



Sensient Technologies Corporation

Fourth Quarter 2024 Earnings Call

February 14, 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, (3) adjusted EBITDA and adjusted EBITDA Margin (which excludes Portfolio Optimization Plan costs and non-cash share based compensation expense), and (4) free cash flow, which deducts capital expenditures from net cash provided by operating activities. 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.

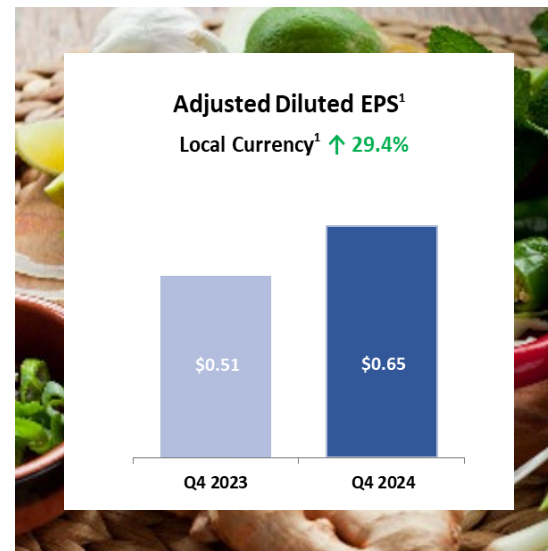
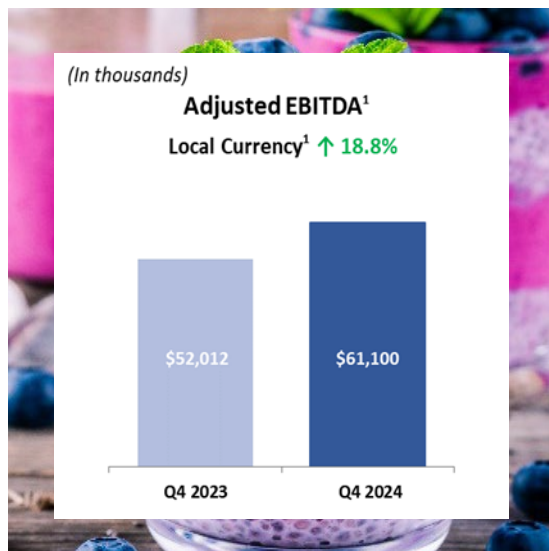
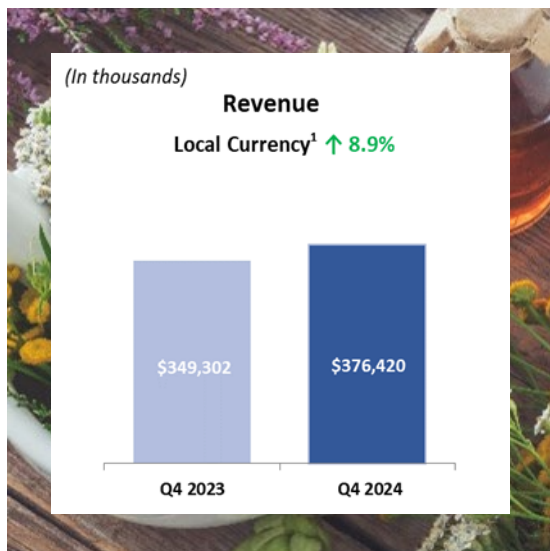
Forward Looking Statements

This document contains statements that may constitute “forward-looking statements” within the meaning of Federal securities laws including under “2025 Financial Outlook”, “Full Year 2025 Group Outlook”, “Long-Term Outlook”, “Consolidated Full Year 2025 Outlook”, and “Business Initiatives and 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.



Quarterly Results and Business Update

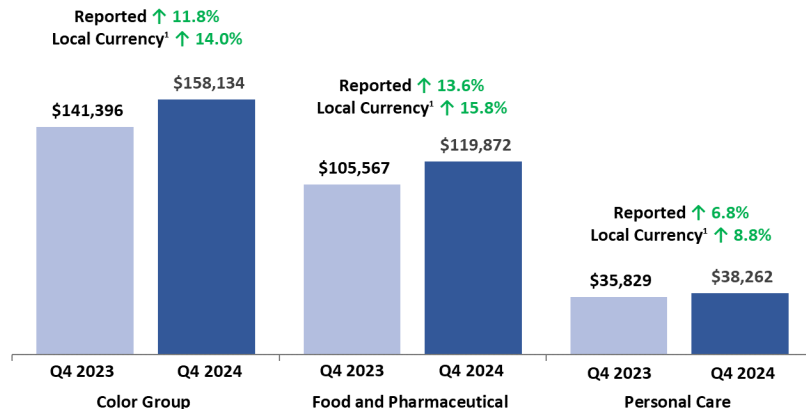
Q4 2024 Consolidated Results



Color Group Performance

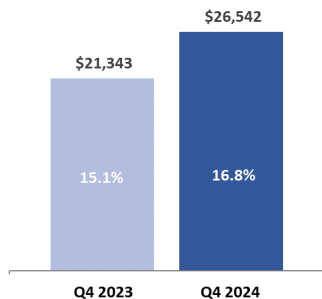
(In thousands)

QTD Revenue

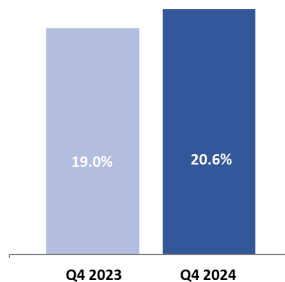


QTD Operating Income

Reported ↑ 24.4%
Local Currency¹ ↑ 27.4%



QTD Adjusted EBITDA Margin¹



Local Currency¹ Results Commentary

Revenue

- Strong volume growth across all product lines in the quarter driven by new wins
- Low single-digit pricing

Operating Results

- Strong operating leverage in the quarter due to volume growth and favorable pricing
- Adjusted EBITDA Margin¹ for the Group was 20.6% in Q4 2024, up 160 bps from Q4 2023

Local Currency¹ Full Year Results

vs. Prior Year

Revenue

+7.3%

Operating Profit

+14.2%

2023

2024

Adjusted EBITDA Margin¹

21.0%

22.1%

Full Year 2025 Group Outlook²

- Mid-single-digit local currency revenue¹ growth

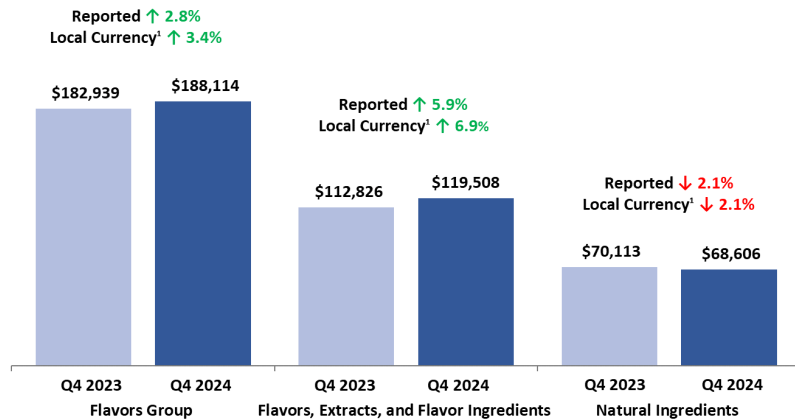
(1) See appendix for our GAAP to Non-GAAP reconciliations.

(2) Represents outlook as of our earnings release provided on February 14, 2025, and does not constitute an update or reissuance as of any later date.

Flavors & Extracts Group Performance

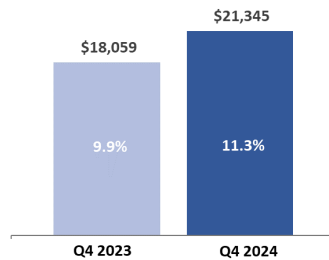
(In thousands)

QTD Revenue

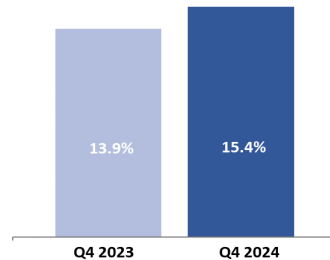


QTD Operating Income

Reported ↑ 18.2%
Local Currency¹ ↑ 18.4%



QTD Adjusted EBITDA Margin¹



Local Currency¹ Results Commentary

Revenue

- Favorable pricing and strong volume growth driven by new wins

Operating Results

- Operating leverage improved in the quarter due to favorable pricing and solid volume growth

Local Currency¹ Full Year Results

vs. Prior Year

Revenue

+7.1%

Operating Profit

+10.8%

Adjusted EBITDA Margin¹

15.8%

2024

16.1%

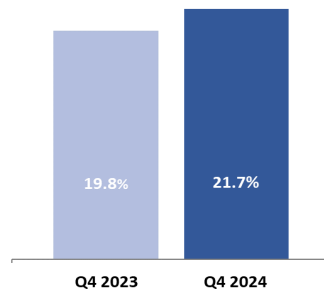
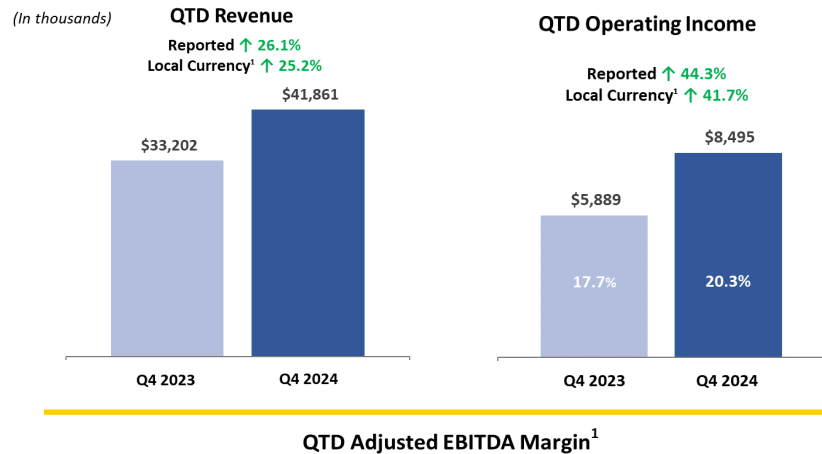
Full Year 2025 Group Outlook²

- Mid-single-digit local currency revenue¹ growth

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

(2) Represents outlook as of our earnings release provided on February 14, 2025, and does not constitute an update or reissuance as of any later date.

Asia Pacific Group Performance



Local Currency¹ Results Commentary

Revenue

- Volume growth driven by increase in new sales wins

Operating Results

- Growth driven by higher volumes across the Group
- Adjusted EBITDA Margin¹ for the Group was 21.7% in Q4 2024, up 190 bps from Q4 2023

Local Currency¹ Full Year Results

| | vs. Prior Year | |
|---|----------------|-------------|
| Revenue | +13.0% | |
| Operating Profit | +14.1% | |
| | 2023 | 2024 |
| Adjusted EBITDA Margin¹ | 22.8% | 22.7% |

Full Year 2025 Group Outlook²

- High single-digit local currency revenue¹ growth



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

(2) Represents outlook as of our earnings release provided on February 14, 2025, and does not constitute an update or reissuance as of any later date.

Business Outlook¹

Consolidated Full Year 2025 Outlook

Local Currency Revenue²

- Growth rate of mid-single-digit

Local Currency Adjusted EBITDA²

- Growth rate of mid-to high single-digit

Local Currency Adjusted EPS²

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

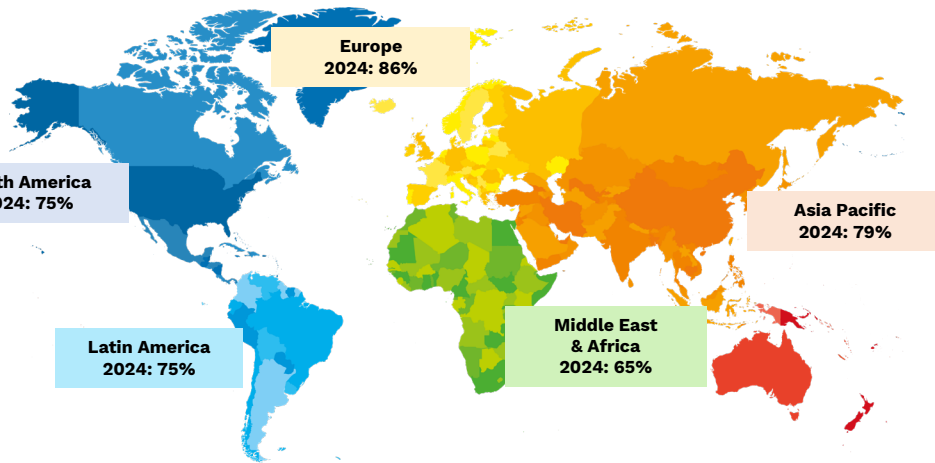
Long-Term Outlook

Local Currency Revenue²

- Growth rate of mid-single-digit

Natural color demand provides growth opportunity for Sensient

Global Natural Color Launches

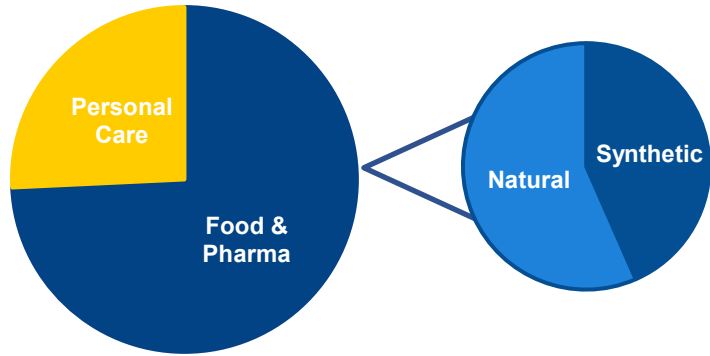


Source: Mintel 2025, Percent of Colored Launches with Natural Color

- Among colored food and beverage launches, natural colors have increased in all regions in the past 10 years.
- Consumers desire natural products
- 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

Food & Pharmaceutical Color Portfolio

Color Group Revenue



Color Commentary

- Natural colors make up ~60% of food and pharmaceutical product line revenue and ~20% of total company revenue
- Natural colors continue to grow above overall company mid-term outlook
- Red 3, a synthetic color, is less than ~0.5% of total company revenue

Some of the most common natural Red 3 alternatives include:



BEET



ANTHOCYANINS



CARMINE



LYCOPENE



RED IRON OXIDE

Supporting our customers and delivering leading natural color technologies

Leader in Color Technologies

for improved product performance and stability

Global R&D Network

with Color R&D centers in the United States and Europe and global application centers in Latin America, MEA, and across Asia Pacific

Vertically Integrated

color producer with active botanical seed development and agronomy initiatives across many key botanicals

Leader in Food Safety Protocols

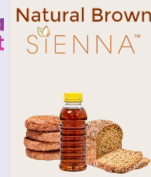
for ingredients from natural sources with unmatched Certasure™ food safety program

Most Comprehensive Food Color Company

in the world for both naturals & synthetics

Top Tier Service

with expert technical support and unparalleled reliability and supply chain security



Q4 2024 Financial Review

| <i>(dollars in thousands)</i> | Q4 2023 | Q4 2024 | Local Currency Growth ¹ |
|--|------------|------------|--|
| Revenue | \$ 349,302 | \$ 376,420 | +8.9% |
| Operating Income (GAAP) | \$ 8,063 | \$ 41,996 | |
| <i>Operating Margin</i> | 2.3% | 11.2% | |
| Adjusted Operating Income ¹ | \$ 35,904 | \$ 42,852 | +20.8% |
| <i>Adjusted Operating Margin¹</i> | 10.3% | 11.4% | |
| Diluted EPS (GAAP) | \$ (0.14) | \$ 0.71 | |
| Adjusted Diluted EPS ¹ | \$ 0.51 | \$ 0.65 | +29.4% |
| Adjusted EBITDA ¹ | \$ 52,012 | \$ 61,100 | +18.8% |
| <i>Adjusted EBITDA Margin¹</i> | 14.9% | 16.2% | |

Consolidated Commentary:

- Local currency revenue¹ increased 8.9%
- Q4 2024 results included \$0.9 million of Portfolio Optimization Plan costs
- Adjusted EBITDA Margin¹ improved 130 bps in the quarter due to strong volume growth across all Groups and favorable pricing

2024 Cash Flow and Debt Metrics

| | Q4 2023 YTD | Q4 2024 YTD |
|---|------------------|------------------|
| Cash Flow from Operations | \$ 169.7 million | \$ 157.2 million |
| Capital Expenditures | \$ 87.9 million | \$ 59.2 million |
| Free Cash Flow ¹ | \$ 81.8 million | \$97.9 million |
| Total Debt | \$ 658.5 million | \$ 633.4 million |
| Net debt to credit adjusted EBITDA ¹ | 2.6x | 2.3x |

Commentary:

- Cash flow from operations of \$157.2 million in 2024 compared to \$169.7 million in 2023 due to higher net working capital.
- Free cash flow¹ increased 19.7% in 2024 compared to 2023.
- Net debt to credit adjusted EBITDA¹ decreased to 2.3x in 2024 due to strong adjusted EBITDA¹ performance and a decrease in debt during the year.

2025 Financial Outlook¹

| Metric | Current Guidance |
|--|--|
| Local Currency Revenue ² | Mid-single-digit growth |
| Local Currency Adjusted EBITDA ² | Mid-to high single-digit growth |
| Diluted EPS (GAAP) ³ | \$3.05 to \$3.15 |
| Local Currency Adjusted Diluted EPS ² | High single-digit to double-digit growth |
| Capital Expenditures | \$70 to \$80 million |
| Adjusted Effective Tax Rate | ~ 25.5% |
| Interest Expense ⁴ | Slight Increase |

(1) Represents outlook as of our earnings release provided on February 14, 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 \$0.10/share to \$0.15/share of foreign currency headwinds based on current exchange rates and \$0.13/share of Portfolio Optimization Plan costs. Total plan costs are still expected to be approximately \$40M.

(4) Interest expense assumes no USD borrowing rate reductions for 2025.



SENSIENT®



Appendix¹

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

Non-GAAP Financial Measures

| | Three Months Ended December 31, | | |
|---|---------------------------------|-------------------|----------|
| | 2024 | 2023 | % Change |
| Operating income (GAAP) | \$ 41,996 | \$ 8,063 | 420.8% |
| Portfolio Optimization Plan costs – Cost of products sold | 839 | 3,135 | |
| Portfolio Optimization Plan costs – Selling and administrative expenses | 17 | 24,706 | |
| Adjusted operating income | \$ 42,852 | \$ 35,904 | 19.4% |
| Net earnings (GAAP) | \$ 30,104 | \$ (5,833) | 616.1% |
| Portfolio Optimization Plan costs, before tax | 856 | 27,841 | |
| Tax impact of Portfolio Optimization Plan costs ⁽¹⁾ | (3,570) | (415) | |
| Adjusted net earnings | \$ 27,390 | \$ 21,593 | 26.8% |
| Diluted earnings per share (GAAP) | \$ 0.71 | \$ (0.14) | 607.1% |
| Portfolio Optimization Plan costs, net of tax | (0.06) | 0.65 | |
| Adjusted diluted earnings per share | \$ 0.65 | \$ 0.51 | 27.5% |

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.

Non-GAAP Financial Measures

| | Three Months Ended December 31, 2024 | | | |
|-----------------------------------|--------------------------------------|------------------------|----------------------------|-------------------------|
| | Total | Foreign Exchange Rates | Adjustments ⁽¹⁾ | Adjusted Local Currency |
| Revenue | | | | |
| Flavors & Extracts | 2.8% | (0.6%) | N/A | 3.4% |
| Color | 11.8% | (2.2%) | N/A | 14.0% |
| Asia Pacific | 26.1% | 0.9% | N/A | 25.2% |
| Total Revenue | 7.8% | (1.1%) | N/A | 8.9% |
| Operating Income | | | | |
| Flavors & Extracts | 18.2% | (0.2%) | 0.0% | 18.4% |
| Color | 24.4% | (3.0%) | 0.0% | 27.4% |
| Asia Pacific | 44.3% | 2.6% | 0.0% | 41.7% |
| Corporate & Other | (61.4%) | 0.0% | (105.5%) | 44.1% |
| Total Operating Income | 420.8% | (6.7%) | 406.7% | 20.8% |
| Diluted Earnings Per Share | 607.1% | (7.2%) | 584.9% | 29.4% |
| Adjusted EBITDA | 17.5% | (1.3%) | N/A | 18.8% |

⁽¹⁾ Adjustments consist of Portfolio Optimization Plan costs.

Non-GAAP Financial Measures

| | Year Ended December 31, 2024 | | | |
|-----------------------------------|------------------------------|------------------------|----------------------------|-------------------------|
| | Total | Foreign Exchange Rates | Adjustments ⁽¹⁾ | Adjusted Local Currency |
| Revenue | | | | |
| Flavors & Extracts | 7.1% | 0.0% | N/A | 7.1% |
| Color | 6.6% | (0.7%) | N/A | 7.3% |
| Asia Pacific | 11.2% | (1.8%) | N/A | 13.0% |
| Total Revenue | 6.9% | (0.5%) | N/A | 7.4% |
| Operating Income | | | | |
| Flavors & Extracts | 10.6% | (0.2%) | 0.0% | 10.8% |
| Color | 13.4% | (0.8%) | 0.0% | 14.2% |
| Asia Pacific | 11.9% | (2.2%) | 0.0% | 14.1% |
| Corporate & Other | (13.7%) | 0.0% | (42.4%) | 28.7% |
| Total Operating Income | 23.6% | (1.0%) | 15.3% | 9.3% |
| Diluted Earnings Per Share | 33.0% | (1.4%) | 28.5% | 5.9% |
| Adjusted EBITDA | 7.6% | (0.7%) | N/A | 8.3% |

⁽¹⁾ Adjustments consist of Portfolio Optimization Plan costs.

Non-GAAP Financial Measures

| <u>Revenue</u> | <u>Three Months Ended December 31, 2024</u> | | |
|---|---|-----------------------------------|-----------------------|
| | <u>Total</u> | <u>Foreign Exchange Rates</u> | <u>Local Currency</u> |
| Flavors, Extracts, and Flavor Ingredients | 5.9% | (1.0%) | 6.9% |
| Natural Ingredients | (2.1%) | (0.0%) | (2.1%) |
| Flavors & Extracts Group | 2.8% | (0.6%) | 3.4% |
| Food and Pharmaceutical | 13.6% | (2.2%) | 15.8% |
| Personal Care | 6.8% | (2.0%) | 8.8% |
| Color Group | 11.8% | (2.2%) | 14.0% |
| Asia Pacific | 26.1% | 0.9% | 25.2% |
| Total revenue | 7.8% | (1.1%) | 8.9% |

Non-GAAP Financial Measures

| Results by Segment | Three Months Ended December 31, | | | | | |
|-------------------------|---------------------------------|----------------------------------|------------------|-----------------|----------------------------------|------------------|
| | | | Adjusted | | Adjusted | |
| <u>Operating Income</u> | <u>2024</u> | <u>Adjustments⁽¹⁾</u> | <u>2024</u> | <u>2023</u> | <u>Adjustments⁽¹⁾</u> | <u>2023</u> |
| Flavors & Extracts | \$ 21,345 | \$ - | \$ 21,345 | \$ 18,059 | \$ - | \$ 18,059 |
| Color | 26,542 | - | 26,542 | 21,343 | - | 21,343 |
| Asia Pacific | 8,495 | - | 8,495 | 5,889 | - | 5,889 |
| Corporate & Other | (14,386) | 856 | (13,530) | (37,228) | 27,841 | (9,387) |
| Consolidated | <u>\$ 41,996</u> | <u>\$ 856</u> | <u>\$ 42,852</u> | <u>\$ 8,063</u> | <u>\$ 27,841</u> | <u>\$ 35,904</u> |

⁽¹⁾ Adjustments consist of Portfolio Optimization Plan costs.

Non-GAAP Financial Measures

| Flavors & Extracts Group | Three Months Ended December 31, | | Year Ended December 31, | |
|---------------------------------------|---------------------------------|------------------|-------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating Income (GAAP) | \$ 21,345 | \$ 18,059 | \$ 97,094 | \$ 87,773 |
| Depreciation and amortization | 7,603 | 7,378 | 30,437 | 29,400 |
| Adjusted EBITDA | <u>\$ 28,948</u> | <u>\$ 25,437</u> | <u>\$ 127,531</u> | <u>\$ 117,173</u> |
| Segment Revenue | \$ 188,114 | \$ 182,939 | \$ 793,698 | \$ 741,072 |
| Operating Income Margin (GAAP) | 11.3% | 9.9% | 12.2% | 11.8% |
| Adjusted EBITDA Margin | 15.4% | 13.9% | 16.1% | 15.8% |

Non-GAAP Financial Measures

| Color Group | Three Months Ended December 31, | | Year Ended December 31, | |
|---------------------------------------|---------------------------------|------------------|-------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating Income (GAAP) | \$ 26,542 | \$ 21,343 | \$ 119,529 | \$ 105,370 |
| Depreciation and amortization | 5,992 | 5,487 | 23,417 | 22,294 |
| Adjusted EBITDA | <u>\$ 32,534</u> | <u>\$ 26,830</u> | <u>\$ 142,946</u> | <u>\$ 127,664</u> |
| Segment Revenue | \$ 158,134 | \$ 141,396 | \$ 647,939 | \$ 607,959 |
| Operating Income Margin (GAAP) | 16.8% | 15.1% | 18.4% | 17.3% |
| Adjusted EBITDA Margin | 20.6% | 19.0% | 22.1% | 21.0% |

Non-GAAP Financial Measures

| Asia Pacific Group | Three Months Ended December 31, | | Year Ended December 31, | |
|---------------------------------------|---------------------------------|-----------------|-------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating Income (GAAP) | \$ 8,495 | \$ 5,889 | \$ 34,458 | \$ 30,800 |
| Depreciation and amortization | 596 | 683 | 2,472 | 2,548 |
| Adjusted EBITDA | <u>\$ 9,091</u> | <u>\$ 6,572</u> | <u>\$ 36,930</u> | <u>\$ 33,348</u> |
| Segment Revenue | \$ 41,861 | \$ 33,202 | \$ 162,525 | \$ 146,090 |
| Operating Income Margin (GAAP) | 20.3% | 17.7% | 21.2% | 21.1% |
| Adjusted EBITDA Margin | 21.7% | 19.8% | 22.7% | 22.8% |

Non-GAAP Financial Measures

| | Three Months Ended December 31, | | |
|---|---------------------------------|------------------|--------------|
| | 2024 | 2023 | % Change |
| Operating Income (GAAP) | \$ 41,996 | \$ 8,063 | 420.8% |
| Depreciation and amortization | 15,144 | 14,460 | |
| Share-based compensation expense | 3,104 | 1,648 | |
| Portfolio Optimization Plan costs, before tax | 856 | 27,841 | |
| Adjusted EBITDA | <u>\$ 61,100</u> | <u>\$ 52,012</u> | <u>17.5%</u> |
| Total Revenue | \$ 376,420 | \$ 349,302 | |
| Operating Income Margin (GAAP) | 11.2% | 2.3% | |
| Adjusted EBITDA Margin | 16.2% | 14.9% | |

Non-GAAP Financial Measures

| | Twelve Months Ended December 31, | | |
|---|----------------------------------|------------------|--------------|
| | 2024 | 2023 | % Change |
| Net cash provided by operating activities (GAAP) | \$ 157,151 | \$ 169,697 | (7.4%) |
| Capital expenditures | (59,212) | (87,868) | |
| Free Cash Flow | <u>\$ 97,939</u> | <u>\$ 81,829</u> | <u>19.7%</u> |

Non-GAAP Financial Measures

| | Year Ended December 31, | |
|---|-------------------------|-------------------|
| | 2024 | 2023 |
| Debt | | |
| Short-term borrowings | \$ 19,848 | \$ 13,460 |
| Long-term debt | 613,523 | 645,085 |
| Credit Agreement adjustments ⁽¹⁾ | (13,129) | (16,743) |
| Net Debt | <u>\$ 620,242</u> | <u>\$ 641,802</u> |
| | | |
| Operating income (GAAP) | \$ 191,579 | \$ 155,023 |
| Depreciation and amortization | 60,329 | 57,820 |
| Share-based compensation expense | 10,084 | 8,933 |
| Portfolio Optimization Plan costs, before tax | 6,631 | 27,841 |
| Other non-operating gains ⁽²⁾ | (905) | (762) |
| Credit Adjusted EBITDA | <u>\$ 267,718</u> | <u>\$ 248,855</u> |
| | | |
| Net Debt to Credit Adjusted EBITDA | 2.3x | 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.