



*McCormick Brings Passion to Flavor™*

**McCormick & Company, Inc.**

Presentation at Barclays Back-to-School Conference  
September 3, 2014





Alan Wilson

Chairman, President & CEO



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# Forward-looking information

Certain information contained in these materials and our remarks are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. These statements may be identified by the use of words such as “may,” “will,” “expect,” “should,” “anticipate,” “intend,” “believe” and “plan.” These statements may relate to: the expected results of operations of businesses acquired by us, the expected impact of raw material costs and our pricing actions on our results of operations and gross margins, the expected productivity and working capital improvements, expectations regarding growth potential in different geographies and markets, expected trends in net sales and earnings performance and other financial measures, the expectations of pension and postretirement plan contributions and anticipated charges associated with such plans, the holding period and market risks associated with financial instruments, the impact of foreign exchange fluctuations, the adequacy of internally generated funds and existing sources of liquidity, such as the availability of bank financing, our ability to issue additional debt or equity securities and our expectations regarding purchasing shares of our common stock under the existing authorizations.

These and other forward-looking statements are based on management’s current views and assumptions and involve risks and uncertainties that could significantly affect expected results. Results may be materially affected by factors such as: damage to our reputation or brand name; loss of brand relevance; increased private label use; product quality, labeling, or safety concerns; negative publicity about our products; business interruptions due to natural disasters or unexpected events; actions by, and the financial condition of, competitors and customers; our ability to achieve expected and/or needed cost savings or margin improvements; the successful acquisition and integration of new businesses; issues affecting our supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials; government regulation, and changes in legal and regulatory requirements and enforcement practices; global economic and financial conditions generally, including the availability of financing, and interest and inflation rates; the investment return on retirement plan assets, and the costs associated with pension obligations; foreign currency fluctuations; the stability of credit and capital markets; risks associated with our information technology systems, the threat of data breaches and cyber attacks; volatility in our effective tax rate; climate change; infringement of our intellectual property rights, and those of customers; litigation, legal and administrative proceedings; and other risks described in the company’s filings with the Securities and Exchange Commission.

Actual results could differ materially from those projected in the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. Unless otherwise indicated herein, information provided in these materials represents our consolidated business activities consistent with the standards of US GAAP and does not represent any of the activities of any one particular legal entity that is part of the consolidated enterprise.

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## Today's food industry

### Factors affecting food industry include ...

- Shifts in consumer demographics and preferences
- Economic pressure continues for many consumers
- Exceptionally competitive retail conditions across channels
- Different choices in away from home eating



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# An advantaged category: Flavor!

Demand for flavor is global & growing...



Source: The Alcott Group: McCormick Consumer Segmentation

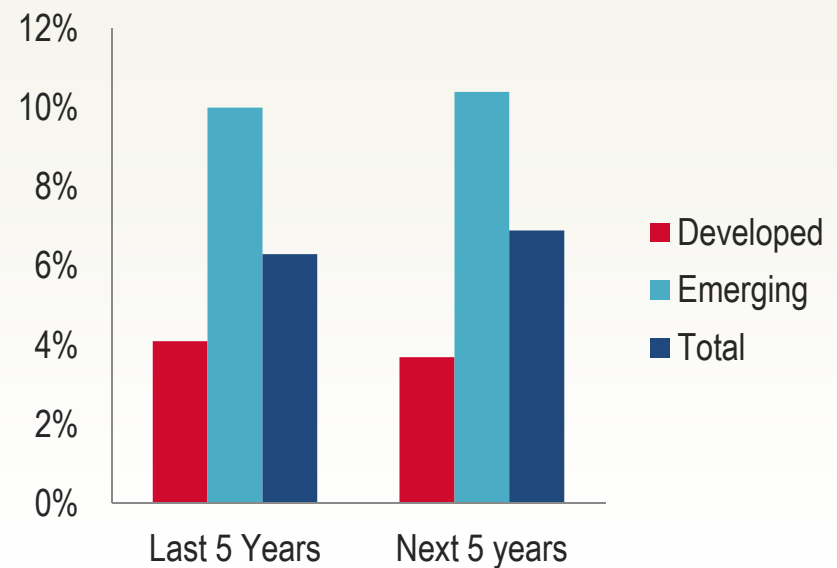
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# An advantaged category: Flavor!

Demand for flavor is growing worldwide

Sales of herbs and spices are growing in both developed and emerging markets



Source: Euromonitor International annualized actual data 2008-2013 and annualized projections 2013-2018

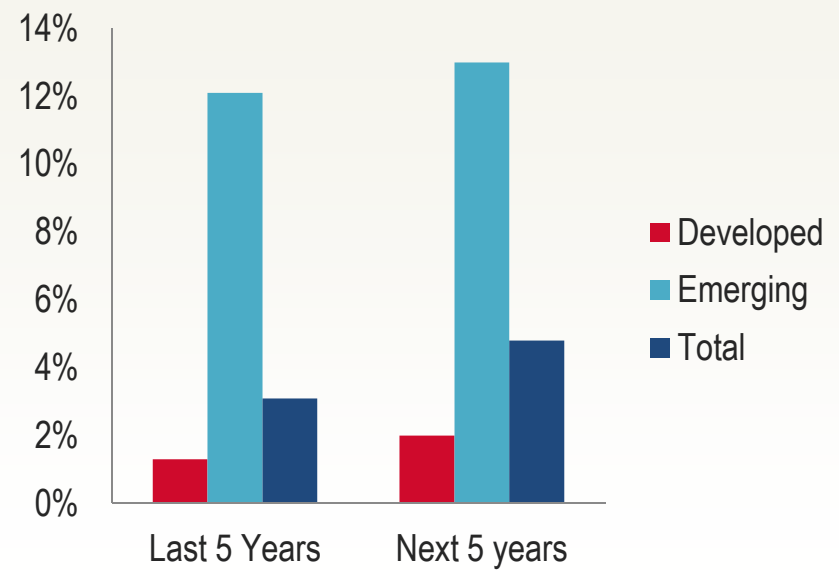
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# An advantaged category: Flavor!

Demand for flavor is growing worldwide

Sales of recipe mixes are also growing in both developed and emerging markets



Source: Euromonitor International annualized actual data 2008-2013 and annualized projections 2013-2018

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## An advantaged category: Flavor!

### Factors driving flavor

- Rising importance of Millennials
- Influence of ethnic demographics
- Increased connectivity of consumers
- Healthier eating
- Rising middle-class consumers in emerging markets



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# An advantaged category: Flavor!

## Rising importance of Millennials



**64%** of Millennials “love to cook” (25% of population, age 18-33) vs 52% of non-Millennials\*

**39%** say the foods they eat are healthier than their parents



\* “American Millennials: Deciphering the Enigma Generation”; 2011 study by Barkley Service Management Group and BCG

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# An advantaged category: Flavor!

## Influence of ethnic demographics

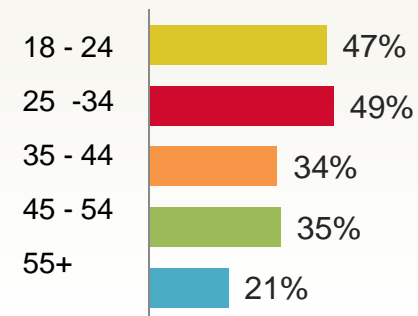
46% “want to know how to make food from other cultures”

Cuisine specific or ethnic fare now accounts for 44% of all U.S. flavoring occasions



“I am more interested in ethnic flavors and cuisines than I was a year ago”

Ethnic flavor & cuisine interest by age



Source: The Alcott Group: McCormick Consumer Segmentation; April 2012 / HRCP Market Map; July 2012

Technomic Flavor Consumer Trends Report, 2013  
Base: 1,500 consumers aged 18+. Consumers indicated their opinion on a scale of 1–6, where 1 = disagree completely and 6 = agree completely

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# An advantaged category: Flavor!

Increased connectivity of consumers



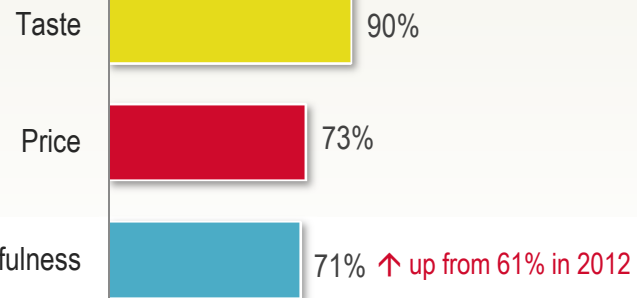
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# An advantaged category: Flavor!

## Healthier eating

### Factors impacting consumers' food and beverage purchases



McCormick inspires healthy choices



Source: International Food Information Council Foundation's 2014 Food and Health Survey

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## An advantaged category: Flavor!

### Partnering with Government Agencies and Trade Agencies to Inspire Healthy Choices

#### Premier Sponsor



#### Strategic Partner

Center for Nutrition Policy & Promotion



#### Active Member



Representing the Makers of the World's Favorite Food, Beverage and Consumer Products



#### Founding Member



Health & Wellness Council

#### Co-creator



#### Supporter



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# An advantaged category: Flavor!

Rising middle-class consumers in emerging markets



Bulk  
estimate  
**\$10 billion**

VS



Packaged

✓ CONVENIENCE

✓ QUALITY

✓ SAFETY

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Our mission: To save your world from boring food

McCormick  
brings the joy of  
flavor to every day

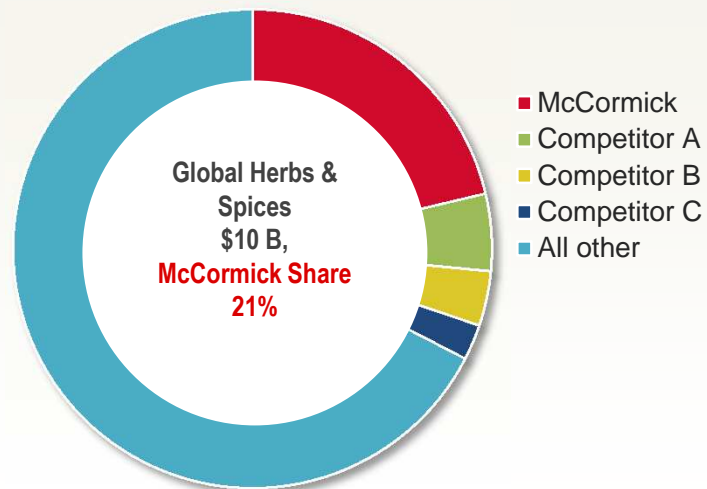
McCORMICK

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# A global leader in flavor

Strong leading share in herbs and spices



Source: Euromonitor International

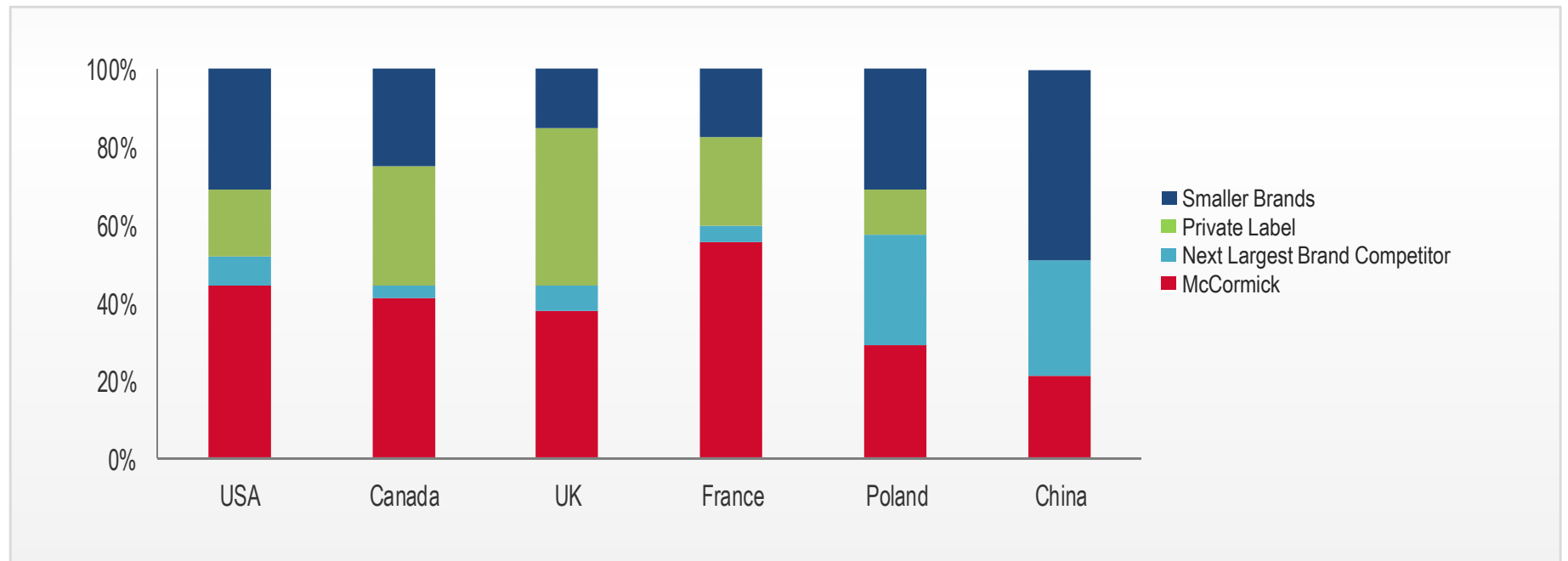
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# A global leader in flavor

Leading share of spice and seasoning category in top markets



Note: Share information based on syndicated scanner data.

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# A global leader in flavor

Consumer business well-positioned for growth

**54%**

share honey in Canada



**48%**

share Asian convenience in U.S.



**#1**

wet marinade in U.S.



**61%**

share mayonnaise in Mexico JV



**43%**

share homemade desserts in France



**#1**

mustard in Poland



**84%**

share gelatin in Australia



Note: Share information based on syndicated scanner data.

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# A global leader in flavor

Industrial business well-positioned for growth

- \$1.6 billion in 2013 sales
- 25 manufacturing locations and 22 technical innovation centers around the world
- Balanced customer mix
- Balanced product portfolio



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## A global leader in flavor

Every day, you are  
likely to enjoy  
something flavored by  
McCormick...

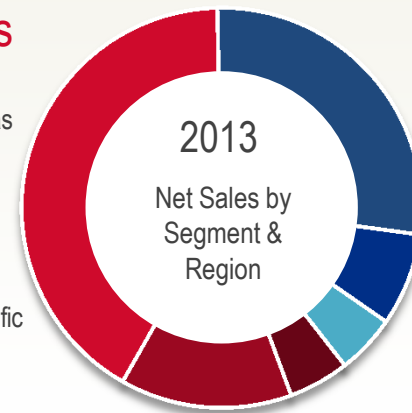


### Consumer Business

- 41% Americas
- 14% Europe,  
Middle East  
and Africa
- 6% Asia/Pacific

### Industrial Business

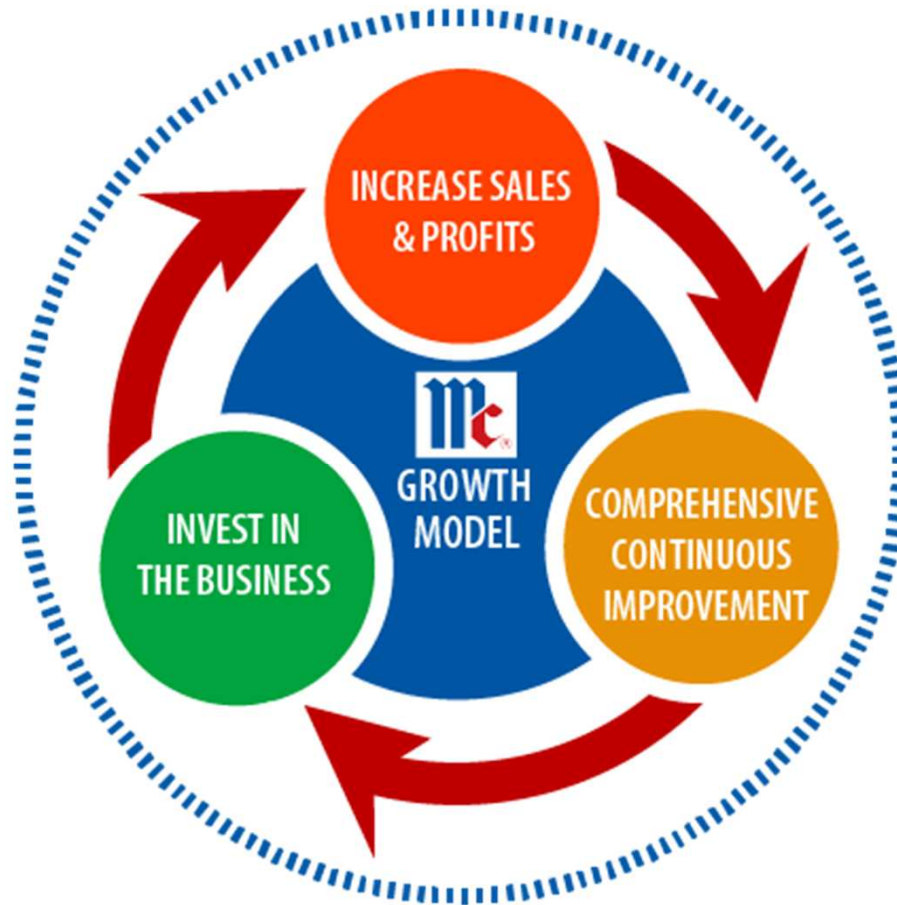
- 26% Americas
- 8% Europe,  
Middle East and  
Africa
- 5% Asia/Pacific



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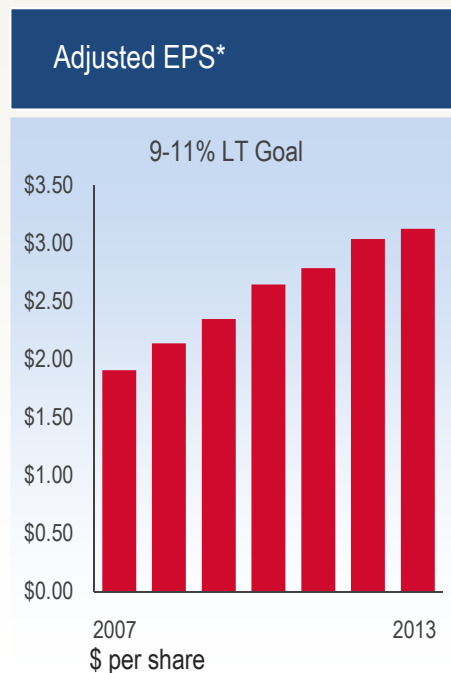
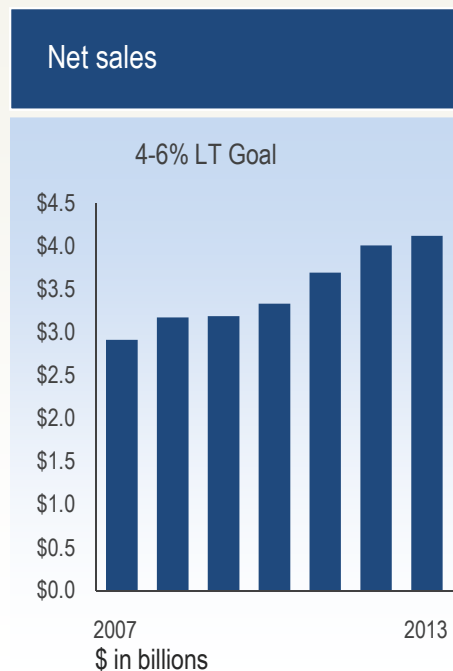
An effective and sustainable growth model driving performance



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# An effective and sustainable growth model driving performance



\* For reconciliation of GAAP to non-GAAP financial measures see 11-year financial history at [ir.mccormick.com](http://ir.mccormick.com)

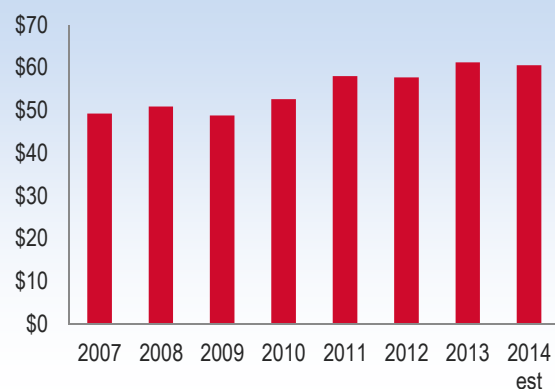
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# An effective and sustainable growth model driving performance

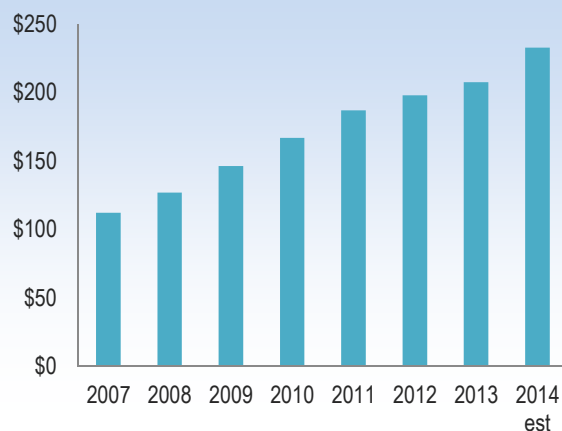
## Investing in R&D, brand marketing and acquisitions

### R&D



\$ in millions

### Brand marketing



### Cash used for acquisitions

2008		\$604
2009		\$76
2011		\$113
2011		\$287
2011		\$40
2013		\$142

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# An effective and sustainable growth model driving performance

Leadership in sourcing and quality




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# An effective and sustainable growth model driving performance

Leadership in sourcing and quality



<b>Newsweek</b>  <b>GREEN RANKINGS</b>			
Rank	Company Name	Sector	Score
1	Allergan (NYSE: AGN)	Health Care	85.1
2	Adobe Systems (Nasdaq: ADBE)	Information Technology	84.4
3	Ball Corporation (NYSE: BLL)	Materials	83.5
4	Ecolab (NYSE: ECL)	Materials	82.6
5	Sigma-Aldrich (Nasdaq: SIAL)	Materials	79.7
6	McCormick (NYSE: MKC)	Consumer Staples	77.6

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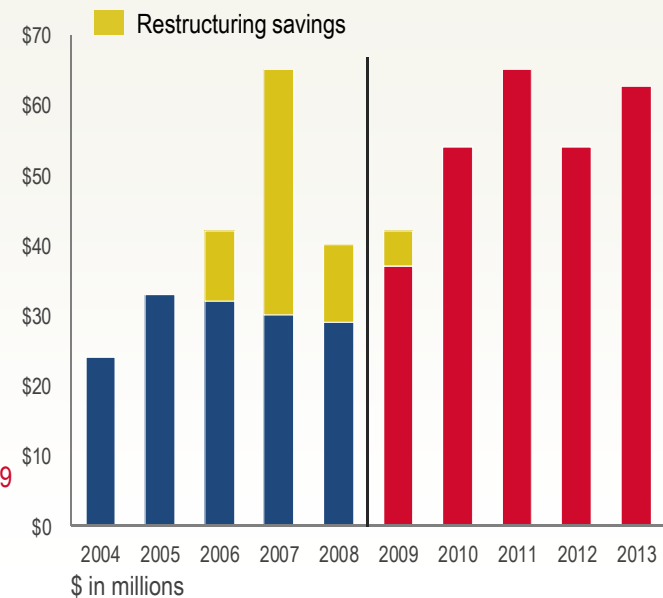
# An effective and sustainable growth model driving performance

## CCI - Comprehensive Continuous Improvement - *Our fuel for growth*

Broad range of productivity improvements has led to steady stream of cost savings

Goal: at least \$45 million annually

Annual costs savings  
CCI program launched in 2009



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# An effective and sustainable growth model driving performance

## *CCI - Our fuel for growth*

- Vendor consolidation
- High-speed equipment and automation
- Process reliability
- Streamline selling, general & administration
- System technology
- Sustainability



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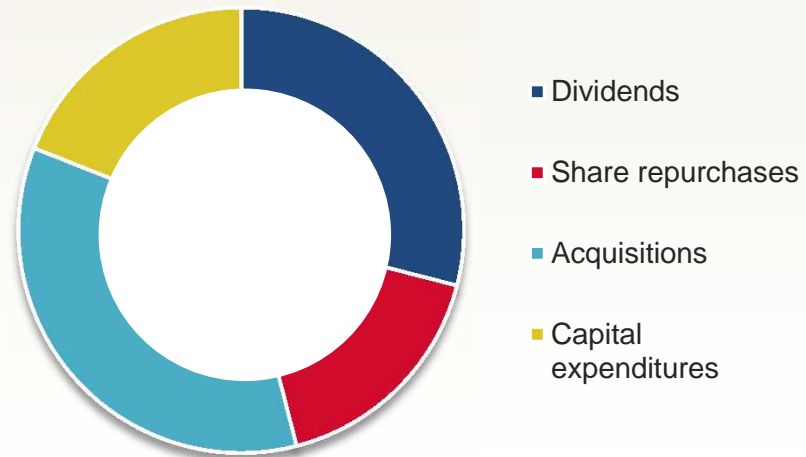


# An effective and sustainable growth model driving performance

## Balanced use of cash

- Capital expenditures
- Acquisitions
- Share repurchases
- Dividends

Uses of cash 2004-2013



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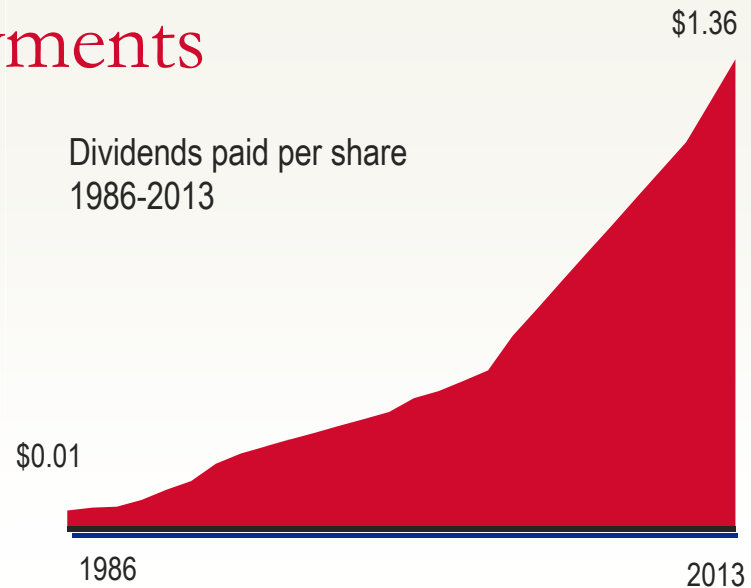


# An effective and sustainable growth model driving performance

## Committed to dividend payments

### Balanced use of cash

- Capital expenditures
- Acquisitions
- Share repurchases
- Dividends



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## McCormick in the U.S. and China



Lawrence E. Kurzius  
President Americas and China & CAO



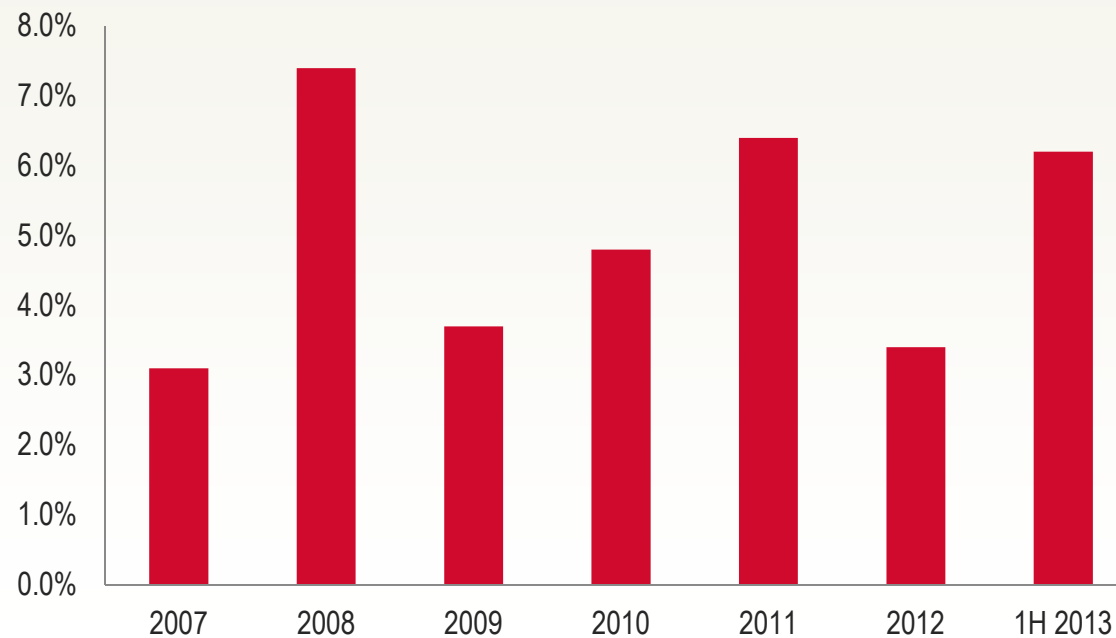
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# Americas consumer business sales

Extended period of robust sales growth through first half 2013

Year on year % change in consumer sales for Americas region, excluding impact of currency and acquisitions



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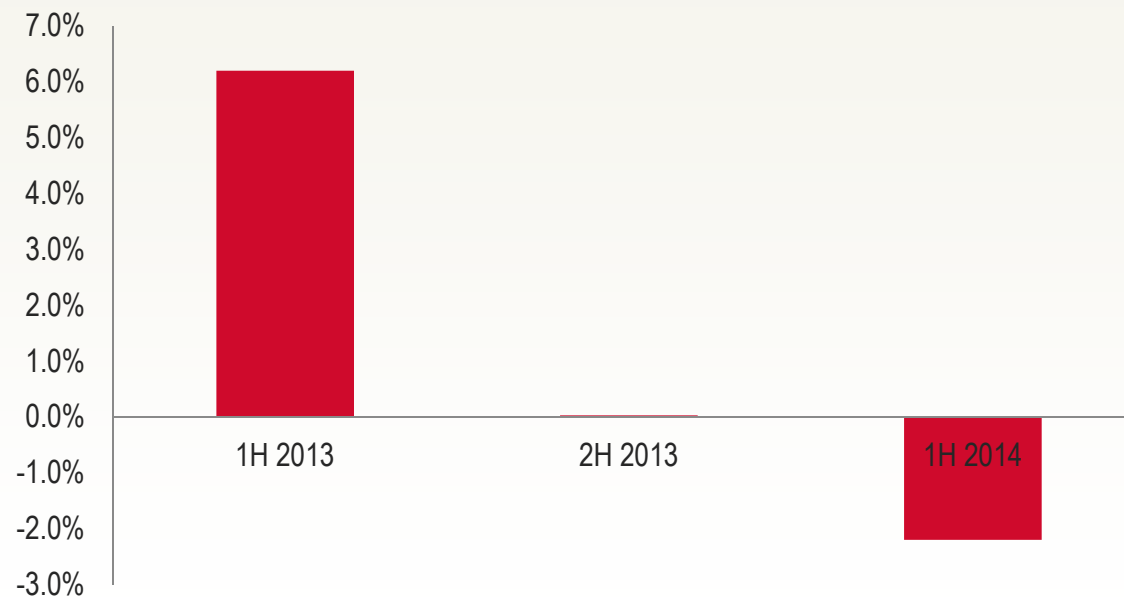




# Americas consumer business sales

Recent weakness following extended period of robust sales growth

Year on year % change in consumer sales for Americas region, excluding impact of currency and acquisitions



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## Driving growth for consumer business

Drive platforms  
globally

Build  
consumer-  
differentiated  
brands

Accelerate  
innovation

Expand  
geographic  
footprint

Superior  
customer  
intimacy

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# Driving growth for U.S. consumer business

Meeting challenges and adapting...“win” with U.S. consumer business

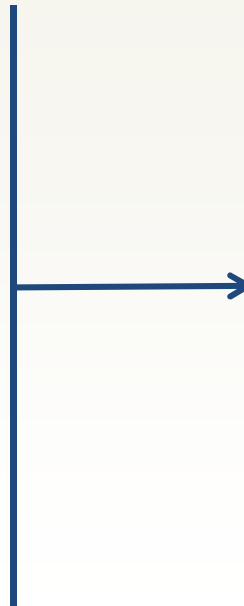
Strengthening brand equity with the consumer

- Increased investment in marketing
- Insight-based innovation

+

Winning at retail

- Realigned sales organization
- Investing in insights and analytics
- Category leadership program



Drive  
growth

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# Strengthening brand equity



#1 Spices



#1 Recipe Mixes



#1 Extracts



#1 Gourmet



#1 Grilling



#1 Hispanic Spices



#1 Seafood Seasonings



#1 New Orleans flavor



#1 Stocks



#1 Organic Spices



#1 Thai cuisine



#1 Seasoned Salt



#1 Marinades



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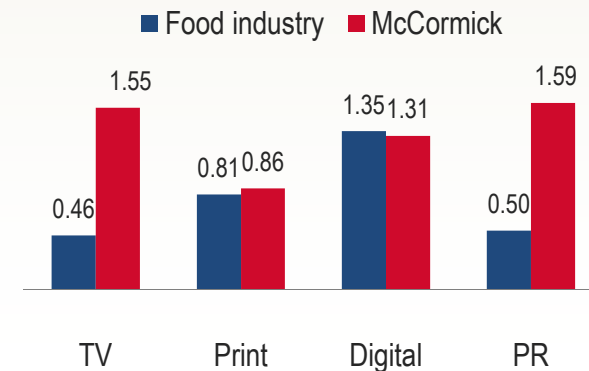
# Build enduring consumer-differentiated brands

## Increased investment in brand marketing



## ROI ahead of industry averages

U.S. ROI ahead of industry average for each major media



2013 U.S. Marketing Mix Analysis; Marketing Management Analytics

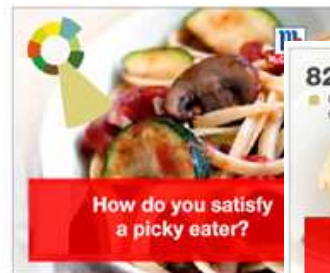
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# Build enduring consumer-differentiated brands

Investing incremental brand marketing support

Incremental funds are boosting campaigns in a number of areas

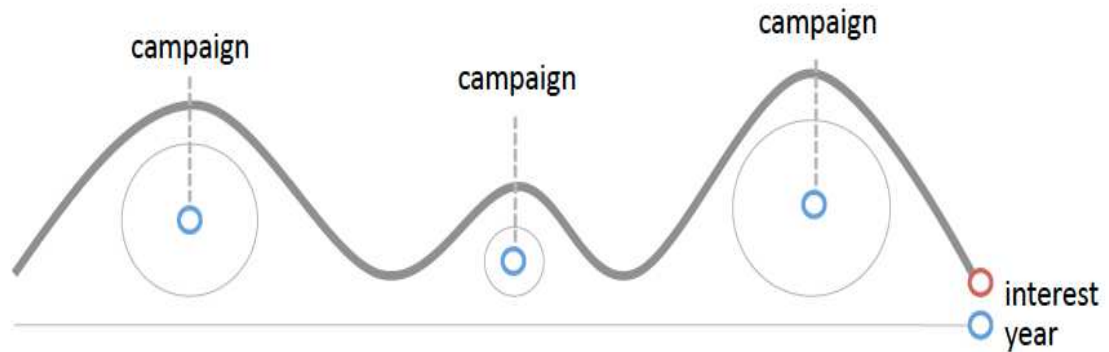


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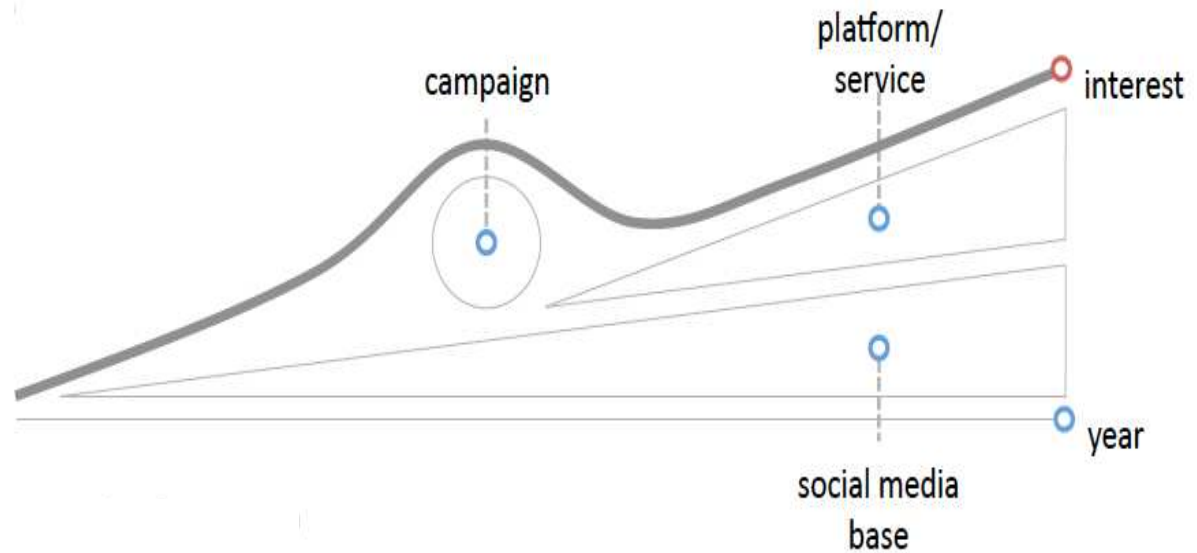


# Build enduring consumer-differentiated brands

Moving from a  
campaign-only  
approach...



...to an always-on  
platform that drives share  
of voice and interest  
throughout the year



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# Build enduring consumer-differentiated brands

- ✓ Improving value perceptions



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# Build enduring consumer-differentiated brands

## Everyday Cooking Supports...

Core H&S, Recipe Mixes, Perfect Pinch, Recipe Inspirations, Seafood and Hispanic

✓ Reinforcing everyday relevance



Proven Results with \$1.88  
ROI and strong halo

Source: Marketing Mix Analysis 4/2014

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# Build enduring consumer-differentiated brands



Everyday



Holiday

Thanksgiving



Christmas



Hispanic



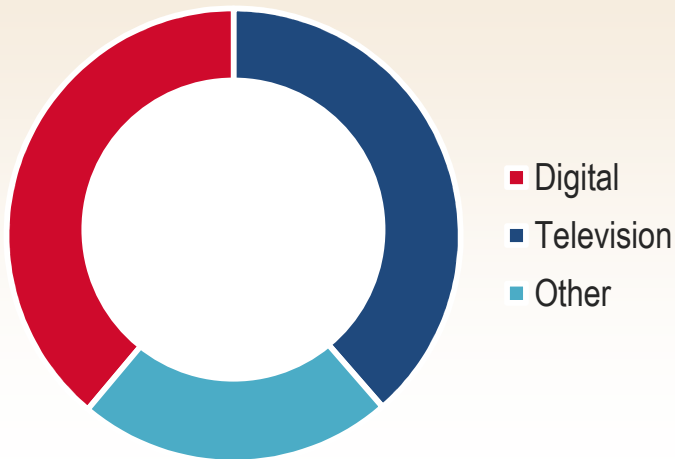
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# Build enduring consumer-differentiated brands

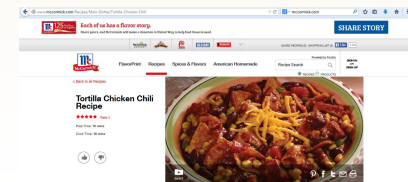
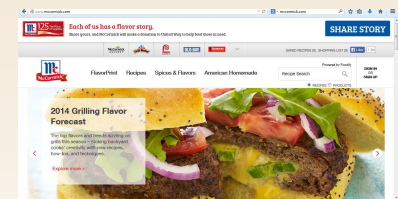
Digital marketing planned to be nearly 40% of U.S. advertising in 2014

Planned 2014 advertising in U.S.



**25 million**  
estimated 2014  
unique visitors to  
mccormick.com

**30 million**  
estimated 2014  
mccormick.com  
recipe views

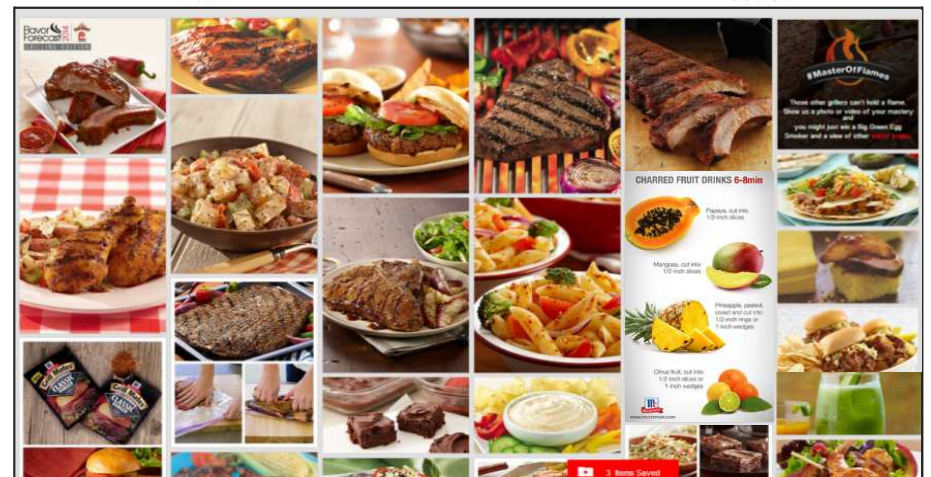
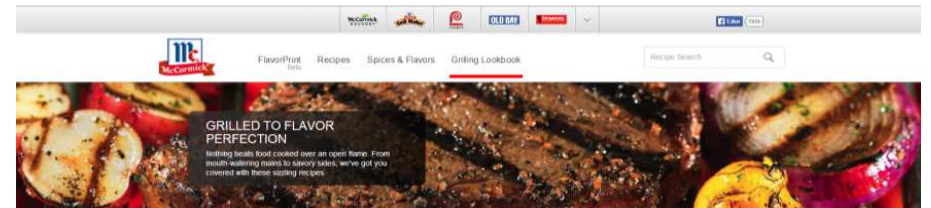
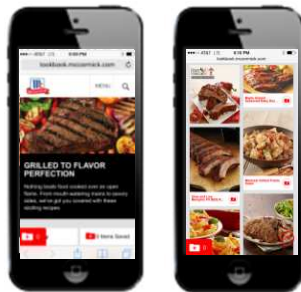
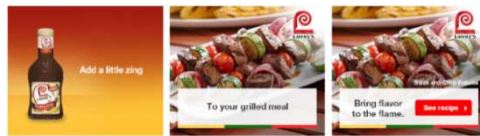


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# New digital grilling platform



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## How are we achieving this? Connected experiences
























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# Build enduring consumer-differentiated brands

## DIGITAL IQ RANKING

DIGITAL IQ INDEX™ FOOD

IN THE COMPANY OF GENIUS			GIFTED	AVERAGE				
RANK	BRAND	DIGITAL IQ	RANK	BRAND	DIGITAL IQ	RANK	BRAND	DIGITAL IQ
1	 General Mills Inc	150	7	 PepsiCo	120	15	 Unilever Group	112
1	 Kellogg Co	150	9	 General Mills	115	16	 Mead Johnson Nutrition Co	108
3	 General Mills	135	9	 Hershey Co.	115	17	 CLIF Bar & Co.	104
4	 Kraft Foods Group	129	9	 Weight Watchers International	115	17	 Kraft Foods Group	104
5	 Unilever Group	121	12	 Barilla Holding	114	19	 Land O' Lakes	103
5	 MCCORMICK & CO INC	121	12	 Kellogg Co.	114	20	 Campbell Soup Co.	101
7	 Chobani	120	12	 Groupe Danone	114	21	 Mondelēz International	100

May 12, 2014

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# Build enduring consumer-differentiated brands



Average Visit Duration

**+17** Minutes

**6x** Higher Pages / Visit

**2** Global Cannes Awards  
most prestigious industry award



Saved Recipes **+14%**

per user vs. old site and total saves  
already  
67% of previous site's 5 year history

Ratings & Reviews **Up**  
surpassing previous site's 5 year  
history

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# Driving growth for U.S. consumer business

Meeting challenges and adapting... “win” with U.S. consumer business

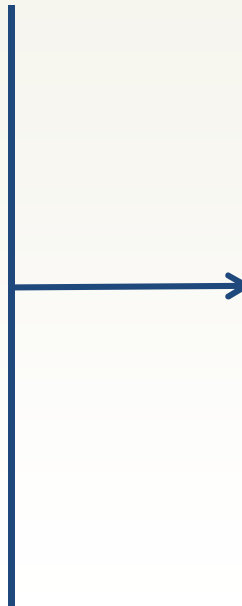
Strengthening brand equity with the consumer

- Increased investment in marketing
- Insight-based innovation

+

Winning at retail

- Realigned sales organization
- Investing in insights and analytics
- Category leadership program



Drive  
growth

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# Insight-based innovation

## Four global mega consumer approaches to cooking

**Everyday  
Solutions**

45%



**Wholesome  
Family Pleasing**

20%



**Make it  
Easy**

19%



**Make it  
Impressive**

16%



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# Insight-based innovation

Products for every cook & cooking approach



Extra Rich Vanilla



Hispanic seasoning blends



Indian Essentials.



Grill Mates burger seasonings



Gluten-free recipe mixes



3-pack Recipe Inspirations



Value-size grinders



Lawry's oven fry mix

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# Insight-based innovation

The evolution of the Dry Recipe Mix category into new formats

## McCormick Skillet Sauces (7)



Sicilian Chicken preferred 79/21 vs.  
#1 SKU in sub-category



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# Insight-based innovation

## Recipe mix success story

- YTD consumption sales up 3.7% vs cat at 2.5%
- Analytics to optimize shelf prices
- Driven by strong programming fueling base growth
- Skillet sauces and gluten free to continue the momentum



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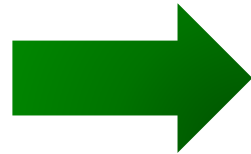




# Insight-based innovation

Preview of 2015 pipeline

McCormick Gourmet...for cooks who appreciate the difference



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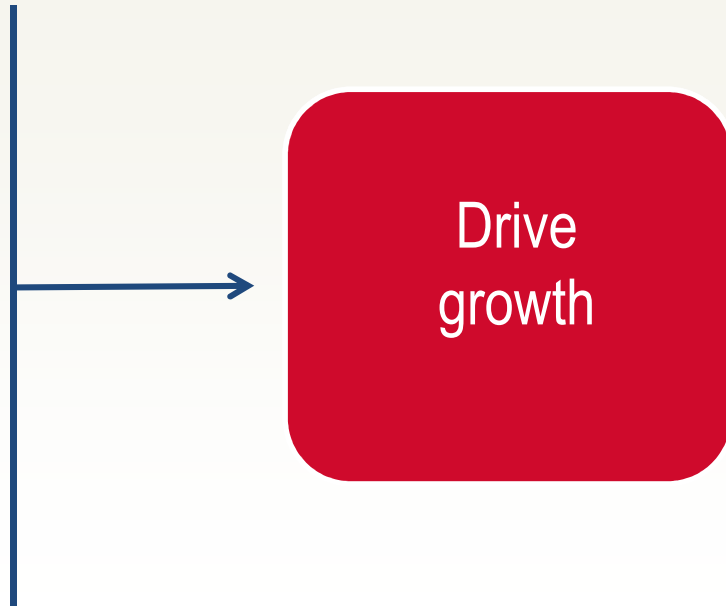
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# Winning at retail

Advantaged position as category leader

## Category leader

- Innovation and marketing
- Quality products at every price point
- Insights and analytics

Enables collaboration on:

- ✓ Merchandising
- ✓ Product assortment
- ✓ Pricing
- ✓ Basket building
- ✓ Loyalty



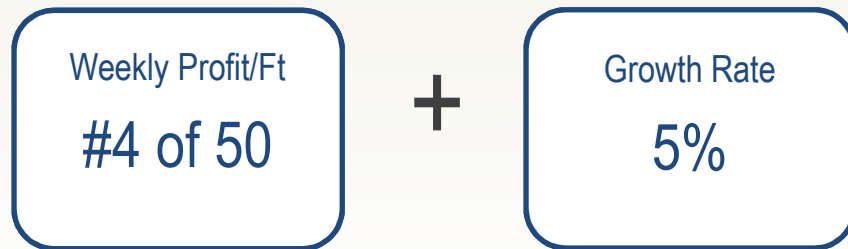
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# Winning at retail

Bringing value to the retailer

Profitable category with healthy growth rate



McCormick brands build the shopper basket



Source: IRI Infoscan Reviews; Willard Bishop Super Study

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## Winning at retail



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## Winning at retail



REALIGNED  
SALES  
ORGANIZATION

INVESTING IN  
INSIGHTS AND  
ANALYTICS

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## Winning at retail



REALIGNED  
SALES  
ORGANIZATION

INVESTING IN  
INSIGHTS AND  
ANALYTICS

CATEGORY  
LEADERSHIP  
PROGRAM

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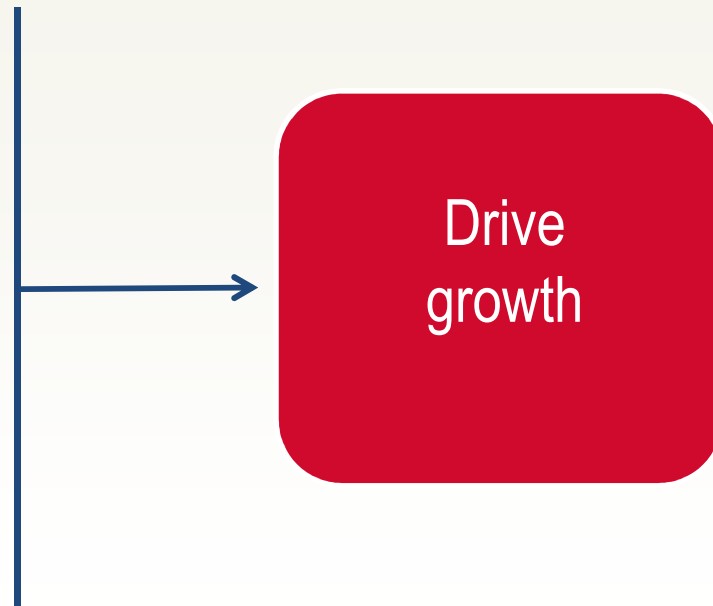
## Strengthening brand equity with the consumer

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# Strategic imperatives driving success



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# Consumer business: growth strategies

Drive platforms globally

Build consumer-differentiated brands

Accelerate innovation

Expand geographic footprint

Superior customer intimacy

Consumer business sales



Consumer business adjusted operating income\*



\$ in millions

\* Operating income excluding special charges and loss on voluntary pension settlement

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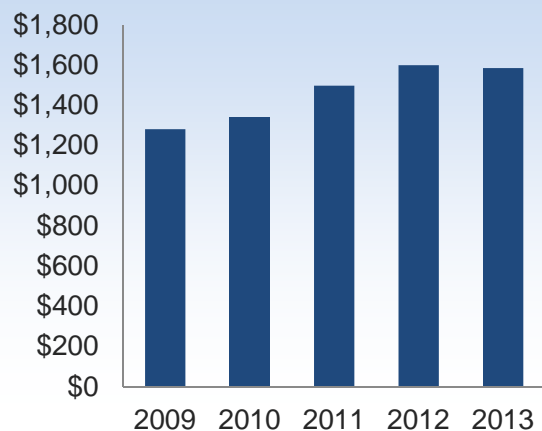
# Industrial business: growth strategies

Superior customer  
intimacy

Flavor leadership with  
our customers

Capabilities to drive  
differentiated solutions

Industrial business sales



Industrial business adjusted operating  
income\*



\$ in millions

\* Operating income excluding special charges and loss on voluntary pension settlement

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# Strategic imperatives driving success



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# 10,000 employees united by a passion for flavor



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# An effective and sustainable growth model driving performance



## Long-term financial objectives

Sales growth	4-6%
Operating income	7-9%
EPS	9-11%
Dividend yield (40% payout)	2%
Total shareholder return	11-13%

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# McCormick – key takeaways

- Consumer demand for flavor is growing worldwide
- Leading share in on-trend categories and full range of flavors
- Product portfolio and geographic presence provides balance and multiple avenues for growth in developed and emerging markets
- Sound fundamentals: experienced leaders and effective growth strategy



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## McCormick & Company, Inc. Historical Financial Summary

The financial information contained in this summary should be read in conjunction with the Company's audited financial statements contained in its annual reports.

<i>(millions except per share and ratio data)</i>	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>For the Year</b>											
Net sales	\$4,123.4	\$4,014.2	\$3,697.6	\$3,336.8	\$3,192.1	\$3,176.6	\$2,916.2	\$2,716.4	\$2,592.0	\$2,526.2	\$2,269.6
Percent increase	2.7%	8.6%	10.8%	4.5%	0.5%	8.9%	7.4%	4.8%	2.6%	11.3%	11.0%
Operating income	550.5	578.3	540.3	509.8	466.9	376.5	354.2	269.6	343.5	332.7	295.5
Income from unconsolidated operations	23.2	21.5	25.4	25.5	16.3	18.6	20.7	17.1	15.9	14.6	16.4
Net income from continuing operations	389.0	407.8	374.2	370.2	299.8	255.8	230.1	202.2	214.9	214.5	199.2
Net income	389.0	407.8	374.2	370.2	299.8	255.8	230.1	202.2	214.9	214.5	210.8
<b>Per Common Share</b>											
Earnings per share - diluted											
Continuing operations	\$ 2.91	\$ 3.04	\$ 2.79	\$ 2.75	\$ 2.27	\$ 1.94	\$ 1.73	\$ 1.50	\$ 1.56	\$ 1.52	\$ 1.40
Discontinued operations	—	—	—	—	—	—	—	—	—	—	0.09
Accounting change	—	—	—	—	—	—	—	—	—	—	(0.01)
Net income	2.91	3.04	2.79	2.75	2.27	1.94	1.73	1.50	1.56	1.52	1.48
Earnings per share - basic	2.94	3.07	2.82	2.79	2.29	1.98	1.78	1.53	1.60	1.57	1.51
Common dividends declared	1.39	1.27	1.15	1.06	0.98	0.90	0.82	0.74	0.66	0.58	0.49
Market Non-Voting closing price - end of year	69.00	64.56	48.70	44.01	35.68	29.77	38.21	38.72	31.22	36.45	28.69
Book value per share	14.85	12.83	12.17	11.00	10.19	8.17	8.57	7.20	6.25	6.79	5.67
<b>At Year-End</b>											
Total assets	\$ 4,449.7	\$4,165.4	\$4,087.8	\$3,419.7	\$3,387.8	\$3,220.3	\$2,787.5	\$2,568.0	\$2,272.7	\$2,369.6	\$2,145.5
Current debt	214.1	392.6	222.4	100.4	116.1	354.0	149.6	81.4	106.1	173.2	171.0
Long-term debt	1,019.0	779.2	1,029.7	779.9	875.0	885.2	573.5	569.6	463.9	465.0	448.6
Shareholders' equity	1,947.7	1,700.2	1,618.5	1,462.7	1,343.5	1,062.8	1,095.0	936.9	829.1	920.7	777.4
<b>Other Financial Measures</b>											
Percentage of net sales											
Gross profit	40.4%	40.3%	41.2%	42.5%	41.6%	40.6%	40.9%	41.0%	40.0%	39.9%	39.6%
Operating income	13.4%	14.4%	14.6%	15.3%	14.6%	11.9%	12.1%	9.9%	13.3%	13.2%	13.0%
Capital expenditures	\$ 99.9	\$ 110.3	\$ 96.7	\$ 89.0	\$ 82.4	\$ 85.8	\$ 78.5	\$ 84.8	\$ 66.8	\$ 62.7	\$ 83.0
Depreciation and amortization	106.0	102.8	98.3	95.1	94.3	85.6	82.6	84.3	74.6	72.0	65.3
Common share repurchases	177.4	132.2	89.3	82.5	—	11.0	157.0	155.9	185.6	173.8	120.6
Average shares outstanding											
Basic	132.1	132.7	132.7	132.9	130.8	129.0	129.3	131.8	134.5	137.0	139.2
Diluted	133.6	134.3	134.3	134.7	132.3	131.8	132.7	135.0	138.1	141.3	142.6

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## Notes to Historical Financial Summary

The historical financial summary includes the impact of certain items that affect the comparability of financial results year to year. In 2013, special charges of \$25.0 million and a loss on voluntary pension settlement of \$15.3 million were recorded. In 2010, the Company had the benefit of the reversal of a significant tax accrual. From 2006 to 2009, restructuring charges were recorded and are included in the table below. Also, in 2008 an impairment charge of \$29.0 million was recorded to reduce the value of the Silvo brand. Related to the acquisition of Lawry's in 2008, the Company recorded a net gain of \$7.9 million. In 2004, the net gain from a special credit was recorded. The net impact of these items is reflected in the following table:

<i>(millions except per share data)</i>	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating income	\$ (40.3)	—	—	—	\$ (16.2)	\$ (45.6)	\$ (34.0)	\$ (84.1)	\$ (11.2)	\$ 2.5	\$ (5.5)
Net income	(29.2)	—	—	\$ 13.9	(10.9)	(26.2)	(24.2)	(30.3)	(7.5)	1.2	(3.6)
Earnings per share - diluted	(0.22)	—	—	0.10	(0.08)	(0.20)	(0.18)	(0.22)	(0.05)	0.01	(0.03)

The reconciliation below shows earnings per share excluding the items in the above table:

### Non-GAAP reconciliation

*(per share data)*

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Earnings per share - diluted											
Continuing operations	\$ 2.91	\$ 3.04	\$ 2.79	\$ 2.75	\$ 2.27	\$ 1.94	\$ 1.73	\$ 1.50	\$ 1.56	\$ 1.52	\$ 1.40
Items affecting comparability	(0.22)	—	—	0.10	(0.08)	(0.20)	(0.18)	(0.22)	(0.05)	0.01	(0.03)
Adjusted earnings per share from continuing operations - diluted	\$ 3.13	\$ 3.04	\$ 2.79	\$ 2.65	\$ 2.35	\$ 2.14	\$ 1.91	\$ 1.72	\$ 1.61	\$ 1.51	\$ 1.43

Other items that varied by year are noted below

In 2006, McCormick began to record stock-based compensation expense and prior years' results have not been adjusted. Stock-based compensation impacted operating income, net income and earnings per share as indicated in the table below:

<i>(millions except per share data)</i>	2013	2012	2011	2010	2009	2008	2007	2006
Operating income	\$ (18.7)	\$ (20.2)	\$ (13.0)	\$ (11.9)	\$ (12.7)	\$ (17.9)	\$ (21.2)	\$ (22.0)
Net income	(13.7)	(14.8)	(9.2)	(8.9)	(8.7)	(12.4)	(14.7)	(15.1)
Earnings per share - diluted	(0.10)	(0.11)	(0.07)	(0.07)	(0.07)	(0.10)	(0.11)	(0.11)

Also in 2006 McCormick reclassified the net book value of in-store displays from property, plant and equipment to other assets. Capital expenditures through 2003 have been adjusted to reflect this reclassification.

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