



Linde plc

Investor Teleconference Presentation
Fourth Quarter 2021

February 10, 2022

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 Highlights - 2021



Shareholders



- Leveraging the recovery
- EPS +30%; increased ROC to 17.7%
- Operating cash flow up 31%
- Returned \$7 billion to shareholders
- CEO and Chairman transition

Positioning for the Future



- Record backlog of \$13 billion
- Electronics project wins, ~\$1 billion
- 43 small on-site wins, +19% YoY
- Leading energy transition

Human Capital



- Uninterrupted medical oxygen supply
- Best in-class safety performance
- Gender diversity increased to 28%
- ~400 community engagement projects globally, +23% YoY

Environmental



- Committed to reducing absolute GHG emissions 35% by 2035
- Roadmap to climate neutrality by 2050
- Member of World DJSI for the 19th consecutive year
- CDP awarded Linde with the first 'A' rating for Water Security

Well positioned for another record year in 2022

Fourth-Quarter Adjusted Results⁽¹⁾



(\$MM)	4Q 2021	3Q 2021	Var	4Q 2020	Var
Sales	\$8,298	\$7,668	8%	\$7,272	14%
Operating Profit	\$1,841	\$1,810	2%	\$1,613	14%
<i>% of Sales</i>	<i>22.2%</i>	<i>23.6%</i>		<i>22.2%</i>	
Income	\$1,431	\$1,421	1%	\$1,217	18%
Diluted EPS	\$2.77	\$2.73	1%	\$2.30	20%
Op. Cash Flow	\$3,233	\$2,556	26%	\$2,434	33%
Capex	\$839	\$741	13%	\$1,027	-18%
Base Capex⁽²⁾	\$614	\$480	28%	\$615	0%
Project Capex⁽³⁾	\$225	\$261	-14%	\$412	-45%
After-Tax ROC	17.7%	16.7%	+100 bps	13.4%	+430 bps

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	+ 14%	+ 8%
Volume	+ 6%	--
Price / Mix	+ 3%	+ 2%
Cost pass-thru	+ 6%	+ 3%
Currency	- 1%	- 1%
Acq / Div	- 3%	--
Engineering	+ 3%	+ 4%

■ Operating margins ex. cost pass-thru (bps)

	<u>YoY</u>	<u>Seq.</u>
Americas	+60	-40
APAC	+140	-10
EMEA	+80	-20
Consolidated	+120	-70

- Broad-based price attainment & continued progress on productivity initiatives
- YoY volume growth across all end markets
- Record operating and free cash flow
- ROC 17.7%, +430 bps YoY, +100 bps seq.
- \$13 billion project backlog

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

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

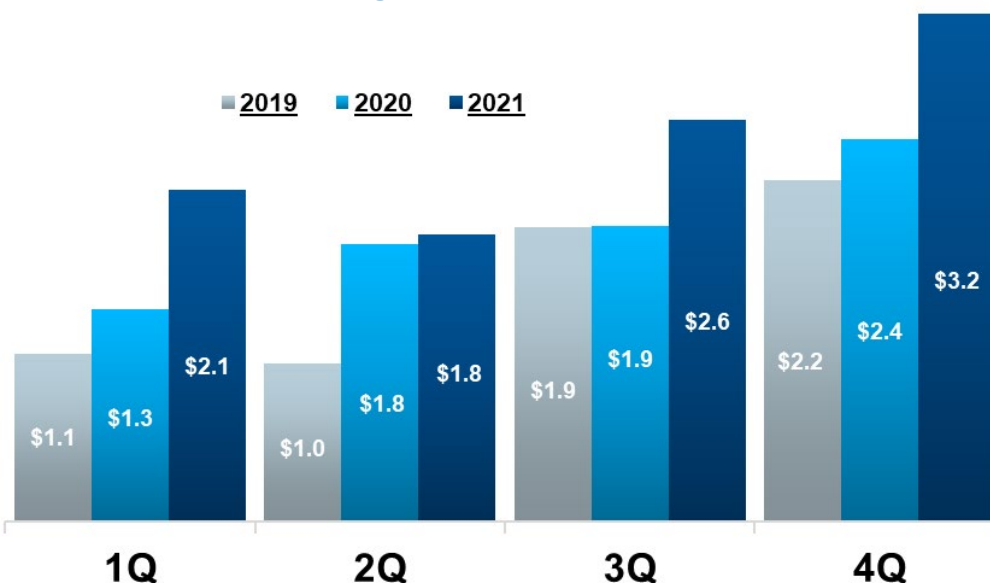
3) Capex for projects > \$5mm with a long-term customer supply agreement and incremental growth

2021 Capital Management



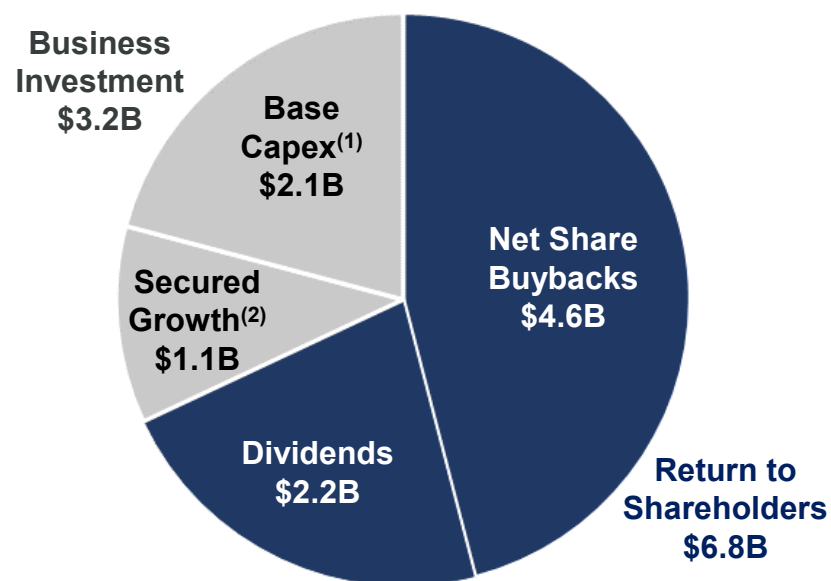
Operating Cash Flow Trend (\$B)

■ 2019 ■ 2020 ■ 2021



2021 full-year \$9.7B
(YoY +31%)

Cash Outflows ~\$10B



✓ Reinvesting in the business & rewarding shareholders

Continued strong cash generation & capital discipline

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

(2) Represents project capex plus acquisitions

2022 Guidance



1st Quarter 2022

- Adjusted EPS⁽¹⁾ in the range of \$2.70 to \$2.80
 - +8% to +12% vs. 2021
 - Estimated YoY and seq. currency headwind -3%
 - +11% to +15% vs. 2021 excluding FX

Full-Year 2022

- Adjusted EPS⁽¹⁾ in the range of \$11.55 to \$11.85
 - +8% to +11% vs. 2021
 - Estimated YoY currency headwind -2%
 - +10% to +13% vs. 2021 excluding FX
 - Mid-point assumes no economic improvement
- CAPEX: \$3.0B to \$3.5B

Expect double-digit EPS growth

Appendix

Full-Year Adjusted Results⁽¹⁾



(\$MM)	2021	2020	Var	2019	Var vs. 2021
Sales	\$30,793	\$27,243	13%	\$28,163	9%
Operating Profit	\$7,176	\$5,797	24%	\$5,272	36%
<i>% of Sales</i>	<i>23.3%</i>	<i>21.3%</i>		<i>18.7%</i>	
Income	\$5,579	\$4,371	28%	\$4,003	39%
Diluted EPS	\$10.69	\$8.23	30%	\$7.34	46%
After-Tax ROC	17.7%	13.4%	+430 bps	11.6%	+610 bps
Op. Cash Flow	\$9,725	\$7,429	31%	\$6,119	59%
Capex	\$3,086	\$3,400	-9%	\$3,682	-16%
Base Capex²	\$2,071	\$1,938	7%	\$1,930	7%
Project Capex³	\$1,015	\$1,462	-31%	\$1,752	-42%

	<u>YOY</u>
Sales Growth	+ 13%
Volume	+ 8%
Price / Mix	+ 3%
Cost pass-thru (CPT)	+ 3%
Currency	+ 2%
Acq/Div	- 3%
Engineering	--

- **Strong operating leverage**
 - YoY, Sales 13%, OP +24%, EPS +30%
 - Operating leverage across all segments
- **OP margins up 200 bps; ex. CPT +270 bps**
- **Price attainment in all geographic segments**
- **Double-digit growth across all end markets except Healthcare**
- **Operating cash flow increased 31%**
- **Free cash flow increased 65%**
- **ROC 17.7%, increased 430 bps**

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

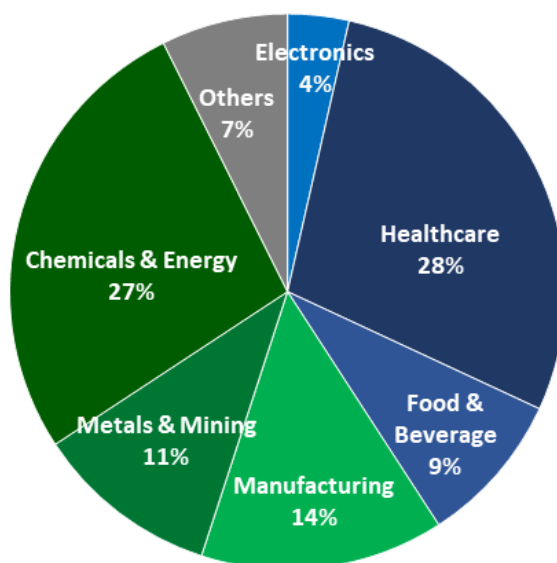
Americas



(\$MM)	4Q 2021	3Q 2021	Var	4Q 2020	Var
Sales	\$3,152	\$3,091	2%	\$2,724	16%
Operating Profit	\$843	\$859	-2%	\$748	13%
% of Sales	26.7%	27.8%		27.5%	

	YOY	SEQ.
Sales Growth	+ 16%	+ 2%
Volume	+ 7%	- 1%
Price / Mix	+ 3%	+ 1%
Cost pass-thru	+ 6%	+ 3%
Currency	--	- 1%
Acq / Div	--	--

End Market



- Ex cost pass-thru, YoY margins up 60 bps
- Continued price and productivity initiatives
- YoY growth across all end markets; Chemicals & Energy, Manufacturing and Food & Beverage the strongest
- Seq. volumes lower, mainly due to Metals & Mining
- Broad-based growth across all three distribution modes



(\$MM)	4Q 2021	3Q 2021	Var	4Q 2020	Var
Sales	\$1,589	\$1,564	2%	\$1,572	1%
Operating Profit	\$380	\$382	-1%	\$365	4%
% of Sales	23.9%	24.4%		23.2%	

Adjusted for JV deconsolidation⁽¹⁾

(\$MM)	4Q 2021 Reported	4Q 2020 Ex. JV	Var
Sales	\$1,589	\$1,390	14%
Operating Profit	\$380	\$324	17%
% of Sales	23.9%	23.3%	

	YOY	SEQ.
Sales Growth	+ 1%	+ 2%
Volume	+ 7%	- 2%
Price / Mix	+ 3%	+ 2%
Cost pass-thru	+ 3%	+ 2%
Currency	--	--
Acq / Div	- 12%	--

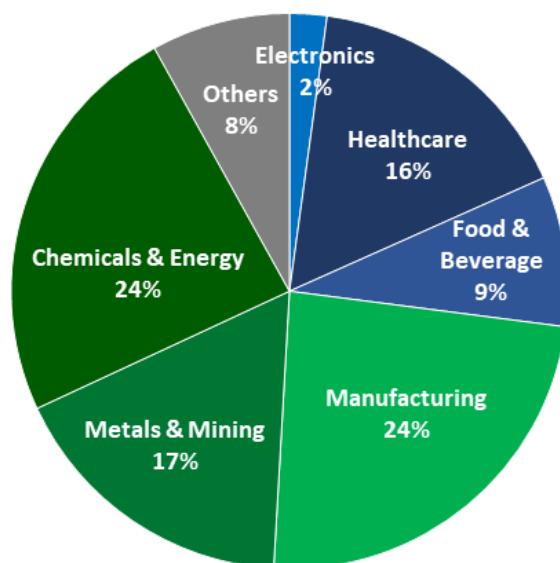
- Ex cost pass-thru, YoY margins up 140 bps
- Stepped up price & productivity initiatives
- YoY growth across all end markets except Metals & Mining
 - Strongest growth in Manufacturing, Electronics, Chemicals & Energy
- Seq. lower volumes, primarily due to Chemicals & Energy
- 1Q deconsolidated Joint Venture in Taiwan
 - No impact to EPS

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

(\$MM)	4Q 2021	3Q 2021	Var	4Q 2020	Var
Sales	\$2,058	\$1,911	8%	\$1,746	18%
Operating Profit	\$475	\$476	--	\$437	9%
% of Sales	23.1%	24.9%		25.0%	

	YOY	SEQ.
Sales Growth	+ 18%	+ 8%
Volume	+ 2%	--
Price / Mix	+ 6%	+ 4%
Cost pass-thru	+ 12%	+ 7%
Currency	- 2%	- 3%
Acq / Div	--	--

End Market



- Ex cost pass-thru, YoY margins up 80 bps
- Continued strong pricing plus productivity initiatives
- YoY growth across all end markets; Manufacturing and Food & Beverage the strongest
- Sequential growth across all end markets

Engineering



(\$MM)	4Q 2021	3Q 2021	Var	4Q 2020	Var
Sales	\$946	\$601	57%	\$755	25%
Operating Profit	\$150	\$106	42%	\$100	50%
% of Sales	15.9%	17.6%		13.2%	

- Continued productivity initiatives and fixed cost absorption
- Good execution of backlog; record sales and operating profit
- SOP (sale of plant) backlog \$9.6 billion

3rd Party Orders (\$MM)	4Q 2021	3Q 2021	4Q 2020
Intake	\$799	\$6,612	\$355
SOP Backlog	\$9,576	\$9,890	\$4,673

Global Other









(\$MM)	4Q 2021	3Q 2021	Var	4Q 2020	Var
Sales	\$553	\$501	10%	\$475	16%
Operating Profit	(\$7)	(\$13)	46%	(\$37)	81%
% of Sales	-1.3%	-2.6%		-7.8%	

- YoY margin improvement driven by price and productivity initiatives
- Volume growth driven by Food & Beverage end market
- Continued optimization of corporate costs

Global End Market Trends



4Q 2021	End Market	% of Sales ⁽¹⁾ & Trend	YoY Sales ⁽²⁾ Growth	Seq. Sales ⁽²⁾ Growth
Consumer Related End Markets (More Resilient)				
	Healthcare	18%	+3%	+1%
	Food & Beverage	10%	+19%	+9%
	Electronics	8%	+12%	+1%
Industrial Related End Markets (More Cyclical)				
	Manufacturing	18%	+11%	+1%
	Chemicals & Energy	24%	+16%	+3%
	Metals & Mining	13%	+4%	-3%
	Other	9%	+12%	+4%

1) Excludes Engineering sales

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

High-Quality Project Backlog \$13B+



SOP Backlog⁽¹⁾ \$9.6B



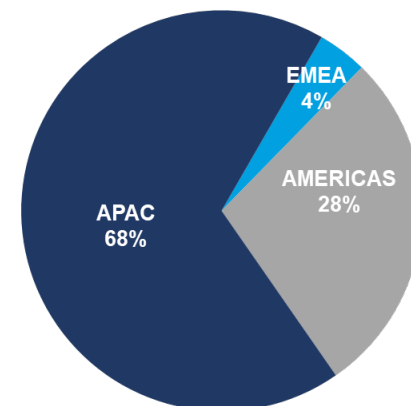
- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Primarily engineering and procurement services

SOG Backlog⁽²⁾ \$3.5B

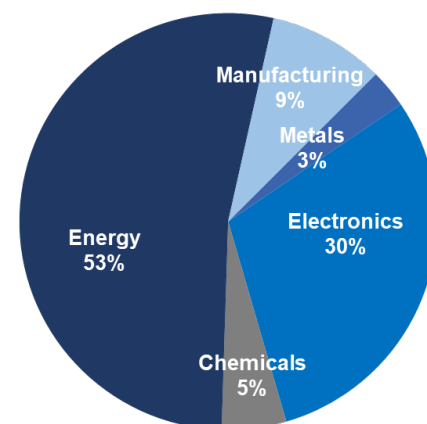


- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Increases network density

Geography



End Market

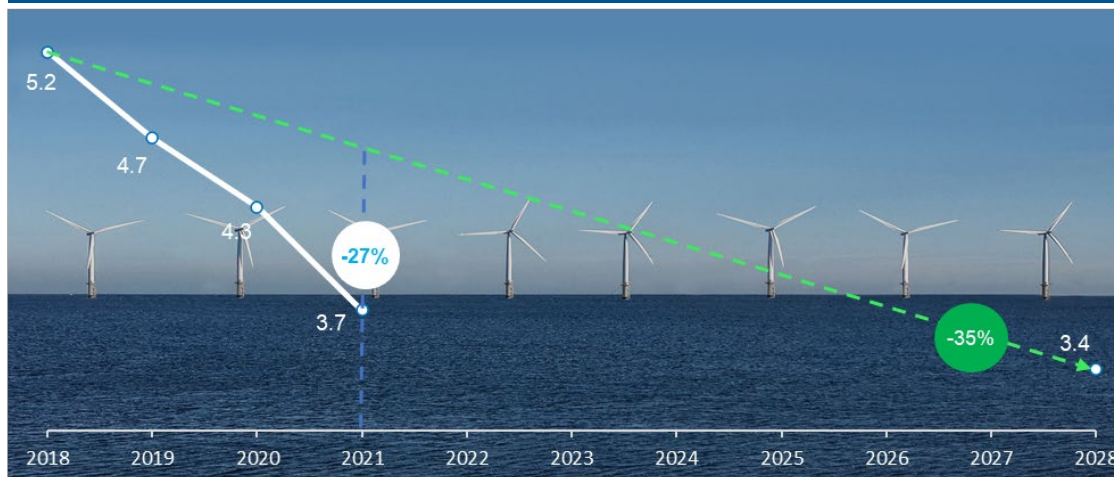


1) 3rd party sale of plant backlog. Represents future sales, secured under a signed agreement
2) Sale of gas backlog. Represents project investments (CAPEX), supported by a long-term supply agreement

ESG Performance vs. 2028 Goals



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



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

- Reduced absolute GHG emissions 3% vs baseline
- GHG intensity continues improving

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

- More than one third of energy consumption is low carbon (18.1 TWh)
- Total low-carbon energy sourcing increased 19% vs baseline
 - Active low-carbon sourcing increased 33%

Decarbonizing our future

- Linde expands agreement with Celanese to provide decarbonization solutions

ESG News and Recognitions

- Linde recognized by Bloomberg as a leader in Gender Equality
- Linde added to CDP's "A List" for Water Security
- Linde included in Dow Jones Sustainability World Index for 19th consecutive year
- Linde receives best possible ISS Environment QualityScore rating for sustainability disclosure practices
- S&P Global includes Linde in The Sustainability Yearbook 2022

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

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 global 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**

Recognized leader in **diversity & inclusion**



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



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

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" starting on 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Quarter Ended December 31								
Reported GAAP Amounts	\$ 8,298	\$ 7,272	\$ 1,337	\$ 1,029	\$ 1,024	\$ 769	\$ 1.98	\$ 1.45
Cost reduction program and other charges (a)	-	-	51	78	51	54	0.10	0.10
Purchase accounting impacts - Linde AG (c)	-	-	453	506	356	382	0.69	0.73
Bond Redemption (d)	-	-	-	-	-	12	-	0.02
Total adjustments	-	-	504	584	407	448	0.79	0.85
Adjusted amounts	\$ 8,298	\$ 7,272	\$ 1,841	\$ 1,613	\$ 1,431	\$ 1,217	\$ 2.77	\$ 2.30
Year to Date December 31								
Reported GAAP Amounts	\$ 30,793	\$ 27,243	\$ 4,984	\$ 3,322	\$ 3,821	\$ 2,497	\$ 7.32	\$ 4.70
Cost reduction program and other charges (a)	-	-	273	506	279	372	0.53	0.70
Pension settlement charges (b)	-	-	-	-	3	5	0.01	0.01
Purchase accounting impacts - Linde AG (c)	-	-	1,919	1,969	1,476	1,485	2.83	2.80
Bond Redemption (d)	-	-	-	-	-	12	-	0.02
Total adjustments	-	-	2,192	2,475	1,758	1,874	3.37	3.53
Adjusted amounts	\$ 30,793	\$ 27,243	\$ 7,176	\$ 5,797	\$ 5,579	\$ 4,371	\$ 10.69	\$ 8.23

(a) To adjust for cost reduction program and other charges; 2021 includes severance of \$31 million and \$259 million for the quarter and year-to-date periods, other cost reduction charges of \$30 million and \$79 million for the quarter and year-to-date periods, and an other net benefit of \$10 million for the quarter and \$65 million for the year-to-date period.

(b) To adjust for pension settlement charges.

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

(d) To adjust for \$16 million charge to interest expense in the 2020 fourth quarter related to a bond redemption.

Non-GAAP Measures, continued



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				
	Year to Date December 31,	Q4	Q3	Q2	Q1	Year to Date December 31,	Q4	Q3	Q2	Q1
<u>Adjusted Operating Profit and Operating Margin</u>										
Reported operating profit	\$ 4,984	\$ 1,337	\$ 1,292	\$ 1,142	\$ 1,213	\$ 3,322	\$ 1,029	\$ 969	\$ 591	\$ 733
Add: Cost reduction programs and other charges	273	51	26	204	(8)	506	78	48	249	131
Add: Purchase accounting impacts - Linde AG (c)	1,919	453	492	491	483	1,969	506	498	477	488
Total adjustments	2,192	504	518	695	475	2,475	584	546	726	619
Adjusted operating profit	\$ 7,176	\$ 1,841	\$ 1,810	\$ 1,837	\$ 1,688	\$ 5,797	\$ 1,613	\$ 1,515	\$ 1,317	\$ 1,352
Reported percentage change	50 %	30 %	33 %	93 %	65 %	13 %	57 %	(3)%	(12)%	20 %
Adjusted percentage change	24 %	14 %	19 %	39 %	25 %	10 %	20 %	9 %	- %	11 %
Reported sales	\$ 30,793	\$ 8,298	\$ 7,668	\$ 7,584	\$ 7,243	\$ 27,243	\$ 7,272	\$ 6,855	\$ 6,377	\$ 6,739
Reported operating margin	16.2 %	16.1 %	16.8 %	15.1 %	16.7 %	12.2 %	14.2 %	14.1 %	9.3 %	10.9 %
Adjusted operating margin	23.3 %	22.2 %	23.6 %	24.2 %	23.3 %	21.3 %	22.2 %	22.1 %	20.7 %	20.1 %
<u>Adjusted Depreciation and amortization</u>										
Reported depreciation and amortization	\$ 4,635	\$ 1,135	\$ 1,163	\$ 1,171	\$ 1,166	\$ 4,626	\$ 1,192	\$ 1,168	\$ 1,124	\$ 1,142
Less: Purchase accounting impacts - Linde AG (c)	(1,863)	(437)	(469)	(479)	(478)	(1,920)	(489)	(487)	(468)	(476)
Adjusted depreciation and amortization	\$ 2,772	\$ 698	\$ 694	\$ 692	\$ 688	\$ 2,706	\$ 703	\$ 681	\$ 656	\$ 666
<u>Adjusted Other Income (Expense) - net</u>										
Reported Other Income (Expense) - net	\$ (26)	\$ (23)	\$ 10	\$ (17)	\$ 4	\$ (61)	\$ (47)	\$ (29)	\$ -	\$ 15
Add: Purchase accounting impacts - Linde AG (c)	(56)	(16)	(23)	(12)	(5)	(49)	(17)	(11)	(9)	(12)
Adjusted Other Income (Expense) - net	\$ 30	\$ (7)	\$ 33	\$ (5)	\$ 9	\$ (12)	\$ (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	\$ (192)	\$ (49)	\$ (45)	\$ (49)	\$ (49)	\$ (177)	\$ (46)	\$ (41)	\$ (45)	\$ (45)
Add: Pension settlement charges	(4)	-	(4)	-	-	(6)	-	(6)	-	-
Adjusted Net Pension and OPEB cost (benefit), excluding service costs	\$ (196)	\$ (49)	\$ (49)	\$ (49)	\$ (49)	\$ (183)	\$ (46)	\$ (47)	\$ (45)	\$ (45)
<u>Adjusted Interest Expense - Net</u>										
Reported interest expense - net	\$ 77	\$ 31	\$ 8	\$ 18	\$ 20	\$ 115	\$ 35	\$ 38	\$ 18	\$ 24
Add: Purchase accounting impacts - Linde AG (c)	53	10	10	15	18	85	18	23	22	22
Less: Bond Redemption	-	-	-	-	-	(16)	(16)	-	-	-
Total adjustments	53	10	10	15	18	69	2	23	22	22
Adjusted interest expense - net	\$ 130	\$ 41	\$ 18	\$ 33	\$ 38	\$ 184	\$ 37	\$ 61	\$ 40	\$ 46

Non-GAAP Measures, continued



	2021					2020				
	Year to Date December 31,	Q4	Q3	Q2	Q1	Year to Date December 31,	Q4	Q3	Q2	Q1
Adjusted Income Taxes (a)										
Reported income taxes	\$ 1,262	\$ 339	\$ 321	\$ 334	\$ 268	\$ 847	\$ 253	\$ 265	\$ 164	\$ 165
Add: Purchase accounting impacts - Linde AG (c)	452	103	115	116	118	399	107	75	95	122
Add: Pension settlement charges	1	-	1	-	-	1	-	1	-	-
Add: Cost reduction programs and other charges	29	-	3	6	20	130	20	12	62	36
Less: Bond Redemption	-	-	-	-	-	4	4	-	-	-
Total adjustments	482	103	119	122	138	534	131	88	157	158
Adjusted income taxes	<u>\$ 1,744</u>	<u>\$ 442</u>	<u>\$ 440</u>	<u>\$ 456</u>	<u>\$ 406</u>	<u>\$ 1,381</u>	<u>\$ 384</u>	<u>\$ 353</u>	<u>\$ 321</u>	<u>\$ 323</u>
Adjusted Effective Tax Rate (a)										
Reported income before income taxes and equity investments	\$ 5,099	\$ 1,355	\$ 1,329	\$ 1,173	\$ 1,242	\$ 3,384	\$ 1,040	\$ 972	\$ 618	\$ 754
Add: Pension settlement charge	4	-	4	-	-	6	-	6	-	-
Add: Purchase accounting impacts - Linde AG (c)	1,866	443	482	476	465	1,884	488	475	455	466
Add: Cost reduction programs and other charges	273	51	26	204	(8)	506	78	48	249	131
Less: Bond Redemption	-	-	-	-	-	16	16	-	-	-
Total adjustments	2,143	494	512	680	457	2,412	582	529	704	597
Adjusted income before income taxes and equity investments	<u>\$ 7,242</u>	<u>\$ 1,849</u>	<u>\$ 1,841</u>	<u>\$ 1,853</u>	<u>\$ 1,699</u>	<u>\$ 5,796</u>	<u>\$ 1,622</u>	<u>\$ 1,501</u>	<u>\$ 1,322</u>	<u>\$ 1,351</u>
Reported Income taxes	\$ 1,262	\$ 339	\$ 321	\$ 334	\$ 268	\$ 847	\$ 253	\$ 265	\$ 164	\$ 165
Reported effective tax rate	24.7 %	25.0 %	24.2 %	28.5 %	21.6 %	25.0 %	24.3 %	27.3 %	26.5 %	21.9 %
Adjusted income taxes	\$ 1,744	\$ 442	\$ 440	\$ 456	\$ 406	\$ 1,381	\$ 384	\$ 353	\$ 321	\$ 323
Adjusted effective tax rate	24.1 %	23.9 %	23.9 %	24.6 %	23.9 %	23.8 %	23.7 %	23.5 %	24.3 %	23.9 %
Income from Equity Investments										
Reported income from equity investments	\$ 119	\$ 38	\$ 1	\$ 37	\$ 43	\$ 85	\$ 16	\$ 23	\$ 29	\$ 17
Add: Cost reduction programs and other charges (d)	\$ 35	-	35	-	-	-	-	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	77	20	19	19	19	57	15	14	14	14
Total adjustments	112	20	54	19	19	57	15	14	14	14
Adjusted income from equity investments	<u>\$ 231</u>	<u>\$ 58</u>	<u>\$ 55</u>	<u>\$ 56</u>	<u>\$ 62</u>	<u>\$ 142</u>	<u>\$ 31</u>	<u>\$ 37</u>	<u>\$ 43</u>	<u>\$ 31</u>
Adjusted Noncontrolling Interests from Continuing Operations										
Reported noncontrolling interests from continuing operations	\$ (135)	\$ (30)	\$ (31)	\$ (36)	\$ (38)	\$ (125)	\$ (34)	\$ (31)	\$ (25)	\$ (35)
Add: Cost reduction programs and other charges	-	-	-	-	-	(4)	(4)	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	(15)	(4)	(4)	(2)	(5)	(57)	(14)	(14)	(14)	(15)
Total adjustments	(15)	(4)	(4)	(2)	(5)	(61)	(18)	(14)	(14)	(15)
Adjusted noncontrolling interests from continuing operations	<u>\$ (150)</u>	<u>\$ (34)</u>	<u>\$ (35)</u>	<u>\$ (38)</u>	<u>\$ (43)</u>	<u>\$ (186)</u>	<u>\$ (52)</u>	<u>\$ (45)</u>	<u>\$ (39)</u>	<u>\$ (50)</u>

Non-GAAP Measures, continued



	2021					2020				
	Year to Date December 31,	Q4	Q3	Q2	Q1	Year to Date December 31,	Q4	Q3	Q2	Q1
Adjusted Income from Continuing Operations (b)										
Reported income from continuing operations	\$ 3,821	\$ 1,024	\$ 978	\$ 840	\$ 979	\$ 2,497	\$ 769	\$ 699	\$ 458	\$ 571
Add: Pension settlement charge	3	-	3	-	-	5	-	5	-	-
Add: Cost reduction programs and other charges	279	51	58	198	(28)	372	54	36	187	95
Add: Purchase accounting impacts - Linde AG (c)	1,476	356	382	377	361	1,485	382	400	360	343
Less: Bond Redemption	-	-	-	-	-	12	12	-	-	-
Total adjustments	1,758	407	443	575	333	1,874	448	441	547	438
Adjusted income from continuing operations	<u>\$ 5,579</u>	<u>\$ 1,431</u>	<u>\$ 1,421</u>	<u>\$ 1,415</u>	<u>\$ 1,312</u>	<u>\$ 4,371</u>	<u>\$ 1,217</u>	<u>\$ 1,140</u>	<u>\$ 1,005</u>	<u>\$ 1,009</u>
Adjusted Diluted EPS from Continuing Operations (b)										
Reported diluted EPS from continuing operations	\$ 7.32	\$ 1.98	\$ 1.88	\$ 1.60	\$ 1.86	\$ 4.70	\$ 1.45	\$ 1.32	\$ 0.87	\$ 1.07
Add: Pension settlement charge	0.01	-	0.01	-	-	0.01	-	0.01	-	-
Add: Cost reduction programs and other charges	0.53	0.10	0.11	0.38	(0.05)	0.70	0.10	0.07	0.35	0.18
Less: Bond Redemption	-	-	-	-	-	0.02	0.02	-	-	-
Add: Purchase accounting impacts - Linde AG	2.83	0.69	0.73	0.72	0.68	2.80	0.73	0.75	0.68	0.64
Total adjustments	3.37	0.79	0.85	1.10	0.63	3.53	0.85	0.83	1.03	0.82
Adjusted diluted EPS from continuing operations	<u>\$ 10.69</u>	<u>\$ 2.77</u>	<u>\$ 2.73</u>	<u>\$ 2.70</u>	<u>\$ 2.49</u>	<u>\$ 8.23</u>	<u>\$ 2.30</u>	<u>\$ 2.15</u>	<u>\$ 1.90</u>	<u>\$ 1.89</u>
Reported percentage change	56 %	37 %	42 %	84 %	74 %	18 %	54 %	(1)%	(7)%	35 %
Adjusted percentage change	30 %	20 %	27 %	42 %	32 %	12 %	22 %	11 %	4 %	12 %
Adjusted Diluted EPS from Continuing Operations Guidance (e)										
	First Quarter 2022					Full Year 2022				
	Low End			High End		Low End			High End	
2022 Adjusted Guidance	\$ 2.70			\$ 2.80		\$ 11.55			\$ 11.85	
Adjusted percentage change versus 2021 adjusted diluted EPS	8 %			12 %		8 %			11 %	
Add: Estimated currency headwinds	3 %			3 %		2 %			2 %	
Adjusted percentage change excluding currency	11 %			15 %		10 %			13 %	

Non-GAAP Measures, continued



	2021					2020				
	Year to Date December 31,	Q4	Q3	Q2	Q1	Year to Date December 31,	Q4	Q3	Q2	Q1
Adjusted EBITDA and % of Sales										
Income from continuing operations	\$ 3,821	\$ 1,024	\$ 978	\$ 840	\$ 979	\$ 2,497	\$ 769	\$ 699	\$ 458	\$ 571
Add: Noncontrolling interests related to continuing operations	135	30	31	36	38	125	34	31	25	35
Add: Net pension and OPEB cost (benefit), excluding service cost	(192)	(49)	(45)	(49)	(49)	(177)	(46)	(41)	(45)	(45)
Add: Interest expense	77	31	8	18	20	115	35	38	18	24
Add: Income taxes	1,262	339	321	334	268	847	253	265	164	165
Add: Depreciation and amortization	4,635	1,135	1,163	1,171	1,166	4,626	1,192	1,168	1,124	1,142
EBITDA from continuing operations	9,738	2,510	2,456	2,350	2,422	8,033	2,237	2,160	1,744	1,892
Add: Cost reduction programs and other charges	308	51	61	204	(8)	506	78	48	249	131
Add: Purchase accounting impacts - Linde AG	133	36	42	31	24	106	32	25	23	26
Total adjustments	441	87	103	235	16	612	110	73	272	157
Adjusted EBITDA from continuing operations	\$ 10,179	\$ 2,597	\$ 2,559	\$ 2,585	\$ 2,438	\$ 8,645	\$ 2,347	\$ 2,233	\$ 2,016	\$ 2,049
Reported sales	\$ 30,793	\$ 8,298	\$ 7,668	\$ 7,584	\$ 7,243	\$ 27,243	\$ 7,272	\$ 6,855	\$ 6,377	\$ 6,739
% of sales										
EBITDA from continuing operations	31.6 %	30.2 %	32.0 %	31.0 %	33.4 %	29.5 %	30.8 %	31.5 %	27.3 %	28.1 %
Adjusted EBITDA from continuing operations	33.1 %	31.3 %	33.4 %	34.1 %	33.7 %	31.7 %	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 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 from Continuing Operations:** Represents the noncontrolling interests' ownership portion of the adjustments described above determined on an entity by entity basis.

(d) Impairment charge related to a joint venture in the APAC segment

(e) We are providing adjusted earnings per share ("EPS") guidance for 2022. 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			
	Q4	Q3	Q2	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	\$ 839	\$ 741	\$ 744	\$ 762	\$ 1,027	\$ 787	\$ 783	\$ 803
Less: backlog capex (a)	(225)	(261)	(263)	(266)	(412)	(331)	(334)	(385)
Base Capex	\$ 614	\$ 480	\$ 481	\$ 496	\$ 615	\$ 456	\$ 449	\$ 418
Operating cash flow	\$3,233	\$2,556	\$ 1,827	\$ 2,109	\$ 2,434	\$ 1,884	\$ 1,764	\$ 1,347
Less: base capex	(614)	(480)	(481)	(496)	(615)	(456)	(449)	(418)
Available Operating Cash Flow	\$2,619	\$2,076	\$ 1,346	\$ 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
Q4	Q3	Q2	Q1		Q4	Q3	Q2	Q1	Q4

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	\$	3,233	\$	2,556	\$	1,827	\$	2,109	\$	2,434	\$	1,884	\$	1,764	\$	1,347	\$	2,174
Less: Capital Expenditures		(839)		(741)		(744)		(762)		(1,027)		(787)		(783)		(803)		(1,015)
Free Cash Flow	\$	2,394	\$	1,815	\$	1,083	\$	1,347	\$	1,407	\$	1,097	\$	981	\$	544	\$	1,159

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	\$	14,207	\$	16,727	\$	15,492	\$	15,750	\$	16,154	\$	17,803	\$	17,480	\$	16,875	\$	13,956
Less: Cash and cash equivalents		(2,823)		(4,700)		(3,137)		(4,096)		(3,754)		(5,199)		(4,941)		(4,014)		(2,700)
Net debt		11,384		12,027		12,355		11,654		12,400		12,604		12,539		12,861		11,256
Less: Purchase accounting impacts - Linde AG		(61)		(72)		(84)		(98)		(121)		(133)		(150)		(170)		(195)
Adjusted net debt	\$	11,323	\$	11,955	\$	12,271	\$	11,556	\$	12,279	\$	12,471	\$	12,389	\$	12,691	\$	11,061
Less: Net assets held for sale		-		(1)		(1)		(4)		(3)		(2)		(2)		(115)		(123)
Adjusted net debt less net assets held for sale	\$	11,323	\$	11,954	\$	12,270	\$	11,552	\$	12,276	\$	12,469	\$	12,387	\$	12,576	\$	10,938

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	\$	1,024	\$	978	\$	840	\$	979	\$	769	\$	699	\$	458	\$	571	\$	507
Add: noncontrolling interests from continuing operations		30		31		36		38		34		31		25		35		27
Add: interest expense - net		31		8		18		20		35		38		18		24		8
Less: tax benefit on interest expense - net *		(8)		(2)		(5)		(5)		(9)		(10)		(5)		(6)		(2)
Reported NOPAT	\$	1,077	\$	1,015	\$	889	\$	1,032	\$	829	\$	758	\$	496	\$	624	\$	540
Adjusted income from continuing operations	\$	1,431	\$	1,421	\$	1,415	\$	1,312	\$	1,217	\$	1,140	\$	1,005	\$	1,009	\$	1,024
Add: adjusted noncontrolling interests from continuing operations		34		35		38		43		52		45		39		50		41
Add: adjusted interest expense - net		41		18		33		38		37		61		40		46		30
Less: tax benefit on interest expense - net *		(10)		(5)		(8)		(10)		(9)		(15)		(10)		(12)		(7)
Adjusted NOPAT	\$	1,496	\$	1,469	\$	1,478	\$	1,383	\$	1,297	\$	1,231	\$	1,074	\$	1,093	\$	1,088
4-quarter trailing reported NOPAT	\$	4,013	\$	3,765	\$	3,508	\$	3,115	\$	2,707								
4-quarter trailing adjusted NOPAT	\$	5,826	\$	5,627	\$	5,389	\$	4,985	\$	4,695								

Non-GAAP Measures, continued



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

	2021				2020				2019
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Equity and redeemable noncontrolling interests:									
Redeemable noncontrolling interests	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 92	\$ 113
Linde plc shareholders' equity	44,035	44,323	45,777	46,210	47,317	46,175	45,537	44,776	49,074
Noncontrolling interests	1,393	1,401	1,438	1,410	2,252	2,404	2,387	2,375	2,448
Total equity and redeemable noncontrolling interests	<u>\$ 45,441</u>	<u>\$ 45,737</u>	<u>\$ 47,228</u>	<u>\$ 47,633</u>	<u>\$ 49,582</u>	<u>\$ 48,592</u>	<u>\$ 47,937</u>	<u>\$ 47,243</u>	<u>\$ 51,635</u>
Reported capital	\$ 56,825	\$ 57,763	\$ 59,582	\$ 59,283	\$ 61,979	\$ 61,194	\$ 60,474	\$ 59,989	\$ 62,768
Total equity and redeemable noncontrolling interests	\$ 45,441	\$ 45,737	\$ 47,228	\$ 47,633	\$ 49,582	\$ 48,592	\$ 47,937	\$ 47,243	\$ 51,635
Add: Adjusted net debt less net assets held for sale	11,323	11,954	12,270	11,552	12,276	12,469	12,387	12,576	10,938
Less: Linde AG Goodwill (a)	24,256	24,256	24,256	24,256	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	1,868	1,868	1,868	1,868
Adjusted capital	<u>\$ 30,640</u>	<u>\$ 31,567</u>	<u>\$ 33,374</u>	<u>\$ 33,061</u>	<u>\$ 35,734</u>	<u>\$ 34,937</u>	<u>\$ 34,200</u>	<u>\$ 33,695</u>	<u>\$ 36,449</u>
(a) Represent balance sheet purchase accounting impacts of non-amortizing assets related to the Linde AG merger.									
Ending capital (see above)	\$ 56,825	\$ 57,763	\$ 59,582	\$ 59,283	\$ 61,979				
5-quarter average ending capital	\$ 59,086	\$ 59,960	\$ 60,502	\$ 60,584	\$ 61,281				
Ending adjusted capital (see above)	\$ 30,640	\$ 31,567	\$ 33,374	\$ 33,061	\$ 35,734				
5-quarter average ending adjusted capital	\$ 32,875	\$ 33,735	\$ 34,261	\$ 34,325	\$ 35,003				
After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)	6.8 %	6.3 %	5.8 %	5.1 %	4.4 %				
Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital)	17.7 %	16.7 %	15.7 %	14.5 %	13.4 %				

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



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