

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025  
OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-4858

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
(Exact name of registrant as specified in its charter)

New York  
(State or other jurisdiction of  
incorporation or organization)

13-1432060  
(I.R.S. Employer  
Identification No.)

521 West 57th Street, New York, NY 10019-2960  
200 Powder Mill Road, Wilmington, DE 19803-2907  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (212) 765-5500

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value 12 1/2¢ per share	IFF	New York Stock Exchange
1.800% Senior Notes due 2026	IFF 26	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Number of shares of common stock outstanding as of April 29, 2025: 255,790,345

INTERNATIONAL FLAVORS & FRAGRANCES INC.

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**PART I. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS.**  
**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**CONSOLIDATED STATEMENTS OF (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME**  
**(Unaudited)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2025</b>	<b>2024</b>
<i>(DOLLARS AND SHARES IN MILLIONS EXCEPT PER SHARE AMOUNTS)</i>		
Net sales	\$ 2,843	\$ 2,899
Cost of sales	1,808	1,875
Gross profit	1,035	1,024
Research and development expenses	164	166
Selling and administrative expenses	461	490
Amortization of acquisition-related intangibles	143	168
Impairment of goodwill	1,153	—
Restructuring and other charges	17	3
Gains on sales of assets	—	(2)
Operating (loss) profit	(903)	199
Interest expense	71	83
Other expense, net	20	1
(Loss) income before taxes	(994)	115
Provision for income taxes	23	54
Net (loss) income	(1,017)	61
Net income attributable to non-controlling interests	1	1
Net (loss) income attributable to IFF shareholders	\$ (1,018)	\$ 60
Net (loss) income per share - basic and diluted	\$ (3.98)	\$ 0.23
Average number of shares outstanding - basic	256	255
Average number of shares outstanding - diluted	256	256
<b>Statements of Comprehensive (Loss) Income</b>		
Net (loss) income	\$ (1,017)	\$ 61
Other comprehensive income (loss), after tax:		
Foreign currency translation adjustments	404	(293)
Losses on derivatives qualifying as hedges	(1)	(7)
Pension and postretirement liability adjustment	1	5
Other comprehensive income (loss)	404	(295)
Comprehensive loss	(613)	(234)
Comprehensive income attributable to non-controlling interests	1	1
Comprehensive loss attributable to IFF shareholders	\$ (614)	\$ (235)

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

*(DOLLARS AND SHARES IN MILLIONS EXCEPT PER SHARE AMOUNTS)*

	March 31, 2025	December 31, 2024
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 613	\$ 469
Trade receivables (net of allowances of \$28 and \$26, respectively)	1,742	1,624
Inventories	2,249	2,133
Assets held for sale	3,254	3,030
Prepaid expenses and other current assets	775	737
Total Current Assets	8,633	7,993
Property, plant and equipment, net	3,771	3,739
Goodwill	8,030	9,080
Other intangible assets, net	6,383	6,445
Operating lease right-of-use assets	579	573
Other assets	869	837
Total Assets	\$ 28,265	\$ 28,667
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term debt and current portion of long-term debt	\$ 1,689	\$ 1,413
Accounts payable	1,325	1,283
Accrued payroll and bonus	216	420
Dividends payable	102	102
Liabilities held for sale	443	332
Other current liabilities	832	783
Total Current Liabilities	4,607	4,333
<b>Other Liabilities:</b>		
Long-term debt	7,601	7,564
Retirement liabilities	174	167
Deferred income taxes	1,543	1,592
Operating lease liabilities	535	534
Other liabilities	592	566
Total Other Liabilities	10,445	10,423
<b>Commitments and Contingencies (Note 17)</b>		
<b>Shareholders' Equity:</b>		
Common stock \$0.125 par value; 500.0 shares authorized; 275.7 shares issued as of March 31, 2025 and December 31, 2024; and 255.7 and 255.7 shares outstanding as of March 31, 2025 and December 31, 2024, respectively	35	35
Capital in excess of par value	19,932	19,917
Accumulated deficit	(3,725)	(2,605)
Accumulated other comprehensive loss	(2,123)	(2,527)
Treasury stock, at cost (20.0 and 20.0 shares as of March 31, 2025 and December 31, 2024, respectively)	(942)	(944)
Total Shareholders' Equity	13,177	13,876
Non-controlling interests	36	35
Total Shareholders' Equity including Non-controlling interests	13,213	13,911
Total Liabilities and Shareholders' Equity	\$ 28,265	\$ 28,667

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
(Unaudited)

<i>(DOLLARS AND SHARES IN MILLIONS EXCEPT PER SHARE AMOUNTS)</i>	Common stock		Capital in excess of par value	Accumulated deficit	Accumulated other comprehensive (loss) income	Treasury stock		Non- controlling interest	Total
	Shares	Cost				Shares	Cost		
Balance at January 1, 2024	275.7	\$ 35	\$ 19,874	\$ (2,439)	\$ (1,896)	(20.4)	\$ (963)	\$ 31	\$ 14,642
Net (loss) income				60				1	61
Other Comprehensive income (loss)					(295)				(295)
Cash dividends declared <sup>(1)</sup>				(102)					(102)
Stock options/SSARs			(2)			—	1		(1)
Vested restricted stock units and awards			(1)			—	1		—
Stock-based compensation			18						18
Other								3	3
Balance at March 31, 2024	275.7	\$ 35	\$ 19,889	\$ (2,481)	\$ (2,191)	(20.4)	\$ (961)	\$ 35	\$ 14,326

<i>(DOLLARS AND SHARES IN MILLIONS EXCEPT PER SHARE AMOUNTS)</i>	Common stock		Capital in excess of par value	Retained earnings	Accumulated other comprehensive (loss) income	Treasury stock		Non- controlling interest	Total
	Shares	Cost				Shares	Cost		
Balance at January 1, 2025	275.7	\$ 35	\$ 19,917	\$ (2,605)	\$ (2,527)	(20.0)	\$ (944)	\$ 35	\$ 13,911
Net (loss) income				(1,018)				1	(1,017)
Other Comprehensive income (loss)					404				404
Cash dividends declared <sup>(1)</sup>				(102)					(102)
Stock options/SSARs			—			—	1		1
Vested restricted stock units and awards			(4)			—	1		(3)
Stock-based compensation			19						19
Other									—
Balance at March 31, 2025	275.7	\$ 35	\$ 19,932	\$ (3,725)	\$ (2,123)	(20.0)	\$ (942)	\$ 36	\$ 13,213

(1) Cash dividends declared per common share were \$0.40 and \$0.40 for the three months ended March 31, 2025 and March 31, 2024, respectively.

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

<i>(DOLLARS IN MILLIONS)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Net (loss) income	\$ (1,017)	\$ 61
Adjustments to reconcile to net cash provided by operating activities		
Depreciation and amortization	236	278
Deferred income taxes	(61)	(9)
Gains on sales of assets	—	(2)
Stock-based compensation	19	18
Pension contributions	(5)	(7)
Impairment of goodwill	1,153	—
Changes in assets and liabilities, net of acquisitions:		
Trade receivables	(116)	(290)
Inventories	(92)	34
Accounts payable	154	83
Accruals for incentive compensation	(246)	(46)
Other assets/liabilities, net	102	(21)
Net cash provided by operating activities	127	99
<b>Cash flows from investing activities:</b>		
Additions to property, plant and equipment	(179)	(118)
Proceeds from sale of assets	—	3
Net proceeds received from business disposals	—	37
Cash received on foreign currency forward contracts	22	—
Net cash used in investing activities	(157)	(78)
<b>Cash flows from financing activities:</b>		
Cash dividends paid to shareholders	(102)	(207)
Increase (decrease) in revolving credit facility and short-term borrowings	—	250
Net borrowings of commercial paper (maturities less than three months)	292	833
Principal payments of debt	(16)	(833)
Other, net	(5)	(3)
Net cash provided by financing activities	169	40
Effect of exchange rate changes on cash, cash equivalents and restricted cash	40	(25)
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>179</b>	<b>36</b>
Cash, cash equivalents and restricted cash at beginning of year	471	735
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 650</b>	<b>\$ 771</b>
<b>Supplemental Disclosures:</b>		
Interest paid, net of amounts capitalized	\$ 37	\$ 61
Income taxes paid, net	86	53
Accrued capital expenditures	58	53

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**INTERNATIONAL FLAVORS & FRAGRANCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

International Flavors & Fragrances Inc. and its subsidiaries (the “Registrant,” “IFF,” “the Company,” “we,” “us” and “our”) is a leading creator and manufacturer of food, beverage, health & biosciences, scent (and until the recent sale of our Pharma Solutions disposal group, pharma solutions) and complementary adjacent products, including natural health ingredients, which are used in a wide variety of consumer products. Our products are sold principally to manufacturers of dairy, meat, beverages, snacks, savory, sweet, baked goods, grain processors and other foods, personal care products, soaps and detergents, cleaning products, perfumes, dietary supplements, food protection, infant, elderly and animal nutrition, functional food, pharmaceutical and oral care products. As a result, we hold global leadership positions in the Food & Beverage, Home & Personal Care and Health & Wellness markets, and across key Tastes, Textures, Scents, Nutrition, Enzymes, Cultures, Soy Proteins, and Probiotics categories.

**Basis of Presentation**

The accompanying interim Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the related notes included in our 2024 Annual Report on Form 10-K (“2024 Form 10-K”), filed on February 28, 2025 with the Securities and Exchange Commission (“SEC”).

The interim Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America for interim financial information and with the rules and regulations for reporting on Form 10-Q, and are unaudited. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP in the United States of America have been condensed or omitted, if not materially different from the 2024 Form 10-K. The year-end balance sheet data included in this Form 10-Q was derived from the audited financial statements. In the opinion of management, all adjustments, which consist of normal recurring adjustments necessary for a fair statement of the interim Consolidated Financial Statements, have been made.

**Use of Estimates**

The preparation of financial statements requires management to make estimates and judgments that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. The inputs into the Company’s judgments and estimates take into account the ongoing global current events and adverse macroeconomic impacts on our critical and significant accounting estimates, including estimates associated with future cash flows that are used in assessing the risk of impairment of certain assets. Actual results could differ from those estimates.

**Reclassifications**

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported consolidated Net (loss) income.

Effective January 1, 2025, the Company voluntarily implemented a reorganization of its internal structure, which impacted the way the Chief Operating Decision Maker (“CODM”), the Chief Executive Officer, allocates resources and assesses financial performance. As a result, the Company has updated its reportable segments beginning with the first quarter of 2025. The Company also adjusted its corporate cost allocations to align with the new organizational structure and updated operating model, consistent with how management assesses performance effective January 1, 2025. As a result, certain segment information for the three months ended March 31, 2024 has been recast to reflect these changes in corporate allocations among the Company’s reportable segments on a comparable basis. Please see Note 6 for more information.

### Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash reported in the Company's balance sheet as of March 31, 2025, December 31, 2024, March 31, 2024 and December 31, 2023 were as follows:

<i>(DOLLARS IN MILLIONS)</i>	March 31, 2025	December 31, 2024	March 31, 2024	December 31, 2023
<b>Current assets</b>				
Cash and cash equivalents	\$ 613	\$ 469	\$ 732	\$ 703
Cash and cash equivalents included in Assets held for sale	37	2	32	26
Restricted cash	—	—	7	6
<b>Cash, cash equivalents and restricted cash</b>	<b>\$ 650</b>	<b>\$ 471</b>	<b>\$ 771</b>	<b>\$ 735</b>

### Accounts Receivable

The Company has various factoring agreements globally under which it can factor up to approximately \$320 million of its trade receivables ("Company's own factoring agreements"). In addition, the Company utilizes factoring agreements sponsored by certain customers. Under all of the arrangements, the Company sells the trade receivables on a non-recourse basis to unrelated financial institutions and accounts for the transactions as sales of receivables. The applicable receivables are removed from the Company's Consolidated Balance Sheets when the cash proceeds are received by the Company.

The Company sold a total of approximately \$413 million and \$406 million of receivables under the Company's own factoring agreements and customer sponsored factoring agreements for the three months ended March 31, 2025 and 2024, respectively. The cost of participating in these programs was approximately \$6 million for each of the three months ended March 31, 2025 and 2024. These costs are included as a component of interest expense. Although the Company's own factoring agreements are non-recourse to the Company, the Company has continued responsibility to collect receivables on behalf of the sponsoring banks. Under these agreements, the Company sold approximately \$196 million and \$191 million of receivables for the three months ended March 31, 2025 and 2024, respectively. The outstanding principal amounts of receivables under the Company's own factoring agreements amounted to approximately \$185 million and \$178 million as of March 31, 2025 and December 31, 2024, respectively. The proceeds from the sales of receivables are included in Net cash provided by operating activities in the Consolidated Statements of Cash Flows.

### Expected Credit Losses

As of March 31, 2025, the Company reported \$1.742 billion of trade receivables, net of allowances of \$28 million. Based on the aging analysis as of March 31, 2025, less than 1% of the Company's accounts receivable were past due by over 365 days based on the payment terms of the invoice.

The following is a roll-forward of the Company's allowances for bad debts for the three months ended March 31, 2025 and 2024:

<i>(DOLLARS IN MILLIONS)</i>	Three Months Ended March 31,	
	2025	2024
Balance at January 1	\$ 26	\$ 52
Allowances (reversals) for bad debt expense	1	(5)
Write-offs	—	(9)
Foreign exchange	1	(1)
<b>Balance at March 31</b>	<b>\$ 28</b>	<b>\$ 37</b>

### Inventories

Inventories are stated at the lower of cost (on a weighted-average basis) or net realizable value. The Company's inventories consisted of the following:

<i>(DOLLARS IN MILLIONS)</i>	March 31, 2025	December 31, 2024
Raw materials	\$ 760	\$ 657
Work in process	380	368
Finished goods	1,109	1,108
<b>Total</b>	<b>\$ 2,249</b>	<b>\$ 2,133</b>

**Recent Accounting Pronouncements**

In November 2024, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”, and in January 2025, issued Accounting Standards Update (“ASU”) 2025-01, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date (“ASU 2025-01”). The ASU was issued to improve the disclosures about a public business entity's expenses, primarily through disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. Public business entities are permitted to adopt the ASU prospectively or retrospectively. The Company is currently evaluating the impact that this guidance will have on its Consolidated Financial Statements and footnote disclosures.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” The ASU was issued to further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. This guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and may be applied either prospectively or retrospectively. The Company expects that the adoption of the standard will impact certain income tax disclosures in the Notes to the Consolidated Financial Statements, but will otherwise not have an impact on the Company's results of operations.

**NOTE 2. NET (LOSS) INCOME PER SHARE**

A reconciliation of the shares used in the computation of basic and diluted net (loss) income per share is as follows:

<i>(AMOUNTS IN MILLIONS EXCEPT PER SHARE AMOUNTS)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Net (Loss) Income</b>		
Net (loss) income available to IFF shareholders	\$ (1,018)	\$ 60
<b>Shares</b>		
Weighted average common shares outstanding (basic)	256	255
Adjustment for assumed dilution:		
Stock options and restricted stock awards	—	1
Weighted average shares assuming dilution (diluted)	256	256
<b>Net (Loss) Income per Share</b>		
Net (loss) income per share - basic and diluted <sup>(1)</sup>	\$ (3.98)	\$ 0.23

(1) For the three months ended March 31, 2024, the basic net income per share cannot be recalculated based on the information presented in the table above due to rounding.

The Company declared a quarterly dividend to its shareholders of \$0.40 for each of the three months ended March 31, 2025 and 2024.

There were approximately 1.1 million potentially dilutive securities excluded from the computation of diluted net loss per share for the three months ended March 31, 2025 because there was a net loss attributable to IFF for the period and, as such, the inclusion of these securities would have been anti-dilutive.

For the three months ended March 31, 2025, there were approximately 0.3 million share equivalents that had an anti-dilutive effect and therefore were excluded from the computation of diluted net loss per share in the period. For the three months ended March 31, 2024, there were approximately 0.3 million share equivalents that had an anti-dilutive effect and therefore were excluded from the computation of diluted net income per share in the period.

The Company has issued shares of Purchased Restricted Stock Units (“PRSUs”) which contain rights to non-forfeitable dividends while these shares are outstanding and thus are considered participating securities. Such securities are required to be included in the computation of basic and diluted earnings per share pursuant to the two-class method.

The Company did not present the two-class method since the difference between diluted net income per share for both unrestricted common shareholders and PRSU shareholders for the three months ended March 31, 2025 and 2024 was less than \$0.01 per share.

### **NOTE 3. ASSETS AND LIABILITIES HELD FOR SALE AND BUSINESS DIVESTITURES**

#### **Pharma Solutions**

During March 2024, the Company announced it had entered into an agreement to sell its Pharma Solutions business that is primarily made up of most businesses within the Company's existing Pharma Solutions reportable operating segment (the "Pharma Solutions disposal group"). The transaction closed on May 1, 2025.

The sale does not constitute a strategic shift of the Company's operations and does not, and will not, have major effects on the Company's operations and financial results. Therefore, the transaction does not meet the discontinued operations criteria.

The Company determined that the assets and liabilities of the Pharma Solutions disposal group met the criteria to be presented as "held for sale" during the second quarter of 2024. As a result, at March 31, 2025, such assets and liabilities were classified as held for sale on the Consolidated Balance Sheets.

The Company engaged an independent third party to assist management with determining the fair value of the Pharma Solutions disposal group for the purposes of calculating loss on assets classified as held for sale. At March 31, 2025, the Company determined that the fair value of the Pharma Solutions disposal group was \$2,728 million (fair value of \$2,760 million less estimated costs to sell of \$32 million). As of March 31, 2025, the life-to-date loss on assets classified as held for sale was \$337 million, which was all recorded in 2024. The loss on assets classified as held for sale is recorded as a valuation allowance on the group of assets held for sale, without allocation to the individual assets or major classes of assets within the group.

In addition, pursuant to the terms agreed under the 2026 Term Loan Facility, a portion of the net cash proceeds received from the sale of the Pharma Solutions disposal group, must be used to repay our borrowings under the 2026 Term Loan Facility. Therefore, the Company reclassified the 2026 Term Loan Facility balance from "Long-term debt" to "Short-term debt and current portion of long-term debt".

#### **Nitrocellulose**

During October 2024, the Company entered into an agreement to sell its Nitrocellulose business (including the related industrial park in Germany), which is within the Company's existing Pharma Solutions reportable operating segment. The transaction is subject to certain customary closing conditions and is expected to close during the second quarter of 2025.

The Company determined that the assets and liabilities of the Nitrocellulose business met the criteria to be presented as "held for sale" during the third quarter of 2024. As a result, at March 31, 2025, such assets and liabilities were classified as held for sale on the Consolidated Balance Sheets. The Company determined that, as of March 31, 2025, the fair value less estimated costs to sell of the Nitrocellulose business exceeded the underlying carrying value.

The sale does not constitute a strategic shift of the Company's operations and does not, and will not, have major effects on the Company's operations and financial results. Therefore, the transaction does not meet the discontinued operations criteria.

#### **Tobacco Flavoring Business in North America**

During the first quarter of 2025, the Company entered into an agreement to sell certain assets and liabilities of its Tobacco Flavoring business in North America, which is within the Company's existing Taste reportable operating segment.

The Company determined that the assets and liabilities of the Tobacco Flavoring business in North America met the criteria to be presented as held for "held for sale" during the first quarter of 2025. As a result, at March 31, 2025, such assets and liabilities were classified as held for sale on the Consolidated Balance Sheets. The Company determined that, as of March 31, 2025, the fair value less estimated costs to sell of the Tobacco Flavoring business in North America exceeded the underlying carrying value.

The sale does not constitute a strategic shift of the Company's operations and does not, and will not, have major effects on the Company's operations and financial results. Therefore, the transaction does not meet the discontinued operations criteria.

#### **Carrying Amount of Assets and Liabilities Held for Sale**

The Company's Consolidated Balance Sheet as of March 31, 2025 included the carrying amounts of the assets and liabilities of the Pharma Solutions disposal group, Nitrocellulose disposal group, and Tobacco Flavoring Business in North America as held for sale.

The Company's Consolidated Balance Sheet as of December 31, 2024 included the carrying amounts of the assets and liabilities of the Pharma Solutions disposal group, Nitrocellulose disposal group, and a portion of the Savory Solutions business in Turkey as held for sale. The Company completed the sale of a portion of the Savory Solutions business in Turkey during the three months ended March 31, 2025.

<i>(DOLLARS IN MILLIONS)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
<b>Assets</b>				
Cash and cash equivalents	\$	37	\$	2
Trade receivables, net		233		187
Inventories		305		274
Property, plant and equipment, net		479		451
Goodwill <sup>(1)</sup>		1,244		1,216
Other intangible assets, net		1,103		1,078
Operating lease right-of-use assets		57		57
Other assets		133		112
Less: Loss recognized on assets held-for-sale <sup>(2)</sup>		(337)		(347)
<b>Total assets held-for-sale</b>	<b>\$</b>	<b>3,254</b>	<b>\$</b>	<b>3,030</b>
<b>Liabilities</b>				
Accounts payable	\$	155	\$	90
Deferred tax liability		56		51
Other liabilities		232		191
<b>Total liabilities held-for-sale</b>	<b>\$</b>	<b>443</b>	<b>\$</b>	<b>332</b>

(1) The goodwill balance in assets held for sale for the Pharma Solutions disposal group is presented net of \$64 million of goodwill impairment.

(2) Includes the impact of \$87 million, primarily related to losses on foreign currency translation, expected to be reclassified out of accumulated other comprehensive loss upon close of the sales.

#### **Subsequent Events**

The sale of the Tobacco Flavoring Business in North America was completed on April 1, 2025, and the Company received gross cash proceeds of \$20 million in connection with the transaction.

The sale of the Pharma Solutions disposal group was completed on May 1, 2025. The Company received gross cash proceeds of approximately \$2.6 billion in connection with the transaction, reflecting preliminary estimates of closing adjustments. The finalization of these closing adjustments may result in additional cash being received from, or paid to, the buyer. A portion of the proceeds were used to repay the remaining \$397 million outstanding under the 2026 Term Loan Facility.

#### **NOTE 4. RESTRUCTURING AND OTHER CHARGES**

Restructuring and other charges primarily consist of separation costs for employees including severance, outplacement and other employee benefit costs ("Severance"), charges related to the write-down of fixed assets of plants to be closed ("Fixed asset write-down") and all other related restructuring ("Other") costs. All restructuring and other charges are separately stated on the Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income.

#### **IFF Productivity Program**

Beginning in 2024, the Company began undertaking a productivity enhancement program aimed at enhancing productivity and optimizing its organizational footprint to align with business needs. This program will involve a series of actions, including ceasing operations in select manufacturing plants, consolidating lease and owned real estate space, and reducing employee headcount. The Company aims to substantially complete this productivity program by December 31, 2026. The program will impact the Company's Taste, Food Ingredients, Health & Biosciences, and Scent segments.

The estimated total cost of the program initiatives ranges from \$50 million to \$70 million. The anticipated cash charges include employee-related costs such as severance, contract terminations, and dismantling costs. Additionally, non-cash charges related to assets, such as fixed asset write downs, are expected.

During the first quarter of 2025, the Company incurred costs in connection with the IFF Productivity Program, recognizing approximately \$17 million in severance costs. As of March 31, 2025, the Company incurred approximately \$20 million related to severance costs and approximately \$20 million in fixed asset write downs since the inception of this program.

### Changes in Restructuring Liabilities

Changes in restructuring liabilities during the three months ended March 31, 2025 were as follows:

<i>(DOLLARS IN MILLIONS)</i>	<u>Balance at January 1, 2025</u>	<u>Additional Charges (Reversals), Net</u>	<u>Non-Cash Charges</u>	<u>Cash Payments</u>	<u>Balance at March 31, 2025</u>
<u>IFF Productivity Program</u>					
Severance	\$ 3	\$ 17	\$ —	\$ (3)	\$ 17
Total Restructuring and other charges	<u>\$ 3</u>	<u>\$ 17</u>	<u>\$ —</u>	<u>\$ (3)</u>	<u>\$ 17</u>

Restructuring liabilities are presented in “Other current liabilities” on the Consolidated Balance Sheets.

### Charges by Segment

The following table summarizes the total amount of costs incurred in connection with the restructuring programs and activities by segment:

<i>(DOLLARS IN MILLIONS)</i>	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Taste	\$ 2	\$ 1
Food Ingredients	3	1
Health & Biosciences	3	1
Scent	9	—
Total Restructuring and other charges	<u>\$ 17</u>	<u>\$ 3</u>

### NOTE 5. STOCK COMPENSATION PLANS

The Company has various plans under which its officers, senior management, other key employees and directors may be granted equity-based awards. Equity awards outstanding under the plans include PRSUs, Restricted Stock Units (“RSUs”), Stock-Settled Appreciation Rights (“SSARs”) and Long-Term Incentive Plan awards. Liability-based awards outstanding under the plans are cash-settled RSUs.

Stock-based compensation expense and related tax benefits were as follows:

<i>(DOLLARS IN MILLIONS)</i>	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Equity-based awards	\$ 19	\$ 18
Liability-based awards	—	1
Total stock-based compensation expense	19	19
Less: Tax benefit	(4)	(4)
Total stock-based compensation expense, after tax	<u>\$ 15</u>	<u>\$ 15</u>

As of March 31, 2025, there was approximately \$66 million of total unrecognized compensation cost related to non-vested awards granted under the equity incentive plans.

### NOTE 6. SEGMENT INFORMATION

Effective January 1, 2025, the Company implemented a reorganization of its internal structure, which impacted the way the CODM, the Chief Executive Officer, allocates resources and assesses financial performance. As a result, the Company has updated its reportable segments beginning with the first quarter of 2025.

Specifically, the former Nourish segment has been separated into two new reportable segments: Taste and Food Ingredients. The Taste segment (formerly the Flavors business within Nourish) includes flavor compounds and natural taste

solutions used in food and beverage applications. The Food Ingredients segment (formerly the Ingredients business within Nourish) includes a broad portfolio of natural and plant-based specialty ingredients that provide texturizing and food protection capabilities, as well as soy and pea protein solutions, emulsifiers, and sweeteners.

In addition, immaterial business transfers occurred between Food Ingredients and Pharma Solutions, and between Health & Biosciences and Taste. Accordingly, the Company's reportable segments as of Q1 2025 are: Taste, Food Ingredients, Health & Biosciences, Scent, and Pharma Solutions.

The Company also adjusted its corporate cost allocations to align with the new organizational structure and updated operating model, consistent with how management assesses performance effective January 1, 2025.

Segment information for the three months ended March 31, 2024 has been recast to reflect the updated segment structure and changes in corporate allocations among the Company's reportable segments on a comparable basis.

The Company's CODM does not use assets by segment to evaluate segment performance or allocate resources and thus, total assets by segment are not disclosed.

Reportable segment information was as follows:

	Three Months Ended March 31, 2025					
	Taste	Food Ingredients	Health & Biosciences	Scent	Pharma Solutions	Total
Net sales	\$ 627	\$ 796	\$ 540	\$ 614	\$ 266	\$ 2,843
Cost of sales	(377)	(609)	(298)	(344)	(180)	
Research & development expenses	(40)	(12)	(52)	(55)	(5)	
Selling & administrative expenses	(94)	(92)	(81)	(86)	(32)	
Depreciation expense add-back (a)	15	28	29	15	5	
<b>Adjusted Operating EBITDA</b>	<b>\$ 131</b>	<b>\$ 111</b>	<b>\$ 138</b>	<b>\$ 144</b>	<b>\$ 54</b>	<b>\$ 578</b>

#### Reconciliation of Adjusted Operating EBITDA:

Total Adjusted Operating EBITDA	\$ 578
Depreciation & Amortization	(236)
Interest Expense	(71)
Other Expense, net (b)	(20)
Restructuring and Other Charges (c)	(17)
Impairment of Goodwill (d)	(1,153)
Divestiture and Integration Costs (e)	(51)
Strategic Initiative Costs (f)	(8)
Regulatory Costs (g)	(11)
Other (h)	(5)
(Loss) Income Before Taxes	<u>\$ (994)</u>

**Three Months Ended March 31, 2024**

	<b>Taste</b>	<b>Food Ingredients</b>	<b>Health &amp; Biosciences</b>	<b>Scent</b>	<b>Pharma Solutions</b>	<b>Total</b>
Net sales	\$ 619	\$ 856	\$ 529	\$ 645	\$ 250	\$ 2,899
Cost of sales	(384)	(673)	(286)	(350)	(181)	
Research & development expenses	(39)	(20)	(46)	(55)	(6)	
Selling & administrative expenses	(96)	(90)	(88)	(88)	(28)	
Depreciation expense add-back (a)	17	35	29	16	12	
<b>Adjusted Operating EBITDA</b>	<b>\$ 117</b>	<b>\$ 108</b>	<b>\$ 138</b>	<b>\$ 168</b>	<b>\$ 47</b>	<b>\$ 578</b>

**Reconciliation of Adjusted Operating EBITDA:**

Total Adjusted Operating EBITDA						\$ 578
Depreciation & Amortization						(278)
Interest Expense						(83)
Other Expense, net (b)						(1)
Restructuring and Other Charges (c)						(3)
Divestiture and Integration Costs (e)						(58)
Strategic Initiatives Costs (f)						(4)
Regulatory Costs (g)						(35)
Other (h)						(1)
<b>Income Before Taxes</b>						<b>\$ 115</b>

- (a) There is depreciation recorded within cost of sales, research & development expenses, and selling & administrative expenses, so there is an add-back of depreciation to calculate segment Adjusted Operating EBITDA. This reflects how the CODM reviews Segment results.
- (b) Please refer to Note 8 for additional information.
- (c) For 2025, represents costs related to severance as part of the IFF Productivity Program. For 2024, represents costs related to lease impairment and severance as part of the Company's restructuring efforts.
- (d) For 2025, represents the impairment of goodwill related to the Food Ingredients reporting unit.
- (e) For 2025 and 2024, primarily represents costs related to the Company's planned divestitures. These costs primarily consisted of external consulting fees, professional and legal fees and salaries of individuals who are fully dedicated to such efforts.

For the three months ended March 31, 2025, there were approximately \$51 million of divestiture costs. For the three months ended March 31, 2024, business divestiture and integration costs were approximately \$56 million and \$2 million, respectively.

- (f) For 2025 and 2024, primarily represents costs related to the Company's strategic assessment and business portfolio optimization efforts and reorganizing the Global Shared Services Centers, primarily consulting fees, and strategic initiatives related to the Company's business unit re-organization efforts.
- (g) For 2025 and 2024, represents costs primarily related to legal fees incurred and provisions recognized for the ongoing investigations of the fragrance business.
- (h) For 2025, represents the net impact of costs related to severance, including accelerated stock compensation expense, for certain executives who have separated from the Company. For 2024, represents costs related to the Company's entity realignment project to optimize the structure of holding companies, primarily consulting fees.

Segment capital expenditures consisted as follows:

<i>(DOLLARS IN MILLIONS)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Taste	\$ 27	\$ 12
Food Ingredients	60	47
Health and Biosciences	40	16
Scent	24	15
Pharma Solutions	28	28
Consolidated	<u>\$ 179</u>	<u>\$ 118</u>

Net sales, which are attributed to individual regions based upon the destination of product delivery, were as follows:

<i>(DOLLARS IN MILLIONS)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Europe, Africa and Middle East	\$ 952	\$ 977
Greater Asia	670	682
North America	868	866
Latin America	353	374
Consolidated	<u>\$ 2,843</u>	<u>\$ 2,899</u>

<i>(DOLLARS IN MILLIONS)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net sales related to the U.S.	\$ 801	\$ 811
Net sales attributed to all foreign countries	2,042	2,088

No country other than the U.S. had net sales greater than 10% of total consolidated net sales for each of the three months ended March 31, 2025 and 2024.

## NOTE 7. EMPLOYEE BENEFITS

Pension and other defined contribution retirement plan expenses included the following components:

<i>(DOLLARS IN MILLIONS)</i>	<b>U.S. Plans<sup>(1)</sup></b>	
	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest cost on projected benefit obligation <sup>(3)</sup>	\$ 1	\$ 6
Expected return on plan assets <sup>(3)</sup>	—	(6)
Net amortization and deferrals <sup>(3)</sup>	—	1
Net periodic benefit cost	<u>\$ 1</u>	<u>\$ 1</u>

<i>(DOLLARS IN MILLIONS)</i>	<b>Non-U.S. Plans</b>	
	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Service cost for benefits earned <sup>(2)</sup>	\$ 5	\$ 6
Interest cost on projected benefit obligation <sup>(3)</sup>	9	9
Expected return on plan assets <sup>(3)</sup>	(11)	(13)
Net amortization and deferrals <sup>(3)</sup>	1	2
Net periodic benefit cost	<u>\$ 4</u>	<u>\$ 4</u>

(1) The International Flavors & Fragrances Inc. Pension Plan (the “Plan”) was formally terminated on April 1, 2024, and settlements of the terminated Plan occurred during November 2024. The Company continues to administer several smaller non-qualified U.S. pension plans.

(2) Included as a component of Operating (loss) profit.

(3) Included as a component of Other expense, net.

The Company expects to contribute a total of \$5 million to its U.S. pension plans and a total of \$17 million to its non-U.S. pension plans during 2025. During the three months ended March 31, 2025, \$4 million of contributions were made to the non-U.S. pension plans and \$1 million of contributions were made with respect to the Company's non-qualified U.S. pension plan.

(Income) expense recognized for post-retirement benefits other than pensions included the following components:

<i>(DOLLARS IN MILLIONS)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest cost on projected benefit obligation	\$ 1	\$ 1
Net amortization and deferrals	(1)	(1)
Total postretirement benefit (income) expense	<u>\$ —</u>	<u>\$ —</u>

The Company expects to make \$4 million of payments related to its postretirement benefits other than pension plans during 2025. In the three months ended March 31, 2025, \$1 million of benefit payments were made.

**NOTE 8. OTHER EXPENSE, NET**

Other expense, net consisted of the following:

<i>(DOLLARS IN MILLIONS)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Foreign exchange losses	\$ (24)	\$ (8)
Interest income	4	3
Pension-related benefit	1	1
Other	(1)	3
Other expense, net	<u>\$ (20)</u>	<u>\$ (1)</u>

**NOTE 9. INCOME TAXES**

The effective tax rate for the three months ended March 31, 2025 was (2.3)%, which was primarily due to a goodwill impairment charge that is mostly non-taxable, as well as changes in the mix of earnings.

As of March 31, 2025, the Company had approximately \$154 million of unrecognized tax benefits recorded in Other liabilities. If these unrecognized tax benefits were recognized, the effective tax rate would be affected.

As of March 31, 2025, the Company had accrued interest and penalties of approximately \$57 million classified in Other liabilities.

As of March 31, 2025, the Company's aggregate provisions for uncertain tax positions, including interest and penalties, was approximately \$211 million associated with tax positions asserted in various jurisdictions.

The Company regularly repatriates earnings from non-U.S. subsidiaries. As the Company repatriates these funds to the U.S., there will be required income taxes payable in certain U.S. states and applicable foreign withholding taxes during the period when such repatriation occurs. Accordingly, as of March 31, 2025, the Company had a deferred tax liability of approximately \$159 million for the effect of repatriating the funds to the U.S., attributable to various non-U.S. subsidiaries. There is no deferred tax liability associated with non-U.S. subsidiaries where the Company intends to indefinitely reinvest the earnings to fund local operations and/or capital projects.

**NOTE 10. PROPERTY, PLANT AND EQUIPMENT, NET**

Property, plant and equipment consisted of the following amounts:

<i>(DOLLARS IN MILLIONS)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<i>Asset Type</i>		
Land	\$ 133	\$ 136
Buildings and improvements	1,735	1,688
Machinery and equipment	3,555	3,447
Information technology	524	507
Construction in process	384	389
Total Property, plant and equipment	6,331	6,167
Accumulated depreciation	(2,560)	(2,428)
Total Property, plant and equipment, net	\$ 3,771	\$ 3,739

Depreciation expense was \$93 million and \$110 million for the three months ended March 31, 2025 and 2024, respectively.

Interest incurred during the construction period of certain property, plant and equipment is capitalized until the underlying assets are placed in service, at which time straight-line amortization of the capitalized interest begins over the estimated useful lives of the related assets. Capitalized interest was approximately \$3 million and \$4 million for each of the three months ended March 31, 2025 and 2024, respectively.

**NOTE 11. GOODWILL AND OTHER INTANGIBLE ASSETS, NET**
**Goodwill**

Movements in goodwill attributable to each reportable segment for the three months ended March 31, 2025 were as follows:

<i>(DOLLARS IN MILLIONS)</i>	<b>Nourish</b>	<b>Taste</b>	<b>Food Ingredients</b>	<b>Health &amp; Biosciences</b>	<b>Scent</b>	<b>Pharma Solutions</b>	<b>Total</b>
Balance at January 1, 2025	\$ 3,320	\$ —	\$ —	\$ 4,295	\$ 1,465	\$ —	\$ 9,080
Reallocation of goodwill in segment reorganization	(3,317)	2,178	1,153	(14)	—	—	—
Transferred to assets held for sale	—	(6)	—	—	—	—	(6)
Impairment	—	—	(1,153)	—	—	—	(1,153)
Foreign exchange	—	39	—	60	14	—	113
Other	(3)	—	—	—	(1)	—	(4)
Balance at March 31, 2025	\$ —	\$ 2,211	\$ —	\$ 4,341	\$ 1,478	\$ —	\$ 8,030

**Goodwill Impairment Test**

Effective January 1, 2025, the Company reorganized its Nourish segment into two new reportable segments: Taste and Food Ingredients, to align with changes in the Company's internal management reporting structure. As a result of this change, goodwill previously allocated to the Nourish reporting unit was reallocated between the new Taste and Food Ingredients reporting units. In accordance with ASC 350, the Company performed a quantitative goodwill impairment test on the former Nourish reporting unit immediately prior to the change, and separately tested goodwill for the new Taste and Food Ingredients reporting units following the reorganization. Based on the results of the impairment testing, the Company determined that the carrying amount of the Food Ingredients reporting unit exceeded its estimated fair value, and accordingly recognized a goodwill impairment charge of \$1.153 billion. This charge is reflected in the Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income for the three months ended March 31, 2025.

The Company assessed the fair value of the reporting units using an income approach. Under the income approach, the Company determined the fair value by using a discounted cash flow method at a rate of return that reflects the relative risk of the projected future cash flows of each reporting unit, as well as a terminal value. The Company used the most current actual

and forecasted operating data available. Key estimates and assumptions used in these valuations include revenue growth rates, gross margins, adjusted operating EBITDA margins, terminal growth rates and discount rates.

While management believes that the estimates and assumptions used in the impairment test were reasonable, changes in key assumptions, including lower revenue growth, operating margin, terminal growth rates or increase in discount rates could result in a future impairment of the Taste reporting unit. Such charge could have a material effect on the Consolidated Statements of Operations and Balance Sheets. As of March 31, 2025, there is no remaining goodwill attributable to the Food Ingredients reporting unit.

#### Other Intangible Assets

Other intangible assets, net consisted of the following amounts:

<i>(DOLLARS IN MILLIONS)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>Asset Type</b>		
Customer relationships	\$ 7,104	\$ 7,004
Technological know-how	1,967	1,937
Trade names & patents	275	268
Other	24	25
Total carrying value	9,370	9,234
<b>Accumulated Amortization</b>		
Customer relationships	(1,891)	(1,765)
Technological know-how	(937)	(875)
Trade names & patents	(138)	(128)
Other	(21)	(21)
Total accumulated amortization	(2,987)	(2,789)
Other intangible assets, net	\$ 6,383	\$ 6,445

#### Amortization

Amortization expense was \$143 million and \$168 million for the three months ended March 31, 2025 and 2024, respectively.

Amortization expense for the next five years, based on valuations and determinations of useful lives, is expected to be as follows:

<i>(DOLLARS IN MILLIONS)</i>	<b>Remainder of 2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Estimated future intangible amortization expense	\$ 426	\$ 572	\$ 487	\$ 474	\$ 439

#### NOTE 12. OTHER CURRENT ASSETS AND LIABILITIES, AND OTHER ASSETS

Prepaid expenses and other current assets consisted of the following amounts:

<i>(DOLLARS IN MILLIONS)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Value-added tax receivable	\$ 152	\$ 152
Prepaid income taxes	217	193
Packaging materials and supplies	126	123
Prepaid expenses	213	203
Other	67	66
Total	\$ 775	\$ 737

Other assets consisted of the following amounts:

<i>(DOLLARS IN MILLIONS)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Deferred income taxes	\$ 259	\$ 240
Overfunded pension plans	153	144
Cash surrender value of life insurance contracts	52	52
Finance lease right-of-use assets	29	27
Equity method investments	11	10
Long-term receivables <sup>(1)</sup>	171	171
Other <sup>(2)</sup>	194	193
Total	<u>\$ 869</u>	<u>\$ 837</u>

(1) Primarily relates to receivables from certain government authorities, which the Company has corresponding payables to DuPont in relation to the N&B Transaction in 2021.

(2) Includes deposits and land usage rights in China.

Other current liabilities consisted of the following amounts:

<i>(DOLLARS IN MILLIONS)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Rebates and incentives payable	\$ 94	\$ 111
Value-added tax payable	42	58
Interest payable	79	42
Current pension and other postretirement benefit obligation	13	12
Accrued restructuring	17	3
Current operating lease obligation	86	82
Accrued income taxes	141	131
Accrued expenses payable	226	203
Other	134	141
Total	<u>\$ 832</u>	<u>\$ 783</u>

**NOTE 13. DEBT**

Debt consisted of the following:

<i>(DOLLARS IN MILLIONS)</i>	<b>Effective Interest Rate</b>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
2025 Notes <sup>(1)</sup>	1.22 %	\$	1,000	\$	1,000
2026 Euro Notes <sup>(1)</sup>	1.93 %		864		827
2027 Notes <sup>(1)</sup>	1.56 %		1,208		1,209
2028 Notes <sup>(1)</sup>	4.57 %		399		398
2030 Notes <sup>(1)</sup>	2.21 %		1,507		1,507
2040 Notes <sup>(1)</sup>	3.04 %		771		771
2047 Notes <sup>(1)</sup>	4.44 %		495		495
2048 Notes <sup>(1)</sup>	5.12 %		787		787
2050 Notes <sup>(1)</sup>	3.21 %		1,567		1,568
2026 Term Loan Facility <sup>(1)</sup>	4.98 %		397		413
Revolving Credit Facility <sup>(2)</sup>			—		—
Commercial paper <sup>(3)</sup>			292		—
Bank overdrafts and other			3		2
Total debt			9,290		8,977
Less: Short-term borrowings			(1,689)		(1,413)
Total Long-term debt		\$	7,601	\$	7,564

(1) Amount is net of unamortized discount and debt issuance costs.

(2) The interest rate on the Revolving Credit Facility is, at the applicable borrower's option, a per annum rate equal to either (x) an eurocurrency rate plus an applicable margin varying from 1.125% to 1.750% or (y) a base rate plus an applicable margin varying from 0.125% to 0.750%, in each case depending on the public debt ratings for non-credit enhanced long-term senior unsecured debt issued by the Company.

(3) The effective interest rate of commercial paper issuances fluctuates as short-term interest rates and demand fluctuate, and deferred debt issuance costs are immaterial. Additionally, the effective interest rate of commercial paper is not meaningful as issuances do not materially differ from short-term interest rates.

**Commercial Paper**

For the three months ended March 31, 2025, the Company had gross issuances of \$2.125 billion and repayments of \$1.833 billion under the commercial paper program. For the three months ended March 31, 2024, the Company had gross issuances of \$2.099 billion and repayments of \$1.263 billion under the commercial paper program. The commercial paper issued during both the three months ended March 31, 2025 and 2024 had original maturities of less than 90 days.

The commercial paper program is backed by the borrowing capacity available under the Revolving Credit Facility. The effective interest rate of commercial paper issuances does not materially differ from short-term interest rates, which fluctuate due to market conditions and as a result may impact our interest expense.

**Revolving Credit Facility**

For the three months ended March 31, 2025, the Company had no drawdowns or repayments under the Revolving Credit Facility. For the three months ended March 31, 2024, the Company had drawdowns of \$250 million under the Revolving Credit Facility. As of March 31, 2025, the available capacity was reduced by approximately \$292 million related to issuances of commercial paper. As of March 31, 2025, the Company had \$711 million of available capacity under the Revolving Credit Facility.

**Lines of Credit**

The Company has various lines of credit which are available to support its ongoing business operations. As of March 31, 2025, the Company had a total capacity of approximately \$1.8 billion of lines of credit with various financial institutions.

**Repayments of Debt**

For the three months ended March 31, 2025, the Company made a quarterly debt repayment totaling \$16 million related to the 2026 Term Loan Facility.

During the three months ended March 31, 2024, the Company made a \$270 million and €500 million (approximately \$547 million) debt repayment at maturity related to the 2024 Term Loan Facility and 2024 Euro Notes, respectively, which were primarily funded from commercial paper issuances, which were subsequently repaid using proceeds received from the divestiture of the Cosmetic Ingredients business. The Company also made a quarterly debt repayment of approximately \$16 million related to the 2026 Term Loan Facility in accordance with the terms of the debt agreement.

#### Subsequent Events

On May 1, 2025, the Company received gross cash proceeds from the sale of the Pharma Solutions disposal group of \$2.6 billion, which were partially used to repay the remaining borrowings of \$397 million under the 2026 Term Loan Facility.

On May 2, 2025, the Company announced the commencement of tender offers to purchase for cash certain of its outstanding series of Senior Notes for an aggregate purchase price, excluding accrued and unpaid interest, of up to \$1.8 billion.

#### NOTE 14. LEASES

The Company has leases for corporate offices, manufacturing facilities, research and development facilities and certain transportation and office equipment. The Company's leases have remaining lease terms of up to 50 years, some of which include options to extend the leases for up to 15 years.

The components of lease expense were as follows:

<i>(DOLLARS IN MILLIONS)</i>	<b>Three Months Ended March 31, 2025</b>	<b>Three Months Ended March 31, 2024</b>
Operating leases		
Operating lease cost	\$ 26	\$ 32
Variable lease cost	22	16
Total operating lease cost	\$ 48	\$ 48
Finance leases		
Finance lease cost	\$ 3	\$ 3

Supplemental cash flow information related to leases was as follows:

<i>(DOLLARS IN MILLIONS)</i>	<b>Three Months Ended March 31, 2025</b>	<b>Three Months Ended March 31, 2024</b>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	\$ 32	\$ 28
Financing cash flows for finance leases	3	2
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	22	39
Finance leases	3	3

Operating lease right-of-use assets are presented in "Operating lease right-of-use assets" and finance lease right-of-use assets are presented in "Other assets" on the Consolidated Balance Sheets. Operating lease liabilities are presented in "Operating lease liabilities" and finance lease liabilities are presented in "Other liabilities" on the Consolidated Balance Sheets. Any other current liabilities related to operating and finance lease liabilities are presented in "Other current liabilities" on the Consolidated Balance Sheets.

#### NOTE 15. FINANCIAL INSTRUMENTS

##### Fair Value

Accounting guidance on fair value measurements specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1 — Quoted prices for *identical* instruments in active markets.
- Level 2 — Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

- Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The Company also considers counterparty credit risk in its assessment of fair value. The Company determines the fair value of structured liabilities (where performance is linked to structured interest rates, inflation or currency risks) using the Secured Overnight Financing Rate (“Term SOFR”) swap curve and forward interest and exchange rates at period end. Such instruments are classified as Level 2 based on the observability of significant inputs to the model. The Company does not have any instruments classified as Level 3, other than those included in pension asset trusts as discussed in Note 8 of the Company’s 2024 Form 10-K.

The carrying values and the estimated fair values of financial instruments at March 31, 2025 and December 31, 2024 consisted of the following:

<i>(DOLLARS IN MILLIONS)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
<b>LEVEL 1</b>				
Cash and cash equivalents <sup>(1)</sup>	\$ 613	\$ 613	\$ 469	\$ 469
<b>LEVEL 2</b>				
Credit facilities and bank overdrafts <sup>(2)</sup>	3	3	2	2
Derivatives				
Derivative assets <sup>(3)</sup>	8	8	9	9
Derivative liabilities <sup>(3)</sup>	131	131	129	129
Commercial paper <sup>(2)</sup>	292	292	—	—
Long-term debt:				
2025 Notes <sup>(4)</sup>	1,000	982	1,000	972
2026 Euro Notes <sup>(4)</sup>	864	854	827	813
2027 Notes <sup>(4)</sup>	1,208	1,118	1,209	1,102
2028 Notes <sup>(4)</sup>	399	396	398	391
2030 Notes <sup>(4)</sup>	1,507	1,300	1,507	1,274
2040 Notes <sup>(4)</sup>	771	556	771	536
2047 Notes <sup>(4)</sup>	495	395	495	392
2048 Notes <sup>(4)</sup>	787	682	787	686
2050 Notes <sup>(4)</sup>	1,567	987	1,568	985
2026 Term Loan Facility <sup>(5)</sup>	397	397	413	413

- (1) The carrying amount of cash and cash equivalents approximates fair value due to the short maturity of those instruments.
- (2) The carrying amount approximates fair value as the interest rate is reset frequently based on current market rates as well as the short maturity of those instruments.
- (3) The carrying amount approximates fair value as the instruments are marked-to-market and held at fair value on the Consolidated Balance Sheets.
- (4) The fair value of the Note is obtained from pricing services engaged by the Company, and the Company receives one price for each security. The fair value provided by the pricing services are estimated using pricing models, where the inputs to those models are based on observable market inputs or recent trades of similar securities. The inputs to the valuation techniques applied by the pricing services are typically benchmark yields, benchmark security prices, credit spreads, reported trades and broker-dealer quotes, all with reasonable levels of transparency.
- (5) The carrying amount approximates fair value as the Term Loans were assumed at fair value and the interest rate is reset frequently based on current market rates.

## Derivatives

### Foreign Currency Forward Contracts

The Company periodically enters into foreign currency forward contracts with the objective of managing our exchange rate risk related to foreign currency denominated monetary assets and liabilities of our operations. These contracts generally involve the exchange of one currency for a second currency at a future date, have maturities not exceeding twelve months and are with counterparties which are major international financial institutions.

### Commodity Contracts

The Company utilizes options that are not designated as hedging instruments to reduce exposure to commodity price fluctuations on purchases of inventory such as soybeans.

The Company also utilizes swaps that are designated as hedging instruments to reduce exposure to commodity price fluctuations on purchases of natural gas used in our manufacturing process.

### Hedges Related to Issuances of Debt

As of March 31, 2025, the Company designated approximately \$864 million of Euro Notes as a hedge of a portion of its net European investments. Accordingly, the change in the value of the debt that is attributable to foreign exchange movements is recorded in Other comprehensive income (“OCI”) as a component of foreign currency translation adjustments in the accompanying Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income.

### Cross Currency Swaps

The Company has twelve EUR/USD cross currency swaps with a notional value of approximately \$1.4 billion that mature through November 2030. The swaps all qualified as net investment hedges in order to mitigate a portion of the Company’s net European investments from foreign currency risk. As of March 31, 2025, the twelve swaps were in a liability position with an aggregate fair value of approximately \$122 million, which were classified as Other liabilities on the Consolidated Balance Sheets. Changes in fair value related to cross currency swaps are recorded in OCI.

The following table shows the notional amount of the Company’s derivative instruments outstanding as of March 31, 2025 and December 31, 2024:

<i>(DOLLARS IN MILLIONS)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Foreign currency contracts <sup>(1)</sup>	\$ (1,684)	\$ (1,512)
Commodity contracts <sup>(1)</sup>	22	7
Cross currency swaps	1,400	1,400

(1) Foreign currency contracts and commodity contracts are presented net of contracts bought and sold.

The following tables show the Company’s derivative instruments measured at fair value (Level 2 of the fair value hierarchy), as reflected on the Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024:

<i>(DOLLARS IN MILLIONS)</i>	<b>March 31, 2025</b>		
	<b>Fair Value of Derivatives Designated as Hedging Instruments</b>	<b>Fair Value of Derivatives Not Designated as Hedging Instruments</b>	<b>Total Fair Value</b>
<b>Derivative assets<sup>(1)</sup></b>			
Foreign currency forward contracts	\$ —	\$ 8	\$ 8
<b>Total derivative assets</b>	<b>\$ —</b>	<b>\$ 8</b>	<b>\$ 8</b>
<b>Derivative liabilities<sup>(2)</sup></b>			
Foreign currency contracts	\$ —	\$ 9	\$ 9
Cross currency swaps	122	—	122
<b>Total derivative liabilities</b>	<b>\$ 122</b>	<b>\$ 9</b>	<b>\$ 131</b>

	December 31, 2024		
	Fair Value of Derivatives Designated as Hedging Instruments	Fair Value of Derivatives Not Designated as Hedging Instruments	Total Fair Value
<i>(DOLLARS IN MILLIONS)</i>			
Derivative assets <sup>(1)</sup>			
Foreign currency contracts	\$ —	\$ 8	\$ 8
Commodity contracts	1	—	1
Total derivative assets	<u>\$ 1</u>	<u>\$ 8</u>	<u>\$ 9</u>
Derivative liabilities <sup>(2)</sup>			
Foreign currency contracts	\$ —	\$ 39	\$ 39
Cross currency swaps	90	—	90
Total derivative liabilities	<u>\$ 90</u>	<u>\$ 39</u>	<u>\$ 129</u>

(1) Derivative assets are recorded to Prepaid expenses and other current assets on the Consolidated Balance Sheets.

(2) Derivative liabilities are recorded to Other current liabilities and Other liabilities on the Consolidated Balance Sheets.

The following table shows the effect of the Company's derivative instruments which were not designated as hedging instruments on the Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income for the three months ended March 31, 2025 and 2024:

<i>(DOLLARS IN MILLIONS)</i>	Amount of Gain (Loss) Recognized in Income on Derivative Settlements		Amount of Gain (Loss) Recognized in Income on Changes in Fair Value		Location of Gain (Loss) Recognized in Income on Derivative
	Three Months Ended March 31,		Three Months Ended March 31,		
	2025	2024	2025	2024	
Foreign currency contracts <sup>(1)</sup>	\$ 22	\$ (2)	\$ 30	\$ (68)	Other expense, net

(1) The foreign currency contract net gains (losses) offset any recognized gains (losses) arising from the revaluation of the related intercompany loans during the same respective periods.

The following table shows the effect of the Company's derivative and non-derivative instruments designated as cash flow and net investment hedging instruments, net of tax, on the Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income for the three months ended March 31, 2025 and 2024:

<i>(DOLLARS IN MILLIONS)</i>	Amount of Gain (Loss) Recognized in OCI on Derivative and Non-Derivative (Effective Portion)		Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income ("AOCI") into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	
	Three Months Ended March 31,			Three Months Ended March 31,	
	2025	2024		2025	2024
<b>Derivatives in Cash Flow Hedging Relationships:</b>					
Foreign currency contracts	\$ —	\$ (7)	N/A	\$ —	\$ —
Commodity contracts	(1)	—	Cost of sales	—	—
<b>Derivatives in Net Investment Hedging Relationships:</b>					
Cross currency swaps	(24)	23	N/A	—	—
<b>Non-Derivatives in Net Investment Hedging Relationships:</b>					
2024 Euro Notes	—	3	N/A	—	—
2026 Euro Notes	(28)	15	N/A	—	—
Total	<u>\$ (53)</u>	<u>\$ 34</u>		<u>\$ —</u>	<u>\$ —</u>

The ineffective portion of the above noted net investment hedges was approximately \$4 million for each of the three months ended March 31, 2025 and 2024, and was recorded as a reduction to Interest expense on the Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income.

At March 31, 2025, based on current market rates, the Company does not expect any material derivative losses (net of tax), included in AOCI, to be reclassified into earnings within the next 12 months.

#### NOTE 16. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables present changes in the accumulated balances for each component of other comprehensive (loss) income, including current period other comprehensive (loss) income and reclassifications out of accumulated other comprehensive loss:

<i>(DOLLARS IN MILLIONS)</i>	Foreign Currency Translation Adjustments	Gains (Losses) on Derivatives Qualifying as Hedges	Pension and Postretirement Liability Adjustment	Total
Accumulated other comprehensive (loss) income, net of tax, as of January 1, 2025	\$ (2,426)	\$ (2)	\$ (99)	\$ (2,527)
OCI before reclassifications	404	(1)	—	403
Amounts reclassified from AOCI	—	—	1	1
Net current period other comprehensive (loss) income	404	(1)	1	404
Accumulated other comprehensive (loss) income, net of tax, as of March 31, 2025	<u>\$ (2,022)</u>	<u>\$ (3)</u>	<u>\$ (98)</u>	<u>\$ (2,123)</u>

<i>(DOLLARS IN MILLIONS)</i>	Foreign Currency Translation Adjustments	Gains (Losses) on Derivatives Qualifying as Hedges	Pension and Postretirement Liability Adjustment	Total
Accumulated other comprehensive (loss) income, net of tax, as of January 1, 2024	\$ (1,652)	\$ 1	\$ (245)	\$ (1,896)
OCI before reclassifications	(293)	(7)	3	(297)
Amounts reclassified from AOCI	—	—	2	2
Net current period other comprehensive (loss) income	(293)	(7)	5	(295)
Accumulated other comprehensive (loss) income, net of tax, as of March 31, 2024	<u>\$ (1,945)</u>	<u>\$ (6)</u>	<u>\$ (240)</u>	<u>\$ (2,191)</u>

The following table provides details about reclassifications out of Accumulated other comprehensive loss to the Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income:

<i>(DOLLARS IN MILLIONS)</i>	Three Months Ended March 31,		Affected Line Item in the Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
	2025	2024	
Losses on pension and postretirement liability adjustments			
Prior service cost	\$ —	\$ 1	(1)
Actuarial losses	(1)	(3)	(1)
Total	<u>\$ (1)</u>	<u>\$ (2)</u>	Total, net of income taxes

(1) The amortization of prior service cost and actuarial loss is included in the computation of net periodic benefit cost. Refer to Note 7 for additional information regarding net periodic benefit cost.

#### NOTE 17. COMMITMENTS AND CONTINGENCIES

##### Guarantees and Letters of Credit

The Company has various bank guarantees, letters of credit and surety bonds which are used to support its ongoing business operations, satisfy governmental requirements associated with pending litigation in various jurisdictions and the payment of customs duties.

As of March 31, 2025, the Company had a total of approximately \$234 million of available bank guarantees, commercial guarantees, standby letters of credit and surety bonds with various financial institutions. Included in the above aggregate amount was a total of approximately \$10 million for other assessments in Brazil for various income tax and indirect tax disputes related to fiscal years 1998-2011. There was a total of approximately \$57 million outstanding under the bank guarantees, standby letters of credit and commercial guarantees as of March 31, 2025.

In order to challenge the assessments in these cases in Brazil, the Company has been required to, and has separately pledged assets, principally property, plant and equipment, to cover assessments in the amount of approximately \$7 million as of March 31, 2025.

## **Litigation**

The Company assesses contingencies related to litigation and/or other matters to determine the degree of probability and range of possible loss if reasonably estimable. A loss contingency is accrued in the Company's Consolidated Financial Statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because litigation is inherently unpredictable and unfavorable resolutions could occur, assessing contingencies is highly sensitive and requires judgments about future events and any assessments or the related decisions on accruals could be inaccurate. On at least a quarterly basis, the Company reviews contingencies related to litigation to determine the adequacy of accruals. The amount of ultimate loss may differ from these estimates and the amounts accrued, and further events may require the Company to increase or decrease the amounts it has accrued on any matter.

Periodically, the Company assesses its insurance coverage for all known claims, where applicable, taking into account aggregate coverage by occurrence, limits of coverage, self-insured retentions and deductibles, historical claims experience and claims experience with its insurance carriers. The liabilities are recorded at management's best estimate of the probable outcome of the lawsuits and claims, taking into consideration the facts and circumstances of the individual matters as well as past experience on similar matters. At each balance sheet date, the key issues that management assesses are whether it is probable that a loss as to asserted or unasserted claims has been incurred and if so, whether the amount of loss can be reasonably estimated. The Company records the expected liability with respect to claims in Other liabilities and expected recoveries from its insurance carriers in Other assets. The Company recognizes a receivable when it believes that realization of the insurance receivable is probable under the terms of the insurance policies and its payment experience to date.

### *Litigation Matters*

A motion to approve a securities class action was filed in the Tel Aviv District Court, Israel, in August 2019, alleging, among other things, false and misleading statements largely in connection with IFF's acquisition of Frutarom and improper payments made by Frutarom businesses operating principally in Russia and Ukraine to representatives of customers. The motion ("Oman") (following an initial amendment) asserted claims under the Israeli Securities Act-1968 against IFF, its former Chairman and CEO, and its former CFO, and against Frutarom and certain former Frutarom officers and directors, as well as claims under the Israeli Companies Act-1999 against certain former Frutarom officers and directors. On July 14, 2022, the court approved the parties' motion to mediate the dispute, which postponed all case deadlines until after the mediation. The parties held mediation meetings in September 2022, November 2022, March 2023, November 2023, March 2024 and April 2024. In November 2024, the court granted extensions for the filing of the responses to the Oman motion and for the evidentiary hearings, for the parties to exhaust the mediation proceeding.

On October 29, 2019, IFF and Frutarom filed a claim in the Tel Aviv District Court, Israel, against Ori Yehudai, the former President and CEO of Frutarom, and against certain former directors of Frutarom, challenging the bonus of US \$20 million granted to Yehudai in 2018. IFF and Frutarom allege, among other things, that Yehudai was not entitled to receive the bonus because he breached his fiduciary duty by, among other things, knowing of the above-mentioned improper payments and failing to prevent them from being made. The parties agreed, pursuant to the court's recommendation, to attempt to resolve the dispute through mediation, and a court decision is pending with regard to the order in which this claim and the class action described below will be heard.

On March 11, 2020, an IFF shareholder filed a motion to approve a class action in Israel against, among others, Frutarom, Yehudai, and Frutarom's former board of directors, alleging that former minority shareholders of Frutarom were harmed as a result of the US \$20 million bonus paid to Yehudai. The court held an evidentiary hearing on the motion to approve a class action in March 2024.

Since March 2023, various putative class action lawsuits have been filed against IFF, Firmenich International SA, Givaudan SA, and Symrise AG and/or certain affiliates thereof in the Quebec Superior Court, the Federal Court of Canada, Ontario Superior Court, the Supreme Court of British Columbia and, in several cases, the United States District Court for the District of New Jersey. These actions allege violations of the Canadian Competition Act and the Sherman Act, as applicable, and other related claims, and seek damages and other relief. In December 2023, the Federal Court of Canada proceeding was discontinued in its entirety. IFF may face additional civil suits, in the United States or elsewhere, relating to such alleged conduct. At this time, IFF is unable to predict the potential outcome of these lawsuits or any potential effect they may have on the Company's results of operations, liquidity or financial condition. The resolution of any of these items could have a material adverse effect on IFF's results of operations, financial condition, and overall business.

#### *Investigations*

On June 3, 2020, the Israel Police's National Fraud Investigation Unit and the Israeli Securities Authority commenced an investigation into Frutarom and certain of its former executives, based on suspected bribery of foreign officials, money laundering, and violations of the Israeli Securities Act-1968. On February 26, 2024, the Israeli authorities informed Frutarom that the authorities decided to close the criminal investigation.

On March 7, 2023, the European Commission ("EC") and the United Kingdom Competition and Markets Authority ("CMA") carried out unannounced inspections of certain of IFF's facilities. On the same day, IFF was served with a grand jury subpoena by the Antitrust Division of the U.S. Department of Justice ("DOJ"). IFF understands the EC, CMA, DOJ and the Swiss Competition Commission are investigating potential anticompetitive conduct as it relates to IFF's fragrance businesses. The Mexican Competition Commission has also announced that it is investigating potential anticompetitive conduct in the fragrance and fragrance ingredients industries. The Company has applied for leniency in a number of jurisdictions. Leniency, if obtained in a jurisdiction, would generally carry significant benefits by, for example, reducing or eliminating monetary liability in that jurisdiction. IFF has been and intends to continue actively cooperating with these investigations, as well as any other present or future inquiries from governmental authorities. During the first three months of 2024, IFF recognized a provision of €15.9 million (approximately \$17.5 million) in connection with a settlement with the EC, which was paid during the third quarter of 2024. This settlement pertains to a charge related to the deletion of messages relevant to the investigation by a former Scent employee. This settlement does not conclude the ongoing antitrust investigation. IFF is currently unable, however, to predict or determine the scope, duration or outcome of the investigations, or whether the outcome of the investigations will materially impact the Company's results of operations, liquidity or financial condition. However, an adverse judgment or other outcome or settlement with respect to any proceedings discussed above could result in significant fines or payments by IFF. The resolution of any of these items could have a material adverse effect on IFF's results of operations, financial condition, and overall business.

#### **Environmental Proceedings**

The Company is reporting the following environmental matter in compliance with SEC requirements to disclose environmental proceedings where a governmental authority is a party and that involve potential monetary sanctions of \$300,000 or greater. Effective March 22, 2024, the Solae, LLC Memphis site ("Solae") signed an Administrative Order on Consent (the "Consent Order") resolving violations and penalties pertaining to the Administrative Order and Assessment received from the City of Memphis on May 27, 2022 related to alleged wastewater discharge violations. In view of the Consent Order, Solae withdrew its previously filed appeal. Pursuant to the Consent Order, Solae is completing its capital project efforts in accordance with the agreed schedule for attaining compliance with current wastewater permit requirements. This matter is not expected to have a material adverse effect on the Company's financial position, cash flows or results of operations.

#### **Other Contingencies**

The Company has contingencies involving third parties (such as labor, contract, technology or product-related claims or litigation) as well as government-related items in various jurisdictions in which it operates pertaining to such items as value-added taxes, other indirect taxes, customs and duties and sales and use taxes. It is possible that cash flows or results of operations, in any period, could be materially affected by the unfavorable resolution of one or more of these contingencies.

The most significant government-related contingencies exist in Brazil. With regard to the Brazilian matters, the Company believes it has valid defenses for the underlying positions under dispute; however, in order to pursue these defenses, the Company is required to, and has provided, bank guarantees and pledged assets in the aggregate amount of approximately \$17 million. The Brazilian matters take an extended period of time to proceed through the judicial process and there are a limited number of rulings to date.

*Other*

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of business and have not been fully resolved. Due to the inherent subjectivity and unpredictability of outcomes of legal proceedings, the Company is unable to determine, with certainty, the probability of the outcome of these matters or the range of reasonably possible losses, if any.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

### (UNLESS INDICATED OTHERWISE, DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)

The following management's discussion and analysis should be read in conjunction with the management's discussion and analysis of financial condition and results of operations, liquidity and capital resources included in our 2024 Annual Report on Form 10-K, filed on February 28, 2025 with the SEC ("2024 Form 10-K").

#### OVERVIEW

##### Company Background

We are a leading creator and manufacturer of food, beverage, health & biosciences, scent (and, until the sale of the Pharma Solutions disposal group, pharma solutions) and complementary adjacent products, including natural health ingredients, which are used in a wide variety of consumer products. Our products are sold principally to manufacturers of dairy, meat, beverages, snacks, savory, sweet, baked goods, grain processors and other foods, personal care products, soaps and detergents, cleaning products, perfumes, dietary supplements, food protection, infant, elderly and animal nutrition, functional food, pharmaceutical and oral care products. As a result, we hold global leadership positions in the Food & Beverage, Home & Personal Care and Health & Wellness markets, and across key Tastes, Textures, Scents, Nutrition, Enzymes, Cultures, Soy Proteins, Pharmaceutical Excipients and Probiotics categories.

Effective January 1, 2025, the Company implemented a reorganization of its internal structure, which impacted the way the CODM, the Chief Executive Officer, allocates resources and assesses financial performance. As a result, the Company has updated its reportable segments beginning with the first quarter of 2025. Specifically, the former Nourish segment has been separated into two new reportable segments: Taste and Food Ingredients. The Taste segment (formerly the Flavors business within Nourish) includes flavor compounds and natural taste solutions used in food and beverage applications. The Food Ingredients segment (formerly the Ingredients business within Nourish) includes a broad portfolio of natural and plant-based specialty ingredients that provide texturizing and food protection capabilities, as well as soy and pea protein solutions, emulsifiers, and sweeteners. In addition, immaterial business transfers occurred between Food Ingredients and Pharma Solutions, and between Health & Biosciences and Taste. Thus, starting in the first quarter of 2025, we are organized into five reportable operating segments: Taste, Food Ingredients, Health & Biosciences, Scent and, until the completion of the divestitures of both the Pharma Solutions and Nitrocellulose disposal groups, Pharma Solutions.

Our Taste segment consists of a range of flavor compounds and natural taste solutions that are ultimately used by our customers in savory products (soups, sauces, meat, fish, poultry, snacks, etc.), beverages (juice drinks, carbonated or flavored beverages, spirits, etc.), sweets (bakery products, candy, cereal, chewing gum, etc.), and dairy products (yogurt, ice cream, cheese, etc.). Flavors also include value-added spices and seasoning ingredients for meat, food service, convenience, alternative protein and culinary products.

Our Food Ingredients segment consists of a diversified portfolio across natural and plant-based specialty food ingredients derived from herbs and plants that provide texturizing solutions used in the food industry, food protection solutions used in food and beverage products, as well as specialty soy and pea protein with value-added formulations, emulsifiers and sweeteners. Natural food protection ingredients consist of natural antioxidants and antimicrobials used for natural food preservation and shelf-life extension for beverages, cosmetic and healthcare products, pet food and feed additives. Ingredients also includes savory solutions (such as spices, marinades, mixtures) and inclusion products (such as products combining flavorings with fruit, vegetables and other natural ingredients).

Our Health & Biosciences segment consists of the development and production of an advanced biotechnology-derived portfolio of enzymes, food cultures, probiotics and specialty ingredients for food and non-food applications. Among many other applications, this biotechnology-driven portfolio includes cultures for use in fermented foods such as yogurt, cheese and fermented beverages, probiotic strains, many with documented clinical health claims for use as dietary supplements and through industrial fermentation the production of enzymes and microorganisms that provide product and process performance benefits to household detergents, animal feed, ethanol production and brewing. Health & Biosciences is comprised of Health, Food Biosciences, Home & Personal Care, Animal Nutrition and Grain Processing.

Our Scent segment creates fragrance compounds and fragrance ingredients that are integral elements in the world's finest perfumes and best-known household and personal care products. Consumer insights, science and creativity are at the heart of our Scent business, and, along with our unique portfolio of natural and synthetic ingredients, global footprint, innovative technologies and know-how, and customer intimacy, we believe these make us a market leader in scent products. The Scent segment is comprised of Fragrance Compounds and Fragrance Ingredients. We completed the divestiture of our Cosmetic Ingredients business, previously within the Scent segment, on April 2, 2024.

Our Pharma Solutions segment produces, among other things, a vast portfolio of cellulose and seaweed-based pharmaceutical excipients, used to improve the functionality and delivery of active pharmaceutical ingredients, including controlled or modified drug release formulations, and enabling the development of more effective pharmaceutical finished dosage formulations. Our excipients are used in prescription and over-the-counter pharmaceuticals and dietary supplements. Our Pharma Solutions products also serve a variety of other specialty and industrial end-uses including coatings, inks, electronics, agriculture and consumer products. During March 2024, we announced the sale process and entered into an agreement to sell the Pharma Solutions business disposal group, that is primarily made up of most businesses within the Company's existing Pharma Solutions reportable segment. The transaction closed on May 1, 2025. During October 2024, we entered into an agreement to sell the Nitrocellulose disposal group, which is within our existing Pharma Solutions reportable operating segment. The transaction is expected to close during the second quarter of 2025. See Note 3 for additional information.

## **Financial Performance Overview**

### *Sales*

Sales in the first quarter of 2025 decreased \$56 million, or 2% on a reported basis, to \$2.843 billion compared to \$2.899 billion in the 2024 period. On a currency neutral basis, sales in the first quarter of 2025 increased 2% compared to the 2024 period as exchange rate variations had an unfavorable impact on net sales of 4%. The effect of exchange rates can vary by business and region, depending upon the mix of sales priced in U.S. dollars as compared to other currencies. On a comparable basis, currency neutral sales increased 3% driven by volume increases across various business lines. Comparable portfolio results exclude the impact of divestitures of the Flavors & Essences UK business ("F&E UK") and Cosmetic Ingredients business ("change in business portfolio mix due to divestitures"), which was approximately \$31 million.

### *Gross Profit*

Gross profit in the first quarter of 2025 increased \$11 million, or 1% on a reported basis, to \$1.035 billion (36.4% of sales) compared to \$1,024 million (35.3% of sales) in the 2024 period. The increase in gross profit was primarily driven by volume increases and productivity gains, offset in part by the effect of exchange rate variations and the net impact of the change in business portfolio mix due to divestitures of \$21 million.

**RESULTS OF OPERATIONS**

	<b>Three Months Ended</b>		<b>Change</b>
	<b>March 31,</b>		
<i>(DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)</i>	<b>2025</b>	<b>2024</b>	
Net sales	\$ 2,843	\$ 2,899	(2) %
Cost of sales	1,808	1,875	(4) %
Gross profit	1,035	1,024	1 %
Research and development (R&D) expenses	164	166	(1) %
Selling and administrative (S&A) expenses	461	490	(6) %
Amortization of acquisition-related intangibles	143	168	(15) %
Impairment of goodwill	1,153	—	NMF
Restructuring and other charges	17	3	NMF
Gains on sales of assets	—	(2)	(100) %
Operating (loss) profit	(903)	199	NMF
Interest expense	71	83	(14) %
Other expense, net	20	1	NMF
(Loss) income before taxes	(994)	115	NMF
Provision for income taxes	23	54	(57) %
Net (loss) income	(1,017)	61	NMF
Net income attributable to non-controlling interests	1	1	— %
Net (loss) income attributable to IFF shareholders	\$ (1,018)	\$ 60	NMF
Net (loss) income per share - diluted	\$ (3.98)	\$ 0.23	NMF
Gross margin	36.4 %	35.3 %	110 bps
R&D as a percentage of sales	5.8 %	5.7 %	10 bps
S&A as a percentage of sales	16.2 %	16.9 %	(70)bps
Operating margin	(31.8)%	6.9 %	NMF
Effective tax rate	(2.3)%	47.0 %	NMF
<u>Segment net sales</u>			
Taste	\$ 627	\$ 619	1 %
Food Ingredients	796	856	(7) %
Health & Biosciences	540	529	2 %
Scent	614	645	(5) %
Pharma Solutions	266	250	6 %
Consolidated	\$ 2,843	\$ 2,899	

NMF: Not meaningful

Cost of goods sold includes the cost of materials and manufacturing expenses. R&D expenses include expenses related to the development of new and improved products and technical product support. S&A expenses include expenses necessary to support our commercial activities and administrative expenses supporting our overall operating activities including compliance with governmental regulations.

**FIRST QUARTER 2025 IN COMPARISON TO FIRST QUARTER 2024**

Sales performance by segment was as follows:

	% Change in Sales - First Quarter 2025 vs. First Quarter 2024		
	Reported	Currency Neutral <sup>(1)</sup>	Comparable Currency Neutral <sup>(1)(2)</sup>
<b>Taste</b>	1 %	6 %	7 %
<b>Food Ingredients</b>	-7 %	-4 %	-4 %
<b>Health &amp; Biosciences</b>	2 %	5 %	5 %
<b>Scent</b>	-5 %	— %	4 %
<b>Pharma Solutions</b>	6 %	8 %	8 %
<b>Total</b>	-2 %	2 %	3 %

(1) Currency neutral sales are calculated by translating current year invoiced sale amounts at the exchange rates for the corresponding prior year period.

(2) Comparable portfolio results for 2024 exclude the impact of divestitures.

Comparable reported performance by segment was as follows:

	Three Months Ended March 31,	
	2025	2024
<b>Net Sales</b>		
Taste	\$ 627	\$ 615
Food Ingredients	796	856
Health & Biosciences	540	529
Scent	614	618
Pharma Solutions	266	250
Impact of Business Divestitures <sup>(1)</sup>	—	31
<b>Total</b>	<b>\$ 2,843</b>	<b>\$ 2,899</b>

(1) Impact of business divestitures include the results of the Flavors & Essences UK business that was divested on September 1, 2024, and the Cosmetic Ingredients business that was divested on April 2, 2024, to present fully comparable scenarios.

#### *Taste*

Taste sales in 2025 increased \$8 million, or 1% on a reported basis, to \$627 million compared to \$619 million in the prior year period. On a currency neutral basis, Taste sales increased 6% in 2025 compared to the prior year period as exchange rate variations had an unfavorable impact. On a comparable basis, currency neutral sales increased 7% driven by volume and price increases. Comparable portfolio results exclude the impact of the divestiture of the F&E UK business with an impact of approximately \$4 million.

#### *Food Ingredients*

Food Ingredients sales in 2025 decreased \$60 million, or 7% on a reported basis, to \$796 million compared to \$856 million in the prior year period. On a currency neutral basis, Food Ingredients sales decreased 4% in 2025 compared to the prior year period as exchange rate variations had an unfavorable impact. Performance in the Food Ingredients operating segment was primarily driven by volume decreases within the Protein Solutions business unit.

#### *Health & Biosciences*

Health & Biosciences sales in 2025 increased \$11 million, or 2% on a reported basis, to \$540 million compared to \$529 million in the prior year period. On a currency neutral basis, Health & Biosciences sales increased 5% in 2025 compared to the prior year period as exchange rate variations had an unfavorable impact. Performance in the Health & Biosciences operating segment was driven by volume increases across various business units.

#### *Scent*

Scent sales in 2025 decreased \$31 million, or 5% on a reported basis, to \$614 million compared to \$645 million in the prior year period. On a currency neutral basis, Scent sales remained flat in 2025 compared to the prior year period as exchange rate variations had an unfavorable impact. On a comparable basis, currency neutral sales increased 4% driven by volume increases in the Fragrance Compounds business unit. Comparable portfolio results exclude the impact of the divestiture of the Cosmetic Ingredients business with an impact of approximately \$27 million.

#### *Pharma Solutions*

Pharma Solutions sales in 2025 increased \$16 million, or 6% on a reported basis, to \$266 million compared to \$250 million in the prior year period. On a currency neutral basis, Pharma Solutions sales increased 8% in 2025 compared to the prior year period as exchange rate variations had an unfavorable impact. Performance in the Pharma Solutions operating segment was driven by sales mix associated with distribution model changes and volume growth.

#### **Cost of Sales**

Cost of sales decreased \$67 million to \$1.808 billion (63.6% of sales) in the first quarter of 2025 compared to \$1.875 billion (64.7% of sales) in the first quarter of 2024. The decrease in cost of goods sold was primarily driven by lower raw material costs and manufacturing expenses, lower unfavorable manufacturing absorption compared to the prior year period and the change in business portfolio mix due to divestitures, with an impact of approximately \$10 million, offset in part by volume increases in sales.

#### **Research and Development (R&D) Expenses**

R&D expenses decreased \$2 million to \$164 million (5.8% of sales) in the first quarter of 2025 compared to \$166 million (5.7% of sales) in the first quarter of 2024. The decrease in R&D expenses was primarily driven by lower operating expenses for R&D related activities.

#### **Selling and Administrative (S&A) Expenses**

S&A expenses decreased \$29 million to \$461 million (16.2% of sales) in the first quarter of 2025 compared to \$490 million (16.9% of sales) in the first quarter of 2024. The decrease in S&A expenses was primarily driven by lower professional fees, legal fees and provisions incurred for the ongoing investigations of the fragrance businesses, and the change in business portfolio mix due to divestitures.

#### **Restructuring and Other Charges**

Restructuring and other charges increased to \$17 million in the first quarter of 2025 compared to \$3 million in the first quarter of 2024. The increase in 2025 was driven by higher severance costs incurred as part of the IFF Productivity Program. See Note 4 for additional information.

#### **Amortization of Acquisition-Related Intangibles**

Amortization expenses decreased to \$143 million in the first quarter of 2025 compared to \$168 million in the first quarter of 2024. The decrease in amortization expense was primarily driven by the intangible assets of the Pharma Solutions disposal group being classified as "held for sale," and therefore no longer recognizing amortization expense on those intangible assets. See Note 3 and Note 11 for additional information.

#### **Impairment of Goodwill**

The impairment of goodwill was \$1.153 billion in the first quarter of 2025, which was related to the Food Ingredients reporting unit. See Note 11 for additional information.

#### **Interest Expense**

Interest expense decreased to \$71 million in the first quarter of 2025 compared to \$83 million in the first quarter of 2024. The decrease in interest expense was primarily due to debt repayments at maturity made during the three months ended March 31, 2024, related to the 2024 Term Loan Facility and 2024 Euro Notes. See Note 13 for additional information.

#### **Other Expense, Net**

Other expense, net, was \$20 million in the first quarter of 2025 compared to \$1 million in the first quarter of 2024. The increase of \$19 million was primarily due to higher foreign exchange losses. See Note 8 for additional information.

#### **Income Taxes**

The effective tax rate for the three months ended March 31, 2025 was (2.3)% compared to 47.0% for the three months ended March 31, 2024. The quarter-over-quarter decrease was primarily due to a goodwill impairment charge related to the Food Ingredients reporting unit that is mostly non-tax deductible, as well as changes in the mix of earnings.

### Segment Adjusted Operating EBITDA Results

The Company uses Segment Adjusted Operating EBITDA for internal reporting and performance measurement purposes. Segment Adjusted Operating EBITDA is defined as (Loss) Income Before Taxes before depreciation and amortization expense, interest expense, restructuring and other charges and certain items that are not related to recurring operations. Our determination of reportable segments was made on the basis of our strategic priorities within each segment and corresponds to the manner in which our Chief Operating Decision Maker reviews and evaluates operating performance to make decisions about resources to be allocated to the segment. In addition to our strategic priorities, segment reporting is also based on differences in the products and services we provide.

Adjusted Operating EBITDA performance by segment was as follows:

	% Change in Adjusted Operating EBITDA - First Quarter 2025 vs. First Quarter 2024	
	Adjusted <sup>(1)</sup>	Comparable Adjusted <sup>(1)(2)</sup>
<b>Taste</b>	12 %	14 %
<b>Food Ingredients</b>	3 %	3 %
<b>Health &amp; Biosciences</b>	— %	— %
<b>Scent</b>	-14 %	-6 %
<b>Pharma Solutions</b>	15 %	15 %
<i>Total</i>	— %	3 %

(1) Refer to Note 6 for a reconciliation of Adjusted Operating EBITDA to (Loss) Income Before Taxes.

(2) Comparable portfolio results for 2024 exclude the impact of divestitures.

Comparable Adjusted Operating EBITDA by segment was as follows:

<i>(DOLLARS IN MILLIONS)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Segment Adjusted Operating EBITDA:</b>		
Taste	\$ 131	\$ 115
Food Ingredients	111	108
Health & Biosciences	138	138
Scent	144	154
Pharma Solutions	54	47
Impact of Business Divestitures	—	16
<b>Total</b>	<b>578</b>	<b>578</b>
Depreciation & Amortization	(236)	(278)
Interest Expense	(71)	(83)
Other Expense, net	(20)	(1)
Restructuring and Other Charges	(17)	(3)
Impairment of Goodwill	(1,153)	—
Divestiture and Integration Related Costs	(51)	(58)
Strategic Initiatives Costs	(8)	(4)
Regulatory Costs	(11)	(35)
Other	(5)	(1)
<b>(Loss) Income Before Taxes</b>	<b>\$ (994)</b>	<b>\$ 115</b>
<b>Segment Adjusted Operating EBITDA margin:</b>		
Taste	20.9 %	18.7 %
Food Ingredients	13.9 %	12.6 %
Health & Biosciences	25.6 %	26.1 %
Scent	23.5 %	24.9 %
Pharma Solutions	20.3 %	18.8 %
Consolidated	20.3 %	19.9 %

#### *Taste Segment Adjusted Operating EBITDA*

Taste Segment Adjusted Operating EBITDA increased \$14 million, or 12% on a reported basis, to \$131 million in the first quarter of 2025 (20.9% of segment sales) from \$117 million (18.9% of segment sales) in the comparable 2024 period. On a comparable basis, Taste Segment Adjusted Operating EBITDA increased 14% in 2025 compared to the prior year period led by primarily volume increases and productivity gains. Comparable portfolio results exclude the impact of the divestiture of the F&E UK business with an impact of approximately \$2 million.

#### *Food Ingredients Segment Adjusted Operating EBITDA*

Food Ingredients Segment Adjusted Operating EBITDA increased \$3 million, or 3% on a reported basis, to \$111 million in the first quarter of 2025 (13.9% of segment sales) from \$108 million (12.6% of segment sales) in the comparable 2024 period. The performance was primarily driven by productivity gains, offset in part by volume declines in the Protein Solutions business unit.

#### *Health & Biosciences Segment Adjusted Operating EBITDA*

Health & Biosciences Segment Adjusted Operating EBITDA remained flat on a reported basis at \$138 million in the first quarter of 2025 (25.6% of segment sales) and in the comparable 2024 period (26.1% of segment sales). The performance was primarily driven by volume growth and productivity gains, offset by unfavorable exchange rate variations.

#### *Scent Segment Adjusted Operating EBITDA*

Scent Segment Adjusted Operating EBITDA decreased \$24 million, or 14% on reported basis, to \$144 million in the first quarter of 2025 (23.5% of segment sales) from \$168 million (26.0% of segment sales) in the comparable 2024 period. On a comparable basis, Scent Segment Adjusted Operating EBITDA decreased 6% in 2025 compared to the prior year period as

unfavorable exchange rate variations more than offset volume increases in the Fragrance Compounds business unit and productivity gains. Comparable portfolio results exclude the impact of the divestiture of the Cosmetic Ingredients business with an impact of approximately \$14 million.

#### *Pharma Solutions Segment Adjusted Operating EBITDA*

Pharma Solutions Segment Adjusted Operating EBITDA increased \$7 million, or 15% on a reported basis, to \$54 million in the first quarter of 2025 (20.3% of segment sales) from \$47 million (18.8% of segment sales) in the comparable 2024 period. The performance was primarily driven by distribution model changes and productivity gains.

### **Liquidity**

#### *Cash and Cash Equivalents*

We had cash and cash equivalents of \$650 million, inclusive of \$37 million currently in Assets held for sale on the Consolidated Balance Sheets at March 31, 2025 compared to \$471 million, inclusive of \$2 million in Assets held for sale on the Consolidated Balance Sheets at December 31, 2024 and, of this balance, a majority was held outside the United States. Cash balances held in foreign jurisdictions are, in most circumstances, available to be repatriated to the United States.

Effective utilization of the cash generated by our international operations is a critical component of our strategy. We regularly repatriate cash from our non-U.S. subsidiaries to fund financial obligations in the U.S. As we repatriate these funds to the U.S., there will be required income taxes payable in certain U.S. states and applicable foreign withholding taxes during the period when such repatriation occurs. Accordingly, as of March 31, 2025, we had a deferred tax liability of approximately \$159 million for the effect of repatriating the funds to the U.S., attributable to various non-U.S. subsidiaries. There is no deferred tax liability associated with non-U.S. subsidiaries where we intend to indefinitely reinvest the earnings to fund local operations and/or capital projects.

#### *Cash Flows Provided By Operating Activities*

Cash flows provided by operating activities for the three months ended March 31, 2025 was \$127 million, or 4.5% of sales, compared to \$99 million, or 3.4% of sales, for the three months ended March 31, 2024. The increase in cash flows from operating activities during 2025 was primarily driven by the decrease in working capital, largely related to accounts receivable and accounts payable, offset in part by accruals for incentive compensation and inventories, excluding the impact of non-cash adjustments.

#### *Cash Flows Used In Investing Activities*

Cash flows used in investing activities for the three months ended March 31, 2025 was \$157 million compared to \$78 million in the prior year period. The increase in cash flows used in investing activities was primarily driven by higher spending on property, plant and equipment.

We have evaluated and re-prioritized our capital projects and expect that capital spending in 2025 will be approximately 6.5% of sales (net of potential grants and other reimbursements from government authorities), up from 4.0% in 2024.

#### *Cash Flows Provided By Financing Activities*

Cash flows provided by financing activities for the three months ended March 31, 2025 was \$169 million compared to \$40 million in the prior year period. The increase in cash flows provided by financing activities was primarily driven by a reduction in principal payments of debt and a reduction in cash dividends paid to shareholders, offset in part by lower net borrowings of commercial paper.

We paid dividends totaling \$102 million in the 2025 period. We declared a cash dividend per share of \$0.40 in the first quarter of 2025 that was paid on April 11, 2025 to all shareholders of record as of March 21, 2025.

Our capital allocation strategy is primarily focused on debt repayment to maintain our investment grade rating. We will also prioritize capital investment in our businesses to support the strategic long-term plans. We are also committed to maintaining our history of paying a dividend to investors, determined by our Board of Directors at its discretion, based on various factors.

### **Capital Resources**

Operating cash flow provides the primary source of funds for capital investment needs, dividends paid to shareholders and debt service repayments. We anticipate that cash flows from operations, cash proceeds generated from planned business divestitures and availability under our existing credit facilities will be sufficient to meet our investing and financing needs, including our debt service requirements, for the foreseeable future. We regularly assess our capital structure, including both current and long-term debt instruments, as compared to our cash generation and investment needs in order to provide ample flexibility and to optimize our leverage ratios. See Note 13 for additional information.

*Term Loans and Revolving Credit Facility*

Our credit agreements contain various covenants, limitations and events of default customary for similar facilities for similarly rated borrowers, including the requirement for us to maintain, at the end of each fiscal quarter, a ratio of net debt for borrowed money to credit adjusted EBITDA in respect of the previous 12-month period.

Our Term Loans and Revolving Credit Facility bear interest at a base rate or a rate equal to Term SOFR plus an adjustment of 0.10% per annum or, in the case of euro-denominated loans, the Euro interbank offered rate, plus, in each case, an applicable margin based on our public debt rating. Loans may be prepaid without premium or penalty, subject to customary breakage costs.

Based on the amendments entered into on September 19, 2023 for our Term Loans and Revolving Credit Facility, we were provided with a financial covenant relief period through December 31, 2025, or such earlier date on which we elect to terminate such period, by providing that during the financial covenant relief period, our consolidated leverage ratio shall not exceed as of the end of the fiscal quarter for the period of the four fiscal quarters then ended: (i) 5.25x for any fiscal quarter ending on or before March 31, 2024, (ii) 4.75x for the fiscal quarter ending June 30, 2024, (iii) 4.50x for the fiscal quarter ending September 30, 2024, (iv) 4.25x for any subsequent fiscal quarter ending on or before March 31, 2025, (v) 4.00x for any subsequent fiscal quarter ending on or before September 30, 2025 and (vi) 3.75x for the fiscal quarter ending December 31, 2025. During the financial covenant relief period, the amendments prohibit us from (i) effecting share repurchases, (ii) declaring and paying dividends in cash on common stock in excess of \$0.81 per share per fiscal quarter (for an aggregate amount of \$3.24 per fiscal year) and (iii) creating liens to secure debt in excess of the greater of \$300 million and 3.65% of Consolidated Net Tangible Assets (as defined in the amendments to our Term Loans and Revolving Credit Facility), in each case subject to certain exceptions set forth therein.

As of March 31, 2025, we had no outstanding borrowings under our \$2 billion Revolving Credit Facility. The amount that we are able to draw down under the Revolving Credit Facility is limited by financial covenants as described in more detail below. As of March 31, 2025, our available capacity was \$711 million under the Revolving Credit Facility.

Refer to Note 13 of this Form 10-Q and Part IV, Item 15, “Exhibits and Financial Statement Schedules,” Note 14 of our 2024 Form 10-K for additional information.

*Debt Covenants*

At March 31, 2025, we were in compliance with all financial and other covenants, including the net debt to credit adjusted EBITDA<sup>(1)</sup> ratio. At March 31, 2025, our net debt to credit adjusted EBITDA<sup>(1)</sup> ratio was 3.93 to 1.0 as defined by the credit facility agreements, which is below the relevant level provided by our financial covenants of existing outstanding debt.

- (1) Credit adjusted EBITDA and net debt, which are non-GAAP measures used for these covenants, are calculated in accordance with the definition in the debt agreements. In this context, these measures are used solely to provide information on the extent to which we are in compliance with debt covenants and may not be comparable to credit adjusted EBITDA and net debt used by other companies. Reconciliations of credit adjusted EBITDA to net loss and net debt to total debt are as follows:

<i>(DOLLARS IN MILLIONS)</i>	<b>Twelve Months Ended March 31, 2025</b>	
Net loss	\$	(835)
Interest expense		293
Income taxes		—
Depreciation and amortization		973
Specified items <sup>(1)</sup>		1,576
Non-cash items <sup>(2)</sup>		200
<b>Credit Adjusted EBITDA</b>	<b>\$</b>	<b>2,207</b>

- (1) Specified items consisted of restructuring and other charges, impairment of goodwill, divestiture and integration costs, strategic initiatives costs, regulatory costs and other costs that are not related to recurring operations.

- (2) Non-cash items consisted of losses (gains) on sale of assets and losses on business disposals, loss on assets classified as held for sale, pension settlement losses, and stock based compensation.

*(DOLLARS IN MILLIONS)***March 31, 2025**

Total debt <sup>(1)</sup>	\$	9,319
Adjustments:		
Cash and cash equivalents <sup>(2)</sup>		650
<b>Net debt</b>	<b>\$</b>	<b>8,669</b>

(1) Total debt used for the calculation of net debt consisted of short-term debt, long-term debt, short-term finance lease obligations and long-term finance lease obligations.

(2) Cash and cash equivalents included approximately \$37 million currently in Assets held for sale on the Consolidated Balance Sheets.

#### *Senior Notes*

As of March 31, 2025, we had \$8.515 billion aggregate principal amount outstanding in senior unsecured notes, with \$865 million principal amount denominated in EUR and \$7.650 billion principal amount denominated in USD. The notes bear effective interest rates ranging from 1.22% per year to 5.12% per year, with maturities from October 1, 2025 to December 1, 2050. See Note 13 for additional information.

#### **Contractual Obligations**

We expect to contribute a total of \$5 million to our U.S. pension plans and a total of \$17 million to our non-U.S. pension plans during 2025. During the three months ended March 31, 2025, \$4 million of contributions were made to the non-U.S. pension plans and \$1 million of contributions were made with respect to the non-qualified U.S. pension plan. We also expect to make \$4 million of payments to our postretirement benefits other than pension plans during 2025. During the three months ended March 31, 2025, \$1 million of benefit payments were made to postretirement benefits other than pension plans.

As discussed in Note 17 to the Consolidated Financial Statements, at March 31, 2025, we had entered into various guarantees and had undrawn outstanding letters of credit from financial institutions. These arrangements reflect ongoing business operations, including commercial commitments, and governmental requirements associated with audits or litigation that are in process with various jurisdictions. Based on the current facts and circumstances, these arrangements are not reasonably likely to have a material impact on our consolidated financial condition, results of operations or cash flows.

#### **New Accounting Standards**

Refer to Note 1 to the Consolidated Financial Statements for a discussion of recent accounting pronouncements.

#### **Non-GAAP Financial Measures**

We use non-GAAP financial measures in this Form 10-Q, including: (i) comparable currency neutral metrics, (ii) adjusted operating EBITDA and comparable adjusted operating EBITDA, (iii) adjusted operating EBITDA margin, and (iv) net debt to credit adjusted EBITDA. We also provide the non-GAAP measure net debt solely for the purpose of providing information on the extent to which the Company is in compliance with debt covenants contained in its debt agreements. Our non-GAAP financial measures are defined below.

These non-GAAP financial measures are intended to provide additional information regarding our underlying operating results and comparable year-over-year performance. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. In discussing our historical and expected future results and financial condition, we believe it is meaningful for investors to be made aware of and to be assisted in a better understanding of, on a period-to-period comparable basis, financial amounts both including and excluding these identified items, as well as the impact of exchange rate fluctuations. These non-GAAP measures should not be considered in isolation or as substitutes for analysis of the Company's results under GAAP and may not be comparable to other companies' calculation of such metrics.

Currency Neutral metrics eliminate the effects that result from translating non-U.S. currencies to U.S. dollars. We calculate currency neutral numbers by translating current year invoiced sale amounts at the exchange rates used for the corresponding prior year period. We use currency neutral results in our analysis of segment performance. We also use currency neutral numbers when analyzing our performance against our competitors.

Comparable results for the first quarter exclude the impact of divestitures.

Adjusted operating EBITDA and adjusted operating EBITDA margin exclude depreciation and amortization, interest expense, other expense, net, and certain non-recurring or unusual items that are not part of recurring operations such as, impairment of goodwill, restructuring and other charges, divestiture and integration related costs, strategic initiatives costs, regulatory costs and other costs that are not related to recurring operations.

Net debt to credit adjusted EBITDA is the leverage ratio used in our credit agreements and defined as net debt (which is debt for borrowed money less cash and cash equivalents) divided by the trailing 12-month credit adjusted EBITDA. Credit adjusted EBITDA is defined as income (loss) before interest expense, income taxes, depreciation and amortization, specified items and non-cash items.

### **Cautionary Statement Under the Private Securities Litigation Reform Act of 1995**

Statements in this Form 10-Q, which are not historical facts or information, are “forward-looking statements” within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management’s current assumptions, estimates and expectations, including those concerning (i) expected cash flow and availability of capital resources to fund our operations and meet our debt service requirements; (ii) our ability to execute on our strategic and financial transformation, including the progress and success of our portfolio optimization strategy, through non-core business divestitures and acquisitions, and expectations regarding the implementation of our refreshed growth-focused strategy and expectations around our business divestitures; (iii) our ability to continue to generate value for, and return cash to, our shareholders; (iv) expectations of the impact of inflationary pressures and the pricing actions to offset exposure to such impacts; (v) expectations regarding the impact of government actions including tariffs; (vi) the impact of high input costs, including commodities, raw materials, transportation and energy; (vii) the expected impact of global supply chain challenges; (viii) our ability to enhance our innovation efforts, drive cost efficiencies and execute on specific consumer trends and demands; (ix) the growth potential of the markets in which we operate, including the emerging markets; (x) expectations regarding sales and profit for the fiscal year 2025, including the impact of foreign exchange, pricing actions, raw materials, energy, and sourcing, logistics and manufacturing costs; (xi) the impact of global economic uncertainty and recessionary pressures on demand for consumer products; (xii) the success of our integration efforts, following acquisitions, including the acquisition of Frutarom and the N&B Transaction, and ability to deliver on our synergy commitments as well as future opportunities for the combined company; (xiii) our strategic investments in capacity and increasing inventory to drive improved profitability; (xiv) our ability to drive cost discipline measures and the ability to recover margin to pre-inflation levels; (xv) expected capital expenditures in 2025; and (xvi) the expected costs and benefits of our ongoing optimization of our manufacturing operations, including the expected number of closings. These forward-looking statements should be evaluated with consideration given to the many risks and uncertainties inherent in our business that could cause actual results and events to differ materially from those in the forward-looking statements. Certain of such forward-looking information may be identified by such terms as “expect”, “anticipate”, “believe”, “intend”, “outlook”, “may”, “estimate”, “should”, “predict” and similar terms or variations thereof. Such forward-looking statements are based on a series of expectations, assumptions, estimates and projections about the Company, are not guarantees of future results or performance, and involve significant risks, uncertainties and other factors, including assumptions and projections, for all forward periods. Our actual results may differ materially from any future results expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, the following:

- our substantial amount of indebtedness and its impact on our liquidity, credit rating and ability to return capital to its shareholders;
- our ability to successfully execute our strategic transformation;
- the impact of regulatory, consumer, and economic trends for consumer products;
- the impact of the outcomes of legal claims, disputes, regulatory investigations and litigation;
- supply chain disruptions, geopolitical developments, climate change events, natural disasters, public health crises, tariffs and trade wars, and other events that may affect our suppliers, or procurement of raw materials, and our development, manufacturing, distribution or sale of our products, and thus may impact our productivity, business and financial results;
- inflationary trends, including in the price of our input costs, such as raw materials, transportation and energy;
- our ability to successfully manage our working capital and inventory balances;
- our ability to attract and retain key employees, and manage turnover of top executives;
- our ability to successfully market to our expanded and diverse customer base;
- our ability to effectively compete in our market and develop and introduce new products that meet customers’ needs;
- changes in demand from large multi-national customers due to increased competition and our ability to maintain “core list” status with customers;
- our ability to successfully develop innovative and cost-effective products that allow customers to achieve their own profitability expectations;
- the impact of a significant data breach or other disruption in our information technology systems;
- our ability to benefit from our investments and expansion in emerging markets;
- the impact of currency fluctuations or devaluations in the principal foreign markets in which we operate;

- economic, regulatory and political risks associated with our international operations;
- our ability to declare and pay dividends which is subject to certain considerations;
- our ability to react in a timely and cost-effective manner to changes in consumer preferences and demands, including increased awareness of health and wellness;
- our ability to meet increasing customer, consumer, shareholder and regulatory focus on sustainability;
- any impairment on our tangible or intangible long-lived assets;
- our ability to enter into or close strategic transactions or divestments, or successfully establish and manage acquisitions, collaborations, joint ventures or partnerships;
- changes in market conditions or governmental regulations relating to our pension and postretirement obligations;
- our ability to comply with, and the costs associated with compliance with, regulatory requirements and industry standards, including regarding product safety, quality, efficacy and environment impact;
- defects, quality issues (including product recalls), inadequate disclosure or misuse with respect to the products and capabilities;
- our ability to comply with, and the costs associated with compliance with, U.S. and foreign environmental protection laws;
- the impact of our or our counterparties' failure to comply with the U.S. Foreign Corrupt Practices Act, similar U.S. or foreign anti-bribery and anti-corruption laws and regulations, applicable sanctions or competition laws and regulations in the jurisdictions in which we operate or ethical business practices and related laws and regulations;
- our ability to protect our intellectual property rights;
- changes in business and operations related to the adoption of artificial intelligence;
- the impact of changes in federal, state, local and international tax legislation or policies and adverse results of tax audits, assessments, or disputes;
- the impact of any tax liability resulting from the N&B Transaction; and
- our ability to comply with data protection laws in the U.S. and abroad.

The foregoing list of important factors does not include all such factors, nor necessarily present them in order of importance. In addition, you should consult other disclosures made by the Company (such as in our other filings with the SEC or in company press releases) for other factors that may cause actual results to differ materially from those projected by the Company. Please refer to Part I. Item 1A., Risk Factors, of our 2024 Form 10-K for additional information regarding factors that could affect our results of operations, financial condition and liquidity.

We intend our forward-looking statements to speak only as of the time of such statements and do not undertake or plan to update or revise them as more information becomes available or to reflect changes in expectations, assumptions or results. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this report or included in our other periodic reports filed with the SEC could materially and adversely impact our operations and our future financial results.

Any public statements or disclosures made by us following this report that modify or impact any of the forward-looking statements contained in or accompanying this report will be deemed to modify or supersede such outlook or other forward-looking statements in or accompanying this report.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

There are no material changes in market risk from the information provided in our 2024 Form 10-K, except for the cross currency swap agreements.

We use derivative instruments as part of our interest rate risk management strategy. We have entered into certain cross currency swap agreements in order to mitigate a portion of our net European investments from foreign currency risk. As of March 31, 2025, these swaps were in a liability position with an aggregate fair value of approximately \$122 million. Based on a hypothetical decrease or increase of 10% in the value of the U.S. dollar against the Euro, the estimated fair value of our cross currency swaps would change by approximately \$138 million. See Note 15 for additional information.

**ITEM 4. CONTROLS AND PROCEDURES.**

*(a) Disclosure Controls and Procedures*

The Chief Executive Officer and Chief Financial Officer, with the assistance of other members of our management, have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

We have established controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including the principal executive officer and the principal financial officer, to allow timely decisions regarding required disclosure.

*(b) Changes in Internal Control over Financial Reporting*

The Chief Executive Officer and Chief Financial Officer have also concluded that there have not been any changes in our internal control over financial reporting during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

For information that updates the disclosures set forth under Part I, Item 3. “Legal Proceedings” in our 2024 Annual Report on Form 10-K, filed on February 28, 2025 with the SEC (the “2024 Form 10-K”), refer to Note 17 to the “Consolidated Financial Statements” in this Form 10-Q.

### ITEM 1A. RISK FACTORS.

Refer to Part I, Item 1A, “Risk Factors,” of our 2024 Form 10-K and the information contained in this Quarterly Report on Form 10-Q and our other reports and registration statements filed with the SEC. There have been no material changes with respect to the risk factors disclosed in our 2024 Form 10-K.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

### ITEM 5. OTHER INFORMATION.

#### Rule 10b5-1 Trading Plans

During the quarter ended March 31, 2025, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a “10b5-1 trading arrangement”) or any “non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K.

### ITEM 6. EXHIBITS.

10.1	<a href="#">Separation and Transition Agreement between International Flavors &amp; Fragrances Inc. and Franklin K. Clyburn, Jr., effective January 11, 2024, incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on January 11, 2024.</a>
10.2	<a href="#">Letter Agreement between International Flavors &amp; Fragrances Inc. and J. Erik Fyrwald, effective January 11, 2024, incorporated by reference to Exhibit 10.2 to the Registrant’s Current Report on Form 8-K filed on January 11, 2024.</a>
10.3	<a href="#">Letter Agreement between International Flavors &amp; Fragrances Inc. and J. Erik Fyrwald, amended February 14, 2025.</a>
31.1	<a href="#">Certification of J. Erik Fyrwald pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of Michael DeVeau pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32	<a href="#">Certification of J. Erik Fyrwald and Michael DeVeau pursuant to 18 U.S.C. Section 1350 as adopted pursuant to the Sarbanes-Oxley Act of 2002.</a>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extensions Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive File (formatted as Inline XBRL and contained in Exhibit 101)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 6, 2025	By: <u>/s/ J. Erik Fyrwald</u> J. Erik Fyrwald Chief Executive Officer and Director (Principal Executive Officer)
Dated: May 6, 2025	By: <u>/s/ Michael DeVeau</u> Michael DeVeau Executive Vice President, Chief Financial Officer (Principal Financial Officer)
Dated: May 6, 2025	By: <u>/s/ Beril Yildiz</u> Beril Yildiz Senior Vice President, Corporate Controller and Chief Accounting Officer (Principal Accounting Officer)



February 14, 2025

**Personal & Confidential**

J. Erik Fyrwald

*At the address on file with the Company*

Dear Erik,

This letter agreement (“Agreement”) amends and restates the letter agreement you received from International Flavors & Fragrances Inc. (“IFF” or the “Company”) dated January 11, 2024 (the “Prior Agreement”). You will continue in the position of Chief Executive Officer of the Company and report to the Board of Directors of IFF (the “Board”). Your primary work location will be our Wilmington, Delaware office. There will be occasions when you will be expected to be present at Company headquarters or another specified location on a limited basis or as otherwise specified by the Board. Effective as of the Commencement Date, you were appointed as a member of the Board and you will be nominated annually to serve as a director during your period of employment with the Company. Additionally, you may engage in charitable and civic activities, and serve on one for-profit company board of directors, provided that such activities do not interfere with your duties with or responsibilities to the Company. In addition to your service as a Director at IFF, you will be permitted to serve as a Director on one other Board. You will resign from all other director positions as soon as practicable, but in no event later than the end of 2024. As a trusted and critical leader, I look forward to partnering with you to transform our industry and achieve our objectives.

Other terms of your employment with us are as follows:

1. **Effective Date.** Employment in your new role commenced on February 6, 2024 (“Commencement Date”).
2. **Base Salary.** Your annual base salary will be \$1,000,000 (“Base Salary”). Future adjustments of your salary will be determined by the Board based on your performance.
3. **Vacation.** You will be eligible for four weeks of paid vacation annually (plus holiday break), of which up to five unused vacation days can be carried over and will accrue future vacation in accordance with the applicable vacation policy as in effect from time to time. Upon a termination of your employment for any reason, you will receive payment for any accrued unused vacation in accordance with the terms and conditions of the Company’s applicable vacation policy as in effect from time to time.
4. **Annual Bonus.** You will be eligible to receive an annual cash bonus award (the “Annual Bonus”) for each fiscal year ending during the period you are employed by the Company. The Annual Bonus shall be governed by the terms and conditions of the Company’s Annual Incentive Plan (the “AIP”). You shall be eligible to earn a target Annual Bonus equal to 200% of your Base Salary for the relevant fiscal year (the “Target Bonus”), if the Company achieves the target performance goals established by the Board for such fiscal year. Your Annual Bonus could be higher or lower than the Target Bonus depending on the Company’s performance and/or your individual performance, with the maximum bonus potential equal to 200% of target. Your 2024 target Annual Bonus will not be pro-rated. The Annual Bonus for each fiscal year shall be payable at the time annual bonuses are paid to other eligible participants of the Company in accordance with the terms of the AIP. The specific terms of your Annual Bonus awards will be governed by the AIP award agreements relating to each award and you will be required to accept your Annual Bonus and agree to the terms and conditions thereof by signing an AIP award agreement each year. The Annual Bonus (including your Target Bonus) is a discretionary, non-

contractual benefit which, subject to the requirements of a Good Reason termination under the Executive Severance Plan, may be amended or withdrawn at any time.

5. **Long-Term Incentive Plan.** You will be eligible to receive an annual long-term incentive award (“LTIP Award”), which shall be determined and payable in accordance with the Company’s Long-Term Incentive Plan (the “LTIP”) under the Company’s 2021 Stock Award and Incentive Plan (the “2021 SAIP”), as such plan may be amended from time to time. Your total target award under the LTIP for the 2024 plan year will be \$10,000,000, 60% of which will be performance share units and 40% of which will be restricted stock units. Any awards under the LTIP for future years shall be at the sole discretion of the Board. The specific terms of your awards under the LTIP will be governed by the award agreements relating to each award, and you will be required to accept and agree to the terms and conditions thereof by signing the award agreements each year. The awards under the LTIP are discretionary, non-contractual benefits, which may be amended or withdrawn at any time.
6. **One-Time Inducement Equity Grants.** You will receive the following one-time inducement awards with the vesting schedule shown in Exhibit A: a target award of 68,750 performance share units and 56,250 restricted stock units (collectively, the “Inducement Awards”). Upon a termination without Cause, with Good Reason or due to Disability (each as defined in the Executive Severance Policy, with “Good Reason” as modified below) or death, the restricted stock unit portion of the Inducement Award will continue to vest in full on its existing vesting schedule, subject to continued compliance with the restrictive covenants in the Security Agreement. Each Inducement Award shall be governed by the terms and conditions of the Company’s 2021 SAIP, as such plan may be amended from time to time, and an award agreement which will further describe the terms and conditions of such Inducement Award in addition to the terms above, and which you will be required to accept and acknowledge for such Inducement Award to become effective. The Inducement Awards are anticipated to be granted on the first business day of the month following your Commencement Date.
7. **Share Retention.** You are subject to the applicable ownership level under the Company’s Share Retention Policy, as amended from time to time.
8. **Perquisites.** You will be eligible for an annual perquisite allowance of \$20,000 to be used in any combination across the following categories: personal financial counseling and income tax preparation, health and fitness and legal and estate planning, subject to the terms and conditions of the applicable Company policy in effect from time to time.
9. **Car Benefit.** During your employment with the Company, you will be entitled to receive an annual allowance of \$25,000 to be used towards the purchase or lease of a vehicle of your choice. Notwithstanding anything herein to the contrary, the car benefit is subject to, and contingent upon, your continued employment with the Company.
10. **Employee Benefits; Expenses.** You will be eligible to participate in the employee benefit plans and programs maintained by IFF from time to time for other similarly situated employees at your location and job level, in each case, in accordance with their terms and conditions then in effect. You will be entitled to reimbursement of your unreimbursed business expenses incurred during your employment with the Company in accordance with the terms and conditions of the applicable Company policy. The Company will pay your reasonable professional fees, upon presentation of one or more invoices therefor, incurred to negotiate and prepare this Agreement and related agreements hereunder, in amount not to exceed \$20,000.
11. **Relocation.** The Company will pay or reimburse you for the relocation expenses described in its U.S. Domestic Relocation Policy for homeowners Level 8 to Executive, dated October 29, 2021, and made a part hereof, with temporary housing modified to be up to 90 days, in connection with your move. Enclosed is a description of, and conditions and limitations relating to, the relocation benefits applicable to you.
12. **Compliance with Company Policies.** You hereby agree to comply with all Company policies, procedures, rules and regulations applicable to you, including without limitation, the Company’s Code of Business Conduct and Ethics, the Drug and Alcohol Policy, the Confidential and Proprietary Information Policy, the Insider Trading Policy (including Window Period Policy for the Purchase and Sale of Company Securities by Certain Employees and Directors), the Policy for the Recovery of Erroneously Awarded Compensation and the Conflict of Interest Policy (collectively, the “Policies”), in each case, as they may be amended from time to time in the Company’s sole discretion.
13. **Security Agreement.** This offer of employment is contingent upon your execution of the enclosed Security Agreement concerning the protection of Company confidential information, intellectual property rights, and

other restrictive covenants in the form attached as Exhibit B. You acknowledge that you have executed and delivered the Security Agreement to the Company with this Agreement.

14. **At Will Employment.** You agree and acknowledge that this Agreement does not guarantee or promise any particular period of future employment to you. Your employment with the Company is on an “at will” basis and may be terminated by the Company or by you at any time for any reason upon written notice, without any obligation owing by the Company, except as may be provided in the Company’s Executive Severance Policy, as amended, at the Tier I: Chief Executive Officer level, as in effect at the time of termination and otherwise stated herein. You acknowledge a copy of the Executive Severance Policy, as amended, has been provided to you. Notwithstanding any provision of the Executive Severance Policy to the contrary: (a) clause (ii) of the definition of “Good Reason” in the Executive Severance Plan shall also include a material diminution in reporting responsibilities and removal from or failure to renominate you to the Board at any time; provided, that such removal does not include (i) removal as result of a failed shareholder vote or (ii) removal from the Board for Cause, (b) upon termination without Cause or for Good Reason, you will be entitled to receipt of (i) any unpaid annual bonus earned based on actual performance for the year preceding the year in which your termination occurs, and (ii) any vested performance share units earned based on actual performance, pursuant to the Inducement Award or otherwise, if your termination occurs following the completion of the performance segment in which such performance share units vested but prior to the settlement of such performance share units, (c) any arbitration under Section 13(f) shall be conducted under the American Arbitration Association’s rules governing employment disputes, and (d) any amendment or termination of the Executive Severance Policy materially adverse to you shall be disregarded to the extent becoming effective prior to the third anniversary of the Commencement Date.
15. **Data Protection & Privacy.** You acknowledge that the Company, directly or through its affiliates, collects and processes data (including personal sensitive data and information retained in email) relating to you. You hereby consent to such collection and processing and, by signing this Agreement, acknowledge that you authorize such activities. To ensure regulatory compliance and for the protection of its employees, customers, vendors and business, the Company reserves the right to monitor, intercept, review and access telephone logs, internet usage, voicemail, email and other communication facilities provided by the Company which you may use during your employment with IFF. The Company will use this right of access reasonably, but it is important that you are aware that all communications and activities on our equipment or premises cannot be presumed to be private.
16. **Entire Agreement.** This Agreement, including the Security Agreement and any schedules, attachments or addenda, constitutes the entire agreement between you and the Company with respect to your employment and supersedes all prior correspondence, offers, proposals, promises, offer letters, agreements or arrangements (including the Prior Agreement) relating to the subject matter contained herein.
17. **Modification.** The terms of this Agreement may not be changed unless the changes are approved in writing by an authorized representative of the Company.
18. **Governing Law.** The terms of this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.
19. **Withholding.** Payments of Base Salary and other compensation and benefits will be subject to all applicable taxes and other withholdings, and the Company may withhold all such taxes and other withholdings from any payments made to you as required by law. In addition, if at any time any amounts are owed and payable by you to the Company, it is agreed that, to the extent permissible, the Company may deduct such sums from time to time owed from any payment due to you from the Company.
20. **409A Compliance.**
  - (a) **General.** It is the intention of both the Company and you that the benefits and rights to which you could be entitled pursuant to this Agreement comply with Section 409A of the Internal Revenue Code, the Treasury Regulations and other guidance promulgated or issued thereunder (“Section 409A”), to the extent that the requirements of Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If you or the Company believes, at any time, that any such benefit or right that is subject to Section 409A does not so comply, you or the Company shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Section 409A (with the most limited possible economic effect on you and on the Company).
  - (b) **Distributions on Account of Separation from Service.** If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Agreement on account of termination of your

employment shall be made unless and until you incur a “separation from service” within the meaning of Section 409A.

- (c) **No Acceleration of Payments.** Neither the Company nor you, individually or in combination, may accelerate any payment or benefit that is subject to Section 409A, except in compliance with Section 409A and the provisions of this Agreement, and no amount that is subject to Section 409A shall be paid prior to the earliest date on which it may be paid without violating Section 409A.
- (d) **Treatment of Each Installment as a Separate Payment and Timing of Payments.** For purposes of applying the provisions of Section 409A to this Agreement, each separately identified amount to which you are entitled under this Agreement shall be treated as a separate payment. In addition, to the extent permissible under Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.
- (e) **Taxable Reimbursements and In-Kind Benefits.** Any reimbursements by the Company to you of any eligible expenses under this Agreement that are not excludable from your income for federal income tax purposes (the “Taxable Reimbursements”) shall be made by no later than the earlier of the date on which they would be paid under the Company’s normal policies and the last day of the taxable year of the employee (you) following the year in which the expense was incurred. The amount of any Taxable Reimbursements, and the value of any in-kind benefits to be provided to you, during any taxable year of the employee (you) shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year of the Employee (you). The right to Taxable Reimbursement, or in-kind benefits, shall not be subject to liquidation or exchange for another benefit.
- (f) **Postponement of Payment if a Specified Employee.** To the extent any amounts payable upon your separation from service are nonqualified deferred compensation under Section 409A taking into account all applicable exceptions, and if you are at such time a “specified employee” thereunder, then to the extent required under Section 409A payment of such amounts shall be postponed until six (6) months following the date of your separation from service (or until any earlier date of your death), upon which date all such postponed amounts shall be paid to you in a lump sum, and any remaining payments due under the Agreement shall be paid as otherwise provided herein or other applicable plan or agreement.

Erik, I hope you share in my excitement on the path IFF is taking to become the global leader in high-value ingredients and solutions for Food & Beverage, Home & Personal Care and Health & Wellness. I look forward to working with you to achieve our goals in 2024 and beyond.

Please sign the enclosed copy of this letter and return it, together with the accompanying Security Agreement to me. Please feel free to call me if you have any questions.

*[Signature Page Follows]*

Your sincerely,

—  
Roger W. Ferguson, Jr.

Agreed and Accepted by:

—  
J. Erik Fyrwald

**EXHIBIT A**

<b>Award</b>	<b>Number of Shares</b>	<b>Terms</b>		
Performance Share Units	68,750 (target)	<i><b>Dividend-Adjusted Ending Stock Price \$</b></i>	<i><b>PSU Funding % of Target</b></i>	<i><b># of PSUs Earned</b></i>
		<\$106.48	0%	0
		\$106.48	50%	34,375
		\$113.91	100%	68,750
		\$121.67	150%	103,125
		\$138.25	200%	137,500
		≥ \$156.25	250%	171,875

- Minimum funding of 50% of target if (1) the Company’s 3-year Relative TSR is at or above the 67<sup>th</sup> percentile of S&P 500 companies and (2) the Company’s 3-year Absolute TSR is positive.
- Dividend Adjusted Ending Stock Price is calculated as the sum of (x) the average closing price for the 20 consecutive trading days preceding March 1, 2027 (the “Measurement Date”) plus (y) the aggregate value of any dividends paid or declared on IFF shares between March 1, 2024 (the “Grant Date”) and the Measurement Date (assuming such dividends are reinvested in IFF shares).
- Relative TSR is calculated by measuring the change in the market price of a share of IFF common stock plus dividends paid or declared (assuming such dividends are reinvested in IFF shares) for the Company and the S&P 500 companies (as determined on the Grant Date) between the Grant Date and the Measurement Date. The market price for purposes of calculating the TSR of IFF shares and the S&P 500 companies is determined based on the average closing price per share of the applicable company over the period of 20 consecutive trading days preceding the Grant Date and the Measurement Date.
- Absolute TSR is calculated by measuring the change in the market price of a share of IFF common stock plus dividends paid or declared (assuming such dividends are reinvested in IFF shares) between the Grant Date and the Measurement Date. The market price for purposes of calculating the TSR of IFF shares is determined based on the average closing price per share of Company common stock over the period of 20 consecutive trading days preceding the Grant Date and the Measurement Date.
- Upon termination without cause, with good reason, or due to disability (each as defined in the Executive Severance Policy, as modified by this Agreement) or death (each a “Qualifying Termination”), vesting will accelerate on a pro-rated basis (number of full months worked divided by 36 months) based on actual performance through the date of termination.
- In the event of a change in control as defined in the Executive Severance Policy, the performance share units will be converted into a number of time-based restricted stock units based on actual performance as of the date of the change in control. As restricted stock units, in the event of a Qualifying Termination following such change in Control, the restricted stock units will vest in full as of the date of termination and will be settled as soon as reasonably practicable thereafter in accordance with the terms and conditions of the LTIP.

Restricted Stock Units

56,250

- 3-year cliff vesting.
- In the event of a Qualifying Termination, the restricted stock units will continue to vest in full on the existing vesting schedule.
- In the event of a Qualifying Termination following a change in control, as defined in the Executive Severance Policy, vesting will accelerate in full as of the date of termination and will be settled as soon as reasonably practicable thereafter in accordance with the terms and conditions of the LTIP.

**CERTIFICATION**

I, J. Erik Fyrwald, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2025

By: /s/ J. Erik Fyrwald  
Name: J. Erik Fyrwald  
Title: Chief Executive Officer

**CERTIFICATION**

I, Michael DeVeau, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2025

By: /s/ Michael DeVeau

Name: Michael DeVeau

Title: Executive Vice President, Chief Financial Officer

**CERTIFICATION OF CEO AND CFO PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc. (the "Company") for the quarterly period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), J. Erik Fyrwald, as Chief Executive Officer, and Michael DeVeau, as Chief Financial Officer, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934;

and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:     /s/ J. Erik Fyrwald    

Name: J. Erik Fyrwald  
Title: Chief Executive Officer  
Dated: May 6, 2025

By:     /s/ Michael DeVeau    

Name: Michael DeVeau  
Title: Executive Vice President, Chief Financial Officer  
Dated: May 6, 2025