

Pre-Half Year 2021 Results Communication

Air Liquide has compiled the following items for consideration to assist in the financial modeling of the Group H1 2021 results. This document is not intended to provide additional information beyond existing disclosures.

- **Significant perimeter impact**

The **acquisition of Sasol's 16 ASUs** was finalized on June 24th for **around €480m** impacting the Group **Balance Sheet** and **Cash Flow**, but **no sales** will be recognized in **H1 2021**.

From **July 1st 2020 until June 30th 2021**, two operations have been generating a scope impact qualified as "significant perimeter" thus impacting sales:

- the deconsolidation of **Schülke** activities from Healthcare sales, following its divestiture closed in August 2020 with a retroactive deconsolidation impact from July 1st 2020.
- the reduction of Air Liquide's participation under the controlling threshold in **reseller affiliates in Japan**, as part of its portfolio management strategy, impacting Industrial Merchant, Electronics and Healthcare sales.

The total impact for significant perimeter expected in Q2 2021 and H1 2021, as well as a reminder for Q1 2021 are summarized in the table below:

Sales	Q1 2021	Q2 2021	H1 2021
Schülke (m€)	-117	-105	-222
Reseller affiliates in Japan (m€)	-24	-24	-48
Total (€m)	-142	-129	-271
% at Group Level	-2.7%	-3.0%	-2.9%

- **Currency impact**

Main currency variations (from the largest to the smallest impact on Group sales in Q2 2021):

€ versus	Q2 2020	Q2 2021	Change	H1 2020	H1 2021	Change
US Dollar	1.100	1.206	+9.6%	1.101	1.206	+9.5%
Japanese Yen	118.3	131.9	+11.5%	119.2	129.8	+8.9%
Argentina Peso	76.0	113.9	+50%	72.2	110.6	+53%
Brazilian Real	5.92	6.38	+7.8%	5.35	6.48	+21%

In Q1 2021, the currency impact on Group and Gas & Services revenue was -5.1%. It is estimated to be between **-4.5%** and **-5.0%** in **Q2 2021**, thus an impact of close to **-5.0%** in **H1 2021**.

- **Energy pass-through impact**

In Q1 2021, the Energy pass-through effect was +3.3% on Group revenue and +3.4% on Gas & Services revenue. It is expected to be between **+4.0%** to **+4.5%** on Group and Gas & Services revenue in **Q2 2021**, and between **+3.5%** to **+4.0%** in **H1 2021**.

- **Business items**

Q2 was the weakest quarter in 2020: although recovery started at the end of Q1 in China, Europe and Americas were severely affected by COVID-19 in Q2 2020.

In **Q2 2020**, Healthcare (**+7.6%**) was highly mobilized in the fight against Covid-19 with Strong Medical O2 volumes partially offset by postponed elective procedures. Electronics also enjoyed growth of **+0.5%** and **+8.0%** excluding

Equipment & Installations sales, driven by Strong Carrier Gases & Advanced Materials. Industrial Merchant, at **-14.4%**, was the hardest hit by the Covid-19 crisis with positive China but low volumes in all other geographies; pricing remained strong at +2.9%. The limited sales decrease of **-4.2%** in Large Industries was due to weak volumes of air gases in Europe, US & Japan due to low Steel and Chemicals, a softer decline in Hydrogen volumes in Europe & US while China was back to growth.

Activity highlights are detailed below by business line, **based on information provided during the Q1 2021 announcement.**

- **Large Industries** revenue grew by +3.0% in Q1 2021, notably supported by the contribution of new production units. In Americas, sales were up excluding the winter storm thanks to strong air gases volumes in North America and a ramp-up in Argentina. In Europe, the activity benefited from a strong pick-up in Steel and improvement in Chemicals, while Refining remained soft. Asia recorded a high level of activity in China with strong H₂ demand in Korea and Singapore.
- **Industrial Merchant** revenue returned to growth (+0.3%) in Q1 2021, supported by the pick-up in volumes, solid pricing of +1.6%, and strong activity in China. Gas sales were growing in Americas while Hardgoods remained low and pricing was up +2.3%, a price campaign having been launched in March. In Europe, sales were above Q1 19 level for both Packaged Gas and Bulk and pricing remained solid at +1%. In Asia, sales were well above 2019 level in China and the rest of Asia was back to growth, with stable sales in Japan.
- **Healthcare** sales recorded a strong increase of +10.1% in Q1 2021, with stronger than expected Medical Gases sales to fight against Covid-19. Proximity care in the US and elective surgeries improved, and Home Healthcare was supported by an increased number of patients with diabetes and sleep apnea.
- Sales in **Electronics** in Q1 2021 were up by +1.8% and by +2.8% excluding Equipment & Installation sales. Growth was driven by Carrier Gases in all regions, with several start-ups in Asia.
- The consolidated revenue of **Engineering & Construction** recorded strong growth of +48.5% in Q1 2021 compared to lower activity due to the pandemic in Q1 2020.
- **Global Markets & Technologies** activity was up by +25.7% in Q1 2021, driven by the ramp-up of biogas units and sales of equipment with high technological added-value.

- **Margin**

Group Operating margin (Operating Income Recurring to sales) improved significantly by +100bps (**+50bps** excluding Energy impact) to **17.6%** in **H1 2020** and by +120bps (**+80bps** excluding Energy impact) to 18.5% for **FY 2020**. This performance has been driven by 3 levers: improved pricing and product mix, enhanced efficiencies and active portfolio management. The +80bps improvement for FY 2020, excluding Energy impact, included +20bps from exceptional cost containment measures linked to Covid-19 crisis whose impacts will progressively decrease over time.

- **Net profit**

In **H1 2020**, net profit (Group share) amounted to **1,078 million euros**.

Reminder of **FY 2021 Guidance**: “ In a context of limited local lockdowns in 1st half and recovery in 2nd half, Air Liquide is confident in its ability to **further increase its operating margin** and to deliver **recurring net profit growth, at constant exchange rates.**”

H1 2021 results will be announced on **July 29, 2021**.

CONTACTS

Investor Relations

irteam@airliquide.com

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Please refer to the most recent Universal Registration Document filed by Air Liquide with the French Autorité des marchés financiers for additional information in relation to such risks and uncertainties.

The information is valid only at the time of writing and Air Liquide does not assume any obligation to update or revise the objectives on the basis of new information or future or other events, subject to applicable regulations.

A world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 78 countries with approximately 64,500 employees and serves more than 3.8 million customers and patients. Oxygen, nitrogen and hydrogen are essential small molecules for life, matter and energy. They embody Air Liquide's scientific territory and have been at the core of the company's activities since its creation in 1902.

Air Liquide's ambition is to be a leader in its industry, deliver long term performance and contribute to sustainability - with a strong commitment to climate change and energy transition at the heart of its strategy. The company's customer-centric transformation strategy aims at profitable, regular and responsible growth over the long term. It relies on operational excellence, selective investments, open innovation and a network organization implemented by the Group worldwide. Through the commitment and inventiveness of its people, Air Liquide leverages energy and environment transition, changes in healthcare and digitization, and delivers greater value to all its stakeholders.

Air Liquide's revenue amounted to more than 20 billion euros in 2020. Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, EURO STOXX 50 and FTSE4Good indexes.