



**AIR LIQUIDE**

*Creative Oxygen*

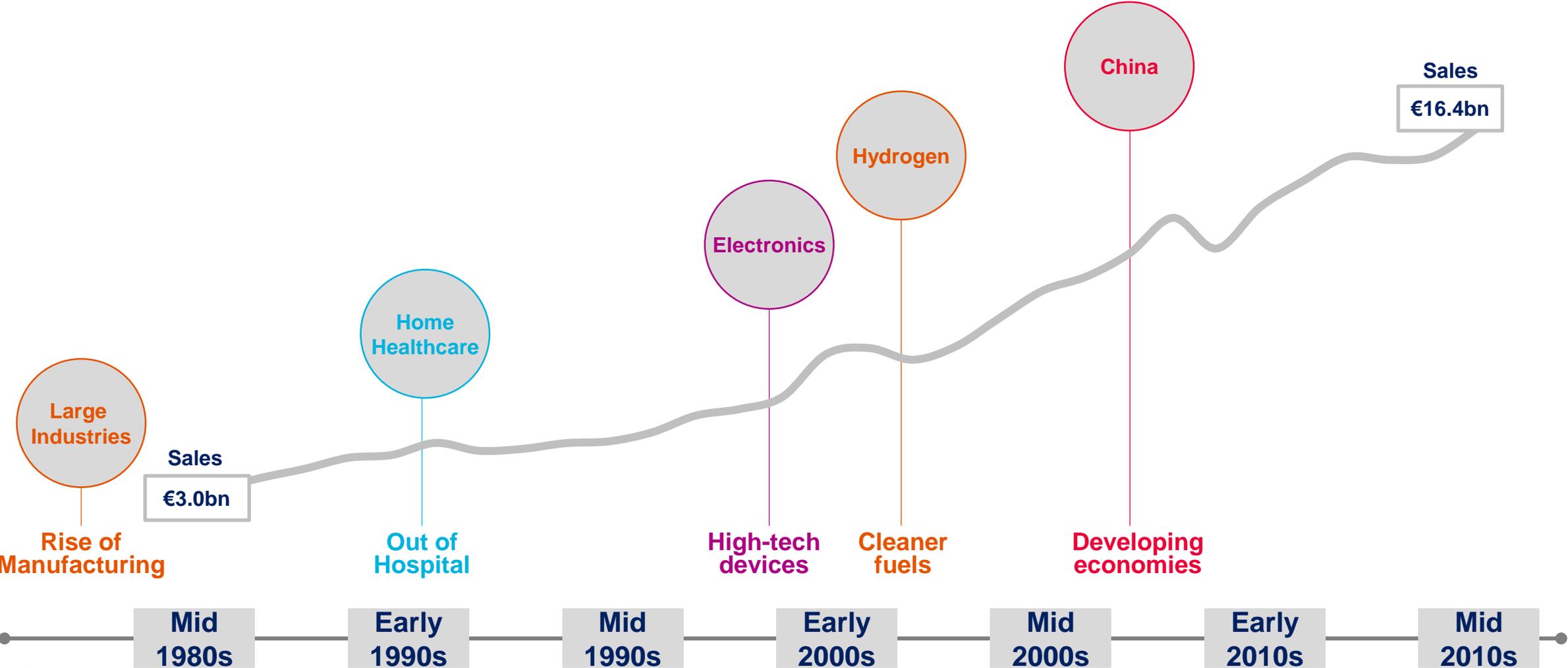
# NEOS 2016-2020 A Customer-centric Transformation

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**Capital Markets Day, July 6th, 2016 - Summary**

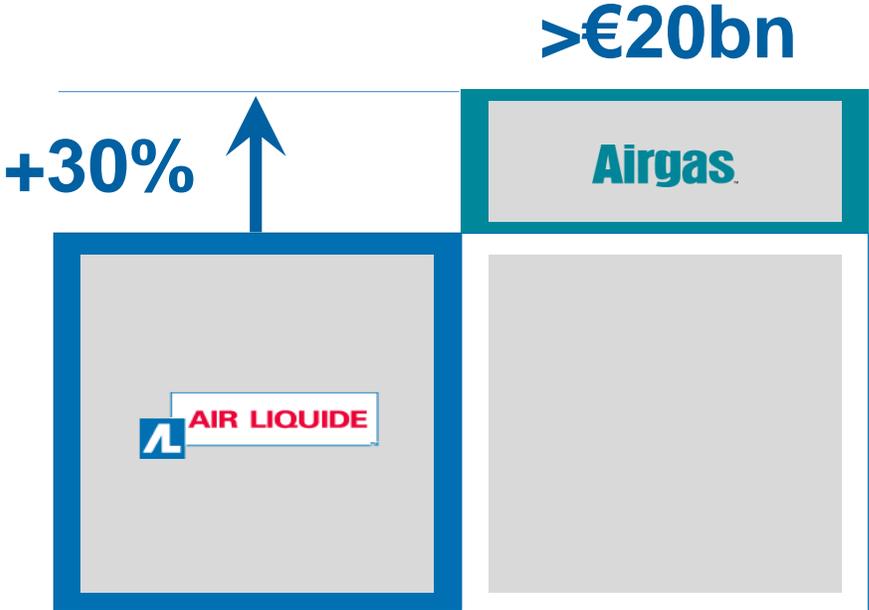


# Air Liquide proven agility and strengths to build on opportunities



# Airgas acquisition: a Major Step Change

## Sales



## Customer reach

- Customers **x2** → 2 million
- Cylinders **x2** → 22 million

Larger base for value creation

# A New Group



**CUSTOMER**



**DIGITAL**



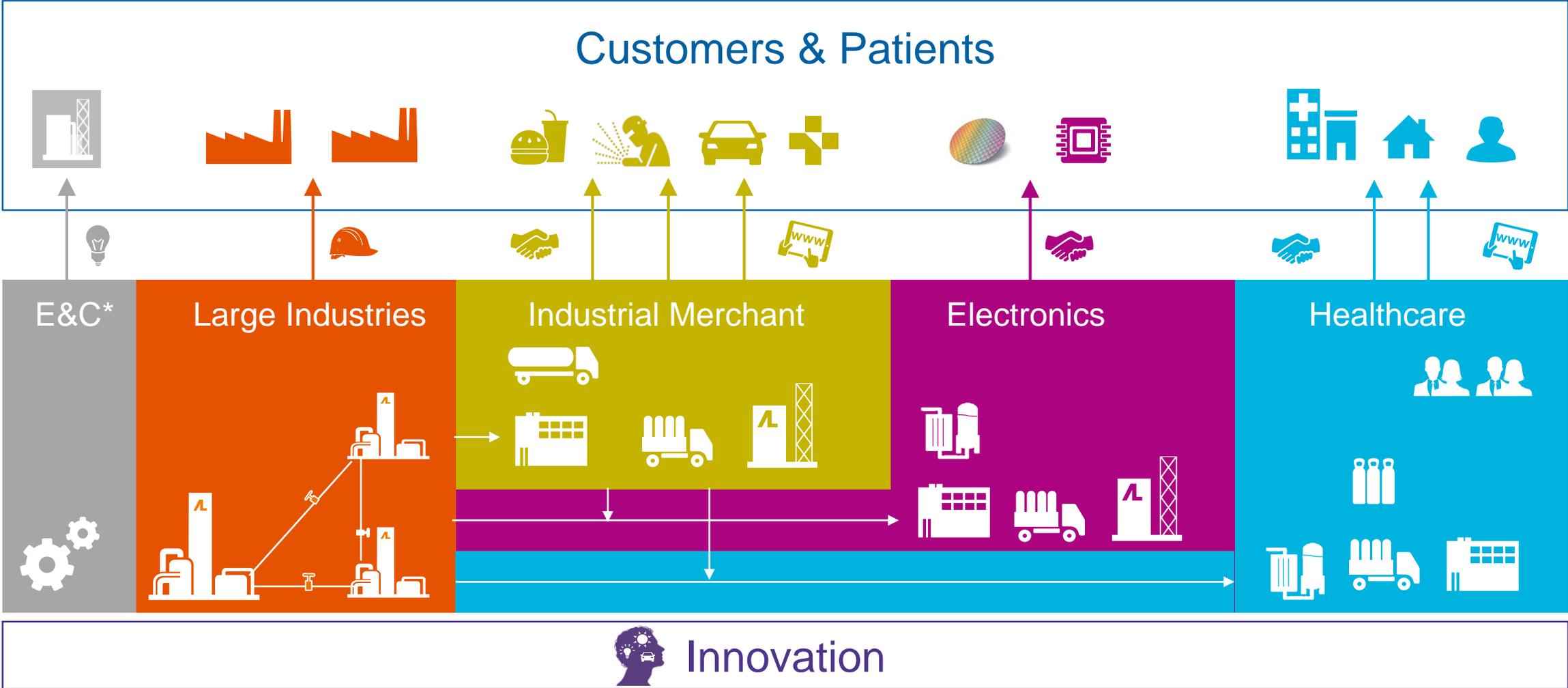
The Air Liquide logo, consisting of a blue square with a white 'A' and the text "AIR LIQUIDE" in red, is positioned above the tagline "Creative Oxygen" in a blue script font. This is overlaid on a faint, light-colored world map.



**INNOVATION**



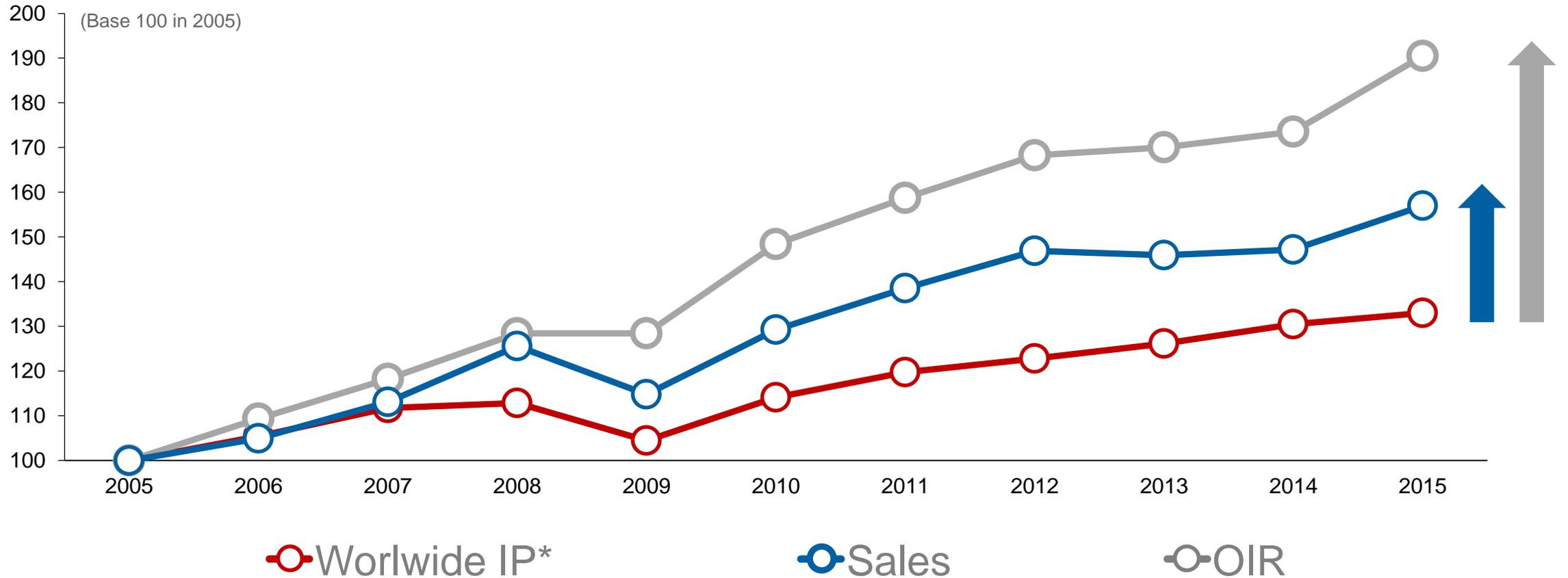
# Value Creation Through Integrated Model



\*Engineering & Construction

# Both Growth and Resilience

*Air Liquide Sales & OIR versus Worldwide Industrial Production over 10 Years*



\*Source: coe-rexecode



# Solid Foundations, Unique Differentiating Factors

## Large Industries



- 50% more sales than #2 player
- >€30bn sales ensured with 15 years Take-or-Pay contracts



## Industrial Merchant with **Airgas**



- High density: national market leader for >70% of sales
- #1 in e-commerce business



## Electronics



- #1 in China
- Technical Leadership in Advanced Materials



## Healthcare



- High density: >1.3 million patients
- Strong Home Healthcare geographical footprint (35 countries)

## Innovation/Global Markets & Technologies



- #1 in Advanced Technologies
- #1 in biomethane (purification, > 50 stations)
- Corporate Venture with portfolio of 25 startups

## Engineering & Construction



- Proprietary technologies and E&C capabilities

# Air Liquide Ambition

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- Lead our industry
- Deliver long-term performance
- Contribute to sustainability

# Strategy: a Customer-centric Transformation

For

## Profitable Growth over the Long-term

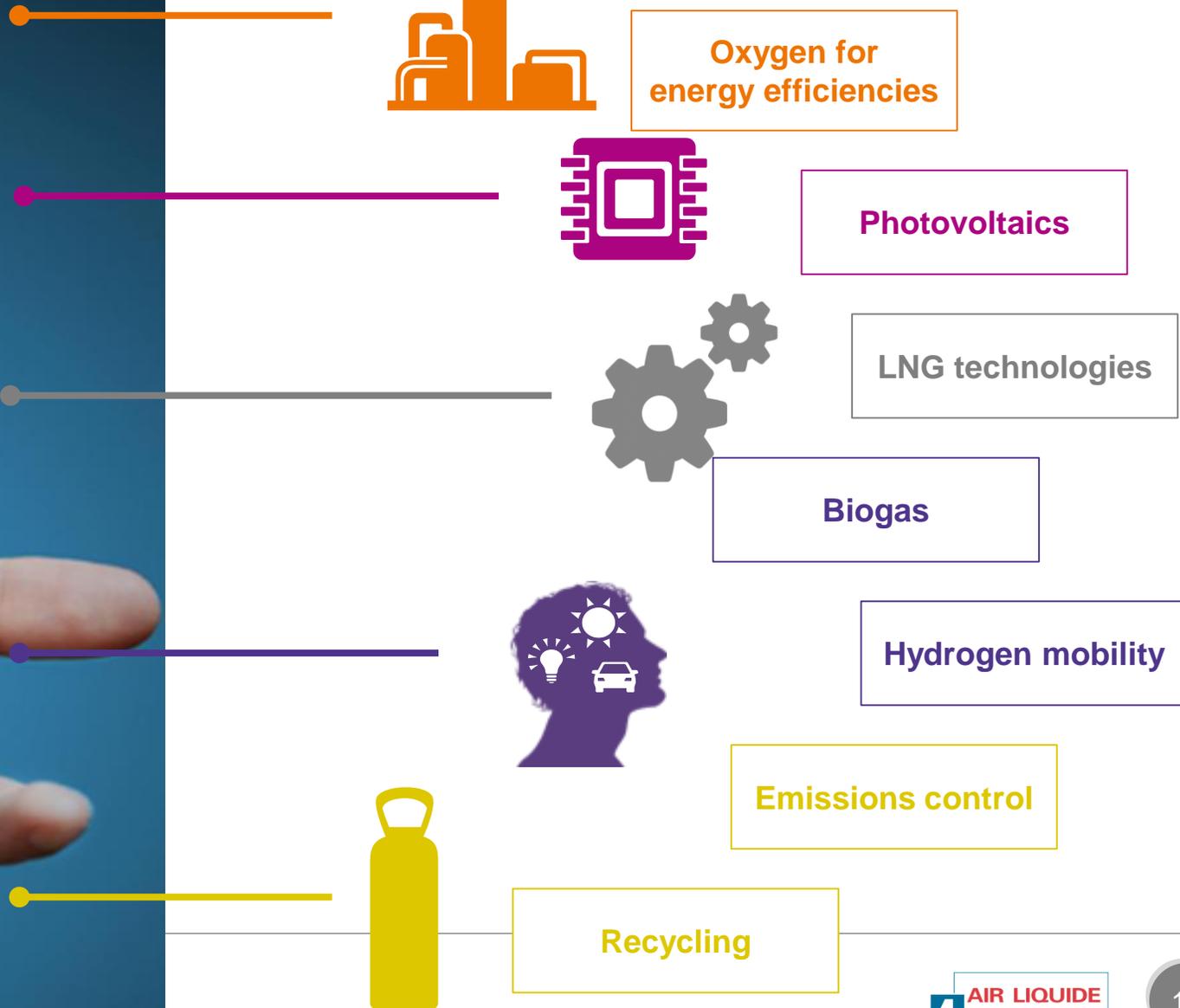
- **Operational Excellence**
  - Customer experience
  - Cost competitiveness
- **Selective Investments**
  - Aligned with Air Liquide new business profile
- **Open Innovation**
  - Core
  - Disruptive
- **Network Organization**
  - Digital workplace
  - Speed
  - Best practices



# Majors trends



# Energy and Environment Transition



# Digitization



New ways of working

e-Commerce

Supply Chain Efficiencies

e-Healthcare

Smart & Innovative Operations (SIO)

More Components

Higher performance through Advanced Materials

# Changes in Healthcare



Medical gases for hospitals

New geographies

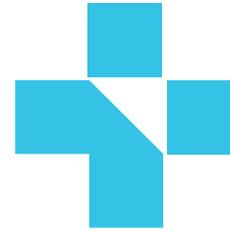
e-Healthcare

Disinfectants & antiseptics

Home Healthcare services for chronic diseases

Offer for Pharmaceuticals

Food preservation





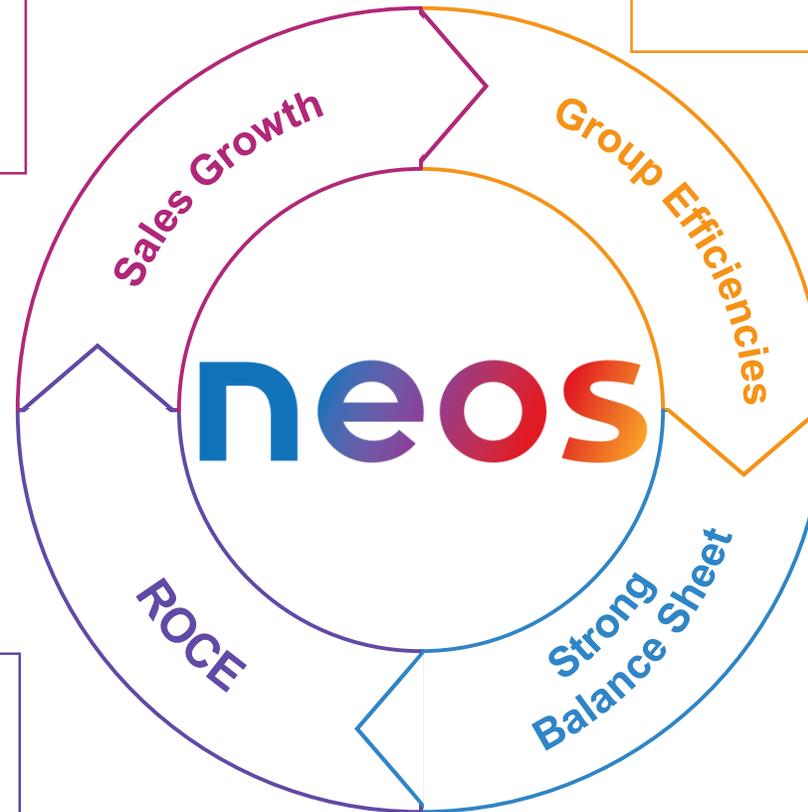
**neos**

**Our new company program  
for 2016-2020**

# Financial Objectives

**+6% to +8%**  
CAGR 2016-2020<sup>(1)</sup>

**Efficiencies >€300m on average/year<sup>(2)</sup>**  
**+ Airgas synergies >\$300m**



**>10%**  
after 5-6 years

**Maintain**  
**“A” range rating**



(1) Including Airgas scope effect in 2017 contributing +2% to the CAGR  
(2) Over the 2017-2020 period

# Key Success Factors for Growth and Resilience

## IDEAL FOOTPRINT TO CAPTURE GROWTH

Present in over

**80**

countries

**>50%**

of AL growth  
(2010-2015) from top 10  
growing economies

## WIDE AND STRONG CUSTOMER BASE

Serving

**90%**

of industrial segments

**80%**

of top **50** customers  
are leaders in their market

## BALANCED ACTIVITIES

Sales

**55%**  
IP driven

**45%**

other dynamics

## SOLID CONTRACT STRUCTURE

**>50%**

annual sales

**secured** as of  
**January 1<sup>st</sup>**

# Increased Customer Reach

1 million customers  
in 75 countries



1 million customers  
in 1 country (USA)

**Airgas**

Field  
Sales  
Specialists

Stores  
≈ 850

Telesales Experts  
> 500

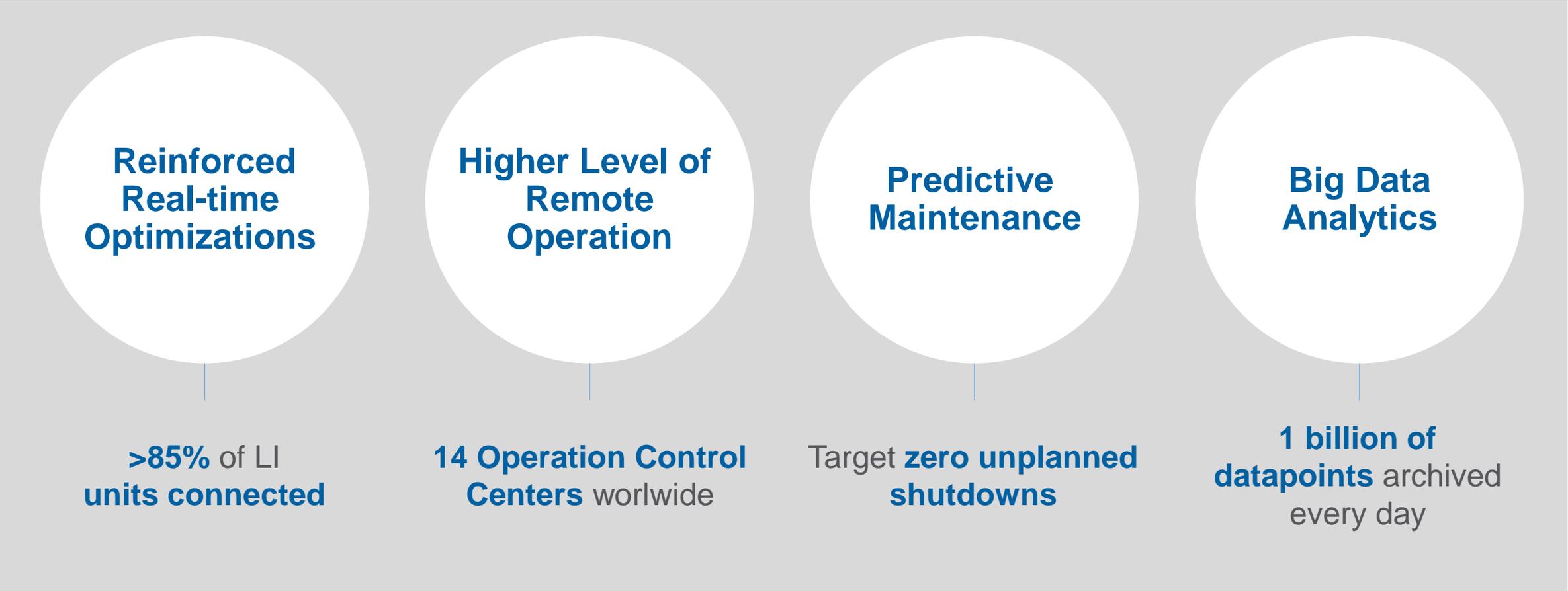
Digital Platform



*\* Bulk and Specialty Gases, Safety, Construction, Weld Process, Healthcare & Life Sciences*



# Efficiencies Boosted by Digitization of Operations



# Corporate Sustainability Objectives

## For better health

e.g.

- Foster clean mobility
- Develop Healthcare



## For better environment

e.g.

- Help customers lower GHG\* emissions
- Grow with reduced carbon intensity

e.g.

- Continue to improve Safety
- Do business responsibly
- Extend Air Liquide Foundation



\*GreenHouse Gas

# NEOS Strategy: a Customer-centric Transformation

## Contribution to NEOS

## Customer Benefits



Large Industries

**Growth and cash**

- Operational Excellence
- Customer competitiveness



Industrial Merchant

**Customer reach & competitiveness**

- Proximity
- Customer experience



Healthcare

**Expansion**

- Patient-centric services
- Caring for more patients



Electronics

**Premium value**

- Technology partner
- Flawless reliability and quality



Global Markets & Technologies

**New businesses**

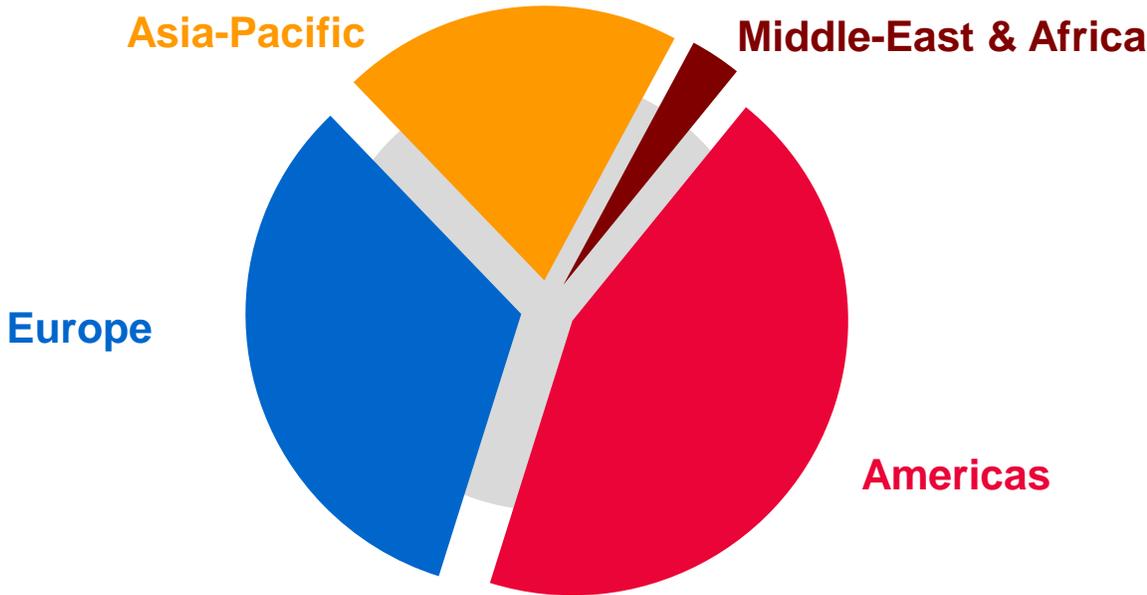
- Innovation for energy transition
- Customer needs anticipation



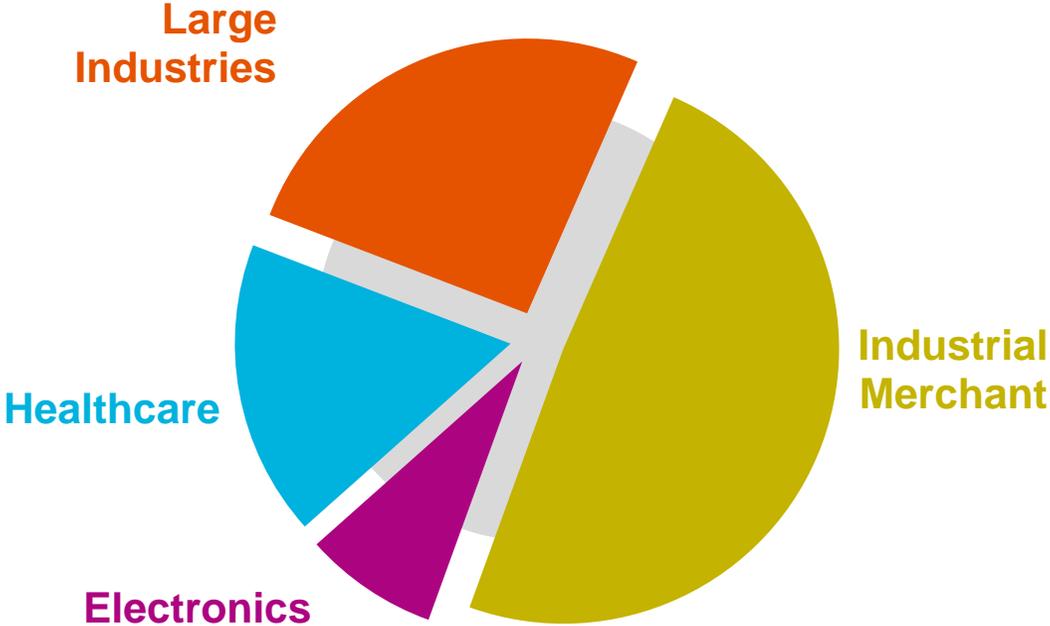
# Relying on a New Balanced Mix

2020 Gas & Services Sales

## Geography Mix



## Activity Mix

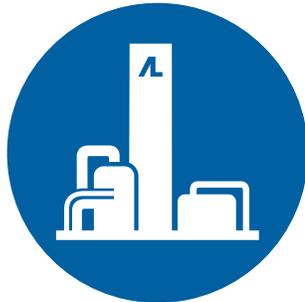


# Leveraging on Digital

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**New ways of working**

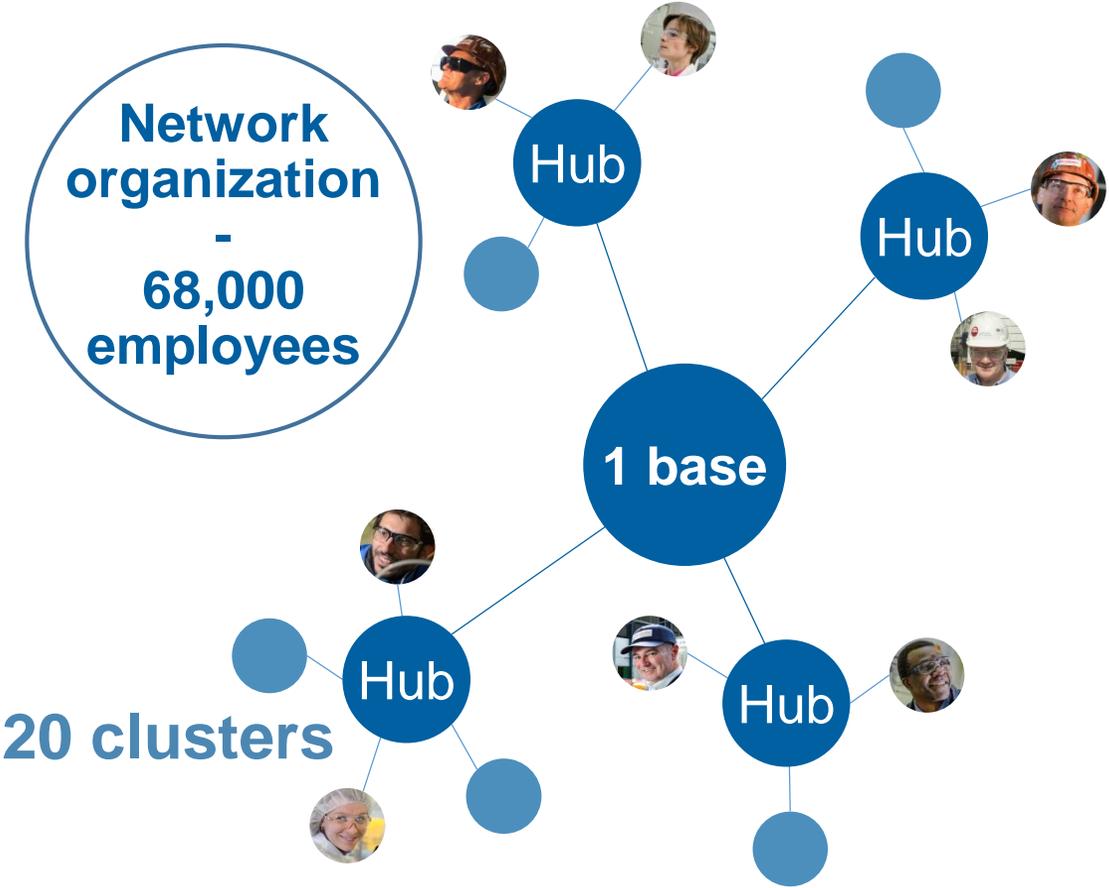


**Managing assets and optimizing  
production & logistics**



**Customer reach through e-commerce**

# Engaging the Whole Organization



neos



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