

Moving forward



Create Shareholder Value

Q4 FY17
Earnings Conference Call

October 26 2017



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 reasonable expectations and assumptions as of the date this release is furnished. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, global or regional economic conditions and supply and demand dynamics in market segments into which the Company sells; political risks, including the risks of unanticipated government actions; acts of war or terrorism; the inability to eliminate stranded costs previously allocated to the Company’s Electronic Materials and Performance Materials divisions, which have been divested, and other unexpected impacts of the divestitures; significant fluctuations in interest rates and foreign currencies from that currently anticipated; future financial and operating performance of major customers; unanticipated contract terminations or customer cancellations or postponement of projects and sales; our ability to execute the projects in our backlog; asset impairments due to economic conditions or specific events; the impact of price fluctuations in natural gas and disruptions in markets and the economy due to oil price volatility; costs and outcomes of litigation or regulatory investigations; the success of productivity and operational improvement programs; the timing, impact, and other uncertainties of future acquisitions or divestitures, including reputational impacts; the Company’s ability to implement and operate with new technologies; the impact of changes in environmental, tax or other legislation, economic sanctions and regulatory activities in jurisdictions in which the Company and its affiliates operate; and other risk factors described in the Company’s Form 10-K for its fiscal year ended September 30, 2016. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this presentation to reflect any change in the Company’s assumptions, beliefs or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

Safety results

	FY14	FY16	FY17	FY17 vs FY14
Employee Lost Time Injury Rate	0.24	0.18	0.06	75% Better
Employee Recordable Injury Rate	0.58	0.44	0.34	41% Better

Our Goal

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

Creating shareholder value

Management philosophy






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

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

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

Our Plan

5 point plan summary

Focus on the core 	Restructure organization 	Change culture 	Control capital/costs 	Align rewards 
Industrial gases	Decentralize	Safety	Capex	Reward performance
Key geographies	Geographic alignment	Simplicity	Hurdle rates	EBITDA/value creation target
		Speed	Corporate cost	
		Self-confidence	Ops./Dist. efficiency	

Three years ago

we promised to:

1 Be the safest Industrial Gas company in the world

2 Be the most profitable Industrial Gas company in the world

3 Divest non-core assets

4 Have the best balance sheet in the industry

5 Deliver 10% EPS growth every year

Three years later...

we promised to:

1 Be the safest Industrial Gas company in the world



we delivered

Done.
We are the safest, with a 75% improvement in employee lost-time injury rate.

2 Be the most profitable Industrial Gas company in the world



Done.
We are the most profitable, with an EBITDA margin of 34%, an increase of 900 basis points.

Three years later...

we promised to:

3 Divest non-core assets

we delivered



Done.
Performance Materials
business sold for 15.8x
EBITDA



Done.
Electronic Materials
business spun-off as
Versum Materials, now
trading at EV of 13.9x
EBITDA



Performance Materials multiple from May 6 2016
Air Products investor presentation

Versum multiple from Factset, based on 10/16/17
EV and FY17 consensus EBITDA

Three years later...

we promised to:

4 Have the best balance sheet in the industry



we delivered

Done.

June 2014 Net Debt of \$5.8 billion

Sept 2017 investment capacity of ~\$5.5 billion

5 Deliver 10% EPS growth every year



Done.

Annual EPS growth of 10%, 16%, 12% for FY15, FY16 & FY17

Three years later...

We have **delivered**
what we promised.

Now we are **well positioned**
to drive growth.

And we have the **balance sheet**
to do it.

FY17

- Focus on the core Industrial Gases
 - Completed spin-off of Versum Materials
 - Completed sale of PMD to Evonik
- Major projects on-stream
 - BPCL India Hydrogen
 - Pyeongtaek Korea ASU
 - Yitai China ASU
- Significant progress on Jazan project
 - Established Tech Center in Saudi Arabia
- Major project wins
 - Pyeongtaek Korea Phase 2
 - Glenmont NY ASU
 - Geismar, Louisiana HyCO
 - Six Industrial Gas Plants for Electronics in China
 - Lu'An ASU/Gasifier JV



Lu'An Clean Energy Project Expansion: profitable growth aligned with our strategy

Industrial Gases

Expanded scope

Onsite business model

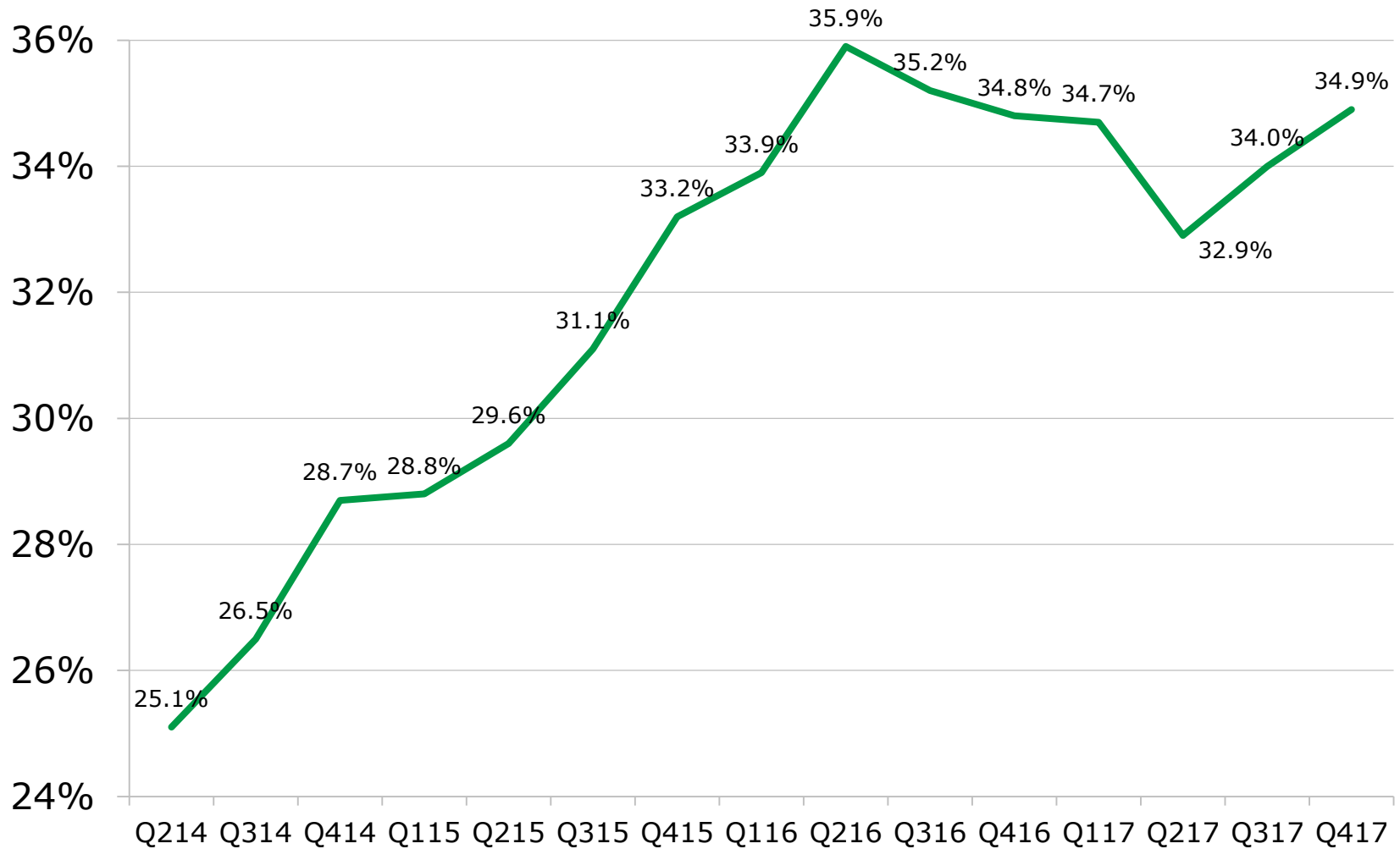
Shareholder value creation



Our key profitability metrics

	Q4 FY17	Full Year FY17
EBITDA % margin	34.9%	34.1%
Operating % margin	22.4%	21.6%
ROCE		12.1%

EBITDA Margin Trend



FY15-17 based on continuing ops
 FY14 as previously reported, including MT
 Non-GAAP measures, see appendix for reconciliation

Fiscal Year Results

(\$ million)	FY16	FY17	Change
Sales	\$7,504	\$8,188	9%
- Volume			6%
- Price			1%
- Energy/Raw Mat'l pass-thru			3%
- Currency			(1%)
EBITDA	2,622	2,795	7%
- EBITDA Margin	34.9%	34.1%	(80bp)
Operating Income	1,620	1,770	9%
- Operating Margin	21.6%	21.6%	-0bp
Net Income	1,230	1,386	13%
GAAP EPS (\$/share)	\$5.04	\$5.16	2%
Adjusted EPS (\$/share)	\$5.64	\$6.31	12%
ROCE	12.4%	12.1%	(30bp)

- Strong volume growth and productivity drive earnings improvement
- Higher energy pass-thru negatively impacts EBITDA margin by 90bp; excluding this impact, margin up 10bp

Fiscal Year Cash Flow Focus

(\$ million)	FY16	FY17	Change
EBITDA	\$2,622	\$2,795	\$173
Interest	(115)	(92)	23
Cash Tax	(374)	(400)	(26)
Maintenance Capex	(244)	(377)	(133)
Distributable Cash Flow	\$1,889	\$1,926	\$37
<i>DCF (\$/share)</i>	<i>\$8.65</i>	<i>\$8.76</i>	
Growth Capex	(691)	(689)	2
Dividends	(721)	(788)	(67)
Free Cash Flow	\$477	\$449	(\$28)

- Improved Distributable Cash Flow and significant Free Cash Flow
- Higher EBITDA offset by higher maint capex and dividends

Fiscal Year EPS Analysis

	FY16	FY17	Change	
As reported cont ops EPS	\$5.04	\$5.16		
less non-GAAP items	<u>(0.60)</u>	<u>(1.15)</u>		
Non-GAAP cont ops EPS	\$5.64	\$6.31	\$0.67	
Volume			0.29	} \$0.56
Price / raw materials			0.03	
Cost			0.24	
Currency/FX			(0.03)	
Equity affiliate income			0.04	} \$0.14
Other non-operating income			0.10	
Interest expense			(0.02)	
Tax rate			0.07	
Non-controlling interest			(0.01)	
Shares outstanding			(0.04)	
Change			\$0.67	

Q4 Results

(\$ million)	Q4FY17	Fav/(Unfav) vs.	
		Q4FY16	Q3FY17
Sales	\$2,203	13%	4%
- Volume		9%	2%
- Price		2%	1%
- Energy cost pass-thru		1%	(1%)
- Currency		1%	2%
EBITDA	\$769	13%	6%
- EBITDA Margin	34.9%	10bp	90bp
Operating Income	\$493	16%	6%
- Operating Margin	22.4%	50bp	60bp
Net Income	\$387	19%	7%
GAAP EPS (\$/share)	\$2.15	63%	357%
Adjusted EPS (\$/share)	\$1.76	18%	7%
ROCE	12.1%	(30bp)	(10bp)

- Strong volume growth in all regions, price and productivity drive earnings improvement
- Higher energy pass-thru reduces EBITDA margin by 30bp; excluding this impact, margin up 40bp

Q4 Cash Flow Focus

(\$ million)	Q4FY16	Q4FY17	Change
EBITDA	\$677	\$769	\$92
Interest, net	(32)	(21)	11
Cash Tax	(97)	(45)	52
Maintenance Capex	<u>(69)</u>	<u>(87)</u>	<u>(18)</u>
Distributable Cash Flow	\$479	\$616	\$137
Growth Capex	(140)	(157)	(17)
Dividends	<u>(186)</u>	<u>(207)</u>	<u>(21)</u>
Free Cash Flow	\$153	\$252	\$99

- Increase in Distributable Cash Flow and Free Cash Flow primarily driven by higher EBITDA

Q4 EPS Analysis

	Q4FY16	Q4FY17	Change	
As reported cont ops EPS	\$1.32	\$2.15		
less non-GAAP items	<u>(0.17)</u>	<u>0.39</u>		
NonGAAP cont ops EPS	\$1.49	\$1.76	\$0.27	
Volume			0.09	} \$0.22
Price / raw materials			0.07	
Cost			0.06	
Currency/FX			0.02	
Equity affiliate income			0.02	} \$0.03
Other non-operating income			0.03	
Interest expense			0.01	
Tax rate			(0.01)	
Non-controlling interest			(0.01)	
Shares outstanding			<u>(0.01)</u>	
Change			\$0.27	

Balance Sheet update

(\$B)	30 Sept
Total cash	\$3.7
Operating cash required	<u>~\$0.2</u>
Cash available to invest	~\$3.5
Total debt	(\$4.0)
Debt capacity	<u>\$5.5 - \$7.0</u>
Debt capacity available to invest	\$1.5 - \$3.0
Total current investment capacity	~\$5.5

- Commitment to manage debt balance to maintain current targeted A/A2 rating
- Debt Capacity based on assumption of 2.0 – 2.5x TTM EBITDA

Regional Industrial Gases EBITDA

	FY16	FY17	Delta
Gases Americas	\$1,390	\$1,473	+\$83
Gases EMEA	\$607	\$611	+\$4
Gases Asia	\$707	\$788	+\$81

- Volume and productivity programs drive profits

Gases Americas

	Q4FY17	Fav/(Unfav) vs.	
		Q4FY16	Q3FY17
Sales	\$953	9%	2%
- Volume		7%	2%
- Price		-%	-%
- Energy cost pass-thru		1%	(1%)
- Currency		1%	1%
EBITDA	\$402	14%	9%
- <i>EBITDA Margin</i>	<i>42.2%</i>	<i>220bp</i>	<i>270bp</i>
Operating Income	\$266	19%	13%
- <i>Operating Margin</i>	<i>27.9%</i>	<i>240bp</i>	<i>250bp</i>

- Strong hydrogen demand despite hurricane impact
- Volume and productivity improve profits
- Higher energy pass-thru reduces EBITDA margin by 60bp; excluding this impact, margin up 280bp

Gases EMEA

	Q4FY17	Fav/(Unfav) vs.	
		Q4FY16	Q3FY17
Sales	\$515	24%	14%
- Volume		18%	10%
- Price		-%	-%
- Energy cost pass-thru		1%	(1%)
- Currency		5%	5%
EBITDA	\$180	17%	16%
- <i>EBITDA Margin</i>	<i>35.0%</i>	<i>(220bp)</i>	<i>70bp</i>
Operating Income	\$119	21%	26%
- <i>Operating Margin</i>	<i>23.0%</i>	<i>(70bp)</i>	<i>220bp</i>

- New hydrogen plant in India drives volume growth
- Positive merchant volumes
- Higher volume and productivity drive profitability

Gases Asia

	Q4FY17	Fav/(Unfav) vs. Q4FY16	Q3FY17
Sales	\$552	23%	3%
- Volume		17%	(3%)
- Price		6%	4%
- Energy cost pass-thru		-%	-%
- Currency		-%	2%
EBITDA	\$224	31%	6%
- <i>EBITDA Margin</i>	<i>40.6%</i>	<i>240bp</i>	<i>140bp</i>
Operating Income	\$152	38%	2%
- <i>Operating Margin</i>	<i>27.5%</i>	<i>300bp</i>	<i>(20bp)</i>

- Volume growth driven by new plants and merchant growth
- Sequential volume decline due to equipment sales last quarter
- Strong pricing in China

Global Gases

	Q4FY17	Fav/(Unfav) vs.	
		Q4FY16	Q3FY17
Sales	\$171	\$14	(\$16)
EBITDA	\$16	(\$10)	(\$15)
Operating Income	\$12	(\$10)	(\$16)

- Profit down due to significant Jazan profit recorded in Q4FY16

Corporate and other

	Q4FY17	Fav/(Unfav) vs.	
		Q4FY16	Q3FY17
Sales	\$12	(\$36)	(\$2)
EBITDA	(\$54)	(\$28)	(\$12)
Operating Income	(\$56)	(\$27)	(\$12)

- LNG activity down significantly

Outlook

FY17 Q1 EPS	FY18 Q1 EPS	Delta	FY17 EPS	FY18 EPS	Delta
\$1.47	\$1.60 to \$1.70	Up 9% to 16%	\$6.31	\$6.85 to \$7.05	Up 9% to 12%

FY18 Capital Spending = \$1 - \$1.2 billion

EPS and Capex Guidance excludes Lu'An or any other significant acquisitions

Three years later...

We have **delivered**
what we promised.

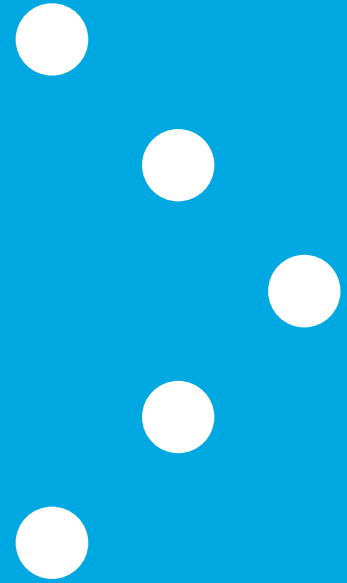
Now we are **well positioned**
to drive growth.

And we have the **balance sheet**
to do it.

Our Goal

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

Appendix Slides



Major Projects

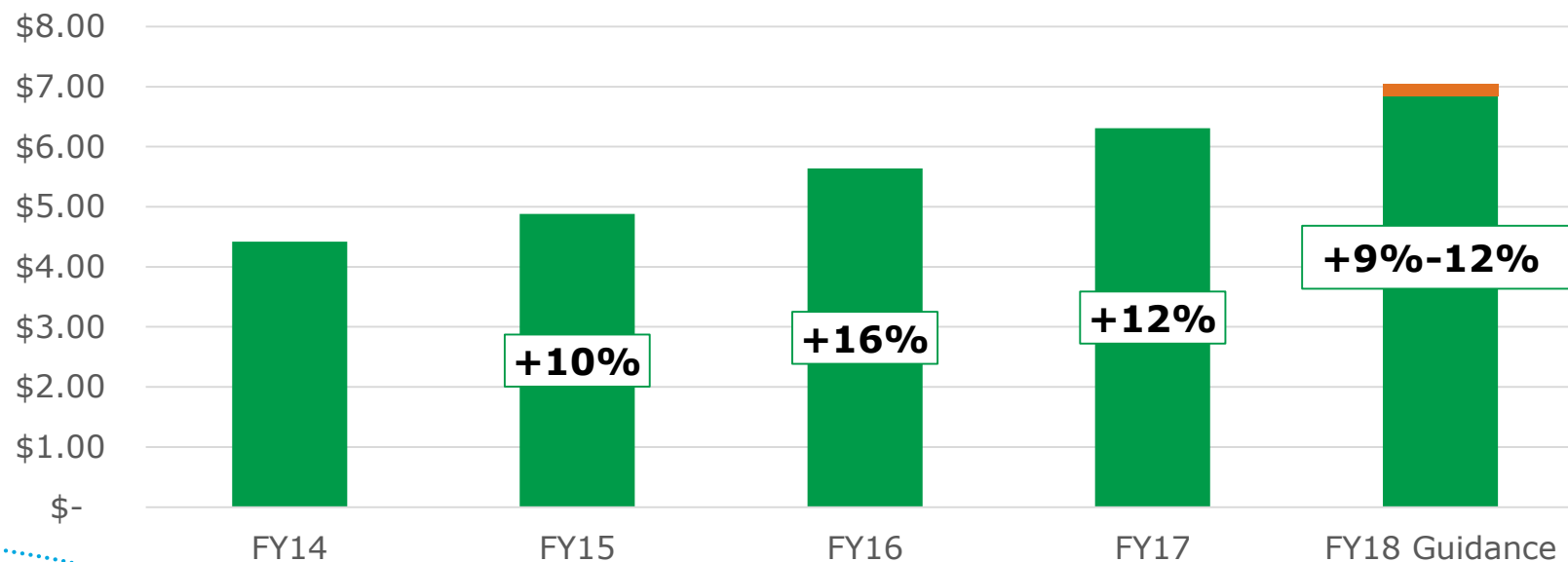
Moving forward



Plant	Location	Capacity	Timing	Market
ONSTREAM (last five quarters)				
ASU/Liquid	Big River Steel, Arkansas	World Scale	OS Q416	Steel
ASU/H2/Liq.	Pyeongtaek, Korea – Ph 1	World Scale	OS Q217	Electronics
H2/ASU	BPCL, India	165 MMSCFD H2	OS Q317*	Refinery / Chems
ASU	Yitai Chemical	Over 9000 TPD O2	OS Q317	Gasif to CTL
BACKLOG - \$1.5 billion - over 90% secure onsite/pipeline business model				
ASU	PKEDZ, Nanjing, China	World Scale	Q1 FY18	Electronics
ASU/Liquid	Ulsan, South Korea	1750 TPD	Q1 FY18	Pipeline
H2/CO	Baytown, Texas	125 MM H2+CO	Q2 FY18	Pipeline
Liquid	Middletown, Ohio	400 TPD	2H FY18	Merchant
ASU	Pyeongtaek, Korea – Ph 2	World Scale	2H FY18*	Electronics
ASU/LAR	Chemours, Tennessee	Not disclosed	FY 19	Chemicals
Liquid	Glenmont, NY	1100 TPD LXNLAR	FY 19	Merchant
H2/CO	Geismar, Louisiana	50MMH2+6.5MMCO	FY 20	Chem/Pipeline
JOINT VENTURE				
ASU/Gasifier	Air Products Lu'An Shanxi, China	10,000 TPD O2, \$1.3B total JV investment	FY 18*	Gasif to CTL
JAZAN				
ASU = SOE + 25% EAJV	Saudi Aramco, Jazan	75,000 TPD O2/N2	FY 19*	Refinery

Air Products EPS

	FY14	FY15		FY16	FY17	FY18
			Q1	\$1.35	\$1.47	\$1.60-\$1.70
			Q2	\$1.37	\$1.43	-
			Q3	\$1.44	\$1.65	-
			Q4	\$1.49	\$1.76	-
FY	\$4.42	\$4.88	FY	\$5.64	\$6.31	\$6.85-\$7.05



Capital Expenditure

FY	\$MM
2018 Forecast	\$1 - \$1.2 billion
2017	\$1,066
2016	\$935
2015	\$1,299
2014	\$1,495
2013	\$1,740
2012	\$1,749

Non-GAAP - includes Capital Expenditures - GAAP basis, plus Capital Lease expenditures and Purchase of non-controlling interests. Excludes \$0.7B in 2012 and \$0.3B in 2015 for Indura equity. 2012-2014 are estimates

Q4FY17 Non-GAAP items

(\$MM or \$/share)	<u>Op Inc</u>	<u>Tax</u>	<u>NI</u>	<u>EPS</u>
Tax election benefit related to a non-U.S. subsidiary	—	(111.4)	(111.4)	(0.50)
Gain on land sale	(12.2)	4.6	(7.6)	(0.03)
Cost reduction and asset actions	48.4	(17.5)	30.9	0.14
Pension settlement loss	0.9	(0.3)	0.6	—
	\$37.1	(\$124.6)	(\$87.5)	(\$0.39)

Positive numbers on this slide represent losses. Based on continuing ops, non-GAAP measures, see appendix for reconciliation

Appendix: Q417 and Full Year FY17 Results



(\$ Millions, except per share data)

	GAAP Measure				Non GAAP Adjusts.		Non GAAP Measure				
	Q417	Q416	\$ Change	% Change	Q417 (2)	Q416 (2)	Q417	Q416	\$ Change	% Change	
Q417 vs. Q416 - Total Company											
Sales	2,203.1	1,945.5	257.6	13%			2,203.1	1,945.5	257.6	13%	
Operating Income	455.7	391.0	64.7	17%	37.1	34.4	492.8	425.4	67.4	16%	
Operating Margin	20.7%	20.1%		60bp			22.4%	21.9%		50bp	
Income from Cont. Ops. (1)	474.2	289.4	184.8	64%	(87.5)	36.3	386.7	325.7	61.0	19%	
Diluted EPS - Cont. Ops. (1)	\$2.15	\$1.32	\$0.83	63%	(0.39)	0.17	\$1.76	\$1.49	\$0.27	18%	
Q417 vs. Q317 - Total Company											
Sales	2,203.1	2,121.9	81.2	4%			2,203.1	2,121.9	81.2	4%	
Operating Income	455.7	252.6	203.1	80%	37.1	210.3	492.8	462.9	29.9	6%	
Operating Margin	20.7%	11.9%		880bp			22.4%	21.8%		60bp	
Income from Cont. Ops. (1)	474.2	104.2	370.0	355%	(87.5)	258.8	386.7	363.0	23.7	7%	
Diluted EPS - Cont. Ops. (1)	\$2.15	\$0.47	\$1.68	357%	(0.39)	1.18	\$1.76	\$1.65	\$0.11	7%	
FY17 vs. FY16 - Total Company											
Sales	8,187.6	7,503.7	683.9	9%			8,187.6	7,503.7	683.9	9%	
Operating Income	1,427.6	1,529.7	(102.1)	(7%)	342.0	90.2	1,769.6	1,619.9	149.7	9%	
Operating Margin	17.4%	20.4%		(300)bp			21.6%	21.6%		-	
Income from Cont. Ops. (1)	1,134.4	1,099.5	34.9	3%	251.5	130.8	1,385.9	1,230.3	155.6	13%	
Diluted EPS - Cont. Ops. (1)	\$5.16	\$5.04	\$0.12	2%	1.15	0.60	\$6.31	\$5.64	\$0.67	12%	

(1) Attributable to Air Products

(2) Non GAAP Adjustments - FY17

	Q117			Q217			Q317			Q417			FY17		
	Op Inc	Cont Ops	EPS	Op Inc	Cont Ops	EPS	Op Inc	Cont Ops	EPS	Op Inc	Cont Ops	EPS	Op Inc	Cont Ops	EPS
Business separation costs	30.2	26.5	0.12										30.2	26.5	0.12
Tax benefit associated with business separation		2.7	0.01					(8.2)	(0.04)				-	(5.5)	(0.02)
Business restructuring and cost reduction actions	50.0	41.2	0.19	10.3	7.2	0.03	42.7	30.0	0.14	48.4	30.9	0.14	151.4	109.3	0.49
Pension Settlement Loss				4.1	2.6	0.01	5.5	3.4	0.02	0.9	0.6	-	10.5	6.6	0.03
Goodwill and intangible asset impairment charge							162.1	154.1	0.70				162.1	154.1	0.70
Equity method investment impairment charge								79.5	0.36				-	79.5	0.36
Gain on land sale										(12.2)	(7.6)	(0.03)	(12.2)	(7.6)	(0.03)
Tax election benefit	-	-	-	-	-	-	-	-	-	-	(111.4)	(0.50)	-	(111.4)	(0.50)
Total Adjustments	80.2	70.4	0.32	14.4	9.8	0.04	210.3	258.8	1.18	37.1	(87.5)	(0.39)	342.0	251.5	1.15

(3) Non GAAP Adjustments - FY16

	Q116			Q216			Q316			Q416			FY16		
	Op Inc	Cont Ops	EPS	Op Inc	Cont Ops	EPS	Op Inc	Cont Ops	EPS	Op Inc	Cont Ops	EPS	Op Inc	Cont Ops	EPS
Business separation costs	12.0	12.0	0.06	7.4	8.9	0.04	9.5	6.5	0.03	21.7	19.3	0.09	50.6	46.7	0.21
Tax costs associated with business separation								47.7	0.22		4.1	0.02	-	51.8	0.24
Business restructuring and cost reduction actions				10.7	8.8	0.04	13.2	8.7	0.04	10.6	7.2	0.03	34.5	24.7	0.11
Pension Settlement Loss				2.0	1.3	0.01	1.0	0.6	-	2.1	1.4	0.01	5.1	3.3	0.02
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	4.3	0.02	-	4.3	0.02
Total Adjustments	12.0	12.0	0.06	20.1	19.0	0.09	23.7	63.5	0.29	34.4	36.3	0.17	90.2	130.8	0.60

Appendix: Adjusted EBITDA Trend



\$ Millions	Q116	Q216	Q316	Q416	FY16	Q117	Q217	Q317	Q417	FY17	Q417 vs PY		Q417 vs PQ		FY17 vs FY16	
											\$	%	\$	%	\$	%
Income From Continuing Operations	287.2	284.7	255.7	294.4	1,122.0	258.2	310.1	106.4	480.5	1,155.2						
Add: Interest expense	22.2	25.7	35.1	32.2	115.2	29.5	30.5	29.8	30.8	120.6						
Less: Other non-operating income (expense), net	0.0	0.0	0.0	0.0	0.0	0.0	9.7	9.8	9.5	29.0						
Add: Income tax provision	96.4	93.5	145.9	96.8	432.6	78.4	94.5	89.3	(1.3)	260.9						
Add: Depreciation and amortization	214.7	213.9	213.5	212.5	854.6	206.1	211.8	216.9	231.0	865.8						
Add Non GAAP pre-tax adjustments (1)	<u>12.0</u>	<u>20.1</u>	<u>23.7</u>	<u>41.3</u>	<u>97.1</u>	<u>80.2</u>	<u>14.4</u>	<u>289.8</u>	<u>37.1</u>	<u>421.5</u>						
Adjusted EBITDA	632.5	637.9	673.9	677.2	2,621.5	652.4	651.6	722.4	768.6	2,795.0	91.4	13%	46.2	6%	173.5	7%
Sales	1,866.3	1,777.4	1,914.5	1,945.5	7,503.7	1,882.5	1,980.1	2,121.9	2,203.1	8,187.6						
Adjusted EBITDA Margin	33.9%	35.9%	35.2%	34.8%	34.9%	34.7%	32.9%	34.0%	34.9%	34.1%		10bp		90bp		(80)bp

(1) Non GAAP Pre-Tax Adjustments

	Q116	Q216	Q316	Q416	FY16	Q117	Q217	Q317	Q417	FY17
Business separation costs	12.0	7.4	9.5	21.7	50.6	30.2	0.0	0.0	0.0	30.2
Business restructuring and cost reduction actions	0.0	10.7	13.2	10.6	34.5	50.0	10.3	42.7	48.4	151.4
Pension Settlement Loss	0.0	2.0	1.0	2.1	5.1	0.0	4.1	5.5	0.9	10.5
Loss on extinguishment of debt	0.0	0.0	0.0	6.9	6.9	0.0	0.0	0.0	0.0	0.0
Goodwill and intangible asset impairment charge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	162.1	0.0	162.1
Equity method investment impairment charge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	79.5	0.0	79.5
Gain on land sale	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(12.2)</u>	<u>(12.2)</u>
Non GAAP pre-tax adjustments	<u>12.0</u>	<u>20.1</u>	<u>23.7</u>	<u>41.3</u>	<u>97.1</u>	<u>80.2</u>	<u>14.4</u>	<u>289.8</u>	<u>37.1</u>	<u>421.5</u>

Appendix: Adjusted EBITDA by Segment



\$ Millions	Q116	Q216	Q316	Q416	FY16	Q117	Q217	Q317	Q417	FY17	Q417 vs PY		Q417 vs PQ		FY17 vs FY16		
											\$	%	\$	%	\$	%	
Gases - Americas																	
Operating Income	211.6	223.5	234.0	224.1	893.2	223.8	224.5	236.2	266.1	950.6							
Add: Depreciation and amortization	109.0	109.8	112.1	112.7	443.6	111.8	116.0	117.0	119.6	464.4							
Add Equity Affiliates' Income	14.5	7.7	16.0	14.5	52.7	14.7	13.0	14.1	16.3	58.1							
Adjusted EBITDA	335.1	341.0	362.1	351.3	1,389.5	350.3	353.5	367.3	402.0	1,473.1	50.7	14%	34.7	9%	83.6	6%	
Adjusted EBITDA Margin	40.1%	42.7%	43.5%	40.0%	41.6%	40.5%	39.7%	39.5%	42.2%	40.5%		220bp		270bp		(110)bp	
Gases - EMEA																	
Operating Income	92.3	90.0	104.0	98.3	384.6	88.0	86.5	94.1	118.5	387.1							
Add: Depreciation and amortization	46.8	48.2	45.1	45.6	185.7	42.2	41.6	45.1	48.2	177.1							
Add Equity Affiliates' Income	7.6	7.2	11.3	10.4	36.5	9.5	8.3	15.7	13.6	47.1							
Adjusted EBITDA	146.7	145.4	160.4	154.3	606.8	139.7	136.4	154.9	180.3	611.3	26.0	17%	25.4	16%	4.5	1%	
Adjusted EBITDA Margin	33.4%	34.5%	37.4%	37.2%	35.6%	35.0%	32.9%	34.3%	35.0%	34.3%		(220)bp		70bp		(130)bp	
Gases - Asia																	
Operating Income	117.3	105.0	118.7	110.0	451.0	118.1	112.0	149.1	152.0	531.2							
Add: Depreciation and amortization	51.9	48.8	49.5	47.7	197.9	46.7	49.3	49.6	57.6	203.2							
Add Equity Affiliates' Income	11.7	17.4	14.8	13.9	57.8	13.5	12.9	12.5	14.6	53.5							
Adjusted EBITDA	180.9	171.2	183.0	171.6	706.7	178.3	174.2	211.2	224.2	787.9	52.6	31%	13.0	6%	81.2	11%	
Adjusted EBITDA Margin	43.6%	42.0%	40.8%	38.2%	41.1%	40.7%	40.0%	39.2%	40.6%	40.1%		240bp		140bp		(100)bp	
Gases - Global																	
Operating Income	(19.3)	(10.8)	(13.9)	22.7	(21.3)	8.2	22.8	27.9	12.4	71.3							
Add: Depreciation and amortization	2.1	1.8	2.0	2.0	7.9	2.0	1.7	2.3	2.9	8.9							
Add Equity Affiliates' Income	(0.5)	0.0	0.0	0.5	0.0	0.3	0.0	0.3	0.3	0.9							
Adjusted EBITDA	(17.7)	(9.0)	(11.9)	25.2	(13.4)	10.5	24.5	30.5	15.6	81.1	(9.6)		(14.9)		94.5		
Corporate/Other																	
Operating Income	(17.4)	(16.0)	(24.5)	(29.7)	(87.6)	(29.8)	(40.2)	(44.4)	(56.2)	(170.6)							
Add: Depreciation and amortization	4.9	5.3	4.8	4.5	19.5	3.4	3.2	2.9	2.7	12.2							
Add Equity Affiliates' Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Adjusted EBITDA	(12.5)	(10.7)	(19.7)	(25.2)	(68.1)	(26.4)	(37.0)	(41.5)	(53.5)	(158.4)	(28.3)		(12.0)		(90.3)		

Appendix: ROCE

Moving forward

	<u>Q4 14</u>	<u>Q1 15</u>	<u>Q2 15</u>	<u>Q3 15</u>	<u>Q4 15</u>	<u>Q1 16</u>	<u>Q2 16</u>	<u>Q3 16</u>	<u>Q4 16</u>	<u>Q1 17</u>	<u>Q2 17</u>	<u>Q3 17</u>	<u>Q4 17</u>
Numerator													
GAAP Net Income from continuing operations attributable to Air Products		249.7	188.4	221.5	273.7	280.9	278.9	250.3	289.4	251.6	304.4	104.2	474.2
<u>Add Interest Expense Impact</u>													
Before tax interest expense		28.8	23.2	28.1	22.7	22.2	25.7	35.1	32.2	29.5	30.5	29.8	30.8
Interest expense tax impact		<u>(6.5)</u>	<u>(5.7)</u>	<u>(6.8)</u>	<u>(5.4)</u>	<u>(5.6)</u>	<u>(6.3)</u>	<u>(12.7)</u>	<u>(8.0)</u>	<u>(6.9)</u>	<u>(7.1)</u>	<u>(13.6)</u>	<u>0.1</u>
Net interest expense Impact		22.3	17.5	21.3	17.3	16.6	19.4	22.4	24.2	22.6	23.4	16.2	30.9
Add Net income attributable to noncontrolling interests (cont. ops.)		<u>11.1</u>	<u>5.1</u>	<u>12.3</u>	<u>4.1</u>	<u>6.3</u>	<u>5.8</u>	<u>5.4</u>	<u>5.0</u>	<u>6.6</u>	<u>5.7</u>	<u>2.2</u>	<u>6.3</u>
GAAP Earnings After Tax		283.1	211.0	255.1	295.1	303.8	304.1	278.1	318.6	280.8	333.5	122.6	511.4
<u>Disclosed Items, after-tax</u>													
Business separation costs		-	-	-	7.5	12.0	8.9	6.5	19.3	26.5	-	-	-
Tax costs associated with business separation		-	-	-	-	-	-	47.7	4.1	2.7	-	(8.2)	-
Business restructuring and cost reduction actions		16.2	36.5	33.0	47.2	-	8.8	8.7	7.2	41.2	7.2	30.0	30.9
Pension settlement loss		-	7.4	0.8	4.2	-	1.3	0.6	1.4	-	2.6	3.4	0.6
Gain on previously held equity interest		(11.2)	-	-	-	-	-	-	-	-	-	-	-
Gain on land sales		-	-	-	(28.3)	-	-	-	-	-	-	-	(7.6)
Loss on extinguishment of debt		-	-	-	14.2	-	-	-	4.3	-	-	-	-
Goodwill and intangible asset impairment charge		-	-	-	-	-	-	-	-	-	-	154.1	-
Equity method investment impairment charge		-	-	-	-	-	-	-	-	-	-	79.5	-
Tax election benefit		-	-	-	-	-	-	-	-	-	-	-	(111.4)
Subtotal Items		5.0	43.9	33.8	44.8	12.0	19.0	63.5	36.3	70.4	9.8	258.8	(87.5)
Non-GAAP Earnings After-Tax		288.1	254.9	288.9	339.9	315.8	323.1	341.6	354.9	351.2	343.3	381.4	423.9
Denominator													
Total Debt	6,081.2	6,051.4	5,899.3	5,832.1	5,855.9	5,795.5	5,799.0	5,666.0	5,210.9	4,318.4	3,843.2	3,926.0	3,962.8
Air Products Shareholders' Equity	7,521.4	7,503.3	7,476.3	7,731.3	7,381.1	7,499.0	7,053.1	7,180.2	7,213.4	7,261.1	9,420.2	9,509.9	10,185.5
Noncontrolling interests of discontinued operations	(37.4)	(36.2)	(34.6)	(35.7)	(32.0)	(32.1)	(33.0)	(32.9)	(33.9)	-	-	-	-
Redeemable noncontrolling interest	287.2	288.7	280.0	277.9	-	-	-	-	-	-	-	-	-
Less: Assets of discontinued operations	<u>(2,345.6)</u>	<u>(2,370.7)</u>	<u>(2,410.1)</u>	<u>(2,572.6)</u>	<u>(2,556.6)</u>	<u>(2,599.2)</u>	<u>(1,707.1)</u>	<u>(1,762.0)</u>	<u>(1,968.5)</u>	<u>(860.2)</u>	<u>(9.8)</u>	<u>(9.8)</u>	<u>(10.2)</u>
Total Capital	11,506.8	11,436.5	11,210.9	11,233.0	10,648.4	10,663.2	11,112.0	11,051.3	10,421.9	10,719.3	13,253.6	13,426.1	14,138.1
Calculation													
GAAP earnings after-tax - 4 qtr trailing					1,044.3	1,065.0	1,158.1	1,181.1	1,204.6	1,181.6	1,211.0	1,055.5	1,248.3
Five-quarter average total capital					<u>11,207.1</u>	<u>11,038.4</u>	<u>10,973.5</u>	<u>10,941.6</u>	<u>10,779.4</u>	<u>10,793.5</u>	<u>11,311.6</u>	<u>11,774.4</u>	<u>12,391.8</u>
ROCE - GAAP items					9.3%	9.6%	10.6%	10.8%	11.2%	10.9%	10.7%	9.0%	10.1%
Non-GAAP earnings after-tax - 4 qtr trailing					1,171.8	1,199.5	1,267.7	1,320.4	1,335.4	1,370.8	1,391.0	1,430.8	1,499.8
Five-quarter average total capital					<u>11,207.1</u>	<u>11,038.4</u>	<u>10,973.5</u>	<u>10,941.6</u>	<u>10,779.4</u>	<u>10,793.5</u>	<u>11,311.6</u>	<u>11,774.4</u>	<u>12,391.8</u>
ROCE - Non-GAAP items					10.5%	10.9%	11.6%	12.1%	12.4%	12.7%	12.3%	12.2%	12.1%

Appendix: FY18 EPS Outlook

EPS Outlook

<u>Q118 Guidance vs Prior Year</u>	<u>Diluted EPS (1)</u>
Q117 GAAP	\$1.15
Business separation costs	\$0.12
Tax costs associated with business separation	\$0.01
Business restructuring and cost reduction actions	<u>\$0.19</u>
Q117 Non GAAP	<u>\$1.47</u>
Q118 Guidance (2)	<u>\$1.60-\$1.70</u>
% Change	9%-16%

<u>FY18 Guidance vs Prior Year</u>	
FY17 GAAP	\$5.16
Business separation costs	\$0.12
Tax benefit associated with business separation	(\$0.02)
Business restructuring and cost reduction actions	\$0.49
Pension settlement loss	\$0.03
Goodwill and intangible asset impairment charge	\$0.70
Equity method investment impairment charge	\$0.36
Gain on land sale	(\$0.03)
Tax election benefit	<u>(\$0.50)</u>
FY17 Non GAAP	<u>\$6.31</u>
FY18 Guidance (2)	<u>\$6.85-\$7.05</u>
% Change	9%-12%

(1) Continuing operations, attributable to Air Products

(2) Guidance excludes the impact of certain items, if applicable, that we believe are not representative of our underlying business

Moving forward



Thank you
tell me more

