



# Q3 2023 Activity

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François Jackow, Chief Executive Officer  
Jérôme Pelletan, Chief Financial Officer  
Mike Graff, Executive Vice President  
Pascal Vinet, Executive Vice President

Paris, October 25, 2023

Normand'Hy project  
Credit ATAUB Architectes

# 01

## Resilience and Performance in a Challenging Environment

### Major Signings Propelling a Record High Backlog

François Jackow - Chief Executive Officer

# Resilience, Performance and Major Project Signings in Q3 2023

## Strong Performance

## Building the future

Comparable  
Growth

+1.5%

IM  
Pricing

+6.5%

Efficiencies

+22%

vs YTD 2022

€320m YTD 2023

Cash Flow<sup>(1)</sup>

+9%

vs YTD 2022

Investment  
Backlog

€4.2  
bn

In line with CO<sub>2</sub>  
trajectory 🌱

Q3 2023 figures

(1) Cash flow from operating activities before changes in working capital excluding currency impact

# Major Signing for the Construction of the Largest 200MW PEM<sup>(1)</sup> Electrolyzer

Renewable H<sub>2</sub> at large scale to decarbonize industry and mobility in the Normandy basin

- MoU<sup>(2)</sup> signed for 100MW with 
- Partnership  + 
- Awarded **€190m** fundings
- Plant start-up in **H2 2026**



>€400m

Investment

200MW

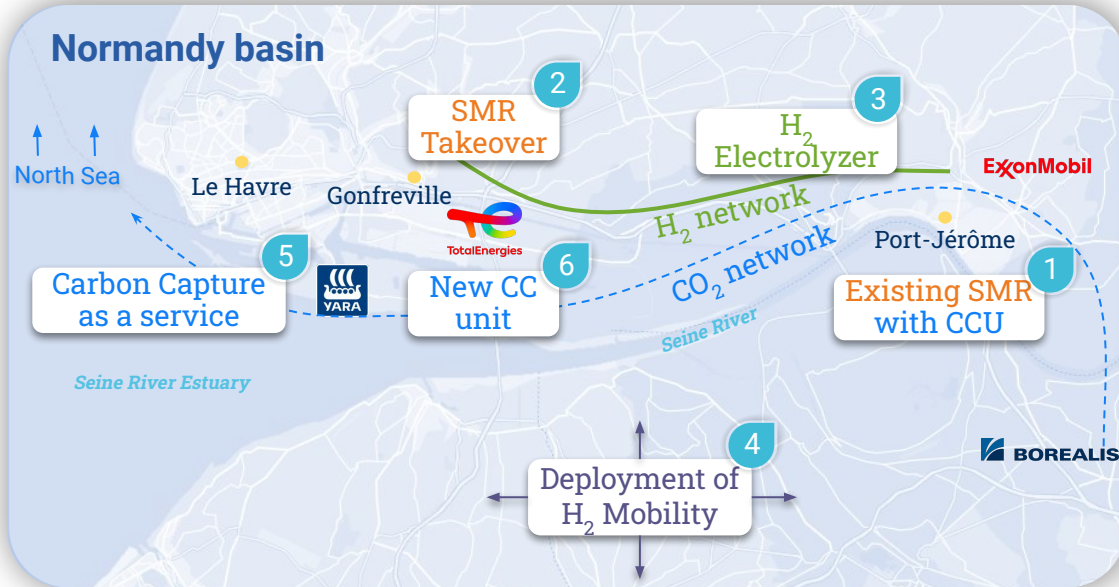
Capacity

-250kt/y

CO<sub>2</sub> avoided

(1) Proton Exchange Membrane (2) Memorandum of Understanding

# Delivering the Decarbonization Roadmap of the Normandy Basin



CC: Carbon Capture; CCU: Carbon Capture and Usage  
SMR: Steam Methane Reformer

## First Worldwide Low-Carbon H<sub>2</sub> Network

- ✓ 1. Existing SMR + CCU
- ✓ 2. SMR Takeover connected to the network
- ✓ 3. Construction of a H<sub>2</sub> Electrolyzer
- 4. Leverage of industrial infrastructure to deploy H<sub>2</sub> mobility
- 5. Carbon Capture as a service with other industrials in the basin
- 6. Carbon Capture unit added to SMR

**Leveraging strong synergies in the basin**

# Building a Low-C Gas Production Platform in Bécancour Basin, Canada

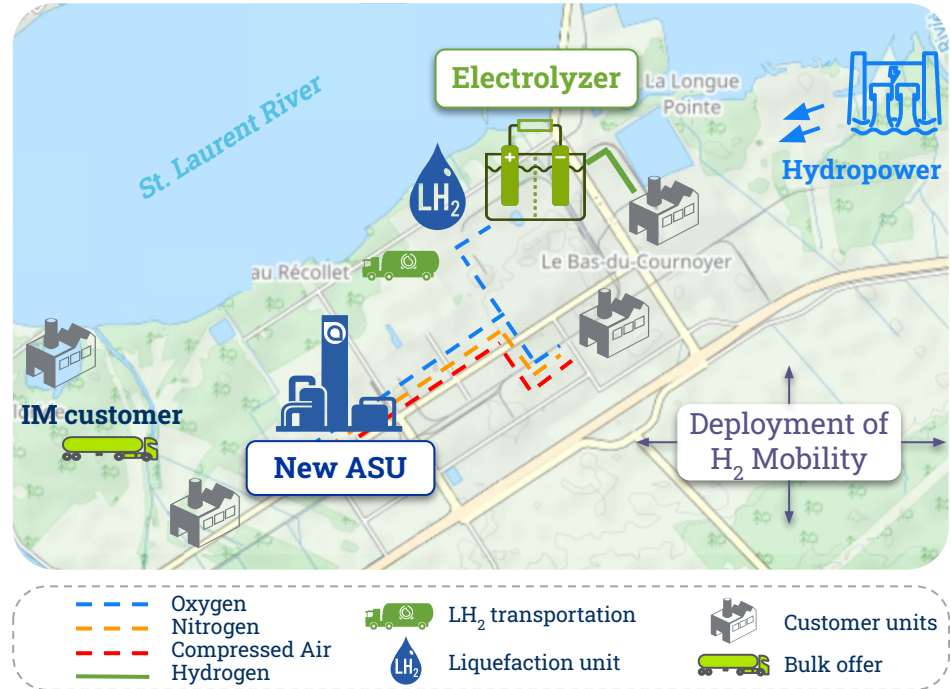
## Addressing new manufacturing EV<sup>(1)</sup> battery market

- >€140m capex for low-C ASU<sup>(2)</sup> and pipelines
- Long-term contracts with several customers

## Building on existing basin

- 20MW PEM<sup>(3)</sup> Electrolyzer in operations since 2021
- H<sub>2</sub> liquefier to develop H<sub>2</sub> mobility
- Renewable energy sourcing

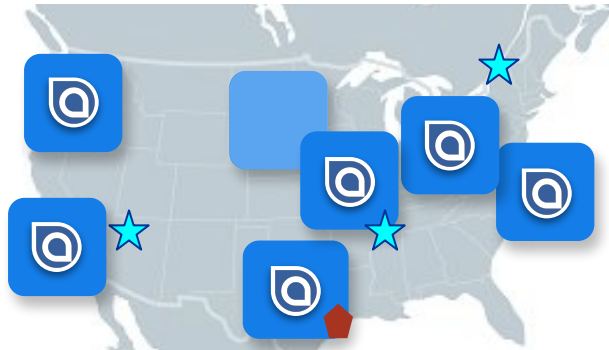
## Leveraging strong synergies in the basin







(1) Electric Vehicle (2) Air Separation Unit (3) Proton Exchange Membrane

# Named Partner in 6 out of 7 Clean Hydrogen Hubs in the U.S.

#1 industrial gas player  
in selected Clean H<sub>2</sub> Hubs



-  Clean H<sub>2</sub> Hub
-  Air Liquide named partner
-  Air Liquide H<sub>2</sub> liquefier
-  ~530 km of Air Liquide H<sub>2</sub> pipeline network

## Anchor projects in 4 Hubs

- H<sub>2</sub> mobility infrastructure projects
- In the **Gulf Coast** Hub:
  - **Industrial projects** with partners
  - Leveraging existing assets incl. H<sub>2</sub> pipelines

## Active in 2 additional Hubs

- In **California** and in **Mid-Atlantic**

**Facilitator** of ecosystem working with 

## Next steps

- Split of the DOE<sup>(1)</sup> \$7bn fundings
- Definition of **project scope and terms**

**Leveraging Air Liquide unique footprint across the U.S. and expertise in H<sub>2</sub>**

(1) U.S. Department of Energy

# 02

## Resilient Sales Growth Disciplined Record High Investment Decisions, Preparing for Future Growth

Jérôme Pelletan - Chief Financial Officer



# Resilient Comparable Sales Growth

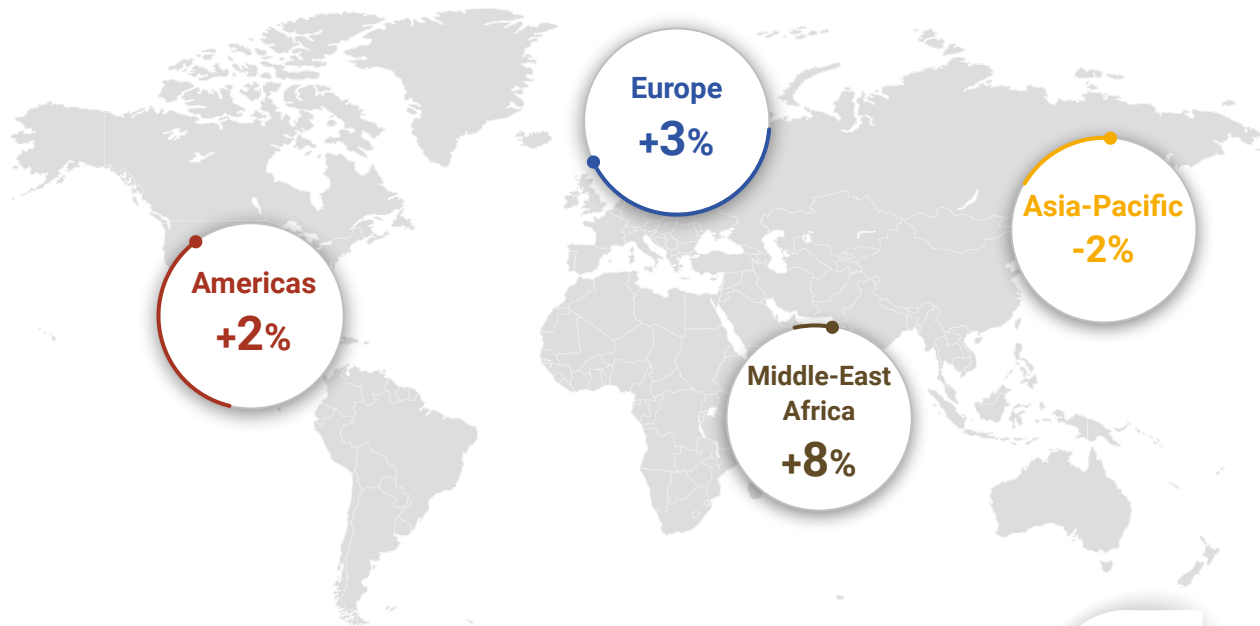
Sales in €m	Q3 22	Q3 23	Q3 23/22 As published	Q3 23/22 Comparable	YTD 23/22 Comparable
<b>Gas &amp; Services</b>	<b>7,897</b>	<b>6,483</b>	<b>-17.9%</b>	<b>+1.7%</b>	<b>+4.0%</b>
Engineering & Construction	115	110	-5.3%	-0.8%	-11.6%
Global Markets & Technologies	235	218	-7.1%	-3.9%	+1.0%
<b>Group Total</b>	<b>8,247</b>	<b>6,811</b>	<b>-17.4%</b>	<b>+1.5%</b>	<b>+3.7%</b>

Impacts on Q3 Group Sales: -6.3% FX | -13.3% Energy | +0.7% Significant Scope<sup>(1)</sup>

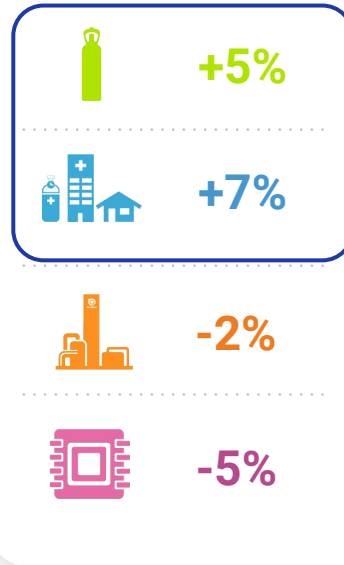
(1) Impact on sales of all acquisitions or disposals of a significant size for the Group

# Industrial Merchant and Healthcare Driving Growth in Q3

## Q3 2023 Gas & Services comparable sales growth



### by Activities



Group Comparable sales growth

+2%

# Q3 – Solid Sales Growth in Americas and Europe

## Americas

High pricing in HC and IM, low LI and EL



- **LI** : Soft demand  
: Customer turnarounds
- **IM** : Sustained +5% pricing  
: Resilient gas volumes
- **HC** : Strong pricing esp. in Proximity care in U.S.  
: High momentum in Latin America
- **EL** : Low Materials  
: High comparison basis in Q3 22

## Europe

HC and IM driving growth, stabilized LI



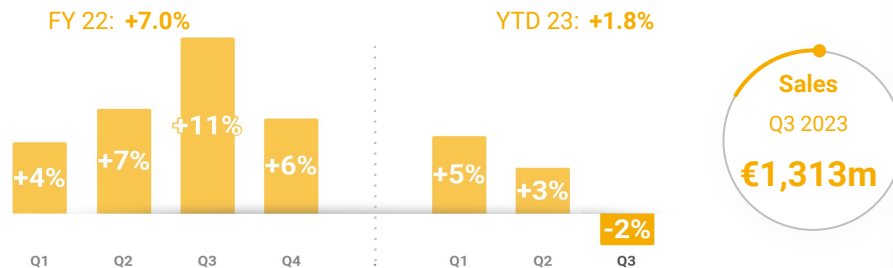
- **LI** : Stabilized activity  
: Improving H<sub>2</sub> demand in Refining
- **IM** : +10% pricing  
: Resilient volumes excl. He and LCO<sub>2</sub>
- **HC** : Strong HHC driven by sleep apnea and diabetes  
: Pricing addressing inflation in Medical gases

G&S comparable sales growth

# Q3 – Contrasted Asia, Accelerating Growth in AMEI

## Asia

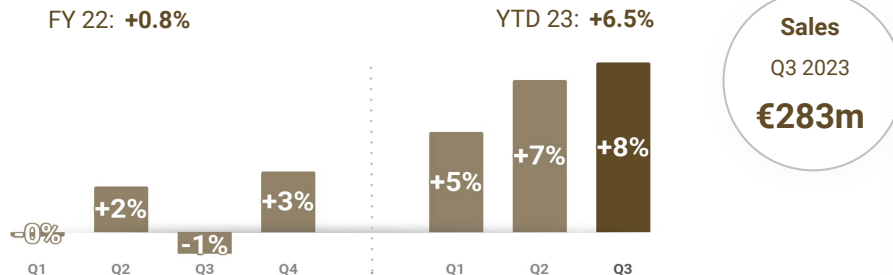
Strong IM, slowdown in EL



- LI
  - Low activity, customer turnarounds
  - Extended customer stoppage in China
- IM
  - +6% pricing
  - Strong volume growth in China
- EL
  - Low Materials and E&I vs. record high Q3 22
  - Solid Carrier Gases

## AMEI

High momentum in IM



- LI
  - Solid activity
- IM
  - Higher pricing at +12%, strong bulk volumes
  - Fully offsetting small divestitures

G&S comparable sales growth

# Q3 – Robust Growth in IM, Stabilized Activity in LI

## Industrial Merchant

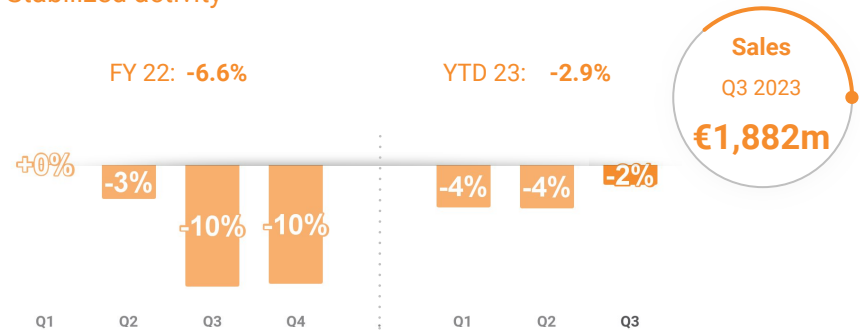
Additional pricing, resilient gas volumes



- **+6.5% pricing** on top of a record high Q3 22
- **Resilient gas volumes**, 1 less working day
- Growing volumes in **Automotive, Fabrication, Pharma**

## Large Industries

Stabilized activity



- **Stabilized demand in Steel and Chemicals, mixed in Refining**
- Customer **turnarounds**

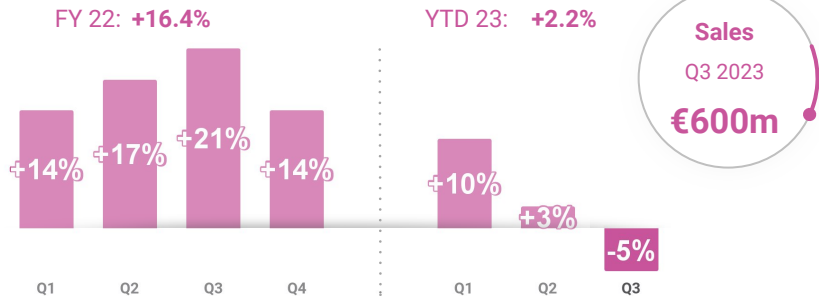
G&S comparable sales growth

# Q3 – Electronics Slowing Down, Sustained High Growth in Healthcare

## Electronics



Comparing with record high growth in 2022

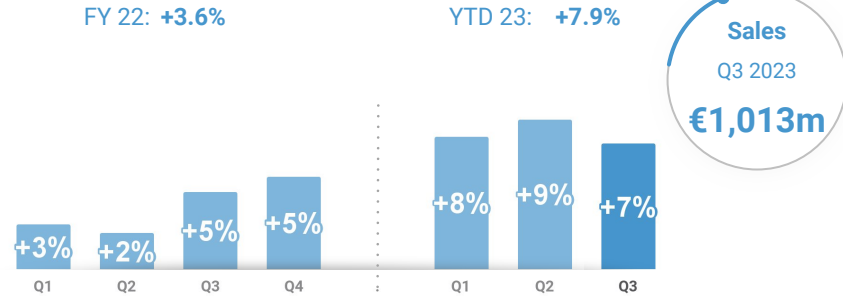


- Slowdown in Memory impacting demand for **Materials** and **E&I**
- Solid growth in **Carrier Gases**

## Healthcare



Home Healthcare & Medical gases driving growth

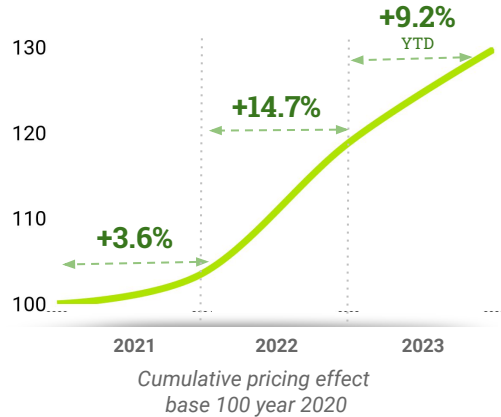


- **Strong growth** in Home Healthcare driven by **sleep apnea** and **diabetes**
- **High pricing** in **Medical gases** addressing inflation

G&S comparable sales growth

# Delivering on Pricing and Efficiencies Fostering Margin Improvement

## IM Pricing



- **+9.2%** pricing YTD 23 **on top of** price increases since 2021
- Continued active **price management**

## Efficiencies



- **+22%** vs YTD 2022
- Strong **industrial** efficiencies
- Continued **procurement** efficiencies in a context of high inflation

## Portfolio Management YTD

### 11 acquisitions

- 📍 U.S., Canada, Italy, China, India
- 🏠 Sweden
- 🌿 Germany

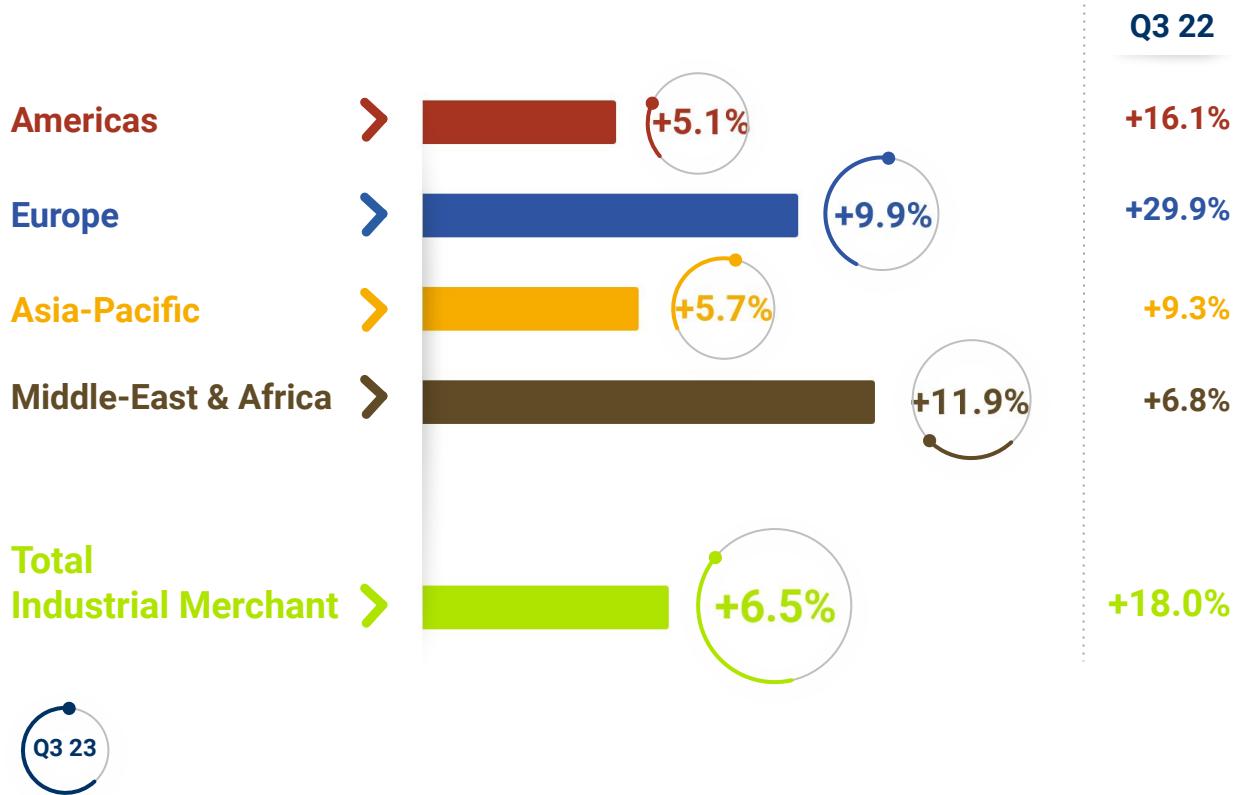
### 2 divestitures

- 🏭 Trinidad and Tobago
- 🌿 Sale of minority stake in Hydrogenics

Cash Flow<sup>(1)</sup> **+8.6%**

(1) Cash flow from operating activities before changes in working capital excluding currency impact, 9 months at the end of September

# High & Resilient IM Pricing Despite Record Level in Q3 22



**Pricing context**

- Continued smart pricing management
- Decrease of Energy prices
- Inflationary environment
- Continued tightness in several molecules

**Bulk specificities**

- Time lag effect
- Energy indexation: mix of spot and forward pricing

Q3 23



# Record High Investment Decisions & Backlog Preparing for Future Growth

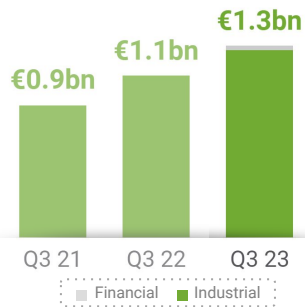
## 12-months investment Opportunities <sup>(1)</sup>



### High level of opportunities:

- >40% in **Energy Transition**, incl. US IRA projects
- **EL** projects in Asia, U.S. and Europe
- **Increasing** opportunities >12 months

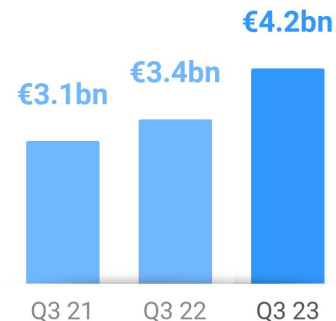
## Investment Decisions <sup>(1)</sup>



### Record level with 3 major projects:

- **LI**: 200MW electrolyzer in France
- **LI**: ASU with renewable energy, Canada
- **EL**: large Carrier Gases unit

## Investment Backlog <sup>(1)</sup>



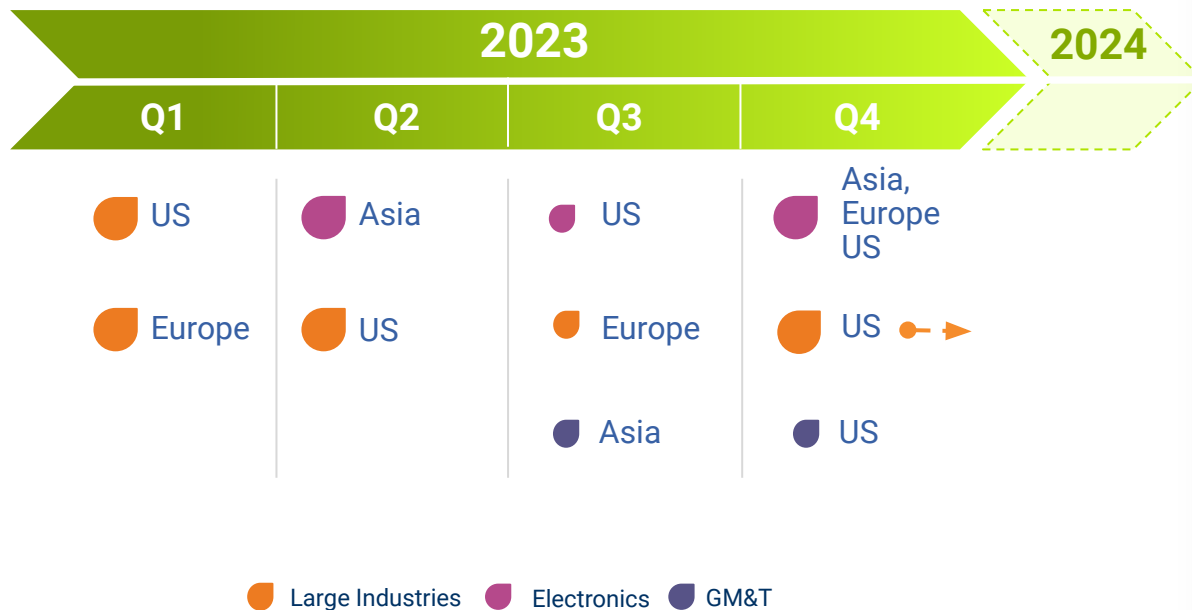
### Record high backlog, well balanced between:

- **LI** projects in all regions
- **EL** projects in Asia and U.S.

(1) See definitions in appendix

# Updated Start-up Sales Contribution, Slightly Shifting to 2024

## Start-up date of major projects



## Sales Contribution<sup>(1)</sup>

YTD  
Q3 2023

€200m

Updated  
FY 2023

~€270m

(1) At constant exchange rate and excluding energy passthrough impact

## Confirmed 2023 Guidance



“

***Air Liquide is confident in its ability to further increase its operating margin and to deliver recurring net profit growth, at constant exchange rates.<sup>(1)</sup>***

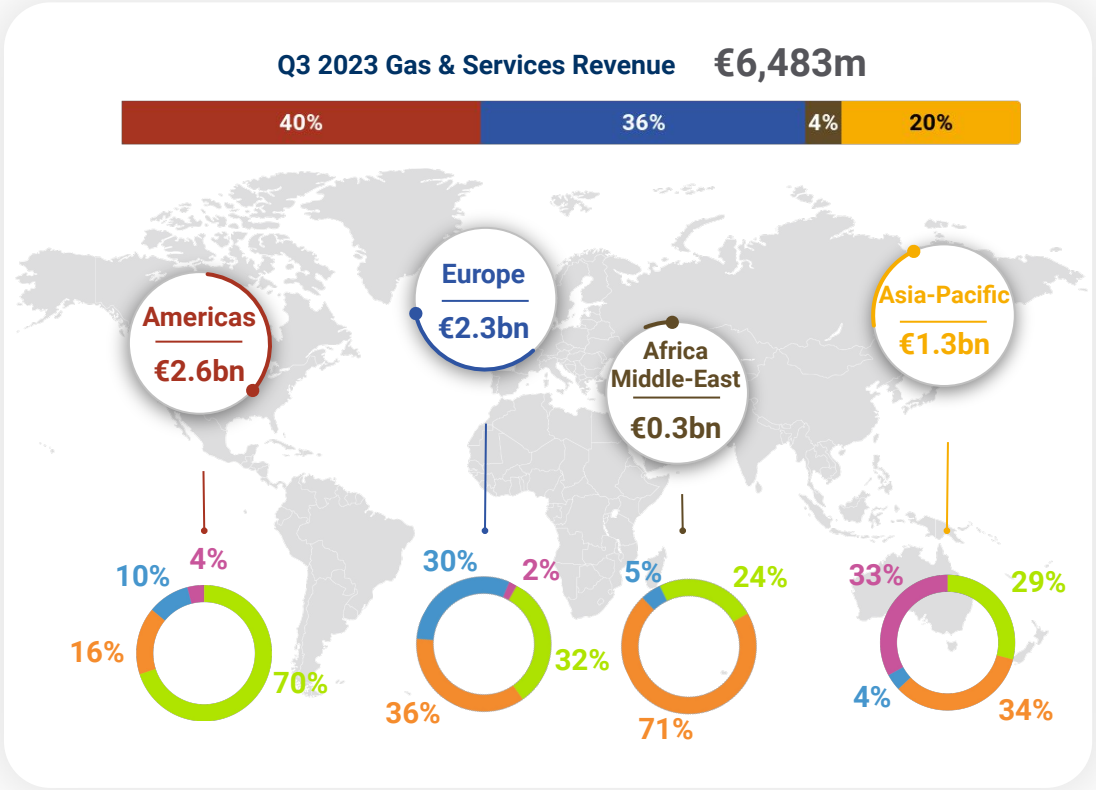
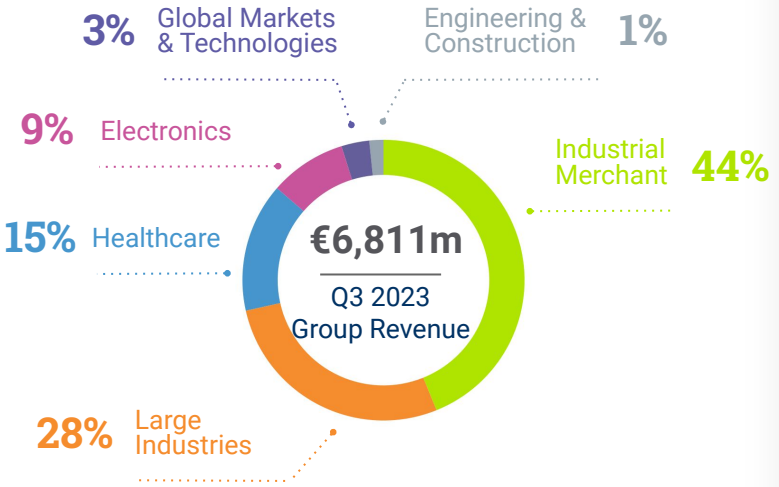
”

*(1) Operating margin excluding energy passthrough impact. Recurring net profit excluding exceptional and significant transactions that have no impact on the operating income recurring*

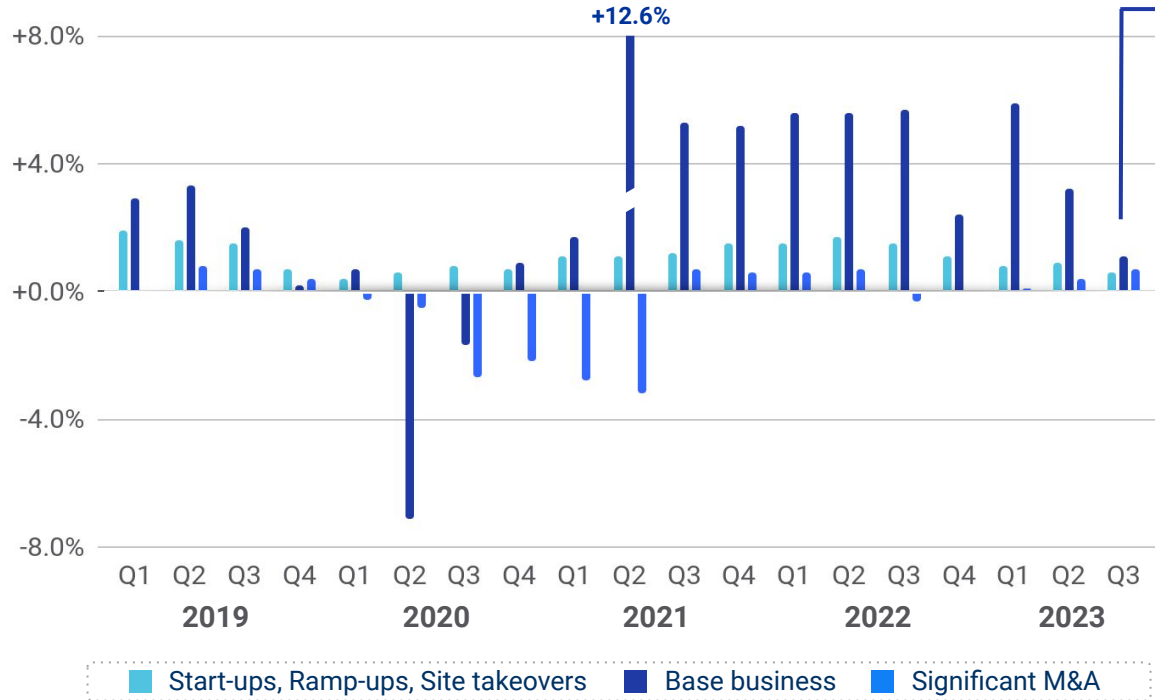
# 03

## Appendix

# Q3 2023 - Beneficial Mix of Geographies and Activities



# Main Components of Sales Growth



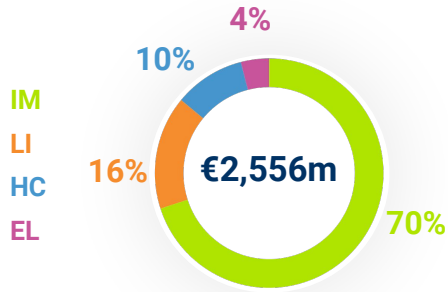
**+1.1%**  
Base business

See definitions in appendix

# Q3 2023 - Sales by Geographies

Q3 23  
sales split

## Americas

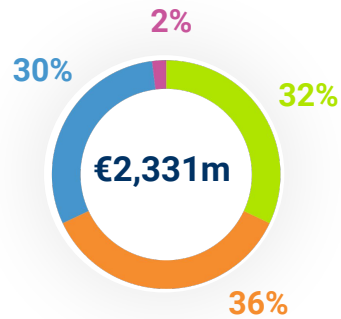


+1.8%

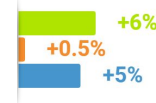
Q3 23/22  
Comparable  
Sales Growth



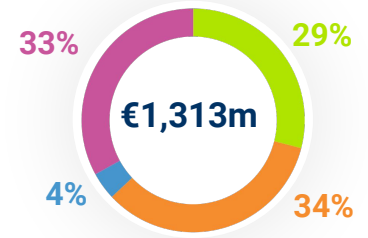
## Europe



+2.9%



## Asia



-2.0%



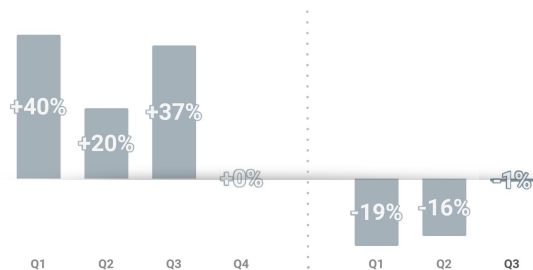
# Q3 2023 - Record E&C Order Intake, Robust GM&T Underlying activity

Comparable sales growth

## Engineering & Construction

FY 22: **+20.6%**

YTD 23: **-11.6%**



Sales  
Q3 2023  
**€110m**

Total Sales<sup>(1)</sup> in Q3 23 **+3.5%**

**Order intake**

**€647m**

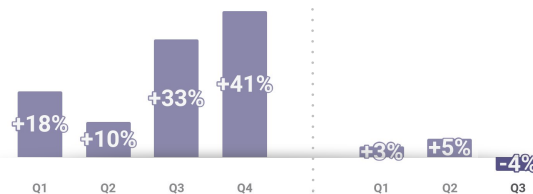
Mostly internal projects

**+282%**

## Global Markets & Technologies

FY 22: **+25.8%**

YTD 23: **+1.0%**



Sales  
Q3 2023  
**€218m**

Organic sales growth<sup>(2)</sup> in Q3 23 **+6.3%**

**Order intake**

**€224m**

**-8%**

vs high level in Q3 22

(1) Including internal sales (2) Excluding small divestitures



# Impact of Currency and Energy on G&S Revenue

in €m	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
€/USD	+141	+271	+373	+274	+102	(50)	(177)
€/ARS	(5)	(4)	(7)	(62)	(40)	(62)	(97)
€/JP¥	(5)	(10)	(16)	(23)	(20)	(17)	(26)
€/Rmb	+52	+59	+62	+6	(18)	(51)	(83)
€/ZAR	+4	+2	+1	(1)	(14)	(31)	(29)
€/SGD	+10	+18	+24	+18	+11	+1	(9)
€/TRY	(13)	(13)	(10)	(23)	(5)	(13)	(9)
Others	+34	+66	+73	+4	(26)	(61)	(75)
<b>Currency Impact</b>	<b>+218</b>	<b>+389</b>	<b>+500</b>	<b>+193</b>	<b>(10)</b>	<b>(284)</b>	<b>(505)</b>

in €m	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
<b>Natural Gas Impact</b>	<b>+607</b>	<b>+690</b>	<b>+1014</b>	<b>+193</b>	<b>(123)</b>	<b>(436)</b>	<b>(829)</b>

in €m	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
<b>Electricity Impact</b>	<b>+267</b>	<b>+267</b>	<b>+412</b>	<b>+134</b>	<b>(14)</b>	<b>(97)</b>	<b>(268)</b>

# 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.

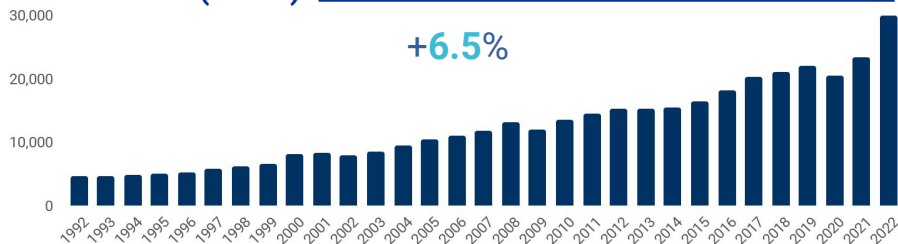
## Decisions of the period

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

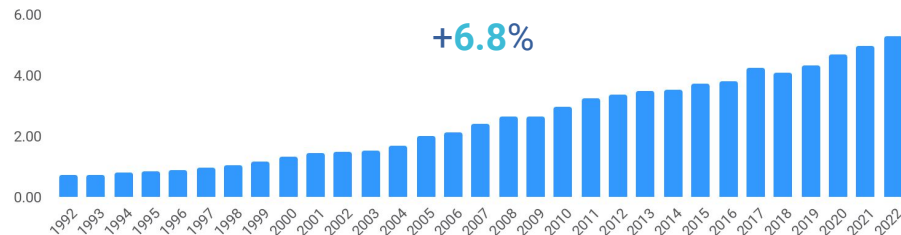
# Regular and Sustained performance

CAGR over 30 years<sup>(1)</sup>

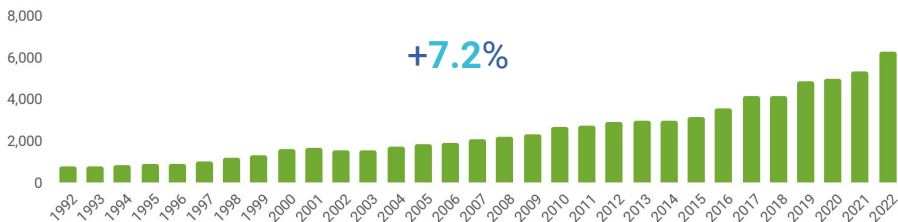
## Revenue (in €m)



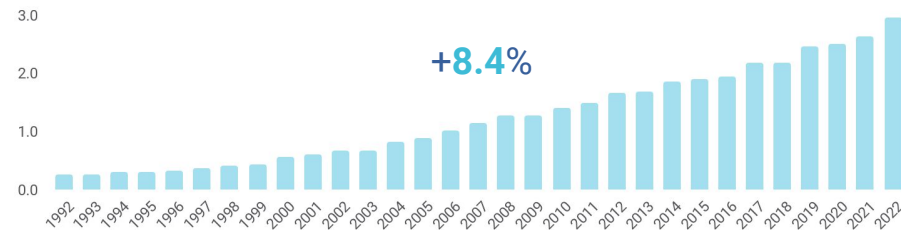
## EPS<sup>(2)</sup> (in €)



## Cash Flow (in €m)



## Dividend<sup>(2)</sup> (in € per share)



(1) Calculated according to prevailing accounting rules over 30 years (2) Based on current year results and proposed for payment the following year. Adjusted for the 2-for-1 share split in 2007, for free share attributions and for the capital increase completed in October 2016

For further information, please contact:

## Upcoming events

2023 Full Year Results: February 20, 2024



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Corporation for the study and application of processes developed by  
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