

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

February 6, 2024

(Date of Report/Date of earliest event reported)

SENSIENT TECHNOLOGIES CORPORATION

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction of incorporation)

001-07626
(Commission File Number)

39-0561070
(IRS Employer Identification No.)

777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-5304
(Address and zip code of principal executive offices)

(414) 271-6755
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.10 per share	SXT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

Sensient Technologies Corporation (the “Company”) issued a press release on February 8, 2024, disclosing its results of operations for its quarter and year ended December 31, 2023, and its financial condition at that date. The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Item 2.02 (including Exhibit 99.1) is intended to be furnished under Item 2.02 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On February 8, 2024, the Company announced its portfolio optimization plan (the “Plan”) to undertake an effort to optimize certain production facilities and improve efficiencies within the Company. As part of the Plan, in the Flavors & Extracts segment, the Company is evaluating the potential closure of its manufacturing facility in Felinfach, Wales, United Kingdom, the potential closure of its sales office in Granada, Spain, and the potential centralization and elimination of certain selling and administrative positions. In addition, in the Color segment, the Company is closing a manufacturing facility in Delta, British Columbia, Canada, closing a sales office in Argentina, and centralizing and eliminating certain production positions as well as potentially eliminating some selling and administrative positions. The Company expects the Plan to be substantially completed by the end of 2025, subject to local law and consultation requirements and the Company’s business needs.

Given the consultation requirements, the Company cannot provide a final, definitive financial impact. If all contemplated actions were taken, the Company would expect that the Plan would reduce annual operating costs by approximately \$8 million to \$10 million, with the full benefit expected to be achieved after 2025.

If all contemplated actions were taken, the Company would also expect the Plan to cost approximately \$40 million, including approximately \$8 million in future cash expenditures in connection with the Plan. The expected total Plan costs are primarily related to non-cash impairment charges (approximately \$22 million), employee separation costs (approximately \$5 million), and non-cash inventory charges (approximately \$3 million).

If all contemplated actions were taken, the Company would potentially reduce headcount by approximately 130 positions, which would be primarily in the Flavors & Extracts and Color segments, related to certain production and selling and administrative positions. As discussed, decisions regarding the elimination of positions are subject to local law and consultation requirements in certain countries, as well as the Company’s business needs.

This Item 2.05 contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements related to expected costs and expected cost savings. These forward-looking statements are based on the Company’s current expectations and inherently involve significant risks and uncertainties. The Company’s actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties. These risks and uncertainties include, among other things, the risk that the restructuring costs and charges may be greater than anticipated; the risk that the Company’s restructuring efforts may be distracting to employees and management; and the risk that the Company’s restructuring efforts (including the use of any expense savings therefrom) and the Company’s strategic and operating initiatives may not generate their intended benefits to the extent or as quickly as anticipated. Investors should not rely on forward-looking statements because they are subject to a variety of risks, uncertainties, and other factors that could cause actual results to differ materially from our expectations. Please refer to our Form 10-K, Form 10-Qs, and our other filings with the U.S. Securities and Exchange Commission concerning factors that could cause actual results to differ materially from those described in our forward-looking statements.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 6, 2024, Stephen J. Rolfs, Senior Vice President and Chief Financial Officer of the Company, provided notice of his intent to retire from his employment with the Company on June 30, 2024. On February 8, 2024, the Company announced that Tobin Tornehl, the Company's current Vice President, Controller and Chief Accounting Officer, will succeed Mr. Rolfs as the Company's Vice President and Chief Financial Officer and principal financial officer upon the effectiveness of Mr. Rolfs's retirement. Mr. Tornehl's biographical information is set forth in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 17, 2023, and such information is incorporated herein by reference.

In connection with Mr. Tornehl's appointment, he will (1) receive a base salary of \$400,000, (2) continue to participate in the Company's annual incentive plan for fiscal year 2024, with a prorated target bonus of 65% of his base salary, and (3) receive long-term equity incentive awards consistent with the awards granted to the Company's executives relative to his position and experience, including a prorated award at the time he assumes his new position. Mr. Tornehl will continue to be eligible to participate in all employee benefit plans generally available to executives of the Company, which are more fully described in the Company's definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on March 15, 2023.

There are no transactions since the beginning of the Company's last fiscal year in which the Company is a participant and in which Mr. Tornehl or any members of his immediate family have any interest that are required to be reported under Item 404(a) of Regulation S-K. No family relationships exist between Mr. Tornehl and any of the Company's directors or executive officers. The appointment of Mr. Tornehl was not pursuant to any arrangement or understanding between him and any person, other than a director or executive officer of the Company acting in his or her official capacity.

Item 7.01 Regulation FD Disclosure.

On February 8, 2024, the Company also posted an updated investor presentation for its quarter and year ended December 31, 2023, on the "Investor Information" section of its website. A copy of the investor presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information contained in this Item 7.01 (including Exhibit 99.2) is intended to be furnished under Item 7.01 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

- (d) Exhibits. The following exhibits are furnished with this Current Report on Form 8-K:

EXHIBIT INDEX

Exhibit NumberDescription

99.1	Sensient Technologies Corporation Earnings Press Release for the Quarter and Year Ended December 31, 2023.
99.2	Sensient Technologies Corporation Investor Presentation – Q4 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SENSIENT TECHNOLOGIES
CORPORATION**

By: /s/ John J. Manning

Name: John J. Manning

Title: Senior Vice President, General Counsel, and Secretary

Date: February 8, 2024



Contact:
Amy Agallar
(414) 347-3706
investor.relations@sensient.com

Sensient Technologies Corporation
Reports Results for the Quarter Ended December 31, 2023

MILWAUKEE— February 8, 2024 — Sensient Technologies Corporation (NYSE: SXT), a leading provider of flavors and colors for the food, pharmaceutical, and personal care markets, today reported financial results for the fourth quarter ended December 31, 2023. The Company also announced its Portfolio Optimization Plan, pending changes to its officer group, as well as a nominee for election to its Board of Directors at its 2024 annual meeting of shareholders.

Fourth Quarter Consolidated Results

- Reported revenue increased 0.2% to \$349.3 million in the fourth quarter of 2023 versus last year's fourth quarter results of \$348.7 million. On a local currency basis⁽¹⁾, revenue decreased 1.8%.
- Reported operating income declined 80.4% to \$8.1 million compared to \$41.2 million recorded in the fourth quarter of 2022. In the fourth quarter of 2023, the Company recorded \$27.8 million of costs, primarily non-cash, related to its recently enacted Portfolio Optimization Plan. Adjusted local currency operating income⁽¹⁾ and local currency adjusted EBITDA⁽¹⁾ decreased 9.6% and 8.5%, respectively, in the fourth quarter, with each decreasing as a result of lower sales volumes.
- Reported earnings per share was a loss of 14 cents in the fourth quarter of 2023 compared to income of 69 cents in the fourth quarter of 2022. Adjusted local currency EPS⁽¹⁾ decreased 23.4% in the fourth quarter as a result of lower sales volumes and higher interest expense.

"As expected, 2023 was a transitional year for the market and Sensient as inflation and destocking provided significant headwinds. I expect a better environment in 2024 with a return to volume growth and continuation of our strong sales win rate. Concurrently, we are proactively reducing costs through a Portfolio Optimization Plan that we expect to provide significant cost savings. Overall, I am optimistic about 2024," said Paul Manning, Sensient's Chairman, President, and Chief Executive Officer.

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Fourth Quarter Group Results

Revenue	Reported		Local Currency ⁽¹⁾	
	Quarter	Year-to-Date	Quarter	Year-to-Date
Flavors & Extracts	2.3%	0.4%	0.4%	-0.8%
Color	-4.4%	0.7%	-7.0%	-0.9%
Asia Pacific	-3.9%	1.7%	-4.6%	3.5%
Total Revenue	0.2%	1.4%	-1.8%	0.3%

Operating Profit	Reported		Adjusted Local Currency ⁽¹⁾	
	Quarter	Year-to-Date	Quarter	Year-to-Date
Flavors & Extracts	-16.0%	-16.7%	-16.6%	-17.3%
Color	-13.2%	-8.1%	-16.2%	-9.6%
Asia Pacific	-11.0%	4.4%	-11.9%	6.3%
Total Operating Profit	-80.4%	-21.2%	-9.6%	-6.8%

The Flavors & Extracts Group reported fourth quarter 2023 revenue of \$182.9 million, an increase of \$4.0 million versus the prior year's fourth quarter. The Group's revenue benefited from favorable pricing and exchange rates, partially offset by lower volumes, primarily due to customer destocking and market declines in certain product lines. Segment operating income was \$18.1 million in the fourth quarter of 2023, a decrease of \$3.4 million compared to the prior year's fourth quarter. The lower operating income was primarily due to the lower volumes and higher input costs, partially offset by favorable pricing.

The Color Group reported revenue of \$141.4 million in the fourth quarter of 2023, a decrease of \$6.4 million compared to the prior year's fourth quarter. The Group's revenue was negatively impacted by lower volumes in both the food and pharmaceutical and personal care product lines, primarily due to customer destocking and market declines in certain product lines, partially offset by higher pricing and favorable exchange rates. Segment operating income was \$21.3 million in the fourth quarter of 2023, a decrease of \$3.2 million compared to the prior year's fourth quarter results. The lower operating income is primarily a result of the lower volumes and higher input costs, partially offset by favorable pricing and exchange rates.

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The Asia Pacific Group reported revenue of \$33.2 million in the fourth quarter of 2023, a decrease of \$1.4 million compared to the prior year's fourth quarter. The Group's revenue was negatively impacted by lower volumes, partially offset by favorable pricing. Segment operating income was \$5.9 million in the quarter, a decrease of \$0.7 million compared to the prior year's fourth quarter. The lower operating income is primarily a result of the lower volumes and higher input costs, partially offset by favorable pricing.

Corporate & Other reported operating expenses of \$37.2 million in the fourth quarter of 2023, compared to \$11.5 million of operating expenses reported in the prior year's fourth quarter. The increase was primarily due to the Portfolio Optimization Plan costs of \$27.8 million recorded in the fourth quarter of 2023, which were primarily non-cash costs. In the fourth quarter of 2022, the Company recorded \$2.5 million of divestiture related income related to an earnout payment received in connection with the divestiture of the yogurt fruit preparations business. Adjusted local currency operating expenses⁽¹⁾ for Corporate & Other decreased \$4.6 million compared to the prior year's fourth quarter, primarily due to lower performance-based compensation recorded in 2023.

During the fourth quarter of 2023, the Company initiated a Portfolio Optimization Plan to undertake an effort to optimize its organizational structure with a focus on driving improved productivity and delivering cost improvement. The Company currently estimates that the Portfolio Optimization Plan will deliver annual cost savings of approximately \$8 million to \$10 million once fully implemented by the end of 2025. Including the costs incurred during the fourth quarter of 2023, the Company currently expects to incur pre-tax charges of approximately \$40 million through 2025, of which approximately \$30 million will be non-cash. The Company announced that it is beginning the information and consultation process with certain employee groups in the United Kingdom, France, and Germany that may be impacted by the plan.

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In addition, the Company will be increasing its Board of Directors from nine to ten directors and nominating Brett Bruggeman for election to the Board of Directors at its 2024 annual meeting of shareholders. Mr. Bruggeman is the Chief Operating Officer of Land O'Lakes, Inc., a Fortune 250 food company and one of the world's premier agribusiness companies. *"We are delighted to nominate Brett to the Board. He brings over 30 years of food industry experience, including 16 years at Land O'Lakes. His insights into agribusiness will be invaluable as the Company continues our expansion in natural colors and flavors across all of its business units,"* said Paul Manning, Sensient's Chairman, President, and Chief Executive Officer.

Sensient also announced today that Stephen Rolfs, Senior Vice President and Chief Financial Officer, has informed the Company that he intends to retire effective June 30, 2024. Mr. Rolfs has served as Chief Financial Officer since February of 2015. Tobin Tornehl will be named Chief Financial Officer upon Mr. Rolfs' retirement. Mr. Tornehl joined Sensient in 2008 and has served as Vice President, Controller, and Chief Accounting Officer, since 2018. Prior to joining Sensient, Mr. Tornehl worked in a variety of financial leadership roles at Jefferson Wells and Ernst & Young. Mr. Tornehl is a Certified Public Accountant and holds a Bachelor of Business Administration from Boston College. *"On behalf of the Board of Directors and the Executive Team, I want to thank Steve for his financial leadership and his significant contributions over his more than twenty-five years with the Company,"* said Paul Manning, Chairman of the Board, President, and Chief Executive Officer of Sensient Technologies Corporation. *"I am also pleased to have Tobin succeed Steve as Chief Financial Officer. I have had the chance to work closely with Tobin over the last five years, and he is well suited to lead our financial function going forward. His promotion is a sign of Sensient's strong talent pool and thoughtful succession planning."*

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2024 OUTLOOK

Sensient expects 2024 diluted earnings per share to be between \$2.80 and \$2.90, which includes approximately 15 cents of Portfolio Optimization Plan costs in 2024, compared to the Company's 2023 reported GAAP diluted earnings of \$2.21.

The Company expects 2024 revenue, 2024 adjusted EBITDA⁽¹⁾, and 2024 adjusted diluted earnings per share⁽¹⁾ to grow at a low-to-mid single-digit rate on a local currency basis compared to the Company's 2023 revenue, the Company's 2023 adjusted EBITDA⁽¹⁾, and the Company's 2023 adjusted diluted earnings per share⁽¹⁾ of \$2.86, respectively.

The Company expects its 2024 diluted earnings per share to be impacted by higher interest expense. The Company currently expects interest expense to increase by approximately \$3 million (\$0.05 per diluted share) in 2024 compared to the Company's 2023 full year interest expense of \$25.2 million. The Company also expects its full year 2024 tax rate to be between 24% and 25%.

The Company's guidance is based on current conditions and economic and market trends in the markets in which the Company operates and is subject to various risks and uncertainties as described below.

(1) Please refer to "Reconciliation of Non-GAAP Amounts" at the end of this release for more information regarding our non-GAAP financial measures.

USE OF NON-GAAP FINANCIAL MEASURES

The Company's non-GAAP financial measures eliminate the impact of certain items, which, depending on the measure, include: currency movements, depreciation and amortization, Portfolio Optimization Plan costs, divestiture and other related income, and non-cash share-based compensation. These measures are provided to enhance the overall understanding of the Company's performance when viewed together with the GAAP results. Refer to "Reconciliation of Non-GAAP Amounts" at the end of this release.

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CONFERENCE CALL

The Company will host a conference call to discuss its 2023 fourth quarter financial results at 8:30 a.m. CST on Friday, February 9, 2024. To participate in the conference call, contact Chorus Call Inc. at (844) 492-3726 or (412) 317-1078, and ask to join the Sensient Technologies Corporation conference call. Alternatively, the call can be accessed by using the webcast link that is available on the Investor Information section of the Company's web site at www.sensient.com.

A replay of the call will be available one hour after the end of the conference call through February 16, 2024, by calling (877) 344-7529 and using access code 4647643. An audio replay and written transcript of the call will also be posted on the Investor Information section of the Company's web site at www.sensient.com on or after February 13, 2024.

This release contains statements that may constitute "forward-looking statements" within the meaning of Federal securities laws including under "2024 Outlook" above. 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 Israel and Hamas and other parties in the Middle East; 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 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 portfolio optimization plan; 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; 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, 2023, 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 release contains time-sensitive information that reflects management's best analysis only as of the date of this release. 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.

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ABOUT SENSIENT TECHNOLOGIES

Sensient Technologies Corporation is a leading global manufacturer and marketer of colors, flavors, and other specialty ingredients. Sensient uses advanced technologies and robust global supply chain capabilities to develop specialized solutions for food and beverages, as well as products that serve the pharmaceutical, nutraceutical, and personal care industries. Sensient's customers range in size from small entrepreneurial businesses to major international manufacturers representing some of the world's best-known brands. Sensient is headquartered in Milwaukee, Wisconsin.

www.sensient.com

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Sensient Technologies Corporation
(In thousands, except percentages and per share amounts)
(Unaudited)

Consolidated Statements of Earnings	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	% Change	2023	2022	% Change
Revenue	\$ 349,302	\$ 348,736	0.2%	\$ 1,456,450	\$ 1,437,039	1.4%
Cost of products sold	249,472	237,232	5.2%	996,153	947,928	5.1%
Selling and administrative expenses	91,767	70,279	30.6%	305,274	292,360	4.4%
Operating income	8,063	41,225	(80.4%)	155,023	196,751	(21.2%)
Interest expense	6,524	4,799		25,172	14,547	
Earnings before income taxes	1,539	36,426		129,851	182,204	
Income taxes	7,372	7,305		36,457	41,317	
Net earnings	\$ (5,833)	\$ 29,121	(120.0%)	\$ 93,394	\$ 140,887	(33.7%)
Earnings per share of common stock:						
Basic	\$ (0.14)	\$ 0.70		\$ 2.22	\$ 3.36	
Diluted	\$ (0.14)	\$ 0.69		\$ 2.21	\$ 3.34	
Average common shares outstanding:						
Basic	42,051	41,896		42,027	41,888	
Diluted	42,051	42,255		42,242	42,213	
Results by Segment	Three Months Ended December 31,			Year Ended December 31,		
Revenue	2023	2022	% Change	2023	2022	% Change
Flavors & Extracts	\$ 182,939	\$ 178,893	2.3%	\$ 741,072	\$ 738,003	0.4%
Color	141,396	147,842	(4.4%)	607,959	604,017	0.7%
Asia Pacific	33,202	34,567	(3.9%)	146,090	143,581	1.7%
Intersegment elimination	(8,235)	(12,566)		(38,671)	(48,562)	
Consolidated	\$ 349,302	\$ 348,736	0.2%	\$ 1,456,450	\$ 1,437,039	1.4%
Operating Income						
Flavors & Extracts	\$ 18,059	\$ 21,495	(16.0%)	\$ 87,773	\$ 105,424	(16.7%)
Color	21,343	24,584	(13.2%)	105,370	114,619	(8.1%)
Asia Pacific	5,889	6,615	(11.0%)	30,800	29,492	4.4%
Corporate & Other	(37,228)	(11,469)		(68,920)	(52,784)	
Consolidated	\$ 8,063	\$ 41,225	(80.4%)	\$ 155,023	\$ 196,751	(21.2%)

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Sensient Technologies Corporation
(In thousands)
(Unaudited)

Consolidated Condensed Balance Sheets

	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 28,934	\$ 20,921
Trade accounts receivable	272,164	302,109
Inventories	598,399	564,110
Prepaid expenses and other current assets	37,119	47,640
Total Current Assets	936,616	934,780
Goodwill & intangible assets (net)	436,177	434,315
Property, plant, and equipment (net)	505,277	483,193
Other assets	136,437	129,326
Total Assets	\$ 2,014,507	\$ 1,981,614
Trade accounts payable	\$ 131,114	\$ 142,365
Short-term borrowings	13,460	20,373
Other current liabilities	91,732	109,415
Total Current Liabilities	236,306	272,153
Long-term debt	645,085	630,331
Accrued employee and retiree benefits	27,715	26,364
Other liabilities	52,077	53,168
Shareholders' Equity	1,053,324	999,598
Total Liabilities and Shareholders' Equity	\$ 2,014,507	\$ 1,981,614

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Sensient Technologies Corporation
(In thousands, except per share amounts)
(Unaudited)

Consolidated Statements of Cash Flows
Year Ended December 31,

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net earnings	\$ 93,394	\$ 140,887
Adjustments to arrive at net cash provided by operating activities:		
Depreciation and amortization	57,820	52,467
Share-based compensation expense	8,933	16,138
Net loss on assets	541	276
Net gain on divestiture of business	-	(2,532)
Portfolio optimization plan costs	24,089	-
Deferred income taxes	(5,100)	(11,010)
Changes in operating assets and liabilities:		
Trade accounts receivable	35,801	(46,086)
Inventories	(28,193)	(159,014)
Prepaid expenses and other assets	5,767	(5,055)
Trade accounts payable and other accrued expenses	(5,978)	17,489
Accrued salaries, wages, and withholdings	(17,830)	3,486
Income taxes	(1,175)	4,422
Other liabilities	1,628	602
Net cash provided by operating activities	<u>169,697</u>	<u>12,070</u>
Cash flows from investing activities:		
Acquisition of property, plant, and equipment	(87,868)	(79,322)
Proceeds from sale of assets	156	264
Proceeds from divestiture of business	-	2,532
Acquisition of new businesses	(1,650)	(22,714)
Other investing activities	1,741	792
Net cash used in investing activities	<u>(87,621)</u>	<u>(98,448)</u>
Cash flows from financing activities:		
Proceeds from additional borrowings	351,662	328,597
Debt payments	(355,161)	(171,447)
Dividends paid	(69,222)	(68,915)
Other financing activities	(9,278)	(2,056)
Net cash (used in) provided by financing activities	<u>(81,999)</u>	<u>86,179</u>
Effect of exchange rate changes on cash and cash equivalents	<u>7,936</u>	<u>(4,620)</u>
Net increase (decrease) in cash and cash equivalents	8,013	(4,819)
Cash and cash equivalents at beginning of period	20,921	25,740
Cash and cash equivalents at end of period	<u>\$ 28,934</u>	<u>\$ 20,921</u>

Supplemental Information
Year Ended December 31,

	<u>2023</u>	<u>2022</u>
Dividends paid per share	\$ 1.64	\$ 1.64

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Sensient Technologies Corporation
(In thousands, except percentages and per share amounts)
(Unaudited)

Reconciliation of Non-GAAP Amounts

The Company's results for the three and twelve months ended December 31, 2023 and 2022 include adjusted operating income, adjusted net earnings, and adjusted diluted earnings per share, which exclude divestiture & other related income and portfolio optimization plan costs.

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	% Change	2023	2022	% Change
Operating income (GAAP)	\$ 8,063	\$ 41,225	(80.4%)	\$ 155,023	\$ 196,751	(21.2%)
Divestiture & other related income – Selling and administrative expenses	-	(2,532)		-	(2,532)	
Portfolio optimization plan costs – Cost of products sold	3,135	-		3,135	-	
Portfolio optimization plan costs – Selling and administrative expenses	24,706	-		24,706	-	
Adjusted operating income	\$ 35,904	\$ 38,693	(7.2%)	\$ 182,864	\$ 194,219	(5.8%)
Net earnings (GAAP)	\$ (5,833)	\$ 29,121	(120.0%)	\$ 93,394	\$ 140,887	(33.7%)
Divestiture & other related income, before tax	-	(2,532)		-	(2,532)	
Tax impact of divestiture & other related income ⁽¹⁾	-	636		-	636	
Portfolio optimization plan costs, before tax	27,841	-		27,841	-	
Tax impact of portfolio optimization plan costs ⁽¹⁾	(415)	-		(415)	-	
Adjusted net earnings	\$ 21,593	\$ 27,225	(20.7%)	\$ 120,820	\$ 138,991	(13.1%)
Diluted earnings per share (GAAP)	\$ (0.14)	\$ 0.69	(120.3%)	\$ 2.21	\$ 3.34	(33.8%)
Divestiture & other related income, net of tax	-	(0.04)		-	(0.04)	
Portfolio optimization plan costs, net of tax	0.65	-		0.65	-	
Adjusted diluted earnings per share	\$ 0.51	\$ 0.64	(20.3%)	\$ 2.86	\$ 3.29	(13.1%)

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

⁽¹⁾ Tax impact adjustments were determined based on the nature of the underlying non-GAAP adjustments and their relevant jurisdictional tax rates.

Results by Segment

	Three Months Ended December 31,					
	2023	Adjustments ⁽²⁾	Adjusted 2023	2022	Adjustments ⁽²⁾	Adjusted 2022
Operating Income						
Flavors & Extracts	\$ 18,059	\$ -	\$ 18,059	\$ 21,495	\$ -	\$ 21,495
Color	21,343	-	21,343	24,584	-	24,584
Asia Pacific	5,889	-	5,889	6,615	-	6,615
Corporate & Other	(37,228)	27,841	(9,387)	(11,469)	(2,532)	(14,001)
Consolidated	\$ 8,063	\$ 27,841	\$ 35,904	\$ 41,225	\$ (2,532)	\$ 38,693

Results by Segment

	Year Ended December 31,					
	2023	Adjustments ⁽²⁾	Adjusted 2023	2022	Adjustments ⁽²⁾	Adjusted 2022
Operating Income						
Flavors & Extracts	\$ 87,773	\$ -	\$ 87,773	\$ 105,424	\$ -	\$ 105,424
Color	105,370	-	105,370	114,619	-	114,619
Asia Pacific	30,800	-	30,800	29,492	-	29,492
Corporate & Other	(68,920)	27,841	(41,079)	(52,784)	(2,532)	(55,316)
Consolidated	\$ 155,023	\$ 27,841	\$ 182,864	\$ 196,751	\$ (2,532)	\$ 194,219

⁽²⁾ For Operating Income, adjustments consist of divestiture & other related income in 2022 and portfolio optimization plan costs in 2023.

- MORE -

Sensient Technologies Corporation
(In thousands, except percentages)
(Unaudited)

Reconciliation of Non-GAAP Amounts

The following table summarizes the percentage change in the 2023 results compared to the 2022 results for the corresponding periods.

	Three Months Ended December 31,			
	Total	Foreign Exchange Rates	Adjustments⁽³⁾	Adjusted Local Currency
Revenue				
Flavors & Extracts	2.3%	1.9%	N/A	0.4%
Color	(4.4%)	2.6%	N/A	(7.0%)
Asia Pacific	(3.9%)	0.7%	N/A	(4.6%)
Total Revenue	0.2%	2.0%	N/A	(1.8%)
Operating Income				
Flavors & Extracts	(16.0%)	0.6%	0.0%	(16.6%)
Color	(13.2%)	3.0%	0.0%	(16.2%)
Asia Pacific	(11.0%)	0.9%	0.0%	(11.9%)
Corporate & Other	224.6%	0.0%	257.6%	(33.0%)
Total Operating Income	(80.4%)	2.3%	(73.1%)	(9.6%)
Diluted Earnings Per Share	(120.3%)	1.4%	(98.3%)	(23.4%)
Adjusted EBITDA	(6.4%)	2.1%	N/A	(8.5%)

	Year Ended December 31,			
	Total	Foreign Exchange Rates	Adjustments⁽³⁾	Adjusted Local Currency
Revenue				
Flavors & Extracts	0.4%	1.2%	N/A	(0.8%)
Color	0.7%	1.6%	N/A	(0.9%)
Asia Pacific	1.7%	(1.8%)	N/A	3.5%
Total Revenue	1.4%	1.1%	N/A	0.3%
Operating Income				
Flavors & Extracts	(16.7%)	0.6%	0.0%	(17.3%)
Color	(8.1%)	1.5%	0.0%	(9.6%)
Asia Pacific	4.4%	(1.9%)	0.0%	6.3%
Corporate & Other	30.6%	0.0%	56.3%	(25.7%)
Total Operating Income	(21.2%)	1.0%	(15.4%)	(6.8%)
Diluted Earnings Per Share	(33.8%)	0.9%	(20.7%)	(14.0%)
Adjusted EBITDA	(5.0%)	0.9%	N/A	(5.9%)

⁽³⁾ For Operating Income, Diluted Earnings per Share, and Adjusted EBITDA, adjustments consist divestiture & other related income in 2022 and portfolio optimization plan costs in 2023.

The following table summarizes the reconciliation between Operating Income (GAAP) and Adjusted EBITDA for the three months and year ended December 31, 2023 and 2022.

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	% Change	2023	2022	% Change
Operating income (GAAP)	\$ 8,063	\$ 41,225	(80.4%)	\$ 155,023	\$ 196,751	(21.2%)
Depreciation and amortization	14,460	13,205		57,820	52,467	
Share-based compensation expense	1,648	3,662		8,933	16,138	
Divestiture & other related income, before tax	-	(2,532)		-	(2,532)	
Portfolio optimization plan costs, before tax	27,841	-		27,841	-	
Adjusted EBITDA	\$ 52,012	\$ 55,560	(6.4%)	\$ 249,617	\$ 262,824	(5.0%)

- MORE -

Sensient Technologies Corporation
(In thousands, except percentages)
(Unaudited)

Reconciliation of Non-GAAP Amounts - Continued

The following table summarizes the reconciliation between Debt (GAAP) and Net Debt, and Operating Income (GAAP) and Credit Adjusted EBITDA for the year ended December 31, 2023 and 2022.

	Year Ended December 31,	
	2023	2022
Debt		
Short-term borrowings	\$ 13,460	\$ 20,373
Long-term debt	645,085	630,331
Credit Agreement adjustments ⁽¹⁾	(16,743)	(10,180)
Net Debt	<u>\$ 641,802</u>	<u>\$ 640,524</u>
Operating income (GAAP)	\$ 155,023	\$ 196,751
Depreciation and amortization	57,820	52,467
Share-based compensation expense	8,933	16,138
Divestiture & other related income, before tax	-	(2,532)
Portfolio optimization plan costs, before tax	27,841	-
Other non-operating gains ⁽²⁾	(762)	(866)
Credit Adjusted EBITDA	<u>\$ 248,855</u>	<u>\$ 261,958</u>
Net Debt to Credit Adjusted EBITDA	2.6x	2.4x

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

⁽²⁾ 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.

We have 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 release and our 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 we believe 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.



SENSIENT®

Fourth Quarter 2023

Investor Presentation

FORWARD-LOOKING STATEMENTS

This document contains statements that may constitute “forward-looking statements” within the meaning of Federal securities laws including under “2024 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 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 Israel and Hamas and other parties in the Middle East; 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 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 portfolio optimization plan; 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; 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, 2022, and in other documents that the Company files with the SEC, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 that will be filed by February 29, 2024. 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 operating income, adjusted net earnings, and adjusted diluted earnings per share (which exclude divestiture & other related income and restructuring and other costs, which include 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, divestiture & other related income, and restructuring and other costs, which include portfolio optimization plan costs), and (3) adjusted EBITDA (which eliminates divestiture & other related income, restructuring and other costs, which include 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. 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.

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

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

Committed to ongoing portfolio optimization to drive margin improvement



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

Strengthened extensive natural color portfolio by acquiring Endemix, a vertically integrated natural color and extracts company, in October 2022

Portfolio Optimization Plan initiated in 2023 and is expected to deliver approximately \$8 million to \$10 million of annual savings by plan completion in 2025

Global Revenue by Group



Color Group

2023 Revenue: \$608M

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



Flavors & Extracts Group

2023 Revenue: \$741M

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



Asia Pacific Group

2023 Revenue: \$146M

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



2023 Revenue: \$608M

Food and Pharmaceutical

74% of 2023 Segment Revenue

LC Revenue Change*
Q4 '23 (5.7%)
YTD '23 +1.7%

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

Personal Care

26% of 2023 Segment Revenue

LC Revenue Change*
Q4 '23 (10.2%)
YTD '23 (6.8%)

- Demand for innovative and sustainable, 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



2023 Revenue: \$741M

Flavors, Extracts, and Flavor Ingredients

67% of 2023 Segment Revenue

LC Revenue Change*
Q4 '23 (6.5%)
YTD '23 (2.2%)

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

Natural Ingredients

33% of 2023 Segment Revenue

LC Revenue Change*
Q4 '23 +13.3%
YTD '23 +2.2%

- Leading provider of dehydrated onion, garlic, and other products

Asia Pacific Group



Portfolio of food and beverage flavors and colors

R&D centers in key strategic markets to support local and regional customer base

Ability to deliver localized solutions and technology platforms

Asia Pacific Overview



2023 revenue of \$146 million and operating income of \$30.8 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

Q4 2023 local currency revenue* was down 4.6% and operating profit* declined 11.9%

2023 Q4 Segment Results



Local Currency Revenue*

	Q4	YTD
Color	(7.0%)	(0.9%)
Flavors & Extracts	+0.4%	(0.8%)
Asia Pacific	(4.6%)	+3.5%

Local Currency* Commentary:

Color Group reported lower revenue in the quarter due to lower volumes related to customer destocking and ongoing end market declines in certain product categories. Pricing and volume growth as a result of new sales wins partially offset these declines. Operating income declined due to lower volumes and higher input costs.

Flavors & Extracts Group fourth quarter revenue increased slightly due to favorable pricing and volume growth related to new sales wins, partially offset by lower volumes due to customer destocking and ongoing end market declines in certain product categories. Operating income declined in the quarter primarily due to higher input costs and lower volumes.

Asia Pacific Group fourth quarter revenue decreased due to lower volumes related to customer destocking and end market declines, partially offset by pricing and volume growth related to new sales wins. Operating income declined as a result of the lower sales volumes.

Local Currency Operating Income*

	Q4	YTD
Color	(16.2%)	(9.6%)
Flavors & Extracts	(16.6%)	(17.3%)
Asia Pacific	(11.9%)	+6.3%



2023 Q4 Consolidated Results



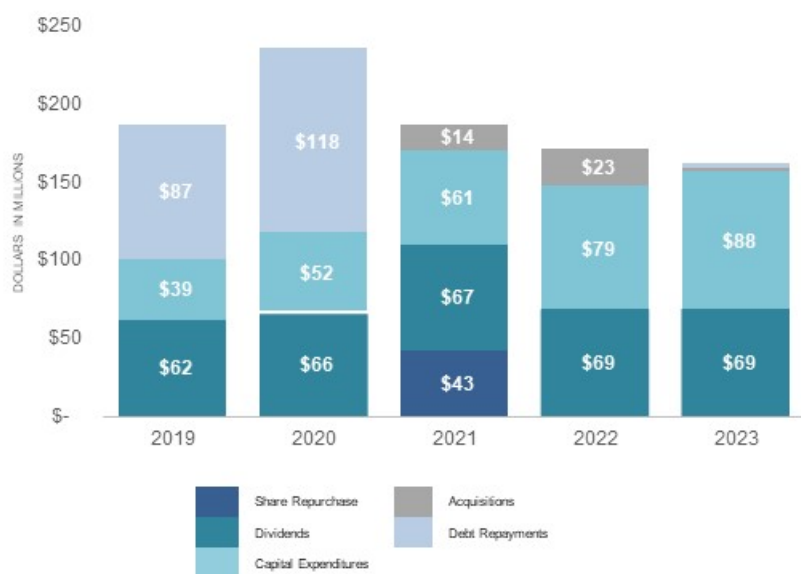
	Q4	YTD
Local Currency Revenue*	(1.8%)	+0.3%
Local Currency Adjusted Operating Income*	(9.6%)	(6.8%)
Local Currency Adjusted Diluted EPS*	(23.4%)	(14.0%)
Local Currency Adjusted EBITDA*	(8.5%)	(5.9%)

Q4 consolidated local currency revenue declined as lower volumes, driven by customer destocking and ongoing end market declines, more than offset favorable pricing actions and volumes from new sales wins.

Q4 consolidated local currency adjusted operating income declined as a result of overall lower volumes and higher input costs, partially offset by lower performance-based compensation.

Q4 local currency adjusted diluted EPS declined as a result of the operating income headwinds and higher interest expense.

Capital Allocation



Prioritize ROI capital projects

Excess free cash flow to be used for debt reduction

Maintain prudent level of leverage to support Sensient's long-standing dividend and opportunistic M&A and share repurchases

2024 Financial Outlook*



Metric	Guidance	Comments
Local Currency Revenue**	Low-to-Mid-single-digit growth	
Local Currency Adjusted EBITDA**	Low-to-Mid-single-digit growth	<ul style="list-style-type: none"> Excludes the impact of share-based stock compensation and the costs related to the Portfolio Optimization Plan
Diluted EPS (GAAP)	\$2.80 to \$2.90	
Local Currency Adjusted Diluted EPS**	Low-to-Mid-single-digit growth	<ul style="list-style-type: none"> Excludes the impact of the costs related to the Portfolio Optimization Plan

* Represents outlook provided in our earnings release on February 8, 2024, and does not constitute an update or reissuance as of any later date.

** The local currency revenue, adjusted diluted EPS, and adjusted EBITDA growth rates for 2024 are compared to 2023 revenue, adjusted diluted EPS, and adjusted EBITDA, respectively. Local currency 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.

** The Portfolio Optimization Plan was approved in the fourth quarter of 2023 to undertake an effort to optimize certain production facilities and improve efficiencies within the Company. The Company expects to incur \$40M of costs associated with the plan, of which \$30M will be non-cash.

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



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">• Long-term goals to reduce emissions intensity, water withdrawal, and landfilled waste• Seed-to-shelf program focused on strengthening a sustainable supply chain• Emphasis on implementing sustainability from the design stage• Chemical Risk Strategy implemented to identify and reduce risk in our portfolio
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 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 risk assessment programs• Support for our local communities through volunteerism, financial donations, sponsorships, and employee education opportunities
Governance	<p>Sensient is committed to maintaining the highest standards of professional conduct and strong corporate governance practices through our comprehensive corporate governance framework.</p> <ul style="list-style-type: none">• Board comprised of a majority of independent directors with diverse and accomplished backgrounds• Committed to board diversity and refreshment, Sensient has 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 December 31, 2023	Three Months Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating income (GAAP)	\$ 8,063	\$ 41,225	\$ 155,023	\$ 196,751
Divestiture & other related income – Selling and administrative expenses	-	(2,532)	-	(2,532)
Portfolio optimization plan costs – Cost of products sold	3,135	-	3,135	-
Portfolio optimization plan costs – Selling and administrative expenses	24,706	-	24,706	-
Adjusted operating income	\$ 35,904	\$ 38,693	\$ 182,864	\$ 194,219
Net earnings (GAAP)	\$ (5,833)	\$ 29,121	\$ 93,394	\$ 140,887
Divestiture & other related income, before tax	-	(2,532)	-	(2,532)
Tax impact of divestiture & other related income*	-	636	-	636
Portfolio optimization plan costs, before tax	27,841	-	27,841	-
Tax impact of portfolio optimization plan costs*	(415)	-	(415)	-
Adjusted net earnings	\$ 21,593	\$ 27,225	\$ 120,820	\$ 138,991
Diluted earnings per share (GAAP)	\$ (0.14)	\$ 0.69	\$ 2.21	\$ 3.34
Divestiture & other related income, net of tax	-	(0.04)	-	(0.04)
Portfolio optimization plan costs, net of tax	0.65	-	0.65	-
Adjusted diluted earnings per share	\$ 0.51	\$ 0.64	\$ 2.86	\$ 3.29

* Tax impact adjustments were determined based on the nature of the underlying Non-GAAP adjustments and their relevant jurisdictional tax rates.

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

Non-GAAP Financial Measures (Cont'd)

	Three Months Ended December 31, 2023				Year Ended December 31, 2023			
	Total	Foreign Exchange Rates	Adjustments*	Adjusted Local Currency	Total	Foreign Exchange Rates	Adjustments*	Adjusted Local Currency
Revenue								
Flavors & Extracts	2.3%	1.9%	N/A	0.4%	0.4%	1.2%	N/A	(0.8%)
Color	(4.4%)	2.6%	N/A	(7.0%)	0.7%	1.6%	N/A	(0.9%)
Asia Pacific	(3.9%)	0.7%	N/A	(4.6%)	1.7%	(1.8%)	N/A	3.5%
Total Revenue	0.2%	2.0%	N/A	(1.8%)	1.4%	1.1%	N/A	0.3%
Operating Income								
Flavors & Extracts	(16.0%)	0.6%	0.0%	(16.6%)	(16.7%)	0.6%	0.0%	(17.3%)
Color	(13.2%)	3.0%	0.0%	(16.2%)	(8.1%)	1.5%	0.0%	(9.6%)
Asia Pacific	(11.0%)	0.9%	0.0%	(11.9%)	4.4%	(1.9%)	0.0%	6.3%
Corporate & Other	224.6%	0.0%	257.6%	(33.0%)	30.6%	0.0%	56.3%	(25.7%)
Total Operating Income	(80.4%)	2.3%	(73.1%)	(9.6%)	(21.2%)	1.0%	(15.4%)	(6.8%)
Diluted Earnings Per Share	(120.3%)	1.4%	(98.3%)	(23.4%)	(33.8%)	0.9%	(20.7%)	(14.0%)
Adjusted EBITDA	(6.4%)	2.1%	N/A	(8.5%)	(5.0%)	0.9%	N/A	(5.9%)

*For Operating Income, Diluted Earnings per Share, and Adjusted EBITDA, adjustments consist of divestiture & other related income and portfolio optimization plan costs.

Non-GAAP Financial Measures (Cont'd)

	Three Months Ended December 31, 2023			Year Ended December 31, 2023		
	Total	Foreign Exchange Rates	Local Currency	Total	Foreign Exchange Rates	Local Currency
Revenue						
Flavors, Extracts and Flavor Ingredients	(3.6%)	2.9%	(6.5%)	(0.4%)	1.8%	(2.2%)
Natural Ingredients	13.3%	0.0%	13.3%	2.1%	(0.1%)	2.2%
Flavors & Extracts Group	2.3%	1.9%	0.4%	0.4%	1.2%	(0.8%)
Food and Pharmaceutical	(3.1%)	2.6%	(5.7%)	3.5%	1.8%	1.7%
Personal Care	(7.4%)	2.8%	(10.2%)	(5.8%)	1.0%	(6.8%)
Color Group	(4.4%)	2.6%	(7.0%)	0.7%	1.6%	(0.9%)
Asia Pacific	(3.9%)	0.7%	(4.6%)	1.7%	(1.8%)	3.5%
Total revenue	0.2%	2.0%	(1.8%)	1.4%	1.1%	0.3%

Non-GAAP Financial Measures (Cont'd)

Results by Segment	Three Months Ended December 31,					
	2023	Adjustments*	Adjusted 2023	2022	Adjustments*	Adjusted 2022
Operating Income						
Flavors & Extracts	\$ 18,059	\$ -	\$ 18,059	\$ 21,495	\$ -	\$ 21,495
Color	21,343	-	21,343	24,584	-	24,584
Asia Pacific	5,889	-	5,889	6,615	-	6,615
Corporate & Other	(37,228)	27,841	(9,387)	(11,469)	(2,532)	(14,001)
Consolidated	\$ 8,063	\$ 27,841	\$ 35,904	\$ 41,225	\$ (2,532)	\$ 38,693

Results by Segment	Year Ended December 31,					
	2023	Adjustments*	Adjusted 2023	2022	Adjustments*	Adjusted 2022
Operating Income						
Flavors & Extracts	\$ 87,773	\$ -	\$ 87,773	\$ 105,424	\$ -	\$ 105,424
Color	105,370	-	105,370	114,619	-	114,619
Asia Pacific	30,800	-	30,800	29,492	-	29,492
Corporate & Other	(68,920)	27,841	(41,079)	(52,784)	(2,532)	(55,316)
Consolidated	\$ 155,023	\$ 27,841	\$ 182,864	\$ 196,751	\$ (2,532)	\$ 194,219

* For Operating Income, adjustments consist of divestiture & other related income and portfolio optimization plan costs.

Non-GAAP Financial Measures (Cont'd)

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	% Change	2023	2022	% Change
Operating income (GAAP)	\$ 8,063	\$ 41,225	(80.4%)	\$ 155,023	\$ 196,751	(21.2%)
Depreciation and amortization	14,460	13,205		57,820	52,467	
Share-based compensation expense	1,648	3,662		8,933	16,138	
Divestiture & other related income, before tax	-	(2,532)		-	(2,532)	
Portfolio optimization plan costs, before tax	27,841	-		27,841	-	
Adjusted EBITDA	\$ 52,012	\$ 55,560	(6.4%)	\$ 249,617	\$ 262,824	(5.0%)

