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EVP, Chief Financial Officer

INVESTOR DAY 2022

Finance Perspective



WELL-POSITIONED IN GROWING & PROFITABLE INDUSTRY

A GREAT COMPANY, IN A GREAT INDUSTRY

ATTRACTIVE SECTOR

- Strong growth fundamentals
- Increasing value of innovation as differentiator
- Robust/sticky customer relationships
- Economic cycle resiliency
- Increasing value of scale
- Strong, stable cash flows



GREAT COMPANY

- Market leader in most categories
- Broadest product platform
- Industry-leading R&D pipeline
- Unrivaled capabilities to co-create
- Global scale advantage
- Highly diversified customer base

Significant Value Creative Opportunity

NAVIGATING UNPRECEDENTED CONDITIONS



DAMPENED CONSUMER DEMAND

~1.5%

U.S. GDP growth
expected in 2022

(1.8%) to 1.6%

Range in expected
2023 GDP decline / growth

Modest volume
growth



PERSISTENT INFLATION PRESSURES

~3x

Increase in utility prices

10%+ PPI

Highest inflation
since 1970s

“Above and beyond”
2023 pricing actions



UNPREDICTABLE SUPPLY CHAIN

65%

Increase in trucking costs

+1.5-3x

Volatility in raw
material prices

Pressure on margin
& customer service



TIGHT LABOR MARKET

40%

Of employees likely to
leave job in next year

80%+

Of workers would like
to continue hybrid setting

Attraction &
retention challenges

TWO-PHASED PLANNING HORIZON

2023 Navigate & Accelerate

2024-26 Aspire & Achieve

Market Demand

Demand (volume) challenges:

- Recessionary impact on consumer
- Customer destocking

Global economic outlook improves

- Industry volumes ~3%/year

More challenging 1H 2023

Inflation

Modest raw material inflation overlap

Expect **stable inflationary** environment

Energy Volatility continues

Global Supply Chain

Meaningfully improved

- China/Ukraine uncertainties remain

Expect to return to pre-covid global supply chain environment

- However, supply chain resiliency remains critical for customers

IFF Focus

Solid financial results

Drive business improvement via targeted investments & enhanced execution

Accelerated financial results consistent with best-in-class peers:

- Growth focused
- ROIC guided
- Full execution of growth, productivity & capital plans

NAVIGATING CURRENT MARKET CHALLENGES

2023 Navigate & Accelerate

Revenue growth	<p>Modest volume expectations</p> <ul style="list-style-type: none">Foundational improvementsAccelerate sales execution	<p>Prioritizing adjusted free cash flow generation</p> <ul style="list-style-type: none">Working capital (inventory) opportunity; Must balance with maintaining service levelsCAPEX up modestly for ERP
Pricing & Inflation	<p>Additional pricing actions (although moderated) to offset inflation</p>	<p>Surgical pricing execution by business & region reflective of unique competitive dynamics</p>
Productivity	<p>Accelerate current in-flight productivity programs</p> <p>Launch additional cost take-out program</p> <p>Reinvest in strategic initiatives (growth focused)</p>	<p>Accelerate ongoing productivity programs & identify added opportunities</p> <ul style="list-style-type: none">“Ring fence” sales generating teams
EBITDA	<p>Preliminarily mid single-digit currency neutral growth</p>	<p>Foundational sales execution improvements to accelerate top-line 2024+; Investments funded by productivity</p>
Capital, Portfolio & Leverage	<p>Intense focus on improving cashflow</p> <p>Complete current divestitures pipeline</p>	<p>Complete “in-flight” non-core divestitures & review additional portfolio opportunities</p>

LONG-TERM FINANCIAL TARGETS

2024-26 Aspire & Achieve		Financial Goals	
Revenue growth	<p>Leverage broad portfolio & capabilities to deliver top-tier sales growth</p> <ul style="list-style-type: none">• Focus on high ROIC businesses• Innovation & commercial investments	<p>4 - 6%</p> <p>Comparable Currency Neutral Sales Growth</p>	
Pricing & Inflation	<p>Moderated inflationary environment</p>	<p>Limited pricing (~1%)</p>	
Productivity	<p>Complete targeted productivity programs; Build continuous improvement DNA (digital enabled)</p> <p>Further reinvestment to accelerate top-line</p>	<p>\$350-400M net productivity by 2025</p>	
EBITDA	<p>Achieve combined benefit of accelerated growth and productivity</p>	<p>8-10%</p> <p>Currency Neutral Adjusted Operating EBITDA Growth</p>	<p>+250bps Margin</p>
Capital, Portfolio & Leverage	<p>Consistent strong adjusted Free Cash Flows</p> <p>Explore additional portfolio actions</p>	<p>Leverage <3.0x</p> <p>CAPEX ~5% of sales</p> <p>Includes ERP Investment \$300M (over 5 years)</p>	

RIGOROUS FINANCIAL PLAN

IN-DEPTH BUSINESS DIAGNOSTICS

- Sales drivers & performance gaps
- Innovation pipeline & prioritization
- Detailed cost structure & productivity assessment
- Working capital diagnostic

BENCHMARKING/TOP- TIER PERFORMANCE

- Currency neutral sales performance vs. market/peers
- Salesforce effectiveness (pipeline, win-rate, etc.)
- Cost structure benchmarking
- CAPEX benchmarked by platform
- Working capital performance vs. peers

DETAILED, BOTTOM-UP BUSINESS PLANS

- Detailed business unit and regional plans
- Innovation priorities
- Detailed productivity programs/timing
- GSS strategy to support working capital improvement
- Related investments to support growth agenda

Pace of performance improvement driven by degree of foundational “fixes” required and investments

OUR VALUE CREATION MODEL

**ROIC framework
(combined with
market segment
attractiveness)
drives capital
allocation &
organizational
priorities**

ACCELERATE REVENUE GROWTH

Supply chain fundamentals
Capture full revenue synergy potential (\$400M)
Leverage innovation pipeline; increase investment
Targeted commercial investments & enhanced execution

DELIVER ACCELERATED PRODUCTIVITY PROGRAM

Simultaneously supports growth investments
& margin enhancement

DISCIPLINED CASH FLOW FOCUS & CAPITAL POLICY

CAPEX and working capital aligned with ROIC profiles
Deleverage < 3x; capital policy prioritization

PORTFOLIO OPTIMIZATION

Optimize ongoing business portfolio
Supports more rapid deleveraging

PLAYBOOK FOR BUSINESS MANAGEMENT

Mix	INVEST IN WINNERS	MAXIMIZE THE CORE	OPTIMIZE UNDERPERFORMERS
% Revenues	~55%	~25%	~20%
ROIC %	~30%+	~15%	~< 8%
Target	~2x Volume growth above market	~1x Volume growth in-line with market	~<1x Volume growth in-line with market

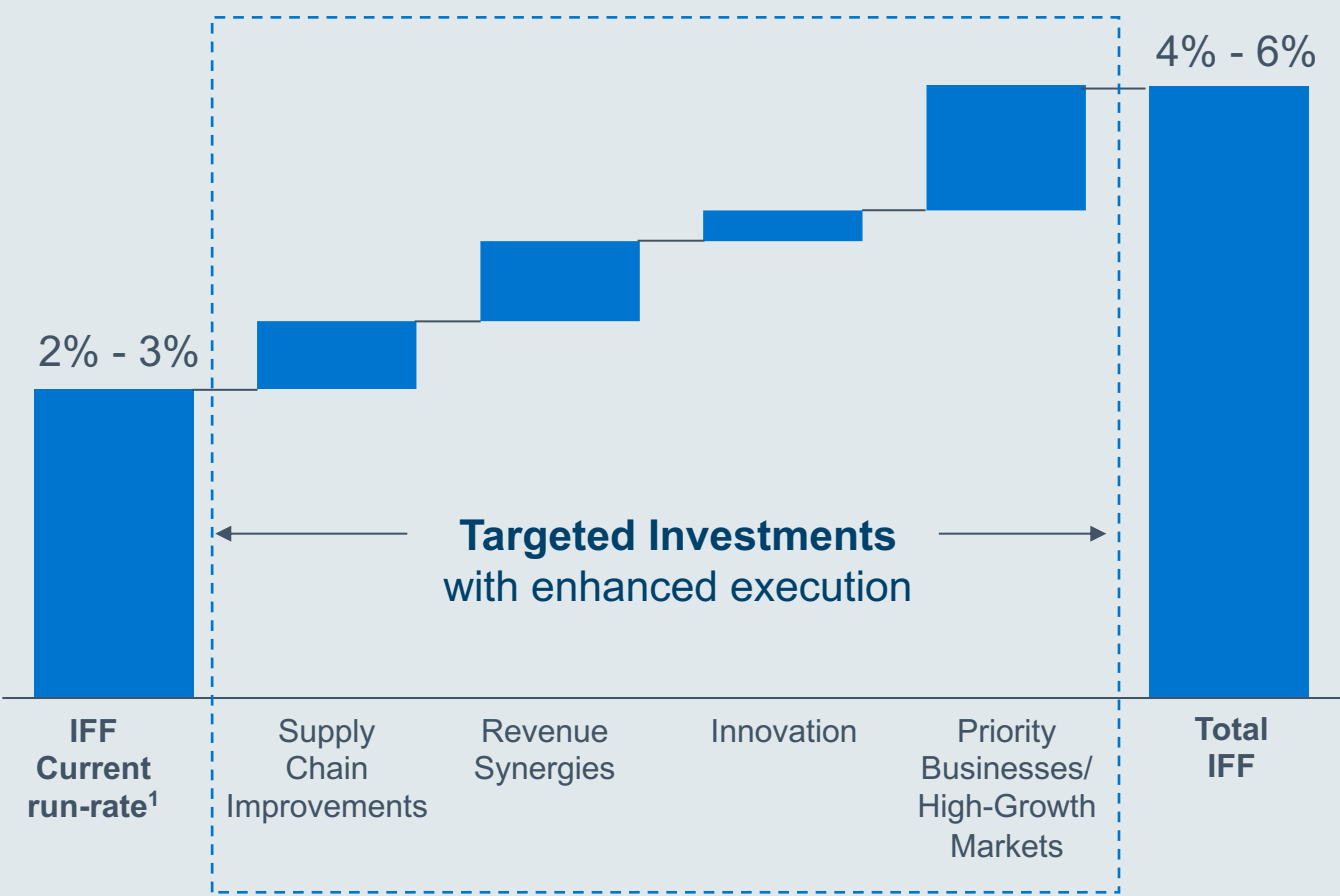
Tailored Actions

Supply Chain	
Growth Investments	
Revenue Synergies	
Margin/Mix Management	
Productivity	
Working Capital	
Portfolio/Restructure	



PATH TO TOP-TIER GROWTH

2 to 3 Points of Incremental Volume Growth



Supply Chain Improvements

- Improved customer service levels
- Capacity additions for constrained high-margin assets

Revenue Synergies

- Accelerate capture of cross-BU revenue synergies (\$400M by 2026)

Innovation

- Accelerate commercialization of current pipeline
- Increased investment against most promising solutions

Priority Businesses / High-Growth Markets

- Increase resources and execution across high-margin/growth products (i.e., Flavors)
- Accelerating penetration in higher-growth markets (i.e., Asia, AME, LATAM)

KEY INVESTMENTS TO SUPPORT GROWTH

Supply Chain



- Inventory levels rebuilt
- Expanded capacity in high ROIC & constrained assets (Enzymes, Health, Cultures & Pharma)
- Standardized S&OP tools and processes

Commercial



- Add account managers & product specialists in high ROIC categories / markets
- Centralized commercial excellence team
- Enhanced CRM and digital analytics
- Incentive system alignment

Innovation



- Ramp-up R&D investment by 50 bps over next 3 years
- Focus on leadership technologies & consumer trends (i.e., H&W, biotech, functional foods & delivery systems)

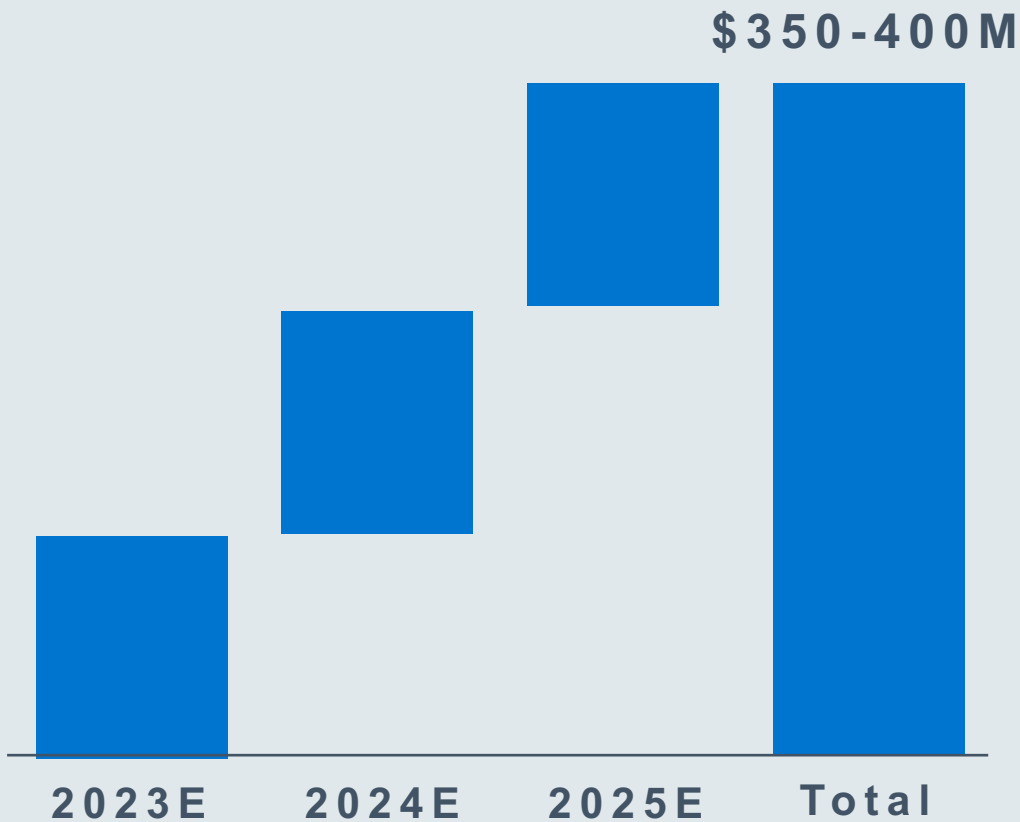
Technology Enablement



- Enterprise ERP implementation (\$300M total CAPEX between 2023 to 2027)
- Digital enablement supports accelerated top-line & administrative streamlining

PATH TO GENERATING STRONG PRODUCTIVITY

NET PRODUCTIVITY



Operations (~55%)

- Digital-enabled yield/performance program
- Best practices (i.e., labor scheduling)
- Energy program optimization (ESG aligned)

Procurement/ Demand Management (~20%)

- Direct: Strategic RFP's, alternative suppliers, spec changes
- Indirect: Vendor consolidation, tightened demand management controls

Supply Chain (~10%)

- Standardized S&OP process/systems
- Improved freight program management; warehousing footprint optimization

Admin/ Shared Services (~15%)

- Centers of excellence (Standardization, automation, labor arbitrage)
- Admin efficiencies (Span/Layers & work elimination)

CAPITAL ALLOCATION PRIORITIES

CAPEX INVESTMENT TO SUPPORT BUSINESS

1

Debt Repayment

Cash flow to be deployed to pay down debt

2

Dividend Policy

Maintain consistent & growing dividend policy

3

Portfolio Optimization

Continue to evaluate & execute possible divestiture candidates

4

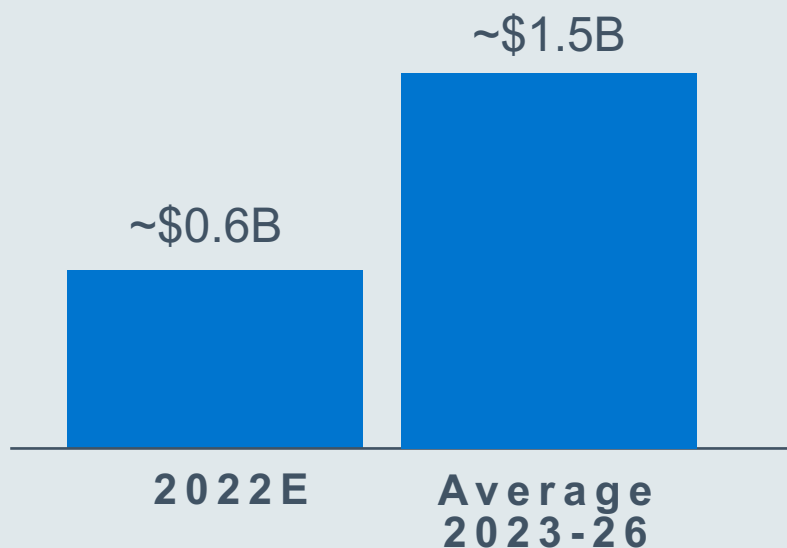
Share Buyback Program

Expect to reauthorize a share buyback program once **<3.0x leverage target** realized (Target 2024)

Balanced Capital Allocation Policy to Enhance Total Shareholder Returns

IMPROVED FREE CASH FLOW GENERATION

ADJUSTED FREE CASH FLOW



Focus

- Driving EBITDA performance improvements
- Intense focus on improving net working capital
 - Redesigned core transaction processes/GSS enabled
 - Top quartile goals (DIO, DPO, DSO)
- Competitive & disciplined CAPEX investment
 - ~4.5% (2023)
 - ~5% (2024 to 2026)

Includes \$300M ERP spend (2023 to 2027)

¹ We define adjusted free cash flow to include expenses paid that management considers to be non-operating and/or one-time and significant in nature including transaction related expenses, integration related expenses, taxes paid related to business sales and extraordinary items, restructuring and restructuring related expenses, minus CAPEX,

ENHANCED EXECUTION TO DRIVE RESULTS

2024-2026 Financial Goals

Revenue growth	4 - 6% Comparable Currency Neutral Sales Growth	
Pricing & Inflation	Limited pricing (~1%) & expected to offset inflation	
Productivity	\$350-400M net productivity by '25	
EBITDA	8-10% Currency Neutral Adjusted Operating EBITDA Growth	+250bps margin
Capital, Portfolio & Leverage	Leverage <3.0x CAPEX ~4.5% of sales ERP Investment \$300M (over 5 years)	

Execution Enablers

- Cross-business sales “Execution Engine” provides coordination / oversight
 - Centralized Commercial Excellence Team
 - Enhanced CRM, analytics, reporting
 - Sales incentive alignment
- Pricing center of excellence, new tools, skill-building
- Productivity “Control Tower”
 - Benchmarking / target setting
 - Program delivery tracking
 - Indirect spend demand management
- Dedicated ERP execution team
- Working capital improvement team
 - Leverage new S&OP tools
 - GSS implementation
- Senior leadership incentive alignment
 - Cost-of-capital charge
 - TSR & ROIC



SUMMARY

- IFF is a great company, in a great industry
- Intently focused on maximizing IFF's full potential & delivering attractive shareholder returns
- Detailed understanding of performance drivers; anchored in ROIC/market attractiveness framework
- Priority #1 is accelerating growth through targeted investments & heightened execution disciplines
- Leveraging cost & productivity initiatives to reinvest and drive strong margin improvement
- Clear capital allocation priorities; Drive improved cash flow
- Execution enablers to maximize success



Where science
& creativity meet

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