

**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 Gross Profit**

	First Quarter	
	2019	2018
Reported (GAAP)	\$ 531,259	\$ 405,809
Operational Improvement Initiatives (a)	406	453
Integration Related Costs (c)	156	-
FDA Mandated Product Recall (e)	-	5,000
Frutarom Acquisition Related Costs (g)	7,850	-
Adjusted (Non-GAAP)	\$ 539,671	\$ 411,262

**Reconciliation of Selling and Administrative Expenses**

	First Quarter	
	2019	2018
Reported (GAAP)	\$ 213,182	\$ 142,644
Acquisition Related Costs (b)	-	514
Integration Related Costs (c)	(14,557)	-
Frutarom Acquisition Related Costs (g)	(1,679)	-
Adjusted (Non-GAAP)	\$ 196,946	\$ 143,158

**Reconciliation of Operating Profit**

	First Quarter	
	2019	2018
Reported (GAAP)	\$ 163,870	\$ 174,856
Operational Improvement Initiatives (a)	406	1,026
Acquisition Related Costs (b)	-	(514)
Integration Related Costs (c)	14,897	-
Restructuring and Other Charges, net (d)	16,174	717
Gains on Sale of Assets	(188)	(69)
FDA Mandated Product Recall (e)	-	5,000
Frutarom Acquisition Related Costs (g)	9,529	-
Adjusted (Non-GAAP)	\$ 204,688	\$ 181,016

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**Reconciliation of Net Income**

	First Quarter							
	2019				2018			
	Income before taxes	Taxes on income (h)	Net Income Attributable to IFF (i)	Diluted EPS	Income before taxes	Taxes on income (h)	Net Income Attributable to IFF	Diluted EPS (j)
Reported (GAAP)	\$ 134,576	\$ 23,362	\$ 108,829	\$ 0.96	\$ 158,837	\$ 29,421	\$ 129,416	\$ 1.63
Operational Improvement Initiatives (a)	406	142	264	-	1,026	294	732	0.01
Acquisition Related Costs (b)	-	-	-	-	(514)	(134)	(380)	-
Integration Related Costs (c)	14,897	3,349	11,548	0.10	-	-	-	-
Restructuring and Other Charges, net (d)	16,174	4,031	12,143	0.11	717	169	548	0.01
Gains on Sale of Assets	(188)	(43)	(145)	-	(69)	(17)	(52)	-
FDA Mandated Product Recall (e)	-	-	-	-	5,000	1,196	3,804	0.05
U.S. Tax Reform (f)	-	-	-	-	-	(649)	649	0.01
Frutarom Acquisition Related Costs (g)	9,529	1,530	7,999	0.07	-	-	-	-
Adjusted (Non-GAAP)	<u>\$ 175,394</u>	<u>\$ 32,371</u>	<u>\$ 140,638</u>	<u>\$ 1.24</u>	<u>\$ 164,997</u>	<u>\$ 30,280</u>	<u>\$ 134,717</u>	<u>\$ 1.69</u>

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

Numerator	First Quarter	
	2019	2018
Adjusted (Non-GAAP) Net Income	\$ 140,638	\$ 134,717
Amortization of Acquisition related Intangible Assets	47,625	9,185
Tax impact on Amortization of Acquisition related Intangible Assets	10,196	2,336
Amortization of Acquisition related Intangible Assets, net of tax (k)	37,429	6,849
Adjusted (Non-GAAP) Net Income ex. Amortization	178,067	141,566
Denominator		
Weighted average shares assuming dilution (diluted)	113,389	79,393
Adjusted (Non-GAAP) EPS ex. Amortization	<u>\$ 1.57</u>	<u>\$ 1.78</u>

- (a) Represents accelerated depreciation related to a plant relocation in India, as well as a lab closure in Taiwan for 2018.
- (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) For 2019, represents costs related to the integration of the Frutarom acquisition, principally advisory services. For 2018, represents costs related to the integration of the David Michael and Fragrance Resources acquisitions.
- (d) For 2019, represents severance costs related primarily to Scent. For 2018, represents severance costs related to the 2017 Productivity Program and Taiwan lab closure.
- (e) Represents losses related to the FDA mandated recall.
- (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. Amount primarily includes \$7.9 million of amortization for inventory "step-up" costs and \$1.7 million of transaction costs included in Selling and administrative expenses.
- (h) 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.
- (i) For 2019, net income is reduced by income attributable to noncontrolling interest of \$2.4M.
- (j) The sum of these items does not foot due to rounding.
- (k) Represents all amortization of intangible assets acquired in connection with acquisitions, net of tax.