



Q3 2021 Activity

Strong Sales Growth Concrete Success in Project Development

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François Jackow, Executive Vice President
Mike Graff, Executive Vice President

Paris, October 22, 2021



Cryocap™, Normandy, France

Q3 2021 Key Highlights

Performance

- **Strong comparable sales growth trend** continuing in Q3
- Continued focus on **margin improvement** and **solid cash flow**

Outlook

- **Business Model** designed to tackle energy price volatility
- **Confirmed 2021 guidance**

Market

- **Strong momentum** in projects activity
- **Key positions** taken in Q3 in the **Energy Transition**

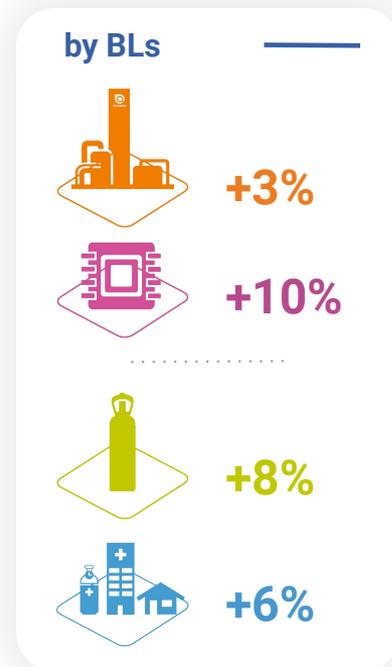
Record As Published Sales Growth

Sales in €m	Q3 20	Q3 21	Q3 21/20 As published	Q3 21/20 Comparable	YTD 21/20 Comparable	vs. Q3 19 ⁽¹⁾
Gas & Services	4,777	5,585	+16.9%	+6.5%	+7.5%	+5%
Engineering & Construction	60	81	+36.9%	+35.1%	+54.7%	
Global Markets & Technologies	143	168	+16.9%	+15.9%	+27.9%	
Group Total	4,980	5,834	+17.2%	+7.1%	+8.5%	+6%

Impacts on Q3 Group Sales: +0.5% FX | +8.9% Energy | +0.7% Significant Scope⁽²⁾

(1) Vs. 2019: calculated as the sum of the comparable effects of 2020 and 2021 (2) Impact on sales of all acquisitions or disposals of a significant size for the Group

Strong Comparable Sales Growth Trend Continuing in Q3



Group comparable sales growth

+7%

Comparable sales growth

Improving End-Markets Trends



Chemicals



Steel



Refining



- Strong **Steel** and **Chemicals**
- Improving **Refining**



Integrated Circuit



- **Dynamic demand** from end consumers



Metal Fab.



Construction



Automotive



Energy



Food & Pharma



- **Growth in all end-markets** vs. 2020
- **Markets above 2019 level:** Food & Pharma, Technology & Research, Craftsmen



Medical gases



Home Healthcare



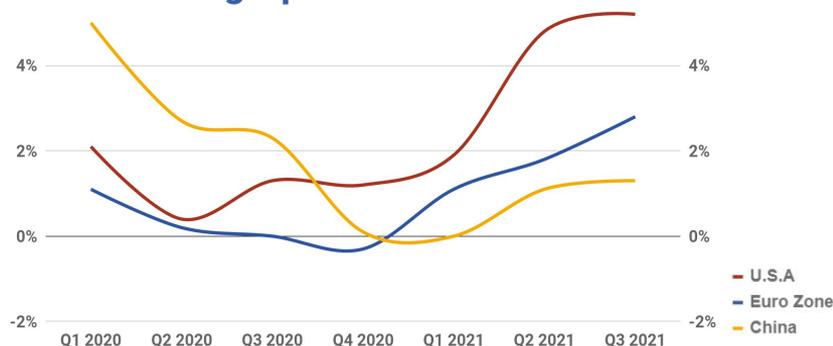
- **High medical O₂** for Covid-19, normalizing
- Sustained **growth**

Business Model Designed to Tackle Energy Price Volatility

Spike of Natural Gas prices



Inflation firming-up



Source Consensus Forecasts



- The most energy intensive business line
- Energy costs **100% passed through to sales**

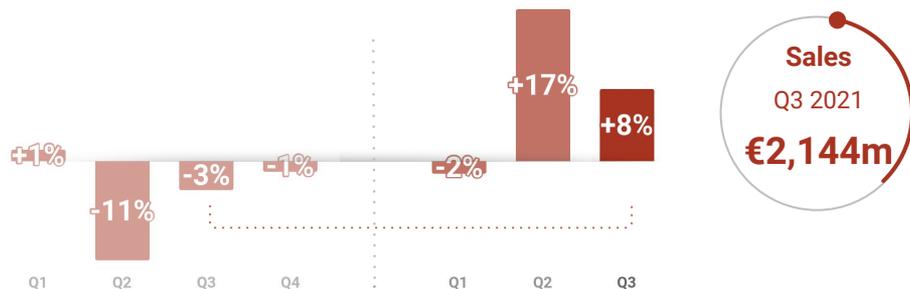


- **Indexation** in major bulk contracts
- **Pricing** campaigns
- **Time-lag** 1 to 6 months

Q3 – Strong Momentum in Americas and Europe

Americas

High growth in all Business Lines, +5.0% IM pricing



- **LI** . **Strength in all markets**
 . **Start-up in U.S., ramp-ups** in Latin America
- **IM** . **Gas** driving growth
 . **All end-markets** well oriented, low Construction
- **HC** . **High U.S. Medical O₂** for Covid-19 & proximity care
 . **Dynamic** Latin America
- **EL** . **Strong Carrier Gases**, low E&I vs. high Q3 20

Europe

High industrial activities



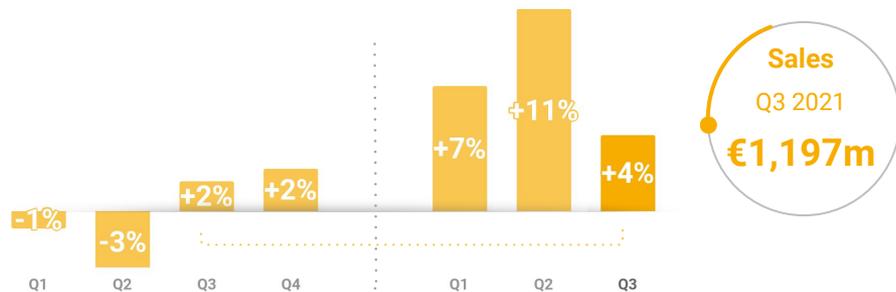
- **LI** . **Strong Steel and Chemicals**, improving Refining
 . **Start-up** in Russia
 . **Pursued pick-up** in sales
- **IM** . **Growth in all end-markets**
 . **Increased pricing** at +2.2%
 . **Sustained Medical O₂** for Covid-19
- **HC** . **Diabetes** driving **HHC** growth
 . **Lower ventilator sales** vs. peak demand in Q3 20

G&S comparable sales growth

Q3 – Contrasted Asia, Strong AMEI

Asia

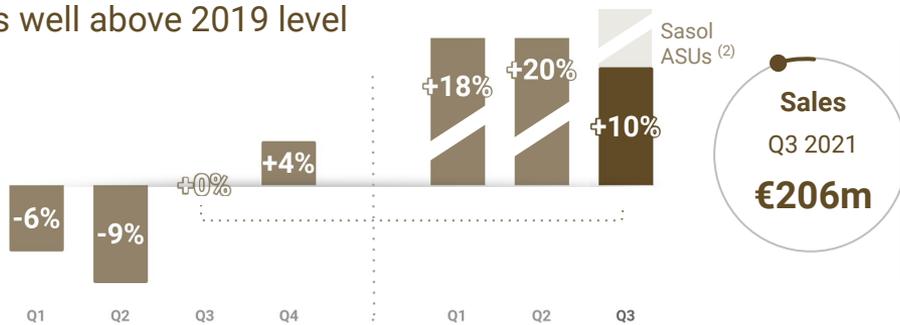
Low LI in China mitigated by other activities



- **LI**
 - . A handful of client shutdowns linked to **China DEC**⁽¹⁾
 - . High customer **turnarounds**
 - . **Steel** recovery in **Japan**
- **IM**
 - . **Strong China** driven by on-sites and cylinders
 - . **Recovering rest of Asia**, close to **2019 level**
- **EL**
 - . **+10%** growth in **Carrier Gases**
 - . **Very robust E&I**, solid Advanced Materials

AMEI

Sales well above 2019 level



- **LI**
 - . **H₂** recovering in **KSA**
 - . First **Sasol ASUs** contribution⁽²⁾
- **IM**
 - . **Dynamic** rebound in activity
- **HC**
 - . **Strong Medical O₂** sales for Covid-19

G&S comparable sales growth (1) Dual Energy Control. (2) Accounted for in Significant Perimeter, not included in comparable growth

Q3 – Contrasted LI, Buoyant EL

Large Industries

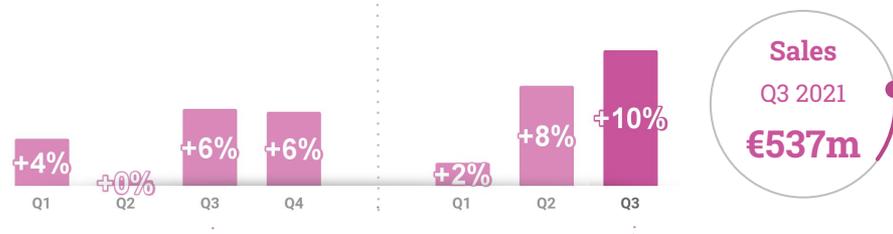
High global activity, low China



- **Strong Steel & Chemicals**, improving Refining in Europe and U.S.
- **High** contribution from **start-ups and ramp-ups**
- A handful of client shutdowns linked to **China DEC⁽¹⁾**
- Several customer turnarounds

Electronics

Start-ups in Carrier Gases and high E&I



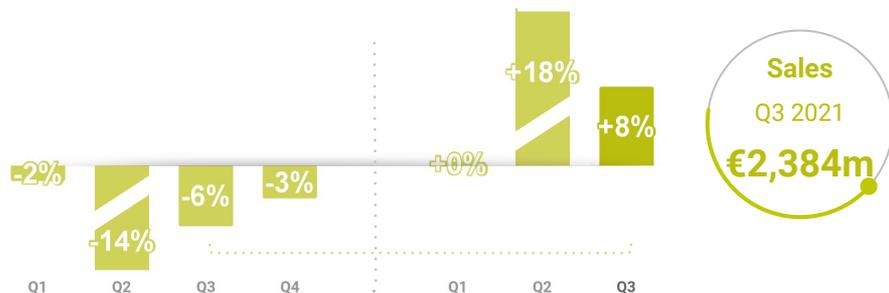
- **>+10%** growth in **Carrier Gases** in all regions
- **High E&I** sales in Singapore and Taiwan
- **Solid** growth in **Advanced** and **Specialty Materials**

G&S comparable sales growth (1) Dual Energy Control

Q3 – Continued Pick-up in IM Sales, Robust HC

Industrial Merchant

Accelerated pricing to +3.5%



- **Gas sales above 2019**, improving hardgoods in U.S.
- **Growth in all end-markets**, sales above 2019 in Food & Pharma, Craftsmen, Technology, Materials & Energy, Metal Fabrication
- **New price campaigns**

Healthcare

Sustained Medical gases, solid Home Healthcare

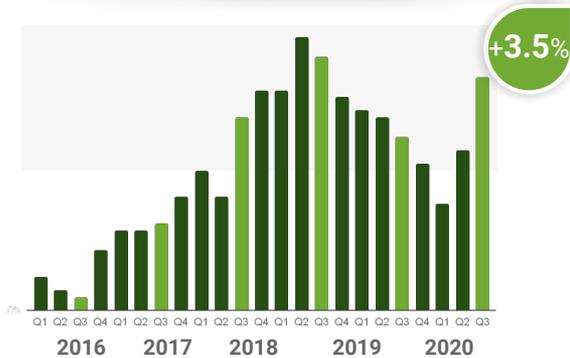


- **High Medical O₂** for Covid-19, proximity care in U.S. and elective surgeries
- **HHC driven by diabetes**
- **Strong Specialty Ingredients**
- **Lower ventilator sales** vs. peak demand in Q3 20

G&S comparable sales growth

Continued Focus on Margin Improvement and Solid Cash Flow

IM Pricing



- Accelerated pricing
- New price campaigns in Europe, U.S. and Asia
- Neutral helium pricing impact

Efficiencies



- Industrial efficiencies and procurement

Portfolio Management

5 divestitures YTD



Greece, France, U.S., Japan

15 bolt-on acquisitions YTD



U.S., Canada, Europe, China



U.S., Europe



GM&T China

23%⁽¹⁾

Cash Flow to Sales

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

Confirmed 2021 Guidance



Guidance

“Air Liquide is confident in its ability to further increase its operating margin and 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.

Strong Momentum in Projects Activity, High Quality Backlog

Investment Opportunities⁽¹⁾

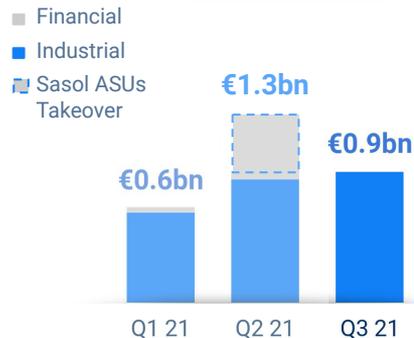


Rising investment opportunities

- >40% in **Energy Transition**
- High share of **EL** projects
- ~70% in **Europe & Asia**, new opportunities in the U.S.

Several takeovers

Investment Decisions⁽¹⁾



High level of decisions

- 1 major **LI Energy Transition project**
- Several **EL** and **Biogas** projects

Investment Backlog⁽¹⁾



Strong Backlog

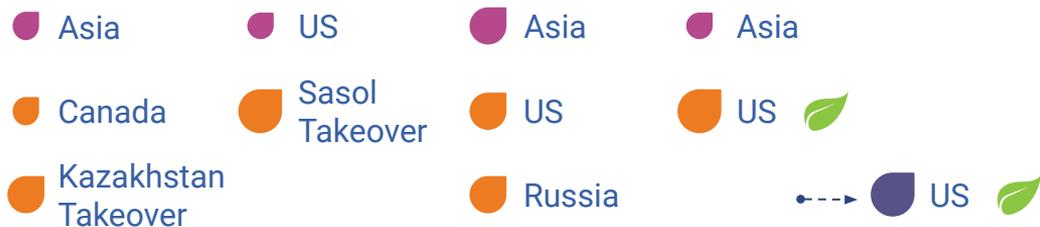
- Increasing share of projects linked to **Energy Transition**

€1.1bn of yearly sales after full ramp-up

(1) See definitions in appendix

Confirmed 2021 SU and RU Contribution to Sales

Start-up date of major projects



● Large Industries
 ● Electronics
 ● GM&T

Start-up/Ramp-up Sales Contribution⁽¹⁾

Q3 2021

€100m

FY 2021 Guidance

~€320m

(1) Including the contribution from Sasol ASUs takeover accounted for in Significant Perimeter; ~€36m in Q3 2021; ~€70m expected for FY 2021

Concrete Success in Project Development

François Jackow
Executive Vice President

Deploying Sustainability Strategy



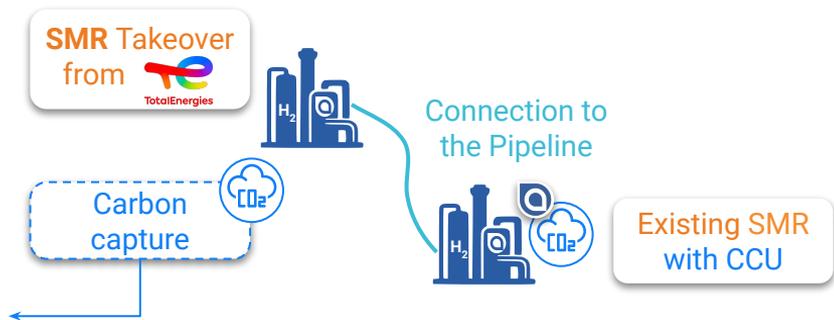
A unique position to leverage



Normandy H₂ Plant Takeover Project⁽¹⁾: a New Model...

Adding the value of the Over-The-Fence supply...

... to a joint commitment for CO₂ reduction



- Carbon Capture investment by 2030
- Transportation and Storage chain

Value for the customer

- Over-The-Fence benefits
- Reduction of Scope 1
- Monetization of low-carbon products to end-customers

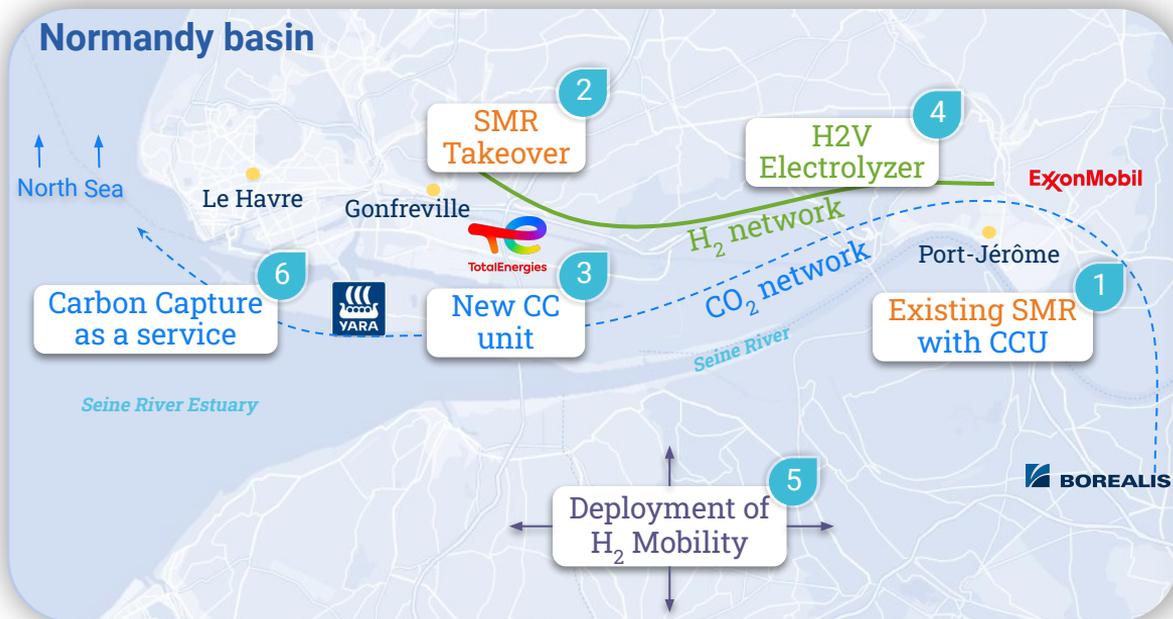
Value for Air Liquide

- Extension of LI business Model
- Reduction of Scope 1 when CO₂ is captured
- Leverage on existing assets

(1) Subject to social process completion

CCU: Carbon Capture and Usage

... Unveiling a Global Decarbonization Roadmap



First Worldwide Low-Carbon H₂ Network

1. Existing SMR + CCU
2. SMR Takeover connected to the network
3. Carbon Capture joint commitment
4. Investment in H₂ Electrolyzer
5. Leverage of industrial infrastructure to deploy H₂ mobility
6. Carbon Capture as a service with other industrials in the basin

CC: Carbon Capture; CCU: Carbon Capture and Usage

Key Partnerships for Hydrogen Development in Q3 2021

1



Foster H₂ heavy duty trucks deployment

faurecia



Liquid H₂ storage for heavy duty vehicles

2



Decarbonize the Aviation sector



Airport network for future H₂ aircrafts and ground vehicles

3



Act as lead investor in world largest Clean H₂ fund



Invest up to ~€15bn to foster clean H₂ ecosystem

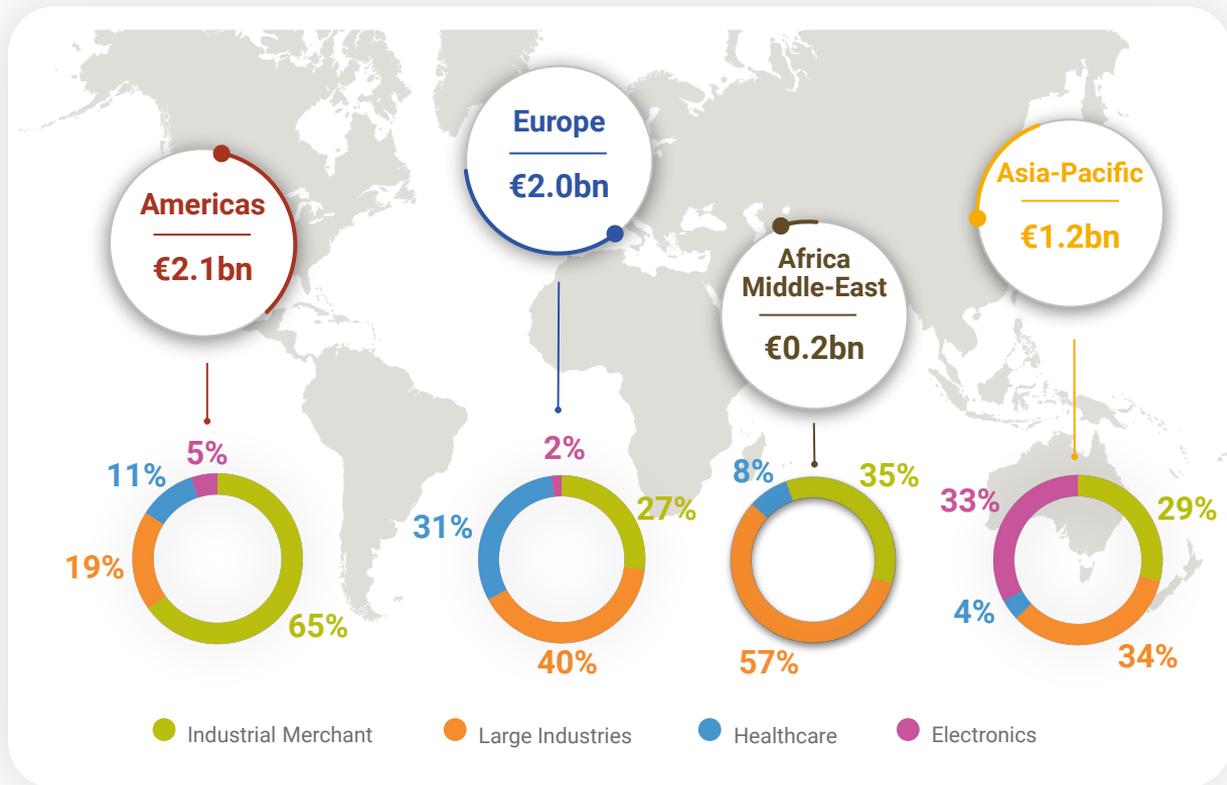
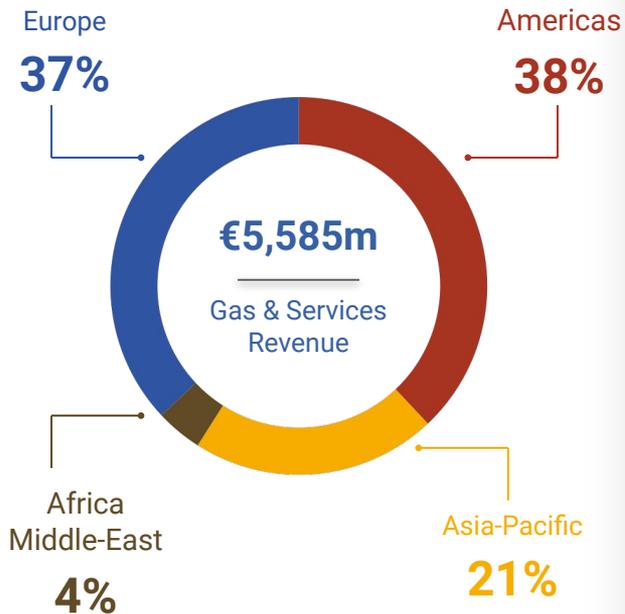
Delivering Short Term and Preparing the Future



- **Strong comparable sales growth trend** continuing in Q3
- **Confirmed 2021 guidance**
- **High momentum** in projects activity and Energy Transition

Appendix

Q3 2021 G&S Revenue Breakdown by Region



Strong Base Business, High SU/RU Contribution



See definitions in appendix

Americas



Industrial Merchant

- **Gas** driving growth, improving hardgoods
- **All end-markets well oriented**, low Construction
- **Accelerated pricing to +5.0%**, with new price campaigns



Large Industries

- **Strength in all markets**
- **Start-up in U.S.**, ramp-ups in Latin America
- Limited impact of Ida Hurricane



Healthcare

- **High Medical O₂** for Covid-19 across the region
- Continued recovery of **proximity care** in the U.S.
- **Dynamic Latin America**



Electronics

- **Strong Carrier Gases** and solid Advanced Materials
- **Low E&I** vs. high sales in Q3 20



Q3 21/20 Comparable Growth: **+8.2%**



Europe



Industrial Merchant

- Pursued pick-up in sales, above 2019 level
- Growth in all end-markets, driven by Metal Fabrication and Materials & Energy
- Strong Eastern Europe
- Increased pricing at +2.2%, launch of new price campaigns



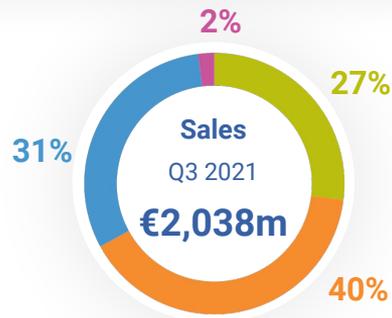
Large Industries

- Strong Steel and Chemicals
- Improving Refining driving higher H₂ volumes
- Start-up in Russia, ramp-up in Kazakhstan

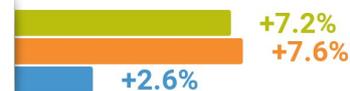


Healthcare

- Sustained Medical O₂ for Covid-19 & elective surgeries
- Diabetes driving HHC growth
- Strong Speciality Ingredients
- Lower ventilator sales vs. peak demand in Q3 20



Q3 21/20 Comparable Growth: +5.8%



Asia-Pacific



Industrial Merchant

- **Strong China**, mainly driven by:
 - Fabrication, Materials & Energy, Technology
 - on-sites and cylinders
- **Recovering rest of Asia**, sales close to 2019 level
- **Pricing +0.3%**, +0.8% excluding helium



Large Industries

- 5 customer shutdowns related to **DEC⁽¹⁾** in **China**, 3 of them back to full loading from mid October
- **High turnarounds impact**, in particular in China and Singapore
- **Steel recovery in Japan**



Electronics

- **+10%** growth in **Carrier Gases** with start-ups and ramp-ups
- **Very robust E&I**, notably in Singapore and Taiwan
- Solid Advanced and Specialty Materials

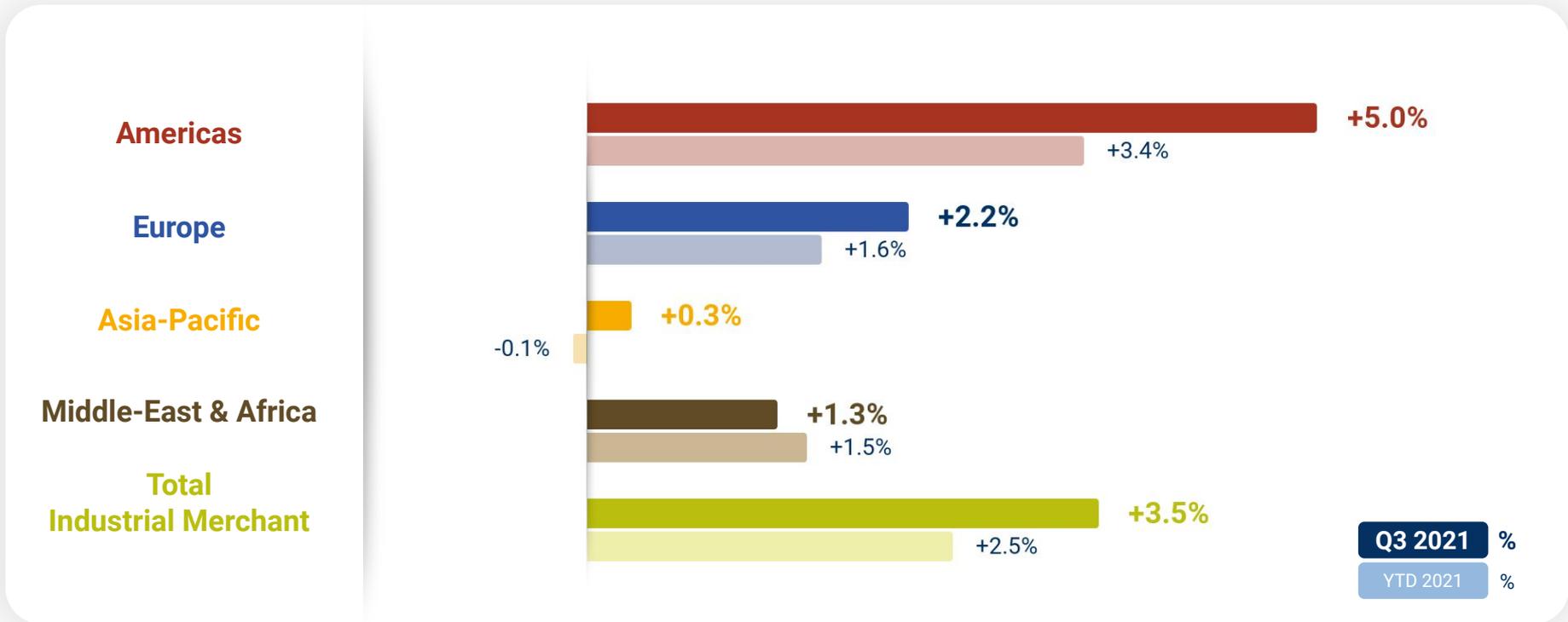


Q3 21/20 Comparable Growth: **+4.1%**



(1) Dual Energy Control

Industrial Merchant Pricing



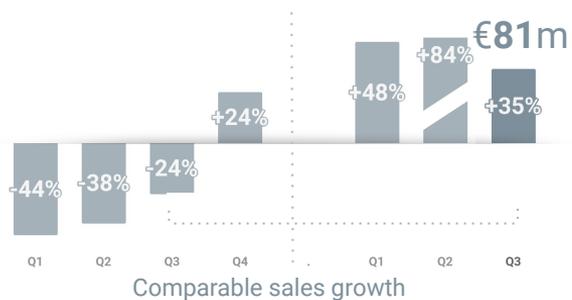
High Q3 2021 E&C and GM&T Activities



Engineering & Construction

- **Sustained level of sales** vs. low Q3 20

Total Sales⁽¹⁾ in Q3 21 +33%



- **Strong momentum** of **order intake**

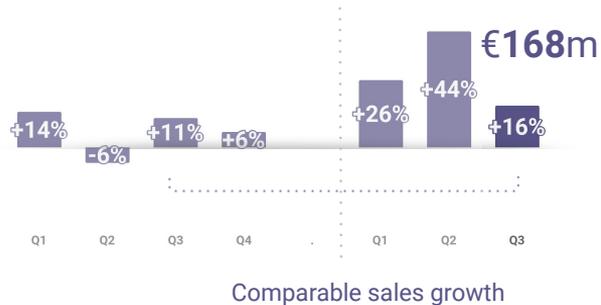
€300m

+159%



Global Markets & Technologies

- **High sales growth**, driven by biogas, high comparison basis in Q3 20



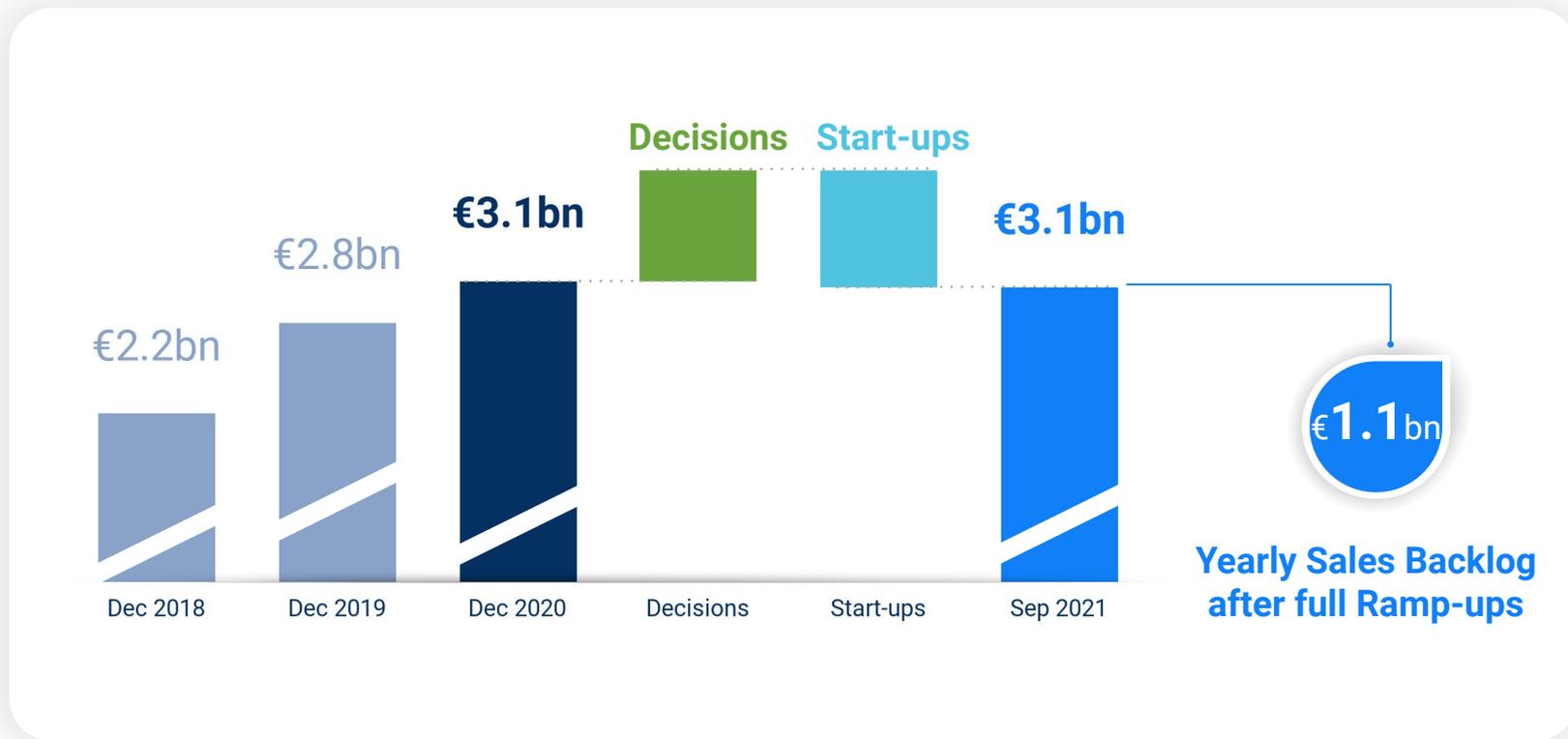
- **Strong order intake** vs. low Q3 20

€185m

+80%

(1) Including internal sales

Maintained Strong Level of Backlog at €3.1bn



See definitions in appendix

Energy Price Increase, Passthrough Example

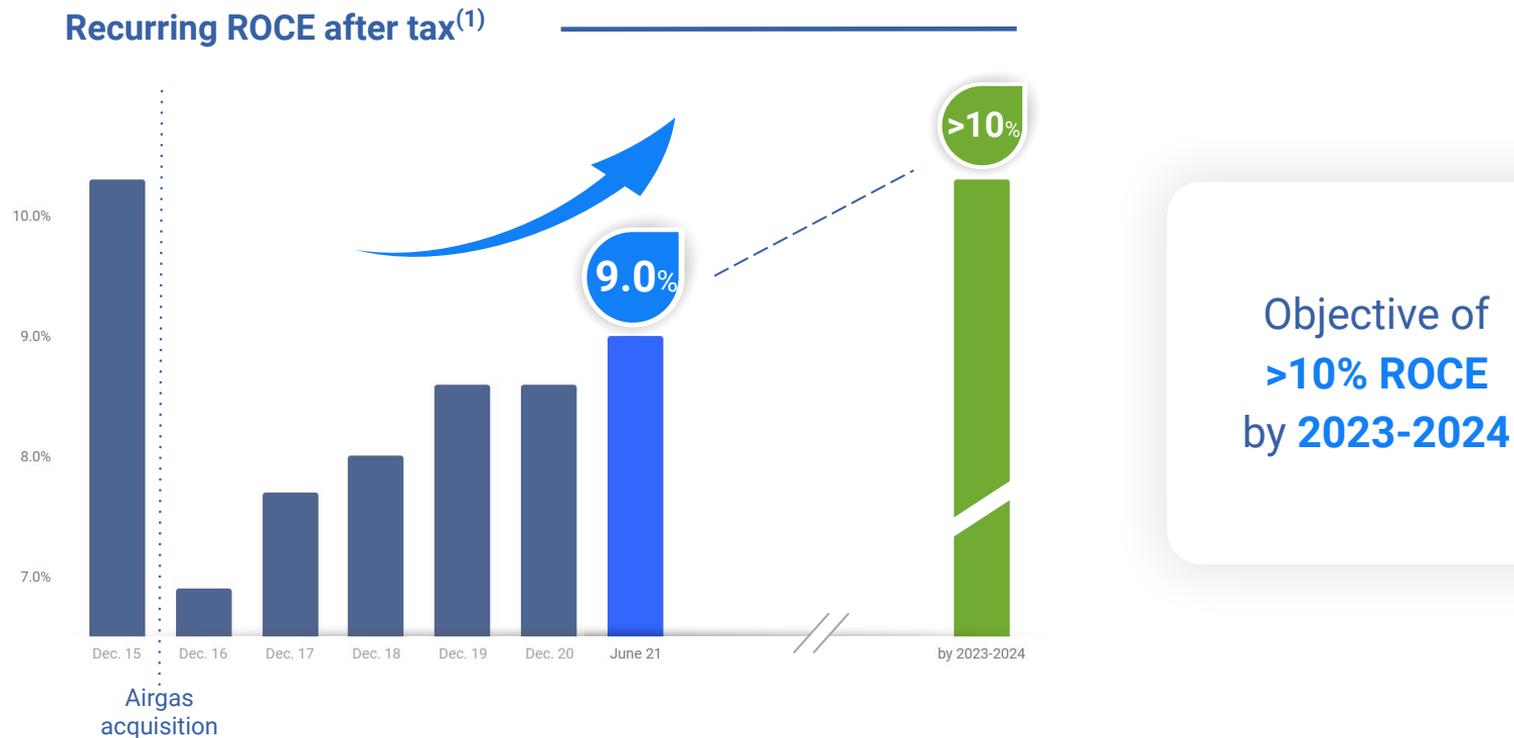
	2020 base (€m)	Example with Energy price increase of €100m	Modelling of 2020 base after Energy impact (€m)
Sales	20,485	+100	20,585
Costs	-16,695	-100	-16,795
OIR	3,790	0	3,790
OIR / Sales	18.5%	-10bps	18.4%

As published simplified P&L
Inflated "as published" sales
No Impact on OIR in value
Dilution of
OIR / "as published" sales ratio

Operational performance : OIR / (As published Sales - Energy passthrough effect)

OIR: Operating Income Recurring

ROCE Momentum Aligned with 2023-24 Objective



(1) Recurring ROCE based on Recurring Net Profit

Impact of Currency and Energy on G&S Revenue

in €m	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
€/USD	+55	+30	(86)	(126)	(165)	(169)	(19)
€/JP¥	+11	+11	(11)	(9)	(14)	(25)	(10)
€/ARS	(16)	(23)	(10)	(26)	(18)	(14)	(4)
€/BRL	(11)	(22)	(25)	(23)	(23)	(6)	+1
Others	+1	(26)	(66)	(62)	(46)	(6)	+54
Currency Impact	+40	(30)	(198)	(246)	(266)	(220)	+22

in €m	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Natural Gas Impact	(103)	(135)	(61)	(18)	+133	+171	+342

in €m	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Electricity Impact	(31)	(31)	(19)	(7)	+46	+68	+99

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).

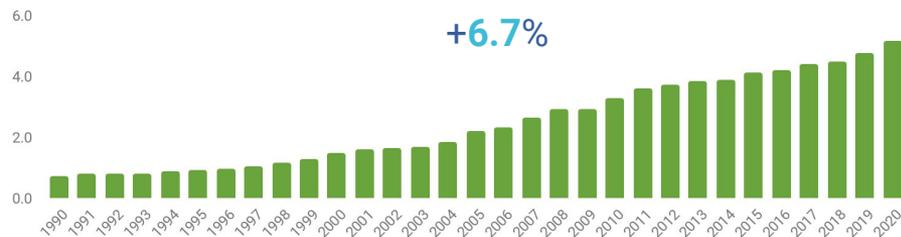
Regular and Sustained performance

CAGR over 30 years ⁽¹⁾

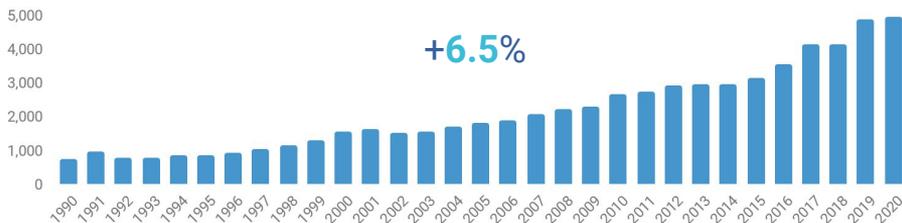
Revenue (in €m)



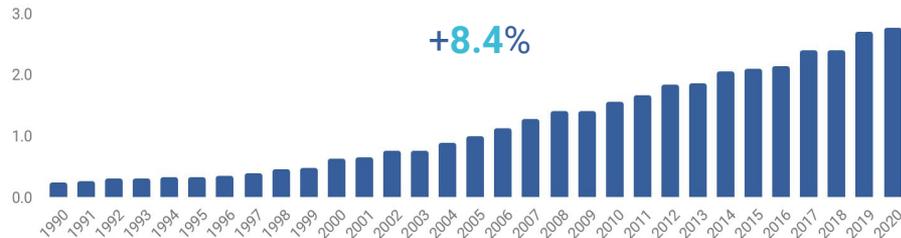
EPS⁽²⁾ (in €m)



Cashflow (in €m)



Dividend⁽²⁾ (in €m)



(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

2021 Full Year Results: February 16, 2022

Capital Markets Day: March 22, 2022

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with registered capital of 2,605,761,719.00 euros*

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