

Brown-Forman Corporation, AGM 2023

2023-07-27

Presentation

Susanne Perram

Good morning, everyone, How's everybody doing today. were you ready for a meeting? Awesome. I am – Susanne Perram, I am the Vice President, Director of Investor Relations, and I would like to welcome you to Brown-Forman's 2023 Annual Meeting of Stockholders.

I will start our day with the standard Investor Relations greeting, our forward-looking statements and use of non-GAAP financial measures statements. So today's presentation is going to contain forward-looking statements based on our current expectations. Numerous risks and uncertainties may cause actual results to differ materially from those anticipated or projected. Many of the factors that will determine future results are beyond the company's ability to predict or control. So you should not place any undue reliance on any of these forward-looking statements.

The company undertakes no obligation to update any of these statements, whether due to new information, future events or otherwise. We've listed a number of the risk factors that you should consider in conjunction with our forward-looking statements. Other significant risk factors are described in our public filings, which would include our Form 10-K, which is filed with the SEC.

We may also discuss today certain non-GAAP financial measures. These measures and a reconciliation of the most directly comparable measures and the reasons that management believes they provide useful information to the company's financial results are contained in the appendix to the presentation which will be posted to our website later

today. So with all of that, let me say we appreciate your interest in and continued support of Brown-Forman. And I would now like to turn the stage over Campbell Brown, Chair of our Board.

Campbell Brown

Thank you Su. Nobody does that better than you Su, thank you. I'd like to call to order the formal business portion of Brown-Forman's Corporation's 2023 Annual Meeting of Stockholders. You will find today's meeting agenda on the meeting website as well as on the screen behind us. I'd like to acknowledge those on stage with me today as well as some of those who are in the audience.

Our Board of Directors former members of the Board who are in attendance today, Dace Brown Stubbs, Sandra Frazier, Martin Brown, G Garvin Brown, Augusta Brown Holland, Members of our Brown-Forman executive leadership team and representatives from Ernst & Young, the company's independent auditors and the inspectors of the election.

We have 4 items of business on the agenda for today to elect 11 directors to the Board to hold an advisory vote to approve the compensation of the company's named executive officers. To hold an advisory vote on the frequency of future advisory votes to approve compensation for the company's named executive officers and to ratify the selection of our independent registered public accounting firm for fiscal 2024. If I could ask our Corporate Secretary, Leah Huddleston, to describe the notice given to stockholders.

Jaileah Huddleston

Thank you, Campbell. The Board of Directors has determined that today's meeting will be held in person. Class A stockholders who appeared on our records as of the close of business on June 12, 2023, are entitled to vote at today's meeting. On or about June 23, 2023, we commenced mailing the notice of this meeting to each holder of record of Class A and Class B, common stock as of the close of business on June 12, 2023, together with

the proxy statement, a copy of the company's integrated annual report, which included our 10-K for fiscal 2023 and for holders of Class A common stock, a proxy card.

To establish a quorum to conduct business at today's meeting, we must have in attendance in person or by proxy at least a majority of the outstanding shares of Class A common stock. I am pleased to report that at today's meeting, approximately 96% of our shares of Class A common stock are present in person or represented by proxy. Therefore, we have a quorum to conduct the business.

Campbell Brown

Thank you, Leah. The following people were sworn in earlier as inspectors for this meeting, Tim Horton and Nancy [Moffett] - at this meeting, there are 4 items of business. The first item of business is the election of our directors. The following 11 directors nominees are up for election to serve for the coming year.

Would you please stand as I call out your name, Elizabeth M. Brown, President, Dendri-fund Inc.; Stuart R. Brown, Managing Partner, Typha Partners, LLC, Mark A. Clouse, President and Chief Executive Officer; Campbell Soup Company; Marshall B. Farrer, Executive Vice President, Chief Strategic Growth Officer and President, Europe Brown-Forman Corporation; Michael J. Roney, retired Chief Executive Officer, Bunzl plc; Janny Singer, former Chief Executive Officer, J.Crew, Tracy L. Skeans, Chief Operating Officer; and Chief People Officer, Yum Brands Inc.; Elizabeth A. Smith, retired Chief Executive Officer, Bloomin Brands, Inc.; Michael A. Todman, retired Vice President, Whirlpool Club Corporation; and Lawson Whiting, President and Chief Executive Officer of Brown-Forman Corporation. Campbell Brown, Chair of the Board, Brown-Forman Corporation, I also standing for re-election.

The second order of business is to hold an advisory vote to approve the compensation of the company's named executive officers. Third order of business is to hold an advi-

sory vote on the frequency of future advisory votes to approve the compensation of the company's named executive officers.

Finally, the fourth order of business is to ratify the selection of the independent registered public accounting firm for fiscal 2024. Leah, would you please describe the vote required for passage of each item of business and the voting process?

Jaileah Huddleston

Thank you, Campbell. Only holders of Class A common stock are permitted to vote for the following 4 proposals. For proposal 1, the election of directors. A nominee will be elected if he or she receives a majority of the votes cast. For proposal 2, the advisory vote to approve the compensation of the company's named executive officers will be approved if the majority of the shares present – either in present or represented by proxy and entitled to vote for approval of the proposal. For proposal 3, the advisory vote on the frequency of future advisory votes to approve the compensation of the company's named executive officers. The frequency receiving the greatest number of votes every 1, 2, or 3 years will be considered the recommendation of the stockholders. For proposal 4, the ratification of the selection of the independent registered public accounting firm for fiscal 2024 will be approved if a majority of the shares present, either in person or represented by proxy and entitled to vote received a vote for the approval of the proposal.

We will now open the polls for voting on the business for today's meeting. If you completed a proxy – completed and returned your proxy card or previously voted using the telephone or online options you've already voted and you don't need to do anything further. If you are a Class A stockholder and you did not send in a proxy card or vote via telephone or online or you did but you would like to change your vote. You may now vote online now at asm.b-f.com and use the vote here button. Please remember that if you've already voted by proxy or using the telephone or online option, it's not necessary to vote

again.

I will now pause to give an opportunity for those wishing to vote to do so now.

[Voting]

Jaileah Huddleston

Since everyone has had the opportunity to vote, the polls are now closed, and the inspectors will tally the vote. For the election of directors, each of the 11 director nominees has received at least 96% of the Class A votes cast. Therefore, each nominee is duly elected to be a director of the corporation.

Proposal 2 for the advisory vote to approve the compensation of the company's named executive officers, over 99% of the Class A shares present and entitled to vote have voted for the proposal. Therefore, the proposal has been approved.

Proposal 3, for the advisory vote on the frequency of future advisory votes to approve the compensation of the company's named executive officers – over 90% of the Class A shares present and entitled to vote – voted to hold future advisory votes to approve the compensation of the company's named executive officers every 3 years. Therefore, this recommendation of stockholders will be considered.

Proposal 4. For the ratification of the selection of the independent registered public accounting firm for fiscal 2024 over 99% of the Class A shares present and entitled to vote – voted for the proposal. Therefore, the selection of the independent registered public accounting firm for fiscal 2024 has been ratified.

We will issue a press release announcing the final voting results later today and file a Form 8-K with the Securities and Exchange Commission within the next 4 business days. Campbell – this concludes the formal business portion of the meeting.

Campbell Brown

Thank you, Leah, and thank you all so much for the confidence that you continue to show in your Board of – Brown-Forman’s Board of Directors. Unless there are further business to come before us, I declare the formal portion of the 2023 Annual Meeting of Stockholders adjourned. And without further ado, it is my distinct pleasure to welcome our CEO, Lawson Whiting, to make some comments.

Lawson Whiting

Well, good morning, everyone – it is quite the crowd we have here today. I would venture to say this is probably the most attended annual shareholder meeting that we’ve ever had at Brown-Forman. So it’s great to have. Yes. Thanks.

With the family here, who’s almost always here for the shareholder meeting, but today, we have a number of long-term shareholders that have come in some cases, from pretty far away to be with us today, and we’ve got a lot of employees that are here today. So I thank you all for coming to. It’s – hopefully, this is going to be an exciting and fun day. We’ve got some good news to share and a lot of perspectives that we want to share with you on why we feel so confident about the future of the company.

Look, fiscal ’23 was a great year for Brown-Forman. It was, as I think you saw in the video, second consecutive year of double-digit growth. That hasn’t happened at least in my career, and I think it’s been quite a long time since that has happened. So – we continue to grow, and consumers continue to love our share – our brands. So that is very exciting and obviously, vital to the long-term health of the company.

Continued portfolio evolution. We’ll talk quite a bit about that this morning. But bringing in 2 new brands in Gin Mare and Diplomático was quite exciting. You can see Jack Daniel’s bonded here. We – for those that might not have caught this about 6 months ago, whiskey advocate, which is kind of 1 of the big whiskey trade and consumer magazines, very glossy

big magazine named Bonded the top whiskey in the world this year. And that's a magazine that really focuses on a lot of craft stuff and they'll have [Oregon bourbons] and they'll have all these very small brands that probably most of you have never heard of. But for a brand like Jack Daniel's is 1 of the largest brands in the world to win best brand in the world was quite a compliment.

Jack Daniels on cola or Coke, we're going to talk quite a bit about that this morning, too, but certainly an exciting brand that has been – Jack and Coke has been such the big brand for Jack Daniel's for so long, it was such the way that so much of the consumption was mixed, but it was always done in a glass with ice and taking the Jack and Coke and putting it together. And – now we've got a much more convenient format for that, and we're excited to roll that out around the world.

Price increases if we're honest, we did not take a lot of price increases over the last decade until the last couple of years, and we've been working hard now to balance pricing and volume growth, and I think we've got a much better balance going forward. We've had very significant investments, both in brand expense. We've increased our brand expense by over \$100 million in the last couple of years. So we continue to really invest behind our brands to continue to get them – continue to make them very healthy and grow around the world.

And then the facilities also, we are putting a lot of money into our distilleries, down at [Casa Herradura], it could be Brown-Forman Distillery, Woodford, Jack Daniel's. These brands have all gotten so much bigger in the last few years. It just takes a lot of capital. If you're going to grow, if you're going to grow Jack Daniel's, you got to have the whiskey. To have the whiskey, you've got to expand the distillery and you got to keep building warehouses. And keep growing your capacity, and we have done that.

And then a spirited commitment to our people, to our communities and the environment,

and we're going to talk about that this morning a little bit, too, but know that we have made a multitude of commitments, and they're all in the annual report, and I'm sure many of you read those, but we're very serious about those commitments, and we are going to follow through.

So – now global relationships. I think this was 1 of the more exciting parts of fiscal '23 also. As Sophia said in the video there, McLaren is really our first global sponsorship that we've ever done. But Jack Daniel's has gotten so big and so global, we were looking for more of a global partnerships and global sponsorship, and that was quite exciting there, and it really reaches a new audience is 1 of the fastest-growing sports in the world and I think is a nice part of our brand building platforms now.

Jack and Coke, we've talked about that a little bit, but obviously, that's exciting. – to partner with the largest beverage company in the world and to have them really drive the sales of this in much of the world. We're doing the United States, Germany and Australia, but the Coca-Cola Company is doing the rest of the world. And – they've obviously got quite a big distribution system, and we're looking forward to seeing what kind of growth we can deliver there. And then Churchill Downs. We had our family dinner last night at Churchill Downs or at the Churchill Downs Museum. And that was quite exciting. It was a great dinner last night. The Churchill Downs has become a very important partner to Brown-Forman into the Woodford Reserve brand primarily. But we've renewed that partnership for a number of years, and we're excited to really maintain a very close relationship and build our brands together.

Financials. This is a slide that I'm quite proud of, and I think is a nice one. It shows one, the extreme volatility that we have had in the last 5 years. It started with the tariffs back in fiscal '18, fiscal '19, move through to COVID and the volatility that, that generated when the on-premise closed and the off-premise took off and everything that went from that,

we had supply chain challenges. We've had inflation. We've had a lot of challenges. But fiscal '23, as you can see there, our sales were up 10%. And the profits were up 8%. So that I would – I mean that's outstanding performance that is well above any historical sort of norm or average. But I think it's important to step back and think – all right. With all that volatility, it's almost hard to figure out how did we really do because it was so up and down.

But if you stretch that out to a 5-year CAGR, which is what I'm going to spend most of my time this morning talking about a 5-year CAGR, which is a compound annual growth rate, it's kind of like an average, not exactly but close. But our 5-year average on sales is plus 7 – that's pretty good. That is point – 2 points above any kind of long-term average. And so at the end of the day, that just shows that our consumers love our brands, and they continue to buy them at a nice clip.

Organic operating income over that same period of time was plus 6. Also a good performance. Ideally, we are trying very hard, we call it the shape of the P&L. We want our operating income to grow faster than sales. And so – we didn't get that over the last 5 years, but there were a lot of reasons for that. I mean tariffs had a big chunk of it, but as I said earlier, inflation in our costs and our barrel costs and our agave costs, shipping and logistics, a lot of inflation ran through in the last few years. And that was tough. We took a lot of price increases but not quite enough to offset that.

So I know that we'll be working to change that shape over the next few years, but still really an outstanding performance over the last 5 years. Now we'll take a look at our portfolio, obviously, starting with Jack Daniel. So once again, these are 5-year CAGRs, plus 6 on Jack on what is 1 of the largest spirits brands in the world, is a really nice performance. And you all should know, I mean, at the end of the day, Jack Daniel is still the beating heart of this company, and it will be for any time in the foreseeable future, but it's still

healthy. It's still growing. We see many opportunities around the world, and we continue to deliver on that. So exciting stuff coming out of the Jack Daniel's brand and continued solid growth.

This is my fifth Annual Shareholder Meeting. And I remember standing up at my first 1 in the conference center back on campus and saying Old Forester is now the fastest-growing brand in the company and everybody got excited and cheered us on and all that. Well, that was 5 years ago. Then I said it 4 years ago, 3, 2, and I'm standing here today saying it again, Old Forester is the fastest-growing brand in the company. It just doesn't happen in our business very often that a brand honestly can go through about a 40-year decline and then come back as sharply as it has, and it's very exciting and some great stuff there.

Woodford, our 25-year-old brand that we were celebrating a lot last night, a 20% CAGR on the size of this brand now, it is very meaningful to our growth, particularly in the United States – but very excited. We are now just kind of getting started with the international growth of the brand, and it is flying. And so I do think Woodford is going to be a very important growth driver, literally for the next generation of growth as we own the best Bourbon in the world.

Looking at our tequila brands, Herradura and el Jimador, which we bought back in 2007, and it's had a bit of its ups and downs over the years. Tequila category was a struggle at the beginning and then it really took off in the last few years and Herradura is 1 of the best brands, most authentic, real brands in the world of tequila. 15% compound annual growth rate in the last 5 years. That means we almost doubled the business in 5 years. So we would have done better. We had – Herradura was the brand kind of the last brand that we had massive supply chain problems with glass – name of the glass. So over the last year, we just didn't have the glass to be able to fulfill so many of the orders that we had or that number would be even better than that.

So both Herradura and el Jimador, I was just told the other day, el Jimador is now the largest tequila in the U.K. which is kind of interesting as we continue to grow that brand. El Jimador has a lot of global potential to it. Herradura is higher priced and the world outside of the United States hasn't necessarily adopted \$50 tequilas yet, but el Jimador is well placed – it's a great brand – its 1 of the most authentic brands in the industry also. And so it also is delivering double-digit growth over a 5-year period.

Taking a cut at the geographies. I think this is what we are looking to do on a consistent long-term basis. The U.S. grew 6%. That's actually pretty good. That would be 1 point or 2 higher than what we have done over long periods of time. The U.S. has a much broader portfolio than we have in the rest of the world, but that rest of portfolio is in solid growth mode. I mean obviously led by Woodford, but if you look across the portfolio, we don't have any tail anymore and so the U.S. business is solidly well placed and doing great. Developed international. Much of that is Europe also includes Australia and some other developed markets. Generally, we would expect that to be a point or 2 higher in the U.S., and that's what's happening. So markets like Germany, in particular, have been an unbelievable growth driver. Germany has become very, very big for Brown-Forman, and it's a very solid market.

Emerging international. So the emerging markets of the world, we are big in different emerging markets than some of our competitors, with countries like Mexico, Brazil, Turkey, you would never think that, that would be that big of a Jack Daniel's market and that important to the company, and it really has become that. Mexico is now a massive market for Brown-Forman with a lot of brands growing in it. So – we've got a really nice balance and a lot of nice geographical diversification that is very important. Even though we are still very reliant on Jack Daniel's Tennessee Whiskey core Black Label to grow – the international business is so diversified and so big now and growing very nicely that I think you should have confidence that the brand still has a nice long runway to go.

Travel Retail, as you can imagine, Travel Retail has been tough for the last few years. It went way down when the world stopped traveling during COVID and has been building back up and has actually grown quite nicely in fiscal '23, but it will take a little while to get that business back again, but I'm confident it will. We've got great brands. Global Travel Retail really does well with super and ultra-premium brands, and that's our portfolio now. And so lots of good things going on there, too.

Now this next slide is my least favorite slide to show you, if I'm honest. Look, the stock has underperformed in the last few years, and it has taken – it's been difficult because we continue to deliver a lot of underlying sales and profit growth. The company is a lot bigger than it was over the last 5 years, but the PE ratio has come down quite substantially over that period of time. And I've done this a couple of times with the family, in particular, I'll invoke Uncle Martin's advice to me in the very first Annual Shareholder Meeting that I had 5 years ago when he cut me off and said, never talk about the stock price. Here, I am talking about stock price. But never talk about the stock price.

All you have to do is focus on creating and delivering underlying value for your shareholders, the stock price will come. And so Uncle Martin, thank you for that advice. I'm sticking with it. And I'm pretty confident that the future is still pretty bright and the stock will catch up.

Look, trying to step back a little bit, thinking about what is happening in the world today and how are we reacting to these – some challenges and then some opportunities too, I will walk through. But the world – the economics of the world remain very unstable. Inflation has been difficult to deal with in the last few years, but we've been through this before, 153 years. There's hardly every year that feels stable, quite honestly. But we're fighting through it, and I think doing pretty well.

Geopolitical uncertainty. I mean Russia was a dagger for us last year when we pulled out

completely. And so things like that, China, fighting in China has not made things easier even inside the United States with a very divisive political environment that we're living in. We continue to fight through it and do the best we can, keep our heads down and continue to grow our brands.

So competitive environment, once again, this business – the spirits business with its top line growth potential with its premium margins, it's really good returns on capital. It's going to be competitive. It will always be competitive. We're in 2 of the best categories, – we are primarily whiskey and tequila company, and that's where you want to be these days, and we will do just fine there. And I just like the war for [talent]. That's a bit of a tagline that you probably read a lot, but it's true. People are moving around a lot more often than they used to. The hybrid work environment presents challenges. We're trying to figure all that out. We want to have the best people around this, and I think we do. We want to have a great work environment, and we win awards about greatest offices, our greatest place to work all over the place, all over the world, we are in those accolades.

And so we know we're doing something right, but it's still a challenge. You've still got to get the most competitive where you got to keep on attracting the most competitive candidates you can. And we are creating a work environment. We believe we've created a work environment where that can happen. And so we will win 9x out of 10 in that situation.

Opportunities, lots of things that we're doing. We're evolving routes to consumer, and that covers a pretty wide gamut as an example, we're forward integrating in Japan right now. So we – instead of using a middle person, usually a distributor partner, we take it on ourselves. Japan is a very big whiskey market, a very big RTD market. And so – we're going to – we will move forward with that and have that come online in the next year or 2.

In the U.S., we've done some creative things in the U.S. Jack Daniel's country cocktails has now run through Pabst so a beer company. We've never done that before. And it's been 2 or 3 years since we did that and they're doing a fantastic job. It's a malt – Jack Daniel's country cocktails being a malt beverage gets distributed by a beer company, and all of a sudden, the brand has doubled. And so we've – that is very healthy and very exciting potential there. We even – we've hired [Ray's] to do Jack and Coke out in California. [Ray's] is a very large distributor – but they primarily do nonalcoholic beverages and they do some beer and seltzers and things like that.

But they are taking on Jack and Coke for us, which is an exciting new thing and something to try. So we're shaking things up a little bit and trying new things even within the U.S. distribution system. Strong consumer demand, and we've talked about that a lot already this morning. You know demand is there for our products. And so we're certainly excited about that. The portfolio has premiumized. I'm going to show you some slides on that, but I think we've put ourselves in the right place at the right time and excited about that.

And then best-in-class people and culture. Some of that popped out on the slides that you saw or the video that you saw this morning, but I love our culture. And we're serious about our culture. And we take our values very, very seriously. We've got a workforce that I truly believe has bought into that and they're excited, they're motivated and they're doing everything we can to continue to take the company up to the next level.

So stepping back for a second, a little bit of take kind of an outside look. So what are some of the macro trends that are happening in our industry that are impacting us and impacting – [CPG] around the world. Premiumization. We've already talked about that a little bit. That's been going on in the spirits business for 2 decades, but it really has accelerated in the last few years. We want to be in that premium space as consumers are really looking for quality over quantity. We've said that many times, but they're looking

for elevated experiences and something different.

Convenience, which really during – I mean, that was a trend that was already happening, and then COVID absolutely shot it up – so that it covers a couple of different areas. I mean RTDs are part of that convenience trend. Like consumers love it in a can. They can take it wherever they want to go. It's just easier and it's more convenient, but also how you buy your product. So Drizly and Kroger and Total Wine & More, all these places that will deliver to you now, that wasn't even available 5 or 10 years ago, at least not in the U.S. Other markets have been ahead of us on that for a long time, but convenience is certainly more important.

Digitalization. So developments in technology affects everything that we do every day, but it impacts our business, too, and how consumers engage, where they engage, how you talk to them in various social media channels, all that type of thing has obviously exploded in the last decade, and we're there. We're there where our consumers are, and I'm proud of what we are doing in that space, too.

And then building better. This sometimes can be difficult because we do have a divided world that we are committed, consumers and investors both want to know what their company support, what their brand support, who they are behind the curtain – and we're very proud of where – what we do and with our communities, what we do on an environmental perspective. And we're going to continue keeping our head down sort of – you just got to keep your head down and ignore the noise a little bit move forward, but consumers are much more into knowing what their brands are about these days than they were 10 or 20 years ago.

This is an important slide that I think you all know, but I think this is an interesting way to look at it a little bit. So we've been reshaping the portfolio – we've been reshaping this company for really ever. I mean that's 1 of the things I'm most proud about, and I think

Brown-Forman as a corporation, even way before me, continually reshaped its portfolio. Most companies aren't doing that. You look at our competitive set, they haven't done it to anywhere near the extent that we have. And some of that is because of you and having a long-term shareholder base that can stomach some of the – when you do these things, earnings slowdowns in some cases, your EPS will slow down a little bit. You are purchasing brands at much higher multiples than you're selling them for. But at the end of the day, it's the right thing to do. And if you look at the brands here that we've sold everything from Southern Comfort and Tuaca, Canadian Mist was a massive brand in the U.S. at 1 time.

Early Times it was the largest brand in the United States, more recently, Finlandia. So – but all of those brands were sort of in that \$15 to \$20 price point kind of down in there and that is not where we want to be as a company. So we've purchased single malt scotches, Gin Mare and Diplomático even Slane and Fords, which are more in the mid-20s. But for the most part, that is a much more premium portfolio. It's much more international. It's the other thing about these brands that we have acquired, they're not really – they're not about the U.S. They're about the world. We used all those brands on the left that we sold were primarily U.S., except for Finlandia, but – they were primarily domestic brands, but this company has gotten so much more global. We knew we needed to bring in brands that are in categories that are important in these international markets.

And it's also interesting, I think, – if you take the average price of the brands that we've purchased versus the average price of the brands that we sold, there's a 3x difference. So we have tripled the average price point in our portfolio with these brands here. So that – that is a pretty serious move, but it is exciting, and I think really does bode well for the long-term.

Convenience. That – those are our primary RTD brands. But we have been in this RTD

business for a long time, a lot longer than most. This is 1 of those – I'll give credit to prior management, things like Jack Daniel's country cocktails and Jack Daniel's and cola got huge, and they're both big and they're important. Whenever – no one else is really doing it now all of a sudden, particularly in the U.S. spirit-based RTDs are flying. I mean they are driving U.S. spirits growth right now in a lot of cases. But look, we've got some of the best entrants in there. I'd cite New Mix on the far right there. That is a huge brand in Mexico, close to 10 million cases now.

So exciting stuff with New Mix. But we have – we are well placed on this convenience trend, and I haven't even talked about Jack and Coke yet. So these are brands that over the last 5 years, the CAGR was plus 14 and then fiscal '20 was plus – fiscal '23 was plus 20, and that doesn't include Jack and Coke because it just launched it at the very end of the fiscal year. So we have lots of placements, lots of options in a space that is very vibrant these days.

Digitalization. And there's kind of 2 sides to that a little bit. It's within the world of marketing. So how are we approaching consumers? How are we reaching them? Where are we, what time of the day, all of that has gotten so much more advanced in the last few years and it's exciting stuff. We have created a group called integrated marketing communications. And so it's about an 80 person group now that didn't exist 5 years ago and we've hired people from companies all across – really around the world.

I mean these folks are spread out around the world, but they tend to be a little bit younger, younger than me. But they are experts in this world of digital marketing and how we deliver to consumers. And I think we did the right thing by bringing all these folks in. It was a big investment, but they're there. They're in – they are teaching us and creating new ways of communicating with consumers.

On the left side is more about supply chain and financial analytics, things that we can

now do with data that we didn't have the ability to really do before. And so getting our capabilities increase so that we can thrive and lead in that space has been a big goal company and we're well along in that journey.

And last one, just building better a spirit of commitment. We said that a few times now. But we are committed to the environment and doing things in a sustainable way. We're going to do that as I said, keep our heads down. Let the outside world. There are those that are criticizing us for this. We're moving ahead – and our D&I initiatives are very important to us. They are very important to our employee population. And we're proud of them – we're proud of what we've done and the commitments that we have made – and they're all – once again, they're in the annual report, if you all want to read about them but we remain very strong and very committed to following up on what we have promised we would do. So at the end of the day, this is capital allocation. We're building better for our shareholders.

We've invested – this is – once again, this is a 5-year chart, our 5-year slide, \$600 million in capital invested in our facilities in the last 5 years. It's a lot of money. But we've gotten a whole lot bigger. The base has gotten so much bigger that you are – we're now doing a warehouse a year at Jack Daniel's, and we're expanding all over at Woodford Reserve – but if you don't do that, you're not going to be able to grow in the future.

And so we're laying down capacity so that we can continue to grow into the future. We've acquired 4 brands. 2 of them, the most significant, the 2 we continue to talk about in Gin Mare and Diplomático.

But I think those were really smart uses of capital because I believe in both the categories – they were spaces we really weren't in. We're doing it at a very, very premium level. Both brands are and so exciting and good stuff going to come out of there.

And importantly, whenever – when the cash is available and sitting on our balance sheet, we returned to shareholders. So we have delivered \$2.4 billion to our shareholders in the last 5 years. I can promise you we will continue to grow that pool also. So look, I'm glad to be able to talk to you today. I think this company is such a wonderful place and is well-positioned for the future. We've got a portfolio that is, I believe, is fantastic. We've got the best people. We are very diversified on a geographic basis. And we're investing in the right things. And it's exciting stuff that all comes together, the theme of bolder, better and together to create nothing better in the market is something that we remain committed to and excited about, and I'm sure we will continue to deliver for you into the future.

So – thank you all for coming here today. It's been wonderful to talk to you. And I hope we have a good – we've got a couple of other things to do, and then we'll go out and see the brand fair and I hope to be able to talk to many of you out there. So thank you.

Campbell Brown

Hello, everybody. This is great. It really is nice to see this room so full and some many happy and supportive faces out there. Lawson, thank you and to your team for delivering the kind of results that make standing up here so comfortable. It's very rewarding to be here and following such a great year. In addition to some new brands, I also wanted to acknowledge that we've got some new faces on our Board. I'm happy to welcome Mark Clouse and Liz Smith to their first Shareholders' Meeting of Brown-Forman and – hello Eliza. Eliza is our ninth generation family member in – since Garvin and Martin and Sandra stormed this stage about 17 years ago. So good to have you with us. And yesterday, the Corporate Governance and Nominating Committee met and will be recommending to the Board this afternoon that Michael Todman will be our new Lead Independent Director. So – thank you, Michael. And I'm happy to say that Tracy Skeans will be our new Chair of the Corporate Governance and Nominating Committee. So we're very excited about that

and very much looking forward to their leadership on your Board of Directors.

And I'd be remiss if I didn't mention that after 8 years of incredible service to this Board, Augusta Brown Holland, I just want to thank you for your partnership and advocacy on behalf of this company, our community and all of our employees. It has been a pleasure, thank you.

So 6 weeks ago, Lawson and his executive team conducted a pretty amazing and powerful virtual global meeting just down the road at Old Forester's Paris Town Hall. And we had our employees from across the organization, share with their colleagues, a lot of the strategies and tactics that are going to be employed to help us realize the 10-year vision. And it was incredibly engaged and we had 2 different sessions, 1 in the morning and 1 in the evening.

And at the conclusion of each of those sessions in the spirit of bigger, bolder, better, the executive team, Lawson myself were asked to provide 3 words that meant how the company - what it meant to us. And for me, the - the 3 words that were the clearest and spoke the loudest are the 3 words I want to talk a little bit about today, which are performance, people and pride.

So what is it about Brown-Forman in that first captures our attention, our interest. And as an investment or a company to work for or an organization like for companies like Coca-Cola or McLaren — ***indiscernible*** — create relationships with. I think it is – its performance. It's the long-term financial results we deliver across all metrics. The consistency of this performance is what attracts us. It grabs our attention and it pulls us in. It's a performance we deliver year in and year out. And it's the characteristic, it's so compelling, and it invites us as investors or employees and partners to seek associations with our company.

And the strong performance delivers incredibly dynamic careers and attracts great people for our Board and the company. And most certainly, the types of shareholders that see value in our long-term strategic thinking and a company that will invest in the future of growth as well as this astute deployment of capital that Lawson talked about – and we do with a lot of thoughtfulness and decisiveness. And it's not a new phenomenon. We've been doing it for generations. It's the consistency of the strong cash flow that has unlocked a remarkable reimagination of our portfolio, which Lawson again walked us through.

And while allowing us to fuel the investment that's required for the brands that actually got us here. And at the same time, allowing us to return ever increasing dividends to our shareholders now for 39 years – but – for long-term oriented shareholders and our 5,600 employees and everybody on the stage, it's the people that turn that interest into something more powerful. It's harder to quantify impossible to ignore it is bigger than us and it is longer than our tenure. It is you are leaders that from across the organization and around the world that keep us coming back year after year, decade after decade and generation after generation. It's the reason we stay.

You create the trust, personify the integrity and show us what respect can resemble when we embrace our strengths and our differences, it's the foundation of our culture. And it's strengthened by many. [Alsi] Brown was reminding us about the importance of consuming alcohol responsibly. He told us about sustainability and the critical role it played in our business well before it was a buzzword in a boardroom or a headline in the newspaper.

Jack Daniel's gave us the example of being able to recognize talent and excellence irrespective of race or social standing when he created a mentor, a lifelong friend and partner in [Nearest Green]. And so I hope, as we reflect on each of our own relationships with Brown-Forman you might experience a familiar sensation, 1 that you probably felt when

your daughter has scored a first goal, playing field hockey, or your son is finished their first recital or you've received your first dividend check. It's an unmistakable sense of pride.

It's pride and association of being able to share with others the specialness of working on a brand like Jack Daniel's – or watching our beautiful portfolio exhibited so exquisitely every May and Woodford reserves running of the Kentucky Derby or seen that first shiny can of Jack and Coke in your neighborhood, liquor store cold box. Pride we feel in leaning into our communities because we know it's important and it's necessary or knowing we will nurture the natural resources we depend on our water – our wood and the grains we secure from the farming partnerships we have across this country. It's – it's in recognizing the excellence when our offices and individuals are rewarded and recognized for their ability to welcome everybody into the workplace to be their best.

So performance pride people. These are the symbols of an equation that makes being a part of this company so fulfilling. Our trust and the integrity of how our business is managed and led enduring support and engagement of you, our shareholders, our shared understanding that the intersecting relationships between our long-term financial health and the health of our culture communities and planet are, in fact, connected to this excellent performance. These understandings and behaviors and practices have been and will continue to be the defining characteristic that allows all of us to say – with great confidence and pride. There is nothing better in the market. Thank you.

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