

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

The following information and schedules provide reconciliation information between reported GAAP amounts and non-GAAP certain adjusted amounts. This information and schedules are not intended as, and should not be viewed as, a substitute for reported GAAP amounts or financial statements of the Company prepared and presented in accordance with GAAP.

Reconciliation of Gross Profit

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter	
	2019	2018
Reported (GAAP)	\$ 533,088	\$ 400,666
Operational Improvement Initiatives (a)	711	398
Integration Related Costs (c)	187	18
FDA Mandated Product Recall (e)	250	(9,800)
Frutarom Acquisition Related Costs (g)	(3,603)	—
Adjusted (Non-GAAP)	<u>\$ 530,633</u>	<u>\$ 391,282</u>

Reconciliation of Selling and Administrative Expenses

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter	
	2019	2018
Reported (GAAP)	\$ 210,829	\$ 157,796
Acquisition Related Costs (b)	—	1
Integration Related Costs (c)	(10,047)	(915)
Frutarom Acquisition Related Costs (g)	(691)	(14,341)
Compliance Review & Legal Defense Costs (h)	(3,623)	—
Adjusted (Non-GAAP)	<u>\$ 196,468</u>	<u>\$ 142,541</u>

Reconciliation of Operating Profit

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter	
	2019	2018
Reported (GAAP)	\$ 184,664	\$ 159,268
Operational Improvement Initiatives (a)	712	344
Acquisition Related Costs (b)	—	(1)
Integration Related Costs (c)	10,511	958
Restructuring and Other Charges, net (d)	3,716	927
Losses (Gains) on Sale of Assets	372	(1,630)
FDA Mandated Product Recall (e)	250	(9,800)
Frutarom Acquisition Related Costs (g)	(2,914)	14,341
Compliance Review & Legal Defense Costs (h)	3,623	—
Adjusted (Non-GAAP)	<u>\$ 200,934</u>	<u>\$ 164,407</u>

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

(DOLLARS IN THOUSANDS)

	Third Quarter	
	2019	2018
Numerator		
Adjusted (Non-GAAP) Operating Profit	\$ 200,934	\$ 164,407
Amortization of Acquisition related Intangible Assets	48,430	9,003
Adjusted (Non-GAAP) Operating Profit ex. Amortization	<u>249,364</u>	<u>173,410</u>
Denominator		
Sales	<u>1,267,345</u>	<u>907,548</u>
Adjusted (Non-GAAP) Operating Profit Margin ex. Amortization	<u>19.7%</u>	<u>19.1%</u>

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Reconciliation of Net Income

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter							
	2019				2018			
	Income before taxes	Taxes on income (j)	Net Income Attributable to IFF (k)	Diluted EPS (l)	Income before taxes	Taxes on income (j)	Net Income Attributable to IFF	Diluted EPS
Reported (GAAP)	\$ 156,866	\$ 27,059	\$ 127,124	\$ 1.13	\$ 100,702	\$ 4,986	\$ 95,716	\$ 1.17
Operational Improvement Initiatives (a)	712	243	469	—	345	125	220	—
Acquisition Related Costs (b)	(3,371)	—	(3,371)	(0.03)	(1)	1	(2)	—
Integration Related Costs (c)	10,511	2,347	8,164	0.07	959	237	722	0.01
Restructuring and Other Charges, net (d)	3,716	811	2,905	0.03	927	228	699	0.01
Losses (Gains) on Sale of Assets	372	98	274	—	(1,630)	(387)	(1,243)	(0.02)
FDA Mandated Product Recall (e)	250	57	193	—	(9,800)	(2,344)	(7,456)	(0.09)
U.S. Tax Reform (f)	—	—	—	—	—	8,151	(8,151)	(0.10)
Frutarom Acquisition Related Costs (g)	(2,914)	(715)	(2,199)	(0.02)	54,994	9,561	45,433	0.56
Compliance Review & Legal Defense Costs (h)	3,623	827	2,796	0.02	—	—	—	—
Redemption value adjustment to EPS (i)	—	—	—	(0.02)	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 169,765</u>	<u>\$ 30,727</u>	<u>\$ 136,355</u>	<u>\$ 1.20</u>	<u>\$ 146,496</u>	<u>\$ 20,558</u>	<u>\$ 125,938</u>	<u>\$ 1.54</u>

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

<i>(DOLLARS AND SHARE AMOUNTS IN THOUSANDS)</i>	Third Quarter	
	2019	2018
Numerator		
Adjusted (Non-GAAP) Net Income	\$ 136,355	\$ 125,938
Amortization of Acquisition related Intangible Assets	48,430	9,003
Tax impact on Amortization of Acquisition related Intangible Assets (j)	10,961	2,340
Amortization of Acquisition related Intangible Assets, net of tax (m)	37,469	6,663
Adjusted (Non-GAAP) Net Income ex. Amortization	<u>173,824</u>	<u>132,601</u>
Denominator		
Weighted average shares assuming dilution (diluted)	<u>113,493</u>	<u>81,647</u>
Adjusted (Non-GAAP) EPS ex. Amortization	<u>\$ 1.53</u>	<u>\$ 1.62</u>

- (a) For 2019, represents accelerated depreciation related to a plant relocation in India and China. For 2018, represents accelerated depreciation related to a plant relocation in India and Taiwan.
- (b) For 2019, represents adjustments to the fair value for an equity method investment in Canada which we began consolidating in the second quarter.
- (c) For 2019, represents costs related to the integration of the Frutarom acquisition, principally advisory services. For 2018, represents costs related to the integration of David Michael and Frutarom.
- (d) For 2019, represents costs primarily related to the Frutarom Integration Initiative and the 2019 Severance Charges program. For 2018, represents severance costs related to the 2017 Productivity Program.
- (e) For 2019, represents additional claims that management will pay to co-packers. For 2018, represents recoveries from the supplier for the third quarter, partially offset by final payments to the customer made for the affected product in the first quarter.
- (f) Represents charges incurred related to enactment of certain U.S. tax legislation changes in December 2017.
- (g) Represents transaction-related costs and expenses related to the acquisition of Frutarom. For 2019, amount primarily relates to a measurement period adjustment to the amount of the inventory "step-up" recorded. For 2018, amount primarily includes \$28.8 million of bridge loan commitment fees partially offset by \$25.3 million net mark-to-market gains on deal-contingent interest rate derivatives included in Interest expense; \$34.9 million make whole payment on the Senior Notes - 2007 and \$3.9 million realized loss on a fair value hedge included in Loss on extinguishment of debt; \$1.9 million realized gain on a foreign currency derivative included in Other income; and \$14.3 million of transaction costs included in administrative expenses.
- (h) Costs related to reviewing the nature of inappropriate payments and review of compliance in certain other countries. In addition, includes legal costs for related shareholder lawsuits.
- (i) Represents the adjustment to EPS related to the excess of the redemption value of certain redeemable noncontrolling interests over their existing carrying value.
- (j) The income tax expense (benefit) on non-GAAP adjustments is computed in accordance with ASC 740 using the same methodology as the GAAP provision of income taxes. Income tax effects of non-GAAP adjustments are calculated based on the applicable statutory tax rate for each jurisdiction in which such charges were incurred, except for those items which are non-taxable for which the tax expense (benefit) was calculated at 0%. For fiscal year 2019, these non-GAAP adjustments were not subject to foreign tax credits or valuation allowances, but to the extent that such factors are applicable to any future non-GAAP adjustments we will take such factors into consideration in calculating the tax expense (benefit). For amortization, the tax benefit has been calculated based on the statutory rate on a country by country basis.
- (k) For 2019, net income is reduced by income attributable to noncontrolling interest of \$2.7M.
- (l) The sum of these items does not foot due to rounding.
- (m) Represents all amortization of intangible assets acquired in connection with acquisitions, net of tax.

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Reconciliation of Gross Profit

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter Year-to-Date	
	2019	2018
Reported (GAAP)	\$ 1,610,586	\$ 1,205,192
Operational Improvement Initiatives (a)	1,651	1,254
Integration Related Costs (c)	508	18
FDA Mandated Product Recall (e)	250	(4,800)
Frutarom Acquisition Related Costs (g)	4,247	—
Adjusted (Non-GAAP)	<u>\$ 1,617,242</u>	<u>\$ 1,201,664</u>

Reconciliation of Selling and Administrative Expenses

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter Year-to-Date	
	2019	2018
Reported (GAAP)	\$ 634,111	\$ 457,847
Acquisition Related Costs (b)	—	519
Integration Related Costs (c)	(35,647)	(915)
Frutarom Acquisition Related Costs (g)	(937)	(26,796)
Compliance Review & Legal Defense Costs (h)	(3,623)	—
Adjusted (Non-GAAP)	<u>\$ 593,904</u>	<u>\$ 430,655</u>

Reconciliation of Operating Profit

<i>(DOLLARS IN THOUSANDS)</i>	Third Quarter Year-to-Date	
	2019	2018
Reported (GAAP)	\$ 548,471	\$ 488,633
Operational Improvement Initiatives (a)	1,652	1,773
Acquisition Related Costs (b)	—	(519)
Integration Related Costs (c)	36,825	1,951
Restructuring and Other Charges, net (d)	22,415	1,837
Losses (Gains) on Sale of Assets	1,136	(435)
FDA Mandated Product Recall (e)	250	(4,800)
Frutarom Acquisition Related Costs (g)	5,182	26,796
Compliance Review & Legal Defense Costs (h)	3,623	—
Adjusted (Non-GAAP)	<u>\$ 619,554</u>	<u>\$ 515,236</u>

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Reconciliation of Net Income

	Third Quarter Year-to-Date							
	2019				2018			
	Income before taxes	Taxes on income (j)	Net Income Attributable to IFF (k)	Diluted EPS	Income before taxes	Taxes on income (j)	Net Income Attributable to IFF	Diluted EPS (l)
<i>(DOLLARS IN THOUSANDS)</i>								
Reported (GAAP)	\$ 460,923	\$ 81,033	\$ 372,330	\$ 3.30	\$ 381,457	\$ 57,176	\$ 324,281	\$ 4.04
Operational Improvement Initiatives (a)	1,652	561	1,091	0.01	1,774	561	1,213	0.02
Acquisition Related Costs (b)	(3,371)	—	(3,371)	(0.03)	(519)	(134)	(385)	—
Integration Related Costs (c)	36,825	8,270	28,555	0.25	1,952	237	1,715	0.02
Restructuring and Other Charges, net (d)	22,415	5,394	17,021	0.16	1,837	443	1,394	0.02
Losses (Gains) on Sale of Assets	1,136	290	846	0.01	(435)	(141)	(294)	—
FDA Mandated Product Recall (e)	250	57	193	—	(4,800)	(1,148)	(3,652)	(0.05)
U.S. Tax Reform (f)	—	—	—	—	—	7,502	(7,502)	(0.09)
Frutarom Acquisition Related Costs (g)	5,182	672	4,510	0.04	91,983	16,104	75,879	0.95
Compliance Review & Legal Defense Costs (h)	3,623	827	2,796	0.02	—	—	—	—
Redemption value adjustment to EPS (i)	—	—	—	(0.02)	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 528,635</u>	<u>\$ 97,104</u>	<u>\$ 423,971</u>	<u>\$ 3.74</u>	<u>\$ 473,249</u>	<u>\$ 80,600</u>	<u>\$ 392,649</u>	<u>\$ 4.89</u>

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

	Third Quarter Year-to-Date	
	2019	2018
<i>(DOLLARS AND SHARE AMOUNTS IN THOUSANDS)</i>		
Numerator		
Adjusted (Non-GAAP) Net Income	\$ 423,971	\$ 392,649
Amortization of Acquisition related Intangible Assets	143,964	27,772
Tax impact on Amortization of Acquisition related Intangible Assets (j)	33,792	8,013
Amortization of Acquisition related Intangible Assets, net of tax (m)	110,172	19,759
Adjusted (Non-GAAP) Net Income ex. Amortization	534,143	412,408
Denominator		
Weighted average shares assuming dilution (diluted)	113,133	80,115
Adjusted (Non-GAAP) EPS ex. Amortization	<u>\$ 4.72</u>	<u>\$ 5.14</u>

- (a) For 2019, represents accelerated depreciation related to a plant relocation in India and China. For 2018, represents accelerated depreciation related to a plant relocation in India and Taiwan.
- (b) For 2019, represents adjustments to the fair value for an equity method investment in Canada which we began consolidating in the second quarter. For 2018, represents adjustments to the contingent consideration payable for PowderPure, and transaction costs related to Fragrance Resources and PowderPure within Selling and administrative expenses.
- (c) For 2019, represents costs related to the integration of the Frutarom acquisition, principally advisory services. For 2018, represents costs related to the integration of David Michael and Frutarom.
- (d) For 2019, represents costs primarily related to the Frutarom Integration Initiative and the 2019 Severance Charges program. For 2018, represents severance costs related to the 2017 Productivity Program.
- (e) For 2019, represents additional claims that management will pay to co-packers. For 2018, represents recoveries from the supplier for the third quarter, partially offset by final payments to the customer made for the affected product in the first quarter.
- (f) Represents charges incurred related to enactment of certain U.S. tax legislation changes in December 2017.
- (g) Represents transaction-related costs and expenses related to the acquisition of Frutarom. For 2019, amount primarily includes amortization for inventory "step-up" costs and transaction costs. For 2018, amount primarily includes \$39.4 million of bridge loan commitment fees included in Interest expense; \$34.9 million make whole payment on the Senior Notes - 2007 and \$3.9 million realized loss on a fair value hedge included in Loss on extinguishment of debt; \$12.5 million realized gain on a foreign currency derivative included in Other income; and \$26.8 million of transaction costs included in administrative expenses.
- (h) Costs related to reviewing the nature of inappropriate payments and review of compliance in certain other countries. In addition, includes legal costs for related shareholder lawsuits.
- (i) Represents the adjustment to EPS related to the excess of the redemption value of certain redeemable noncontrolling interests over their existing carrying value.
- (j) The income tax expense (benefit) on non-GAAP adjustments is computed in accordance with ASC 740 using the same methodology as the GAAP provision of income taxes. Income tax effects of non-GAAP adjustments are calculated based on the applicable statutory tax rate for each jurisdiction in which such charges were incurred, except for those items which are non-taxable for which the tax expense (benefit) was calculated at 0%. For fiscal year 2019, these non-GAAP adjustments were not subject to foreign tax credits or valuation allowances, but to the extent that such factors are applicable to any future non-GAAP adjustments we will take such factors into consideration in calculating the tax expense (benefit). For amortization, the tax benefit has been calculated based on the statutory rate on a country by country basis.
- (k) For 2019, net income is reduced by income attributable to noncontrolling interest of \$7.6M.
- (l) The sum of these items does not foot due to rounding.
- (m) Represents all amortization of intangible assets acquired in connection with acquisitions, net of tax.