

A photograph of a modern, multi-story office building with a glass facade. The building has the Sensient logo and name on its side. The sky is blue with scattered white clouds. In the foreground, there are green trees and a paved area.

Sensient Technologies Corporation

Second Quarter, 2019

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; 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/A and subsequent reports that the Company files 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 revenue, operating income, diluted EPS, and adjusted EBITDA 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 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 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, Cosmetic, Pharmaceutical, and Industrial markets

Applications expertise and solutions-based selling

High impact relative to cost

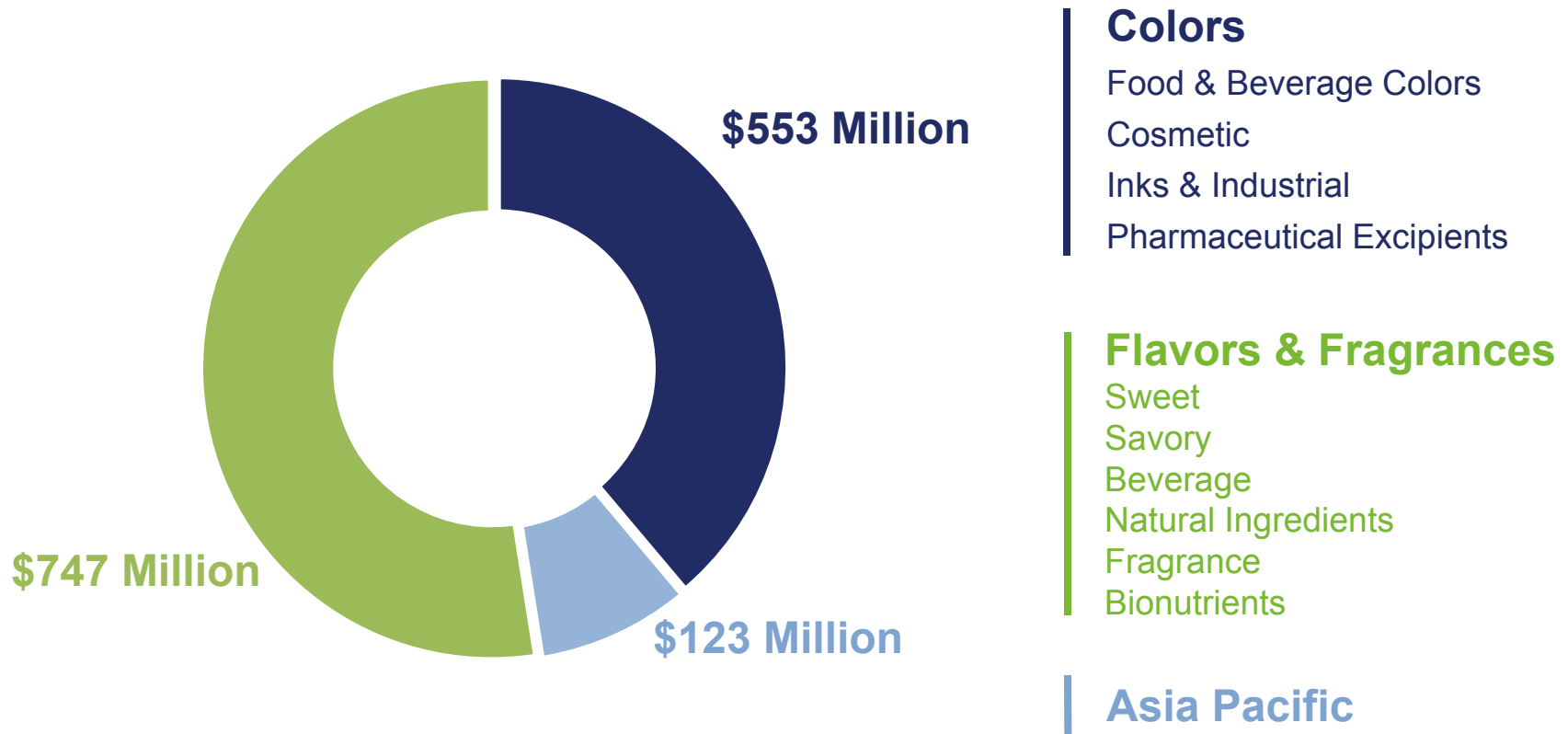
Technically-driven products that are difficult to replace

Stable and consistent end-market demand

Strong consumer trends

Opportunities to expand through M&A

Global Revenues by Group



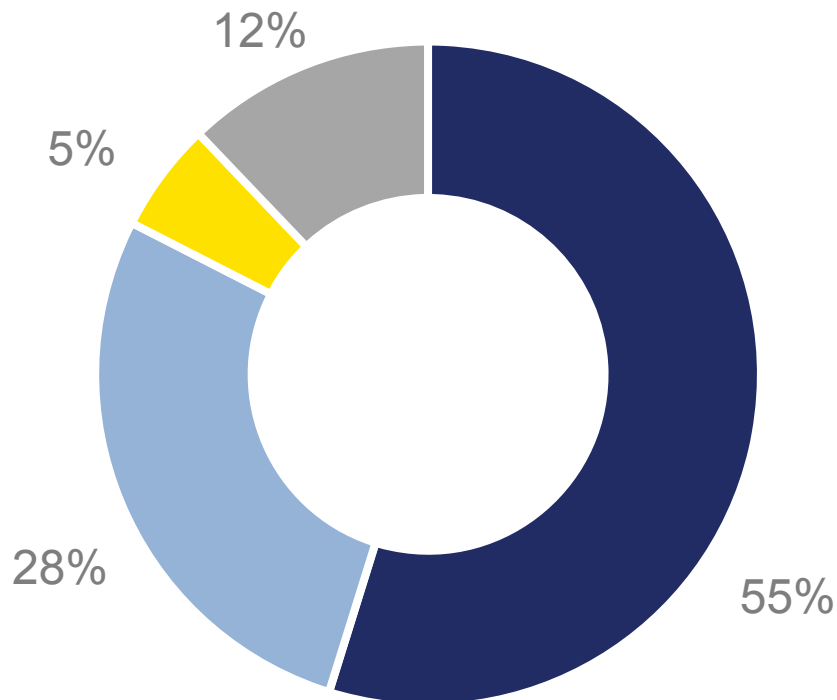
Sensient Colors



- Global market leader
- Natural color innovator
- Growing end markets
- Unmatched innovation & applications expertise

Color Group Markets Served

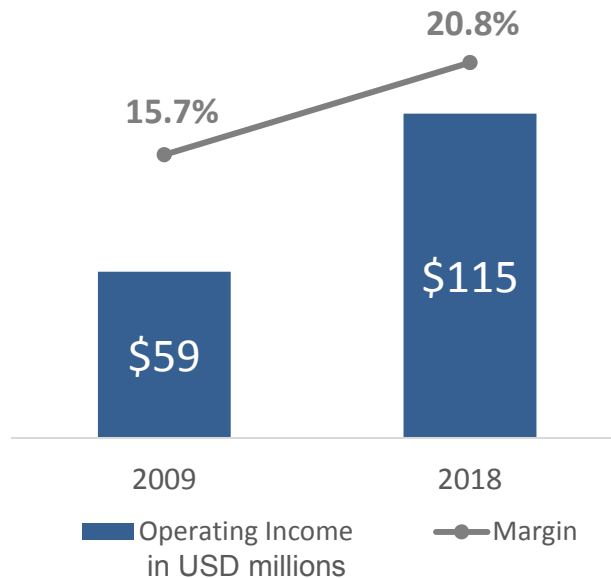
Percent of Group Revenues ('18)



BUSINESS	POSITION	TREND
Food & Beverage Colors	Top player	Natural colors
Cosmetic	Top player	Natural solutions, Innovation
Inks & Industrial	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

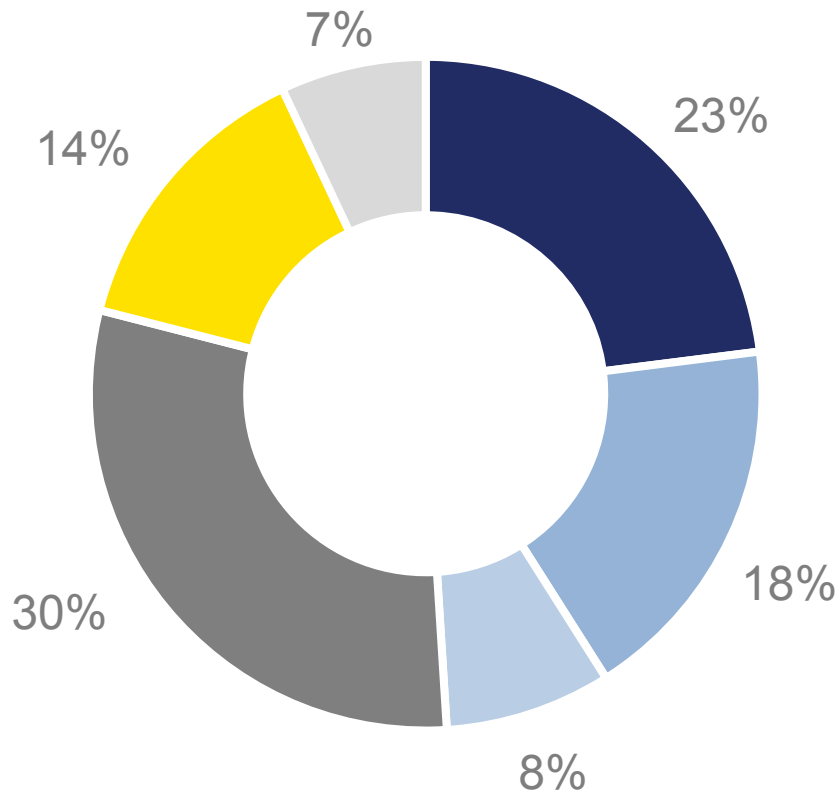
Unique ability to service global, regional, and local customers

Leading technology platforms

Unmatched applications expertise

Flavors & Fragrances Group Markets Served

Percent of Group Revenues ('18)



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

Asia Pacific Group

Sales of Flavors and Colors in the Asia Pacific markets are reported as a separate segment since it 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 in 2018

Excellent long-term growth potential

2019 Q2 Highlights

Strong demand for natural colors resulting in strong revenue growth in Food and Beverage Colors

Cosmetic sales still lower as a result of destocking; expect continued, gradual improvement going forward

Finished flavors and extract product line sales remained strong but were offset by lower flavor ingredient sales

Natural Ingredients operating profit improved

Tariffs inflating raw material costs and also impacting sales trends in several markets

2019 Q2 Consolidated Results

	Q2	YTD
Local Currency Revenue*	(4.5%)	(1.9%)
Local Currency Operating Income*	(7.6%)	(7.8%)
Local Currency Diluted EPS*	(10.9%)	(9.9%)
Local Currency Adjusted EBITDA*:	(8.4%)	(6.8%)

Q2 Revenue: Consolidated revenue decreased due to lower sales in flavor ingredients and Cosmetic and Inks businesses. The decreases were partially offset by revenue increases in natural colors for Food and Beverage Colors and continued solid sales in finished flavors and extracts.

Q2 Operating Income: Consolidated operating income declined on lower sales, higher raw material costs, the timing of pricing actions and tariff impacts.

2019 Q2 Segment Results

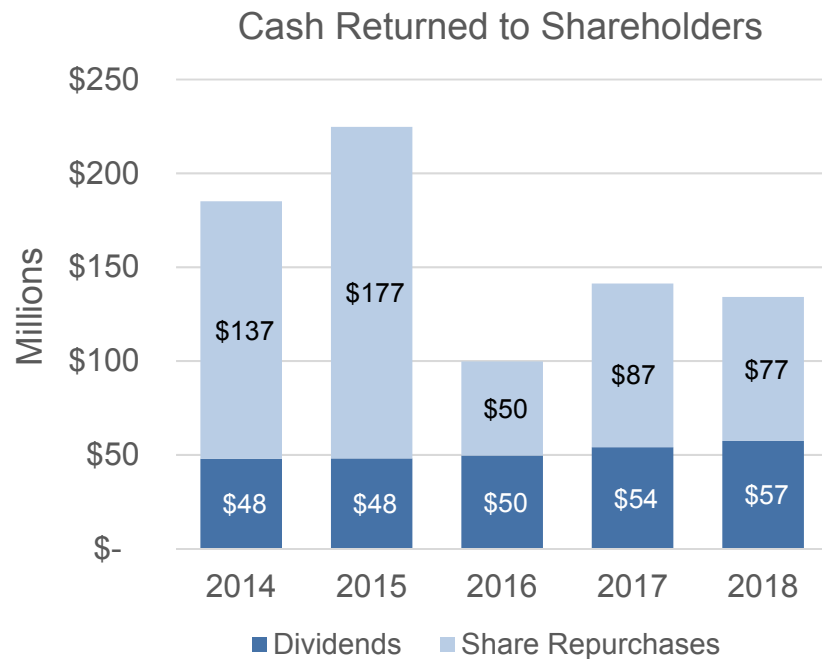
Local Currency Revenue*		
	Q2	YTD
Color	(0.9%)	0.8%
Flavors & Fragrances	(7.8%)	(4.1%)
Asia Pacific	(3.0%)	(2.7%)

Color Group second quarter revenue decreased due to lower sales in Cosmetic and Inks, partially offset by strong growth in natural colors. Operating income declined in the second quarter due to lower cosmetic sales, higher raw material costs, and the timing of pricing actions.

Local Currency Operating Income*		
	Q2	YTD
Color	(7.7%)	(6.6%)
Flavors & Fragrances	(16.4%)	(11.9%)
Asia Pacific	(9.8%)	(11.4%)

Flavors & Fragrances Group reported lower revenue in the quarter as solid sales of finished flavors and extracts were offset by lower revenue in certain ingredient product lines. Operating Income was down due to lower sales, lower production volumes and higher raw material costs.

Capital Allocation



Prioritize ROI capital projects

Maintain dividend payout ratio

Debt reduction to maintain targeted leverage

Maintain financial flexibility to pursue M&A

Excess capital returned to shareholders through opportunistic share repurchases

2019 Financial Outlook

Updated Full Year 2019 Guidance:

Metric	Original Guidance	Updated Guidance	Foreign Currency Impact
Diluted Local Currency EPS	Down 8-11% vs. 2018	Down 12-13% vs. 2018	Maintain negative foreign currency (FC) impact of an additional 1-2%, or 5 cents.
Adjusted Local Currency Diluted EPS	Down 4-7% vs. 2018	Down 8-9% vs. 2018	Maintain negative foreign currency (FC) impact of an additional 1-2%, or 5 cents.
Adjusted EBITDA	Mid-Single Digit Growth	Slightly below 2018 Adjusted EBITDA	



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, and adjusted EBITDA on a local currency basis (which eliminate the effects that result from translating its international operations into U.S. dollars). 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 period-over-period performance. Such information is supplemental to information presented 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, 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 June 30, 2019	Three Months Ended June 30, 2018	Full Year Ended December 31, 2018	Full Year Ended December 31, 2017
Operating income (GAAP)	\$ 47,368	\$ 52,181	\$ 203,378	\$ 167,806
Restructuring - Cost of products sold	-	-	-	2,889
Restructuring - Selling and administrative	-	-	-	33,627
Other - Selling and administrative	-	-	-	11,555
Adjusted operating income	\$ 47,368	\$ 52,181	\$ 203,378	\$ 215,877
Net earnings (GAAP)	\$ 34,331	\$ 39,123	\$ 157,360	\$ 89,600
Restructuring & other, before tax	-	-	-	48,071
Tax impact of restructuring & other	-	-	-	(5,602)
Impact of the 2017 Tax Legislation	-	-	(6,634)	18,446
Adjusted net earnings	\$ 34,331	\$ 39,123	\$ 150,726	\$ 150,515
Diluted EPS from (GAAP)	\$ 0.81	\$ 0.92	\$ 3.70	\$ 2.03
Restructuring & other, net of tax	-	-	-	0.96
2017 Tax Legislation	-	-	(0.16)	0.42
Adjusted diluted EPS	\$ 0.81	\$ 0.92	\$ 3.55	\$ 3.42
Average common shares outstanding:				
Diluted	42,300	42,371	42,499	44,031

The following table summarizes the percentage change in the 2019 results compared to the 2018 results for the corresponding periods:

	Three Months Ended June 30,			Six Months Ended June 30,		
	Total	Foreign Exchange Rates	Local Currency	Total	Foreign Exchange Rates	Local Currency
Revenue						
Flavors & Fragrances	(9.3%)	(1.5%)	(7.8%)	(6.0%)	(1.9%)	(4.1%)
Color	(3.7%)	(2.8%)	(0.9%)	(3.0%)	(3.8%)	0.8%
Asia Pacific	(5.0%)	(2.0%)	(3.0%)	(5.4%)	(2.7%)	(2.7%)
Total Revenue	(6.6%)	(2.1%)	(4.5%)	(4.6%)	(2.7%)	(1.9%)
Operating Income						
Flavors & Fragrances	(16.5%)	(0.1%)	(16.4%)	(12.5%)	(0.6%)	(11.9%)
Color	(10.5%)	(2.8%)	(7.7%)	(10.4%)	(3.8%)	(6.6%)
Asia Pacific	(9.3%)	0.5%	(9.8%)	(11.4%)	0.0%	(11.4%)
Corporate & Other	(37.3%)	(0.1%)	(37.2%)	(18.3%)	(0.1%)	(18.2%)
Total Operating Income	(9.2%)	(1.6%)	(7.6%)	(10.3%)	(2.5%)	(7.8%)
Diluted Earnings Per Share	(12.0%)	(1.1%)	(10.9%)	(12.2%)	(2.3%)	(9.9%)
Adjusted EBITDA	(9.9%)	(1.5%)	(8.4%)	(9.1%)	(2.3%)	(6.8%)

ESG Information

Environmental	<p>Sensient is committed to the principles of sound environmental stewardship and the responsible and sustainable use of energy and natural resources.</p> <ul style="list-style-type: none">• Established 10-year goals to reduce Energy, Water, and Hazardous Waste Intensity by 2025• Seed-to-shelf program focused on sustainable supply chain• Emphasis on new products and technologies that reduce environmental pollution and conserve natural resources
Social	<p>Sensient strives to conduct business in an ethical manner and to make a positive contribution to society through our product offerings and business activities.</p> <ul style="list-style-type: none">• Sensient’s Code of Conduct and Supplier Code of Conduct require fair employment and human rights practices• Robust product, environmental, and raw material safety programs designed to exceed industry standards• Sustainable agriculture programs to encourage economic development in economically under-developed areas• Support to the communities in which we operate through volunteerism, charitable donations, sponsorships, and educational opportunities
Governance	<p>Sensient is committed to maintaining the highest standards of professional conduct and strong corporate governance practices.</p> <ul style="list-style-type: none">• Business built on a foundation of ethics, safety and quality, and professionalism• Committed to board diversity and refreshment: 2018 was our seventh year in a row as a “2020 Women on Boards Winning Company” for the number of women on our Board; six new independent directors have been added to our Board since 2013• Executive compensation tied to performance, with approximately 70% of compensation at risk each year



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