

Moving forward



Creating Shareholder Value

Second Quarter 2024
Earnings Results Teleconference

April 30, 2024





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 second quarter of fiscal year 2024 and our Annual Report on Form 10-K for our fiscal year ended September 30, 2023 as well as in our other 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

	FY14	Q2 FY24 YTD	% Change
Employee Lost Time Injury Rate	0.24	0.05	79% better
Employee Recordable Injury Rate	0.58	0.22	62% better

FY14 includes former Materials Technologies businesses divested in FY2017

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

Second Quarter Update

- Q2 adjusted EPS* of \$2.85
 - Exceeded upper end of previous guidance range
 - Up 4% vs. prior year on strong results in Americas & Europe
- Focused on two-pillar growth strategy
 - Effectively managing our base business
 - Executing energy transition projects
- Stay cost disciplined

Outlook*

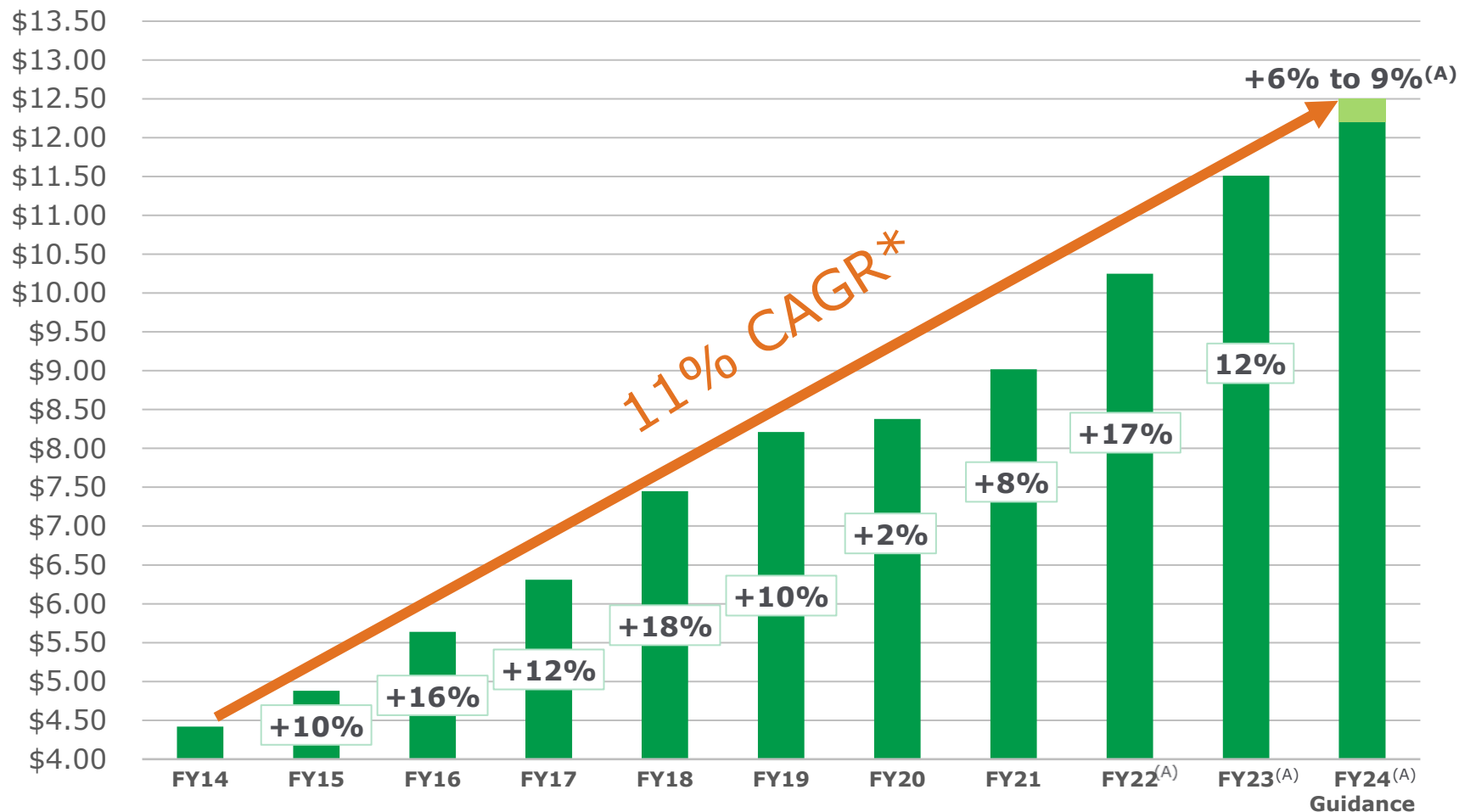
Q3 FY24 Adjusted EPS*	vs Prior Year	FY24 Adjusted EPS*	vs Prior Year
\$3.00 to \$3.05	+1% to +2%	\$12.20 to \$12.50	+6% to +9%

Expect FY24 capital expenditures* of \$5 billion - \$5.5 billion

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

Air Products Adjusted EPS*

Delivering double-digit, long-term EPS growth

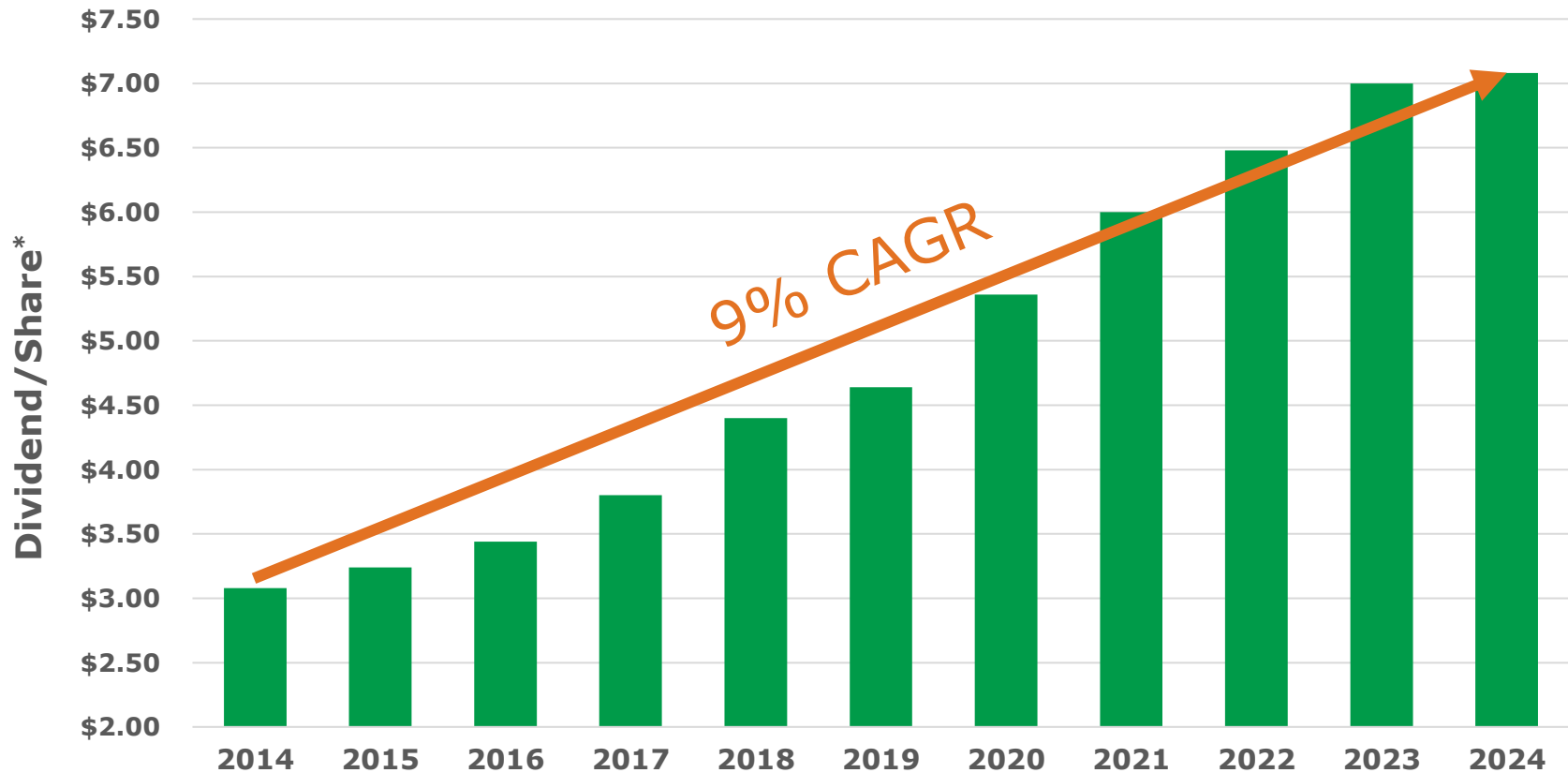


*Non-GAAP financial measure. See website for reconciliation.
CAGR is calculated using midpoint of FY24 guidance.

(A) Amounts and comparisons to immediately preceding year reflect adjustment for non-service-related pension impacts. See website for reconciliation.

Dividend History

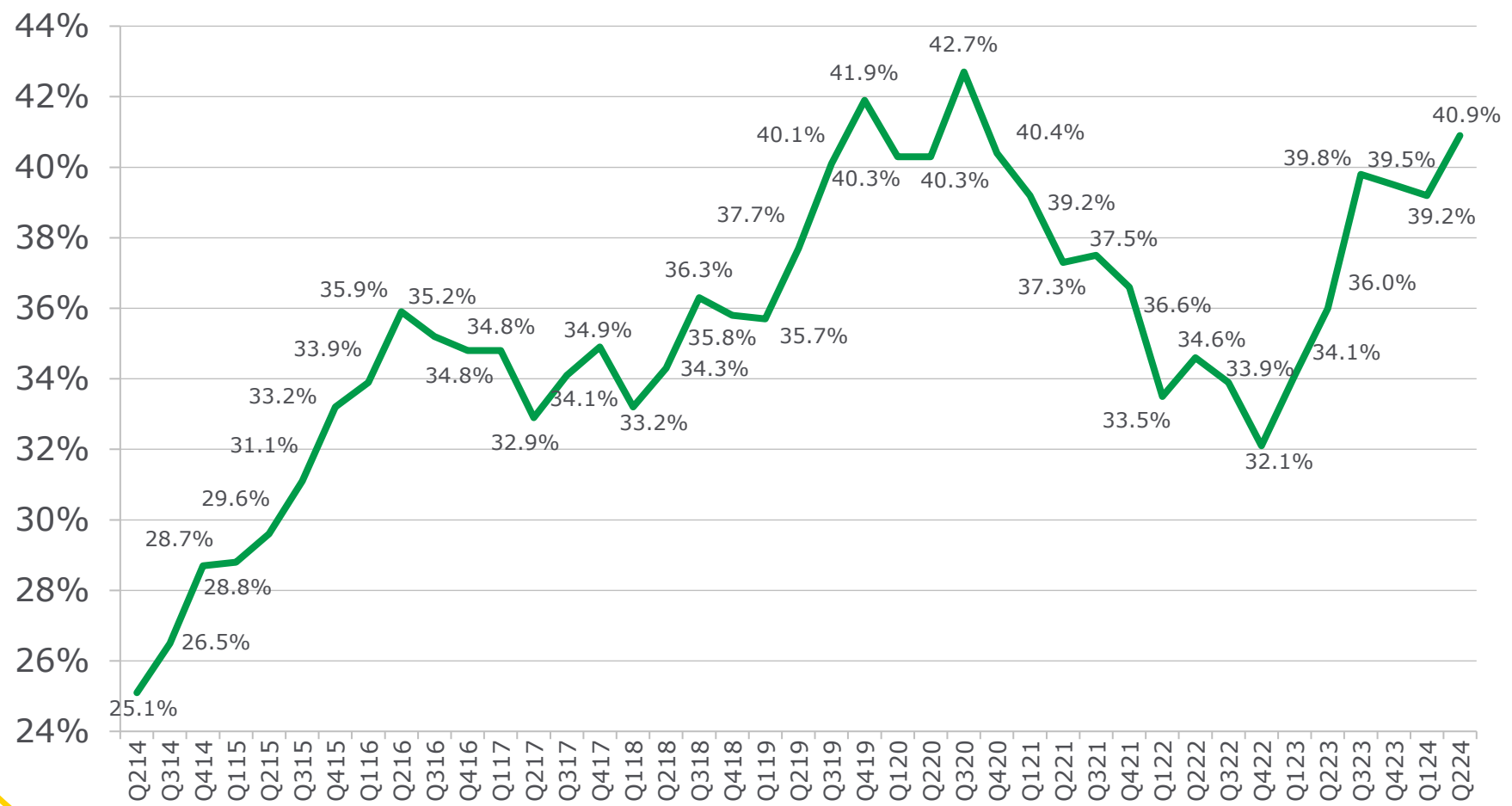
40+ consecutive years of dividend increases



- Increased dividend to \$1.77 per share as announced in January 2024
- ~\$1.6 billion of dividend payments to shareholders expected in 2024

* Based on annualized quarterly dividend declared in first quarter

Adjusted EBITDA Margin*



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

Q2 Results

Moving forward 

(\$ million)	Q2FY24	Fav/(Unfav) vs.	
		Q2FY23	Q1FY24
Sales	\$2,930	(8%)	(2%)
- Volume		(2%)	(2%)
- Price		1%	1%
- Energy cost pass-through		(6%)	(1%)
- Currency		(1%)	-%
Adjusted EBITDA*	\$1,198	4%	2%
- Adjusted EBITDA Margin*	40.9%	490bp	170bp
Adjusted Operating Income*	\$694	8%	4%
- Adjusted Operating Margin*	23.7%	350bp	150bp
Adjusted Net Income*	\$635	4%	1%
Adjusted EPS* (\$/share)	\$2.85	4%	1%
ROCE*	11.4%	(30)bp	(30)bp

Versus prior year:

- Volume down as weaker merchant was partially offset by robust on-site
- Contribution margin up on higher price and lower power costs
- Adjusted EBITDA* increase driven by favorable contribution margin and lower costs, partially offset by lower equity affiliate income
- Lower energy cost pass-through drove ~1/2 adjusted EBITDA margin* improvement

Sequentially:

- Results improved as contribution margin and costs more than compensated for lower seasonal volume

Q2 Adjusted EPS*

	Q2FY23	Q2FY24	Change
GAAP EPS from cont. ops	\$1.97	\$2.57	
Non-GAAP items	0.77	0.28	
Adjusted EPS*	\$2.74	\$2.85	\$0.11
Volume			(0.07)
Price, net of variable costs			0.16
Other cost			0.12
			\$0.21
Currency			(\$0.03)
Equity affiliates' income			(0.08)
Interest expense			(0.07)
Noncontrolling Interest			0.03
Tax Rate			0.03
Non-op. income & expense			0.02
			(\$0.07)

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

EPS is calculated independently for each component and may not sum to total EPS due to rounding

Americas

	Q2FY24	Fav/(Unfav) vs.	
		Q2FY23	Q1FY24
Sales	\$1,246	(9%)	(1%)
- Volume		1%	-0%
- Price		3%	1%
- Energy cost pass-through		(12%)	(1%)
- Currency		(1%)	(1%)
Adjusted EBITDA*	\$590	15%	5%
- <i>Adjusted EBITDA Margin*</i>	47.4%	1,000bp	260bp
Operating Income	\$372	15%	5%
- <i>Operating Margin</i>	29.9%	630bp	160bp

Versus prior year:

- Underlying sales up 4%
 - Price +3% (merchant price +6%) drove improved contribution margin
 - Volume +1% as strong hydrogen demand more than offset weaker merchant
- Adjusted EBITDA* increase driven by price, volume, & equity affiliates' income
- Lower energy cost pass-through drove ~1/2 adjusted EBITDA margin* improvement

Sequentially:

- Adjusted EBITDA* higher primarily due to price and equity affiliates' income

Asia

	Q2FY24	Fav/(Unfav) vs.	
		Q2FY23	Q1FY24
Sales	\$780	(4%)	(2%)
- Volume		(1%)	(2%)
- Price		-%	-%
- Energy cost pass-through		1%	-%
- Currency		(4%)	-%
Adjusted EBITDA*	\$328	(6%)	-%
- Adjusted EBITDA Margin*	42.1%	(90bp)	90bp
Operating Income	\$204	(13%)	(4%)
- Operating Margin	26.1%	(250bp)	(50bp)

Versus prior year:

- Volumes relatively flat as higher on-site offset lower merchant
- Adjusted EBITDA* and Adjusted EBITDA margin* lower, primarily driven by unfavorable business mix
- Currency down primarily on weaker RMB

Sequentially:

- Volume lower due to Lunar New Year
- Adjusted EBITDA* flat as lower volume was offset by lower costs and higher equity affiliates' income

Europe

	Q2FY24	Fav/(Unfav) vs. Q2FY23	Q1FY24
Sales	\$668	(11%)	(9%)
- Volume		(6%)	(8%)
- Price		(1%)	-%
- Energy cost pass-through		(6%)	(2%)
- Currency		2%	1%
Adjusted EBITDA*	\$264	5%	(1%)
- Adjusted EBITDA Margin*	39.5%	620bp	310bp
Operating Income	\$201	16%	2%
- Operating Margin	30.1%	710bp	310bp

Versus prior year:

- Volume lower on planned maintenance outage and weaker merchant
- Uzbekistan project continues to ramp up
- Relatively flat price and lower power costs drove strong contribution margin improvement
- Adjusted EBITDA* up as improved contribution margin and lower costs more than offset lower equity affiliates' income
- Lower energy cost pass-through contributed ~250 bp to adjusted EBITDA margin* improvement

Sequentially:

- Profits stable as favorable contribution margin and costs more than offset planned outage volume impacts and lower equity affiliates' income

Middle East & India

	Q2FY24	Fav/(Unfav) vs. Q2FY23
Sales	\$36	(\$9)
Operating Income	\$6	\$4
Equity Affiliates' Income	\$74	(\$25)
Adjusted EBITDA*	\$86	(\$21)

- Sales decreased due to lower volume
- Operating income improved due to lower costs
- Equity affiliates' income lower due to higher interest and other operating costs

Corporate and Other

	Q2FY24	Fav/(Unfav) vs. Q2FY23
Sales	\$201	(\$14)
Adjusted EBITDA*	(\$70)	\$1
Operating Income	(\$88)	(\$2)

- Lower costs and improved LNG activities offset non-LNG sale of equipment headwinds

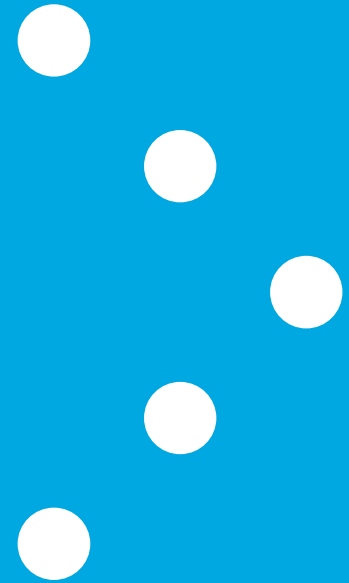
Our Competitive Advantage

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 Project Commitments

Expect strong pipeline of growth projects to extend leadership position in low- and zero-carbon hydrogen

Plant	Customer/Location	Supply Mode/Off-take
Recently Onstream		
ASU/Gasifier/Power	Aramco/Jazan, Saudi Arabia	On-site/Long Term
ASU/Gasifier	Jiutai/China	On-site/Long Term
SMR/ASU/PL	GCA/TX, USA	Pipeline/Long Term
ASU/H ₂ /ATR	UNG/Uzbekistan	On-site/Long Term
Under Execution (Target IRR > 10%)		
Semiconductor	Not Disclosed/Taiwan	Pipeline/Long Term
Net-zero blue H₂	IOL/Canada	Pipeline/Long Term
Carbon Monoxide	LyondellBasell/TX, USA	Pipeline/Long Term
H₂/SAF	World Energy/CA, USA	Pipeline/Long Term
Blue H₂	ExxonMobil/Rotterdam NL	Pipeline/Long Term
Green H₂	AP/NEOM, Saudi Arabia	Long Term
Low-carbon H₂	Downstream H₂ distribution	Target: Long Term
Blue H₂	Production/LA, USA	Target: Pipeline/Long Term
Blue H₂	Sequestration & Shipping/LA, USA	Target: Pipeline/Long Term
Green H₂	NY, USA	Target: Long Term
Carbon Monoxide	Ineos/TX, USA	Pipeline/Long Term

Key Investment Attributes

- Projects with long-term contracts with world-class counterparties
- Sustainability-focused and aligned with our higher purpose
- First-mover advantages in hydrogen
- Leverages Air Products' core competencies, technologies and engineering advantages
- Optimally structured to minimize risks and maximize our risk-adjusted return

Hydrogen / Energy Transition Backlog: ~\$15B

Cash Flow Focus

Supports dividend and capital deployment

(\$ million)

Q2FY24 LTM

Adjusted EBITDA*	\$4,840
Interest, net*	(257)
Cash Tax	(641)
Maintenance Capex*	<u>(736)</u>
Distributable Cash Flow*	\$3,206
	<i>\$14.39/Share*</i>
Dividends	<u>(1,555)</u>
Investable Cash Flow*	\$1,651

- >\$14/share of distributable cash flow*
- Paid over 45% of distributable cash flow* as dividends
- ~\$1.7 billion of investable cash flow* available for growth

FY24-33 Capital Deployment

Significant investment capacity & backlog to support growth

10-Year Capital Deployment Outlook

Current Additional Debt Capacity	\$ 5.6	Assumes 3.0x LTM Adjusted EBITDA* less net debt* as of Q2 FY24
Future Investable Cash Flow* ¹	16.5	Cumulative Investable Cash Flow* over projection period
Debt Enabled by Future Projects ²	8.7	Incremental Adjusted EBITDA* from future projects at maximum net debt* of 3.0x LTM Adjusted EBITDA*

Estimated Future Capacity **\$30.8** **Estimated capacity over projection period**

Current Backlog **\$19.3** **Projects currently in progress**

Committed to maintaining current and targeted A/A2 debt rating

- Q2FY24 LTM Investable Cash Flow* ~\$1.65B

1. Q2FY24 Investable Cash Flow* \$1.65B x 10 years
2. Assumes Adjusted EBITDA* to CapEx* ratio of 15%³ on total backlog of ~\$19.3 billion at a maximum net debt of 3.0x Adjusted EBITDA*
3. Based on assumed 10% Operating Income to CapEx* ratio and 20-year depreciable life

Capital Expenditures*

FY	\$MM
2024	\$5 - \$5.5 billion [#]
2023	\$5,224
2022	\$4,650
2021	\$2,551
2020	\$2,717
2019	\$2,129

FY24	\$MM
Q1	\$1,386
Q2	\$1,285
Q3	
Q4	
YTD	\$2,671

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.

Outlook

Moving forward



Thank you
tell me more

