

Moving forward



Q4 FY22 Reconciliation Tables

November 3, 2022



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 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 dollars unless otherwise indicated, except for per share data. Amounts presented as “LTM” are calculated on a trailing twelve-month basis (i.e., “last twelve months”).

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.

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Adjusted EBITDA FY22 vs. FY21 Quarterly Trend

	2022					2021				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Sales	\$2,994.2	\$2,945.1	\$3,189.3	\$3,570.0	\$12,698.6	\$2,375.2	\$2,502.0	\$2,604.7	\$2,841.1	\$10,323.0
Net income	\$549.6	\$536.8	\$587.1	\$593.0	\$2,266.5	\$486.7	\$477.1	\$532.3	\$618.8	\$2,114.9
Net income margin	18.4%	18.2%	18.4%	16.6%	17.8%	20.5%	19.1%	20.4%	21.8%	20.5 %
Net income	\$549.6	\$536.8	\$587.1	\$593.0	\$2,266.5	\$486.7	\$477.1	\$532.3	\$618.8	\$2,114.9
Less: Income from discontinued operations, net of tax	—	—	—	12.6	12.6	10.3	—	8.2	51.8	70.3
Add: Interest expense	30.5	32.3	32.7	32.5	128.0	36.7	36.1	35.6	33.4	141.8
Less: Other non-operating income (expense), net	22.6	9.1	10.5	20.2	62.4	18.6	16.8	21.1	17.2	73.7
Add: Income tax provision	113.3	122.7	134.2	130.6	500.8	113.9	121.9	101.7	125.3	462.8
Add: Depreciation and amortization	332.3	335.9	337.2	332.8	1,338.2	323.7	329.3	335.7	332.6	1,321.3
Add: Facility closure	—	—	—	—	—	—	23.2	—	—	23.2
Add: Business and asset actions	—	—	—	73.7	73.7	—	—	—	—	—
Less: Gain on exchange with joint venture partner	—	—	—	—	—	—	36.8	—	—	36.8
Add: Equity method investment impairment charge	—	—	—	14.8	14.8	—	—	—	—	—
Adjusted EBITDA	\$1,003.1	\$1,018.6	\$1,080.7	\$1,144.6	\$4,247.0	\$932.1	\$934.0	\$976.0	\$1,041.1	\$3,883.2
Adjusted EBITDA margin	33.5%	34.6%	33.9%	32.1%	33.4%	39.2%	37.3%	37.5%	36.6%	37.6 %

	Q4 2022 vs. Q4 2021	Q4 2022 vs. Q3 2022	Q4 2022 vs. Q2 2014 ^(A)	FY2022 vs. FY2021
Change GAAP				
Net income \$ change	(\$25.8)	\$5.9	\$301.4	\$151.6
Net income % change	(4%)	1%	103%	7 %
Net income margin change	(520)bp	(180)bp	530 bp	(270)bp
Change Non-GAAP				
Adjusted EBITDA \$ change	\$103.5	\$63.9	\$497.3	\$363.8
Adjusted EBITDA % change	10%	6%	77%	9 %
Adjusted EBITDA margin change	(450)bp	(180)bp	700 bp	(420)bp

^(A) Refer to page 6 for a reconciliation of fiscal year 2014 adjusted EBITDA.

Adjusted EBITDA Quarterly Trend FY17-FY20

	2020											
	Q1	Q2	Q3	Q4								
Sales	\$2,254.7	\$2,216.3	\$2,065.2	\$2,320.1								
Net income	\$488.9	\$490.4	\$457.1	\$494.7								
Net income margin	21.7%	22.1%	22.1%	21.3%								
Net income	\$488.9	\$490.4	\$457.1	\$494.7								
Less: Loss from discontinued operations, net of tax	—	(14.3)	—	—								
Add: Interest expense	18.7	19.3	32.1	39.2								
Less: Other non-operating income (expense), net	9.1	7.1	8.1	6.4								
Add: Income tax provision	120.7	148.5	109.3	99.9								
Add: Depreciation and amortization	289.2	294.7	290.6	310.5								
Less: Company headquarters relocation income (expense)	—	33.8	—	—								
Less: India Finance Act 2020 - equity affiliate income impact	—	33.8	—	—								
Adjusted EBITDA	\$908.4	\$892.5	\$881.0	\$937.9								
Adjusted EBITDA margin	40.3%	40.3%	42.7%	40.4%								
	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 %
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: (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 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 %
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 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

	2022					2021					Q4 2022 vs Q4 2021		Q4 2022 vs Q3 2022	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	\$	%	\$	%
Americas														
Sales	\$1,224.1	\$1,186.6	\$1,416.3	\$1,541.9	\$5,368.9	\$933.0	\$1,056.1	\$1,063.3	\$1,115.2	\$4,167.6				
Operating income	\$267.2	\$275.5	\$298.9	\$332.8	\$1,174.4	\$225.8	\$263.4	\$286.0	\$290.3	\$1,065.5	\$42.5	15%	\$33.9	11%
Operating margin	21.8 %	23.2 %	21.1 %	21.6 %	21.9 %	24.2 %	24.9 %	26.9 %	26.0 %	25.6 %		(440)bp		50 bp
Operating income	\$267.2	\$275.5	\$298.9	\$332.8	\$1,174.4	\$225.8	\$263.4	\$286.0	\$290.3	\$1,065.5				
Add: Depreciation and amortization	155.3	153.7	160.5	160.0	629.5	151.8	153.3	154.2	152.6	611.9				
Add: Equity affiliates' income	34.2	20.1	21.4	22.5	98.2	22.3	32.3	24.6	33.3	112.5				
Adjusted EBITDA	\$456.7	\$449.3	\$480.8	\$515.3	\$1,902.1	\$399.9	\$449.0	\$464.8	\$476.2	\$1,789.9	\$39.1	8%	\$34.5	7%
Adjusted EBITDA margin	37.3 %	37.9 %	33.9 %	33.4 %	35.4 %	42.9 %	42.5 %	43.7 %	42.7 %	42.9 %		(930)bp		(50)bp
Asia														
Sales	\$780.4	\$751.2	\$751.4	\$860.3	\$3,143.3	\$717.5	\$697.5	\$751.8	\$754.0	\$2,920.8				
Operating income	\$221.1	\$203.6	\$210.6	\$263.0	\$898.3	\$214.8	\$198.5	\$219.1	\$205.9	\$838.3	\$57.1	28%	\$52.4	25%
Operating margin	28.3 %	27.1 %	28.0 %	30.6 %	28.6 %	29.9 %	28.5 %	29.1 %	27.3 %	28.7 %		330 bp		260 bp
Operating income	\$221.1	\$203.6	\$210.6	\$263.0	\$898.3	\$214.8	\$198.5	\$219.1	\$205.9	\$838.3				
Add: Depreciation and amortization	110.8	111.8	107.6	106.3	436.5	107.9	109.7	113.8	113.0	444.4				
Add: Equity affiliates' income	6.6	6.2	5.7	3.6	22.1	8.8	7.1	8.3	11.7	35.9				
Adjusted EBITDA	\$338.5	\$321.6	\$323.9	\$372.9	\$1,356.9	\$331.5	\$315.3	\$341.2	\$330.6	\$1,318.6	\$42.3	13%	\$49.0	15%
Adjusted EBITDA margin	43.4 %	42.8 %	43.1 %	43.3 %	43.2 %	46.2 %	45.2 %	45.4 %	43.8 %	45.1 %		(50)bp		20 bp
Europe														
Sales	\$744.2	\$738.6	\$739.6	\$863.7	\$3,086.1	\$543.5	\$558.4	\$599.4	\$644.3	\$2,345.6				
Operating income	\$99.2	\$116.4	\$137.4	\$150.4	\$503.4	\$137.5	\$132.9	\$134.0	\$125.0	\$529.4	\$25.4	20%	\$13.0	9%
Operating margin	13.3 %	15.8 %	18.6 %	17.4 %	16.3 %	25.3 %	23.8 %	22.4 %	19.4 %	22.6 %		(200)bp		(120)bp
Operating income	\$99.2	\$116.4	\$137.4	\$150.4	\$503.4	\$137.5	\$132.9	\$134.0	\$125.0	\$529.4				
Add: Depreciation and amortization	49.8	50.3	48.9	46.2	195.2	49.3	51.0	52.5	51.7	204.5				
Add: Equity affiliates' income	13.9	23.3	20.6	20.4	78.2	14.9	12.6	11.6	23.7	62.8				
Adjusted EBITDA	\$162.9	\$190.0	\$206.9	\$217.0	\$776.8	\$201.7	\$196.5	\$198.1	\$200.4	\$796.7	\$16.6	8%	\$10.1	5%
Adjusted EBITDA margin	21.9 %	25.7 %	28.0 %	25.1 %	25.2 %	37.1 %	35.2 %	33.0 %	31.1 %	34.0 %		(600)bp		(290)bp
Middle East and India														
Operating income	\$4.8	\$4.8	\$6.9	\$4.6	\$21.1	\$4.0	\$6.7	\$6.1	\$11.2	\$28.0	(\$6.6)		(\$2.3)	
Add: Depreciation and amortization	6.1	6.9	6.8	7.1	26.9	6.1	6.6	6.2	6.4	25.3				
Add: Equity affiliates' income	92.3	71.1	67.2	63.3	293.9	21.2	16.1	17.1	22.0	76.4				
Adjusted EBITDA	\$103.2	\$82.8	\$80.9	\$75.0	\$341.9	\$31.3	\$29.4	\$29.4	\$39.6	\$129.7	\$35.4		(\$5.9)	
Adjusted EBITDA margin														
Corporate and other														
Operating loss	(\$69.3)	(\$38.4)	(\$26.4)	(\$50.6)	(\$184.7)	(\$43.0)	(\$66.6)	(\$68.1)	(\$15.7)	(\$193.4)	(\$34.9)		(\$24.2)	
Add: Depreciation and amortization	10.3	13.2	13.4	13.2	50.1	8.6	8.7	9.0	8.9	35.2				
Add: Equity affiliates' income	0.8	0.1	1.2	1.8	3.9	2.1	1.7	1.6	1.1	6.5				
Adjusted EBITDA	(\$58.2)	(\$25.1)	(\$11.8)	(\$35.6)	(\$130.7)	(\$32.3)	(\$56.2)	(\$57.5)	(\$5.7)	(\$151.7)	(\$29.9)		(\$23.8)	

Adjusted Operating Income and Adjusted Operating Margin

	2022			2021		Q4 2022 vs. Q4 2021		Q4 2022 vs. Q3 2022		FY2022 vs. FY2021	
	Q3	Q4	FY	Q4	FY	\$	%/bp	\$	%/bp	\$	%/bp
Sales	\$3,189.3	\$3,570.0	\$12,698.6	\$2,841.1	\$10,323.0						
Operating income	\$627.4	\$626.5	\$2,338.8	\$616.7	\$2,281.4	\$9.8	2%	(\$0.9)	—%	\$57.4	3 %
Operating margin	19.7 %	17.5 %	18.4 %	21.7 %	22.1 %		(420)bp		(220)bp		(370)bp
Operating income	\$627.4	\$626.5	\$2,338.8	\$616.7	\$2,281.4						
Facility closure	—	—	—	—	23.2						
Business and asset actions	—	73.7	73.7	—	—						
Gain on exchange with joint venture partner	—	—	—	—	(36.8)						
Adjusted operating income	\$627.4	\$700.2	\$2,412.5	\$616.7	\$2,267.8	\$83.5	14%	\$72.8	12%	\$144.7	6%
Adjusted operating margin	19.7 %	19.6 %	19.0 %	21.7 %	22.0 %		(210)bp		(10)bp		(300)bp

Adjusted Net Income

	2022			2021		Q4 2022 vs. Q4 2021		Q4 2022 vs. Q3 2022		FY2022 vs. FY2021	
	Q3	Q4	FY	Q4	FY	\$	%	\$	%	\$	%
Net income	\$587.1	\$593.0	\$2,266.5	\$618.8	\$2,114.9	(\$25.8)	(4%)	\$5.9	1%	\$151.6	7 %
(Income) Loss from discontinued operations, net of tax	—	(12.6)	(12.6)	(51.8)	(70.3)						
Net (income) loss attributable to noncontrolling interests	(5.0)	(9.9)	(10.4)	(8.4)	(15.8)						
Net income from continuing operations attributable to Air Products	582.1	570.5	2,243.5	558.6	2,028.8						
Facility closure	—	—	—	—	17.4						
Business and asset actions	—	61.0	61.0	—	—						
Gain on exchange with joint venture partner	—	—	—	—	(27.3)						
Equity method investment impairment charge	—	11.1	11.1	—	—						
Tax election benefit and other	—	—	—	—	(12.2)						
Adjusted net income	\$582.1	\$642.6	\$2,315.6	\$558.6	\$2,006.7	\$84.0	15%	\$60.5	10%	\$308.9	15 %

Adjusted Effective Tax Rate

	2022	2021
	FY2022	FY2021
Income tax provision	\$500.8	\$462.8
Income from continuing operations before taxes	\$2,754.7	\$2,507.4
Effective tax rate	18.2 %	18.5 %
Income tax provision	\$500.8	\$462.8
Facility closure	—	5.8
Business and asset actions	12.7	—
Gain on exchange with joint venture partner	—	(9.5)
Equity method investment impairment charge	3.7	—
Tax election benefit and other	—	12.2
Adjusted income tax provision	\$517.2	\$471.3
Income from continuing operations before taxes	\$2,754.7	\$2,507.4
Facility closure	—	23.2
Business and asset actions	73.7	—
Gain on exchange with joint venture partner	—	(36.8)
Equity method investment impairment charge - equity affiliate income impact	14.8	—
Adjusted income from continuing operations before taxes	\$2,843.2	\$2,493.8
Adjusted effective tax rate	18.2 %	18.9 %
	FY2022	
	vs.	
	FY2021	
Change		
Effective tax rate % change		(30)bp
Adjusted effective tax rate % change		(70)bp

Adjusted Diluted Earnings per Share ("EPS") Quarterly and Annual Trend FY21-FY22^(A)

	2022					2021				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diluted EPS	\$2.52	\$2.38	\$2.62	\$2.56	\$10.08	\$2.12	\$2.13	\$2.36	\$2.51	\$9.12
Facility closure	—	—	—	—	—	—	0.08	—	—	0.08
Business and asset actions	—	—	—	0.27	0.27	—	—	—	—	—
Gain on exchange with joint venture partner	—	—	—	—	—	—	(0.12)	—	—	(0.12)
Equity method investment impairment charge	—	—	—	0.05	0.05	—	—	—	—	—
Tax election benefit and other	—	—	—	—	—	—	—	(0.05)	—	(0.05)
Subtotal - Non-GAAP items	—	—	—	0.32	0.32	—	(0.04)	(0.05)	—	(0.09)
Adjusted Diluted EPS	\$2.52	\$2.38	\$2.62	\$2.89	\$10.41	\$2.12	\$2.08	\$2.31	\$2.51	\$9.02

^(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 2022 vs. Q4 2021	Q4 2022 vs. Q3 2022	FY2022 vs. FY2021
Change GAAP			
Diluted EPS \$ change	\$0.05	(\$0.06)	\$0.96
Diluted EPS % change	2%	(2%)	11%
Change Non-GAAP			
Adjusted diluted EPS \$ change	\$0.38	\$0.27	\$1.39
Adjusted diluted EPS % change	15%	10%	15%

Adjusted 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 with joint venture partner	—	—	—	—	—	—	—	(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.

	FY2020 vs. FY2019	FY2019 vs. FY2018
Change GAAP		
Diluted EPS \$ change	\$0.61	\$1.35
Diluted EPS % change	8%	20%
Change Non-GAAP		
Adjusted diluted EPS \$ change	\$0.17	\$0.76
Adjusted diluted EPS % change	2%	10%

Adjusted EPS Annual Trend FY14-FY22^(A)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Diluted EPS	\$10.08	\$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 and action assets	0.27	—	—	—	—	—	—	—	—
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	0.05	—	—	—	—	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	\$10.41	\$9.02	\$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.

	FY2022 vs. FY2021	FY2021 vs. FY2020	FY2020 vs. FY2019	FY2019 vs. FY2018	FY2018 vs. FY2017	FY2017 vs. FY2016	FY2016 vs. FY2015	FY2015 vs. FY2014
Change GAAP								
Diluted EPS \$ change	\$0.96	\$0.57	\$0.61	\$1.35	\$1.43	\$0.12	\$0.75	\$1.05
Diluted EPS % change	11 %	7 %	8 %	20 %	28 %	2 %	17 %	32 %
Change Non-GAAP								
Adjusted diluted EPS \$ change	\$1.39	\$0.64	\$0.17	\$0.76	\$1.14	\$0.67	\$0.76	\$0.46
Adjusted diluted EPS % change	15 %	8 %	2 %	10 %	18 %	12 %	16 %	10 %

Non-GAAP Historical Impacts

The tables below detail the 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 twelve months of fiscal year 2022.

	2022														
	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	\$523.0	\$—	\$523.0	\$561.9	\$—	\$561.9	\$627.4	\$—	\$627.4	\$626.5	\$73.7	\$700.2	\$2,338.8	\$73.7	\$2,412.5
Equity affiliates' income	147.8	—	147.8	120.8	—	120.8	116.1	—	116.1	96.8	14.8	111.6	481.5	14.8	496.3
Interest expense	30.5	—	30.5	32.3	—	32.3	32.7	—	32.7	32.5	—	32.5	128.0	—	128.0
Other non-operating income (expense), net	22.6	—	22.6	9.1	—	9.1	10.5	—	10.5	20.2	—	20.2	62.4	—	62.4
Income from continuing operations before taxes	662.9	—	662.9	659.5	—	659.5	721.3	—	721.3	711.0	88.5	799.5	2,754.7	88.5	2,843.2
Income tax provision	113.3	—	113.3	122.7	—	122.7	134.2	—	134.2	130.6	16.4	147.0	500.8	16.4	517.2
Income from continuing operations	549.6	—	549.6	536.8	—	536.8	587.1	—	587.1	580.4	72.1	652.5	2,253.9	72.1	2,326.0
Net income (loss) attributable to noncontrolling interests	(10.8)	—	(10.8)	6.3	—	6.3	5.0	—	5.0	9.9	—	9.9	10.4	—	10.4
Net income attributable to Air Products	560.4	—	560.4	530.5	—	530.5	582.1	—	582.1	570.5	72.1	642.6	2,243.5	72.1	2,315.6
Diluted EPS ^(B)	\$2.52	\$—	\$2.52	\$2.38	\$—	\$2.38	\$2.62	\$—	\$2.62	\$2.56	\$0.32	\$2.89	\$10.08	\$0.32	\$10.41

	2021														
	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	\$539.1	\$—	\$539.1	\$548.5	(\$13.6)	\$534.9	\$577.1	\$—	\$577.1	\$616.7	\$—	\$616.7	\$2,281.4	(\$13.6)	\$2,267.8
Equity affiliates' income	69.3	—	69.3	69.8	—	69.8	63.2	—	63.2	91.8	—	91.8	294.1	—	294.1
Interest expense	36.7	—	36.7	36.1	—	36.1	35.6	—	35.6	33.4	—	33.4	141.8	—	141.8
Other non-operating income (expense), net	18.6	—	18.6	16.8	—	16.8	21.1	—	21.1	17.2	—	17.2	73.7	—	73.7
Income from continuing operations before taxes	590.3	—	590.3	599.0	(13.6)	585.4	625.8	—	625.8	692.3	—	692.3	2,507.4	(13.6)	2,493.8
Income tax provision	113.9	—	113.9	121.9	(3.7)	118.2	101.7	12.2	113.9	125.3	—	125.3	462.8	8.5	471.3
Income from continuing operations	476.4	—	476.4	477.1	(9.9)	467.2	524.1	(12.2)	511.9	567.0	—	567.0	2,044.6	(22.1)	2,022.5
Net income (loss) attributable to noncontrolling interests	4.7	—	4.7	4.0	—	4.0	(1.3)	—	(1.3)	8.4	—	8.4	15.8	—	15.8
Net income attributable to Air Products	471.7	—	471.7	473.1	(9.9)	463.2	525.4	(12.2)	513.2	558.6	—	558.6	2,028.8	(22.1)	2,006.7
Diluted EPS ^(B)	\$2.12	\$—	\$2.12	\$2.13	(\$0.04)	\$2.08	\$2.36	(\$0.05)	\$2.31	\$2.51	\$—	\$2.51	\$9.12	(\$0.09)	\$9.02

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

^(B) For non-GAAP EPS details, refer to page 10, Adjusted Diluted EPS.

Non-GAAP Historical Impacts (continued)

Non-GAAP Items	2022														
	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)	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$73.7	\$12.7	\$61.0	\$73.7	\$12.7	\$61.0
Equity method investment impairment charge ^(d)	—	—	—	—	—	—	—	—	—	14.8	3.7	11.1	14.8	3.7	11.1
Total Non-GAAP Items	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$88.5	\$16.4	\$72.1	\$88.5	\$16.4	\$72.1

Non-GAAP Items	2021														
	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 ^(c)	\$—	\$—	\$—	\$23.2	\$5.8	\$17.4	\$—	\$—	\$—	\$—	\$—	\$—	\$23.2	\$5.8	\$17.4
Gain on exchange with joint venture partner ^(c)	—	—	—	(36.8)	(9.5)	(27.3)	—	—	—	—	—	—	(36.8)	(9.5)	(27.3)
Tax election benefit and other	—	—	—	—	—	—	—	12.2	(12.2)	—	—	—	—	12.2	(12.2)
Total Non-GAAP Items	\$—	\$—	\$—	(\$13.6)	(\$3.7)	(\$9.9)	\$—	\$12.2	(\$12.2)	\$—	\$—	\$—	(\$13.6)	\$8.5	(\$22.1)

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

^(d) 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.

	2022				2021				2020
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
ROCE (GAAP Basis):									
Net income	\$593.0	\$587.1	\$536.8	\$549.6	\$618.8	\$532.3	\$477.1	\$486.7	
Total liabilities and equity	27,192.6	27,489.0	27,449.7	27,125.3	26,859.2	26,252.1	26,158.9	26,088.1	25,168.5
Four-Quarter Trailing Net Income	\$2,266.5	\$2,292.3	\$2,237.5	\$2,177.8	\$2,114.9				
÷ Five-Quarter Average Total Liabilities and Equity	27,223.2	27,035.1	26,769.0	26,496.7	26,105.4				
ROCE (GAAP Basis)	8.3%	8.5%	8.4%	8.2%	8.1%				
Change vs. prior year	20 bp								
Change vs. prior quarter	(20) bp								
ROCE (Non-GAAP Basis):									
Net income	\$593.0	\$587.1	\$536.8	\$549.6	\$618.8	\$532.3	\$477.1	\$486.7	
(Income) Loss from discontinued operations, net of tax	(12.6)	—	—	—	(51.8)	(8.2)	—	(10.3)	
Interest expense	32.5	32.7	32.3	30.5	33.4	35.6	36.1	36.7	
Facility closure	—	—	—	—	—	—	23.2	—	
Business and asset actions	73.7	—	—	—	—	—	—	—	
Gain on exchange with joint venture partner	—	—	—	—	—	—	(36.8)	—	
Equity investment impairment charge	14.8	—	—	—	—	—	—	—	
Tax election benefit and other	—	—	—	—	—	(12.2)	—	—	
Tax other ^(A)	(22.4)	(6.1)	(6.0)	(5.2)	(6.0)	(5.8)	(3.7)	(7.1)	
Return After-Tax (Non-GAAP Basis)	\$679.0	\$613.7	\$563.1	\$574.9	\$594.4	\$541.7	\$495.9	\$506.0	
Total liabilities and equity	\$27,192.6	\$27,489.0	\$27,449.7	\$27,125.3	\$26,859.2	\$26,252.1	\$26,158.9	\$26,088.1	\$25,168.5
Less: Payables and accrued liabilities	2,771.6	2,544.4	2,407.1	2,310.6	2,218.3	2,118.4	2,042.2	1,962.2	1,833.2
Less: Accrued income taxes	135.2	107.9	104.6	119.8	93.9	78.8	86.7	108.4	105.8
Less: Other noncurrent liabilities	1,691.2	1,726.2	1,736.8	1,731.7	1,640.9	1,819.0	1,840.0	1,935.7	1,916.0
Less: Deferred income taxes	1,247.4	1,308.6	1,249.0	1,209.6	1,180.9	1,078.2	1,050.8	1,003.0	962.6
Capital Employed (Non-GAAP Basis)	\$21,347.2	\$21,801.9	\$21,952.2	\$21,753.6	\$21,725.2	\$21,157.7	\$21,139.2	\$21,078.8	\$20,350.9
Less: Cash									
Cash and cash items	2,711.0	2,957.4	2,348.7	2,953.7	4,468.9	4,291.6	5,786.3	5,788.0	5,253.0
Short-term investments	590.7	357.6	848.9	728.6	1,331.9	1,524.9	409.2	412.0	1,104.9
Adjusted Capital Employed (Non-GAAP Basis)^(B)	\$18,045.5	\$18,486.9	\$18,754.6	\$18,071.3	\$15,924.4	\$15,341.2	\$14,943.7	\$14,878.8	\$13,993.0
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$2,430.7	\$2,346.1	\$2,274.1	\$2,206.9	\$2,138.0				
÷ Five-Quarter Average Capital Employed—Non-GAAP	21,716.0	21,678.1	21,545.6	21,370.9	21,090.4				
ROCE (Non-GAAP Basis)	11.2%	10.8%	10.6%	10.3%	10.1%				
Change vs. prior year	110 bp								
Change vs. prior quarter	40 bp								
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$2,430.7	\$2,346.1	\$2,274.1	\$2,206.9	\$2,138.0				
÷ Five-Quarter Average Capital Employed—Non-GAAP, Excluding Cash	17,856.5	17,315.7	16,607.0	15,831.9	15,016.2				
Adjusted ROCE (Non-GAAP Basis)^(B)	13.6%	13.5%	13.7%	13.9%	14.2%				
Change vs. prior year	(60) bp								
Change vs. prior quarter	10 bp								

^(A) Represents the tax impact on interest expense and our pre-tax non-GAAP adjustments. For details on effective tax rate, refer to page 9.

^(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 and short-term investments.

Cash Flow and Capital Deployment Reconciliation to Investable Cash Flow

	LTM
Adjusted EBITDA	\$4,247
Interest, net ^(A)	(66)
Cash Tax ^(B)	(429)
Maintenance CapEx ^(C)	(693)
Distributable Cash Flow	3,059 <i>(\$13.75/Share)</i>
Dividends	(1,383)
Investable Cash Flow	\$1,676

	2022				
	Q1	Q2	Q3	Q4	FY
Cash Provided by Operating Activities	\$785.2	\$519.8	\$908.2	\$957.4	\$3,170.6
Working capital changes increase (decrease):					
Trade receivables	132.7	70.4	186.6	85.5	475.2
Inventories	33.7	23.6	23.5	13.5	94.3
Other receivables	(14.0)	0.2	36.6	(21.0)	1.8
Payables and accrued liabilities	(167.6)	44.5	(197.0)	(212.4)	(532.5)
Other working capital	8.5	130.2	(20.6)	(41.1)	77.0
Undistributed earnings of unconsolidated affiliates	117.3	83.5	(16.0)	29.9	214.7
Share-based compensation	(15.8)	(10.7)	(10.5)	(11.4)	(48.4)
Noncurrent capital lease receivables	(21.8)	(22.1)	(21.6)	(28.5)	(94.0)
Maintenance CapEx ^(C)	(159.0)	(187.0)	(188.0)	(159.0)	(693.0)
Other items, net ^(D)	88.2	(32.7)	66.9	271.3	393.7
Distributable Cash Flow	787.4	619.7	768.1	884.2	3,059.4
Dividends	(332.1)	(332.6)	(359.2)	(359.4)	(1,383.3)
Investable Cash Flow	\$455.3	\$287.1	\$408.9	\$524.8	\$1,676.1
Distributable Cash Flow Per Share					
Weighted average common shares – diluted (in millions)	222.6	222.5	222.5	222.5	222.5
Distributable Cash Flow Per Share					\$13.75

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

^(B) Cash paid for taxes, net of refunds, was \$428.8 for the twelve months ended 30 September 2022. Cash paid for taxes, net of refunds, was \$390.5 in fiscal year 2021 (Q1FY21: \$73.4, Q2FY21: \$157.1, Q3FY21: \$61.0, Q4FY21: \$99.0).

^(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)

	2021					2020
	Q1	Q2	Q3	Q4	FY	
Cash Provided by Operating Activities	\$774.7	\$805.6	\$928.6	\$826.3	\$3,335.2	\$3,264.7
Working capital changes increase (decrease):						
Trade receivables	44.1	30.7	9.5	46.2	130.5	(43.2)
Inventories	9.9	15.5	11.0	10.8	47.2	5.2
Other receivables	30.1	(45.8)	(37.9)	(21.9)	(75.5)	(84.4)
Payables and accrued liabilities	(24.2)	(111.5)	(4.1)	(48.1)	(187.9)	31.9
Other working capital	47.5	94.9	(31.5)	(41.9)	69.0	130.6
Undistributed earnings of unconsolidated affiliates	10.8	47.9	19.1	60.4	138.2	161.9
Share-based compensation	(9.8)	(12.6)	(12.2)	(9.9)	(44.5)	(53.5)
Noncurrent capital lease receivables	(21.9)	(21.5)	(34.9)	(20.5)	(98.8)	(91.6)
Maintenance CapEx ^(A)	(177.0)	(182.0)	(228.0)	(187.0)	(774.0)	(563.0)
Other items, net ^(B)	(19.6)	(47.5)	54.4	123.3	110.6	(160.7)
Distributable Cash Flow	664.6	573.7	674.0	737.7	2,650.0	2,597.9
Dividends	(296.2)	(296.5)	(332.0)	(332.0)	(1,256.7)	(1,103.6)
Investable Cash Flow	\$368.4	\$277.2	\$342.0	\$405.7	\$1,393.3	\$1,494.3
Distributable Cash Flow Per Share						
Weighted average common shares – diluted (in millions)	222.6	222.5	222.5	222.5	222.5	222.3
Distributable Cash Flow Per Share					\$11.91	\$11.69

^(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:

	2022					2021				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Interest expense	\$30.5	\$32.3	\$32.7	\$32.5	\$128.0	\$36.7	\$36.1	\$35.6	\$33.4	\$141.8
Less: Other non-operating income (expense), net	22.6	9.1	10.5	20.2	62.4	18.6	16.8	21.1	17.2	73.7
Interest, net	\$7.9	\$23.2	\$22.2	\$12.3	\$65.6	\$18.1	\$19.3	\$14.5	\$16.2	\$68.1

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:

	2022				
	Q1	Q2	Q3	Q4	FY
Cash Used for Investing Activities	\$1,719.1	\$916.7	\$208.3	\$1,013.1	\$3,857.2
Proceeds from sale of assets and investments	1.1	24.2	7.5	13.4	46.2
Purchases of investments	(727.4)	(182.0)	(338.5)	(389.9)	(1,637.8)
Proceeds from investments	1,331.9	59.5	827.8	158.2	2,377.4
Other investing activities	6.4	0.1	0.4	0.1	7.0
Capital Expenditures^(A)	\$2,331.1	\$818.5	\$705.5	\$794.9	\$4,650.0

	2021					2020	2019	2018	2017	2016	2015
	Q1	Q2	Q3	Q4	FY						
Cash (Provided by) Used for Investing Activities	(\$18.2)	\$601.4	\$1,734.8	\$414.9	\$2,732.9	\$3,560.0	\$2,113.4	\$1,641.6	\$1,412.0	\$858.7	\$1,146.0
Proceeds from sale of assets and investments	2.6	12.2	15.2	7.5	37.5	80.3	11.1	48.8	42.5	44.6	55.3
Purchases of investments	(158.5)	(410.5)	(1,384.8)	(146.9)	(2,100.7)	(2,865.5)	(172.1)	(530.3)	(2,692.6)	—	—
Proceeds from investments	855.0	410.5	269.7	340.0	1,875.2	1,938.0	190.5	748.2	2,290.7	—	—
Other investing activities	3.3	(0.2)	1.0	1.7	5.8	3.9	(14.3)	5.5	3.4	4.4	(0.1)
Capital Expenditures^(A)	\$684.2	\$613.4	\$635.9	\$617.2	\$2,550.7	\$2,716.7	\$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:

	2022					2020	2019	2018	2017	2016	2015
	Q1	Q2	Q3	Q4	FY						
Additions to plant and equipment, including long-term deposits	\$663.8	\$769.8	\$705.5	\$787.4	\$2,926.5						
Acquisitions, less cash acquired	34.6	30.5	—	—	65.1						
Investments in and advances to unconsolidated affiliates ^(A)	1,632.7	18.2	—	7.5	1,658.4						
Capital Expenditures	2,331.1	818.5	705.5	794.9	4,650.0						
Less: Maintenance CapEx ^(B)	(159.0)	(187.0)	(188.0)	(159.0)	(693.0)						
Less: Contribution from noncontrolling partner for JIGPC	(130.0)	—	—	—	(130.0)						
Growth CapEx^(C)	\$2,042.1	\$631.5	\$517.5	\$635.9	\$3,827.0						

	2021					2020	2019	2018	2017	2016	2015
	Q1	Q2	Q3	Q4	FY						
Additions to plant and equipment, including long-term deposits	\$664.2	\$563.6	\$620.0	\$616.4	\$2,464.2	\$2,509.0	\$1,989.7	\$1,568.4	1,039.7	907.7	1,162.4
Acquisitions, less cash acquired	—	—	9.8	0.7	10.5	183.3	123.2	345.4	8.2	—	34.5
Investments in and advances to unconsolidated affiliates	20.0	49.8	6.1	0.1	76.0	24.4	15.7	—	8.1	—	4.3
Capital Expenditures	684.2	613.4	635.9	617.2	2,550.7	2,716.7	2,128.6	1,913.8	1,056.0	907.7	1,201.2
Less: Maintenance CapEx ^(B)	(177.0)	(182.0)	(228.0)	(187.0)	(774.0)	(563.0)	(414.0)	(421.0)			
Growth CapEx^(C)	\$507.2	\$431.4	\$407.9	\$430.2	\$1,776.7	\$2,153.7	\$1,714.6	\$1,492.8			

^(A) In the first quarter of fiscal year 2022, investment in and advances to unconsolidated affiliates of \$1.6 billion included approximately \$130 from a non-controlling partner in one of our subsidiaries for the initial investment in the Jazan gasification and power project.

^(B) 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.

^(C) 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 year 2018 through the fourth quarter of fiscal year 2022 totaled \$10,965.

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 2022
Short-term borrowings	\$10.7
Current portion of long-term debt	548.3
Long-term debt	6,433.8
Long-term debt – related party	652.0
Total Debt	7,644.8
Less: Cash	
Cash and cash items	2,711.0
Short-term investments	590.7
Subtotal	\$3,301.7
Net Debt	\$4,343.1

Outlook

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 incurrence of additional costs for cost reduction actions and impairment charges or the recognition of gains or losses on disclosed items. The per share impact for each non-GAAP adjustment is calculated independently and may not sum to total adjusted diluted EPS due to rounding.

It is not always possible 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, the Company’s forecasted range of adjusted EPS on a continuing operations basis to a comparable GAAP range.

Adjusted Diluted EPS

	Diluted EPS	
	Q1	Full Year
2022 Diluted EPS	\$2.52	\$10.08
Business and asset actions	—	0.27
Equity method investment impairment charge	—	0.05
2022 Adjusted Diluted EPS	\$2.52	\$10.41
Per share impact of non-service pension benefit, net ^(A)	(0.04)	(0.15)
2022 Adjusted Diluted EPS, excluding per share impact of non-service pension benefit, net ^(A)	\$2.48	\$10.25
2023 Adjusted Diluted EPS Outlook ^(A)	\$2.60–\$2.80	\$11.20–\$11.50
\$ Change ^(A)	0.12–0.32	0.95–1.25
% Change ^(A)	5%–13%	9%–12%

^(A) Fiscal year 2022 diluted EPS has been adjusted as illustrated and as discussed in the *Adjusted Diluted EPS Reflecting Adjustments for Non-Service Pension Impacts* section below in order to present fiscal year 2022 results and fiscal year 2023 guidance on a consistent basis. Actual non-service pension impacts depend in part on external factors that are impossible to predict, such as volatility in equity and debt markets. Accordingly, management is unable to fully reconcile the earnings per share impact of our projection to GAAP EPS.

Capital Expenditures

We expect capital expenditures of \$5.0 to \$5.5 billion for full-year fiscal 2023.

Adjusted Diluted EPS Reflecting Adjustments for Non-Service Pension Impacts

Effective beginning in the first quarter of fiscal year 2023, management will review adjusted earnings per share excluding the impact of non-service related components of net periodic benefit/cost for our defined benefit pension plans. Non-GAAP financial measures for each quarter and the full fiscal years 2022 and 2021 have been adjusted accordingly below. The per share impacts reflected in this table are calculated independently and may not sum to total adjusted diluted EPS due to rounding.

Non-service related components are recurring items that are reflected within "Other non-operating income (expense), net" on our consolidated income statements and include interest cost, expected returns on plan assets, prior service cost amortization, actuarial loss amortization, as well as costs for special termination benefits, curtailments, and settlements.

	Fiscal Year 2022					Fiscal Year 2021				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Non-service pension benefit, net – before tax	\$12.0	\$11.9	\$9.5	\$11.3	\$44.7	\$20.9	\$21.4	\$21.0	\$19.7	\$83.0
Tax impact	(2.9)	(2.9)	(2.3)	(2.7)	(10.8)	(4.5)	(4.6)	(5.2)	(4.8)	(19.1)
Non-service pension benefit, net – after tax	\$9.1	\$9.0	\$7.2	\$8.6	\$33.9	\$16.4	\$16.8	\$15.8	\$14.9	\$63.9
Weighted Average Common Shares — Diluted (<i>in millions</i>)	222.6	222.5	222.5	222.5	222.5	222.6	222.5	222.5	222.5	222.5
Non-GAAP Measures Reflecting Adjustments for Non-Service Pension Impacts:										
Adjusted diluted EPS as reported	\$2.52	\$2.38	\$2.62	\$2.89	\$10.41	\$2.12	\$2.08	\$2.31	\$2.51	\$9.02
Per share impact of non-service pension benefit, net ^(A)	(0.04)	(0.04)	(0.03)	(0.04)	(0.15)	(0.07)	(0.08)	(0.07)	(0.07)	(0.29)
Adjusted diluted EPS, excluding per share impact of non-service pension benefit, net ^(A)	\$2.48	\$2.34	\$2.58	\$2.85	\$10.25	\$2.05	\$2.01	\$2.24	\$2.44	\$8.73

^(A) Calculated as "Non-service pension benefit, net – after tax" divided by "Weighted average common shares – Diluted."