



**balchem**<sup>®</sup>

Solve Today. Shape Tomorrow.

# Investor Presentation January 2024



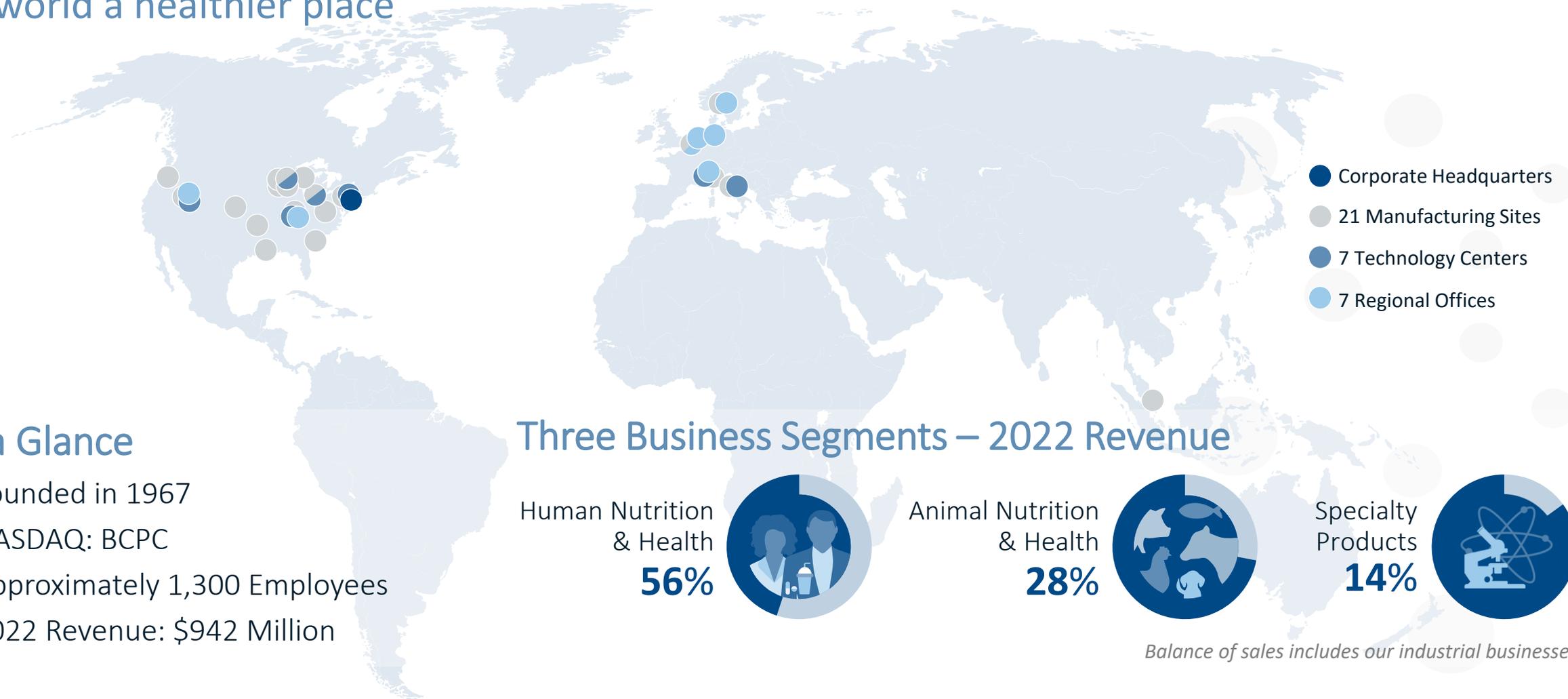
# Safe Harbor Statement

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- During the course of this presentation, management may make forward-looking statements regarding financial performance and future events.
- We will attempt to identify these statements by use of words such as expect, believe, anticipate, intend, and other words that denote future events. You should understand that, even though our forward-looking statements are based on assumptions we believe are reasonable when made, they are still subject to uncertainties that could cause actual results to differ materially from those in the forward-looking statements.
- We caution you to consider the important risk and other factors as set forth in the forward-looking statements section and in Item 1A risk factors in our Annual Reports on Form 10-K as filed with the U.S. Securities and Exchange Commission that could cause actual results to differ from those in the forward-looking statements as contained in this presentation.
- Forward-looking statements made herein are summaries of previous public disclosures, do not represent revised guidance, and we do not undertake to revise or update them from the date or dates of previous disclosure.
- In the case of any presentation delivered during the company's prescribed black-out periods, there will be no discussion or questions addressed regarding the current quarter's expected performance.

# Balchem Corporation

Balchem develops, manufactures, and markets specialty ingredients that help make the world a healthier place



## At a Glance

- Founded in 1967
- NASDAQ: BCPC
- Approximately 1,300 Employees
- 2022 Revenue: \$942 Million

## Three Business Segments – 2022 Revenue



*Balance of sales includes our industrial businesses.*

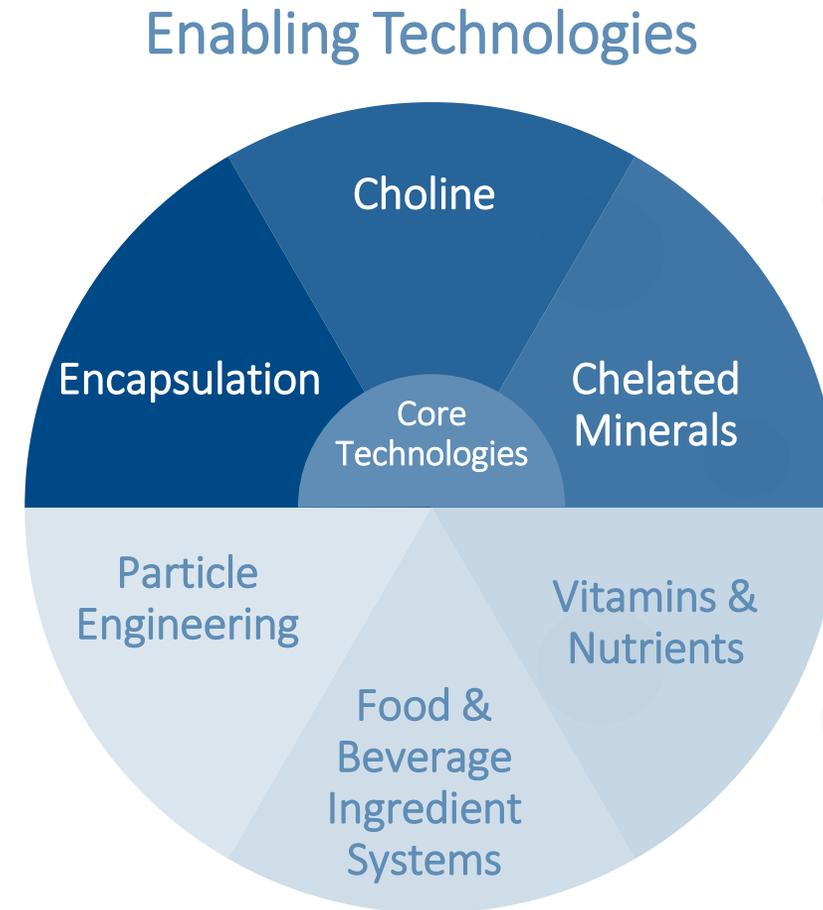
# Balchem's Value Proposition

## Value to our Customers

- High efficacy nutrients essential for life
- Enhanced animal health and feed productivity
- Functional ingredient systems formulations and application expertise
- Crop protection and yield improvement
- Complete supply chain capabilities and assurance

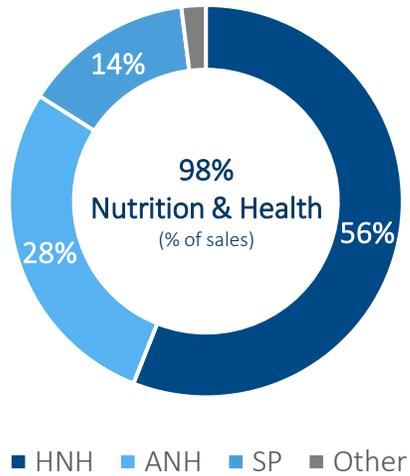
## Value to society

- Increased health and well-being of humans and animals
- Enhanced food chain productivity to give a growing population sustainable access to food



# Segment Overview

## Leveraging Solutions Across Segments



Segment	Markets Served	Solutions
Human Nutrition & Health	<ul style="list-style-type: none"> <li>• Nutritional Supplements</li> <li>• Food and Beverage</li> <li>• Infant and Toddler Formula</li> <li>• Organic Cereal</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Microencapsulation</b></li> <li>• <b>Choline</b> and Vitamin K2</li> <li>• <b>Chelated Minerals</b></li> <li>• Powder, Flavor, &amp; Cereal Systems</li> </ul>
Animal Nutrition & Health	<ul style="list-style-type: none"> <li>• Dairy</li> <li>• Poultry and Swine</li> <li>• Companion Animal</li> <li>• Aquaculture</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Microencapsulation</b></li> <li>• <b>Choline</b></li> <li>• <b>Chelated Minerals</b></li> <li>• Amino Acids and Other Nutrients</li> </ul>
Specialty Products	<ul style="list-style-type: none"> <li>• Medical Device Sterilization</li> <li>• Nut and Spice Fumigation</li> <li>• Plant Nutrition</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Chelated Minerals</b></li> <li>• Performance Gases re-packaging and supply chain capabilities</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Oil and Gas Fracking</li> <li>• Other Industrial Markets</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Choline</b></li> <li>• Choline Derivatives</li> </ul>

# Our vision

is clear – to make the world a healthier place.

# Our mission

is focused – to build a global nutrition and health company delivering trusted, innovative and science-based solutions to our customers.

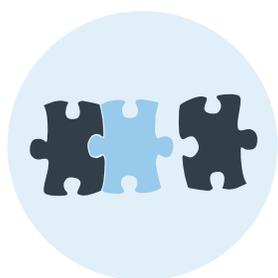
## Our Core Values



Always doing the **right** thing



Thinking **big** and acting small



Collaborating and growing **together**



Playing to **win**



Staying focused on the **customer**

# Sustainability at Balchem

## Making the World a Healthier Place

### Our Sustainability Objectives & Framework

Provide innovative solutions for the health & nutritional needs of the world.

## Company



People



Planet

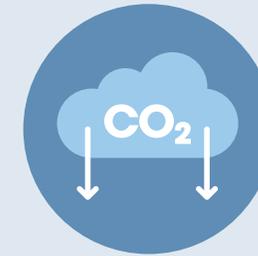


Profit

## Culture

Operate with excellence as strong stewards of our employees, customers, shareholders & communities

### Our 2030 Sustainability Goals



Balchem commits to reducing our GHG emissions use by **25%**



Balchem commits to reducing our global water use by **25%**

# 1.4 billion people reached in 2022

The total number of people impacted is calculated by measuring the annual consumption of protein and the daily recommended doses of minerals, essential nutrients and vitamins.

# Strategic Focus

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- **Strengthening Positions in Attractive, Growing Markets**
  - Building scale, adding adjacent capabilities, expanding market and geographic reach, broadening our portfolio of solutions, investing in new science, enabling market awareness
- **Driving Organic Growth**
  - Creating new demand through innovation, market penetration, new product launches, geographic expansion, and expanding addressable markets
- **Strategic M&A**
  - Augment organic growth and accelerate strategic initiatives
- **Excellence in Execution**
  - Maintaining a strong margin profile, efficient cash flow conversion, and a solid balance sheet

# Growth Platforms

## Multiple platforms to drive growth

### Human Nutrition & Health

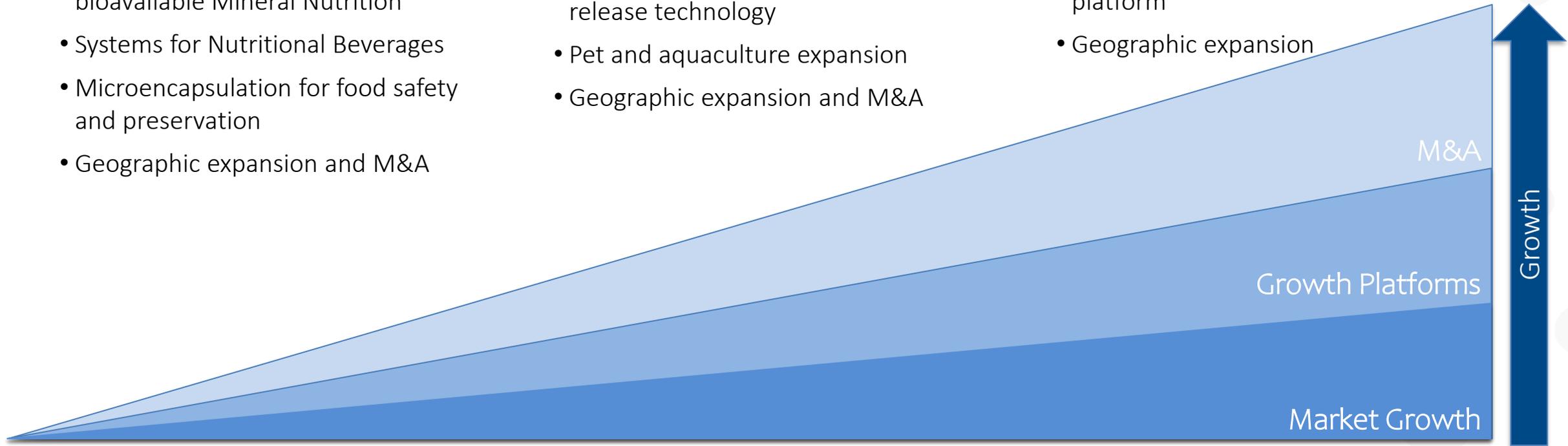
- Realize Choline and Vitamin K2 market potential
- Transition from low to high bioavailable Mineral Nutrition
- Systems for Nutritional Beverages
- Microencapsulation for food safety and preservation
- Geographic expansion and M&A

### Animal Nutrition & Health

- Rumen-protected nutrients for Dairy
- Reashure<sup>®</sup> penetration
- Next generation rumen by-pass and release technology
- Pet and aquaculture expansion
- Geographic expansion and M&A

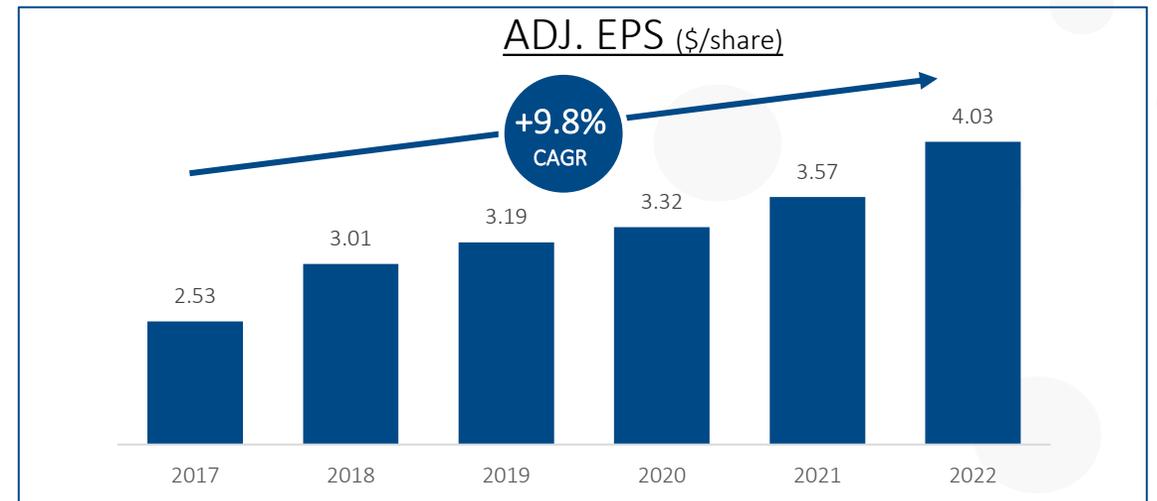
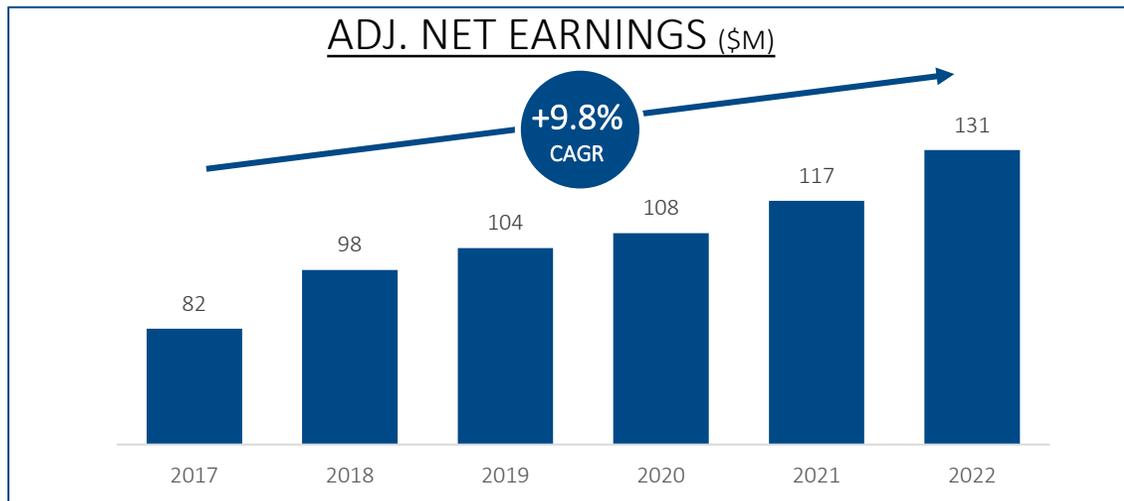
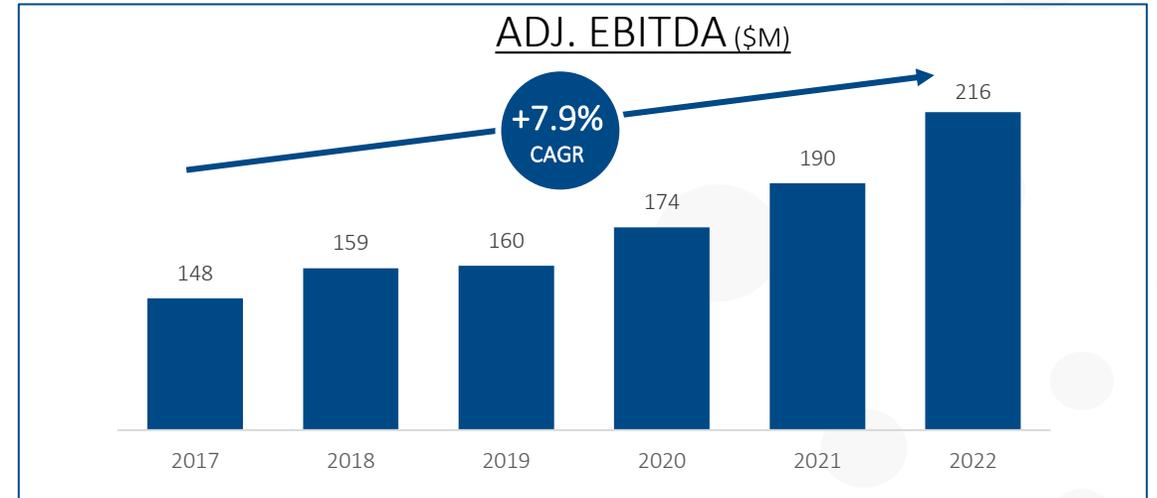
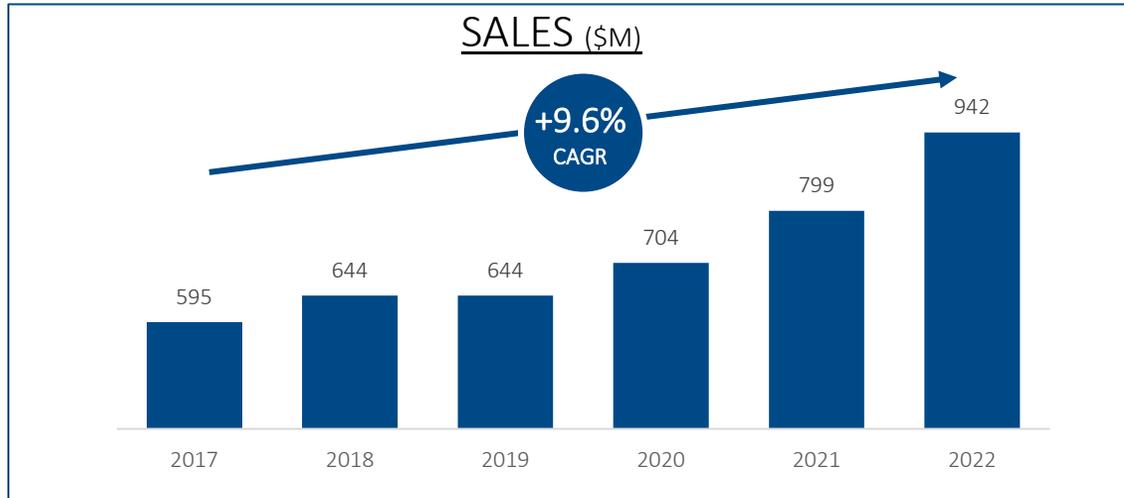
### Specialty Products

- Plant micronutrients penetration and application
- Leveraging Global Performance Gases platform
- Geographic expansion



# Historical Financials

## Consistent performance over the years



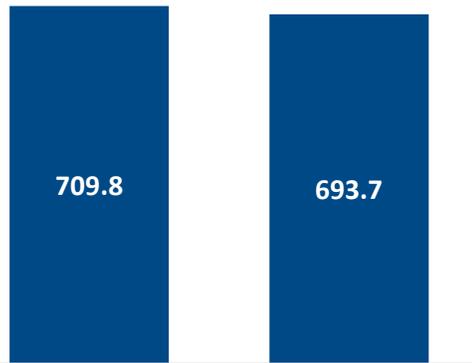
# Q3 Year to Date 2023 Financial Summary

Solid year to date performance in challenging environment

## Sales

(\$M)

↓ -2.3%



3Q YTD 22

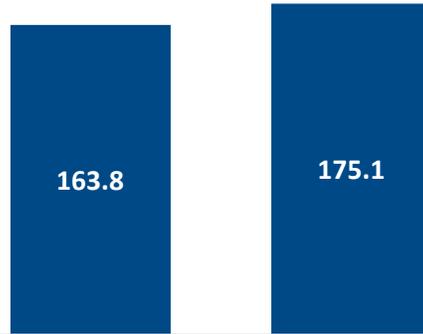
3Q YTD 23

- Lower volumes partially offset by higher average selling prices

## Adj. EBITDA

(\$M)

↑ 6.9%



3Q YTD 22

3Q YTD 23

- Favorable portfolio mix and lower manufacturing input costs driving higher margins

## Adj. Net Earnings

(\$M)

↓ 1.4%



3Q YTD 22

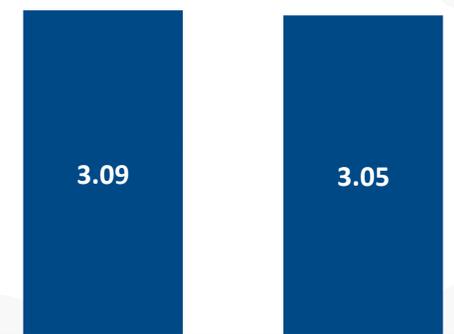
3Q YTD 23

- Growth in earnings more than offset by increased interest expense

## Adj. EPS

(\$/share)

↓ 1.3%



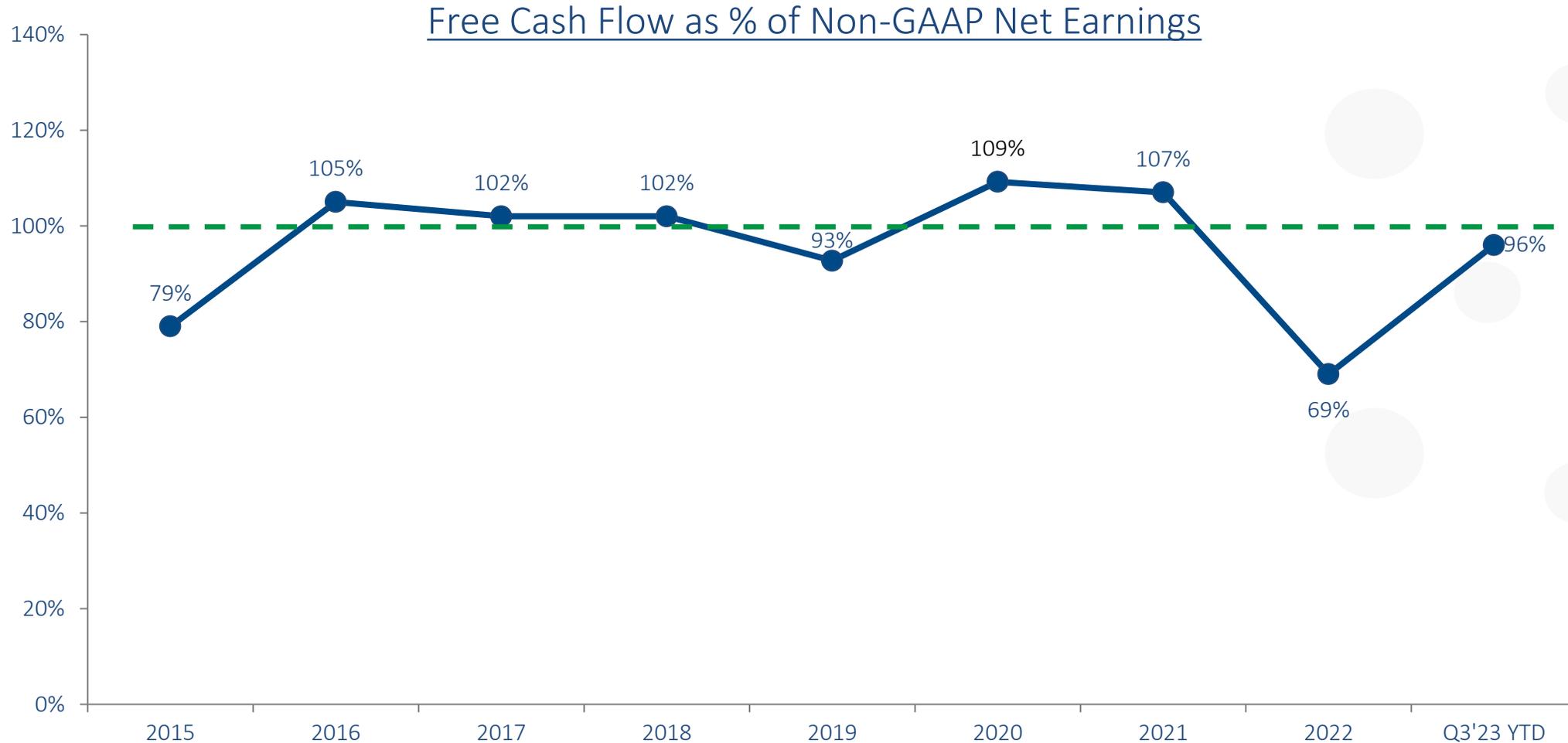
3Q YTD 22

3Q YTD 23

- Growth in earnings more than offset by increased interest expense
- Small increase in diluted outstanding shares (+0.1%)

# Free Cash Flow Conversion

Translating profits into cash, 2022 impacted by significant cost inflation



# Balchem

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A global nutrition and health company delivering trusted, innovative and science-based solutions to our customers

- Leading positions in attractive markets
- Creating new demand through innovation
- Strong financial performance, delivering healthy margins and cash flows available for reinvestment
- Proven track record and well positioned for the future



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Thank you