



McCormick & Company, Inc.

2020 Annual Shareholders Meeting



Lawrence Kurzious

Chairman, President and
Chief Executive Officer





m
e®

Our steadfast focus

GROWTH PERFORMANCE PEOPLE



“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...**”

“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



We're

BUILDING THE McCORMICK OF THE FUTURE

Sustainably Positioned for Growth

Investing for the Future

We're

**Sustainably
Positioned for
Growth**



We're
**Investing for
the Future**

2019

Top Tier Financial Performance

2019

Solid Performance across both

Consumer and Flavor Solutions Segments



2019

A Great Place to Work



2019

130th Charity Day Anniversary Rally Around Hunger



2019

Awards

Diversity & Inclusion



BARRON'S
**Most
Sustainable
Companies
2020**



**CORPORATE
EQUALITY
INDEX 2019**

Rating Workplaces on Lesbian, Gay,
Bisexual, Transgender, and Queer Equality



FORMAL BUSINESS

Board of Directors



**Anne
Bramman**



**Michael
Conway**



**Freeman
Hrabowski**



**Lawrence
Kurzius**



**Patricia
Little**



**Michael
Mangan**



**Maritza
Montiel**



**Margaret
Preston**



**Gary
Rodkin**



**Jacques
Tapiero**



**W. Anthony
Vernon**

FORMAL BUSINESS



FINANCIAL PERFORMANCE



Mike Smith

Executive Vice President and
Chief Financial Officer



Forward-looking Information

Certain information contained in this presentation and our remarks, including statements concerning expected performance such as those relating to net sales, earnings, cost savings, special charges, acquisitions, brand marketing support, volume and product mix, and income tax expense are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. 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 impact of COVID-19 on our business, suppliers, consumers, customers, and employees; disruptions or inefficiencies in the supply chain, including any impact of COVID-19; the expected results of operations of businesses acquired by the company, including the acquisition of RB Foods; the expected impact of raw material 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 Comprehensive Continuous Improvement (“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 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 those 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 authorizations.

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: the company's ability to drive revenue growth; 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; the ability to identify, interpret and react to changes in consumer preferences and demand; business interruptions due to natural disasters unexpected events or public health crises, including COVID-19; 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 pending 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; impairments of indefinite-lived intangible assets; 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 on December 22, 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

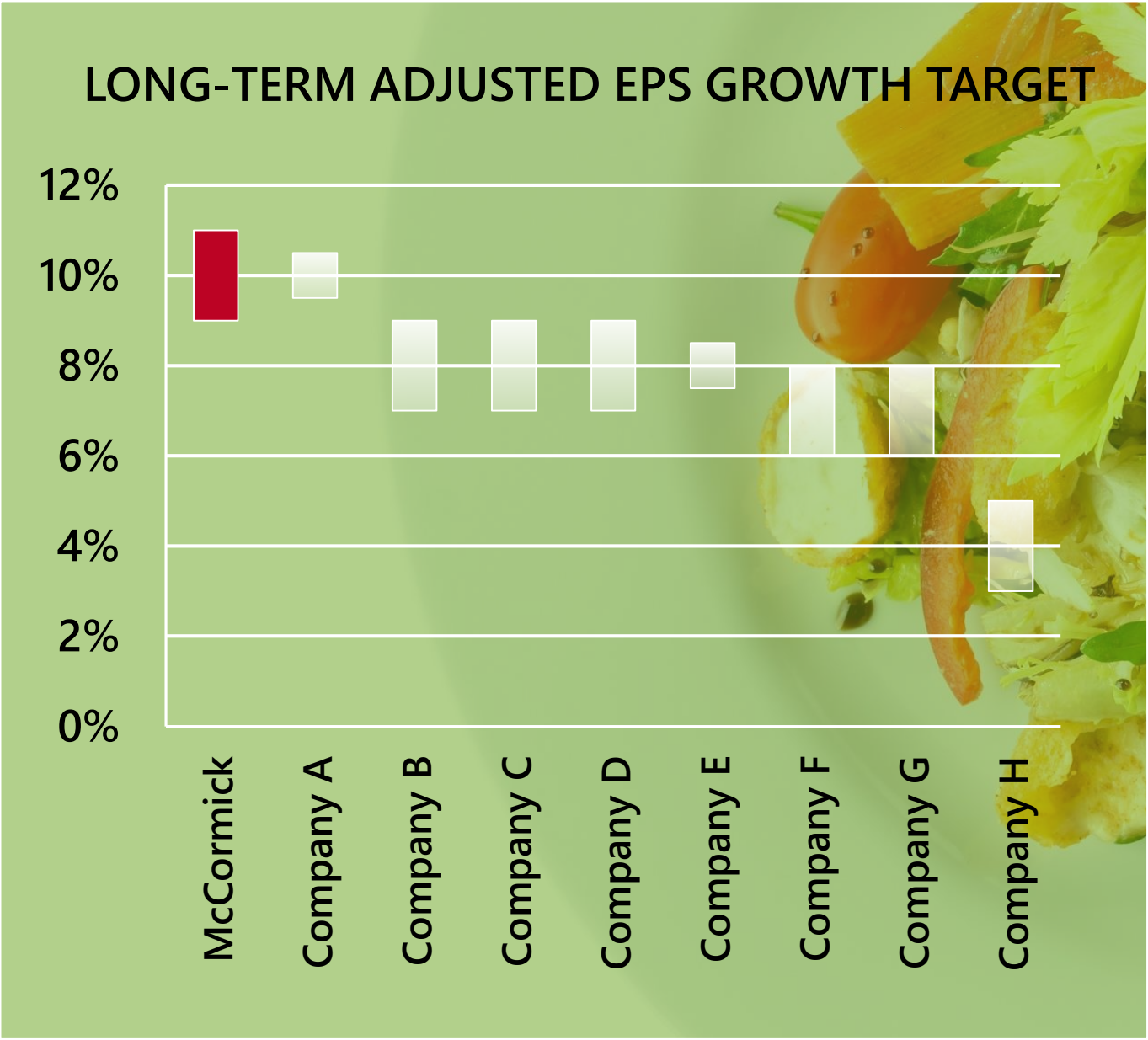
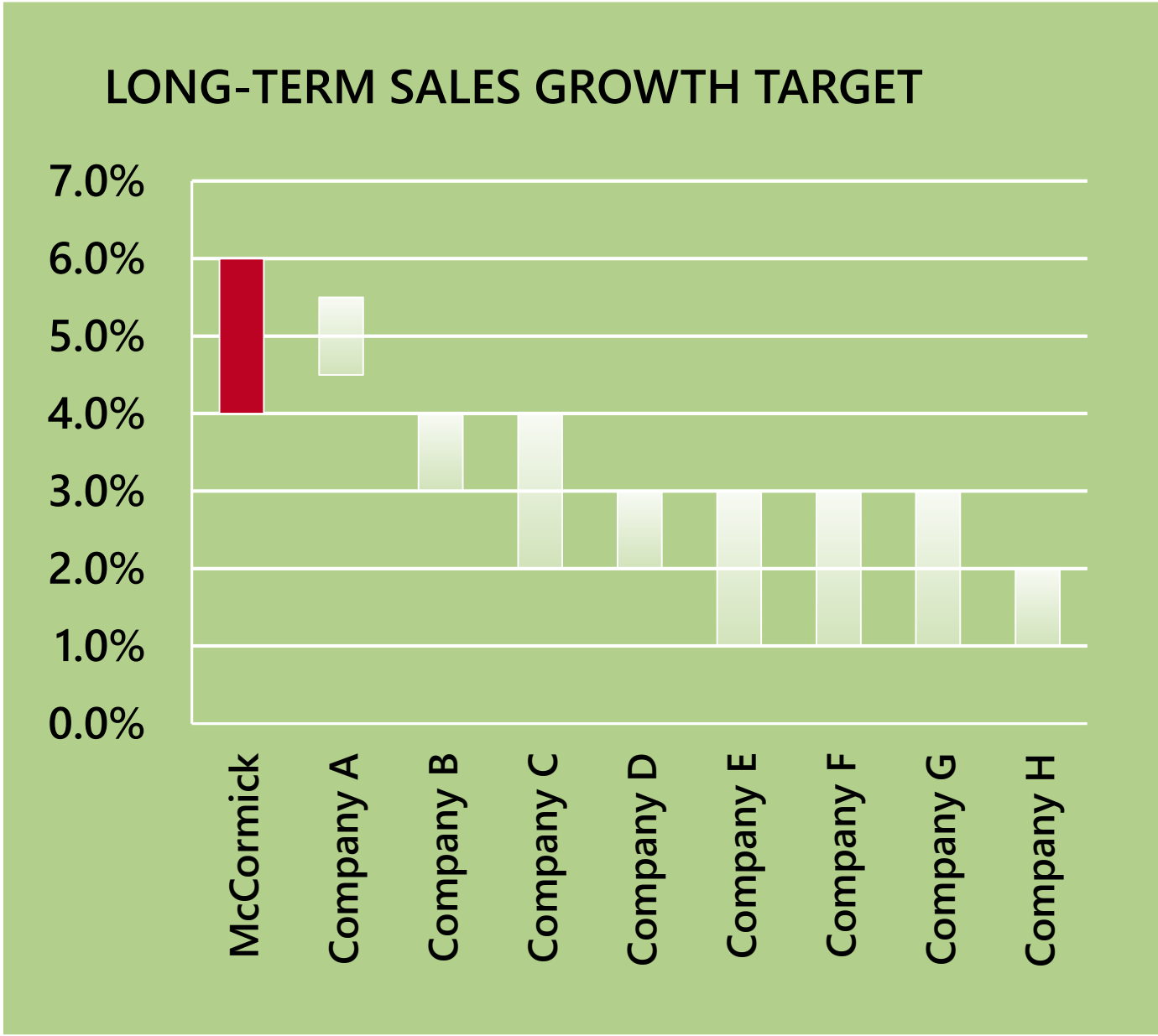
Certain disclosures in this presentation and our remarks represent non-GAAP financial measures which are prepared as a complement to our financial measures prepared in accordance with United States generally accepted accounting principles ("GAAP").

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.

2019 FINANCIAL RESULTS

Differentiated by Top-tier Financial Objectives



Delivering Against Long-Term Growth Objectives

SALES GROWTH

ADJUSTED OPERATING INCOME

ADJUSTED EARNINGS PER SHARE

In constant currency

2016-2019
4-YEAR CAGR

+7%

+13%

+12%

LONG-TERM
OBJECTIVES

+4-6%

+7-9%

+9-11%

The non-GAAP measures included herein, which we refer to as “adjusted”, exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 65 to 67, including the impact of constant currency.



2019 Results

SALES GROWTH

In constant currency

+ 3%

- BASE BUSINESS
- NEW PRODUCTS

The non-GAAP measures included herein, which we refer to as "adjusted", exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 65 to 67, including the impact of constant currency.



2019 Results

ADJUSTED OPERATING INCOME

In constant currency

+7%

- HIGHER SALES
- COST SAVINGS



The non-GAAP measures included herein, which we refer to as "adjusted", exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 65 to 67, including the impact of constant currency.



2019 Results: Consumer Segment

SALES
In constant currency

+ 3%

**ADJUSTED
OPERATING
INCOME**
In constant currency

+ 7%

The non-GAAP measures included herein, which we refer to as "adjusted", exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 65 to 67, including the impact of constant currency.



2019 Results: Flavor Solutions Segment

SALES
In constant currency

+ 3%

**ADJUSTED
OPERATING
INCOME**
In constant currency

+ 5%



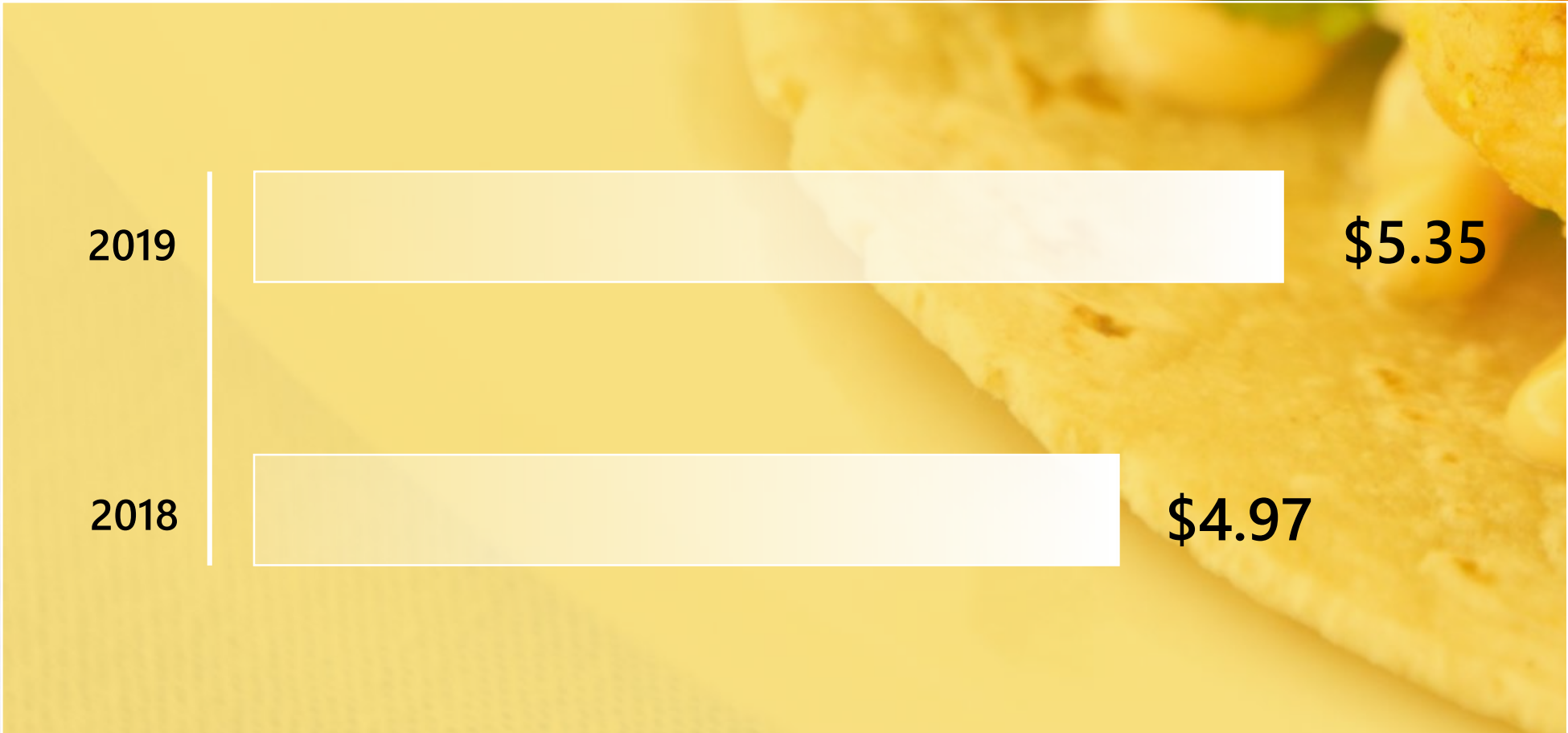
The non-GAAP measures included herein, which we refer to as “adjusted”, exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 65 to 67, including the impact of constant currency.



2019 Results

ADJUSTED
EARNINGS PER
SHARE

+ 8%



Adjusted earnings per share excludes items affecting comparability. See reconciliation of GAAP to non-GAAP financial measures on slides 65 to 67, including impact of constant currency.



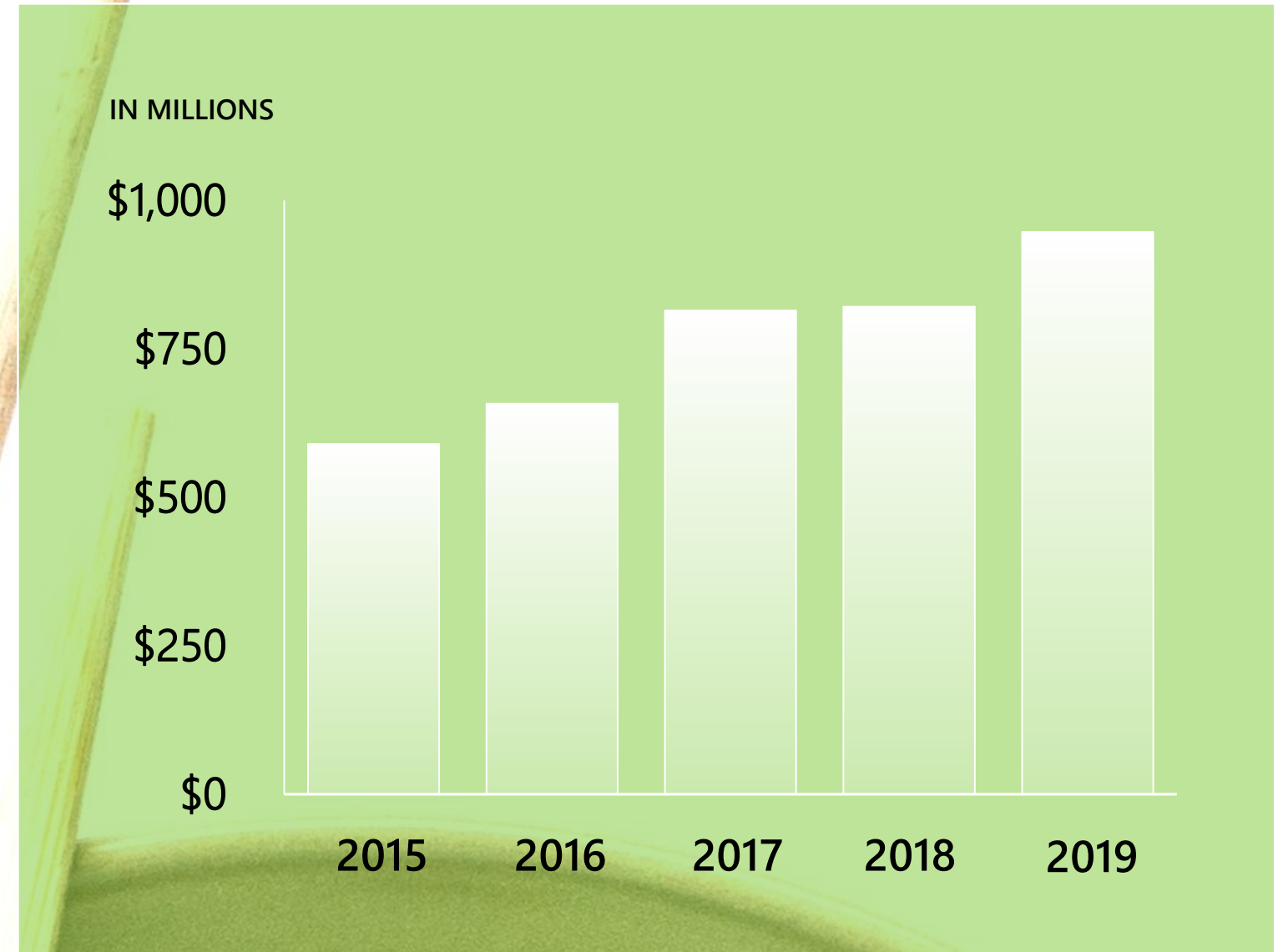
2019 Results: Cash from Operations

OPERATING
CASH FLOW

+15%

CONSECUTIVE
YEAR OF RECORD
CASH FLOWS

8TH



Dividends Paid

34TH

CONSECUTIVE ANNUAL
INCREASE

DIVIDEND ARISTOCRAT



Total Shareholder Return

1-YEAR	15%
5-YEAR	20%
10-YEAR	19%
20-YEAR	15%

Periods ending November 30, 2019

An overhead view of seven people of various ages and ethnicities sitting around a long, rustic wooden table. They are all eating from white plates. The food includes rice, meat, vegetables, and soups. Some people are using smartphones while eating. The table is set with various dishes, including a salad, bread, and small bowls of condiments. The background is a dark wooden floor.

GROWTH

We're

**Aligned with
Growing
GLOBAL
DEMAND
FOR FLAVOR**



We're

**Aligned with
YOUNGER
GENERATIONS'
DEMAND for
More Flavor**

CONSUMER SEGMENT

Advancing Our
Leadership in

SPICES & SEASONINGS

#1 Globally



Advancing Our
Leadership in

RECIPE MIXES

#1 in Key Global Markets



Advancing Our Leadership in **CONDIMENTS**



Driving

FRANK'S & FRENCH'S

RedHot
THICK
SAUCE

BUFFALO
WINGS

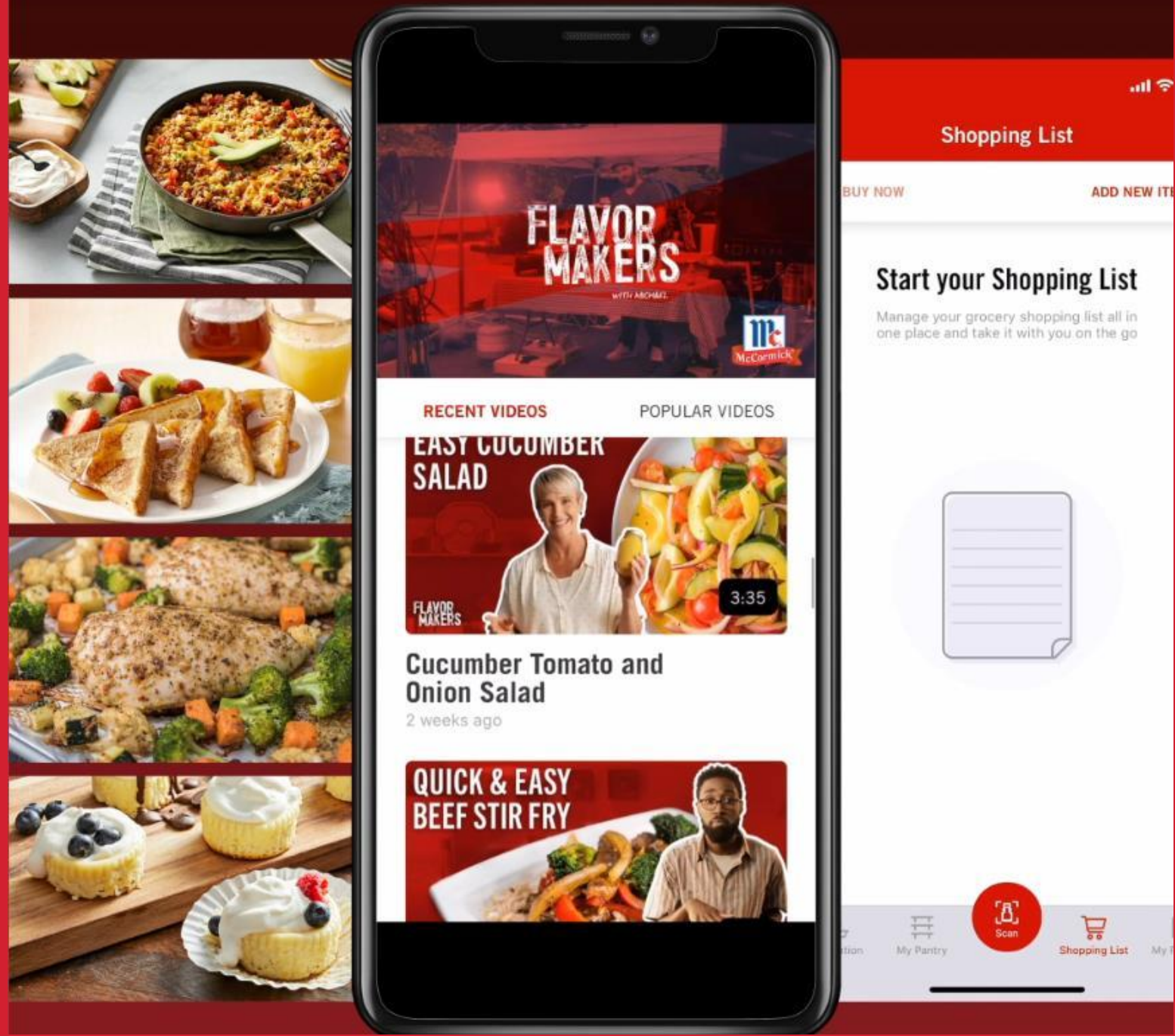
Increasing Our Consumer
Connection with

BRAND MARKETING



Building Scale
Globally in
DIGITAL
Experiences

**WATCH RECIPE VIDEOS,
DISCOVER DELICIOUS RECIPES,
CREATE SHOPPING LISTS,**



FLAVOR SOLUTIONS SEGMENT

Expanding Our **VALUE ADD** **Flavor Portfolio**





Differentiated by Our
NATURAL
and CULINARY
Legacy

Undisputed Leadership

Flavor TECHNOLOGY Platforms



PERFORMANCE





We're Transforming Our Business to **CREATE CAPACITY for Growth**



We're Transforming Our

SUPPLY CHAIN OPERATIONS





We're

Sourcing with **PURPOSE**

We're Positively Impacting

**PEOPLE,
COMMUNITIES
and the
PLANET**



A photograph of two women sitting at a white table. The woman on the left is wearing a white button-down shirt and glasses, looking at a laptop. The woman on the right is wearing a pink top and is smiling while looking at the laptop. The background is a soft-focus image of purple flowers. The word "PEOPLE" is overlaid in large white letters with a horizontal line underneath it.

PEOPLE

Winning with Talent

Unlocking the POWER of People



ASSION FOR
LAW





Winning with Talent
**Ensuring
McCormick is
a GREAT Place
to Work**





Neil Anderson

Metropolitan Caloundra
Surf Life Saving Club

Palmwoods, Australia





Kester Fernandez

ROPIO (Reach Out Pass it On)

Delhi, India





Filip Krwawnik

House of Lodz

Lodz, Poland





Vhonda Lewis

Boys Hope Girls Hope of Baltimore

Baltimore, Maryland





Anna Sobor

Gajusz Foundation

Lodz, Poland





Ron Taylor

LADACIN Network

Lakewood, New Jersey





CONGRATULATIONS!



QUESTIONS & ANSWERS

A top-down view of a dark grey bowl filled with a vibrant orange-red tomato soup. The soup is garnished with diced cucumbers, red bell peppers, and small green herbs. A wooden spoon rests on the rim of the bowl. To the right of the bowl, a cluster of bright red cherry tomatoes on their green vine is visible. The background is a light, textured surface.

CLOSING REMARKS

The background image shows two hands, one from a darker-skinned person and one from a lighter-skinned person, gently holding each other. They are positioned over a lush green field under a warm, orange-hued sunset sky. The entire image is overlaid with a semi-transparent grid of colored squares in shades of blue, green, and orange.

FLAVORING A BETTER TOMORROW

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

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. We believe that this non-GAAP measure provides additional information that enables enhanced comparison to prior periods excluding the translation effects of changes in rates of foreign currency exchange and provides additional insight into the underlying performance of our operations located outside of the U.S. It should be noted that our presentation herein of amounts and percentage changes on a constant currency basis does not exclude the impact of foreign currency transaction gains and losses (that is, the impact of transactions denominated in other than the local currency of any of our subsidiaries in their local currency reported results).

Percentage changes in sales and adjusted operating income expressed in “constant currency” are presented excluding the impact of foreign currency exchange. To present this information for historical periods, current period results for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates in effect during the corresponding period of the prior fiscal year, rather than at the actual average exchange rates in effect during the current fiscal year. As a result, the foreign currency impact is equal to the current year results in local currencies multiplied by the change in the average foreign currency exchange rate between the current fiscal period and the corresponding period of the prior fiscal year. Constant currency growth rates follow:

	Twelve months ended November 30, 2019		
	Percentage change as reported	Impact of foreign currency exchange	Percentage change on constant currency basis
Net sales			
Total consumer segment	0.7%	(1.8)%	2.5%
Total flavor solutions segment	1.1%	(2.1)%	3.2%
Total net sales	0.8%	(1.9)%	2.7%
Adjusted operating income			
Consumer segment	6.1%	(1.2)%	7.3%
Flavor solutions segment	3.2%	(2.1)%	5.3%
Total adjusted operating income	5.2%	(1.5)%	6.7%

NON-GAAP FINANCIAL MEASURES

(in millions except per share data)

	Twelve months ended	
	11/30/19	11/30/18
Earnings per share – diluted	\$ 5.24	\$ 7.00
Impact of transaction and integration expenses	—	0.13
Impact of special charges	0.12	0.10
Non-recurring expense (benefit), net, of the U.S. Tax Act	(0.01)	(2.26)
Adjusted earnings per share – diluted	\$ 5.35	\$ 4.97
% (decrease) increase versus prior period	7.6%	