McCormick & Company (MKC)

Updated January 23rd, 2026 by Nathan Parsh

Key Metrics

Current Price:	$61	**5 Year Annual Expected Total Return:**	14.5%	**Market Cap:**	$16.2 B
Fair Value Price:	$77	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	04/07/26[1]
% Fair Value:	79%	**5 Year Valuation Multiple Estimate:**	4.8%	**Dividend Payment Date:**	04/21/26[2]
Dividend Yield:	3.1%	**5 Year Price Target**	$108	**Years Of Dividend Growth:**	40
Dividend Risk Score:	A	**Sector:**	Consumer Staples	**Rating:**	Buy

Overview & Current Events

McCormick & Company produces, markets, and distributes seasoning mixes, spices, condiments and other products to customers in the food industry. McCormick was founded in 1889 by Willoughby M. McCormick and controls ~20% of the global seasoning and spice market.

On November 18th, 2025, McCormick announced that it was increasing its quarterly dividend 6.7% to $0.48, extending the company's dividend growth streak to 40 consecutive years.

On January 22nd, 2026, McCormick reported fourth quarter and full year results for the period ending November 30th, 2025. For the quarter, revenue improved 2.8% to $1.85 billion, which matched estimates. Adjusted earnings-per-share of $0.86 compared to $0.80 in the prior year, but this was $0.02 below expectations. For the year, revenue grew 2% to $6.8 billion while adjusted earnings-per-share of $2.93 was up slightly up from $2.92 in 2024.

For the quarter, organic growth was 2.1% as volume was up 0.2% and price added 1.9%. The Consumer segment grew 3.1% for the period as volume and mix improved 1.0% while higher prices added 2.1%. Organic growth for the Americas, EMEA, and Asia/Pacific grew 3.2%, 3.1%, and 1.8%, respectively. Flavor Solutions increased 0.7% from the prior year as a 1.6% contribution from pricing was partially offset by a 0.9% decrease in volume. Asia/Pacific was up 2.5%, the Americas grew 1.5%, and EMEA was lower by 3.1%. The company stated that trade tensions and inflation would be headwinds going forward.

McCormick provided guidance for 2026 as well. The company expects adjusted earnings-per-share in a range of $3.05 to $3.13 for the year. This below consensus guidance coupled with comments about global trade dynamics impacting the business led to a 10% decrease in the share price following the earnings release.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.89	$2.13	$2.49	$2.68	$2.83	$3.05	$2.52	$2.52	$2.92	$2.93	***$3.09***	***$4.33***
DPS	$0.86	$0.94	$1.04	$1.14	$1.27	$1.36	$1.48	$1.56	$1.68	$1.80	***$1.92***	***$2.69***
Shares[3]	251	262	264	266	267	267	270	270	270	269	***269***	***265***

Prior to 2022, McCormick had increased earnings-per-share every year for the past ten years. Since 2015, earnings have increased at an average rate of 5.0% per year. The addition of RB Foods and other acquisitions have worked in the company's favor, especially in the area of hot sauce, where McCormick now has the top two brands in the $5 billion market. In fact, we feel that the company's acquisition over the past few years will help to aid earnings growth going forward. We reaffirm our projected annual earnings growth rate of 7% through 2031.

The annualized dividend of $1.92 per share equates to a 3.1% yield at current prices. We assume dividends will grow by 7% annually through 2031.

---

[1] Estimated ex-dividend date.
[2] Estimated dividend payment date.
[3] Share count in millions.
Disclosure: This analyst has a long position in the security discussed in this research report.

McCormick & Company (MKC)

Updated January 23rd, 2026 by Nathan Parsh

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	25.1	22.9	23.3	28.3	33.8	31.7	32.9	25.7	26.1	23.0	***19.7***	***25.0***
Avg. Yld.	1.8%	1.9%	1.6%	1.3%	1.3%	1.4%	1.8%	2.4%	2.2%	2.7%	***3.1%***	***2.5%***

Shares of McCormick have decreased $5, or 7.6%, since our October 8th, 2025 report. Based off earnings estimates for the year, the stock trades with a price-to-earnings ratio of 19.7. We are reaffirming our 2031 price-to-earnings ratio target of 25 to better reflect the stock's average valuation over the last decade. We believe this multiple is warranted given McCormick's performance during the pandemic and other recessionary periods as well as the strength of the company's core business and leadership position in its industry. If the stock reached our target P/E by 2031, then valuation would add 4.8% to annual returns over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	46%	44%	42%	43%	45%	45%	59%	62%	58%	61%	***62%***	***62%***

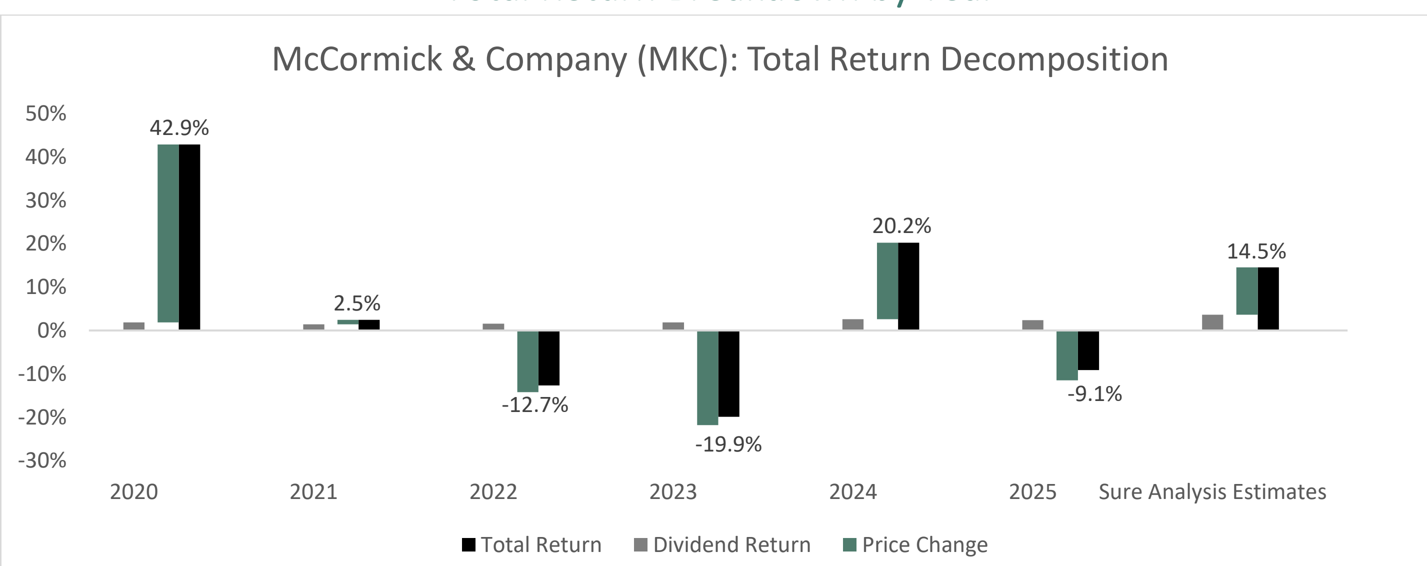
McCormick's competitive advantage stems from its 20% market share of the global market for seasonings and spices. McCormick is four times as large as its nearest competitor, which gives it unmatched size and scale. With a portfolio of popular products, the company has the ability to negotiate with retailers on pricing and shelf space.

Shares of McCormick performed remarkably well during the last recession. While many companies saw declining earnings per share during the Great Recession, McCormick increased its earnings in 2008 and 2009.

Final Thoughts & Recommendation

Following fourth quarter results, McCormick & Company is expected to return 14.5% through 2031, up from our prior estimate of 11.9%. Our projected return stems from an expected annual earnings growth rate of 7%, the starting yield of 3.1%, and a mid-single-digit contribution from multiple expansion. McCormick had enjoyed pricing power in recent years and recent results show that customers are still willing to pay up for the company's products. We again note that the current dividend yield is higher than usual for the stock. We have raised our five-year price target $4 to $108 due to revised estimates for the year. We continue to rate shares of McCormick as a buy as shares trade below our fair value target.

Total Return Breakdown by Year



Disclosure: This analyst has a long position in the security discussed in this research report.

McCormick & Company (MKC)

Updated January 23rd, 2026 by Nathan Parsh

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	4,412	4,834	5,303	5,347	5,601	6,318	6,351	6,662	6,724	6,840
Gross Profit	1,828	2,030	2,097	2,144	2,299	2,506	2,273	2,502	2,589	2,592
Gross Margin	41.4%	42.0%	39.5%	40.1%	41.0%	39.7%	35.8%	37.6%	38.5%	37.9%
SG&A Exp.	1,175	1,245	1,163	1,167	1,282	1,404	1,357	1,478	1,521	-
D&A Exp.	109	125	151	159	165	186	201	199	209	231
Operating Profit	659	786	933	977	1,017	1,102	916	1,024	1,068	1,092
Operating Margin	14.9%	16.3%	17.6%	18.3%	18.2%	17.4%	14.4%	15.4%	15.9%	16.0%
Net Profit	472	477	933	703	747	755	682	675	781	789
Net Margin	10.7%	9.9%	17.6%	13.1%	13.3%	12.0%	10.7%	10.1%	11.6%	11.5%
Free Cash Flow	504	633	652	773	816	550	390	973	647	740
Income Tax	153	151	(157)	157	175	193	169	175	184	196

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	4,636	10,386	10,256	10,362	12,090	12,906	13,125	12,862	13,070	13,200
Cash & Equivalents	118	187	97	155	424	352	334	167	186	96
Accounts Receivable	465	555	518	503	529	550	574	588	587	629
Inventories	756	793	786	801	1,033	1,182	1,340	1,127	1,240	1,272
Goodwill & Int. Ass.	2,196	7,561	7,401	7,352	8,226	8,788	8,601	8,617	8,546	8,594
Total Liabilities	2,998	7,815	7,074	6,905	8,150	8,480	8,426	7,779	7,754	7,432
Accounts Payable	451	640	710	847	1,032	1,064	1,171	1,119	1,238	1,259
Long-Term Debt	1,057	4,770	4,136	3,724	4,121	4,850	4,089	4,319	4,025	3,106
Shareholder's Equity	1,627	2,560	3,171	3,444	3,926	4,411	4,681	5,061	5,291	
LTD/E Ratio	0.89	1.96	1.48	1.26	1.29	1.23	1.15	0.92	0.86	0.70

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	10.4%	6.4%	9.0%	6.8%	6.7%	6.0%	5.2%	5.2%	6.0%	6.0%
Return on Equity	28.4%	22.7%	32.4%	21.2%	20.2%	18.1%	14.9%	13.8%	15.0%	14.2%
ROIC	15.3%	8.9%	12.1%	9.0%	8.9%	8.0%	6.8%	6.8%	8.0%	8.0%
Shares Out.	251	262	264	266	267	267	270	270	270	269
Revenue/Share	17.23	18.82	19.91	19.94	20.81	23.41	23.50	24.69	24.94	25.39
FCF/Share	1.97	2.46	2.45	2.88	3.03	2.04	1.44	3.61	2.40	2.75

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.