

IFF
Q3 2016
Earnings
Conference
Call

November 8, 2016

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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 2016 guidance and the Company’s expectations regarding capital expenditures in 2016, the future impact of the timing of accounts payable on the Company’s core working capital levels, the impact of currency on its financial results, the expected benefits from the Company’s recent strategic investments, expectations regarding the timing of closing and the benefits of the potential acquisition of Fragrance Resources and its ability to meet its total payout ratio objective. 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 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 benefit from its investments and expansion in emerging markets; (5) the impact of currency fluctuations or devaluations in the principal foreign markets in which the Company operates, including the devaluation of the Euro; (6) risks associated with the Company’s supply chain, including availability and pricing of raw materials, energy and transportation; (7) economic, regulatory and political risks associated with the Company’s international operations; (8) changes in consumer preferences and demand in the Company’s products or a decline in consumer confidence and spending; (9) the Company’s ability to comply with, and the costs associated with compliance, with U.S. and foreign environmental protection laws; (10) the Company’s ability to realize expected cost savings and efficiencies from its profitability improvement initiative and other optimization activities; (11) any adverse impact on the availability, effectiveness and cost of the Company’s hedging and risk management strategies; and (12) the Company’s ability to successfully develop new and competitive products and technology that appeal to its customers and consumers 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, 2015 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. With respect to statements regarding the closing and potential benefits of Fragrance Resources, these risks include (i) the ability of both parties to obtain required consents and (ii) other customary closing conditions. 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 under Investor Relations, at www.iff.com.

Conference Call Participants



Andreas Fibig
Chairman & CEO



Rich O'Leary
EVP & CFO

Agenda

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

Executive Overview

Q3 & 9M YTD 2016 Financial Results

	Q3 2016	YTD 2016
Currency neutral sales growth*	+3%	+4%
Currency neutral adjusted operating profit growth*	(4)%	+3%
Currency neutral adjusted EPS growth*	(1)%	+5%



* 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

Innovating Firsts

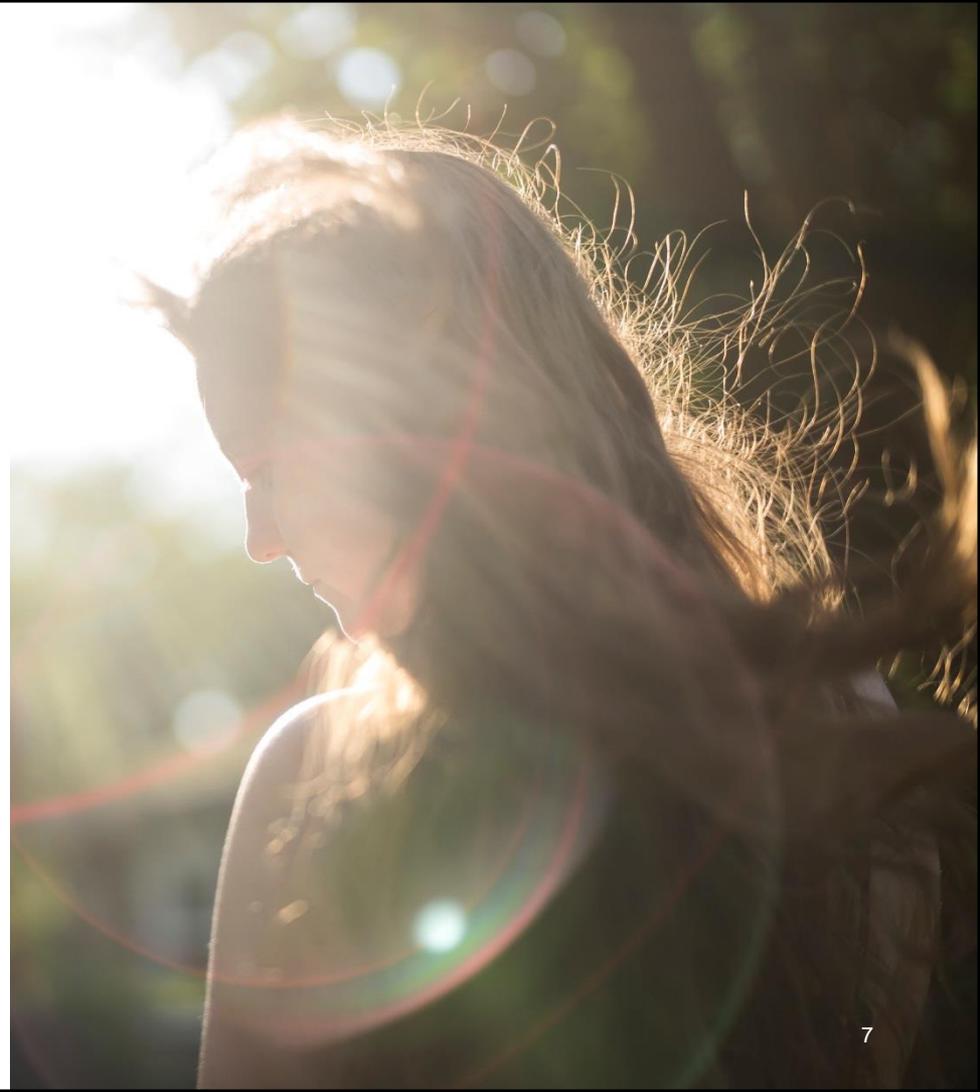
- Sweetness & Savory modulation sales, on a currency neutral basis, continued to grow double-digits across all categories
- Encapsulation-related sales increased strong double-digits in Personal Wash and Home Care, on a currency neutral basis
- Launched 4 new flavor molecules to build consumer-preferred products
- Commercialized a new captive fragrance ingredient to drive further differentiation



Vision 2020 Execution

Win Where We Compete

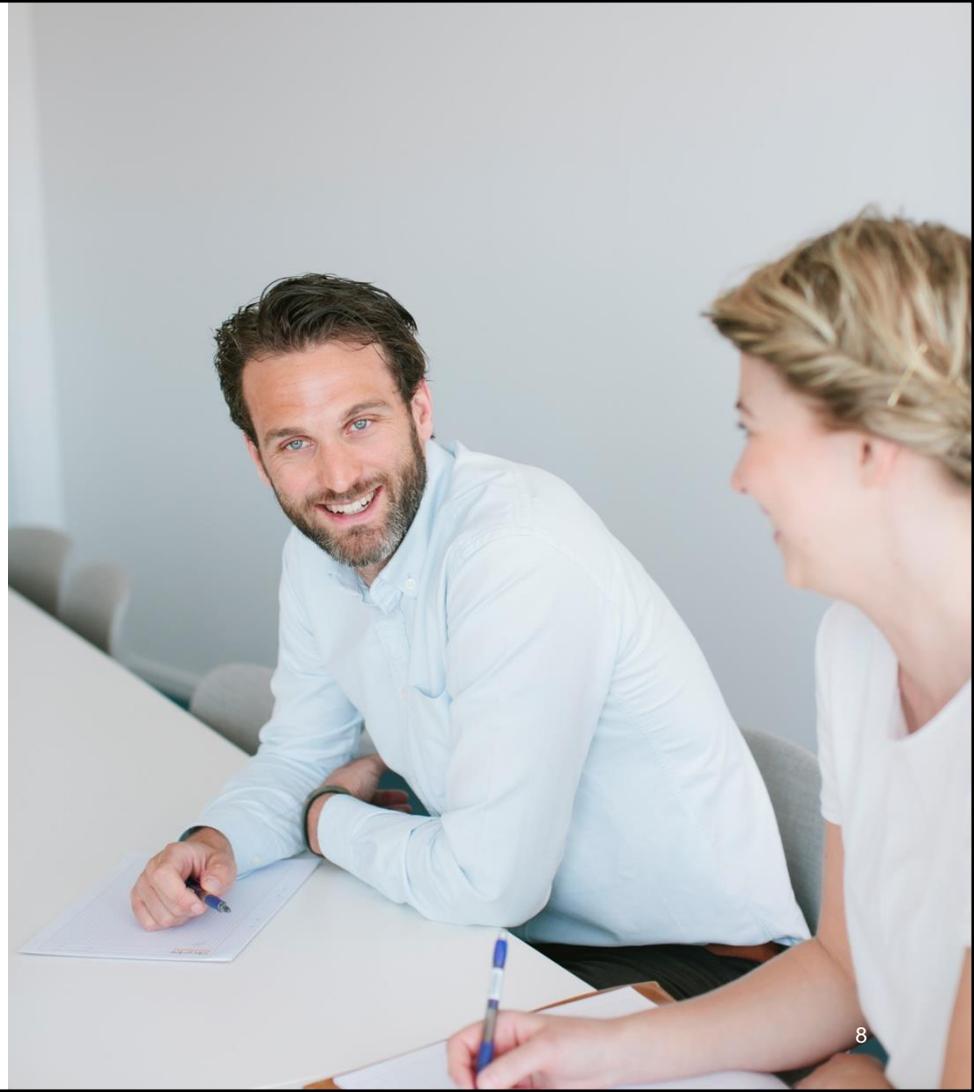
- Middle East & Africa currency neutral sales improved strong double-digits led by both Flavors and Fragrances
- North America Fragrance sales grew 6%, driven primarily by strong double-digit growth in Fabric Care
- Home Care grew low-single-digits on a currency neutral basis, led by double-digit growth in Greater Asia



Vision 2020 Execution

Customers' Partner Of Choice

- Growth achieved across both global and regional accounts, with regionals outpacing the globals
- Collaborated with Delos™ & Mayo Clinic to be a part of their Well Living Lab
- First flavor and fragrance company to join the World Economic Forum
- Elected to the World Business Council for Sustainable Development Executive Committee



Vision 2020 Execution

Strengthen & Expand Portfolio

- IFF | Lucas Meyer Cosmetics achieved double-digit growth on a standalone basis
- Acquired David Michael to strengthen North American Flavors Business
- Announced intention to purchase Fragrance Resources to improve share in North America & Germany



David Michael

Solidifies #2 Position In Flavors NOAM

- Complements Ottens acquisition (2015) by strengthening ability to serve faster growing mid-market customers in North America
- Increases exposure to the most profitable flavor categories – Beverage & Dairy
- Grows expertise in key flavor tonality – Vanilla
- Expected to add about \$85 million of sales in 2017
- Deal expected to meet financial criteria for acquisitions of EPS accretion year 1 & EP breakeven between year 3 and year 5



Fragrance Resources

Improves Share In NOAM & Germany

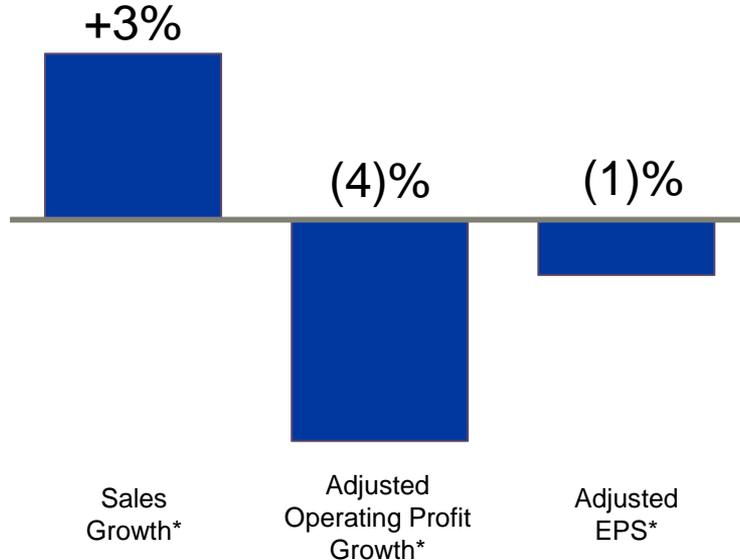
- Strengthens market share position with regional customer base within North America & Germany
- Enhances position in Specialty Fragrances – a faster-growing sub-category within Fine Fragrances
- Highly-complementary bolt-on acquisition, with strong value creation potential
- Expected to add about \$75 million of sales in 2017
- Deal expected to meet financial criteria for acquisitions of EPS accretion year 1 & EP breakeven between year 3 and year 5



Financial Performance

Solid Q3 2016 Sales Growth; Profitability Challenged

Currency Neutral Performance



Currency Neutral Sales*

- Growth driven by new wins across both businesses and benefits associated with the acquisition of IFF | Lucas Meyer Cosmetics

Currency Neutral Adjusted Operating Profit*

- Volume growth and benefits associated with productivity initiatives were more than offset by unfavorable mix, weaker manufacturing performance & increases in RSA, which include planned strategic investments

Currency Neutral Adjusted EPS*

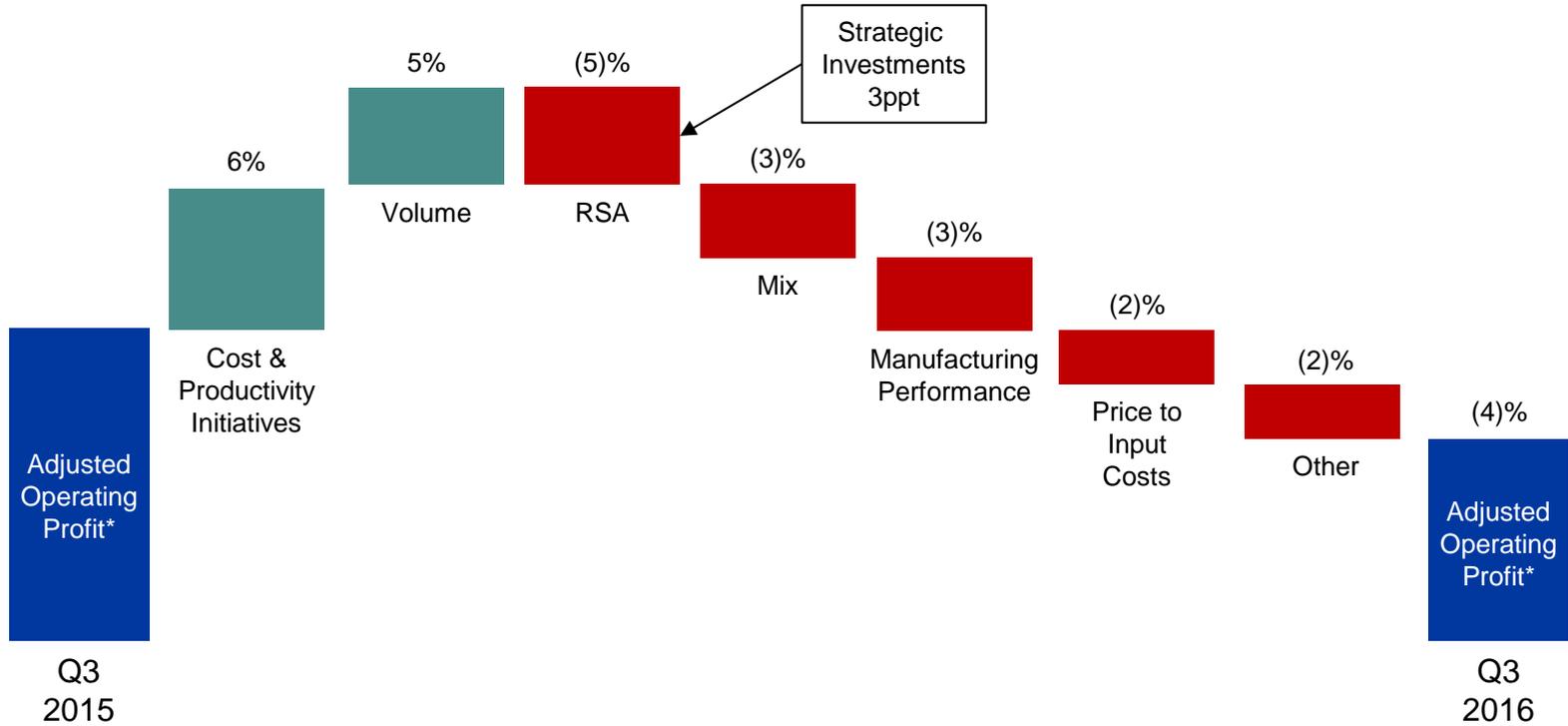
- Lower year-over-year shares outstanding and a more favorable effective tax rate were offset by operating performance



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Reconciliation Of Performance Drivers

Q3 2016 Currency Neutral Operating Profit



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Flavors Review

Q3 2016 Performance

Currency Neutral Sales Growth: +3%

- On a category basis, Savory, Dairy & Sweet grew mid-single-digits
- Regionally, growth was led by a high-single-digit increase in Latin America and mid-single-digit growth in Greater Asia and EAME

Currency Neutral Segment Profit: (4)%

- Volume growth and the benefits from productivity initiatives were offset by weaker mix, unfavorable price to input costs and increases in RSA



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



Fragrances Review

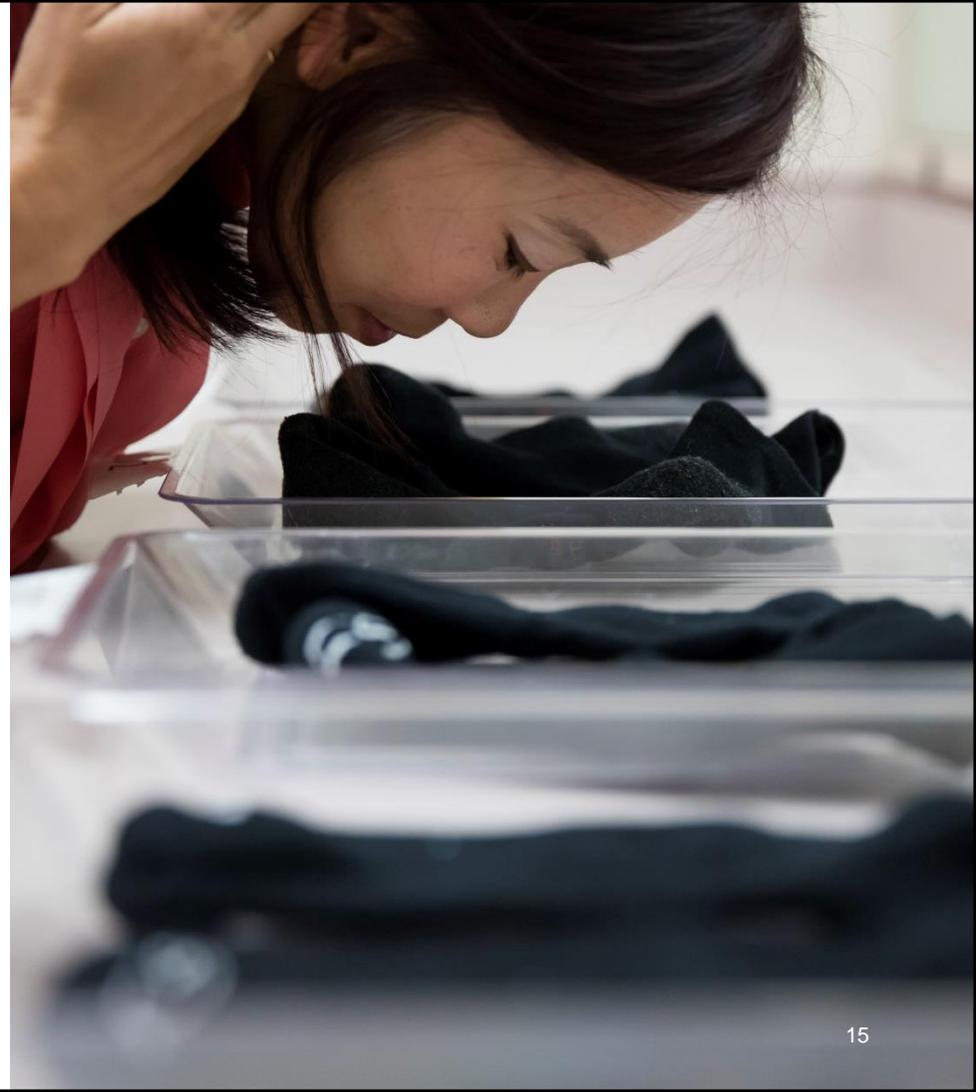
Q3 2016 Performance

Currency Neutral Sales Growth: +2%

- Including approximately 1 percentage point related to the acquisition of IFF | Lucas Meyer Cosmetics
- High-single digit growth in Ingredients & low-single digit growth in Consumer Fragrances were offset by Fine Fragrances weakness

Currency Neutral Segment Profit: (7)%

- Volume growth and the benefits from cost and productivity initiatives were offset by weaker mix, unfavorable price to input costs, manufacturing performance and increases in RSA



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Cash Flow Analysis

Improvement In Operating Cash Flow

	YTD '15	YTD '16
Net Income	\$340	\$325
Core Working Capital*	(86)	(66)
D&A	65	75
Pension	(61)	(44)
Other	37	39
Operating Cash Flow	\$295	\$329
Capital Expenditures	(67)	(70)
Dividends	(114)	(134)
Share Buybacks	(81)	(94)

Operating Cash Flow improved 12% vs. YTD 2015

- Core working capital improved principally driven by YoY improvement in accounts receivables
- YTD 2016 operating cash flow was 14.0% of sales up from 12.8% in the first nine months of 2015

Continued to Invest in the Business via Capex

- Continued investing in technology advancements and capacity projects in Greater Asia

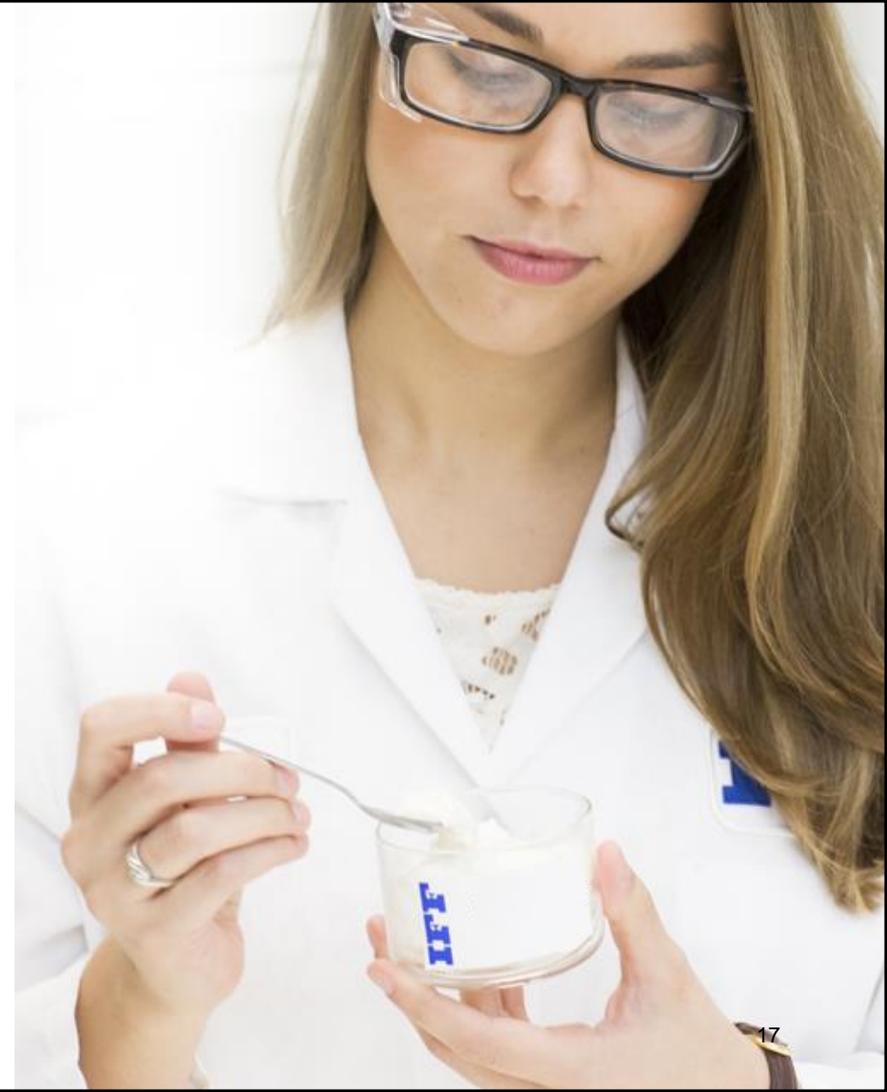
Return of Cash to Shareholders

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

Q4 2016 Expectation

Trends To Improve Sequentially

- Currency neutral sales expected to improve sequentially vs. Q3 driven by improved performance in both businesses & the addition of David Michael
- Operating profit, on a currency neutral basis, is expected to strengthen vs. Q3 2016 reflecting a stronger top-line & reduced RSA headwinds
- Lower shares outstanding and a more favorable effective tax rate, should drive additional P&L leverage



FY 2016 Financial Outlook

Delivering Growth Across All Key Metrics

Currency neutral
sales growth*

4.0% - 5.0%

Currency neutral adjusted
operating profit growth*

3.5% - 4.5%

Currency neutral
adjusted EPS growth*

5.0% - 6.0%



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Expected Impact of Currency

Trends More Becoming More Favorable

	Adjusted* Currency Neutral	Impact of Currency	Adjusted*
Sales	4.0% - 5.0%	~1.5ppt	2.5% - 3.5%
Operating Profit	3.5% - 4.5%	~2ppt	1.5% - 2.5%
EPS	5.0% - 6.0%	~2ppt	3.0% - 4.0%



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Summary

Solid Year-to-Date Performance

Expect Improving Trends in Q4 2016

Continued Execution of Vision 2020 Strategy

Q&A