



McCormick & Company, Inc.
CAGNY Conference

February 18, 2020

**BUILDING THE
McCORMICK OF
THE FUTURE**

FORWARD-LOOKING INFORMATION

Certain information contained in this presentation and our remarks, including statements concerning expected performance such as those relating to net sales, gross margins, earnings, cost savings, acquisitions, brand marketing support, 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; 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 expected impact of the U.S. Tax Act enacted in December 2017; 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; actions by, and the financial condition of, competitors and customers; the longevity of mutually beneficial relationships with our large customers; business interruptions due to natural disasters or unexpected events, including the impact of coronavirus (COVID-19) on our business; 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 acquisition of RB Foods; global economic and financial conditions generally, including the exit of the U.K. from the European Union (Brexit), 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 RB Foods acquisition 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; 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 in December 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.



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, the non-recurring benefit of the U.S. Tax Act and our net debt to Adjusted EBITDA ratio 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.

OUR FOCUS IS GROWTH

We're a different kind of CPG company

We're delivering on our objectives

We're building the McCormick of the future

We're investing for the future

We're sustainably positioned for growth



BUILDING THE McCORMICK OF THE FUTURE

We're investing
for the future

We're sustainably
positioned for
growth

Advancing
our
differentiation

Accelerating
our
core business

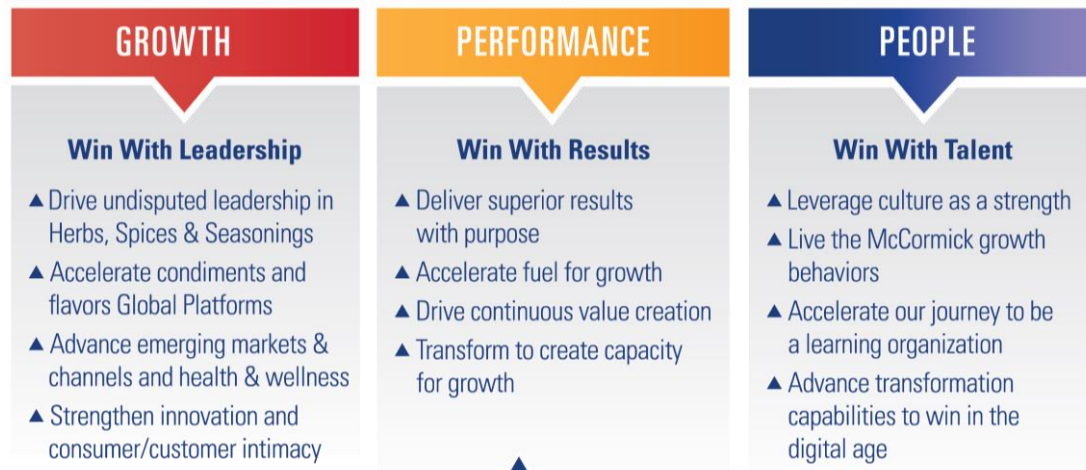
Fueling
our
growth

Transforming
our
business

FLAVORING A BETTER TOMORROW

REFRESHED STRATEGIC ROADMAP AND COMMITMENT TO PURPOSE

Our Vision is to Bring the Joy of Flavor to Life
Our Mission is to Make Every Meal and Moment Better



McCORMICK PRINCIPLES

Passion for Flavor | Power of People | Taste you Trust | Driven to Innovate | Purpose-led Performance



“When a president of a business assumes the job, they take on the **responsibility of making a profit**, first of all. They owe that **obligation to the stockholders...**”

...and...

“We were placed here to **improve the society in which we live** and that should be the goal of business and professional leaders today, tomorrow and forever.”

CP McCormick
1949

GROWTH



POSITIONED
FOR
GROWTH

McCORMICK IS GLOBAL FLAVOR

61% Consumer /
39% Flavor Solutions

~17,000
products

\$5.3B 2019 Net Sales

Leading and iconic
flavor brands in
150 countries and
territories

Leader in
clean flavor



69% Americas /
19% EMEA /
12% APZ

~6% net income
from joint ventures

Large and fast growing
emerging markets
penetration

Operations and
joint ventures in
27 countries

~14,000 raw materials
sourced from over
85 countries

McCORMICK CONSUMER & FLAVOR SOLUTIONS

CONSUMER

Leading and iconic flavor brands in 150 countries and territories

Category Leadership

Flavoring fresh, inspiring healthy choices

Recognized digital leadership

Products in all channels at every price point, from premium branded to private label

10% of cost and 90% of flavor



FLAVOR SOLUTIONS

Leader in clean label, organic, natural extracts and better-for-you solutions

Culinary, real food, leadership

Innovation with deep consumer & trend insight

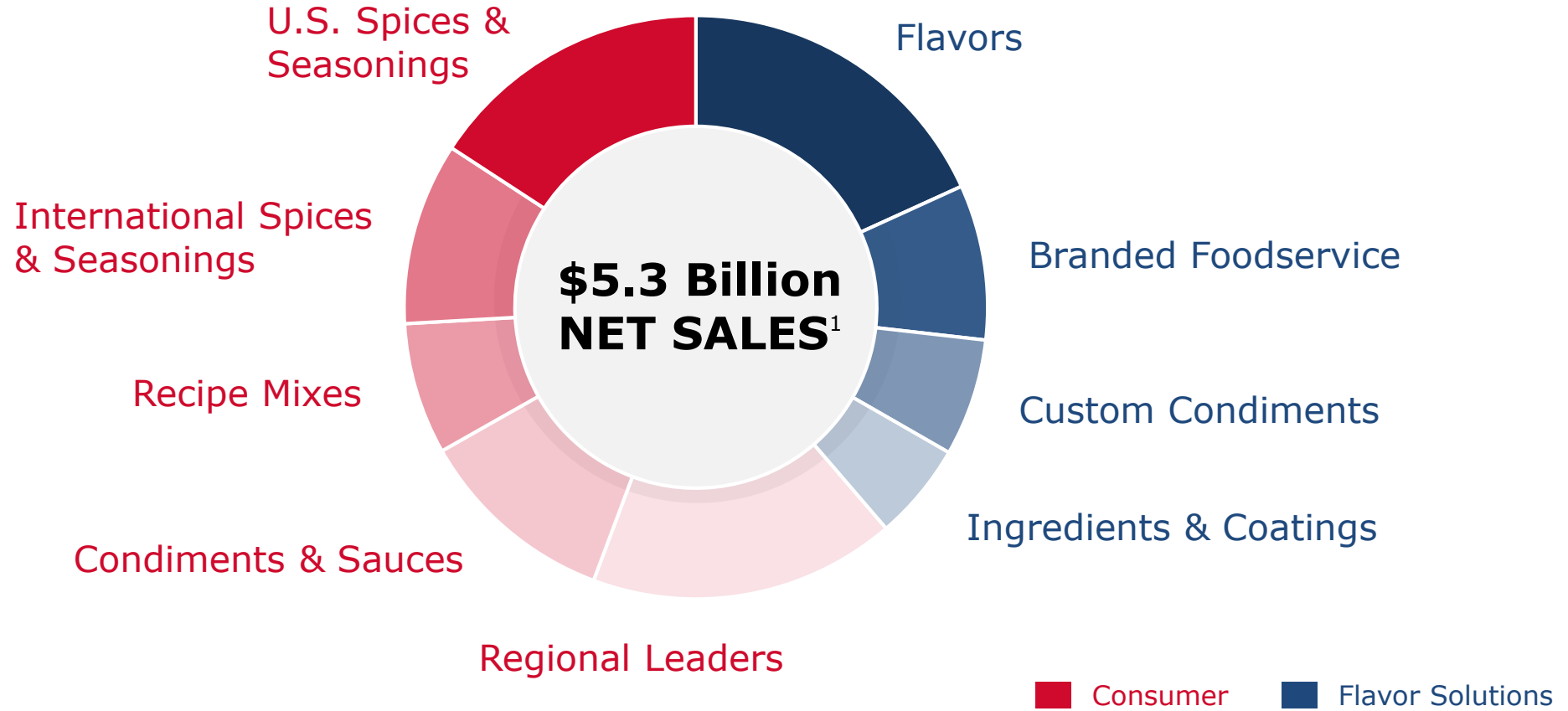
Customer intimacy leadership

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

Application science, quality & regulatory leadership

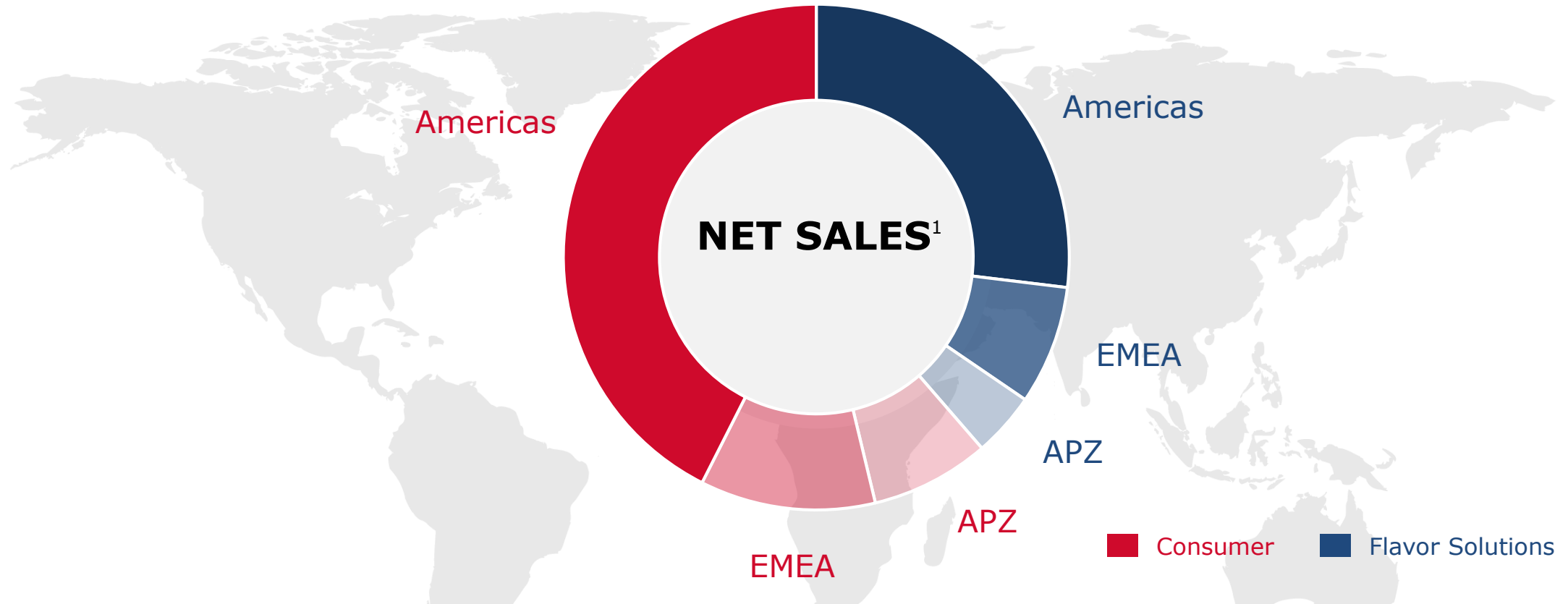


BROAD AND ADVANTAGED GLOBAL FLAVOR PORTFOLIO



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

GLOBAL FOOTPRINT



STRONG PRESENCE IN EMERGING MARKETS

~23% of global sales¹



FLAVOR IS AN ADVANTAGED GLOBAL CATEGORY

GLOBAL DEMAND FOR FLAVOR CONTINUING TO GROW: 5% 5-year CAGR

RESEARCH SHOWS CONSUMERS WANT MORE FLAVOR



79% of U.S. consumers add flavorful ingredients and spices¹



81% of French consumers are interested in trying new food or flavors²



71% of Australian consumers love trying new spices, seasonings and flavors³



60% of U.K. consumers like trying new recipes and ingredients⁴

GROWTH RATES SUPPORT RESEARCH

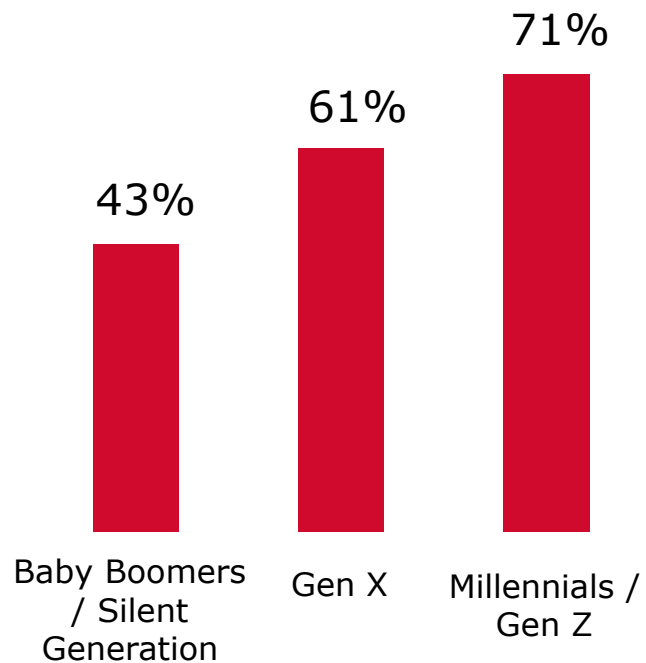
5-year Global Demand CAGR⁵



YOUNGER GENERATION FUELING FLAVOR GROWTH

MILLENNIALS & GEN Z LEADING DEMAND

Seeking Bolder Flavored Foods vs. 2 Years Ago¹



GEN Z IS HYPER FOCUSED ON FLAVOR

Largest US segment and most ethnically-diverse in history²

Seek function, authenticity, flavor and excitement from food⁴

Nostalgic for brands and flavors with heritage³



Ethics-focused food choices³

Digital natives phones eat first³

Global flavor palate³

Like bold flavor³

GROWTH STRATEGIC IMPERATIVES

Growth

Win With Leadership

- Drive **undisputed leadership** in herbs, spices & seasonings
- Accelerate **condiments** and **flavors** global platforms
- Advance **emerging markets & channels** and **health & wellness**
- Strengthen **innovation** and **consumer and customer intimacy**

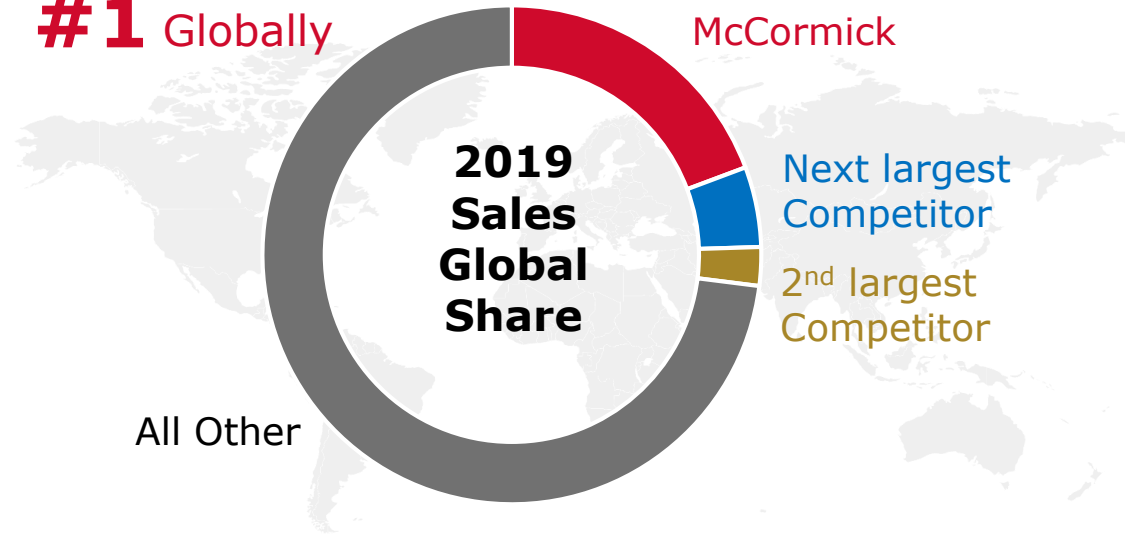


DRIVING OUR
CONSUMER
FLAVOR
LEADERSHIP

DRIVING UNDISPUTED LEADERSHIP IN SPICES & SEASONINGS

20% GLOBAL CATEGORY SHARE LEADER¹

#1 Globally



DRIVING GLOBAL LEADERSHIP

- ✓ Strong brand equity
- ✓ New product innovation
- ✓ Category management

PROFITABLE CATEGORY FOR RETAILERS

#1 Basket Ring for center store categories¹




#8 Trips for center store categories¹

#1 Profit per Linear Foot for center store categories²



DELIVERING 4% U.S. BRANDED GROWTH²

All Channels  4.0%

Unmeasured  13.2%

Measured  3.3%

4-Year CAGR Dollar % change

DRIVING SPICE & SEASONING CATEGORY AND McCORMICK GROWTH

REINVENTING THE U.S. SHOPPING EXPERIENCE

Improving Navigation and Driving Inspiration with a New Shelving Design

Everyday Herbs and Spices – replenishing and stocking up the pantry

Bake. Grill. Cook. – driving inspiration and providing solutions



Gourmet. Organic. Global. – elevating the flavor experience

Rolling out during 2020 and 2021

STRENGTHENING OUR LEADERSHIP IN RECIPE MIXES

CATEGORY SHARE LEADER ACROSS KEY MARKETS

#1 U.S.



#1 Canada



#2 U.K.



#1 China



DRIVING GLOBAL LEADERSHIP ✓ Strong brand equity ✓ Category management ✓ New products

ADVANCING OUR LEADERSHIP IN CONDIMENTS

HOT SAUCE
#2 GLOBALLY



#1 Markets:
 U.S.
 Canada
 Central America

MUSTARD
#2 GLOBALLY



#1 Markets:
 U.S.
 Canada
 Mexico
 Poland
 Philippines

OTHER CONDIMENTS

BRANDED CATEGORY
 LEADERSHIP POSITION
 IN KEY MARKETS

MAYONNAISE



#1 Mexico
#2 Central America

KETCHUP



#2 Canada
#2 China

BBQ SAUCE



#3 U.S.
#3 Canada

LEVERAGING OUR BRANDS & HEATING UP SOCIAL MEDIA

OLD BAY Hot Sauce

Limited Edition Product

**+1 BILLION
IMPRESSIONS**



CNN Business  @CNNBusiness

McCormick & Company, the Maryland-based spice purveyor that makes **Old Bay** seasonings, says it's selling a limited-edition **hot sauce**. The announcement was greeted with a lot of excitement on social media.

DRIVING GROWTH WITH NEW PRODUCTS

PROVIDING CONSUMERS WITH CONVENIENT SOLUTIONS



U.S. Flavor Cubes



U.S. Perfect Pinch Relaunch



EMEA & Canada One Dish Roll Out



China Hot Pot Line Extensions

PARTNERING WITH INSTANT POT® FOR CONVENIENCE WITH FLAVOR

RENOVATING 6 EXISTING ITEMS



Instant Pot
READY



Instant Pot
Directions



facebook



Year-Round Joint
Marketing

LAUNCHING INSTANT POT PLATFORM



DRIVING GROWTH WITH NEW PRODUCTS

DELIVERING ON DEMAND FOR HEALTH & TRANSPARENCY



UK Meat Free Recipe Mix Range



France Vahine Snacking Range



U.S. Salt Free Blends Relaunch



U.S. Low Sugar Stubb's



China Squeezable Healthy Oil Salad Dressing



India Organic Rices

DRIVING GROWTH WITH NEW PRODUCTS

INSPIRING FLAVOR EXPLORATION & EXPERIMENTATION



Australia
Indian Ready Meals



U.S. Grill Mates
Regional Blends



U.S. Flavored
Mayonnaise



U.S. Everything
Bagel Blend



UK Chili
Extensions

DRIVING GROWTH WITH NEW PRODUCTS

BROADENING FRANK'S AND FRENCH'S U.S. PORTFOLIOS



Frank's Thick
Sauces



French's
Premium Mustards

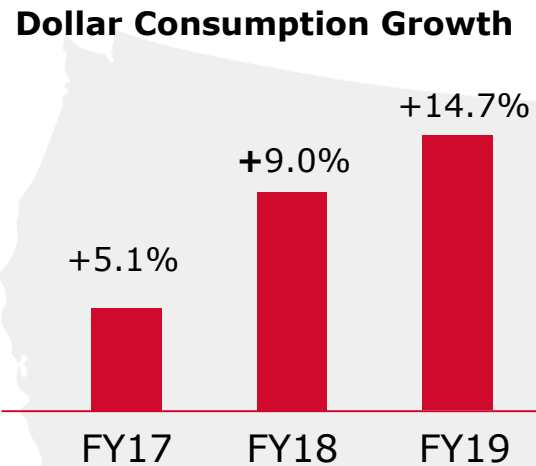


Frank's Seasonings Line
Extensions

ACCELERATING FRANK'S AND FRENCH'S U.S. GROWTH



EXPANDING FRANK'S PORTFOLIO

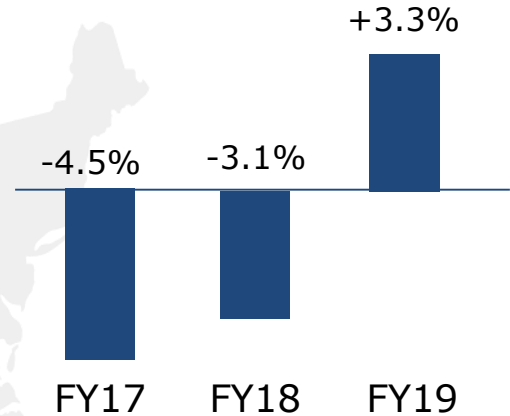


Driving Household Penetration and Extending Distribution



TURNING MUSTARD AROUND

Dollar Consumption Growth



Growing Share with Increased Merchandising

GROWING BRANDED FOODSERVICE



Double Digit Tabletop Growth



New Menu Participation



CELEBRATING FRANK'S REDHOT 100th BIRTHDAY

FRANK'S
SINCE 1920
RedHot

6 IS
100

PRETTY
HOT FOR A
HUNDRED

I put that 
on everything®

FRANK'S
SINCE 1920
RedHot
ORIGINAL
CAYENNE PEPPER SAUCE
THE PERFECT BLEND OF FLAVORS

The advertisement features a vibrant red background with a fine white dot pattern. In the top left, the Frank's RedHot logo is displayed in white. Below it, the number '100' is written in a large, white, hand-drawn style, with a '6 IS' written above the first zero. To the right of the '100', a white arrow points from the number towards a white ceramic bowl filled with a golden-brown, cheesy casserole topped with green herbs. Next to the bowl is a glass bottle of Frank's RedHot Original Cayenne Pepper Sauce. The bottle has a black cap and a white label with red and yellow accents. Several white five-pointed stars are scattered across the background. At the bottom left, the slogan 'I put that on everything' is written in white, with a small red splash icon above the word 'that'.



FUELING
GROWTH IN
FAST GROWING
MARKETS &
CHANNELS

ACCELERATING IN FAST GROWING GEOGRAPHIES

DRIVING SALES GROWTH



Expanding China World Sauces Platform
+65%



Growing McMEX joint venture sales
+8%



+15%
India portfolio

GAINING FRANK'S & FRENCH'S MOMENTUM



Top 5 Direct to consumer item for MKC China



Australian **double-digit growth** and market share gains

Double digit sales growth in Mexico



STRENGTHENING OUR HEALTH & WELLNESS PORTFOLIO

GLOBAL LEADER IN ORGANIC SPICES AND SEASONINGS



UK



France



Australia



Canada



Poland



U.S.

DELIVERING GREAT TASTE WITH CLEAN AND HEALTHIER FLAVORS

ZERO calories, fat and sugar



Nutrition Facts	
154 servings per container	
Serving size	1/4 teaspoon
Amount Per Serving	
Calories	0
% Daily Value*	
Total Fat 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 0mg	0%
Total Carbohydrate 0g	0%
Dietary Fiber 0g	0%
Total Sugars 0g	
Includes 0g Added Sugars	0%
Protein 0g	0%



Nutrition Facts	
79 servings per container	
Serving size	(5g)
Amount Per Serving	
Calories	0
% Daily Value*	
Total Fat 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 55mg	2%
Total Carbohydrate 0g	0%
Dietary Fiber 0g	0%
Total Sugars 0g	
Includes 0g Added Sugars	0%
Protein 0g	0%

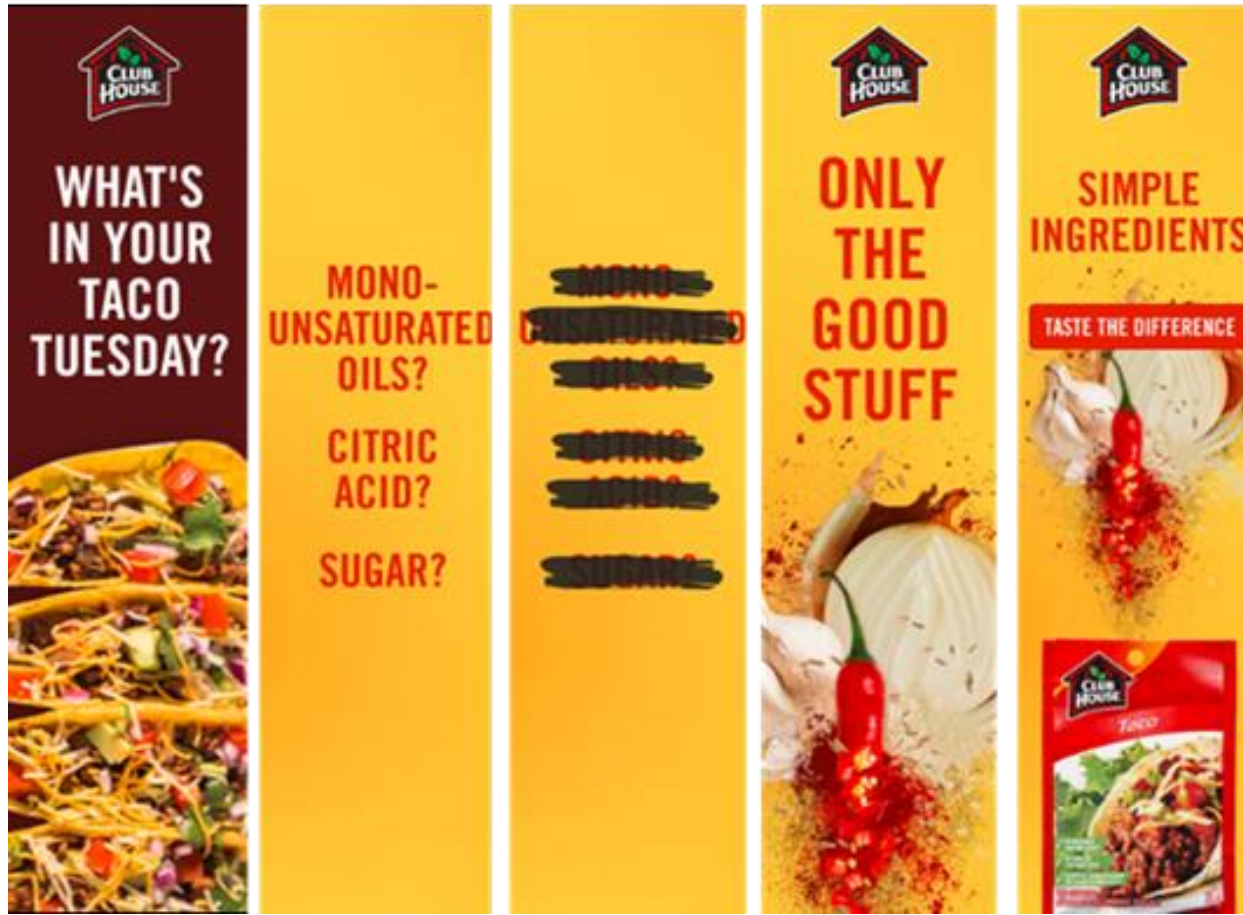
Not a significant source of vitamin D, calcium, iron, and potassium

*The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.



Across our Global Portfolio

INCREASING OUR HEALTH & WELLNESS MESSAGING



RECIPE MIXES



FRANK'S REDHOT



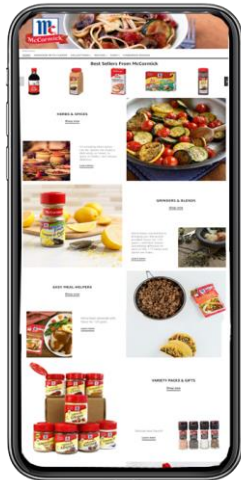
MSI research continues to advance public awareness of the health benefits of spices and herbs

DRIVING GROWTH THROUGH E-COMMERCE

GREW GLOBAL E-COMMERCE SALES **+44%** IN 2019

GROWING PURE-PLAY ACROSS ALL REGIONS

Enhanced content, paid media and **improved** search rank driving growth



Kohinoor Super Value Basmati Rice, 5 kg



Shop Now

High double digit

India E-Commerce growth

GAINING MOMENTUM IN OMNI-CHANNEL

2/3 of global E-commerce sales from **Omni-Channel** retailers

+56% U.S. growth with omni-channel E-Commerce retailers



BUILDING DIRECT CONSUMER RELATIONSHIPS

Tripled Direct to Consumer Sales in 2019

Delivering full brand experience via TMALL in China



Expanded online McCormick Shop in U.S.

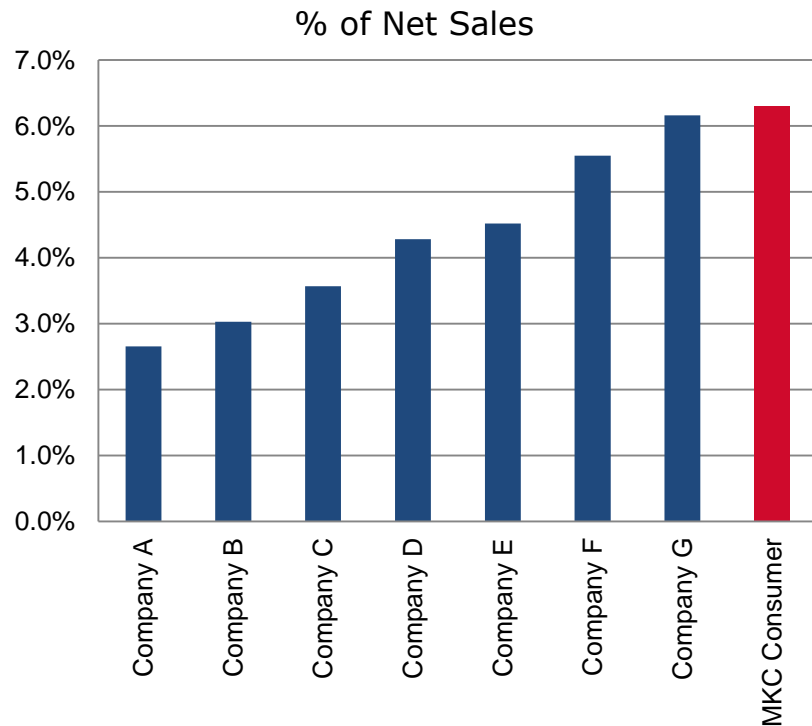




Strengthening
Consumer
Intimacy and
Personalization

CONNECTING WITH CONSUMERS THROUGH DIFFERENTIATED BRAND MARKETING INVESTMENTS

LEADING PEERS WITH CONSUMER BRAND MARKETING SUPPORT



3-Year Consumer Brand Marketing CAGR
+12%

DELIVERING TOP MARKETING PERFORMANCE¹



Increased total ROI
31% since 2015

Over indexed to CPG Norms by more than
2x in 2018.

Digital ~ **60%** of Global
2019 Advertising spend

Gartner **L2**

1) In U.S.

#1 digital
Genius ranking
across U.S. food brands



STRENGTHENING WHERE WE PLAY IN THE CONSUMER EXPERIENCE

CONSUMERS INTERACT WITH FLAVOR EVERYDAY

EXPLORING



- Adventurous dining
- Social media

PLANNING



- Online recipes
- Meal planning tools

SHOPPING



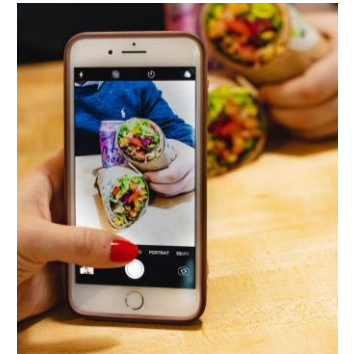
- Proteins, then flavor
- Sampling

COOKING



- Flavoring to taste
- Improvisation

EATING

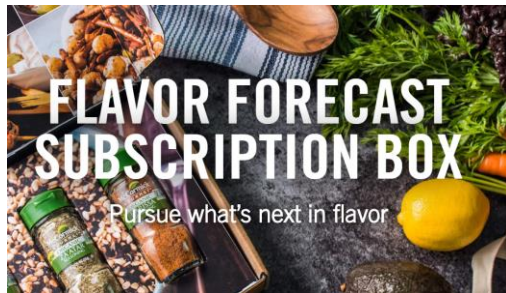


- Sharing
- "Phone eats first"

Whenever the consumer is thinking about flavor.... McCormick will be there

BUILDING SCALABLE DIGITAL CONSUMER EXPERIENCES

MAKING ALL U.S. BRANDED MOMENTS "SHOPPABLE"



- **Flavor Forecast subscription** offerings
- **"Buy-Now"** options
- **Customized & unique** items

Available via...



DRIVING FLAVOR MAKER EXPERIENCES

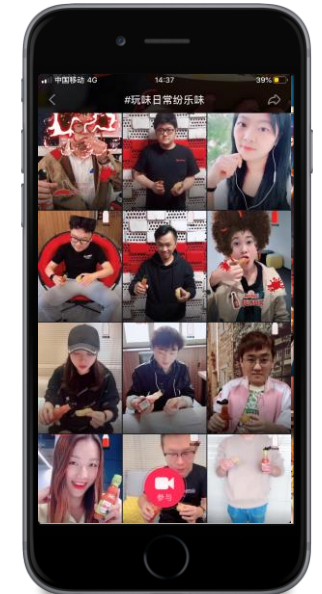


National App launch Q2 2020



Video Series

LEVERAGING TIK TOK IN CHINA



- Consumer generated Frank's **Tik Tok** videos
- **10%** click rate
- **6X Sales increase**

ACTIVATING OUR PURPOSE LED PERFORMANCE MESSAGE WITH CONSUMERS

RESONATING WITH CONSUMERS

81% of global consumers say it is **very important for companies** to implement programs to improve the environment¹

40% of all consumers **avoid** products with **excessive packaging**²

85% of Millennials and Gen Z believe they **can make a difference by purchasing sustainable products**³

DRIVING ACTIONS

84% of all plastic packaging can now be reused, recycled or repurposed...**100%** by 2025



100% by 2025



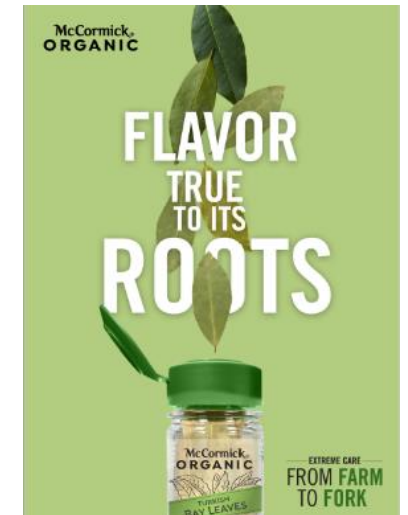
sustainable sourcing of our 5 iconic ingredients



CREATING AWARENESS



Consumer Messaging



1) The Conference Board® Global Consumer Confidence Survey, conducted in collaboration with Nielsen Q2 2017

2) 40% The Hartman Group 2017 Sustainability Study

3) Source: C Space Purpose Led Performance 2017 research



DRIVING OUR
FLAVOR
SOLUTIONS
LEADERSHIP

DELIVERING TOP LINE GROWTH AND MARGIN EXPANSION

SALES GROWTH

4-YEAR SALES CAGR¹

Net Sales **+8%**

Accelerating
higher value-add portfolio

Fast growing
categories



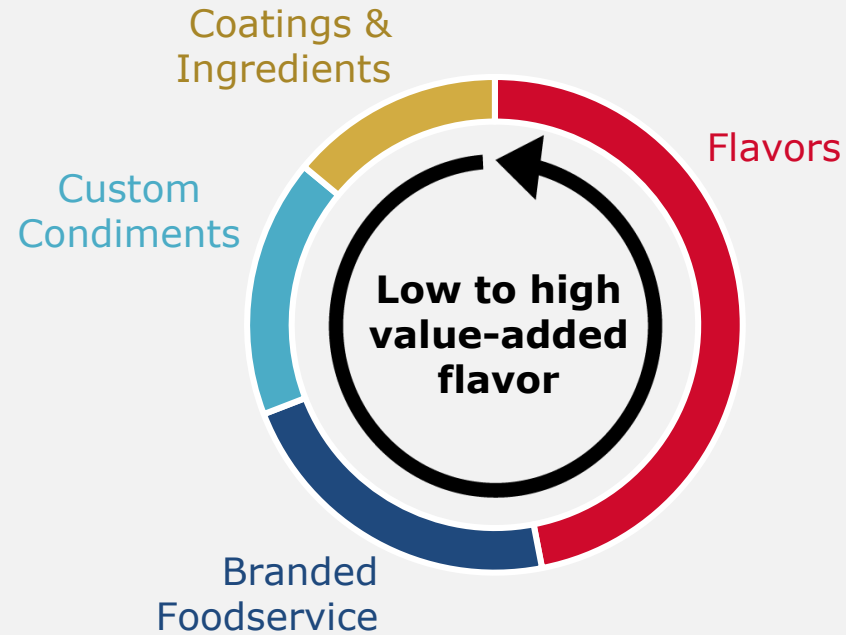
Global expansion

Expanding mid-tier
customers



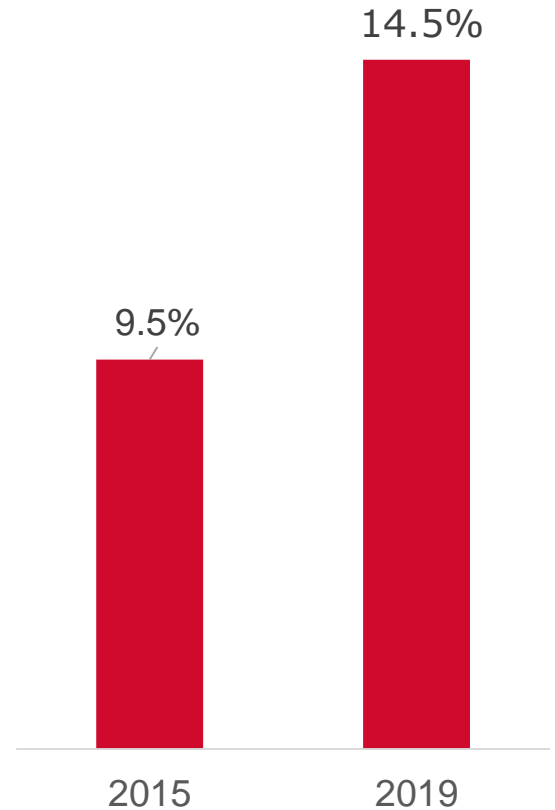
GLOBAL PORTFOLIO SHIFT STRATEGY

SHIFTING TO MORE VALUE-ADD

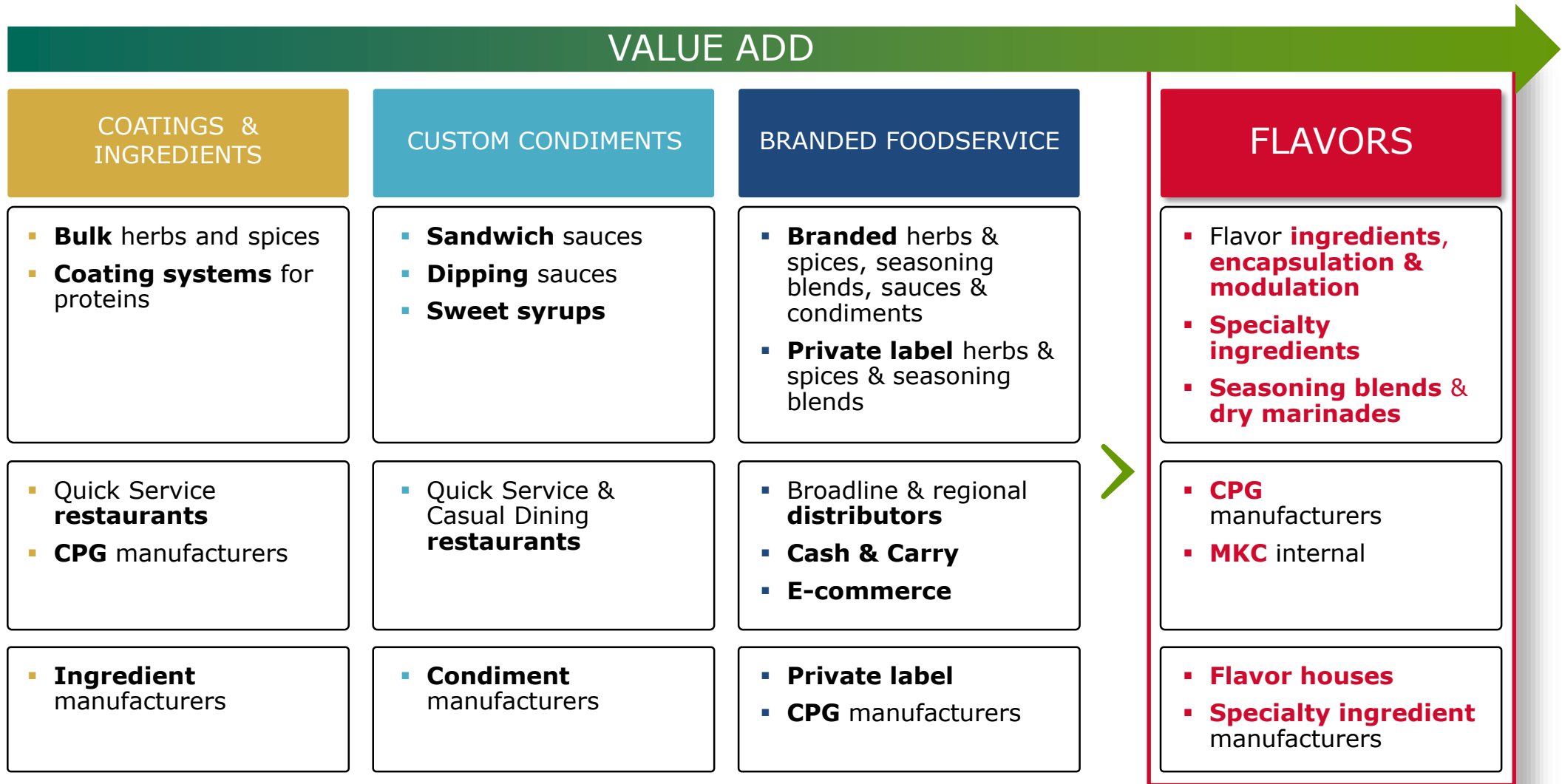


MARGIN EXPANSION

EXPANDING ADJUSTED
OPERATING MARGIN²



A DIVERSE PORTFOLIO OF PRODUCTS, CUSTOMERS & COMPETITION



DIFFERENTIATED BY OUR LEGACY IN NATURAL & CULINARY

BROAD PORTFOLIO OF NATURAL FLAVOR SOLUTIONS



NATURAL EXTRACTS

Vanilla and a variety of spice and herb extracts



NATURAL FLAVORS

Savory, fruit, sweet brown and citrus



SEASONING BLENDS

Complex, dry blends that are sweet or savory flavor systems



CULINARY SYSTEMS

Chicken, beef, seafood & vegetable broths, stocks and concentrates



ICONIC INGREDIENTS

Naturally treated and dehydrated whole & ground spices & herbs

CULINARY IS OUR FOUNDATION FOR FLAVOR CREATION



500 culinary, food scientist and flavor experts



Global Chef's Culinary Council



20 state-of-the-art Technical Innovation Centers

 Flavor Forecast

DESIGNING FLAVORS FOR A WIDE RANGE OF CUSTOMER APPLICATIONS

APPLICATIONS

BEVERAGES



Carbonated, Sport, Functional, Still, Alcoholic & Drinks

SNACKS



Crisps & Savory Snacks

DAIRY



Fresh Cheese, Ice Cream, Yogurt & Drinking Yogurt

BAKERY/ CONFECTIONARY



Breakfast Cereals, Bars, Brioche, Cakes, Biscuits, Sweets & Chewing Gum

SAVORY



Ready meals, Plant-based proteins, Sauces, Marinades & Stocks

ENABLERS

CULINARY



ARTIFICIAL INTELLIGENCE



GLOBAL SOURCING



SENSORY



ANALYTICAL & APPLICATION SCIENCES



CONSUMER INSIGHTS



REGULATORY



TECHNOLOGY PLATFORM



TALENT

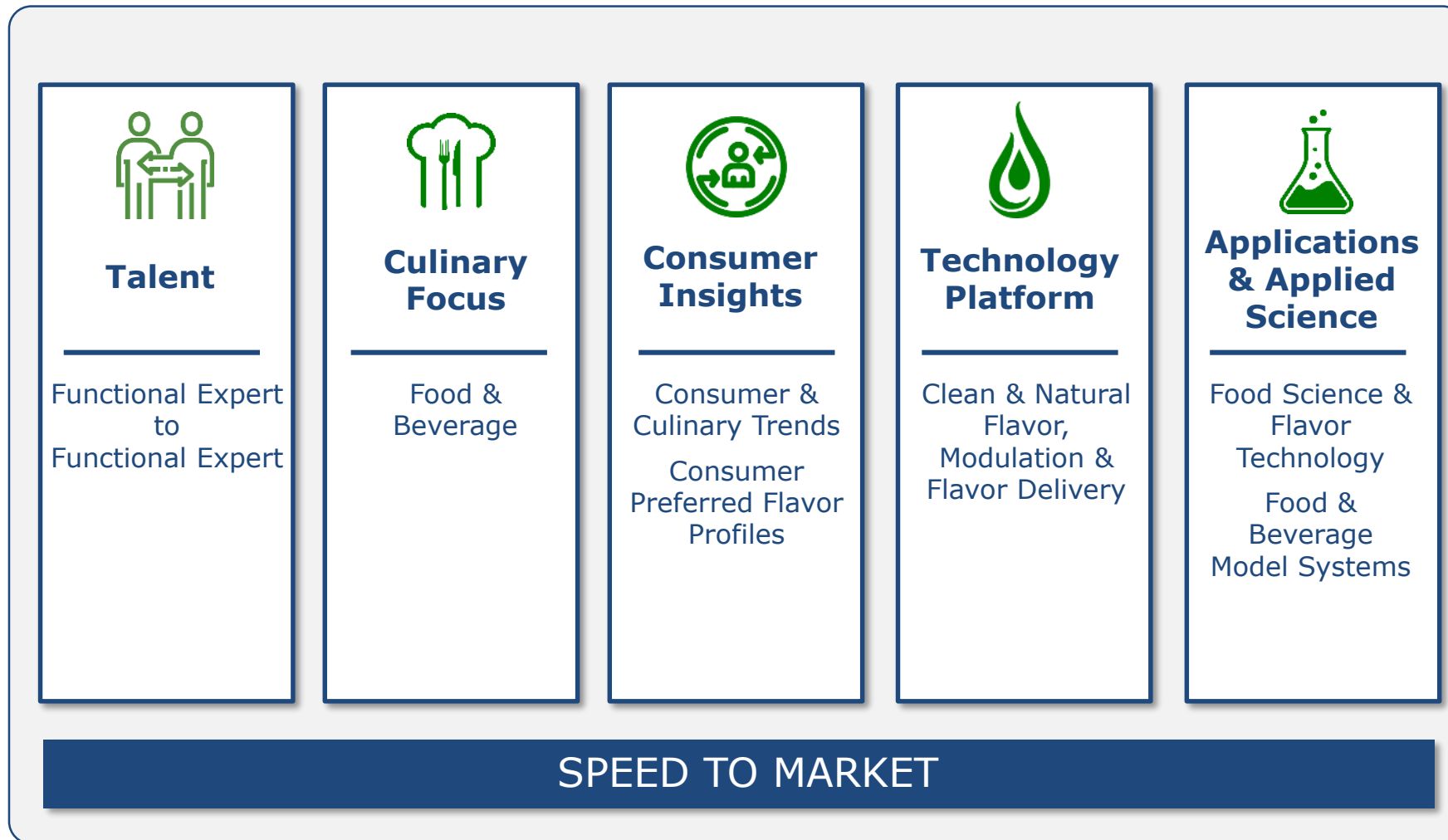


WINNING
THROUGH
CUSTOMER
INTIMACY AND
TECHNOLOGY

WINNING WITH OUR CUSTOMER INTIMACY

DIFFERENTIATED BEST-IN-CLASS CUSTOMER ENGAGEMENT

WINNING RESULTS



LEVERAGING TECHNOLOGY TO CREATE CONSUMER PREFERRED FLAVORS

DRIVING GROWTH WITH A BROAD TECHNOLOGY PLATFORM
WITH SOLUTIONS FOR EVERY APPLICATION

Controlled release
encapsulation to deliver
flavor where, when and
how needed



Granted 15 patents -
preserves flavor during
intense manufacturing

Proprietary **modulation**
technology solving
common flavor challenges



Meeting "low" and "no"
challenges without
sacrificing iconic flavor

Clean and natural
platform enabling clean
label transparency



Developing **on-trend**
organic, non-GMO and
better-for-you products

Flexible natural
replacements for ground
spices and herbs



Delivers a combination of
flavor and functionality

ACCELERATING FLAVORCELL GROWTH BEHIND NEW INITIATIVES

Low Solubility

FlavorCELL
PROTECTING FLAVOR • CONTROLLING DELIVERY

High Solubility

Bakery



Burn-resistant

Confections



Timed flavor release

Beverage



Rapid-dissolve

- Expanding presence with strategic partners
- Gaining process efficiencies
- Winning in new categories
- Expanding to new geographies
- Increasing customer base

+26% Year-over-year volume

Increased Customers nearly **2x**

EXPANDING OUR CLEAN FLAVOR DEVELOPMENT CAPABILITIES

LEVERAGING OUR HERITAGE IN CULINARY + NATURAL FOR ON-TREND INNOVATION



NEW FLAVOR & INGREDIENTS TOOLBOXES DESIGNED FOR CLEAN AND NATURAL SOLUTIONS

Citrus Oils



Extracts



Savory



Modulation



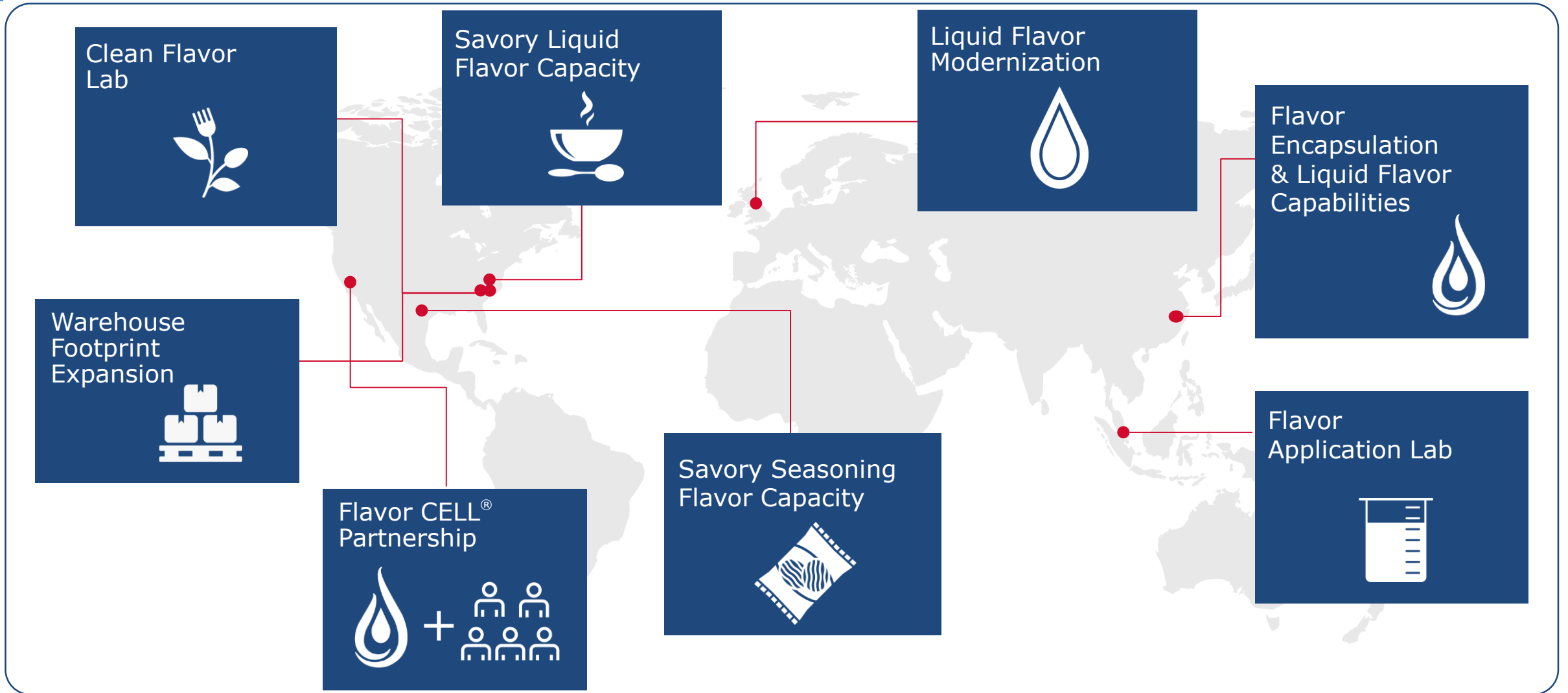
Essential Oils





ACCELERATING
GLOBAL
FLAVORS
SCALE

ACCELERATING OUR FLAVOR GLOBAL SCALE



DRIVING GROWTH ACROSS THE GLOBE



+40%
Beverage
Sales CAGR



**Global Supplier
Status**



+9% LAR
Flavor Sales
CAGR



+7%
Savory Sales
CAGR



13%
Global Mid-
Tier
Customer
Sales CAGR

+18% EMEA
Flavor Sales CAGR



**Clean
leadership**



100%
EMEA new
product win rate
for a new global
customer



PERFORMANCE



WIN WITH
RESULTS

PERFORMANCE STRATEGIC IMPERATIVES

Performance *Win With Results*

- Deliver **superior results** with **purpose**
- Accelerate **fuel for growth**
- Drive **continuous value creation**
- **Transform to create capacity** for growth



TRANSFORM
TO CREATE
CAPACITY
FOR
GROWTH

TRANSFORMING OUR BUSINESS TO CREATE CAPACITY FOR GROWTH

BUILDING LONG TERM SHAREHOLDER VALUE

ENTERPRISE RESOURCE PLANNING



BUSINESS ANALYTICS



GROWTH BEHAVIORS

INNOVATE.ALL
It's everyone's responsibility

Constantly reframe	Move faster
Dynamically allocate resources	Use the whole McCormick Brain

GLOBAL SUPPLY CHAIN



BUILDING A SCALABLE PLATFORM FOR GROWTH

MULTI-YEAR SAP HANA ERP IMPLEMENTATION PROGRAM

CURRENT PROGRAM OVERVIEW

Total Estimated Program Cost
\$300M to \$350M

Capital Cost & Operating Expense Split: ~40/60%

2020 Operating Impact

- Total Investment: ~\$80M
- Incremental to 2019: ~\$60M

Program Phasing

2019: Plan & build

2020: Pilot implementations

2021 – 2022: Global deployment & stabilization

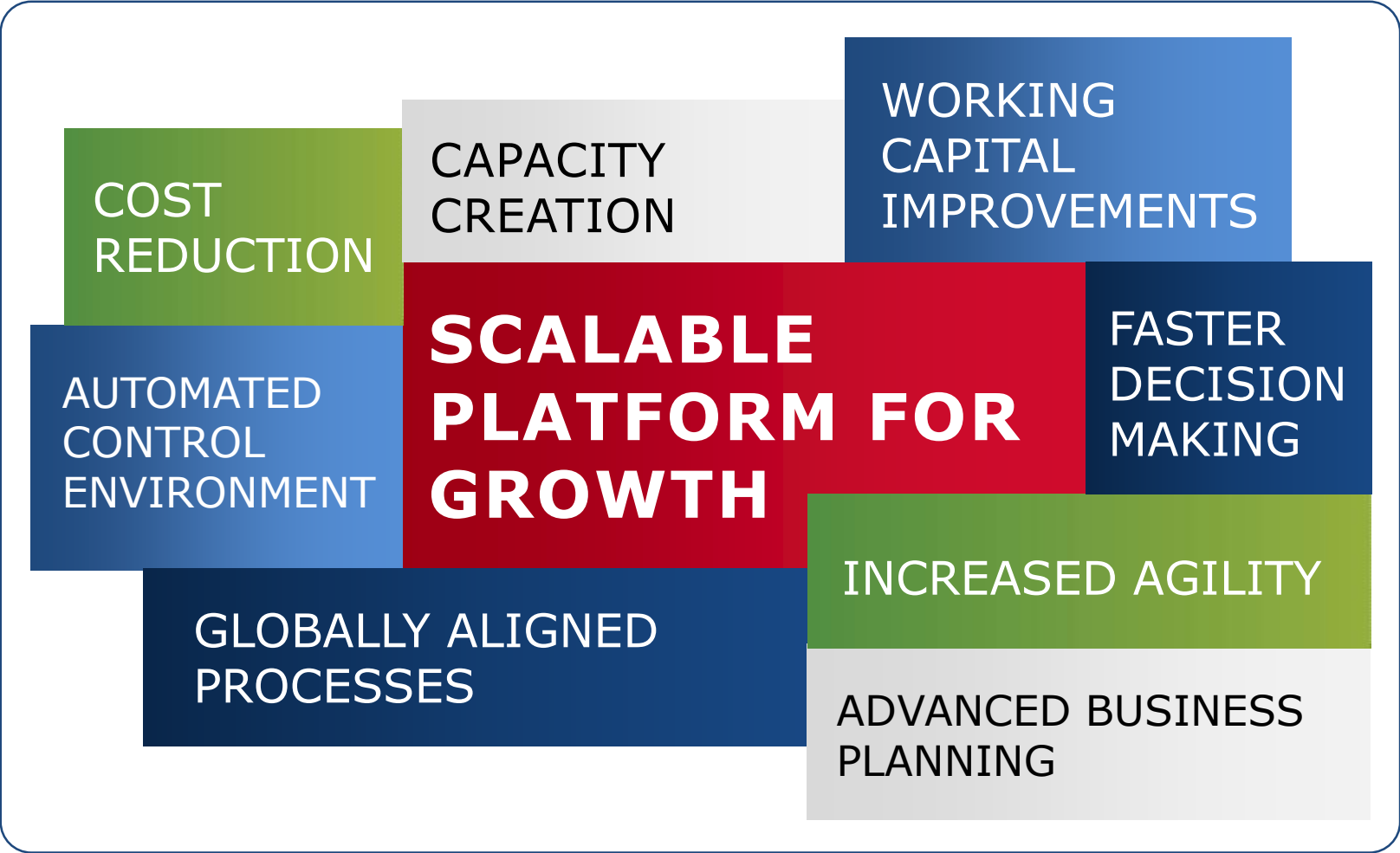


REALIZING TRANSFORMATIONAL BENEFITS

ERP TARGET STATE



ENABLING GROWTH AND ADVANCING CAPABILITIES



INVESTING IN BUSINESS ANALYTICS

COMPUTATIONAL CREATIVITY

AGILE

FAST
DECISION
MAKING

DATA-DRIVEN

AUTOMATED

ERP

INSIGHT LED

OBJECTIVE DECISION MAKING

PREDICTIVE ANALYTICS

ALIGNED

EFFICIENT

PRICING ANALYTICS

ANALYTICS FOR ALL

TREND ANALYSIS

GROWTH ENABLING

GROWTH

ANALYTICS SCALE

CAPACITY CREATION

COMPETITIVE ADVANTAGE



DEVELOPING GROWTH BEHAVIORS

USING OUR DRIVEN TO INNOVATE PRINCIPLE TO UNLOCK THE POWER OF THE PEOPLE



Constantly
reframe

Move faster

Dynamically
allocate
resources

Use the whole
McCormick
Brain



CREATING A SUPPLY CHAIN OF THE FUTURE



FOUNDATIONAL DIGITALIZATION THROUGH ENTERPRISE RESOURCE PLANNING

EXPANDING TO MEET GROWING DEMAND

DISTRIBUTION OPTIMIZATION AND MANUFACTURING MODERNIZATION

AMERICAS DISTRIBUTION



- Scalable for growth
- Increased responsiveness
- Efficiency gains through technology

EMEA MANUFACTURING



- Manufacturing automation
- Capacity for growth

APZ CAPABILITIES



- Regional production capability investments
- Improved supply agility
- Increased responsiveness

BUILDING OUR TECHNICALLY ADVANTAGED SUPPLY CHAIN

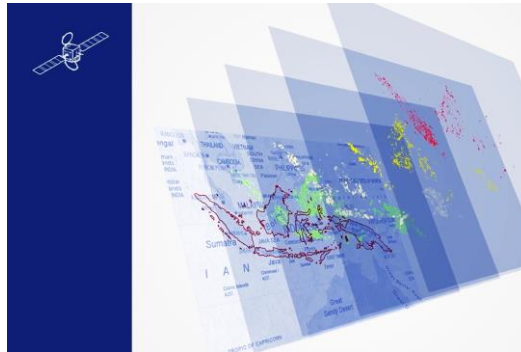
SOURCING WITH PURPOSE TO DELIVER DIFFERENTIATED AND SUSTAINABLE SPICES AND HERBS

SCIENCE OF AGRONOMY



Improving yield management and increasing density of output while optimizing and increasing flavor profile

TECHNOLOGY ENABLED



Locating and identifying the highest quality ingredient with specific characteristics for an optimized flavor profile

VALUE CHAIN TRANSFORMATION



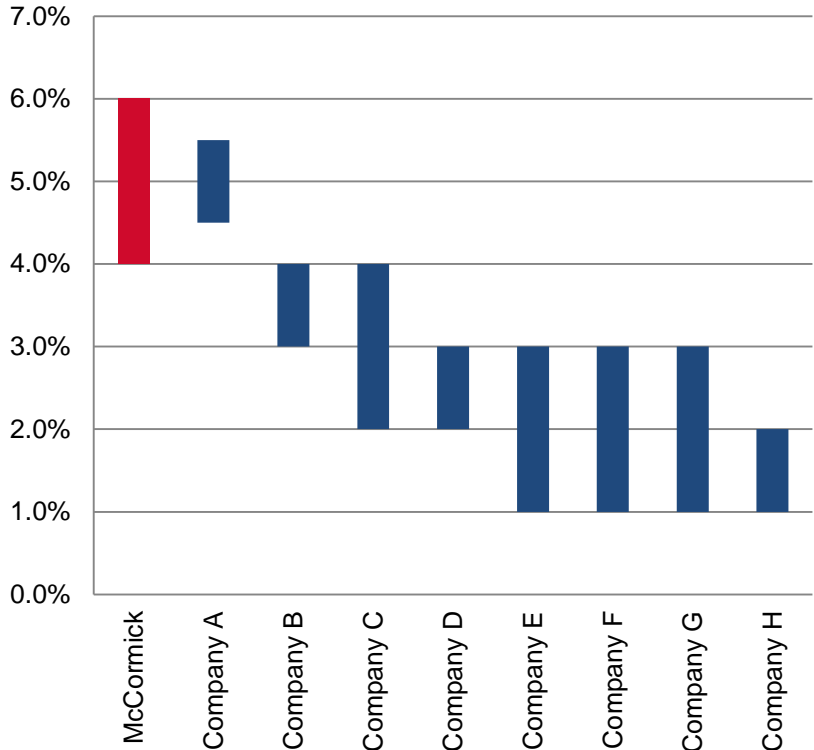
Transforming our key external value chains to drive brand differentiation and supply resiliency



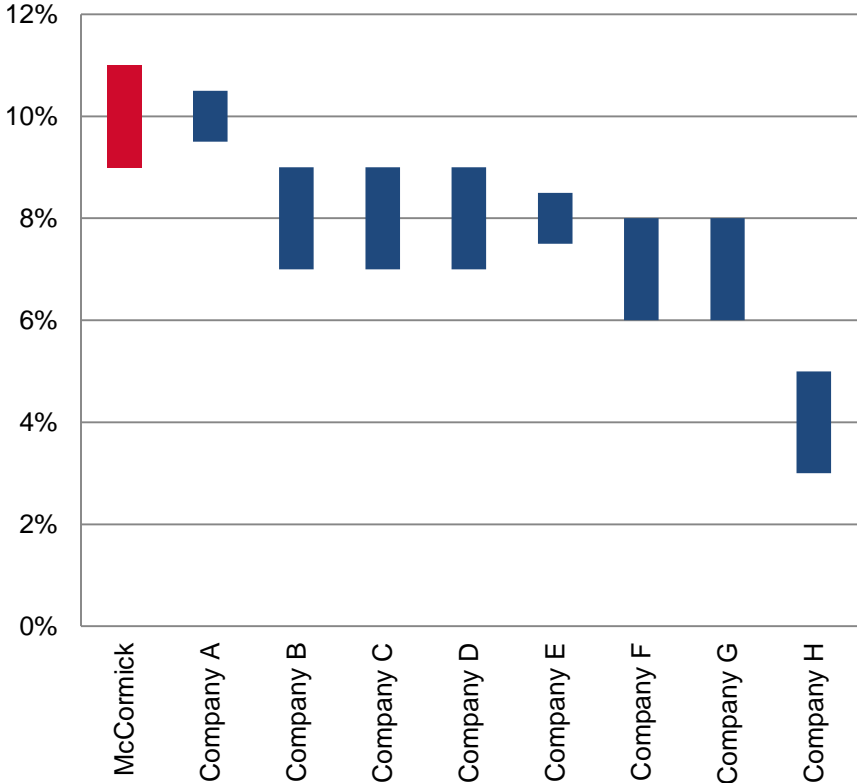
DELIVERING
SUPERIOR
RESULTS
WITH
PURPOSE

DIFFERENTIATED TOP-TIER GROWTH OBJECTIVES

LONG-TERM SALES GROWTH TARGET

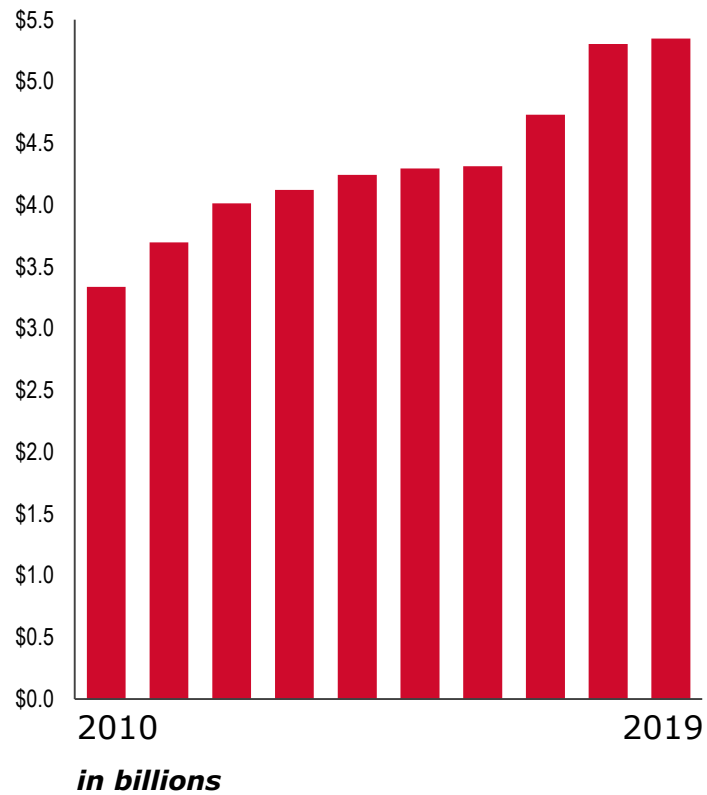


LONG-TERM ADJUSTED EPS GROWTH TARGET

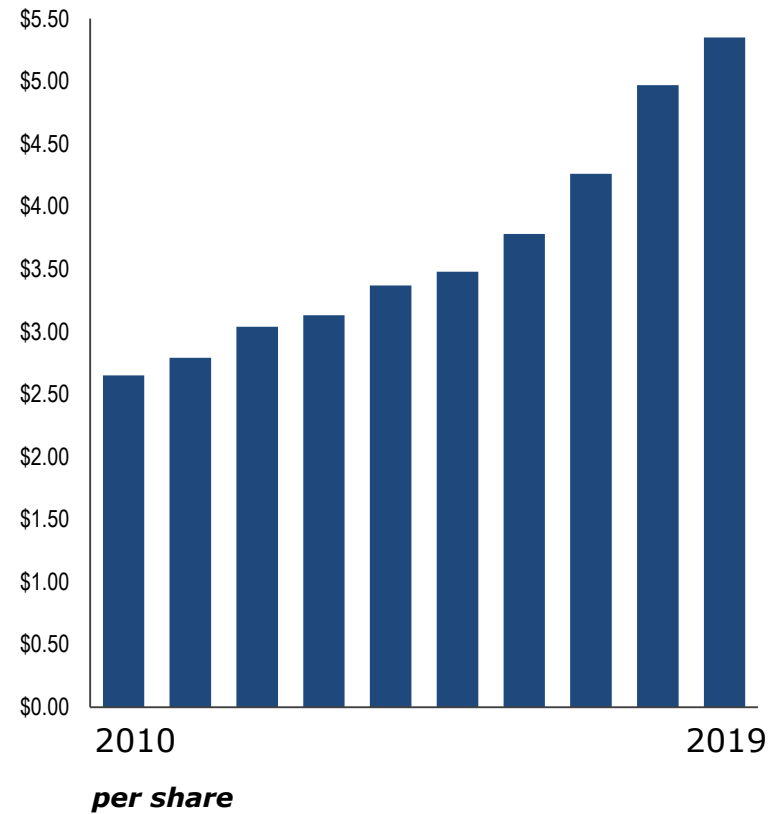


ACHIEVING TOP-TIER BUSINESS PERFORMANCE

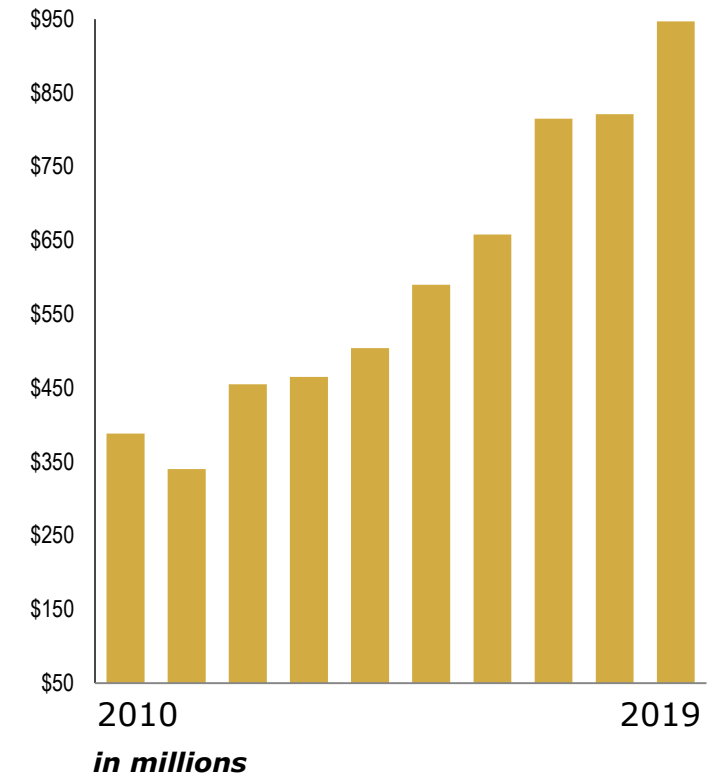
NET SALES¹



ADJUSTED EPS



CASH FLOW FROM OPERATIONS



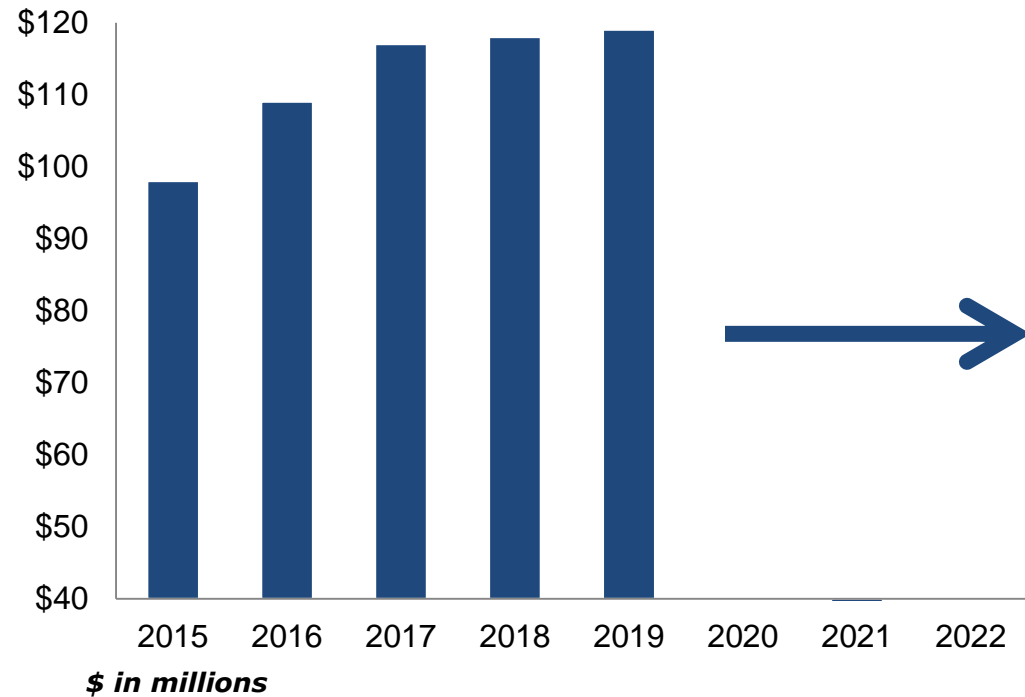
1) Net sales amounts as reported prior to recast for adoption of Revenue Recognition ASU as recast information not available for earlier years [2010-2015]. Recast trend expected to be consistent.



GENERATING FUEL FOR GROWTH



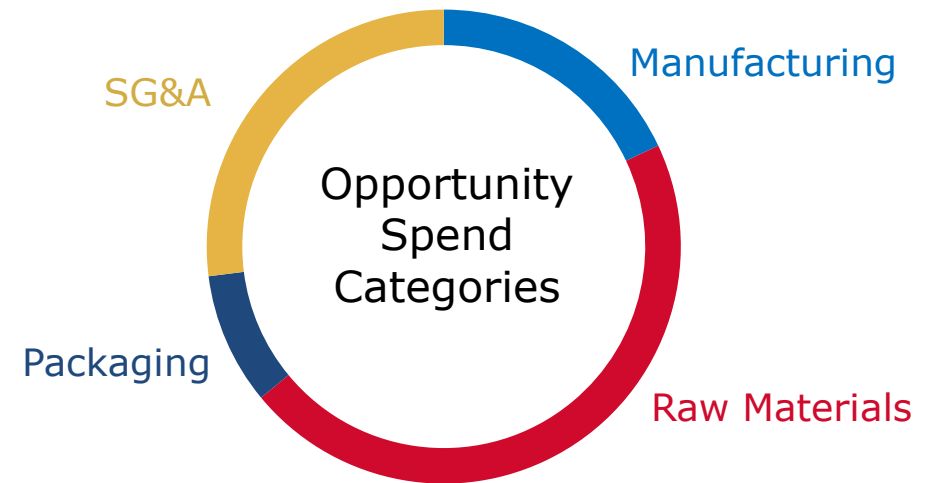
ONGOING ANNUAL COST SAVINGS INITIATIVE



\$463M savings achieved
2016 -2019 EXCEEDING
4-year \$400M GOAL

LONG RUNWAY FOR FUTURE SAVINGS

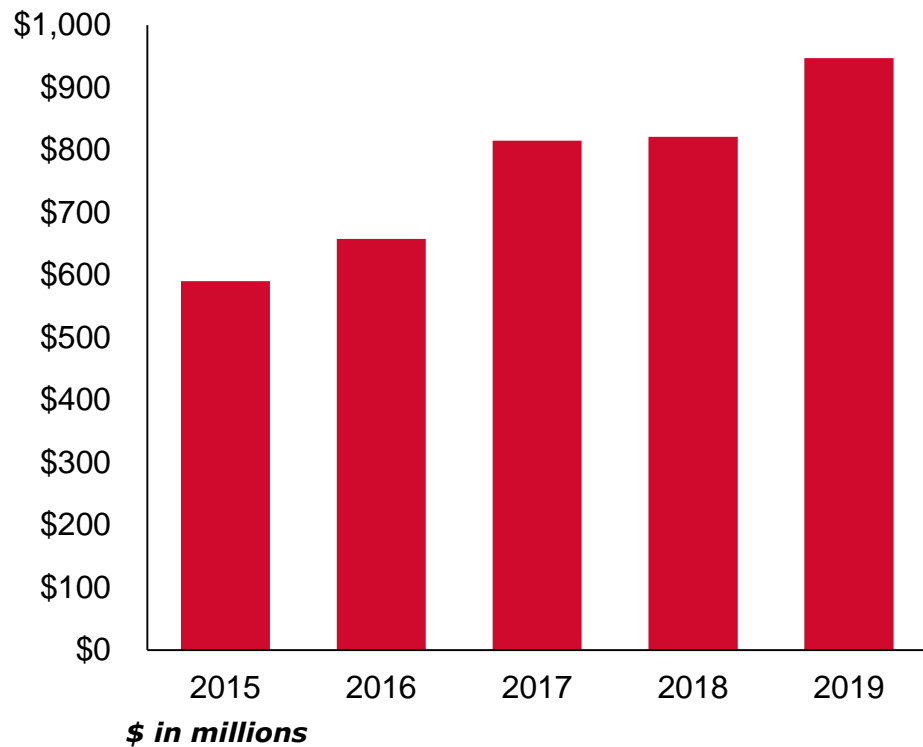
2020 Guidance of ~\$105M cost savings



DRIVING RECORD CASH FLOWS WITH WORKING CAPITAL EFFICIENCIES

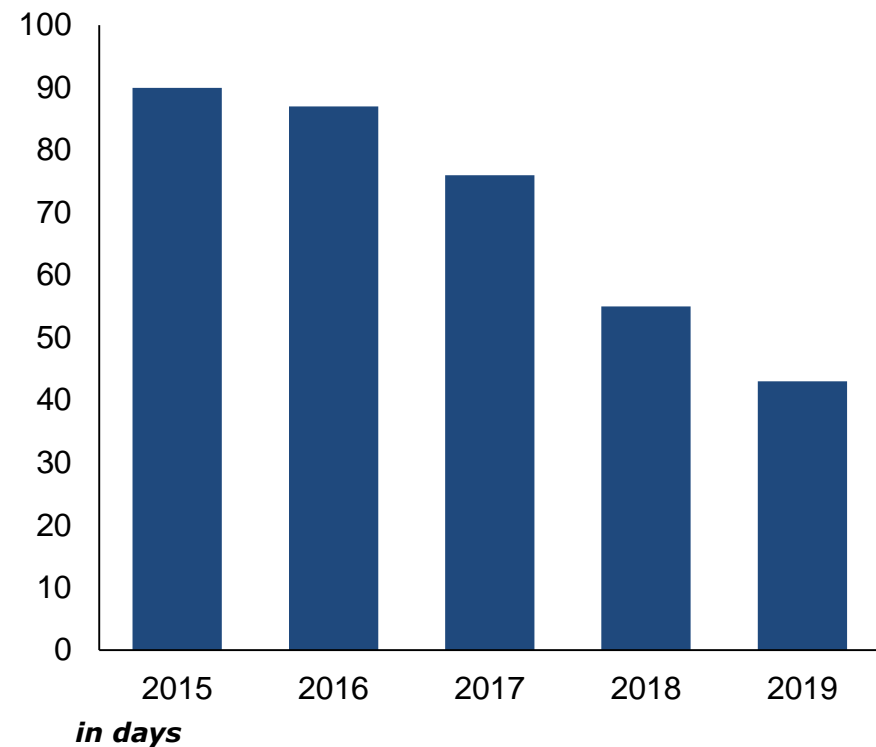
8TH CONSECUTIVE YEAR OF RECORD CASH FLOWS

Cash Flow from Operations



EXECUTED PROGRAMS TO ACHIEVE WORKING CAPITAL REDUCTIONS

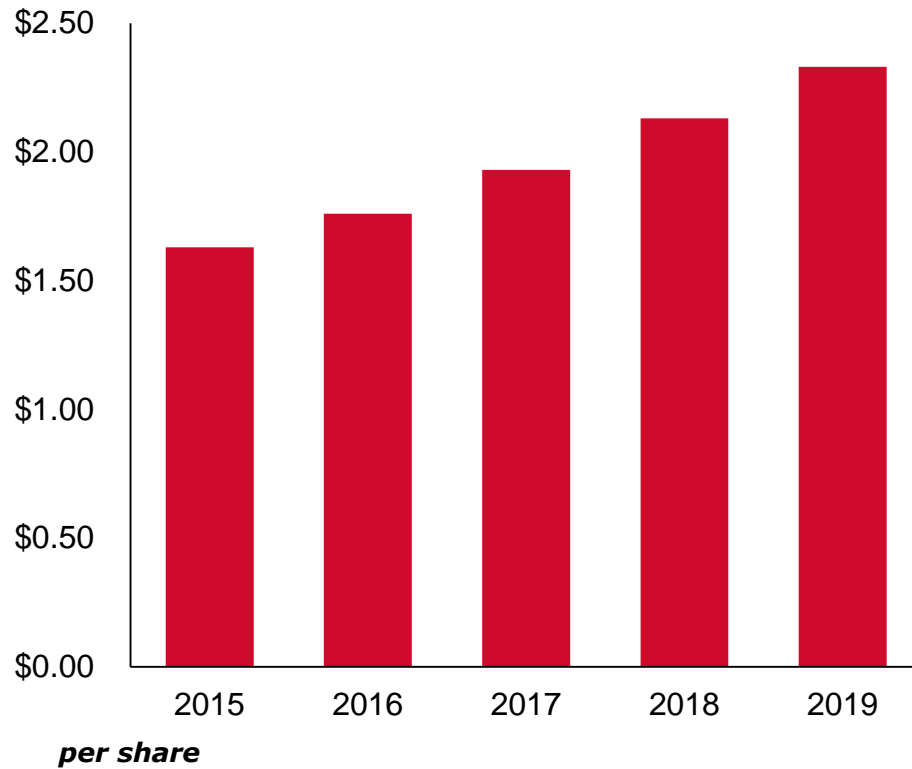
Cash Conversion Cycle



FOCUSING ON DEBT REPAYMENT AND DIVIDEND INCREASES

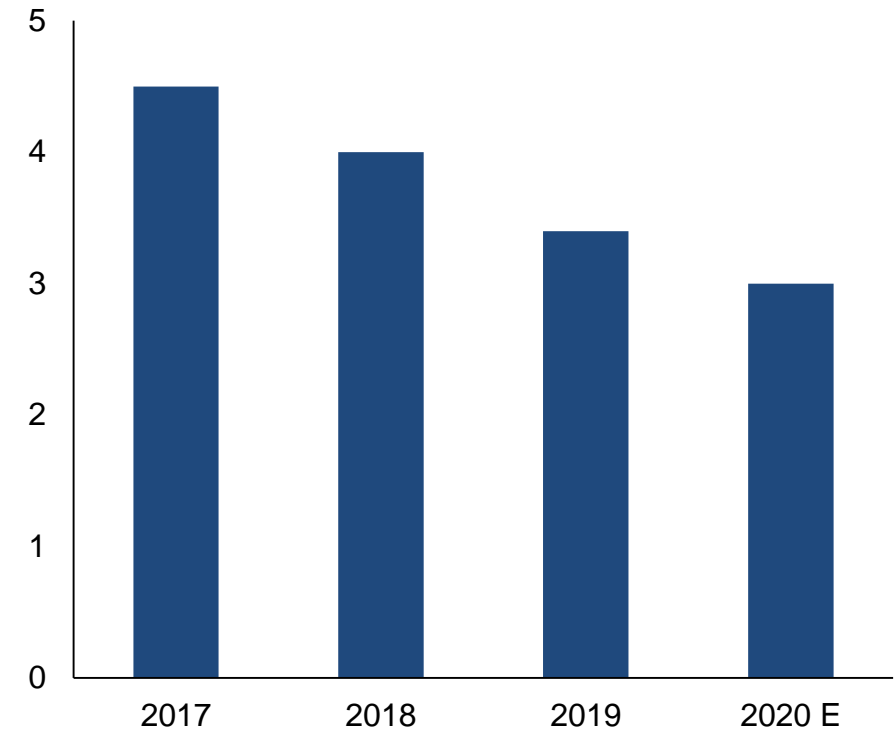
DIVIDEND ARISTOCRAT WITH 34 YEARS OF INCREASES

Dividends Declared



PAID DOWN \$1.25 BILLION OF TERM LOANS

Net Debt to Adjusted EBITDA



DRIVING VALUE THROUGH ACQUISITIONS

TRACK RECORD OF VALUE ENHANCING ACQUISITIONS

- Sales growth
- Margin expansion
- EPS accretion
- Deeper capabilities
- Category & geographic expansion
- Timely & successful integration



GIOTTI
Your Natural Flavor House

French's

FRANK'S RedHot

LAWRY'S

BRAND
AROMATICS

STIBBS
CONDIMENT SOURCE CO.

GOURMET GARDEN
HERBS SPICES

PIPELINE STRATEGY

- Strengthen **leadership positions**
- Capability and category **expansion**
- Greater globalization to drive **scale**



Broad Portfolio of Opportunities



+



Bolt-ons to drive 1/3 of long-term sales growth

Transformational to drive step change

STRATEGY AND FINANCIAL DISCIPLINE

- Fit long-term strategic vision to be the leading flavor company



- Meet financial thresholds



- Drive greater shareholder value



PROJECTING ANOTHER YEAR OF ROBUST UNDERLYING BASE BUSINESS

	ROBUST UNDERLYING BASE BUSINESS	TAX HEADWIND	BUSINESS TRANSFORMATION INVESTMENT	2020 GUIDANCE
Sales growth ¹	2% to 4%			2% to 4%
Adjusted operating income ¹	5% to 7%		-6%	-1% to 1%
Adjusted EPS growth ¹	7% to 9%	-3%	-7%	-3% to -1%



DELIVERING AGAINST OUR LONG-TERM OBJECTIVES

5-YR PERFORMANCE PLUS GUIDANCE EXPECTED TO EXCEED LONG-TERM FINANCIAL OBJECTIVES

	4-YEAR CAGR PERFORMANCE	2020 GUIDANCE	→	5-YEAR CAGR WITH GUIDANCE	LONG TERM FINANCIAL OBJECTIVE
Sales growth ¹	7%	2% to 4%	→	6% to 7%	4% to 6%
Adjusted operating income ¹	13%	-1% to 1%	→	10%	7% to 9%
Adjusted EPS growth ¹	12%	-3% to -1%	→	9% to 10%	9% to 11%



DELIVERING TOP TIER PERFORMANCE WHILE DOING WHAT'S RIGHT



POSITIVELY IMPACTING COMMUNITIES AND PLANET

Introducing **first ever sustainability certification** program for Herbs & Spices



Using resources efficiently, wasting less and **reducing our impact on climate change**



LEED CERTIFIED FACILITIES

Hunt Valley, MD global headquarters



Amata, Thailand & Shanghai, China manufacturing facilities

Working with nearly **16,000 farmers** to improve livelihoods



Reducing our environmental footprint with renewable energy initiatives

Solar Skipjack program – **100%** renewable electricity for all US Mid-Atlantic facilities by 2022



PEOPLE



WIN WITH
TALENT

LEVERAGING OUR CULTURE AS STRENGTH

POWER OF PEOPLE



INCLUSIVE & DIVERSE ENVIRONMENT



LEARNING ORGANIZATION



BUILDING THE McCORMICK OF THE FUTURE

We're investing
for the future

We're sustainably
positioned for
growth

Advancing
our
differentiation

Accelerating
our
core business

Fueling
our
growth

Transforming
our
business



Thank You

**BUILDING THE
McCORMICK OF
THE FUTURE**



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, the non-recurring benefit of the U.S. Tax Act and our net debt to Adjusted EBITDA ratio 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.

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. 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 rates for 2020 for all periods. This calculation is performed to arrive at adjusted earnings per share on a constant currency basis by dividing adjusted net income by historical shares outstanding for the applicable fiscal year.

The following provides a reconciliation of our actual CAGR and constant currency CAGR through 2019 follows:

4-Year CAGR - Net sales	6%
Impact of foreign currency exchange rates	<u>1%</u>
4-Year CAGR - Net sales on a constant currency basis	<u>7%</u>
4-Year CAGR - Adjusted operating income	12%
Impact of foreign currency exchange rates	<u>1%</u>
4-Year CAGR - Adjusted operating income on a constant currency basis	<u>13%</u>
4-Year CAGR - Adjusted earnings per share	11%
Impact of foreign currency exchange rates	<u>1%</u>
4-Year CAGR - Adjusted earnings per share on a constant currency basis	<u>12%</u>

NON-GAAP FINANCIAL MEASURES

In addition to the above non-GAAP financial measures, we use a leverage ratio which is determined using non-GAAP measures. A leverage ratio is a widely-used measure of ability to repay outstanding debt obligations and is a meaningful metric to investors in evaluating financial leverage. 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, tax, 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 transaction and integration expenses, special charges and stock-based compensation expenses. Adjusted EBITDA and our leverage ratio are both non-GAAP financial measures. Our determination of the leverage ratio is consistent with the terms of our \$1.0 billion revolving credit facility and our term loans which require us to maintain our leverage ratio below certain levels.

The following table reconciles our net income to Adjusted EBITDA for the year ended November 30, 2019:

	<u>2019</u>
Net income	\$ 702.7
Depreciation and amortization	158.8
Interest expense	165.2
Income tax expense	<u>157.4</u>
EBITDA	1,184.1
Adjustments to EBITDA (1)	<u>47.9</u>
Adjusted EBITDA	<u>\$ 1,232.0</u>
Net debt (2)	<u>\$ 4,243.8</u>
Leverage ratio (Net debt/Adjusted EBITDA)	<u>3.4</u>

- 1) Adjustments to EBITDA are determined under the leverage ratio covenant in our \$1.0 billion revolving credit facility and term loan agreements and includes special charges, stock-based compensation expense and interest income.
- 2) The leverage ratio covenant in our \$1.0 billion revolving credit facility and the term loan agreements define net debt as the sum of short-term borrowings, current portion of long-term debt, and long-term debt, less the amount of cash and cash equivalents that exceeds \$75.0 million.