

**IFF
Q2 2018
Earnings
Conference
Call**

August 8, 2018

Cautionary Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding IFF's or Frutarom's expected future financial position, results of operations, cash flows, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management and statements containing the words such as "anticipate," "approximate," "believe," "plan," "estimate," "expect," "project," "could," "should," "will," "intend," "may" and other similar expressions, are forward-looking statements. Statements in this presentation concerning IFF's or Frutarom's 2018 outlook or future economic performance, anticipated profitability, revenues, expenses or other financial items, and product or services line growth, together with other statements that are not historical facts, are forward-looking statements that are estimates reflecting management's best judgment based upon currently available information.

Risks and uncertainties related to IFF's proposed acquisition of Frutarom include, but are not limited to, the inability to obtain required regulatory approvals for the acquisition, the timing of obtaining such approvals and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the acquisition, the risk that a condition to closing of the acquisition may not be satisfied on a timely basis or at all, the failure of the proposed transaction to close for any other reason, uncertainties as to access to available financing (including financing for the acquisition or refinancing of IFF or Frutarom debt) on a timely basis and on reasonable terms, the impact of IFF's proposed financing on its liquidity and flexibility to respond to other business opportunities, whether the acquisition will have the accretive effect on IFF's earnings or cash flows that it expects, the inability to obtain, or delays in obtaining, cost savings and synergies from the acquisition, costs and difficulties related to the integration of Frutarom's businesses and operations with IFF businesses and operations, unexpected costs, liabilities, charges or expenses resulting from the acquisition, adverse effects on IFF's stock price resulting from the acquisition, the inability to retain key personnel, and potential adverse reactions, changes to business relationships or competitive responses resulting from the acquisition.

Factors that could cause IFF's actual results to differ materially include, but are not limited to: (1) the inability to obtain required regulatory approvals for the Frutarom acquisition, the timing of obtaining such approvals and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the acquisition; (2) the risk that a condition to closing of the Frutarom acquisition may not be satisfied on a timely basis or at all; (3) the failure of the proposed Frutarom transaction to close for any other reason; (4) uncertainties as to access to available financing (including financing for the acquisition or refinancing of Company or Frutarom debt) on a timely basis and on reasonable terms; (5) the impact of the Company's proposed financing on its liquidity and flexibility to respond to other business opportunities; (6) whether the acquisition will have the accretive effect on the Company's earnings or cash flows that it expects; (7) the inability to obtain, or delays in obtaining, cost savings and synergies from the Frutarom acquisition; (8) costs and difficulties related to the integration of Frutarom's businesses and operations with the Company's businesses and operations; (9) unexpected costs, liabilities, charges or expenses resulting from the Frutarom acquisition; (10) adverse effects on the Company's stock price resulting from the Frutarom acquisition; (11) the inability to retain key personnel; (12) potential adverse reactions, changes to business relationships or competitive responses resulting from the Frutarom acquisition; (13) macroeconomic trends affecting the emerging markets; (14) 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; (15) the Company's ability to realize the benefits of its cost and productivity initiatives; (16) the impact of the disruption in supply of citral from BASF on the price and availability of citral in 2018; (17) the Company's ability to effectively compete in its market, and to successfully develop new, cost-effective and competitive products that appeal to its customers and consumers; (18) changes in consumer preferences and demand for the Company's products or a decline in consumer confidence and spending; (19) the Company's ability to benefit from its investments and expansion in emerging markets; (20) the impact of currency fluctuations or devaluations in the principal foreign markets in which it operates; (21) the economic and political risks associated with the Company's international operations, including challenging economic conditions in China and Latin America; (22) the impact of any failure or interruption of the Company's key information technology systems or a breach of information security; (23) the Company's ability to comply with, and the costs associated with compliance with U.S. and foreign environmental protection laws; (24) the Company's ability to realize expected cost savings and efficiencies from its profitability improvement initiative and other optimization activities; (25) volatility and increases in the price of raw materials, energy and transportation; (26) price realization in a rising input cost environment; (27) fluctuations in the quality and availability of raw materials; (28) the impact of a disruption in the Company's supply chain or its relationship with its suppliers; (29) any adverse impact on the availability, effectiveness and cost of the Company's hedging and risk management strategies; (30) the Company's ability to successfully manage its working capital and inventory balances; (31) the effect of legal and regulatory developments, as well as restrictions or costs that may be imposed on the Company or its operations by U.S. and foreign governments; (32) adverse changes in federal, state, local and international tax legislation or policies, including with respect to transfer pricing and state aid, and adverse results of tax audits, assessments, or disputes; and (33) changes in market conditions or governmental regulations relating to our pension and postretirement obligations. 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.

Important Information & Where to Find It

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. IFF has filed with the SEC a registration statement on Form S-4 that includes a proxy statement of Frutarom that also constitutes a prospectus of IFF. INVESTORS AND SECURITY HOLDERS OF FRUTAROM ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT WERE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION. Investors and security holders are able to obtain free copies of the registration statement and other documents filed with the SEC by the parties through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by IFF are available free of charge on IFF's internet website at ir.iff.com.

Conference Call Participants



Andreas Fibig
Chairman & CEO



Rich O'Leary
EVP & CFO

Agenda

- 1. 1H 2018 Executive Overview**
2. Q2 2018 Financial Review
3. FY 2018 Outlook
4. Frutarom Transaction Update
5. Q&A

1H 2018 Executive Overview

Strong first half performance

Currency neutral
sales growth*

+6%

Currency neutral
adjusted operating profit growth*

+5%

Currency neutral
adjusted EPS growth*

+10%



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

1H 2018 Strategic Highlights

Refreshed priorities driving overall performance



Drive Differentiation

Sweetness and savory modulation portfolio sales grew strong double-digits while POWDERPURE (clean label), grew an impressive triple-digits



Maximize Portfolio

Cosmetic active ingredients remains strong, up double-digits; Hair Care/Home Care/Toiletries improved high-single digits; Achieved double-digit growth in Dairy & high-single digit in Beverage



Balance Customers

Growth with local and regional customers doubled that of global customers; TastepointSM improved strong double-digits



Generate Return

Cost and productivity initiatives generated approximately 5 percentage points of operating profit and EPS growth

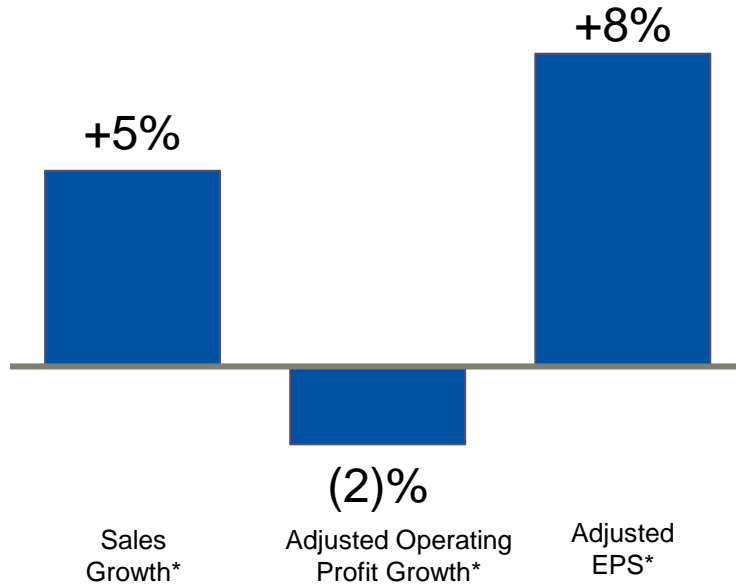
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Q2 2018 Financial Review

Delivered strong sales and EPS growth

Currency Neutral Performance



Currency Neutral Sales Growth*

- Broad-based growth driven by balanced contribution from Flavors and Fragrances

Currency Neutral Adjusted Operating Profit*

- Volume growth and the benefits associated with cost and productivity initiatives were more than offset by higher raw material costs, including BASF citral issue

Currency Neutral Adjusted EPS*

- Benefited from a more favorable year-over-year effective tax rate & higher other income

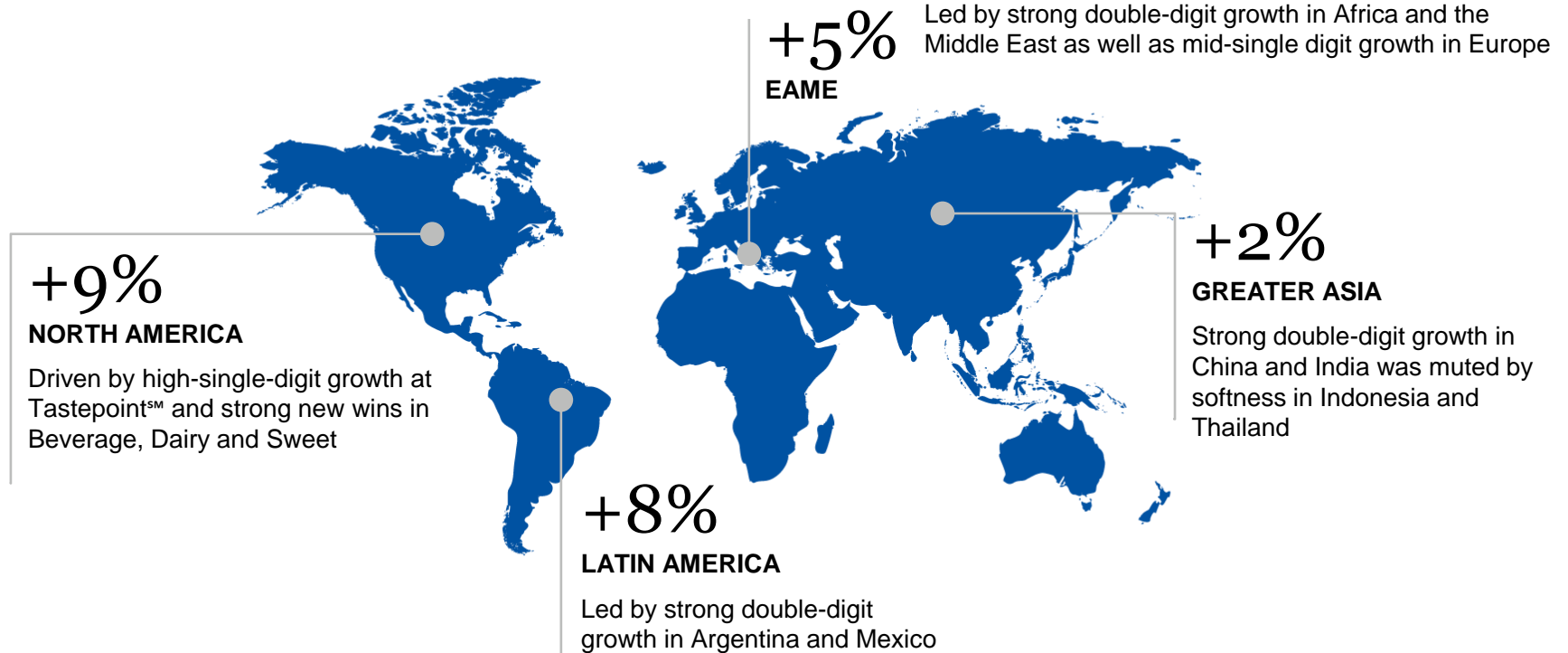


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Flavors Review

Q2 2018 currency neutral sales performance

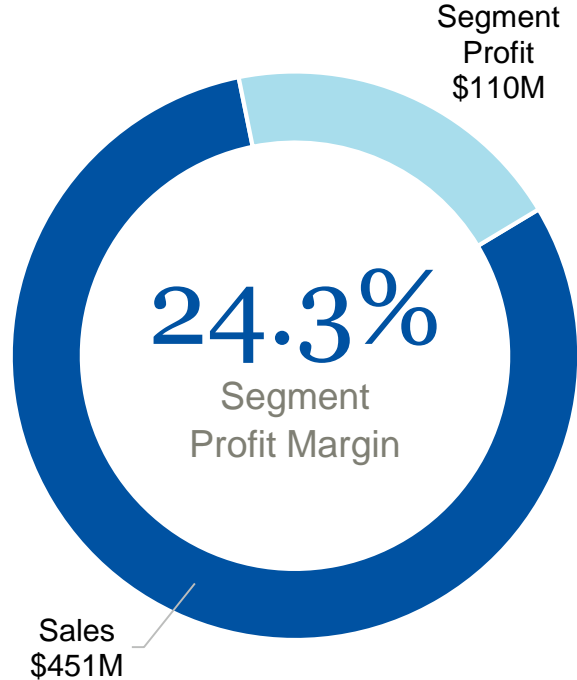
+6%
TOTAL SALES



* Currency Neutral Sales is a Non-GAAP metric please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

Flavors Review

Q2 2018 segment profit performance



Currency Neutral Segment Profit: +6%*

- Continued strong growth performance
- Driven primarily by volume growth and the benefits from productivity initiatives

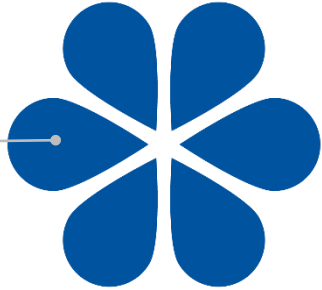
Currency Neutral Segment Profit Margin:

- Achieved margin expansion year-over-year principally driven by productivity initiatives & volume growth

Fragrances Review

Q2 2018 currency neutral sales performance

+5%
TOTAL SALES



+5%

CONSUMER FRAGRANCE

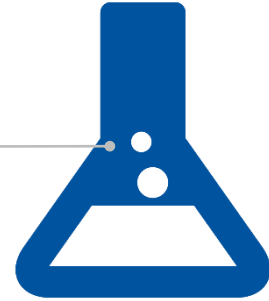
Growth achieved in all categories led by double-digit growth in Hair Care as well as mid-single-digit increases in Toiletries, Home Care & Fabric Care



+1%

FINE FRAGRANCE

Led by double-digit growth in LATAM; EAME & Greater Asia soft due to strong year-over-year comparisons



+10%

FRAGRANCE INGREDIENTS

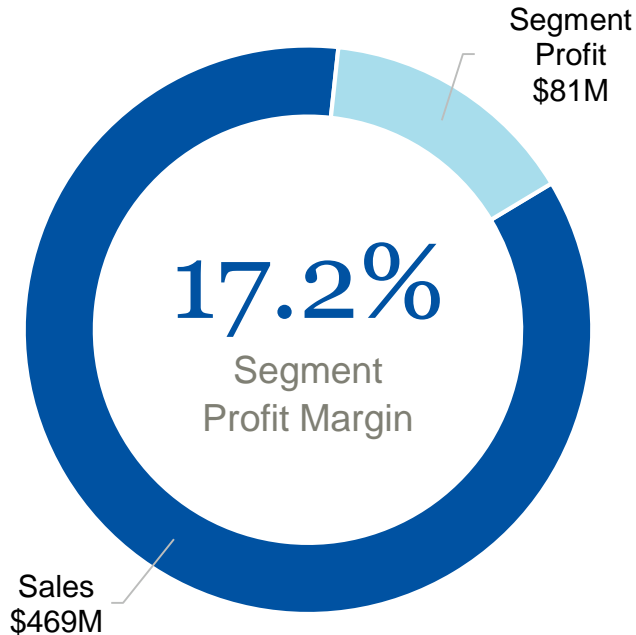
Driven by increases in three of the four regions



* Currency Neutral Sales is a Non-GAAP metric please see our GAAP to Non-GAAP Reconciliation at ir.iff.com

Fragrances Review

Q2 2018 segment profit performance



Currency Neutral Segment Profit: (9)%*

- Benefited from volume growth and cost & productivity initiatives
- Higher input costs, including BASF citral issue, negatively impacted performance

Currency Neutral Segment Profit Margin:

- Margin profile remains strong; Pressured year-over-year by the above noted items

Cash Flow Analysis

1H 2018 operating cash flow results & uses of cash

	1H '17	1H '18
Net Income	\$226	\$229
Core Working Capital*	(105)	(175)
D&A	56	65
Pension	(32)	(10)
Other	(87)	(54)
Operating Cash Flow	\$58	\$55
Capital Expenditures	(46)	(67)
Dividends	(101)	(109)
Share Buybacks	(53)	(15)

Operating Cash Flow

- Primarily impacted by product recall claim payment, costs associated with bridge loan commitment fees & increased level of working capital related to higher inventories

Continued to invest in the business via Capex

- Capex as a percentage of sales was 3.6% driven by new plant and capacity investments

Return of Cash to Shareholders

- Authorized quarterly dividend increase of 6% to \$0.73 per share
- Share repurchase program paused to prioritize debt repayment related to the Frutarom acquisition



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

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2018 Financial Outlook

Reconfirming currency neutral guidance; FX less favorable to sales growth

	Adjusted* Currency Neutral	Impact of Currency	Adjusted*
Sales	3.0% - 5.0%	~2.0 ppt	5.0% - 7.0%
Operating Profit	5.0% - 7.0%	~1.5 ppt	6.5% - 8.5%
EPS	4.0% - 6.0%	~1.5 ppt	5.5% - 7.5%



* Currency Neutral Sales, Currency Neutral Adjusted Operating Profit and Currency Neutral Adjusted EPS are Non-GAAP metrics

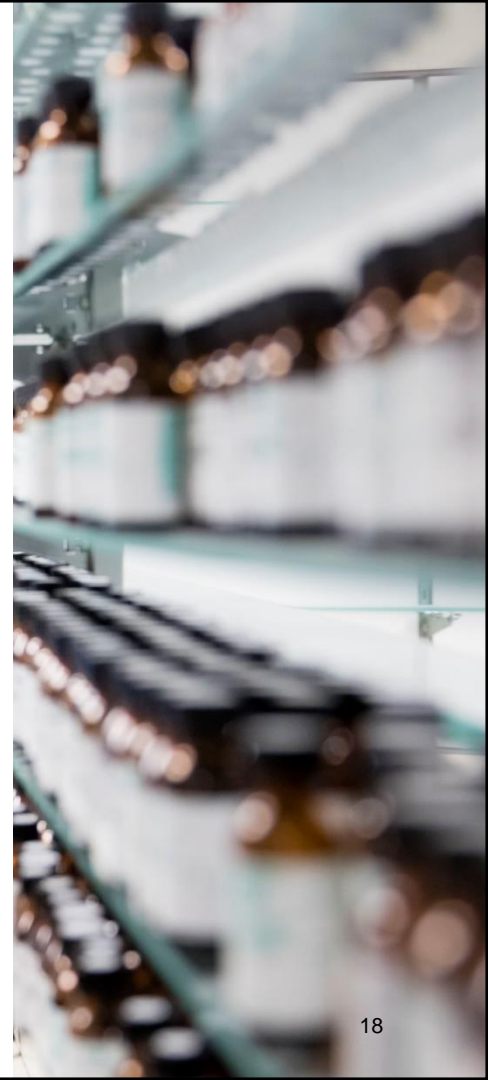
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IFF & Frutarom

A compelling combination

- IFF & Frutarom combination establishes a global leader in natural taste, scent and nutrition with expected 2018 pro-forma sales of \$5.3 billion
- Unique position in natural solutions, strengthens exposure to fast-growing customers & new opportunities in attractive adjacencies
- Expect to realize \$145 million in run-rate cost synergies
- Additional value driven by cross-selling and integrated solutions
- Strong team of extraordinarily talented employees globally
- Enhanced platform for sustainable, profitable growth



Process Update

Strong advancements towards deal close

- Frutarom shareholders approved transaction with IFF by a majority of ~95%
- Comprehensive pre-close meetings/discussions on talent, R&D, adjacencies & business and functional integration
- Committed to Tel Aviv Stock listing upon completion of transaction
- Close now expected to take place in Q4 which is at the early-end of previously communicated timeline



Integration Approach

Disciplined process, with strong leadership & dedicated team

Key Principles

- 1 Structured approach towards integration;
Cross-functional team across both organizations
- 2 Protect core business to deliver plan
- 3 Realize targeted cost synergies
- 4 Capture cross-selling opportunities

Integration Leadership Team



Francisco Fortanet – Integration Lead IFF – EVP, Operations at IFF: has extensive experience leading manufacturing and procurement plus strong cross-functional leadership, and robust commercial support



Amos Anatot – Integration Lead Frutarom – EVP of Global Supply Chain & Operations: has robust knowledge of the day-to-day operations at Frutarom & is actively involved in all business aspects

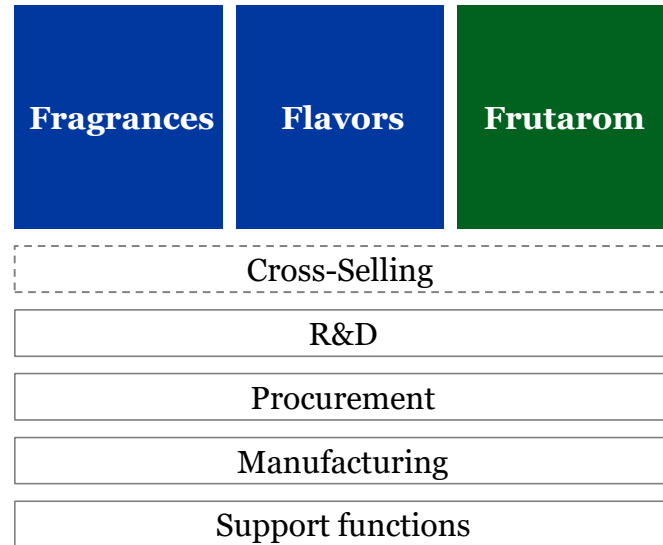
Day 1 Approach

Positioning for strong execution & sustainable, profitable growth

Driving Value Creation

- Frutarom to remain a standalone unit; Maintain current go-to-market strategy
- Leverage global expertise across back-end functions to unlock value
- Drive cross-selling via sharing of vast technologies & categories expertise
- Selectively “lift & shift” as appropriate based on long-term strategy

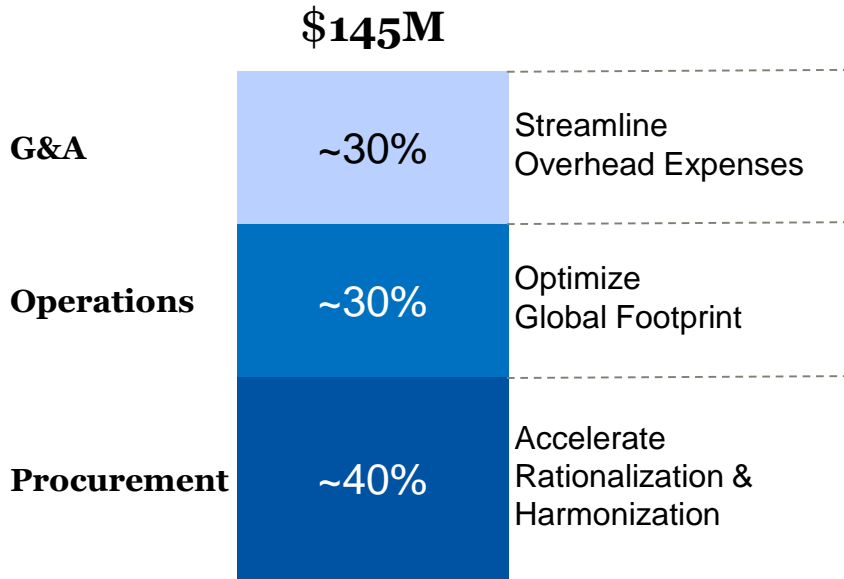
Day 1 Model



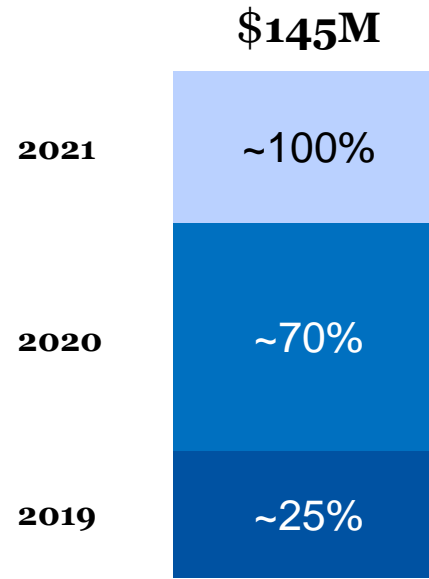
Cost Synergies

Expect to unlock significant value creation

Breakdown of Cumulative Savings

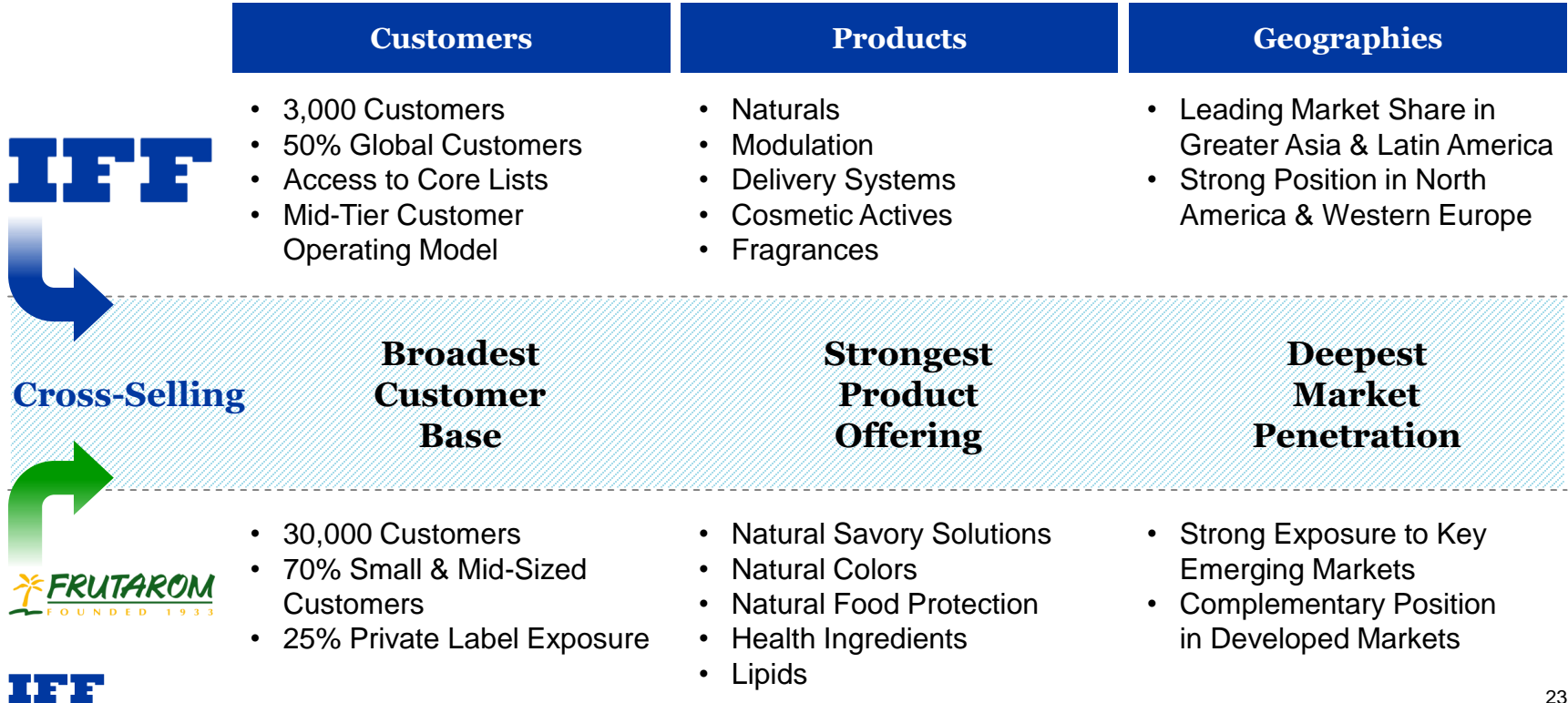


Expected Timing of Savings











Revenue Synergies

Strong potential “for upside” to drive accelerated sales growth



Antitrust Process

On-track, with all applications submitted & approvals in US & Israel

Country	Filing	Approved
United States 	✓	✓
Israel 	✓	✓
Russia 	✓	—
European Union 	✓	—
Mexico 	✓	—
South Africa 	✓	—
Turkey 	✓	—
Ukraine 	✓	—

Deal Financing Considerations

Anticipated sources & uses of funds

Sources of Funds

- New Equity to Frutarom Shareholders: ~\$2.0B
- New Equity Financing:
 - Common Stock: ~\$1.5B
 - Tangible Equity Units: ~\$0.7B
- New Debt Financing: ~\$3.1B
- Cash from Balance Sheet: ~\$0.2B

Uses of Funds

- Equity to Frutarom Shareholders: ~\$2.0B
- Cash to Frutarom Shareholders: ~\$4.3B
- Frutarom/IFF Debt Refinancing: ~\$0.9B
- Other: ~\$0.3B

Summary

Strong 1H Financial Results

On-Track to Deliver 2018 Financial Goals

Progressing Towards Deal Close

Q&A