

# H1 2019 Activity

Sustained Sales Growth  
Combined with Step-up in Margin

Paris, 30 July 2019



# Agenda

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- Group transformation accelerating and delivering
- Sustained sales growth
- Step-up in margin
- Very active business development
- 2019 outlook confirmed

# Group Transformation Accelerating and Delivering

Benoît Potier

Chairman & Chief Executive Officer

# Very Solid Performance in H1 2019

## Operations

Sustained sales growth<sup>(1)</sup> **+7.8%**  
Comparable<sup>(1)</sup> **+4.9%**

Step-up in margin **+70bps<sup>(2)</sup>**

Recurring Net Profit growth **+12%<sup>(3)</sup>**

## Balance Sheet

ROCE ramping up **+30bps<sup>(4)</sup>**

Improved gearing at **71%<sup>(5)</sup>**

(1) Group and G&S sales growth in H1 19

(3) Excluding exceptional items: Fujian in 2019 and financial gain in 2018

(2) Operating Income Recurring on Sales; including +10bps from IFRS16; no energy impact in H1 2019

(4) Excluding Fujian exceptional impact in H1 2019; see reconciliation in appendix of Activity Report

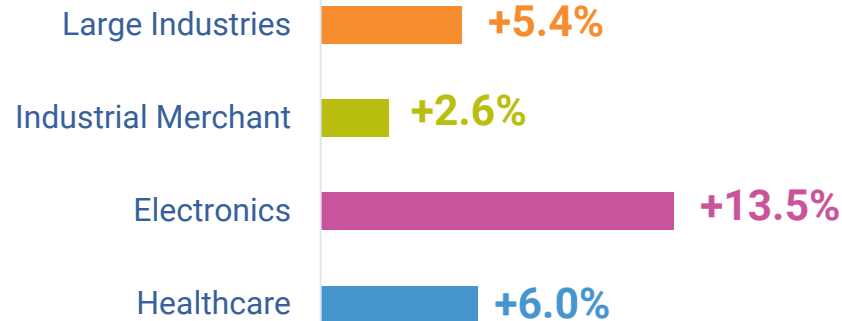
(5) Compared to June 2018 and adjusted for dividend seasonality; excluding lease liabilities (IFRS16)

# Sustained Sales Growth from all WBLs

## G&S Comparable Sales Growth



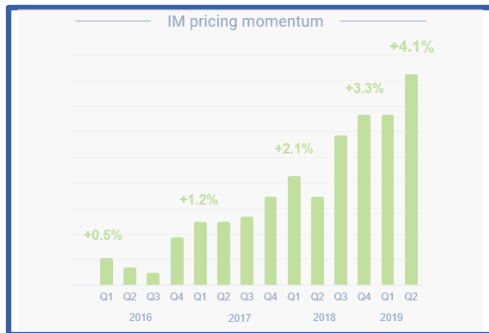
## Growth per World Business Lines



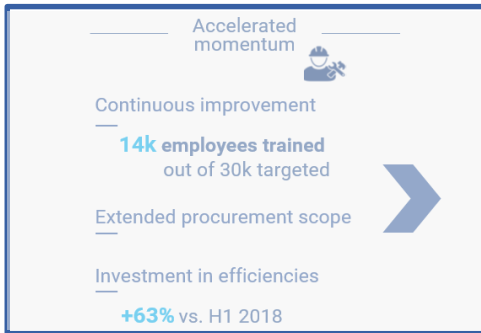
# Step-up in Margin

**+70<sup>(1)</sup>bps** OIR margin

## Price/Mix



## Efficiencies



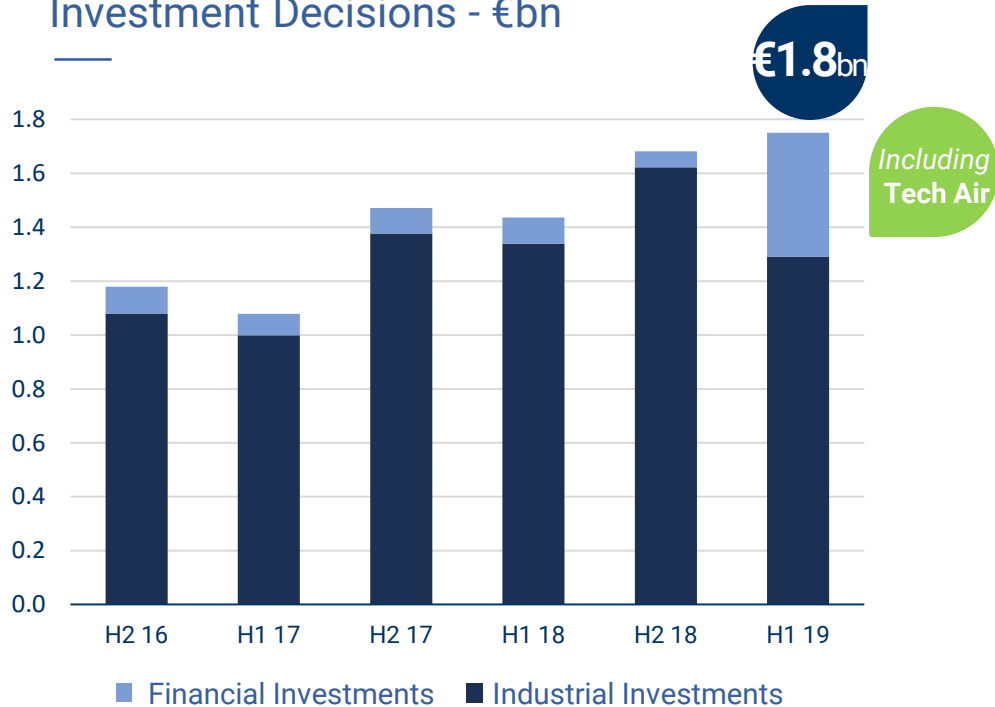
## Portfolio Management



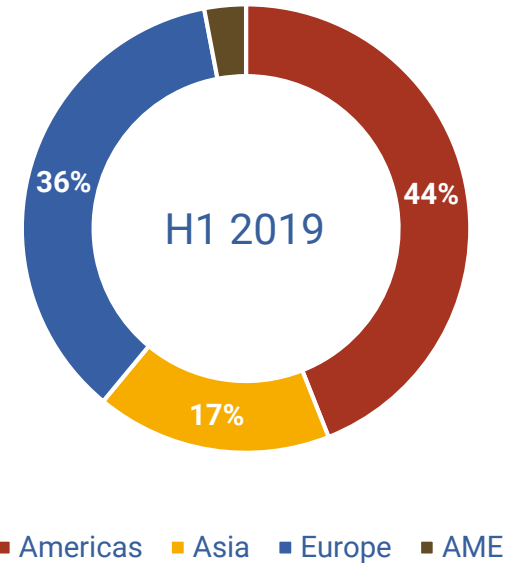
(1) Operating Income Recurring on Sales; including +10bps from IFRS16; no energy impact in H1 2019

# Very Active Investment Decisions

## Investment Decisions - €bn



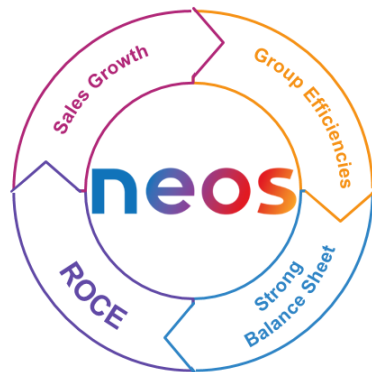
## Split by Geography (excluding Tech Air)



# Group Transformation Accelerating and Delivering

- High level of signing

- Portfolio management



- Deployment of transformation projects

- S&P outlook revised to Positive



## Climate Objectives

- Investment alignment
- Enhanced innovation



# 2019 H1 Performance

Fabienne Lecorvaisier  
Executive Vice President &  
Chief Financial Officer

# Highlights

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- Sustained comparable sales growth of +5% in Q2
- Step-up in OIR margin
- Solid cash flow
- Increased ROCE
- Very active business development

# Sustained Sales Growth

| Sales in €m                   | H1 18  | H1 19  | H1 19/18<br>Comparable | H1 19/18<br>As published | Q2 19/18<br>Comparable |
|-------------------------------|--------|--------|------------------------|--------------------------|------------------------|
| Gas & Services                | 9,769  | 10,536 | +4.9%                  | +7.8%                    | +5.0%                  |
| Engineering & Construction    | 180    | 176    | -3.8%                  | -2.2%                    | -11.7%                 |
| Global Markets & Technologies | 213    | 240    | +10.7%                 | +12.6%                   | +6.7%                  |
| Group Total                   | 10,162 | 10,952 | +4.9%                  | +7.8%                    | +4.7%                  |

- +2.5% FX Impact in H1

- Neutral Energy Impact in H1

# Robust Markets Through H2 2019

## Markets

|    |                    |
|----|--------------------|
| LI | Chemicals          |
|    | Oil & gas          |
|    | Steel              |
| IM | Metal Fab.         |
|    | Construction       |
|    | Energy             |
|    | Food & Pharma      |
|    | Techno & Research  |
| EL | Integrated Circuit |



## Outlook H2 2019

- **Contrasted Chemicals**
- **High** demand from **Oil & Gas** in Europe
- Active **projects signing**

- **Softer** markets due to **low investments in the short-term**
- **Solid consumption-related** sectors
- Specific dynamic in **China**

- Strong **Carrier Gases & Advanced Materials**
- Slightly lower **E&I** sales growth

# Confirmed Growth Levers in Q2

— G&S comparable sales growth

— WBLs —

**Industrial Merchant**



**+2%**

**Large Industries**



**+6%**

**Healthcare**



**+7%**

**Electronics**



**+13%**

— Main Geographies contributing —



**Asia, Europe, Middle East**



**Asia, Europe**



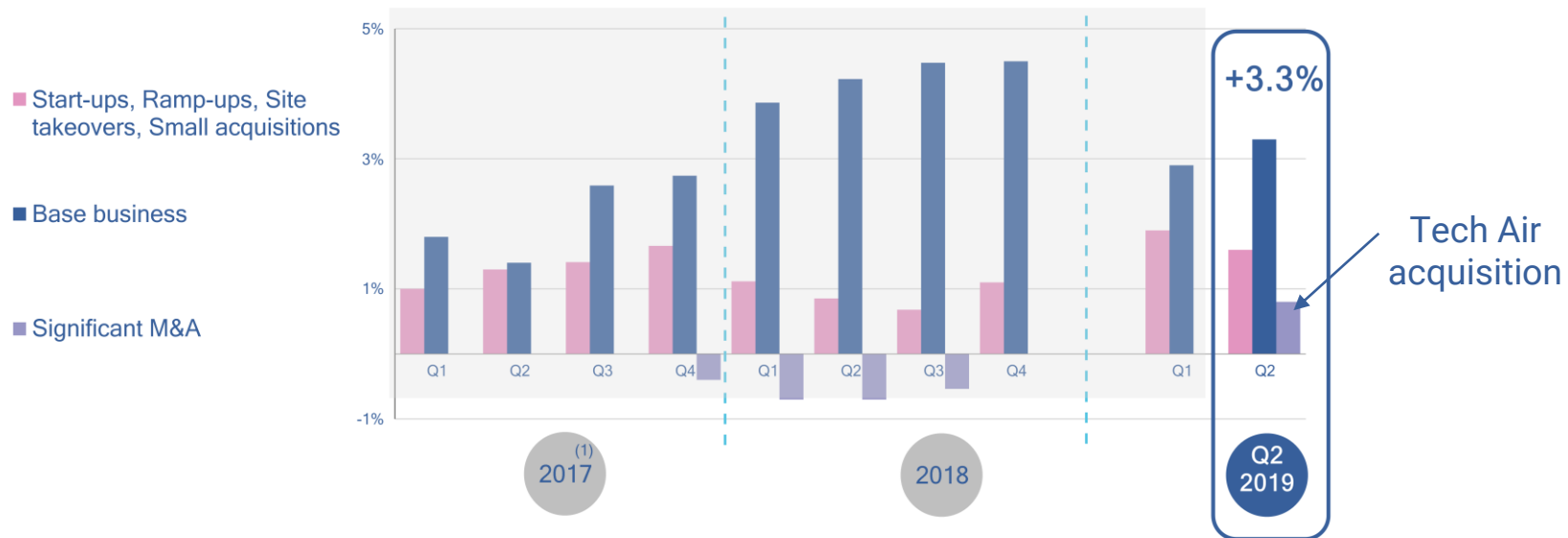
**Europe, Americas**



**Asia, Americas**

# Very Solid Level of Base Business

— G&S quarterly growth analysis

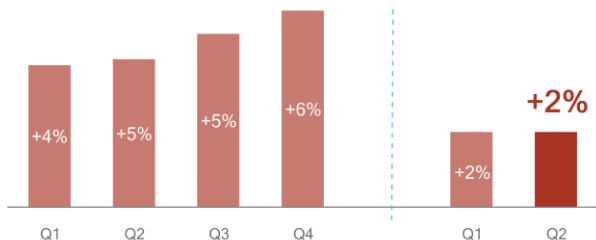


(1) Comparable growth based on 2016 adjusted sales

# Q2 - Steady Americas and Strong Europe

— G&S comparable sales growth

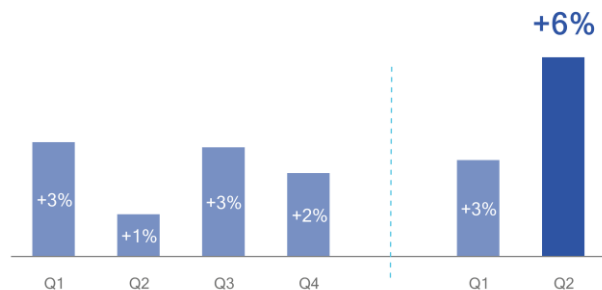
## Americas – Solid HC, Pricing in IM



Sales  
H1 2019  
**€4,217m**

- LI - **high O<sub>2</sub>** volumes  
- H<sub>2</sub> Start-Up in Mexico
- IM - **strong pricing**  
- **contrasted** end markets
- HC - **solid U.S.**  
- **strong HHC** in South America
- EL - **still solid E&I**  
- **high Carrier Gases**

## Europe – All WBLs Driving Growth



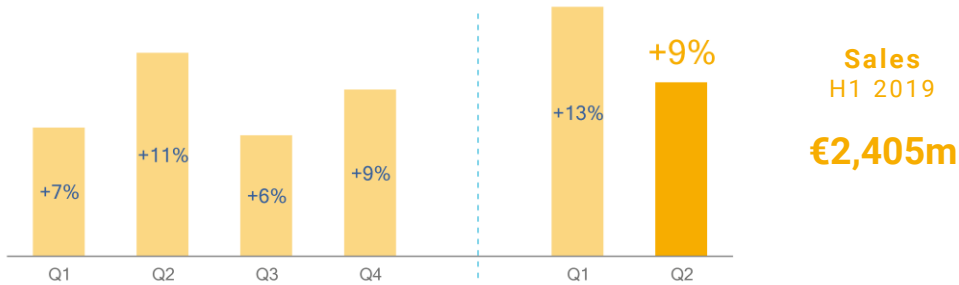
Sales  
H1 2019  
**€3,611m**

- LI - **high H<sub>2</sub>** for refining in Benelux  
- **Ramp-Ups** in Turkey and Kazakhstan
- IM - **high pricing**  
- positive underlying volumes
- HC - **high organic** growth in HHC

# Q2 – High Growth in Asia, Dynamic IM in AME

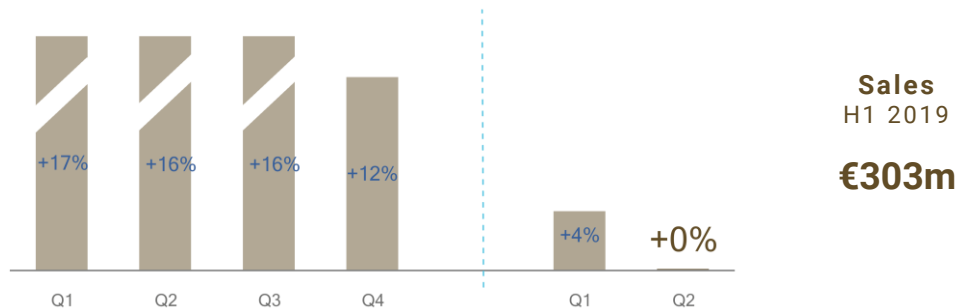
— G&S comparable sales growth

## Asia – Strong LI and EL



- **LI** - O<sub>2</sub> Ramp-Ups in China for Chemicals
- **IM** - strong cylinder volumes in **China**  
- solid growth in **South East Asia**  
- strong growth **across the region**
- **EL** - **>+15%** in **Carrier Gases** and **Advanced Materials**  
- high E&I

## AME – Major LI Turnaround



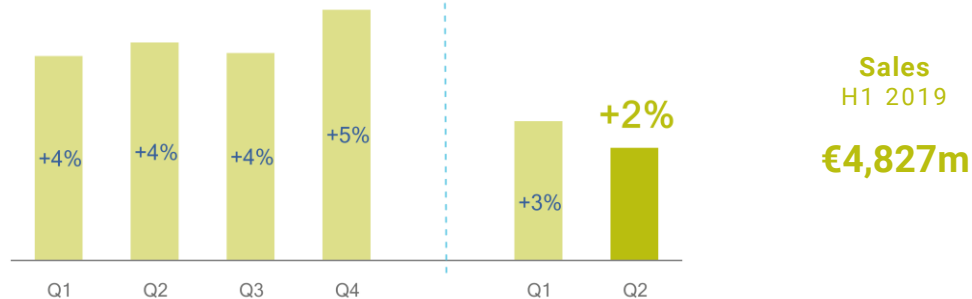
- **LI** - major turnaround in South Africa
- **IM** - **continuous high** growth in Middle-East, Egypt and India



# Q2 - Resilient IM, High Growth in LI

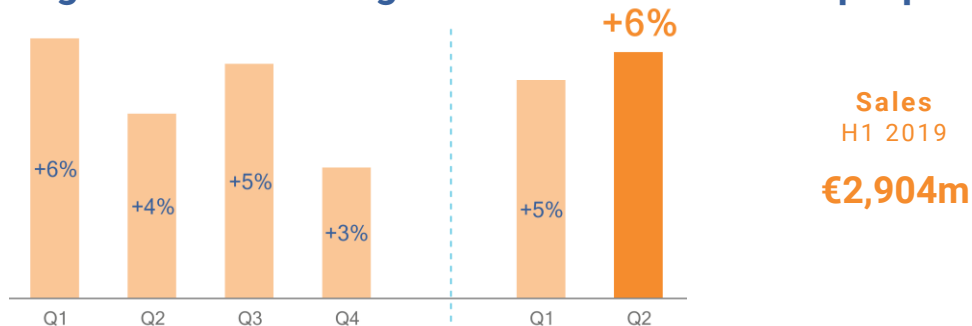
— G&S comparable sales growth

## Industrial Merchant – Solid Performance



- Stronger pricing at +4.1%
- Contrasted end markets:
  - Strong Food & Pharma
  - Flat automotive
  - Construction and Metal Fab
    - . lower in the U.S.
    - . solid in Europe and Canada
    - . strong in China

## Large Industries – High contribution from Ramp-Ups

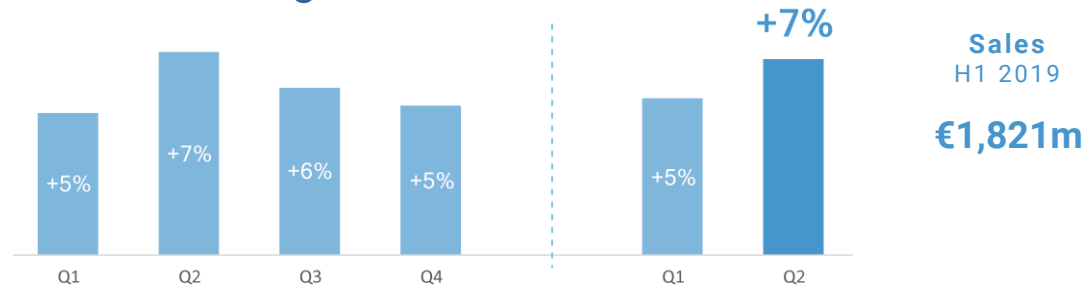


- Strong Oil & Gas in Benelux with high H<sub>2</sub> volumes
- Chemicals driven by Ramp-ups in China
- Softer Metals in Europe

# Q2 - Strong HC, High Growth in EL

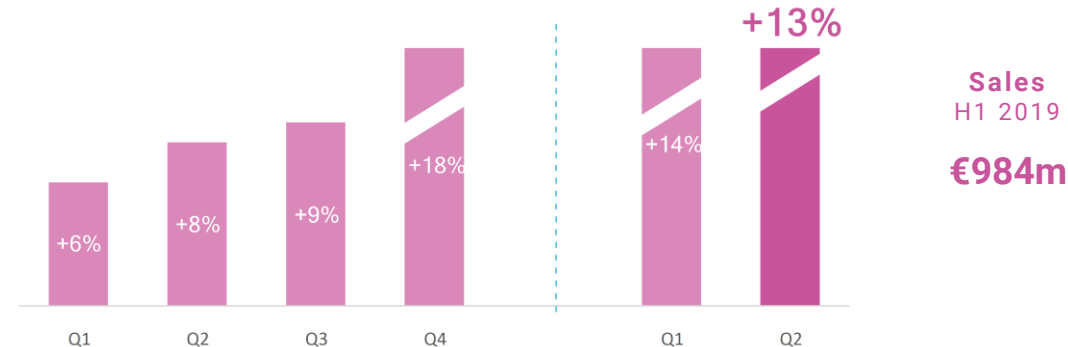
— G&S comparable sales growth

## Healthcare – Organic Growth



- **Strong HHC** across all of **Europe**, diabetes therapy in Nordics
- **Solid Medical Gases** in **Americas**

## Electronics – High Carrier Gases & Advanced Materials



- **>+13% growth** in Carrier Gases; 2 Start-Ups
- Double digit growth in **Advanced Materials**
- Solid sales to **Integrated Circuit Memory** market
- Strong **FPD** in **China**

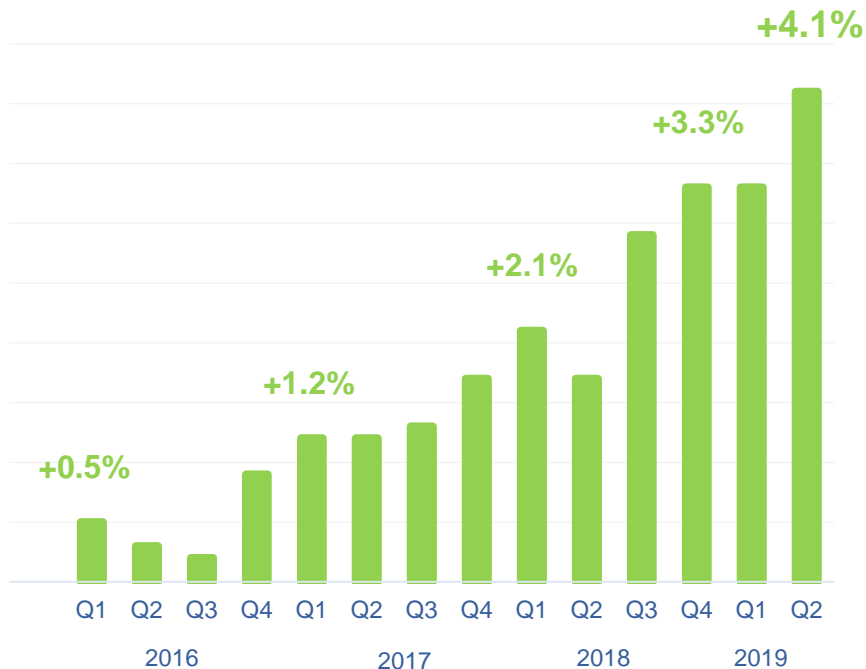
# +70 bps OIR Margin improvement

| In €m                                       | H1 18        | H1 19         | H1 19/18      |
|---|--------------|---------------|---------------|
| <b>Revenue</b>                              | 10,162       | <b>10,952</b> | <b>+7.8%</b>  |
| Purchases                                   | (3,949)      | (4,230)       | +7.1%         |
| Personnel expenses                          | (2,041)      | (2,184)       | +6.9%         |
| Other net income and expenses               | (1,676)      | (1,661)       | -0.9%         |
| <b>Operating profit before depreciation</b> | <b>2,496</b> | <b>2,878</b>  | <b>+15.3%</b> |
| Depreciation and amortization               | (879)        | (1,064)       | +21.1%        |
| <b>Operating Income Recurring</b>           | <b>1,617</b> | <b>1,814</b>  | <b>+12.2%</b> |
| <b>Group OIR margin</b>                     | <b>15.9%</b> | <b>16.6%</b>  | <b>+70bps</b> |
| <b>G&amp;S OIR margin</b>                   | <b>17.8%</b> | <b>18.4%</b>  | <b>+60bps</b> |

H1 2019  
 - including +10bps  
 from IFRS 16  
 - no Energy impact

# Pro-active Management of Pricing and Product Mix

## IM pricing momentum



- Pricing **aligned with cost inflation**
- **Focus** of sales teams
- Leveraging competitive position on **Helium** market
- Priority to **added value** services and products
  - ✓ Gas applications in China
  - ✓ Inteliox cylinders in US

# €197m Delivered Efficiencies in H1 19

Accelerated momentum



Continuous improvement

**14k employees trained**  
out of 30k targeted

Extended procurement scope

Investment in efficiencies

**+63%** vs. H1 2018



Examples

## Transformation



- **Closing** of PG filling centers, **logistics**
- Leveraging on **4 SIO** centers
- **Business Support Centers** extended *Asia & Europe*
- **Mutualization** of WBLs **technical** teams *Europe, Japan*

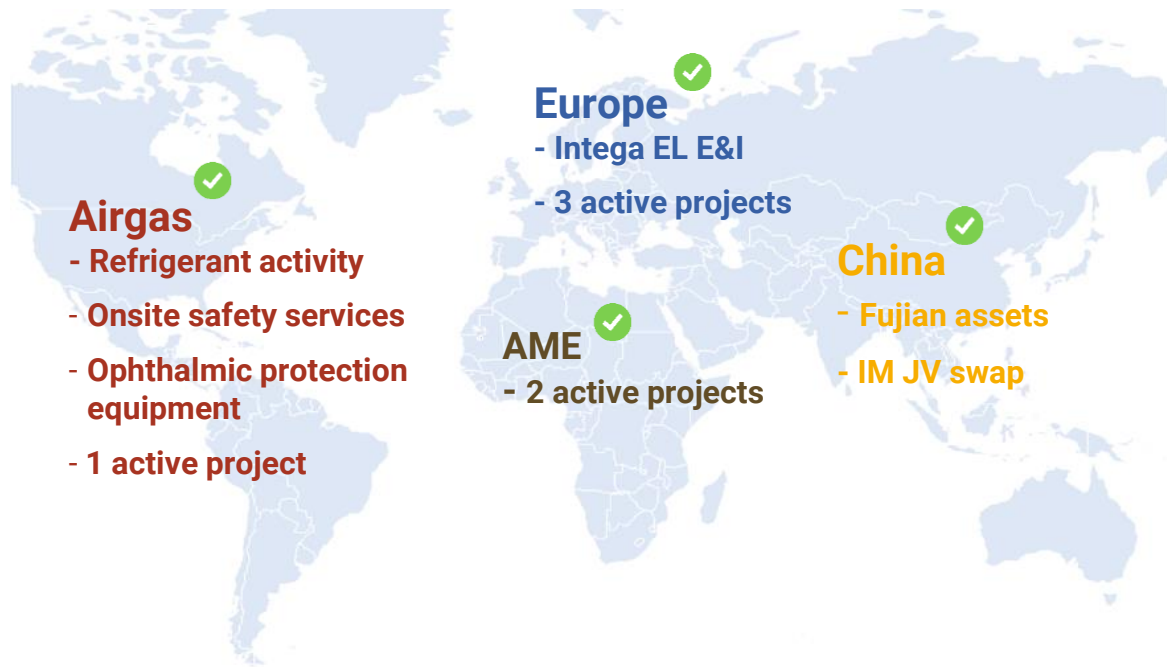
## Optimization



- **3,000** *Airgas* trucks with **on-board computers**
- **Big data** from LI production to IM logistics *Italy*
- **Argon** production & supply chain  
*US, Canada, France, Vietnam*
- Optimization of **technicians' time** *HHC Europe*

# Continuous Portfolio Management

Divestitures over last 2 years



- Focus on **core business**
- **Densification** of operations: swap, bolt-on acquisitions
- Accretive impact on **margin**
- Contribution to **ROCE** improvement

# Strong Recurring Net Profit

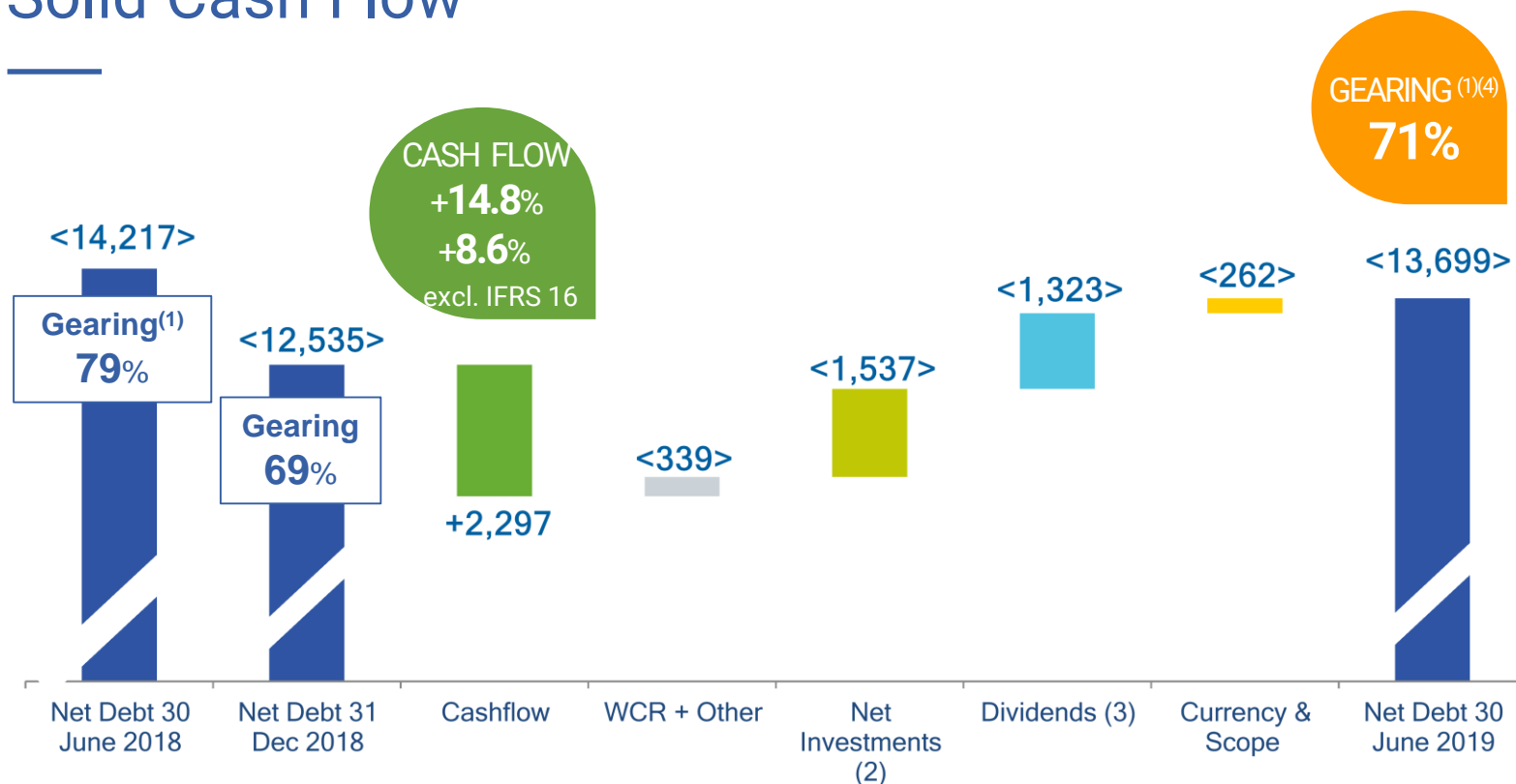
| In €m  | H1 18         | H1 19         | H1 19/18      |
|--|---------------|---------------|---------------|
| <b>Revenue</b>                                       | <b>10,162</b> | <b>10,952</b> | <b>+7.8%</b>  |
| <b>Operating Income Recurring</b>                    | <b>1,617</b>  | <b>1,814</b>  | <b>+12.2%</b> |
| Other non-recurring operating income & expenses      | (30)          | (86)*         |               |
| Operating income                                     | <b>1,587</b>  | <b>1,728</b>  |               |
| Net financial costs and other net financial expenses | (145)*        | (239)         |               |
| Income taxes   | (360)         | (385)         |               |
| Tax rate   | <b>24.9%</b>  | <b>25.9%</b>  |               |
| Share of profit of associates                        | 3             | 3             |               |
| Minority interests                                   | 46            | 48            |               |
| <b>Net profit (Group share)</b>                      | <b>1,040</b>  | <b>1,059</b>  | <b>+1.8%</b>  |
| Earnings per share (in €)                            | 2.44          | 2.48          | <b>+1.6%</b>  |

+12.1%

\* Recurring Net profit

Excluding one-offs:  
 - Fujian in 2019  
 - financial gain in 2018

# Solid Cash Flow



(1) June 30 gearings adjusted for dividend seasonality

(3) Including share purchases and capital increases

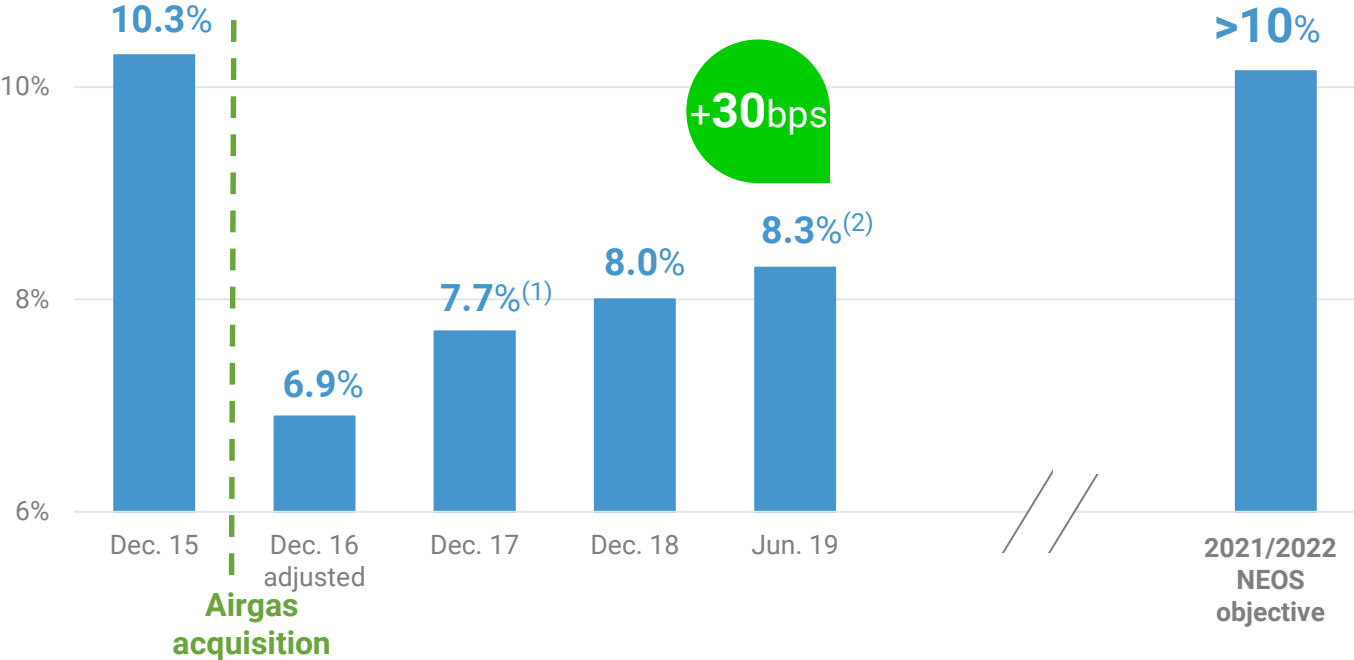
(2) Including acquisitions, transactions with minority shareholders, net of divestitures

(4) Net debt excluding lease commitments (IFRS 16)



# ROCE Improvement

ROCE – After tax



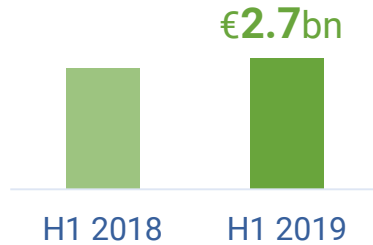
(1) Excluding positive impact on 2017 net profit of non-cash one-off items

(2) Excluding Fujian exceptional impact in H1 2019; see reconciliation in appendix of Activity Report



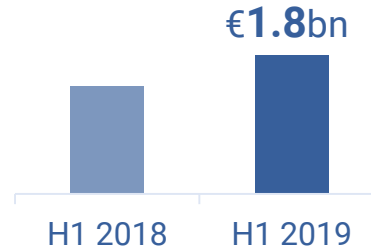
# Very Active Business Development

## Investment Opportunities<sup>(1)</sup> 12-month portfolio



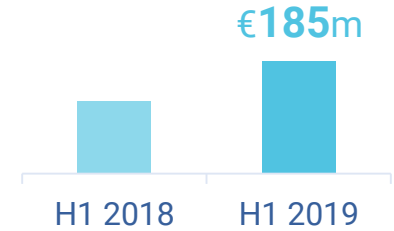
- **Well-balanced by geography**
- ~€20m average project size
- >1/3 of projects linked to climate objectives

## H1 2019 Investment Decisions<sup>(1)</sup>



- **High** level of signings
  - 2 on U.S. pipeline network
  - H<sub>2</sub> energy
  - Biomethane, Norway
- **Acquisitions:**
  - Tech Air, major IM U.S. distributor
  - Medidis in HHC Netherlands

## H1 2019 Start-up/Ramp-up Sales Growth Contribution



- 5 Start-Ups in **EL** in **Asia**
- 1 **CO<sub>2</sub> purification** plant in the U.S., **circular economy**

(1) See definitions in appendix

# Confirmed Start-Ups Forecast

## Major Start-Ups



## Sales growth contribution - FY 2019

~€300m

## Steady Backlog >€2bn

€0.85bn

Yearly Sales Backlog after full Ramp-ups

Note: T/O = Take Over

# 2019 Outlook

H1 2019

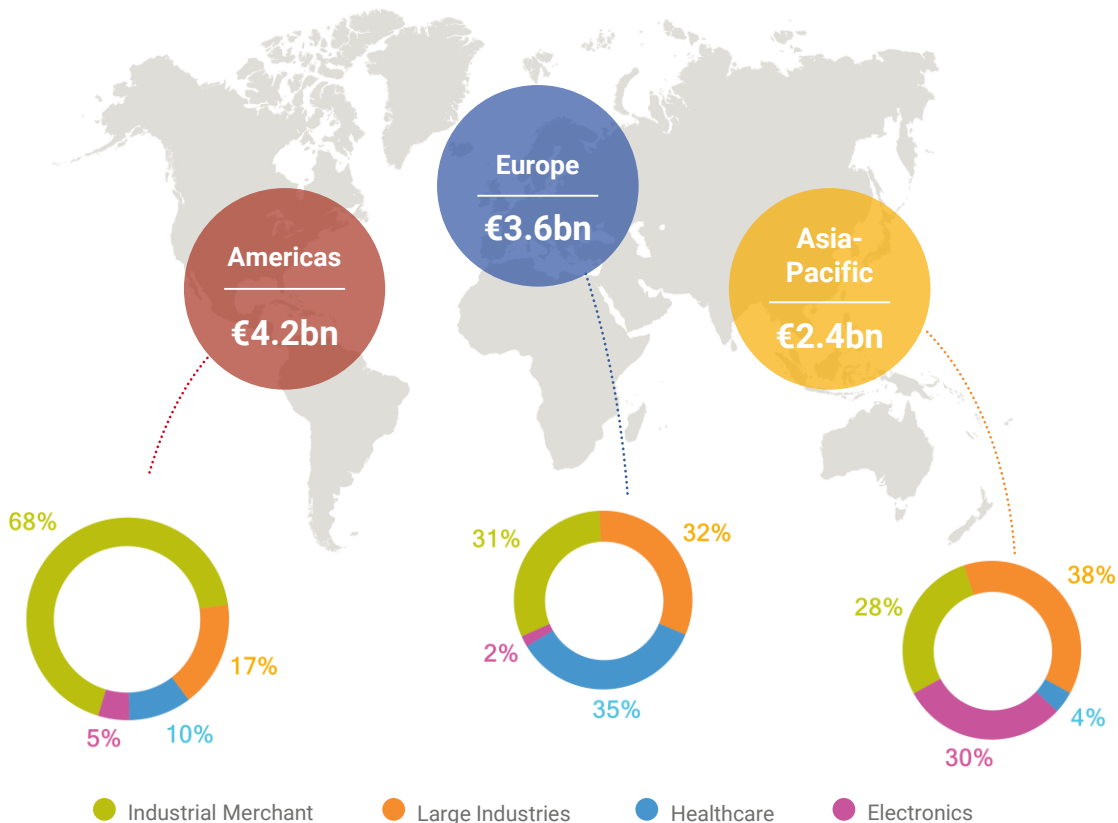
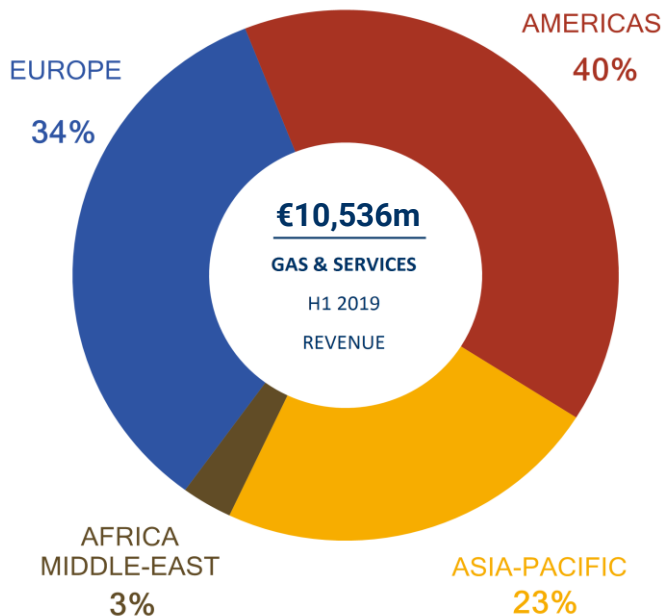
- Sustained sales growth
- Step-up in margin
- ROCE improvement
- Very active business development

2019

**“Assuming a comparable environment, Air Liquide is confident in its ability to deliver net profit growth in 2019, calculated at constant exchange rate”**

# H1 2019 Appendix

# H1 2019 G&S Revenue Breakdown by Region



# Americas

## Q2 Gas & Services Sales: €2,148m

### INDUSTRIAL MERCHANT

- **Strong pricing** +4.8%
- **Helium** contributing to growth
- **Contrasted end-markets:**
  - strong Food & Pharma
  - lower Construction and Metal Fab in U.S., remaining solid in Canada

### LARGE INDUSTRIES

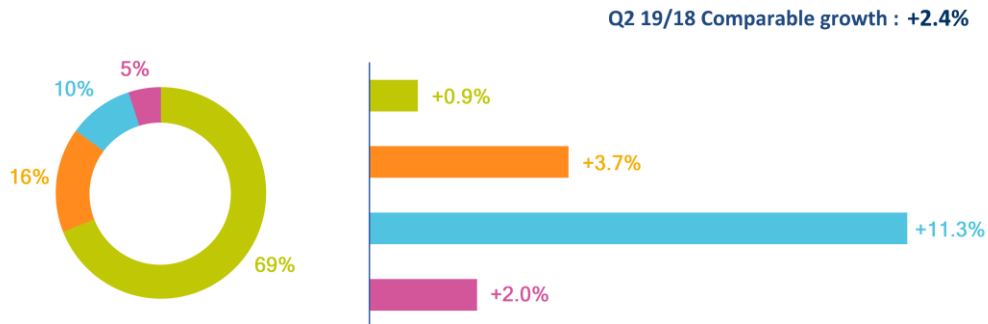
- **High O<sub>2</sub>** volumes in **U.S.**
- **Strong cogen** in U.S. and Canada
- **Start-up** of T/O in Mexico
- **Robust Metals** in Canada

### HEALTHCARE

- **Very solid** medical gases in the U.S. for Proximity care
- **Strong HHC** in South America
- Very **limited M&A**

### ELECTRONICS

- **High growth** in **Carrier Gases**
- Still solid **E&I**



| In €m     | H1 2019 | Growth as published | Comparable growth <sup>(1)</sup> |
|-----------|---------|---------------------|----------------------------------|
| Sales     | 4,217   | +8.9%               | +2.4%                            |
| OIR       | 730     | +14.8%              |                                  |
| OIR/Sales | 17.3%   | +90bps              | +100bps <sup>(2)</sup>           |

(1) Refer to appendix for definitions

(2) Excluding energy impact

Note: T/O = Take Over

# Europe

## Q2 Gas & Services Sales: €1,782m

### INDUSTRIAL MERCHANT

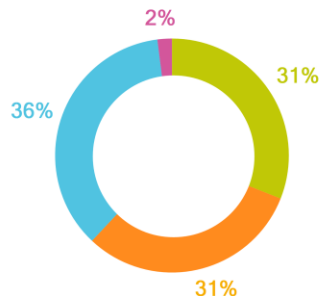
- Further **accelerated pricing** at +3.8%
- Positive underlying volumes
- **All major geographies** contributing to growth

### LARGE INDUSTRIES

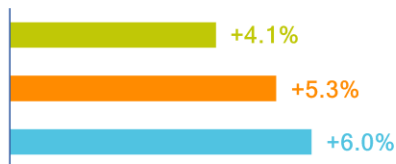
- **High H<sub>2</sub>** sales for **refining** in Benelux
- **Softer O<sub>2</sub>** volumes from **steel** customers
- **Ramp-Ups** in Turkey and Kazakhstan

### HEALTHCARE

- **High organic growth in HHC** with strong **diabetes** activity in Nordics
- **Very solid Hygiene**
- **Limited M&A**



Q2 19/18 Comparable growth : **+5.7%**



| In €m     | H1 2019 | Growth as published | Comparable growth <sup>(1)</sup> |
|-----------|---------|---------------------|----------------------------------|
| Sales     | 3,611   | +4.2%               | +4.2%                            |
| OIR       | 688     | +5.6%               |                                  |
| OIR/Sales | 19.0%   | +20bps              | +30bps <sup>(2)</sup>            |

(1) Refer to appendix for definitions

(2) Excluding energy impact



# Asia-Pacific

## Q2 Gas & Services Sales: €1,211m

### INDUSTRIAL MERCHANT

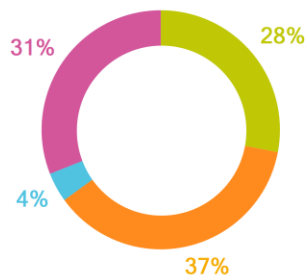
- **Strong cylinder volumes** in China
- High **helium volume and price** across the region
- **Solid** activity in South East Asia

### LARGE INDUSTRIES

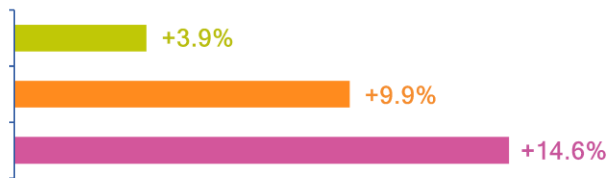
- **O<sub>2</sub> Ramp-Ups** in China
- **High** volumes for **Chemicals**

### ELECTRONICS

- Strong growth in **China, Korea, Singapore, Taiwan** and **very solid Japan**
- **>+15%** sales growth in Carrier Gases and Advanced Materials
- High **E&I sales**, in particular in **Singapore** and **China**



Q2 19/18 Comparable growth : **+9.2%**

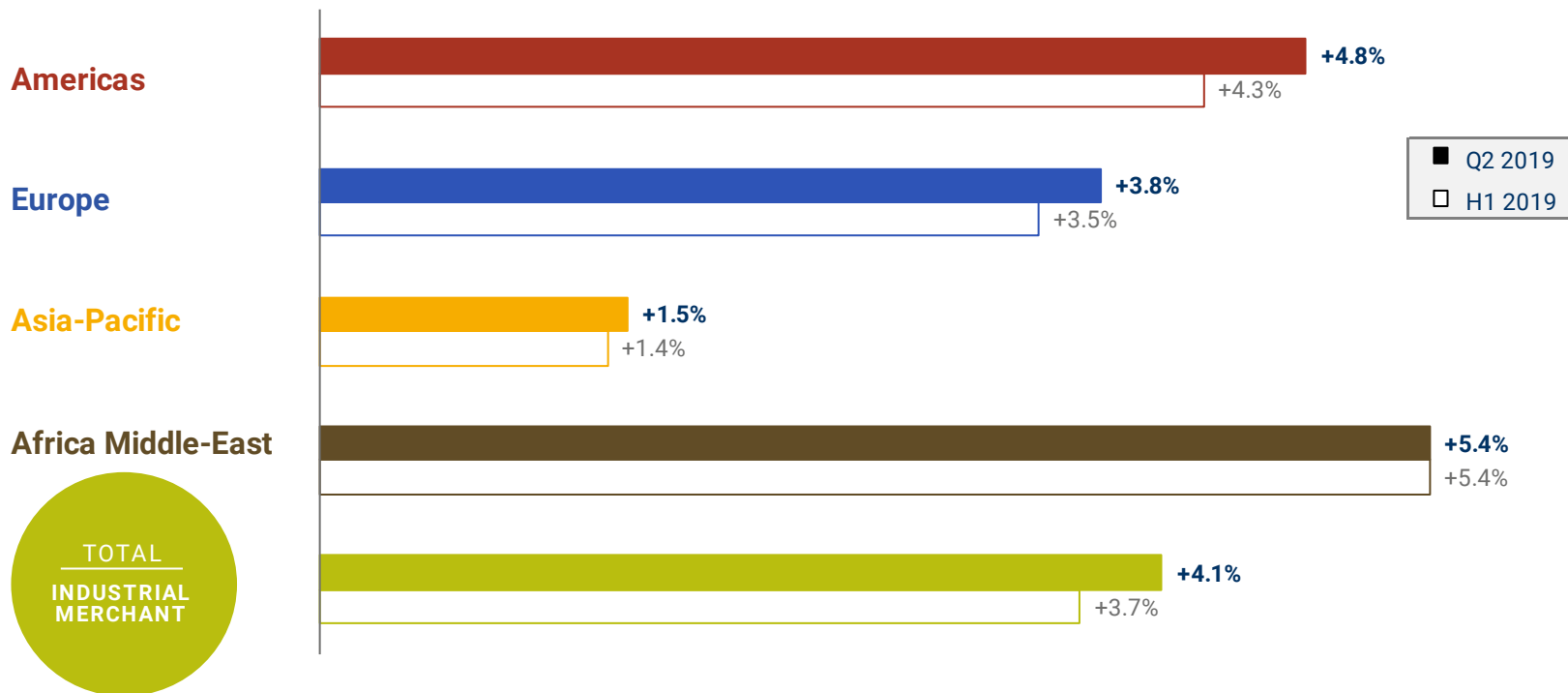


| In €m     | H1 2019 | Growth as published | Comparable growth <sup>(1)</sup> |
|-----------|---------|---------------------|----------------------------------|
| Sales     | 2,405   | +14.1%              | +11.1%                           |
| OIR       | 473     | +16.2%              |                                  |
| OIR/Sales | 19.7%   | +40bps              | +40bps <sup>(2)</sup>            |

(1) Refer to appendix for definitions

(2) Excluding energy impact

# Industrial Merchant Pricing



# Q2 2019 – E&C and GM&T Activities

E&C

€83m

-12%

Sales to third parties

€233m

-8%

Order Intake

GM&T

€129m

+7%

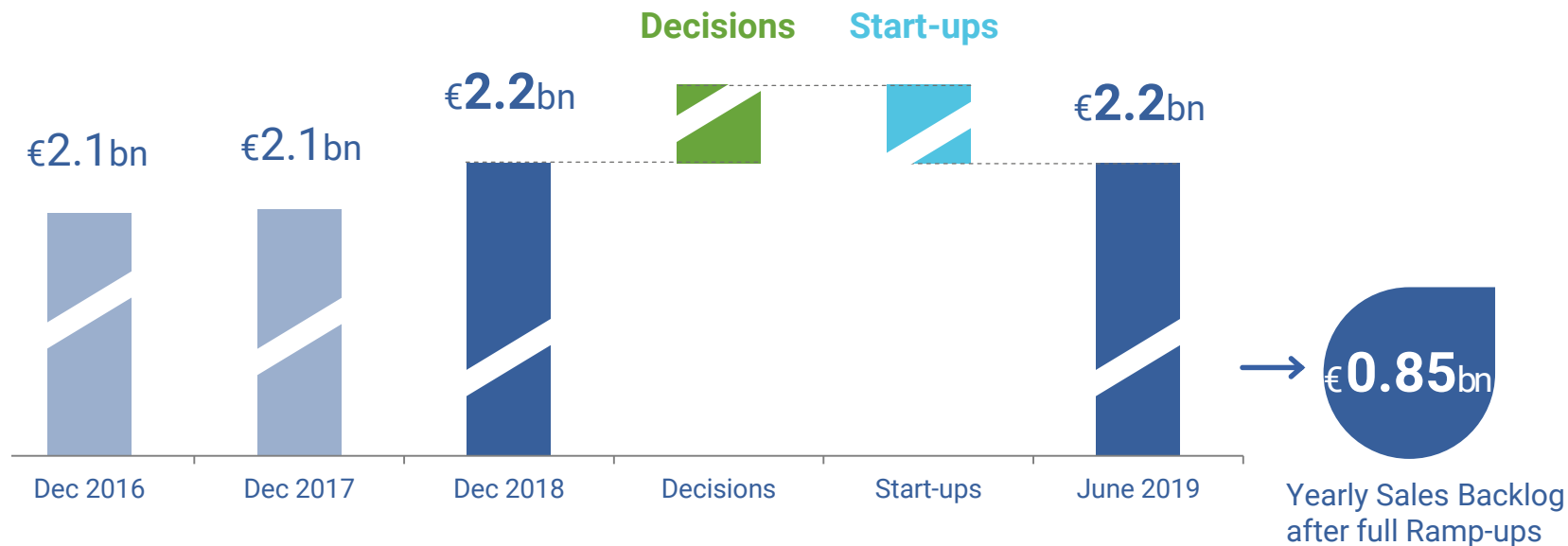
Sales

€134m

+27%

Order Intake

# Steady Backlog > €2bn



See definitions in appendix

# Consolidated P&L

| In €m   | H1 2018       | H1 2019       | H1 2019<br>excluding<br>IFRS16 |
|---|---------------|---------------|--------------------------------|
| <b>Revenue</b>  | <b>10,162</b> | <b>10,952</b> | <b>10,952</b>                  |
| Cost of goods   | (7,666)       | (8,074)       | (8,204)                        |
| <b>Operating income recurring before depreciation</b>       | <b>2,496</b>  | <b>2,878</b>  | <b>2,748</b>                   |
| Depreciation and amortization expenses                      | (879)         | (1,064)       | (945)                          |
| <b>Operating Income Recurring</b>                           | <b>1,617</b>  | <b>1,814</b>  | <b>1,803</b>                   |
| Net non-recurring operating income                          | (30)          | (86)          | (85)                           |
| <b>Operating income</b>                                     | <b>1,587</b>  | <b>1,728</b>  | <b>1,718</b>                   |
| <b>Net finance costs &amp; other net financial expenses</b> | <b>(145)</b>  | <b>(239)</b>  | <b>(218)</b>                   |
| Income taxes  | (359)         | (385)         | (388)                          |
| Share of profit of associates                               | 3             | 3             | 3                              |
| <b>Profit for the period</b>                                | <b>1,086</b>  | <b>1,107</b>  | <b>1,115</b>                   |
| - Minority Interest   | 46            | 48            | 48                             |
| <b>- Net Profit (Group share)</b>                           | <b>1,040</b>  | <b>1,059</b>  | <b>1,067</b>                   |
| Basic earnings per share (in €)                             | 2.44          | 2.48          | 2.50                           |

# Consolidated Balance Sheet Simplified - In €m

| ASSETS                                   | 31/12/2018    | 30/06/2019    |
|--|---------------|---------------|
| Goodwill                                 | 13,345        | 13,755        |
| Fixed assets                             | 20,847        | 22,446        |
| Other non-current assets *               | 1,026         | 1,116         |
| <b>Total non-current assets</b>          | <b>35,218</b> | <b>37,317</b> |
| Inventories & work in-progress           | 1,460         | 1,567         |
| Trade receivables & other current assets | 3,533         | 3,591         |
| Cash and cash equivalents *              | 1,770         | 1,083         |
| <b>Total current assets</b>              | <b>6,763</b>  | <b>6,241</b>  |
| <b>Total assets</b>                      | <b>41,981</b> | <b>43,558</b> |

|                                      | 31/12/2018    | 30/06/2019                   |
|--------------------------------------|---------------|------------------------------|
| <b>Net debt</b>                      | <b>12,535</b> | <b>13,699</b> <sup>(1)</sup> |
| <b>Net debt ratio</b> <sup>(2)</sup> | <b>68.8%</b>  | <b>70.7%</b> <sup>(1)</sup>  |

| EQUITY AND LIABILITIES                          | 31/12/2018    | 30/06/2019    |
|---|---------------|---------------|
| Shareholders' equity                            | 17,783        | 17,528        |
| Minority interests                              | 424           | 438           |
| <b>Total equity</b>                             | <b>18,207</b> | <b>17,966</b> |
| Provisions & deferred tax liabilities           | 4,367         | 4,452         |
| Non-current borrowings                          | 11,702        | 11,124        |
| Non-current lease liabilities                   | 8             | 1,105         |
| Other non-current liabilities *                 | 268           | 410           |
| <b>Total equity and non current liabilities</b> | <b>34,552</b> | <b>35,057</b> |
| Provisions                                      | 325           | 278           |
| Trade payables & other current liabilities      | 4,526         | 4,308         |
| Current lease liabilities                       | 5             | 235           |
| Current borrowings*                             | 2,573         | 3,680         |
| <b>Total liabilities</b>                        | <b>7,429</b>  | <b>8,501</b>  |
| <b>Total equity and liabilities</b>             | <b>41,981</b> | <b>43,558</b> |

\* Including fair value of derivatives

(1) Excluding lease liabilities (IFRS16)

(2) Adjusted for dividend seasonality

# Cash Flow Statement

| In €m  | H1 2018        | H1 2019        | H1 2019<br>excluding IFRS<br>16 |
|--|----------------|----------------|---------------------------------|
| <b>Funds provided by operations</b>                                  | <b>2,000</b>   | <b>2,297</b>   | <b>2,172</b>                    |
| Changes in Working Capital   | (196)          | (331)          | (331)                           |
| Other items  | (34)           | (8)            | (8)                             |
| <b>Net cash from operating activities</b>                            | <b>1,770</b>   | <b>1,958</b>   | <b>1,833</b>                    |
| Purchases of PPE* and intangible assets                              | (1,096)        | (1,201)        | (1,201)                         |
| Purchases of financial assets and the impact of changes in scope     | (75)           | (446)          | (446)                           |
| Proceeds from sale of PPE*, intangible and financial assets          | 38             | 112            | 112                             |
| <b>Net cash in investing activities</b>                              | <b>(1,133)</b> | <b>(1,535)</b> | <b>(1,535)</b>                  |
| Distribution   | (1,213)        | (1,198)        | (1,198)                         |
| Increase in capital stock  | 36             | 23             | 23                              |
| Purchase of treasury shares  | (63)           | (149)          | (149)                           |
| Transactions with minority shareholders                              | 0              | (2)            | (2)                             |
| Net financial interest paid  | (79)           | (188)          | (173)                           |
| Increase (decrease) in borrowings                                    | 220            | 400            | 510                             |
| Effect of exchange rate changes and change in scope of consolidation | 30             | 25             | 25                              |
| Net Increase (decrease) in net cash and cash equivalents             | (432)          | (666)          | (666)                           |
| <b>Net cash and cash equivalents at the end of the period</b>        | <b>1,084</b>   | <b>883</b>     | <b>883</b>                      |

\* PPE: Property, plant and equipment.

# Impact of Currency and Energy on G&S Revenue

| Currency                     | In €m        | Q1 18        | Q2 18        | Q3 18       | Q4 18      | Q1 19       | Q2 19        |
|------------------------------|--------------|--------------|--------------|-------------|------------|-------------|--------------|
| €/USD                        |              | (258)        | (147)        | +15         | +55        | +138        | <b>+107</b>  |
| €/CNY                        |              | (26)         | (4)          | (5)         | (7)        | +10         | <b>(5)</b>   |
| €/JP¥                        |              | (24)         | (17)         | +1          | +8         | +16         | <b>+14</b>   |
| Others                       |              | (105)        | (90)         | (72)        | (57)       | (23)        | <b>(13)</b>  |
| <b>Total currency impact</b> |              | <b>(413)</b> | <b>(258)</b> | <b>(61)</b> | <b>(1)</b> | <b>+141</b> | <b>+103</b>  |
|                              | Average rate | Q1 18        | Q2 18        | Q3 18       | Q4 18      | Q1 19       | Q2 19        |
| €/USD                        |              | 1.23         | 1.19         | 1.16        | 1.14       | 1.14        | <b>1.12</b>  |
| €/CNY                        |              | 7.81         | 7.60         | 7.92        | 7.89       | 7.66        | <b>7.67</b>  |
| €/JP¥                        |              | 133.1        | 130.1        | 129.6       | 128.8      | 125.1       | <b>123.5</b> |
| Natural Gas                  | In €m        |              |              |             |            |             |              |
| <b>Natural Gas Impact</b>    |              | <b>(14)</b>  | <b>+30</b>   | <b>+82</b>  | <b>+87</b> | <b>+5</b>   | <b>(36)</b>  |
| Electricity                  | In €m        |              |              |             |            |             |              |
| <b>Electricity Impact</b>    |              | <b>(2)</b>   | <b>+21</b>   | <b>+36</b>  | <b>+38</b> | <b>+27</b>  | <b>+7</b>    |



# Revenue Analysis by Quarter and by Business Line

| Sales in €m                   | Q1 18        | Q2 18        | Q3 18        | Q4 18        | Q1 19        | Q2 19        | Q2 19/18 as published | Q2 19/18 comparable |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|---------------------|
| Large Industries              | 1,365        | 1,353        | 1,454        | 1,513        | 1,490        | 1,414        | +4.4%                 | +5.7%               |
| Industrial Merchant           | 2,208        | 2,293        | 2,312        | 2,368        | 2,365        | 2,462        | +7.4%                 | +2.3%               |
| Healthcare                    | 850          | 864          | 862          | 910          | 897          | 924          | +6.9%                 | +6.7%               |
| Electronics                   | 408          | 428          | 438          | 481          | 485          | 499          | +16.4%                | +13.2%              |
| <b>Gas &amp; Services</b>     | <b>4,831</b> | <b>4,938</b> | <b>5,066</b> | <b>5,272</b> | <b>5,237</b> | <b>5,299</b> | <b>+7.3%</b>          | <b>+5.0%</b>        |
| Engineering & Construction    | 85           | 95           | 105          | 145          | 93           | 83           | -11.0%                | -11.7%              |
| Global Markets & Technologies | 94           | 119          | 100          | 161          | 111          | 129          | +8.3%                 | +6.7%               |
| <b>Group Total</b>            | <b>5,010</b> | <b>5,152</b> | <b>5,271</b> | <b>5,578</b> | <b>5,441</b> | <b>5,511</b> | <b>+7.0%</b>          | <b>+4.7%</b>        |

# Revenue Analysis by Quarter and by Geography

| Sales in €m                   | Q1 18        | Q2 18        | Q3 18        | Q4 18        | Q1 19        | Q2 19        | Q2 19/18 as published | Q2 19/18 comparable |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|---------------------|
| Americas                      | 1,901        | 1,973        | 2,017        | 2,091        | 2,069        | 2,148        | +8.8%                 | +2.4%               |
| Europe                        | 1,753        | 1,711        | 1,779        | 1,868        | 1,829        | 1,782        | +4.1%                 | +5.7%               |
| Asia-Pacific                  | 1,016        | 1,091        | 1,099        | 1,153        | 1,194        | 1,211        | +10.9%                | +9.2%               |
| Middle-East, Africa           | 161          | 163          | 171          | 160          | 145          | 158          | -3.0%                 | +0.1%               |
| <b>Gas &amp; Services</b>     | <b>4,831</b> | <b>4,938</b> | <b>5,066</b> | <b>5,272</b> | <b>5,237</b> | <b>5,299</b> | <b>+7.3%</b>          | <b>+5.0%</b>        |
| Engineering & Construction    | 85           | 95           | 105          | 145          | 93           | 83           | -11.0%                | -11.7%              |
| Global Markets & Technologies | 94           | 119          | 100          | 161          | 111          | 129          | +8.3%                 | +6.7%               |
| <b>Group Total</b>            | <b>5,010</b> | <b>5,152</b> | <b>5,271</b> | <b>5,578</b> | <b>5,441</b> | <b>5,511</b> | <b>+7.0%</b>          | <b>+4.7%</b>        |

# G&S Revenue Growth by Quarter and by Impact

|                | Growth as published | Natural Gas  | Electricity  | Currency     | Significant perimeter | Comparable growth |
|----------------|---------------------|--------------|--------------|--------------|-----------------------|-------------------|
| Q1 2018        | -4.3%               | -0.3%        | -0.0%        | -8.3%        | -0.7%                 | +5.0%             |
| Q2 2018        | +0.1%               | +0.6%        | +0.4%        | -5.3%        | -0.7%                 | +5.1%             |
| Q3 2018        | +5.8%               | +1.7%        | +0.7%        | -1.3%        | -0.5%                 | +5.2%             |
| Q4 2018        | +8.1%               | +1.8%        | +0.7%        | +0.0%        | +0.0%                 | +5.6%             |
| Q1 2019        | +8.4%               | +0.1%        | +0.6%        | +2.9%        | +0.0%                 | +4.8%             |
| <b>Q2 2019</b> | <b>+7.3%</b>        | <b>-0.7%</b> | <b>+0.1%</b> | <b>+2.1%</b> | <b>+0.8%</b>          | <b>+5.0%</b>      |

# Investment Cycle – Definitions

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## • 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.

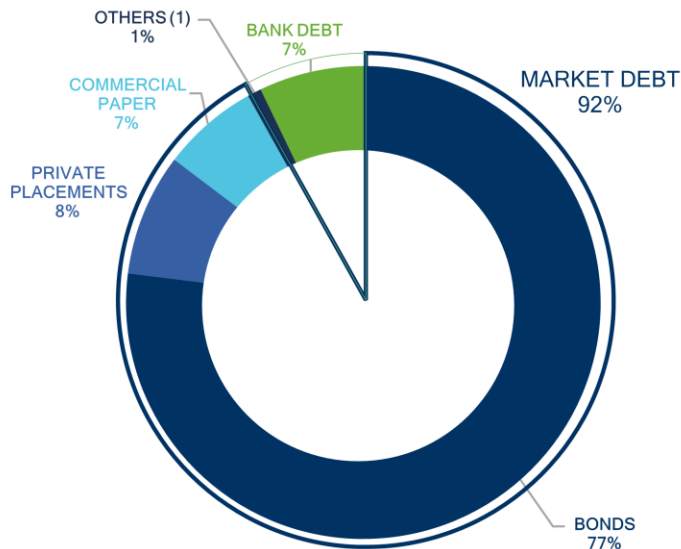
## • Decisions of the period

- Cumulated value of industrial and financial investment decisions.
- Industrial, growth and non-growth projects including asset replacements, efficiency, maintenance and safety.
- Financial decisions (acquisitions).

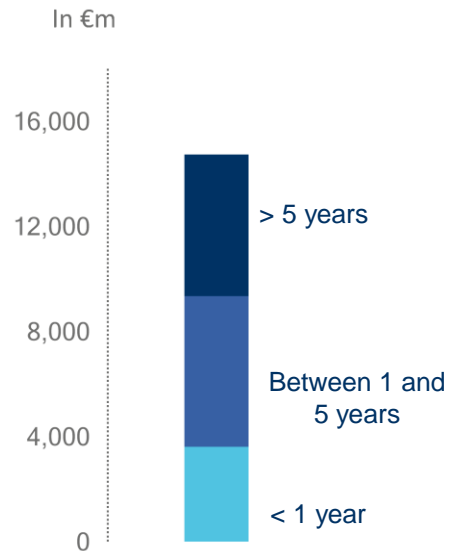
# Financing Structure

As of June 30, 2019

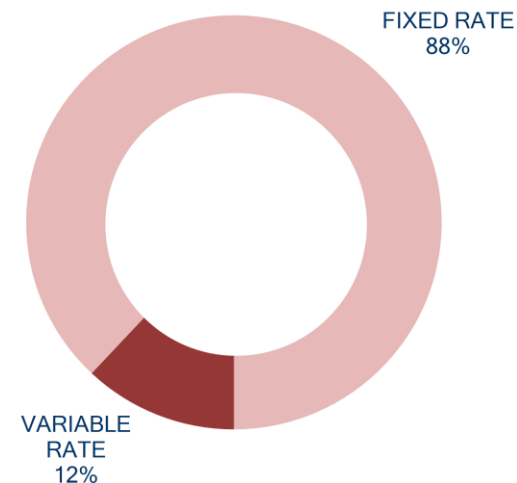
### Sources



### Maturity



### Fixed / Variable Rates (gross debt)

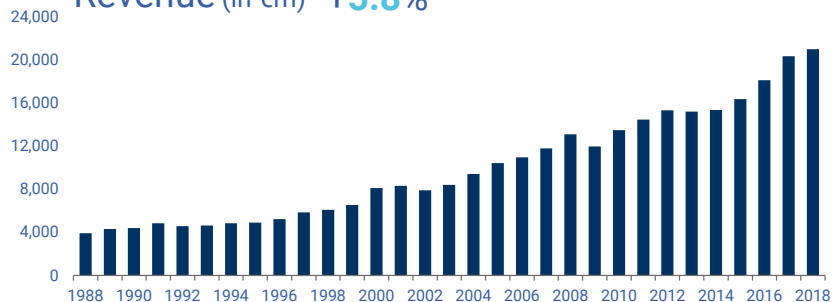


Net debt excluding lease commitments (IFRS)  
(1) Others: put options granted to minority shareholders.

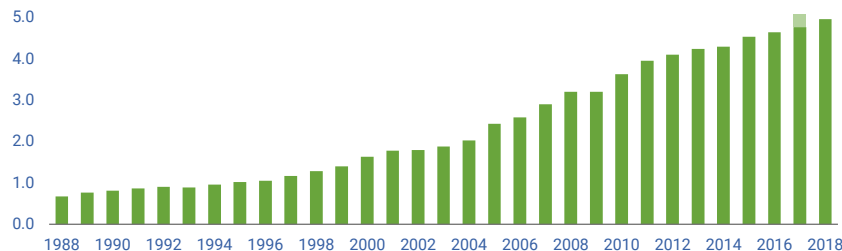
# Regular and Sustained Performance

— CAGR over 30 years<sup>(1)</sup>

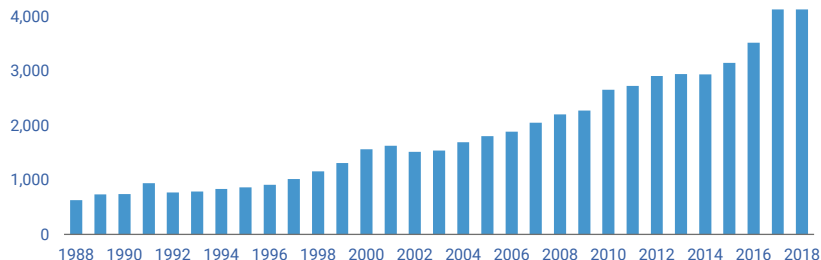
Revenue (in €m) **+5.8%**



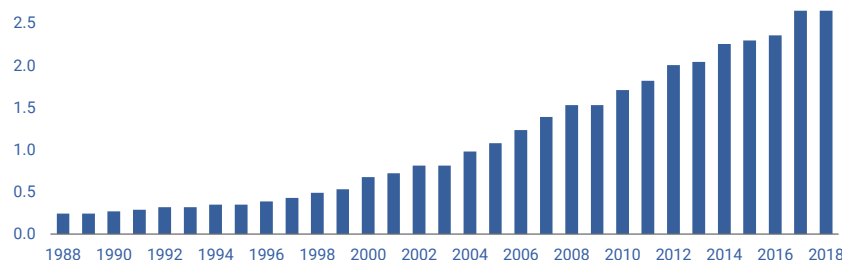
EPS<sup>(2)</sup> (in €) **+6.9%**



Cashflow (in €m) **+6.5%**



Dividend<sup>(2)</sup> (in € per share) **+8.3%**



(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.

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