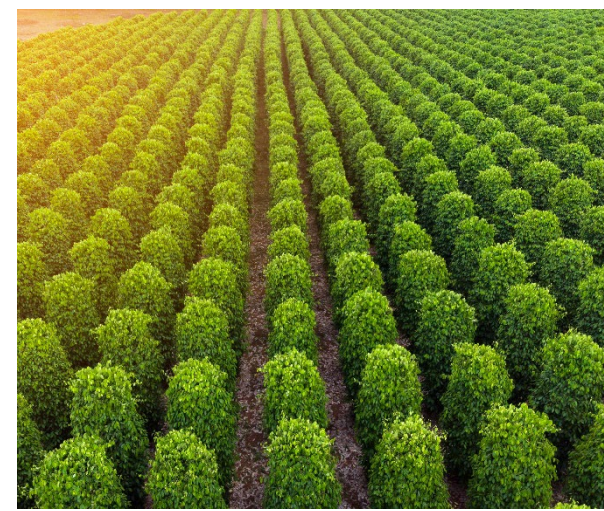




# Flavoring a Better Tomorrow

McCormick & Company, Inc.  
Deutsche Bank Global Consumer Conference

June 9, 2021





# FORWARD-LOOKING INFORMATION

Certain information contained in this presentation, including statements concerning expected performance, such as those relating to net sales, volume and product mix, gross margins, earnings, cost savings, brand marketing support, transaction and integration expenses, special charges, acquisitions, 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 COVID-19 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 preferences 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 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 impact of the exit of the 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, regarding the U.S. Tax Act enacted on December 22, 2017 and volatility in our effective tax rate; climate change; infringement of intellectual property rights, and those of customers; litigation, legal and administrative proceedings; the company's inability to achieve expected and/or needed cost savings or margin improvements; negative employee relations; and other risks described in the company's filings with the Securities and Exchange Commission.

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



McCORMICK & COMPANY  
OUR FOCUS IS GROWTH

We're a *different* kind of flavor company

We're delivering on our objectives

We're building the McCormick of the future



WE'RE A DIFFERENT KIND OF FLAVOR COMPANY

# McCORMICK IS GLOBAL FLAVOR

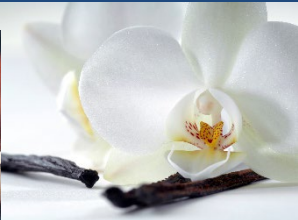
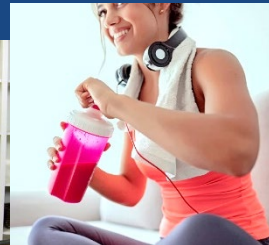
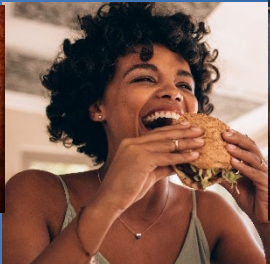
40% Flavor Solutions  
60% Consumer

Broad portfolio reaching  
every region across  
the globe

**\$5.8B**  
2020 Net Sales<sup>1</sup>

Operations and joint  
ventures in **27** countries

Large and fast-growing  
emerging markets  
penetration



Flavor solutions across all  
formats, channels and  
Food & Beverage categories

**~17,000**  
products

Leading and iconic  
flavor brands in  
**~160** countries and  
territories

**~14,000** raw materials  
sourced from over  
**85** countries

Leader in clean  
flavor, heritage in  
natural





WE'RE A DIFFERENT KIND OF FLAVOR COMPANY

# McCORMICK CONSUMER & FLAVOR SOLUTIONS

## CONSUMER

Leading and iconic flavor brands in 160 countries and territories

Category Leadership

Flavoring fresh, inspiring healthy choices

Recognized digital leadership

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

10% of cost and 90% of flavor

## FLAVOR SOLUTIONS

Leader in health, clean label, organic, natural extracts and better-for-you solutions

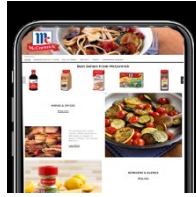
Culinary, real food, leadership

Innovation with deep consumer & trend insight

Customer intimacy leadership

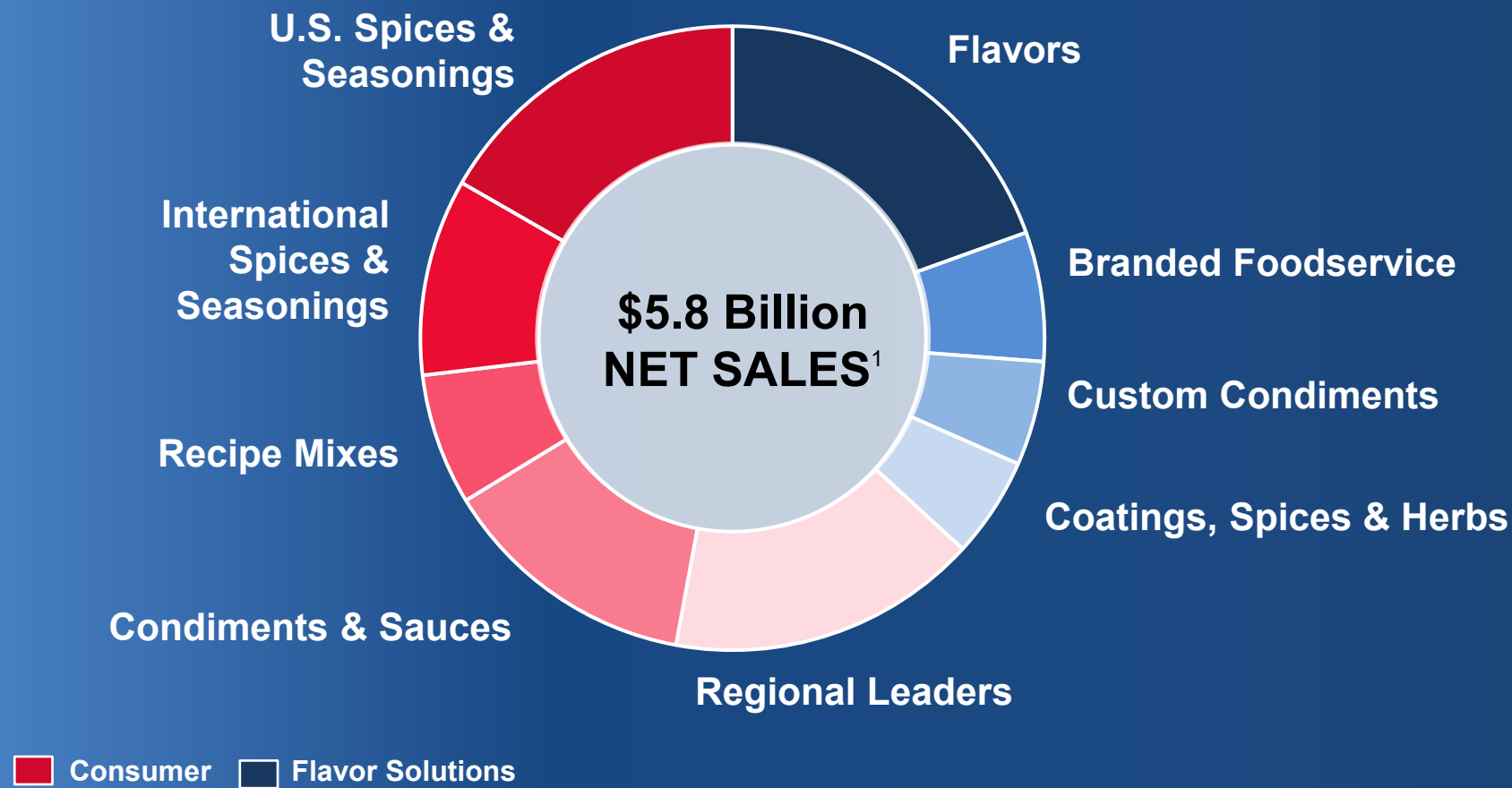
Partner with top 10 packaged food & beverage companies and top 10 foodservice restaurant chains

Application science, quality & regulatory leadership



WE'RE A DIFFERENT KIND OF FLAVOR COMPANY

# BROAD AND ADVANTAGED GLOBAL FLAVOR PORTFOLIO



McCormick is differentiated by our breadth and reach ... which creates an advantaged and balanced portfolio that drives consistency in performance

WE'RE A DIFFERENT KIND OF FLAVOR COMPANY

NO MATTER *WHERE, WHAT OR WHEN* YOU EAT OR DRINK, YOU'RE LIKELY ENJOYING SOMETHING FLAVORED BY McCORMICK...

## BROAD RANGE OF CONSUMER FORMATS



## BROAD RANGE OF CUSTOMER APPLICATIONS



Beverages



Bakery /  
Confectionary



Snacks



Savory

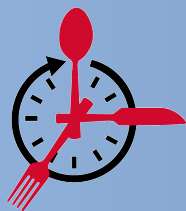


Dairy



Health

## 24/7 IN- AND AWAY-FROM-HOME



Breakfast  
Lunch  
Dinner  
Snacks  
Beverage



## FLAVOR SOLUTIONS FOR EVERY TREND

Every cuisine and clean label, organic, natural extracts, performance nutrition, health, better-for-you and indulgence



 Flavor  
Forecast

# WE'RE SUSTAINABLY POSITIONED FOR GROWTH

## FLAVOR IS AN ADVANTAGED GLOBAL CATEGORY

### MKC GROWTH OUTPACED OTHER FOOD PEER GROWTH

#### U.S. Consumption Growth<sup>1</sup>



52 Weeks  
Ending 2.28.21

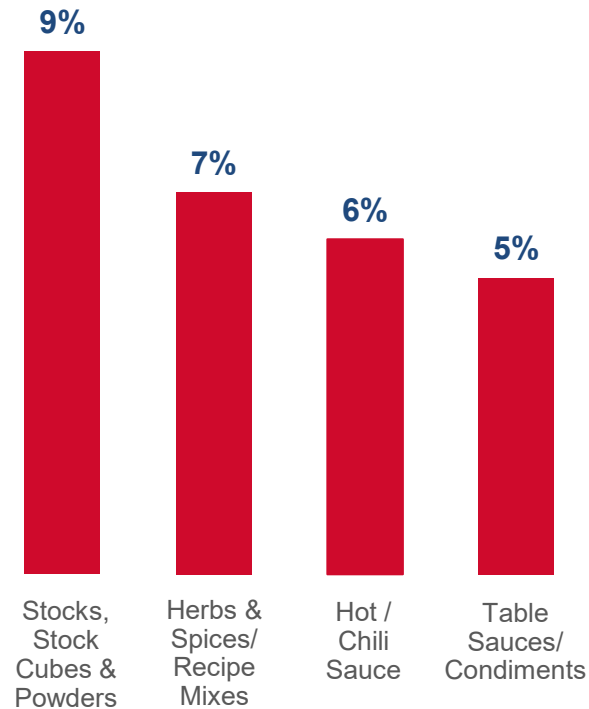


8 Weeks Ending  
5.2.21 vs 2 Years Ago

▨ Other Food Peer Growth ■ MKC

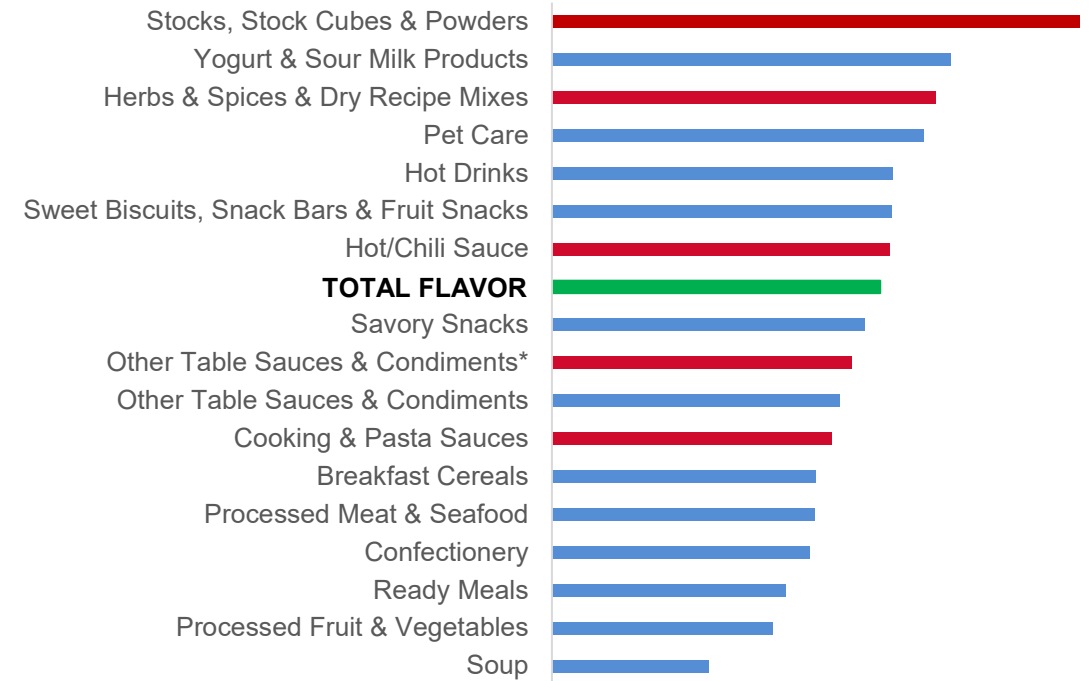
### 6% PROJECTED GLOBAL FLAVOR GROWTH DRIVEN BY MKC TOP CATEGORIES

#### 3-year Future CAGR<sup>2</sup>



### FLAVOR CATEGORIES PROJECTED TO CONTINUE OUTPACING OTHER FOOD CATEGORIES

#### 3-year Future CAGR<sup>2</sup>



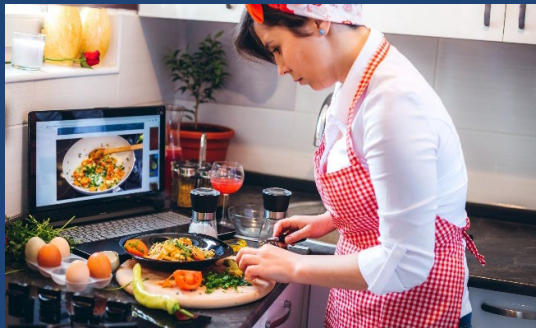
\* Contains MKC categories



# 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 indexing<sup>5</sup>



At-Home meal occasions exceeded Away-from-Home meal occasions by **4X** pre-pandemic<sup>6</sup>



~**1/2** of U.K. and French consumers **prefer sustainably sourced** ingredients<sup>1</sup>

**Gen Z** likes **bold, spicy** flavors more than previous generations<sup>7</sup>



**>50%** of global consumers **choose spicy** flavors<sup>8</sup>

**>60%** U.K. and French consumers like **exploring** and discovering new flavors<sup>1</sup>



U.S. consumers seeking flavor experimentation has grown **71%...** with Millennials indexing higher than all adults<sup>4</sup>

~**60%** of China, U.K. and French consumers are focused on **healthy eating** ...with an increased focus on high quality and natural products<sup>1,2</sup>



~**70%** of U.S., U.K. and French consumers feel **home cooked** food is **healthier**<sup>3,4</sup>



Nearly **1 in 3** global consumers have ordered **groceries** through **e-commerce more** in the past 3 months<sup>2</sup>

# CONSUMER SENTIMENT AND BEHAVIOR DRIVING AT HOME CONSUMPTION

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

**68%** of U.S. consumers say they are **cooking more today** than pre-pandemic<sup>1</sup>

**78%** of U.S. consumers plan to maintain or increase level of **cooking at home** versus today ... even if life was "normal" **next week**<sup>1</sup>

Millennials over index

**~50%** of U.S., U.K. and French consumers enjoy cooking from scratch<sup>3</sup>

**+55%** of U.S. consumers state cooking reduces stress, and connects the family<sup>1</sup>



**40% - 50%** of U.S. consumers indicate they are cooking more to explore new recipes, tools, ingredients, or cooking methods<sup>1,2</sup>

Consumer investments in small appliances increased **+31%** ... air fryers **+73%**<sup>7</sup>



## Finding Your Inner Chef

**65%** of U.S., U.K. and French consumers feel creative and adventurous when cooking<sup>1</sup>

Consumers recreating restaurant meals at home is growing<sup>1</sup>

## Dining Out ... At Home

**80%** of restaurant meals eaten off premise<sup>8</sup>

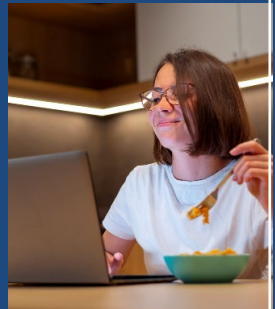


**~ 70% - 75%** of consumers are adding spices, sauces or condiments at home to take-out or delivery meals<sup>4</sup>

## Lunch Is The New Meal

### Hybrid workplace

models around the world will be more common post pandemic<sup>5</sup>

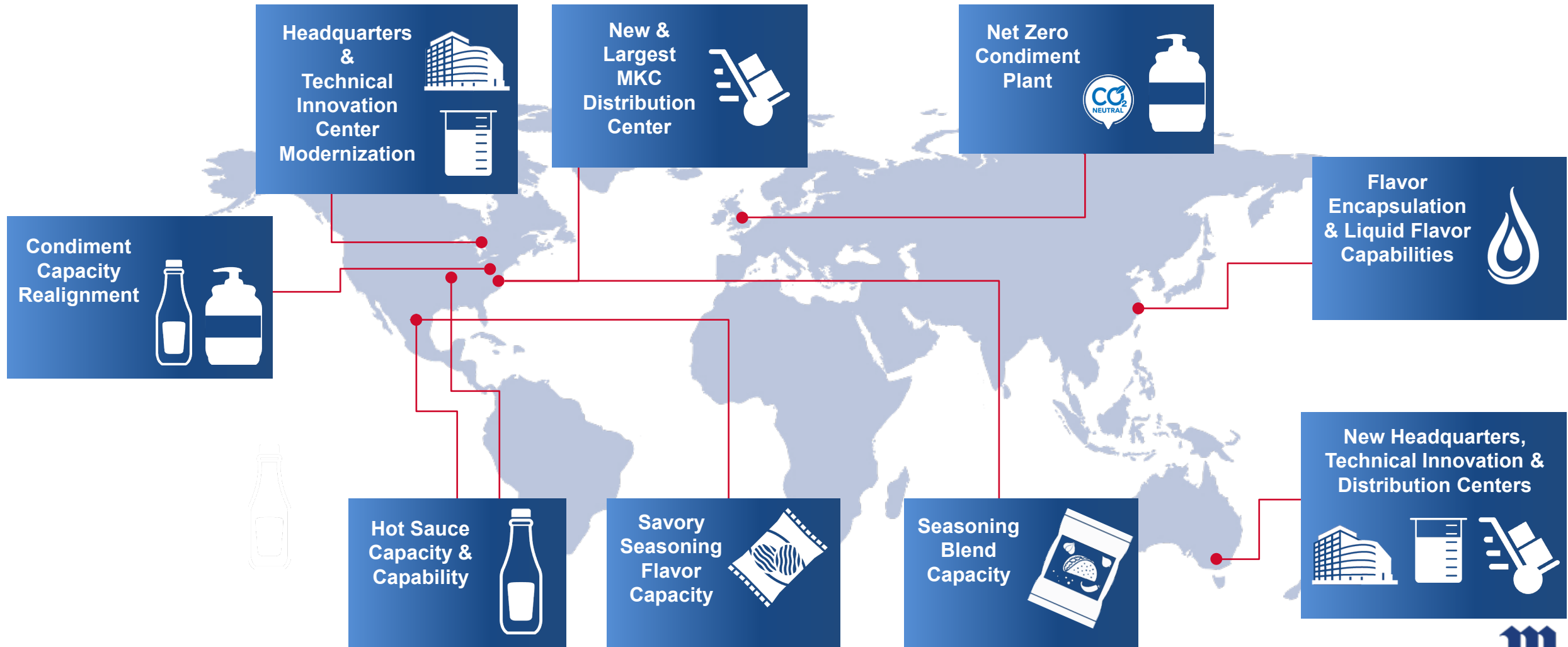


Research indicates up to **30%** more at-home lunch occasions<sup>6</sup>

WE'RE INVESTING FOR THE FUTURE

# MAKING TRANSFORMATIVE INVESTMENTS

INCREASING OUR CAPACITY, EXPANDING OUR CAPABILITIES & MODERNIZING OUR WORKPLACES





WE'RE A DIFFERENT KIND OF FLAVOR COMPANY

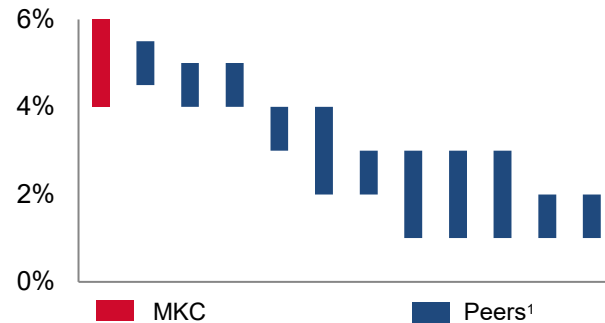
# ACHIEVING TOP TIER BUSINESS PERFORMANCE



## DIFFERENTIATED LONG-TERM OBJECTIVES

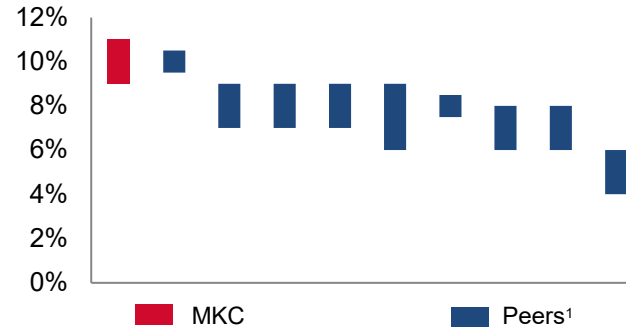
Net Sales Growth Target

**4-6%**



Adjusted EPS Growth Target

**9-11%**



## DELIVERING ON OBJECTIVES

5-Year CAGR Performance since 2015

**7%**

Net Sales<sup>2</sup>

**11%**

Adjusted  
Operating Income<sup>2</sup>

**10%**

Adjusted EPS

## GENERATING FUEL FOR GROWTH



Performance since 2015

**12%**

5-Year CAGR  
Cash Flow from Operations

**+390 bps**

Adjusted Operating Margin  
Expansion

**>\$570M**

Cumulative Cost Savings  
Achieved

## DIVIDEND ARISTOCRAT

Paid for last **96** Years



Increased for **35** Consecutive Years

## PURPOSE-LED PERFORMANCE

# STANDING TOGETHER FOR THE FUTURE OF FLAVOR

## PLANET

### Reducing Our Impact on the Environment



**Sustainably sourcing** iconic spices and herbs



### Reducing packaging footprint



ELLEN MACARTHUR FOUNDATION



Executing **renewable energy** initiatives

## COMMUNITIES

### Improving Livelihoods and Increasing Resilience Where We Source



Increasing:

- Skills
- Income
- Education
- Technology
- Healthcare



Providing **smallholder farm support**

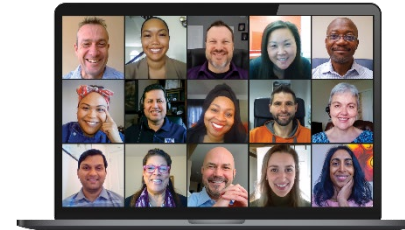


USAID



## PEOPLE

### Championing Diversity, Inclusion and Equality



Creating **ethical, safe, and supportive** workplaces where our employees thrive

Implementing integrated global approach to **gender equality & women's economic empowerment**



World's **#1 most sustainable** corporation in packaged and processed foods and ingredients and **6th overall**







# DRIVING OUR CONSUMER LEADERSHIP



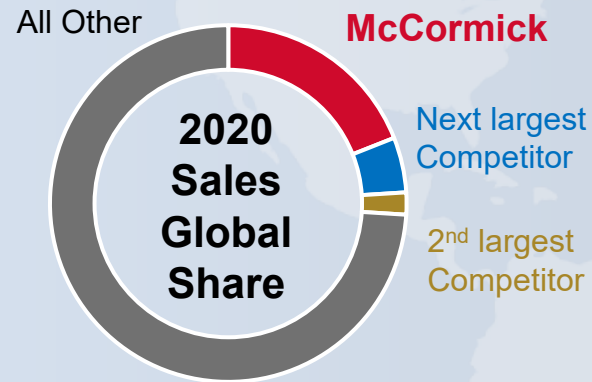


WE'RE INVESTING FOR THE FUTURE

# DRIVING UNDISPUTED BRANDED LEADERSHIP IN OUR KEY CATEGORIES

## SPICES & SEASONINGS

**#1** GLOBAL CATEGORY LEADER  
WITH **20%** SHARE



## RECIPE MIXES

**#1** CATEGORY SHARE LEADER  
Across Key Markets

U.S.



U.K.

China



Canada

## CONDIMENTS

**#1** CATEGORY SHARE LEADER  
Across Our Portfolio

Americas #1  
Hot Sauce



Americas #1  
Mexican Hot  
Sauce

#1 Mayonnaise



Mexico

#1 Mustard



Mexico



U.S. & Canada



Poland

DRIVING GLOBAL LEADERSHIP

✓ Strong brand equity

✓ Category management

✓ New products

WE'RE INVESTING FOR THE FUTURE

# ACCELERATING OUR GLOBAL CONDIMENTS PLATFORM WITH

## STRATEGIC RATIONALE

### REINFORCING OUR GROWTH FOCUS AND DRIVING VALUE



Increases product breadth and consumer reach



Leverages operational expertise and infrastructure



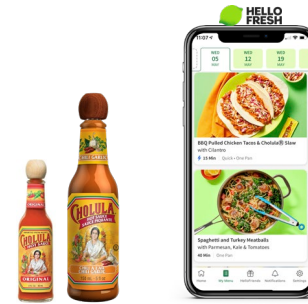
Expands foodservice distribution and penetration



## OPPORTUNITIES UNDERWAY

### 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



#### NEW Cholula® Hot & Sweet Chicken Bowl or Burrito

Enjoy some sweet heat with our new Cholula® Hot & Sweet Chicken made with Cholula® Original Hot Sauce and real honey paired with pico de gallo, cilantro lime rice, black beans, sour cream, & cotija cheese. [Cal 560 - 870]  
If you want additional ingredients or substitutions, please order from the "Create Your Own" menu.  
\$8.95



# WE'RE SUSTAINABLY POSITIONED FOR GROWTH

## FUELING OUR GROWTH AND STRENGTHENING OUR LEADERSHIP

### CAPITALIZING ON HEALTH AND WELLNESS

#### ORGANIC Brand Leader



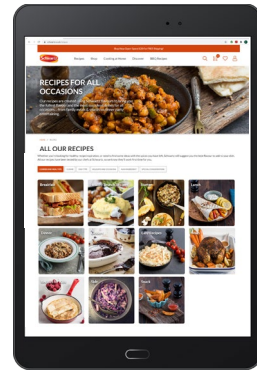
**ZERO**  
Calories,  
Fat, Sugar  
and Salt



**DIETARY GUIDELINES**  
for Americans



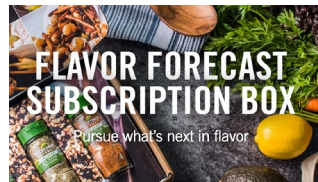
### MAKING E-COMMERCE INVESTMENTS



CONTENT



RETAILER  
SEARCH



DEDICATED  
INNOVATION

### STRENGTHENING CONSUMER CONNECTIONS

BRAND  
MARKETING



DIGITAL CONSUMER  
ENGAGEMENT AND LEADERSHIP



**L2**

**#1 DIGITAL**  
Genius ranking  
across U.S food  
brands

### LAUNCHING ON TREND INNOVATION

#### A GLOBAL HEAT PLATFORM



U.S. Frozen  
Buffalo Dip



China  
Chili Paste



U.K. Habanero  
Chillies



U.K. Roasted  
Jalapeno





# DRIVING OUR FLAVOR SOLUTIONS LEADERSHIP



WE'RE SUSTAINABLY POSITIONED FOR GROWTH

# DELIVERING TOP LINE GROWTH AND MIGRATING THE PORTFOLIO

## GLOBAL PORTFOLIO SHIFT STRATEGY

### SHIFTING TO MORE VALUE-ADD<sup>1</sup>



## FOCUS ON HIGH GROWTH AREAS

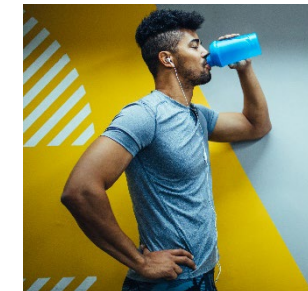
### 5-YEAR SALES CAGR<sup>2</sup>

Net Sales **+6%**

Fast growing categories

Global expansion

Mid-tier customers





WE'RE INVESTING FOR THE FUTURE

# ACCELERATING OUR GLOBAL FLAVORS PLATFORM WITH

## STRATEGIC RATIONALE

### REINFORCING OUR FOCUS ON GROWTH AND DRIVING SHAREHOLDER VALUE



Broadens product offering and accelerates flavor growth



Expanded capabilities and technology platform



Strengthened clean and natural leadership

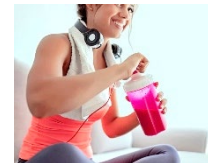


Enhanced customer intimacy and partnerships



## OPPORTUNITIES UNDERWAY

### 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



WE'RE A DIFFERENT KIND OF FLAVOR COMPANY

# WINNING THROUGH CUSTOMER COLLABORATION

BEST-IN-CLASS CUSTOMER EXPERIENCE

DIFFERENTIATED CUSTOMER ENGAGEMENT



**Talent**

Functional Expert  
to  
Functional Expert



**Culinary Focus**

Food &  
Beverage



**Consumer  
Insights**

Consumer &  
Culinary Trends  
Consumer Preferred  
Flavor Profiles



**Technology  
Platform**

Clean & Natural  
Flavor, Modulation  
& Flavor Delivery



**Artificial  
Intelligence**

Agile Product  
Development



**Applications &  
Applied Science**

Food Science &  
Flavor  
Technology  
Food & Beverage  
Model Systems

HIGH TECH, HIGH  
TOUCH APPROACH



SPEED OF SERVICE

OUR FOCUS IS GROWTH

# BUILDING THE McCORMICK OF THE FUTURE

We're  
investing for  
the future



GLOBALLY-OPTIMIZED



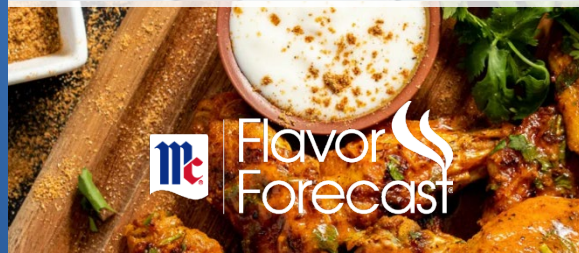
INSIGHT-DRIVEN



SCIENCE-EMPOWERED



TECHNOLOGY-ENABLED



FORWARD-FOCUSED



SUSTAINABLY-DRIVEN

We're  
sustainably  
positioned  
for growth

# 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, and the non-recurring benefit of the U.S. Tax Act 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 to the related GAAP financial measures is provided in the Appendix to this presentation.

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. To present the compounded annual growth rates ("CAGR") percentages in sales and adjusted operating income on a constant currency basis, 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 for all periods. The following provides a reconciliation of our actual CAGR and constant currency CAGR through 2020 follows:

5-Year CAGR - Net sales	6%
Impact of foreign currency exchange rates	<u>1%</u>
5-Year CAGR - Net sales on a constant currency basis	<u><u>7%</u></u>

5-Year CAGR - Adjusted operating income	10%
Impact of foreign currency exchange rates	<u>1%</u>
5-Year CAGR - Adjusted operating income on a constant currency basis	<u><u>11%</u></u>