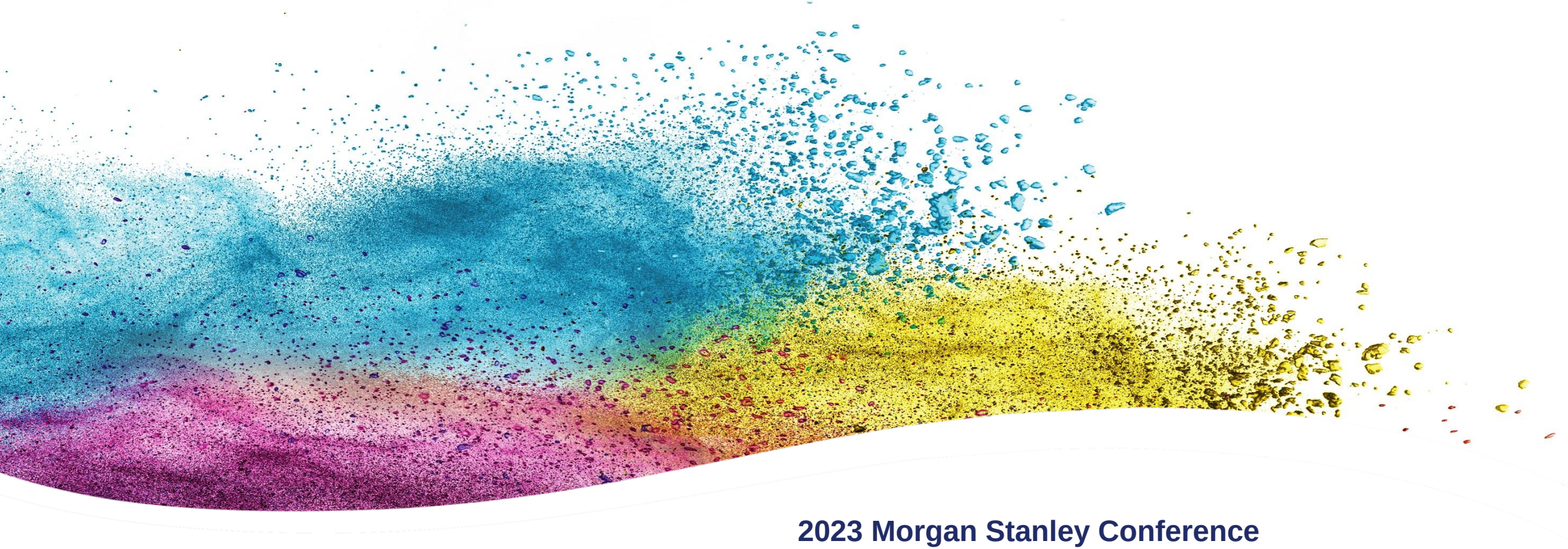


2023 Morgan Stanley Conference

May 18, 2023

SENSIENT®

Paul Manning

Chairman of the Board, President and Chief Executive Officer

FORWARD-LOOKING STATEMENTS

This presentation contains statements that may constitute “forward-looking statements” within the meaning of Federal securities laws. 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) adjusted revenue and adjusted operating income (which exclude divestiture & other related costs, the results of the divested product lines, and restructuring and other costs, which include operational improvement plan costs and income), (2) adjusted results by segment (which exclude divestiture & other related costs, operational improvement plan costs and income, and the results of the divested operations), and (3) percentage changes in revenue and operating income on an adjusted local currency basis (which eliminate the effects that result from translating its international operations into U.S. dollars and revenue and operating income of the divested product lines). 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

Sensient creates unique solutions using innovative technologies

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

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

Technically-driven products deliver high impact relative to cost

Diversified product portfolio is well positioned for growth



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

2022 Global Revenues include intercompany sales which are eliminated on a consolidated basis.

Focus on customer service and delivering innovative technologies resulted in solid 2022 financial performance

	2022 Local Currency Adjusted Revenue* Growth	2022 Local Currency Adjusted Operating Income* Growth
Color Group	+15.0%	+15.1%
Flavors & Extracts Group	+5.8%	+10.3%
Asia Pacific Group	+14.4%	+22.5%
Consolidated	+9.7%	+12.5%

** Local-currency (LC) adjusted revenue and adjusted operating income are Non-GAAP metrics. Please see our GAAP to Non-GAAP Reconciliation at the end of this document.*



Sensient Color Group
The Natural Color Opportunity

Color Group delivered 15% local currency adjusted revenue* growth in 2022

Food & Pharmaceutical: 73% of 2022 Segment Revenue

- Global market leader and natural color innovator
- Demand for healthier, cleaner label driving natural color demand

Food & Pharmaceutical
2022 Local Currency Adj.
Revenue* Change

+16.9%

Personal Care: 27% of 2022 Segment Revenue

- Demand for innovative products with multiple benefits
- Consumer trend to “more” natural

Personal Care
2022 Local Currency Adj.
Revenue* Change

+9.5%







** Local-currency (LC) adjusted revenue is a Non-GAAP metric. Please see our GAAP to Non-GAAP Reconciliation at the end of this document.*

Natural color demand provides growth opportunity for Sensient

Consumers desire clean, healthy products

Natural colors is a large and growing global market

Natural color trend provides a long runway for profitable growth

Sensient is well positioned for growth with a broad product portfolio and commitment to innovation

Consumer interest driving positive natural color trends across all markets



Beverage



Dairy



Bakery



Grocery



Pet Food



Confection

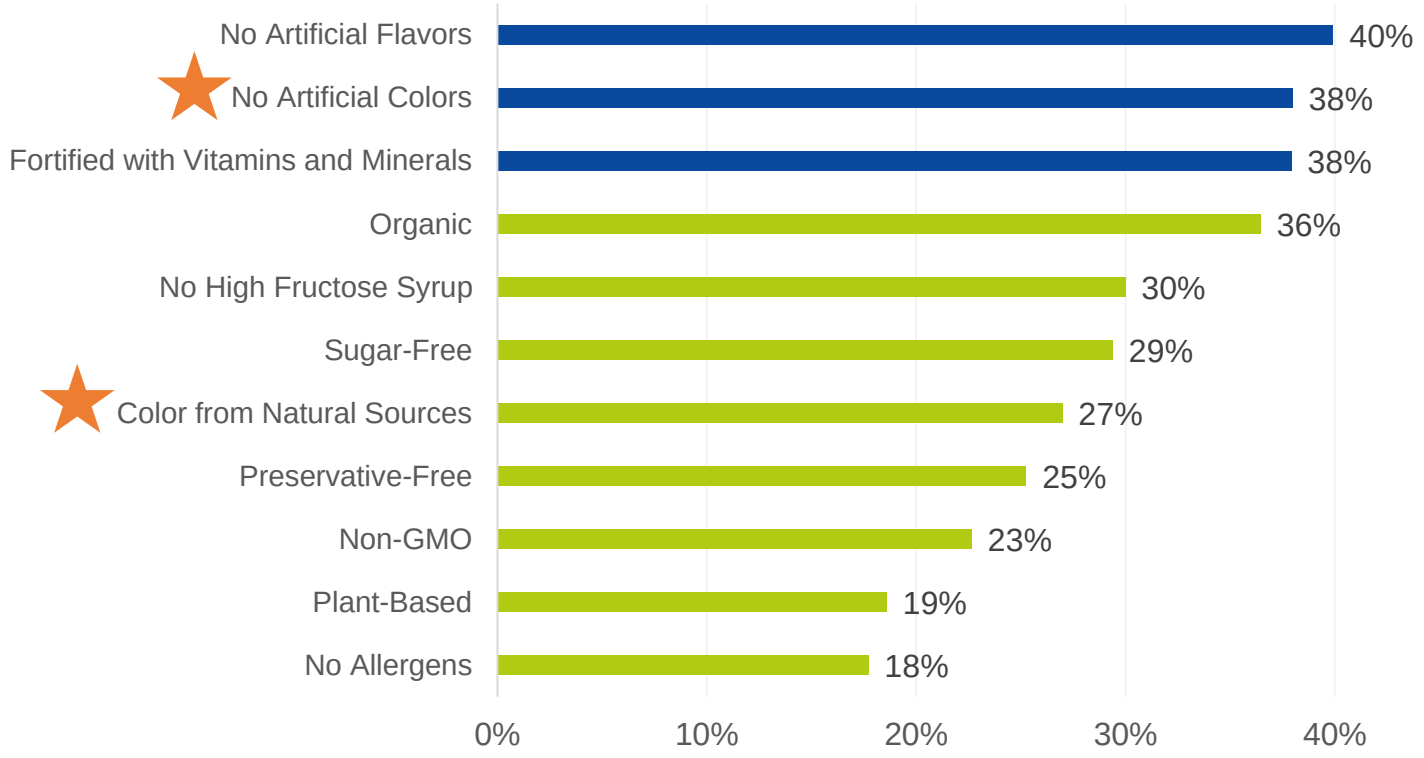


Plant-Based Meat

Consumer Interest is Driving Transition to Natural Color Sources Front-of-Pack Product Claims: Beverage Example

Which of these product claims are most compelling for you when purchasing beverages?

Sensient Online Consumer Research, 2023: General Population, 18+, 1500 respondents



New product launches with natural colors are robust

Healthy, clean label consumer trends are driving market demand for natural color

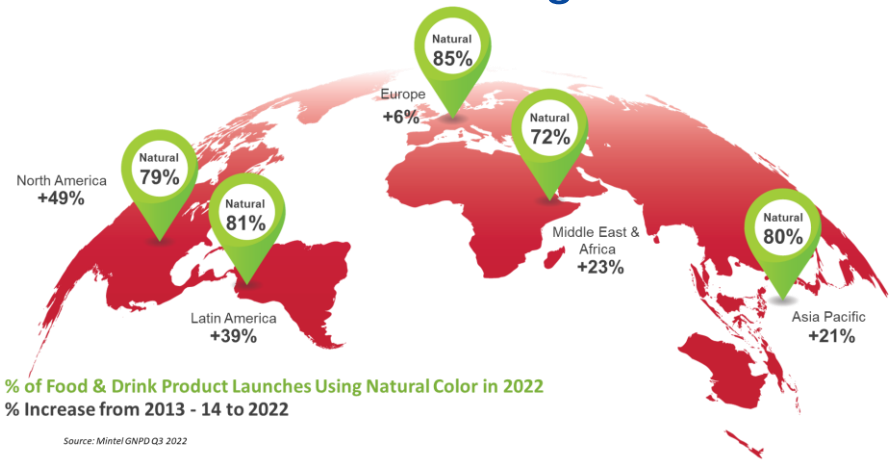
Globally, 80% of new launches use natural color



Usage rate of natural color is higher in the end product versus synthetic

Regulatory changes also contribute to market growth





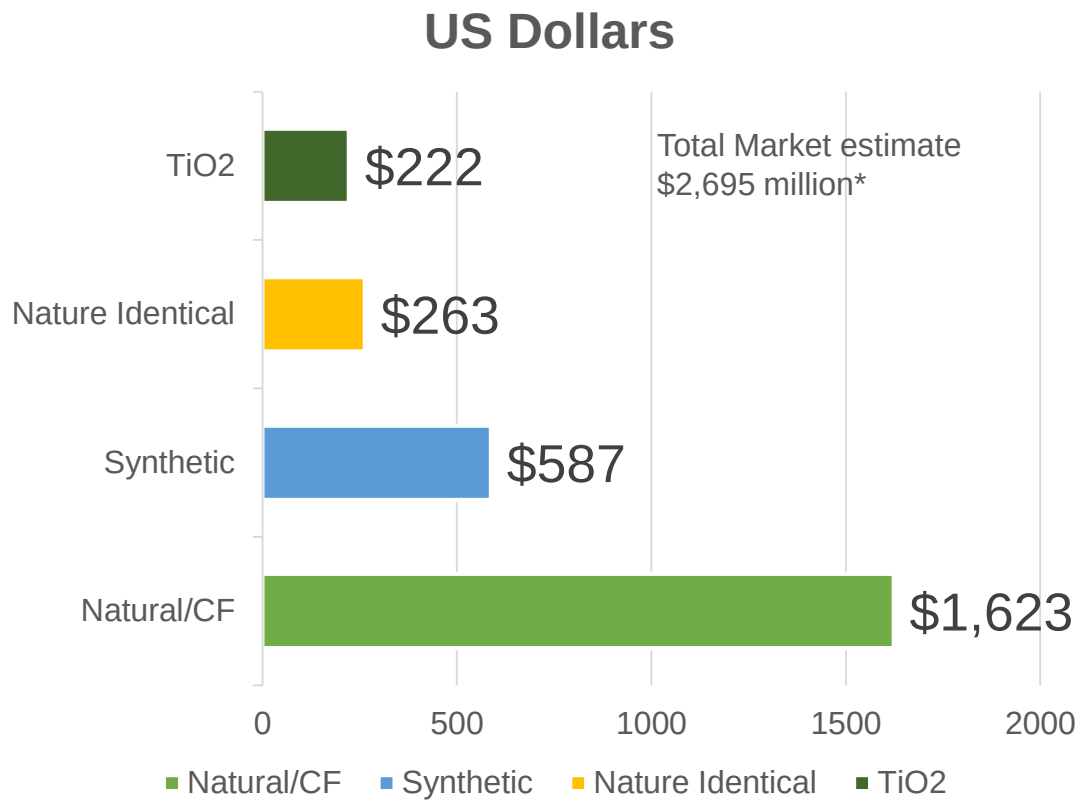
2022 Estimated Global Food & Beverage Color Market

Natural color market is expected to grow at a mid-single digit rate

Natural color requires higher usage rate versus synthetic

Natural color adoption outside of Europe will continue to drive market growth

Consumer and regulatory trends contribute to ongoing market expansion



*Based on Sensient internal estimates.

Focused on innovation to solve color and application challenges

Internal R&D investments are key to solving natural color application challenges like color stability and off-notes

Agronomy program strengthens our ability to improve color performance

Ongoing R&D and color source development delivers problem-solving innovations



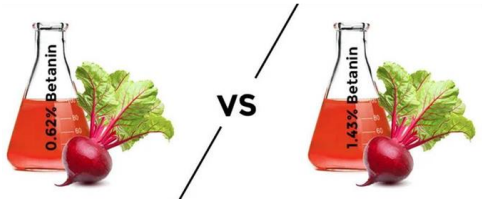
pH Stability / Dependence



Light Stability



Heat Stability



Pigment Maximization for Cost-in-Use

Sensient's expertise across the value chain unlocks the full potential of natural colors



AGRONOMY

Supply Certainty and Improved Cost-in-Use



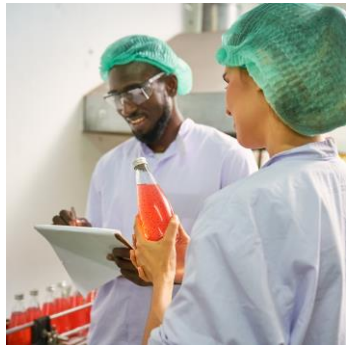
EXTRACTION TECHNOLOGY

Improved Performance and Stability



CERTASURE™

Food Safety



INNOVATION

Advanced formulation systems and natural color refining technologies



APPLICATIONS EXPERTISE

Dedicated Color Support

Commitment to providing natural solutions across the color spectrum

UBERBEET

supra red™

Pure-S™





AET Advanced Emulsion Technology

Vertafine



Microfine™

Simplifine™





Natural Blue

AVALANCHE™



SIENNA™





Sensient's commitment to natural colors will provide solid future growth

Application expertise and ability to leverage our broad portfolio of product technologies are the foundation of our success

Natural color demand outpaces other color solutions resulting in outsized growth versus market growth rates

Natural color market will continue to grow in response to consumers demanding natural products



Appendix*

**Amounts in thousands, except percentages*

Non-GAAP Financial Measures

Results by Segment	Year Ended December 31,					
Revenue	2022	Adjustments*	Adjusted 2022	2021	Adjustments*	Adjusted 2021
Flavors & Extracts	$ 738,003	$ -	$ 738,003	$ 739,427	$ (27,837)	$ 711,590
Color	604,017	-	604,017	545,270	(2,080)	543,190
Asia Pacific	143,581	-	143,581	135,348	(295)	135,053
Intersegment elimination	(48,562)	-	(48,562)	(39,781)	150	(39,631)
Consolidated	$ 1,437,039	$ -	$ 1,437,039	$ 1,380,264	$ (30,062)	$ 1,350,202
Operating Income						
Flavors & Extracts	$ 105,424	$ -	$ 105,424	$ 98,660	$ (2,368)	$ 96,292
Color	114,619	-	114,619	103,575	575	104,150
Asia Pacific	29,492	-	29,492	26,330	(87)	26,243
Corporate & Other	(52,784)	(2,532)	(55,316)	(58,537)	12,243	(46,294)
Consolidated	$ 196,751	$ (2,532)	$ 194,219	$ 170,028	$ 10,363	$ 180,391

** 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 income, and 2021 operational improvement plan costs and income.*

Non-GAAP Financial Measures (Cont'd)

	Year Ended December 31, 2022			
Revenue	**Total**	**Foreign Exchange Rates**	**Adjustments***	**Adjusted Local Currency**
Flavors & Extracts	(0.2%)	(2.2%)	(3.8%)	5.8%
Color	10.8%	(3.8%)	(0.4%)	15.0%
Asia Pacific	6.1%	(8.0%)	(0.3%)	14.4%
Total Revenue	**4.1%**	**(3.4%)**	**(2.2%)**	**9.7%**
Operating Income				
Flavors & Extracts	6.9%	(0.9%)	(2.5%)	10.3%
Color	10.7%	(5.1%)	0.7%	15.1%
Asia Pacific	12.0%	(10.1%)	(0.4%)	22.5%
Corporate & Other	(9.8%)	0.0%	(29.4%)	19.6%
Total Operating Income	**15.7%**	**(5.2%)**	**8.4%**	**12.5%**

** 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 income, and 2021 operational improvement plan costs and income.*

Non-GAAP Financial Measures (Cont'd)

	Year Ended December 31, 2022		
Revenue	**Total**	**Foreign Exchange Rates**	**Local Currency**
Flavors, Extracts and Flavor Ingredients	9.3%	(3.3%)	12.6%
Natural Ingredients	(6.2%)	(0.1%)	(6.1%)
Fragrances*	(100.0%)	0.0%	(100.0%)
Yogurt Fruit Prep*	(100.0%)	0.0%	(100.0%)
Flavors & Extracts Group	**(0.2%)**	**(2.2%)**	**2.0%**
Food and Pharmaceutical	13.5%	(3.4%)	16.9%
Personal Care	4.6%	(4.9%)	9.5%
Inks*	(17.7%)	0.0%	(17.7%)
Color Group	**10.8%**	**(3.8%)**	**14.6%**
Asia Pacific	**6.1%**	**(8.0%)**	**14.1%**
Total revenue including the product lines divested	**4.1%**	**(3.4%)**	**7.5%**

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