

Moving forward



Create Shareholder Value

Q1 FY20
Earnings Conference Call

January 24 2020



Forward-looking statements

This presentation contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about earnings guidance, business outlook and investment opportunities. These forward-looking statements are based on management’s expectations and assumptions as of the date of this presentation and are not guarantees of future performance. While forward-looking statements are made in good faith and based on assumptions, expectations and projections that management believes are reasonable based on currently available information, actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors, including, those disclosed in our earnings release for the first quarter of fiscal 2020 as well as in our filings with the Securities and Exchange Commission. Except as required by law, the Company disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in the assumptions, beliefs, or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

Non-GAAP Financial Measures

This presentation and the discussion on the accompanying conference call contain certain financial measures that are not prepared in accordance with U.S. generally accepted accounting principles (GAAP). We have posted to our website, in the relevant Earnings Release section, reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP. The non-GAAP financial measures supplement our GAAP disclosures and are not meant to be considered in isolation or as a substitute for the most directly comparable measures prepared in accordance with GAAP. These measures may not be comparable to similarly titled measures used by other companies.

Safety results

	FY14	Q120	Q120 vs FY14
Employee Lost Time Injury Rate	0.24	0.06	75% better
Employee Recordable Injury Rate	0.58	0.37	36% better

Our Goal

Air Products will be the **safest**,
most diverse and **most profitable**
industrial gas company in the world,
providing excellent service to our
customers

Creating shareholder value

Management philosophy

Shareholder Value Cash is king; cash flow drives long-term value. What counts in the long term is the increase in **per share value** of our stock, not size or growth.

CEO Focus Capital allocation is the most important job of the CEO.

Operating Model Decentralized organization releases entrepreneurial energy and keeps both costs and politics (“bureaucracy”) down.

Five Point Plan: Moving Forward

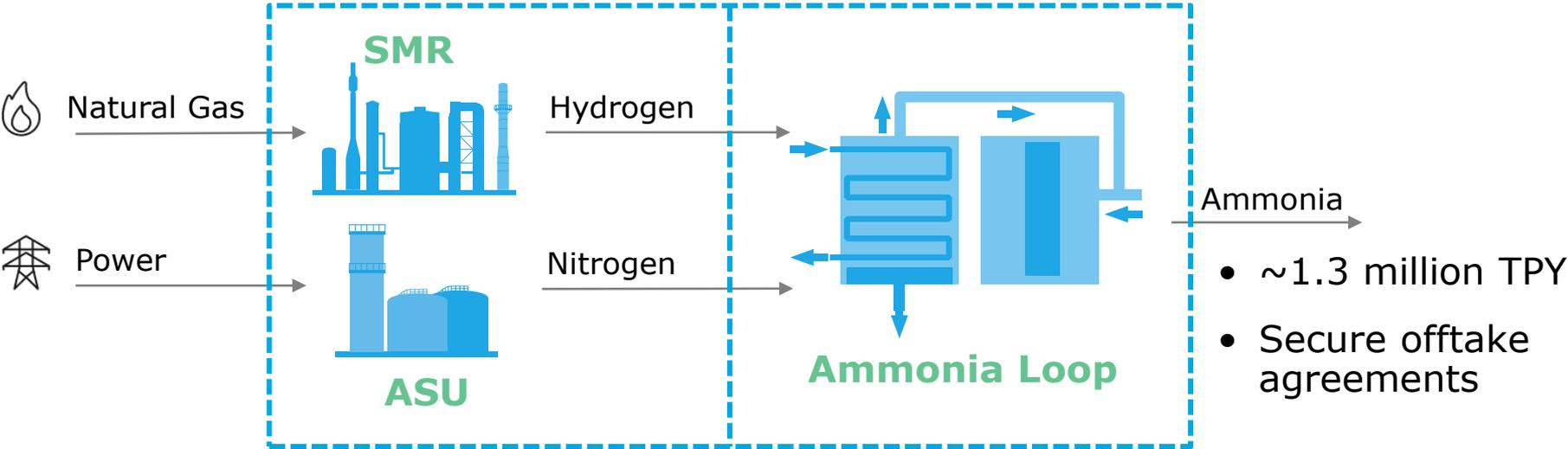
Sustain the lead 	Deploy capital 	Evolve portfolio 	Change culture 	Belong and Matter 
Safest, most diverse, and most profitable	Strategically invest significant available capacity	Grow onsite portion	4S	Inclusion
Best-in-class performance	Win profitable growth projects globally	Energy, environment and emerging markets	Committed and motivated	Enjoyable work environment
Productivity			Positive attitudes and open minds	Proud to innovate and solve challenges

Executing our gasification strategy

Energy, environmental, emerging markets



Gulf Coast Ammonia (GCA) Project *Texas City, Texas*



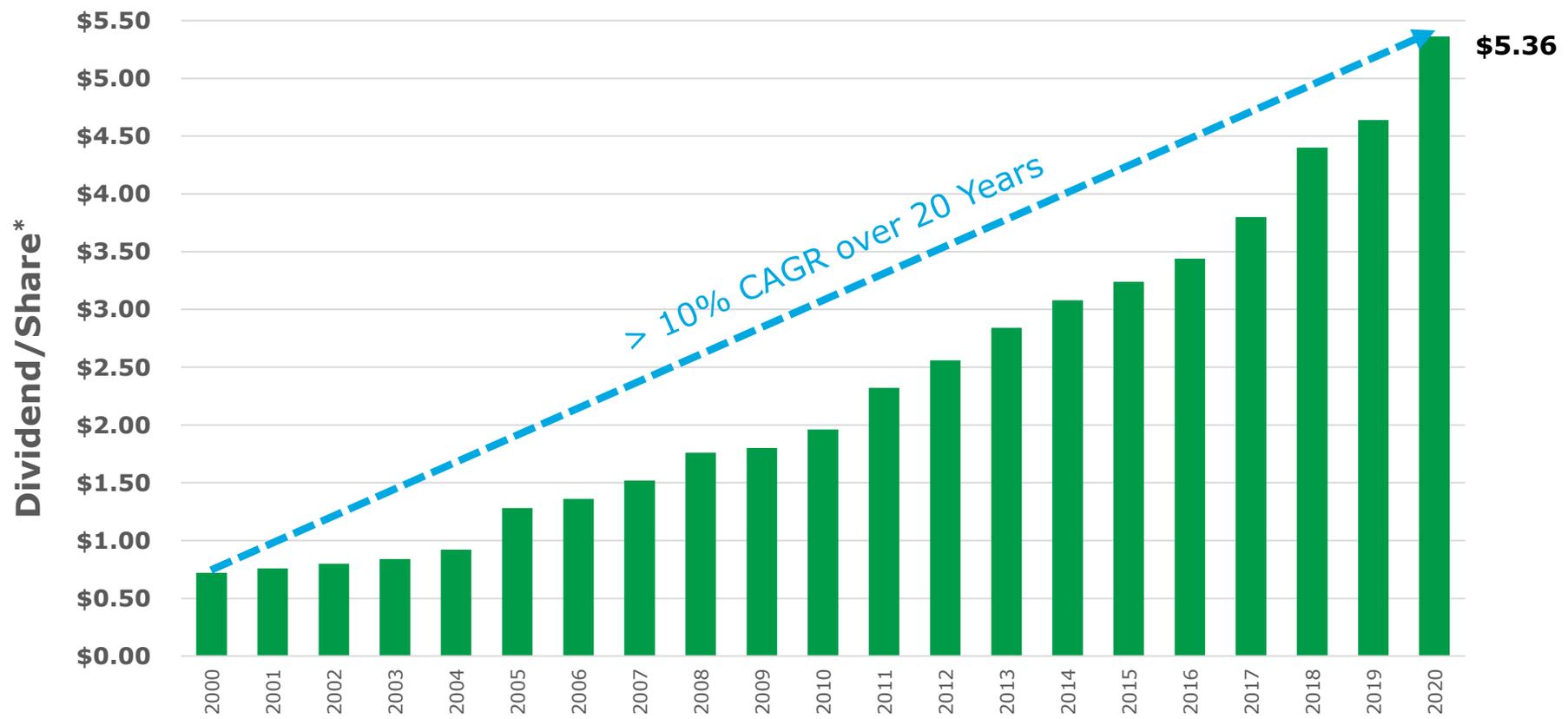
Air Products

- Build, Own, Operate
- ~\$0.5 billion invest

GCA

- Partners
 - Starwood
 - Mabanaft
- ~\$0.6 billion invest

Dividend History

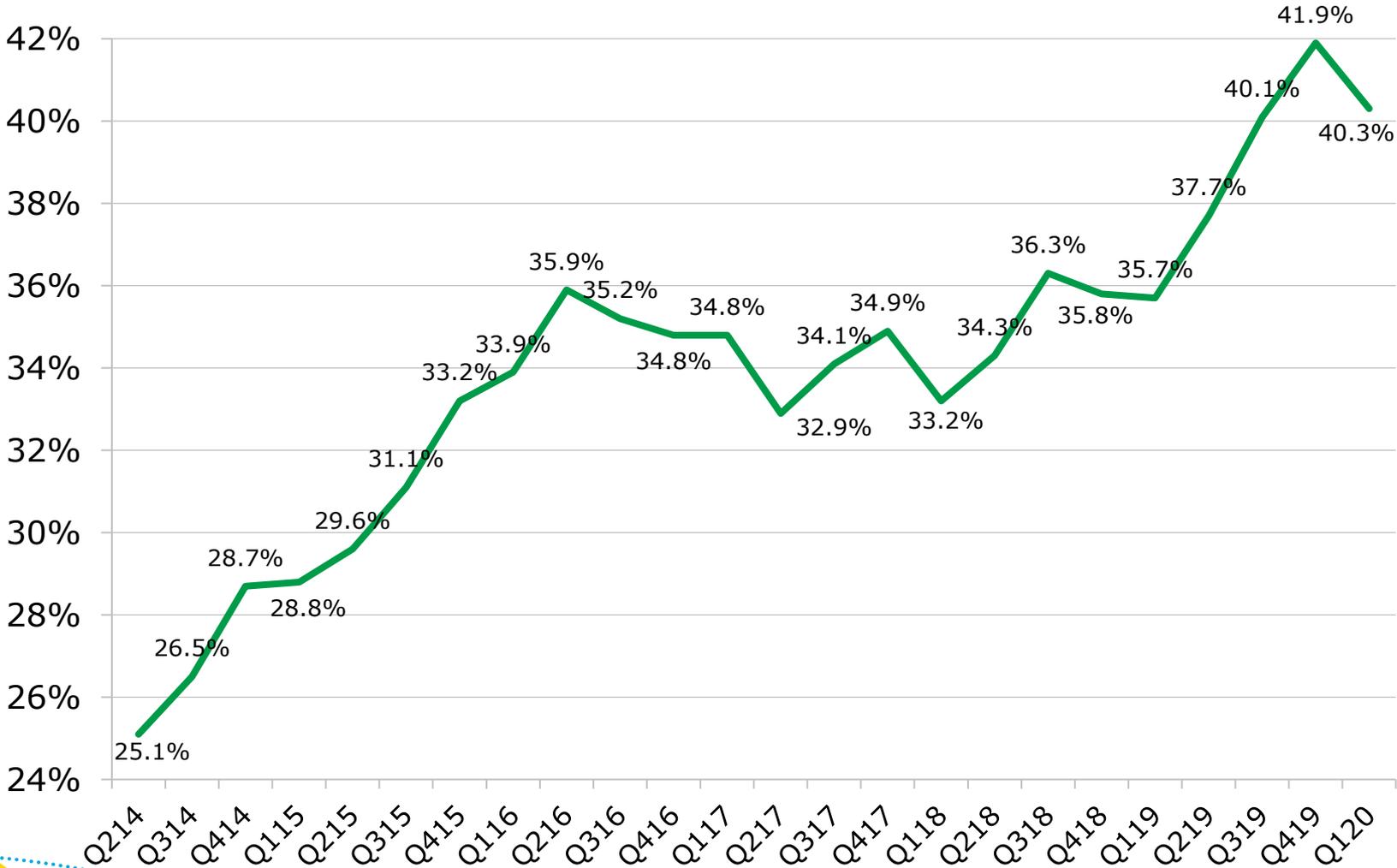


- 18c per quarter or >15% dividend increase announced Jan 23
- ~\$1.2B/year of dividend to the shareholders in 2020
- 38 consecutive years of dividend increases

* Based on annualized quarterly dividend declared in 1st quarter

Adjusted EBITDA margin*

Up over 1500 basis points



* Non-GAAP financial measure. See website for reconciliation.

Q1 Results

(\$ million)	Q1FY20	Fav/(Unfav) vs.	
		Q1FY19	Q4FY19
Sales	\$2,255	1%	(1%)
- Volume		6%	(2%)
- Price		3%	-%
- Energy cost pass-through		(5%)	1%
- Currency		(1%)	-%
- Other (<i>India contract modification</i>)		(2%)	-%
Adjusted EBITDA*	\$908	14%	(5%)
- <i>Adjusted EBITDA Margin*</i>	40.3%	460bp	(160bp)
Adjusted Operating Income*	\$561	16%	(7%)
- <i>Adjusted Operating Margin*</i>	24.9%	310bp	(150bp)
Adjusted Net Income*	\$476	16%	(5%)
Adjusted EPS* (\$/share)	\$2.14	15%	(6%)
ROCE*	13.4%	100bp	30bp

- Price and volume higher across all three regions
- India hydrogen plant converted to tolling – lowers sales 2% but no profit impact
- Adjusted EBITDA margin* up 460bp primarily driven by strong price and volume
 - India contract modification and energy pass-through contributed about half of the increase

Q1 Adjusted EPS*

Adjusted EPS* Up \$0.28 or 15%

	Q1FY19	Q1FY20	Change
GAAP cont ops EPS	\$1.57	\$2.14	
non-GAAP items	0.29	0.00	
Adjusted EPS*	\$1.86	\$2.14	\$0.28
Volume			0.15
Price (net of variable costs)			0.25
Other Cost			(0.12)
			\$0.28
Currency/FX			(\$0.00)
Equity Affiliate Income			0.02
Non-controlling Interest			(0.02)
Tax Rate			(0.02)
Other (Interest Expense, Shares, NonOp Income)			0.02
			(\$0.00)

- Strong operating performance driven by price and volume

Cash Flow Focus

(\$ million)

Q1FY20 LTM

Adjusted EBITDA*	\$3,582
Interest, net	(56)
Cash Tax	(362)
Maintenance CapEx*	<u>(435)</u>
Distributable Cash Flow*	\$2,729
	<i>\$12.30/Share*</i>
Dividends	<u>(1,008)</u>
Investable Cash Flow*	\$1,721

- \$12.30/share of Distributable Cash Flow*
- Paid about 40% of Distributable Cash Flow* as dividends
- ~\$1.7B of Investable Cash Flow*

Capital Deployment Scorecard

FY18 – FY22, as of 12/31/19

Available Now (12/31/19)		
Total Debt Capacity	\$ 10.7	Assuming 3xLTM Adj EBITDA*
Less: Net Debt*	\$ 0.9	Debt minus cash
Additional Available Now	\$ 9.8	
Estimated Available In Future		
– Investable Cash Flow*	\$ 4.8	LTM ICF x 2.75 years
Already Spent – FY18 through Q1FY20		
	\$ 3.5	Growth CapEx* (including M&A)
Estimated FY18 - FY22 Capacity	\$ 18.1	

Commitments	\$ 6.8	Remaining to be spent
Spent + Commitments	\$ 10.3	

<i>% Spent</i>	20%
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<i>% Spent + Commitments</i>	57%
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- Committed to manage debt balance to maintain current targeted A/A2 rating
- Total Commitment Value ~\$8B; Remaining to be spent ~\$7B

Industrial Gases - Asia

	Q1FY20	Fav/(Unfav) vs. Q1FY19	Q4FY19
Sales	\$693	11%	(5%)
- Volume		9%	(6%)
- Price		4%	1%
- Energy cost pass-through		-0%	-0%
- Currency		(2%)	-0%
Adjusted EBITDA*	\$347	16%	(2%)
- <i>Adjusted EBITDA Margin*</i>	<i>50.1%</i>	<i>260bp</i>	<i>180bp</i>
Operating Income	\$229	13%	(1%)
- <i>Operating Margin</i>	<i>33.0%</i>	<i>80bp</i>	<i>140bp</i>

- Volume growth driven by new projects, base business growth and a short term contract
- 11th consecutive quarter of year-on-year price improvement
- Strong volume and price drove higher profit and margin

Industrial Gases - Americas

	Q1FY20	Fav/(Unfav) vs.	
		Q1FY19	Q4FY19
Sales	\$936	(5%)	-%
- Volume		1%	(2%)
- Price		3%	-%
- Energy cost pass-through		(8%)	2%
- Currency		(1%)	-%
Adjusted EBITDA*	\$410	11%	(1%)
- <i>Adjusted EBITDA Margin*</i>	<i>43.8%</i>	<i>670bp</i>	<i>(10bp)</i>
Operating Income	\$257	17%	(1%)
- <i>Operating Margin</i>	<i>27.5%</i>	<i>530bp</i>	<i>(30bp)</i>

- Strong Gulf Coast hydrogen volumes partially offset by South America weakness
- 6th consecutive quarter of price improvement - up in all major product lines and sub-regions
- Lower energy pass-through improves Adjusted EBITDA margin* by ~300 bp

Industrial Gases - EMEA

	Q1FY20	Fav/(Unfav) vs.	
		Q1FY19	Q4FY19
Sales	\$499	(5%)	2%
- Volume		6%	(2%)
- Price		3%	1%
- Energy cost pass-through		(4%)	2%
- Currency		(2%)	1%
- Other (<i>India contract modification</i>)		(8%)	-%
Adjusted EBITDA*	\$188	14%	(3%)
- <i>Adjusted EBITDA Margin*</i>	37.7%	610bp	(180bp)
Operating Income	\$121	14%	-%
- <i>Operating Margin</i>	24.2%	410bp	(50bp)

- Volume growth due to hydrogen demand and acquisition
- 8th consecutive quarter of price improvement - all major product lines and sub-regions
- Adjusted EBITDA* up 14% on strong price and volume
- India contract modification and lower energy pass-through improve Adjusted EBITDA margin* by ~400bp

Industrial Gases - Global

	Q1FY20	Fav/(Unfav) vs. Q1FY19
Sales	\$93	\$24
Adjusted EBITDA*	\$7	\$1
Operating Income	\$4	\$0

- Other project activities offset lower Jazan Sale of Equipment activity

Corporate

	Q1FY20	Fav/(Unfav) vs. Q1FY19
Sales	\$34	\$19
Adjusted EBITDA*	(\$44)	(\$1)
Operating Income	(\$49)	(\$2)

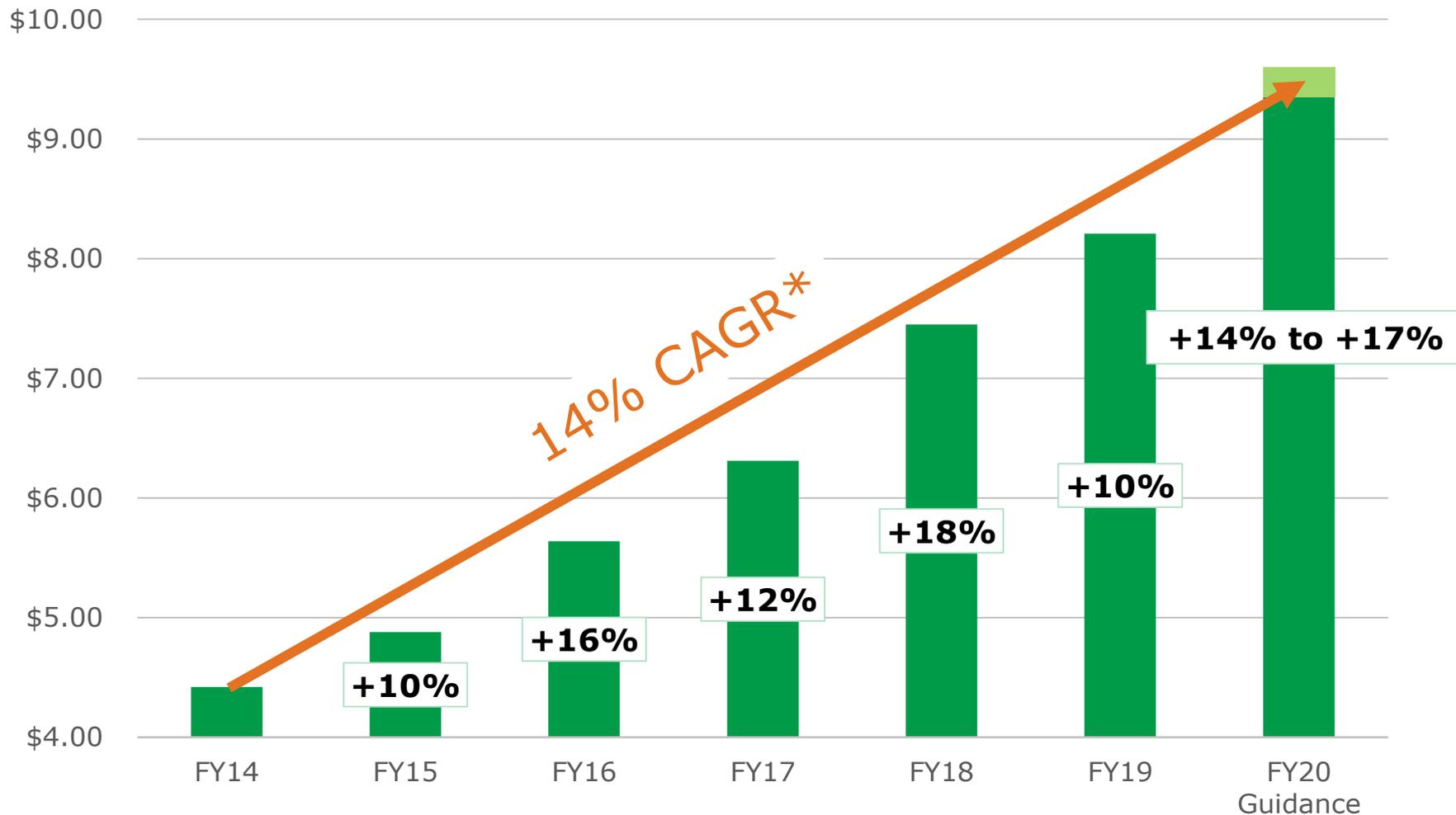
- Contribution from LNG projects offset by higher corporate costs
- LNG prospects continue to improve

Outlook*

Q2 Adj. EPS*	vs PY	FY Adj. EPS*	vs PY
\$2.10 to \$2.20	+9% to +15%	\$9.35 to \$9.60	+14% to +17%

FY20 Capital Expenditure* = \$4 - \$4.5 billion

Air Products Adjusted EPS*



* Non-GAAP financial measure. See website for reconciliation. CAGR is calculated using midpoint of FY20 guidance.

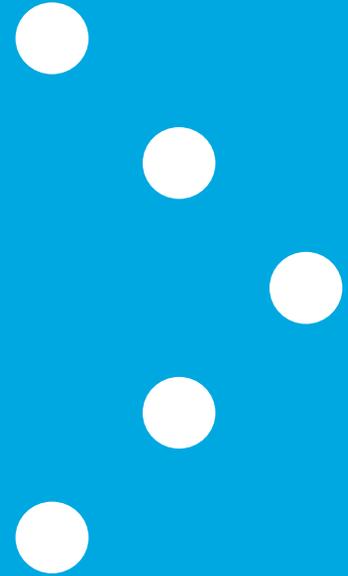
Our competitive advantage

The only sustainable element
of long-term competitive
advantage is the degree of

commitment and **motivation**

of the people in the enterprise

Appendix slides



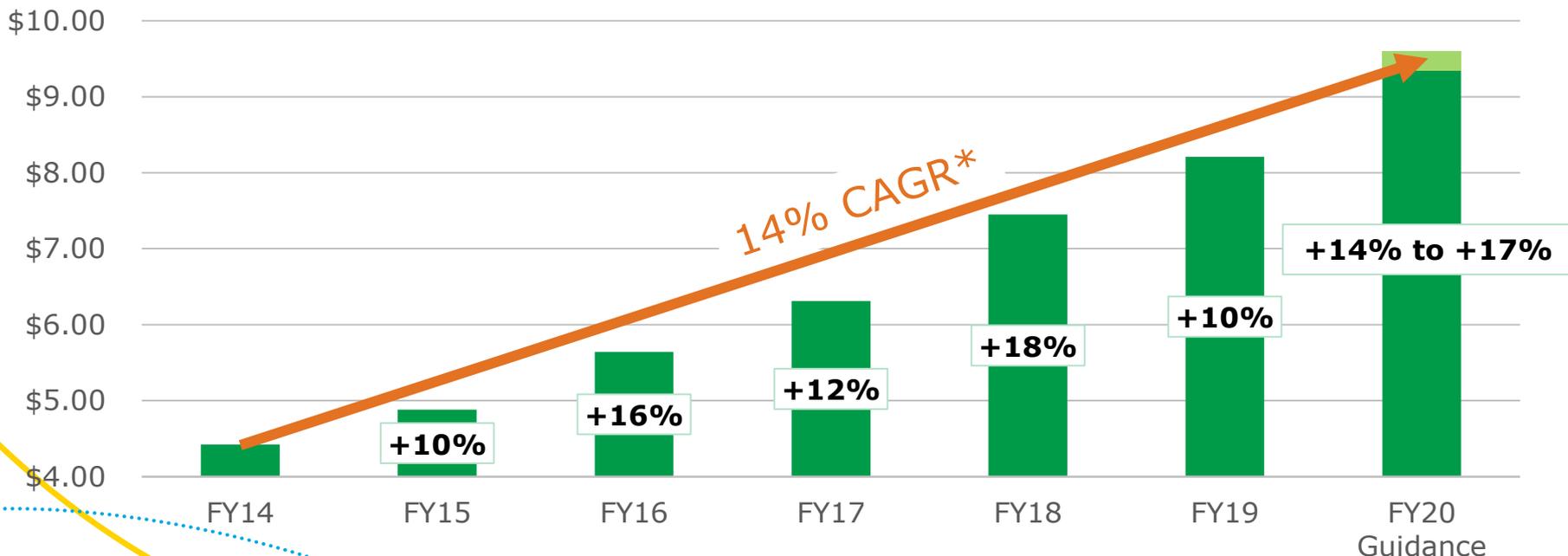
Major projects

* Multiple Phases

Plant	Customer/Location	Capacity	Timing	Market
ONSTREAM (last five quarters)				
ASU/Liquid	Ulsan, Korea	1750 TPD	Q1 FY19	Pipeline
ASU – Ph 3/4	Samsung Pyeongtaek, Korea	World Scale	Q1 FY19*	Electronics
Liquid ASU	Middletown, Ohio	400 TPD	Q1 FY19	Merchant
ASU/LAR	Chemours, Tennessee	Not disclosed	Q1 FY19	Chemicals
Liquid ASU	Glenmont, NY	1100 TPD LXNLAR	Q3 FY19	Merchant
ASU/H2/Air	Samsung Xi'an, China	World Scale	Q3 FY19*	Electronics
PROJECT COMMITMENTS				
H2/CO	Geismar, Louisiana	50MMH2+6.5MMCO	Q2 FY 20	Chem/Pipeline
Syngas	BPCL Ph 2, India	Not disclosed	Q3 FY 20	Chemicals
ASU/H2	Samsung Giheung, Korea	World Scale	Q3 FY 20	Electronics
Liquid ASU	Minnesota	Not disclosed	2021	Merchant
Liquid H2	LaPorte, TX	~30 tons per day	2021	Merchant
ASU/Liquid	Eastman, Kingsport, Tennessee	Not disclosed	2021	Gasifier/Merchant
Liquid H2	California	Not disclosed	2021	Merchant
ASU/Liquid	Big River Steel, Arkansas	>250 TPD + liquid	2021	Steel/Merchant
ASU/Gasifier/ Power	AP / ACWA / SA / APQ – Jazan, Saudi Arabia	\$11.5B total JV	2020*	Gasif to Refinery
ASU/Gasifier	AP 100% - Jiutai – Hohhot, China	\$0.65B investment	2022*	Gasif to Chemicals
ASU/Gasifier	AP (~55-60%) / YK-SFEC - Shaanxi, China	40,000 TPD O2, \$3.5B total JV	2023*	Gasif to Chemicals
ASU/Gasifier	AP (80%) / Debang – Lianyung City, China	~\$250 million total JV	2023	Gasif to Chemicals / Merchant
SMR/ASU/PL	GCA – Texas City	~\$500 million	2023	Ammonia

Air Products Adjusted EPS*

FY14	FY15	FY16	FY17		FY18	FY19	FY20
				Q1	\$1.79	\$1.86	\$2.14
				Q2	\$1.71	\$1.92	\$2.10 - \$2.20#
				Q3	\$1.95	\$2.17	
				Q4	\$2.00	\$2.27	
\$4.42	\$4.88	\$5.64	\$6.31		\$7.45	\$8.21	\$9.35 - \$9.60#



* Non-GAAP financial measure. See website for reconciliation.
 CAGR is calculated using midpoint of FY20 guidance.
 # Outlook



Capital Expenditure*

FY	\$MM
2020 Outlook	\$4 - \$4.5 billion
2019	\$2,129
2018	\$1,914
2017	\$1,056
2016	\$908
2015	\$1,201

Quarter	2020 \$MM
Q1	\$455
Q2	
Q3	
Q4	

Moving forward



Thank you
tell me more

