

SENSIENT®

# Fourth 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 “2024 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 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 Israel and Hamas and other parties in the Middle East; 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 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 portfolio optimization 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; 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, 2022, and in other documents that the Company files with the SEC, including the Company's Annual Report on Form 10-K for the year ended December 31, 2023 that will be filed by February 29, 2024. 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 operating income, adjusted net earnings, and adjusted diluted earnings per share (which exclude divestiture & other related income and restructuring and other costs, which include 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, divestiture & other related income, and restructuring and other costs, which include portfolio optimization plan costs), and (3) adjusted EBITDA (which eliminates divestiture & other related income, restructuring and other costs, which include 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. 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.

# 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

# 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

# Committed to ongoing portfolio optimization to drive margin improvement



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

Portfolio Optimization Plan initiated in 2023 and is expected to deliver approximately $8 million to $10 million of annual savings by plan completion in 2025

# Global Revenue by Group





## Color Group

2023 Revenue: $608M

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



## Flavors & Extracts Group

2023 Revenue: $741M

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



## Asia Pacific Group

2023 Revenue: $146M

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



*2023 Global Revenues include intercompany sales which are eliminated on a consolidated basis.*

# Color Group





- Global market leader
- Natural color innovator
- Excellent innovation & applications expertise

# Color Overview



## 2023 Revenue: $608M

### Food and Pharmaceutical

**74% of 2023 Segment Revenue**

| LC Revenue Change* | |
|---|---|
| Q4 ’23 | (5.7%) |
| YTD ’23 | +1.7% |

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

### Personal Care

**26% of 2023 Segment Revenue**

| LC Revenue Change* | |
|---|---|
| Q4 ’23 | (10.2%) |
| YTD ’23 | (6.8%) |

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



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

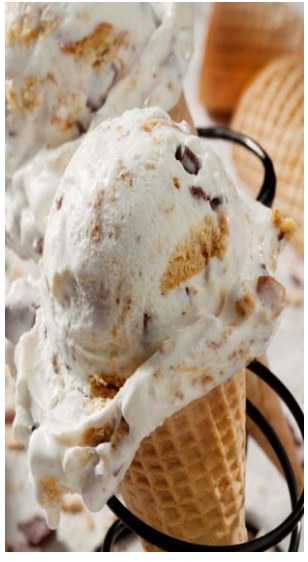
# Flavors & Extracts Group











- Broad product offering
- Unique ability to service global, regional, and local customers
- Leading technology platforms
- Outstanding applications expertise

# Flavors & Extracts Overview



## 2023 Revenue: $741M

### Flavors, Extracts, and Flavor Ingredients

**67% of 2023 Segment Revenue**

LC Revenue Change*
Q4 ’23 (6.5%)
YTD ’23 (2.2%)

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

### Natural Ingredients

**33% of 2023 Segment Revenue**

LC Revenue Change*
Q4 ’23 +13.3%
YTD ’23 +2.2%

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



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

# 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



2023 revenue of $146 million and operating income of $30.8 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

Q4 2023 local currency revenue* was down 4.6% and operating profit* declined 11.9%



*Local currency revenue and local currency operating profit are Non-GAAP metrics. Please see our GAAP to Non-GAAP Reconciliation at the end of this document.

# 2023 Q4 Segment Results



## Local Currency Revenue*

| | Q4 | YTD |
|---|---|---|
| Color | (7.0%) | (0.9%) |
| Flavors & Extracts | +0.4% | (0.8%) |
| Asia Pacific | (4.6%) | +3.5% |

## Local Currency Operating Income*

| | Q4 | YTD |
|---|---|---|
| Color | (16.2%) | (9.6%) |
| Flavors & Extracts | (16.6%) | (17.3%) |
| Asia Pacific | (11.9%) | +6.3% |

## 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. Pricing and volume growth as a result of new sales wins partially offset these declines. Operating income declined due to lower volumes and higher input costs.

Flavors & Extracts Group fourth quarter revenue increased slightly due to favorable pricing and volume growth related to new sales wins, partially 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 fourth quarter revenue decreased due to lower volumes related to customer destocking and end market declines, partially offset by pricing and volume growth related to new sales wins. Operating income declined as a result of the lower sales volumes.



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

# 2023 Q4 Consolidated Results



| | Q4 | YTD |
|---|---|---|
| Local Currency Revenue* | (1.8%) | +0.3% |
| Local Currency Adjusted Operating Income* | (9.6%) | (6.8%) |
| Local Currency Adjusted Diluted EPS* | (23.4%) | (14.0%) |
| Local Currency Adjusted EBITDA* | (8.5%) | (5.9%) |

**Q4 consolidated local currency revenue** declined as lower volumes, driven by customer destocking and ongoing end market declines, more than offset favorable pricing actions and volumes from new sales wins.

**Q4 consolidated local currency adjusted operating income** declined as a result of overall lower volumes and higher input costs, partially offset by lower performance-based compensation.

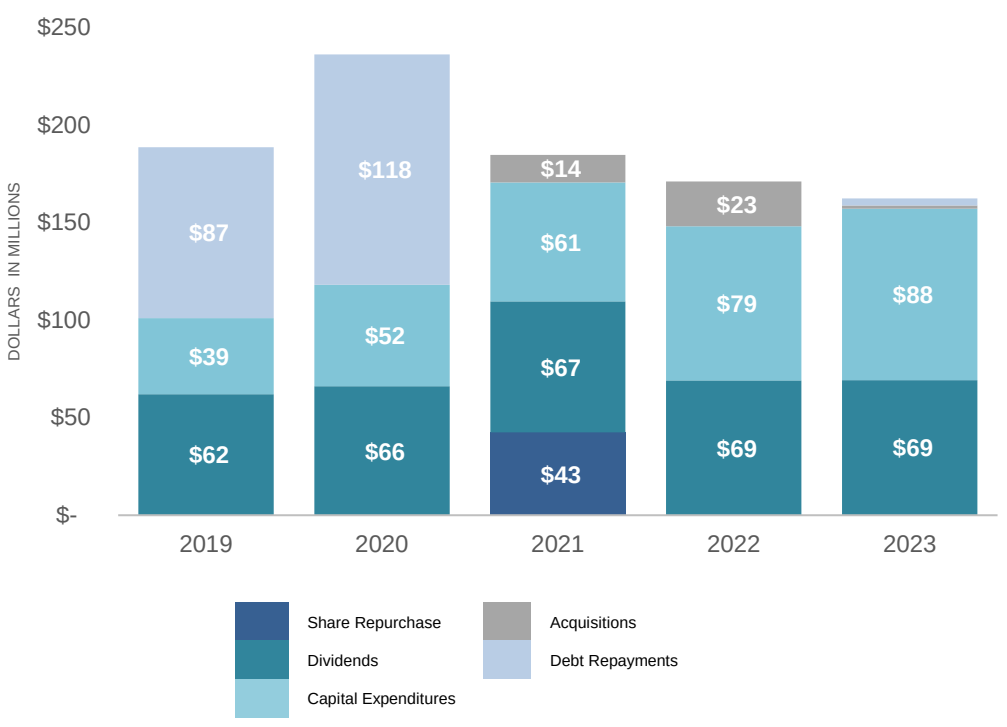
**Q4 local currency adjusted diluted EPS** declined as a result of the operating income headwinds and higher interest expense.



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

# Capital Allocation






Prioritize ROI capital projects

Excess free cash flow to be used for debt reduction

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

# 2024 Financial Outlook*



| Metric | Guidance | Comments |
|---|---|---|
| Local Currency Revenue** | Low-to-Mid-single-digit growth | |
| Local Currency Adjusted EBITDA** | Low-to-Mid-single-digit growth | • Excludes the impact of share-based stock compensation and the costs related to the Portfolio Optimization Plan |
| Diluted EPS (GAAP) | $2.80 to $2.90 | |
| Local Currency Adjusted Diluted EPS** | Low-to-Mid-single-digit growth | • Excludes the impact of the costs related to the Portfolio Optimization Plan |

** Represents outlook provided in our earnings release on February 8, 2024, and does not constitute an update or reissuance as of any later date.*

*** The local currency revenue, adjusted diluted EPS, and adjusted EBITDA growth rates for 2024 are compared to 2023 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.*

*** The Portfolio Optimization Plan was approved in the fourth quarter of 2023 to undertake an effort to optimize certain production facilities and improve efficiencies within the Company. The Company expects to incur $40M of costs associated with the plan, of which $30M will be non-cash.*

# 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.<br>• Long-term goals to **reduce** emissions intensity, water withdrawal, and landfilled waste<br>• Seed-to-shelf program focused on strengthening a **sustainable supply chain**<br>• Emphasis on implementing **sustainability from the design stage**<br>• **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.<br>• 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**<br>• Robust product, environmental, and raw material **safety programs** designed to **exceed industry standards**<br>• Raw material **traceability and risk assessment** programs<br>• **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.<br>• Board comprised of a majority of **independent directors** with diverse and accomplished backgrounds<br>• Committed to **board diversity and refreshment,** Sensient has added seven new directors since 2014<br>• 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 December 31, 2023 | Three Months Ended December 31, 2022 | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|---|---|---|---|---|
| **Operating income (GAAP)** | **$ 8,063** | **$ 41,225** | **$ 155,023** | **$ 196,751** |
| Divestiture & other related income – Selling and administrative expenses | - | (2,532) | - | (2,532) |
| Portfolio optimization plan costs – Cost of products sold | 3,135 | - | 3,135 | - |
| Portfolio optimization plan costs – Selling and administrative expenses | 24,706 | - | 24,706 | - |
| **Adjusted operating income** | **$ 35,904** | **$ 38,693** | **$ 182,864** | **$ 194,219** |
| | | | | |
| **Net earnings (GAAP)** | **$ (5,833)** | **$ 29,121** | **$ 93,394** | **$ 140,887** |
| Divestiture & other related income, before tax | - | (2,532) | - | (2,532) |
| Tax impact of divestiture & other related income* | - | 636 | - | 636 |
| Portfolio optimization plan costs, before tax | 27,841 | - | 27,841 | - |
| Tax impact of portfolio optimization plan costs* | (415) | - | (415) | - |
| **Adjusted net earnings** | **$ 21,593** | **$ 27,225** | **$ 120,820** | **$ 138,991** |
| | | | | |
| **Diluted earnings per share (GAAP)** | **$ (0.14)** | **$ 0.69** | **$ 2.21** | **$ 3.34** |
| Divestiture & other related income, net of tax | - | (0.04) | - | (0.04) |
| Portfolio optimization plan costs, net of tax | 0.65 | - | 0.65 | - |
| **Adjusted diluted earnings per share** | **$ 0.51** | **$ 0.64** | **$ 2.86** | **$ 3.29** |

** Tax impact adjustments were determined based on the nature of the underlying Non-GAAP adjustments and their relevant jurisdictional tax rates.*

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

# Non-GAAP Financial Measures (Cont'd)

| | Three Months Ended December 31, 2023 | | | | Year Ended December 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **Total** | **Foreign Exchange Rates** | **Adjustments*** | **Adjusted Local Currency** | **Total** | **Foreign Exchange Rates** | **Adjustments*** | **Adjusted Local Currency** |
| Flavors & Extracts | 2.3% | 1.9% | N/A | 0.4% | 0.4% | 1.2% | N/A | (0.8%) |
| Color | (4.4%) | 2.6% | N/A | (7.0%) | 0.7% | 1.6% | N/A | (0.9%) |
| Asia Pacific | (3.9%) | 0.7% | N/A | (4.6%) | 1.7% | (1.8%) | N/A | 3.5% |
| **Total Revenue** | **0.2%** | **2.0%** | **N/A** | **(1.8%)** | **1.4%** | **1.1%** | **N/A** | **0.3%** |
| | | | | | | | | |
| **Operating Income** | | | | | | | | |
| Flavors & Extracts | (16.0%) | 0.6% | 0.0% | (16.6%) | (16.7%) | 0.6% | 0.0% | (17.3%) |
| Color | (13.2%) | 3.0% | 0.0% | (16.2%) | (8.1%) | 1.5% | 0.0% | (9.6%) |
| Asia Pacific | (11.0%) | 0.9% | 0.0% | (11.9%) | 4.4% | (1.9%) | 0.0% | 6.3% |
| Corporate & Other | 224.6% | 0.0% | 257.6% | (33.0%) | 30.6% | 0.0% | 56.3% | (25.7%) |
| **Total Operating Income** | **(80.4%)** | **2.3%** | **(73.1%)** | **(9.6%)** | **(21.2%)** | **1.0%** | **(15.4%)** | **(6.8%)** |
| **Diluted Earnings Per Share** | **(120.3%)** | **1.4%** | **(98.3%)** | **(23.4%)** | **(33.8%)** | **0.9%** | **(20.7%)** | **(14.0%)** |
| **Adjusted EBITDA** | **(6.4%)** | **2.1%** | **N/A** | **(8.5%)** | **(5.0%)** | **0.9%** | **N/A** | **(5.9%)** |

**For Operating Income, Diluted Earnings per Share, and Adjusted EBITDA, adjustments consist of divestiture & other related income and portfolio optimization plan costs.*

# Non-GAAP Financial Measures (Cont'd)

| | Three Months Ended December 31, 2023 | | | Year Ended December 31, 2023 | | |
|---|---|---|---|---|---|---|
| **Revenue** | **Total** | **Foreign Exchange Rates** | **Local Currency** | **Total** | **Foreign Exchange Rates** | **Local Currency** |
| Flavors, Extracts and Flavor Ingredients | (3.6%) | 2.9% | (6.5%) | (0.4%) | 1.8% | (2.2%) |
| Natural Ingredients | 13.3% | 0.0% | 13.3% | 2.1% | (0.1%) | 2.2% |
| **Flavors & Extracts Group** | **2.3%** | **1.9%** | **0.4%** | **0.4%** | **1.2%** | **(0.8%)** |
| Food and Pharmaceutical | (3.1%) | 2.6% | (5.7%) | 3.5% | 1.8% | 1.7% |
| Personal Care | (7.4%) | 2.8% | (10.2%) | (5.8%) | 1.0% | (6.8%) |
| **Color Group** | **(4.4%)** | **2.6%** | **(7.0%)** | **0.7%** | **1.6%** | **(0.9%)** |
| **Asia Pacific** | **(3.9%)** | **0.7%** | **(4.6%)** | **1.7%** | **(1.8%)** | **3.5%** |
| **Total revenue** | **0.2%** | **2.0%** | **(1.8%)** | **1.4%** | **1.1%** | **0.3%** |

# Non-GAAP Financial Measures (Cont'd)

| Results by Segment | Three Months Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| Operating Income | 2023 | Adjustments* | Adjusted 2023 | 2022 | Adjustments* | Adjusted 2022 |
| Flavors & Extracts | $ 18,059 | $ - | $ 18,059 | $ 21,495 | $ - | $ 21,495 |
| Color | 21,343 | - | 21,343 | 24,584 | - | 24,584 |
| Asia Pacific | 5,889 | - | 5,889 | 6,615 | - | 6,615 |
| Corporate & Other | (37,228) | 27,841 | (9,387) | (11,469) | (2,532) | (14,001) |
| Consolidated | $ 8,063 | $ 27,841 | $ 35,904 | $ 41,225 | $ (2,532) | $ 38,693 |

| Results by Segment | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| Operating Income | 2023 | Adjustments* | Adjusted 2023 | 2022 | Adjustments* | Adjusted 2022 |
| Flavors & Extracts | $ 87,773 | $ - | $ 87,773 | $ 105,424 | $ - | $ 105,424 |
| Color | 105,370 | - | 105,370 | 114,619 | - | 114,619 |
| Asia Pacific | 30,800 | - | 30,800 | 29,492 | - | 29,492 |
| Corporate & Other | (68,920) | 27,841 | (41,079) | (52,784) | (2,532) | (55,316) |
| Consolidated | $ 155,023 | $ 27,841 | $ 182,864 | $ 196,751 | $ (2,532) | $ 194,219 |

** For Operating Income, adjustments consist of divestiture & other related income and portfolio optimization plan costs.*

# Non-GAAP Financial Measures (Cont'd)

| | Three Months Ended December 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | % Change | 2023 | 2022 | % Change |
| **Operating income (GAAP)** | $ 8,063 | $ 41,225 | (80.4%) | $ 155,023 | $ 196,751 | (21.2%) |
| Depreciation and amortization | 14,460 | 13,205 | | 57,820 | 52,467 | |
| Share-based compensation expense | 1,648 | 3,662 | | 8,933 | 16,138 | |
| Divestiture & other related income, before tax | - | (2,532) | | - | (2,532) | |
| Portfolio optimization plan costs, before tax | 27,841 | - | | 27,841 | - | |
| **Adjusted EBITDA** | $ 52,012 | $ 55,560 | (6.4%) | $ 249,617 | $ 262,824 | (5.0%) |


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