



BROWN-FORMAN

Enduring Spirits.  
**BOLD PERSPECTIVES.**

2022 Annual Stockholders' Meeting

July 28, 2022





## Forward Looking Statement

Today's presentation may contain forward-looking statements, which are any predictions, projections, or other statements about future events based on current expectations and assumptions. Actual results may differ materially from these forward-looking statements because of a variety of risks and uncertainties about our business which are discussed today or described in our filings with the Securities and Exchange Commission, including our forms 10-K and 10-Q. We do not undertake any duty to update forward-looking statements. In our presentation, we will also be discussing certain non-GAAP financial measures. A reconciliation of such measures to their most directly comparable GAAP financial measures are contained in an appendix to the presentation, which will be posted to our website later today.





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## 2022 Annual Stockholders' Meeting

Lawson E. Whiting | President and Chief Executive Officer

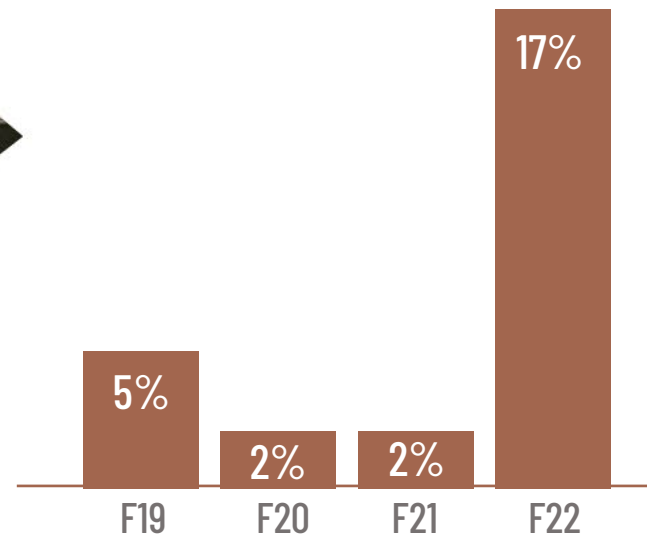




# Enduring Spirits. **RESILIENT BUSINESS.**

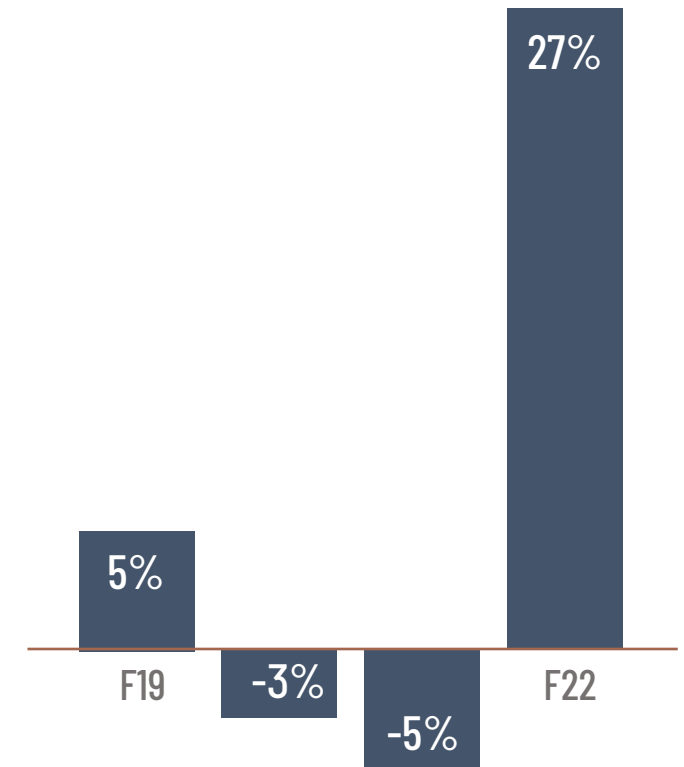
## ORGANIC NET SALES

**4YR CAGR = 7%**



## ORGANIC OPERATING INCOME

**4YR CAGR = 5%**



See appendix for reconciliations of non-GAAP measures to the comparable GAAP measures, non-GAAP definitions, and additional information.  
The four-year compound annual growth rates were determined by calculating the geometric mean of the organic growth rates for F19, F20, F21, and F22.

# Enduring Spirits. **CONSISTENT BRAND GROWTH.**

4YR Organic CAGR

13%

18%

6%

30%

17%

See appendix for reconciliations of non-GAAP measures to the comparable GAAP measures, non-GAAP definitions, and additional information. The four-year compound annual growth rates were determined by calculating the geometric mean of the organic growth rates for F19, F20, F21, and F22.





# Enduring Spirits. **CONSISTENT GEOGRAPHY GROWTH.**

4YR Organic CAGR

7%

7%

10%

-7%

See appendix for reconciliations of non-GAAP measures to the comparable GAAP measures, non-GAAP definitions, and additional information. The four-year compound annual growth rates were determined by calculating the geometric mean of the organic growth rates for F19, F20, F21, and F22.



UNITED STATES



DEVELOPED INTERNATIONAL



EMERGING



TRAVEL RETAIL

# A Changing Momentum **FROM HEADWINDS...**



TARIFFS



COGS



GLOBAL PANDEMIC



SUPPLY CHAIN DISRUPTION



RUSSIA / UKRAINE



INFLATION



# ...TO TAILWINDS

TARIFFS REMOVED



INCREASED ON-PREMISE DEMAND



PREMIUMIZATION / CONVENIENCE



AMERICAN WHISKEY + TEQUILA





# A Remarkable Year. **F22 HIGHLIGHTS.**



Strong double-digit  
organic top- and  
bottom-line growth



Price increases  
across the globe



Investments in  
strategic initiatives

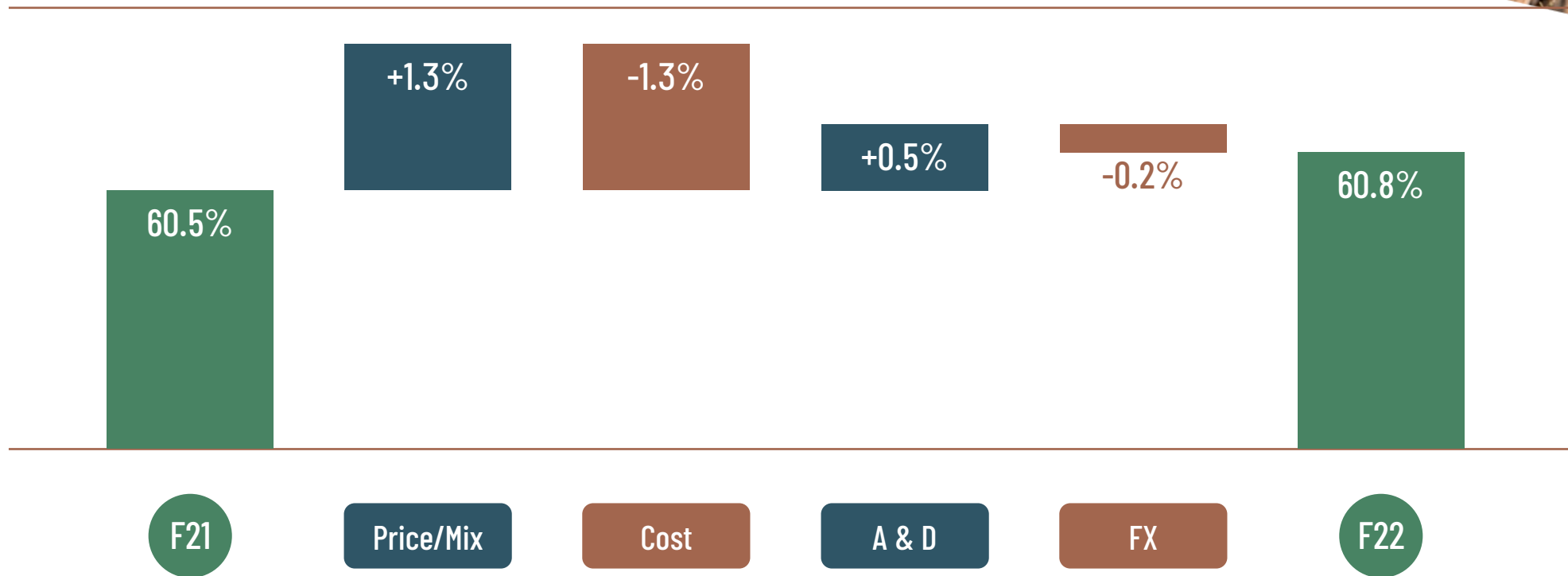


Spirited commitment  
to our people, our  
communities, and our  
environment



Delivering value to  
our shareholders

# Gross Margin Pivots to **MODEST EXPANSION** IN F22.





# Investments that **ENDURE.**



**\$2.8B**

returned to shareholders  
over 5 years



**\$600M**

invested in CapEx and  
acquisitions over 5 years



**Industry Leading**

ROIC of 18%  
Operating Margin of 31%



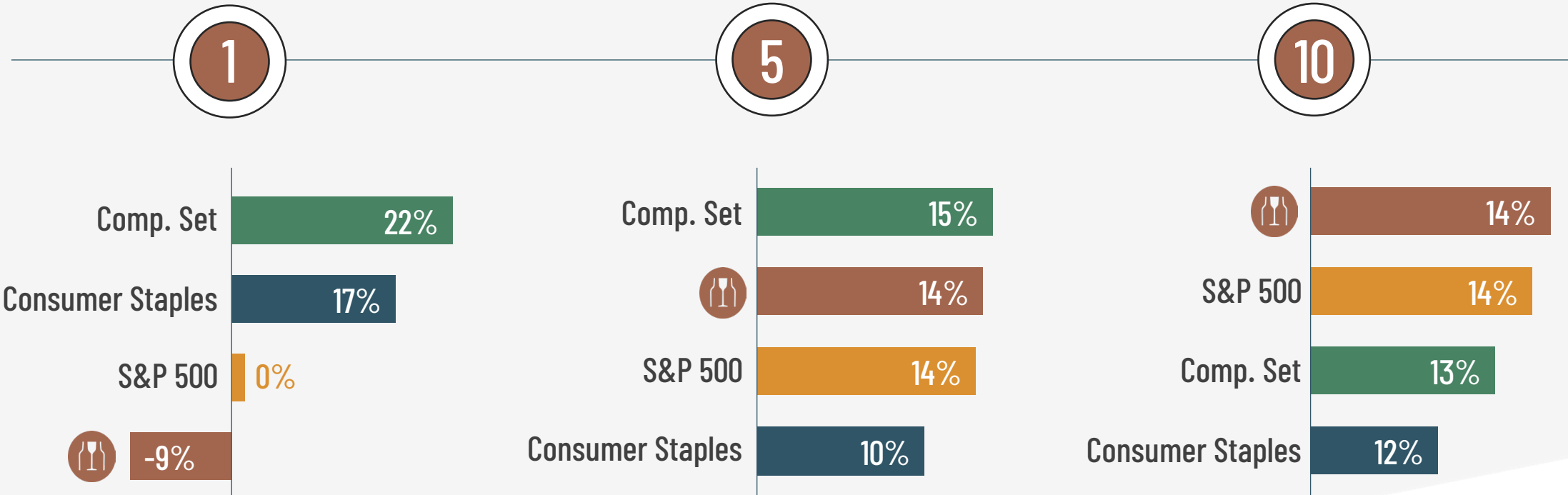
See appendix for reconciliations of non-GAAP measures to the comparable GAAP measures, non-GAAP definitions, and additional information.

BROWN-FORMAN ANNUAL STOCKHOLDERS' MEETING | 7-28-2022



Enduring Spirits.  
**BOLD PERSPECTIVES.**

# Total Shareholder Return **FOCUS ON THE LONG-TERM VIEW.**







Superb Brand  
Building



Purposeful  
Portfolio  
Management



Excellent  
Capital  
Deployment



Strong  
Governance  
System



Timeless Values  
Great People





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Thank you!





# Appendix

# Non-GAAP Financial Measures

**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 organic net sales and organic operating income. To calculate these measures, we adjust, as applicable, for (a) acquisitions and divestitures, (b) foreign exchange, (c) the establishment of our charitable foundation along with a subsequent commitment to the charitable foundation, and (d) impairment charges. 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. We believe that these adjustments allow for us to better understand our organic results on a comparable basis.

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 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 TSA for these brands. This adjustment removes (a) transaction and integration costs related to the divestitures, (b) the gain on sale of Early Times, Canadian Mist, and Collingwood and related assets, (c) operating activity for the non-comparable periods for Early Times, Canadian Mist, and Collingwood and (d) the net sales and operating expenses recognized 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. With respect to comparisons of fiscal 2022 and fiscal 2021, the non-comparable period is the first quarter of fiscal 2021.

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; with respect to comparisons of fiscal 2022 to fiscal 2021, the non-comparable period is primarily activity in the first and second quarters of fiscal 2022.



# Non-GAAP Financial Measures Continued

**“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.

**“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 organic SG&A expenses and organic operating income to present our organic results on a comparable basis.

**“Impairment charges.”** During fiscal 2020, we recognized a non-cash impairment charge of \$13 million for our Chambord brand name. During the first three quarters of fiscal 2022, we recognized non-cash impairment charges of \$9 million for certain fixed assets. During the fourth quarter of fiscal 2022, we recognized a non-cash impairment charge of \$52 million for our Finlandia brand name. We believe that these adjustments allow for us to better understand our organic results on a comparable basis.

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. When we provide guidance for organic change in certain measures of the statements of operations, we do not provide guidance for the corresponding GAAP change because the GAAP measure will include items that are difficult to quantify or predict with reasonable certainty, such as foreign exchange, which could have a significant impact to our GAAP income statement measures.

**“Return on average invested capital.”** 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 it to be a meaningful indicator of how effectively and efficiently we invest capital in our business.

# 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 aggregations used in this presentation.

## Geographic Aggregations

- *“Developed International”* markets are “advanced economies” as defined by the IMF, excluding the United States. In fiscal 2022, our largest developed international markets were Germany, Australia, the United Kingdom, and France. This aggregation represents our net sales of branded products to these markets.
- *“Emerging”* markets are “emerging and developing economies” as defined by the IMF. In fiscal 2022, our largest emerging markets were Mexico, Poland, Brazil, Russia, and Chile. 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.

## Brand Aggregations

- *“Jack Daniel’s family of brands”* includes Jack Daniel’s Tennessee Whiskey (JDTW), Jack Daniel’s RTD and RTP products (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 Tennessee Rye Whiskey (JDTR), Jack Daniel’s Sinatra Select, Jack Daniel’s Bonded, Jack Daniel’s No. 27 Gold Tennessee Whiskey, Jack Daniel’s Bottled-in-Bond, Jack Daniel’s 10 Year Old, and Jack Daniel’s Triple Mash.
  - *“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 Country Cocktails, Jack Daniel’s Double Jack, and other malt- and spirit-based Jack Daniel’s RTDs along with Jack Daniel’s Winter Jack RTP.



# Reconciliation of non-GAAP Organic Changes

TOTAL B-F   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	2%	1%	3%	14%
Acquisitions and divestitures	0%	0%	0%	2%
New accounting standard	1%	0%	0%	0%
Foreign exchange	2%	1%	-1%	2%
<b>Change in organic net sales (non-GAAP)</b>	<b>5%</b>	<b>2%</b>	<b>2%</b>	<b>17%</b>

Note: Results may differ due to rounding

TOTAL B-F   OPERATING INCOME				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported operating income (GAAP)	9%	-5%	7%	3%
Acquisitions and divestitures	0%	0%	-10%	14%
Foundation	-7%	0%	2%	-2%
Foreign exchange	3%	0%	-2%	6%
Impairment charges	0%	1%	-1%	6%
<b>Change in organic operating income (non-GAAP)</b>	<b>5%</b>	<b>-3%</b>	<b>-5%</b>	<b>27%</b>

# Reconciliation of non-GAAP Organic Changes

UNITED STATES   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	2%	8%	3%	10%
Acquisitions and divestitures	0%	0%	1%	2%
New accounting standard	1%	0%	0%	0%
Foreign exchange	0%	0%	0%	0%
<b>Change in organic net sales (non-GAAP)</b>	<b>3%</b>	<b>8%</b>	<b>4%</b>	<b>12%</b>

DEVELOPED INTERNATIONAL   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	1%	-2%	13%	12%
Acquisitions and divestitures	0%	0%	0%	0%
New accounting standard	0%	0%	0%	0%
Foreign exchange	4%	1%	-6%	4%
<b>Change in organic net sales (non-GAAP)</b>	<b>5%</b>	<b>-1%</b>	<b>7%</b>	<b>16%</b>

*Note: Results may differ due to rounding*



# Reconciliation of non-GAAP Organic Changes

EMERGING   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	4%	-4%	1%	24%
Acquisitions and divestitures	0%	0%	0%	0%
New accounting standard	1%	0%	0%	0%
Foreign exchange	6%	1%	4%	5%
<b>Change in organic net sales (non-GAAP)</b>	<b>11%</b>	<b>-3%</b>	<b>6%</b>	<b>29%</b>

TRAVEL RETAIL   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	1%	-11%	-50%	65%
Acquisitions and divestitures	0%	0%	0%	2%
New accounting standard	1%	0%	0%	0%
Foreign exchange	0%	1%	0%	1%
<b>Change in organic net sales (non-GAAP)</b>	<b>2%</b>	<b>-11%</b>	<b>-50%</b>	<b>67%</b>

*Note: Results may differ due to rounding*

# Reconciliation of non-GAAP Organic Changes

JACK DANIEL'S FAMILY   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	1%	1%	1%	15%
Acquisitions and divestitures	0%	0%	0%	0%
New accounting standard	1%	0%	0%	0%
Foreign exchange	2%	1%	-1%	3%
<b>Change in organic net sales (non-GAAP)</b>	<b>4%</b>	<b>2%</b>	<b>0%</b>	<b>17%</b>

WOODFORD RESERVE   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	17%	23%	16%	16%
Acquisitions and divestitures	0%	0%	0%	0%
New accounting standard	1%	0%	0%	0%
Foreign exchange	0%	0%	0%	0%
<b>Change in organic net sales (non-GAAP)</b>	<b>19%</b>	<b>23%</b>	<b>16%</b>	<b>16%</b>

*Note: Results may differ due to rounding*



# Reconciliation of non-GAAP Organic Changes

EL JIMADOR   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	8%	8%	2%	27%
Acquisitions and divestitures	0%	0%	0%	0%
New accounting standard	2%	0%	0%	0%
Foreign exchange	2%	0%	1%	-1%
<b>Change in organic net sales (non-GAAP)</b>	<b>13%</b>	<b>9%</b>	<b>3%</b>	<b>27%</b>

HERRADURA   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	8%	11%	15%	29%
Acquisitions and divestitures	0%	0%	0%	0%
New accounting standard	3%	0%	0%	0%
Foreign exchange	3%	-1%	2%	-1%
<b>Change in organic net sales (non-GAAP)</b>	<b>14%</b>	<b>10%</b>	<b>16%</b>	<b>28%</b>

*Note: Results may differ due to rounding*

# Reconciliation of non-GAAP Organic Changes

OLD FORESTER   NET SALES				
Percentage change versus prior fiscal year	2019	2020	2021	2022
Change in reported net sales (GAAP)	27%	30%	35%	24%
Acquisitions and divestitures	0%	0%	0%	0%
New accounting standard	3%	0%	0%	0%
Foreign exchange	0%	0%	0%	0%
<b>Change in organic net sales (non-GAAP)</b>	<b>30%</b>	<b>30%</b>	<b>35%</b>	<b>24%</b>

*Note: Results may differ due to rounding*