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# INVESTOR DAY 2019

Taste



# TASTE CATEGORIES

Diversified portfolio across three distinct food and beverage businesses

## FLAVOR COMPOUNDS

Savory  
Snacks  
Beverages  
Sweet  
Dairy



## SAVORY SOLUTIONS



## INCLUSIONS

Taura and Inventive  
Leagel (Gelato)

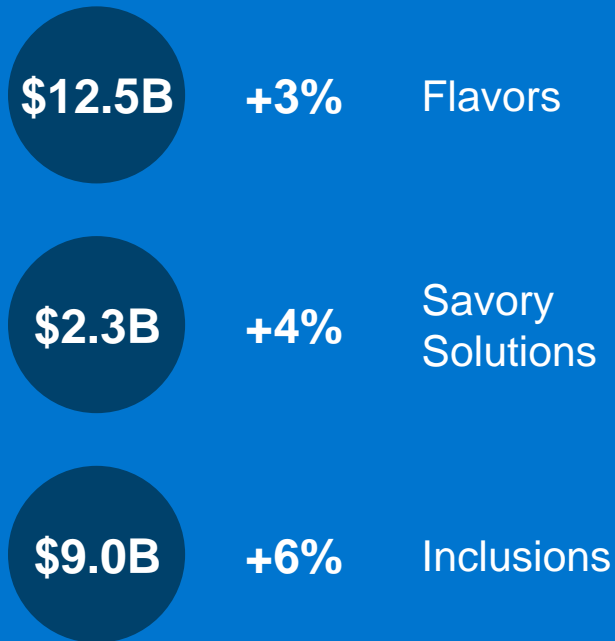


# TASTE MARKET

\$24B Market growing at ~4% indexed towards small / local customers

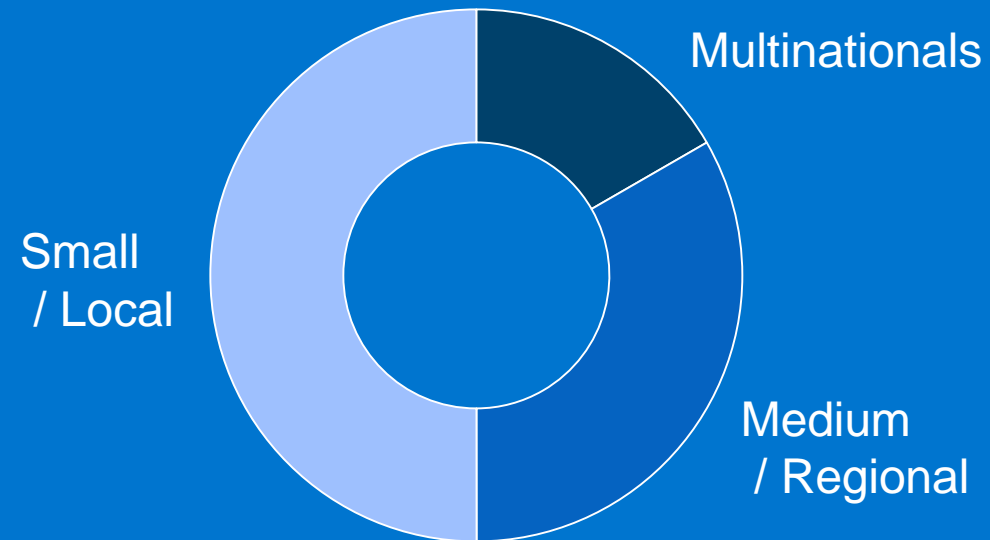
## MARKET SIZE AND GROWTH

Estimated 2018 Market Size & Growth  
5-Year Projected CAGR



## CUSTOMERS

Relative customer segment Market Share



# LEGACY TASTE HIGHLIGHTS

Industry leader across multiple segments and geographies with strong capabilities

## STRENGTHS

#2 Globally, with industry-leading segment profit margin

#1 in select markets (including India and in US mid-tier)

Robust presence with multinational companies

Leadership in Modulation and Delivery Systems

Sensory and consumer insights

tastepoint® by IFF: distinct go-to-market for mid-tier customers

Re-Imagine programs

Best-in-class talent

## FINANCIALS

**\$1.7B**

2018 net sales

**\$400M (23%)**

2018 segment profit

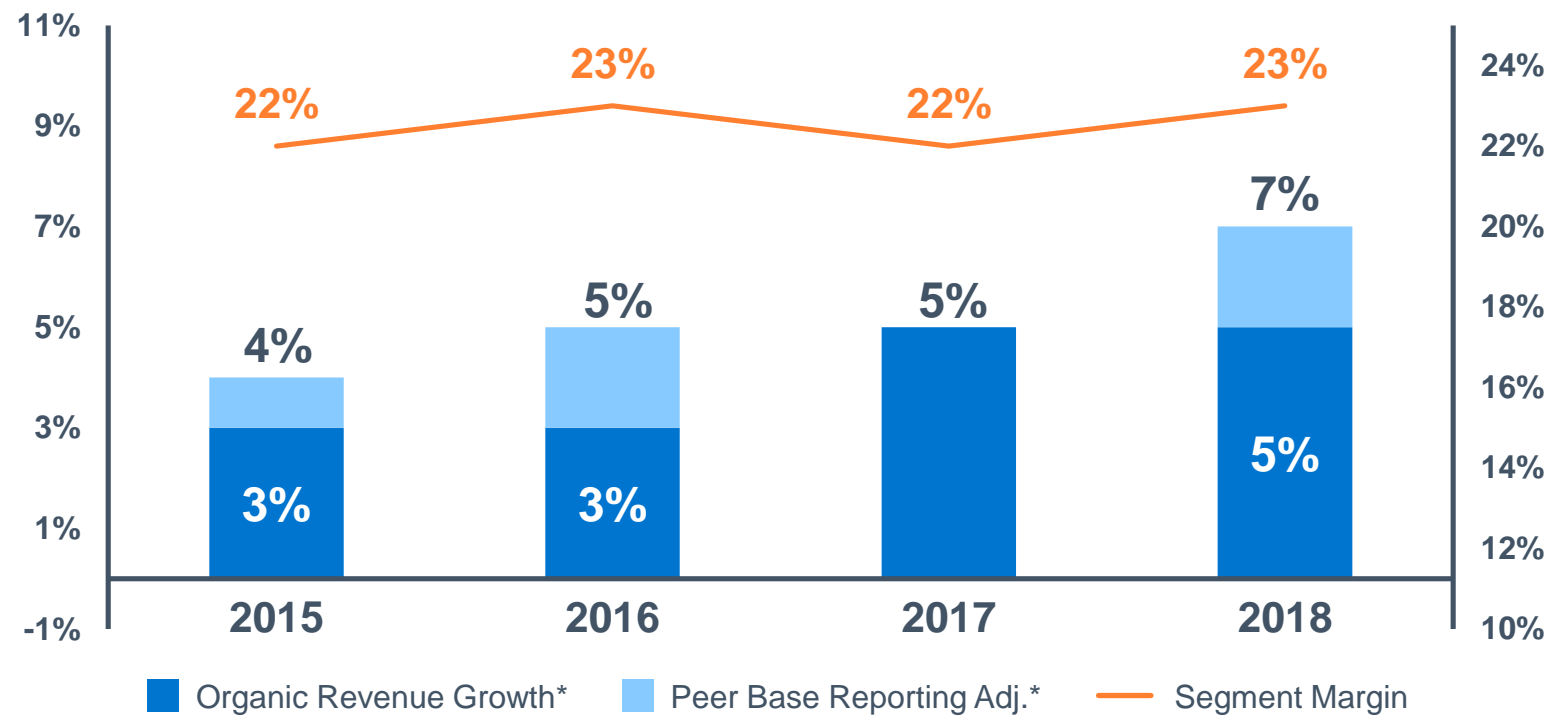
# PROGRESS AGAINST VISION 2020 PRIORITIES

Strong strategic and financial accomplishments

## Vision 2020

- Re-Imagine programs driving growth
- tastepoint® by IFF - service model for mid-tier customers
- Continued expansion in key emerging markets
- Strong price realization and productivity programs

## Financial performance



Note: Organic growth is currency neutral; \*Non-GAAP metrics; please see Non-GAAP disclosures at [ir.iff.com](http://ir.iff.com)



# FRUTAROM ENHANCEMENTS

Building a stronger & more complete Taste organization

## NATURALS

Extensive naturals portfolio

## CUSTOMERS

70% Small, mid-tier, and private label customers

## GEOGRAPHIES

Complementary geographic coverage –  
Western, Central and Eastern Europe, Peru,  
and Central America

## CAPABILITIES

Expertise in Savory Solution and Inclusions

## TALENT

Entrepreneurial and collaborative culture

**\$1.7B**  
2018  
net sales

**\$2.9B**  
2018  
net sales\*

# SETTING THE STAGE FOR VISION 2021

- 1 MARKET ACCESS**  
Increased access to key customers – small, mid-tier, private label, and multi-nationals
- 2 INNOVATION**  
Strong pipeline momentum
- 3 INTEGRATION**  
Taste, Savory Solutions & Inclusions
- 4 COMPETITION**  
Expanded offerings; new competitors
- 5 RECENT TRENDS**  
Continued lack of growth with multinationals in Flavors; continued pressure in Savory Solutions

# TASTE STRATEGY SUMMARY

Growth at industry-leading margins

## Strategic pillar

## Priorities



UNLOCK  
GROWTH

- Targeted investments in Africa, Middle-East, Turkey, and India



DRIVE  
INNOVATION

- Continued differentiation through Re-Imagine programs (Natural, Delivery, Culinary, Modulation, Citrus, Protein)



MANAGE  
PORTFOLIO

- Globalize Savory Solutions, Inventive while expanding Taura in the US



BUSINESS  
TRANSFORMATION

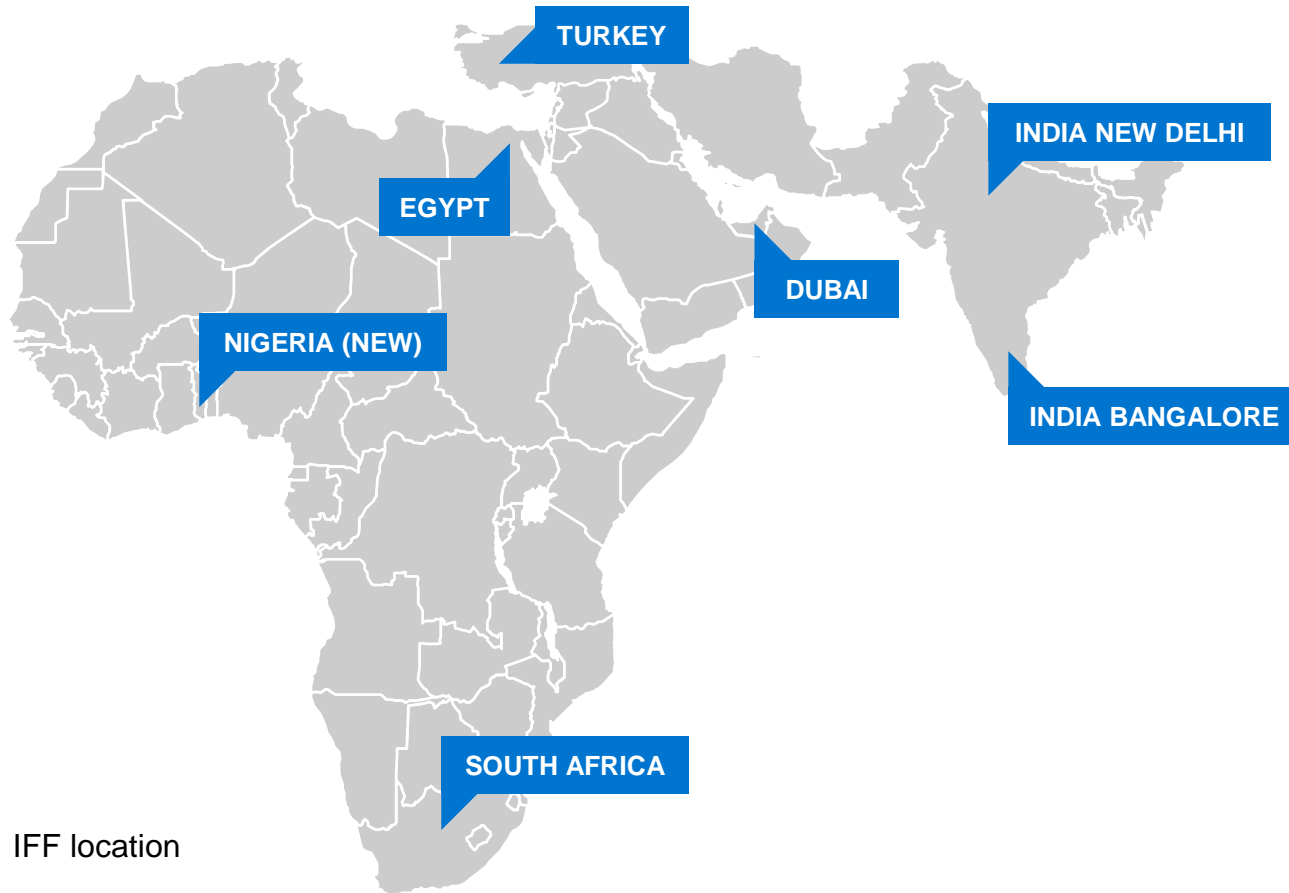
- Finalize Flavors integration – 3 regions by 2019; EAME by 2020
- Leveraging tastepoint® by IFF model as a blueprint for success





# INVESTMENT IN TARGETED GROWTH MARKETS

Targeting Africa, Middle East, Turkey, and India



**\$2B**  
Flavor  
potential

**+8%**  
Market growth



# STRONG & DEFINED INNOVATION

Continued pursuit of bold and high-value opportunities with Re-Imagine programs

BOLD OPPORTUNITIES

CONSUMER-DRIVEN

CROSS-CATEGORY

GLOBAL IMPACT

RE-IMAGINE  
CITRUS®



RE-IMAGINE  
CULINARY®



RE-IMAGINE  
DELIVERY®



RE-IMAGINE  
MODULATION®



RE-IMAGINE  
NATURAL®



RE-IMAGINE  
PROTEIN®





# SAVORY SOLUTIONS

Globalizing to maximize growth

## Strategic Rationale

**Cross-fertilization** of portfolio, technologies and people

**Key segments:** Meat and fish, Food Service, Quick Service Restaurants, Value-Added Seasoning & Pet Food

**Shared creative centers and go-to-market strategy** in emerging markets

**Leverage best practices and expertise**





# INCLUSIONS

International expansion in priority markets

## STRATEGIC PRIORITIES

Leverage IFF global footprint for expansion

Flavor and nutrition delivery systems

Leverage IFF technologies and customers

Cross-pollination of talent

### TAURA IN THE US



Fruity snacks

Baked goods

Confectionary

TAURA  
NATURAL INGREDIENTS

### GLOBALIZE INVENTIVE FROM ASIA



Beverages

Snacks

Baked goods

Ice cream

cereal

 **Inventive**

### GELATO & SDFLC INTERNATIONALLY



Gelato

Ice cream  
(including vegan  
and soy-based)

LEAGEL  
ingredient per gelateria e pasticceria







# FLAVORS INTEGRATION

Leveraging tastepoint® by IFF model as a blueprint for success

## Strategic Rationales

Serving faster-growing regional and local customers

## Differentiated service model

Relationship-driven

Speed & agility

Quick to market and innovate

Access to greater expertise & capabilities



# SUMMARY

- **Strong underlying business** with mid-single digit organic growth and industry-leading margin
- **Focus on targeted high-growth areas** in Africa, the Middle East, Turkey, and India
- **Globalize the expanded portfolio** Savory Solutions and Inclusions
- **Capitalize on tastepoint® by IFF** in key markets as a blueprint for success for integration of Frutarom Taste