

ACCELERATING GROWTH *for a purpose driven future*

McCormick & Company, Inc.
Deutsche Bank dbAccess
Global Consumer Conference

June 14, 2022



Forward-Looking Information

Certain information contained in this presentation, including statements concerning expected performance, such as those relating to net sales, gross margins, 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 the inflationary cost environment, including commodity, packaging materials and transportation costs on our business; the expected impact of pricing actions on the company's results of operations and gross margins; the expected impact of factors affecting our supply chain, including transportation capacity, labor shortages, and absenteeism; the expected impact of productivity improvements, including those associated with our Comprehensive Continuous Improvement (CCI) program and global enablement initiative; the impact of the Russia-Ukraine conflict, including the potential for broader economic disruption; 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 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; 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, including COVID-19; 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 Russia-Ukraine conflict, 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, 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; risks associated with the phase-out of LIBOR; 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.

McCormick is End-to-End Flavor



**WE ARE DRIVING GROWTH. WE ARE FOCUSED ON THE FUTURE.
WE ARE CONTINUOUSLY ADDING VALUE.**

We are a Different Kind of Flavor Company

CONSUMER
~60%

Leading and iconic flavor brands in ~170 countries and territories

Products at every price point, from premium branded to private label

Digital leadership

Flavoring fresh, inspiring healthy choices

\$6.3B

2021 Net Sales up 13% from 2020



Large and fast-growing emerging markets penetration
~20% of global sales¹

~15,000 raw materials
sourced from over 80 countries

FLAVOR SOLUTIONS
~40%

Tailored solutions for broad range of customer applications

Leader in healthy, clean label, natural and better-for-you solutions

Culinary, real food leadership

Partnering with global and regional customers

No Matter *What, When or Where* You Eat or Drink, You're Likely Enjoying Something Flavored by McCormick

GLOBAL NET SALES BY PRODUCT CATEGORY¹

REACH



Every region

Every channel

At-home & away-from-home

BREADTH



Every format

Every flavor trend

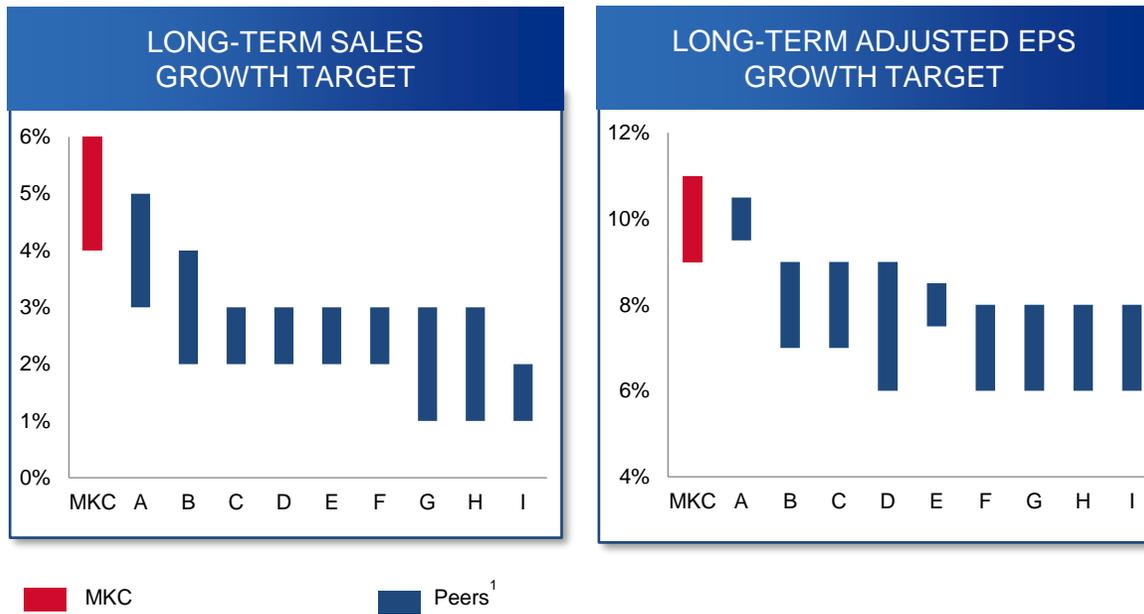
Every occasion



Driving Top-Tier Results and Positively Impacting Society

PURPOSE-LED PERFORMANCE

DIFFERENTIATED BY INDUSTRY-LEADING GROWTH OBJECTIVES



and

DRIVEN TO DO WHAT IS RIGHT FOR PEOPLE, COMMUNITIES AND PLANET



Achieving Top-Tier Business Performance

HISTORY OF MEETING OR EXCEEDING OUR LONG-TERM OBJECTIVES

TOTAL McCORMICK PERFORMANCE¹

	10-YEAR CAGR	5-YEAR CAGR	LONG-TERM OBJECTIVES
Sales growth	7%	8%	4% - 6%
Adjusted operating income growth	8%	11%	7% - 9%
Adjusted EPS growth	9%	10%	9% - 11%

1) 10-Year CAGR, 2011 to 2021, and 5-Year CAGR, 2016-2021, 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 16 to 19, including the impact of constant currency.

Focused on Long-Term Shareholder Value Creation

BALANCED CAPITAL ALLOCATION 5-YEAR CAGR¹ SINCE 2016

BASE BUSINESS INVESTMENTS

5% ORGANIC GROWTH

- New Products
- Brand Marketing
- Category Management
- Supply Chain and Business Transformation

SALES & MARGIN ACCRETIVE ACQUISITIONS

3% GROWTH



CAPITAL RETURNED TO SHAREHOLDERS

DIVIDEND ARISTOCRAT

Paid for last **97** years



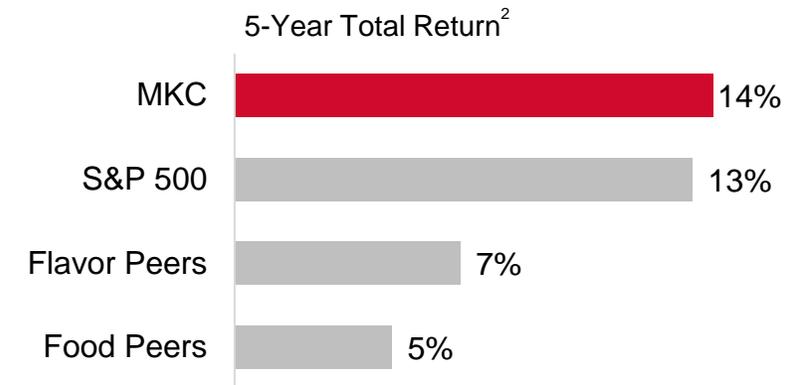
Increased for **36** consecutive years

STRONG BALANCE SHEET

- Commitment to strong investment grade rating
- Target ~3.0x leverage by year end 2022

VALUE CREATION SINCE 2016

Total Shareholder Return 14%



95% of Net Income converted to Free Cash Flow

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

Standing Together for the Future of Flavor

PEOPLE

Impacting Lives Every Day for the Better



Promoting employee health, wellness, and nutrition

Fostering diversity, equity, and inclusion



COMMUNITIES

Partnering With Purpose to Increase Resilience Where We Source

Providing smallholder farm support



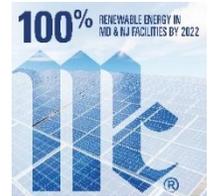
Empowering women farmers in our supply chain with economic opportunities



PLANET

Reducing Our Impact on the Environment

Committed to 1.5°C science-based targets



Advancing our sustainable sourcing standard



Winning With Leadership Through Our Growth Strategies



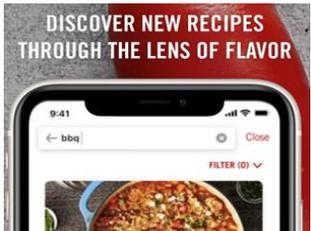
Drive undisputed leadership in herbs, spices & seasonings



Accelerate condiments and **flavors** global platforms



Advance emerging markets & channels and **health & wellness**



Strengthen innovation and consumer and customer **intimacy**

Driving Our Consumer Segment Momentum ... With Purpose

ACCELERATING THE USE OF FLAVOR AT HOME AND DELIVERING THE HEAT



BUILDING CONFIDENCE IN THE KITCHEN AND INSPIRING CONSUMERS



STRENGTHENING RELATIONSHIPS AT EVERY POINT OF PURCHASE



CREATING A DELICIOUS, HEALTHY AND SUSTAINABLE FUTURE



UNDISPUTED FLAVOR LEADERSHIP

Driving Our Global Flavor Solutions Leadership ... With Purpose

ATTRACTIVE CATEGORIES

DIVERSE
PRODUCT
OFFERING



WIDE
RANGE OF
APPLICATIONS



BROAD AND LEADING TECHNOLOGIES

ARTIFICIAL
INTELLIGENCE

ENCAPSULATION



CLEAN &
NATURAL

MODULATION



DIVERSE CUSTOMER BASE

GLOBAL
AND
MID-TIER



REACH ACROSS
ALL CHANNELS
AND MARKETS



BEST-IN-CLASS CUSTOMER EXPERIENCE

RELATIONSHIP-
DRIVEN, AGILE
COLLABORATION



UNMATCHED
360 CONSUMER
INSIGHTS

CULINARY AND CONSUMER INSPIRED FLAVOR DEVELOPMENT

Executing on Our Strategic Roadmap



STRATEGIC IMPERATIVES

Our Purpose: To Stand Together for the Future of Flavor™

Our Vision: A World United by Flavor—where Healthy, Sustainable and Delicious go Hand in Hand™



McCORMICK PRINCIPLES

Passion for Flavor | Power of People | Taste you Trust | Driven to Innovate | Purpose-led Performance

Navigating Through the Current External Environment



CHALLENGING CONDITIONS

Higher cost inflation has persisted

- Inflation at unprecedented levels
- Accelerated pace of cost escalation

Broad-based supply chain challenges

China COVID restrictions

Conflict in Ukraine

Strong U.S. Dollar



MITIGATING ACTIONS

Pricing actions

Revenue management initiatives

Comprehensive Continuous Improvement program (CCI)

Reduction of discretionary spending

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WE ARE CONTINUOUSLY ADDING VALUE.**

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, transaction and integration expenses, the non-recurring benefit of the U.S. Tax Act and income from the sale of unconsolidated operations 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).

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

	Year Ended November 30,	
	2016	2021
Operating income	\$ 649.4	\$ 1,015.1
Impact of transaction and integration expenses included in cost of goods sold	-	6.3
Impact of special charges included in cost of goods sold	0.3	4.7
Impact of other transaction and integration expenses	-	29.0
Impact of other special charges	15.7	46.4
Adjusted operating income	\$ 665.4	\$ 1,101.5

For the year ended November 30, 2011, operating income was equal to adjusted operating income.

Non-GAAP Financial Measures

To present the compounded annual growth rates (“CAGR”) percentages in sales, adjusted operating income and adjusted diluted earnings per share on a constant currency basis, sales, adjusted operating income and adjusted net 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 2022 for all periods. To arrive at adjusted diluted earnings per share on a constant currency basis, adjusted net income is divided by historical shares outstanding for the applicable fiscal year. The following provides a reconciliation of our actual CAGR and constant currency CAGR for sales, adjusted operating income and adjusted diluted earnings per share:

	Total Company	Consumer	Flavor Solutions
10-Year CAGR - Net sales	6%	6%	5%
Impact of foreign currency exchange rates	1%	1%	1%
10-Year CAGR - Net sales on a constant currency basis	<u>7%</u>	<u>7%</u>	<u>6%</u>
10-Year CAGR - Adjusted operating income	7%	6%	10%
Impact of foreign currency exchange rates	1%	1%	0%
10-Year CAGR - Adjusted operating income on a constant currency basis	<u>8%</u>	<u>7%</u>	<u>10%</u>
10-Year CAGR - Adjusted diluted earnings per share	8%		
Impact of foreign currency exchange rates	1%		
10-Year CAGR - Adjusted diluted earnings per share on a constant currency basis	<u>9%</u>		
	Total Company	Consumer	Flavor Solutions
5-Year CAGR - Net sales	8%	8%	8%
Impact of foreign currency exchange rates	0%	0%	0%
5-Year CAGR - Net sales on a constant currency basis	<u>8%</u>	<u>8%</u>	<u>8%</u>
5-Year CAGR - Adjusted operating income	11%	10%	12%
Impact of foreign currency exchange rates	0%	0%	-1%
5-Year CAGR - Adjusted operating income on a constant currency basis	<u>11%</u>	<u>10%</u>	<u>13%</u>
5-Year CAGR - Adjusted diluted earnings per share	10%		
Impact of foreign currency exchange rates	0%		
5-Year CAGR - Adjusted diluted earnings per share on a constant currency basis	<u>10%</u>		

Non-GAAP Financial Measures

The following provides a reconciliation of our Earnings per share - diluted to Adjusted earnings per share - diluted:

	Year Ended November 30,	
	2016	2021
Earnings per share - diluted	\$ 1.85	\$ 2.80
Impact of special charges	0.05	0.16
Impact of special charges related to non-controlling interests	(0.01)	
Impact of transaction and integration expenses	-	0.14
Impact of after-tax gain on sale of unconsolidated operations	-	(0.05)
Adjusted earnings per share - diluted	\$ 1.89	\$ 3.05

For the year ended November 30, 2011, Earnings per share - diluted was equal to Adjusted earnings per share – diluted.



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 five-year period from December 1, 2016 to November 30, 2021:

	For the period from December 1, 2016 to November 30, 2021	
Operating cash flow	\$	4,452.9
Less: Capital expenditures		<u>(1,028.5)</u>
Free cash flow	\$	3,424.4
Net income	\$	3,616.2
Free cash flow as a percentage of net income		95%

