

**International Flavors & Fragrances Inc.**  
**GAAP to Non-GAAP Reconciliation**  
**Foreign Exchange Impact**  
**(Unaudited)**

Q3 Taste

**% Change - Reported**

Currency Impact

**% Change - Currency Neutral**

	<b>Sales</b>	<b>Segment Profit</b>
	(2)%	(16)%
	1%	3%
	(1)%	(13)%

Q3 Scent

**% Change - Reported**

Currency Impact

**% Change - Currency Neutral**

	<b>Sales</b>	<b>Segment Profit</b>
	4%	15%
	0%	5%
	4%	20%

Q3 Consolidated

**% Change - Adjusted (Non-GAAP)**

Currency Impact

**% Change - Currency Neutral**

	<b>Sales</b>	<b>Adjusted Operating Profit</b>	<b>EPS ex. Amortization</b>
	0%	(3)%	(9)%
	1%	4%	10%
	1%	1%	1%

YTD Taste

**% Change - Reported**

Currency Impact

**% Change - Currency Neutral**

	<b>Sales</b>	<b>Segment Profit</b>
	(2)%	(10)%
	2%	3%
	0%	(7)%

YTD Scent

**% Change - Reported**

Currency Impact

**% Change - Currency Neutral**

	<b>Sales</b>	<b>Segment Profit</b>
	1%	2%
	1%	2%
	2%	4%

YTD Consolidated

**% Change - Adjusted (Non-GAAP)**

Currency Impact

**% Change - Currency Neutral**

	<b>Sales</b>	<b>Adjusted Operating Profit</b>	<b>EPS ex. Amortization</b>
	(1)%	(6)%	(7)%
	2%	2%	5%
	1%	(4)%	(2)%

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**GAAP to Non-GAAP Reconciliation**  
**(Unaudited)**

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**Reconciliation of Gross Profit**

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter	
	2020	2019
Reported (GAAP)	\$ 524,427	\$ 533,088
Operational Improvement Initiatives (a)	—	711
Frutarom Integration Related Costs (c)	103	187
FDA Mandated Product Recall (e)	—	250
Frutarom Acquisition Related Costs (f)	—	(3,603)
Adjusted (Non-GAAP)	<u>\$ 524,530</u>	<u>\$ 530,633</u>

**Reconciliation of Selling and Administrative Expenses**

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter	
	2020	2019
Reported (GAAP)	\$ 234,520	\$ 210,829
Frutarom Integration Related Costs (c)	(1,597)	(10,047)
Frutarom Acquisition Related Costs (f)	(808)	(691)
Compliance Review & Legal Defense Costs (g)	(1,000)	(3,623)
N&B Transaction Related Costs (h)	(8,247)	—
N&B Integration Related Costs (i)	(29,241)	—
Adjusted (Non-GAAP)	<u>\$ 193,627</u>	<u>\$ 196,468</u>

**Reconciliation of Operating Profit**

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter	
	2020	2019
Reported (GAAP)	\$ 150,289	\$ 184,664
Operational Improvement Initiatives (a)	—	712
Frutarom Integration Related Costs (c)	1,883	10,511
Restructuring and Other Charges, net (d)	1,497	3,716
Losses on Sale of Assets	415	372
FDA Mandated Product Recall (e)	—	250
Frutarom Acquisition Related Costs (f)	808	(2,914)
Compliance Review & Legal Defense Costs (g)	1,000	3,623
N&B Transaction Related Costs (h)	8,247	—
N&B Integration Related Costs (i)	29,241	—
Adjusted (Non-GAAP)	<u>\$ 193,380</u>	<u>\$ 200,934</u>

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

*(DOLLARS IN THOUSANDS)*

	Third Quarter	
<b>Numerator</b>	<b>2020</b>	<b>2019</b>
Adjusted (Non-GAAP) Operating Profit	\$ 193,380	\$ 200,934
Amortization of Acquisition related Intangible Assets	47,738	48,430
Adjusted (Non-GAAP) Operating Profit ex. Amortization	241,118	249,364
<b>Denominator</b>		
Sales	1,268,076	1,267,345
<b>Adjusted (Non-GAAP) Operating Profit Margin ex. Amortization</b>	<b>19.0 %</b>	<b>19.7 %</b>

**International Flavors & Fragrances Inc.**  
**GAAP to Non-GAAP Reconciliation**  
**(Unaudited)**

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**Reconciliation of Net Income**

	Third Quarter							
	2020				2019			
	Income before taxes	Taxes on income (k)	Net Income Attributable to IFF (l)	Diluted EPS (m)	Income before taxes	Taxes on income (k)	Net Income Attributable to IFF (l)	Diluted EPS (m)
<i>(DOLLARS IN THOUSANDS)</i>								
Reported (GAAP)	\$105,500	\$19,269	\$ 84,828	\$ 0.75	\$156,866	\$27,059	\$ 127,124	\$ 1.13
Operational Improvement Initiatives (a)	—	—	—	—	712	243	469	—
Acquisition Related Costs (b)	—	—	—	—	(3,371)	—	(3,371)	(0.03)
Frutarom Integration Related Costs (c)	1,883	407	1,476	0.01	10,511	2,347	8,164	0.07
Restructuring and Other Charges, net (d)	1,497	349	1,148	0.01	3,716	811	2,905	0.03
Losses on Sale of Assets	415	91	324	—	372	98	274	—
FDA Mandated Product Recall (e)	—	—	—	—	250	57	193	—
Frutarom Acquisition Related Costs (f)	1,316	523	793	0.01	(2,914)	(715)	(2,199)	(0.02)
Compliance Review & Legal Defense Costs (g)	1,000	228	772	0.01	3,623	827	2,796	0.02
N&B Transaction Related Costs (h)	8,247	—	8,247	0.07	—	—	—	—
N&B Integration Related Costs (i)	29,241	6,719	22,522	0.20	—	—	—	—
Redemption value adjustment to EPS (j)	—	—	—	(0.01)	—	—	—	(0.02)
Adjusted (Non-GAAP)	<u>\$149,099</u>	<u>\$27,586</u>	<u>\$ 120,110</u>	<u>\$ 1.06</u>	<u>\$169,765</u>	<u>\$30,727</u>	<u>\$ 136,355</u>	<u>\$ 1.20</u>

**Reconciliation of Adjusted (Non-GAAP) EPS ex. Amortization**

	Third Quarter	
	2020	2019
<i>(DOLLARS AND SHARE AMOUNTS IN THOUSANDS)</i>		
<b>Numerator</b>		
Adjusted (Non-GAAP) Net Income	\$ 120,110	\$ 136,355
Amortization of Acquisition related Intangible Assets	47,738	48,430
Tax impact on Amortization of Acquisition related Intangible Assets (k)	8,564	10,961
Amortization of Acquisition related Intangible Assets, net of tax (n)	39,174	37,469
Adjusted (Non-GAAP) Net Income ex. Amortization	<u>159,284</u>	<u>173,824</u>
<b>Denominator</b>		
Weighted average shares assuming dilution (diluted)	113,622	113,493
<b>Adjusted (Non-GAAP) EPS ex. Amortization</b>	<u>\$ 1.40</u>	<u>\$ 1.53</u>

- (a) Represents accelerated depreciation related to a plant relocation in India and China.
- (b) Represents adjustments to the fair value for an equity method investment in Canada which we began consolidating in the second quarter of 2019.
- (c) Represents costs related to the integration of the Frutarom acquisition. For 2020, costs primarily related to advisory services, retention bonuses and performance stock awards. For 2019, costs principally related to advisory services.
- (d) For 2020, represents costs primarily related to the Frutarom Integration Initiative. For 2019, represents costs primarily related to the Frutarom Integration Initiative and 2019 Severance Program.
- (e) Represents additional claims that management paid to co-packers.
- (f) Represents transaction-related costs and expenses related to the acquisition of Frutarom. For 2020, amount primarily includes earn-out payments, net of adjustments, amortization for inventory "step-up" costs and transaction costs principally related to the 2019 Acquisition Activity, including an adjustment to reverse an earnout liability and another adjustment to record an earnout liability in the third quarter of 2020. For 2019, amount primarily includes amortization for inventory "step-up" costs and transaction costs, along with a measurement period adjustment to the amount of the inventory "step-up" recorded.
- (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 transaction costs and expenses related to the pending transaction with N&B, principally related to legal and professional fees for capital raising activities.
- (i) Represents costs primarily related to advisory services for the integration of the pending transaction with N&B, principally consulting fees.
- (j) Represents the adjustment to EPS related to the excess of the redemption value of certain redeemable noncontrolling interests over their existing carrying value.
- (k) The income tax expense (benefit) on non-GAAP adjustments is computed in accordance with ASC 740 using the same methodology as the GAAP provision of income taxes. Income tax effects of non-GAAP adjustments are calculated based on the applicable statutory tax rate for each jurisdiction in which such charges were incurred, except for those items which are non-taxable or are subject to a valuation allowance for which the tax expense (benefit) was calculated at 0%. For fiscal years 2020 and 2019, these non-GAAP adjustments were not subject to foreign tax credits, but to the extent that such factors are applicable to any future non-GAAP adjustments we will take such factors into consideration in calculating the tax expense (benefit). For amortization, the tax benefit has been calculated based on the statutory rate on a country by country basis.
- (l) For 2020 and 2019, net income is reduced by income attributable to noncontrolling interest of \$1.4M and \$2.7M, respectively.
- (m) The sum of these items does not foot due to rounding.
- (n) Represents all amortization of intangible assets acquired in connection with acquisitions, net of tax.

**International Flavors & Fragrances Inc.**  
**GAAP to Non-GAAP Reconciliation**  
**(Unaudited)**

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**Reconciliation of Gross Profit**

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter Year-to-Date	
	2020	2019
Reported (GAAP)	\$ 1,572,136	\$ 1,610,586
Operational Improvement Initiatives (a)	—	1,651
Frutarom Integration Related Costs (c)	348	508
FDA Mandated Product Recall (e)	—	250
Frutarom Acquisition Related Costs (f)	759	4,247
Adjusted (Non-GAAP)	<u>\$ 1,573,243</u>	<u>\$ 1,617,242</u>

**Reconciliation of Selling and Administrative Expenses**

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter Year-to-Date	
	2020	2019
Reported (GAAP)	\$ 694,641	\$ 634,111
Frutarom Integration Related Costs (c)	(7,875)	(35,647)
Frutarom Acquisition Related Costs (f)	(623)	(937)
Compliance Review & Legal Defense Costs (g)	(1,624)	(3,623)
N&B Transaction Related Costs (h)	(24,372)	—
N&B Integration Related Costs (i)	(61,887)	—
Adjusted (Non-GAAP)	<u>\$ 598,260</u>	<u>\$ 593,904</u>

**Reconciliation of Operating Profit**

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter Year-to-Date	
	2020	2019
Reported (GAAP)	\$ 465,881	\$ 548,471
Operational Improvement Initiatives (a)	—	1,652
Frutarom Integration Related Costs (c)	8,816	36,825
Restructuring and Other Charges, net (d)	8,299	22,415
Losses on Sale of Assets	1,568	1,136
FDA Mandated Product Recall (e)	—	250
Frutarom Acquisition Related Costs (f)	1,382	5,182
Compliance Review & Legal Defense Costs (g)	1,624	3,623
N&B Transaction Related Costs (h)	24,372	—
N&B Integration Related Costs (i)	61,887	—
Adjusted (Non-GAAP)	<u>\$ 573,829</u>	<u>\$ 619,554</u>

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

*(DOLLARS IN THOUSANDS)*

<b>Numerator</b>	<b>Third Quarter Year-to-Date</b>	
	<b>2020</b>	<b>2019</b>
Adjusted (Non-GAAP) Operating Profit	\$ 573,829	\$ 619,554
Amortization of Acquisition related Intangible Assets	144,922	143,964
Adjusted (Non-GAAP) Operating Profit ex. Amortization	718,751	763,518
<b>Denominator</b>		
Sales	3,814,166	3,856,315
<b>Adjusted (Non-GAAP) Operating Profit Margin ex. Amortization</b>	18.8 %	19.8 %

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**Reconciliation of Net Income**

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter Year-to-Date							
	2020				2019			
	Income before taxes	Taxes on income (k)	Net Income Attributable to IFF (l)	Diluted EPS (m)	Income before taxes	Taxes on income (k)	Net Income Attributable to IFF (l)	Diluted EPS
Reported (GAAP)	\$362,073	\$61,265	\$ 295,639	\$ 2.64	\$ 460,923	\$81,033	\$ 372,330	\$ 3.30
Operational Improvement Initiatives (a)	—	—	—	—	1,652	561	1,091	0.01
Acquisition Related Costs (b)	—	—	—	—	(3,371)	—	(3,371)	(0.03)
Frutarom Integration Related Costs (c)	8,816	1,959	6,857	0.06	36,825	8,270	28,555	0.25
Restructuring and Other Charges, net (d)	8,299	1,922	6,377	0.06	22,415	5,394	17,021	0.16
Losses on Sale of Assets	1,568	356	1,212	0.01	1,136	290	846	0.01
FDA Mandated Product Recall (e)	—	—	—	—	250	57	193	—
Frutarom Acquisition Related Costs (f)	1,382	(1,160)	2,542	0.02	5,182	672	4,510	0.04
Compliance Review & Legal Defense Costs (g)	1,624	358	1,266	0.01	3,623	827	2,796	0.02
N&B Transaction Related Costs (h)	24,372	904	23,468	0.21	—	—	—	—
N&B Integration Related Costs (i)	61,887	14,255	47,632	0.42	—	—	—	—
Redemption value adjustment to EPS (j)	—	—	—	(0.04)	—	—	—	(0.02)
Adjusted (Non-GAAP)	<u>\$470,021</u>	<u>\$79,859</u>	<u>\$ 384,993</u>	<u>\$ 3.38</u>	<u>\$ 528,635</u>	<u>\$97,104</u>	<u>\$ 423,971</u>	<u>\$ 3.74</u>

**Reconciliation of Adjusted (Non-GAAP) EPS ex. Amortization**

<i>(DOLLARS AND SHARE AMOUNTS IN THOUSANDS)</i>	Third Quarter Year-to-Date	
	2020	2019
<b>Numerator</b>		
Adjusted (Non-GAAP) Net Income	\$ 384,993	\$ 423,971
Amortization of Acquisition related Intangible Assets	144,922	143,964
Tax impact on Amortization of Acquisition related Intangible Assets (k)	30,635	33,792
Amortization of Acquisition related Intangible Assets, net of tax (n)	<u>114,287</u>	<u>110,172</u>
Adjusted (Non-GAAP) Net Income ex. Amortization	<u>499,280</u>	<u>534,143</u>
<b>Denominator</b>		
Weighted average shares assuming dilution (diluted)	<u>113,631</u>	<u>113,133</u>
<b>Adjusted (Non-GAAP) EPS ex. Amortization</b>	<u>\$ 4.39</u>	<u>\$ 4.72</u>



- (a) Represents accelerated depreciation related to a plant relocation in India and China.
- (b) Represents adjustments to the fair value for an equity method investment in Canada which we began consolidating in the second quarter of 2019.
- (c) Represents costs related to the integration of the Frutarom acquisition. For 2020, costs primarily related to advisory services, retention bonuses and performance stock awards. For 2019, costs principally related to advisory services.
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- (l) For 2020 and 2019, net income is reduced by income attributable to noncontrolling interest of \$5.2M and \$7.6M, respectively.
- (m) The sum of these items does not foot due to rounding.
- (n) Represents all amortization of intangible assets acquired in connection with acquisitions, net of tax.