



**SENSIENT<sup>®</sup>**

**First Quarter 2022**

**Investor Presentation**

# FORWARD-LOOKING STATEMENTS

This document contains statements that may constitute “forward-looking statements” within the meaning of Federal securities laws including under “2022 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 impact and uncertainty created by the ongoing COVID-19 pandemic, including, but not limited to, its effects on our employees, facilities, customers, and suppliers, the availability and cost of raw materials, energy, and other supplies, the availability and cost of labor, logistics, and transportation; the uncertain impacts of the ongoing conflict between Russia and Ukraine on our supply chain, input costs, including energy and transportation, and generally on economic conditions; governmental regulations and restrictions, and general economic conditions, including inflation; 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; the effectiveness of the Company’s past restructuring activities; changes in costs of raw materials, including energy; 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, 2021, 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, adjusted operating income, adjusted net earnings, adjusted EBITDA, and adjusted diluted earnings per share (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), (3) percentage changes in revenue, operating income, diluted earnings per share, and EBITDA on an adjusted local currency basis (which eliminate the effects that result from translating its international operations into U.S. dollars, divestiture & other related costs, the results of the divested product lines, and restructuring and other costs, which include operational improvement plan costs), and (4) adjusted EBITDA (which excludes depreciation and amortization expense, non-cash share based compensation expense, the results of the divested product lines, the divestiture & other related costs, and operational improvement plan costs and income). 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



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

# Focusing our portfolio and strengthening our commitment to the end markets



Investing in core focus areas of Flavors and Extracts, Natural Ingredients, Food and Pharmaceutical Colors, and Personal Care

Divested non-core product lines (inks, fragrances, and yogurt fruit prep product lines) in 2020 and 2021

Expanded flavor portfolio and strengthened technical solutions capabilities through the acquisition of Flavor Solutions, Inc. on July 15, 2021

# 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

# Global Revenue by Group



## Color Group

2021 Revenue: \$545M

2021 Adj. Revenue\*: \$543M

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



## Flavors & Extracts Group

2021 Revenue: \$739M

2021 Adj. Revenue\*: \$712M

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



## Asia Pacific Group

2021 Revenue: \$135M

2021 Adj. Revenue\*: \$135M

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



# Color Group



Global market leader  
Natural color innovator  
Excellent innovation & applications expertise

# Color Overview



**2021 Revenue: \$545M**

**2021 Adj. Revenue\*: \$543M**

## Food and Pharmaceutical

**71% of Segment Revenue**

**71% of Adj. Segment Revenue**

LC Revenue Change\*  
Q1 '22 +11.8%

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

## Personal Care

**29% of Segment Revenue**

**29% of Adj. Segment Revenue**

LC Revenue Change\*  
Q1 '22 +10.6%

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

# Flavors & Extracts Group



Broad product offering

Unique ability to service global, regional, and local customers

Leading technology platforms

Outstanding applications expertise

# Flavors & Extracts Overview



2021 Revenue: \$739M

2021 Adj. Revenue\*: \$712M

## Flavors, Extracts, and Flavor Ingredients

62% of Segment Revenue

64% of Adj. Segment Revenue

LC Revenue Change\*  
Q1 '22 +13.2%

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

## Natural Ingredients

35% of Segment Revenue

36% of Adj. Segment Revenue

LC Revenue Change\*  
Q1 '22 (9.7%)

- Leading provider of dehydrated onion, garlic, and other products
- Temporary headwind due to a limited supply of onion and strong onion sales in 2021, anticipate recovery beginning in Q2

## Fragrances & Yogurt Fruit Prep

3% of Segment Revenue

- Yogurt Fruit Prep divested September 2020
- Fragrances divested April 2021

# Asia Pacific Group



Portfolio of food and beverage flavors and colors

R&D centers in Singapore, Thailand, and China to support local and regional customer base

Ability to deliver localized solutions and technology platforms

# Asia Pacific Overview



2021 adjusted revenue of \$135 million and adjusted operating income of \$26 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

Q1 2022 local currency adjusted revenue and operating profit improved 14.4% and 31.0%, respectively



# 2022 Q1 Segment Results



## Local Currency Adjusted Revenue\*

	Q1
Color	+11.8%
Flavors & Extracts	+5.1%
Asia Pacific	+14.4%

## Local Currency Adjusted Operating Income\*

	Q1
Color	+17.5%
Flavors & Extracts	+14.7%
Asia Pacific	+31.0%

## Local Currency Adjusted\* Commentary:

Color Group reported higher revenue in the quarter due to double digit growth in both Food and Pharmaceutical and Personal Care. Operating income was up due to product mix, volume recovery in color make-up, and pricing.

Flavors & Extracts Group first quarter revenue increased as a result of growth in flavors, extracts and flavors ingredients and pricing actions across the Group. Flavor Solutions acquisition contributed \$2.7 million, or 1.6%, of growth in the quarter. Operating income was up as a result of higher volumes, product mix, and pricing.

Asia Pacific Group first quarter revenue increased double digits driven by volume growth in almost all regions. Operating income improved in the quarter due to volume growth and pricing.

# 2022 Q1 Consolidated Results



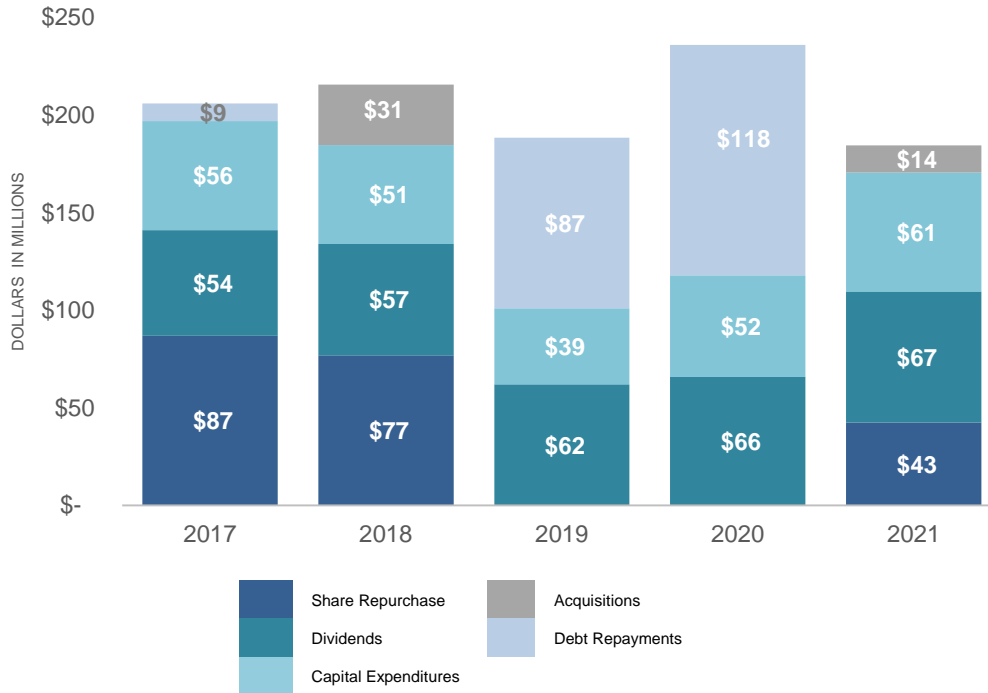
	Q1
Local Currency Adjusted Revenue*	+8.4%
Local Currency Adjusted Operating Income*	+16.2%
Local Currency Adjusted Diluted EPS*	+16.9%
Local Currency Adjusted EBITDA*	+16.3%

**Q1 consolidated local currency adjusted revenue** was up high-single digits despite the anticipated headwind in the Flavor Group related to limited supply of onion and strong 2021 onion sales. The Color Group, Asia Pacific Group, and flavors, extracts and flavor ingredients in the Flavor Group were all up double-digits. Pricing actions contributed to the overall results.

**Q1 consolidated local currency adjusted operating income** was up due to the overall volume growth across our businesses and the impact of pricing actions. The operating income improvement was partially offset due to higher year-over-year Corporate expenses related to performance-based compensation.



# Capital Allocation



Prioritize ROI capital projects

Maintain financial flexibility to pursue M&A

Dividend payout increased 5.1% in 2021

Excess capital returned to shareholders through opportunistic share repurchases

# 2022 Financial Outlook



Metric	Revised Guidance*	Previous Guidance*	Comments
Diluted EPS (GAAP)	High-teen growth	Mid-teen growth	At current rates, we anticipate a FX headwind of approximately 12 cents
Local Currency Diluted EPS*	High single to double-digit growth	High single-digit growth	
Local Currency Revenue*	Mid-to-High single-digit growth	Mid-single-digit growth	
Adjusted Local Currency EBITDA*	High single to double-digit growth	High single-digit growth	Excludes the impact of share-based stock compensation

*\*In 2022, the Company does not anticipate any impact to the above metrics as a result of divestiture & other related costs, operational improvement plan costs, or the results of the divested operations.*

*The 2022 Local Currency Diluted EPS, Local Currency Revenue and Adjusted Local Currency EBITDA growth rates for 2022 are compared to the 2021 Adjusted Diluted EPS, Adjusted Revenue and Adjusted EBITDA, respectively, which excluded the divestiture & other related costs, operational improvement plan costs and the results of operations of the divested product lines. Adjusted 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.*

# 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

Click [here](#) to access our



## Environmental

Sensient is committed to the principles of sound environmental stewardship and the responsible and sustainable use of energy and natural resources.

- Long-term goals to **reduce** Energy, Water, and Hazardous **Waste intensity**
- Seed-to-shelf program focused on **sustainable supply chain**
- Emphasis on new products and technologies that **minimize waste and environmental impacts**
- **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.

- 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**
- Robust product, environmental, and raw material **safety programs** designed to **exceed industry standards**
- Raw material **traceability and sustainability** programs
- **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.

- Board comprised of a majority of **independent directors** with diverse and accomplished backgrounds
- Committed to **board diversity and refreshment**, we were recognized by 50/50 Women on Boards for the tenth year in a row and we have added seven new directors since 2014.
- 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 March 31, 2022	Three Months Ended March 31, 2021	Year Ended December 31, 2021
<b>Revenue (GAAP)</b>	\$ 355,521	\$ 359,702	\$ 1,380,264
Revenue of the divested product lines	-	(25,570)	(30,062)
<b>Adjusted revenue</b>	<b>\$ 355,521</b>	<b>\$ 334,132</b>	<b>\$ 1,350,202</b>
<b>Operating income (GAAP)</b>	\$ 52,789	\$ 46,897	\$ 170,028
Divestiture & other related costs – Cost of products sold	-	25	86
Divestiture & other related costs – Selling and administrative expenses	-	1,547	14,052
Operating income of the divested product lines	-	(2,927)	(1,880)
Operational improvement plan – Selling and administrative expenses (income)	-	1,001	(1,895)
<b>Adjusted operating income</b>	<b>\$ 52,789</b>	<b>\$ 46,543</b>	<b>\$ 180,391</b>
<b>Net earnings (GAAP)</b>	\$ 37,071	\$ 31,668	\$ 118,745
Divestiture & other related costs, before tax	-	1,572	14,138
Tax impact of divestiture & other related costs	-	793	2,092
Net earnings of the divested product lines, before tax	-	(2,927)	(1,880)
Tax impact of the divested product lines	-	723	460
Operational improvement plan costs (income), before tax	-	1,001	(1,895)
Tax impact of operational improvement plan	-	(296)	471
<b>Adjusted net earnings</b>	<b>\$ 37,071</b>	<b>\$ 32,534</b>	<b>\$ 132,131</b>
<b>Diluted earnings per share (GAAP)</b>	\$ 0.88	\$ 0.75	\$ 2.81
Divestiture & other related costs, net of tax	-	0.06	0.38
Results of operations of the divested product lines, net of tax	-	(0.05)	(0.03)
Operational improvement plan costs (income), net of tax	-	0.02	(0.03)
<b>Adjusted diluted earnings per share</b>	<b>\$ 0.88</b>	<b>\$ 0.77</b>	<b>\$ 3.13</b>

# Non-GAAP Financial Measures (Cont'd)

Three Months Ended March 31, 2022

	Total	Foreign Exchange Rates	Adjustments*	Adjusted Local Currency
<b><u>Revenue</u></b>				
Flavors & Extracts	(9.1%)	(1.9%)	(12.3%)	5.1%
Color	9.4%	(1.9%)	(0.5%)	11.8%
Asia Pacific	7.8%	(5.6%)	(1.0%)	14.4%
<b>Total Revenue</b>	<b>(1.2%)</b>	<b>(2.2%)</b>	<b>(7.4%)</b>	<b>8.4%</b>
<b><u>Operating Income</u></b>				
Flavors & Extracts	2.1%	(1.2%)	(11.4%)	14.7%
Color	15.3%	(2.4%)	0.2%	17.5%
Asia Pacific	21.5%	(7.8%)	(1.7%)	31.0%
Corporate & Other	1.4%	0.0%	(24.0%)	25.4%
<b>Total Operating Income</b>	<b>12.6%</b>	<b>(3.2%)</b>	<b>(0.4%)</b>	<b>16.2%</b>
<b>Diluted Earnings Per Share</b>	<b>17.3%</b>	<b>(4.0%)</b>	<b>4.4%</b>	<b>16.9%</b>
<b>Adjusted EBITDA</b>	<b>14.0%</b>	<b>(2.3%)</b>	<b>N/A</b>	<b>16.3%</b>

\* For Revenue, adjustments consist of revenues of the divested product lines. For Operating Income, Diluted Earnings per Share, and Adjusted EBITDA, adjustments consist of the results of the divested product lines, divestiture & other related costs, and operational improvement plan costs.

# Non-GAAP Financial Measures (Cont'd)

<u>Revenue</u>	<u>Three Months Ended March 31, 2022</u>		
	<u>Total</u>	<u>Foreign Exchange Rates</u>	<u>Local Currency</u>
Flavors, Extracts and Flavor Ingredients	11.2%	(2.0%)	13.2%
Natural Ingredients	(9.6%)	0.1%	(9.7%)
Fragrances*	(100.0%)	0.0%	(100.0%)
Yogurt Fruit Prep*	(100.0%)	0.0%	(100.0%)
<b>Flavors &amp; Extracts Group</b>	<b>(9.1%)</b>	<b>(1.9%)</b>	<b>(7.2%)</b>
Food and Pharmaceutical	9.9%	(1.9%)	11.8%
Personal Care	8.3%	(2.3%)	10.6%
Inks*	14.9%	0.0%	14.9%
<b>Color Group</b>	<b>9.4%</b>	<b>(1.9%)</b>	<b>11.3%</b>
<b>Asia Pacific</b>	<b>7.8%</b>	<b>(5.6%)</b>	<b>13.4%</b>
<b>Total revenue including the product lines divested</b>	<b>(1.2%)</b>	<b>(2.2%)</b>	<b>1.0%</b>

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



# Non-GAAP Financial Measures (Cont'd)

## Results by Segment

Three Months Ended March 31,

<u>Revenue</u>	2022		Adjusted 2022		2021		Adjusted 2021	
		Adjustments*		Adjustments*		Adjustments*		Adjustments*
Flavors & Extracts	\$ 182,727	\$ -	\$ 182,727	\$ -	\$ 200,911	\$ (24,889)	\$ 176,022	\$ -
Color	148,438	-	148,438	-	135,720	(536)	135,184	-
Asia Pacific	36,465	-	36,465	-	33,840	(295)	33,545	-
Intersegment elimination	(12,109)	-	(12,109)	-	(10,769)	150	(10,619)	-
Consolidated	<u>\$ 355,521</u>	<u>\$ -</u>	<u>\$ 355,521</u>	<u>\$ -</u>	<u>\$ 359,702</u>	<u>\$ (25,570)</u>	<u>\$ 334,132</u>	<u>\$ -</u>
<b><u>Operating Income</u></b>								
Flavors & Extracts	\$ 27,579	\$ -	\$ 27,579	\$ -	\$ 27,018	\$ (2,880)	\$ 24,138	\$ -
Color	30,657	-	30,657	-	26,594	40	26,634	-
Asia Pacific	8,204	-	8,204	-	6,752	(87)	6,665	-
Corporate & Other	(13,651)	-	(13,651)	-	(13,467)	2,573	(10,894)	-
Consolidated	<u>\$ 52,789</u>	<u>\$ -</u>	<u>\$ 52,789</u>	<u>\$ -</u>	<u>\$ 46,897</u>	<u>\$ (354)</u>	<u>\$ 46,543</u>	<u>\$ -</u>

\* 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 operational improvement plan costs.

# Non-GAAP Financial Measures (Cont'd)

Results by Segment	Year Ended December 31,		
	2021	Adjustments*	Adjusted 2021
<b>Revenue</b>			
Flavors & Extracts	\$ 739,427	\$ (27,837)	\$ 711,590
Color	545,270	(2,080)	543,190
Asia Pacific	135,348	(295)	135,053
Intersegment elimination	(39,781)	150	(39,631)
Consolidated	<u>\$ 1,380,264</u>	<u>\$ (30,062)</u>	<u>\$ 1,350,202</u>
<b>Operating Income</b>			
Flavors & Extracts	\$ 98,660	\$ (2,368)	\$ 96,292
Color	103,575	575	104,150
Asia Pacific	26,330	(87)	26,243
Corporate & Other	(58,537)	12,243	(46,294)
Consolidated	<u>\$ 170,028</u>	<u>\$ 10,363</u>	<u>\$ 180,391</u>

\* 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 operational improvement plan costs and income.

# Non-GAAP Financial Measures (Cont'd)

	<b>Three Months Ended March 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>% Change</b>
<b>Operating income (GAAP)</b>	\$ 52,789	\$ 46,897	12.6%
Depreciation and amortization	13,056	12,799	
Depreciation and amortization, divested product lines	-	(49)	
Share-based compensation expense	4,163	2,113	
Divestiture & other related costs, before tax	-	1,572	
Results of operations of the divested product lines, before tax	-	(2,927)	
Operational improvement plan costs (income), before tax	-	1,001	
<b>Adjusted EBITDA</b>	<b>\$ 70,008</b>	<b>\$ 61,406</b>	<b>14.0%</b>

