

## Pre-Q1 2020 Sales Communication

Air Liquide has compiled the following items for consideration to assist in the financial modeling of the Group Q1 2020. This document does not intend to provide additional information than the one already published.

- **Significant perimeter impact**

- The consolidation of the acquisition of **Tech Air** (Industrial Merchant) in the US started from the beginning of Q2 2019. Annual revenue was approximately 190 million US dollars in 2018. Since acquisition and until Q2 2020, it is accounted as a significant perimeter.
- Fujian units in China started up in December 2018 and divestiture was closed early September 2019. It is accounted as a significant perimeter impact from Q4 2019.
- Recall of total significant perimeter per quarter in 2019:

At Group level	Q2 2019	Q3 2019	Q4 2019
€m	40	35	19
%	+0.8%	+0.6%	+0.3%

- **Currency impact**

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

€ versus	Q1 2019	Q1 2020	Change
US Dollar	1.136	1.102	-2.9%
Argentina Peso	45.15	68.71	+52.2%
Japanese Yen	125.1	120.1	-4.0%
Brazilian Real	4.276	4.887	+14.3%
Canadian Dollar	1.510	1.480	-2.0%

In Q4 2019, the currency impact on Group and Gas & Services revenue was **+1.5%** and it is estimated to be close to **+1.0%** in **Q1 2020**.

- **Energy Pass-through impact**

In Q4 2019, the Energy pass-through effect was **-2.8%** on Group revenue and **-3.0%** on Gas & Services revenue. It is expected to be around **-2.5%** on Group and Gas & Services revenue in **Q1 2020**.

- **Business items**

In **Q1 2020**, **activities in China** have been the most affected by Covid-19 and impacts are detailed below by business line, based on information provided during the FY 2019 conference call.

**Europe** started to be impacted **mid-March** by the Covid-19 outbreak. In 2019, **Healthcare represents 36% of Air Liquide European G&S sales** and delivering Oxygen, hydroalcoholic gel and ventilators to hospitals is our utmost priority.

The Covid-19 started to impact **the US** only the very last days of March.

## Activity highlights by business line:

o In **Large Industries**, sales were stable in Q4 2019, impacted by heavy customers turnarounds in Americas, whose plants have all fully restarted by end of 2019; in Europe, growth was driven by solid volumes from refiners in Benelux, while demand from Chemical and Steel customers was weak; Asia benefitted from the last contributions to sales of several ramp-ups from Q4 2018.

**In China**, about 60% to 70% of our plants have been running at normal load during the epidemic. Take Or Pay clauses and Monthly Fees are in place in all geographies.

o **Industrial Merchant** posted **+0.1%** sales growth in Q4 2019, driven by solid pricing and cylinder demand, and despite a decrease of volumes in hardgoods. Contrasts between end-markets were widening, with weak Automotive, Construction and Metal Fabrication and strong growth in Research and in consumer-related markets like Pharmaceuticals and Food.

**In China**, Industrial Merchant (<25% of sales), which is a very local business, has been the most impacted activity in the areas affected by the virus. Plants have been running at around 50-60% load for bulk and 10-15% load for packaged gas during the peak of the crisis.

o **Healthcare sales** were up **+5.1%** in Q4 2019, enjoying solid sales growth of Medical Gases in the US and strong Home Healthcare activity in Europe and Latin America, with very limited contribution from bolt-on acquisitions. Healthcare activity is very small in **China**.

o **Electronics** revenue was stable in Q4 2019, with strong sales growth in Carrier Gases and Advanced Materials offset by an unfavorable mirror effect in Equipment & Installations (E&I) compared to Q4 2018 exceptional level of sales. Revenue in Q1 2020 will also be compared against a high level of E&I sales in Q1 2019.

**In China**, during the epidemic, operations have been running at **almost normal load**, notably in Carrier Gases and Advanced Material; E&I projects have been postponed.

o **Engineering & Construction** consolidated revenue totaled **€71m** in Q4 2019, -51.7% vs. Q4 2018, due to a larger proportion of Group projects vs. Third Parties sales, notably in Large Industries and Electronics, following the rise in investment decisions.

**In China**, our E&C center is located in Hangzhou, and as the city was confined, we expect some delay in the execution of projects.

o Sales in **Global Markets & Technologies** were up **+11.1%** in Q4 2019, mainly driven by biomethane activity and one-off equipment sales based on Turbo-Brayton technology.

Q1 2020 sales will be announced on **24 April 2020**.

## CONTACTS

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A world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 80 countries with approximately 67,000 employees and serves more than 3.7 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. 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 22 billion euros in 2019 and its solutions that protect life and the environment represented more than 40% of sales. Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, EURO STOXX 50 and FTSE4Good indexes.