Pre-FY 2021 Results Communication

Air Liquide has compiled the following items for consideration to assist in the financial modeling of the Group Full Year 2021 results. This document is not intended to provide additional information beyond existing disclosures.

- **Significant perimeter impact**

  The acquisition of Sasol’s 16 ASUs was finalized on June 24th for around €480m, impacting the Group Balance Sheet and Cash Flow, but no sales have been recognized in H1 2021. Starting in Q3 2021, it generates a scope impact qualified as “significant perimeter” for approximately €70m of sales in H2 2021.

- **Currency impact**

  Main currency variations (from the largest to the smallest impact on Group sales in Q4 2021):

<table>
<thead>
<tr>
<th>€ versus</th>
<th>Q4 2020</th>
<th>Q4 2021</th>
<th>Change</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar</td>
<td>1.193</td>
<td>1.144</td>
<td>-4.1%</td>
<td>1.140</td>
<td>1.183</td>
<td>+3.8%</td>
</tr>
<tr>
<td>Chinese Renminbi</td>
<td>7.899</td>
<td>7.313</td>
<td>-7.4%</td>
<td>7.867</td>
<td>7.628</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Canadian Dollar</td>
<td>1.554</td>
<td>1.441</td>
<td>-7.3%</td>
<td>1.528</td>
<td>1.483</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>124.6</td>
<td>130.1</td>
<td>+4.4%</td>
<td>121.7</td>
<td>129.8</td>
<td>+6.7%</td>
</tr>
</tbody>
</table>

  In Q3 2021, the currency impact was +0.5% on Group revenue and +0.4% on Gas & Services revenue. It is estimated to be around +3.0% in Q4 2021 and around -1.6% in FY 2021 on both Group and Gas & Services revenue.

- **Energy pass-through impact**

  In Q3 2021, the Energy pass-through effect was +8.9% on Group revenue and +9.3% on Gas & Services revenue. It is expected to be around +16% on Group and Gas & Services revenue in Q4 2021. For FY 2021, it is expected to be between +8.0% and +8.5% or above €1.6bn, for both Group and Gas & Services revenue.

  As a reminder, Energy costs are being passed through to customers. As a consequence, increase in energy price does inflate the “as published” sales but has no impact on the operating income in value, resulting in the dilution of the “as published” OIR/sales ratio.

- **Business items**

  Q3 2021 sales rose by +7.1% confirming the upward trend recorded in the first half-year, despite a less favorable basis of comparison. The activity in Americas benefited from high growth in all Business Lines with price effects increasing markedly in Industrial Merchant. Revenue in Europe expanded, notably driven by strong Steel and Chemicals in Large Industries as well as a pursued pick-up in sales in Industrial Merchant. Large Industries in China was impacted by the Dual Energy Control policy but mitigated by other activities across Asia notably growing Industrial Merchant in China and a very dynamic Electronics. In Middle East and Africa, the sales of hydrogen pursued recovery in Large Industries, and in the Industrial Merchant business, sales continued to rise and were above the level of the 3rd quarter of 2019.

  Activity highlights are detailed below by business line, based on public information. Unless otherwise stated, all variations in revenue outlined below are on a comparable basis.

  **Large Industries** sales were up +3.4% in Q3 2021. Europe benefited from strong demand in Steel and Chemicals. As a reminder, Q4 2020 growth was supported by a one-off sale in Russia. In North America, all markets were well oriented with a strong contribution from start-ups and ramp-ups in the United States, Canada and Latin America. In Asia, growth was hampered by customer maintenance turnarounds in China and Singapore, and measures imposed in China to limit energy consumption at some customer plants.

  **Industrial Merchant** posted +7.5% in sales in Q3 2021 with accelerated pricing (+3.5%) through the quarter. In Europe, growth was lifted by a dynamic recovery in activity across all markets and countries. In the U.S, gas sales were solid while Hardgoods revenue increased but remained under Q3 2019 level. In Asia, sales were fueled by strong activity in China and the recovery across the rest of Asia.
**Healthcare** also recorded a robust performance: sales rose by **+6.2%** in Q3 2021. Growth was driven mainly by strong volumes of Medical O₂ for Covid-19, proximity care in the U.S. and Home Healthcare, especially diabetes in Europe. Hospitalizations progressively reduced through the end of the year, in line with Covid-19 mass vaccination in many countries and sales will compare to a high level of activity in Q4 2020.

**Electronics** posted strong sales growth of **+10.4%** in a dynamic market with double-digit growth in sales of Carrier gases and high revenue generated by Equipment & Installations (E&I) compared to a low Q3 2020. E&I sales were higher in Q4 2020.

Consolidated revenue from **Engineering & Construction** was up **+35.1%** to **€81m** in Q3 2021.

**Global Markets & Technologies** posted a **+15.9%** increase in sales to **€168m** in Q3 2021. Biomethane retained strong momentum with new units ramping up. Q4 2020 was at a record level of €187m of sales, driven by a strong Biomethane activity.

- **Operating Margin**

  Group operating margin (Operating Income Recurring to revenue) stood at **18.5%** for FY 2020. In **H1 2021**, it improved significantly by +40bps as published vs. H1 2020 and **+100bps** excluding Energy passthrough impact. In H2 2021, OIR margin improvement is expected to be lower than in H1 due to the strong comparison basis in H2 2020 (+110 bps improvement) when cost containment fully contributed.

  The FY 2021 Energy passthrough impact on Sales is expected to be **above €1.6bn**, resulting in a significant dilution of the as published OIR/sales ratio. In its FY 2021 guidance, “Air Liquide is confident in its ability to further increase its operating margin [...]” excluding the energy passthrough impact.

- **Net Profit**

  In **FY 2020**, net profit (Group share) amounted to **2,435 million euros**.

  Reminder of **FY 2021 Guidance**: “Air Liquide is confident in its ability to [...] deliver recurring net profit\(^{(1)}\) growth, at constant exchange rates.”

\(^{(1)}\) **Excluding exceptional and significant items that have no impact on the operating income recurring. Excluding the impact of any US tax reform in 2021.**

- **EPS**

  The average number of outstanding shares used to calculate the as published FY 2021 EPS is **~474,874 k** shares.

FY 2021 results will be announced on **February 16, 2022**.

**CONTACTS**

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Disclaimer

This document may contain forward-looking statements (including objectives and trends) about Air Liquide's financial situation, operating results, business activities and strategy. Although Air Liquide believes that the expectation reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control.

Please refer to the most recent Universal Registration Document filed by Air Liquide with the French Autorité des marchés financiers for additional information in relation to such risks and uncertainties. The information is valid only at the time of writing and Air Liquide does not assume any obligation to update or revise the objectives on the basis of new information or future or other events, subject to applicable regulations.

A world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 78 countries with approximately 64,500 employees and serves more than 3.8 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 - with a strong commitment to climate change and energy transition at the heart of its strategy. The company's customer-centric transformation strategy aims at profitable, regular and responsible 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 more than 20 billion euros in 2020. Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, CAC40 ESG, EURO STOXX 50 and FTSE4Good indexes.