

Passion for Taste & Health



Company Overview

Aug 2018



DISCLAIMER

This presentation includes statements data, forecasts, goals and Company plans that are "forward-looking statements", as defined in the Securities Law - 1968, whose occurrence is not certain and which are not solely in the Company's control. These forward-looking statements are included, inter alia, in discussions of strategy, objectives, goals, plans, events, future intentions or other information relating to future events or issues whose occurrence is not certain.

By their nature, forward-looking statements involve risk and uncertainty. Whether the forward looking information occurs or not is affected, inter alia, by risk factors characteristic to the Company's operations and developments in the general environment and external factors which impact the Frutarom Group and its area of activities, and by the consummation of the merger with International Flavors & Fragrances Inc announced on the 7th of May 2018 and approved by the Company shareholders on 6th of August 2018.

This forward looking information could include facts and data based on the Company's subjective assessment, including with regards to the current status of the Company and its business, the current situation in the industry in which the Frutarom Group operates, macro-financial facts and information, all as are known to the Company on the date on which this presentation was prepared, some of which were given to the Company by external sources, the content of which was not independently examined by the Company, and therefore the Company is not responsible for their verity.

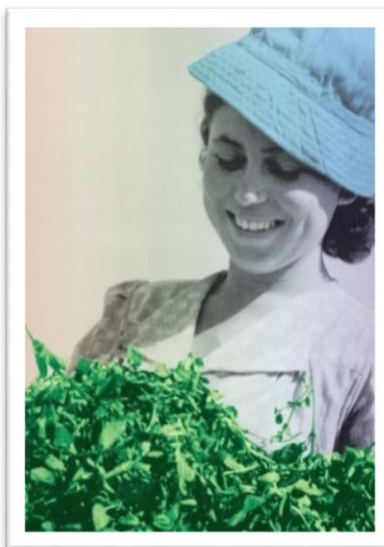
This presentation must be read together with the Company's periodic and immediate reports, and was not meant to replace the need for study of reports the Company has published, including, inter alia, the Company's periodic report for 2017, published on March 2018, and the Company's periodic and immediate reports subsequently published. These reports could include, inter alia, updates to the information regarding the Company's activities or of the forward looking statements appearing in this presentation.

Subject to the requirements of applicable law, the Company does not intend to update any industry information or forward-looking statements appearing in this presentation, and is not required to publish any additional presentations for its shareholders in future.

It is to be emphasized that the financial estimations and the pro-forma figures included in this presentation are based on figures which were not audited or reviewed by an auditor and therefore the actual results may differ from these financial estimations.

Frutarom's Foundations

Founded in 1933, Frutarom combined the cultivation of aromatic plants and flowers with the extraction and distillation of flavors, fine ingredients and essential oils.



A Leading Fast Growing Global Flavor & Fine Ingredient House

Global Presence

- A Top **10** flavor house
- Sales in over **150** countries
- Over **30,000** customers

Broad Product Portfolio

- **70,000** products
- Over **10,000** raw materials
- Innovative pipeline

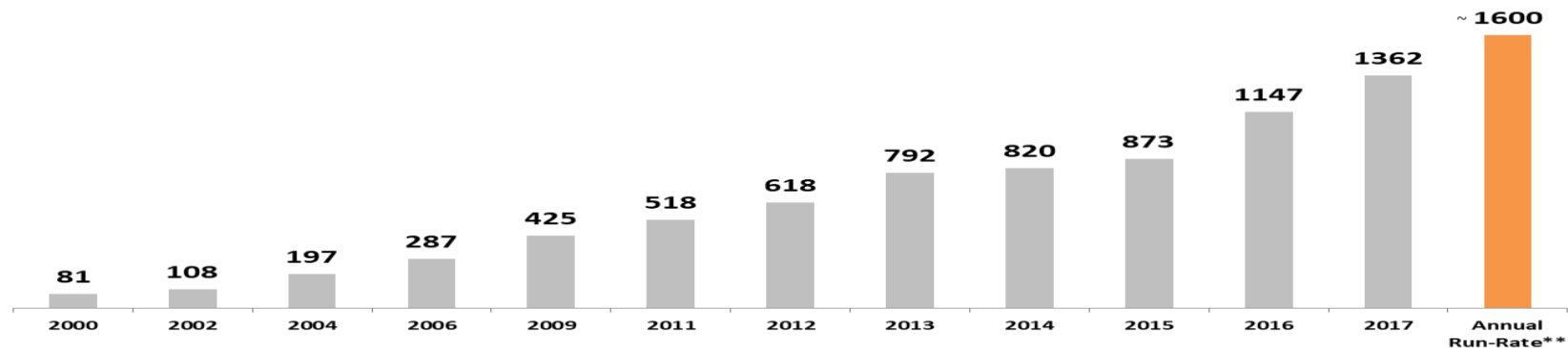
Financial Success 2000-2017

- **16x** growth in sales (CAGR 18%)
- **30x** growth in EBITDA*
- **38x** growth in Net Profit*

Public Company

- Listed on London & TLV Stock Exchanges
- From \$13M to above **\$6 B** market cap

Revenue, \$M



* Excluding non-recurrent expenses

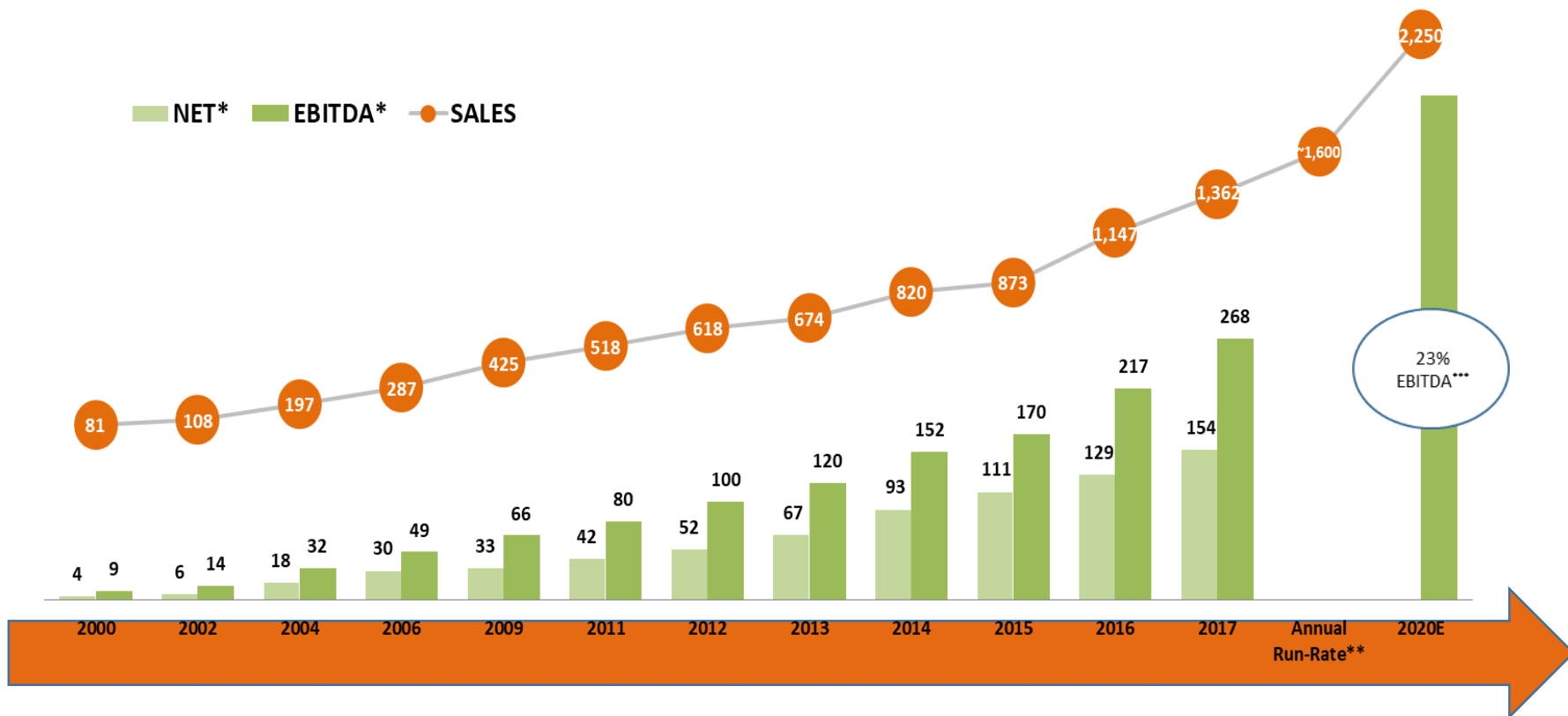
** Following its accelerated internal growth and acquisitions made in 2017 (Including Mighty), Frutarom's annual sales run-rate already reaches 1.6B\$

Global Presence



- 73 Production sites
- 92 R&D laboratories
- 110 Sales & Marketing offices

A Profitable Growth Story



* Excluding non-recurrent expenses

** Following its accelerated internal growth and acquisitions made in 2017 (including Mighty), Frutarom's annual sales run-rate already reaches 1.6B\$

*** Core business

Growing Core Business



- Unique, high quality creation of sweet and savory flavors for food and beverage
- Local and global tastes
- Value-added functional savory solutions for the food industry (snacks, meat, fish, ready meals, convenience food, organic, and culinary segments)
- Comprehensive sweet and savory food systems
- Unique technologies for fruit, spice, vegetable, meat and fish preparations



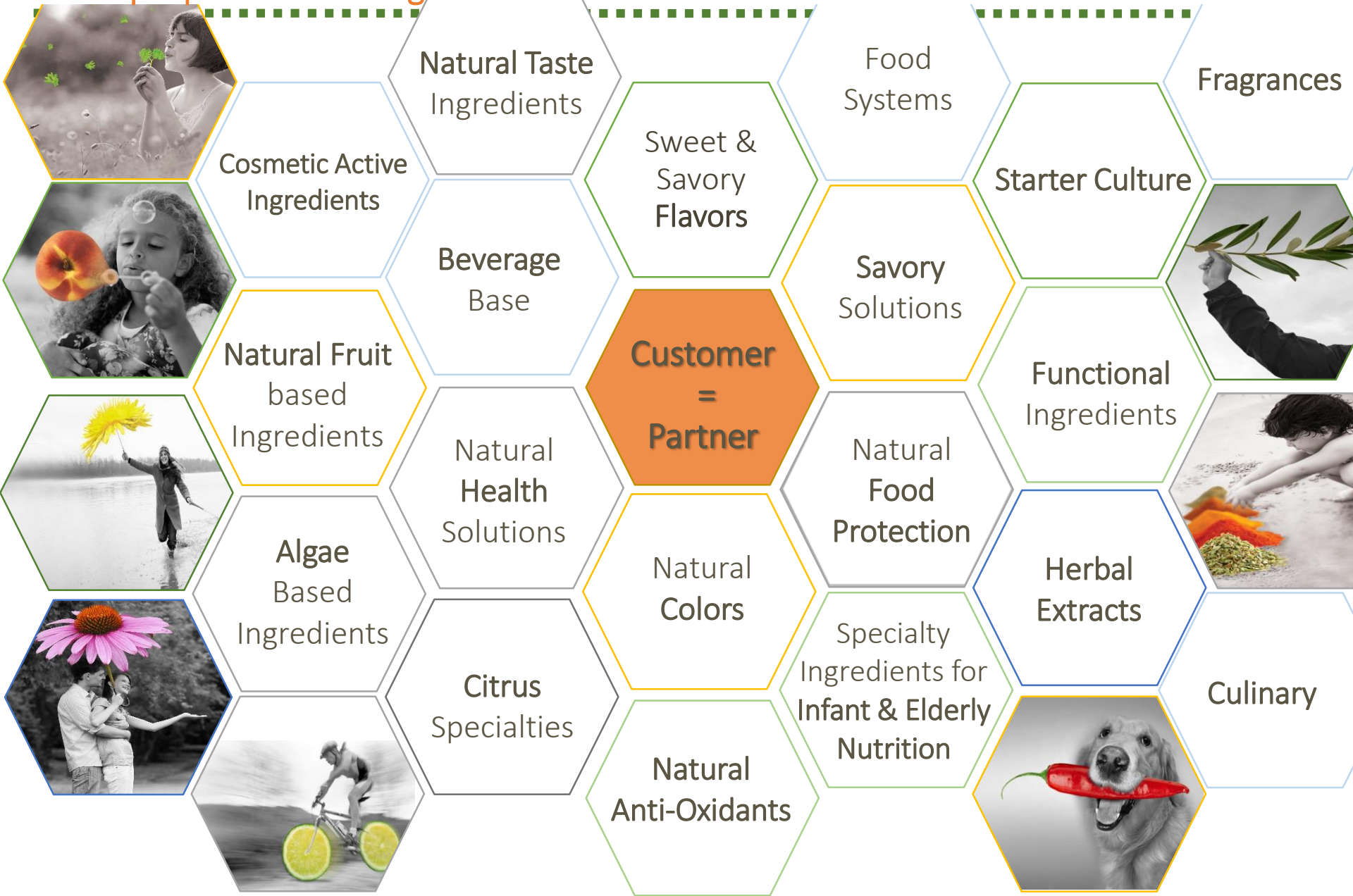
- Innovative, science-based health ingredients for phyto-pharmaceuticals, dietary supplements, functional food, infant & elderly nutrition, cosmetics & personal care
- Supporting the growing demand for natural health and beauty
- Specialty botanical extracts, distillates, essential oils and aroma chemicals
- Wide array of natural colors for food, beverage and cosmetics
- Natural anti-oxidants and anti-microbial. Biotechnology based products for natural food preservation and shelf life extension



Expands offering to enhance customer partnership

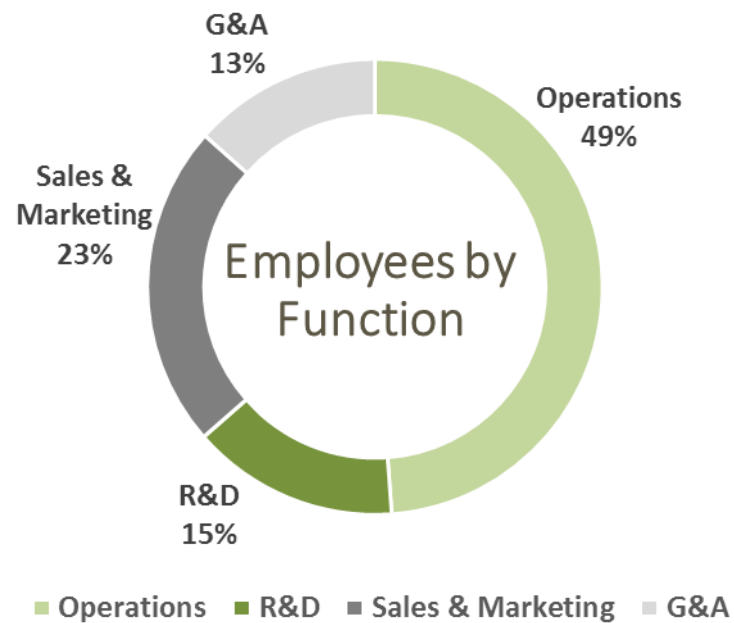
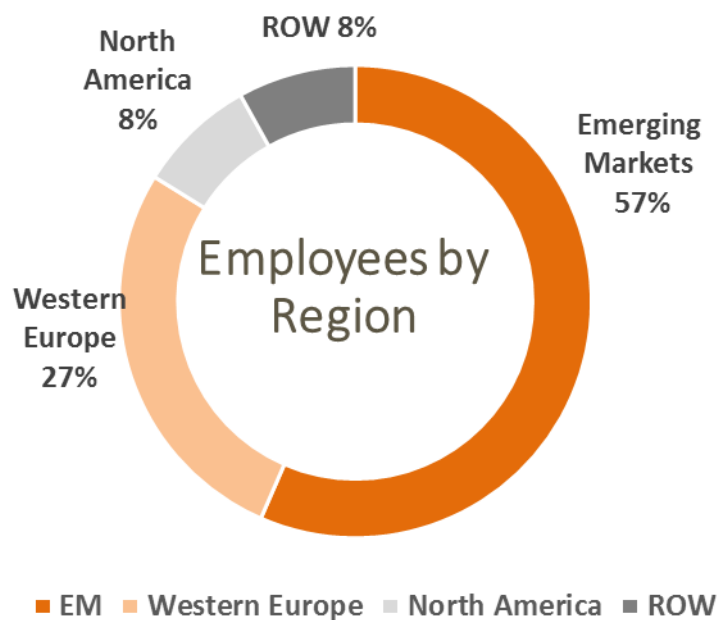
Customer in the Centre

A Unique product offering



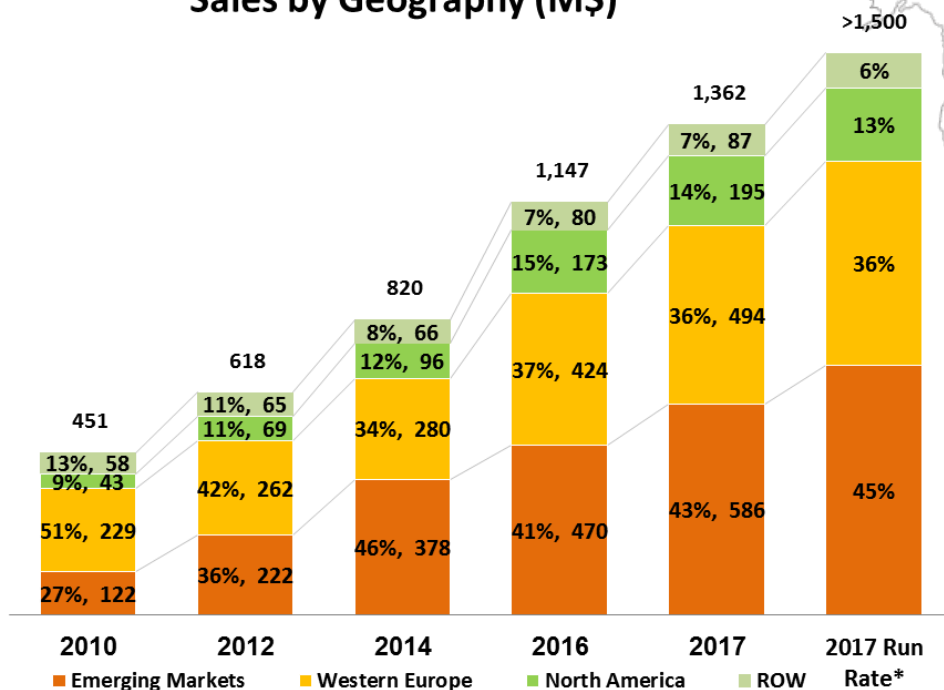
Our Employees are the Key to Our Success

~5,600 employees worldwide



Above Market Growth in North America & Emerging Markets

Sales by Geography (M\$)



4.8x growth in North America**

5.7x growth in Emerging Markets**

10.7x growth in Flavors North America**

* Following its accelerated internal growth and acquisitions made in 2017 (including Mighty), Frutarom's annual sales run-rate already reaches 1.6B\$

** 2017 Run rate compared with 2010

Realizing Strategy through Acquisitions

Geographic Focus

Natural & Healthy

North America

Hagelin

- Enhancing market position in the **US and EM**
- Expertise in Beverages

CitraSource

- Enhancing Citrus capabilities & leadership
- Presence in **Florida** – World Center for Citrus

Scandia Citrus

- Enhancing market position in the **US**
- Expertise in specialty Citrus solutions

BSA

- Enhancing savory position in **North America and India**

Wiberg

- Enhancing savory position in **North America**

Emerging Markets

PTI Russia & CIS

- Savory Solution leadership position in **Eastern Europe**

Amco Poland

- Enhancing savory solutions leadership in **Eastern Europe**

Aroma Guatemala

- Enhancing market position in **Central America**

Montana Food

- **Peru & Chile** Enhancing market position in **LATAM**

Sonarome India

- Enhancing market position in **India and Africa**

Inventive China

- Enhancing market position in **Southeast Asia**

Nardi Aromas Brazil

- beverage flavoring in **Brazil**

Piasa Mexico

- Savory solutions leadership in **Mexico**

Unique Flavors s. Africa

WFF Vietnam

SDFLC Brazil

Mighty Thailand

Bremil Brazil

Continuing to improve product mix and Enhancing position in Health & Wellness

Montana Food

- **Peru & Chile** Enhancing market position in **LATAM**

Vitiva Slovenia

- Food protection
- Natural Colors
- Health Ingredients

Ingrenat

Spain

- Food protection
- Natural Colors

Nutrafur

- Specialty natural plant extracts for food, health and food protection

Extrakt Chemie

- Natural extracts for **Pharma**

AB Fortis

- **IBR** **Israel** Innovative cosmetic ingredients

CitraSource

- Enhancing Citrus capabilities & leadership
- Presence in **Florida** – World Center for Citrus

Scandia Citrus

- Enhancing market position in the **US**
- Specialty Citrus solutions Expertise

Taura

- **Belgium, New Zealand, Australia** Enhancing market position in **Natural Fruit-Based Ingredients** and specialty solutions

Inventive China

- Enhancing market position in **Southeast Asia**

Grow USA

- **Biotechnology** products for the supplement and nutraceutical market

Enzymotec Israel

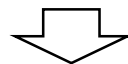
- Innovative specialty nutrition Solutions

Leveraging Synergies

- Strong management, R&D and sales
- Additional improvement in margins
- Cross-selling opportunities
- Optimization & Savings

Increasing 2020 Goals

Following the accelerated profitable internal growth and 12 acquisitions made in 2017 Frutarom **Revenues Run-Rate exceeds \$1.5 Billion**



- ✓ Above-industry Growth
- ✓ Continue Margin Expansion
- ✓ Continue Acquisitions Strategy



\$2.25 Billion in revenues in 2020



23% EBITDA in our core business by 2020*

Strategic Focus:

Unique Offering
 Natural & Clean Label
 Taste & Health
 More profitable segments

Customer Focus
 Innovative solutions to MNCs
 Local Mid Size & Private Label

Geographic Focus
 Expand market share in North America
 Accelerate growth in key Emerging Markets

Leverage **Cross-selling Opportunities**

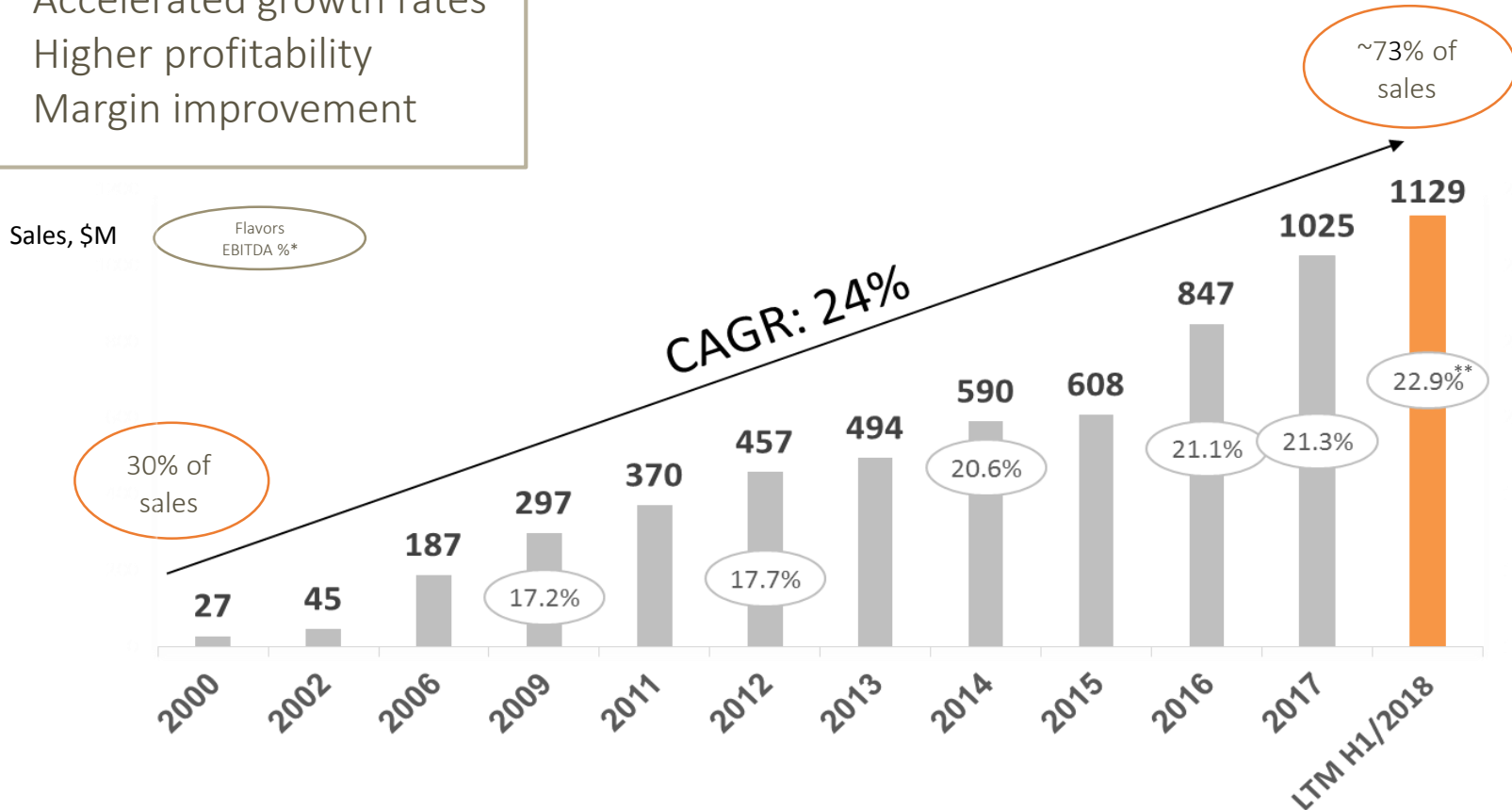
Supply Chain Optimization
 Integration of operations
 Global Purchasing

* Given current product mix

Growing Faster than the Market While Improving Profit & Profitability

Flavor Activity Trends

- Accelerated growth rates
- Higher profitability
- Margin improvement



Major contributors to growth in Profit & Profitability :

- Above market organic growth rate
- Successful integration of recent acquisitions
- Exploiting operational efficiencies

* Net of non-recurrent expenses

** Q2/2018 adjusted EBITDA

Specialty Fine Ingredients Division

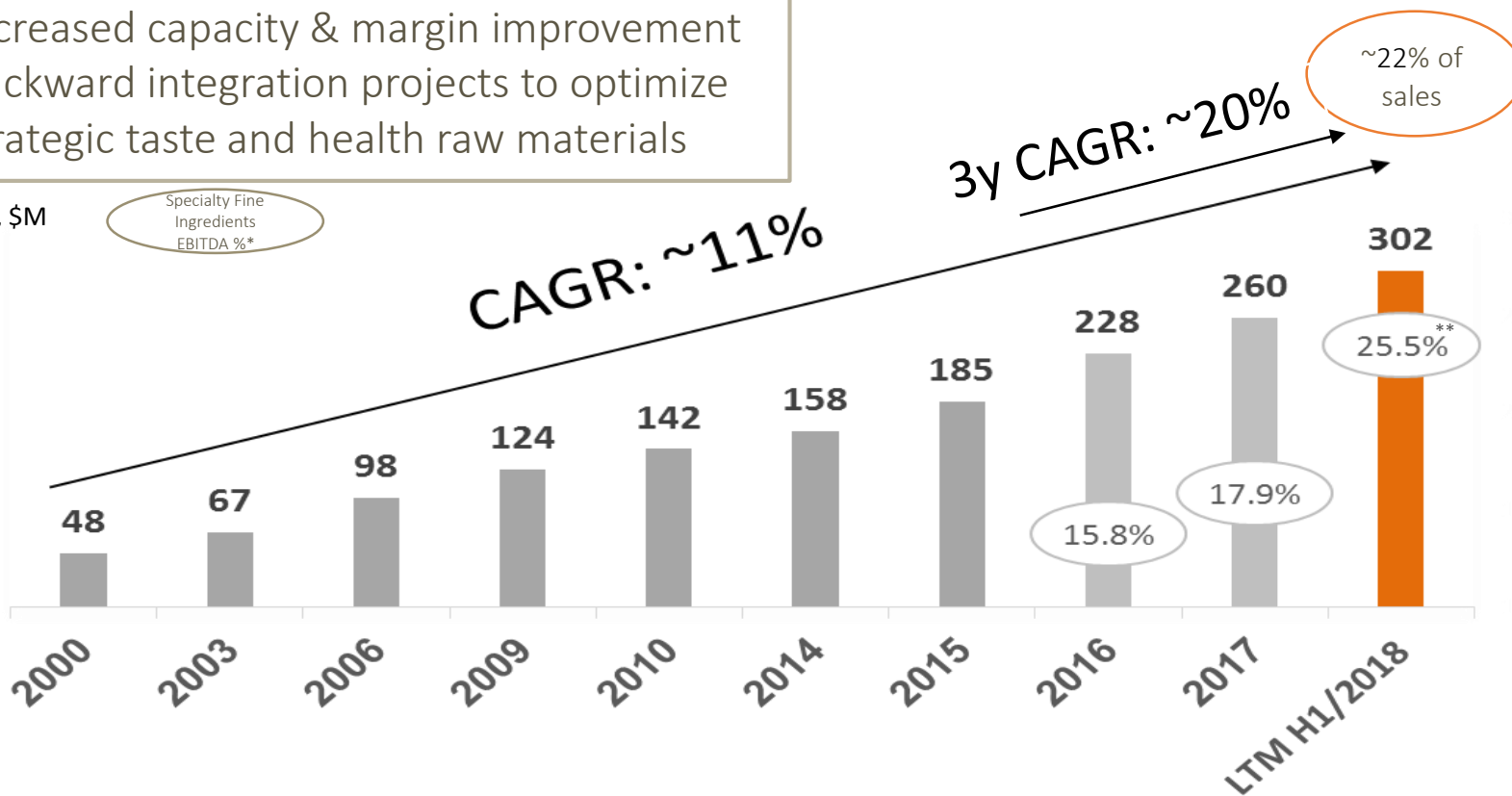
Accelerated Growth with Focus on Specialty Natural Offering

Fine Ingredient Activity Trends

- Accelerated profitable internal growth rates
- Increased capacity & margin improvement
- Backward integration projects to optimize strategic taste and health raw materials

Sales, \$M

Specialty Fine Ingredients EBITDA %*



Major contributors to growth in Profit & Profitability :

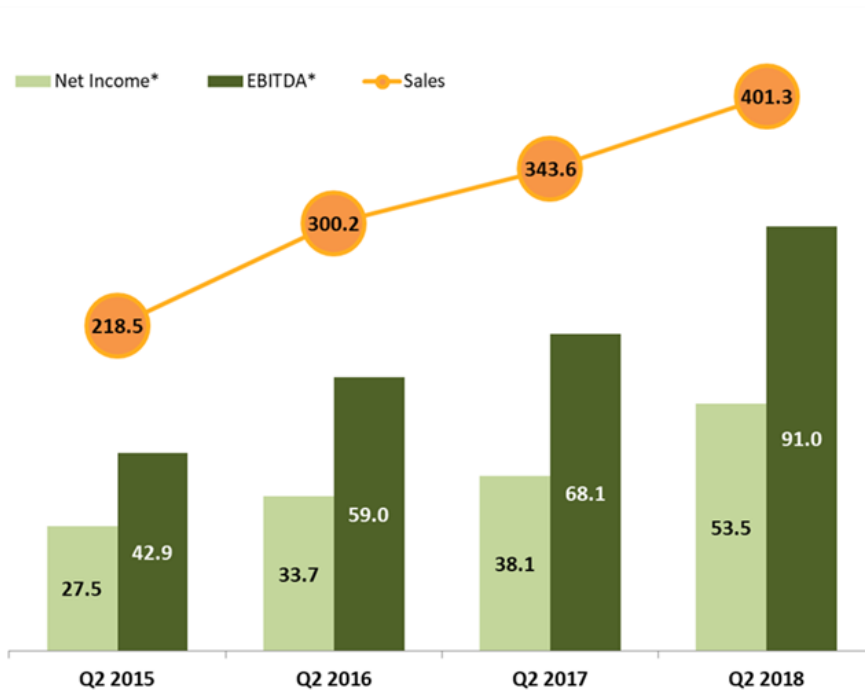
- Expanding offering into growing fields of desirable natural ingredients (natural colors, natural food protection, health ingredients, cosmetics ingredients, specialty infant and elderly nutrition)
- Successful integration of recent acquisitions
- Leveraging operational efficiencies and creation of centers of expertise in plant extraction
- Backward integration projects with agricultural institutes and farmers

* Net of non-recurrent expenses

** Q2 /2018 adjusted EBITDA

Q2/2018 KPI's -

Continued Accelerated Growth - Record Revenues and Profits



Revenues - \$401.3M

Flavor Business approx. 73% of Revenues

Growth - Sales Growth – 16.8%

Sales YoY Growth – 4.5% (on LFL basis)*

Core Business YoY Growth – 6.1% (on LFL basis)*

Flavors YoY Growth – 6.1% (on LFL basis)*

Specialty Fine Ingredients YoY Growth – 8.9% (on LFL basis)*

Gross Profit - \$164.1M*

23.8% YoY Growth*

42.2% Core Business Gross Margin*

EBITDA - \$91.0M*

33.5% YoY Growth*

23.8% Core Business EBITDA Margin*

Net Income - \$53.5M*

40.2% YoY Growth*

13.3% Net Margin*

* Sales on a constant currency and pro-forma basis assuming the acquisitions performed and completed in 2017 had been consolidated on January 1, 2017, and the acquisitions performed in 2018 had been consolidated in 2017 according to their date of acquisition; Gross Profit, EBITDA, Net income and profitability margins are net of non-recurrent effects which reduced the reported Q2/2018 Gross Profit, Operating Profit and EBITDA by 0.7M\$ and the Net Income by 0.5M\$

H1/2018 KPI's -

Continued Accelerated Growth - Record Revenues and Profits



Revenues - \$786.1M

Flavor Business approx. 73% of Revenues

Growth - Sales Growth – 21.7%

Sales YoY Growth – 6.0% (on LFL basis)*

Core Business YoY Growth – 7.2% (on LFL basis)*

Flavors YoY Growth – 7.0% (on LFL basis)*

Specialty Fine Ingredients YoY Growth – 8.7% (on LFL basis)*

Gross Profit - \$320.6M*

28.7% YoY Growth*

42.1% Core Business Gross Margin*

EBITDA - \$172.4M*

38.3% YoY Growth*

23.0% Core Business EBITDA Margin*

Net Income - \$99.9M*

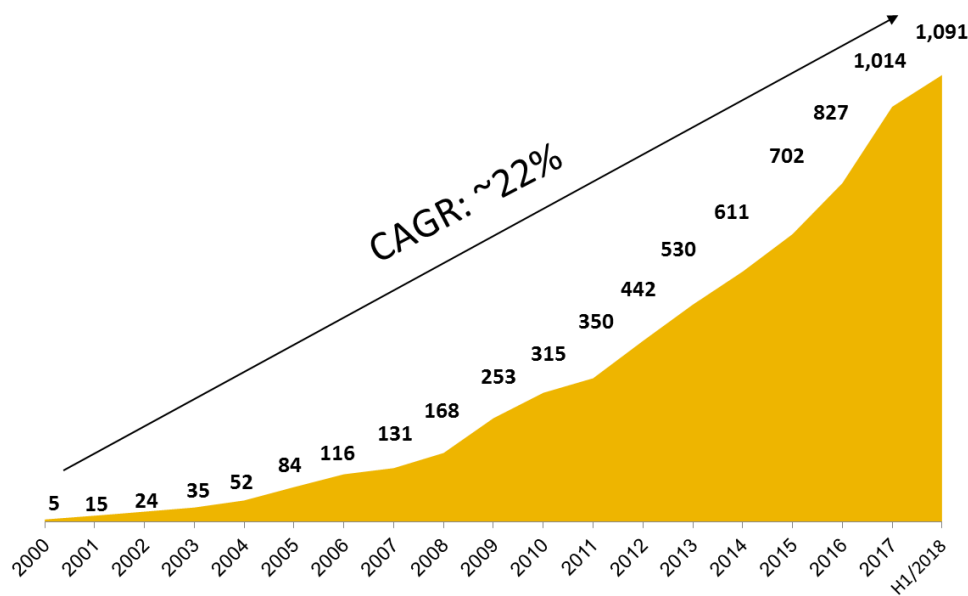
37.8% YoY Growth*

12.7% Net Margin*

* Sales on a constant currency and pro-forma basis assuming the acquisitions performed and completed in 2017 had been consolidated on January 1, 2017, and the acquisitions performed in 2018 had been consolidated in 2017 according to their date of acquisition; Gross Profit, EBITDA, Net income and profitability margins are net of non-recurrent effects which reduced the reported H1/2018 Gross Profit by 1.4M\$, Operating Profit and EBITDA by 1.6M\$ and Net Income by 1.3M\$

Solid Balance Sheet & Cash Flow from Operations

Cumulative Cash Flow From Operations (M\$)



Cash Flow

- \$1,091M - Cumulative cash flow since 2000
- Q2/2018 – \$42.0M Net operating cash flow, 28% YoY Growth

Balance Sheet

- Net debt (30.06.18) - \$678M
- Equity (30.06.18) - \$921M
- Equity Ratio¹ at approx. 40.9%
- Leverage Ratio² at approx. 30.0%
- Net Debt / EBITDA³ ratio = ~2

¹ Equity ratio = Total equity / total assets

² Leverage ratio = net financial debt / total assets

³ LTM adjusted Pro Forma EBITDA

Positive Outlook for 2018 and Onwards

Profitable rapid internal growth in core business

Focus on small, mid-size and private label customers with better organic growth rate than the MNCs

Focus on innovative, health & wellness oriented, natural product mix

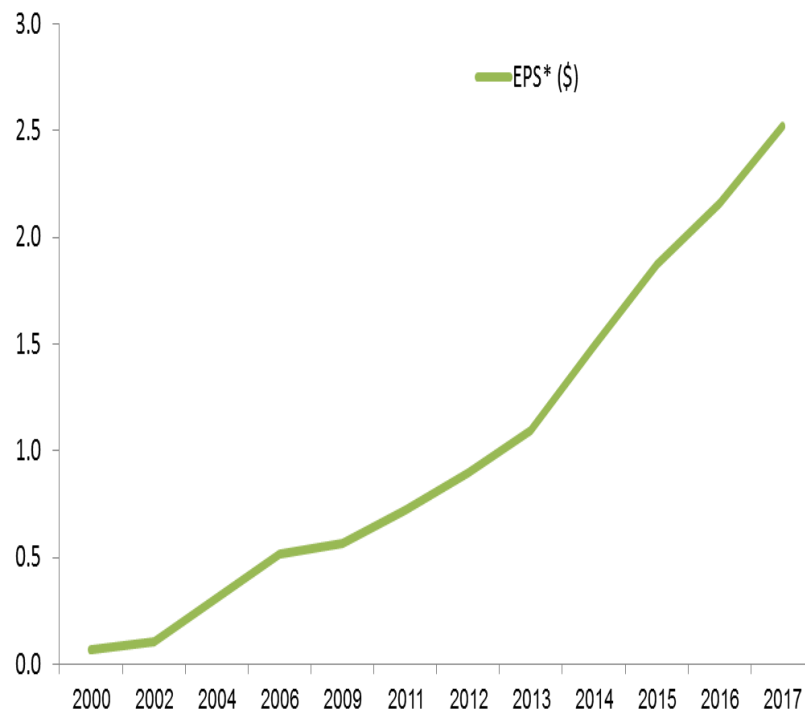
Successful integration of the recent acquisitions

Additional projects to improve efficiency, merge activities and operations

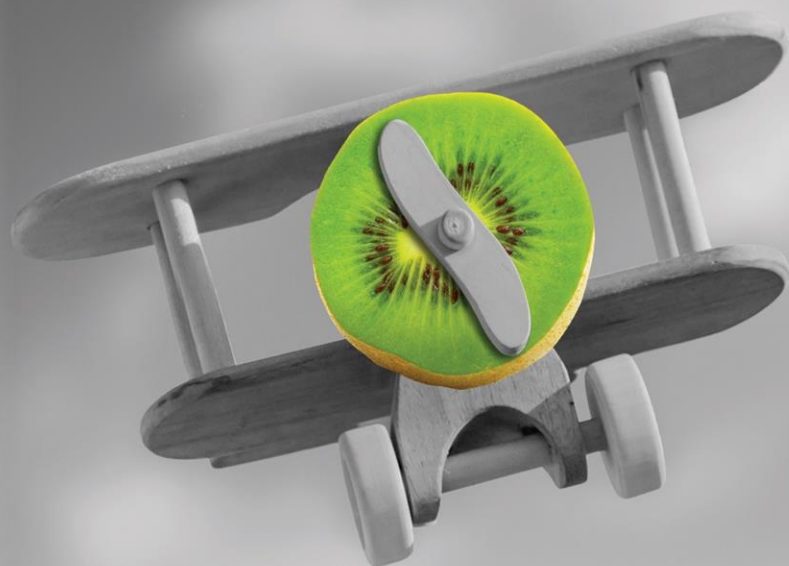
Enhancing & leveraging global purchasing

Strong acquisitions pipeline

Continues Improvement in EPS



* Excluding non-recurrent expenses



Frutarom's Vision

To Be The Preferred Partner
For Tasty And Healthy
Success

