

An aerial photograph of a vast lavender field. The rows of purple flowers are neatly spaced and stretch across the frame. In the upper right portion of the image, a red tractor with a blue implement is visible, moving through the field. The background transitions into a green field, possibly alfalfa or another crop, also in neat rows.

Q3 2020 EARNINGS CONFERENCE CALL

iff

November 10, 2020

CAUTIONARY STATEMENT

This presentation includes “forward-looking statements” under the Federal Private Securities Litigation Reform Act of 1995, including statements regarding the expected impact of the COVID-19 pandemic on the Company’s near term results; expectations regarding sales and profit for the fourth quarter of 2020; the volatility of the economic environment and uncertainty about the duration and impact of the COVID-19 pandemic; revenue from its categories with retail channel exposure, such as Fine Fragrance and Food Service; the expected impact of the COVID-19 pandemic on the global economy; the Company’s ability to manage through the COVID-19 pandemic and to mitigate the near-term impact; the Company’s expectations regarding growth in the Taste segment in the medium-term; and the Company’s expectations regarding the proposed combination with N&B. These forward-looking statements are qualified in their entirety by cautionary statements and risk factor disclosures contained in the Company’s Securities and Exchange Commission (“SEC”) filings, including the Company’s Annual Report on Form 10-K filed with the SEC on March 3, 2020, Quarterly Report on Form 10-Q filed with the SEC on May 11, 2020 and subsequent filings with the SEC. The Company wishes to caution readers that certain important factors may have affected and could in the future affect the Company’s actual results and could cause the Company’s actual results for subsequent periods to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company. With respect to the Company’s expectations regarding these statements, such factors include, but are not limited to: (1) the effect of economic conditions in the industries and markets in which IFF operates in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand, the impact of weather conditions, natural disasters, public health issues, epidemics and pandemics, including the novel coronavirus (COVID-19), or the fear of such events, and the financial condition of IFF’s customers and suppliers; (2) the risks to the Company’s business from the COVID-19 pandemic, including operational risks, supply chain risks, and customer related-risks; (3) risks related to the integration of the Frutarom business, including whether the Company will realize the benefits anticipated from the acquisition in the expected time frame; (4) unanticipated costs, liabilities, charges or expenses resulting from the Frutarom acquisition; (5) the impact of the outcome of legal claims, regulatory investigations and litigation; (6) 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; (7) the Company’s ability to successfully market to its expanded and decentralized Taste and Frutarom customer base; (8) the Company’s ability to effectively compete in its market and develop and introduce new products that meet customers’ needs; (9) the Company’s ability to successfully develop innovative and cost-effective products that allow customers to achieve their own profitability expectations; (10) the impact of a disruption in the Company’s manufacturing operations; (11) the impact of a disruption in the Company’s supply chain, including the inability to obtain ingredients and raw materials from third parties; (12) volatility and increases in the price of raw materials, energy and transportation; (13) 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; (14) the impact of any failure or interruption of the Company’s key information technology systems or a breach of information security; (15) the Company’s ability to react in a timely and cost-effective manner to changes in consumer preferences and demands; (16) the Company’s ability to establish and manage collaborations, joint ventures or partnerships that lead to development or commercialization of products; (17) the Company’s ability to benefit from its investments and expansion in emerging markets; (18) the impact of currency fluctuations or devaluations in the principal foreign markets in which it operates; (19) economic, regulatory and political risks associated with the Company’s international operations; (20) the impact of global economic uncertainty on demand for consumer products; (21) the inability to retain key personnel; (22) the Company’s ability to comply with, and the costs associated with compliance with, U.S. and foreign environmental protection laws; (23) the Company’s ability to realize the benefits of its cost and productivity initiatives; (24) the Company’s ability to successfully manage its working capital and inventory balances; (25) 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; (26) the Company’s ability to protect its intellectual property rights; (27) the impact of the outcome of legal claims, regulatory investigations and litigation; (28) changes in market conditions or governmental regulations relating to the Company’s pension and postretirement obligations; (29) the impact of future impairment of the Company’s tangible or intangible long-lived assets; (30) 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; (31) 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 (32) 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) currency neutral adjusted operating profit ex amortization; (iv) adjusted operating profit margin ex amortization; (v) adjusted EPS ex amortization; (vi) currency neutral adjusted EPS ex amortization; (vii) free cash flow; (viii) core working capital and (ix) net debt to adjusted EBITDA. 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. Sales by end-market are only available on a Currency Neutral basis, as we currently are not able to translate sales from international currency to U.S. dollars on a basis of such end-markets without reasonable effort due to the current structure of our reporting systems.

Adjusted operating profit/profit margin ex amortization excludes the impact of non-operational items including operational improvement initiatives, integration related costs, restructuring and other charges, net, Frutarom acquisition related costs, compliance review and defense costs, N&B transaction related costs and non-cash items, including gains/losses on sale of assets, FDA mandated product recall and the amortization of acquisition related intangible assets.

Adjusted EPS ex Amortization excludes the impact of non-operational items including operational improvement initiatives, integration related costs, restructuring and other charges net, compliance review and defense costs, N&B transaction related costs, non-cash items including gains on sale of assets, FDA mandated product recall, redemption value adjustment to EPS and the amortization of acquisition related intangible assets.

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

Core Working Capital includes Accounts Receivables, Inventories and Accounts Payables

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.



Andreas Fibig

Chairman and
Chief Executive Officer



Rustom Jilla

Executive Vice
President, Chief
Financial Officer



Michael DeVeau

Vice President,
Investor Relations
& Communications

TODAY'S SPEAKERS

AGENDA

1. Performance Assessment
2. Detailed Financial Review
3. Outlook Ahead
4. IFF & Dupont N&B Progress
5. Q&A

SALES DYNAMICS

Returned to growth in Q3 2020

YEAR-OVER-YEAR CURRENCY NEUTRAL PERFORMANCE*



Q3 2020 COMMENTARY

- Delivered 1% currency neutral growth* in Q3 as expected, a sequential improvement vs. Q2
- Business excluding Fine Fragrance & Food Service performing well, growing 3% on a currency neutral basis*
- Fine Fragrance and Food Service, impacted most as a result of COVID-19, improved relative to Q2, yet declined 14% on a currency neutral basis*
- Modest deceleration throughout the quarter due to Fine Fragrance & Food Service softening vs. July results

YEAR-TO-DATE 2020 PERFORMANCE

Insight into the drivers of year-over-year change

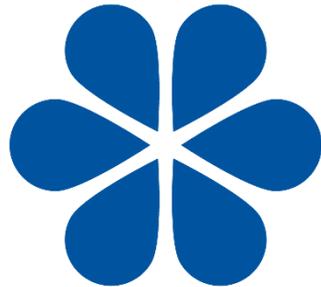
CONTINUED
STRENGTH

SUPPLY
CHALLENGE

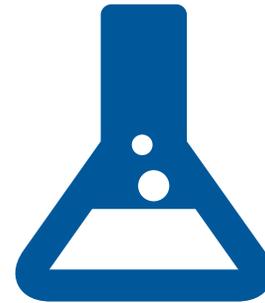
MARKET
PRESSURE



Taste Ex
Food Service



Consumer
Fragrances



Fragrance
Ingredients



Food
Service



Fine
Fragrances

Q3 2020 FINANCIAL PERFORMANCE

Sequential improvement across all financial metrics

RESULTS

\$1.3B
SALES

\$241M
ADJ. OPERATING PROFIT EX AMORTIZATION*

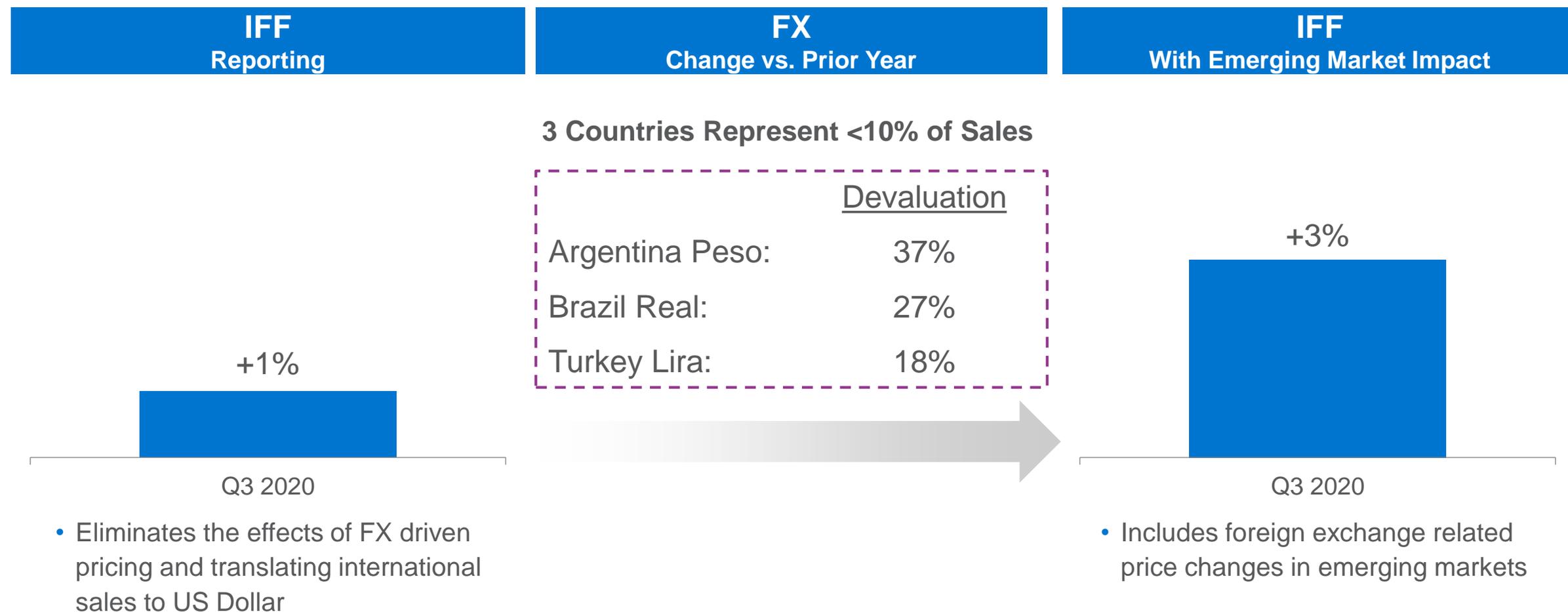
\$1.40
ADJ. EPS EX AMORTIZATION*

COMMENTARY

- Currency neutral sales* increased 1% in Q3
- Growth was strongest in Scent led by a double-digit increase in Consumer Fragrance; Taste pressured by Food Service challenges
- Adjusted operating profit ex amort increased 1% on a currency neutral basis* as strong margin improvement in Scent was offset by Taste
- Currency neutral adjusted EPS ex amort* improved 1% driven by adjusted operating profit performance
- Devaluation of emerging market currencies impacted adjusted EPS ex amort

Q3 2020 CURRENCY NEUTRAL SALES GROWTH*

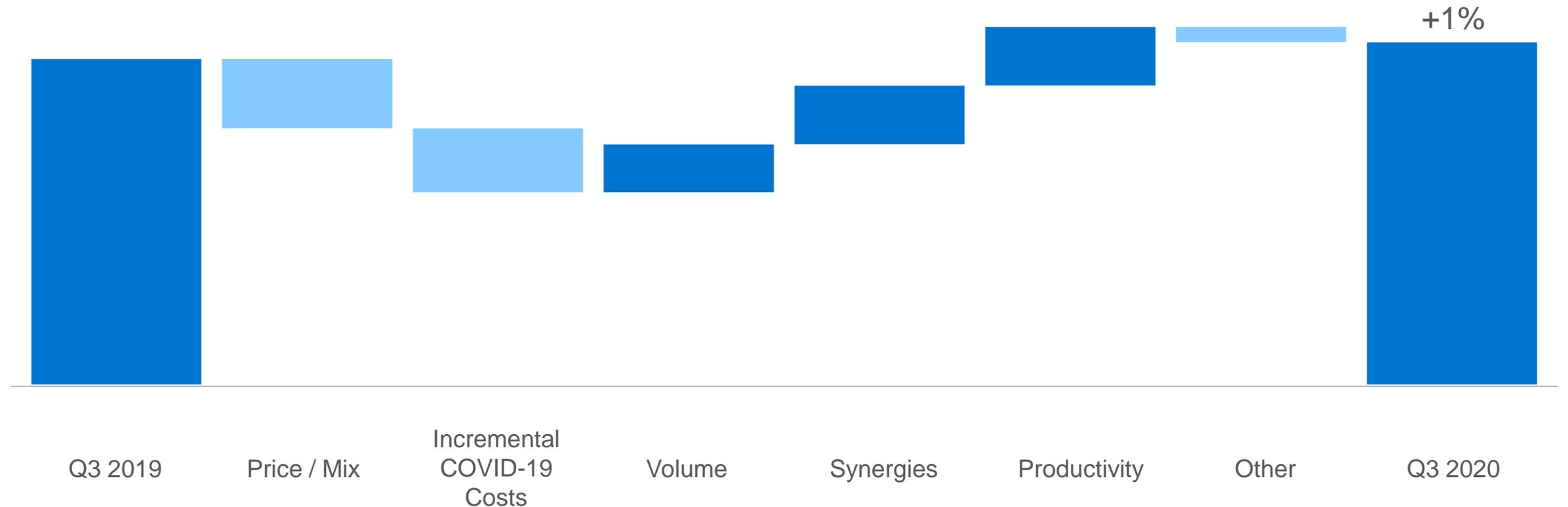
Impact of emerging market pricing on currency neutral growth* rates



Q3 2020 PROFITABILITY DYNAMICS

Synergies & productivity more than offset price/mix & COVID-19 costs

Currency Neutral Adjusted Operating Profit Ex Amortization*



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



SCENT RESULTS

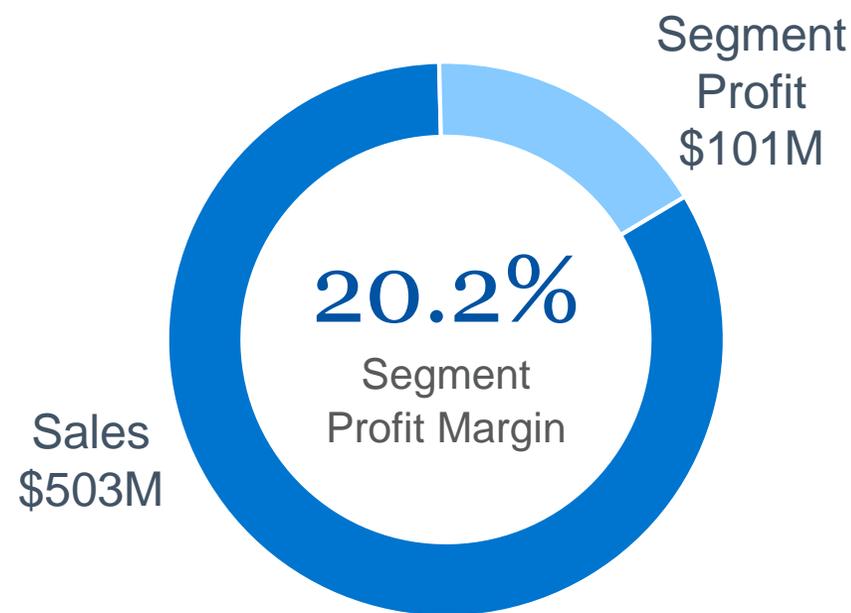
Q3 2020 performance review

CURRENCY NEUTRAL SALES GROWTH*

Q3 2020: 4%

- Double-digit performance in Consumer Fragrance led by robust growth in Fabric, Home, Hair Care & Personal Wash
- Fine Fragrance down 14% primarily due to temporary disruptions of consumer access to retail markets; Sequential improvement from Q2 lows
- Fragrance Ingredients returned to growth driven by strong double-digit growth in Cosmetic Actives

SEGMENT PROFIT



- Currency neutral profit growth* of 20% driven by higher sales volumes & strong benefits from productivity initiatives

TASTE RESULTS

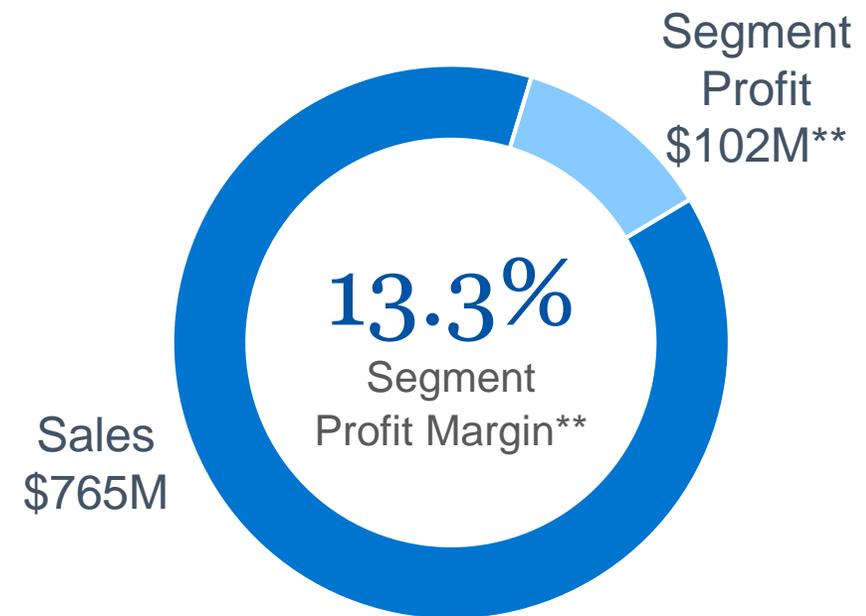
Q3 2020 performance review

CURRENCY NEUTRAL SALES GROWTH*

Q3 2020: (1)%

- Food Service improved sequentially vs. Q2 2020 yet experienced continued pressure, declining double-digits compared to prior year due to COVID-19 impact
- Rest of the portfolio excluding Food Service was solid, with low single-digit currency neutral growth*
- North America increased double-digits, with growth in nearly all categories. In EAME, results were challenged while Latin America and Greater Asia continued to be impacted by COVID-19
- Frutarom declined 2% compared to prior year

SEGMENT PROFIT



Acquisition-related synergies were more than offset by lower sales volume, unfavorable price to raw material costs & higher COVID-19 related costs

¹² * Non-GAAP metric; please see Non-GAAP disclosures at ir.iff.com

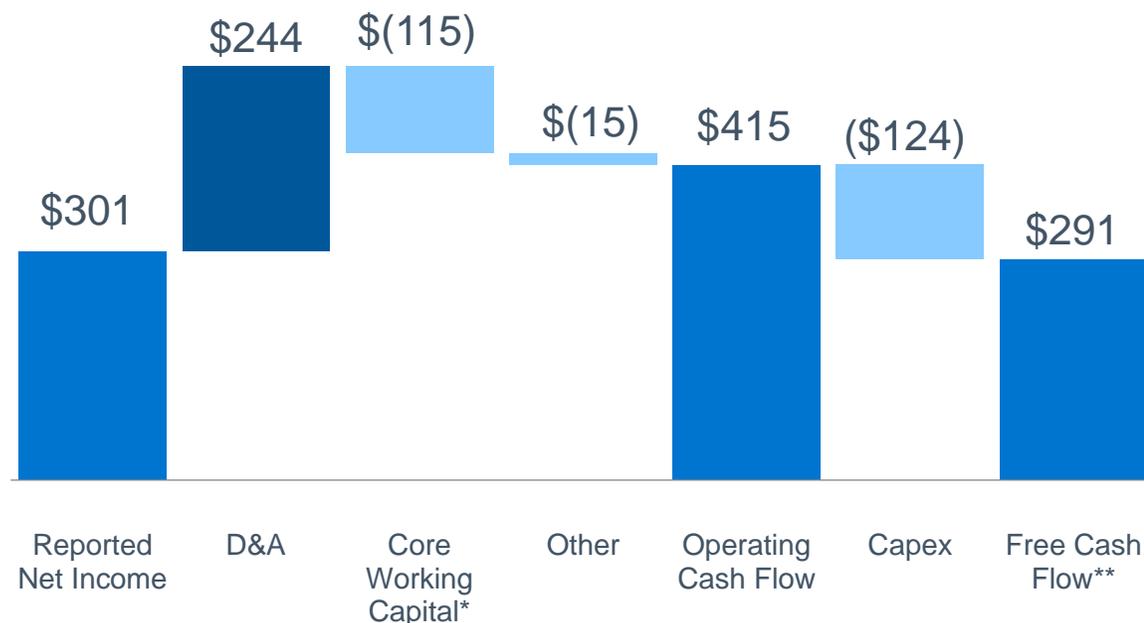
** Includes approximately \$42M of amortization of intangible assets



CASH FLOW DYNAMICS

Strong improvement in operating cash flow & free cash flow

9M 2020 CASH FLOW



	9M19	9M20
Reported Net Income	\$380	\$301
D&A	\$235	\$244
Core Working Capital*	\$(146)	\$(115)
Other	\$(86)	\$(15)
Operating Cash Flow	\$383	\$415
Capex	\$(160)	\$(124)
Free Cash Flow**	\$223	\$291

COMMENTARY

Operating Cash Flow

- Operating cash flow +8% led by core working capital*
- Core working capital* improvement driven by Days Payable Outstanding & Days Sales Outstanding
- Cash Conversion improved 8 days year-over-year

Capital Expenditures

- Capex was ~3.3% of sales vs. 4.2% in prior year

Free Cash Flow

- Improved core working capital* & prioritized capex led to strong 30% increase in free cash flow**

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

** Non-GAAP metric; Free cash flow defined as operating cash flow less capex



LOOKING AHEAD

Continued volatility & uncertainty remains

YEAR-OVER-YEAR CURRENCY NEUTRAL PERFORMANCE*

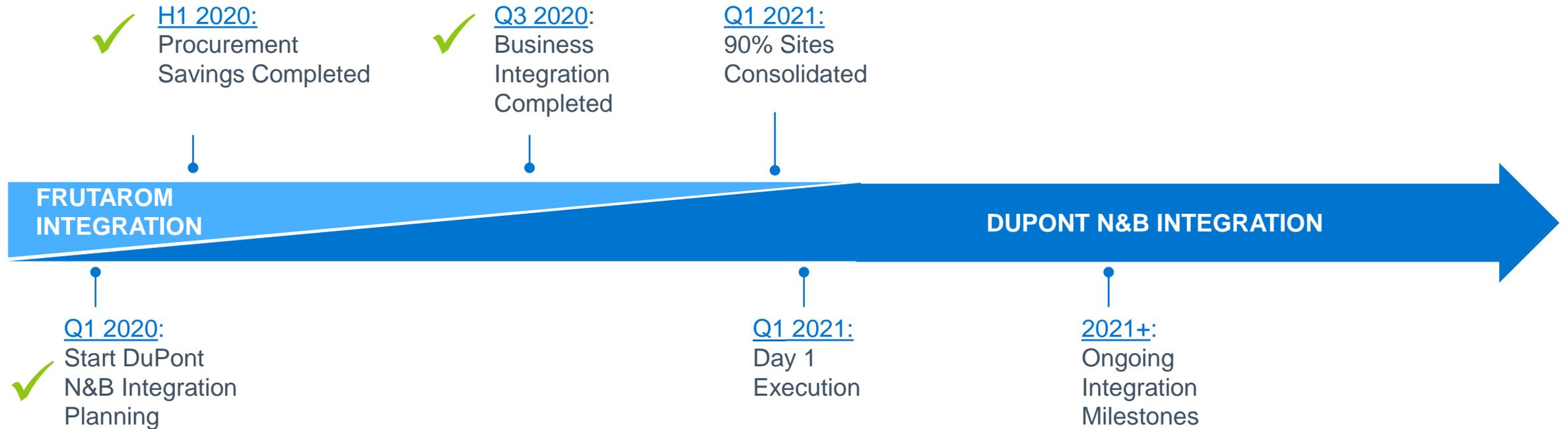


COMMENTARY

- Majority of the IFF portfolio remains essential; Fine Fragrance & Food Service will remain under pressure
- October trending positive yet global conditions continue to be volatile and unpredictable due to COVID-19
- Q4 2019 comp very strong (+7%), which included additional sales related to the 53rd week (~400 bps)
- Focused on controlling what we can control via reductions in operational and capital expenses to drive strong cash flow

IFF INTEGRATION CALENDAR

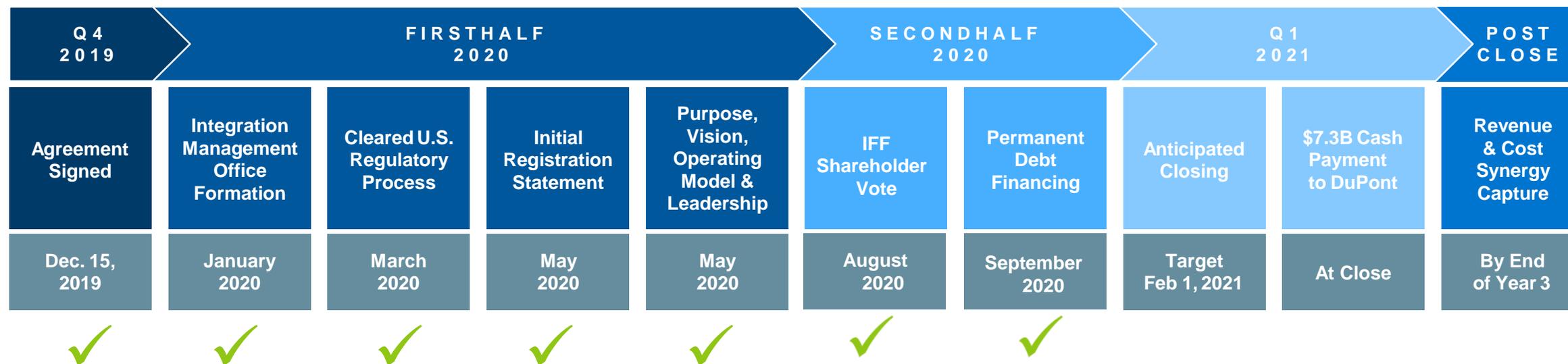
Expect to be substantially complete with Frutarom prior to N&B transaction close



Frutarom integration substantially complete by Q1 2021

N&B INTEGRATION PLANNING

Strong progress in pre-integration phase; On-track with post-closing execution timeline



Key Achievements	<ul style="list-style-type: none"> ✓ Joint cross functional integration planning program in place & operational ✓ Completed strategic assessment of future combined company portfolio ✓ Created ideation framework to identify, assess & prioritize synergy opportunities ✓ Announced Purpose & Vision of future combined company ✓ Defined operating model & appointed leadership for EC and direct reports ✓ Cleared Brazil, China, Colombia, India, Mexico, Russia, Serbia, South Africa, South Korea, Turkey, Ukraine and U.S. antitrust process 	Remaining Activities	<ul style="list-style-type: none"> • Antitrust approval for Europe • Amended S4 with updated proformas
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Integration Planning Activities On-Track for Q1 2021 Close

SUMMARY

- ▶ Delivered 1% currency neutral growth* in Q3 as expected, a sequential improvement versus Q2
- ▶ Year-to-date growth, excluding Fine Fragrance & Food Service, strong at +4% on currency neutral basis*, with growth across nearly all categories
- ▶ Made significant advancements in N&B integration planning & on-track for Q1 2021 close
- ▶ Global conditions continue to be volatile & unpredictable and we are focused on controlling what we can control to drive strong cash flow

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