



# **Sensient Technologies Corporation**

Second Quarter 2025 Earnings Call

July 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.

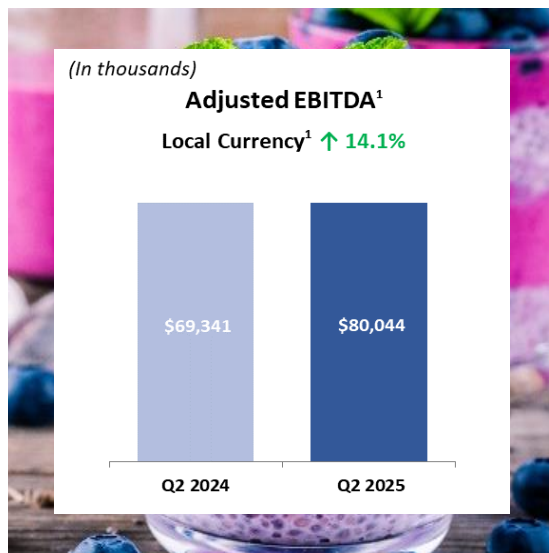
# Forward Looking Statements

This presentation 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”. 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**

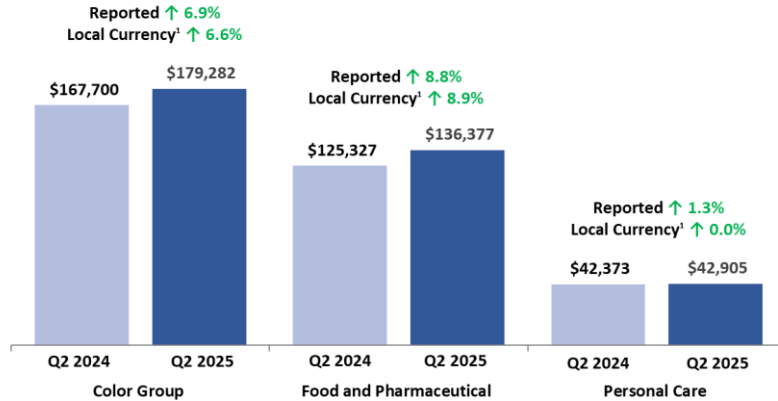
# Q2 2025 Consolidated Results



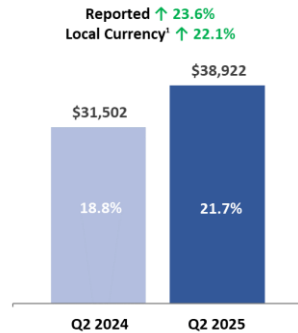
# Color Group Performance

(In thousands, except percentages)

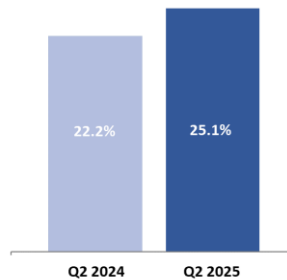
## QTD Revenue



## QTD Operating Income



## QTD Adjusted EBITDA Margin<sup>1</sup>



## Local Currency<sup>1</sup> Results Commentary

### Revenue

- Strong growth in the quarter driven by new sales wins across the Group

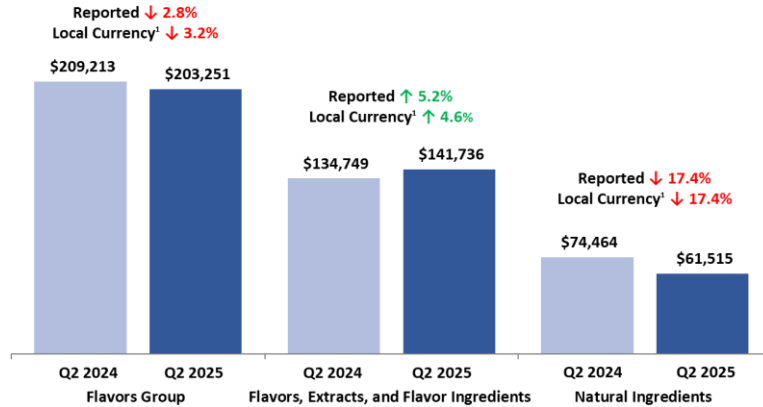
### Operating Results

- Strong operating leverage in the quarter primarily due to volume growth
- Adjusted EBITDA Margin<sup>1</sup> for the Group was 25.1% in Q2 2025, up 290 bps from Q2 2024

# Flavors & Extracts Group Performance

(In thousands, except percentages)

## QTD Revenue



## Local Currency<sup>1</sup> Results Commentary

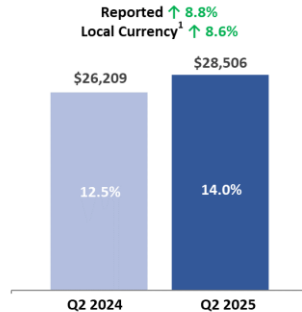
### Revenue

- Strong growth within Flavors, Extracts, and Flavor Ingredients
- As previously discussed, lower demand in Natural Ingredients is anticipated to continue throughout 2025

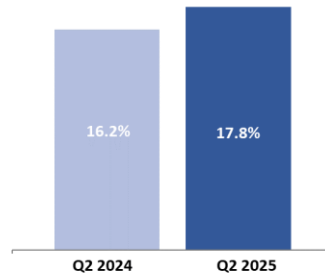
### Operating Results

- Operating leverage improved in the quarter due to growth within the Flavors, Extracts, and Flavor Ingredients business
- Adjusted EBITDA Margin<sup>1</sup> for the Group was 17.8% in Q2 2025, up 160 bps from Q2 2024

## QTD Operating Income



## QTD Adjusted EBITDA Margin<sup>1</sup>



# Asia Pacific Group Performance

(In thousands,  
except percentages)

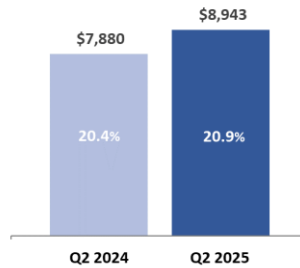
## QTD Revenue

Reported  $\uparrow 10.8\%$   
Local Currency<sup>1</sup>  $\uparrow 7.6\%$

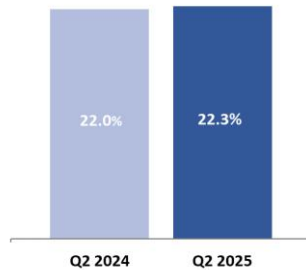


## QTD Operating Income

Reported  $\uparrow 13.5\%$   
Local Currency<sup>1</sup>  $\uparrow 8.0\%$



## QTD Adjusted EBITDA Margin<sup>1</sup>



## Local Currency<sup>1</sup> Results Commentary

### Revenue

- Growth driven by new sales wins across the region

### Operating Results

- Growth driven by volume growth across most of the Group
- Adjusted EBITDA Margin<sup>1</sup> for the Group was 22.3% in Q2 2025, up 30 bps from Q2 2024



# Business Outlook<sup>1</sup>

## Consolidated Full Year 2025 Outlook

### Local Currency Revenue<sup>2</sup>

- Growth rate of mid-single-digit

### Local Currency Adjusted EBITDA<sup>2</sup>

- Growth rate of high single-digit

### Local Currency Adjusted EPS<sup>2</sup>

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

## Long-Term Outlook

### Local Currency Revenue<sup>2</sup>

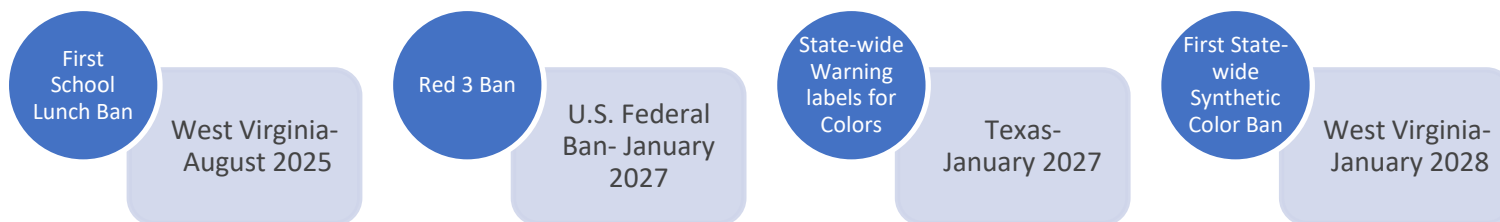
- Growth rate of mid-single-digit

### Local Currency Adjusted EBITDA<sup>2</sup>

- Growth rate of high single-digit

## Shifting regulatory environment provides opportunity

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

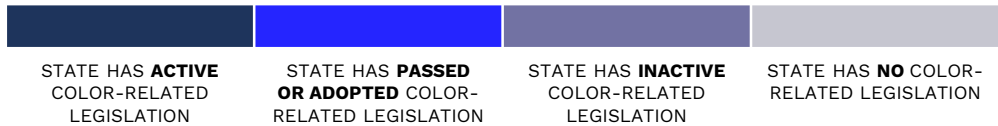
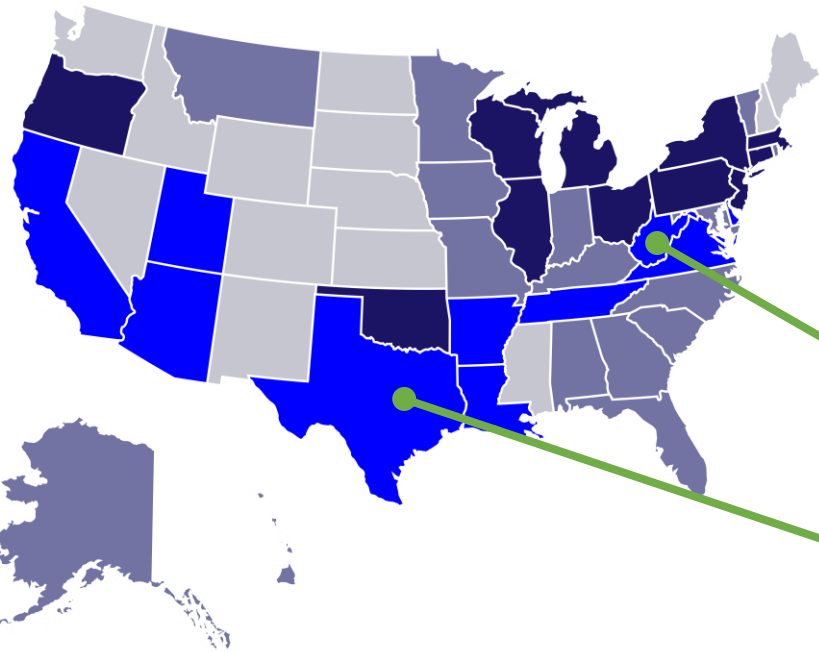


\*As of July 21, 2025

### 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

# Current State Regulatory Activity



<b>112</b>	<b>Total color-related bills in 2025</b>
<b>58</b>	Active bills that affect food color
<b>6</b>	Active bills prohibiting additives including FD&C dyes in a state

Some major consumer packaged food companies have made the decision to proactively announce their intention to fully convert by 2027

Major retailers cannot accommodate state-by-state differences in assortment

West Virginia passed HB 2354 that prohibits sale of foods with FD&C colors after January 1, 2028

Texas passed SB 25, requiring a warning label on products that contain synthetic dyes and certain other additives effective January 1, 2027

## 2025 Natural Color Highlights

### Microfine™

Natural colors specifically created to perform in oil-based, topical, and dry mix applications



#### Ideal for:

- Processed foods
- Dry-mixed beverages
- Confection
- Other powdered food applications
- Fat-based systems
- Baking

- ✓ Coats dry products without the use of high-shear blending or spray-drying
- ✓ Extensive shade range from bright red to cool blue
- ✓ Prevents clumping and helps with color incorporation

### Butterfly Pea Flower Extract

Natural Blue heat stable solution



#### Ideal for:

- Beverage – Alcoholic and non-alcoholic
- Confection – Hard and soft candies and coatings
- Dairy & Plant-Based – Yogurt, frozen desserts, and drinks

- ✓ Exceptionally heat and light stable
- ✓ Water soluble
- ✓ Liquid and powder forms
- ✓ Kosher, Halal, GMO-free

# **Financial Update and Outlook**

# Q2 2025 Financial Review

<i>(dollars in thousands)</i>	Q2 2024	Q2 2025	Local Currency Growth <sup>1</sup>
Revenue	\$ 403,525	\$ 414,230	+2.1%
Operating Income (GAAP)	\$ 49,657	\$ 57,706	
<i>Operating Margin</i>	<i>12.3%</i>	<i>13.9%</i>	
Adjusted Operating Income <sup>1</sup>	\$ 51,409	\$ 61,045	+16.9%
<i>Adjusted Operating Margin<sup>1</sup></i>	<i>12.7%</i>	<i>14.7%</i>	
Diluted EPS (GAAP)	\$ 0.73	\$ 0.88	
Adjusted Diluted EPS <sup>1</sup>	\$ 0.77	\$ 0.94	+20.8%
Adjusted EBITDA <sup>1</sup>	\$ 69,341	\$ 80,044	+14.1%
<i>Adjusted EBITDA Margin<sup>1</sup></i>	<i>17.2%</i>	<i>19.3%</i>	

## Consolidated Commentary:

- Local currency revenue<sup>1</sup> increased 2.1%
- Q2 2025 results included \$3.3 million of Portfolio Optimization Plan costs (approximately 6 cents per share)
- Adjusted EBITDA Margin<sup>1</sup> improved 210 bps in the quarter due to strong volume growth

## 2025 Cash Flow and Debt Metrics

	Q2 2024 QTD	Q2 2025 QTD
Cash Flow from Operations	\$ 43.8 million	\$ 48.3 million
Capital Expenditures	\$ 11.8 million	\$ 21.2 million
Total Debt	\$ 661.7 million	\$ 736.4 million
Net debt to credit adjusted EBITDA <sup>1</sup>	2.6x	2.4x

### Commentary:

- Cash flow from operating activities was \$48.3 million in Q2 2025, which was up 10.2% compared to Q2 2024 due to improved earnings and working capital management
- Net debt to credit adjusted EBITDA<sup>1</sup> was 2.4x in Q2 2025, down from 2.6x in Q2 2024

# 2025 Financial Outlook<sup>1</sup>

Metric	Current Guidance	Prior Guidance
Local Currency Revenue <sup>2</sup>	Mid-single-digit growth	Mid-single-digit growth
Local Currency Adjusted EBITDA <sup>2</sup>	High single-digit growth	Mid-to high single-digit growth
Diluted EPS (GAAP) <sup>3</sup>	\$3.13 to \$3.23	\$3.13 to \$3.23
Local Currency Adjusted Diluted EPS <sup>2</sup>	High single-digit to double-digit growth	High single-digit to double-digit growth
Capital Expenditures	~ \$100 million	\$80 to \$90 million
Adjusted Effective Tax Rate	~ 25%	~ 25.5%
Interest Expense <sup>4</sup>	Slight Increase over prior year	Slight Increase over prior year

(1) Represents outlook as of our earnings release provided on July 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 \$0.20/share of Portfolio Optimization Plan costs. Total plan costs are expected to be approximately \$45M.

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





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# Appendix<sup>1</sup>

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

## Non-GAAP Financial Measures

	Three Months Ended June 30,		
	2025	2024	% Change
<b>Operating income (GAAP)</b>	\$ 57,706	\$ 49,657	16.2%
Portfolio Optimization Plan costs – Cost of products sold	1,789	207	
Portfolio Optimization Plan costs – Selling and administrative expenses	1,550	1,545	
<b>Adjusted operating income</b>	<b>\$ 61,045</b>	<b>\$ 51,409</b>	18.7%
<b>Net earnings (GAAP)</b>	\$ 37,587	\$ 30,932	21.5%
Portfolio Optimization Plan costs, before tax	3,339	1,752	
Tax impact of Portfolio Optimization Plan costs <sup>(1)</sup>	(815)	(214)	
<b>Adjusted net earnings</b>	<b>\$ 40,111</b>	<b>\$ 32,470</b>	23.5%
<b>Diluted earnings per share (GAAP)</b>	\$ 0.88	\$ 0.73	20.5%
Portfolio Optimization Plan costs, net of tax	0.06	0.04	
<b>Adjusted diluted earnings per share</b>	<b>\$ 0.94</b>	<b>\$ 0.77</b>	22.1%

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

<sup>(1)</sup> 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 June 30, 2025			
	Total	Foreign Exchange Rates	Adjustments <sup>(1)</sup>	Local Currency Adjusted
<b>Revenue</b>				
Flavors & Extracts	(2.8%)	0.4%	N/A	(3.2%)
Color	6.9%	0.3%	N/A	6.6%
Asia Pacific	10.8%	3.2%	N/A	7.6%
<b>Total Revenue</b>	<b>2.7%</b>	<b>0.6%</b>	<b>N/A</b>	<b>2.1%</b>
<b>Operating Income</b>				
Flavors & Extracts	8.8%	0.2%	0.0%	8.6%
Color	23.6%	1.5%	0.0%	22.1%
Asia Pacific	13.5%	5.5%	0.0%	8.0%
Corporate & Other	17.1%	0.0%	9.0%	8.1%
<b>Total Operating Income</b>	<b>16.2%</b>	<b>1.9%</b>	<b>(2.6%)</b>	<b>16.9%</b>
<b>Diluted Earnings Per Share</b>	<b>20.5%</b>	<b>1.3%</b>	<b>(1.6%)</b>	<b>20.8%</b>
<b>Adjusted EBITDA</b>	<b>15.4%</b>	<b>1.3%</b>	<b>N/A</b>	<b>14.1%</b>

<sup>(1)</sup> Adjustments consist of Portfolio Optimization Plan costs.

## Non-GAAP Financial Measures

<u>Revenue</u>	Three Months Ended June 30, 2025		
	Total	Foreign Exchange	
		Rates	Local Currency
Flavors, Extracts, and Flavor Ingredients	5.2%	0.6%	4.6%
Natural Ingredients	(17.4%)	0.0%	(17.4%)
<b>Flavors &amp; Extracts Group</b>	<b>(2.8%)</b>	<b>0.4%</b>	<b>(3.2%)</b>
Food and Pharmaceutical	8.8%	(0.1%)	8.9%
Personal Care	1.3%	1.3%	0.0%
<b>Color Group</b>	<b>6.9%</b>	<b>0.3%</b>	<b>6.6%</b>
<b>Asia Pacific</b>	<b>10.8%</b>	<b>3.2%</b>	<b>7.6%</b>
<b>Total revenue</b>	<b>2.7%</b>	<b>0.6%</b>	<b>2.1%</b>

## Non-GAAP Financial Measures

Results by Segment	Three Months Ended June 30,					
	2025	Adjustments <sup>(1)</sup>	Adjusted 2025	2024	Adjustments <sup>(1)</sup>	Adjusted 2024
<b><u>Operating Income</u></b>						
Flavors & Extracts	\$ 28,506	\$ -	\$ 28,506	\$ 26,209	\$ -	\$ 26,209
Color	38,922	-	38,922	31,502	-	31,502
Asia Pacific	8,943	-	8,943	7,880	-	7,880
Corporate & Other	(18,665)	3,339	(15,326)	(15,934)	1,752	(14,182)
Consolidated	<u>\$ 57,706</u>	<u>\$ 3,339</u>	<u>\$ 61,045</u>	<u>\$ 49,657</u>	<u>\$ 1,752</u>	<u>\$ 51,409</u>

<sup>(1)</sup> Adjustments consist of Portfolio Optimization Plan costs.

## Non-GAAP Financial Measures

### Flavors & Extracts Group

	<b>Three Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating Income (GAAP)</b>	\$ 28,506	\$ 26,209
Depreciation and amortization	7,676	7,638
Share-based compensation expense	52	-
<b>Adjusted EBITDA</b>	<b>\$ 36,234</b>	<b>\$ 33,847</b>
<b>Segment Revenue</b>	\$ 203,251	\$ 209,213
<b>Operating Income Margin (GAAP)</b>	14.0%	12.5%
<b>Adjusted EBITDA Margin</b>	17.8%	16.2%

## Non-GAAP Financial Measures

Color Group	Three Months Ended June 30,	
	2025	2024
<b>Operating Income (GAAP)</b>	\$ 38,922	\$ 31,502
Depreciation and amortization	6,062	5,749
Share-based compensation expense	70	-
<b>Adjusted EBITDA</b>	<u>\$ 45,054</u>	<u>\$ 37,251</u>
<b>Segment Revenue</b>	\$ 179,282	\$ 167,700
<b>Operating Income Margin (GAAP)</b>	21.7%	18.8%
<b>Adjusted EBITDA Margin</b>	25.1%	22.2%



## Non-GAAP Financial Measures

### Asia Pacific Group

	<b>Three Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating Income (GAAP)</b>	\$ 8,943	\$ 7,880
Depreciation and amortization	570	617
Share-based compensation expense	21	-
<b>Adjusted EBITDA</b>	<b>\$ 9,534</b>	<b>\$ 8,497</b>
 <b>Segment Revenue</b>	 \$ 42,744	 \$ 38,580
 <b>Operating Income Margin (GAAP)</b>	 20.9%	 20.4%
<b>Adjusted EBITDA Margin</b>	22.3%	22.0%

## Non-GAAP Financial Measures

	Three Months Ended June 30,		
	2025	2024	% Change
<b>Operating Income (GAAP)</b>	\$ 57,706	\$ 49,657	16.2%
Depreciation and amortization	15,260	15,016	
Share-based compensation expense	3,739	2,916	
Portfolio Optimization Plan costs, before tax	3,339	1,752	
<b>Adjusted EBITDA</b>	<u>\$ 80,044</u>	<u>\$ 69,341</u>	<u>15.4%</u>
<b>Total Revenue</b>	\$ 414,230	\$ 403,525	
<b>Operating Income Margin (GAAP)</b>	13.9%	12.3%	
<b>Adjusted EBITDA Margin</b>	19.3%	17.2%	

## Non-GAAP Financial Measures

	June 30,	
	2025	2024
<b>Debt</b>		
Short-term borrowings	\$ 26,280	\$ 26,995
Long-term debt	710,119	634,663
Credit Agreement adjustments <sup>(1)</sup>	(43,393)	(18,034)
<b>Net Debt</b>	<u>\$ 693,006</u>	<u>\$ 643,624</u>
<b>Operating income (GAAP)</b>	\$ 203,752	\$ 151,657
Depreciation and amortization	60,938	58,955
Share-based compensation expense	11,812	9,078
Portfolio Optimization Plan costs, before tax	8,270	32,405
Other non-operating gains <sup>(2)</sup>	(816)	(872)
<b>Credit Adjusted EBITDA</b>	<u>\$ 283,956</u>	<u>\$ 251,223</u>
<b>Net Debt to Credit Adjusted EBITDA</b>	2.4x	2.6x

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

<sup>(2)</sup> 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.