

IFF
Q3 2017
Earnings
Conference
Call

November 7, 2017

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Statements made in this presentation that relate to our future performance or future financial results or other future events (identified by such terms as “expect”, “anticipate”, “believe”, “outlook”, “guidance”, “may”, “should”, “target” or similar terms and variations thereof) are forward-looking statements, including the Company’s expectations regarding the business environment in 2017, the Company’s 2017 guidance, expected revenues from acquired companies and the expected benefits and savings from the Company’s planned productivity initiatives. These statements are based on our current beliefs and expectations and are subject to significant risks and uncertainties. Actual results may materially differ from those set forth in the forward-looking statements. Factors that could cause IFF’s actual results to differ materially include (1) macroeconomic trends affecting the emerging markets; (2) the Company’s ability to implement and adapt its Vision 2020 strategy; (3) the Company’s ability to successfully identify and complete acquisitions in line with its Vision 2020 strategy and to realize the anticipated benefits of those acquisitions; (4) the Company’s ability to realize the benefits of its productivity initiatives and other optimization activities; (5) the Company’s ability to effectively compete in its market, and to successfully develop new and competitive products that appeal to its customers and consumers; (6) changes in consumer preferences and demand for the Company’s products or a decline in consumer confidence and spending; (7) the Company’s ability to benefit from its investments and expansion in emerging markets; (8) the impact of currency fluctuations or devaluations in the principal foreign markets in which the Company operates, including the devaluation of the Euro; (9) economic, regulatory and political risks associated with the Company’s international operations, including challenging economic conditions in China and Latin America; (10) volatility and increases in the price of raw materials, energy and transportation; (11) price realization in a rising input cost environment; (12) the impact of customer claims or product recalls; (13) fluctuations in the quality and availability of raw materials; (14) the impact of a disruption in the Company’s supply chain or its relationship with its suppliers; (15) the Company’s ability to comply with, and the costs associated with compliance, with U.S. and foreign environmental protection laws; and (16) any adverse impact on the availability, effectiveness and cost of the Company’s hedging and risk management strategies as well as those risks described in the Risk Factors and Forward-Looking Statements sections of our Annual Report on Form 10-K for the year ended December 31, 2016 and in our other periodic reports filed with the SEC, all of which are available on our website at ir.iff.com. We do not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements. We have disclosed certain non-GAAP measures within this presentation. Please see reconciliations to their respective measures prescribed by accounting principles generally accepted in the U.S., all of which are available on our IR website at ir.iff.com.

Conference Call Participants



Andreas Fibig
Chairman & CEO



Rich O'Leary
EVP & CFO

Agenda

1. Executive Overview
2. Strategic Highlights
3. Financial Review
4. Outlook
5. Q&A

Executive Overview

Achieved growth across all financial metrics

	Q3 2017	9M 2017
Currency neutral sales growth*	+12%	+9%
Currency neutral adjusted operating profit growth*	+7%	+5%
Currency neutral adjusted EPS growth*	+5%	+8%



* Currency Neutral Sales, Currency Neutral Adjusted Operating Profit and Currency Neutral Adjusted EPS are Non-GAAP metrics, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

Vision 2020 Execution

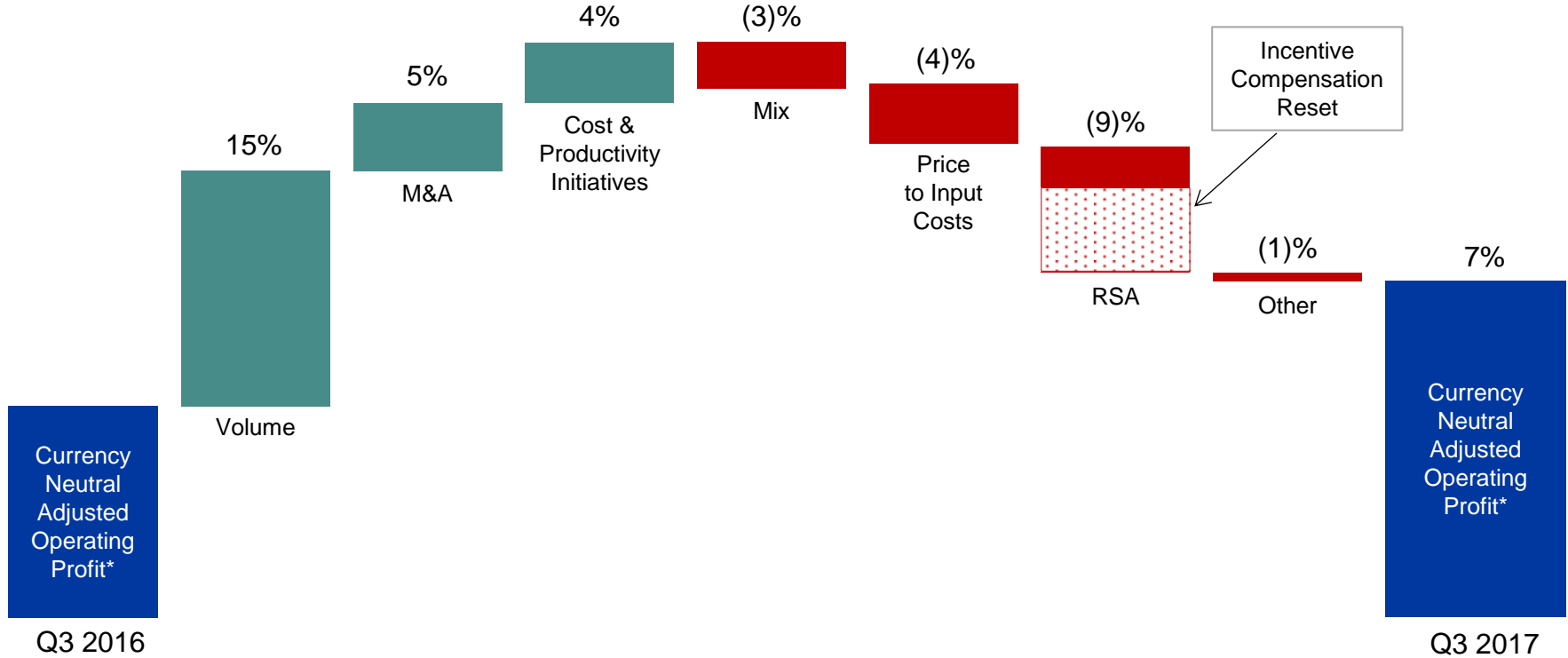
Strategic highlights

- Sweetness & savory modulation portfolio continued to grow double-digits
- Encapsulation related sales grew high-single-digits
- TastepointSM grew strong double-digits
- Cosmetic Active Ingredients continued its strong growth, growing double-digits
- Middle East & Africa improved high-single-digits; Expanded Flavors site in Cairo to support growth
- Launched Re-Imagine... to accelerate flavor innovation & increase agility to capture unmet opportunities
- Joined FReSH initiative, designed to accelerate transformational change in global food systems



Reconciliation Of Growth Drivers

Q3 2017 currency neutral operating profit

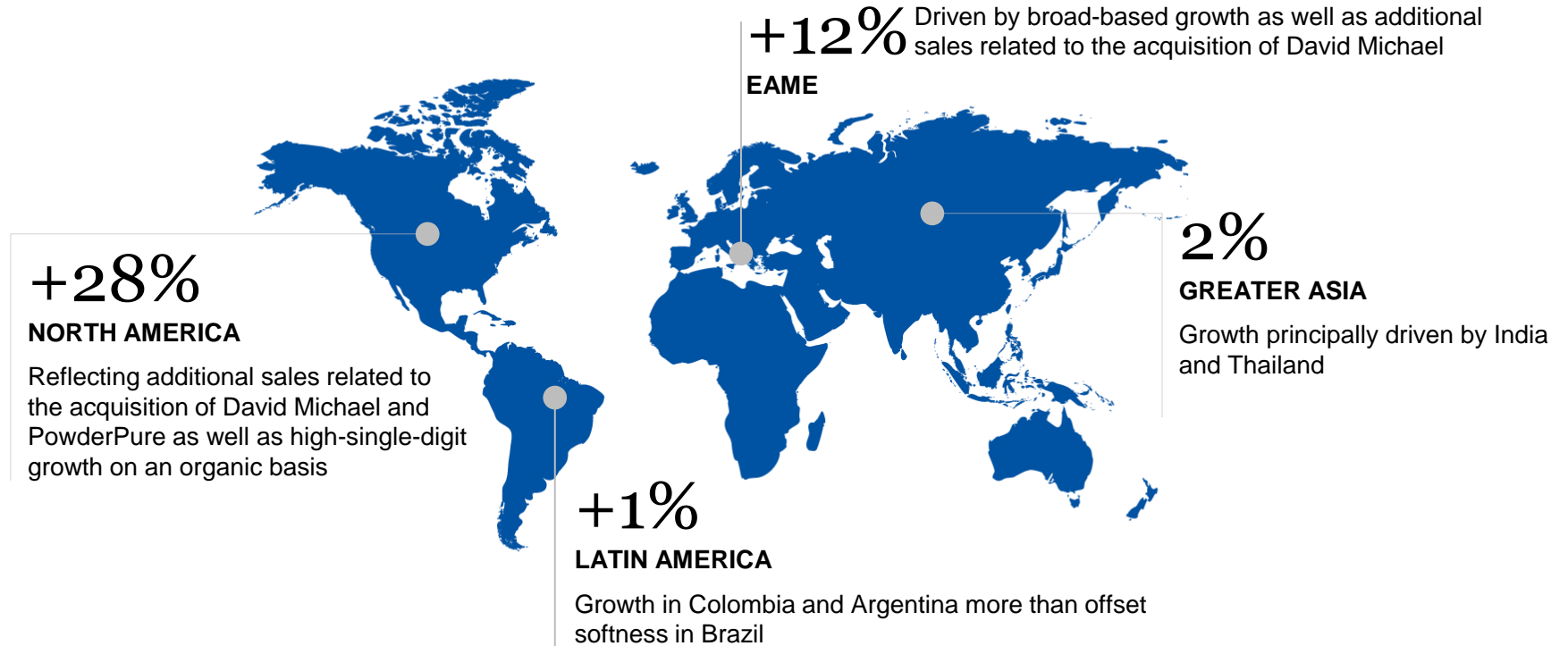


* Currency Neutral Adjusted Operating Profit is a Non-GAAP metric, please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

Flavors Review

Q3 2017 currency neutral sales performance

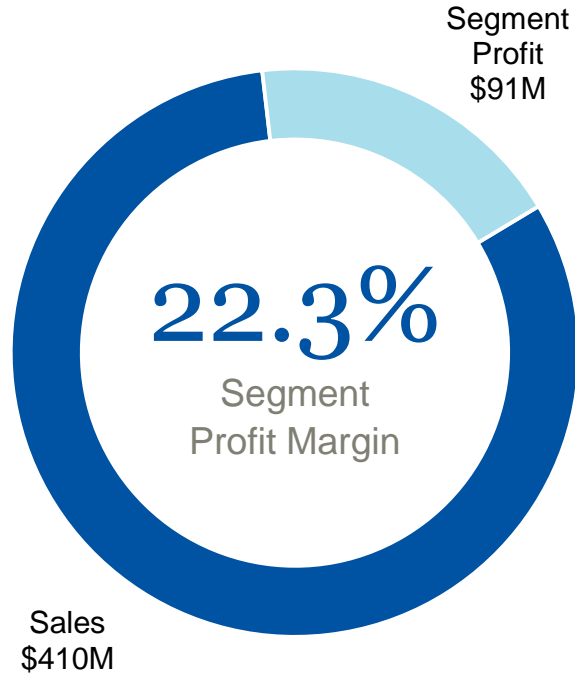
+12%
TOTAL SALES



* Currency Neutral Sales is a Non-GAAP metric please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

Flavors Review

Q3 2017 segment profit performance



Currency Neutral Segment Profit: +19%*

- Continued strong growth performance
- Driven by volume growth, the contributions of acquisitions & the benefits from productivity initiatives

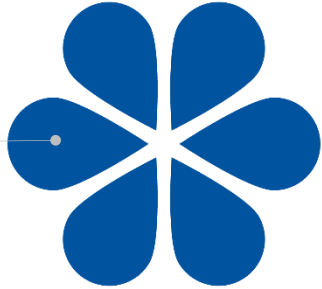
Currency Neutral Segment Profit Margin:

- Achieved margin expansion year-over-year principally driven by productivity initiatives & volume growth

Fragrances Review

Q3 2017 currency neutral sales performance

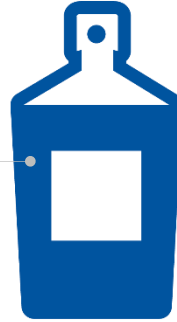
+12%
TOTAL SALES



+11%

CONSUMER FRAGRANCE

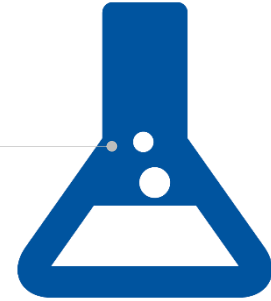
Balanced contribution from organic business and additional sales related to the acquisition of Fragrance Resources; Nearly all categories achieved growth



+18%

FINE FRAGRANCE

Inclusive of additional sales related to the acquisition of Fragrance Resources; driven by strong new wins in EAME & NOAM as well as improved volume trends in LATAM



+8%

FRAGRANCE INGREDIENTS

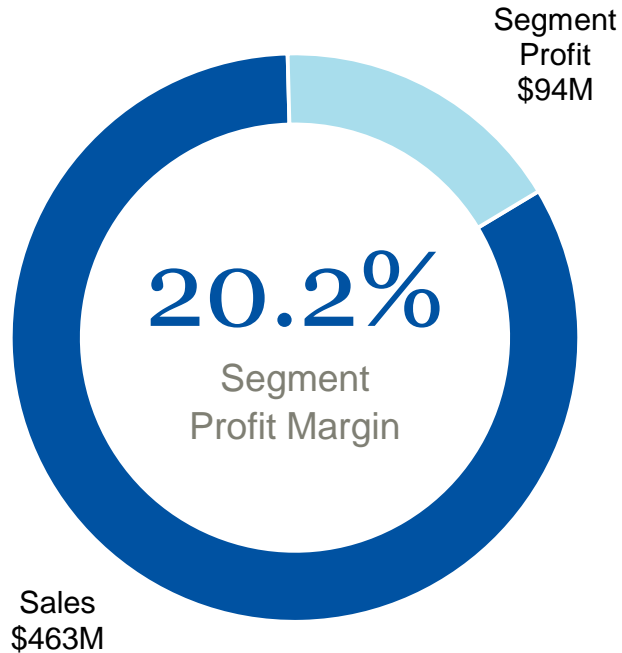
Primarily driven by double-digit growth in EAME and Latin America; IFF | Lucas Meyer Cosmetics grew double-digits



** Currency Neutral Sales is a Non-GAAP metric please see our GAAP to Non-GAAP Reconciliation at ir.iff.com*

Fragrances Review

Q3 2017 segment profit performance



Currency Neutral Segment Profit: +6%*

- Benefited from volume growth, the contribution of acquisitions and the benefits from productivity initiatives

Currency Neutral Segment Profit Margin:

- Strong margin profile; pressured year-over-year primarily by unfavorable price to input costs as well as weaker sales mix plus the Fragrance Resources acquisition

Cash Flow Analysis

YTD 2017 operating cash flow results & uses of cash

	YTD '16	YTD '17
Net Income	\$325	\$336
Core Working Capital*	(66)	(109)
D&A	75	85
Pension	(44)	(37)
Other	52	(76)
Operating Cash Flow	\$342	\$199
Capital Expenditures	(70)	(77)
Dividends	(134)	(152)
Share Buybacks	(94)	(53)

Operating cash flow

- Lower operating cash flow primarily impacted by previously announced ZoomEssense litigation settlement (\$56M), and higher working capital requirements

Continued to invest in the business via Capex

- Capex as a percentage of sales ~3% driven by new plant and capacity investments

Return of Cash to Shareholders

- On track to deliver or exceed total payout ratio of 50-60% of adjusted net income



* Core Working Capital includes Accounts Receivables, Inventories and Accounts Payables

2017 Currency Neutral Outlook

Reconfirm previously stated guidance

Currency neutral
sales growth*

7.5 - 8.5%

Currency neutral adjusted
operating profit growth*

5.5 - 6.5%

Currency neutral
adjusted EPS growth*

6.5 - 7.5%



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Expected Currency Impact In 2017

Currency has improved; Favorable impact on previous guidance

	Adjusted* Currency Neutral	Impact of Currency	Adjusted*
Sales	7.5% - 8.5%	~0 ppt	7.5% - 8.5%
Operating Profit	5.5% - 6.5%	~(1) ppt	4.5% - 5.5%
EPS	6.5% - 7.5%	~(2) ppt	4.5% - 5.5%



* Currency Neutral Sales, Currency Neutral Adjusted Operating Profit and Currency Neutral Adjusted EPS are Non-GAAP metrics

Summary

Strong Financial Performance in Q3 2017

Continued Execution of Vision 2020 Strategy

On-Track to Deliver 2017 Financial Goals

Q&A