



Performance & Financial Outlook

Mike Smith

*Executive Vice President &
Chief Financial Officer*



Strategic imperatives: Growth



Growth

Win Share

- Drive **base business**
- Accelerate scalable & differentiated **innovation**
- **Expand** availability & footprint
- Excel in Customer **Intimacy** & Consumer **Insights**

Algorithm for long-term sales growth

Long-term goal 4 – 6 %*



* In constant currency

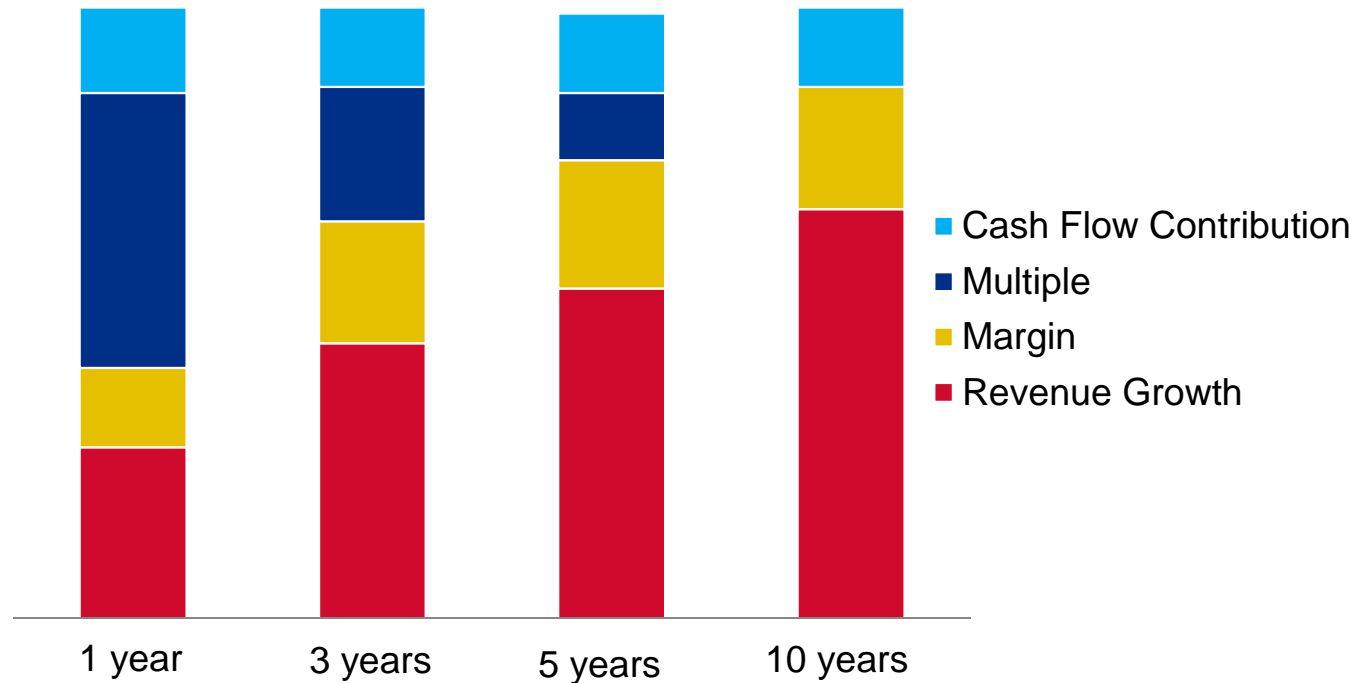
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Sales growth drives sustainable total shareholder return

Sources of TSR for top-quartile performers

(S&P 500, 1995 – 2015)



Source: S&P Capital IQ; BCG ValueScience Center

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Strategic imperative: Performance



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Strategic imperative: Performance



Performance

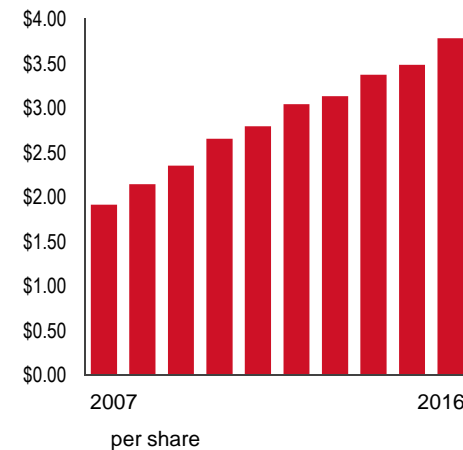
Superior Results

- Accelerate **fuel for growth**
- Drive **continuous value creation**
- Pursue **functional excellence & collaboration**

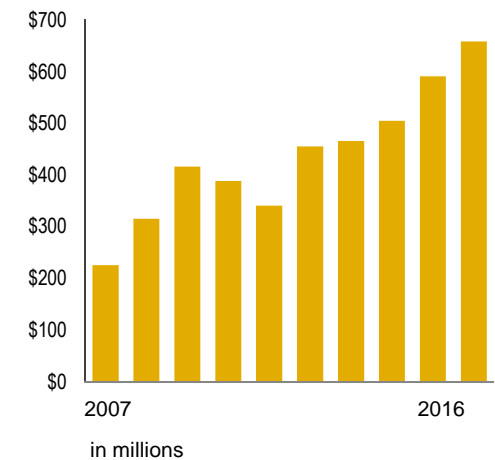
Net sales



Adjusted EPS



Cash flow



For adjusted earnings per share see reconciliations of GAAP to non-GAAP financial measures in McCormick's 2016 Form 10K and at the end of this presentation

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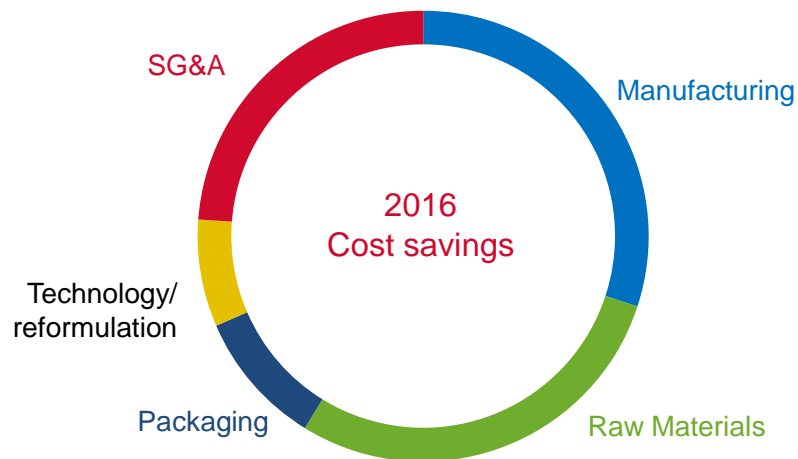
CCI program generating fuel for growth and increasing margins



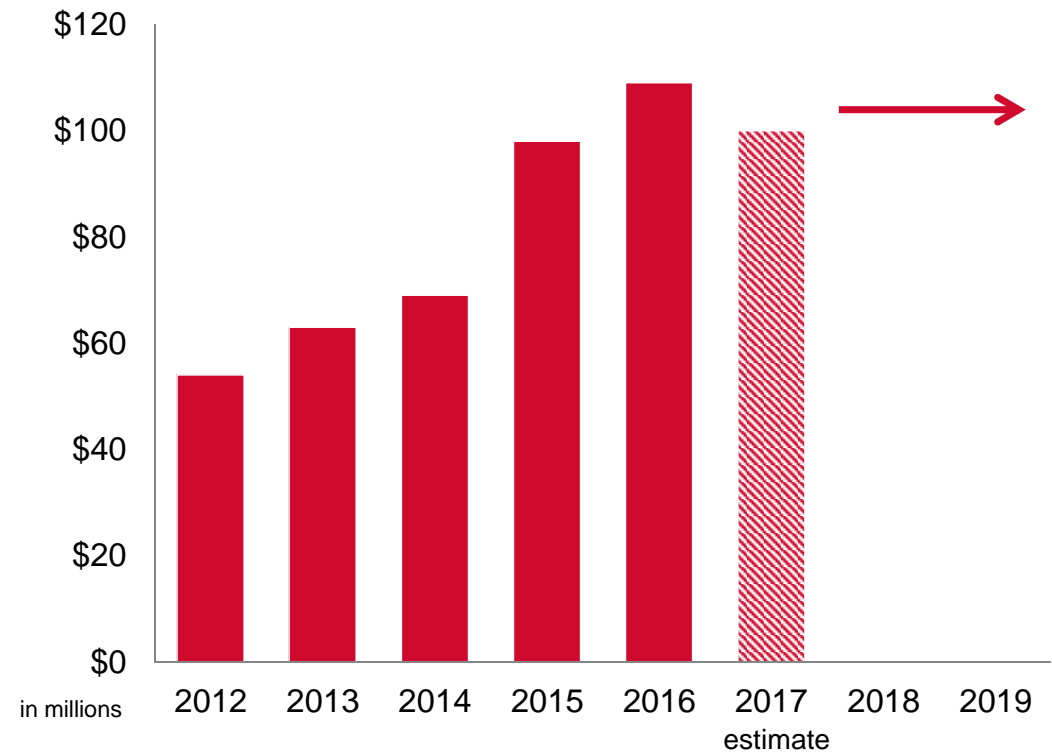
4-year \$400 million target

~2% of sales

At upper end of
peer food
companies



Annual costs savings



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Productivity improvements include increased sustainability

A supply chain of **3,000** agriculture products produced in over **80** Countries



ASSIST OUR SOURCE FARMING COMMUNITIES

12,800

Targeted number of farmers positively impacted by McCormick sustainability initiatives

63,800

Number of livelihoods improved

800 & 600

Farmers in India & Turkey, respectively, benefiting from new technology through demo farm operations

1,200

Farmers in India with harvests protected by integrated pest management practices



REDUCE OUR ENVIRONMENTAL IMPACT

Reuse

\$10 million investment in wastewater projects through 2018

Reduce

43% carbon footprint reduction by using fewer trucks for transport

Recycle

Transitioning from BPA (Bisphenol A) product packaging formats across several product lines globally

Renew

5% reduction in greenhouse gas emissions goal already achieved—3 years early



#14 in 2017 Global 100
Most Sustainable
Corporations
#1 for consumer staples



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Our shared services journey

Began the journey with North America Finance operations in mid-2000's

Established EMEA Shared Service center in Poland in 2014 ... led with Finance

Expanded to include EMEA functional center for HR, customer service and technical

Drives both efficiency and effectiveness



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McCormick Global Enablement

Align

Simplify

Grow

Build a scalable platform for future growth

- Expand end-to-end processes
- Reduce customization
- Prioritize more effectively
- Enable more agile decision-making

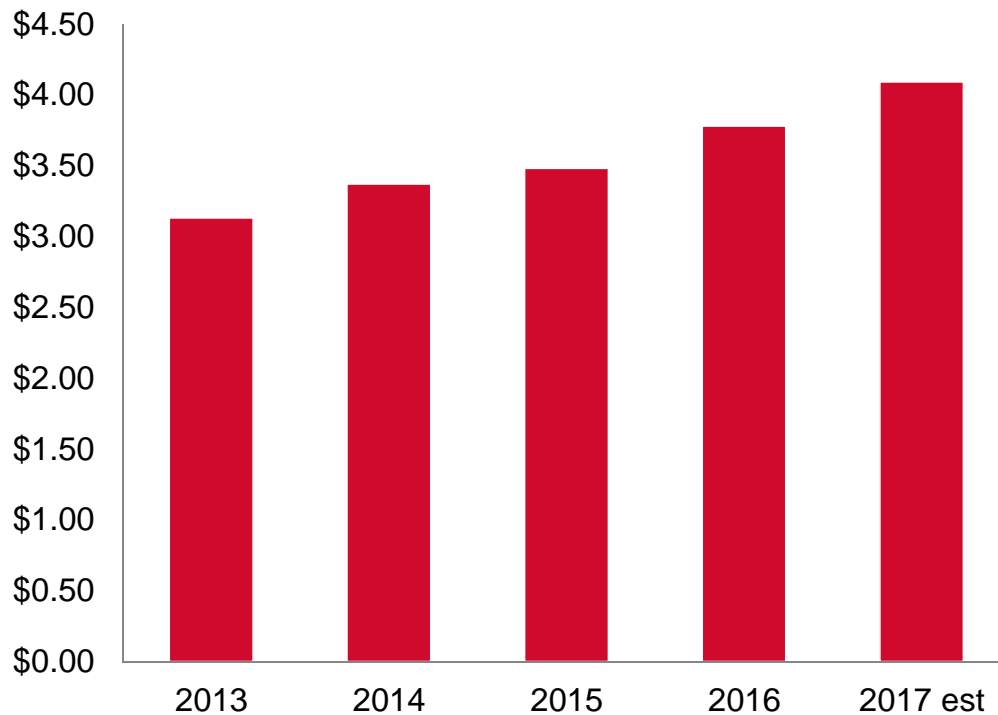


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Sales growth and margin improvement leading to increased EPS

Adjusted EPS



For adjusted earnings per share see reconciliations of GAAP to non-GAAP financial measures in McCormick's 2016 Form 10K and at the end of this presentation



Joint ventures contributed **7% to 9% net income** last 3 years

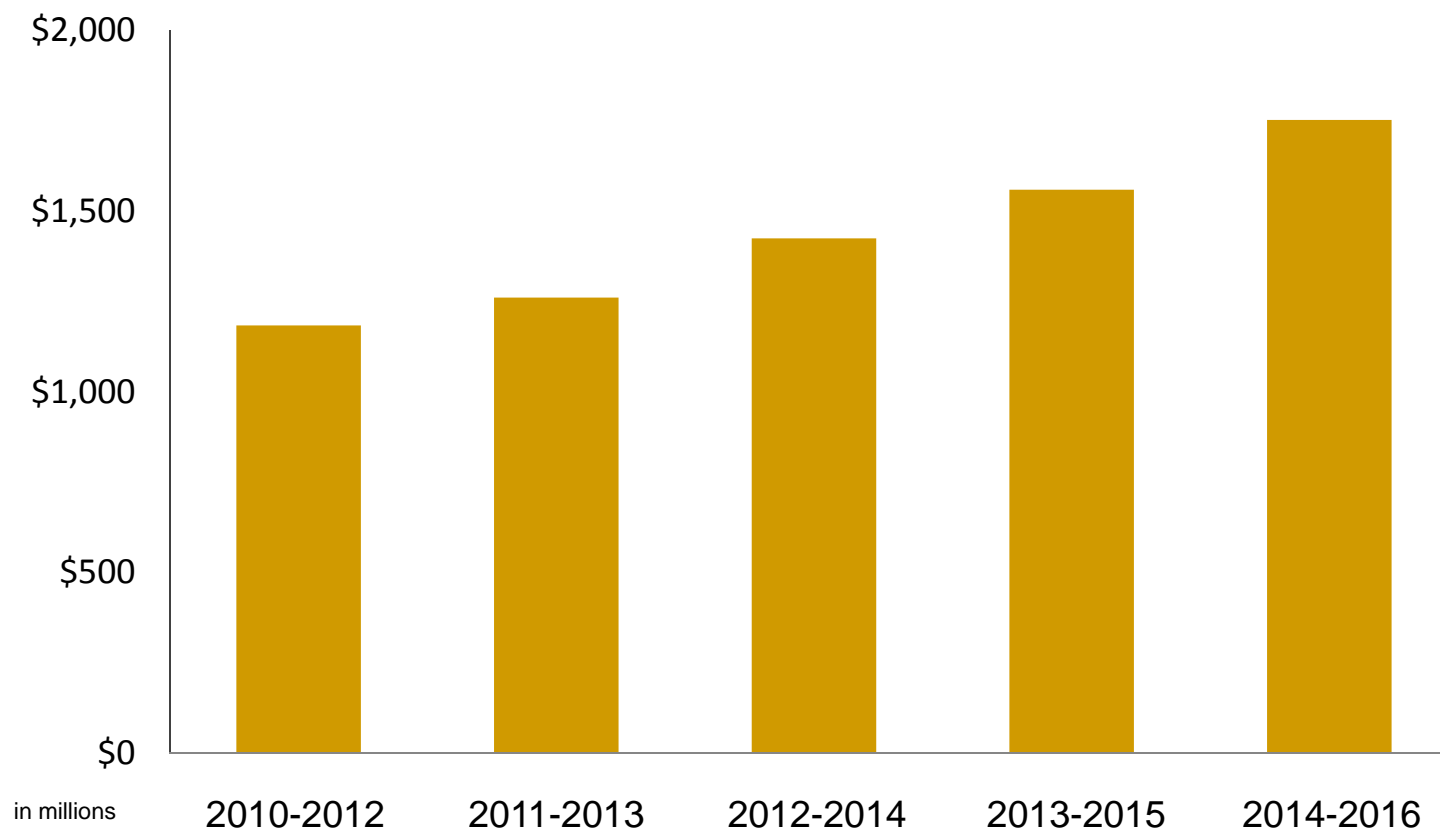
McCormick de Mexico – our largest joint venture - grew constant currency sales **9% CAGR** over last 5 years

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McCormick generates strong cash flow

Cash flow 3-year rolling basis



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McCormick generates strong cash flow

Priorities for cash

Capital to support growth – 28% return on supply chain investments in 2016

Dividends – 9% increase in 2017 quarterly dividend

Acquisitions – financial discipline with flexibility in debt leverage

Share repurchases – \$600M authorization underway



McCormick generates strong cash flow

Priorities for cash

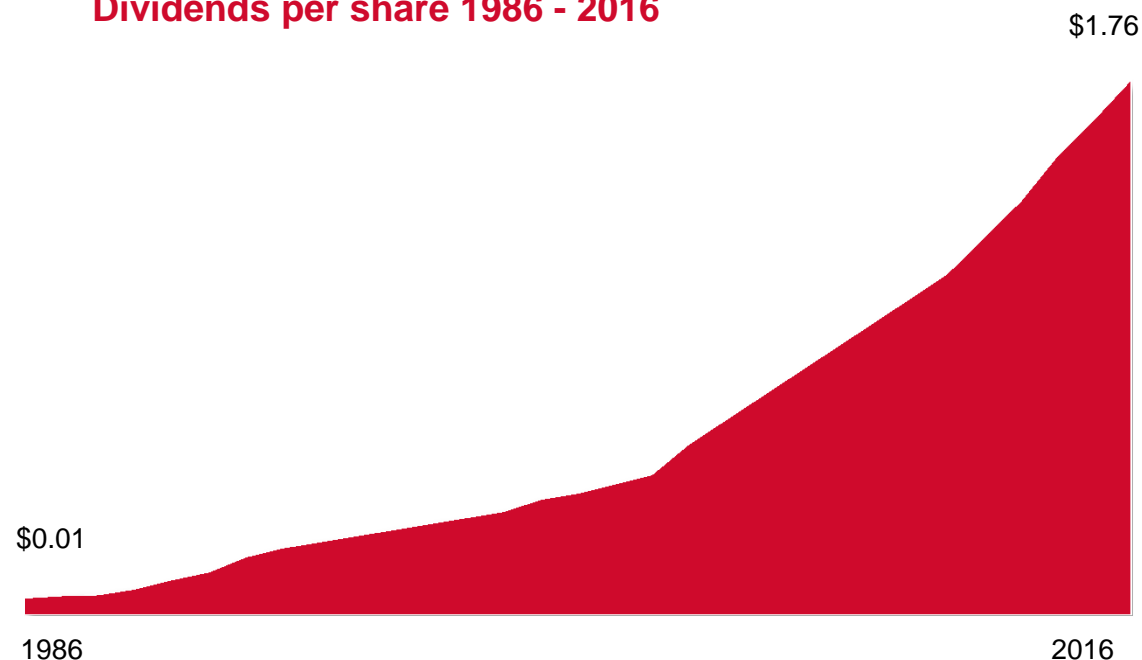
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Share repurchases – \$600M authorization underway

Dividends per share 1986 - 2016



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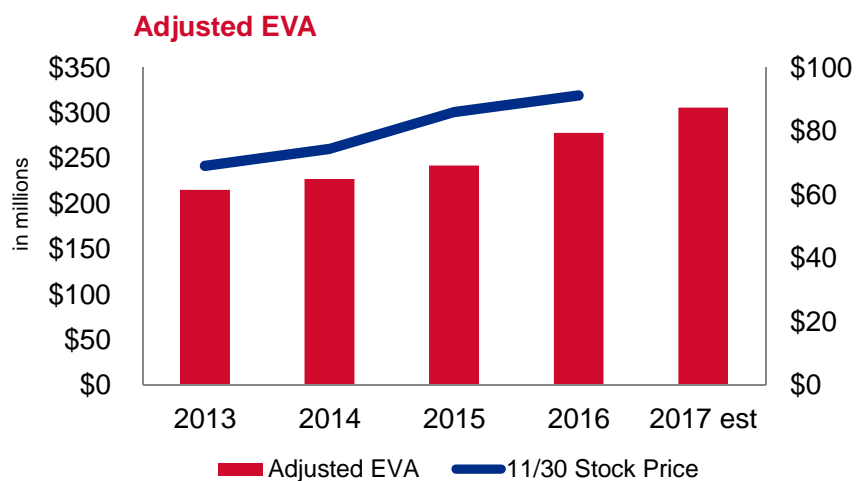
Driving profit and managing cash leading to increased EVA

EVA – Economic Value Added

Underway for 20 years at McCormick

Used to achieve efficient use of cash, optimize portfolio and prioritize capital

Up ~30% last 3 years



For adjusted EVA see reconciliations of GAAP to non-GAAP financial measures at the end of this presentation; EVA® is a registered trademark of Stern Stewart & Co

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Long-term financial objectives reflect confidence in sustainable momentum

Long-term financial objectives*

Sales growth	4-6%	}	Implies average of 40 bp operating income margin improvement annually
Operating income	7-9%		
Earnings per share	9-11%		
Total shareholder return	11-13%		

* In constant currency

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Long-term financial objectives reflect confidence in sustainable momentum

Long-term financial objectives*

Sales growth	4-6%
Operating income	7-9%
Earnings per share	9-11%
Total shareholder return	11-13%

* In constant currency

2017 outlook*

Sales growth	5-7%
Adjusted operating income	9-11%
Adjusted earnings per share	9-11%

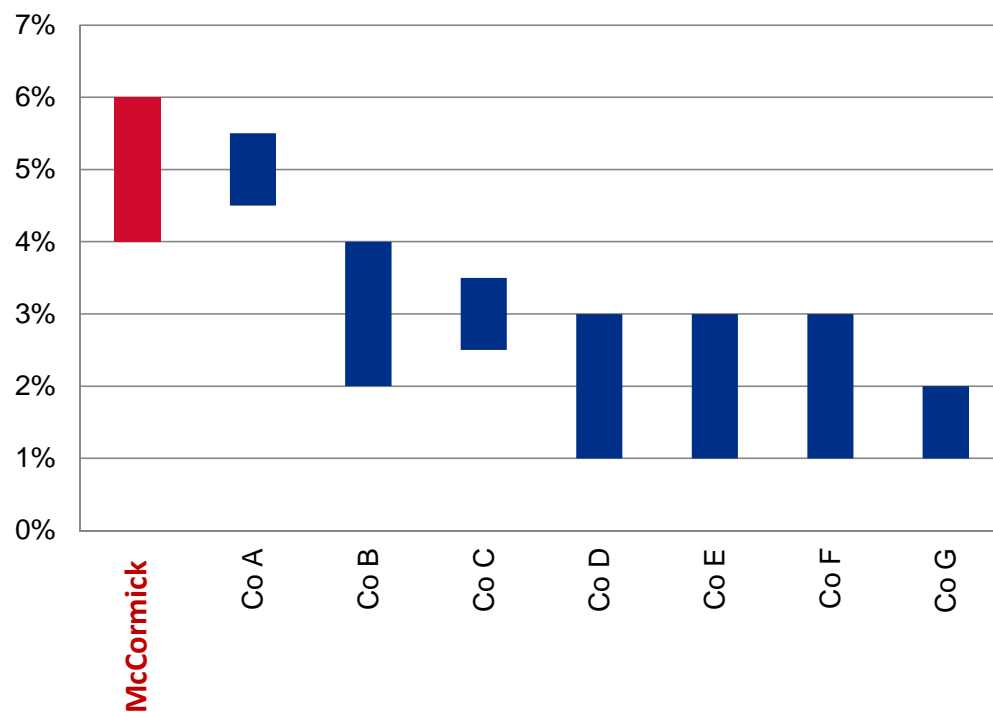
For projected adjusted operating income and adjusted earnings per share see reconciliation of GAAP to non-GAAP financial measures in McCormick's 1Q 2017 Form 10Q

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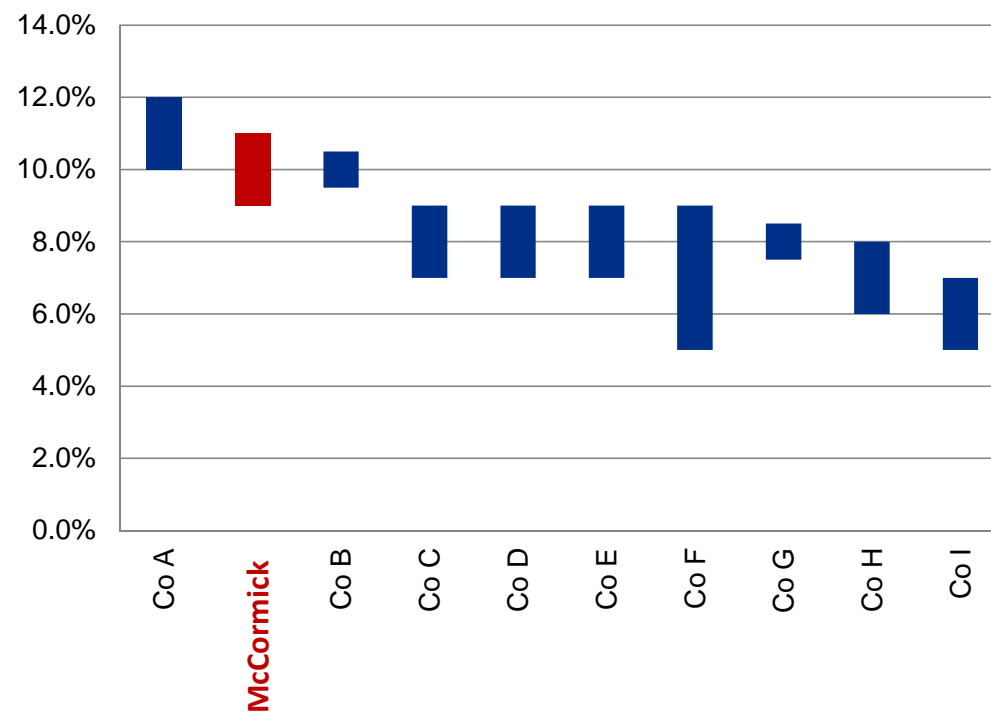


Long-term financial objectives reflect confidence in sustainable momentum

Sales growth goals



EPS growth goals



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McCormick 2019

2019 Financials

Net Sales At least \$5 billion

Adjusted operating income margin ~16%

Adjusted Earnings Per Share ~\$5.00

From 2017-2019

Cost savings ~\$300 million

Cash flow Over \$2 billion



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Top tier performance

- ✓ Driving higher sales ... key element of long-term growth
- ✓ Delivering fuel for growth and increased margins ... led by CCI program
- ✓ Integrating sustainability goals with performance strategy
- ✓ Increasing cash flow ... funding business-building investments and cash to shareholders
- ✓ Bringing greater to focus on EVA to drive greater shareholder return



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Business Development Performance & Outlook

Questions & Answers



Lawrence Kurzius
Chairman, President and Chief
Executive Officer



Michael Smith
Executive Vice President and
Chief Financial Officer



Nneka Rimmer
Senior Vice President, Corporate
Strategy & Development



Jim Radin
Vice President, Global Supply
Chain

