



H1 2020

Proven Resilience and Margin Improvement

Benoît Potier, Chairman & Chief Executive Officer
Fabienne Lecorvaisier, Executive VP

Paris, July 30, 2020



Proven Resilience and Margin Improvement

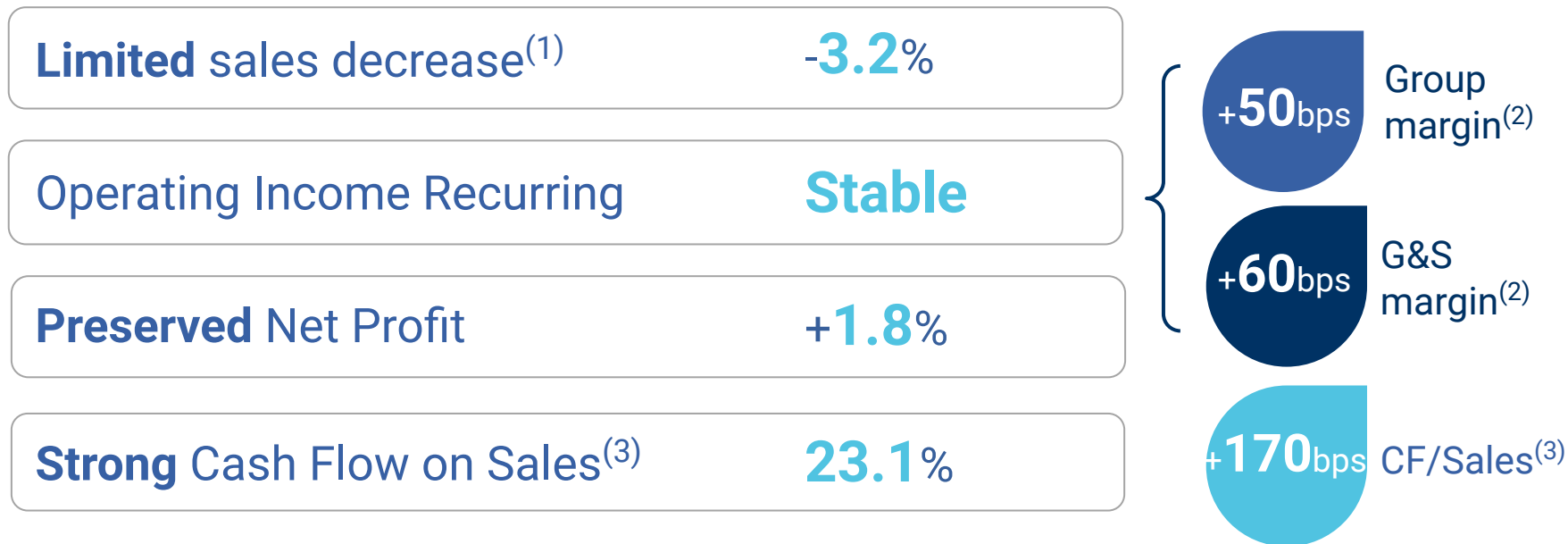
Benoît Potier

Chairman & Chief Executive Officer

Resilient H1 Performance During Unprecedented Crisis

- **Proven resilience** across businesses
- Delivery of **significant margin improvement**
- Healthcare teams continuing to **fight the pandemic**
- High and **increasing** number of **investment opportunities**
- **Full Year 2020 guidance confirmed**

H1 2020 Key Figures in a Challenging Environment



(1) On a comparable basis (excluding currency, energy and significant scope impacts)

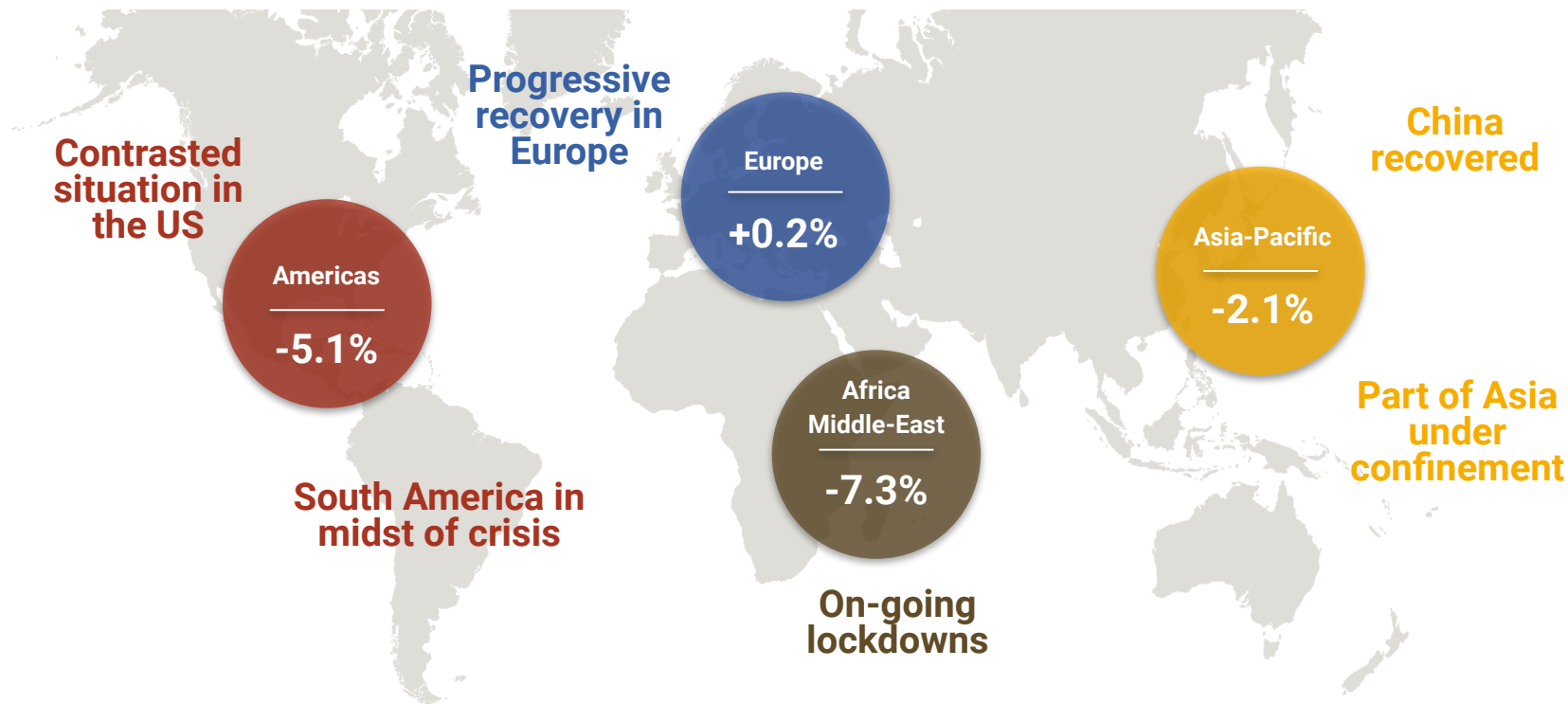
(2) Operating Income Recurring on Sales, excluding energy impact

(3) Cash flow from operating activities before changes in working capital on Sales, compared to restated H1 2019

Contrasted Sales Evolution

C-19

G&S comparable sales growth in H1 2020



Significant Margin Improvement Despite Crisis



+50bps

Operating Margin⁽¹⁾

- Pursued **Efficiencies** program in place
- Agility to quickly deploy the **Cost Containment** program
- Sustained **IM pricing**

(1) Operating Income Recurring on Sales, excluding energy impact

Very Active Business Development

Higher level of
Investment
Opportunities⁽¹⁾
12-month portfolio

€2.9bn



(1) See definitions in appendix

Pandemic Not Over But New Era Already Starting

Pre-Covid-19 trends emerge stronger

Healthcare



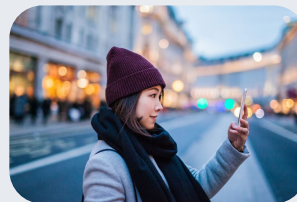
- Global pandemic / **Local response**
- Extensive use of **AI & Platforms**
- **Equipment**
Manufacturing footprint

Energy Transition



- **H₂** momentum
- **Decarbonizing** processes
- **Takeover** opportunities

Digital



- **New ways** of working
- **Electronics** growing fast
- Investment in **B2B & B2G**

**Transformation
accelerating**

H1 2020 Performance

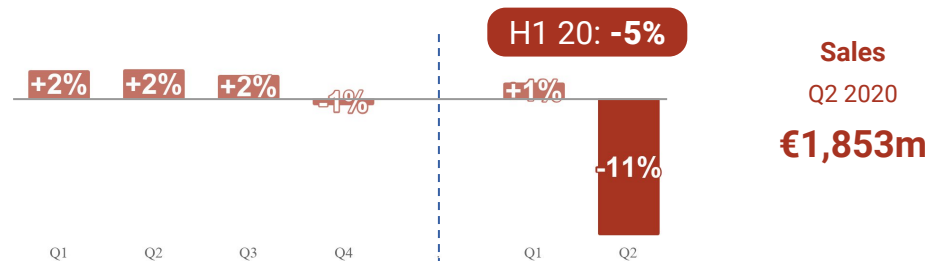
Fabienne Lecorvaisier

Executive Vice President &
Chief Financial Officer

Q2 – Americas Most Impacted

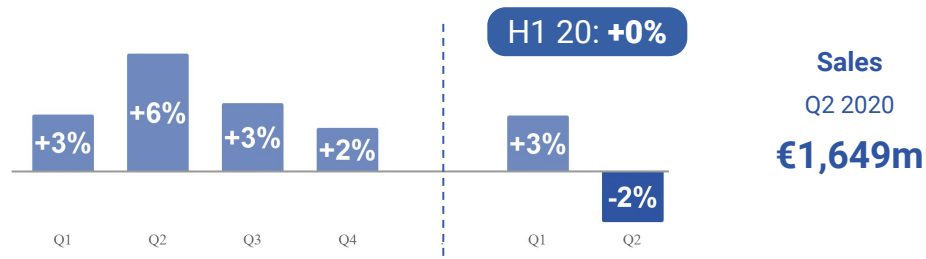
— G&S comparable sales growth

Americas – 1st signs of US recovery in May, flat in June



- C-19
- **LI** – Low O₂ volumes bottoming-up
– Start-up in Argentina
 - **IM** – Strong volume decline esp. **Hardgoods**
– Positive rentals; **strong +4.1% pricing**
– Slight recovery led by consumer markets
 - **HC** – **Improved Medical O₂** in the U.S. end of Q2
– Strong **Latin America**
 - **EL** – **High Advanced Materials and E&I**

Europe – Progressive recovery since May

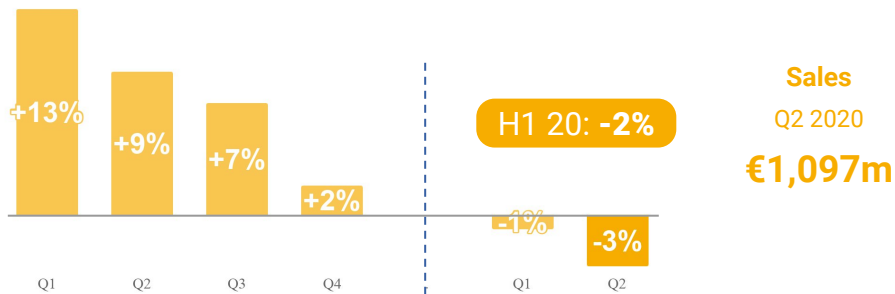


- C-19
- **LI** – **Weak Steel, low Chemicals and Refineries**
 - **IM** – Very low bulk & PG volumes
– Resilient **Food & Pharma**
– **Solid Pricing** at +1.4%
 - **HC** – **>+10%** driven by **Hygiene & Equipment**
– **Lower sales of Medical O₂**

Q2 – Resilient Asia, Solid LI in AME

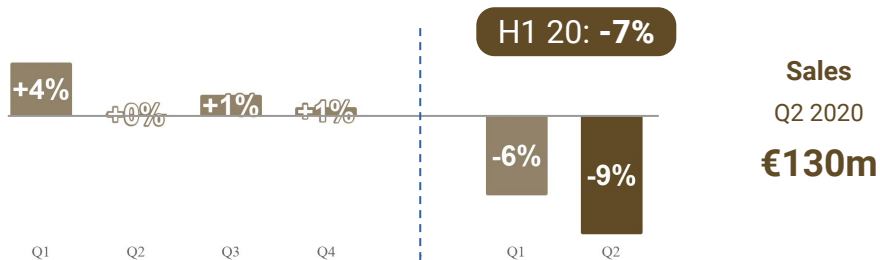
G&S comparable sales growth

Asia – China back to growth, Robust EL



- **LI** – China back to growth
– Low volumes in Japan & SEA
- **IM** – China +6%
– Part of Asia under C-19
– Resilient Techno & Research market
– Positive pricing, fading Helium
- **EL** – >+10% growth excl. E&I
– Strong AM and CG over the region

AME – Positive LI and HC, IM strongly impacted by C-19



- **LI** – High loading rate of 2 major units in South Africa and KSA
- **IM** – Significant hit over the region C-19

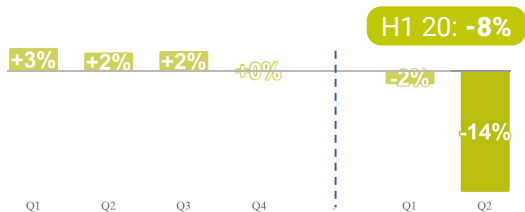
Q2 – Solid EL & Resisting LI, Price Mitigating Impact on IM

— G&S comparable sales growth

Industrial Merchant

Sales - Q2 2020

€2,107m



C-19

- **Positive China, low volumes** in all other geographies
- **Resilient** Food, Pharma, Opto vs. **weak** Construction and Metal Fab
- **Strong pricing** at **+2.9%**
- Lower **Helium** demand, resisting pricing

Large Industries

Sales - Q2 2020

€1,136m



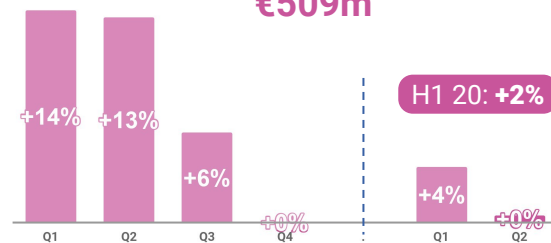
C-19

- **China back to growth**
- **Weak volumes** of air gases in Europe, US & Japan due to **low Steel** and **Chemicals**
- **Softer decline** of **H₂** volumes in Europe & US

Electronics

Sales - Q2 2020

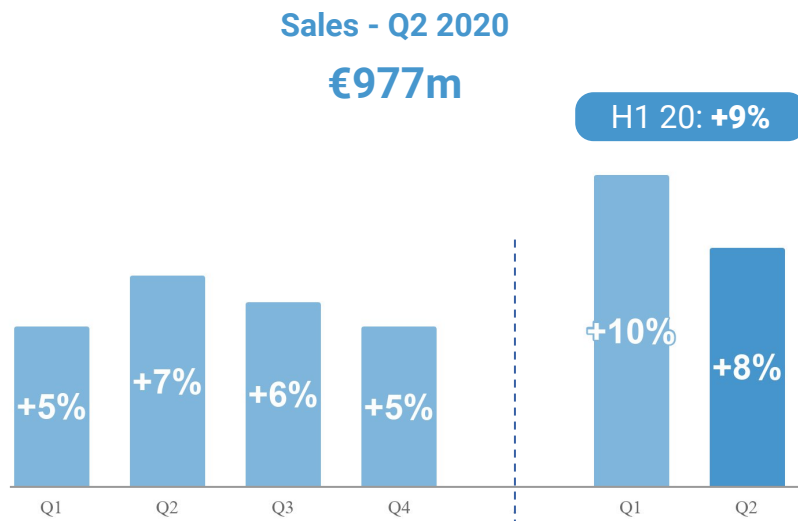
€509m



- **+8.0%** growth excl. E&I
- **Strong Carrier Gases & Advanced Materials**
- **Lower E&I** globally vs. high Q2 19

Q2 – Healthcare Teams Fully Mobilized to Fight Pandemic

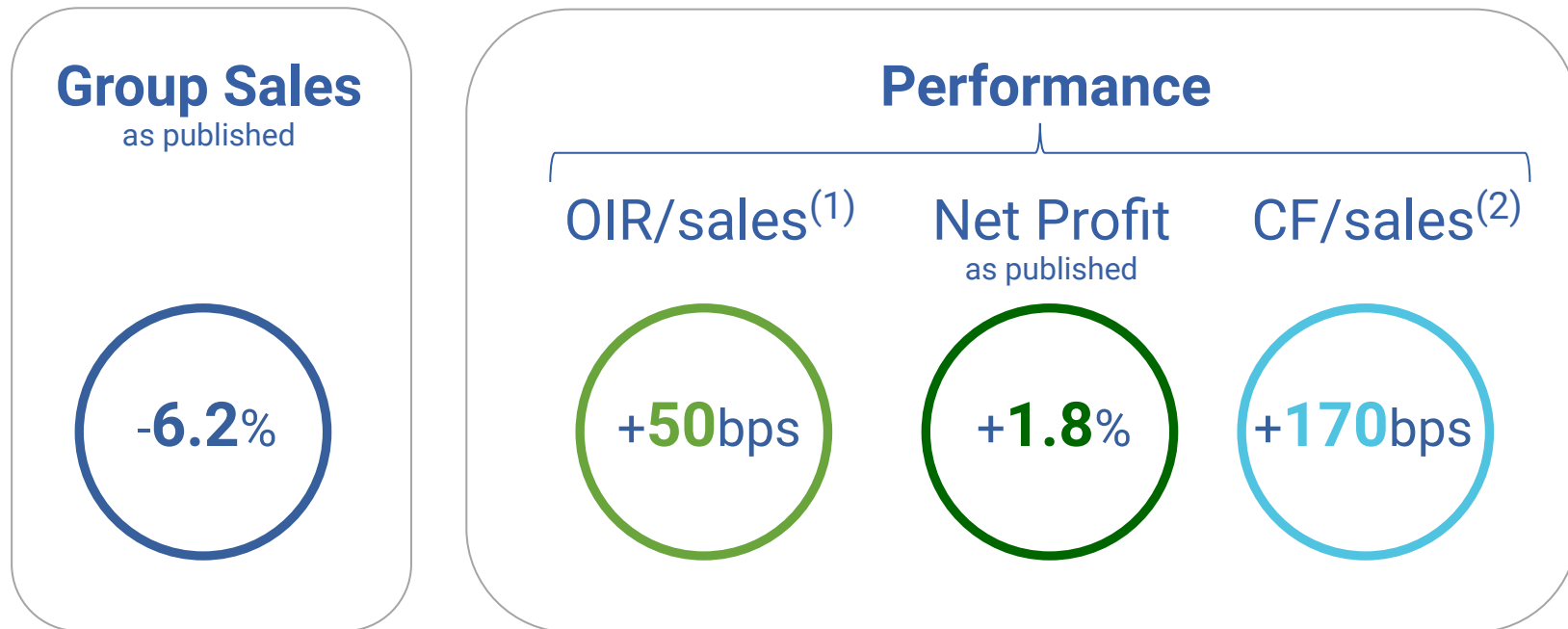
— G&S comparable sales growth



C-19

- Strong **Medical O₂** volumes to fight the virus **partially offset** by **postponed elective procedures**
- **Continued high** demand for **Hygiene** products and **Ventilators** manufacturing
- **HHC: fewer new installations** partially offset by new needs linked to Covid-19
- Very **progressive return to normal** in **Europe** starting end of Q2

Delivering a Strong Performance in H1 2020



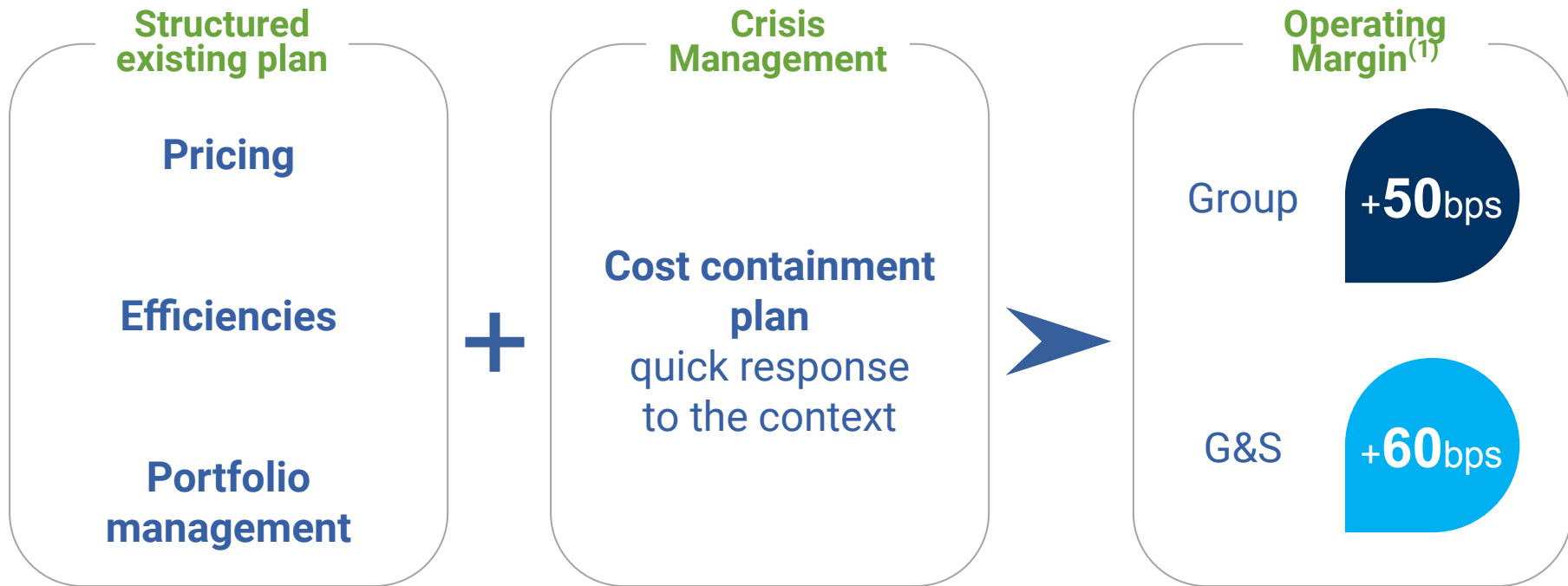
(1) Excluding energy impact

(2) Cash Flow from Operations before changes in Working Capital Requirement on Sales, compared to restated H1 2019

Significant Improvement of OIR margin

In €m	H1 19	H1 20	H1 20/19	H1 20/19 Comparable
Revenue	10,952	10,273	-6.2%	-3.2%
Purchases	(4,230)	(3,631)	-14.2%	
Personnel Expenses	(2,184)	(2,183)	-0.0%	
Other net income and expenses	(1,660)	(1,562)	-5.9%	
Operating profit before depreciation	2,878	2,897	+0.7%	
Depreciation and amortization	(1,064)	(1,084)	+1.9%	
Operating income recurring	1,814	1,813	-0.0%	+0.2%
Group OIR margin	16.6%	17.6%	+100bps	
Group OIR margin excluding energy		17.1%		+50bps
G&S OIR margin excluding energy		19.0%		+60bps

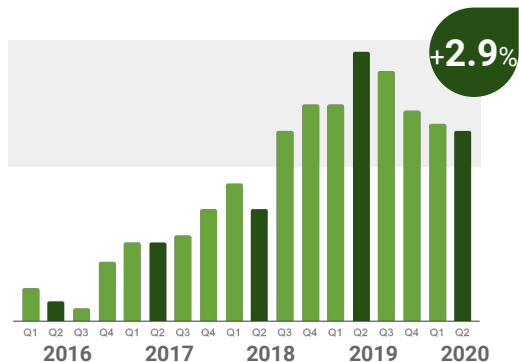
Efficiencies and Cost Containment to Improve Margins



(1) Operating Income Recurring on Sales, excluding energy impact

Continued Focus on Performance

IM Price/Mix



- **Strong pricing** in the Americas, very solid in Europe
- **Continued helium** contribution at +0.9%

Efficiencies



- In line with objective despite **C-19**
- Digital transformation delivering
- Cumulated efficiencies **€1.3bn** (2017 - H1 2020)

Portfolio management

Divestiture of:

- **Schülke**, on-going
- **CRYOPDP**, about to close
- Entities in Czech Republic and Slovakia, closed

Bolt-on **acquisitions**:

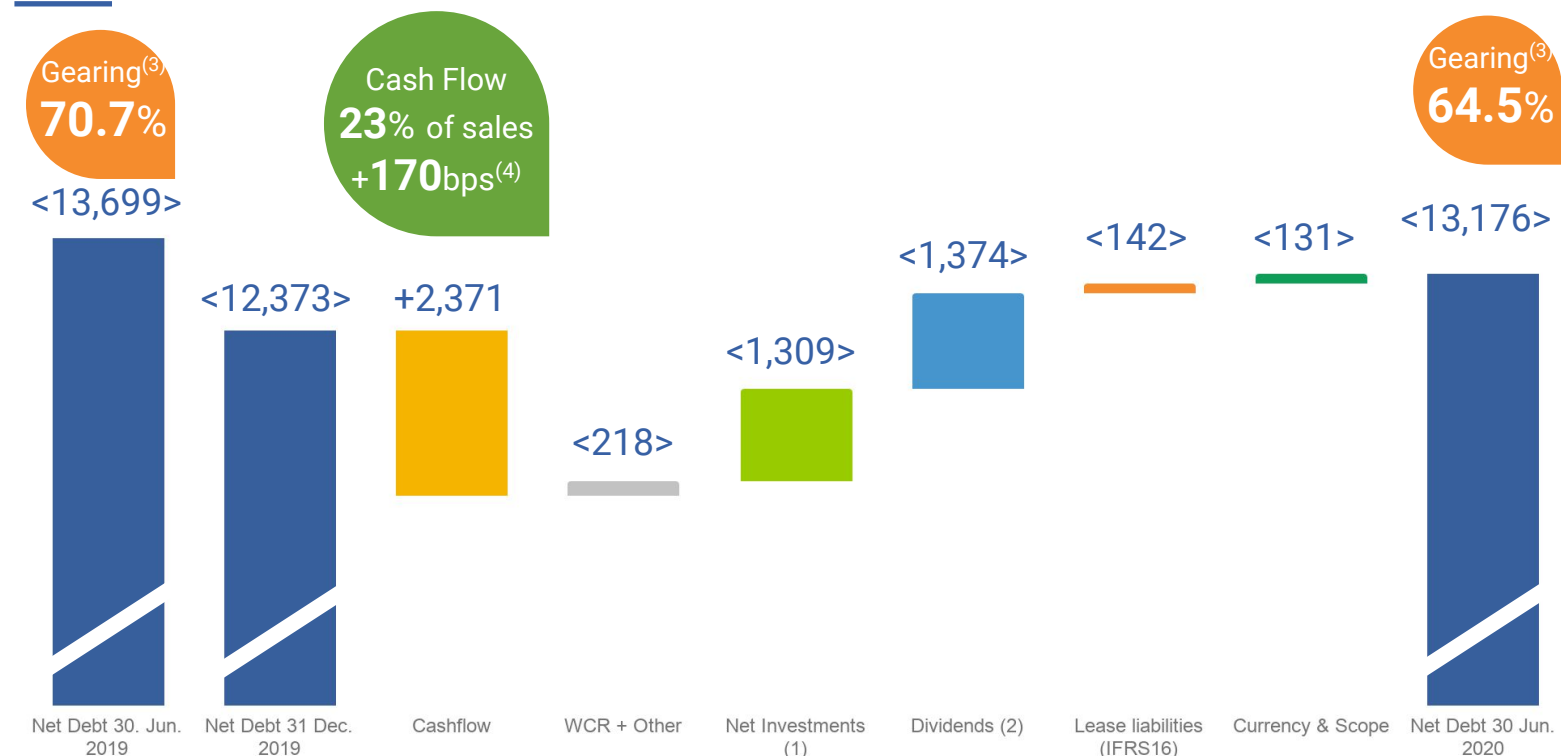
- 3 in the US and in China
- 3 in Europe

Preserved Net Profit at +1.8%

In €m	H1 19	H1 20	H1 20/19
Revenue	10,952	10,273	-6.2%
Operating income recurring	1,814	1,813	-0.0%
Other non-recurring operating income & expenses	(86)	(92)	
Operating income	1,728	1,721	
Net financial costs and other net financial expenses	(239)	(217)	
Income taxes	(385)	(381)	
Tax rate	25.9%	25.3%	
Share of profit of associates	3	1	
Minority interests	48	46	
Net profit (Group share)	1,059	1,078	+1.8%
Earnings per share (in €)	2.25	2.29	+1.8%
Recurring net profit⁽¹⁾	1,126	1,113	-1.1%

(1) Excluding Fujian in H1 2019 and non-recurring expenses related to Covid-19 in H1 2020

Strong Cash Flow

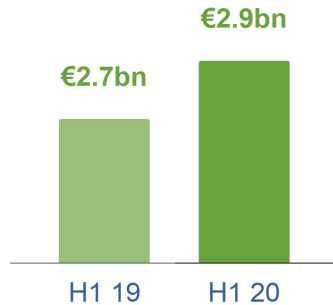


(1) Including acquisitions, transactions with minority shareholders, net of divestitures (2) Including share purchases and capital increases

(3) June 30 gearings adjusted for dividend seasonality (4) Cash Flow from Operations before changes in WCR on Sales, compared to restated H1 2019

Capturing Growth Opportunities

Investment Opportunities⁽¹⁾ 12-month portfolio

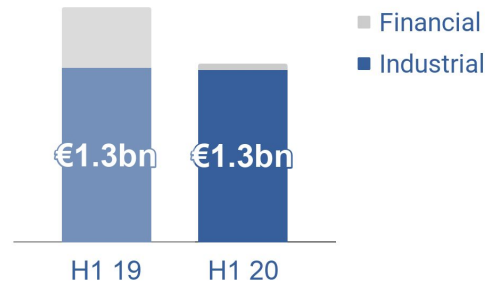


- Well balanced by **geography**
- Increased share of **Electronics** and **Clean mobility** projects
- More **takeover opportunities**

(1) See definitions in appendix

(2) Takeover of assets

Investment Decisions⁽¹⁾



- High level of **industrial decisions focused on growth**:
 - Record levels in **Electronics**, major signings in **LI** incl. 1 TO⁽²⁾
 - **32%** related to **Energy transition**
 - **13%** of **Efficiency** investment

Investment Backlog⁽¹⁾



- **Increased** Backlog
- **€1.0bn** of yearly sales backlog after full ramp-up
- **Oil & Gas <15%** of Backlog

Confirmed FY 2020 Guidance for Start-Ups Contribution

Start-up/Ramp-up Sales Growth Contribution

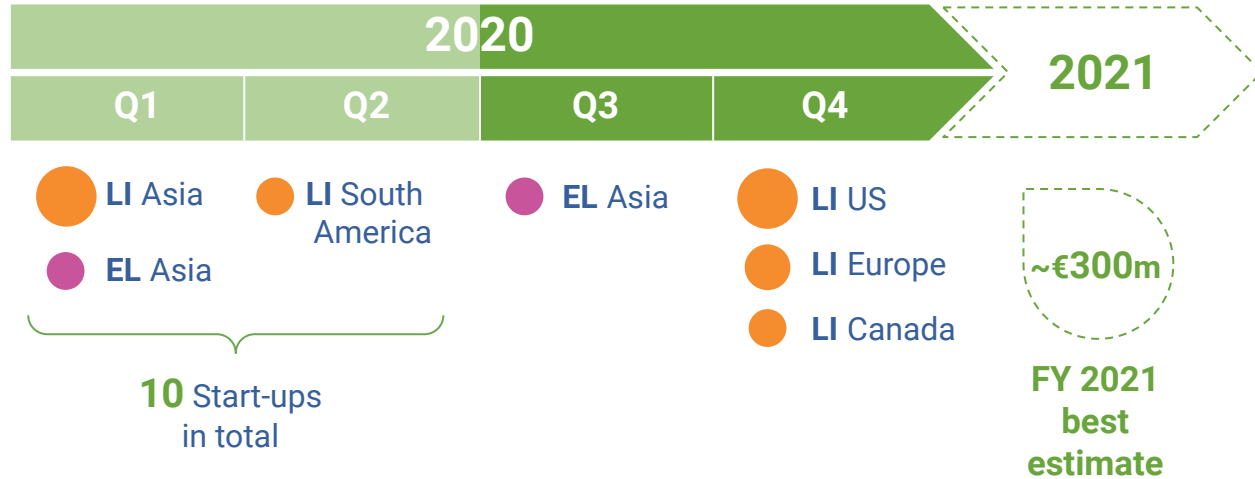
H1 2020



Confirmed FY 2020 Guidance



Confirmed start-up date of major projects



2020 Guidance Confirmed

Updated assumptions:

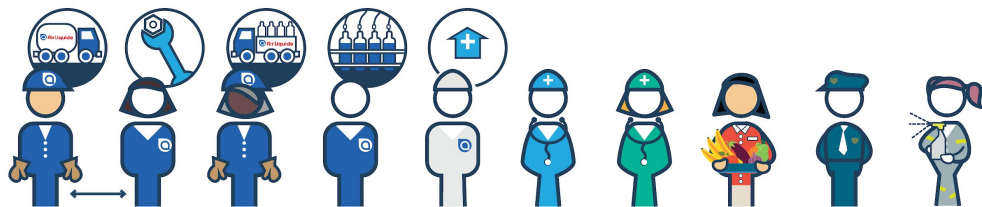
- ✓ **Strong peak impact in Q2**
- ✓ **Limited local lockdowns** during H2 2020
- ✓ **Progressive recovery** during H2 2020

“In a context of limited local lockdowns and progressive recovery during the 2nd half of 2020, **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 rates.**”⁽¹⁾

(1) To be noted, 2020 net profit as published should increase provided that the Schülke divestiture project is completed within the year. 2020 recurring net profit, meaning excluding the gain from Schülke divestiture and exceptional and significant items that have no impact on the operating income recurring, should be close to 2019 recurring net profit at constant exchange rates.

Crisis Management Measures: #WeFightTogether

To all professionals working in the field



THANK YOU !

and also to all of you who are working from home



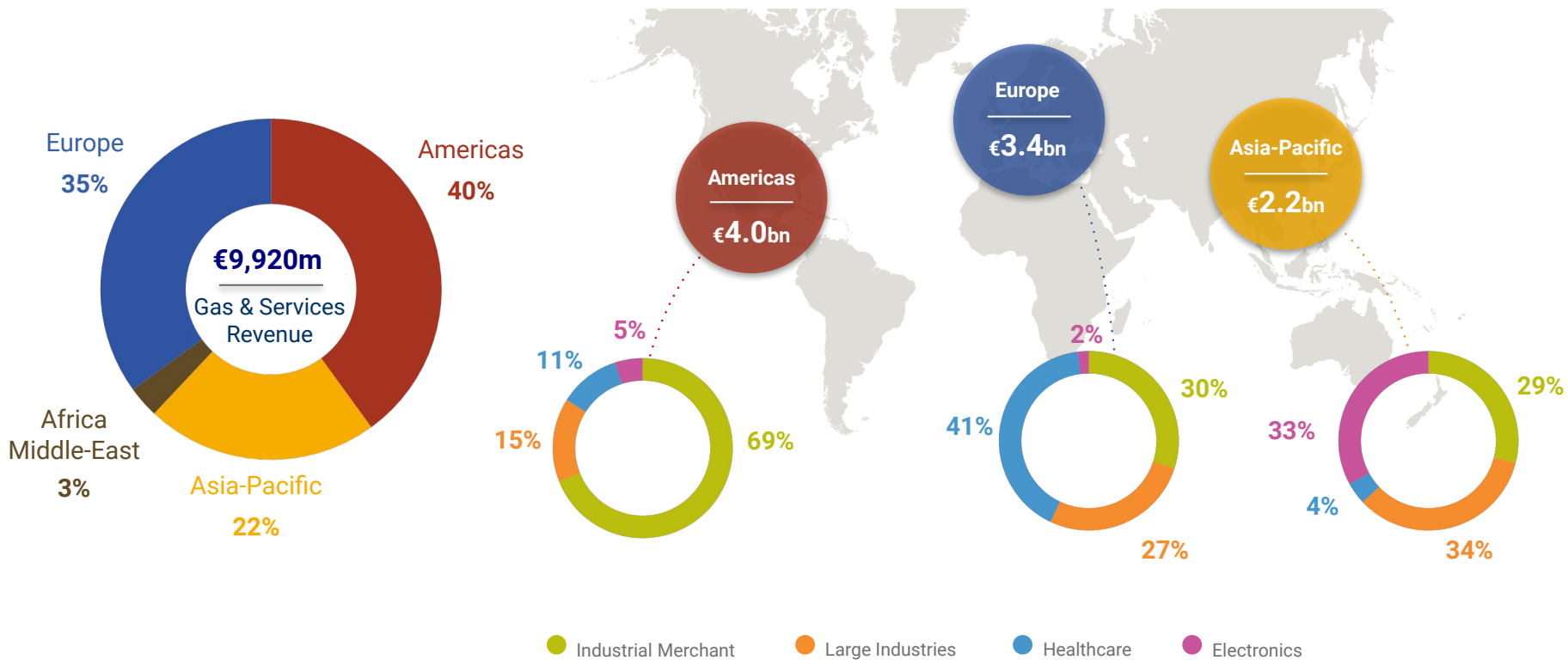
Keep our **employees** safe

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

No compromise on **safety**

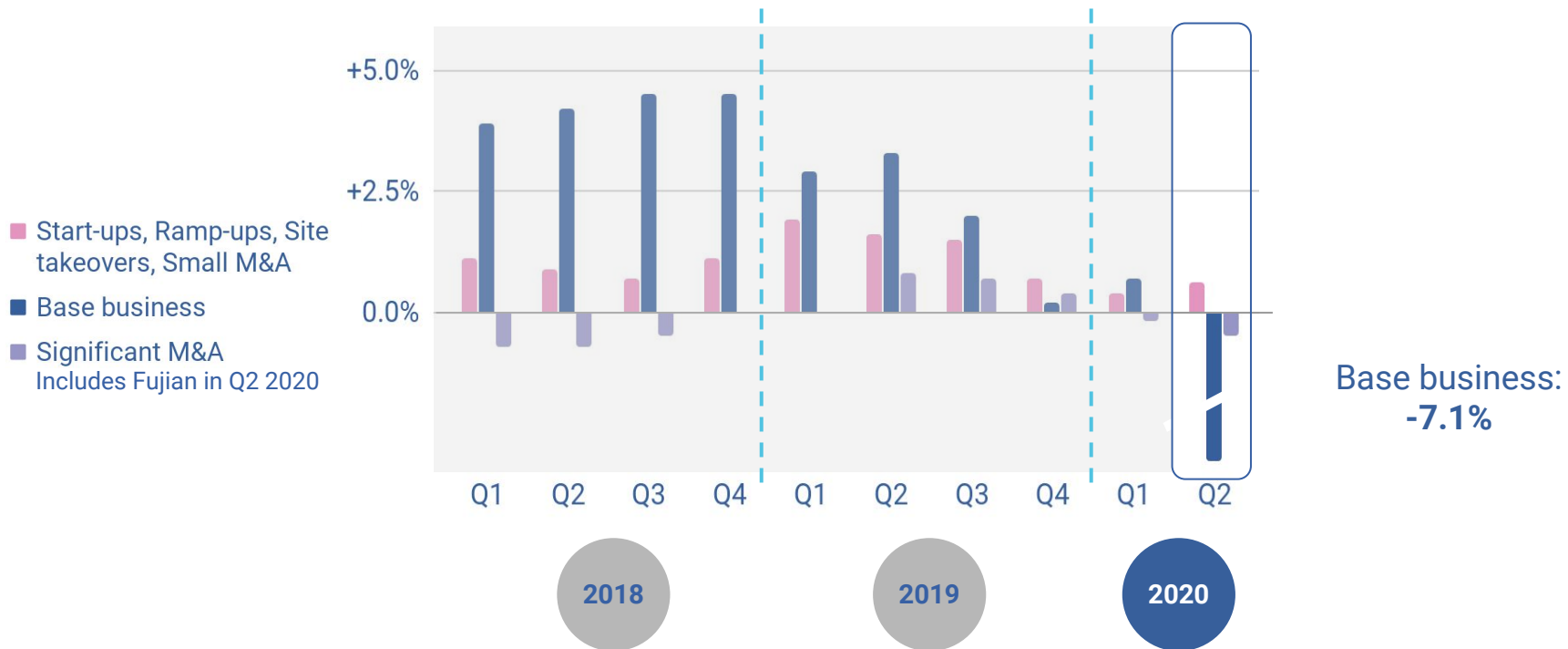
Appendix

H1 2020 G&S Revenue Breakdown by Region



Covid-19 Impact on Base Business, Contribution from SU/RU

— Breakdown of G&S Sales Growth



Americas

C-19

Q2 2020 G&S comparable sales growth

INDUSTRIAL MERCHANT

- **Low volumes**, esp. Hardgoods
- Mitigated by **positive rentals** and strong **pricing +4.1%**
- **Solid Food & Pharma**, low industrial end markets

LARGE INDUSTRIES

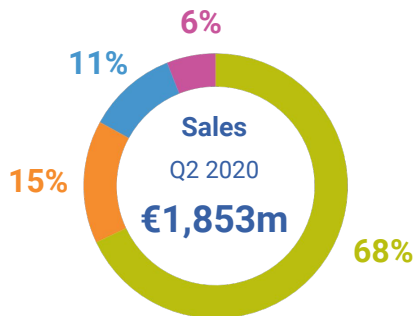
- **Low O₂ volumes** to Steel and Chemicals
- **H₂ resisting** better, **Start-up** in Argentina
- **Signs of improvement** end of Q2

HEALTHCARE

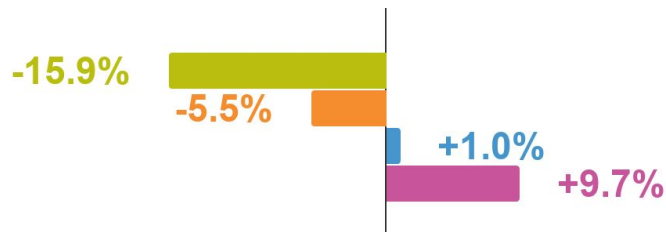
- **Low levels** of elective procedures in North America
- **High HHC** and Medical gases in **Latin America**

ELECTRONICS

- **Strong Advanced Materials**
- **High E&I** activity



Q2 20/19 Comparable Growth: **-11.4%**



in €m	H1 2020	Growth as published	Comparable growth
Sales	3,975	-5.7%	-5.1%
OIR	744	+1.9%	
OIR/Sales	18.7%	+140bps	+110bps ⁽¹⁾

(1) Excluding energy impact

Europe

C-19

Q2 2020 G&S comparable sales growth

INDUSTRIAL MERCHANT

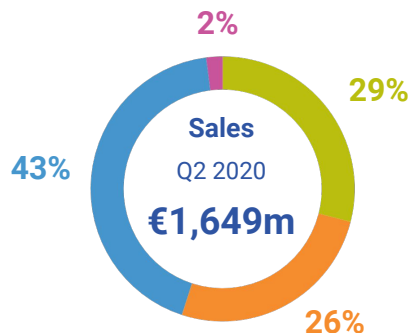
- **Low gas volumes**
- **Cylinders** hardly hit but also **highest rebound** since May
- **Resilient** Food & Pharma
- Solid **pricing** at **+1.4%**

LARGE INDUSTRIES

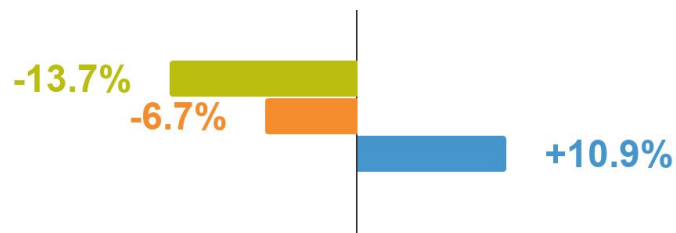
- **Low air gases** to **Steel** and **Chemicals**
- **Weaker H₂** demand from **Refineries**
- **East of Europe** resisting better with growing Russia & Turkey

HEALTHCARE

- **Strong Hygiene & Equipment**
- **Medical O₂** off peak levels of Q1
- **HHC: less** installations of **new patients** in sleep apnea & diabetes during crisis



Q2 20/19 Comparable Growth: **-2.5%**



in €m	H1 2020	Growth as published	Comparable growth
Sales	3,440	-4.7%	+0.2%
OIR	680	-1.1%	
OIR/Sales	19.8%	+80bps	-20bps⁽¹⁾

(1) Excluding energy impact

Asia-Pacific

Q2 2020 G&S comparable sales growth

INDUSTRIAL MERCHANT

- **China +6%**, strong cylinders & on-sites
- **Decline of volumes** in part of Asia, esp. Japan, Singapore, Australia
- **Pricing slightly positive**
- **Lower helium** contribution

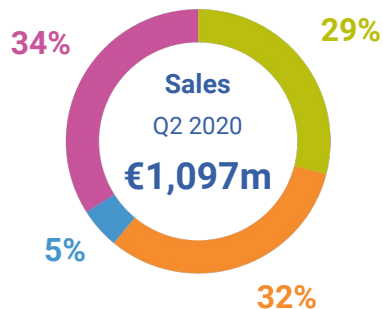
LARGE INDUSTRIES

- **Growing China** driven by local demand
- **Low O₂ for Steel in Japan** and **H₂ for Refineries in Singapore**

ELECTRONICS

- **>+10% growth** excl. E&I
- **Strong Advanced Materials** in Korea, Taiwan, China
- **High Carrier Gases** in China and Taiwan
- **E&I mirror effect** vs. high sales in Q2 2019

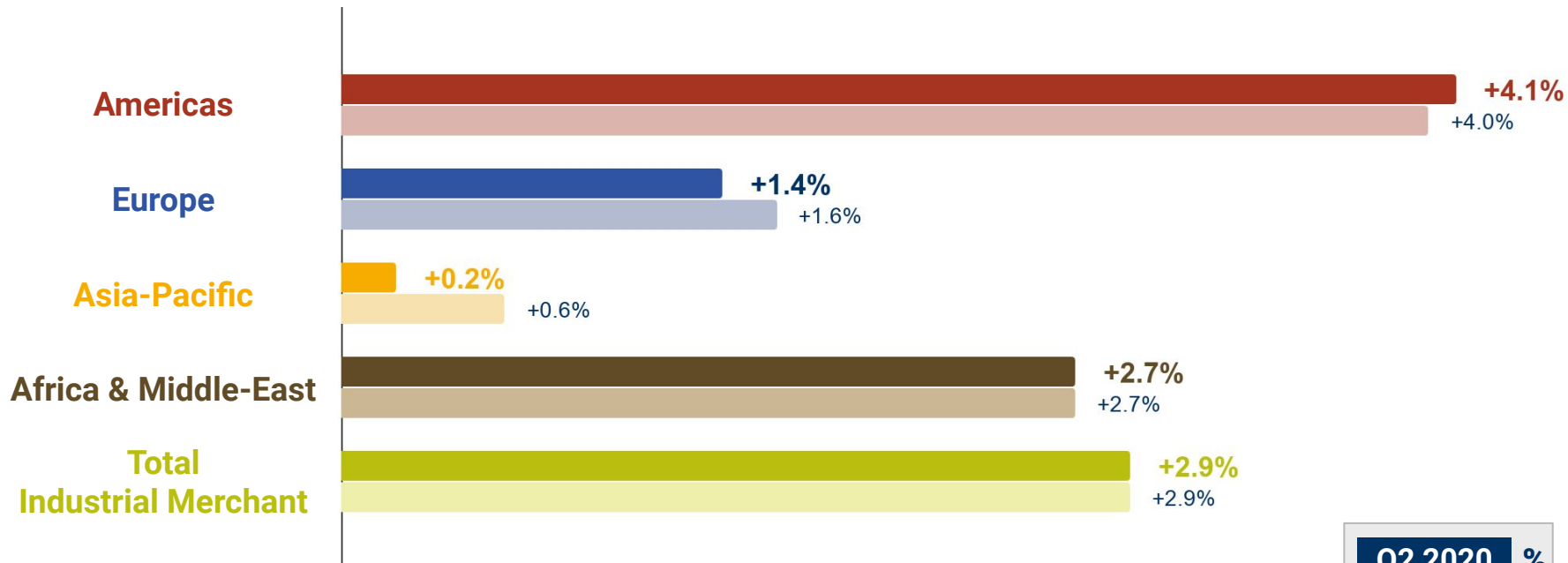
Q2 20/19 Comparable Growth: **-3.3%**



in €m	H1 2020	Growth as published	Comparable growth
Sales	2,236	-7.0%	-2.1%
OIR	484	+2.3%	
OIR/Sales	21.7%	+200bps	+150bps⁽¹⁾

(1) Excluding energy impact

Industrial Merchant Pricing



Q2 2020	%
H1 2020	%

Q2 2020 E&C and GM&T Activities

C-19

Engineering & Construction

- Sales to third parties⁽¹⁾

€52m

-38%

Total Sales⁽²⁾ -22%

- Order Intake

€228m

-2%

Global Markets & Technologies

- Sales⁽¹⁾

€122m

-6%

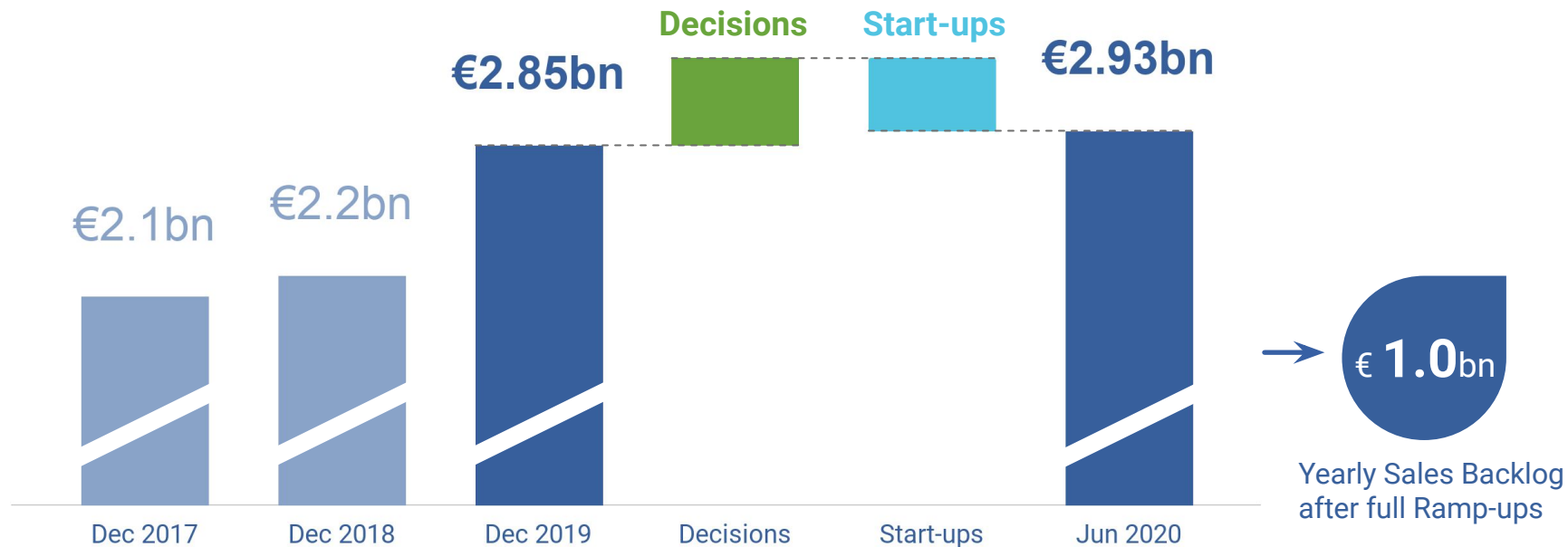
- Order Intake

€173m

+29%

(1) Comparable growth (2) Including internal sales

Backlog Slightly Increasing at €2.9bn



See definitions in appendix

Consolidated P&L

In €m	H1 19	H1 20
Revenue	10,952	10,273
Operating costs	(8,074)	(7,376)
Operating profit before depreciation	2,878	2,897
Depreciation and amortization	(1,064)	(1,084)
Operating income recurring	1,814	1,813
Other non-recurring operating income & expenses	(86)	(92)
Operating income	1,728	1,721
Net financial costs and other net financial expenses	(239)	(217)
Income taxes	(385)	(381)
Share of profit of associates	3	1
Profit for the period	1,107	1,124
- Minority interests	48	46
- Net profit (Group share)	1,059	1,078
Basic earnings per share (in €)	2.25	2.29

Consolidated Balance Sheet Simplified

ASSETS	31/12/2019	30/6/2020
Goodwill	13,943	13,915
Fixed assets	22,673	22,432
Other non-current assets *	1,083	1,112
Total non-current assets	37,699	37,459
Inventories & work in-progress	1,532	1,579
Trade receivables & other current assets	3,379	3,060
Cash and cash equivalents *	1,057	1,510
Total current assets	5,968	6,149
Assets held for sale	-	305
Total assets	43,667	43,913

	31/12/2019	30/6/2020
Net debt	12,373	13,176
Net debt ratio	64.0%	64.5%⁽¹⁾

* Including fair value of derivatives (1) Adjusted for dividend seasonality

EQUITY AND LIABILITIES	31/12/2019	30/6/2020
Shareholders' equity	18,870	18,302
Minority interests	454	454
Total equity	19,324	18,756
Provisions & Deferred tax liabilities	4,573	4,430
Non-current borrowings	11,567	12,488
Non-current lease liabilities	1,088	1,070
Other non-current liabilities *	308	225
Total equity and non current liabilities	36,860	36,969
Provisions	268	260
Trade payables & other current liabilities	4,396	4,087
Current lease liabilities	244	233
Current borrowings *	1,899	2,187
Total current liabilities	6,807	6,767
Liabilities held for sale	-	177
Total equity and liabilities	43,667	43,913

Cash Flow Statement

In €m	H1 19 Restated	H1 20
Funds provided by operations	2,348	2,371
Changes in Working Capital	(331)	(157)
Other cash items	(59)	(61)
Net cash from operating activities	1,958	2,153
Purchases of PPE* and intangible assets	(1,201)	(1,320)
Purchases of financial assets and the impact of changes in scope	(446)	(64)
Proceeds from sale of PPE*, intangible and financial assets	112	85
Net cash in investing activities	(1,536)	(1,299)
Distribution	(1,198)	(1,350)
Increase in capital stock	23	27
Purchase of treasury shares	(149)	(50)
Transactions with minority shareholders	(2)	(10)
Change in borrowings and lease liabilities (incl. net interests)	212	1,011
Impact of Exchange rate changes and net debt of newly consolidated companies & others	25	12
Change in net cash and cash equivalents	(666)	493
Net cash and cash equivalents at the end of the period	883	1,390

* PPE: Property, plant and equipment.

Financing Structure as of June 30, 2020



(1) Others: put options granted to minority shareholders.

Impact of Currency and Energy on G&S Revenue

in €m	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
€/USD	+138	+107	+81	+52	+55	+30
€/JP¥	+16	+14	+22	+18	+11	+11
€/ARS	(28)	(20)	(29)	(16)	(16)	(23)
€/BRL	(6)	(2)	+3	(4)	(11)	(22)
Others	+21	+4	+30	+31	+1	(26)
Currency Impact	+141	+103	+107	+81	+40	(30)

in €m	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
Natural Gas Impact	+5	(36)	(134)	(129)	(103)	(135)

in €m	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
Electricity Impact	+27	+7	(12)	(30)	(31)	(31)

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

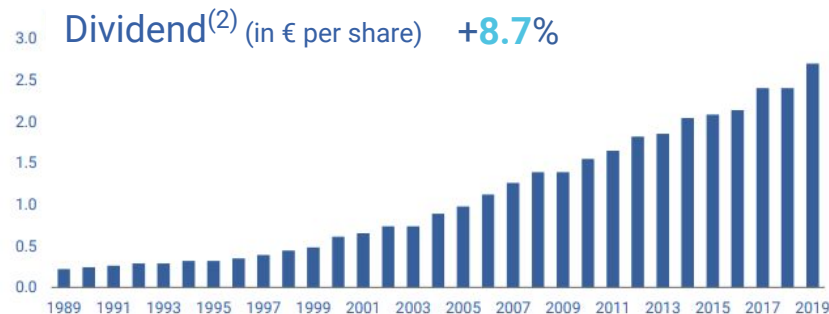
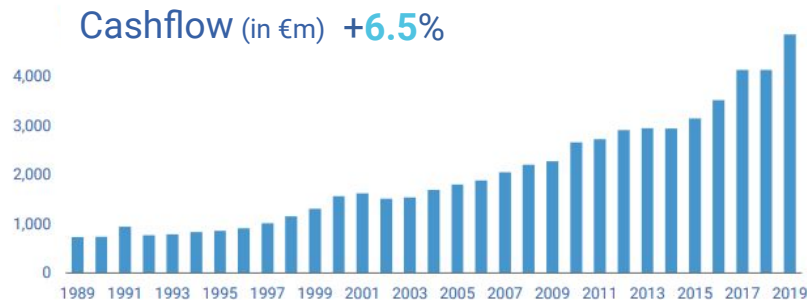
- Cumulated expected sales per year generated by the current investment backlog after full ramp-up.

• 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 free share attributions and for the capital increase completed in October 2016.

Disclaimer

This presentation 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.

For further information, please contact:

Investor Relations

IRTeam@airliquide.com

Communication

Media@airliquide.com

Upcoming events

2020 Third Quarter Revenue: October 23, 2020

www.airliquide.com

L'Air Liquide S.A.

*Corporation for the study and application of processes developed by Georges Claude
with registered capital of 2,602,235,812 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