



Linde plc

Investor Teleconference Presentation
Second Quarter 2022

July 28, 2022

Making our world more productive



Forward-Looking Statement



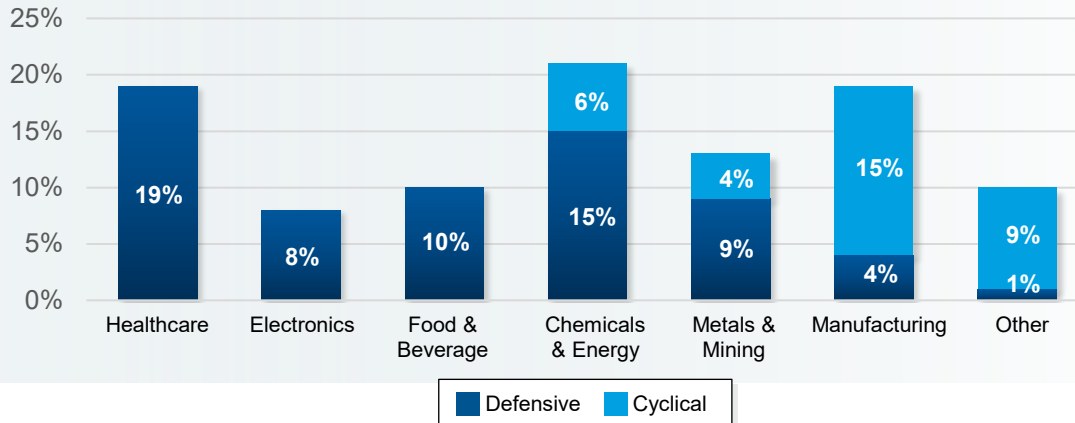
This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, 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.

Defensive Model



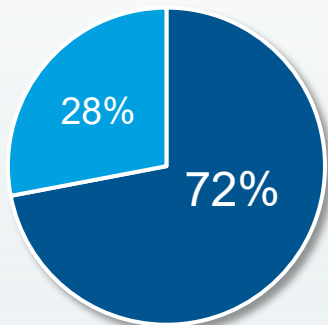
Linde plc (Defensive sales ~66%*)



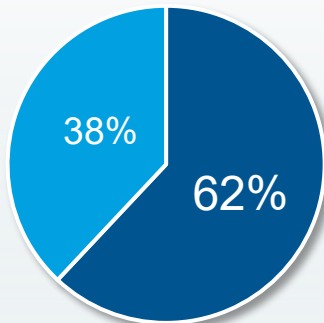
Defensive sales include:

- Long-term supply agreements with high-quality customers and fixed fee elements
- Resilient end-markets
- Steady rental payments (e.g. tanks, cylinders, equipment)

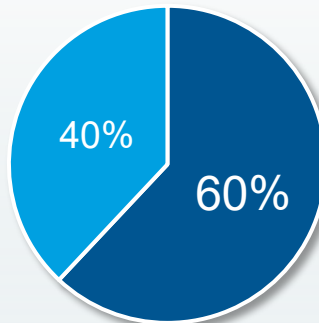
Americas



APAC



EMEA









Germany exposure:

- ~5% of total company sales
- Sales include critical gases for medical and process safety use
- Defensive sales ~66%
- Onsite contracts protect Linde:
 - In case of gas disruption
 - Against energy volatility

Global End Market Trends



2Q 2022	End Market	% of Sales ⁽¹⁾ & Trend	YoY Sales ⁽²⁾ Growth	Seq. Sales ⁽²⁾ Growth
Consumer Related End Markets (More Resilient)				
	Healthcare	16%	-5%	-5%
	Food & Beverage	10%	+20%	+8%
	Electronics	8%	+16%	+6%
Industrial Related End Markets (More Cyclical)				
	Manufacturing	19%	+15%	+7%
	Chemicals & Energy	25%	+12%	+4%
	Metals & Mining	13%	+9%	+3%
	Other	9%	-1%	+12%

(1)Excludes Engineering sales

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

Second-Quarter Adjusted Results⁽¹⁾



(\$MM)	2Q 2022	1Q 2022	Var	2Q 2021	Var
Sales	\$8,457	\$8,211	3%	\$7,584	12%
Operating Profit	\$1,988	\$1,905	4%	\$1,837	8%
<i>% of Sales</i>	<i>23.5%</i>	<i>23.2%</i>		<i>24.2%</i>	
Income	\$1,566	\$1,500	4%	\$1,415	11%
Diluted EPS	\$3.10	\$2.93	6%	\$2.70	15%
Op. Cash Flow	\$2,133	\$2,000	7%	\$1,827	17%
Capex	\$826	\$649	27%	\$744	11%
Base Capex ⁽²⁾	\$567	\$459	24%	\$481	18%
Project Capex ⁽³⁾	\$259	\$190	36%	\$263	-2%
After-Tax ROC	20.0%	18.9%	+110 bps	15.7%	+430 bps

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	+ 12%	+ 3%
Volume	+ 2%	+ 2%
Price / Mix	+ 7%	+ 2%
Cost pass-thru	+ 7%	+ 2%
Currency	- 5%	- 2%
Acq / Div	--	--
Engineering	+ 1%	- 1%

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

	<u>YoY</u>	<u>Seq.</u>
Americas	-90	-90
APAC	+160	+100
EMEA	+220	+190
Consolidated	+100	+80

- Americas 2Q includes 100+ bps of one-time charges. Margins will recover in 3Q
- Broad-based price attainment & continued progress on productivity initiatives
- ROC 20.0%, +430 bps YoY, +110 bps seq.

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

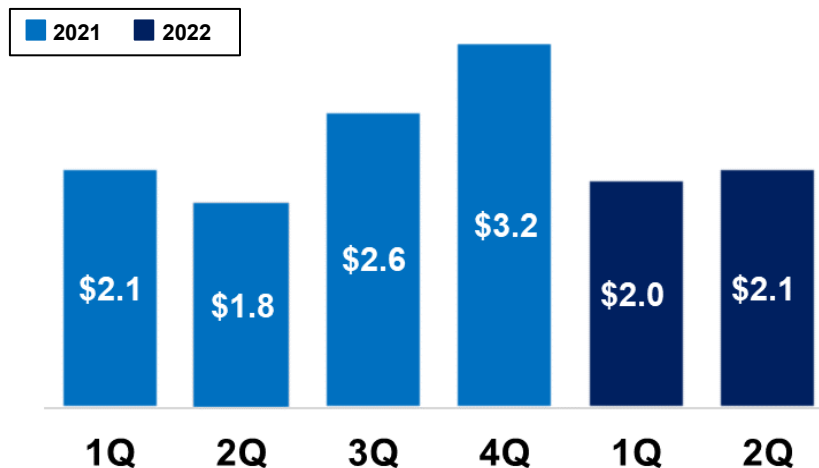
(2) Represents capex in small growth, maintenance and other non-project capex related investments

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

2Q Capital Management



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



OCF	\$2.1	\$1.8	\$2.6	\$3.2	\$2.0	\$2.1
Base CAPEX ⁽¹⁾	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.6)	(\$0.5)	(\$0.6)
Avail. OCF	\$1.6	\$1.3	\$2.1	\$2.6	\$1.5	\$1.5

- **Rewarded shareholders, \$2.2B**
 - Dividend +10% YoY
 - Purchased \$1.6B in shares
- **Re-invested in the business, \$0.8B**
- **Strong balance sheet**
 - Adj. net debt to Adj. EBITDA, 1.2X
- **Stable Available OCF despite macro volatility**

Investing in the business and rewarding shareholders

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

2022 Guidance



3rd Quarter 2022

- Adjusted EPS⁽¹⁾ in the range of \$2.85 to \$2.95
 - +4% to +8% vs. 2021
 - Includes FX impact -6% YoY & -3% sequentially
 - Ex FX +10% to 14% vs. 2021
 - Assumes no economic growth
 - Russian EPS contribution removed as of July 1st

Full-Year 2022

- Adjusted EPS⁽¹⁾ in the range of \$11.73 to \$11.93
 - +10% to +12% vs. 2021
 - Includes FX impact -5% YoY
 - Ex FX +15% to +17% vs. 2021
 - Assumes no economic growth
 - Russian EPS contribution removed as of July 1st
- CAPEX: \$3.0B to \$3.4B

Raising outlook despite uncertain environment

Appendix

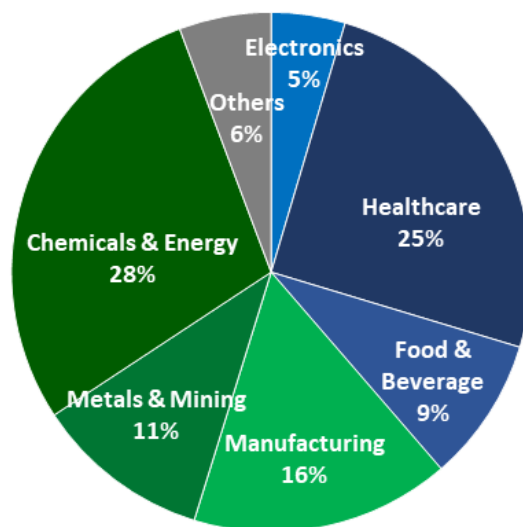
Americas



(\$MM)	2Q 2022	1Q 2022	Var	2Q 2021	Var
Sales	\$3,518	\$3,241	9%	\$3,020	16%
Operating Profit	\$910	\$904	1%	\$871	4%
% of Sales	25.9%	27.9%		28.8%	

	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	+ 16%	+ 9%
Volume	+ 3%	+ 2%
Price / Mix	+ 6%	+ 2%
Cost pass-thru	+ 7%	+ 4%
Currency	--	+ 1%
Acq / Div	--	--

End Market



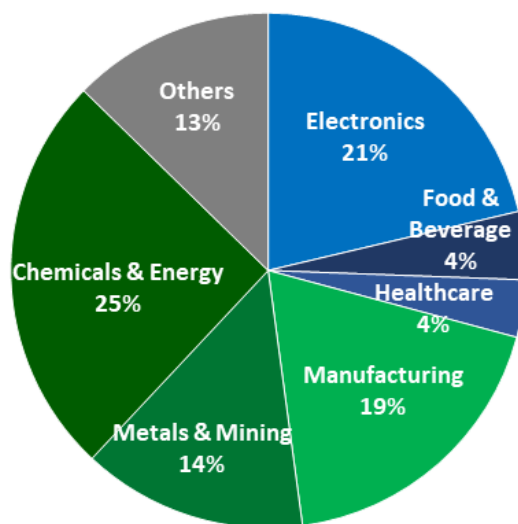
- Ex cost pass-thru margins down 90 bps
 - 2Q includes one-time charges (100+ bps)
 - Margins will recover in 3Q
- Continued good inflation management
- YoY growth across all end markets except Healthcare
 - Manufacturing, Chemicals & Energy the strongest



(\$MM)	2Q 2022	1Q 2022	Var	2Q 2021	Var
Sales	\$1,651	\$1,602	3%	\$1,544	7%
Operating Profit	\$426	\$399	7%	\$389	10%
% of Sales	25.8%	24.9%		25.2%	

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

End Market

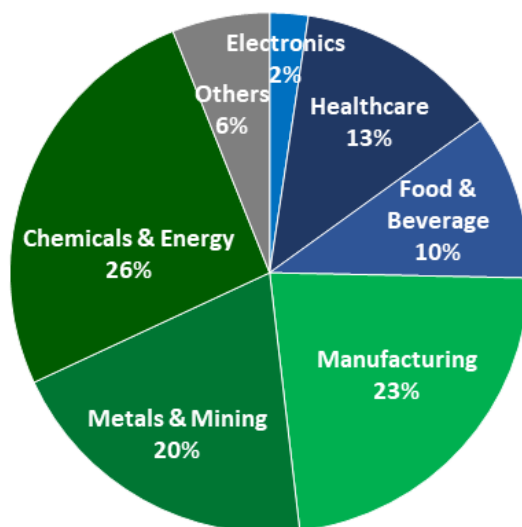


- Ex cost pass-thru, YoY and seq. margins up 160 and 100 bps respectively
- Continued good inflation management
- YoY volume growth driven by project startups in Electronics, Chemicals & Energy end markets
- FX headwinds led by CNY, AUD & KRW



(\$MM)	2Q 2022	1Q 2022	Var	2Q 2021	Var
Sales	\$2,144	\$2,148	0%	\$1,875	14%
Operating Profit	\$536	\$503	7%	\$487	10%
% of Sales	25.0%	23.4%		26.0%	

End Market



	<u>YOY</u>	<u>SEQ.</u>
Sales Growth	+ 14%	--
Volume	- 1%	--
Price / Mix	+ 12%	+ 3%
Cost pass-thru	+ 14%	+ 1%
Currency	- 11%	- 4%
Acq / Div	--	--

- Ex cost pass-thru, YoY and seq. margins up 220 and 190 bps respectively
- Continued good inflation management
- YoY and sequentially, growth across all end markets except Healthcare
 - Food & Beverage and Metals & Mining the strongest
- FX headwinds from EUR and GBP

Engineering



(\$MM)	2Q 2022	1Q 2022	Var	2Q 2021	Var
Sales	\$644	\$728	-12%	\$646	0%
Operating Profit	\$105	\$143	-27%	\$108	-3%
% of Sales	16.3%	19.6%		16.7%	

- Continued healthy margins led by good execution and productivity
 - Expect low to mid-teens margins in 2H
- Good inflow of projects, \$1B
- Contractually secured backlog of \$2.9 billion
 - No Russian projects in backlog

3rd Party Orders (\$MM)	2Q 2022	1Q 2022	2Q 2021
Intake	\$1,004	\$645	\$355
SOP Backlog	\$2,894	\$2,200	\$4,069

Global Other



(\$MM)	2Q 2022	1Q 2022	Var	2Q 2021	Var
Sales	\$500	\$492	2%	\$499	0%
Operating Profit	\$11	(\$44)	125%	(\$18)	161%
% of Sales	2.2%	-8.9%		-3.6%	

- Improved profit driven by:
 - Lower corporate cost
 - Higher aerospace and electronics sales in coatings business
 - Lapped 1Q one-time unfavorable costs

- Expect GIST to be divested in the 2H
 - Sales ~\$0.8B, EBIT margins mid-single digits

High-Quality Project Backlog ~\$6.5B



SOP Backlog⁽¹⁾ \$2.9B



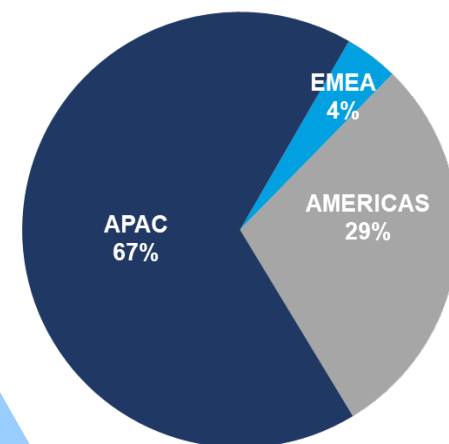
- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Primarily engineering and procurement services

SOG Backlog⁽²⁾ \$3.6B

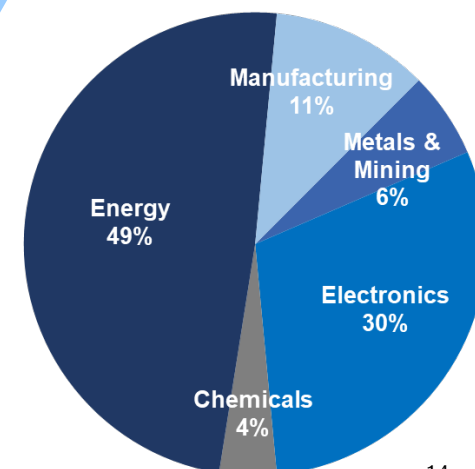


- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Increases network density

Geography



End Market

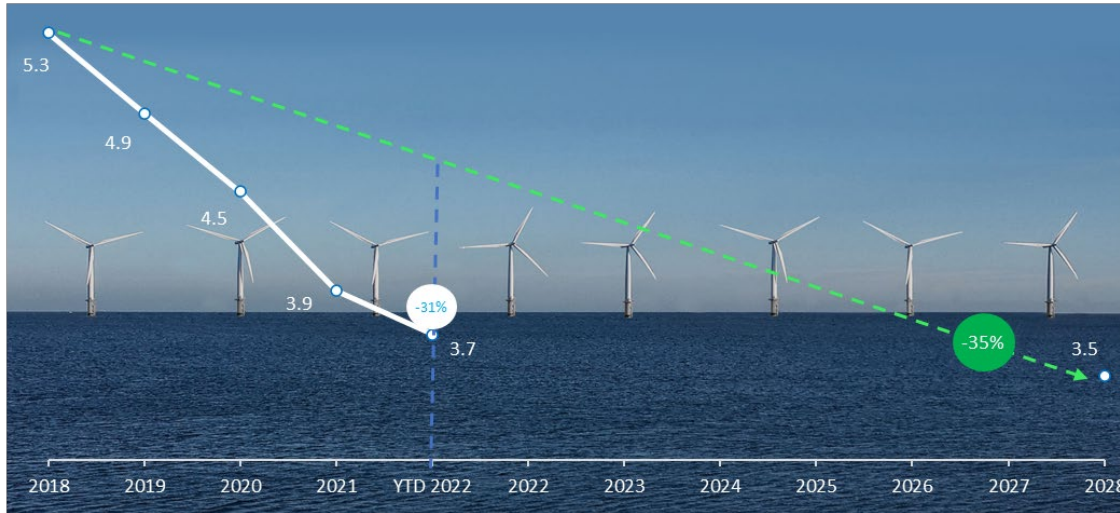


1) 3rd party sale of plant backlog. Represents future sales, secured under a signed agreement
2) Sale of gas backlog. Represents project investments (CAPEX), supported by a long-term supply agreement

ESG Performance



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



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

- 2Q 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

- Current pipeline of decarbonization opportunities comprised of 250+ projects
- Several decarbonization projects pending government subsidy

ESG News and Recognitions

- Linde Included in FTSE4Good Index for Seventh Consecutive Year
- Published 2021 Sustainable Development Report

(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)

Quarter Ended June 30

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
	2022	2021	2022	2021	2022	2021	2022	2021
Reported GAAP Amounts	\$ 8,457	\$ 7,584	\$ 589	\$ 1,142	\$ 372	\$ 840	\$ 0.74	\$ 1.60
Russia-Ukraine conflict and other charges (a)	-	-	993	204	889	198	1.76	0.38
Purchase accounting impacts - Linde AG (b)	-	-	406	491	305	377	0.60	0.72
Total adjustments	-	-	1,399	695	1,194	575	2.36	1.10
Adjusted amounts	\$ 8,457	\$ 7,584	\$ 1,988	\$ 1,837	\$ 1,566	\$ 1,415	\$ 3.10	\$ 2.70

(Millions of dollars, except per share amounts)

Year to Date June 30

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
	2022	2021	2022	2021	2022	2021	2022	2021
Reported GAAP Amounts	\$ 16,668	\$ 14,827	\$ 2,069	\$ 2,355	\$ 1,546	\$ 1,819	\$ 3.04	\$ 3.46
Russia-Ukraine conflict and other charges (a)	-	-	989	196	888	170	1.75	0.32
Purchase accounting impacts - Linde AG (b)	-	-	835	974	632	738	1.24	1.41
Total adjustments	-	-	1,824	1,170	1,520	908	2.99	1.73
Adjusted amounts	\$ 16,668	\$ 14,827	\$ 3,893	\$ 3,525	\$ 3,066	\$ 2,727	\$ 6.03	\$ 5.19

(a) 2022 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 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 June 30,	Q2	Q1	Year to Date June 30,	Q4	Q3	Q2	Q1
(Millions of dollars, except per share data)								
<u>Adjusted Operating Profit and Operating Margin</u>								
Reported operating profit	\$ 2,069	\$ 589	\$ 1,480	\$ 2,355	\$ 1,337	\$ 1,292	\$ 1,142	\$ 1,213
Add: Russia-Ukraine conflict and other charges	989	993	(4)	196	51	26	204	(8)
Less: Net gain on sale of businesses	-	-	-	-	-	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	835	406	429	974	453	492	491	483
Total adjustments	1,824	1,399	425	1,170	504	518	695	475
Adjusted operating profit	<u>\$ 3,893</u>	<u>\$ 1,988</u>	<u>\$ 1,905</u>	<u>\$ 3,525</u>	<u>\$ 1,841</u>	<u>\$ 1,810</u>	<u>\$ 1,837</u>	<u>\$ 1,688</u>
Reported percentage change	(12)%	(48)%	22 %	78 %	30 %	33 %	93 %	65 %
Adjusted percentage change	10 %	8 %	13 %	32 %	14 %	19 %	39 %	25 %
Reported sales	\$ 16,668	\$ 8,457	\$ 8,211	\$ 14,827	\$ 8,298	\$ 7,668	\$ 7,584	\$ 7,243
Reported operating margin	12.4 %	7.0 %	18.0 %	15.9 %	16.1 %	16.8 %	15.1 %	16.7 %
Adjusted operating margin	23.4 %	23.5 %	23.2 %	23.8 %	22.2 %	23.6 %	24.2 %	23.3 %
<u>Adjusted Depreciation and amortization</u>								
Reported depreciation and amortization	\$ 2,203	\$ 1,091	\$ 1,112	\$ 2,337	\$ 1,135	\$ 1,163	\$ 1,171	\$ 1,166
Less: Purchase accounting impacts - Linde AG (c)	(819)	(401)	(418)	(957)	(437)	(469)	(479)	(478)
Adjusted depreciation and amortization	<u>\$ 1,384</u>	<u>\$ 690</u>	<u>\$ 694</u>	<u>\$ 1,380</u>	<u>\$ 698</u>	<u>\$ 694</u>	<u>\$ 692</u>	<u>\$ 688</u>

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted Other Income (Expense) - net

Reported Other Income (Expense) - net

Add: Purchase accounting impacts - Linde AG (c)

Adjusted Other Income (Expense) - net

2022			2021				
Year to Date June 30,	Q2	Q1	Year to Date June 30,	Q4	Q3	Q2	Q1
\$ (24)	\$ (36)	\$ 12	\$ (13)	\$ (23)	\$ 10	\$ (17)	\$ 4
(16)	(5)	(11)	(17)	(16)	(23)	(12)	(5)
<u>\$ (8)</u>	<u>\$ (31)</u>	<u>\$ 23</u>	<u>\$ 4</u>	<u>\$ (7)</u>	<u>\$ 33</u>	<u>\$ (5)</u>	<u>\$ 9</u>

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

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

Add: Pension settlement charges

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

\$ (126)	\$ (62)	\$ (64)	\$ (98)	\$ (49)	\$ (45)	\$ (49)	\$ (49)
-	-	-	-	-	(4)	-	-
<u>\$ (126)</u>	<u>\$ (62)</u>	<u>\$ (64)</u>	<u>\$ (98)</u>	<u>\$ (49)</u>	<u>\$ (49)</u>	<u>\$ (49)</u>	<u>\$ (49)</u>

Adjusted Interest Expense - Net

Reported interest expense - net

Add: Purchase accounting impacts - Linde AG (c)

Adjusted interest expense - net

\$ 14	\$ 5	\$ 9	\$ 38	\$ 31	\$ 8	\$ 18	\$ 20
19	9	10	33	10	10	15	18
<u>\$ 33</u>	<u>\$ 14</u>	<u>\$ 19</u>	<u>\$ 71</u>	<u>\$ 41</u>	<u>\$ 18</u>	<u>\$ 33</u>	<u>\$ 38</u>

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

Total adjustments

Adjusted income taxes

\$ 655	\$ 286	\$ 369	\$ 602	\$ 339	\$ 321	\$ 334	\$ 268
216	108	108	234	103	115	116	118
-	-	-	-	-	1	-	-
101	104	(3)	26	-	3	6	20
<u>317</u>	<u>212</u>	<u>105</u>	<u>260</u>	<u>103</u>	<u>119</u>	<u>122</u>	<u>138</u>
<u>\$ 972</u>	<u>\$ 498</u>	<u>\$ 474</u>	<u>\$ 862</u>	<u>\$ 442</u>	<u>\$ 440</u>	<u>\$ 456</u>	<u>\$ 406</u>

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted Effective Tax Rate (a)

Reported income before income taxes and equity investments

Add: Pension settlement charge

Add: Purchase accounting impacts - Linde AG (c)

Add: Russia-Ukraine conflict and other charges

Total adjustments

Adjusted income before income taxes and equity investments

Reported income taxes

Reported effective tax rate

Adjusted income taxes

Adjusted effective tax rate

Income from Equity Investments

Reported income from equity investments

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

Add: Purchase accounting impacts - Linde AG (c)

Total adjustments

Adjusted income from equity investments

Adjusted Noncontrolling Interests from Continuing Operations

Reported noncontrolling interests from continuing operations

Add: Purchase accounting impacts - Linde AG (c)

Adjusted noncontrolling interests from continuing operations

2022			2021				
Year to Date June 30,	Q2	Q1	Year to Date June 30,	Q4	Q3	Q2	Q1
\$ 2,181	\$ 646	\$ 1,535	\$ 2,415	\$ 1,355	\$ 1,329	\$ 1,173	\$ 1,242
-	-	-	-	-	4	-	-
816	397	419	941	443	482	476	465
989	993	(4)	196	51	26	204	(8)
1,805	1,390	415	1,137	494	512	680	457
\$ 3,986	\$ 2,036	\$ 1,950	\$ 3,552	\$ 1,849	\$ 1,841	\$ 1,853	\$ 1,699
\$ 655	\$ 286	\$ 369	\$ 602	\$ 339	\$ 321	\$ 334	\$ 268
30.0 %	44.3 %	24.0 %	24.9 %	25.0 %	24.2 %	28.5 %	21.6 %
\$ 972	\$ 498	\$ 474	\$ 862	\$ 442	\$ 440	\$ 456	\$ 406
24.4 %	24.5 %	24.3 %	24.3 %	23.9 %	23.9 %	24.6 %	23.9 %
\$ 94	\$ 50	\$ 44	\$ 80	\$ 38	\$ 1	\$ 37	\$ 43
-	-	-	-	-	35	-	-
39	19	20	38	20	19	19	19
39	19	20	38	20	54	19	19
\$ 133	\$ 69	\$ 64	\$ 118	\$ 58	\$ 55	\$ 56	\$ 62
\$ (74)	\$ (38)	\$ (36)	\$ (74)	\$ (30)	\$ (31)	\$ (36)	\$ (38)
(7)	(3)	(4)	(7)	(4)	(4)	(2)	(5)
\$ (81)	\$ (41)	\$ (40)	\$ (81)	\$ (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 June 30,	Q2	Q1	Year to Date June 30,	Q4	Q3	Q2	Q1
Reported income from continuing operations	\$ 1,546	\$ 372	\$ 1,174	\$ 1,819	\$ 1,024	\$ 978	\$ 840	\$ 979
Add: Pension settlement charge	-	-	-	-	-	3	-	-
Add: Russia-Ukraine conflict and other charges	888	889	(1)	170	51	58	198	(28)
Add: Purchase accounting impacts - Linde AG (c)	632	305	327	738	356	382	377	361
Total adjustments	1,520	1,194	326	908	407	443	575	333
Adjusted income from continuing operations	\$ 3,066	\$ 1,566	\$ 1,500	\$ 2,727	\$ 1,431	\$ 1,421	\$ 1,415	\$ 1,312

Adjusted Diluted EPS from Continuing Operations (b)

Reported diluted EPS from continuing operations	\$ 3.04	\$ 0.74	\$ 2.30	\$ 3.46	\$ 1.98	\$ 1.88	\$ 1.60	\$ 1.86
Add: Pension settlement charge	-	-	-	-	-	0.01	-	-
Add: Russia-Ukraine conflict and other charges	1.75	1.76	-	0.32	0.10	0.11	0.38	(0.05)
Add: Purchase accounting impacts - Linde AG (c)	1.24	0.60	0.63	1.41	0.69	0.73	0.72	0.68
Total adjustments	2.99	2.36	0.63	1.73	0.79	0.85	1.10	0.63
Adjusted diluted EPS from continuing operations	\$ 6.03	\$ 3.10	\$ 2.93	\$ 5.19	\$ 2.77	\$ 2.73	\$ 2.70	\$ 2.49

Reported percentage change	(12)%	(54)%	24 %	79 %	37 %	42 %	84 %	74 %
Adjusted percentage change	16 %	15 %	18 %	37 %	20 %	27 %	42 %	32 %

Adjusted Diluted EPS from Continuing Operations Guidance (d)

	Third Quarter 2022		Full Year 2022	
	Low End	High End	Low End	High End
2022 Adjusted Guidance	\$ 2.85	\$ 2.95	\$ 11.73	\$ 11.93
Adjusted percentage changes versus 2021 adjusted diluted EPS	4 %	8 %	10 %	12 %
Add: Estimated currency headwind/(tailwind)	6 %	6 %	5 %	5 %
Adjusted percentage change excluding currency	10 %	14 %	15 %	17 %

Non-GAAP Measures, continued



(Millions of dollars, except per share data)

Adjusted EBITDA and % of Sales

	2022			2021				
	Year to Date June 30,	Q2	Q1	Year to Date June 30,	Q4	Q3	Q2	Q1
Income from continuing operations	\$ 1,546	\$ 372	\$ 1,174	\$ 1,819	\$ 1,024	\$ 978	\$ 840	\$ 979
Add: Noncontrolling interests related to continuing operations	74	38	36	74	30	31	36	38
Add: Net pension and OPEB cost (benefit), excluding service cost	(126)	(62)	(64)	(98)	(49)	(45)	(49)	(49)
Add: Interest expense	14	5	9	38	31	8	18	20
Add: Income taxes	655	286	369	602	339	321	334	268
Add: Depreciation and amortization	2,203	1,091	1,112	2,337	1,135	1,163	1,171	1,166
EBITDA from continuing operations	4,366	1,730	2,636	4,772	2,510	2,456	2,350	2,422
Add: Russia-Ukraine conflict and other charges	989	993	(4)	196	51	61	204	(8)
Add: Purchase accounting impacts - Linde AG (c)	54	23	31	55	36	42	31	24
Total adjustments	1,043	1,016	27	251	87	103	235	16
Adjusted EBITDA from continuing operations	\$ 5,409	\$ 2,746	\$ 2,663	\$ 5,023	\$ 2,597	\$ 2,559	\$ 2,585	\$ 2,438
Reported sales	\$ 16,668	\$ 8,457	\$ 8,211	\$ 14,827	\$ 8,298	\$ 7,668	\$ 7,584	\$ 7,243
% of sales								
EBITDA from continuing operations	26.2 %	20.5 %	32.1 %	32.2 %	30.2 %	32.0 %	31.0 %	33.4 %
Adjusted EBITDA from continuing operations	32.5 %	32.5 %	32.4 %	33.9 %	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			
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	\$	826	\$	649	\$	839	\$	741	\$	744	\$	762
Less: backlog capex (a)		(259)		(190)		(225)		(261)		(263)		(266)
Base Capex	\$	567	\$	459	\$	614	\$	480	\$	481	\$	496
Operating cash flow	\$	2,133	\$	2,000	\$	3,233	\$	2,556	\$	1,827	\$	2,109
Less: base capex		(567)		(459)		(614)		(480)		(481)		(496)
Available Operating Cash Flow	\$	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)

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.

	2022		2021			
	Q2	Q1	Q4	Q3	Q2	Q1
Operating Cash Flow	\$ 2,133	\$ 2,000	\$ 3,233	\$ 2,556	\$ 1,827	\$ 2,109
Less: Capital Expenditures	(826)	(649)	(839)	(741)	(744)	(762)
Free Cash Flow	\$ 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	\$ 16,043	\$ 16,456	\$ 14,207	\$ 16,727	\$ 15,492	\$ 15,750
Less: Cash and cash equivalents	(3,655)	(4,464)	(2,823)	(4,700)	(3,137)	(4,096)
Net debt	12,388	11,992	11,384	12,027	12,355	11,654
Less: Purchase accounting impacts - Linde AG	(38)	(50)	(61)	(72)	(84)	(98)
Adjusted net debt	\$ 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	\$ 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).

Reported income from continuing operations	\$ 372	\$ 1,174	\$ 1,024	\$ 978	\$ 840	\$ 979
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Non-GAAP Measures, continued



(Millions of dollars)

Add: noncontrolling interests from continuing operations

Add: interest expense - net

Less: tax benefit on interest expense - net *

Reported NOPAT

Adjusted income from continuing operations

Add: adjusted noncontrolling interests from continuing operations

Add: adjusted interest expense - net

Less: tax benefit on interest expense - net *

Adjusted NOPAT

4-quarter trailing reported NOPAT

4-quarter trailing adjusted NOPAT

Equity and redeemable noncontrolling interests:

Redeemable noncontrolling interests

Linde plc shareholders' equity

Noncontrolling interests

Total equity and redeemable noncontrolling interests

2022				2021		
Q2	Q1	Q4	Q3	Q2	Q1	
38	36	30	31	36	38	
5	9	31	8	18	20	
(1)	(2)	(8)	(2)	(5)	(5)	
\$ 414	\$ 1,217	\$ 1,077	\$ 1,015	\$ 889	\$ 1,032	
\$ 1,566	\$ 1,500	\$ 1,431	\$ 1,421	\$ 1,415	\$ 1,312	
41	40	34	35	38	43	
14	19	41	18	33	38	
(3)	(5)	(10)	(5)	(8)	(10)	
\$ 1,618	\$ 1,554	\$ 1,496	\$ 1,469	\$ 1,478	\$ 1,383	
\$ 3,723	\$ 4,198	\$ 4,013	\$ 3,765	\$ 3,508	\$ 3,115	
\$ 6,137	\$ 5,997	\$ 5,826	\$ 5,627	\$ 5,389	\$ 4,985	
\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	
39,674	42,963	44,035	44,323	45,777	46,210	
1,353	1,414	1,393	1,401	1,438	1,410	
\$ 41,040	\$ 44,390	\$ 45,441	\$ 45,737	\$ 47,228	\$ 47,633	

Non-GAAP Measures, continued



(Millions of dollars)

	2022				2021			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Reported capital	\$ 53,428	\$ 56,382	\$ 56,825	\$ 57,763	\$ 59,582	\$ 59,283	\$ 59,582	\$ 59,283
Total equity and redeemable noncontrolling interests	\$ 41,040	\$ 44,390	\$ 45,441	\$ 45,737	\$ 47,228	\$ 47,633	\$ 47,228	\$ 47,633
Add: Adjusted net debt less net assets held for sale	12,350	11,942	11,323	11,954	12,270	11,552	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	\$ 27,266	\$ 30,208	\$ 30,640	\$ 31,567	\$ 33,374	\$ 33,061	\$ 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)	\$ 53,428	\$ 56,382	\$ 56,825	\$ 57,763	\$ 59,582	\$ 59,283	\$ 59,582	\$ 59,283
5-quarter average ending capital	\$ 56,796	\$ 57,967	\$ 59,086	\$ 59,960	\$ 60,502	\$ 60,584	\$ 60,502	\$ 60,584
Ending adjusted capital (see above)	\$ 27,266	\$ 30,208	\$ 30,640	\$ 31,567	\$ 33,374	\$ 33,061	\$ 33,374	\$ 33,061
5-quarter average ending adjusted capital	\$ 30,611	\$ 31,770	\$ 32,875	\$ 33,735	\$ 34,261	\$ 34,325	\$ 34,261	\$ 34,325
After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)	6.6 %	7.2 %	6.8 %	6.3 %	5.8 %	5.1 %	5.8 %	5.1 %
Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital)	20.0 %	18.9 %	17.7 %	16.7 %	15.7 %	14.5 %	15.7 %	14.5 %

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



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