

**Sensient Technologies Corporation
Reports Results for the Quarter Ended September 30, 2024**

MILWAUKEE — October 25, 2024 — Sensient Technologies Corporation (NYSE: SXT), a leading provider of flavors and colors for the food, pharmaceutical, and personal care markets, today reported financial results for the third quarter ended September 30, 2024.

Third Quarter Consolidated Results

- Reported revenue increased 7.9% to \$392.6 million in the third quarter of 2024 versus last year's third quarter results of \$363.8 million. On a local currency basis⁽¹⁾, revenue increased 8.6%.
- Reported operating income increased 13.4% to \$50.5 million compared to \$44.5 million recorded in the third quarter of 2023. In the third quarter of 2024, the Company recorded \$1.2 million of costs related to its Portfolio Optimization Plan. Local currency adjusted operating income⁽¹⁾ and local currency adjusted EBITDA⁽¹⁾ increased 17.1% and 12.8%, respectively, in the third quarter.
- Reported diluted earnings per share increased 2.7% to 77 cents in the third quarter of 2024 compared to 75 cents in the third quarter of 2023. Local currency adjusted diluted EPS⁽¹⁾ increased 8.0% to 80 cents in the third quarter.

"I am pleased with our results this quarter and remain confident that our solid performance and volume growth will allow the Company to achieve our 2024 guidance," said Paul Manning, Sensient's Chairman, President, and Chief Executive Officer.

Third Quarter Group Results

Revenue	Reported		Local Currency ⁽¹⁾	
	Quarter	Year-to-Date	Quarter	Year-to-Date
Flavors & Extracts	6.4%	8.5%	6.8%	8.3%
Color	11.8%	5.0%	13.0%	5.2%
Asia Pacific	13.6%	6.9%	13.4%	9.4%
Total Revenue	7.9%	6.7%	8.6%	6.9%

Operating Income	Reported		Adjusted Local Currency ⁽¹⁾	
	Quarter	Year-to-Date	Quarter	Year-to-Date
Flavors & Extracts	12.1%	8.7%	12.8%	8.8%
Color	30.0%	10.7%	30.9%	10.8%
Asia Pacific	15.0%	4.2%	15.3%	7.5%
Total Operating Income	13.4%	1.8%	17.1%	6.4%

The Flavors & Extracts Group reported third quarter 2024 revenue of \$203.3 million, an increase of \$12.3 million versus the prior year’s third quarter. Segment operating income was \$25.9 million in the third quarter of 2024, an increase of \$2.8 million compared to the prior year’s third quarter. The Group’s higher revenue and operating income were driven by higher volumes and pricing.

The Color Group reported revenue of \$162.1 million in the third quarter of 2024, an increase of \$17.1 million compared to the prior year’s third quarter. Segment operating income was \$29.8 million in the third quarter of 2024, an increase of \$6.9 million compared to the prior year’s third quarter results. The Group’s increased revenue and operating income were primarily a result of the higher volumes across all product lines and higher pricing.

The Asia Pacific Group reported revenue of \$41.8 million in the third quarter of 2024, an increase of \$5.0 million compared to the prior year’s third quarter. The Group benefited from higher revenues across nearly all geographies. Segment operating income was \$9.3 million in the quarter, an increase of \$1.2 million compared to the prior year’s third quarter. The higher operating income is primarily a result of higher volumes.

Corporate & Other reported operating expenses of \$14.5 million in the third quarter of 2024, compared to \$9.6 million of operating expenses reported in the prior year’s third quarter. In the third quarter of 2024, the Company recorded \$1.2 million of Portfolio Optimization Plan costs in Corporate & Other. Local currency adjusted operating expenses⁽¹⁾ for Corporate & Other increased \$3.7 million compared to the prior year’s third quarter, primarily due to the higher performance-based compensation costs recorded in the third quarter of 2024 compared to the low comparable amount recorded in the third quarter of 2023.

2024 Outlook

Metric	Updated Guidance	Prior Guidance
Local Currency Revenue⁽¹⁾	High Single-Digit Growth	Mid-to High Single-Digit Growth
Local Currency Adjusted EBITDA⁽¹⁾	High Single-Digit Growth	Mid-to High Single-Digit Growth
Diluted EPS (GAAP)	Between \$2.77 and \$2.87*	Between \$2.77 and \$2.87*
Local Currency Adjusted Diluted EPS⁽¹⁾	Mid-Single-Digit Growth	Mid-Single-Digit Growth

**Includes approximately 18 cents of Portfolio Optimization Plan costs.*

This guidance is based on current conditions and economic and market trends in the markets in which the Company operates and is subject to various risks and uncertainties as described below.

(1) Please refer to “*Reconciliation of Non-GAAP Amounts*” at the end of this release for more information regarding our non-GAAP financial measures.

USE OF NON-GAAP FINANCIAL MEASURES

The Company's non-GAAP financial measures eliminate the impact of certain items, which, depending on the measure, include: currency movements, depreciation and amortization, Portfolio Optimization Plan costs, and non-cash share-based compensation. These measures are provided to enhance the overall understanding of the Company's performance when viewed together with the GAAP results. Refer to "Reconciliation of Non-GAAP Amounts" at the end of this release.

CONFERENCE CALL

The Company will host a conference call to discuss its 2024 third quarter financial results at 8:30 a.m. CDT today, Friday, October 25, 2024. Investors may access the live webcast, including presentation slides, on the Company's web site at investor.sensient.com. Alternatively, investors may join the conference call by contacting Chorus Call Inc. at (844) 492-3726 or (412) 317-1078.

A webcast replay will be available on the Company's web site following the call. The call transcript will be available on the Company's web site on or after October 29, 2024.

This release contains statements that may constitute "forward-looking statements" within the meaning of Federal securities laws including under "2024 Outlook" above. 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, 2023, 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 release contains time-sensitive information that reflects management's best analysis only as of the date of this release. 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.

ABOUT SENSIENT TECHNOLOGIES

Sensient Technologies Corporation is a leading global manufacturer and marketer of colors, flavors, and other specialty ingredients. Sensient uses advanced technologies and robust global supply chain capabilities to develop specialized solutions for food and beverages, as well as products that serve the pharmaceutical, nutraceutical, and personal care industries. Sensient's customers range in size from small entrepreneurial businesses to major international manufacturers representing some of the world's best-known brands. Sensient is headquartered in Milwaukee, Wisconsin.

www.sensient.com

Sensient Technologies Corporation
(In thousands, except percentages and per share amounts)
(Unaudited)

Consolidated Statements of Earnings

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Revenue	\$ 392,613	\$ 363,829	7.9%	\$ 1,180,808	\$ 1,107,148	6.7%
Cost of products sold	262,209	250,202	4.8%	793,133	746,681	6.2%
Selling and administrative expenses	79,884	69,096	15.6%	238,092	213,507	11.5%
Operating income	50,520	44,531	13.4%	149,583	146,960	1.8%
Interest expense	7,696	6,294		22,394	18,648	
Earnings before income taxes	42,824	38,237		127,189	128,312	
Income taxes	10,134	6,694		32,627	29,085	
Net earnings	\$ 32,690	\$ 31,543	3.6%	\$ 94,562	\$ 99,227	(4.7%)
Earnings per share of common stock:						
Basic	\$ 0.78	\$ 0.75		\$ 2.24	\$ 2.36	
Diluted	\$ 0.77	\$ 0.75		\$ 2.23	\$ 2.35	
Average common shares outstanding:						
Basic	42,159	42,045		42,139	42,020	
Diluted	42,429	42,233		42,377	42,241	

Results by Segment

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Revenue						
Flavors & Extracts	\$ 203,279	\$ 190,997	6.4%	\$ 605,584	\$ 558,133	8.5%
Color	162,080	144,939	11.8%	489,805	466,563	5.0%
Asia Pacific	41,778	36,774	13.6%	120,664	112,888	6.9%
Intersegment elimination	(14,524)	(8,881)		(35,245)	(30,436)	
Consolidated	\$ 392,613	\$ 363,829	7.9%	\$ 1,180,808	\$ 1,107,148	6.7%
Operating Income						
Flavors & Extracts	\$ 25,862	\$ 23,078	12.1%	\$ 75,749	\$ 69,714	8.7%
Color	29,806	22,925	30.0%	92,987	84,027	10.7%
Asia Pacific	9,307	8,095	15.0%	25,963	24,911	4.2%
Corporate & Other	(14,455)	(9,567)		(45,116)	(31,692)	
Consolidated	\$ 50,520	\$ 44,531	13.4%	\$ 149,583	\$ 146,960	1.8%

Sensient Technologies Corporation
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Consolidated Condensed Balance Sheets	September 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 36,969	\$ 28,934
Trade accounts receivable	302,012	272,164
Inventories	580,847	598,399
Prepaid expenses and other current assets	38,973	37,119
Total Current Assets	<u>958,801</u>	<u>936,616</u>
Goodwill & intangible assets (net)	438,220	436,177
Property, plant, and equipment (net)	494,619	505,277
Other assets	150,972	136,437
Total Assets	<u>\$ 2,042,612</u>	<u>\$ 2,014,507</u>
Trade accounts payable	\$ 119,238	\$ 131,114
Short-term borrowings	17,811	13,460
Other current liabilities	119,406	91,732
Total Current Liabilities	<u>256,455</u>	<u>236,306</u>
Long-term debt	625,627	645,085
Accrued employee and retiree benefits	26,130	27,715
Other liabilities	53,949	52,077
Shareholders' Equity	<u>1,080,451</u>	<u>1,053,324</u>
Total Liabilities and Shareholders' Equity	<u>\$ 2,042,612</u>	<u>\$ 2,014,507</u>

Sensient Technologies Corporation
(In thousands, except per share amounts)
(Unaudited)

Consolidated Statements of Cash Flows
Nine Months Ended September 30,

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net earnings	\$ 94,562	\$ 99,227
Adjustments to arrive at net cash provided by operating activities:		
Depreciation and amortization	45,185	43,360
Share-based compensation expense	6,980	7,285
Net gain on assets	(210)	(81)
Portfolio Optimization Plan costs	1,406	-
Deferred income taxes	(11,117)	2,082
Changes in operating assets and liabilities:		
Trade accounts receivable	(32,138)	18,830
Inventories	14,902	(21,455)
Prepaid expenses and other assets	221	842
Trade accounts payable and other accrued expenses	(4,664)	(20,572)
Accrued salaries, wages, and withholdings	16,769	(16,749)
Income taxes	854	(6,536)
Other liabilities	3,011	587
Net cash provided by operating activities	<u>135,761</u>	<u>106,820</u>
Cash flows from investing activities:		
Acquisition of property, plant, and equipment	(36,088)	(67,718)
Proceeds from sale of assets	338	130
Other investing activities	<u>(1,444)</u>	<u>2,036</u>
Net cash used in investing activities	<u>(37,194)</u>	<u>(65,552)</u>
Cash flows from financing activities:		
Proceeds from additional borrowings	134,432	197,577
Debt payments	(154,219)	(174,083)
Dividends paid	(52,034)	(51,900)
Other financing activities	<u>(3,317)</u>	<u>(8,034)</u>
Net cash used in financing activities	<u>(75,138)</u>	<u>(36,440)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(15,394)</u>	<u>6,236</u>
Net increase in cash and cash equivalents	8,035	11,064
Cash and cash equivalents at beginning of period	28,934	20,921
Cash and cash equivalents at end of period	<u>\$ 36,969</u>	<u>\$ 31,985</u>

Supplemental Information
Nine Months Ended September 30,

	<u>2024</u>	<u>2023</u>
Dividends paid per share	\$ 1.23	\$ 1.23

Sensient Technologies Corporation
(In thousands, except percentages and per share amounts)
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Reconciliation of Non-GAAP Amounts

The Company's results for the three and nine months ended September 30, 2024 and 2023 include adjusted operating income, adjusted net earnings, and adjusted diluted earnings per share, which, in each case, exclude Portfolio Optimization Plan costs.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Operating income (GAAP)	\$ 50,520	\$ 44,531	13.4%	\$ 149,583	\$ 146,960	1.8%
Portfolio Optimization Plan costs – Cost of products sold	209	-		523	-	
Portfolio Optimization Plan costs – Selling and administrative expenses	1,002	-		5,252	-	
Adjusted operating income	\$ 51,731	\$ 44,531	16.2%	\$ 155,358	\$ 146,960	5.7%
Net earnings (GAAP)	\$ 32,690	\$ 31,543	3.6%	\$ 94,562	\$ 99,227	(4.7%)
Portfolio Optimization Plan costs, before tax	1,211	-		5,775	-	
Tax impact of Portfolio Optimization Plan costs ⁽¹⁾	(17)	-		(586)	-	
Adjusted net earnings	\$ 33,884	\$ 31,543	7.4%	\$ 99,751	\$ 99,227	0.5%
Diluted earnings per share (GAAP)	\$ 0.77	\$ 0.75	2.7%	\$ 2.23	\$ 2.35	(5.1%)
Portfolio Optimization Plan costs, net of tax	0.03	-		0.12	-	
Adjusted diluted earnings per share	\$ 0.80	\$ 0.75	6.7%	\$ 2.35	\$ 2.35	0.0%

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.

Results by Segment

	Three Months Ended September 30,					
	2024	Adjustments ⁽²⁾	Adjusted 2024	2023	Adjustments ⁽²⁾	Adjusted 2023
Operating Income						
Flavors & Extracts	\$ 25,862	\$ -	\$ 25,862	\$ 23,078	\$ -	\$ 23,078
Color	29,806	-	29,806	22,925	-	22,925
Asia Pacific	9,307	-	9,307	8,095	-	8,095
Corporate & Other	(14,455)	1,211	(13,244)	(9,567)	-	(9,567)
Consolidated	\$ 50,520	\$ 1,211	\$ 51,731	\$ 44,531	\$ -	\$ 44,531

Results by Segment

	Nine Months Ended September 30,					
	2024	Adjustments ⁽²⁾	Adjusted 2024	2023	Adjustments ⁽²⁾	Adjusted 2023
Operating Income						
Flavors & Extracts	\$ 75,749	\$ -	\$ 75,749	\$ 69,714	\$ -	\$ 69,714
Color	92,987	-	92,987	84,027	-	84,027
Asia Pacific	25,963	-	25,963	24,911	-	24,911
Corporate & Other	(45,116)	5,775	(39,341)	(31,692)	-	(31,692)
Consolidated	\$ 149,583	\$ 5,775	\$ 155,358	\$ 146,960	\$ -	\$ 146,960

⁽²⁾ Adjustments consist of Portfolio Optimization Plan costs.

Sensient Technologies Corporation
(In thousands, except percentages)
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Reconciliation of Non-GAAP Amounts - Continued

The following table summarizes the percentage change in the 2024 results compared to the 2023 results for the corresponding periods.

	Three Months Ended September 30, 2024			
	Total	Foreign Exchange Rates	Adjustments⁽³⁾	Adjusted Local Currency
Revenue				
Flavors & Extracts	6.4%	(0.4%)	N/A	6.8%
Color	11.8%	(1.2%)	N/A	13.0%
Asia Pacific	13.6%	0.2%	N/A	13.4%
Total Revenue	7.9%	(0.7%)	N/A	8.6%
Operating Income				
Flavors & Extracts	12.1%	(0.7%)	0.0%	12.8%
Color	30.0%	(0.9%)	0.0%	30.9%
Asia Pacific	15.0%	(0.3%)	0.0%	15.3%
Corporate & Other	51.1%	0.1%	12.6%	38.4%
Total Operating Income	13.4%	(1.0%)	(2.7%)	17.1%
Diluted Earnings Per Share	2.7%	(1.3%)	(4.0%)	8.0%
Adjusted EBITDA	12.0%	(0.8%)	N/A	12.8%

	Nine Months Ended September 30, 2024			
	Total	Foreign Exchange Rates	Adjustments⁽³⁾	Adjusted Local Currency
Revenue				
Flavors & Extracts	8.5%	0.2%	N/A	8.3%
Color	5.0%	(0.2%)	N/A	5.2%
Asia Pacific	6.9%	(2.5%)	N/A	9.4%
Total Revenue	6.7%	(0.2%)	N/A	6.9%
Operating Income				
Flavors & Extracts	8.7%	(0.1%)	0.0%	8.8%
Color	10.7%	(0.1%)	0.0%	10.8%
Asia Pacific	4.2%	(3.3%)	0.0%	7.5%
Corporate & Other	42.4%	0.1%	18.2%	24.1%
Total Operating Income	1.8%	(0.7%)	(3.9%)	6.4%
Diluted Earnings Per Share	(5.1%)	(0.8%)	(5.2%)	0.9%
Adjusted EBITDA	5.0%	(0.5%)	N/A	5.5%

⁽³⁾ Adjustments consist of Portfolio Optimization Plan costs.

Sensient Technologies Corporation
(In thousands, except percentages)
(Unaudited)

Reconciliation of Non-GAAP Amounts - Continued

The following table summarizes the reconciliation between Consolidated Operating Income (GAAP) and Adjusted EBITDA for the three and nine months ended September 30, 2024 and 2023.

	<u>Three Months Ended September 30,</u>			<u>Nine Months Ended September 30,</u>		
	<u>2024</u>	<u>2023</u>	<u>% Change</u>	<u>2024</u>	<u>2023</u>	<u>% Change</u>
Operating income (GAAP)	\$ 50,520	\$ 44,531	13.4%	\$ 149,583	\$ 146,960	1.8%
Depreciation and amortization	15,460	14,770		45,185	43,360	
Share-based compensation expense	2,069	2,519		6,980	7,285	
Portfolio Optimization Plan costs, before tax	1,211	-		5,775	-	
Adjusted EBITDA	<u>\$ 69,260</u>	<u>\$ 61,820</u>	<u>12.0%</u>	<u>\$ 207,523</u>	<u>\$ 197,605</u>	<u>5.0%</u>

The following table summarizes the reconciliation between Debt (GAAP) and Net Debt, and Operating Income (GAAP) and Credit Adjusted EBITDA for the trailing twelve months ended September 30, 2024 and 2023.

	<u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
Debt		
Short-term borrowings	\$ 17,811	\$ 22,807
Long-term debt	625,627	648,556
Credit Agreement adjustments ⁽⁴⁾	(22,633)	(19,463)
Net Debt	<u>\$ 620,805</u>	<u>\$ 651,900</u>
Operating income (GAAP)	\$ 157,646	\$ 188,185
Depreciation and amortization	59,645	56,565
Share-based compensation expense	8,628	10,947
Portfolio Optimization Plan costs, before tax	33,616	-
Other non-operating gains ⁽⁵⁾	(998)	(3,783)
Credit Adjusted EBITDA	<u>\$ 258,537</u>	<u>\$ 251,914</u>
Net Debt to Credit Adjusted EBITDA	2.4x	2.6x

⁽⁴⁾ 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.

⁽⁵⁾ 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.

The following table summarizes the reconciliation between Diluted Earnings Per Share (GAAP) and Adjusted Diluted Earnings Per Share for the twelve months ended December 31, 2023.

Twelve Months Ended December 31,

	<u>2023</u>
Diluted earnings per share (GAAP)	<u>\$ 2.21</u>
Portfolio Optimization Plan costs, net of tax	0.65
Adjusted diluted earnings per share	<u>\$ 2.86</u>

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

We have included each of these non-GAAP measures in order to provide additional information regarding our 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 release and our 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, and we believe 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.