Q3 2020 Activity

Sales recovery in Q3, Guidance confirmed

Fabienne Lecorvaisier, Executive VP
François Jackow, Executive VP
Mike Graff, Executive VP

Paris, October 23, 2020
Sales Recovery in Q3 at -0.9% vs. Last Year

- Recovery in all regions, good momentum in September
- Actions for margin improvement continue
- Customers investment focused on growing end-markets
- Energy transition underway with key start-ups in Q4
- Full Year 2020 Guidance confirmed

(1) On a comparable basis
## Q3 Sales Close to Last Year Level

<table>
<thead>
<tr>
<th>Sales in €m</th>
<th>Q3 19</th>
<th>Q3 20</th>
<th>Q3 20/19 As published</th>
<th>Q3 20/19 Comparable</th>
<th>YTD 20/19 Comparable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas &amp; Services</td>
<td>5,242</td>
<td>4,777</td>
<td>-8.9%</td>
<td>-0.9%</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Engineering &amp; Construction</td>
<td>81</td>
<td>60</td>
<td>-26.3%</td>
<td>-24.4%</td>
<td>-36.0%</td>
</tr>
<tr>
<td>Global Markets &amp; Technologies</td>
<td>131</td>
<td>143</td>
<td>+9.6%</td>
<td>+11.4%</td>
<td>+6.1%</td>
</tr>
<tr>
<td><strong>Group Total</strong></td>
<td>5,454</td>
<td>4,980</td>
<td>-8.7%</td>
<td>-0.9%</td>
<td>-2.4%</td>
</tr>
</tbody>
</table>

**Impacts on Q3 Group Sales:**  
- -3.7% FX  
- -1.5% Energy  
- -2.6% Significant Scope
Improvement in All Regions in a Context of Local Lockdowns

G&S comparable sales growth in Q3 2020

- Progressive recovery in North America
  - Americas: -3.3%

- Solid activity in South America
  - Middle-East: +0.0%

- Europe: +0.5%
  - Growing Eastern Europe

- Asia-Pacific: +1.6%
  - Recovery contrasted
    - Driven by China >+7%

Recovery to 2019 level

A world leader in gases, technologies and services for Industry and Health
Q3 – Sequential Recovery in IM and LI

G&S comparable sales growth

**Americas – Growing LI, HC and EL**

- Volumes improving in all sectors
- Start-up in Argentina
- Recovery well underway, led by consumer markets
- Very solid pricing +3.6%
- Higher $O_2$ sales in the U.S. and Latin America
- Pick-up of proximity care activity in the U.S.
- High E&I sales

- Sales Q3 2020
- €1,916m

**Europe – Continued strength in HC**

- Volumes in Chemicals recovering faster than in Refineries; low Steel
- PG close to Q3 19 level, slower bulk recovery
- Solid Pricing at +1.7%
- Growing Eastern Europe
- High Equipment sales, Sustained Medical $O_2$
- Improving HHC

- Sales Q3 2020
- €1,615m
Q3 – High Growth in China, AME Recovering Quickly

**G&S comparable sales growth**

**Asia – China and EL driving growth**

- **+13%** Q3 2020
- **+9%** Q3 2020
- **+7%** Q3 2020
- **+2%** Q3 2020

**Sales Q3 2020 €1,101m**

- **LI** – High volumes in China and Korea
  - Low demand in Japan and SEA
- **IM** – Strong China
  - Slow recovery in rest of Asia, lagging Japan and Singapore
- **EL** – >+10% growth excluding E&I
  - Strong Advanced Materials and Carrier Gases

**AME – Sales recovery in Middle-East**

- **+4%** Q3 2020
- **+3%** Q3 2020
- **+1%** Q3 2020
- **-6%** Q3 2020
- **-9%** Q3 2020

**Sales Q3 2020 €145m**

- **LI** – Growing sales in KSA and RSA
- **IM** – Strong activity pick-up in Middle-East and India, contrasted Africa
- **HC** – Strong O₂ sales to hospitals in Egypt and RSA
Q3 – Strong Sequential Improvement in IM & LI

G&S comparable sales growth

**Industrial Merchant** - Half way through recovery

- Sequential volumes **improvement in all segments and regions**
- +8% growth in **China**
- Food, Pharma, Craftsmen and Research **driving recovery** vs. slower Fabrication and Automotive
- Very solid pricing at +2.6%

**Large Industries** - Recovering to 2019 level

- 3 out of 4 regions **back to growth**
- Developing economies driving the growth
- Weak **Steel, Chemicals** recovering, **Refiners** adapting activity to lower fuel demand
Q3 – HC Still Highly Contributing, Dynamic EL

G&S comparable sales growth

Healthcare – Major growth contributor

- **Strong Medical O₂** especially in the Americas
- **Large** non-profit sale of respirators in France
- **HHC: improving** in Europe with bolt-on acquisitions and strong activity in Latin America

Electronic – Strong momentum

- >+7% growth excluding E&I
- **Strong Advanced Materials** and Carrier Gases
- **Lower E&I** in Asia
Focus on Margin Improvement

- Structured existing plan
- Pricing
- Efficiencies
- Portfolio management

Crisis Management

Cost containment plan

Confirmed FY 2020 Guidance on margin improvement
Performance Plan Delivering

- **Solid pricing**, continued helium contribution at +0.7%
- **Positive mix**

**Efficiencies**
- Business transformations delivering (Digital, Support centers)
- Cumulated efficiencies €1.4bn (2017 - Q3 2020)

**Divestitures:**
- Schülke
- CRYOPDP, Distributor in Japan, Dry Ice in Germany

**Bolt-on acquisitions:**
- 3 in the US, Europe and China
- 3 in Europe and Americas
- Cryoconcept

**Cash Flow to sales:** 23.9%(1)

(1) Operating Cash Flow before change in Working Capital Requirements / Group Revenue

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Q3 2020 Activity

A world leader in gases, technologies and services for Industry and Health
Customers Investment Focused on Growing End-Markets

**Investment Opportunities**

- High level of opportunities
- Increased share of Electronics, active energy transition projects
- Several takeovers

(1) See definitions in appendix; excluding Sasol

**Investment Decisions**

- Continued selectivity in Q3:
  - Focused on growth
  - One takeover in Eastern Europe
- YTD: ~30% linked to energy transition and ~13% to efficiency

(1) See definitions in appendix; excluding Sasol

**Investment Backlog**

- Increased Backlog
- €0.9bn of yearly sales backlog after full ramp-up
Energy Transition Underway with Key Start-Ups in Q4 2020

Quebec
Start-up of a 20 MW Electrolyzer

Antwerp
Start-up of energy efficient SMR-X™

- 27,000t of avoided CO₂ emissions annually
- CCS consortium Antwerp@C: -50% CO₂ emissions by 2030

2018
Climate Day

Q4 2020

March 23, 2021
Sustainability Day

2025
2020 Start-Up Contribution at Top of Estimated Range

Start-up/Ramp-up Sales Contribution

- Q3 2020: €53m
- Updated FY 2020 Guidance: €180m
- FY 2021 Adjusted Forecast: €320m - €350m

Start-up date of major projects

- Q1: Asia
- Q2: South America
- Q3: Asia
- Q4: US

14 Start-ups in total

Including ~€100m from Sasol ASUs takeover

Updated FY 2020 Guidance

- €180m

Adjusted Forecast

- €320m - €350m

Takeover in Kazakhstan

- Belgium
- Canada
- US

Inclusion of ~€100m from Sasol ASUs takeover
“In a context of limited local lockdowns and progressive recovery until the end of 2020, Air Liquide is confident in its ability to further increase its operating margin and to deliver net profit\(^{(1)}\) close to preceding year level, at constant exchange rates.”

Assumptions:

- **Strong peak impact** in Q2
- **Limited local lockdowns** in 2\(^{nd}\) half
- **Progressive recovery** until the end of 2020

(1) 2020 recurring net profit, meaning excluding exceptional and significant items that have no impact on the operating income recurring
Appendix
Q3 2020 G&S Revenue Breakdown by Region

- **Americas**: €1.9bn, 40%
- **Europe**: €1.6bn, 34%
- **Asia-Pacific**: €1.1bn, 23%
- **Middle-East & Africa**: €456m, 3%

**Large Industries**
- Industrial Merchant: 68%
- Large Industries: 16%
- Healthcare: 11%
- Electronics: 5%

**Electronics**
- Electronics: 32%
- Medical: 28%
- Electronics: 32%
- Electronics: 29%

**Middle-East & Africa**
- Middle-East & Africa: 32%
- Middle-East & Africa: 28%
- Middle-East & Africa: 32%
- Middle-East & Africa: 29%

**Industrial Merchant**
- Industrial Merchant: 68%
- Large Industries: 16%
- Healthcare: 11%
- Electronics: 5%

**Healthcare**
- Industrial Merchant: 68%
- Large Industries: 16%
- Healthcare: 11%
- Electronics: 5%

**Electronics**
- Industrial Merchant: 68%
- Large Industries: 16%
- Healthcare: 11%
- Electronics: 5%

**Gas & Services Revenue**
- €4,777m
Strong Sequential Base Business Improvement

Breakdown of G&S Sales Growth

Start-ups, Ramp-ups, Site takeovers, Small M&A
Base business
Significant M&A

Included in Q3 2020:
- Fujian divestiture in Q3 19
- Reduced participation\(^1\) in a reseller affiliate in Japan in Q3 20
- Schülke divestiture in Q3 20

Base business: -1.7%

\(^1\) Under the controlling threshold
Americas

Q3 2020 Activity

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

**INDUSTRIAL MERCHANT**
- Improved activity with gases recovering faster than Hardgoods
- Strong pricing +3.6%
- Growing Food & Pharma, weak industrial end-markets

**LARGE INDUSTRIES**
- End-markets soft but volumes recovering in North America in air gases and H₂
- Strong growth in Latin America with start-up in Argentina

**HEALTHCARE**
- Recovering elective procedures in the U.S.
- Strong Medical O₂ and HHC in Canada & Latin America

**ELECTRONICS**
- High E&I activity

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**Q3 20/19 Comparable Growth: -3.3%**

Sales Q3 2020: €1,916m

- Industrial Merchant: -6.8%
- Large Industries: -6.8%
- Healthcare: +8.0%
- Electronics: +6.6%
Europe

Q3 2020 G&S comparable sales growth

**INDUSTRIAL MERCHANT**
- Improved Cylinders, contrasted bulk
- Negative small perimeter -1.9%
- East of Europe back to growth
- Solid pricing at +1.7%

**LARGE INDUSTRIES**
- Low Steel, improved Chemicals, Refining adjusting to lower demand
- East of Europe resisting better with growing Russia & Turkey

**HEALTHCARE**
- Exceptional Equipment sales
- Sustained Medical O₂
- Pick-up of activity in HHC: new patients in diabetes, contribution from bolt-on acquisitions

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**Q3 20/19 Comparable Growth: +0.5%**

- Industrial Merchant: -4.8%
- Large Industries: -3.4%
- Healthcare: +9.5%

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€1,615m
Asia-Pacific

Q3 2020 G&S comparable sales growth

INDUSTRIAL MERCHANT
- China +8%, driven by Fabrication, Construction, Glass and Craftsmen
- Higher activity level than Q2 but lower than 2019, weak Japan and Singapore
- Pricing -0.5%, lower helium contribution

LARGE INDUSTRIES
- Growing China driven by O₂ demand from Steel and Chemicals, and South Korea
- Low activity in the rest of Asia, especially South East Asia and Japan

ELECTRONICS
- >+10% growth excluding E&I
- Strong Advanced Materials, especially in South Korea
- High Carrier Gases in China, Taiwan and Japan

Q3 20/19 Comparable Growth:  +1.6%

Sales
Q3 2020
€1,101m

Industrial Merchant
Large Industries
Electronics

-4.0%  +3.0%  +6.3%
Industrial Merchant Pricing

Q3 2020

Americas -0.5%  +3.6%
Europe +1.7%  +1.6%
Asia-Pacific -0.5%  +0.3%
Middle-East & Africa +2.3%  +2.5%
Total Industrial Merchant +2.6%  +2.8%
Q3 2020 E&C and GM&T Activities

**Engineering & Construction**
- Sales to third parties\(^{(1)}\)
  - €60m \(-24\%\)
- Order Intake
  - €116m \(-3\%\)

**Total Sales\(^{(2)}\) -19\%**

**Global Markets & Technologies**
- Sales\(^{(1)}\)
  - €143m \(+11\%\)
- Order Intake
  - €103m \(+2\%\)

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\(^{(1)}\) Comparable growth   \(^{(2)}\) Including internal sales
Backlog Increasing to €3.0bn

See definitions in appendix.
### Impact of Currency and Energy on G&S Revenue

<table>
<thead>
<tr>
<th>in €m</th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
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<td>+107</td>
<td>+81</td>
<td>+52</td>
<td>+55</td>
<td>+30</td>
<td>(86)</td>
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<tr>
<td>€/JP¥</td>
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<td>+14</td>
<td>+22</td>
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<td>+11</td>
<td>+11</td>
<td>(11)</td>
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<tr>
<td>€/ARS</td>
<td>(28)</td>
<td>(20)</td>
<td>(29)</td>
<td>(16)</td>
<td>(16)</td>
<td>(23)</td>
<td>(10)</td>
</tr>
<tr>
<td>€/BRL</td>
<td>(6)</td>
<td>(2)</td>
<td>+3</td>
<td>(4)</td>
<td>(11)</td>
<td>(22)</td>
<td>(25)</td>
</tr>
<tr>
<td>Others</td>
<td>+21</td>
<td>+4</td>
<td>+30</td>
<td>+31</td>
<td>+1</td>
<td>(26)</td>
<td>(66)</td>
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<td>Currency Impact</td>
<td>+141</td>
<td>+103</td>
<td>+107</td>
<td>+81</td>
<td>+40</td>
<td>(30)</td>
<td>(198)</td>
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</table>

<table>
<thead>
<tr>
<th>in €m</th>
<th>Q1 19</th>
<th>Q2 19</th>
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<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
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<tbody>
<tr>
<td>Natural Gas Impact</td>
<td>+5</td>
<td>(36)</td>
<td>(134)</td>
<td>(129)</td>
<td>(103)</td>
<td>(135)</td>
<td>(61)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>in €m</th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
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<tbody>
<tr>
<td>Electricity Impact</td>
<td>+27</td>
<td>+7</td>
<td>(12)</td>
<td>(30)</td>
<td>(31)</td>
<td>(31)</td>
<td>(19)</td>
</tr>
</tbody>
</table>
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 $>\text{€5m}$ for Large Industries and $>\text{€3m}$ 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 $>\text{€10m}$, 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

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 free share attributions and for the capital increase completed in October 2016.
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### Upcoming events

2020 Full Year Results: February 10, 2021

Sustainability Day: March 23, 2021

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L’Air Liquide S.A.

Corporation for the study and application of processes developed by Georges Claude

with registered capital of 2,602,235,812 euros