McCormick Acquisition of Cholula Hot Sauce

November 24, 2020

BUILDING THE McCORMICK OF THE FUTURE

CHOLULA HOT SAUCE

FORWARD-LOOKING INFORMATION

Certain information contained in this presentation and our remarks that are not statements of historical or current fact constitute "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." The forward-looking statements contained in this press release include, without limitation, statements related to: the planned acquisition of the parent company of Cholula Hot Sauce® ("Cholula") and the timing thereof; the ability to meet the closing conditions for the planned acquisition; the expected impact of the planned acquisition of Cholula, including among others, on McCormick's net sales, expected trends in net sales, and earnings performance and other financial measures; expectations regarding improved scale, growth potential in various products and channels, including the impact from category management, e-commerce and marketing excellence, innovation, expanded distribution and household penetration; expectations regarding growth in the hot sauce category; the realization of anticipated cost synergies, margin expansion and adjusted earnings per share accretion from the acquisition; the ability to create shareholder value through acquisitions; the impact of COVID-19 on Cholula's business, supply chain, suppliers, consumers, customers, and employees; the ability to retain key personnel; and 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.

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 inability to satisfy, or delays in satisfying, the closing conditions; risks associated with acquisitions generally, such as the failure to retain key employees of Cholula; issues or delays in the successful integration of Cholula's operations with those of McCormick, including incurring or experiencing unanticipated costs and/or delays or difficulties; difficulties or delays in the successful transition of the Cholula's business as well as risks associated with the integration and transition of the operations, systems and personnel of Cholula; future levels of revenues being lower than expected and costs being higher than expected; failure or inability to implement growth strategies in a timely manner; unfavorable reaction to the acquisition by customers, competitors, suppliers and employees; conditions affecting the industry generally; local and global political and economic conditions; unexpected events or public health crises, including the ongoing effects of COVID-19; the effects of the increased levels of debt service following the Cholula acquisition as well as the effects that such increased debt service may have on McCormick's ability to borrow or the cost of such additional borrowing, our credit rating, and our ability to react to certain economic and industry conditions; and other risks described in the company's filings with the Securities and Exchange Commission, including McCormick's Annual Report on Form 10-K for the year ended November 30, 2019 and Quarterly Reports on Form 10-Q for each of the quarters in the nine months ended August 31, 2020.

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.

McCORMICK'S POSITION AS A GLOBAL FLAVOR LEADER REINFORCED WITH ACQUISITION OF CHOLULA HOT SAUCE

Acquisition Overview

McCormick to acquire Cholula, a premium authentic Mexican hot sauce brand

- Accelerates McCormick's global condiment platform and growth opportunities
- Strongly complements McCormick's portfolio
- Capitalizes on the growing consumer interest in healthy and flavorful eating
- Broadens McCormick's product offering to consumers and foodservice operators

Financial Impact

McCormick to acquire Cholula for approximately $800 million in cash

- Expected 2020 Cholula sales of $96 million and adjusted EBITDA of $32 million
- Meaningful margin accretion in Consumer and Flavor Solutions segments
- Expected to close by end of calendar year

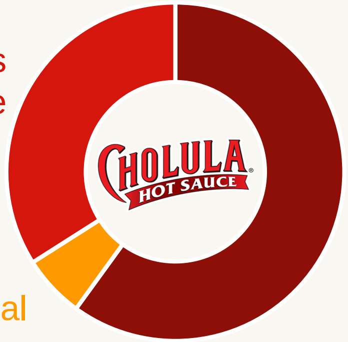
A PREMIUM HOT SAUCE DELIVERING AUTHENTIC MEXICAN FLAVOR

CHOLULA HOT SAUCE

- **Hot sauce** is an **advantaged high-growth category**
- **Leading Mexican hot sauce outpacing** U.S. hot sauce category
- **Beloved premium brand** proudly made in Mexico
- **High-quality ingredients** in 100-year-old recipe
- **Asset-light** strategic third-party manufacturing model
- **Strength** in **retail** and **foodservice**
- **Strong margin** profile

PORTFOLIO OF DISTINCTIVE FLAVORS

REACH ACROSS RETAIL AND FOODSERVICE CHANNELS*



* Based on 2019 sales

McCORMICK ACCELERATES CONDIMENT GROWTH WITH ACQUISITION OF CHOLULA HOT SAUCE BRAND

McCORMICK HAS A STRONG HISTORY OF CREATING VALUE FROM ACQUISITIONS

- **Enhances Growth Through Complementary Products and Expanded Consumer Base**
- **Leverages Operational Expertise and Infrastructure to Drive Growth**
- **Drives Further Branded Foodservice Distribution and Penetration**
- **Generates Margin Accretion in both Consumer and Flavor Solutions Segments**

INCREASING PRODUCT BREADTH AND CONSUMER REACH

PROVIDES MORE COMPREHENSIVE OFFERING ACROSS HOT SAUCE CATEGORY

A DIFFERENTIATED VALUE PROPOSITION

- Authentic Mexican flavors
- Iconic wooden cap
- Unique blend of fresh peppers
- Distinct taste profile new to McCormick

COMPLEMENTARY CONSUMER BASE TO FRANK'S REDHOT

- Reach expanded
- Focus on Mexican cuisine and occasions
- Passionate, incremental consumer base
- Strong west coast penetration






LEVERAGING OPERATIONAL EXPERTISE AND INFRASTRUCTURE

PROVEN PLAYBOOK AND UNMATCHED EXPERTISE TO UNLOCK SIGNIFICANT GROWTH POTENTIAL

- Category Management
- E-commerce Investments
- Marketing Excellence
- Insight-driven Innovation

ACCELERATE MOMENTUM, EXPAND DISTRIBUTION AND DRIVE GROWTH

- ✓ Elevate **brand awareness**
- ✓ Increase **product availability**
- ✓ Drive trial and **household penetration**
- ✓ Accelerate **e-commerce**

DRIVING FURTHER FOODSERVICE DISTRIBUTION AND PENETRATION

McCORMICK'S REACH ACROSS CUSTOMERS STRENGTHENS CHOLULA'S GO-TO MARKET MODEL

CHOLULA FRONT-OF-HOUSE STRENGTH

- Tabletop and portion control packets
- ~40% of consumers discover Cholula at restaurants

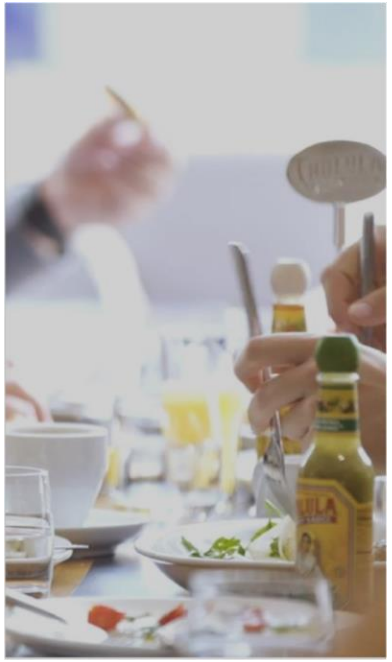
+

McCORMICK BACK-OF-HOUSE ADVANTAGE

- Culinary foundation
- Deep insights on menu trends

DRIVES GROWTH OPPORTUNITIES LEVERAGING AUTHENTIC MEXICAN FLAVOR

- ✓ **Expanded** Cholula **distribution** and increased **penetration**
- ✓ **Uniquely positioned** to grow **back-of-house penetration**
  - ✓ **Recipe inspiration** and **flavor solutions** for operators
  - ✓ **Menu participation** in **Mexican offerings**
- ✓ **Promotional opportunities**



DISCIPLINED APPROACH TO DRIVE VALUE THROUGH ACQUISITIONS

TRACK RECORD OF VALUE ENHANCING ACQUISITIONS

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

PIPELINE STRATEGY

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

Broad Portfolio of Opportunities

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

+

Transformational to drive step change

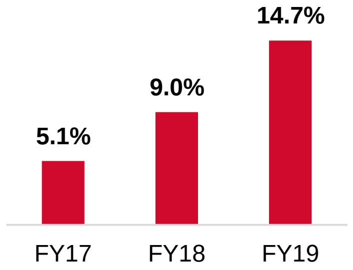
STRATEGY AND FINANCIAL DISCIPLINE

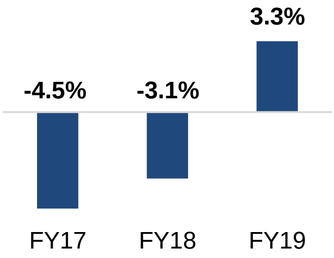
- Fit long-term strategic vision to be a leading flavor company
- Meet financial thresholds
- Drive greater shareholder value

DELIVERING AGAINST THE FRANK'S AND FRENCH'S ACQUISITION PLAN

ACCELERATING CONSUMER AND FOODSERVICE GROWTH

FY17 – FY19 U.S. GROWTH
DOLLAR CONSUMPTION



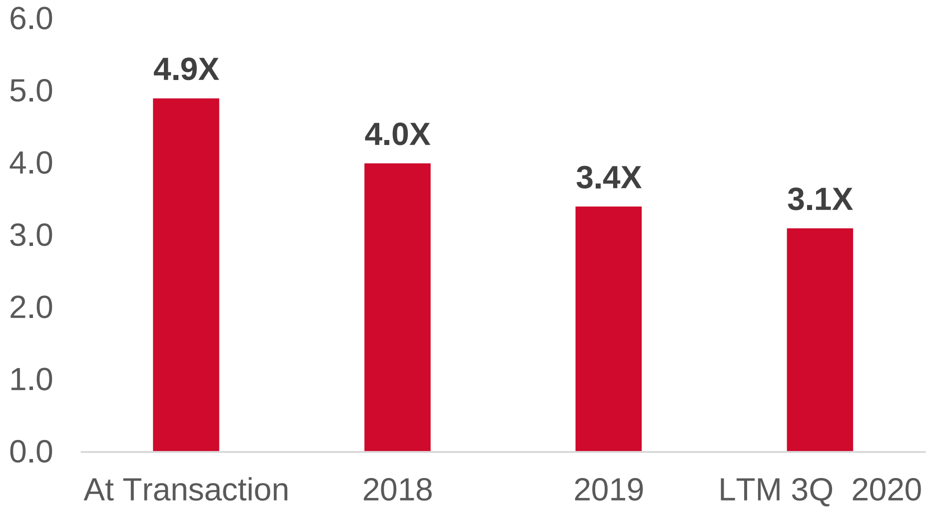


INTERNATIONAL MOMENTUM

NEW FOODSERVICE MENU PARTICIPATION

PAYING DOWN DEBT AND DELEVERAGING RAPIDLY

TARGETED 3.0X NET DEBT TO ADJUSTED EBITDA BY END OF 2020



FULLY REPAID $1.5B IN TERM NOTES RELATED TO ACQUISITION

ALIGNMENT WITH OUR PIPELINE STRATEGY AND HISTORY

STRENGTHEN LEADERSHIP POSITIONS	CAPABILITY AND CATEGORY EXPANSION	GREATER GLOBALIZATION AND SCALE

French's
Frank's Since 1920 RedHot
Zatarain's A New Orleans Tradition • Since 1889
Giotti Your Natural Flavor House
La Drogheria 1880
Lawry's
Ducros
Cholula Hot Sauce
大桥 Daqiao
Kamis
Kitchen Basics
Stubb's Legendary Bar-B-Q
Gourmet Garden Herbs Spices
Simply Asia Thai Kitchen
Brand Aromatics

CREATING VALUE WITH MEANINGFUL ACCRETION

Value Creation

- $800 million transaction value implies multiple of 25x 2020E Adjusted EBITDA or 18x including anticipated run-rate synergies and tax attributes
- Expected mid-to-high single digit sales growth accretive to long-term organic sales objective
- Meaningful margin accretion anticipated in Consumer and Flavor Solutions segments
- Expected to be ~2% accretive to adjusted EPS[1] in fiscal 2021. Anticipated to be ~2% accretive with full run-rate synergies and excluding ongoing amortization expense

Synergies and One-Time Costs

- Approximately $10 million in cost synergies anticipated annually, fully realized by fiscal 2022
- Approximately $35 million in one-time transaction and integration costs

Capital Structure

- All cash transaction funded by a combination of cash and commercial paper
- Continued commitment to strong Investment Grade rating
- No change to dividend policy

1) EPS adjusted for transaction and integration costs, including certain purchase accounting adjustments. EPS accretion is on a split-adjusted basis.

DRIVING McCORMICK SHAREHOLDER VALUE CREATION WITH THE ACQUISITION OF CHOLULA

Reinforces McCormick's position as a global leader in flavor

Broadens portfolio in attractive, high growth category

Accelerates growth of **global** condiment platform

Generates **meaningful margin and earnings** accretion

Capitalizes on proven **track record of value-enhancing acquisitions**

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CHOLULA® HOT SAUCE

NON-GAAP FINANCIAL MEASURES

Certain disclosures in this presentation and our remarks associated with our planned acquisition of the parent company of Cholula Hot Sauce® ("Cholula") 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 define "Adjusted EPS" as diluted earnings per share, as adjusted for cash and non-cash acquisition-related expenses (which may include the effect of the fair value adjustment of acquired inventory on cost of goods sold and the effect of amortization of acquired intangible assets) and certain transaction and integration costs (which may include third party fees and expenses, and integration costs associated with the planned acquisition), and special charges (which may include expenses, including related impairment charges, 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 advanced approval of our Management Committee), all net of tax. The Company believes that Adjusted EPS provides additional information that enables enhanced comparisons to prior periods and, accordingly, facilitates the development of future projections and earnings growth prospects. Adjusted EPS is also used by management to measure the profitability of our ongoing operations and analyze our business performance and trends.

In addition to the above non-GAAP financial measure, our "Leverage Ratio" is also determined using non-GAAP measures. A leverage ratio is a widely-used measure of ability to repay outstanding debt obligations. We believe that our Leverage Ratio is a meaningful metric to investors in evaluating our financial leverage and may be different than the method used by other companies to calculate such a leverage ratio. We determine our leverage ratio as net debt (which we define as total debt, net of cash in excess of $75.0 million) to adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA"). We define Adjusted EBITDA as net income plus expenses for interest, income taxes, depreciation and amortization, less interest income and as further adjusted for cash and non-cash acquisition-related expenses (which may include the effect of the fair value adjustment of acquired inventory on cost of goods sold), special charges, stock-based compensation expense, and certain gains or losses (which may include third party fees and expenses and integration costs associated with the planned acquisition). Adjusted EBITDA and our leverage ratio are both non-GAAP financial measures. Our determination of the leverage ratio is consistent with the terms of our $1.0 billion revolving credit facility which requires us to maintain our leverage ratio below certain levels. Under that agreement, the applicable leverage ratio is reduced annually on November 30th. Our Leverage Ratio can be temporarily impacted by our acquisition activity.

The Company's estimate of Cholula's Adjusted EBITDA is based only on projected financial information available as of the date hereof. The Company believes that Adjusted EBITDA is useful to investors in evaluating the Company's operating performance and liquidity because (i) it is a widely used metric to measure a company's operating performance without regard to items such as depreciation and amortization, which can vary depending upon accounting methods and the book value of assets, (ii) it presents a meaningful measure of corporate performance exclusive of the Company's capital structure and is the method by which we evaluate acquisitions, and (iii) it is a widely accepted financial indicator of a company's ability to service its debt.

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. The Company provides its 2021 expectations as to the effect of the Cholula acquisition on a non-GAAP basis, including the non-GAAP measures previously noted. We have not provided a reconciliation of these non-GAAP financial measures to the related GAAP financial measures as these non-GAAP measures are solely associated with forward-looking information and such reconciliations would require unreasonable efforts at this time to forecast and quantify certain amounts that are necessary for such reconciliation, including adjustment that could be made for matters including, but not limited to, cash and non-cash acquisition related expenses, gains and losses, both as previously described, and other charges reflected in the Company's reconciliation of historic amounts, the amounts of which, based on historical experience could be significant.