McCormick & Company (MKC)

Updated October 8th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$45	**5 Year Annual Expected Total Return:**	13.8%	**Market Cap:**	$12 B
Fair Value Price:	$62	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	10/13/26
% Fair Value:	73%	**5 Year Valuation Multiple Estimate:**	6.6%	**Dividend Payment Date:**	10/26/26
Dividend Yield:	4.3%	**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 January 2nd, 2026, McCormick completed its acquisition of McCormick de Mexico.

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. The deal is expected to close mid-2027.

On October 1st, 2026, McCormick reported third quarter results for the period ending August 31st, 2026. For the quarter, revenue grew 17.4% to $2.02 billion, which topped estimates by $40 million. Adjusted earnings-per-share of $0.86 compared favorable to $0.85 in the prior year and was $0.10 better than expected.

Revenue growth was once again aided by the company increasing its ownership stake in McCormick de Mexico to 75% from 50%. This was responsible for 14% of the revenue growth during the period, with much of this benefit being felt in the Consumer segment. For the quarter, companywide organic growth was 1.9% as a 0.3% decline in volume was more than offset by a 2.2% benefit from higher prices. The Consumer segment grew 24.3%, mostly due to a 23.2% gain related to the addition of the Mexico business. Excluding this, organic growth was 1.1% as higher prices added 2.2% and were offset by a 1.1% decrease in volume. Organic growth for the Americas decreased 0.3% while the EMEA grew 5.0% and Asia/Pacific was higher by 4.4%. Flavor Solutions grew 3.0% from the prior year as pricing added 2.2% and volume was up 0.8%. M&A added 3.4%. By region, the Americas were up 7.6%, EMA grew 1.2%, and Asia/Pacific improved 8.3%.

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***
Shares[1]	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

[1] Share count in millions.

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past few years will help to aid earnings growth going forward. Management has stated that it has targeted EPS growth of 3% to 5% for the combined McCormick/Unilever company in year three. We have reaffirmed our lower projected annual earnings growth rate of 4% to match this target.

The annualized dividend of $1.92 per share equates to a 4.3% 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	***14.6***	***20.0***
Avg. Yld.	1.8%	1.9%	1.6%	1.3%	1.3%	1.4%	1.8%	2.4%	2.2%	2.7%	***4.3%***	***3.1%***

Shares of McCormick have fallen $6, or 11.8%, since our June 28th, 2026 report. Based off earnings estimates for the year, the stock trades with a price-to-earnings ratio of 14.6. We reaffirm our 2031 price-to-earnings ratio target of 20, down 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 6.6% 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%***

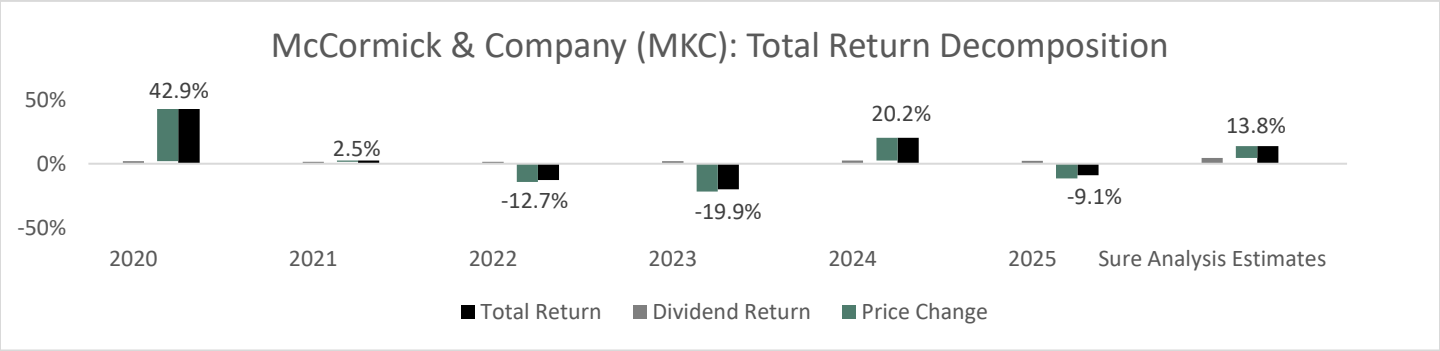
McCormick's competitive advantage stems from its 20% market share of the global market for seasonings and spices. McCormick is four times as large as its nearest competitor, which gives it unmatched size and scale. With a portfolio of popular products, the company has the ability to negotiate with retailers 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 third quarter results, McCormick & Company is expected to return 13.8% through 2031, up from 11.0% previously. Our projected return stems from an expected annual earnings growth rate of 4%, the starting yield of 4.3%, 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 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 reiterate our five-year price target of $75. 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



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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.

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