

A photograph of a modern, multi-story office building with a glass facade and a blue sky with scattered clouds. The Sensient logo is visible on the building's exterior. A dark blue semi-transparent overlay covers the bottom half of the image, containing the company name and executive names.

# Sensient Technologies Corporation

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**Paul Manning, Chairman, President & CEO**

**Stephen Rolfs, SVP & CFO**

# 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 profit 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. 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. Additional information related to the Company’s use of non-GAAP financial measures and the restructuring and other costs as well as the impacts from the 2017 Tax Legislation on our 2017 results that have been excluded from the non-GAAP financial measures in 2018 and 2017 and reconciliations of non-GAAP financial measures to the most comparable GAAP financial measures are available at [sensient.com](http://sensient.com).

# 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

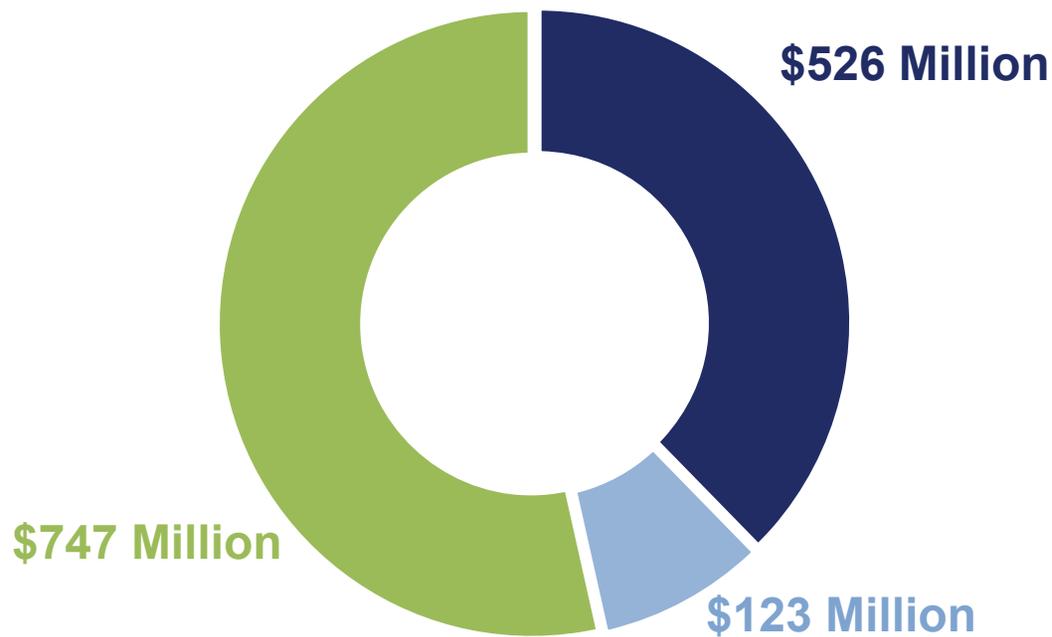
Technically-driven products that are difficult to replace

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



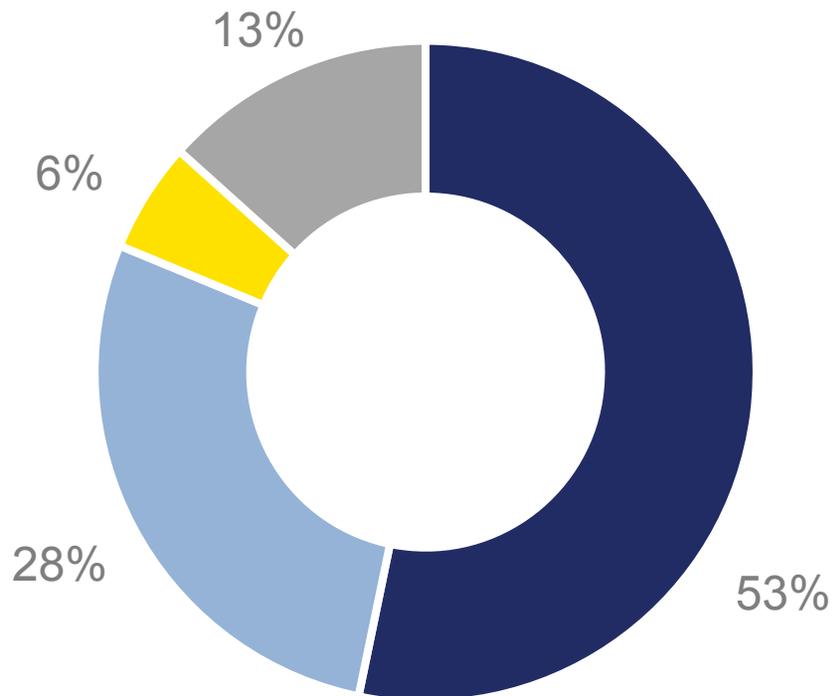
Global market leader

Growing end markets

Unmatched innovation & applications expertise

# Color Group Markets Served

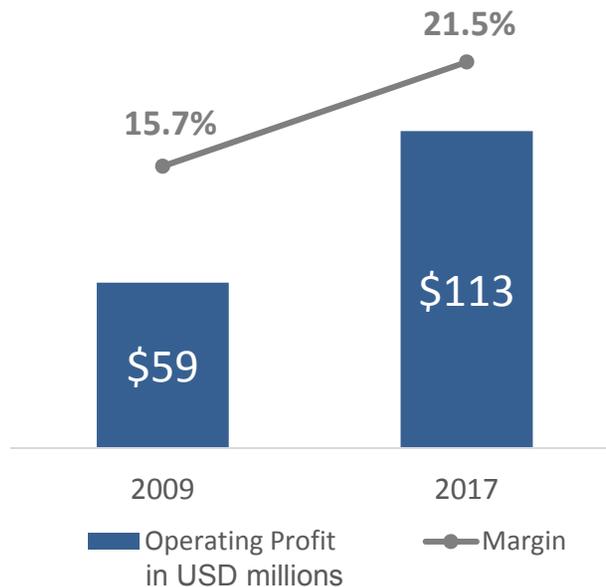
Percent of Group Revenues



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 Profit and Margins



Higher operating margin through mix improvement

Increased operating profit

Well-positioned to take advantage of strong commercial trends

Culled non-strategic, low margin business

# Sensient Flavors & Fragrances



Broad product offering

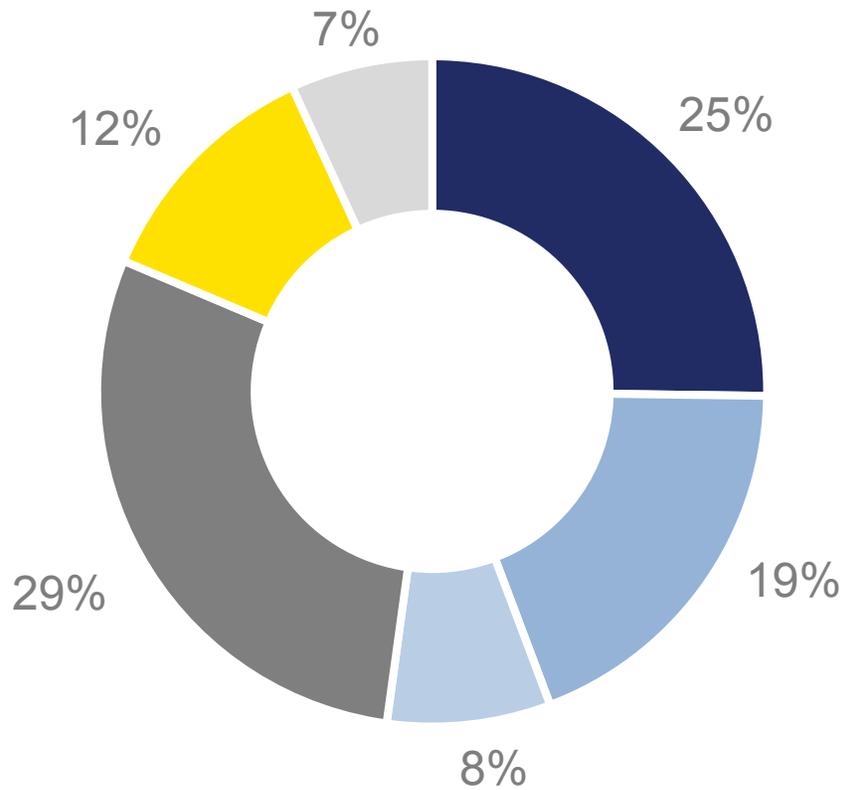
Unique ability to service global, regional, and local customers

Leading technology platforms

Unmatched applications expertise

# Flavors & Fragrances Group Markets Served

Percent of Group Revenues



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

# Flavors & Fragrances Competition

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

# Flavors & Fragrances Group

## *Strategic Initiatives 2013-2017*

Culled and divested approximately 10% of non-strategic and low margin revenue

Invested in sales and technical resources; optimized sales incentives

Closed nine production facilities across North America and Europe to improve plant utilization and cost structure

Temporary customer disruption during plant consolidations negatively impacted profit

Continue increasing operating profit margin through high-value added product portfolio mix and cost optimization opportunities

# 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, Korea, Thailand, Indonesia, and China

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

Excellent long-term growth potential

# 2018 Consolidated Results

Nine months through September 30, 2018

	YTD
Local Currency Revenue*	+1.2%
Local Currency Operating Profit*	(6.0%)
Local Currency Adjusted EPS*	+5.8%

Revenue & profit impacted by two issues at Flavor & Fragrances that are contained to this year

Adjusted EPS results included a tax-planning benefit in response to last year's tax law change

# 2018 Segment Results

Nine months through September 30, 2018

## Local Currency Revenue\*

Color	5.1%
Flavor & Fragrances	(1.2%)
Asia Pacific	0.0%

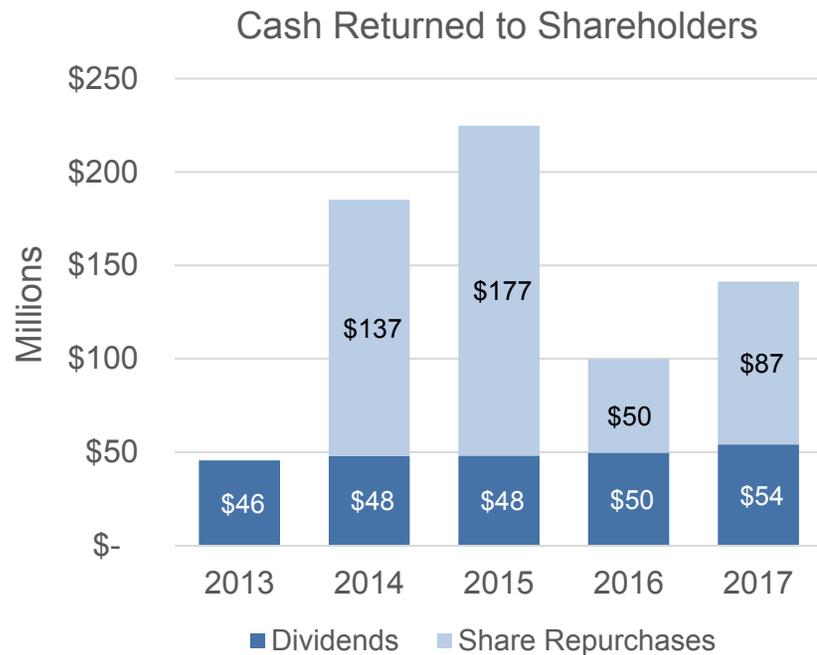
## Local Currency Operating Profit\*

Color	3%
Flavor & Fragrances	(18%)
Asia Pacific	1%

Color Group revenue driven by double-digit growth in Food Colors. Operating profit in most recent quarter was impacted by Cosmetics inventory destocking.

Flavor & Fragrances Group reported lower revenue and operating income due to lower volumes at one production site impacted by last year's restructuring and higher onion costs. Businesses not impacted by these two issues performed well.

# 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

# Long-Term Financial Outlook

Color Group	Mid-single digit revenue* growth and high-single digit profit* growth
Flavors & Fragrances Group	Mid-single digit revenue* growth and mid-to-high-single digit profit* growth
Asia Pacific Group	Mid-to-high single digit revenue* and profit* growth



# 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

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# Q&A

