



Sensient Technologies Corporation

Fourth Quarter, 2018

FORWARD-LOOKING STATEMENTS

This document contains statements that may constitute “forward-looking statements” within the meaning of Federal securities laws. 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 pace and nature of new product introductions by the Company and the Company’s customers; the Company’s ability to successfully implement its strategy to create sustainable, long-term shareholder value; the Company’s ability to successfully implement its growth strategies; the outcome of the Company’s various productivity-improvement and cost-reduction efforts; the effectiveness of the Company’s past restructuring activities; changes in costs or availability of raw materials, including energy; industry and economic factors related to the Company’s domestic and international business; growth in markets for products in which the Company competes; industry and customer acceptance of price increases; actions by competitors, including increased intensity of competition; the loss of any customers in certain product lines in which our sales are made to a relatively small number of customers; product liability claims or product recalls; the costs of compliance, or failure to comply, with laws and regulations applicable to our industries and markets; changing consumer preferences and changing technologies; currency exchange rate fluctuations; estimates related to the Tax Cuts and Jobs Act and its effects on our results; and failure to complete and integrate future acquisitions or dispositions. 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 document contains time-sensitive information that reflects management’s best analysis only as of the date of this document. 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. Additional information regarding these risks can be found in our most recent Annual Report on Form 10-K and subsequent reports that we file with the SEC.

NON-GAAP FINANCIAL MEASURES

Within this document, the Company reports certain non-GAAP financial measures, including: (1) adjusted operating income and adjusted diluted EPS from continuing operations (which exclude restructuring and other costs as well as the impact of the Tax Cuts and Jobs Act (“2017 Tax Legislation”)) and (2) percentage changes in adjusted revenue, adjusted operating income, and adjusted diluted EPS on a local currency basis (which eliminate the effects that result from translating its international operations into U.S. dollars). 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 (including the GAAP to non-GAAP reconciliation found at the end of this report) and the Company’s SEC filings.

Innovative Technologies Creating Unique Solutions



Ingredient solutions serving Food & Beverage, Personal Care, and Industrial markets

Applications expertise and solutions-based selling

High impact relative to cost

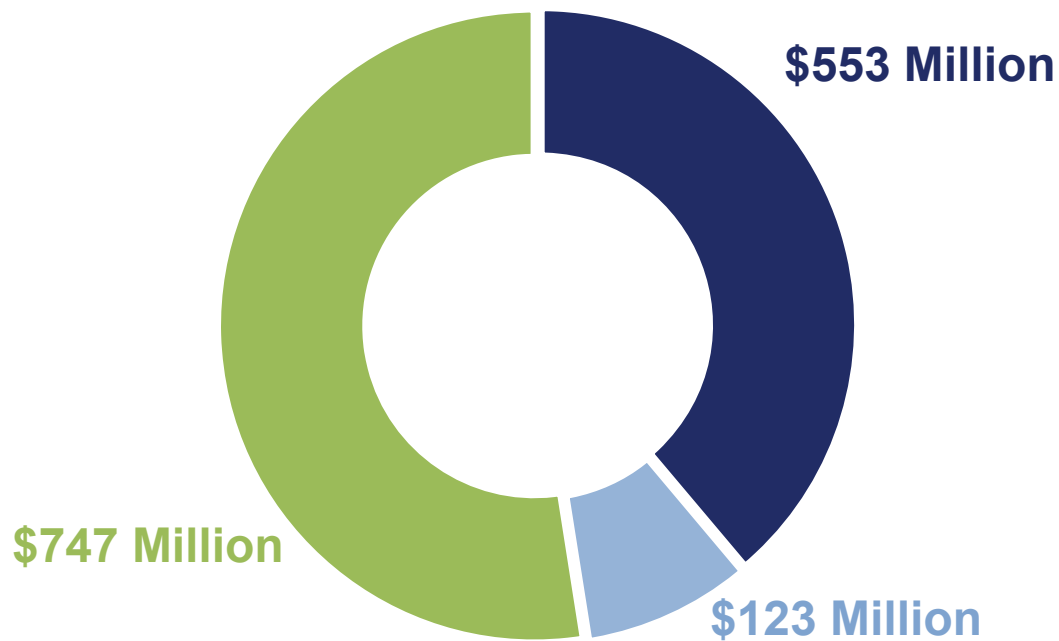
Technically-driven products that are difficult to replace

Stable and consistent end-market demand

Strong consumer trends

Opportunities to expand through M&A

Global Revenues



Colors

- Food & Beverage Colors
- Personal Care Ingredients
- Digital Inks & Technical Colors
- Pharmaceutical Excipients

Flavors & Fragrances

- Sweet
- Savory
- Beverage
- Natural Ingredients
- Fragrance
- Bionutrients

Asia Pacific

Sensient Colors



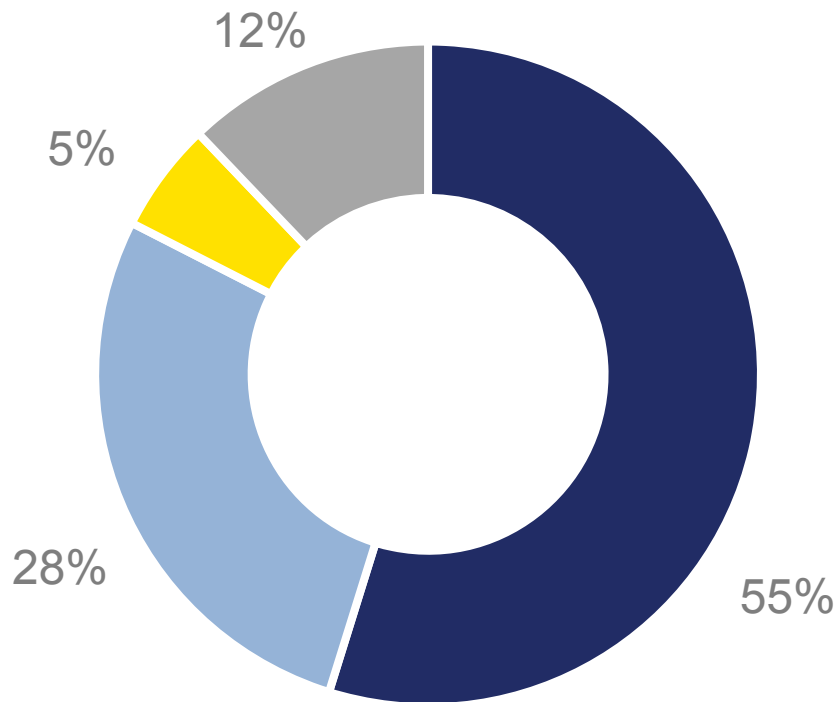
Global market leader

Growing end markets

Unmatched innovation & applications expertise

Color Group Markets Served

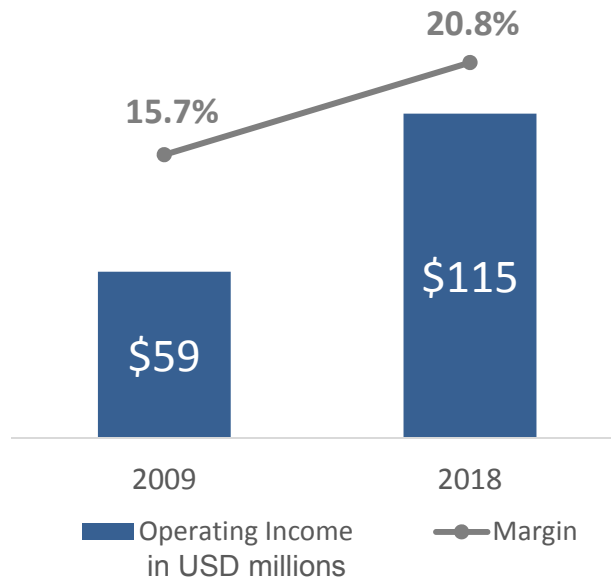
Percent of Group Revenues



BUSINESS	POSITION	TREND
Food & Beverage Colors	Top player	Natural colors
Personal Care Ingredients	Top player	Continuous Innovation
Digital Inks & Technical	Top player	Innovation, Sustainability
Pharmaceutical Excipients	Specialty player	Natural colors & extracts

Color Group

Operating Income and Margins



Higher operating margin through mix improvement

Increased operating income

Well-positioned to take advantage of strong commercial trends

Culled non-strategic, low margin business

Sensient Flavors & Fragrances



Broad product offering

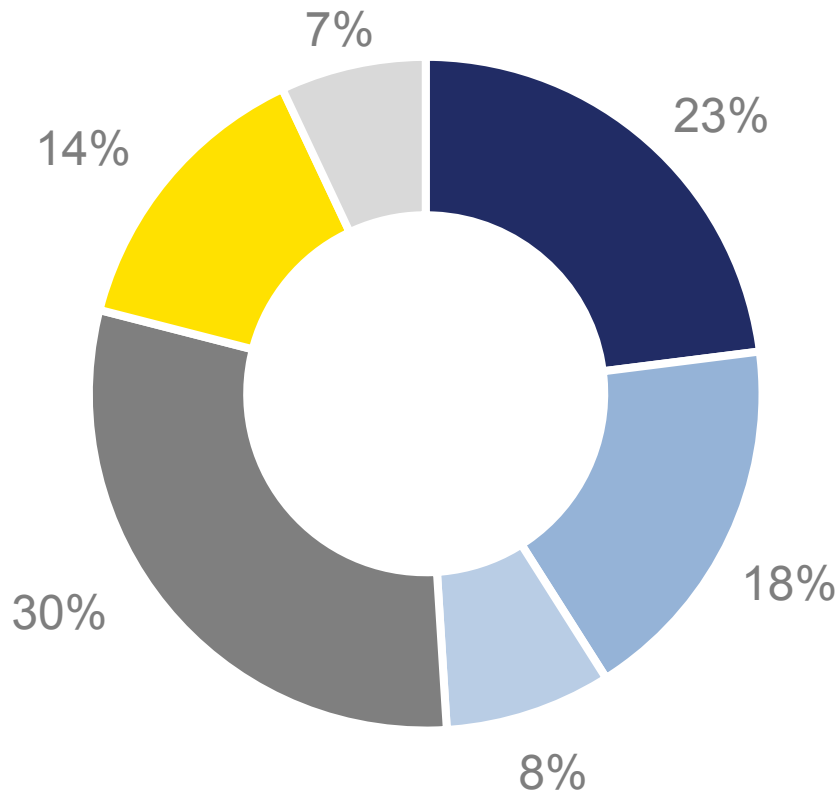
Unique ability to service global, regional, and local customers

Leading technology platforms

Unmatched applications expertise

Flavors & Fragrances Group Markets Served

Percent of Group Revenues



BUSINESS	POSITION	TREND
Sweet	Top 10	Clean labels, natural flavors, extracts, sugar-free, salt-reduction, taste-masking, organic
Savory	Top 10	
Beverage	Top 10	
Natural Ingredients	Top player	
Fragrance	Top 10	Innovation, Natural products
Bionutrients	Top player	Probiotics



Flavors & Fragrances Group

Completed restructuring program in 2017; culled and divested non-strategic and low margin business, and consolidated manufacturing footprint to improve operating efficiencies.

Emphasis on high-value added product portfolio mix and cost optimization to achieve margin improvement.

Focus on excellent customer service levels and commercial activities to bolster sales pipeline.

Flavors & Fragrances Competition

<p>Beverage Flavors & Systems</p>	
<p>Savory Flavors & Ingredients</p>	
<p>Sweet Flavors & Ingredients</p>	
<p>Natural Ingredients</p>	
<p>Fragrance</p>	
<p>Bionutrients</p>	

Asia Pacific Group

Sales of Flavors and Colors in the Asia Pacific markets are reported as a separate segment that is managed on a geographic basis

Manufacturing capabilities in Australia, New Zealand, China, Japan, Philippines; R&D capabilities in Singapore, Thailand, Indonesia, and China

Annual revenues of \$123 million and Operating Income of \$21 million

Excellent long-term growth potential

2018 Consolidated Results

	Q4	Full Year
Local Currency Revenue*	+0.8%	+1.1%
Local Currency Adjusted Operating Income*	(8.0%)	(6.5%)
Local Currency Adjusted EPS*	(3.6%)	+3.2%

Q4: Revenue growth driven by Food Colors, offset by softness in the Cosmetics market and certain Flavors product categories. Operating income decreased due to higher input costs and product mix in Colors, ongoing Cosmetics destocking and softness in certain Flavors product categories. Significant Flavors Group headwinds from earlier in 2018 have now subsided.

Full Year: Revenue growth driven by Food Colors, offset by carry-over restructuring impacts and softness in certain product categories and markets. Operating income declined due to higher input costs in Colors, higher onion costs and lower volumes in Flavors and Fragrances.

2018 Q4 & Full Year Segment Results

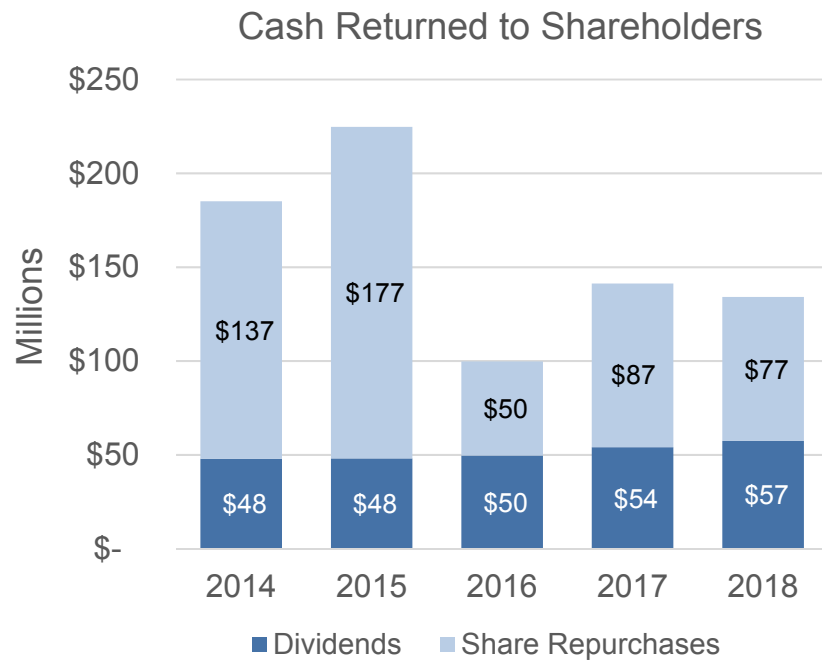
Local Currency Revenue*		
	Q4	Full Year
Color	4.0%	4.8%
Flavors & Fragrances	(0.5%)	(1.1%)
Asia Pacific	0.2%	0.1%

Local Currency Adjusted Operating Income*		
	Q4	Full Year
Color	(7.3%)	0.3%
Flavors & Fragrances	(6.7%)	(15.7%)
Asia Pacific	(5.8%)	(0.9%)

Color Group fourth quarter revenue increase driven by growth in Food Colors, partially offset by Cosmetics destocking. Operating income declined in the fourth quarter due to higher input costs and product mix.

Flavors & Fragrances Group reported lower revenue and operating income in the fourth quarter due to softness in certain product categories. Significant headwinds from onion pricing and costs and post-restructuring volume declines have now subsided.

Capital Allocation



Prioritize ROI capital projects

Preserve consistent dividend payout

Maintain financial flexibility to pursue M&A

Excess capital returned to shareholders through opportunistic share repurchases

2019 Financial Outlook

<u>Metric</u>	<u>2019 Local Currency Guidance*</u>
Consolidated Revenue	Low to mid-single digit growth
<i>Color Group</i>	<i>Mid-single digit growth</i>
<i>Flavors & Fragrances Group</i>	<i>Low to mid-single digit growth</i>
<i>Asia Pacific Group</i>	<i>Mid-single digit growth</i>
Consolidated Operating Income	Low single digit growth
<i>Color Group</i>	<i>Mid-single digit growth</i>
<i>Flavors & Fragrances Group</i>	<i>Mid-single digit growth</i>
<i>Asia Pacific Group</i>	<i>Mid-single digit growth</i>
Consolidated Adjusted EBITDA ⁽¹⁾	Mid-single digit growth

(1) Adjusted EBITDA represents operating income before depreciation and amortization and non-cash stock based compensation expense.



Why Invest?

Strong competitive position

'Sticky' business (& low portion of customer costs)

Global presence

Exposure to stable and growing markets

Focus on improving returns and on growth

Non-GAAP Financial Measures

Within the following tables, the Company reports certain non-GAAP financial measures, including: (1) adjusted operating income, adjusted net earnings, and adjusted diluted EPS (which exclude restructuring, other costs and the impact of the 2017 Tax Cuts and Jobs Act (2017 Tax Legislation)) and (2) percentage changes in revenue, operating income, diluted EPS, adjusted operating income, and adjusted diluted EPS on a local currency basis (which eliminate the effects that result from translating its international operations into U.S. dollars). The impact of the 2017 Tax Legislation is related to the adjustment in the fourth quarter of 2018 of the provisional amount recorded in 2017. There were no restructuring and other costs for the year of 2018. The other costs in 2017 are divestiture related costs.

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 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, 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.

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Full Year Ended December 31, 2018	Full Year Ended December 31, 2017
Operating income from continuing operations (GAAP)	\$ 45,252	\$ 47,379	\$ 203,378	\$ 167,806
Restructuring - Cost of products sold	-	(526)	-	2,889
Restructuring - Selling and administrative	-	3,415	-	33,627
Other - Selling and administrative	-	-	-	11,555
Adjusted operating income	\$ 45,252	\$ 50,268	\$ 203,378	\$ 215,877
Net earnings from continuing operations (GAAP)	\$ 32,850	\$ 13,421	\$ 157,360	\$ 89,600
Restructuring & other, before tax	-	2,889	-	48,071
Tax impact of restructuring & other	-	1,822	-	(5,602)
Impact of the 2017 Tax Legislation	427	18,446	(6,634)	18,446
Adjusted net earnings	\$ 33,277	\$ 36,578	\$ 150,726	\$ 150,515
Diluted EPS from continuing operations (GAAP)	\$ 0.78	\$ 0.31	\$ 3.70	\$ 2.03
Restructuring & other, net of tax	-	0.11	-	0.96
2017 Tax Legislation	0.01	0.42	(0.16)	0.42
Adjusted diluted EPS	\$ 0.79	\$ 0.84	\$ 3.55	\$ 3.42
Average common shares outstanding:				
Diluted	42,287	43,509	42,499	44,031



EPS Calculations may not foot due to rounding differences

The following table summarizes the percentage change in the 2018 results compared to the 2017 results for the corresponding periods in the respective financial measures.

	<u>Three Months Ended December 31, 2018</u>			<u>Twelve Months Ended December 31, 2018</u>		
	<u>Total</u>	<u>Foreign Exchange Rates</u>	<u>Local Currency</u>	<u>Total</u>	<u>Foreign Exchange Rates</u>	<u>Local Currency</u>
Revenue						
Flavors & Fragrances	(1.7%)	(1.2%)	(0.5%)	0.0%	1.1%	(1.1%)
Color	0.7%	(3.3%)	4.0%	5.2%	0.4%	4.8%
Asia Pacific	(2.5%)	(2.7%)	0.2%	0.0%	(0.1%)	0.1%
Total Revenue	(1.3%)	(2.1%)	0.8%	1.8%	0.7%	1.1%
Operating Income						
Flavors & Fragrances	(7.4%)	(0.7%)	(6.7%)	(15.7%)	0.0%	(15.7%)
Color	(10.3%)	(3.0%)	(7.3%)	1.4%	1.1%	0.3%
Asia Pacific	(7.0%)	(1.2%)	(5.8%)	0.4%	1.3%	(0.9%)
Corporate & Other	(32.9%)	(0.3%)	(32.6%)	(64.3%)	1.4%	(65.7%)
Operating Income	(4.5%)	(2.0%)	(2.5%)	21.2%	0.2%	21.0%
Diluted EPS	151.6%	(6.5%)	158.1%	82.3%	0.0%	82.3%
Adjusted Operating Income ⁽¹⁾	(10.0%)	(2.0%)	(8.0%)	(5.8%)	0.7%	(6.5%)
Adjusted Diluted EPS ⁽¹⁾	(6.0%)	(2.4%)	(3.6%)	3.8%	0.6%	3.2%

(1) Refer to the previous slide for a reconciliation of these non-GAAP measures.

