

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
March 5, 2025

Brown-Forman Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-00123

(Commission File Number)

61-0143150

(I.R.S. Employer Identification No.)

850 Dixie Highway, Louisville, Kentucky

(Address of Principal Executive Offices)

40210

(Zip Code)

Registrant's telephone number, including area code: **(502) 585-1100**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock (voting), \$0.15 par value	BFA	New York Stock Exchange
Class B Common Stock (nonvoting), \$0.15 par value	BFB	New York Stock Exchange
1.200% Notes due 2026	BF26	New York Stock Exchange
2.600% Notes due 2028	BF28	New York Stock Exchange

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On March 5, 2025, Brown-Forman Corporation issued a press release reporting its operating results for the third fiscal quarter and nine month period ended January 31, 2025. A copy of this press release is attached hereto as Exhibit 99.1.

The information pursuant to this Item 2.02 - Results of Operations and Financial Condition, including the information in Exhibit 99.1, is being furnished and shall not be deemed "filed" for any purpose, including for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or under the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Brown-Forman Corporation Press Release dated March 5, 2025.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BROWN-FORMAN CORPORATION
(Registrant)

Date: March 5, 2025

/s/ Michael E. Carr, Jr.
Michael E. Carr, Jr.
Executive Vice President, General Counsel and Corporate Secretary



FOR IMMEDIATE RELEASE

ELIZABETH CONWAY **SUE PERRAM**
DIRECTOR VICE PRESIDENT
EXTERNAL COMMUNICATIONS INVESTOR RELATIONS
ELIZABETH.CONWAY@B-F.COM SUE.PERRAM@B-F.COM

BROWN-FORMAN REPORTS YEAR-TO-DATE FISCAL 2025 RESULTS; REAFFIRMS FULL YEAR GROWTH OUTLOOK

March 5, 2025, LOUISVILLE, KY — Brown-Forman Corporation (NYSE: BFA, BFB) reported financial results for its third quarter and nine months ended January 31, 2025. Third quarter reported net sales decreased 3%¹ to \$1.0 billion (+6% on an organic basis²) compared to the same prior-year period. Third quarter reported operating income decreased 25% to \$280 million (+23% on an organic basis) and diluted earnings per share decreased 5% to \$0.57.

For the nine months of the fiscal year, reported net sales decreased 4% to \$3.1 billion (+2% on an organic basis) compared to the same prior-year period. Year-to-date reported operating income decreased 13% to \$902 million (+5% on an organic basis) and diluted earnings per share decreased 4% to \$1.53.

“We are pleased to reaffirm our outlook for organic top and bottom line growth in fiscal 2025 and are proud of our team’s ability to deliver industry-leading growth in this challenging environment,” said Lawson Whiting, Brown-Forman’s President and Chief Executive Officer. “While we anticipate continued uncertainty and headwinds in the external environment, we are also confident that we have the right people, brands, and strategy in place to take advantage of ongoing growth opportunities.”

Year-to-Date Fiscal 2025 Highlights

- Net sales declines were largely driven by the Finlandia and Sonoma-Cutrer divestitures.
 - Net sales declined across all geographic aggregations with sequential improvement in the United States and Developed International³ markets.
 - Gross profit declined 6% (-1% organic). Gross margin contracted 150 basis points largely driven by higher costs and the negative effect of foreign exchange, partially offset by favorable price/mix.
 - Operating expenses declined by 8% (-6% organic).
 - Recognized a \$78 million gain on the sale of our investment in The Duckhorn Portfolio, Inc. (“Duckhorn”); diluted earnings per share impact of \$0.14.
-

Year-to-Date Fiscal 2025 Brand Results

- Net sales for Whiskey³ products were flat (+2% organic) reflecting sequential improvement. Growth from Woodford Reserve and Jack Daniel's Tennessee Whiskey was offset by the negative effect of foreign exchange and declines of other super-premium Jack Daniel's expressions. These expressions include Jack Daniel's Single Barrel and various other Jack Daniel's special releases, which declined following a strong prior-year comparison partially due to a number of product launches. An estimated net increase in distributor inventories positively impacted net sales.
- Net sales for the Tequila³ portfolio declined 15% (-13% organic) impacted by a competitive environment in the United States along with challenging macroeconomic conditions in Mexico. el Jimador's net sales declined 13% (-11% organic) driven by lower volumes in the United States and Mexico, partially offset by higher prices in the United States. Herradura's net sales declined 13% (-11% organic) led by lower volumes in Mexico.
- Net sales for the Ready-to-Drink³ (RTD) portfolio declined 4% (+6% organic). Jack Daniel's RTD/RTP portfolio declined 7% (+3% organic) driven by the Jack Daniel's Country Cocktails business model change (JDCC)². Building on strong double-digit growth in the same prior-year period, net sales of New Mix increased 2% (+13% organic) driven by higher volumes in Mexico, partially offset by the negative effect of foreign exchange.
- Rest of Portfolio's³ net sales declined 31% (flat organic) driven by the Finlandia and Sonoma-Cutrer divestitures and lower volumes of Korbel California Champagnes in the United States. The decline was partially offset by the positive contributions from Diplomático and Gin Mare. An estimated net increase in distributor inventories positively impacted net sales.

Year-to-Date Fiscal 2025 Market

Results

- Net sales in the United States improved sequentially with a decline of 5% (-1% organic) led by the divestiture of Sonoma-Cutrer, lower volumes of Korbel California Champagnes and Jack Daniel's Tennessee Whiskey, and the impact of JDCC. The declines were partially offset by growth of Woodford Reserve as the brand continued to outperform the US Whiskey category. An estimated net increase in distributor inventories positively impacted net sales.
- Industry trends remained soft in the Developed International³ markets as net sales declined 5% (-1% organic), though improved sequentially. The decrease was led by the absence of the Finlandia brand, the negative effect of foreign exchange, and lower volumes in South Korea, Germany, and the United Kingdom. The decline was partially offset by higher volumes of Jack Daniel's Tennessee Whiskey in Japan, due to changes in distributor ordering patterns in the same prior-year period, and the positive contribution of Diplomático.

- Lapping double-digit growth in the prior-year period, net sales in Emerging³ markets declined 4% (+8% organic). The decrease was largely driven by the Finlandia divestiture, the negative effect of foreign exchange, and declines of the Tequila portfolio in Mexico. The decline was partially offset by growth of the Jack Daniel's family of brands in Türkiye, Brazil, and the United Arab Emirates, and higher volumes of New Mix.
- The Travel Retail channel's net sales declined 5% (-2% organic) led by lower volumes of the other super-premium Jack Daniel's expressions and the divestiture of Finlandia, partially offset by growth of Diplomático.

Year-to-Date Fiscal 2025 Other P&L Items

- Gross profit decreased 6% (-1% organic) primarily due to the absence of divested brands and the negative effect of foreign exchange. Gross margin contracted 150 basis points to 59.4% largely driven by higher costs and the negative effect of foreign exchange, partially offset by favorable price/mix.
- Advertising expense decreased 9% (-6% organic) driven by timing of lower Jack Daniel's Tennessee Whiskey and Jack Daniel's Tennessee Apple spend, the phasing of spend in the prior-year period in support of the launch of Jack Daniel's and Coca-Cola RTD in the United States, and the impact of our recently divested brands.
- Selling, general, and administrative (SG&A) expenses decreased 7% (-4% organic) led by lower compensation and benefit related expenses.
- The company incurred \$33 million of restructuring and other charges related to the company's workforce reduction, the announced closure of the Louisville-based Brown-Forman Cooperage, and the early retirement benefit offered to qualifying U.S. employees.
- Operating income declined 13% (+5% organic) with an operating margin decrease of 300 basis points to 29.3%. The decrease was primarily due to the decline in gross margin, the absence of the gain on sale of the Finlandia vodka business, and restructuring and other charges, partially offset by lower SG&A and advertising expenses.
- On December 24, 2024, Duckhorn was acquired by Butterfly Equity, and Brown-Forman recognized a \$78 million gain on the sale of our 21.4% ownership of the company. The impact on the diluted earnings per share was \$0.14.
- Diluted earnings per share decreased \$0.06 driven primarily by the decrease in operating income, partially offset by the gain on sale of our investment in Duckhorn and the benefit of a lower effective tax rate.

Year-to-Date Fiscal 2025 Financial Stewardship

On February 20, 2025, the Brown-Forman Board of Directors declared a regular quarterly cash dividend of \$0.2265 per share on its Class A and Class B Common Stock. The dividend is payable on April 1, 2025, to stockholders of record on March 7, 2025. Brown-Forman, a member of the prestigious S&P 500 Dividend Aristocrats Index, has paid regular quarterly cash dividends for 81 consecutive years and has increased the regular dividend for 41 consecutive years.

Fiscal 2025 Outlook

The operating environment continues to be increasingly volatile due to geopolitical uncertainties and global macroeconomic conditions. Based on the currently known factors, we anticipate a return to organic net sales and organic operating income growth for fiscal 2025. Accordingly, we reaffirm the following expectations:

- Organic net sales growth in the 2% to 4% range.
- Organic operating income growth in the 2% to 4% range.
- Capital expenditures planned to be in the range of \$180 to \$190 million.

The forecasted effective tax rate range has been updated to approximately 20% to 22% from 21% to 23%.

Conference Call Details

Brown-Forman will host a conference call to discuss these results at 10:00 a.m. (ET) today. A live audio broadcast of the conference call, and the accompanying presentation slides, will be available via

Brown-Forman's website, brown-forman.com, through a link to "Investors/Events & Presentations." A digital audio recording of the conference call and the presentation slides will also be posted on the website and will be available for at least 30 days following the conference call.

Brown-Forman Corporation has been building exceptional spirits brands for more than 150 years, responsibly upholding our founding promise of "Nothing Better in the Market." Our portfolio of premium brands includes the Jack Daniel's Family of Brands, Woodford Reserve, Herradura, el Jimador, Korbel, New Mix, Old Forester, The Glendronach, Glenglassaugh, Benriach, Diplomático Rum, Chambord, Gin Mare, Fords Gin, Slane, and Coopers' Craft. With a team of approximately 5,400 employees worldwide, we proudly share our passion for premium beverages in more than 170 countries. Discover more about us at brown-forman.com and stay connected through LinkedIn, Instagram, and X.

Important Information on Forward-Looking Statements:

This press release contains statements, estimates, and projections that are “forward-looking statements” as defined under U.S. federal securities laws. Words such as “aim,” “ambition,” “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 statement, 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 those expressed in or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to:

- Our substantial dependence upon the continued growth of the Jack Daniel's family of brands
- Substantial competition from new entrants, consolidations by competitors and retailers, and other competitive activities, such as pricing actions (including price reductions, promotions, discounting, couponing, or free goods), marketing, category expansion, product introductions, or entry or expansion in our geographic markets or distribution networks
- Risks from changes to the trade policies, tariff and import and export regulations by the U.S. or foreign governments and the effectiveness of our actions to mitigate the negative impact on our margins, sales, and/or distributors
- Route-to-consumer changes that affect the timing of our sales, temporarily disrupt the marketing or sale of our products, or result in higher fixed costs
- Disruption of our distribution network or inventory fluctuations in our products by distributors, wholesalers, or retailers
- Changes in consumer preferences, consumption, or purchase patterns – particularly away from larger producers in favor of small distilleries or local producers, or away from brown spirits, our premium products, or spirits generally, and our ability to anticipate or react to them; further legalization of marijuana; bar, restaurant, travel, or other on-premise declines; shifts in demographic or health and wellness trends; or unfavorable consumer reaction to new products, line extensions, package changes, product reformulations, or other product innovation
- Production facility, aging warehouse, or supply chain disruption
- Imprecision in supply/demand forecasting
- Higher costs, lower quality, or unavailability of energy, water, raw materials, product ingredients, or labor
- Risks associated with acquisitions, dispositions, business partnerships, or investments – such as acquisition integration, termination difficulties or costs, or impairment in recorded value
- Impact of health epidemics and pandemics, and the risk of the resulting negative economic impacts and related governmental actions
- Unfavorable global or regional economic conditions and related economic slowdowns or recessions, low consumer confidence, high unemployment, weak credit or capital markets, budget deficits, burdensome government debt, austerity measures, higher interest rates, higher taxes, political instability, higher inflation, deflation, lower returns on pension assets, or lower discount rates for pension obligations
- Product recalls or other product liability claims, product tampering, contamination, or quality issues
- Negative publicity related to our company, products, brands, marketing, executive leadership, employees, Board of Directors, family stockholders, operations, business performance, or prospects
- Failure to attract or retain key executive or employee talent
- Risks associated with being a U.S.-based company with a global business, including commercial, political, and financial risks; local labor policies and conditions; compliance with local trade practices and other regulations; terrorism, kidnapping, extortion, or other types of violence; 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 due to a stronger U.S. dollar
- Changes in laws, regulatory measures, or governmental policies, especially those affecting production, importation, marketing, labeling, pricing, distribution, sale, or consumption of our beverage alcohol products
- Tax rate changes (including excise, corporate, sales or value-added taxes, property taxes, payroll taxes, import and export duties, and tariffs) or changes in related reserves, changes in tax rules or accounting standards, and the unpredictability and suddenness with which they can occur
- Decline in the social acceptability of beverage alcohol in significant markets
- Significant additional labeling or warning requirements or limitations on availability of our beverage alcohol products
- Counterfeiting and inadequate protection of our intellectual property rights
- Significant legal disputes and proceedings, or government investigations
- Cyber breach or failure or corruption of our key information technology systems or those of our suppliers, customers, or direct and indirect business partners, or failure to comply with personal data protection laws
- Our status as a family “controlled company” under New York Stock Exchange rules, and our dual-class share structure

For further information on these and other risks, please refer to our public filings, including the “Risk Factors” section of our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission.

Brown-Forman Corporation
Unaudited Consolidated Statements of Operations
For the Three Months Ended January 31, 2024 and 2025
(Dollars in millions, except per share amounts)

	2024	2025	Change
Net sales	\$ 1,069	\$ 1,035	(3%)
Cost of sales	434	416	(4%)
Gross profit	635	619	(3%)
Advertising expenses	143	125	(13%)
Selling, general, and administrative expenses	203	178	(13%)
Restructuring and other charges	—	31	
Gain on sale of business	(90)	—	
Other expense (income), net	6	5	
Operating income	373	280	(25)%
Non-operating postretirement expense	1	3	
Interest expense, net	30	26	
Equity method investment income and gain on sale	—	(81)	
Income before income taxes	342	332	(3)%
Income taxes	57	62	
Net income	\$ 285	\$ 270	(6)%
Earnings per share:			
Basic	\$ 0.60	\$ 0.57	(5)%
Diluted	\$ 0.60	\$ 0.57	(5)%
Gross margin	59.4 %	59.8 %	
Operating margin	34.9 %	27.1 %	
Effective tax rate	16.5 %	18.7 %	
Cash dividends paid per common share	\$ 0.2178	\$ 0.2265	
Shares (in thousands) used in the calculation of earnings per share			
Basic	474,806	472,661	
Diluted	475,566	472,886	

Brown-Forman Corporation
Unaudited Consolidated Statements of Operations
For the Nine Months Ended January 31, 2024 and 2025
(Dollars in millions, except per share amounts)

	2024	2025	Change
Net sales	\$ 3,214	\$ 3,081	(4%)
Cost of sales	1,257	1,251	0%
Gross profit	1,957	1,830	(6%)
Advertising expenses	414	377	(9%)
Selling, general, and administrative expenses	595	551	(7%)
Restructuring and other charges	—	33	
Gain on sale of business	(90)	—	
Other expense (income), net	(1)	(33)	
Operating income	1,039	902	(13)%
Non-operating postretirement expense	2	4	
Interest expense, net	86	83	
Equity method investment income and gain on sale	—	(83)	
Income before income taxes	951	898	(6)%
Income taxes	193	175	
Net income	\$ 758	\$ 723	(5)%
Earnings per share:			
Basic	\$ 1.59	\$ 1.53	(4)%
Diluted	\$ 1.58	\$ 1.53	(4)%
Gross margin	60.9 %	59.4 %	
Operating margin	32.3 %	29.3 %	
Effective tax rate	20.3 %	19.5 %	
Cash dividends paid per common share	\$ 0.6288	\$ 0.6621	
Shares (in thousands) used in the calculation of earnings per share			
Basic	477,542	472,651	
Diluted	478,444	472,960	

Brown-Forman Corporation
Unaudited Condensed Consolidated Balance Sheets
(Dollars in millions)

	April 30, 2024	January 31, 2025
Assets:		
Cash and cash equivalents	\$ 446	\$ 599
Accounts receivable, net	769	855
Inventories	2,556	2,451
Assets held for sale	—	120
Other current assets	265	254
Total current assets	4,036	4,279
Property, plant, and equipment, net	1,074	1,041
Goodwill	1,455	1,435
Other intangible assets	990	973
Equity method investments	270	3
Other assets	341	340
Total assets	\$ 8,166	\$ 8,071
Liabilities:		
Accounts payable and accrued expenses	\$ 793	\$ 695
Accrued income taxes	38	30
Short-term borrowings	428	202
Current portion of long-term debt	300	300
Total current liabilities	1,559	1,227
Long-term debt	2,372	2,361
Deferred income taxes	315	266
Accrued postretirement benefits	160	161
Other liabilities	243	233
Total liabilities	4,649	4,248
Stockholders' equity	3,517	3,823
Total liabilities and stockholders' equity	\$ 8,166	\$ 8,071

Brown-Forman Corporation
Unaudited Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended January 31, 2024 and 2025
(Dollars in millions)

	2024	2025
Cash provided by operating activities	\$ 362	\$ 446
Cash flows from investing activities:		
Proceeds from sale of business	194	—
Proceeds from sale of equity method investment	—	350
Proceeds from sale of property, plant, equipment, and other	13	51
Additions to property, plant, and equipment	(148)	(117)
Other	4	—
Cash provided by (used for) investing activities	63	284
Cash flows from financing activities:		
Net change in short-term borrowings	492	(227)
Payments of withholding taxes related to stock-based awards	(4)	(2)
Acquisition of treasury stock	(400)	—
Dividends paid	(300)	(313)
Other	—	(4)
Cash provided by (used for) financing activities	(212)	(546)
Effect of exchange rate changes	2	(20)
Net increase (decrease) in cash, cash equivalents, and restricted cash	215	164
Cash, cash equivalents, and restricted cash at beginning of period	384	456
Cash, cash equivalents, and restricted cash at end of period	599	620
Less: Restricted cash at end of period	(10)	(21)
Cash and cash equivalents at end of period	\$ 589	\$ 599

Schedule A

Brown-Forman Corporation
Supplemental Statement of Operations Information (Unaudited)

Percentage change versus the prior-year period ended

	January 31, 2025	
	3 Months	9 Months
Reported change in net sales	(3 %)	(4 %)
Acquisitions and divestitures	4 %	3 %
JDCC*	1 %	1 %
Foreign exchange	4 %	2 %
Organic change[^] in net sales	6 %	2 %
Reported change in gross profit	(3 %)	(6 %)
Acquisitions and divestitures	2 %	3 %
JDCC	— %	— %
Foreign exchange	6 %	3 %
Organic change in gross profit	5 %	(1 %)
Reported change in advertising expenses	(13 %)	(9 %)
Acquisitions and divestitures	1 %	2 %
Foreign exchange	3 %	1 %
Organic change in advertising expenses	(9 %)	(6 %)
Reported change in SG&A	(13 %)	(7 %)
Acquisitions and divestitures	3 %	2 %
Foreign exchange	3 %	1 %
Organic change in SG&A	(7 %)	(4 %)
Reported change in operating income	(25 %)	(13 %)
Acquisitions and divestitures	24 %	11 %
Other items [^]	11 %	2 %
Foreign exchange	12 %	4 %
Organic change in operating income	23 %	5 %

*“JDCC” is included in the “other items” Non-GAAP Measure. See “Note 2 - Non-GAAP Financial Measures” for details.

[^]See “Note 2 - Non-GAAP Financial Measures” for details on our use of Non-GAAP financial measures, how these measures are calculated, and the reasons why we believe this information is useful to readers.

Note: Totals may differ due to rounding.

Schedule B

Brown-Forman Corporation
 Supplemental Statement of Operations Information (Unaudited)
 Nine Months Ended January 31, 2025

Product Category / Brand Family / Brand [^]	Supplemental Information [^]				Net Sales % Change vs. Prior-Year Period				
	Volumes (9-Liter Cases)				Reported	Acquisitions and Divestitures	JDCC	Foreign Exchange	Organic [^]
	Depletions (Millions)*	% Change vs. Prior-Year Period	Shipments (Millions)*	% Change vs. Prior-Year Period					
Whiskey	16.3	(3 %)	16.2	1 %	— %	— %	— %	1 %	2 %
JDTW	10.8	(3 %)	10.7	2 %	1 %	— %	— %	2 %	2 %
JDTH	1.5	(3 %)	1.5	1 %	(1 %)	— %	— %	2 %	2 %
Gentleman Jack	0.6	(3 %)	0.6	1 %	2 %	— %	— %	1 %	3 %
JDTA	0.7	1 %	0.7	1 %	(4 %)	— %	— %	4 %	— %
JDTF	0.5	(8 %)	0.5	(6 %)	(4 %)	— %	— %	1 %	(3 %)
Woodford Reserve	1.4	2 %	1.4	6 %	10 %	— %	— %	— %	10 %
Old Forester	0.4	— %	0.4	2 %	12 %	— %	— %	— %	12 %
Rest of Whiskey	0.4	(21 %)	0.3	(22 %)	(21 %)	— %	— %	1 %	(20 %)
Ready-to-Drink	16.2	2 %	16.2	4 %	(4 %)	— %	6 %	5 %	6 %
JD RTD/RTP	8.1	(4 %)	8.1	(2 %)	(7 %)	— %	8 %	2 %	3 %
New Mix	8.1	11 %	8.1	11 %	2 %	— %	— %	11 %	13 %
Tequila	1.5	(14 %)	1.5	(14 %)	(15 %)	— %	— %	2 %	(13 %)
el Jimador	1.0	(12 %)	1.0	(14 %)	(13 %)	— %	— %	1 %	(11 %)
Herradura	0.4	(13 %)	0.5	(10 %)	(13 %)	— %	— %	2 %	(11 %)
Rest of Portfolio	1.7	(7 %)	1.7	(5 %)	(31 %)	31 %	— %	— %	— %
Non-branded and bulk	NA	NA	NA	NA	38 %	1 %	— %	— %	39 %
Total Portfolio	35.7	(1 %)	35.6	1 %	(4 %)	3 %	1 %	2 %	2 %
Other Brands and Aggregations									
Jack Daniel's Family	22.6	(4 %)	22.4	— %	(2 %)	— %	1 %	2 %	1 %
American Whiskey	16.2	(3 %)	16.1	1 %	1 %	— %	— %	1 %	3 %
Diplomático	0.2	— %	0.2	41 %	44 %	— %	— %	— %	43 %
Gin Mare	0.1	14 %	0.1	11 %	11 %	— %	— %	— %	11 %

[^]See "Note 2 - Non-GAAP Financial Measures" for details on our use of Non-GAAP financial measures, how these measures are calculated, and the reasons why we believe this information is useful to readers. See "Note 3 - Definitions" for details on our brand aggregations and other metrics.

*Volumes are adjusted to (i) remove increases or decreases related to acquired and divested brands for periods not comparable year over year and (ii) reflect the Jack Daniel's Country Cocktails business model change (JDCC) during fiscal 2024 and fiscal 2025. For additional information concerning acquisitions and divestitures impacting depletions and shipments and the change in the JDCC business model, see the applicable defined terms in "Note 2 - Non-GAAP Financial Measures."

Note: Totals may differ due to rounding.

Schedule C

Brown-Forman Corporation

Supplemental Statement of Operations Information (Unaudited)

Nine Months Ended January 31, 2025

Geographic Area [^]	Net Sales % Change vs. Prior-Year Period				Organic [^]
	Reported	Acquisitions and Divestitures	JDCC	Foreign Exchange	
United States	(5 %)	3 %	2 %	— %	(1 %)
Developed International	(5 %)	2 %	— %	2 %	(1 %)
Germany	(6 %)	— %	— %	1 %	(4 %)
Australia	(1 %)	1 %	— %	2 %	1 %
United Kingdom	(5 %)	— %	— %	— %	(5 %)
France	(3 %)	— %	— %	2 %	(2 %)
Canada	(6 %)	5 %	— %	2 %	2 %
Spain	(9 %)	1 %	— %	1 %	(7 %)
Rest of Developed International	(6 %)	7 %	— %	3 %	5 %
Emerging	(4 %)	6 %	— %	6 %	8 %
Mexico	(9 %)	— %	— %	9 %	— %
Poland	(13 %)	24 %	— %	(5 %)	5 %
Brazil	6 %	— %	— %	8 %	14 %
Rest of Emerging	— %	7 %	— %	5 %	12 %
Travel Retail	(5 %)	2 %	— %	1 %	(2 %)
Non-branded and bulk	38 %	1 %	— %	— %	39 %
Total	(4 %)	3 %	1 %	2 %	2 %

[^]See "Note 2 - Non-GAAP Financial Measures" for details on our use of Non-GAAP financial measures, how these measures are calculated, and the reasons why we believe this information is useful to readers. See "Note 3 - Definitions" for details on our geographic aggregations.

Note: Totals may differ due to rounding.

Schedule D

Brown-Forman Corporation

Supplemental Information (Unaudited) — Estimated Net Change in Distributor Inventories

Nine Months Ended January 31, 2025

Geographic Area[^] - Net Sales	<i>Estimated Net Change in Distributor Inventories[^] vs. Prior-Year Period</i>
United States	4%
Developed International	4%
Emerging	1%
Travel Retail	—%
Non-branded and bulk	—%
Product category / brand family / brand[^]	
Whiskey	4%
JDTW	4%
JDTH	4%
Gentleman Jack	4%
JDTA	—%
JDTF	4%
Woodford Reserve	6%
Old Forester	3%
Rest of Whiskey	—%
Ready-to-Drink	2%
JD RTD/RTP	3%
New Mix	—%
Tequila	—%
el Jimador	(2%)
Herradura	3%
Rest of Portfolio	2%
Non-branded and bulk	—%
Statement of Operations Line Items	
Net Sales	3%
Cost of Sales	3%
Gross Profit	3%
Operating Income	7%

[^]See “Note 3 - Definitions” for details on our brand aggregations and other metrics.

A positive difference is interpreted as a net increase in distributors’ inventories; whereas, a negative difference is interpreted as a net decrease in distributors’ inventories.

Note 1 - All related commentary and percentage growth rates are on a reported basis and compared to the same prior-year periods, unless otherwise noted.

Note 2 - Non-GAAP Financial Measures

Use of Non-GAAP Financial Information. We report our financial results in accordance with U.S. generally accepted accounting principles (GAAP). Additionally, we use some financial measures in this press release that are not measures of financial performance under 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 define or calculate these non-GAAP measures differently. Reconciliations of these non-GAAP measures to the most closely comparable GAAP measures are presented on Schedules A, B, and C of this press release.

“Organic change” in measures of statements of operations. We present changes in certain measures, or line items, of the statements of operations that are adjusted to an “organic” basis. We use “organic change” for the following measures: (a) organic net sales; (b) organic cost of sales; (c) organic gross profit; (d) organic advertising expenses; (e) organic selling, general, and administrative (SG&A) expenses; (f) organic other expense (income), net; (g) organic operating expenses* and (h) organic operating income. To calculate these measures, we adjust, as applicable, for (1) acquisitions and divestitures, (2) other items, and (3) foreign exchange. We explain these adjustments below.

- *“Acquisitions and divestitures.”* This adjustment removes (a) the gain or loss recognized on sale of divested brands and certain assets, (b) any non-recurring effects related to our acquisitions and divestitures (e.g., transaction, transition, and integration costs), (c) the effects of operating activity related to acquired and divested brands for periods not comparable year over year (non-comparable periods), and (d) fair value changes to contingent consideration liabilities. Excluding non-comparable periods allows us to include the effects of acquired and divested brands only to the extent that results are comparable year over year.

During fiscal 2023, we acquired Gin Mare Brand, S.L.U. and Mareliquid Vanguard, S.L.U., which owned the Gin Mare brand (Gin Mare). This adjustment removes the fair value adjustments to Gin Mare’s earn-out contingent consideration liability that is payable in cash no earlier than July 2024 and no later than July 2027.

During fiscal 2024, we sold our Finlandia vodka business, which resulted in a pre-tax gain of \$92 million, and entered into a related transition services agreement (TSA) for this business. This adjustment removes the (a) transaction costs related to the divestiture, (b) the gain on sale of the Finlandia vodka business, (c) operating activity for the non-comparable period, which is activity in the first and second quarters of fiscal 2024, and (d) net sales, cost of sales, and operating expenses* recognized pursuant to the TSA related to distribution services in certain markets.

During fiscal 2024, we sold the Sonoma-Cutrer wine business in exchange for an ownership percentage of 21.4% in The Duckhorn Portfolio Inc. (Duckhorn) along with \$50 million cash and entered into a related TSA for this business. This transaction resulted in a pre-tax gain of \$175 million. This adjustment removes the (a) transaction costs related to the divestiture, (b) operating activity for the non-comparable period, which is activity in the first, second, and third quarters of fiscal 2024, and (c) net sales, cost of sales, and operating expenses recognized pursuant to the TSA related to distribution services in certain markets.

During the second quarter of fiscal 2024, we recognized a gain of \$7 million on the sale of certain fixed assets. During the first quarter of fiscal 2025, we recognized a gain of \$12 million on the sale of the Alabama cooperage. This adjustment removes the gains from our other expense (income), net and operating income.

We believe that these adjustments allow for us to better understand our organic results on a comparable basis.

- *“Other items.”* Other items include the additional items outlined below.

“Jack Daniel’s Country Cocktails business model change (JDCC).” In fiscal 2021, we entered into a partnership with the Pabst Brewing Company for the supply, sales, and distribution of Jack Daniel’s Country Cocktails in the United States while Brown-Forman continued to produce certain products. During fiscal 2024, this production fully transitioned to Pabst Brewing Company for the Jack Daniel’s Country Cocktails products. This adjustment removes the non-comparable operating activity related to the sales of

*Operating expenses include advertising expenses, SG&A expenses, restructuring and other charges, and other expenses (income), net.

Brown-Forman-produced Jack Daniel's Country Cocktails products for the first, second, and third quarters of fiscal 2024 and fiscal 2025.

"Franchise tax refund." During the first quarter of fiscal 2025, we recognized a \$13 million franchise tax refund due to a change in franchise tax calculation methodology for the state of Tennessee. This modification lowered our annual franchise tax obligation and was retroactively applied to franchise taxes paid during fiscal 2020 through fiscal 2023. This adjustment removes the franchise tax refund from our other expense (income), net and operating income.

"Restructuring and other charges." During the third quarter of fiscal 2025, our Board of Directors approved a plan to reduce our structural cost base and realign resources toward future sources of growth. This included reducing our workforce by approximately 12% and closing the Louisville-based Brown-Forman Cooperage. We also offered a special, one-time early retirement benefit to qualifying U.S. employees. Collectively, this adjustment removes the \$33 million impact from our operating expenses and operating income.

- *"Foreign exchange."* We calculate the percentage change in certain line items of the statements of operations in accordance with GAAP and adjust to exclude the cost or benefit of currency fluctuations. Adjusting for foreign exchange allows us to understand our business on a constant-dollar basis, as fluctuations in exchange rates can distort the organic trend both positively and negatively. (In this press release, "dollar" 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.

We use the non-GAAP measure "organic change," along with other metrics, to: (a) understand our performance from period to period on a consistent basis; (b) compare our performance to that of our competitors; (c) calculate components of management incentive compensation; (d) plan and forecast; and (e) communicate our financial performance to the Board of Directors, stockholders, and investment community. We have consistently applied the adjustments within our reconciliations in arriving at each non-GAAP measure. We believe these non-GAAP measures are useful to readers and investors because they enhance the understanding of our historical financial performance and comparability between periods. When we provide guidance for organic change in certain measures of the statements of operations we do not provide guidance for the corresponding GAAP change, as the GAAP measure will include items that are difficult to quantify or predict with reasonable certainty, such as foreign exchange, which could have a significant impact to our GAAP income statement measures.

In addition to the non-GAAP financial measures presented, we believe that our results are affected by changes in distributor inventories, particularly in our largest market, the United States, where the spirits industry is subject to regulations that essentially mandate a so-called "three-tier system," with a value chain that includes suppliers, distributors, and retailers. Accordingly, we also provide information concerning estimated fluctuations in distributor inventories. We believe such information is useful in understanding our performance and trends as it provides relevant information regarding customers' demand for our products. See Schedule D of this press release.

Note 3 - Definitions

From time to time, to explain our results of operations or to highlight trends and uncertainties affecting our business, we aggregate markets according to stage of economic development as defined by the International Monetary Fund (IMF), and we aggregate brands by beverage alcohol category. Below, we define the geographic and brand aggregations used in this release.

Geographic Aggregations.

In Schedule C and Schedule D, we provide supplemental information for our top markets ranked by percentage of net sales. In addition to markets listed by country name, we include the following aggregations:

- *"Developed International"* markets are "advanced economies" as defined by the IMF, excluding the United States. Our top developed international markets were Germany, Australia, the United Kingdom, France, Canada, and Spain. This aggregation represents our net sales of branded products to these markets.
 - *"Spain"* includes Spain and certain other surrounding territories.

- “*Emerging*” markets are “emerging and developing economies” as defined by the IMF. Our top emerging markets were Mexico, Poland, and Brazil. This aggregation represents our net sales of branded products to these markets.
 - “*Brazil*” includes Brazil, Uruguay, Paraguay, and certain other surrounding territories.
- “*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 net sales of used barrels, contract bottling services, and non-branded bulk whiskey, regardless of customer location.

Brand Aggregations.

In Schedule B and Schedule D, we provide supplemental information for our top brands ranked by percentage of net sales. In addition to brands listed by name, we include the following aggregations outlined below.

Beginning in fiscal 2025, we aggregated the “Wine” and “Vodka” product categories with “Rest of Portfolio,” due to the divestitures of Sonoma-Cutrer and Finlandia. Please refer to the new definition of “Rest of Portfolio” for more information. The fiscal 2024 “Rest of Portfolio” amounts have been adjusted accordingly for comparison purposes.

“*Whiskey*” includes all whiskey spirits and whiskey-based flavored liqueurs. The brands included in this category are the Jack Daniel’s family of brands (excluding the “Ready-to-Drink” products defined below), the Woodford Reserve family of brands (Woodford Reserve), the Old Forester family of brands (Old Forester), The Glendronach, Glenglassaugh, Benriach, Slane Irish Whiskey, and Coopers’ Craft.

- “*American whiskey*” includes the Jack Daniel’s family of brands (excluding the “Ready-to-Drink” products defined below), Woodford Reserve, Old Forester, and Coopers’ Craft.
- “*Super-premium American whiskey*” includes Woodford Reserve, Gentleman Jack, and other super-premium Jack Daniel’s expressions.
- “*Ready-to-Drink*” includes all ready-to-drink (RTD) and ready-to-pour (RTP) products. The brands included in this category are Jack Daniel’s RTD and RTP products (JD RTD/RTP), New Mix, and other RTD/RTP products.
- “*Jack Daniel’s RTD/RTP*” products include all RTD line extensions of Jack Daniel’s, such as Jack Daniel’s & Cola, Jack Daniel’s & Coca-Cola RTD, Jack Daniel’s Country Cocktails, Jack Daniel’s Double Jack, and other malt- and spirit-based Jack Daniel’s RTDs, along with Jack Daniel’s Winter Jack RTP.
 - “*Jack Daniel’s & Coca-Cola RTD*” includes all Jack Daniel’s & Coca-Cola RTD products and Jack Daniel’s bulk whiskey shipments for the production of these products.
- “*Tequila*” includes el Jimador, the Herradura family of brands (Herradura), and other tequilas.
- “*Rest of Portfolio*” includes Sonoma-Cutrer (which was divested on April 30, 2024), Korbel California Champagnes, Diplomático, Gin Mare, Chambord, Finlandia Vodka (which was divested on November 1, 2023), Fords Gin, Korbel Brandy, and other agency brands (brands we do not own, but sell in certain markets).
- “*Non-branded and bulk*” includes net sales of used barrels, contract bottling services, and non-branded bulk whiskey and wine.
- “*Jack Daniel’s family of brands*” includes Jack Daniel’s Tennessee Whiskey (JDTW), JD RTD/RTP, Jack Daniel’s Tennessee Honey (JDTH), Gentleman Jack, Jack Daniel’s Tennessee Apple (JDTA), Jack Daniel’s Tennessee Fire (JDTF), Jack Daniel’s Single Barrel Collection (JDSB), Jack Daniel’s Bonded Tennessee Whiskey, Jack Daniel’s Sinatra Select, Jack Daniel’s Tennessee Rye Whiskey (JDTR), Jack Daniel’s Triple Mash Blended Straight Whiskey, Jack Daniel’s Bottled-in-Bond, Jack Daniel’s American Single Malt, Jack Daniel’s 12 Year Old, Jack Daniel’s 10 Year Old, and other Jack Daniel’s expressions.

Other Metrics.

- *“Shipments.”* We generally record revenues when we ship or deliver our products to our customers. In this release, unless otherwise specified, we refer to shipments when discussing volume.
- *“Depletions.”* This metric is commonly used in the beverage alcohol industry to describe volume. Depending on the context, depletions usually means either (a) where Brown-Forman is the distributor, shipments directly to retail or wholesale customers or (b) where Brown-Forman is not the distributor, shipments from distributor customers to retailers and wholesalers. We believe that depletions measure volume in a way that more closely reflects consumer demand than our shipments to distributor customers do.
- *“Consumer takeaway.”* When discussing trends in the market, we refer to consumer takeaway, a term commonly used in the beverage alcohol industry that refers to the purchase of product by consumers from retail outlets, including products purchased through e-commerce channels, as measured by volume or retail sales value. This information is provided by outside 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 consumer demand trends.
- *“Estimated net change in distributor inventories.”* We generally recognize revenue when our products are shipped or delivered to customers. In the United States and certain other markets, our customers are distributors that sell downstream to retailers and consumers. We believe that our distributors’ downstream sales more closely reflect actual consumer demand than do our shipments to distributors. Our shipments increase distributors’ inventories, while distributors’ depletions (as described above) reduce their inventories. Therefore, it is possible that our shipments do not coincide with distributors’ downstream depletions and merely reflect changes in distributors’ inventories. Because changes in distributors’ inventories could affect our trends, we believe it is useful for investors to understand those changes in the context of our operating results.

We perform the following calculation to determine the “estimated net change in distributor inventories”:

- For both the current-year period and the comparable prior-year period, we calculate a “depletion-based” amount by (a) dividing the organic dollar amount (e.g. organic net sales) by the corresponding shipment volumes to arrive at a shipment per case amount, and (b) multiplying the resulting shipment per case amount by the corresponding depletion volumes. We subtract the year-over-year percentage change of the “depletion-based” amount from the year-over-year percentage change of the organic amount to calculate the “estimated net change in distributor inventories.”
- A positive difference is interpreted as a net increase in distributors’ inventories, which implies that organic trends could decrease as distributors reduce inventories; whereas, a negative difference is interpreted as a net decrease in distributors’ inventories, which implies that organic trends could increase as distributors rebuild inventories.