



BUILDING THE  
McCORMICK  
OF THE FUTURE

**4th Quarter 2019 Financial  
Results and 2020 Outlook**

January 28, 2020

# FORWARD-LOOKING INFORMATION

Certain information contained in this release, including statements concerning expected performance such as those relating to net sales, gross margins, earnings, cost savings, acquisitions, brand marketing support, 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; 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; 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.





LAWRENCE KURZIUS



# McCORMICK DELIVERS SOLID 2019 PERFORMANCE

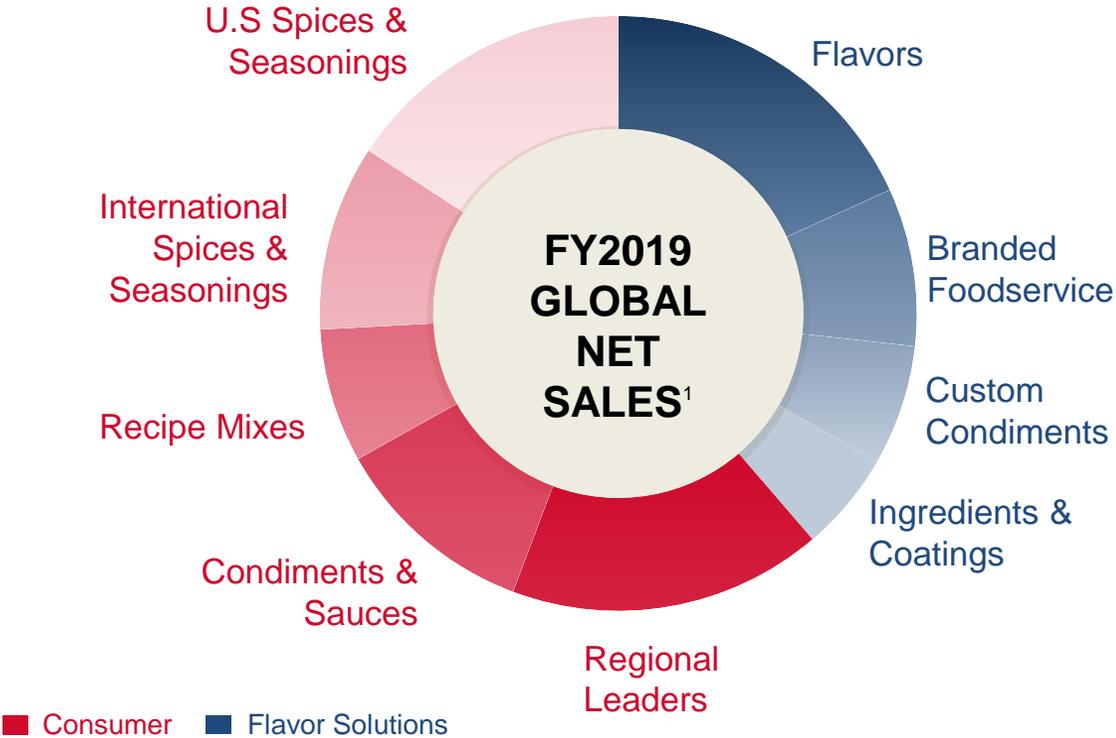
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- **Drove solid** sales, operating profit and adjusted earnings per share **growth**
- **Expanded** adjusted operating **margin** while making targeted **investments for growth**
- **Achieved substantial cost savings**
- Delivered **8th consecutive year of record cash flow**
- Drove **strong results** across **both segments**



# BREADTH & REACH BALANCES PORTFOLIO FOR CONSISTENT PERFORMANCE

## OUR BROAD AND ADVANTAGED GLOBAL PORTFOLIO



## CONSUMER AND FLAVOR SOLUTIONS SEGMENTS

Reaching **across the globe** and **every channel**

with **compelling offerings** for **every** retail and customer **strategy**

with our **broad range** of **consumer formats** and **flavor applications**



# FOURTH QUARTER 2019 FINANCIAL RESULTS

## GREW NET SALES 2%\*

- Both segments contributed to increase

## GREW ADJUSTED OPERATING INCOME 4%\*

- Higher sales and CCI led cost savings
- Partial offset from higher brand marketing expense

## ADJUSTED EARNINGS PER SHARE LOWER 4%

- Adjusted operating income growth more than offset by higher adjusted income tax rate



\* In constant currency

# FOURTH QUARTER CONSUMER SEGMENT UPDATE

## AMERICAS

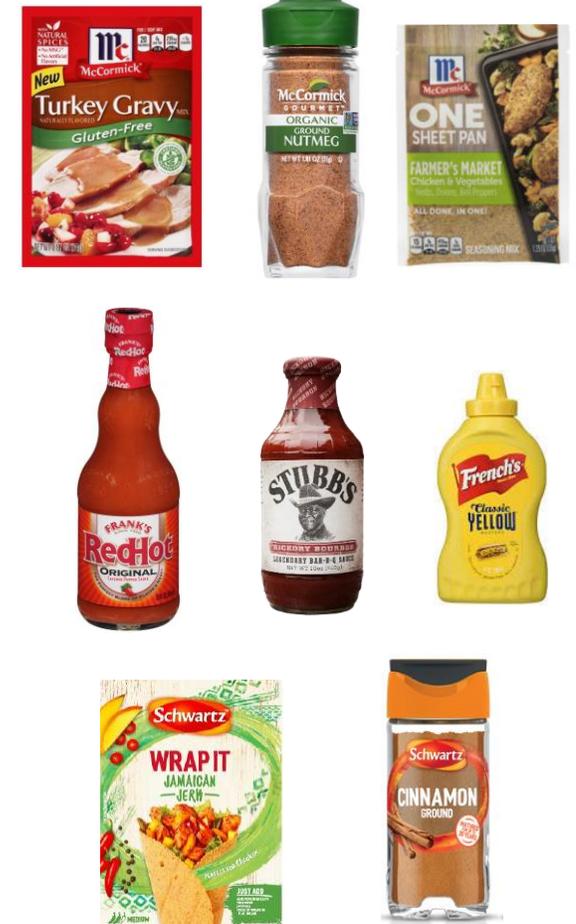
- Strong U.S. branded performance, partially offset by private label declines
- Strong category management, expanded distribution and new products
- Spice and seasoning and dry recipe mix consumption acceleration
- Strong holiday results from effective brand marketing and merchandising
- Condiment leadership acceleration

## EMEA

- New products and strong promotional programs drove U.K. growth
- Growth impacted by private label declines

## APZ

- Fundamentals remain strong in region



# FOURTH QUARTER FLAVOR SOLUTIONS SEGMENT UPDATE

## AMERICAS

- Robust base business and new product growth in snack seasonings
- New products growth
- Strong branded foodservice growth

## EMEA

- Growth from expanded distribution, promotional activities and new products

## APZ

- Timing of customer activity and new products drove growth



# FISCAL YEAR 2019 FINANCIAL RESULTS

**SALES GROWTH\*** + 3%

Consumer up 3%

Flavor solutions up 3%

**ADJUSTED OPERATING INCOME\*** + 7%

**ADJUSTED EARNINGS PER SHARE** + 8%



- **Expanded** adjusted operating margin **80bps**
- Reached **record \$119M cost savings**, driven by our CCI program
- Achieved **record \$947M operating cash flow**, a 15% increase
- Reduced **net debt to adjusted EBITDA ratio**
- Announced **9% quarterly dividend increase** – 34<sup>th</sup> consecutive annual increase

\* In constant currency

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 34 to 38 including the impact of constant currency.



# FISCAL YEAR 2019 ACHIEVEMENTS

## GROWING WITH NEW PRODUCTS

**8%** of 2019 sales from new products launched across both segments in last 3 years

Consumer new product offerings

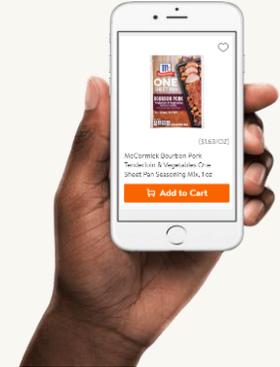


Flavor solutions technology platform driving new product wins

## DELIVERING E-COMMERCE GROWTH

### E-commerce Sales

**+44%** driven by strong pure-play and omni-channel



## PROGRESSING TOWARD 2025 SUSTAINABILITY GOALS



**#1** Most sustainable food products company



**3<sup>rd</sup>** consecutive year

## OPTIMIZING BRAND MARKETING

Working media **+11%** on comparable spend



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

Only food brand to earn title of **Genius**

# GROWTH PLANS

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- **Flavor continues to be an advantaged category**
- **Aligned with emerging consumer demands and preference**
- **Consumer**
  - Drive undisputed leadership in spices and seasonings
  - Accelerate condiment global platform
  - Fuel growth in emerging markets, channel and platforms
  - Strengthen consumer connection
- **Flavor Solutions**
  - Migrate portfolio to value-added products
  - Expand global flavors scale
  - Drive new product wins through customer engagement



# BUSINESS TRANSFORMATION INVESTMENT - ERP REPLACEMENT

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## HIGHER BENEFITS AND LOWER RISK

Operational Go-live  
Impact

Stronger Change  
Management Plan

Greater Business  
Transformation

Greater  
Incremental Benefits

## CURRENT PROGRAM OVERVIEW

Total Estimated Cost: **\$300M to \$350M**  
Operating Expense & Capital Cost Split: **~60/40**

### 2020 Operating Expense Impact

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

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## PROGRAM PHASING

2019: Plan & build

2020: Pilot implementations

2021 – 2022: Deployment & stabilization

# SOLID FOUNDATION AND MOMENTUM INTO 2020

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- Achieved **solid results in 2019**
- **Agile, relevant** and **focused** on sustainable growth in a dynamic environment
- Fundamentals, momentum and **growth outlook stronger than ever**
- **Strategies** are **building long-term value**
- **Success** is **driven by McCormick employees**
- **Well-positioned** in 2020 to achieve **strong underlying business performance** and **drive business transformation**



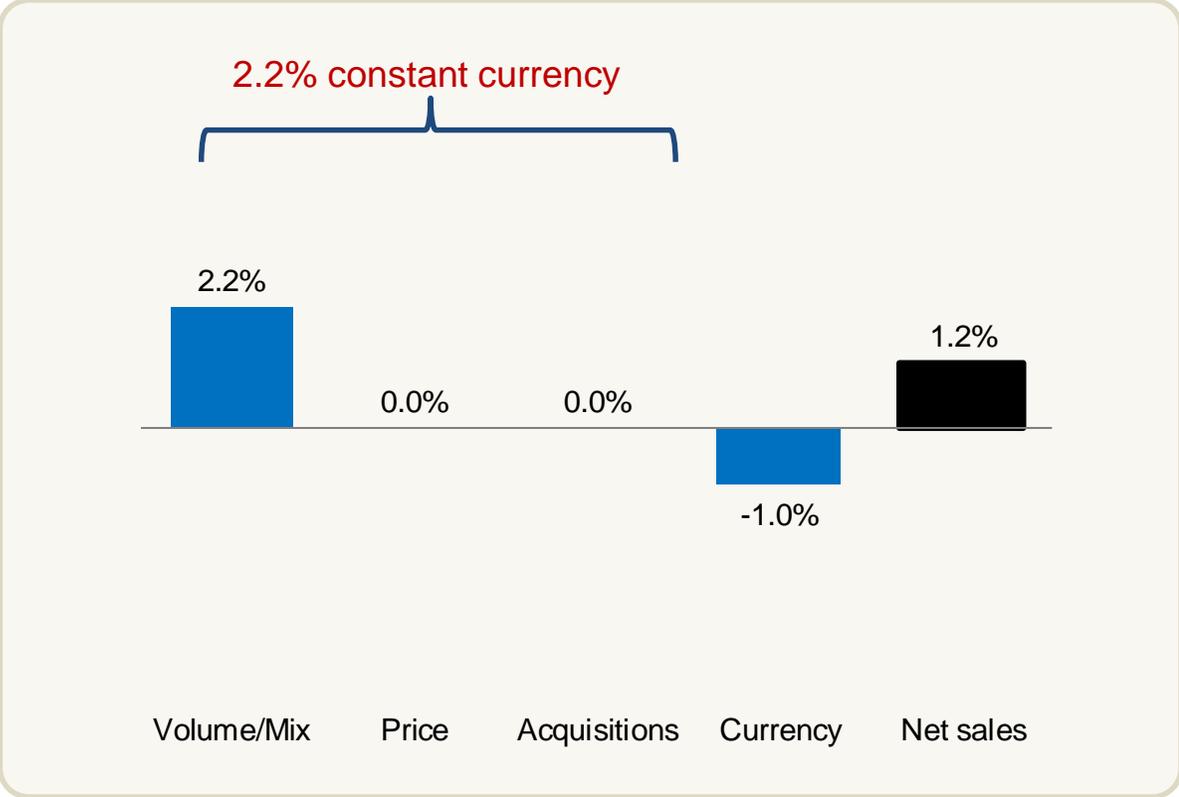
# MIKE SMITH

Executive Vice President and  
Chief Financial Officer

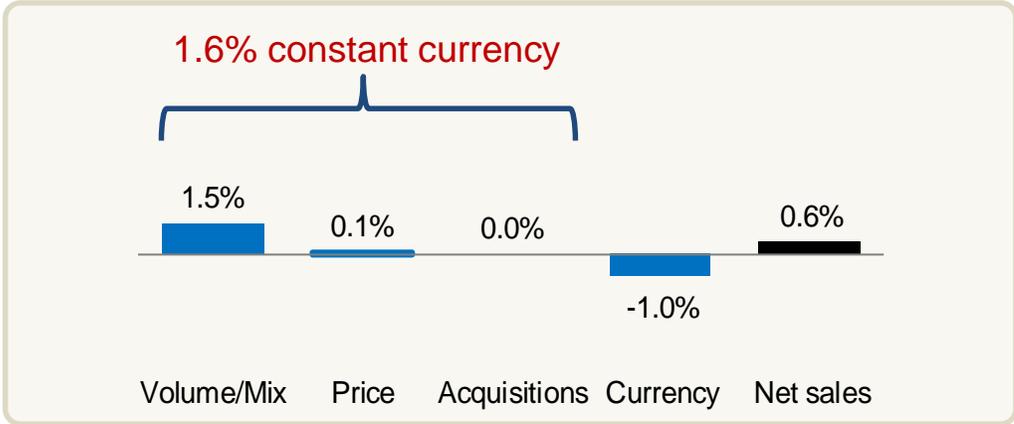


# 4Q 2019 SALES RESULTS

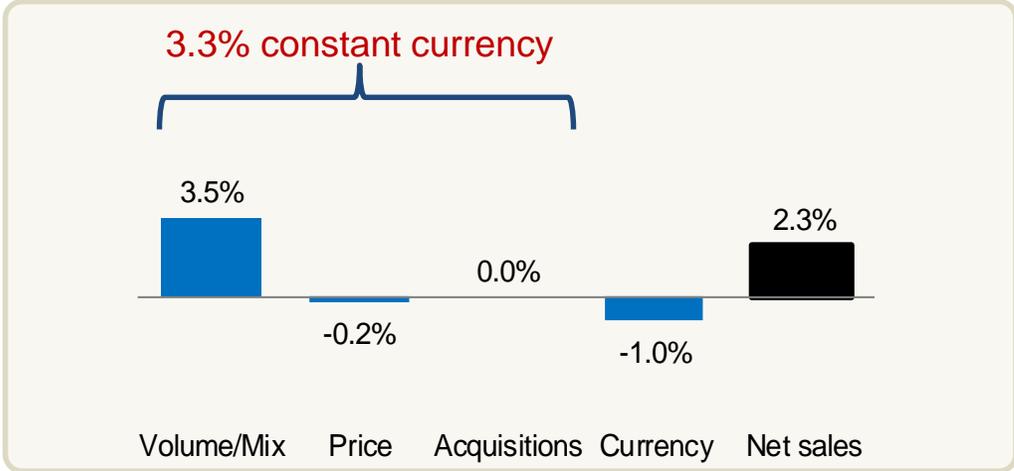
## TOTAL COMPANY



## CONSUMER

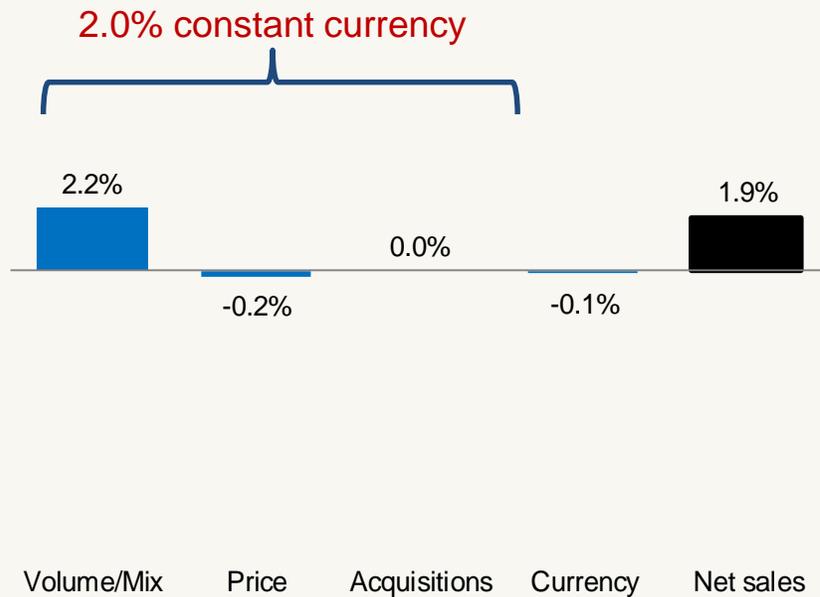


## FLAVOR SOLUTIONS



# 4Q 2019 SALES RESULTS: CONSUMER SEGMENT

## AMERICAS

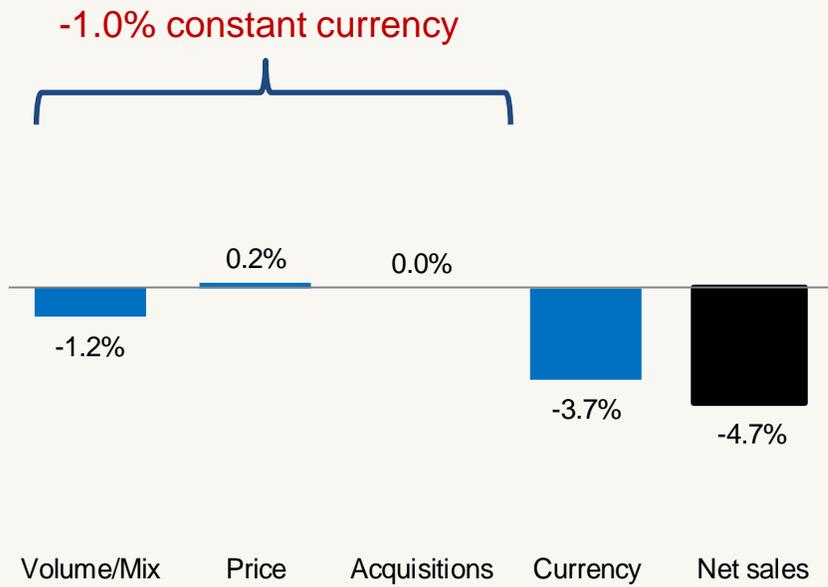


- Driven by strong U.S. branded product growth
- Partially offset by:
  - Private label declines
  - Soft Canada sales performance



# 4Q 2019 SALES RESULTS: CONSUMER SEGMENT

## EMEA

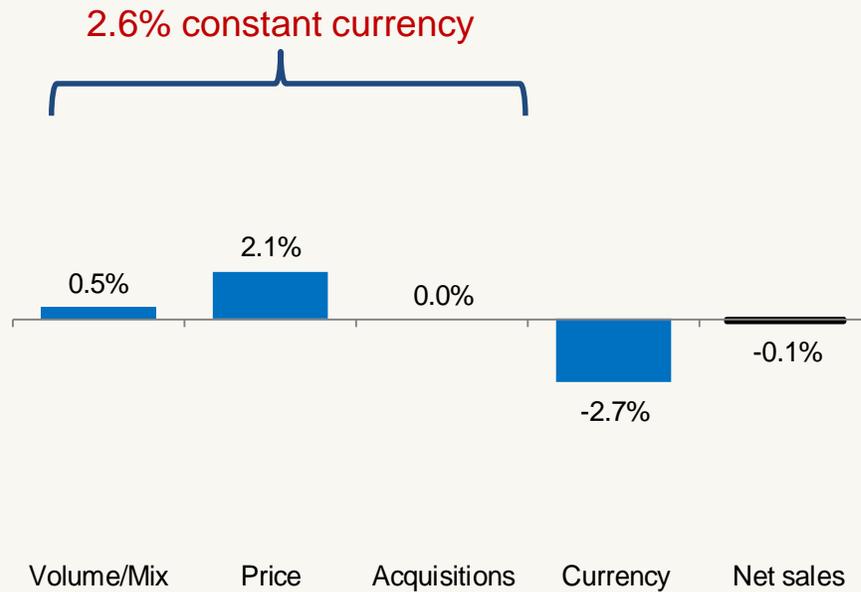


- Growth unfavorably impacted by private label declines



# 4Q 2019 SALES RESULTS: CONSUMER SEGMENT

## ASIA / PACIFIC

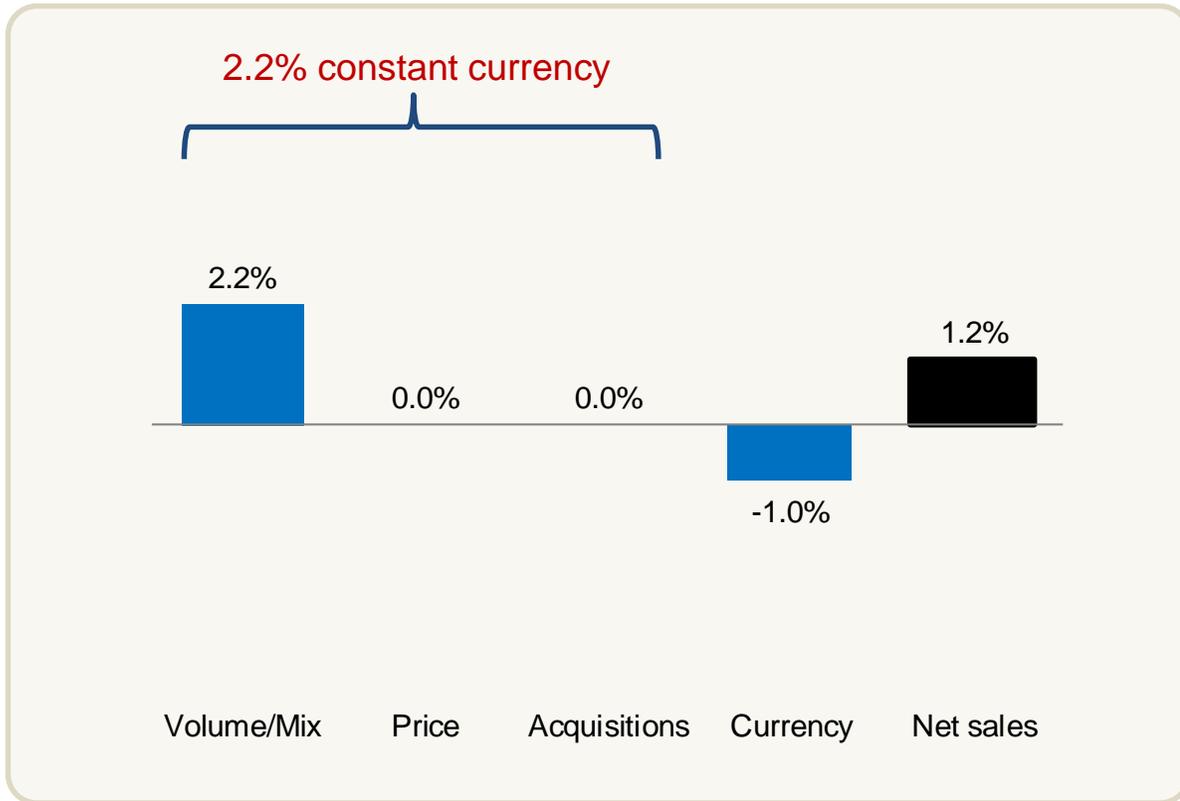


- Growth driven by pricing and promotional activities

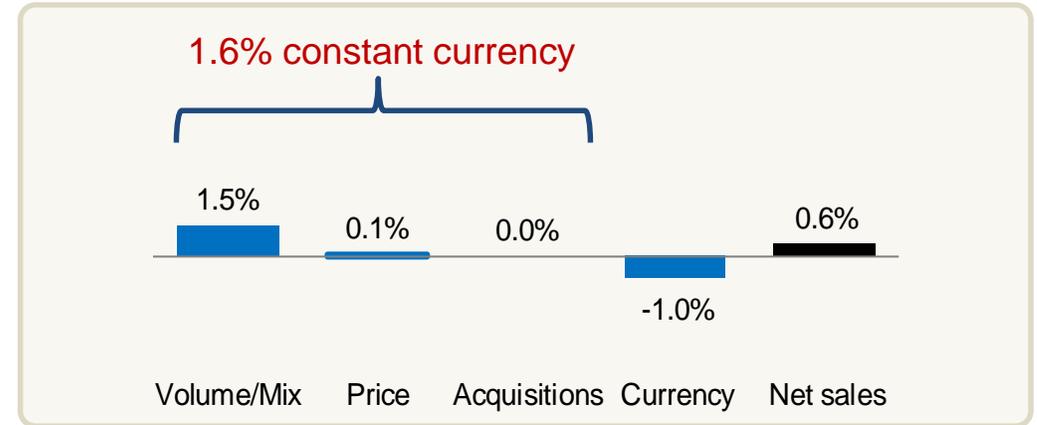


# 4Q 2019 SALES RESULTS

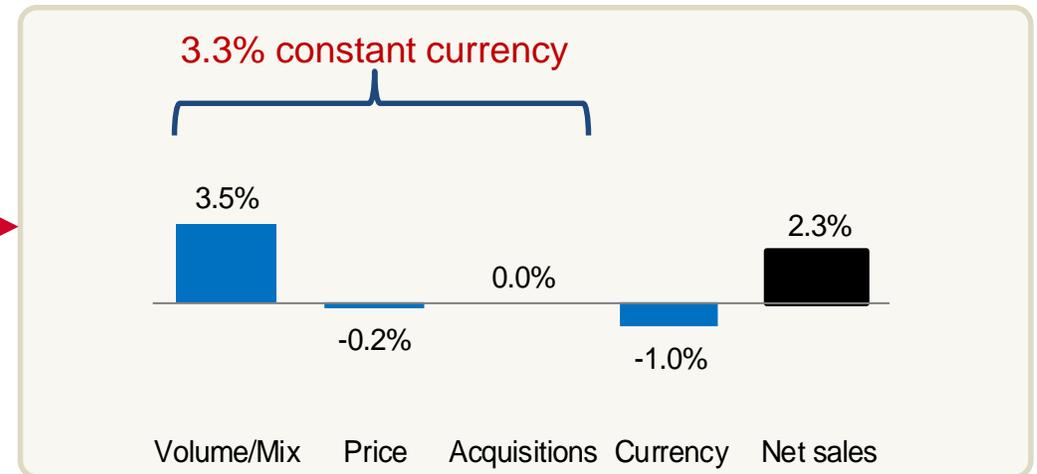
## TOTAL COMPANY



## CONSUMER

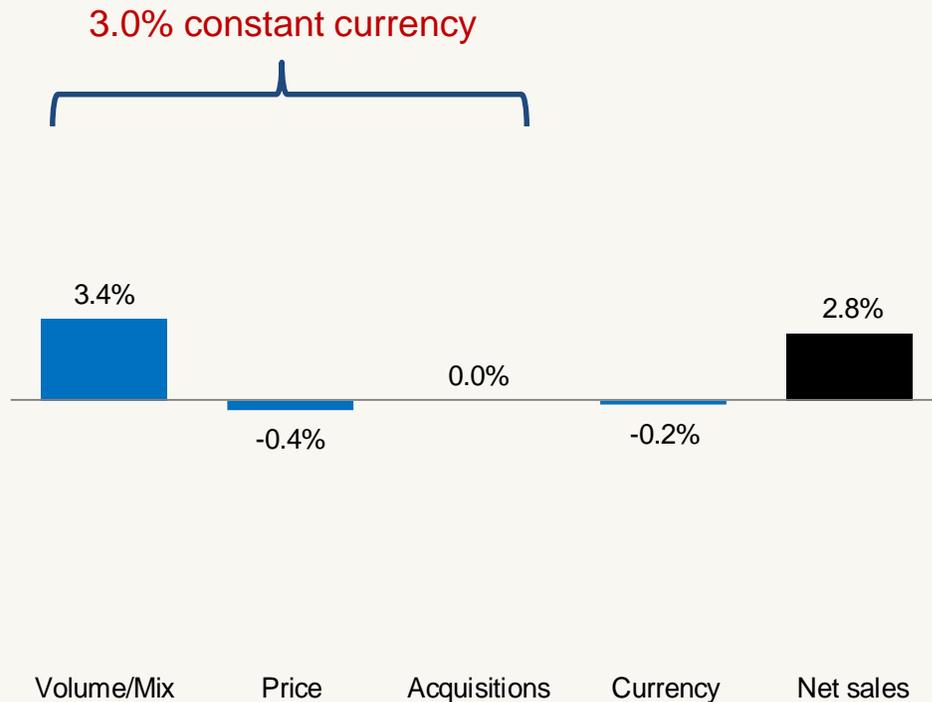


## FLAVOR SOLUTIONS



# 4Q 2019 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

## AMERICAS

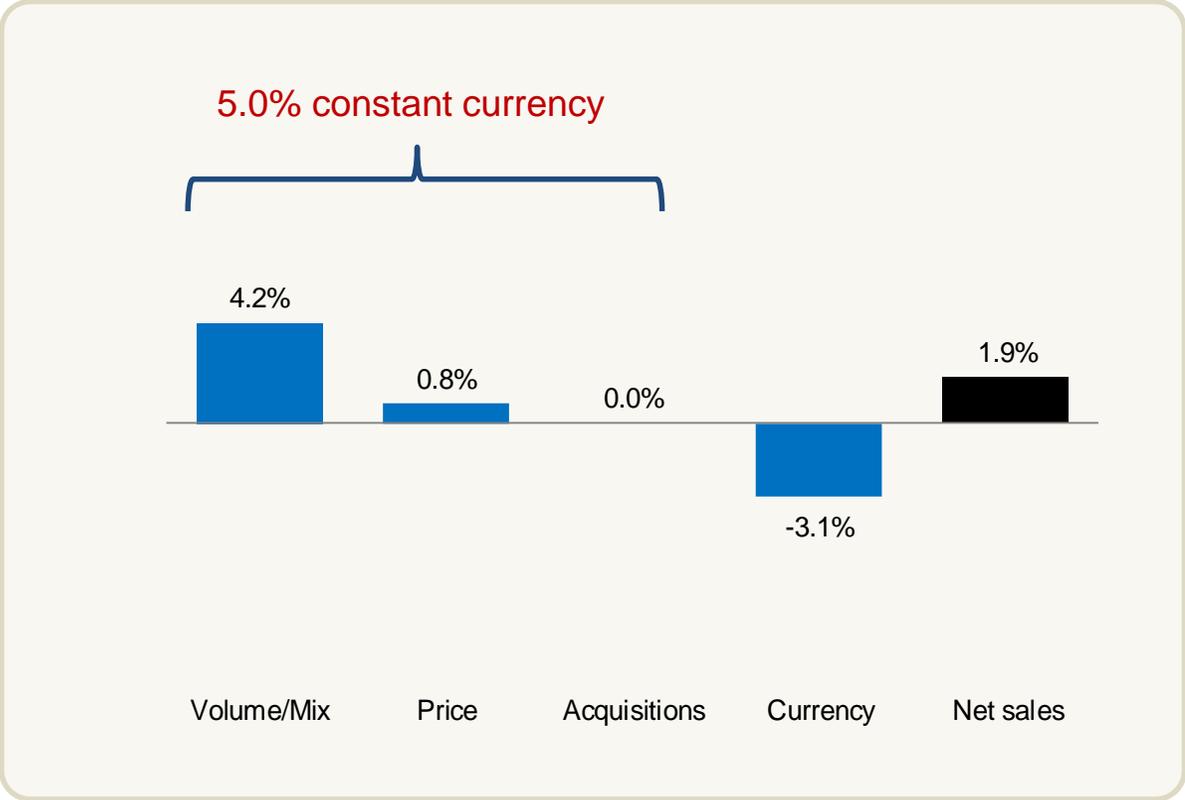


- Growth driven by:
  - New products
  - Base business
- Continued momentum in snack seasonings and branded foodservice



# 4Q 2019 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

## EMEA

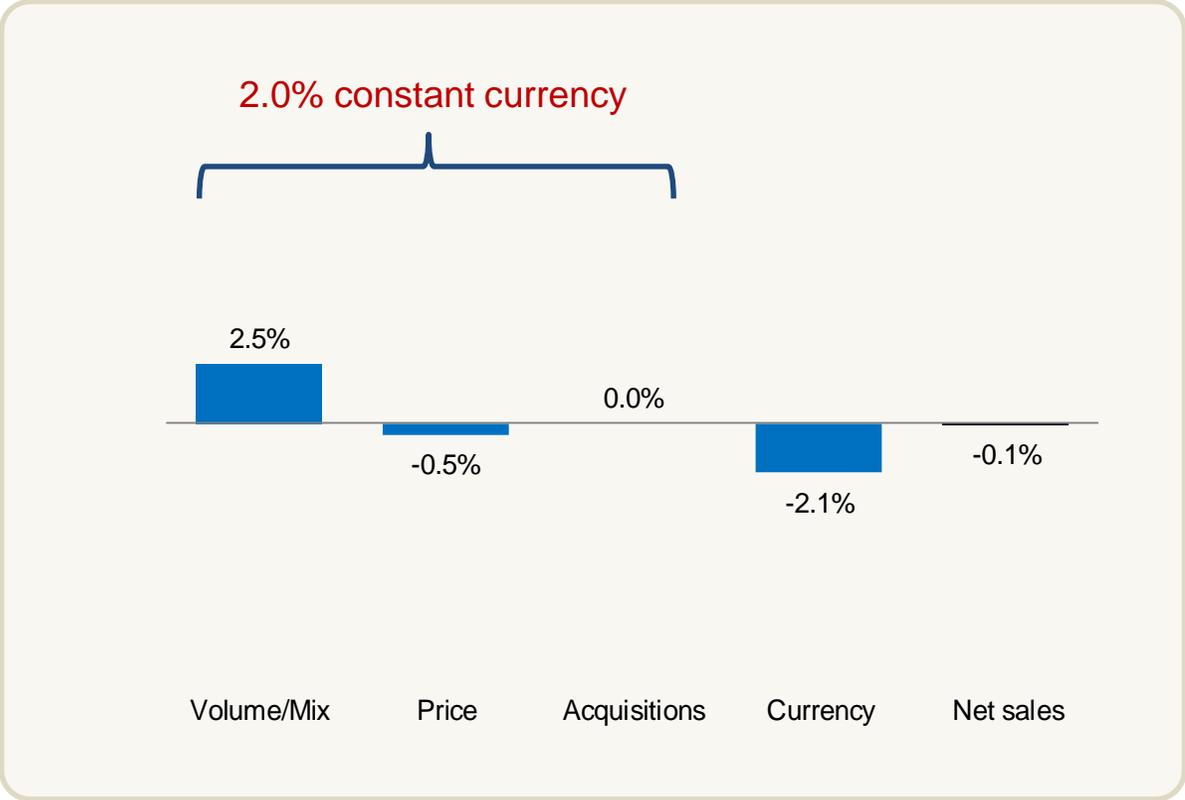


- Growth with quick service restaurants and packaged food companies driven by:
  - New products
  - Base business
  - Pricing



# 4Q 2019 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

## ASIA / PACIFIC



- Growth with quick service restaurants partially driven by timing of their promotional activities



# OPERATING INCOME

<i>(in millions)</i>	4Q 2019	4Q 2018	4Q Fav/(Unfav) Change	FY2019 Fav/(Unfav) Change
Operating income	<b>\$299.2</b>	\$291.5	3%	7%
Adjusted operating income	<b>\$303.1</b>	\$294.3	3%	5%
Consumer	<b>226.7</b>	225.5	1%	6%
Flavor Solutions	<b>76.4</b>	68.8	11%	3%

- 4% constant currency adjusted operating income growth for total company with 1% growth for the consumer segment and 12% growth for the flavor solutions segment
  - Both segments impacted by higher sales, CCI-led cost savings and favorable one-time 2019 global benefit plan alignment with partial offset from incentive compensation
  - Consumer segment impacted by \$4 million higher brand marketing versus 4Q 2018
  - Flavor solutions segment favorably impacted by product mix
- Special charges were \$4 million in 4Q 2019 versus \$2 million in 4Q 2018



# OPERATING MARGIN

<i>(in millions)</i>	4Q 2019	4Q 2018	4Q Fav/(Unfav) Change	FY2019 Fav/Unfav Change
Gross margin	<b>42.4%</b>	41.2%	120 bps	60 bps
Selling, general & administrative expenses as percent of net sales	<b>22.0%</b>	21.2%	(80) bps	20 bps
Operating margin	<b>20.2%</b>	19.9%	30 bps	110 bps
Adjusted operating margin	<b>20.4%</b>	20.0%	40 bps	80 bps

- Gross margin expansion of 120 basis points driven by CCI-led cost savings
- SG&A increased 80 basis points
  - Leverage from sales growth and CCI-led cost savings
  - More than offset by increases in brand marketing and incentive compensation
- Adjusted operating margin increased 40 basis points



# INCOME TAXES

<i>(in millions)</i>	4Q 2019	4Q 2018	FY2019	FY2018
Income tax rate	<b>24.8%</b>	21.6%	19.2%	(21.2%)
Adjusted income tax rate	<b>24.7%</b>	19.0%	19.5%	19.6%

- Adjusted income tax rate increased by 570 bps vs 4Q 2018 driven by favorable impact of discrete items in the year-ago period
- Adjusted tax rates were comparable for 2019 and 2018



# INCOME FROM UNCONSOLIDATED OPERATIONS

<i>(in millions)</i>	4Q 2019	4Q 2018	4Q Fav/(Unfav) Change	FY2019 Fav/(Unfav) Change
Income from unconsolidated operations	<b>\$11.7</b>	\$10.9	7%	18%

- Strong full year performance by McCormick de Mexico joint venture

# EARNINGS PER SHARE

	4Q 2019	4Q 2018	Fav/(Unfav) Change
Earnings per share	<b>\$1.59</b>	\$1.60	(1%)
Adjusted earnings per share	<b>1.61</b>	1.67	(4%)

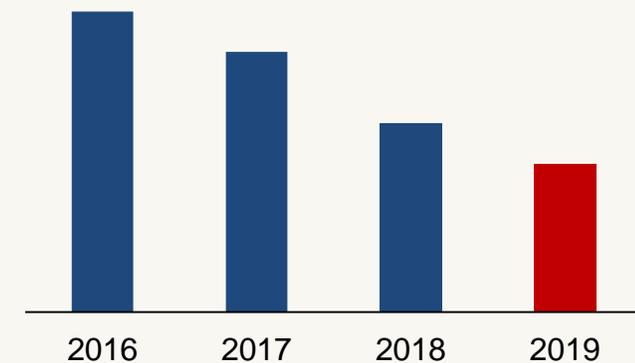
## Change in adjusted earnings per share

Increase in adjusted tax rate	\$(0.12)
Increase in adjusted operating income	0.05
Decrease in interest expense	0.03
Impact of other, net	<u>(0.02)</u>
Total decrease	<u>\$(0.06)</u>

# BALANCE SHEET AND CASH FLOW

- Cash flow provided from operations \$947M vs. \$821M in 2018
  - Cash conversion cycle improved 22% or 12 days from 2018
- Returned cash to shareholders through dividends
- Continued progress on acquisition debt reduction
- Reduced net debt to adjusted EBITDA ratio to 3.4x
- Capital expenditures of \$174 million in 2019
- Board of Directors authorized new \$600M share repurchase program

**Cash Conversion Cycle**



We expect another year of strong cash flow in 2020 to fund investments to drive growth, return cash to shareholders and pay down debt.

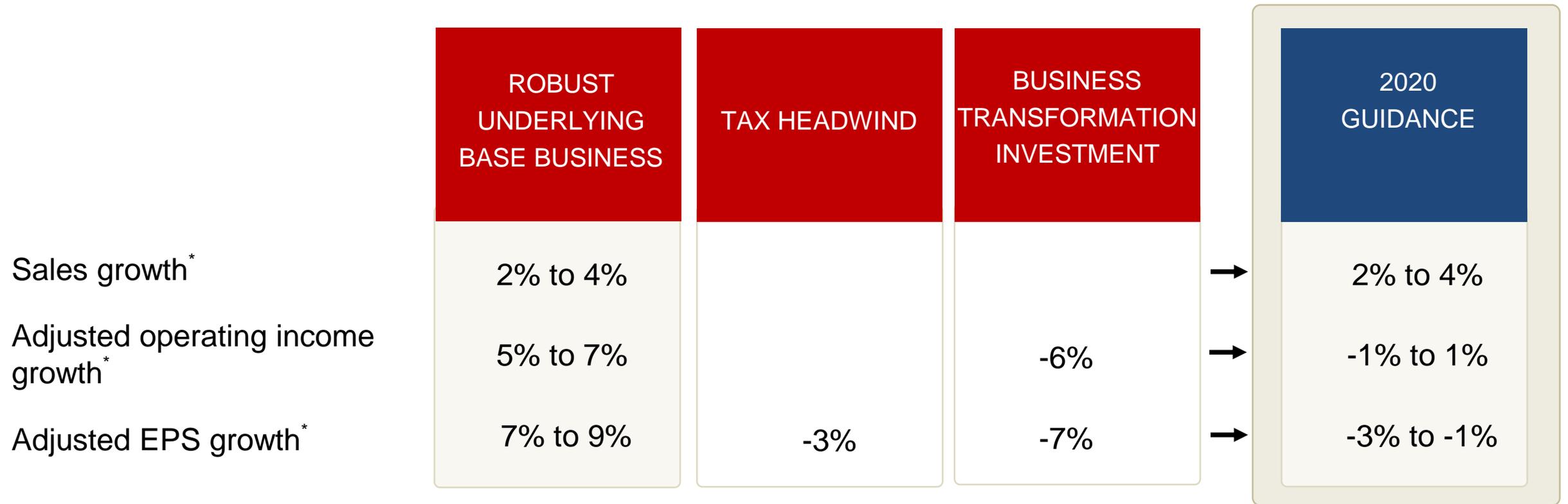
# 2020 FINANCIAL OUTLOOK

	Reported Currency*
<b>Sales growth</b>	<b>2% to 4%</b>
<b>Adjusted operating income increase</b>	<b>-1% to 1%</b>
CCI-led cost savings	Approximately \$105M
Cost inflation	Mid-single digit increase
Gross profit margin	25 to 75 bps increase
Brand marketing	Mid-single digit increase
Income from unconsolidated operations	Mid to high-single digit increase
Adjusted tax rate	Approximately 22%
<b>Adjusted earnings per share</b>	<b>\$5.20 - \$5.30</b>
<b>Adjusted earnings per share growth</b>	<b>-3% to -1%</b>
Shares outstanding	Approximately 134M - 135M

\* Expect minimal impact from currency



# 2020 OUTLOOK GROWTH RATES



\* In constant currency



# PERFORMANCE VERSUS LONG-TERM OBJECTIVES

	4-YEAR CAGR PERFORMANCE (2016 – 2019)	2020 GUIDANCE	→	5-YEAR CAGR WITH GUIDANCE	LONG TERM FINANCIAL OBJECTIVE
Sales growth*	7%	2% to 4%	→	6% to 7%	4% to 6%
Adjusted operating income growth*	13%	-1% to 1%	→	10%	7% to 9%
Adjusted EPS growth*	12%	-3% to -1%	→	9% to 10%	9% to 11%

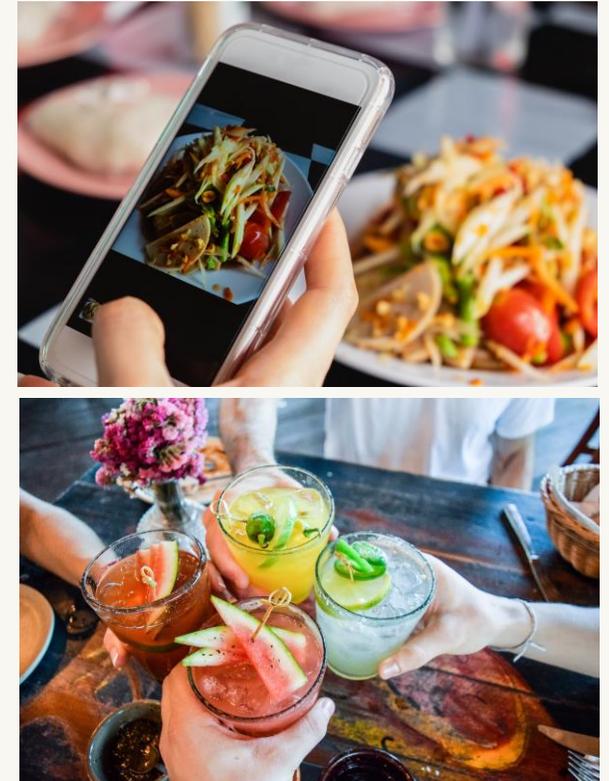
\* In constant currency



# KEY TAKEAWAYS

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- **Delivered solid financial results in 2019**
- **Confidence in successful 2020**
  - Solid foundation and strong momentum
  - Robust underlying business with strong operating performance
  - Significant incremental business transformation investment and tax headwind
- **Differentiated results while investing for growth**





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# 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, each excluding the impact of special charges for each of the periods presented. These financial measures also exclude the impact of certain items associated with our acquisition of RB Foods on August 17, 2017 as these items significantly impact comparability between years. These financial measures also exclude, for 2019 and 2018, the net non-recurring income tax benefit of \$1.5 million and \$301.5 million, respectively, related to the U.S. Tax Act as these items significantly impact comparability between years. Adjusted operating income, adjusted operating income margin, adjusted income tax expense, adjusted income tax rate, adjusted net income and adjusted diluted earnings per share represent non-GAAP financial measures which are prepared as a complement to our financial results prepared in accordance with United States generally accepted accounting principles. These financial measures exclude the impact, as applicable, of the following:

In our consolidated income statement, we include separate line items captioned “Special charges” and “Transaction and integration expenses” in arriving at our consolidated operating income. Special charges consist of expenses associated with certain actions undertaken by the company to reduce fixed costs, simplify or improve processes, and improve our competitiveness and are of such significance in terms of both up-front costs and organizational/structural impact to require advance approval by our Management Committee. Upon presentation of any such proposed action (including details with respect to estimated costs, expected benefits and expected timing) 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.

Transaction and integration expenses consist of expenses associated with the acquisition or integration of the RB Foods business. These costs primarily consist of outside advisory, service and consulting costs; employee-related costs; and other costs related to the acquisition. We incurred these costs in 2018.

Income taxes associated with the enactment of the U.S. Tax Act in December 2017 consists of a net income tax (expense) benefit of \$(6.7) million and \$301.5 million recognized during the three months and year ended November 30, 2018, respectively, which includes the estimated impact of the tax benefit from revaluation of net U.S. deferred tax liabilities based on the new lower corporate income tax rate and the tax expense associated with the one-time transition tax on previously unremitted earnings of non-U.S. subsidiaries. We recorded an additional net income tax benefit of \$1.5 million during the year ended November 30, 2019 associated with a provision-to-return adjustment related to the U.S. Tax Act.

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		Twelve months ended	
	11/30/19	11/30/18	11/30/19	11/30/18
Operating income	\$ 299.2	\$ 291.5	\$ 957.7	\$ 891.1
Impact of transaction and integration expenses	—	0.4	—	22.5
Impact of special charges	3.9	2.4	20.8	16.3
Adjusted operating income	<u>\$ 303.1</u>	<u>\$ 294.3</u>	<u>\$ 978.5</u>	<u>\$ 929.9</u>
% increase versus prior period	3.0 %		5.2%	
Adjusted operating income margin (1)	20.4 %	20.0%	18.3%	17.5%
Income tax expense (benefit)	\$ 66.4	\$ 55.8	\$ 157.4	\$ (157.3)
Non-recurring (expense) benefit, net, of the U.S. Tax Act	—	(6.7)	1.5	301.5
Impact of transaction and integration expenses	—	0.1	—	4.9
Impact of special charges	0.9	0.5	4.7	3.8
Adjusted income tax expense	<u>\$ 67.3</u>	<u>\$ 49.7</u>	<u>\$ 163.6</u>	<u>\$ 152.9</u>
Adjusted income tax rate (2)	24.7 %	19.0%	19.5%	19.6%
Net income	\$ 213.4	\$ 214.0	\$ 702.7	\$ 933.4
Impact of transaction and integration expenses	—	0.3	—	17.6
Impact of special charges	3.0	1.9	16.1	12.5
Non-recurring expense (benefit), net, of the U.S. Tax Act	—	6.7	(1.5)	(301.5)
Adjusted net income	<u>\$ 216.4</u>	<u>\$ 222.9</u>	<u>\$ 717.3</u>	<u>\$ 662.0</u>
% (decrease) increase versus prior period	(2.9)%		8.4%	
Earnings per share - diluted	\$ 1.59	\$ 1.60	\$ 5.24	\$ 7.00
Impact of transaction and integration expenses	—	—	—	0.13
Impact of special charges	0.02	0.02	0.12	0.10
Non-recurring expense (benefit), net, of the U.S. Tax Act	—	0.05	(0.01)	(2.26)
Adjusted earnings per share - diluted	<u>\$ 1.61</u>	<u>\$ 1.67</u>	<u>\$ 5.35</u>	<u>\$ 4.97</u>
% (decrease) increase versus prior period	(3.6)%		7.6%	

- Adjusted operating income margin is calculated as adjusted operating income as a percentage of net sales for each period presented.
- Adjusted income tax rate is calculated as adjusted income tax expense as a percentage of income from consolidated operations before income taxes, excluding transaction and integration expenses and special charges, or \$272.0 million and \$840.0 million for the three and twelve months ended November 30, 2019, respectively, and \$261.7 million and \$780.1 million for the three and twelve months ended November 30, 2018, respectively.

# NON-GAAP FINANCIAL MEASURES

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.



# 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:

	Three months ended November 30, 2019		
	Percentage change as reported	Impact of foreign currency exchange	Percentage change on constant currency basis
<b>Net sales</b>			
<b>Consumer segment</b>			
Americas	1.9%	(0.1)%	2.0%
EMEA	(4.7)%	(3.7)%	(1.0)%
Asia/Pacific	(0.1)%	(2.7)%	2.6%
Total consumer segment	0.6%	(1.0)%	1.6%
<b>Flavor solutions segment</b>			
Americas	2.8%	(0.2)%	3.0%
EMEA	1.9%	(3.1)%	5.0%
Asia/Pacific	(0.1)%	(2.1)%	2.0%
Total flavor solutions segment	2.3%	(1.0)%	3.3%
<b>Total net sales</b>	<u>1.2%</u>	<u>(1.0)%</u>	<u>2.2%</u>
<b>Adjusted operating income</b>			
Consumer segment	0.6%	(0.6)%	1.2%
Flavor solutions segment	11.0%	(0.7)%	11.7%
<b>Total adjusted operating income</b>	<u>3.0%</u>	<u>(0.6)%</u>	<u>3.6%</u>

	Twelve months ended November 30, 2019		
	Percentage change as reported	Impact of foreign currency exchange	Percentage change on constant currency basis
<b>Net sales</b>			
<b>Consumer segment</b>			
Americas	2.4%	(0.3)%	2.7%
EMEA	(5.5)%	(5.3)%	(0.2)%
Asia/Pacific	0.8%	(4.9)%	5.7%
Total consumer segment	0.7%	(1.8)%	2.5%
<b>Flavor solutions segment</b>			
Americas	2.2%	(0.4)%	2.6%
EMEA	(0.3)%	(7.0)%	6.7%
Asia/Pacific	(3.4)%	(4.0)%	0.6%
Total flavor solutions segment	1.1%	(2.1)%	3.2%
<b>Total net sales</b>	<u>0.8%</u>	<u>(1.9)%</u>	<u>2.7%</u>
<b>Adjusted operating income</b>			
Consumer segment	6.1%	(1.2)%	7.3%
Flavor solutions segment	3.2%	(2.1)%	5.3%
<b>Total adjusted operating income</b>	<u>5.2%</u>	<u>(1.5)%</u>	<u>6.7%</u>



# NON-GAAP FINANCIAL MEASURES

The following provides a reconciliation of our estimated earnings per share to adjusted earnings per share for 2020 and actual results for 2019:

	Twelve Months Ended	
	<u>2020 projection</u>	<u>11/30/19</u>
Earnings per share - diluted	\$5.15 to \$5.25	\$ 5.24
Impact of special charges	0.05	0.12
Non-recurring benefit, net, of the U.S. Tax Act	—	(0.01)
Adjusted earnings per share	<u>\$5.20 to \$5.30</u>	<u>\$ 5.35</u>

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>