Full Year 2019 Results

Step-up in Performance Improvement

High level of Investments for Customers and Efficiency

Commitment to Climate Reaffirmed
Agenda

1. Air Liquide Today – Short Introduction
2. 2019, A Landmark Year for Air Liquide
3. Performance Improvement in FY 2019
4. Group Credit Profile
5. 2020 Outlook
6. Appendix
A World Leader in Gases, Technologies and Services for Industry & Health

80 Countries
67,000 Employees
>3.7 m Customers and Patients
~€22 bn of Sales in 2019

>€2.2 bn Net Profit in 2019
~€5 bn Cash Flow in 2019*
>€60 bn Market Capitalization**

* cash flow from operating activities before changes of working capital
** on December 31, 2019
A Strong Business Model

1. Mutualize assets

2. Liquefaction piggyback

3. Distributors, bolt-on acquisitions

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(a) SMR: Hydrogen and carbon monoxide production unit (Steam Methane Reformer)
(b) ASU: Air gases production unit (Air Separation Unit)
(c) On-site: Small local production unit
(d) ESG: Electronic Specialty Gases
A Balanced Footprint

Gas & Services revenue in 2019

- Electronics: 9%
- Large Industries: 27%
- Healthcare: 18%
- Industrial Merchant: 46%

€21bn

- Asia-Pacific: 23%
- Europe: 34%
- Americas: 40%
- Africa Middle-East: 3%

€21bn
Financial Objectives

+6% to +8%
CAGR 2016-2020\(^{(1)}\)

>10%
In 2021-2022

Maintain “A” range rating

Capex/Sales 2017-2020: 10% to 12%

Efficiencies >€300m on average/year\(^{(2)}\)
+ Airgas synergies >$300m

\(^{(2)}\) Upgraded from >€300m to >€400m as of 2019

\(^{(1)}\) Including Airgas scope effect in 2017 contributing +2% to the CAGR
Financial Objectives

- **ASSETS**
  - Reduce our carbon intensity in 2025 vs. 2015 by -30%

- **CUSTOMERS**
  - Act for clean industry by developing low-carbon solutions

- **ECOSYSTEMS**

A global approach
Regular and Sustained Performance

CAGR over 30 years

Revenue (in €m) +5.6%

Cashflow (in €m) +6.5%

EPS (in €) +6.7%

Dividend (in € per share) +8.7%

(1) Calculated according to prevailing accounting rules over 30 years. (2) 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. (3) Dividend 2019 subject to the approval of shareholders during the General Meeting on May 5, 2020.
2019, A Landmark Year for Air Liquide
2019, A Landmark Year for Air Liquide

- Commitment to a structured plan for performance improvement driving initial step up in margins
- Commitment to customers and efficiency. High level of investments, major signings in key basins
- Commitment to climate reaffirmed. Reduction in carbon intensity and launch of major innovative projects
Strong **Performance Improvement** in 2019

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Sales</td>
<td>+4.3%</td>
</tr>
<tr>
<td>Operating Income Recurring</td>
<td>+10.0%</td>
</tr>
<tr>
<td>Recurring Net Profit (2)</td>
<td>+11.1%</td>
</tr>
<tr>
<td>Recurring ROCE (3)</td>
<td>+60 bps</td>
</tr>
</tbody>
</table>

(1) Excluding energy impact
(2) Excluding exceptional and significant operations not impacting the Operating Income Recurring
(3) Return on Capital Employed based on Recurring Net Profit
Structured Program in Place to Deliver NEOS and Beyond

Reinforced existing plan | Launched in 2019 | Extended Outlook

| Pricing + | Product Mix Management |
| Efficiencies + | Transformation Programs |
| Bolt-on Acquisitions + | Portfolio Streamlining |

... with commitment to further improve the operating margin\(^{(1)}\).

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(1) Assuming no major change in the environment and the international health situation is under control
High Investments, Order Intake Recovering

--- Industrial Investment Decisions ---

--- E&C and GM&T Order Intake ---

€3.2bn

High Investments, Order Intake Recovering

Industrial Investment Decisions

E&C and GM&T Order Intake

€1.4bn
Proposed Dividend Distribution in 2020

+9.0% 20 years CAGR
Including free shares attribution every other year

€2.70

Strong dividend increase
✓ Increase of nominal
✓ Free share attribution

58% Payout Ratio

(1) Historical data adjusted for past free share attributions and for a factor of 0.9067 reflecting the value of the rights of the 2016 capital increase
(2) Subject to the approval of shareholders during the General Meeting on May 5, 2020
Further Reduction of Carbon Intensity

2019 Achievement

Climate Objectives announced in Nov. 2018

-30% Reduction of Carbon intensity from 2015 to 2025 in kg CO₂/€ EBITDA \(^{(1)}\)

Initial Carbon Intensity Commitment

\[ \text{2019 Achievement} = 4.6 \]

\[ \text{2015} \quad \text{2016} \quad \text{2017} \quad \text{2018} \quad \text{2019} \quad \text{2020} \quad \text{2021} \quad \text{2022} \quad \text{2023} \quad \text{2024} \quad \text{2025} \]

\[ \text{6.3} \quad \text{4.6} \quad \text{4.4} \]

(1) Operating Income Recurring before Depreciation and at 2015 exchange rate
Launch of Major Innovative Projects

**CCS**
- MOU with Northern Lights
- Consortia with Ports of Antwerp and Rotterdam

**Green H₂**
- Electrolyzer in Quebec
- HyGreen Provence

**Low CO₂ Production**
- thyssenkrupp
- ArcelorMittal

**H₂ Mobility**
- California
- Paris
- China

(1) Carbon Capture and Storage
Performance Improvement in FY 2019
Step-up in Performance Improvement

As published figures

Group Sales

+4.3%

Performance

OIR/sales 17.3%

CF/sales\(^{(1)}\) 22.2%

ROCE\(^{(2)}\) 8.6%

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(1) Cash Flow from Operations before changes in Working Capital Requirement on Group Sales

(2) Recurring ROCE, based on Recurring Net Profit
Regardless of the Environment, **Robust FY Sales Growth**

<table>
<thead>
<tr>
<th>Sales in €m</th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 19/18 Comparable</th>
<th>FY 19/18 As published</th>
<th>Q4 19/18 Comparable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas &amp; Services</td>
<td>20,107</td>
<td>21,040</td>
<td>+3.5%</td>
<td>+4.6%</td>
<td>+0.9%</td>
</tr>
<tr>
<td>Engineering &amp; Constr</td>
<td>430</td>
<td>328</td>
<td>-25.0%</td>
<td>-23.7%</td>
<td>-51.7%</td>
</tr>
<tr>
<td>Global Markets &amp; Tech</td>
<td>474</td>
<td>552</td>
<td>+14.9%</td>
<td>+16.5%</td>
<td>+11.1%</td>
</tr>
<tr>
<td>Group Total</td>
<td>21,011</td>
<td>21,920</td>
<td>+3.2%</td>
<td>+4.3%</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

FY Group Sales:  
- +2.1% FX Impact
- -1.4% Energy Impact
- +0.4% Scope
Q4 2019 Market Trends to Continue in Q1 2020

- Soft Chemicals and Steel
- Sustained demand for Refining in Europe
- New projects across markets

- Widening contrasts in markets:
  - Growing Consumption and Technology sectors
  - Softening IP-related sectors

- IC market rebound expected driven by development of 5G and IoT

- Healthcare strong fundamentals
Q4 – Stable Americas, Very Solid Europe

G&S comparable sales growth

Americas – Major Customer Turnarounds in LI

- FY 18: +5%
- FY 19: +1.5%

Sales FY 2019

€8,460m

- LI - customer turnarounds
- IM - solid pricing
- EL - solid Medical Gases

Europe – Growth Driven by HC and Resilient IM

- FY 18: +3%
- FY 19: +3%

Sales FY 2019

€7,172m

- LI - solid H₂ for Refining in Benelux
- IM - positive pricing
- HC - high organic growth in HHC

- IM - soft Steel and Chemicals in Germany
- EL - high YoY E&I comparison basis
Q4 – Solid Asia, Stable AME

G&S comparable sales growth

Asia – Robust EL, Solid LI, Resilient IM

AME – Solid Activity

- **LI** - O₂ Ramp-Ups in China for Chemicals
- **IM** - China: strong cylinder volumes, lower bulk pricing
  - strong helium sales
  - slowing Australia and Japan
- **EL** - >+10% excluding E&I
  - very strong Advanced Materials

- **LI** - major production units stable at full load
- **IM** - Egypt and India outpacing Africa
Confirmed **Step-Up in OIR Margin: +70 bps**

<table>
<thead>
<tr>
<th>In €m</th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 19/18</th>
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</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>21,011</td>
<td>21,920</td>
<td>+4.3%</td>
</tr>
<tr>
<td><strong>Purchases</strong></td>
<td>(8,276)</td>
<td>(8,154)</td>
<td>-1.5%</td>
</tr>
<tr>
<td><strong>Personnel expenses</strong></td>
<td>(4,146)</td>
<td>(4,411)</td>
<td>+4.2%</td>
</tr>
<tr>
<td><strong>Other net income and expenses</strong></td>
<td>(3,374)</td>
<td>(3,423)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit before depreciation</strong></td>
<td>5,215</td>
<td>5,932</td>
<td>+13.7%</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>(1,766)</td>
<td>(2,138)</td>
<td>+21.0%</td>
</tr>
<tr>
<td><strong>Operating Income Recurring</strong></td>
<td>3,449</td>
<td>3,794</td>
<td>+10.0%</td>
</tr>
<tr>
<td><strong>Group OIR margin</strong></td>
<td></td>
<td></td>
<td>+90 bps</td>
</tr>
<tr>
<td><strong>Group OIR margin excluding energy effect</strong></td>
<td></td>
<td></td>
<td>+70 bps</td>
</tr>
<tr>
<td><strong>G&amp;S OIR margin excluding energy effect</strong></td>
<td></td>
<td></td>
<td>+60 bps</td>
</tr>
</tbody>
</table>
Structured Performance Improvement Program

+70\(^{(1)}\) bps OIR margin

Price/Mix

Efficiencies

Portfolio Management

(1) Operating Income on sales excluding energy impact in FY 2019
Pursued Management of Pricing and Product Mix

IM pricing momentum

Q4 margin contributors

- Focus on **high value added applications**
- **Higher cylinder** growth compared to bulk in IM
- Less E&I in EL and **hardgoods** in IM
- High **helium** pricing continuing in 2020
- **2020 Price campaigns** planned
### Strengthened Efficiency Program Delivering

<table>
<thead>
<tr>
<th>2019 efficiencies</th>
<th>Cumulated efficiencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€433m</strong></td>
<td><strong>€1.5bn</strong></td>
</tr>
<tr>
<td><strong>+23%</strong></td>
<td></td>
</tr>
</tbody>
</table>

On top of **existing procurement and industrial efficiencies:**

- Pursued **digital** deployment with strong momentum in LI
- On-going **reorganizations** especially in IM and HHC Europe
- **Airgas** significant contributor to the 2019 increase

- ~**30%** linked to **energy transition**
Continuous **Portfolio Management**

- **Focus on Core business**
  - 6 Divestitures in 2019
    - 2 in Europe
    - 1 in Asia: Fujian
    - 2 at Airgas, 1 in Asia

- **Densification** of operations
  - 24 Acquisitions in 2019
    - 4 at Airgas and
    - 6 in China
    - 1 in Canada and
    - 1 in UK
    - 1 in Netherlands

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On-going

9 including potential sale of Schülke
## Strong Recurring Net Profit

<table>
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<td>3,449</td>
<td>3,794</td>
<td>+10.0%</td>
</tr>
<tr>
<td>Other non-recurring operating income &amp; expenses</td>
<td>(162)</td>
<td>(188)</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>3,287</td>
<td>3,606</td>
<td></td>
</tr>
<tr>
<td>Net financial costs and other net financial expenses</td>
<td>(353)</td>
<td>(468)</td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>(731)</td>
<td>(802)</td>
<td></td>
</tr>
<tr>
<td>Tax rate</td>
<td>24.9%</td>
<td>25.5%</td>
<td></td>
</tr>
<tr>
<td>Share of profit of associates</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>94</td>
<td>96</td>
<td></td>
</tr>
<tr>
<td><strong>Net profit (Group share)</strong></td>
<td>2,113</td>
<td>2,242</td>
<td>+6.1%</td>
</tr>
<tr>
<td>Earnings per share (in €)</td>
<td>4.49</td>
<td>4.76</td>
<td>+5.9%</td>
</tr>
</tbody>
</table>

**Recurring Net profit**

Excluding one-offs:
- Fujian in 2019
- financial gain in 2018
Regular ROCE Improvement

ROCE – After tax

- Dec. 15: 10.3%
- Dec. 16 adjusted: 6.9%
- Dec. 17: 7.7% (1)
- Dec. 18: 8.0%
- Dec. 19: 8.6% (2)

Airgas acquisition

+60 bps

2021/2022 NEOS objective: >10%

(1) Excluding positive impact on 2017 net profit of non-cash one-off items
(2) Recurring ROCE based on Recurring Net Profit and excluding IFRS16

Air Liquide
High Level of Investments for Customers and Efficiency

Investment Opportunities\(^{(1)}\)
12-month portfolio

- Mostly **Chemicals, Oil & Gas, IC**
- Increased number of **takeovers**

Investment Decisions\(^{(1)}\)

- **Major signings in key basins**
- **Contract renewals** & acceleration of **efficiency investments**
- **~30% linked to Climate Biomethane, PEM electrolyzer** in Canada

Start-up/Ramp-up Sales Growth Contribution

- **18 Start-Ups FY**
- **Q4 2019: 1 additional SU in EL China**

(1) See definitions in appendix
Confirmed 2020 Estimated Contribution from Start-Ups

Major Start-Ups

<table>
<thead>
<tr>
<th>2020</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LI Project Asia</td>
<td>LI Project South America</td>
<td>EL Project Asia</td>
<td>LI Project US</td>
</tr>
</tbody>
</table>

Sales growth contribution

- **~€230m**
  - FY 2020

Increased Backlog **€2.8bn**

- **€0.9bn**
  - Yearly Sales Backlog after full Ramp-ups
Group Credit Profile
Net Debt ratios under control

Following the acquisition of Airgas, a company, the Net Debt ratios are under control. The chart shows the Net Debt in €m and the Net Debt / EBITDA ratios for the years 2013 to 2019.

- 2013: Net Debt = 1,59, DEBT / EQUITY = 56%
- 2014: Net Debt = 1,63, DEBT / EQUITY = 53%
- 2015: Net Debt = 1,70, DEBT / EQUITY = 57%
- 2016: Net Debt = 3,30, DEBT / EQUITY = 90%
- 2017: Net Debt = 2,60, DEBT / EQUITY = 80%
- 2018: Net Debt = 2,40, DEBT / EQUITY = 69%
- 2019: Net Debt = 2,08x, DEBT / EQUITY = 64%

Total Net Debt for 2013-2019: 12,373 €m
High Cash Flow and Gearing Reduction

- **Gearing**: 69% (Net Debt 31 Dec. 2018: <12,535>)
- **Cash Flow**: 22.2% of sales (Cashflow: +4,859)
- **Gearing**: 64% (Net Debt 31 Dec. 2019: <12,373>)

(1) Including acquisitions, transactions with minority shareholders, net of divestitures
(2) Including share purchases and capital increases
(3) 21.0% excluding IFRS16

Additional information:
- Net Investments (1)
- Dividends (2)
- Lease liabilities (IFRS16)
- Currency & Scope

**Key Figures:**
- **Cash Flow**: +4,859
- **WCR + Other**: <147>
- **Gearing**: 69% (Dec. 2018), 64% (Dec. 2019)
- **Cash Flow of Sales**: 22.2%
A Well-diversified Financing Structure
As of December 31, 2019

Sources

Currencies – Net debt

<table>
<thead>
<tr>
<th>Currency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>45%</td>
</tr>
<tr>
<td>USD</td>
<td>40%</td>
</tr>
<tr>
<td>JPY</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
</tr>
</tbody>
</table>
Financing Structure
As of December 31, 2019

Available liquidity

- €4.6bn
- 7 bilateral facilities: €1.1bn
- 1 syndicated credit line: €2.5bn

CONFIRMED CREDIT LINES 78%
CASH AND CASH EQUIVALENT 22%

Group gross debt maturity profile

• Holdings’ Confirmed Credit Lines are a mix of bilateral facilities for €1.1bn and a €2.5bn Revolving Credit Facility
• “Adequate” liquidity profile (S&P)
Financing Structure
As of December 31, 2019

Average cost of net debt

Fixed/variable rates (gross debt)

Duration 6.2 years

Debt refinancing in excellent market conditions

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Rate</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2019</td>
<td>€600m</td>
<td>0.625%</td>
<td>EMTN 11-year public bond</td>
</tr>
<tr>
<td>Sept 2019</td>
<td>$500m</td>
<td>2.25%</td>
<td>US 10-year public bond</td>
</tr>
</tbody>
</table>
“A” Long Term Credit Rating Commitment

**S&P Global**

- **Long-term rating:** A-  
- **Short-term rating:** A-2  
- **Outlook:** Positive on 22 July 2019  
- **Rationale:**
  - “L’Air Liquide has achieved internal cost savings and synergies quicker than we expected following the Airgas acquisition. Moreover, the market environment for industrial gases is supportive and the company has implemented a disciplined financial policy and thus improved its balance sheet credit profile in the past years.”  
  - “The outlook is positive because we may raise the rating in the next 12-24 months, should we see adjusted FFO to debt improving sustainably above 30%”.

**Moody’s**

- **Long-term rating:** A3  
- **Short-term rating:** P-2  
- **Outlook:** Stable on 28 June 2019  
- **Rationale:**
  - “Air Liquide’s A3 rating reflects its leading position in the oligopolistic industrial gas market with a high degree of revenue visibility from long-term take or pay contracts. [...] The rating furthermore benefits from a well spread exposure across different customers, industries and geographies as well as solid and stable profitability levels.”  
  - “The stable outlook reflects our expectation that Air Liquide will continue to reduce its leverage, albeit at a slow pace, and generate substantial cash over the next 18 months.”
2020 Outlook
“Assuming no major change in the environment and the international health situation is under control, Air Liquide is confident in its ability to further increase its operating margin and to deliver net profit growth in 2020, at constant exchange rate.”
Appendix
FY 2019 G&S Revenue Breakdown by Region

- **Americas**: €7.2bn (31%)
- **Europe**: €7.2bn (31%)
- **Asia-Pacific**: €4.8bn (29%)

**Revenue Breakdown by Region**

- **Americas**: €8.5bn
- **Europe**: €7.2bn
- **Asia-Pacific**: €4.8bn

**Large Industries**

- **Electronics**: €21,040m (37%)
- **Healthcare**: €9,300m (36%)
- **Industrial Merchant**: €7,200m (31%)

**Credit Investors**

- **Full Year 2019**
- The world leader in gases, technologies and services for Industry and Health

**GAS & SERVICES**

- **FY 2019 REVENUE**

**World Map**

- **Europe**: 40%
- **Americas**: 23%
- **Asia-Pacific**: 3%

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44 | Full Year 2019 | Credit Investors | The world leader in gases, technologies and services for Industry and Health
Americas

Q4 Gas & Services Sales: €2,106m

**INDUSTRIAL MERCHANT**
- Widening contrasts between markets:
  - stronger Food, Pharma, Research
  - lower Construction and Metal Fab
- Solid pricing +3.9%
- Positive gas sales, hardgoods down -9%

**LARGE INDUSTRIES**
- Heavy customer turnarounds in U.S.: -5% of Americas sales
- Strong cogen in U.S.
- Dynamic Latin America
- Major new signing

**HEALTHCARE**
- Strong Medical Gases in U.S. for Proximity care
- High HHC and Medical gases in Latin America
- Limited impact of bolt-on acquisitions

**ELECTRONICS**
- Strong Carrier Gases
- High YoY E&I comparison basis

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Q4 19/18 Comparable growth : -0.6%

<table>
<thead>
<tr>
<th>In €m</th>
<th>FY 2019</th>
<th>Growth as published</th>
<th>Comparable growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>8,460</td>
<td>+6.0%</td>
<td>+1.5%</td>
</tr>
<tr>
<td>OIR</td>
<td>1,537</td>
<td>+12.2%</td>
<td></td>
</tr>
<tr>
<td>OIR/Sales</td>
<td>18.2%</td>
<td>+100bps</td>
<td>+90bps (1)</td>
</tr>
</tbody>
</table>

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(1) Limited impact of bolt-on acquisitions
Europe

Q4 Gas & Services Sales: €1,819m

INDUSTRIAL MERCHANT
- Resilient activity in all geographies
- Solid pricing at +2.5%
- Positive mix: cylinder outpacing bulk

LARGE INDUSTRIES
- Solid H₂ demand for refining in Benelux
- Soft steel and chemicals
- Ramp-Ups in Eastern Europe

HEALTHCARE
- High organic growth in HHC with strong Diabetes
- Solid Medical Gases and Hygiene
- Contribution from small acquisitions fully offset by divestitures

Q4 19/18 Comparable growth: +2.1%

<table>
<thead>
<tr>
<th>In €m</th>
<th>FY 2019</th>
<th>Growth as published</th>
<th>Comparable growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>7,172</td>
<td>+0.9%</td>
<td>+3.4%</td>
</tr>
<tr>
<td>OIR</td>
<td>1,431</td>
<td>+4.6%</td>
<td></td>
</tr>
<tr>
<td>OIR/Sales</td>
<td>20.0%</td>
<td>+80bps</td>
<td>+30bps (1)</td>
</tr>
</tbody>
</table>

(1) Excluding energy impact
Asia-Pacific

Q4 Gas & Services Sales: €1,182m

INDUSTRIAL MERCHANT
- Recovering pricing: +1.4%, incl. Helium
- China: strong cylinder volumes, lower bulk pricing
- Slowing Australia and Japan
- Acquisition in Malaysia

LARGE INDUSTRIES
- O₂ Ramp-Ups in China for Chemicals
- High H₂ volumes in Singapore
- Low Australia and Japan

ELECTRONICS
- > +10% excluding E&I, especially in China, Korea and Taiwan
- Very strong Advanced Materials in Korea and China
- Significant decrease in E&I compared to 2018 exceptional level

Q4 19/18 Comparable growth: +1.9%

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>Growth as published</th>
<th>Comparable growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4,794</td>
<td>+10.0%</td>
<td>+7.7%</td>
</tr>
<tr>
<td>OIR</td>
<td>951</td>
<td>+13.6%</td>
<td></td>
</tr>
<tr>
<td>OIR/Sales</td>
<td>19.8%</td>
<td>+60bps</td>
<td>+60bps (1)</td>
</tr>
</tbody>
</table>

(1) Excluding energy impact
### Q4 – Resilient IM, LI Stable Despite Turnarounds

**G&S comparable sales growth**

#### Industrial Merchant – Sustained Pricing Compensating Lower Volumes

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY 18</th>
<th>FY 19</th>
<th>Sales FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>+4%</td>
<td>+3%</td>
<td>€5,729m</td>
</tr>
<tr>
<td>Q2</td>
<td>+4%</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>+5%</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>+5%</td>
<td>+0%</td>
<td></td>
</tr>
</tbody>
</table>

- **Solid pricing at +3.2%**
- **Growing gas sales; drop in hardgoods**
- **Unequal end markets:**
  - Strong Food, Pharma, and Techno
  - Weak Construction and Metal Fab

#### Large Industries – No Start-Ups in Q4

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY 18</th>
<th>FY 19</th>
<th>Sales FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>+6%</td>
<td>+5%</td>
<td>€5,629m</td>
</tr>
<tr>
<td>Q2</td>
<td>+4%</td>
<td>+6%</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>+5%</td>
<td>+3%</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>+3%</td>
<td>+0%</td>
<td></td>
</tr>
</tbody>
</table>

- **Solid Refining in Benelux** with high H2 volumes
- **Heavy customer turnarounds** in Americas
- **Soft Chemicals** in Europe and low Steel
Q4 – Consistent High HC, Strong EL Excluding E&I

G&S comparable sales growth

Healthcare – Strong Organic Growth

- strong HHC across Europe, expansion in diabetes
- solid Medical Gases in Americas

Sales FY 2019

€3,693m

Electronics – +6.8% Growth Excluding E&I

- double digit growth in Carrier Gases and Advanced Materials
- significant decrease in E&I compared to 2018 exceptional level

Sales FY 2019

€1,964m
Industrial Merchant Pricing

- **Americas**: +3.9% (Q4 2019) / +4.3% (FY 2019)
- **Europe**: +2.5% (Q4 2019) / +3.2% (FY 2019)
- **Asia-Pacific**: +1.4% (Q4 2019) / +1.1% (FY 2019)
- **Africa Middle-East**: +5.7% (Q4 2019) / +5.5% (FY 2019)

**TOTAL INDUSTRIAL MERCHANT**: +3.2% (Q4 2019) / +3.6% (FY 2019)
FY 2019 E&C and GM&T Activities

**Engineering & Construction**

- **Sales to third parties**
  - €328m (−25%)

- **Order Intake**
  - €838m (+4%)

**Global Markets & Technologies**

- **Sales**
  - €552m (+15%)

- **Order Intake**
  - €523m (+14%)

---

(1) Comparable growth  
(2) Including internal Sales

51 | Full Year 2019 | Credit Investors | The world leader in gases, technologies and services for Industry and Health
Investment Backlog Increased to €2.8bn

- Dec 2016: €2.1bn
- Dec 2017: €2.1bn
- Dec 2018: €2.2bn
- Dec 2019: €2.8bn

Start-ups: €0.9bn

See definitions in appendix
G&S Quarterly Growth Analysis

(1) Comparable growth based on 2016 adjusted sales
## Consolidated P&L

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2019 excluding IFRS16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>21,011</td>
<td>21,920</td>
<td>21,920</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>(15,796)</td>
<td>(15,988)</td>
<td>(16,254)</td>
</tr>
<tr>
<td><strong>Operating income recurring before depreciation</strong></td>
<td>5,215</td>
<td>5,932</td>
<td>5,666</td>
</tr>
<tr>
<td>Depreciation and amortization expenses</td>
<td>(1,766)</td>
<td>(2,138)</td>
<td>(1,895)</td>
</tr>
<tr>
<td><strong>Operating Income Recurring</strong></td>
<td>3,449</td>
<td>3,794</td>
<td>3,771</td>
</tr>
<tr>
<td>Net non-recurring operating income</td>
<td>(162)</td>
<td>(188)</td>
<td>(187)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>3,287</td>
<td>3,606</td>
<td>3,584</td>
</tr>
<tr>
<td>Net finance costs &amp; other net financial expenses</td>
<td>(353)</td>
<td>(468)</td>
<td>(427)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(731)</td>
<td>(801)</td>
<td>(806)</td>
</tr>
<tr>
<td>Share of profit of associates</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>2,207</td>
<td>2,338</td>
<td>2,352</td>
</tr>
<tr>
<td>- Minority Interest</td>
<td>94</td>
<td>96</td>
<td>96</td>
</tr>
<tr>
<td><strong>- Net Profit (Group share)</strong></td>
<td>2,113</td>
<td>2,242</td>
<td>2,256</td>
</tr>
<tr>
<td>Basic earnings per share (in €)</td>
<td>4.49</td>
<td>4.76</td>
<td>4.79</td>
</tr>
</tbody>
</table>
### Operating Margin (OIR/Revenue)

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Gas &amp; Services</th>
<th>Group</th>
<th>Gas &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>15.9%</td>
<td>17.8%</td>
<td>16.4%</td>
<td>18.3%</td>
</tr>
<tr>
<td>H1 2018</td>
<td>16.9%</td>
<td>18.7%</td>
<td>17.3%</td>
<td>19.1%</td>
</tr>
<tr>
<td>H2 2018</td>
<td>16.6%</td>
<td>17.6%</td>
<td>17.1%</td>
<td>18.9%</td>
</tr>
</tbody>
</table>

Including +10bps from IFRS 16
## Consolidated Balance Sheet Simplified - In €m

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>31/12/2018</th>
<th>31/12/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>13,345</td>
<td>13,943</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>20,847</td>
<td>22,673</td>
</tr>
<tr>
<td>Other non-current assets *</td>
<td>1,026</td>
<td>1,083</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>35,218</strong></td>
<td><strong>37,699</strong></td>
</tr>
<tr>
<td>Inventories &amp; work in-progress</td>
<td>1,460</td>
<td>1,532</td>
</tr>
<tr>
<td>Trade receivables &amp; other current assets</td>
<td>3,533</td>
<td>3,379</td>
</tr>
<tr>
<td>Cash and cash equivalents *</td>
<td>1,770</td>
<td>1,057</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>6,763</strong></td>
<td><strong>5,968</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>41,981</strong></td>
<td><strong>43,667</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY AND LIABILITIES</th>
<th>31/12/2018</th>
<th>31/12/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity</td>
<td>17,783</td>
<td>18,870</td>
</tr>
<tr>
<td>Minority interests</td>
<td>424</td>
<td>454</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>18,207</strong></td>
<td><strong>19,324</strong></td>
</tr>
<tr>
<td>Provisions &amp; deferred tax liabilities</td>
<td>4,367</td>
<td>4,573</td>
</tr>
<tr>
<td>Non-current borrowings</td>
<td>11,710</td>
<td>11,567</td>
</tr>
<tr>
<td>Non-current lease liabilities</td>
<td>0</td>
<td>1,088</td>
</tr>
<tr>
<td>Other non-current liabilities *</td>
<td>268</td>
<td>308</td>
</tr>
<tr>
<td><strong>Total equity and non current liabilities</strong></td>
<td><strong>34,552</strong></td>
<td><strong>36,860</strong></td>
</tr>
<tr>
<td>Provisions</td>
<td>325</td>
<td>268</td>
</tr>
<tr>
<td>Trade payables &amp; other current liabilities</td>
<td>4,526</td>
<td>4,396</td>
</tr>
<tr>
<td>Current lease liabilities</td>
<td>0</td>
<td>244</td>
</tr>
<tr>
<td>Current borrowings*</td>
<td>2,578</td>
<td>1,899</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>7,429</strong></td>
<td><strong>6,807</strong></td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>41,981</strong></td>
<td><strong>43,667</strong></td>
</tr>
</tbody>
</table>

* Including fair value of derivatives

---

56 | Full Year 2019 | Credit Investors | The world leader in gases, technologies and services for Industry and Health
# Cash Flow Statement

<table>
<thead>
<tr>
<th>In €m</th>
<th>FY 2018 Restated</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds provided by operations</td>
<td>4,242</td>
<td>4,859</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td>613</td>
<td>(37)</td>
</tr>
<tr>
<td>Other cash items</td>
<td>(139)</td>
<td>(110)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td><strong>4,716</strong></td>
<td><strong>4,712</strong></td>
</tr>
<tr>
<td>Purchases of PPE* and intangible assets</td>
<td>(2,249)</td>
<td>(2,637)</td>
</tr>
<tr>
<td>Purchases of financial assets and the impact of changes in scope</td>
<td>(129)</td>
<td>(537)</td>
</tr>
<tr>
<td>Proceeds from sale of PPE*, intangible and financial assets</td>
<td>108</td>
<td>589</td>
</tr>
<tr>
<td><strong>Net cash in investing activities</strong></td>
<td><strong>(2,270)</strong></td>
<td><strong>(2,585)</strong></td>
</tr>
<tr>
<td>Distribution</td>
<td>(1,234)</td>
<td>(1,237)</td>
</tr>
<tr>
<td>Increase in capital stock</td>
<td>138</td>
<td>39</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(64)</td>
<td>(148)</td>
</tr>
<tr>
<td>Transactions with minority shareholders</td>
<td>(1)</td>
<td>(31)</td>
</tr>
<tr>
<td>Lease liabilities repayments (incl. net interests)</td>
<td></td>
<td>(287)</td>
</tr>
<tr>
<td>Impact of Exchange rate changes and net debt of newly consolidated companies &amp; others</td>
<td>(449)</td>
<td>(301)</td>
</tr>
<tr>
<td><strong>Change in net debt</strong></td>
<td>836</td>
<td>162</td>
</tr>
</tbody>
</table>

* PPE: Property, plant and equipment.
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).
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