



McCormick & Company (MKC)

Updated April 7th, 2026, by Nathan Parsh

Key Metrics

Current Price:	\$51	5 Year Annual Expected Total Return:	11.0%	Market Cap:	\$13.6 B
Fair Value Price:	\$62	5 Year Growth Estimate:	4.0%	Ex-Dividend Date:	04/10/26 ¹
% Fair Value:	83%	5 Year Valuation Multiple Estimate:	3.9%	Dividend Payment Date:	04/21/26 ²
Dividend Yield:	3.8%	5 Year Price Target	\$75	Years Of Dividend Growth:	40
Dividend Risk Score:	B	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 March 31st, 2026, it was announced that McCormick had agreed to purchase Unilever's (UL) food business, with includes brands such as Hellmann's mayonnaise and Knorr. Unilever (9.9%) and its shareholders (55.1%) will hold a majority stake in the combined company while McCormick shareholders (35%) will retain a large minority stake. Shares of both companies fell following the announcement.

That same day, McCormick reported first quarter results for the period ending February 28th, 2026. For the quarter, revenue grew 16.7% to \$1.87 billion, which topped expectations by \$95 million. Adjusted earnings-per-share of \$0.66 compared unfavorable to \$0.86 in the prior year, but this was \$0.06 ahead of estimates.

Revenue growth was aided by the company increasing its ownership stake in McCormick de Mexico to 75% from 50%. Much of this benefit was felt in the Consumer segment. For the quarter, companywide organic growth was 1.2% as volume fell 0.7% and price added 1.9%. The Consumer segment grew 21.6%, mostly due to a 19.8% contribution from acquisitions. Excluding this, organic growth was 1.8% as higher prices added 2.2%, but this was offset by a 0.4% decrease in volume. Organic growth for the Americas, EMEA, and Asia/Pacific grew 1.2%, 3.7%, and 2.2%, respectively. Flavor Solutions improved 0.5% from the prior year as a 1.5% contribution from pricing was offset by a 1.0% decrease in volume. Asia/Pacific was up 0.5%, the Americas grew 0.8%, and EMEA was down 0.5%.

McCormick reaffirmed prior guidance for 2026 as well. The company still expects adjusted earnings-per-share in a range of \$3.05 to \$3.13 for the year.

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	\$3.76
DPS	\$0.86	\$0.94	\$1.04	\$1.14	\$1.27	\$1.36	\$1.48	\$1.56	\$1.68	\$1.80	\$1.92	\$2.34
Shares³	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, though this growth rate falls to 0.3% when looking at the last five years. 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 market. In fact, we feel that the company's acquisition over the past few years will help to aid earnings growth going forward. Management has stated that it has targeted EPS growth

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 April 7th, 2026, by Nathan Parsh

of 3% to 5% for the combined McCormick/Unilever company in year three. We have lowered projected annual earnings growth rate to 4% from 7% to match this target.

The annualized dividend of \$1.92 per share equates to a 3.8% yield at current prices. We assume dividends will grow by 4% annually through 2031.

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	16.5	20.0
Avg. Yld.	1.8%	1.9%	1.6%	1.3%	1.3%	1.4%	1.8%	2.4%	2.2%	2.7%	3.8%	3.1%

Shares of McCormick have decreased \$10, or 16.4%, since our January 23rd, 2026 report. Based off earnings estimates for the year, the stock trades with a price-to-earnings ratio of 16.5. We have lowered our 2031 price-to-earnings ratio target to 20 from 25 as the deal with Unilever does bring some uncertainty into the thesis for holding the stock. Still, we note that McCormick has successfully integrated large acquisitions in the past and the company has performed well under various difficult economic environments. If the stock reached our new target P/E by 2031, then valuation would add 3.9% 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%

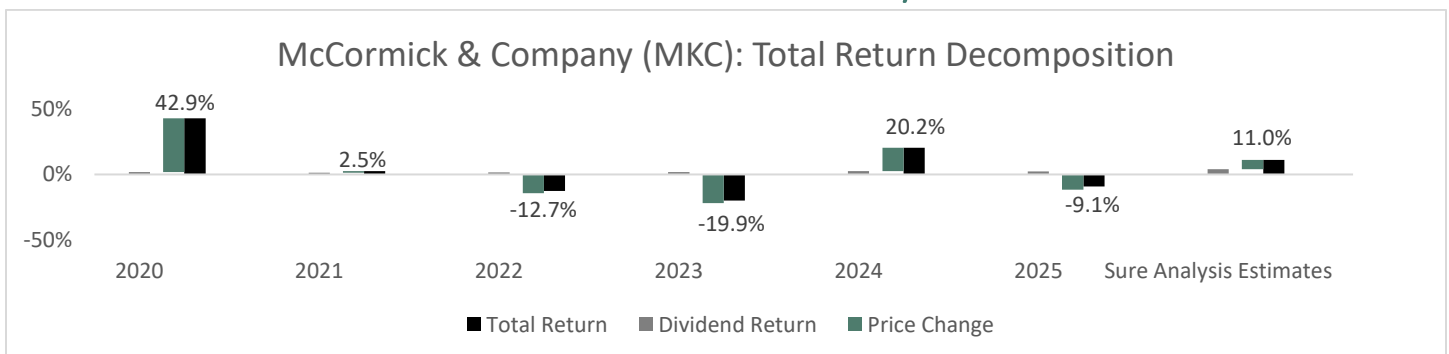
McCormick's competitive advantage stems from its 20% market share of the global market for seasonings and spices. McCormick is four times as large as its nearest competitor, which gives it unmatched size and scale. With a portfolio of popular products, the company has the ability to negotiate with retailers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

After first quarter results, McCormick & Company is expected to return 11.0% through 2031, down from our prior estimate of 14.5%. Our projected return stems from an expected annual earnings growth rate of 4%, the starting yield of 3.8%, and a 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. The transaction with Unilever will bring change to the company, but McCormick has made other strategic acquisitions that have worked out well for its business. We have lowered our five-year price target \$33 to \$75 due to lower expected EPS growth rates and a reduced target multiple. We continue to rate shares of McCormick as a buy due to projected returns and a solid dividend risk score.

Total Return Breakdown by Year



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



McCormick & Company (MKC)

Updated April 7th, 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.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.