



# ADVANCING

## OUR LEADERSHIP AND DIFFERENTIATION

McCormick & Company, Inc.  
2024 Annual Shareholder Meeting



# Lawrence Kurzius

Executive Chairman



# Our Unrelenting Focus:

Growth,  
Performance  
and People



# Freeman Hrabowski, III



# Terry Thomas



# Formal Business





# Jeffery Schwartz

Vice President,  
General Counsel and  
Corporate Secretary





**Anne  
Bramman**



**Michael  
Conway**



**Brendan  
Foley**



**Lawrence  
Kurzius**



**Patricia  
Little**



**Michael  
Mangan**



**Maritza  
Montiel**



**Margaret  
Preston**



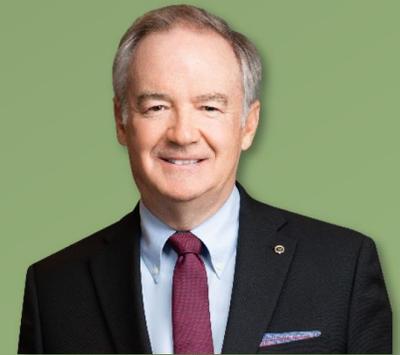
**Gary  
Rodkin**



**Jacques  
Tapiero**



**Terry  
Thomas**



**W. Anthony  
Vernon**

# Formal Business



# Financial Performance





# Mike Smith

Executive Vice  
President and Chief  
Financial Officer

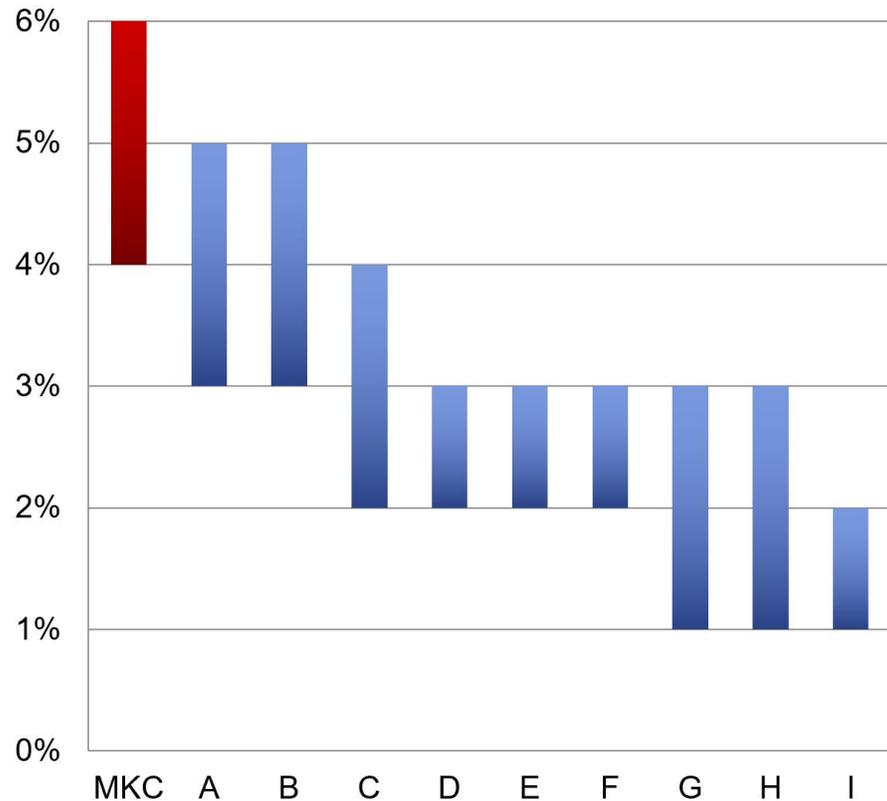


# Financial Objectives and 2023 Results

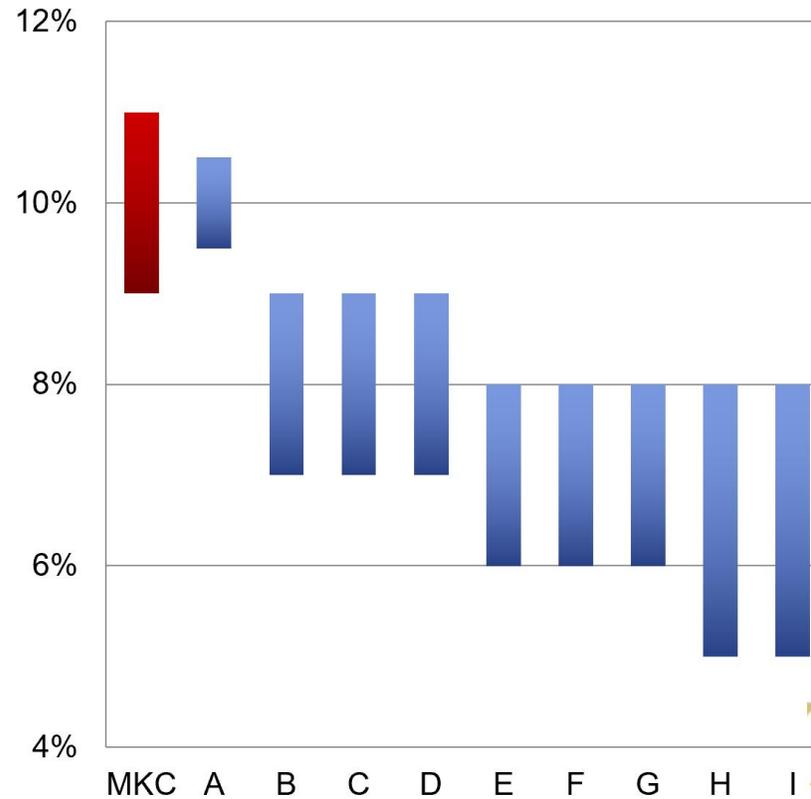


# Differentiated Top-tier Growth Objectives

## LONG-TERM SALES GROWTH TARGET



## LONG-TERM ADJUSTED EPS GROWTH TARGET



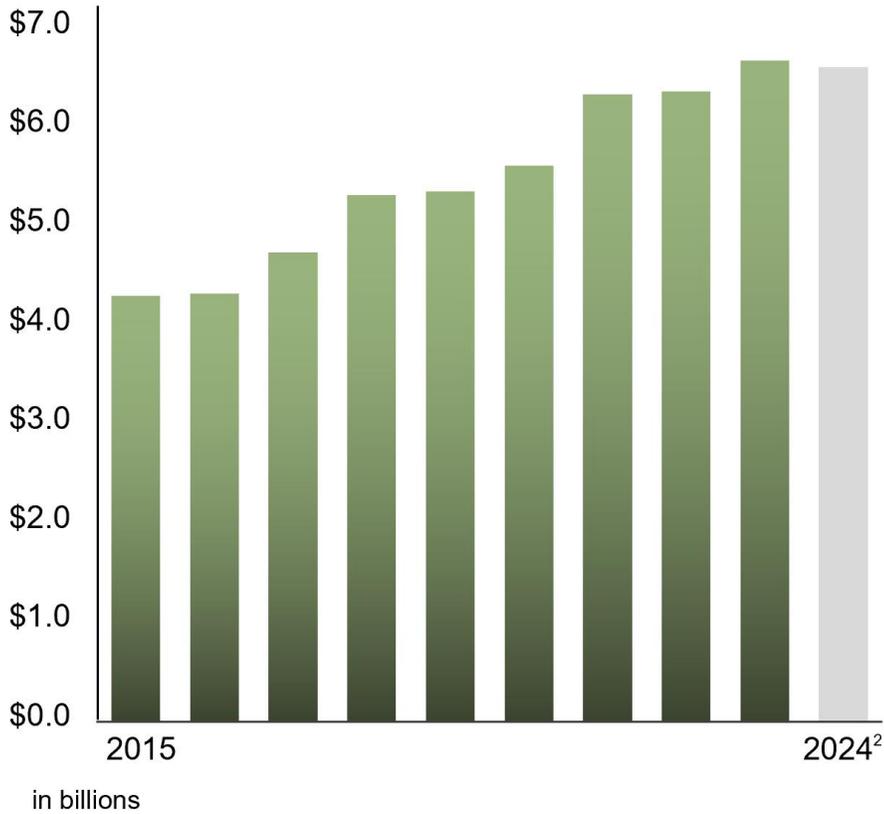
■ MKC ■ Peers<sup>1</sup>

<sup>1</sup> Food peers, as available

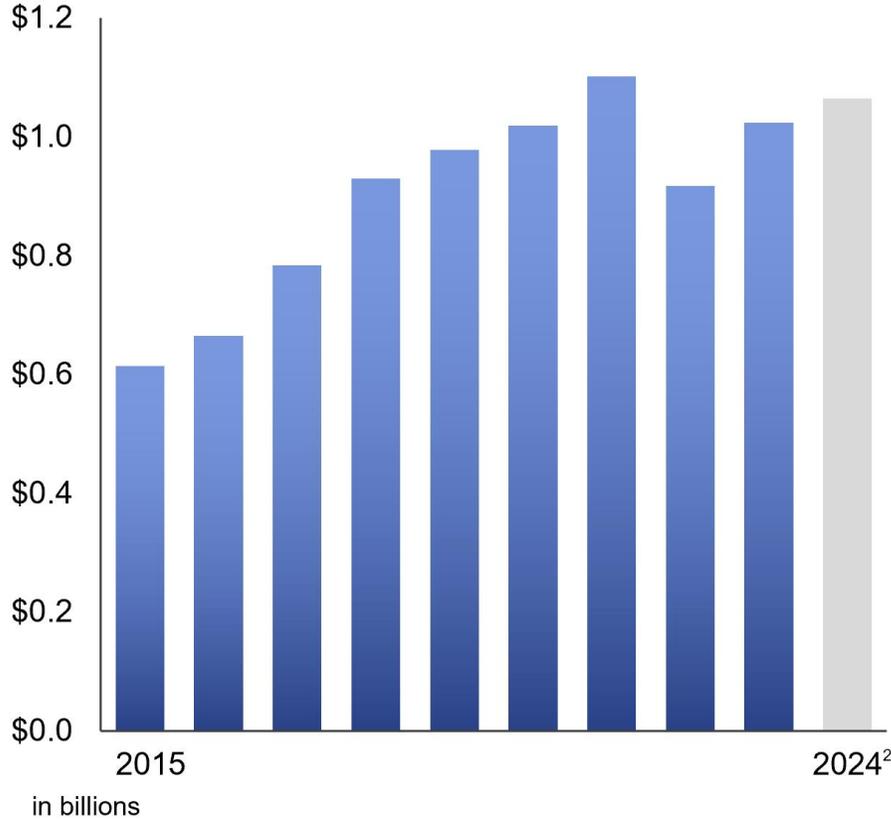


# Strong Sales and Operating Income Trajectory

NET SALES<sup>1</sup>



ADJUSTED OPERATING INCOME



<sup>1</sup> Net sales amounts as reported prior to recast for adoption of Revenue Recognition ASU as recast information not available for 2015. Recast trend expected to be consistent.

<sup>2</sup> Represents midpoint of 2024 reported guidance

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 70 to 75, including the impact of currency.



# Drove Profit Realization and Generated Fuel For Growth

- ✓ Recovered inflation pricing previously lagged
- ✓ Optimized portfolio and mix favorability
- ✓ Achieved GOE cost savings target
- ✓ Delivered CCI commitment

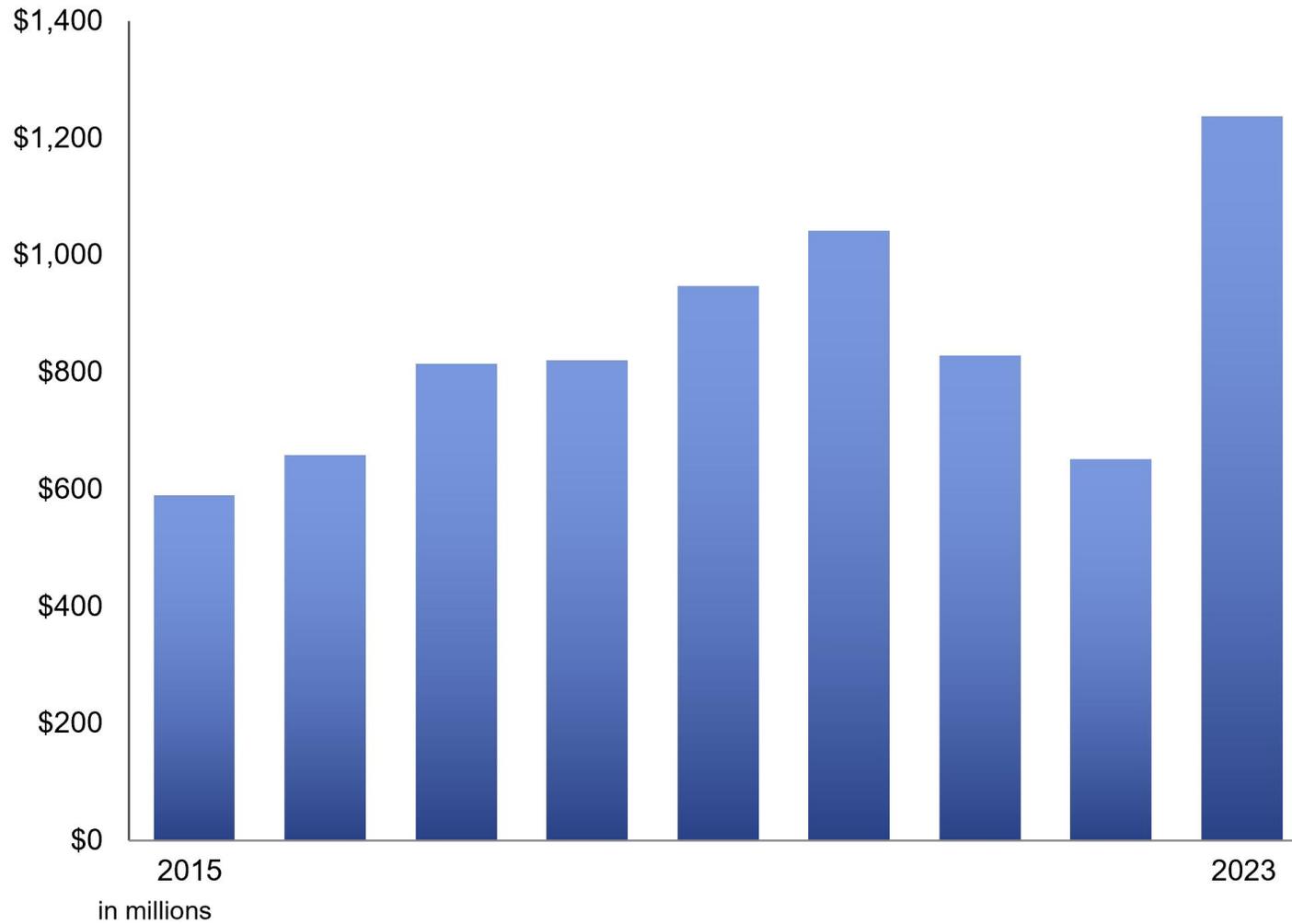


# Balanced Use of Cash

- ✓ Drive growth
- ✓ Return to shareholders
- ✓ Pay down debt



# Strong Cash Flow from Operations



# Remain a Dividend Aristocrat

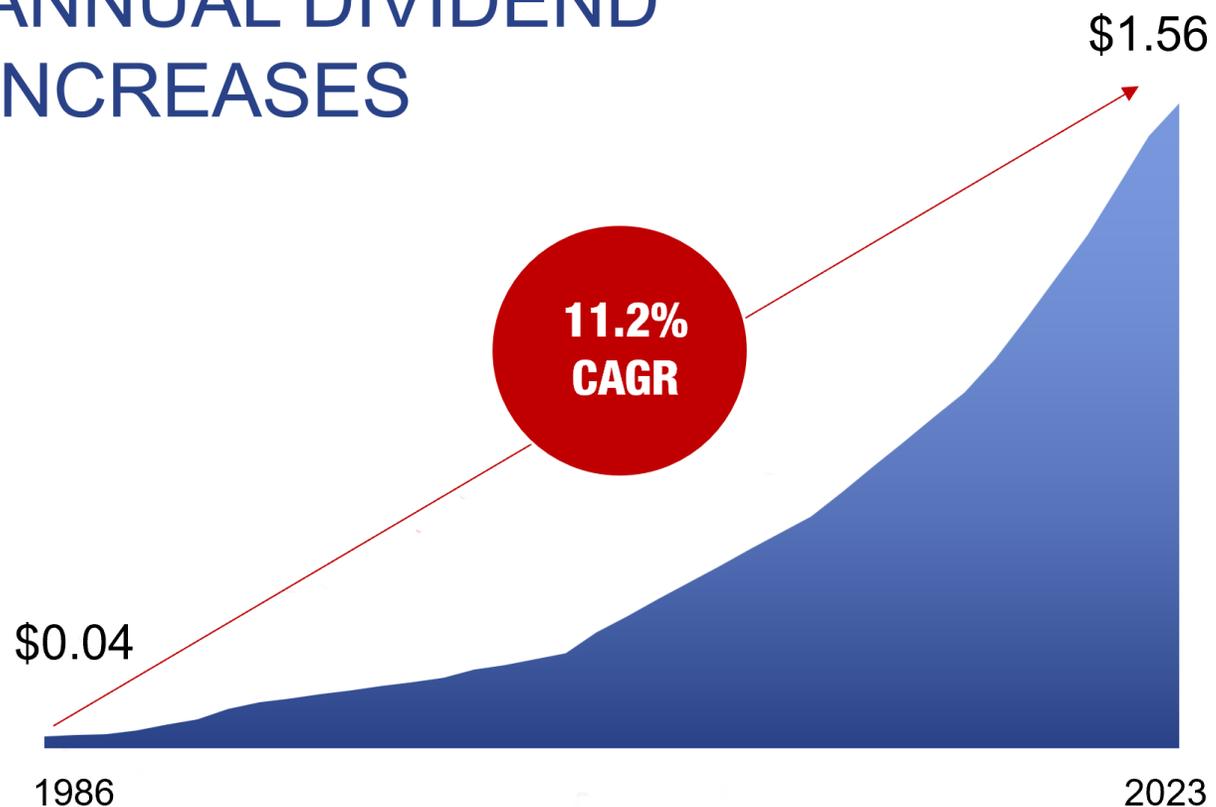
# 99

CONSECUTIVE YEARS  
DIVIDENDS PAID

# 38<sup>th</sup>

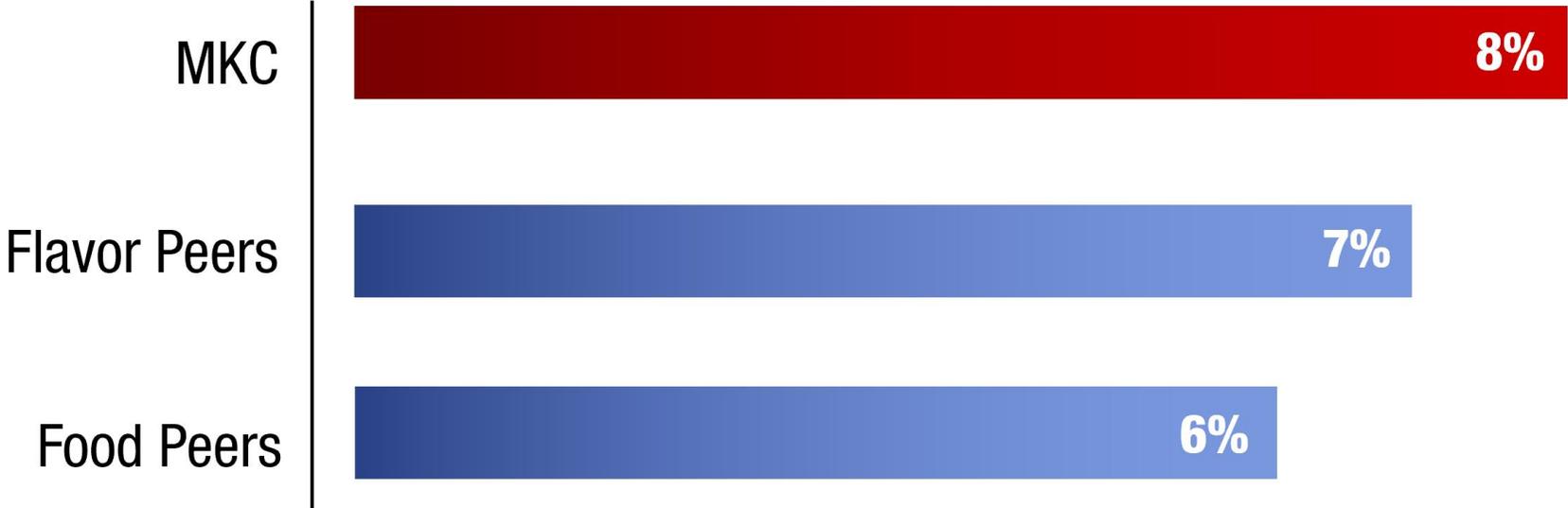
CONSECUTIVE ANNUAL  
INCREASE

## ANNUAL DIVIDEND INCREASES



# Focused on Long-Term Shareholder Value Creation

TOTAL ANNUALIZED SHAREHOLDER RETURN LAST 10 YEARS<sup>1</sup>



(1) Annualized TSR Source: FactSet - 12/1/13 - 11/30/23



# 2024 Outlook



# 2024 Outlook

SALES

---

**-1 to 1%**

In constant currency

ADJUSTED  
OPERATING  
INCOME

---

**+4 to 6%**

In constant currency

ADJUSTED  
EARNINGS  
PER SHARE

---

**\$2.80 to \$2.85**

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



# 2024 First Quarter Results



# 2024 First Quarter Results

SALES

---

**+2%**

In constant currency

ADJUSTED  
OPERATING  
INCOME

---

**+4%**

In constant currency

ADJUSTED  
EARNINGS  
PER SHARE

---

**\$0.63**



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



# Advancing Our Leadership and Differentiation

Building on our strong foundation

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Strengthening our competitive advantage

---

Driving growth and value creation

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# Growth





# Brendan Foley

President and  
Chief Executive Officer



# Advancing Our Leadership and Differentiation



# We Flavor Every Sip & Bite...

With a Broad  
and Advantaged  
Portfolio



# Long-Term Consumer Trends Remain a Tailwind



# 2024 Priorities:

Strengthen Our Global  
Leadership in Core  
Categories



# 2024 Priorities:

Drive Profitable  
Growth and Higher  
Returns on  
Investments



# 2024 Priorities:

Accelerate Our  
Digital  
Transformation



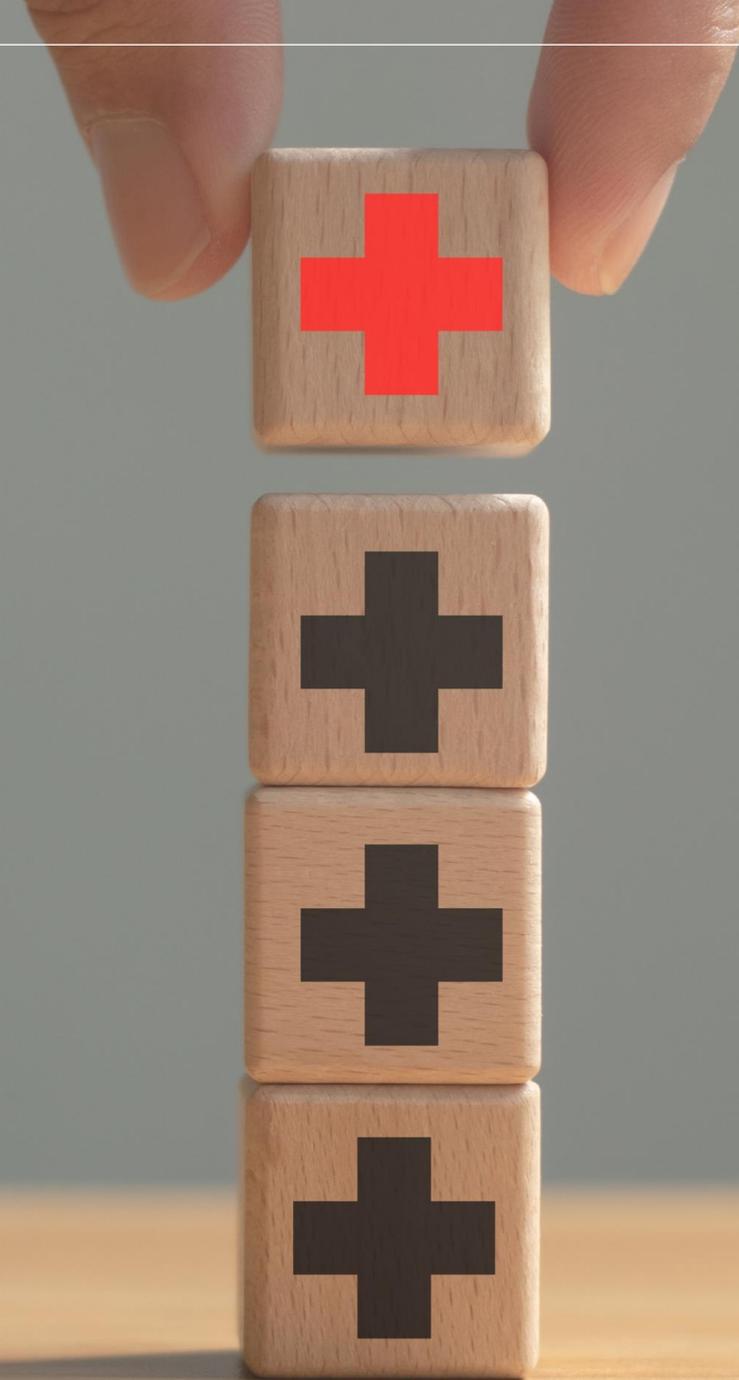
# 2024 Priorities:

Build the Next  
Generation of  
Leaders and  
Capabilities



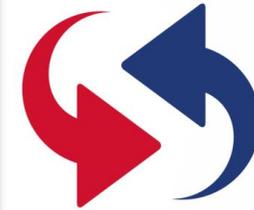
# 2024 Priorities:

Expand Our System  
of Competitive  
Advantages



**We Are a  
Different  
Kind of  
Flavor  
Company**

**CONSUMER**



**FLAVOR SOLUTIONS**



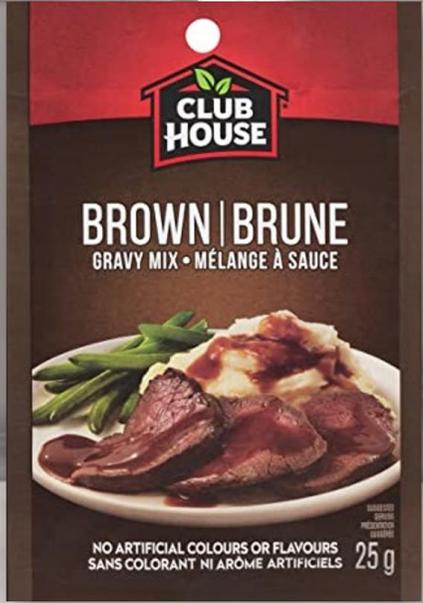
# Driving Global Leadership in Spices & Seasonings



# Growing Household Penetration with Cooking Blends



# Fueling McCormick and Category Growth in Recipe Mixes



# Growing Our Condiment Portfolio



# Reaching Consumers with Differentiated Brand Marketing

EVEN MOM WILL SAY, "THIS TASTES LIKE MOM'S."



**Schwartz**  
MORE  
**FLAVOUR** MORE  
POSSIBILITIES

SPICY CAJUN WEDGES



IT'S GONNA BE GREAT™



Nobody makes it better than Mom, except for McCormick. Scan the code for a Brown Gravy recipe that'll impress the whole family.



# Accelerating New Product Innovation



# Breadth and Reach Across Global Food & Beverage in Flavor Solutions



# Differentiated by Our Heritage



# Developing Consumer- preferred Flavors



# Innovating with Our Proprietary Technology Platforms

## Creating a Low-Sugar Fruity Cocktail Without Alcohol



Culinary mixology prototype



Authentic apple cider vinegar base for complex acidity



Peach and cherry flavors



Juiciness enhancer in zero-proof system



Alcohol-free natural champagne extract



# Advantaged by Our Leading Brands, Portfolio Breadth and Reach in Foodservice



# Frank's New Always Red Packaging

Before



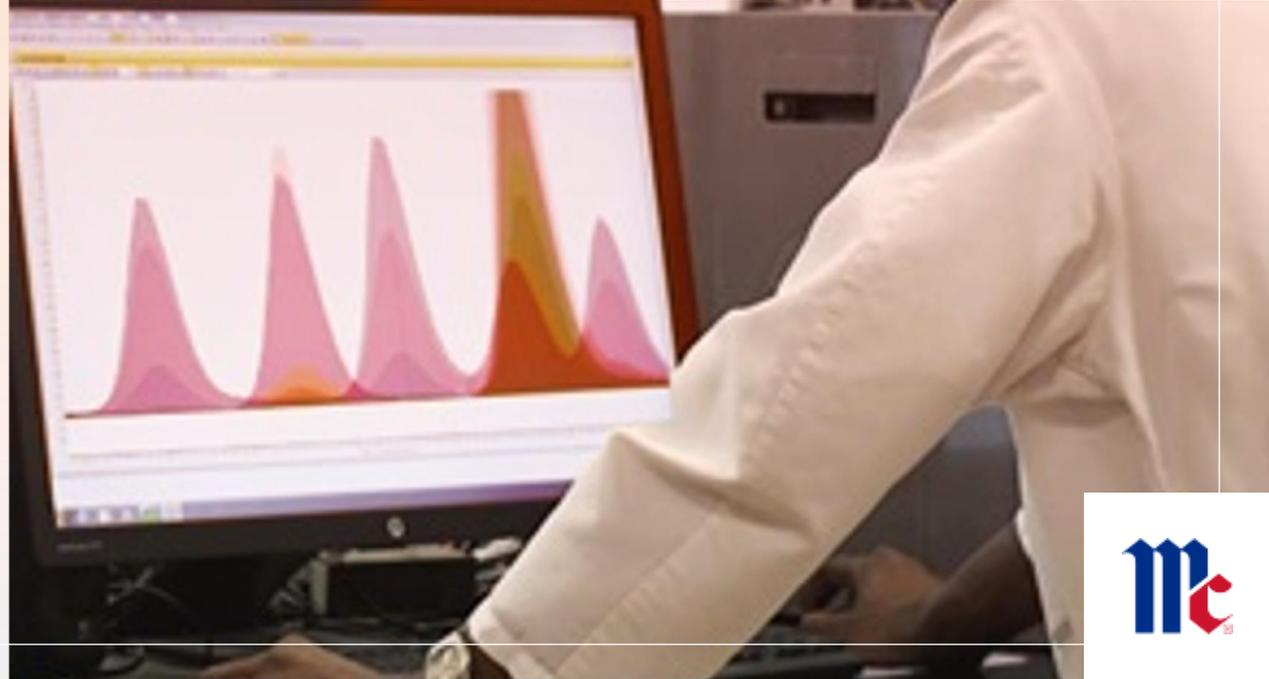
After



# The Demand for Heat Continues to Rise



# Positioned to Win in Heat with Differentiated Brands and Capabilities



# Reaching the Next Generation



COURSE #1  
**SPICY  
STACKS**



**JASON KELCE MAKES  
BUFFALO CHICKEN DIP**  
GET RECIPE 



# Heating Up Restaurant Menus



# Winning in the Mexican Aisle

Bringing New Consumers Into U.S. Category and  
Launching in 2024 in Canada



Expanding Into  
New Formats in the U.S.



# 2024 Flavor of the Year

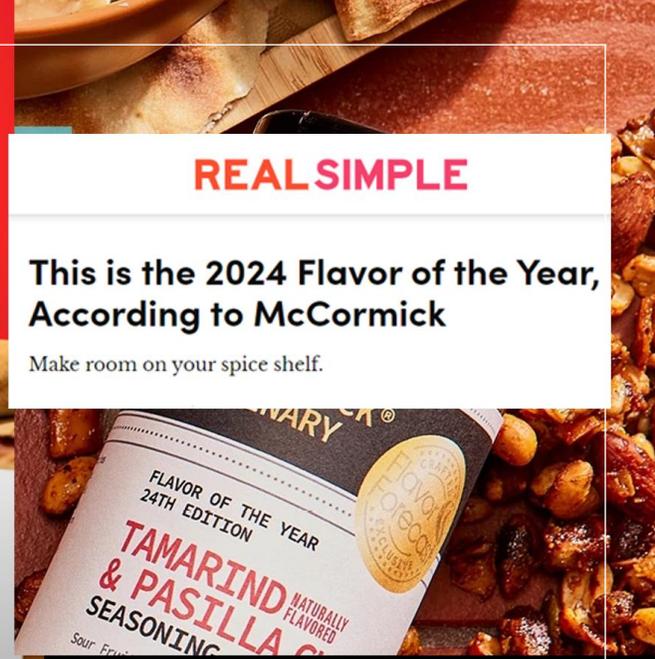
 Flavor Forecast  
24th Edition



  
McCormick Predicts This Flavor Will Dominate Menus in 2024



  
BLACK TAP  
CRAFT BURGERS & BEER



**REAL SIMPLE**

This is the 2024 Flavor of the Year, According to McCormick

Make room on your spice shelf.

**SPICIN' UP 2024 WITH THE MCCORMICK FLAVOR OF THE YEAR: TAMARIND**

Two iconic brands, two iconic limited-edition specials: **TAMARIND CHILE JAM BURGER** served with Tamarind & Pasilla Chile Fries and **TAMARIND CHILE COCOA CHURRO CRAZYSHAKE®**



# Performance and People



# Accelerating Investments to Drive Volume Growth



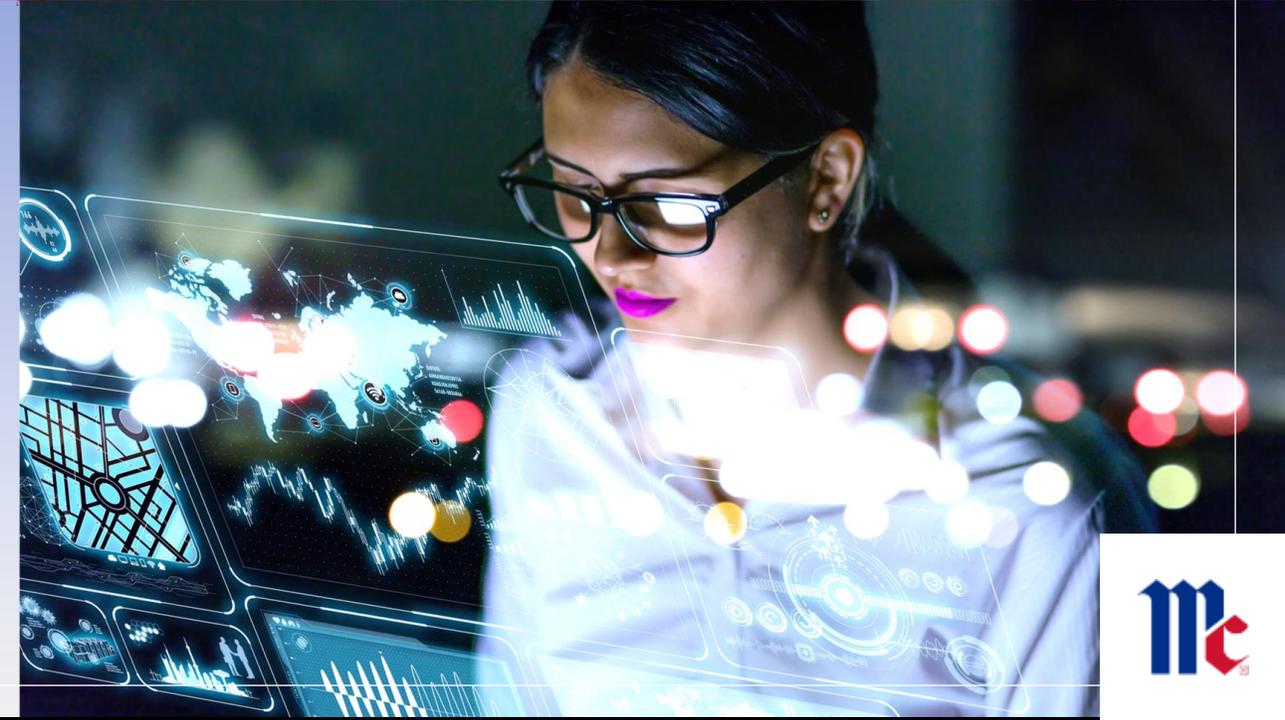
**NOW YOU'RE COOKING**

**BUY NOW**



**STOCK UP.**

Everyday Herbs & Spices.



# Investing in Our Global Capacity and Capabilities to Support Growth



# McCormick's Leadership Team Committed to Driving Sustainable Growth

## Management Committee



**Brendan Foley**  
President and Chief  
Executive Officer



**Mike Smith**  
Executive Vice President  
and Chief Financial Officer



**Kasey Jenkins**  
Chief Growth Officer



**Ana Sanchez**  
President - EMEA



**Andrew Foust**  
President - Americas



**Sarah Piper**  
Chief Human Relations  
Officer

## Additional Operating Committee Members

**President  
APAC**

**Chief Marketing  
Officer**

**Chief Science  
Officer**

**Chief Supply  
Chain Officer**

**Chief Information &  
Digital Officer**

**SVP, Global Finance  
and Capital Markets**

**VP, General Counsel  
and Secretary**



# Standing Together for the Future of Flavor



# International Charity Day



# The Power of Our People





# Brendan Foley

President and  
Chief Executive Officer





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OUR LEADERSHIP AND  
DIFFERENTIATION

McCormick & Company, Inc.  
2024 Annual Shareholder Meeting

# FORWARD-LOOKING INFORMATION

Certain information contained in this presentation, including statements concerning expected performance such as those relating to net sales, gross margin, earnings, cost savings, special charges, acquisitions, brand marketing support, volume and product mix, 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, as amended. These statements may be identified by the use of words such as “may,” “will,” “expect,” “should,” “anticipate,” “intend,” “believe” and “plan” and similar expressions. These statements may relate to: general economic and industry conditions, including consumer spending rates, interest rates, and availability of capital; expectations regarding sales growth potential in various geographies and markets, including the impact from brand marketing support, product innovation, and customer, channel, category, heat platform and e-commerce expansion; expected trends in net sales and earnings performance and other financial measures; the expected impact of pricing actions on the Company's results of operations and gross margins; the impact of price elasticity on our sales volume and mix; the expected impact of the inflationary cost environment on our business; the expected impact of factors affecting our supply chain, including the availability and prices of commodities and other supply chain resources including raw materials, packaging, labor, energy, and transportation; the expected impact of productivity improvements, and cost savings, including those associated with our CCI and GOE programs and Global Business Services operating model initiative; the ability to identify, attract, hire retain and develop qualified personnel and develop the next generation of leaders; the impact of the ongoing conflicts between Russia and Ukraine, Israel and Hamas, and in the Red Sea, including the potential for broader economic disruption; expected working capital improvements; 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 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, working capital needs, planned capital expenditures, quarterly dividends and our ability to obtain additional short- and long- term financing or issue additional debt 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: the company's ability to drive revenue growth; the company's ability to increase pricing to offset, or partially offset, inflationary pressures on the cost of our products; damage to the company's reputation or brand name; loss of brand relevance; increased private label use; the company's ability to drive productivity improvements, including those related to our CCI program and streamlining actions, including our GOE program; 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 preference and demand; business interruptions due to natural disasters, unexpected events or public health crises; issues affecting the company's supply chain and procurement of raw materials, including fluctuations in the cost and availability of raw and packaging materials; labor shortage, turnover and labor cost increases; the impact of the ongoing conflicts between Russia and Ukraine, Israel and Hamas, and in the Red Sea, including the potential for broader economic disruption; government regulation, and changes in legal and regulatory requirements and enforcement practices; the lack of successful acquisition and integration of new businesses; global economic and financial conditions generally, 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 our amount of outstanding indebtedness and related level of debt service as well as the effects that such 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, and volatility in our effective tax rate; climate change; Environmental, Social and Governance (ESG) matters; 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

The tables below include financial measures of adjusted operating income, adjusted operating income margin, adjusted income tax expense, adjusted income tax rate, adjusted net income and adjusted diluted earnings per share. These 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. These financial measures exclude the impact of the special charges.

Special charges consist of expenses and income, as applicable, 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. Expenses associated with the approved actions 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 the items noted above provides 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 they 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 below:



# NON-GAAP FINANCIAL MEASURES

(in millions except per share data)

|                                       | Three Months Ended |                 |
|---------------------------------------|--------------------|-----------------|
|                                       | 2/29/2024          | 2/28/2023       |
| Operating income                      | \$ 233.5           | \$ 199.0        |
| Impact of special charges             | 4.2                | 27.8            |
| Adjusted operating income             | <u>\$ 237.7</u>    | <u>\$ 226.8</u> |
| % increase versus year-ago period     | 4.8%               |                 |
| Operating income margin (1)           | 14.6%              | 12.7%           |
| Impact of special charges (1)         | 0.2%               | 1.8%            |
| Adjusted operating income margin (1)  | <u>14.8%</u>       | <u>14.5%</u>    |
| Income tax expense                    | \$ 49.6            | \$ 34.4         |
| Impact of special charges             | 1.1                | 6.5             |
| Adjusted income tax expense           | <u>\$ 50.7</u>     | <u>\$ 40.9</u>  |
| Income tax rate (2)                   | 25.5%              | 21.6%           |
| Impact of special charges             | -%                 | 0.2%            |
| Adjusted income tax rate (2)          | <u>25.5%</u>       | <u>21.8%</u>    |
| Net income                            | \$ 166.0           | \$ 139.1        |
| Impact of special charges             | 3.1                | 21.3            |
| Adjusted net income                   | <u>\$ 169.1</u>    | <u>\$ 160.4</u> |
| % increase versus year-ago period     | 5.4%               |                 |
| Earnings per share - diluted          | \$ 0.62            | \$ 0.52         |
| Impact of special charges             | 0.01               | 0.07            |
| Adjusted earnings per share - diluted | <u>\$ 0.63</u>     | <u>\$ 0.59</u>  |
| % increase versus year-ago period     | 6.8%               |                 |

- 1) Operating income margin, impact of special charges, and adjusted operating income margin are calculated as operating income, impact of special charges, and adjusted operating income as a percentage of net sales for each period presented.
- 2) Income tax rate is calculated as income tax expense as a percentage of income from consolidated operations before income taxes. Adjusted income tax rate is calculated as adjusted income tax expense as a percentage of income from consolidated operations before income taxes excluding special charges of \$198.5 million and \$187.3 million for the three months ended February 29, 2024, and February 28, 2023, respectively.



# 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 on a constant currency basis 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 comparative 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 comparative year. Rates of constant currency growth (decline) follow:

|  | Three Months Ended February 29, 2024 |                                     |  |
|--|--------------------------------------|-------------------------------------|--|
|  | Percentage Change as Reported        | Impact of Foreign Currency Exchange | Percentage Change on Constant Currency Basis |
| <b>Net sales</b>                       |                                      |                                     |  |
| <b>Consumer Segment</b>                |                                      |                                     |  |
| Americas                               | 0.1%                                 | 0.0%                                | 0.1%   |
| EMEA                                   | 13.3%                                | 5.1%                                | 8.2%   |
| APAC                                   | (7.4)%                               | (2.0)%                              | (5.4)%                                       |
| Total Consumer segment                 | 1.3%                                 | 0.6%                                | 0.7%   |
| <b>Flavor Solutions Segment</b>        |                                      |                                     |  |
| Americas                               | 4.7%                                 | 1.3%                                | 3.4%   |
| EMEA                                   | 1.8%                                 | 3.2%                                | (1.4)%                                       |
| APAC                                   | 1.5%                                 | (3.0)%                              | 4.5%   |
| Total Flavor Solutions segment         | 3.8%                                 | 1.3%                                | 2.5%   |
| <b>Total net sales</b>                 | 2.4%                                 | 0.9%                                | 1.5%   |
| <b>Adjusted operating income</b>       |                                      |                                     |  |
| Consumer segment                       | 1.7%                                 | 0.3%                                | 1.4%   |
| Flavor Solutions segment               | 15.0%                                | 1.3%                                | 13.7%  |
| <b>Total adjusted operating income</b> | 4.8%                                 | 0.5%                                | 4.3%   |



# NON-GAAP FINANCIAL MEASURES

To present “constant currency” information for the fiscal year 2024 projection, 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 rates for 2024 and are compared to the 2023 results, translated into U.S. dollars using the same 2024 budgeted exchange rates, rather than at the average actual exchange rates in effect during fiscal year 2023. To estimate the percentage change in adjusted earnings per share on a constant currency basis, a similar calculation is performed to arrive at adjusted net income divided by historical shares outstanding for fiscal year 2023 or projected shares outstanding for fiscal year 2024, as appropriate.

|   | Projections for the Year Ending November 30, 2024 |
|---|---|
| Percentage change in net sales  | (2)% to 0%  |
| Impact of unfavorable foreign currency exchange                                 | 1 %   |
| Percentage change in net sales in constant currency                             | (1)% to 1%  |
| Percentage change in adjusted operating income                                  | 3% to 5%  |
| Impact of unfavorable foreign currency exchange                                 | 1 %   |
| Percentage change in adjusted operating income in constant currency             | 4% to 6%  |
| Percentage change in adjusted earnings per share - diluted                      | 4% to 6%  |
| Impact of unfavorable foreign currency exchange                                 | 1 %   |
| Percentage change in adjusted earnings per share - diluted in constant currency | 5% to 7%  |



# NON-GAAP FINANCIAL MEASURES

The following provides a reconciliation of our estimated earnings per share to adjusted earnings per share for 2024 and actual results for 2023:

|                                       | Year Ended       |            |
|---------------------------------------|------------------|------------|
|                                       | 2024 Projection  | 11/30/2023 |
| Earnings per share - diluted          | \$2.76 to \$2.81 | \$ 2.52    |
| Impact of special charges             | 0.04             | 0.18       |
| Adjusted earnings per share - diluted | \$2.80 to \$2.85 | \$ 2.70    |

