



IFF Q3 EARNINGS CONFERENCE CALL

November 5, 2019



CAUTIONARY STATEMENT

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding IFF's expected future financial position, results of operations, cash flows, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management and statements containing the words such as "anticipate," "approximate," "believe," "plan," "estimate," "expect," "project," "could," "should," "will," "intend," "may" and other similar expressions, are forward-looking statements. Statements in this presentation concerning IFF's outlook for 2019 and beyond and future economic performance, anticipated profitability, revenues, expenses or other financial items, the expected impact of the Frutarom integration, including anticipated synergies and cost savings, together with other statements that are not historical facts, are forward-looking statements that are estimates reflecting management's best judgment based upon currently available information.

Factors that could cause IFF's actual results to differ materially include, but are not limited to (1) risks related to the integration of the Frutarom business, including whether we will realize the benefits anticipated from the acquisition in the expected time frame; (2) unanticipated costs, liabilities, charges or expenses resulting from the Frutarom acquisition, (3) risks relating to the Company's ongoing investigations into improper payments made in Frutarom businesses principally operating in Russia and the Ukraine, including expenses incurred with respect to the investigations, the cost of any remedial measures or compliance programs arising out of the investigations, legal proceedings or government investigations that may arise relating to the subject of the Company's investigations, and the outcome of any such legal or government investigations, such as the imposition of fines, penalties, orders, or injunctions, (4) the impact of the failure to comply with U.S. or foreign anti-corruption and anti-bribery laws and regulations, including with respect to the Company's ongoing investigations into improper payments made in Frutarom businesses principally operating in Russia and the Ukraine, (5) the impact of the outcome of legal claims, regulatory investigations and litigation, including any that may arise out of the Company's ongoing investigations into improper payments made in Frutarom businesses principally operating in Russia and the Ukraine, (6) the increase in the Company's leverage resulting from the additional debt incurred to pay a portion of the consideration for Frutarom and its impact on the Company's liquidity and ability to return capital to its shareholders, (7) the Company's ability to successfully market to its expanded and decentralized Taste and Frutarom customer base, (8) the Company's ability to effectively compete in its market and develop and introduce new products that meet customers' needs, (9) the Company's ability to successfully develop innovative and cost-effective products that allow customers to achieve their own profitability expectations, (10) the impact of the disruption in the Company's manufacturing operations, (11) the impact of a disruption in the Company's supply chain, including the inability to obtain ingredients and raw materials from third parties, (12) volatility and increases in the price of raw materials, energy and transportation, (13) the Company's ability to comply with, and the costs associated with compliance with, regulatory requirements and industry standards, including regarding product safety, quality, efficacy and environmental impact, (14) the impact of any failure or interruption of the Company's key information technology systems or a breach of information security, (15) the Company's ability to react in a timely and cost-effective manner to changes in consumer preferences and demands, (16) the Company's ability to establish and manage collaborations, joint ventures or partnership that lead to development or commercialization of products, (17) the Company's ability to benefit from its investments and expansion in emerging markets; (18) the impact of currency fluctuations or devaluations in the principal foreign markets in which it operates; (19) economic, regulatory and political risks associated with the Company's international operations, (20) the impact of global economic uncertainty on demand for consumer products, (21) the inability to retain key personnel; (22) the Company's ability to comply with, and the costs associated with compliance with, U.S. and foreign environmental protection laws, (23) the Company's ability to realize the benefits of its cost and productivity initiatives, (24) the Company's ability to successfully manage its working capital and inventory balances, (25) the Company's ability to protect its intellectual property rights, (26) changes in market conditions or governmental regulations relating to our pension and postretirement obligations, (27) the impact of future impairment of our tangible or intangible long-lived assets, (28) the impact of changes in federal, state, local and international tax legislation or policies, including the recently enacted Tax Cuts and Jobs Act, with respect to transfer pricing and state aid, and adverse results of tax audits, assessments, or disputes, (29) the effect of potential government regulation on certain product development initiatives, and restrictions or costs that may be imposed on the Company or its operations as a result, and (30) the impact of the United Kingdom's expected departure from the European Union in 2019. New risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risks on the IFF's business. Accordingly, IFF undertakes no obligation to publicly revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

In addition to the factors set forth above, other factors that may affect IFF's plans, results or stock price are set forth in IFF's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Many of these factors are beyond IFF's control and IFF cautions investors that any forward-looking statements made by IFF are not guarantees of future performance. IFF disclaims any obligation to update any such factors or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments.

CAUTIONARY STATEMENT

Use of Non-GAAP Financial Measures

We provide in this presentation non-GAAP financial measures, including: (i) currency neutral sales; (ii) adjusted operating profit ex amortization, (iii) adjusted operating profit margin ex amortization, (iv) adjusted EPS ex amortization; (v) organic currency neutral growth and (vi) free cash flow. Our non-GAAP financial measures are defined below. A reconciliation of these non-GAAP financial measures to their respective GAAP measures is available on our website.

Currency Neutral metrics eliminate the effects that result from translating international currency to U.S. dollars. We calculate currency neutral numbers by comparing current year results to the prior year results restated at exchange rates in effect for the current year based on the currency of the underlying transaction.

Organic currency neutral sales are currency neutral sales excluding the impact of acquisitions for the twelve months following the acquisition.

Adjusted operating profit/profit margin ex amortization excludes the impact of non-operational items including operational improvement initiatives, acquisition related costs, integration related costs, restructuring and other charges, net, and Frutarom acquisition related costs, and non-cash items, including gains/losses on sale of assets and the amortization of acquisition related intangible assets.

Adjusted EPS ex Amortization excludes the impact of non-operational items including operational improvement initiatives, acquisition related costs, integration related costs, restructuring and other charges, U.S. Tax reform, non-recurring items including FDA mandated product recall costs, and non-cash items including gains on sale of assets and the amortization of acquisition related intangible assets.

Free Cash Flow is operating cash flow (i.e. cash flow from operations) less capital expenditures.

These non-GAAP 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.

Forward-Looking Non-GAAP Metrics. This presentation also includes our expectations for (i) sales growth for 2019 and long-term currency neutral sales growth; (ii) EPS ex amortization growth for 2019 and long-term currency neutral EPS ex amortization growth; and (iii) long-term total shareholder return growth. The closest corresponding GAAP measure to these non-GAAP measures and a reconciliation of the differences between the non-GAAP metric expectation and the corresponding GAAP measure is not available without unreasonable effort due to length of the forecasted period and potential variability, complexity and low visibility as to items such as future contingencies and other costs that would be excluded from the GAAP measure, and the tax impact of such items, in the relevant future period. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.

Combined

For purposes of this presentation, we calculated "combined" numbers by combining (i) our results (including Frutarom from January 1, 2018 through March 31, 2018) with (ii) the results of Frutarom prior to its acquisition by us on October 4, 2018, and adjusting for divestitures of Frutarom businesses since October 4, 2018, but do not include any other adjustments that would have been made had we owned Frutarom for such periods prior to October 4, 2018.

CONFERENCE CALL PARTICIPANTS



Andreas Fibig
Chairman & CEO



Rich O'Leary
EVP & CFO

AGENDA

1. Executive Summary
2. Financial Review
3. Integration Update
4. Segment Results
5. Outlook
6. Q&A

EXECUTIVE SUMMARY

Positive momentum building

- Delivered sequential improvement in combined top-line growth
- Profitability strong, with adjusted operating profit margin excluding amortization +60 bps year-over-year
- Integration progressing well; Increasing cost synergy target to ~\$50M
- Substantially completed reviews of Russia/Ukraine & secondary review of Frutarom in “high-risk” jurisdictions; Impact confirmed less than 1% of sales, not material to results of operations or financial condition
- Q4 2019 started strong & with a continuation of this trend, we believe sales and adjusted EPS ex amortization for full year 2019 to be in line with the low-end of guidance range



Q3 2019 FINANCIAL RESULTS

Broad-based improvements in sales, profitability & cash flow

\$1.3B

Sales

\$249M

Adjusted Operating Profit Ex Amort*

\$1.53

Adjusted EPS Ex Amort*

- On a combined basis, currency neutral sales grew 2%
- Adjusted operating margin excluding amortization improved 60 bps to 19.7%
- Year-over-year increases in operating cash flow & free cash flow* driven by higher cash earnings



INTEGRATION PROGRESS

Delivering against the plan

Priorities

Achievements

Status

GO-TO-MARKET

- Strengthening go-to-market approach with the expansion of Tastepoint model in key markets around the world



CROSS-SELLING &
INTEGRATED SOLUTIONS

- Achieved ~\$14M run-rate cross-selling sales to date
- >800 identified projects in pipeline representing ~\$110M of sales



ORGANIZATION & CULTURE

- Driving towards Scent, Taste and Nutrition & Ingredients structure
- Executing on talent agenda to enhance corporate culture



COST SYNERGIES

- Achieved \$30M in cost synergies in 9M YTD 2019
- Raising 2019 estimate to \$50M, up from original \$30 to \$35M



CASH FLOW/
DEBT REPAYMENT

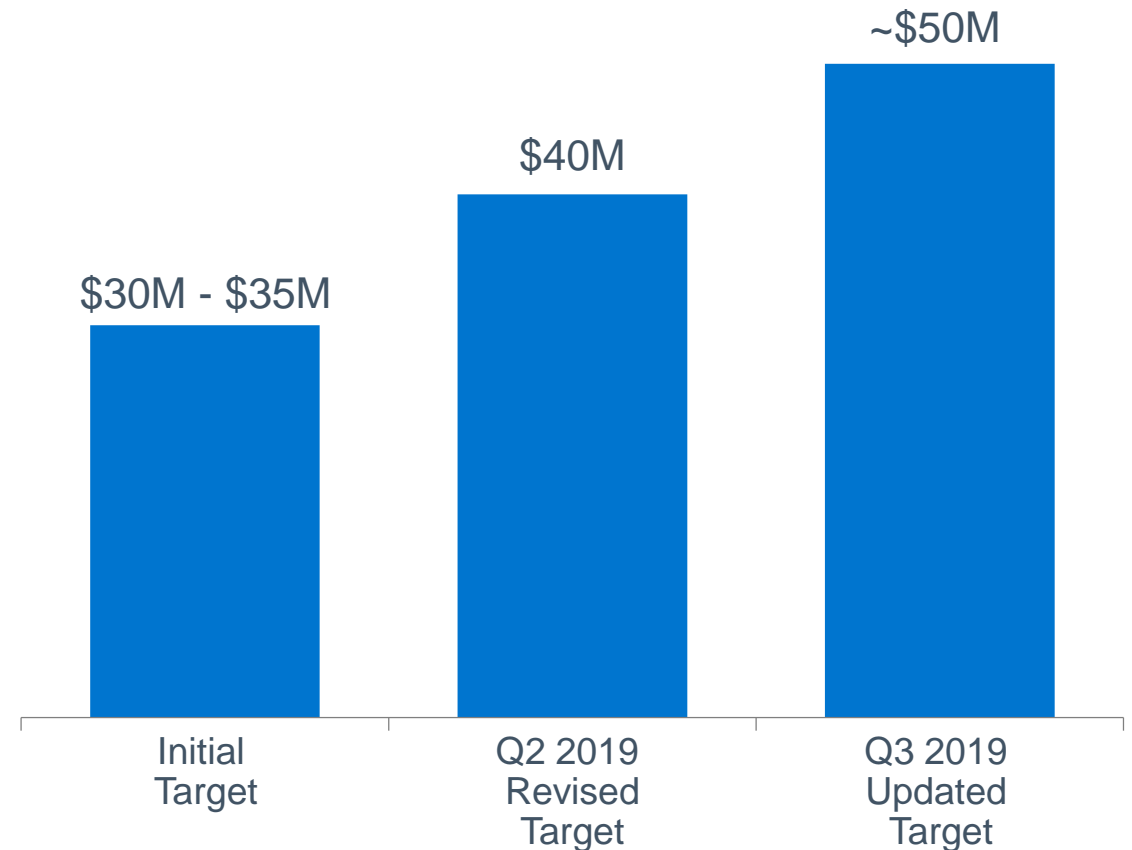
- Strong Operating Cash Flow +\$181M YoY change in 9M 2019
- Net Debt to EBITDA ratio improved to 3.4x from 3.6x



INCREASING YEAR 1 COST SYNERGY TARGET

Expect to deliver >60% higher synergies in 2019

- Significantly outpacing original procurement savings target driven by purchasing power, make vs. buy & tail spend
- Completed the closure of 5 plants & announced 11 additional closures via manufacturing network optimization program
- Executing on Operations Excellence initiatives, including logistics & packaging



COMPLIANCE UPDATE

Substantially complete; Nothing identified that is or would be material

- Substantially completed a review of Frutarom Russia/Ukraine as well as secondary review of Frutarom in “high-risk” jurisdictions”
- Confirmed that the estimated affected sales represented less than 1% of IFF’s and Frutarom’s combined 2018 sales
- No evidence has been uncovered suggesting that these compliance matters had any connection to US
- Review has not identified any issues that would be material to IFF’s results of operations or financial condition



Q3 2019 FINANCIAL SUMMARY

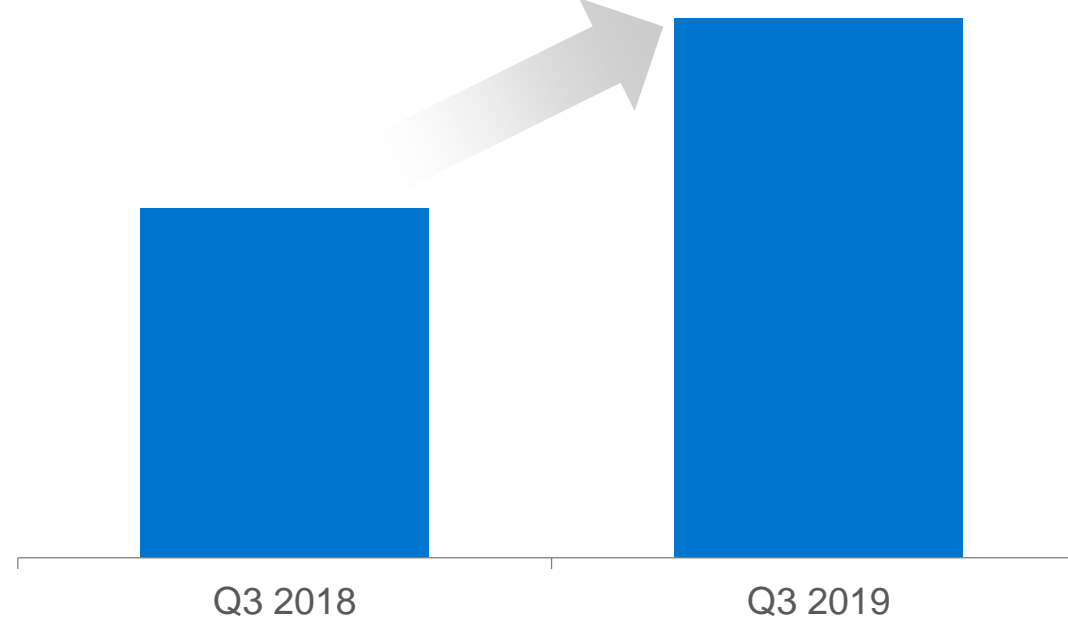
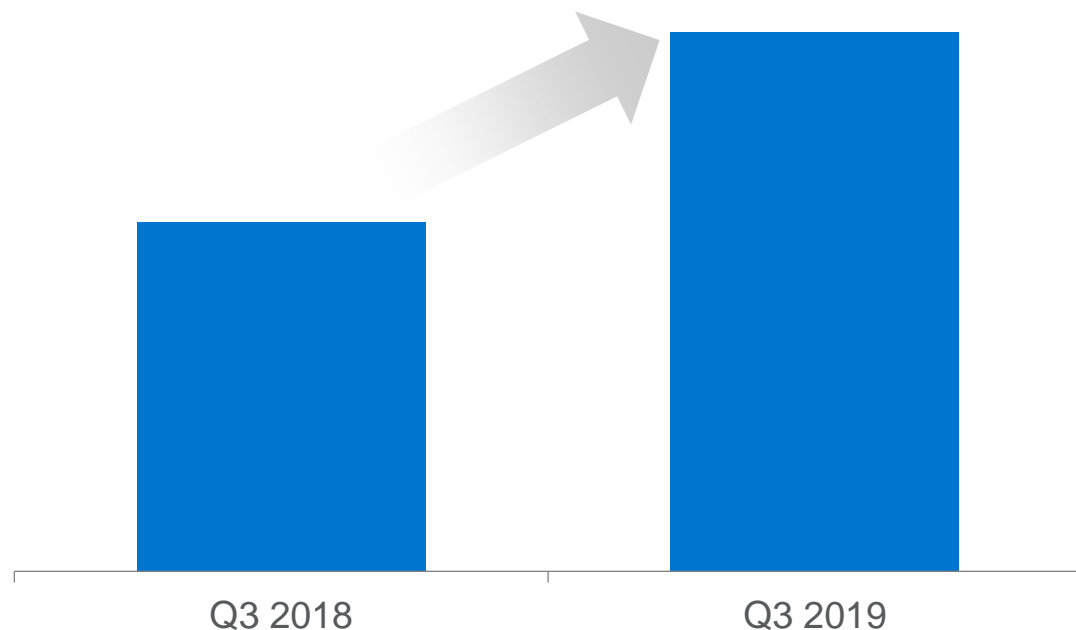
Growth accelerating with continued margin expansion

Combined currency
neutral sales growth*

Adjusted operating
profit margin ex amortization*

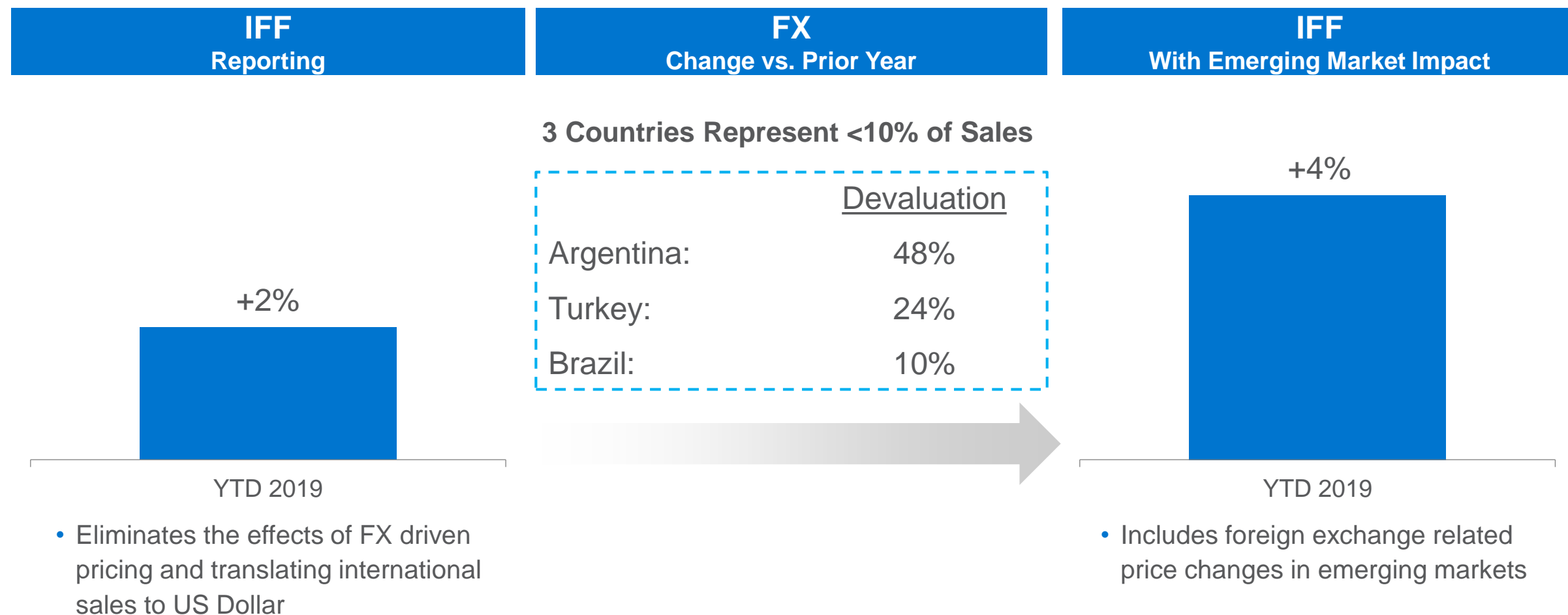
+2 pts

+60 bps



CONSOLIDATED (SCENT & TASTE) SALES GROWTH

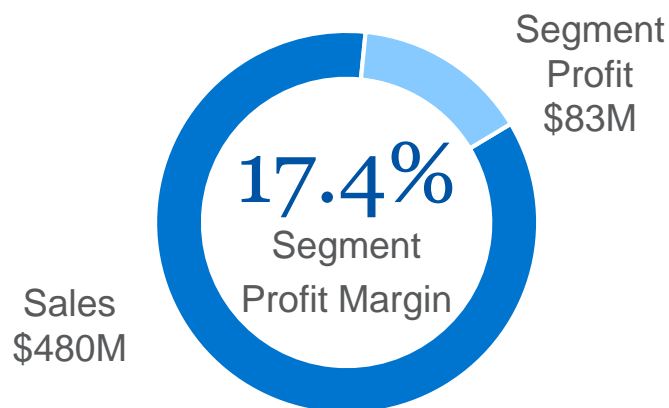
Impact of emerging market pricing on organic currency neutral* growth rates



SEGMENT PERFORMANCE

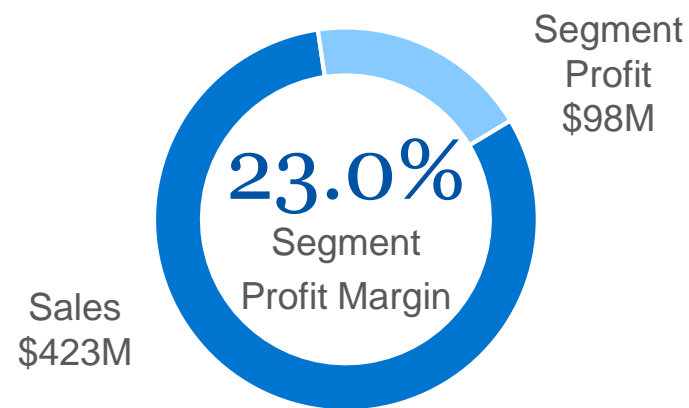
Q3 2019 review

Scent



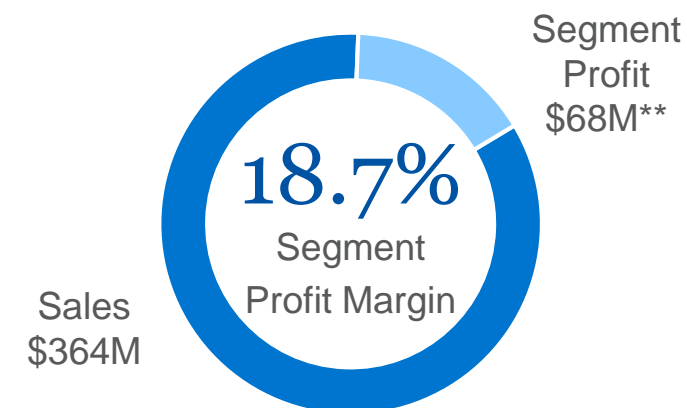
- Fine and Consumer continue to be strong
- Ingredients impacted by destocking
- Margin supported by productivity initiatives

Taste



- Strong commercial performance offset by significant volume erosion with multinationals
- Productivity & disciplined cost management driving improved margin

Frutarom



- Growth in Taste and Savory offset by continued pressures in F&F ingredients & Natural Product Solutions
- Margin expansion driven by disciplined cost management & acquisition synergies

13 * Currency Neutral Sales is a Non-GAAP metrics, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com;

** Excludes \$40M of amortization expense related to intangible assets

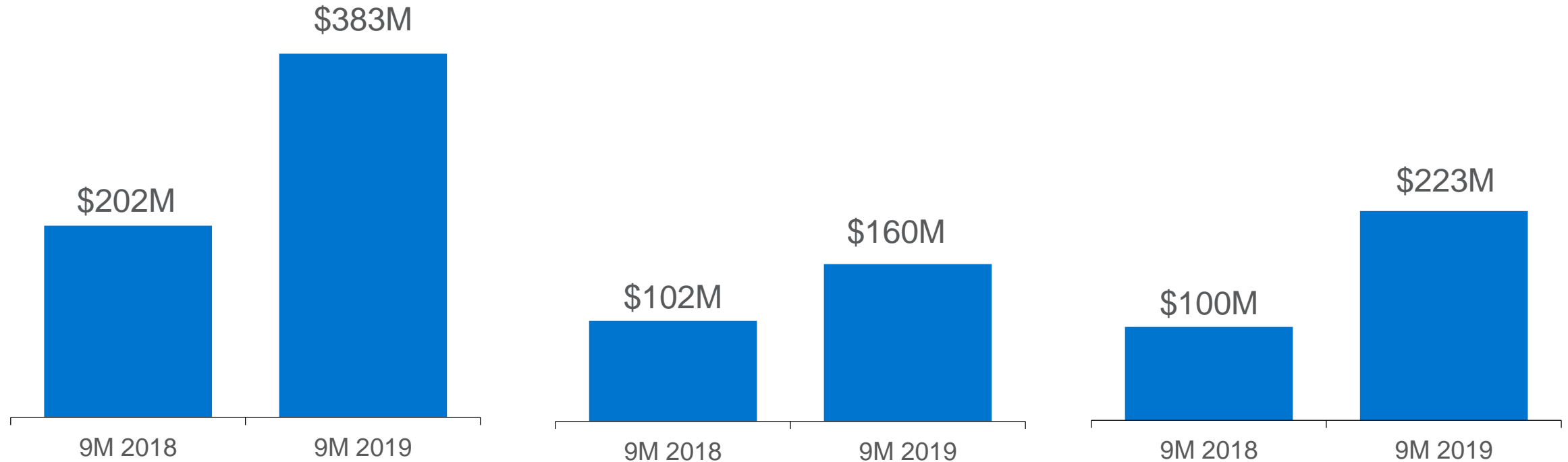
CASH FLOW DYNAMICS

Significant increases in operating & free cash flow

Operating cash flow

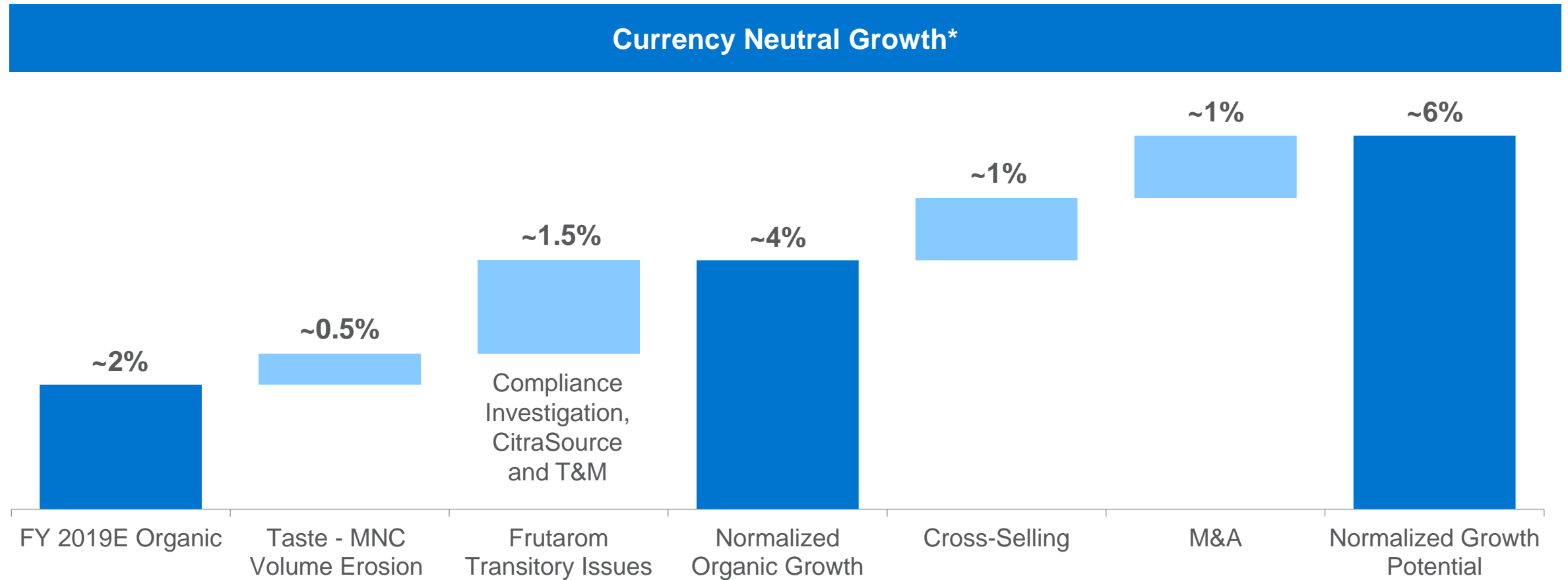
Capex

Free cash flow*



BRIDGING TO OUR GROWTH ASPIRATION

Expect to return to mid-single digit growth after cycling current headwinds



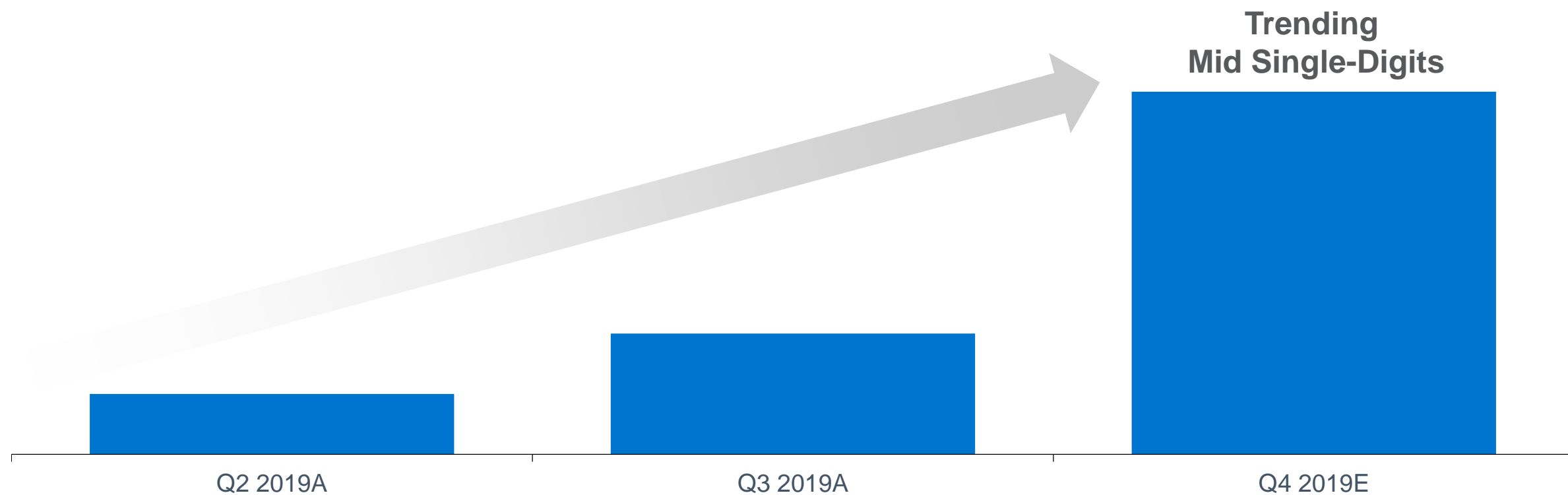
15 * Currency Neutral Sales Growth is a Non-GAAP metrics, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com;



QUARTERLY GROWTH DYNAMICS

Q4 2019 sales trend strong; Expected to improve sequentially

Combined Company (Organic Plus M&A) Growth Rates*



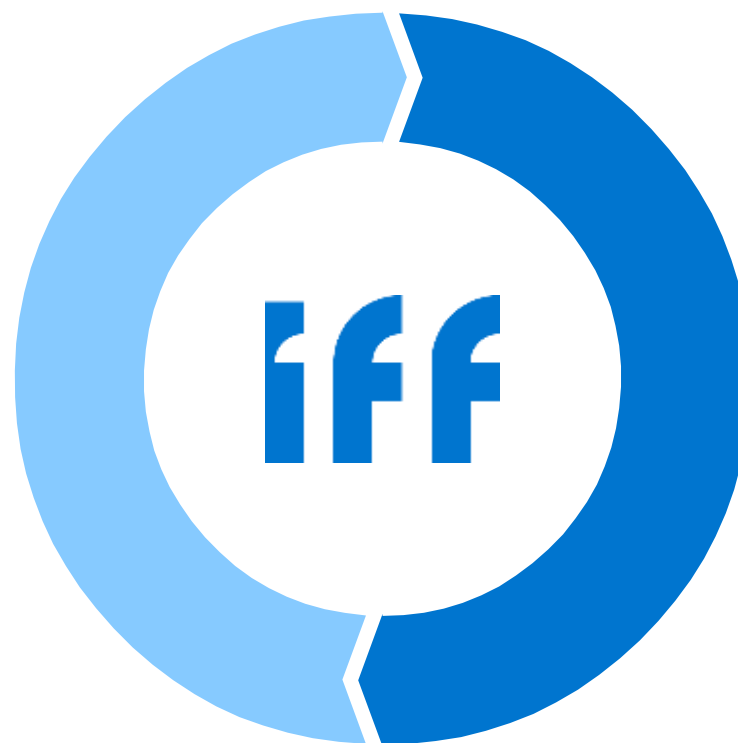
FY 2019 OUTLOOK

Reiterating financial guidance

FY 2019 Financial Guidance

Sales

\$5.15 - \$5.25B







Adjusted EPS
ex amortization*

\$6.15 - \$6.35

DRIVERS OF VALUE CREATION

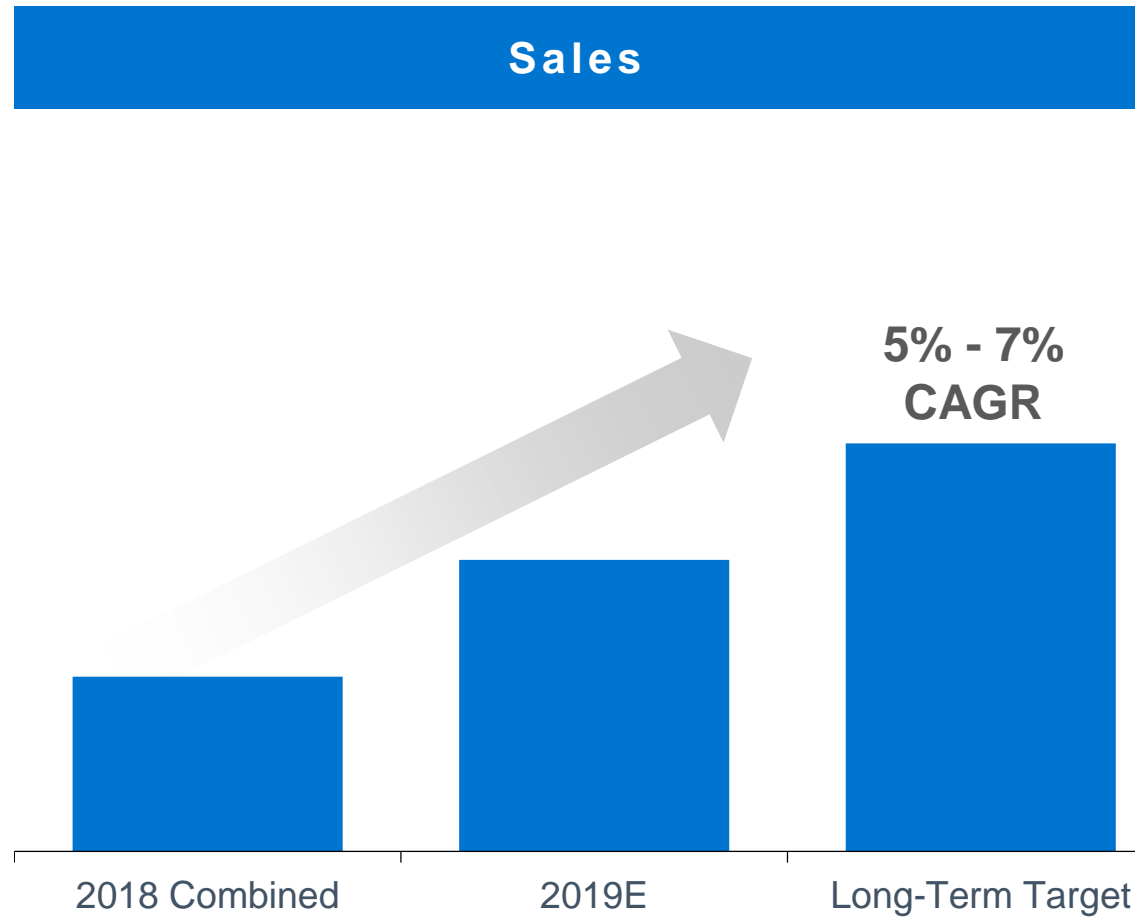
Potential near-term catalysts

		Opportunities	
SALES	1		Taste volumes rebounding as multinational customer destocking ends
	2		Capitalizing on \$450M incremental access via new Scent core list access
	3		Frutarom transitory challenges expected to subside as we lap performance
	4		Delivery of cross-selling benefits (~\$100M by end of 2021)
PROFITS	5		Benefits of cost synergies (~\$50M in 2019 and additional ~\$50M in 2020)
	6		~\$100M in core productivity programs by 2021
	7		Raw material costs exhibiting signs of deflation

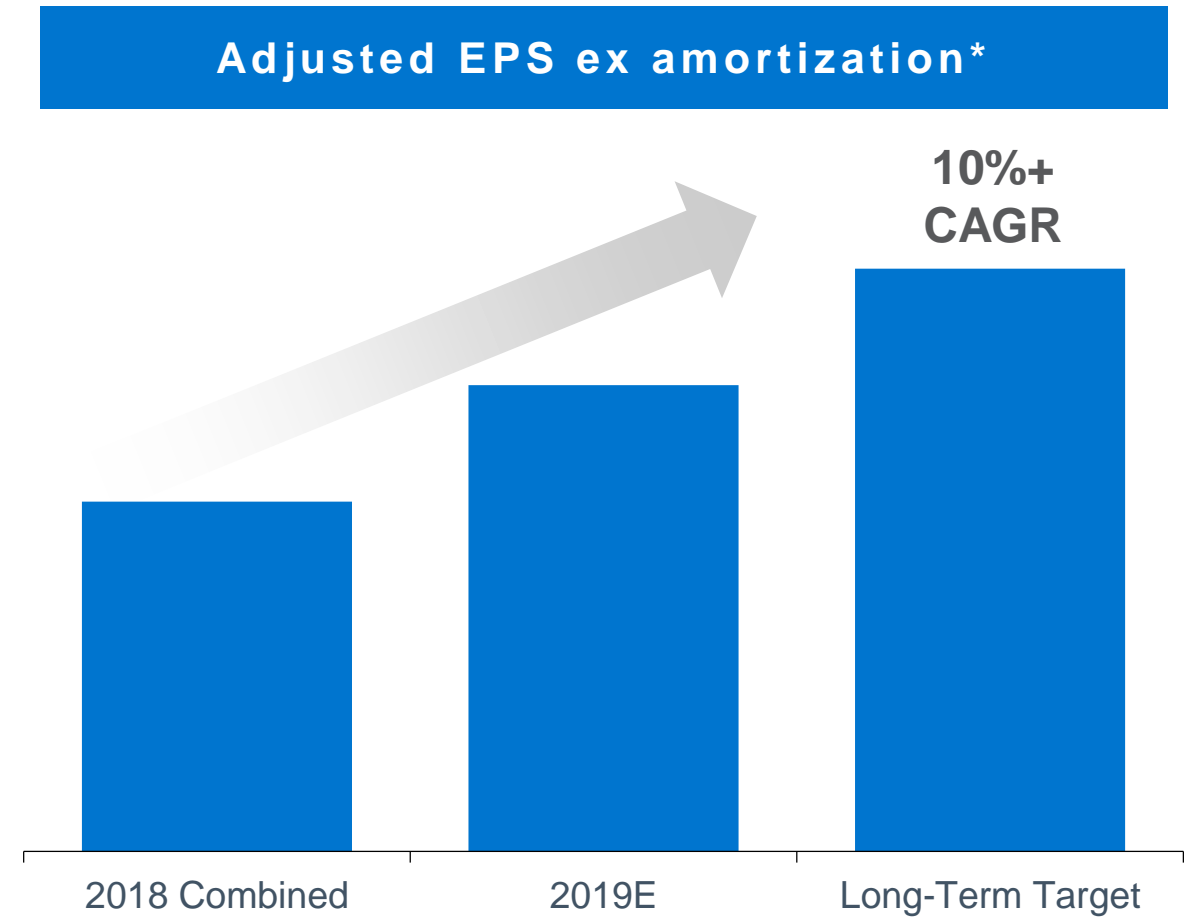
FINANCIAL ASPIRATION

Near-term catalysts driving confidence

Sales



Adjusted EPS ex amortization*



¹⁹ * Growth rates are currency neutral including cross selling and bolt-on acquisitions; Adjusted EPS ex amortization is a Non-GAAP metric, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com



SUMMARY

- ▶ Sequential improvement in growth dynamics
- ▶ Delivering margin expansion ex amortization via synergies, productivity and cost management
- ▶ Executing integration plan and delivering increased cost synergies in year 1
- ▶ Reconfirmation of FY 2019 financial guidance
- ▶ Strong go-forward value creation opportunities

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