Reconciliation of Operating Profit

(IN THOUSANDS U.S. $)	Year Ended December 31, 2018	2019
Reported (GAAP)	$ 583,882	$ 665,270
Operational Improvement Initiatives (a)	2,169	2,267
Acquisition Related Costs (b)	(1,289)	-
Integration Related Costs (c)	7,188	55,160
Restructuring and Other Charges, net (d)	4,086	29,765
(Gains) losses on Sale of Assets	(1,177)	2,367
FDA Mandated Product Recall (e)	(7,125)	250
Frutarom Acquisition Related Costs (f)	89,632	5,940
Compliance Review & Legal Defense Costs (g)	-	11,314
N&B Transaction Related Costs (h)	-	20,747
Adjusted (Non-GAAP)	$ 677,366	$ 793,080

Reconciliation of Adjusted (Non-GAAP) Operating Profit Margin ex. Amortization

	Year Ended December 31, 2018	2019
Numerator		
Adjusted (Non-GAAP) Operating Profit	$ 677,366	$ 793,080
Amortization of Acquisition related Intangible Assets	75,879	193,097
Adjusted (Non-GAAP) Operating Profit ex. Amortization	$ 753,245	$ 986,177
Denominator		
Sales	$ 3,977,539	$ 5,140,084
Adjusted (Non-GAAP) Operating Profit Margin ex. Amortization	18.9%	19.2%

(a) For 2018, represents accelerated depreciation in India and Taiwan asset write off. For 2019, represents accelerated depreciation related to plant relocations in India and China.

(b) For 2018, represents adjustments to the contingent consideration payable for PowderPure, and transaction costs related to Fragrance Resources and PowderPure within Selling and administrative expenses. For 2019, represents adjustments to the fair value for an equity method investment in Canada which we began consolidating in the second quarter.

(c) Represents costs related to the integration of the Frutarom acquisition, principally advisory services.

(d) For 2018, represents severance costs related to the 2017 Productivity Program and costs associated with the termination of agent relationships in a subsidiary. For 2019, represents costs primarily related to the Frutarom Integration Initiative and the 2019 Severance Program, including severance related to outsourcing the IT function.

(e) For 2018, principally represents recoveries from the supplier for the third and fourth quarter, partially offset by final payments to the customer made for the effected product in the first quarter. For 2019, represents additional claims that management will pay to co-packers.

(f) Represents transaction-related costs and expenses related to the acquisition of Frutarom. For 2018, amount primarily includes $23.5 million of amortization for inventory "step-up" costs and $66.0 million of transaction costs included in Selling and administrative expenses. For 2019, amount primarily includes amortization for inventory "step-up" costs and transaction costs.

(g) Costs related to reviewing the nature of inappropriate payments and review of compliance in certain other countries. In addition, includes legal costs for related shareholder lawsuits.

(h) Represents costs and expenses related to the pending transaction with Nutrition & Biosciences Inc.

Reconciliation of Free Cash Flow as a Percentage of Sales

(IN MILLIONS U.S. $)	2018	2019	% Change
Sales	**$ 3,978**	**$ 5,140**	29%
Operating Cash Flows Reported (GAAP)	438	699	60%
% of Sales	11.0%	13.6%	
Capital Expenditure (PPE Additions)	(170)	(236)	39%
% of Sales	-4.3%	-4.6%	
Free Cash Flow (Non-GAAP)	**$ 267**	**$ 463**	73%
% of Sales	**6.7%**	**9.0%**	

Reconciliation of Net Debt to Adjusted EBITDA (Leverage Ratio)

(IN MILLIONS U.S. $)	2018 - Combined	2019
Net income attributable to IFF stockholders	**$432.0**	**$455.9**
Interest expense	148.4	138.2
Taxes on income	140.2	97.2
Depreciation and amortization	226.8	323.3
Nonoperational / Nonrecurring items	123.4	122.1
Non-cash items	29.6	36.9
Adjusted EBITDA	**$1,100.4**	**$1,173.6**
Nonoperational* / Nonrecurring items:**		
Operational Improvement Initiatives*	$2.1	$2.3
Acquisition Related Costs*	(1.3)	(3.4)
Integration Related Costs*	7.2	55.2
Acceleration of Contingent Consideration**	-	-
Restructuring and Other Charges, net*	4.1	29.8
FDA Mandated Product Recall**	(7.1)	0.3
Frutarom Acquisition Costs*	196.8	5.9
Less: Frutarom Acq. Costs in Interest Exp.	(78.4)	0.0
Compliance Review & Legal Defense Costs**	-	11.3
N&B Merger Related Costs*	-	20.7
	$123.4	$122.1
Noncash items:		
(Gains) losses on sale of assets	($1.2)	$2.4
Stock-based compensation	30.8	34.5
	$29.6	$36.9
Total Debt	**$4,553.1**	**$4,382.4**
Less: Cash and cash equivalents	(634.9)	(606.8)
Net debt	$3,918.2	$3,775.6
Net Debt to Adjusted EBITDA (Leverage Ratio)	**3.6**	**3.2**

The Company uses non-GAAP financial measures such as adjusted EBITDA (which excludes the impact of *nonoperational items including operational improvement initiatives, acquisition related costs, integration related costs, restructuring and other changes, Frutarom acquisition costs and N&B merger related costs; and excludes the impact of **nonrecurring items including litigation settlements, acceleration of contingent consideration, FDA mandated product recall and compliance review & legal defense costs) as the Company believes that these non-GAAP financial measures provide investors with an overall perspective of the period-to-period performance of our core business. 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 may not be comparable to similarly titled measures used by other companies.

The Company calculated "combined" numbers by combining (i) our fiscal year 2018 results (including Frutarom from October 4, 2018 to December 31, 2018) with (ii) the results of Frutarom from January 1, 2018 to October 3, 2018, and adjusting for divestitures of Frutarom's businesses since October 4, 2018, but do not include any other adjustments that would have been made had we owned Frutarom for such periods prior to October 4, 2018.