



**SENSIENT<sup>®</sup>**

**Third Quarter 2023**

**Investor Presentation**

# FORWARD-LOOKING STATEMENTS

This document contains statements that may constitute “forward-looking statements” within the meaning of Federal securities laws including under “2023 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 Company’s ability to manage economic and capital market conditions and the impact of recessions and economic downturns; the impact of macroeconomic and geopolitical volatility, including inflation and shortages impacting the availability and cost of raw materials, energy, and other supplies; the availability and cost of labor, logistics, and transportation; the impact and uncertainty created by the COVID-19 pandemic and efforts to manage it on the global economy, including, but not limited to, its effects on our employees, facilities, customers, and suppliers, governmental regulations and restrictions, and general economic conditions; the uncertain impacts of the ongoing conflict between Russia and Ukraine on our supply chain, input costs, including energy and transportation, and on 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; 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, 2022, 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) percentage changes in revenue, operating income, diluted earnings per share, and adjusted EBITDA on a local currency basis (which eliminate the effects that result from translating its international operations into U.S. dollars), and (2) adjusted EBITDA (which excludes depreciation and amortization expense, and non-cash share based compensation expense). 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. The Company believes this information can be beneficial to investors for these 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 natural 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) in 2020 and 2021

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

Strengthened extensive natural color portfolio by acquiring Endemix, a vertically integrated natural color and extracts company, in October 2022

# Natural solutions provider focused on consistent and sustainable supply chain



Provider of natural solutions to support health & wellness and clean label consumer trends

Robust agronomy program ensures responsible procurement and traceability of sustainable ingredients

Committed to delivering safe, authentic, high-quality natural products through Sensient's Certasure™ program

# Global Revenue by Group



## Color Group

2022 Revenue: \$604M

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



## Flavors & Extracts Group

2022 Revenue: \$738M

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



## Asia Pacific Group

2022 Revenue: \$144M

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



2022 Revenue: \$604M

## Food and Pharmaceutical

### 73% of 2022 Segment Revenue

LC Revenue Change\*  
Q3 '23 (7.5%)  
YTD '23 +3.7%

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

## Personal Care

### 27% of 2022 Segment Revenue

LC Revenue Change\*  
Q3 '23 (10.0%)  
YTD '23 (5.8%)

- Demand for innovative products with multiple benefits
- Product line includes dyes, pigments, formulation aides and ingredients for color cosmetics, hair care, and skin care

# Flavors & Extracts Group



Broad product offering

Unique ability to service global, regional, and local customers

Leading technology platforms

Outstanding applications expertise

# Flavors & Extracts Overview



2022 Revenue: \$738M

## Flavors, Extracts, and Flavor Ingredients

67% of 2022 Segment Revenue

LC Revenue Change\*  
Q3 '23 (3.3%)  
YTD '23 (0.8%)

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

## Natural Ingredients

33% of 2022 Segment Revenue

LC Revenue Change\*  
Q3 '23 +5.1%  
YTD '23 (1.7%)

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

# Asia Pacific Group



Portfolio of food and beverage flavors and colors

R&D centers in key strategic markets to support local and regional customer base

Ability to deliver localized solutions and technology platforms

# Asia Pacific Overview



2022 revenue of \$144 million and operating income of \$29 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 2023 local currency revenue\* was up 4.3% and operating profit\* improved 15.8%



# 2023 Q3 Segment Results



## Local Currency Revenue\*

	Q3	YTD
Color	(8.2%)	+1.1%
Flavors & Extracts	(0.5%)	(1.1%)
Asia Pacific	+4.3%	+6.1%

## Local Currency Operating Income\*

	Q3	YTD
Color	(23.4%)	(7.8%)
Flavors & Extracts	(13.6%)	(17.5%)
Asia Pacific	+15.8%	+11.6%

## Local Currency\* Commentary:

Color Group reported lower revenue in the quarter due to lower volumes related to customer destocking and ongoing end market declines in certain product categories. Volume declines were partially offset by pricing and volume growth as a result of new sales wins. Operating income declined due to lower volumes and higher input costs.

Flavors & Extracts Group third quarter revenue declined slightly. Favorable pricing and new sales wins were offset by lower volumes due to customer destocking and ongoing end market declines in certain product categories. Operating income declined in the quarter primarily due to higher input costs and lower volumes.

Asia Pacific Group third quarter revenue increased due to favorable pricing and new sales wins, partially offset by lower volumes due primarily to destocking and market declines. Operating income increased as a result of higher pricing, partially offset by lower volumes.

# 2023 Q3 Consolidated Results



	Q3	YTD
Local Currency Revenue*	(2.0%)	+1.0%
Local Currency Operating Income*	(9.8%)	(6.1%)
Local Currency Diluted EPS*	(15.3%)	(11.7%)
Local Currency Adjusted EBITDA*	(7.1%)	(5.2%)

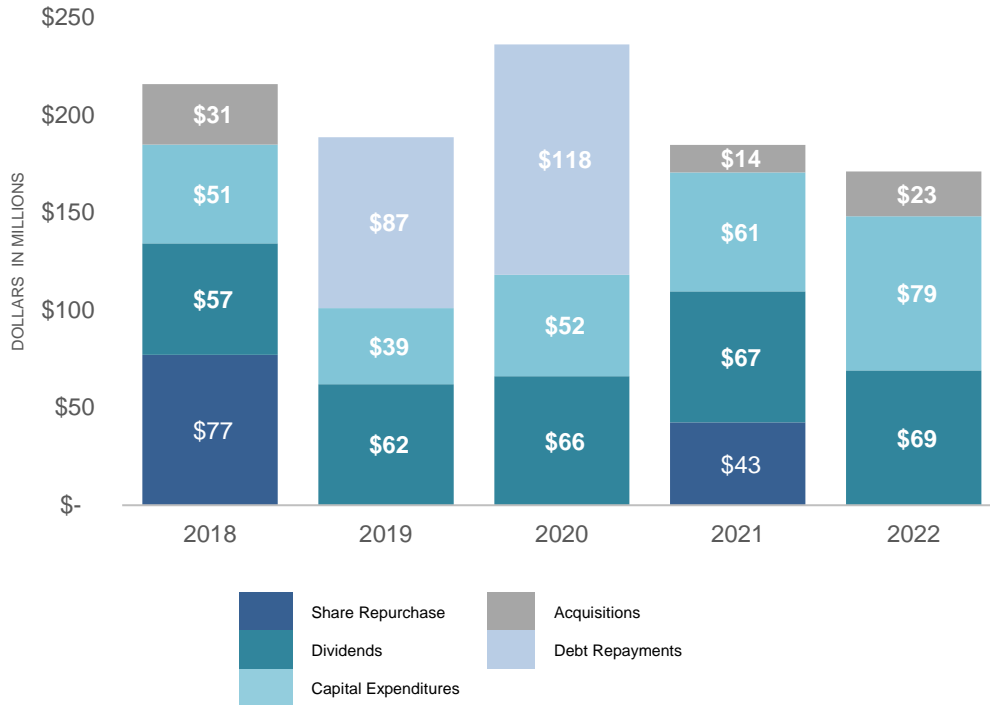
**Q3 consolidated local currency revenue** declined as favorable pricing actions and volumes from new sales wins were offset by overall lower volumes, primarily driven by customer destocking and ongoing end market declines.

**Q3 consolidated local currency operating income** declined as a result of overall lower volumes, partially offset by lower performance-based compensation.

**Q3 local currency diluted EPS** declined as a result of the operating income headwinds and higher interest expense.



# Capital Allocation



Prioritize ROI capital projects

Maintain prudent level of leverage to support Sensient's long-standing dividend and opportunistic M&A and share repurchases

# 2023 Financial Outlook



Metric	Revised Guidance	Previous Guidance	Comments
Local Currency Revenue*	Low single-digit growth	Mid-single-digit growth	
Local Currency Adjusted EBITDA*	No Change	Mid-single-digit decrease	<ul style="list-style-type: none"> <li>Excludes the impact of share-based stock compensation</li> </ul>
Diluted EPS (GAAP)	Low double-digit decrease	High single-digit decrease	<ul style="list-style-type: none"> <li>FX modestly favorable for the full year</li> <li>Higher interest rates and a higher tax rate</li> </ul>
Local Currency Diluted EPS*	Low double-digit decrease	High single-digit decrease	

\* The local currency revenue, diluted EPS, and adjusted EBITDA growth rates for 2023 are compared to 2022 revenue, adjusted diluted EPS, and adjusted EBITDA, respectively. Local currency revenue, adjusted diluted EPS, and adjusted EBITDA are Non-GAAP metrics. Please see our GAAP to Non-GAAP Reconciliation at the end of this document.

# Why Invest?



Strong competitive position

Defensible and '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

## 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 strengthening a **sustainable supply chain**
- Emphasis on implementing **sustainability from the design stage**.
- **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 were recognized by 50/50 Women on Boards for the eleventh year in a row and we have added seven new directors since 2014.
- 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

	<u>Three Months Ended September 30, 2023</u>			<u>Nine Months Ended September 30, 2023</u>		
	<u>Total</u>	<u>Foreign Exchange Rates</u>	<u>Local Currency</u>	<u>Total</u>	<u>Foreign Exchange Rates</u>	<u>Local Currency</u>
<b>Revenue</b>						
Flavors & Extracts	2.1%	2.6%	(0.5%)	(0.2%)	0.9%	(1.1%)
Color	(4.3%)	3.9%	(8.2%)	2.3%	1.2%	1.1%
Asia Pacific	4.4%	0.1%	4.3%	3.6%	(2.5%)	6.1%
<b>Total Revenue</b>	<b>0.8%</b>	<b>2.8%</b>	<b>(2.0%)</b>	<b>1.7%</b>	<b>0.7%</b>	<b>1.0%</b>
<b>Operating Income</b>						
Flavors & Extracts	(12.4%)	1.2%	(13.6%)	(16.9%)	0.6%	(17.5%)
Color	(18.7%)	4.7%	(23.4%)	(6.7%)	1.1%	(7.8%)
Asia Pacific	16.4%	0.6%	15.8%	8.9%	(2.7%)	11.6%
Corporate & Other	(31.6%)	0.0%	(31.6%)	(23.3%)	0.0%	(23.3%)
<b>Total Operating Income</b>	<b>(6.2%)</b>	<b>3.6%</b>	<b>(9.8%)</b>	<b>(5.5%)</b>	<b>0.6%</b>	<b>(6.1%)</b>
<b>Diluted Earnings Per Share</b>	<b>(11.8%)</b>	<b>3.5%</b>	<b>(15.3%)</b>	<b>(11.3%)</b>	<b>0.4%</b>	<b>(11.7%)</b>
<b>Adjusted EBITDA</b>	<b>(3.9%)</b>	<b>3.2%</b>	<b>(7.1%)</b>	<b>(4.7%)</b>	<b>0.5%</b>	<b>(5.2%)</b>

# Non-GAAP Financial Measures (Cont'd)

	<u>Three Months Ended September 30, 2023</u>			<u>Nine Months Ended September 30, 2023</u>		
	<u>Total</u>	<u>Foreign Exchange Rates</u>	<u>Local Currency</u>	<u>Total</u>	<u>Foreign Exchange Rates</u>	<u>Local Currency</u>
<b>Revenue</b>						
Flavors, Extracts and Flavor Ingredients	0.6%	3.9%	(3.3%)	0.6%	1.4%	(0.8%)
Natural Ingredients	5.1%	0.0%	5.1%	(1.8%)	(0.1%)	(1.7%)
<b>Flavors &amp; Extracts Group</b>	<b>2.1%</b>	<b>2.6%</b>	<b>(0.5%)</b>	<b>(0.2%)</b>	<b>0.9%</b>	<b>(1.1%)</b>
Food and Pharmaceutical	(3.6%)	3.9%	(7.5%)	5.2%	1.5%	3.7%
Personal Care	(6.2%)	3.8%	(10.0%)	(5.3%)	0.5%	(5.8%)
<b>Color Group</b>	<b>(4.3%)</b>	<b>3.9%</b>	<b>(8.2%)</b>	<b>2.3%</b>	<b>1.2%</b>	<b>1.1%</b>
<b>Asia Pacific Group</b>	<b>4.4%</b>	<b>0.1%</b>	<b>4.3%</b>	<b>3.6%</b>	<b>(2.5%)</b>	<b>6.1%</b>
<b>Total revenue</b>	<b>0.8%</b>	<b>2.8%</b>	<b>(2.0%)</b>	<b>1.7%</b>	<b>0.7%</b>	<b>1.0%</b>

# Non-GAAP Financial Measures (Cont'd)

	<u>Three Months Ended September 30,</u>			<u>Nine Months Ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	<u>% Change</u>	<u>2023</u>	<u>2022</u>	<u>% Change</u>
<b>Operating income (GAAP)</b>	\$ 44,531	\$ 47,493	(6.2%)	\$ 146,960	\$ 155,526	(5.5%)
Depreciation and amortization	14,770	13,082		43,360	39,262	
Share-based compensation expense	2,519	3,785		7,285	12,476	
<b>Adjusted EBITDA</b>	<u>\$ 61,820</u>	<u>\$ 64,360</u>	<u>(3.9%)</u>	<u>\$ 197,605</u>	<u>\$ 207,264</u>	<u>(4.7%)</u>



