

## Business Description

- Giotti is a leading Italian flavor manufacturer located in Florence, Italy
- Founded in 1928
- Production facilities in Florence and Parma
- Approximately 130 employees

## Strategic Rationale for Acquisition

### Technology/Talent

- Enhance flavor capability in Europe, Middle East & Africa (EMEA)
- Builds on strong R&D capabilities
- Adds expertise in high-growth health & nutrition segment



### Customers

- Expands product range and customer base
- Deepens existing customer relationships



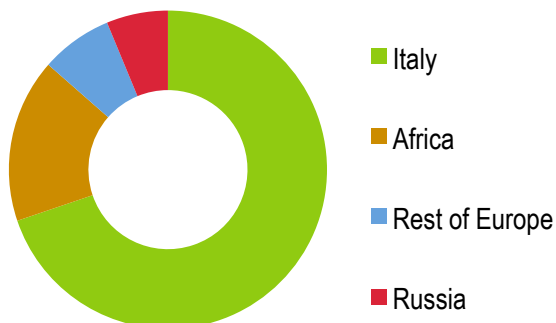
### Growth

- Expands platform in Italy and increases existing scale
- Margins accretive to the industrial segment
- Accelerates sales growth for EMEA region

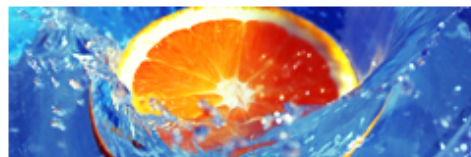


## Net Sales

- Annual sales approx. **53 million Euro** (56 million USD).
- **Mid-to-high single digit** sales growth expected for the next several years
- Top 3 customers represent **20% of sales**



Flavors



Juices



Extracts

## Business Description

- Purchased **100% stock of Enrico Giotti SpA** for **120 million Euro** (127 million U.S. dollars), subject to certain closing adjustments
- Financed with cash and short-term borrowings.
- Transaction multiple is approximately **12x EBITDA** (earnings before interest, tax, depreciation and amortization)
- Fully accretive **EPS impact in 2018**; transaction, integration and financing costs in 2017



# Giotti Fact Sheet

December 2016

**GIOTTI**  
Your *Natural* Flavor House

## 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," "should," "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 raw material costs and pricing actions on the company's results of operations and gross margins, the expected productivity and working capital improvements, expectations regarding growth potential in various geographies and markets, expected trends in net sales and earnings performance and other financial measures, the expectations of pension and postretirement plan contributions, 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 issue additional debt or equity securities and expectations regarding purchasing shares of McCormick's common stock under the existing 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: damage to the company's reputation or brand name; loss of brand relevance; increased use of private label or other competitive products; 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 inability to achieve expected and/or needed cost savings or margin improvements; negative employee relations; the lack of 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 regulation, and changes in legal and regulatory requirements and enforcement practices; global economic and financial conditions generally, including the availability of financing, and interest 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; climate change; 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.

