

Moving forward



Create Shareholder Value

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Bank of America Merrill Lynch
Global Chemicals Conference

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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 and growth prospects. These forward-looking statements are based on management's reasonable expectations and assumptions as of the date of this release. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, global or regional economic conditions and supply and demand dynamics in market segments into which the Company sells; significant fluctuations in interest rates and foreign currencies from that currently anticipated; with regard to the intended separation of Materials Technologies, general economic and business conditions that may affect the proposed separation and the execution thereof, changes in capital market conditions, and Air Products' decision not to consummate the separation due to market, economic or for any other reason; future financial and operating performance of major customers; unanticipated contract terminations or customer cancellations or postponement of projects and sales; asset impairments due to economic conditions or specific events; the impact of competitive products and pricing; challenges of implementing new technologies; ability to protect and enforce the Company's intellectual property rights; unexpected changes in raw material supply and markets; the impact of price fluctuations in natural gas and disruptions in markets and the economy due to oil price volatility; the ability to recover increased energy and raw material costs from customers; costs and outcomes of litigation or regulatory investigations; the success of productivity and cost reduction programs; the timing, impact, and other uncertainties of future acquisitions or divestitures; political risks, including the risks of unanticipated government actions; acts of war or terrorism; the impact of changes in environmental, tax or other legislation and regulatory activities in jurisdictions in which the Company and its affiliates operate.

Air Products today

\$10
billion in sales

20,000
employees

50+
countries

284
On Fortune 500 list

7+
decades in business

170,000+
customers

1800
miles of industrial
gas pipeline

750+
production
facilities

30+
industries
served

Air Products is...

...a leader in the global industrial gas industry with:

- Established leading positions in diverse end markets, including energy, chemicals, metals, electronics and manufacturing
- Growth opportunities driven by Energy, Environmental and Emerging markets
- Complementary equipment businesses
- A multi-billion project backlog with long-term contracts that generate consistent and predictable cash flows
- Leading positions in key growth regions including profitable joint ventures
- A prudent capital structure with a solid balance sheet supporting long-term profitable growth

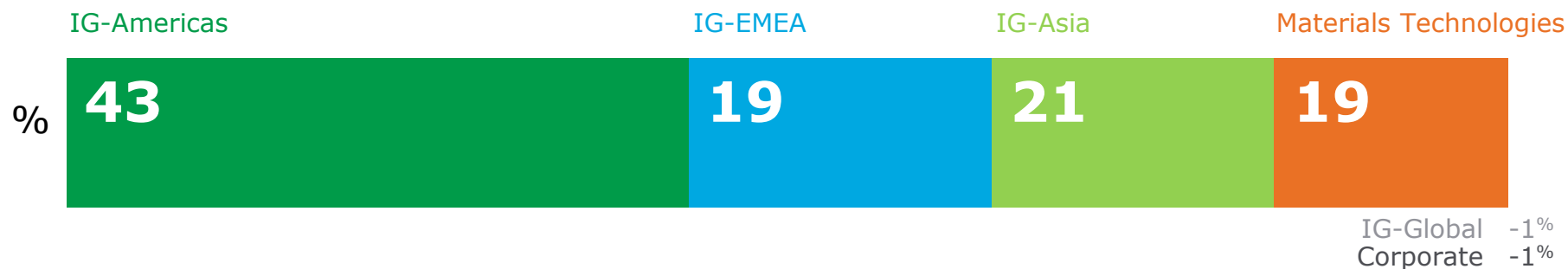


APD segments

FY15 Sales: \$9.9 B



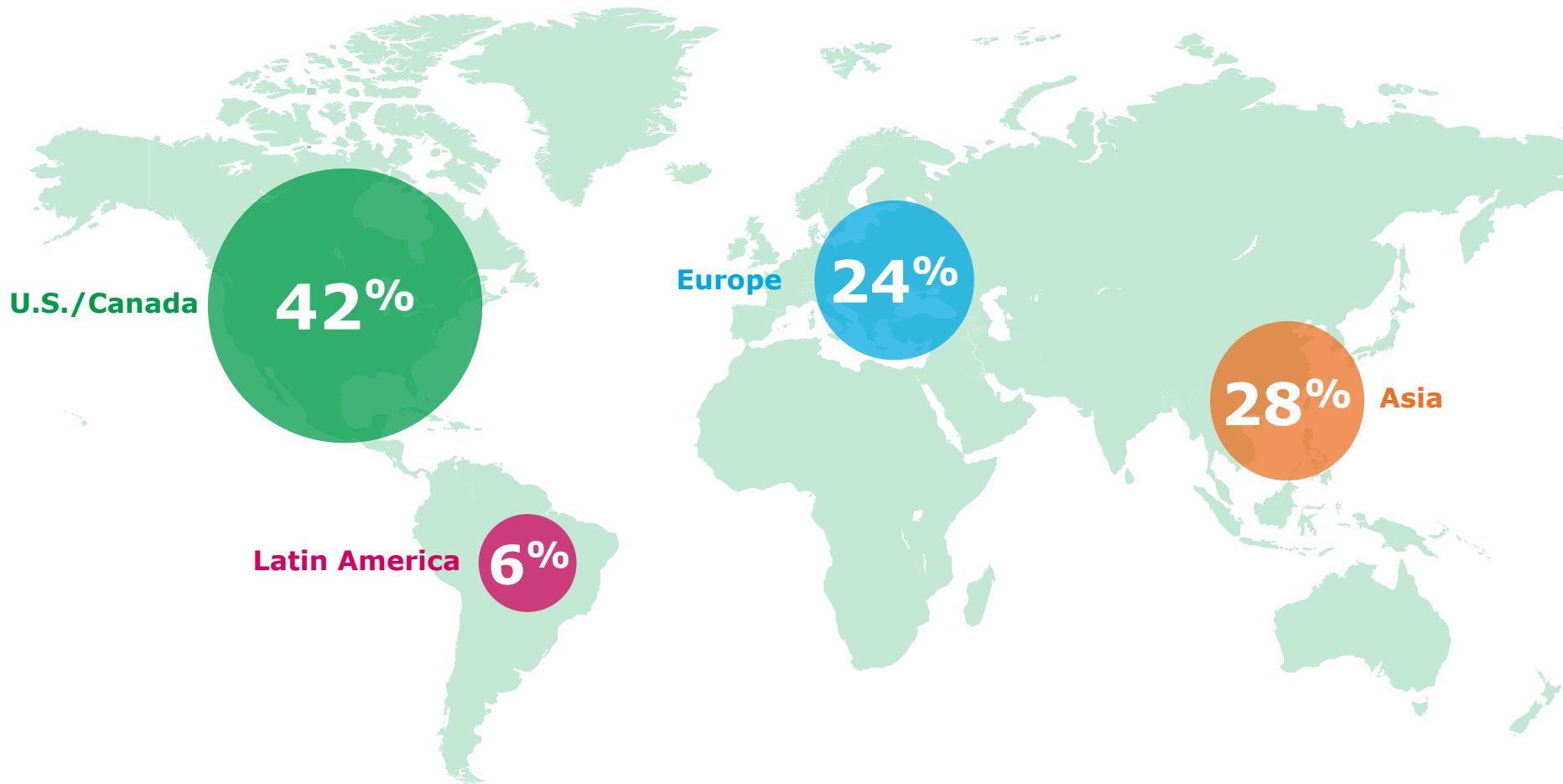
FY15 EBITDA: \$3.0 B



non-GAAP measures—see appendix for reconciliation

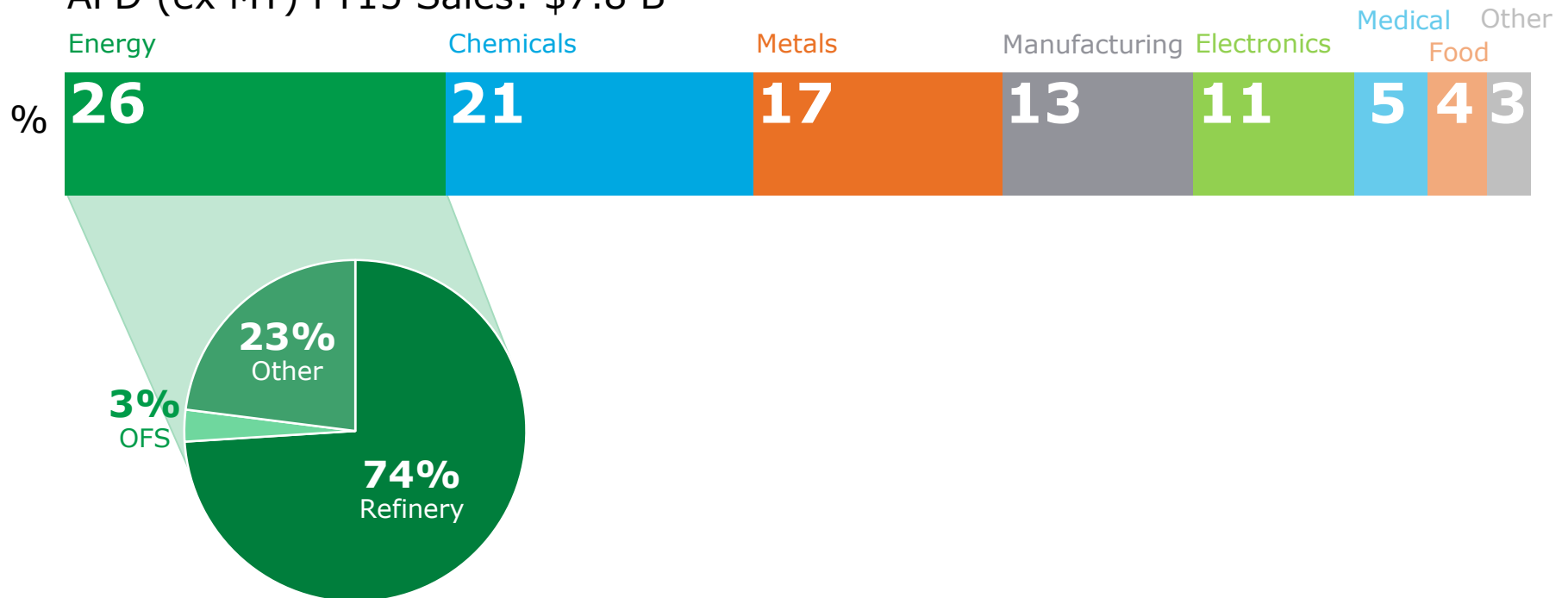
APD global presence

FY15 Sales = \$9.9 billion



End Markets We Serve

APD (ex MT) FY15 Sales: \$7.8 B









Strong Growth Opportunities

- Large onsite investments driven by Energy, Environmental and Emerging market growth globally
 - Petrochemical Investments in the US Gulf Coast
 - Coal Gasification in China
 - Refinery hydrogen globally
 - New wave of demand for outsourced industrial gases for Oil & Chemical industry driven by lower oil prices
- Merchant business growth driven by underlying manufacturing economy



APD Joint Ventures

Profitable joint ventures with leadership positions in emerging markets

| | Mexico | Italy | South Africa | Saudi Arabia | India | Thailand |
|-------------------|---|---|--|---|---|---|
| |  |  |  |  |  |  |
| Sales (\$B, 100%) | \$0.8 | \$0.5 | \$0.2 | \$0.15 | \$0.15 | \$0.15 |
| AP Ownership | 40% | 49% | 50% | 25% | 50% | 49% |

| FY 2015 | Air Products (as reported) | Equity Affiliates ¹ (100% basis) | Combined ² (AP + 100% EA) |
|--------------|-------------------------------|--|---|
| Sales (\$B) | \$9.9 | \$2.6 | \$12.5 |
| Op Inc (\$B) | \$1.9 | \$0.5 | \$2.4 |
| Op Margin | 19.0% | 20.4% | 19.3% |

Partially owned JV's create exposure to 26% more sales and 28% more op income

1. Please refer to financial statements for equity affiliate accounting.
2. Non-GAAP. If Air Products was to gain controlling financial interest and then consolidate, the results would be different than shown here

Our Goal

Air Products will be the **safest** and the **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

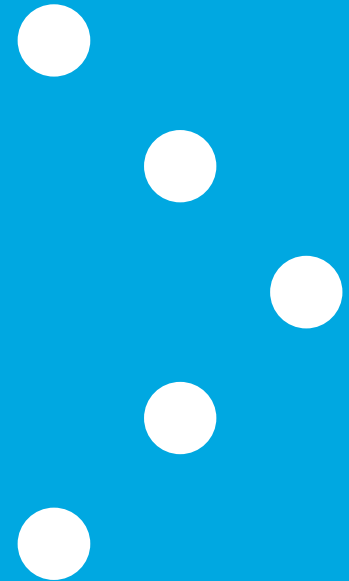
Decentralized organization releases entrepreneurial energy and keeps both costs and politics (“bureaucracy”) down.

Our Plan

5 point plan summary

| Focus on the core  | Restructure organization  | Change culture  | Control capital/costs  | Align rewards  |
|---|--|--|---|---|
| Industrial gases | Decentralize | Safety | Capex | Reward performance |
| Key geographies | Geographic alignment | Simplicity | Hurdle rates | EBITDA/value creation target |
| | | Speed | Corporate cost | |
| | | Self-confidence | Ops./Dist. efficiency | |
|  |  |  |  |  |

Q1FY16 Quarterly Earnings Slides



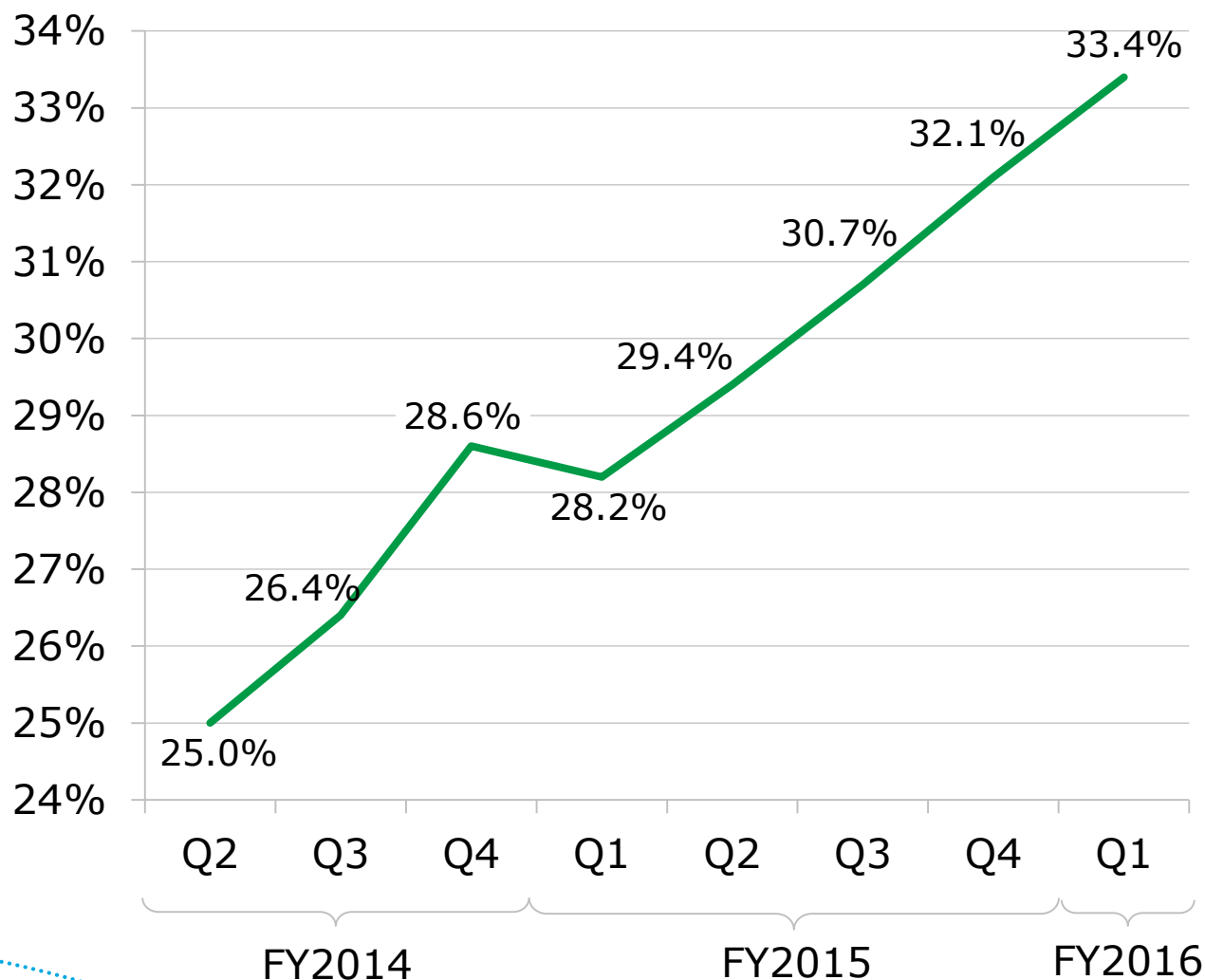
Safety results – Q1

| | FY15 | Q116 | Change |
|---------------------------------|-------------|-------------|---------------|
| Employee Lost Time Injury Rate | 0.20 | 0.26 | 30% Worse |
| Employee Recordable Injury Rate | 0.49 | 0.57 | 16% Worse |

Q1 Summary

| | FY15 Q1 | FY16 Q1 | Change |
|---------------------------|--------------------|--------------------|---------------|
| Sales \$millions | \$2,561 | \$2,356 | (8%) |
| EBITDA \$millions | \$723 | \$786 | +9% |
| EBITDA % margin | 28.2% | 33.4% | +520bp |
| Free Cash Flow \$millions | \$(34) | \$165 | \$199 |
| EPS \$/share | \$1.55 | \$1.78 | +15% |
| ROCE | 10.1% | 11.7% | +160bp |

EBITDA Margin Trend



Based on continuing ops, non-GAAP measures, see appendix for reconciliation

Q1 Cash Flow Focus

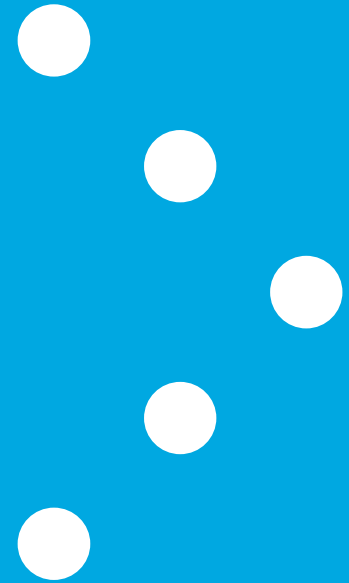
| (\$ million) | Q1 FY15 | Q1 FY16 | Change |
|-------------------------|--------------|--------------|-------------|
| EBITDA | \$723 | \$786 | \$63 |
| Interest | (29) | (22) | 7 |
| Cash Tax | (63) | (67) | (4) |
| Maintenance Capex | <u>(83)</u> | <u>(61)</u> | <u>22</u> |
| Distributable Cash Flow | \$548 | \$636 | \$88 |
| Growth Capex | (418) | (297) | 121 |
| Dividends | <u>(164)</u> | <u>(174)</u> | <u>(10)</u> |
| Free Cash Flow | (\$34) | \$165 | \$199 |

- Significant increase in Free Cash Flow driven by higher EBITDA and reduced growth capex

Outlook

| | |
|------------------|-----------------------------|
| FY2016 Q2 EPS | \$1.78 - \$1.83 |
| FY2016 EPS | \$7.25 - \$7.50 (unchanged) |
| Capital Spending | Approx. \$1.3 billion |

Materials Technologies / Versum Materials



Air Products has announced plans to separate our Materials Technologies business (Versum Materials) through a tax-free spin-off

- Would allow the industrial gases and materials businesses to leverage their respective critical competencies and enhance competitive position
 - Creates two leading, focused public companies
 - Enables shareholders to value industrial gases and materials businesses independently
- Would take place through a distribution of shares of Versum Materials to our shareholders, intended to be tax-free to Air Products U.S. shareholders
- Timing
 - Targeted to be operating separately and ready for spin by Sept 2016, subject to regulatory approvals
 - Final spin/ownership timing dependent on market conditions and APD Board decision

Tailored capital structures with financial flexibility to drive value creation

- Air Products expects to manage its balance sheet to maintain its current targeted A/A2 rating
 - Transaction is expected to create approximately \$1.5 billion of additional capital deployment capacity for Air Products
- Versum Materials will be well-capitalized consistent with target BB/Ba rating
- Dividend from both companies in total is expected to equal that of Air Products at separation

VERSUM MATERIALS

BEST IN CLASS SPECIALTY MATERIALS COMPANY



Solid growth

High margins

Low capital intensity

Strong free cash flow



Leadership positions in niche markets with favorable industry structures



Strong technology, commercial and operations capabilities



Global infrastructure



Compelling growth platforms with sustainable competitive advantage



Strong financial performance and cash flow generation



Experienced management team with proven track record

MATERIALS TECHNOLOGIES

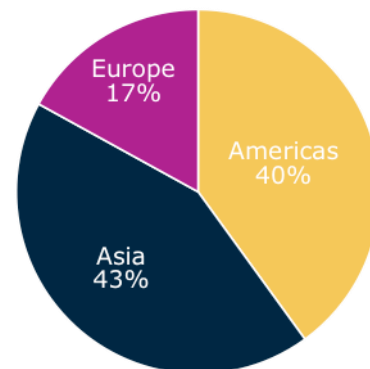
A PORTFOLIO OF WORLD CLASS BUSINESSES

| | |
|----------------|---------|
| Sales:* | \$2,053 |
| Adj. EBITDA:* | \$590 |
| EBITDA Margin: | 28.7% |
| Op Income:* | \$499 |
| Op Margin: | 24.3% |

Performance Materials Division (PMD)
~50% of sales

Electronic Materials Division (EMD)
~50% of sales

- Size and critical mass to succeed
- Strong financials
- Diversification of two divisions
- Geographically well positioned



% of FY 15 Sales

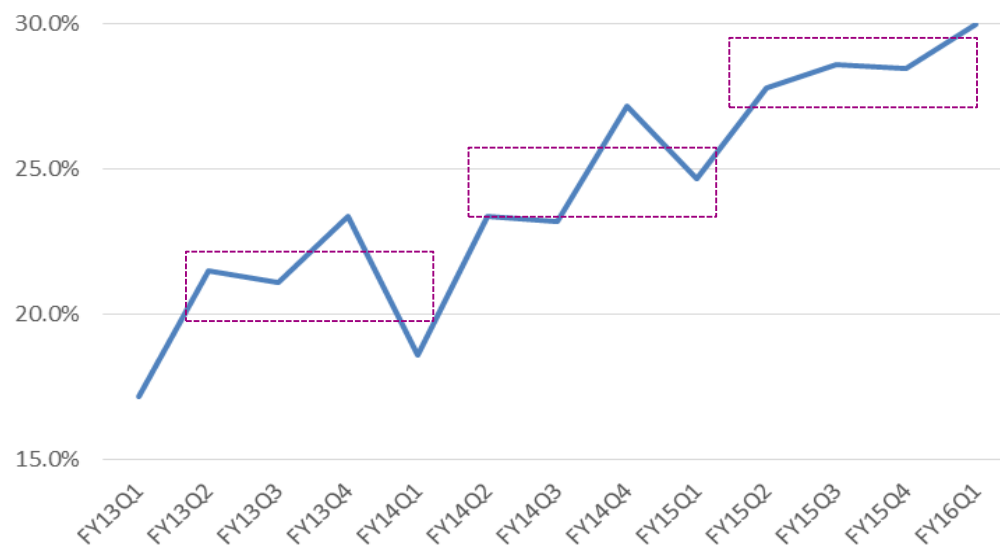
REACHING HIGHER LEVELS OF PERFORMANCE

SELF-HELP ACTIONS DRIVING SUSTAINABLE MARGIN IMPROVEMENT

Structural Shift In Profitability

- Exited un-sustainable businesses
- Improved Process Material business model and supply chain
- Reduced structural cost
- Drove multi lever actions (volume leverage, innovation, product mix, pricing, RM cost, operating and overhead productivity)

Materials Technologies Adj. EBITDA Margin



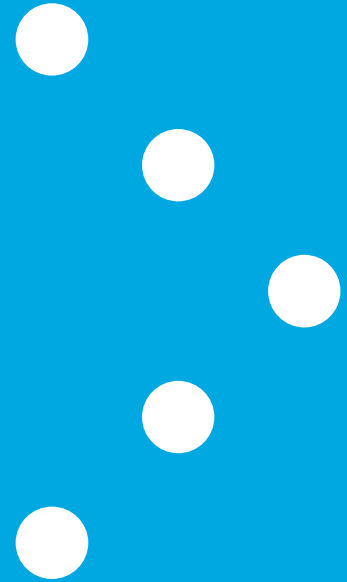
SIGNIFICANT CASH GENERATION

| (\$ million) | |
|---------------------------------------|-------------|
| Adj EBITDA | \$534 |
| Est. Interest | (150) |
| Est. Cash Taxes | (84) |
| Est. Maintenance Capex | <u>(30)</u> |
| Est. Distributable Cash Flow | \$270 |
| Est. Growth Capex | (40) |
| Est. Free Cash Flow (before dividend) | \$230 |

Notes:

- Adj EBITDA = FY15 Versum Carve-out, non-GAAP – see appendix for reconciliation
- Est. Interest = assumes \$2.5 billion debt at 6%
- Est. Maintenance Capex = 1.5% of sales, as disclosed in Form 10
- Est. Growth Capex = ~\$70 million total capex average for last three years, as disclosed in Form 10, less maintenance capex

Our competitive
advantage



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

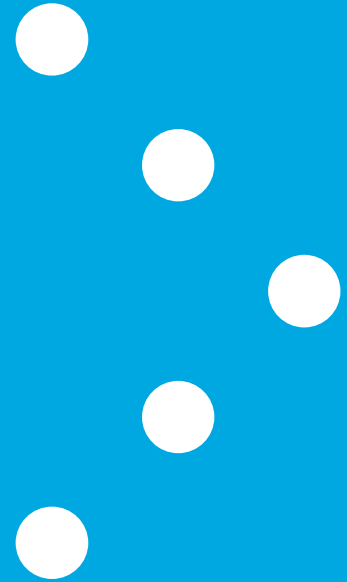
Moving forward



Thank you
tell me more

AIR
PRODUCTS 

Appendix Slides



Appendix: Q116 Results

Moving forward



(\$ Millions, except per share data)

| | GAAP Measure | | | | Non GAAP Adjusts. (2) | | Non GAAP Measure | | | |
|---|--------------|---------|-----------|----------|-----------------------|------|------------------|---------|-----------|----------|
| | Q116 | Q115 | \$ Change | % Change | Q116 | Q115 | Q116 | Q115 | \$ Change | % Change |
| Q116 vs. Q115 - Total Company | | | | | | | | | | |
| Sales | 2,355.8 | 2,560.8 | (205.0) | (8%) | | | 2,355.8 | 2,560.8 | (205.0) | (8%) |
| Operating Income | 493.0 | 430.0 | 63.0 | 15% | 26.3 | 14.5 | 519.3 | 444.5 | 74.8 | 17% |
| Operating Margin | 20.9% | 16.8% | | 410bp | | | 22.0% | 17.4% | | 460bp |
| Income from Cont. Ops. (1) | 363.6 | 324.6 | 39.0 | 12% | 23.4 | 10.5 | 387.0 | 335.1 | 51.9 | 15% |
| Diluted EPS - Cont. Ops. (1) | \$1.67 | \$1.50 | \$0.17 | 11% | 0.11 | 0.05 | \$1.78 | \$1.55 | \$0.23 | 15% |
| Q116 vs. Q415 - Total Company | | | | | | | | | | |
| Sales | 2,355.8 | 2,449.4 | (93.6) | (4%) | | | 2,355.8 | 2,449.4 | (93.6) | (4%) |
| Operating Income | 493.0 | 472.2 | 20.8 | 4% | 26.3 | 42.6 | 519.3 | 514.8 | 4.5 | 1% |
| Operating Margin | 20.9% | 19.3% | | 160bp | | | 22.0% | 21.0% | | 100bp |
| Income from Cont. Ops. (1) | 363.6 | 344.5 | 19.1 | 6% | 23.4 | 52.7 | 387.0 | 397.2 | (10.2) | (3%) |
| Diluted EPS - Cont. Ops. (1) | \$1.67 | \$1.58 | \$0.09 | 6% | 0.11 | 0.24 | \$1.78 | \$1.82 | (\$0.04) | (2%) |
| Q116 vs Q115 - Industrial Gases - EMEA - Constant Currency Basis | | | | | | | | | | |
| | Q116 | Q115 | Change | Change | Q116 (3) | | Q116 | Q115 | Change | Change |
| Operating Income | 91.7 | 81.3 | 10.4 | 13% | 7.7 | | 99.4 | 81.3 | 18.1 | 22% |

(1) Attributable to Air Products

(2) Non GAAP Adjustments

| | Q116 | | | Q415 | | | Q115 | | |
|---|--------|-------------------|------|--------|-------------------|--------|--------|-------------------|--------|
| | Op Inc | Inc From Cont Ops | EPS | Op Inc | Inc From Cont Ops | EPS | Op Inc | Inc From Cont Ops | EPS |
| Business restructuring/cost reduction actions | | | | 61.7 | 54.5 | 0.25 | 32.4 | 21.7 | 0.10 |
| Pension settlement loss | | | | 7.0 | 4.8 | 0.02 | | | |
| Gain on previously held equity interest | | | | | | | (17.9) | (11.2) | (0.05) |
| Business separation costs | 12.0 | 12.0 | 0.06 | 7.5 | 7.5 | 0.03 | | | |
| Gain on land sales | | | | (33.6) | (28.3) | (0.13) | | | |
| Loss on early retirement of debt | | | | | 14.2 | 0.07 | | | |
| Project suspension costs | 14.3 | 11.4 | 0.05 | - | - | - | - | - | - |
| Total Adjustments | 26.3 | 23.4 | 0.11 | 42.6 | 52.7 | 0.24 | 14.5 | 10.5 | 0.05 |

(3) Currency Adjustment

Appendix: Adjusted EBITDA Trend

| \$ Millions | Q115 | Q215 | Q315 | Q415 | FY15 | Q116 | Q116 vs PY | | Q116 vs PQ | |
|--------------------------------------|-------------|-------------|-------------|-------------|--------------|-------------|------------|-------|------------|-------|
| | | | | | | | \$ | % | \$ | % |
| Income From Continuing Operations | 337.5 | 296.9 | 333.2 | 350.0 | 1,317.6 | 372.0 | | | | |
| Add: Interest expense | 29.1 | 23.4 | 28.2 | 22.8 | 103.5 | 22.2 | | | | |
| Add: Income tax provision | 106.5 | 87.1 | 103.5 | 118.8 | 415.9 | 132.5 | | | | |
| Add: Depreciation and amortization | 235.5 | 233.3 | 233.0 | 234.6 | 936.4 | 232.7 | | | | |
| Add Non GAAP pre-tax adjustments (1) | <u>14.5</u> | <u>68.0</u> | <u>59.8</u> | <u>59.2</u> | <u>201.5</u> | <u>26.3</u> | | | | |
| Adjusted EBITDA | 723.1 | 708.7 | 757.7 | 785.4 | 2,974.9 | 785.7 | 62.6 | 9% | 0.3 | 0% |
| Sales | 2,560.8 | 2,414.5 | 2,470.2 | 2,449.4 | 9,894.9 | 2,355.8 | | | | |
| Adjusted EBITDA Margin | 28.2% | 29.4% | 30.7% | 32.1% | 30.1% | 33.4% | | 520bp | | 130bp |

(1) Non GAAP Pre-Tax Adjustments

| | Q115 | Q215 | Q315 | Q415 | FY15 | Q116 |
|---|-------------|-------------|-------------|-------------|--------------|-------------|
| Business restructuring/cost reduction actions | 32.4 | 55.4 | 58.2 | 61.7 | 207.7 | 0.0 |
| Pension Settlement Loss | 0.0 | 12.6 | 1.6 | 7.0 | 21.2 | 0.0 |
| Gain on previously held equity investment | (17.9) | 0.0 | 0.0 | 0.0 | (17.9) | 0.0 |
| Business separation costs | 0.0 | 0.0 | 0.0 | 7.5 | 7.5 | 12.0 |
| Gain on land sales | 0.0 | 0.0 | 0.0 | (33.6) | (33.6) | 0.0 |
| Loss on early retirement of debt | 0.0 | 0.0 | 0.0 | 16.6 | 16.6 | 0.0 |
| Project suspension costs | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>14.3</u> |
| Non GAAP pre-tax adjustments | <u>14.5</u> | <u>68.0</u> | <u>59.8</u> | <u>59.2</u> | <u>201.5</u> | <u>26.3</u> |

Appendix: ROCE

Moving forward

\$ Millions

| Quarter Ended | Q114 | Q214 | Q314 | Q414 | Q115 | Q215 | Q315 | Q415 | Q116 |
|---|----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Numerator | | | | | | | | | |
| Operating Income Reported | | 384.7 | 413.8 | 144.1 | 430.0 | 374.4 | 422.5 | 472.2 | 493.0 |
| Equity Affiliate Income | | <u>30.4</u> | <u>43.1</u> | <u>39.7</u> | <u>43.1</u> | <u>33.0</u> | <u>42.4</u> | <u>36.0</u> | <u>33.7</u> |
| Earnings before tax as reported | | 415.1 | 456.9 | 183.8 | 473.1 | 407.4 | 464.9 | 508.2 | 526.7 |
| Cost Reduction / Restructuring Charge | | 0.0 | 0.0 | 12.7 | 32.4 | 55.4 | 58.2 | 61.7 | 0.0 |
| Gain on previously held equity interest | | 0.0 | 0.0 | 0.0 | (17.9) | 0.0 | 0.0 | 0.0 | 0.0 |
| Pension Settlement Loss | | 0.0 | 0.0 | 5.5 | 0.0 | 12.6 | 1.6 | 7.0 | 0.0 |
| Goodwill and intangible impairment | | 0.0 | 0.0 | 310.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Business separation costs | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7.5 | 12.0 |
| Gain on land sales | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (33.6) | 0.0 |
| Project suspension costs | | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>14.3</u> |
| Earnings before tax ex items | | 415.1 | 456.9 | 512.1 | 487.6 | 475.4 | 524.7 | 550.8 | 553.0 |
| Effective tax rate as reported | | 24.0% | 24.0% | 49.9% | 24.0% | 22.7% | 23.7% | 25.3% | 26.3% |
| Earnings after tax as reported | | 315.5 | 347.2 | 92.1 | 359.6 | 314.9 | 354.7 | 379.6 | 388.2 |
| Effective tax rate ex items | | 24.0% | 24.0% | 24.0% | 24.1% | 24.1% | 24.9% | 23.7% | 25.5% |
| Earnings after tax ex items | | 315.5 | 347.2 | 389.2 | 370.1 | 360.8 | 394.0 | 420.3 | 412.0 |
| 4 Qtr trailing AT earnings (numerator) - as reported | | | | | 1,114.4 | 1,113.8 | 1,121.3 | 1,408.8 | 1,437.4 |
| 4 Qtr trailing AT Earnings (numerator) - ex items | | | | | 1,422.0 | 1,467.3 | 1,514.1 | 1,545.2 | 1,587.1 |
| Denominator | | | | | | | | | |
| Total Debt | 6,168.3 | 6,167.1 | 6,136.0 | 6,118.5 | 6,089.0 | 5,930.2 | 5,863.2 | 5,879.0 | 5,817.8 |
| Air Products Shareholders' Equity | 7,264.0 | 7,370.9 | 7,696.7 | 7,365.8 | 7,351.5 | 7,332.5 | 7,586.0 | 7,249.0 | 7,367.1 |
| Redeemable Noncontrolling Interest | 358.7 | 343.6 | 341.4 | 287.2 | 288.7 | 280.0 | 277.9 | - | - |
| Noncontrolling Interest | 158.7 | 156.9 | 159.5 | 155.6 | 151.8 | 143.8 | 145.3 | 132.1 | 131.9 |
| Total Capital | 13,949.7 | 14,038.5 | 14,333.6 | 13,927.1 | 13,881.0 | 13,686.5 | 13,872.4 | 13,260.1 | 13,316.8 |
| 2 Qtr Average Capital (denominator) | | | | | 13,904.1 | 13,783.8 | 13,779.5 | 13,566.3 | 13,288.5 |
| 5 Qtr Average Capital (denominator) | | | | | 14,026.0 | 13,973.3 | 13,940.1 | 13,725.4 | 13,603.4 |
| ROCE as rptd (4 Qtr trail AT earnings / 5 pt avg capital) | | | | | 7.9% | 8.0% | 8.0% | 10.3% | 10.6% |
| ROCE ex items (4 Qtr trail AT earnings/ 5 pt avg capital) | | | | | 10.1% | 10.5% | 10.9% | 11.3% | 11.7% |
| Instantaneous ROCE ex items (Qtr earnings AT x 4) / 2 pt avg capital) | | | | | 10.6% | 10.5% | 11.4% | 12.4% | 12.4% |

Appendix: ROCE Tax Rate

Moving forward



| (\$ Millions) | <u>Q214</u> | <u>Q314</u> | <u>Q414</u> | <u>Q115</u> | <u>Q215</u> | <u>Q315</u> | <u>Q415</u> | <u>Q116</u> |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>Reported</u> | | | | | | | | |
| Income Before Taxes | 383.6 | 425.6 | 154.8 | 444.0 | 384.0 | 436.7 | 468.8 | 504.5 |
| Tax Expense | 92.1 | 102.1 | 77.3 | 106.5 | 87.1 | 103.5 | 118.8 | 132.5 |
| Tax Rate Reported | 24.0% | 24.0% | 49.9% | 24.0% | 22.7% | 23.7% | 25.3% | 26.3% |

ITEMS

Operating Income

| | | | | | | | | |
|---|--|--|-------|--------|------|------|--------|------|
| Cost Reduction / Restructuring Charges | | | 12.7 | 32.4 | 55.4 | 58.2 | 61.7 | |
| Pension Settlement Loss | | | 5.5 | | 12.6 | 1.6 | 7.0 | |
| Gain on previously held equity interest | | | | (17.9) | | | | |
| Goodwill and intangible impairment | | | 310.1 | | | | | |
| Business separation costs | | | | | | | 7.5 | 12.0 |
| Gain on land sales | | | | | | | (33.6) | |
| Loss on debt retirement | | | | | | | 16.6 | |
| Project suspension costs | | | | | | | | 14.3 |

Tax Exp

| | | | | | | | | |
|---|--|--|------|-------|------|------|-------|-----|
| Cost Reduction / Restructuring Charges | | | 4.5 | 10.7 | 17.2 | 19.4 | 7.2 | |
| Pension Settlement Loss | | | 1.9 | | 4.7 | 0.6 | 2.2 | |
| Gain on previously held equity interest | | | | (6.7) | | | | |
| Goodwill and intangible impairment | | | 1.3 | | | | | |
| Income tax items | | | 31.0 | | | | | |
| Gain on land sales | | | | | | | (5.3) | |
| Loss on debt retirement | | | | | | | 2.4 | |
| Tees Valley 2 Idling Costs | | | | | | | | 2.9 |

Ex Items

| | | | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Income Before Taxes | 383.6 | 425.6 | 483.1 | 458.5 | 452.0 | 496.5 | 528.0 | 530.8 |
| Tax Expense | 92.1 | 102.1 | 116.0 | 110.5 | 109.0 | 123.5 | 125.3 | 135.4 |
| Tax Rate ex Items | 24.0% | 24.0% | 24.0% | 24.1% | 24.1% | 24.9% | 23.7% | 25.5% |

Appendix: Materials Technologies / Versum Materials

\$ Millions

| | Quarter | | | | | | | | | | | | | Dec15 |
|--|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| | Q113 | Q213 | Q313 | Q413 | Q114 | Q214 | Q314 | Q414 | Q115 | Q215 | Q315 | Q415 | Q116 | LTM |
| Materials Technologies Segment within Air Products | | | | | | | | | | | | | | |
| Operating Income | 51.1 | 69.4 | 72.7 | 86.3 | 64.3 | 93.8 | 96.6 | 124.3 | 104.6 | 124.2 | 131.5 | 116.4 | 127.2 | 499.3 |
| Add: Depreciation and amortization | 26.8 | 27.7 | 26.4 | 26.8 | 24.5 | 22.7 | 24.5 | 27.4 | 24.0 | 23.3 | 22.7 | 22.8 | 19.6 | 88.4 |
| Add Equity Affiliates' Income | 0.9 | 0.9 | 0.3 | 0.7 | 0.6 | 0.6 | 0.8 | 0.6 | 0.6 | 0.7 | 0.3 | 0.6 | 0.4 | 2.0 |
| Adjusted EBITDA | 78.8 | 98.0 | 99.4 | 113.8 | 89.4 | 117.1 | 121.9 | 152.3 | 129.2 | 148.2 | 154.5 | 139.8 | 147.2 | 589.7 |
| Sales | 457.2 | 455.0 | 471.2 | 486.9 | 479.5 | 499.6 | 524.7 | 560.8 | 524.0 | 533.3 | 539.8 | 490.0 | 490.0 | 2,053.1 |
| Operating Margin | 11.2% | 15.3% | 15.4% | 17.7% | 13.4% | 18.8% | 18.4% | 22.2% | 20.0% | 23.3% | 24.4% | 23.8% | 26.0% | 24.3% |
| Adjusted EBITDA Margin | 17.2% | 21.5% | 21.1% | 23.4% | 18.6% | 23.4% | 23.2% | 27.2% | 24.7% | 27.8% | 28.6% | 28.5% | 30.0% | 28.7% |

| Versum Materials | Fiscal Year | | |
|--|-------------|---------|---------|
| | FY13 | FY14 | FY15 |
| Net Income | 75.8 | 253.8 | 307.9 |
| Add: Interest expense | 2.5 | 0.9 | 0.8 |
| Add: Income tax provision | 27.9 | 87.6 | 98.6 |
| Add: Depreciation and amortization | 88.8 | 86.0 | 84.5 |
| Add: Noncontrolling interests | 6.8 | 7.1 | 7.0 |
| Add: Business restructuring and cost reduction actions | 137.4 | 2.0 | 34.8 |
| Adjusted EBITDA | 339.2 | 437.4 | 533.6 |
| Sales | 1,879.0 | 2,075.3 | 2,096.4 |
| Adjusted EBITDA margin | 18.1% | 21.1% | 25.5% |

Appendix – Guidance

EPS Guidance

| <u>Q216 Guidance vs PY</u> | <u>Diluted EPS (1)</u> |
|-------------------------------|----------------------------|
| Q215 GAAP | \$1.33 |
| Business restructuring charge | \$0.18 |
| Pension settlement loss | <u>\$0.04</u> |
| Q215 Non GAAP | <u>\$1.55</u> |
| Q216 Guidance (2) | <u>\$1.78-\$1.83</u> |
| % Change | 15%-18% |

Full Fiscal Year 2016 Guidance

| | |
|---|----------------------|
| FY15 GAAP | \$5.88 |
| Business restructuring charge | \$0.71 |
| Pension settlement loss | \$0.06 |
| Gain on previously held equity investment | (\$0.05) |
| Business separation costs | \$0.03 |
| Gain on land sales | (\$0.13) |
| Loss on early retirement of debt | <u>\$0.07</u> |
| FY15 Non GAAP | <u>\$6.57</u> |
| FY16 Guidance (2) | <u>\$7.25-\$7.50</u> |
| % Change | 10%-14% |

(1) Continuing operations, attributable to Air Products

(2) Guidance excludes the impact of certain items, if applicable, that we believe are not representative of our underlying business