



Fiscal Fourth Quarter 2025 Non-GAAP Reconciliations

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GENERATING A CLEANER FUTURE



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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 expenditures and net debt, 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 amounts, which are calculated and presented on a diluted basis from continuing operations attributable to Air Products in U.S. Dollars per weighted average common share. 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.

Summary of Non-GAAP Adjustments

The tables below detail non-GAAP items by quarter for fiscal years 2025 and 2024 and the impact of each such item on our consolidated income statements.

	Q1 2025			Q2 2025			Q3 2025			Q4 2025			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 (loss)	\$643.6	\$29.9	\$673.5	(\$2,328.0)	\$2,959.3	\$631.3	\$790.6	(\$49.5)	\$741.1	\$16.8	\$795.0	\$811.8	(\$877.0)	\$3,734.7	\$2,857.7
Equity affiliates' income	150.6	—	150.6	145.5	6.8	152.3	167.6	—	167.6	184.0	—	184.0	647.7	6.8	654.5
Interest expense	42.6	—	42.6	42.2	—	42.2	61.4	—	61.4	67.8	—	67.8	214.0	—	214.0
Other non-operating income (expense), net	38.9	(28.3)	10.6	(18.6)	22.2	3.6	(6.0)	11.2	5.2	(11.7)	12.9	1.2	2.6	18.0	20.6
Income (loss) from continuing operations before taxes	\$790.5	\$1.6	\$792.1	(\$2,243.3)	\$2,988.3	\$745.0	\$890.8	(\$38.3)	\$852.5	\$121.3	\$807.9	\$929.2	(\$440.7)	\$3,759.5	\$3,318.8
Income tax (benefit)/expense	140.7	7.3	148.0	(505.8)	648.2	142.4	159.6	(5.1)	154.5	111.2	49.1	160.3	(94.3)	699.5	605.2
Net income (loss) from continuing operations	\$649.8	(\$5.7)	\$644.1	(\$1,737.5)	\$2,340.1	\$602.6	\$731.2	(\$33.2)	\$698.0	\$10.1	\$758.8	\$768.9	(\$346.4)	\$3,060.0	\$2,713.6
Net income (loss) attributable to noncontrolling interests	32.4	(25.2)	7.2	(6.9)	11.0	4.1	9.4	0.1	9.5	5.2	7.2	12.4	40.1	(6.9)	33.2
Net income from continuing operations attributable to Air Products	\$617.4	\$19.5	\$636.9	(\$1,730.6)	\$2,329.1	\$598.5	\$721.8	(\$33.3)	\$688.5	\$4.9	\$751.6	\$756.5	(\$386.5)	\$3,066.9	\$2,680.4
Earnings (loss) per share from continuing operations	\$2.77	\$0.09	\$2.86	(\$7.77)	\$10.45	\$2.69	\$3.24	(\$0.15)	\$3.09	\$0.02	\$3.37	\$3.39	(\$1.74)	\$13.76	\$12.03

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

Non-GAAP Items	Q1 2025			Q2 2025			Q3 2025			Q4 2025			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
Business and asset actions ^(B)	—	—	—	\$2,934.7	\$640.6	\$2,290.6	\$24.1	\$8.7	\$15.4	\$795.0	\$45.9	\$741.9	\$3,753.8	\$695.2	\$3,047.9
Shareholder activism-related costs ^(C)	\$29.9	\$8.0	\$21.9	31.4	0.4	31.0	25.0	6.2	18.8	—	—	—	86.3	14.6	71.7
Gain on sale of business ^(C)	—	—	—	—	—	—	(67.3)	(15.4)	(51.9)	—	—	—	(67.3)	(15.4)	(51.9)
Gain on sale of other assets ^(C)	—	—	—	—	—	—	(31.3)	(7.5)	(23.8)	—	—	—	(31.3)	(7.5)	(23.8)
(Gain) Loss on de-designation of cash flow hedges ^(D)	(38.8)	(3.3)	(10.3)	11.5	1.0	3.0	0.3	0.1	0.1	—	—	—	(27.0)	(2.2)	(7.2)
Non-service pension cost, net ^(E)	10.5	2.6	7.9	10.7	2.7	8.0	10.9	2.8	8.1	12.9	3.2	9.7	45.0	11.3	33.7
Tax reform adjustment related to deemed foreign dividends	—	—	—	—	34.9	(34.9)	—	—	—	—	—	—	—	34.9	(34.9)
Tax on repatriation of foreign earnings	—	—	—	—	(31.4)	31.4	—	—	—	—	—	—	—	(31.4)	31.4
Total Non-GAAP Items	\$1.6	\$7.3	\$19.5	\$2,988.3	\$648.2	\$2,329.1	(\$38.3)	(\$5.1)	(\$33.3)	\$807.9	\$49.1	\$751.6	\$3,759.5	\$699.5	\$3,066.9

^(B) Before tax impact reflected primarily in "Operating income". Includes amounts attributable to noncontrolling interests as follows: \$3.5 in Q2, \$7.2 in Q4, and \$10.7 in FY.

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

^(D) Before tax impact reflected in "Other non-operating income (expense), net". Includes amounts attributable to noncontrolling interests as follows: \$25.2 gain in Q1, \$7.5 loss in Q2, \$0.1 loss in Q3, and \$17.6 net gain in FY.

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

Summary of Non-GAAP Adjustments (continued)

	Q1 2024			Q2 2024			Q3 2024			Q4 2024			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 expense	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
Net 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	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
Earnings per share from continuing operations	\$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	Q1 2024			Q2 2024			Q3 2024			Q4 2024			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".

Adjusted Operating Income and Adjusted Operating Margin

	2025			2024		<i>vs. Prior Year</i>		<i>vs. Prior Quarter</i>		FY2025 vs. FY2024	
	Q3	Q4	FY	Q4	FY	Q4 2025 vs. Q4 2024		Q4 2025 vs. Q3 2025		FY2025 vs. FY2024	
						\$	%/bp	\$	%/bp	\$	%/bp
Sales	\$3,022.7	\$3,166.9	\$12,037.3	\$3,187.5	\$12,100.6						
Operating Income (Loss)	790.6	16.8	(877.0)	2,424.4	4,466.1	(\$2,407.6)	**	(\$773.8)	**	(\$5,343.1)	**
Operating Margin	26.2%	0.5%	(7.3%)	76.1%	36.9%		**		**		**
Reconciliation of GAAP to Non-GAAP:											
Operating Income (Loss)	\$790.6	\$16.8	(\$877.0)	\$2,424.4	\$4,466.1						
Business and asset actions	24.1	795.0	3,747.0	—	57.0						
Shareholder activism-related costs	25.0	—	86.3	—	—						
Gain on sale of business	(67.3)	—	(67.3)	(1,575.6)	(1,575.6)						
Gain on sale of other assets ^(A)	(31.3)	—	(31.3)	—	—						
Adjusted Operating Income	\$741.1	\$811.8	\$2,857.7	\$848.8	\$2,947.5	(\$37.0)	(4%)	\$70.7	10%	(\$89.8)	(3%)
Adjusted Operating Margin	24.5%	25.6%	23.7%	26.6%	24.4%		(100 bp)		110 bp		(70 bp)

^(A) Reflected on the consolidated income statements within "Other income (expense), net."

** Change versus prior period is not meaningful due to charges for business and asset actions recorded in fiscal year 2025.

Adjusted Earnings Per Share

	2025			2024		<i>vs. Prior Year</i> Q4 2025 vs. Q4 2024		<i>vs. Prior Quarter</i> Q4 2025 vs. Q3 2025		<i>vs. Prior Year</i> 2025 vs. 2024	
	Q3	Q4	FY	Q4	FY	\$/share	%	\$/share	%	\$/share	%
Earnings (Loss) Per Share^(A)	\$3.24	\$0.02	(\$1.74)	\$8.81	\$17.24	(\$8.79)	**	(\$3.22)	**	(\$18.98)	**
Business and asset actions	0.07	3.33	13.68	—	0.20						
Shareholder activism-related costs	0.08	—	0.32	—	—						
Gain on sale of business	(0.23)	—	(0.23)	(5.38)	(5.38)						
Gain on sale of other assets ^(B)	(0.11)	—	(0.11)	—	—						
(Gain) Loss on de-designation of cash flow hedges	—	—	(0.03)	0.03	0.02						
Non-service pension cost, net	0.04	0.04	0.15	0.09	0.34						
Tax reform adjustment related to deemed foreign dividends	—	—	(0.16)	—	—						
Tax on repatriation of foreign earnings	—	—	0.14	—	—						
Subtotal - Non-GAAP items	(0.15)	3.37	13.76	(5.26)	(4.82)						
Adjusted Earnings Per Share	\$3.09	\$3.39	\$12.03	\$3.56	\$12.43	(\$0.17)	(5%)	\$0.30	10%	(\$0.40)	(3%)

^(A) Per share amounts are calculated and presented on a diluted basis from continuing operations attributable to Air Products. These amounts are computed independently and may not sum to totals due to rounding. Because we reported a loss from operations for fiscal 2025, GAAP loss per share is calculated using the basic weighted average share count of 222.7 million, which does not consider outstanding share-based awards due to their anti-dilutive effect. Both adjusted earnings per share and the individual adjustments used in its calculation are based on a diluted weighted average share count of 222.9 million.

^(B) Reflected on the consolidated income statements within "Other income (expense), net."

** Change versus prior period is not meaningful due to charges for business and asset actions recorded in fiscal year 2025.

Adjusted Earnings Per Share (continued)

Adjusted EPS Outlook

Air Products has provided full-year fiscal 2026 adjusted EPS guidance in the range of \$12.85 to \$13.15 and first-quarter fiscal 2026 adjusted EPS guidance of \$2.95 to \$3.10. This guidance is provided on a diluted basis from continuing operations attributable to Air Products. The table below compares this guidance to historical adjusted EPS for the first quarter and full year of fiscal 2025.

Adjusted EPS excludes the impact of certain items that the Company believes are not representative of its underlying business performance, such as the non-service components of net periodic benefit/cost for its 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 non-GAAP adjustment is calculated independently and may not sum to total adjusted EPS due to rounding.

Air Products is unable to reconcile, without unreasonable efforts, the forecasted range of adjusted EPS to a comparable GAAP range because management is not able to predict the timing or occurrence of events or transactions that management believes are not representative of the Company's underlying business performance, which are necessary to calculate adjusted EPS.

	Diluted EPS	
	Q1	Full Year
2025 Earnings (Loss) Per Share	\$2.77	(\$1.74)
Business and asset actions	—	13.68
Shareholder activism-related costs	0.10	0.32
Gain on sale of business	—	(0.23)
Gain on sale of other assets	—	(0.11)
Gain on de-designation of cash flow hedges	(0.05)	(0.03)
Non-service pension cost, net	0.04	0.15
Tax reform adjustment related to deemed foreign dividends	—	(0.16)
Tax on repatriation of foreign earnings	—	0.14
2025 Adjusted EPS	\$2.86	\$12.03
2026 Adjusted EPS Outlook	\$2.95-\$3.10	\$12.85 - \$13.15
\$ Change	0.09 - 0.24	0.82 - 1.12
% Change	3% - 8%	7% - 9%

Adjusted EBITDA by Segment

	2025		2024		<i>vs. Prior Year</i>		<i>vs. Prior Quarter</i>		
	Q3	Q4	FY	Q4	FY	Q4 2025 vs. Q4 2024		Q4 2025 vs. Q3 2025	
						\$	%/bp	\$	%/bp
Americas									
Operating income	\$374.1	\$391.6	\$1,519.6	\$447.7	\$1,565.1	(\$56.1)	(13%)	\$17.5	5%
Add: Depreciation and amortization	192.4	187.9	732.1	179.9	699.3				
Add: Equity affiliates' income	37.8	52.9	157.0	40.0	158.8				
Adjusted EBITDA	\$604.3	\$632.4	\$2,408.7	\$667.6	\$2,423.2	(\$35.2)	(5%)	\$28.1	5%
Asia									
Operating income	\$216.8	\$226.5	\$851.1	\$244.3	\$859.2	(\$17.8)	(7%)	\$9.7	4%
Add: Depreciation and amortization	126.7	137.5	518.9	127.3	471.0				
Add: Equity affiliates' income	9.5	12.0	42.3	11.7	32.9				
Adjusted EBITDA	\$353.0	\$376.0	\$1,412.3	\$383.3	\$1,363.1	(\$7.3)	(2%)	\$23.0	7%
Europe									
Operating income	\$225.2	\$237.5	\$844.7	\$206.7	\$810.0	\$30.8	15%	\$12.3	5%
Add: Depreciation and amortization	64.9	71.2	247.4	55.9	207.1				
Add: Equity affiliates' income	29.7	26.3	101.9	29.4	88.1				
Adjusted EBITDA	\$319.8	\$335.0	\$1,194.0	\$292.0	\$1,105.2	\$43.0	15%	\$15.2	5%
Middle East and India									
Operating income (loss)	\$8.1	\$5.0	\$9.6	(\$2.2)	\$5.9	\$7.2		(\$3.1)	
Add: Depreciation and amortization	6.8	6.2	25.9	6.5	26.6				
Add: Equity affiliates' income	86.0	91.7	340.9	91.5	347.5				
Adjusted EBITDA	\$100.9	\$102.9	\$376.4	\$95.8	\$380.0	\$7.1		\$2.0	
Corporate and other									
Operating loss	(\$83.1)	(\$48.8)	(\$367.3)	(\$47.7)	(\$292.7)	(\$1.1)		\$34.3	
Add: Depreciation and amortization	10.2	10.0	39.9	11.2	47.1				
Add: Equity affiliates' income	4.6	1.1	12.4	4.5	20.4				
Adjusted EBITDA	(\$68.3)	(\$37.7)	(\$315.0)	(\$32.0)	(\$225.2)	(\$5.7)		\$30.6	

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
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Income Tax Expense (Benefit)	\$111.2	\$159.6	(\$505.8)	\$140.7	\$538.4	\$140.6	\$130.5	\$135.4	\$154.2
Income (Loss) From Continuing Operations Before Taxes	121.3	890.8	(2,243.3)	790.5	2,503.3	849.5	711.4	757.0	841.2
Effective Tax Rate	91.7%	17.9%	22.5%	17.8%	21.5%	16.6%	18.3%	17.9%	18.3%
Income Tax Expense (Benefit)	\$111.2	\$159.6	(\$505.8)	\$140.7	\$538.4	\$140.6	\$130.5	\$135.4	\$154.2
Business and asset actions tax impact	45.9	8.7	640.6	—	—	—	13.2	—	—
Shareholder activism-related costs tax impact	—	6.2	0.4	8.0	—	—	—	—	—
Gain on sale of business tax impact	—	(15.4)	—	—	(377.2)	—	—	—	—
Gain on sale of other assets tax impact	—	(7.5)	—	—	—	—	—	—	—
(Gain) Loss on de-designation of cash flow hedges tax impact	—	0.1	1.0	(3.3)	2.3	(0.9)	—	—	—
Non-service pension cost, net tax impact	3.2	2.8	2.7	2.6	6.6	6.2	6.2	6.2	5.6
Tax reform adjustment related to deemed foreign dividends	—	—	34.9	—	—	—	—	—	—
Tax on repatriation of foreign earnings	—	—	(31.4)	—	—	—	—	—	—
Adjusted Income Tax Expense	\$160.3	\$154.5	\$142.4	\$148.0	\$170.1	\$145.9	\$149.9	\$141.6	\$159.8
Income (Loss) From Continuing Operations Before Taxes	\$121.3	\$890.8	(\$2,243.3)	\$790.5	\$2,503.3	\$849.5	\$711.4	\$757.0	\$841.2
Business and asset actions	795.0	24.1	2,927.9	—	—	—	57.0	—	—
Shareholder activism-related costs	—	25.0	31.4	29.9	—	—	—	—	—
Gain on sale of business	—	(67.3)	—	—	(1,575.6)	—	—	—	—
Gain on sale of other assets	—	(31.3)	—	—	—	—	—	—	—
(Gain) Loss on de-designation of cash flow hedges	—	0.3	11.5	(38.8)	27.5	(11.2)	—	—	—
Non-service pension cost, net	12.9	10.9	10.7	10.5	26.7	25.3	25.1	24.9	22.4
Business and asset actions—equity method investment	—	—	6.8	—	—	—	—	—	—
Adjusted Income From Continuing Operations Before Taxes	\$929.2	\$852.5	\$745.0	\$792.1	\$981.9	\$863.6	\$793.5	\$781.9	\$863.6
Adjusted Effective Tax Rate	17.3%	18.1%	19.1%	18.7%	17.3%	16.9%	18.9%	18.1%	18.5%

Adjusted Return on Capital

Adjusted return on capital ("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
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net income (loss)	\$10.1	\$723.2	(\$1,737.5)	\$649.8	\$1,951.0	\$708.9	\$580.9	\$621.6	\$694.4
Total liabilities and equity	41,059.5	41,659.1	38,872.9	40,017.2	39,574.6	36,974.3	35,921.7	34,118.2	32,002.5
Four-Quarter Trailing Net Income (Loss)	(\$354.4)	\$1,586.5	\$1,572.2	\$3,890.6	\$3,862.4				
÷ Five-Quarter Average Total Liabilities and Equity	40,236.7	39,419.6	38,272.1	37,321.2	35,718.3				
ROCE	(0.9%)	4.0%	4.1%	10.4%	10.8%				
Change vs. prior year	**								
Change vs. prior quarter	**								
Reconciliation from Net Income (Loss) to Adjusted Return After-Tax:									
Net income (loss)	\$10.1	\$723.2	(\$1,737.5)	\$649.8	\$1,951.0	\$708.9	\$580.9	\$621.6	\$694.4
Loss (income) from discontinued operations, net of tax	—	8.0	—	—	13.9	—	—	—	(7.4)
Interest expense	67.8	61.4	42.2	42.6	49.7	55.7	59.9	53.5	48.0
Business and asset actions	795.0	24.1	2,927.9	—	—	—	57.0	—	—
Shareholder activism-related costs	—	25.0	31.4	29.9	—	—	—	—	—
Gain on sale of business	—	(67.3)	—	—	(1,575.6)	—	—	—	—
Gain on sale of other assets	—	(31.3)	—	—	—	—	—	—	—
(Gain) Loss on de-designation of cash flow hedges	—	0.3	11.5	(38.8)	27.5	(11.2)	—	—	—
Non-service pension cost, net	12.9	10.9	10.7	10.5	26.7	25.3	25.1	24.9	22.4
Tax reform adjustment related to deemed foreign dividends	—	—	(34.9)	—	—	—	—	—	—
Tax on repatriation of foreign earnings	—	—	31.4	—	—	—	—	—	—
Tax other ^(B)	(60.8)	(6.0)	(654.2)	(14.9)	357.6	(14.5)	(30.4)	(15.8)	(14.4)
Adjusted Return After-Tax	\$825.0	\$748.3	\$628.5	\$679.1	\$850.8	\$764.2	\$692.5	\$684.2	\$743.0
Reconciliation from Total Liabilities and Equity to Adjusted Capital Employed:									
Total liabilities and equity	\$41,059.5	\$41,659.1	\$38,872.9	\$40,017.2	\$39,574.6	\$36,974.3	\$35,921.7	\$34,118.2	\$32,002.5
Less: Payables and accrued liabilities	3,237.7	3,368.1	3,423.9	3,023.7	2,926.2	3,168.6	2,783.0	2,717.9	2,890.1
Less: Accrued income taxes	179.4	156.3	182.8	586.1	558.5	155.9	156.2	166.9	131.2
Less: NGHC debt and partners' equity (see page 15 for detail)	6,195.2	5,752.4	5,343.1	4,815.1	4,042.5	3,613.3	3,025.1	2,510.5	1,998.0
Less: Liabilities held for sale	50.5	—	—	—	—	—	—	—	—
Less: Noncurrent operating lease liabilities	616.0	646.6	637.4	655.1	677.9	639.3	652.1	635.1	631.1
Less: Other noncurrent liabilities	1,348.1	1,351.8	1,320.9	1,348.1	1,350.5	1,108.7	1,092.5	1,111.5	1,118.0
Less: Deferred income taxes	579.6	673.9	670.4	1,195.0	1,159.9	1,182.1	1,281.3	1,250.0	1,266.0
Adjusted Capital Employed	\$28,853.0	\$29,710.0	\$27,294.4	\$28,394.1	\$28,859.1	\$27,106.4	\$26,931.5	\$25,726.3	\$23,968.1
Adjusted Four-Quarter Trailing Return After-Tax	\$2,880.9	\$2,906.7	\$2,922.6	\$2,986.6	\$2,991.7				
÷ Adjusted Five-Quarter Average Capital Employed	28,622.1	28,272.8	27,717.1	27,403.5	26,518.3				
Adjusted ROC^(A)	10.1%	10.3%	10.5%	10.9%	11.3%				
Adjusted ROC ^(A) change vs. prior year	(120 bp)								
Adjusted ROC ^(A) change vs. prior quarter	(20 bp)								

^(A) Formerly referred to as "ROCE (Non-GAAP Basis)" or "Adjusted ROCE". There were no changes to the methodology for calculating this measure in 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.

** Change versus prior period is not meaningful primarily due to charges for business and asset actions recorded in fiscal year 2025.

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:

	FY2025	FY2024
Cash Used for Investing Activities	\$7,168.7	\$4,919.2
Proceeds from sale of assets and investments	245.8	1,878.8
Purchases of short-term investments	(117.6)	(141.4)
Proceeds from short-term investments	122.5	470.7
Other investing activities	115.4	72.4
NGHC expenditures not funded by Air Products' equity ^(A)	(2,470.7)	(2,047.7)
Capital Expenditures^(B)	\$5,064.1	\$5,152.0

^(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:

	FY2025	FY2024
Additions to plant and equipment, including long-term deposits	\$7,022.6	\$6,796.7
Acquisitions, less cash acquired	59.9	—
Investment in and advances to unconsolidated affiliates	390.4	—
Investment in financing receivables	61.9	403.0
NGHC expenditures not funded by Air Products' equity ^(A)	(2,470.7)	(2,047.7)
Capital Expenditures^(B)	\$5,064.1	\$5,152.0

^(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 management is 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. Accordingly, management is unable to fully reconcile, without unreasonable efforts, our forecasted capital expenditures to future cash used for investing activities.

We expect capital expenditures for fiscal year 2026 to be approximately \$4 billion.

Net Debt-to-Adjusted EBITDA

Net debt-to-adjusted EBITDA is a non-GAAP financial measure commonly used by investors, analysts, and credit rating agencies to assess financial leverage and liquidity. Management also uses this metric as an indicator of the Company's financial strength and capital structure efficiency.

This ratio is derived by dividing net debt by adjusted EBITDA on a trailing twelve-month basis. Net debt is calculated 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 exclude debt associated with the NGHC joint venture, as it is non-recourse to Air Products. Similarly, cash held by NGHC is excluded from the cash and cash items adjustment in the net debt calculation.

The table below provides a reconciliation of total debt to net debt and presents the resulting net debt-to-adjusted EBITDA ratio:

	30 September 2025
Short-term borrowings	\$34.7
Current portion of long-term debt	716.3
Long-term debt	16,769.9
Long-term debt – related party	177.5
Total Debt (GAAP)	\$17,698.4
÷ FY2025 net income (loss)	(354.4)
Total Debt-to-Net Income (Loss) (GAAP)	(49.9x)
Reconciliation from Total Debt to Net Debt:	
Total Debt	\$17,698.4
Less: Short-term borrowings held by NGHC	24.0
Less: Long-term debt held by NGHC	4,677.6
Adjusted Total Debt	\$12,996.8
Less: Cash	
Cash and cash items, net of NGHC cash (see page 15)	\$1,815.7
Short-term investments	—
Net Debt (Non-GAAP)	\$11,181.1
÷ FY2025 Adjusted EBITDA (see reconciliation from net income (loss) on page 14)	5,076.4
Net Debt-to-Adjusted EBITDA (Non-GAAP)	2.2x

Net Debt-to-Adjusted EBITDA (continued)

ADJUSTED EBITDA

We define adjusted EBITDA as net income or loss less income or loss from discontinued operations, net of tax, and excluding non-GAAP adjustments, which we do not believe to be indicative of underlying business trends, before interest expense, other non-operating income (expense), net, income tax expense (benefit), and depreciation and amortization expense.

The tables below present a reconciliation of consolidated net income on a GAAP basis to consolidated adjusted EBITDA:

	FY2025
Net income (loss)	(\$354.4)
Less: Loss from discontinued operations, net of tax	(8.0)
Add: Interest expense	214.0
Less: Other non-operating income (expense), net	2.6
Add: Income tax expense (benefit)	(94.3)
Add: Depreciation and amortization	1,564.2
Add: Business and asset actions	3,747.0
Add: Shareholder activism-related costs	86.3
Less: Gain on sale of business	67.3
Less: Gain on sale of other assets	31.3
Add: Equity method investment impairment associated with business and asset actions	6.8
Adjusted EBITDA	\$5,076.4

NGHC Adjustments

Our non-GAAP financial measures exclude outstanding borrowings under project financing available to the NEOM Green Hydrogen Company joint venture ("NGHC"), which is consolidated within our Middle East and India segment, but is non-recourse to Air Products, and also 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, we do not consider cash held by NGHC in our non-GAAP financial measures. Substantially all the funding we provide to NGHC is limited for use by the venture for its capital expenditures.

	2025				2024				2023
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
NGHC short-term borrowings	\$24.0	\$71.0	\$64.4	\$60.4	\$51.6	\$149.4	\$162.7	\$—	\$—
NGHC long-term debt	4,677.6	4,284.3	3,997.1	3,499.4	3,053.3	2,552.3	2,114.3	1,930.4	1,274.4
NGHC noncontrolling interests	1,493.6	1,397.1	1,281.6	1,255.3	937.6	911.6	748.1	580.1	723.6
Total NGHC debt and partners' equity	\$6,195.2	\$5,752.4	\$5,343.1	\$4,815.1	\$4,042.5	\$3,613.3	\$3,025.1	\$2,510.5	\$1,998.0
Air Products consolidated cash and cash items	\$1,856.0	\$2,324.3	\$1,491.4	\$1,845.5	\$2,979.7	\$2,375.7	\$2,535.0	\$1,962.6	\$1,617.0
Less: NGHC cash	40.3	38.4	12.8	24.0	34.5	233.6	174.9	402.3	78.2
Cash and cash items, net of NGHC cash	\$1,815.7	\$2,285.9	\$1,478.6	\$1,821.5	\$2,945.2	\$2,142.1	\$2,360.1	\$1,560.3	\$1,538.8