



Linde plc

Investor Teleconference Presentation
Third Quarter 2022

October 27, 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 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.

Global End Market Trends



3Q 2022	End Market	% of Sales ⁽¹⁾ & Trend	YoY Sales ⁽²⁾ Growth	Seq. Sales ⁽²⁾ Growth
Consumer Related End Markets (More Resilient)				
	Healthcare	15%	-2%	+3%
	Food & Beverage	10%	+18%	+5%
	Electronics	8%	+20%	+5%
Industrial Related End Markets (More Cyclical)				
	Manufacturing	18%	+16%	+4%
	Chemicals & Energy	26%	+10%	--
	Metals & Mining	14%	+16%	+8%
	Other	9%	+14%	+6%

(1)Excludes Engineering sales

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

Inflation Reduction Act – Accelerating the U.S. Clean Energy Transition



Inflation Reduction Act (IRA)

Carbon Capture Tax Credit (45Q)

- \$85/ton incentive for carbon capture & sequestration
- Brings blue and grey H₂ close to parity

Hydrogen Production Tax Credits (45V)

- Up to \$3/kg of green hydrogen produced
- Reduces green H₂ cost ~50%

OPPORTUNITY

Decarbonize Linde

Decarbonize Customers

New Markets

Strategy

Decarbonize Linde assets
e.g. SMRs, ATRs, POX

Decarbonize customer processes
e.g. Petrochemicals, Refining, Steel, Power Generation

Enable new markets
e.g. Clean Ammonia, Sustainable Fuels, Mobility, Carbon Management

Offering

Blue hydrogen

Blue & green hydrogen, Oxygen, Hydrogen storage, CO₂ capture & transportation

Blue & green hydrogen, Nitrogen, Oxygen, Hydrogen storage, CO₂ capture & transportation

Investment In Assets

Carbon capture & transportation

ASUs, ATRs, Electrolyzers, Carbon capture & transportation, Caverns

ASUs, ATRs, Electrolyzers, H₂ Liquefiers, Carbon capture & transportation, Caverns, HRS

Potential Investment¹

\$3B+

\$10B+

\$20B+

U.S. investment opportunity \$30B+

¹ Includes capex for sale of gas projects and revenue from sale of plant. Excludes investment in CO₂ sequestration which will be done by partners

Third-Quarter Adjusted Results⁽¹⁾



(\$MM)	3Q 2022	2Q 2022	Var	3Q 2021	Var
Sales	\$8,797	\$8,457	4%	\$7,668	15%
Operating Profit	\$2,010	\$1,988	1%	\$1,810	11%
<i>% of Sales</i>	<i>22.8%</i>	<i>23.5%</i>		<i>23.6%</i>	
Income	\$1,555	\$1,566	-1%	\$1,421	9%
Diluted EPS	\$3.10	\$3.10	0%	\$2.73	14%
Op. Cash Flow	\$2,636	\$2,133	24%	\$2,556	3%
Capex	\$762	\$826	-8%	\$741	3%
Base Capex ⁽²⁾	\$537	\$567	-5%	\$480	12%
Project Capex ⁽³⁾	\$225	\$259	-13%	\$261	-14%
After-Tax ROC	21.8%	20.0%	+180 bps	16.7%	+510 bps

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	+ 15%	+ 4%
Volume	+ 3%	+ 1%
Price / Mix	+ 8%	+ 2%
Cost pass-thru	+ 8%	+ 2%
Currency	- 7%	- 3%
Acq / Div	- 1%	- 1%
Engineering	+ 4%	+ 3%

- Sales growth across all end markets except healthcare
- Broad-based price attainment & continued progress on productivity initiatives
- Operating margins ex. cost pass-thru +90 bps YoY and -20 bps sequentially
- Divestiture: deconsolidated Russia business
- ROC 21.8%, +510 bps YoY, +180 bps seq.

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

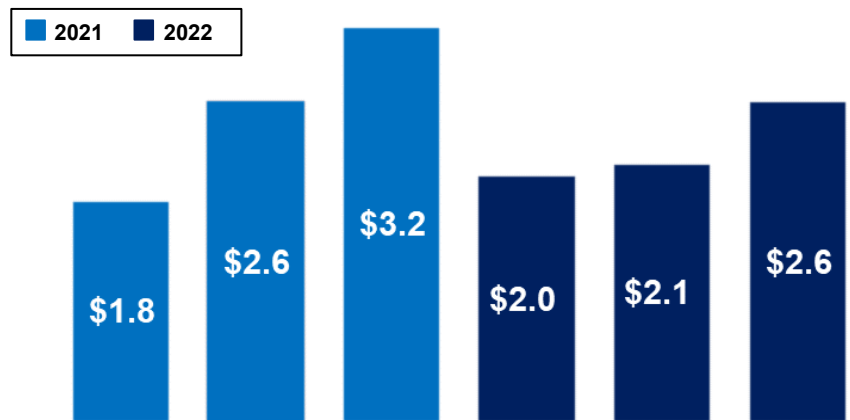
(2) Represents capex in small growth, maintenance and other non-project capex related investments

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

3Q Capital Management



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

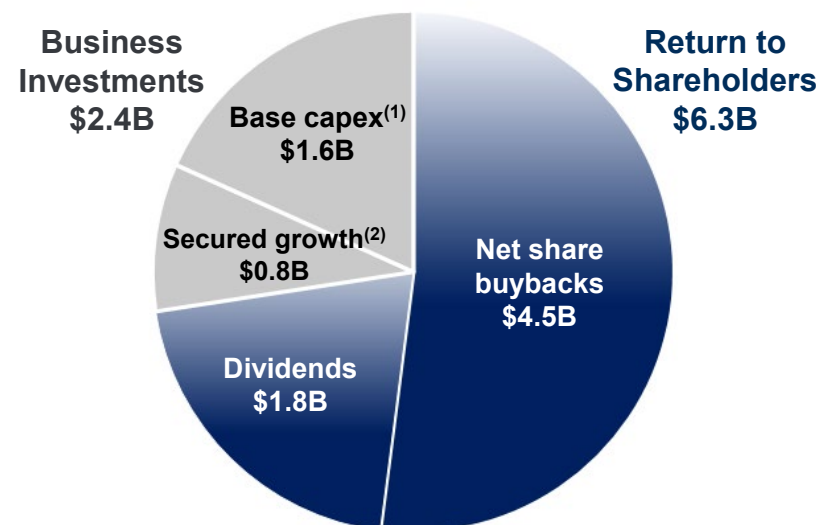


	2Q	3Q	4Q	1Q	2Q	3Q
OCF	\$1.8	\$2.6	\$3.2	\$2.0	\$2.1	\$2.6
Base CAPEX	(\$0.5)	(\$0.5)	(\$0.6)	(\$0.5)	(\$0.6)	(\$0.5)
Avail. OCF	\$1.3	\$2.1	\$2.6	\$1.5	\$1.5	\$2.1

Disciplined cash management

- Investing in high-quality projects
- YTD return to shareholders +31%
- Strong balance sheet
 - Adj. net debt to Adj. EBITDA, 1.1X

YTD Capital Allocation



Reinvesting in the business and rewarding shareholders

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

2) Represents project capex plus acquisitions

2022 Guidance



4th Quarter 2022

- Adjusted EPS⁽¹⁾ in the range of \$2.80 to \$2.90
 - +1% to +5% vs. 2021
 - Includes FX impact -8% YoY
 - Ex FX +9% to 13% vs. 2021
 - 3Q to 4Q sequential EPS -8% at mid point:
 - -4% Engineering timing
 - -2% FX
 - -1% Gist divestiture
 - Considers recessionary conditions
 - No economic growth assumed at top end

Full-Year 2022

- Adjusted EPS⁽¹⁾ in the range of \$11.93 to \$12.03
 - +12% to +13% vs. 2021
 - Includes FX impact -5% YoY
 - Ex FX +17% to +18% vs. 2021
 - Assumes no economic growth
- CAPEX: \$3.0B to \$3.4B

Raising outlook despite uncertain environment



Appendix

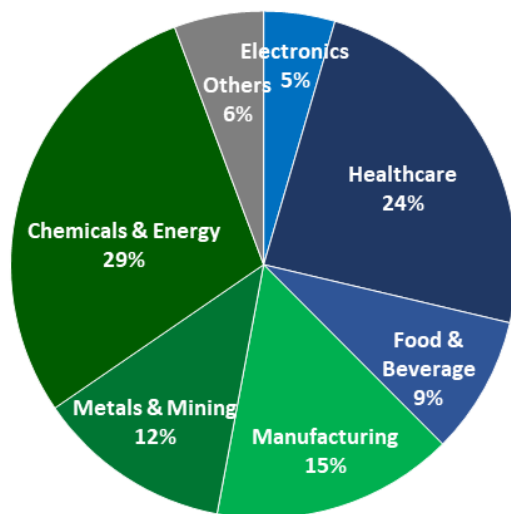
Americas



(\$MM)	3Q 2022	2Q 2022	Var	3Q 2021	Var
Sales	\$3,694	\$3,518	5%	\$3,091	20%
Operating Profit	\$974	\$910	7%	\$859	13%
% of Sales	26.4%	25.9%		27.8%	

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	+ 20%	+ 5%
Volume	+ 7%	+ 3%
Price / Mix	+ 6%	+ 1%
Cost pass-thru	+ 8%	+ 2%
Currency	- 1%	- 1%
Acq / Div	--	--

End Market



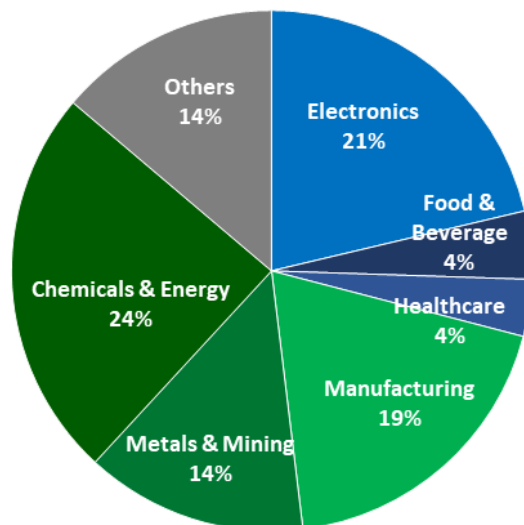
- Ex cost pass-thru YoY margins up 50 bps
- Continued good inflation management
- YoY growth across all end markets except Healthcare
 - Chemicals & Energy the strongest



(\$MM)	3Q 2022	2Q 2022	Var	3Q 2021	Var
Sales	\$1,660	\$1,651	1%	\$1,564	6%
Operating Profit	\$429	\$426	1%	\$382	12%
% of Sales	25.8%	25.8%		24.4%	

	YOY	SEQ.
Sales Growth	+ 6%	+ 1%
Volume	+ 5%	+ 4%
Price / Mix	+ 7%	+ 2%
Cost pass-thru	+ 2%	- 1%
Currency	- 8%	- 4%
Acq / Div	--	--

End Market



- Ex cost pass-thru, YoY margins up 180 bps
- Continued good inflation management
- YoY sales growth led by Electronics, Chemicals & Energy end markets
- Volume growth equally split between base business and project startups
- FX headwinds led by CNY, AUD & KRW



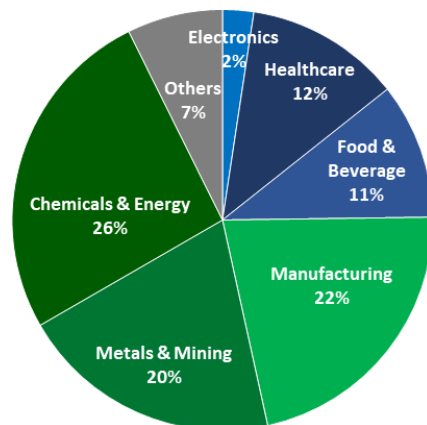
(\$MM)	3Q 2022	2Q 2022	Var	3Q 2021	Var
Sales	\$2,125	\$2,144	-1%	\$1,911	11%
Operating Profit	\$465	\$536	-13%	\$476	-2%
% of Sales	21.9%	25.0%		24.9%	

Walk	Sequential		YoY	
	Sales	OP	Sales	OP
	-1%	-13%	11%	-2%
Cost pass-thru	-7%	0%	-17%	0%
Currency	6%	6%	14%	14%
Acq / Div	3%	6%	3%	4%
Underlying	1%	-1%	11%	16%

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	+ 11%	- 1%
Volume	- 3%	- 3%
Price / Mix	+ 14%	+ 4%
Cost pass-thru	+ 17%	+ 7%
Currency	- 14%	- 6%
Acq / Div	- 3%	- 3%

- Ex cost pass-thru, YoY margins up 60 bps
- Continued good inflation management
- YoY sales growth across all end markets except Healthcare
 - Food & Beverage and Manufacturing the strongest
- Sequential leverage impacted by divestiture
 - Deconsolidated Russian business
- FX headwinds led by EUR and GBP

End Market



Engineering



(\$MM)	3Q 2022	2Q 2022	Var	3Q 2021	Var
Sales	\$828	\$644	29%	\$601	38%
Operating Profit	\$150	\$105	43%	\$106	42%
% of Sales	18.1%	16.3%		17.6%	

- Growth led by favorable timing of Americas' project
- Continued productivity initiatives
- Good order intake of projects, \$1B
- Contractually secured backlog of \$3.1 billion
 - No Russian projects in backlog

3rd Party Orders (\$MM)	3Q 2022	2Q 2022	3Q 2021
Intake	\$1,001	\$1,004	\$6,612
SOP Backlog	\$3,107	\$2,894	\$9,890

Global Other



(\$MM)	3Q 2022	2Q 2022	Var	3Q 2021	Var
Sales	\$490	\$500	-2%	\$501	-2%
Operating Profit	(\$8)	\$11	-173%	(\$13)	38%
% of Sales	-1.6%	2.2%		-2.6%	

- YoY profit growth driven by:
 - Lower corporate cost
 - Higher aerospace and electronics sales in coatings business
- Divested GIST end of 3Q
 - Annual sales ~\$0.8B, EBIT margins mid-single digits
 - Completely removed for 4Q

High-Quality Project Backlog ~\$6.8B



SOP Backlog⁽¹⁾ \$3.1B



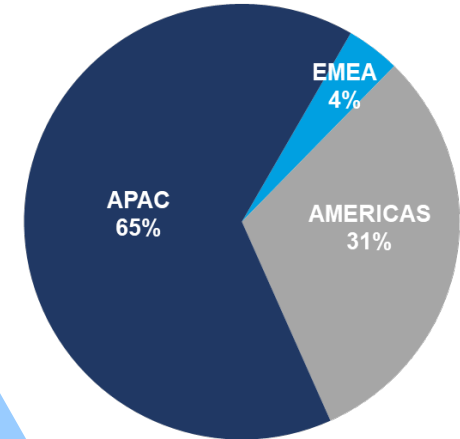
- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Primarily engineering and procurement services

SOG Backlog⁽²⁾ \$3.7B

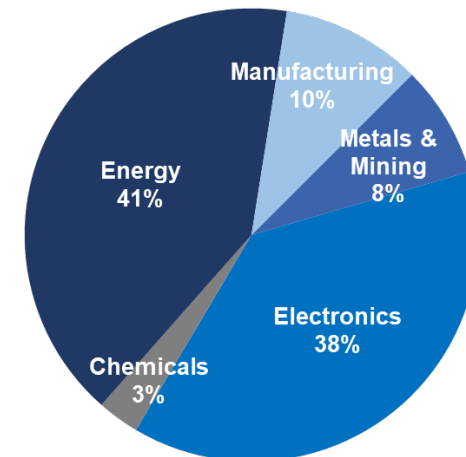


- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Increases network density

Geography



End Market

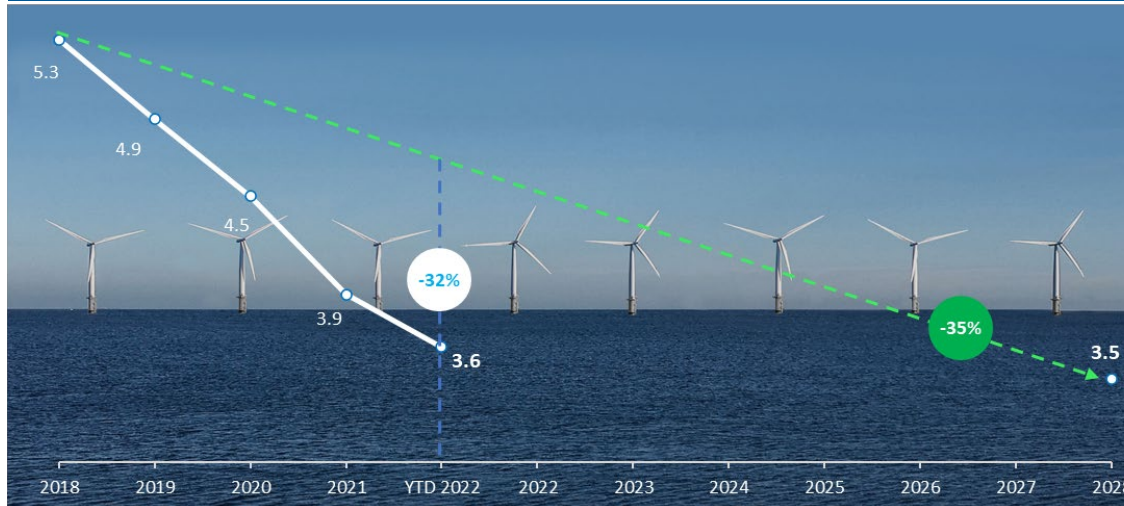


1) 3rd party sale of plant backlog. Represents future sales, secured under a signed agreement
2) Sale of gas backlog. Represents project investments (CAPEX), supported by a long-term supply agreement

ESG Performance



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



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

- 3Q 2022 improvement led by profitable growth as scope 1 and 2 remain 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 inaugurates world's first hydrogen refueling system for passenger trains
- Linde to build a 35 MW PEM electrolyzer in N.Y. to increase green hydrogen production
- Increased pipeline of decarbonization opportunities in the U.S. due to I.R.A.

ESG News and Recognitions

- Linde's climate goal approved by Science Based Targets initiative
- Linde joins United Nations Global Compact

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

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

Sustainable Development Highlights



Best-in-class safety performance

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

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

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

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

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

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

A leader in **diversity & inclusion**



Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA



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 page x 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Quarter Ended September 30								
Reported GAAP Amounts	\$ 8,797	\$ 7,668	\$ 1,613	\$ 1,292	\$ 1,273	\$ 978	\$ 2.54	\$ 1.88
Other charges (a)	—	—	15	26	(11)	58	(0.02)	0.11
Pension settlement charges (b)	—	—	—	—	5	3	0.01	0.01
Purchase accounting impacts - Linde AG (c)	—	—	382	492	288	382	0.57	0.73
Total adjustments	—	—	397	518	282	443	0.56	0.85
Adjusted amounts	\$ 8,797	\$ 7,668	\$ 2,010	\$ 1,810	\$ 1,555	\$ 1,421	\$ 3.10	\$ 2.73

(Millions of dollars, except per share amounts)

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
	2022	2021	2022	2021	2022	2021	2022	2021
Year to Date September 30								
Reported GAAP Amounts	\$ 25,465	\$ 22,495	\$ 3,682	\$ 3,647	\$ 2,819	\$ 2,797	\$ 5.57	\$ 5.34
Russia-Ukraine conflict and other charges (a)	—	—	1,004	222	877	228	1.73	0.44
Pension settlement charges (b)	—	—	—	—	5	3	0.01	0.01
Purchase accounting impacts - Linde AG (c)	—	—	1,217	1,466	920	1,120	1.82	2.13
Total adjustments	—	—	2,221	1,688	1,802	1,351	3.56	2.58
Adjusted amounts	\$ 25,465	\$ 22,495	\$ 5,903	\$ 5,335	\$ 4,621	\$ 4,148	\$ 9.13	\$ 7.92

(a) Third quarter 2022 charges include charges associated with the sale of the GIST business. 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.

	2022				2021				
	Year to Date September 30,	Q3	Q2	Q1	Year to Date September 30,	Q4	Q3	Q2	Q1
<i>(Millions of dollars, except per share data)</i>									
<u>Adjusted Operating Profit and Operating Margin</u>									
Reported operating profit	\$ 3,682	\$ 1,613	\$ 589	\$ 1,480	\$ 3,647	\$ 1,337	\$ 1,292	\$ 1,142	\$ 1,213
Add: Russia-Ukraine conflict and other charges (a)	1,004	15	993	(4)	222	51	26	204	(8)
Add: Purchase accounting impacts - Linde AG (c)	1,217	382	406	429	1,466	453	492	491	483
Total adjustments	2,221	397	1,399	425	1,688	504	518	695	475
Adjusted operating profit	\$ 5,903	\$ 2,010	\$ 1,988	\$ 1,905	\$ 5,335	\$ 1,841	\$ 1,810	\$ 1,837	\$ 1,688
Reported percentage change	1 %	25 %	(48)%	22 %	59 %	30 %	33 %	93 %	65 %
Adjusted percentage change	11 %	11 %	8 %	13 %	28 %	14 %	19 %	39 %	25 %
Reported sales	\$ 25,465	\$ 8,797	\$ 8,457	\$ 8,211	\$ 22,495	\$ 8,298	\$ 7,668	\$ 7,584	\$ 7,243
Reported operating margin	14.5 %	18.3 %	7.0 %	18.0 %	16.2 %	16.1 %	16.8 %	15.1 %	16.7 %
Adjusted operating margin	23.2 %	22.8 %	23.5 %	23.2 %	23.7 %	22.2 %	23.6 %	24.2 %	23.3 %
<u>Adjusted Depreciation and amortization</u>									
Reported depreciation and amortization	\$ 3,248	\$ 1,045	\$ 1,091	\$ 1,112	\$ 3,500	\$ 1,135	\$ 1,163	\$ 1,171	\$ 1,166
Less: Purchase accounting impacts - Linde AG (c)	(1,196)	(377)	(401)	(418)	(1,426)	(437)	(469)	(479)	(478)
Adjusted depreciation and amortization	\$ 2,052	\$ 668	\$ 690	\$ 694	\$ 2,074	\$ 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 September 30,	Q3	Q2	Q1	Year to Date September 30,	Q4	Q3	Q2	Q1
Reported Other Income (Expense) - net	\$ (58)	\$ (34)	\$ (36)	\$ 12	\$ (3)	\$ (23)	\$ 10	\$ (17)	\$ 4
Add: Purchase accounting impacts - Linde AG (c)	(21)	(5)	(5)	(11)	(40)	(16)	(23)	(12)	(5)
Adjusted Other Income (Expense) - net	\$ (37)	\$ (29)	\$ (31)	\$ 23	\$ 37	\$ (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

Reported net pension and OPEB cost (benefit), excluding service cost	\$ (179)	\$ (53)	\$ (62)	\$ (64)	\$ (143)	\$ (49)	\$ (45)	\$ (49)	\$ (49)
Add: Pension settlement charges	(6)	(6)	—	—	(4)	—	(4)	—	—
Adjusted Net Pension and OPEB cost (benefit), excluding service costs	\$ (185)	\$ (59)	\$ (62)	\$ (64)	\$ (147)	\$ (49)	\$ (49)	\$ (49)	\$ (49)

Adjusted Interest Expense - Net

Reported interest expense - net

Add: Purchase accounting impacts - Linde AG (c)

Adjusted interest expense - net

Reported interest expense - net	\$ 32	\$ 18	\$ 5	\$ 9	\$ 46	\$ 31	\$ 8	\$ 18	\$ 20
Add: Purchase accounting impacts - Linde AG (c)	27	8	9	10	43	10	10	15	18
Adjusted interest expense - net	\$ 59	\$ 26	\$ 14	\$ 19	\$ 89	\$ 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

Reported income taxes	\$ 1,046	\$ 391	\$ 286	\$ 369	\$ 923	\$ 339	\$ 321	\$ 334	\$ 268
Add: Purchase accounting impacts - Linde AG (c)	308	92	108	108	349	103	115	116	118
Add: Pension settlement charges	1	1	—	—	1	—	1	—	—
Add: Russia-Ukraine conflict and other charges (a)	127	26	104	(3)	29	—	3	6	20
Total adjustments	436	119	212	105	379	103	119	122	138
Adjusted income taxes	\$ 1,482	\$ 510	\$ 498	\$ 474	\$ 1,302	\$ 442	\$ 440	\$ 456	\$ 406

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

	2022				2021				
	Year to Date September 30,	Q3	Q2	Q1	Year to Date September 30,	Q4	Q3	Q2	Q1
Adjusted Effective Tax Rate (a)									
Reported income before income taxes and equity investments	\$ 3,829	\$ 1,648	\$ 646	\$ 1,535	\$ 3,744	\$ 1,355	\$ 1,329	\$ 1,173	\$ 1,242
Add: Pension settlement charge	6	6	—	—	4	—	4	—	—
Add: Purchase accounting impacts - Linde AG (c)	1,190	374	397	419	1,423	443	482	476	465
Add: Russia-Ukraine conflict and other charges (a)	1,004	15	993	(4)	222	51	26	204	(8)
Total adjustments	2,200	395	1,390	415	1,649	494	512	680	457
Adjusted income before income taxes and equity investments	\$ 6,029	\$ 2,043	\$ 2,036	\$ 1,950	\$ 5,393	\$ 1,849	\$ 1,841	\$ 1,853	\$ 1,699
Reported Income taxes	\$ 1,046	\$ 391	\$ 286	\$ 369	\$ 923	\$ 339	\$ 321	\$ 334	\$ 268
Reported effective tax rate	27.3 %	23.7 %	44.3 %	24.0 %	24.7 %	25.0 %	24.2 %	28.5 %	21.6 %
Adjusted income taxes	\$ 1,482	\$ 510	\$ 498	\$ 474	\$ 1,302	\$ 442	\$ 440	\$ 456	\$ 406
Adjusted effective tax rate	24.6 %	25.0 %	24.5 %	24.3 %	24.1 %	23.9 %	23.9 %	24.6 %	23.9 %
Income from Equity Investments									
Reported income from equity investments	\$ 137	\$ 43	\$ 50	\$ 44	\$ 81	\$ 38	\$ 1	\$ 37	\$ 43
Add: Russia-Ukraine conflict and other charges (e)	—	—	—	—	35	—	35	—	—
Add: Purchase accounting impacts - Linde AG (c)	57	18	19	20	57	20	19	19	19
Total adjustments	57	18	19	20	92	20	54	19	19
Adjusted income from equity investments	\$ 194	\$ 61	\$ 69	\$ 64	\$ 173	\$ 58	\$ 55	\$ 56	\$ 62
Adjusted Noncontrolling Interests from Continuing Operations									
Reported noncontrolling interests from continuing operations	\$ (101)	\$ (27)	\$ (38)	\$ (36)	\$ (105)	\$ (30)	\$ (31)	\$ (36)	\$ (38)
Add: Purchase accounting impacts - Linde AG (c)	(19)	(12)	(3)	(4)	(11)	(4)	(4)	(2)	(5)
Adjusted noncontrolling interests from continuing operations	\$ (120)	\$ (39)	\$ (41)	\$ (40)	\$ (116)	\$ (34)	\$ (35)	\$ (38)	\$ (43)

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

	2022				2021				
	Year to Date September 30,	Q3	Q2	Q1	Year to Date September 30,	Q4	Q3	Q2	Q1
Adjusted Income from Continuing Operations (b)									
Reported income from continuing operations	\$ 2,819	\$ 1,273	\$ 372	\$ 1,174	\$ 2,797	\$ 1,024	\$ 978	\$ 840	\$ 979
Add: Pension settlement charge	5	5	—	—	3	—	3	—	—
Add: Russia-Ukraine conflict and other charges (a)	877	(11)	889	(1)	228	51	58	198	(28)
Add: Purchase accounting impacts - Linde AG (c)	920	288	305	327	1,120	356	382	377	361
Total adjustments	1,802	282	1,194	326	1,351	407	443	575	333
Adjusted income from continuing operations	\$ 4,621	\$ 1,555	\$ 1,566	\$ 1,500	\$ 4,148	\$ 1,431	\$ 1,421	\$ 1,415	\$ 1,312

Adjusted Diluted EPS from Continuing Operations (b)

Reported diluted EPS from continuing operations	\$ 5.57	\$ 2.54	\$ 0.74	\$ 2.30	\$ 5.34	\$ 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)	1.73	(0.02)	1.76	—	0.44	0.10	0.11	0.38	(0.05)
Add: Purchase accounting impacts - Linde AG (c)	1.82	0.57	0.60	0.63	2.13	0.69	0.73	0.72	0.68
Total adjustments	3.56	0.56	2.36	0.63	2.58	0.79	0.85	1.10	0.63
Adjusted diluted EPS from continuing operations	\$ 9.13	\$ 3.10	\$ 3.10	\$ 2.93	\$ 7.92	\$ 2.77	\$ 2.73	\$ 2.70	\$ 2.49

Reported percentage change	4 %	35 %	(54)%	24 %	64 %	37 %	42 %	84 %	74 %
Adjusted percentage change	15 %	14 %	15 %	18 %	34 %	20 %	27 %	42 %	32 %

Adjusted Diluted EPS from Continuing Operations Guidance (d)

	Fourth Quarter 2022		Full Year 2022	
	Low End	High End	Low End	High End
2022 Adjusted Guidance	\$ 2.80	\$ 2.90	\$ 11.93	\$ 12.03
Adjusted percentage changes versus 2021 adjusted diluted EPS	1 %	5 %	12 %	13 %
Add: Estimated currency headwind/(tailwind)	8 %	8 %	5 %	5 %
Adjusted percentage change excluding currency	9 %	13 %	17 %	18 %

Non-GAAP Measures, continued



	2022				2021				
	Year to Date September 30,	Q3	Q2	Q1	Year to Date September 30,	Q4	Q3	Q2	Q1
(Millions of dollars, except per share data)									
Adjusted EBITDA and % of Sales									
Income from continuing operations	\$ 2,819	\$ 1,273	\$ 372	\$ 1,174	\$ 2,797	\$ 1,024	\$ 978	\$ 840	\$ 979
Add: Noncontrolling interests related to continuing operations	101	27	38	36	105	30	31	36	38
Add: Net pension and OPEB cost (benefit), excluding service cost	(179)	(53)	(62)	(64)	(143)	(49)	(45)	(49)	(49)
Add: Interest expense	32	18	5	9	46	31	8	18	20
Add: Income taxes	1,046	391	286	369	923	339	321	334	268
Add: Depreciation and amortization	3,248	1,045	1,091	1,112	3,500	1,135	1,163	1,171	1,166
EBITDA from continuing operations	7,067	2,701	1,730	2,636	7,228	2,510	2,456	2,350	2,422
Add: Russia-Ukraine conflict and other charges (a)	1,004	15	993	(4)	257	51	61	204	(8)
Add: Purchase accounting impacts - Linde AG (c)	77	23	23	31	97	36	42	31	24
Total adjustments	1,081	38	1,016	27	354	87	103	235	16
Adjusted EBITDA from continuing operations	\$ 8,148	\$ 2,739	\$ 2,746	\$ 2,663	\$ 7,582	\$ 2,597	\$ 2,559	\$ 2,585	\$ 2,438
Reported sales	\$ 25,465	\$ 8,797	\$ 8,457	\$ 8,211	\$ 22,495	\$ 8,298	\$ 7,668	\$ 7,584	\$ 7,243
% of sales									
EBITDA from continuing operations	27.8 %	30.7 %	20.5 %	32.1 %	32.1 %	30.2 %	32.0 %	31.0 %	33.4 %
Adjusted EBITDA from continuing operations	32.0 %	31.1 %	32.5 %	32.4 %	33.7 %	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 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.

(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			
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2

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

Capex	\$	762	\$	826	\$	649	\$	839	\$	741	\$	744	\$	762
Less: backlog capex (a)		(225)		(259)		(190)		(225)		(261)		(263)		(266)
Base Capex	\$	537	\$	567	\$	459	\$	614	\$	480	\$	481	\$	496
Operating cash flow	\$	2,636	\$	2,133	\$	2,000	\$	3,233	\$	2,556	\$	1,827	\$	2,109
Less: base capex		(537)		(567)		(459)		(614)		(480)		(481)		(496)
Available Operating Cash Flow	\$	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		
	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	\$ 2,636	\$ 2,133	\$ 2,000	\$ 3,233	\$ 2,556	\$ 1,827	\$ 2,109
Less: Capital Expenditures	(762)	(826)	(649)	(839)	(741)	(744)	(762)
Free Cash Flow	\$ 1,874	\$ 1,307	\$ 1,351	\$ 2,394	\$ 1,815	\$ 1,083	\$ 1,347

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

Debt	\$ 15,338	\$ 16,043	\$ 16,456	\$ 14,207	\$ 16,727	\$ 15,492	\$ 15,750
Less: Cash and cash equivalents	(3,756)	(3,655)	(4,464)	(2,823)	(4,700)	(3,137)	(4,096)
Net debt	11,582	12,388	11,992	11,384	12,027	12,355	11,654
Less: Purchase accounting impacts - Linde AG	(28)	(38)	(50)	(61)	(72)	(84)	(98)
Adjusted net debt	\$ 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	\$ 11,554	\$ 12,350	\$ 11,942	\$ 11,323	\$ 11,954	\$ 12,270	\$ 11,552

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

Non-GAAP Measures, continued



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

(Millions of dollars)

	2022				2021		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Reported capital	\$ 50,521	\$ 53,428	\$ 56,382	\$ 56,825	\$ 57,763	\$ 59,582	\$ 59,283
Total equity and redeemable noncontrolling interests	\$ 38,939	\$ 41,040	\$ 44,390	\$ 45,441	\$ 45,737	\$ 47,228	\$ 47,633
Add: Adjusted net debt less net assets held for sale	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
Less: Linde AG Indefinite lived intangibles (a)	1,868	1,868	1,868	1,868	1,868	1,868	1,868
Adjusted capital	\$ 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)	\$ 50,521	\$ 53,428	\$ 56,382	\$ 56,825	\$ 57,763	\$ 59,582	\$ 59,283
5-quarter average ending capital	\$ 54,984	\$ 56,796	\$ 57,967	\$ 59,086	\$ 59,960	\$ 60,502	\$ 60,584
Ending adjusted capital (see above)	\$ 24,369	\$ 27,266	\$ 30,208	\$ 30,640	\$ 31,567	\$ 33,374	\$ 33,061
5-quarter average ending adjusted capital	\$ 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)	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)	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.



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