



McCORMICK



BUILDING THE
McCORMICK
OF THE FUTURE

2019 Annual Shareholders
Meeting

March 27, 2019



LAWRENCE KURZIUS

Chairman, President & Chief Executive Officer





Building the McCormick of the Future

Positioned for growth

Investing for the future



2018 A Year of Significant Accomplishment

Delivered double
digit sales
and earnings per
share growth

Crossed \$5 billion
sales threshold

33rd consecutive
dividend increase





Strong
growth across
consumer and
flavor solutions
segments





New Global Headquarters



Keeping
McCormick a
great
place to work





77th Annual Charity Day



Mc CHARITY DAY



GLOBAL 100



Awards

Corporate Knights
Global 100 Most
Sustainable Company

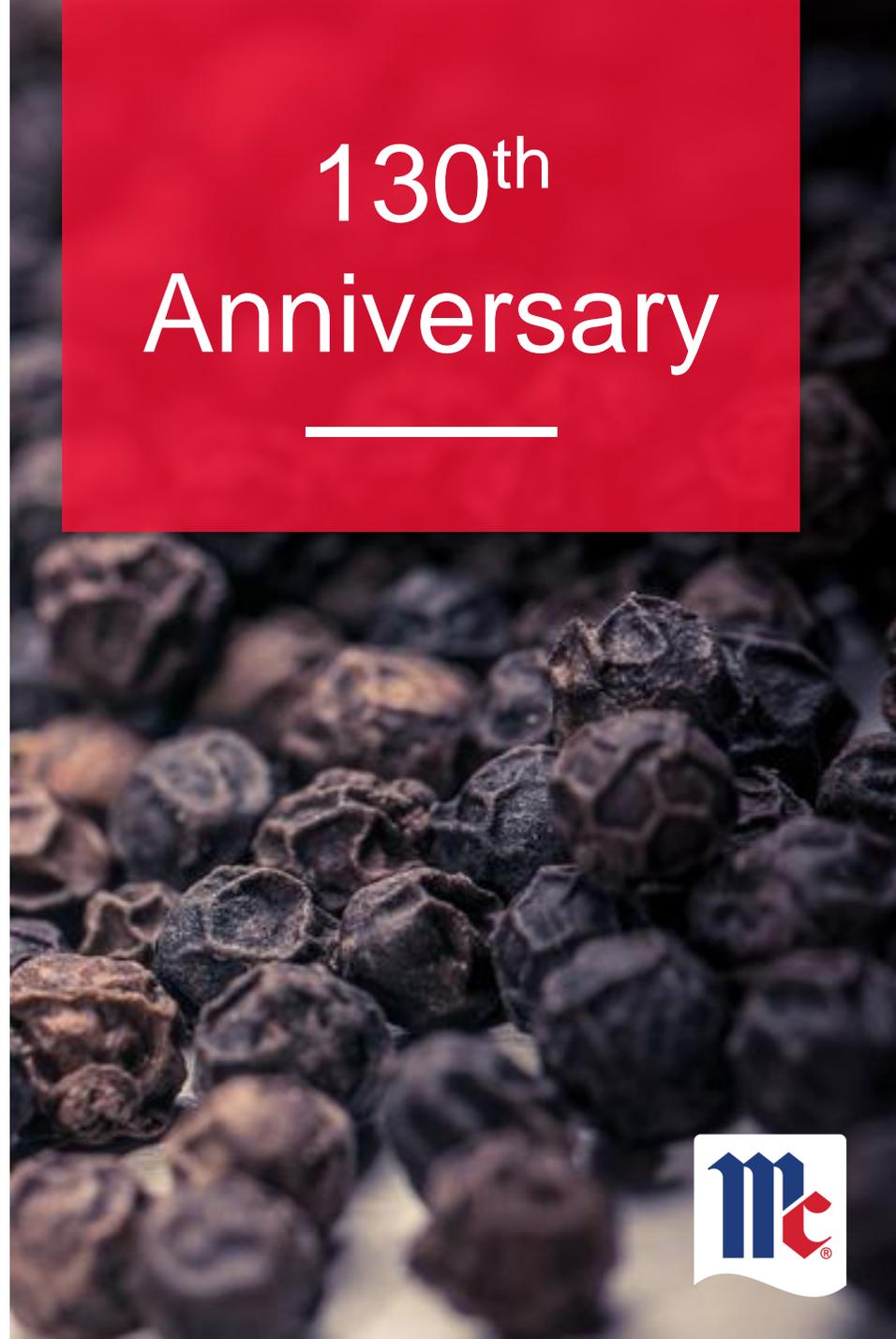
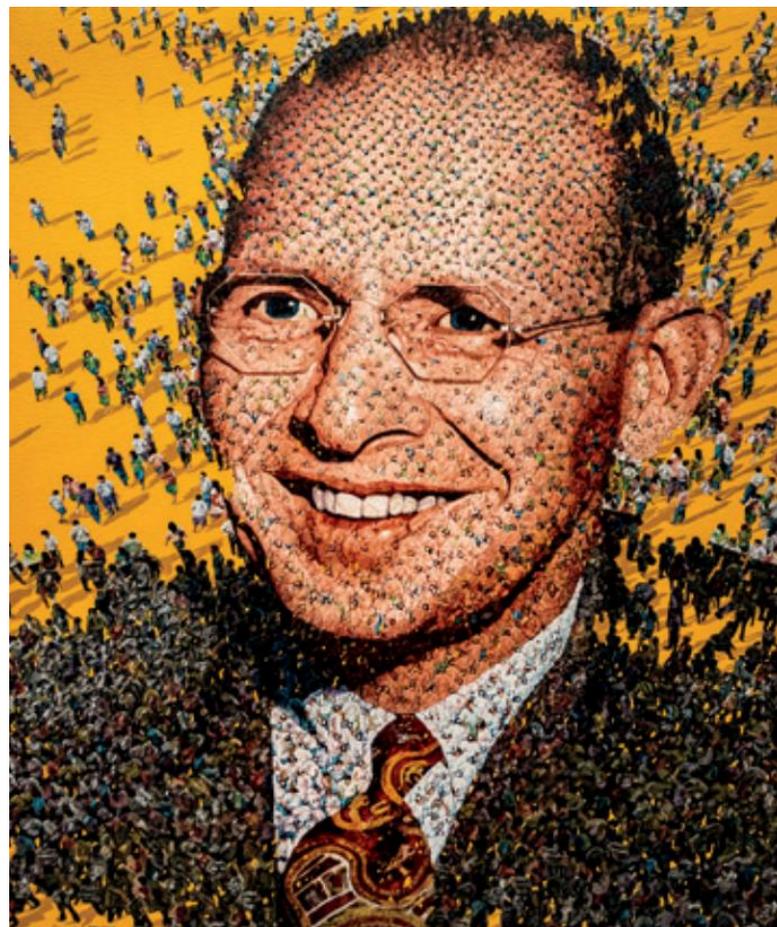
Barron's 100 Most
Sustainable Public
Company

DiversityInc Top 50





130th Anniversary





Building the McCormick of the Future

Positioned for growth

Investing for the future







McCORMICK COFFEE BAR

MICHAEL CONWAY

World's Largest





FREEMAN HRABOWSKI





LAWRENCE KURZIUS





PATRICIA LITTLE





MICHAEL MANGAN





MARITZA MONTIEL





MARGARET PRESTON





GARY RODKIN





JACQUES TAPIERO





W. ANTHONY VERNON







MIKE SMITH

**Executive Vice President and
Chief Financial Officer**



Forward-looking Information

Certain information contained in this presentation and our remarks, including statements concerning expected performance such as those relating to net sales, gross margins, earnings, cost savings, acquisitions, brand marketing support, transaction and integration expenses, special charges, 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. 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 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 CCI program and global enablement initiative; the 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 impact of the U.S. Tax Act; 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: 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; business interruptions due to natural disasters or unexpected events; actions by, and the financial condition of, competitors and customers; the company’s inability to achieve expected and/or needed cost savings or margin improvements; negative employee relations; the lack of successful acquisition and integration of new businesses, including the acquisition of RB Foods; issues affecting the company’s supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials and freight; government regulation, and changes in legal and regulatory requirements and enforcement practices; global economic and financial conditions generally, the availability of financing, interest and inflation rates, and the pending exit of the U.K. from the European Union (Brexit); 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 react to certain economic and industry conditions and ability to borrow or the cost of any such additional borrowing; the interpretations and assumptions we have made, and guidance that may be issued, regarding the U.S. Tax Act enacted in December 2017; assumptions we have made regarding the investment return on retirement plan assets, and the costs associated with pension obligations; foreign currency fluctuations; 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; fundamental changes in tax laws; volatility in our effective tax rate; climate change; infringement of intellectual property rights, and those of customers; litigation, legal and administrative proceedings; 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.



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”). These non-GAAP financial measures include adjusted operating income, adjusted net income and adjusted earnings per share.

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 for 2018, the impact of transaction and integration expenses, and the impact of the effects of the transition tax and re-measurement of our U.S. deferred tax assets and liabilities as a result of the U.S. tax legislation passed in December 2017 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. 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 98 to 105, including the impact of constant currency.

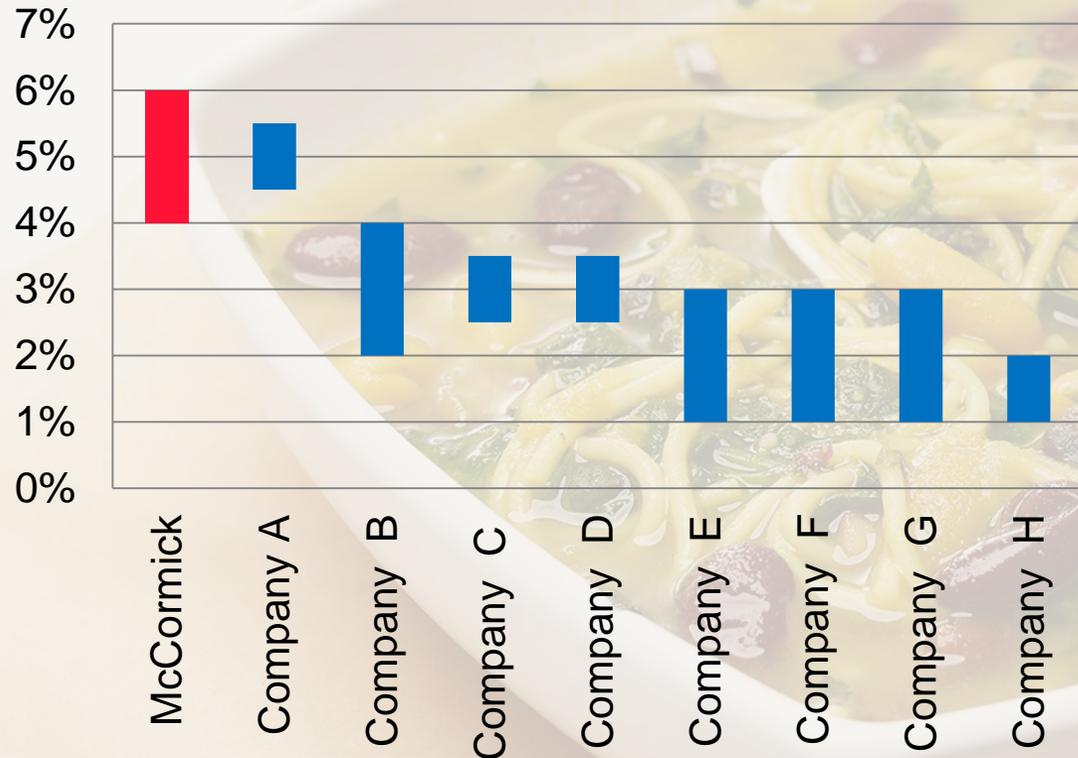


Financial Performance

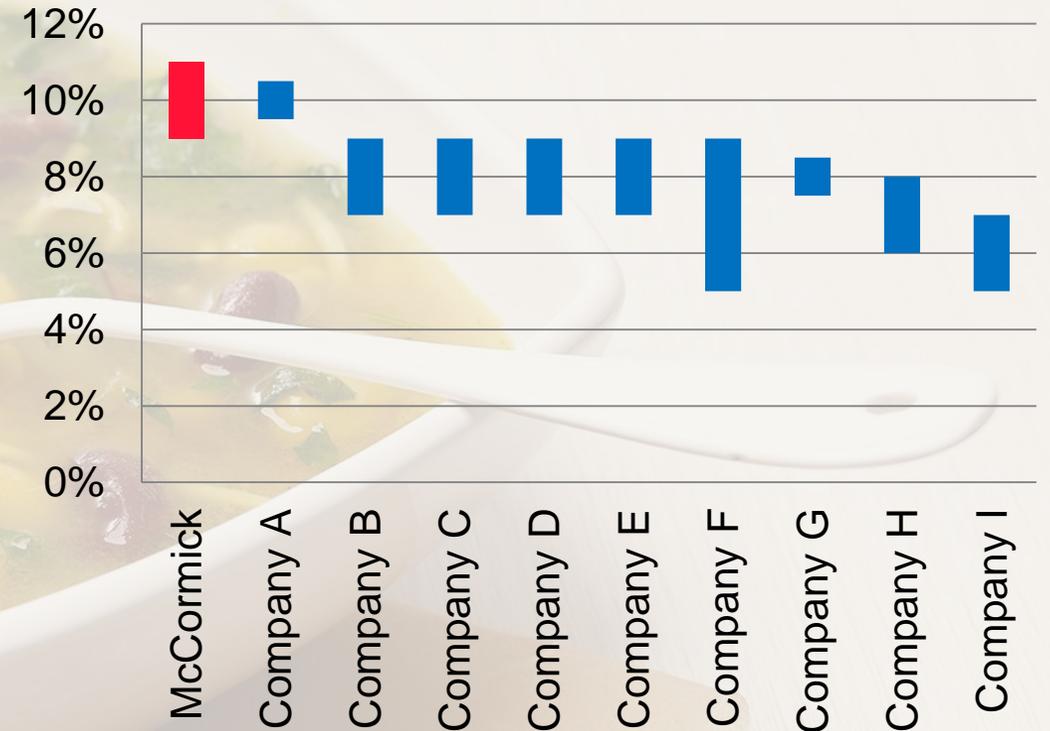


Differentiated by Top-Tier Growth Objectives

LONG-TERM SALES GROWTH TARGET



LONG-TERM ADJUSTED EPS GROWTH TARGET



Delivering Against Long-Term Growth Objectives

SALES GROWTH

ADJUSTED OPERATING INCOME

ADJUSTED EARNINGS PER SHARE

In constant currency

3-YEAR CAGR

9% ↑

15% ↑

14% ↑

LONG-TERM OBJECTIVES

4-6% ↑

7-9% ↑

9-11% ↑



2018 Results: Sales Growth

110% ↑

In constant currency

ACQUISITIONS
BASE BUSINESS
NEW PRODUCTS

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 98 to 105, including the impact of constant currency.



2018 Results: Adjusted Operating Income Growth

18% ↑

In constant currency

HIGHER SALES

\$118M COST SAVINGS

MARGIN EXPANSION

GROWTH INVESTMENTS

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2018 Results: Consumer Segment

SALES

11% ↑

In constant currency

ADJUSTED OPERATING INCOME

12% ↑

In constant currency

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2018 Results: Flavor Solutions Segment

SALES

12% ↑

In constant currency

ADJUSTED OPERATING INCOME

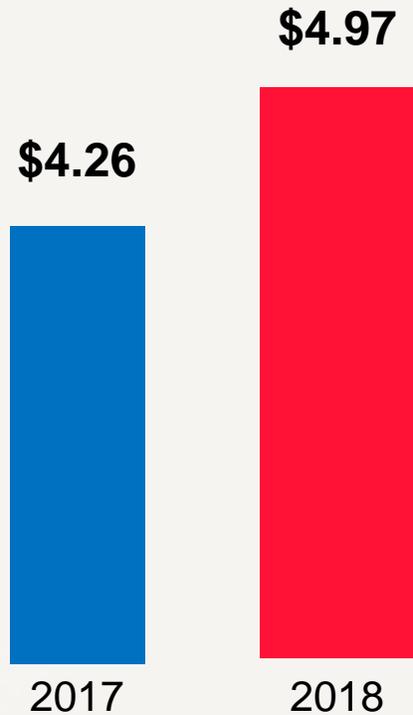
32% ↑

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 98 to 105, including the impact of constant currency.



2018 Results: Adjusted Earnings per Share Growth



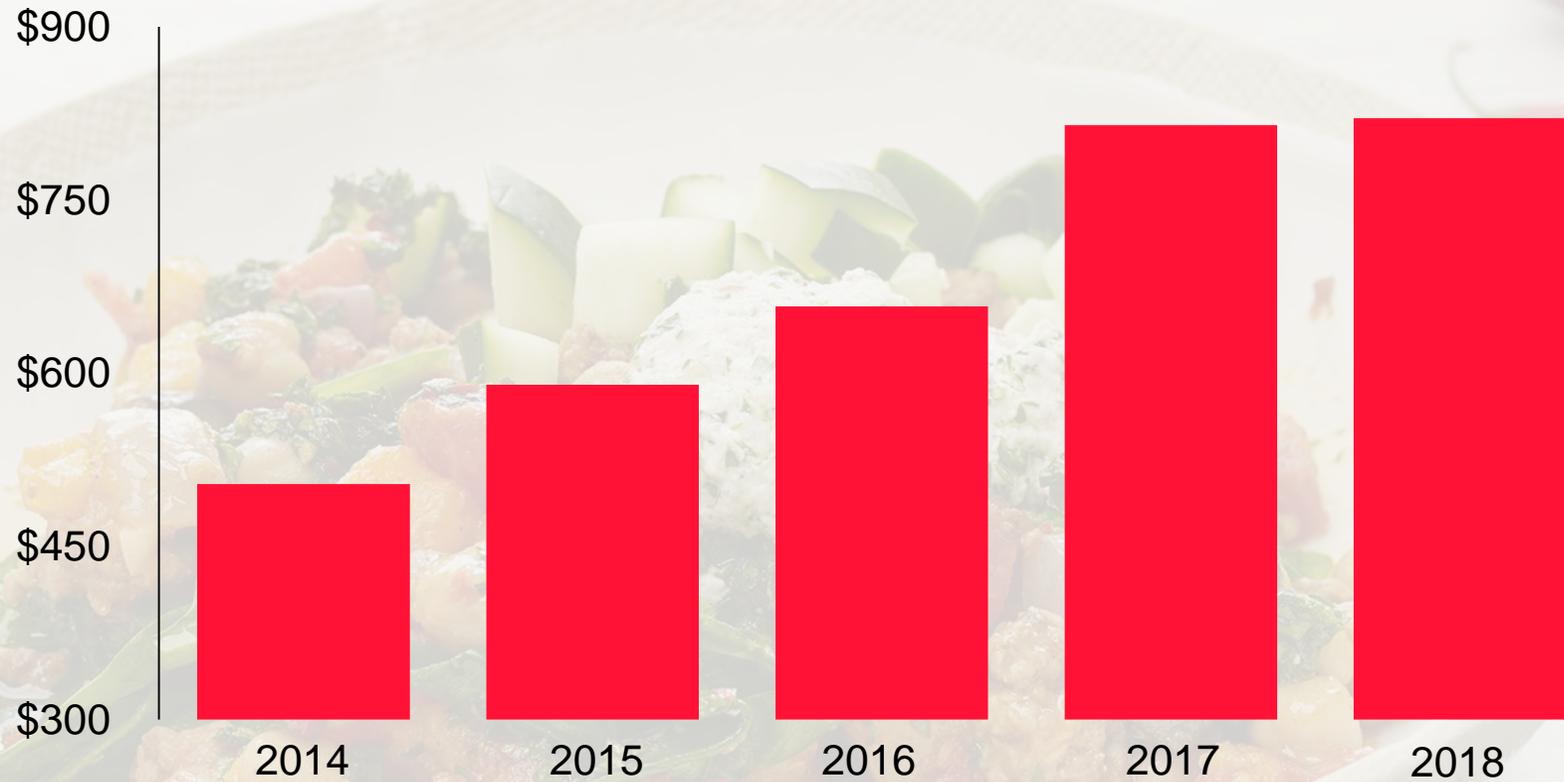
17% ↑

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 98 to 105, including the impact of constant currency.



2018 Results: Cash Flow from Operations

IN MILLIONS



2018 Results: Dividends Paid

**33 CONSECUTIVE ANNUAL
DIVIDEND INCREASES**

\$0.08

1986

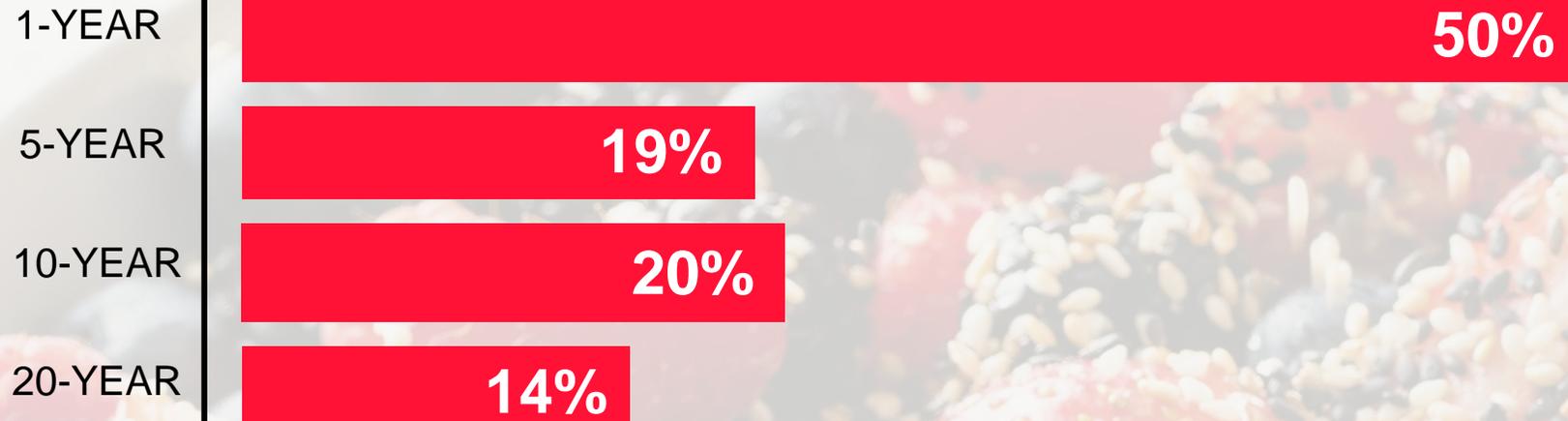
\$2.08

2018

DIVIDENDS PAID
SINCE 1925
DIVIDEND
ARISTOCRAT



Total Annual Shareholder Return



Periods ending November 30, 2018



2019 Outlook



2019 Outlook: Sales Growth

3-5% ↑

In constant currency

BASE BUSINESS
NEW PRODUCTS



2019 Outlook: Cost Savings

~\$110M IN COST SAVINGS

ON TRACK TO EXCEED 4-YEAR
\$400M GOAL



2019 Outlook: Adjusted Operating Income Growth

9-11% ↑

In constant currency

HIGHER SALES
COST SAVINGS
PORTFOLIO MIX



2019 Outlook: Adjusted Earnings Per Share Growth

6-8% ↑

In constant currency

\$5.17 to \$5.27

Includes an estimated 2% unfavorable impact from foreign currency rates.



2019 First Quarter Results



2019 First Quarter Results

SALES

4% ↑

In constant currency

ADJUSTED OPERATING INCOME

6% ↑

In constant currency

The non-GAAP measures included herein, which we refer to as “adjusted”, exclude the impact of items affecting comparability between periods. See reconciliation of GAAP to non-GAAP financial measures on slides 98 to 105, including the impact of constant currency.



2019 First Quarter Results

ADJUSTED EARNINGS PER SHARE

12% ↑

\$1.12

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 98 to 105, including the impact of constant currency.



Continuing Top Tier Performance

INVESTING IN GROWTH

DRIVING SALES AND PROFIT

GENERATING SIGNIFICANT CASH FLOW

BUILDING SHAREHOLDER VALUE





LAWRENCE KURZIUS

Chairman, President &
Chief Executive Officer



Building the McCormick of the Future



Sustainably Positioned for Growth

#1 brands

Products sold in over
150 countries and
territories



Sustainably Positioned for Growth

Operations in 27
countries

Emerging markets
penetration

Products sold across all
channels



Sustainably Positioned for Growth

14,000 raw materials

Clean label, natural,
organic, better-for-you



Gen Z is the Largest Consumer Segment

Digital, shareable content

Sustainability driven

Like brands with heritage



Consumer Segment

| Broad global portfolio



Spices and Seasonings

Global leader

Expanding organic

#1



Spices and Seasonings

| Brand renovation



Recipe Mixes

| Strong brand equity



Recipe Mixes

Experimentation and exploration

Ease and convenience



Artificial Intelligence

McCormick + IBM
collaboration

Launching Spring 2019



IBM
Research



Condiments and Sauces

Exploration and experimentation



Condiments and Sauces

Exploration and experimentation



Frank's & French's

| Accelerating growth



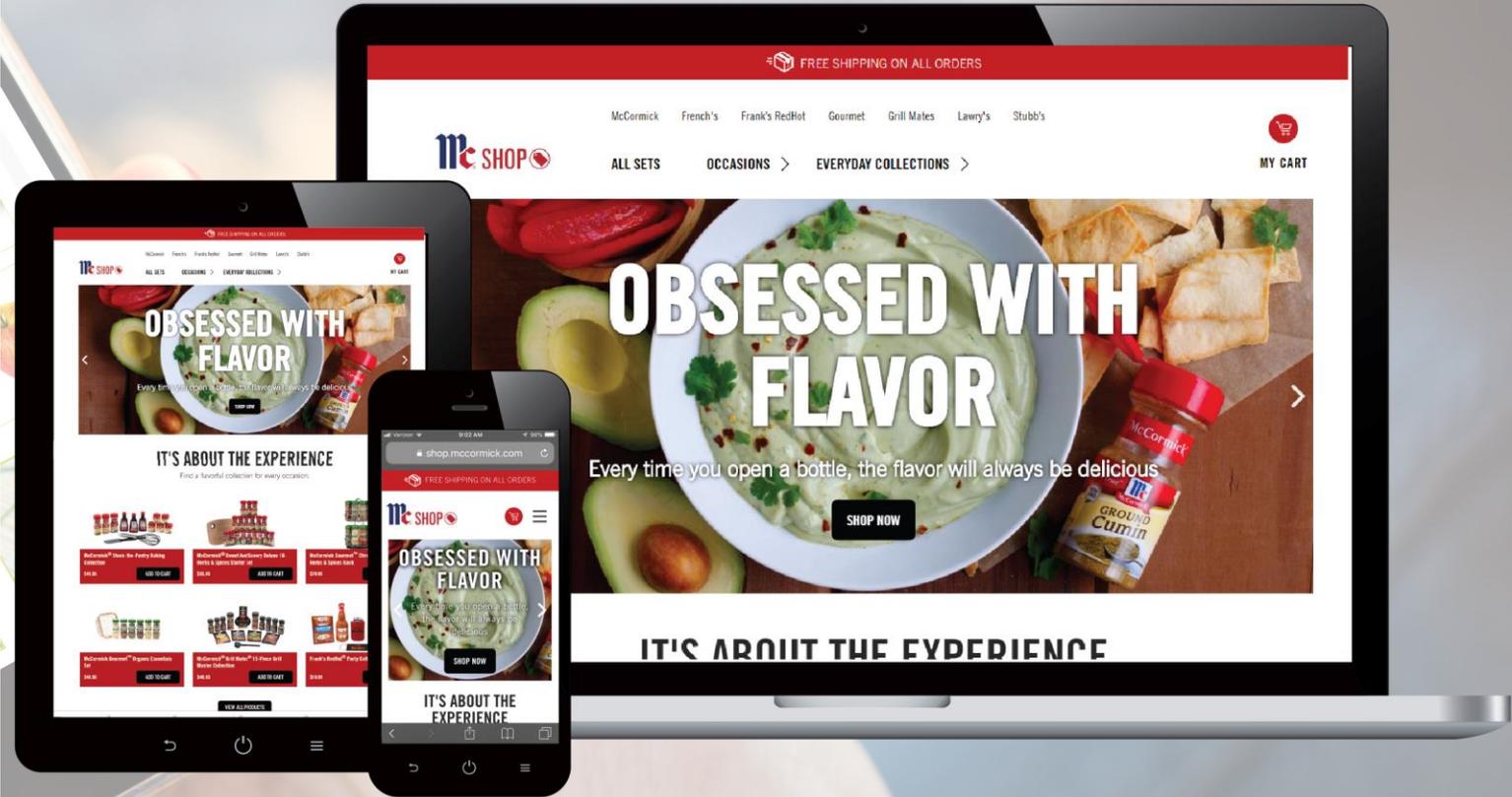
Frank's & French's

| New Products



Global Digital

Driving top performance



Digital

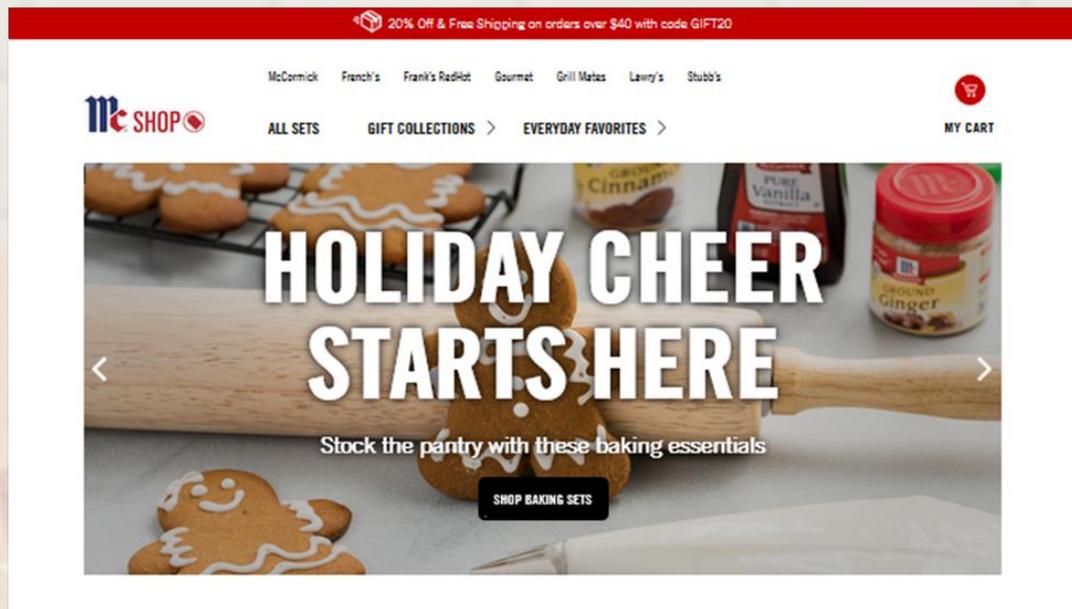
| 'Flavor Maker' mobile app



E-commerce

Double-digit growth

Direct to consumer



E-commerce

| Global Tasty partnership



Flavor Forecast

| New digital experience



Flavor
Forecast®

THE NEED FOR SEED



Video “Digital Acceleration”



Flavor Solutions

Custom flavor
development

Consumer-preferred



Flavor Solutions

Culinary-based

Global network of
flavor experts



Flavor Solutions

Higher margin categories

Portfolio shift



Flavor Solutions

Leading pursuit of
what's next in Flavor



Flavor Solutions

| Superior tasting “clean”



Flavor Solutions

| Modulation technology



Flavor Solutions

Flavor delivery technology



Investing in Our Future



Driven to Innovate

Globally-optimized
Technology-enabled
Insight-driven



Marketing Excellence

Centralized marketing
function

Driving global scale,
agility, effectiveness



Global Enablement

Building a scalable platform for growth



Enterprise Resource Planning

Next generation
platform

Global capability



Supply Chain

Continuous reinvention
of our business
processes



Supply Chain

Investing in capacity
Upgrading facilities



Supply Chain

Building a technically advantaged supply chain



Sustainability and Social Responsibility

New 2025 plastic
reduction goal



Sustainability and Social Responsibility

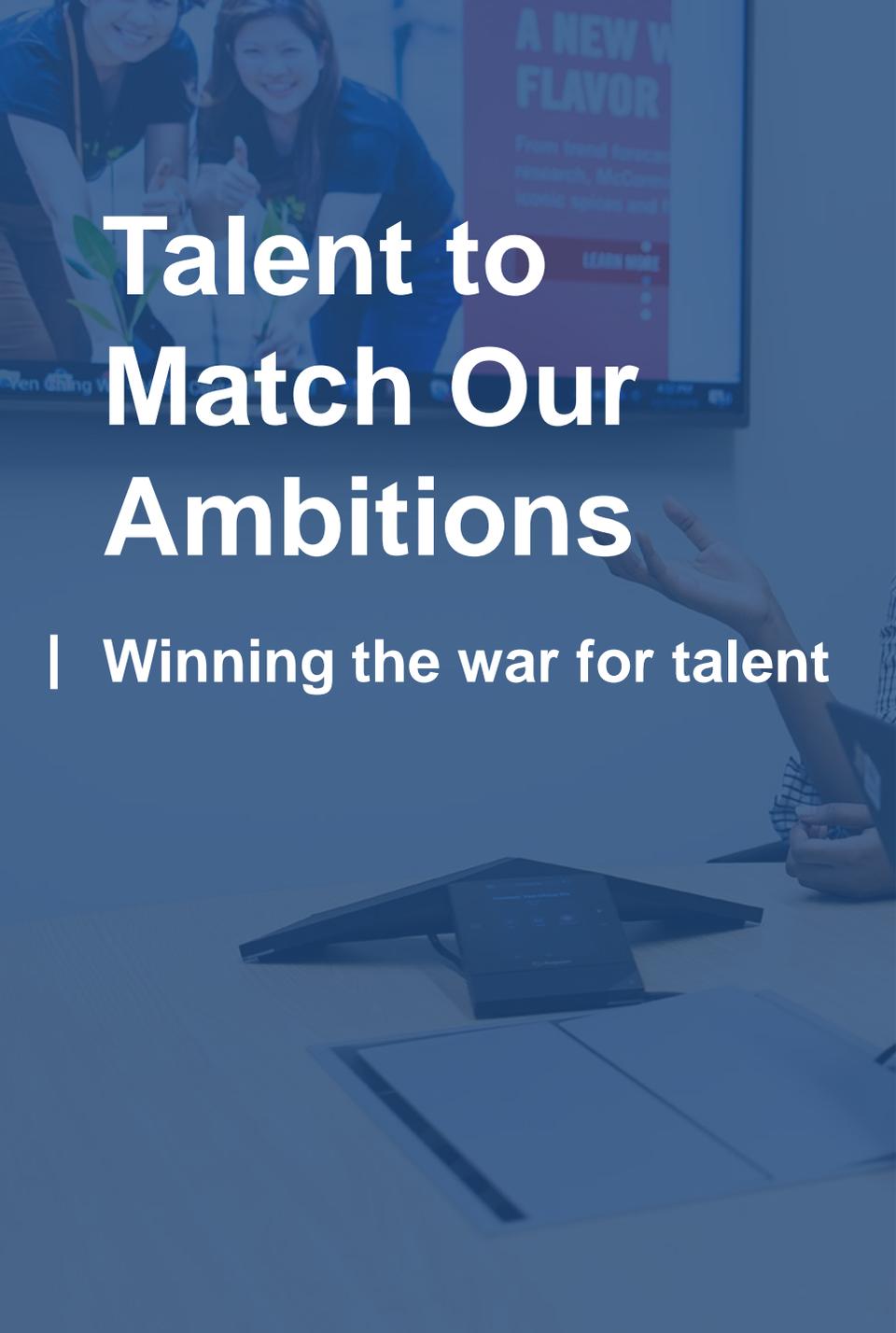
Farmer support programs
and partnerships



Talent to Match Our Ambitions

Ensuring McCormick is a
great place to work





Talent to Match Our Ambitions

| Winning the war for talent







Juliana Dixon

Saints Friskies Alumni
Association, Inc.





Rose Mattera

Friends of Glen Rock
Borough





Francesca
Parenti
Cure2Children





Zina Sabil

Ladies Circle,
Avignon France





Innes Foreman

**SPACE, Support
and Care Through
Difficult Times**





Congratulations!





Gift Bag



McCORMICK



BUILDING THE
McCORMICK
OF THE FUTURE

THANK YOU!

Non-GAAP Financial Measures

The following tables include financial measures of adjusted operating income, adjusted operating income margin, and adjusted diluted earnings per share, each excluding the impact of special charges for each of the periods presented. These financial measures also exclude the impact of items associated with our acquisition of RB Foods on August 17, 2017 (in particular, transaction and integration expenses) as these items significantly impact comparability between years. These financial measures also exclude, for 2018, and the comparison of our expected results for 2019 to 2018, the net nonrecurring income tax benefit of \$301.5 million related to the U.S. Tax Act as this item significantly impacts comparability between years. Adjusted operating income, adjusted operating income margin, and adjusted diluted earnings per share, or percentage increases associated with any of these measures 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.

Special charges - 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, comprised of our Chairman, President and Chief Executive Officer; Executive Vice President and Chief Financial Officer; President Flavor Solutions Segment and McCormick International; President Global Consumer Segment and Americas; Senior Vice President, Human Relations; and Senior Vice President, Business Transformation. Upon presentation of any such proposed action (including details with respect to estimated costs, which generally consist principally of employee severance and related benefits, together with ancillary costs associated with the action that may include a non-cash component or a component which relates to inventory adjustments that are included in cost of goods sold; impacted employees or operations; expected timing; and expected savings) 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 ongoing basis through completion.

Transaction and integration expenses associated with the RB Foods acquisition - The costs associated with the acquisition and subsequent integration of RB Foods, which we refer to as "transaction and integration expenses" include the impact of transaction costs associated with the acquisition and integration costs following the acquisition. The size of this acquisition and related costs distinguishes it from our past, recent and smaller acquisitions, the costs of which have not been excluded from our non-GAAP financial measures.

Income taxes associated with the U.S. Tax Act - In connection with the enactment of the U.S. Tax Act in December 2017, we recorded a net income tax benefit of \$301.5 million during the year ended November 30, 2018, which includes the estimated impact of the tax benefit from revaluation of net U.S. deferred tax liabilities based on the new lower corporate income tax rate and the tax expense associated with the one-time transition tax on previously unremitted earnings of non-U.S. subsidiaries. We believe that these non-GAAP financial measures are important. The exclusion of the items noted above 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 information that follows.

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:

	Year Ended November 30, 2018		
	Percentage Change	Impact of Foreign Currency Exchange	Percentage Change on a Constant Currency Basis
Net sales:			
Total Consumer	11.9%	1.4%	10.5%
Total Flavor Solutions	12.4%	0.8%	11.6%
Total net sales	12.1%	1.2%	10.9%
Adjusted operating income:			
Consumer segment	13.3%	0.9%	12.4%
Flavor Solutions segment	32.3%	—%	32.3%
Total adjusted operating income	18.7%	0.7%	18.0%

Non-GAAP Financial Measures

	Year Ended November 30,	
	2018	2017
Earnings per share - diluted	\$ 7.00	\$ 3.72
Impact of transaction and integration expenses	0.13	0.42
Impact of special charges	0.10	0.12
Non-recurring benefit, net of the U.S. Tax Act ⁽³⁾	(2.26)	—
Impact of special charges attributable to non-controlling interests	—	—
<u>Adjusted earnings per share - diluted</u>	<u>\$ 4.97</u>	<u>\$ 4.26</u>

Non-GAAP Financial Measures

A reconciliation of our actual CAGR and constant currency CAGR through 2018 follows:

3-Year CAGR - Net sales	8%
Impact of foreign currency exchange rates	<u>1%</u>
3-Year CAGR - Net sales on a constant currency basis	<u>9%</u>
3-Year CAGR - Adjusted operating income	14%
Impact of foreign currency exchange rates	<u>1%</u>
3-Year CAGR - Adjusted operating income on a constant currency basis	<u>15%</u>
3-Year CAGR - Adjusted earnings per share	13%
Impact of foreign currency exchange rates	<u>1%</u>
3-Year CAGR - Adjusted earnings per share on a constant currency basis	<u>14%</u>



Non-GAAP Financial Measures

The following provides a reconciliation of our estimated increase in adjusted earnings per share for 2019, and the related percentage increase, and actual results for 2018:

	<u>2019 Projection</u>	<u>2018</u>
Earnings per share - diluted	\$5.09 to \$5.19	\$ 7.00
Impact of special charges and transaction and integration expenses	0.08	0.23
Non-recurring benefit, net, of the U.S. Tax Act	-	<u>(2.26)</u>
Adjusted earnings per share - diluted	<u>\$5.17 to \$5.27</u>	\$ 4.97
Percentage increase in adjusted earnings per share - diluted	4% to 6%	



Non-GAAP Financial Measures

The following are estimates for the year ending November 30, 2019:

	Estimate for the year ending November 30, 2019
Percentage change in net sales	1% to 3%
Impact of unfavorable foreign currency exchange rates	2%
Percentage change in net sales on a constant currency basis	3% to 5%

	Estimate for the year ending November 30, 2019
Percentage change in adjusted operating income	7% to 9%
Impact of unfavorable foreign currency exchange rates	2%
Percentage change in adjusted operating income on a constant currency basis	9% to 11%

	Estimate for the year ending November 30, 2019
Percentage change in adjusted earnings per share	4% to 6%
Impact of unfavorable foreign currency exchange rates	2%
Percentage change in adjusted earnings per share on a constant currency basis	6% to 8%

Non-GAAP Financial Measures

(in millions except per share data)	Three Months Ended	
	<u>2/28/2019</u>	<u>2/28/2018</u>
Earnings per share - diluted	\$ 1.11	\$ 3.18
Impact of transaction and integration expenses	—	0.05
Impact of special charges	0.01	0.01
Non-recurring benefit, net, of the U.S. Tax Act (2)	—	(2.24)
Adjusted earnings per share - diluted	<u>\$ 1.12</u>	<u>\$ 1.00</u>
% increase versus year-ago period	12.0 %	



Non-GAAP Financial Measures

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	Three Months Ended February 28, 2019		
	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
Total net sales	1.3%	(2.8)%	4.1%
Total adjusted operating income	3.6%	(2.6)%	6.2%

