

Moving forward



# Create Shareholder Value

Q4 FY22  
Earnings Conference Call

November 3, 2022



# Forward-looking statements

This presentation contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about earnings guidance, business outlook and investment opportunities. These forward-looking statements are based on management’s expectations and assumptions as of the date of this presentation and are not guarantees of future performance. While forward-looking statements are made in good faith and based on assumptions, expectations and projections that management believes are reasonable based on currently available information, actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors, including those disclosed in our earnings release for the fourth quarter of fiscal year 2022 and our Annual Report on Form 10-K for our fiscal year ended September 30, 2021 as well as in our filings with the Securities and Exchange Commission. Except as required by law, the Company disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in the assumptions, beliefs, or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

## Non-GAAP financial measures

This presentation and the discussion on the accompanying conference call contain certain financial measures that are not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). We have posted to our website, in the relevant Earnings Release section, reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP. Management believes these non-GAAP financial measures provide investors, potential investors, securities analysts, and others with useful information to evaluate our business because such measures, when viewed together with our GAAP disclosures, provide a more complete understanding of the factors and trends affecting our business. The non-GAAP financial measures supplement our GAAP disclosures and are not meant to be considered in isolation or as a substitute for the most directly comparable measures prepared in accordance with GAAP. These measures may not be comparable to similarly titled measures used by other companies.

# Safety Results

	<b>FY14</b>	<b>FY22</b>	<b>FY22 vs FY14</b>
Employee Lost Time Injury Rate	0.24	0.09	63% better
Employee Recordable Injury Rate	0.58	0.35	40% better

FY14 includes former Materials Technologies businesses divested in FY2017

# FY2022 Adjusted Earnings Per Share\*

In FY2022, Air Products delivered adjusted EPS\* of **\$10.41**, up **15%** over prior year.

# Profitable Growth

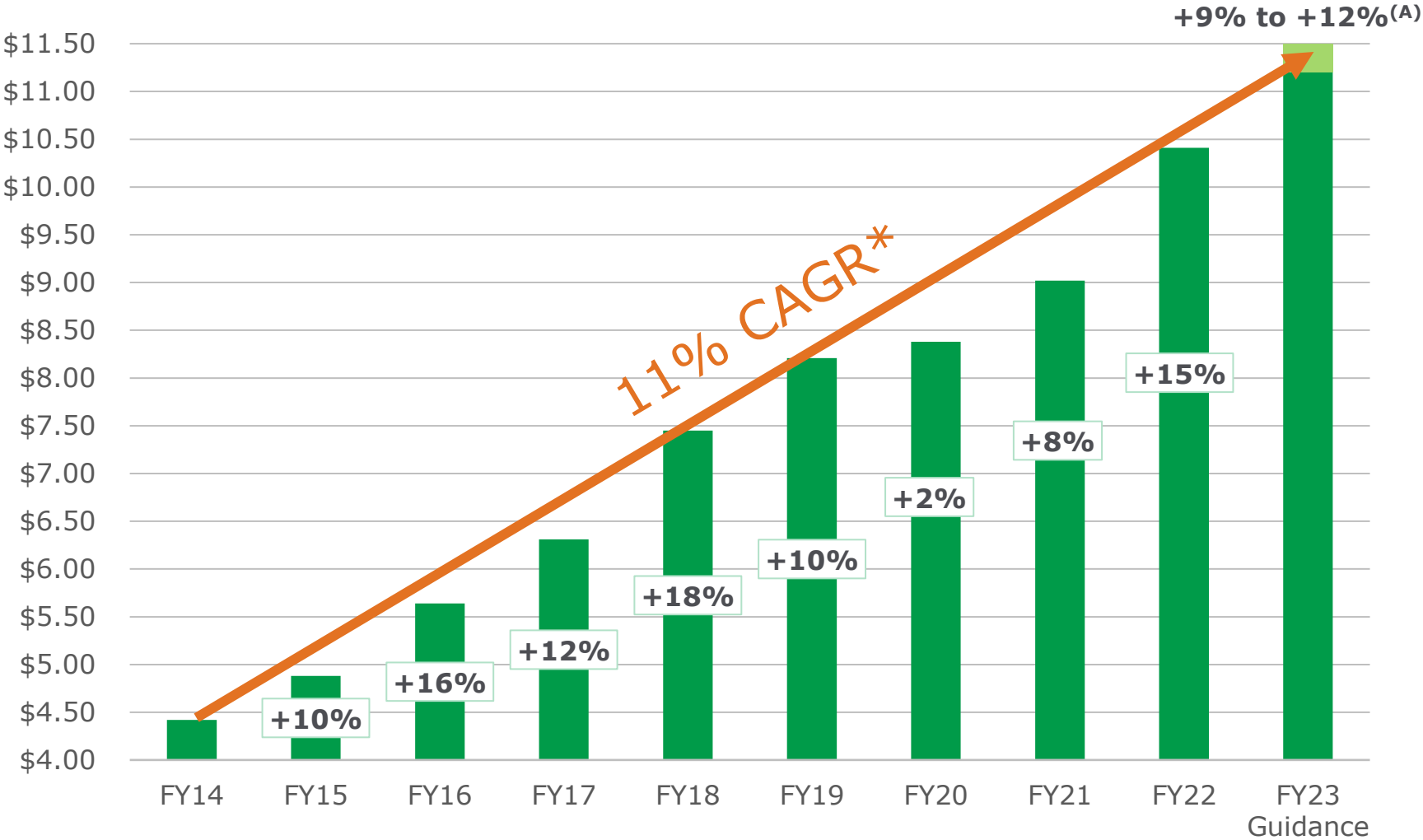
This FY2022 performance confirms that Air Products continues to deliver **near-term** results while executing its **long-term** growth strategy

# Adjusted EPS\* Growth

Since 2014, Air Products' goal has been to deliver average adjusted EPS\* growth of **10%** per year.

In the last 8 years, we have delivered **11%**.

# Air Products Adjusted EPS\*



\* Non-GAAP financial measure. See website for reconciliation.  
 CAGR is calculated using midpoint of FY23 guidance.  
 (A) Fiscal year 2022 comparisons have been updated to reflect adjustment for non-service-related pension impacts. See website for reconciliation.

# Adjusted EPS\* Growth

For FY2023, our guidance is to continue this trend and deliver adjusted EPS\* of **\$11.20 to \$11.50**.

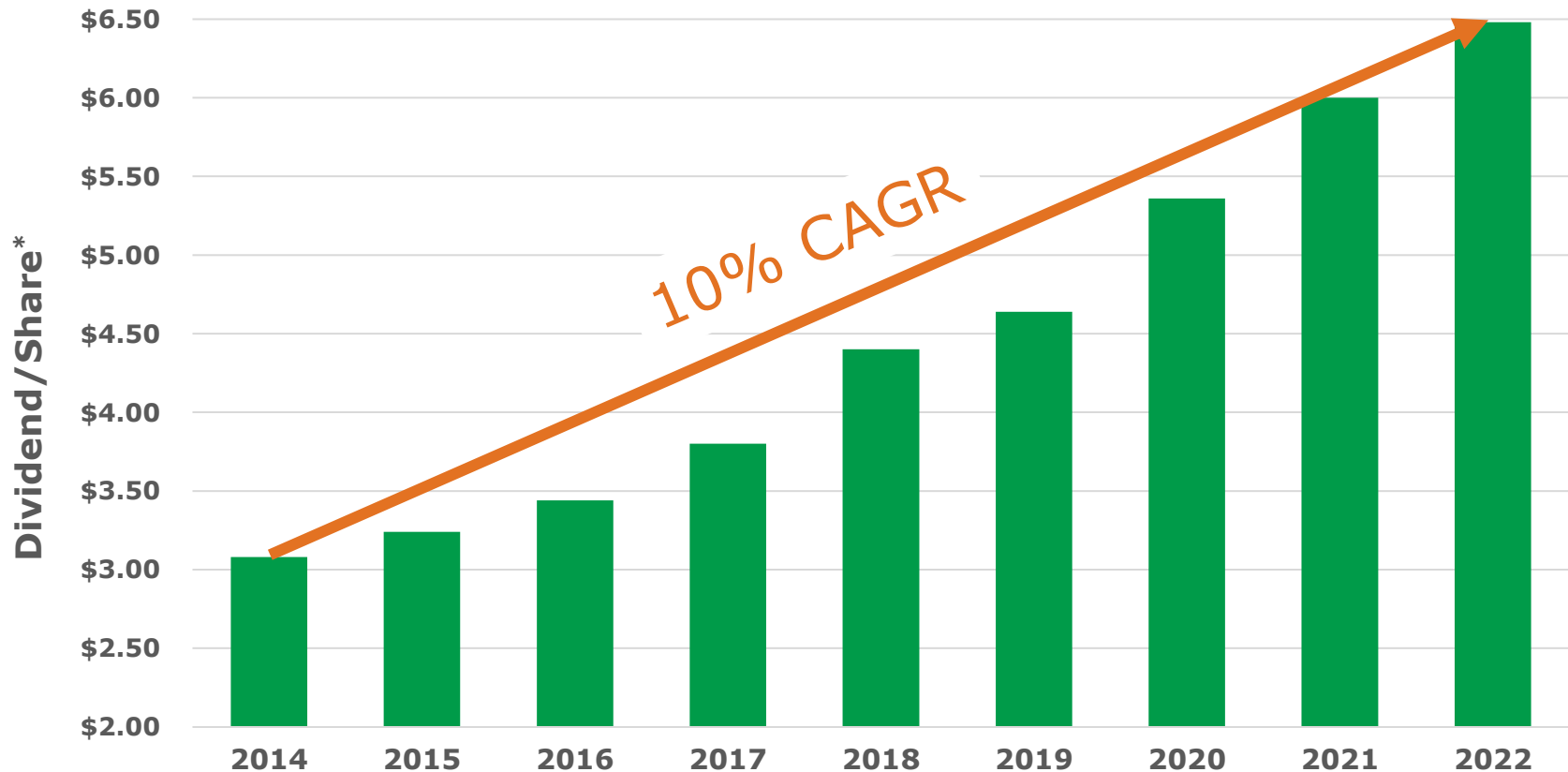


# Dividend Growth

Air Products is committed to paying a **healthy dividend** to our shareholders.

# Dividend History

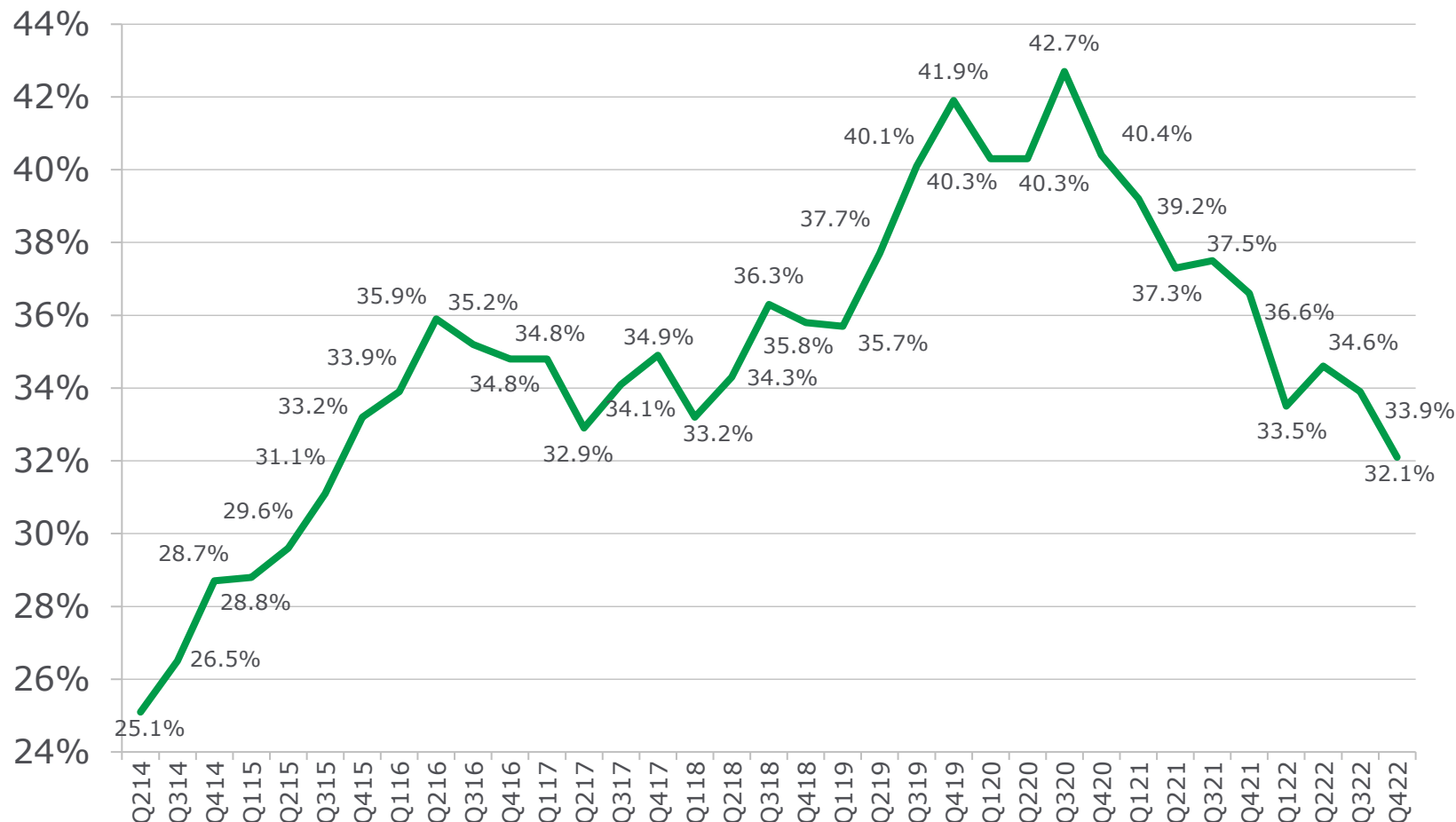
## 40 consecutive years of dividend increases



- 8%, or \$0.12 per share, dividend increase announced Feb 2022 (to \$1.62 per share)
- >\$1.4B of dividend payments to shareholders expected in 2022

\* Based on annualized quarterly dividend declared in first quarter

# Adjusted EBITDA Margin\*

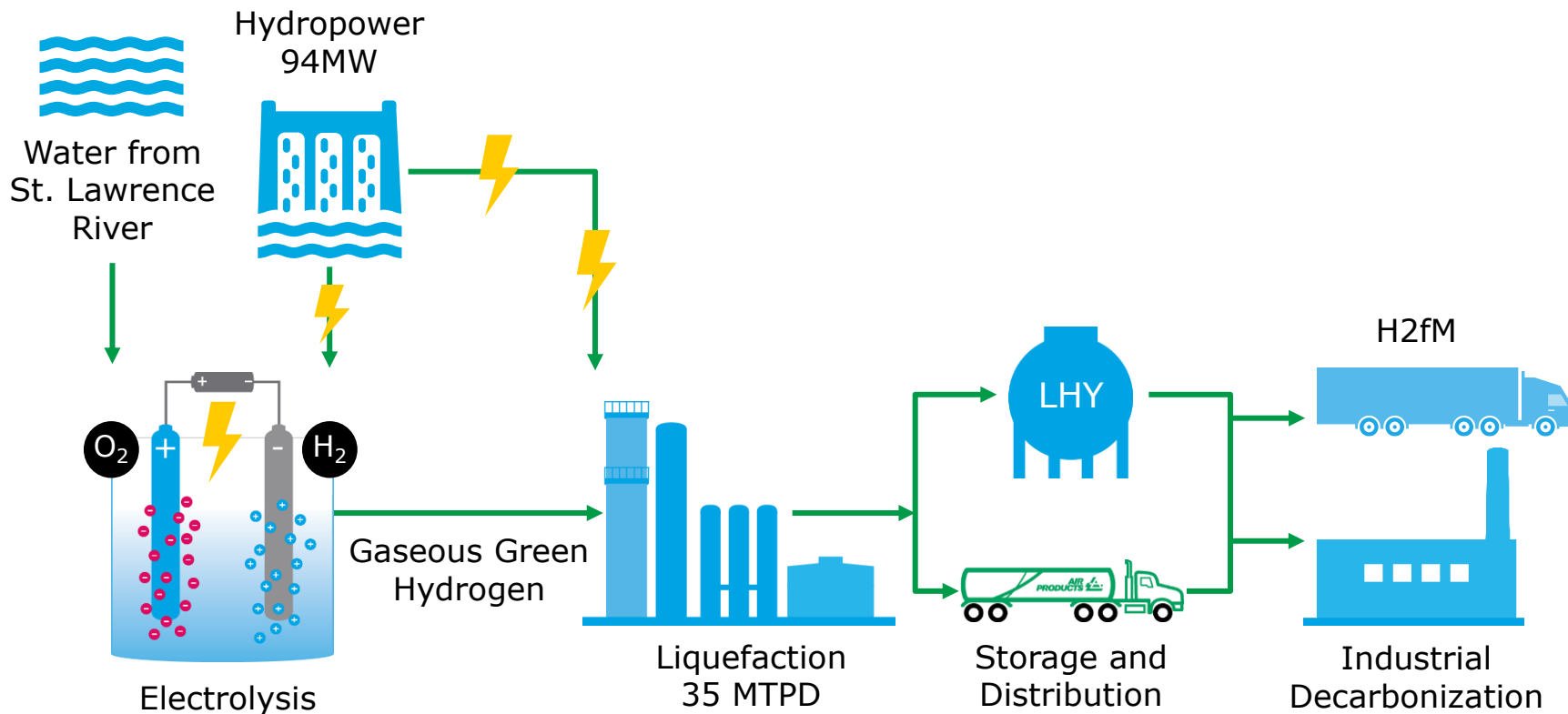


3/4 of decline from peak due to higher energy cost pass-through, which increases sales, but does not impact profits

# Management Philosophy

- **Our Goal** – to be the **safest, most diverse** and **most profitable** industrial gas company in the world, providing excellent service to our customers
- **Creating Shareholder Value** – cash is king; long-term increase in **per share value** of our stock; capital allocation is the most important job of the CEO
- **Five-Point Plan** – **sustain the lead, deploy capital, evolve portfolio, change culture, belong and matter**
- **Our Higher Purpose** – bring people together to **collaborate** and **innovate** solutions to the world's most significant **energy and environmental** sustainability challenges

# New York Green Hydrogen Project



- ~\$500M investment
- 35MT of liquid hydrogen, start-up 2026/2027
- 94 MW of hydroelectric power provided by New York Power Authority

# World Energy Project Sustainable Aviation Fuel

Expanded scope increases  
capital from \$2 billion  
to **\$2.5 billion** at our  
expected return

# Fiscal Year Results

(\$ million)	FY21	FY22	Change
Sales	\$10,323	\$12,699	23%
- Volume			8%
- Price			6%
- Energy cost pass-through			13%
- Currency			(4%)
Adjusted EBITDA*	\$3,883	\$4,247	9%
- Adjusted EBITDA Margin*	37.6%	33.4%	(420bp)
Adjusted Operating Income*	\$2,268	\$2,413	6%
- Adjusted Operating Margin*	22.0%	19.0%	(300bp)
Adjusted Net Income*	\$2,007	\$2,316	15%
Adjusted EPS* (\$/share)	\$9.02	\$10.41	15%
ROCE*	10.1%	11.2%	110bp

- Underlying sales strong
  - Price +6% = Merchant price +15%
  - Volume +8% driven by hydrogen, new plants, merchant, and SOE
- Adjusted EBITDA\* up due to price, volume, and equity affiliates' income, partially offset by cost and currency
- Energy cost pass-through negatively impacted adjusted EBITDA margin\* by ~400bp

# Full Year Adjusted EPS\*

Adjusted EPS\* Up 15% vs. PY

	FY21	FY22	Change
GAAP EPS from cont. ops	\$9.12	\$10.08	
Non-GAAP items	(0.09)	0.32	
<b>Adjusted EPS*</b>	<b>\$9.02</b>	<b>\$10.41</b>	<b>\$1.39</b>
Volume			0.80
Price, net of variable costs			0.81
Other cost			(0.84)
			\$0.77
Currency			(\$0.24)
Equity affiliates' income			0.74
Tax rate			0.09
Interest expense			0.05
Other ( <i>noncontrolling interest, non-operating income</i> )			(0.02)
			\$0.86

- Adjusted EPS\* up 15% overcoming negative 3% currency impact
- Non-GAAP items include two Q4 non-cash charges
- Jazan contribution consistent with expectation



# Q4 Results

(\$ million)	Q4FY22	Fav/(Unfav) vs.	
		Q4FY21	Q3FY22
Sales	\$3,570	26%	12%
- Volume		9%	8%
- Price		8%	2%
- Energy cost pass-through		15%	5%
- Currency		(6%)	(3%)
Adjusted EBITDA*	\$1,145	10%	6%
- Adjusted EBITDA Margin*	32.1%	(450bp)	(180bp)
Adjusted Operating Income*	\$700	14%	12%
- Adjusted Operating Margin*	19.6%	(210bp)	(10bp)
Adjusted Net Income*	\$643	15%	10%
Adjusted EPS* (\$/share)	\$2.89	15%	10%
ROCE*	11.2%	110bp	40bp

- Versus last year:
  - Strong price and volume. Profit up double-digit.
  - Price +8% = Merchant price +20%
  - Volume up driven by new plants, recovery in hydrogen, and merchant demand
  - Adjusted EBITDA\* up as price, volume, and equity affiliates' income more than offset cost and currency
  - Energy cost pass-through negatively impacted adjusted EBITDA margin\* by ~450bp
- Versus last quarter: Adjusted EBITDA\* up as price and volume more than offset cost and currency

# Q4 Adjusted EPS\*

Adjusted EPS\* Up 15% vs. Prior Year

	Q4FY21	Q4FY22	Change
GAAP EPS from cont. ops	\$2.51	\$2.56	
Non-GAAP items	–	0.32	
<b>Adjusted EPS*</b>	<b>\$2.51</b>	<b>\$2.89</b>	<b>\$0.38</b>
Volume			0.33
Price, net of variable costs			0.39
Other cost			(0.26)
			\$0.46
Currency			(\$0.15)
Equity affiliates' income			0.07
Other (tax rate, interest, noncontrolling interest, etc.)			–
			\$0.07

- Non-GAAP items include two non-cash charges
- Adjusted EPS\* up 15% overcoming negative 6% currency impact
- Price, volume, and cost together contributed ~\$0.50
- Jazan contribution consistent with expectation

# Cash Flow Focus

(\$ million)	FY21	FY22	Change
Adjusted EBITDA*	\$3,883	\$4,247	\$364
Interest, net*	(68)	(66)	2
Cash Tax	(391)	(429)	(38)
Maintenance CapEx*	<u>(774)</u>	<u>(693)</u>	<u>81</u>
Distributable Cash Flow*	\$2,650	\$3,059	\$409
	<i>\$11.91/Share*</i>	<i>\$13.75/Share*</i>	
Dividends	<u>(1,257)</u>	<u>(1,383)</u>	<u>(126)</u>
Investable Cash Flow*	\$1,393	\$1,676	\$283

- ~\$14/share of Distributable Cash Flow\*, up >15%
- Paid over 45% of Distributable Cash Flow\* as dividends
- ~\$1.7B of Investable Cash Flow\*, up 20%

# FY18-27 Capital Deployment Scorecard



Significant progress made, substantial investment capacity remaining

## Available Now (9/30/22)

(\$Billion)

Total Debt Capacity	\$ 12.7	Assuming 3xLTM Adj EBITDA*
Less: Net Debt*	\$ 4.3	Debt (\$7.6B) minus cash <sup>1</sup> (\$3.3B)
<b>Additional Available Now</b>	<b>\$ 8.4</b>	

## Estimated Available In Future

Investable Cash Flow (ICF)*	\$ 8.4	LTM ICF* x 5 years
Debt enabled by New Projects	\$ 8.7	Details below <sup>2</sup>
<b>Estimated In Future</b>	<b>\$ 17.1</b>	

## Already Spent

<b>FY18 through FY22</b>	<b>\$ 11.0</b>	Growth CapEx* (including M&A) <sup>4</sup>
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<b>Estimated FY18 - FY27 Capacity</b>	<b>\$ 36.5</b>	
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<b>Backlog (remaining to be spent)</b>	\$ 15.7	
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<b>Spent + Backlog (remaining to be spent)</b>	\$ 26.7	
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% Spent	30%	
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% Spent + Backlog (remaining to be spent)	73%	
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**Committed to manage debt balance to maintain current targeted A/A2 rating  
Total Backlog \$19.4B; Backlog remaining to be spent \$15.7B**

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

1. Cash includes cash and short-term investments

2. Total Backlog ~\$19.4 billion x (15% Adj EBITDA\* / CapEx<sup>3</sup>) x (3x Debt / Adj EBITDA)\*

3. Based on assumed (10% Operating Income / CapEx) and 20-year depreciable life

4. CAPEX excludes \$0.1B of minority partner's investment

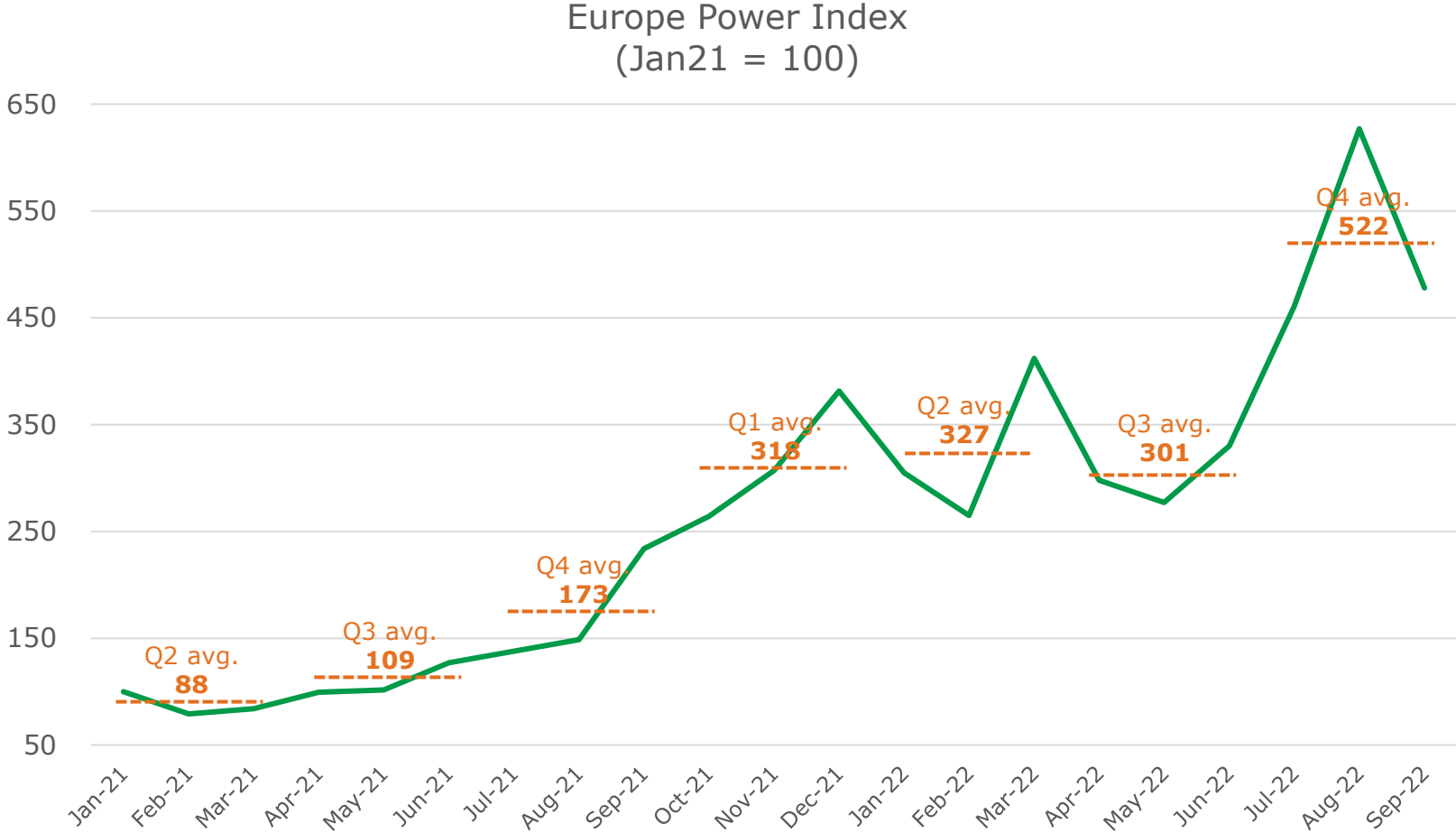
# Asia

	Q4FY22	Fav/(Unfav) vs.	
		Q4FY21	Q3FY22
Sales	\$860	14%	14%
- Volume		16%	16%
- Price		3%	1%
- Energy cost pass-through		2%	1%
- Currency		(7%)	(4%)
Adjusted EBITDA*	\$373	13%	15%
- <i>Adjusted EBITDA Margin*</i>	<i>43.3%</i>	<i>(50bp)</i>	<i>20bp</i>
Operating Income	\$263	28%	25%
- <i>Operating Margin</i>	<i>30.6%</i>	<i>330bp</i>	<i>260bp</i>

- Versus prior year:
  - Currency reduced adjusted EBITDA\* by 7%
  - Volume up as new plants & spot sales more than offset COVID impact
  - Price +3% = Merchant price + 9%
  - Adjusted EBITDA\* higher as favorable volume and price more than offset unfavorable costs, currencies and EAI
- Sequentially: Volume drove sales and profit improvement

# Europe Power Costs

## Up 5x – 6x



- Natural gas and power passed-through in onsite business
- Merchant price increases recovered power cost increase

# Europe

	Q4FY22	Fav/(Unfav) vs.	
		Q4FY21	Q3FY22
Sales	\$864	34%	17%
- Volume		-%	5%
- Price		19%	5%
- Energy cost pass-through		30%	12%
- Currency		(15%)	(5%)
Adjusted EBITDA*	\$217	8%	5%
- Adjusted EBITDA Margin*	25.1%	(600bp)	(290bp)
Operating Income	\$150	20%	9%
- Operating Margin	17.4%	(200bp)	(120bp)

- Versus prior year:
  - Currency reduced adjusted EBITDA\* 12%
  - Price +19% = merchant price +30%
  - Volume flat, lower overall demand offset by contract amendment
  - Adjusted EBITDA\* up as positive price & better mix more than offset negative currencies and higher costs
  - Energy cost pass-through negatively impacted adjusted EBITDA margin\* ~750bp
- Sequentially:
  - Volume up on better hydrogen and contract amendment
  - Currency reduced adjusted EBITDA\* 5%
  - Energy cost pass-through negatively impacted adjusted EBITDA margin\* ~300bp

# Americas

	Q4FY22	Fav/(Unfav) vs.	
		Q4FY21	Q3FY22
Sales	\$1,542	38%	9%
- Volume		12%	5%
- Price		8%	1%
- Energy cost pass-through		19%	4%
- Currency		(1%)	(1%)
Adjusted EBITDA*	\$515	8%	7%
- Adjusted EBITDA Margin*	33.4%	(930bp)	(50bp)
Operating Income	\$333	15%	11%
- Operating Margin	21.6%	(440bp)	50bp

- Versus prior year:
  - Price +8% = merchant price +21%
  - Volume up primarily due to improvement in merchant and hydrogen
  - Adjusted EBITDA\* up driven by price and volume, partially offset by costs and lower EAI
  - Energy cost pass-through negatively impacted adjusted EBITDA margin\* ~650bp
- Sequentially,
  - Adjusted EBITDA\* up driven by volume, price and lower planned maintenance more than offset higher other costs



# Middle East & India

	Q4FY22	Fav/(Unfav) vs.	
		Q4FY21	Q3FY22
Sales	\$42	\$12	\$6
Operating Income	\$5	(\$7)	(\$2)
<b>Equity Affiliate Income</b>	<b>\$63</b>	<b>\$41</b>	<b>(\$4)</b>
Adjusted EBITDA*	\$75	\$35	(\$6)

- Sales increased due to acquisitions
- Op. Income lower due to favorable contract settlement in prior year
- Jazan
  - Delivering as expected - EAI higher versus prior year
  - Received regular cash distribution

# Corporate and Other

	<b>Q4FY22</b>	<b>Fav/(Unfav) vs. Q4FY21</b>
Sales	\$263	(\$35)
Adjusted EBITDA*	(\$36)	(\$30)
Operating Income	(\$51)	(\$35)

- Full-year adjusted EBITDA\* improved
- Q4 sales and profit lower on reduced sale of equipment activity
- Additional resources to support growth strategy
- LNG inquiries increasing

# Outlook\*

<b>Q1 FY23 Adjusted EPS*</b>	<b>vs Prior Year</b>	<b>FY23 Adjusted EPS*</b>	<b>vs Prior Year</b>
\$2.60 to \$2.80	+5% to +13%	\$11.20 to \$11.50	+9% to +12%

FY23 Capital Expenditures\* \$5.0 - \$5.5 billion

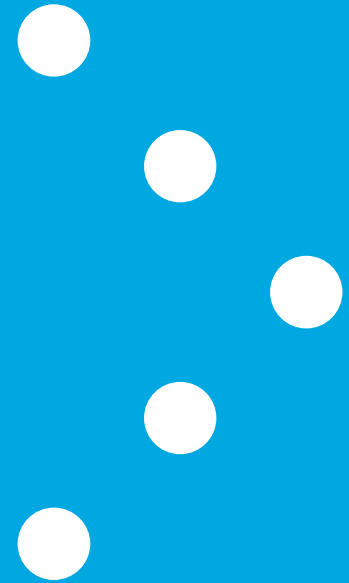
# Our Competitive Advantage

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

**commitment** and **motivation**

of the people in the enterprise

# Appendix slides



# Major Projects

Moving forward



Plant	Customer/Location	Capacity	Timing	Market
<b>ONSTREAM (last five quarters)</b>				
Liquid H2	LaPorte, TX	~30 tons per day	Q1 FY22	Merchant
ASU/Gasifier/ Power	AP / ACWA / SA / APQ – Jazan, Saudi Arabia – Phase I	~\$12 billion total JV	Q1 FY22	Gasif to Refinery
ASU/Liquid	Eastman, Kingsport, Tennessee	Not disclosed	Q2 FY22	Gasif/Merchant
<b>PROJECT COMMITMENTS</b>				
ASU/Gasifier	AP 100% - Jiutai – Hohhot, China	~\$0.65 billion	Q2 FY23	Gasif to Chemicals
ASU/Gasifier/ Power	AP / ACWA / SA / APQ – Jazan, Saudi Arabia – Phase II	~\$12 billion total JV	Q2 FY23	Gasif to Refinery
SMR/ASU/PL	GCA – Texas City	~\$500 million	Q3 FY23	Ammonia
ASU/Gasifier	AP (80%) / Debang – Lianyung City, China	~\$250 million total JV	1H FY24	Gasif to Chemicals / Merchant
Net-zero hydrogen	Alberta, Canada	~\$1.6 billion CAD	2024	Pipeline / Transportation
ASU/Gasifier/ MeOH	Indonesia	~\$2 billion	2025	Gasif to Methanol
H2/SAF	World Energy, California	~\$2.5 billion	2025	Sustainable Aviation Fuel
Carbon-free hydrogen	NEOM Saudi Arabia + downstream	~\$7 billion total (JV + APD)	2026	Global Transportation
Blue hydrogen	Louisiana	~\$4.5 billion	2026	Pipeline / Transportation
Semiconductor	Kaohsiung, Taiwan	~\$900 million	Not disclosed	Semiconductor
Green hydrogen	New York	~\$0.5 billion	2026 / 2027	Mobility / Industrial

# Capital Expenditures\*

<b>FY</b>	<b>\$MM</b>
2023	\$5.0 - \$5.5 billion <sup>#</sup>
2022	\$4,650 <sup>a</sup>
2021	\$2,551
2020	\$2,717
2019	\$2,129
2018	\$1,914
2017	\$1,056
2016	\$908
2015	\$1,201
<b>FY22</b>	<b>\$MM</b>
Q1	\$2,331 <sup>a</sup>
Q2	\$819
Q3	\$706
Q4	\$795
YTD	\$4,650 <sup>a</sup>

*Capital expenditures are calculated independently for each quarter and may not sum to full year amount due to rounding.*

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

<sup>#</sup> Outlook

<sup>a</sup> Q1FY22 CAPEX includes \$0.1B of minority partner's investment

Moving forward



Thank you  
tell me more

