

Advancing Our Leadership and Differentiation

McCormick & Company, Inc.
CAGNY Conference

February 20, 2024



Forward-looking Information

Certain information contained in this release, including statements concerning expected performance such as those relating to net sales, gross margin, earnings, cost savings, special charges, acquisitions, brand marketing support, volume and product mix, income tax expense, and the impact of foreign currency rates are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements may be identified by the use of words such as “may,” “will,” “expect,” “should,” “anticipate,” “intend,” “believe” and “plan” and similar expressions. These statements may relate to: general economic and industry conditions, including consumer spending rates, recessions, interest rates, and availability of capital; expectations regarding sales growth potential in various geographies and markets, including the impact from brand marketing support, product innovation, and customer, channel, category, heat platform and e-commerce expansion; expected trends in net sales and earnings performance and other financial measures; the expected impact of pricing actions on the Company's results of operations and gross margins; the impact of price elasticity on our sales volume and mix; the expected impact of the inflationary cost environment on our business; the expected impact of factors affecting our supply chain, including the availability and prices of commodities and other supply chain resources including raw materials, packaging, labor energy, and transportation; the expected impact of productivity improvements, including those associated with our CCI and GOE programs and Global Business Services operating model initiative; the ability to identify, attract, hire retain and develop qualified personnel and develop the next generation of leaders; the impact of the ongoing conflicts between Russia and Ukraine and Israel and Hamas, including the potential for broader economic disruption; expected working capital improvements; the expected timing and costs of implementing our business transformation initiative, which includes the implementation of a global enterprise resource planning (ERP) system; the expected impact of accounting pronouncements; the expectations of pension and postretirement plan contributions and anticipated charges associated with those plans; the holding period and market risks associated with financial instruments; the impact of foreign exchange fluctuations; the adequacy of internally generated funds and existing sources of liquidity, such as the availability of bank financing; the anticipated sufficiency of future cash flows to enable the payments of interest and repayment of short- and long-term debt, working capital needs, planned capital expenditures, quarterly dividends and our ability to obtain additional short- and long- term financing or issue additional debt securities; and expectations regarding purchasing shares of McCormick's common stock under the existing repurchase authorization.

These and other forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could significantly affect expected results. Results may be materially affected by factors such as: the company's ability to drive revenue growth; the company's ability to increase pricing to offset, or partially offset, inflationary pressures on the cost of our products; damage to the company's reputation or brand name; loss of brand relevance; increased private label use; the company's ability to drive productivity improvements, including those related to our CCI program and streamlining actions, including our GOE program; product quality, labeling, or safety concerns; negative publicity about our products; actions by, and the financial condition of, competitors and customers; the longevity of mutually beneficial relationships with our large customers; the ability to identify, interpret and react to changes in consumer preference and demand; business interruptions due to natural disasters, unexpected events or public health crises; issues affecting the company's supply chain and procurement of raw materials, including fluctuations in the cost and availability of raw and packaging materials; labor shortage, turnover and labor cost increases; the impact of the ongoing conflict between Russia and Ukraine and Israel and Hamas, including the potential for broader economic disruption; government regulation, and changes in legal and regulatory requirements and enforcement practices; the lack of successful acquisition and integration of new businesses; global economic and financial conditions generally, availability of financing, interest and inflation rates, and the imposition of tariffs, quotas, trade barriers and other similar restrictions; foreign currency fluctuations; the effects of our amount of outstanding indebtedness and related level of debt service as well as the effects that such debt service may have on the company's ability to borrow or the cost of any such additional borrowing, our credit rating, and our ability to react to certain economic and industry conditions; impairments of indefinite-lived intangible assets; assumptions we have made regarding the investment return on retirement plan assets, and the costs associated with pension obligations; the stability of credit and capital markets; risks associated with the company's information technology systems, including the threat of data breaches and cyber-attacks; the company's inability to successfully implement our business transformation initiative; fundamental changes in tax laws; including interpretations and assumptions we have made, and guidance that may be issued, and volatility in our effective tax rate; climate change; Environmental, Social and Governance (ESG) matters; infringement of intellectual property rights, and those of customers; litigation, legal and administrative proceedings; the company's inability to achieve expected and/or needed cost savings or margin improvements; negative employee relations; and other risks described in the company's filings with the Securities and Exchange Commission.

Actual results could differ materially from those projected in the forward-looking statements. The company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

Advancing Our Leadership and Differentiation

Building on Our Strong Foundation

Strengthening Our Competitive Advantages

Driving Growth and Value Creation



We Flavor Every Sip and Bite

EVERY REGION AND MARKET



EVERY CHANNEL



IN- AND AWAY-FROM-HOME



EVERY OCCASION



EVERY CUISINE AND FLAVOR TREND



EVERY FORMAT AND APPLICATION



History of Driving Long-Term Growth

Intentionally Focused on Fast-Growing Categories

2015 Net Sales

\$4.3B

Consumer
61%



Flavor Solutions
39%

6% Growth

CAGR 2015-2023

4% Organic

- New Products
- Brand Marketing
- Category Management
- Proprietary Technologies
- Differentiated Customer Engagement

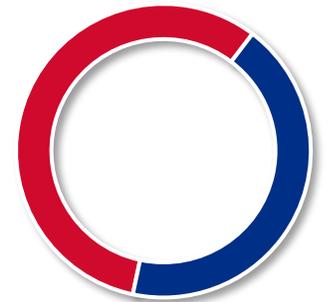
2% Acquisitions¹



2023 Net Sales

\$6.7B

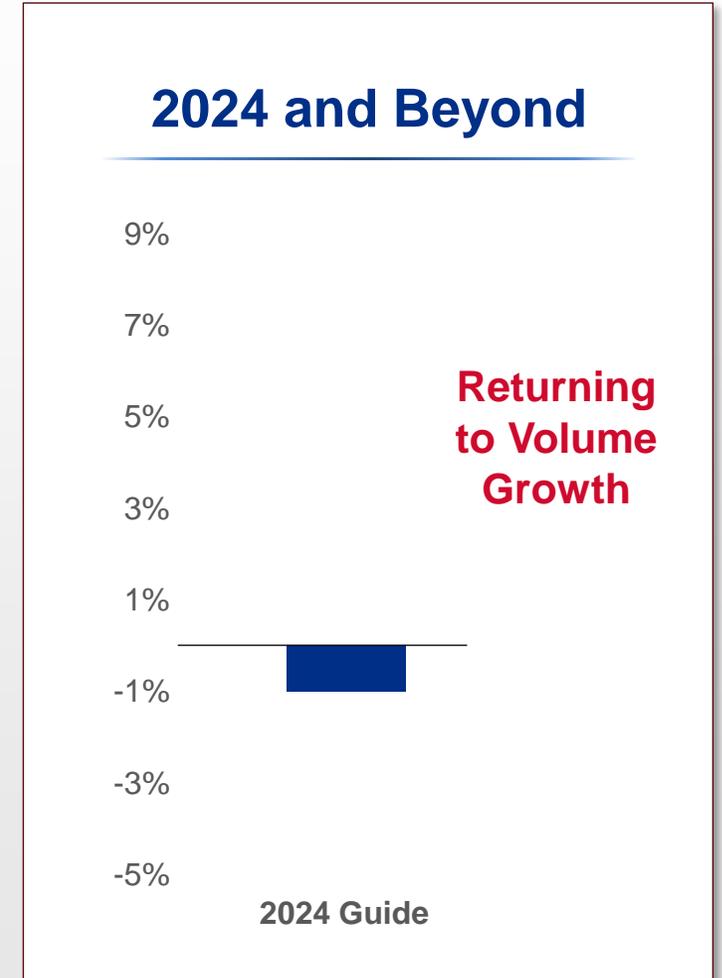
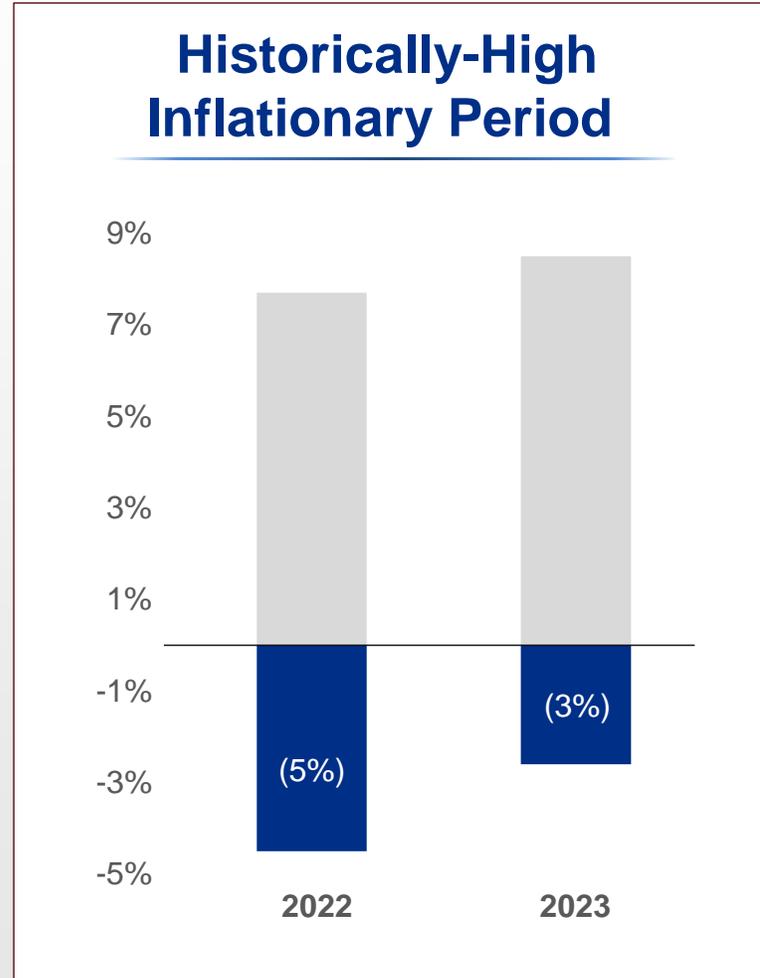
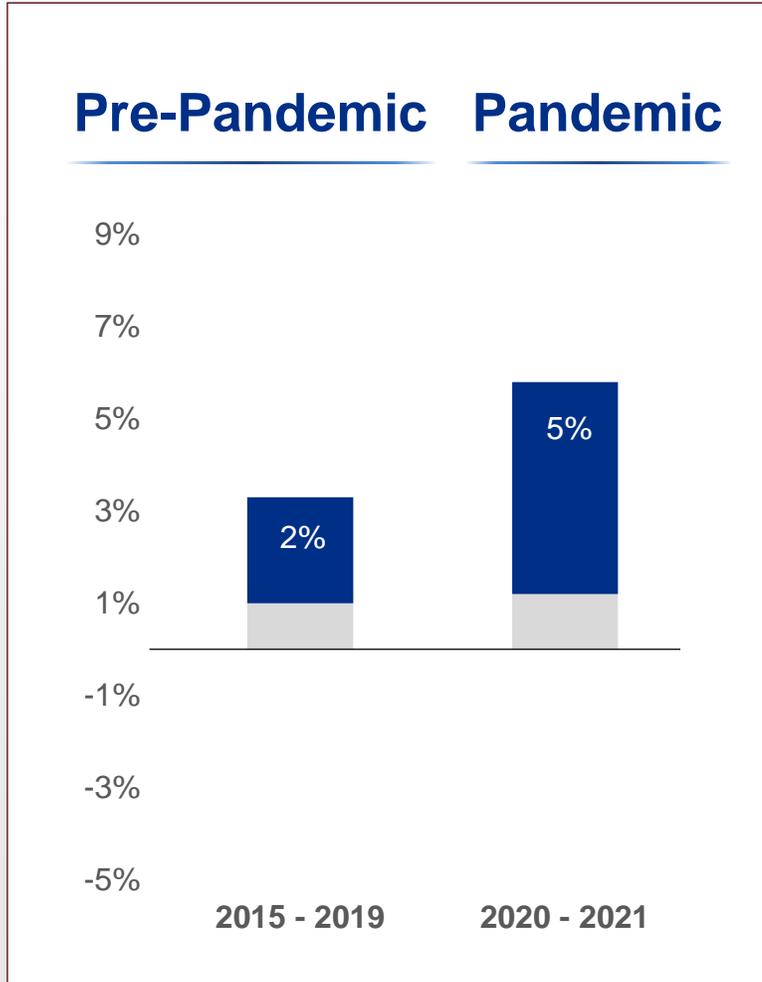
Consumer
57%



Flavor Solutions
43%

Strong Historical Volume Performance

Proven Initiatives to Return to Volume Growth



■ Volume ■ Price



Well-Positioned with Our System of Competitive Growth Advantages

Portfolio Advantaged by Breadth and Reach



Strong Leading Brands in Great Categories



Scale for Category Management



High Share of Voice in Brand Marketing



Differentiated Customer Engagement



Global Sourcing Expertise



Proprietary Consumer Insights



Innovative Mindset



Enabled by Our High Performance and Power of People Culture

Advancing Our Leadership and Differentiation

GROWTH



We Are a Different Kind of Flavor Company

\$6.7B 2023 Net Sales

CONSUMER

Share leader in core categories with iconic brands in >150 countries and territories

Industry leader in brand market support with significant share of voice

Strong category management **retailer partnerships**

Digital leadership with strong consumer engagement



FLAVOR SOLUTIONS



Culinary foundation, food heritage and legacy in natural drives authentic flavor creation

Unmatched breadth of flavor solutions across the globe

Uniquely positioned by our **global consumer brand leadership**

Passion for creating a flawless **customer experience**

✓ **Global Sourcing Expertise**

✓ **Unrivaled Consumer Insights**

✓ **Sustainability Leader**



Broad and Advantaged Global Flavor Portfolio

GLOBAL NET SALES BY PRODUCT CATEGORY¹



Long-term Consumer Trends Remain a Tailwind



Cooking At Home Remains Elevated

80% believe **cooking at home** “allows me to prepare healthier, better-for-you meals”¹

75% are **eating** more at home to **save**¹

64% of **Gen Z** meals are prepared at home²

80% enjoy cooking³

Desire to Explore & Discover New Flavors

>65%

Cook to **explore new flavors**¹

Think it's **exciting to experiment** with **new flavors**¹

Consider **food and dining a hobby and a passion**³



Value-Seeking Behavior Is Increasing

Stretched Budgets

72% watch their household budget more now¹

85% are buying less food due to price increases¹

Since 2019...

Food and beverage prices are up **30%**

And wages are only up **16%**²

Choiceful Spending

74% are conscious of waste and **72%** are trying to more fully use items in their pantry¹

50% delaying purchases and waiting for sales³

87% are shopping promotions¹



Selective Splurging

58% willing to pay extra for brands of condiments, spices, and seasonings²

Top category for splurging is eating out, followed by groceries, apparel, beauty and personal care³

Continued Focus on Growth, Performance, and People



2026 STRATEGIC ROADMAP

GROWTH

Win With Consumers and Customers

- Drive undisputed global leadership in herbs, spices and seasonings
- Advance leadership in global flavors
- Strengthen global heat leadership
- Expand branded condiments
- Accelerate new product innovation

PERFORMANCE

Win With Purpose-led Performance

- Expand system of competitive advantages
- Accelerate digital transformation
- Create value through higher returns on investments
- Drive operational excellence
- Strengthen organizational resiliency

PEOPLE

Win With Talent and Engagement

- Leverage our Power of People culture
- Elevate organizational effectiveness
- Foster an innovative and learning organization
- Advance diversity, equity, and inclusion
- Build future leaders and capabilities

2024 Priorities to Advance Our Leadership and Differentiation

Strengthen
global leadership
in our core
categories



Drive profitable
growth and
higher returns on
investments



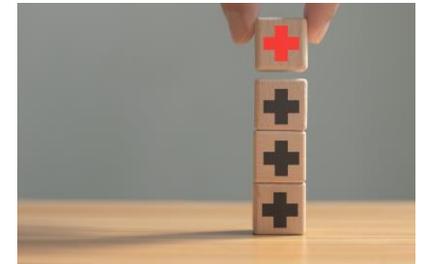
Accelerate our
digital
transformation



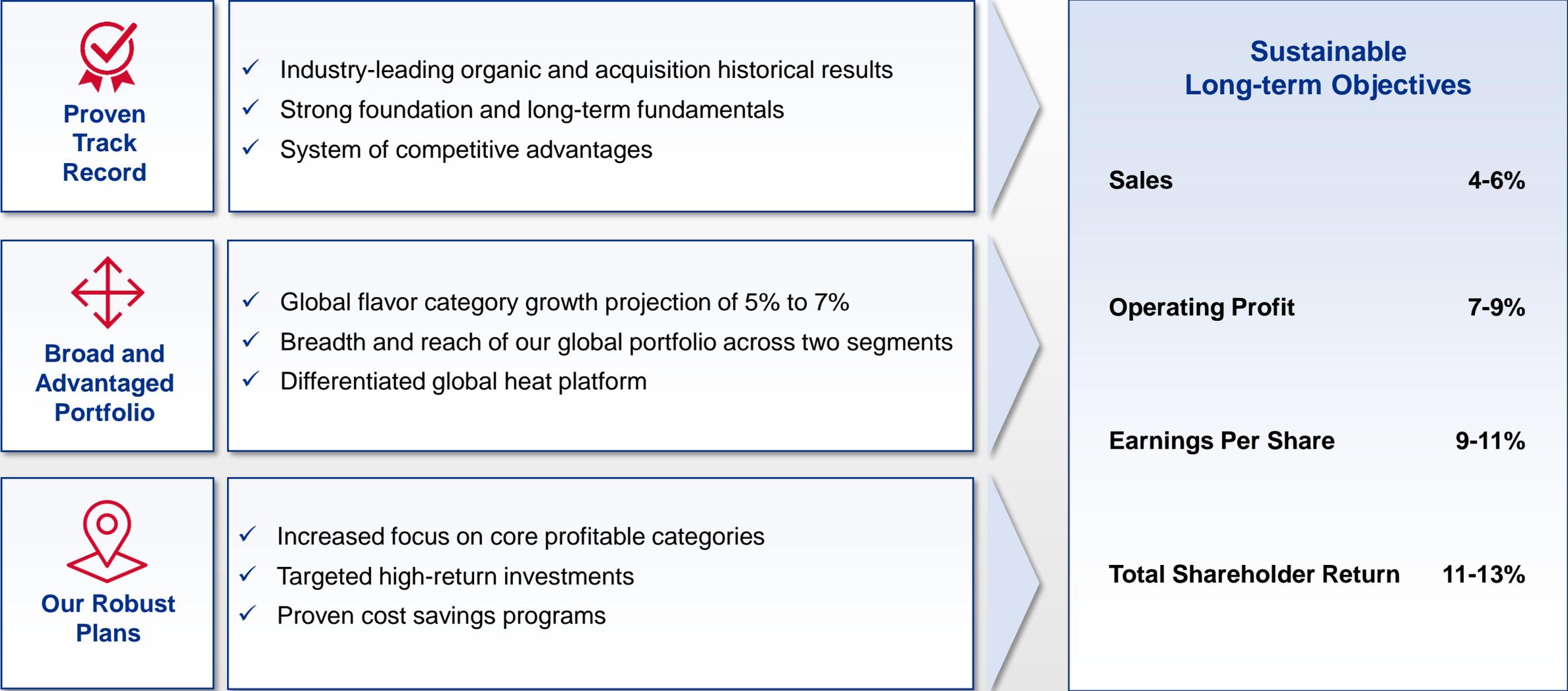
Build the next
generation of
leaders and
capabilities



Expand our
system of
competitive
advantages



Our History, Categories, and Plans Underpin Our Long-Term Objectives



Proven Track Record

- ✓ Industry-leading organic and acquisition historical results
- ✓ Strong foundation and long-term fundamentals
- ✓ System of competitive advantages



Broad and Advantaged Portfolio

- ✓ Global flavor category growth projection of 5% to 7%
- ✓ Breadth and reach of our global portfolio across two segments
- ✓ Differentiated global heat platform



Our Robust Plans

- ✓ Increased focus on core profitable categories
- ✓ Targeted high-return investments
- ✓ Proven cost savings programs



McCormick's Leadership Committed to Driving Sustainable Growth

Management Committee



Brendan Foley
President and Chief Executive Officer



Mike Smith
Executive Vice President and Chief Financial Officer



Kasey Jenkins
Chief Growth Officer



Ana Sanchez
President - EMEA



Andrew Foust
President - Americas



Sarah Piper
Chief Human Relations Officer

Additional Operating Committee Members

President APAC

Chief Marketing Officer

Chief Science Officer

Chief Supply Chain Officer

Chief Information & Digital Officer

Vice President, General Counsel and Secretary



Advancing Our Leadership and Differentiation

CONSUMER



We Are a Different Kind of Flavor Company

\$6.7B 2023 Net Sales

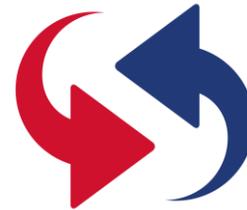
CONSUMER: \$3.8B

Share leader in core categories with iconic brands in >150 countries and territories

Industry leader in brand market support with significant share of voice

Strong category management **retailer partnerships**

Digital leadership with strong consumer engagement



FLAVOR SOLUTIONS



Culinary foundation, food heritage and legacy in natural drives authentic flavor creation

Unmatched breadth of flavor solutions across the globe

Uniquely positioned by our **global consumer brand leadership**

Passion for creating a flawless **customer experience**

✓ **Global Sourcing Expertise**

✓ **Unrivaled Consumer Insights**

✓ **Sustainability Leader**



History of Driving Long-Term Consumer Growth

Grew the Core and Expanded Our Consumer Portfolio

2015 Net Sales

\$2.6B



6% Growth

CAGR 2015-2023

4% Organic

- New Products
- Brand Marketing
- Category Management
- Renovation

2% Acquisitions¹



2023 Net Sales

\$3.8B



■ Spices & Seasonings
 ■ Condiments & Sauces
 ■ Recipe Mix
 ■ Regional Leaders

Differentiated By the Power of Our Brands

Top Brands Are 85% of Our Portfolio



✓ Leading Brands Across Global Markets

✓ Broad Flavor Portfolio

✓ Wide Variety of Categories and Formats

Focused on Volume Growth with Our Proven Growth Levers

Increasing Brand Marketing



Driving Renovation



Accelerating New Products



Strengthening Category Management

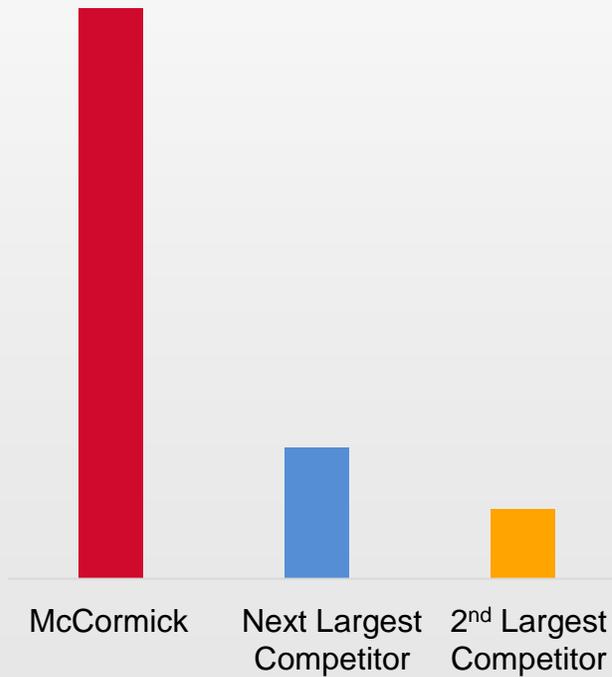


Driving Global Leadership in Spices and Seasonings

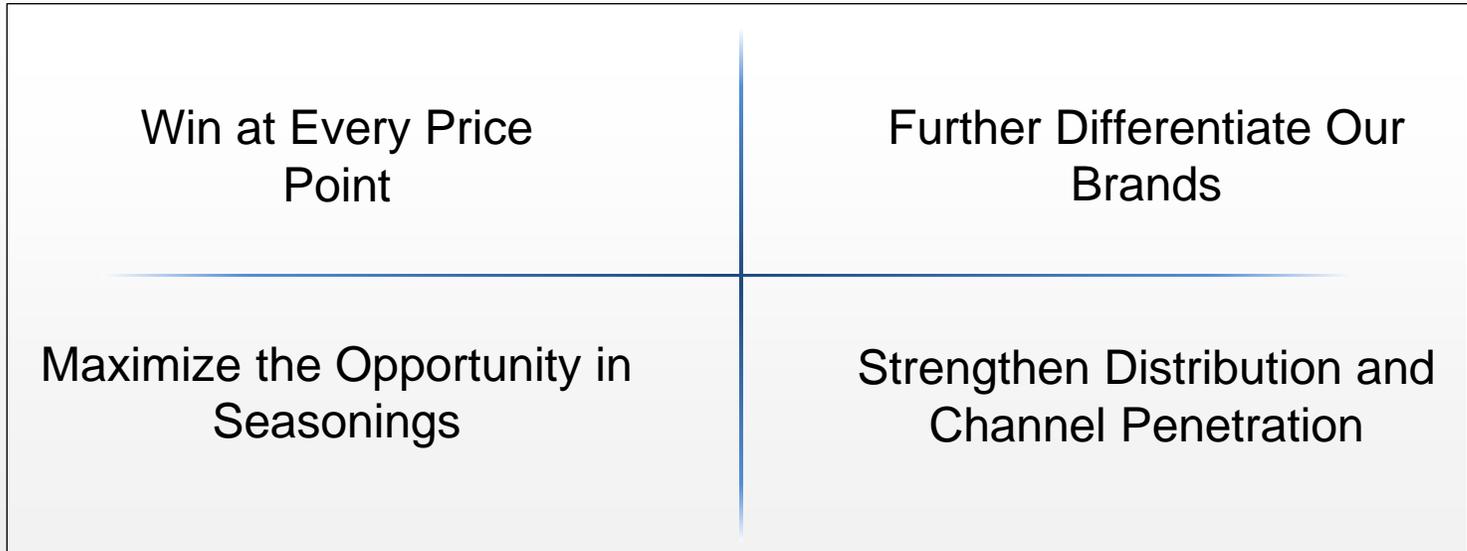
#1

Global Share Brand Leader

Leading Brands in Many Markets



Focused on Global Volume and Share Growth



Advancing Our U.S. Spices & Seasonings Leadership

Renovating Our Brands



Accelerating New Products



Driving Consumers to the Aisle

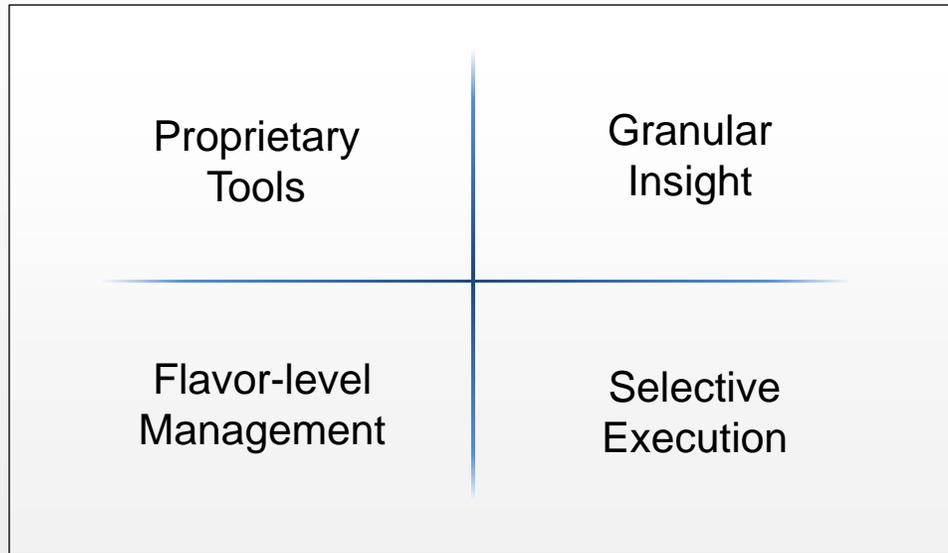


Managing Price Gaps



Strengthening Our Category Leadership and Value Proposition

Optimizing Price On-Shelf



Winning in the Discounter Channel



Growing in China Mini-Marts



Growing Household Penetration with Cooking Blends

Maximizing the Opportunity in Cooking Blends

\$1.2B¹ sub-category

Cooking blends sub-category growing **10%**

McCormick is **driving share growth** as the **brand leader**

Cooking blends **household penetration** lower than Spices

Unique flavor combinations people love

Enabling “Just Shake” Flavor



5-minute or less **quick prep** is **fastest growing** cooking occasion

Innovating for Exploration



Reaching Loyal Built-in Audiences

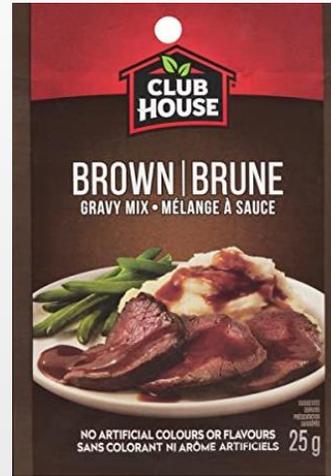


Strong Leadership in Recipe Mixes

#1 in U.S., Canada, U.K., and China



✓ Everyday convenience



✓ Value offering



✓ Frequent usage



✓ High loyalty



Fueling McCormick and Category Growth in Recipe Mixes

Innovating with Popular & Emerging Cuisines



Modernizing Offerings



Messaging Value & Convenience



✓ Reaching New Households

✓ Inspiring Younger Cooks

✓ Driving Volume Growth



Growing Our Condiment Portfolio

Strengthening Mustard Leadership

#2 Global Market Leader



#1 in U.S.,
Canada and
Poland

Increasing
Advertising and
Promotions



Launching New Flavors
and Formats

Accelerating Regional Growth



Expanding Distribution
In Over-Indexed
Hispanic Markets



Winning Grilling Occasions in All Regions



Reaching Consumers with Differentiated Brand Marketing

High Share of Voice



Top-Performing Content



Inspiration and Education



Winning at Every Point on Path to Purchase



✓ Delivering industry-leading return on investments



Creating Digitally-Enabled Connected Consumer Experiences

A Proven Approach...

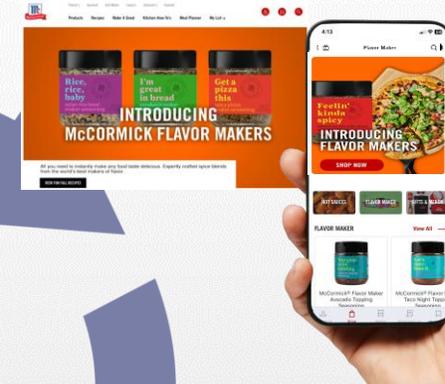
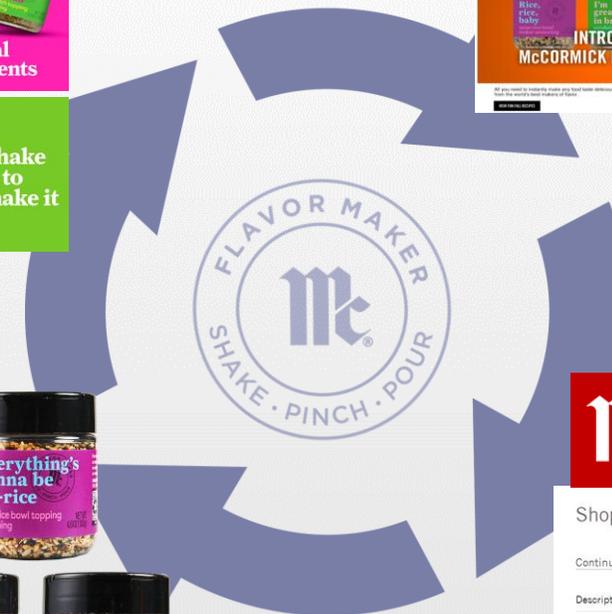


...To Win with the Next Generation

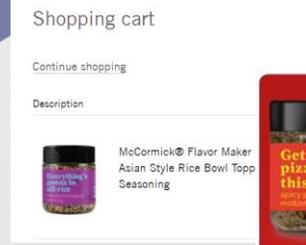
Fueling Exploration



Offering Flavorful Solutions



Inspiring and Educating



Creating Seamless Shopping Experiences



✓ Social Channels

✓ Retail Media

✓ Owned Properties



Accelerating Innovation Across Key Consumer Benefits

New Products Launching in First 6 Months of 2024

Convenience



Freshness



Flavor Exploration



Value Sizes



Advancing Our
Leadership and
Differentiation

**FLAVOR
SOLUTIONS**



We Are a Different Kind of Flavor Company

\$6.7B 2023 Net Sales

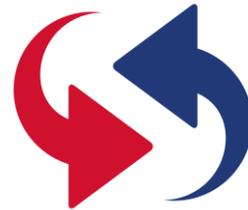
CONSUMER

Share leader in core categories with iconic brands in >150 countries and territories

Industry leader in brand market support with significant share of voice

Strong category management retailer partnerships

Digital leadership with strong consumer engagement



FLAVOR SOLUTIONS: \$2.9B



Culinary foundation, food heritage and legacy in natural drives authentic flavor creation

Unmatched breadth of flavor solutions across the globe

Uniquely positioned by our global consumer brand leadership

Passion for creating a flawless customer experience

✓ Global Sourcing Expertise

✓ Unrivalled Consumer Insights

✓ Sustainability Leader



Flavor Solutions Broad Global Reach Across Food & Beverage

Customers & Channels



Global and Regional: CPG Manufacturers, Restaurants, Retail Foodservice, Distributors, Consumer Health Companies

Product Categories



Specialty Flavors, Seasonings, Branded Foodservice, Condiments, Coatings, Spices & Herbs

End Market Applications



Beverage, Performance Nutrition, Snacks, Bakery, Confectionary, Dairy, Health

Occasions



At Home, At the Restaurant, Take-Out, At the Event, In the Cafeteria, On the Road



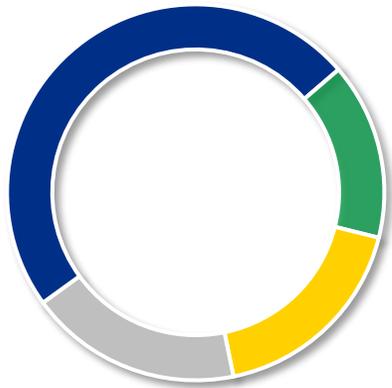
History of Driving Long-Term Flavor Solutions Growth

Migrating Our Portfolio to Technically Insulated and Value-added Solutions

2015 Net Sales

\$1.7B

63% Value-add



8% Growth

CAGR 2015-2023

6% Organic

- Innovation & Renovation
- Proprietary Technologies
- Differentiated Customer Engagement
- Brand Marketing

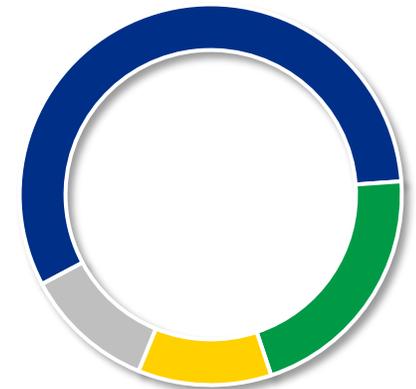
2% Acquisitions¹



2023 Net Sales

\$2.9B

78% Value-add



Shifted the Portfolio with Flavor and Branded Foodservice 11% Growth

■ Flavors ■ Branded Foodservice ■ Custom Condiments ■ Coatings, Bulk Spices & Herbs

Focused on Flavors an Attractive Product Category

Flavors Product Category

100% flavor focused

- ✓ Partnering with **9** of top **10** CPG's
- ✓ Global leadership in **seasonings**
- ✓ **Specialty flavors** acceleration
- ✓ Proprietary **technology** platform



20 global creation and application labs

~7,000 raw materials

>10,000 briefs per year

Attractive Flavor Industry Characteristics

- Technical insulation
- High innovation
- Attractive margin profile
- Tailored solutions with customer co-development
- Small % of retail price, but a key driver for consumer preference
- Diverse category and customer exposures

Differentiated By Our Heritage in Flavors, Culinary, and Clean & Natural

FEMA Founder & 115 Year Stewardship



Clean & Natural Expertise



Culinary Foundation



Sustainability Leader



Developing Consumer-preferred Flavors for a Wide Range of Applications

Meeting Customers' Needs in Attractive End-Market Categories

Snacks



Performance Nutrition



Beverage



Dairy



Bakery / Confectionary



Savory



Health



Continued Strong Performance in Targeted High-Growth End Markets

Savory Snack



+5%

Market Growth¹

+14%

McCormick²

Performance Nutrition



+5%

Market Growth¹

+16%

McCormick²

Alcoholic Beverage



+6%

Market Growth¹

+6%

McCormick²

Innovating with Our Proprietary Technology Platforms

Clean Flavor

- ✓ Enabling transparency with clean, all-natural labelling
- ✓ Developing natural extracts with a proprietary platform



Flavor Encapsulation

- ✓ Releasing flavor where, when, and how needed with patented technology
- ✓ Delivering a true-to-nature flavor by retaining natural ingredients



Taste Modulation

- ✓ Solving for “low” or “no” challenges without sacrificing taste
- ✓ Covering off-notes and smoothing textures in plant-based proteins and health applications



Product Development

- ✓ Combining our unrivaled repository of consumer insights with industry-leading artificial intelligence
- ✓ Innovating with speed and scoring high on preference tests



Creating a Low-Sugar Fruity Cocktail Without Alcohol

Customer Brief

New-to-market zero-proof cocktail

Layered taste experience of an alcoholic beverage

Full-flavored

Low sugar

Better-for-you

McCormick Solution

White Peach – Cherry Shrub Mocktail



Culinary mixology prototype



Authentic apple cider vinegar base for complex acidity



Peach and cherry flavors



Juiciness enhancer in zero-proof system



Alcohol-free natural champagne extract



Creating a Plant-based Protein Drink That Actually Tastes Good

Customer Brief

Protein from plant-based source

Better-for-you reduced sugar and sodium label

Indulgent experience in powdered format

Off-notes masked

Chocolate profile to suit target consumer base

McCormick Solution

McCormick's Plant-based Mexican Chocolate Protein



Consumer & sensory insights targeted chocolate profile



Natural cinnamon extract



Chocolate top-notes amplified for preferred taste



Mouthfeel designed for indulgent experience



Balanced and masked pea protein and earthy off-notes



Driving Growth with End-to-End Customer Collaboration

Win the Customer



- Consumer & culinary trends
- Relationship-driven partnership
- Flavor profile specialization
- Talent 100% focused on flavor
- First-to-bench mindset

Concept & Product Development



- Co-creation process
- Technology platforms
- Development speed
- Application expertise
- Regulatory expertise

Validation & Scale Up



- Analytical Sciences
- Pilot facilities
- Sensory validation
- Consumer testing
- Commercialization to scale

Market Launch



- Product endurance
- Life cycle management
- Line extension innovation
- Reformulation
- Quality and consistency

Passion to deliver a flawless customer experience with speed, agility, and expert-to-expert collaboration



Strengthening Branded Foodservice Leadership

Realizing Outpaced Growth

CAGR 2019-2023

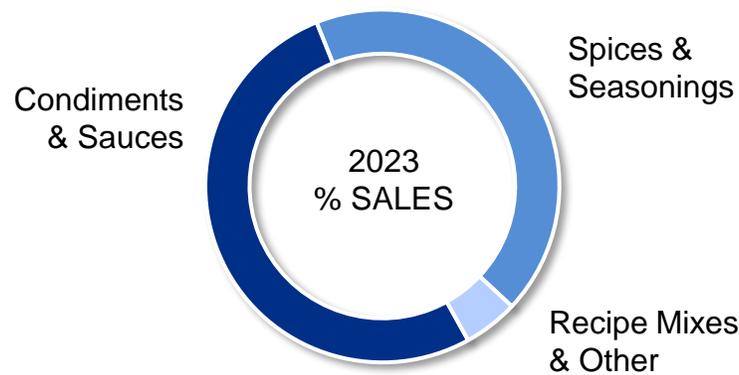
+2%
Market Growth¹

+7%
McCormick Growth



- ✓ Strong brands
- ✓ Culinary expertise
- ✓ Broad portfolio
- ✓ Innovation

Advantaged By Our Leading Brands, Portfolio Breadth, and Reach



Quick Service, Casual, & Fine Dining Restaurants, Stadiums, Venues, Hotels, and Cafeterias

Driving Growth in Branded Foodservice

Further Differentiating Our Brands

New Products and Packaging



Menu Penetration



Operator Brand Awareness



Expanding in Retail Foodservice



Advancing Our Leadership and Differentiation

HEAT



Consumer Demand for Heat Continues to Rise

Gen Z and Millennials Driving the Demand



>40% LOVE spicy food
... outpacing all other
generations¹

Drove **57%** of hot sauce
category growth since 2021²

60% describe their current taste preferences as 'spicy'³

High-Growth Flavor Profile



Chili and Hot Sauce
9%
4-Year Category CAGR²

**Heat Related
Spices & Seasonings**
11%
4-Year Category CAGR²

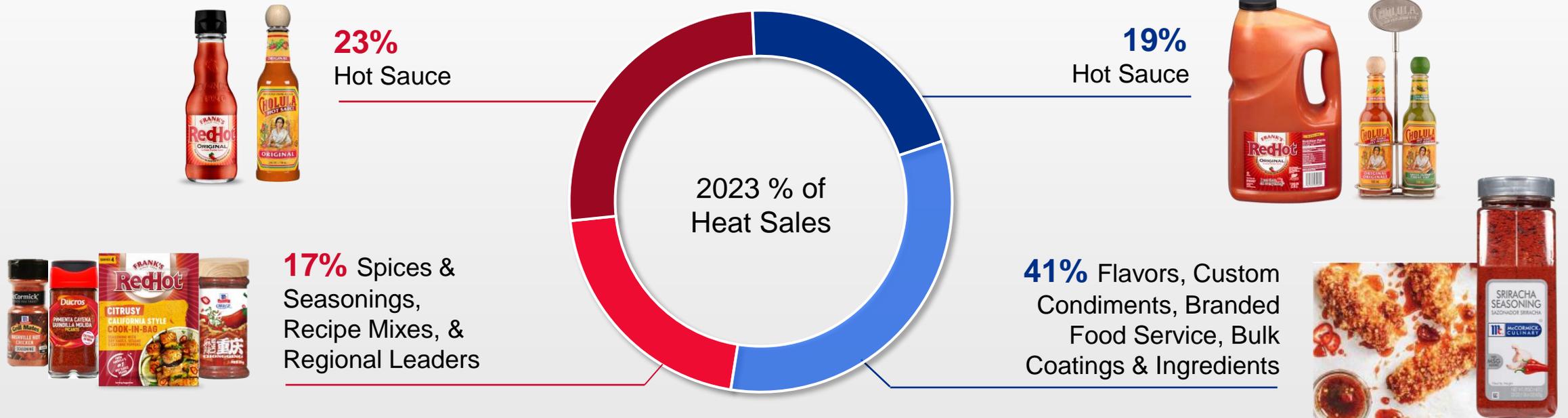
Top 3 fastest-growing
menu flavors are spicy⁴

Our Global Heat Platform Is ~20% of Our Portfolio

Realized Growth of 13% Historical 3-year CAGR

Consumer 40%

Flavor Solutions 60%



Heat is more than just Hot Sauce ... Opportunities to accelerate growth across the portfolio

Positioned to Win in Heat with Differentiated Brands and Capabilities

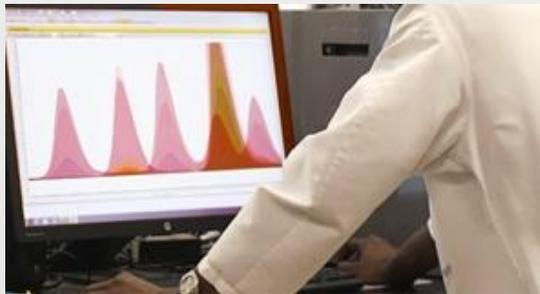
Global Iconic Brands



Unrivaled Consumer Insights



Science & Technology Advantages



Sourcing & Manufacturing Expertise



Building Hot Sauce to Be the Condiment of the Next Generation: Driving Our Undisputed Hot Sauce Leadership

#1 Hot Sauce Company in the World



- #1 Hot Sauce in the World
- #1 in the U.S. & Canada
- ~70% of our Hot Sauce Portfolio
- The Hot Sauce for everything



✓ Driving Category Growth



✓ Accelerating in International Markets



- #1 Mexican Global Hot Sauce
- #2 in the U.S.
- ~30% of our Hot Sauce Portfolio
- The Hot Sauce for Mexican occasions



✓ Fueling Innovation



Creating Excitement and Reaching the Next Generation



Winning the Tabletop and Driving Trial

Launching Frank's New Always Red Packaging



Before

After

- ✓ Solving operators' desire for clean tabletop look
- ✓ Made with 100% Post Consumer Recyclable plastic

Driving Trial Away from Home... and Then At Home

Foodservice



Consumer



- ✓ Drives consumer and operator brand impressions
- ✓ Creates patron demand as leading factor when tabletop brands chosen



Heating Up Restaurant Menus



Driving Growth with Co-Branded Menu Placements



Winning in the Mexican Aisle

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



Expanding Into New Formats in the U.S.



Introducing Hot New Flavors in Seasonings

McCormick's 2023 Flavor of the Year



- ✓ Launched nationally following successful eCommerce pilot
- ✓ Inspired launches for flavor customers

2024 Flavor of the Year Driving Early Results



CNN
McCormick Predicts This Flavor Will Dominate Menus in 2024



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

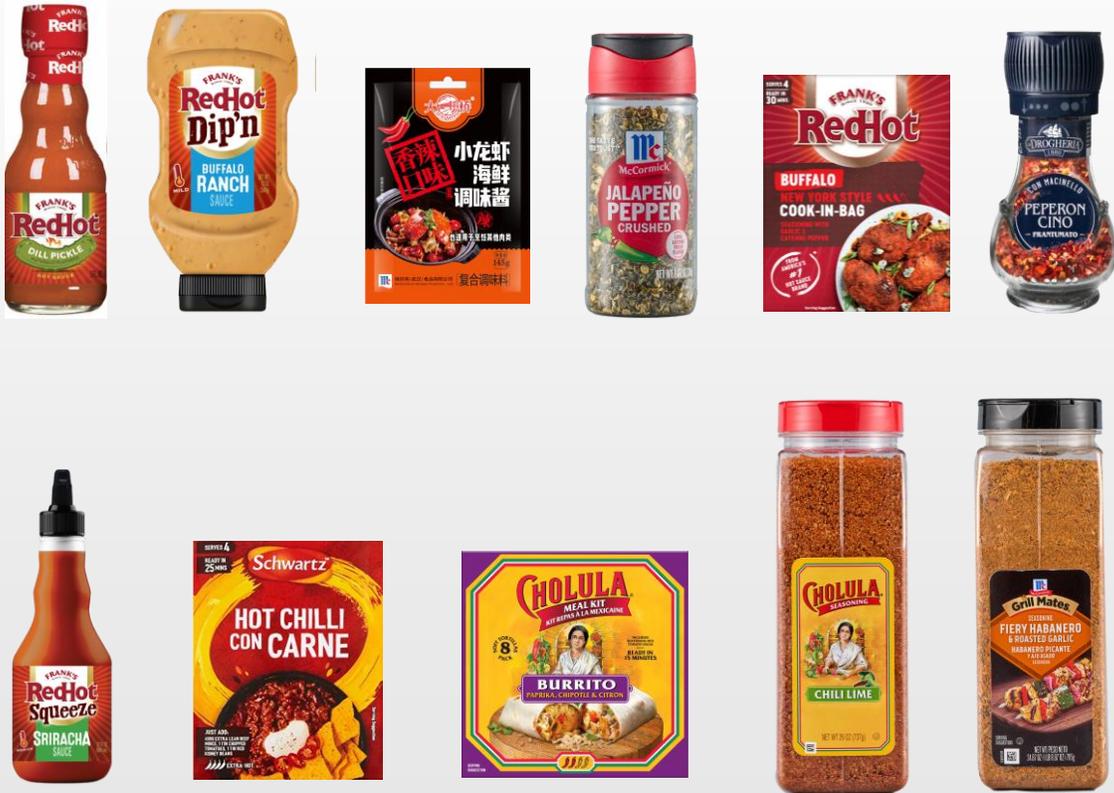
Two iconic brands, two iconic limited-edition specials: **TAMARIND CHILE JAM BURGER** served with Tamarind & Pasilla Chile Fries and **TAMARIND CHILE COCOA CHURRO CRAZYSHAKE®**

[VIEW LOCATIONS](#)



Accelerating Global Heat New Products

Innovating and Renovating Across Our Heat Portfolio



Leveraging the Power of Our Brands and Winning with Our Customers



Over 80% win rate on customer heat briefs in 2023



Continuing strong momentum with ~25% of flavors pipeline hot and spicy



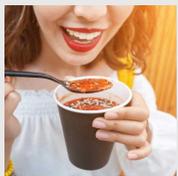
Differentiated Heat Platform Supports Long-term Growth Objectives

HEAT PLATFORM

-  Sustainable trend with high demand
-  Meaningful scale in both segments
-  Uniquely positioned to win

OUR OBJECTIVES

- Advance our global leadership
- Build further scale
- Expand our competitive advantages
- Strengthen our expertise
- Accelerate total growth



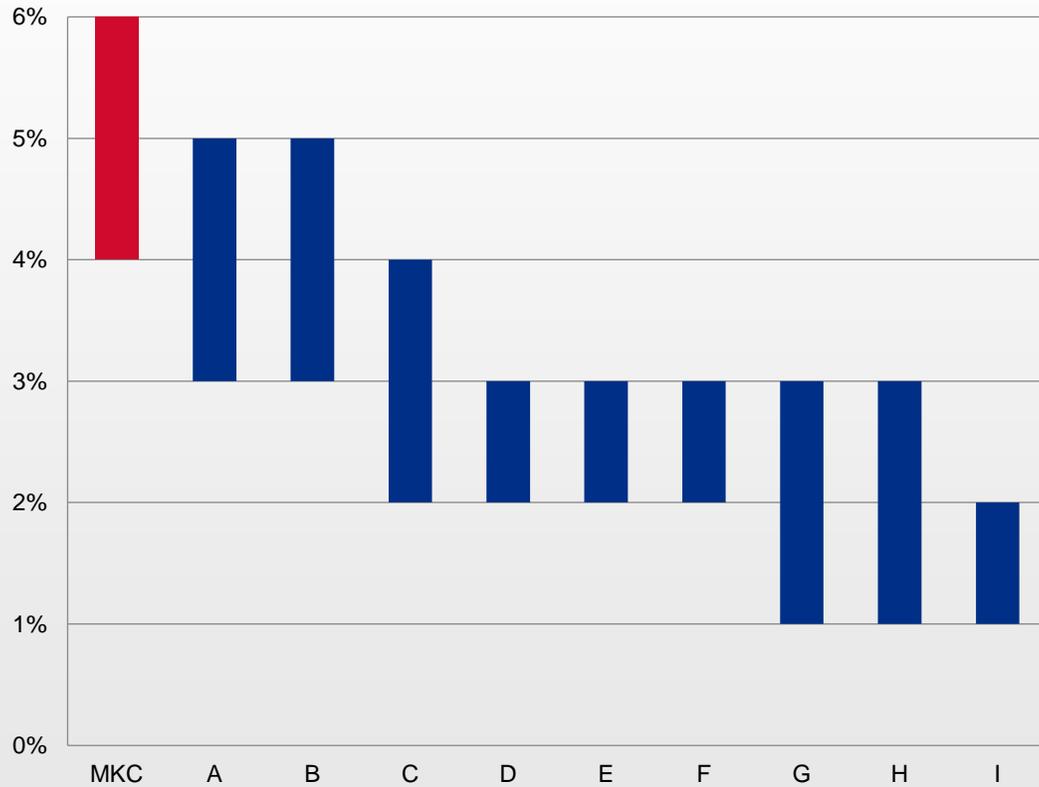
Advancing Our
Leadership and
Differentiation

PERFORMANCE

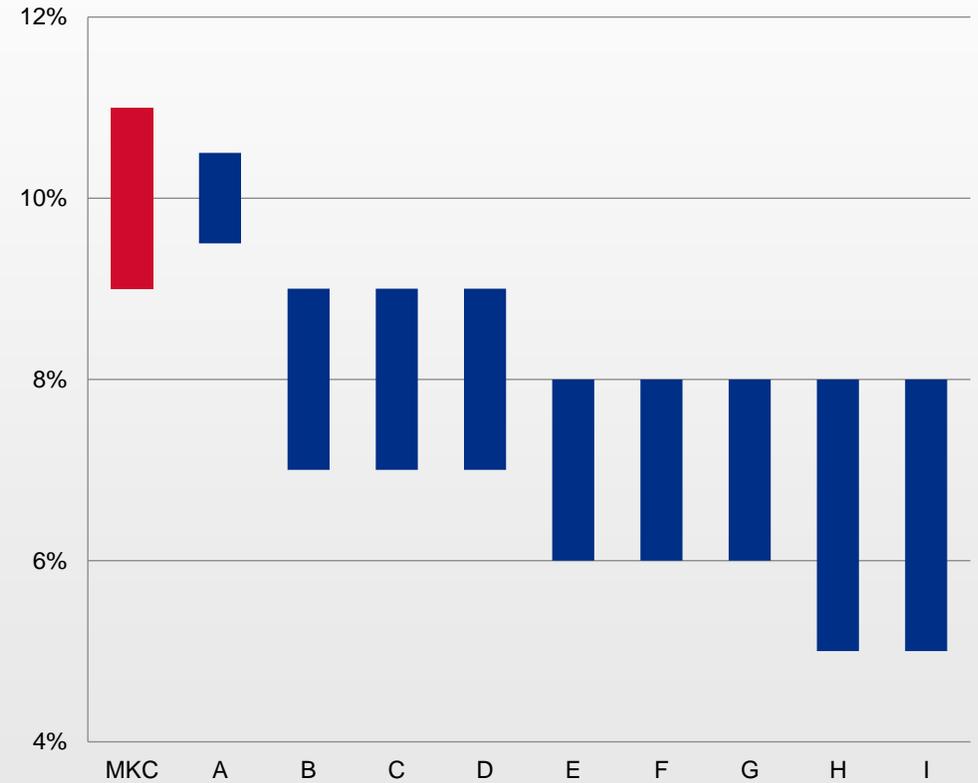


Differentiated Top-Tier Growth Objectives

Long-Term Sales Growth Target



Long-Term Adjusted EPS Growth Target

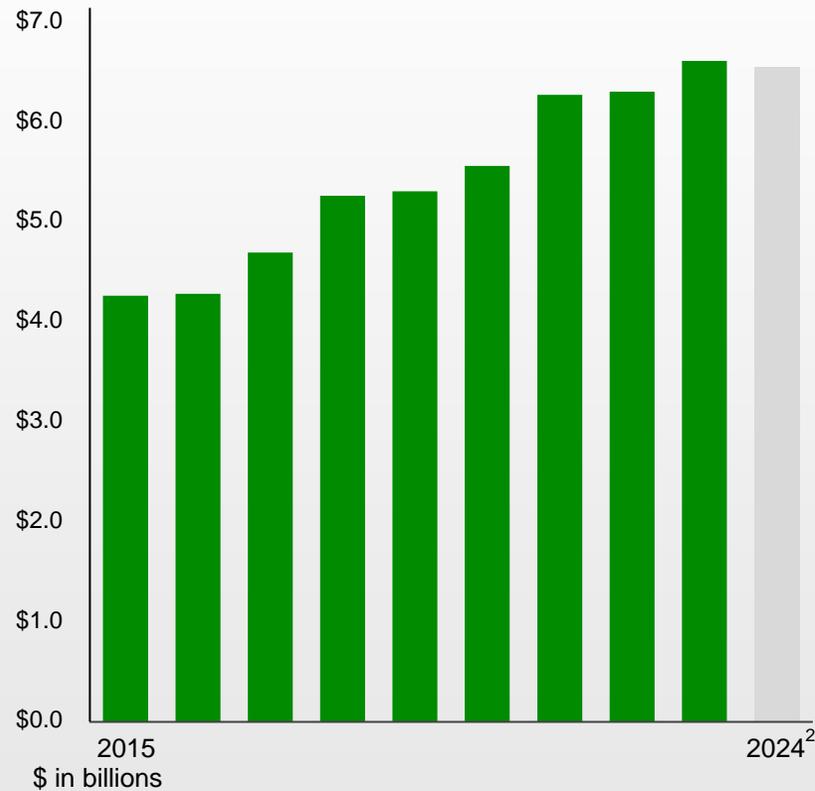


■ MKC ■ Peers¹

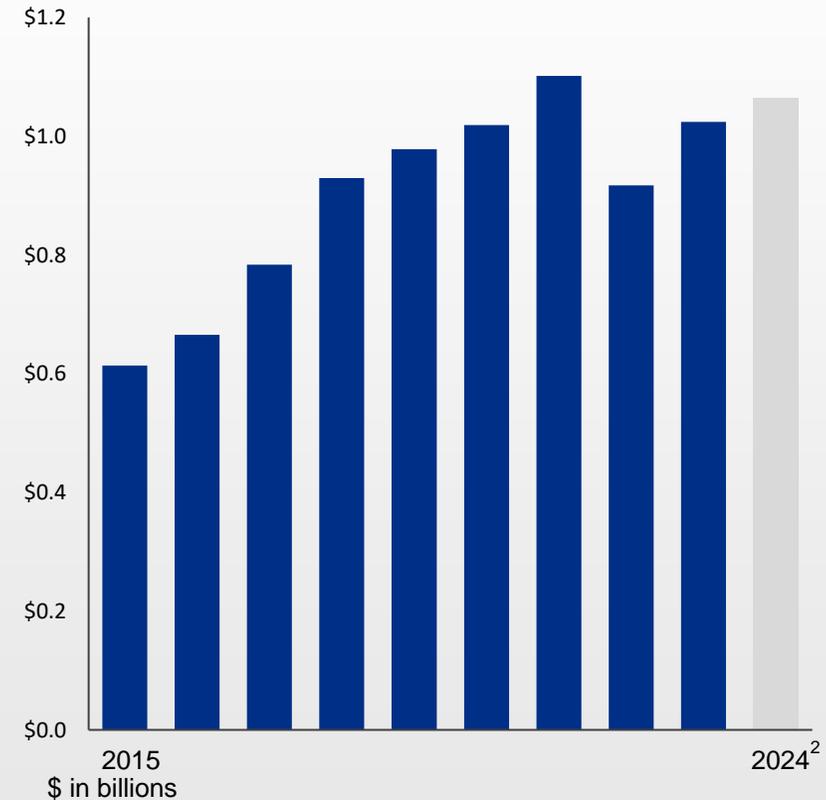


Strong Sales and Operating Income Trajectory

Net Sales¹



Adjusted Operating Income



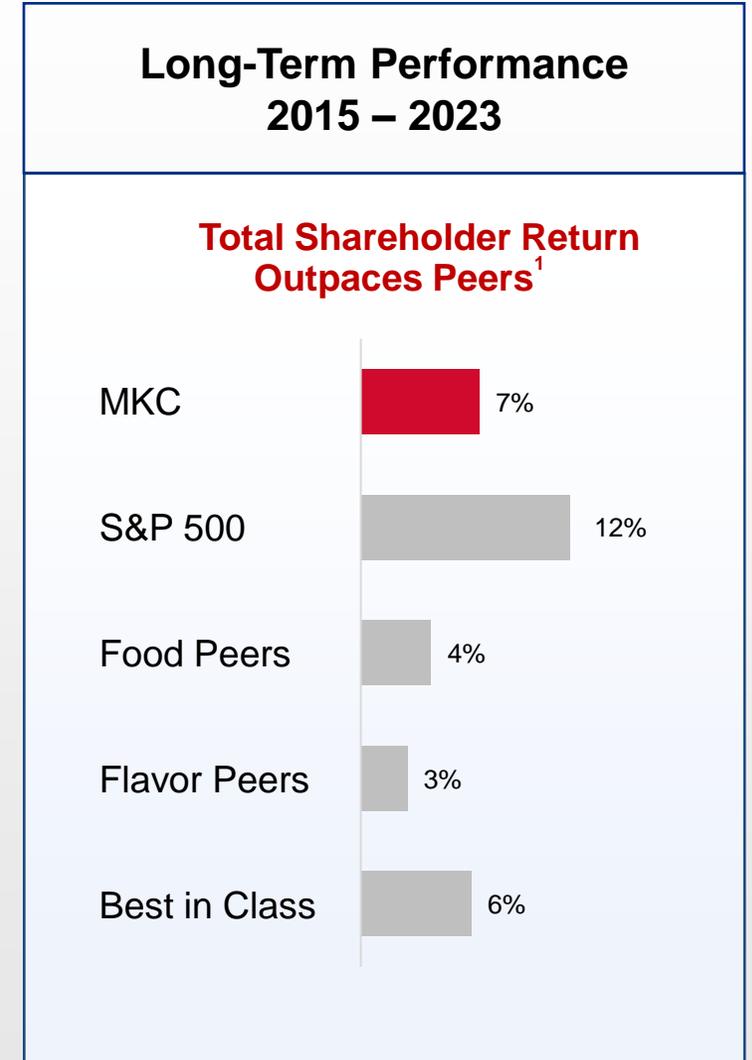
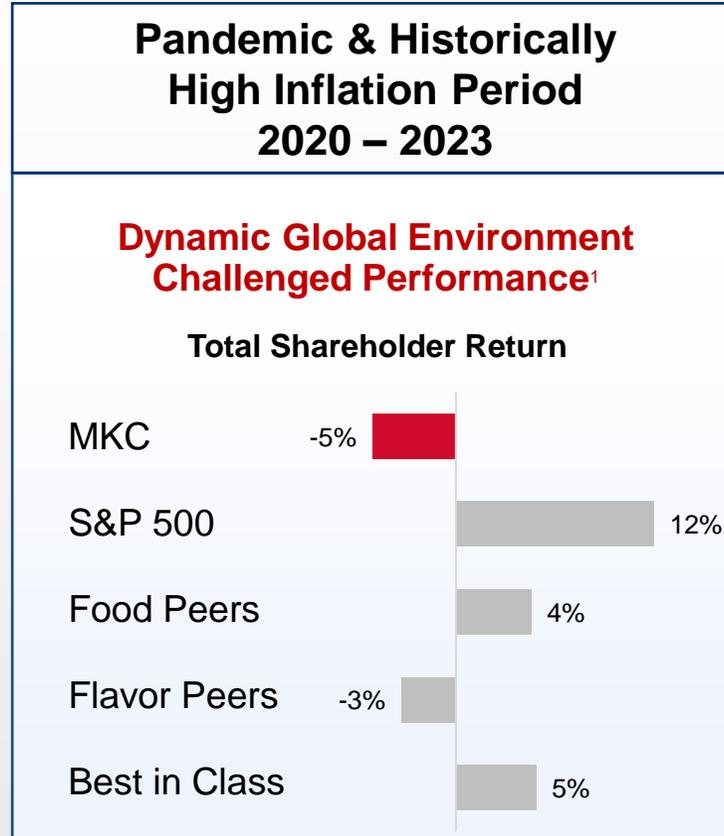
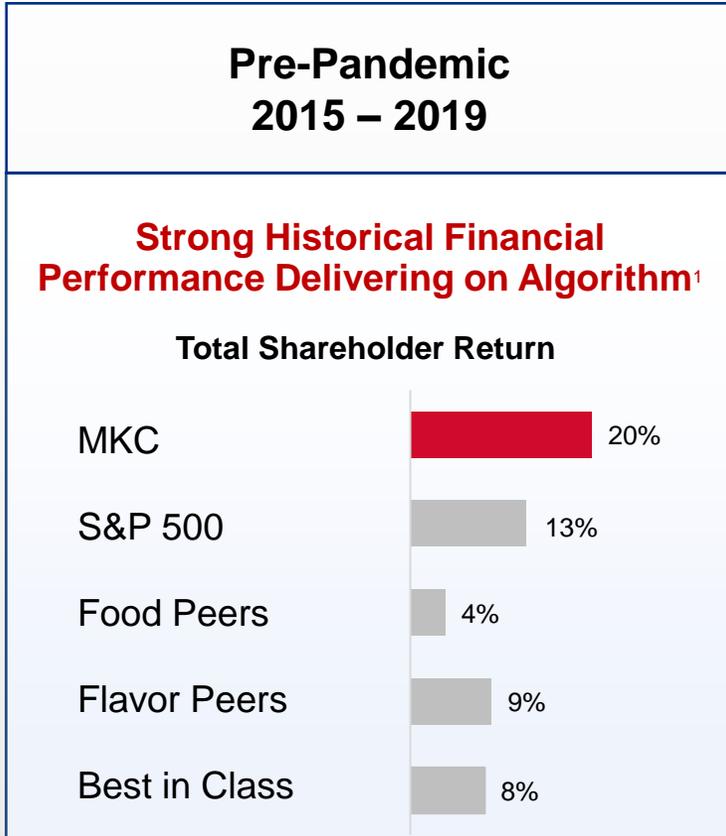
¹ Net sales amounts as reported prior to recast for adoption of Revenue Recognition ASU as recast information not available for 2015. Recast trend expected to be consistent.

² Represents midpoint of 2024 reported guidance

The non-GAAP measures included herein, which we refer to as “adjusted”, exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 70 to 75, including the impact of currency.



Focused on Long-Term Shareholder Value Creation



>95% of Net Income converted to **Free Cash Flow**

Return on Invested Capital **exceeds Cost of Capital by 2x**

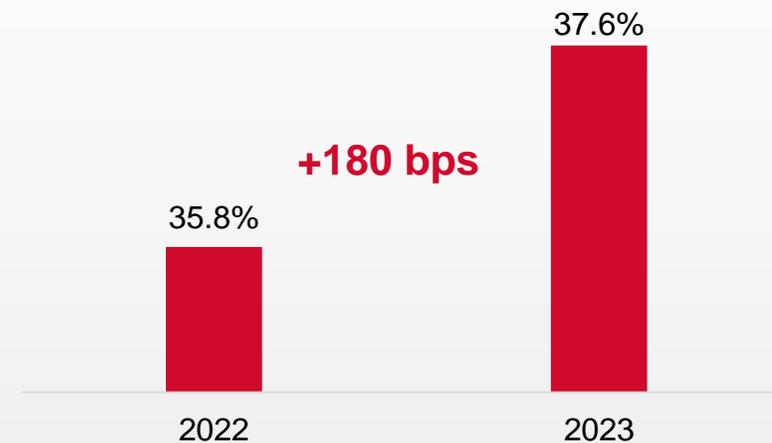
Benefiting From the Virtuous Flywheel of Margin Expansion

Drove Margin Expansion and Generated Fuel for Growth in 2023

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



Gross Margin Expansion

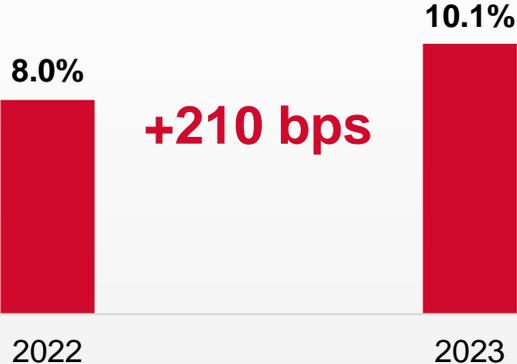


Adjusted Operating Margin Expansion



Committed to Improving Flavor Solutions Operating Margin

2023 Expansion¹



- ✓ Portfolio shift to higher margin products
- ✓ Comprehensive Continuous Improvement (CCI)
- ✓ Global Operating Effectiveness (GOE)
- ✓ Recovery from pricing lagging inflation
- ✓ Portfolio optimization

2024 Expectations

~80 bps
 In-line with
 2024 total MKC
 implied guidance

- ✓ Elimination of dual-running costs

2025 and Beyond

~40 bps
 On average and
 in-line with long-term
 total MKC implied objectives

- ✓ Operating leverage from volume growth

... Including investments to drive further growth and differentiation

¹ Adjusted operating margin
 The non-GAAP measures included herein, which we refer to as "adjusted", exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 70 to 75, including the impact of currency.

Accelerating Investments to Drive Volume Growth

Brand Marketing

- Connecting with consumers and fueling growth
- Supporting new products



Category Management

- Strengthening price pack architecture
- Managing price gaps



**~\$80
Million
in
Incremental
Investments**

Innovation and R&D

- Expanding pipeline of new products
- Increasing research & development bench strength



Digital Transformation

- Enhancing how we serve consumers and customers
- Further leveraging data and insights



Driving Results with a Strong Balance Sheet and Disciplined Capital Allocation

Balanced Use of Cash: Drive Growth, Return to Shareholders and Pay Down Debt

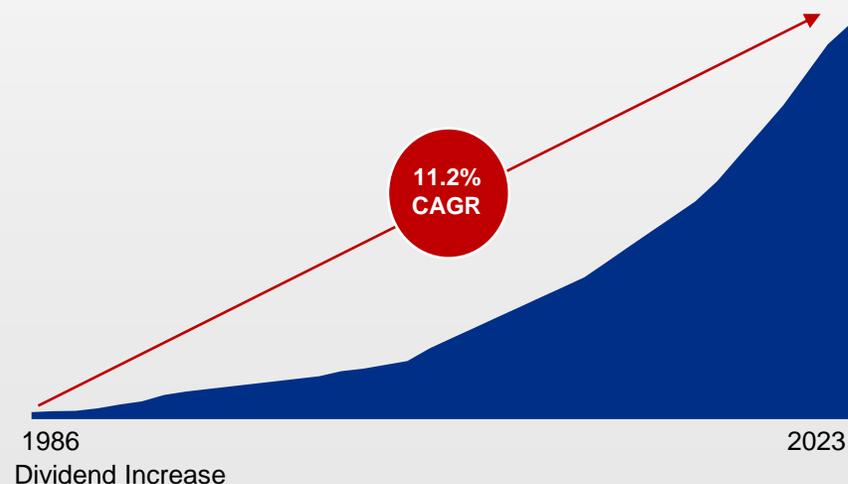
Generating Strong Cash Flow From Operations



Returning Capital to Shareholders Through Dividends

Paid for last **99** years

Increased for **38** consecutive years



Deleveraged Faster Than Expected

Ended 2023 Slightly Above 2024 Target



Making Strategic Capital Investments to Support Growth

Invest in Capacity and Capabilities



Enable Profitable Growth In Core Categories



Accelerate Our Digital Transformation



Optimize Our Speed, Analytics, and Operational Efficiency

Advance Cost-effectiveness Initiatives



Generate Additional Fuel for Growth

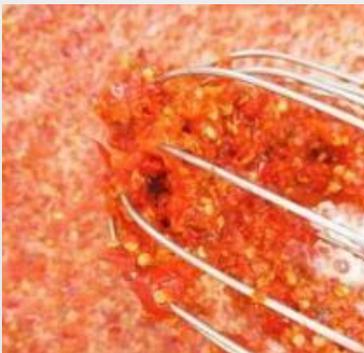
Expanding Heat Capacity and Capabilities to Meet Increasing Demand

Supply Expansion and Resiliency



Continued scale-up from origin pilot to commercialization

Chili Mash Processing



Expand capabilities close to new source

Heat Seasoning and Hot Sauce Manufacturing



Increase seasoning capacity with purpose-built dedicated heat assets



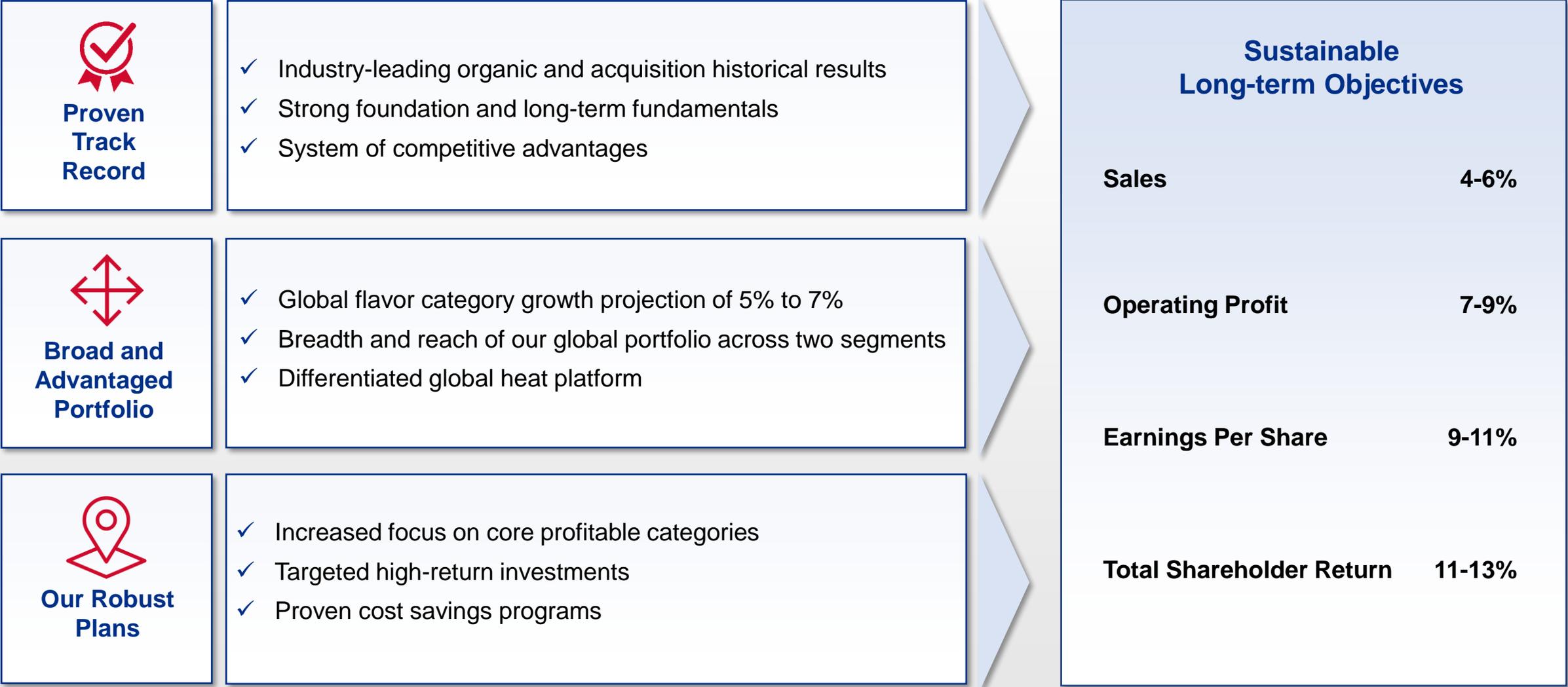
Expand hot sauce capabilities across the network and increase capacity

Reaffirming Our 2024 Outlook

	Reported Currency	Constant Currency
Sales	-2% to 0%	-1% to 1%
Adjusted Operating Income	3% to 5%	4% to 6%
Adjusted Earnings Per Share	\$2.80 to \$2.85	
Adjusted Earnings Per Share Growth	4% to 6%	5% to 7%



Our History, Categories, and Plans Underpin Our Long-Term Objectives



Non-GAAP Financial Measures

Certain disclosures in this presentation and our remarks 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 believe that these non-GAAP financial measures are important. The presentation of information on a constant currency basis, the exclusion of special charges, and transaction and integration expenses provide 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 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 is provided below.

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 can be volatile. 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).



Non-GAAP Financial Measures

The following provides a reconciliation of our operating income to adjusted operating income:

(in millions except per share data)

	Year Ended	
	11/30/2023	11/30/2022
Operating income	\$ 963.0	\$ 863.6
Impact of transaction and integration expenses	-	2.2
Impact of special charges (1)	61.2	51.6
Adjusted operating income	<u>\$ 1,024.2</u>	<u>\$ 917.4</u>
% increase versus year-ago period	11.6%	

The following provides a reconciliation of our operating income margin to adjusted operating income margin by segment:

	Year Ended					
	11/30/2023			11/30/2022		
	Total	Consumer	Flavor Solutions	Total	Consumer	Flavor Solutions
Operating income margin (2)	14.5%	18.4%	9.2%	13.6%	18.3%	6.8%
Impact of transaction and integration expenses and special charges (2)	0.9%	0.9%	0.9%	0.8%	0.6%	1.2%
Adjusted operating income margin (2)	<u>15.4%</u>	<u>19.3%</u>	<u>10.1%</u>	<u>14.4%</u>	<u>18.9%</u>	<u>8.0%</u>

1) Special charges for the year ended November 30, 2022 include a \$10.0 million non-cash intangible asset impairment charge associated with our exit of our business operations in Russia. Special charges for the year ended November 30, 2021 include a \$13.6 million gain associated with the sale of the Kohinoor brand name. We exited our Kohinoor rice product line in India in the fourth quarter of fiscal 2021.

2) Operating income margin, impact of transaction and integration expenses and special charges, and adjusted operating income margin is calculated as operating income, impact of transaction and integration expenses and special charges, and adjusted operating income as a percentage of net sales for each period presented.

Non-GAAP Financial Measures

Because we are a multi-national company, we are subject to variability of our reported U.S. dollar results due to changes in foreign currency exchange rates. Those changes have been volatile over the past several years. The exclusion of the effects of foreign currency exchange, or what we refer to as amounts expressed “on a constant currency basis”, is a non-GAAP measure. We believe that this non-GAAP measure provides additional information that enables enhanced comparison to prior periods excluding the translation effects of changes in rates of foreign currency exchange and provides additional insight into the underlying performance of our operations located outside of the U.S. It should be noted that our presentation herein of amounts and percentage changes on a constant currency basis does not exclude the impact of foreign currency transaction gains and losses (that is, the impact of transactions denominated in other than the local currency of any of our subsidiaries in their local currency reported results).

Percentage changes in sales and adjusted operating income expressed on a constant currency basis are presented excluding the impact of foreign currency exchange. To present this information for historical periods, current period results for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates in effect during the corresponding period of the comparative year, rather than at the actual average exchange rates in effect during the current fiscal year. As a result, the foreign currency impact is equal to the current year results in local currencies multiplied by the change in the average foreign currency exchange rate between the current fiscal period and the corresponding period of the comparative year. Rates of constant currency growth (decline) follow:

	Year Ended November 30, 2023		
	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
Net sales			
Consumer Segment	1.3%	(0.8)%	2.1%
Flavor Solutions Segment	10.1%	(0.2)%	10.3%
Total net sales	4.9%	(0.6)%	5.5%
Adjusted operating income			
Consumer Segment	3.5%	(0.9)%	4.4%
Flavor Solutions Segment	39.7%	1.2%	38.5%
Total adjusted operating income	11.6%	(0.4)%	12.0%

Non-GAAP Financial Measures

To present the compounded annual growth rates (“CAGR”) percentages in sales on a constant currency basis, sales 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 2023 for all periods. The following provides a reconciliation of our actual CAGR and constant currency CAGR for sales:

	For the period from December 1, 2014 to November 30, 2023		
Net Sales	<u>Total</u>	<u>Consumer</u>	<u>Flavor Solutions</u>
CAGR (2015-2023) - Reported	5.6%	4.7%	7.0%
Impact of Foreign Currency Exchange	1.1%	0.9%	1.4%
CAGR (2015-2023) - Constant Currency Basis*	6.7%	5.6%	8.4%
*Includes:			
Growth due to Acquisitions/Divestitures	2.3%	2.1%	2.6%
Organic Growth	4.4%	3.5%	5.8%
CAGR (2015-2023) - Constant Currency Basis	6.7%	5.6%	8.4%



Non-GAAP Financial Measures

We define free cash flow as net cash provided by operating activities less capital expenditures (including expenditures for capitalized software) for a period. Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating the company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, our definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows.

The following table sets forth a reconciliation of Free Cash Flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to Free Cash Flow as well as information regarding our free cash flow as a percentage of net income:

	For the period from December 1, 2014 to November 30, 2023
Net Cash provided by operating activities	\$ 7,589.8
Less: Capital expenditures	(1,836.6)
Free Cash Flow	\$ 5,753.2
Net Income	\$ 5,852.7
Free cash flow as a percentage of net income	98%



Non-GAAP Financial Measures

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

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

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

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