



**McCormick Announces Sale of Packaging Business**

June 26, 2023

SPRING, Md., Jun. 26, 2023 /PRNewswire-FirstCall via COMTEX - McCormick & Company, Incorporated (NYSE: MCC) today announced that it has reached an agreement to sell substantially all the operating assets of its packaging business to Kerri Group, Inc. The sale includes the assets of both Saco, Inc. and Tubed Products, Inc. The Company acquired Tubed Products, Inc. in 1998 and Saco, Inc. in 1981. These businesses manufacture certain products used for the packaging of McCormick's spices and seasonings as well as packaging materials for other industries such as vitamins, drug, and nutraceuticals.

Under the terms of the sale agreement, the packaging business will be sold for \$142.5 million and include the assumption of all normal trade liabilities. Of the \$142.5 million, \$132.5 million will be paid in cash upon completion of the sale, and the remaining \$10 million will be paid over five years based on meeting certain performance objectives. The transaction is subject to Hart Scott Roberts clearance and other customary closing conditions. McCormick expects the transaction to close during the third quarter of 2023. McCormick and Kerri have also entered into a multi-year supply agreement. Robert J. Lavelle, Chairman, President & CEO of McCormick, stated, "McCormick embarked last year on the strategic part of our food business and was under review. While several options were reviewed, we believe the transaction announced today will build long-term value for McCormick shareholders, create opportunities for the employees of Saco and Tubed Products, and best serve the customer."

The proceeds from this sale will be used to reduce a portion of the debt related to the acquisition of ZebraNet, completed on June 4, 2022. The Company will also reinitiate its share repurchase program. In 2022, McCormick reported sales of \$2,200 million and earnings per share of \$1.26. The disposition of the packaging business will be reported as a discontinued operation. As such, the Company will report a decrease in 2022 sales from continuing operations of \$171 million and a decrease in earnings per share from continuing operations of \$1.07. In 2023, earnings per share from discontinued operations from the packaging business will include approximately \$1.02 for the gain on the sale of this business.

Mr. Lavelle further commented, "We have made two key strategic moves in the last few weeks. First was our acquisition of ZebraNet, a growing business that expands our U.S. customer base and offers opportunities internationally and in food service. Second is the agreement to sell the packaging business. Following the completion of this transaction, McCormick will be fully focused on our core business of spices, seasonings, and flavors. Our base businesses, both consumer and industrial, are our platform for future growth and the key to delivering shareholder value."

**Reclassification of the Packaging Business Results**

The sale of the operating assets of the packaging business will be reported as a discontinued operation beginning in the third quarter of 2023. For detailed information on the reclassifications necessary to reflect this as a discontinued operation in previously issued financial statements, please visit [www.mccormick.com](http://www.mccormick.com), under Company Information, Investor Information, "Reclassification of Packaging Business."

**Forward-Looking Statement**

Certain information contained in this release, including expected revenues and projections, are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could be materially affected by external factors such as: actions of competitors, customer relationships, fluctuations in the cost and availability of supply chain resources and foreign economic conditions, including currency rate fluctuations. The Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

**About Kerri Group, Inc.**

Kerri Group, Inc. is a leading provider of specialty plastic closures and containers in the pharmaceutical, healthcare and food and beverage industries in North America. Kerri designs and manufactures highly engineered, proprietary injection and compression molded plastic closures and containers that incorporate functional features such as child-resistance and tamper-evidence. Kerri is a recognized market leader in technological innovation and proactively works with its customers to design and manufacture closures and containers to serve its customers' specific product needs. In the pharmaceutical market, Kerri partners with its customers in designing packaging which meets or exceeds the requirements of the Food and Drug Administration and the Consumer Product Safety Commission. Kerri is majority-owned by Ferretum Partners, a San Francisco-based private equity firm ([www.ferretumpartners.com](http://www.ferretumpartners.com)). For more information about Kerri Group, visit the Company's website at [www.kerrigroup.com](http://www.kerrigroup.com).

**About McCormick & Company, Incorporated**

McCormick & Company, Incorporated is the global leader in the manufacture, marketing and distribution of spices, seasonings and flavors to the entire food industry - to foodservice and food processing businesses as well as to retail outlets. In addition, the packaging group manufactures and markets specialty plastic bottles and tubes for personal care and other industries. McCormick reported 2022 net sales of \$2.3 billion. For more information about McCormick, visit the Company's website on the Internet at <http://www.mccormick.com>.

**SOURCE: McCormick & Company, Incorporated**

McCormick & Company Corporate Communications, +1-410-771-7210

<http://www.kerrigroup.com>