

Moving forward



# Q1 FY21 Reconciliation Tables

February 4, 2021



## 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 in the “Investors” section of our website at [www.airproducts.com](http://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.

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## Adjusted EBITDA FY21 vs. FY20 Quarterly Trend

	LTM <sup>(A)</sup>	2021	2020			
		Q1	Q1	Q2	Q3	Q4
<b>Sales</b>	\$8,976.8	\$2,375.2	\$2,254.7	\$2,216.3	\$2,065.2	\$2,320.1
<b>Net income</b>	\$1,928.9	\$486.7	\$488.9	\$490.4	\$457.1	\$494.7
<b>Net income margin</b>	21.5%	20.5%	21.7%	22.1%	22.1%	21.3%
<b>Net income</b>	\$1,928.9	\$486.7	\$488.9	\$490.4	\$457.1	\$494.7
Less: Income (Loss) from discontinued operations, net of tax	(4.0)	10.3	—	(14.3)	—	—
Add: Interest expense	127.3	36.7	18.7	19.3	32.1	39.2
Less: Other non-operating income (expense), net	40.2	18.6	9.1	7.1	8.1	6.4
Add: Income tax provision	471.6	113.9	120.7	148.5	109.3	99.9
Add: Depreciation and amortization	1,219.5	323.7	289.2	294.7	290.6	310.5
Less: Company headquarters relocation income (expense)	33.8	—	—	33.8	—	—
Less: India Finance Act 2020 - equity affiliate income impact	33.8	—	—	33.8	—	—
<b>Adjusted EBITDA</b>	\$3,643.5	\$932.1	\$908.4	\$892.5	\$881.0	\$937.9
<b>Adjusted EBITDA margin</b>	40.6%	39.2% (B)	40.3%	40.3%	42.7%	40.4%

<sup>(A)</sup> Last twelve months

<sup>(B)</sup> Q1 2021 adjusted EBITDA margin of 39.2%, up over 1,400 basis points from adjusted EBITDA margin of 25.1% in Q2 2014. See page 5 for FY14 quarterly reconciliation.

	Q1 2021 vs. Q1 2020	Q1 2021 vs. Q4 2020
<b>Change GAAP</b>		
Net income \$ change	(\$2.2)	(\$8.0)
Net income % change	—%	(2%)
Net income margin change	(120)bp	(80)bp
<b>Change Non-GAAP</b>		
Adjusted EBITDA \$ change	\$23.7	(\$5.8)
Adjusted EBITDA % change	3%	(1%)
Adjusted EBITDA margin change	(110)bp	(120)bp

## Adjusted EBITDA Quarterly Trend FY14-FY19

	2019				2018				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Sales</b>	\$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
<b>Net income</b>	\$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
<b>Net income margin</b>	16.0 %	19.8 %	22.5 %	22.7 %	7.3 %	19.7 %	21.6 %	20.0 %	16.3 %	107.9 %	4.9 %	21.6 %
<b>Net income</b>	\$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: (Loss) Income 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 of equity affiliate investments	—	—	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)	—	—	—	—
<b>Adjusted EBITDA</b>	\$794.9	\$824.8	\$891.6	\$956.7	\$734.9	\$739.1	\$819.5	\$822.0	\$654.9	\$651.9	\$723.0	\$769.4
<b>Adjusted EBITDA margin</b>	35.7 %	37.7 %	40.1 %	41.9 %	33.2 %	34.3 %	36.3 %	35.8 %	34.8 %	32.9 %	34.1 %	34.9 %

  

	2016				2015				2014 <sup>(A)</sup>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Sales</b>	\$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
<b>Net income</b>	\$372.0	(\$465.5)	\$354.1	\$400.9	\$337.5	\$296.9	\$333.2	\$350.0	\$299.0	\$291.6	\$323.4	\$79.1
<b>Net income margin</b>	19.9 %	(26.2)%	18.5 %	20.6 %	16.5 %	15.7 %	17.2 %	17.8 %	11.7 %	11.3 %	12.3 %	3.0 %
<b>Net income</b>	\$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	—	—	—	—
<b>Adjusted EBITDA</b>	\$632.5	\$637.9	\$673.9	\$677.2	\$588.1	\$558.4	\$601.8	\$651.1	\$660.5	\$647.3	\$698.7	\$769.2
<b>Adjusted EBITDA margin</b>	33.9 %	35.9 %	35.2 %	34.8 %	28.8 %	29.6 %	31.1 %	33.2 %	25.9 %	25.1 %	26.5 %	28.7 %

<sup>(A)</sup> 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

	2021		2020				Q1 2021 vs. Q1 2020		Q1 2021 vs. Q4 2020	
	Q1	Q1	Q2	Q3	Q4	FY	\$	%	\$	%
<b>Industrial Gases – Americas</b>										
Sales	\$933.0	\$936.2	\$932.4	\$849.9	\$912.2	\$3,630.7				
Operating income	\$225.8	\$257.2	\$268.0	\$248.3	\$238.9	\$1,012.4	(\$31.4)	(12) %	(\$13.1)	(5) %
Operating margin	24.2 %	27.5 %	28.7 %	29.2 %	26.2 %	27.9 %		(330)bp		(200)bp
Operating income	\$225.8	\$257.2	\$268.0	\$248.3	\$238.9	\$1,012.4				
Add: Depreciation and amortization	151.8	131.8	135.5	142.8	149.4	559.5				
Add: Equity affiliates' income	22.3	20.6	21.6	19.9	22.2	84.3				
Adjusted EBITDA	\$399.9	\$409.6	\$425.1	\$411.0	\$410.5	\$1,656.2	(\$9.7)	(2) %	(\$10.6)	(3) %
Adjusted EBITDA margin	42.9 %	43.8 %	45.6 %	48.4 %	45.0 %	45.6 %		(90)bp		(210)bp
<b>Industrial Gases – EMEA</b>										
Sales	\$563.0	\$498.7	\$492.7	\$429.7	\$505.2	\$1,926.3				
Operating income	\$141.5	\$120.5	\$124.6	\$105.1	\$123.1	\$473.3	\$21.0	17 %	\$18.4	15 %
Operating margin	25.1 %	24.2 %	25.3 %	24.5 %	24.4 %	24.6 %		90 bp		70 bp
Operating income	\$141.5	\$120.5	\$124.6	\$105.1	\$123.1	\$473.3				
Add: Depreciation and amortization	55.4	48.4	47.6	47.3	52.6	195.9				
Add: Equity affiliates' income	25.0	19.3	13.5	17.4	24.6	74.8				
Adjusted EBITDA	\$221.9	\$188.2	\$185.7	\$169.8	\$200.3	\$744.0	\$33.7	18 %	\$21.6	11 %
Adjusted EBITDA margin	39.4 %	37.7 %	37.7 %	39.5 %	39.6 %	38.6 %		170 bp		(20)bp
<b>Industrial Gases – Asia</b>										
Sales	\$717.5	\$692.8	\$658.1	\$651.9	\$713.7	\$2,716.5				
Operating income	\$214.8	\$228.5	\$209.1	\$221.9	\$210.8	\$870.3	(\$13.7)	(6) %	\$4.0	2 %
Operating margin	29.9 %	33.0 %	31.8 %	34.0 %	29.5 %	32.0 %		(310)bp		40 bp
Operating income	\$214.8	\$228.5	\$209.1	\$221.9	\$210.8	\$870.3				
Add: Depreciation and amortization	107.9	101.6	104.1	92.9	100.8	399.4				
Add: Equity affiliates' income	19.9	16.9	13.8	11.7	18.6	61.0				
Adjusted EBITDA	\$342.6	\$347.0	\$327.0	\$326.5	\$330.2	\$1,330.7	(\$4.4)	(1) %	\$12.4	4 %
Adjusted EBITDA margin	47.7 %	50.1 %	49.7 %	50.1 %	46.3 %	49.0 %		(240)bp		140 bp
<b>Industrial Gases – Global</b>										
Operating income	(\$4.6)	\$3.6	(\$19.8)	(\$13.4)	(\$10.4)	(\$40.0)	(\$8.2)		\$5.8	
Add: Depreciation and amortization	2.6	2.4	2.4	2.3	2.5	9.6				
Add: Equity affiliates' income	2.1	1.4	5.5	2.2	1.8	10.9				
Adjusted EBITDA	\$0.1	\$7.4	(\$11.9)	(\$8.9)	(\$6.1)	(\$19.5)	(\$7.3)		\$6.2	
<b>Corporate and other</b>										
Operating income	(\$38.4)	(\$48.8)	(\$38.5)	(\$22.7)	(\$2.2)	(\$112.2)	\$10.4		(\$36.2)	
Add: Depreciation and amortization	6.0	5.0	5.1	5.3	5.2	20.6				
Add: Equity affiliates' income	—	—	—	—	—	—				
Adjusted EBITDA	(\$32.4)	(\$43.8)	(\$33.4)	(\$17.4)	\$3.0	(\$91.6)	\$11.4		(\$35.4)	

## Adjusted Operating Income and Adjusted Operating Margin

	2021			2020		Q1 2021 vs. Q1 2020		Q1 2021 vs. Q4 2020	
	Q1	Q1	Q4	\$	%/bp	\$	%/bp		
<b>Sales</b>	\$2,375.2	\$2,254.7	\$2,320.1						
<b>Operating income</b>	\$539.1	\$561.0	\$560.2	(\$21.9)	(4)%	(\$21.1)	(4)%		
<b>Operating margin</b>	22.7 %	24.9 %	24.1 %		(220)bp		(140)bp		
Operating income	\$539.1	\$561.0	\$560.2						
<i>No non-GAAP adjustments</i>	—	—	—						
<b>Adjusted operating income</b>	\$539.1	\$561.0	\$560.2	(\$21.9)	(4)%	(\$21.1)	(4)%		
<b>Adjusted operating margin</b>	22.7 %	24.9 %	24.1 %		(220)bp		(140)bp		

## Adjusted Net Income

	2021			2020		Q1 2021 vs. Q1 2020		Q1 2021 vs. Q4 2020	
	Q1	Q1	Q4	\$	%	\$	%		
<b>Net income</b>	\$486.7	\$488.9	\$494.7	(\$2.2)	— %	(\$8.0)	(2)%		
Income from discontinued operations, net of tax	(10.3)	—	—						
Net income attributable to noncontrolling interests	(4.7)	(13.3)	(7.9)						
<b>Adjusted net income</b>	\$471.7	\$475.6	\$486.8	(\$3.9)	(1)%	(\$15.1)	(3)%		

## Adjusted Diluted Earnings per Share ("EPS") Quarterly and Annual Trend FY20-FY21<sup>(A)</sup>

	2021			2020		
	Q1	Q1	Q2	Q3	Q4	FY
<b>Diluted EPS</b>	<b>\$2.12</b>	<b>\$2.14</b>	<b>\$2.21</b>	<b>\$2.01</b>	<b>\$2.19</b>	<b>\$8.55</b>
Company headquarters relocation (income) expense	—	—	(0.12)	—	—	(0.12)
India Finance Act 2020	—	—	(0.06)	—	—	(0.06)
Subtotal - Non-GAAP items	—	—	(0.18)	—	—	(0.18)
<b>Adjusted Diluted EPS</b>	<b>\$2.12</b>	<b>\$2.14</b>	<b>\$2.04</b>	<b>\$2.01</b>	<b>\$2.19</b>	<b>\$8.38</b>

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

	Q1 2021 vs. Q1 2020	Q1 2021 vs. Q4 2020
<b>Change GAAP</b>		
Diluted EPS \$ change	(\$0.02)	(\$0.07)
Diluted EPS % change	(1%)	(3%)
<b>Change Non-GAAP</b>		
Adjusted diluted EPS \$ change	(\$0.02)	(\$0.07)
Adjusted diluted EPS % change	(1%)	(3)%



## Adjusted EPS Quarterly and Annual Trend FY18-FY19<sup>(A)</sup>

	2019					2018				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>Diluted EPS</b>	<b>\$1.57</b>	<b>\$1.90</b>	<b>\$2.20</b>	<b>\$2.27</b>	<b>\$7.94</b>	<b>\$0.70</b>	<b>\$1.89</b>	<b>\$1.95</b>	<b>\$2.05</b>	<b>\$6.59</b>
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)	—	—	—	—	—
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	\$0.29	\$0.02	(\$0.03)	\$—	\$0.27	\$1.09	(\$0.18)	\$—	(\$0.05)	\$0.86
<b>Adjusted Diluted EPS</b>	<b>\$1.86</b>	<b>\$1.92</b>	<b>\$2.17</b>	<b>\$2.27</b>	<b>\$8.21</b>	<b>\$1.79</b>	<b>\$1.71</b>	<b>\$1.95</b>	<b>\$2.00</b>	<b>\$7.45</b>

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

	<b>FY2019 vs. FY2018</b>
<b>Change GAAP</b>	
Diluted EPS \$ change	\$1.35
Diluted EPS % change	20%
<b>Change Non-GAAP</b>	
Adjusted diluted EPS \$ change	\$0.76
Adjusted diluted EPS % change	10%

## Adjusted EPS Annual Trend FY14-FY20<sup>(A)</sup>

	2020	2019	2018	2017	2016	2015	2014
<b>Diluted EPS</b>	<b>\$8.55</b>	<b>\$7.94</b>	<b>\$6.59</b>	<b>\$5.16</b>	<b>\$5.04</b>	<b>\$4.29</b>	<b>\$3.24</b>
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)
<b>Adjusted Diluted EPS</b>	<b>\$8.38</b>	<b>\$8.21</b>	<b>\$7.45</b>	<b>\$6.31</b>	<b>\$5.64</b>	<b>\$4.88</b>	<b>\$4.42</b>

<sup>(A)</sup> 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
<b>Change GAAP</b>						
Diluted EPS \$ change	\$0.61	\$1.35	\$1.43	\$0.12	\$0.75	\$1.05
Diluted EPS % change	8 %	20 %	28 %	2 %	17 %	32 %
<b>Change Non-GAAP</b>						
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 tables below detail the fiscal year 2020 non-GAAP items summarized on the preceding pages and the impact of each on our historical consolidated income statements on a continuing operations basis. There were no non-GAAP adjustments during the first three months of fiscal year 2021.

	2020														
	Q1			Q2			Q3			Q4			FY		
	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	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 <sup>(B)</sup>	\$2.14	\$—	\$2.14	\$2.21	(\$0.18)	\$2.04	\$2.01	\$—	\$2.01	\$2.19	\$—	\$2.19	\$8.55	(\$0.18)	\$8.38

<sup>(A)</sup> For non-GAAP item details, refer to the table below.

<sup>(B)</sup> For non-GAAP EPS details, refer to page 8, Adjusted Diluted EPS.

Non-GAAP Items	2020														
	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 <sup>(C)</sup>	\$—	\$—	\$—	(\$33.8)	(\$8.2)	(\$25.6)	\$—	\$—	\$—	\$—	\$—	\$—	(\$33.8)	(\$8.2)	(\$25.6)
India Finance Act 2020 <sup>(D)</sup>	—	—	—	(33.8)	(20.3)	(13.5)	—	—	—	—	—	—	(33.8)	(20.3)	(13.5)
Total Non-GAAP Items	\$—	\$—	\$—	(\$67.6)	(\$28.5)	(\$39.1)	\$—	\$—	\$—	\$—	\$—	\$—	(\$67.6)	(\$28.5)	(\$39.1)

<sup>(C)</sup> Before-tax impact reflected in "Operating income."

<sup>(D)</sup> Before-tax impact reflected in "Equity affiliates' income."

## 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)	2021		2020			2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income	\$486.7	\$494.7	\$457.1	\$490.4	\$488.9	\$518.7	\$500.2	\$433.5	
Total liabilities and equity	26,088.1	25,168.5	24,782.1	19,501.2	19,651.6	18,942.8	19,531.9	19,244.5	19,142.0
Four-Quarter Trailing Net Income	\$1,928.9	\$1,931.1	\$ 1,955.1	\$ 1,998.2	\$ 1,941.3				
Five-Quarter Average Total Liabilities and Equity	23,038.3	21,609.2	20,481.9	19,374.4	19,302.6				
<b>ROCE (GAAP Basis)</b>	8.4%	8.9%	9.5 %	10.3 %	10.1 %				
ROCE (GAAP Basis) change vs. PY	(170)bp								
ROCE (GAAP Basis) change vs. PQ	(50)bp								
<b>ROCE (Non-GAAP Basis)</b>									
Net income	\$486.7	\$494.7	\$457.1	\$490.4	\$488.9	\$518.7	\$500.2	\$433.5	
(Income) Loss from discontinued operations, net of tax	(10.3)	—	—	14.3	—	—	—	—	
Interest expense	36.7	39.2	32.1	19.3	18.7	30.1	34.2	35.4	
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	—	
Tax other <sup>(A)</sup>	(7.1)	(6.6)	(6.2)	24.1	(3.7)	(6.1)	(12.8)	(8.2)	
<b>Return After-Tax (Non-GAAP Basis)</b>	\$506.0	\$527.3	\$483.0	\$480.5	\$503.9	\$542.7	\$521.2	\$465.7	
<b>Total Capital</b>									
Total liabilities and equity	\$26,088.1	\$25,168.5	\$24,782.1	\$19,501.2	\$19,651.6	\$18,942.8	\$19,531.9	\$19,244.5	\$19,142.0
Less: Payables and accrued liabilities	1,962.2	1,833.2	1,668.5	1,649.1	1,630.0	1,635.7	1,543.2	1,513.7	1,738.3
Less: Accrued income taxes	108.4	105.8	83.6	90.4	113.4	86.6	65.6	70.7	111.9
Less: Other noncurrent liabilities	1,935.7	1,916.0	1,866.9	1,881.0	1,826.7	1,712.4	1,553.6	1,560.5	1,551.6
Less: Deferred income taxes	1,003.0	962.6	942.0	844.4	810.5	793.8	823.2	805.4	768.9
<b>Capital Employed (Non-GAAP Basis)</b>	\$21,078.8	\$20,350.9	\$20,221.1	\$15,036.3	\$15,271.0	\$14,714.3	\$15,546.3	\$15,294.2	\$14,971.3
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$1,996.8	\$1,994.7	\$2,010.1	\$2,048.3	\$2,033.5				
Five-Quarter Average Capital Employed—Non-GAAP	18,391.6	17,118.7	16,157.8	15,172.4	15,159.4				
<b>ROCE (Non-GAAP Basis)</b>	10.9%	11.7%	12.4%	13.5%	13.4%				
ROCE (Non-GAAP Basis) change vs. PY	(250)bp								
ROCE (Non-GAAP Basis) change vs. PQ	(80)bp								

<sup>(A)</sup> Represents the tax impact on interest expense and our pre-tax non-GAAP adjustments.

## Cash Flow and Capital Deployment Reconciliation to Investable Cash Flow

	LTM <sup>(A)</sup>
Adjusted EBITDA	\$3,644
Interest, net <sup>(B)</sup>	(87)
Cash Tax <sup>(C)</sup>	(387)
Maintenance CapEx <sup>(D)</sup>	(616)
<b>Distributable Cash Flow</b>	2,554 <i>(\$11.48/Share)</i>
Dividends	(1,144)
<b>Investable Cash Flow</b>	<b>\$1,410</b>

	LTM <sup>(A)</sup>	2021 Q1
<b>Cash Provided by Operating Activities</b>	<b>\$3,372.4</b>	<b>\$774.7</b>
Working capital changes increase (decrease)		
Trade receivables	1.8	44.1
Inventories	6.7	9.9
Other receivables	(52.9)	30.1
Payables and accrued liabilities	(107.7)	(24.2)
Other working capital	136.5	47.5
Undistributed earnings (losses) of unconsolidated affiliates	146.5	10.8
Share-based compensation	(49.4)	(9.8)
Noncurrent capital lease receivables	(90.0)	(21.9)
Maintenance CapEx <sup>(D)</sup>	(616.0)	(177.0)
Other items, net <sup>(E)</sup>	(194.0)	(19.6)
<b>Distributable Cash Flow</b>	<b>2,553.9</b>	<b>664.6</b>
Dividends	(1,144.1)	(296.2)
<b>Investable Cash Flow</b>	<b>\$1,409.8</b>	<b>\$368.4</b>

### Distributable Cash Flow Per Share

Weighted average common shares – diluted (in millions)	222.5	222.6
<b>Distributable Cash Flow Per Share</b>	<b>\$11.48</b>	

<sup>(A)</sup> Last twelve months

<sup>(B)</sup> A reconciliation of "Interest, net" for the last twelve months is provided below.

<sup>(C)</sup> Cash paid for taxes, net of refunds, was \$73.4 for the first quarter of fiscal year 2021. Cash paid for taxes, net of refunds, was \$379.9 in fiscal year 2020 (Q1FY20: \$66.2, Q2FY20: \$187.3, Q3FY20: \$76.1, Q4FY20: \$50.3).

<sup>(D)</sup> 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.

<sup>(E)</sup> "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)

	2020					FY 2019
	Q1	Q2	Q3	Q4	FY	
<b>Cash Provided by Operating Activities</b>	<b>\$667.0</b>	<b>\$571.5</b>	<b>\$774.7</b>	<b>\$1,251.5</b>	<b>\$3,264.7</b>	<b>\$2,969.9</b>
Working capital changes increase (decrease)						
Trade receivables	(0.9)	112.8	(5.7)	(149.4)	(43.2)	69.0
Inventories	8.4	8.1	8.8	(20.1)	5.2	3.0
Other receivables	(1.4)	2.1	22.5	(107.6)	(84.4)	(79.8)
Payables and accrued liabilities	115.4	(3.6)	72.9	(152.8)	31.9	41.8
Other working capital	41.6	71.5	51.2	(33.7)	130.6	(8.7)
Undistributed earnings (losses) of unconsolidated affiliates	26.2	75.4	9.4	50.9	161.9	75.8
Share-based compensation	(13.9)	(13.0)	(12.5)	(14.1)	(53.5)	(41.2)
Noncurrent capital lease receivables	(23.5)	(23.6)	(22.0)	(22.5)	(91.6)	(94.6)
Maintenance CapEx <sup>(A)</sup>	(124.0)	(143.0)	(141.0)	(155.0)	(563.0)	(414.0)
Other items, net <sup>(B)</sup>	13.7	(109.2)	(116.8)	51.6	(160.7)	143.8
<b>Distributable Cash Flow</b>	<b>708.6</b>	<b>549.0</b>	<b>641.5</b>	<b>698.8</b>	<b>2,597.9</b>	<b>2,665.0</b>
Dividends	(255.7)	(256.0)	(295.9)	(296.0)	(1,103.6)	(994.0)
<b>Investable Cash Flow</b>	<b>\$452.9</b>	<b>\$293.0</b>	<b>\$345.6</b>	<b>\$402.8</b>	<b>\$1,494.3</b>	<b>\$1,671.0</b>
<b>Distributable Cash Flow Per Share</b>						
Weighted average common shares – diluted (in millions)	222.2	222.3	222.4	222.6	222.3	221.6
<b>Distributable Cash Flow Per Share</b>					<b>\$11.69</b>	<b>\$12.03</b>

<sup>(A)</sup> 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.

<sup>(B)</sup> "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:

	LTM <sup>(A)</sup>	2021	2020				FY
		Q1	Q1	Q2	Q3	Q4	
Interest expense	\$127.3	\$36.7	\$18.7	\$19.3	\$32.1	\$39.2	\$109.3
Less: Other non-operating income (expense), net	\$40.2	18.6	9.1	7.1	8.1	6.4	30.7
<b>Interest, net</b>	<b>\$87.1</b>	<b>\$18.1</b>	<b>\$9.6</b>	<b>\$12.2</b>	<b>\$24.0</b>	<b>\$32.8</b>	<b>\$78.6</b>

<sup>(A)</sup> Last twelve months

## 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:

	2021	
	Q1	LTM <sup>(A)</sup>
<b>Cash Used for (Provided by) Investing Activities</b>	(\$18.2)	\$3,281.1
Proceeds from sale of assets and investments	2.6	67.7
Purchases of investments	(158.5)	(3,024.0)
Proceeds from investments	855.0	2,616.0
Other investing activities	3.3	5.3
<b>Capital Expenditures<sup>(B)</sup></b>	<b>\$684.2</b>	<b>\$2,946.1</b>

	2020					2019	2018	2017	2016	2015
	Q1	Q2	Q3	Q4	FY					
<b>Cash Used for Investing Activities</b>	\$260.7	\$445.7	\$3,624.5	(\$770.9)	\$3,560.0	\$2,113.4	\$1,641.6	\$1,412.0	\$858.7	\$1,146.0
Proceeds from sale of assets and investments	15.2	52.8	6.3	6.0	80.3	11.1	48.8	42.5	44.6	55.3
Purchases of investments	—	—	(2,515.5)	(350.0)	(2,865.5)	(172.1)	(530.3)	(2,692.6)	—	—
Proceeds from investments	177.0	—	—	1,761.0	1,938.0	190.5	748.2	2,290.7	—	—
Other investing activities	1.9	—	1.0	1.0	3.9	(14.3)	5.5	3.4	4.4	(0.1)
<b>Capital Expenditures<sup>(B)</sup></b>	<b>\$454.8</b>	<b>\$498.5</b>	<b>\$1,116.3</b>	<b>\$647.1</b>	<b>\$2,716.7</b>	<b>\$2,128.6</b>	<b>\$1,913.8</b>	<b>\$1,056.0</b>	<b>\$907.7</b>	<b>\$1,201.2</b>

<sup>(A)</sup> Last twelve months

<sup>(B)</sup> 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:

	2021	
	Q1	LTM <sup>(A)</sup>
Additions to plant and equipment, including long-term deposits	\$664.2	\$2,725.5
Acquisitions, less cash acquired	—	183.3
Investments in and advances to unconsolidated affiliates	20.0	37.3
<b>Capital Expenditures</b>	<b>684.2</b>	<b>2,946.1</b>
Less: Maintenance CapEx <sup>(B)</sup>	(177.0)	(616.0)
<b>Growth CapEx<sup>(C)</sup></b>	<b>\$507.2</b>	<b>\$2,330.1</b>

	2020					2019	2018	2017	2016	2015
	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	\$1,989.7	\$1,568.4	1,039.7	907.7	1,162.4
Acquisitions, less cash acquired	—	—	—	\$183.3	183.3	123.2	345.4	8.2	—	34.5
Investments in and advances to unconsolidated affiliates	7.1	15.6	1.7	—	24.4	15.7	—	8.1	—	4.3
<b>Capital Expenditures</b>	<b>454.8</b>	<b>498.5</b>	<b>1,116.3</b>	<b>647.1</b>	<b>2,716.7</b>	<b>2,128.6</b>	<b>1,913.8</b>	<b>1,056.0</b>	<b>907.7</b>	<b>1,201.2</b>
Less: Maintenance CapEx <sup>(B)</sup>	(124.0)	(143.0)	(141.0)	(155.0)	(563.0)	(414.0)	(421.0)			
<b>Growth CapEx<sup>(C)</sup></b>	<b>\$330.8</b>	<b>\$355.5</b>	<b>\$975.3</b>	<b>\$492.1</b>	<b>\$2,153.7</b>	<b>\$1,714.6</b>	<b>\$1,492.8</b>			

<sup>(A)</sup> Last twelve months

<sup>(B)</sup> 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.

<sup>(C)</sup> 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 2021 totaled \$5,868.



## 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:

	<b>31 December 2020</b>
Short-term borrowings	\$9.2
Current portion of long-term debt	906.1
Long-term debt	6,779.1
Long-term debt – related party	312.5
<b>Total Debt</b>	<b>8,006.9</b>
Less: Cash	
Cash and cash items	5,788.0
Short-term investments	412.0
Subtotal	\$6,200.0
<b>Net Debt</b>	<b>\$1,806.9</b>