



Andreas Fibig  
Chairman & CEO

# INVESTOR DAY 2019

Vision & Strategy



# EXECUTIVE SUMMARY

1. Diversified product portfolio with ~20% sales derived from faster growing & profitable adjacencies
2. Strong multinational core list access; ~60% of sales from fast growing small & mid-sized customers
3. Industry-leading naturals portfolio & strongest innovation pipeline in Company history
4. Compelling Vision 2021 strategy focused on disciplined execution & integration
5. >12% Total Shareholder Return (TSR) goal, driven by >10% EPS growth\*, and 2% dividend yield

*Note: All sales data based on 2018 combined sales*

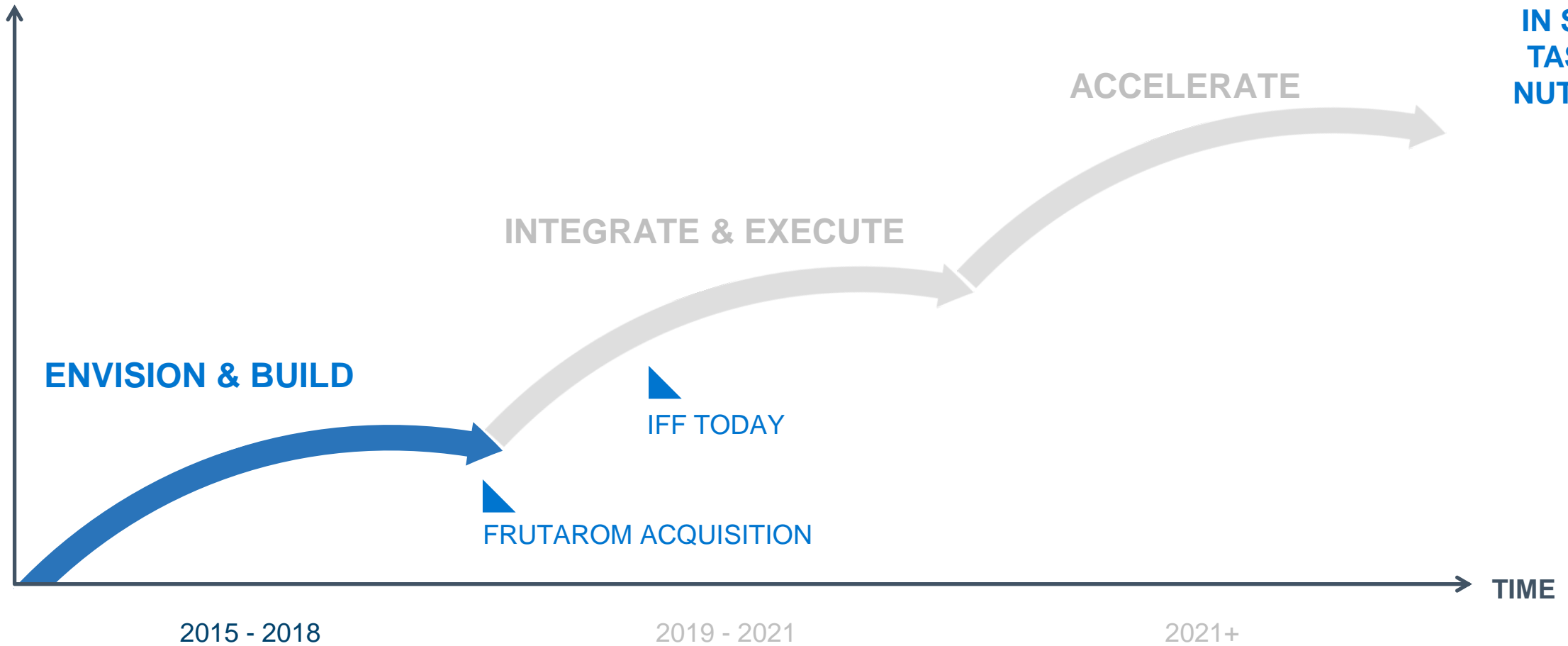
*\*Excluding amortization*

# JOURNEY TO OUR ASPIRATION

3 horizons to redefine IFF & build a stronger organization



**LEADER  
IN SCENT,  
TASTE, &  
NUTRITION**



# ENVISION & BUILD: VISION 2020

Strong advancements across all strategic pillars

## VISION 2020

### Innovating firsts



**13 New**  
Captive fragrance ingredients



**9 New**  
Natural flavor modulators

**+Double-Digits**  
Encapsulation

**+Double-Digits**  
Modulation



PuraVita™



### Winning where we compete

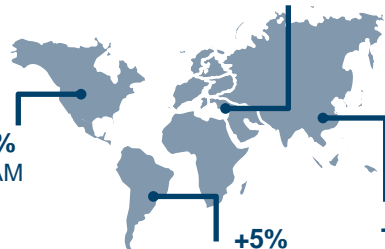
**#1** in Mid-Tier Flavors NA

**+13%**  
EAME

**+12%**  
NOAM

**+5%**  
LATAM

**+6%**  
GA



### Becoming our customers' partner of choice

**Expansion**  
Global core lists

**Commercial**  
Excellence program

Launch of tastepoint

tastepoint

### Strengthening & expanding the portfolio

Expansion into Adjacencies

Acquisition Track Record



RESOURCES



DAVID MICHAEL

POWDERPURE™



**BUILDING OUR TALENT AND ORGANIZATION** | IFF University | Diversity & Inclusion | Employee Culture Survey



**CONTINUOUSLY IMPROVING** | Productivity Programs | Implementation of Zero-Based Budgeting | Acquisition Synergies



**CREATING A SUSTAINABLE FUTURE** | Launched EcoEffective+ 2025 Goals | BARRON'S Top 100 Most Sustainable US Co's. | FTSE4Good | Developed Market Index

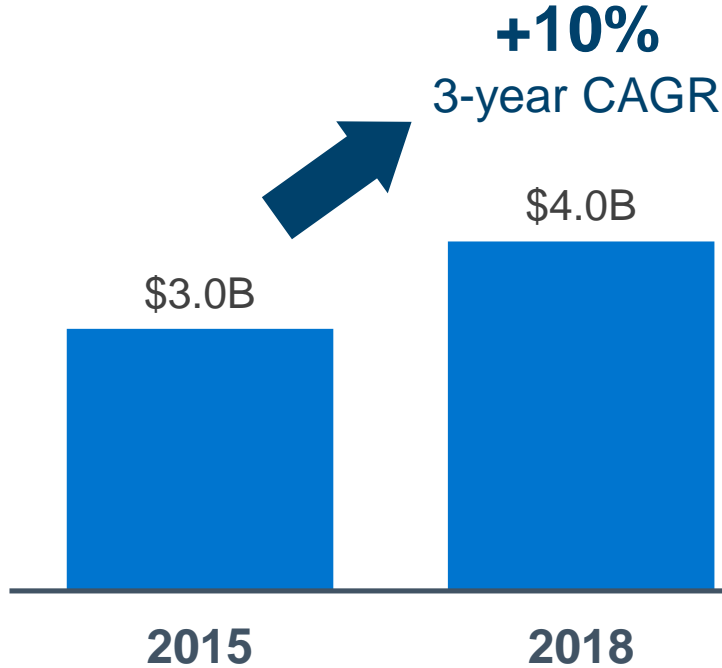


Note: Percentage increases reflects organic currency neutral sales CAGR between 2015 and 2018

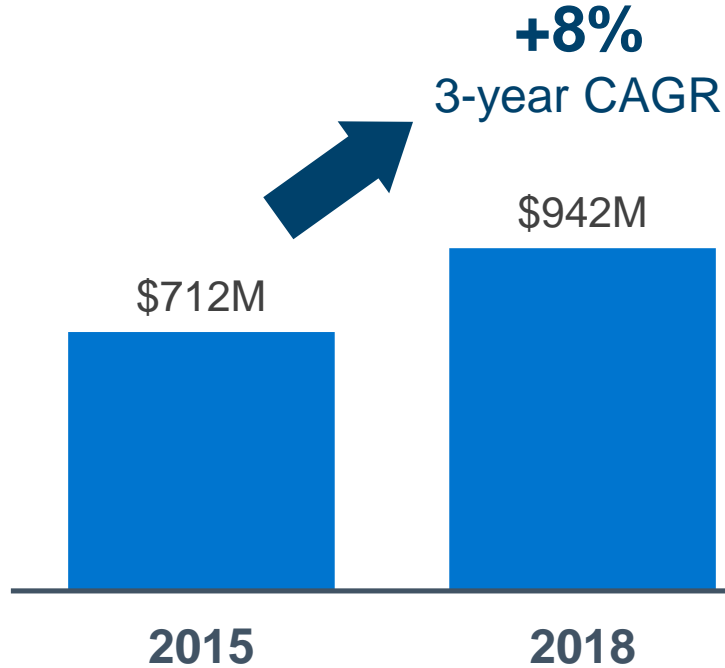
# RESULTS & PERFORMANCE

Strong track record of profitable growth

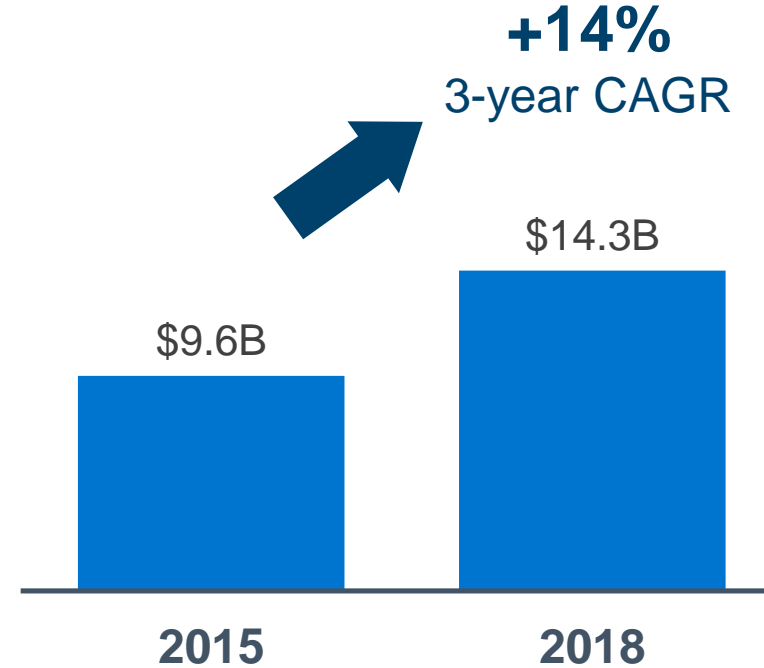
## Sales



## Adjusted EBITDA\*



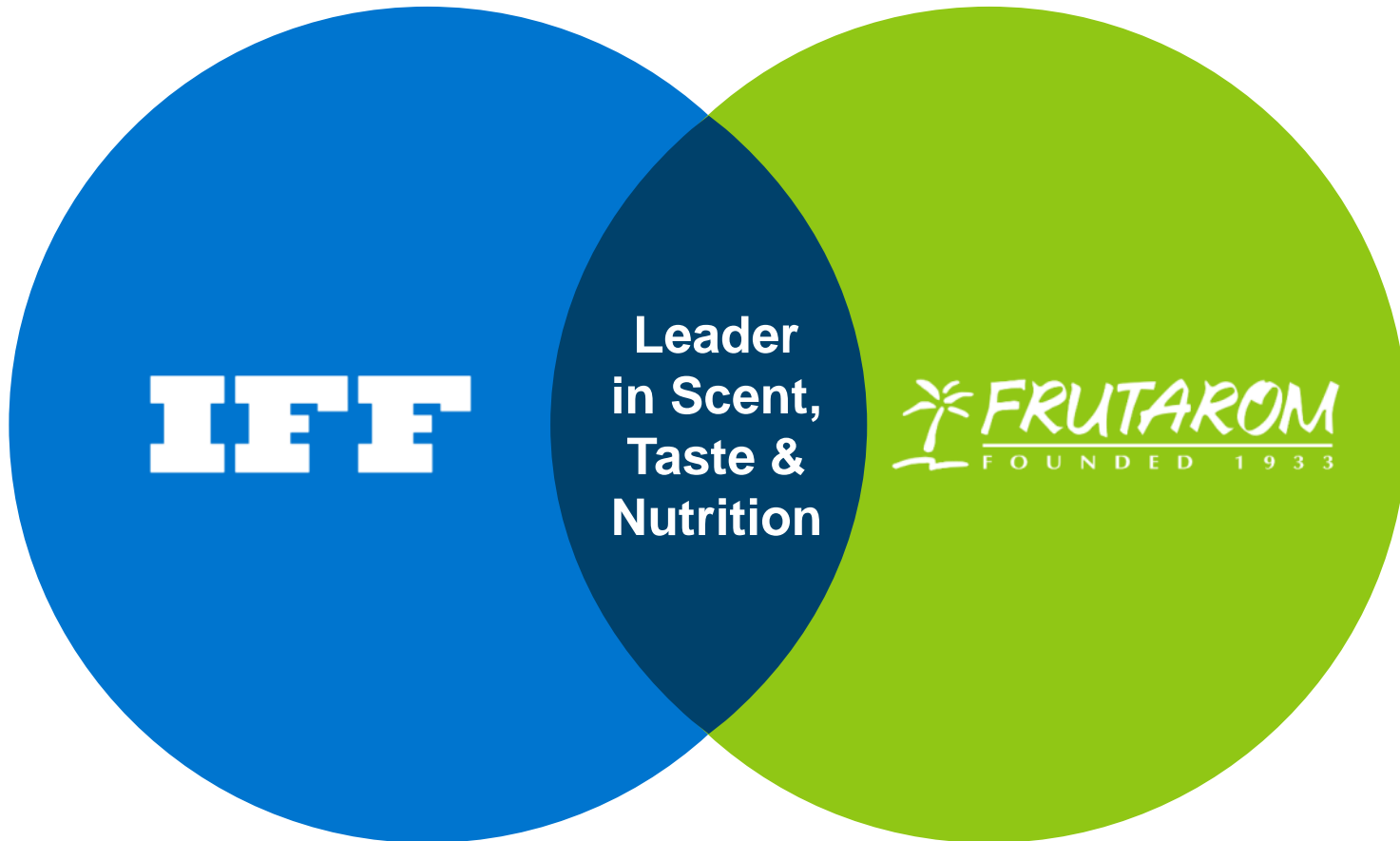
## Market capitalization



*\*Non-GAAP metrics; please see Non-GAAP disclosures at [ir.iff.com](http://ir.iff.com)  
Note: 2018 sales are on a reported basis; market capitalization as of 12 / 31 of relevant year*

# FRUTAROM ACQUISITION

Unlocks new strategic opportunities



Greater exposure to naturals

Broad portfolio of adjacencies

~36,000 new customers

\$145M in cost synergy targets

Cross-selling & integrated solutions

# OUR EVOLUTION

We are a stronger company, with greater scale and broader capabilities

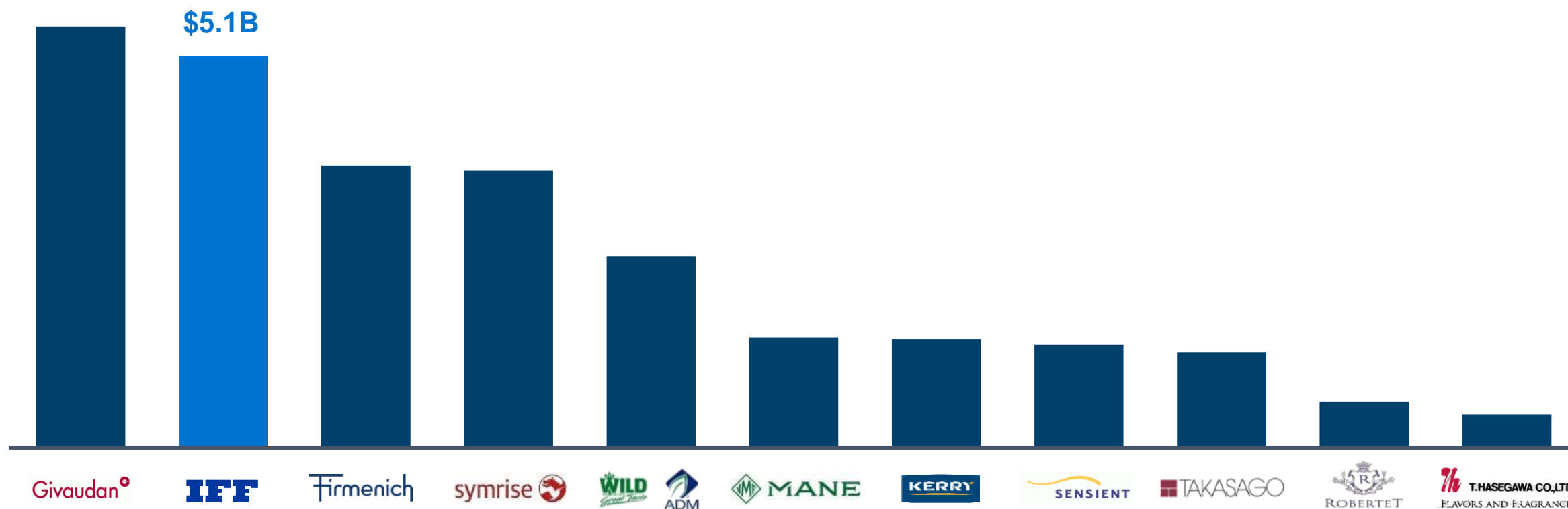
	POSITION	PORTFOLIO	CUSTOMERS	INNOVATION	EMPLOYEES	NET SALES
<b>TO</b>	<b>#2 Flavor &amp; Fragrance player</b>	<b>~20% sales from faster growing adjacencies</b>	<b>Approx. 39,000</b>	<b>Expansive platforms and capabilities</b>	<b>13,000+</b>	<b>\$5B+</b>
<b>FROM</b>	<b>#4 Flavor &amp; Fragrance player</b>	<b>Traditional Flavor &amp; Fragrance</b>	<b>Approx. 3,000</b>	<b>Flavor &amp; Fragrance focused</b>	<b>7,000+</b>	<b>\$3B</b>

*Note: Sales data is from full year 2017 and full year 2018 combined*

# HOW WE RANK AMONG PEERS

Significant progress towards market leadership

## 2018 Reported Sales



Note: Based on reported 2018 sales except (I) IFF 2018 reflects combined sales and (II) Firmenich is based on estimated 2018 sales . Mane is based on estimated 2018 sales

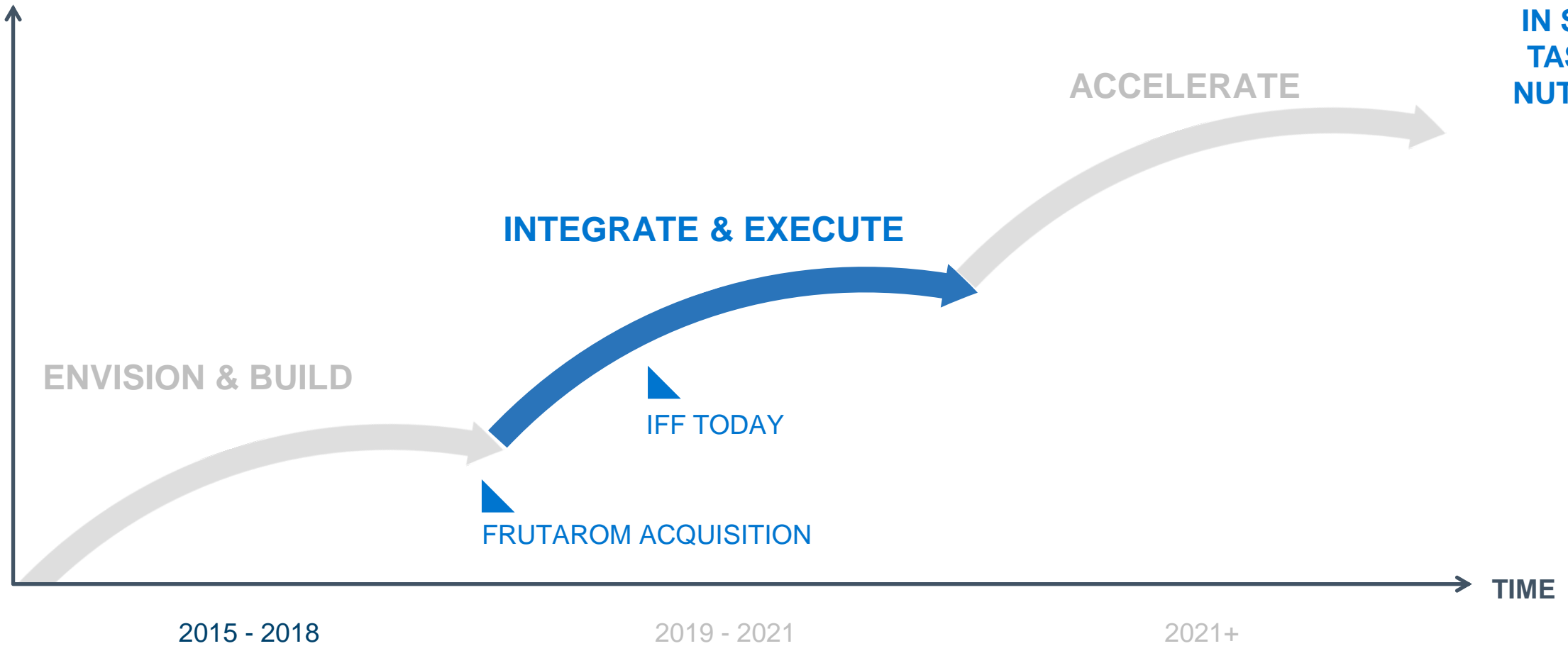


# JOURNEY TO OUR ASPIRATION

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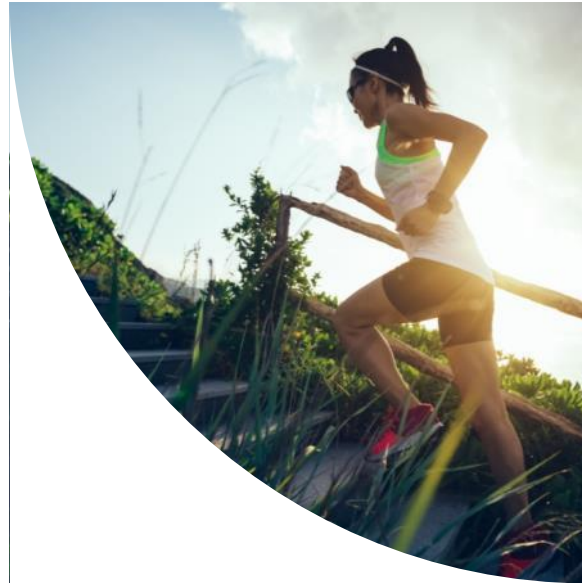


**LEADER  
IN SCENT,  
TASTE, &  
NUTRITION**



# EVOLVING CONTEXT

Adapting our strategy  
to rapidly changing world



## Sustained Trends

Consumers shift towards natural, health & wellness, clean label, traceability

Small, mid-tier and private label players gaining share

Continued momentum in sustainability

## Emerging Trends

CPGs shifting towards growth & innovation

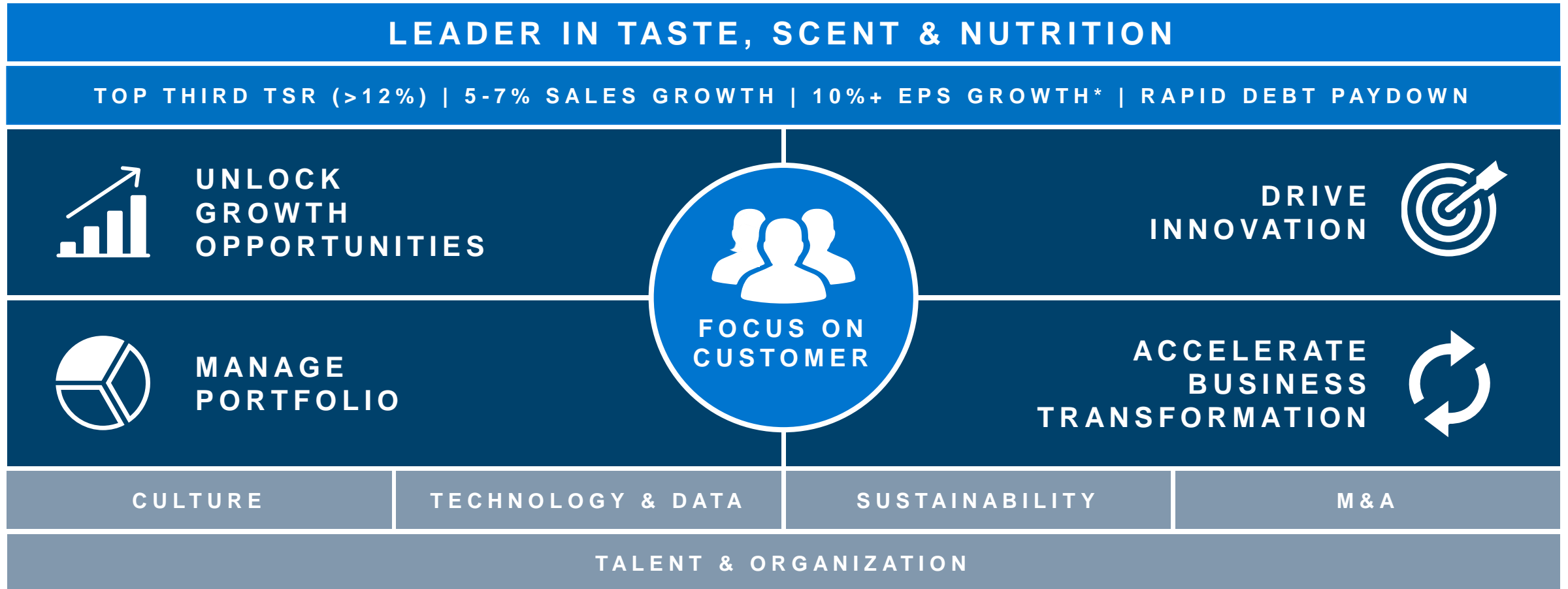
Raw material cost volatility

F&F expanding into adjacencies

Improved growth in emerging markets

# VISION 2021

Strategic framework to achieve ambition & accelerate profitable growth



\*Excluding amortization



# GROWTH ENGINES

Unlocking incremental shareholder value

## EXPOSURE

### Customer Base

- Global core lists
- Fast growth small- & mid-tier

### Geographic access

- 45% sales in emerging markets

### Product Portfolio

- ~20% of sales from high-growth adjacencies

### Innovation Pipeline

- Strongest pipeline in company's history

## ACTION

- Gain share with recent core-listed customers
- Direct service model for mid-tier

- Invest in Asia, Africa and Middle East

- Focused investments in adjacencies given growth and margin dynamics

- Prioritize highest return platforms

**CROSS-SELLING AND INTEGRATED SOLUTIONS**

**VALUE-ACCRETIVE M&A**

*Note: Sales data based on 2018 combined sales*



# FOCUS ON CUSTOMERS

Broadest customer base in the industry

Customer base

Customer segments

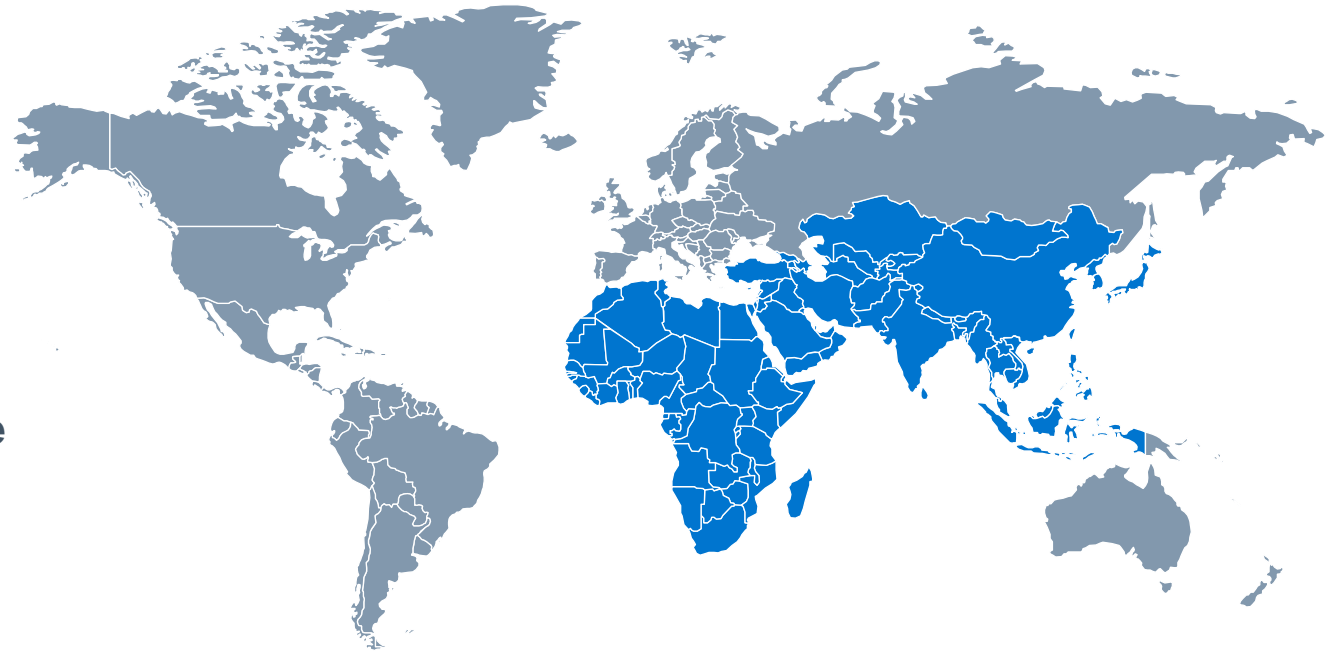
Geographic growth potential

**~39,000**  
CUSTOMERS



**Large CPGs**  
Strong access to Global CPG core lists

**Mid-Sized, Small, Private Label CPGs**  
Faster growth segments



Increase penetration in priority markets of Asia, Africa and Middle East

*Note: Sales data based on 2018 combined sales*



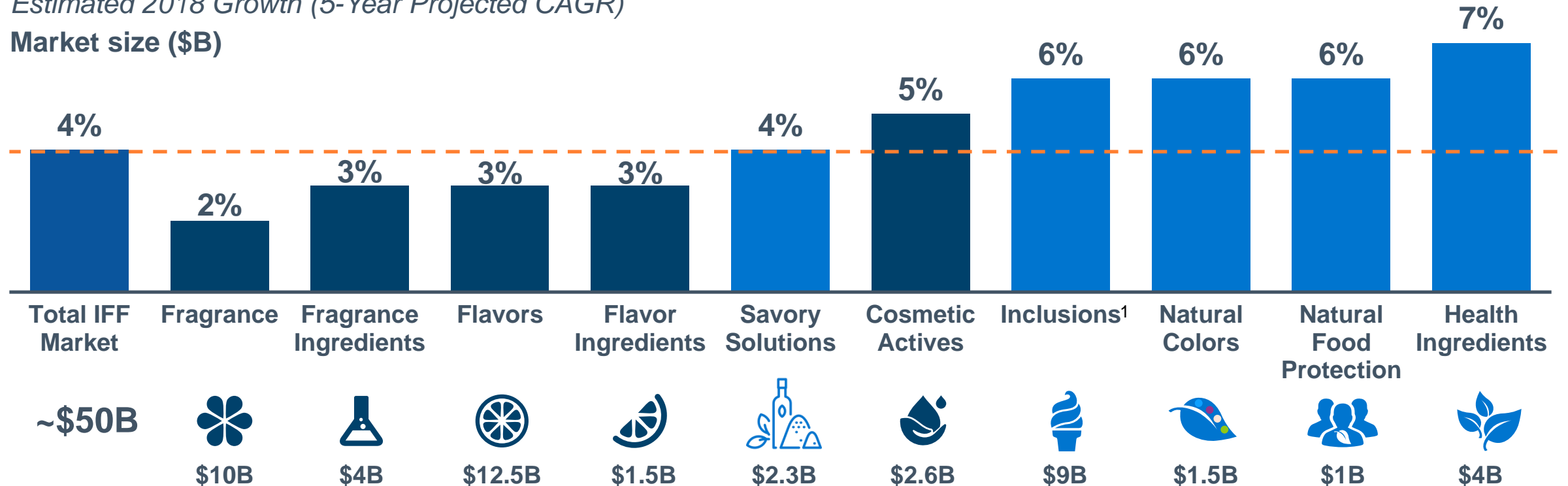
# GREATER ACCESS IN ATTRACTIVE ADJACENCIES

Significantly increased market potential & strengthened growth exposure

## Key markets of exposure

Estimated 2018 Growth (5-Year Projected CAGR)

Market size (\$B)



1. Includes Taura, Inventive and Leagel (Gelato ingredients)

Note: light blue refers to adjacent segments access gained through Frutarom acquisition

Source: Company estimates



# CROSS-SELLING AND INTEGRATED SOLUTIONS

Two key sources for value creation

Cross-Selling

Opportunity to serve customer needs by leveraging existing relationships and expanded portfolio

Integrated Solutions

Combine product offering and value-added services into full "solutions"

**\$8M\***

Quick wins to date

**\$100M**

2021 target

*\* On an annualized basis*



# ROBUST R&D PIPELINE ACROSS PLATFORMS

Strongest innovation pipeline in company history

## PLATFORMS

- Naturals & Beyond
- Modulation
- Ingredients
- Active Cosmetics
- Health & Nutrition
- Delivery Systems

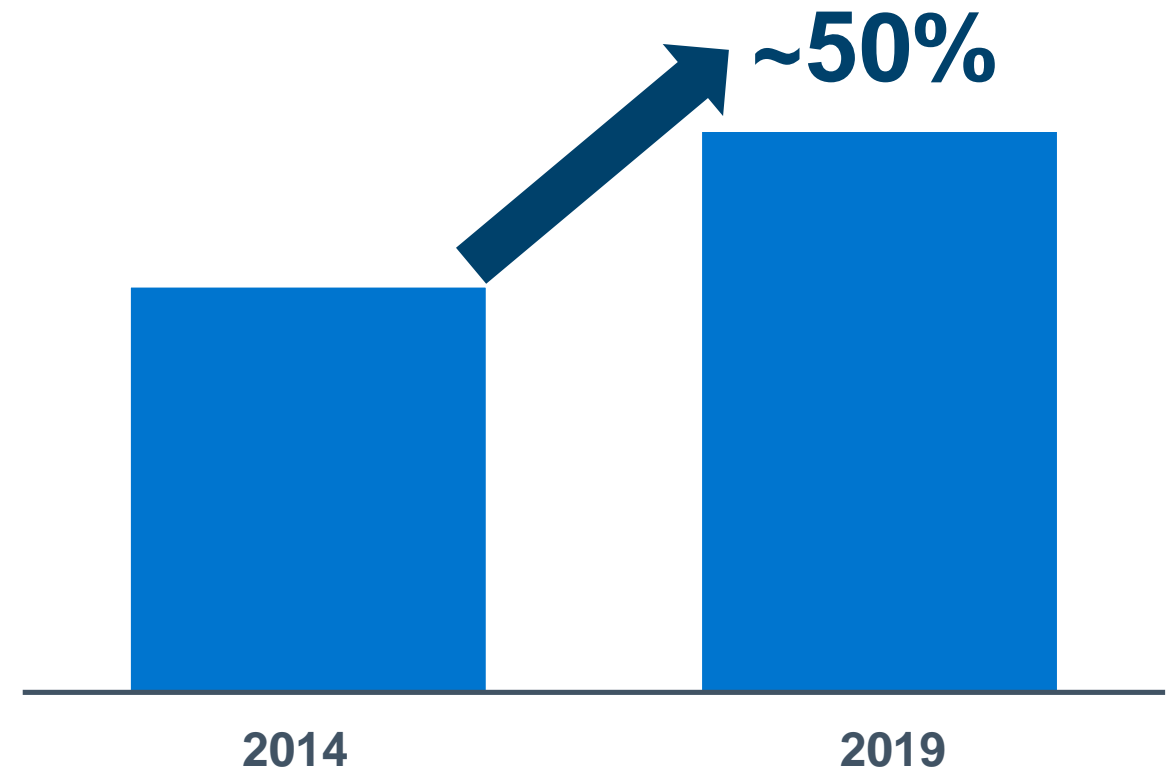
## ENABLING CAPABILITIES

- Sensory
- AI, Data & Analytics
- Next Gen Processing
- Analytical
- Biosciences
- Applications Science
- Crop Science
- Clinical Research

## CHEMISTRY & MATERIAL SCIENCE

## SUSTAINABILITY

### Innovation Pipeline: 15-yr NPV EP<sup>1</sup>



<sup>1</sup>NPV = Net Present Value, EP = Economic Profit



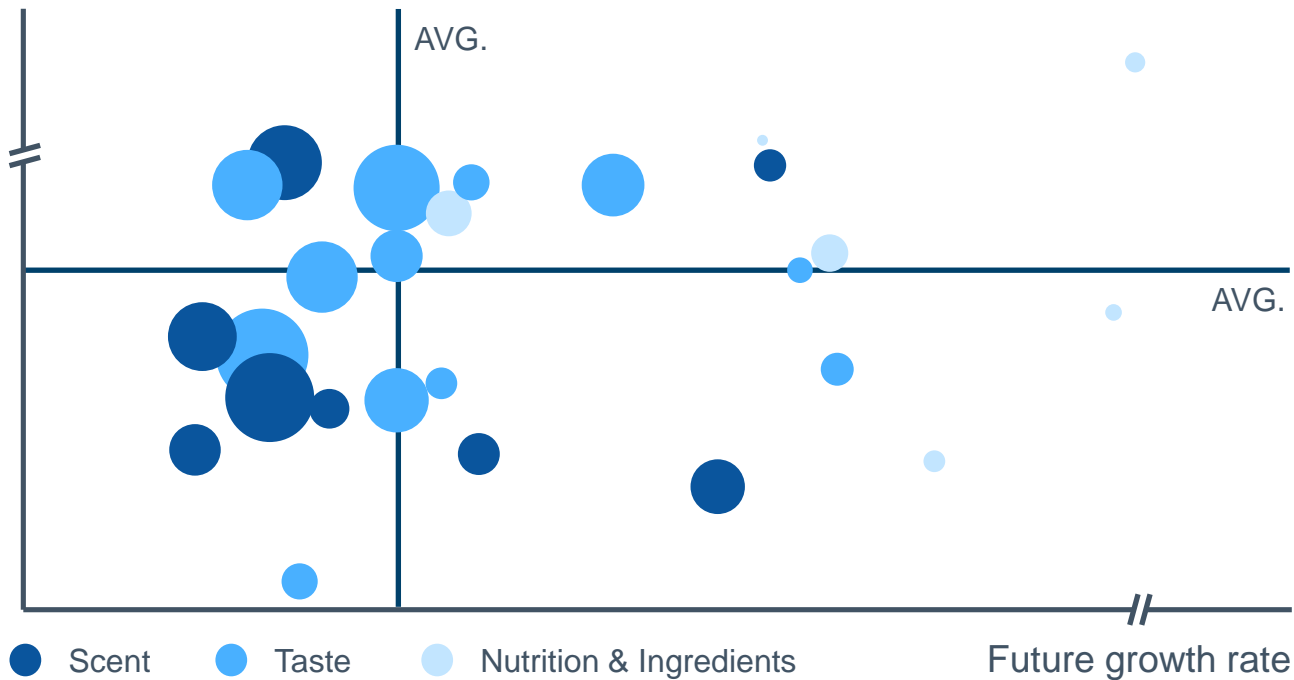


# PORTFOLIO ASSESSMENT

Diverse portfolio with different roles that dictate resource allocation guidelines

## IFF Product Groups

Estimated EBITDA Margin (%)



**RESOURCE  
ALLOCATED  
TO MAXIMIZE  
RETURNS  
(>12%+ TSR)**



# PORTFOLIO MANAGEMENT ROLES DRIVE RESOURCE ALLOCATION

## GROWTH

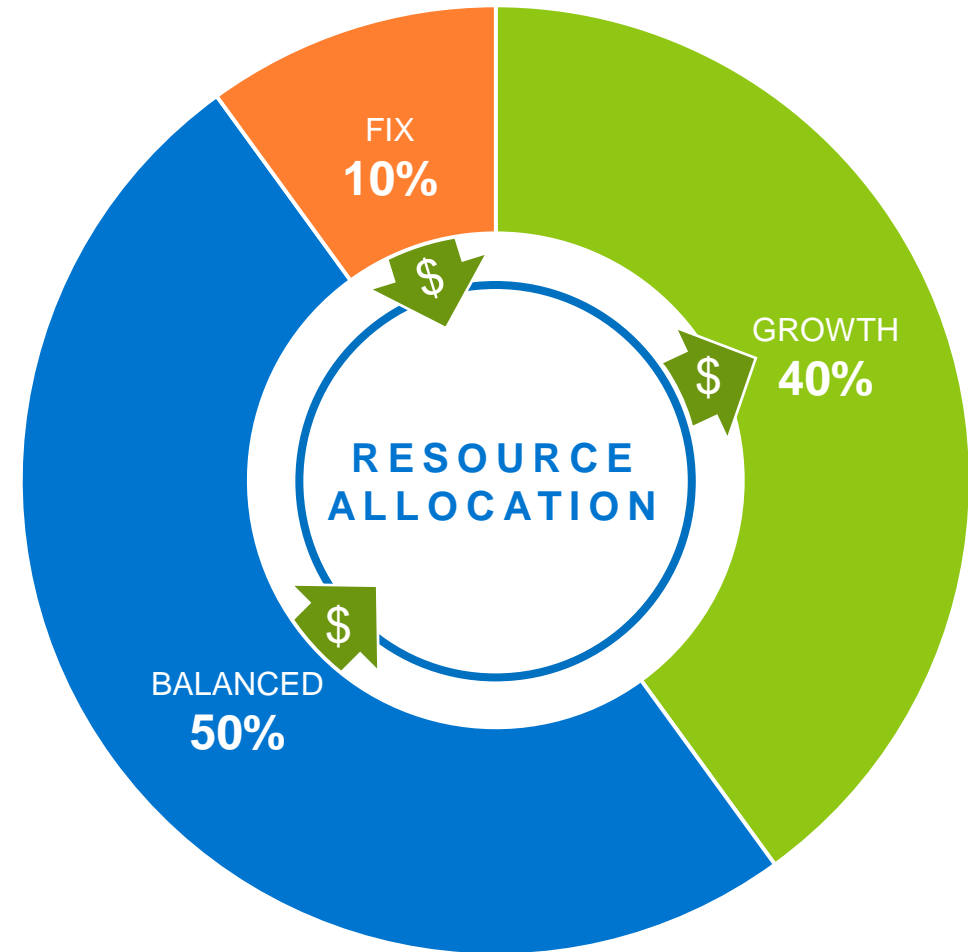
Invest for profitable growth

## BALANCED

Growth and margin

## FIX

Rapidly fix or de-prioritize



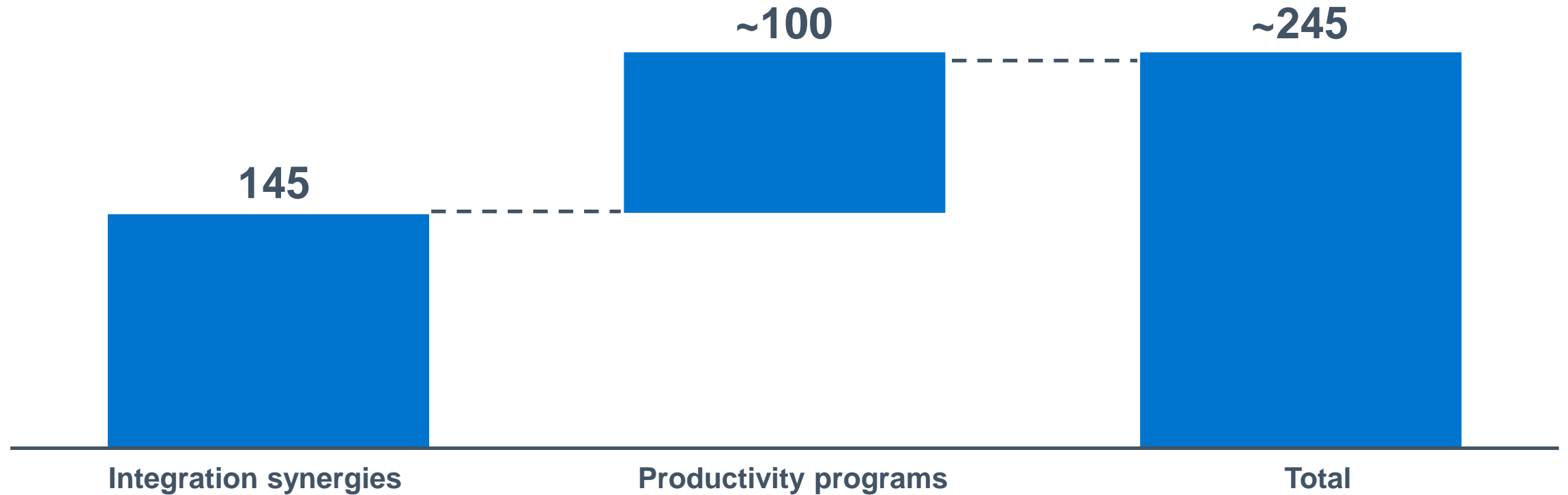
(%) Revenue share as a % of total



# BUSINESS TRANSFORMATION

Comprehensive programs unlock value for reinvestment & margin expansion

3-year savings target (\$M)



# GLOBAL LEADER IN SUSTAINABILITY

Significant & broad-based improvements



2011

First sustainability report



2012

Ambitious 2020 sustainability targets



2013

Created a Green Chemistry Product Evaluation Tool



2014

4KW Solar field opening in Hazlet



2015

CDP 'A' List, climate change

EcoVadis CSR Gold (top 5%)



2016

F&F industry's first on-site Turbine

Euronext Vigeo U.S. 50 index



2017

We launched our 2020 Environmental Sustainability Goals

Achieved industry first GreenCircle certified LLC Zero waste to landfill certification



2018

Surpassed 3 of our 4 eco-efficiency 2020 goals

Barron's 100 Most Sustainable Companies

Euronext Vigeo World 120 Index

2019

SAM 'Industry Mover'

CDPs 'A' List for Water Security

Historical partnership with Yellowstone



# M & A

Strengthened  
M&A capabilities

Robust deal pipeline

Aligned with portfolio roles

DEC  
2018



TECHNOLOGY

JAN  
2019



SAVORY SOLUTIONS

MAR  
2019



INCLUSIONS

APR  
2019



TECHNOLOGY  
VENTURE INVESTMENT

MAY  
2019



SAVORY SOLUTIONS



# PORTFOLIO ALIGNMENT

Redefining our business units for accelerate profitable growth



## SCENT



## TASTE



## NUTRITION & INGREDIENTS



## CATEGORIES

Fine Fragrances

Flavors (Frutarom Flavors)

Natural Health Ingredients

Consumer Fragrances

Savory Solutions

Natural Colors

Fragrance Ingredients

Inclusions (Taura, Inventive & Leagel)

Natural Food Protection

Cosmetic Active Ingredients

Flavor Ingredients

# TALENT AND ORGANIZATION

Getting the best of both organizations

## SCENT

Nicolas Mirzayantz

Fine  
Fragrances

Consumer  
Fragrances

Cosmetic  
Active  
Ingredients

Fragrance  
Ingredients

## TASTE

Matthias Haeni

Flavor  
Compounds

Savory  
Solutions

Inclusions

## NUTRITION & INGREDIENTS

Yoni Glickman

Natural  
Health  
Ingredients

Natural  
Food  
Protection

Natural  
Colors

Flavor  
Ingredients

Managed by Legacy IFF leader

Managed by Legacy Frutarom leader

### Key Accomplishments

Defined new organization

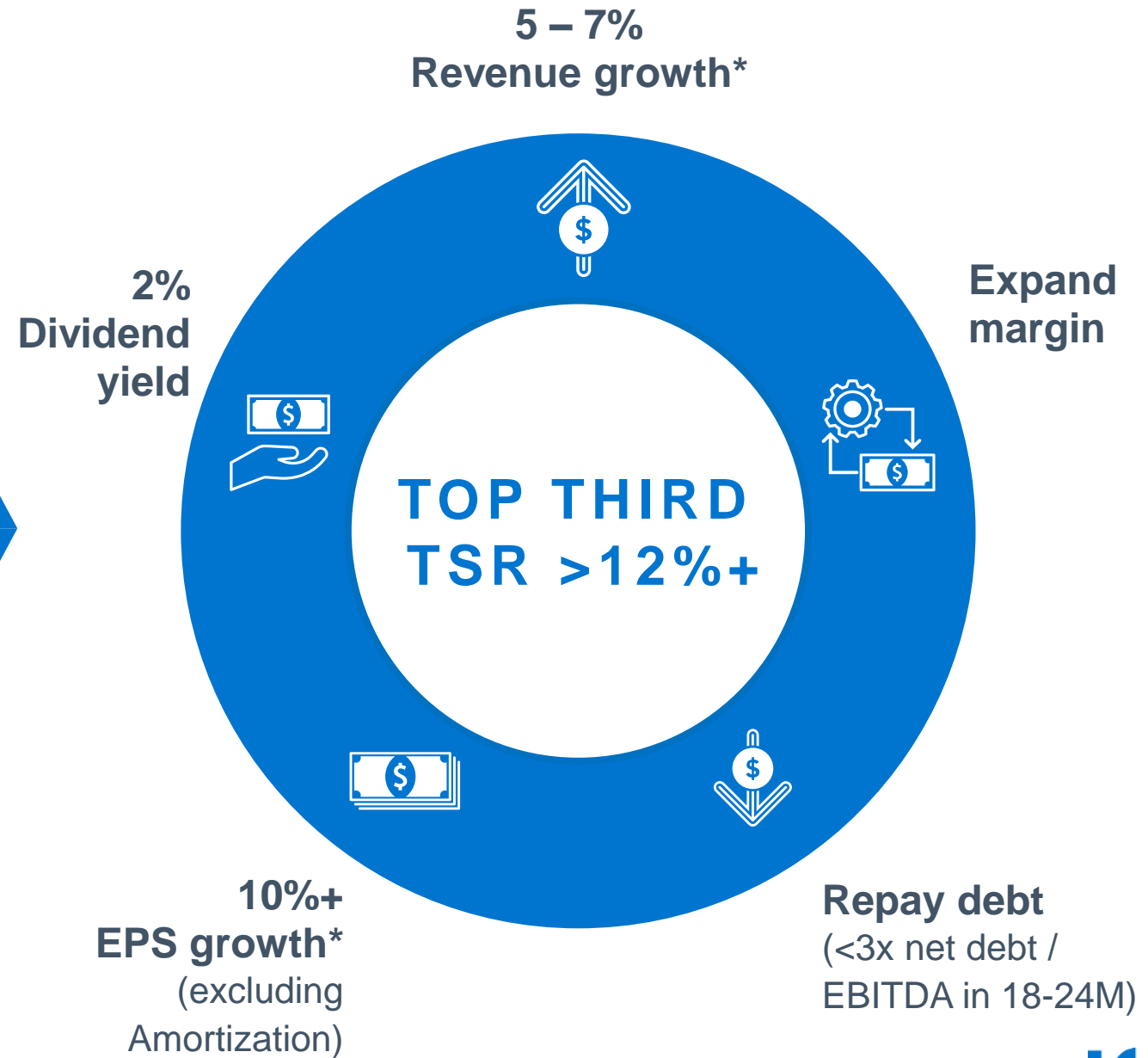
Retained critical talent from  
Frutarom

### Critical Next steps

Align incentive systems

Selectively integrate IT systems  
aligned with business priorities

# VISION 2021 FINANCIAL OBJECTIVES



\*Currency neutral growth



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