

International Flavors & Fragrances Inc.
GAAP to Non-GAAP Reconciliation
(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

<i>(DOLLARS IN THOUSANDS)</i>	Fourth Quarter	
	2019	2018
Reported (GAAP)	\$ 502,162	\$ 477,515
Operational Improvement Initiatives (a)	616	396
Integration Related Costs (c)	222	84
FDA Mandated Product Recall (e)	—	(2,325)
Frutarom Acquisition Related Costs (g)	—	23,550
Adjusted (Non-GAAP)	<u>\$ 503,000</u>	<u>\$ 499,220</u>

Reconciliation of Selling and Administrative Expenses

<i>(DOLLARS IN THOUSANDS)</i>	Fourth Quarter	
	2019	2018
Reported (GAAP)	\$ 242,004	\$ 249,614
Acquisition Related Costs (b)	—	770
Integration Related Costs (c)	(17,834)	(5,145)
Frutarom Acquisition Related Costs (g)	(756)	(39,286)
Compliance Review & Legal Defense Costs (h)	(7,691)	—
N&B Transaction Related Costs (i)	(20,747)	—
Adjusted (Non-GAAP)	<u>\$ 194,976</u>	<u>\$ 205,953</u>

Reconciliation of Operating Profit

<i>(DOLLARS IN THOUSANDS)</i>	Fourth Quarter	
	2019	2018
Reported (GAAP)	\$ 116,808	\$ 95,250
Operational Improvement Initiatives (a)	615	396
Acquisition Related Costs (b)	—	(770)
Integration Related Costs (c)	18,335	5,237
Restructuring and Other Charges, net (d)	7,350	2,249
Gain on Sale of Assets	1,231	(742)
FDA Mandated Product Recall (e)	—	(2,325)
Frutarom Acquisition Related Costs (g)	758	62,836
Compliance Review & Legal Defense Costs (h)	7,691	—
N&B Transaction Related Costs (i)	20,747	—
Adjusted (Non-GAAP)	<u>\$ 173,535</u>	<u>\$ 162,131</u>

Reconciliation of Adjusted (Non-GAAP) Operating Profit Margin ex. Amortization

(DOLLARS IN THOUSANDS)

	Fourth Quarter	
	2019	2018
Numerator		
Adjusted (Non-GAAP) Operating Profit	\$ 173,535	\$ 162,131
Amortization of Acquisition related Intangible Assets	49,132	48,106
Adjusted (Non-GAAP) Operating Profit ex. Amortization	<u>222,667</u>	<u>210,237</u>
Denominator		
Sales	<u>1,283,769</u>	<u>1,219,047</u>
Adjusted (Non-GAAP) Operating Profit Margin ex. Amortization	<u>17.3%</u>	<u>17.2%</u>

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 Net Income and EPS

	Fourth Quarter							
	2019				2018			
	Income before taxes	Taxes on income (k)	Net Income Attributable to IFF (l)	Diluted EPS (m)	Income before taxes	Taxes on income (k)	Net Income Attributable to IFF (l)	Diluted EPS (m)
<i>(DOLLARS IN THOUSANDS)</i>								
Reported (GAAP)	\$ 96,527	\$ 16,150	\$ 83,543	\$ 0.70	\$ 66,300	\$ 50,800	\$ 13,021	\$ 0.09
Operational Improvement Initiatives (a)	615	49	566	—	395	133	262	—
Acquisition Related Costs (b)	—	—	—	—	(770)	(177)	(593)	(0.01)
Integration Related Costs (c)	18,335	4,191	14,144	0.12	5,236	1,160	4,076	0.04
Restructuring and Other Charges, net (d)	7,350	1,403	5,947	0.05	2,249	577	1,672	0.01
Losses (Gains) on Sale of Assets	1,231	282	949	0.01	(742)	(211)	(531)	—
FDA Mandated Product Recall (e)	—	—	—	—	(2,325)	(453)	(1,872)	(0.02)
U.S. Tax Reform (f)	—	—	—	—	—	(32,847)	32,847	0.30
Frutarom Acquisition Related Costs (g)	758	122	636	0.01	63,586	12,386	51,200	0.46
Compliance Review & Legal Defense Costs (h)	7,691	1,695	5,996	0.05	—	—	—	—
N&B Transaction Related Costs (i)	20,747	2,354	18,393	0.16	—	—	—	—
Redemption value adjustment to EPS (j)	—	—	—	0.04	—	—	—	0.03
Adjusted (Non-GAAP)	<u>\$ 153,254</u>	<u>\$ 26,246</u>	<u>\$ 130,174</u>	<u>\$ 1.15</u>	<u>\$ 133,929</u>	<u>\$ 31,368</u>	<u>\$ 100,082</u>	<u>\$ 0.89</u>

Reconciliation of Adjusted (Non-GAAP) EPS ex. Amortization

	Fourth Quarter	
	2019	2018
<i>(DOLLARS AND SHARE AMOUNTS IN THOUSANDS)</i>		
Numerator		
Adjusted (Non-GAAP) Net Income	\$ 130,174	\$ 100,082
Amortization of Acquisition related Intangible Assets	49,132	48,106
Tax impact on Amortization of Acquisition related Intangible Assets	13,805	10,341
Amortization of Acquisition related Intangible Assets, net of tax (n)	<u>35,327</u>	<u>37,765</u>
Adjusted (Non-GAAP) Net Income ex. Amortization	165,501	137,847
Denominator		
Weighted average shares assuming dilution (diluted)	113,472	112,155
Adjusted (Non-GAAP) EPS ex. Amortization	<u>\$ 1.46</u>	<u>\$ 1.23</u>

- (a) For 2019, represents accelerated depreciation related plant relocations in India and China. For 2018, represents accelerated depreciation in India.
- (b) Represents adjustments to the contingent consideration payable for PowderPure, and transaction costs related to Fragrance Resources and PowderPure within Selling and administrative expenses.
- (c) Represents costs related to the integration of the Frutarom acquisition, principally advisory services.
- (d) For 2019, represents costs primarily related to the Frutarom Integration Initiative and the 2019 Severance Program, including severance related to outsourcing the IT function. For 2018, represents severance costs related to the 2017 Productivity Program and costs associated with the termination of agent relationships in a subsidiary.
- (e) Principally represents recoveries from our insurance.
- (f) Represents charges incurred related to enactment of certain U.S tax legislation changes in December 2017.
- (g) For 2019, amount primarily compensation associated with Frutarom options that had not vested at the time the Frutarom acquisition closed. For 2018, amount primarily includes \$23.5 million of amortization for inventory "step-up" costs and \$39.2 million of transaction costs included in Selling and administrative expenses.
- (h) Costs related to reviewing the nature of inappropriate payments and review of compliance in certain other countries. In addition, includes legal costs for related shareholder lawsuits.
- (i) Represents costs and expenses related to the pending transaction with Nutrition & Biosciences Inc.
- (j) Represents the adjustment to EPS related to the excess of the redemption value of certain redeemable noncontrolling interests over their existing carrying value.
- (k) 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 2019, 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). For amortization, the tax benefit has been calculated based on the statutory rate on a country by country basis.
- (l) For 2019 net income is increased by an adjustment to income attributable to noncontrolling interest of \$3.2M. For 2018, net income is reduced by income attributable to noncontrolling interest of \$2.5M.
- (m) The sum of these items does not foot due to rounding.
- (n) Represents all amortization of intangible assets acquired in connection with acquisitions, net of tax.

International Flavors & Fragrances Inc.
GAAP to Non-GAAP Reconciliation
(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

<u>(DOLLARS IN THOUSANDS)</u>	Year Ended December 31,	
	2019	2018
Reported (GAAP)	\$ 2,112,748	\$ 1,682,707
Operational Improvement Initiatives (a)	2,267	1,650
Integration Related Costs (c)	730	102
FDA Mandated Product Recall (e)	250	(7,125)
Frutarom Acquisition Related Costs (g)	4,247	23,550
Adjusted (Non-GAAP)	<u>\$ 2,120,242</u>	<u>\$ 1,700,884</u>

Reconciliation of Selling and Administrative Expenses

<u>(DOLLARS IN THOUSANDS)</u>	Year Ended December 31,	
	2019	2018
Reported (GAAP)	\$ 876,121	\$ 707,461
Acquisition Related Costs (b)	—	1,289
Integration Related Costs (c)	(53,481)	(6,060)
Frutarom Acquisition Related Costs (g)	(1,693)	(66,082)
Compliance Review & Legal Defense Costs (h)	(11,314)	—
N&B Transaction Related Costs (i)	(20,747)	—
Adjusted (Non-GAAP)	<u>\$ 788,886</u>	<u>\$ 636,608</u>

Reconciliation of Operating Profit

<u>(DOLLARS IN THOUSANDS)</u>	Year Ended December 31,	
	2019	2018
Reported (GAAP)	\$ 665,270	\$ 583,882
Operational Improvement Initiatives (a)	2,267	2,169
Acquisition Related Costs (b)	—	(1,289)
Integration Related Costs (c)	55,160	7,188
Restructuring and Other Charges, net (d)	29,765	4,086
Losses (Gains) on Sale of Assets	2,367	(1,177)
FDA Mandated Product Recall (e)	250	(7,125)
Frutarom Acquisition Related Costs (g)	5,940	89,632
Compliance Review & Legal Defense Costs (h)	11,314	—
N&B Transaction Related Costs (i)	20,747	—
Adjusted (Non-GAAP)	<u>\$ 793,080</u>	<u>\$ 677,366</u>

Reconciliation of Adjusted (Non-GAAP) Operating Profit Margin ex. Amortization

(DOLLARS IN THOUSANDS)

	Year Ended December 31,	
	2019	2018
Numerator		
Adjusted (Non-GAAP) Operating Profit	\$ 793,080	\$ 677,366
Amortization of Acquisition related Intangible Assets	193,097	75,879
Adjusted (Non-GAAP) Operating Profit ex. Amortization	986,177	753,245
Denominator		
Sales	5,140,084	3,977,539
Adjusted (Non-GAAP) Operating Profit Margin ex. Amortization	19.2%	18.9%

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 Net Income and EPS

<i>(DOLLARS IN THOUSANDS)</i>	Year Ended December 31,							
	2019				2018			
	Income before taxes	Taxes on income (k)	Net Income Attributable to IFF (l)	Diluted EPS (m)	Income before taxes	Taxes on income (k)	Net Income Attributable to IFF (l)	Diluted EPS (m)
Reported (GAAP)	\$ 557,452	\$ 97,184	\$ 455,873	\$ 4.00	\$ 447,757	\$ 107,976	\$ 337,302	\$ 3.79
Operational Improvement Initiatives (a)	2,267	610	1,657	0.01	2,169	694	1,475	0.02
Acquisition Related Costs (b)	(3,371)	—	(3,371)	(0.03)	(1,289)	(311)	(978)	(0.01)
Integration Related Costs (c)	55,160	12,461	42,699	0.38	7,188	1,397	5,791	0.07
Restructuring and Other Charges, net (d)	29,765	6,797	22,968	0.20	4,086	1,020	3,066	0.03
Losses (Gains) on Sale of Assets	2,367	572	1,795	0.02	(1,177)	(352)	(825)	(0.01)
FDA Mandated Product Recall (e)	250	57	193	—	(7,125)	(1,601)	(5,524)	(0.06)
U.S. Tax Reform (f)	—	—	—	—	—	(25,345)	25,345	0.29
Frutarom Acquisition Related Costs (g)	5,940	794	5,146	0.05	155,569	28,490	127,079	1.44
Compliance Review & Legal Defense Costs (h)	11,314	2,522	8,792	0.08	—	—	—	—
N&B Transaction Related Costs (i)	20,747	2,354	18,393	0.16	—	—	—	—
Redemption value adjustment to EPS (j)	—	—	—	0.02	—	—	—	0.03
Adjusted (Non-GAAP)	<u>\$ 681,891</u>	<u>\$ 123,351</u>	<u>\$ 554,145</u>	<u>\$ 4.88</u>	<u>\$ 607,178</u>	<u>\$ 111,968</u>	<u>\$ 492,731</u>	<u>\$ 5.58</u>

Reconciliation of Adjusted (Non-GAAP) EPS ex. Amortization

<i>(DOLLARS AND SHARE AMOUNTS IN THOUSANDS)</i>	Year Ended December 31,	
	2019	2018
Numerator		
Adjusted (Non-GAAP) Net Income	\$ 554,145	\$ 492,731
Amortization of Acquisition related Intangible Assets	193,097	75,879
Tax impact on Amortization of Acquisition related Intangible Assets	47,589	18,354
Amortization of Acquisition related Intangible Assets, net of tax (n)	<u>145,508</u>	<u>57,525</u>
Adjusted (Non-GAAP) Net Income ex. Amortization	699,653	550,256
Denominator		
Weighted average shares assuming dilution (diluted)	<u>113,307</u>	<u>88,121</u>
Adjusted (Non-GAAP) EPS ex. Amortization	<u>\$ 6.17</u>	<u>\$ 6.23</u>

- (a) For 2019, represents accelerated depreciation related to plant relocations in India and China. For 2018, represents accelerated depreciation in India and Taiwan asset write off.
- (b) For 2019, represents adjustments to the fair value for an equity method investment in Canada which we began consolidating in the second quarter. For 2018, represents adjustments to the contingent consideration payable for PowderPure, and transaction costs related to Fragrance Resources and PowderPure within Selling and administrative expenses.
- (c) Represents costs related to the integration of the Frutarom acquisition, principally advisory services.
- (d) For 2019, represents costs primarily related to the Frutarom Integration Initiative and the 2019 Severance Program, including severance related to outsourcing the IT function. For 2018, represents severance costs related to the 2017 Productivity Program and costs associated with the termination of agent relationships in a subsidiary.
- (e) For 2019, represents additional claims that management will pay to co-packers. For 2018, principally represents recoveries from the supplier for the third and fourth quarter, partially offset by final payments to the customer made for the effected product in the first quarter.
- (f) Represents charges incurred related to enactment of certain U.S tax legislation changes in December 2017.
- (g) Represents transaction-related costs and expenses related to the acquisition of Frutarom. For 2019, amount primarily includes amortization for inventory "step-up" costs and transaction costs. For 2018, amount primarily includes \$23.5 million of amortization for inventory "step-up" costs, \$39.4 million of bridge loan commitment fees included in Interest expense; \$34.9 million make whole payment on the Senior Notes - 2007 and \$3.9 million realized loss on a fair value hedge included in Loss on extinguishment of debt; \$12.5 million realized gain on a foreign currency derivative included in Other income; and \$66.0 million of transaction costs included in Selling and administrative expenses.
- (h) Costs related to reviewing the nature of inappropriate payments and review of compliance in certain other countries. In addition, includes legal costs for related shareholder lawsuits.
- (i) Represents costs and expenses related to the pending transaction with Nutrition & Biosciences Inc.
- (j) Represents the adjustment to EPS related to the excess of the redemption value of certain redeemable noncontrolling interests over their existing carrying value.
- (k) 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 2019, 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). For amortization, the tax benefit has been calculated based on the statutory rate on a country by country basis.
- (l) For 2019 and 2018, net income is reduced by income attributable to noncontrolling interest of \$4.4M and \$2.5M, respectively.
- (m) The sum of these items does not foot due to rounding.
- (n) Represents all amortization of intangible assets acquired in connection with acquisitions, net of tax.