UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______________ to _________________

Commission file number 1-4858

INTERNATIONAL FLAVORS & FRAGRANCES INC.
(Exact name of registrant as specified in its charter)

New York	13-1432060
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

521 West 57th Street, New York, NY 10019-2960

200 Powder Mill Road, Wilmington, DE 19803-2907

(Address of principal executive offices) (Zip Code)

Registrant’s telephone number, including area code (212) 765-5500

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value 12 1/2¢ per share	IFF	New York Stock Exchange
1.800% Senior Notes due 2026	IFF 26	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company.

See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Number of shares of common stock outstanding as of April 29, 2024: 255,350,544

INTERNATIONAL FLAVORS & FRAGRANCES INC.

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ITEM 1. FINANCIAL STATEMENTS.
INTERNATIONAL FLAVORS & FRAGRANCES INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE (LOSS) INCOME
(Unaudited)

	Three Months Ended March 31,	
(AMOUNTS IN MILLIONS EXCEPT PER SHARE AMOUNTS)	**2024**	**2023**
Net sales	$ 2,899	$ 3,027
Cost of goods sold	1,875	2,063
Gross profit	1,024	964
Research and development expenses	166	161
Selling and administrative expenses	490	454
Amortization of acquisition-related intangibles	168	171
Restructuring and other charges	3	52
Gains on sale of assets	(2)	(5)
Operating profit	199	131
Interest expense	83	100
Other expense, net	1	17
Income before taxes	115	14
Provision for income taxes	54	22
Net income (loss)	61	(8)
Net income attributable to non-controlling interests	1	1
Net income (loss) attributable to IFF shareholders	$ 60	$ (9)
Net income (loss) per share - basic	$ 0.23	$ (0.04)
Net income (loss) per share - diluted	$ 0.23	$ (0.04)
Average number of shares outstanding - basic	255	255
Average number of shares outstanding - diluted	256	255
Statements of Comprehensive (Loss) Income		
Net income (loss)	$ 61	$ (8)
Other comprehensive (loss) income, after tax:		
Foreign currency translation adjustments	(293)	284
Losses on derivatives qualifying as hedges	(7)	—
Pension and postretirement liability adjustment	5	(2)
Other comprehensive (loss) income	(295)	282
Comprehensive (loss) income	(234)	274
Comprehensive income attributable to non-controlling interests	1	1
Comprehensive (loss) income attributable to IFF shareholders	$ (235)	$ 273

See Notes to Consolidated Financial Statements

INTERNATIONAL FLAVORS & FRAGRANCES INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 732	$ 703
Restricted cash	7	6
Trade receivables (net of allowances of $37 and $52, respectively)	1,977	1,726
Inventories	2,411	2,477
Assets held for sale	509	506
Prepaid expenses and other current assets	771	875
Total Current Assets	6,407	6,293
Property, plant and equipment, net	4,145	4,240
Goodwill	10,538	10,635
Other intangible assets, net	8,116	8,357
Operating lease right-of-use assets	699	689
Other assets	737	764
Total Assets	$ 30,642	$ 30,978
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Bank borrowings, overdrafts, and current portion of long-term debt	$ 312	$ 885
Commercial paper	836	—
Accounts payable	1,346	1,378
Accrued payroll and bonus	222	265
Dividends payable	102	207
Liabilities held for sale	46	46
Other current liabilities	956	977
Total Current Liabilities	3,820	3,758
Other Liabilities:		
Long-term debt	9,150	9,186
Retirement liabilities	252	253
Deferred income taxes	1,916	1,937
Operating lease liabilities	651	642
Other liabilities	527	560
Total Other Liabilities	12,496	12,578
Commitments and Contingencies (Note 18)		
Shareholders' Equity:		
Common stock $0.125 par value; 500,000,000 shares authorized; 275,726,629 shares issued as of March 31, 2024 and December 31, 2023; and 255,319,533 and 255,288,535 shares outstanding as of March 31, 2024 and December 31, 2023, respectively	35	35
Capital in excess of par value	19,889	19,874
Accumulated deficit	(2,481)	(2,439)
Accumulated other comprehensive loss	(2,191)	(1,896)
Treasury stock, at cost (20,407,096 and 20,438,094 shares as of		

INTERNATIONAL FLAVORS & FRAGRANCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(DOLLARS IN MILLIONS)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash flows from operating activities:		
Net income (loss)	$ 61	$ (8)
Adjustments to reconcile to net cash provided by operating activities		
Depreciation and amortization	278	276
Deferred income taxes	(9)	(28)
Gains on sale of assets	(2)	(5)
Losses on business divestitures	—	14
Stock-based compensation	18	12
Pension contributions	(7)	(7)
Changes in assets and liabilities, net of acquisitions:		
Trade receivables	(290)	(63)
Inventories	34	219
Accounts payable	83	(144)
Accruals for incentive compensation	(46)	(70)
Other current payables and accrued expenses	(28)	(51)
Other assets/liabilities, net	7	(18)
Net cash provided by operating activities	99	127
Cash flows from investing activities:		
Additions to property, plant and equipment	(118)	(175)
Proceeds from disposal of assets	3	7
Net proceeds received from business divestitures	37	1
Net cash used in investing activities	(78)	(167)
Cash flows from financing activities:		
Cash dividends paid to shareholders	(207)	(206)
Increase (decrease) in revolving credit facility and short-term borrowings	250	(100)
Net borrowings of commercial paper (maturities less than three months)	833	393
Deferred financing costs	—	(2)
Repayments of long-term debt	(833)	—
Employee withholding taxes paid	(1)	(6)
Other, net	(2)	(1)
Net cash provided by financing activities	40	78
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(25)	27
Net change in cash, cash equivalents and restricted cash	36	65
Cash, cash equivalents and restricted cash at beginning of year	735	552
Cash, cash equivalents and restricted cash at end of period	$ 771	$ 617
Supplemental Disclosures:		
Interest paid, net of amounts capitalized	$ 61	$ 66

INTERNATIONAL FLAVORS & FRAGRANCES INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

(DOLLARS IN MILLIONS)	Common stock Shares	Common stock Cost	Capital in excess of par value	Retained earnings	Accumulated other comprehensive (loss) income	Treasury stock Shares	Treasury stock Cost	Non-controlling interest	Total
Balance at January 1, 2023	275,726,629	$ 35	$ 19,841	$ 955	$ (2,198)	(20,758,166)	$ (978)	$ 30	$17,685
Net (loss) income				(9)				1	(8)
Cumulative translation adjustment					284				284
Pension liability and postretirement adjustment; net of tax of $0					(2)				(2)
Cash dividends declared ($0.81 per share)				(207)					(207)
Stock options/ SSARs			(5)			55,617	3		(2)
Vested restricted stock units and awards			(4)			43,396	2		(2)
Stock-based compensation			12						12
Other								1	1
Balance at March 31, 2023	275,726,629	$ 35	$ 19,844	$ 739	$ (1,916)	(20,659,153)	$ (973)	$ 32	$17,761

(DOLLARS IN MILLIONS)	Common stock					Treasury stock			
	Shares	Cost	Capital in excess of par value	Accumulated deficit	Accumulated other comprehensive (loss) income	Shares	Cost	Non-controlling interest	Total
Balance at January 1, 2024	275,726,629	$ 35	$ 19,874	$ (2,439)	$ (1,896)	(20,438,094)	$ (963)	$ 31	$14,642
Net income				60				1	61
Cumulative translation adjustment					(293)				(293)
Losses on derivatives qualifying as hedges; net of tax of $0					(7)				(7)
Pension liability and postretirement adjustment; net of tax of $0					5				5
Cash dividends declared ($0.40 per share)				(102)					(102)
Stock options/ SSARs			(2)			24,253	1		(1)
Vested restricted stock units and awards			(1)			6,745	1		—
Stock-based compensation			18						18
Other								3	3
Balance at March 31, 2024	275,726,629	$ 35	$ 19,889	$ (2,481)	$ (2,191)	(20,407,096)	$ (961)	$ 35	$14,326

INTERNATIONAL FLAVORS & FRAGRANCES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

International Flavors & Fragrances Inc. and its subsidiaries (the “Registrant,” “IFF,” “the Company,” “we,” “us” and “our”) is a leading creator and manufacturer of food, beverage, health & biosciences, scent and pharma solutions and complementary adjacent products, including cosmetic active and natural health ingredients, which are used in a wide variety of consumer products. Our products are sold principally to manufacturers of perfumes and cosmetics, hair and other personal care products, soaps and detergents, cleaning products, dairy, meat and other processed foods, beverages, snacks and savory foods, sweet and baked goods, sweeteners, dietary supplements, food protection, infant and elderly nutrition, functional food, and pharmaceutical excipients and oral care products.

Basis of Presentation

The accompanying interim Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the related notes included in our 2023 Annual Report on Form 10-K (“2023 Form 10-K”), filed on February 28, 2024 with the Securities and Exchange Commission (“SEC”).

The interim Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America for interim financial information and with the rules and regulations for reporting on Form 10-Q, and are unaudited. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP in the United States of America have been condensed or omitted, if not materially different from the 2023 Form 10-K. The year-end balance sheet data included in this Form 10-Q was derived from the audited financial statements. In the opinion of management, all adjustments, which consist of normal recurring adjustments necessary for a fair statement of the interim Consolidated Financial Statements, have been made.

Correction of Prior Year Consolidated Financial Statements

In the first quarter of 2024, the Company revised Interest expense from $111 million to $100 million and Other expense, net from $6 million to $17 million on its Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income for the three months ended March 31, 2023. This reflects certain adjustments made to interest expense associated with the Company’s cash pooling arrangements. The Company also adjusted the disclosure of its total receivables factored for the three months ended March 31, 2023 from $445 million to $402 million. The impacts of these corrections are also presented in the related footnotes.

Use of Estimates

The preparation of financial statements requires management to make estimates and judgments that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. The inputs into the Company’s judgments and estimates take into account the ongoing global current events and adverse macroeconomic impacts on our critical and significant accounting estimates, including estimates associated with future cash flows that are used in assessing the risk of impairment of certain assets. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash reported in the Company's balance sheet as of March 31, 2024, December 31, 2023, March 31, 2023 and December 31, 2022 were as follows:

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023	March 31, 2023	December 31, 2022
Current assets				
Cash and cash equivalents	$ 732	$ 703	$ 590	$ 483
Cash and cash equivalents included in Assets held for sale	32	26	4	52
Restricted cash	7	6	16	10
Non-current assets				
Restricted cash included in Other assets	—	—	7	7
Cash, cash equivalents and restricted cash	$ 771	$ 735	$ 617	$ 552

Accounts Receivable

The Company has various factoring agreements globally under which it can factor up to approximately $300 million of its trade receivables ("Company's own factoring agreements"). In addition, the Company utilizes factoring agreements sponsored by certain customers. Under all of the arrangements, the Company sells the trade receivables on a non-recourse basis to unrelated financial institutions and accounts for the transactions as sales of receivables. The applicable receivables are removed from the Company's Consolidated Balance Sheets when the cash proceeds are received by the Company.

The Company sold a total of approximately $406 million and $402 million of receivables under the Company's own factoring agreements and customer sponsored factoring agreements for the three months ended March 31, 2024 and 2023, respectively. The cost of participating in these programs was approximately $6 million and $5 million for the three months ended March 31, 2024 and 2023, respectively. These costs are included as a component of interest expense. Under the Company's own factoring agreements for which the Company has continued responsibility to collect receivables and provide to its sponsor, it sold approximately $191 million and $197 million of receivables for the three months ended March 31, 2024 and 2023, respectively. The outstanding principal amounts of receivables under the Company's own factoring agreements amounted to approximately $178 million and $196 million as of March 31, 2024 and December 31, 2023, respectively. The proceeds from the sales of receivables are included in Net cash provided by operating activities in the Consolidated Statements of Cash Flows.

Expected Credit Losses

As of March 31, 2024, the Company reported $1.977 billion of trade receivables, net of allowances of $37 million. Based on the aging analysis as of March 31, 2024, approximately 1% of the Company's accounts receivable were past due by over 365 days based on the payment terms of the invoice.

The following is a roll-forward of the Company's allowances for bad debts for the three months ended March 31, 2024:

(DOLLARS IN MILLIONS)	Allowances for Bad Debts
Balance at January 1, 2024	$ 52
Bad debt expense (reversals)[1]	(5)
Write-offs	(9)
Foreign exchange	(1)
Balance at March 31, 2024	$ 37

(1) Included approximately $7 million of reversals of allowances on receivables from certain customers in Egypt. The Company will continue to evaluate its credit exposure related to Egypt.

Inventories

Inventories are stated at the lower of cost (on a weighted-average basis) or net realizable value. The Company's inventories consisted of the following:

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023
Raw materials	$ 728	$ 779
Work in process	432	406
Finished goods	1,251	1,292
Total	$ 2,411	$ 2,477

Supply Chain Financing Program

In the fourth quarter of 2023, the Company entered into a supply chain financing ("SCF") program. The SCF program is expected to be available to U.S. based suppliers starting in the second half of 2024. The Company makes continuous efforts to improve working capital efficiency and has worked with suppliers to optimize payment terms and conditions. The Company's current payment terms with a majority of suppliers generally range from 0 to 180 days, which is deemed to be commercially reasonable. The Company's SCF program is voluntary and will allow its suppliers to elect to sell the receivables owed to them by the Company to a third-party financial institution. The suppliers, at their own discretion, will determine the invoices they want to sell and directly negotiate the arrangements with the participating third-party financial institution. Supplier participation in the program is solely the decision of the supplier and has no bearing on the Company's payment terms and amounts due with the supplier. The Company's responsibility will be limited to making payments based upon the agreed contractual terms and arrangements. The Company will not provide any form of guarantees under the SCF program and will have no economic interest in the suppliers' decision to participate in the SCF program. Amounts due to suppliers that elect to participate in the SCF program will be included in Accounts payable on the Consolidated Balance Sheets. The Company, or the third-party financial institution, may choose to terminate the agreement of the SCF program at any time upon 30 days' prior written notice. The third-party financial institution may also terminate the agreement of the SCF program at any time upon three business days' prior written notice in the event there are insufficient funds available for disbursements. As of March 31, 2024 and December 31, 2023, there were no amounts outstanding related to suppliers' participation in the SCF program.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The ASU was issued to further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. This guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and may be applied either prospectively or retrospectively. The Company is currently evaluating the impact that this guidance will have on its income tax disclosures.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The ASU intends to improve reportable segment disclosure requirements, primarily through enhanced disclosures of significant segment expenses that are regularly provided to the Chief Operating Decision Maker and included within segment profit and loss. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted, and applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact that this guidance will have on its reportable segment disclosures.

NOTE 2. NET INCOME (LOSS) PER SHARE

A reconciliation of the shares used in the computation of basic and diluted net income (loss) per share is as follows:

	Three Months Ended March 31,	
(AMOUNTS IN MILLIONS EXCEPT PER SHARE AMOUNTS)	2024	2023
Net Income (Loss)		
Net income (loss) available to IFF shareholders	$ 60	$ (9)
Shares		
Weighted average common shares outstanding (basic)	255	255
Adjustment for assumed dilution:		
Stock options and restricted stock awards	1	—
Weighted average shares assuming dilution (diluted)	256	255
Net Income (Loss) per Share		
Net income (loss) per share - basic[1]	$ 0.23	$ (0.04)
Net income (loss) per share - diluted	0.23	(0.04)

(1) For the three months ended March 31, 2024, the basic net income per share cannot be recalculated based on the information presented in the table above due to rounding.

The Company declared a quarterly dividend to its shareholders of $0.40 and $0.81 per share for the three months ended March 31, 2024 and 2023, respectively.

There were approximately 0.3 million potentially dilutive securities excluded from the computation of diluted net loss per share for the three months ended March 31, 2023 because there was a net loss attributable to IFF for the period and, as such, the inclusion of these securities would have been anti-dilutive.

For the three months ended March 31, 2024, there were approximately 0.3 million share equivalents that had an anti-dilutive effect and therefore were excluded from the computation of diluted net income per share in the period. For the three months ended March 31, 2023, there were approximately 0.4 million share equivalents that had an anti-dilutive effect and therefore were excluded from the computation of diluted net loss per share in the period.

The Company has issued shares of Purchased Restricted Stock Units (“PRSUs”) which contain rights to non-forfeitable dividends while these shares are outstanding and thus are considered participating securities. Such securities are required to be included in the computation of basic and diluted earnings per share pursuant to the two-class method.

The Company did not present the two-class method since there was no difference between basic net income (loss) per share for both unrestricted common shareholders and PRSU shareholders for the three months ended March 31, 2024 and 2023. The difference between diluted net income per share for both unrestricted common shareholders and PRSU shareholders for the three months ended March 31, 2024 was less than $0.01 per share. There was no difference between diluted net loss per share for both unrestricted common shareholders and PRSU shareholders for the three months ended March 31, 2023. In addition, the number of PRSUs outstanding as of March 31, 2024 and 2023 was not material. Net income (loss) allocated to such PRSUs was not material for the three months ended March 31, 2024 and 2023.

NOTE 3. BUSINESS DIVESTITURES

Liquidation of a Business in Russia

As part of the liquidation of a business in Russia for the sale of the portion of the Savory Solutions business, the Company recognized a pre-tax loss of approximately $10 million presented in the Other expense, net, and tax benefits of approximately $2 million presented in Provision for income taxes on the Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income for the three months ended March 31, 2023.

Divestiture of the Pharma Solutions Business

On March 19, 2024, the Company announced the sale process and entered into an agreement to sell its Pharma Solutions business, for a value of up to $2.85 billion, that is primarily made up of businesses within the Company's existing Pharma Solutions reportable operating segment, with some adjustments to the perimeter of the transaction designed to align customers, businesses and the manufacturing footprint. The transaction is subject to customary closing conditions and is expected to close in the second quarter of 2025.

Divestiture of the Cosmetic Ingredients Business

The Company completed the divestiture of its Cosmetic Ingredients business on April 2, 2024. Upon closing, the Company received gross cash proceeds of approximately $841 million from the buyer, adjusted for the preliminary estimates of certain closing adjustments. Finalization of such closing adjustments may result in additional cash receipt from or payment to the buyer.

NOTE 4. RESTRUCTURING AND OTHER CHARGES

Restructuring and other charges primarily consist of separation costs for employees including severance, outplacement and other employee benefit costs ("Severance"), charges related to the write-down of fixed assets of plants to be closed ("Fixed asset write-down") and all other related restructuring ("Other") costs. All restructuring and other charges are separately stated on the Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income.

N&B Merger Restructuring Liability

For the three months ended March 31, 2024, the Company had approximately $2 million of charges related to a lease impairment. Since the inception of the restructuring activities, there have been a total of approximately 215 headcount reductions and the Company has expensed approximately $49 million. As of December 31, 2023, the restructuring activities were completed related to employee exits. The Company continues to evaluate its owned and leased properties following the combination of IFF and DuPont de Nemours, Inc’s nutrition and biosciences business (“Merger with N&B”) and may incur additional costs to further consolidate its footprint.

2023 Restructuring Program

In December 2022, the Company announced a restructuring program mainly related to headcount reduction to improve its organizational and operating structure, drive efficiencies and achieve cost savings. For the three months ended March 31, 2024, the Company incurred approximately $1 million of charges related to severance. Since the inception of the restructuring program, the Company has expensed approximately $71 million and there have been a total of approximately 670 actual and planned headcount reductions.

Changes in Restructuring Liabilities

Changes in restructuring liabilities during the three months ended March 31, 2024 were as follows:

(DOLLARS IN MILLIONS)	Balance at January 1, 2024	Additional Charges (Reversals), Net	Non-Cash Charges	Cash Payments	Balance at March 31, 2024
N&B Merger Restructuring Liability					
Other	$ —	$ 2	$ (2)	$ —	$ —
2023 Restructuring Program					
Severance	14	1	—	(12)	3
Total Restructuring and other charges	$ 14	$ 3	$ (2)	$ (12)	$ 3

Restructuring liabilities are presented in “Other current liabilities” on the Consolidated Balance Sheets.

Charges by Segment

The following table summarizes the total amount of costs incurred in connection with the restructuring programs and activities by segment:

(DOLLARS IN MILLIONS)	Three Months Ended March 31, 2024	2023
Nourish	$ 2	$ 30
Health & Biosciences	1	10
Scent	—	10
Pharma Solutions	—	2
Total Restructuring and other charges	$ 3	$ 52

NOTE 5. STOCK COMPENSATION PLANS

The Company has various plans under which its officers, senior management, other key employees and directors may be granted equity-based awards. Equity awards outstanding under the plans include PRSUs, Restricted Stock Units (“RSUs”), Stock-Settled Appreciation Rights (“SSARs”) and Long-Term Incentive Plan awards. Liability-based awards outstanding under the plans are cash-settled RSUs.

Stock-based compensation expense and related tax benefits were as follows:

(DOLLARS IN MILLIONS)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Equity-based awards	$ 18	$ 12
Liability-based awards	1	—
Total stock-based compensation expense	19	12
Less: Tax benefit	(4)	(2)
Total stock-based compensation expense, after tax	$ 15	$ 10

As of March 31, 2024, there was approximately $64 million of total unrecognized compensation cost related to non-vested awards granted under the equity incentive plans.

NOTE 6. SEGMENT INFORMATION

The Company is organized into four reportable operating segments: Nourish, Health & Biosciences, Scent and Pharma Solutions.

Reportable segment information was as follows:

(DOLLARS IN MILLIONS)	Three Months Ended March 31, 2024	2023
Net sales:		
Nourish	$ 1,496	$ 1,653
Health & Biosciences	531	513
Scent	645	608
Pharma Solutions	227	253
Consolidated	$ 2,899	$ 3,027
Segment Adjusted Operating EBITDA:		
Nourish	$ 216	$ 208
Health & Biosciences	159	131
Scent	157	105
Pharma Solutions	46	59
Total	578	503
Depreciation & Amortization	(278)	(276)
Interest Expense	(83)	(100)
Other Expense, net	(1)	(17)
Restructuring and Other Charges (a)	(3)	(52)
Acquisition, Divestiture and Integration Related Costs (b)	(58)	(31)
Entity Realignment Costs (c)	(1)	—
Strategic Initiatives Costs (d)	(4)	(13)
Regulatory Costs (e)	(35)	(5)
Other (f)	—	5
Income Before Taxes	$ 115	$ 14

(a) For 2024, represents costs related to lease impairment and severance as part of the Company's restructuring efforts. For 2023, represents costs primarily related to severance as part of the Company's restructuring efforts.

(b) For 2024 and 2023, primarily represents costs related to the Company's actual and planned acquisitions and divestitures and integration related activities primarily for N&B. These costs primarily consisted of external consulting fees, professional and legal fees and salaries of individuals who are fully dedicated to such efforts. For 2024 and 2023, tax expenses for business divestiture costs included establishments of deferred tax liabilities related to planned sales of businesses.

For the three months ended March 31, 2024, business divestiture and integration related costs were approximately $56 million and $2 million, respectively. For the three months ended March 31, 2023, business divestiture and integration related costs were approximately $21 million and $10 million, respectively.

(c) Represents costs related to the Company's entity realignment project to optimize the structure of holding companies, primarily consulting fees.

(d) Represents costs related to the Company's strategic assessment and business portfolio optimization efforts and reorganizing the Global Business Services Centers, primarily consulting fees.

(e) Represents costs primarily related to legal fees incurred and provisions recognized for the ongoing investigations of the fragrance businesses.

(f) For 2024, represents the net impact of costs related to severance, including accelerated stock compensation expense, for a certain executive who has separated from the Company and gains from sale of assets. For 2023, represents gains from sale of assets.

Net sales, which are attributed to individual regions based upon the destination of product delivery, were as follows:

(DOLLARS IN MILLIONS)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Europe, Africa and Middle East	$ 977	$ 1,070
Greater Asia	682	688
North America	866	905
Latin America	374	364
Consolidated	$ 2,899	$ 3,027

(DOLLARS IN MILLIONS)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net sales related to the U.S.	$ 811	$ 871
Net sales attributed to all foreign countries	2,088	2,156

No non-U.S. country had net sales greater than 10% of total consolidated net sales for each of the three months ended March 31, 2024 and 2023.

NOTE 7. EMPLOYEE BENEFITS

Pension and other defined contribution retirement plan expenses included the following components:

	U.S. Plans	
	Three Months Ended March 31,	
(DOLLARS IN MILLIONS)	2024	2023
Interest cost on projected benefit obligation[(2)]	$ 6	$ 7
Expected return on plan assets[(2)]	(6)	(8)
Net amortization and deferrals[(2)]	1	—
Net periodic benefit (income) cost	$ 1	$ (1)

	Non-U.S. Plans	
	Three Months Ended March 31,	
(DOLLARS IN MILLIONS)	2024	2023
Service cost for benefits earned[(1)]	$ 6	$ 5
Interest cost on projected benefit obligation[(2)]	9	9
Expected return on plan assets[(2)]	(13)	(12)
Net amortization and deferrals[(2)]	2	—
Net periodic benefit (income) cost	$ 4	$ 2

(1) Included as a component of Operating profit.

(2) Included as a component of Other expense, net.

The Company expects to contribute a total of $5 million to its U.S. pension plans and a total of $23 million to its non-U.S. pension plans during 2024. During the three months ended March 31, 2024, no contributions were made to the qualified U.S. pension plans, $6 million of contributions were made to the non-U.S. pension plans and $1 million of contributions were made with respect to the Company's non-qualified U.S. pension plan.

(Income) expense recognized for post-retirement benefits other than pensions included the following components:

	Three Months Ended March 31,	
(DOLLARS IN MILLIONS)	2024	2023
Interest cost on projected benefit obligation	$ 1	$ 1
Net amortization and deferrals	(1)	(1)
Total postretirement benefit (income) expense	$ —	$ —

The Company expects to contribute $4 million to its postretirement benefits other than pension plans during 2024. In the three months ended March 31, 2024, $1 million of benefit payments were made.

NOTE 8. OTHER EXPENSE, NET

Other expense, net consisted of the following:

	Three Months Ended March 31,	
(DOLLARS IN MILLIONS)	2024	2023
Foreign exchange losses	$ (8)	$ (15)
Interest income	3	—
Losses on business divestitures	—	(14)
Pension-related benefit	1	5
Other	3	7
Other expense, net	$ (1)	$ (17)

NOTE 9. INCOME TAXES

The effective tax rate for the three months ended March 31, 2024 was 47.0%, which was primarily driven by tax expenses relating to business divestitures and changes in the mix of earnings, some of which do not give rise to tax benefits due to valuation allowances.

As of March 31, 2024, the Company had approximately $128 million of unrecognized tax benefits recorded in Other liabilities. If these unrecognized tax benefits were recognized, the effective tax rate would be affected.

As of March 31, 2024, the Company had accrued interest and penalties of approximately $48 million classified in Other liabilities.

As of March 31, 2024, the Company's aggregate provisions for uncertain tax positions, including interest and penalties, was approximately $176 million associated with tax positions asserted in various jurisdictions.

The Company regularly repatriates earnings from non-U.S. subsidiaries. As the Company repatriates these funds to the U.S., there will be required income taxes payable in certain U.S. states and applicable foreign withholding taxes during the period when such repatriation occurs. Accordingly, as of March 31, 2024, the Company had a deferred tax liability of approximately $174 million for the effect of repatriating the funds to the U.S., attributable to various non-U.S. subsidiaries. There is no deferred tax liability associated with non-U.S. subsidiaries where the Company intends to indefinitely reinvest the earnings to fund local operations and/or capital projects.

NOTE 10. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment consisted of the following amounts:

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023
Asset Type		
Land	$ 192	$ 195
Buildings and improvements	1,805	1,822
Machinery and equipment	3,754	3,752
Information technology	496	473
Construction in process	366	400
Total Property, plant and equipment	6,613	6,642
Accumulated depreciation	(2,468)	(2,402)
Total Property, plant and equipment, net	$ 4,145	$ 4,240

Depreciation expense was $110 million and $105 million for the three months ended March 31, 2024 and 2023, respectively.

Interest incurred during the construction period of certain property, plant and equipment is capitalized until the underlying assets are placed in service, at which time straight-line amortization of the capitalized interest begins over the estimated useful lives of the related assets. Capitalized interest was approximately $4 million for each of the three months ended March 31, 2024 and 2023.

NOTE 11. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Goodwill

Movements in goodwill attributable to each reportable segment for the three months ended March 31, 2024 were as follows:

(DOLLARS IN MILLIONS)	Nourish	Health & Biosciences	Scent	Pharma Solutions	Total
Balance at January 1, 2024	$ 3,489	$ 4,391	$ 1,490	$ 1,265	$ 10,635
Foreign exchange	(35)	(39)	(8)	(15)	(97)
Balance at March 31, 2024	$ 3,454	$ 4,352	$ 1,482	$ 1,250	$ 10,538

The goodwill balances at January 1, 2024 and March 31, 2024 included $2.623 billion and $2.250 billion of accumulated impairment related to the Nourish and Health & Biosciences reportable segments, respectively. The accumulated impairment relates to impairment charges recorded in 2023 and 2022.

Other Intangible Assets

Other intangible assets, net consisted of the following amounts:

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023
Asset Type		
Customer relationships	$ 8,137	$ 8,211
Technological know-how	2,336	2,355
Trade names & patents	334	337
Other	44	44
Total carrying value	10,851	10,947
Accumulated Amortization		
Customer relationships	(1,708)	(1,619)
Technological know-how	(863)	(813)
Trade names & patents	(123)	(117)
Other	(41)	(41)
Total accumulated amortization	(2,735)	(2,590)
Other intangible assets, net	$ 8,116	$ 8,357

Amortization

Amortization expense was $168 million and $171 million for the three months ended March 31, 2024 and 2023, respectively.

Amortization expense for the next five years, based on valuations and determinations of useful lives, is expected to be as follows:

(DOLLARS IN MILLIONS)	Remainder of 2024	2025	2026	2027	2028
Estimated future intangible amortization expense	$ 502	$ 668	$ 666	$ 573	$ 559

NOTE 12. OTHER CURRENT ASSETS AND LIABILITIES, AND OTHER ASSETS

Prepaid expenses and other current assets consisted of the following amounts:

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023
Value-added tax receivable	$ 171	$ 187
Prepaid income taxes	163	178
Packaging materials and supplies	161	161
Prepaid expenses	202	184
Other	74	165
Total	$ 771	$ 875

Other assets consisted of the following amounts:

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023
Deferred income taxes	$ 253	$ 278
Overfunded pension plans	142	139
Cash surrender value of life insurance contracts	50	49
Finance lease right-of-use assets	26	26
Equity method investments	11	11
Other[(1)]	255	261
Total	$ 737	$ 764

(1) Includes land usage rights in China, long-term deposits and receivables on certain derivative instruments.

Other current liabilities consisted of the following amounts:

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023
Rebates and incentives payable	$ 102	$ 105
Value-added tax payable	49	77
Interest payable	80	65
Current pension and other postretirement benefit obligation	14	13
Accrued insurance (including workers’ compensation)	9	9
Earn outs payable	32	32
Accrued restructuring	3	14
Current operating lease obligation	91	85
Accrued freight	13	14
Accrued commissions payable	11	10
Accrued income taxes	126	194
Accrued expenses payable	300	262
Other	126	97
Total	$ 956	$ 977

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NOTE 13. DEBT

Debt consisted of the following:

(DOLLARS IN MILLIONS)	Effective Interest Rate	March 31, 2024	December 31, 2023
2024 Euro Notes[1]	1.88 %	$ —	$ 552
2025 Notes[1]	1.22 %	1,000	1,000
2026 Euro Notes[1]	1.93 %	861	879
2027 Notes[1]	1.56 %	1,211	1,212
2028 Notes[1]	4.57 %	398	398
2030 Notes[1]	2.21 %	1,508	1,508
2040 Notes[1]	3.04 %	772	773
2047 Notes[1]	4.44 %	495	495
2048 Notes[1]	5.12 %	787	787
2050 Notes[1]	3.21 %	1,569	1,569
2024 Term Loan Facility[2]	3.75 %	—	270
2026 Term Loan Facility[2]	5.82 %	609	625
Revolving Credit Facility[3]		250	—
Commercial paper[4]		836	—
Bank overdrafts and other		2	3
Total debt		10,298	10,071
Less: Short-term borrowings[5]		(1,148)	(885)
Total Long-term debt		$ 9,150	$ 9,186

(1) Amount is net of unamortized discount and debt issuance costs.

(2) Amount is recorded at fair value.

(3) The interest rate on the Revolving Credit Facility is, at the applicable borrower's option, a per annum rate equal to either (x) an eurocurrency rate plus an applicable margin varying from 1.125% to 1.750% or (y) a base rate plus an applicable margin varying from 0.125% to 0.750%, in each case depending on the public debt ratings for non-credit enhanced long-term senior unsecured debt issued by the Company.

(4) The effective interest rate of commercial paper issuances fluctuates as short-term interest rates and demand fluctuate, and deferred debt issuance costs are immaterial. Additionally, the effective interest rate of commercial paper is not meaningful as issuances do not materially differ from short-term interest rates.

(5) Includes bank borrowings, commercial paper, overdrafts and current portion of long-term debt.

Commercial Paper

For the three months ended March 31, 2024, the Company had gross issuances of $2.099 billion and repayments of $1.263 billion under the commercial paper program. The commercial paper issued had original maturities of less than 34 days. For the three months ended March 31, 2023, the Company had gross issuances of $1.320 billion and repayments of $919 million under the commercial paper program. The commercial paper issued had original maturities of less than 86 days.

The commercial paper program is backed by the borrowing capacity available under the Revolving Credit Facility. The effective interest rate of commercial paper issuances does not materially differ from short-term interest rates, which fluctuate due to market conditions and as a result may impact our interest expense.

Revolving Credit Facility

For the three months ended March 31, 2024, the Company had drawdowns of $250 million under the Revolving Credit Facility. For the three months ended March 31, 2023, the Company had drawdowns of $400 million and repayments of $500 million under the Revolving Credit Facility.

Repayments of Debt

On February 1, 2024, the Company made a $270 million debt repayment related to the 2024 Term Loan Facility at maturity, which was primarily funded from commercial paper issuances.

On March 14, 2024, the Company made a €500 million debt repayment related to the 2024 Euro Notes at maturity, which was primarily funded from commercial paper issuances.

During the first quarter of 2024, the Company made a quarterly debt repayment of approximately $16 million related to the 2026 Term Loan Facility in accordance with the terms of the debt agreement.

Subsequent Event

In the first week of April 2024, the Company made net repayments totaling $586 million related to the commercial paper program and a repayment of $250 million related to the Revolving Credit Facility, which was primarily funded from the proceeds received from the divestiture of the Cosmetic Ingredients business.

NOTE 14. LEASES

The Company has leases for corporate offices, manufacturing facilities, research and development facilities and certain transportation and office equipment. The Company's leases have remaining lease terms of up to 50 years, some of which include options to extend the leases for up to 15 years.

The components of lease expense were as follows:

(DOLLARS IN MILLIONS)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating leases		
Operating lease cost	$ 32	$ 33
Variable lease cost	16	16
Total operating lease cost	$ 48	$ 49
Finance leases		
Finance lease cost	$ 3	$ 2

Supplemental cash flow information related to leases was as follows:

(DOLLARS IN MILLIONS)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	$ 28	$ 33
Financing cash flows for finance leases	2	2
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	39	137
Finance leases	3	2

Operating lease right-of-use assets are presented in "Operating lease right-of-use assets" and finance lease right-of-use assets are presented in "Other assets" on the Consolidated Balance Sheets. Operating lease liabilities are presented in "Operating lease liabilities" and finance lease liabilities are presented in "Other liabilities" on the Consolidated Balance

Sheets. Any other current liabilities related to operating and finance lease liabilities are presented in “Other current liabilities” on the Consolidated Balance Sheets.

NOTE 15. FINANCIAL INSTRUMENTS

Fair Value

Accounting guidance on fair value measurements specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company’s market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The Company also considers counterparty credit risk in its assessment of fair value. The Company determines the fair value of structured liabilities (where performance is linked to structured interest rates, inflation or currency risks) using the Secured Overnight Financing Rate ("Term SOFR") swap curve and forward interest and exchange rates at period end. Such instruments are classified as Level 2 based on the observability of significant inputs to the model. The Company does not have any instruments classified as Level 3, other than those included in pension asset trusts as discussed in Note 15 of the Company's 2023 Form 10-K.

The carrying values and the estimated fair values of financial instruments at March 31, 2024 and December 31, 2023 consisted of the following:

	March 31, 2024		December 31, 2023	
(DOLLARS IN MILLIONS)	Carrying Value	Fair Value	Carrying Value	Fair Value
LEVEL 1				
Cash and cash equivalents[1]	$ 732	$ 732	$ 703	$ 703
LEVEL 2				
Credit facilities and bank overdrafts[2]	252	252	3	3
Derivatives				
Derivative assets[3]	1	1	41	41
Derivative liabilities[3]	166	166	165	165
Commercial paper[2]	836	836	—	—
Long-term debt:				
2024 Euro Notes[4]	—	—	552	549
2025 Notes[4]	1,000	937	1,000	924
2026 Euro Notes[4]	861	825	879	835
2027 Notes[4]	1,211	1,066	1,212	1,049
2028 Notes[4]	398	388	398	389
2030 Notes[4]	1,508	1,248	1,508	1,240
2040 Notes[4]	772	535	773	536
2047 Notes[4]	495	389	495	382
2048 Notes[4]	787	687	787	678
2050 Notes[4]	1,569	1,002	1,569	1,029
2024 Term Loan Facility[5]	—	—	270	270
2026 Term Loan Facility[5]	609	609	625	625

(1) The carrying amount of cash and cash equivalents approximates fair value due to the short maturity of those instruments.

(2) The carrying amount approximates fair value as the interest rate is reset frequently based on current market rates as well as the short maturity of those instruments.

(3) The carrying amount approximates fair value as the instruments are marked-to-market and held at fair value on the Consolidated Balance Sheets.

(4) The fair value of the Note is obtained from pricing services engaged by the Company, and the Company receives one price for each security. The fair value provided by the pricing services are estimated using pricing models, where the inputs to those models are based on observable market inputs or recent trades of similar securities. The inputs to the valuation techniques applied by the pricing services are typically benchmark yields, benchmark security prices, credit spreads, reported trades and broker-dealer quotes, all with reasonable levels of transparency.

(5) The carrying amount approximates fair value as the Term Loans were assumed at fair value and the interest rate is reset frequently based on current market rates.

Derivatives

Foreign Currency Forward Contracts

The Company periodically enters into foreign currency forward contracts with the objective of managing our exchange rate risk related to foreign currency denominated monetary assets and liabilities of our operations. These contracts generally involve the exchange of one currency for a second currency at a future date, have maturities not exceeding twelve months and are with counterparties which are major international financial institutions.

Commodity Contracts

The Company utilizes options, futures and swaps that are not designated as hedging instruments to reduce exposure to commodity price fluctuations on purchases of inventory such as soybeans, soybean oil and soybean meal.

The Company also utilizes options, futures and swaps that are designated as hedging instruments to reduce exposure to commodity price fluctuations on purchases of natural gas used in our manufacturing process.

Hedges Related to Issuances of Debt

As of March 31, 2024, the Company designated approximately $861 million of Euro Notes as a hedge of a portion of its net European investments. Accordingly, the change in the value of the debt that is attributable to foreign exchange movements is recorded in Other comprehensive income (“OCI”) as a component of foreign currency translation adjustments in the accompanying Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income.

Cross Currency Swaps

The Company has twelve EUR/USD cross currency swaps with a notional value of $1.400 billion that mature through November 2030. The swaps all qualified as net investment hedges in order to mitigate a portion of the Company’s net European investments from foreign currency risk. As of March 31, 2024, the twelve swaps were in a liability position with an aggregate fair value of $132 million, which were classified as Other liabilities on the Consolidated Balance Sheets. Changes in fair value related to cross currency swaps are recorded in OCI.

The following table shows the notional amount of the Company’s derivative instruments outstanding as of March 31, 2024 and December 31, 2023:

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023
Foreign currency contracts[1]	$ (2,697)	$ (1,400)
Commodity contracts[1]	6	7
Cross currency swaps	1,400	1,400

(1) Foreign currency contracts and commodity contracts are presented net of contracts bought and sold.

The following tables show the Company’s derivative instruments measured at fair value (Level 2 of the fair value hierarchy), as reflected on the Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023:

(DOLLARS IN MILLIONS)	March 31, 2024		
	Fair Value of Derivatives Designated as Hedging Instruments	Fair Value of Derivatives Not Designated as Hedging Instruments	Total Fair Value
Derivative assets[1]			
Foreign currency contracts	$ —	$ 1	$ 1
Total derivative assets	$ —	$ 1	$ 1
Derivative liabilities[2]			
Foreign currency contracts	$ —	$ 33	$ 33
Cross currency swaps	132	—	132
Commodity contracts	1	—	1
Total derivative liabilities	$ 133	$ 33	$ 166

(DOLLARS IN MILLIONS)	December 31, 2023 Fair Value of Derivatives Designated as Hedging Instruments	Fair Value of Derivatives Not Designated as Hedging Instruments	Total Fair Value
Derivative assets[1]			
Foreign currency contracts	$ —	$ 41	$ 41
Total derivative assets	$ —	$ 41	$ 41
Derivative liabilities[2]			
Foreign currency contracts	$ —	$ 4	$ 4
Cross currency swaps	161	—	161
Total derivative liabilities	$ 161	$ 4	$ 165

(1) Derivative assets are recorded to Prepaid expenses and other current assets on the Consolidated Balance Sheets.

(2) Derivative liabilities are recorded to Other current liabilities and Other liabilities on the Consolidated Balance Sheets.

The following table shows the effect of the Company’s derivative instruments which were not designated as hedging instruments on the Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income for the three months ended March 31, 2024 and 2023:

	Amount of Gain (Loss) Three Months Ended March 31,		
(DOLLARS IN MILLIONS)	2024	2023	Location of Gain (Loss) Recognized in Income on Derivative
Foreign currency contracts[1]	$ (3)	$ —	Other expense, net

(1) The foreign currency contract net gains (losses) offset any recognized gains (losses) arising from the revaluation of the related intercompany loans during the same respective periods.

The following table shows the effect of the Company’s derivative and non-derivative instruments designated as cash flow and net investment hedging instruments, net of tax, on the Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income for the three months ended March 31, 2024 and 2023:

(DOLLARS IN MILLIONS)	Amount of Gain (Loss) Recognized in OCI on Derivative and Non-Derivative (Effective Portion) Three Months Ended March 31, 2024	2023	Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income ("AOCI") into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion) Three Months Ended March 31, 2024	2023
Derivatives in Cash Flow Hedging Relationships:					
Foreign currency contracts	$ (7)	$ —	N/A	$ —	$ —
Derivatives in Net Investment Hedging Relationships:					
Cross currency swaps	23	(3)	N/A	—	—
Non-Derivatives in Net Investment Hedging Relationships:					
2024 Euro Notes	3	(9)	N/A	—	—
2026 Euro Notes	15	(14)	N/A	—	—
Total	$ 34	$ (26)		$ —	$ —

The ineffective portion of the above noted net investment hedges was approximately $4 million for each of the three months ended March 31, 2024 and 2023, and was recorded as a reduction to Interest expense on the Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income.

At March 31, 2024, based on current market rates, the Company does not expect any material derivative losses (net of tax), included in AOCI, to be reclassified into earnings within the next 12 months.

NOTE 16. ASSETS AND LIABILITIES HELD FOR SALE

During the third quarter of 2023, the Company announced the sale process of its Cosmetic Ingredients business within the Scent segment, and in the fourth quarter of 2023, the Company entered into an agreement to sell its Cosmetic Ingredients business. The transaction was closed on April 2, 2024. See Note 3 for additional information.

The sale does not constitute a strategic shift of the Company's operations and does not have major effects on the Company's operations and financial results. Therefore, the transaction does not meet the discontinued operations criteria.

The Company determined that the assets and liabilities of the business met the criteria to be presented as "held for sale." As a result, as of March 31, 2024, such assets and liabilities were classified as held for sale and are reported on the Consolidated Balance Sheets. The Company expects that the sale proceeds less costs to sell will exceed the preliminary estimate of the carrying value of the net assets for the business.

Included in the Company's Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023 are the following carrying amounts of the assets and liabilities held for sale:

(DOLLARS IN MILLIONS)	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	$ 32	$ 26
Trade receivables, net	18	15
Inventories	17	18
Property, plant and equipment, net	7	7
Goodwill	271	276
Other intangible assets, net	144	146
Operating lease right-of-use assets	10	9
Other assets	10	9
Total assets held-for-sale	$ 509	$ 506
Liabilities		
Accounts payable	$ 5	$ 4
Deferred tax liability	24	24
Other liabilities	17	18
Total liabilities held-for-sale	$ 46	$ 46

NOTE 17. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables present changes in the accumulated balances for each component of other comprehensive (loss) income, including current period other comprehensive (loss) income and reclassifications out of accumulated other comprehensive loss:

(DOLLARS IN MILLIONS)	Foreign Currency Translation Adjustments		Gains (Losses) on Derivatives Qualifying as Hedges		Pension and Postretirement Liability Adjustment		Total	
Accumulated other comprehensive (loss) income, net of tax, as of January 1, 2024	$	(1,652)	$	1	$	(245)	$	(1,896)
OCI before reclassifications		(293)		(7)		3		(297)
Amounts reclassified from AOCI		—		—		2		2
Net current period other comprehensive income (loss)		(293)		(7)		5		(295)
Accumulated other comprehensive (loss) income, net of tax, as of March 31, 2024	$	(1,945)	$	(6)	$	(240)	$	(2,191)

(DOLLARS IN MILLIONS)	Foreign Currency Translation Adjustments	Gains (Losses) on Derivatives Qualifying as Hedges	Pension and Postretirement Liability Adjustment	Total
Accumulated other comprehensive (loss) income, net of tax, as of January 1, 2023	$ (2,066)	$ 1	$ (133)	$ (2,198)
OCI before reclassifications	284	—	(1)	283
Amounts reclassified from AOCI	—	—	(1)	(1)
Net current period other comprehensive income (loss)	284	—	(2)	282
Accumulated other comprehensive (loss) income, net of tax, as of March 31, 2023	$ (1,782)	$ 1	$ (135)	$ (1,916)

The following table provides details about reclassifications out of Accumulated other comprehensive loss to the Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income:

	Three Months Ended March 31,		
(DOLLARS IN MILLIONS)	2024	2023	Affected Line Item in the Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income
Gains (losses) on pension and postretirement liability adjustments			
Prior service cost	$ 1	$ 1	(1)
Actuarial losses	(3)	—	(1)
Tax	—	—	Provision for income taxes
Total	$ (2)	$ 1	Total, net of income taxes

(1) The amortization of prior service cost and actuarial loss is included in the computation of net periodic benefit cost. Refer to Note 15 of the Company’s 2023 Form 10-K for additional information regarding net periodic benefit cost.

NOTE 18. COMMITMENTS AND CONTINGENCIES

Guarantees and Letters of Credit

The Company has various bank guarantees, letters of credit and surety bonds which are used to support its ongoing business operations, satisfy governmental requirements associated with pending litigation in various jurisdictions and the payment of customs duties.

As of March 31, 2024, the Company had a total of approximately $226 million of bank guarantees, commercial guarantees, standby letters of credit and surety bonds with various financial institutions. Included in the above aggregate amount was a total of approximately $10 million for other assessments in Brazil for various income tax and indirect tax disputes related to fiscal years 1998-2011. There was a total of approximately $60 million outstanding under the bank guarantees, standby letters of credit and commercial guarantees as of March 31, 2024.

In order to challenge the assessments in these cases in Brazil, the Company has been required to, and has separately pledged assets, principally property, plant and equipment, to cover assessments in the amount of approximately $8 million as of March 31, 2024.

Lines of Credit

The Company has various lines of credit which are available to support its ongoing business operations. As of March 31, 2024, the Company had a total capacity of approximately $1.860 billion of lines of credit with various financial institutions, in addition to the $1.791 billion of capacity under the Revolving Credit Facility. Pursuant to these lines of credit as of March 31, 2024, there were total drawdowns of approximately $1.089 billion primarily related to the issuances of commercial paper and borrowings under the Revolving Credit Facility for approximately $836 million and $250 million, respectively. See Note 13 for additional information.

Litigation

The Company assesses contingencies related to litigation and/or other matters to determine the degree of probability and range of possible loss. A loss contingency is accrued in the Company’s Consolidated Financial Statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because litigation is inherently unpredictable and unfavorable resolutions could occur, assessing contingencies is highly sensitive and requires judgments about future events. On at least a quarterly basis, the Company reviews contingencies related to litigation to determine the adequacy of accruals. The amount of ultimate loss may differ from these estimates and further events may require the Company to increase or decrease the amounts it has accrued on any matter.

Periodically, the Company assesses its insurance coverage for all known claims, where applicable, taking into account aggregate coverage by occurrence, limits of coverage, self-insured retentions and deductibles, historical claims experience and claims experience with its insurance carriers. The liabilities are recorded at management's best estimate of the probable outcome of the lawsuits and claims, taking into consideration the facts and circumstances of the individual matters as well as past experience on similar matters. At each balance sheet date, the key issues that management assesses are whether it is probable that a loss as to asserted or unasserted claims has been incurred and if so, whether the amount of loss can be reasonably estimated. The Company records the expected liability with respect to claims in Other liabilities and expected recoveries from its insurance carriers in Other assets. The Company recognizes a receivable when it believes that realization of the insurance receivable is probable under the terms of the insurance policies and its payment experience to date.

Litigation Matters

Two motions to approve securities class actions were filed in the Tel Aviv District Court, Israel, in August 2019, alleging, among other things, false and misleading statements largely in connection with IFF's acquisition of Frutarom and improper payments made by Frutarom businesses operating principally in Russia and Ukraine to representatives of customers. One motion ("Borg") asserted claims under the U.S. federal securities laws against IFF, its former Chairman and CEO, and its former CFO. The Borg case is now dismissed. The other motion ("Oman") (following an initial amendment) asserted claims under the Israeli Securities Act-1968 against IFF, its former Chairman and CEO, and its former CFO, and against Frutarom and certain former Frutarom officers and directors, as well as claims under the Israeli Companies Act-1999 against certain former Frutarom officers and directors. On July 14, 2022, the court approved the parties' motion to mediate the dispute, which postpones all case deadlines until after the mediation. The parties held mediation meetings on September 13, 2022, November 22, 2022, March 1, 2023, November 2023, March 3, 2024 and April 1, 2024.

On October 29, 2019, IFF and Frutarom filed a claim in the Tel Aviv District Court, Israel, against Ori Yehudai, the former President and CEO of Frutarom, and against certain former directors of Frutarom, challenging the bonus of US $20 million granted to Yehudai in 2018. IFF and Frutarom allege, among other things, that Yehudai was not entitled to receive the bonus because he breached his fiduciary duty by, among other things, knowing of the above-mentioned improper payments and failing to prevent them from being made. The parties agreed, pursuant to the court's recommendation, to attempt to resolve the dispute through mediation, and a court decision is pending with regard to the order in which this claim and the class action described below will be heard.

On March 11, 2020, an IFF shareholder filed a motion to approve a class action in Israel against, among others, Frutarom, Yehudai, and Frutarom's former board of directors, alleging that former minority shareholders of Frutarom were harmed as a result of the US $20 million bonus paid to Yehudai. The court held an evidentiary hearing on the motion to approve a class action in March 2024.

Since March 2023, various putative class action lawsuits have been filed against IFF, Firmenich International SA, Givaudan SA, and Symrise AG and/or certain affiliates thereof in the Quebec Superior Court, the Federal Court of Canada, Ontario Superior Court, the Supreme Court of British Columbia and, in several cases, the United States District Court for the District of New Jersey. These actions allege violations of the Canadian Competition Act and the Sherman Act, as applicable, and other related claims, and seek damages and other relief. In December 2023, the Federal Court of Canada proceeding was discontinued in its entirety. IFF may face additional civil suits, in the United States or elsewhere, relating to such alleged conduct. At this time, IFF is unable to predict the potential outcome of these lawsuits or any potential effect they may have on the Company’s results of operations, liquidity or financial condition.

Investigations

On June 3, 2020, the Israel Police’s National Fraud Investigation Unit and the Israeli Securities Authority commenced an investigation into Frutarom and certain of its former executives, based on suspected bribery of foreign officials, money laundering, and violations of the Israeli Securities Act-1968. On February 26, 2024, the Israeli authorities informed Frutarom that the authorities decided to close the criminal investigation.

On March 7, 2023, the European Commission ("EC") and the United Kingdom Competition and Markets Authority ("CMA") carried out unannounced inspections of certain of IFF's facilities. On the same day, IFF was served with a grand jury subpoena by the Antitrust Division of the U.S. Department of Justice ("DOJ"). IFF understands the EC, CMA, DOJ and the Swiss Competition Commission are investigating potential anticompetitive conduct as it relates to IFF's fragrance businesses. IFF has been and intends to continue cooperating with these investigations. During the first quarter of 2024, IFF has recognized a provision related to a procedural aspect of the investigation, which was not material to the financial statements. IFF is currently unable, however, to predict or determine the duration or outcome of the investigations, or whether the outcome of the investigations will materially impact the Company's results of operations, liquidity or financial condition. Additionally, the Company from time to time does receive complaints from customers regarding product quality, performance or other aspects of its ongoing relationships. The Company is unable to determine whether the potential settlement of customer claims, if any, will materially impact the Company's results of operations, liquidity or financial condition.

Environmental Proceedings

The Company is reporting the following environmental matter in compliance with SEC requirements to disclose environmental proceedings where a governmental authority is a party and that involve potential monetary sanctions of $300,000 or greater. Effective March 22, 2024, the Solae, LLC Memphis site ("Solae") signed an Administrative Order on Consent (the "Consent Order") resolving violations and penalties pertaining to the Administrative Order and Assessment received from the City of Memphis on May 27, 2022 related to alleged wastewater discharge violations. In view of the Consent Order, Solae withdrew its previously filed appeal. Pursuant to the Consent Order, Solae is completing its capital project efforts in accordance with the agreed schedule for attaining compliance with current wastewater permit requirements. This matter is not expected to have a material adverse effect on the Company's financial position, cash flows or results of operations.

Other Contingencies

The Company has contingencies involving third parties (such as labor, contract, technology or product-related claims or litigation) as well as government-related items in various jurisdictions in which it operates pertaining to such items as value-added taxes, other indirect taxes, customs and duties and sales and use taxes. It is possible that cash flows or results of operations, in any period, could be materially affected by the unfavorable resolution of one or more of these contingencies.

The most significant government-related contingencies exist in Brazil. With regard to the Brazilian matters, the Company believes it has valid defenses for the underlying positions under dispute; however, in order to pursue these defenses, the Company is required to, and has provided, bank guarantees and pledged assets in the aggregate amount of approximately $18 million. The Brazilian matters take an extended period of time to proceed through the judicial process and there are a limited number of rulings to date.

Other

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of business and have not been fully resolved. Due to the inherent subjectivity and unpredictability of outcomes of legal proceedings, the Company is unable to determine, with certainty, the probability of the outcome of these matters or the range of reasonably possible losses, if any.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

(UNLESS INDICATED OTHERWISE, DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)

The following management's discussion and analysis should be read in conjunction with the management's discussion and analysis of financial condition and results of operations, liquidity and capital resources included in our 2023 Annual Report on Form 10-K, filed on February 28, 2024 with the SEC ("2023 Form 10-K").

OVERVIEW

Company Background

With the Merger with N&B in 2021 and our acquisition of Frutarom Industries Ltd. in 2018, we have expanded our global leadership positions, which now include high-value ingredients and solutions in the Food & Beverage, Home & Personal Care and Health & Wellness markets, and across key Taste, Texture, Scent, Nutrition, Enzymes, Cultures, Soy Proteins, Pharmaceutical Excipients and Probiotics categories.

We are organized into four reportable operating segments: Nourish, Health & Biosciences, Scent and Pharma Solutions.

Our Nourish segment consists of an innovative and broad portfolio of natural-based ingredients to enhance nutritional value, texture and functionality in a wide range of beverage, dairy, bakery, confectionery and culinary applications and consists of Ingredients, Flavors and Food Designs.

Our Health & Biosciences segment consists of the development and production of an advanced biotechnology-derived portfolio of enzymes, food cultures, probiotics and specialty ingredients for food and non-food applications. Among many other applications, this biotechnology-driven portfolio includes cultures for use in fermented foods such as yogurt, cheese and fermented beverages, probiotic strains, many with documented clinical health claims for use as dietary supplements and through industrial fermentation the production of enzymes and microorganisms that provide product and process performance benefits to household detergents, animal feed, ethanol production and brewing. Health & Biosciences is comprised of Health, Cultures & Food Enzymes, Home & Personal Care, Animal Nutrition and Grain Processing.

Our Scent segment creates fragrance compounds, fragrance ingredients and cosmetic ingredients that are integral elements in the world's finest perfumes and best-known household and personal care products. Consumer insights science and creativity are at the heart of our Scent business, and, along with our unique portfolio of natural and synthetic ingredients, global footprint, innovative technologies and know-how, and customer intimacy, we believe these make us a market leader in scent products. The Scent segment is comprised of Fragrance Compounds, Fragrance Ingredients and Cosmetic Ingredients. We completed the divestiture of our Cosmetic Ingredients business on April 2, 2024.

Our Pharma Solutions segment produces, among other things, a vast portfolio of cellulosics and seaweed-based pharmaceutical excipients, used to improve the functionality and delivery of active pharmaceutical ingredients, including controlled or modified drug release formulations, and enabling the development of more effective pharmaceutical finished dosage formulations. Our excipients are used in prescription and over-the-counter pharmaceuticals and dietary supplements. Our Pharma Solutions products also serve a variety of other specialty and industrial end-uses including coatings, inks, electronics, agriculture and consumer products. On March 19, 2024, we announced the sale process and entered into an agreement to sell our Pharma Solutions business. See Note 3 for additional information.

Financial Measures — Currency Neutral

Changes in our financial results include the impact of changes in foreign currency exchange rates. We provide currency neutral calculations in this report to remove the impact of these items. Our method in calculating currency neutral numbers is conducted by translating current year invoiced sale amounts at the exchange rates used for the corresponding prior year period. We use currency neutral results in our analysis of subsidiary and/or segment performance. We also use currency neutral numbers when analyzing our performance against our competitors.

Impact related to the Israel-Hamas War

We maintain operations in Israel and, additionally, export products to customers in Israel from operations outside the region. We will continue to evaluate the current events and any potential impacts related to this matter, but we do not expect there to be a material impact to our Consolidated Financial Statements.

For each of the three months ended March 31, 2024 and 2023, total sales to Israeli customers were approximately 1% of total sales.

Impact related to the Russia-Ukraine War

We maintain operations in both Russia and Ukraine and, additionally, export products to customers in Russia and Ukraine from operations outside the region. In response to the events in Ukraine, we have limited the production and supply of ingredients in and to Russia to only those that meet the essential needs of people, including food, hygiene and medicine.

For the three months ended March 31, 2024 and 2023, sales to Russian customers were approximately 1% and 2% of total sales, respectively.

For each of the three months ended March 31, 2024 and 2023, sales to Ukrainian customers were less than 1% of total sales.

We have a reserve of approximately $3 million related to expected credit losses on receivables from customers located in Russia and Ukraine. For additional information, refer to Note 1 and Part I, Item 1A, “Risk Factors,” of our 2023 Form 10-K.

Financial Performance Overview

Sales

Sales in the first quarter of 2024 decreased $128 million, or 4% on a reported basis, to $2.899 billion compared to $3.027 billion in the 2023 period. On a currency neutral basis, sales in the first quarter of 2024 decreased 1% compared to the 2023 period. Exchange rate variations had an unfavorable impact on net sales for the first quarter of 2024 of 3%. The effect of exchange rates can vary by business and region, depending upon the mix of sales priced in U.S. dollars as compared to other currencies. The decrease in sales was primarily driven by the impact of the divestitures of the portion of the Savory Solutions business and Flavor Specialty Ingredients (“FSI”) business (“change in business portfolio mix due to divestitures”), which was approximately $153 million, offset in part by volume and price increases across various businesses.

Gross Profit

Gross profit in the first quarter of 2024 increased $60 million, or 6% on a reported basis, to $1.024 billion (35.3% of sales) compared to $964 million (31.8% of sales) in the 2023 period. The increase in gross profit was primarily driven by volume increases, productivity gains and favorable net pricing, offset in part by the change in business portfolio mix due to divestitures.

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RESULTS OF OPERATIONS

(DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change
Net sales	$ 2,899	$ 3,027	(4) %
Cost of goods sold	1,875	2,063	(9) %
Gross profit	1,024	964	6 %
Research and development (R&D) expenses	166	161	3 %
Selling and administrative (S&A) expenses	490	454	8 %
Amortization of acquisition-related intangibles	168	171	(2) %
Restructuring and other charges	3	52	(94) %
Gains on sale of assets	(2)	(5)	(60) %
Operating profit	199	131	52 %
Interest expense	83	100	(17) %
Other expense, net	1	17	(94) %
Income before taxes	115	14	NMF
Provision for income taxes	54	22	145 %
Net income (loss)	$ 61	$ (8)	NMF
Net income attributable to non-controlling interests	1	1	— %
Net income (loss) attributable to IFF shareholders	$ 60	$ (9)	NMF
Net income (loss) per share - diluted	$ 0.23	$ (0.04)	NMF
Gross margin	35.3 %	31.8 %	NMF
R&D as a percentage of sales	5.7 %	5.3 %	40 bps
S&A as a percentage of sales	16.9 %	15.0 %	190 bps
Operating margin	6.9 %	4.3 %	260 bps
Effective tax rate	47.0 %	157.1 %	NMF
Segment net sales			
Nourish	$ 1,496	$ 1,653	(9) %
Health & Biosciences	531	513	4 %
Scent	645	608	6 %
Pharma Solutions	227	253	(10) %
Consolidated	$ 2,899	$ 3,027	

NMF: Not meaningful

Cost of goods sold includes the cost of materials and manufacturing expenses. R&D expenses include expenses related to the development of new and improved products and technical product support. S&A expenses include expenses necessary to support our commercial activities and administrative expenses supporting our overall operating activities including compliance with governmental regulations.

FIRST QUARTER 2024 IN COMPARISON TO FIRST QUARTER 2023

Sales Performance by Segment

	% Change in Sales - First Quarter 2024 vs. First Quarter 2023	
	Reported	Currency Neutral[(1)]
Nourish	**-9 %**	**-6 %**
Health & Biosciences	**4 %**	**6 %**
Scent	**6 %**	**12 %**
Pharma Solutions	**-10 %**	**-11 %**
Total	**-4 %**	**-1 %**

(1) Currency neutral sales is calculated by translating current year invoiced sale amounts at the exchange rates for the corresponding prior year period.

Nourish

Nourish sales in 2024 decreased $157 million, or 9% on a reported basis, to $1.496 billion compared to $1.653 billion in the prior year period. On a currency neutral basis, Nourish sales decreased 6% in 2024 compared to the prior year period as exchange rate variations had an unfavorable impact. In addition, performance in the Nourish operating segment was driven by the divestiture of the portion of the Savory Solutions business, with an impact of approximately $133 million, and price decreases across various business units, offset in part by volume increases across various business units.

Health & Biosciences

Health & Biosciences sales in 2024 increased $18 million, or 4% on a reported basis, to $531 million compared to $513 million in the prior year period. On a currency neutral basis, Health & Biosciences sales increased 6% in 2024 compared to the prior year period as exchange rate variations had an unfavorable impact. In addition, performance in the Health & Biosciences operating segment was driven by volume and price increases across various business units.

Scent

Scent sales in 2024 increased $37 million, or 6% on a reported basis, to $645 million compared to $608 million in the prior year period. On a currency neutral basis, Scent sales increased 12% in 2024 compared to the prior year period as exchange rate variations had an unfavorable impact. In addition, performance in the Scent operating segment was driven by volume and price increases, primarily in the Fragrance Compounds business unit, offset in part by the divestiture of the FSI business, with an impact of approximately $20 million.

Pharma Solutions

Pharma Solutions sales in 2024 decreased $26 million, or 10% on a reported basis, to $227 million compared to $253 million in the prior year period. On a currency neutral basis, Pharma Solutions sales decreased 11% in 2024 compared to the prior year period as exchange rate variations had a favorable impact. In addition, performance in the Pharma Solutions operating segment was driven by volume declines and price decreases in selective end markets.

Cost of Goods Sold

Cost of goods sold decreased $188 million to $1.875 billion (64.7% of sales) in the first quarter of 2024 compared to $2.063 billion (68.2% of sales) in the first quarter of 2023. The decrease in cost of goods sold was primarily driven by lower raw material costs and manufacturing expenses, lower unfavorable manufacturing absorption compared to the prior year period and the change in business portfolio mix due to divestitures, with an impact of approximately $109 million, offset in part by volume increases in sales.

Research and Development (R&D) Expenses

R&D expenses increased $5 million to $166 million (5.7% of sales) in the first quarter of 2024 compared to $161 million (5.3% of sales) in the first quarter of 2023. The increase in R&D expenses was primarily driven by higher operating expenses for R&D related activities, offset in part by the change in business portfolio mix due to divestitures.

Selling and Administrative (S&A) Expenses

S&A expenses increased $36 million to $490 million (16.9% of sales) in the first quarter of 2024 compared to $454 million (15.0% of sales) in the first quarter of 2023. The increase in S&A expenses was primarily driven by higher legal fees incurred and provisions for the ongoing investigations of the fragrance businesses and professional fees, including consulting costs, offset in part by the change in business portfolio mix due to divestitures.

Restructuring and Other Charges

Restructuring and other charges was $3 million in the first quarter of 2024 compared to $52 million in the first quarter of 2023. The decrease was driven by lower severance costs incurred compared to the prior year period. See Note 4 for additional information.

Amortization of Acquisition-Related Intangibles

Amortization expenses decreased to $168 million in the first quarter of 2024 compared to $171 million in the first quarter of 2023. The decrease in amortization expense was primarily driven by the reduction in intangible assets as a result of the change in business portfolio mix due to divestitures and intangible assets of the Cosmetic Ingredients business being classified as “held for sale,” and therefore no longer recognizing amortization expense on those intangible assets. See Note 3, Note 11 and Note 16 for additional information.

Interest Expense

Interest expense decreased to $83 million in the first quarter of 2024 compared to $100 million in the first quarter of 2023. The decrease in interest expense was due to lower debt outstanding. See Note 13 for additional information.

Other Expense, Net

Other expense, net, was $1 million in the first quarter of 2024 compared to $17 million in the first quarter of 2023. The decrease of $16 million was primarily due to the change in losses incurred from the liquidation of a business in Russia for the sale of the portion of the Savory Solutions business from the prior year period (see Note 3 for additional information) and lower foreign exchange losses, offset in part by lower pension-related benefits.

Income Taxes

The effective tax rate for the three months ended March 31, 2024 was 47.0% compared to 157.1% for the three months ended March 31, 2023. The quarter-over-quarter decrease was primarily driven by an increase in pre-tax income, changes in the mix of earnings and in tax charges on business divestitures.

Segment Adjusted Operating EBITDA Results by Business Unit

The Company uses Segment Adjusted Operating EBITDA for internal reporting and performance measurement purposes. Segment Adjusted Operating EBITDA is defined as Income Before Taxes before depreciation and amortization expense, interest expense, restructuring and other charges and certain items that are not related to recurring operations. Our determination of reportable segments was made on the basis of our strategic priorities within each segment and corresponds to the manner in which our Chief Operating Decision Maker reviews and evaluates operating performance to make decisions about resources to be allocated to the segment. In addition to our strategic priorities, segment reporting is also based on differences in the products and services we provide.

(DOLLARS IN MILLIONS)	Three Months Ended March 31, 2024	2023
Segment Adjusted Operating EBITDA:		
Nourish	$ 216	$ 208
Health & Biosciences	159	131
Scent	157	105
Pharma Solutions	46	59
Total	578	503
Depreciation & Amortization	(278)	(276)
Interest Expense	(83)	(100)
Other Expense, net	(1)	(17)
Restructuring and Other Charges	(3)	(52)
Acquisition, Divestiture and Integration Related Costs	(58)	(31)
Entity Realignment Costs	(1)	—
Strategic Initiatives Costs	(4)	(13)
Regulatory Costs	(35)	(5)
Other	—	5
Income Before Taxes	$ 115	$ 14
Segment Adjusted Operating EBITDA margin:		
Nourish	14.4 %	12.6 %
Health & Biosciences	29.9 %	25.5 %
Scent	24.3 %	17.3 %
Pharma Solutions	20.3 %	23.3 %
Consolidated	19.9 %	16.6 %

Nourish Segment Adjusted Operating EBITDA

Nourish Segment Adjusted Operating EBITDA increased $8 million, or 4% on a reported basis, to $216 million in the first quarter of 2024 (14.4% of segment sales) from $208 million (12.6% of segment sales) in the comparable 2023 period. On a currency neutral basis, Nourish Segment Adjusted Operating EBITDA increased 24% in 2024 compared to the prior year period as exchange rate variations had an unfavorable impact. In addition, the performance was primarily driven by volume increases and productivity gains, offset in part by unfavorable net pricing and the impact of the divestiture of the portion of the Savory Solutions business.

Health & Biosciences Segment Adjusted Operating EBITDA

Health & Biosciences Segment Adjusted Operating EBITDA increased $28 million, or 21% on a reported basis, to $159 million in the first quarter of 2024 (29.9% of segment sales) from $131 million (25.5% of segment sales) in the comparable 2023 period. On a currency neutral basis, Health & Biosciences Segment Adjusted Operating EBITDA increased 28% in 2024 compared to the prior year period as exchange rate variations had an unfavorable impact. In addition, the performance was primarily driven by volume increases, favorable net pricing and productivity gains.

Scent Segment Adjusted Operating EBITDA

Scent Segment Adjusted Operating EBITDA increased $52 million, or 50% on reported basis, to $157 million in the first quarter of 2024 (24.3% of segment sales) from $105 million (17.3% of segment sales) in the comparable 2023 period. On a currency neutral basis, Scent Segment Adjusted Operating EBITDA increased 80% in 2024 compared to the prior year period as exchange rate variations had an unfavorable impact. In addition, the performance was primarily driven by favorable net pricing, volume increases and productivity gains, offset in part by the impact of the divestiture of the FSI business.

Pharma Solutions Segment Adjusted Operating EBITDA

Pharma Solutions Segment Adjusted Operating EBITDA decreased $13 million, or 22% on a reported basis, to $46 million in the first quarter of 2024 (20.3% of segment sales) from $59 million (23.3% of segment sales) in the comparable 2023 period. On a currency neutral basis, Pharma Solutions Segment Adjusted Operating EBITDA decreased 23% in 2024 compared to the prior year period as exchange rate variations had a favorable impact. In addition, the performance was primarily driven by volume decreases and unfavorable net pricing, offset in part by productivity gains.

Liquidity

Cash and Cash Equivalents

We had cash and cash equivalents of $764 million, inclusive of $32 million currently in Assets held for sale on the Consolidated Balance Sheets, at March 31, 2024 compared to $729 million, inclusive of $26 million in Assets held for sale on the Consolidated Balance Sheets, at December 31, 2023 and of this balance, a portion was held outside the United States. Cash balances held in foreign jurisdictions are, in most circumstances, available to be repatriated to the United States.

Effective utilization of the cash generated by our international operations is a critical component of our strategy. We regularly repatriate cash from our non-U.S. subsidiaries to fund financial obligations in the U.S. As we repatriate these funds to the U.S., there will be required income taxes payable in certain U.S. states and applicable foreign withholding taxes during the period when such repatriation occurs. Accordingly, as of March 31, 2024, we had a deferred tax liability of approximately $174 million for the effect of repatriating the funds to the U.S., attributable to various non-U.S. subsidiaries. There is no deferred tax liability associated with non-U.S. subsidiaries where we intend to indefinitely reinvest the earnings to fund local operations and/or capital projects.

Cash Flows Provided By Operating Activities

Cash flows provided by operating activities for the three months ended March 31, 2024 was $99 million, or 3.4% of sales, compared to $127 million, or 4.2% of sales, for the three months ended March 31, 2023. The decrease in cash flows from operating activities during 2024 was primarily driven by the increase in working capital, largely related to accounts receivable and inventories, offset in part by accounts payable and higher cash earnings, excluding the impact of non-cash adjustments.

Cash Flows Used In Investing Activities

Cash flows used in investing activities for the three months ended March 31, 2024 was $78 million compared to $167 million in the prior year period. The decrease in cash flows used in investing activities was primarily driven by lower spending on property, plant and equipment and higher net proceeds received from business divestiture related to the remaining sale consideration of the portion of the Savory Solutions business.

We have evaluated and re-prioritized our capital projects and expect that capital spending in 2024 will be approximately 4.9% of sales (net of potential grants and other reimbursements from government authorities), up from 4.1% in 2023.

Cash Flows Provided By Financing Activities

Cash flows provided by financing activities for the three months ended March 31, 2024 was $40 million compared to $78 million in the prior year period. The decrease in cash flows provided by financing activities was primarily driven by higher repayments of long-term debt, offset in part by higher net borrowings of commercial paper and drawdowns under the Revolving Credit Facility, compared to repayments under the Revolving Credit Facility in the prior year period.

We paid dividends totaling $207 million in the 2024 period. We declared a cash dividend per share of $0.40 in the first quarter of 2024 that was paid on April 10, 2024 to all shareholders of record as of March 22, 2024.

Our capital allocation strategy seeks to maintain our investment grade rating while investing in the business and continuing to pay dividends and repaying debt. The Company does not have any rating downgrade triggers that would accelerate the maturity dates of its senior unsecured debt. However, any downgrade in our credit rating may, depending on the extent of such downgrade, negatively impact our ability to raise additional debt capital, our liquidity and capital position, and may increase our cost of borrowing for new capital raises. In addition, our existing Revolving Credit Facility and Term Loans have pricing grids that are based on credit rating, such that our cost of borrowing may increase as our credit rating decreases. We make capital investments in our businesses to support our operational needs and strategic long-term plans. We are committed to maintaining our history of paying a dividend to investors which is determined by our Board of Directors at its discretion based on various factors.

Capital Resources

Operating cash flow provides the primary source of funds for capital investment needs, dividends paid to shareholders and debt service repayments. We anticipate that cash flows from operations, cash proceeds generated from planned business divestitures and availability under our existing credit facilities will be sufficient to meet our investing and financing needs, including our debt service requirements. We regularly assess our capital structure, including both current and long-term debt instruments, as compared to our cash generation and investment needs in order to provide ample flexibility and to optimize our leverage ratios. See Note 13 for additional information.

Term Loans and Revolving Credit Facility

Our credit agreements contain various covenants, limitations and events of default customary for similar facilities for similarly rated borrowers, including the requirement for us to maintain, at the end of each fiscal quarter, a ratio of net debt for borrowed money to credit adjusted EBITDA in respect of the previous 12-month period.

Our Term Loans and Revolving Credit Facility bear interest at a base rate or a rate equal to Term SOFR plus an adjustment of 0.10% per annum or, in the case of euro-denominated loans, the Euro interbank offered rate, plus, in each case, an applicable margin based on our public debt rating. Loans may be prepaid without premium or penalty, subject to customary breakage costs.

Based on the amendments entered into on September 19, 2023 for our Term Loans and Revolving Credit Facility, we were provided with a financial covenant relief period through December 31, 2025, or such earlier date on which we elect to terminate such period, by providing that during the financial covenant relief period, our consolidated leverage ratio shall not exceed as of the end of the fiscal quarter for the period of the four fiscal quarters then ended: (i) 5.25x for any fiscal quarter ending on or before March 31, 2024, (ii) 4.75x for the fiscal quarter ending June 30, 2024, (iii) 4.50x for the fiscal quarter ending September 30, 2024, (iv) 4.25x for any subsequent fiscal quarter ending on or before March 31, 2025, (v) 4.00x for any subsequent fiscal quarter ending on or before September 30, 2025 and (vi) 3.75x for the fiscal quarter ending December 31, 2025. During the financial covenant relief period, the amendments prohibit us from (i) effecting share repurchases, (ii) declaring and paying dividends in cash on common stock in excess of $0.81 per share per fiscal quarter (for an aggregate amount of $3.24 per fiscal year) and (iii) creating liens to secure debt in excess of the greater of $300 million and 3.65% of Consolidated Net Tangible Assets (as defined in the amendments to our Term Loans and Revolving Credit Facility), in each case subject to certain exceptions set forth therein.

As of March 31, 2024, we had $250 million outstanding borrowings under our $2.000 billion Revolving Credit Facility. The amount that we are able to draw down under the Revolving Credit Facility is limited by financial covenants as described in more detail below. As of March 31, 2024, our available capacity was $1.791 billion under the Revolving Credit Facility.

Refer to Note 13 of this Form 10-Q and Part IV, Item 15, “Exhibits and Financial Statement Schedules,” Note 9 of our 2023 Form 10-K for additional information.

Debt Covenants

At March 31, 2024, we were in compliance with all financial and other covenants, including the net debt to credit adjusted EBITDA[(1)] ratio. At March 31, 2024, our net debt to credit adjusted EBITDA[(1)] ratio was 4.42 to 1.0 as defined by the credit facility agreements, which is below the relevant level provided by our financial covenants of existing outstanding debt. The most comparable GAAP measure is the total debt to net loss ratio, which was (4.13) to 1.0 at March 31, 2024.

(1) Credit adjusted EBITDA and net debt, which are non-GAAP measures used for these covenants, are calculated in accordance with the definition in the debt agreements. In this context, these measures are used solely to provide information on the extent to which we are in compliance with debt covenants and may not be comparable to credit adjusted EBITDA and net debt used by other companies. Reconciliations of credit adjusted EBITDA to net loss and net debt to total debt are as follows:

(DOLLARS IN MILLIONS)	Twelve Months Ended March 31, 2024
Net loss	$ (2,498)
Interest expense[1]	363
Income taxes	77
Depreciation and amortization	1,144
Specified items[2]	2,946
Non-cash items[3]	130
Credit Adjusted EBITDA	$ 2,162

(1) Certain adjustments were made to interest expense associated with our cash pooling arrangements for the second through fourth quarters of 2023.

(2) Specified items consisted of restructuring and other charges, impairment of goodwill, acquisition, divestiture and integration related costs, entity realignment costs, strategic initiatives costs, regulatory costs and other costs that are not related to recurring operations.

(3) Non-cash items consisted of losses (gains) on sale of assets, losses on business disposals, gain on China facility relocation, write-down of inventory related to Locust Bean Kernel and stock-based compensation.

(DOLLARS IN MILLIONS)		March 31, 2024
Total debt[1]	$	10,324
Adjustments:		
Cash and cash equivalents[2]		764
Net debt	$	9,560

(1) Total debt used for the calculation of net debt consisted of short-term debt, long-term debt, short-term finance lease obligations and long-term finance lease obligations.

(2) Cash and cash equivalents included approximately $32 million currently in Assets held for sale on the Consolidated Balance Sheets.

Senior Notes

As of March 31, 2024, we had $8.513 billion aggregate principal amount outstanding in senior unsecured notes, with $863 million principal amount denominated in EUR and $7.650 billion principal amount denominated in USD. The notes bear effective interest rates ranging from 1.22% per year to 5.12% per year, with maturities from October 1, 2025 to December 1, 2050. See Note 13 for additional information.

Contractual Obligations

We expect to contribute a total of $5 million to our U.S. pension plans and a total of $23 million to our non-U.S. pension plans during 2024. During the three months ended March 31, 2024, no contributions were made to the qualified U.S. pension plans, $6 million of contributions were made to the non-U.S. pension plans and $1 million of contributions were made with respect to the non-qualified U.S. pension plan. We also expect to contribute $4 million to our postretirement benefits other than pension plans during 2024. During the three months ended March 31, 2024, $1 million of benefit payments were made to postretirement benefits other than pension plans.

As discussed in Note 18 to the Consolidated Financial Statements, at March 31, 2024, we had entered into various guarantees and had undrawn outstanding letters of credit from financial institutions. These arrangements reflect ongoing business operations, including commercial commitments, and governmental requirements associated with audits or litigation that are in process with various jurisdictions. Based on the current facts and circumstances, these arrangements are not reasonably likely to have a material impact on our consolidated financial condition, results of operations or cash flows.

New Accounting Standards

Refer to Note 1 to the Consolidated Financial Statements for a discussion of recent accounting pronouncements.

Non-GAAP Financial Measures

We use non-GAAP financial measures in this Form 10-Q, including: (i) currency neutral metrics and (ii) adjusted operating EBITDA and adjusted operating EBITDA margin. We also provide the non-GAAP measure net debt solely for the purpose of providing information on the extent to which the Company is in compliance with debt covenants contained in its debt agreements. Our non-GAAP financial measures are defined below.

These non-GAAP financial measures are intended to provide additional information regarding our underlying operating results and comparable year-over-year performance. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. In discussing our historical and expected future results and financial condition, we believe it is meaningful for investors to be made aware of and to be assisted in a better understanding of, on a period-to-period comparable basis, financial amounts both including and excluding these identified items, as well as the impact of exchange rate fluctuations. These non-GAAP measures should not be considered in isolation or as substitutes for analysis of the Company’s results under GAAP and may not be comparable to other companies’ calculation of such metrics.

Adjusted operating EBITDA and adjusted operating EBITDA margin exclude depreciation and amortization expense, interest expense, other income (expense), net, restructuring and other charges and certain items unrelated to recurring operations such as acquisition, divestiture and integration related costs, entity realignment costs, strategic initiatives costs, regulatory costs and other costs that are not related to recurring operations.

Net debt to credit adjusted EBITDA is the leverage ratio used in our credit agreement and defined as net debt divided by credit adjusted EBITDA. However, as credit adjusted EBITDA for these purposes was calculated in accordance with the provisions of the credit agreement, it may differ from the calculation used for adjusted operating EBITDA.

Cautionary Statement Under the Private Securities Litigation Reform Act of 1995

Statements in this Form 10-Q, which are not historical facts or information, are “forward-looking statements” within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management’s current assumptions, estimates and expectations and include statements concerning (i) expected cash flow and availability of capital resources to fund our operations and meet our debt service requirements; (ii) our ability to execute on our strategic and financial transformation, including the progress and success of our portfolio optimization strategy (including the sale process for our Pharma Solutions business), through non-core business divestitures and acquisitions, and expectations regarding the implementation of our refreshed growth-focused strategy and expectations around our business divestitures; (iii) our ability to continue to generate value for, and return cash to, our shareholders; (iv) expectations of the impact of inflationary pressures and the pricing actions to offset exposure to such impacts; (v) the impact of high input costs, including commodities, raw materials, transportation and energy; (vi) the expected impact of global supply chain challenges; (vii) our ability to enhance our innovation efforts, drive cost efficiencies and execute on specific consumer trends and demands; (viii) the growth potential of the markets in which we operate, including the emerging markets; (ix) expectations regarding sales and profit for the fiscal year 2024, including the impact of foreign exchange, pricing actions, raw materials, energy, and sourcing, logistics and manufacturing costs; (x) the impact of global economic uncertainty and recessionary pressures on demand for consumer products; (xi) the success of our integration efforts, following the N&B Transaction, and ability to deliver on our synergy commitments as well as future opportunities for the combined company; (xii) our strategic investments in capacity and increasing inventory to drive improved profitability; (xiii) our ability to drive cost discipline measures and the ability to recover margin to pre-inflation levels; (xiv) expected capital expenditures in 2024; and (xv) the expected costs and benefits of our ongoing optimization of our manufacturing operations, including the expected number of closings. These forward-looking statements should be evaluated with consideration given to the many risks and uncertainties inherent in our business that could cause actual results and events to differ materially from those in the forward-looking statements. Certain of such forward-looking information may be identified by such terms as “expect”, “anticipate”, “believe”, “intend”, “outlook”, “may”, “estimate”, “should”, “predict” and similar terms or variations thereof. Such forward-looking statements are based on a series of expectations, assumptions, estimates and projections about the Company, are not guarantees of future results or performance, and involve significant risks, uncertainties and other factors, including assumptions and projections, for all forward periods. Our actual results may differ materially from any future results expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, the following:

- our substantial amount of indebtedness and its impact on our liquidity, credit ratings and ability to return capital to its shareholders;
- our ability to successfully execute the next phase of our strategic transformation;
- our ability to declare and pay dividends which is subject to certain considerations;

- the impact of the outcomes of legal claims, disputes, regulatory investigations and litigation;
- inflationary trends, including in the price of our input costs, such as raw materials, transportation and energy;
- supply chain disruptions, geopolitical developments, including the Russia-Ukraine war, the Israel-Hamas war and wider Middle East developments (including disruptions to the Red Sea passage) or climate-change related events (including severe weather events) that may affect our suppliers or procurement of raw materials;
- our ability to attract and retain key employees, and manage turnover of top executives;
- our ability to successfully market to our expanded and diverse customer base;
- our ability to effectively compete in our market and develop and introduce new products that meet customers' needs;
- changes in demand from large multi-national customers due to increased competition and our ability to maintain "core list" status with customers;
- our ability to successfully develop innovative and cost-effective products that allow customers to achieve their own profitability expectations;
- disruption in the development, manufacture, distribution or sale of our products from international conflicts (such as the Russia-Ukraine war and the Israel-Hamas war), geopolitical events, trade wars, natural disasters (such as the COVID-19 pandemic), public health crises, terrorist acts, labor strikes, political or economic crises (such as the uncertainty related to U.S. government funding negotiations), accidents and similar events;

- the impact of a significant data breach or other disruption in our information technology systems, and our ability to comply with data protection laws in the U.S. and abroad;
- our ability to benefit from our investments and expansion in emerging markets;
- the impact of currency fluctuations or devaluations in the principal foreign markets in which we operate;
- economic, regulatory and political risks associated with our international operations;
- the impact of global economic uncertainty (including increased inflation) on demand for consumer products;
- our ability to integrate the N&B Business and realize anticipated synergies, among other benefits;
- our ability to react in a timely and cost-effective manner to changes in consumer preferences and demands, including increased awareness of health and wellness;
- our ability to meet increasing customer, consumer, shareholder and regulatory focus on sustainability;
- our ability to successfully manage our working capital and inventory balances;
- any impairment on our tangible or intangible long-lived assets;
- our ability to enter into or close strategic transactions or divestments, or successfully establish and manage acquisitions, collaborations, joint ventures or partnerships;
- changes in market conditions or governmental regulations relating to our pension and postretirement obligations;
- the impact of the phase out of the London Interbank Offered Rate (“LIBOR”) on our variable rate interest expense;
- our ability to comply with, and the costs associated with compliance with, regulatory requirements and industry standards, including regarding product safety, quality, efficacy and environment impact;
- defects, quality issues (including product recalls), inadequate disclosure or misuse with respect to the products and capabilities;
- our ability to comply with, and the costs associated with compliance with, U.S. and foreign environmental protection laws;
- the impact of our or our counterparties’ failure to comply with the U.S. Foreign Corrupt Practices Act, similar U.S. or foreign anti-bribery and anti-corruption laws and regulations, applicable sanctions laws and regulations in the jurisdictions in which we operate or ethical business practices and related laws and regulations;
- our ability to protect our intellectual property rights;
- the impact of changes in federal, state, local and international tax legislation or policies and adverse results of tax audits, assessments, or disputes;
- the impact of any tax liability resulting from the N&B Transaction; and
- our ability to comply with data protection laws in the U.S. and abroad.

The foregoing list of important factors does not include all such factors, nor necessarily present them in order of importance. In addition, you should consult other disclosures made by the Company (such as in our other filings with the SEC or in company press releases) for other factors that may cause actual results to differ materially from those projected by the Company. Please refer to Part I, Item 1A, "Risk Factors," of the 2023 Form 10-K for additional information regarding factors that could affect our results of operations, financial condition and liquidity.

We intend our forward-looking statements to speak only as of the time of such statements and do not undertake or plan to update or revise them as more information becomes available or to reflect changes in expectations, assumptions or results. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this report or included in our other periodic reports filed with the SEC could materially and adversely impact our operations and our future financial results.

Any public statements or disclosures made by us following this report that modify or impact any of the forward-looking statements contained in or accompanying this report will be deemed to modify or supersede such outlook or other forward-looking statements in or accompanying this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There are no material changes in market risk from the information provided in our 2023 Form 10-K, except for the cross currency swap agreements.

We use derivative instruments as part of our interest rate risk management strategy. We have entered into certain cross currency swap agreements in order to mitigate a portion of our net European investments from foreign currency risk. As of March 31, 2024, these swaps were in a liability position with an aggregate fair value of $132 million. Based on a hypothetical decrease or increase of 10% in the value of the U.S. dollar against the Euro, the estimated fair value of our cross currency swaps would change by approximately $146 million.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer, with the assistance of other members of our management, have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

We have established controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and is accumulated and communicated to management, including the principal executive officer and the principal financial officer, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

The Chief Executive Officer and Chief Financial Officer have also concluded that there have not been any changes in our internal control over financial reporting during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

For information that updates the disclosures set forth under Part I, Item 3. “Legal Proceedings” in our 2023 Annual Report on Form 10-K, filed on February 28, 2024 with the SEC (the “2023 Form 10-K”), refer to Note 18 to the “Consolidated Financial Statements” in this Form 10-Q.

ITEM 1A. RISK FACTORS.

Refer to Part I, Item 1A, “Risk Factors,” of our 2023 Form 10-K and the information contained in this Quarterly Report on Form 10-Q and our other reports and registration statements filed with the SEC. There have been no material changes with respect to the risk factors disclosed in our 2023 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 5. OTHER INFORMATION.

Rule 10b5-1 Trading Plans

During the quarter ended March 31, 2024, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a “10b5-1 trading arrangement”) or any “non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K.

ITEM 6. EXHIBITS.

10.1	Separation and Transition Agreement between International Flavors & Fragrances Inc. and Franklin K. Clyburn, Jr., effective January 11, 2024, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 11, 2024.
10.2	Letter Agreement between International Flavors & Fragrances Inc. and J. Erik Fyrwald, effective January 11, 2024, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on January 11, 2024.
31.1	Certification of J. Erik Fyrwald pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Glenn Richter pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of J. Erik Fyrwald and Glenn Richter pursuant to 18 U.S.C. Section 1350 as adopted pursuant to the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extensions Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated:	May 6, 2024	By:	/s/ J. Erik Fyrwald
			J. Erik Fyrwald
			Chief Executive Officer and Director (Principal Executive Officer)
Dated:	May 6, 2024	By:	/s/ Glenn Richter
			Glenn Richter
			Executive Vice President, Chief Financial & Business Transformation Officer (Principal Financial Officer)
Dated:	May 6, 2024	By:	/s/ Beril Yildiz
			Beril Yildiz
			Senior Vice President, Corporate Controller and Chief Accounting Officer (Principal Accounting Officer)