

Moving forward



Create Shareholder Value

Q1 FY21
Earnings Conference Call

February 4, 2021



Forward-looking statements

This presentation contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about earnings guidance, business outlook and investment opportunities. These forward-looking statements are based on management’s expectations and assumptions as of the date of this presentation and are not guarantees of future performance. While forward-looking statements are made in good faith and based on assumptions, expectations and projections that management believes are reasonable based on currently available information, actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors, including, those disclosed in our earnings release for the first quarter of fiscal 2021 as well as in our filings with the Securities and Exchange Commission. Except as required by law, the Company disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in the assumptions, beliefs, or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

Non-GAAP Financial Measures

This presentation and the discussion on the accompanying conference call contain certain financial measures that are not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). We have posted to our website, in the relevant Earnings Release section, reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP. The non-GAAP financial measures supplement our GAAP disclosures and are not meant to be considered in isolation or as a substitute for the most directly comparable measures prepared in accordance with GAAP. These measures may not be comparable to similarly titled measures used by other companies.

Safety results

	FY14	Q1FY21	Q1FY21 vs FY14
Employee Lost Time Injury Rate	0.24	0.04	83% better
Employee Recordable Injury Rate	0.58	0.30	48% better

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

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.

Five Point Plan: Moving Forward

Sustain the lead 	Deploy capital 	Evolve portfolio 	Change culture 	Belong and Matter 
Safest, most diverse, and most profitable	Strategically invest significant available capacity	Grow onsite portion	4S	Inclusion
Best-in-class performance	Win profitable growth projects globally	Energy, environment and emerging markets	Committed and motivated	Enjoyable work environment
Productivity			Positive attitudes and open minds	Proud to innovate and solve challenges

Dreams of the Future

- To be the **safest, most diverse, and most profitable** industrial gas company in the world
- To be the **largest American chemical company** as measured by market capitalization
- To be the leader in **providing solutions** to the world's energy and environmental challenges
 - Gasification
 - Carbon Capture
 - Hydrogen for mobility
- To serve out our **Higher Purpose**, bringing people together to deliver sustainable solutions for our customers and our world

Making Dreams a Reality

- Improved safety record
- Maintained highest margin in the industry
- Announced new sustainability goals, including carbon intensity reduction and diversity goals
- Double-digit average annual adjusted EPS* increase since 2014. Adjusted EPS* up in 2020 despite COVID-19.
- Executing growth strategy
 - World-scale LNG heat exchanger wins
 - Gulf Coast Ammonia project and PBF hydrogen acquisition
 - Indonesia coal-to-methanol project
 - NEOM carbon-free hydrogen



Our **Higher** Purpose

Bringing people together to **collaborate**
and **innovate** solutions to the world's
most significant energy and environmental
sustainability challenges

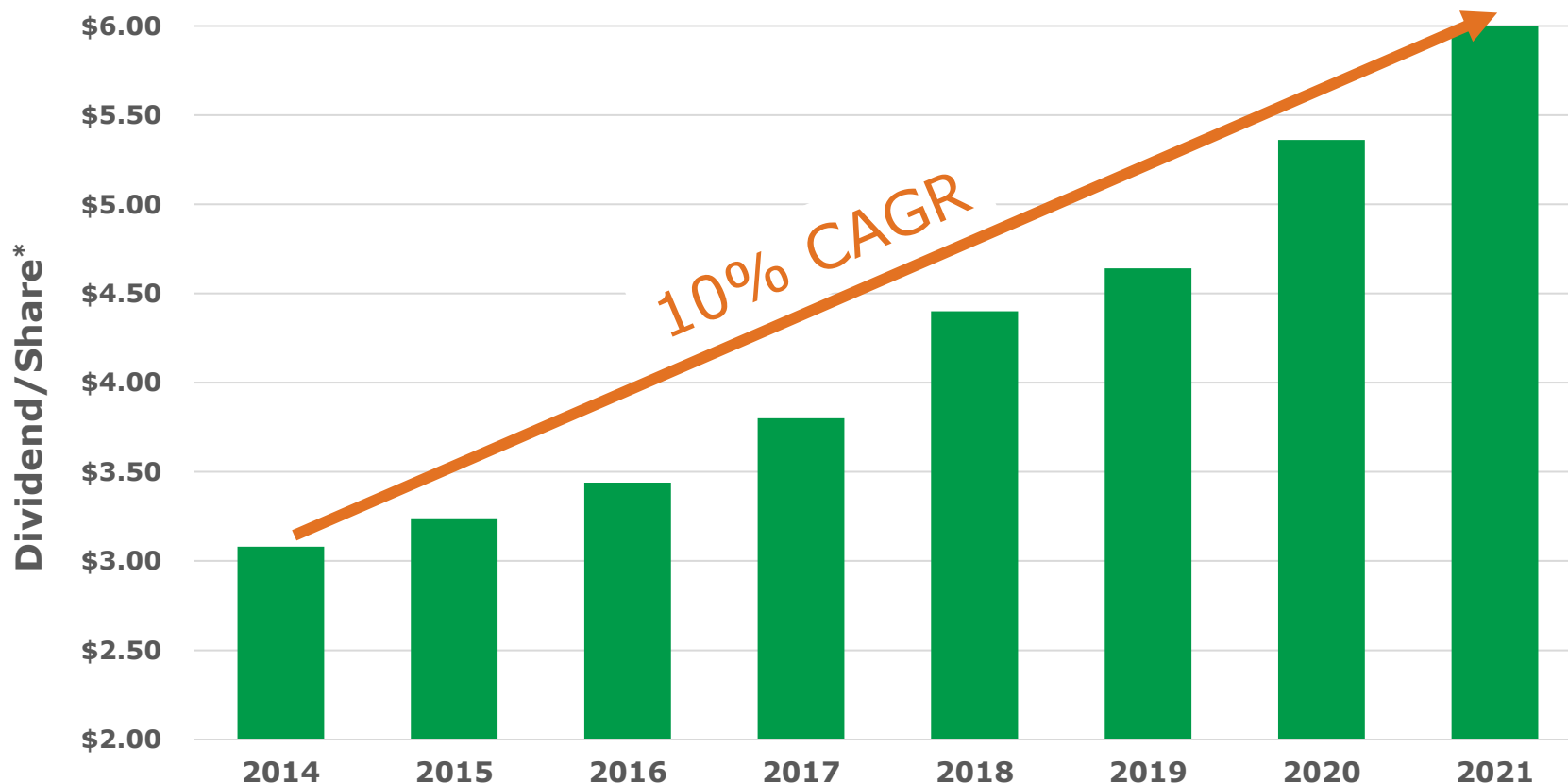


Executing our gasification strategy

Energy, environmental, emerging markets



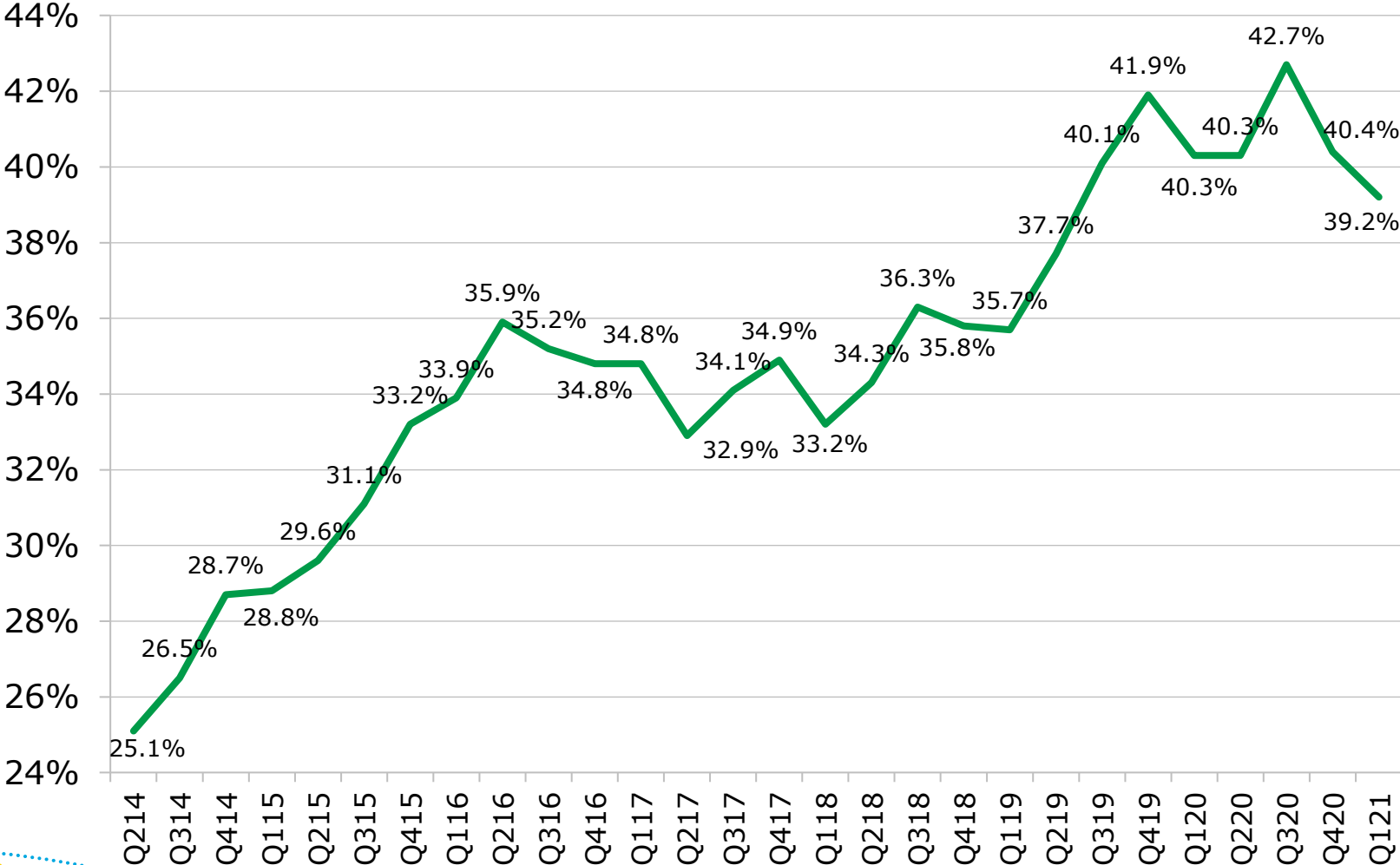
Dividend history



- \$1.50 per quarter or 12% dividend increase announced Jan 2021
- >\$1.3B/year of dividends to shareholders expected in 2021
- 39 consecutive years of dividend increases

Adjusted EBITDA margin*

Up over 1400 basis points



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

Q1 Results

(\$ million)	Q1FY21	Fav/(Unfav) vs.	
		Q1FY20	Q4FY20
Sales	\$2,375	5%	2%
- Volume		(1%)	(3%)
- Price		2%	1%
- Energy cost pass-through		1%	2%
- Currency		3%	2%
Adjusted EBITDA*	\$932	3%	(1%)
- Adjusted EBITDA Margin*	39.2%	(110bp)	(120bp)
Adjusted Operating Income*	\$539	(4%)	(4%)
- Adjusted Operating Margin*	22.7%	(220bp)	(140bp)
Adjusted Net Income*	\$472	(1%)	(3%)
Adjusted EPS* (\$/share)	\$2.12	(1%)	(3%)
ROCE*	10.9%	(250bp)	(80bp)

- COVID-19 negatively impacted Sales ~4% and Adjusted EPS* ~\$0.10 - \$0.15
- Price positive in all three regions versus prior year and up sequentially
- Volume:
 - Down vs prior year as COVID-19 and Lu'An more than offset new plants and acquisitions
 - Down vs prior quarter due to seasonality, Lu'An and lower sale of equipment activities
- Adjusted EBITDA* up primarily on pricing

Q1 Adjusted EPS*

	Q1FY20	Q1FY21	Change
GAAP cont ops EPS	\$2.14	\$2.12	
non-GAAP items	<u>0.00</u>	<u>0.00</u>	
Adjusted EPS*	\$2.14	\$2.12	(\$0.02)
Volume			(0.25)
Price (net of variable costs)			0.17
Other Cost			(0.06)
			(\$0.14)
Currency/FX			\$0.06
Equity Affiliate Income			0.04
Non-controlling Interest			0.04
Interest Expense			(0.07)
Other (Non-Op. Inc/Exp, Tax rate)			0.05
			\$0.06

- Strong price more than offset by reduced volume
- COVID-19 impact on Adjusted EPS* ~\$0.10 - \$0.15

* Non-GAAP financial measure. See website for reconciliation. EPS is calculated independently for each component and may not sum to total EPS due to rounding.

Cash Flow Focus

(\$ million)

Q1FY21 LTM

Adjusted EBITDA*	\$3,644
Interest, net*	(87)
Cash Tax	(387)
Maintenance Capex*	<u>(616)</u>
Distributable Cash Flow*	\$2,554
	<i>\$11.48/Share*</i>
Dividends	<u>(1,144)</u>
Investable Cash Flow*	\$1,410

- ~\$11.50/share of Distributable Cash Flow*
- Paid over 40% of Distributable Cash Flow* as dividends
- ~\$1.4B of Investable Cash Flow*

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

Capital Deployment Scorecard

Substantial investment capacity remaining

Available Now (12/31/20)	(\$Billion)	
Total Debt Capacity	\$ 10.9	Assuming 3xLTM Adj EBITDA*
Less: Net Debt*	\$ 1.8	Debt (\$8.0B) minus cash# (\$6.2B)
Additional Available Now	\$ 9.1	
Estimated Available In Future – Investable Cash Flow (ICF)*	\$ 2.5	LTM ICF* x 1.75 years
Already Spent – FY18 through Q1FY21	\$ 5.9	Growth CapEx* (including M&A)
Estimated FY18 - FY22 Capacity	\$ 17.5	

Additional Commitments	\$ 10.8	Remaining to be spent
Spent + Commitments	\$ 16.6	

% Spent	34%
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% Spent + Commitments	95%
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- Committed to manage debt balance to maintain current targeted A/A2 rating
- Total Commitment Value ~\$12.7B; Remaining to be spent ~\$10.8B
- Based on FY18 – FY22, figures as of 12/31/20

Industrial Gases - Asia

	Q1FY21	Fav/(Unfav) vs.	
		Q1FY20	Q4FY20
Sales	\$718	4%	1%
- Volume		(4%)	(3%)
- Price		1%	-%
- Energy cost pass-through		1%	-%
- Currency		6%	4%
Adjusted EBITDA*	\$343	(1%)	4%
- Adjusted EBITDA Margin*	47.7%	(240bp)	140bp
Operating Income	\$215	(6%)	2%
- Operating Margin	29.9%	(310bp)	40bp

- 15th consecutive quarter of year-on-year price improvement
- Versus Prior Year;
 - Volume lower due to reduced Lu'An contribution offsetting new assets, while merchant stable
 - Adjusted EBITDA margin* lower primarily due to Lu'An
- Versus Prior Quarter;
 - Volume lower primarily due to Lu'An
 - Adjusted EBITDA* higher due to lower cost and favorable currency offsetting Lu'An

Industrial Gases - Americas

	Q1FY21	Fav/(Unfav) vs.	
		Q1FY20	Q4FY20
Sales	\$933	-%	2%
- Volume		(5%)	(4%)
- Price		3%	1%
- Energy cost pass-through		2%	5%
- Currency		-%	-%
Adjusted EBITDA*	\$400	(2%)	(3%)
- <i>Adjusted EBITDA Margin*</i>	42.9%	(90bp)	(210bp)
Operating Income	\$226	(12%)	(5%)
- <i>Operating Margin</i>	24.2%	(330bp)	(200bp)

- Pricing strength continued - 10th consecutive quarter of price improvement
- Volume down primarily on COVID-19 impact
- Adjusted EBITDA* lower as strong price and PBF acquisition partially offset lower volume and higher maintenance costs
- Sequentially, volume lower in part due to seasonality. Energy pass-through negatively impacted Adjusted EBITDA margin* by 200 bp.

Industrial Gases - EMEA

	Q1FY21	Fav/(Unfav) vs.	
		Q1FY20	Q4FY20
Sales	\$563	13%	11%
- Volume		5%	6%
- Price		3%	1%
- Energy cost pass-through		(1%)	2%
- Currency		6%	2%
Adjusted EBITDA*	\$222	18%	11%
- <i>Adjusted EBITDA Margin*</i>	39.4%	170bp	(20bp)
Operating Income	\$142	17%	15%
- <i>Operating Margin</i>	25.1%	90bp	70bp

- Sales and profits improved double digit vs. prior year and prior quarter
- 12th consecutive quarter of year over year price improvement
- Acquisitions and higher on-site volume overcame negative COVID-19 volume impact - mostly in packaged gas
- Adjusted EBITDA* up driven primarily by price, currency and volume
- Sequential volume higher due to modest COVID recovery, acquisitions and higher on-site volume

Industrial Gases - Global

	Q1FY21	Fav/(Unfav) vs. Q1FY20
Sales	\$105	\$12
Adjusted EBITDA*	\$0	(\$7)
Operating Income	(\$5)	(\$8)

- Sales up on SOE project activity
- Profit down on business mix and higher product development spending
 - Favorable contract settlement this year offset other project benefits last year

Corporate

	Q1FY21	Fav/(Unfav) vs. Q1FY20
Sales	\$57	\$23
Adjusted EBITDA*	(\$32)	\$11
Operating Income	(\$38)	\$10

- LNG project activity drives business improvement
- Golden Pass and Mozambique on-going and Qatargas contributed

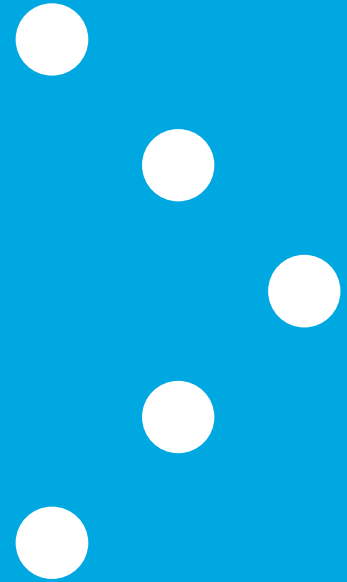
Our competitive advantage

The only sustainable element
of long-term competitive
advantage is the degree of

commitment and **motivation**

of the people in the enterprise

Appendix slides



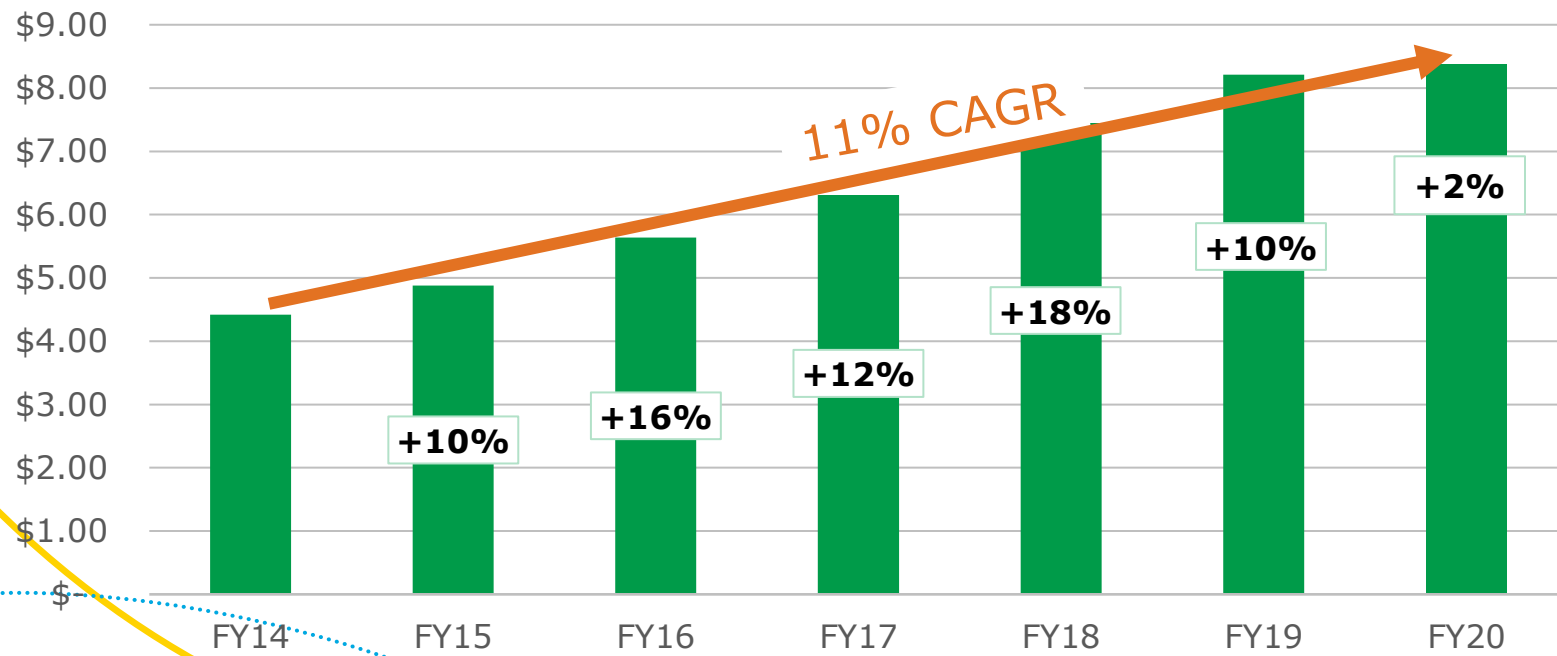
Major projects

* Multiple Phases

Plant	Customer/Location	Capacity	Timing	Market
ONSTREAM (last five quarters)				
H2/CO	Geismar, Louisiana	50MMH2+6.5MMCO	Q2 FY20	Chem/Pipeline
Hydrogen	PBF - California & Delaware	300MMSCFD	Q3 FY20	Refinery
Syngas	BPCL Ph 2, India	Not disclosed	Q1 FY21	Chemicals
PROJECT COMMITMENTS				
ASU/H2	Samsung Giheung, Korea	World Scale	Q2 FY21	Electronics
ASU/Liquid	Big River Steel, Arkansas	>250 TPD + liquid	Q2 FY21	Steel/Merchant
Liquid H2	LaPorte, TX	~30 tons per day	Q4 FY21	Merchant
ASU/Liquid	Eastman, Kingsport, Tennessee	Not disclosed	Q4 FY21	Gasifier/Merchant
ASU/Gasifier/ Power	AP / ACWA / SA / APQ – Jazan, Saudi Arabia	\$11.5B total JV	2021*	Gasif to Refinery
ASU/Gasifier	AP 100% - Jiutai – Hohhot, China	\$0.65B investment	2022*	Gasif to Chemicals
ASU/Gasifier	AP (80%) / Debang – Lianyung City, China	~\$250 million total JV	2023	Gasif to Chemicals / Merchant
SMR/ASU/PL	GCA – Texas City	~\$500 million	2023	Ammonia
ASU/Gasifier/ MeOH	Indonesia	~\$2 billion	2024	Gasif to Methanol
Carbon-free hydrogen	NEOM Saudi Arabia, Global market	~\$7 billion total JV	2025	Transportation

Air Products Adjusted EPS*

FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	
				Q1	\$1.79	\$1.86	\$2.14	\$2.12
				Q2	\$1.71	\$1.92	\$2.04	
				Q3	\$1.95	\$2.17	\$2.01	
				Q4	\$2.00	\$2.27	\$2.19	
\$4.42	\$4.88	\$5.64	\$6.31		\$7.45	\$8.21	\$8.38	



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

Capital Expenditure*

FY	\$MM
2020	\$2,717
2019	\$2,129
2018	\$1,914
2017	\$1,056
2016	\$908
2015	\$1,201

FY21 Quarter	\$MM
Q1	\$684
Q2	
Q3	
Q4	

* Non-GAAP financial measure. See website for reconciliation. Capital expenditure is calculated independently for each quarter and may not sum to full year amount due to rounding.

Moving forward



Thank you
tell me more

