



Linde plc

Investor Teleconference Presentation
Fourth Quarter 2022

February 7, 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, 2021 filed with the SEC on February 28, 2022 which should be reviewed carefully. Please consider Linde plc’s forward-looking statements in light of those risks.

Key Highlights - 2022



Shareholders



- Mitigated energy crisis
- Margins +40 bps, +160 bps ex. CPT
- EPS +15%; increased ROC to 22.9%
- Returned \$7+ billion to shareholders
- 94% shareholder approval to delist FSE

Environmental



- 2035 climate goal approved by SBTi
- Member of DJSI, 20th consecutive year
- Double 'A' for Climate Change & Water Security
- 760 zero-waste sites, +50 YoY

Human Capital



- Best in-class safety performance
- Gender diversity 28%, goal 30%
- ~500 community engagement projects globally, +25% YoY
- +\$2mm to support efforts in Ukraine

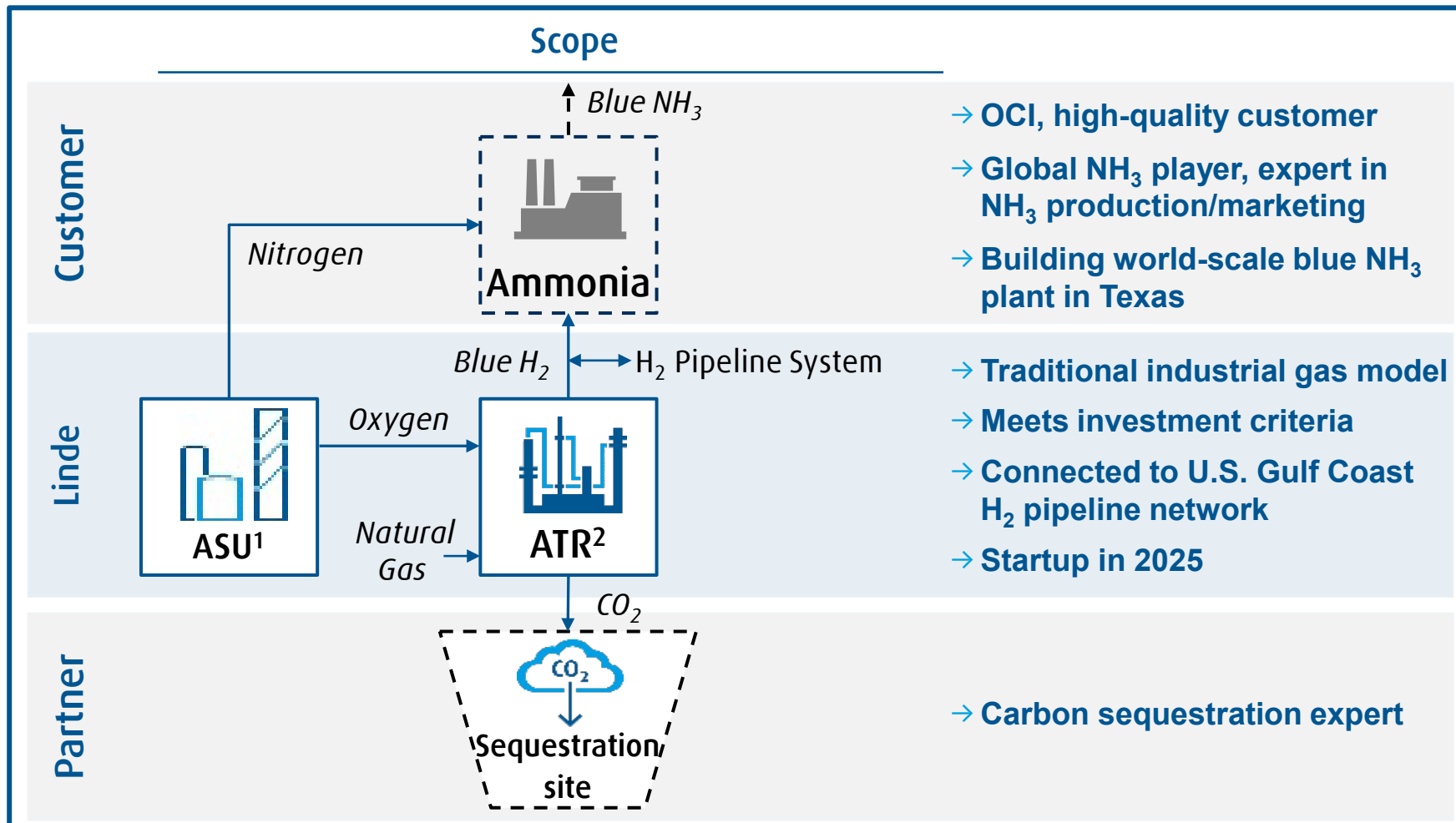
Positioning for the Future



- Backlog \$9+ billion
- 52 small on-site wins, +21% YoY
- Secured CO2 sequestration partners
- Significant progress on clean energy projects

Well positioned for another record year in 2023

Clean H₂ Project in USGC: \$1.8B Investment



World-Scale Low Carbon Project - More Wins to Come

Fourth-Quarter Adjusted Results⁽¹⁾



(\$MM)	4Q 2022	3Q 2022	Var	4Q 2021	Var
Sales	\$7,899	\$8,797	-10%	\$8,298	-5%
Operating Profit	\$2,001	\$2,010	0%	\$1,841	9%
<i>% of Sales</i>	<i>25.3%</i>	<i>22.8%</i>		<i>22.2%</i>	
Income	\$1,574	\$1,555	1%	\$1,431	10%
Diluted EPS	\$3.16	\$3.10	2%	\$2.77	14%
Op. Cash Flow	\$2,095	\$2,636	-21%	\$3,233	-35%
Capex	\$936	\$762	23%	\$839	12%
Base Capex⁽²⁾	\$663	\$537	23%	\$614	8%
Project Capex⁽³⁾	\$273	\$225	21%	\$225	21%
After-Tax ROC	22.9%	21.8%	+110 bps	17.7%	+520 bps

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	- 5%	- 10%
Volume	- 1%	- 4%
Price / Mix	+ 8%	+ 2%
Cost pass-thru	+ 2%	- 3%
Currency	- 6%	--
Acq / Div	- 4%	- 2%
Engineering	- 4%	- 3%

- **Record operating margin 25.3%**
- **Operating margins ex. cost pass-thru (bps)**

	<u>YoY</u>	<u>Seq.</u>
Americas	+110	+30
APAC	+260	+60
EMEA	+330	+190
Consolidated	+350	+180

- **Broad-based price attainment & continued progress on productivity initiatives**
- **Record EPS \$3.16, YoY +14%, ex. FX +20%**
- **Record ROC 22.9%, +520 bps YoY**
- **\$9.2 billion project backlog**

(1) Results other than Sales, Operating Cash Flow and Capex are 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

2022 Capital Management

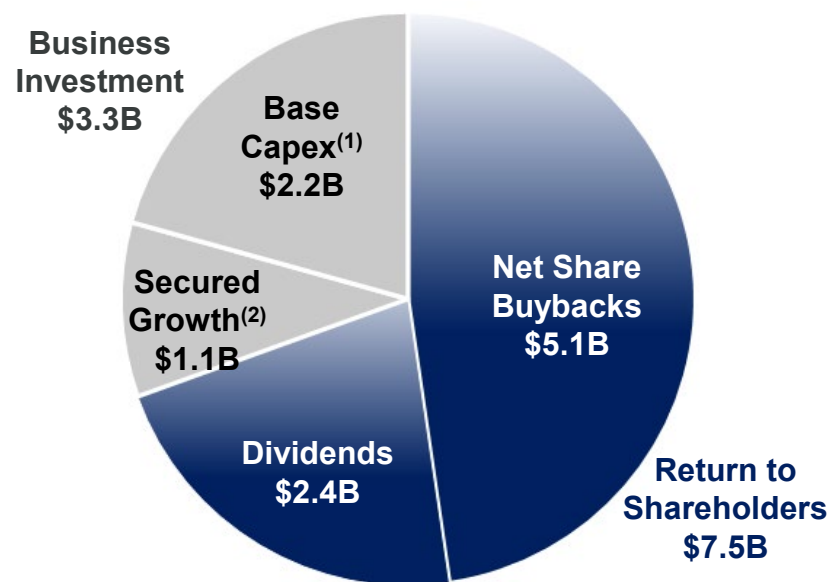


Operating Cash Flow Trend (\$B)



2022 full-year ~\$9B

Cash Outflows ~\$11B



✓ Reinvesting in the business & rewarding shareholders

Returned to shareholders \$7.5B, +11% YoY

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

(2) Represents project capex plus acquisitions

2023 Guidance



1st Quarter 2023

- Adjusted EPS⁽¹⁾ in the range of \$3.05 to \$3.15
 - +4% to +8% vs. 2022
 - Estimated YoY currency headwind -5%
 - +9% to +13% vs. 2022 excluding FX
- Sequentially down at midpoint:
 - (-) Seasonal China and Engineering timing
 - (+) U.S. onsite customer recovery and acquisition

Full-Year 2023

- Adjusted EPS⁽¹⁾ in the range of \$13.15 to \$13.55
 - +7% to +10% vs. 2022
 - Estimated YoY currency headwind -2%
 - +9% to +12% vs. 2022 excluding FX
 - Mid-point assumes no economic improvement
- CAPEX: \$3.5B to \$4.0B

Growing EPS +9% to +12% ex. FX despite uncertainty

Appendix

Full-Year Adjusted Results⁽¹⁾



(\$MM)	2022	2021	Var
Sales	\$33,364	\$30,793	8%
Operating Profit	\$7,904	\$7,176	10%
<i>% of Sales</i>	<i>23.7%</i>	<i>23.3%</i>	
Income	\$6,195	\$5,579	11%
Diluted EPS	\$12.29	\$10.69	15%
Op. Cash Flow	\$8,864	\$9,725	-9%
Capex	\$3,173	\$3,086	3%
Base Capex ²	\$2,226	\$2,071	7%
Project Capex ³	\$947	\$1,015	-7%
After-Tax ROC	22.9%	17.7%	+520 bps

	<u>YOY</u>
Sales Growth	+ 8%
Volume	+ 1%
Price / Mix	+ 7%
Cost pass-thru (CPT)	+ 6%
Currency	- 5%
Acq/Div	- 1%
Engineering	--

- **Strong operating leverage**
 - YoY Sales +8%, OP +10%, EPS +15%
 - Ex. CPT, operating leverage across all segments
- **Record OP margins, +40 bps; ex. CPT +160 bps**
- **Record EPS, +15%, ex. FX +20%**
- **Price attainment in all geographic segments**
- **Volume growth led by project contributions**
- **Double-digit sales growth across all end markets except Healthcare**
- **Record ROC 22.9%, increased 520 bps**

(1) Results other than Sales, Operating Cash Flow and Capex are 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

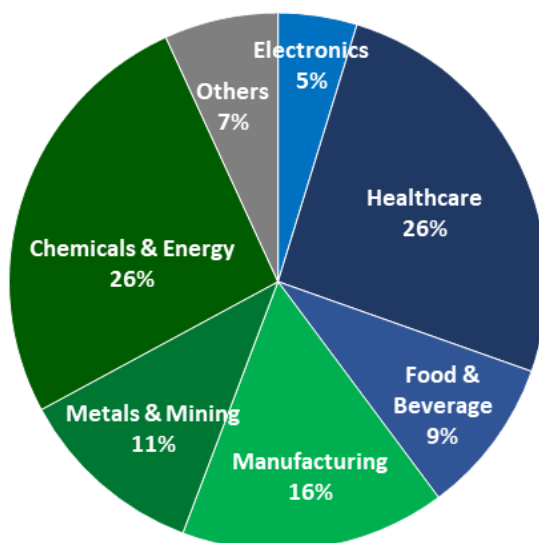
(3) Capex for projects > \$5mm with a long-term customer supply agreement and incremental growth

Americas



(\$MM)	4Q 2022	3Q 2022	Var	4Q 2021	Var
Sales	\$3,421	\$3,694	-7%	\$3,152	9%
Operating Profit	\$944	\$974	-3%	\$843	12%
% of Sales	27.6%	26.4%		26.7%	

Sales by End Market



	YOY	SEQ.
Sales Growth	+ 9%	- 7%
Volume	--	- 5%
Price / Mix	+ 7%	+ 1%
Cost pass-thru	+ 1%	- 3%
Currency	--	--
Acq / Div	+ 1%	--

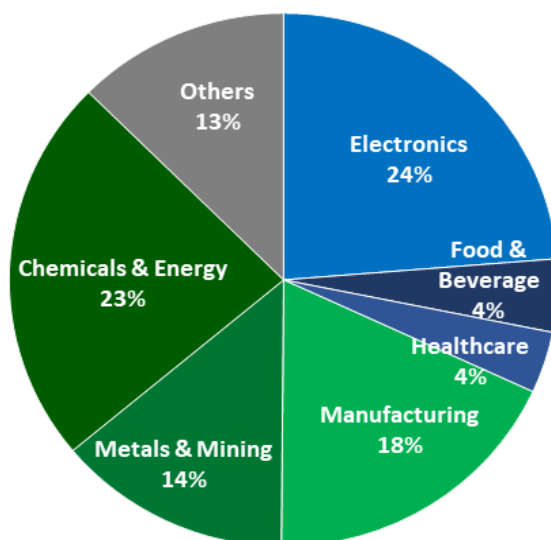
- Ex cost pass-thru, YoY margins up 110 bps
- Continued price and productivity initiatives
- YoY growth across all end markets except Healthcare
 - Metals & Mining and Manufacturing the strongest
- Seq. volumes driven by seasonality and U.S. onsite customers from winter storm



(\$MM)	4Q 2022	3Q 2022	Var	4Q 2021	Var
Sales	\$1,567	\$1,660	-6%	\$1,589	-1%
Operating Profit	\$416	\$429	-3%	\$380	9%
% of Sales	26.5%	25.8%		23.9%	

	YOY	SEQ.
Sales Growth	- 1%	- 6%
Volume	+ 3%	- 3%
Price / Mix	+ 5%	+ 1%
Cost pass-thru	--	- 1%
Currency	- 9%	- 3%
Acq / Div	--	--

Sales by End Market

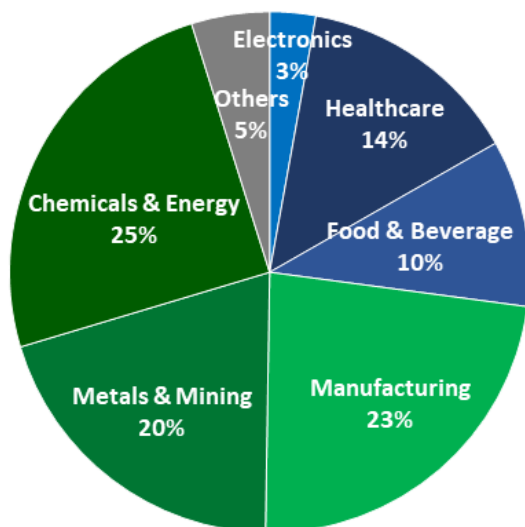


- YoY margins up 260 bps
- Continued good inflation management
- YoY sales growth across all end markets
 - Strongest growth in Electronics, Chemicals & Energy
- YoY volume growth led by project startups
- Seq. lower volumes, primarily led by LPG seasonality
- FX headwinds led by CNY, AUD & KRW



(\$MM)	4Q 2022	3Q 2022	Var	4Q 2021	Var
Sales	\$2,026	\$2,125	-5%	\$2,058	-2%
Operating Profit	\$509	\$465	9%	\$475	7%
% of Sales	25.1%	21.9%		23.1%	

Sales by End Market



	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	- 2%	- 5%
Volume	- 7%	- 3%
Price / Mix	+ 14%	+ 4%
Cost pass-thru	+ 6%	- 6%
Currency	- 11%	--
Acq / Div	- 4%	--

- Ex cost pass-thru, YoY margins up 330 bps
- Continued strong pricing plus productivity initiatives
- YoY sales growth across all end markets except Healthcare
 - Food & Beverage and Manufacturing the strongest
- Seq. volumes down primarily from industrial onsite customers
- FX headwinds led by EUR and GBP

Engineering



(\$MM)	4Q 2022	3Q 2022	Var	4Q 2021	Var
Sales	\$562	\$828	-32%	\$946	-41%
Operating Profit	\$157	\$150	5%	\$150	5%
% of Sales	27.9%	18.1%		15.9%	

- Strong margin led by favorable timing, including one-time project settlement
- Continued productivity initiatives
- Good order intake of projects, \$0.7B
- SOP (sale of plant) backlog \$3.5 billion

3rd Party Orders (\$MM)	4Q 2022	3Q 2022	4Q 2021
Intake	\$696	\$1,001	\$799
SOP Backlog	\$3,542	\$3,107	\$9,576

Global Other









(\$MM)	4Q 2022	3Q 2022	Var	4Q 2021	Var
Sales	\$323	\$490	-34%	\$553	-42%
Operating Profit	(\$25)	(\$8)	-213%	(\$7)	-257%
% of Sales	-7.7%	-1.6%		-1.3%	

- YoY and seq. sales drop led by divestiture of GIST
 - GIST annual sales ~\$0.8B, EBIT margins mid-single digits
- Higher aerospace and electronics sales in coatings business
- Continued optimization of corporate costs

Global End Market Trends



4Q 2022	End Market	% of Sales ⁽¹⁾ & YoY Trend	YoY Sales ⁽²⁾ Growth	Seq. Sales ⁽²⁾ Growth
Consumer Related End Markets (More Resilient)				
	Healthcare	17%	-1%	+2%
	Food & Beverage	9%	+11%	-3%
	Electronics	9%	+21%	+3%
Industrial Related End Markets (More Cyclical)				
	Manufacturing	19%	+14%	-3%
	Chemicals & Energy	24%	+3%	-2%
	Metals & Mining	14%	+11%	-5%
	Other	8%	+1%	-6%

(1) Excludes Engineering sales

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

High-Quality Project Backlog \$9B+



SOP Backlog⁽¹⁾ \$3.5B



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

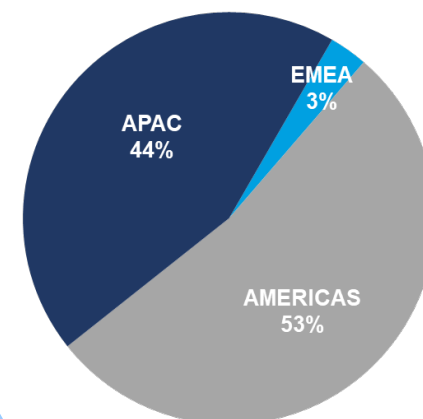
SOG Backlog⁽²⁾ \$5.7B



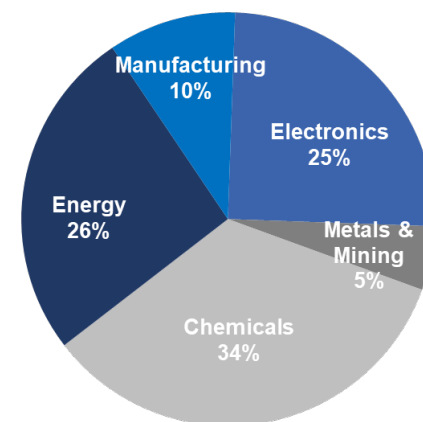
- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Increases network density

> \$2B in decarbonization projects

Geography



End Market



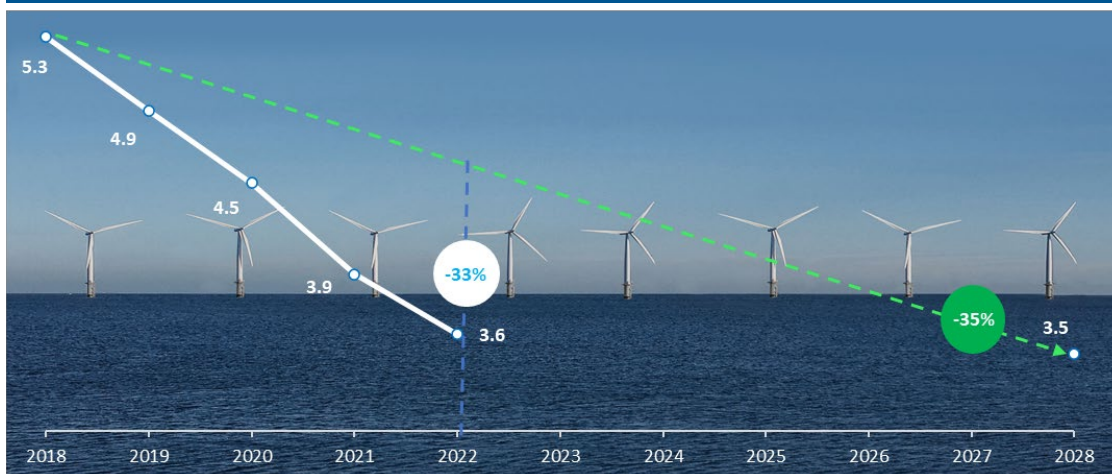
(1) 3rd party sale of plant backlog. Represents future sales, secured under a signed agreement

(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)

- FY 2022 improvement led by profitable growth as scope 1 and 2 remains stable

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 to Supply Clean Hydrogen to OCI's World-Scale Blue Ammonia Project in the U.S. Gulf Coast
- Linde and SLB enter a strategic collaboration on carbon, capture & sequestration projects
- Linde produces the first certified green hydrogen in Brazil
- Linde starts first green hydrogen plant in Greece

ESG News and Recognitions

- CDP Awards Linde Double 'A' for Climate Change and Water Security
- Linde Included in Dow Jones Sustainability World Index for 20th Consecutive Year
- Linde Achieves Industry-Leading Score in S&P Global Corporate Sustainability Assessment
- Linde Receives Terra Carta Seal for its Commitment to a Sustainable Future

(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
- ✓ 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" in the following pages for additional details relating to the adjustments.

(Millions of dollars, except per share amounts)

Quarter Ended December 31

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
	2022	2021	2022	2021	2022	2021	2022	2021
Reported GAAP Amounts	\$ 7,899	\$ 8,298	\$ 1,687	\$ 1,337	\$ 1,328	\$ 1,024	\$ 2.67	\$ 1.98
Other charges (a)	—	—	25	51	16	51	0.03	0.10
Purchase accounting impacts - Linde AG (c)	—	—	289	453	230	356	0.46	0.69
Total adjustments	—	—	314	504	246	407	0.49	0.79
Adjusted amounts	\$ 7,899	\$ 8,298	\$ 2,001	\$ 1,841	\$ 1,574	\$ 1,431	\$ 3.16	\$ 2.77

(Millions of dollars, except per share amounts)

Year to Date December 31

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
	2022	2021	2022	2021	2022	2021	2022	2021
Reported GAAP Amounts	\$ 33,364	\$ 30,793	\$ 5,369	\$ 4,984	\$ 4,147	\$ 3,821	\$ 8.23	\$ 7.32
Russia-Ukraine conflict and other charges (a)	—	—	1,029	273	893	279	1.77	0.53
Pension settlement charges (b)	—	—	—	—	5	3	0.01	0.01
Purchase accounting impacts - Linde AG (c)	—	—	1,506	1,919	1,150	1,476	2.28	2.83
Total adjustments	—	—	2,535	2,192	2,048	1,758	4.06	3.37
Adjusted amounts	\$ 33,364	\$ 30,793	\$ 7,904	\$ 7,176	\$ 6,195	\$ 5,579	\$ 12.29	\$ 10.69

(a) Fourth quarter 2022 charges relate primarily to cost reduction program and other charges. 2022 year to date charges relate primarily to charges associated with the deconsolidation and impairment of Russian subsidiaries resulting from the ongoing war in Ukraine and related sanctions. 2021 charges relate to cost reduction program and other charges, primarily severance.

(b) To adjust for pension settlement charges.

(c) 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.

(Millions of dollars, except per share data)

Adjusted Operating Profit and Operating Margin

	2022					2021				
	Year to Date December 31,	Q4	Q3	Q2	Q1	Year to Date December 31,	Q4	Q3	Q2	Q1
Reported operating profit	\$ 5,369	\$ 1,687	\$ 1,613	\$ 589	\$ 1,480	\$ 4,984	\$ 1,337	\$ 1,292	\$ 1,142	\$ 1,213
Add: Russia-Ukraine conflict and other charges (a)	1,029	25	15	993	(4)	273	51	26	204	(8)
Add: Pension settlement charges	—	—	—	—	—	—	—	—	—	—
Add: Purchase accounting impacts - Linde AG (c)	1,506	289	382	406	429	1,919	453	492	491	483
Total adjustments	2,535	314	397	1,399	425	2,192	504	518	695	475
Adjusted operating profit	\$ 7,904	\$ 2,001	\$ 2,010	\$ 1,988	\$ 1,905	\$ 7,176	\$ 1,841	\$ 1,810	\$ 1,837	\$ 1,688

Reported percentage change	8 %	26 %	25 %	(48)%	22 %	50 %	30 %	33 %	93 %	65 %
Adjusted percentage change	10 %	9 %	11 %	8 %	13 %	24 %	14 %	19 %	39 %	25 %

Reported sales	\$ 33,364	\$ 7,899	\$ 8,797	\$ 8,457	\$ 8,211	\$ 30,793	\$ 8,298	\$ 7,668	\$ 7,584	\$ 7,243
----------------	-----------	----------	----------	----------	----------	-----------	----------	----------	----------	----------

Reported operating margin	16.1 %	21.4 %	18.3 %	7.0 %	18.0 %	16.2 %	16.1 %	16.8 %	15.1 %	16.7 %
Adjusted operating margin	23.7 %	25.3 %	22.8 %	23.5 %	23.2 %	23.3 %	22.2 %	23.6 %	24.2 %	23.3 %

Adjusted Depreciation and amortization

Reported depreciation and amortization	\$ 4,204	\$ 956	\$ 1,045	\$ 1,091	\$ 1,112	\$ 4,635	\$ 1,135	\$ 1,163	\$ 1,171	\$ 1,166
Less: Purchase accounting impacts - Linde AG (c)	(1,481)	(285)	(377)	(401)	(418)	(1,863)	(437)	(469)	(479)	(478)
Adjusted depreciation and amortization	\$ 2,723	\$ 671	\$ 668	\$ 690	\$ 694	\$ 2,772	\$ 698	\$ 694	\$ 692	\$ 688

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

2022						2021					
Year to Date December 31,	Q4	Q3	Q2	Q1		Year to Date December 31,	Q4	Q3	Q2	Q1	
\$ (62)	\$ (4)	\$ (34)	\$ (36)	\$ 12		\$ (26)	\$ (23)	\$ 10	\$ (17)	\$ 4	
(25)	(4)	(5)	(5)	(11)		(56)	(16)	(23)	(12)	(5)	
(37)	—	(29)	(31)	23		30	(7)	33	(5)	9	

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

\$ (237)	\$ (58)	\$ (53)	\$ (62)	\$ (64)		\$ (192)	\$ (49)	\$ (45)	\$ (49)	\$ (49)	
(6)	—	(6)	—	—		(4)	—	(4)	—	—	
(243)	(58)	(59)	(62)	(64)		(196)	(49)	(49)	(49)	(49)	

Adjusted Interest Expense - Net

Reported interest expense - net

Add: Purchase accounting impacts - Linde AG (c)

Adjusted interest expense - net

\$ 63	\$ 31	\$ 18	\$ 5	\$ 9		\$ 77	\$ 31	\$ 8	\$ 18	\$ 20	
35	8	8	9	10		53	10	10	15	18	
98	39	26	14	19		130	41	18	33	38	

Adjusted Income Taxes (a)

Reported income taxes

Add: Purchase accounting impacts - Linde AG (c)

Add: Pension settlement charges

Add: Russia-Ukraine conflict and other charges (a)

Total adjustments

Adjusted income taxes

\$ 1,434	\$ 388	\$ 391	\$ 286	\$ 369		\$ 1,262	\$ 339	\$ 321	\$ 334	\$ 268	
374	66	92	108	108		452	103	115	116	118	
1	—	1	—	—		1	—	1	—	—	
136	9	26	104	(3)		29	—	3	6	20	
511	75	119	212	105		482	103	119	122	138	
1,945	463	510	498	474		1,744	442	440	456	406	

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted Effective Tax Rate (a)

Reported income before income taxes and equity investments	\$ 5,543	\$ 1,714	\$ 1,648	\$ 646	\$ 1,535
Add: Pension settlement charge	6	—	6	—	—
Add: Purchase accounting impacts - Linde AG (c)	1,471	281	374	397	419
Add: Russia-Ukraine conflict and other charges (a)	1,029	25	15	993	(4)
Total adjustments	2,506	306	395	1,390	415
Adjusted income before income taxes and equity investments	\$ 8,049	\$ 2,020	\$ 2,043	\$ 2,036	\$ 1,950

Reported Income taxes	\$ 1,434	\$ 388	\$ 391	\$ 286	\$ 369
Reported effective tax rate	25.9 %	22.6 %	23.7 %	44.3 %	24.0 %

Adjusted income taxes	\$ 1,945	\$ 463	\$ 510	\$ 498	\$ 474
Adjusted effective tax rate	24.2 %	22.9 %	25.0 %	24.5 %	24.3 %

Income from Equity Investments

Reported income from equity investments	\$ 172	\$ 35	\$ 43	\$ 50	\$ 44
Add: Russia-Ukraine conflict and other charges (e)	—	—	—	—	—
Add: Purchase accounting impacts - Linde AG (c)	75	18	18	19	20
Total adjustments	75	18	18	19	20
Adjusted income from equity investments	\$ 247	\$ 53	\$ 61	\$ 69	\$ 64

Adjusted Noncontrolling Interests from Continuing Operations

Reported noncontrolling interests from continuing operations	\$ (134)	\$ (33)	\$ (27)	\$ (38)	\$ (36)
Add: Purchase accounting impacts - Linde AG (c)	(22)	(3)	(12)	(3)	(4)
Adjusted noncontrolling interests from continuing operations	\$ (156)	\$ (36)	\$ (39)	\$ (41)	\$ (40)

2022						2021					
Year to Date December 31,	Q4	Q3	Q2	Q1		Year to Date December 31,	Q4	Q3	Q2	Q1	
\$ 5,543	\$ 1,714	\$ 1,648	\$ 646	\$ 1,535		\$ 5,099	\$ 1,355	\$ 1,329	\$ 1,173	\$ 1,242	
6	—	6	—	—		4	—	4	—	—	
1,471	281	374	397	419		1,866	443	482	476	465	
1,029	25	15	993	(4)		273	51	26	204	(8)	
2,506	306	395	1,390	415		2,143	494	512	680	457	
\$ 8,049	\$ 2,020	\$ 2,043	\$ 2,036	\$ 1,950		\$ 7,242	\$ 1,849	\$ 1,841	\$ 1,853	\$ 1,699	
\$ 1,434	\$ 388	\$ 391	\$ 286	\$ 369		\$ 1,262	\$ 339	\$ 321	\$ 334	\$ 268	
25.9 %	22.6 %	23.7 %	44.3 %	24.0 %		24.7 %	25.0 %	24.2 %	28.5 %	21.6 %	
\$ 1,945	\$ 463	\$ 510	\$ 498	\$ 474		\$ 1,744	\$ 442	\$ 440	\$ 456	\$ 406	
24.2 %	22.9 %	25.0 %	24.5 %	24.3 %		24.1 %	23.9 %	23.9 %	24.6 %	23.9 %	
\$ 172	\$ 35	\$ 43	\$ 50	\$ 44		\$ 119	\$ 38	\$ 1	\$ 37	\$ 43	
—	—	—	—	—		35	—	35	—	—	
75	18	18	19	20		77	20	19	19	19	
75	18	18	19	20		112	20	54	19	19	
\$ 247	\$ 53	\$ 61	\$ 69	\$ 64		\$ 231	\$ 58	\$ 55	\$ 56	\$ 62	
\$ (134)	\$ (33)	\$ (27)	\$ (38)	\$ (36)		\$ (135)	\$ (30)	\$ (31)	\$ (36)	\$ (38)	
(22)	(3)	(12)	(3)	(4)		(15)	(4)	(4)	(2)	(5)	
\$ (156)	\$ (36)	\$ (39)	\$ (41)	\$ (40)		\$ (150)	\$ (34)	\$ (35)	\$ (38)	\$ (43)	

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted Income from Continuing Operations (b)

	2022					2021				
	Year to Date December 31,	Q4	Q3	Q2	Q1	Year to Date December 31,	Q4	Q3	Q2	Q1
Reported income from continuing operations	\$ 4,147	\$ 1,328	\$ 1,273	\$ 372	\$ 1,174	\$ 3,821	\$ 1,024	\$ 978	\$ 840	\$ 979
Add: Pension settlement charge	5	—	5	—	—	3	—	3	—	—
Add: Russia-Ukraine conflict and other charges (a)	893	16	(11)	889	(1)	279	51	58	198	(28)
Add: Purchase accounting impacts - Linde AG (c)	1,150	230	288	305	327	1,476	356	382	377	361
Total adjustments	2,048	246	282	1,194	326	1,758	407	443	575	333
Adjusted income from continuing operations	\$ 6,195	\$ 1,574	\$ 1,555	\$ 1,566	\$ 1,500	\$ 5,579	\$ 1,431	\$ 1,421	\$ 1,415	\$ 1,312

Adjusted Diluted EPS from Continuing Operations (b)

Reported diluted EPS from continuing operations	\$ 8.23	\$ 2.67	\$ 2.54	\$ 0.74	\$ 2.30	\$ 7.32	\$ 1.98	\$ 1.88	\$ 1.60	\$ 1.86
Add: Pension settlement charge	0.01	—	0.01	—	—	0.01	—	0.01	—	—
Add: Russia-Ukraine conflict and other charges (a)	1.77	0.03	(0.02)	1.76	—	0.53	0.10	0.11	0.38	(0.05)
Add: Purchase accounting impacts - Linde AG (c)	2.28	0.46	0.57	0.60	0.63	2.83	0.69	0.73	0.72	0.68
Total adjustments	4.06	0.49	0.56	2.36	0.63	3.37	0.79	0.85	1.10	0.63
Adjusted diluted EPS from continuing operations	\$ 12.29	\$ 3.16	\$ 3.10	\$ 3.10	\$ 2.93	\$ 10.69	\$ 2.77	\$ 2.73	\$ 2.70	\$ 2.49

Reported percentage change	12 %	35 %	35 %	(54)%	24 %	56 %	37 %	42 %	84 %	74 %
Adjusted percentage change	15 %	14 %	14 %	15 %	18 %	30 %	20 %	27 %	42 %	32 %

Adjusted Diluted EPS from Continuing Operations Guidance (d)

2023 Adjusted Guidance

Adjusted percentage changes versus 2022 adjusted diluted EPS

Add: Estimated currency headwind/(tailwind)

Adjusted percentage change excluding currency

	First Quarter 2023		Full Year 2023	
	Low End	High End	Low End	High End
\$	3.05	\$ 3.15	\$ 13.15	\$ 13.55
	4 %	8 %	7 %	10 %
	5 %	5 %	2 %	2 %
	9 %	13 %	9 %	12 %

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted EBITDA and % of Sales

	2022					2021				
	Year to Date December 31,	Q4	Q3	Q2	Q1	Year to Date December 31,	Q4	Q3	Q2	Q1
Income from continuing operations	\$ 4,147	\$ 1,328	\$ 1,273	\$ 372	\$ 1,174	\$ 3,821	\$ 1,024	\$ 978	\$ 840	\$ 979
Add: Noncontrolling interests related to continuing operations	134	33	27	38	36	135	30	31	36	38
Add: Net pension and OPEB cost (benefit), excluding service cost	(237)	(58)	(53)	(62)	(64)	(192)	(49)	(45)	(49)	(49)
Add: Interest expense	63	31	18	5	9	77	31	8	18	20
Add: Income taxes	1,434	388	391	286	369	1,262	339	321	334	268
Add: Depreciation and amortization	4,204	956	1,045	1,091	1,112	4,635	1,135	1,163	1,171	1,166
EBITDA from continuing operations	9,745	2,678	2,701	1,730	2,636	9,738	2,510	2,456	2,350	2,422
Add: Russia-Ukraine conflict and other charges (a)	1,029	25	15	993	(4)	308	51	61	204	(8)
Add: Purchase accounting impacts - Linde AG (c)	99	22	23	23	31	133	36	42	31	24
Total adjustments	1,128	47	38	1,016	27	441	87	103	235	16
Adjusted EBITDA from continuing operations	\$ 10,873	\$ 2,725	\$ 2,739	\$ 2,746	\$ 2,663	\$ 10,179	\$ 2,597	\$ 2,559	\$ 2,585	\$ 2,438

Reported sales	\$ 33,364	\$ 7,899	\$ 8,797	\$ 8,457	\$ 8,211	\$ 30,793	\$ 8,298	\$ 7,668	\$ 7,584	\$ 7,243
% of sales										
EBITDA from continuing operations	29.2 %	33.9 %	30.7 %	20.5 %	32.1 %	31.6 %	30.2 %	32.0 %	31.0 %	33.4 %
Adjusted EBITDA from continuing operations	32.6 %	34.5 %	31.1 %	32.5 %	32.4 %	33.1 %	31.3 %	33.4 %	34.1 %	33.7 %

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 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) We are providing adjusted earnings per share ("EPS") guidance for 2023. 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.

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

Non-GAAP Measures, continued



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

2022				2021			
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	\$	936	\$	762	\$	826	\$	649	\$	839	\$	741	\$	744	\$	762
Less: backlog capex (a)		(273)		(225)		(259)		(190)		(225)		(261)		(263)		(266)
Base Capex	\$	663	\$	537	\$	567	\$	459	\$	614	\$	480	\$	481	\$	496
Operating cash flow	\$	2,095	\$	2,636	\$	2,133	\$	2,000	\$	3,233	\$	2,556	\$	1,827	\$	2,109
Less: base capex		(663)		(537)		(567)		(459)		(614)		(480)		(481)		(496)
Available Operating Cash Flow	\$	1,432	\$	2,099	\$	1,566	\$	1,541	\$	2,619	\$	2,076	\$	1,346	\$	1,613

(a) 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)

	2022				2021			
	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	\$ 2,095	\$ 2,636	\$ 2,133	\$ 2,000	\$ 3,233	\$ 2,556	\$ 1,827	\$ 2,109
Less: Capital Expenditures	(936)	(762)	(826)	(649)	(839)	(741)	(744)	(762)
Free Cash Flow	<u>\$ 1,159</u>	<u>\$ 1,874</u>	<u>\$ 1,307</u>	<u>\$ 1,351</u>	<u>\$ 2,394</u>	<u>\$ 1,815</u>	<u>\$ 1,083</u>	<u>\$ 1,347</u>

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	\$ 17,914	\$ 15,338	\$ 16,043	\$ 16,456	\$ 14,207	\$ 16,727	\$ 15,492	\$ 15,750
Less: Cash and cash equivalents	(5,436)	(3,756)	(3,655)	(4,464)	(2,823)	(4,700)	(3,137)	(4,096)
Net debt	12,478	11,582	12,388	11,992	11,384	12,027	12,355	11,654
Less: Purchase accounting impacts - Linde AG	(22)	(28)	(38)	(50)	(61)	(72)	(84)	(98)
Adjusted net debt	\$ 12,456	\$ 11,554	\$ 12,350	\$ 11,942	\$ 11,323	\$ 11,955	\$ 12,271	\$ 11,556
Less: Net assets held for sale	—	—	—	—	—	(1)	(1)	(4)
Adjusted net debt less net assets held for sale	<u>\$ 12,456</u>	<u>\$ 11,554</u>	<u>\$ 12,350</u>	<u>\$ 11,942</u>	<u>\$ 11,323</u>	<u>\$ 11,954</u>	<u>\$ 12,270</u>	<u>\$ 11,552</u>

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)

	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Reported income from continuing operations	\$ 1,328	\$ 1,273	\$ 372	\$ 1,174	\$ 1,024	\$ 978	\$ 840	\$ 979
Add: noncontrolling interests from continuing operations	33	27	38	36	30	31	36	38
Add: interest expense - net	31	18	5	9	31	8	18	20
Less: tax benefit on interest expense - net *	(7)	(5)	(1)	(2)	(8)	(2)	(5)	(5)
Reported NOPAT	\$ 1,385	\$ 1,313	\$ 414	\$ 1,217	\$ 1,077	\$ 1,015	\$ 889	\$ 1,032
Adjusted income from continuing operations	\$ 1,574	\$ 1,555	\$ 1,566	\$ 1,500	\$ 1,431	\$ 1,421	\$ 1,415	\$ 1,312
Add: adjusted noncontrolling interests from continuing operations	36	39	41	40	34	35	38	43
Add: adjusted interest expense - net	39	26	14	19	41	18	33	38
Less: tax benefit on interest expense - net *	(9)	(7)	(3)	(5)	(10)	(5)	(8)	(10)
Adjusted NOPAT	\$ 1,640	\$ 1,613	\$ 1,618	\$ 1,554	\$ 1,496	\$ 1,469	\$ 1,478	\$ 1,383
4-quarter trailing reported NOPAT	\$ 4,329	\$ 4,021	\$ 3,723	\$ 4,198	\$ 4,013	\$ 3,765	\$ 3,508	\$ 3,115
4-quarter trailing adjusted NOPAT	\$ 6,425	\$ 6,281	\$ 6,137	\$ 5,997	\$ 5,826	\$ 5,627	\$ 5,389	\$ 4,985
Equity and redeemable noncontrolling interests:								
Redeemable noncontrolling interests	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13
Linde plc shareholders' equity	40,028	37,628	39,674	42,963	44,035	44,323	45,777	46,210
Noncontrolling interests	1,346	1,298	1,353	1,414	1,393	1,401	1,438	1,410
Total equity and redeemable noncontrolling interests	\$ 41,387	\$ 38,939	\$ 41,040	\$ 44,390	\$ 45,441	\$ 45,737	\$ 47,228	\$ 47,633

Non-GAAP Measures, continued



(Millions of dollars)

	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Reported capital	\$ 53,865	\$ 50,521	\$ 53,428	\$ 56,382	\$ 56,825	\$ 57,763	\$ 59,582	\$ 59,283
Total equity and redeemable noncontrolling interests	\$ 41,387	\$ 38,939	\$ 41,040	\$ 44,390	\$ 45,441	\$ 45,737	\$ 47,228	\$ 47,633
Add: Adjusted net debt less net assets held for sale	12,456	11,554	12,350	11,942	11,323	11,954	12,270	11,552
Less: Linde AG Goodwill (a)	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
Adjusted capital	\$ 27,719	\$ 24,369	\$ 27,266	\$ 30,208	\$ 30,640	\$ 31,567	\$ 33,374	\$ 33,061
(a) Represent opening balance sheet purchase accounting impacts of non-amortizing assets related to the Linde AG merger.								
Ending capital (see above)	\$ 53,865	\$ 50,521	\$ 53,428	\$ 56,382	\$ 56,825	\$ 57,763	\$ 59,582	\$ 59,283
5-quarter average ending capital	\$ 54,204	\$ 54,984	\$ 56,796	\$ 57,967	\$ 59,086	\$ 59,960	\$ 60,502	\$ 60,584
Ending adjusted capital (see above)	\$ 27,719	\$ 24,369	\$ 27,266	\$ 30,208	\$ 30,640	\$ 31,567	\$ 33,374	\$ 33,061
5-quarter average ending adjusted capital	\$ 28,040	\$ 28,810	\$ 30,611	\$ 31,770	\$ 32,875	\$ 33,735	\$ 34,261	\$ 34,325
After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)	8.0 %	7.3 %	6.6 %	7.2 %	6.8 %	6.3 %	5.8 %	5.1 %
Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital)	22.9 %	21.8 %	20.0 %	18.9 %	17.7 %	16.7 %	15.7 %	14.5 %

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

Investor Relations



For further information, please contact:



Phone: +1-203-837-2210

Email: investor.relations@linde.com

Internet:

www.linde.com/en/investors