

Moving forward



Q4 FY20 Reconciliation Tables

November 11, 2020



Purpose of Reconciliation Tables

Our financial presentations, earnings conference calls, 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 identified by the word “adjusted” or “non-GAAP” preceding the measure. We believe these non-GAAP 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 dollars unless otherwise indicated, except for per share data.

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 on our website. 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.

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Adjusted EBITDA

FY20 vs. FY19 Quarterly Trend

	2020					2019				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Sales	\$2,254.7	\$2,216.3	\$2,065.2	\$2,320.1	\$8,856.3	\$2,224.0	\$2,187.7	\$2,224.0	\$2,283.2	\$8,918.9
Net income	\$488.9	\$490.4	\$457.1	\$494.7	\$1,931.1	\$357.0	\$433.5	\$500.2	\$518.7	\$1,809.4
Net income margin	21.7 %	22.1 %	22.1 %	21.3 %	21.8 %	16.0 %	19.8 %	22.5 %	22.7 %	20.3 %
Net income	\$488.9	\$490.4	\$457.1	\$494.7	\$1,931.1	\$357.0	\$433.5	\$500.2	\$518.7	\$1,809.4
Less: Loss from discontinued operations, net of tax	—	(14.3)	—	—	(14.3)	—	—	—	—	—
Add: Interest expense	18.7	19.3	32.1	39.2	109.3	37.3	35.4	34.2	30.1	137.0
Less: Other non-operating income (expense), net	9.1	7.1	8.1	6.4	30.7	18.5	13.7	17.6	16.9	66.7
Add: Income tax provision	120.7	148.5	109.3	99.9	478.4	132.1	107.5	109.3	131.2	480.1
Add: Depreciation and amortization	289.2	294.7	290.6	310.5	1,185.0	258.0	262.1	269.1	293.6	1,082.8
Add: Facility closure	—	—	—	—	—	29.0	—	—	—	29.0
Add: Cost reduction actions	—	—	—	—	—	—	—	25.5	—	25.5
Less: Company headquarters relocation income (expense)	—	33.8	—	—	33.8	—	—	—	—	—
Less: India Finance Act 2020 - equity affiliate income impact	—	33.8	—	—	33.8	—	—	—	—	—
Less: Gain on exchange of equity affiliate investments	—	—	—	—	—	—	—	29.1	—	29.1
Adjusted EBITDA	\$908.4	\$892.5	\$881.0	\$937.9	\$3,619.8(A)	\$794.9	\$824.8	\$891.6	\$956.7	\$3,468.0
Adjusted EBITDA margin	40.3 %	40.3 %	42.7 %	40.4 %	40.9 %	35.7 %	37.7 %	40.1 %	41.9 %	38.9 %

^(A) LTM (last twelve months) Adjusted EBITDA

	Q4 2020 vs. Q4 2019	Q4 2020 vs. Q3 2020	FY2020 vs. FY2019
Change GAAP			
Net income \$ change	(\$24.0)	\$37.6	\$121.7
Net income % change	(5) %	8 %	7 %
Net income margin change	(140)bp	(80)bp	150 bp
Change Non-GAAP			
Adjusted EBITDA \$ change	(\$18.8)	\$56.9	\$151.8
Adjusted EBITDA % change	(2) %	6 %	4 %
Adjusted EBITDA margin change	(150)bp	(230)bp	200 bp

Adjusted EBITDA Quarterly Trend FY14-FY18

	2018				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	\$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	\$161.7	\$423.6	\$487.9	\$459.7	\$306.4	\$2,135.7	\$104.1	\$475.0
Net income margin	7.3 %	19.7 %	21.6 %	20.0 %	16.3 %	107.9 %	4.9 %	21.6 %
Net income	\$161.7	\$423.6	\$487.9	\$459.7	\$306.4	\$2,135.7	\$104.1	\$475.0
Less: (Loss) Income from discontinued operations, net of tax	(1.0)	—	43.2	—	48.2	1,825.6	(2.3)	(5.5)
Add: Interest expense	29.8	30.4	34.9	35.4	29.5	30.5	29.8	30.8
Less: Other non-operating income (expense), net	9.8	11.1	12.8	(28.6)	(0.2)	5.3	3.7	7.8
Add: Income tax provision (benefit)	291.8	56.2	107.1	69.2	78.4	94.5	89.3	(1.3)
Add: Depreciation and amortization	227.9	240.0	245.6	257.2	206.1	211.8	216.9	231.0
Add: Facility closure	—	—	—	—	—	—	—	—
Less: Change in inventory valuation method	—	—	—	24.1	—	—	—	—
Add: Business separation costs	—	—	—	—	32.5	—	—	—
Add: Cost reduction and asset actions	—	—	—	—	50.0	10.3	42.7	48.4
Add: Goodwill and intangible asset impairment charge	—	—	—	—	—	—	162.1	—
Less: Gain on exchange of equity affiliate investments	—	—	—	—	—	—	—	—
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	\$734.9	\$739.1	\$819.5	\$822.0	\$654.9	\$651.9	\$723.0	\$769.4
Adjusted EBITDA margin	33.2 %	34.3 %	36.3 %	35.8 %	34.8 %	32.9 %	34.1 %	34.9 %

	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	\$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 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 %
Net income	\$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 sales	—	—	—	—	—	—	—	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

	2020					2019					Q4 2020 vs. Q4 2019		Q4 2020 vs. Q3 2020	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	\$	%	\$	%
Industrial Gases – Americas														
Sales	\$936.2	\$932.4	\$849.9	\$912.2	\$3,630.7	\$989.2	\$991.7	\$955.3	\$937.3	\$3,873.5				
Operating income	\$257.2	\$268.0	\$248.3	\$238.9	\$1,012.4	\$219.2	\$255.6	\$262.2	\$260.7	\$997.7	(\$21.8)	(8) %	(\$9.4)	(4) %
Operating margin	27.5 %	28.7 %	29.2 %	26.2 %	27.9 %	22.2 %	25.8 %	27.4 %	27.8 %	25.8 %		(160)bp		(300)bp
Operating income	\$257.2	\$268.0	\$248.3	\$238.9	\$1,012.4	\$219.2	\$255.6	\$262.2	\$260.7	\$997.7				
Add: Depreciation and amortization	131.8	135.5	142.8	149.4	559.5	125.6	124.9	126.3	128.4	505.2				
Add: Equity affiliates' income	20.6	21.6	19.9	22.2	84.3	22.6	17.8	21.7	22.7	84.8				
Adjusted EBITDA	\$409.6	\$425.1	\$411.0	\$410.5	\$1,656.2	\$367.4	\$398.3	\$410.2	\$411.8	\$1,587.7	(\$1.3)	— %	(\$0.5)	— %
Adjusted EBITDA margin	43.8 %	45.6 %	48.4 %	45.0 %	45.6 %	37.1 %	40.2 %	42.9 %	43.9 %	41.0 %		110 bp		(340)bp
Industrial Gases – EMEA														
Sales	\$498.7	\$492.7	\$429.7	\$505.2	\$1,926.3	\$524.2	\$494.4	\$494.6	\$489.3	\$2,002.5				
Operating income	\$120.5	\$124.6	\$105.1	\$123.1	\$473.3	\$105.6	\$122.5	\$123.4	\$120.9	\$472.4	\$2.2	2 %	\$18.0	17 %
Operating margin	24.2 %	25.3 %	24.5 %	24.4 %	24.6 %	20.1 %	24.8 %	24.9 %	24.7 %	23.6 %		(30)bp		(10)bp
Operating income	\$120.5	\$124.6	\$105.1	\$123.1	\$473.3	\$105.6	\$122.5	\$123.4	\$120.9	\$472.4				
Add: Depreciation and amortization	48.4	47.6	47.3	52.6	195.9	46.3	46.3	47.8	49.1	189.5				
Add: Equity affiliates' income	19.3	13.5	17.4	24.6	74.8	13.7	13.3	18.8	23.2	69.0				
Adjusted EBITDA	\$188.2	\$185.7	\$169.8	\$200.3	\$744.0	\$165.6	\$182.1	\$190.0	\$193.2	\$730.9	\$7.1	4 %	\$30.5	18 %
Adjusted EBITDA margin	37.7 %	37.7 %	39.5 %	39.6 %	38.6 %	31.6 %	36.8 %	38.4 %	39.5 %	36.5 %		10 bp		10 bp
Industrial Gases – Asia														
Sales	\$692.8	\$658.1	\$651.9	\$713.7	\$2,716.5	\$626.8	\$625.4	\$679.4	\$732.0	\$2,663.6				
Operating income	\$228.5	\$209.1	\$221.9	\$210.8	\$870.3	\$201.8	\$199.7	\$231.4	\$231.3	\$864.2	(\$20.5)	(9) %	(\$11.1)	(5) %
Operating margin	33.0 %	31.8 %	34.0 %	29.5 %	32.0 %	32.2 %	31.9 %	34.1 %	31.6 %	32.4 %		(210)bp		(450)bp
Operating income	\$228.5	\$209.1	\$221.9	\$210.8	\$870.3	\$201.8	\$199.7	\$231.4	\$231.3	\$864.2				
Add: Depreciation and amortization	101.6	104.1	92.9	100.8	399.4	79.9	84.9	87.9	108.8	361.5				
Add: Equity affiliates' income	16.9	13.8	11.7	18.6	61.0	16.2	13.8	14.9	13.5	58.4				
Adjusted EBITDA	\$347.0	\$327.0	\$326.5	\$330.2	\$1,330.7	\$297.9	\$298.4	\$334.2	\$353.6	\$1,284.1	(\$23.4)	(7) %	\$3.7	1 %
Adjusted EBITDA margin	50.1 %	49.7 %	50.1 %	46.3 %	49.0 %	47.5 %	47.7 %	49.2 %	48.3 %	48.2 %		(200)bp		(380)bp
Industrial Gases – Global														
Operating income	\$3.6	(\$19.8)	(\$13.4)	(\$10.4)	(\$40.0)	\$3.9	(\$12.2)	(\$9.6)	\$6.2	(\$11.7)	(\$16.6)			\$3.0
Add: Depreciation and amortization	2.4	2.4	2.3	2.5	9.6	2.1	2.0	2.2	2.3	8.6				
Add: Equity affiliates' income	1.4	5.5	2.2	1.8	10.9	0.4	1.3	1.0	0.5	3.2				
Adjusted EBITDA	\$7.4	(\$11.9)	(\$8.9)	(\$6.1)	(\$19.5)	\$6.4	(\$8.9)	(\$6.4)	\$9.0	\$0.1	(\$15.1)			\$2.8
Corporate and other														
Operating income	(\$48.8)	(\$38.5)	(\$22.7)	(\$2.2)	(\$112.2)	(\$46.5)	(\$49.1)	(\$41.3)	(\$15.9)	(\$152.8)	\$13.7			\$20.5
Add: Depreciation and amortization	5.0	5.1	5.3	5.2	20.6	4.1	4.0	4.9	5.0	18.0				
Add: Equity affiliates' income	—	—	—	—	—	—	—	—	—	—				
Adjusted EBITDA	(\$43.8)	(\$33.4)	(\$17.4)	\$3.0	(\$91.6)	(\$42.4)	(\$45.1)	(\$36.4)	(\$10.9)	(\$134.8)	\$13.9			\$20.4

Adjusted Operating Income and Adjusted Operating Margin

	2020			2019		Q4 2020 vs. Q4 2019		Q4 2020 vs. Q3 2020		FY2020 vs. FY2019	
	Q3	Q4	FY	Q4	FY	\$	%	\$	%	\$	%
Sales	\$2,065.2	\$2,320.1	\$8,856.3	\$2,283.2	\$8,918.9						
Operating income	\$539.2	\$560.2	\$2,237.6	\$603.2	\$2,144.4	(\$43.0)	(7)%	\$21.0	4 %	\$93.2	4 %
Operating margin	26.1 %	24.1 %	25.3 %	26.4 %	24.0 %		(230)bp		(200)bp		130 bp
Operating income	\$539.2	\$560.2	\$2,237.6	\$603.2	\$2,144.4						
Facility closure	—	—	—	—	29.0						
Cost reduction actions	—	—	—	—	25.5						
Gain on exchange of equity affiliate investments	—	—	—	—	(29.1)						
Company headquarters relocation (income) expense	—	—	(33.8)	—	—						
Adjusted operating income	\$539.2	\$560.2	\$2,203.8	\$603.2	\$2,169.8	(\$43.0)	(7)%	\$21.0	4 %	\$34.0	2%
Adjusted operating margin	26.1 %	24.1 %	24.9 %	26.4 %	24.3 %		(230)bp		(200)bp		60 bp

Adjusted Net Income

	2020			2019		Q4 2020 vs. Q4 2019		Q4 2020 vs. Q3 2020		FY2020 vs. FY2019	
	Q3	Q4	FY	Q4	FY	\$	%	\$	%	\$	%
Net income	\$457.1	\$494.7	\$1,931.1	\$518.7	\$1,809.4	(\$24.0)	(5)%	\$37.6	8 %	\$121.7	7 %
Loss from discontinued operations	—	—	14.3	—	—						
Net income attributable to noncontrolling interests	(10.6)	(7.9)	(44.4)	(15.5)	(49.4)						
Facility closure	—	—	—	—	22.1						
Cost reduction actions	—	—	—	—	18.8						
Gain on exchange of equity affiliate investments	—	—	—	—	(29.1)						
Company headquarters relocation (income) expense	—	—	(25.6)	—	—						
India Finance Act 2020	—	—	(13.5)	—	—						
Pension settlement loss	—	—	—	—	3.8						
Tax reform repatriation	—	—	—	—	(12.4)						
Tax reform adjustment related to deemed foreign dividends	—	—	—	—	56.2						
Adjusted net income	\$446.5	\$486.8	\$1,861.9	\$503.2	\$1,819.4	(\$16.4)	(3)%	\$40.3	9 %	\$42.5	2 %

Adjusted Diluted Earnings per Share ("EPS") Quarterly and Annual Trend FY18-FY20^(A)

	2020					2019					2018				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diluted EPS	\$2.14	\$2.21	\$2.01	\$2.19	\$8.55	\$1.57	\$1.90	\$2.20	\$2.27	\$7.94	\$0.70	\$1.89	\$1.95	\$2.05	\$6.59
Change in inventory valuation method	—	—	—	—	—	—	—	—	—	—	—	—	—	(0.08)	(0.08)
Facility closure	—	—	—	—	—	0.10	—	—	—	0.10	—	—	—	—	—
Cost reduction actions	—	—	—	—	—	—	—	0.08	—	0.08	—	—	—	—	—
Gain on exchange of equity affiliate investments	—	—	—	—	—	—	—	(0.13)	—	(0.13)	—	—	—	—	—
Company headquarters relocation (income) expense	—	(0.12)	—	—	(0.12)	—	—	—	—	—	—	—	—	—	—
India Finance Act 2020	—	(0.06)	—	—	(0.06)	—	—	—	—	—	—	—	—	—	—
Pension settlement loss	—	—	—	—	—	—	0.02	—	—	0.02	—	—	—	0.15	0.15
Tax reform repatriation	—	—	—	—	—	(0.07)	—	0.02	—	(0.06)	2.06	—	—	0.11	2.16
Tax reform adjustment related to deemed foreign dividends	—	—	—	—	—	0.26	—	—	—	0.26	—	—	—	(0.25)	(0.25)
Tax reform rate change and other	—	—	—	—	—	—	—	—	—	—	(0.97)	—	—	0.01	(0.96)
Tax restructuring	—	—	—	—	—	—	—	—	—	—	—	(0.18)	—	0.01	(0.16)
Subtotal - Non-GAAP items	\$—	(\$0.18)	\$—	\$—	(\$0.18)	\$0.29	\$0.02	(\$0.03)	\$—	\$0.27	\$1.09	(\$0.18)	\$—	(\$0.05)	\$0.86
Adjusted Diluted EPS	\$2.14	\$2.04	\$2.01	\$2.19	\$8.38	\$1.86	\$1.92	\$2.17	\$2.27	\$8.21	\$1.79	\$1.71	\$1.95	\$2.00	\$7.45

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

	Q4 2020 vs. Q4 2019	Q4 2020 vs. Q3 2020	FY2020 vs. FY2019	FY2019 vs. FY2018
Change GAAP				
Diluted EPS \$ change	(\$0.08)	\$0.18	\$0.61	\$1.35
Diluted EPS % change	(4%)	9%	8%	20%
Change Non-GAAP				
Adjusted diluted EPS \$ change	(\$0.08)	\$0.18	\$0.17	\$0.76
Adjusted diluted EPS % change	(4%)	9%	2%	10%

Adjusted EPS Annual Trend FY14-FY20^(A)

	2020	2019	2018	2017	2016	2015	2014
Diluted EPS	\$8.55	\$7.94	\$6.59	\$5.16	\$5.04	\$4.29	\$3.24
Change in inventory valuation method	—	—	(0.08)	—	—	—	—
Facility closure	—	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 of equity affiliate investments	—	(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	—	—	—	(0.50)	—	—	(0.14)
Adjusted Diluted EPS	\$8.38	\$8.21	\$7.45	\$6.31	\$5.64	\$4.88	\$4.42

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

	FY2020 vs. FY2019	FY2019 vs. FY2018	FY2018 vs. FY2017	FY2017 vs. FY2016	FY2016 vs. FY2015	FY2015 vs. FY2014
Change GAAP						
Diluted EPS \$ change	\$0.61	\$1.35	\$1.43	\$0.12	\$0.75	\$1.05
Diluted EPS % change	8 %	20 %	28 %	2 %	17 %	32 %
Change Non-GAAP						
Adjusted diluted EPS \$ change	\$0.17	\$0.76	\$1.14	\$0.67	\$0.76	\$0.46
Adjusted diluted EPS % change	2 %	10 %	18 %	12 %	16 %	10 %

Non-GAAP Historical Impacts

The following tables detail the non-GAAP items summarized on the preceding slides and the impact of each on our historical consolidated income statements on a continuing operations basis.

	2020														
	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	\$561.0	\$—	\$561.0	\$577.2	(\$33.8)	\$543.4	\$539.2	\$—	\$539.2	\$560.2	\$—	\$560.2	\$2,237.6	(\$33.8)	\$2,203.8
Equity affiliates' income	58.2	—	58.2	88.2	(33.8)	54.4	51.2	—	51.2	67.2	—	67.2	264.8	(33.8)	231.0
Interest expense	18.7	—	18.7	19.3	—	19.3	32.1	—	32.1	39.2	—	39.2	109.3	—	109.3
Other non-operating income (expense), net	9.1	—	9.1	7.1	—	7.1	8.1	—	8.1	6.4	—	6.4	30.7	—	30.7
Income before taxes	609.6	—	609.6	653.2	(67.6)	585.6	566.4	—	566.4	594.6	—	594.6	2,423.8	(67.6)	2,356.2
Income tax provision	120.7	—	120.7	148.5	(28.5)	120.0	109.3	—	109.3	99.9	—	99.9	478.4	(28.5)	449.9
Income from continuing operations	488.9	—	488.9	504.7	(39.1)	465.6	457.1	—	457.1	494.7	—	494.7	1,945.4	(39.1)	1,906.3
Net income attributable to noncontrolling interests	13.3	—	13.3	12.6	—	12.6	10.6	—	10.6	7.9	—	7.9	44.4	—	44.4
Net income attributable to Air Products	475.6	—	475.6	492.1	(39.1)	453.0	446.5	—	446.5	486.8	—	486.8	1,901.0	(39.1)	1,861.9
Diluted EPS ^(B)	\$2.14	\$—	\$2.14	\$2.21	(\$0.18)	\$2.04	\$2.01	\$—	\$2.01	\$2.19	\$—	\$2.19	\$8.55	(\$0.18)	\$8.38

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

^(B) For non-GAAP EPS details, refer to page 8, Adjusted Diluted EPS.

Non-GAAP Items	2020															Line Item Impact
	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	
Company headquarters relocation (income) expense	\$—	\$—	\$—	(\$33.8)	(\$8.2)	(\$25.6)	\$—	\$—	\$—	\$—	\$—	\$—	(\$33.8)	(\$8.2)	(\$25.6)	Operating income
India Finance Act 2020	—	—	—	(33.8)	(20.3)	(13.5)	—	—	—	—	—	—	(33.8)	(20.3)	(13.5)	Equity affiliates' income
Total Non-GAAP Items	\$—	\$—	\$—	(\$67.6)	(\$28.5)	(\$39.1)	\$—	\$—	\$—	\$—	\$—	\$—	(\$67.6)	(\$28.5)	(\$39.1)	

Non-GAAP Historical Impacts (continued)

	2019														
	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	\$455.0	\$29.0	\$484.0	\$516.5	\$—	\$516.5	\$569.7	(\$3.6)	\$566.1	\$603.2	\$—	\$603.2	\$2,144.4	\$25.4	\$2,169.8
Equity affiliates' income	52.9	—	52.9	46.2	—	46.2	56.4	—	56.4	59.9	—	59.9	215.4	—	215.4
Interest expense	37.3	—	37.3	35.4	—	35.4	34.2	—	34.2	30.1	—	30.1	137.0	—	137.0
Other non-operating income (expense), net	18.5	—	18.5	13.7	5.0	18.7	17.6	—	17.6	16.9	—	16.9	66.7	5.0	71.7
Income Before Taxes	489.1	29.0	518.1	541.0	5.0	546.0	609.5	(3.6)	605.9	649.9	—	649.9	2,289.5	30.4	2,319.9
Income tax provision	132.1	(33.7)	98.4	107.5	1.2	108.7	109.3	3.5	112.8	131.2	—	131.2	480.1	(29.0)	451.1
Income From Continuing Operations	357.0	62.7	419.7	433.5	3.8	437.3	500.2	(7.1)	493.1	518.7	—	518.7	1,809.4	59.4	1,868.8
Net income attributable to noncontrolling interests	9.5	—	9.5	12.2	—	12.2	12.2	—	12.2	15.5	—	15.5	49.4	—	49.4
Net Income Attributable to Air Products	347.5	62.7	410.2	421.3	3.8	425.1	488.0	(7.1)	480.9	503.2	—	503.2	1,760.0	59.4	1,819.4
Diluted EPS ^(B)	\$1.57	\$0.29	\$1.86	\$1.90	\$0.02	\$1.92	\$2.20	(\$0.03)	\$2.17	\$2.27	\$—	\$2.27	\$7.94	\$0.27	\$8.21

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

^(B) For non-GAAP EPS details, refer to page 8, Adjusted Diluted EPS.

Non-GAAP Items	2019															Line Item Impact
	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	
Facility closure	\$29.0	\$6.9	\$22.1	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$29.0	\$6.9	\$22.1	Operating income
Cost reduction actions	—	—	—	—	—	—	25.5	6.7	18.8	—	—	—	25.5	6.7	18.8	Operating income
Gain on exchange of equity affiliate investments	—	—	—	—	—	—	(29.1)	—	(29.1)	—	—	—	(29.1)	—	(29.1)	Operating income
Pension settlement loss	—	—	—	5.0	1.2	3.8	—	—	—	—	—	—	5.0	1.2	3.8	Other non-operating income (expense), net
Tax reform repatriation	—	15.6	(15.6)	—	—	—	—	(3.2)	3.2	—	—	—	—	12.4	(12.4)	Income tax provision
Tax reform adjustment related to deemed foreign dividends	—	(56.2)	56.2	—	—	—	—	—	—	—	—	—	—	(56.2)	56.2	Income tax provision
Total Non-GAAP Items	\$29.0	(\$33.7)	\$62.7	\$5.0	\$1.2	\$3.8	(\$3.6)	\$3.5	(\$7.1)	\$—	\$—	\$—	\$30.4	(\$29.0)	\$59.4	

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)	2020				2019				2018
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net income	\$494.7	\$457.1	\$490.4	\$488.9	\$518.7	\$500.2	\$433.5	\$357.0	
Total liabilities and equity	25,168.5	24,782.1	19,501.2	19,651.6	18,942.8	19,531.9	19,244.5	19,142.0	19,178.3
Four-Quarter Trailing Net Income	\$1,931.1	\$1,955.1	\$1,998.2	\$1,941.3	\$1,809.4				
Five-Quarter Average Total Liabilities and Equity	21,609.2	20,481.9	19,374.4	19,302.6	19,207.9				
ROCE (GAAP Basis)	8.9%	9.5%	10.3%	10.1%	9.4%				
ROCE (GAAP Basis) change vs. PY	(50) bp								
ROCE (GAAP Basis) change vs. PQ	(60) bp								
ROCE (Non-GAAP Basis)									
Net income	\$494.7	\$457.1	\$490.4	\$488.9	\$518.7	\$500.2	\$433.5	\$357.0	
Loss from discontinued operations, net of tax	—	—	14.3	—	—	—	—	—	
Interest expense	39.2	32.1	19.3	18.7	30.1	34.2	35.4	37.3	
Facility closure	—	—	—	—	—	—	—	29.0	
Cost reduction actions	—	—	—	—	—	25.5	—	—	
Gain on exchange of equity affiliate investments	—	—	—	—	—	(29.1)	—	—	
Company headquarters relocation (income) expense	—	—	(33.8)	—	—	—	—	—	
India Finance Act 2020	—	—	(33.8)	—	—	—	—	—	
Pension settlement loss	—	—	—	—	—	—	5.0	—	
Tax reform repatriation	—	—	—	—	—	3.2	—	(15.6)	
Tax reform adjustment related to deemed foreign dividends	—	—	—	—	—	—	—	56.2	
Tax other ^(A)	(6.6)	(6.2)	24.1	(3.7)	(6.1)	(12.8)	(8.2)	(17.0)	
Return After-Tax (Non-GAAP Basis)	\$527.3	\$483.0	\$480.5	\$503.9	\$542.7	\$521.2	\$465.7	\$446.9	
Total Capital									
Total liabilities and equity	\$25,168.5	\$24,782.1	\$19,501.2	\$19,651.6	\$18,942.8	\$19,531.9	\$19,244.5	\$19,142.0	\$19,178.3
Less: Payables and accrued liabilities	1,833.2	1,668.5	1,649.1	1,630.0	1,635.7	1,543.2	1,513.7	1,738.3	1,817.8
Less: Accrued income taxes	105.8	83.6	90.4	113.4	86.6	65.6	70.7	111.9	59.6
Less: Other noncurrent liabilities	1,916.0	1,866.9	1,881.0	1,826.7	1,712.4	1,553.6	1,560.5	1,551.6	1,536.9
Less: Deferred income taxes	962.6	942.0	844.4	810.5	793.8	823.2	805.4	768.9	775.1
Capital Employed (Non-GAAP Basis)	\$20,350.9	\$20,221.1	\$15,036.3	\$15,271.0	\$14,714.3	\$15,546.3	\$15,294.2	\$14,971.3	\$14,988.9
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$1,994.7	\$2,010.1	\$2,048.3	\$2,033.5	\$1,976.5				
Five-Quarter Average Capital Employed—Non-GAAP	17,118.7	16,157.8	15,172.4	15,159.4	15,103.0				
ROCE (Non-GAAP Basis)	11.7%	12.4%	13.5%	13.4%	13.1%				
ROCE (Non-GAAP Basis) change vs. PY	(140) bp								
ROCE (Non-GAAP Basis) change vs. PQ	(70) bp								

^(A) Represents the tax impact on interest expense and our pre-tax non-GAAP adjustments.

Cash Flow and Capital Deployment Reconciliation to Investable Cash Flow

	FY20
Adjusted EBITDA	\$3,620
Interest, net ^(A)	(79)
Cash Tax ^(B)	(380)
Maintenance CapEx ^(C)	(563)
Distributable Cash Flow	2,598 <i>(\$11.69/Share)</i>
Dividends	(1,104)
Investable Cash Flow	\$1,494 <i>(LTM/last twelve months)</i>

	2020				
	Q1	Q2	Q3	Q4	FY
Cash Provided by Operating Activities	\$667.0	\$571.5	\$774.7	\$1,251.5	\$3,264.7
Working capital changes increase (decrease)					
Trade receivables	(0.9)	112.8	(5.7)	(149.4)	(43.2)
Inventories	8.4	8.1	8.8	(20.1)	5.2
Other receivables	(1.4)	2.1	22.5	(107.6)	(84.4)
Payables and accrued liabilities	115.4	(3.6)	72.9	(152.8)	31.9
Other working capital	41.6	71.5	51.2	(33.7)	130.6
Undistributed earnings (losses) of unconsolidated affiliates	26.2	75.4	9.4	50.9	161.9
Share-based compensation	(13.9)	(13.0)	(12.5)	(14.1)	(53.5)
Noncurrent capital lease receivables	(23.5)	(23.6)	(22.0)	(22.5)	(91.6)
Maintenance CapEx ^(C)	(124.0)	(143.0)	(141.0)	(155.0)	(563.0)
Other items, net ^(D)	13.7	(109.2)	(116.8)	51.6	(160.7)
Distributable Cash Flow	708.6	549.0	641.5	698.8	2,597.9
Dividends	(255.7)	(256.0)	(295.9)	(296.0)	(1,103.6)
Investable Cash Flow	\$452.9	\$293.0	\$345.6	\$402.8	\$1,494.3

Distributable Cash Flow Per Share

Weighted average common shares – diluted (in millions)	222.3
Distributable Cash Flow Per Share	\$11.69

^(A) A reconciliation of "Interest, net" for the last twelve months is provided below.

^(B) Cash paid for taxes, net of refunds, was \$379.9 for the fiscal year ended 30 September 2020. Cash paid for taxes, net of refunds, was \$323.6 in fiscal year 2019 (Q1: \$28.7, Q2: \$136.9, Q3: \$85.2, Q4: \$72.8).

^(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 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)

	2019					FY 2018
	Q1	Q2	Q3	Q4	FY	
Cash Provided by Operating Activities	\$655.2	\$630.6	\$717.6	\$966.5	\$2,969.9	\$2,547.2
Working capital changes increase (decrease)						
Trade receivables	73.6	(18.2)	84.1	(70.5)	69.0	42.8
Inventories	10.4	3.8	(0.7)	(10.5)	3.0	64.2
Other receivables	(10.3)	(39.3)	(21.0)	(9.2)	(79.8)	(128.3)
Payables and accrued liabilities	55.4	70.1	(30.7)	(53.0)	41.8	277.7
Other working capital	(57.5)	61.4	5.3	(17.9)	(8.7)	9.0
Undistributed earnings (losses) of unconsolidated affiliates	(1.0)	28.2	29.7	18.9	75.8	59.8
Share-based compensation	(9.3)	(11.9)	(9.8)	(10.2)	(41.2)	(38.8)
Noncurrent capital lease receivables	(24.8)	(22.8)	(24.1)	(22.9)	(94.6)	(97.4)
Maintenance CapEx ^(A)	(103.0)	(87.0)	(122.0)	(102.0)	(414.0)	(421.0)
Other items, net ^(B)	55.7	(30.7)	39.4	79.4	143.8	(66.2)
Distributable Cash Flow	644.4	584.2	667.8	768.6	2,665.0	2,249.0
Dividends	(241.5)	(241.6)	(255.3)	(255.6)	(994.0)	(897.8)
Investable Cash Flow	\$402.9	\$342.6	\$412.5	\$513.0	\$1,671.0	\$1,351.2

Distributable Cash Flow Per Share

Weighted average common shares – diluted (in millions)	221.6	220.8
Distributable Cash Flow Per Share	\$12.03	\$10.19

^(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 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, excluding the impact of certain non-GAAP adjustments. A reconciliation of "interest, net" is provided below:

	2020					2019				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Interest expense	\$18.7	\$19.3	\$32.1	\$39.2	\$109.3	\$37.3	\$35.4	\$34.2	\$30.1	\$137.0
Less: Other non-operating income (expense), net	9.1	7.1	8.1	6.4	30.7	18.5	13.7	17.6	16.9	66.7
Add: Pension settlement loss	—	—	—	—	—	—	(5.0)	—	—	(5.0)
Interest, net	\$9.6	\$12.2	\$24.0	\$32.8	\$78.6	\$18.8	\$16.7	\$16.6	\$13.2	\$65.3

Capital Expenditures

We define capital expenditures as cash flows for Additions to plant and equipment, including long-term deposits, Acquisitions (less cash acquired), and Investment in and advances to unconsolidated affiliates. A reconciliation of cash used for investing activities to our reported capital expenditures is provided below:

	2020								
	Q1	Q2	Q3	Q4	FY				
Cash Used for (Provided by) Investing Activities	\$260.7	\$445.7	\$3,624.5	(\$770.9)	\$3,560.0				
Proceeds from sale of assets and investments	15.2	52.8	6.3	6.0	80.3				
Purchases of investments	—	—	(2,515.5)	(350.0)	(2,865.5)				
Proceeds from investments	177.0	—	—	1,761.0	1,938.0				
Other investing activities	1.9	—	1.0	1.0	3.9				
Capital Expenditures^(A)	\$454.8	\$498.5	\$1,116.3	\$647.1	\$2,716.7				

	2019								
	Q1	Q2	Q3	Q4	FY	2018	2017	2016	2015
Cash Used for Investing Activities	\$226.5	\$655.6	\$553.4	\$677.9	\$2,113.4	\$1,641.6	\$1,412.0	\$858.7	\$1,146.0
Proceeds from sale of assets and investments	1.1	2.7	5.0	2.3	11.1	48.8	42.5	44.6	55.3
Purchases of investments	(5.3)	—	—	(166.8)	(172.1)	(530.3)	(2,692.6)	—	—
Proceeds from investments	178.0	9.9	2.6	—	190.5	748.2	2,290.7	—	—
Other investing activities	3.1	(0.4)	(1.9)	(15.1)	(14.3)	5.5	3.4	4.4	(0.1)
Capital Expenditures^(A)	\$403.4	\$667.8	\$559.1	\$498.3	\$2,128.6	\$1,913.8	\$1,056.0	\$907.7	\$1,201.2

^(A) 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:

	2020				
	Q1	Q2	Q3	Q4	FY
Additions to plant and equipment, including long-term deposits	\$447.7	\$482.9	\$1,114.6	\$463.8	\$2,509.0
Acquisitions, less cash acquired	—	—	—	\$183.3	183.3
Investments in and advances to unconsolidated affiliates	7.1	15.6	1.7	—	24.4
Capital Expenditures	454.8	498.5	1,116.3	\$647.1	2,716.7
Less: Maintenance CapEx ^(A)	(124.0)	(143.0)	(141.0)	(155.0)	(563.0)
Growth CapEx^(B)	\$330.8	\$355.5	\$975.3	\$492.1	\$2,153.7

	2019					2018	2017	2016	2015
	Q1	Q2	Q3	Q4	FY				
Additions to plant and equipment, including long-term deposits	\$403.4	\$560.1	\$544.1	\$482.1	\$1,989.7	\$1,568.4	1,039.7	907.7	1,162.4
Acquisitions, less cash acquired	—	106.3	0.7	16.2	123.2	345.4	8.2	—	34.5
Investments in and advances to unconsolidated affiliates	—	1.4	14.3	—	15.7	—	8.1	—	4.3
Capital Expenditures	403.4	667.8	559.1	498.3	2,128.6	1,913.8	1,056.0	907.7	1,201.2
Less: Maintenance CapEx ^(A)	(103.0)	(87.0)	(122.0)	(102.0)	(414.0)	(421.0)			
Growth CapEx^(B)	\$300.4	\$580.8	\$437.1	\$396.3	\$1,714.6	\$1,492.8			

^(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.

^(B) Growth CapEx includes a component of "Additions to plant and equipment, including long-term deposits" plus "Acquisitions, less cash acquired" plus "Investment in and advances to unconsolidated affiliates." Growth CapEx in fiscal years 2018 through 2020 totaled \$5,361.

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

30 September 2020	
Short-term borrowings	\$7.7
Current portion of long-term debt	470.0
Long-term debt	7,132.9
Long-term debt – related party	297.2
Total Debt	7,907.8
Less: Cash and cash items	5,253.0
Less: Short-term investments	1,104.9
Net Debt	\$1,549.9