Moving forward

Create Shareholder Value

Q3 FY20
Earnings Conference Call

July 23 2020

AIR PRODUCTS

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 2020 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.

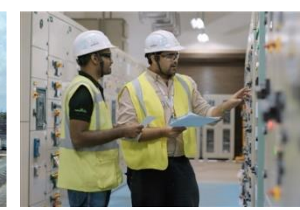
Non-GAAP Financial Measures

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.

Resilient team and business model, successful execution of growth strategy

- Demonstrating leadership amid COVID-19
  - Employees: prioritizing health and welfare, providing financial security
  - Communities: safely maintaining plant operations, business continuity
  - Customers: reliably supplying essential products and services
- Robust business model
  - Stable onsite business: 52% of sales
  - Merchant: Primarily Americas and Europe Q3 volumes impacted
- Secure financial position
  - Continued robust cash flow
  - Successful $5B debt issuance, modest net debt* of <$2B
- Executing our growth strategy
  - $7B NEOM carbon-free hydrogen project in Saudi Arabia for global markets
  - $2B coal-to-methanol project in Indonesia



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

Safety results

	FY14	Q320 YTD	FY20 vs FY14
Employee Lost Time Injury Rate	0.24	0.08	68% better
Employee Recordable Injury Rate	0.58	0.39	32% better

FY14 includes MT

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

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Carbon-free hydrogen

Produced and delivered with proven, world-class technology

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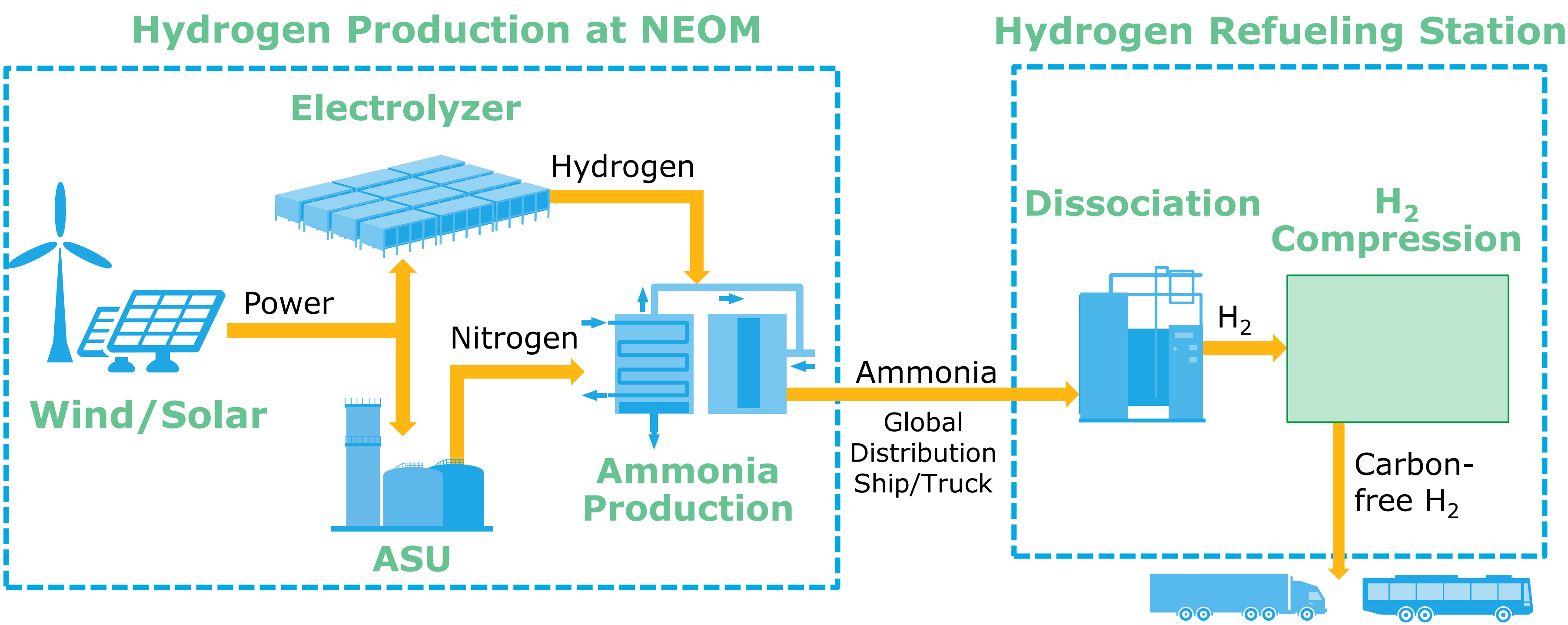

- **Capital:** ~$5 billion
- **Ownership:** 1/3 equal Air Products/NEOM/ACWA Power

- **Capital:** ~$2 billion
- **Ownership:** 100% Air Products

~$3.7 billion Air Products total investment

Financial return: Consistent with previous capex commitments

Indonesia Project – Bengalon

- **Customers**: PT Bakrie Capital Indonesia (Bakrie Group) and PT Ithaca Resources (AP Investment) – large Indonesia companies
- **Location**: Bengalon, East Kalimantan, Indonesia
- **Scope**:
  - ASU, gasification, syngas clean-up, utilities, methanol
  - Produce ~2 million TPY of methanol from ~6 million TPY of coal
- **Ownership**: Expect 100% Air Products
- **Capital**: ~$2 billion, no project financing expected
- **On-stream**: 2024
- **Contract**: 20-year on-site tolling agreement
  - APD receives coal from customers and supplies methanol to customers
  - APD responsible for capital and operating costs, efficiency and reliability consistent with our typical on-site projects
  - APD receives fixed monthly processing fee in USD
  - Customers responsible for future potential CO_2 costs
- **Financial return**: Consistent with previous capital deployment commitments

Executing our gasification strategy
Energy, environmental, emerging markets

Large ASUs for China coal gasification

Lu'An JV
$1.5B
2018

Jazan IG/ Gasif/Power JV
$11.5B
2020

Jiutai 100% APD
$0.65B
2022

Debang JV
$0.25B
2023

Indonesia 100% APD
$2B
2024

Project capital represents 100%, not APD share
Project dates represent actual or expected onstream

Adjusted EBITDA margin*

Up over 1700 basis points

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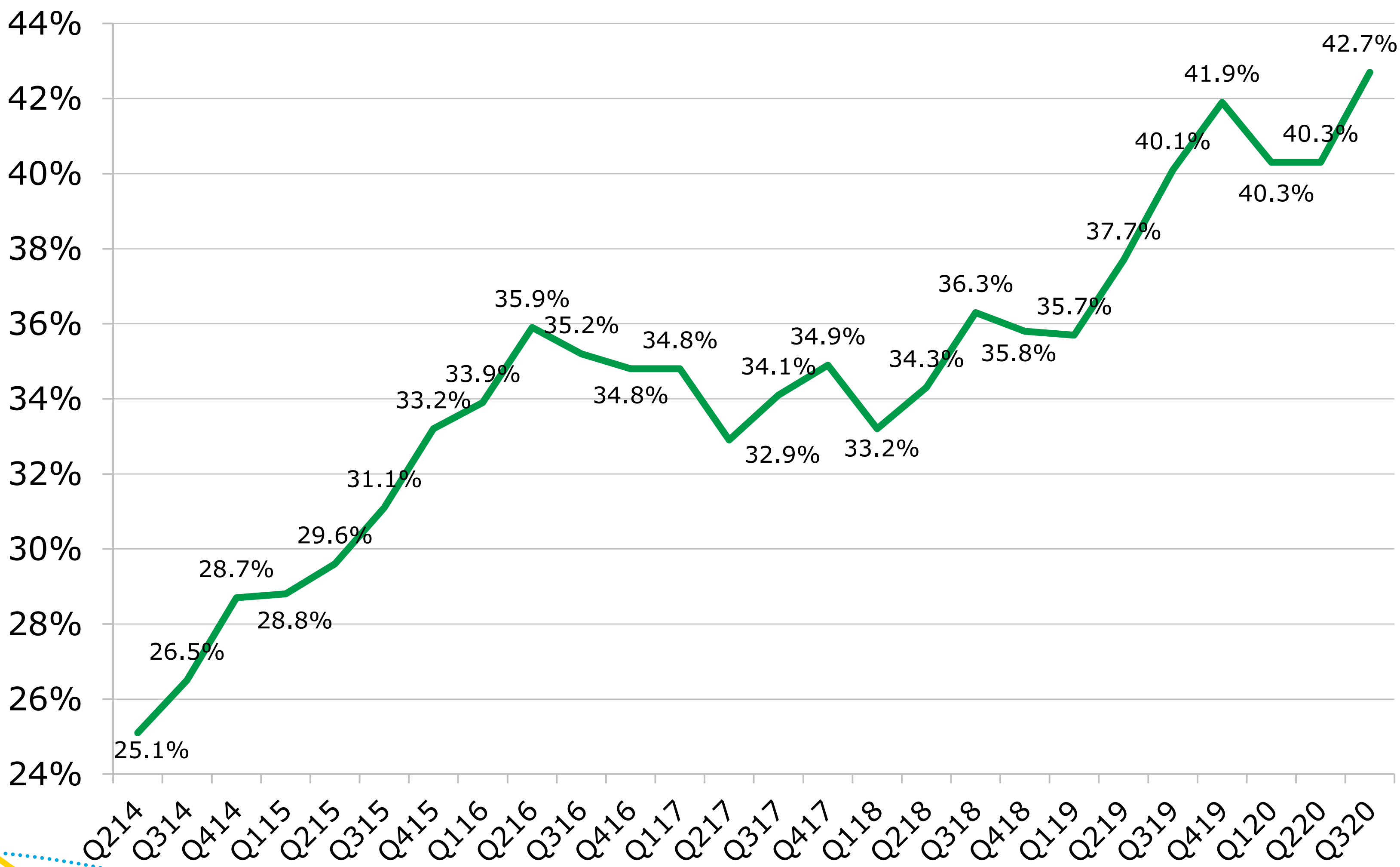

* Non-GAAP financial measure. See website for reconciliation.

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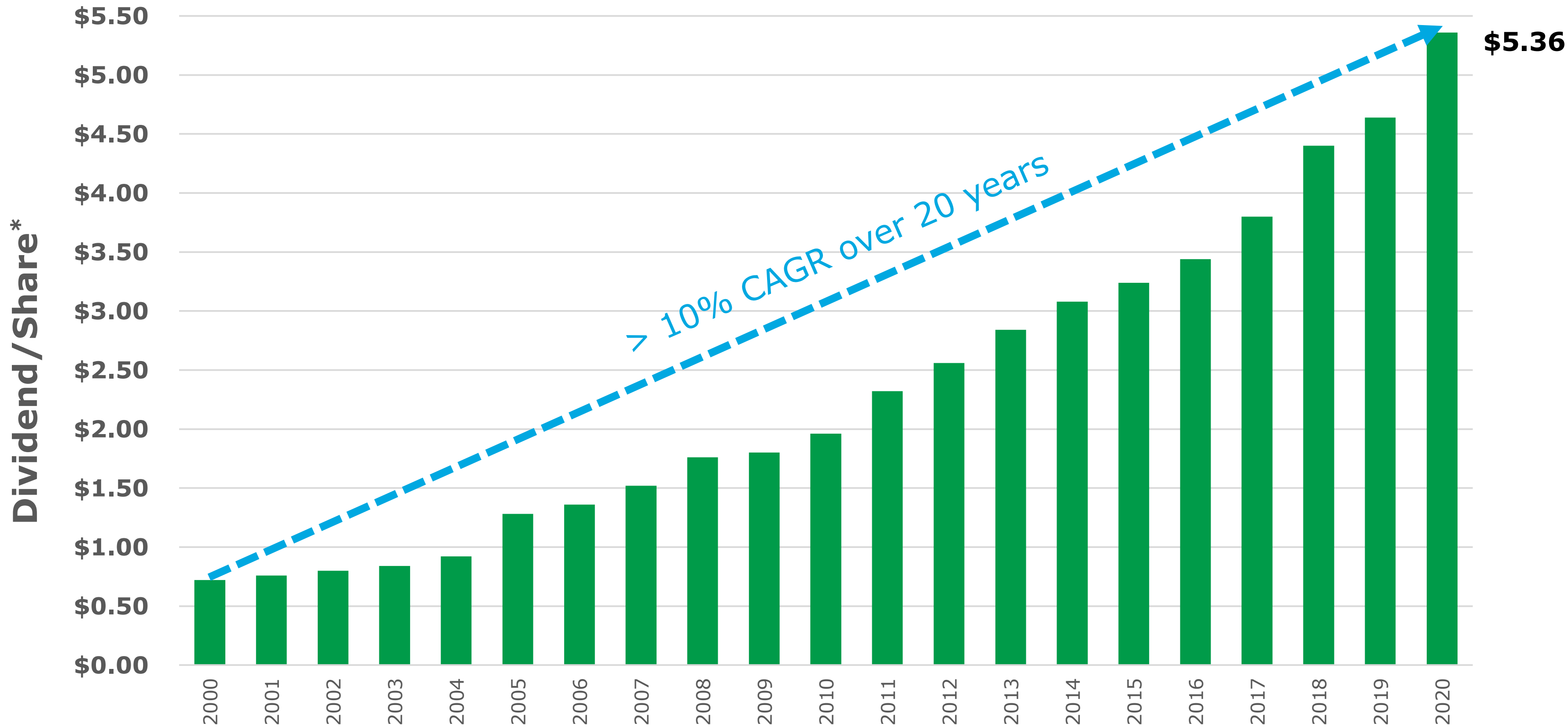
Financial Strength
Successful ~$5B Debt Offering in April

- $3.8B & €1.0B fixed rates
- Investors' confidence in Air Products' financial stability
- Very stable cash flows driven by industry-leading onsite business
- Committed to manage debt balance to maintain current targeted A/A2 rating
- Value creation through successful execution of large, onsite projects
  - Capex tied to long-term customer commitments
- Use of Cash: general corporate purposes, debt coming due in 2020/2021, Jazan investment and other significant investment opportunities
- Project investment opportunities create more value than share buybacks

Dividend history



- 18c per quarter or >15% dividend increase announced Jan 2020
- ~$1.2B/year of dividend to shareholders in 2020
- 38 consecutive years of dividend increases

* Based on annualized quarterly dividend declared in 1st quarter

Q3 Results

Moving forward

($ million)	Q3FY20	Fav/(Unfav) vs. Q3FY19	Fav/(Unfav) vs. Q2FY20
Sales	$2,065	(7%)	(7%)
- Volume		(3%)	(5%)
- Price		2%	1%
- Energy cost pass-through		(4%)	(2%)
- Currency		(2%)	(1%)
Adjusted EBITDA*	$881	(1%)	(1%)
*- Adjusted EBITDA Margin**	*42.7%*	*260bp*	*240bp*
Adjusted Operating Income*	$539	(5%)	(1%)
*- Adjusted Operating Margin**	*26.1%*	*60bp*	*160bp*
Adjusted Net Income*	$447	(7%)	(1%)
Adjusted EPS* ($/share)	$2.01	(7%)	(1%)
ROCE*	12.4%	(30bp)	(110bp)

- COVID-19 negatively impacted Sales ~9% and Adjusted EPS* ~$0.35 - $0.40
- Price positive in all three regions and up sequentially
- Adjusted EBITDA* supported by stable business and successful execution
- 5th consecutive quarter of Adjusted EBITDA margin* >40%
- ROCE* dipped primarily driven by the new $5B debt issuance

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

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Q3 Adjusted EPS*

Moving forward

	Q3FY19	Q3FY20	Change	
GAAP cont ops EPS	$2.20	$2.01		
non-GAAP items	(0.03)	0.00		
Adjusted EPS*	**$2.17**	**$2.01**		**($0.16)**
Volume			(0.25)	
Price (net of variable costs)			0.16	
Other Cost			0.04	
				($0.05)
Currency/FX				($0.05)
Equity Affiliate Income			(0.02)	
Tax Rate			(0.02)	
Other (Interest Expense, Non-Op Income, NCI)			(0.02)	
				($0.06)

- Strong price and lower cost partially offset reduced volume
- Estimated ~$0.35 - $0.40 negative impact from COVID-19

* 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.

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Cash Flow Focus

($ million)	Q3FY20 LTM
Adjusted EBITDA*	$3,639
Interest, net*	(59)
Cash Tax	(402)
Maintenance CapEx*	(510)
Distributable Cash Flow*	$2,668
	*$12/Share**
Dividends	(1,063)
Investable Cash Flow*	$1,605

- $12/share of Distributable Cash Flow*
- Paid about 40% of Distributable Cash Flow* as dividends
- ~$1.6B of Investable Cash Flow*

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

2018 announced goal:
"Commit $15B in new projects by end of 2022"

Current status (as of 6/30/20)

Spent	$ 4.9B
Additional Committed*	$11.0B
Total spent & committed	$15.9B

>100% of Goal

* Remaining spending on total commitments of ~$12.5 billion

Capital Deployment Scorecard

FY18 – FY22, as of 6/30/20, $Billion

Available Now (6/30/20)			
	Total Debt Capacity	$ 11.0	Assuming 3xLTM Adj EBITDA*
	Less: Net Debt*	$ 1.8	Debt ($8.2B) minus cash# ($6.4B)
	Additional Available Now	**$ 9.2**	
Estimated Available In Future – Investable Cash Flow*		**$ 3.6**	LTM ICF* x 2.25 years
Already Spent – FY18 through Q3FY20		**$ 4.9**	Growth CapEx* (including M&A)
Estimated FY18 - FY22 Capacity		**$ 17.6**	

Additional Commitments	$ 11.0	Remaining to be spent
Spent + Commitments	$ 15.9	

% Spent	*28%*
% Spent + Commitments	*90%*

- Committed to manage debt balance to maintain current targeted A/A2 rating
- Total Commitment Value ~$12.5B; Remaining to be spent ~$11B

* Non-GAAP financial measure. See website for reconciliation.
# Cash includes cash and short-term investments

Industrial Gases - Asia

		Fav/(Unfav) vs.	
	Q3FY20	Q3FY19	Q2FY20
Sales	$652	(4%)	(1%)
- Volume		(3%)	(1%)
- Price		2%	1%
- Energy cost pass-through		-%	-%
- Currency		(3%)	(1%)
Adjusted EBITDA*	$327	(2%)	-%
*- Adjusted EBITDA Margin**	*50.1%*	*90bp*	*40bp*
Operating Income	$222	(4%)	6%
- Operating Margin	*34.0%*	*(10bp)*	*220bp*

- Underlying sales (price + volume) stable
- Volume shortfall primarily driven by COVID-19 and maintenance outages
- 13th consecutive quarter of year-on-year price improvement
- Adjusted EBITDA margin* >50%

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

Industrial Gases - Americas

	Q3FY20	Fav/(Unfav) vs. Q3FY19	Fav/(Unfav) vs. Q2FY20
Sales	$850	(11%)	(9%)
- Volume		(5%)	(7%)
- Price		2%	-%
- Energy cost pass-through		(6%)	(1%)
- Currency		(2%)	(1%)
Adjusted EBITDA*	$411	-%	(3%)
*- Adjusted EBITDA Margin**	*48.4%*	*550bp*	*280bp*
Operating Income	$248	(5%)	(7%)
- Operating Margin	*29.2%*	*180bp*	*50bp*

- COVID-19 negatively impacted overall sales ~8%, merchant volumes down ~15%
- Continuing pricing strength - 8th consecutive quarter of price improvement
- Existing onsite business (~2/3 of sales) expected to remain stable
- Adjusted EBITDA margin* up 550bp - lower energy pass-through contributed ~250 bp

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

Industrial Gases - EMEA

		Fav/(Unfav) vs.	
	Q3FY20	Q3FY19	Q2FY20
Sales	$430	(13%)	(13%)
- Volume		(7%)	(8%)
- Price		3%	-%
- Energy cost pass-through		(6%)	(4%)
- Currency		(3%)	(1%)
Adjusted EBITDA*	$170	(11%)	(9%)
*- Adjusted EBITDA Margin**	*39.5%*	*110bp*	*180bp*
Operating Income	$105	(15%)	(16%)
- Operating Margin	*24.5%*	*(40bp)*	*(80bp)*

- COVID-19 negatively impacted overall sales ~13%, merchant volumes down ~20%
- Strong pricing momentum - 10^{th} consecutive quarter of price improvement
- Existing onsite business (~40% of sales) expected to remain stable
- Adjusted EBITDA margin* ~ 40% - lower energy pass-through contributed ~200 bp

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

Industrial Gases - Global

	Q3FY20	Fav/(Unfav) vs. Q3FY19
Sales	$78	$20
Adjusted EBITDA*	($9)	($3)
Operating Income	($13)	($4)

- Sales up on SOE project activity
- Profit down on higher project development costs

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

Corporate

	Q3FY20	Fav/(Unfav) vs. Q3FY19
Sales	$56	$19
Adjusted EBITDA*	($17)	$19
Operating Income	($23)	$19

- LNG project activity drives business improvement

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

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

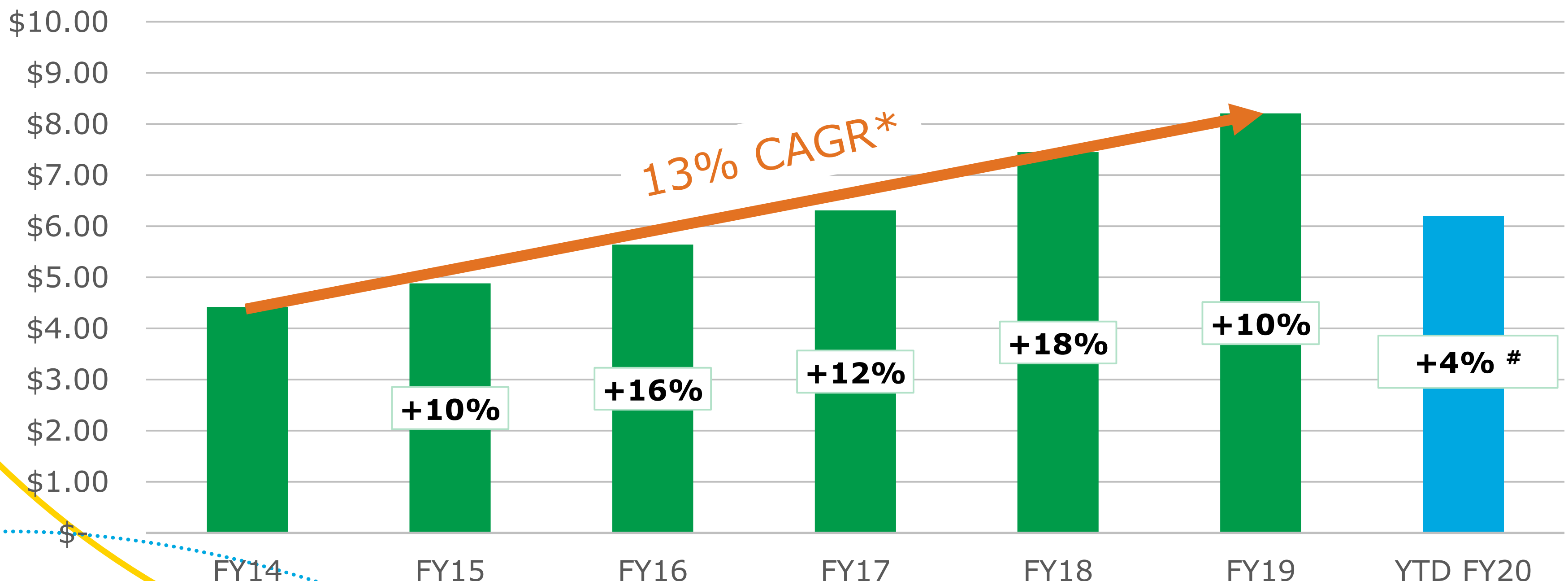
* Multiple Phases

Plant	Customer/Location	Capacity	Timing	Market
ONSTREAM (last five quarters)				
Liquid ASU	Glenmont, NY	1100 TPD LXNLAR	Q3 FY19	Merchant
ASU/H2/Air	Samsung Xi'an, China	World Scale	Q3 FY19*	Electronics
H2/CO	Geismar, Louisiana	50MMH2+6.5MMCO	Q2 FY20	Chem/Pipeline
Hydrogen	PBF - California & Delaware	300MMSCFD	Q3 FY20	Refinery
PROJECT COMMITMENTS				
ASU/H2	Samsung Giheung, Korea	World Scale	Q4 FY20	Electronics
Syngas	BPCL Ph 2, India	Not disclosed	Q4 FY20	Chemicals
Liquid H2	LaPorte, TX	~30 tons per day	2021	Merchant
ASU/Liquid	Eastman, Kingsport, Tennessee	Not disclosed	2021	Gasifier/Merchant
ASU/Liquid	Big River Steel, Arkansas	>250 TPD + liquid	2021	Steel/Merchant
ASU/Gasifier/ Power	AP / ACWA / SA / APQ – Jazan, Saudi Arabia	$11.5B total JV	2020*	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*

Moving forward

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



*Non-GAAP financial measure. See website for reconciliation.
YTD FY20 vs YTD FY19

Capital Expenditure*

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

Quarter	2020 $MM
Q1	$455
Q2	$498
Q3	$1,116
Q4	

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

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Thank you

tell me more

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