Q1 2018 Activity

Group Sales Up +6%
Strong Momentum in All Activities

Paris, 25 April 2018
2018 Q1 Activity

Fabienne Lecorvaisier
Executive Vice President &
Chief Financial Officer
Highlights

- Strong quarter in all business lines and geographies
- Group sales up +6%
  - Very high base business
  - Strong LI, thriving bidding activity and improving E&C
- Performance well on track
  - Efficiencies and Synergies delivered
  - Solid cash-flow
Favorable Environment

Increased Demand from End-markets

- ✓ Chemicals
- ✓ Refining
- ✓ Metals

IP Stabilizing

Industrial Production Year on Year in % (3-month rolling average)

Source: Coe-Rexecode
FX Headwind in Q1 2018

Increased Negative FX Impact\(^{(1)}\)

- \(-1.6\%\) FY 2017
- \(-8.2\%\) Q1 2018

Slightly Negative Energy Impact\(^{(1)}\)

- \(+1.5\%\) FY 2017
- \(-0.3\%\) Q1 2018

Estimated FY 2018

\(-5\%\)

\(~0\%\)

\(^{(1)}\) On Group sales

\(^{(2)}\) Based on Bloomberg forward rates as of beginning of April

\((\€1 = \$1.24)\)
Higher G&S Growth, Improving E&C and Strong GM&T

<table>
<thead>
<tr>
<th></th>
<th>Q1 17</th>
<th>Q1 18</th>
<th>Q1 18/17 Comparable</th>
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<td>+6.0%</td>
<td>-3.2%</td>
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</table>
Growth Across Major Geographies and Businesses

Comparable sales growth

- **AMERICAS**: +4.5%
- **DEVELOPING ECONOMIES**: +11%
- **ASIA**: +7%
- **GLOBAL MARKETS & TECHNOLOGIES**: +24%
- **LARGE INDUSTRIES**: +6%
- **INDUSTRIAL MERCHANT**: +4%

25 April 2018
Q1 2018 Activity

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Very High Base Business

G&S Quarterly Growth Analysis

Strongest base business since Q2 11

(1) Comparable growth based on 2016 adjusted sales
Group Sales, 6 Quarters of Accelerating Growth

Comparable Sales Growth

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Group</th>
<th>Gas &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 16</td>
<td>+0.5%</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Q1 17</td>
<td>+1.7%</td>
<td>+3.0%</td>
</tr>
<tr>
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Q1- Robust Growth in North America and Europe

**Robust IM and LI growth in North America**

- **LI:** high air gases in the U.S., ramp-ups in South America
- **IM:** very solid in all end markets, strong manufacturing
- **Strong HHC** in South America & Canada
- Low E&I in EL

**Solid growth in all activities**

- **LI:** very high $H_2$ volumes and strong cogen
- **Solid IM** despite 1 fewer working day, better pricing
- Sustained HC driven by HHC and Seppic
- Strong Developing Europe

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**G&S Comparable Sales Growth**

**AMERICAS Q1 2018**

€1,901m

**Q1 2018:** +4.5%

**EUROPE Q1 2018**

€1,753m

**Q1 2018:** +3%

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Q1- Strong Asia, Major Start-up in South Africa

Strong momentum in all activities

- **LI**: projects ramp-up in China, high volumes
- **IM**: very strong growth driven by China, improving Australia
- **EL**: >+10%, including high E&I

Very strong LI with major SU

- **Sasol start-up** in South Africa
- **High loading at Yanbu (Saudi)**
- **Dynamic LI and IM in Egypt**
- **Strong HC development**
Q1- Well-oriented Markets in IM, Increased Volumes in LI

**INDUSTRIAL MERCHANT**

**Q1 2018**

€2,208m

**LARGE INDUSTRIES**

**Q1 2018**

€1,365m

**G&S Comparable Sales Growth**

Very robust growth despite negative working day

- +15% growth in China
- All end markets well oriented
- High volumes in cylinders
- Firming pricing +2.1%

High activity & a major start-up

- Very solid growth in all regions
- Major ASU start-up in South Africa
- Ramp-ups in China
- Air gases and hydrogen higher volumes
Q1 - Solid HC and EL

Sustained growth, strategic acquisitions

- Strong growth in **Home Healthcare**
- **Contribution from acquisitions** in Japan and Saudi
- Dynamic growth in **developing economies**

Strong momentum in Asia

- **Asia** driving growth
- **Strong Carrier Gases**
- High E&I sales
Improving E&C, Very Strong GM&T

Sales and Order intake\(^{(1)}\) – in €m

(1) Group and third-party order intake

(2) Comparable growth

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Global Markets & Technologies (GM&T) High Growth

- Manage innovative activities and new market initiatives on a global basis

- 1,800 Employees
- €372m 2017 Revenue
- Double digit growth

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Q1 – Performance Well On Track

Efficiencies

- Industrial efficiencies accounting for half
- First Airgas efficiencies

Airgas Synergies

- Growth synergies accounting for 1/3 in Q1
- US$237m cumulated synergies

Cash Flow (1)

- Gross Capex = €570m

(1) Operating Cash Flow before change in Working Capital Requirements/Group Revenue
All Indicators Improving, Higher Project Activity

**Investment Opportunities**
12-month portfolio

- Increased bidding activity
- Medium-size projects and more take-overs

**Q1 2018 Investment Decisions**

- Major long-term contracts
- EL Carrier Gas contracts in Japan and Taiwan

**Q1 2018 Start-up/Ramp-up Sales Growth Contribution**

- 3 start-ups
- Ramp-ups in **China** and **South Africa**

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(1) See definitions in appendix

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25 April 2018
Q1 2018 Activity
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Increased Backlog

Investment Backlog\(^{(1)}\) in €bn

![Bar chart showing decreased backlog from December 2015 to March 2018.](chart)

- **Dec 2015**: €2.3bn
- **Dec 2016**: €2.1bn
- **Dec 2017**: €2.1bn
- **March 2018**: €2.2bn

**Start-ups**
- **Dec 2017**: ~€0.9bn

**Yearly Sales Backlog\(^{(1)}\) after full Ramp-ups**

\(~€0.9\)bn

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\(^{(1)}\) See definitions in appendix.

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19 | 25 April 2018 | Q1 2018 Activity | The world leader in gases, technologies and services for Industry and Health
2018 Outlook

- Group sales up +6%
- High base business
- Buoyant bidding activity
- Performance well on track

“Assuming a comparable environment, Air Liquide is confident in its ability to deliver net profit growth in 2018, calculated at constant exchange rate and excluding 2017 exceptionals\(^{(1)}\).”

\(^{(1)}\) Exceptional non-cash items having a net positive impact on 2017 net profit
Q1 2018
Appendix
Q1 2018 G&S Revenue Breakdown by Region
Americas

Q1 Gas & Services Sales: €1,901m

INDUSTRIAL MERCHANT
- High demand from end-markets
- Solid cylinders and hardgoods in the U.S., low argon supply due to weather conditions
- Dynamic cylinders in Canada
- Dynamic South America, Brazil improving

LARGE INDUSTRIES
- Air gases sales increase
- SU/RU in South America
- Pricing in North America

HEALTHCARE
- Dynamic Latin America
- Strong sleep apnea in Canada
- Solid medical gases in the U.S.

ELECTRONICS
- Weak E&I

Q1 18/17 Comparable growth : +4.5%
Europe

Q1 Gas & Services Sales: €1,753m

INDUSTRIAL MERCHANT
• Activity improvement despite one fewer working day
• Progress in almost all markets
• Double-digit growth in Developing Europe
• Better pricing: +0.8%

LARGE INDUSTRIES
• Increase in hydrogen volumes for refineries
• Dynamic cogen
• High growth in Developing Europe, especially in Turkey

HEALTHCARE
• Steady growth with few bolt-on acquisitions
• Dynamic HHC, especially in Nordics
• Strong increase in Specialty Ingredients

Q1 18/17 Comparable growth: +3.3%

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Asia-Pacific

Q1 Gas & Services Sales: €1,016m

INDUSTRIAL MERCHANT
- Buoyant China (+15%)
- Decreasing Japan with high E&I sales in Q1 2017
- Improving Australia

LARGE INDUSTRIES
- 3 ramps-ups in China including 1 take-over, more than compensating the sale of 3 isolated units
- Sustained demand from customers in China, South Korea and Singapore

ELECTRONICS
- Dynamic Advanced materials in Taiwan and South Korea
- Ramp-up in Carrier Gases
- Strong sales in E&I

Q1 18/17 Comparable growth: +6.8%

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Industrial Merchant Pricing

Q1 2018 Activity

- Americas: +2.6%
- Europe: +0.8%
- Asia-Pacific: +1.6%
- Africa Middle-East: +1.0%

Total Industrial Merchant: +2.1%
2018 forecasted additional sales between €250 and €300 million

Uncertainties about Fujian start-up date

Increased bidding activity on new projects
# Impact of Currency and Energy on G&S Revenue

## Currency Impact

<table>
<thead>
<tr>
<th>Currency</th>
<th>In €m</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>€/USD</td>
<td>+64</td>
<td>+49</td>
<td>(89)</td>
<td>(161)</td>
<td></td>
<td>(258)</td>
</tr>
<tr>
<td>€/CNY</td>
<td>(7)</td>
<td>(8)</td>
<td>(20)</td>
<td>(23)</td>
<td></td>
<td>(26)</td>
</tr>
<tr>
<td>€/JP¥</td>
<td>+13</td>
<td>(1)</td>
<td>(34)</td>
<td>(30)</td>
<td></td>
<td>(24)</td>
</tr>
<tr>
<td>Others</td>
<td>+46</td>
<td>+10</td>
<td>(51)</td>
<td>(59)</td>
<td></td>
<td>(105)</td>
</tr>
<tr>
<td>Total currency impact</td>
<td>+116</td>
<td>+50</td>
<td>(194)</td>
<td>(273)</td>
<td></td>
<td>(413)</td>
</tr>
</tbody>
</table>

## Average Rate

<table>
<thead>
<tr>
<th>Currency</th>
<th>Q1 17</th>
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<tr>
<td>€/USD</td>
<td>1.07</td>
<td>1.10</td>
<td>1.17</td>
<td>1.18</td>
<td>1.23</td>
</tr>
<tr>
<td>€/CNY</td>
<td>7.33</td>
<td>7.55</td>
<td>7.83</td>
<td>7.79</td>
<td>7.81</td>
</tr>
<tr>
<td>€/JP¥</td>
<td>121.0</td>
<td>122.2</td>
<td>130.4</td>
<td>132.9</td>
<td>133.1</td>
</tr>
</tbody>
</table>

## Natural Gas

<table>
<thead>
<tr>
<th>Natural Gas Impact</th>
<th>In €m</th>
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<th>Q2 17</th>
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<th>Q4 17</th>
<th>Q1 18</th>
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<tr>
<td>+104</td>
<td>+75</td>
<td>+41</td>
<td>-23</td>
<td></td>
<td>(14)</td>
<td></td>
</tr>
</tbody>
</table>

## Electricity

<table>
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<tr>
<th>Electricity Impact</th>
<th>In €m</th>
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<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
</tr>
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<tbody>
<tr>
<td>+25</td>
<td>+17</td>
<td>+9</td>
<td>(0)</td>
<td></td>
<td>(2)</td>
<td></td>
</tr>
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## Revenue Analysis by Quarter and by Business Line

The world leader in gases, technologies and services for Industry and Health

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<tr>
<th>Sales in €m</th>
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</thead>
<tbody>
<tr>
<td><strong>Large Industries</strong></td>
<td>1,392</td>
<td>1,302</td>
<td>1,286</td>
<td>1,356</td>
<td>1,365</td>
<td>-1.9%</td>
<td>+6.0%</td>
</tr>
<tr>
<td><strong>Industrial Merchant</strong></td>
<td>2,384</td>
<td>2,373</td>
<td>2,265</td>
<td>2,239</td>
<td>2,208</td>
<td>-7.4%</td>
<td>+4.2%</td>
</tr>
<tr>
<td><strong>Healthcare</strong></td>
<td>850</td>
<td>840</td>
<td>833</td>
<td>878</td>
<td>850</td>
<td>-0.1%</td>
<td>+4.9%</td>
</tr>
<tr>
<td><strong>Electronics</strong></td>
<td>420</td>
<td>417</td>
<td>403</td>
<td>404</td>
<td>408</td>
<td>-3.1%</td>
<td>+5.7%</td>
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<td><strong>Americas</strong></td>
<td>2,142</td>
<td>2,109</td>
<td>1,968</td>
<td>1,931</td>
<td>1,901</td>
<td>-11.3%</td>
<td>+4.5%</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>1,710</td>
<td>1,661</td>
<td>1,657</td>
<td>1,748</td>
<td>1,753</td>
<td>+2.5%</td>
<td>+3.3%</td>
</tr>
<tr>
<td><strong>Asia-Pacific</strong></td>
<td>1,024</td>
<td>1,008</td>
<td>1,010</td>
<td>1,039</td>
<td>1,016</td>
<td>-0.8%</td>
<td>+6.8%</td>
</tr>
<tr>
<td><strong>Middle-East, Africa</strong></td>
<td>170</td>
<td>154</td>
<td>152</td>
<td>159</td>
<td>161</td>
<td>-5.4%</td>
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<th>Quarter</th>
<th>Growth as published</th>
<th>Natural Gas</th>
<th>Electricity</th>
<th>Currency</th>
<th>Significant perimeter</th>
<th>Comparable growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>+42.2%</td>
<td>+2.2%</td>
<td>+0.6%</td>
<td>+2.5%</td>
<td>N/A</td>
<td>+2.8%</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>+21.2%</td>
<td>+1.6%</td>
<td>+0.4%</td>
<td>+1.1%</td>
<td>N/A</td>
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<td>+0.1%</td>
<td>+0.8%</td>
<td>+0.2%</td>
<td>-4.1%</td>
<td>N/A</td>
<td>+4.0%</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>-1.1%</td>
<td>+0.5%</td>
<td>+0.0%</td>
<td>-5.6%</td>
<td>-0.4%</td>
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</table>

2017 impacts compared to adjusted 2016 revenue, as if on January 1st 2016 Airgas had been fully consolidated.
Investment Cycle – Definitions

**Investment opportunities at end of the period**
- Investment opportunities under consideration by the Group for decision within 12 months.
- Industrial projects with investment value > €5m for Large Industries and > €3m for other business lines.
- Includes asset replacements or efficiency projects. Excludes maintenance and safety.

**Investment backlog at end of the period**
- Cumulated industrial investment value of projects decided but not yet started.
- Industrial projects with value > €10m, including asset replacements or efficiency projects, excluding maintenance and safety.

**Sales backlog**
- Cumulated expected sales per year generated by the current investment backlog after full ramp-up.

**Decisions of the period**
- Cumulated value of industrial and financial investment decisions.
- Industrial, growth and non-growth projects including asset replacements, efficiency, maintenance and safety.
- Financial decisions (acquisitions).
Regular and Sustained Performance

Revenue (in €m)

- +6.0% \(\text{CAGR over 30 years}^{(2)}\)

Cashflow (in €m)

- +6.9% \(\text{CAGR over 30 years}^{(2)}\)

EPS\(^{(1)}\) (in €)

- +7.5% \(\text{CAGR over 30 years}^{(2)}\)

Dividend\(^{(1)}\) (in € per share)

- +8.6% \(\text{CAGR over 30 years}^{(2)}\)

(1) Adjusted for the 2-for-1 share split in 2007, for attributions of free shares and for a factor of 0.974 reflecting the value of the rights of the capital increase completed in October 2016. (2) Calculated according to prevailing accounting rules over 30 years.
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