



Second Quarter 2025 Earnings Results

Non-GAAP Reconciliations

May 1, 2025

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Purpose of Reconciliation Tables

Our financial presentations, earnings teleconferences, and other investor and analyst communications include references to non-GAAP (“adjusted”) financial measures. 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”).

We provide non-GAAP financial measures to allow investors, potential investors, securities analysts, and others to evaluate the performance of our business in the same manner as our management. We believe such measures, when viewed together with financial results computed in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance and projected future results.

Other than our non-GAAP measures for capital deployment, non-GAAP financial measures are identified by the word “adjusted” or “non-GAAP” preceding the measure. Amounts provided herein are in millions of U.S. Dollars, except for per share data, which is calculated and presented on a diluted basis from continuing operations attributable to Air Products in U.S. Dollars per weighted average common share. Some calculations are on a trailing twelve-month basis and include amounts presented as “LTM” (i.e., “last twelve months”), which represents our full fiscal year for periods ended 30 September. Comparisons versus (“vs.”) prior periods may include percentage (%) and basis point (bp) changes.

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. We caution readers not to consider non-GAAP financial measures in isolation or as a substitute for the most directly comparable measures calculated in accordance with GAAP. Readers should also consider the limitations associated with these non-GAAP financial measures, including the potential lack of comparability of these measures from one company to another.

Adjusted Earnings Per Share

Adjusted earnings per share ("EPS") is provided on a diluted basis from continuing operations attributable to Air Products. The per share impact for each non-GAAP adjustment was calculated independently and may not sum to total adjusted EPS due to rounding.

	2025		2024	<i>vs. Prior Year</i>		<i>vs. Prior Quarter</i>	
	Q1	Q2	Q2	Q2 2025 vs. Q2 2024	%	Q2 2025 vs. Q1 2025	%
Earnings (Loss) Per Share^(A)	\$2.77	(\$7.77)	\$2.57	(\$10.34)	**	(\$10.54)	**
Business and asset actions	—	10.28	0.20				
Shareholder activism-related costs	0.10	0.14	—				
(Gain) Loss on de-designation of cash flow hedges	(0.05)	0.01	—				
Non-service pension cost, net	0.04	0.04	0.08				
Tax reform adjustment related to deemed foreign dividends	—	(0.16)	—				
Tax on repatriation of foreign earnings	—	0.14	—				
Subtotal - Non-GAAP items	0.09	10.45	0.28				
Adjusted Earnings Per Share	\$2.86	\$2.69	\$2.85	(\$0.16)	(6)%	(\$0.17)	(6)%

^(A) Calculated and presented on a diluted basis from continuing operations attributable to Air Products. Because we reported a loss from operations in fiscal year 2025, GAAP loss per share is calculated using the basic weighted average share value of 222.8 million, which does not consider outstanding share-based awards due to their anti-dilutive effect. Adjusted earnings per share is calculated using a diluted weighted average share value of 222.9 million.

** Change versus prior period is not meaningful due to the \$2.9 billion pre-tax charge for business and asset actions in fiscal year 2025.

Adjusted Earnings Per Share (continued)

Adjusted EPS Outlook

Air Products has provided revised full-year fiscal 2025 adjusted EPS guidance* in the range of \$11.85 to \$12.15. For the fiscal 2025 third quarter, Air Products' adjusted EPS guidance* is \$2.90 to \$3.00. The table below has been provided to compare this guidance to historical adjusted EPS. It is not possible, without unreasonable efforts, to identify the timing or occurrence of future events or 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, our forecasted range of adjusted EPS to a comparable GAAP range.

	Diluted EPS	
	Q3	Full Year
2024 EPS ^(A)	\$3.13	\$17.24
Gain on sale of business	—	(5.38)
Business and asset actions	—	0.20
(Gain) Loss on de-designation of cash flow hedges	(0.01)	0.02
Non-service pension cost, net	0.09	0.34
2024 Adjusted EPS ^(A)	\$3.20	\$12.43
2025 Adjusted EPS Outlook	\$2.90–\$3.00	\$11.85 – \$12.15
\$ Change	(0.30) – (0.20)	(0.58) – (0.28)
% Change	(9%) – (6%)	(5%) – (2%)

^(A) We completed the divestiture of our LNG business on September 30, 2024; therefore, this business will not contribute to fiscal year 2025 results and, accordingly, is not reflected in our fiscal year 2025 guidance. In fiscal year 2024, the LNG business generated operating income for our Corporate and other segment of approximately \$25, \$35, \$35, \$40, and \$135 for the first four quarters and full year, respectively.

Adjusted EBITDA

	2025	2024
	Q2	Q2
Net income (loss)	(\$1,737.5)	\$580.9
<u>Reconciliation of GAAP to Non-GAAP:</u>		
Net income (loss)	(\$1,737.5)	\$580.9
Add: Interest expense	42.2	59.9
Less: Other non-operating income (expense), net	(18.6)	(9.2)
Add: Income tax expense (benefit)	(505.8)	130.5
Add: Depreciation and amortization	383.6	360.8
Add: Business and asset actions	2,927.9	57.0
Add: Shareholder activism-related costs	31.4	—
Add: Equity method investment impairment associated with business and asset actions	6.8	—
Adjusted EBITDA	\$1,167.2	\$1,198.3
	<i>vs. Prior Year</i>	
	Q2 2025 vs. Q2 2024	
Change GAAP		
Net income \$ change		(\$2,318.4)
Net income % change		**
Net income margin change		**
Change Non-GAAP		
Adjusted EBITDA \$ change		(\$31.1)
Adjusted EBITDA % change		(3%)

** Change versus prior period is not meaningful due to the \$2.9 billion pre-tax charge for business and asset actions in fiscal year 2025.

Adjusted EBITDA by Segment

	2025		2024	<i>vs. Prior Year</i>		<i>vs. Prior Quarter</i>	
	Q1	Q2	Q2	Q2 2025 vs. Q2 2024		Q2 2025 vs. Q1 2025	
				\$	%/bp	\$	%/bp
Americas							
Sales	\$1,287.6	\$1,287.2	\$1,245.8				
Operating income	388.2	365.7	371.9	(\$6.2)	(2%)	(\$22.5)	(6%)
Operating margin	30.1%	28.4%	29.9%		(150) bp		(170) bp
<i>Reconciliation of GAAP to Non-GAAP:</i>							
Operating income	\$388.2	\$365.7	\$371.9				
Add: Depreciation and amortization	173.4	178.4	174.1				
Add: Equity affiliates' income	35.1	31.2	44.2				
Adjusted EBITDA	\$596.7	\$575.3	\$590.2	(\$14.9)	(3%)	(\$21.4)	(4%)
Asia							
Sales	\$817.1	\$774.1	\$779.7				
Operating income	216.4	191.4	203.6	(\$12.2)	(6%)	(\$25.0)	(12%)
Operating margin	26.5%	24.7%	26.1%		(140) bp		(180) bp
<i>Reconciliation of GAAP to Non-GAAP:</i>							
Operating income	\$216.4	\$191.4	\$203.6				
Add: Depreciation and amortization	122.9	131.8	116.4				
Add: Equity affiliates' income	10.3	10.5	8.3				
Adjusted EBITDA	\$349.6	\$333.7	\$328.3	\$5.4	2%	(\$15.9)	(5%)

Adjusted EBITDA by Segment (continued)

	2025		2024	<i>vs. Prior Year</i> Q2 2025 vs. Q2 2024		<i>vs. Prior Quarter</i> Q2 2025 vs. Q1 2025	
	Q1	Q2	Q2	\$	%/bp	\$	%/bp
Europe							
Sales	\$697.2	\$727.4	\$667.9				
Operating income	186.5	195.5	201.0	(\$5.5)	(3%)	\$9.0	5%
Operating margin	26.7%	26.9%	30.1%		(320 bp)		20 bp
Reconciliation of GAAP to Non-GAAP:							
Operating income	\$186.5	\$195.5	\$201.0				
Add: Depreciation and amortization	54.5	56.8	50.8				
Add: Equity affiliates' income	18.2	27.7	11.7				
Adjusted EBITDA	\$259.2	\$280.0	\$263.5	\$16.5	6%	\$20.8	8%
Middle East and India							
Operating income (loss)	(\$0.6)	(\$2.9)	\$5.6	(\$8.5)		(\$2.3)	
Add: Depreciation and amortization	6.5	6.4	6.7				
Add: Equity affiliates' income	85.0	78.2	73.9				
Adjusted EBITDA	\$90.9	\$81.7	\$86.2	(\$4.5)		(\$9.2)	
Corporate and other							
Operating loss	(\$117.0)	(\$118.4)	(\$87.9)	(\$30.5)		(\$1.4)	
Add: Depreciation and amortization	9.5	10.2	12.8				
Add: Equity affiliates' income	2.0	4.7	5.2				
Adjusted EBITDA	(\$105.5)	(\$103.5)	(\$69.9)	(\$33.6)		\$2.0	

Adjusted Operating Income and Adjusted Operating Margin

	2025		2024	<i>vs. Prior Year</i> Q2 2025 vs. Q2 2024		<i>vs. Prior Quarter</i> Q2 2025 vs. Q1 2025	
	Q1	Q2	Q2	\$	%/bp	\$	%/bp
Sales	\$2,931.5	\$2,916.2	\$2,930.2				
Operating Income (Loss)	643.6	(2,328.0)	637.2	(\$2,965.2)	**	(\$2,971.6)	**
Operating Margin	22.0%	(79.8%)	21.7%		**		**
<u>Reconciliation of GAAP to Non-GAAP:</u>							
Operating Income (Loss)	\$643.6	(\$2,328.0)	\$637.2				
Business and asset actions	—	2,927.9	57.0				
Shareholder activism-related costs	29.9	31.4	—				
Adjusted Operating Income	\$673.5	\$631.3	\$694.2	(\$62.9)	(9%)	(\$42.2)	(6%)
Adjusted Operating Margin	23.0%	21.6%	23.7%		(210)bp		(140 bp)

** Change versus prior period is not meaningful due to the \$2.9 billion pre-tax charge for business and asset actions in fiscal year 2025.

Adjusted Operating Margin Outlook

We expect adjusted operating margin for fiscal year 2025 of approximately 24%. This forecast does not reflect economic growth or impacts of energy cost pass-through to customers. It is not possible, without unreasonable efforts, to identify the timing or occurrence of future events or transactions that may impact future GAAP operating margin. 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 operating margin. Accordingly, management is unable to fully reconcile, without unreasonable efforts, our forecasted range of adjusted operating margin to a comparable GAAP range.

Adjusted Effective Tax Rate

When applicable, the tax impact of our pre-tax non-GAAP adjustments reflects the expected current and deferred income tax impact of our non-GAAP adjustments. These tax impacts are primarily driven by the statutory tax rate of the various relevant jurisdictions and the taxability of the adjustments in those jurisdictions.

	2025		2024				2023	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Income Tax Expense (Benefit)	(\$505.8)	\$140.7	\$538.4	\$140.6	\$130.5	\$135.4	\$154.2	\$139.6
Income (Loss) From Continuing Operations Before Taxes	(2,243.3)	790.5	2,503.3	849.5	711.4	757.0	841.2	750.1
Effective Tax Rate	22.5 %	17.8%	21.5%	16.6%	18.3%	17.9%	18.3%	18.6%
Income Tax Expense (Benefit)	(\$505.8)	\$140.7	\$538.4	\$140.6	\$130.5	\$135.4	\$154.2	\$139.6
Gain on sale of business tax impact	—	—	(377.2)	—	—	—	—	—
Business and asset actions tax impact	640.6	—	—	—	13.2	—	—	7.8
Shareholder activism-related costs tax impact	0.4	8.0	—	—	—	—	—	—
Loss (Gain) on de-designation of cash flow hedges tax impact	1.0	(3.3)	2.3	(0.9)	—	—	—	—
Non-service pension cost, net tax impact	2.7	2.6	6.6	6.2	6.2	6.2	5.6	5.4
Tax reform adjustment related to deemed foreign dividends	34.9	—	—	—	—	—	—	—
Tax on repatriation of foreign earnings	(31.4)	—	—	—	—	—	—	—
Adjusted Income Tax Expense	\$142.4	\$148.0	\$170.1	\$145.9	\$149.9	\$141.6	\$159.8	\$152.8
Income (Loss) From Continuing Operations Before Taxes	(\$2,243.3)	\$790.5	\$2,503.3	\$849.5	\$711.4	\$757.0	\$841.2	\$750.1
Gain on sale of business	—	—	(1,575.6)	—	—	—	—	—
Business and asset actions	2,927.9	—	—	—	57.0	—	—	59.0
Shareholder activism-related costs	31.4	29.9	—	—	—	—	—	—
Loss (Gain) on de-designation of cash flow hedges	11.5	(38.8)	27.5	(11.2)	—	—	—	—
Non-service pension cost, net	10.7	10.5	26.7	25.3	25.1	24.9	22.4	22.0
Business and asset actions- equity method investment	6.8	—	—	—	—	—	—	—
Adjusted Income From Continuing Operations Before Taxes	\$745.0	\$792.1	\$981.9	\$863.6	\$793.5	\$781.9	\$863.6	\$831.1
Adjusted Effective Tax rate	19.1 %	18.7%	17.3%	16.9%	18.9%	18.1%	18.5%	18.4%

Summary of Non-GAAP Adjustments

The tables below detail the non-GAAP items disclosed on the preceding pages and the impact of each such item on our consolidated income statements.

	Q1 2025			Q2 2025		
	GAAP	Items ^(A)	Non-GAAP	GAAP	Items ^(A)	Non-GAAP
Operating income (loss)	\$643.6	\$29.9	\$673.5	(\$2,328.0)	\$2,959.3	\$631.3
Equity affiliates' income	150.6	—	150.6	145.5	6.8	152.3
Interest expense	42.6	—	42.6	42.2	—	42.2
Other non-operating income (expense), net	38.9	(28.3)	10.6	(18.6)	22.2	3.6
Income(loss) before taxes	\$790.5	\$1.6	\$792.1	(\$2,243.3)	\$2,988.3	\$745.0
Income (benefit)/expense	140.7	7.3	148.0	(505.8)	648.2	142.4
Net income(loss)	\$649.8	(\$5.7)	\$644.1	(\$1,737.5)	\$2,340.1	\$602.6
Net income(loss) attributable to noncontrolling interests	32.4	(25.2)	7.2	(6.9)	11.0	4.1
Net income attributable to Air Products	\$617.4	\$19.5	\$636.9	(\$1,730.6)	\$2,329.1	\$598.5
EPS	\$2.77	\$0.09	\$2.86	(\$7.77)	\$10.45	\$2.69

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

Non-GAAP Items	Q1 2025			Q2 2025		
	Before Tax	Tax	After Tax	Before Tax	Tax	After Tax
Business and asset actions ^(B)	—	—	—	\$2,934.7	\$640.6	\$2,290.6
Shareholder activism-related costs ^(C)	\$29.9	\$8.0	\$21.9	31.4	0.4	31.0
(Gain) Loss on de-designation of cash flow hedges ^(D)	(38.8)	(3.3)	(10.3)	11.5	1.0	3.0
Non-service pension cost, net ^(E)	10.5	2.6	7.9	10.7	2.7	8.0
Tax reform adjustment related to deemed foreign dividends	—	—	—	—	34.9	(34.9)
Tax on repatriation of foreign earnings	—	—	—	—	(31.4)	31.4
Total Non-GAAP Items	\$1.6	\$7.3	\$19.5	\$2,988.3	\$648.2	\$2,329.1

^(B) Before tax impact reflected primarily in "Operating income". Includes \$3.5 attributable to noncontrolling interests.

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

^(D) Before tax impact reflected in "Other non-operating income (expense), net". Includes \$17.7 attributable to noncontrolling interests; a gain of \$25.2 and a loss of \$7.5 in Q1 and Q2, respectively.

^(E) Before tax impact reflected in "Other non-operating income (expense), net".

Summary of Non-GAAP Adjustments (continued)

	2024														
	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	\$666.9	\$—	\$666.9	\$637.2	\$57.0	\$694.2	\$737.6	\$—	\$737.6	\$2,424.4	(\$1,575.6)	\$848.8	\$4,466.1	(\$1,518.6)	\$2,947.5
Equity affiliates' income	158.4	—	158.4	143.3	—	143.3	168.9	—	168.9	177.1	—	177.1	647.7	—	647.7
Interest expense	53.5	—	53.5	59.9	—	59.9	55.7	—	55.7	49.7	—	49.7	218.8	—	218.8
Other non-operating income (expense), net	(14.8)	24.9	10.1	(9.2)	25.1	15.9	(1.3)	14.1	12.8	(48.5)	54.2	5.7	(73.8)	118.3	44.5
Income from continuing operations before taxes	\$757.0	\$24.9	\$781.9	\$711.4	\$82.1	\$793.5	\$849.5	\$14.1	\$863.6	\$2,503.3	(\$1,521.4)	\$981.9	\$4,821.2	(\$1,400.3)	\$3,420.9
Income tax provision	135.4	6.2	141.6	130.5	19.4	149.9	140.6	5.3	145.9	538.4	(368.3)	170.1	944.9	(337.4)	607.5
Income from continuing operations	\$621.6	\$18.7	\$640.3	\$580.9	\$62.7	\$643.6	\$708.9	\$8.8	\$717.7	\$1,964.9	(\$1,153.1)	\$811.8	\$3,876.3	(\$1,062.9)	\$2,813.4
Net income attributable to noncontrolling interests of continuing operations	12.3	—	12.3	8.5	—	8.5	12.3	(7.3)	5.0	1.1	17.9	19.0	34.2	10.6	44.8
Net income from continuing operations attributable to Air Products	\$609.3	\$18.7	\$628.0	\$572.4	\$62.7	\$635.1	\$696.6	\$16.1	\$712.7	\$1,963.8	(\$1,171.0)	\$792.8	\$3,842.1	(\$1,073.5)	\$2,768.6
EPS	\$2.73	\$0.08	\$2.82	\$2.57	\$0.28	\$2.85	\$3.13	\$0.07	\$3.20	\$8.81	(\$5.26)	\$3.56	\$17.24	(\$4.82)	\$12.43

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

Non-GAAP Items	2024														
	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
Gain on sale of business ^(B)	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	(\$1,575.6)	(\$377.2)	(\$1,198.4)	(\$1,575.6)	(\$377.2)	(\$1,198.4)
Business and asset actions ^(B)	—	—	—	57.0	13.2	43.8	—	—	—	—	—	—	57.0	13.2	43.8
(Gain) Loss on de-designation of cash flow hedges ^(C)	—	—	—	—	—	—	(11.2)	(0.9)	(3.0)	27.5	2.3	7.3	16.3	1.4	4.3
Non-service pension cost, net ^(D)	24.9	6.2	18.7	25.1	6.2	18.9	25.3	6.2	19.1	26.7	6.6	20.1	102.0	25.2	76.8
Total Non-GAAP Items	\$24.9	\$6.2	\$18.7	\$82.1	\$19.4	\$62.7	\$14.1	\$5.3	\$16.1	(\$1,521.4)	(\$368.3)	(\$1,171.0)	(\$1,400.3)	(\$337.4)	(\$1,073.5)

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

^(C) Before tax impact reflected in "Other non-operating income (expense), net". Amount of full year loss attributable to noncontrolling partners was \$10.6.

^(D) Before tax impact reflected in "Other non-operating income (expense), net".

Return on Capital Employed (Non-GAAP Basis)

Adjusted return on capital employed ("ROCE"^(A)) is calculated on a continuing operations basis. Management considers this measure to be useful in evaluating the Company's returns on capital.

ROCE:	2025		2024				2023		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net (loss) income	(\$1,737.5)	\$649.8	\$1,951.0	\$708.9	\$580.9	\$621.6	\$694.4	\$610.5	
Total liabilities and equity	38,872.9	40,017.2	39,574.6	36,974.3	35,921.7	34,118.2	32,002.5	30,929.5	29,435.4
Four-Quarter Trailing Net Income	\$1,572.2	\$3,890.6	\$3,862.4	\$2,605.8	\$2,507.4				
÷ Five-Quarter Average Total Liabilities and Equity	38,272.1	37,321.2	35,718.3	33,989.2	32,481.5				
ROCE	4.1%	10.4%	10.8%	7.7%	7.7%				
Change vs. prior year	(360)bp								
Change vs. prior quarter	(630)bp								
Reconciliation from Net Income (Loss) to Adjusted Return After-Tax:									
Net income (loss)	(\$1,737.5)	\$649.8	\$1,951.0	\$708.9	\$580.9	\$621.6	\$694.4	\$610.5	
(Income) Loss from discontinued operations, net of tax	—	—	13.9	—	—	—	(7.4)	—	
Interest expense	42.2	42.6	49.7	55.7	59.9	53.5	48.0	47.4	
Gain on sale of business	—	—	(1,575.6)	—	—	—	—	—	
Business and asset actions	2,927.9	—	—	—	57.0	—	—	59.0	
Shareholder activism-related costs	31.4	29.9	—	—	—	—	—	—	
Loss (Gain) on de-designation of cash flow hedges	11.5	(38.8)	27.5	(11.2)	—	—	—	—	
Non-service pension cost, net	10.7	10.5	26.7	25.3	25.1	24.9	22.4	22.0	
Tax reform adjustment related to deemed foreign dividends	(34.9)	—	—	—	—	—	—	—	
Tax on repatriation of foreign earnings	31.4	—	—	—	—	—	—	—	
Tax other ^(B)	(654.2)	(14.9)	357.6	(14.5)	(30.4)	(15.8)	(14.4)	(22.0)	
Adjusted Return After-Tax	\$628.5	\$679.1	\$850.8	\$764.2	\$692.5	\$684.2	\$743.0	\$716.9	
Reconciliation from Total Liabilities and Equity to Adjusted Capital Employed:									
Total liabilities and equity	\$38,872.9	\$40,017.2	\$39,574.6	\$36,974.3	\$35,921.7	\$34,118.2	\$32,002.5	\$30,929.5	\$29,435.4
Less: Payables and accrued liabilities	3,423.9	3,023.7	2,926.2	3,168.6	2,783.0	2,717.9	2,890.1	3,062.2	2,489.3
Less: Accrued income taxes	182.8	586.1	558.5	155.9	156.2	166.9	131.2	108.8	128.2
Less: NGHC debt and partners' equity (see page 13 for detail)	5,343.1	4,815.1	4,042.5	3,613.3	3,025.1	2,510.5	1,998.0	605.1	479.3
Less: Noncurrent operating lease liabilities	637.4	655.1	677.9	639.3	652.1	635.1	631.1	635.5	632.3
Less: Other noncurrent liabilities	1,320.9	1,348.1	1,350.5	1,108.7	1,092.5	1,111.5	1,118.0	1,144.6	1,096.3
Less: Deferred income taxes	670.4	1,195.0	1,159.9	1,182.1	1,281.3	1,250.0	1,266.0	1,215.8	1,258.2
Adjusted Capital Employed	\$27,294.4	\$28,394.1	\$28,859.1	\$27,106.4	\$26,931.5	\$25,726.3	\$23,968.1	\$24,157.5	\$23,351.8
Less: Cash and cash items, net of NGHC cash (see page 13 for detail)	1,478.6	1,821.5	2,945.2	2,142.1	2,360.1	1,560.3	1,538.8	1,549.9	2,113.2
Less: Short-term investments	111.4	117.5	5.0	61.8	102.8	271.8	332.2	268.7	271.3
Adjusted Capital Employed, Excluding Cash and Short-term Investments^(C)	\$25,704.4	\$26,455.1	\$25,908.9	\$24,902.5	\$24,468.6	\$23,894.2	\$22,097.1	\$22,338.9	\$20,967.3
Adjusted Four-Quarter Trailing Return After-Tax	\$2,922.6	\$2,986.6	\$2,991.7	\$2,883.9	\$2,836.6				
÷ Adjusted Five-Quarter Average Capital Employed	27,717.1	27,403.5	26,518.3	25,578.0	24,827.0				
Adjusted ROCE^(A)	10.5%	10.9%	11.3%	11.3%	11.4%				
Adjusted ROCE ^(A) change vs. prior year	(90)bp								
Adjusted ROCE ^(A) change vs. prior quarter	(40)bp								
Adjusted Four-Quarter Trailing Return After-Tax	\$2,922.6	\$2,986.6	\$2,991.7	\$2,883.9	\$2,836.6				
÷ Adjusted Five-Quarter Average Adjusted Capital Employed, Excluding Cash and Short-term Investments	25,487.9	25,125.9	24,254.3	23,540.3	22,753.2				
Adjusted ROCE, Excluding Cash and Short-term Investments^(C)	11.5%	11.9%	12.3%	12.3%	12.5%				
Adjusted ROCE, excluding cash and short-term investments ^(C) change vs. prior year	(100)bp								
Adjusted ROCE, excluding cash and short-term investments ^(C) change vs. prior quarter	(40)bp								

^(A) Formerly referred to as "ROCE (Non-GAAP Basis)". There were no changes to the methodology for calculating this measure during the second quarter of fiscal year 2025.

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

^(C) We provide Adjusted ROCE excluding cash and short-term investments, to illustrate the extent to which cash impacts the denominator of our Adjusted ROCE calculation. Cash represents total cash and cash items, net of NGHC cash, as reconciled on page 13.

Adjusted ROCE Outlook

We expect adjusted ROCE for fiscal year 2025 of approximately 10%. This forecast does not include economic growth or impacts of energy cost pass-through to customers. It is not possible, without unreasonable efforts, to identify the timing or occurrence of future events or transactions that may impact GAAP net income (loss) or our GAAP total liabilities and equity. 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 net income (loss) and total liabilities and equity. Accordingly, management is unable to fully reconcile, without unreasonable efforts, our forecasted range of adjusted ROCE to a comparable GAAP range.

NGHC Adjustments for Adjusted ROCE

We adjust the denominator in our Adjusted ROCE calculation to exclude outstanding borrowings under project financing available to the NEOM Green Hydrogen Company joint venture ("NGHC"), which is non-recourse to Air Products, as well as the equity attributable to our NGHC joint venture partners. These items are summarized in the table below. Because NGHC's indebtedness and the contributions of our joint venture partners are consolidated in our financial statements, we make this adjustment to provide management and our investors with a measure that is more representative of the Company's return on capital on an ongoing basis. Likewise, when further adjusting Adjusted ROCE to exclude cash, we do not consider cash held by NGHC. Substantially all the funding we provide to NGHC is limited for use by the venture for its capital expenditures.

	2025		2024				2023		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Short-term borrowings	\$64.4	\$60.4	\$51.6	\$149.4	\$162.7	\$—	\$—	\$—	\$—
Long-term debt	3,997.1	3,499.4	3,053.3	2,552.3	2,114.3	1,930.4	1,274.4	—	—
Long-term debt - related party	—	—	—	—	—	—	—	—	476.7
Noncontrolling interests	1,281.6	1,255.3	937.6	911.6	748.1	580.1	723.6	605.1	2.6
Total NGHC debt and partners' equity	\$5,343.1	\$4,815.1	\$4,042.5	\$3,613.3	\$3,025.1	\$2,510.5	\$1,998.0	\$605.1	\$479.3
Cash and cash items	\$1,491.4	\$1,845.5	\$2,979.7	\$2,375.7	\$2,535.0	\$1,962.6	\$1,617.0	\$1,637.7	\$2,242.4
Less: NGHC cash	12.8	24.0	34.5	233.6	174.9	402.3	78.2	87.8	129.2
Cash and cash items, net of NGHC cash	\$1,478.6	\$1,821.5	\$2,945.2	\$2,142.1	\$2,360.1	\$1,560.3	\$1,538.8	\$1,549.9	\$2,113.2

Capital Deployment

Capital Expenditures

Capital expenditures is a non-GAAP financial measure that we define as the sum of cash flows for additions to plant and equipment, including long-term deposits, acquisitions (less cash acquired), investment in and advances to unconsolidated affiliates, and investment in financing receivables on our consolidated statements of cash flows. Additionally, we adjust additions to plant and equipment to exclude NEOM Green Hydrogen Company ("NGHC") expenditures funded by the joint venture's project financing, which is non-recourse to Air Products, as well as our partners' equity contributions to arrive at a measure that we believe is more representative of our investment activities. Substantially all the funding we provide to NGHC is limited for use by the venture for its capital expenditures.

A reconciliation of cash used for investing activities to our reported capital expenditures is provided below:

	LTM	2025			2024					2023	2022	2021	2020
		Q1	Q2	Q2 YTD	Q1	Q2	Q3	Q4	FY				
Cash Used for Investing Activities	\$6,112.6	\$2,182.1	\$2,237.3	\$4,419.4	\$1,665.6	\$1,560.4	\$1,547.8	\$145.4	\$4,919.2	\$5,916.4	\$3,857.2	\$2,732.9	\$3,560.0
Proceeds from sale of assets and investments	1,895.1	34.4	2.1	36.5	4.2	16.0	6.1	1,852.5	1,878.8	25.4	46.2	37.5	80.3
Purchases of investments	(122.6)	(117.6)	—	(117.6)	(55.5)	(80.9)	(5.0)	—	(141.4)	(640.1)	(1,637.8)	(2,100.7)	(2,865.5)
Proceeds from investments	114.4	5.0	6.1	11.1	120.1	247.3	45.7	57.6	470.7	897.0	2,377.4	1,875.2	1,938.0
Other investing activities	103.2	29.0	31.9	60.9	12.9	17.2	15.8	26.5	72.4	4.8	7.0	5.8	3.9
NGHC expenditures not funded by Air Products' equity ^(A)	(2,682.4)	(923.1)	(547.8)	(1,470.9)	(361.6)	(474.6)	(405.8)	(805.7)	(2,047.7)	(979.1)	—	—	—
Capital Expenditures^(B)	\$5,420.3	\$1,209.8	\$1,729.6	\$2,939.4	\$1,385.7	\$1,285.4	\$1,204.6	\$1,276.3	\$5,152.0	\$5,224.4	\$4,650.0	\$2,550.7	\$2,716.7

^(A) Reflects the portion of "Additions to plant and equipment, including long-term deposits" that is associated with NGHC, less our approximate cash investment in the joint venture.

^(B) 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:

	LTM	2025		
		Q1	Q2	Q2 YTD
Additions to plant and equipment, including long-term deposits	\$7,690.9	\$2,117.6	\$1,891.5	\$4,009.1
Investment in and advances to unconsolidated affiliates	365.4	—	365.4	365.4
Investment in financing receivables	46.4	15.3	20.5	35.8
NGHC expenditures not funded by Air Products' equity ^(A)	(2,682.4)	(923.1)	(547.8)	(1,470.9)
Capital Expenditures^(B)	\$5,420.3	\$1,209.8	\$1,729.6	\$2,939.4

	2024					2023	2022	2021	2020
	Q1	Q2	Q3	Q4	FY				
Additions to plant and equipment, including long-term deposits	\$1,445.5	\$1,669.4	\$1,606.6	\$2,075.2	\$6,796.7	\$4,626.4	\$2,926.5	\$2,464.2	\$2,509.0
Acquisitions, less cash acquired	—	—	—	—	—	—	65.1	10.5	183.3
Investment in and advances to unconsolidated affiliates	—	—	—	—	—	912.0	1,658.4	76.0	24.4
Investment in financing receivables	301.8	90.6	3.8	6.8	403.0	665.1	—	—	—
NGHC expenditures not funded by Air Products' equity ^(A)	(361.6)	(474.6)	(405.8)	(805.7)	(2,047.7)	(979.1)	—	—	—
Capital expenditures^(B)	\$1,385.7	\$1,285.4	\$1,204.6	\$1,276.3	\$5,152.0	\$5,224.4	\$4,650.0	\$2,550.7	\$2,716.7

^(A) Reflects the portion of "Additions to plant and equipment, including long-term deposits" that is associated with NGHC, less our approximate cash investment in the joint venture.

^(B) Reflects remaining cash used for investing activities attributable to capital expenditures.

Capital Expenditures Outlook

It is not possible, without unreasonable efforts, to reconcile our forecasted capital expenditures to future cash used for investing activities because we are unable to identify the timing or occurrence of our future investment activity, which is driven by our assessment of competing opportunities at the time we enter into transactions. These decisions, either individually or in the aggregate, could have a significant effect on our cash used for investing activities.

We expect capital expenditures for fiscal year 2025 to be approximately \$5.0 billion.