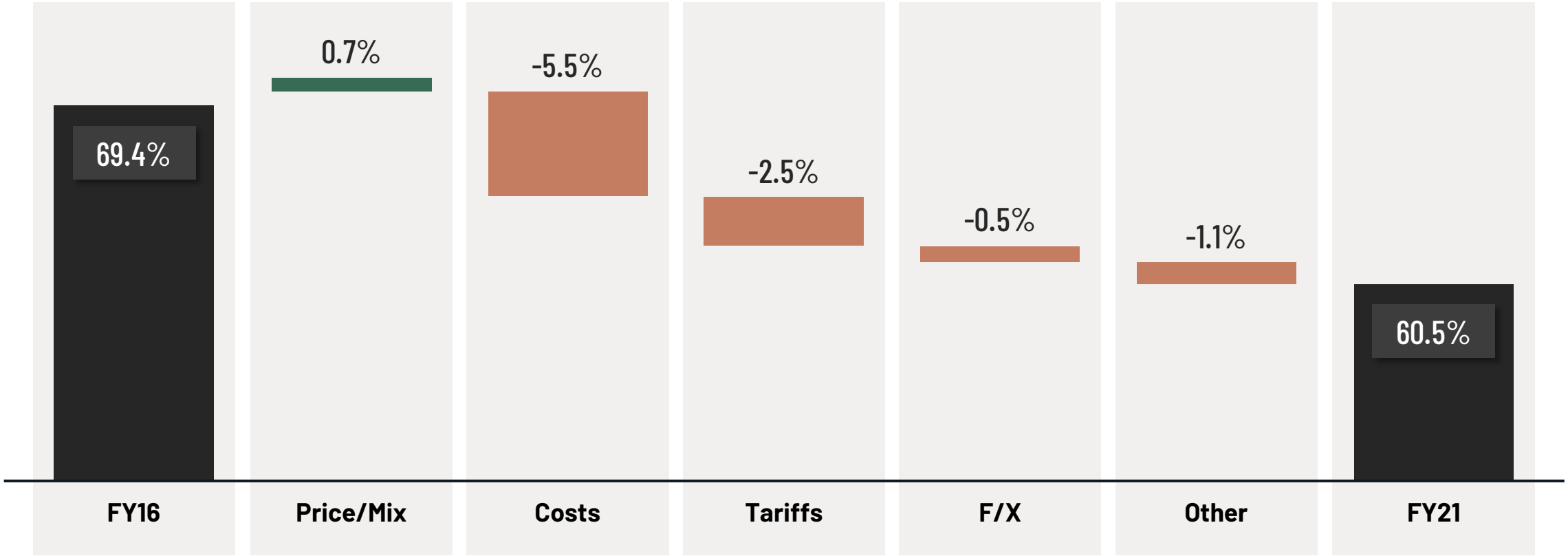
Accelerated Top-Line Growth



	FY16 – FY20	FY21
Underlying Net Sales	4%	6%
Underlying Operating Income	4%	4%

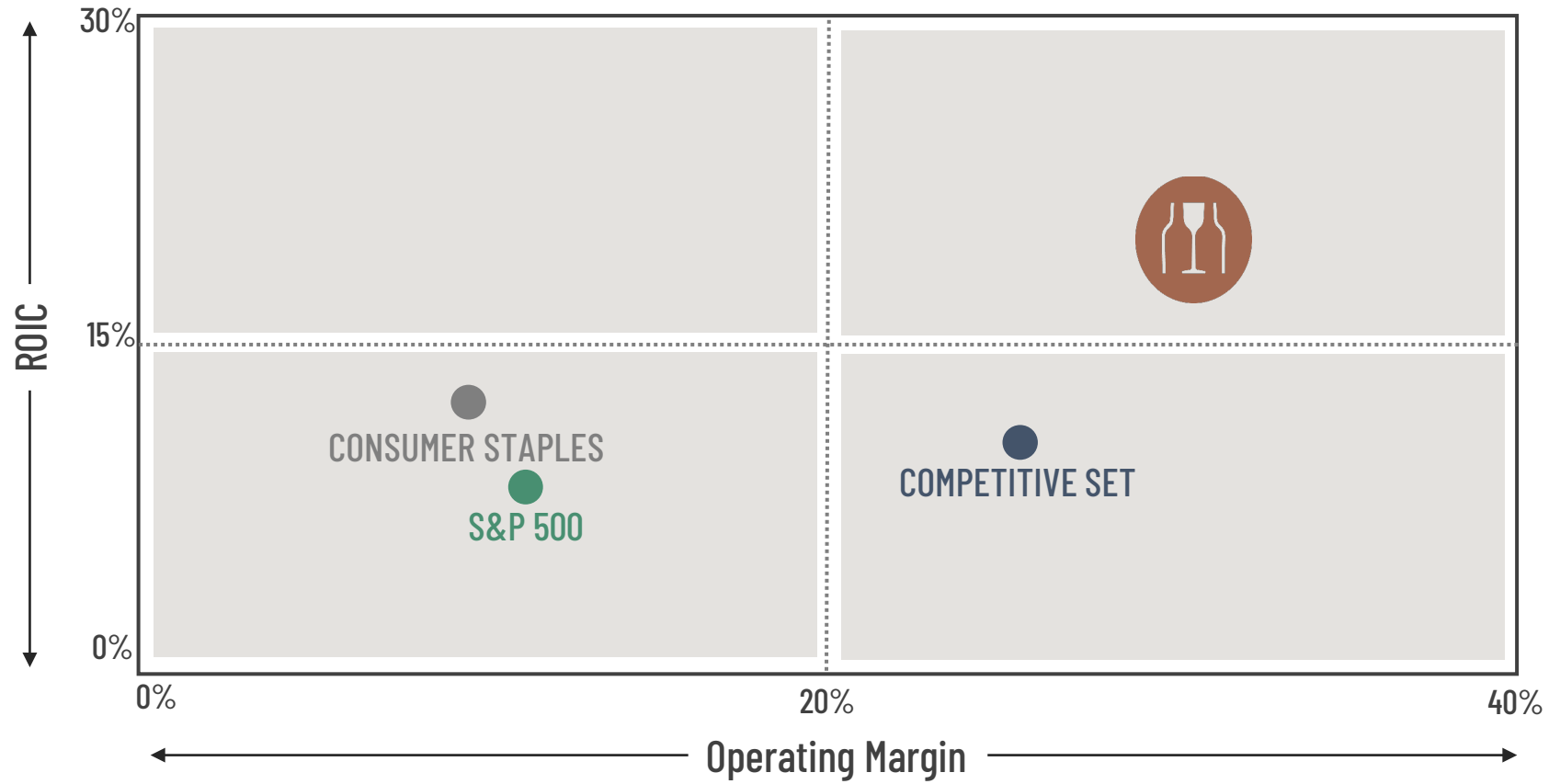
Please see appendix for reconciliation.

Gross Margin Pressure is our Biggest Challenge



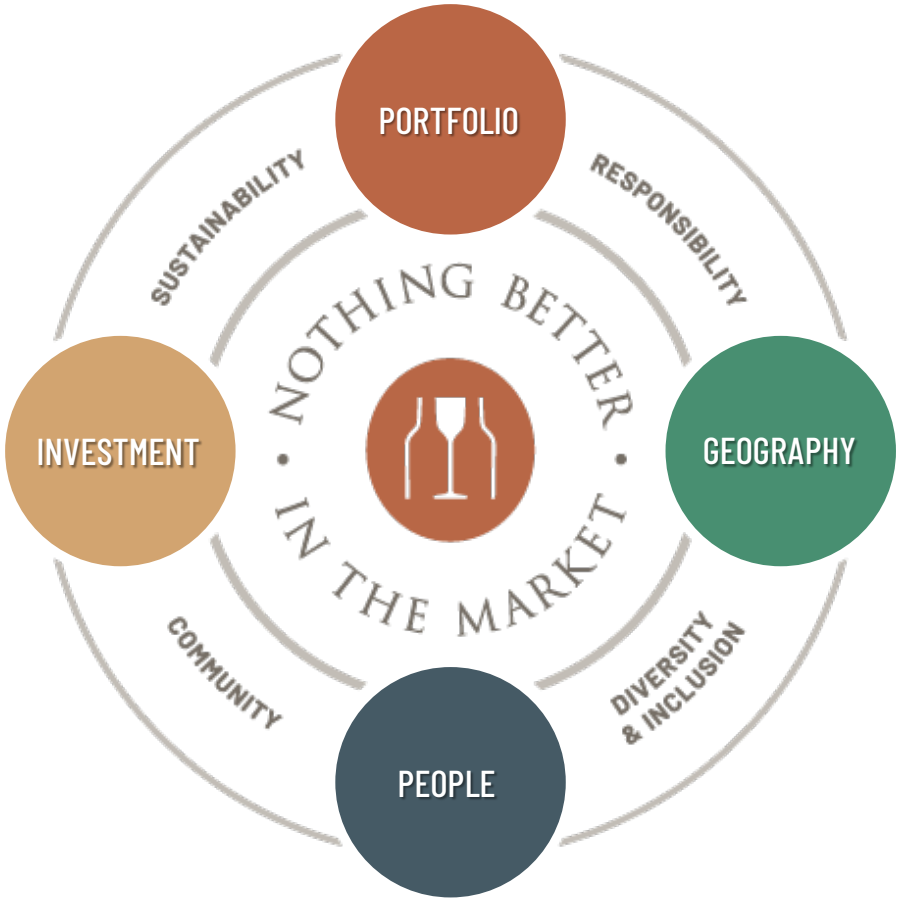
GM – on a reported basis.

Financial Stewardship Remains Strong



Source: Factset and Company information for the competitive set which includes Diageo, Pernod, Campari, and Remy Cointreau. ROIC is defined as the sum of net income and after-tax interest expense, divided by the average invested capital. Invested capital equals assets less liabilities, excluding interest-bearing debt. See appendix for additional details on non-GAAP disclosures.

BROWN-FORMAN STRATEGIC FRAMEWORK



PORTFOLIO


JACK DANIEL'S
GENTLEMAN JACK
OLD FORESTER
SLANE
BENRIACH
COOPERS
REVIVAL
ANTIGUO
Jimador
FINLANDIA
CHAMBORD
KORBEL
FORDS GIN

THE JACK DANIEL'S FAMILY IS NOW THE LARGEST GLOBAL PREMIUM SPIRITS TRADEMARK IN THE WORLD



Source: IWSR 2020

Delivering Double-Digit Underlying Net Sales Growth in FY21



Portfolio Evolution Through Garvin Brown's Tenure



ACQUISITIONS

FINLANDIA VODKA OF FINLAND
SONOMA-CUTRER
CHAMBORD
TEQUILA HERRADURA
SLANE IRISH WHISKEY
FORDS GIN
THE GLENDRONACH DISTILLERY LIMITED SINCE 1826
PART TIME RANGERS
BENRIACH

DIVESTITURES

LENOX
hartmann EST 1877
BOLLA
FETZER VINEYARDS
SOUTHERN COMFORT
CANADIAN MIST
EARLY TIMES Kentucky Whisky

FY96 ····· **FY21**

2000 2005 2010 2015







PREMIUMIZATION TRENDS ACCELERATED











CONVENIENCE AND AT-HOME CONSUMPTION DRIVE GROWTH







GEOGRAPHY



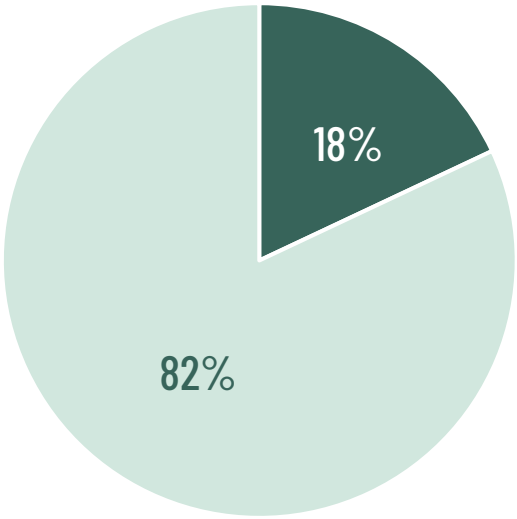
GLOBAL EXPANSION

% of Net Sales on a Reported basis

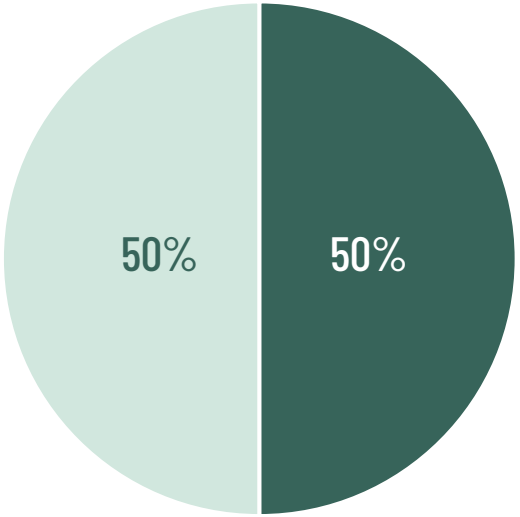


US International

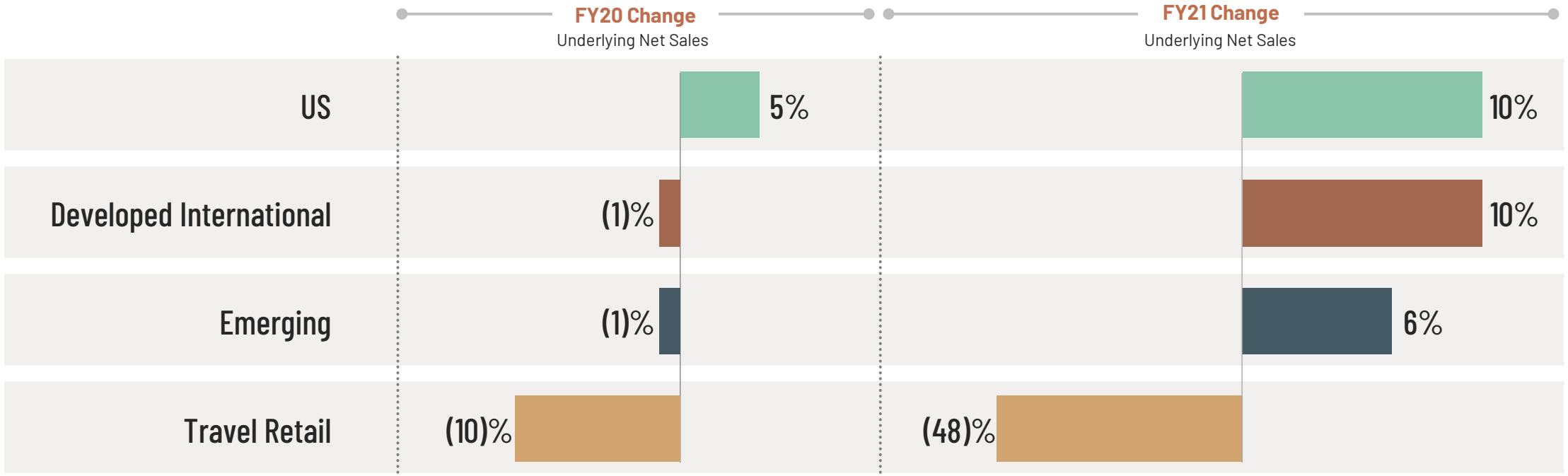
1996



2021



Geographic Performance During the Pandemic

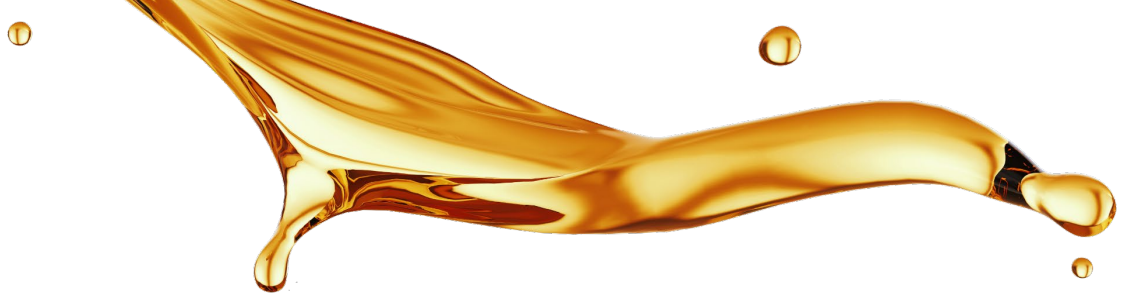




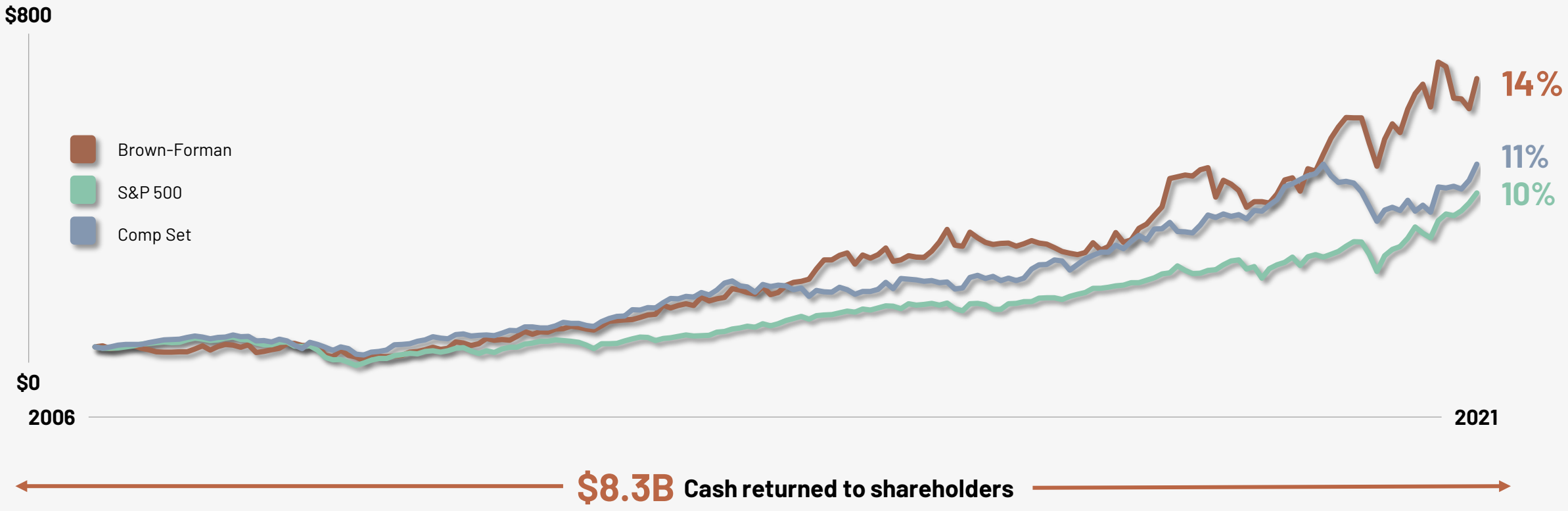
Note – Change versus prior-year period | See appendix for non-GAAP to GAAP reconciliations, definitions, and additional details

INVESTMENT





Top-Tier Shareholder Return



$8.3B **Cash returned to shareholders**

Source: Factset, CAGR's are from April 30, 2006 to April 30, 2021, in local currency, assuming dividends reinvested. Note - Competitive Set is a weighted average based upon each competitor's last twelve months sales.











INVESTING FOR THE NEXT GENERATION













PEOPLE


LOVE is LOVE
LOVE is LOVE
LOVE is LOVE

REIMAGINING THE FUTURE OF WORK











ESG

ENVIRONMENTAL
SOCIAL
GOVERNANCE








NOTHING BETTER
IN THE MARKET



BROWN-FORMAN

REIMAGINING OUR FUTURE

Thank you!

Lawson E. Whiting, President and Chief Executive Officer



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Appendix

NON-GAAP FINANCIAL MEASURES

We use some financial measures in this Proxy Statement 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.

"UNDERLYING 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 "underlying" basis. We use "underlying change" for underlying net sales and underlying operating income. To calculate these measures, we adjust, as applicable, for (a) acquisitions and divestitures, (b) foreign exchange, (c) estimated net changes in distributor inventories, (d) the establishment of our charitable foundation along with a subsequent commitment to the charitable foundation, and (e) a non-cash write-down of the Chambord brand name. 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.

In fiscal 2016, we reached an agreement to sell our Southern Comfort and Tuaca brands and related assets to Sazerac Company, Inc. The transaction closed March 1, 2016, for $543 million in cash (subject to a post-closing inventory adjustment), which resulted in a one-time gain of $485 million in the fourth quarter of fiscal 2016. This adjustment removes (a) the gain on sale, (b) those transaction-related costs not included in the gain on sale, and (c) operating activity for the non-comparable period, March and April in fiscal 2015 and 2016.

In fiscal 2017, 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 acquired business for the non-comparable period. With respect to comparisons of fiscal 2017 to fiscal 2016, the non-comparable period comprised all months; with respect to comparisons of fiscal 2018 to fiscal 2017, the non-comparable period is the month of May.

In fiscal 2020, we acquired The 86 Company, which owns Fords Gin. This adjustment removes (a) transaction and integration costs related to the acquisition and (b) operating activity for the acquired business for the non-comparable period. With respect to comparison of fiscal 2020 to fiscal 2019, the non-comparable period comprised all months; with respect to comparisons of fiscal 2021 to fiscal 2020, the non-comparable period is the first quarter of fiscal 2021.

During the first quarter of fiscal 2021, we sold our Early Times, Canadian Mist, and Collingwood brands and related assets, which resulted in a pre-tax gain of $127 million, and entered into a related transition services agreement (TSA) for these brands. This adjustment removes (a) transaction and integration costs related to the divestiture, (b) the gain on sale, (c) operating activity for the non-comparable period, and (d) the net sales and operating expenses recognized in fiscal 2021 pursuant to the TSA related to (i) contract bottling services and (ii) distribution services in certain markets. With respect to comparisons of fiscal 2021 to fiscal 2020, the non-comparable period is the second, third, and fourth quarters of both fiscal 2021 and fiscal 2020.

During the third quarter of fiscal 2021, we acquired Part Time Rangers Holdings Limited, which owns Part Time Rangers RTDs. This adjustment removes (a) transaction and integration costs related to the acquisition and (b) operating activity for the acquired business for the non-comparable period. With respect to comparisons of fiscal 2021 to fiscal 2020, the non-comparable period is the third and fourth quarters of fiscal 2021.

"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 underlying trend both positively and negatively. (In this Proxy Statement, "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.

"ESTIMATED NET CHANGES IN DISTRIBUTOR INVENTORIES." This adjustment refers to the estimated net effect of changes in distributor inventories on changes in certain line items of the statements of operations. For each period compared, we use volume information from our distributors to estimate the effect of distributor inventory changes in certain line items of the statements of operations. We believe that this adjustment reduces the effect of varying levels of distributor inventories on changes in certain line items of the statements of operations and allows us to understand better our underlying results and trends.

"FOUNDATION." In fiscal 2018, we established the Brown-Forman Foundation (the "Foundation") with an initial $70 million contribution to support the company's charitable giving program in the communities where our employees live and work. In the fourth quarter of fiscal 2021, we committed an additional $20 million to the Foundation. This adjustment removes the initial $70 million contribution and the subsequent $20 million commitment to the Foundation from our underlying SG&A expenses and underlying operating income to present our underlying results on a comparable basis.

"CHAMBORD IMPAIRMENT." During fiscal 2020, we recognized a non-cash impairment charge of $13 million for our Chambord brand name.

We use the non-GAAP measures "underlying change" to: (a) to 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 provide reconciliations of the "underlying change" in net sales and operating income (non-GAAP) to the change in reported net sales and operating income (GAAP) in the following tables.

Return on Invested Capital (ROIC). This measure refers to the sum of net income and after-tax interest expense, divided by average invested capital. Average invested capital equals assets less liabilities, excluding interest-bearing debt, and is calculated using the average of the most recent 13 month-end balances. After-tax interest expense equals interest expense multiplied by one minus our effective tax rate. We use this non-GAAP measure because we consider return on average invested capital to be a meaningful indicator of how effectively and efficiently we invest capital in our business.

Reconciliation – P&L

Twelve months ended April 30,	2016	2017	2018	2019	2020	2021
Change in reported net sales (%)	-1%	-3%	8%	2%	1%	3%
Acquisitions and Divestitures (+/-)	1%	3%	—%	—%	—%	—%
Foundation (+/-)	—%	—%	—%	—%	—%	—%
New accounting standard	—%	—%	—%	1%	—%	—%
Chambord Impairment (+/-)	—%	—%	—%	—%	—%	—%
Foreign Exchange Impact (+/-)	5%	2%	-1%	2%	1%	-1%
Estimated Net Change In Distributor Inventories (+/-)	—%	1%	-1%	—%	-2%	4%
Underlying Change (%)	5%	3%	6%	5%	—%	6%

Twelve months ended April 30,	2016	2017	2018	2019	2020	2021
Change in reported operating income (%)	49%	-35%	4%	9%	-5%	7%
Acquisitions and Divestitures (+/-)	-46%	35%	—%	—%	—%	-10%
Foundation (+/-)	—%	—%	7%	-7%	—%	2%
New accounting standard	—%	—%	—%	—%	—%	—%
Chambord Impairment (+/-)	—%	—%	—%	—%	1%	-1%
Foreign Exchange Impact (+/-)	4%	4%	-2%	3%	—%	-2%
Estimated Net Change In Distributor Inventories (+/-)	1%	3%	-2%	—%	-3%	9%
Underlying Change (%)	8%	7%	6%	5%	-6%	4%

Note - Totals may differ due to rounding

Reconciliation – Fiscal 2021 Net Sales Growth by Brand

Twelve months ended April 30, 2021					
Brand	Reported Change (%)	Acquisitions and Divestitures (+/-)	Foreign Exchange Impact (+/-)	Estimated Net Change In Distributor Inventories (+/-)	Underlying Change (%)
JDTW	-8%	—%	-1%	4%	-4%

Note - Totals may differ due to rounding

Reconciliation – Fiscal 2021 and 2020 Net Sales Growth by Geographic Area

Twelve months ended April 30, 2021					
Geographic Area	Reported Change (%)	Acquisitions and Divestitures (+/-)	Foreign Exchange Impact (+/-)	Estimated Net Change In Distributor Inventories (+/-)	Underlying Change (%)
United States	3%	1%	—%	6%	10%
Developed International	13%	—%	-6%	3%	10%
Emerging	1%	—%	4%	1%	6%
Travel Retail	-50%	—%	—%	1%	-48%

Twelve months ended April 30, 2020				
Geographic Area	Reported Change (%)	Foreign Exchange Impact (+/-)	Estimated Net Change In Distributor Inventories (+/-)	Underlying Change (%)
United States	8%	—%	-3%	5%
Developed International	-2%	1%	-1%	-1%
Emerging	-4%	1%	1%	-1%
Travel Retail	-11%	1%	1%	-10%

Note - Totals may differ due to rounding