Create Shareholder Value

Q2 FY18
Earnings Conference Call

April 26 2018
Forward-looking statements

This release 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 reasonable expectations and assumptions as of the date this release is furnished. 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; political risks, including the risks of unanticipated government actions; acts of war or terrorism; significant fluctuations in interest rates and foreign currencies from that currently anticipated; future financial and operating performance of major customers; unanticipated contract terminations or customer cancellations or postponement of projects and sales; our ability to execute the projects in our backlog; asset impairments due to economic conditions or specific events; the impact of price fluctuations in natural gas and disruptions in markets and the economy due to oil price volatility; costs and outcomes of litigation or regulatory investigations; the success of productivity and operational improvement programs; the timing, impact, and other uncertainties of future acquisitions or divestitures, including reputational impacts; the Company’s ability to implement and operate with new technologies; the impact of changes in environmental, tax or other legislation, economic sanctions and regulatory activities in jurisdictions in which the Company and its affiliates operate; and other risk factors described in the Company’s Form 10-K for its fiscal year ended September 30, 2017. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this release to reflect any change in the Company’s assumptions, beliefs or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.
## Safety results

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY17</th>
<th>Q218 YTD</th>
<th>FY18 vs FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Lost Time Injury Rate</td>
<td>0.24</td>
<td>0.06</td>
<td>0.07</td>
<td>71% Better</td>
</tr>
<tr>
<td>Employee Recordable Injury Rate</td>
<td>0.58</td>
<td>0.34</td>
<td>0.25</td>
<td>57% Better</td>
</tr>
</tbody>
</table>

FY14 includes MT
FY17-FY18 exclude MT

Moving forward
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

<table>
<thead>
<tr>
<th>Shareholder Value</th>
<th>Cash is king; cash flow drives long-term value. What counts in the long term is the increase in <strong>per share value</strong> of our stock, not size or growth.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO Focus</td>
<td>Capital allocation is the most important job of the CEO.</td>
</tr>
<tr>
<td>Operating Model</td>
<td>Decentralized organization releases entrepreneurial energy and keeps both costs and politics (“bureaucracy”) down.</td>
</tr>
</tbody>
</table>
### Our Plan

#### 5 point plan summary

<table>
<thead>
<tr>
<th>Focus on the core</th>
<th>Restructure organization</th>
<th>Change culture</th>
<th>Control capital/costs</th>
<th>Align rewards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial gases</td>
<td>Decentralize</td>
<td>Safety</td>
<td>Capex</td>
<td>Reward performance</td>
</tr>
<tr>
<td>Key geographies</td>
<td>Geographic alignment</td>
<td>Simplicity</td>
<td>Hurdle rates</td>
<td>EBITDA/value creation target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Speed</td>
<td>Corporate cost</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Self-confidence</td>
<td>Ops./Dist. efficiency</td>
<td></td>
</tr>
</tbody>
</table>
After three years...

We have **delivered** what we promised.

Now we are **well positioned** to drive growth.

And we have the **balance sheet** to do it.
Air Products & Lu’An Clean Energy Company
$1.3 billion Coal-to-Syngas Production Joint Venture

• **JV: Air Products Lu’An (Changzhi) Co., Ltd – Shanxi, China**
  - Ownership = 60% APD / 40% Lu’An
    • APD contributes 4 ASU’s and $500 million
    • Lu’An contributes gasifier / syngas clean-up and receives $500 million
  - Lu’An supplies coal, steam & power and receives syngas
  - APD will fully consolidate JV financials
  - Expected to close Q3 FY18 with phased startup

• **Perfect fit with our strategy**
  - Focus on the core: Industrial Gases
    • Asset Buyback
    • Expanded Scope
  - Onsite business model
    • Fixed fee under long-term contract

Energy, Environment & Emerging Market growth
## Our key profitability metrics

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA % margin</td>
<td>34.3%</td>
</tr>
<tr>
<td>Operating % margin</td>
<td>21.1%</td>
</tr>
<tr>
<td>ROCE</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

Based on continuing ops, non-GAAP measures, see appendix for reconciliation.
EBITDA Margin Trend

Non-GAAP measures, see appendix for reconciliation and pro forma adjustments
# Q2 Results

<table>
<thead>
<tr>
<th></th>
<th>Q2FY18</th>
<th>Favorable (Unfavorable) vs.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Q2FY17</td>
</tr>
<tr>
<td><strong>Sales</strong> ($ million)</td>
<td>$2,156</td>
<td>9%</td>
</tr>
<tr>
<td>- Volume</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>- Price</td>
<td></td>
<td>1%</td>
</tr>
<tr>
<td>- Energy cost pass-through</td>
<td></td>
<td>(1%)</td>
</tr>
<tr>
<td>- Currency</td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$739</td>
<td>13%</td>
</tr>
<tr>
<td>- EBITDA Margin</td>
<td>34.3%</td>
<td>140bp</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$455</td>
<td>12%</td>
</tr>
<tr>
<td>- Operating Margin</td>
<td>21.1%</td>
<td>60bp</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$378</td>
<td>20%</td>
</tr>
<tr>
<td><strong>GAAP EPS ($/share)</strong></td>
<td>$1.89</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Adjusted EPS ($/share)</strong></td>
<td>$1.71</td>
<td>20%</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>11.8%</td>
<td>(50bp)</td>
</tr>
</tbody>
</table>

- Strong volume growth in all three regions
- Volumes, currency and China price drive profit improvement
## Q2 EPS Analysis

<table>
<thead>
<tr>
<th></th>
<th>Q2FY17</th>
<th>Q2FY18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>As reported cont ops EPS</td>
<td>$1.39</td>
<td>$1.89</td>
<td></td>
</tr>
<tr>
<td>less non-GAAP items</td>
<td>(0.04)</td>
<td>0.18</td>
<td>$0.28</td>
</tr>
<tr>
<td>NonGAAP cont ops EPS</td>
<td>$1.43</td>
<td>$1.71</td>
<td>$0.28</td>
</tr>
</tbody>
</table>

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>0.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price / raw materials</td>
<td>0.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>(0.06)</td>
<td></td>
<td>$0.08</td>
</tr>
<tr>
<td>Equity affiliate income</td>
<td>0.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax rate</td>
<td>0.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (NCI, interest, shares, non-op inc.)</td>
<td>(0.01)</td>
<td></td>
<td>$0.11</td>
</tr>
</tbody>
</table>

Based on continuing ops, non-GAAP measures, diluted shares, see appendix for reconciliation
## Q2 Cash Flow Focus

<table>
<thead>
<tr>
<th>($ million)</th>
<th>Q2FY17</th>
<th>Q2FY18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>$652</td>
<td>$739</td>
<td>$87</td>
</tr>
<tr>
<td>Interest, net</td>
<td>(21)</td>
<td>(19)</td>
<td>2</td>
</tr>
<tr>
<td>Cash Tax</td>
<td>(195)</td>
<td>(93)</td>
<td>102</td>
</tr>
<tr>
<td>Maintenance Capex</td>
<td>(98)</td>
<td>(120)</td>
<td>(22)</td>
</tr>
<tr>
<td>Distributable Cash Flow</td>
<td>$338</td>
<td>$507</td>
<td>$169</td>
</tr>
<tr>
<td>Dividends</td>
<td>(187)</td>
<td>(208)</td>
<td>(21)</td>
</tr>
<tr>
<td>Investable Cash Flow</td>
<td>$151</td>
<td>$299</td>
<td>$148</td>
</tr>
</tbody>
</table>

- Increase in Distributable Cash Flow and Investable Cash Flow primarily driven by higher EBITDA and lower cash taxes

Based on continuing ops, non-GAAP measures, diluted shares, see appendix for reconciliation
Balance Sheet update

<table>
<thead>
<tr>
<th></th>
<th>Mar 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash</td>
<td>$3.2</td>
</tr>
<tr>
<td>Operating cash required</td>
<td>$0.2</td>
</tr>
<tr>
<td>Cash available to invest</td>
<td>$3</td>
</tr>
<tr>
<td>Total debt</td>
<td>($3.5)</td>
</tr>
<tr>
<td>Debt capacity</td>
<td>$7.5</td>
</tr>
<tr>
<td>Debt capacity available to invest</td>
<td>$4</td>
</tr>
<tr>
<td>Total current investment capacity</td>
<td>$7</td>
</tr>
</tbody>
</table>

- Commitment to manage debt balance to maintain current targeted A/A2 rating
- Debt Capacity based on assumption of 2.5x TTM EBITDA
### Gases Americas

**Sales**

<table>
<thead>
<tr>
<th>Q2FY18</th>
<th>Fav/(Unfav) vs. Q2FY17</th>
<th>Q1FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$913</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>- Volume</td>
<td>4%</td>
<td>(1%)</td>
</tr>
<tr>
<td>- Price</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>- Energy cost pass-through</td>
<td>(2%)</td>
<td>1%</td>
</tr>
<tr>
<td>- Currency</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$362</td>
<td>3%</td>
</tr>
<tr>
<td>- EBITDA Margin</td>
<td>39.6%</td>
<td>0bp</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$222</td>
<td>0%</td>
</tr>
<tr>
<td>- Operating Margin</td>
<td>24.3%</td>
<td>(80bp)</td>
</tr>
</tbody>
</table>

- Strong hydrogen demand despite adverse weather impact
- Positive underlying merchant demand and slightly positive price

Based on continuing ops, non-GAAP measures, see appendix for reconciliation.
# Gases EMEA

<table>
<thead>
<tr>
<th></th>
<th>Q2FY18</th>
<th>Fav/(Unfav) vs.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2FY17</td>
<td>Q1FY18</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>$562</td>
<td>36% 9%</td>
</tr>
<tr>
<td>- Volume</td>
<td>20%</td>
<td>3%</td>
</tr>
<tr>
<td>- Price</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>- Energy cost pass-through</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>- Currency</td>
<td>15%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$179</td>
<td>29% 7%</td>
</tr>
<tr>
<td>- EBITDA Margin</td>
<td>31.8%</td>
<td>(160bp) (50bp)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$117</td>
<td>32% 12%</td>
</tr>
<tr>
<td>- Operating Margin</td>
<td>20.8%</td>
<td>(60bp) 50bp</td>
</tr>
</tbody>
</table>

- **Strong hydrogen volumes** - new India plant and European pipelines
- **Packaged Gases and Liquid Bulk volumes up** despite one less work day
- **EBITDA margin up slightly excluding India plant** (dilutive due to high energy pass-through)

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

<table>
<thead>
<tr>
<th></th>
<th>Fav/(Unfav) vs.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2FY18</td>
</tr>
<tr>
<td>Sales</td>
<td>$558</td>
</tr>
<tr>
<td>- Volume</td>
<td></td>
</tr>
<tr>
<td>- Price</td>
<td></td>
</tr>
<tr>
<td>- Energy cost pass-through</td>
<td></td>
</tr>
<tr>
<td>- Currency</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>$227</td>
</tr>
<tr>
<td>- EBITDA Margin</td>
<td>40.7%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$149</td>
</tr>
<tr>
<td>- Operating Margin</td>
<td>26.7%</td>
</tr>
</tbody>
</table>

- New plants and base business drive volume growth
- Continued strength in China merchant pricing
- Sequential comparison impacted by a contract termination and plant sale in Q1 and the Lunar New Year in Q2
Global Gases

<table>
<thead>
<tr>
<th></th>
<th>Q2FY18</th>
<th>Favorable/(Unfavorable) vs. Q2FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$102</td>
<td>($115)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$14</td>
<td>($10)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$12</td>
<td>($11)</td>
</tr>
</tbody>
</table>

- Results down on lower Jazan activity

`Based on continuing ops, non-GAAP measures, see appendix for reconciliation.`
Corporate and other

<table>
<thead>
<tr>
<th></th>
<th>Q2FY18</th>
<th>Fav/(Unfav) vs. Q2FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$22</td>
<td>($2)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>($42)</td>
<td>($4)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>($44)</td>
<td>($4)</td>
</tr>
</tbody>
</table>

- LNG activity remains weak

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

<table>
<thead>
<tr>
<th>Q3 EPS</th>
<th>vs PY</th>
<th>FY EPS</th>
<th>vs PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.80 - $1.85</td>
<td>+9% to +12%</td>
<td>$7.25 to $7.40</td>
<td>+15% to +17%</td>
</tr>
</tbody>
</table>

FY18 Capital Spending = $1.8 – 2.0 billion

*EPS and Capex guidance includes acquisitions closed in Q1/Q2 and LuAn, but excludes any other future significant acquisitions*
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
<table>
<thead>
<tr>
<th>Plant</th>
<th>Location</th>
<th>Capacity</th>
<th>Timing</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ONSTREAM (last five quarters)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASU/H2/Liq.</td>
<td>Pyeongtaek, Korea – Ph 1</td>
<td>World Scale</td>
<td>OS Q217</td>
<td>Electronics</td>
</tr>
<tr>
<td>H2/ASU</td>
<td>BPCL, India</td>
<td>165 MMSCFD H2</td>
<td>OS Q317*</td>
<td>Refinery / Chems</td>
</tr>
<tr>
<td>ASU</td>
<td>Yitai Chemical</td>
<td>Over 9000 TPD O2</td>
<td>OS Q317</td>
<td>Gasif to CTL</td>
</tr>
<tr>
<td>ASU</td>
<td>PKEDZ, Nanjing, China</td>
<td>World Scale</td>
<td>OS Q118</td>
<td>Electronics</td>
</tr>
<tr>
<td>ASU</td>
<td>Pyeongtaek, Korea – Ph 2</td>
<td>World Scale</td>
<td>OS Q118</td>
<td>Electronics</td>
</tr>
<tr>
<td><strong>BACKLOG - $1.5 billion - over 90% secure onsite/pipeline business model</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2/CO</td>
<td>Baytown, Texas</td>
<td>125 MM H2+CO</td>
<td>Q3 FY18</td>
<td>Pipeline</td>
</tr>
<tr>
<td>ASU/Liquid</td>
<td>Ulsan, South Korea</td>
<td>1750 TPD</td>
<td>Q4 FY18</td>
<td>Pipeline</td>
</tr>
<tr>
<td>ASU</td>
<td>Samsung Pyeongtaek, Korea – Ph 3/4</td>
<td>World Scale</td>
<td>FY18/FY19*</td>
<td>Electronics</td>
</tr>
<tr>
<td>Liquid</td>
<td>Middletown, Ohio</td>
<td>400 TPD</td>
<td>FY 19</td>
<td>Merchant</td>
</tr>
<tr>
<td>ASU/LAR</td>
<td>Chemours, Tennessee</td>
<td>Not disclosed</td>
<td>FY 19</td>
<td>Chemicals</td>
</tr>
<tr>
<td>Liquid</td>
<td>Glenmont, NY</td>
<td>1100 TPD LXNLAR</td>
<td>FY 19</td>
<td>Merchant</td>
</tr>
<tr>
<td>ASU/H2/Air</td>
<td>Samsung Xi’an, China</td>
<td>World Scale</td>
<td>FY 19</td>
<td>Electronics</td>
</tr>
<tr>
<td>ASU</td>
<td>Samsung Tangjeong, Korea</td>
<td>Not disclosed</td>
<td>Not disclosed</td>
<td>Electronics</td>
</tr>
<tr>
<td>Syngas</td>
<td>BPCL Ph 2, India</td>
<td>NA</td>
<td>Not disclosed</td>
<td>Chemicals</td>
</tr>
<tr>
<td>H2/CO</td>
<td>Geismar, Lousiana</td>
<td>50MMH2+6.5MMCO</td>
<td>FY 20</td>
<td>Chem/Pipeline</td>
</tr>
<tr>
<td><strong>JOINT VENTURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASU/Gasifier</td>
<td>Air Products (60%) Lu’An Shanxi, China</td>
<td>10,000 TPD O2, $1.3B total JV investment</td>
<td>FY 18*</td>
<td>Gasif to CTL</td>
</tr>
<tr>
<td>ASU: SOE+25% EAJV</td>
<td>Saudi Aramco, Jazan</td>
<td>75,000 TPD O2/N2</td>
<td>FY 19*</td>
<td>Refinery</td>
</tr>
<tr>
<td>ASU/Gasifier</td>
<td>Air Products YK/SFEC Shaanxi, China</td>
<td>40,000 TPD O2, $3.5B total JV investment</td>
<td>FY 21*</td>
<td>Gasif to CTL</td>
</tr>
</tbody>
</table>
### Air Products EPS

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$1.35</td>
<td>$1.47</td>
<td></td>
<td>$1.79</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>$1.37</td>
<td>$1.43</td>
<td></td>
<td>$1.71</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>$1.44</td>
<td>$1.65</td>
<td>$1.80 - $1.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>$1.49</td>
<td>$1.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY14</td>
<td>$4.42</td>
<td>$4.88</td>
<td>$5.64</td>
<td>$6.31</td>
<td>$7.25 - $7.40</td>
</tr>
</tbody>
</table>

Based on continuing ops, non-GAAP measures, see appendix for reconciliation.
## Capital Expenditure

<table>
<thead>
<tr>
<th>FY</th>
<th>$MM</th>
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<tr>
<td>2018 Forecast</td>
<td>$1.8 - $2.0 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$1,066</td>
</tr>
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<td>2016</td>
<td>$935</td>
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<td>2015</td>
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<tr>
<td>2013</td>
<td>$1,740</td>
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<td>2012</td>
<td>$1,749</td>
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Non-GAAP - includes Capital Expenditures - GAAP basis, plus Capital Lease expenditures and Purchase of non-controlling interests. Excludes $0.7B in 2012 and $0.3B in 2015 for Indura equity. 2012-2014 are estimates.
## Appendix: Q218 Results

($ Millions, except per share data)

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<tr>
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<th>GAAP Measure</th>
<th>Non GAAP Adjusts.</th>
<th>Non GAAP Measure</th>
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<tr>
<td><strong>Q218 vs. Q217 - Total Company</strong></td>
<td>Q218</td>
<td>Q217</td>
<td>Change</td>
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<tr>
<td>Sales</td>
<td>2,155.7</td>
<td>1,980.1</td>
<td>175.6</td>
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<tr>
<td>Operating Income</td>
<td>455.4</td>
<td>395.6</td>
<td>59.8</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>21.1%</td>
<td>20.0%</td>
<td>110bp</td>
</tr>
<tr>
<td>Income from Cont. Ops. (1)</td>
<td>416.4</td>
<td>304.4</td>
<td>112.0</td>
</tr>
<tr>
<td>Diluted EPS - Cont. Ops. (1)</td>
<td>$1.89</td>
<td>$1.39</td>
<td>$0.50</td>
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</table>

| **Q218 vs. Q118 - Total Company** | Q218 | Q118 | Change | % | Change | Q218 (2) | Q118 (2) |
| Sales                     | 2,155.7      | 2,216.6            | (60.9)           | (3%)        | -       | -        | 2,155.7  | 2,216.6 | (60.9) | (3%)  |
| Operating Income          | 455.4        | 460.7              | (5.3)            | (1%)        | -       | -        | 455.4    | 460.7  | (5.3)  | (1%)  |
| Operating Margin          | 21.1%        | 20.8%              | 30bp             | -           | -       | -        | 21.1%    | 20.8%  | 30bp   |         |
| Income from Cont. Ops. (1)| 416.4        | 155.6              | 260.8            | 168%        | (38.8)  | 239.0    | 377.6    | 394.6  | (17.0) | (4%)  |
| Diluted EPS - Cont. Ops. (1)| $1.89  | $0.70            | $1.19            | 170%        | (0.18)  | 1.09     | $1.71    | $1.79  | ($0.08) | (4%)  |

(1) Attributable to Air Products

(2) Non GAAP Adjustments

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<tr>
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<td>Tax Restructuring Benefit</td>
<td>Op Inc</td>
<td>Inc From</td>
</tr>
<tr>
<td></td>
<td>Op Inc</td>
<td>Cont Ops</td>
</tr>
<tr>
<td>Cost reduction and asset actions</td>
<td>(38.8)</td>
<td>-</td>
</tr>
<tr>
<td>Pension Settlement Loss</td>
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<td>-</td>
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<tr>
<td>Tax reform repatriation</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Tax reform rate change and other</td>
<td>(38.8)</td>
<td>(0.18)</td>
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<tr>
<td>Total Adjustments</td>
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<td>-</td>
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AIR PRODUCTS
### Appendix: Adjusted EBITDA Trend

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<tr>
<th>$ Millions</th>
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<th>Q217</th>
<th>Q317</th>
<th>Q417</th>
<th>FY17</th>
<th>Q118</th>
<th>Q218</th>
<th>Q218 vs PY</th>
<th>Q218 vs PQ</th>
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<tr>
<td>Income From Continuing Operations</td>
<td>258.2</td>
<td>310.1</td>
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<td>29.8</td>
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<td>3.7</td>
<td>7.8</td>
<td>16.6</td>
<td>9.8</td>
<td>11.1</td>
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<td>Add: Income tax provision</td>
<td>78.4</td>
<td>94.5</td>
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<td>(1.3)</td>
<td>260.9</td>
<td>291.8</td>
<td>56.2</td>
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<td>Add: Depreciation and amortization</td>
<td>206.1</td>
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<td>216.9</td>
<td>231.0</td>
<td>865.8</td>
<td>227.9</td>
<td>240.0</td>
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<tr>
<td>Add Non GAAP pre-tax adjustments (1)</td>
<td>82.5</td>
<td>10.3</td>
<td>284.3</td>
<td>36.2</td>
<td>413.3</td>
<td>32.5</td>
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<tr>
<td>Adjusted EBITDA</td>
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<td>651.9</td>
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<td>769.4</td>
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<td>2,203.1</td>
<td>8,187.6</td>
<td>2,216.6</td>
<td>2,155.7</td>
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<tr>
<td>Adjusted EBITDA Margin</td>
<td>34.8%</td>
<td>32.9%</td>
<td>34.1%</td>
<td>34.9%</td>
<td>34.2%</td>
<td>33.2%</td>
<td>34.3%</td>
<td>140bp</td>
<td>110bp</td>
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</table>

(1) Non GAAP Pre-Tax Adjustments

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<th>Q217</th>
<th>Q317</th>
<th>Q417</th>
<th>FY17</th>
<th>Q118</th>
<th>Q218</th>
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<tr>
<td>Cost reduction and asset actions</td>
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<td>48.4</td>
<td>151.4</td>
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<td>Goodwill and intangible asset impairment charge</td>
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<td>162.1</td>
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<td>79.5</td>
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<td>(12.2)</td>
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<td>0.0</td>
<td>0.0</td>
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<td>0.0</td>
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<tr>
<td>Non GAAP pre-tax adjustments</td>
<td>82.5</td>
<td>10.3</td>
<td>284.3</td>
<td>36.2</td>
<td>413.3</td>
<td>32.5</td>
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Notes Relevant to EBITDA Graph Slide
- FY17-18 updated for ASU2017-07
- FY15-18 based on continuing ops
- FY14 as previously reported, including MT
## Appendix: Adjusted EBITDA by Segment

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<th>$ Millions</th>
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<th>Q217</th>
<th>Q317</th>
<th>Q417</th>
<th>FY17</th>
<th>Q118</th>
<th>Q218</th>
<th>Q218 vs PY</th>
<th>Q218 vs PQ</th>
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<td><strong>Gases - Americas</strong></td>
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<tr>
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<td>223.3</td>
<td>223.2</td>
<td>234.9</td>
<td>264.7</td>
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<td>117.0</td>
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<td>Add Equity Affiliates' Income</td>
<td>14.7</td>
<td>13.0</td>
<td>14.1</td>
<td>16.3</td>
<td>58.1</td>
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<td>39.6%</td>
<td>39.4%</td>
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<td>38.9%</td>
<td>39.6%</td>
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<td>104.5</td>
<td>116.7</td>
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<tr>
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<td>177.1</td>
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<td>50.7</td>
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<td>9.5</td>
<td>8.3</td>
<td>15.7</td>
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<td>47.1</td>
<td>13.1</td>
<td>11.1</td>
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<td>35.5%</td>
<td>34.8%</td>
<td>32.3%</td>
<td>31.8%</td>
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<td>(50)bp</td>
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<tr>
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<td>175.5</td>
<td>148.7</td>
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<td>38.3%</td>
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<td>12.1</td>
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<td>(29.1)</td>
<td>(40.9)</td>
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<td>(171.5)</td>
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<td>(37.7)</td>
<td>(42.0)</td>
<td>(53.9)</td>
<td>(159.3)</td>
<td>(43.4)</td>
<td>(41.9)</td>
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## Appendix: ROCE

### Numerator

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<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
<th>Q2 18</th>
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<td>GAAP Net Income from continuing operations attributable to Air Products</td>
<td>278.9</td>
<td>250.3</td>
<td>289.4</td>
<td>251.6</td>
<td>304.4</td>
<td>104.2</td>
<td>474.2</td>
<td>155.6</td>
<td>416.4</td>
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<td>289.4</td>
<td>251.6</td>
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<td>104.2</td>
<td>474.2</td>
<td>155.6</td>
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### Disclosed Items, after-tax

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<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
<th>Q2 18</th>
</tr>
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<tbody>
<tr>
<td>Business separation costs</td>
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<td>6.5</td>
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<td>Tax (benefit) costs associated with business separation</td>
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<td>47.7</td>
<td>4.1</td>
<td>2.7</td>
<td>-</td>
<td>(8.2)</td>
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<td>Cost reduction and asset actions</td>
<td>8.8</td>
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<td>30.0</td>
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<td>Pension settlement loss</td>
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<td>0.6</td>
<td>1.4</td>
<td>-</td>
<td>2.6</td>
<td>3.4</td>
<td>0.6</td>
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<tr>
<td>Gain on previously held equity interest</td>
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<tr>
<td>Gain on land sales</td>
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<td>-</td>
<td>-</td>
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<td>(7.6)</td>
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<tr>
<td>Loss on extinguishment of debt</td>
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<td>4.3</td>
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<td>Goodwill and intangible asset impairment charge</td>
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<td>154.1</td>
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<td>Equity method investment impairment charge</td>
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<td>79.5</td>
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<td>Tax election benefit</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(111.4)</td>
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<td>Tax reform repatriation</td>
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<td>-</td>
<td>453.0</td>
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<td>Tax reform rate change and other</td>
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<td>-</td>
<td>(214.0)</td>
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<td>Tax restructuring benefit</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(38.8)</td>
<td>-</td>
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<tr>
<td><strong>Subtotal Items</strong></td>
<td>19.0</td>
<td>63.5</td>
<td>36.3</td>
<td>70.4</td>
<td>9.8</td>
<td>258.8</td>
<td>(87.5)</td>
<td>239.0</td>
<td>(38.8)</td>
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</table>

### Non-GAAP Earnings After-Tax

<table>
<thead>
<tr>
<th></th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add Net income attributable to noncontrolling interests (cont. ops.)</td>
<td>-</td>
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<tr>
<td>GAAP Earnings After Tax</td>
<td>304.1</td>
<td>278.1</td>
<td>318.6</td>
<td>280.8</td>
<td>333.5</td>
<td>122.6</td>
<td>511.4</td>
<td>173.4</td>
<td>450.4</td>
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### Denominator

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<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt</td>
<td>5,795.5</td>
<td>5,790.0</td>
<td>5,666.0</td>
<td>5,210.9</td>
<td>4,318.4</td>
<td>3,843.2</td>
<td>3,926.0</td>
<td>3,962.8</td>
<td>3,513.3</td>
<td>3,566.5</td>
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<tr>
<td>Air Products Shareholders’ Equity</td>
<td>7,499.0</td>
<td>7,053.1</td>
<td>7,180.2</td>
<td>7,213.4</td>
<td>7,261.1</td>
<td>9,420.2</td>
<td>9,509.9</td>
<td>10,185.5</td>
<td>10,321.2</td>
<td>10,693.2</td>
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<tr>
<td>Noncontrolling interests of discontinued operations</td>
<td>(32.1)</td>
<td>(33.0)</td>
<td>(32.9)</td>
<td>(33.9)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Less: Assets of discontinued operations</td>
<td>(2,599.2)</td>
<td>(1,707.1)</td>
<td>(1,762.0)</td>
<td>(1,968.5)</td>
<td>(860.2)</td>
<td>(860.2)</td>
<td>(860.2)</td>
<td>(860.2)</td>
<td>(860.2)</td>
<td>(860.2)</td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td>10,663.2</td>
<td>11,112.0</td>
<td>11,051.3</td>
<td>10,421.9</td>
<td>10,719.3</td>
<td>13,253.6</td>
<td>13,426.1</td>
<td>14,138.1</td>
<td>13,824.3</td>
<td>14,259.7</td>
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### Calculation

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<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP earnings after-tax - 4 qtr trailing</td>
<td>1,181.6</td>
<td>1,211.0</td>
<td>1,055.5</td>
<td>1,248.3</td>
<td>1,140.9</td>
<td>1,257.8</td>
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<tr>
<td>Five-quarter average total capital</td>
<td>10,793.5</td>
<td>11,311.6</td>
<td>11,774.4</td>
<td>12,391.8</td>
<td>13,072.3</td>
<td>13,780.4</td>
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<tr>
<td><strong>ROCE - GAAP items</strong></td>
<td>10.9%</td>
<td>10.7%</td>
<td>9.0%</td>
<td>10.1%</td>
<td>8.7%</td>
<td>9.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP earnings after-tax - 4 qtr trailing</td>
<td>1,370.8</td>
<td>1,391.0</td>
<td>1,430.8</td>
<td>1,499.8</td>
<td>1,561.0</td>
<td>1,629.3</td>
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<tr>
<td>Five-quarter average total capital</td>
<td>10,793.5</td>
<td>11,311.6</td>
<td>11,774.4</td>
<td>12,391.8</td>
<td>13,072.3</td>
<td>13,780.4</td>
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<tr>
<td><strong>ROCE - Non-GAAP items</strong></td>
<td>12.7%</td>
<td>12.3%</td>
<td>12.2%</td>
<td>12.1%</td>
<td>11.9%</td>
<td>11.8%</td>
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## Appendix: FY18 EPS Outlook

### Q318 Guidance vs Prior Year

<table>
<thead>
<tr>
<th>Description</th>
<th>EPS (1)</th>
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<tbody>
<tr>
<td>Q317 GAAP</td>
<td>$0.47</td>
</tr>
<tr>
<td>Tax benefit associated with business separation</td>
<td>($0.04)</td>
</tr>
<tr>
<td>Cost reduction and asset actions</td>
<td>$0.14</td>
</tr>
<tr>
<td>Pension Settlement Loss</td>
<td>$0.02</td>
</tr>
<tr>
<td>Goodwill and intangible asset impairment charge</td>
<td>$0.70</td>
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<tr>
<td>Equity method investment impairment charge</td>
<td>$0.36</td>
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<tr>
<td>Q317 Non GAAP</td>
<td>$1.65</td>
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<tr>
<td>Q318 Guidance (2)</td>
<td>$1.80-$1.85</td>
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<tr>
<td>% Change</td>
<td>9%-12%</td>
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### FY18 Guidance vs Prior Year

<table>
<thead>
<tr>
<th>Description</th>
<th>FY17 GAAP</th>
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<tbody>
<tr>
<td>Business separation costs</td>
<td>$0.12</td>
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<tr>
<td>Tax benefit associated with business separation</td>
<td>($0.02)</td>
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<tr>
<td>Cost reduction and asset actions</td>
<td>$0.49</td>
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<tr>
<td>Pension settlement loss</td>
<td>$0.03</td>
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<td>Goodwill and intangible asset impairment charge</td>
<td>$0.70</td>
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<td>Gain on land sale</td>
<td>($0.03)</td>
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<td>Equity method investment impairment charge</td>
<td>$0.36</td>
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<tr>
<td>Tax election benefit</td>
<td>($0.50)</td>
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<td>FY17 Non GAAP</td>
<td>$6.31</td>
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<td>FY18 Guidance (2)</td>
<td>$7.25-$7.40</td>
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<td>% Change</td>
<td>15%-17%</td>
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</tbody>
</table>

(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
Thank you
tell me more