

Moving forward



Creating Shareholder Value

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Investor Relations and Corporate Relations

Jefferies 2019 Industrials Conference

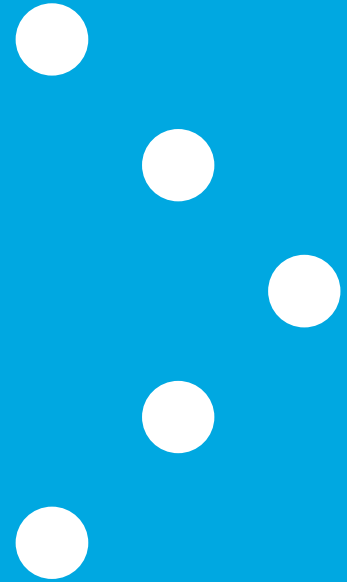
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Forward-looking Statements

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Air Products At A Glance



Air Products Today

\$8.9
billion in FY18 sales

~16,000
employees

50+
countries

~\$50B
market cap

7+
decades in business

170,000+
customers

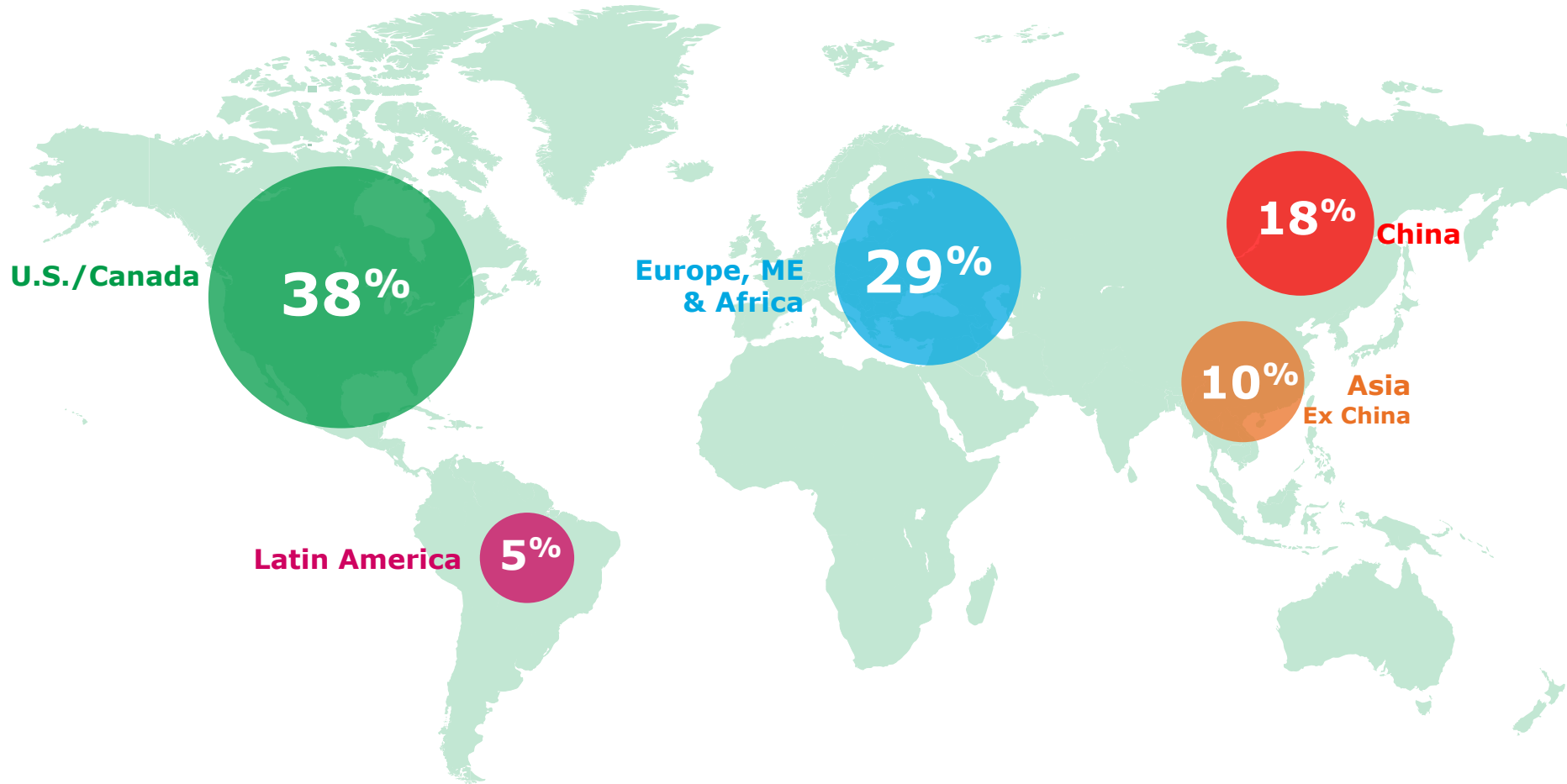
1800
miles of industrial
gas pipeline

750+
production
facilities

30+
industries
served

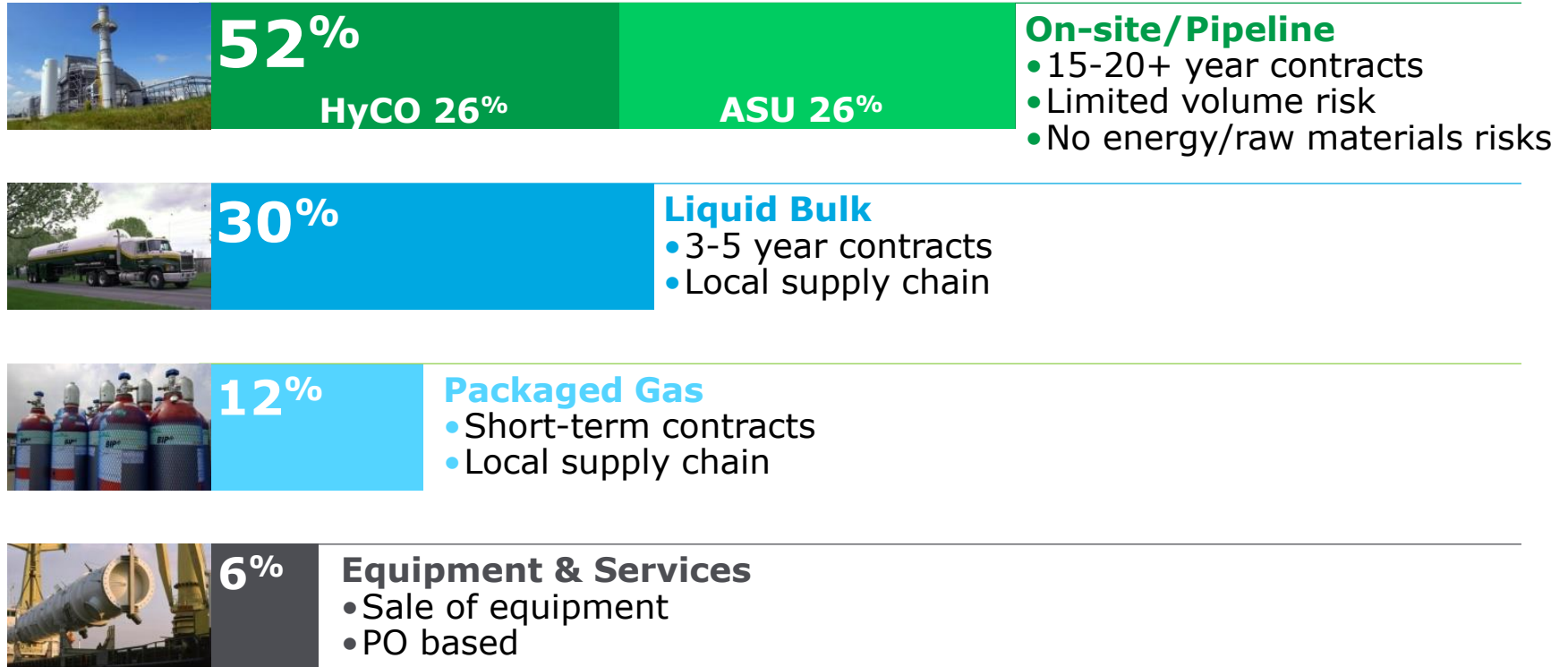
APD Global Presence

FY18 Sales = \$8.9 billion

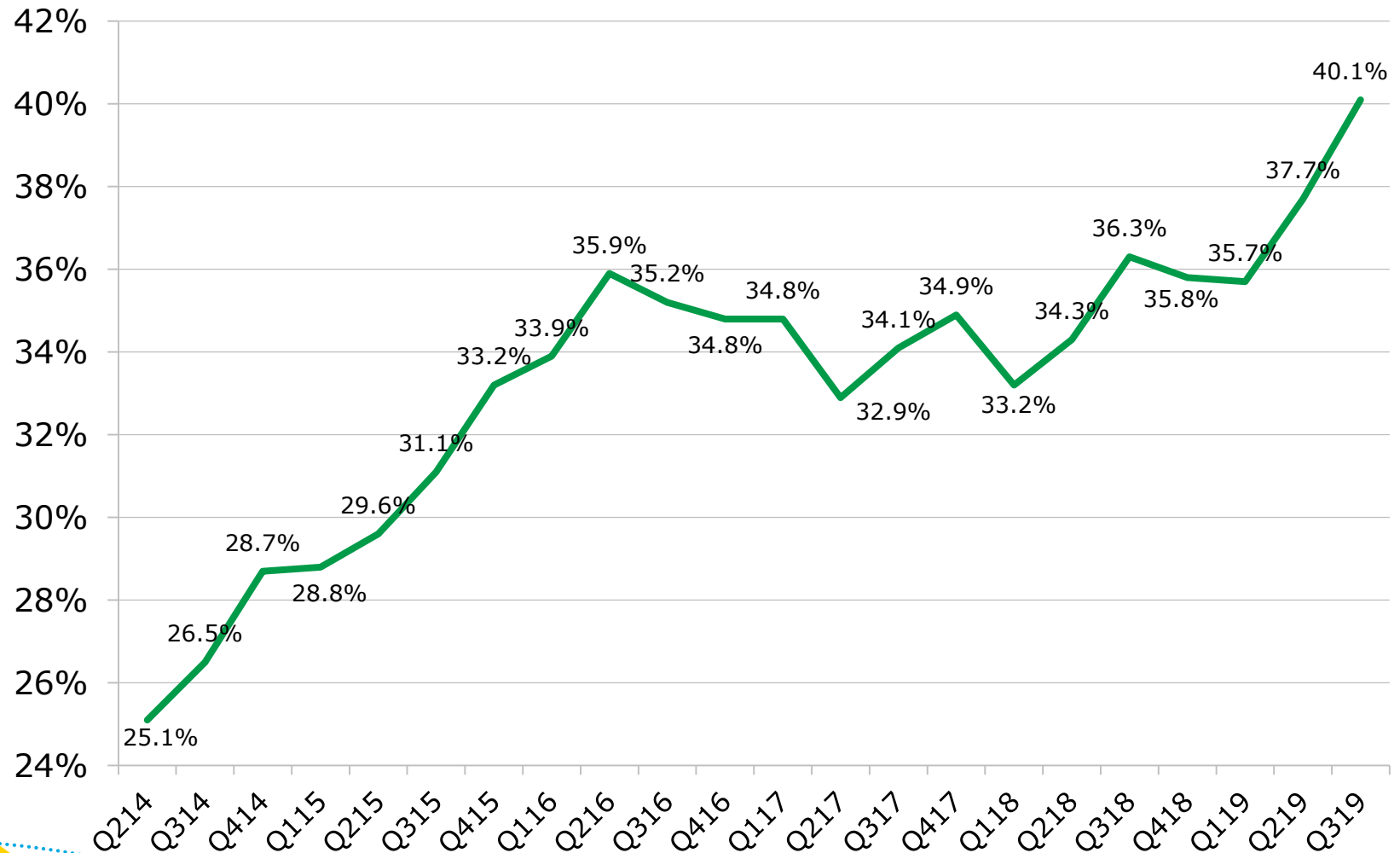


APD Supply Modes

FY18 Sales = \$8.9 billion

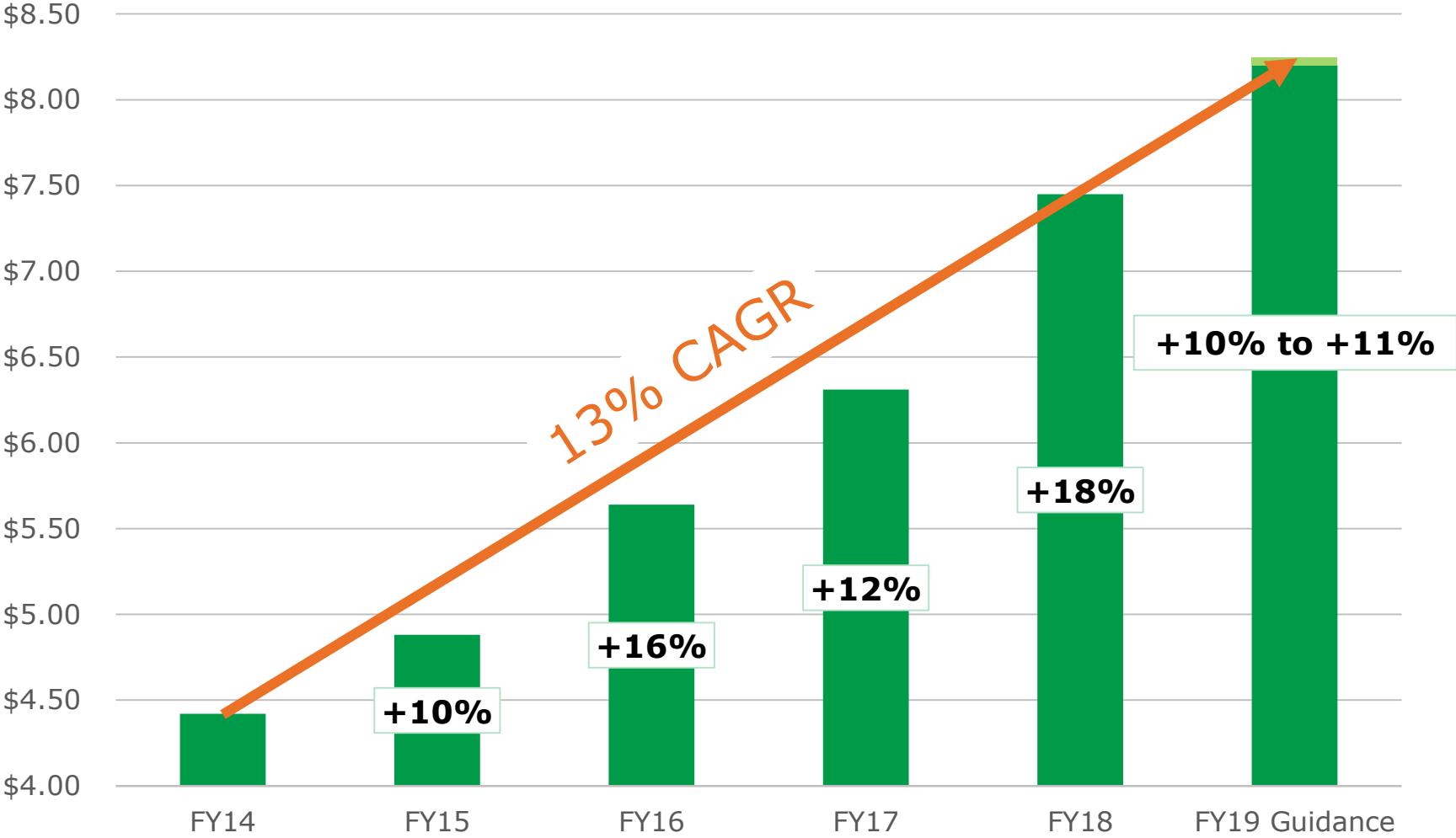


EBITDA Margin Trend



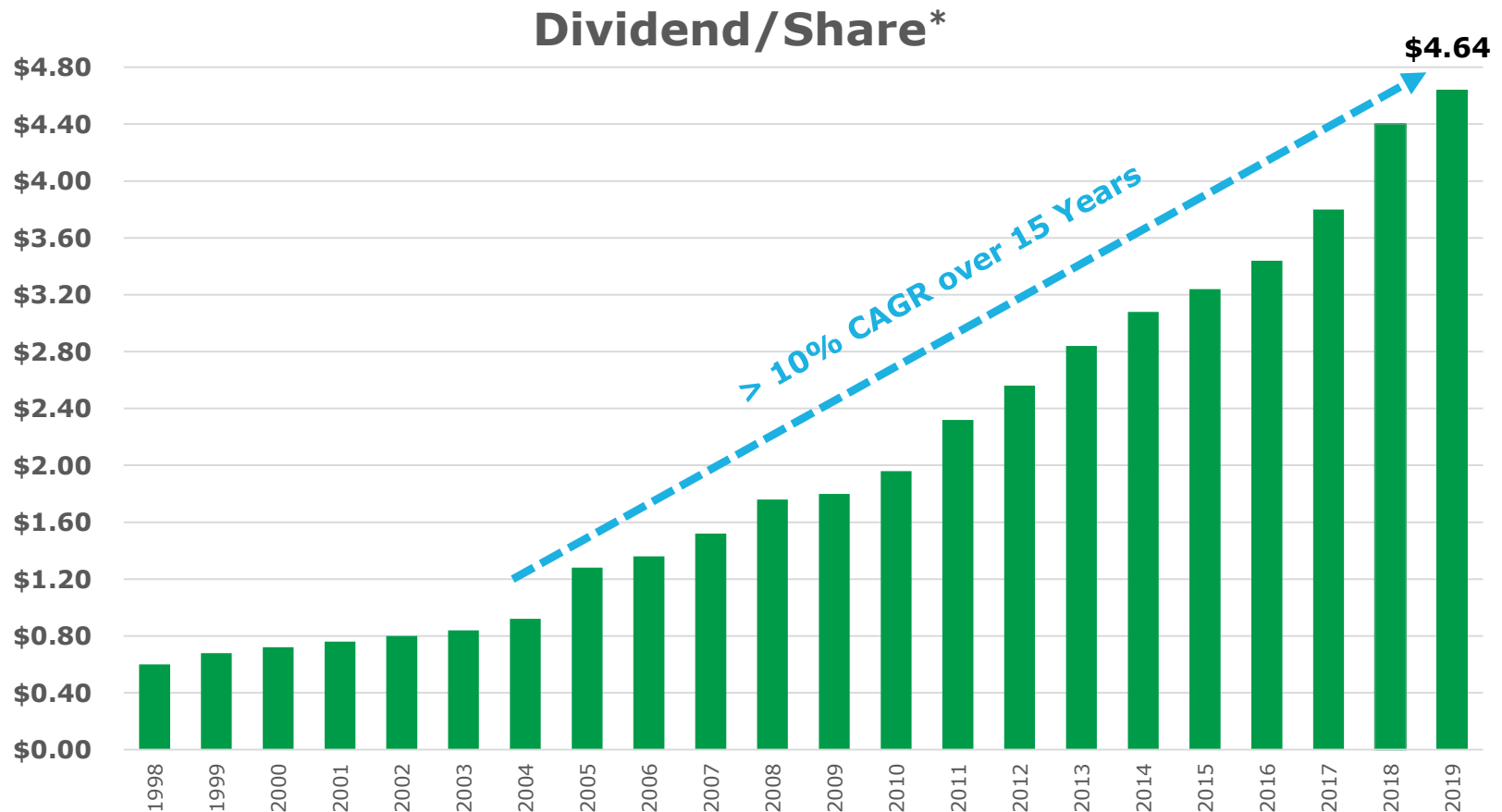
Non-GAAP measures, see appendix for reconciliation and pro forma adjustments

Air Products EPS



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

Dividend History



- >\$1B/year of dividend to the shareholders in 2019
- 37 years of increasing dividend

* Based on annualized quarterly dividend declared in 1st quarter

Cash Flow Focus

(\$ million)

Q3FY19 LTM

EBITDA	\$3,333
Interest, net	(72)
Cash Tax	(304)
Maintenance Capex	<u>(404)</u>
Distributable Cash Flow	\$2,553
	<i>\$11.51/Share</i>
Dividends	<u>(980)</u>
Investable Cash Flow	\$1,573

- ~\$11.50/share of Distributable Cash Flow
- Paid about 40% of Distributable Cash Flow as dividends
- ~\$1.6B of Investable Cash Flow

Capital Deployment Scorecard

FY18 – FY22, as of 6/30/19

Available Now (6/30/19)		
Total Debt Capacity	\$ 10.0	Assuming 3 x LTM EBITDA
Less: Net Debt	\$ 1.1	Debt minus cash
Additional Available Now	\$ 8.9	
Available In Future – Investable Cash Flow	\$ 5.1	LTM ICF x 3.25 years
Already Spent – FY18 through Q3 FY19	\$ 2.8	Growth CAPEX plus M&A
FY18 - FY22 Capacity	\$ 16.8	
Commitments	\$ 6.7	Remaining to be spent
Spent + Commitments	\$ 9.5	
<i>% Spent</i>	<i>17%</i>	
<i>% Spent + Commitments</i>	<i>56%</i>	

- Committed to manage debt balance to maintain current targeted A/A2 rating
- Total Commitment Value ~ \$7.7B; Remaining to be spent ~ \$6.7B

Target Areas for Growth

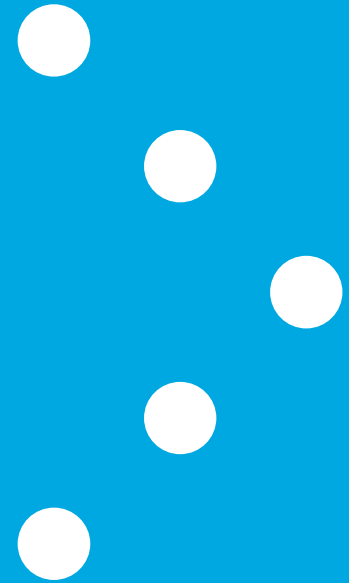
2018 – 2022 Capital Deployment

- Acquisitions \$1 - \$1.5B
- Traditional organic growth \$4B
- Asset buyback \$2 - \$2.5B
- Gasification and syngas production \$8 - \$9B

Total

\$15 - \$17B

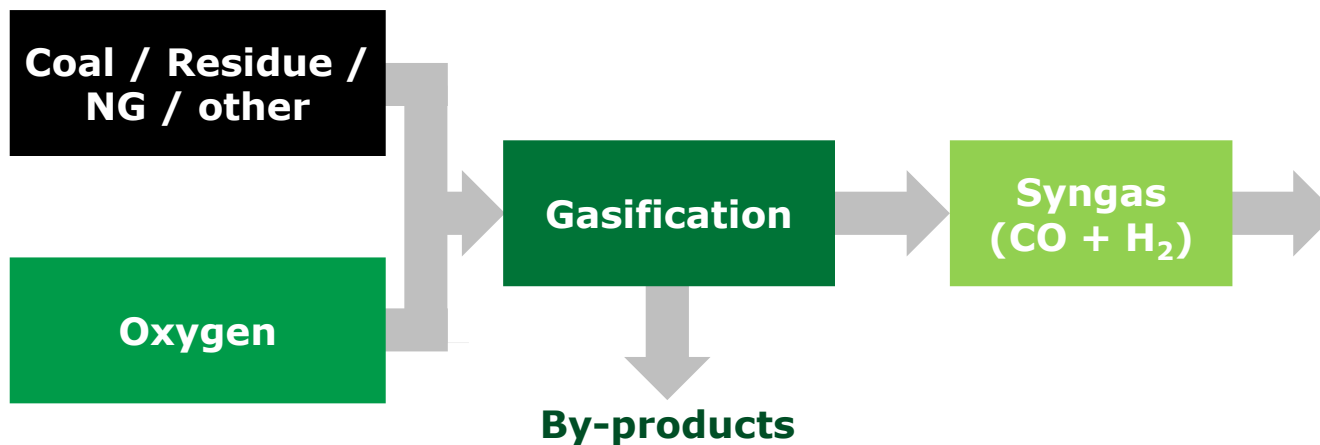
Gasification Strategy



Gasification Process

A way to make syngas

Partial oxidation process to convert **coal, high sulfur liquids** or **natural gas** into **syngas** to be used in the production of chemicals, diesel fuel, high-end olefins or power



- Substitute Natural Gas 
- Power 
- Steam 
- Trans. Fuel 
- Fertilizer 
- Chemicals 
- Consumer Products 
- Hydrogen for Refining 

Benefits of Gasification

A versatile and mature technology

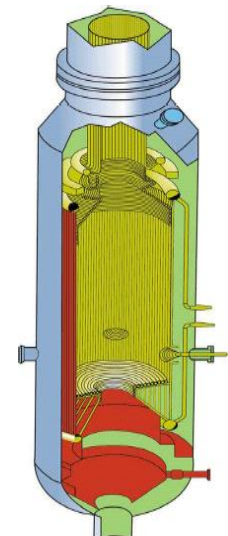
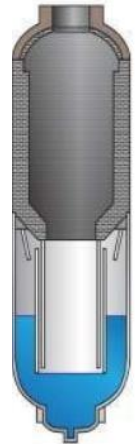
- Gasification technology has been in use since the 1800s
 - Widely used to produce transportation fuel due to petroleum shortage in WWII
- Adaptable to various hydrocarbon feedstocks
 - Coal, petcoke, oil residue, natural gas, and others
 - Utilizes natural resources available
- Diverse applications / end products
 - Syngas for power generation and chemicals
 - H₂ for refineries
 - CO for chemicals
- Sustainability
 - No smog-causing particulates
 - Concentrated, capture-ready CO₂ stream
 - Sulfur removal allows the use of high sulfur coal
- Low incremental operating cost
 - Economical in low oil price environment



Shell & GE Gasification Technologies

Two leading technologies in the industry

- GE Gasification (formerly Texaco)
 - Nearly 300 gasifiers operating and under construction
 - Adaptable to wide range of feedstocks
 - Coal = Slurry feed
- Shell Gasification
 - Solid (Coal/Petcoke) - Air Products owns 100%
 - Coal = Dry Feed
 - Liquid (Oil Resid) - Air Products 50/50 with Shell
 - Built 170+ liquid and 30+ coal gasifiers since 1950s
 - Currently 120 gasifiers in operation (96 liquid, 24 coal)



Executing our gasification strategy

Energy, environmental, emerging markets



Large ASUs
for China coal
gasification



Lu'An
JV
\$1.5B
2018



Jazan ASUs
JV
\$2B
2019



Jazan Gasifier/
Power JV
\$8B
2019

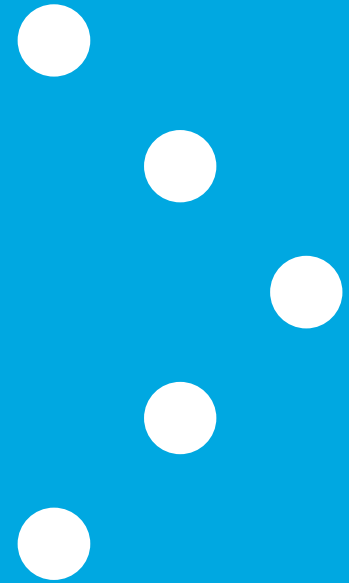


Yankuang
JV
\$3.5B
2022



Juitai
100% APD
\$0.65B
2022

Management Philosophy and Strategy



Our Goal

Air Products will be the **safest**, **most diverse** and **most profitable** industrial gas company in the world, providing excellent service to our customers






Our Management Philosophy

Shareholder Value Cash is king; cash flow drives long-term value. What counts in the long term is the increase in **per share value** of our stock, not size or growth.

CEO Focus Capital allocation is the most important job of the CEO.

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

Five Point Plan: Moving Forward

Sustain the lead 	Deploy capital 	Evolve portfolio 	Change culture 	Belong and Matter 
Safest, most diverse, and most profitable	Strategically invest significant available capacity	Grow onsite portion	4S	Inclusion
Best-in-class performance	Win profitable growth projects globally	Energy, environment and emerging markets	Committed and motivated	Enjoyable work environment
Productivity			Positive attitudes and open minds	Proud to innovate and solve challenges

Creating Long-term Value

Through sustainability

Our products improve the environment, make our customers' processes better and fulfill societal needs



We are focused on improving our operations to manage environmental, social and governance risks

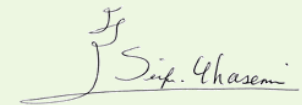
Our products enable customers to avoid

54 M MT CO₂

equivalent to emissions from 11 M cars, and almost double our direct and indirect CO₂ emissions



"We share society's concerns about the impacts of climate change on our environment. And we remain committed to sustainability and the goals we have set. Sustainability is one of our core values and is at the heart of what we do as an industrial gas company."



Our Competitive Advantage

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

commitment and **motivation**

of the people in the enterprise

Moving forward



Thank you
tell me more

