



McCormick Completes Acquisition of Stubb's, the U.S. Leader in Premium Barbecue Sauces

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SPRINGFIELD, Mo., Aug. 20, 2015 /PRNewswire/ -- McCormick & Company, Incorporated (NYSE: MCC), a global leader in flavor, today announced that it has completed the purchase of 100% of the shares of One World Foods, Inc., seller of Stubb's barbecue sauces ("Stubb's"), a privately held company located in Austin, Texas. McCormick announced the agreement to acquire Stubb's on June 24, 2015.

- Stubb's is the leading premium barbecue sauce brand in the U.S. In addition to barbecue, Stubb's products include marinades, ribs and other sauces. Annual sales of the business are projected to be \$20 million in 2015 and are expected to grow at a double-digit rate annually for the next several years.
- Stubb's products complement McCormick's range of grilling items with the addition of authentic, craft barbecue sauces. McCormick plans to drive sales of the Stubb's brand through expanded distribution, increased household penetration and innovative flavors.
- McCormick has acquired the business for a cash payment of approximately \$100 million, subject to certain closing adjustments.



After opening his first Stubb's Legendary Bar-B-Q restaurant in 1982, C.S. Stubbler began selling his unique sauce to retail grocers in 1982. These products feature bold flavors made of high quality ingredients from a team that knew BBQ. Today, Stubb's is an authentic, craft brand with an enthusiastic and loyal consumer base. With newly expanded distribution and product offerings, annual sales growth exceeded 20% in both 2013 and 2014.

The Stubb's product range of grilling products currently marketed under the Grit Meats, Leary's and McCormick brands. McCormick intends to maintain the headquarters of this business in Texas, and build the Stubb's business through increased household penetration and expanded retail distribution in the U.S. and internationally.

McCormick acquired the Stubb's business for a cash payment of approximately \$100 million subject to certain closing adjustments. Due to the estimated impact of transaction, integration and financing costs, McCormick expects no earnings per share impact in 2015 from this acquisition. However, with plans to achieve strong growth and significant cost synergies McCormick expects incremental EBITDA (before interest, tax, depreciation and amortization) of at least \$10 million by 2017.

Forward-looking information

Certain information contained in this release, including statements concerning expected performance such as those relating to net sales, earnings, cost savings, acquisitions and brand marketing support, 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," "anticipate," "intend," "believe" and "plan." These statements may relate to the expected results of operations of businesses acquired by the company, the expected impact of new material costs and pricing actions on the company's results of operations and gross margin, the expected productivity and working capital improvements, speculative regarding growth potential in various geographic and markets, required needs 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, the ability to raise additional debt or equity securities and expenses regarding purchasing shares of McCormick's 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 adversely affected by factors such as: damage to the company's 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; the company's ability to achieve expected brand/health care savings or margin improvements; negative employee relations; the successful acquisition and integration of new businesses; issues affecting the company's supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials; government regulations; and changes in legal and regulatory requirements and enforcement practices; global economic and financial conditions generally; including the availability of financing; and monetary 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 the company's information technology systems; the threat of data breaches and cyber attacks; volatility in the effective tax rate; impact of climate change on raw materials; infringement of 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. 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, except as may be required by law.

About McCormick

McCormick & Company, Incorporated is a global leader in flavor. With \$4.2 billion in annual sales, the company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry - retail outlets, food manufacturers and foodservice businesses. Every day, no matter where or what you eat, you can enjoy food flavored by McCormick. McCormick Brings Passion to Flavor™

For more information, visit www.mccormick.com

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SOURCE: McCormick & Company, Incorporated