

# McCormick to Acquire Reckitt Benckiser's Food Division



COMBINING POWERFUL BRANDS TO MAKE EVERY MEAL AND MOMENT BETTER



## ICONIC PRODUCTS TO BECOME PART OF MCCORMICK'S GLOBAL FLAVOR PORTFOLIO



**FRANK'S REDHOT®  
HOT SAUCE**

No. 1 Hot Sauce in U.S and Canada  
Passionate Consumer Following



**FRENCH'S®  
MUSTARD**

No. 1 Mustard in U.S. and Canada  
Classic Americana



**CATTELEMEN'S®  
BBQ SAUCE**

A Leading BBQ Sauce in U.S.  
Foodservice

## TRANSACTION HIGHLIGHTS



### LEADING BRANDS IN KEY FLAVOR CATEGORIES

RB Foods' brands have attractive positions across Hot Sauce, Mustard, Crispy Vegetables and BBQ Sauce categories in the U.S. and Canadian markets

Frank's RedHot has grown faster than competing hot sauce brands and is driving growth in the category



### INCREASED POTENTIAL FOR GROWTH GLOBALLY

Acquisition will leverage McCormick's International infrastructure to significantly expand French's and Frank's RedHot's global presence

Goal is to expand Frank's RedHot to No. 1 global Hot Sauce brand

Increased household penetration and innovation in existing markets



### INCREASES SIZE OF MCCORMICK'S BRANDED FOODSERVICE SALES BY OVER 50% IN THE U.S. AND CANADA

Significant expected synergies between RB Foods and McCormick brands in Fast Casual and other channels

New and improved tabletop proposition



### ONE-STOP SHOP FOR CUSTOMERS AND CONSUMERS

McCormick will provide flavor solutions that include condiments, as well as spices and seasonings

Offering better-for-you products with natural, simple ingredients



### EXPECT TRANSACTION WILL DRIVE SIGNIFICANT SHAREHOLDER VALUE AND INCREASE GROWTH

- Approx. \$5 Billion of Pro Forma 2017 Annual Net Sales
- Approx. \$1 Billion Pro Forma 2017 Adjusted EBITDA
- Meaningful Margin Expansion
- Accretive to Adjusted EPS

## ADVANCING MCCORMICK'S VISION TO BRING THE JOY OF FLAVOR TO LIFE



Passion for  
FLAVOR™



Power of  
PEOPLE™



Taste you  
TRUST™



Driven to  
INNOVATE



Purpose-led  
PERFORMANCE

## Non-GAAP Financial Measures

Certain disclosures in this fact sheet 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"). As a result of the significance of this pending acquisition, the Company is modifying how we define certain non-GAAP financial measures. We define "Adjusted EBITDA" as net income before interest, income taxes, depreciation and amortization, 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); and certain gains or losses (which may include third party fees and expenses, and integration costs). The Company's estimate of the combined revenue and Adjusted EBITDA of McCormick and RB Foods is based only on projected financial information as of the date hereof. The Company believes that Adjusted EBITDA is useful to investors in evaluating the Company's operating performance and liquidity because (i) it is a widely used to measure a company's operating performance without regard to items such as depreciation and amortization, which can vary depending upon accounting methods and the book value of assets, (ii) it presents a meaningful measure of corporate performance exclusive of the Company's capital structure and is the method by which we evaluate acquisitions, and (iii) it is a widely accepted financial indicator of a company's ability to service its debt.

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. We have not provided a reconciliation of these non-GAAP financial measures to the related GAAP financial measures as these non-GAAP measures are solely associated with forward-looking information and such reconciliations would require unreasonable efforts at this time to forecast and quantify certain amounts that are necessary for such reconciliation including adjustment that could be made for matters including, but not limited to, cash and non-cash acquisition related expenses, gains and losses, both as previously described, and other charges reflected in the Company's reconciliation of historic amounts, the amounts of which, based on historical experience could be significant.

## Forward-looking Information

Certain information contained in this fact sheet that are not statements of historical or current fact constitute "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." The forward-looking statements contained in this fact sheet include, without limitation, statements related to: the planned acquisition of RB Foods and the timing and financing thereof; the ability to obtain regulatory approvals and meet other closing conditions for the planned acquisition; the expected impact of the planned acquisition, including among others, on the company's net sales, expected trends in net sales and earnings performance and other financial measures; expectations regarding improved scale, growth potential in various products, geographies and market categories, including the impact from innovation, a more diverse product offering and millennial household penetration; expectations regarding growth in the Hot Sauce category; the realization of anticipated cost synergies, margin expansion and adjusted earnings per share accretion from the acquisition; the ability to retain key personnel; and 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.

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: risks associated with acquisitions generally, such as the inability to obtain, or delays in obtaining, required approvals under applicable anti-trust legislation and other regulatory and third party consents and approvals; potential volatility in the capital markets and impact on the ability to complete the proposed debt and equity financing necessary to satisfy the purchase price; failure to retain key management and employees of RB Foods; issues or delays in the successful integration of RB Foods' operations with those of the Company, including incurring or experiencing unanticipated costs and/or delays or difficulties; difficulties or delays in the successful transition of the RB Foods' business from the information technology systems of RB to those of McCormick as well as risks associated with other integration or transition of the operations, systems and personnel of RB Foods, each, as applicable, within the term of the six-month post-closing transition services agreement between McCormick and RB; future levels of revenues being lower than expected and costs being higher than expected; failure or inability to implement growth strategies in a timely manner; unfavorable reaction to the acquisition by customers, competitors, suppliers and employees; conditions affecting the industry generally; local and global political and economic conditions; conditions in the securities market that are less favorable than expected; and changes in the level of capital investment, and other risks described in the company's filings with the Securities and Exchange Commission, including McCormick's Annual Report on Form 10-K for the year ended November 30, 2016.

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.