



Linde plc

Investor Teleconference Presentation
First Quarter 2023

April 27, 2023

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 future results or circumstances to differ materially from 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, 2022 filed with the SEC on February 28, 2023 which should be reviewed carefully. Please consider Linde plc’s forward-looking statements in light of those risks.

Clean Energy Update



Strategy

Stick to core industrial gas model

- Build on integrated asset base leveraging ~\$3B H₂ business
- Develop networks to meet local market strategies
- Leverage engineering and technology capabilities

Major projects in execution

	<u>Project</u>	<u>Country</u>	<u>Technology</u>	<u>US\$</u>
Clean H₂ (Backlog capex)	OCI	US	ASU, ATR & CC	\$1.8B
Clean H₂ (Backlog & Base capex)	Niagara Falls	US	>90MW Electrolyzers (PEM / Alkaline)	\$0.2B
	Leuna	Germany		
	Evonik	Singapore		
	California	US		
	Plansee	Austria		
	Electronics	Netherlands		
Sale of Plant	RWE	Germany	>200MW Electrolyzers / SMR & CC	\$0.4B
	Yara	Norway		
	Shell	Netherlands		

Major project under development

Customer



Technology

ASU, ATR & CC

Application

Fuel switching for ethylene cracker

Country

Canada

... And more projects under development

Significant investment opportunity \$50B+

First-Quarter Adjusted Results⁽¹⁾



(\$MM)	1Q 2023	4Q 2022	Var	1Q 2022	Var
Sales	\$8,193	\$7,899	4%	\$8,211	0%
Operating Profit	\$2,206	\$2,001	10%	\$1,905	16%
<i>% of Sales</i>	<i>26.9%</i>	<i>25.3%</i>		<i>23.2%</i>	
Income	\$1,693	\$1,574	8%	\$1,500	13%
Diluted EPS	\$3.42	\$3.16	8%	\$2.93	17%
Op. Cash Flow	\$1,908	\$2,095	-9%	\$2,000	-5%
Capex	\$829	\$936	-11%	\$649	28%
Base Capex⁽²⁾	\$578	\$663	-13%	\$459	26%
Project Capex⁽³⁾	\$251	\$273	-8%	\$190	32%
After-Tax ROC	24.0%	22.9%	+110 bps	18.9%	+510 bps

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	--	+ 4%
Volume	--	--
Price / Mix	+ 8%	+ 3%
Cost pass-thru	- 1%	- 1%
Currency	- 3%	+ 2%
Acq / Div	- 2%	+ 1%
Engineering	- 2%	- 1%

- Record operating margin 26.9%
- Operating margins ex. cost pass-thru (bps)

	<u>YoY</u>	<u>Seq.</u>
Americas	+60	+60
APAC	+150	+10
EMEA	+470	+250
Consolidated	+360	+130

- Broad-based price attainment & continued progress on productivity initiatives
- Record EPS \$3.42, YoY +17%, ex. FX +20%
- Record ROC 24.0%, +510 bps YoY

(1) Results other than Sales, Operating Cash Flow and Capex are Non-GAAP measures – see Appendix.

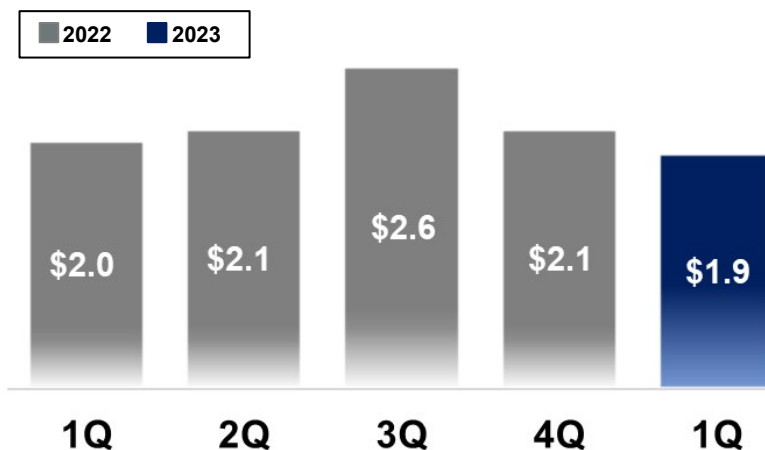
(2) Represents capex in base growth, maintenance and other non-project capex related investments

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

1Q Capital Management



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



	1Q	2Q	3Q	4Q	1Q
OCF	\$2.0	\$2.1	\$2.6	\$2.1	\$1.9
Base CAPEX ⁽¹⁾	(\$0.5)	(\$0.6)	(\$0.5)	(\$0.7)	(\$0.6)
Avail. OCF	\$1.5	\$1.5	\$2.1	\$1.4	\$1.3

- **Wind down of Engineering sanctioned contracts creating unfavorable OCF timing**
- **Raised dividend 9% in 2023**
 - 30 consecutive years of dividend increase
- **Net share purchases \$0.8B**
 - \$4.5B of remaining program authority
- **Re-invested \$1.6B in the business**
 - Includes buyout stake in one of the largest U.S. independent packaged gas distributor

Stable cash generation supporting growth & shareholder returns

2023 Guidance



Full-Year 2023

- Adjusted EPS⁽¹⁾ in the range of \$13.45 to \$13.85
 - +9% to +13% vs. 2022
 - Assumes no currency impact
 - Increased guidance \$0.30 based on 1Q
 - Mid-point assumes no economic improvement
- CAPEX: \$3.5B to \$4.0B

2nd Quarter 2023

- Adjusted EPS⁽¹⁾ in the range of \$3.40 to \$3.50
 - +10% to +13% vs. 2022
 - Estimated YoY currency headwind -1%
 - +11% to +14% vs. 2022 excluding FX

Raising FY guidance on 1Q performance

Appendix

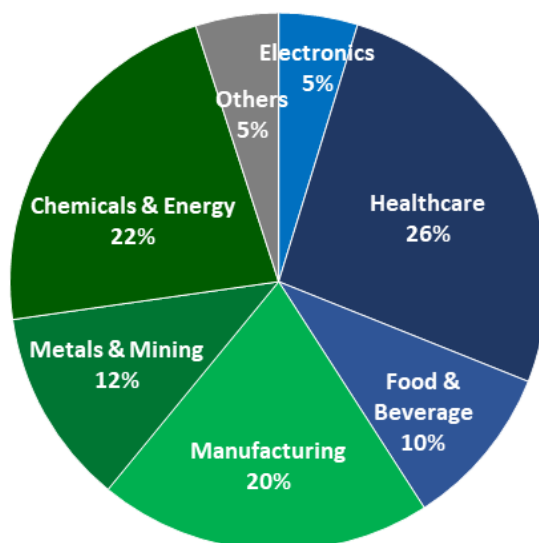
Americas



(\$MM)	1Q 2023	4Q 2022	Var	1Q 2022	Var
Sales	\$3,551	\$3,421	4%	\$3,241	10%
Operating Profit	\$1,025	\$944	9%	\$904	13%
% of Sales	28.9%	27.6%		27.9%	

	YOY	SEQ.
Sales Growth	+ 10%	+ 4%
Volume	+ 1%	+ 1%
Price / Mix	+ 7%	+ 2%
Cost pass-thru	- 1%	- 2%
Currency	--	--
Acq / Div	+ 3%	+ 3%

Sales by End Market

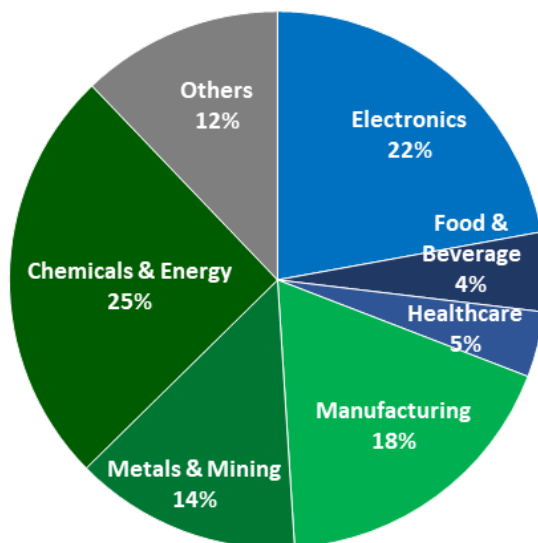


- Ex. cost pass-thru, YoY margins up 60 bps
- Continued price and productivity initiatives
- YoY sales growth across all end markets
 - Strongest growth in Manufacturing (including aerospace), Food & Beverage and Metals & Mining
- Closed nexAir acquisition, one of the largest U.S. independent packaged gas distributors



(\$MM)	1Q 2023	4Q 2022	Var	1Q 2022	Var
Sales	\$1,598	\$1,567	2%	\$1,602	--
Operating Profit	\$423	\$416	2%	\$399	6%
% of Sales	26.5%	26.5%		24.9%	

Sales by End Market



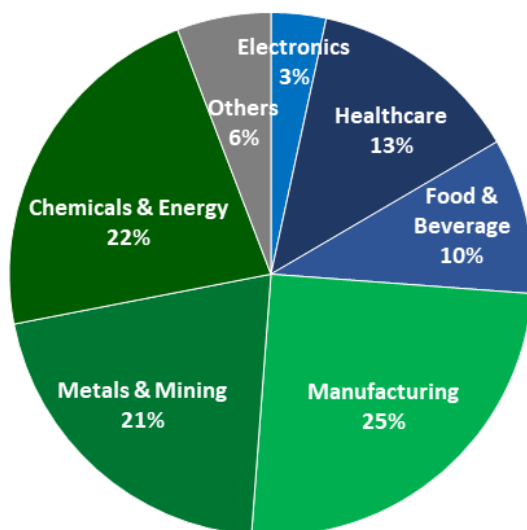
	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	--	+ 2%
Volume	+ 1%	- 4%
Price / Mix	+ 5%	+ 2%
Cost pass-thru	--	+ 1%
Currency	- 6%	+ 3%
Acq / Div	--	--

- Ex. cost pass-thru, YoY margins up 150 bps
- Continued strong pricing plus productivity initiatives
- YoY sales growth across all end markets
 - Startups in Electronics and growth in Chemicals & Energy
- YoY volume growth led by project startups, more than offsetting PY sale of equipment
- Seq. lower volumes due to seasonality
- YoY FX headwinds led by CNY, AUD & INR



(\$MM)	1Q 2023	4Q 2022	Var	1Q 2022	Var
Sales	\$2,177	\$2,026	7%	\$2,148	1%
Operating Profit	\$607	\$509	19%	\$503	21%
% of Sales	27.9%	25.1%		23.4%	

Sales by End Market



	YOY	SEQ.
Sales Growth	+ 1%	+ 7%
Volume	- 3%	--
Price / Mix	+ 13%	+ 5%
Cost pass-thru	+ 1%	- 2%
Currency	- 6%	+ 4%
Acq / Div	- 4%	--

- Ex. cost pass-thru, YoY margins up 470 bps
- Continued strong pricing plus productivity initiatives
- YoY sales growth across all end markets
 - Manufacturing and Food & Beverage the strongest
- YoY volumes down primarily from industrial onsite customers, with slight improvement sequentially
- YoY FX headwinds led by EUR and GBP

Engineering



(\$MM)	1Q 2023	4Q 2022	Var	1Q 2022	Var
Sales	\$540	\$562	-4%	\$728	-26%
Operating Profit	\$149	\$157	-5%	\$143	4%
% of Sales	27.6%	27.9%		19.6%	

3rd Party Orders (\$MM)	1Q 2023	4Q 2022	1Q 2022
Intake	\$478	\$696	\$645
SOP Backlog	\$3,543	\$3,542	\$2,200

- Higher margins driven by:
 - Favorable impact from project timing due to wind down of sanctioned contracts
 - Better cost absorption
- Benefits from productivity and cost actions
- Order intake of projects, \$0.5B
- SOP (sale of plant) backlog \$3.5 billion

Global Other









(\$MM)	1Q 2023	4Q 2022	Var	1Q 2022	Var
Sales	\$327	\$323	1%	\$492	-34%
Operating Profit	\$2	(\$25)	108%	(\$44)	105%
% of Sales	0.6%	-7.7%		-8.9%	

- YoY sales decline due to divestiture of GIST in 3Q 2022
 - GIST annual sales ~\$0.8B, OP margins mid-single digits
- Margin improvement led by pricing and continued corporate cost optimization

Global End Market Trends



1Q 2023	End Market	% of Sales ⁽¹⁾ & YoY Trend	YoY Sales ⁽²⁾ Growth	Seq. Sales ⁽²⁾ Growth
Consumer Related End Markets (More Resilient)				
	Healthcare	17%	+2%	+3%
	Food & Beverage	8%	+14%	+2%
	Electronics	9%	+15%	-1%
Industrial Related End Markets (More Cyclical)				
	Manufacturing	22%	+15%	+6%
	Chemicals & Energy	22%	+3%	-1%
	Metals & Mining	14%	+9%	+6%
	Other	8%	+8%	--

(1) Excludes Engineering sales

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

High-Quality Project Backlog \$7.7B



SOP Backlog⁽¹⁾ \$3.5B



- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Primarily engineering and procurement services

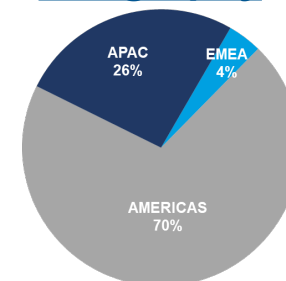
SOG Backlog⁽²⁾ \$4.2B



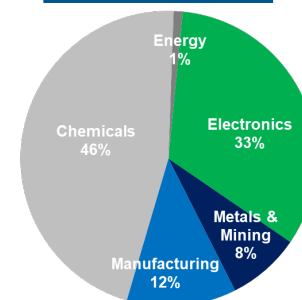
- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Increases network density

Started SOG Exxon project in Singapore, \$1.4B

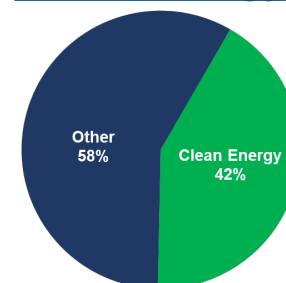
Geography



End Market



Clean Energy



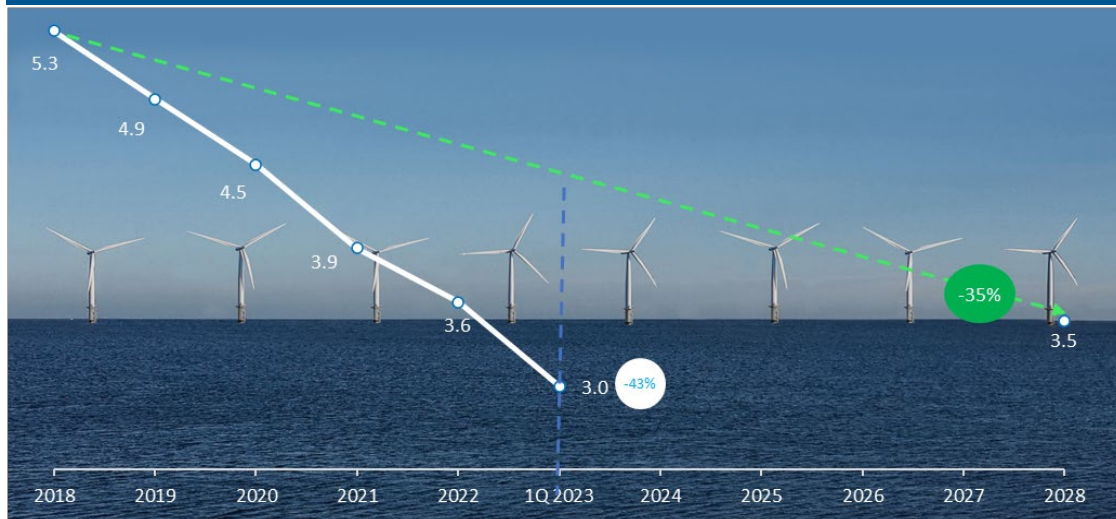
(1) 3rd party sale of plant backlog. Represents future sales, secured under a signed agreement

(2) Sale of gas backlog. Represents project investments (CAPEX), supported by a long-term supply agreement

ESG Performance vs. 2028 Goals



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



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

- Sequential improvement led by scope 1 and 2 reductions with stable volumes and profitable growth

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

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

Decarbonizing our Future

- Linde Signs Agreement with ExxonMobil for Carbon Dioxide Off-take in U.S. Gulf Coast
- Linde to Supply Green Hydrogen to Evonik in Singapore
- Linde and Heidelberg Materials Announce Large-Scale Carbon Capture Project in Germany
- Linde Starts Up Supply to World's First Hydrogen Ferry in Norway

ESG News and Recognitions

- Linde Named One of the 2023 World's Most Ethical Companies
- Linde Recognized by Bloomberg as a Leader in Gender Equality for Sixth Consecutive
- S&P Global Includes Linde in The Sustainability Yearbook for 20th Consecutive Year

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

(2) Low-carbon energy includes passive and active sourcing of solar, wind, hydro and nuclear

Sustainable Development Highlights



Best-in-class safety performance

Lost Workday Case Rate more than 4x better than U.S. Occupational Health and Safety Administration industrial average

Enabled the avoidance of >2x more GHG emissions

than were emitted in all the company's operations

250,000 people benefited from global employee **community engagement** projects

Supplied green hydrogen to the world's first **H₂-powered ferry**

Reduced more than **500 million gallons** of water through sustainability initiatives

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

Recognized leader in **diversity & inclusion**

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA



FTSE4Good



Strategy



Optimize the Base

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

Leverage the Recovery

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

Capitalize on Growth

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



Clean Energy



>10% EPS Growth



Clean Energy

2023+

Sustainable value creation

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 the 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	
	2023	2022	2023	2022	2023	2022	2023	2022
Quarter Ended March 31								
Reported GAAP Amounts	\$ 8,193	\$ 8,211	\$ 1,933	\$ 1,480	\$ 1,516	\$ 1,174	\$ 3.06	\$ 2.30
Other charges (a)	—	—	18	(4)	(27)	(1)	(0.05)	—
Purchase accounting impacts - Linde AG (b)	—	—	255	429	204	327	0.41	0.63
Total adjustments	—	—	273	425	177	326	0.36	0.63
Adjusted amounts	\$ 8,193	\$ 8,211	\$ 2,206	\$ 1,905	\$ 1,693	\$ 1,500	\$ 3.42	\$ 2.93

(a) First quarter 2023 charges relate primarily to costs associated with the delisting, more than offset by net tax benefits.

(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
(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.

	2023	2022			
	Q1	Q4	Q3	Q2	Q1
(Millions of dollars, except per share data)					
<u>Adjusted Operating Profit and Operating Margin</u>					
Reported operating profit	\$ 1,933	\$ 1,687	\$ 1,613	\$ 589	\$ 1,480
Add: Other charges (a)	18	25	15	993	(4)
Add: Purchase accounting impacts - Linde AG (c)	255	289	382	406	429
Total adjustments	273	314	397	1,399	425
Adjusted operating profit	<u>\$ 2,206</u>	<u>\$ 2,001</u>	<u>\$ 2,010</u>	<u>\$ 1,988</u>	<u>\$ 1,905</u>
Reported percentage change	31 %	26 %	25 %	(48)%	22 %
Adjusted percentage change	16 %	9 %	11 %	8 %	13 %
Reported sales	\$ 8,193	\$ 7,899	\$ 8,797	\$ 8,457	\$ 8,211
Reported operating margin	23.6 %	21.4 %	18.3 %	7.0 %	18.0 %
Adjusted operating margin	26.9 %	25.3 %	22.8 %	23.5 %	23.2 %
<u>Adjusted Depreciation and amortization</u>					
Reported depreciation and amortization	\$ 948	\$ 956	\$ 1,045	\$ 1,091	\$ 1,112
Less: Purchase accounting impacts - Linde AG (c)	(250)	(285)	(377)	(401)	(418)
Adjusted depreciation and amortization	<u>\$ 698</u>	<u>\$ 671</u>	<u>\$ 668</u>	<u>\$ 690</u>	<u>\$ 694</u>

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted Other Income (Expense) - net

Reported Other Income (Expense) - net

Add: Purchase accounting impacts - Linde AG (c)

Adjusted Other Income (Expense) - net

2023	2022				
Q1	Q4	Q3	Q2	Q1	
\$ (5)	\$ (4)	\$ (34)	\$ (36)	\$ 12	
(5)	(4)	(5)	(5)	(11)	
<u>\$ —</u>	<u>\$ —</u>	<u>\$ (29)</u>	<u>\$ (31)</u>	<u>\$ 23</u>	

Adjusted Net Pension and OPEB Cost (Benefit), Excluding Service Cost

Reported net pension and OPEB cost (benefit), excluding service cost

Add: Pension settlement charges

Adjusted Net Pension and OPEB cost (benefit), excluding service costs

\$ (45)	\$ (58)	\$ (53)	\$ (62)	\$ (64)	
—	—	(6)	—	—	
<u>\$ (45)</u>	<u>\$ (58)</u>	<u>\$ (59)</u>	<u>\$ (62)</u>	<u>\$ (64)</u>	

Adjusted Interest Expense - Net

Reported interest expense - net

Add: Purchase accounting impacts - Linde AG (c)

Adjusted interest expense - net

\$ 37	\$ 31	\$ 18	\$ 5	\$ 9	
9	8	8	9	10	
<u>\$ 46</u>	<u>\$ 39</u>	<u>\$ 26</u>	<u>\$ 14</u>	<u>\$ 19</u>	

Adjusted Income Taxes (a)

Reported income taxes

Add: Purchase accounting impacts - Linde AG (c)

Add: Pension settlement charges

Add: Other charges (a)

Total adjustments

Adjusted income taxes

\$ 430	\$ 388	\$ 391	\$ 286	\$ 369	
57	66	92	108	108	
—	—	1	—	—	
45	9	26	104	(3)	
<u>102</u>	<u>75</u>	<u>119</u>	<u>212</u>	<u>105</u>	
<u>\$ 532</u>	<u>\$ 463</u>	<u>\$ 510</u>	<u>\$ 498</u>	<u>\$ 474</u>	

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted Effective Tax Rate (a)

Reported income before income taxes and equity investments

Add: Pension settlement charge

Add: Purchase accounting impacts - Linde AG (c)

Add: Other charges (a)

Total adjustments

Adjusted income before income taxes and equity investments

Reported Income taxes

Reported effective tax rate

Adjusted income taxes

Adjusted effective tax rate

Income from Equity Investments

Reported income from equity investments

Add: Purchase accounting impacts - Linde AG (c)

Total adjustments

Adjusted income from equity investments

Adjusted Noncontrolling Interests

Reported noncontrolling interests

Add: Purchase accounting impacts - Linde AG (c)

Adjusted noncontrolling interests

	2023	2022			
	Q1	Q4	Q3	Q2	Q1
	\$ 1,941	\$ 1,714	\$ 1,648	\$ 646	\$ 1,535
	—	—	6	—	—
	246	281	374	397	419
	18	25	15	993	(4)
	264	306	395	1,390	415
	<u>\$ 2,205</u>	<u>\$ 2,020</u>	<u>\$ 2,043</u>	<u>\$ 2,036</u>	<u>\$ 1,950</u>
	\$ 430	\$ 388	\$ 391	\$ 286	\$ 369
	22.2 %	22.6 %	23.7 %	44.3 %	24.0 %
	\$ 532	\$ 463	\$ 510	\$ 498	\$ 474
	24.1 %	22.9 %	25.0 %	24.5 %	24.3 %
	\$ 41	\$ 35	\$ 43	\$ 50	\$ 44
	18	18	18	19	20
	18	18	18	19	20
	<u>\$ 59</u>	<u>\$ 53</u>	<u>\$ 61</u>	<u>\$ 69</u>	<u>\$ 64</u>
	\$ (36)	\$ (33)	\$ (27)	\$ (38)	\$ (36)
	(3)	(3)	(12)	(3)	(4)
	<u>\$ (39)</u>	<u>\$ (36)</u>	<u>\$ (39)</u>	<u>\$ (41)</u>	<u>\$ (40)</u>

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted Net Income - Linde plc (b)

	2023	2022			
	Q1	Q4	Q3	Q2	Q1
Reported net income	\$ 1,516	\$ 1,328	\$ 1,273	\$ 372	\$ 1,174
Add: Pension settlement charge	—	—	5	—	—
Add: Other charges (a)	(27)	16	(11)	889	(1)
Add: Purchase accounting impacts - Linde AG (c)	204	230	288	305	327
Total adjustments	177	246	282	1,194	326
Adjusted net income - Linde plc	\$ 1,693	\$ 1,574	\$ 1,555	\$ 1,566	\$ 1,500

Adjusted Diluted EPS (b)

Reported diluted EPS	\$ 3.06	\$ 2.67	\$ 2.54	\$ 0.74	\$ 2.30
Add: Pension settlement charge	—	—	0.01	—	—
Add: Other charges (a)	(0.05)	0.03	(0.02)	1.76	—
Add: Purchase accounting impacts - Linde AG (c)	0.41	0.46	0.57	0.60	0.63
Total adjustments	0.36	0.49	0.56	2.36	0.63
Adjusted diluted EPS	\$ 3.42	\$ 3.16	\$ 3.10	\$ 3.10	\$ 2.93

Reported percentage change	33 %	35 %	35 %	(54)%	24 %
Adjusted percentage change	17 %	14 %	14 %	15 %	18 %

Adjusted Diluted EPS Guidance (d)

	Second Quarter 2023		Full Year 2023	
	Low End	High End	Low End	High End
2023 Adjusted Guidance	\$ 3.40	\$ 3.50	\$ 13.45	\$ 13.85
Adjusted percentage changes versus 2022 adjusted diluted EPS	10 %	13 %	9 %	13 %
Add: Estimated currency headwind/(tailwind)	1 %	1 %	— %	— %
Adjusted percentage change excluding currency	11 %	14 %	9 %	13 %

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted EBITDA and % of Sales

	2023	2022			
	Q1	Q4	Q3	Q2	Q1
Net Income - Linde plc	\$ 1,516	\$ 1,328	\$ 1,273	\$ 372	\$ 1,174
Add: Noncontrolling interests	36	33	27	38	36
Add: Net pension and OPEB cost (benefit), excluding service cost	(45)	(58)	(53)	(62)	(64)
Add: Interest expense	37	31	18	5	9
Add: Income taxes	430	388	391	286	369
Add: Depreciation and amortization	948	956	1,045	1,091	1,112
EBITDA	2,922	2,678	2,701	1,730	2,636
Add: Other charges (a)	18	25	15	993	(4)
Add: Purchase accounting impacts - Linde AG (c)	23	22	23	23	31
Total adjustments	41	47	38	1,016	27
Adjusted EBITDA	\$ 2,963	\$ 2,725	\$ 2,739	\$ 2,746	\$ 2,663

Reported sales	\$ 8,193	\$ 7,899	\$ 8,797	\$ 8,457	\$ 8,211
% of sales					
EBITDA	35.7 %	33.9 %	30.7 %	20.5 %	32.1 %
Adjusted EBITDA as a % of Sales	36.2 %	34.5 %	31.1 %	32.5 %	32.4 %

Non-GAAP Measures, continued



(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 2018 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 and the allocation of fair value step-up for ongoing Linde AG asset disposals (reflected in Other Income/(Expense)).

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: 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 2023. This is a non-GAAP financial measure that represents diluted earnings per share (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, any impairment or other charges related to scaling back operations in Russia as actions are defined and executed and as sanctions are enacted that impact the Company's operations, 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)

2023	2022			
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	\$ 829	\$ 936	\$ 762	\$ 826	\$ 649
Less: backlog capex (a)	(251)	(273)	(225)	(259)	(190)
Base Capex	\$ 578	\$ 663	\$ 537	\$ 567	\$ 459
Operating cash flow	\$ 1,908	\$ 2,095	\$ 2,636	\$ 2,133	\$ 2,000
Less: base capex	(578)	(663)	(537)	(567)	(459)
Available Operating Cash Flow	\$ 1,330	\$ 1,432	\$ 2,099	\$ 1,566	\$ 1,541

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

Non-GAAP Measures, continued



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

(Millions of dollars)

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.

	2023	2022			
	Q1	Q4	Q3	Q2	Q1
Operating Cash Flow	\$ 1,908	\$ 2,095	\$ 2,636	\$ 2,133	\$ 2,000
Less: Capital Expenditures	(829)	(936)	(762)	(826)	(649)
Free Cash Flow	\$ 1,079	\$ 1,159	\$ 1,874	\$ 1,307	\$ 1,351

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	\$ 18,777	\$ 17,914	\$ 15,338	\$ 16,043	\$ 16,456
Less: Cash and cash equivalents	(4,962)	(5,436)	(3,756)	(3,655)	(4,464)
Net debt	13,815	12,478	11,582	12,388	11,992
Less: Purchase accounting impacts - Linde AG	(13)	(22)	(28)	(38)	(50)
Adjusted net debt	\$ 13,802	\$ 12,456	\$ 11,554	\$ 12,350	\$ 11,942
Less: Net assets held for sale	—	—	—	—	—
Adjusted net debt less net assets held for sale	\$ 13,802	\$ 12,456	\$ 11,554	\$ 12,350	\$ 11,942

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).

Non-GAAP Measures, continued



(Millions of dollars)

	2023	2022				
	Q1	Q4	Q3	Q2	Q1	
Reported net income - Linde plc	\$ 1,516	\$ 1,328	\$ 1,273	\$ 372	\$ 1,174	
Add: noncontrolling interests	36	33	27	38	36	
Add: interest expense - net	37	31	18	5	9	
Less: tax benefit on interest expense - net *	(9)	(7)	(5)	(1)	(2)	
Reported NOPAT	\$ 1,580	\$ 1,385	\$ 1,313	\$ 414	\$ 1,217	
Adjusted net income - Linde plc	\$ 1,693	\$ 1,574	\$ 1,555	\$ 1,566	\$ 1,500	
Add: adjusted noncontrolling interests	39	36	39	41	40	
Add: adjusted interest expense - net	46	39	26	14	19	
Less: tax benefit on interest expense - net *	(11)	(9)	(7)	(3)	(5)	
Adjusted NOPAT	\$ 1,767	\$ 1,640	\$ 1,613	\$ 1,618	\$ 1,554	
*Tax benefit on interest expense - net is generally presented using the reported effective rate.						
4-quarter trailing reported NOPAT	\$ 4,692	\$ 4,329	\$ 4,021	\$ 3,723	\$ 4,198	
4-quarter trailing adjusted NOPAT	\$ 6,638	\$ 6,425	\$ 6,281	\$ 6,137	\$ 5,997	
Equity and redeemable noncontrolling interests:						
Redeemable noncontrolling interests	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	
Linde plc shareholders' equity	39,970	40,028	37,628	39,674	42,963	
Noncontrolling interests	1,353	1,346	1,298	1,353	1,414	
Total equity and redeemable noncontrolling interests	\$ 41,336	\$ 41,387	\$ 38,939	\$ 41,040	\$ 44,390	

Non-GAAP Measures, continued



(Millions of dollars)

	2023		2022				
	Q1		Q4	Q3	Q2	Q1	
Reported capital	\$ 55,151	\$	53,865	\$ 50,521	\$ 53,428	\$	56,382
Total equity and redeemable noncontrolling interests	\$ 41,336	\$	41,387	\$ 38,939	\$ 41,040	\$	44,390
Add: Adjusted net debt	13,802		12,456	11,554	12,350		11,942
Less: Linde AG Goodwill (a)	24,256		24,256	24,256	24,256		24,256
Less: Linde AG Indefinite lived intangibles (a)	1,868		1,868	1,868	1,868		1,868
Adjusted capital	\$ 29,014	\$	27,719	\$ 24,369	\$ 27,266	\$	30,208
(a) Represent opening balance sheet purchase accounting impacts of non-amortizing assets related to the Linde AG merger.							
Ending capital (see above)	\$ 55,151	\$	53,865	\$ 50,521	\$ 53,428	\$	56,382
5-quarter average ending capital	\$ 53,869	\$	54,204	\$ 54,984	\$ 56,796	\$	57,967
Ending adjusted capital (see above)	\$ 29,014	\$	27,719	\$ 24,369	\$ 27,266	\$	30,208
5-quarter average ending adjusted capital	\$ 27,715	\$	28,040	\$ 28,810	\$ 30,611	\$	31,770
After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)	8.7 %		8.0 %	7.3 %	6.6 %		7.2 %
Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital)	24.0 %		22.9 %	21.8 %	20.0 %		18.9 %

Investor Relations



For further information, please contact:



Phone: +1-203-837-2210

Email: investor.relations@linde.com

Internet:

www.linde.com/en/investors