



Linde plc

Investor Teleconference Presentation First Quarter 2021

May 6, 2021

Making our world more productive



Forward-Looking Statement



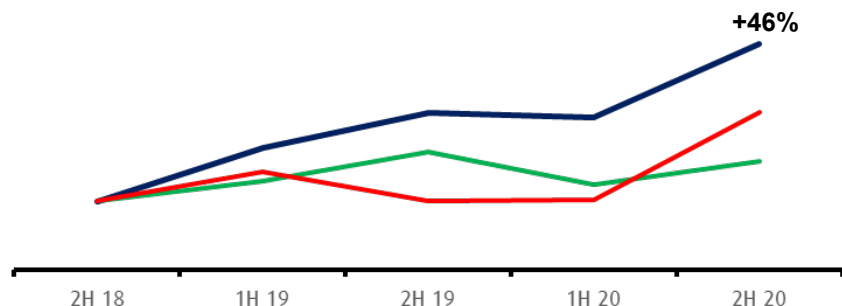
This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar expressions. They are based on management’s reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances, including trade conflicts and tariffs; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events including natural disasters, epidemics, pandemics such as COVID-19 and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of changes in pension plan liabilities; the impact of tax, environmental, healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of investigations, litigation and regulatory proceedings; the impact of potential unusual or non-recurring items; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; future financial and operating performance of major customers and industries served; the impact of information technology system failures, network disruptions and breaches in data security; and the effectiveness and speed of integrating new acquisitions into the business. These risks and uncertainties may cause actual future results or circumstances to differ materially from accounting principles generally accepted in the United States of America, International Financial Reporting Standards or adjusted projections, estimates or other forward-looking statements.

Linde plc assumes no obligation to update or provide revisions to any forward-looking statement in response to changing circumstances. The above listed risks and uncertainties are further described in Item 1A. Risk Factors in Linde plc’s Form 10-K for the fiscal year ended December 31, 2020 filed with the SEC on March 1, 2021 which should be reviewed carefully. Please consider Linde plc’s forward-looking statements in light of those risks.

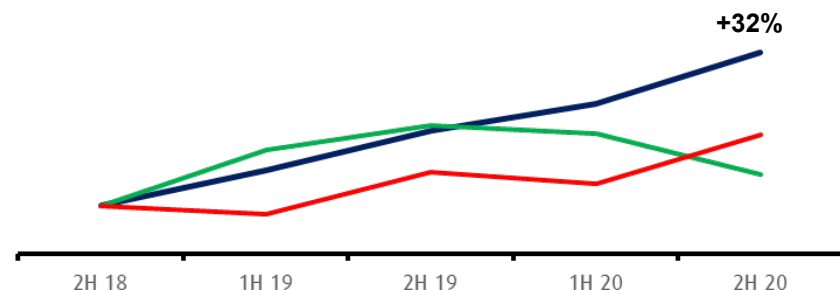
Key financial metrics since merger



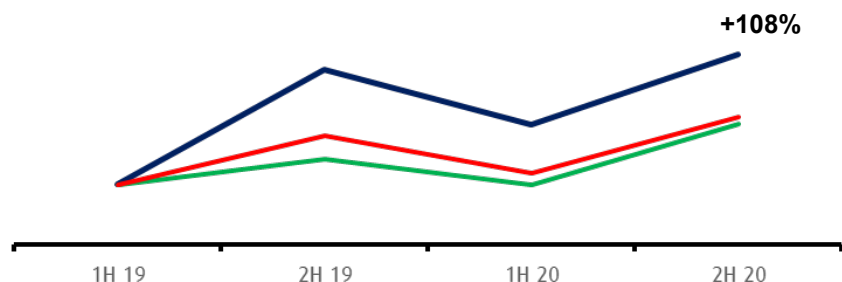
EPS⁽¹⁾



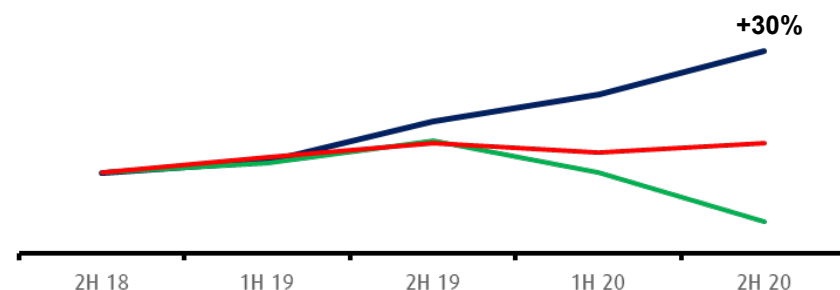
Operating Profit Margin⁽¹⁾



Operating Cash Flow⁽²⁾



ROC⁽¹⁾



■ Linde ■ Competitor 1 ■ Competitor 2

Best performance in the industry

Source: Competitor filings and Factset

(1) Non-GAAP measures – see appendix or prior year presentations for reconciliations

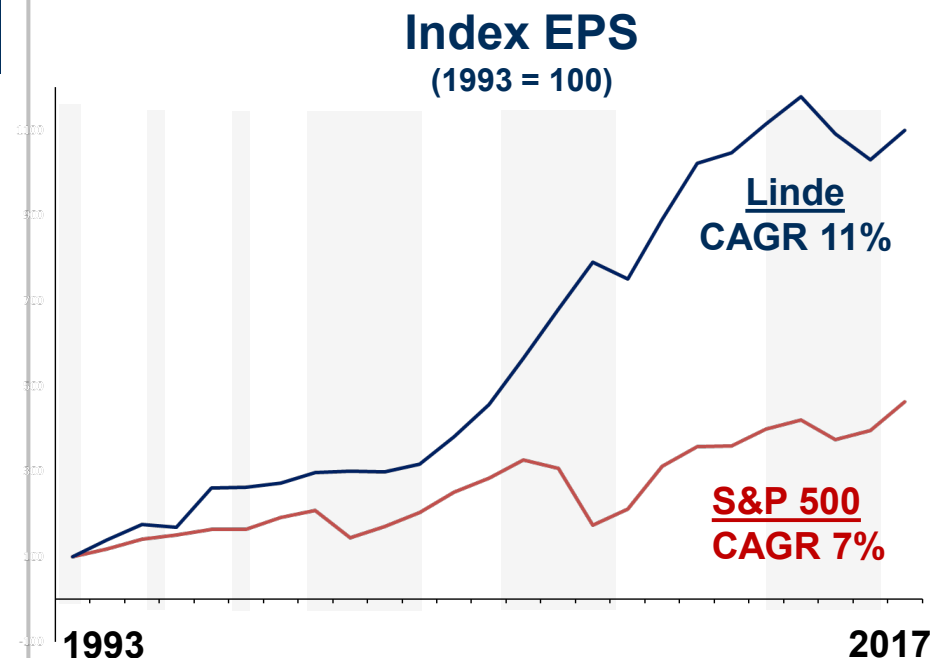
(2) Operating cash flow starts on 1H 2019 due to no 2H 2018 baseline for Linde plc

A long history of creating compound value



Historical Performance (1993 – 2017)

<u>CAGR</u>	<u>Linde</u>⁽¹⁾	<u>Comp 1</u>	<u>Comp 2</u>
Sales	7%	4%	6%
EPS	11%	9%	8%
Dividend	14%	9%	9%
OCF	9%	6%	7%



Delivering best-in-class results

Source: Competitor filings and Factset

(1) Data represents the accounting acquirer company (Praxair, Inc.). EPS is an adjusted non-gaap measure.

Please see prior year presentations for reconciliations to reported amounts

Strategy



Optimize the Base

- ✓ Network density
- ✓ Productivity/digitalization
- ✓ Price management
- ✓ Capex efficiency
- ✓ Portfolio optimization

Leverage the Recovery

- ✓ Price and volume
- ✓ Cost management
- ✓ Operations optimization

Capitalize on Growth

- ✓ Electronics
- ✓ Healthcare
- ✓ Backlog start-up



Clean Energy



>10% EPS Growth



Clean Energy

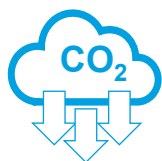
2021+

Sustainable value creation

Clean energy opportunity



Carbon Solutions



Carbon capture, utilization & storage
CO₂ removal from industrial processes with CO₂ storage or re-use

Clean Hydrogen



Blue Hydrogen

H₂ production from natural gas with CO₂ removal, storage or re-use



Green Hydrogen

Electrolysis powered by renewable energy, no CO₂ emissions

Hydrocarbon market - Today

\$6T

Hydrocarbon sales⁽¹⁾

Clean Hydrogen Opportunity – 2030⁽²⁾

\$100B

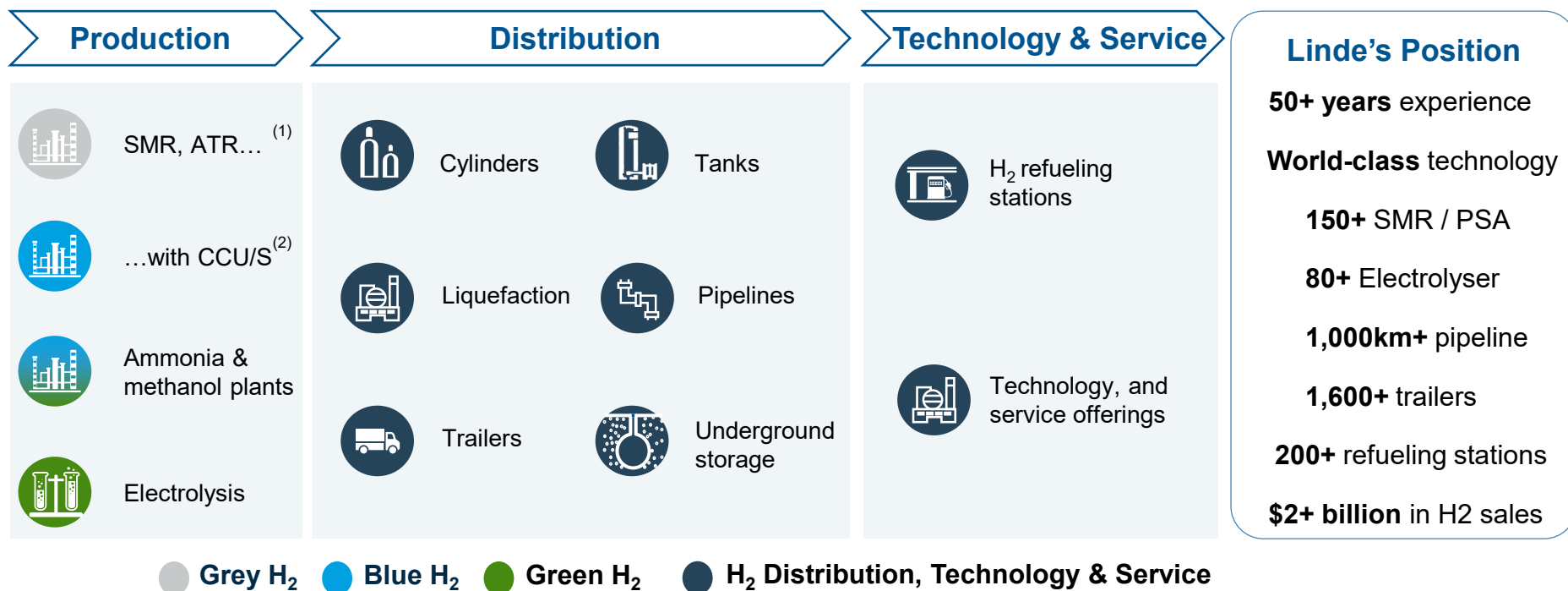
Clean H₂ sales
1.5% of today's hydrocarbon market

Significant opportunity despite uncertain timing

(1) Source: IHS

(2) Based on Hydrogen Council forecast of 24MMt H₂ demand by 2030 and Linde price assumptions

Key components of the clean hydrogen value chain



Well-positioned across the entire value chain

(1) Steam-methane reformer, Auto-thermal reformer

(2) Carbon capture utilization and storage

Clean energy strategy



Strategy

Leverage +\$2B existing business & integrated supply network

Execute local market driven strategies in core geographies

Develop partnerships to accelerate opportunities

Advance technology leadership across the value chain

Recent projects under construction



Q1 2021

— \$290MM investment to develop **hydrogen infrastructure in South Korea**



Q1 2021

— \$35MM investment to build, own and operate **World's Largest PEM Electrolyzer** in Germany



Q4 2020

— \$35MM investment to **produce clean H2 for mobility market in California**

Upside to long-term growth - incremental to the “>10% EPS”

First-Quarter Adjusted Results⁽¹⁾



(\$MM)	1Q 2021	4Q 2020	Var	1Q 2020	Var
Sales	\$7,243	\$7,272	--	\$6,739	7%
Operating Profit	\$1,688	\$1,613	5%	\$1,352	25%
<i>% of Sales</i>	<i>23.3%</i>	<i>22.2%</i>		<i>20.1%</i>	
Income	\$1,312	\$1,217	8%	\$1,009	30%
Diluted EPS	\$2.49	\$2.30	8%	\$1.89	32%
Op. Cash Flow	\$2,109	\$2,434	-13%	\$1,347	57%
Capex	\$762	\$1,027	-26%	\$803	-5%
Base Capex ⁽²⁾	\$496	\$615	-19%	\$418	19%
Project Capex ⁽³⁾	\$266	\$412	-35%	\$385	-31%
After-Tax ROC	14.5%	13.4%	+110 bps	12.1%	+240 bps

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	+ 7%	--
Volume	+ 3%	+ 1%
Price / Mix	+ 2%	+ 1%
Cost pass-thru	+ 1%	+ 1%
Currency	+ 4%	+ 1%
Acq/Div	- 3%	- 3%
Engineering	--	- 1%

- Significant operating leverage, YoY and Seq.
- EPS +47% vs. 1Q 2019, +32% vs. 1Q 2020
- Broad-based price attainment & continued progress on productivity initiatives
- Volume growth in healthcare, electronics and cyclical end markets, plus project start ups
- Divestiture: deconsolidated JV in APAC
- Operating margin expansion 320 bps YoY
- Strong operating cash flow +57% YoY
- ROC 14.5%, +240 bps YoY, +110 bps seq. 9

(1) Non-GAAP measures – see Appendix. All amounts are from continuing operations

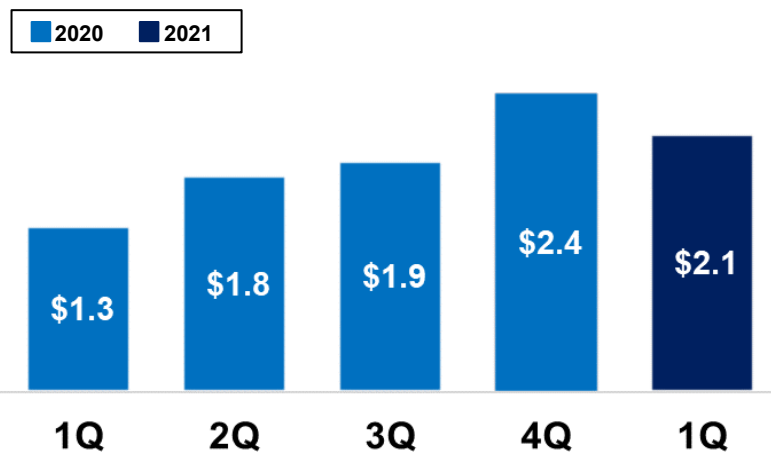
(2) Represents capex in small growth, maintenance and other non-project capex related investments

(3) Capex for projects > \$5mm with a long-term customer supply agreement and incremental growth

Consistent strong cash generation



Operating Cash Flow (OCF) Trend (\$B)

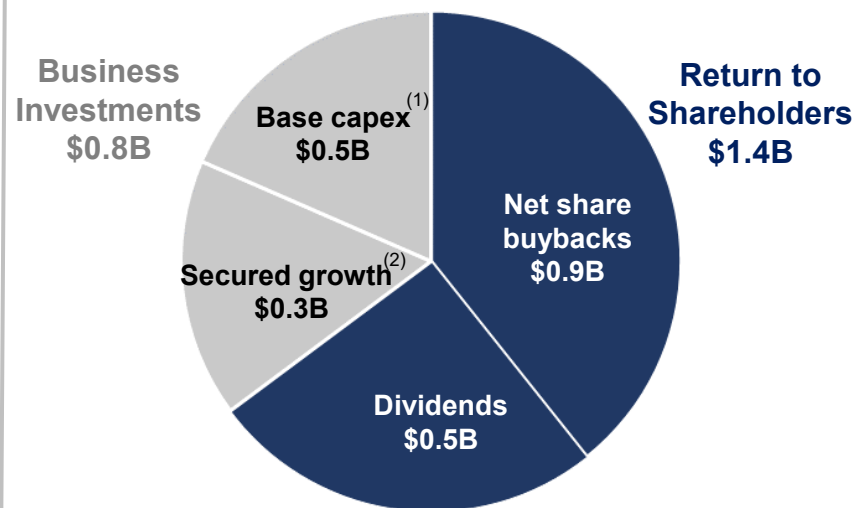


OCF	\$1.3	\$1.8	\$1.9	\$2.4	\$2.1
Base CAPEX ⁽¹⁾	(\$0.4)	(\$0.4)	(\$0.5)	(\$0.6)	(\$0.5)
Avail. OCF	\$0.9	\$1.4	\$1.4	\$1.8	\$1.6

1Q Operating Cash Flow +57% YoY

- Investing in growth
- Raised dividend 10% in 2021
- New \$5B share repurchase program

1Q Capital Allocation



Investing in the business and rewarding shareholders

(1) Represents capex in small growth, maintenance and other non-project capex related investments

(2) Represents project capex plus acquisitions

2021 Guidance



2nd Quarter 2021

- Adjusted EPS⁽¹⁾ in the range of \$2.50 to \$2.55
 - +37% to +39% vs. 2019
 - +32% to +34% vs. 2020
 - Estimated YoY currency tailwind +4%
 - Estimated sequential currency headwind -1%

Full-Year 2021

- Adjusted EPS⁽¹⁾ in the range of \$9.60 to \$9.80
 - +31% to +34% vs. 2019
 - +17% to +19% vs. 2020
 - Estimated YoY currency tailwind +2%
 - Increased guidance \$0.50 based on 1H
- CAPEX: \$3.0B to \$3.4B

Double-digit EPS growth for 3rd consecutive year

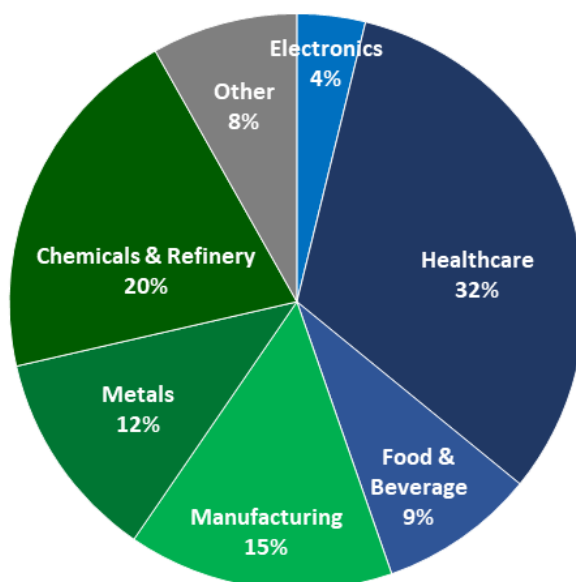
Appendix

Americas



(\$MM)	1Q 2021	4Q 2020	Var	1Q 2020	Var
Sales	\$2,840	\$2,724	4%	\$2,677	6%
Operating Profit	\$795	\$748	6%	\$661	20%
% of Sales	28.0%	27.5%		24.7%	

End Market



	YOY	SEQ.
Sales Growth	+ 6%	+ 4%
Volume	+ 4%	+ 3%
Price / Mix	+ 3%	+ 1%
Cost pass-thru	+ 1%	--
Currency	- 2%	--
Acq/Div	--	--

- YoY margin expansion led by price and productivity initiatives
- YoY and seq. growth across all end markets except Food & Beverage; Electronics the strongest
- YoY N. American packaged gas sales up double-digits % – broad based growth
- FX headwind led by BRL and MXN



(\$MM)	1Q 2021	4Q 2020	Var	1Q 2020	Var
Sales	\$1,436	\$1,572	-9%	\$1,336	7%
Operating Profit	\$351	\$365	-4%	\$281	25%
% of Sales	24.4%	23.2%		21.0%	

Adjusted for JV deconsolidation⁽¹⁾

(\$MM)	1Q 2021 Reported	4Q 2020 Ex. JV	Var	1Q 2020 Ex. JV	Var
Sales	\$1,436	\$1,390	3%	\$1,193	20%
Operating Profit	\$351	\$324	8%	\$253	39%
% of Sales	24.4%	23.3%		21.2%	

	YOY	SEQ.
Sales Growth	+ 7%	- 9%
Volume	+ 10%	--
Price / Mix	+ 1%	--
Cost pass-thru	+ 1%	+ 1%
Currency	+ 6%	+ 2%
Acq/Div	- 11%	- 12%

- YoY and sequential margin expansion led by price and productivity initiatives
- YoY volume growth driven by Electronics, Manufacturing, Chemicals and Refining
- Deconsolidated Joint Venture in Taiwan
 - No impact to EPS
- FX tailwinds led by CNY, AUD & KRW

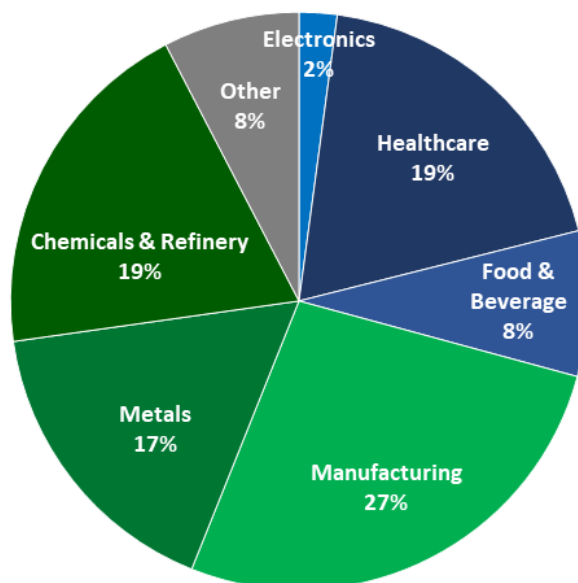
(1) See appendix for reconciliation of reported segment results excluding the impact of the deconsolidation



(\$MM)	1Q 2021	4Q 2020	Var	1Q 2020	Var
Sales	\$1,799	\$1,746	3%	\$1,633	10%
Operating Profit	\$451	\$437	3%	\$355	27%
% of Sales	25.1%	25.0%		21.7%	

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	+ 10%	+ 3%
Volume	+ 1%	- 1%
Price / Mix	+ 3%	+ 1%
Cost pass-thru	+ 1%	+ 1%
Currency	+ 7%	+ 2%
Acq/Div	- 2%	--

End Market



- YoY and sequential margin expansion led by price and productivity initiatives
- YoY volume growth led by Healthcare, Manufacturing and Metals end markets
- FX tailwinds from EUR and GBP
- Divestiture in 2Q 2020 of a non-core business in Scandinavia

Engineering



(\$MM)	1Q 2021	4Q 2020	Var	1Q 2020	Var
Sales	\$674	\$755	-11%	\$608	11%
Operating Profit	\$109	\$100	9%	\$91	20%
% of Sales	16.2%	13.2%		15.0%	

- Margin improvements due to project timing and productivity
- Contractually secured backlog of \$4.3 billion
- YoY and sequentially, order intake up double digits from high-quality projects

3rd Party Orders (\$MM)	1Q 2021	4Q 2020	1Q 2020
Intake	\$461	\$355	\$392
Backlog	\$4,323	\$4,673	\$5,406

Global Other









(\$MM)	1Q 2021	4Q 2020	Var	1Q 2020	Var
Sales	\$494	\$475	4%	\$485	2%
Operating Profit	(\$18)	(\$37)	51%	(\$36)	50%
% of Sales	-3.6%	-7.8%		-7.4%	

- YoY margin improvement driven by price and productivity initiatives

Global End Market Trends



1Q 2021	End Market	% of Sales ⁽¹⁾ & Trend	YoY Sales ⁽²⁾ Growth	Seq. Sales ⁽²⁾ Growth
Consumer Related End Markets (More Resilient)				
	Healthcare	20%	+13%	+3%
	Food & Beverage	10%	-2%	-5%
	Electronics	8%	+10%	+6%
Industrial Related End Markets (More Cyclical)				
	Manufacturing	19%	+2%	+3%
	Chemicals & Refining	20%	+5%	+1%
	Metals	13%	+4%	+2%
	Other	10%	+10%	+10%

(1)Excludes Engineering sales

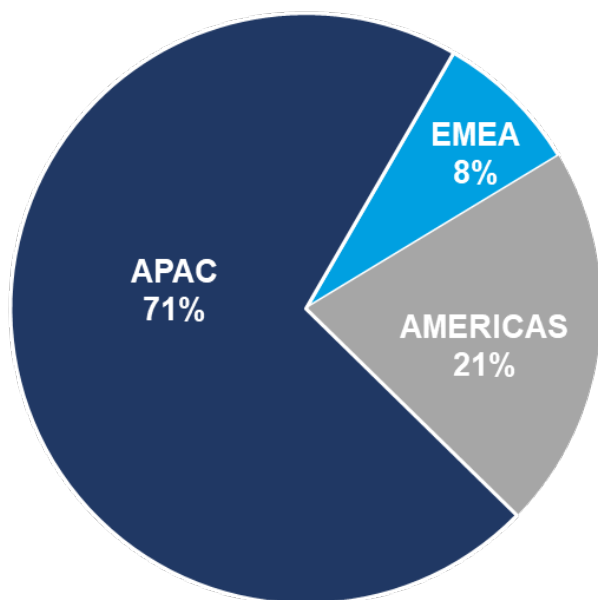
(2)Excludes impact of currency, cost pass-through, acquisitions/divestitures, non-recurring sale of equipment

High-Quality Backlog

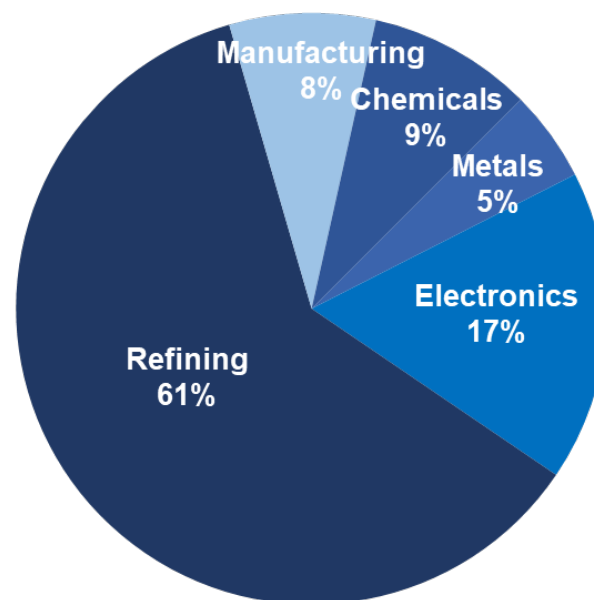


Sale of Gas (SOG) Backlog (~\$3.5B)⁽¹⁾

Geography



End Market



Versus Q4 2020

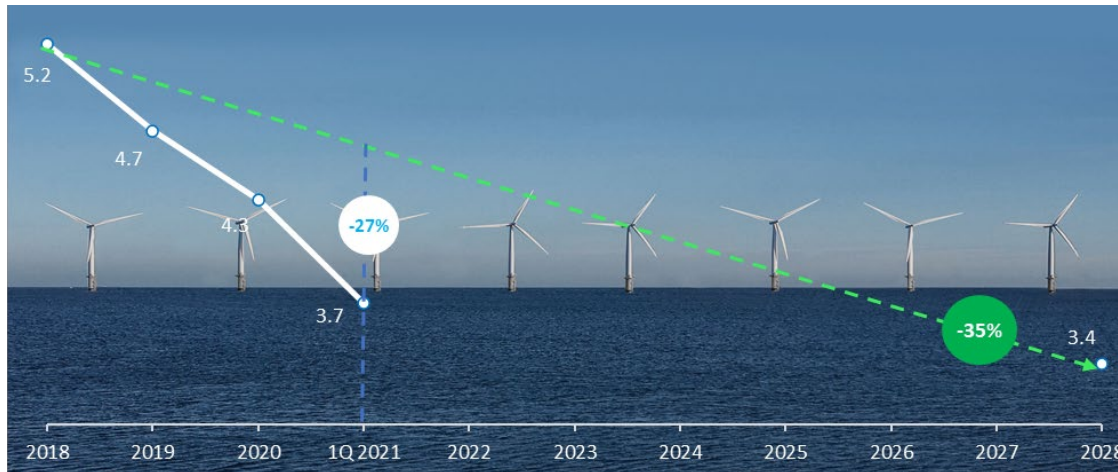
- Started up three projects
- Removed three projects due to deconsolidation in APAC
- Signed seven new projects

(1) SOG backlog figures include project investments above \$5MM with a signed long-term supply agreement

ESG Performance



Target: 35% Reduction in GHG Emissions Intensity 2018-2028⁽¹⁾



GHG Emissions Intensity⁽¹⁾ (Target: reduce by 35% in 2028)

- Restated 2018 – 2020 GHG emissions intensity to reflect higher emissions from steam consumption in China
- 1Q 2021 improvement led by profitable growth and lower GHG emissions due to temporary outages in the U.S. Gulf Coast

Low-carbon energy⁽²⁾ (Target: double annual purchase by 2028)

- Over one third of Linde's energy consumption is low carbon

Decarbonizing our future

- Current pipeline of decarbonization opportunities comprised of 200+ projects
- Several decarbonization projects pending government subsidy
- Linde to supply world's first hydrogen-powered ferry in Norway

ESG News and Recognitions

- Linde Awarded Best-in-Class ISS QualityScore for environmental disclosure practices
- Linde Recognized by S&P Global in The Sustainability Yearbook 2021
- Bloomberg recognizes Linde as a Leader in Gender Equality, fourth consecutive year
- The Ethisphere Institute named Linde One of the World's Most Ethical Companies, one of only two in chemicals

(1) Scope 1 and 2 emissions (in Million MT) divided by adjusted EBITDA in billion USD

(2) Low-carbon energy includes solar, wind, hydro and nuclear

Sustainable Development Highlights



Best-in-class safety performance

4x better than U.S. Occupational Health and Safety Administration industrial average for lost workday case rate

Enabled the **avoidance of >2x more GHG emissions** than were emitted in all the company's operations

350,000 people benefited from employee **community engagement** projects

Green H₂ supply to the world's first **hydrogen powered ferry**

Reduced **300 million gallons** of water in operations

Sourced **more than 1/3** of global electricity from **low-carbon sources**

A leader in **diversity & inclusion**



Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



Non-GAAP Measures



LINDE PLC AND SUBSIDIARIES SUMMARY NON-GAAP RECONCILIATIONS (UNAUDITED)

The following adjusted amounts are Non-GAAP measures and are intended to supplement investors' understanding of the company's financial statements by providing measures which investors, financial analysts and management use to help evaluate the company's operating performance. Items which the company does not believe to be indicative of ongoing business trends are excluded from these calculations so that investors can better evaluate and analyze historical and future business trends on a consistent basis. Definitions of these Non-GAAP measures may not be comparable to similar definitions used by other companies and are not a substitute for similar GAAP measures. See the "NON GAAP MEASURES AND RECONCILIATIONS" in following pages for additional details relating to the adjustments.

(Millions of dollars, except per share amounts)

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Quarter Ended March 31								
Reported GAAP Amounts	\$ 7,243	\$ 6,739	\$ 1,213	\$ 733	\$ 979	\$ 571	\$ 1.86	\$ 1.07
Cost reduction program and other charges (a)	-	-	(8)	131	(28)	95	(0.05)	0.18
Purchase accounting impacts - Linde AG (b)	-	-	483	488	361	343	0.68	0.64
Total adjustments	-	-	475	619	333	438	0.63	0.82
Adjusted amounts	\$ 7,243	\$ 6,739	\$ 1,688	\$ 1,352	\$ 1,312	\$ 1,009	\$ 2.49	\$ 1.89

(a) To adjust for cost reduction program and other charges; 2021 includes severance of \$26 million for the quarter and other cost reduction charges of \$18 million more than offset by an other net benefit of \$52 million.

(b) To adjust for purchase accounting impacts related to the merger.

Non-GAAP Measures, continued



LINDE PLC AND SUBSIDIARIES
APPENDIX
NON-GAAP MEASURES AND RECONCILIATIONS
(Millions of dollars, except per share data)
(UNAUDITED)

The following Non-GAAP measures are intended to supplement investors' understanding of the company's financial information by providing measures which investors, financial analysts and management use to help evaluate the company's operating performance and liquidity. Items which the company does not believe to be indicative of on-going business trends are excluded from these calculations so that investors can better evaluate and analyze historical and future business trends on a consistent basis. Definitions of these Non-GAAP measures may not be comparable to similar definitions used by other companies and are not a substitute for similar GAAP measures.

	2021	2020				
	Q1	Q4	Q3	Q2	Q1	
<u>Adjusted Operating Profit and Operating Margin</u>						
Reported operating profit	\$ 1,213	\$ 1,029	\$ 969	\$ 591	733	
Add: Cost reduction programs and other charges	(8)	78	48	249	131	
Less: Net gain on sale of businesses	-	-	-	-	-	
Add: Purchase accounting impacts - Linde AG (c)	483	506	498	477	488	
Total adjustments	475	584	546	726	619	
Adjusted operating profit	\$ 1,688	\$ 1,613	\$ 1,515	\$ 1,317	1,352	
Reported percentage change	65 %				20 %	
Adjusted percentage change	25 %				11 %	
Reported sales	\$ 7,243	\$ 7,272	\$ 6,855	\$ 6,377	\$ 6,739	
Reported operating margin	16.7 %	14.2 %	14.1 %	9.3 %	10.9 %	
Adjusted operating margin	23.3 %	22.2 %	22.1 %	20.7 %	20.1 %	
<u>Adjusted Depreciation and amortization</u>						
Reported depreciation and amortization	\$ 1,166	\$ 1,192	\$ 1,168	\$ 1,124	\$ 1,142	
Less: Purchase accounting impacts - Linde AG (c)	(478)	(489)	(487)	(468)	(476)	
Adjusted depreciation and amortization	\$ 688	\$ 703	\$ 681	\$ 656	\$ 666	
<u>Adjusted Other Income (Expense) - net</u>						
Reported Other Income (Expense) - net	\$ 4	\$ (47)	\$ (29)	\$ -	15	
Add: Purchase accounting impacts - Linde AG (c)	(5)	(17)	(11)	(9)	(12)	
Adjusted Other Income (Expense) - net	\$ 9	\$ (30)	\$ (18)	\$ 9	27	
<u>Adjusted Net Pension and OPEB Cost (Benefit), Excluding Service Cost</u>						
Reported net pension and OPEB cost (benefit), excluding service cost	\$ (49)	\$ (46)	\$ (41)	\$ (45)	(45)	
Add: Pension settlement charges	-	-	(6)	-	-	
Adjusted Net Pension and OPEB cost (benefit), excluding service costs	\$ (49)	\$ (46)	\$ (47)	\$ (45)	(45)	
<u>Adjusted Interest Expense - Net</u>						
Reported interest expense - net	\$ 20	\$ 35	\$ 38	\$ 18	24	
Add: Purchase accounting impacts - Linde AG (c)	18	18	23	22	22	
Less: Bond Redemption	-	(16)	-	-	-	
Total adjustments	18	2	23	22	22	
Adjusted interest expense - net	\$ 38	\$ 37	\$ 61	\$ 40	\$ 46	

Non-GAAP Measures, continued



Adjusted Income Taxes (a)

	2021	2020			
	Q1	Q4	Q3	Q2	Q1
Reported income taxes	\$ 268	\$ 253	\$ 265	\$ 164	\$ 165
Add: Purchase accounting impacts - Linde AG (c)	118	107	75	95	122
Add: Pension settlement charges	-	-	1	-	-
Add: Cost reduction programs and other charges	20	20	12	62	36
Less: Bond Redemption	-	4	-	-	-
Total adjustments	138	131	88	157	158
Adjusted income taxes	\$ 406	\$ 384	\$ 353	\$ 321	\$ 323

Adjusted Effective Tax Rate (a)

Reported income before income taxes and equity investments	\$ 1,242	\$ 1,040	\$ 972	\$ 618	\$ 754
Add: Pension settlement charge	-	-	6	-	-
Add: Purchase accounting impacts - Linde AG (c)	465	488	475	455	466
Add: Cost reduction programs and other charges	(8)	78	48	249	131
Less: Bond Redemption	-	16	-	-	-
Total adjustments	457	582	529	704	597
Adjusted income before income taxes and equity investments	\$ 1,699	\$ 1,622	\$ 1,501	\$ 1,322	\$ 1,351
Reported Income taxes	\$ 268	\$ 253	\$ 265	\$ 164	\$ 165
Reported effective tax rate	21.6 %	24.3 %	27.3 %	26.5 %	21.9 %
Adjusted income taxes	\$ 406	\$ 384	\$ 353	\$ 321	\$ 323
Adjusted effective tax rate	23.9 %	23.7 %	23.5 %	24.3 %	23.9 %

Income from Equity Investments

Reported income from equity investments	\$ 43	\$ 16	\$ 23	\$ 29	\$ 17
Add: Purchase accounting impacts - Linde AG (c)	19	15	14	14	14
Adjusted income from equity investments	\$ 62	\$ 31	\$ 37	\$ 43	\$ 31

Adjusted Noncontrolling Interests from Continuing Operations

Reported noncontrolling interests from continuing operations	\$ (38)	\$ (34)	\$ (31)	\$ (25)	\$ (35)
Add: Cost reduction programs and other charges	-	(4)	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	(5)	(14)	(14)	(14)	(15)
Total adjustments	(5)	(18)	(14)	(14)	(15)
Adjusted noncontrolling interests from continuing operations	\$ (43)	\$ (52)	\$ (45)	\$ (39)	\$ (50)

Non-GAAP Measures, continued



	2021	2020			
	Q1	Q4	Q3	Q2	Q1
<u>Adjusted Income from Continuing Operations (b)</u>					
Reported income from continuing operations	\$ 979	\$ 769	\$ 699	\$ 458	\$ 571
Add: Pension settlement charge	-	-	5	-	-
Add: Cost reduction programs and other charges	(28)	54	36	187	95
Less: Bond redemption	-	12	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	361	382	400	360	343
Total adjustments	333	448	441	547	438
Adjusted income from continuing operations	\$ 1,312	\$ 1,217	\$ 1,140	\$ 1,005	\$ 1,009
<u>Adjusted Diluted EPS from Continuing Operations (b)</u>					
Reported diluted EPS from continuing operations	\$ 1.86	\$ 1.45	\$ 1.32	\$ 0.87	\$ 1.07
Add: Pension settlement charge	-	-	0.01	-	-
Add: Cost reduction programs and other charges	(0.05)	0.10	0.07	0.35	0.18
Less: Bond Redemption	-	0.02	-	-	-
Add: Purchase accounting impacts - Linde AG	0.68	0.73	0.75	0.68	0.64
Total adjustments	0.63	0.85	0.83	1.03	0.82
Adjusted diluted EPS from continuing operations	\$ 2.49	\$ 2.30	\$ 2.15	\$ 1.90	\$ 1.89
Reported percentage change	74 %	54 %	(1)%	(7)%	35 %
Adjusted percentage change	32 %	22 %	11 %	4 %	12 %

Adjusted Diluted EPS from Continuing Operations Guidance (d)

	Second Quarter 2021		Full Year 2021	
	Low End	High End	Low End	High End
2021 Adjusted Guidance	\$ 2.50	\$ 2.55	\$ 9.60	\$ 9.80
Adjusted percentage changes versus 2020 adjusted diluted EPS	32 %	34 %	17 %	19 %

Non-GAAP Measures, continued



	2021	2020				
	Q1	Q4	Q3	Q2	Q1	
Adjusted EBITDA and % of Sales						
Income from continuing operations	\$ 979	\$ 769	\$ 699	\$ 458	\$ 571	
Add: Noncontrolling interests related to continuing operations	38	34	31	25	35	
Add: Net pension and OPEB cost (benefit), excluding service cost	(49)	(46)	(41)	(45)	(45)	
Add: Interest expense	20	35	38	18	24	
Add: Income taxes	268	253	265	164	165	
Add: Depreciation and amortization	1,166	1,192	1,168	1,124	1,142	
EBITDA from continuing operations	2,422	2,237	2,160	1,744	1,892	
Add: Cost reduction programs and other charges	(8)	78	48	249	131	
Add: Purchase accounting impacts - Linde AG	24	32	25	23	26	
Total adjustments	16	110	73	272	157	
Adjusted EBITDA from continuing operations	\$ 2,438	\$ 2,347	\$ 2,233	\$ 2,016	\$ 2,049	
Reported sales	\$ 7,243	\$ 7,272	\$ 6,855	\$ 6,377	\$ 6,739	
% of sales						
EBITDA from continuing operations	33.4 %	30.8 %	31.5 %	27.3 %	28.1 %	
Adjusted EBITDA from continuing operations	33.7 %	32.3 %	32.6 %	31.6 %	30.4 %	

(a) The income tax expense (benefit) on the non-GAAP pre-tax adjustments was determined using the applicable tax rates for the jurisdictions that were utilized in calculating the GAAP income tax expense (benefit) and included both current and deferred income tax amounts.

(b) Net of income taxes which are shown separately in "Adjusted Income Taxes and Effective Tax Rate".

(c) The company believes that its non-GAAP measures excluding Purchase accounting impacts - Linde AG are useful to investors because: (i) the business combination was a merger of equals in an all-stock merger transaction, with no cash consideration, (ii) the company is managed on a geographic basis and the results of certain geographies are more heavily impacted by purchase accounting than others, causing results that are not comparable at the reportable segment level, therefore, the impacts of purchasing accounting adjustments to each segment vary and are not comparable within the company and when compared to other companies in similar regions, (iii) business management is evaluated and variable compensation is determined based on results excluding purchase accounting impacts, and; (iv) it is important to investors and analysts to understand the purchase accounting impacts to the financial statements.

A summary of each of the adjustments made for Purchase accounting impacts - Linde AG are as follows:

Adjusted Operating Profit and Margin: The purchase accounting adjustments for the periods presented relate primarily to depreciation and amortization related to the fair value step up of fixed assets and intangible assets (primarily customer related) acquired in the merger.

Adjusted Interest Expense - Net: Relates to the amortization of the fair value of debt acquired in the merger.

Adjusted Income Taxes and Effective Tax Rate: Relates to the current and deferred income tax impact on the adjustments discussed above. The income tax expense (benefit) on the non-GAAP pre-tax adjustments was determined using the applicable tax rates for the jurisdictions that were utilized in calculating the GAAP income tax expense (benefit) and included both current and deferred income tax amounts.

Adjusted Income from Equity Investments: Represents the amortization of increased fair value on equity investments related to depreciable and amortizable assets.

Adjusted Noncontrolling Interests from Continuing Operations: Represents the noncontrolling interests' ownership portion of the adjustments described above determined on an entity by entity basis.

(d) We are providing adjusted earnings per share ("EPS") guidance for 2021. This is a non-GAAP financial measure that represents diluted earnings per share from continuing operations (a GAAP measure) but excludes the impact of certain items that we believe are not representative of our underlying business performance, such as cost reduction and other charges, the impact of potential divestitures or other potentially significant items. Given the uncertainty of timing and magnitude of such items, we cannot provide a reconciliation of the differences between the non-GAAP adjusted EPS guidance and the corresponding GAAP EPS measure without unreasonable effort.

Non-GAAP Measures, continued



LINDE PLC AND SUBSIDIARIES
APPENDIX
NON-GAAP MEASURES AND RECONCILIATIONS
(Millions of dollars)
(UNAUDITED)

2021	2020			
Q1	Q4	Q3	Q2	Q1

Available Operating Cash Flow (AOCF) and Base Capex - Available operating cash flow is a measure used by investors, financial analysts and management to evaluate the ability of a company to pursue opportunities that enhance shareholder value. AOCF measures operating cash flows available after capital expenditures to maintain or replace existing assets (base capex). AOCF equals cash flow from operations less base capex.

Capex	\$ 762	\$ 1,027	\$ 787	\$ 783	\$ 803
Less: backlog capex (a)	(266)	(412)	(331)	(334)	(385)
Base Capex	\$ 496	\$ 615	\$ 456	\$ 449	\$ 418
Operating cash flow	\$ 2,109	\$ 2,434	\$ 1,884	\$ 1,764	\$ 1,347
Less: base capex	(496)	(615)	(456)	(449)	(418)
Available Operating Cash Flow	\$ 1,613	\$ 1,819	\$ 1,428	\$ 1,315	\$ 929

(a) Backlog capex is defined as capital expenditures for projects greater than \$5 million with a customer supply contract.

APAC Segment Results Adjusted for JV Consolidation

	2020			
	Q4	Q3	Q2	Q1
APAC Segment Reported Sales	\$ 1,572	\$ 1,484	\$ 1,295	\$ 1,336
Deconsolidation Impact	(182)	(161)	(153)	(143)
APAC Segment Adjusted Sales	\$ 1,390	\$ 1,323	\$ 1,142	\$ 1,193
APAC Segment Reported Operating Profit	\$ 365	\$ 337	\$ 294	\$ 281
Deconsolidation Impact	(41)	(29)	(28)	(28)
APAC Segment Adjusted Operation Profit	\$ 324	\$ 308	\$ 266	\$ 253
APAC Segment Reported % of Sales	23.2%	22.7%	22.7%	21.0%
APAC Segment Adjusted % of Sales	23.3%	23.3%	23.3%	21.2%

Non-GAAP Measures, continued



LINDE PLC AND SUBSIDIARIES
APPENDIX
NON-GAAP MEASURES AND RECONCILIATIONS
(Millions of dollars)
(UNAUDITED)

	2021	2020					2019			
	Q1	Q4	Q3	Q2	Q1		Q4	Q3	Q2	Q1
Free Cash Flow (FCF) - Free cash flow is a measure used by investors, financial analysts and management to evaluate the ability of a company to pursue opportunities that enhance shareholder value. FCF equals cash flow from operations less capital expenditures.										
Operating Cash Flow	\$ 2,109	\$ 2,434	\$ 1,884	\$ 1,764	\$ 1,347	\$ 2,174	\$ 1,872	\$ 1,005	\$ 1,068	
Less: Capital Expenditures	(762)	(1,027)	(787)	(783)	(803)	(1,015)	(959)	(865)	(843)	
Free Cash Flow	\$ 1,347	\$ 1,407	\$ 1,097	\$ 981	\$ 544	\$ 1,159	\$ 913	\$ 140	\$ 225	

Net Debt - Net debt is a financial liquidity metric used by investors, financial analysts and management to evaluate the ability of a company to repay its debt and is calculated as total debt (excluding purchase accounting impacts) less liquid assets.

Debt	\$ 15,750	\$ 16,154	\$ 17,803	\$ 17,480	\$ 16,875	\$ 13,956	\$ 13,201	\$ 13,957	\$ 14,146	
Less: Cash and cash equivalents	(4,096)	(3,754)	(5,199)	(4,941)	(4,014)	(2,700)	(2,120)	(2,686)	(5,791)	
Net debt	11,654	12,400	12,604	12,539	12,861	11,256	11,081	11,271	8,355	
Less: Purchase accounting impacts - Linde AG	(98)	(121)	(133)	(150)	(170)	(195)	(211)	(243)	(262)	
Adjusted net debt	\$ 11,556	\$ 12,279	\$ 12,471	\$ 12,389	\$ 12,691	\$ 11,061	\$ 10,870	\$ 11,028	\$ 8,093	
Less: Net assets held for sale	(4)	(3)	(2)	(2)	(115)	(123)	(223)	(272)	(1,629)	
Adjusted net debt less net assets held for sale	\$ 11,552	\$ 12,276	\$ 12,469	\$ 12,387	\$ 12,576	\$ 10,938	\$ 10,647	\$ 10,756	\$ 6,464	

After-tax Return on Capital and Adjusted After-tax Return on Capital (ROC) - After-tax return on capital is a measure used by investors, financial analysts and management to evaluate the return on net assets employed in the business. ROC measures the after-tax operating profit that the company was able to generate with the investments made by all parties in the business (debt, noncontrolling interests and Linde plc shareholders' equity).

Reported income from continuing operations	\$ 979	\$ 769	\$ 699	\$ 458	\$ 571	\$ 507	\$ 728	\$ 513	\$ 435	
Add: noncontrolling interests from continuing operations	38	34	31	25	35	27	3	29	30	
Add: interest expense - net	20	35	38	18	24	8	(3)	10	23	
Less: tax benefit on interest expense - net *	(5)	(9)	(10)	(5)	(6)	(2)	1	(3)	(6)	
Reported NOPAT	\$ 1,032	\$ 829	\$ 758	\$ 496	\$ 624	\$ 540	\$ 729	\$ 549	\$ 482	
Adjusted income from continuing operations	\$ 1,312	\$ 1,217	\$ 1,140	\$ 1,005	\$ 1,009	\$ 1,024	\$ 1,052	\$ 1,000	\$ 927	
Add: adjusted noncontrolling interests from continuing operations	43	52	45	39	50	41	46	46	45	
Add: adjusted interest expense - net	38	37	61	40	46	30	19	35	50	
Less: tax benefit on interest expense - net *	(10)	(9)	(15)	(10)	(12)	(7)	(5)	(9)	(13)	
Adjusted NOPAT	\$ 1,383	\$ 1,297	\$ 1,231	\$ 1,074	\$ 1,093	\$ 1,088	\$ 1,112	\$ 1,072	\$ 1,009	

4-quarter trailing reported NOPAT	\$ 3,115	\$ 2,707	\$ 2,418	\$ 2,389	\$ 2,442	\$ 2,300				
4-quarter trailing adjusted NOPAT	\$ 4,985	\$ 4,695	\$ 4,486	\$ 4,367	\$ 4,365	\$ 4,281				

Non-GAAP Measures, continued



Equity and redeemable noncontrolling interests:

	2021	2020					2019			
	Q1	Q4	Q3	Q2	Q1		Q4	Q3	Q2	Q1
Redeemable noncontrolling interests	\$ 13	\$ 13	\$ 13	\$ 13	\$ 92	\$	113	\$ 14	\$ 15	\$ 15
Linde plc shareholders' equity	46,210	47,317	46,175	45,537	44,776		49,074	48,953	50,564	51,175
Noncontrolling interests	1,410	2,252	2,404	2,387	2,375		2,448	2,341	2,315	5,457
Total equity and redeemable noncontrolling interests	\$ 47,633	\$ 49,582	\$ 48,592	\$ 47,937	\$ 47,243	\$	51,635	\$ 51,308	\$ 52,894	\$ 56,647
Reported capital	\$ 59,283	\$ 61,979	\$ 61,194	\$ 60,474	\$ 59,989	\$	62,768	\$ 62,166	\$ 63,893	\$ 63,373
Total equity and redeemable noncontrolling interests	\$ 47,633	\$ 49,582	\$ 48,592	\$ 47,937	\$ 47,243	\$	51,635	\$ 51,308	\$ 52,894	\$ 56,647
Add: Adjusted net debt less net assets held for sale	11,552	12,276	12,469	12,387	12,576		10,938	10,647	10,756	6,464
Less: Linde AG Goodwill (a)	24,256	24,256	24,256	24,256	24,256		24,256	24,197	24,197	24,197
Less: Linde AG Indefinite lived intangibles (a)	1,868	1,868	1,868	1,868	1,868		1,868	1,868	1,868	1,868
Adjusted capital	\$ 33,061	\$ 35,734	\$ 34,937	\$ 34,200	\$ 33,695	\$	36,449	\$ 35,890	\$ 37,585	\$ 37,046

(a) Represent opening balance sheet purchase accounting impacts of non-amortizing assets related to the Linde AG merger.

Ending capital (see above)	\$ 59,283	\$ 61,979	\$ 61,194	\$ 60,474	\$ 59,989
5-quarter average ending capital	\$ 60,584	\$ 61,281	\$ 61,318	\$ 61,858	\$ 62,438
Ending adjusted capital (see above)	\$ 33,061	\$ 35,734	\$ 34,937	\$ 34,200	\$ 33,695
5-quarter average ending adjusted capital	\$ 34,325	\$ 35,003	\$ 35,034	\$ 35,564	\$ 36,133
After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)	5.1 %	4.4 %	3.9 %	3.9 %	3.9 %
Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital)	14.5 %	13.4 %	12.8 %	12.3 %	12.1 %

* Tax benefit on interest expense - net is generally presented using the reported effective rate.

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