# Barclays 18th Annual Global Consumer Staples Conference 2025
# 2025-09-03

### Presentation

**Analyst**

Okay. We're going to get started. Always a pleasure to have Brown-Forman's CEO, Lawson Whiting; and CFO, Leanne Cunningham join us at the conference. And Leanne, congratulations on your upcoming retirement.

**Leanne Cunningham**

Thank you.

**Analyst**

I talked about that yesterday. It's been a particularly dynamic year for the company with several strategic initiatives announced since January. So a lot to discuss as always.

### Question and Answer

**Analyst**

Lawson, let's start with you, maybe with some of the changes you've made to the U.S. distribution network. So route to market has been in place, status quo for some 60 years is what you guys had said. What capabilities were you looking for that necessitated such a broad change?

**Lawson Whiting**

Yes. So look, we made that change. It was only effective 3 – 4 weeks ago, something like that. So pretty dramatic for a company that's had partnerships literally for 60 years, as you say. Now it was less about capability development necessarily, more about getting focus.

And so what I mean by that is when you look across the U.S. market, we are with some of the largest distributors in all the United States, not that there's that many options, but we're with the big players. And one of the things that we found ourselves into – so if you backed up 10 years ago, we, in the U.S. system, were partied up with Bacardi in many, many places, and we had dedicated sales teams to focus on just the 2 companies. Remy was in there in a couple of states, too.

And Bacardi left years and years ago out of that system, and we found ourselves into the broader sales force within a lot of these distributors and even though Jack Daniel's within that was the largest brand, which did – you got some focus just from being the biggest. A sales guy in these divisions might have 300 brands. Literally, you've got salespeople that go into accounts on and off with a 300 brand book and sometimes more.

That we didn't love and we wanted to change that. We wanted to focus on our brands. That is ultimately, what I believe is one of the most important things within not only the U.S. market, really globally, is focus. And so by going from a situation where we were one of 300 brands in that sales book, to one now, if I – I'll just use California as an example. We've generally got a sales book now that is just us and Tito's. And Tito's is effectively a 1 SKU brand. Obviously, we've got different sizes and all that. But now we have real focus. And so a salesperson can walk into the bar or either one on or off in brands like Gin Mare or Diplomatico or some of these brands that are newer to our portfolio, which [quonestly] just didn't make the cut in terms of the sales call now do. And so there's lots of other reasons. I mean, look, there are margin reasons to do it, investment, incremental investments, incremental capabilities in some of these new distributors, but the primary reason really is focus.

**Analyst**

Okay. Should we think about this in the near term is sort of like 1 step back and then 2 steps forward, meaning disruption in the near term comes first. And if so, when do you think things stabilize and then we start to see the benefits of this more dedicated sales force and kind of collaborative business planning come to fruition.

**Lawson Whiting**

Yes. So I mean this just happened August 1. So there has been a little bit of disruption. There's inventory movements. You've got distributors that are losing the business have to get rid of their inventory. And so that causes always a little bit of disruption. New people coming in, they're not really set up yet. And so part of it is also it depends. It depends on the state and the situation. So back to California as the example, which everybody knows we went with Reyes who has unbelievably off-premise, the capabilities and their scale in the off-premise is almost unparalleled out in California.

And so we're going to – we feel pretty good that, that business is going to get up to speed really, really quickly. They also – I don't know how many bars and restaurants there are in California. I can't even guess. But they're not necessarily set up to do that on day 1. And so now we've known this. They've been hiring people for months trying to – and it's literally they're hiring hundreds of people all the time.

And they're hiring people that have worked on our brands, at least in some cases, have worked on our brands in the past. And so they're getting up to speed relatively quickly, and we expect that to happen. That's more a question of weeks or maybe a few months, but not longer than that. Another – I don't know if it's an extreme, but the other side of it is New York. We have underperformed in New York for seemingly forever, and it's a very challenging market for a lot of distributors. This is a challenging market in general. We're now at Southern where we have had very little relationships with Southern over the years.

We've got a couple of franchise states, but there's not a lot, but there are a big machine in New York. They have a lot of business. They have a lot of suppliers, and they integrate very, very quickly. And so that's basically an – I don't know if it's instant, but I mean it's a very quick change over there. Texas is another one. That's the other – it's really California, Texas and New York are the big 3 that we made these changes too.

Texas, we're also changing up how do we go-to-market, and there's a whole lot of people that need to be hired to get into that system and to be able to plug and play. And so that one may take a little bit longer. But once again, we're talking a couple of months.

I think we've said publicly at this point that by the end of the second quarter, we expect transitions to mostly be done. I don't know if it's 90% or 95%, whatever it is. But the vast majority will be in place, the people will be in place, and hopefully, business not only returns to normal, but expectations are going up for better performance.

**Analyst**

Okay. Great. Leanne and also in the bucket of things you have guys have announced this year, a series of strategic initiatives announced in January. They're going to yield $70 million to $80 million in annual savings. How are you thinking about reinvestment versus margin flow through, especially in the context of fiscal '26?

**Leanne Cunningham**

First, I'll start with we've reshaped our portfolio over time. This was the opportunity to reshape our organizational structure to fit that business. We took the opportunity to make sure that we were streamlining, we were simplifying because we needed pace. We need to make decisions and communications and it was all about making sure that we had more roles in revenue generating the space versus some of the overhead that we had, had, again, trying to simplify and streamline and pick up pace. So for F'26 specifically, we are investing some of our savings back into more sales generating roles. But net-net, we do expect that savings to come in the SG&A line of the company.

**Lawson Whiting**

Yes. I mean let me add on to that just a tiny bit. We did not, for the most part, did not significantly alter the commercial environment, the front the sales roles, as Leanne said, that was – that's an important part of that restructuring to make sure that we have the right balance of resources, but letting go a little bit of the overhead that we have gives us the option to strategically invest in other initiatives, and we will certainly be doing that.

**Analyst**

Okay. Great. Let's come out and discuss U.S. spirits more broadly. So Lawson, you've consistently framed the pressured consumption environment is mostly primarily cyclical. So rather than ask yet another question about diagnosing the current state of the industry, I thought maybe more constructive to focus on the pathway back to normalized growth. So what's your latest thinking on a return to that normalized growth in fiscal '26 implies another year of decline. And I guess is mid-single digits like the right bogey for normal?

**Lawson Whiting**

Well, I do think, look, we still – well, we continue to grow. Even last fiscal year as a company, we had top line growth and bottom line growth. And so now the U.S. market – was your question specific to the U.S. or just broader than that.

**Analyst**

Yes.

**Lawson Whiting**

So for the U.S., look, the U.S. is – I'm not going to go through the entire sort of structural cyclical debate again, but if you remember, just to refresh, on this stage actually 2 years ago, we stood up here and said U.S. spirits market is growing at 6, things are good, reaffirmed guidance, life [ quonicly ] comparatively seemed a lot easier. By Christmas time, it has gone from 6 to 0 and then it ran at a minus 2 for most of 2024 and really has stayed in that range in ’25.

So that’s that cyclical argument that health and wellness and some of the other trends are macro headwinds don’t take a market down from plus 6 to minus 2 in 6 months. I just don’t believe that. And I mean I still would stick with that argument. So when does it get back to – I don’t know if it gets back to plus 6. The plus 6 was still a bit of an elevated number based kind of coming off the COVID years.

And so – but does it get back to that 4 range, which is what it was from – make it up, in the ’90s and all the 2000s. For 20 or 30 years, it stayed in a pretty tight range. And it made what was a very, very beautiful business a whole lot easier as you have that much volume growth or value growth, every single year. I think I mean it’s hard to point to a lot of green shoots right now, to be honest. I mean, there is a few – you’re starting to see a tiny movement in TDS in the United States, and that’s – that’s the one, I think all of us are – have our eyes on as to when does that start to move again. Does it get back to 4 in the short and near future. Trying to predict the time frame as a very dangerous game to play, and I don’t think anybody has gotten it right so far.

It has strung out a little bit longer than I thought. But I do think over, call it, medium term, we’ll be back in that same time or time same zone of growth that I think can happen. And I think we still have the brands. I mean we – whether or not consumption gets back to that level again, the whole drinking less but better which clinically has been going on for a long, long time, both in the United States and much of Europe. It’s why we did reposition the portfolio up because the better part is the part that we want to capture. And look, I still – if you looked at our – like our emerging brands, as an example, which is our scotches and Gin Mare and Diplomatico and some of our newer brands, which we collectively called Emerging Brands.

Up until 2 years ago, those brands ran in double-digit growth rates for years and years.

And we really had a great platform and saw some serious growth. And I don't see anything in the broader world that says we can't get back to that within a couple of years.

**Analyst**

Okay. Great. As we're talking about cyclical pressures, be remiss not to check in on the U.S. consumer environment. Tariff rhetoric seemed to dampen U.S. consumer confidence in the spring and yet we're still – it's still yet to see the real tariff-driven inflation show up in the marketplace. So what are your latest reads on the U.S. consumer? And how does that compare maybe to some other developed markets where you compete?

**Lawson Whiting**

Yes. I mean, look, I think – well, within the developed markets part of it, if you're looking at TD – well, what is the equivalent of TDS, a lot of the world is in that 0 to minus 1, minus 2 range. I'm talking about the big markets in Europe. And so – and in the U.S., the consumer is certainly still pinched. You can look at – I mean you all were in a consumer conference here. There's lots of companies across lots of different categories that are having a tougher time than they used to. And that clearly – I mean that's – that's inflation.

That is consumer confidence, that is whether tariffs. I mean you mentioned that they hadn't really sunk in yet, but they're coming. So that does – that's a headwind that's out there. And a lot of the tariffs have only been in place now for a period of weeks or I guess it depends on where and all the rest of it. But that will flow through to pricing of competitive consumer categories. And so thankfully, we were in that, as you probably all know, from 2018 through '21 and those were painful years. I mean they were very expensive. And it was particularly bad because American Whiskey was the only category that they came after. Outside of the United States, we had somewhere around 2/3 market share of all the American Whiskey outside of the United States.

So we always said this is a tariff on us. Thankfully, we're on the other side of that now and we're in a little bit better position. So I don't know the – when does consumer spending actually come back. Obviously, I think interest rates going down, which everyone is forecasting for the next couple of quarters, and we'll see how that plays, but that would certainly be a big benefit. Interest rates going down, bump to consumer confidence, a bump to consumers' cash flow can only be a good thing.

**Analyst**

Yes. Okay. Great. Leanne, what's your latest assessment on the American whiskeys industry – American whiskey industries efforts to balance long-term supply and demand. I know you talked about that you're careful not to overcorrect while managing your own production plans. But do you think enough has been done at the category level.

**Leanne Cunningham**

Well, I think it goes back to all of us have been all the large suppliers or distillers have been doing this for decades and generations. So we've seen peaks and valleys through the times. Everybody is seasoned and knows how to really act rationally as we go through this space. We're all brand owners, and we want to protect the equity of our brands. And so we continue to see everybody using the levers that are available to them. Now it does take a period of time for that to normalize and balance out, but there's a lot of variables in there as well because it's like what is the demand that's being forecasted.

So everybody is making adjustments, I think – and but in a balanced way. So everybody is positioned well when the demand comes back, that they haven't made a decision that puts them in a position that just really takes them back the opposite direction. So I think we've been asked this question now, I would think, for at least about a year, and we've continued to monitor it, and our position continues to be the same of what we're seeing and how – where we know we're acting.

**Lawson Whiting**

And I think to add on to that one a little bit, too, these – I call them entrepreneurial-led brands, most because I don't like the word craft as a complete category conversation. But the market for as much – I don't want to call it noise, but as much news, I guess, that they generated and much coverage that they got in as much shelf space as they got in the retail world, these brands never cracked more than 3% or 4% market share. So while there's literally thousands of them, they didn't collectively gain all that much share. And so a lot of people look at that and say, "What are – what's going to happen to all these brands?" I mean a lot of them already are struggling.

Distributors I mean, look, the distributor world is really tough right now. Some of it because people making changes, but their world their margins are much lower. And so a slowdown like we've seen really puts a lot of pressure on distributors. Well, guess what, when the pressure comes on, they don't want to deal with a line of tiny brands. They don't have the patience or [ quonestly ] the resources to be able to develop lots and lots of small brands. And so many of those brands just never found the consumer hook.

They all use local. I always used to say they can't figure out a way to market outside of their ZIP code or their area code because they just didn't find another way to bring consumers in. And so all of a sudden, the system is just kind of shut down where distributors are not enthusiastic about bringing those brands or retailers we've all walked into retailers these days. And America Whiskey and tequila both have shelves and shelves and shelves of brands you've never heard of. And so that's got to work its way through the system a little bit. But it's not really a part of that conversation of the industry oversupply within whiskey. It's just there's not enough of it out there.

**Analyst**

Okay. So in terms of excess inventory of finished goods, what do you think happens, right? The brand – these brands might disappear, but what happens to the liquids.

**Lawson Whiting**

Yes, I don't know.

**Leanne Cunningham**

So I would just say for us specifically, and we've talked about this all through fiscal '25 and into this year is like through the roller coaster that began with COVID that really impacted everyone's supply chain. We've been working over the last fiscal year and this fiscal year to return our finished goods to more historic levels. We continue to make a lot of progress on that, trying to reduce the intensity up the working capital of our balance sheet. But again, even if you can't see that incredibly clearly now, part of that our work is being masked by our tariff mitigation strategies.

And for us, it's a little bit different because as we plan our strategies, if we were to move look our cases around the world. It's often into our own distribution system, so that still sits on our book, which is a little bit different than if people were moving product into the U.S.

So for us, we're just returning to normal levels, that's going to continue through fiscal '26 work that we do. But again, from distributors and retailers, we've been speaking now for several quarters. They've moved to the low end of their range. They've adjusted to consumer takeaway trends. And we really haven't seen much new information there. I think everybody is pretty much staying where they have repositioned theirselves too.

**Analyst**

Okay. Great. Let's stay on the U.S. So most of the TDS dollar growth has come from 375 ml and 50 ml format, which you guys have talked about in your call, that's how I know this. But I can understand the 375 in the context of consumers wanting assortment, managing cash outlay. But the 50 ml is really small. So help me understand why that is. I'm just so surprised that if you find the little airport bottles.

**Lawson Whiting**

Look, you're right, there has been a pretty significant shift away from large sizes into smaller sizes. We really think that's largely a consumer inflation pocket cash flow situation, especially on the 375, maybe a little bit to 200. 50, I feel a little differently about it and I'll hit that in a second. But I do – I think it's interesting within that trend to go from a 750 to 375. It used to be the 375 and the small sizes were kind of the cheap brands. And so you had consumers that didn't have a lot of money. They were looking and maybe they had $10 in their wallet or something like that, and they would go after a cheap vodka or a cheap Bourbon. In the 375, they drink and throw it on the street, whatever might have happened to it. But it was – that has evolved and changed a little bit where lots of brands, lots of very super and ultimately ultra-premium brands now offer a 375 size. And so just take a Woodford Reserve as an example, 750 probably average $35 across the United States right now. So you cut that price in half and you get a 375 of Woodford. That's $17 is still a fairly good handout, but you're still drinking a premium brand.

You're still badged with that premium brand. And I think – that's really what has happened, particularly with younger consumers. They want the badge. They want to show that they're still premium drinkers, but they also – if they're going over their friend's house to whatever, they don't want to buy a $35 bottle, drink half of it and then leave it at their house either. So I think that has something to do with it.

The 50 ml, which we call the airplane bottles, that's an occasion-based consumption. You're not – there's no reason to put 6 of those in your pocket and go to your friend's house. You might as well just get a 300 or 200 or whatever it might be. With that 50 ml is the occasions of outdoor music festivals, golf courses, sporting events, whatever it might be, you're smuggling in 3 of those in your pocket, and you still get a lot of those. So I think that's less about the dynamic of switching from a larger size to a smaller size is just consumers like those for those particular occasions.

**Analyst**

I learned something what can go in my pocket everyday.

**Lawson Whiting**

That is my theory. I've not proven that.

**Analyst**

Something new to put in my pocket. Okay. I guess anything on revenue growth management that comes out of this, right, in the shift. So what are you guys doing margin implications and conversation around this as you're seeing this consumer trend towards the smaller sizes whether it's occasion based on the 50 ml or cash outlay? How are you incorporating that into your business and margin implications.

**Leanne Cunningham**

I would just say, similarly to many CPG products, the smaller sizes generally speaking, are very strong margin business. So with that, with the consumer being there that it is not a negative impact to the company.

**Analyst**

Okay.

**Lawson Whiting**

I mean, it's interest like a lot of consumer products toothpaste or whatever, all those types of products. It's amazing how they have shrunk those packages down and box size stays the same, but what's inside is smaller, but they're not regulated, so they can kind of do what they want within that space. We can't do that. We can't take a 750 and all of a sudden fill a 700 and sell it for the same price on the shelf. I mean there's so many restrictions around sizes that it doesn't really apply to the beverage alcohol business simply because of all the regulations.

**Analyst**

Okay. So sticking with occasions, RTDs. So RTDs have a great momentum across the industry. We've been really active with Jack and Coke, now variety packs. New mix going to select U.S. markets this summer. Can you talk about the role using these products play for consumers in the industry overall? How incremental do you think RTDs are to spirit overall.

**Leanne Cunningham**

Yes. So I'll first start with Brown-Forman has been in the RTD business for 30-plus years. We already have a 22 million case business, whether that be new mix in Mexico or the Jack Daniel's and Coke around the world. So it is for – as it is getting our brands into new occasions that maybe our full strength products can't go. But it also is playing with the trend of flavor and convenience. We've always seen our RTD business as a marketing tool. Just in the last 12 months, if you just take Jack and Coke, we have gotten 155 million cans in the hands of the consumer, and they're holding a Jack Daniel's trademark with the Jack and Coke. So we've always believed it creates a halo and strength for our full strength products.

Now as it relates to the margins that you were talking about, from a margin perspective, yes, we did as we grow that business. RTDs generally speaking, are lower gross margin than what the enterprise average is. But as we go through the Jack and Coke business, so Jack and Coke business because the advertising is invested both between Brown-Forman Corporation and the Coca-Cola Company, that is actually going to have a higher gross margin than some of our other RTD businesses.

And that's one thing we always have to remember is from a gross margin perspective. Yes, our RTD business is growing but we just acquired Gin Mare. We just acquired Diplomatico. Those brands have higher gross margin than the company average. And we're also innovating Woodford Double, Double Oaked is a one that would come in and help the company's average as well. And then so it's just you have to look at it collectively and not just focus on the RTD piece.

**Analyst**

Okay. Great. Let's move to some brand-specific questions. Jack Daniel's brand health metrics are improving. You've recently launched a global marketing campaign. I think that's only the second in the brand's history. So what are your latest reads on consumer engagement with Jack Daniel's brand and particularly younger LDA consumers.

**Lawson Whiting**

Yes. So look, when you make changes to above the line campaigns, it's not an overnight change, obviously. So it does take – and we've had this in place for 3 months now, I think about. So quite a bit different than what we have been doing before. It is very much trying to balance recruitment and retention. And I think we're doing a better job at that right now. And – but the most important thing you referenced the brand health metrics meaningful difference within the world of brand metrics, meaningful difference to us is the most important, but it's certainly way up there. And we had lost a little bit of that.

And so in my mind, and many of yours, I'm sure, too, the importance is being able to own some space in the advertising, something that you can hook and connect with consumers. And I think we've got that now. We've got a blend of sort of the old way we were – there were some investors we were talking with yesterday. A lot of the ads that come out now, the television ads that are out there, they start black and white which is a reminder to the way Jack was advertised for literally decades.

And then all of a sudden, you get a big bold of color, and then it goes back to black and white and all. So the back and forth I think is attractive and can – will really help. So it's only been a couple of months. And so you've got to be a little bit patient with these things as much as we want to see the Jack Daniel's brand accelerate. And it is getting better – it is slowly getting better, and it's going to – I think it will take a little bit of time, but we're reinforcing that meaningful difference again. And I think that's really important to the long-term health of the brand.

**Analyst**

Okay. And Jack Daniel's BlackBerry just launched. It's your first flavor innovation, I think, in over 5 years and only the fourth flavor extension to the brand. What insights drove this development? How does it fit into the broader flavored whiskey strategy? Why is now the right time?

**Lawson Whiting**

Yes. Well, look, I mean, BlackBerry itself is a global flavor, which is important within – we're very sensitive to making sure that any of these flavored extensions are flavors that are natural, that people want that they're global, quite honestly, that is one advantage Jack Daniel's has over competitive brands that are trying to do some flavors. They're really not global. So they only have the U.S. to focus on, we have the world. And our intention is to stretch this rollout out over a couple of years.

So that this is a growth. This is a tailwind or a growth driver at least for the next couple of years. So BlackBerry is a hot flavor in lots of different carbonated soft drinks and all other sort of food and beverage space. So it was a logical place to go. The other thing I think that's important, and I said this on our earnings call a couple of weeks ago, it mixes really well with lemonade.

And that is something that our former flavors and many of the flavors across the industry they're popular shots, but we want something bigger. And there just wasn't a real obvious natural mixer for several of those and not one that consumers really adopted in a major, major way. BlackBerry and Lemonade is going to be the way consumers drink this. So it's the way we're going to market it, and it is – it tastes great.

And so for those that were at our dinner last night, we were ensuring that everyone had one before the dinner got going. It just works and that makes me really excited that we've kind of got the natural flavor in there. You will never see Jack Daniel's do the way the vodka category went a decade ago when you got some really weird flavors out there, Bubblegums and Margarita Pies and whatever other stuff was out there. So we are trying to stay very, very core to flavors that seem natural. As you said, we haven't done 1 in 5 years, and we're probably close to the end of the line of doing those flavor extensions. We don't want to be on that treadmill of trying to have to do 1 all the time, like some brands have found themselves into. And I think we've kind of balanced that fairly well.

**Analyst**

Okay. Great. Tequila. So Leanne, pricing has been down to the category given the sharp drop in [ agave ] costs. Environment maybe been a little bit less aggressive than you feared given the input cost change. How are you balancing protecting and growing market share with price integrity in this environment?

**Leanne Cunningham**

Yes. So I mean IWSR continues to be projecting that the growth of this category up to $20 billion over the next 5 years. A lot of the tequila consumers are moving into refining their palette. That's why I think we're seeing Reposado so popular right now. Consumers are looking for quality, craftsmanship and authenticity. And when you think about the acquisition we made in 2007 of Casa Herradura, it was founded in 1870. I mean what an ownable space for el Jimador and Herradura with that quality craftsmanship and authenticity.

So we've been really working hard on our tequila business. We've been talking about our tequila business for about the last 3 years. For Herradura, well, I'd say, first of all, for both of our brands as it relates to the U.S. we're excited that they're going to continue to get more focus, more dedication and more resources put against them as we make these distributor transitions that Lawson talked about.

For Herradura specifically, Reposado is the hottest expression right now, and we were the world's first Reposado. So we are trying to connect with consumer and spread the message that we are the world's first Reposado. We have the quality and the credentials, so we are focused on that. We're focused on trial and awareness, getting that in the on-premise cocktail menus, and then the off-premise for trial. So we have a lot going on with el Jimador. And we've talked about on Jimador for a while now in 2025, we finished getting it up to the premium price tier, which is where a lot of the growth has been in tequilas. We have a new package that's coming out. And it's a beautiful new package. The premiumness SKUs as it tested with consumers are significantly higher.

We just launched Cristalino in the U.S. for el Jimador, and that's one of the fastest-growing categories in tequila. So we – and we have a new campaign now, right, Sip for Yourself. So we are hoping between that we've got the price positioning set. We've got new campaign. We've got new packaging. We've got new innovation and expression to support it and new distribution system largely in the U.S. to support with that focus. So we believe that we have the right mix now of tools in our toolbox to grow our tequilas.

**Analyst**

Okay. Great. So I know the conversations in more developed market-centric this time around, but the emerging markets had a great start to the fiscal year and on track for another strong year. So which market or markets would you say you're most excited about?

**Lawson Whiting**

You want me to take it. Look, the emerging markets are the strength right now of our company, many of you probably heard this before, Mexico and Brazil would be the 2 biggest – both of them are doing well. Brazil has been one of the most successful markets in the world for Brown-Forman over the last probably 10 years. It's not a 1-year thing. And so the Jack Daniel's brand has been taking market share in the whiskey space now 4 years.

And so we feel really good about that. Places like UAE, which you wouldn't think of has done really well. Turkey, which I think everyone in the spirits world seems to be doing well in Turkey. But it's another market that's had really high inflation, and so you're trying to always keep up with that inflation. But certainly, consumer demand is really strong, and we feel really good there.

And I mean the old China, India, where we have not done as well remains an open opportunity. And it is one we are, particularly India, going to focus on in the next couple of years as we – it's the largest whiskey market in the world. It has been growing by leaps and bounds. Now you've got some tax relief coming in. I mean, there are different things that are happening there that just feels like now is the time to really go after that opportunity, and we're going to try that.

**Leanne Cunningham**

And the only thing I would add is one of the things that we've had an own distribution in Brazil for quite a long time. We think that over that time, we figured out a strong strategy by which that we can take forward and apply it to other emerging markets. And it's just how do you be centered, how do you be focused? And then how do you have your geographic expansion come off of that center of excellence that you've built. So again, another Brazil lighthouse from a strategy perspective that we can apply to other markets.

**Analyst**

Okay. Great. We're pretty much out of time. So we're going to go over to breakout. But thank you again for being here, Leanne, you said you won't be here next year, but I'm happy for you. And please join me in thanking Brown-Forman for being at the conference.