

New
format

INTER ACTIONS

June 2019

The rendez-vous for Air Liquide shareholders

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Conversation



More than 5,000 of you, our shareholders, came to meet with us during the month of May. Here is a look back with Benoit Potier, Chairman & CEO of Air Liquide, at these moments of genuine discussion.

You chaired the Annual General Meeting in Paris this past May 7. What did you take away from this meeting?

► **B. Potier:** Nearly 4,000 shareholders participated in this meeting. Beyond the very high turnout – the highest among CAC40 companies – I was struck by the Q&A session, which lasted more than an hour and was particularly insightful. I am happy to see that our shareholders are so interested in our Group's activity and strategy. They often ask very specific questions and show us just how much their commitment matches our own. Thanks to a brand-new digital process, we were able to collect five times as many written questions this year than in previous years and identify our shareholders' top areas of interest in real time. This helps us uphold our principle of shareholder democracy, which is something we are deeply committed to.

After the Annual General Meeting, you also had the opportunity to meet with shareholders in Biarritz and Lyon. Why were these meetings organized so soon after the Annual General Meeting?

► **B. Potier:** It is really important for me to meet with shareholders who might not have been able to attend the Annual General Meeting in Paris. This is why I meet with more than 1,000 shareholders in two different French cities every year to keep the conversation going. I am certain that this close relationship – based on mutual respect, listening, and dialogue – is key to Air Liquide's success. In addition to presenting the Group's strategy, we discussed our "climate objectives" in great detail. No matter where our shareholders are, they share our interest in hydrogen energy and its expansion. As an executive, this increases my confidence in the measures we are taking to prepare for the future. I often say that our shareholders did not pick the Air Liquide share by accident – a fact that is proven by each of these meetings!

How do you maintain this relationship based on proximity, apart from these meetings?

► **B. Potier:** The trust that individual shareholders have placed in us since the Group was founded is both an honor and a responsibility. It is our duty to never disappoint them and to ensure they remain confident, each and every day, that they made the right investment. We accomplish this in a variety of ways. We update them as regularly as possible, in particular through this magazine, and also through digital tools, which are a powerful resource for maintaining proximity without being limited by time or distance. Renewal and innovation are needed to make sure this relationship is a long-term one. This new version of your magazine, as well as the digital tools at your disposal, demonstrate our commitment to keep building the future of Air Liquide – together.

Thank you for your trust and loyalty.



NEARLY

4,000

**SHAREHOLDERS
ATTENDED THE ANNUAL
GENERAL MEETING**

- More than an hour of discussions with the audience
- 240 questions asked in writing and by SMS
- 1st Annual General Meeting of the CAC 40

The full story on p. 9



Our achievements over the past six months

World

ACCELERATING IN HYDROGEN ENERGY



Pioneer in the hydrogen market, Air Liquide is convinced that this molecule has a fundamental role to play in facing the climate challenge. Therefore, the Group is contributing to its development as a source of energy. In addition to the roll out of new hydrogen stations, particularly in France, Japan and South Korea, the Group has led several projects in recent months all over the world. A brief overview:

IN CHINA ▶ Air Liquide has created a joint venture with Chinese company Houpu⁽¹⁾ to develop the country's hydrogen distribution infrastructure.

IN CANADA ▶ The Group will build a new carbon-free hydrogen production unit located in Becancour, Quebec, to supply the Canadian and U.S. industry as well as the rapidly growing local hydrogen-mobility market.

IN FRANCE ▶ The Group partnered with Idex, specialized in energy efficiency services, Société du Taxi Électrique Parisien (STEP) and Toyota to create HysetCo and support the launch of a fleet of 600 hydrogen taxis by the end of 2020 in the Paris region.

(1) Company specialized in supplying clean energy refilling equipment.

North America

STRENGTHENING POSITIONS IN THE UNITED STATES

Air Liquide has stepped up its presence in the largest industrial gases market in the world through the acquisition of TechAir, an independent distributor of industrial gases and welding materials.

The Group has also extended its offering with major customers from the chemical and refining industry, among which is LyondellBasell, for the supply of a new petrochemicals facility currently being built in Channelview, Texas.

~ 20,000

AIR LIQUIDE EMPLOYEES
IN THE UNITED STATES

France

INNOVATING WITH DEEPTECH START-UPS

At its new Paris Innovation Campus, Air Liquide has just inaugurated Accelair, its entity dedicated exclusively to deeptech start-ups⁽²⁾. In addition to accommodation and access to experimental spaces, selected start-ups will benefit from a support program with Air Liquide experts to accelerate the time-to-market of their offer. Accelair will host approximately twenty start-ups developing breakthrough technologies in areas related to energy and environmental transition, industry 4.0, aerospace, agribusiness, and healthcare.

For further information:
accelair.airliquide.com

Spain

OFFERING MORE SERVICES TO PATIENTS WITH DIABETES

Because each patient with diabetes is different and requires personalized care, Air Liquide acquired DiaLibre last April, a Spanish start-up offering personalized therapeutic support programs and medical follow-up for patients using digital technologies.



This acquisition allows us to complete our service offer to patients with diabetes and provide them with better support throughout their continuum of care. It also allows us to introduce a new complementary care model and opens up new development perspectives for the home healthcare business in Europe.



PHILIPPE OGÉ,
 VICE-PRESIDENT HOME HEALTHCARE EUROPE

France

VIVATECH: URBAN FARMING IN THE SPOTLIGHT!

Between May 16 and 18, Air Liquide was present at VivaTech, the global event for innovation, alongside four of its start-up partners specialized in new technologies for a variety of applications: Immersive Factory (virtual reality), Dietsensor (health), RampUp (coaching) and MyFood (urban farming). Among the collaborative projects presented, MyFood's smart urban greenhouse was a huge success. This start-up is collaborating with Air Liquide on a fertilization process using CO₂ to improve the quality and yield of vegetables grown in the greenhouse – a promising market!



⁽²⁾ Start-ups that aim to break new technological ground using cutting-edge technologies to create scientific breakthroughs.



ELECTRONICS

Air Liquide at the heart of the digital revolution

Smartphones, connected cars, virtual reality, artificial intelligence: electronics power these surging technologies. Air Liquide is well-positioned to bring cutting-edge solutions to this booming market.



+10%

**AIR LIQUIDE'S 2018
GROWTH IN
ELECTRONICS ACTIVITY**

The booming electronics industry is driven by Asia - the largest market - and by the significant investments being made in Europe. As one of the main gas and services suppliers for this industry, Air Liquide serves several markets worth 600 billion dollars⁽¹⁾. The Group has a key role to play in supporting its customers as they face multiple challenges.

Pushing technological boundaries

In their continuous quest to improve technological performance, electronics companies face a major challenge: fitting more functionality in ever smaller and increasingly powerful chips. From providing ultra-pure gases that ensure the cleanliness and stability required in electronics manufacturing to the development of advanced materials, the Group helps them push the boundaries of what

is possible. For example, Air Liquide's advanced materials have contributed to reducing the size of silicon transistors from 65 to 14 nanometers in the past few years. At this nano-scale, flawless quality, product stability, safety, and reliability are critical. This is why, alongside ultra-pure gases and innovative materials, Air Liquide offers the equipment and services needed to ensure their optimum delivery.

An ongoing open innovation approach

To help its customers keep pace with fast-evolving consumer trends, Air Liquide relies on a unique open innovation approach supported by its global network of Innovation Campuses. The Group is therefore well-positioned to capture the opportunities offered by this dynamic market. In 2018, its Electronics activity grew by more than 10%.

ACCELERATE INNOVATION WITH STMICROELECTRONICS

The recent initiative between Air Liquide and STMicroelectronics, a world leader of semi-conductor solutions, aims to accelerate the development of digital solutions for industrial applications, such as asset tracking and management, predictive maintenance and the cybersecurity of industrial assets. This is a win-win cooperation that will extend the long-standing business relationship between the two companies.

(1) The integrated circuit, flat panel and photovoltaics markets. Source: Air Liquide Electronics, May 2019.

MARKETS

Reducing the industry's environmental footprint

Like other industries, electronics companies are striving to develop more efficient products that result in less greenhouse gas emissions. Assisting them in this ambition, Air Liquide has developed enScribe™, a new family of advanced etching materials that allows for the creation of chips at nano-dimensions while reducing their impact on the environment. For example, the

sole use of the enScribe™ molecule by a major semi-conductor customer contributed to reducing CO₂ emissions by 1% in this sector.

DID YOU KNOW?

In 2018, Air Liquide supplied almost US\$2bn worth of gases and materials to electronics customers.

The potential of this market is huge, as illustrated by the single example of smartphones: every year, 1.5 billion smartphones⁽¹⁾ are sold in the world, and each of them contains chips that are made with about US\$2 worth of gases and advanced materials.

(1) Source: www.statista.com/statistics/263437/global-smartphone-sales-to-end-users-since-2007/



EUROPE: SUPPORTING PROGRESS IN NANO-ELECTRONICS

In 2018, France launched the Nano 2022 initiative within the framework of an ambitious Europe-wide project that aims to develop a European sector of excellence in nanotechnology. Over five years, €5 billion (from French national and local governments, the E.U., and private partners) will be invested in French R&D and industrial projects to develop electronic components such as smart sensors and semi-conductors for applications in the automobile, aerospace, defense, and artificial intelligence sectors.

(2) Source: "What happens in an Internet minute in 2018?" study available at www.visualcapitalist.com/internet-minute-2018

Proximity and interactions at the Annual General Meeting



On May 7, 2019, nearly 4,000 shareholders attended the Annual General Meeting at the *Palais des Congrès* in Paris. This important moment in the Group's life provided the opportunity to meet and discuss with our shareholders again this year.

More than one hour of discussions

The theme of this year's Annual General Meeting was "Inventors of the Future". In this context, Benoît Potier, alongside the Board of Directors, presented the Group's strategic progress and outlook. The presentations ended with a Q&A session and, for the first time, thanks to an innovative digital process, the key interests of the shareholders who attended the meeting in person were highlighted. Benoît Potier was therefore able to address most of these topics and answer their questions.

Diversity within the Board of Directors

The shareholders decided to renew, for a period of four years, the terms of office of Ms. Siân Herbert-Jones and Ms. Geneviève Berger as Directors.

The Board of Directors is therefore composed of 12 members, including five women, and six members who are not French. The current composition of the Board offers a complementary mix of experience, nationalities and cultures, and reflects the diversity policy conducted by the Group.

Profitable growth for shareholders

The proposed dividend, with an ex-date on May 20 and a payment date on May 22, was approved: it is €2.65 per share. Moreover, on October 9, 2019, the Group will carry out its 30th free share attribution on the basis of 1 free share for every 10 shares held. ●

► [Watch the best of the 2019 annual general meeting on \[airliquide.com/2019agm\]\(https://www.airliquide.com/2019agm\)](https://www.airliquide.com/2019agm)

REGIONAL MEETINGS

As a sign of the Group's commitment to a close relationship with its shareholders, Benoît Potier visited you in the cities of Biarritz and Lyon on May 14 and 28. In addition to a presentation covering Air Liquide's strategy and outlook, you were also given the chance to take part in a roundtable discussion on the Group's "climate objectives".

Enhancing our relationship thanks to digital tools

To inform you more regularly and facilitate our dialogue, we have developed two new tools which are 100% digital.



A webzine to deepen your knowledge of the Group

"Stock & Share" is a new webzine designed to bring you a better understanding of the Group's news as well as its share ownership.

► Each month, find a wide range of contents on airliquide.com/stockshare



A newsletter to keep you informed

Make sure you do not miss out any news featured in our webzine by subscribing to the bimonthly newsletter!

► To receive the newsletter, subscribe on airliquide.com/shareholders/newsletter



YOUR PERSONAL ONLINE ACCOUNT

Meet Valentin Gauthier, "User Experience" Project Manager, Shareholder Services at Air Liquide.



Your personal online Account, which is accessible from the Shareholders section of the airliquide.com website, facilitates the secure management of your Air Liquide share portfolio. As a registered shareholder, you can consult your portfolio as well as your loyalty bonus rights and vote on the Annual General Meeting resolutions. If you are a direct registered shareholder, you can also place your stock market orders directly at a reduced brokerage rate of 0.10%⁽¹⁾ before tax, consult

your account documents and transactions history, or validate online your request for exemption from the advance withholding on dividends (for French residents only). We also regularly add new functionalities. The most recent ones: the possibility of editing your account statement at the date of your choice, but also import details of all the accounts you manage into your own personal online Account, for example as a parent. //

(1) Reduced brokerage rate of 0.10% before tax instead of 0.18% before tax for purchases paid by SEPA automatic debit (for accounts domiciled in the SEPA zone) or by bank card (up to €3,000) as well as for sales. Subject to having signed an account agreement. Only applicable to accounts with full ownership.



STOCK MARKET PERFORMANCE

PERFORMANCE AT 5 JUNE 2019	AIR LIQUIDE	CAC40
Over 1 year	+5.16%	-3.09%
Over 5 years	+31.99%	+16.34%
Over 10 years	+153%	+58.49%

Share price at 5 June 2019: €114.20. Performances calculated on 5 June 2019 on the basis of the closing quoted value of the share on 5 June 2018, 5 June 2014 and 5 June 2009. Past performances of Air Liquide's share are not a guarantee of future results.

YOUR UPCOMING EVENTS

July 30

Publication of 2019 first half results

July 31

Last day to submit your application to the Shareholders' Communications Committee.

► Application form (in French only) available on airliquide.com/shareholders

September 16

Shareholders' meeting in Tours

September 24

Shareholders' meeting in Annecy

October 9
Free share attribution, on the basis of 1 free share for every 10 shares held

October 10

Shareholders' meeting in Grenoble

October 24

Publication of 2019 third quarter revenue

November 28

Shareholders' meeting in Rennes

The floor is yours!

Share your ideas and take part in Air Liquide's dialogue with its shareholders.

Contact us throughout the year:



- At Shareholder Lounge, open Monday-Friday 9 am to 6 pm (GMT +1)
75, quai d'Orsay, Paris 7^e - France
- By phone: +33 (0)157 05 02 26 (from outside France) or 0 800 166 179 (free from a French landline)
- By mail at 75, quai d'Orsay
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AirLiquide



airliquide.com

Annual General Meeting — May 7, 2019

"The Annual General Meeting is extremely important because it gives you an overview of Air Liquide, its capacity for change, its relationship with shareholders."

Claudine D. — Shareholder for 30 years

"I visited the exhibition dedicated to the climate. I believe hydrogen really is the future."

Georges C. — Shareholder for 6 years

Biarritz Shareholders' meeting — May 14, 2019

"I attended Air Liquide's Annual General Meeting once. It is a great experience, but I prefer meetings like this as it is complicated for me to go to Paris."

Nathalie D. — Shareholder for 5 years

"I have already had contact with Shareholder Services, I always get answers to my questions, in particular when I converted my shares to registered form."

Laurent S. — Shareholder for 7 years