



**SENSIENT®**

**Third Quarter 2021**

**Investor Presentation**

# FORWARD-LOOKING STATEMENTS

This document contains statements that may constitute “forward-looking statements” within the meaning of Federal securities laws including under “2021 Financial Outlook” in this presentation. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors concerning the Company’s operations and business environment. Important factors that could cause actual results to differ materially from those suggested by these forward-looking statements and that could adversely affect the Company’s future financial performance include the following: the impact and uncertainty created by the ongoing COVID-19 pandemic, including, but not limited to, its effects on our employees, facilities, customers, and suppliers, the availability and cost of raw materials and other supplies, the availability of logistics and transportation, governmental regulations and restrictions and general economic conditions; the pace and nature of new product introductions by the Company and the Company’s customers; the Company’s ability to anticipate and respond to changing consumer preferences and changing technologies; the Company’s ability to successfully implement its growth strategies; the outcome of the Company’s various productivity-improvement and cost-reduction efforts, acquisition and divestiture activities, and operational improvement plan; the effectiveness of the Company’s past restructuring activities; changes in costs of raw materials, including energy; industry, regulatory, legal, and economic factors related to the Company’s domestic and international business; the effects of tariffs, trade barriers, and disputes; growth in markets for products in which the Company competes; industry and customer acceptance of price increases; actions by competitors; currency exchange rate fluctuations; and other factors included in “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, and in other documents that the Company files with the SEC. The risks and uncertainties identified above are not the only risks the Company faces. Additional risks and uncertainties not presently known to the Company or that it currently believes to be immaterial also may adversely affect the Company. Should any known or unknown risks and uncertainties develop into actual events, these developments could have material adverse effects on our business, financial condition, and results of operations. This presentation contains time-sensitive information that reflects management’s best analysis only as of the date of this presentation. Except to the extent required by applicable laws, the Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied herein will not be realized.

# NON-GAAP FINANCIAL MEASURES

Within this document, the Company reports certain non-GAAP financial measures, including: (1) adjusted revenue, adjusted operating income, adjusted net earnings, adjusted EBITDA, and adjusted diluted earnings per share (which exclude divestiture & other related costs, operational improvement plan costs, and the results of the divested operations), (2) adjusted results by segment (which exclude divestiture & other related costs, operational improvement plan costs, and the results of the divested operations), (3) percentage changes in revenue, operating income, diluted earnings per share, and EBITDA on an adjusted local currency basis (which eliminate the effects that result from translating its international operations into U.S. dollars and exclude divestiture & other related costs, operational improvement plan costs, and the results of the divested operations), and (4) adjusted EBITDA (which excludes depreciation and amortization expense, non-cash share based compensation expense, the results of the divested product lines, the divestiture & other related costs, and operational improvement plan costs). The Company has included each of these non-GAAP measures in order to provide additional information regarding the underlying operating results and comparable period-over-period performance. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. These non-GAAP measures should not be considered in isolation. Rather, they should be considered together with GAAP measures and the rest of the information included in this presentation and the Company's SEC filings. Management internally reviews each of these non-GAAP measures to evaluate performance on a comparative period-to-period basis and to gain additional insight into underlying operating and performance trends, and the Company believes the information can be beneficial to investors for the same purposes. These non-GAAP measures may not be comparable to similarly titled measures used by other companies. Refer to "Non-GAAP Financial Measures" at the end of this presentation for reconciliations and additional information.

# Sensient Overview



Provider of customized solutions for food and beverage, pharmaceutical, and personal care customers

Global market leader offering an extensive portfolio of flavor and color technology platforms and solutions

Exceptional innovation & applications expertise with unique ability to service global, regional, and local customers

# Innovative Technologies Creating Unique Solutions



Applications expertise and solutions-based selling

High impact relative to cost

Technically-driven products that are difficult to replace

Strong consumer trends

Opportunities to grow organically and through M&A

# Focusing our portfolio and strengthening our commitment to the end markets



Investing in core focus areas of Flavors and Extracts, Natural Ingredients, Food and Pharmaceutical Colors, and Personal Care

Divested non-core product lines (inks, fragrances, and yogurt fruit prep product lines)

Expanded flavor portfolio and strengthened technical solutions capabilities through the acquisition of Flavor Solutions, Inc. on July 15, 2021

# Global Revenue by Group



## Color Group

2020 Revenue: \$501M

2020 Adj. Revenue\*: \$487M

Core Areas of Focus: Food and Pharmaceutical Colors and Personal Care



## Flavors & Extracts Group

2020 Revenue: \$742M

2020 Adj. Revenue\*: \$642M

Core Areas of Focus: Flavors and Extracts, Natural Ingredients, and Other Flavor Ingredients



## Asia Pacific Group

2020 Revenue: \$121M

2020 Adj. Revenue\*: \$121M

Core Areas of Focus: Flavors and Colors for food and beverage

# Color Group



Global market leader

Natural color innovator

Excellent innovation &  
applications expertise



# Color Overview



**2020 Revenue: \$501M**

**2020 Adj. Revenue\*: \$487M**

## Food and Pharmaceutical

**69% of Segment Revenue**

**71% of Adj. Segment Revenue**

LC Revenue Change  
Q3 '21 +18.0%  
YTD '21 +7.4%

- Market trend toward natural colors in food and beverage
- Unique value proposition for Pharmaceutical customers includes colors, flavors, coatings, and extracts

## Personal Care

**28% of Segment Revenue**

**29% of Adj. Segment Revenue**

LC Revenue Change  
Q3 '21 +18.5%  
YTD '21 +7.0%

- Demand for innovative products with multiple benefits
- Product line includes formulation aides and ingredients for color cosmetics, hair care, and skin care
- Recovery from negative COVID impacts underway

## Inks

**3% of Segment Revenue**

- Completed divestiture in June 2020

# Flavors & Extracts Group



Broad product offering

Unique ability to service global, regional, and local customers

Leading technology platforms

Outstanding applications expertise

# Flavors & Extracts Overview



**2020 Revenue: \$742M**

**2020 Adj. Revenue\*: \$642M**

## Flavors, Extracts, and Flavor Ingredients

**54% of Segment Revenue**

**62% of Adj. Segment Revenue**

LC Revenue Change  
Q3 '21 +15.5%  
YTD '21 +12.0%

- Opportunities for on trend products with extracts, taste modulation, and natural flavors

## Natural Ingredients

**33% of Segment Revenue**

**38% of Adj. Segment Revenue**

LC Revenue Change  
Q3 '21 +5.3%  
YTD '21 +6.2%

- Leading provider of dehydrated onion, garlic, and other products

## Fragrances & Yogurt Fruit Prep

**13% of Segment Revenue**

- Yogurt Fruit Prep (2% of revenue) divested September 2020
- Fragrances (11% of revenue) divested April 2021

# Asia Pacific Group



Portfolio of food and beverage flavors and colors

R&D centers in Singapore, Thailand, and China to support local and regional customer base

Ability to deliver localized solutions and technology platforms

# Asia Pacific Overview



2020 adjusted revenue of \$121 million and adjusted operating income of \$22 million

Sensient's sales of flavors and colors for Food and Pharmaceutical are managed on a geographic basis and reported as a separate segment

Manufacturing capabilities in Australia, New Zealand, China, Japan, Philippines, Thailand, and India

Q3 2021 local currency adjusted revenue and operating profit improved 9.5% and 10.5%, respectively

# 2021 Q3 Segment Results



## Local Currency Adjusted Revenue\*

	Q3	YTD
Color	+18.1%	+7.3%
Flavors & Extracts	+11.6%	+9.9%
Asia Pacific	+9.5%	+8.4%

## Local Currency Adjusted Operating Income\*

	Q3	YTD
Color	+14.8%	+1.0%
Flavors & Extracts	+16.0%	+16.7%
Asia Pacific	+10.5%	+20.4%

## Local Currency Adjusted\* Commentary:

Color Group third quarter revenue increase was driven by the continued recovery in Personal Care and strong demand for natural food and beverage colors. Operating income was up in the quarter due to volume.

Flavors & Extracts Group reported higher revenue in the quarter primarily driven by volume from growth in nearly all product categories. Flavor Solutions contributed \$2.4 million, or 1.5%, of growth in the quarter. Operating income was up as a result of the higher volumes and product mix.

Asia Pacific Group third quarter revenue increased high-single digits driven by volume growth in almost all regions. Operating income improved in the quarter due to volume growth.

# 2021 Q3 Consolidated Results

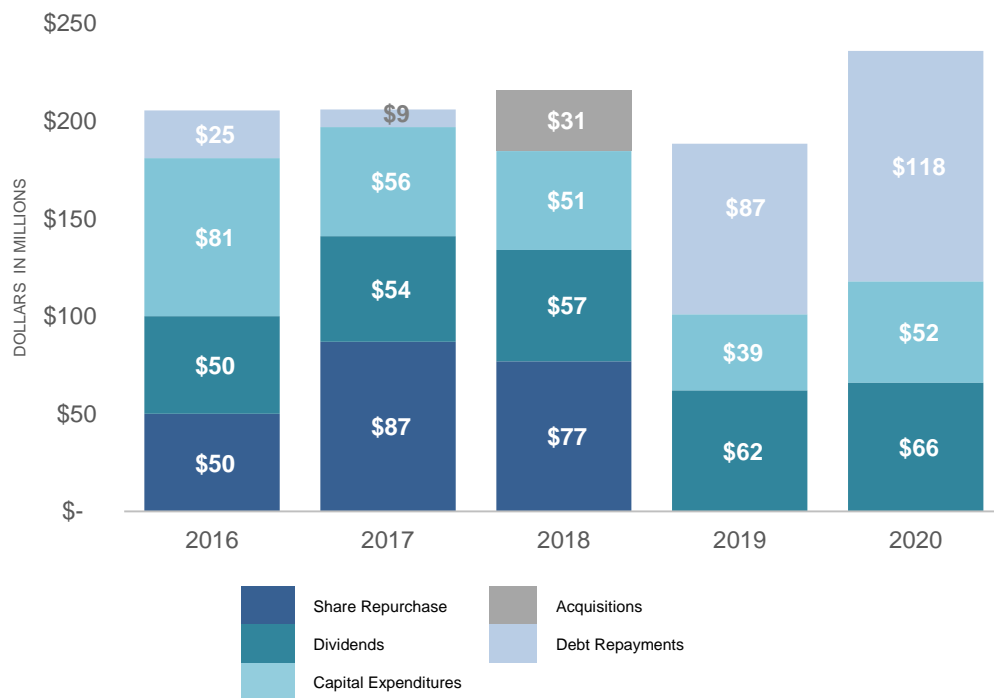


	Q3	YTD
Local Currency Adjusted Revenue*	+13.0%	+8.6%
Local Currency Adjusted Operating Income*	+13.9%	+6.5%
Local Currency Adjusted Diluted EPS*	+9.1%	+6.8%
Local Currency Adjusted EBITDA*	+12.9%	+6.9%

**Q3 consolidated local currency adjusted revenue** was up due to strong growth across all of the groups primarily as a result of volume growth driven by new customer sale wins.

**Q3 consolidated local currency adjusted operating income** was up due to the overall volume growth across our businesses; however, the operating income improvement was partially offset due to higher year-over-year Corporate expenses related to performance-based compensation and timing or pricing actions related to higher raw material costs.

# Capital Allocation



Prioritize ROI capital projects

Growth in dividend payout

Debt reduction to maintain targeted leverage

Maintain financial flexibility to pursue M&A

Excess capital returned to shareholders through opportunistic share repurchases



# 2021 Financial Outlook



Metric	Guidance	Comments
Diluted EPS (GAAP)	Mid-to-high single digit growth	<ul style="list-style-type: none"> <li>Includes approximately 25 cents of divestiture &amp; other related costs, operational improvement plan costs, and the results of the divested operations</li> <li>At current rates FX provides a 7 cent benefit</li> </ul>
Adjusted Diluted EPS in Local Currency*	Mid-to-high single digit growth	<ul style="list-style-type: none"> <li>Excludes divestiture &amp; other related costs and operational improvement plan costs</li> <li>Excludes results of the divested operations</li> </ul>
Adjusted Local Currency Revenue*	High-single digit growth	<ul style="list-style-type: none"> <li>Excludes revenue of the divested product lines</li> </ul>
Adjusted Local Currency EBITDA*	Mid-to-high single digit growth	<ul style="list-style-type: none"> <li>Excludes divestiture &amp; other related costs and operational improvement plan costs</li> <li>Excludes results of the divested operations</li> </ul>

# Why Invest?



Strong competitive position

‘Sticky’ business (& low portion of customer costs)

Global presence

Exposure to stable and growing markets

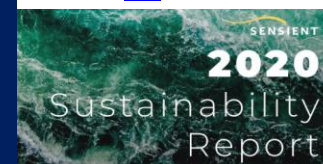
Focused on improving returns and on growth

# APPENDIX\*

*\*Amounts in thousands, except percentages and per share amounts*

# ESG Information

Click [here](#) to access our



## Environmental

Sensient is committed to the principles of sound environmental stewardship and the responsible and sustainable use of energy and natural resources.

- Long-term goals to **reduce** Energy, Water, and Hazardous **Waste intensity**
- Seed-to-shelf program focused on **sustainable supply chain**
- Emphasis on new products and technologies that **minimize waste and environmental impacts**
- **Chemical Risk Strategy** implemented to identify and reduce risk in our portfolio

## Social

Sensient strives to conduct business in an ethical manner and to make a positive contribution to society through our product offerings and business activities.

- Sensient's Code of Conduct and Supplier Code of Conduct require **strong ethical behavior, fair employment practices, and strict human rights practices** and **product safety standards**
- Robust product, environmental, and raw material **safety programs** designed to **exceed industry standards**.
- Raw material **traceability and sustainability** programs
- **Support for our local communities** through volunteerism, financial donations, sponsorships, and employee education opportunities

## Governance

Sensient is committed to maintaining the highest standards of professional conduct and strong corporate governance practices through our comprehensive corporate governance framework.

- Board comprised of a majority of **independent directors** with diverse and accomplished backgrounds
- Committed to **board diversity and refreshment**, we are a 2020 Women on Boards Winning Company for the seventh year in a row and we have added seven new directors since 2013.
- Robust Code of Conduct built on a foundation of **ethics, safety and quality, and professionalism** resulting in ethical and lawful conduct of our business

# Non-GAAP Financial Measures

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
<b>Revenue (GAAP)</b>	<b>\$ 344,287</b>	<b>\$ 323,566</b>	<b>\$ 1,039,816</b>	<b>\$ 997,333</b>
Revenue of the divested product lines	(1,622)	(23,588)	(29,399)	(88,390)
<b>Adjusted revenue</b>	<b>\$ 342,665</b>	<b>\$ 299,978</b>	<b>\$ 1,010,417</b>	<b>\$ 908,943</b>
<b>Operating income (GAAP)</b>	<b>\$ 46,958</b>	<b>\$ 41,155</b>	<b>\$ 129,608</b>	<b>\$ 117,841</b>
Divestiture & other related costs (income) – Cost of products sold	-	(148)	28	1,791
Divestiture & other related costs – Selling and administrative expenses	241	312	13,473	8,689
Operating loss (income) of the divested product lines	70	(2,449)	(2,398)	(4,165)
Operational improvement plan - Cost of products sold	-	35	-	35
Operational improvement plan - Selling and administrative expenses (income)	483	2,606	(2,010)	2,606
<b>Adjusted operating income</b>	<b>\$ 47,752</b>	<b>\$ 41,511</b>	<b>\$ 138,701</b>	<b>\$ 126,797</b>
<b>Net earnings (GAAP)</b>	<b>\$ 33,912</b>	<b>\$ 32,910</b>	<b>\$ 91,516</b>	<b>\$ 84,303</b>
Divestiture & other related costs, before tax	241	164	13,501	10,480
Tax impact of divestiture & other related costs	1,179	(787)	283	(1,212)
Net loss (earnings) of the divested product lines, before tax	70	(2,449)	(2,398)	(4,165)
Tax impact of the divested product lines	(18)	655	590	1,155
Operational improvement plan costs (income), before tax	483	2,641	(2,010)	2,641
Tax impact of operational improvement plan	(115)	(656)	44	(656)
<b>Adjusted net earnings</b>	<b>\$ 35,752</b>	<b>\$ 32,478</b>	<b>\$ 101,526</b>	<b>\$ 92,546</b>
<b>Diluted earnings per share (GAAP)</b>	<b>\$ 0.80</b>	<b>\$ 0.78</b>	<b>\$ 2.16</b>	<b>\$ 1.99</b>
Divestiture & other related costs (income), net of tax	0.03	(0.01)	0.33	0.22
Results of operations of the divested product lines, net of tax	0.00	(0.04)	(0.04)	(0.07)
Operational improvement plan costs (income), net of tax	0.01	0.05	(0.05)	0.05
<b>Adjusted diluted earnings per share</b>	<b>\$ 0.85</b>	<b>\$ 0.77</b>	<b>\$ 2.40</b>	<b>\$ 2.19</b>

# Non-GAAP Financial Measures (Cont'd)

	Three Months Ended September 30,				Nine Months Ended September 30, 2021			
	Total	Foreign Exchange Rates	Adjustments*	Adjusted Local Currency	Total	Foreign Exchange Rates	Adjustments*	Adjusted Local Currency
<b>Revenue</b>								
Flavors & Extracts	(0.7%)	1.1%	(13.4%)	11.6%	1.6%	2.4%	(10.7%)	9.9%
Color	19.6%	1.9%	(0.4%)	18.1%	7.1%	3.2%	(3.4%)	7.3%
Asia Pacific	8.8%	(0.5%)	(0.2%)	9.5%	11.8%	3.6%	(0.2%)	8.4%
<b>Total Revenue</b>	<b>6.4%</b>	<b>1.2%</b>	<b>(7.8%)</b>	<b>13.0%</b>	<b>4.3%</b>	<b>2.8%</b>	<b>(7.1%)</b>	<b>8.6%</b>
<b>Operating Income</b>								
Flavors & Extracts	5.5%	0.6%	(11.1%)	16.0%	13.7%	1.9%	(4.9%)	16.7%
Color	15.7%	1.8%	(0.9%)	14.8%	5.3%	3.5%	0.8%	1.0%
Asia Pacific	7.8%	(2.3%)	(0.4%)	10.5%	19.4%	(0.7%)	(0.3%)	20.4%
Corporate & Other	(2.5%)	0.0%	(21.0%)	18.5%	11.1%	0.0%	(11.0%)	22.1%
<b>Total Operating Income</b>	<b>14.1%</b>	<b>1.1%</b>	<b>(0.9%)</b>	<b>13.9%</b>	<b>10.0%</b>	<b>3.2%</b>	<b>0.3%</b>	<b>6.5%</b>
<b>Diluted Earnings Per Share</b>	<b>2.6%</b>	<b>0.0%</b>	<b>(6.5%)</b>	<b>9.1%</b>	<b>8.5%</b>	<b>3.0%</b>	<b>(1.3%)</b>	<b>6.8%</b>
<b>Adjusted EBITDA</b>	<b>14.2%</b>	<b>1.3%</b>	<b>N/A</b>	<b>12.9%</b>	<b>9.7%</b>	<b>2.8%</b>	<b>N/A</b>	<b>6.9%</b>

\* For Revenue, adjustments consist of revenues of the divested product lines. For Operating Income, Diluted Earnings per Share, and Adjusted EBITDA, adjustments consist of the results of the divested product lines, divestiture & other related costs, and operational improvement plan costs and income.

# Non-GAAP Financial Measures (Cont'd)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020	% Change	2021	2020	% Change
<b>Operating income (GAAP)</b>	\$ 46,958	\$ 41,155	14.1%	\$ 129,608	\$ 117,841	10.0%
Depreciation and amortization	13,011	12,309		38,828	36,831	
Depreciation and amortization, divested product lines	(49)	(49)		(146)	(145)	
Share-based compensation expense	2,243	1,355		6,431	4,017	
Divestiture & other related costs, before tax	241	164		13,501	10,480	
Results of operations of the divested product lines, before tax	70	(2,449)		(2,398)	(4,165)	
Operational improvement plan costs (income), before tax	483	2,641		(2,010)	2,641	
<b>Adjusted EBITDA</b>	<u>\$ 62,957</u>	<u>\$ 55,126</u>	<u>14.2%</u>	<u>\$ 183,814</u>	<u>\$ 167,500</u>	<u>9.7%</u>

# Non-GAAP Financial Measures (Cont'd)

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
		Foreign Exchange	Local		Foreign Exchange	Local
<b>Revenue</b>	<b>Total</b>	<b>Rates</b>	<b>Currency</b>	<b>Total</b>	<b>Rates</b>	<b>Currency</b>
Flavors, Extracts and Flavor Ingredients	17.4%	1.9%	15.5%	15.1%	3.1%	12.0%
Natural Ingredients	5.4%	0.1%	5.3%	6.2%	0.0%	6.2%
Fragrances*	(100.0%)	0.9%	(100.9%)	(64.1%)	6.3%	(70.4%)
Yogurt Fruit Prep*	(57.5%)	0.0%	(57.5%)	(59.1%)	0.0%	(59.1%)
<b>Flavors &amp; Extracts Group</b>	<b>(0.7%)</b>	<b>1.1%</b>	<b>(1.8%)</b>	<b>1.6%</b>	<b>2.4%</b>	<b>(0.8%)</b>
Food and Pharmaceutical	19.9%	1.9%	18.0%	10.5%	3.1%	7.4%
Personal Care	20.3%	1.8%	18.5%	10.4%	3.4%	7.0%
Inks*	(39.6%)	0.0%	(39.6%)	(88.2%)	1.9%	(90.1%)
<b>Color Group</b>	<b>19.6%</b>	<b>1.9%</b>	<b>17.7%</b>	<b>7.1%</b>	<b>3.2%</b>	<b>3.9%</b>
<b>Asia Pacific</b>	<b>8.8%</b>	<b>(0.5%)</b>	<b>9.3%</b>	<b>11.8%</b>	<b>3.6%</b>	<b>8.2%</b>
<b>Total revenue including the product lines divested</b>	<b>6.4%</b>	<b>1.2%</b>	<b>5.2%</b>	<b>4.3%</b>	<b>2.8%</b>	<b>1.5%</b>

Note: \*Fragrances was divested in April 2021, Inks was divested in June 2020, and Yogurt Fruit Prep was divested in September 2020.



# Q3 Divested Operations

## Results by Segment

Three Months Ended September 30,

<u>Revenue</u>	<u>2021</u>	<u>Adjustments*</u>	<u>Adjusted 2021</u>	<u>2020</u>	<u>Adjustments*</u>	<u>Adjusted 2020</u>
Flavors & Extracts	\$ 181,667	\$ (1,312)	\$ 180,355	\$ 182,866	\$ (22,978)	\$ 159,888
Color	139,239	(310)	138,929	116,414	(669)	115,745
Asia Pacific	33,442	-	33,442	30,740	(68)	30,672
Intersegment elimination	(10,061)	-	(10,061)	(6,454)	127	(6,327)
Consolidated	<u>\$ 344,287</u>	<u>\$ (1,622)</u>	<u>\$ 342,665</u>	<u>\$ 323,566</u>	<u>\$ (23,588)</u>	<u>\$ 299,978</u>
 <u>Operating Income</u>						
Flavors & Extracts	\$ 25,164	\$ 66	\$ 25,230	\$ 23,844	\$ (2,241)	\$ 21,603
Color	27,253	4	27,257	23,559	(185)	23,374
Asia Pacific	6,601	-	6,601	6,123	(23)	6,100
Corporate & Other	(12,060)	724	(11,336)	(12,371)	2,805	(9,566)
Consolidated	<u>\$ 46,958</u>	<u>\$ 794</u>	<u>\$ 47,752</u>	<u>\$ 41,155</u>	<u>\$ 356</u>	<u>\$ 41,511</u>

\* For Revenue, adjustments consist of revenues of the divested product lines. For Operating Income, adjustments consist of the results of the divested product lines, divestiture & other related costs, and operational improvement plan costs and income.

# Q3 YTD Divested Operations

## Results by Segment

Nine Months Ended September 30,

<u>Revenue</u>	<u>2021</u>	<u>Adjustments*</u>	<u>Adjusted 2021</u>	<u>2020</u>	<u>Adjustments*</u>	<u>Adjusted 2020</u>
Flavors & Extracts	\$ 561,979	\$ (27,616)	\$ 534,363	\$ 552,975	\$ (75,165)	\$ 477,810
Color	408,166	(1,638)	406,528	381,205	(13,242)	367,963
Asia Pacific	99,599	(295)	99,304	89,062	(402)	88,660
Intersegment elimination	(29,928)	150	(29,778)	(25,909)	419	(25,490)
Consolidated	<u>\$ 1,039,816</u>	<u>\$ (29,399)</u>	<u>\$ 1,010,417</u>	<u>\$ 997,333</u>	<u>\$ (88,390)</u>	<u>\$ 908,943</u>
 <b><u>Operating Income</u></b>						
Flavors & Extracts	\$ 76,718	\$ (2,859)	\$ 73,859	\$ 67,467	\$ (5,078)	\$ 62,389
Color	79,462	548	80,010	75,486	1,029	76,515
Asia Pacific	19,146	(87)	19,059	16,031	(116)	15,915
Corporate & Other	(45,718)	11,491	(34,227)	(41,143)	13,121	(28,022)
Consolidated	<u>\$ 129,608</u>	<u>\$ 9,093</u>	<u>\$ 138,701</u>	<u>\$ 117,841</u>	<u>\$ 8,956</u>	<u>\$ 126,797</u>

\* For Revenue, adjustments consist of revenues of the divested product lines. For Operating Income, adjustments consist of the results of the divested product lines, divestiture & other related costs, and operational improvement plan costs and income.

