2ND QUARTER 2021 FINANCIAL RESULTS AND OUTLOOK
McCormick & Company, Inc.
July 1, 2021

The following slides accompany a July 1st, 2021, earnings release conference call. This information should be read in conjunction with the press release issued on that date.
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, transaction and integration expenses, 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.” These statements may relate to: the impact of the COVID-19 pandemic on our business, suppliers, consumers, customers, and employees; disruptions or inefficiencies in the supply chain, including any impact of COVID-19; the expected results of operations of businesses acquired by the company, including the acquisitions of Cholula and FONA; the expected impact of material costs and pricing actions on the company’s results of operations and gross margins; the expected impact of productivity improvements, including those associated with our Comprehensive Continuous Improvement (CCI) program and global enablement initiative; expected working capital improvements; expectations regarding growth potential in various geographies and markets, including the impact from customer, channel, category, and e-commerce expansion; expected trends in net sales and earnings performance and other financial measures; the expected timing and costs of implementing our business transformation initiative, which includes the implementation of a global enterprise resource planning (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 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: the company's ability to drive revenue growth; damage to the company's reputation or brand name; loss of brand relevance; increased private label use; product quality, labeling, or safety concerns; negative publicity about our products; actions by, and the financial condition of, competitors and customers; the longevity of mutually beneficial relationships with our large customers; the ability to identify, interpret and react to changes in consumer preference and demand; business interruptions due to natural disasters, unexpected events or public health crisis, including COVID-19; issues affecting the company’s supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials; government regulation, and changes in legal and regulatory requirements and enforcement practices; the lack of successful acquisition and integration of new businesses, including the acquisitions of Cholula and FONA: global economic and financial conditions generally, including the on-going impact of the exit of the United Kingdom (U.K.) from the European Union, 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 Cholula and FONA acquisitions as well as the effects that such increased debt service may have on the company's ability to borrow or the cost of any such additional borrowing, our credit rating, and our ability to react to certain economic and industry conditions; impairments of indefinite-lived intangible assets; assumptions we have made regarding the investment return on retirement plan assets, and the costs associated with pension obligations; the stability of credit and capital markets; risks associated with the company's information technology systems, including the threat of data breaches and cyber-attacks; the company's inability to successfully implement our business transformation initiative; fundamental changes in tax laws; including interpretations and assumptions we have made, and guidance that may be issued, 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. 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.
Lawrence Kurzius
Chairman, President and Chief Executive Officer
Executing from a position of strength

Well positioned to drive differentiated growth

- Broad and advantaged portfolio
- Acceleration of consumer trends
- Effective execution of strategies
- Cholula and FONA acquisitions
- Engagement of employees

Emerging stronger with confidence

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**ROBUST 2-YEAR GROWTH MOMENTUM**

<table>
<thead>
<tr>
<th>NET SALES (in billions)</th>
<th>2Q FY21</th>
<th>2Q FY20</th>
<th>2Q FY19</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADJUSTED OPERATING INCOME (in millions)</th>
<th>2Q FY21</th>
<th>2Q FY20</th>
<th>2Q FY19</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADJUSTED EARNINGS PER SHARE ($ per share)</th>
<th>2Q FY21</th>
<th>2Q FY20</th>
<th>2Q FY19</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+19%</td>
</tr>
</tbody>
</table>

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 35 to 39, including the impact of constant currency.
OUR BROAD AND ADVANTAGED GLOBAL PORTFOLIO

Recipe Mixes
Condiments & Sauces
International Spices & Seasonings
U.S. Spices & Seasonings
Regional Leaders
Flavours
Branded Foodservice
Custom Condiments
Coatings, Spices & Herbs

Pro-Forma 2020 NET SALES

STRENGTH AND DIVERSITY OF OUR OFFERING
Compelling products for every retail and customer strategy across all channels
creates a balanced portfolio
to drive consistency in our performance

1) Proforma including Cholula and FONA acquisitions; approximation of category sizes
### SECOND QUARTER AND YEAR-TO-DATE 2021 PERFORMANCE

#### SECOND QUARTER

<table>
<thead>
<tr>
<th>Metric</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>+11%</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>(1%)</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>(7%)</td>
</tr>
</tbody>
</table>

- Sales increase strong against 8% growth in 2Q 2020
- Adjusted Operating Income reflects shift in sales between segments
- Adjusted EPS reflects higher 2021 tax rate
- Reported results include 3% favorable currency impact

#### YEAR-TO-DATE

<table>
<thead>
<tr>
<th>Metric</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>+16%</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>+14%</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>+10%</td>
</tr>
</tbody>
</table>

- Outstanding 2021 first half results
- Robust operating momentum
- Confidence in an even stronger 2021 Outlook
- Reported results include 3% favorable currency impact

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CAPTURING THE CONSUMER SEGMENT MOMENTUM
FUELING AT-HOME CONSUMPTION WITH BRAND MARKETING, NEW PRODUCTS AND CATEGORY MANAGEMENT

**AMERICAS**
- 18% U.S. branded portfolio consumption growth versus 2Q 2019
- Household penetration and repeat buy rate increases versus 2Q 2019

**EMEA**
- Outstanding momentum and strong market share performance
- Household penetration rate increase continued
- Double-digit branded consumption growth versus 2Q 2019

**APZ**
- China branded foodservice and Hubei province lockdown recovery
- Elevated consumption and share gains in Australia versus 2Q 2019
RETURNING TO A ROBUST GROWTH TRAJECTORY IN FLAVOR SOLUTIONS
DRIVING GROWTH WITH ACQUISITIONS, NEW PRODUCTS AND DIFFERENTIATED CUSTOMER ENGAGEMENT

AMERICAS
- FONA and Cholula acquisitions contributed to strong growth
- Strong snack seasoning and beverage growth with consumer packaged food and beverage customers
- Branded foodservice and restaurant customers’ demand recovering

EMEA
- Double-digit growth with quick service restaurants versus 2Q 2019
- New product and base business strength with consumer packaged food and beverage customers

APZ
- Recovery from 2Q 2020 lockdowns outside of China
- Momentum with quick service restaurant customers in China and Australia
SECOND QUARTER PERFORMANCE

Gaining share with 54% consumption growth versus 2019

Grew total distribution points 11% and household penetration 5% versus 2020

Cinco de Mayo promotion with 2x 2019 merchandising

63% increase in limited time offer menu participation since December 1st

REALIZING GROWTH AMBITIONS AND ACCELERATING MOMENTUM

Expanding distribution points using category management expertise

Launching cleaner formulas and new innovation

Increasing awareness through brand marketing, partnerships and promotional scale

Growing foodservice penetration with increased menu participation

REALIZING GROWTH AMBITIONS AND ACCELERATING MOMENTUM

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Growing foodservice penetration with increased menu participation
YEAR-TO-DATE PERFORMANCE

Double Digit sales growth versus 2020

+14% Beverage growth with strength in performance nutrition

Record new product wins and pipeline potential

“Impressed on early collaboration...” - Top 20 U.S. Food & Beverage Company

REALIZING GROWTH AMBITIONS WITH OUR COMBINED PASSION FOR FLAVOR

Delivering FONA flavors through MKC’s global footprint

Leveraging MKC’s sustainability leadership

Capitalizing on core strengths across McCormick and FONA

Optimizing our combined assets and technologies
GLOBAL DEMAND FOR FLAVOR IS THE FOUNDATION OF SALES GROWTH

CAPITALIZING ON ACCELERATED LONG-TERM CONSUMER TRENDS

- Healthy and flavorful cooking
- Trusted brands
- Digital engagement
- Purpose-minded practices

PRE-PANDEMIC

88% of U.S. population liked cooking with Millennials over indexing5

At-Home meal occasions exceeded Away-from-Home meal occasions by 4X pre-pandemic6

~½ of U.K. and French consumers prefer sustainably sourced ingredients1

U.S. consumers seeking flavor experimentation has grown 71%… with Millennials indexing higher than all adults4

Gen Z likes bold, spicy flavors more than previous generations7

>50% of global consumers choose spicy flavors8

>60% of China, U.K. and French consumers are focused on healthy eating …with an increased focus on high quality and natural products1,2

~60% of China, U.K. and French consumers feel home cooked food is healthier3,4

~70% of U.S., U.K. and French consumers feel home cooked food is healthier3,4

Nearly 1 in 3 global consumers have ordered groceries through e-commerce more in the past 3 months2

## Consumer Sentiment and Behavior Driving at Home Consumption

### Sustained Increase In Home Cooking … Today And Tomorrow

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>68%</td>
<td>U.S. consumers say they are cooking more today than pre-pandemic¹</td>
</tr>
<tr>
<td>78%</td>
<td>U.S. consumers plan to maintain or increase level of cooking at home versus today … even if life was “normal” next week¹</td>
</tr>
<tr>
<td>~50%</td>
<td>U.S., U.K. and French consumers enjoy cooking from scratch³</td>
</tr>
<tr>
<td>+55%</td>
<td>U.S. consumers state cooking reduces stress, and connects the family⁴</td>
</tr>
</tbody>
</table>

### Finding Your Inner Chef

- 65% of U.S., U.K. and French consumers feel creative and adventurous when cooking¹
- Consumers recreating restaurant meals at home is growing¹

### Dining Out … At Home

- 80% of restaurant meals eaten off premise⁸
- ~70% - 75% of consumers are adding spices, sauces or condiments at home to take-out or delivery meals⁴

### Lunch Is The New Meal

- Hybrid workplace models around the world will be more common post pandemic⁵
- Research indicates up to 30% more at-home lunch occasions⁶

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¹ Toluna Online Survey, May 2021  
² McCormick Now What Survey, May 2021  
³ McCormick Proprietary Survey, May 2021  
⁴ McCormick Proprietary Survey, April 2021  
⁵ McKinsey & Co., May 2021  
⁶ The NPD Group/National Eating Trends  
⁷ The NPD Group/Retail Tracking, 52 weeks ended 4-3-2021 Vs. YAG  
⁸ The NPD Group CREST
TRANSFORMATIVE INVESTMENTS TO DELIVER GROWTH

INCREASING CAPACITY AND EXPANDING CAPABILITIES

Headquarters & Technical Innovation Center Modernization
New & Largest MKC Distribution Center
Net Zero Condiment Plant
Flavor Encapsulation & Liquid Flavor Capabilities
New Headquarters, Technical Innovation & Distribution Centers
Condiment Capacity Realignment
Hot Sauce Capacity & Capability
Savory Seasoning Flavor Capacity
Seasoning Blend Capacity
DELIVERING INDUSTRY-LEADING FINANCIAL PERFORMANCE

McCormick Milestone
named as a
Fortune 500 Company

Sustained performance with overarching focus on growth and successful execution of strategies

RECOGNIZED FOR DOING WHAT’S RIGHT

5th consecutive year
named as a
DiversityInc Top 50 Company
Confidence in strong 2021 growth and performance bolstered by:

- Alignment with long-term trends
- Breadth and reach of portfolio
- Robust operating momentum
- Successful execution of strategies

2021 Outlook reflects strong underlying base business performance and growth from acquisitions while investing for the future.

McCormick is emerging stronger driven by employees’ passion for winning.
The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 37 for the impact of constant currency.
2Q 2021 SALES RESULTS: CONSUMER SEGMENT

**AMERICAS**

- 2Q compared to 2020
  - Decline from lapping year-ago demand surge
  - Cholula acquisition growth partially offset decline

- 2Q compared to 2019
  - 26% constant currency growth
  - Broad-based growth across branded portfolio

### Volume/Mix
- -9.3%

### Price
- -0.9%

### Acquisitions
- 3.0%

### Currency
- 0.8%

### Net Sales
- -6.4%

The non-GAAP measure included herein, which we refer to as "constant currency", excludes the impact of foreign currency exchange. See slide 37 for the impact of constant currency.
2Q 2021 SALES RESULTS: CONSUMER SEGMENT

EMEA

-4.2% constant currency

-5.2% 1.0% 0.0% 7.8% 3.6%

Volume/Mix  Price  Acquisitions  Currency  Net Sales

- 2Q compared to 2020
  - Decline from lapping high demand in 2Q 2020
  - U.K. and Eastern Europe growth partially offset decline

- 2Q compared to 2019
  - 21% constant currency growth
  - Double-digit growth in all markets

The non-GAAP measure included herein, which we refer to as "constant currency", excludes the impact of foreign currency exchange. See slide 37 for the impact of constant currency.
2Q 2021 SALES RESULTS: CONSUMER SEGMENT

ASIA / PACIFIC

- 2Q compared to 2020
  - Growth for recovery of branded foodservice sales and disruption in Wuhan in 2Q 2020
  - Partial offset from decline in consumer demand due to elevated 2Q 2020 levels

- 2Q compared to 2019
  - Constant currency sales were comparable
  - India decline from a slower recovery impacts comparison

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 37 for the impact of constant currency.
2Q 2021 SALES RESULTS

TOTAL COMPANY

7.6% constant currency

3.3% -0.1% 4.4% 3.5% 11.1%
Volume/Mix Price Acquisitions Currency Net Sales

CONSUMER

-4.7% constant currency

-6.5% -0.4% 2.2% 2.9% -1.8%
Volume/Mix Price Acquisitions Currency Net Sales

FLAVOR SOLUTIONS

34.6% constant currency

25.1% 0.3% 9.2% 4.9% 39.5%
Volume/Mix Price Acquisitions Currency Net Sales

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 37 for the impact of constant currency.
2Q 2021 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

AMERICAS

- 2Q compared to 2020
  - FONA and Cholula acquisitions growth
  - Higher sales to branded foodservice customers
  - Growth with packaged food and beverage companies with strength in snack seasonings and beverages

- 2Q compared to 2019
  - 12% constant currency growth
  - Higher sales from acquisitions and packaged food and beverage companies

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 37 for the impact of constant currency.
2Q 2021 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

EMEA

- 2Q compared to 2020
  - Quick service restaurants and branded foodservice growth
  - Continued growth momentum with packaged food and beverage companies

- 2Q compared to 2019
  - 16% constant currency growth
  - Growth with packaged food companies and quick service restaurants

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 37 for the impact of constant currency.
2Q 2021 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

ASIA / PACIFIC

- 2Q compared to 2020
  - Growth led by quick service restaurants in China and Australia
  - Recovery from COVID-19 lockdowns outside of China in year-ago period contributed to growth

- 2Q compared to 2019
  - 15% constant currency growth

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 37 for the impact of constant currency.
<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2Q 2021</th>
<th>2Q 2020</th>
<th>2Q Fav/(Unfav) Change</th>
<th>YTD 2021 Fav/(Unfav) Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$237.4</td>
<td>$257.4</td>
<td>(8%)</td>
<td>5%</td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>$258.0</td>
<td>$260.3</td>
<td>(1%)</td>
<td>14%</td>
</tr>
<tr>
<td>Consumer</td>
<td>176.8</td>
<td>231.6</td>
<td>(24%)</td>
<td>4%</td>
</tr>
<tr>
<td>Flavor Solutions</td>
<td>81.2</td>
<td>28.7</td>
<td>183%</td>
<td>47%</td>
</tr>
</tbody>
</table>

- 4% constant currency adjusted operating income decline for total company
  - Consumer segment decline of 26% driven primarily by lower sales and a 15% increase in brand marketing versus 2Q 2020
  - Flavor Solutions segment growth of 175% driven primarily by higher sales
  - Both segments favorably impacted by product mix and CCI-led cost savings, with partial offset from cost inflation
- Transaction and integration expenses were $7 million in 2Q 2021
- Special charges were $14 million in 2Q 2021 versus $3 million in 2Q 2020
OPERATING MARGIN

<table>
<thead>
<tr>
<th></th>
<th>2Q 2021</th>
<th>2Q 2020</th>
<th>2Q Fav/(Unfav) Change</th>
<th>YTD 2021 Fav/(Unfav) Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>39.5%</td>
<td>41.4%</td>
<td>(190) bps</td>
<td>(100) bps</td>
</tr>
<tr>
<td>Adjusted Gross Margin</td>
<td>39.5%</td>
<td>41.4%</td>
<td>(190) bps</td>
<td>(80) bps</td>
</tr>
<tr>
<td>Selling, general &amp; admin expenses as percent of net sales</td>
<td>22.9%</td>
<td>22.8%</td>
<td>(10) bps</td>
<td>50 bps</td>
</tr>
<tr>
<td>Operating margin</td>
<td>15.3%</td>
<td>18.4%</td>
<td>(310) bps</td>
<td>(170) bps</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td>16.6%</td>
<td>18.6%</td>
<td>(200) bps</td>
<td>(30) bps</td>
</tr>
</tbody>
</table>

- Adjusted gross margin declined 190 basis points compared to 2020 driven by a shift of sales between segments and expanded 40 basis points compared to 2019.
- Selling, general and administrative expenses as a percent of net sales increased by 10 basis points with leverage from sales growth more than offset by higher brand marketing investments.
- Adjusted operating margin declined 200 basis points from 2020 and expanded 10 basis points from 2019.

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 35 to 39, including the impact of constant currency.
## INCOME TAXES

<table>
<thead>
<tr>
<th></th>
<th>2Q 2021</th>
<th>2Q 2020</th>
<th>YTD 2021</th>
<th>YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax rate</td>
<td>22.1%</td>
<td>17.9%</td>
<td>25.2%</td>
<td>18.1%</td>
</tr>
<tr>
<td>Adjusted income tax rate</td>
<td>22.2%</td>
<td>18.0%</td>
<td>22.5%</td>
<td>18.2%</td>
</tr>
</tbody>
</table>

- Both periods favorably impacted by discrete tax items
- More significant impact in 2Q 2020 due to a discrete item related to refinement of our entity structure
INCOME FROM UNCONSOLIDATED OPERATIONS

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2Q 2021</th>
<th>2Q 2020</th>
<th>2Q Fav/(Unfav) Change</th>
<th>YTD 2021 Fav/(Unfav) Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from unconsolidated operations</td>
<td>$23.4</td>
<td>$10.2</td>
<td>129%</td>
<td>78%</td>
</tr>
<tr>
<td>Adjusted income from unconsolidated operations</td>
<td>$10.0</td>
<td>$10.2</td>
<td>(2%)</td>
<td>13%</td>
</tr>
</tbody>
</table>

- Sale of minority stake in Eastern Condiments completed at the end of March 2021
- Low-single digit decline expected for 2021
## EARNINGS PER SHARE

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2Q 2021</th>
<th>2Q 2020</th>
<th>Favorable/(Unfavorable) Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share</td>
<td>$0.68</td>
<td>$0.73</td>
<td>(7%)</td>
</tr>
<tr>
<td>Adjusted earnings per share</td>
<td>$0.69</td>
<td>$0.74</td>
<td>(7%)</td>
</tr>
</tbody>
</table>

### Change in adjusted earnings per share

- Decrease in adjusted operating income: ($0.01)
- Increase in adjusted income tax rate: 0.04

**Total decrease**: ($0.05)

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 35 to 39, including the impact of constant currency.
Cash flow provided from operations was $229 million compared to $356 million in 2020
- Driven by the timing of working capital payments
- Includes payment of transaction and integration expenses

$182 million of cash returned to shareholders through dividends

Capital expenditures of $113 million through second quarter

2021 expected to be another year of strong cash flow driven by profit and working capital initiatives
## 2021 Outlook Growth Rates

<table>
<thead>
<tr>
<th></th>
<th>Reported Currency</th>
<th>Constant Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth</td>
<td>11% to 13%</td>
<td>8% to 10%</td>
</tr>
<tr>
<td>Contribution from Cholula and FONA acquisitions</td>
<td>High-end of 3.5% to 4%</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating income increase</td>
<td>10% to 12%</td>
<td>8% to 10%</td>
</tr>
<tr>
<td>CCI-led cost savings</td>
<td>Approximately $110M</td>
<td></td>
</tr>
<tr>
<td>Cost inflation</td>
<td>Mid-single digit increase</td>
<td></td>
</tr>
<tr>
<td>Adjusted gross profit margin</td>
<td>100 to 80 bps decrease</td>
<td></td>
</tr>
<tr>
<td>Brand marketing</td>
<td>Low-single digit increase</td>
<td></td>
</tr>
<tr>
<td>Adjusted income from unconsolidated operations</td>
<td>Low-single digit decrease</td>
<td></td>
</tr>
<tr>
<td>Adjusted tax rate</td>
<td>Approximately 23%</td>
<td></td>
</tr>
<tr>
<td>Adjusted earnings per share</td>
<td>$3.00 to $3.05</td>
<td></td>
</tr>
<tr>
<td>Adjusted earnings per share growth</td>
<td>6% to 8%</td>
<td>4% to 6%</td>
</tr>
<tr>
<td>Shares outstanding</td>
<td>Approximately 270M</td>
<td></td>
</tr>
</tbody>
</table>

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 35 to 39, including the impact of constant currency.
### 2021 OUTLOOK GROWTH RATES

<table>
<thead>
<tr>
<th></th>
<th>STRONG BASE BUSINESS &amp; ACQUISITION GROWTH</th>
<th>COVID-19 COST INCREASE</th>
<th>ERP INVESTMENT</th>
<th>TAX HEADWIND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth*</td>
<td>8% to 10%</td>
<td>-1%</td>
<td>-3%</td>
<td>-4%</td>
</tr>
<tr>
<td>Adjusted operating income growth*</td>
<td>12% to 14%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS growth*</td>
<td>12% to 14%</td>
<td>-1%</td>
<td>-3%</td>
<td>-4%</td>
</tr>
</tbody>
</table>

**2021 CONSTANT CURRENCY GUIDANCE**

- 8% to 10%
- 8% to 10%
- 4% to 6%

* 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 35 to 39, including the impact of constant currency.
KEY TAKEAWAYS

- Exceptional 2Q 2021 growth despite a challenging comparison
- Double-digit year-to-date and two-year growth rates
- Higher at-home consumption expected to persist beyond the pandemic and well positioned to capitalize on accelerated consumer trends
- Enthusiasm and confidence in Cholula and FONA acquisitions strengthened
- Confidence in delivering differentiated growth and performance in 2021 and continuing growth trajectory beyond 2021
The following slides accompany a July 1, 2021, earnings release conference call. This information should be read in conjunction with the press release issued on that date.

2ND QUARTER 2021 FINANCIAL RESULTS AND OUTLOOK
McCormick & Company, Inc.
July 1, 2021
NON-GAAP FINANCIAL MEASURES

The tables below include financial measures of adjusted gross profit, adjusted gross profit margin, adjusted operating income, adjusted operating income margin, adjusted income tax expense, adjusted income tax rate, adjusted income from unconsolidated operations, 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, as applicable, of the following:

Special charges - 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. 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 associated with the Cholula and FONA acquisitions – We exclude certain costs associated with our acquisitions of Cholula and FONA in November and December 2020, respectively, and their subsequent integration into the Company. Such costs, which we refer to as “Transaction and integration expenses”, include transaction costs associated with the acquisition, as well as integration costs following the acquisition, including the impact of any acquisition date fair value adjustment for inventory, together with the impact of discrete tax items, if any, directly related to each acquisition.

Income from sale of unconsolidated operations – We exclude the gain realized with our sale of an unconsolidated operation in March 2021. The sale of our 26% interest in Eastern Condiments Private Ltd resulted in a gain of $13.4 million, net of tax of $5.7 million. The gain is included in Income from unconsolidated operations in our consolidated income statement.

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:
1) Transaction and integration expenses include transaction and integration expenses associated with our acquisitions of Cholula and FONA. These expenses include transaction expenses, integration expenses, including the effect of the fair value adjustment of acquired inventory on cost of goods sold and the unfavorable impact of a discrete item related to deferred State income tax expense during the first quarter of 2021, directly related to our December 2020 acquisition of FONA. This unfavorable discrete tax item had an impact of $11.4 million or $0.04 per diluted share for the six months ended May 31, 2021.

2) Adjusted gross profit margin is calculated as adjusted gross profit as a percentage of net sales for each period presented.

3) Adjusted operating income margin is calculated as adjusted operating income as a percentage of net sales for each period presented.

4) 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 of $226.3 million and $459.6 million for the three and six months ended May 31, 2021, respectively and $229.0 million and $394.4 million for the three and six months ended May 31, 2020.

### Non-GAAP Financial Measures

<table>
<thead>
<tr>
<th></th>
<th>For the three months ended</th>
<th>For the six months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit</td>
<td>$614.6</td>
<td>$579.5</td>
</tr>
<tr>
<td>Impact of transaction and integration expenses included in cost of goods sold (1)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted gross profit</td>
<td>$614.6</td>
<td>$579.5</td>
</tr>
<tr>
<td>Adjusted gross profit margin (2)</td>
<td>39.5%</td>
<td>41.4%</td>
</tr>
<tr>
<td>Operating income</td>
<td>$237.4</td>
<td>$257.4</td>
</tr>
<tr>
<td>Impact of transaction and integration expenses included in cost of goods sold (1)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Impact of other transaction and integration expenses (1)</td>
<td>6.9</td>
<td>—</td>
</tr>
<tr>
<td>Impact of special charges</td>
<td>13.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>$258.0</td>
<td>$260.3</td>
</tr>
<tr>
<td>Adjusted operating income margin (3)</td>
<td>16.6%</td>
<td>18.6%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>$45.4</td>
<td>$40.4</td>
</tr>
<tr>
<td>Impact of transaction and integration expenses (1)</td>
<td>1.6</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Impact of special charges</td>
<td>3.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Adjusted income tax expense</td>
<td>$50.2</td>
<td>$41.3</td>
</tr>
<tr>
<td>Adjusted income tax rate (4)</td>
<td>22.2%</td>
<td>18.0%</td>
</tr>
<tr>
<td>Income from unconsolidated operations</td>
<td>$23.4</td>
<td>$10.2</td>
</tr>
<tr>
<td>Impact of after-tax gain on sale of unconsolidated operation</td>
<td>(13.4)</td>
<td>(13.4)</td>
</tr>
<tr>
<td>Adjusted income from unconsolidated operations</td>
<td>$10.0</td>
<td>$10.2</td>
</tr>
<tr>
<td>Net income</td>
<td>$183.7</td>
<td>$195.9</td>
</tr>
<tr>
<td>Impact of transaction and integration expenses (1)</td>
<td>5.3</td>
<td>—</td>
</tr>
<tr>
<td>Impact of special charges</td>
<td>10.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Impact of after-tax gain on sale of unconsolidated operation</td>
<td>(13.4)</td>
<td>(13.4)</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>$186.1</td>
<td>$197.9</td>
</tr>
</tbody>
</table>

1) Earnings per share – diluted
Earnings per share – diluted
Impact of transaction and integration expenses (1) | $0.68        | $0.73         | $1.28         | $1.27         |
Impact of special charges | 0.02         | —             | 0.14          | —             |
Impact of after-tax gain on sale of unconsolidated operation | —           | (0.05)        | —             | (0.05)        |
Adjusted earnings per share – diluted | $0.69        | $0.74         | $1.41         | $1.28         |

For the three months ended | For the six months ended

1) Transaction and integration expenses include transaction and integration expenses associated with our acquisitions of Cholula and FONA. These expenses include transaction expenses, integration expenses, including the effect of the fair value adjustment of acquired inventory on cost of goods sold and the unfavorable impact of a discrete item related to deferred State income tax expense during the first quarter of 2021, directly related to our December 2020 acquisition of FONA. This unfavorable discrete tax item had an impact of $11.4 million or $0.04 per diluted share for the six months ended May 31, 2021.

2) Adjusted gross profit margin is calculated as adjusted gross profit as a percentage of net sales for each period presented.

3) Adjusted operating income margin is calculated as adjusted operating income as a percentage of net sales for each period presented.

4) 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 of $226.3 million and $459.6 million for the three and six months ended May 31, 2021, respectively and $229.0 million and $394.4 million for the three and six months ended May 31, 2020.
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 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:

<table>
<thead>
<tr>
<th>Net sales:</th>
<th>Percentage Change as Reported</th>
<th>Impact of Foreign Currency Exchange</th>
<th>Percentage Change on Constant Currency Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer segment:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>(6.4)%</td>
<td>0.8 %</td>
<td>(7.2)%</td>
</tr>
<tr>
<td>EMEA</td>
<td>3.6 %</td>
<td>7.8 %</td>
<td>(4.2)%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>25.5 %</td>
<td>10.6 %</td>
<td>15.0 %</td>
</tr>
<tr>
<td>Total Consumer</td>
<td>(1.8)%</td>
<td>2.9 %</td>
<td>(4.7)%</td>
</tr>
<tr>
<td>Flavor Solutions segment:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>31.6 %</td>
<td>1.9 %</td>
<td>29.7 %</td>
</tr>
<tr>
<td>EMEA</td>
<td>77.7 %</td>
<td>13.0 %</td>
<td>64.7 %</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>35.5 %</td>
<td>12.9 %</td>
<td>22.6 %</td>
</tr>
<tr>
<td>Total Flavor Solutions</td>
<td>39.5 %</td>
<td>4.9 %</td>
<td>34.6 %</td>
</tr>
<tr>
<td>Total net sales</td>
<td>11.1 %</td>
<td>3.5 %</td>
<td>7.6 %</td>
</tr>
</tbody>
</table>

| Adjusted operating income:                     |                              |                                    |                                             |
| Consumer segment                               | (23.7)%                      | 2.0 %                              | (25.7)%                                     |
| Flavor Solutions segment                        | 182.9 %                      | 7.9 %                              | 175.0 %                                     |
| Total adjusted operating income                | (0.9)%                       | 2.7 %                              | (3.6)%                                      |

<table>
<thead>
<tr>
<th>Net sales:</th>
<th>Percentage Change as Reported</th>
<th>Impact of Foreign Currency Exchange</th>
<th>Percentage Change on Constant Currency Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer segment:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas (1)</td>
<td>27.0 %</td>
<td>0.7 %</td>
<td>26.3 %</td>
</tr>
<tr>
<td>EMEA</td>
<td>26.5 %</td>
<td>5.4 %</td>
<td>21.1 %</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>3.0 %</td>
<td>3.1 %</td>
<td>(0.1)%</td>
</tr>
<tr>
<td>Total Consumer</td>
<td>23.7 %</td>
<td>1.9 %</td>
<td>21.8 %</td>
</tr>
<tr>
<td>Flavor Solutions segment:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>11.9 %</td>
<td>(0.2)%</td>
<td>12.1 %</td>
</tr>
<tr>
<td>EMEA</td>
<td>16.8 %</td>
<td>0.8 %</td>
<td>16.0 %</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>20.1 %</td>
<td>5.1 %</td>
<td>15.0 %</td>
</tr>
<tr>
<td>Total Flavor Solutions</td>
<td>13.7 %</td>
<td>0.5 %</td>
<td>13.2 %</td>
</tr>
<tr>
<td>Total net sales</td>
<td>19.6 %</td>
<td>1.3 %</td>
<td>18.3 %</td>
</tr>
</tbody>
</table>

1) Net sales associated with our acquisition of Cholula contributed 4.0% of our growth as reported and in constant currency in the Consumer segment of the Americas region for the three months ended May 31, 2021 as compared to the three months ended May 31, 2019. Excluding the impact of this acquisition, organic sales for the Consumer segment in the Americas region grew 23.0% as reported and 22.3% in constant currency for the three months ended May 31, 2021 as compared to the three months ended May 31, 2019.
To present “constant currency” information for the fiscal year 2021 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 2021 and are compared to the 2020 results, translated into U.S. dollars using the same 2021 budgeted exchange rates, rather than at the average actual exchange rates in effect during fiscal year 2020. 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 2020 or projected shares outstanding for fiscal year 2021, as appropriate.

<table>
<thead>
<tr>
<th>Projections for the Year Ending November 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage change in net sales</td>
</tr>
<tr>
<td>Impact of favorable foreign currency exchange</td>
</tr>
<tr>
<td>Percentage change in net sales in constant currency</td>
</tr>
<tr>
<td>Percentage change in adjusted operating income</td>
</tr>
<tr>
<td>Impact of favorable foreign currency exchange</td>
</tr>
<tr>
<td>Percentage change in adjusted operating income in constant currency</td>
</tr>
<tr>
<td>Percentage change in adjusted earnings per share – diluted</td>
</tr>
<tr>
<td>Impact of favorable foreign currency exchange</td>
</tr>
<tr>
<td>Percentage change in adjusted earnings per share in constant currency – diluted</td>
</tr>
</tbody>
</table>
The following provides a reconciliation of our estimated earnings per share to adjusted earnings per share for 2021 and actual results for 2020:

<table>
<thead>
<tr>
<th></th>
<th>For the year ended November 30, 2020</th>
<th>Estimated for the year ending November 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share – diluted</td>
<td>$2.78</td>
<td>$2.83 to $2.88</td>
</tr>
<tr>
<td>Impact of transaction and integration expenses</td>
<td>0.04</td>
<td>0.16</td>
</tr>
<tr>
<td>Impact of special charges</td>
<td>0.01</td>
<td>0.06</td>
</tr>
<tr>
<td>Impact of after-tax gain on sale of unconsolidated operation</td>
<td>—</td>
<td>(0.05)</td>
</tr>
<tr>
<td>Adjusted earnings per share – diluted</td>
<td>$2.83</td>
<td>$3.00 to $3.05</td>
</tr>
</tbody>
</table>