



Q1 2020 Activity

**Sales up +1% thanks to a
Strong Business Model**

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

Paris, April 24, 2020



Q1 2020 Key Highlights

- **Resilient** business model
- **Sales growth** in Q1
- **Healthcare fully mobilized** to serve communities
- **Performance** improvement plan **continued**
- **Immediate** implementation of **crisis management** measures
- **Adjusted guidance**



Q1 Sales Performance and crisis management

A Resilient Business Model

LI

- **Long-term** contracts >15 years
- **Take-or-Pay clauses** & Monthly Fees

HC

- Serving **1.7m patients & 15,000 hospitals**
- Growth driven by **aging population** and the rise of **chronic diseases**
- A balanced mix of **accreditations** and **mid-term contracts**

IM

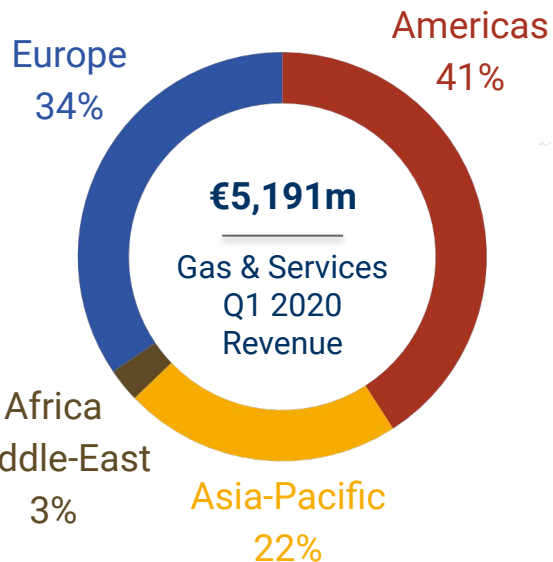
- Serving **2 million customers**
- **~55%** of sales **resilient**
 - **Fixed revenues** mainly from rentals
 - **Defensive end-markets (Food & Pharma...)**

EL

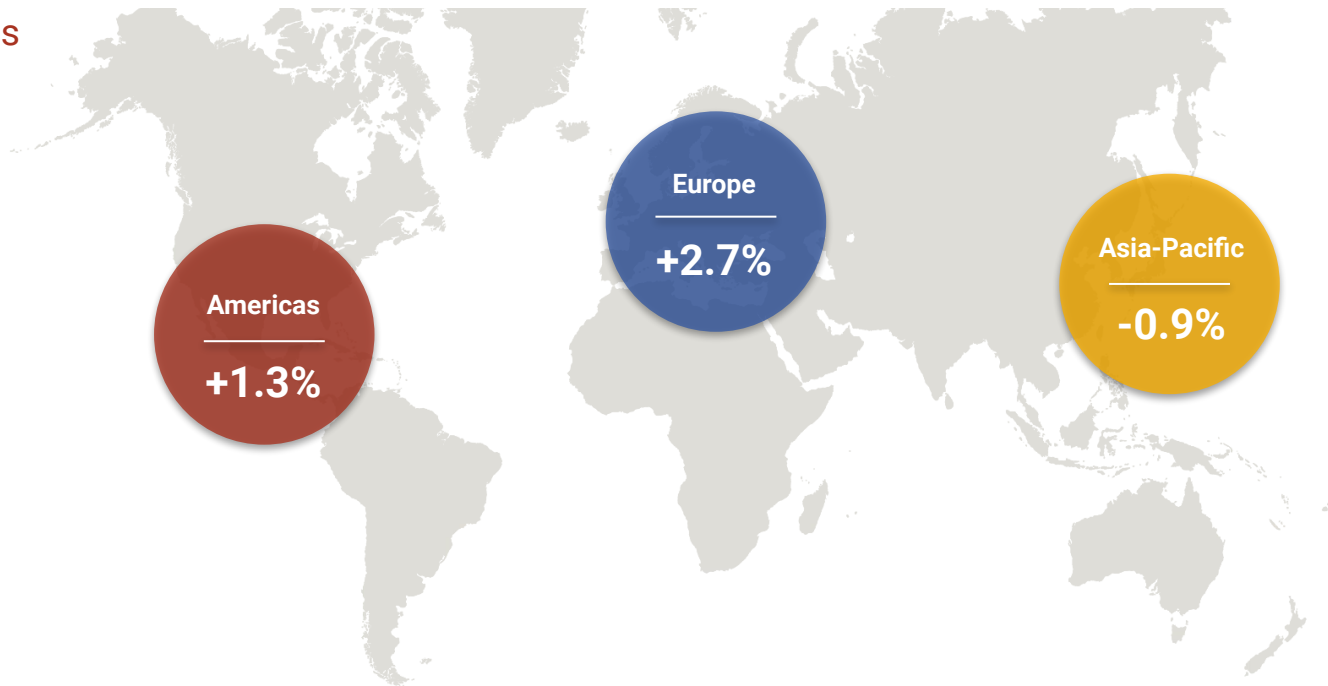
- Growth driven by a **more connected world**
- 40% of sales with **Take-or-Pay clauses**
- High value **Advanced Materials**

Resilience Enhanced by a Global Geographical Footprint

Global Footprint



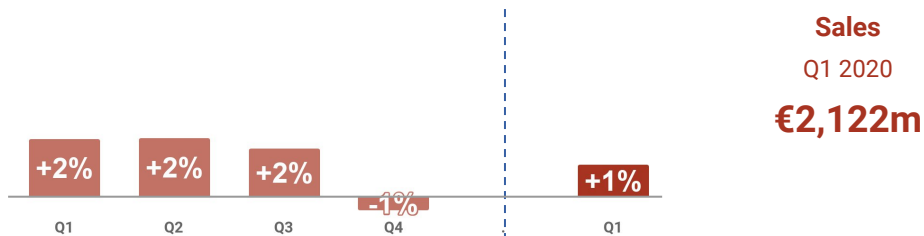
Resilient Q1-2020 Gas & Services Growth in a difficult environment



Q1 – Robust Americas, HC Fully Loaded in Europe

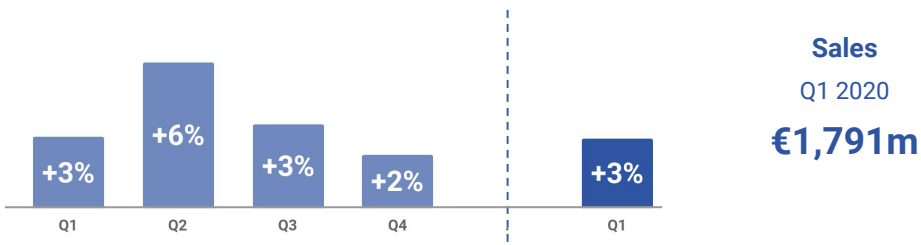
— G&S comparable sales growth

Americas – Solid Performance in all WBLs



- LI – robust **demand** in H₂
 - **strong** Food & Pharma, **low** Construction & Manufacturing
- IM – **positive gases**, **hardgoods down**
 - very solid **pricing**
- HC – **strong Medical Gases** in US
 - **dynamic activity** in Brazil
- EL – resilient **Carrier Gases**

Europe – Addressing Current Medical Needs

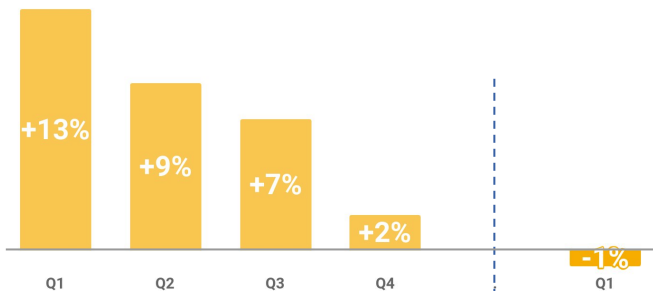


- LI – **Refining** in Benelux driving H₂ **growth**
 - **weak Steel**, **soft Chemicals** (C-19)
 - growing **Food & Pharma**
- IM – **solid pricing**
 - PG & Bulk **volumes highly impacted** in March in Italy, Spain & France (C-19)
- HC – increased **medical O₂** demand (C-19)
 - **Hygiene** activity running 24/7

Q1 – Asia Resisting Well, Major Turnaround in AME

G&S comparable sales growth

Asia – Robust EL, Resilient LI



Sales
Q1 2020
€1,139m

C-19

- **LI** – lower air gases in China
– weak H₂ for Chemicals in Korea
- **IM** – significant disruption at peak, activity back >80%
– lower helium
- **EL** – uninterrupted activity
– double digit growth excluding E&I

AME – Planned Maintenance Stoppage in LI



Sales
Q1 2020
€139m

- **LI** – Yasref major turnaround
- **IM** – positive Egypt and India, stable sales in Africa, decrease in Saudi Arabia

Q1 – Solid Industrial Model

G&S comparable sales growth

Industrial Merchant

Sales - Q1 2020

€2,402m

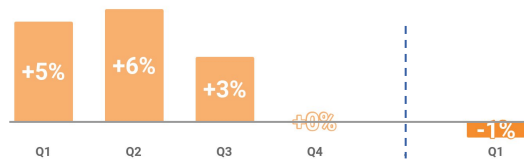


- **solid pricing at +3.0%**
- **strong Food, Pharma, vs. weak Construction and Metal Fab**
- **significant volumes drop in China** at the peak of **C-19** and in **Europe in March**
- **Helium demand** decreasing

Large Industries

Sales - Q1 2020

€1,294m

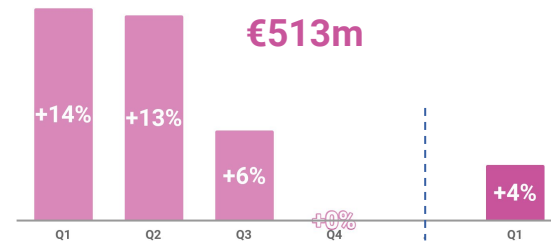


- **hydrogen volumes up** in Europe & US driven by **solid Refining**
- **low air gases** due to **weak Metals** and **soft Chemicals**
- in **China, lower air gases** to Chemicals & Metals due to **C-19** same in **Europe in March**

Electronics

Sales - Q1 2020

€513m



- **+9.8% growth excl. E&I**
- **strong Carrier Gases & Advanced Materials**
- **lower E&I** vs. high Q1 19

Q1 – Healthcare Serving the Community to Fight the Virus

G&S comparable sales growth



C-19

- significant increase of **medical O₂** volumes at the end of Q1 in Europe
- **very high** demand for **Hygiene products** and **Ventilators** manufacturing
- **HHC**: fewer new installations expected, partially offset by new needs linked to Covid-19

Continued Focus on Performance

IM Price/Mix



- **Solid pricing** across all regions
- **Continued helium** contribution

Efficiencies



- **+18%** vs. Q1 2019
- Initiatives enabled by digital delivering
- Cumulated efficiencies **€1.2bn** (2017 - Q1 2020)

Portfolio management

Exclusive negotiations for the **sale** of:



Schülke



CRYOPDP



Entities in Czech Republic and Slovakia

Bolt-on **acquisitions**:



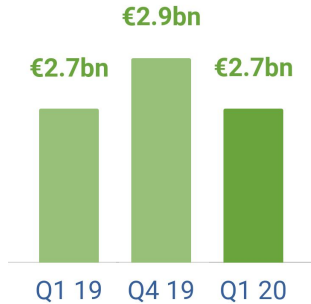
3 in the US and in China



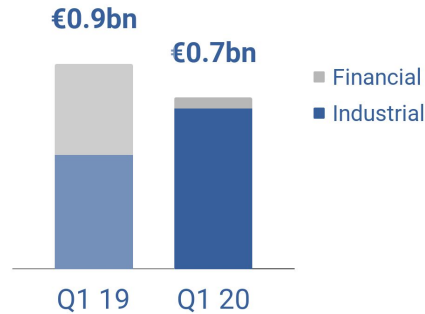
3 in Europe

Investments Still Strong in Q1

Investment Opportunities⁽¹⁾ 12-month portfolio



Investment Decisions⁽¹⁾



Investment Backlog



- **Slight reduction** vs. Q4 19
- Maintained at a **high level** despite: **C-19**
 - fewer entries and
 - some project delays

- **+41% of industrial decisions:**
 - Record levels in **Electronics**
 - **28%** related to **Energy transition**
 - **15%** **Efficiency** investment

- **Stable** Backlog
- **€0.9bn** of yearly sales backlog after full ramp-up
- **Oil & Gas <15%** of Backlog

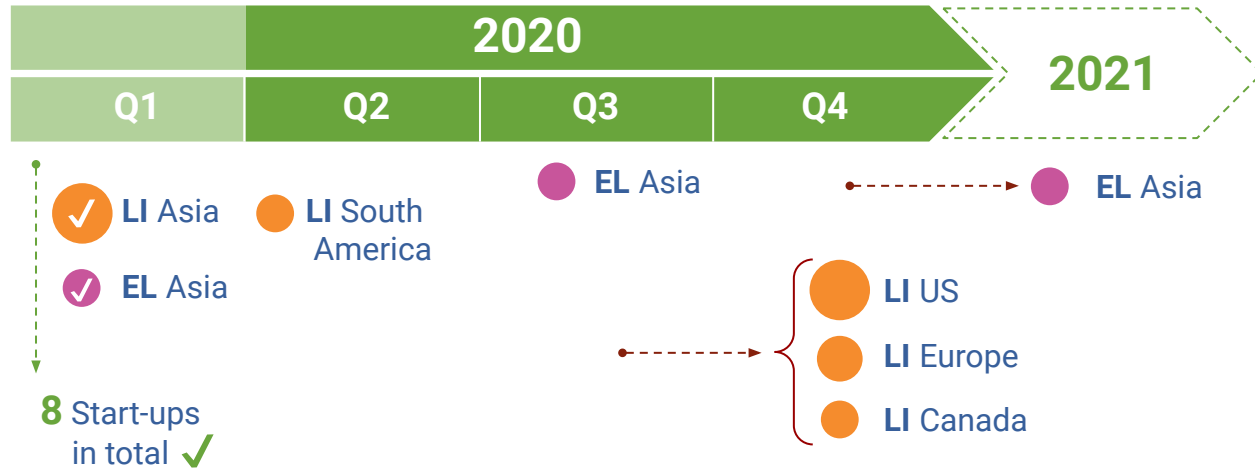
(1) See definitions in appendix

Delays Expected from COVID-19 on Start-Ups

Start-up/Ramp-up Sales Growth Contribution

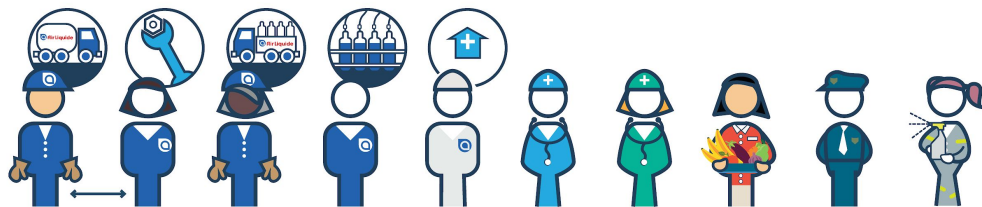


Delays on major start-ups



Crisis Management Measures: #WeFightTogether

To all professionals working in the field



THANK YOU !

and also to all of you who are working from home



Keep our **employees** safe

Stay close to our **patients**
& **customers**

No compromise on **safety**

Crisis Management: Focus on Costs, Cash, Liquidity

Costs Containment

Additional program launched worldwide to **adjust fixed costs**

- hiring freeze
- decrease of non-company staff
- consulting, services, travel expenses...

Cash / Capex

- Increased focus on **cash collection**
- **Capex reallocation and reinforced selectivity**

Liquidity

- €**4.6**bn of **available liquidity** at 2019-end:
 - cash
 - confirmed credit lines, no maturities in 2020, no covenant
- €**1**bn **bond issuance** on March 26



OUTLOOK

Where we stand at the beginning of Q2

Sequential from Q1 20



-

- **Progressive recovery in China**
- Operating at **lower level** in geographies going through **C-19** outbreak
- **Steel industry severely impacted**; Chemicals and Refining **resisting better**
- Several project **start-ups delayed** by 2 to 3 months



- -

- **Packaged gas the most impacted**, bulk to a lesser extent
- **Positive price** from Q1 should carry on
- China now back at **85% nominal load**



=

- Activity **running at normal level**, **limited delays** expected for start-ups
- **Tight supply chain**



+

- Operations **fully mobilized**, March sales strongly up
- High **medical O2** volumes and **Hygiene** products in Europe
- **Limited impact** on **HHC**

What we Expect in 2020 for Post Confinement Phase

LI	Chemicals	✓	<ul style="list-style-type: none">▪ Resilient Chemical, Naphtha-based regions gaining momentum▪ High refining inventories▪ Steel industry facing structural challenges
	Oil & gas	✓	
	Steel	✓	
IM	Metal Fab.	✓	<ul style="list-style-type: none">▪ Very contrasted end-markets:<ul style="list-style-type: none">- Uncertain timing for recovery of auto, construction and manufacturing activities- Solid consumer markets▪ Limited exposure to upstream Oil & Gas
	Construction	✓	
	Energy	✓	
	Food & Pharma	✓	
	Techno & Research	✓	
EL	Integrated Circuit	✓	<ul style="list-style-type: none">▪ Potential softening in Q3 depending on speed of recovery
HC	Medical gases	✓	<ul style="list-style-type: none">▪ Strong fundamentals, stable medical O₂ consumption▪ Potential negative impact on sleep apnea in HHC
	Home Healthcare	✓	

2020 Guidance Adjusted

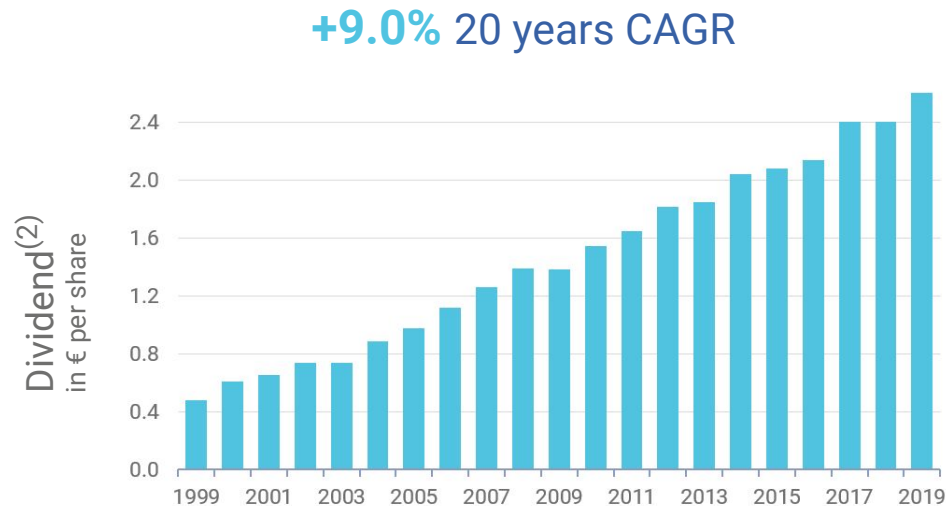
Main assumptions today:

- **Strong peak impact** expected in **Q2**
- **Lockdowns** end by the beginning of **Q3**
- **Progressive recovery** in **2nd half**

“The general assumption is that lockdowns should end by the beginning of Q3. In such case, Air Liquide is confident in its ability to further increase its operating margin and to deliver net profit close to preceding year level, at constant exchange rate.”

Regular Distributions to Shareholders

- AGM on May 5
- 2020 dividend payment maintained on May 13
- **€2.70** per share⁽¹⁾



(1) Subject to the approval of shareholders during the General Meeting on May 5, 2020

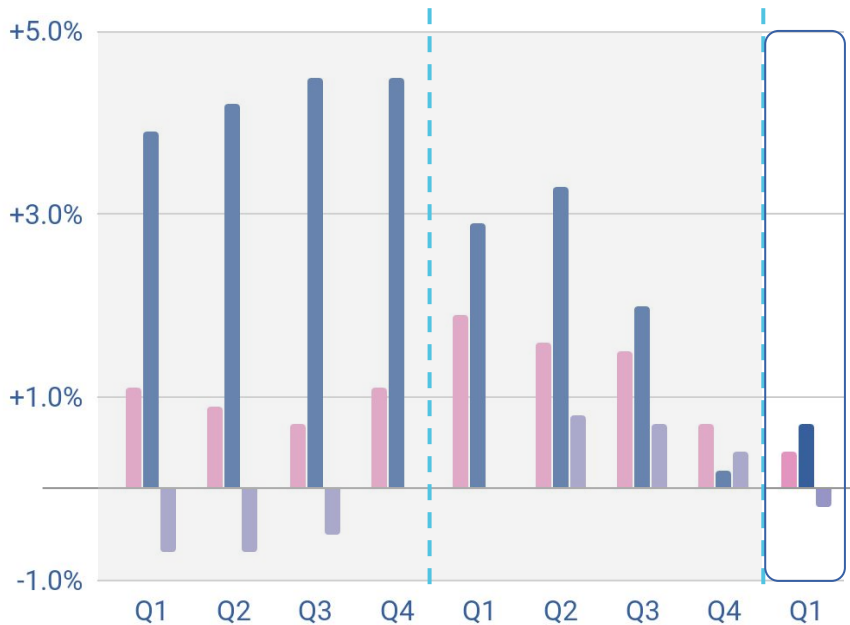
(2) Historical data adjusted for past free share attributions and the 2016 capital increase



Appendix

G&S Quarterly Growth Analysis

- Start-ups, Ramp-ups, Site takeovers, Small M&A
- Base business
- Significant M&A
Includes Tech Air and Fujian in Q1 2020



Base business:
+0.7%

2018

2019

Q1
2020

Americas

G&S comparable sales growth

INDUSTRIAL MERCHANT

- **widening contrasts** between:
 - solid Food & Pharma
 - lower Construction and Metal Fab.
- solid **pricing +3.9%**
- **lower Helium** volumes

LARGE INDUSTRIES

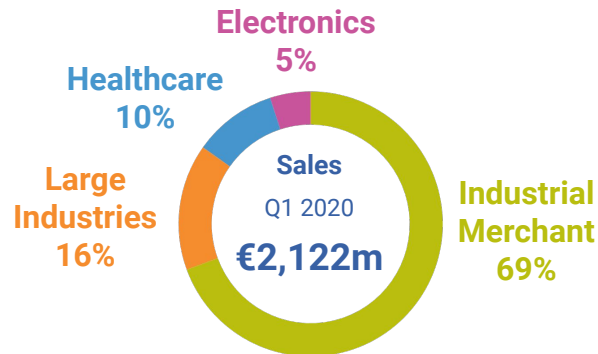
- **solid Hydrogen** volumes for Refining
- **high Cogen** in North America
- contribution from **new contracts** in **Latin America**

HEALTHCARE

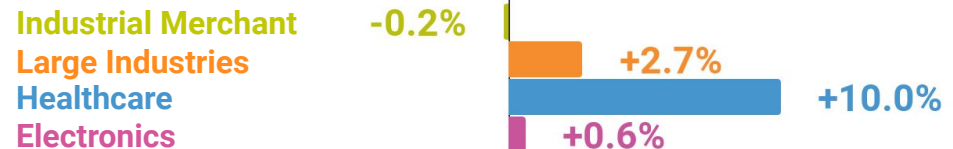
- **strong** Medical Gases in U.S.
- **high** HHC and Medical gases in **Latin America**
- **limited** impact of bolt-on **acquisitions**

ELECTRONICS

- **resilient Carrier Gases**
- high YoY E&I comparison basis



Q1 20/19 Comparable Growth: **+1.3%**



Europe

G&S comparable sales growth

INDUSTRIAL MERCHANT

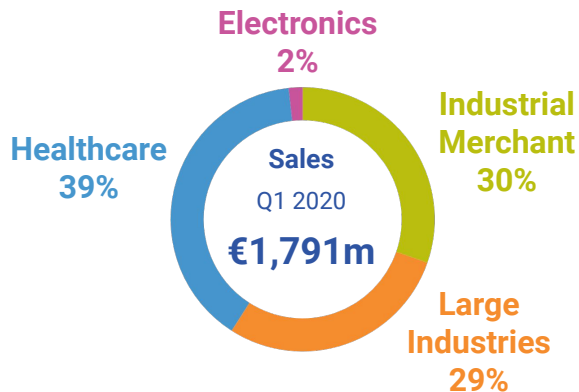
- **C-19** impact from **Mid-March**:
 - **drop** of **cylinder & bulk** sales
 - mainly in **France, Italy** and **Spain**
- **robust activity** in Nordics, Benelux and Eastern Europe
- solid **pricing** at **+1.8%**

LARGE INDUSTRIES

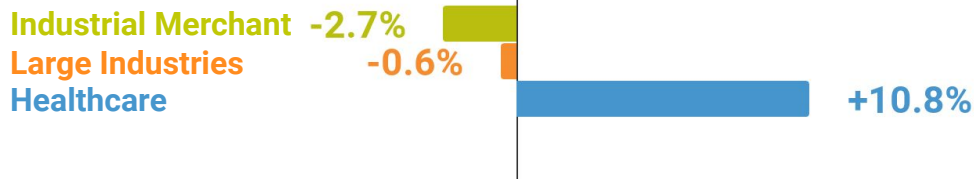
- **solid H₂** demand for **Refining** in Benelux
- **weak steel**, undermined by **C-19**
- **soft Chemicals**

HEALTHCARE **C-19**

- **high** medical **O₂** demand
- very **strong Hygiene**
- **ventilators** manufacturing more than doubling
- **still high** growth in **HHC**



Q1 20/19 Comparable Growth: **+2.7%**



Asia-Pacific

C-19

G&S comparable sales growth

INDUSTRIAL MERCHANT

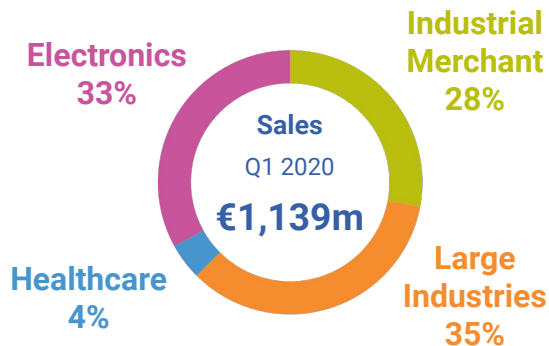
- **China -11.3%**
 - bulk and cylinder **volumes down** significantly
 - **back at 85%** nominal load at end of March
- **low Japan**
- **solid pricing: +1.0%**

LARGE INDUSTRIES

- **lower air gases** in **China** and **H₂** in **Korea**
- **weak steel** in **Japan**
- **contractual fixed fees** protecting for low volumes

ELECTRONICS

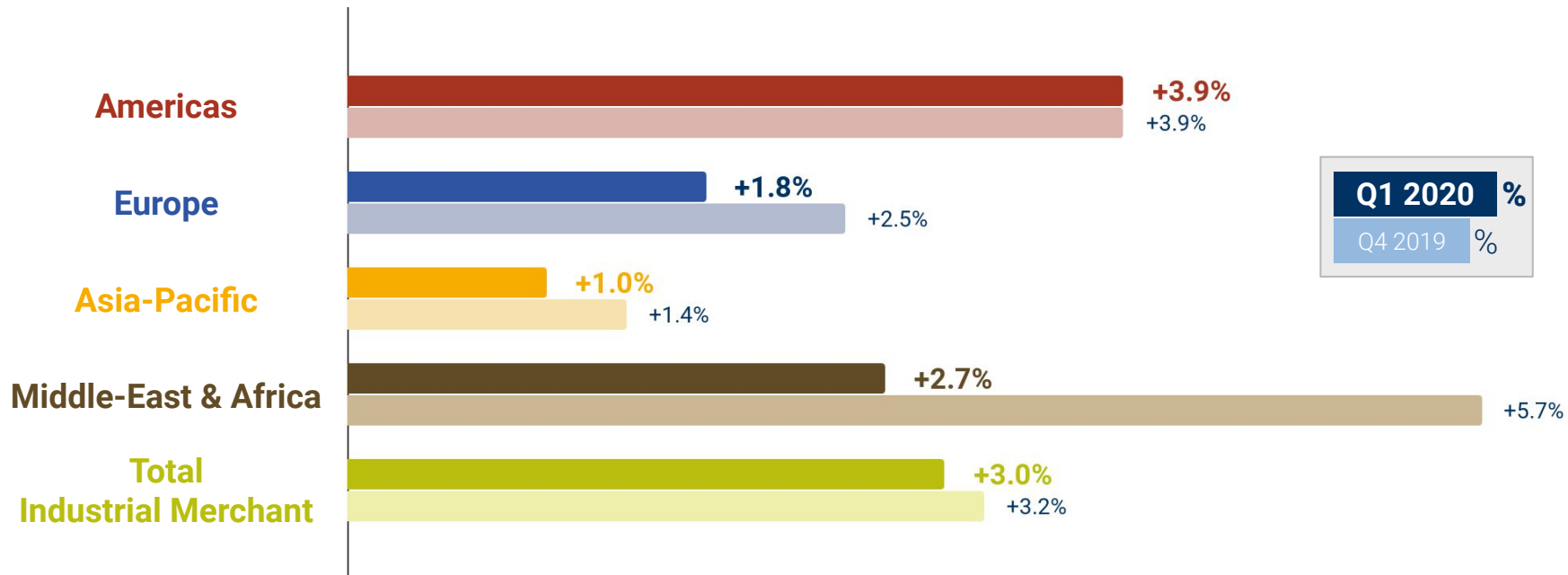
- **+13%** excl. E&I sales:
 - **Carrier Gases** ramp-ups in China, Japan, Taiwan, Singapore
 - **Advanced Materials** in Korea and Taiwan
- **China +4.6%** despite C-19
- **low E&I** compared to high Q1 19



Q1 20/19 Comparable Growth: **-0.9%**



Industrial Merchant Pricing



Q1 2020 E&C and GM&T Activities

Engineering & Construction

- Sales to third parties⁽¹⁾

€52m

-44%

C-19

Total Sales⁽²⁾ -16%
One month closure of E&C center
in China; Start-up delays

- Order Intake

€83m

-43%

Global Markets & Technologies

- Sales⁽¹⁾

€127m

+14%

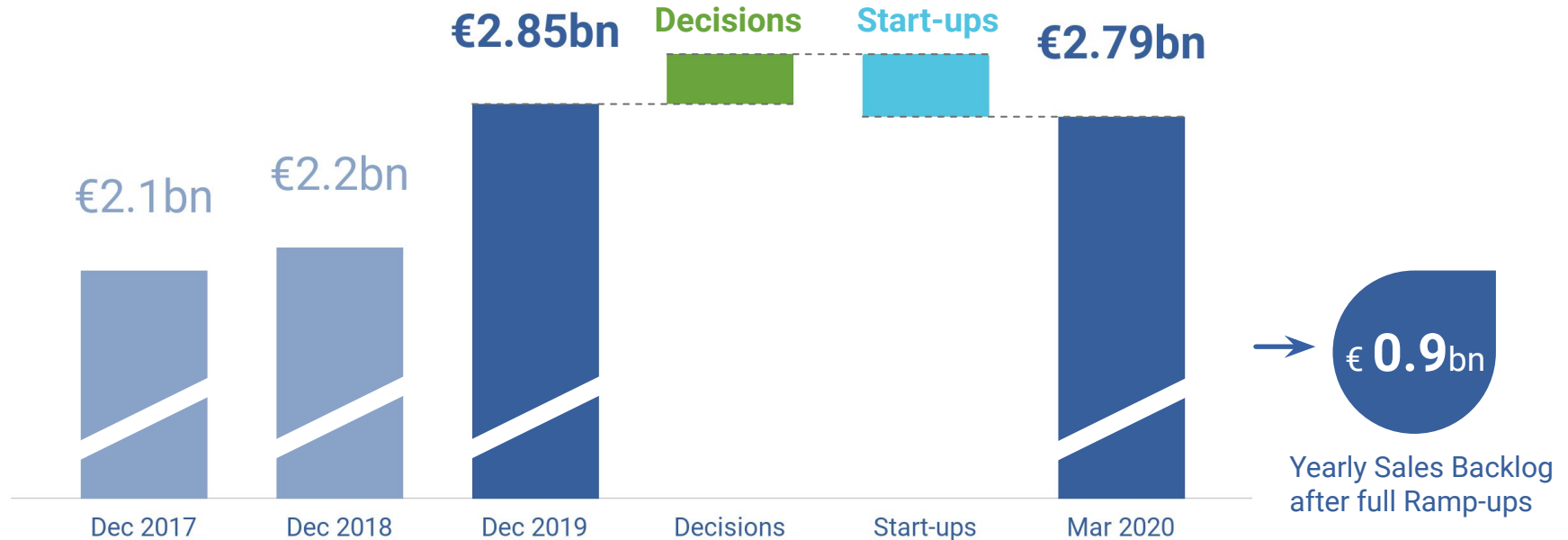
- Order Intake

€209m

+64%

(1) Comparable growth (2) Including internal sales

Stable Backlog at €2.8bn



See definitions in appendix

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

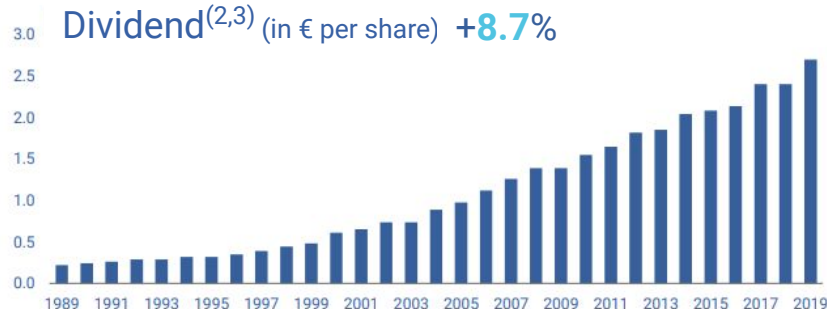
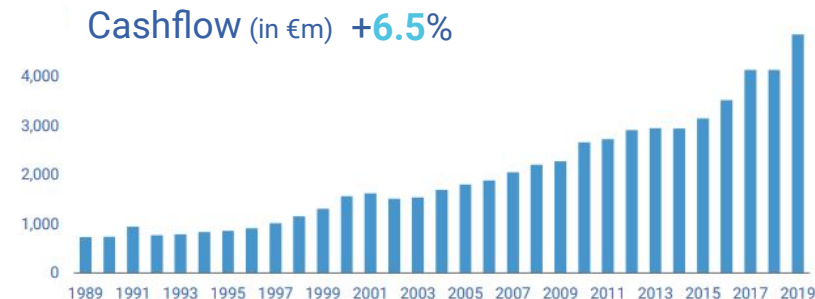
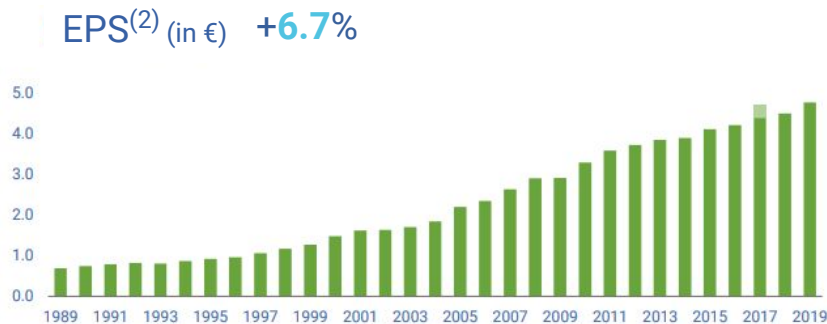
- Cumulated expected sales per year generated by the current investment backlog after full ramp-up.

• 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).

Regular and Sustained Performance

— CAGR over 30 years⁽¹⁾



(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

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For further information, please contact:

Investor Relations

Aude Rodriguez	+ 33 (0)1 40 62 57 08
Ludmilla Binet	+ 33 (0)1 40 62 57 37
Muriel Légeron	+ 33 (0)1 40 62 50 18
Pierre-Germain Marlier	+ 33 (0)1 40 62 57 95
Joseph Marczely	+ 1 610 263 8277

Communication

Alexandra Rocca	+ 33 (0)1 40 62 50 93
Annie Fournier	+ 33 (0)1 40 62 51 31

www.airliquide.com

L'Air Liquide S.A.

*Corporation for the study and application of processes developed by Georges Claude
with registered capital of 2,602,080,327 euros*

Follow us on Twitter **@AirLiquideGroup**

Corporate Headquarters:

75, Quai d'Orsay

75321 Paris Cedex 07

Tel : +33 (0)1 40 62 55 55

RCS Paris 552 096 281