BROWN-FORMAN

NINE MONTH'S RESULTS
JANUARY 31, 2021

March 3, 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:

- Impact of health epidemics and pandemics, including the COVID-19 pandemic, and the resulting negative economic impact and related governmental actions
- 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, including additional retaliatory tariffs on American spirits 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, sales, VAT, tariffs, duties, corporate, individual income, dividends, or capital gains) or changes in related reserves, changes in tax rules or accounting standards, and the unpredictability and suddenness with which they can occur
- 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
- 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 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; legalization of marijuana use on a more widespread basis; shifts in consumer purchase practices from traditional to e-commerce retailers; 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
- Decline in the social acceptability of beverage alcohol 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
- Significant additional labeling or warning requirements or limitations on availability of our beverage alcohol products
- Competitors’ and retailers’ 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
- 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
- Inventory fluctuations in our products by distributors, wholesalers, or retailers
- Risks associated with acquisitions, dispositions, business partnerships, or investments – such as acquisition integration, termination difficulties or costs, or impairment in recorded value
- Counterfeiting and inadequate protection of our intellectual property rights
- Product recalls or other product liability claims, product tampering, contamination, or quality issues
- Significant legal disputes and proceedings, or government investigations
- Cyber breach or failure or corruption of key information technology systems, or failure to comply with personal data protection laws
- 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
- 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.

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Continuous Long-Term Succession Planning

Geo. Garvin Brown IV

Campbell P. Brown

Spirits Continue to Take Share from Both Beer and Wine

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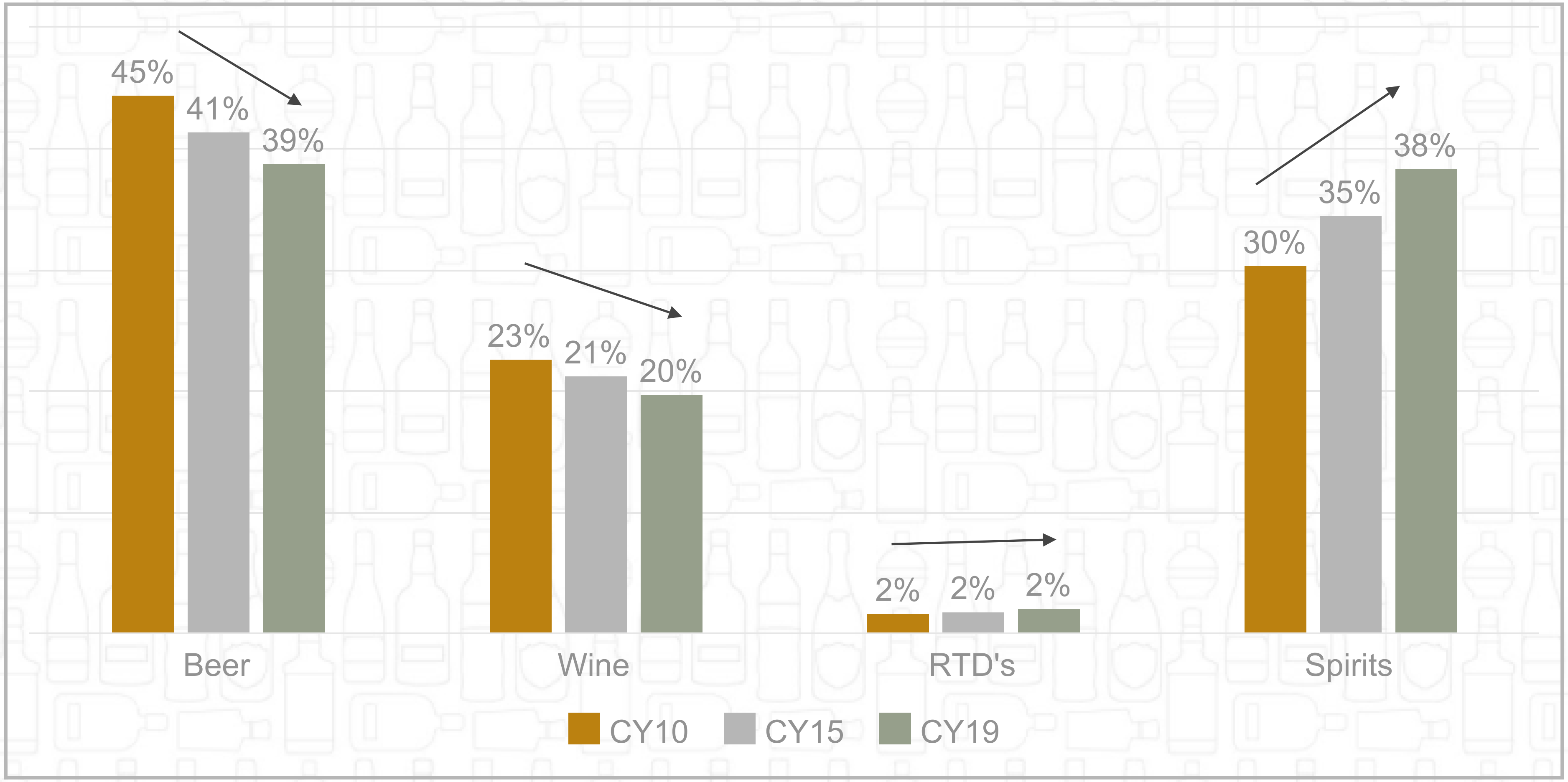

Source: IWSR value data

Attractive Business Model

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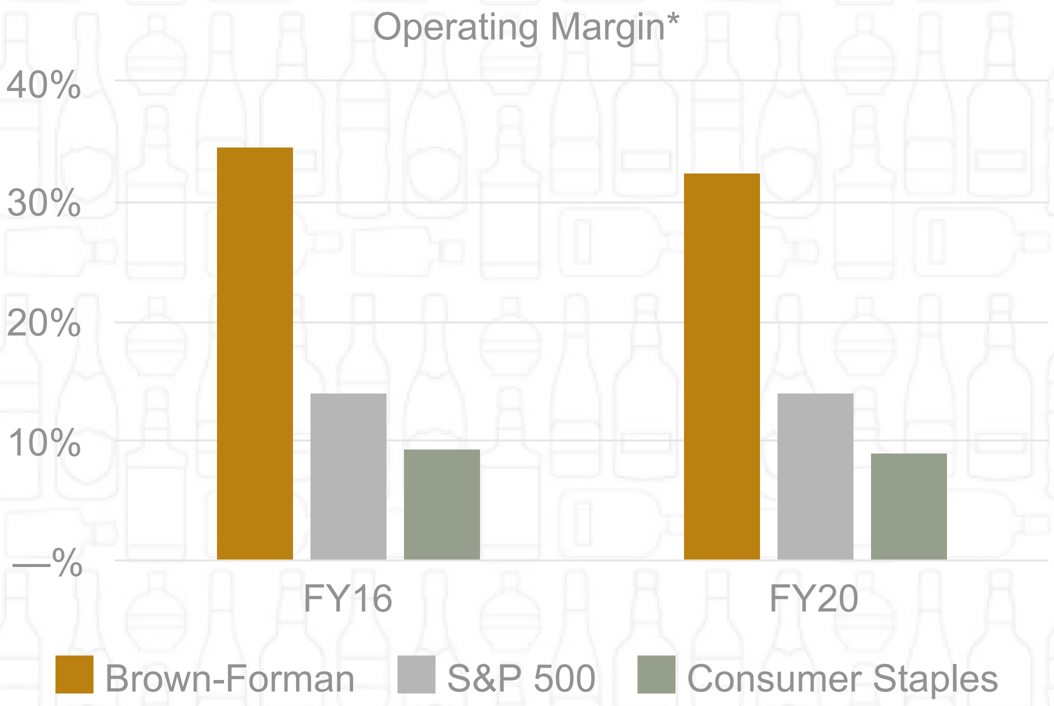

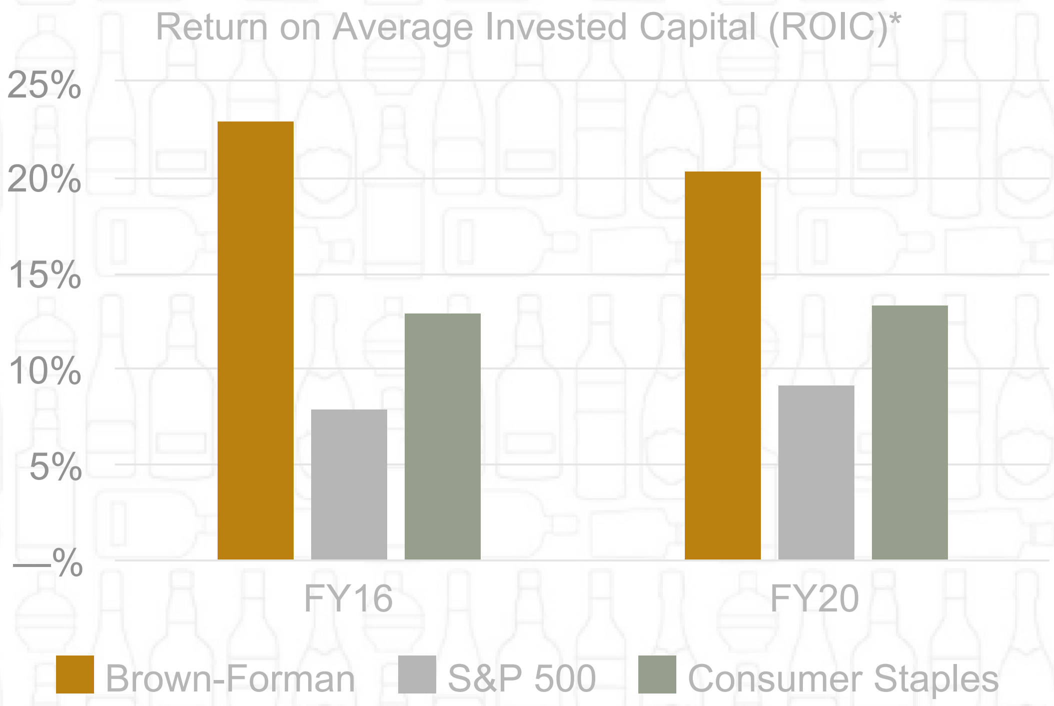

* See appendix for non-GAAP to GAAP reconciliations, definitions, and additional details

Source: FY16 and FY20 Annual Reports for Brown-Forman. Operating margin and ROIC for fiscal 2016 were adjusted for the sale of Southern Comfort and Tuaca, which were sold in fiscal 2016 at a gain of $485 million (pre-tax).
Factset for S&P 500 and Consumer Staples through their calendar year end most closely related to Brown-Forman's fiscal year end.

Super-Premium Brands

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Convenience & Mixability

Year-to-Date Fiscal 2021 Highlights

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Net Sales

- Underlying[1] net sales grew 2% (flat reported)
- Key drivers:
  - Developed Markets (U.S. & International)
  - RTDs, Premium Bourbons, and Jack Daniel's Tennessee Apple
  - Reductions in COVID-19 U.S. distributor inventory build from April 2020 (reported net sales only)

Gross Margin

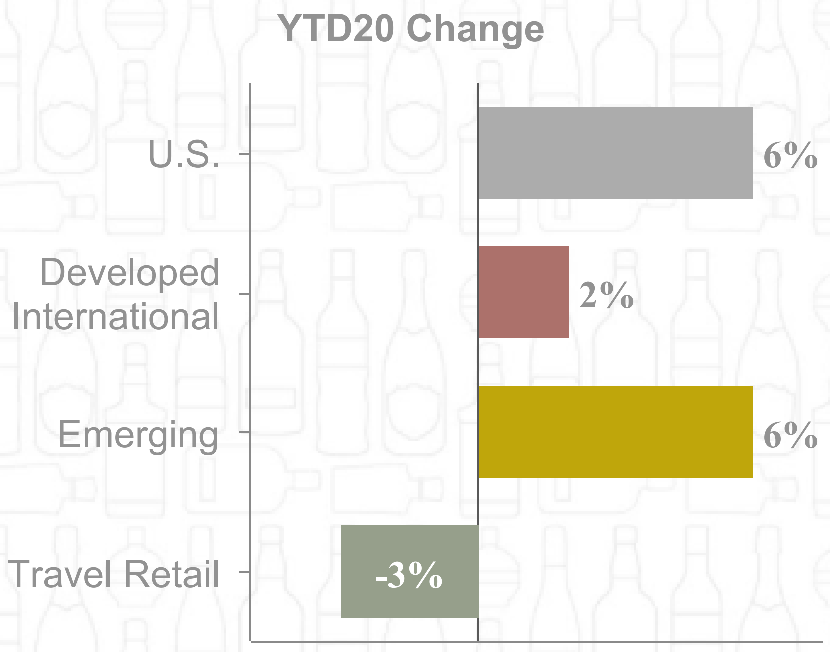
- Declined 280bps
  - Higher input costs
  - Unfavorable portfolio and channel mix shift

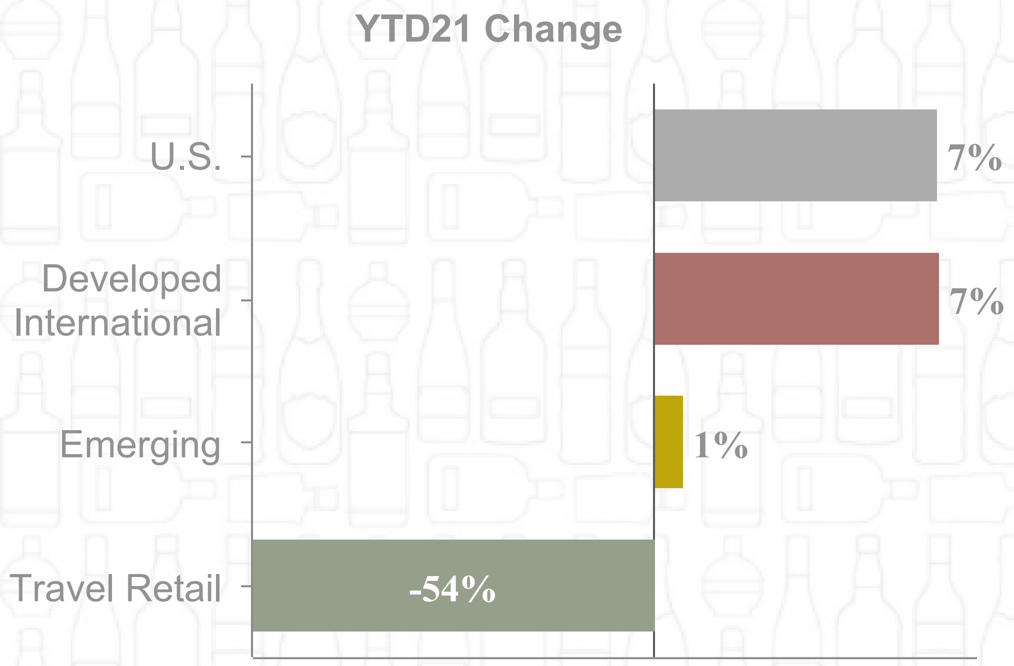
Operating Income & Diluted EPS

- Underlying[1] operating income grew 3% (+10% reported)
  - A&P phasing
  - SG&A discretionary cost discipline
  - Pre-tax gain on asset sale (reported operating income only)
- Diluted EPS grew +12%

[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 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 presentation and the appendix attached hereto.

Resilient Underlying Net Sales Growth





Note - Change versus prior-year period

See appendix for non-GAAP to GAAP reconciliations, definitions, and additional details

Year-to-Date Fiscal 2021 Gross Margin's Declined 280bps

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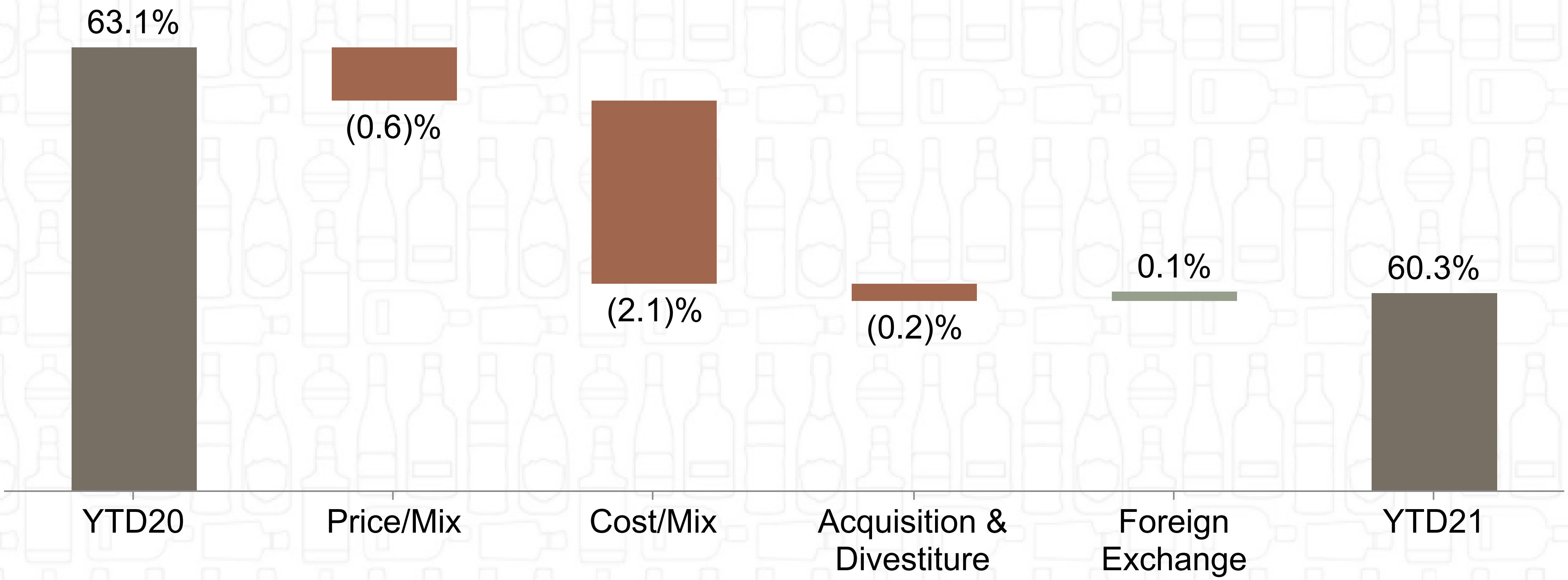
Due primarily to higher input costs, lower fixed cost absorption, and mix shifts



Resilient Year-to-Date Fiscal 2021 Results Amidst Continued Uncertainty

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	Reported Change (%)	Acquisitions & Divestitures (+/-)	Foreign Exchange Impact (+/-)	Estimated Net Change In Distributor Inventories (+/-)	Underlying Change (%)
Net Sales	—%	—%	—%	3%	2%
Gross Profit	-5%	—%	—%	3%	-1%
Advertising	-10%	—%	-1%	—%	-10%
SG&A	-3%	—%	—%	—%	-4%
Operating Income	10%	-13%	-1%	7%	3%

Note - Change versus prior-year period
Note - Totals may differ due to rounding
See appendix for non-GAAP definitions and additional information

Fiscal Year 2021 Outlook

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- Uncertainty and low visibility of the timing of recovery remain
- Business and financial fundamentals remain strong
- The Company is optimistic for the remainder of fiscal year 2021 and beyond this fiscal year

Appendix

Non-GAAP Reconciliation

We use certain financial measures in this presentation that are not measures of financial performance under U.S. 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. Reconciliations of these non-GAAP measures to the most closely comparable GAAP measures are presented in this presentation and the related appendix.

<u>"Underlying change" in measures of statements of operations</u>. 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 the following measures of the statements of operations: (a) underlying net sales; (b) underlying gross profit; (c) underlying advertising expenses; (d) underlying selling, general, and administrative (SG&A) expenses; and (e) 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) the gain or loss recognized on sale of divested brands, (b) any non-recurring effects related to our acquisitions and divestitures (e.g., transaction costs 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). By excluding non-comparable periods, we therefore include the effects of acquired and divested brands only to the extent that results are comparable year over year.
  In fiscal 2020, we acquired The 86 Company, which owns Fords Gin. 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. During the third quarter of fiscal 2021, we acquired Part Time Rangers Holdings Limited, which owns Part Time Rangers RTDs. See Note 14 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the quarter ended January 31, 2021, for details. This adjustment removes (a) transaction and integration costs related to the acquisitions and divestitures, (b) operating activity for The 86 Company for the non-comparable period, which is activity in the first quarter of fiscal 2021, (c) the gain on sale of Early Times, Canadian Mist, and Collingwood, (d) operating activity for the non-comparable period for Early Times, Canadian Mist, and Collingwood, which is activity in the second and third quarter for both fiscal 2020 and fiscal 2021, and (e) operating activity for Part Time Rangers Holdings Limited for the non-comparable period, which is activity in the third quarter of fiscal 2021. We believe that these adjustments allow for us to better understand our underlying 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 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 transactional and hedging foreign exchange gains and losses from 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 certain line items of the statements of operations. For each period compared, we use volume (see Definitions - Other Metrics below) 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.

We use the non-GAAP measures "underlying change" 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 the investment community. We have consistently applied the adjustments within our reconciliations in arriving at each non-GAAP measure.

When we provide guidance for underlying change for certain measures of the statement 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, including the estimated net change in distributor inventories and foreign exchange, each of which could have a significant impact to our GAAP income statement measures.

<u>"Return on average invested capital (ROIC)."</u> 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 ROIC 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 spirits category. Below, we define aggregations used in this presentation.

<u>Geographic Aggregations.</u>

- *"Developed International"* markets are "advanced economies" as defined by the IMF, excluding the United States. Our largest developed international markets are the United Kingdom, Germany, Australia, 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. Our largest emerging markets are Mexico, Poland, and Russia. 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 our net sales of used barrels, bulk whiskey and wine, and contract bottling regardless of customer location.

<u>Brand Aggregations.</u>

- *"Jack Daniel's family of brands"* (JD FOB) 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 No. 27 Gold Tennessee Whiskey, and Jack Daniel's Bottled-in-Bond.
- *"Jack Daniel's RTD and RTP"* products include Jack Daniel's & Cola, Jack Daniel's Country Cocktails, Jack Daniel's & Diet Cola, Jack & Ginger, Jack Daniel's Double Jack, Gentleman Jack & Cola, Jack Daniel's Lynchburg Lemonade, Jack Daniel's American Serve, Jack Daniel's Tennessee Honey RTD, Jack Daniel's Berry, Jack Daniel's Cider, Jack Daniel's Whiskey & Seltzer, and the seasonal Jack Daniel's Winter Jack RTP.
- *"American whiskey"* includes the Jack Daniel's family of brands, premium bourbons (defined below), super-premium American whiskey (defined below), and Early Times, which we divested on July 31, 2020.
- *"Premium bourbons"* includes the Woodford Reserve family of brands (Woodford Reserve), the Old Forester family of brands (Old Forester), and Coopers' Craft.
- *"Super-premium American whiskey"* includes Woodford Reserve, Gentleman Jack, JDSB, JDTR, Jack Daniel's Sinatra Select, and Jack Daniel's No. 27 Gold Tennessee Whiskey.
- *"Tequila"* includes el Jimador, the Herradura family of brands (Herradura), New Mix, Pepe Lopez, and Antiguo.
- *"Vodka"* includes Finlandia.
- *"Wine"* includes Korbel Champagne and Sonoma-Cutrer wines.
- *"Non-branded and bulk"* includes our net sales of used barrels, bulk whiskey and wine, and contract bottling regardless of customer location.

Definitions

<u>Other Metrics.</u>

- *"Depletions."* We generally record revenues when we ship our products to our customers. "Depletions" is a term commonly used in the beverage alcohol industry to describe volume. Depending on the context, "depletions" means either (a) our shipments directly to retail or wholesale customers for owned distribution markets or (b) shipments from our distributor customers to retailers and wholesalers in other markets. We believe that depletions measure volume in a way that more closely reflects consumer demand than our shipments to distributor customers do. In this presentation, unless otherwise specified, we refer to "depletions" when discussing volume.
- *"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 consumers from retail outlets, including products purchased through e-premise 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 how consumer demand is trending.

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

Nine months ended January 31, 2021

Geographic Area	Reported	Acquisitions & Divestitures (+/-)	Foreign Exchange (+/-)	Estimated Net Change in Distributor Inventories (+/-)	Underlying
United States	3%	—%	—%	4%	7%
Developed International	10%	—%	-5%	2%	7%
Emerging	-8%	—%	6%	3%	1%
Travel Retail	-55%	—%	—%	1%	-54%

Nine months ended January 31, 2020

Geographic Area	Reported	Foreign Exchange (+/-)	Estimated Net Change in Distributor Inventories (+/-)	Underlying
United States	7%	—%	-2%	6%
Developed International	—%	1%	1%	2%
Emerging	4%	—%	2%	6%
Travel Retail	-4%	1%	1%	-3%

Note - Change versus prior-year period

Totals may differ due to rounding

* Please refer to the definitions section of the appendix in this presentation for further information on our geographic aggregations

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Reconciliation – Non-GAAP Adjusted Operating Margin & ROIC*

Fiscal year ended April 30, 2016	Reported	Less: Adjustment**	Adjusted
Operating Margin	50.4%	15.7%	34.7%
ROIC*	34.1%	11.1%	23.0%

*See Non-GAAP Reconciliation above for ROIC definition

**Operating margin and ROIC for fiscal 2016 were adjusted for the sale of Southern Comfort and Tuaca, which were sold in fiscal 2016 at a gain of $485 million (pre-tax).

Totals may differ due to rounding