

## Pre-Q3 2019 Sales Communication

Air Liquide has compiled the following items for consideration to assist in the financial modeling of the Group Q3 2019 sales.

- **Significant perimeter impact**

The consolidation of the acquisition of **Tech Air** (Industrial Merchant) in the US started from Q2 2019. Annual revenue were approximately 190 million US dollars in 2018. In Q2 2019, the perimeter impact reached **€40m**, i.e. **+0.8%** of Group revenue.

- **Currency impact**

Main currency variations (from the largest to the smallest impact on Group sales):

€ versus	Q3 2018	Q3 2019	change
US Dollar	1.163	1.112	-4.4%
Japanese Yen	129.6	119.3	-8.0%
Argentina Peso	40.48	57.89	+43%

In Q2 2019, the currency impact on Group and Gas & Services revenue was +2.1% and it is estimated **close to +2%** for **Q3 2019**. For FY 2019, it is expected to be **close to +2%** based on an estimated annual average EUR/USD exchange rate at 1.12.

- **Energy Pass-through impact**

In Q2 2019, the Energy pass-through effect on Group revenue was -0.6%. It is expected to be **between -2.5% and -3%** on Group and Gas & Services revenue in **Q3 2019**.

- **Business items**

- o Comparable sales growth in **Large Industries** reached **+5.7%** in Q2 2019: in Europe, growth was driven by high volumes from refiners and by additional sales from start-ups in Q3/Q4 2018, while demand from Chemical and Steel customers remained stable; Asia benefitted from several ramp-ups from Q4 2018, including Fujian units which contribution ended with the divestiture early September 2019.
- o **Industrial Merchant** posted sales growth of **+2.3%** in Q2 2019, driven by high pricing. End-markets were contrasted with strong Pharmaceuticals and Food but flat Automotive and lower Construction and Metal Fabrication in the US.
- o **Healthcare** sales were up **+6.7%** in Q2 2019, supported by strong sales growth of Medical Gases in the US and Home Healthcare in Europe, with very limited contribution from bolt-on acquisitions.
- o **Electronics** revenue increased by **+13.2%** in Q2 2019, with high sales growth in Carrier Gases and Advanced Materials, and booming Equipment & Installations (E&I). E&I sales should reduce significantly in 2<sup>nd</sup> half given the decrease of the book-to-bill ratio to 0.44 at the end of Q2 2019.
- o **Engineering & Construction** revenue totaled **€83m** in Q2 2019, down compared to €93m in Q1 2019, with a larger proportion of Group projects vs. Third Parties sales notably in Large Industries and Electronics following the rise in investment decisions.
- o Sales in **Global Markets & Technologies** were up **+6.7%** in Q2 2019, mainly driven by biomethane activity and equipment sales based on Turbo-Brayton technology.

Q3 2019 revenue will be announced on **October 24, 2019**.

## CONTACTS

### Investor Relations

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A world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 80 countries with approximately 66,000 employees and serves more than 3.6 million customers and patients. Oxygen, nitrogen and hydrogen are essential small molecules for life, matter and energy. They embody Air Liquide's scientific territory and have been at the core of the company's activities since its creation in 1902.

Air Liquide's ambition is to be a leader in its industry, deliver long term performance and contribute to sustainability. The company's customer-centric transformation strategy aims at profitable growth over the long term. It relies on operational excellence, selective investments, open innovation and a network organization implemented by the Group worldwide. Through the commitment and inventiveness of its people, Air Liquide leverages energy and environment transition, changes in healthcare and digitization, and delivers greater value to all its stakeholders.

Air Liquide's revenue amounted to 21 billion euros in 2018 and its solutions that protect life and the environment represented more than 40% of sales. Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, EURO STOXX 50 and FTSE4Good indexes.