

International Flavors & Fragrances Inc.
GAAP to Non-GAAP Reconciliation
(Amounts in thousands)
(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 | | |
|---|-----------------------|-------------|
| (DOLLARS IN THOUSANDS) | Fourth Quarter | |
| | 2017 | 2016 |
| Reported (GAAP) | \$ 357,690 | \$ 326,952 |
| Operational Improvement Initiatives (a) | 329 | 502 |
| Acquisition Related Costs (b) | (194) | 6,759 |
| Integration Related Costs (c) | 163 | — |
| Restructuring and Other Charges (e) | — | 185 |
| FDA Mandated Product Recall (g) | 7,500 | — |
| Adjusted (Non-GAAP) | \$ 365,488 | \$ 334,398 |

| Reconciliation of Selling and Administrative Expenses | | |
|--|-----------------------|-------------|
| (DOLLARS IN THOUSANDS) | Fourth Quarter | |
| | 2017 | 2016 |
| Reported (GAAP) | \$ 139,597 | \$ 157,851 |
| Operational Improvement Initiatives (a) | — | — |
| Acquisition Related Costs (b) | (81) | (3,402) |
| Integration Related Costs (c) | (1,390) | — |
| Legal Charges/Credits (d) | — | (25,000) |
| Restructuring and Other Charges (e) | — | (1,364) |
| UK Pension Settlement Charges (h) | (1,882) | — |
| Adjusted (Non-GAAP) | \$ 136,244 | \$ 128,085 |

| Reconciliation of Operating Profit | | |
|---|-----------------------|-------------|
| (DOLLARS IN THOUSANDS) | Fourth Quarter | |
| | 2017 | 2016 |
| Reported (GAAP) | \$ 127,200 | \$ 108,325 |
| Operational Improvement Initiatives (a) | 329 | 502 |
| Acquisition Related Costs (b) | (113) | 10,161 |
| Integration Related Costs (c) | 1,676 | — |
| Legal Charges/Credits (d) | — | 25,000 |
| Restructuring and Other Charges (e) | 5,528 | (151) |
| Gain on Sale of Assets (f) | (64) | (7,818) |
| FDA Mandated Product Recall (g) | 7,500 | — |
| UK Pension Settlement Charges (h) | 2,769 | — |
| Adjusted (Non-GAAP) | \$ 144,825 | \$ 136,019 |

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| Reconciliation of Net Income | | | | | | | | |
|---|--------------------------------|--------------------------------|-------------------|------------|--------------------------------|--------------------------------|-------------------|------------|
| (DOLLARS IN THOUSANDS) | | | | | | | | |
| | 2017 | | | | Fourth Quarter | | | |
| | Income before taxes | Taxes on income (j) | Net income | EPS | Income before taxes | Taxes on income (j) | Net income | EPS |
| Reported (GAAP) | \$ 115,192 | \$ 155,347 | \$ (40,155) | \$ (0.51) | \$ 103,381 | \$ 23,463 | \$ 79,918 | \$ 1.00 |
| Operational Improvement Initiatives (a) | 329 | 82 | 247 | — | 502 | 123 | 379 | — |
| Acquisition Related Costs (b) | (113) | (45) | (68) | — | 10,161 | 3,575 | 6,586 | 0.08 |
| Integration Related Costs (c) | 1,676 | 574 | 1,102 | 0.01 | — | — | — | — |
| Legal Charges/Credits (d) | — | — | — | — | 25,000 | 8,750 | 16,250 | 0.20 |
| Restructuring and Other Charges (e) | 5,528 | 1,561 | 3,967 | 0.05 | (151) | 7 | (158) | — |
| Gain on Sale of Assets (f) | (64) | (20) | (44) | — | (7,818) | (2,658) | (5,160) | (0.06) |
| FDA Mandated Product Recall (g) | 7,500 | 2,652 | 4,848 | 0.06 | — | — | — | — |
| UK Pension Settlement Charges (h) | 2,769 | 526 | 2,243 | 0.03 | — | — | — | — |
| U.S. Tax Reform (i) | — | (139,172) | 139,172 | 1.76 | — | — | — | — |
| Adjusted (Non-GAAP) | \$ 132,817 | \$ 21,505 | \$ 111,312 | \$ 1.40 | \$ 131,075 | \$ 33,260 | \$ 97,815 | \$ 1.22 |

- (a) For 2017 and 2016, represents accelerated depreciation and idle labor costs in Hangzhou, China. For 2016, also includes the partial reversal of severance accruals related to prior year operational initiatives in Europe. There was approximately \$0.4 million of idle labor costs in Hangzhou, China recorded during the 2016 that were not excluded from Adjusted Non-GAAP metrics.
- (b) For 2017, represents the amortization of inventory "step-up" included in Cost of goods sold and transaction costs related to the acquisitions of Fragrance Resources and PowderPure within Selling and administrative expenses. For 2016, represents the amortization of inventory "step-up" included in Cost of goods sold and transaction costs related to the acquisitions of David Michael within Selling and administrative expenses.
- (c) Represents costs related to the integration of the David Michael and Fragrance Resources acquisitions.
- (d) Represents additional charge related to litigation settlement.
- (e) Represents severance costs related to the 2017 Productivity Program which were partially offset by the reversal of 2015 severance charges that were no longer needed. For 2016, represents accelerated depreciation related to restructuring initiatives and severance costs related to the termination of a former executive officer and the partial reversal of restructuring accruals recorded in the prior year.
- (f) Represents gains on sale of assets. For 2016, assets sold were principally in Brazil. During the first quarter of 2016, we previously recognized approximately \$3 million of gains related to the sale of fixed assets. We have not retrospectively adjusted these amounts out of our Adjusted Non-GAAP metrics.
- (g) Represents an estimate of the Company's incremental direct costs and customer reimbursement obligations, in excess of the Company's sales value of the recalled products, arising from an FDA mandated recall.
- (h) Represents pension settlement charges incurred in one of the Company's UK pension plans.
- (i) Represents charges incurred related to enactment of certain U.S. tax legislation changes in December 2017. The amount includes approximately \$38.6 million related to net adjustments on deferred tax assets and \$100.6 million related taxes on deemed repatriation of earnings.
- (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 2017, 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).

The Company tracks the amount of amortization recorded on recent acquisitions in order to monitor its progress with respect to its Vision 2020 goals. The following amounts were recorded with respect to recent acquisitions: \$0.785M related to PowderPure, \$2,578M related to Fragrance Resources, \$1,131M related to David Michael, \$1,571M related to Ottens Flavors, and \$2,067M related to Lucas Meyer Cosmetics.

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| Reconciliation of Gross Profit | | |
|---|--------------------------------|--------------|
| (DOLLARS IN THOUSANDS) | Year Ended December 31, | |
| | 2017 | 2016 |
| Reported (GAAP) | \$ 1,479,001 | \$ 1,399,070 |
| Operational Improvement Initiatives (a) | 1,802 | 2,391 |
| Acquisition Related Costs (b) | 15,860 | 7,648 |
| Integration Related Costs (c) | 480 | — |
| Restructuring and Other Charges (f) | — | 658 |
| FDA Mandated Product Recall (i) | 11,000 | — |
| Adjusted (Non-GAAP) | \$ 1,508,143 | \$ 1,409,767 |

| Reconciliation of Selling and Administrative Expenses | | |
|--|--------------------------------|-------------|
| (DOLLARS IN THOUSANDS) | Year Ended December 31, | |
| | 2017 | 2016 |
| Reported (GAAP) | \$ 557,311 | \$ 566,224 |
| Operational Improvement Initiatives (a) | — | (11) |
| Acquisition Related Costs (b) | (4,529) | (4,547) |
| Integration Related Costs (c) | (3,258) | — |
| Legal Charges/Credits (d) | (1,000) | (48,518) |
| Tax Assessment (e) | (5,331) | — |
| Restructuring and Other Charges (f) | — | (1,364) |
| UK Pension Settlement Charges (j) | (1,882) | — |
| Adjusted (Non-GAAP) | \$ 541,311 | \$ 511,784 |

| Reconciliation of Operating Profit | | |
|---|--------------------------------|-------------|
| (DOLLARS IN THOUSANDS) | Year Ended December 31, | |
| | 2017 | 2016 |
| Reported (GAAP) | \$ 581,443 | \$ 567,356 |
| Operational Improvement Initiatives (a) | 1,802 | 2,402 |
| Acquisition Related Costs (b) | 20,389 | 12,195 |
| Integration Related Costs (c) | 4,179 | — |
| Legal Charges/Credits (d) | 1,000 | 48,518 |
| Tax Assessment (e) | 5,331 | — |
| Restructuring and Other Charges (f) | 19,711 | 322 |
| Gain on Sale of Assets (g) | (184) | (7,818) |
| FDA Mandated Product Recall (i) | 11,000 | — |
| UK Pension Settlement Charges (j) | 2,769 | — |
| Adjusted (Non-GAAP) | \$ 647,440 | \$ 622,975 |

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| Reconciliation of Net Income | | | | | | | | |
|---|---------------------|---------------------|------------|---------|---------------------|---------------------|------------|---------|
| (DOLLARS IN THOUSANDS) | | | | | | | | |
| Year Ended December 31, | | | | | | | | |
| | 2017 | | | | 2016 | | | |
| | Income before taxes | Taxes on income (l) | Net income | EPS | Income before taxes | Taxes on income (l) | Net income | EPS (m) |
| Reported (GAAP) | \$ 537,045 | \$ 241,380 | \$ 295,665 | \$ 3.72 | \$ 523,717 | \$ 118,686 | \$ 405,031 | \$ 5.05 |
| Operational Improvement Initiatives (a) | 1,802 | 450 | 1,352 | 0.02 | 2,402 | 599 | 1,803 | 0.02 |
| Acquisition Related Costs (b) | 20,389 | 6,514 | 13,875 | 0.17 | 12,195 | 4,117 | 8,078 | 0.10 |
| Integration Related Costs (c) | 4,179 | 1,331 | 2,848 | 0.03 | — | — | — | — |
| Legal Charges/Credits (d) | 1,000 | 354 | 646 | 0.01 | 48,518 | 17,089 | 31,429 | 0.39 |
| Tax Assessment (e) | 5,331 | 1,885 | 3,446 | 0.04 | — | — | — | — |
| Restructuring and Other Charges (f) | 19,711 | 5,465 | 14,246 | 0.17 | 322 | 97 | 225 | — |
| Gain on Sale of Assets (g) | (184) | (59) | (125) | — | (7,818) | (2,658) | (5,160) | (0.06) |
| CTA Realization (h) | (12,217) | — | (12,217) | (0.15) | — | — | — | — |
| FDA Mandated Product Recall (i) | 11,000 | 3,890 | 7,110 | 0.09 | — | — | — | — |
| UK Pension Settlement Charges (j) | 2,769 | 526 | 2,243 | 0.03 | — | — | — | — |
| U.S. Tax Reform (k) | — | (139,172) | 139,172 | 1.76 | — | — | — | — |
| Adjusted (Non-GAAP) | \$ 590,825 | \$ 122,564 | \$ 468,261 | \$ 5.89 | \$ 579,336 | \$ 137,930 | \$ 441,406 | \$ 5.51 |

- (a) For 2017 and 2016, represents accelerated depreciation and idle labor costs in Hangzhou, China. For 2016, also includes the partial reversal of severance accruals related to prior year operational initiatives in Europe. There was approximately \$0.4 million of idle labor costs in Hangzhou, China recorded during the 2016 that were not excluded from Adjusted Non-GAAP metrics.
- (b) For 2017, represents the amortization of inventory "step-up" included in Cost of goods sold and transaction costs related to the acquisitions of Fragrance Resources and PowderPure within Selling and administrative expenses. For 2016, represents the amortization of inventory "step-up" included in Cost of goods sold and transaction costs related to the acquisitions of David Michael within Selling and administrative expenses.
- (c) Represents costs related to the integration of the David Michael and Fragrance Resources acquisitions.
- (d) Represents additional charge related to litigation settlement.
- (e) Represents the reserve for payment of a tax assessment related to commercial rent for prior periods.
- (f) Represents severance costs related to the 2017 Productivity Program which were partially offset by the reversal of 2015 severance charges that were no longer needed. For 2016, represents accelerated depreciation related to restructuring initiatives and severance costs related to the termination of a former executive officer and the partial reversal of restructuring accruals recorded in the prior year.
- (g) Represents gains on sale of assets. For 2016, assets sold were principally in Brazil. During the first quarter of 2016, we previously recognized approximately \$3 million of gains related to the sale of fixed assets. We have not retrospectively adjusted these amounts out of our Adjusted Non-GAAP metrics.
- (h) Represents the release of CTA related to the liquidation of a foreign entity.
- (i) Represents an estimate of the Company's incremental direct costs and customer reimbursement obligations, in excess of the Company's sales value of the recalled products, arising from an FDA mandated recall.
- (j) Represents pension settlement charges incurred in one of the Company's UK pension plans.
- (k) Represents charges incurred related to enactment of certain U.S. tax legislation changes in December 2017. The amount includes approximately \$38.6 million related to net adjustments on deferred tax assets and \$100.6 million related taxes on deemed repatriation of earnings.
- (l) 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 2017, 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).
- (m) The sum of these items does not foot due to rounding.

The Company tracks the amount of amortization recorded on recent acquisitions in order to monitor its progress with respect to its Vision 2020 goals. The following amounts were recorded with respect to recent acquisitions: \$2,011M related to PowderPure, \$6,989M related to Fragrance Resources, \$3,991M related to David Michael, \$6,285M related to Ottens Flavors, and \$7,831M related to Lucas Meyer Cosmetics.