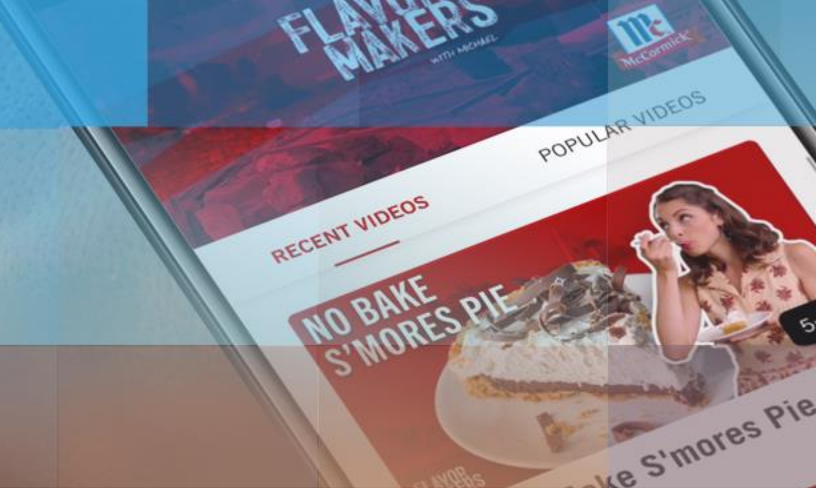


McCormick & Company, Inc.

3rd Quarter 2020 Financial Results

September 29, 2020

BUILDING THE McCORMICK OF THE FUTURE

The following slides accompany a September 29th, 2020, earnings release conference call. This information should be read in conjunction with the press release issued on that date.

FORWARD-LOOKING INFORMATION

Certain information contained in this release, including statements concerning expected performance, such as those relating to net sales, volume and product mix, gross margins, earnings, cost savings, brand marketing support, 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 acquisition of RB Foods; the expected impact of 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 expected impact of the U.S. Tax Act enacted in December 2017; the expectations of pension and postretirement plan contributions and anticipated charges associated with such 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 acquisition of RB Foods; global economic and financial conditions generally, including the impact of the exit of the U.K. from the European Union (Brexit), 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 RB Foods acquisition 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.

LAWRENCE KURZIUS

CURRENT CONDITIONS

CONSUMER

- **Strong sustained** global consumer **demand** reflects trend of **consumers eating more at home**
- **Behavior has persisted** long enough to be **a habit**
- Proprietary survey data indicates consumers are:
  - **Cooking more from scratch**
  - **Enjoying** the cooking **experience**
  - **Adding flavor** to meal occasions
- **Increased** and **sustained preference** for cooking at home **expected to continue globally**

FLAVOR SOLUTIONS

- **Quick service restaurant** customers showing **strong signs of recovery**
- **Rest of foodservice recovering at a slower pace** and varies by channel and market
- **Packaged food customers demand** is returning to **pre-COVID levels**
- Total **flavor solutions** business **gradually rebounding** but **not to 2019 level**

CONFIDENT IN OUR CAPABILITIES TO PERFORM

GLOBAL SUPPLY CHAIN

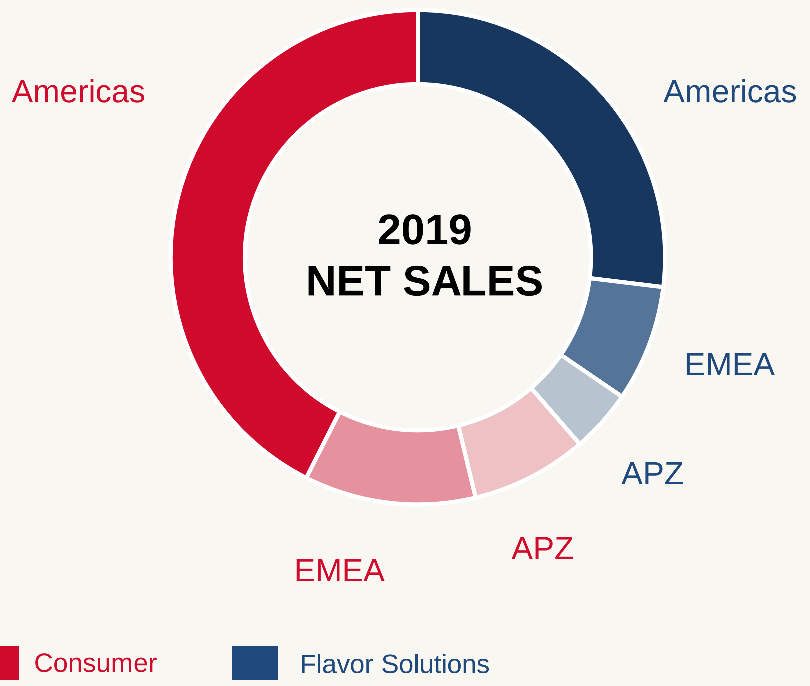
- **Sustained high level** of **demand challenged U.S. manufacturing** operations
  - Service stressed in some areas
  - Inventory replenishment to take time
- **EMEA** and **APZ well-positioned** to **meet demand** due to capacity and capabilities previously built
- **U.S. capacity addition** rapidly **scaling up** with **end of year targeted completion** by end of the year
- **Supply chain resiliency strengthened for future growth**

POSITIVE FUNDAMENTALS

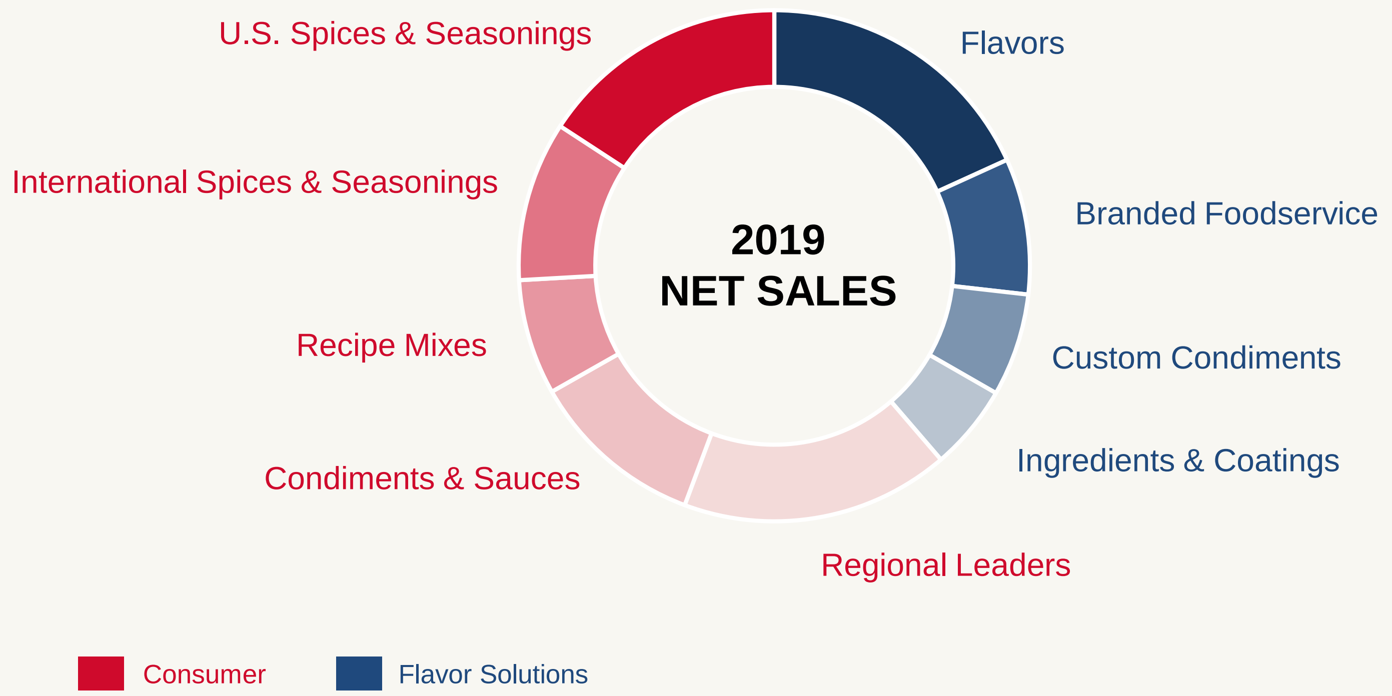
- **Executing from a position of strength** through a period of volatility
- **Well prepared** through **investments made, capabilities built** and our **strong business model**
- **Emerge stronger from this crisis by:**
  - Driving our **long-term strategies**
  - **Responding** to changing **consumer behavior**
  - **Capitalizing on opportunities** from our relative strength

GLOBAL FOOTPRINT & PORTFOLIO

GLOBAL FOOTPRINT



BROAD & ADVANTAGED GLOBAL FLAVOR PORTFOLIO[1]



2019 ESTIMATED AT HOME / AWAY FROM HOME CONSUMPTION[1]

	AMERICAS	EMEA	APZ	TOTAL MKC
At Home	~85%	~80%	~40%	~80%
Away From Home	~15%	~20%	~60%	~20%

1) Approximation of category sizes

THIRD QUARTER 2020 FINANCIAL RESULTS

GREW NET SALES 9%*

- Higher volume and product mix in consumer segment
- Partial offset from low single digit decline in flavor solutions segment

GREW ADJUSTED OPERATING INCOME 6%*

- Higher sales, favorable mix and CCI-led cost savings
- Partially offset by higher costs, including COVID-19 related costs

GREW ADJUSTED EARNINGS PER SHARE 5% TO $1.53

- Strong operating performance

* 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 31 to 36, including the impact of constant currency.

CONSUMER SEGMENT UPDATE – AMERICAS

AMERICAS

- U.S. Branded portfolio consumption growth **28%**
- **Double-digit growth** in all key categories
- Growth **2.5X center of store** rate
- **Share gains** in **7 of 11** categories
- **8%** increase in **household penetration**
- **Repeat buyers rate** increased **7%**
- High level of **effective brand marketing** investments

CONSUMER SEGMENT UPDATE – EMEA & APZ

EMEA

- **Broad based consumption growth** across the region
- **Share gains in key categories**
- **Double digit household penetration and repeat buyer rate increases** in key markets and categories
- **Strong brand marketing & digital** campaigns

APZ

- **China declines** driven by **branded foodservice**
- **China demand strong** for **convenient solutions** and **condiments**
- **Broad based growth** in other parts of the region
- **Strong consumption** and **share growth** in Australia **branded spices** and **seasonings** and **Frank's RedHot**

FLAVOR SOLUTIONS SEGMENT UPDATE

AMERICAS

- Demand **declines** across **branded foodservice** and **restaurant customers**
- **Branded foodservice** impact more significant due to portfolio mix
- **Continued collaboration with customers** on recovery efforts

EMEA

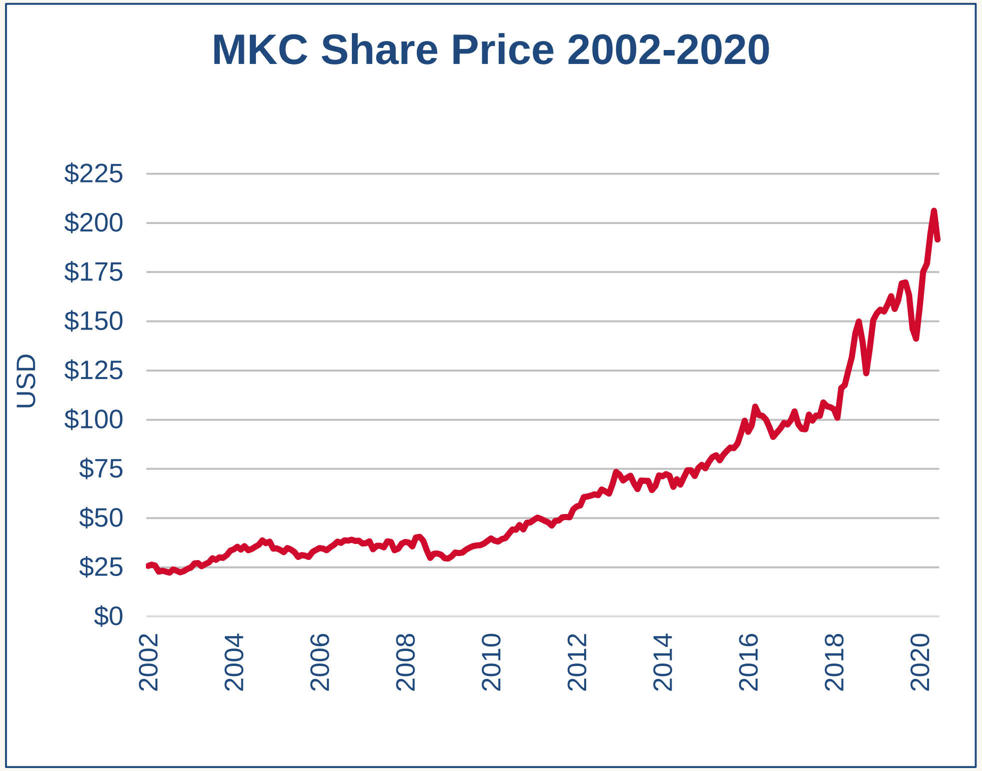
- **Restaurant** and **other foodservice demand rebound** from Q2, but still below 2019
- **Away from home** customer base **skewed to QSR**
- **Strengthened customer partnerships** in this environment

APZ

- China and Australia **growth with quick service restaurant** customers
- **Growth curtailed** in some parts of region **by COVID-19 restrictions**

STOCK SPLIT ANNOUNCEMENT

- **2 for 1 stock split** distributed 11/30/2020
- Reflects **sustained positive performance** and **continued growth outlook**
- **Last stock split 18 years ago** at $52.32 pre-split share price
- Provides **greater liquidity** to **individual investors** and **employees**



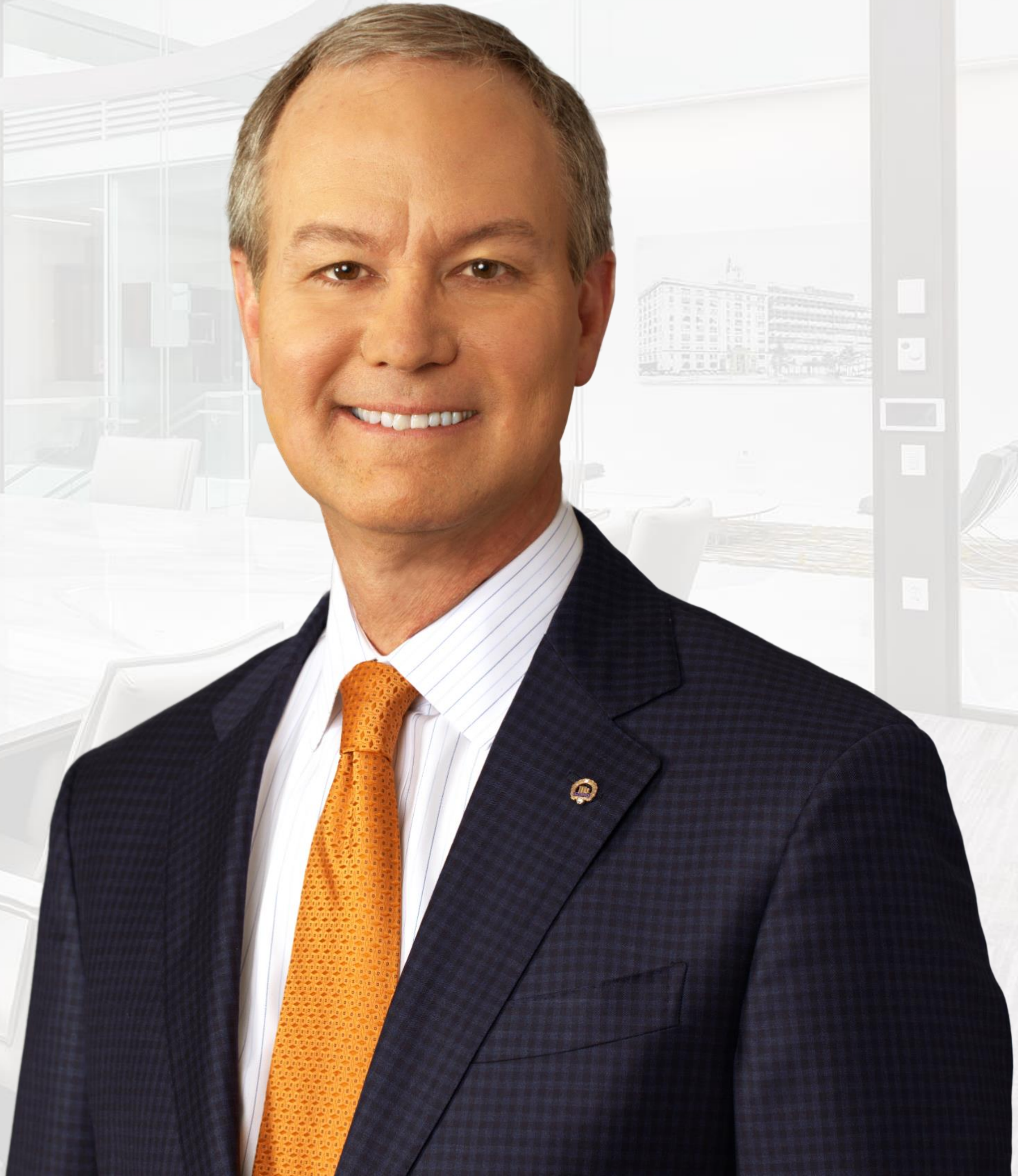
Source: Factset; Data 4/30/2002 through 9/25/2020

SOLID FOUNDATION IN DYNAMIC ENVIRONMENT

- **Aligned** with **consumer demands** and **preferences,** which have **accelerated**
- **Agile**, **relevant** and **focused** on **long-term sustainable growth**
- **Strategies** are **effective** and **reinforce confidence** in driving **future growth**
- **Outstanding year-to-date results, during a period** of **great disruption**
- **Strong 2020 outlook** exceeding beginning of the year objectives
- **Success** is **driven** by **McCormick employees**

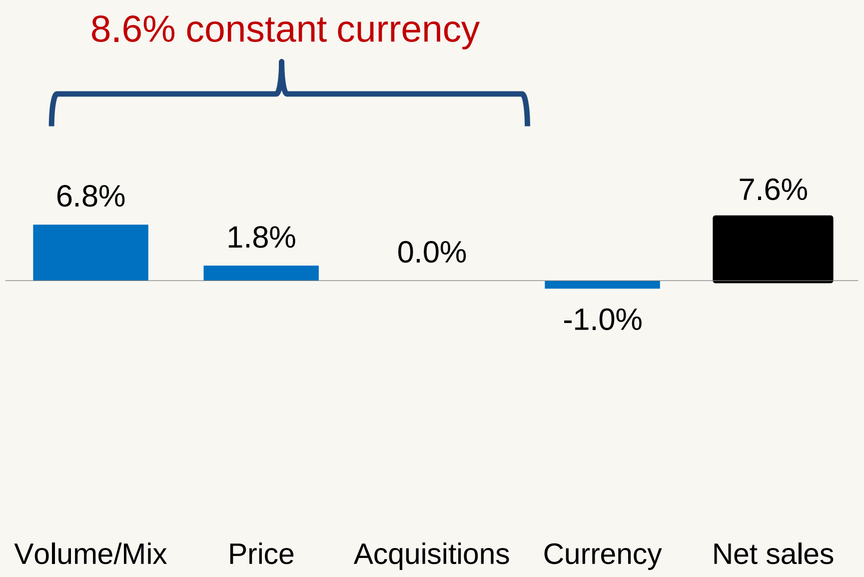
MIKE SMITH

Executive Vice President and
Chief Financial Officer

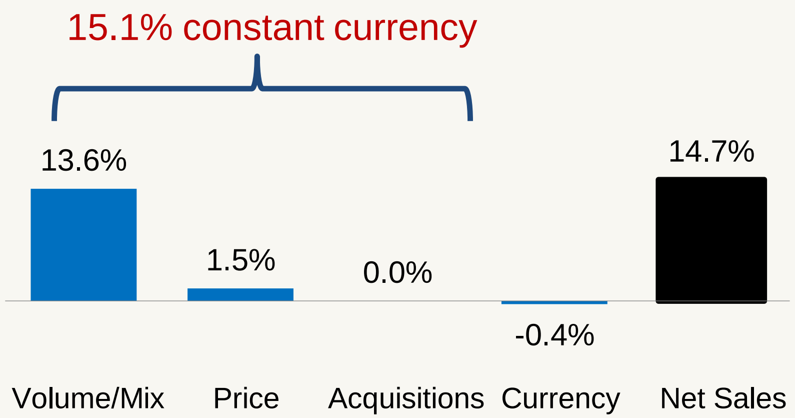


3Q 2020 SALES RESULTS

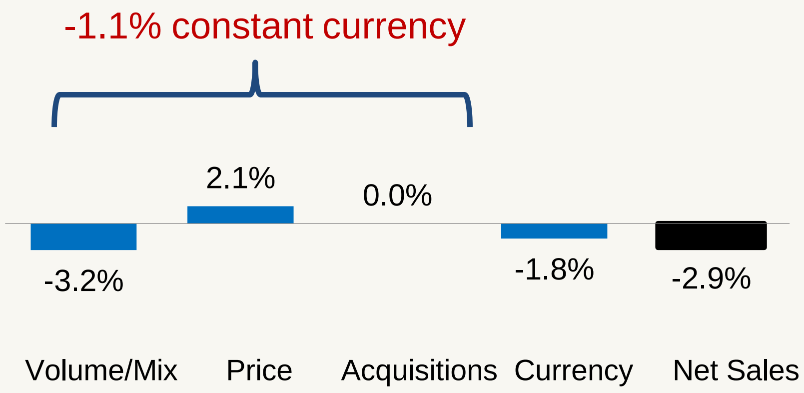
TOTAL COMPANY



CONSUMER



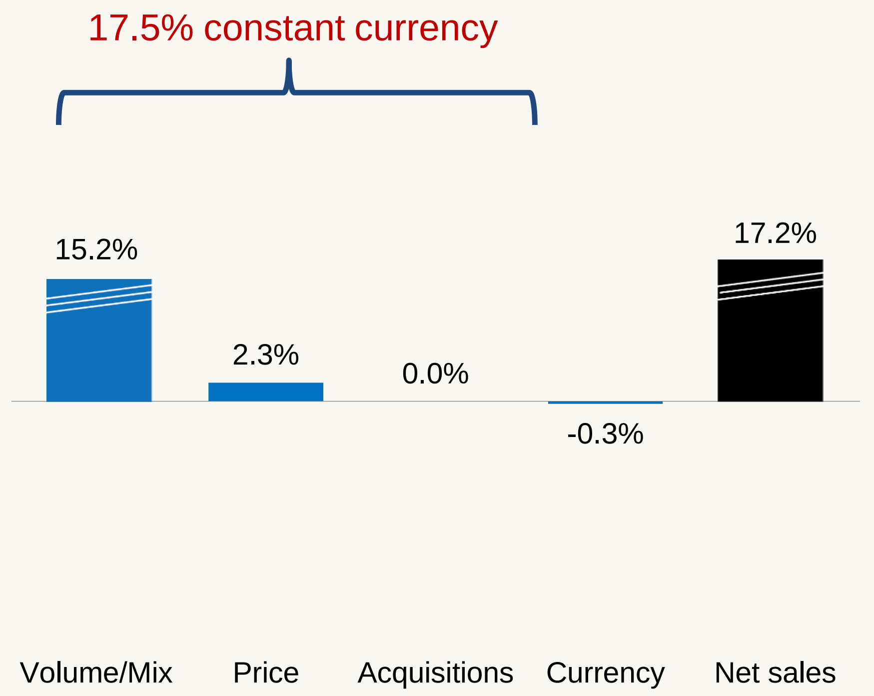
FLAVOR SOLUTIONS



The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 33 for the impact of constant currency.

3Q 2020 SALES RESULTS: CONSUMER SEGMENT

AMERICAS

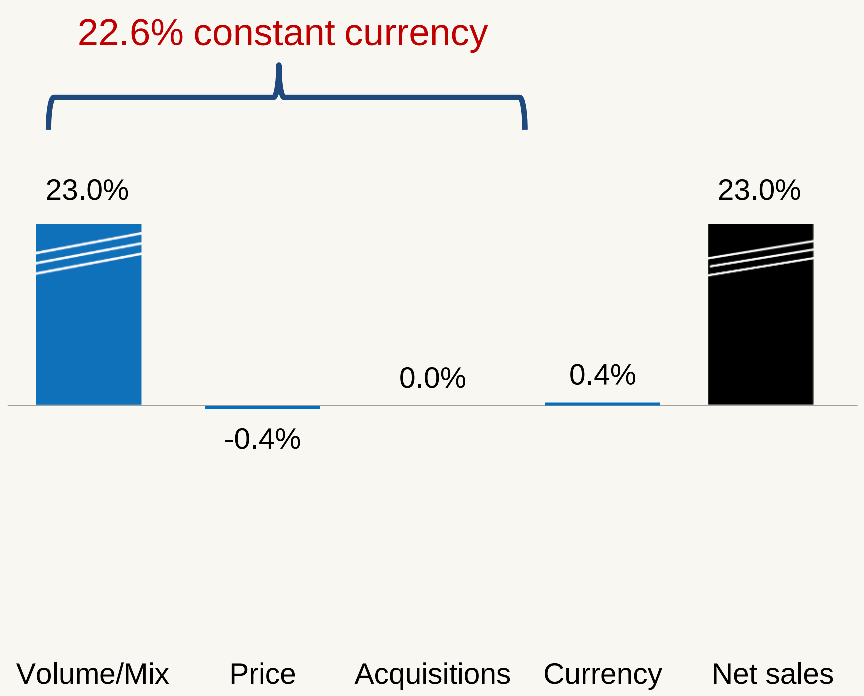


- Significant growth across branded portfolio
- Pricing actions taken prior to COVID-19 to partially offset increased costs

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 33 for the impact of constant currency.

3Q 2020 SALES RESULTS: CONSUMER SEGMENT

EMEA

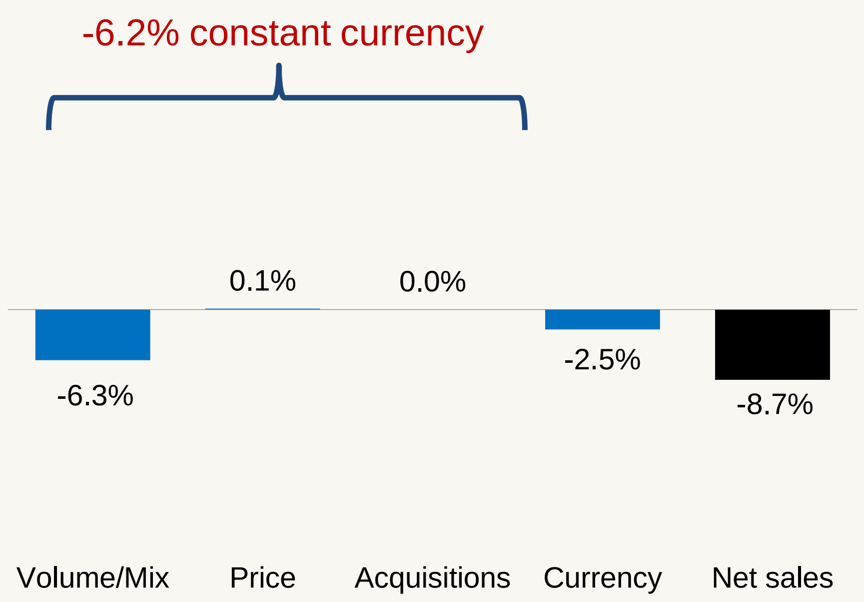


- Double digit volume and mix growth across the region
- Significant growth drivers:
  - Schwartz and Ducros branded spices and seasonings
  - Vahine homemade dessert products
  - Schwartz dry recipe mixes

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 33 for the impact of constant currency.

3Q 2020 SALES RESULTS: CONSUMER SEGMENT

ASIA / PACIFIC

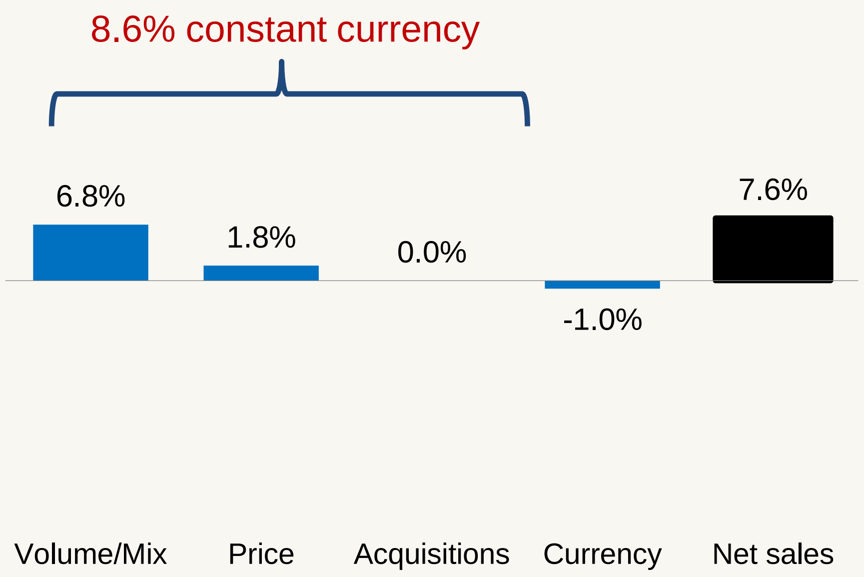


- Decline driven by branded foodservice
- Partially offset by increased consumer demand led by:
  - China recipe mixes, sauces and condiments
  - Australia branded spices and seasonings and condiments

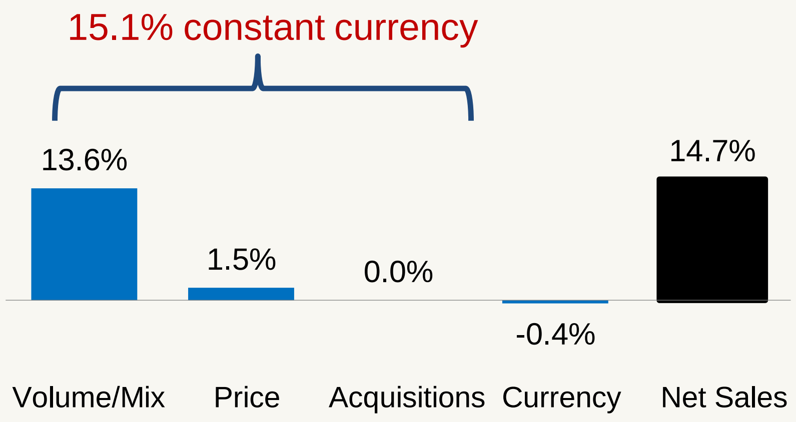
The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 33 for the impact of constant currency.

3Q 2020 SALES RESULTS

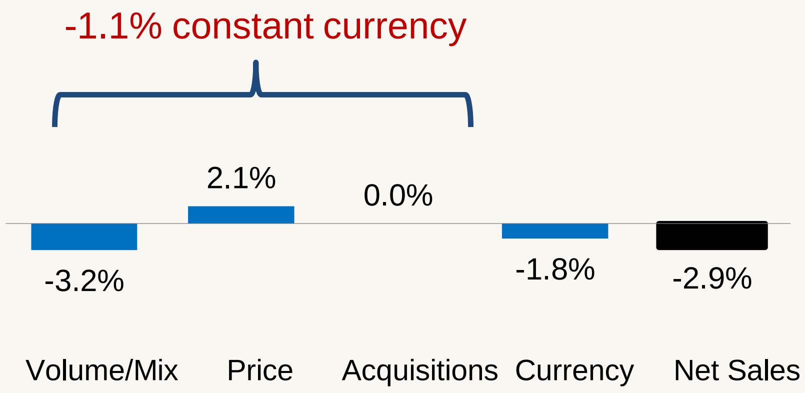
TOTAL COMPANY



CONSUMER



FLAVOR SOLUTIONS



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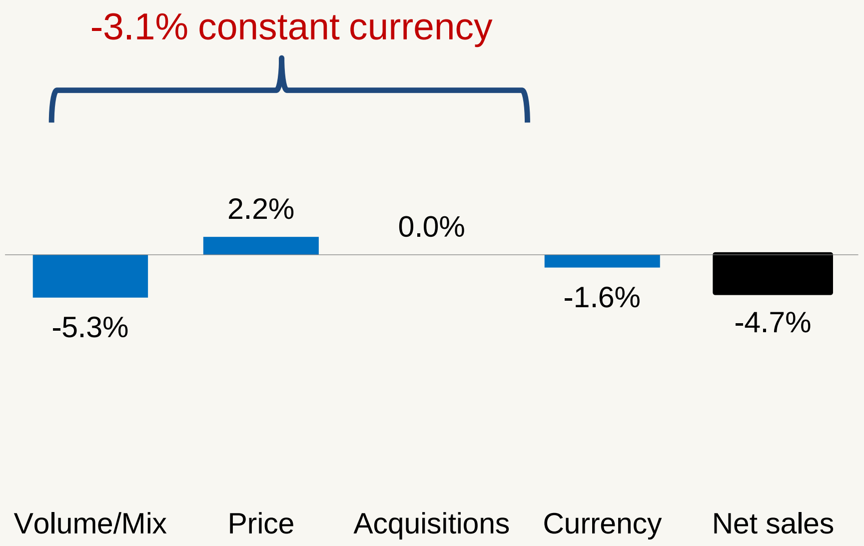
3Q 2020 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

AMERICAS

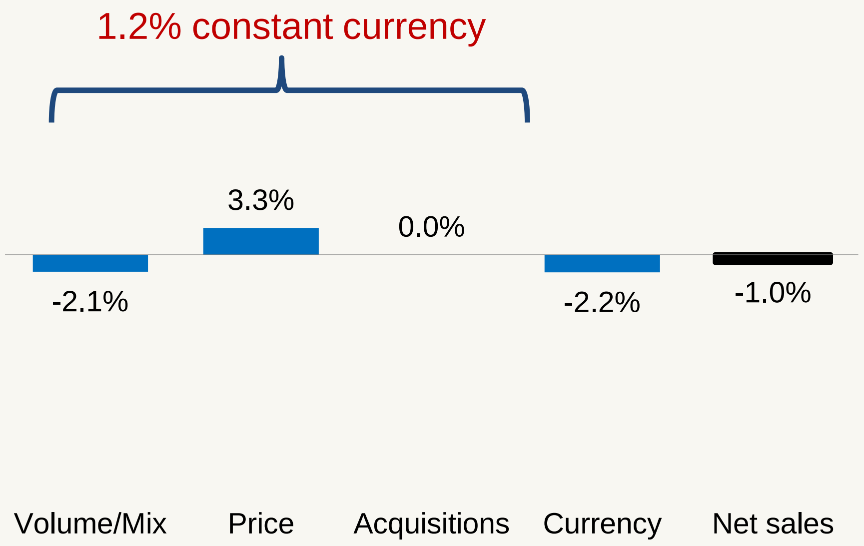


- Decline driven by branded foodservice and quick service restaurant customers
- Partially offset by:
  - Growth with packaged food companies
  - Pricing to offset cost increases

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 33 for the impact of constant currency.

3Q 2020 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

EMEA

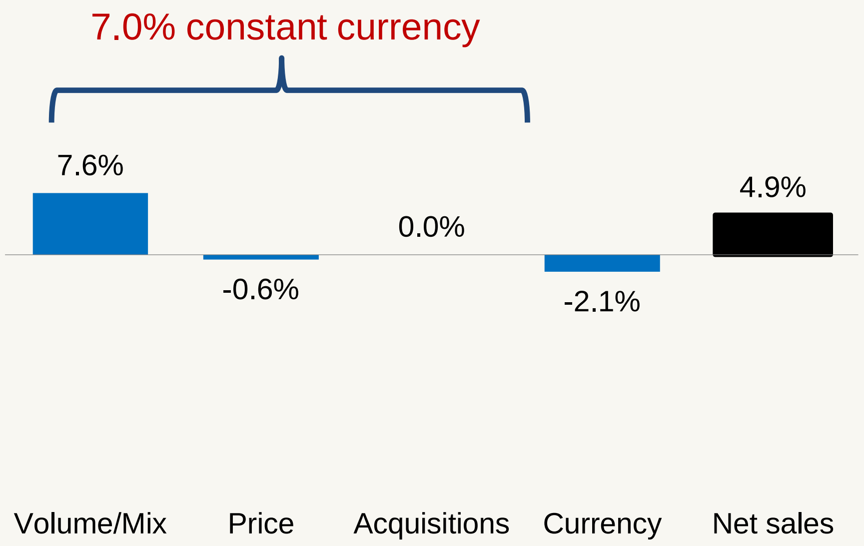


- Pricing to offset cost increases
- Volume and mix decline driven by:
  - Lower sales to branded foodservice and quick service restaurant customers
  - Partially offset by growth with packaged food companies

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 33 for the impact of constant currency.

3Q 2020 SALES RESULTS: FLAVOR SOLUTIONS SEGMENT

ASIA / PACIFIC



- Growth with quick service restaurant customers in China and Australia

The non-GAAP measure included herein, which we refer to as “constant currency”, excludes the impact of foreign currency exchange. See slide 33 for the impact of constant currency.

OPERATING INCOME

(in millions)	**3Q 2020**	**3Q 2019**	**Fav/(Unfav) Change**
Operating income	**$273.0**	$253.5	8%
Adjusted operating income	**$273.1**	$261.2	5%
Consumer	**209.0**	176.5	18%
Flavor solutions	**64.1**	84.7	(24%)

- 6% constant currency adjusted operating income increase for total company
  - Consumer segment growth of 19% driven by higher sales
  - Flavor solutions segment decline of 22% attributable to lower sales and unfavorable mix
  - Both segments unfavorably impacted by COVID-19 related costs and increased incentive compensation, partially offset by CCI-led cost savings
- Special charges were $8 million in 3Q 2019

The non-GAAP measures included herein, which we refer to as "adjusted", exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 31 to 36, including the impact of constant currency.

OPERATING MARGIN

(in millions)	**3Q 2020**	**3Q 2019**	**Fav/(Unfav) Change**
Gross margin	**41.3%**	40.6%	70 bps
Selling, general & administrative expenses as percent of net sales	**22.2%**	20.9%	(130) bps
Operating margin	**19.1%**	19.1%	0 bps
Adjusted operating margin	**19.1%**	19.7%	(60) bps

- Gross margin expansion of 70 basis points driven by:
  - Favorable product mix
  - CCI-led cost savings
  - Partially offset by COVID-19 related costs
- Adjusted operating margin compression of 60 basis points

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 31 to 36, including the impact of constant currency.

INCOME TAXES

(in millions)	**3Q 2020**	**3Q 2019**
Income tax rate	**19.3%**	16.8%
Adjusted income tax rate	**19.3%**	17.6%

- Adjusted income tax rate increased versus the year-ago period
- Both quarters' favorably impacted by discrete tax items, principally stock option exercises

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 31 to 36, including the impact of constant currency.

INCOME FROM UNCONSOLIDATED OPERATIONS

(in millions)	**3Q 2020**	**3Q 2019**	**Fav/(Unfav) Change**
Income from unconsolidated operations	**$9.6**	$9.6	0%

- Income from unconsolidated operations was comparable to 3Q 2019

EARNINGS PER SHARE

	3Q 2020	3Q 2019	Fav(Unfav) Change
Earnings per share	**$1.53**	$1.43	7%
Adjusted earnings per share	**1.53**	1.46	5%

Change in adjusted earnings per share	
Increase in adjusted operating income	$0.07
Decrease in interest expense	0.05
Increase in adjusted tax rate	(0.03)
Other impacts, net	(0.02)
Total increase	$0.07

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 31 to 36, including the impact of constant currency.

BALANCE SHEET AND CASH FLOW

Balanced Use of Cash

- ✓ Drive growth
- ✓ Return to shareholders
- ✓ Pay down debt

- **Cash flow provided from operations** $627 million vs $495 million in 2019
- **Cash conversion cycle improved** 7 days from 2019 year end
- **Returned** $247 million of **cash to shareholders** through dividends
- **Capital expenditures** of $146 million through third quarter
- **Fully paid** off **term notes** related to **Frank's and French's** acquisition
- **Net debt to adjusted EBITDA ratio 3.1x**
- **Projecting strong** 2020 **cash flow**

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 31 to 36, including the impact of constant currency.

2020 FINANCIAL OUTLOOK

	Reported Currency	Constant Currency
Sales growth	**Upper end of 4% to 5%**	**Upper end of 5% to 6%**
Adjusted operating income increase	**4% to 5%**	**5% to 6%**
CCI-led cost savings	Approximately $105M	
Cost inflation	Mid single digit increase	
Gross profit margin	75 to 100 bps increase	
Brand marketing	Mid single digit increase	
Income from unconsolidated operations	Mid single digit decline	
Adjusted tax rate	Approximately 20%	
Adjusted earnings per share	**$5.64 - $5.72**	
Adjusted earnings per share growth	**5% to 7%**	**6% to 8%**
Shares outstanding	Approximately 134M to 135M	

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 31 to 36, including the impact of constant currency.

THIRD QUARTER KEY TAKEAWAYS

- **Year-to-date** results prove **strength of business model, the value of our products** and **our capabilities as a company**
- **Solid foundation** and **effective strategies**
- **2020 outlook** reflects **strong operating performance** while **doing what is right** for our employees and communities and **making investments** for growth
- **2021** constant currency **growth expected** in both segments
- **Confident in ability to perform** in this dynamic environment, **deliver differentiated results** and **build long-term shareholder value**

McCormick & Company, Inc.

3rd Quarter 2020 Financial Results

September 29, 2020

BUILDING THE McCORMICK OF THE FUTURE

The following slides accompany a September 29th, 2020, earnings release conference call. This information should be read in conjunction with the press release issued on that date.

NON-GAAP FINANCIAL MEASURES

The tables below include financial measures of adjusted operating income, adjusted operating income margin, adjusted income tax expense, adjusted income tax rate, adjusted net income and adjusted diluted earnings per share, each excluding the impact of special charges for each of the periods presented. For 2019, these financial measures also exclude the net non-recurring income tax benefit related to the U.S. Tax Act as this impacts comparability between years. Adjusted operating income, adjusted operating income margin, adjusted income tax expense, adjusted income tax rate, adjusted net income and adjusted diluted earnings per share represent non-GAAP financial measures which are prepared as a complement to our financial results prepared in accordance with United States generally accepted accounting principles. These financial measures exclude the impact, as applicable, of the following:

In our consolidated income statement, we include a separate line item captioned “Special charges” in arriving at our consolidated operating income. Special charges consist of expenses associated with certain actions undertaken by the company to reduce fixed costs, simplify or improve processes, and improve our competitiveness and are of such significance in terms of both up-front costs and organizational/structural impact to require advance approval by our Management Committee. Upon presentation of any such proposed action (including details with respect to estimated costs, expected benefits and expected timing) to the Management Committee and the Committee’s advance approval, expenses associated with the approved action are classified as special charges upon recognition and monitored on an on-going basis through completion.

Income taxes associated with the enactment of the U.S. Tax Act in December 2017 consists of the tax expense associated with the one-time transition tax on previously unremitted earnings of non-U.S. subsidiaries. We recorded a net income tax benefit of $1.5 million related to the one-time transition tax in the three and nine months ended August 31, 2019 associated with a provision-to-return adjustment related to the U.S. Tax Act.

We believe that these non-GAAP financial measures are important. The exclusion of the items noted above provides additional information that enables enhanced comparisons to prior periods and, accordingly, facilitates the development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of our ongoing operations and analyze our business performance and trends.

These non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but they should not be considered a substitute for, or superior to, GAAP results. In addition, these non-GAAP financial measures may not be comparable to similarly titled measures of other companies because other companies may not calculate them in the same manner that we do. We intend to continue to provide these non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of these non-GAAP financial measures will provide consistency in our financial reporting. A reconciliation of these non-GAAP financial measures to the related GAAP financial measures is provided below:

NON-GAAP FINANCIAL MEASURES

(in millions except per share data)	Three Months Ended 8/31/2020	Three Months Ended 8/31/2019
Operating income	**$ 273.0**	$ 253.5
Impact of special charges	**0.1**	7.7
Adjusted operating income	**$ 273.1**	$ 261.2
% increase versus year-ago period	**4.6 %**	
Adjusted operating income margin (1)	**19.1 %**	19.7 %
Income tax expense	**$ 46.9**	$ 36.8
Non-recurring benefit of the U.S. Tax Act	**—**	1.5
Impact of special charges	**—**	1.6
Adjusted income tax expense	**$ 46.9**	$ 39.9
Adjusted income tax rate (2)	**19.3 %**	17.6 %
Net income	**$ 206.1**	$ 191.9
Impact of special charges	**0.1**	6.1
Non-recurring benefit of the U.S. Tax Act	**—**	(1.5)
Adjusted net income	**$ 206.2**	$ 196.5
% increase versus year-ago period	**4.9 %**	
Earnings per share - diluted	**$ 1.53**	$ 1.43
Impact of special charges	**—**	0.04
Non-recurring benefit of the U.S. Tax Act	**—**	(0.01)
Adjusted earnings per share - diluted	**$ 1.53**	$ 1.46
% increase versus year-ago period	**4.8 %**	

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

2) Adjusted income tax rate is calculated as adjusted income tax expense as a percentage of income from consolidated operations before income taxes excluding special charges or $243.5 million and $226.8 million for the three months ended August 31, 2020 and 2019, respectively.

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 in "constant currency" 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 prior fiscal 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 prior fiscal year. Constant currency growth rates follow:

	Three Months Ended August 31, 2020		
	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
Net sales			
Consumer segment			
Americas	17.2%	(0.3)%	17.5%
EMEA	23.0%	0.4%	22.6%
Asia/Pacific	(8.7)%	(2.5)%	(6.2)%
Total consumer segment	14.7%	(0.4)%	15.1%
Flavor solutions segment			
Americas	(4.7)%	(1.6)%	(3.1)%
EMEA	(1.0)%	(2.2)%	1.2%
Asia/Pacific	4.9%	(2.1)%	7.0%
Total flavor solutions segment	(2.9)%	(1.8)%	(1.1)%
Total net sales	7.6%	(1.0)%	8.6%
Adjusted operating income			
Consumer segment	18.4%	(0.3)%	18.7%
Flavor solutions segment	(24.3)%	(2.7)%	(21.6)%
Total adjusted operating income	4.6%	(1.1)%	5.7%

NON-GAAP FINANCIAL MEASURES

To present "constant currency" information for the fiscal year 2020 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 2020 and are compared to the 2019 results, translated into U.S. dollars using the same 2020 budgeted exchange rates, rather than at the average actual exchange rates in effect during fiscal year 2019. 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 2019 or projected shares outstanding for fiscal year 2020, as appropriate.

	Projection for the Year Ending November 30, 2020
Percentage change in net sales	4% to 5%
Impact of unfavorable foreign currency exchange rates	1 %
Percentage change in net sales in constant currency	5% to 6%
Percentage change in adjusted operating income	4% to 5%
Impact of unfavorable foreign currency exchange rates	1 %
Percentage change in adjusted operating income in constant currency	5% to 6%
Percentage change in adjusted earnings per share	5% to 7%
Impact of unfavorable foreign currency exchange rates	1 %
Percentage change in adjusted earnings per share in constant currency	6% to 8%

NON-GAAP FINANCIAL MEASURES

In addition to the preceding non-GAAP financial measures, we use a leverage ratio that is determined using non-GAAP measures. A leverage ratio is a widely-used measure of ability to repay outstanding debt obligations. We believe that our leverage ratio is a meaningful metric to investors in evaluating our financial leverage and may be different than the method used by other companies to calculate such a leverage ratio. We determine our leverage ratio as net debt (which we define as total debt, net of cash in excess of $75.0 million) to adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA"). We define Adjusted EBITDA as net income plus expenses for interest, income taxes, depreciation and amortization, less interest income and as further adjusted for cash and non-cash acquisition-related expenses (which may include the effect of the fair value adjustment of acquired inventory on cost of goods sold), special charges, stock-based compensation expense, and certain gains or losses (which may include third party fees and expenses and integration costs). Adjusted EBITDA and our leverage ratio are both non-GAAP financial measures. Our determination of the leverage ratio is consistent with the terms of our $1.0 billion revolving credit facility which requires us to maintain our leverage ratio below certain levels. Under that agreement, the applicable leverage ratio is reduced annually on November 30th. As of August 31, 2020, our capacity under the revolving credit facility is not affected by these covenants. We do not expect that these covenants would limit our access to our revolving credit facility for the foreseeable future; however, the leverage ratio could restrict our ability to utilize this facility. We expect to comply with this financial covenant for the foreseeable future.

The following table reconciles our net income to Adjusted EBITDA for the trailing twelve-month period ended August 31, 2020:

Net income	$ 760.1
Depreciation and amortization	164.7
Interest expense	141.7
Income tax expense	183.8
EBITDA	$ 1,250.3
Adjustments to EBITDA (1)	43.8
Adjusted EBITDA	$ 1,294.1
Net debt	$ 4,023.0
Leverage ratio (1)	3.1

(1) Adjustments to EBITDA are determined under the leverage ratio covenant in our $1.0 billion revolving credit facility and includes special charges, share-based compensation expense, and interest income.

NON-GAAP FINANCIAL MEASURES

The following provides a reconciliation of our estimated earnings per share to adjusted earnings per share for 2020 and actual results for 2019:

	Twelve Months Ended	
	2020 Projection	11/30/19
Earnings per share - diluted	$5.60 to $5.68	$ 5.24
Impact of special charges	0.04	0.12
Non-recurring benefit, net of the U.S. Tax Act	—	(0.01)
Adjusted earnings per share	$5.64 to $5.72	$ 5.35