McCormick & Company, Inc.

Barclays Global Consumer Staples Conference

September 6, 2018
FORWARD-LOOKING INFORMATION

Certain information contained in this release, including statements concerning expected performance such as those relating to net sales, gross margins, earnings, cost savings, acquisitions, brand marketing support, transaction and integration expenses, special charges, 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. 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, including the acquisition of RB Foods; the expected impact of 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 CCI program and global enablement initiative; the 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 impact of the U.S. Tax Act; the expectations of pension and postretirement plan contributions and anticipated charges associated with such 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: 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; 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, including the acquisition of RB Foods; issues affecting the company's supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials and freight; 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 effects of increased level of debt service following the RB Foods acquisition as well as the effects that such increased debt service may have on the company's ability to react to certain economic and industry conditions and ability to borrow or the cost of any such additional borrowing; the interpretations and assumptions we have made, and guidance that may be issued, regarding the U.S. Tax Act enacted in December 2017; assumptions we have made regarding 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, including the threat of data breaches and cyber attacks; fundamental changes in tax laws; volatility in our 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.
NON-GAAP FINANCIAL MEASURES

Certain disclosures in this presentation and our remarks 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 believe that these non-GAAP financial measures are important. The presentation of information on a constant currency basis, the exclusion of special charges, transaction and integration expenses, and other debt costs provide additional information that enables enhanced comparisons to prior periods and, accordingly, facilitates the development of future projections and earnings growth prospects or is a meaningful metric to investors in evaluating our financial leverage. 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 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 in the Appendix to this presentation.
1. We’re a different kind of CPG company
2. We’re delivering against our objectives
3. We’re building the McCormick of the future
WE’RE A DIFFERENT KIND OF CPG COMPANY
McCORMICK IS GLOBAL FLAVOR

62% Consumer / 38% Flavor Solutions

Leading and iconic flavor brands in 150 countries and territories

70% Americas / 18% EMEA / 12% APZ

Large and fast growing emerging markets penetration

7 acquisitions last 3 years

Operations and joint ventures in 27 countries

16,300 products

14,000 high quality raw materials & ingredients sourced from >80 countries

Leader in clean flavor

~7% of net income from joint ventures

* Pro Forma FY2017 reflecting a full year of the RB Foods’ acquisition
CONSUMER

Leading and iconic flavor brands in 150 countries and territories

Flavoring Fresh, Inspiring Healthy Choices

Category leadership

Digital leadership

Products at every price point, from Branded to Private Label

10% of cost and 90% of flavor

WE’RE A DIFFERENT KIND OF CPG COMPANY
McCORMICK CONSUMER & FLAVOR SOLUTIONS

FLAVOR SOLUTIONS

Leader in Clean label, Organic, Natural extracts and better-for-you solutions

Customer intimacy leadership

Innovation with deep in-market consumer & trend insight

Technically advanced

Partner with TOP 10 packaged food & beverage companies and 9 of top 10 foodservice restaurant chains

Materials & application science, quality & regulatory leadership

* Pro Forma FY2017 reflecting a full year of the RB Foods’ acquisition
WE’RE A DIFFERENT KIND OF CPG COMPANY
BROAD AND ADVANTAGED GLOBAL FLAVOR PORTFOLIO

Regional Leaders

U.S Spices & Seasonings

Non-U.S. Spices & Seasonings

Recipe Mixes

Condiments & Sauces

Flavors

Branded Foodservice

Custom Condiments

Ingredients & Coatings

FY2017* GLOBAL NET SALES

Consumer

Flavor Solutions

* Pro Forma FY2017 reflecting a full year of the RB Foods’ acquisition and approximation of category sizes
WE’RE A DIFFERENT KIND OF CPG COMPANY

NO MATTER WHERE YOU EAT OR DRINK, YOU’RE LIKELY ENJOYING SOMETHING FLAVORED BY McCORMICK…

ACROSS THE GLOBE

Net sales by Segment and Region

Americas
EMEA
APZ

Consumer
Flavor Solutions

STONG PRESENCE IN DEVELOPING MARKETS

19% of global sales*

ACROSS EVERY CHANNEL

Consumer Segment
Traditional Grocery
Supercenter and club
Hard Discounters
Specialty and Ethnic
E-commerce
Convenience

Flavor Solutions Segment
Manufacturers
Quick Service Restaurants
Casual Dining Restaurants
Retail Foodservice
Broadline & Regional
Distributors
Cash & Carry
E-commerce

* Based on 2017 Pro Forma including a full year of RB Foods and includes MKC share of joint ventures
WE’RE A DIFFERENT KIND OF CPG COMPANY

NO MATTER WHAT OR WHEN YOU EAT OR DRINK, YOU’RE LIKELY ENJOYING SOMETHING FLAVORED BY McCORMICK…

BROAD RANGE OF CONSUMER FORMATS

24/7 IN- AND AWAY-FROM-HOME

BROAD RANGE OF CUSTOMER APPLICATIONS

FLAVOR SOLUTIONS FOR EVERY TREND

Every cuisine, clean, natural, non-GMO, organic and Better-for-You
WE’RE A DIFFERENT KIND OF CPG COMPANY

FLAVOR IS AN ADVANTAGED GLOBAL CATEGORY

GLOBAL DEMAND FOR FLAVOR IS BIG AND GROWING

80% of consumers globally LOVE trying new spices, seasonings and flavors

Global flavor market

5% 5-year CAGR

86% 85% 81% 81% 81% 79% 77% 75%

China  Mexico  Poland  US  UK  Australia  Canada  France

1) Euromonitor: In our flavor categories in 2017
2) Global H&W McCormick primary research (SRG) – global average across US, Canada, UK, France, Poland, Australia, China, Mexico. Question: % of people choosing “I love trying new spices, seasonings, and flavors”.
WE'RE A DIFFERENT KIND OF CPG COMPANY
FRESH FOOD AND CLEAN LABEL GROWTH IS A TAILWIND

Fresh Perimeter growing $2X$ as fast as total US Food & Beverage

Consumers look for Foods & Beverages that...

- Are minimally processed: 65% (Pt Change vs 2010: +6)
- Contain only ingredients I recognize: 65% (Pt Change vs 2010: +5)
- Have the shortest list of ingredients: 58% (Pt Change vs 2010: +8)

% US consumers agree strongly/somewhat

THE McCORMICK ADVANTAGE:
WE FLAVOR FRESH AND WE FLAVOR CLEAN

Customers look to us to provide flavor solutions to deliver clean label,
Consumers look to us to flavor fresh food and cooking at home

Source: IRI
WE'RE DELIVERING AGAINST OUR OBJECTIVES
SUCCESSFULLY EXECUTING ON STRATEGY

STRENGTHENING OUR FLAVOR LEADERSHIP

...through acquisitions

FRANK'S RedHot
French's
GIOTTI

...through growth in priority flavor categories

Beverage
Savory
Snacking
Bakery

...through brand investments

BASIL
CINNAMON

...through customer intimacy

Create It

DELIVERING ON OUR LONG TERM OBJECTIVES

3-Year CAGR*

Net sales +7%

Adjusted Operating Income +11%

Adjusted EPS +11%

* In Constant Currency, 3-Year CAGR FY14-FY17,
WE’RE BUILDING THE McCormick OF THE FUTURE

SCALABLE, AGILE, RELEVANT & FOCUSED

Globally-enabled

Technology-equipped

Insight-driven

Forward-focused

Science-empowered

Sustainably-driven
Frank’s RedHot & French’s

The joy of FLAVOR

I put that on everything®
WE’RE BUILDING THE McCormick OF THE FUTURE
STRENGTHENING FRANK’S AND FRENCH’S DISTRIBUTION

FRANK’S FIX THE MIX

Having the right assortment of flavors AND sizes on shelf

Original RedHot U.S. TDP +7%
Buffalo U.S. TDP +12%

FRANK’S REGIONAL GROWTH

Gaining Total Distribution Points (TDP)

West TDP +8%
Mid-South TDP +7%

FRENCH’S MUSTARD

Expanding Share of Shelf

Stabilizing mustard overall points of distribution

*Source: IRI, May 27, 2018
WE’RE BUILDING THE McCORMICK OF THE FUTURE
LEVERAGING RETAIL PROMOTIONAL SCALE AND LAUNCHING INNOVATION

LEVERAGING PROMOTIONAL SCALE

Frank’s and French’s U.S. grilling off to a strong start

Promotional Canadian grilling kits

Sold out in less than a week

LAUNCHING INNOVATION

June 2018 Launch
WE’RE BUILDING THE McCormick OF THE FUTURE
INCREASING BRAND MARKETING
WE’RE BUILDING THE McCormick OF THE FUTURE

PENETRATING ACROSS RESTAURANTS

MENU PARTICIPATION

FRANK’S RedHOT

FRANK’S RedHOT

LaGrille BBQ, French’s Crispy Onion

Cattleman’s Kansas City Classic BBQ

Over 19,000 new restaurant locations

FRONT OF HOUSE

Mustard dispensers

Tabletop offerings
WE’RE BUILDING THE McCORMICK OF THE FUTURE

INCREASING PROMOTIONAL ACTIVITY AND LEVERAGING PRODUCT SUPERIORITY

Doubled Operator participation in Spring 2018

First Fall offering 2018

Superior performance

✓ Natural appearance
✓ Thicker consistency
✓ Better overall application
LEVERAGING THE McCormick INFRASTRUCTURE

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Headcount / Coverage</th>
<th>McCormick Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>5</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>France</td>
<td>Distributor</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>Poland</td>
<td>Distributor</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>Mexico</td>
<td>1 / Distributor</td>
<td>✓ ✓ ✓</td>
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<tr>
<td>Latin America</td>
<td>-</td>
<td>✓ ✓ ✓</td>
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<tr>
<td>China</td>
<td>-</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>1 / Distributor</td>
<td>✓ ✓ ✓</td>
</tr>
</tbody>
</table>

INCREASING GLOBAL PRESENCE

Converted ~ 50 distributors
Added new distributors in 14 New Countries
WE’RE A DIFFERENT KIND OF CPG COMPANY
YOUNGER GENERATIONS FUELING FLAVOR DEMAND

MILLENNIALS FUELING DEMAND

24% of U.S. population

83% reporting fewer restaurant visits and more cooking more at home

McCormick holds leading share of Millennial spice and herb purchases

74% view McCormick brand as authentic; a brand that ‘gets me’

26% of U.S. population

Index higher than all adults in feeling spices & seasonings make a dish unique

Looking for...“Natural”, “Organic”, and “Sustainable” Delicious, fresh, fast, made from scratch, global cuisine

84% of GenZ foodies say more likely to buy brand that exposes to new sensations or experiences

Fastest growing cohort in growth of fresh foods**

*Gen Z defined as 0-20
**Fresh food defined as fresh fruit, vegetables, refrigerated meats, poultry, fish, and eggs
Source: The NPD Group/National Eating Trends®, 2YE ending Aug ’17

Source: Mintel Report “Cooking Enthusiasts” November 2017

78% say they love to cook
WE'RE DELIVERING AGAINST OUR OBJECTIVES
SUCCESSFULLY EXECUTING ON OUR STRATEGY

STRENGTHENING OUR FLAVOR LEADERSHIP

Driving our base business
Accelerating innovation
Expanding our availability and footprint

DELIVERING ON OUR OBJECTIVES

Net Sales*

3-Year CAGR**
+7%

1st Half 2018
+15%

*In constant currency
** 3-Year CAGR FY14-FY17
WE’RE DELIVERING AGAINST OUR OBJECTIVES
McCORMICK BRANDS ARE GROWING

BRAND INVESTMENTS

Increased **brand marketing** +7% 3-year CAGR

Category management **capabilities**

Robust **innovation pipeline**

MKC U.S. SPICE & SEASONINGS BRAND GROWTH

3-Year CAGR Dollars % Change

- **MULO**: 3.7%
- Unmeasured: 15.7%
- All Channels: 4.5%

3-year **CAGR of 4.5%** in U.S. Spice & Seasoning across all channels

Source: IRI, Total US Multi Outlet FY17 vs. FY14
We’re building the McCormick of the future

Driving growth through innovation

<table>
<thead>
<tr>
<th>ORGANIC</th>
<th>PRODUCT AND PACKAGING SUPERIORITY</th>
<th>NEW FLAVORS AND VARIETIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Expansion</td>
<td></td>
<td>U.S. Flavor Forecast Seasonings</td>
</tr>
<tr>
<td>France Expansion</td>
<td></td>
<td>Canada Recipe Mix Power Bowls</td>
</tr>
<tr>
<td>Australia Introduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.K. Introduction</td>
<td>EMEA Schwartz Brand Renovation</td>
<td>China World Flavor Sauces</td>
</tr>
<tr>
<td></td>
<td></td>
<td>U.K. Street Food</td>
</tr>
</tbody>
</table>
WE’RE BUILDING THE McCormick OF THE FUTURE
DRIVING GROWTH THROUGH INNOVATION

TRIAL AND VALUE

Canada Flavor Forecast Seasonings
Australia Value Packs
Poland Family Sizes

CONVENIENCE

China Herb Blends
U.K. Tray Bakes
Australia Tray Bakes

India Ready-to-Cook Basmati Kits
China Rice Cooker One Pot Seasoning
WE’RE BUILDING THE McCORMICK OF THE FUTURE
DRIVING GROWTH GLOBALLY THROUGH E-COMMERCE

CONTINUING TO DRIVE STRONG E-COMMERCE GROWTH

Pure Play customers growing
+67%

Brick & Mortar digital shopping growing
+23%

INVESTING TO DRIVE GROWTH

Increased digital product content by 3x
- Dedicated content teams
- Globally connected digital library

Increased dedicated headcount by 2X
- Dedicated Sales teams
- Dedicated Innovation team

Increased focus in 2018
- Increased promotional support
- E-commerce friendly products and design

China Direct to Consumer

Increased focus in 2018
- Increased promotional support
- E-commerce friendly products and design
Flavor Solutions
WE‘RE A DIFFERENT KIND OF CPG COMPANY

McCORMICK FLAVOR SOLUTIONS

CUSTOM FLAVOR SOLUTIONS
FOR “LOW” & “NO”

REAL TASTE BEGINS WITH REAL FOOD
REAL FOOD. REAL BEVERAGE. REAL INNOVATION.

FUSION OF ART AND SCIENCE

ON-TREND, CULINARY CAPABILITY

CULINARY IS OUR CRAFT

CUSTOMER EXPERIENCE

BETTER-FOR-YOU FLAVOR THAT TASTES … BETTER.

REAL FOOD. REAL BEVERAGE. REAL INNOVATION.

RUTHLESSLY INNOVATIVE. DELICATELY BALANCED.

MCCORMICK CLEAN MEANS … CLEAN.

CULINARY-INSPIRED. CONSUMER-PREFERRED.

Authentic
SUCCESSFULLY EXECUTING ON OUR STRATEGY

STRENGTHENING OUR FLAVOR LEADERSHIP

- Grow and migrate our portfolio to value-added products
- Drive growth from priority categories
- Accelerate Customer Intimacy
- Invest in innovation and technology

DELIVERING ON OUR OBJECTIVES

- Net Sales*
  - 3-Year CAGR**
    - +8%
- 1st Half 2018
  - +15%

*In constant currency  
** 3-Year CAGR FY14-FY17
WE’RE DELIVERING AGAINST OUR OBJECTIVES
PORTFOLIO SHIFT DRIVING MARGIN EXPANSION

GLOBAL SHIFT TO MORE VALUE-ADDED PRODUCTS

Shifted the Portfolio from 62% to 72% Value-Add

Coatings & Ingredients

Low to high value-added flavor

Sales dollars*

2014
2017*

Flavors

Branded Foodservice

All Other

8.3%
9.5%
10.0%
11.9%

2014
2015
2016
2017*

MARGIN EXPANSION

Expanding adjusted operating margin**

8.3% 9.5% 10.0% 11.9%

*Based on Pro Forma FY2017 reflecting a full year of the RB Foods’ acquisition

**As reported
WE’RE DELIVERING AGAINST OUR OBJECTIVES
INVESTMENTS TO DRIVE GROWTH

SINGAPORE
ITALY
UK
US
CHINA
THAILAND
BRAZIL
WE'RE BUILDING THE McCORMICK OF THE FUTURE
EXPANDING OUR BREADTH

TECHNOLOGY
- Natural extracts, Organics & juice concentrates
- USDA Organic savory flavors & technologies

TALENT
- Expanding science and commercial talent
- Enhancing capabilities with talent

CATEGORIES
- Beverage, sweet, savory and dairy
- Soups, condiments, proteins and snacks

CUSTOMERS
- Wider product range for existing customers
- New customer relationships
Purpose-Led Performance

The joy of FLAVOR
WE'RE A DIFFERENT KIND OF CPG COMPANY
DIFFERENTIATED BY TOP-TIER GROWTH OBJECTIVES

LONG-TERM SALES GROWTH TARGET

LONG-TERM ADJUSTED EPS GROWTH TARGET
WE'RE DELIVERING ON OUR OBJECTIVES

ACHIEVING TOP-TIER BUSINESS PERFORMANCE

**Net sales**
in billions

**Adjusted EPS**
per share

**Cash flow from operations**
in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales</th>
<th>Adjusted EPS</th>
<th>Cash flow from operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$3.60</td>
<td>$1.50</td>
<td>$600</td>
</tr>
<tr>
<td>2017</td>
<td>$4.50</td>
<td>$3.00</td>
<td>$900</td>
</tr>
</tbody>
</table>

2008 2017

Net sales

Adjusted EPS

Cash flow from operations
WE'RE DELIVERING ON OUR OBJECTIVES

DELIVERING AGAINST LONG-TERM GROWTH OBJECTIVES

<table>
<thead>
<tr>
<th>LT FINANCIAL OBJECTIVES*</th>
<th>3-YEAR CAGR PERFORMANCE*</th>
<th>2018 GUIDANCE**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth</td>
<td>4-6%</td>
<td>7%</td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>7-9%</td>
<td>11%</td>
</tr>
<tr>
<td>Adjusted EPS growth</td>
<td>9-11%</td>
<td>11%</td>
</tr>
<tr>
<td>Total shareholder return</td>
<td>11-13%</td>
<td>13%</td>
</tr>
</tbody>
</table>

* In constant currency excluding shareholder return
** Includes an expected favorable impact from foreign currency rates
WE'RE DELIVERING ON OUR OBJECTIVES

EXPANDING ADJUSTED OPERATING MARGINS

INCREASED FOCUS ON PROFIT REALIZATION

<table>
<thead>
<tr>
<th>FY17 vs. FY14</th>
<th>1H 2018 vs. 1H 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>+90 bps</td>
</tr>
<tr>
<td>Flavor Solutions</td>
<td>+360 bps</td>
</tr>
<tr>
<td>McCormick &amp; Co.</td>
<td>+200 bps</td>
</tr>
</tbody>
</table>

LONG TERM FINANCIAL OBJECTIVES*

- Sales Growth: 4-6%
- Adj Operating Income Growth: 7-9%

Implies average of **40 bps** operating income margin improvement annually

* In constant currency
WE'RE DELIVERING ON OUR OBJECTIVES
GENERATING SAVINGS AND CASH FLOW

COMPREHENSIVE CONTINUOUS IMPROVEMENT

CASH FLOW FROM OPERATIONS

DIVIDENDS DECLARED

CASH CONVERSION CYCLE
WE'RE DELIVERING ON OUR OBJECTIVES

DELIVERING AGAINST THE FRANK’S AND FRENCH’S ACQUISITION PLAN

Value creation

✓ Leading position in U.S. condiments
✓ Expanded distribution and accelerated innovation
✓ Meaningful margin enhancement
✓ Combination of portfolios driving significant shareholder value

Synergies and one-time costs

✓ 2018 synergies pacing ahead of expectations
✓ SAP implementation and business integration completed
✓ Transaction and integration costs favorable

Results

✓ Performance in line with year one plans
✓ On track to deleverage to 3.0X by 2020
WE'RE DELIVERING AGAINST OUR OBJECTIVES

PURPOSE-LED PERFORMANCE

DRIVEN TO DO WHAT’S RIGHT

INDUSTRY-LEADING
FINANCIAL PERFORMANCE

and

MAKE EVERY DAY BETTER FOR PEOPLE,
OUR COMMUNITIES AND PLANET

52 Week Return

Source: Factset, August 31, 2018
WE'RE BUILDING THE McCORMICK OF THE FUTURE

PURPOSE-LED PERFORMANCE: DRIVEN TO DO WHAT’S RIGHT

COMMUNITIES
Goals to increase the resilience and improve the livelihoods of small farmers and drive broader community involvement.

PLANET
Goals to reduce our environmental impact and increase sustainability of ingredients we source.

PEOPLE
Goals to champion equality, educate, and develop our employees, and drive better health outcomes for people everywhere.
WE'RE BUILDING THE McCormick OF THE FUTURE
MAKING A POSITIVE IMPACT ON OUR PLANET AND COMMUNITIES

PLANET

Reducing our Environmental Impact by 2025

- 20% Carbon footprint & water use
- 80% Solid waste

Sustainably sourcing 100% by 2025

COMMUNITIES

Increasing the Resilience of our Sourcing Communities

Targeting 35,000 small farmers of our iconic herbs & spices with programs to increase their skills and education, income and health

Sustainably sourcing our iconic branded herbs and spices
WE’RE BUILDING THE McCORMICK OF THE FUTURE

WINNING WITH THE RIGHT PEOPLE AND RIGHT CULTURE
1. We’re a different kind of CPG company
2. We’re delivering against our objectives
3. We’re building the McCormick of the future
The following tables include financial measures of adjusted operating income, adjusted operating income margin, and adjusted diluted earnings per share, each excluding the impact of special charges for each of the periods presented. These financial measures also exclude the impact of items associated with our acquisition of RB Foods on August 17, 2017 as these items significantly impact comparability between years. These financial measures also exclude, for 2018, and the comparison of our results for 2018 to 2017, the net estimated impact of the effects of the one-time transition tax and re-measurement of our U.S. deferred tax assets and liabilities as a result of the U.S. Tax Act passed in December 2017 as these items will significantly impact comparability between years. Adjusted operating income, adjusted operating income margin, adjusted income taxes, 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.

In our consolidated income statement, we include separate line items captioned “Special charges” and “Transaction and integration expenses” 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, comprised of our Chairman, President and Chief Executive Officer; Executive Vice President and Chief Financial Officer; President Flavor Solutions Segment and McCormick International; President Global Consumer Segment and Americas; Senior Vice President, Human Relations; and Senior Vice President, Strategy and Global Enablement. Upon presentation of any such proposed action (including details with respect to estimated costs, which generally consist principally of employee severance and related benefits, together with ancillary costs associated with the action that may include a non-cash component or a component which relates to inventory adjustments that are included in cost of goods sold; impacted employees or operations; expected timing; and expected benefits) 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.

We believe that these non-GAAP financial measures are important. The exclusion of special charges, the impact of the acquisition date-inventory fair value adjustment on cost of goods sold, transaction and integration expenses, other debt costs and income taxes associated with the U.S. Tax Act, provide 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 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 in the tables that follow.
NON-GAAP FINANCIAL MEASURES

To present the percentage change in projected 2018 sales, adjusted operating income and adjusted earnings per share on a constant currency basis, 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 rate for 2018 and are compared to the 2017 results, translated into U.S. dollars using the same 2018 budgeted exchange rate, rather than at the average actual exchange rates in effect during fiscal year 2017. This calculation is performed to arrive at adjusted net income divided by historical shares outstanding for fiscal year 2017 or projected shares outstanding for fiscal year 2018, as appropriate.

The following provides a reconciliation of our estimated earnings per share to adjusted earnings per share for 2018 and actual results for 2017:

<table>
<thead>
<tr>
<th>(in millions except per share data)</th>
<th>Twelve Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018 Projection</td>
</tr>
<tr>
<td>Earnings per share - diluted</td>
<td>$6.85 to $6.95</td>
</tr>
<tr>
<td>Impact of special charges, transaction and integration expenses, and other debt costs</td>
<td>0.24</td>
</tr>
<tr>
<td>Estimated non-recurring benefit, net, of recent U.S. tax legislation</td>
<td>(2.24)</td>
</tr>
<tr>
<td>Adjusted earnings per share - diluted</td>
<td>$4.85 to $4.95</td>
</tr>
</tbody>
</table>

Percentage change in sales: 13% to 15%
Impact of foreign currency exchange rates: 2%
Percentage change in sales on constant currency basis: 11% to 13%
Percentage change in adjusted operating income: 23% to 25%
Impact of foreign currency exchange rates: 1%
Percentage change in adjusted operating income on constant currency basis: 22% to 24%
Percentage change in adjusted earnings per share: 14% to 16%
Impact of foreign currency exchange rates: 1%
Percentage change in adjusted earnings per share on constant currency basis: 13% to 15%
## NON-GAAP FINANCIAL MEASURES

The following provides a reconciliation of our operating income to adjusted operating income and our adjusted operating income margin.

<table>
<thead>
<tr>
<th>Year Ended November 30,</th>
<th>2014</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$603.0</td>
<td>$702.4</td>
</tr>
<tr>
<td>Impact of transaction and integration expenses included in cost of goods sold</td>
<td>–</td>
<td>20.9</td>
</tr>
<tr>
<td>Impact of other transaction and integration expenses</td>
<td>–</td>
<td>40.8</td>
</tr>
<tr>
<td>Impact of special charges</td>
<td>5.2</td>
<td>22.2</td>
</tr>
<tr>
<td>Percentage increase in adjusted earnings per share – diluted</td>
<td>$608.2</td>
<td>$786.3</td>
</tr>
<tr>
<td>Adjusted operating margin (1)</td>
<td>14.3%</td>
<td>16.3%</td>
</tr>
</tbody>
</table>

(1) Adjusted operating income margin is calculated as adjusted operating income as a percentage of net sales for each period presented.
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. To present the compounded annual growth rates (“CAGR”) percentages in sales, adjusted operating income and adjusted earnings per share on a constant currency basis, sales and adjusted operating income and adjusted net income for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the company’s budgeted exchange rate for 2018 for all periods. This calculation is performed to arrive at adjusted earnings per share on a constant currency basis by dividing adjusted net income divided by historical shares outstanding for the applicable fiscal year.

A reconciliation of McCormick’s actual CAGR and constant currency CAGR follows:

<table>
<thead>
<tr>
<th></th>
<th>3-Year CAGR</th>
<th>Impact of foreign currency exchange rates</th>
<th>3-Year CAGR on a constant currency basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>4%</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>9%</td>
<td>2%</td>
<td>11%</td>
</tr>
<tr>
<td>Adjusted earnings per share</td>
<td>8%</td>
<td>3%</td>
<td>11%</td>
</tr>
</tbody>
</table>
## NON-GAAP FINANCIAL MEASURES

A reconciliation of our Consumer and Flavor Solutions actual CAGR and constant currency CAGR for sales and adjusted operating income follows:

<table>
<thead>
<tr>
<th></th>
<th>Consumer</th>
<th>Flavor Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Year CAGR – Net sales</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Impact of foreign currency exchange rates</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>3-Year CAGR – Net sales on a constant currency basis</td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>