McCormick & Company, Inc.
4th Quarter 2020 Financial Results and 2021 Outlook

January 28, 2021

BUILDING THE McCORMICK OF THE FUTURE

The following slides accompany a January 28th, 2021, earnings release conference call. This information should be read in conjunction with the press release issued on that date.

FORWARD-LOOKING INFORMATION

Certain information contained in this presentation, including statements concerning expected performance, such as those relating to net sales, volume and product mix, gross margins, earnings, cost savings, brand marketing support, transaction and integration expenses, special charges, acquisitions, income tax expense and the impact of foreign currency rates are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. 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 impact of COVID-19 on our business, suppliers, consumers, customers, and employees; disruptions or inefficiencies in the supply chain, including any impact of COVID-19; the expected results of operations of businesses acquired by the company, including the acquisitions of Cholula and FONA; the expected impact of material costs and pricing actions on the company's results of operations and gross margins; the expected impact of productivity improvements, including those associated with our Comprehensive Continuous Improvement ("CCI") program and global enablement initiative; expected working capital improvements; expectations regarding growth potential in various geographies and markets, including the impact from customer, channel, category, and e-commerce expansion; expected trends in net sales and earnings performance and other financial measures; the expected timing and costs of implementing our business transformation initiative, which includes the implementation of a global enterprise resource planning ("ERP") system; the expected impact of accounting pronouncements; the expectations of pension and postretirement plan contributions and anticipated charges associated with those 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 anticipated sufficiency of future cash flows to enable the payments of interest and repayment of short- and long-term debt as well as quarterly dividends and the ability to issue additional debt or equity securities; and expectations regarding purchasing shares of McCormick's common stock under the existing repurchase authorization.

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: the company's ability to drive revenue growth; 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; actions by, and the financial condition of, competitors and customers; the longevity of mutually beneficial relationships with our large customers; the ability to identify, interpret and react to changes in consumer preferences and demand; business interruptions due to natural disasters, unexpected events or public health crises, including COVID-19; issues affecting the company's 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; the lack of successful acquisition and integration of new businesses, including the acquisitions of Cholula and FONA; global economic and financial conditions generally, including the impact of the exit of the U.K. from the European Union, availability of financing, interest and inflation rates, and the imposition of tariffs, quotas, trade barriers and other similar restrictions; foreign currency fluctuations; the effects of increased level of debt service following the Cholula and FONA acquisitions as well as the effects that such increased debt service may have on the company's ability to borrow or the cost of any such additional borrowing, our credit rating, and our ability to react to certain economic and industry conditions; impairments of indefinite-lived intangible assets; assumptions we have made regarding the investment return on retirement plan assets, and the costs associated with pension obligations; the stability of credit and capital markets; risks associated with the company's information technology systems, including the threat of data breaches and cyber-attacks; the company's inability to successfully implement our business transformation initiative; fundamental changes in tax laws; including interpretations and assumptions we have made, and guidance that may be issued, regarding the U.S. Tax Act enacted on December 22, 2017 and volatility in our effective tax rate; climate change; infringement of intellectual property rights, and those of customers; litigation, legal and administrative proceedings; the company's inability to achieve expected and/or needed cost savings or margin improvements; negative employee relations; 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.

LAWRENCE KURZIUS

STRONG 2020 FINANCIAL PERFORMANCE

- **Delivered strong 2020 results** during period of great disruption
- **Proved** the **strength of business model,** the **value of our products** and **our capabilities as a company**
- **Executed strategies successfully** in unprecedented environment
- **Drove outstanding underlying performance** while
  - **Protecting** and **recognizing employees**
  - **Investing for future growth**
  - **Supporting** our **communities**
- **Excited** about **Cholula** and **FONA acquisitions** to support **differentiated growth**

BREADTH & REACH BALANCES PORTFOLIO FOR CONSISTENCY

OUR BROAD AND ADVANTAGED GLOBAL PORTFOLIO

STRENGTH AND DIVERSITY OF OUR OFFERING

Compelling products for every retail and customer strategy across all channels

creates a balanced portfolio

to drive consistency in our performance during volatile times

1) Approximation of category sizes

FOURTH QUARTER 2020 FINANCIAL RESULTS

GREW NET SALES 5%

- Constant currency increase of 4%
- Both segments contributed to increase

ADJUSTED OPERATING INCOME LOWER 4%

- Constant currency decline of 4%
- Higher sales and CCI-led cost savings
- More than offset by brand marketing investments, COVID-19 related costs and higher employee benefit expenses

ADJUSTED EARNINGS PER SHARE LOWER 2%

- Lower adjusted operating income
- Partially offset by lower interest expense

The non-GAAP measures included herein, which we refer to as "adjusted", exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 37 to 42, including the impact of constant currency.

FOURTH QUARTER CONSUMER SEGMENT UPDATE

AMERICAS

- U.S. branded portfolio consumption growth of 14%
- Continued household penetration and repeat buy rate increases
- Strong holiday execution

EMEA

- Broad based volume growth across the region
- Double-digit branded consumption growth in largest markets
- Significant household penetration and repeat buyer rate increases

APZ

- Branded foodservice decline
- China growth impacted by later Chinese New Year in 2021
- Consumer consumption strong

FOURTH QUARTER FLAVOR SOLUTIONS SEGMENT UPDATE

AMERICAS & EMEA

- Base business strength and new product momentum with packaged food customers
- Demand declines across branded foodservice and restaurant customers

APZ

- Growth with quick service restaurant customers in China and Australia
- Momentum continues with limited time offers and base business

FISCAL YEAR 2020 FINANCIAL RESULTS

SALES GROWTH[1]	**+ 5%**
Consumer up 10%	
Flavor solutions down 3%	
ADJUSTED OPERATING INCOME[2]	**+ 4%**
ADJUSTED EARNINGS PER SHARE	**+ 6%**

- Achieved **$113M cost savings**, driven by our CCI program
- Delivered **record $1B operating cash flow,** a 10% increase
- Announced **10% quarterly dividend increase** – 35th consecutive annual increase

1) Minimal currency impact to total McCormick and Consumer segment sales growth. Flavor Solutions growth includes 1% unfavorable currency impact.
2) Adjusted operating income growth includes 1% unfavorable currency impact.
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FISCAL YEAR 2020 ACHIEVEMENTS

ACCELERATING E-COMMERCE GROWTH

E-commerce Sales +136%

With **triple-digit growth** in **pure-play**, **omni-channel** and **direct-to-consumer**

RECOGNIZED FOR SUSTAINABILITY EFFORTS

DiversityInc 2019 TOP 50 HALL OF FAME

4th Consecutive year

2021 Most Sustainable Corporations in the World GLOBAL 100

#1 **Most sustainable** food products company for **5th consecutive year**

BUILDING BRAND EQUITY

+7% increase in **brand marketing**

Targeted media **messaging** focused on **cooking at home**

Gartner L2 Digital IQ Index

#1 digital ranking across U.S. food brands

Earned title of **Genius**

INVESTING IN GLOBAL INFRASTRUCTURE

Northeast Distribution Center in U.S.

Flavor Solutions Manufacturing Facility in U.K.

GLOBAL FLAVOR LEADERSHIP REINFORCED AND CONDIMENT AND FLAVORS GROWTH PLATFORMS ACCELERATED

CHOLULA HOT SAUCE

- **Iconic brand in high growth category**
- **Leading Mexican hot sauce**
- **Highly complementary to existing hot sauce portfolio**
- **Flavor offering to consumers and foodservice operators broadened**

FONA INTERNATIONAL

- **Leading North American manufacturer of flavors**
- **Scale of global flavor platform increased**
- **Highly complementary portfolio expands breadth of Flavor Solutions segment**
- **Portfolio migration to more value-add and technically insulated products accelerated**

INTEGRATION STATUS

- ✓ Transition and integration activities progressing according to plan
- ✓ Alignment of organizations underway to deliver on opportunities and drive growth

ACCELERATING CONDIMENT GROWTH WITH CHOLULA ACQUISITION

PROVEN PLAYBOOK TO UNLOCK SIGNIFICANT GROWTH POTENTIAL

- **Leverage operational expertise** and **infrastructure**
- **Elevate** brand **awareness**, **increase availability** and **extend product** offerings
- **Drive trial** and **household penetration**
- **Carried outstanding momentum** into 2021 with **strong consumption growth**

REACH ACROSS FOODSERVICE CUSTOMERS STRENGTHENS GO-TO-MARKET MODEL

- **Expand distribution** and **increase** new **restaurant penetration**
- **Drive growth** using **culinary foundation** and **deep insights** to **expand recipe inspiration** and **flavor solutions** offered to operators

FONA IS THE CORNERSTONE FOR ACCELERATING AMERICAS' FLAVOR PLATFORM

ACCELERATING FLAVOR GROWTH

- **Expands breadth** and **depth** in flavor development
- **Increases scale,** manufacturing **capacity** and **technical bench strength**
- **Creates growth opportunities** with more **comprehensive** product **offering**

ADVANCES HEALTH AND WELLNESS PORTFOLIO

- **Expands capabilities** and **technology platform**
- **Adds expertise** in flavoring **health** and **performance nutrition** products
- **Enhances clean** and **natural leadership**

INCREASES CUSTOMER VALUE PROPOSITION

- **Extends reach** with **complementary global** and **mid-tier customers**
- **Deepens** existing **relationships** and **establishes inroads** with **new customers**

FONA INTERNATIONAL

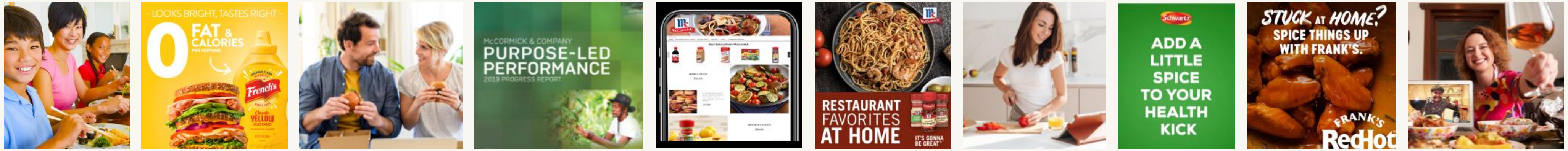
GLOBAL DEMAND FOR FLAVOR IS THE FOUNDATION OF SALES GROWTH

CAPITALIZING ON ACCELERATED LONG-TERM CONSUMER TRENDS

- **Healthy and flavorful cooking**
- **Trusted brands**
- **Digital engagement**
- **Purpose-minded practices**

SUSTAINABLY POSITIONED FOR CONTINUED GROWTH

- **Alignment with consumer trends**
- **Breadth and reach of portfolio**
- **Current market conditions**
- **Effective strategies and robust growth plans**



CONSUMER SEGMENT GROWTH DRIVERS

CURRENT CONDITIONS

- **Sustained elevated consumer demand in all regions**
- **Proprietary survey data indicates consumers**
  - Enjoy the cooking experience
  - Feel meals prepared at home are safer, healthier, better tasting and cost less
- **Uncertainty in pace of vaccinations**
- **Increased and sustained preference for cooking at home expected to:**
  - Continue globally
  - Persist beyond the pandemic
  - Drive consumer demand for McCormick product

PLANS TO FUEL GROWTH

- **Execute on strong category management initiatives**
  - Supply chain resiliency strengthened
  - In-store experience reinvention for U.S. spices and seasonings consumers
- **Increase investments in brand marketing**
  - Proven effective and high ROI investments
  - Real-time content creation driven by consumer insights
- **Differentiate our brands with new product innovation**
  - Significant momentum from 2020 launches
  - Strong pipeline for 2021

FLAVOR SOLUTIONS SEGMENT GROWTH DRIVERS

CURRENT CONDITIONS

- **Packaged food customers returned to pre-COVID growth rates**
- **Restaurant and other foodservice customers**
  - COVID-19 restrictions still impactful in most markets
  - Increased resurgence restrictions impacting restaurant customers less due to adapted operating models
- **Pace of recovery**
  - Quick service restaurant customers faster as less oriented to dine-in
  - Branded foodservice customers recovering slower
- **Positive fundamentals in place to navigate recovery**

PLANS TO FUEL GROWTH

- **Momentum with packaged food customers**
  - Strength in core iconic and new products
  - Bigger-bet innovation in 2021
- **Differentiated customer engagement**
  - New product wins
  - Collaborate on opportunities, solutions & recovery plans
  - Strengthen customer partnerships
- **Portfolio migration to value-added categories**
  - Top line opportunities from investments
  - Momentum in flavor categories
  - Opportunities from FONA acquisition

STRONG FUNDAMENTALS AND MOMENTUM INTO 2021

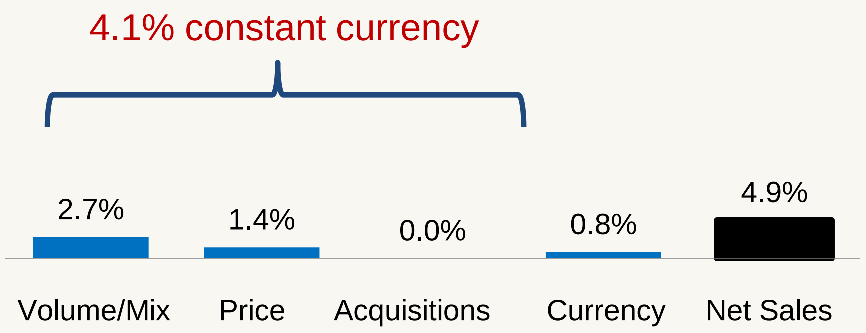
- **Consumer momentum**, **Flavor Solutions recovery** and **Cholula** and **FONA** acquisitions bolster confidence in **2021 growth**
- **2020 achievements** and **effective strategies reinforce confidence** in **strong 2021 performance**
- **Organic sales growth** expected in **both segments** in 2021
- **Well positioned in 2021 to drive significant growth** and **fund investments** for the future with **strong underlying business performance** and **growth from acquisitions**
- **Momentum** and **success** are **driven** by **McCormick employees**

MIKE SMITH

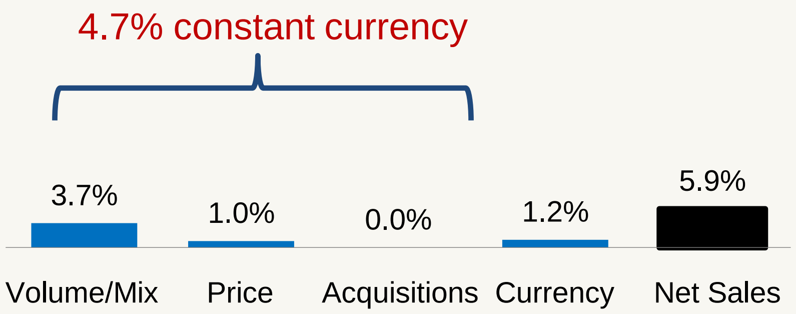
Executive Vice President and
Chief Financial Officer

4Q 2020 SALES RESULTS

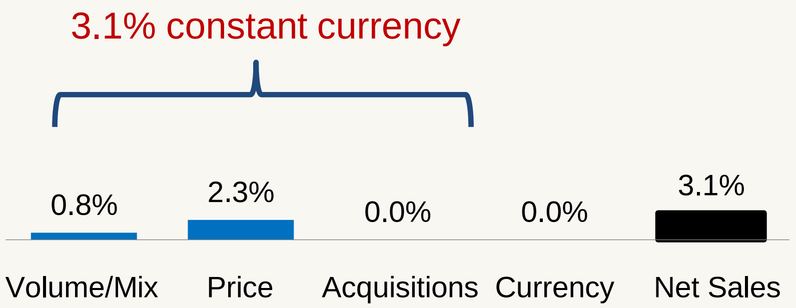
TOTAL COMPANY



CONSUMER



FLAVOR SOLUTIONS



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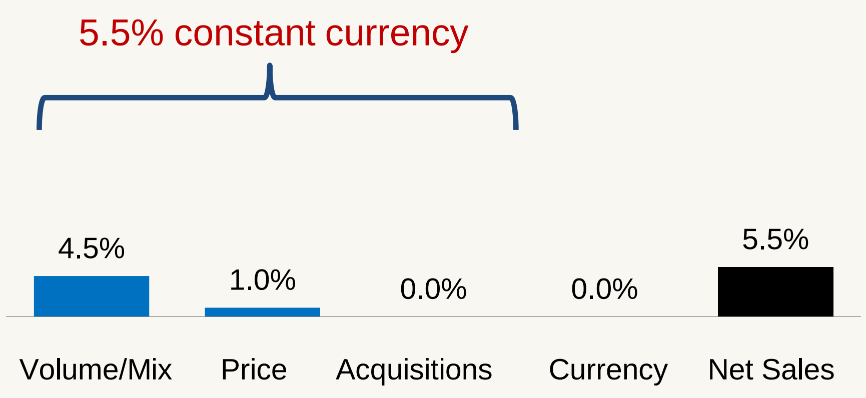
4Q 2020 SALES RESULTS: CONSUMER SEGMENT

AMERICAS



- Higher volume and product mix across many brands:
  - Simply Asia and Thai Kitchen
  - Frank’s RedHot and French’s
  - Zatarain’s and Lawry’s
- Partially offset by declines in branded spices and seasonings, recipe mixes and private label due to capacity constraints

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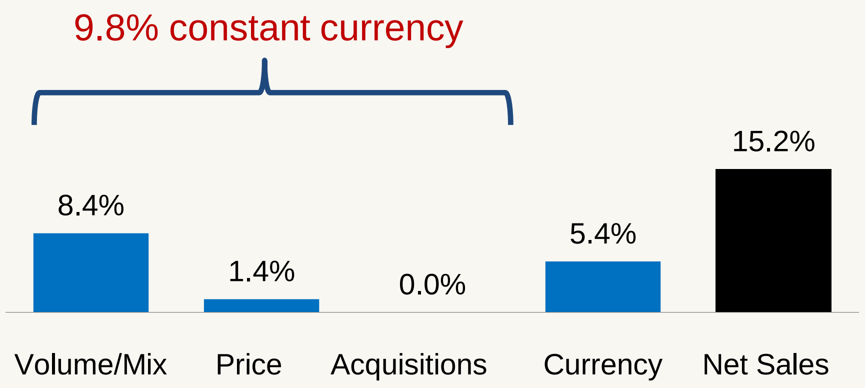
4Q 2020 SALES RESULTS: CONSUMER SEGMENT

EMEA



- Strong growth in all countries across the region
- Significant volume and mix growth drivers:
  - Schwartz and Ducros branded spices and seasonings
  - Vahine homemade dessert products
  - Kamis branded products

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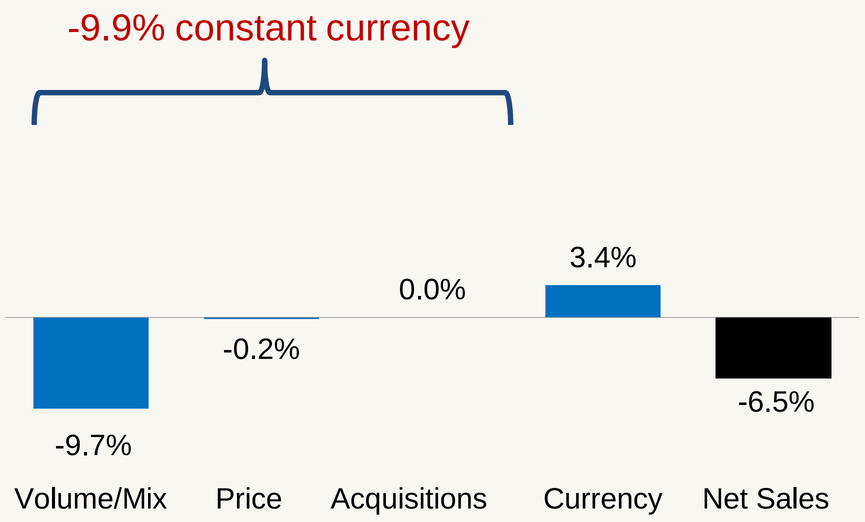
4Q 2020 SALES RESULTS: CONSUMER SEGMENT

ASIA / PACIFIC



- Decline driven by:
  - Lower branded foodservice sales
  - Shift to a later Chinese New Year in 2021

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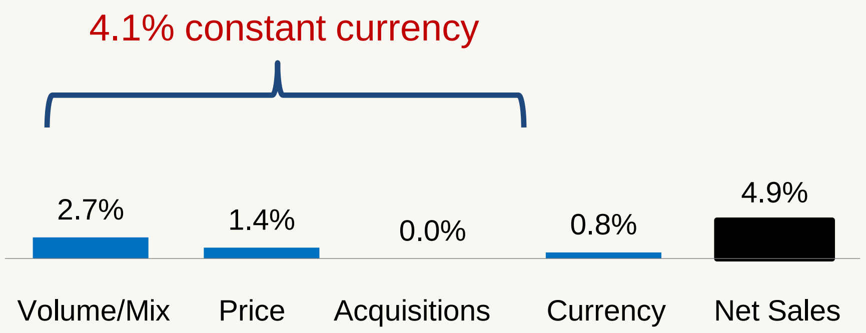
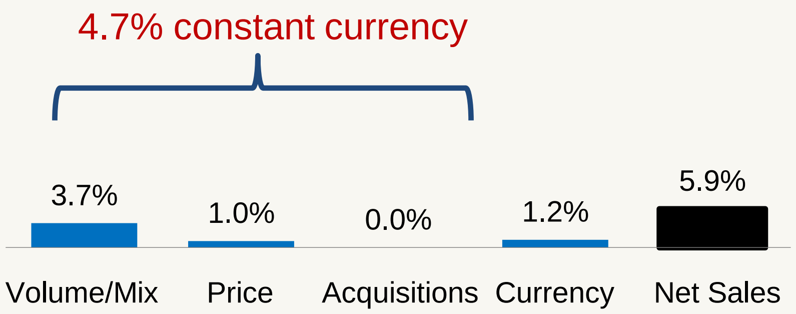
4Q 2020 SALES RESULTS

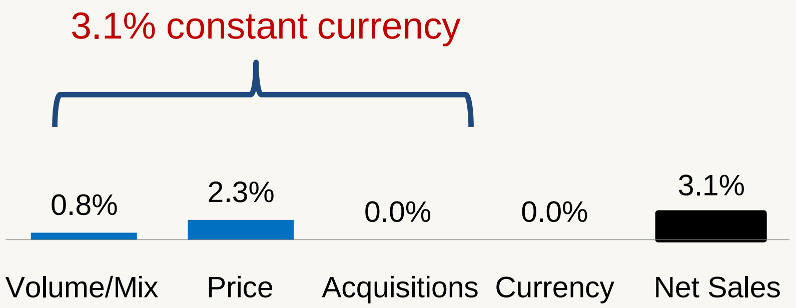
TOTAL COMPANY



CONSUMER



FLAVOR SOLUTIONS



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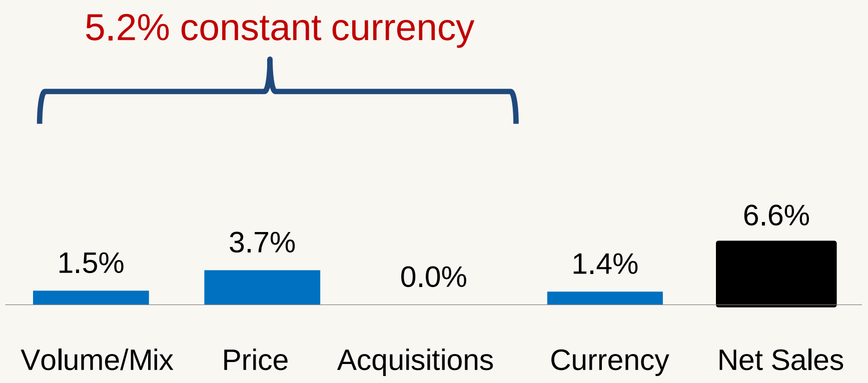
4Q 2020 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

EMEA



- Pricing to offset cost increases
- Higher volume and mix driven by:
  - Growth with packaged food companies with strength in snack seasonings
  - Partially offset by lower sales to branded foodservice and other restaurant customers

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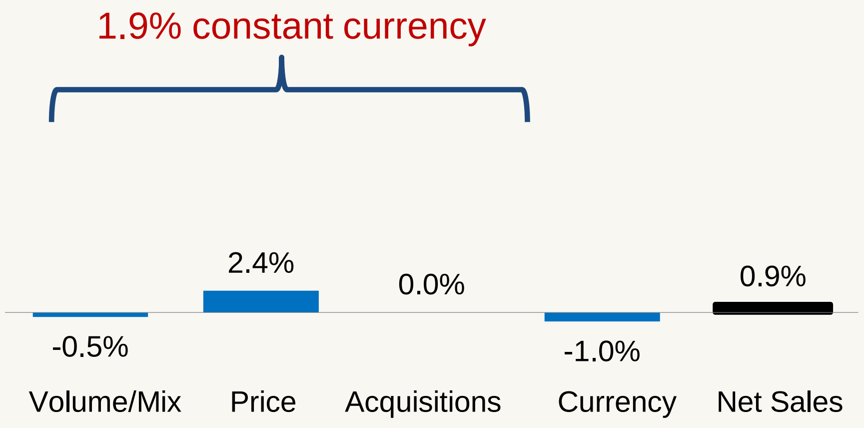
4Q 2020 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

AMERICAS



- Pricing to offset cost increases
- Volume and mix decline driven by:
  - Reduced demand from branded foodservice and other restaurant customers
  - Partially offset by higher demand from packaged food companies with strength in snack seasonings

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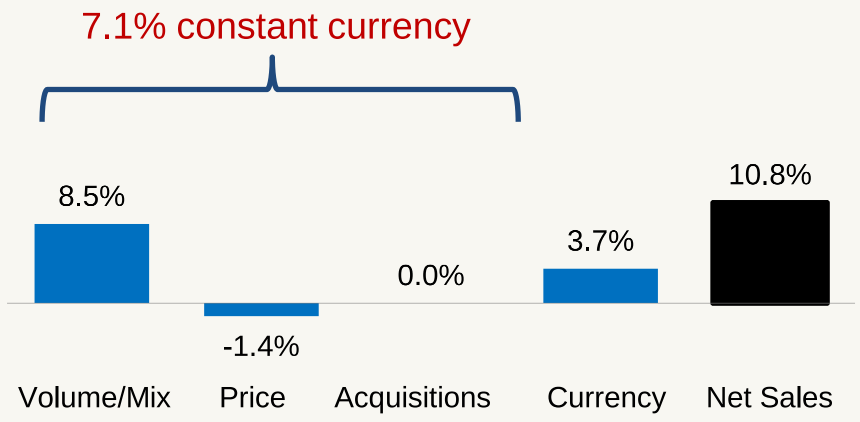
4Q 2020 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

ASIA / PACIFIC



- Growth with quick service restaurant customers in China and Australia

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OPERATING INCOME

(in millions)	4Q 2020	4Q 2019	4Q Fav/(Unfav) Change	FY2020 Fav/(Unfav) Change
Operating income	**$274.9**	**$299.2**	(8%)	4%
Adjusted operating income	**$290.2**	**$303.1**	(4%)	4%
Consumer	**220.7**	**226.7**	(2%)	16%
Flavor Solutions	**69.5**	**76.4**	(9%)	(21%)

- 4% constant currency adjusted operating income decline for total company
  - Both segments impacted by higher sales, CCI-led cost savings, additional costs related to COVID-19 and higher employee benefit expenses
  - Consumer segment decline of 2% also impacted by 18% increase in brand marketing versus 4Q 2019
  - Flavor Solutions segment decline of 9% also impacted by unfavorable product mix
- Transaction and integration expenses were $12 million in 4Q 2020
- Special charges were $3 million in 4Q 2020 versus $4 million in 4Q 2019

The non-GAAP measures included herein, which we refer to as “adjusted”, exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 37 to 42, including the impact of constant currency.

OPERATING MARGIN

(in millions)	4Q 2020	4Q 2019	4Q Fav/(Unfav) Change	FY2020 Fav/(Unfav) Change
Gross margin	**42.4%**	**42.4%**	0 bps	100 bps
Selling, general & administrative expenses as percent of net sales	**23.8%**	**22.0%**	(180) bps	(110) bps
Operating margin	**17.6%**	**20.2%**	(260) bps	(10) bps
Adjusted operating margin	**18.6%**	**20.4%**	180) bps	(10) bps

- 4Q 2020 gross margin comparable to 4Q 2019 and adjusted operating margin decline of 180 basis points
- 2020 gross margin expansion of 100 basis points
- 2020 adjusted operating margin comparable to last year
  - Favorable impact of higher Consumer segment sales and CCI-led cost savings
  - Offset by lower Flavor Solutions sales, COVID-19 related expenses, higher incentive compensation expense and brand marketing investments

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INCOME TAXES

(in millions)	4Q 2020	4Q 2019	FY2020	FY2019
Income tax rate	**23.2%**	**24.8%**	19.8%	19.2%
Adjusted income tax rate	**22.9%**	**24.7%**	19.9%	19.5%

- Adjusted income tax rate lower than 4Q 2019 due to favorable discrete items
- 2020 adjusted income tax rate increased 40 bps versus 2019

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INCOME FROM UNCONSOLIDATED OPERATIONS

(in millions)	4Q 2020	4Q 2019	4Q Fav/(Unfav) Change	FY2020 Fav/(Unfav) Change
Income from unconsolidated operations	**$10.6**	**$11.7**	(9%)	0%

- Income from unconsolidated operations declined 9% in 4Q 2020 and was comparable 2020 and 2019

EARNINGS PER SHARE

	4Q 2020	4Q 2019	Fav(Unfav) Change
Earnings per share	**$0.74**	$0.79	(6%)
Adjusted earnings per share	**0.79**	0.81	(2%)

Change in adjusted earnings per share	
Decrease in adjusted operating income	($0.04)
Decrease in interest expense	0.02
Decrease in adjusted tax rate	0.02
Other impacts, net	(0.02)
Total decrease	($0.02)

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BALANCE SHEET AND CASH FLOW

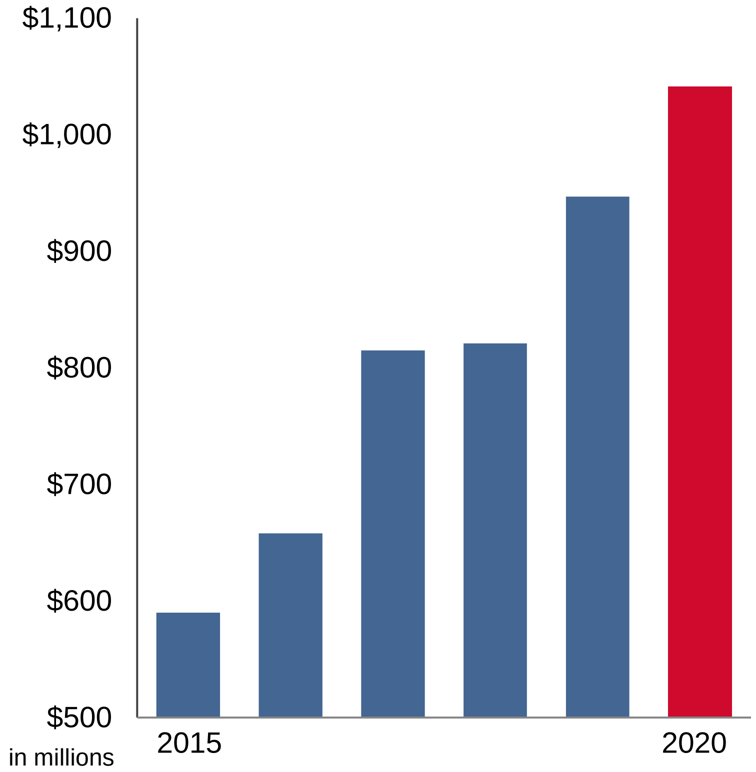
- **Increased cash flow** from operations **10%** from 2019
- **Returned** $330 million of **cash to shareholders** through dividends
- **Fully paid** off **term loans** related to **Frank's and French's** acquisition
- **Expect** to **delever to ~3.0x** by end of **fiscal 2022**
  - Pre-synergy, proforma net debt-to-adjusted EBITDA ratio of ~3.9X
- **Funded capital investments** of $225 million in 2020

We expect 2021 to be another year of strong cash flow to fund investments to drive growth, return to shareholders and pay down debt

RECORD HIGH

$1B

IN CASH FLOW FROM OPERATIONS



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2021 FINANCIAL OUTLOOK

	Reported Currency	Constant Currency
Sales growth	**7% to 9%**	**5% to 7%**
Contribution from Cholula and FONA acquisitions	3.5% to 4%	
Adjusted operating income increase	**8% to 10%**	**6% to 8%**
CCI-led cost savings	Approximately $110M	
Cost inflation	Low single-digit increase	
Adjusted gross profit margin	Comparable to 25 bps increase	
Brand marketing	Low single-digit increase	
Income from unconsolidated operations	Low single-digit increase	
Adjusted tax rate	Approximately 23%	
Adjusted earnings per share	**$2.91 to $2.96**	
Adjusted earnings per share growth	**3% to 5%**	**1% to 3%**
Shares outstanding	Approximately 270M	

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2021 OUTLOOK GROWTH RATES

	STRONG BASE BUSINESS & ACQUISITION GROWTH	COVID-19 COST INCREASE	ERP INVESTMENT	TAX HEADWIND		2021 CONSTANT CURRENCY GUIDANCE
Sales growth*	5% to 7%				→	5% to 7%
Adjusted operating income growth*	10% to 12%	-1%	-3%		→	6% to 8%
Adjusted EPS growth*	9% to 11%	-1%	-3%	-4%	→	1% to 3%

* In constant currency

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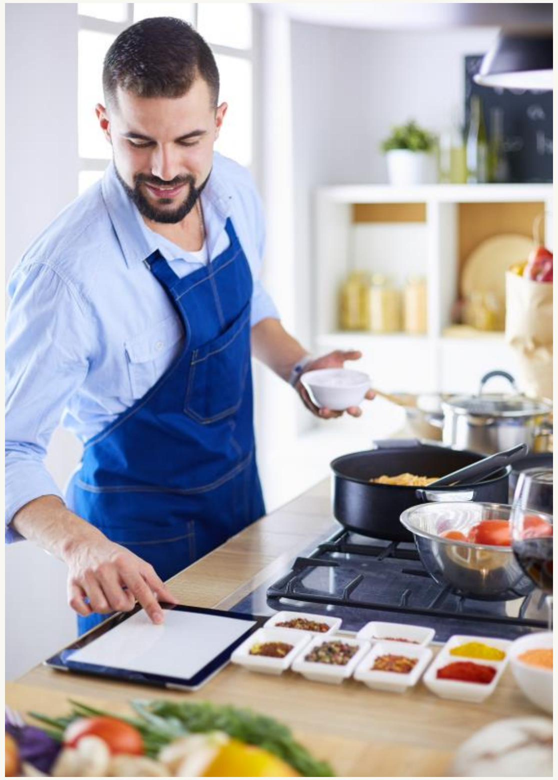
KEY TAKEAWAYS

- **Strong 2020 results** prove **strength of business model, the value of our products, our capabilities as a company** and **successful strategy execution**
- **Strong foundation** and **well-positioned** to capitalize on **accelerating consumer trends**
- **Cholula** and **FONA acquisitions accelerate condiment** and **flavors growth**
- **Fundamentals, momentum and growth outlook** are **stronger than ever**
- **Confidence** in **emerging stronger** with a **2021** outlook **reflecting differentiated growth** and **performance** while **making investments** for the future



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4th Quarter 2020 Financial Results and 2021 Outlook

January 28, 2021

BUILDING THE McCORMICK OF THE FUTURE

The following slides accompany a January 28th, 2021, earnings release conference call. This information should be read in conjunction with the press release issued on that date.

NON-GAAP FINANCIAL MEASURES

The tables below include financial measures of adjusted operating income, adjusted operating income margin, adjusted income tax expense, adjusted income tax rate, adjusted net income and adjusted diluted earnings per share, each excluding the impact of special charges for each of the periods presented. For 2020, these financial measures also exclude transaction and integration expenses. For 2019, these financial measures also exclude the net non-recurring income tax benefit related to the U.S. Tax Act as this impacts comparability between years. Adjusted operating income, adjusted operating income margin, adjusted income tax expense, adjusted income tax rate, adjusted net income and adjusted diluted earnings per share represent non-GAAP financial measures which are prepared as a complement to our financial results prepared in accordance with United States generally accepted accounting principles. These financial measures exclude the impact, as applicable, of the following:

In our consolidated income statement, we include a separate line item captioned “Special charges” in arriving at our consolidated operating income. Special charges consist of expenses associated with certain actions undertaken by the company to reduce fixed costs, simplify or improve processes, and improve our competitiveness and are of such significance in terms of both up-front costs and organizational/structural impact to require advance approval by our Management Committee. Upon presentation of any such proposed action (including details with respect to estimated costs, expected benefits and expected timing) to the Management Committee and the Committee’s advance approval, expenses associated with the approved action are classified as special charges upon recognition and monitored on an on-going basis through completion.

Transaction and integration expenses associated with the Cholula and FONA acquisitions – We exclude certain costs associated with our acquisitions of Cholula and FONA in November and December 2020, respectively, and their subsequent integration into the Company. Such costs, which we refer to as “Transaction and integration expenses”, include transaction costs associated with the acquisition, as well as integration costs following the acquisition, including the impact of any acquisition date fair value adjustment for inventory, together with the impact of discrete tax items, if any, directly related to each acquisition.

Income taxes associated with the U.S. Tax Act in December 2017, which was enacted in December 2017, consists of a net income tax benefit of $1.5 million related to the one-time transition tax on previously unremitted earnings of non-U.S. subsidiaries recognized in the year ended November 30, 2019 associated with a provision-to-return adjustment related to the U.S. Tax Act.

We believe that these non-GAAP financial measures are important. The exclusion of the items noted above provides additional information that enables enhanced comparisons to prior periods and, accordingly, facilitates the development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of our ongoing operations and analyze our business performance and trends.

These non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but they should not be considered a substitute for, or superior to, GAAP results. In addition, these non-GAAP financial measures may not be comparable to similarly titled measures of other companies because other companies may not calculate them in the same manner that we do. We intend to continue to provide these non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of these non-GAAP financial measures will provide consistency in our financial reporting. A reconciliation of these non-GAAP financial measures to the related GAAP financial measures is provided below:

NON-GAAP FINANCIAL MEASURES

(in millions except per share data)	Three Months Ended		Twelve Months Ended	
	11/30/2020	11/30/2019	**11/30/2020**	11/30/2019
Operating income	**$ 274.9**	$ 299.2	**$ 999.5**	$ 957.7
Impact of transaction and integration expenses	**12.4**	—	**12.4**	—
Impact of special charges	**2.9**	3.9	**6.9**	20.8
Adjusted operating income	**$ 290.2**	$ 303.1	**$1,018.8**	$ 978.5
% (decrease) increase versus year-ago period	**(4.3)%**		**4.1 %**	
Adjusted operating income margin (1)	**18.6 %**	20.4 %	**18.2 %**	18.3 %
Income tax expense	**$ 57.5**	$ 66.4	**$ 174.9**	$ 157.4
Non-recurring benefit of the U.S. Tax Act	**—**	—	**—**	1.5
Impact of transaction and integration expenses	**1.9**	—	**1.9**	—
Impact of special charges	**0.9**	0.9	**2.1**	4.7
Adjusted income tax expense	**$ 60.3**	$ 67.3	**$ 178.9**	$ 163.6
Adjusted income tax rate (2)	**22.9 %**	24.7 %	**19.9 %**	19.5 %
Net income	**$ 200.7**	$ 213.4	**$ 747.4**	$ 702.7
Impact of transaction and integration expenses	**10.5**	—	**10.5**	—
Impact of special charges	**2.0**	3.0	**4.8**	16.1
Non-recurring benefit of the U.S. Tax Act	**—**	—	**—**	(1.5)
Adjusted net income	**$ 213.2**	$ 216.4	**$ 762.7**	$ 717.3
% (decrease) increase versus year-ago period	**(1.5)%**		**6.3 %**	
Earnings per share - diluted	**$ 0.74**	$ 0.79	**$ 2.78**	$ 2.62
Impact of transaction and integration expenses	**0.04**	—	**0.04**	—
Impact of special charges	**0.01**	0.02	**0.01**	0.06
Adjusted earnings per share - diluted	**$ 0.79**	$ 0.81	**$ 2.83**	$ 2.68
% (decrease) increase versus year-ago period	**(2.5)%**		**5.6 %**	

1) Adjusted operating income margin is calculated as adjusted operating income as a percentage of net sales for each period presented.

2) Adjusted income tax rate is calculated as adjusted income tax expense as a percentage of income from consolidated operations before income taxes excluding special charges or $262.9 million and $900.8 million for the three and twelve months ended November 30, 2020, respectively and $272.0 million and $840.0 million for the three and twelve months ended November 30, 2019, respectively.

NON-GAAP FINANCIAL MEASURES

Because we are a multi-national company, we are subject to variability of our reported U.S. dollar results due to changes in foreign currency exchange rates. Those changes have been volatile over the past several years. The exclusion of the effects of foreign currency exchange, or what we refer to as amounts expressed “on a constant currency basis”, is a non-GAAP measure. We believe that this non-GAAP measure provides additional information that enables enhanced comparison to prior periods excluding the translation effects of changes in rates of foreign currency exchange and provides additional insight into the underlying performance of our operations located outside of the U.S. It should be noted that our presentation herein of amounts and percentage changes on a constant currency basis does not exclude the impact of foreign currency transaction gains and losses (that is, the impact of transactions denominated in other than the local currency of any of our subsidiaries in their local currency reported results).

Percentage changes in sales and adjusted operating income expressed in “constant currency” are presented excluding the impact of foreign currency exchange. To present this information for historical periods, current period results for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates in effect during the corresponding period of the prior fiscal year, rather than at the actual average exchange rates in effect during the current fiscal year. As a result, the foreign currency impact is equal to the current year results in local currencies multiplied by the change in the average foreign currency exchange rate between the current fiscal period and the corresponding period of the prior fiscal year. Constant currency growth rates follow:

	Three Months Ended November 30, 2020		
	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
Net sales			
Consumer segment			
Americas	5.5%	—%	5.5%
EMEA	15.2%	5.4%	9.8%
Asia/Pacific	(6.5)%	3.4%	(9.9)%
Total Consumer segment	5.9%	1.2%	4.7%
Flavor Solutions segment			
Americas	0.9%	(1.0)%	1.9%
EMEA	6.6%	1.4%	5.2%
Asia/Pacific	10.8%	3.7%	7.1%
Total Flavor Solutions	3.1%	—%	3.1%
Total net sales	4.9%	0.8%	4.1%
Adjusted operating income			
Consumer segment	(2.6)%	0.7%	(3.3)%
Flavor Solutions segment	(9.0)%	(1.1)%	(7.9)%
Total adjusted operating income	(4.3)%	0.3%	(4.6)%

	Twelve Months Ended November 30, 2020		
	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
Net sales			
Consumer segment			
Americas	13.9%	(0.1)%	14.0%
EMEA	14.5%	0.2%	14.3%
Asia/Pacific	(16.6)%	(1.5)%	(15.1)%
Total Consumer segment	10.0%	(0.3)%	10.3%
Flavor Solutions segment			
Americas	(3.5)%	(1.0)%	(2.5)%
EMEA	(5.5)%	(1.3)%	(4.2)%
Asia/Pacific	0.4%	(1.2)%	1.6%
Total Flavor Solutions	(3.5)%	(1.1)%	(2.4)%
Total net sales	4.7%	(0.6)%	5.3%
Adjusted operating income			
Consumer segment	15.5%	(0.2)%	15.7%
Flavor Solutions segment	(21.3)%	(1.6)%	(19.7)%
Total adjusted operating income	4.1%	(0.7)%	4.8%

NON-GAAP FINANCIAL MEASURES

In addition to the above non-GAAP financial measures, our “Leverage Ratio” is also determined using non-GAAP measures. A leverage ratio is a widely-used measure of ability to repay outstanding debt obligations. We believe that our Leverage Ratio is a meaningful metric to investors in evaluating our financial leverage and may be different than the method used by other companies to calculate such a leverage ratio. We determine our leverage ratio as net debt (which we define as total debt, net of cash in excess of $75.0 million) to adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA"). We define Adjusted EBITDA as net income plus expenses for interest, income taxes, depreciation and amortization, less interest income and as further adjusted for cash and non-cash acquisition-related expenses (which may include the effect of the fair value adjustment of acquired inventory on cost of goods sold), special charges, stock-based compensation expense, and certain gains or losses (which may include third party fees and expenses and integration costs associated with the planned acquisition). Adjusted EBITDA and our leverage ratio are both non-GAAP financial measures. Our determination of the leverage ratio is consistent with the terms of certain of our credit facilities which require us to maintain our leverage ratio below certain levels. Our Leverage Ratio can be temporarily impacted by our acquisition activity.

The Company provides its future expectations as to the effect of the Cholula and FONA acquisitions on a non-GAAP basis The Company’s estimate of our Leverage Ratio subsequent to the acquisitions of Cholula and FONA is based only on projected financial information available as of the date hereof. We have not provided a reconciliation of these non-GAAP financial measures to the related GAAP financial measures as these non-GAAP measures are solely associated with forward-looking information and such reconciliations would require unreasonable efforts at this time to forecast and quantify certain amounts that are necessary for such reconciliation, including adjustment that could be made for matters including, but not limited to, cash and non-cash acquisition related expenses, gains and losses, both as previously described, and other charges reflected in the Company’s reconciliation of historic amounts, the amounts of which, based on historical experience could be significant.

NON-GAAP FINANCIAL MEASURES

To present “constant currency” information for the fiscal year 2021 projection, projected sales and adjusted operating income for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the company’s budgeted exchange rates for 2021 and are compared to the 2020 results, translated into U.S. dollars using the same 2021 budgeted exchange rates, rather than at the average actual exchange rates in effect during fiscal year 2020. To estimate the percentage change in adjusted earnings per share on a constant currency basis, a similar calculation is performed to arrive at adjusted net income divided by historical shares outstanding for fiscal year 2020 or projected shares outstanding for fiscal year 2021, as appropriate.

	Projection for the Year Ending November 30, 2021
Percentage change in net sales	7% to 9%
Impact of favorable foreign currency exchange rates	2 %
Percentage change in net sales in constant currency	5% to 7%
Percentage change in adjusted operating income	8% to 10%
Impact of favorable foreign currency exchange rates	2 %
Percentage change in adjusted operating income in constant currency	6% to 8%
Percentage change in adjusted earnings per share	3% to 5%
Impact of favorable foreign currency exchange rates	2 %
Percentage change in adjusted earnings per share in constant currency	1% to 3%

NON-GAAP FINANCIAL MEASURES

The following provides a reconciliation of our estimated earnings per share to adjusted earnings per share for 2021 and actual results for 2020:

	Twelve Months Ended	
	2021 Projection	11/30/20
Earnings per share - diluted	$2.71 to $2.76	$2.78
Impact of transaction and integration expenses	0.18	0.04
Impact of special charges	0.02	0.01
Adjusted earnings per share	$2.91 to $2.96	$2.83