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McCormick Brings Passion to Flavor

First Quarter 2015 Financial Results and
Business Outlook

March 24, 2015



The following slides accompany a March 24, 2015 presentation to investment analysts. This information should be read in conjunction with the press release issued on that date.

Forward-looking information

Certain information contained in these materials and our remarks 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 us, the expected impact of raw material costs and our pricing actions on our results of operations and gross margins, the expected productivity and working capital improvements, expectations regarding growth potential in various geographies and markets, expected trends in net sales and earnings performance and other financial measures, 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, our ability to issue additional debt or equity securities and our expectations regarding purchasing shares of our common stock under the existing 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: damage to our 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; our ability to achieve expected and/or needed cost savings or margin improvements; negative employee relations; the successful acquisition and integration of new businesses; issues affecting our 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; global economic and financial conditions generally, including the availability of financing, and interest and inflation rates; 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 our information technology systems, the threat of data breaches and cyber attacks; volatility in our effective tax rate; impact of climate change on raw materials; infringement of our intellectual property rights, and those of customers; litigation, legal and administrative proceedings; and other risks described in our filings with the Securities and Exchange Commission.

Actual results could differ materially from those projected in the forward-looking statements. We undertake 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.

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Alan Wilson
Chairman & CEO



1Q 2015 Financial results

Progress with sales growth strategies and actions to reduce costs

- Sales grew 6% in constant currency; mid single-digit increase in each segment
- Growth largely driven by higher volume and product mix

Operating income

- Excluding special charges, adjusted operating income rose 1% in constant currency
- Expect improved growth rate once 2015 pricing actions fully in place and cost reduction benefits build

Earnings per share

- Excluding special charges, adjusted earnings per share grew to \$0.70 from \$0.62 in 1Q 2014
- Increase led by lower tax rate and higher income from unconsolidated operations

Cash flow

- Generating strong cash flow from operations
- Returned cash to shareholders through dividends and share repurchases

Reaffirming 2015 outlook for growth in sales, adjusted operating income and adjusted earnings per share in constant currency

Adjusted operating income and adjusted EPS exclude the impact of items affecting comparability in 1Q 2015 and 1Q 2014. See reconciliation of GAAP to non-GAAP financial measures on slides 31 to 33, including the impact of constant currency.

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U.S. consumer business

Grew sales 4% with higher volume and mix

- Increases in recipe mixes and Grill Mates
- Gained further share in recipe mix category
- Solid category growth for spices and seasonings

Actions to address competitive in-roads

- **Accelerating innovation** – Skillet sauces, Gourmet relaunch, new varieties Old Bay, Lawry's marinades, gluten free recipe mixes, Zatarain's rice mixes, Grill Mates
- **Building brand equity** – Facebook holiday engagement rates up 25%; digital shopper marketing success: 1Q Big Game campaign; new TV ads for 2Q Grill Mates campaign
- **“Win” at retail** – Advanced analytic rigor around retail price points; focus on key staples and price thresholds; growth in e-commerce channel

Gourmet re-launch



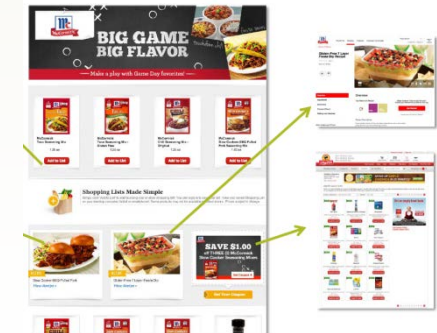
Skillet Sauces



Step by step visuals



Big Game campaign



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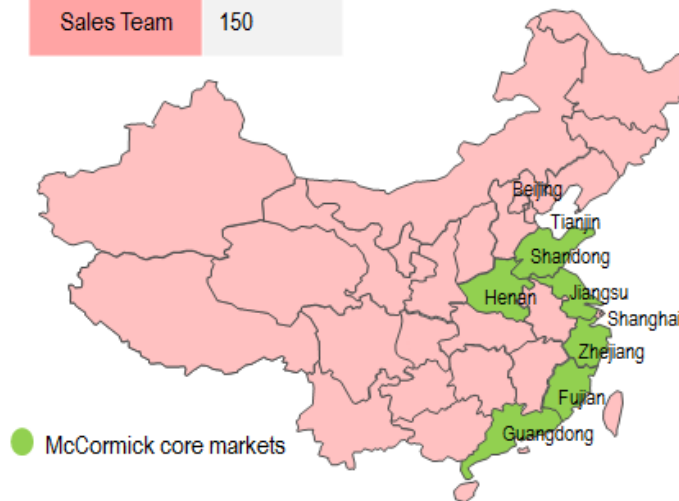
China consumer business

Maintained double-digit sales growth in 1Q 2015 - brand building, geographic expansion, in-store execution

Achieving sales synergies with McCormick brand and WAPC's Daqiao brand

Points of sale	52K
Distributors	233
Coverage	National
Sales Team	150

McCormick Footprint



Points of sale	1,500K+
Distributors	1300
Coverage	National
Sales Team	370

Daqiao Footprint



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Other consumer business markets

Other markets with sales growth in constant currency

- France
- Canada
- Australia
- Central America

Vahiné dessert items
France



Aeroplane dessert items
Australia



McCormick brand
Central America



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Industrial business

Grew sales 7% in constant currency

- U.S. business led growth
 - Higher pricing in response to increased material costs
 - Demand and innovation in snack seasoning sales
 - Grew sales of branded food service products
- Europe, Middle East, Africa (EMEA) growth
 - Supporting expansion of quick service restaurants and other customers across region
 - Strong growth in sales and profit
- Return to sales growth in China with double-digit increase
 - Innovation to win limited time offers
 - Export to other markets for key customers



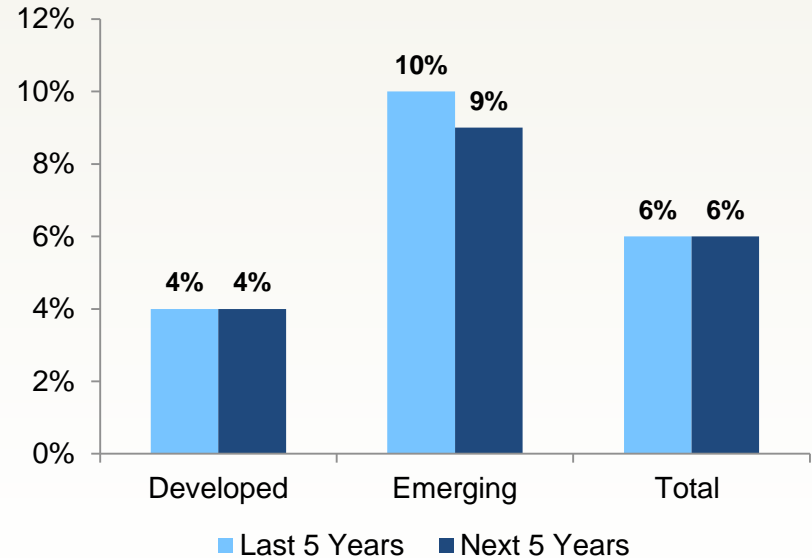
Increase in consumer demand for flavor

Benefits both consumer and industrial segments

Flavor aligned with today's trends

- Spicy, fresh, protein, simple ingredients, healthier eating
- Rise of middle class in emerging markets

Sales of herbs and spices category are growing in both developed and emerging markets



Source: Euromonitor International annualized actual data 2010-2014 and annualized projections 2014-2019

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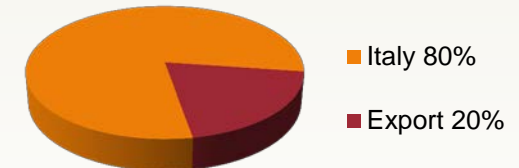
Business Description

- A leader in spices and seasonings in Italy and
- Exports to 60 other countries
- Modern production facility in Florence, Italy; Approximately 120 employees
- Annual sales approximately €50 million; expect to grow sales at mid-single digit rate

Strategic Rationale for Acquisition

- Expand McCormick's current spice and seasoning leadership in Europe with sizeable footprint in Italy
- Leverage McCormick capabilities/product breadth to drive growth in Italy
- Accelerate growth with premium brand in export markets
- Complements manufacturing capabilities in Europe

Purchasing stock for ~€50 million subject to normal purchase price adjustments; additional payment of up to €35 million due in 3 years subject to performance criteria



[Click here to view press release](#)

Brand Aromatics

Business Description

- Supplier of natural savory flavors, marinades, and broth and stock concentrates to packaged food industry
- R&D facility, USDA production and distribution center in Lakewood NJ; 40 employees
- Net sales of \$28 million in 2014; growing at mid-single digit rate

Strategic Rationale for Acquisition

- Expand breadth of flavor solutions for industrial customers with complete line of savory flavor systems
- Leverage customer relationships and product offerings across both businesses
- Utilize McCormick's consumer insights to drive innovation at BA
- Adds USDA facility to McCormick's U.S. manufacturing capabilities

Purchased stock for ~\$63M subject to customary closing adjustments

Founded in 1997



R&D Focused



USDA Manufacturing



[Click here to view press release](#)

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North America effectiveness initiative

In North America, forming

- Simplified consumer and industrial business commercial teams to focus on growth and innovation
- Centralized support functions to leverage scale and drive cost savings

Benefits include...

- Increasing span of control
- Adding analytical talent and new capabilities
- Simplifying decision-making
- Executing faster to capture growth and profit opportunities

Led by North America initiative and EMEA project, expect these actions to lower SG&A as a percentage of net sales by ~1 ppt by 2016



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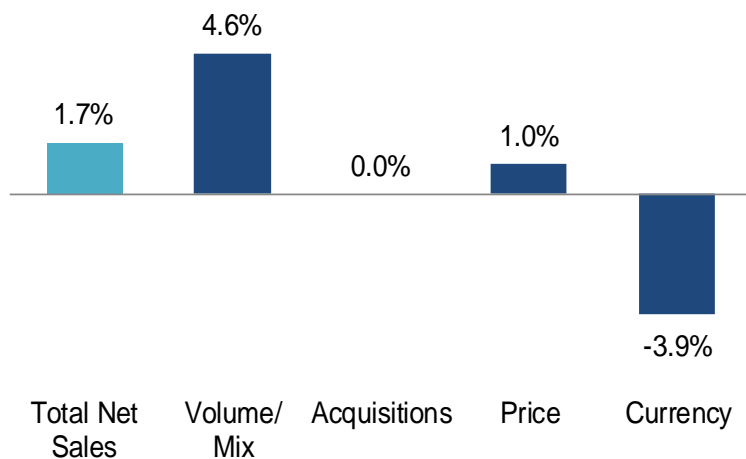
Gordon Stetz

*Executive Vice President
& CFO*

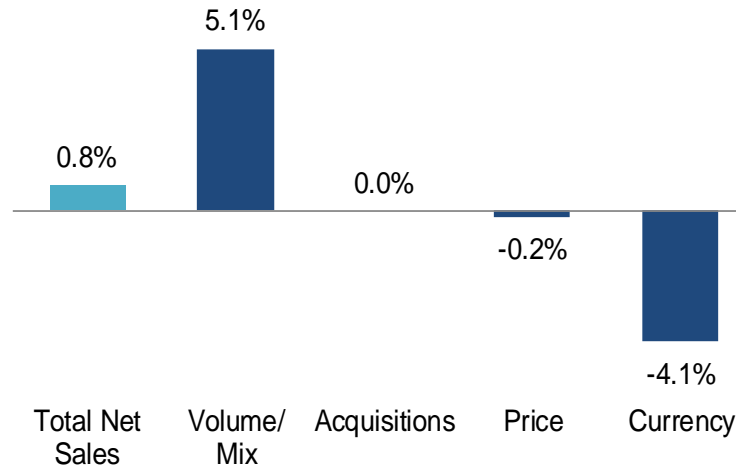


1Q 2015 Sales results

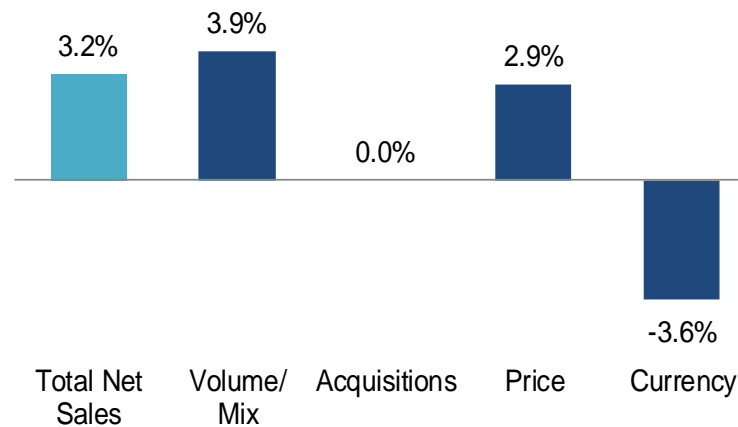
Total Company



Consumer



Industrial

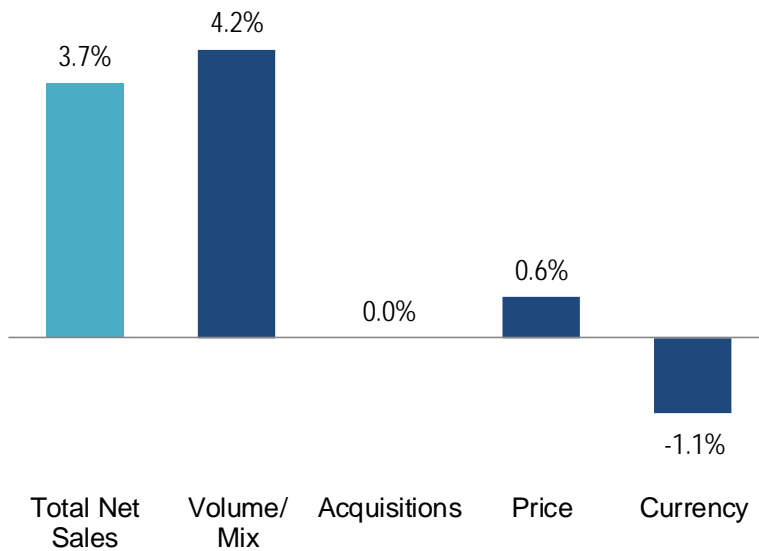


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1Q 2015 Sales results: Consumer business

Americas



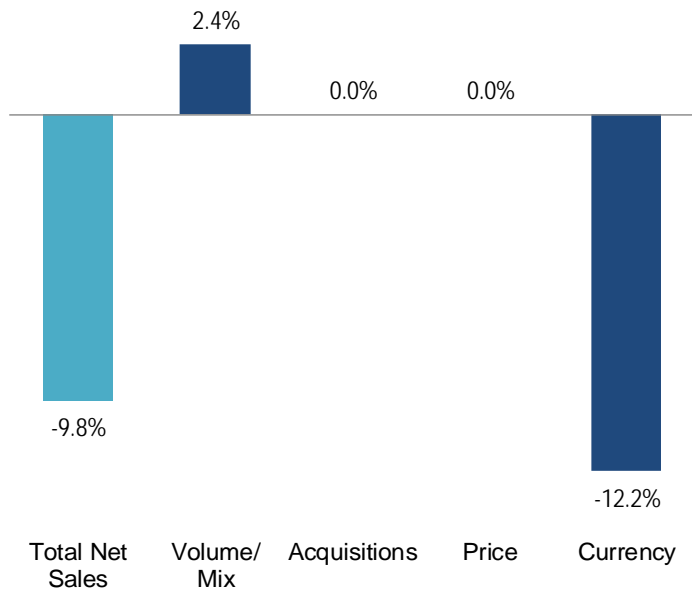
- Higher volume and product mix
- Led by recipe mixes and Grill Mates

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1Q 2015 Sales results: Consumer business

EMEA



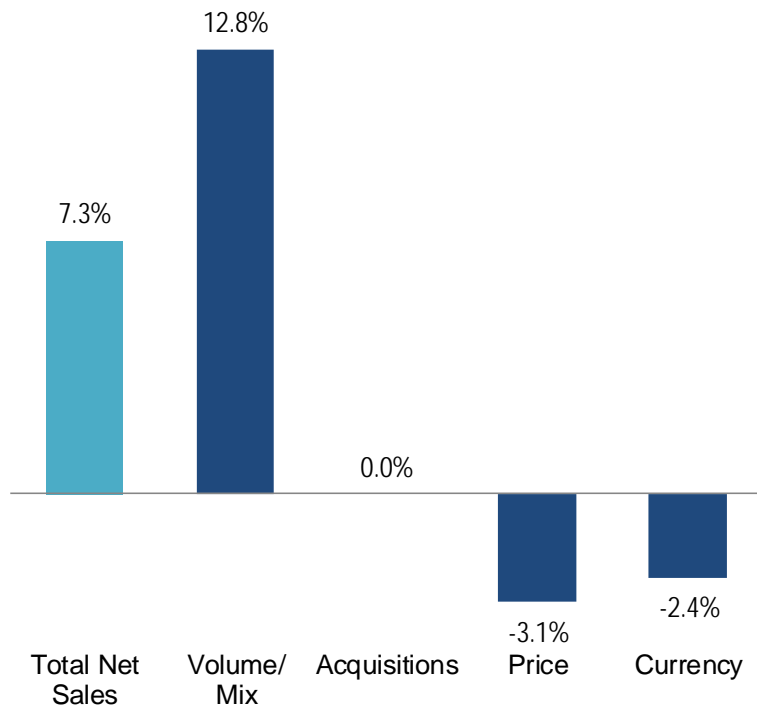
- Growth in volume and product mix
- Increases in France and smaller markets more than offset modest decline in U.K.

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1Q 2015 Sales results: Consumer business

Asia/Pacific



- Grew sales 18% in China, led by higher volume and product mix
- Constant currency sales rose in Australia and declined in India

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1Q 2015 Operating income: Consumer business

	1Q 2015	1Q 2014	Fav(Unfav) Change
Operating income	\$72.3	\$94.3	(23%)
Operating income, excluding special charges*	\$91.5	\$94.3	(3%)

- In constant currency, adjusted operating income was comparable to year-ago period
- Sales growth and cost savings offset by unfavorable impact of higher material costs, increased retirement benefit expense and product mix
- Brand marketing support rose \$1 million; recorded \$1 million of acquisition transaction costs

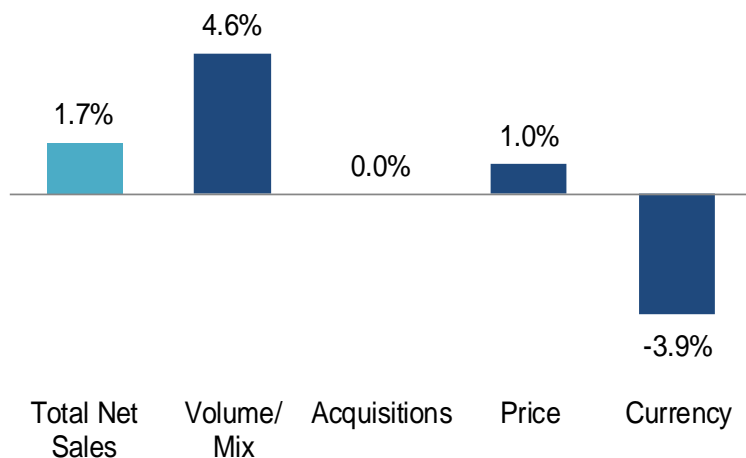
* Adjusted operating income and adjusted operating income growth rate exclude the impact of items affecting comparability in 1Q 2015 and 1Q 2014. See reconciliation of GAAP to non-GAAP financial measures on slide 31 to 33.

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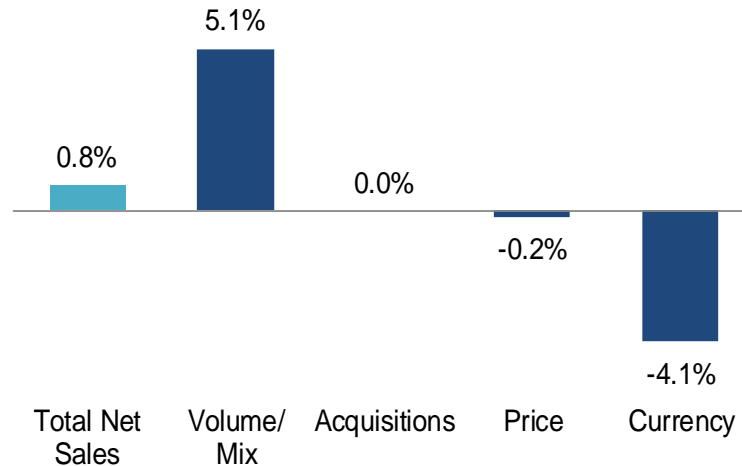


1Q 2015 Sales results

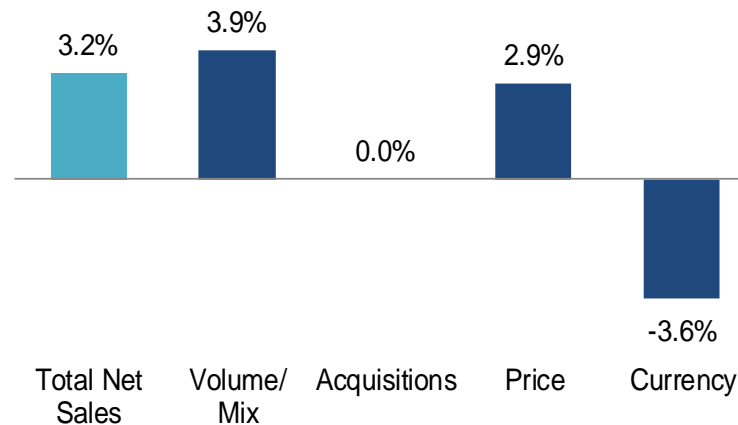
Total Company



Consumer



Industrial

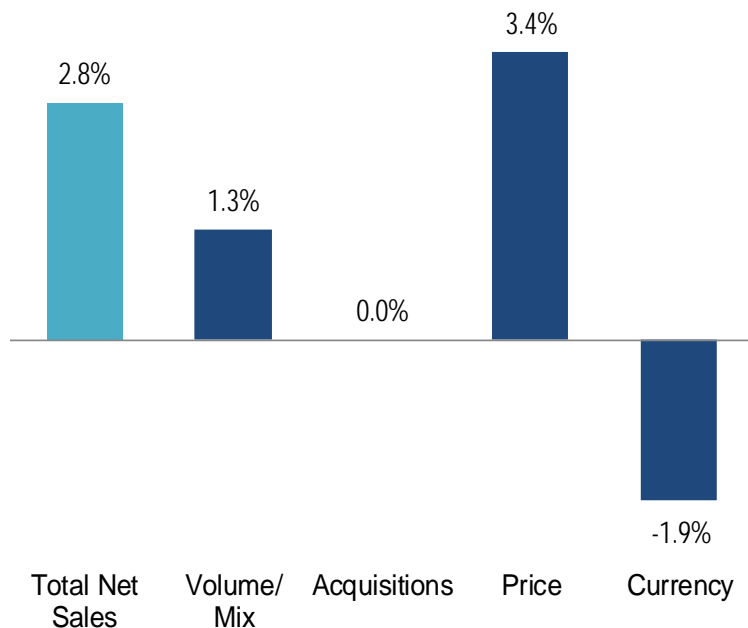


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1Q 2015 Sales results: Industrial business

Americas



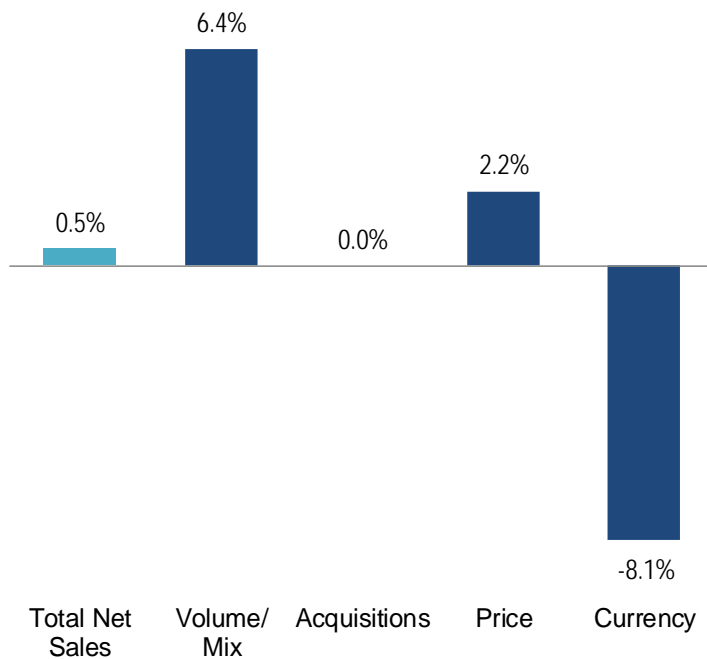
- Higher volume and product mix driven by sales of snack seasonings and branded food service products
- More than offset continued weak demand from quick service restaurants

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1Q 2015 Sales results: Industrial business

EMEA



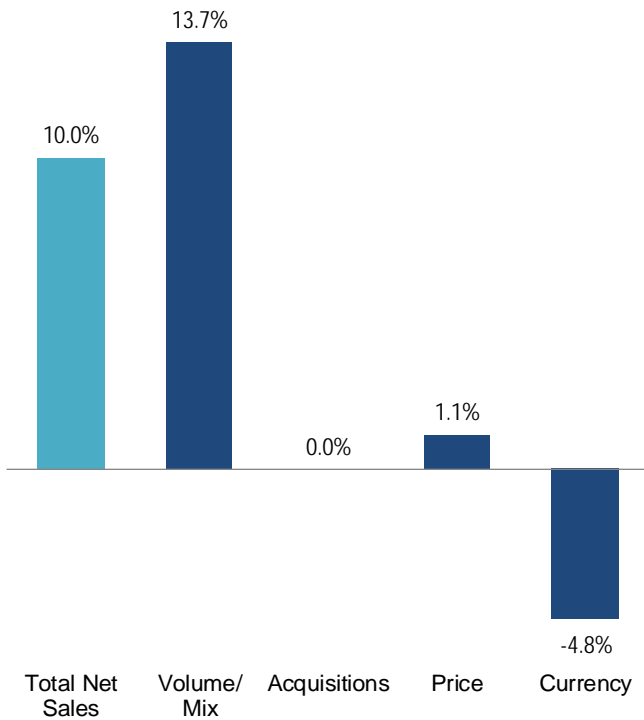
- Higher volume and product mix with both quick service restaurants and packaged food companies
- Supporting customers' geographic expansion across this region

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1Q 2015 Sales results: Industrial business

Asia/Pacific



- Return to sales growth in China with quick service restaurants
- Includes innovation wins and products exported to other markets for these customers

1Q 2015 Operating income: Industrial business

	1Q 2015	1Q 2014	Fav(Unfav) Change
Operating income	\$21.4	\$30.3	(29%)
Operating income, excluding special charges*	\$30.6	\$30.3	1%

- In constant currency, adjusted operating income grew 5%
- Sales growth and cost savings more than offset unfavorable impact of higher material costs and increased retirement benefit expense

* Adjusted operating income and adjusted operating income growth rate exclude the impact of items affecting comparability in 1Q 2015 and 1Q 2014. See reconciliation of GAAP to non-GAAP financial measures on slide 31 to 33.

Operating income, gross profit, SG&A

	1Q 2015	1Q 2014	Fav(Unfav) Change
Operating income	\$93.7	\$124.6	(25%)
Operating income, excluding special charges*	\$122.1	\$124.6	(2%)
Gross profit margin	38.6%	39.4%	(80 bps)
Selling, general & administrative expenses as percent of net sales	26.5%	26.9%	(40 bps)

- Excluding both special charges and currency, operating income rose 1%
- Decrease in gross profit margin due to timing of material cost increases vs pricing actions and cost savings; expect impact of pricing actions and costs savings to build in upcoming quarters
- Special charges were \$28 million in 1Q 2015 and now estimated at \$30 million for fiscal year

* Adjusted operating income and adjusted operating income growth rate exclude the impact of items affecting comparability in 1Q 2015 and 1Q 2014. See reconciliation of GAAP to non-GAAP financial measures on slide 31 to 33.

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Income taxes

	1Q 2015	1Q 2014
Income taxes	\$20.0	\$35.0
Income tax rate	24.8%	31.1%

- Tax rate of 24.8% was below 27-28% projection mainly due to discrete tax items
- Tax rate of 31% in 1Q 2014 reflected impact of higher tax rate in France
- Expect tax rate of 27% to 28% based on current outlook for fiscal year 2015

Income from unconsolidated operations

	1Q 2015		1Q 2014	Fav(Unfav) Change
Income from unconsolidated operations	\$9.9		\$5.1	94.1%

- Joint venture in Mexico led increase with 7% sales growth and margin improvement

Earnings per share

	1Q 2015	1Q 2014	Fav(Unfav) Change
Earnings per share	\$0.55	\$0.62	(11%)
Adjusted earnings per share*	\$0.70	\$0.62	13%
Decrease in adjusted operating income		(0.01)	
Lower tax rate		0.04	
Higher income from unconsolidated operations		0.04	
Reduction in shares outstanding		0.01	
Increase in adjusted EPS*		0.08	

* Adjusted earnings per share excludes the impact of items affecting comparability in 1Q 2015 and 1Q 2014. See reconciliation of GAAP to non-GAAP financial measures on slides 31 to 33.

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Balance sheet and cash flow

- First quarter cash flow from operations \$96 million vs \$77 million in 1Q 2014
- Used \$65 million of cash to repurchase shares in 1Q 2015
 - \$51 million remains on share repurchase authorization
 - With acquisitions to be completed in fiscal year, now expect to reduce shares outstanding 1%
- Balance sheet remains strong and well-positioned to fund investments to drive growth

2015 Financial outlook

		Currency Impact
Sales growth in constant currency	4% to 6%	(5ppt) from (3ppt)
Impact of pricing actions	2%	
Adjusted operating income increase in constant currency *	6% to 7%	(3ppt) from (2ppt)
CCI and additional cost savings	At least \$85 million	
Material cost inflation	Mid-single digit	
Gross profit margin	Up slightly	
Incremental brand marketing	Up about 5%	
Increase in retirement benefit expense	~ \$10 million	
Income from unconsolidated operations	At least 10% increase	
Tax rate	27% - 28%	
Adjusted earnings per share (includes currency impact) **	\$3.44 - \$3.51	
Adjusted EPS growth rate in constant currency from \$3.37 in 2014	6% to 8%	(4ppt) from (2ppt)
Capital expenditures	\$130-\$140 million	
Shares outstanding	~ 1% reduction	

* From adjusted operating income of \$608 million in 2014. See reconciliation of GAAP to non-GAAP financial measures on slides 31 to 33. Projected 2015 adjusted operating income excludes approximately \$30 million in special charges.

** Adjusted EPS guidance excludes the impact of approximately \$0.16 in projected special charges to be recorded in 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 31 to 33.

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Non-GAAP Financial Measures

The tables below includes financial measures of adjusted operating income, adjusted net income and adjusted diluted earnings per share, each excluding the impact of special charges for the periods presented. 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. In our consolidated income statement, we include a separate line item captioned “special charges” 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 and Chief Executive Officer; Chief Operating Officer and President, and President Global Consumer; Executive Vice President and Chief Financial Officer; President Global Industrial, and President, EMEA and Asia Pacific; and Senior Vice President, Human Relations. 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; 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 for purposes of comparison to prior periods and 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 it 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 this non-GAAP financial measure will provide consistency in our financial reporting. A reconciliation of these non-GAAP financial measures to the related GAAP financial measures is provided below:

	Three Months Ended			Twelve Months Ended
	2/28/2015	2/28/2014		11/30/2014
Operating income	\$ 93.7	\$ 124.6	Operating income	\$ 603.0
Impact of special charges	28.4	-	Impact of special charges	5.2
Adjusted operating income	\$ 122.1	\$ 124.6	Adjusted operating income	608.2
% decrease versus prior period	(2.0)%		Earnings per share	\$ 3.34
Earnings per share	\$ 0.55	\$ 0.62	Impact of special charges	0.03
Impact of special charges	0.15	-	Adjusted earnings per share	\$ 3.37
Adjusted earnings per share	\$ 0.70	\$ 0.62		
% increase versus prior period	12.9%			

Non-GAAP Financial Measures

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

	Three Months Ended February 28, 2015		
	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
Net sales			
Consumer business			
Americas	3.7%	(1.1)%	4.8%
EMEA	(9.8)%	(12.2)%	2.4%
Asia/Pacific	7.3%	(2.4)%	9.7%
Total consumer business	0.8%	(4.1)%	4.9%
Industrial business			
Americas	2.8%	(1.9)%	4.7%
EMEA	0.5%	(8.1)%	8.6%
Asia/Pacific	10.0%	(4.8)%	14.8%
Total industrial business	3.2%	(3.6)%	6.8%
Total net sales	1.7%	(3.9)%	5.6%
Adjusted operating income			
Consumer business	(3.0)%	(2.7)%	(0.3)%
Industrial business	1.0%	(3.7)%	4.7%
Total adjusted operating income	(2.0)%	(3.0)%	1.0%

Non-GAAP Financial Measures

To present "constant currency" information for the fiscal year 2015 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 rate for 2015 and are compared to the 2014 results, translated into U.S. dollars using the same 2015 budgeted exchange rate, rather than at the average actual exchange rates in effect during fiscal year 2014. 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 (however, no adjustment is made for the company's share of income in unconsolidated operations that are denominated in currencies other than the U.S. dollar) divided by historical shares outstanding for fiscal year 2014 or projected shares outstanding for fiscal year 2015, as appropriate.

Fiscal year 2014 actual results and 2015 projection

(in millions except per share data)

	Twelve Months Ended	
	2015	11/30/14
Operating income		\$ 603.0
Special charges		5.2
Adjusted operating income		<u>\$ 608.2</u>
Earnings per share	\$3.28 to \$3.35	\$ 3.34
Impact of special charges	0.16	0.03
Adjusted earnings per share	<u>\$3.44 to \$3.51</u>	<u>\$ 3.37</u>
Percentage change in adjusted earnings per share on constant currency basis	2% to 4%	
Impact of foreign currency exchange rates	<u>(4)</u>	
Percentage change in adjusted earnings per share on constant currency basis	<u>6% to 8%</u>	