

Creating Shareholder Value

First Quarter 2025

Earnings Results Teleconference

February 6, 2025

GENERATING A CLEANER FUTURE



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Purpose of Reconciliation Tables

Our financial presentations, earnings teleconferences, and other investor and analyst communications include references to non-GAAP (“adjusted”) financial measures. The purpose of this document is to provide reconciliations between the historical non-GAAP financial measures that we have disclosed and the most directly comparable measure calculated and presented in accordance with U.S. generally accepted accounting principles (“GAAP”).

We provide non-GAAP financial measures to allow investors, potential investors, securities analysts, and others to evaluate the performance of our business in the same manner as our management. We believe such measures, when viewed together with financial results computed in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance and projected future results.

Other than our non-GAAP measures for cash flow and capital deployment, non-GAAP financial measures are identified by the word “adjusted” or “non-GAAP” preceding the measure. Amounts provided herein are in millions of U.S. Dollars, except for per share data, which is calculated and presented on a diluted basis from continuing operations attributable to Air Products in U.S. Dollars per weighted average common share. Some calculations are on a trailing twelve-month basis and include amounts presented as “LTM” (i.e., “last twelve months”), which represents our full fiscal year for periods ended 30 September. Comparisons versus (“vs.”) prior periods may include percentage (%) and basis point (bp) changes.

Our non-GAAP financial measures should be considered within the context of our complete audited and unaudited financial results for the given period, which are available in the “Investors” section of our website at www.airproducts.com. We caution readers not to consider non-GAAP financial measures in isolation or as a substitute for the most directly comparable measures calculated in accordance with GAAP. Readers should also consider the limitations associated with these non-GAAP financial measures, including the potential lack of comparability of these measures from one company to another.

Adjusted Earnings per Share

The per share impact for each non-GAAP adjustment was calculated independently and may not sum to total adjusted earnings per share ("EPS") due to rounding.

	2025		2024		<i>vs. Prior Year</i>		<i>vs. Prior Quarter</i>	
	Q1		Q1	Q4	Q1 2025 vs. Q1 2024		Q1 2025 vs. Q4 2024	
					\$/share	%	\$/share	%
EPS	\$2.77		\$2.73	\$8.81	\$0.04	1%	(\$6.04)	(69%)
Gain on sale of business	—		—	(5.38)				
Business and asset actions	—		—	—				
Shareholder activism costs	0.10		—	—				
(Gain) Loss on de-designation of cash flow hedges	(0.05)		—	0.03				
Non-service pension cost (benefit), net	0.04		0.08	0.09				
Subtotal - Non-GAAP items	0.09		0.08	(5.26)				
Adjusted EPS	\$2.86		\$2.82	\$3.56	\$0.04	1%	(\$0.70)	(20%)

Adjusted EBITDA and Adjusted EBITDA Margin

	LTM	2025		2024		
		Q1	Q1	Q2	Q3	Q4
Sales	\$12,034.7	\$2,931.5	\$2,997.4	\$2,930.2	\$2,985.5	\$3,187.5
Net income	\$3,890.6	\$649.8	\$621.6	\$580.9	\$708.9	\$1,951.0
Net income margin	32.3%	22.2%	20.7%	19.8%	23.7%	61.2%
<u>Reconciliation of GAAP to Non-GAAP:</u>						
Net income	\$3,890.6	\$649.8	\$621.6	\$580.9	\$708.9	\$1,951.0
Less: Loss from discontinued operations, net of tax	(13.9)	—	—	—	—	(13.9)
Add: Interest expense	207.9	42.6	53.5	59.9	55.7	49.7
Less: Other non-operating income (expense), net	(20.1)	38.9	(14.8)	(9.2)	(1.3)	(48.5)
Add: Income tax provision	950.2	140.7	135.4	130.5	140.6	538.4
Add: Depreciation and amortization	1,468.7	366.8	349.2	360.8	360.3	380.8
Less: Gain on sale of business	1,575.6	—	—	—	—	1,575.6
Add: Business and asset actions	57.0	—	—	57.0	—	—
Add: Shareholder activism costs	29.9	29.9	—	—	—	—
Adjusted EBITDA	\$5,062.7	\$1,190.9	\$1,174.5	\$1,198.3	\$1,266.8	\$1,406.7
Adjusted EBITDA margin	42.1%	40.6%	39.2%	40.9%	42.4%	44.1%
					<i>vs. Prior Year</i>	<i>vs. Prior Quarter</i>
					Q1 2025 vs. Q1 2024	Q1 2025 vs. Q4 2024
Change GAAP						
Net income \$ change					\$28.2	(\$1,301.2)
Net income % change					5%	(67%)
Net income margin change					150bp	(3,900 bp)
Change Non-GAAP						
Adjusted EBITDA \$ change					\$16.4	(\$215.8)
Adjusted EBITDA % change					1%	(15%)
Adjusted EBITDA margin change					140bp	(350 bp)

Adjusted EBITDA by Segment

				<i>vs. Prior Year</i>		<i>vs. Prior Quarter</i>	
	2025	2024		Q1 2025 vs. Q1 2024		Q1 2025 vs. Q4 2024	
	Q1	Q1	Q4	\$	%/bp	\$	%/bp
Americas							
Sales	\$1,287.6	\$1,252.1	\$1,307.5				
Operating income	388.2	354.4	447.7	\$33.8	10%	(\$59.5)	(13%)
Operating margin	30.1%	28.3%	34.2%		180 bp		(410 bp)
<u>Reconciliation of GAAP to Non-GAAP:</u>							
Operating income	\$388.2	\$354.4	\$447.7				
Add: Depreciation and amortization	173.4	169.7	179.9				
Add: Equity affiliates' income	35.1	37.1	40.0				
Adjusted EBITDA	\$596.7	\$561.2	\$667.6	\$35.5	6%	(\$70.9)	(11%)
Adjusted EBITDA margin	46.3%	44.8%	51.1%		150 bp		(480 bp)
Asia							
Sales	\$817.1	\$793.8	\$861.2				
Operating income	216.4	211.2	244.3	\$5.2	2%	(\$27.9)	(11%)
Operating margin	26.5%	26.6%	28.4%		(10 bp)		(190 bp)
<u>Reconciliation of GAAP to Non-GAAP:</u>							
Operating income	\$216.4	\$211.2	\$244.3				
Add: Depreciation and amortization	122.9	111.8	127.3				
Add: Equity affiliates' income	10.3	4.2	11.7				
Adjusted EBITDA	\$349.6	\$327.2	\$383.3	\$22.4	7%	(\$33.7)	(9%)
Adjusted EBITDA margin	42.8%	41.2%	44.5%		160 bp		(170 bp)

Adjusted EBITDA by Segment (continued)

	2025		2024		<i>vs. Prior Year</i>		<i>vs. Prior Quarter</i>	
	Q1	Q1	Q4	Q1 2025 vs. Q1 2024	Q1 2025 vs. Q4 2024	\$	%/bp	
Europe								
Sales	\$697.2	\$731.2	\$730.9					
Operating income	186.5	197.6	206.7	(\$11.1)	(6%)	(\$20.2)	(10%)	
Operating margin	26.7%	27.0%	28.3%		(30 bp)		(160 bp)	
Reconciliation of GAAP to Non-GAAP:								
Operating income	\$186.5	\$197.6	\$206.7					
Add: Depreciation and amortization	54.5	48.2	55.9					
Add: Equity affiliates' income	18.2	20.7	29.4					
Adjusted EBITDA	\$259.2	\$266.5	\$292.0	(\$7.3)	(3%)	(\$32.8)	(11%)	
Adjusted EBITDA margin	37.2%	36.4%	40.0%		80 bp		(280 bp)	
Middle East and India								
Operating income (loss)	(\$0.6)	\$3.9	(\$2.2)	(\$4.5)				
Add: Depreciation and amortization	6.5	6.6	6.5					
Add: Equity affiliates' income	85.0	92.9	91.5					
Adjusted EBITDA	\$90.9	\$103.4	\$95.8	(\$12.5)				
Corporate and other								
Operating loss	(\$117.0)	(\$100.2)	(\$47.7)	(\$16.8)				
Add: Depreciation and amortization	9.5	12.9	11.2					
Add: Equity affiliates' income	2.0	3.5	4.5					
Adjusted EBITDA	(\$105.5)	(\$83.8)	(\$32.0)	(\$21.7)				

Adjusted Operating Income and Adjusted Operating Margin

	2025		2024		<i>vs. Prior Year</i>		<i>vs. Prior Quarter</i>	
	Q1	Q1	Q4	Q1 2025 vs. Q1 2024	Q1 2025 vs. Q4 2024	\$	%/bp	
Sales	\$2,931.5	\$2,997.4	\$3,187.5					
Operating Income	643.6	666.9	2,424.4	(\$23.3)	(3%)	(\$1,780.8)	(73%)	
Operating Margin	22.0%	22.2%	76.1%		(20 bp)		(5,410 bp)	
<u>Reconciliation of GAAP to Non-GAAP:</u>								
Operating Income	\$643.6	\$666.9	\$2,424.4					
Gain on sale of business	—	—	(1,575.6)					
Shareholder activism costs	29.9	—	—					
Adjusted Operating Income	\$673.5	\$666.9	\$848.8	\$6.6	1%	(\$175.3)	(21%)	
Adjusted Operating Margin	23.0%	22.2%	26.6%		80 bp		(360 bp)	

Adjusted Net Income

	2025		2024		<i>vs. Prior Year</i>		<i>vs. Prior Quarter</i>		
	Q1	Q1	Q4	Q1 2025 vs. Q1 2024	Q1 2025 vs. Q4 2024	\$	%	\$	%
Net Income	\$649.8	\$621.6	\$1,951.0	\$28.2	5%	(\$1,301.2)	(67%)		
Loss from discontinued operations, net of tax	—	—	13.9						
Net income attributable to noncontrolling interests of continuing operations	(32.4)	(12.3)	(1.1)						
Net income from continuing operations attributable to Air Products	\$617.4	\$609.3	\$1,963.8						
Gain on sale of business	—	—	(1,198.4)						
Shareholder activism costs	21.9	—	—						
(Gain) Loss on de-designation of cash flow hedges	(10.3)	—	7.3						
Non-service pension cost, net	7.9	18.7	20.1						
Adjusted Net Income	\$636.9	\$628.0	\$792.8	\$8.9	1%	(\$155.9)	(20%)		

Adjusted Effective Tax Rate

When applicable, the tax impact of our pre-tax non-GAAP adjustments reflects the expected current and deferred income tax impact of our non-GAAP adjustments. These tax impacts are primarily driven by the statutory tax rate of the various relevant jurisdictions and the taxability of the adjustments in those jurisdictions.

	2025	2024			2023			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income Tax Provision	\$140.7	\$538.4	\$140.6	\$130.5	\$135.4	\$154.2	\$139.6	\$121.0
Income From Continuing Operations Before Taxes	790.5	2,503.3	849.5	711.4	757.0	841.2	750.1	570.9
Effective Tax Rate	17.8%	21.5%	16.6%	18.3%	17.9%	18.3%	18.6%	21.2%
Income Tax Provision	\$140.7	\$538.4	\$140.6	\$130.5	\$135.4	\$154.2	\$139.6	\$121.0
Gain on sale of business tax impact	—	(377.2)	—	—	—	—	—	—
Business and asset actions tax impact	—	—	—	13.2	—	—	7.8	26.9
Shareholder activism costs tax impact	8.0	—	—	—	—	—	—	—
(Gain) Loss on de-designation of cash flow hedges tax impact	(3.3)	2.3	(0.9)	—	—	—	—	—
Non-service pension cost, net tax impact	2.6	6.6	6.2	6.2	6.2	5.6	5.4	5.7
Adjusted Income Tax Provision	\$148.0	\$170.1	\$145.9	\$149.9	\$141.6	\$159.8	\$152.8	\$153.6
Income From Continuing Operations Before Taxes	\$790.5	\$2,503.3	\$849.5	\$711.4	\$757.0	\$841.2	\$750.1	\$570.9
Gain on sale of business	—	(1,575.6)	—	—	—	—	—	—
Business and asset actions	—	—	—	57.0	—	—	59.0	185.6
Shareholder activism costs	29.9	—	—	—	—	—	—	—
(Gain) Loss on de-designation of cash flow hedges	(38.8)	27.5	(11.2)	—	—	—	—	—
Non-service pension cost, net	10.5	26.7	25.3	25.1	24.9	22.4	22.0	22.9
Adjusted Income From Continuing Operations Before Taxes	\$792.1	\$981.9	\$863.6	\$793.5	\$781.9	\$863.6	\$831.1	\$779.4
Adjusted Effective Tax rate	18.7%	17.3%	16.9%	18.9%	18.1%	18.5%	18.4%	19.7%

Summary of Non-GAAP Adjustments

The tables below detail the non-GAAP items disclosed on the preceding pages and the impact of each such item on our consolidated income statements.

	Q1 2025		
	GAAP	Items ^(A)	Non-GAAP
Operating income	\$643.6	\$29.9	\$673.5
Equity affiliates' income	150.6	—	150.6
Interest expense	42.6	—	42.6
Other non-operating income (expense), net	38.9	(28.3)	10.6
Income before taxes	\$790.5	\$1.6	\$792.1
Income tax provision	140.7	7.3	148.0
Net income	\$649.8	(\$5.7)	\$644.1
Net income attributable to noncontrolling interests	32.4	(25.2)	7.2
Net income attributable to Air Products	\$617.4	\$19.5	\$636.9
EPS	\$2.77	\$0.09	\$2.86

^(A) For non-GAAP item details, refer to the table below.

Non-GAAP Items	Q1 2025		
	Before Tax	Tax	After Tax
Shareholder activism costs ^(B)	\$29.9	\$8.0	\$21.9
Gain on de-designation of cash flow hedges ^(C)	(38.8)	(3.3)	(10.3)
Non-service pension cost, net ^(D)	10.5	2.6	7.9
Total Non-GAAP Items	\$1.6	\$7.3	\$19.5

^(B) Before tax impact reflected in "Operating income".

^(C) Before tax impact reflected in "Other non-operating income (expense), net". Amount of gain attributable to noncontrolling partners was \$25.2.

^(D) Before tax impact reflected in "Other non-operating income (expense), net".

Summary of Non-GAAP Adjustments (continued)

	2024														
	Q1			Q2			Q3			Q4			FY		
	GAAP	Items ^(A)	Non-GAAP	GAAP	Items ^(A)	Non-GAAP	GAAP	Items ^(A)	Non-GAAP	GAAP	Items ^(A)	Non-GAAP	GAAP	Items ^(A)	Non-GAAP
Operating income	\$666.9	\$—	\$666.9	\$637.2	\$57.0	\$694.2	\$737.6	\$—	\$737.6	\$2,424.4	(\$1,575.6)	\$848.8	\$4,466.1	(\$1,518.6)	\$2,947.5
Equity affiliates' income	158.4	—	158.4	143.3	—	143.3	168.9	—	168.9	177.1	—	177.1	647.7	—	647.7
Interest expense	53.5	—	53.5	59.9	—	59.9	55.7	—	55.7	49.7	—	49.7	218.8	—	218.8
Other non-operating income (expense), net	(14.8)	24.9	10.1	(9.2)	25.1	15.9	(1.3)	14.1	12.8	(48.5)	54.2	5.7	(73.8)	118.3	44.5
Income from continuing operations before taxes	\$757.0	\$24.9	\$781.9	\$711.4	\$82.1	\$793.5	\$849.5	\$14.1	\$863.6	\$2,503.3	(\$1,521.4)	\$981.9	\$4,821.2	(\$1,400.3)	\$3,420.9
Income tax provision	135.4	6.2	141.6	130.5	19.4	149.9	140.6	5.3	145.9	538.4	(368.3)	170.1	944.9	(337.4)	607.5
Income from continuing operations	\$621.6	\$18.7	\$640.3	\$580.9	\$62.7	\$643.6	\$708.9	\$8.8	\$717.7	\$1,964.9	(\$1,153.1)	\$811.8	\$3,876.3	(\$1,062.9)	\$2,813.4
Net income attributable to noncontrolling interests of continuing operations	12.3	—	12.3	8.5	—	8.5	12.3	(7.3)	5.0	1.1	17.9	19.0	34.2	10.6	44.8
Net income from continuing operations attributable to Air Products	\$609.3	\$18.7	\$628.0	\$572.4	\$62.7	\$635.1	\$696.6	\$16.1	\$712.7	\$1,963.8	(\$1,171.0)	\$792.8	\$3,842.1	(\$1,073.5)	\$2,768.6
EPS	\$2.73	\$0.08	\$2.82	\$2.57	\$0.28	\$2.85	\$3.13	\$0.07	\$3.20	\$8.81	(\$5.26)	\$3.56	\$17.24	(\$4.82)	\$12.43

^(A) For non-GAAP item details, refer to the table below.

Non-GAAP Items	2024														
	Q1			Q2			Q3			Q4			FY		
	Before Tax	Tax	After Tax	Before Tax	Tax	After Tax	Before Tax	Tax	After Tax	Before Tax	Tax	After Tax	Before Tax	Tax	After Tax
Gain on sale of business ^(B)	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	(\$1,575.6)	(\$377.2)	(\$1,198.4)	(\$1,575.6)	(\$377.2)	(\$1,198.4)
Business and asset actions ^(B)	—	—	—	57.0	13.2	43.8	—	—	—	—	—	—	57.0	13.2	43.8
(Gain) Loss on de-designation of cash flow hedges ^(C)	—	—	—	—	—	—	(11.2)	(0.9)	(3.0)	27.5	2.3	7.3	16.3	1.4	4.3
Non-service pension cost, net ^(D)	24.9	6.2	18.7	25.1	6.2	18.9	25.3	6.2	19.1	26.7	6.6	20.1	102.0	25.2	76.8
Total Non-GAAP Items	\$24.9	\$6.2	\$18.7	\$82.1	\$19.4	\$62.7	\$14.1	\$5.3	\$16.1	(\$1,521.4)	(\$368.3)	(\$1,171.0)	(\$1,400.3)	(\$337.4)	(\$1,073.5)

^(B) Before tax impact reflected in "Operating income".

^(C) Before tax impact reflected in "Other non-operating income (expense), net". Amount of full year loss attributable to noncontrolling partners was \$10.6.

^(D) Before tax impact reflected in "Other non-operating income (expense), net".

Return on Capital Employed (Non-GAAP Basis)

Return on capital employed ("ROCE") is calculated on a continuing operations basis. Management considers this measure to be useful in evaluating the Company's returns on capital.

	2025		2024			2023			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
ROCE (GAAP Basis):									
Net income	\$649.8	\$1,951.0	\$708.9	\$580.9	\$621.6	\$694.4	\$610.5	\$449.9	
Total liabilities and equity	40,017.2	39,574.6	36,974.3	35,921.7	34,118.2	32,002.5	30,929.5	29,435.4	28,278.3
Four-Quarter Trailing Net Income	\$3,890.6	\$3,862.4	\$2,605.8	\$2,507.4	\$2,376.4				
÷ Five-Quarter Average Total Liabilities and Equity	37,321.2	35,718.3	33,989.2	32,481.5	30,952.8				
ROCE (GAAP Basis)	10.4%	10.8%	7.7%	7.7%	7.7%				
Change vs. prior year	270 bp								
Change vs. prior quarter	(40 bp)								
ROCE (Non-GAAP Basis):									
Net income	\$649.8	\$1,951.0	\$708.9	\$580.9	\$621.6	\$694.4	\$610.5	\$449.9	
Loss (Income) from discontinued operations, net of tax	—	13.9	—	—	—	(7.4)	—	—	
Interest expense	42.6	49.7	55.7	59.9	53.5	48.0	47.4	40.9	
Gain on sale of business	—	(1,575.6)	—	—	—	—	—	—	
Business and asset actions	—	—	—	57.0	—	—	59.0	185.6	
Shareholder activism costs	29.9	—	—	—	—	—	—	—	
(Gain) Loss on de-designation of cash flow hedges	(38.8)	27.5	(11.2)	—	—	—	—	—	
Non-service pension cost, net	10.5	26.7	25.3	25.1	24.9	22.4	22.0	22.9	
Tax other ^(A)	(14.9)	357.6	(14.5)	(30.4)	(15.8)	(14.4)	(22.0)	(41.3)	
Return After-Tax (Non-GAAP Basis)	\$679.1	\$850.8	\$764.2	\$692.5	\$684.2	\$743.0	\$716.9	\$658.0	
Total Capital:									
Total liabilities and equity	\$40,017.2	\$39,574.6	\$36,974.3	\$35,921.7	\$34,118.2	\$32,002.5	\$30,929.5	\$29,435.4	\$28,278.3
Less: Payables and accrued liabilities	3,023.7	2,926.2	3,168.6	2,783.0	2,717.9	2,890.1	3,062.2	2,489.3	2,552.0
Less: Accrued income taxes	586.1	558.5	155.9	156.2	166.9	131.2	108.8	128.2	159.9
Less: NGHC debt and partners' equity (see page 13 for detail)	4,815.1	4,042.5	3,613.3	3,025.1	2,510.5	1,998.0	605.1	479.3	478.4
Less: Noncurrent operating lease liabilities	655.1	677.9	639.3	652.1	635.1	631.1	635.5	632.3	627.4
Less: Other noncurrent liabilities	1,348.1	1,350.5	1,108.7	1,092.5	1,111.5	1,118.0	1,144.6	1,096.3	1,117.7
Less: Deferred income taxes	1,195.0	1,159.9	1,182.1	1,281.3	1,250.0	1,266.0	1,215.8	1,258.2	1,246.1
Capital Employed (Non-GAAP Basis)	\$28,394.1	\$28,859.1	\$27,106.4	\$26,931.5	\$25,726.3	\$23,968.1	\$24,157.5	\$23,351.8	\$22,096.8
Less: Cash and cash items, net of NGHC cash (see page 13 for detail)	1,821.5	2,945.2	2,142.1	2,360.1	1,560.3	1,538.8	1,549.9	2,113.2	2,907.0
Less: Short-term investments	117.5	5.0	61.8	102.8	271.8	332.2	268.7	271.3	19.6
Adjusted Capital Employed (Non-GAAP Basis)^(B)	\$26,455.1	\$25,908.9	\$24,902.5	\$24,468.6	\$23,894.2	\$22,097.1	\$22,338.9	\$20,967.3	\$19,170.2
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$2,986.6	\$2,991.7	\$2,883.9	\$2,836.6	\$2,802.1				
÷ Five-Quarter Average Capital Employed—Non-GAAP	27,403.5	26,518.3	25,578.0	24,827.0	23,860.1				
ROCE (Non-GAAP Basis)	10.9%	11.3%	11.3%	11.4%	11.7%				
Change vs. prior year	(80 bp)								
Change vs. prior quarter	(40 bp)								
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$2,986.6	\$2,991.7	\$2,883.9	\$2,836.6	\$2,802.1				
÷ Five-Quarter Average Adjusted Capital Employed—Non-GAAP, Excluding Cash	25,125.9	24,254.3	23,540.3	22,753.2	21,693.5				
Adjusted ROCE (Non-GAAP Basis)^(B)	11.9%	12.3%	12.3%	12.5%	12.9%				
Change vs. prior year	(100 bp)								
Change vs. prior quarter	(40 bp)								

^(A) Represents the tax impact on interest expense and our pre-tax non-GAAP adjustments. For details on our effective tax rates, refer to page 9.

^(B) We provide adjusted ROCE (Non-GAAP Basis) to illustrate the extent to which cash impacts the denominator of our ROCE calculation. Cash represents total cash and cash items, net of NGHC cash, and short-term investments.

ROCE Adjustments for NGHC

We adjust the denominator in our ROCE calculation on a non-GAAP basis to exclude outstanding borrowings under project financing available to the NEOM Green Hydrogen Company joint venture ("NGHC"), which is non-recourse to Air Products, as well as the equity attributable to our NGHC joint venture partners. These items are summarized in the table below. Because NGHC's indebtedness and the contributions of our joint venture partners are consolidated in our financial statements, we make this adjustment to provide management and our investors with a measure that is more representative of the Company's return on capital on an ongoing basis. Likewise, when adjusting ROCE on a non-GAAP basis for cash, we exclude cash held by NGHC. Substantially all the funding we provide to NGHC is limited for use by the venture for its capital expenditures.

	2025		2024			2023			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Short-term borrowings	\$60.4	\$51.6	\$149.4	\$162.7	\$—	\$—	\$—	\$—	\$—
Long-term debt	3,499.4	3,053.3	2,552.3	2,114.3	1,930.4	1,274.4	—	—	—
Long-term debt - related party	—	—	—	—	—	—	—	476.7	447.3
Noncontrolling interests	1,255.3	937.6	911.6	748.1	580.1	723.6	605.1	2.6	31.1
Total NGHC debt and partners' equity	\$4,815.1	\$4,042.5	\$3,613.3	\$3,025.1	\$2,510.5	\$1,998.0	\$605.1	\$479.3	\$478.4
Cash and cash items	\$1,845.5	\$2,979.7	\$2,375.7	\$2,535.0	\$1,962.6	\$1,617.0	\$1,637.7	\$2,242.4	\$3,131.0
Less: NGHC cash	24.0	34.5	233.6	174.9	402.3	78.2	87.8	129.2	224.0
Cash and cash items, net of NGHC cash	\$1,821.5	\$2,945.2	\$2,142.1	\$2,360.1	\$1,560.3	\$1,538.8	\$1,549.9	\$2,113.2	\$2,907.0

Cash Flow and Capital Deployment

Reconciliation to Investable Cash Flow

	LTM	2025 Q1
Cash Provided by Operating Activities	\$3,831.8	\$811.7
Working capital changes that (provided) used cash:		
Trade receivables	170.6	47.8
Inventories	82.8	(6.4)
Other receivables	(107.9)	(9.0)
Payables and accrued liabilities	39.7	(30.5)
Other working capital	(355.3)	14.6
Undistributed earnings of equity method investments	212.9	48.4
Share-based compensation	(64.4)	(16.4)
Noncurrent lease receivables	(111.2)	(15.0)
Maintenance CapEx ^(A)	(813.0)	(211.0)
Other items, net ^(B)	486.5	220.6
Distributable Cash Flow	\$3,372.5	\$854.8
Dividends paid to shareholders	(1,569.6)	(393.6)
Investable Cash Flow	\$1,802.9	\$461.2
Distributable Cash Flow Per Share:		
Distributable Cash Flow	\$3,372.5	
÷ Weighted average common shares – diluted (in millions)	222.8	
Distributable Cash Flow Per Share	\$15.14	

^(A) Maintenance CapEx is a component of "Additions to plant and equipment, including long-term deposits" on the consolidated statements of cash flows. Maintenance CapEx represents capital spending to maintain or replace existing capacity or assets to maintain existing profitability. Refer to the "Capital Expenditures" section on page 17 for additional information.

^(B) "Other items, net" includes items such as pension contributions and expense, deferred tax expense, and other changes to noncurrent assets and liabilities.

Reconciliation to Investable Cash Flow (continued)

	2024				
	Q1	Q2	Q3	Q4	FY
Cash Provided by Operating Activities	\$626.6	\$801.7	\$1,261.4	\$957.0	\$3,646.7
Working capital changes that (provided) used cash:					
Trade receivables	(11.8)	(19.1)	41.3	100.6	111.0
Inventories	48.6	24.1	38.3	26.8	137.8
Other receivables	64.5	(32.9)	(114.0)	48.0	(34.4)
Payables and accrued liabilities	268.5	32.5	(125.9)	163.6	338.7
Other working capital	(0.2)	111.9	(89.8)	(392.0)	(370.1)
Undistributed earnings of equity method investments	41.5	76.7	5.9	81.9	206.0
Share-based compensation	(13.8)	(14.7)	(17.7)	(15.6)	(61.8)
Noncurrent lease receivables	(20.0)	(20.2)	(19.0)	(57.0)	(116.2)
Maintenance CapEx ^(A)	(179.0)	(213.0)	(199.0)	(190.0)	(781.0)
Other items, net ^(B)	13.7	(63.5)	51.9	277.5	279.6
Distributable Cash Flow	\$838.6	\$683.5	\$833.4	\$1,000.8	\$3,356.3
Dividends paid to shareholders	(388.9)	(389.0)	(393.5)	(393.5)	(1,564.9)
Investable Cash Flow	\$449.7	\$294.5	\$439.9	\$607.3	\$1,791.4
Distributable Cash Flow Per Share:					
Distributable Cash Flow					\$3,356.3
÷ Weighted average common shares – diluted (in millions)					222.8
Distributable Cash Flow Per Share					\$15.06

^(A) Maintenance CapEx is a component of "Additions to plant and equipment, including long-term deposits" on the consolidated statements of cash flows. Maintenance CapEx represents capital spending to maintain or replace existing capacity or assets to maintain existing profitability. Refer to the "Capital Expenditures" section on page 17 for additional information.

^(B) "Other items, net" includes items such as pension contributions and expense, deferred tax expense, and other changes to noncurrent assets and liabilities.

Investable Cash Flow Summary

	LTM
Adjusted EBITDA	\$5,063
Interest, net ^(A)	(228)
Cash Tax ^(B)	(649)
Maintenance CapEx ^(C)	(813)
Distributable Cash Flow	\$3,373 <i>(\$15.14 per share)</i>
Dividends	(1,570)
Investable Cash Flow	\$1,803

^(A) For investable cash flow, we define "interest, net" as interest expense, less other non-operating income (expense), net. A reconciliation of "interest, net" is provided below:

	LTM	2025	2024		
		Q1	Q2	Q3	Q4
Interest expense	\$207.9	\$42.6	\$59.9	\$55.7	\$49.7
Less: Other non-operating income (expense), net	(20.1)	38.9	(9.2)	(1.3)	(48.5)
Interest, net	\$228.0	\$3.7	\$69.1	\$57.0	\$98.2

^(B) Cash paid for taxes, net of refunds, for the last twelve months was: Q2FY24 \$231.7; Q3FY24 \$180.4; Q4FY24 \$113.7; Q1FY25 \$123.6.

^(C) Maintenance CapEx is a component of "Additions to plant and equipment, including long-term deposits" on the consolidated statements of cash flows. Maintenance CapEx represents capital spending to maintain or replace existing capacity or assets to maintain existing profitability. Refer to the "Capital Expenditures" section on page [17](#) for additional information.

Capital Expenditures

Capital expenditures is a non-GAAP financial measure that we define as the sum of cash flows for additions to plant and equipment, including long-term deposits, acquisitions (less cash acquired), investment in and advances to unconsolidated affiliates, and investment in financing receivables on our consolidated statements of cash flows. Additionally, we adjust additions to plant and equipment to exclude NEOM Green Hydrogen Company ("NGHC") expenditures funded by the joint venture's project financing, which is non-recourse to Air Products, as well as our partners' equity contributions to arrive at a measure that we believe is more representative of our investment activities. Substantially all the funding we provide to NGHC is limited for use by the venture for its capital expenditures.

A reconciliation of cash used for investing activities to our reported capital expenditures is provided below:

	LTM	2025 Q1
Cash Used for Investing Activities	\$5,435.7	\$2,182.1
Proceeds from sale of assets and investments	1,909.0	34.4
Purchases of investments	(203.5)	(117.6)
Proceeds from investments	355.6	5.0
Other investing activities	88.5	29.0
NGHC expenditures not funded by Air Products' equity ^(A)	(2,609.2)	(923.1)
Capital Expenditures^(B)	\$4,976.1	\$1,209.8

	2024					2023	2022	2021	2020
	Q1	Q2	Q3	Q4	FY				
Cash Used for Investing Activities	\$1,665.6	\$1,560.4	\$1,547.8	\$145.4	\$4,919.2	\$5,916.4	\$3,857.2	\$2,732.9	\$3,560.0
Proceeds from sale of assets and investments	4.2	16.0	6.1	1,852.5	1,878.8	25.4	46.2	37.5	80.3
Purchases of investments	(55.5)	(80.9)	(5.0)	—	(141.4)	(640.1)	(1,637.8)	(2,100.7)	(2,865.5)
Proceeds from investments	120.1	247.3	45.7	57.6	470.7	897.0	2,377.4	1,875.2	1,938.0
Other investing activities	12.9	17.2	15.8	26.5	72.4	4.8	7.0	5.8	3.9
NGHC expenditures not funded by Air Products' equity ^(A)	(361.6)	(474.6)	(405.8)	(805.7)	(2,047.7)	(979.1)	—	—	—
Capital Expenditures^(B)	\$1,385.7	\$1,285.4	\$1,204.6	\$1,276.3	\$5,152.0	\$5,224.4	\$4,650.0	\$2,550.7	\$2,716.7

^(A) Reflects the portion of "Additions to plant and equipment, including long-term deposits" that is associated with NGHC, less our approximate cash investment in the joint venture.

^(B) Reflects remaining cash used for investing activities attributable to capital expenditures.

Capital Expenditures (continued)

The components of our capital expenditures are detailed in the table below:

	LTM	<u>2025</u> Q1
Additions to plant and equipment, including long-term deposits	\$7,468.8	\$2,117.6
Investment in financing receivables	116.5	15.3
NGHC expenditures not funded by Air Products' equity ^(A)	(2,609.2)	(923.1)
Capital Expenditures^(B)	\$4,976.1	\$1,209.8

	<u>2024</u>					<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
	Q1	Q2	Q3	Q4	FY				
Additions to plant and equipment, including long-term deposits	\$1,445.5	\$1,669.4	\$1,606.6	\$2,075.2	\$6,796.7	\$4,626.4	\$2,926.5	\$2,464.2	\$2,509.0
Acquisitions, less cash acquired	—	—	—	—	—	—	65.1	10.5	183.3
Investment in and advances to unconsolidated affiliates	—	—	—	—	—	912.0	1,658.4	76.0	24.4
Investment in financing receivables	301.8	90.6	3.8	6.8	403.0	665.1	—	—	—
NGHC expenditures not funded by Air Products' equity ^(A)	(361.6)	(474.6)	(405.8)	(805.7)	(2,047.7)	(979.1)	—	—	—
Capital expenditures^(B)	\$1,385.7	\$1,285.4	\$1,204.6	\$1,276.3	\$5,152.0	\$5,224.4	\$4,650.0	\$2,550.7	\$2,716.7

^(A) Reflects the portion of "Additions to plant and equipment, including long-term deposits" that is associated with NGHC, less our approximate cash investment in the joint venture.

^(B) Reflects remaining cash used for investing activities attributable to capital expenditures.

Net Leverage Ratio

We define the net leverage ratio as net debt divided by LTM adjusted EBITDA. Net debt is calculated as total debt, which includes short-term borrowings, the current portion of long-term debt, and long-term debt, less cash and cash items and short-term investments. We adjust total debt to exclude debt associated with the NGHC joint venture, which is non-recourse to Air Products. Likewise, the adjustment for cash and cash items to arrive at net debt does not include cash held by NGHC. The net leverage calculation, including a reconciliation of total debt to net debt, is provided below:

	31 December 2024
Short-term borrowings	\$68.2
Current portion of long-term debt	1,131.4
Long-term debt	13,170.5
Long-term debt – related party	100.4
Total Debt	\$14,470.5
Less: Short-term borrowings held by NGHC	60.4
Less: Long-term debt held by NGHC	3,499.4
Adjusted Total Debt	\$10,910.7
Less: Cash	
Cash and cash items, net of NGHC cash (see page 13)	\$1,821.5
Short-term investments	117.5
Subtotal	\$1,939.0
Net Debt	\$8,971.7
÷ LTM Adjusted EBITDA (see page 4)	5,062.7
Net Leverage Ratio	1.8x

Outlook

Adjusted EPS

The adjusted EPS guidance below is provided on a diluted basis from continuing operations attributable to Air Products and is compared to historical adjusted EPS. These adjusted measures exclude the impact of certain items that we believe are not representative of our underlying business performance, such as the non-service components of net periodic benefit/cost for our defined benefit pension plans, the incurrence of costs for business, asset, and cost reduction actions and impairment charges, or the recognition of gains or losses on certain disclosed items. The per share impact for each of our non-GAAP adjustments is calculated independently and may not sum to total adjusted EPS due to rounding.

It is not possible, without unreasonable efforts, to identify the timing or occurrence of similar future events or the potential for other transactions that may impact future GAAP EPS. Furthermore, it is not possible to identify the potential significance of these events in advance; however, any of these events, if they were to occur, could have a significant effect on our future GAAP EPS. Accordingly, management is unable to fully reconcile, without unreasonable efforts, our forecasted range of adjusted EPS to a comparable GAAP range.

	Diluted EPS	
	Q2	Full Year
2024 EPS ^(A)	\$2.57	\$17.24
Gain on sale of business	—	(5.38)
Business and asset actions	0.20	0.20
Loss on de-designation of cash flow hedges	—	0.02
Non-service pension cost, net	0.08	0.34
2024 Adjusted EPS ^(A)	\$2.85	\$12.43
2025 Adjusted EPS Outlook	\$2.75–\$2.85	\$12.70 – \$13.00
\$ Change	(0.10) – 0.00	0.27 – 0.57
% Change	(4%) – 0%	2% – 5%

^(A) We completed the divestiture of our LNG business on September 30, 2024; therefore, this business will not contribute to fiscal year 2025 results and, accordingly, is not reflected in our fiscal year 2025 guidance. In fiscal year 2024, the LNG business generated operating income for our Corporate and other segment of approximately \$25, \$35, \$35, \$40, and \$135 for the first four quarters and full year, respectively.

Capital Expenditures

It is not possible, without unreasonable efforts, to reconcile our forecasted capital expenditures to future cash used for investing activities because we are unable to identify the timing or occurrence of our future investment activity, which is driven by our assessment of competing opportunities at the time we enter into transactions. These decisions, either individually or in the aggregate, could have a significant effect on our cash used for investing activities.

We expect capital expenditures for fiscal year 2025 to be in the range of \$4.5 billion to \$5.0 billion.