

McCormick Fourth Quarter Performance Led To Record 2016 Financial Results; Continued Growth Expected In 2017

- Sales rose 3% in the fourth quarter from the year age parted. In constanct currency, the company grew sales 4%, with increases in both the consumer and industrial segments. Enrique per shares increased to \$1.1% from \$1.1% in the fourth quarter of 2015, making due to a higher operating income. Adjusted earnings per shares rose \$50, to \$1.27 from \$1.11 in the year age parted.

1 For final part 2016, adds not sen't 3%, reside a 5% from the higher age was been connected to \$1.00 from \$1.11 in the year age parted on the part of the

To 2018 the process of the process o

We are proof of our performance in 2016 and believe we have good monwhalm heading into 2017. Tasts continues to be the leading lated in deciding what consument choose to set. Globally, retail tasks of packaged spices and seasonings, our largest category, have mached \$11 billion and \$100 million in 2017 and savings laid by our CCD program. With higher sales and gessler productivity, we aspect to increase earnings per share in line with our long-term constent currency objective of 29% to 11%. Along with higher profit, we saw secting power another upon from

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RECITATION exposits a continued growing dipolity in curranter demanded for force. Through 2015, Literatorials in Strategies and a significant and a signific

The secretary not received to use freeze and up to represe menggine, for all self-slight gift (received in the least with local and with local containing, we produce, supposed distribution of the Incorrected sales impact of equipilities completed follow) per 20% and of the Incorrect sales in the I

Consumer Segment (in millions)
 (n millions)
 These months ended
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 Net sales
 1,10000281
 1,10000281
 1,10000281

 Net sales
 9 1816
 5 1,702.2
 2,702.2
 2,002.2

 Operating incomes
 9 182.8
 1 162.2
 483.8
 456.1
 4

 Operating incomes, excluding special changes
 182.8
 1 162.2
 483.8
 456.1
 4

Consumer sales in the Americans coast 7%, with minimal impact from conterory rates. In the U.S., the company had storage gasers of McCormiss and Lawry's board spaces and seasonings, and seas

• Industrial sales in the American rose 1%. In consister corrency, the increase was 2% driven mainly by higher sales of branket food service products in the U.S. and snuck seasonings in Mexico.

• Fourth qualitate inclusival sales in EEEA decided USs. In critical converse, the company pays sales of the Confidence for consistent and on the Industrial relational relationship relati

of our President and Chief Essoutive Officer; Executive Vice President and Chief President, Global Industrial Segment and McCormick International; President, Global Consumer Segme enter that are included in cost of coods sold: inconcind employees or operations especial (inninc and expected seylong) to the Management Committee and the Committee's advance approval, expenses

companies because other companies may not calculate them in the same manner that we do. We intend to continue to provide these non-GAAP fin

| | | | | | | | | 11/30/16 | | 11/30/15 | | 11/30/ | | | 11/30/15 |
|---|--|--|--|--|---|--|--|---|--|---|---|--|--|--|------------------------|
| Operating income | | | | | | | - 5 | 219.1 | - 5 | 212.2 | | \$ | 641.0 | - 5 | 103013 |
| Impact of special charges included in | cost of goods sold | | | | | | | 0.3 | | 0.6 | | | 0.3 15.7 | | |
| Impact of other special charges Total special charges | | | | | | | | 59 62 | | 2.4 3.0 | | | 15.7 | | |
| Adjusted operating income % increase versus prior period | | | | | | | | 225.3 | | 215.2 | | 5 | 657.0 7.0 % | s | |
| Income from unconsolidated operation | | | | | | | 5 | 11.9 | 5 | 9.7 | | s | 36.1 | 5 | |
| Impact of special charges attributable Adjusted income from unconsolidated | to non-controlling interests (1) | | | | | | | (1.5) | | 6.0 | | | (1.9) | | |
| % increase (decrease) versus prior | period | | | | | | | 4.2 % | | 2.0 | | | (1.4) % | | |
| Net income | | | | | | | s | 157.4 | \$ | 149.2 | | s | 472.3 | \$ | |
| Impact of total special charges (2) Impact of total special charges attribut | able to non-controlling interests (1) | | | | | | | 5.6 (1.9) | | 3.1 (0.1) | | | 13.0 | | |
| Adjusted net income % increase versus prior period | | | | | | | | 161.1 5.8 % | | 152.2 | | \$ | 483.4 7.5 % | - 5 | |
| Earnings per share - diuted | | | | | | | | 124 | | 1.16 | | | 1.69 | | |
| Impact of total special charges Impact of total special charges attribut | | | | | | | • | 0.04 (0.01) | | 0.02 | | | 0.10 (0.01) | | |
| Adjusted earnings per share - diluted | acie to non-controlling interests. | | | | | | - 1 | 1.27 | | 1.15 | | 5 | 3.78 | - 5 | |
| % increase versus prior period | | | | | | | | 7.6 % | | | | | 8.6 % | | |
| | he total special charge of \$2.6 million to | | | | | | | | | nillion and \$14.2 million to | or the three and twelve mo | nonths ended Nover | mber 30, 2015, respecti | ively, attributable to Koh | hinoor's 15% minority |
| (2) Total special charges of \$6.2 millio | n and \$16.0 million for the three and tw | elve months ended November 30, 20 | 316 and \$3.0 million and \$65.5 million | on for the three and twelve month | hs ended November 30, 2015 as | are net of taxes of \$0.6 million, \$3 | .0 million, \$(0.1) million as | d \$15.6 million, respectively. | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| Because we are a multi-national compa provides additional insight into the under | any, we are subject to variability of our n orlying performance of our operations to | eported U.S. dollar results as a result cated outside of the U.S. It should be | t of changes in foreign currency esc e noted that our presentation hereir | thange rates. Those changes have of amounts and percentage cha | eve been volatile over the past so anges on a constant currency be | several years. The exclusion of the | ne effects of foreign curren of foreign currency transs | cy exchange, or what we ref ction gains and losses (that | ler to as amounts expressed is, the impact of transaction | f on a constant currency a denominated in other th | basis", is a non-GAAP me ran the local currency of a | nessure. We believery of our subsidier | e that this non-GAAP m ries in their local currence | neasure provides addition cy reported results). | ional information that |
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Percentage change in adjusted earnings per share impact of foreign currency exchange rates Percentage change in adjusted earnings per share on co

p, explicitus not from deminding support, with Yearn resolvation guiderness with the memory of Section 21st of the Securities Endowery, Act of the Securities

viktud our products; business triesmylloms due to reskard dissaires or unexpected events, actions by, and the financial condition of, competitous and customent, the company's inshally to clicus; globals economic und framcade conditions generally, including the availability of francing, and invents and frithfrich resks; the investment enture on reference plan assets, and the costs conderings; and other risks described in the company filtings with the Securities and Enchange Commission. water or good and the manufacture of an order of a region professions, and an order of a region of the manufacture of the manuf

| Consolidated Income Statement (in millions except per-phase data) | | | | | | | | | | |
|--|--------------------|----------------|-----|----------------|-----|---------------------|-----|---------------|--|--|
| , | Three months ended | | | | | Twelve months ended | | | | |
| | Nov | ember 30, 2016 | Now | ember 30, 2015 | Nov | ember 30, 2016 | Nov | ember 30, 201 | | |
| Net sales | \$ | 1,227.0 | \$ | 1,201.9 | \$ | 4,411.5 | \$ | 4,296.3 | | |
| Cost of goods sold | _ | 687.0 | _ | 680.2 | _ | 2,579.8 | _ | 2,559.0 | | |
| Gross profit | | 540.0 | | 521.7 | | 1,831.7 | | 1,737.3 | | |
| Gross profit margin | | 44.0 % | | 43.4 % | | 41.5 % | | 40.4 % | | |
| Selling, general and administrative expense | | 315.0 | | 307.1 | | 1,175.0 | | 1,127.4 | | |
| Special charges | _ | 5.9 | _ | 2.4 | _ | 15.7 | _ | 61.5 | | |
| Operating income | | 219.1 | | 212.2 | | 641.0 | | 540.4 | | |
| Interest expense | | 14.3 | | 13.6 | | 56.0 | | 53.3 | | |
| Other income, net | _ | 2.2 | _ | 0.5 | _ | 4.2 | _ | 1.1 | | |
| Income from consolidated operations before income taxes | | 207.0 | | 198.9 | | 589.2 | | 495.2 | | |
| Income taxes | _ | 61.5 | _ | 59.4 | _ | 153.0 | _ | 131.3 | | |
| Net income from consolidated operations | | 145.5 | | 139.5 | | 436.2 | | 364.9 | | |
| Income from unconsolidated operations | _ | 11.9 | _ | 9.7 | | 36.1 | _ | 36.7 | | |
| Net income | | 157.4 | \$ | 149.2 | \$ | 472.3 | \$ | 401.6 | | |
| Earnings per share - basic | \$ | 1.25 | \$ | 1.17 | \$ | 3.73 | \$ | 3.14 | | |
| Earnings per share - diluted | s | 1.24 | s | 1.16 | s | 3.69 | \$ | 3.11 | | |
| Average shares outstanding - basic Average shares outstanding - diluted | | 125.8 | | 127.8 | | 126.6 | | 128.0 | | |

| Fourth Quarter Report | McCormick & Company, Incorporated | | | | | | |
|---|-----------------------------------|---------------|------|---------------|--|--|--|
| Consolidated Balance Sheet | | | | | | | |
| (in millions) | | | | | | | |
| | Nove | mber 30, 2016 | Nove | mber 30, 2015 | | | |
| Assets | | | | | | | |
| Dash and cash equivalents | 5 | 118.4 | 5 | 112.6 | | | |
| Trade accounts receivable, net | | 465.2 | | 455.2 | | | |
| Inventories | | 756.3 | | 710.8 | | | |
| Prepaid expenses and other current assets | | 81.9 | | 78.6 | | | |
| Total current assets | | 1.421.0 | | 1,357.4 | | | |
| Property, plant and equipment, net | | 669.4 | | 618.4 | | | |
| Goodwill | | 1,771.4 | | 1,759.3 | | | |
| Intangible assets, net | | 424.9 | | 372.1 | | | |
| Investments and other assets | | 349.4 | | 365.4 | | | |
| Total assets | | 4.635.9 | - 5 | 4.472.6 | | | |
| Liabilities | | | | | | | |
| Short-term borrowings and current portion of long-term debt | 5 | 393.2 | 5 | 343.0 | | | |
| Trade accounts payable | | 450.0 | | 411.9 | | | |
| Other accrued liabilities | | 578.7 | | 483.7 | | | |
| Total current liabilities | | 1,422.7 | | 1,238.6 | | | |
| Long-term debt | | 1,054.0 | | 1,051.4 | | | |
| Other long-term liabilities | | 521.1 | | 495.7 | | | |
| Total liabilities | | 2,997.8 | | 2,785.7 | | | |
| Shareholders' equity | | | | | | | |
| Common stock | | 1,084.2 | | 1,039.6 | | | |
| Retained earnings | | 1,056.8 | | 1,035.7 | | | |
| Accumulated other comprehensive loss | | (514.4) | | (405.1) | | | |
| Non-controlling interests | | 11.5 | | 16.7 | | | |
| Total shareholders' equity | | 1,638.1 | | 1,685.9 | | | |
| Total liabilities and shareholders' equity | - 5 | 4.635.9 | 5 | 4.472.6 | | | |

| ourth Quarter Report | Mo | Corrick & Com | pany, Inc | preparated |
|--|-------|---------------|-----------|---------------|
| onsolidated Cash Flow Statement | | | | |
| in milliona) | | | | |
| | | Twelve Mo | | |
| | Novem | iber 30, 2016 | Nover | rber 30, 2015 |
| perating activities | | | | |
| et income | \$ | 472.3 | \$ | 401.6 |
| djustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | | 108.7 | | 105.9 |
| Stock based compensation | | 25.6 | | 18.7 |
| Brand name impairment included in special charges | | 7.2 | | 9.6 |
| Special charges | | 7.2 | | 22.8 |
| Loss on sale of assets | | | | |
| Deferred income tax (benefit) expense | | (40.0) | | 1.0 |
| Income from unconsolidated operations | | (36.1) | | (36.7) |
| hanges in operating assets and liabilities | | 01.5 17.4 | | 35.6 |
| ividends from unconsolidated affiliates | _ | | _ | |
| let cash flow provided by operating activities | _ | 658.1 | _ | 590.0 |
| vesting activities | | | | |
| coulsitions of businesses | | (120.6) | | (210.9) |
| oceeds from exit of consolidated joint venture (net of cash paid of \$0.9) | | 4.2 | | - |
| spital expenditures | | (153.0) | | (128.4) |
| oceeds from sale of property, plant and equipment | | 1.7 | | 0.4 |
| oceeds from corporate life insurance | | 1.4 | | - |
| let cash flow used in investing activities | = | (267.1) | = | (335.9) |
| inancing activities | | | | |
| hort-term bornowings, net | | 251.7 | | (127.4) |
| no-term debt borrowings | | 6.0 | | 247.0 |
| no-term debt recoverents | | (202.0) | | (1.6) |
| ocseds from exercised stock options | | 22.2 | | 22.1 |
| ommon stock acquired by purchase | | (242.7) | | (145.0) |
| hidends paid | | (217.0) | | (204.9) |
| let cash flow used in financing activities | = | (271.5) | = | (122.5) |
| flect of exchange rate changes on cash and cash equivalents | | (13.7) | | (16.2) |
| crease in cash and cash equivalents | _ | 5.0 | _ | 35.3 |
| ash and cash equivalents at beginning of period | | 112.6 | | 77.3 |
| ash and cash equivalents at end of period | | 118.4 | 5 | 112.6 |