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Investor Presentation

Q2 2025.

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.
- These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "forecast," "outlook," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," or the negative thereof or variations thereon or similar expressions generally intended to identify forward-looking statements. 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.
- Important factors and other risks that may affect the Company's business or that could cause actual results to differ materially are included in filings the Company makes with the U.S. Securities and Exchange Commission from time to time, including its Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q, its Current Reports on Form 8-K, and in its other SEC filings.
- 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.

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02 Vision and Strategic Focus

03 Financial Performance & Capital Allocation

04 Corporate Social Responsibility

05 Wrap Up

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Balchem Corporation

At a Glance

2024 Sales

$954 Million

Approximate number of employees

1,400

Founded in

1967

NASDAQ

BCPC

2024 Adjusted EBITDA

$250 Million

2024 Adjusted EBITDA margin

26.3%

Three Business Segments – 2024 Revenue

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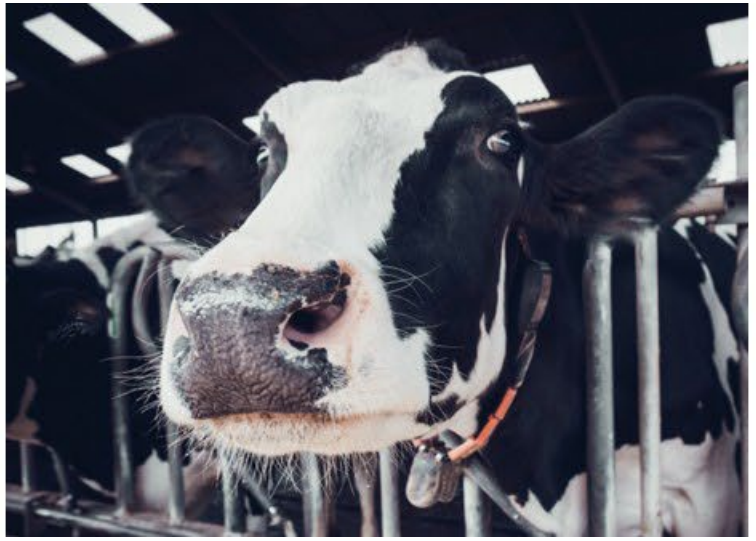
Human Nutrition & Health

63%

Provides a range of branded specialty minerals, nutrients, and vitamins as well as microencapsulation technologies and food ingredient formulation systems for the supplement, beverage, cereal, meat, and bakery markets.

Animal Nutrition & Health



23%

Supplies science-based animal feed nutritional ingredients and proprietary microencapsulation technologies for production animal productivity and ruminant and companion animal wellness.

Specialty Products

14%

Provides critical sterilization technologies to the medical device and food industries and supplies specialized chelated minerals to the micronutrient agricultural market.

Balchem Corporation

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

- Corporate Headquarters: Montvale, NJ
- 22 Manufacturing Sites
- 8 Technology Centers
- 8 Regional Offices

Executive Leadership

Ted Harris
Chairman, President, and CEO

- Joined Balchem in May 2015
- Prior to Balchem was a Senior VP of Ashland Inc. where he held a series of senior leadership roles over 10+ years
- Independent director on the Board of Directors of Pentair plc.
- MBA from Harvard University and bachelor's degree from Lehigh University in chemical engineering

Martin Bengtsson
CFO

- Joined Balchem in February 2019
- Prior to Balchem had a 15-year career at Honeywell and most recently was CFO for the $11B Performance Materials & Technologies segment
- Bachelor's degree from Northwestern University in economics and began career as Senior Auditor for Deloitte

Value Proposition

Value to our customers

- High efficacy nutrients essential for life
- Enhanced animal health and feed productivity
- Functional ingredient systems formulations and applications 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

Technologies

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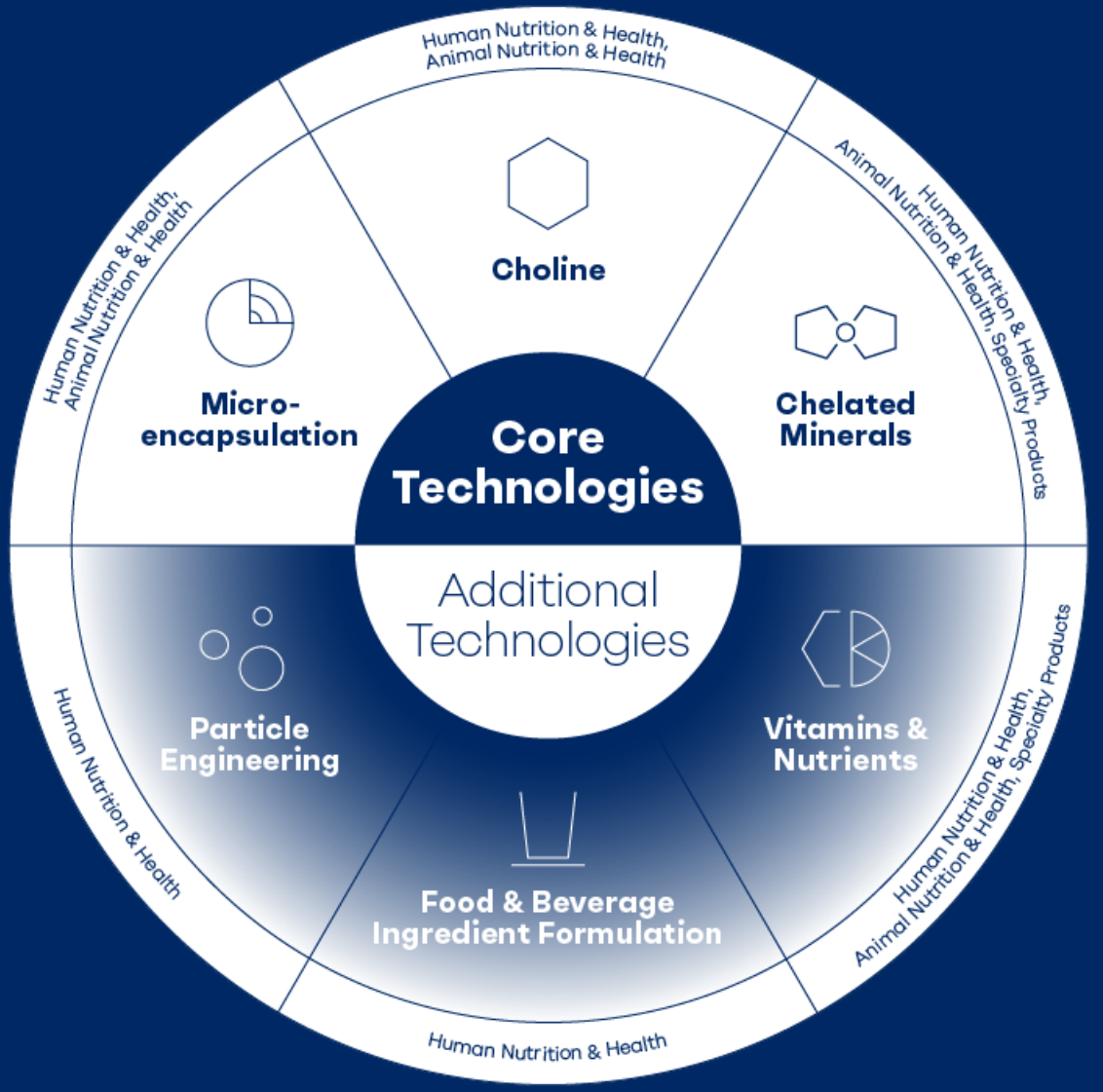
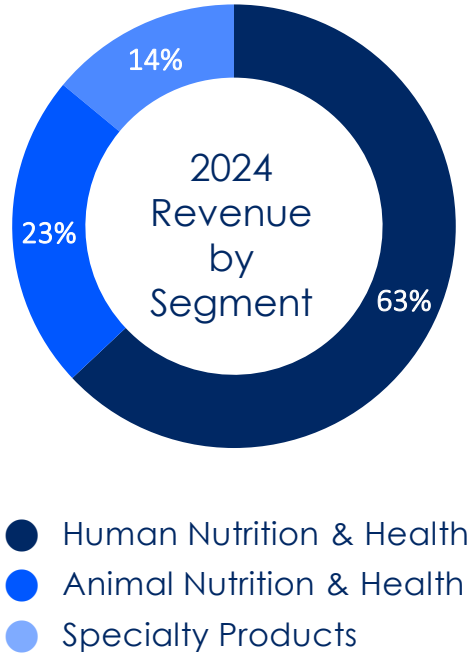


Segment Overview

Leveraging Solutions Across Segments



Segment	Markets Served	Solutions
Human Nutrition & Health	• Nutritional Supplements • Food and Beverage • Infant and Toddler Formula • Organic Cereal	• **Microencapsulation** • **Choline** and Vitamin K2 • **Chelated Minerals** • Powder, Flavor, and Cereal Systems
Animal Nutrition & Health	• Dairy • Poultry and Swine • Companion Animal • Aquaculture	• **Microencapsulation** • **Choline** • **Chelated Minerals** • Amino Acids and Other Nutrients
Specialty Products	• Medical Device Sterilization • Nut and Spice Fumigation • Plant Nutrition	• **Choline** • **Chelated Minerals** • Performance Gases re-packaging and supply chain capabilities

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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*

How Do We Make the World a Healthier Place?

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Provide food, beverage, and dietary supplement ingredients that support cognitive, emotional, and physical well-being across generations

Improve nutrient bioavailability for animals, reducing feed inputs and land required to produce high quality animal protein

Support prenatal, infant, and toddler health with targeted nutritional ingredients

Help farmers grow crops that are hardier when faced with stressors like disease and pests

Provide nutritious foods for companion animals

Improve nutrient bioavailability to reduce animal waste excreted into the environment

Power the day with plant & animal proteins, healthy fats, minerals, nutrients, and specialty nutraceuticals

Create higher yields and higher quality crops with fewer inputs

Decrease food waste from farm to table via natural technologies

Provide products and services to medical device sterilizers

Strategic Focus

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01

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

02

Driving Organic Growth

Creating new demand through innovation, market penetration, new product launches, geographic expansion, and expanding addressable markets

03

Strategic M&A

Augmenting organic growth and accelerating strategic initiatives

04

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

- VitaCholine® and K2Vital™ market penetration
- Transition from low to high bioavailable Mineral Nutrition
- Systems for Nutritional Beverages and "Good For You" Foods
- Microencapsulation for food safety and preservation
- Geographic expansion and M&A

Animal Nutrition & Health

- Rumen-protected nutrients for dairy
- ReaShure® market penetration
- Next generation rumen by-pass and release technology
- Pet and aquaculture expansion
- Geographic expansion and M&A

Specialty Products

- Metalosate® plant micronutrients penetration and application
- Global Performance Gases platform
- Geographic expansion and M&A

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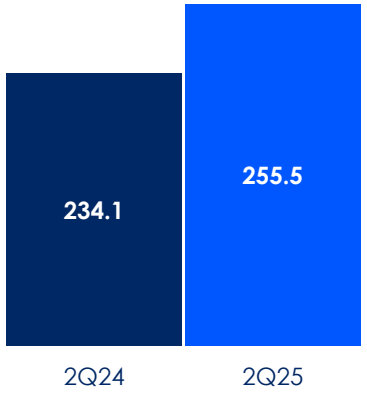
Q2 2025 Financial Summary

Sales growth, margin expansion, and profit growth

Sales
$M

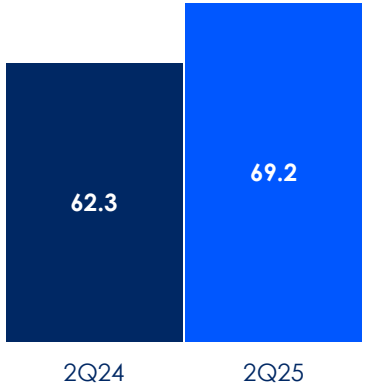
↑ **9.1%**



Strong growth in all three segments, HNH, ANH, and SP

Adj. EBITDA
$M

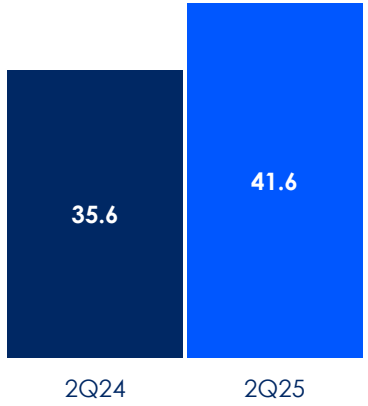
↑ **11.2%**



Driven by sales growth and favorable portfolio mix

Adj. Net Earnings
$M

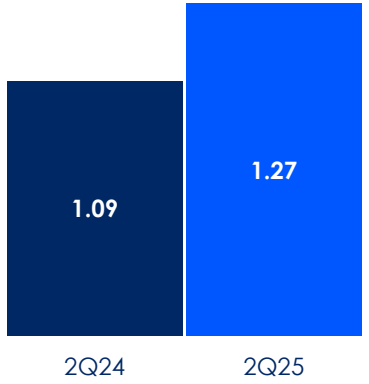
↑ **16.8%**



Driven by higher operating income, lower interest expense, and a lower adjusted tax rate

Adj. EPS
$/share

↑ **16.5%**



Earnings growth slightly offset by an increase in diluted outstanding shares

YTD 2025 Financial Summary

Sales growth, margin expansion, and profit growth

Sales
$M

↑ **6.8%**

Strong growth in all three segments, HNH, ANH, and SP

Adj. EBITDA
$M

↑ **10.1%**

Driven by sales growth and favorable portfolio mix

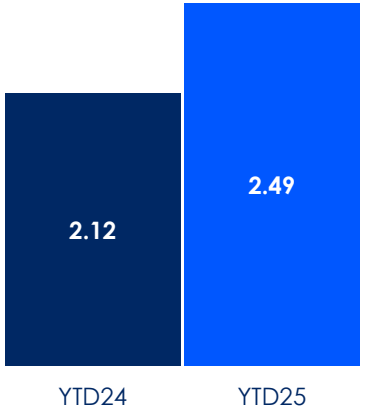
Adj. Net Earnings
$M

↑ **18.0%**

Driven by higher operating income and lower interest expense

Adj. EPS
$/share

↑ **17.5%**



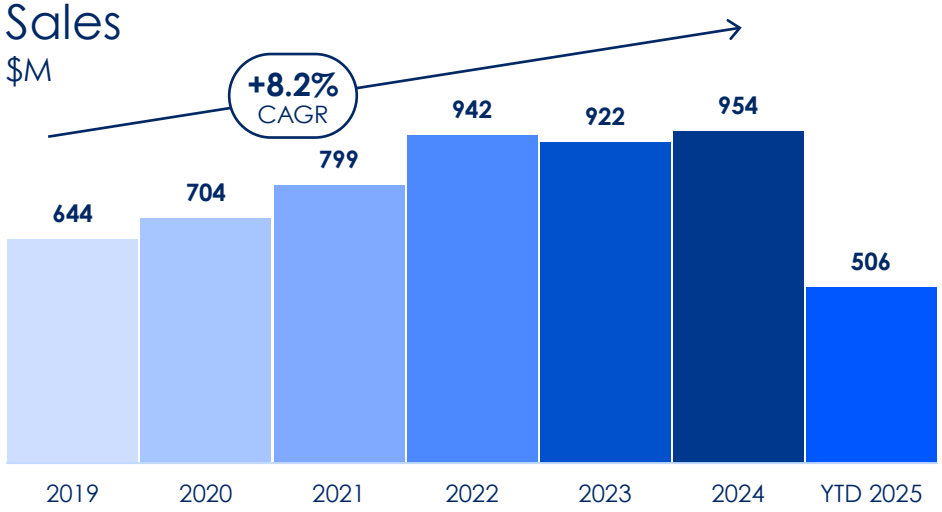
Earnings growth slightly offset by an increase in diluted outstanding shares

Historical Financials

Consistent performance over the years

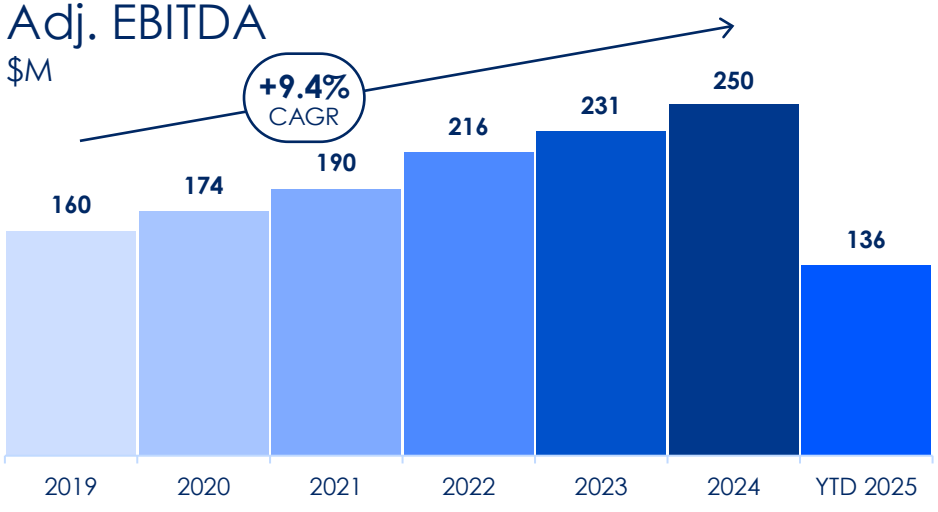
Sales

$M



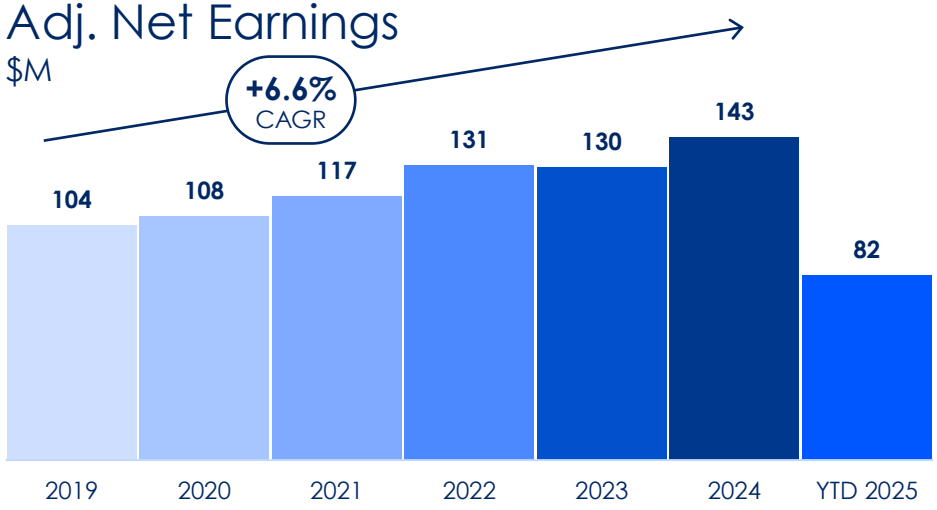
Adj. EBITDA

$M



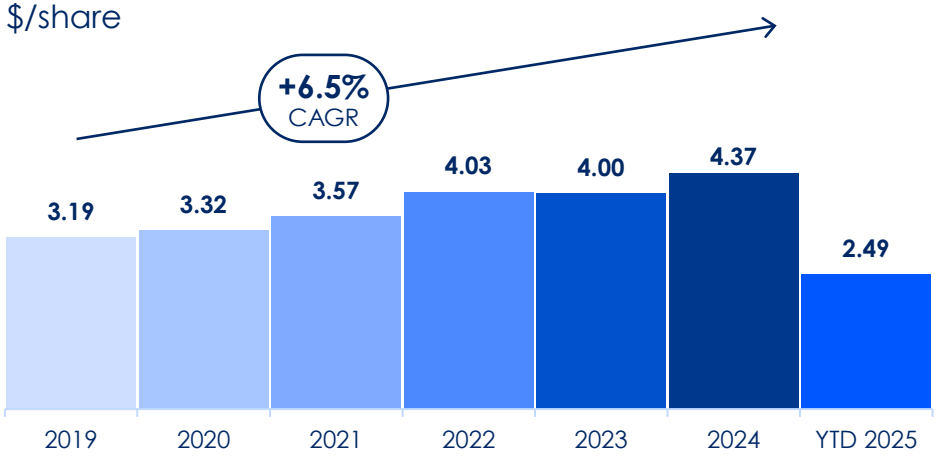
Adj. Net Earnings

$M



Adj. EPS

$/share



Capital Allocation Strategy

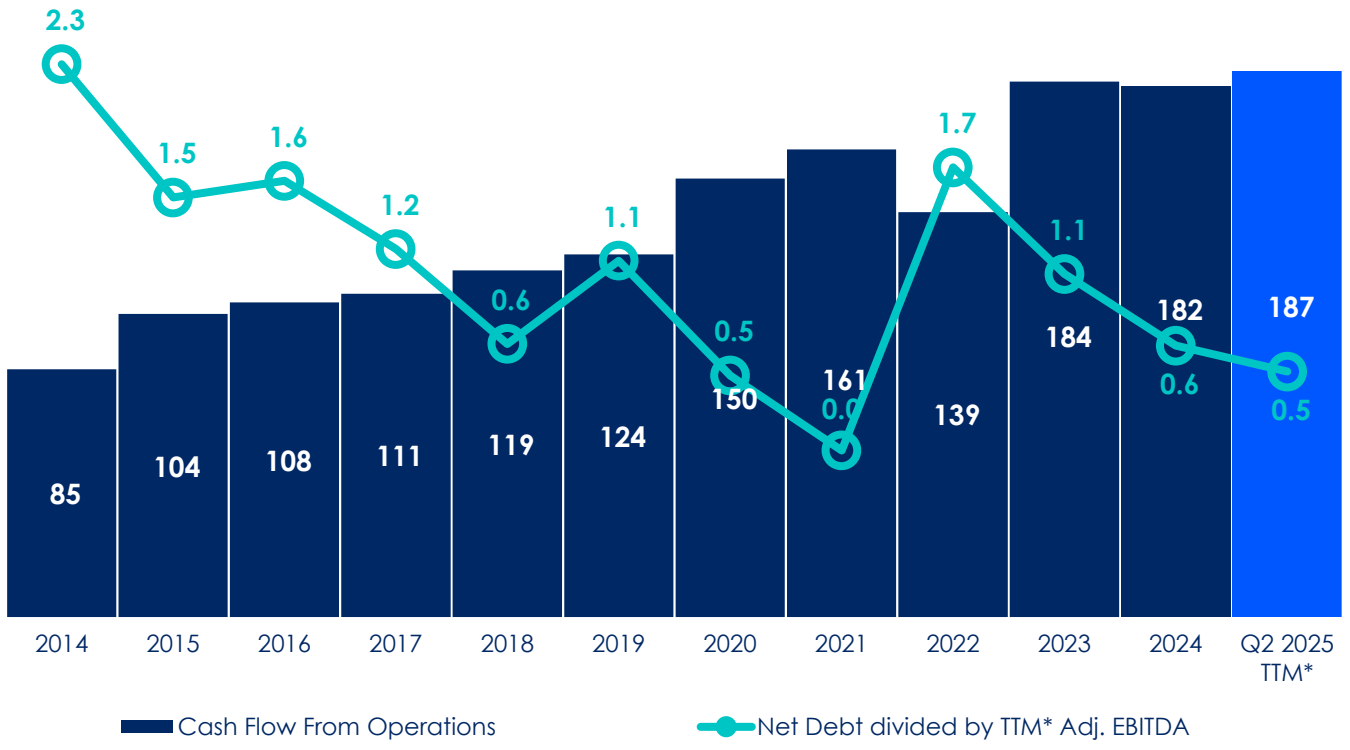
Capital Allocation Priorities

- Support organic growth opportunities
- Augment growth with targeted M&A
- Diligent debt service
- Continue to pay and grow dividend
- Stock buy-backs for anti-dilution

M&A

- Seven key acquisitions since 2016 to augment organic growth
- Focus on nutrition and health
- Adding geographic reach and adjacent products / technologies

Annual Cash Flow and Net Debt Leverage Ratio

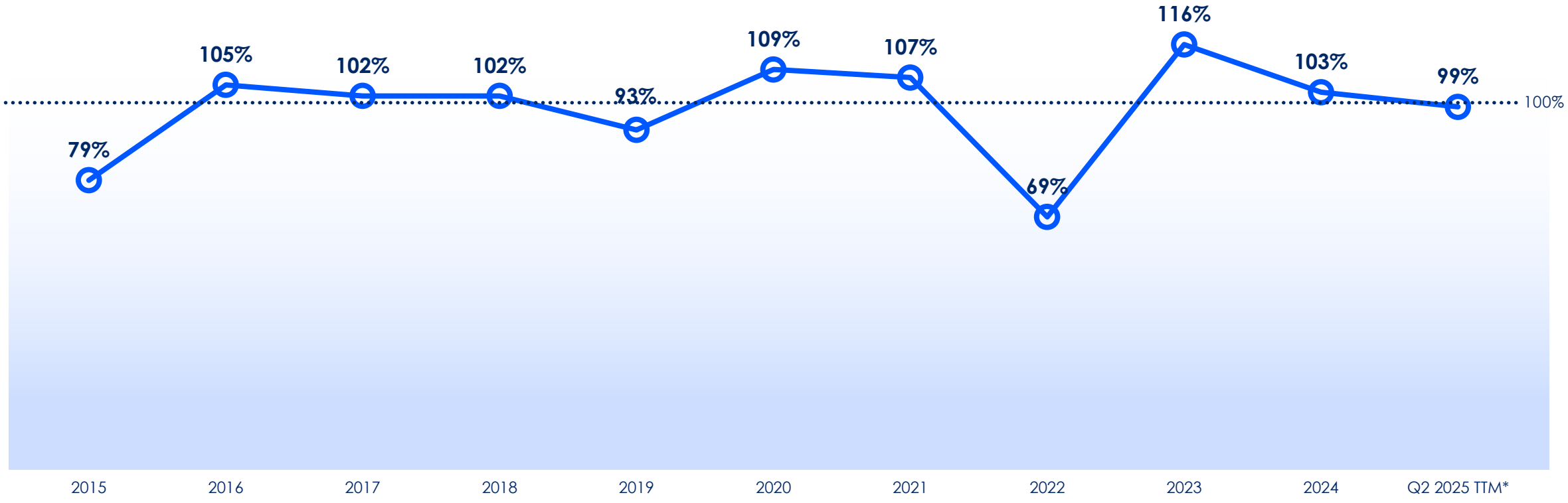


* TTM: Trailing Twelve Months

Free Cash Flow Conversion

Translating profits into cash

Free Cash Flow as % of Non-GAAP Net Earnings



* TTM: Trailing Twelve Months

Key Acquisitions

Augmenting Organic Growth with Targeted Acquisitions Close to Core

2016

Albion Minerals
- Adjacent product offering in high growth market
- Chelated Magnesium, Iron, Calcium, Zinc, etc.

2017

IFP
- Market consolidation and processing technology
- Microencapsulation and agglomeration

2018

Bioscreen
- Geographic expansion and processing technology
- Microencapsulation and fermentation

2019

Chemogas
- Geographic expansion of market leadership to Europe
- Performance gas solutions

Zumbro River Brand
- Consolidation and portfolio extension
- High protein extrusion and agglomeration

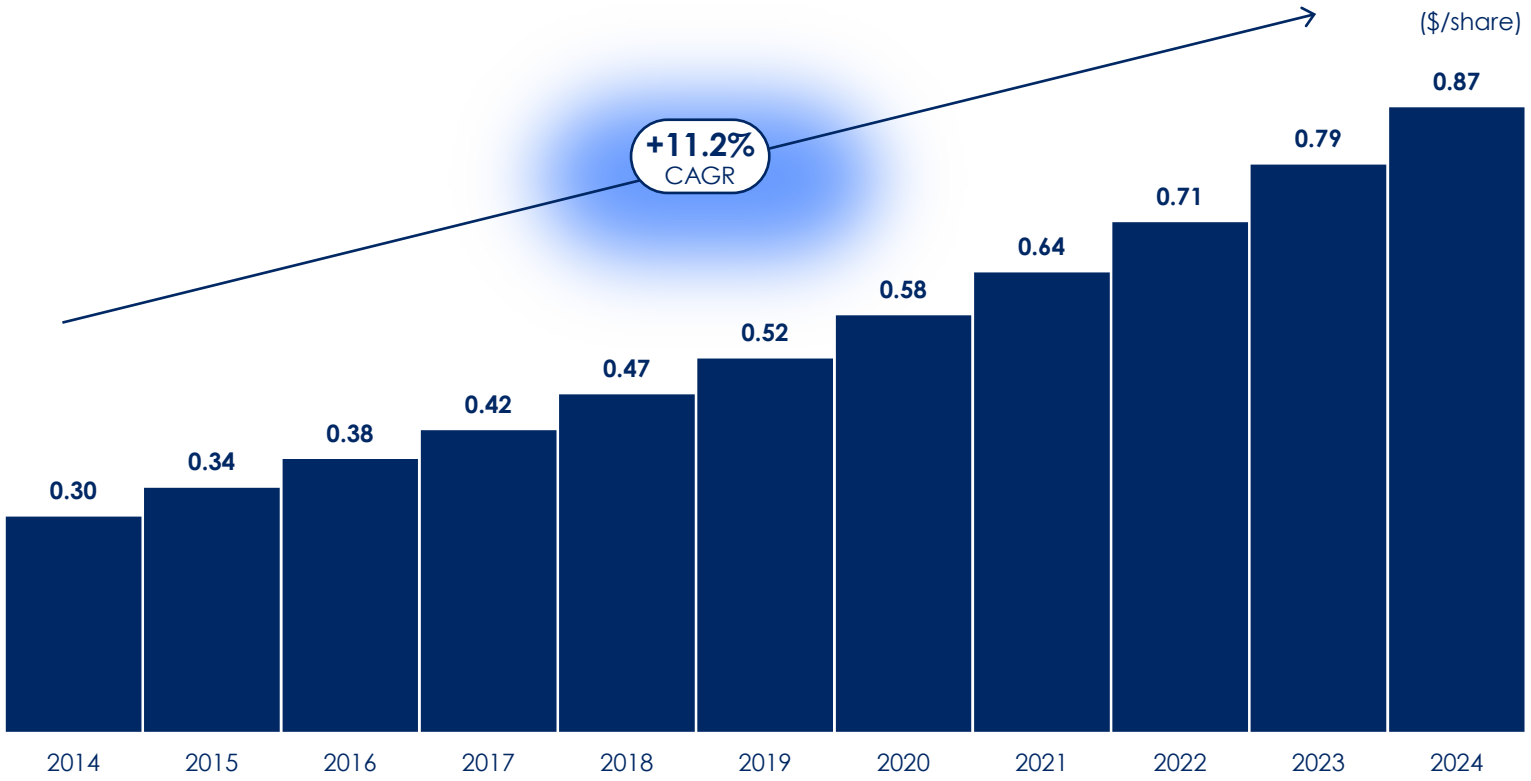
2022

Kappa Bioscience
- Portfolio extension in high growth specialty vitamin market
- Vitamin K2 and MK-7

Bergstrom Nutrition
- Portfolio extension in high growth specialty mineral market
- Specialty sulfur for supplements

Dividends

Consistent dividend policy



Annual double-digit dividend growth for the last decade

Consistency in execution

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Sustainability

Our Sustainability Objectives & Framework

Making the world a **healthier place**

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

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

1.2

billion people reached in 2024

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.

Recent Sustainability Progress

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7th

sustainability report
released in April 2025

WE SUPPORT UN GLOBAL COMPACT

4th anniversary

of **UN Global Compact** commitment is marked

2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

~70% of our product revenue aligns with at least one UN SDG (SDGs 2, 3, and 12)

Scope 3

GHG emissions successfully measured and reported

Surpassed our 2030 GHG emissions reduction goal, by reducing Scope1and 2 emissions by 32%

Reduced our
water withdrawal
by 15%
from baseline and remain on track to meet 2030 goal

Learn more about our sustainability programs:

Enhanced transparency

reported to EcoVadis and CDP

COMMITTED ecovadis Sustainability Rating NOV 2024

CDP DISCLOSER 2024 CORPORATE

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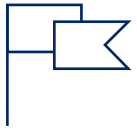
Balchem Summary

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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Non-GAAP Financial Information

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In addition to disclosing financial results in accordance with United States (U.S.) generally accepted accounting principles (GAAP), this earnings release contains non-GAAP financial measures that we believe are helpful in understanding and comparing our past financial performance and our future results. The non-GAAP financial measures in this press release include adjusted gross margin, adjusted earnings from operations, adjusted net earnings and the related adjusted per diluted share amounts, EBITDA, adjusted EBITDA, adjusted income tax expense, and free cash flow. The non-GAAP financial measures disclosed by the company exclude certain business combination accounting adjustments and certain other items related to acquisitions, certain equity compensation, nonqualified deferred compensation plan expense (income), and certain one-time or unusual transactions. Detailed non-GAAP adjustments are described in the reconciliation tables below and also explained in the related footnotes. These non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from these results should be carefully evaluated. Investors should not consider non-GAAP measures as alternatives to the related GAAP measures.

Non-GAAP Financial Information

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Reconciliation of Non-GAAP Measures to GAAP
(Dollars in thousands, except per share data; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
Reconciliation of adjusted earnings from operations	**2025**	**2024**	**2025**	**2024**
GAAP earnings from operations	$51,442	$45,797	$102,457	$87,473
Amortization of intangible assets and finance leases [1]	4,313	5,303	8,425	11,705
Transaction and integration costs [2]	405	41	894	481
Restructuring costs [3]	(192)	0	(192)	0
Nonqualified deferred compensation plan expense [4]	401	113	435	516
Adjusted earnings from operations	**$56,369**	**$51,254**	**$112,019**	**$100,175**
Reconciliation of adjusted net earnings	**2025**	**2024**	**2025**	**2024**
GAAP net earnings	$38,278	$32,069	$75,331	$61,055
Amortization of intangible assets and finance leases [1]	4,384	5,375	8,568	11,849
Transaction and integration costs [2]	405	41	894	481
Restructuring costs [3]	(192)	0	(192)	0
Income tax adjustment [5]	(1,314)	(1,908)	(3,023)	(4,224)
Adjusted net earnings	**$41,561**	**$35,577**	**$81,578**	**$69,161**
Adjusted net earnings per common share - diluted	**$1.27**	**$1.09**	**$2.49**	**$2.12**

Non-GAAP Financial Information

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Reconciliation of GAAP Net Earnings to EBITDA and to Adjusted EBITDA
(Dollars in thousands; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Net earnings – as reported	$38,278	$32,069	$75,331	$61,055
Add back:				
Provision for income taxes	10,733	9,157	21,620	17,021
Interest and other expenses	2,431	4,571	5,506	9,397
Depreciation and amortization	11,330	12,433	22,272	26,030
EBITDA	**62,772**	**58,230**	**124,729**	**113,503**
Add back:				
Non-cash compensation expense related to equity awards	5,838	3,886	9,648	8,636
Transaction and integration costs [2]	405	41	894	481
Restructuring costs [3]	(192)	0	(192)	0
Nonqualified deferred compensation plan expense [4]	401	113	435	516
Adjusted EBITDA	**$69,224**	**$62,270**	**$135,514**	**$123,136**

Non-GAAP Financial Information

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Reconciliation of GAAP Effective Income Tax Rate to Non-GAAP Effective Income Tax Rate
(Dollars in thousands; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
GAAP Income Tax Expense	$10,733	$9,157	$21,620	$17,021
GAAP Effective Tax Rate	21.9%	22.2%	22.3%	21.8%
Impact of ASU 2016-09 [6]	283	620	873	1,327
Adjusted Income Tax Expense	$11,016	$9,777	$22,493	$18,348
Adjusted Effective Tax Rate	**22.5%**	**23.7%**	**23.2%**	**23.5%**

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow
(Dollars in thousands; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Net cash provided by operating activities	$47,252	$44,992	$83,709	$78,380
Capital expenditures and proceeds from the sale of assets	(6,554)	(6,602)	(11,975)	(13,175)
Free Cash Flow	**$40,698**	**$38,390**	**$71,734**	**$65,205**

Non-GAAP Financial Information

(1) **Amortization of intangible assets and finance leases**: Amortization of intangible assets and finance leases consists of amortization of customer relationships, trademarks and trade names, developed technology, regulatory registration costs, patents and trade secrets, capitalized loan issuance costs, other intangibles acquired primarily in connection with business combinations, and finance leases. We record expense relating to the amortization of these intangibles and finance leases in our GAAP financial statements. Amortization expenses for our intangible assets and finance leases are inconsistent in amount and are significantly impacted by the timing and valuation of an acquisition. Consequently, our non-GAAP adjustments exclude these expenses to facilitate an evaluation of our current operating performance and comparisons to our past operating performance.

(2) **Transaction and integration costs**: Transaction and integration costs related to acquisitions and divestitures are expensed in our GAAP financial statements. Management excludes these items for the purposes of calculating Adjusted EBITDA and other non-GAAP financial measures. We believe that excluding these items from our non-GAAP financial measures is useful to investors because these are items associated with transactions that are inconsistent in amount and frequency causing comparison of current and historical financial results to be difficult.

(3) **Restructuring costs:** Restructuring costs related to a reorganization of the business are recorded in our GAAP financial statements. Management excludes these items for the purposes of calculating Adjusted EBITDA and other non-GAAP financial measures. We believe that excluding these items from our non-GAAP financial measures is useful to investors because these are items associated with transactions that are inconsistent in amount and frequency causing comparison of current and historical financial results to be difficult.

(4) **Nonqualified deferred compensation plan (income) expense**: Gains and losses on rabbi trust assets related to our nonqualified deferred compensation plan are recorded in other (income) expense while the offsetting increases or decreases to the deferred compensation liability are recorded within earnings from operations. The increases and decreases in the deferred compensation liability are driven by market volatility and are not a true reflection of company performance. We believe excluding these amounts from our non-GAAP financial measures is useful to investors because these items are inconsistent in amount based on market conditions causing comparison of current and historical financial results to be difficult.

(5) **Income tax adjustment**: For purposes of calculating adjusted net earnings and adjusted diluted earnings per share, we adjust the provision for (benefit from) income taxes to tax effect the taxable and deductible non-GAAP adjustments described above as they have a significant impact on our income tax (benefit) provision. Additionally, the income tax adjustment is adjusted for the impact of adopting ASU 2016-09, "Improvements to Employee Share-Based Payment Accounting" and uses our non-GAAP effective rate applied to both our GAAP earnings before income tax expense and non-GAAP adjustments described above. See Table for the calculation of our non-GAAP effective tax rate.

(6) **Impact of ASU 2016-09**: The primary impact of ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"), was the recognition during the three and six months ended June 30, 2025 and 2024, of excess tax benefits as a reduction to the provision for income taxes and the classification of these excess tax benefits in operating activities in the consolidated statement of cash flows instead of financing activities. Management excludes this item for the purpose of calculating Adjusted Income Tax Expense. We believe that excluding the item in our non-GAAP financial measures is useful to investors because it is inconsistent in amount and frequency causing comparison of current and historical financial results to be difficult.

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