

Moving forward



# Q2 FY24 Reconciliation Tables

April 30, 2024



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## Purpose of Reconciliation Tables

Our financial presentations, earnings teleconferences, and other investor and analyst communications may include references to non-GAAP (“adjusted”) financial measures. Unless otherwise stated, these measures are based on our continuing operations and are generally identified by the word “adjusted” or “non-GAAP” preceding the measure. We believe these non-GAAP financial measures provide useful information to evaluate the performance of our business by providing a more complete understanding of the factors and trends that affect our financial performance. 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”). Amounts provided herein are in millions of U.S. Dollars unless otherwise indicated, except for per share data. 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](http://www.airproducts.com). 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.

## Adjusted Diluted Earnings per Share ("EPS")

The per share impact for each non-GAAP adjustment was calculated independently and may not sum to total adjusted diluted EPS due to rounding.

### Quarterly and Annual Trend FY21-FY24

Adjusted diluted EPS for fiscal years 2022 and 2021 and relevant comparisons presented below have been updated to exclude the impact of non-service related components of net periodic cost/benefit.

	2024			2023						2022	2021
	Q1	Q2	Q2 YTD	Q1	Q2	Q3	Q4	Q2 YTD	FY	FY	FY
<b>Diluted EPS</b>	<b>\$2.73</b>	<b>\$2.57</b>	<b>\$5.30</b>	<b>\$2.57</b>	<b>\$1.97</b>	<b>\$2.67</b>	<b>\$3.08</b>	<b>\$4.54</b>	<b>\$10.30</b>	<b>\$10.08</b>	<b>\$9.12</b>
Facility closure	—	—	—	—	—	—	—	—	—	—	0.08
Business and asset actions	—	0.20	0.20	—	0.69	0.23	—	0.69	0.92	0.27	—
Gain on exchange with joint venture partner	—	—	—	—	—	—	—	—	—	—	(0.12)
Equity method investment impairment charge	—	—	—	—	—	—	—	—	—	0.05	—
Non-service pension cost (benefit), net	0.08	0.08	0.17	0.07	0.08	0.07	0.08	0.14	0.29	(0.15)	(0.29)
Tax election benefit and other	—	—	—	—	—	—	—	—	—	—	(0.05)
Subtotal - Non-GAAP items	0.08	0.28	0.37	0.07	0.77	0.30	0.08	0.83	1.21	0.17	(0.38)
<b>Adjusted Diluted EPS</b>	<b>\$2.82</b>	<b>\$2.85</b>	<b>\$5.67</b>	<b>\$2.64</b>	<b>\$2.74</b>	<b>\$2.98</b>	<b>\$3.15</b>	<b>\$5.38</b>	<b>\$11.51</b>	<b>\$10.25</b>	<b>\$8.73</b>

	Q2 2024		Q2 YTD	FY	FY
	vs. Q2 2023	vs. Q1 2024	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021
<b>Change GAAP</b>					
Diluted EPS \$ change	\$0.60	(\$0.16)	\$0.76	\$0.22	\$0.96
Diluted EPS % change	30%	(6%)	17%	2%	11%
<b>Change Non-GAAP</b>					
Adjusted diluted EPS \$ change	\$0.11	\$0.03	\$0.29	\$1.26	\$1.52
Adjusted diluted EPS % change	4%	1%	5%	12%	17%

### Adjusted EPS Annual Trend FY14-FY21

Amounts presented in the table below are as previously reported. The per share impact for each non-GAAP adjustment was calculated independently and may not sum to total adjusted diluted EPS due to rounding.

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Diluted EPS</b>	<b>\$9.12</b>	<b>\$8.55</b>	<b>\$7.94</b>	<b>\$6.59</b>	<b>\$5.16</b>	<b>\$5.04</b>	<b>\$4.29</b>	<b>\$3.24</b>
Change in inventory valuation method	—	—	—	(0.08)	—	—	—	—
Facility closure	0.08	—	0.10	—	—	—	—	—
Business separation costs	—	—	—	—	0.12	0.21	0.03	—
Tax (benefit) costs associated with business separation	—	—	—	—	(0.02)	0.24	—	—
Business restructuring, cost reduction, and asset actions	—	—	0.08	—	0.49	0.11	0.61	0.03
Goodwill and intangible asset impairment charge	—	—	—	—	0.70	—	—	1.27
Gain on exchange with joint venture partner	(0.12)	—	(0.13)	—	—	—	—	—
Gain on previously held equity interest	—	—	—	—	—	—	(0.05)	—
Company headquarters relocation (income) expense	—	(0.12)	—	—	—	—	—	—
Gain on land sales	—	—	—	—	(0.03)	—	(0.13)	—
India Finance Act 2020	—	(0.06)	—	—	—	—	—	—
Equity method investment impairment charge	—	—	—	—	0.36	—	—	—
Pension settlement loss	—	—	0.02	0.15	0.03	0.02	0.06	0.02
Loss on extinguishment of debt	—	—	—	—	—	0.02	0.07	—
Tax reform repatriation	—	—	(0.06)	2.16	—	—	—	—
Tax reform adjustment related to deemed foreign dividends	—	—	0.26	(0.25)	—	—	—	—
Tax reform rate change and other	—	—	—	(0.96)	—	—	—	—
Tax restructuring	—	—	—	(0.16)	—	—	—	—
Tax election benefit and other	(0.05)	—	—	—	(0.50)	—	—	(0.14)
<b>Adjusted Diluted EPS</b>	<b>\$9.02</b>	<b>\$8.38</b>	<b>\$8.21</b>	<b>\$7.45</b>	<b>\$6.31</b>	<b>\$5.64</b>	<b>\$4.88</b>	<b>\$4.42</b>

	FY 2021 vs. FY 2020	FY 2020 vs. FY 2019	FY 2019 vs. FY 2018	FY 2018 vs. FY 2017	FY 2017 vs. FY 2016	FY 2016 vs. FY 2015	FY 2015 vs. FY 2014
<b>Change GAAP</b>							
Diluted EPS \$ change	\$0.57	\$0.61	\$1.35	\$1.43	\$0.12	\$0.75	\$1.05
Diluted EPS % change	7 %	8 %	20 %	28 %	2 %	17 %	32 %
<b>Change Non-GAAP</b>							
Adjusted diluted EPS \$ change	\$0.64	\$0.17	\$0.76	\$1.14	\$0.67	\$0.76	\$0.46
Adjusted diluted EPS % change	8 %	2 %	10 %	18 %	12 %	16 %	10 %

# Adjusted EBITDA

## FY24 vs. FY23 Quarterly Trend

	LTM	2024		2023			
		Q1	Q2	Q1	Q2	Q3	Q4
<b>Sales</b>	\$12,152.8	\$2,997.4	\$2,930.2	\$3,174.7	\$3,200.1	\$3,033.9	\$3,191.3
<b>Net income</b>	\$2,507.4	\$621.6	\$580.9	\$583.8	\$449.9	\$610.5	\$694.4
<b>Net income margin</b>	20.6%	20.7%	19.8%	18.4%	14.1%	20.1%	21.8%
<b>Reconciliation of GAAP to Non-GAAP:</b>							
<b>Net income</b>	\$2,507.4	\$621.6	\$580.9	\$583.8	\$449.9	\$610.5	\$694.4
Less: Income from discontinued operations, net of tax	7.4	—	—	—	—	—	7.4
Add: Interest expense	208.8	53.5	59.9	41.2	40.9	47.4	48.0
Less: Other non-operating expense, net	(48.5)	(14.8)	(9.2)	(0.6)	(13.9)	(11.7)	(12.8)
Add: Income tax provision	559.7	135.4	130.5	136.4	121.0	139.6	154.2
Add: Depreciation and amortization	1,407.2	349.2	360.8	321.5	339.6	339.9	357.3
Add: Business and asset actions	116.0	—	57.0	—	185.6	59.0	—
<b>Adjusted EBITDA</b>	\$4,840.2	\$1,174.5	\$1,198.3	\$1,083.5	\$1,150.9	\$1,208.1	\$1,259.3
<b>Adjusted EBITDA margin</b>	39.8%	39.2%	40.9%	34.1%	36.0%	39.8%	39.5%

	Q2 2024		
	vs. Q2 2014 <sup>(A)</sup>	vs. Q2 2023	vs. Q1 2024
<b>Change GAAP</b>			
Net income \$ change	\$289.3	\$131.0	(\$40.7)
Net income % change	99%	29%	(7%)
Net income margin change	850 bp	570 bp	(90)bp
<b>Change Non-GAAP</b>			
Adjusted EBITDA \$ change	\$551.0	\$47.4	\$23.8
Adjusted EBITDA % change	85%	4%	2%
Adjusted EBITDA margin change	1,580 bp	490 bp	170 bp

<sup>(A)</sup> Refer to page 7 for a reconciliation of fiscal year 2014 adjusted EBITDA.

## Adjusted EBITDA Quarterly Trend FY17-FY22

	2022				2021				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Sales</b>	\$2,994.2	\$2,945.1	\$3,189.3	\$3,570.0	\$2,375.2	\$2,502.0	\$2,604.7	\$2,841.1	\$2,254.7	\$2,216.3	\$2,065.2	\$2,320.1
<b>Net income</b>	\$549.6	\$536.8	\$587.1	\$593.0	\$486.7	\$477.1	\$532.3	\$618.8	\$488.9	\$490.4	\$457.1	\$494.7
<b>Net income margin</b>	18.4%	18.2%	18.4%	16.6%	20.5%	19.1%	20.4%	21.8%	21.7%	22.1%	22.1%	21.3%
<u>Reconciliation of GAAP to Non-GAAP:</u>												
<b>Net income</b>	\$549.6	\$536.8	\$587.1	\$593.0	\$486.7	\$477.1	\$532.3	\$618.8	\$488.9	\$490.4	\$457.1	\$494.7
Less: Income (Loss) from discontinued operations, net of tax	—	—	—	12.6	10.3	—	8.2	51.8	—	(14.3)	—	—
Add: Interest expense	30.5	32.3	32.7	32.5	36.7	36.1	35.6	33.4	18.7	19.3	32.1	39.2
Less: Other non-operating income, net	22.6	9.1	10.5	20.2	18.6	16.8	21.1	17.2	9.1	7.1	8.1	6.4
Add: Income tax provision	113.3	122.7	134.2	130.6	113.9	121.9	101.7	125.3	120.7	148.5	109.3	99.9
Add: Depreciation and amortization	332.3	335.9	337.2	332.8	323.7	329.3	335.7	332.6	289.2	294.7	290.6	310.5
Add: Facility closure	—	—	—	—	—	23.2	—	—	—	—	—	—
Add: Business and asset actions	—	—	—	73.7	—	—	—	—	—	—	—	—
Less: Gain on exchange with joint venture partner	—	—	—	—	—	36.8	—	—	—	—	—	—
Less: Company headquarters relocation income (expense)	—	—	—	—	—	—	—	—	—	33.8	—	—
Less: India Finance Act 2020 - equity affiliate income impact	—	—	—	—	—	—	—	—	—	33.8	—	—
Add: Equity method investment impairment charge	—	—	—	14.8	—	—	—	—	—	—	—	—
<b>Adjusted EBITDA</b>	\$1,003.1	\$1,018.6	\$1,080.7	\$1,144.6	\$932.1	\$934.0	\$976.0	\$1,041.1	\$908.4	\$892.5	\$881.0	\$937.9
<b>Adjusted EBITDA margin</b>	33.5%	34.6%	33.9%	32.1%	39.2%	37.3%	37.5%	36.6%	40.3%	40.3%	42.7%	40.4%
	<b>2019</b>				<b>2018</b>				<b>2017</b>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Sales</b>	\$2,224.0	\$2,187.7	\$2,224.0	\$2,283.2	\$2,216.6	\$2,155.7	\$2,259.0	\$2,298.9	\$1,882.5	\$1,980.1	\$2,121.9	\$2,203.1
<b>Net income</b>	\$357.0	\$433.5	\$500.2	\$518.7	\$161.7	\$423.6	\$487.9	\$459.7	\$306.4	\$2,135.7	\$104.1	\$475.0
<b>Net income margin</b>	16.0%	19.8%	22.5%	22.7%	7.3%	19.7%	21.6%	20.0%	16.3%	107.9%	4.9%	21.6%
<u>Reconciliation of GAAP to Non-GAAP:</u>												
<b>Net income</b>	\$357.0	\$433.5	\$500.2	\$518.7	\$161.7	\$423.6	\$487.9	\$459.7	\$306.4	\$2,135.7	\$104.1	\$475.0
Less: Income (Loss) Income from discontinued operations, net of tax	—	—	—	—	(1.0)	—	43.2	—	48.2	1,825.6	(2.3)	(5.5)
Add: Interest expense	37.3	35.4	34.2	30.1	29.8	30.4	34.9	35.4	29.5	30.5	29.8	30.8
Less: Other non-operating income (expense), net	18.5	13.7	17.6	16.9	9.8	11.1	12.8	(28.6)	(0.2)	5.3	3.7	7.8
Add: Income tax provision (benefit)	132.1	107.5	109.3	131.2	291.8	56.2	107.1	69.2	78.4	94.5	89.3	(1.3)
Add: Depreciation and amortization	258.0	262.1	269.1	293.6	227.9	240.0	245.6	257.2	206.1	211.8	216.9	231.0
Add: Facility closure	29.0	—	—	—	—	—	—	—	—	—	—	—
Less: Change in inventory valuation method	—	—	—	—	—	—	—	24.1	—	—	—	—
Add: Business separation costs	—	—	—	—	—	—	—	—	32.5	—	—	—
Add: Cost reduction and asset actions	—	—	25.5	—	—	—	—	—	50.0	10.3	42.7	48.4
Add: Goodwill and intangible asset impairment charge	—	—	—	—	—	—	—	—	—	—	162.1	—
Less: Gain on exchange with joint venture partner	—	—	29.1	—	—	—	—	—	—	—	—	—
Less: Gain on land sale	—	—	—	—	—	—	—	—	—	—	—	12.2
Add: Equity method investment impairment charge	—	—	—	—	—	—	—	—	—	—	79.5	—
Add: Tax reform repatriation - equity method investment	—	—	—	—	32.5	—	—	(4.0)	—	—	—	—
<b>Adjusted EBITDA</b>	\$794.9	\$824.8	\$891.6	\$956.7	\$734.9	\$739.1	\$819.5	\$822.0	\$654.9	\$651.9	\$723.0	\$769.4
<b>Adjusted EBITDA margin</b>	35.7%	37.7%	40.1%	41.9%	33.2%	34.3%	36.3%	35.8%	34.8%	32.9%	34.1%	34.9%

## Adjusted EBITDA Quarterly Trend FY14-FY16

	2016				2015				2014 <sup>(A)</sup>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Sales</b>	\$1,866.3	\$1,777.4	\$1,914.5	\$1,945.5	\$2,041.0	\$1,885.3	\$1,934.4	\$1,963.6	\$2,545.5	\$2,581.9	\$2,634.6	\$2,677.0
<b>Net income (loss)</b>	\$372.0	(\$465.5)	\$354.1	\$400.9	\$337.5	\$296.9	\$333.2	\$350.0	\$299.0	\$291.6	\$323.4	\$79.1
<b>Net income (loss) margin</b>	19.9%	(26.2%)	18.5%	20.6%	16.5%	15.7%	17.2%	17.8%	11.7%	11.3%	12.3%	3.0%
<u>Reconciliation of GAAP to Non-GAAP:</u>												
<b>Net income (loss)</b>	\$372.0	(\$465.5)	\$354.1	\$400.9	\$337.5	\$296.9	\$333.2	\$350.0	\$299.0	\$291.6	\$323.4	\$79.1
Less: Income (Loss) from discontinued operations, net of tax	84.8	(750.2)	98.4	106.5	76.7	103.4	99.4	72.2	1.3	(2.1)	(2.0)	(0.1)
Add: Interest expense	22.2	25.7	35.1	32.2	28.8	23.2	28.1	22.7	33.3	31.5	31.3	29.0
Add: Income tax provision	96.4	93.5	145.9	96.8	76.8	63.0	74.7	85.7	95.3	93.0	103.0	78.1
Add: Depreciation and amortization	214.7	213.9	213.5	212.5	215.3	213.9	214.2	215.1	234.2	229.1	239.0	254.6
Add: Business separation costs	12.0	7.4	9.5	21.7	—	—	—	7.5	—	—	—	—
Add: Business restructuring and cost reduction actions	—	10.7	13.2	10.6	24.3	52.9	49.6	53.3	—	—	—	12.7
Add: Goodwill and intangible asset impairment charge	—	—	—	—	—	—	—	—	—	—	—	310.1
Less: Gain on previously held equity interest	—	—	—	—	17.9	—	—	—	—	—	—	—
Less: Gain on land sales	—	—	—	—	—	—	—	33.6	—	—	—	—
Add: Pension settlement loss	—	2.0	1.0	2.1	—	11.9	1.4	6.0	—	—	—	5.5
Add: Loss on extinguishment of debt	—	—	—	6.9	—	—	—	16.6	—	—	—	—
<b>Adjusted EBITDA</b>	\$632.5	\$637.9	\$673.9	\$677.2	\$588.1	\$558.4	\$601.8	\$651.1	\$660.5	\$647.3	\$698.7	\$769.2
<b>Adjusted EBITDA margin</b>	33.9%	35.9%	35.2%	34.8%	28.8%	29.6%	31.1%	33.2%	25.9%	25.1%	26.5%	28.7%

<sup>(A)</sup> Fiscal year 2014 is presented as previously reported in our Annual Report on Form 10-K for the fiscal year ended September 30, 2016, which included the results of the former Materials Technologies segment.



## Adjusted EBITDA by Segment

	2024		2023					Q2 2024 vs. Q2 2023		Q2 2024 vs. Q1 2024	
	Q1	Q2	Q1	Q2	Q3	Q4	FY	\$	%/bp	\$	%/bp
<b>Americas</b>											
Sales	\$1,252.1	\$1,245.8	\$1,384.2	\$1,373.1	\$1,260.7	\$1,351.3	\$5,369.3				
<b>Operating income</b>	354.4	371.9	343.0	324.2	374.8	397.7	1,439.7	\$47.7	15%	\$17.5	5%
<b>Operating margin</b>	28.3%	29.9%	24.8%	23.6%	29.7%	29.4%	26.8%		630 bp		160 bp
Reconciliation of GAAP to Non-GAAP:											
<b>Operating income</b>	\$354.4	\$371.9	\$343.0	\$324.2	\$374.8	\$397.7	\$1,439.7				
Add: Depreciation and amortization	169.7	174.1	156.0	161.7	163.1	168.5	649.3				
Add: Equity affiliates' income	37.1	44.2	16.4	28.1	29.9	34.8	109.2				
<b>Adjusted EBITDA</b>	\$561.2	\$590.2	\$515.4	\$514.0	\$567.8	\$601.0	\$2,198.2	\$76.2	15%	\$29.0	5%
<b>Adjusted EBITDA margin</b>	44.8%	47.4%	37.2%	37.4%	45.0%	44.5%	40.9%		1,000 bp		260 bp
<b>Asia</b>											
Sales	\$793.8	\$779.7	\$777.8	\$813.9	\$822.9	\$801.5	\$3,216.1				
<b>Operating income</b>	211.2	203.6	235.9	233.0	240.8	196.8	906.5	(\$29.4)	(13%)	(\$7.6)	(4%)
<b>Operating margin</b>	26.6%	26.1%	30.3%	28.6%	29.3%	24.6%	28.2%		(250)bp		(50)bp
Reconciliation of GAAP to Non-GAAP:											
<b>Operating income</b>	\$211.2	\$203.6	\$235.9	\$233.0	\$240.8	\$196.8	\$906.5				
Add: Depreciation and amortization	111.8	116.4	101.9	110.0	108.3	113.3	433.5				
Add: Equity affiliates' income	4.2	8.3	7.4	7.3	7.5	7.5	29.7				
<b>Adjusted EBITDA</b>	\$327.2	\$328.3	\$345.2	\$350.3	\$356.6	\$317.6	\$1,369.7	(\$22.0)	(6%)	\$1.1	—%
<b>Adjusted EBITDA margin</b>	41.2%	42.1%	44.4%	43.0%	43.3%	39.6%	42.6%		(90)bp		90 bp
<b>Europe</b>											
Sales	\$731.2	\$667.9	\$791.9	\$752.9	\$706.6	\$711.7	\$2,963.1				
<b>Operating income</b>	197.6	201.0	145.8	173.2	176.1	168.3	663.4	\$27.8	16%	\$3.4	2%
<b>Operating margin</b>	27.0%	30.1%	18.4%	23.0%	24.9%	23.6%	22.4%		710 bp		310 bp
Reconciliation of GAAP to Non-GAAP:											
<b>Operating income</b>	\$197.6	\$201.0	\$145.8	\$173.2	\$176.1	\$168.3	\$663.4				
Add: Depreciation and amortization	48.2	50.8	44.3	48.3	48.6	55.0	196.2				
Add: Equity affiliates' income	20.7	11.7	17.7	29.5	28.8	26.5	102.5				
<b>Adjusted EBITDA</b>	\$266.5	\$263.5	\$207.8	\$251.0	\$253.5	\$249.8	\$962.1	\$12.5	5%	(\$3.0)	(1%)
<b>Adjusted EBITDA margin</b>	36.4%	39.5%	26.2%	33.3%	35.9%	35.1%	32.5%		620 bp		310 bp
<b>Middle East and India</b>											
<b>Operating income</b>	\$3.9	\$5.6	\$6.7	\$1.3	\$5.8	\$3.1	\$16.9	\$4.3			
Add: Depreciation and amortization	6.6	6.7	6.6	6.6	7.0	7.3	27.5				
Add: Equity affiliates' income	92.9	73.9	64.1	98.9	95.5	91.3	349.8				
<b>Adjusted EBITDA</b>	\$103.4	\$86.2	\$77.4	\$106.8	\$108.3	\$101.7	\$394.2	(\$20.6)			
<b>Corporate and other</b>											
<b>Operating loss</b>	(\$100.2)	(\$87.9)	(\$79.4)	(\$86.3)	(\$94.3)	(\$27.3)	(\$287.3)	(\$1.6)			
Add: Depreciation and amortization	12.9	12.8	12.7	13.0	12.9	13.2	51.8				
Add: Equity affiliates' income	3.5	5.2	4.4	2.1	3.3	3.3	13.1				
<b>Adjusted EBITDA</b>	(\$83.8)	(\$69.9)	(\$62.3)	(\$71.2)	(\$78.1)	(\$10.8)	(\$222.4)	\$1.3			

## Adjusted Operating Income and Adjusted Operating Margin

	2024		2023	Q2 2024 vs. Q2 2023		Q2 2024 vs. Q1 2024	
	Q1	Q2	Q2	\$	%/bp	\$	%/bp
<b>Sales</b>	\$2,997.4	\$2,930.2	\$3,200.1				
<b>Operating income</b>	666.9	637.2	459.8	\$177.4	39%	(\$29.7)	(4%)
<b>Operating margin</b>	22.2%	21.7%	14.4%		730 bp		(50)bp
<u>Reconciliation of GAAP to Non-GAAP:</u>							
<b>Operating income</b>	\$666.9	\$637.2	\$459.8				
Business and asset actions	—	57.0	185.6				
<b>Adjusted operating income</b>	\$666.9	\$694.2	\$645.4	\$48.8	8%	\$27.3	4%
<b>Adjusted operating margin</b>	22.2%	23.7%	20.2%		350 bp		150 bp

## Adjusted Net Income

	2024		2023	Q2 2024 vs. Q2 2023		Q2 2024 vs. Q1 2024	
	Q1	Q2	Q2	\$	%	\$	%
<b>Net income</b>	\$621.6	\$580.9	\$449.9	\$131.0	29%	(\$40.7)	(7%)
Net (income) attributable to noncontrolling interests	(12.3)	(8.5)	(10.1)				
Net income attributable to Air Products	\$609.3	\$572.4	\$439.8				
Business and asset actions	—	43.8	153.7				
Non-service pension cost, net	18.7	18.9	17.2				
<b>Adjusted net income</b>	\$628.0	\$635.1	\$610.7	\$24.4	4%	\$7.1	1%

## Adjusted Effective Tax Rate

	Q2 2024	Q2 2023
Income tax provision	\$130.5	\$121.0
Income before taxes	711.4	570.9
<b>Effective tax rate</b>	<b>18.3 %</b>	<b>21.2 %</b>
Income tax provision	\$130.5	\$121.0
Business and asset actions	13.2	26.9
Non-service pension tax impact	6.2	5.7
Adjusted income tax provision	\$149.9	\$153.6
Income before taxes	\$711.4	\$570.9
Business and asset actions	57.0	185.6
Non-service pension cost, net	25.1	22.9
Adjusted income before taxes	\$793.5	\$779.4
<b>Adjusted effective tax rate</b>	<b>18.9 %</b>	<b>19.7 %</b>
<b>Changes</b>	<b>Q2 2024 vs. Q2 2023</b>	
Effective tax rate	(290)bp	
Adjusted effective tax rate	(80)bp	

## Summary of Non-GAAP Adjustments

The tables below detail the non-GAAP items disclosed on the preceding pages and the impact of each on our consolidated income statements on a continuing operations basis.

	2024								
	Q1			Q2			Q2 YTD		
	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	Non-GAAP
Operating income	\$666.9	\$—	\$666.9	\$637.2	\$57.0	\$694.2	\$1,304.1	\$57.0	\$1,361.1
Equity affiliates' income	158.4	—	158.4	143.3	—	143.3	301.7	—	301.7
Interest expense	53.5	—	53.5	59.9	—	59.9	113.4	—	113.4
Other non-operating income (expense), net	(14.8)	24.9	10.1	(9.2)	25.1	15.9	(24.0)	50.0	26.0
Income before taxes	\$757.0	\$24.9	\$781.9	\$711.4	\$82.1	\$793.5	\$1,468.4	\$107.0	\$1,575.4
Income tax provision	135.4	6.2	141.6	130.5	19.4	149.9	265.9	25.6	291.5
Net income	\$621.6	\$18.7	\$640.3	\$580.9	\$62.7	\$643.6	\$1,202.5	\$81.4	\$1,283.9
Net income attributable to noncontrolling interests	12.3	—	12.3	8.5	—	8.5	20.8	—	20.8
Net income attributable to Air Products	\$609.3	\$18.7	\$628.0	\$572.4	\$62.7	\$635.1	\$1,181.7	\$81.4	\$1,263.1
Diluted EPS <sup>(B)</sup>	\$2.73	\$0.08	\$2.82	\$2.57	\$0.28	\$2.85	\$5.30	\$0.37	\$5.67

<sup>(A)</sup> For non-GAAP item details, refer to the table below.

<sup>(B)</sup> For non-GAAP EPS details, refer to the Adjusted Diluted EPS section on page 3.

Non-GAAP Items	2024								
	Q1			Q2			Q2 YTD		
	Before Tax	Tax	After Tax	Before Tax	Tax	After Tax	Before Tax	Tax	After Tax
Business and asset actions <sup>(C)</sup>	\$—	\$—	\$—	\$57.0	\$13.2	\$43.8	\$57.0	\$13.2	\$43.8
Non-service pension cost, net <sup>(D)</sup>	\$24.9	\$6.2	\$18.7	25.1	6.2	18.9	50.0	12.4	37.6
Total Non-GAAP Items	\$24.9	\$6.2	\$18.7	\$82.1	\$19.4	\$62.7	\$107.0	\$25.6	\$81.4

<sup>(C)</sup> Before tax impact reflected in "Operating income."

<sup>(D)</sup> Before tax impact reflected in "Other non-operating income (expense), net."

## Summary of Non-GAAP Adjustments (continued)

	2023														
	Q1			Q2			Q3			Q4			FY		
	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	Non-GAAP	GAAP	Items <sup>(A)</sup>	Non-GAAP
Operating income	\$652.0	\$—	\$652.0	\$459.8	\$185.6	\$645.4	\$644.2	\$59.0	\$703.2	\$738.6	\$—	\$738.6	\$2,494.6	\$244.6	\$2,739.2
Equity affiliates' income	110.0	—	110.0	165.9	—	165.9	165.0	—	165.0	163.4	—	163.4	604.3	—	604.3
Interest expense	41.2	—	41.2	40.9	—	40.9	47.4	—	47.4	48.0	—	48.0	177.5	—	177.5
Other non-operating income (expense), net	(0.6)	19.5	18.9	(13.9)	22.9	9.0	(11.7)	22.0	10.3	(12.8)	22.4	9.6	(39.0)	86.8	47.8
Income from continuing operations before taxes	\$720.2	\$19.5	\$739.7	\$570.9	\$208.5	\$779.4	\$750.1	\$81.0	\$831.1	\$841.2	\$22.4	\$863.6	\$2,882.4	\$331.4	\$3,213.8
Income tax provision	136.4	4.9	141.3	121.0	32.6	153.6	139.6	13.2	152.8	154.2	5.6	159.8	551.2	56.3	607.5
Income from continuing operations	\$583.8	\$14.6	\$598.4	\$449.9	\$175.9	\$625.8	\$610.5	\$67.8	\$678.3	\$687.0	\$16.8	\$703.8	\$2,331.2	\$275.1	\$2,606.3
Net income attributable to noncontrolling interests	11.6	—	11.6	10.1	5.0	15.1	14.9	—	14.9	1.8	—	1.8	38.4	5.0	43.4
Net income from continuing operations attributable to Air Products	\$572.2	\$14.6	\$586.8	\$439.8	\$170.9	\$610.7	\$595.6	\$67.8	\$663.4	\$685.2	\$16.8	\$702.0	\$2,292.8	\$270.1	\$2,562.9
Diluted EPS <sup>(B)</sup>	\$2.57	\$0.07	\$2.64	\$1.97	\$0.77	\$2.74	\$2.67	\$0.30	\$2.98	\$3.08	\$0.08	\$3.15	\$10.30	\$1.21	\$11.51

<sup>(A)</sup> For non-GAAP item details, refer to the table below.

<sup>(B)</sup> For non-GAAP EPS details, refer to the Adjusted Diluted EPS section on page 3.

	2023														
	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
Non-GAAP Items															
Business and asset actions <sup>(C)</sup>	\$—	\$—	\$—	\$185.6	\$26.9	\$153.7	\$59.0	\$7.8	\$51.2	\$—	\$—	\$—	\$244.6	\$34.7	\$204.9
Non-service pension cost, net <sup>(D)</sup>	19.5	4.9	14.6	22.9	5.7	17.2	22.0	5.4	16.6	22.4	5.6	16.8	86.8	21.6	65.2
Total Non-GAAP Items	\$19.5	\$4.9	\$14.6	\$208.5	\$32.6	\$170.9	\$81.0	\$13.2	\$67.8	\$22.4	\$5.6	\$16.8	\$331.4	\$56.3	\$270.1

<sup>(C)</sup> Before tax impact reflected in "Operating income."

<sup>(D)</sup> Before tax impact reflected in "Other non-operating income (expense), net"

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## Return on Capital Employed ("ROCE") (Non-GAAP Basis)

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

	2024		2023			2022			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>ROCE (GAAP Basis):</b>									
Net income	\$580.9	\$621.6	\$694.4	\$610.5	\$449.9	\$583.8	\$593.0	\$587.1	
Total liabilities and equity	35,921.7	34,118.2	32,002.5	30,929.5	29,435.4	28,278.3	27,192.6	27,489.0	27,449.7
Four-Quarter Trailing Net Income	\$2,507.4	\$2,376.4	\$2,338.6	\$2,237.2	\$2,213.8				
÷ Five-Quarter Average Total Liabilities and Equity	32,481.5	30,952.8	29,567.7	28,665.0	27,969.0				
<b>ROCE (GAAP Basis)</b>	7.7%	7.7%	7.9%	7.8%	7.9%				
Change vs. prior year	(20)bp								
Change vs. prior quarter	— bp								
<b>ROCE (Non-GAAP Basis):</b>									
Net income	\$580.9	\$621.6	\$694.4	\$610.5	\$449.9	\$583.8	\$593.0	\$587.1	
Income from discontinued operations, net of tax	—	—	(7.4)	—	—	—	(12.6)	—	
Interest expense	59.9	53.5	48.0	47.4	40.9	41.2	32.5	32.7	
Business and asset actions	57.0	—	—	59.0	185.6	—	73.7	—	
Equity method investment impairment charge	—	—	—	—	—	—	14.8	—	
Non-service pension cost (benefit), net	25.1	24.9	22.4	22.0	22.9	19.5	(11.3)	(9.5)	
Tax other <sup>(A)</sup>	(30.4)	(15.8)	(14.4)	(22.0)	(41.3)	(12.7)	(19.7)	(3.8)	
<b>Return After-Tax (Non-GAAP Basis)</b>	\$692.5	\$684.2	\$743.0	\$716.9	\$658.0	\$631.8	\$670.4	\$606.5	
<b>Total Capital</b>									
Total liabilities and equity	\$35,921.7	\$34,118.2	\$32,002.5	\$30,929.5	\$29,435.4	\$28,278.3	\$27,192.6	\$27,489.0	\$27,449.7
Less: Payables and accrued liabilities	2,783.0	2,717.9	2,890.1	3,062.2	2,489.3	2,552.0	2,771.6	2,544.4	2,407.1
Less: Accrued income taxes	156.2	166.9	131.2	108.8	128.2	159.9	135.2	107.9	104.6
Less: NGHC debt and partners' equity (see page 14 for detail)	3,025.1	2,510.5	1,998.0	605.1	479.3	478.4	477.3	298.9	—
Less: Noncurrent operating lease liabilities	652.1	635.1	631.1	635.5	632.3	627.4	592.1	612.4	581.0
Less: Other noncurrent liabilities	1,092.5	1,111.5	1,118.0	1,144.6	1,096.3	1,117.7	1,099.1	1,113.8	1,155.8
Less: Deferred income taxes	1,281.3	1,250.0	1,266.0	1,215.8	1,258.2	1,246.1	1,247.4	1,308.6	1,249.0
<b>Capital Employed (Non-GAAP Basis)</b>	\$26,931.5	\$25,726.3	\$23,968.1	\$24,157.5	\$23,351.8	\$22,096.8	\$20,869.9	\$21,503.0	\$21,952.2
Less:									
Cash and cash items, net of NGHC cash (see page 14 for detail)	2,360.1	1,560.3	1,538.8	1,549.9	2,113.2	2,907.0	2,436.3	2,699.7	2,348.7
Short-term investments	102.8	271.8	332.2	268.7	271.3	19.6	590.7	357.6	848.9
<b>Adjusted Capital Employed (Non-GAAP Basis)<sup>(B)</sup></b>	\$24,468.6	\$23,894.2	\$22,097.1	\$22,338.9	\$20,967.3	\$19,170.2	\$17,842.9	\$18,445.7	\$18,754.6
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$2,836.6	\$2,802.1	\$2,749.7	\$2,677.1	\$2,566.7				
÷ Five-Quarter Average Capital Employed—Non-GAAP	24,827.0	23,860.1	22,888.8	22,395.8	21,954.7				
<b>ROCE (Non-GAAP Basis)</b>	11.4%	11.7%	12.0%	12.0%	11.7%				
Change vs. prior year	(30)bp								
Change vs. prior quarter	(30)bp								
Four-Quarter Trailing Return After-Tax—Non-GAAP	\$2,836.6	\$2,802.1	\$2,749.7	\$2,677.1	\$2,566.7				
÷ Five-Quarter Average Capital Employed—Non-GAAP, Excluding Cash	22,753.2	21,693.5	20,483.3	19,753.0	19,036.1				
<b>Adjusted ROCE (Non-GAAP Basis)<sup>(B)</sup></b>	12.5%	12.9%	13.4%	13.6%	13.5%				
Change vs. prior year	(100)bp								
Change vs. prior quarter	(40)bp								

<sup>(A)</sup> Represents the tax impact on interest expense and our pre-tax non-GAAP adjustments. For details on the effective tax rate, refer to page 10.

<sup>(B)</sup> We provide adjusted ROCE (Non-GAAP Basis) to illustrate the extent to which cash impacts the denominator of our ROCE calculation. Cash represents total cash and cash items, net of NGHC cash, and short-term investments.

## ROCE Adjustments for NGHC

We adjust the denominator in our ROCE calculation on a non-GAAP basis to exclude the debt associated with the NEOM Green Hydrogen Company joint venture ("NGHC") as well as the equity attributable to our joint venture partners, both of which 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 adjusting ROCE on a non-GAAP basis for cash, we exclude the impact of cash held by NGHC.

	2024		2023				2022	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Short-term borrowings	\$162.7	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Long-term debt	2,114.3	1,930.4	1,274.4	—	—	—	—	—
Long-term debt – related party	—	—	—	—	476.7	447.3	447.3	269.5
Noncontrolling interests	748.1	580.1	723.6	605.1	2.6	31.1	30.0	29.4
<b>Total NGHC debt and partners' equity</b>	<b>\$3,025.1</b>	<b>\$2,510.5</b>	<b>\$1,998.0</b>	<b>\$605.1</b>	<b>\$479.3</b>	<b>\$478.4</b>	<b>\$477.3</b>	<b>\$298.9</b>
Cash and cash items	\$2,535.0	\$1,962.6	\$1,617.0	\$1,637.7	\$2,242.4	\$3,131.0	\$2,711.0	\$2,957.4
Less: NGHC cash	174.9	402.3	78.2	87.8	129.2	224.0	274.7	257.7
<b>Cash and cash items, net of NGHC cash</b>	<b>\$2,360.1</b>	<b>\$1,560.3</b>	<b>\$1,538.8</b>	<b>\$1,549.9</b>	<b>\$2,113.2</b>	<b>\$2,907.0</b>	<b>\$2,436.3</b>	<b>\$2,699.7</b>

## Cash Flow and Capital Deployment

### Reconciliation to Investable Cash Flow

	LTM
Adjusted EBITDA	\$4,840
Interest, net <sup>(A)</sup>	(257)
Cash Tax <sup>(B)</sup>	(641)
Maintenance CapEx <sup>(C)</sup>	(736)
<b>Distributable Cash Flow</b>	<b>\$3,206</b>
Dividends	(1,555)
<b>Investable Cash Flow</b>	<b>\$1,651</b>

	LTM	2024	
		Q1	Q2
<b>Cash Provided by Operating Activities</b>	<b>\$3,276.0</b>	<b>\$626.6</b>	<b>\$801.7</b>
Working capital changes that (provided) used cash:			
Trade receivables	0.4	(11.8)	(19.1)
Inventories	89.8	48.6	24.1
Other receivables	62.4	64.5	(32.9)
Payables and accrued liabilities	63.0	268.5	32.5
Other working capital	106.0	(0.2)	111.9
Undistributed earnings of equity method investments	301.3	41.5	76.7
Share-based compensation	(57.2)	(13.8)	(14.7)
Noncurrent lease receivables	(80.3)	(20.0)	(20.2)
Maintenance CapEx <sup>(C)</sup>	(736.0)	(179.0)	(213.0)
Other items, net <sup>(D)</sup>	180.9	13.7	(63.5)
<b>Distributable Cash Flow</b>	<b>\$3,206.3</b>	<b>\$838.6</b>	<b>\$683.5</b>
Dividends paid to shareholders	(1,555.3)	(388.9)	(389.0)
<b>Investable Cash Flow</b>	<b>\$1,651.0</b>	<b>\$449.7</b>	<b>\$294.5</b>

#### Distributable Cash Flow Per Share:

Distributable Cash Flow	<b>\$3,206.3</b>
÷ Weighted average common shares – diluted (in millions)	222.8
<b>Distributable Cash Flow Per Share</b>	<b>\$14.39</b>

<sup>(A)</sup> A reconciliation of "Interest, net" for the last twelve months is provided on page [16](#).

<sup>(B)</sup> Cash paid for taxes, net of refunds, for the last twelve months was: Q2FY24 \$231.7; Q1FY24 \$90.1; Q4FY23 \$158.2; and Q3FY23 \$160.6.

<sup>(C)</sup> Maintenance CapEx is a component of "Additions to plant and equipment, including long-term deposits" on the consolidated statements of cash flows. Maintenance CapEx represents capital spending to maintain or replace existing capacity or assets to maintain existing profitability. Refer to the "Capital Expenditures" section on page [17](#) for additional information.

<sup>(D)</sup> "Other items, net" includes items such as pension contributions and expense, deferred tax expense, and other changes to noncurrent assets and liabilities.



## Reconciliation to Investable Cash Flow (continued)

	2023				
	Q1	Q2	Q3	Q4	FY
<b>Cash Provided by Operating Activities</b>	<b>\$719.3</b>	<b>\$638.7</b>	<b>\$845.4</b>	<b>\$1,002.3</b>	<b>\$3,205.7</b>
Working capital changes that (provided) used cash:					
Trade receivables	(40.4)	(121.6)	211.2	(179.9)	(130.7)
Inventories	102.8	9.5	21.2	(4.1)	129.4
Other receivables	6.7	56.3	35.5	(4.7)	93.8
Payables and accrued liabilities	257.6	193.7	(75.9)	(162.1)	213.3
Other working capital	10.9	113.8	(21.9)	16.2	119.0
Undistributed (Distributed) earnings of equity method investments	(17.2)	95.3	52.0	131.1	261.2
Share-based compensation	(16.1)	(15.1)	(14.6)	(14.1)	(59.9)
Noncurrent lease receivables	(19.4)	(20.1)	(21.4)	(18.7)	(79.6)
Maintenance CapEx <sup>(A)</sup>	(154.0)	(157.0)	(157.0)	(187.0)	(655.0)
Other items, net <sup>(B)</sup>	(50.7)	(93.7)	(41.0)	271.7	86.3
<b>Distributable Cash Flow</b>	<b>\$799.5</b>	<b>\$699.8</b>	<b>\$833.5</b>	<b>\$850.7</b>	<b>\$3,183.5</b>
Dividends paid to shareholders	(359.4)	(359.8)	(388.7)	(388.7)	(1,496.6)
<b>Investable Cash Flow</b>	<b>\$440.1</b>	<b>\$340.0</b>	<b>\$444.8</b>	<b>\$462.0</b>	<b>\$1,686.9</b>

### Distributable Cash Flow Per Share:

Distributable Cash Flow	\$3,183.5
÷ Weighted average common shares – diluted (in millions)	222.7

<b>Distributable Cash Flow Per Share</b>	<b>\$14.30</b>
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<sup>(A)</sup> Maintenance CapEx is a component of "Additions to plant and equipment, including long-term deposits" on the consolidated statements of cash flows. Maintenance CapEx represents capital spending to maintain or replace existing capacity or assets to maintain existing profitability. Refer to the "Capital Expenditures" section on page 17 for additional information.

<sup>(B)</sup> "Other items, net" includes items such as pension contributions and expense, deferred tax expense, and other changes to noncurrent assets and liabilities.

## Interest, net

For investable cash flow, we define "interest, net" as interest expense, less other non-operating income (expense), net. A reconciliation of "interest, net" is provided below:

	LTM	2024		2023				FY
		Q1	Q2	Q1	Q2	Q3	Q4	
Interest expense	\$208.8	\$53.5	\$59.9	\$41.2	\$40.9	\$47.4	\$48.0	\$177.5
Less: Other non-operating income (expense), net	(48.5)	(14.8)	(9.2)	(0.6)	(13.9)	(11.7)	(12.8)	(39.0)
<b>Interest, net</b>	<b>\$257.3</b>	<b>\$68.3</b>	<b>\$69.1</b>	<b>\$41.8</b>	<b>\$54.8</b>	<b>\$59.1</b>	<b>\$60.8</b>	<b>\$216.5</b>

## 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 non-recourse project financing 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 capital expenditures.

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

	<b>2024</b>			
	<b>LTM</b>	<b>Q1</b>	<b>Q2</b>	<b>Q2 YTD</b>
<b>Cash Used for Investing Activities</b>	\$6,666.4	\$1,665.6	\$1,560.4	\$3,226.0
Proceeds from sale of assets and investments	38.4	4.2	16.0	20.2
Purchases of investments	(486.0)	(55.5)	(80.9)	(136.4)
Proceeds from investments	652.8	120.1	247.3	367.4
Other investing activities	86.1	12.9	17.2	30.1
NGHC expenditures not funded by Air Products' equity <sup>(A)</sup>	(1,480.0)	(361.6)	(474.6)	(836.2)
<b>Capital Expenditures<sup>(B)</sup></b>	<b>\$5,477.7</b>	<b>\$1,385.7</b>	<b>\$1,285.4</b>	<b>\$2,671.1</b>

	<b>2023</b>					<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>FY</b>				
<b>Cash Used for Investing Activities</b>	\$256.2	\$2,219.8	\$1,923.8	\$1,516.6	\$5,916.4	\$3,857.2	\$2,732.9	\$3,560.0	\$2,113.4
Proceeds from sale of assets and investments	4.0	3.2	6.1	12.1	25.4	46.2	37.5	80.3	11.1
Purchases of investments	(19.2)	(271.3)	(152.9)	(196.7)	(640.1)	(1,637.8)	(2,100.7)	(2,865.5)	(172.1)
Proceeds from investments	591.5	20.1	154.4	131.0	897.0	2,377.4	1,875.2	1,938.0	190.5
Other investing activities	1.7	(52.9)	56.0	—	4.8	7.0	5.8	3.9	(14.3)
NGHC expenditures not funded by Air Products' equity <sup>(A)</sup>	(109.7)	(225.6)	(320.7)	(323.1)	(979.1)	—	—	—	—
<b>Capital Expenditures<sup>(B)</sup></b>	<b>\$724.5</b>	<b>\$1,693.3</b>	<b>\$1,666.7</b>	<b>\$1,139.9</b>	<b>\$5,224.4</b>	<b>\$4,650.0</b>	<b>\$2,550.7</b>	<b>\$2,716.7</b>	<b>\$2,128.6</b>

<sup>(A)</sup> 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.

<sup>(B)</sup> 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:

	2024			
	LTM	Q1	Q2	Q2 YTD
Additions to plant and equipment, including long-term deposits	\$5,900.2	\$1,445.5	\$1,669.4	\$3,114.9
Investment in financing receivables	1,057.5	301.8	90.6	392.4
NGHC expenditures not funded by Air Products' equity <sup>(A)</sup>	(1,480.0)	(361.6)	(474.6)	(836.2)
<b>Capital expenditures</b>	<b>\$5,477.7</b>	<b>\$1,385.7</b>	<b>\$1,285.4</b>	<b>\$2,671.1</b>

	2023					2022	2021	2020	2019
	Q1	Q2	Q3	Q4	FY				
Additions to plant and equipment, including long-term deposits	\$834.2	\$1,006.9	\$1,322.4	\$1,462.9	\$4,626.4	\$2,926.5	\$2,464.2	\$2,509.0	\$1,989.7
Acquisitions, less cash acquired	—	—	—	—	—	65.1	10.5	183.3	123.2
Investment in and advances to unconsolidated affiliates	—	912.0	—	—	912.0	1,658.4	76.0	24.4	15.7
Investment in financing receivables	—	—	665.0	0.1	665.1	—	—	—	—
NGHC expenditures not funded by Air Products' equity <sup>(A)</sup>	(109.7)	(225.6)	(320.7)	(323.1)	(979.1)	—	—	—	—
<b>Capital expenditures</b>	<b>\$724.5</b>	<b>\$1,693.3</b>	<b>\$1,666.7</b>	<b>\$1,139.9</b>	<b>\$5,224.4</b>	<b>\$4,650.0</b>	<b>\$2,550.7</b>	<b>\$2,716.7</b>	<b>\$2,128.6</b>

<sup>(A)</sup> 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.

## Net Debt

We define net debt as total debt, which includes short-term borrowings, the current portion of long-term debt, and long-term debt, less cash and cash items and short-term investments. We adjust total debt to exclude debt associated with the NGHC joint venture. Likewise, the adjustment for cash and cash items to arrive at net debt does not include cash held by NGHC.

A reconciliation of total debt to our reported net debt is provided below:

	<b>31 March 2024</b>
Short-term borrowings	\$184.3
Current portion of long-term debt	937.5
Long-term debt	12,344.6
Long-term debt – related party	155.3
<b>Total Debt</b>	<b>\$13,621.7</b>
Less: Short-term borrowings (NGHC)	162.7
Less: Long-term debt (NGHC)	2,114.3
<b>Adjusted Total Debt</b>	<b>\$11,344.7</b>
<b>Less: Cash</b>	
Cash and cash items, net of NGHC cash (see page <a href="#">14</a> for detail)	\$2,360.1
Short-term investments	102.8
Subtotal	\$2,462.9
<b>Net Debt</b>	<b>\$8,881.8</b>

## Outlook

### **Adjusted Diluted EPS**

The guidance provided below is on an adjusted continuing operations basis and is compared to adjusted historical diluted EPS attributable to Air Products. These adjusted measures exclude the impact of certain items that we believe are not representative of our underlying business performance, such as the non-service components of net periodic benefit/cost for our defined benefit pension plans, the incurrence of costs for business, asset, and cost reduction actions and impairment charges, or the recognition of gains or losses on certain disclosed items. The per share impact for each of our non-GAAP adjustments is calculated independently and may not sum to total adjusted diluted EPS due to rounding.

It is not possible, without unreasonable efforts, to identify the timing or occurrence of similar future events or the potential for other 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 on a continuing operations basis to a comparable GAAP range.

	<b>Diluted EPS</b>	
	Q3	Full Year
2023 Diluted EPS	\$2.67	\$10.30
Business and asset actions	0.23	0.92
Non-service pension cost, net	0.07	0.29
2023 Adjusted Diluted EPS	\$2.98	\$11.51
2024 Adjusted Diluted EPS Outlook	\$3.00–\$3.05	\$12.20–\$12.50
\$ Change	0.02–0.07	0.69–0.99
% Change	1%–2%	6%–9%

### **Capital Expenditures**

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 2024 to be \$5.0 billion to \$5.5 billion.