

Creating Shareholder Value

Fourth Quarter 2024

Earnings Results Teleconference

November 7, 2024

GENERATING A CLEANER FUTURE



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Purpose of Reconciliation Tables

Our financial presentations, earnings teleconferences, and other investor and analyst communications may include references to non-GAAP (“adjusted”) financial measures. Unless otherwise stated, these measures are based on our continuing operations and are generally identified by the word “adjusted” or “non-GAAP” preceding the measure. We believe these non-GAAP financial measures provide useful information to evaluate the performance of our business by providing a more complete understanding of the factors and trends that affect our financial performance. 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”). Amounts provided herein are in millions of U.S. Dollars unless otherwise indicated, except for per share data. 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. 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.

Adjusted Diluted Earnings per Share ("EPS")

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

Quarterly and Annual Trend FY21-FY24

Adjusted diluted EPS for fiscal years 2022 and 2021 and relevant comparisons presented below have been updated to exclude the impact of non-service related components of net periodic cost/benefit.

	2024					2023					2022	2021
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	FY	FY
Diluted EPS	\$2.73	\$2.57	\$3.13	\$8.81	\$17.24	\$2.57	\$1.97	\$2.67	\$3.08	\$10.30	\$10.08	\$9.12
Facility closure	—	—	—	—	—	—	—	—	—	—	—	0.08
Gain on sale of business	—	—	—	(5.38)	(5.38)	—	—	—	—	—	—	—
Business and asset actions	—	0.20	—	—	0.20	—	0.69	0.23	—	0.92	0.27	—
Gain on exchange with joint venture partner	—	—	—	—	—	—	—	—	—	—	—	(0.12)
Equity method investment impairment charge	—	—	—	—	—	—	—	—	—	—	0.05	—
(Gain) Loss on de-designation of cash flow hedges	—	—	(0.01)	0.03	0.02	—	—	—	—	—	—	—
Non-service pension cost (benefit), net	0.08	0.08	0.09	0.09	0.34	0.07	0.08	0.07	0.08	0.29	(0.15)	(0.29)
Tax election benefit and other	—	—	—	—	—	—	—	—	—	—	—	(0.05)
Subtotal - Non-GAAP items	0.08	0.28	0.07	(5.26)	(4.82)	0.07	0.77	0.30	0.08	1.21	0.17	(0.38)
Adjusted Diluted EPS	\$2.82	\$2.85	\$3.20	\$3.56	\$12.43	\$2.64	\$2.74	\$2.98	\$3.15	\$11.51	\$10.25	\$8.73

	Q4 2024		FY		
	vs. Q4 2023	vs. Q3 2024	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021
Change GAAP					
Diluted EPS \$ change	\$5.73	\$5.68	\$6.94	\$0.22	\$0.96
Diluted EPS % change	186%	181%	67%	2%	11%
Change Non-GAAP					
Adjusted diluted EPS \$ change	\$0.41	\$0.36	\$0.92	\$1.26	\$1.52
Adjusted diluted EPS % change	13%	11%	8%	12%	17%

Adjusted EPS Annual Trend FY14-FY21

Amounts presented in the table below are as previously reported. The per share impact for each non-GAAP adjustment was calculated independently and may not sum to total adjusted diluted EPS due to rounding.

	2021	2020	2019	2018	2017	2016	2015	2014
Diluted EPS	\$9.12	\$8.55	\$7.94	\$6.59	\$5.16	\$5.04	\$4.29	\$3.24
Change in inventory valuation method	—	—	—	(0.08)	—	—	—	—
Facility closure	0.08	—	0.10	—	—	—	—	—
Business separation costs	—	—	—	—	0.12	0.21	0.03	—
Tax (benefit) costs associated with business separation	—	—	—	—	(0.02)	0.24	—	—
Business restructuring, cost reduction, and asset actions	—	—	0.08	—	0.49	0.11	0.61	0.03
Goodwill and intangible asset impairment charge	—	—	—	—	0.70	—	—	1.27
Gain on exchange with joint venture partner	(0.12)	—	(0.13)	—	—	—	—	—
Gain on previously held equity interest	—	—	—	—	—	—	(0.05)	—
Company headquarters relocation (income) expense	—	(0.12)	—	—	—	—	—	—
Gain on land sales	—	—	—	—	(0.03)	—	(0.13)	—
India Finance Act 2020	—	(0.06)	—	—	—	—	—	—
Equity method investment impairment charge	—	—	—	—	0.36	—	—	—
Pension settlement loss	—	—	0.02	0.15	0.03	0.02	0.06	0.02
Loss on extinguishment of debt	—	—	—	—	—	0.02	0.07	—
Tax reform repatriation	—	—	(0.06)	2.16	—	—	—	—
Tax reform adjustment related to deemed foreign dividends	—	—	0.26	(0.25)	—	—	—	—
Tax reform rate change and other	—	—	—	(0.96)	—	—	—	—
Tax restructuring	—	—	—	(0.16)	—	—	—	—
Tax election benefit and other	(0.05)	—	—	—	(0.50)	—	—	(0.14)
Adjusted Diluted EPS	\$9.02	\$8.38	\$8.21	\$7.45	\$6.31	\$5.64	\$4.88	\$4.42
	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017	2017 vs. 2016	2016 vs. 2015	2015 vs. 2014	
Change GAAP								
Diluted EPS \$ change	\$0.57	\$0.61	\$1.35	\$1.43	\$0.12	\$0.75	\$1.05	
Diluted EPS % change	7 %	8 %	20 %	28 %	2 %	17 %	32 %	
Change Non-GAAP								
Adjusted diluted EPS \$ change	\$0.64	\$0.17	\$0.76	\$1.14	\$0.67	\$0.76	\$0.46	
Adjusted diluted EPS % change	8 %	2 %	10 %	18 %	12 %	16 %	10 %	

Adjusted EBITDA

FY24 vs. FY23 Quarterly Trend

	2024					2023				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Sales	\$2,997.4	\$2,930.2	\$2,985.5	\$3,187.5	\$12,100.6	\$3,174.7	\$3,200.1	\$3,033.9	\$3,191.3	\$12,600.0
Net income	\$621.6	\$580.9	\$708.9	\$1,951.0	\$3,862.4	\$583.8	\$449.9	\$610.5	\$694.4	\$2,338.6
Net income margin	20.7%	19.8%	23.7%	61.2%	31.9%	18.4%	14.1%	20.1%	21.8%	18.6%
<u>Reconciliation of GAAP to Non-GAAP:</u>										
Net income	\$621.6	\$580.9	\$708.9	\$1,951.0	\$3,862.4	\$583.8	\$449.9	\$610.5	\$694.4	\$2,338.6
Less: (Loss) Income from discontinued operations, net of tax	—	—	—	(13.9)	(13.9)	—	—	—	7.4	7.4
Add: Interest expense	53.5	59.9	55.7	49.7	218.8	41.2	40.9	47.4	48.0	177.5
Less: Other non-operating expense, net	(14.8)	(9.2)	(1.3)	(48.5)	(73.8)	(0.6)	(13.9)	(11.7)	(12.8)	(39.0)
Add: Income tax provision	135.4	130.5	140.6	538.4	944.9	136.4	121.0	139.6	154.2	551.2
Add: Depreciation and amortization	349.2	360.8	360.3	380.8	1,451.1	321.5	339.6	339.9	357.3	1,358.3
Less: Gain on sale of business	—	—	—	1,575.6	1,575.6	—	—	—	—	—
Add: Business and asset actions	—	57.0	—	—	57.0	—	185.6	59.0	—	244.6
Adjusted EBITDA	\$1,174.5	\$1,198.3	\$1,266.8	\$1,406.7	\$5,046.3	\$1,083.5	\$1,150.9	\$1,208.1	\$1,259.3	\$4,701.8
Adjusted EBITDA margin	39.2%	40.9%	42.4%	44.1%	41.7%	34.1%	36.0%	39.8%	39.5%	37.3%

	Q4 2024			FY
	vs. Q2 2014 ^(A)	vs. Q4 2023	vs. Q3 2024	2024 vs. 2023
Change GAAP				
Net income \$ change	\$1,659.4	\$1,256.6	\$1,242.1	\$1,523.8
Net income % change	569%	181%	175%	65%
Net income margin change	4,990 bp	3,940 bp	3,750 bp	1,330 bp
Change Non-GAAP				
Adjusted EBITDA \$ change	\$759.4	\$147.4	\$139.9	\$344.5
Adjusted EBITDA % change	117%	12%	11%	7%
Adjusted EBITDA margin change	1,900 bp	460 bp	170 bp	440 bp

^(A) Refer to page 8 for a reconciliation of fiscal year 2014 adjusted EBITDA.

Adjusted EBITDA Quarterly Trend FY20-FY22

	2022				2021				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	\$2,994.2	\$2,945.1	\$3,189.3	\$3,570.0	\$2,375.2	\$2,502.0	\$2,604.7	\$2,841.1	\$2,254.7	\$2,216.3	\$2,065.2	\$2,320.1
Net income	\$549.6	\$536.8	\$587.1	\$593.0	\$486.7	\$477.1	\$532.3	\$618.8	\$488.9	\$490.4	\$457.1	\$494.7
Net income margin	18.4%	18.2%	18.4%	16.6%	20.5%	19.1%	20.4%	21.8%	21.7%	22.1%	22.1%	21.3%
<u>Reconciliation of GAAP to Non-GAAP:</u>												
Net income	\$549.6	\$536.8	\$587.1	\$593.0	\$486.7	\$477.1	\$532.3	\$618.8	\$488.9	\$490.4	\$457.1	\$494.7
Less: Income (Loss) from discontinued operations, net of tax	—	—	—	12.6	10.3	—	8.2	51.8	—	(14.3)	—	—
Add: Interest expense	30.5	32.3	32.7	32.5	36.7	36.1	35.6	33.4	18.7	19.3	32.1	39.2
Less: Other non-operating income, net	22.6	9.1	10.5	20.2	18.6	16.8	21.1	17.2	9.1	7.1	8.1	6.4
Add: Income tax provision	113.3	122.7	134.2	130.6	113.9	121.9	101.7	125.3	120.7	148.5	109.3	99.9
Add: Depreciation and amortization	332.3	335.9	337.2	332.8	323.7	329.3	335.7	332.6	289.2	294.7	290.6	310.5
Add: Facility closure	—	—	—	—	—	23.2	—	—	—	—	—	—
Add: Business and asset actions	—	—	—	73.7	—	—	—	—	—	—	—	—
Less: Gain on exchange with joint venture partner	—	—	—	—	—	36.8	—	—	—	—	—	—
Less: Company headquarters relocation income (expense)	—	—	—	—	—	—	—	—	—	33.8	—	—
Less: India Finance Act 2020 - equity affiliate income impact	—	—	—	—	—	—	—	—	—	33.8	—	—
Add: Equity method investment impairment charge	—	—	—	14.8	—	—	—	—	—	—	—	—
Adjusted EBITDA	\$1,003.1	\$1,018.6	\$1,080.7	\$1,144.6	\$932.1	\$934.0	\$976.0	\$1,041.1	\$908.4	\$892.5	\$881.0	\$937.9
Adjusted EBITDA margin	33.5%	34.6%	33.9%	32.1%	39.2%	37.3%	37.5%	36.6%	40.3%	40.3%	42.7%	40.4%

Adjusted EBITDA Quarterly Trend FY17-FY19

	2019				2018				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	\$2,224.0	\$2,187.7	\$2,224.0	\$2,283.2	\$2,216.6	\$2,155.7	\$2,259.0	\$2,298.9	\$1,882.5	\$1,980.1	\$2,121.9	\$2,203.1
Net income	\$357.0	\$433.5	\$500.2	\$518.7	\$161.7	\$423.6	\$487.9	\$459.7	\$306.4	\$2,135.7	\$104.1	\$475.0
Net income margin	16.0%	19.8%	22.5%	22.7%	7.3%	19.7%	21.6%	20.0%	16.3%	107.9%	4.9%	21.6%
<u>Reconciliation of GAAP to Non-GAAP:</u>												
Net income	\$357.0	\$433.5	\$500.2	\$518.7	\$161.7	\$423.6	\$487.9	\$459.7	\$306.4	\$2,135.7	\$104.1	\$475.0
Less: Income (Loss) from discontinued operations, net of tax	—	—	—	—	(1.0)	—	43.2	—	48.2	1,825.6	(2.3)	(5.5)
Add: Interest expense	37.3	35.4	34.2	30.1	29.8	30.4	34.9	35.4	29.5	30.5	29.8	30.8
Less: Other non-operating income (expense), net	18.5	13.7	17.6	16.9	9.8	11.1	12.8	(28.6)	(0.2)	5.3	3.7	7.8
Add: Income tax provision (benefit)	132.1	107.5	109.3	131.2	291.8	56.2	107.1	69.2	78.4	94.5	89.3	(1.3)
Add: Depreciation and amortization	258.0	262.1	269.1	293.6	227.9	240.0	245.6	257.2	206.1	211.8	216.9	231.0
Add: Facility closure	29.0	—	—	—	—	—	—	—	—	—	—	—
Less: Change in inventory valuation method	—	—	—	—	—	—	—	24.1	—	—	—	—
Add: Business separation costs	—	—	—	—	—	—	—	—	32.5	—	—	—
Add: Cost reduction and asset actions	—	—	25.5	—	—	—	—	—	50.0	10.3	42.7	48.4
Add: Goodwill and intangible asset impairment charge	—	—	—	—	—	—	—	—	—	—	162.1	—
Less: Gain on exchange with joint venture partner	—	—	29.1	—	—	—	—	—	—	—	—	—
Less: Gain on land sale	—	—	—	—	—	—	—	—	—	—	—	12.2
Add: Equity method investment impairment charge	—	—	—	—	—	—	—	—	—	—	79.5	—
Add: Tax reform repatriation - equity method investment	—	—	—	—	32.5	—	—	(4.0)	—	—	—	—
Adjusted EBITDA	\$794.9	\$824.8	\$891.6	\$956.7	\$734.9	\$739.1	\$819.5	\$822.0	\$654.9	\$651.9	\$723.0	\$769.4
Adjusted EBITDA margin	35.7%	37.7%	40.1%	41.9%	33.2%	34.3%	36.3%	35.8%	34.8%	32.9%	34.1%	34.9%

Adjusted EBITDA Quarterly Trend FY14-FY16

	2016				2015				2014 ^(A)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	\$1,866.3	\$1,777.4	\$1,914.5	\$1,945.5	\$2,041.0	\$1,885.3	\$1,934.4	\$1,963.6	\$2,545.5	\$2,581.9	\$2,634.6	\$2,677.0
Net income (loss)	\$372.0	(\$465.5)	\$354.1	\$400.9	\$337.5	\$296.9	\$333.2	\$350.0	\$299.0	\$291.6	\$323.4	\$79.1
Net income (loss) margin	19.9%	(26.2%)	18.5%	20.6%	16.5%	15.7%	17.2%	17.8%	11.7%	11.3%	12.3%	3.0%
<u>Reconciliation of GAAP to Non-GAAP:</u>												
Net income (loss)	\$372.0	(\$465.5)	\$354.1	\$400.9	\$337.5	\$296.9	\$333.2	\$350.0	\$299.0	\$291.6	\$323.4	\$79.1
Less: Income (Loss) from discontinued operations, net of tax	84.8	(750.2)	98.4	106.5	76.7	103.4	99.4	72.2	1.3	(2.1)	(2.0)	(0.1)
Add: Interest expense	22.2	25.7	35.1	32.2	28.8	23.2	28.1	22.7	33.3	31.5	31.3	29.0
Add: Income tax provision	96.4	93.5	145.9	96.8	76.8	63.0	74.7	85.7	95.3	93.0	103.0	78.1
Add: Depreciation and amortization	214.7	213.9	213.5	212.5	215.3	213.9	214.2	215.1	234.2	229.1	239.0	254.6
Add: Business separation costs	12.0	7.4	9.5	21.7	—	—	—	7.5	—	—	—	—
Add: Business restructuring and cost reduction actions	—	10.7	13.2	10.6	24.3	52.9	49.6	53.3	—	—	—	12.7
Add: Goodwill and intangible asset impairment charge	—	—	—	—	—	—	—	—	—	—	—	310.1
Less: Gain on previously held equity interest	—	—	—	—	17.9	—	—	—	—	—	—	—
Less: Gain on land sale	—	—	—	—	—	—	—	33.6	—	—	—	—
Add: Pension settlement Loss	—	2.0	1.0	2.1	—	11.9	1.4	6.0	—	—	—	5.5
Add: Loss on extinguishment of debt	—	—	—	6.9	—	—	—	16.6	—	—	—	—
Adjusted EBITDA	\$632.5	\$637.9	\$673.9	\$677.2	\$588.1	\$558.4	\$601.8	\$651.1	\$660.5	\$647.3	\$698.7	\$769.2
Adjusted EBITDA margin	33.9 %	35.9 %	35.2 %	34.8 %	28.8 %	29.6 %	31.1 %	33.2 %	25.9 %	25.1 %	26.5 %	28.7 %

^(A) Fiscal year 2014 is presented as previously reported in our Annual Report on Form 10-K for the fiscal year ended September 30, 2016, which included the results of the former Materials Technologies segment.

Adjusted EBITDA by Segment

	2024					2023					Q4 2024 vs. Q4 2023		Q4 2024 vs. Q3 2024	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	\$	%/bp	\$	%/bp
Americas														
Sales	\$1,252.1	\$1,245.8	\$1,234.7	\$1,307.5	\$5,040.1	\$1,384.2	\$1,373.1	\$1,260.7	\$1,351.3	\$5,369.3				
Operating income	354.4	371.9	391.1	447.7	1,565.1	343.0	324.2	374.8	397.7	1,439.7	\$50.0	13%	\$56.6	14%
Operating margin	28.3%	29.9%	31.7%	34.2%	31.1%	24.8%	23.6%	29.7%	29.4%	26.8%		480 bp		250 bp
Reconciliation of GAAP to Non-GAAP:														
Operating income	\$354.4	\$371.9	\$391.1	\$447.7	\$1,565.1	\$343.0	\$324.2	\$374.8	\$397.7	\$1,439.7				
Add: Depreciation and amortization	169.7	174.1	175.6	179.9	699.3	156.0	161.7	163.1	168.5	649.3				
Add: Equity affiliates' income	37.1	44.2	37.5	40.0	158.8	16.4	28.1	29.9	34.8	109.2				
Adjusted EBITDA	\$561.2	\$590.2	\$604.2	\$667.6	\$2,423.2	\$515.4	\$514.0	\$567.8	\$601.0	\$2,198.2	\$66.6	11%	\$63.4	10%
Adjusted EBITDA margin	44.8%	47.4%	48.9%	51.1%	48.1%	37.2%	37.4%	45.0%	44.5%	40.9%		660 bp		220 bp
Asia														
Sales	\$793.8	\$779.7	\$789.6	\$861.2	\$3,224.3	\$777.8	\$813.9	\$822.9	\$801.5	\$3,216.1				
Operating income	211.2	203.6	200.1	244.3	859.2	235.9	233.0	240.8	196.8	906.5	\$47.5	24%	\$44.2	22%
Operating margin	26.6%	26.1%	25.3%	28.4%	26.6%	30.3%	28.6%	29.3%	24.6%	28.2%		380 bp		310 bp
Reconciliation of GAAP to Non-GAAP:														
Operating income	\$211.2	\$203.6	\$200.1	\$244.3	\$859.2	\$235.9	\$233.0	\$240.8	\$196.8	\$906.5				
Add: Depreciation and amortization	111.8	116.4	115.5	127.3	471.0	101.9	110.0	108.3	113.3	433.5				
Add: Equity affiliates' income	4.2	8.3	8.7	11.7	32.9	7.4	7.3	7.5	7.5	29.7				
Adjusted EBITDA	\$327.2	\$328.3	\$324.3	\$383.3	\$1,363.1	\$345.2	\$350.3	\$356.6	\$317.6	\$1,369.7	\$65.7	21%	\$59.0	18%
Adjusted EBITDA margin	41.2%	42.1%	41.1%	44.5%	42.3%	44.4%	43.0%	43.3%	39.6%	42.6%		490 bp		340 bp

Adjusted EBITDA by Segment (continued)

	2024					2023					Q4 2024 vs. Q4 2023		Q4 2024 vs. Q3 2024	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	\$	%/bp	\$	%/bp
Europe														
Sales	\$731.2	\$667.9	\$693.4	\$730.9	\$2,823.4	\$791.9	\$752.9	\$706.6	\$711.7	\$2,963.1				
Operating income	197.6	201.0	204.7	206.7	810.0	145.8	173.2	176.1	168.3	663.4	\$38.4	23%	\$2.0	1%
Operating margin	27.0%	30.1%	29.5%	28.3%	28.7%	18.4%	23.0%	24.9%	23.6%	22.4%		470 bp		(120)bp
Reconciliation of GAAP to Non-GAAP:														
Operating income	\$197.6	\$201.0	\$204.7	\$206.7	\$810.0	\$145.8	\$173.2	\$176.1	\$168.3	\$663.4				
Add: Depreciation and amortization	48.2	50.8	52.2	55.9	207.1	44.3	48.3	48.6	55.0	196.2				
Add: Equity affiliates' income	20.7	11.7	26.3	29.4	88.1	17.7	29.5	28.8	26.5	102.5				
Adjusted EBITDA	\$266.5	\$263.5	\$283.2	\$292.0	\$1,105.2	\$207.8	\$251.0	\$253.5	\$249.8	\$962.1	\$42.2	17%	\$8.8	3%
Adjusted EBITDA margin	36.4%	39.5%	40.8%	40.0%	39.1%	26.2%	33.3%	35.9%	35.1%	32.5%		490 bp		(80)bp
Middle East and India														
Operating income	\$3.9	\$5.6	(\$1.4)	(\$2.2)	\$5.9	\$6.7	\$1.3	\$5.8	\$3.1	\$16.9	(\$5.3)			
Add: Depreciation and amortization	6.6	6.7	6.8	6.5	26.6	6.6	6.6	7.0	7.3	27.5				
Add: Equity affiliates' income	92.9	73.9	89.2	91.5	347.5	64.1	98.9	95.5	91.3	349.8				
Adjusted EBITDA	\$103.4	\$86.2	\$94.6	\$95.8	\$380.0	\$77.4	\$106.8	\$108.3	\$101.7	\$394.2	(\$5.9)			
Corporate and other														
Operating loss	(\$100.2)	(\$87.9)	(\$56.9)	(\$47.7)	(\$292.7)	(\$79.4)	(\$86.3)	(\$94.3)	(\$27.3)	(\$287.3)	(\$20.4)			
Add: Depreciation and amortization	12.9	12.8	10.2	11.2	47.1	12.7	13.0	12.9	13.2	51.8				
Add: Equity affiliates' income	3.5	5.2	7.2	4.5	20.4	4.4	2.1	3.3	3.3	13.1				
Adjusted EBITDA	(\$83.8)	(\$69.9)	(\$39.5)	(\$32.0)	(\$225.2)	(\$62.3)	(\$71.2)	(\$78.1)	(\$10.8)	(\$222.4)	(\$21.2)			

Adjusted Operating Income and Adjusted Operating Margin

	2024			2023		Q4 2024 vs. Q4 2023		Q4 2024 vs. Q3 2024		FY2024 vs. FY2023	
	Q3	Q4	FY	Q4	FY	\$	%/bp	\$	%/bp	\$	%/bp
Sales	\$2,985.5	\$3,187.5	\$12,100.6	\$3,191.3	\$12,600.0						
Operating income	737.6	2,424.4	4,466.1	738.6	2,494.6	\$1,685.8	228%	\$1,686.8	229%	\$1,971.5	79%
Operating margin	24.7%	76.1%	36.9%	23.1%	19.8%		5,300 bp		5,140 bp		1,710 bp
<u>Reconciliation of GAAP to Non-GAAP:</u>											
Operating income	\$737.6	\$2,424.4	\$4,466.1	\$738.6	\$2,494.6						
Gain on sale of business	—	(1,575.6)	(1,575.6)	—	—						
Business and asset actions	—	—	57.0	—	244.6						
Adjusted operating income	\$737.6	\$848.8	\$2,947.5	\$738.6	\$2,739.2	\$110.2	15%	\$111.2	15%	\$208.3	8%
Adjusted operating margin	24.7%	26.6%	24.4%	23.1%	21.7%		350 bp		190 bp		270 bp

Adjusted Net Income

	2024			2023		Q4 2024 vs. Q4 2023		Q4 2024 vs. Q3 2024		FY2024 vs. FY2023	
	Q3	Q4	FY	Q4	FY	\$	%	\$	%	\$	%
Net income	\$708.9	\$1,951.0	\$3,862.4	\$694.4	\$2,338.6	\$1,256.6	181%	\$1,242.1	175%	\$1,523.8	65%
Loss (Income) from discontinued operations, net of tax	—	13.9	13.9	(7.4)	(7.4)						
Net income attributable to noncontrolling interests of continuing operations	(12.3)	(1.1)	(34.2)	(1.8)	(38.4)						
Net income from continuing operations attributable to Air Products	\$696.6	\$1,963.8	\$3,842.1	\$685.2	\$2,292.8						
Gain on sale of business	—	(1,198.4)	(1,198.4)	—	—						
Business and asset actions	—	—	43.8	—	204.9						
(Gain) Loss on de-designation of cash flow hedges	(3.0)	7.3	4.3	—	—						
Non-service pension cost, net	19.1	20.1	76.8	16.8	65.2						
Adjusted net income	\$712.7	\$792.8	\$2,768.6	\$702.0	\$2,562.9	\$90.8	13%	\$80.1	11%	\$205.7	8%

Adjusted Effective Tax Rate

	FY 2024	FY 2023
Income tax provision	\$944.9	\$551.2
Income from continuing operations before taxes	4,821.2	2,882.4
Effective tax rate	19.6%	19.1%
Income tax provision	\$944.9	\$551.2
Gain on sale of business tax impact	(377.2)	—
Business and asset actions tax impact	13.2	34.7
Loss on de-designation of cash flow hedges tax impact	1.4	—
Non-service pension tax impact	25.2	21.6
Adjusted income tax provision	\$607.5	\$607.5
Income from continuing operations before taxes	\$4,821.2	\$2,882.4
Gain on sale of business	(1,575.6)	—
Business and asset actions	57.0	244.6
Loss on de-designation of cash flow hedges	16.3	—
Non-service pension cost, net	102.0	86.8
Adjusted income from continuing operations before taxes	\$3,420.9	\$3,213.8
Adjusted effective tax rate	17.8%	18.9%
	FY 2024	
Changes	vs.	FY 2023
Effective tax rate	50bp	
Adjusted effective tax rate	(110)bp	

Summary of Non-GAAP Adjustments

The tables below detail the non-GAAP items disclosed on the preceding pages and the impact of each on our consolidated income statements on a continuing operations basis.

	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
Diluted EPS from continuing operations ^(B)	\$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.

^(B) For non-GAAP EPS details, refer to the Adjusted Diluted EPS section on page 3.

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 ^(C)	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	(\$1,575.6)	(\$377.2)	(\$1,198.4)	(\$1,575.6)	(\$377.2)	(\$1,198.4)
Business and asset actions ^(C)	—	—	—	57.0	13.2	43.8	—	—	—	—	—	—	57.0	13.2	43.8
(Gain) Loss on de-designation of cash flow hedges ^(D)	—	—	—	—	—	—	(11.2)	(0.9)	(3.0)	27.5	2.3	7.3	16.3	1.4	4.3
Non-service pension cost, net ^(E)	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)

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

^(D) Before tax impact reflected in "Other non-operating income (expense), net." Includes \$10.6 attributable to noncontrolling interests for the fiscal year.

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

Summary of Non-GAAP Adjustments (continued)

	2023														
	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	\$652.0	\$—	\$652.0	\$459.8	\$185.6	\$645.4	\$644.2	\$59.0	\$703.2	\$738.6	\$—	\$738.6	\$2,494.6	\$244.6	\$2,739.2
Equity affiliates' income	110.0	—	110.0	165.9	—	165.9	165.0	—	165.0	163.4	—	163.4	604.3	—	604.3
Interest expense	41.2	—	41.2	40.9	—	40.9	47.4	—	47.4	48.0	—	48.0	177.5	—	177.5
Other non-operating income (expense), net	(0.6)	19.5	18.9	(13.9)	22.9	9.0	(11.7)	22.0	10.3	(12.8)	22.4	9.6	(39.0)	86.8	47.8
Income from continuing operations before taxes	\$720.2	\$19.5	\$739.7	\$570.9	\$208.5	\$779.4	\$750.1	\$81.0	\$831.1	\$841.2	\$22.4	\$863.6	\$2,882.4	\$331.4	\$3,213.8
Income tax provision	136.4	4.9	141.3	121.0	32.6	153.6	139.6	13.2	152.8	154.2	5.6	159.8	551.2	56.3	607.5
Income from continuing operations	\$583.8	\$14.6	\$598.4	\$449.9	\$175.9	\$625.8	\$610.5	\$67.8	\$678.3	\$687.0	\$16.8	\$703.8	\$2,331.2	\$275.1	\$2,606.3
Net income attributable to noncontrolling interests of continuing operations	11.6	—	11.6	10.1	5.0	15.1	14.9	—	14.9	1.8	—	1.8	38.4	5.0	43.4
Net income from continuing operations attributable to Air Products	\$572.2	\$14.6	\$586.8	\$439.8	\$170.9	\$610.7	\$595.6	\$67.8	\$663.4	\$685.2	\$16.8	\$702.0	\$2,292.8	\$270.1	\$2,562.9
Diluted EPS from continuing operations ^(B)	\$2.57	\$0.07	\$2.64	\$1.97	\$0.77	\$2.74	\$2.67	\$0.30	\$2.98	\$3.08	\$0.08	\$3.15	\$10.30	\$1.21	\$11.51

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

^(B) For non-GAAP EPS details, refer to the Adjusted Diluted EPS section on page 3.

Non-GAAP Items	2023														
	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
Business and asset actions ^(C)	\$—	\$—	\$—	\$185.6	\$26.9	\$153.7	\$59.0	\$7.8	\$51.2	\$—	\$—	\$—	\$244.6	\$34.7	\$204.9
Non-service pension cost, net ^(D)	19.5	4.9	14.6	22.9	5.7	17.2	22.0	5.4	16.6	22.4	5.6	16.8	86.8	21.6	65.2
Total Non-GAAP Items	\$19.5	\$4.9	\$14.6	\$208.5	\$32.6	\$170.9	\$81.0	\$13.2	\$67.8	\$22.4	\$5.6	\$16.8	\$331.4	\$56.3	\$270.1

^(C) Before tax impact reflected in "Operating income." Includes \$5.0 attributable to noncontrolling interests.

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

Return on Capital Employed ("ROCE") (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.

ROCE (GAAP Basis):	2024				2023				2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net income	\$1,951.0	\$708.9	\$580.9	\$621.6	\$694.4	\$610.5	\$449.9	\$583.8	
Total liabilities and equity	39,574.6	36,974.3	35,921.7	34,118.2	32,002.5	30,929.5	29,435.4	28,278.3	27,192.6
Four-Quarter Trailing Net Income	\$3,862.4	\$2,605.8	\$2,507.4	\$2,376.4	\$2,338.6				
÷ Five-Quarter Average Total Liabilities and Equity	35,718.3	33,989.2	32,481.5	30,952.8	29,567.7				
ROCE (GAAP Basis)	10.8%	7.7%	7.7%	7.7%	7.9%				
Change vs. prior year	290 bp								
Change vs. prior quarter	310 bp								
ROCE (Non-GAAP Basis):									
Net income	\$1,951.0	\$708.9	\$580.9	\$621.6	\$694.4	\$610.5	\$449.9	\$583.8	
Loss (Income) from discontinued operations, net of tax	13.9	—	—	—	(7.4)	—	—	—	
Interest expense	49.7	55.7	59.9	53.5	48.0	47.4	40.9	41.2	
Gain on sale of business	(1,575.6)	—	—	—	—	—	—	—	
Business and asset actions	—	—	57.0	—	—	59.0	185.6	—	
(Gain) Loss on de-designation of cash flow hedges	27.5	(11.2)	—	—	—	—	—	—	
Non-service pension cost (benefit), net	26.7	25.3	25.1	24.9	22.4	22.0	22.9	19.5	
Tax other ^(A)	357.6	(14.5)	(30.4)	(15.8)	(14.4)	(22.0)	(41.3)	(12.7)	
Return After-Tax (Non-GAAP Basis)	\$850.8	\$764.2	\$692.5	\$684.2	\$743.0	\$716.9	\$658.0	\$631.8	
Total Capital									
Total liabilities and equity	\$39,574.6	\$36,974.3	\$35,921.7	\$34,118.2	\$32,002.5	\$30,929.5	\$29,435.4	\$28,278.3	\$27,192.6
Less: Payables and accrued liabilities	2,926.2	3,168.6	2,783.0	2,717.9	2,890.1	3,062.2	2,489.3	2,552.0	2,771.6
Less: Accrued income taxes	558.5	155.9	156.2	166.9	131.2	108.8	128.2	159.9	135.2
Less: NGHC debt and partners' equity (see page 16 for detail)	4,042.5	3,613.3	3,025.1	2,510.5	1,998.0	605.1	479.3	478.4	477.3
Less: Noncurrent operating lease liabilities	677.9	639.3	652.1	635.1	631.1	635.5	632.3	627.4	592.1
Less: Other noncurrent liabilities	1,350.5	1,108.7	1,092.5	1,111.5	1,118.0	1,144.6	1,096.3	1,117.7	1,099.1
Less: Deferred income taxes	1,159.9	1,182.1	1,281.3	1,250.0	1,266.0	1,215.8	1,258.2	1,246.1	1,247.4
Capital Employed (Non-GAAP Basis)	\$28,859.1	\$27,106.4	\$26,931.5	\$25,726.3	\$23,968.1	\$24,157.5	\$23,351.8	\$22,096.8	\$20,869.9
Less:									
Cash and cash items, net of NGHC cash (see page 16 for detail)	2,945.2	2,142.1	2,360.1	1,560.3	1,538.8	1,549.9	2,113.2	2,907.0	2,436.3
Short-term investments	5.0	61.8	102.8	271.8	332.2	268.7	271.3	19.6	590.7
Adjusted Capital Employed (Non-GAAP Basis)^(B)	\$25,908.9	\$24,902.5	\$24,468.6	\$23,894.2	\$22,097.1	\$22,338.9	\$20,967.3	\$19,170.2	\$17,842.9
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$2,991.7	\$2,883.9	\$2,836.6	\$2,802.1	\$2,749.7				
÷ Five-Quarter Average Capital Employed—Non-GAAP	26,518.3	25,578.0	24,827.0	23,860.1	22,888.8				
ROCE (Non-GAAP Basis)	11.3%	11.3%	11.4%	11.7%	12.0%				
Change vs. prior year	(70) bp								
Change vs. prior quarter	— bp								
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$2,991.7	\$2,883.9	\$2,836.6	\$2,802.1	\$2,749.7				
÷ Five-Quarter Average Capital Employed—Non-GAAP, Excluding Cash	24,254.3	23,540.3	22,753.2	21,693.5	20,483.3				
Adjusted ROCE (Non-GAAP Basis)^(B)	12.3%	12.3%	12.5%	12.9%	13.4%				
Change vs. prior year	(110) bp								
Change vs. prior quarter	— bp								

^(A) Represents the tax impact on interest expense and our pre-tax non-GAAP adjustments. For details on our fiscal 2024 and 2023 effective tax rates, refer to page 12.

^(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 the debt associated with the NEOM Green Hydrogen Company joint venture ("NGHC") as well as the equity attributable to our joint venture partners, both of which 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 the impact of cash held by NGHC.

	2024				2023				2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Short-term borrowings	\$51.6	\$149.4	\$162.7	\$—	\$—	\$—	\$—	\$—	\$—
Long-term debt	3,053.3	2,552.3	2,114.3	1,930.4	1,274.4	—	—	—	—
Long-term debt - related party	—	—	—	—	—	—	476.7	447.3	447.3
Noncontrolling interests	937.6	911.6	748.1	580.1	723.6	605.1	2.6	31.1	30.0
Total NGHC debt and partners' equity	\$4,042.5	\$3,613.3	\$3,025.1	\$2,510.5	\$1,998.0	\$605.1	\$479.3	\$478.4	\$477.3
Cash and cash items	\$2,979.7	\$2,375.7	\$2,535.0	\$1,962.6	\$1,617.0	\$1,637.7	\$2,242.4	\$3,131.0	\$2,711.0
Less: NGHC cash	34.5	233.6	174.9	402.3	78.2	87.8	129.2	224.0	274.7
Cash and cash items, net of NGHC cash	\$2,945.2	\$2,142.1	\$2,360.1	\$1,560.3	\$1,538.8	\$1,549.9	\$2,113.2	\$2,907.0	\$2,436.3

Cash Flow and Capital Deployment

Reconciliation to Investable Cash Flow

For the twelve months ended 30 September	2024	2023	Change
Adjusted EBITDA	\$5,046	\$4,702	\$344
Interest, net ^(A)	(293)	(217)	(76)
Cash Tax ^(B)	(616)	(646)	30
Maintenance CapEx ^(C)	(781)	(655)	(126)
Distributable Cash Flow	\$3,356	\$3,184	\$172
Dividends	(1,565)	(1,497)	(68)
Investable Cash Flow	\$1,791	\$1,687	\$104

	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 ^(C)	(179.0)	(213.0)	(199.0)	(190.0)	(781.0)
Other items, net ^(D)	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) A reconciliation of "Interest, net" for the last twelve months is provided on page 18.

^(B) Cash paid for taxes, net of refunds, was \$615.9 for our continuing operations for the twelve months ended 30 September 2024.

^(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 19 for additional information.

^(D) "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)

	2023				
	Q1	Q2	Q3	Q4	FY
Cash Provided by Operating Activities	\$719.3	\$638.7	\$845.4	\$1,002.3	\$3,205.7
Working capital changes that (provided) used cash:					
Trade receivables	(40.4)	(121.6)	211.2	(179.9)	(130.7)
Inventories	102.8	9.5	21.2	(4.1)	129.4
Other receivables	6.7	56.3	35.5	(4.7)	93.8
Payables and accrued liabilities	257.6	193.7	(75.9)	(162.1)	213.3
Other working capital	10.9	113.8	(21.9)	16.2	119.0
Undistributed (Distributed) earnings of equity method investments	(17.2)	95.3	52.0	131.1	261.2
Share-based compensation	(16.1)	(15.1)	(14.6)	(14.1)	(59.9)
Noncurrent lease receivables	(19.4)	(20.1)	(21.4)	(18.7)	(79.6)
Maintenance CapEx ^(A)	(154.0)	(157.0)	(157.0)	(187.0)	(655.0)
Other items, net ^(B)	(50.7)	(93.7)	(41.0)	271.7	86.3
Distributable Cash Flow	\$799.5	\$699.8	\$833.5	\$850.7	\$3,183.5
Dividends paid to shareholders	(359.4)	(359.8)	(388.7)	(388.7)	(1,496.6)
Investable Cash Flow	\$440.1	\$340.0	\$444.8	\$462.0	\$1,686.9
Distributable Cash Flow Per Share:					
Distributable Cash Flow					\$3,183.5
÷ Weighted average common shares – diluted (in millions)					222.7
Distributable Cash Flow Per Share					\$14.30

^(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 19 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.

Interest, net

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:

	2024					2023				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Interest expense	\$53.5	\$59.9	\$55.7	\$49.7	\$218.8	\$41.2	\$40.9	\$47.4	\$48.0	\$177.5
Less: Other non-operating income (expense), net	(14.8)	(9.2)	(1.3)	(48.5)	(73.8)	(0.6)	(13.9)	(11.7)	(12.8)	(39.0)
Interest, net	\$68.3	\$69.1	\$57.0	\$98.2	\$292.6	\$41.8	\$54.8	\$59.1	\$60.8	\$216.5

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 non-recourse project financing 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 capital expenditures.

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

	2024					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	\$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	46.2	37.5	80.3
Purchases of investments	(55.5)	(80.9)	(5.0)	—	(141.4)	(1,637.8)	(2,100.7)	(2,865.5)
Proceeds from investments	120.1	247.3	45.7	57.6	470.7	2,377.4	1,875.2	1,938.0
Other investing activities	12.9	17.2	15.8	26.5	72.4	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)	—	—	—
Capital Expenditures^(B)	\$1,385.7	\$1,285.4	\$1,204.6	\$1,276.3	\$5,152.0	\$4,650.0	\$2,550.7	\$2,716.7

	2023					2022	2021	2020
	Q1	Q2	Q3	Q4	FY			
Cash Used for Investing Activities	\$256.2	\$2,219.8	\$1,923.8	\$1,516.6	\$5,916.4	\$3,857.2	\$2,732.9	\$3,560.0
Proceeds from sale of assets and investments	4.0	3.2	6.1	12.1	25.4	46.2	37.5	80.3
Purchases of investments	(19.2)	(271.3)	(152.9)	(196.7)	(640.1)	(1,637.8)	(2,100.7)	(2,865.5)
Proceeds from investments	591.5	20.1	154.4	131.0	897.0	2,377.4	1,875.2	1,938.0
Other investing activities	1.7	(52.9)	56.0	—	4.8	7.0	5.8	3.9
NGHC expenditures not funded by Air Products' equity ^(A)	(109.7)	(225.6)	(320.7)	(323.1)	(979.1)	—	—	—
Capital Expenditures^(B)	\$724.5	\$1,693.3	\$1,666.7	\$1,139.9	\$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:

	2024					2022	2021	2020
	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	\$2,926.5	\$2,464.2	\$2,509.0
Investment in financing receivables	301.8	90.6	3.8	6.8	403.0	65.1	10.5	183.3
NGHC expenditures not funded by Air Products' equity ^(A)	(361.6)	(474.6)	(405.8)	(805.7)	(2,047.7)	1,658.4	76.0	24.4
Capital expenditures^(B)	\$1,385.7	\$1,285.4	\$1,204.6	\$1,276.3	\$5,152.0	\$4,650.0	\$2,550.7	\$2,716.7

	2023					2022	2021	2020
	Q1	Q2	Q3	Q4	FY			
Additions to plant and equipment, including long-term deposits	\$834.2	\$1,006.9	\$1,322.4	\$1,462.9	\$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	—	—	912.0	1,658.4	76.0	24.4
Investment in financing receivables	—	—	665.0	0.1	665.1	—	—	—
NGHC expenditures not funded by Air Products' equity ^(A)	(109.7)	(225.6)	(320.7)	(323.1)	(979.1)	—	—	—
Capital expenditures^(B)	\$724.5	\$1,693.3	\$1,666.7	\$1,139.9	\$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 Debt

We define net debt 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. Likewise, the adjustment for cash and cash items to arrive at net debt does not include cash held by NGHC.

A reconciliation of total debt to our reported net debt is provided below:

	30 September 2024
Short-term borrowings	\$83.5
Current portion of long-term debt	611.4
Long-term debt	13,428.6
Long-term debt – related party	104.4
Total Debt	\$14,227.9
Less: Short-term borrowings (NGHC)	51.6
Less: Long-term debt (NGHC)	3,053.3
Adjusted Total Debt	\$11,123.0
Less: Cash	
Cash and cash items, net of NGHC cash (see page 16 for detail)	\$2,945.2
Short-term investments	5.0
Subtotal	\$2,950.2
Net Debt	\$8,172.8

Outlook

Adjusted Diluted EPS

The guidance provided below is on an adjusted continuing operations basis and is compared to adjusted historical diluted EPS attributable to Air Products. 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 diluted 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 on a continuing operations basis to a comparable GAAP range.

	Diluted EPS	
	Q1	Full Year
2024 Diluted EPS ^(A)	\$2.73	\$17.24
Gain on sale of business	—	(5.38)
Business and asset actions	—	0.20
Loss on de-designation of cash flow hedges	—	0.02
Non-service pension cost, net	0.08	0.34
2024 Adjusted Diluted EPS	\$2.82	\$12.43
2025 Adjusted Diluted EPS Outlook	\$2.75–\$2.85	\$12.70–\$13.00
\$ Change	(0.07)–0.03	0.27–0.57
% Change	(2%)–1%	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.

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.