

Moving forward



# Creating Shareholder Value

Third Quarter 2024  
Earnings Results Teleconference

August 1, 2024





# 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 third quarter of fiscal year 2024 and our Annual Report on Form 10-K for our fiscal year ended September 30, 2023 as well as in our other 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. Management believes these non-GAAP financial measures provide investors, potential investors, securities analysts, and others with useful information to evaluate our business because such measures, when viewed together with our GAAP disclosures, provide a more complete understanding of the factors and trends affecting our business. 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

	<b>FY14</b>	<b>Q3 FY24 YTD</b>	<b>% Change</b>
Employee Lost Time Injury Rate	0.24	0.07	71% better
Employee Recordable Injury Rate	0.58	0.25	57% better

FY14 includes former Materials Technologies businesses divested in FY2017

# Management Philosophy

- **Our Goal:** to be the **safest, most diverse** and **most profitable** industrial gas company in the world, providing excellent service to our customers
- **Creating Shareholder Value:** cash is king; long-term increase in **per share value** of our stock; capital allocation is the most important job of the CEO
- **Five-Point Plan:** **sustain the lead, deploy capital, evolve portfolio, change culture, belong and matter**
- **Our Higher Purpose:** bring people together to **collaborate** and **innovate** solutions to the world's most significant **energy and environmental** sustainability challenges

# Third Quarter Update

- Q3 adjusted EPS\* of \$3.20
  - Exceeded previous guidance range
  - Up 7% vs. prior year on strong results in Americas and Europe segments
  - Continued focus on pricing and productivity
- Continue to execute the two-pillar growth strategy

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

# Outlook\*

<b>Q4 FY24 Adjusted EPS*</b>	<b>vs Prior Year</b>	<b>FY24 Adjusted EPS*</b>	<b>vs Prior Year</b>
\$3.33 to \$3.63	+6% to +15%	\$12.20 to \$12.50	+6% to +9%

Expect FY24 capital expenditures\* of \$5 to \$5.5 billion

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

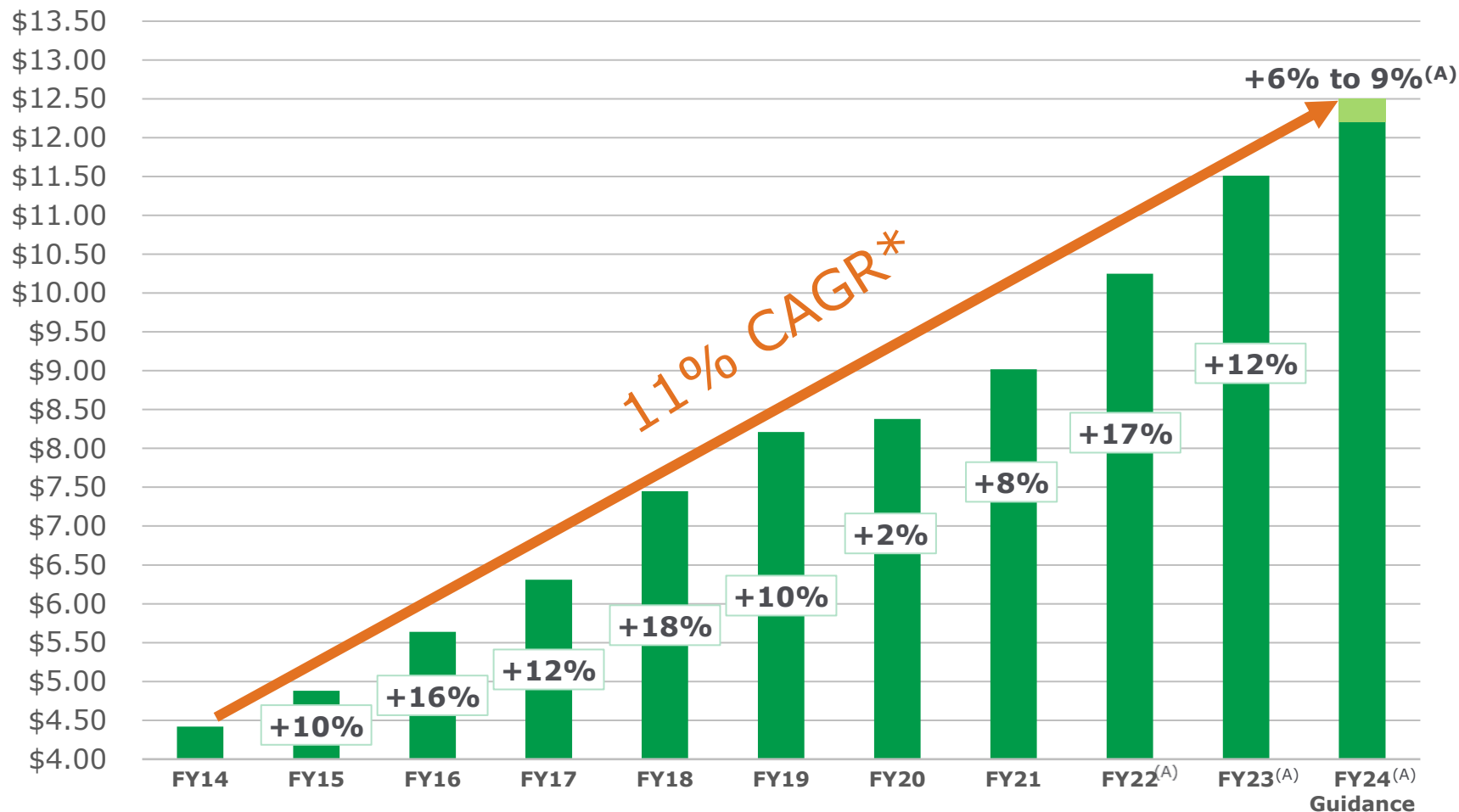
# Milestones in Executing Our Strategy

- **Signed Green Hydrogen Off-take with TotalEnergies**
  - Large-scale, long-term
  - Validates our long-term strategy and demonstrates strong demand for green hydrogen
- **Divestment of LNG Process Technology and Equipment business<sup>1</sup>**
  - ~\$1.8B all cash transaction
  - Focus on industrial gas business and clean hydrogen
  - Bolster balance sheet and liquidity
- **Mercedes-Benz GenH2 Trucks/European Hydrogen Refueling Network**
  - Support Daimler's pioneering hydrogen truck pilot project
  - Trial a new Daimler hydrogen truck in our distribution fleet
  - Develop a network of permanent, commercial-scale hydrogen refueling stations near the Trans-European Transport Network



# Air Products Adjusted EPS\*

## Delivering double-digit, long-term EPS growth



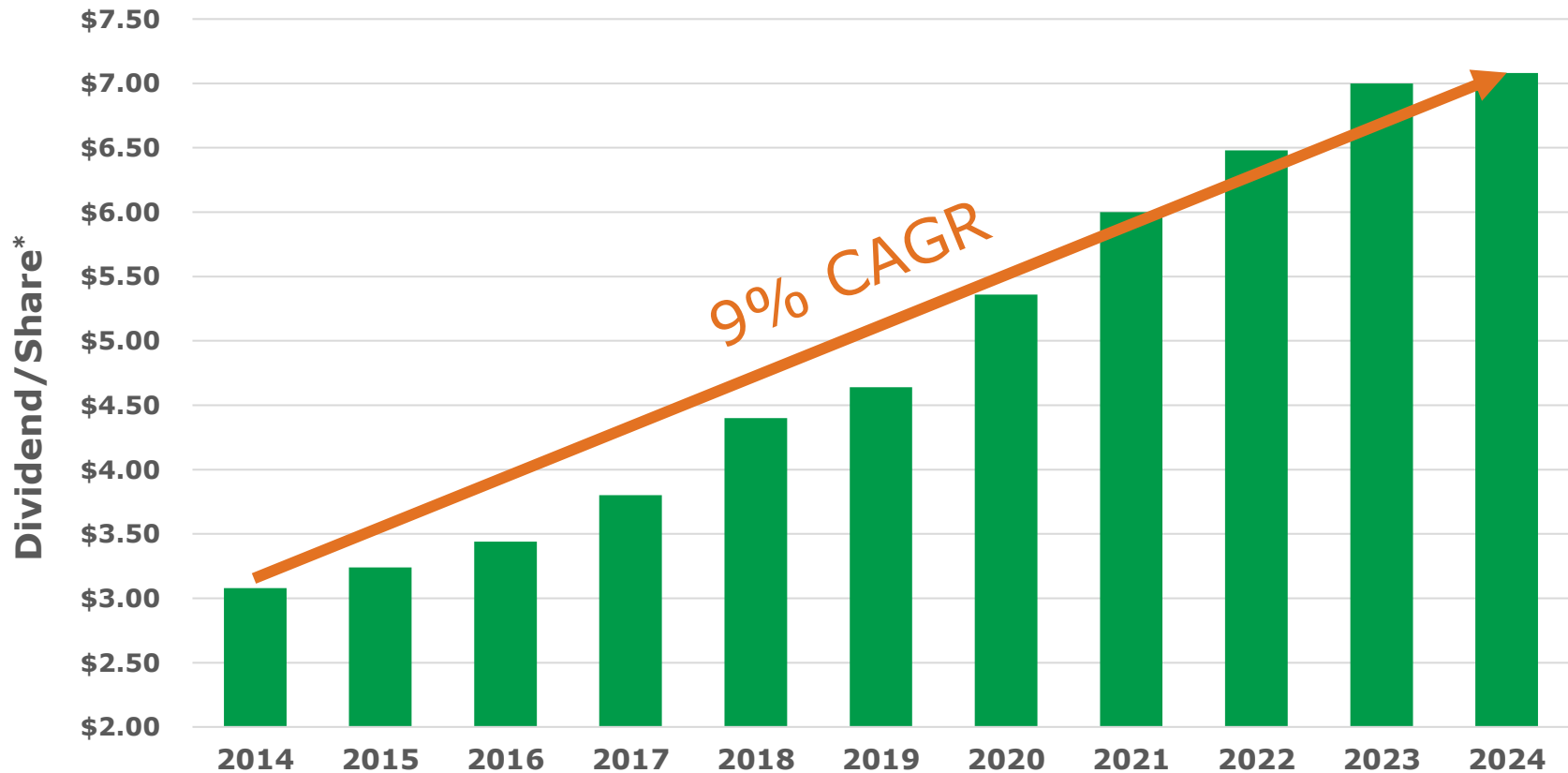
\*Non-GAAP financial measure. See website for reconciliation.  
CAGR is calculated using midpoint of FY24 guidance.

(A) Amounts and comparisons to immediately preceding year reflect adjustment for non-service-related pension impacts. See website for reconciliation.



# Dividend History

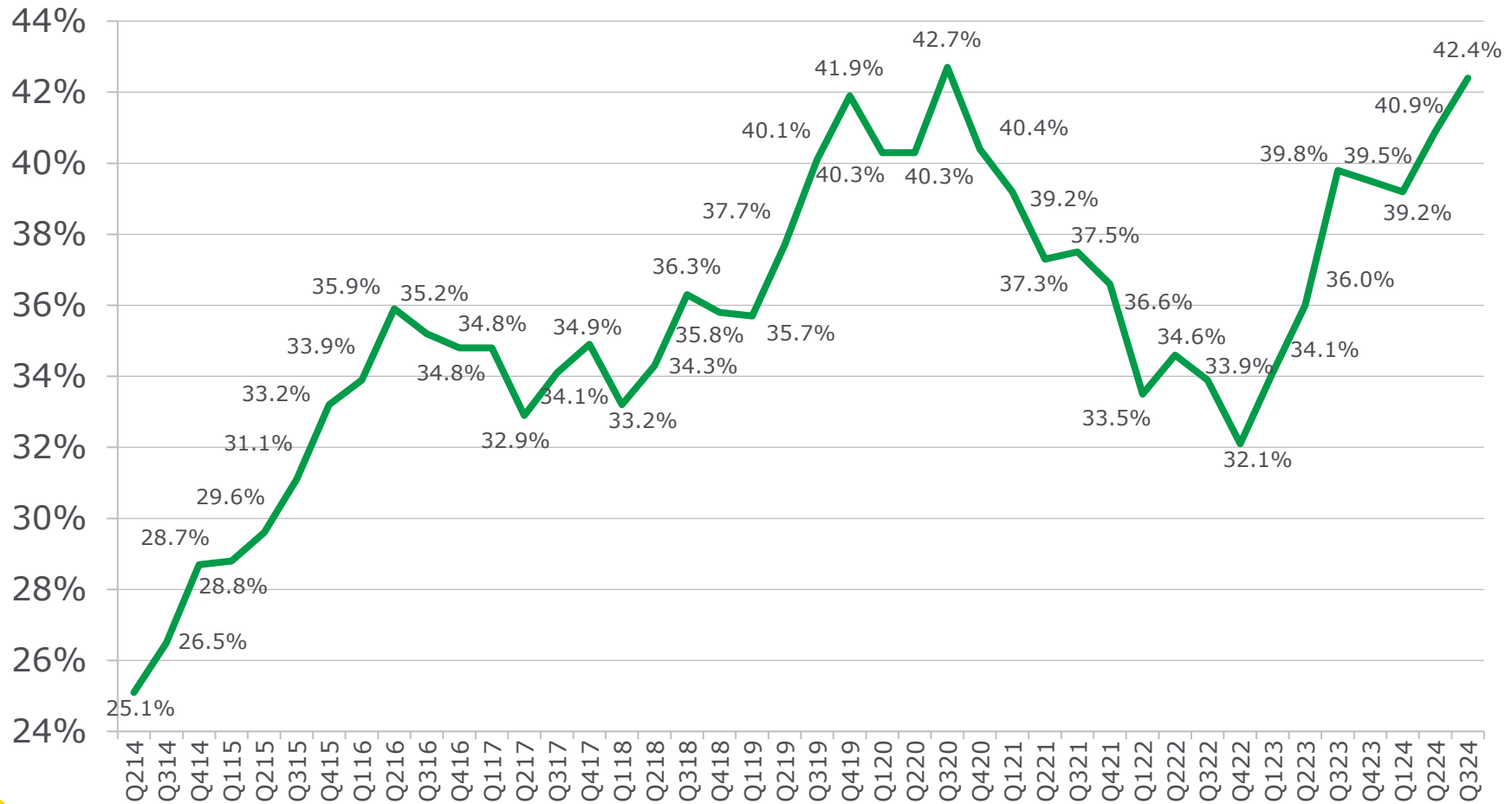
## 40+ consecutive years of dividend increases



- Increased dividend to \$1.77 per share as announced in January 2024
- ~\$1.6 billion of dividend payments to shareholders expected in 2024

\* Based on annualized quarterly dividend declared in first quarter

# Adjusted EBITDA Margin\*





# Q3 Results

(\$ million)	Q3FY24	Fav/(Unfav) vs.	
		Q3FY23	Q2FY24
Sales	\$2,986	(2%)	2%
- Volume		-%	4%
- Price		1%	-%
- Energy cost pass-through		(1%)	(2%)
- Currency		(2%)	-%
Adjusted EBITDA*	\$1,267	5%	6%
- Adjusted EBITDA Margin*	42.4%	260bp	150bp
Adjusted Operating Income*	\$738	5%	6%
- Adjusted Operating Margin*	24.7%	150bp	100bp
Adjusted Net Income*	\$713	7%	12%
Adjusted EPS* (\$/share)	\$3.20	7%	12%
ROCE*	11.3%	(70bp)	(10bp)

**Versus prior year:**

- Positive underlying sales across most reporting segments
  - Higher on-site volume including new assets offset by lower merchant
  - Higher price and lower power cost improved contribution margin
- Adjusted EBITDA\* increase driven by favorable contribution margin, business mix and productivity actions partially offset by higher planned maintenance and inflation

**Sequentially:**

- Volume improved across the segments

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



# Q3 Adjusted EPS\*

	Q3FY23	Q3FY24	Change
GAAP EPS from cont. ops	\$2.67	\$3.13	
Non-GAAP items	0.30	0.07	
<b>Adjusted EPS*</b>	<b>\$2.98</b>	<b>\$3.20</b>	<b>\$0.22</b>
Volume			0.05
Price, net of variable costs			0.16
Other cost			(0.04)
			\$0.17
Currency			(\$0.04)
Equity affiliates' income			0.01
Interest expense			(0.03)
Non-op. income & expense			0.01
Noncontrolling interest			0.04
Tax rate			0.06
			\$0.09

\*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

# Results by Business Segment

## Q3 Comparison vs. Prior Year

### AMERICAS

- Price +3% (Merchant price +7%)
- Weak merchant volume, strong H<sub>2</sub> demand
- Adjusted EBITDA\* up primarily price
- Higher planned maintenance

### MIDDLE EAST & INDIA

- Unfavorable merchant price and volume
- EAI lower due to higher costs

### ASIA

- Volume -1% on weak merchant and planned maintenance, offset by new assets
- Adjusted EBITDA\* lower driven by planned maintenance

### CORPORATE & OTHER

- Higher sale of equipment

### EUROPE

- Flat price and lower power cost drove higher contribution margin
- Volume +1% due to Uzbekistan
- Adjusted EBITDA\* +12% due to volume and contribution margin

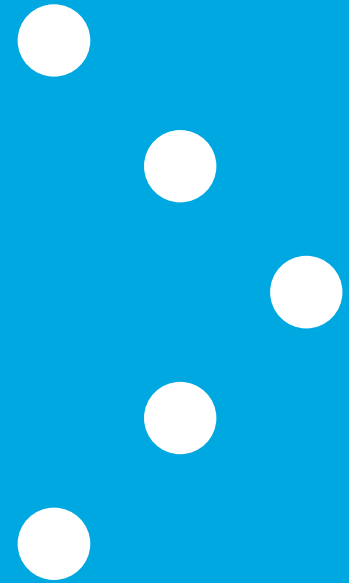
# Our Competitive Advantage

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

**commitment** and **motivation**

of the people in the enterprise

# Appendix slides



# Americas

	Q3FY24	Fav/(Unfav) vs.	
		Q3FY23	Q2FY24
Sales	\$1,235	(2%)	(1%)
- Volume		(1%)	3%
- Price		3%	-%
- Energy cost pass-through		(3%)	(4%)
- Currency		(1%)	-%
Adjusted EBITDA*	\$604	6%	2%
- <i>Adjusted EBITDA Margin*</i>	48.9%	390bp	150bp
Operating Income	\$391	4%	5%
- <i>Operating Margin</i>	31.7%	200bp	180bp

## Versus prior year:

- Underlying sales +2%
  - Price +3% (merchant price +7%), price improvement broad based
  - Volume stable as lower merchant partially offset by strong hydrogen
- Adjusted EBITDA\* and adjusted EBITDA margin\* increase driven by price, partially offset by higher planned maintenance cost
- Lower energy cost pass-through drove ~1/3 adjusted EBITDA margin\* improvement

## Sequentially:

- Profits up on volume, partially offset by higher planned maintenance cost



# Asia

	Q3FY24	Fav/(Unfav) vs.	
		Q3FY23	Q2FY24
Sales	\$790	(4%)	1%
- Volume		(1%)	2%
- Price		-%	-%
- Energy cost pass-through		1%	-%
- Currency		(4%)	(1%)
Adjusted EBITDA*	\$324	(9%)	(1%)
- Adjusted EBITDA Margin*	41.1%	(220bp)	(100bp)
Operating Income	\$200	(17%)	(2%)
- Operating Margin	25.3%	(400bp)	(80bp)

## Versus prior year:

- Volume and price both stable
  - Lower merchant volume and planned outages partially offset by new assets
- Unfavorable currencies across the region
- Adjusted EBITDA\* and Adjusted EBITDA margin\* lower, primarily driven by planned outages

## Sequentially:

- Volume improved due to better onsite and recovery from Lunar New Year slowdown



# Europe

	Q3FY24	Fav/(Unfav) vs. Q3FY23	Q2FY24
Sales	\$693	(2%)	4%
- Volume		1%	4%
- Price		-0%	-0%
- Energy cost pass-through		(2%)	-0%
- Currency		(1%)	-0%
Adjusted EBITDA*	\$283	12%	7%
- Adjusted EBITDA Margin*	40.8%	490bp	130bp
Operating Income	\$205	16%	2%
- Operating Margin	29.5%	460bp	(60bp)

## Versus prior year:

- Positive underlying sales
  - Volume stable as new asset in Uzbekistan offset by lower merchant
  - Flat price and lower power costs drove strong contribution margin improvement
- Adjusted EBITDA\* and adjusted EBITDA margin\* up mainly on improved volume and contribution margin

## Sequentially:

- Adjusted EBITDA\* improved due to higher volume and equity affiliate income partially offset by higher costs

# Middle East & India

	<b>Q3FY24</b>	<b>Fav/(Unfav) vs. Q3FY23</b>
Sales	\$33	(\$7)
Operating Income	(\$1)	(\$7)
Equity Affiliates' Income	\$89	(\$6)
Adjusted EBITDA*	\$95	(\$14)

- Unfavorable merchant volume and price drove sales and operating income lower
- Equity affiliates' income lower due to higher costs

# Corporate and Other

	<b>Q3FY24</b>	<b>Fav/(Unfav) vs. Q3FY23</b>
Sales	\$235	\$31
Adjusted EBITDA*	(\$40)	\$39
Operating Income	(\$57)	\$37

- Higher LNG and other sale of equipment activities drove sales and profits

# Major Project Commitments

Expect strong pipeline of growth projects to extend leadership position in low- and zero-carbon hydrogen

Plant	Customer/Location	Supply Mode/Off-take
<b>Recently Onstream</b>		
ASU/Gasifier/Power	Aramco/Jazan, Saudi Arabia	On-site/Long Term
ASU/Gasifier	Jiutai/China	On-site/Long Term
SMR/ASU/PL	GCA/TX, USA	Pipeline/Long Term
ASU/H <sub>2</sub> /ATR	UNG/Uzbekistan	On-site/Long Term
<b>Under Execution (Target IRR &gt; 10%)</b>		
Semiconductor	Not Disclosed/Taiwan	Pipeline/Long Term
<b>Net-zero blue H<sub>2</sub></b>	<b>IOL/Canada</b>	<b>Pipeline/Long Term</b>
Carbon Monoxide	LyondellBasell/TX, USA	Pipeline/Long Term
<b>H<sub>2</sub>/SAF</b>	<b>World Energy/CA, USA</b>	<b>Pipeline/Long Term</b>
<b>Blue H<sub>2</sub></b>	<b>ExxonMobil/Rotterdam NL</b>	<b>Pipeline/Long Term</b>
<b>Green H<sub>2</sub></b>	<b>AP/NEOM, Saudi Arabia</b>	<b>Long Term</b>
<b>Low-carbon H<sub>2</sub></b>	<b>Downstream H<sub>2</sub> distribution</b>	<b>Target: Long Term</b>
<b>Blue H<sub>2</sub></b>	<b>Production/LA, USA</b>	<b>Target: Pipeline/Long Term</b>
<b>Blue H<sub>2</sub></b>	<b>Sequestration &amp; Shipping/LA, USA</b>	<b>Target: Pipeline/Long Term</b>
<b>Green H<sub>2</sub></b>	<b>NY, USA</b>	<b>Target: Long Term</b>
Carbon Monoxide	Ineos/TX, USA	Pipeline/Long Term

## Key Investment Attributes

- Projects with long-term contracts with world-class counterparties
- Sustainability-focused and aligned with our higher purpose
- First-mover advantages in hydrogen
- Leverages Air Products' core competencies, technologies and engineering advantages
- Optimally structured to minimize risks and maximize our risk-adjusted return

**Hydrogen / Energy  
Transition Backlog: ~\$15B**

# Cash Flow Focus

Supports dividend and capital deployment

(\$ million)

**Q3FY24 LTM**

Adjusted EBITDA*	\$4,899
Interest, net*	(255)
Cash Tax	(660)
Maintenance Capex*	<u>(778)</u>
Distributable Cash Flow*	\$3,206
	<i>\$14.39/Share*</i>
Dividends	<u>(1,560)</u>
Investable Cash Flow*	\$1,646

- >\$14/share of distributable cash flow\*
- Paid over 45% of distributable cash flow\* as dividends
- ~\$1.6 billion of investable cash flow\* available for growth

# FY24-33 Capital Deployment

## Significant investment capacity & backlog to support growth

### 10-Year Capital Deployment Outlook

Current Additional Debt Capacity	\$ 5.6	Assumes 3.0x LTM Adjusted EBITDA* less net debt* as of Q3 FY24
Future Investable Cash Flow* <sup>1</sup>	16.5	Cumulative Investable Cash Flow* over projection period
Debt Enabled by Future Projects <sup>2</sup>	8.8	Incremental Adjusted EBITDA* from future projects at maximum net debt* of 3.0x LTM Adjusted EBITDA*

**Estimated Future Capacity**      **\$30.8**      **Estimated capacity over projection period**

**Current Backlog**      **\$19.5**      **Projects currently in progress**

**Committed to maintaining current and targeted A/A2 debt rating**

- Q3FY24 LTM Investable Cash Flow\* ~\$1.65B

1. Q3FY24 LTM Investable Cash Flow\* \$1.65B x 10 years
2. Assumes Adjusted EBITDA\* to CapEx\* ratio of 15%<sup>3</sup> on total backlog of ~\$19.5 billion at a maximum net debt of 3.0x Adjusted EBITDA\*
3. Based on assumed 10% Operating Income to CapEx\* ratio and 20-year depreciable life

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

Capacity figures are calculated independently for each component and may not sum to total estimated future capacity

# Capital Expenditures\*

<b>FY</b>	<b>\$MM</b>
2024	\$5 - \$5.5 billion <sup>#</sup>
2023	\$5,224
2022	\$4,650
2021	\$2,551
2020	\$2,717
2019	\$2,129

<b>FY24</b>	<b>\$MM</b>
Q1	\$1,386
Q2	\$1,285
Q3	\$1,205
Q4	
YTD	\$3,876

*Capital expenditures are calculated independently for each quarter and may not sum to full year amount due to rounding.*

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

# Outlook



Moving forward



Thank you  
tell me more

