Sensient Technologies Corporation

First Quarter 2025 Earnings Call

April 25, 2025

Non-GAAP Financial Measures

Within this document, the Company reports certain non-GAAP financial measures, including: (1) adjusted operating income, adjusted net earnings, and adjusted diluted earnings per share, which exclude restructuring and other costs, including the Portfolio Optimization Plan costs, (2) percentage changes in revenue, operating income, and diluted earnings per share on an adjusted local currency basis, which eliminate the effects that result from translating its international operations into U.S. dollars and restructuring and other costs, including the Portfolio Optimization Plan costs, and (3) adjusted EBITDA and adjusted EBITDA Margin (which exclude Portfolio Optimization Plan costs and non-cash share based compensation expense). The Company has included each of these non-GAAP measures in order to provide additional information regarding our underlying operating results and comparable year-over-year 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 report. 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.

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Forward Looking Statements

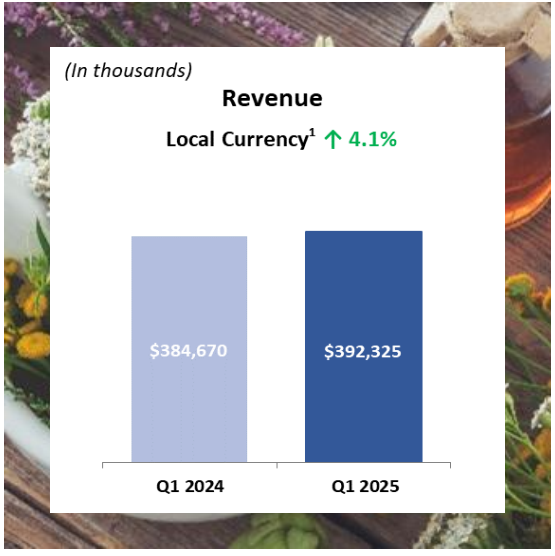
This document contains statements that may constitute “forward-looking statements” within the meaning of Federal securities laws including under “2025 Financial Outlook”, “Long-Term Outlook”, and “Consolidated Full Year 2025 Outlook” in this presentation. Such forward-looking statements are not guarantees 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 general business, economic, and capital market conditions, including actions taken by customers in response to such 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, disruptions and delays in the Company’s supply chain, and the conflicts between Russia and Ukraine and in the Middle East; industry, regulatory, legal, and economic factors related to the Company’s domestic and international business; the effects of tariffs, trade barriers, and disputes; the availability and cost of labor, logistics, and transportation; 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, changing technologies, and changing regulations; 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 Portfolio Optimization Plan; growth in markets for products in which the Company competes; industry and customer acceptance of price increases; actions by competitors; the Company’s ability to enhance its innovation efforts and drive cost efficiencies; 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, 2024, 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.

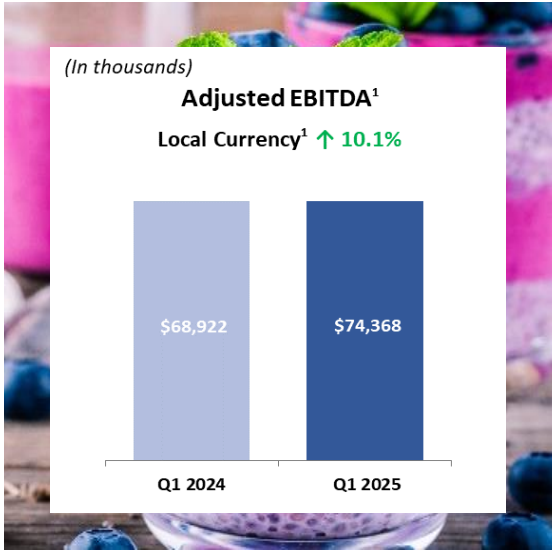
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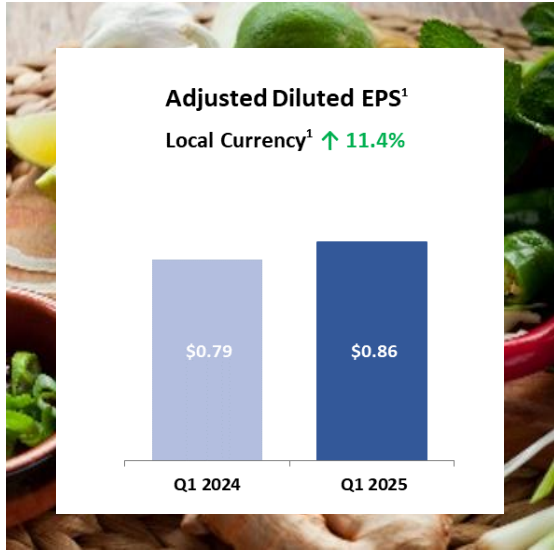
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Quarterly Results and Business Update

Q1 2025 Consolidated Results





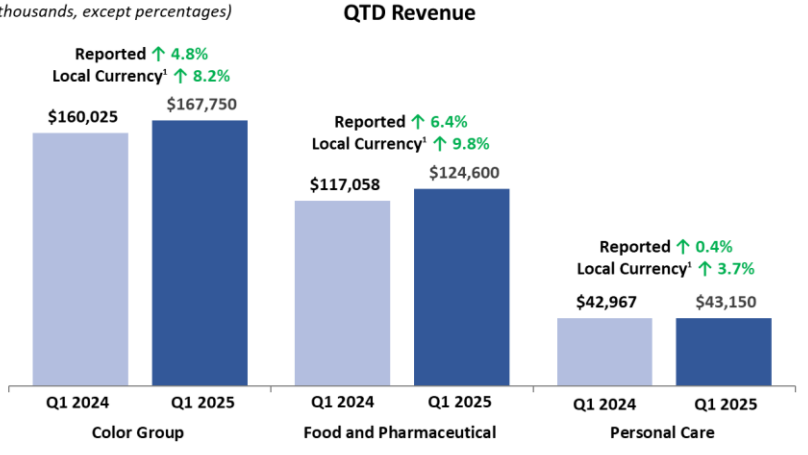


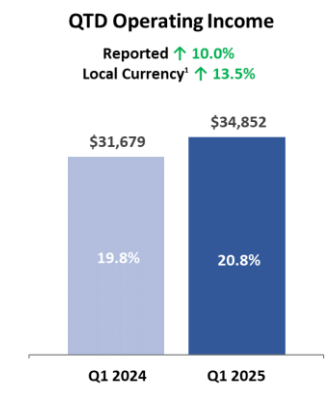
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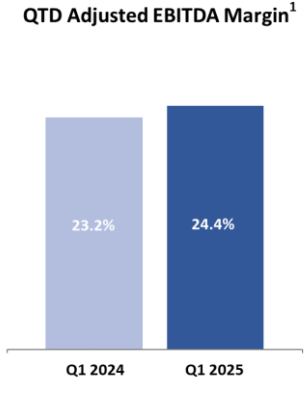
(1) See appendix for our GAAP to Non-GAAP reconciliations.

Color Group Performance

(In thousands, except percentages)







Local Currency[1] Results Commentary

Revenue

- Strong growth across all product lines in the quarter driven by new sales wins in natural colors

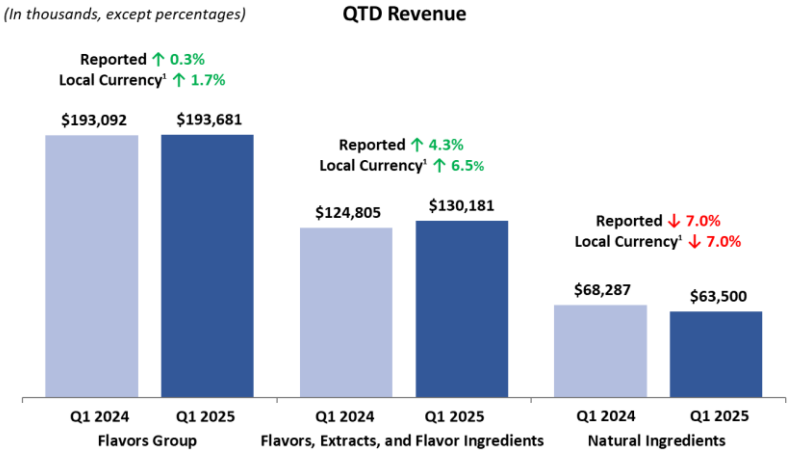
Operating Results

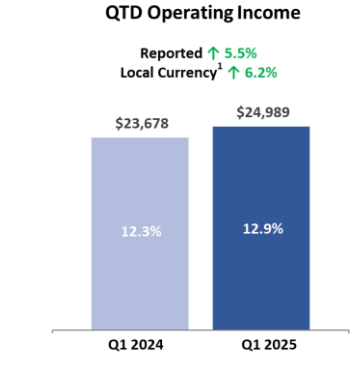
- Strong operating leverage in the quarter due to volume growth
- Adjusted EBITDA Margin[1] for the Group was 24.4% in Q1 2025, up 120 bps from Q1 2024

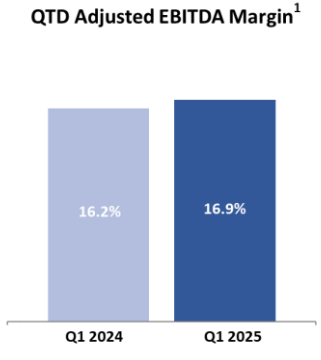
(1) See appendix for our GAAP to Non-GAAP reconciliations.

Flavors & Extracts Group Performance

(In thousands, except percentages)







Local Currency[1] Results Commentary

Revenue

- Strong growth within Flavors, Extracts, and Flavor Ingredients

Operating Results

- Operating leverage improved in the quarter due to growth within the Flavors, Extracts, and Flavor Ingredients business
- Adjusted EBITDA Margin[1] for the Group was 16.9% in Q1 2025, up 70 bps from Q1 2024

(1) See appendix for our GAAP to Non-GAAP reconciliations.

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Asia Pacific Group Performance

(In thousands, except percentages)

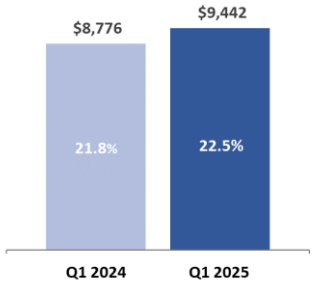
QTD Revenue

Reported ↑ 4.0%
Local Currency[1] ↑ 4.8%

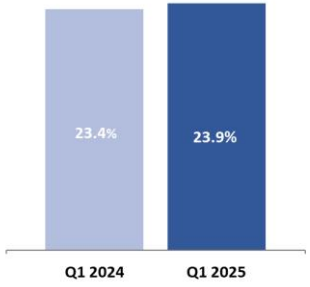


QTD Operating Income

Reported ↑ 7.6%
Local Currency[1] ↑ 7.0%



QTD Adjusted EBITDA Margin[1]



Local Currency[1] Results Commentary

Revenue

- Growth driven by new sales wins across the region

Operating Results

- Growth driven by higher sales across the Group
- Adjusted EBITDA Margin[1] for the Group was 23.9% in Q1 2025, up 50 bps from Q1 2024

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(1) See appendix for our GAAP to Non-GAAP reconciliations.

Business Outlook[1]

Consolidated Full Year 2025 Outlook

Local Currency Revenue[2]

- Growth rate of mid-single-digit

Local Currency Adjusted EBITDA[2]

- Growth rate of mid-to high single-digit

Local Currency Adjusted EPS[2]

- Growth rate of high single-digit to double-digits

Long-Term Outlook

Local Currency Revenue[2]

- Growth rate of mid-single-digit

Local Currency Adjusted EBITDA[2]

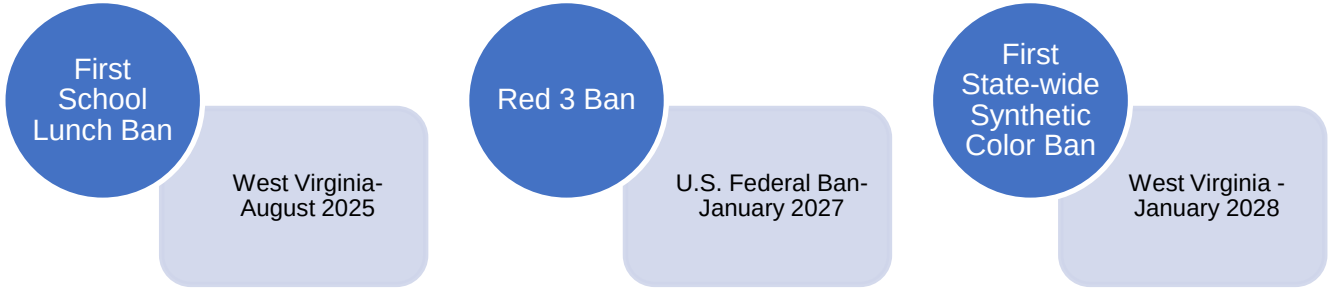
- Growth rate of high single-digit

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(1) Represents outlook as of our earnings release provided on April 25, 2025, and does not constitute an update or reissuance as of any later date.
(2) See appendix for our GAAP to Non-GAAP reconciliations.

Shifting regulatory environment provides opportunity

Current Synthetic Color Regulatory Actions – U.S. Food and Beverage*



*As of April 21, 2025

Synthetic to Natural Color Conversion

- In the U.S., and selectively throughout Latin America, our synthetic colors revenue for the food and pharmaceutical market is approximately $110M
- Conversion from synthetic to natural can result in a conversion factor of nearly 10-to-1
- Natural colors continue to grow above overall company mid-term outlook

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Preparing our customers and investing for the future

Technical Support	Product Development Considerations	Capacity Expansions	Natural Color Availability	Transition Timing
We can provide the support brands, manufacturers, and developers need for transition to natural colors. We have the expertise and the color portfolio to enable a smooth conversion process.	Natural colors are not a 1-for-1 solution to replace synthetic colors. The natural rainbow is bright and wide, but there can be a number of technical challenges to consider.	We continue to expand our capabilities and capacity to meet rising demand. Manufacturers may need to install or expand refrigeration, storage, and processing in their facilities.	Botanical development, supply chain expansion, seed production, growth, harvesting, processing, and color production take time to expand.	The timeline to begin the transition process is NOW or brands risk not having enough time to do it well.

Replacing 100% of synthetic demand could take 3-6+ years

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2025 Natural Color Launch Highlights

Marine Blue™ Capri



Groundbreaking Blue 1 replacement for beverages

Ideal for:
- Sports drinks
- Carbonated soft drinks
- Energy drinks
- Flavored waters
- Protein drinks
- Juices
- Coffee creamers
- Acidic salad dressings
- Low ABV beverages

✓ Advanced color technology

✓ Stabilized spirulina solution

✓ Light-stable, clean label match for FD&C Blue 1 in beverages

✓ Kosher and Halal certified

SIENNA™ FORTIS



Clean label brown solving caramel and cocoa challenges

Ideal for:
- Plant-based protein
- Sweet and savory bakery
- Fried chips
- Snacks
- Icings and frostings
- Confections
- Dairy
- Processed foods

✓ Advanced color technology

✓ Caramel Class III & IV match

✓ California Prop 65 compliant

✓ Kosher and Halal certified

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Financial Update and Outlook

Q1 2025 Financial Review

(dollars in thousands)	Q1 2024	Q1 2025	Local Currency Growth[1]
Revenue	$ 384,670	$ 392,325	*+4.1%*
Operating Income (GAAP) *Operating Margin*	$ 49,406 *12.8%*	$ 53,530 *13.6%*	
Adjusted Operating Income[1] *Adjusted Operating Margin[1]*	$ 52,218 *13.6%*	$ 56,394 *14.4%*	*+10.3%*
Diluted EPS (GAAP)	$ 0.73	$ 0.81	
Adjusted Diluted EPS[1]	$ 0.79	$ 0.86	*+11.4%*
Adjusted EBITDA[1] *Adjusted EBITDA Margin[1]*	$ 68,922 *17.9%*	$ 74,368 *19.0%*	*+10.1%*

Consolidated Commentary:

- Local currency revenue[1] increased 4.1%
- Q1 2025 results included $2.9 million of Portfolio Optimization Plan costs
- Adjusted EBITDA Margin[1] improved 110 bps in the quarter due to strong volume growth

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(1) See appendix for our GAAP to Non-GAAP reconciliations.

2025 Cash Flow and Debt Metrics

	Q1 2024 YTD	Q1 2025 YTD
Cash Flow from Operations	$ 15.1 million	($ 9.0 million)
Capital Expenditures	$ 11.0 million	$ 16.9 million
Total Debt	$ 663.0 million	$ 701.8 million
Net debt to credit adjusted EBITDA[1]	2.6x	2.5x

Commentary:

- Net cash used in operating activities was $9 million in the first quarter of 2025, primarily due to higher incentive-based compensation payments.
- Net debt to credit adjusted EBITDA[1] was 2.5x in Q1 2025, down from 2.6x in Q1 2024

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(1) See appendix for our GAAP to Non-GAAP reconciliations.

2025 Financial Outlook[1]

Metric	Current Guidance	Prior Guidance
Local Currency Revenue[2]	Mid-single-digit growth	Mid-single-digit growth
Local Currency Adjusted EBITDA[2]	Mid-to high single-digit growth	Mid-to high single-digit growth
Diluted EPS (GAAP)[3]	$3.13 to $3.23	$3.05 to $3.15
Local Currency Adjusted Diluted EPS[2]	High single-digit to double-digit growth	High single-digit to double-digit growth
Capital Expenditures	$80 to $90 million	$70 to $80 million
Adjusted Effective Tax Rate	~ 25.5%	~ 25.5%
Interest Expense[4]	Slight Increase over prior year	Slight Increase over prior year

(1) Represents outlook as of our earnings release provided on April 25, 2025, and does not constitute an update or reissuance as of any later date.
(2) See appendix for our GAAP to Non-GAAP reconciliations.
(3) Diluted EPS (GAAP) includes approximately $0.02/share of foreign currency headwinds based on current exchange rates and $0.15/share of Portfolio Optimization Plan costs. Total plan costs are expected to be approximately $40M.
(4) Interest expense assumes no additional USD borrowing rate reductions for 2025.

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Appendix[1]

(1) Amounts in thousands, except percentages and per share amounts.

Non-GAAP Financial Measures

	Three Months Ended March 31,		
	2025	2024	% Change
Operating income (GAAP)	**$ 53,530**	**$ 49,406**	8.3%
Portfolio Optimization Plan costs – Cost of products sold	1,814	107	
Portfolio Optimization Plan costs – Selling and administrative expenses	1,050	2,705	
Adjusted operating income	**$ 56,394**	**$ 52,218**	8.0%
Net earnings (GAAP)	**$ 34,462**	**$ 30,940**	11.4%
Portfolio Optimization Plan costs, before tax	2,864	2,812	
Tax impact of Portfolio Optimization Plan costs[(1)]	(702)	(355)	
Adjusted net earnings	**$ 36,624**	**$ 33,397**	9.7%
Diluted earnings per share (GAAP)	**$ 0.81**	**$ 0.73**	11.0%
Portfolio Optimization Plan costs, net of tax	0.05	0.06	
Adjusted diluted earnings per share	**$ 0.86**	**$ 0.79**	8.9%

Note: Earnings per share calculations may not foot due to rounding differences.

(1) Tax impact adjustments were determined based on the nature of the underlying non-GAAP adjustments and their relevant jurisdictional tax rates.

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Non-GAAP Financial Measures

	Three Months Ended March 31,			
Revenue	**Total**	**Foreign Exchange Rates**	**Adjustments[(1)]**	**Local Currency Adjusted**
Flavors & Extracts	0.3%	(1.4%)	N/A	1.7%
Color	4.8%	(3.4%)	N/A	8.2%
Asia Pacific	4.0%	(0.8%)	N/A	4.8%
Total Revenue	**2.0%**	**(2.1%)**	**N/A**	**4.1%**
Operating Income				
Flavors & Extracts	5.5%	(0.7%)	0.0%	6.2%
Color	10.0%	(3.5%)	0.0%	13.5%
Asia Pacific	7.6%	0.6%	0.0%	7.0%
Corporate & Other	7.0%	0.0%	(1.2%)	8.2%
Total Operating Income	**8.3%**	**(2.5%)**	**0.5%**	**10.3%**
Diluted Earnings Per Share	**11.0%**	**(2.7%)**	**2.3%**	**11.4%**
Adjusted EBITDA	**7.9%**	**(2.2%)**	**N/A**	**10.1%**

(1) *Adjustments consist of Portfolio Optimization Plan costs.*

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Non-GAAP Financial Measures

	Three Months Ended March 31, 2025		
		Foreign Exchange	
Revenue	**Total**	**Rates**	**Local Currency**
Flavors, Extracts, and Flavor Ingredients	4.3%	(2.2%)	6.5%
Natural Ingredients	(7.0%)	0.0%	(7.0%)
Flavors & Extracts Group	**0.3%**	**(1.4%)**	**1.7%**
Food and Pharmaceutical	6.4%	(3.4%)	9.8%
Personal Care	0.4%	(3.3%)	3.7%
Color Group	**4.8%**	**(3.4%)**	**8.2%**
Asia Pacific	**4.0%**	**(0.8%)**	**4.8%**
Total revenue	**2.0%**	**(2.1%)**	**4.1%**

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Non-GAAP Financial Measures

Results by Segment	Three Months Ended March 31,					
Operating Income	2025	Adjustments[(1)]	Adjusted 2025	2024	Adjustments[(1)]	Adjusted 2024
Flavors & Extracts	$ 24,989	$ -	$ 24,989	$ 23,678	$ -	$ 23,678
Color	34,852	-	34,852	31,679	-	31,679
Asia Pacific	9,442	-	9,442	8,776	-	8,776
Corporate & Other	(15,753)	2,864	(12,889)	(14,727)	2,812	(11,915)
Consolidated	$ 53,530	$ 2,864	$ 56,394	$ 49,406	$ 2,812	$ 52,218

(1) *Adjustments consist of Portfolio Optimization Plan costs.*

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Non-GAAP Financial Measures

Flavors & Extracts Group	Three Months Ended March 31,	
	2025	2024
Operating Income (GAAP)	$ 24,989	$ 23,678
Depreciation and amortization	7,640	7,620
Share-based compensation expense	52	-
Adjusted EBITDA	$ 32,681	$ 31,298
Segment Revenue	$ 193,681	$ 193,092
Operating Income Margin (GAAP)	12.9%	12.3%
Adjusted EBITDA Margin	16.9%	16.2%

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Non-GAAP Financial Measures

Color Group	Three Months Ended March 31,	
	2025	2024
Operating Income (GAAP)	$ 34,852	$ 31,679
Depreciation and amortization	5,936	5,440
Share-based compensation expense	69	-
Adjusted EBITDA	$ 40,857	$ 37,119
Segment Revenue	$ 167,750	$ 160,025
Operating Income Margin (GAAP)	20.8%	19.8%
Adjusted EBITDA Margin	24.4%	23.2%

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Non-GAAP Financial Measures

Asia Pacific Group	Three Months Ended March 31,	
	2025	2024
Operating Income (GAAP)	$ 9,442	$ 8,776
Depreciation and amortization	548	636
Share-based compensation expense	22	-
Adjusted EBITDA	$ 10,012	$ 9,412
Segment Revenue	$ 41,901	$ 40,306
Operating Income Margin (GAAP)	22.5%	21.8%
Adjusted EBITDA Margin	23.9%	23.4%

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Non-GAAP Financial Measures

	Three Months Ended March 31,		
	2025	2024	% Change
Operating Income (GAAP)	$ 53,530	$ 49,406	8.3%
Depreciation and amortization	15,074	14,709	
Share-based compensation expense	2,900	1,995	
Portfolio Optimization Plan costs, before tax	2,864	2,812	
Adjusted EBITDA	$ 74,368	$ 68,922	7.9%
Total Revenue	$ 392,325	$ 384,670	
Operating Income Margin (GAAP)	13.6%	12.8%	
Adjusted EBITDA Margin	19.0%	17.9%	

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Non-GAAP Financial Measures

	March 31,	
Debt	**2025**	**2024**
Short-term borrowings	$ 18,575	$ 19,439
Long-term debt	683,266	643,511
Credit Agreement adjustments[(1)]	(21,165)	(13,775)
Net Debt	$ 680,676	$ 649,175
Operating income (GAAP)	$ 195,703	$ 153,591
Depreciation and amortization	60,694	58,379
Share-based compensation expense	10,989	8,661
Portfolio Optimization Plan costs, before tax	6,683	30,653
Other non-operating gains[(2)]	(871)	(1,055)
Credit Adjusted EBITDA	$ 273,198	$ 250,229
Net Debt to Credit Adjusted EBITDA	2.5x	2.6x

(1) Adjustments include cash and cash equivalents, as described in the Company's Third Amended and Restated Credit Agreement (Credit Agreement), and certain letters of credit and hedge contracts.

(2) Adjustments consist of certain financing transaction costs, certain non-financing interest items, and gains and losses related to certain non-cash, non-operating, and/or non-recurring items as described in the Credit Agreement.

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