



Q3 2020 Activity

Sales recovery in Q3, Guidance confirmed

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Paris, October 23, 2020



Home Healthcare consultation

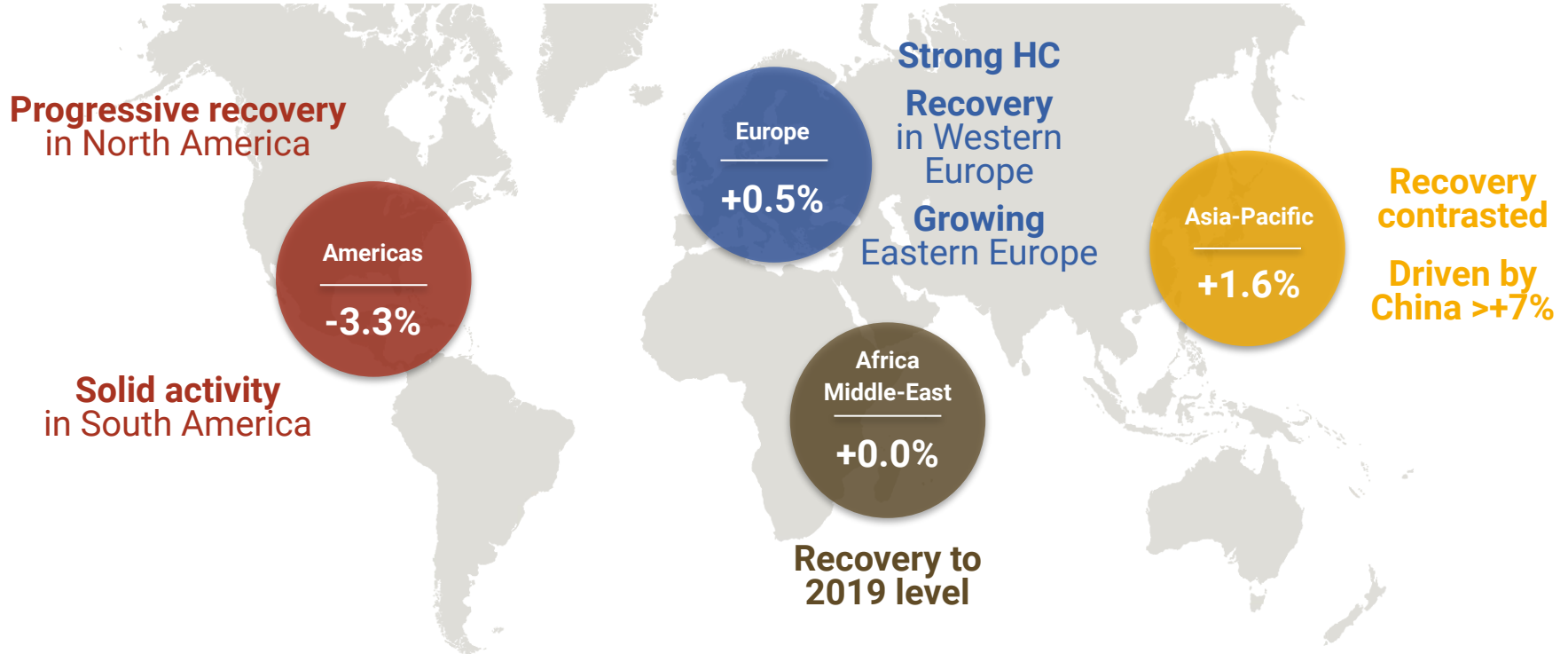
Sales Recovery in Q3 at -0.9% vs. Last Year⁽¹⁾

- **Recovery in all regions**, good momentum in September
- Actions for **margin improvement** continue
- Customers **investment** focused on **growing end-markets**
- **Energy transition** underway with key start-ups in Q4
- Full Year 2020 **Guidance confirmed**

(1) On a comparable basis

Improvement in All Regions in a Context of Local Lockdowns

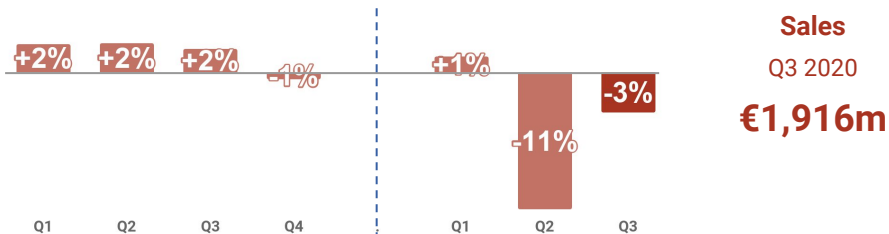
G&S comparable sales growth in Q3 2020



Q3 – Sequential Recovery in IM and LI

— G&S comparable sales growth

Americas – Growing LI, HC and EL



- **LI** – Volumes improving in all sectors
– Start-up in Argentina
- **IM** – Recovery well underway, led by consumer markets
– Very solid pricing +3.6%
- **HC** – Higher O₂ sales in the U.S. and Latin America
– Pick-up of proximity care activity in the U.S.
- **EL** – High E&I sales

Europe – Continued strength in HC

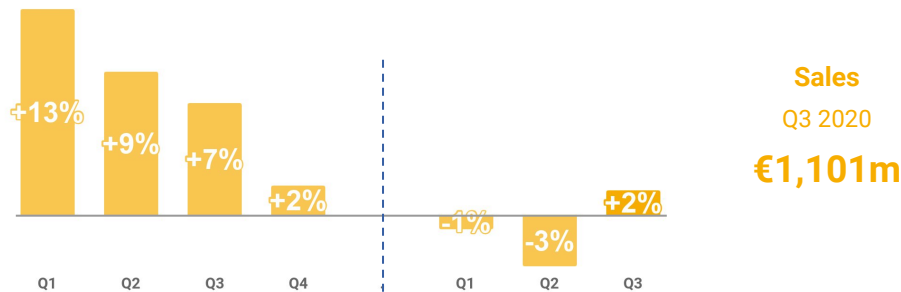


- **LI** – Sequential improvement
– Volumes in Chemicals recovering faster than in Refineries; low Steel
- **IM** – PG close to Q3 19 level, slower bulk recovery
– Solid Pricing at +1.7%
– Growing Eastern Europe
- **HC** – High Equipment sales, Sustained Medical O₂
– Improving HHC

Q3 – High Growth in China, AME Recovering Quickly

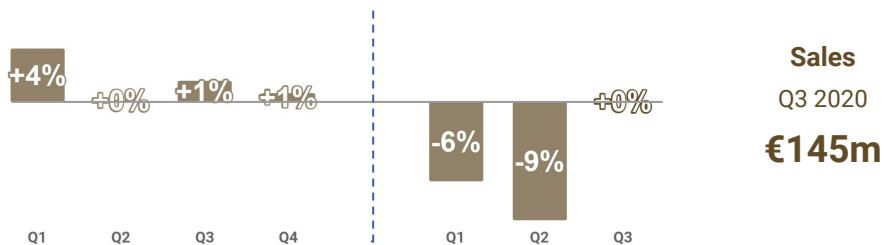
— G&S comparable sales growth

Asia – China and EL driving growth



- **LI** – High volumes in **China** and **Korea**
– Low demand in **Japan** and **SEA**
- **IM** – Strong **China**
– Slow recovery in rest of **Asia**, lagging **Japan** and **Singapore**
- **EL** – >+10% growth excluding E&I
– Strong **Advanced Materials** and **Carrier Gases**

AME – Sales recovery in Middle-East



- **LI** – Growing sales in **KSA** and **RSA**
- **IM** – Strong activity pick-up in **Middle-East** and **India**, contrasted **Africa**
- **HC** – Strong **O₂** sales to hospitals in **Egypt** and **RSA**

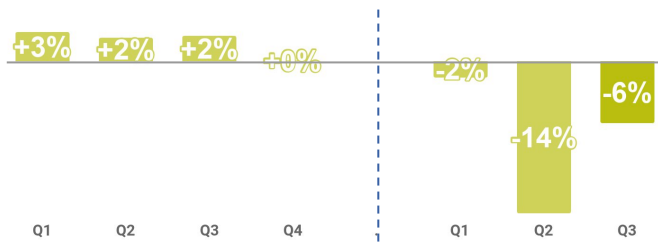
Q3 – Strong Sequential Improvement in IM & LI

G&S comparable sales growth

Industrial Merchant - Half way through recovery

Sales - Q3 2020

€2,217m

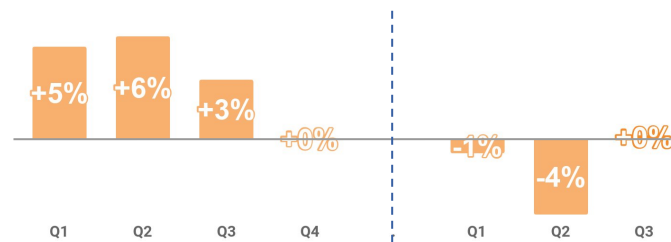


- Sequential volumes **improvement in all segments and regions**
- **+8%** growth in **China**
- Food, Pharma, Craftsmen and Research **driving recovery** vs. **slower** Fabrication and Automotive
- **Very solid pricing** at **+2.6%**

Large Industries - Recovering to 2019 level

Sales - Q3 2020

€1,212m



- 3 out of 4 regions **back to growth**
- **Developing economies** driving the growth
- Weak **Steel, Chemicals** recovering, **Refiners** adapting activity to lower fuel demand

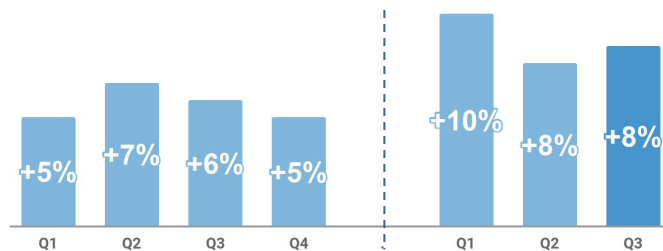
Q3 – HC Still Highly Contributing, Dynamic EL

— G&S comparable sales growth

Healthcare – Major growth contributor

Sales - Q3 2020

€866m

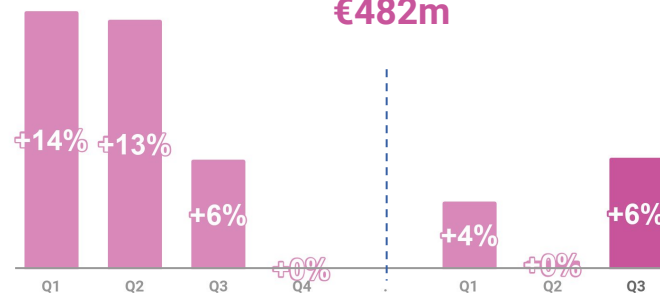


- **Strong Medical O₂** especially in the **Americas**
- **Large non-profit sale of respirators** in France
- **HHC: improving** in Europe with bolt-on acquisitions and **strong activity** in Latin America

Electronic – Strong momentum

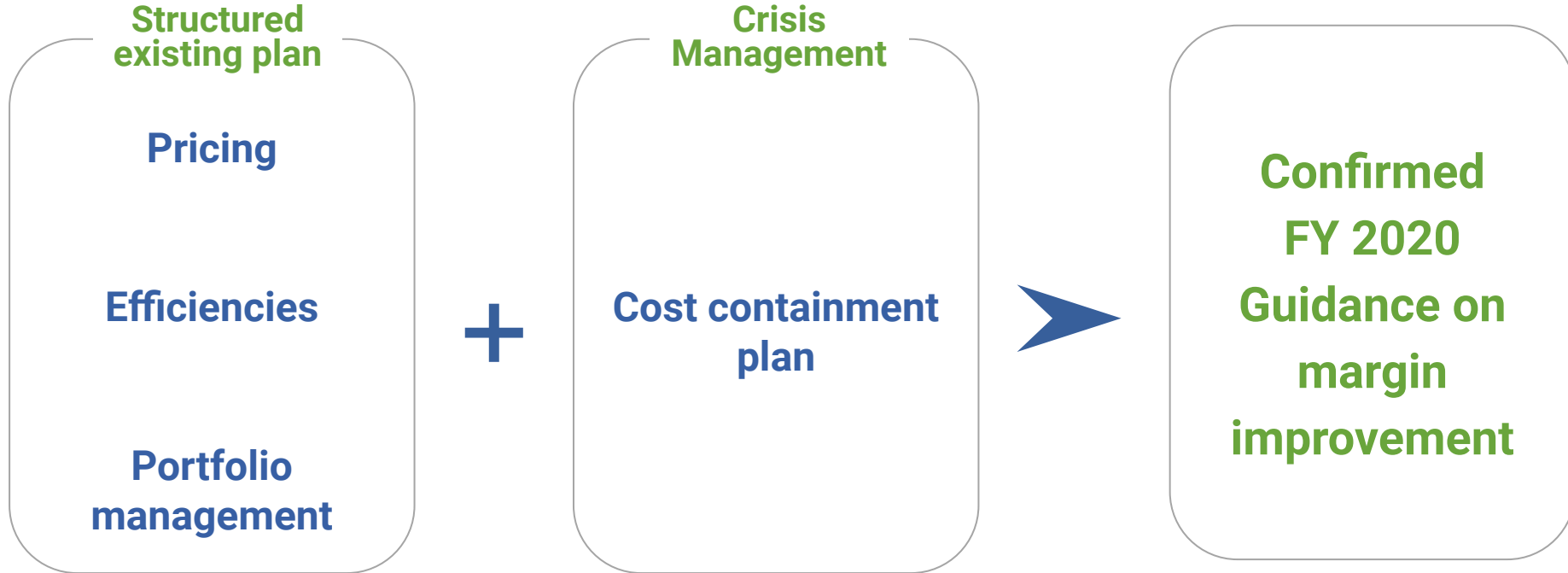
Sales - Q3 2020

€482m



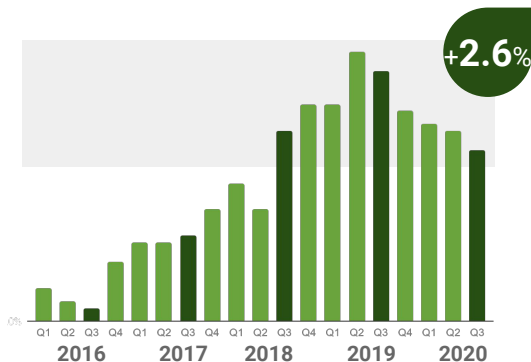
- **>+7% growth excluding E&I**
- **Strong Advanced Materials and Carrier Gases**
- **Lower E&I** in Asia

Focus on Margin Improvement



Performance Plan Delivering

IM Price/Mix



- **Solid pricing**, continued **helium** contribution at +0.7%
- **Positive mix**

Efficiencies



- Business transformations delivering (Digital, Support centers)
- Cumulated efficiencies **€1.4bn** (2017 - Q3 2020)

Q3 Portfolio management

Divestitures:



Schülke



CRYOPDP, Distributor in Japan, Dry Ice in Germany

Bolt-on acquisitions:



3 in the US, Europe and China



3 in Europe and Americas



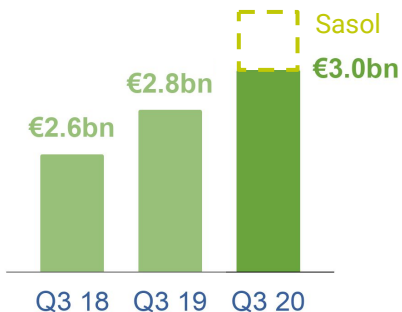
Cryoconcept

Cash Flow to sales: 23.9%⁽¹⁾

(1) Operating Cash Flow before change in Working Capital Requirements / Group Revenue

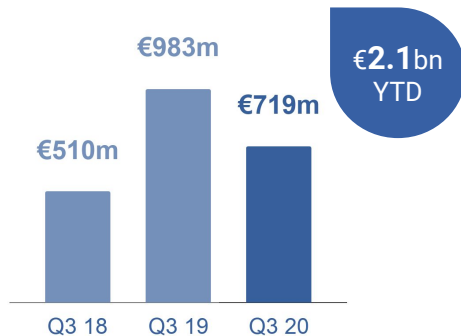
Customers Investment Focused on Growing End-Markets

Investment Opportunities⁽¹⁾ 12-month portfolio



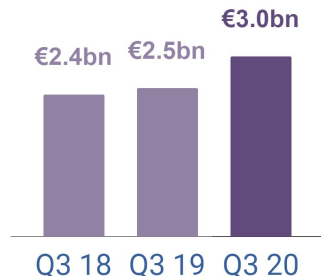
- High level of opportunities
- Increased share of **Electronics**, active **energy transition** projects
- Several **takeovers**

Investment Decisions⁽¹⁾



- Continued **selectivity** in Q3:
 - Focused on **growth**
 - One **takeover** in Eastern Europe
- YTD: ~30% linked to **energy transition** and ~13% to **efficiency**



Investment Backlog⁽¹⁾



- Increased Backlog
- **€0.9bn** of yearly sales backlog after full ramp-up

(1) See definitions in appendix; excluding Sasol

Energy Transition Underway with Key Start-Ups in Q4 2020

Quebec	Antwerp
Start-up of a 20 MW Electrolyzer	Start-up of energy efficient SMR-X™
	
27,000t of avoided CO₂ emissions annually	CCS consortium Antwerp@C: -50% CO₂ emissions by 2030



2020 Start-Up Contribution at Top of Estimated Range

Start-up/Ramp-up Sales Contribution

Q3 2020



Updated FY 2020 Guidance



FY 2021 Adjusted Forecast



Start-up date of major projects



Including ~€100m from Sasol ASUs takeover

2020 Guidance Confirmed

Assumptions:

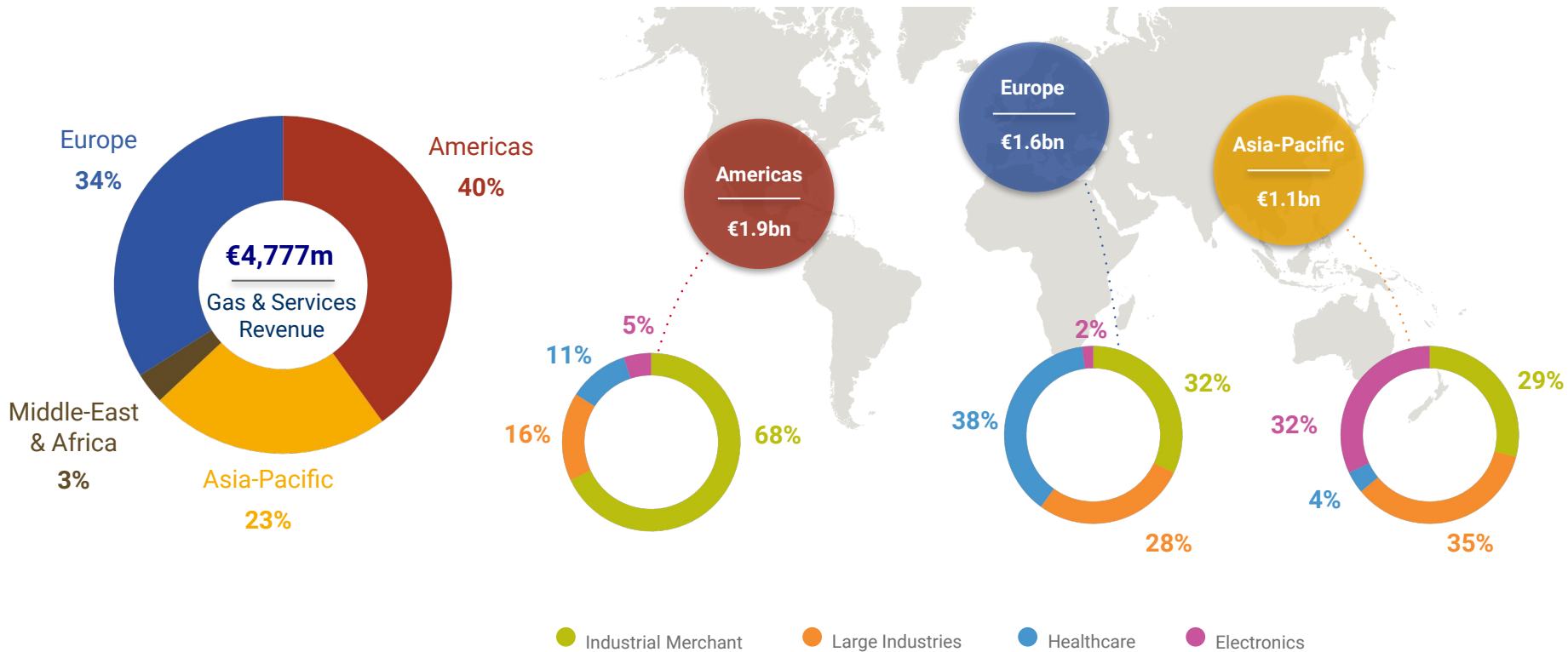
- ✓ **Strong peak impact in Q2**
- ✓ **Limited local lockdowns in 2nd half**
- ✓ **Progressive recovery until the end of 2020**

“In a context of limited local lockdowns and progressive recovery until the end of 2020, **Air Liquide is confident in its ability to further increase its operating margin and to deliver net profit⁽¹⁾ close to preceding year level, at constant exchange rates.**”

(1) 2020 recurring net profit, meaning excluding exceptional and significant items that have no impact on the operating income recurring

Appendix

Q3 2020 G&S Revenue Breakdown by Region



Strong Sequential Base Business Improvement

Breakdown of G&S Sales Growth



(1) Under the controlling threshold

Americas

Q3 2020 G&S comparable sales growth

INDUSTRIAL MERCHANT

- **Improved activity** with gases recovering faster than Hardgoods
- Strong pricing **+3.6%**
- **Growing Food & Pharma**, weak industrial end-markets

LARGE INDUSTRIES

- **End-markets soft** but volumes recovering in **North America** in air gases and H₂
- **Strong growth** in **Latin America** with **start-up** in Argentina

HEALTHCARE

- **Recovering** elective procedures in the U.S.
- **Strong** Medical O₂ and HHC in Canada & Latin America

ELECTRONICS

- **High E&I** activity



Q3 20/19 Comparable Growth: **-3.3%**

Industrial Merchant
Large Industries
Healthcare
Electronics

-6.8%

+2.1%

+8.0%

+6.6%

Europe

Q3 2020 G&S comparable sales growth

INDUSTRIAL MERCHANT

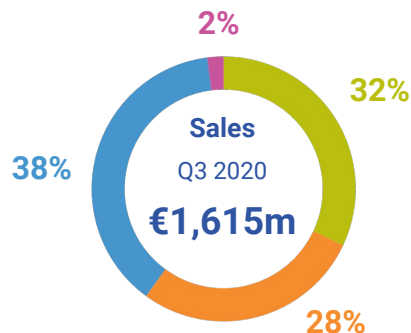
- **Improved Cylinders**, contrasted bulk
- **Negative small perimeter** -1.9%
- **East of Europe** back to **growth**
- Solid **pricing** at **+1.7%**

LARGE INDUSTRIES

- Low **Steel**, improved **Chemicals**, **Refining** adjusting to lower demand
- **East of Europe** **resisting** better with growing Russia & Turkey

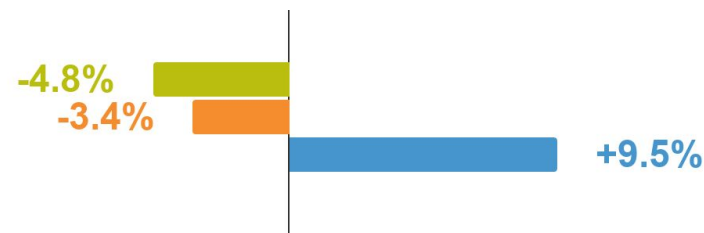
HEALTHCARE

- **Exceptional Equipment** sales
- **Sustained Medical O₂**
- **Pick-up** of activity in **HHC**: **new patients** in diabetes, contribution from bolt-on **acquisitions**



Q3 20/19 Comparable Growth: **+0.5%**

Industrial Merchant
Large Industries
Healthcare



Asia-Pacific

Q3 2020 G&S comparable sales growth

INDUSTRIAL MERCHANT

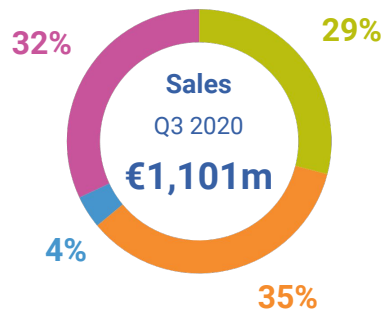
- **China +8%**, driven by Fabrication, Construction, Glass and Craftsmen
- **Higher** activity level **than Q2** but **lower than 2019**, weak Japan and Singapore
- **Pricing -0.5%**, **lower helium** contribution

LARGE INDUSTRIES

- **Growing China** driven by O₂ demand from Steel and Chemicals, and **South Korea**
- **Low activity in the rest of Asia**, especially South East Asia and Japan

ELECTRONICS

- **>+10% growth** excluding E&I
- **Strong Advanced Materials**, especially in South Korea
- **High Carrier Gases** in China, Taiwan and Japan

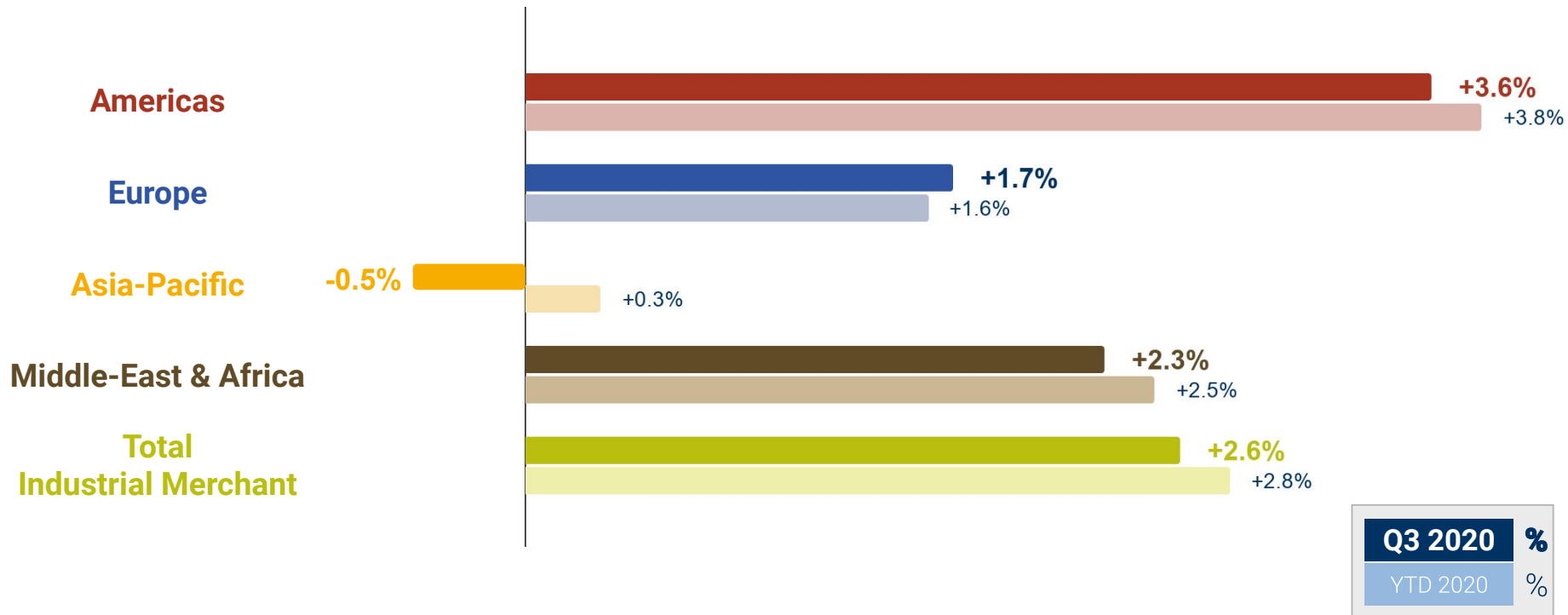


Q3 20/19 Comparable Growth: **+1.6%**

Industrial Merchant
Large Industries
Electronics



Industrial Merchant Pricing



Q3 2020 E&C and GM&T Activities

Engineering & Construction

- Sales to third parties⁽¹⁾

€60m

-24%

Total Sales⁽²⁾ -19%

- Order Intake

€116m

-3%

Global Markets & Technologies

- Sales⁽¹⁾

€143m

+11%

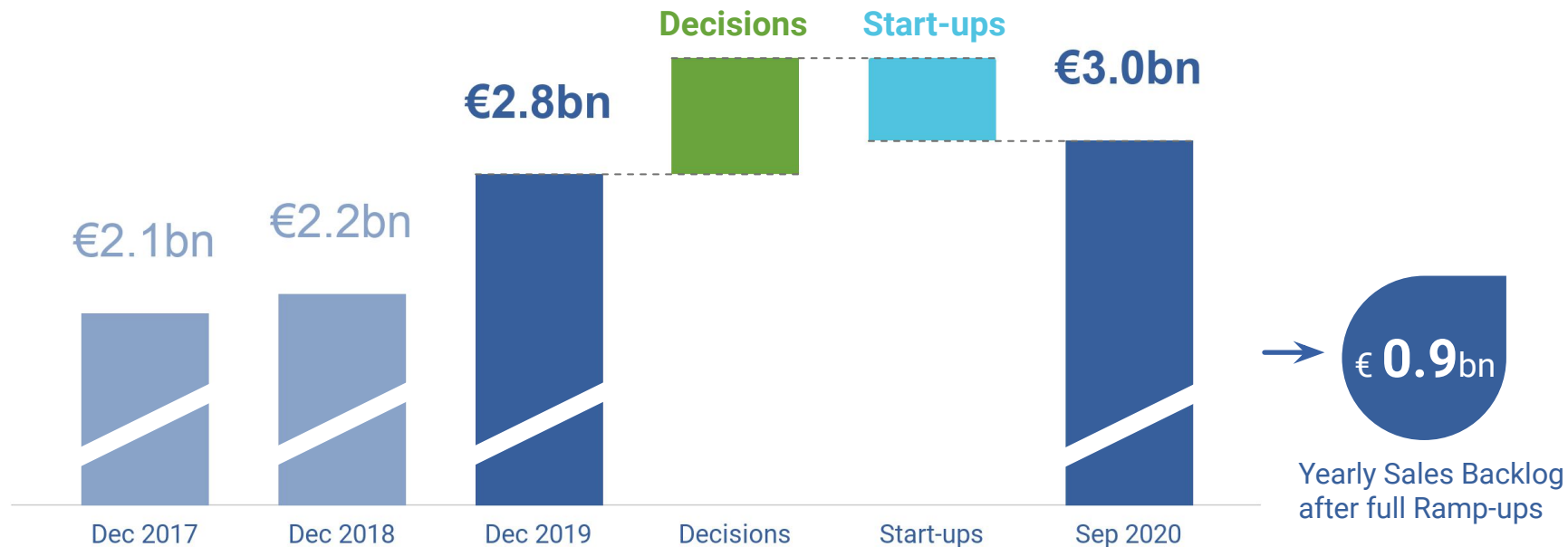
- Order Intake

€103m

+2%

(1) Comparable growth (2) Including internal sales

Backlog Increasing to €3.0bn



See definitions in appendix

Impact of Currency and Energy on G&S Revenue

in €m	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20
€/USD	+138	+107	+81	+52	+55	+30	(86)
€/JP¥	+16	+14	+22	+18	+11	+11	(11)
€/ARS	(28)	(20)	(29)	(16)	(16)	(23)	(10)
€/BRL	(6)	(2)	+3	(4)	(11)	(22)	(25)
Others	+21	+4	+30	+31	+1	(26)	(66)
Currency Impact	+141	+103	+107	+81	+40	(30)	(198)

in €m	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20
Natural Gas Impact	+5	(36)	(134)	(129)	(103)	(135)	(61)

in €m	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20
Electricity Impact	+27	+7	(12)	(30)	(31)	(31)	(19)

Investment Cycle – Definitions

• Investment opportunities at end of the period

- Investment opportunities under consideration by the Group for decision within **12** months.
- Industrial projects with investment value > **€5m** for Large Industries and > **€3m** for other business lines.
- Includes asset replacements or efficiency projects. Excludes maintenance and safety.

• Investment backlog at end of the period

- Cumulated industrial investment value of projects decided but not yet started.
- Industrial projects with value > **€10m**, including asset replacements or efficiency projects, excluding maintenance and safety.

• Sales backlog

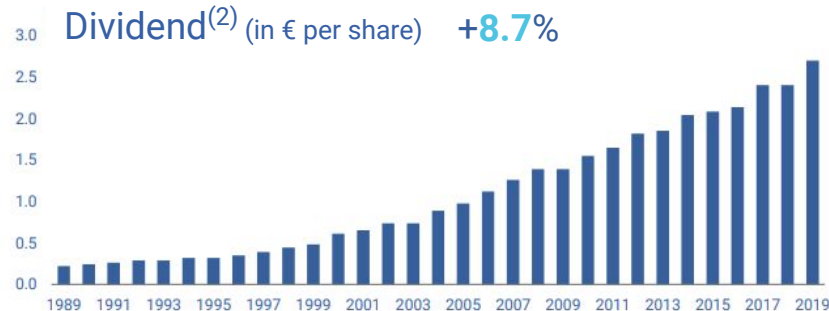
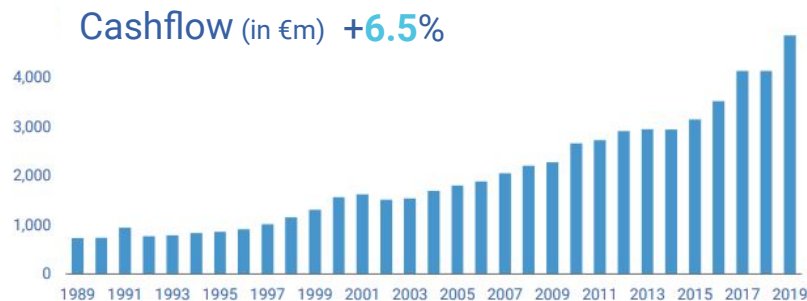
- Cumulated expected sales per year generated by the current investment backlog after full ramp-up.

• Decisions of the period

- Cumulated value of industrial and financial investment decisions.
- Industrial, growth and non-growth projects including asset replacements, efficiency, maintenance and safety.
- Financial decisions (acquisitions).

Regular and Sustained Performance

— CAGR over 30 years⁽¹⁾



(1) Calculated according to prevailing accounting rules over 30 years. (2) Adjusted for the 2-for-1 share split in 2007, for free share attributions and for the capital increase completed in October 2016.

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Upcoming events

2020 Full Year Results: February 10, 2021

Sustainability Day: March 23, 2021

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*Corporation for the study and application of processes developed by Georges Claude
with registered capital of 2,602,235,812 euros*

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