



# Advancing McCormick's Flavor Leadership in Mexico

## McCormick to Acquire Controlling Interest in McCormick de Mexico



August 21, 2025



# FORWARD-LOOKING INFORMATION

Certain information contained in this presentation that are not statements of historical or current fact constitute "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", "believe" and "plan." The forward-looking statements contained in this presentation include, without limitation, statements related to: the expected impact of the acquisition of an additional 25% ownership interest in McCormick de Mexico, including among others, on McCormick's net sales, earnings performance and other financial measures, including the effect of transaction and integration costs; expectations regarding McCormick's condiment and sauces portfolio; McCormick de Mexico's growth potential, including brand marketing support, product innovation and customer, category, and channel expansion; expectations regarding expansion into Central and South America; the realization of anticipated sales growth, adjusted operating margin expansion and adjusted earnings per share accretion from the acquisition; and the ability to create shareholder value through acquisitions.

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: risks associated with acquisitions generally, such as the failure to retain key employees of McCormick de Mexico; issues or delays in the successful integration of McCormick de Mexico's operations with those of McCormick; future levels of revenues being lower than expected and costs being higher than expected; failure or inability to implement growth strategies in a timely manner; unfavorable reaction to the acquisition by customers, competitors, suppliers and employees; conditions affecting the industry generally; local and global political and economic conditions; unexpected events or public health crisis; the effects of the increased levels of debt service following the McCormick de Mexico acquisition as well as the effects that such increased debt service may have on McCormick's ability to borrow or the cost of such additional borrowing, our credit rating, and our ability to react to certain economic and industry conditions; and other risks described in the company's filings with the Securities and Exchange Commission, including McCormick's Annual Report on Form 10-K for the year ended November 30, 2024 and Quarterly Reports on Form 10-Q for each of the quarters in the six months ended May 31, 2025.

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.





# Brendan Foley

Chairman, President and  
Chief Executive Officer



# GLOBAL FLAVOR LEADERSHIP REINFORCED WITH ACQUISITION OF MAJORITY OWNERSHIP IN MCCORMICK DE MEXICO

## Acquire majority ownership in McCormick de Mexico, an established long-standing joint venture



### Acquisition Overview

- Advances flavor leadership in Mexico, an attractive and growing market
- Expands global condiment platform and capitalizes on the growing demand for flavor
- Reinforces mayonnaise as a core component of condiments and sauces portfolio
- Provides strategic platform for broader growth across Latin America

## Incremental 25% ownership in McCormick de Mexico for \$750 million, leading to total of 75%



**MCCORMICK®**

### Financial Implications

- Net sales of ~\$810M, EBITDA of ~\$180M, and ~\$16M in annual management fees
- Meaningful sales growth and operating margin accretion primarily benefiting Consumer segment in first year
- Accretive to earnings in year 1, inclusive of elimination of 25% of McCormick de Mexico's Net Income
- Expected to close early in 2026

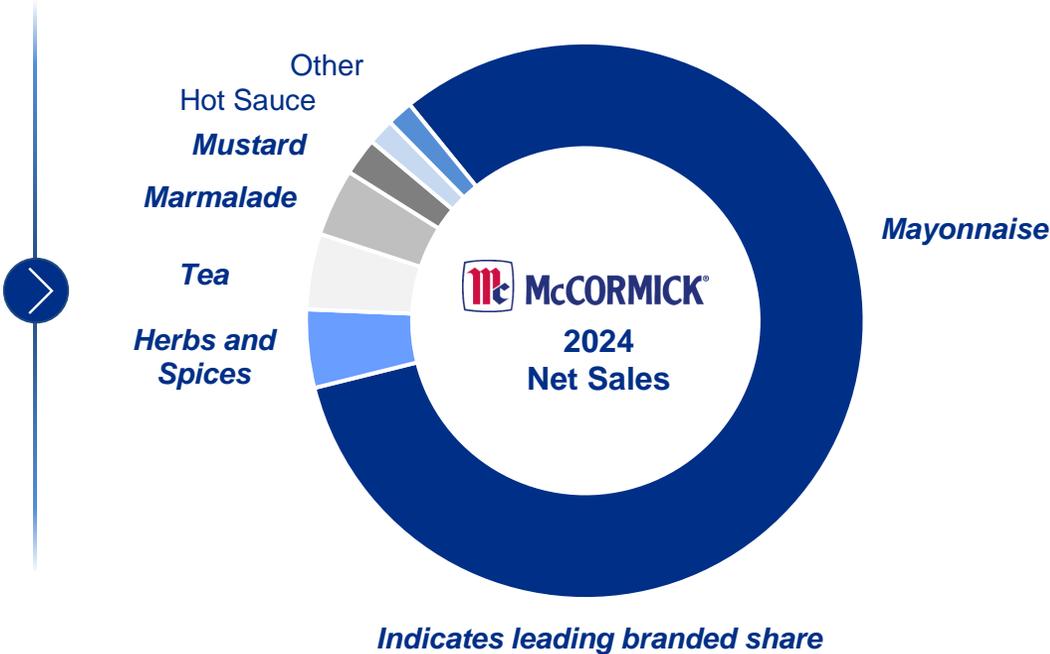


# A BRAND LEADER ACROSS CATEGORIES AND A HOUSEHOLD STAPLE IN MEXICO FOR NEARLY 80 YEARS

## Aligned With Our Focus on High-Growth Categories

- Prominent and broad portfolio in Mexico
- Focus on high-usage and high-penetration mayonnaise category
- Strong consumer and foodservice operator loyalty
- Dedicated manufacturing facilities
- Strong operational performance
- Best-in-class local leadership team

## Broad Portfolio With Leading Share Positions



# MAYONNAISE IS AN ATTRACTIVE CATEGORY AND MCCORMICK MAYONESA IS WELL POSITIONED IN MEXICO

## Mayonnaise Category

- ✓ **\$14B+ global market**  
2<sup>nd</sup> largest Condiment category
- ✓ **Growing in Mexico at 5%<sup>1</sup>**  
Largest market in Latin America by volume
- ✓ **High per capita consumption in Mexico**  
5x global average



## McCormick Mayonesa

- ✓ **Broad mayonesa portfolio**  
Mayonesa with lime, flavored, and better-for-you offerings
- ✓ **Brand relevance and affinity**  
Brand leader synonymous with mayonesa in Mexico
- ✓ **Leading household penetration in Mexico**  
Above all other brands in the category



1) 2025-2029 CAGR; Euromonitor, July 2025

# MEXICO IS AN ATTRACTIVE HIGH-GROWTH MARKET

## Demographic Tailwinds



Strong projected income and consumer spending growth

## Strategic Location



Map not drawn to scale

Strategic platform for further expansion into Latin America

## Strong McCormick History and Footprint

Presence in Mexico since 1947 with high consumer preference



**80+%**

of Consumers have purchased McCormick products in past year



**88%**

of Consumers have ever purchased McCormick products



**90%**

of Consumers are aware of McCormick

# EXPANDED OWNERSHIP IN MCCORMICK DE MEXICO SUPPORTS DRIVING LONG-TERM SHAREHOLDER VALUE

## Amplifying Success of McCormick de Mexico



- ✓ Drive continued growth with current portfolio across both segments
- ✓ Expand into adjacent categories
- ✓ Extend reach of McCormick portfolio in Mexico
- ✓ Capitalize on operations for geographic expansion in Latin America



## Leverage Proven Playbook and Combined Expertise

GLOBAL SOURCING  
EXPERTISE

CATEGORY  
MANAGEMENT

BEST-IN-CLASS  
MARKETING

INSIGHT-DRIVEN  
INNOVATION

CCI  
DISCIPLINE



# TRANSACTION STRENGTHENS OUR GLOBAL FLAVOR LEADERSHIP



Strengthens  
**leadership**  
positions

Expands  
**capabilities**  
and **categories**

Drives **scale**  
and  
**global reach**

Extends  
**competitive**  
**advantages**





# Marcos Gabriel

Executive Vice President  
and Chief Financial Officer



# ALIGNED WITH OUR M&A STRATEGY

## Rigorous Financial Criteria to Drive Greater Shareholder Value

### Pipeline Strategy

Fits  
Strategic  
Vision

Meets  
Financial  
Thresholds

Drives  
Shareholder  
Value

### Disciplined Financial Criteria



# CREATING VALUE WITH MEANINGFUL ACCRETION AND DISCIPLINED CAPITAL ALLOCATION



## Value Creation

- \$750M transaction value implies multiple of 12x 2025 EBITDA and annual management fees
- Expect mid-single digit sales growth, aligned with long-term objectives
- Anticipate adjusted operating margin accretion, primarily in Consumer segment, in year 1
- Expect to be accretive to adjusted EPS<sup>1</sup> in year 1
- Approximately \$10M - \$12M in transaction costs
- Strong cash conversion cycle, incremental to consolidated cash flow from operations



## Capital Structure

- All cash transaction funded by a combination of cash and debt
- Leverage ratio expected to remain below 3x following the close, maintaining balance sheet flexibility
- Continued commitment to strong Investment Grade rating
- No change expected to dividend policy
- Expected to close early in 2026

1) Proforma EPS adjusted for transaction and integration costs, including certain purchase accounting adjustments.

# FINANCIAL SUMMARY

## Incremental to Total McCormick

 <b>P&amp;L Benefit Based on 2025 Proforma</b>	<b>Net Sales</b>	<b>Adjusted Operating Income</b>	<b>Adjusted Operating Margin</b>	<b>Adjusted Earnings Per Share</b>
	~\$810M	~\$180M	~60 bps Accretive	~1% Accretive
<b>Additional Information</b>	<ul style="list-style-type: none"><li>▪ Unconsolidated Income: Elimination of 25% McCormick de Mexico Net Income attributable to Grupo Herdez</li><li>▪ Interest rate for transaction is estimated at 5.25%</li><li>▪ Cash flow accretive in year 1</li><li>▪ Return on Invested Capital (ROIC): no change expected post close</li></ul>			

Note: Net sales excludes export sales to McCormick  
Adjusted operating income includes \$16 million of management fees



# Brendan Foley

Chairman, President and  
Chief Executive Officer



# DRIVING LONG-TERM SHAREHOLDER VALUE



**McCORMICK®**



- Expands ownership in a growing, well-established, and trusted business
- Advances flavor leadership in Mexico
- Reinforces mayonnaise as a core component of condiments and sauces portfolio
- Creates strategic platform for incremental growth in Latin America
- Accretive to sales growth, adjusted operating margin, and adjusted earnings per share





# Advancing Our Leadership in Condiments and Sauces

McCormick to Acquire Controlling Interest in McCormick de Mexico



August 21, 2025



# NON-GAAP FINANCIAL MEASURES

Certain disclosures in this presentation and our remarks associated with our planned acquisition of 25% incremental interest in McCormick de Mexico represent non-GAAP financial measures, which are prepared as a complement to our financial measures prepared in accordance with United States generally accepted accounting principles (“GAAP”). We define “Adjusted Operating Margin” and “Adjusted EPS” (as diluted earnings per share), as 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) and certain transaction and integration costs (which may include third party fees and expenses, and integration costs associated with the planned acquisition), and special charges (which may include expenses, including related impairment charges, 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 advanced approval of our Management Committee), all net of tax. The Company believes that these Non-GAAP measures provide additional information that enables enhanced comparisons to prior periods and, accordingly, facilitates the development of future projections and earnings growth prospects. Adjusted Operating Margin and Adjusted EPS are also used by management to measure the profitability of our ongoing operations and analyze our business performance and trends.

The Company’s estimate of McCormick de Mexico’s EBITDA is based only on projected financial information available as of the date hereof. The Company believes that EBITDA is useful to investors in evaluating the Company’s operating performance and liquidity because (i) it is a widely used metric to measure a company’s operating performance without regard to items such as depreciation and amortization, which can vary depending upon accounting methods and the book value of assets, (ii) it presents a meaningful measure of corporate performance exclusive of the Company’s capital structure and is the method by which we evaluate acquisitions, and (iii) it is a widely accepted financial indicator of a company’s ability to service its debt.

These non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but 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. The Company provides its expectations as to the effect of the McCormick de Mexico acquisition on a non-GAAP basis, including the non-GAAP measures previously noted. 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.

