



IFF Q4 & FY 2019 EARNINGS CONFERENCE CALL

February 13, 2020

iff

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 2020 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, the expected timetable for completing the proposed transaction with N&B, the benefits and synergies of the proposed transaction with N&B, future opportunities for the combined company and products and any other statements regarding IFF's and N&B's future operations, 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) 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 investigations into improper payments made in Frutarom businesses principally operating in Russia and the Ukraine, (4) the impact of the outcome of legal claims, regulatory investigations and litigation, including any that may arise out of the Company's investigations into improper payments made in Frutarom businesses principally operating in Russia and the Ukraine, (5) 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, (6) the Company's ability to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed combination with N&B, (7) any failure to obtain necessary regulatory approvals, approval of IFF's shareholders, anticipated tax treatment or any required financing or to satisfy any of the other conditions to the proposed combination with N&B, (8) potential inability to access or reduced access to the capital markets or increased cost of borrowings, including as a result of a credit rating downgrade, (9) the integration of IFF and N&B being more difficult, time consuming or costly than expected, (10) the possibility that IFF may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the proposed combination with N&B within the expected time frames or at all, (11) customer loss and business disruption being greater than expected following the proposed combination with N&B, (12) the impact of any divestitures required as a condition to consummation of the proposed combination with N&B as well as other conditional commitments, (13) risks relating to the value of the IFF shares to be issued in the combination with N&B and uncertainty as to the long-term value of IFF's common stock, (14) the Company's ability to successfully market to its expanded and decentralized Taste and Frutarom customer base, (15) the Company's ability to effectively compete in its market and develop and introduce new products that meet customers' needs, (16) the Company's ability to successfully develop innovative and cost-effective products that allow customers to achieve their own profitability expectations, (17) the impact of the disruption in the Company's manufacturing operations, (18) the impact of a disruption in the Company's supply chain, including the inability to obtain ingredients and raw materials from third parties, (19) volatility and increases in the price of raw materials, energy and transportation, (20) 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, (21) the impact of any failure or interruption of the Company's key information technology systems or a breach of information security, (22) the Company's ability to react in a timely and cost-effective manner to changes in consumer preferences and demands, (23) the Company's ability to establish and manage collaborations, joint ventures or partnership that lead to development or commercialization of products, (24) the Company's ability to benefit from its investments and expansion in emerging markets, (25) the impact of currency fluctuations or devaluations in the principal foreign markets in which it operates, (26) economic, regulatory and political risks associated with the Company's international operations, (27) the impact of global economic uncertainty on demand for consumer products, (28) the inability to retain key personnel, (29) the Company's ability to comply with, and the costs associated with compliance with, U.S. and foreign environmental protection laws, (30) the Company's ability to realize the benefits of its cost and productivity initiatives, (31) the Company's ability to successfully manage its working capital and inventory balances, (32) the impact of the failure to comply with U.S. or foreign anti-corruption and anti-bribery laws and regulations, including the U.S. Foreign Corrupt Practices Act, (33) the Company's ability to protect its intellectual property rights, (34) the impact of the outcome of legal claims, regulatory investigations and litigation, (35) changes in market conditions or governmental regulations relating to our pension and postretirement obligations, (36) the impact of future impairment of our tangible or intangible long-lived assets, (37) the impact of changes in federal, state, local and international tax legislation or policies, including the Tax Cuts and Jobs Act, with respect to transfer pricing and state aid, and adverse results of tax audits, assessments, or disputes, (38) 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 (39) the impact of the United Kingdom's departure from the European Union. 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 Company's business. Accordingly, the Company 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; (vi) free cash flow; (vii) Frutarom organic sales and (viii) Frutarom segment profit ex amortization. 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. Frutarom segment profit ex amortization is Frutarom segment profit excluding amortization expense related to intangible assets of \$159.0 million in the full year 2019.

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

Net Debt to Adjusted EBITDA is the leverage ratio used in our credit agreement and defined as Net Debt (which is long-term debt less cash and cash equivalents) divided by Adjusted EBITDA. However, as Adjusted EBITDA for these purposes were calculated in accordance with the provisions of the credit agreement, it may differ from the calculation used for other purposes.

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 2020 and long-term currency neutral sales growth; (ii) adjusted EPS ex amortization growth for 2020 and long-term currency neutral EPS ex amortization growth; and (iii) net debt to adjusted EBITDA ratio for 2020. 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



Rustom Jilla
EVP & CFO

AGENDA

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

EXECUTIVE HIGHLIGHTS

Q4 2019 key accomplishments

- Delivered 7% currency neutral growth; Strongest performance of the year
- Achieved robust 23% currency neutral adjusted EPS ex amortization growth
- Realized cost synergies of ~\$20M predominately driven by procurement harmonization & manufacturing optimization
- Fully completed review of Russia/Ukraine & secondary review of Frutarom in “high-risk” jurisdictions; Impact confirmed less than 1% of consolidated 2019 sales, not material to results or financial condition
- Announced combination with DuPont Nutrition & Biosciences to become a global leader in innovative integrated solutions



FY 2019 FINANCIAL PERFORMANCE

Broad-based improvements in sales, profitability & cash flow

\$5.1B

Sales

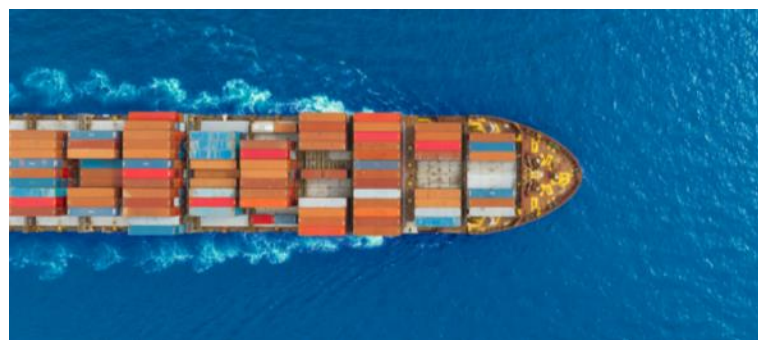
\$986M

Adjusted Operating Profit Ex Amort*

\$6.17

Adjusted EPS Ex Amort*

- On a combined basis, currency neutral sales grew 3% with contributions from all segments
- Adjusted operating margin excluding amortization improved to 19.2% led by synergies & productivity
- Year-over-year increases in operating cash flow & free cash flow* driven by higher cash earnings



FRUTAROM INTEGRATION

Strong progress across all workstreams

Priorities

Achievements

Status

GO-TO-MARKET

- Announced expansion of Tastepoint model in key markets around the world to serve faster growing small and mid-sized customers



CROSS-SELLING &
INTEGRATED SOLUTIONS

- Achieved ~\$15M run-rate cross-selling sales in 2019
- >1,000 identified projects in pipeline representing ~\$150M of sales



ORGANIZATION & CULTURE

- Full consolidation of Frutarom into legacy IFF business
- Aligned talent, organization & responsibility based on new structure
- Will report financial results as Taste & Scent starting Q1 2020



COST SYNERGIES

- Achieved ~\$50M in cost synergies in 2019
- 10 sites closed in 2019; Expect to be substantially complete by end of 2020



CASH FLOW/
DEBT REPAYMENT

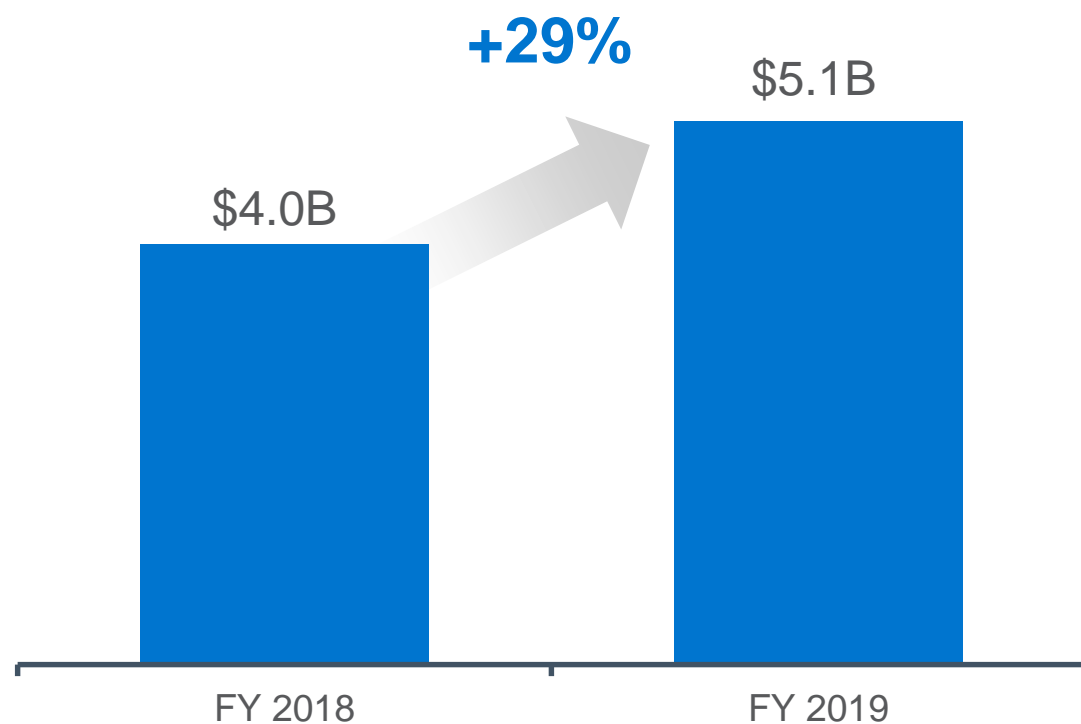
- Strong Operating Cash Flow +\$261M YoY change in 2019
- Net Debt to EBITDA ratio improved to 3.2x from 3.6x



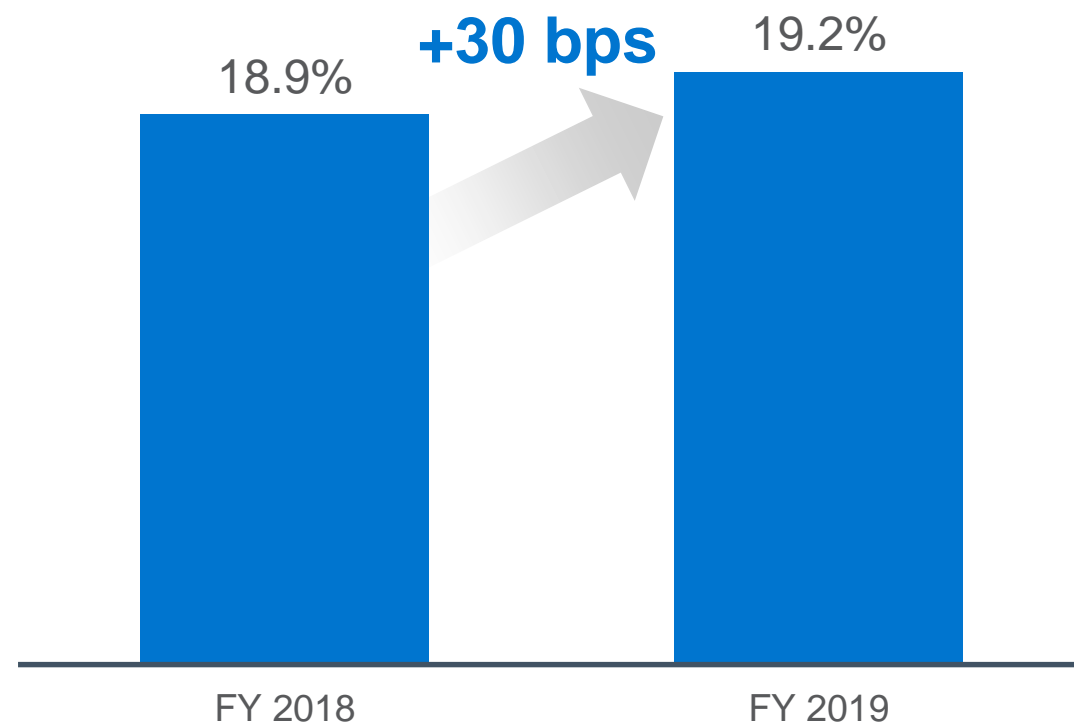
FY 2019 EXECUTIVE SUMMARY

Double-digit sales growth including acquisitions; Margin expansion ex amortization

SALES



ADJUSTED OPERATING PROFIT MARGIN EX AMORTIZATION*

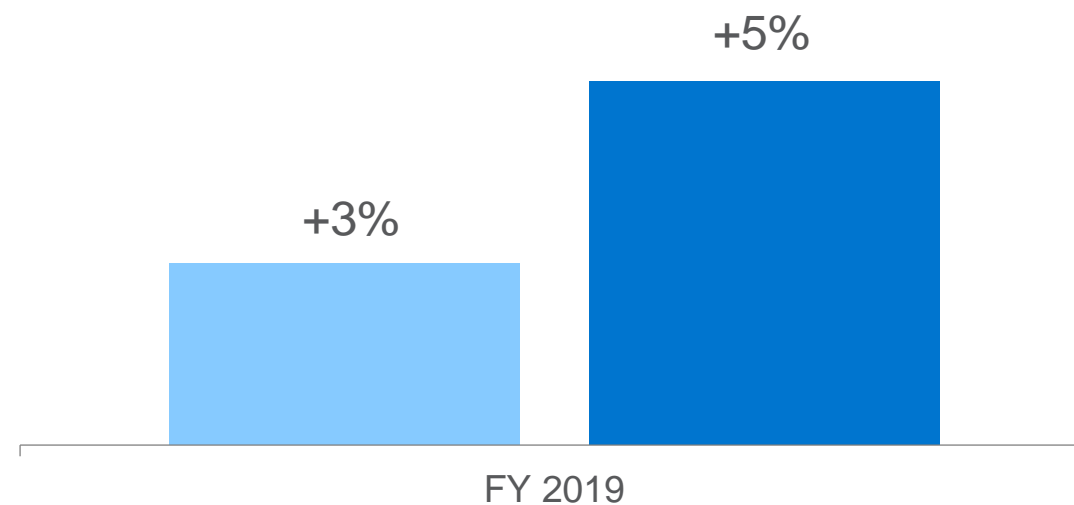
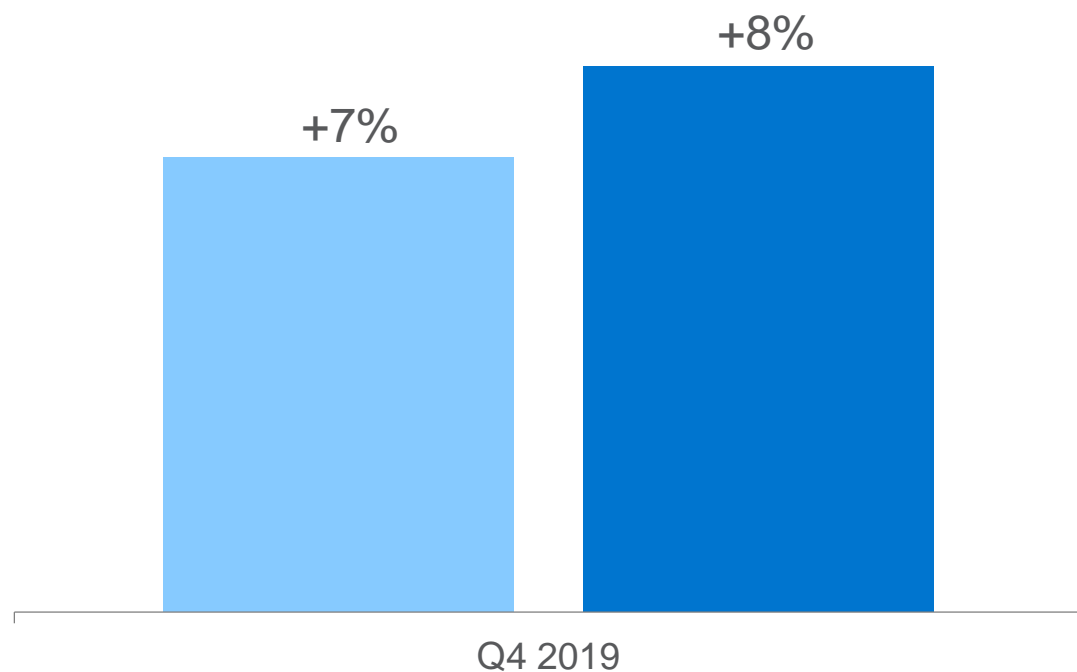


CONSOLIDATED (SCENT & TASTE) SALES GROWTH

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

Q4 2019 Currency Neutral Sales Growth*

FY 2019 Currency Neutral Sales Growth*



■ Eliminates the effects of FX driven pricing and translating international sales to US Dollar

■ Includes foreign exchange related price changes in emerging markets

SCENT PERFORMANCE

FY 2019 financial review

Currency Neutral Sales Growth*

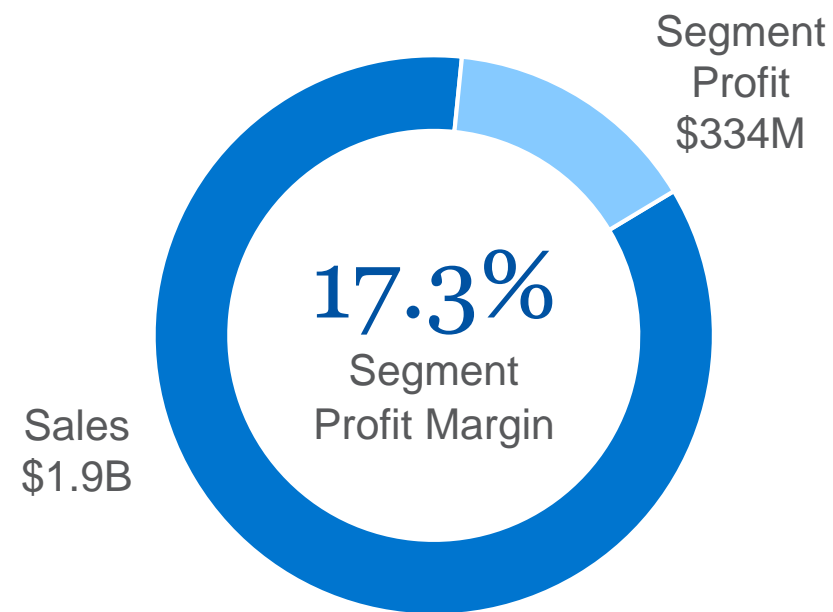
Q4 2019: +6%

- Achieved growth in all regions and nearly all categories
- Both Consumer Fragrances and Fine Fragrance were strong, up high-single digits and mid single-digits, respectively

FY 2019: +4%

- Fine Fragrance and Consumer Fragrance led growth, both increasing mid single-digits
- Fragrance Ingredients improved low single-digits as price increases related to higher raw material costs were mitigated by volume declines

FY 2019 Segment Profit



- Margin stable as price increases and the benefits of productivity initiatives offset higher raw material costs

TASTE PERFORMANCE

FY 2019 financial review

Currency Neutral Sales Growth*

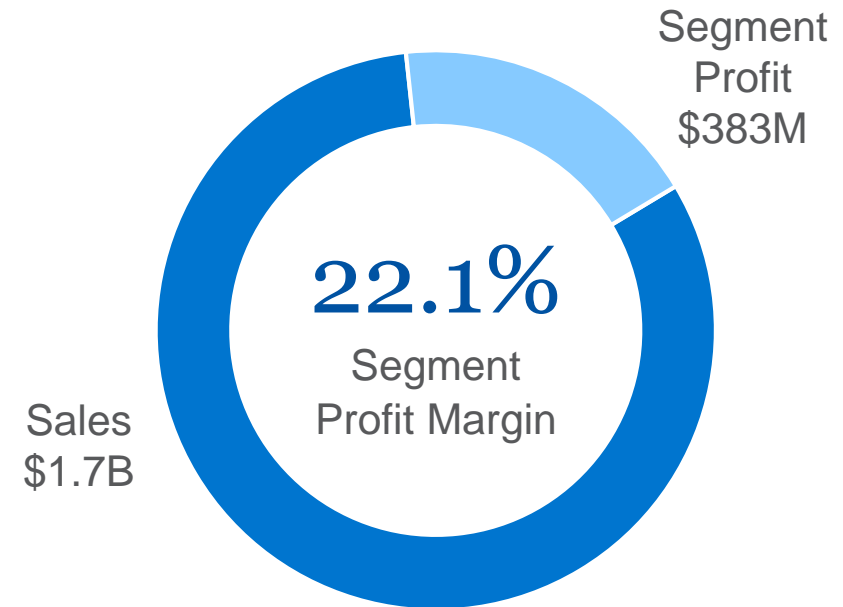
Q4 2019: +8%

- Robust growth rebound in the fourth quarter
- Delivered double-digit increase in Greater Asia & high single-digit growth in North America as volumes stabilized
- From a category perspective, results were strongest in Beverage and Savory, led by strong new win performance

FY 2019: +2%

- 2-year growth average remains strong at +4%
- Growth in Greater Asia & EAME more than offset challenges in North America and Latin America, where results were adversely impacted by volume erosion with multinational customers

FY 2019 Segment Profit



- Industry-leading margin supported by productivity, lower incentive compensation & integration related synergies

FRUTAROM PERFORMANCE

FY 2019 financial review

Currency Neutral Sales Growth*

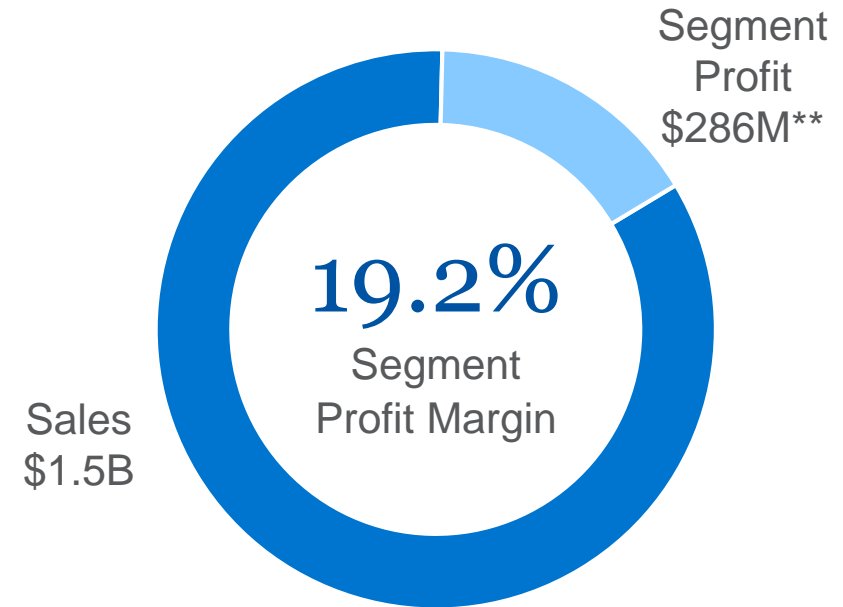
Q4 2019: +6%

- Organic growth +2% or +6% excluding transitory issues related to CitraSouce, Natural Colors & PTI and deprioritization of Trade & Marketing
- Results driven by Taste, including Inclusions & Savory Solutions

FY 2019: +3%

- Organic sales growth was +0% or +3% excluding transitory issues related to CitraSouce, Natural Colors, PTI and deprioritization of Trade & Marketing
- Fastest growing categories include double-digit increases in Food Protection, Inclusions & Algae

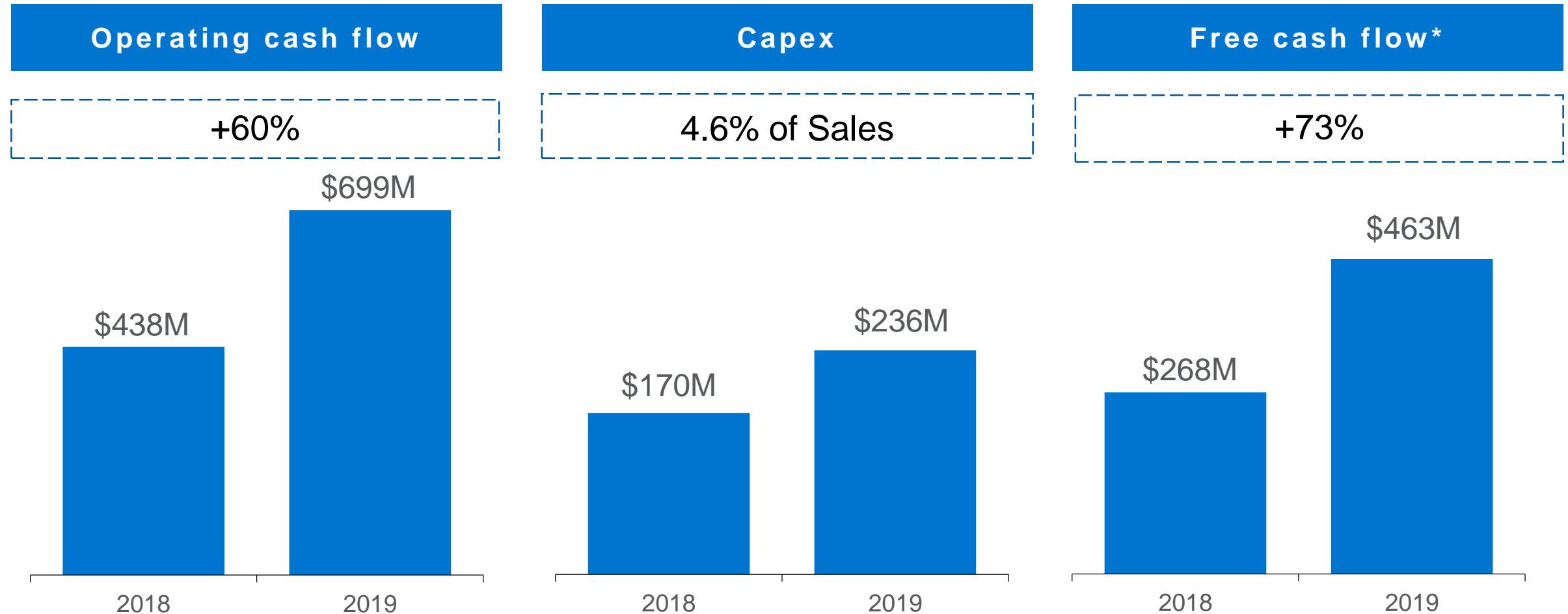
FY 2019 Segment Profit



- Margin supported by acquisition-related synergies & disciplined cost management

CASH FLOW DYNAMICS

Significant increases in operating & free cash flow



14 * Non-GAAP metric; Free cash flow is defined as operating cash flow less capital expenditures

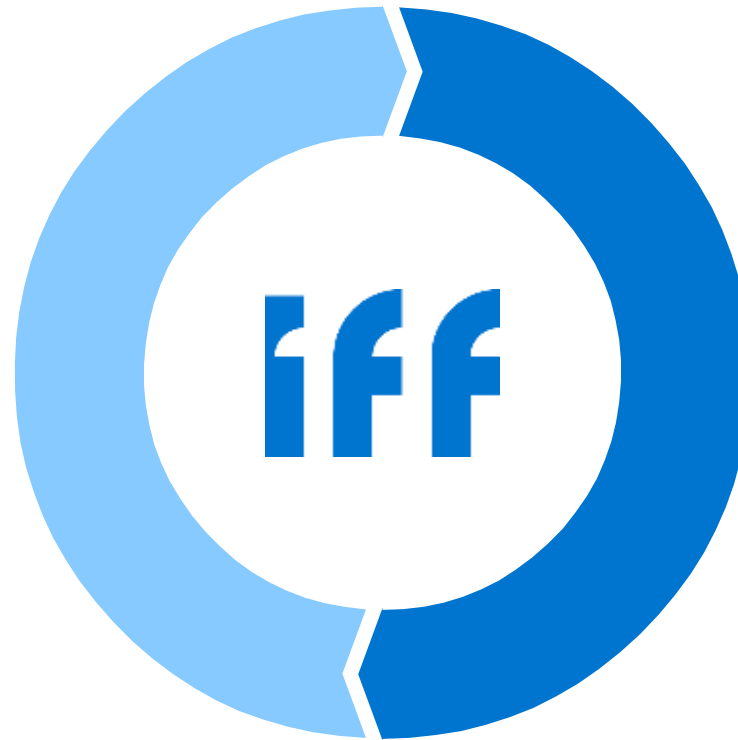
2020 FINANCIAL OUTLOOK

Expected top and bottom-line results

2020 Financial Guidance

Sales

\$5.15 - \$5.35B



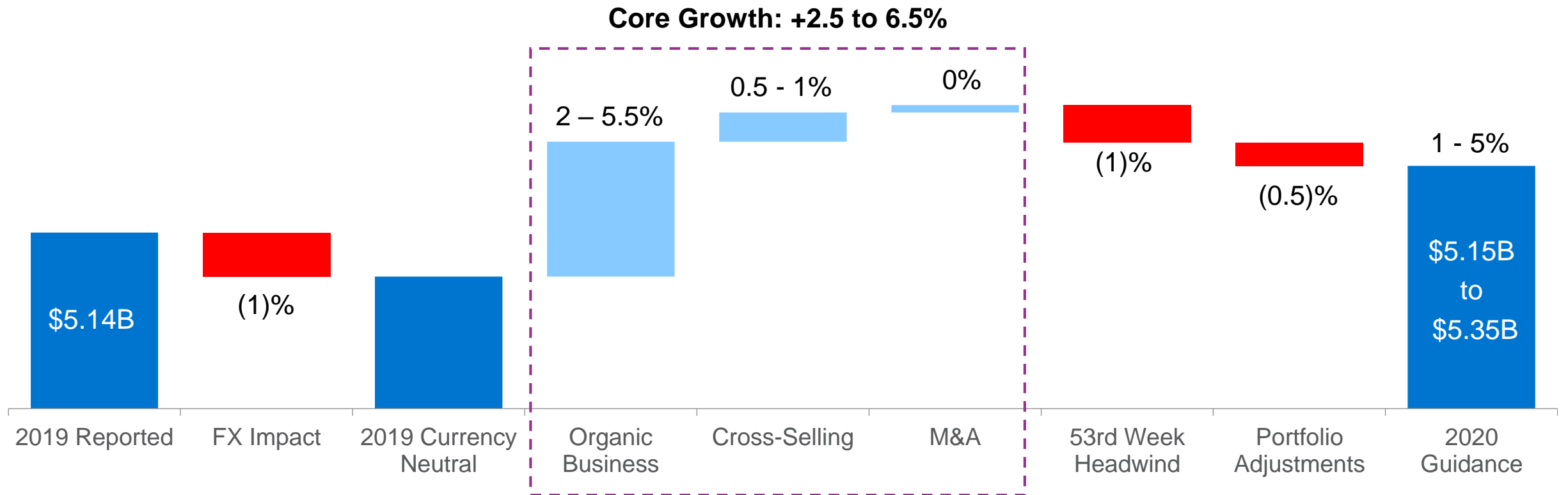
Adjusted EPS
ex amortization*

\$6.20 - \$6.45

2020 SALES EXPECTATION

Core growth +2.5 to 6.5% excluding 53rd week & impact of portfolio adjustments

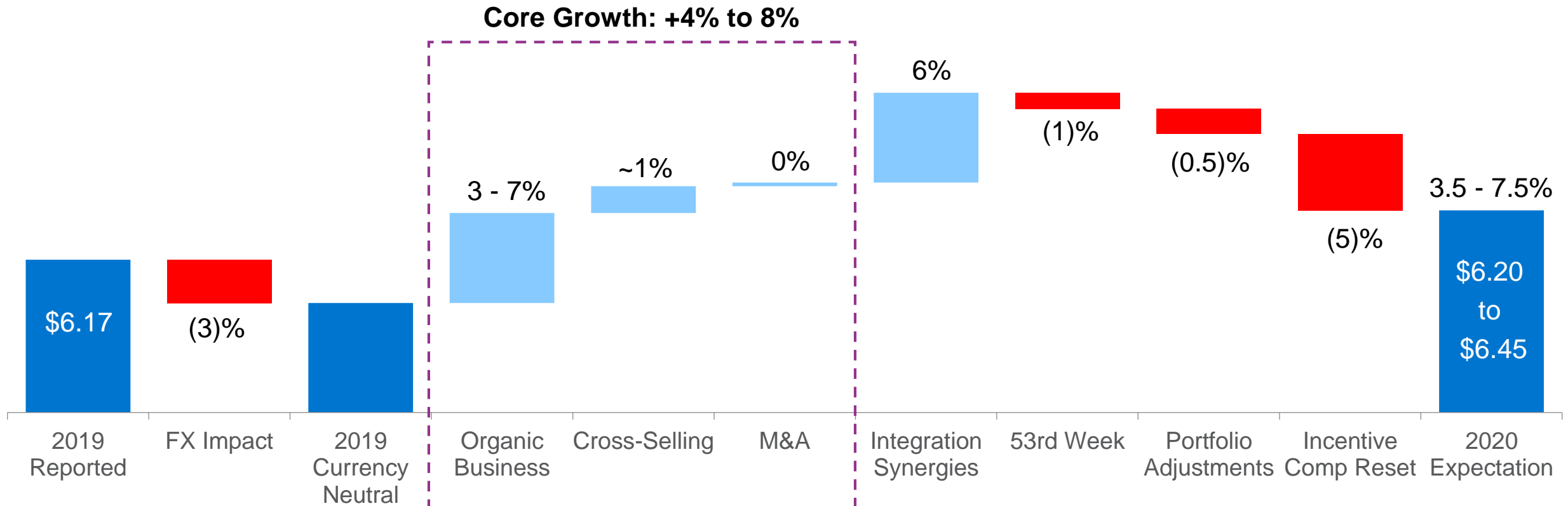
Year-Over-Year Growth Reconciliation



2020 ADJUSTED EPS EX AMORTIZATION EXPECTATION

Core profit growth strong at +4% to 8%; Incentive comp reset a significant headwind

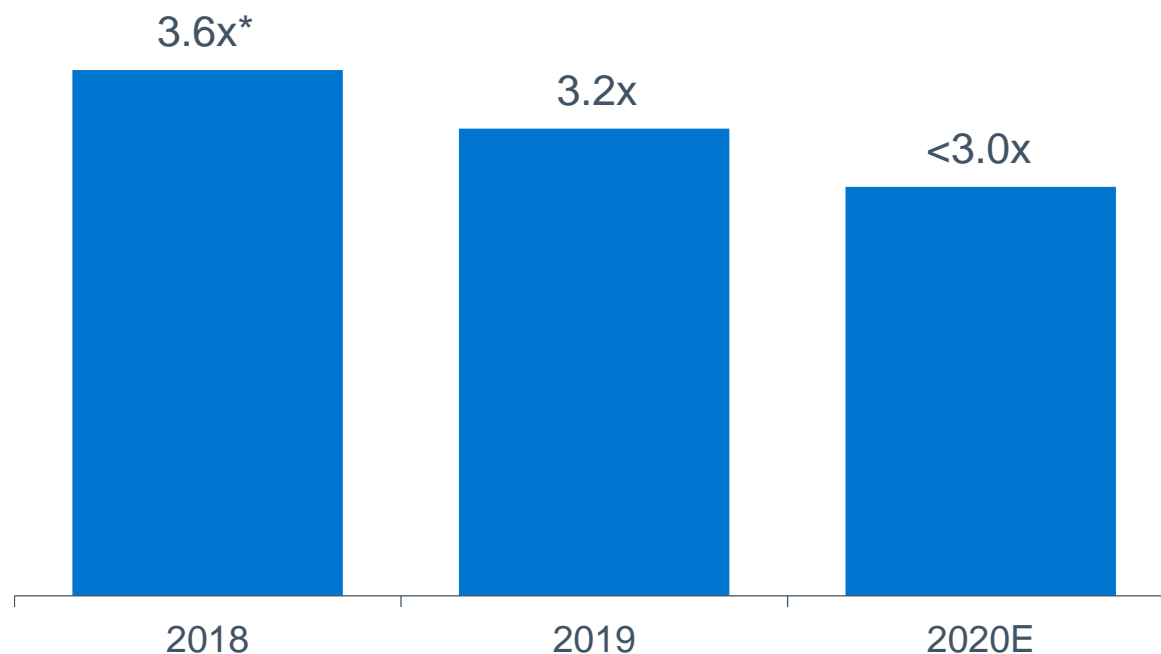
Year-Over-Year Growth Reconciliation



DRIVING TOWARDS DELEVERAGE TARGET

Expect to achieve plan by the end of 2020

Net Debt / Adjusted EBITDA*



Retain investment grade rating

Committed to be <3.0x net debt to EBITDA* between 18-24 months

Management incentives are aligned with repayment of debt metrics

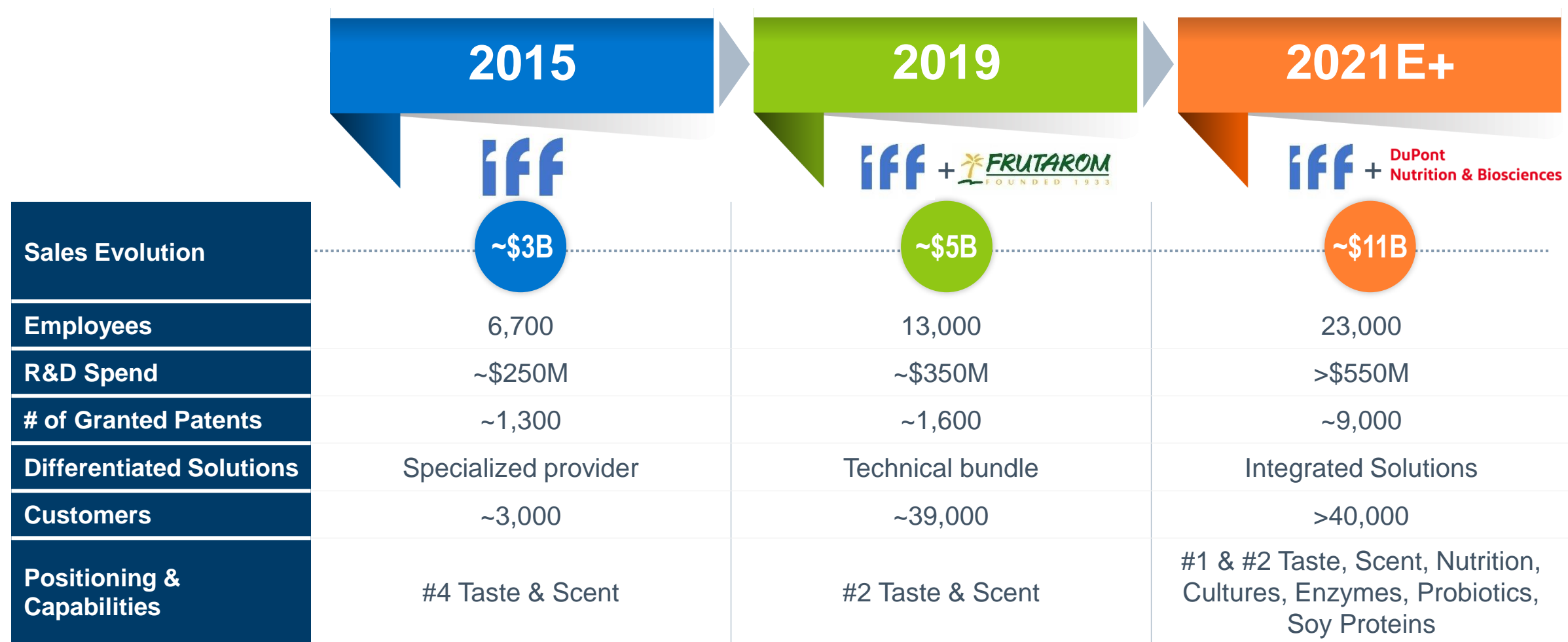
* 2018 based on combined results; Net Debt to Adjusted EBITDA is a Non-GAAP metric, please see Non-GAAP disclosure at ir.iff.com

18 * Non-GAAP metric; please see Non-GAAP disclosures at ir.iff.com



IFF'S TRANSFORMATIONAL JOURNEY

Achieving our vision by building on our legacy to redefine our future



STRENGTHENING OUR VALUE PROPOSITION

Enhancing our capabilities to be an invaluable partner to our customers

STRATEGIC RATIONALE

VALUE PROPOSITION



**BROADENS
CATEGORY EXPOSURE**

- Expands breadth of capabilities
- #1 or #2 position across high-value ingredients



**EXPANDS R&D
CAPABILITIES & EXPERTISE**

- Best-in-class R&D and innovation capabilities and strongest industry pipeline to develop proactive solutions
- Talent with both creative and scientific expertise
- Largest R&D spend annually in industry, with a significant patent portfolio as a combined company



**DIFFERENTIATED INTEGRATED
SOLUTIONS**

- Stronger & broadest differentiated product offerings
- Ability to improve speed to market
- Greater simplification of supply chain

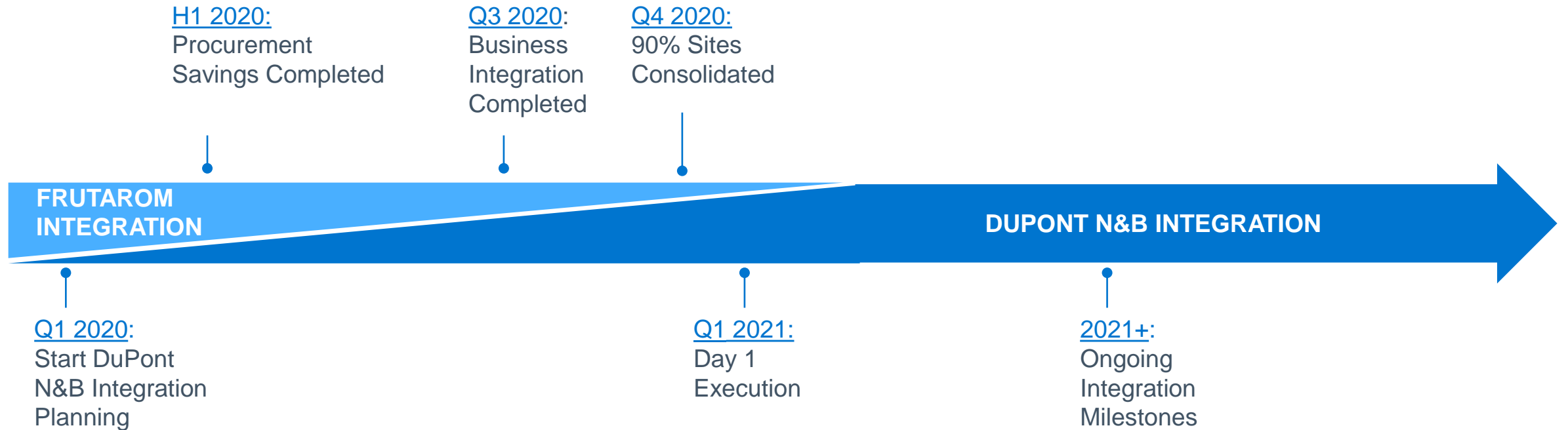
IFF AND N&B INTEGRATION PLANNING UPDATE

Process well under way, with first milestones achieved

- Both organizations are highly **complementary** and grounded in **creativity & innovation**
- **Integration Management Office established** with individuals from both organizations
- **Rich O’Leary (IFF) & Angela Naef (N&B)** appointed integration leaders
- **Leverage learning & best practice** of previous deals by both companies
- Expect **Frutarom integration** will be substantially **complete by the end of 2020**
- Deal close targeted for Q1 2021 providing **ample time to plan for execution**

IFF AND DUPONT N&B INTEGRATION CALENDAR

Shared experience in integration execution with ample time for planning



Frutarom integration substantially complete by Q4 2020

SUMMARY

- ▶ Significant acceleration in Q4 2019 growth; Bottom-line performance strong & in line with our expectation
- ▶ Progressing Frutarom integration; Achieved year 1 cost synergies of ~\$50M, ahead of original expectation
- ▶ Expect strong core performance in 2020 excluding 53rd week comparison, divestitures & incentive compensation reset
- ▶ Combination with DuPont Nutrition & Biosciences will transform IFF into a global leader in innovative integrated solutions
- ▶ Strong start to Q1 2020, with growth in all segments

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