

Linde plc

Investor Teleconference Presentation
First Quarter 2022

April 28, 2022

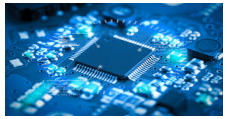
Making our world more productive

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.

Global End Market Trends

1Q 2022	End Market	% of Sales(1) & Trend	YoY Sales(2) Growth	Seq. Sales(2) Growth
Consumer Related End Markets (More Resilient)				
	**Healthcare**	**17%**	-1%	-1%
	**Food & Beverage**	**10%**	+21%	-3%
	**Electronics**	**9%**	+13%	+7%
Industrial Related End Markets (More Cyclical)				
	**Manufacturing**	**19%**	+11%	+4%
	**Chemicals & Energy**	**24%**	+17%	+3%
	**Metals & Mining**	**14%**	+7%	+5%
	Other	**7%**	-5%	-7%

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

First-Quarter Adjusted Results[1]

($MM)	1Q 2022	4Q 2021	Var	1Q 2021	Var
Sales	$8,211	$8,298	-1%	$7,243	13%
Operating Profit	$1,905	$1,841	3%	$1,688	13%
% of Sales	*23.2%*	*22.2%*		*23.3%*	
Income	$1,500	$1,431	5%	$1,312	14%
Diluted EPS	$2.93	$2.77	6%	$2.49	18%
Op. Cash Flow	$2,000	$3,233	-38%	$2,109	-5%
Capex	$649	$839	-23%	$762	-15%
Base Capex[2]	$459	$614	-25%	$496	-7%
Project Capex[3]	$190	$225	-16%	$266	-29%
After-Tax ROC	18.9%	17.7%	+120 bps	14.5%	+440 bps

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

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

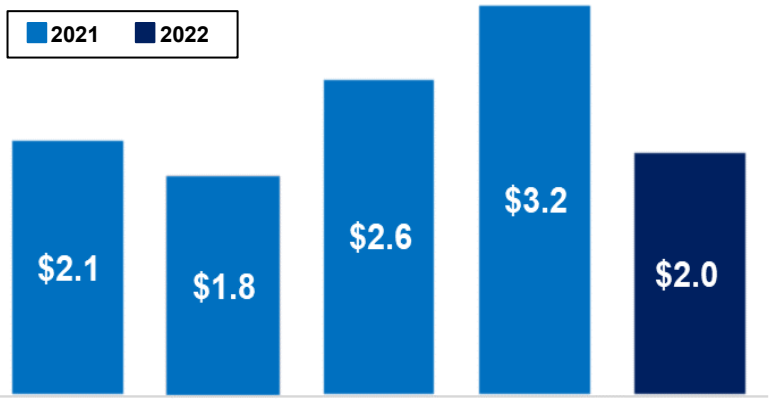
	YoY	Seq.
Americas	+100	+70
APAC	+140	+130
EMEA	+170	+120
Consolidated	+130	+120

- **YoY volume growth led by Food and Beverage, Manufacturing, Chemicals and Energy end markets**
- **Broad-based price attainment & continued progress on productivity initiatives**
- **ROC 18.9%, +440 bps YoY, +120 bps seq.**

(1) 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

1Q Capital Management

Operating Cash Flow (OCF) Trend ($B)



	1Q	2Q	3Q	4Q	1Q
OCF	$2.1	$1.8	$2.6	$3.2	$2.0
Base CAPEX[(1)]	($0.5)	($0.5)	($0.5)	($0.6)	($0.5)
Avail. OCF	$1.6	$1.3	$2.1	$2.6	$1.5

- **Raised dividend 10% in 2022**
  - 29 consecutive years of dividend increase
- **New $10B share repurchase program**
  - Purchased $1.7B in shares
- **Re-invested in the business, $0.7B**
- **Access to low-cost capital**
  - Issued €2.1 billion on March 24th
  - 5 yr @ 1.0%, 9 yr @ 1.4%, 13 yr @ 1.6%

Investing in the business and rewarding shareholders

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

2022 Guidance

2nd Quarter 2022

- Adjusted EPS[(1)] in the range of $2.90 to $3.00
  - +7% to +11% vs. 2021
  - FX impact -3% YoY & flat sequentially
  - Assumes no economic growth
  - Removed Russian EPS contribution by 2H
    - Working thru project sanctions & wind-down
    - Started process to divest industrial assets

Full-Year 2022

- Adjusted EPS[(1)] in the range of $11.65 to $11.90
  - +9% to +11% vs. 2021
  - FX impact -2% YoY
  - Assumes no economic growth
  - Removed Russian EPS contribution by 2H
    - Working thru project sanctions & wind-down
    - Started process to divest industrial assets
- CAPEX: $3.0B to $3.4B

Raising outlook despite uncertain environment

(1) Non-GAAP measure, see appendix

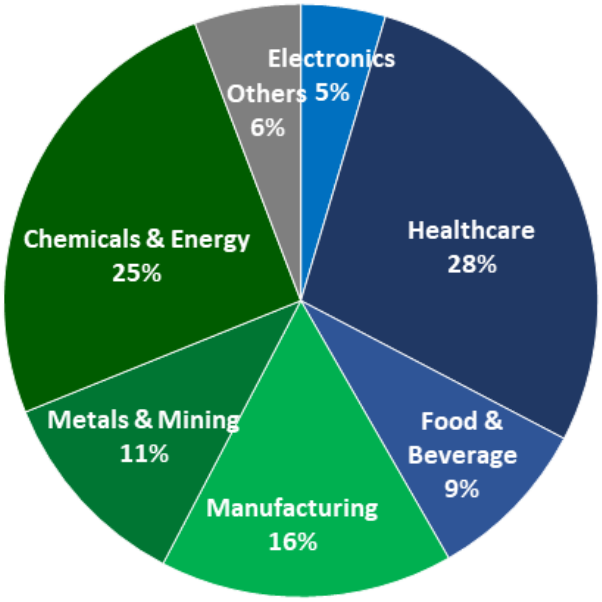
Appendix

Americas

($MM)	1Q 2022	4Q 2021	Var	1Q 2021	Var
Sales	$3,241	$3,152	3%	$2,840	14%
Operating Profit	$904	$843	7%	$795	14%
% of Sales	27.9%	26.7%		28.0%	

	YOY	SEQ.
Sales Growth	+ 14%	+ 3%
Volume	+ 5%	+ 1%
Price / Mix	+ 5%	+ 2%
Cost pass-thru	+ 4%	- 1%
Currency	--	+ 1%
Acq / Div	--	--

End Market



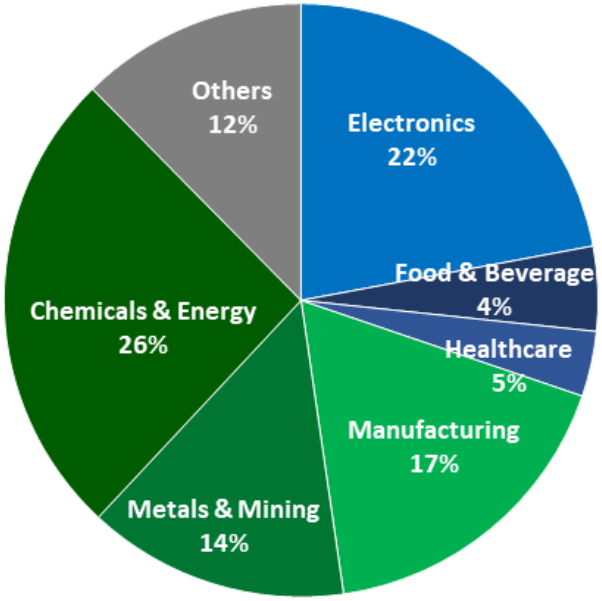
- Ex cost pass-thru, YoY and seq. margins up 100 and 70 bps respectively
- YoY growth across all end markets except Healthcare
  - Manufacturing, Chemicals and Energy the strongest
- Aerospace growing double digits

APAC

($MM)	1Q 2022	4Q 2021	Var	1Q 2021	Var
Sales	$1,602	$1,589	1%	$1,436	12%
Operating Profit	$399	$380	5%	$351	14%
% of Sales	24.9%	23.9%		24.4%	

	YOY	SEQ.
Sales Growth	+ 12%	+ 1%
Volume	+ 6%	- 1%
Price / Mix	+ 4%	+ 1%
Cost pass-thru	+ 4%	+ 1%
Currency	- 2%	--
Acq / Div	--	--

End Market



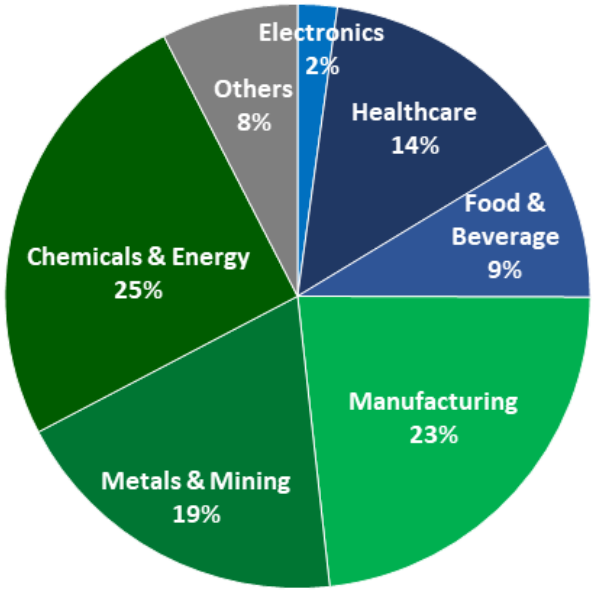
- Ex cost pass-thru, YoY and seq. margins up 140 and 130 bps respectively
- YoY volume growth driven by project startups in Electronics, Chemicals and Energy end markets
- FX headwinds led by AUD & KRW

EMEA

($MM)	1Q 2022	4Q 2021	Var	1Q 2021	Var
Sales	$2,148	$2,058	4%	$1,799	19%
Operating Profit	$503	$475	6%	$451	12%
% of Sales	23.4%	23.1%		25.1%	

	YOY	SEQ.
Sales Growth	+ 19%	+ 4%
Volume	--	- 3%
Price / Mix	+ 11%	+ 5%
Cost pass-thru	+ 14%	+ 4%
Currency	- 6%	- 2%
Acq / Div	--	--

End Market



- Ex cost pass-thru, YoY and seq. margins up 170 and 120 bps respectively
- YoY growth across all end markets except Healthcare
  - Food and Beverage, Chemicals and Energy the strongest
- Seq. lower volumes led by Healthcare
- FX headwinds from EUR and GBP

Engineering

($MM)	1Q 2022	4Q 2021	Var	1Q 2021	Var
Sales	$728	$946	-23%	$674	8%
Operating Profit	$143	$150	-5%	$109	31%
% of Sales	19.6%	15.9%		16.2%	

3rd Party Orders ($MM)	1Q 2022	4Q 2021	1Q 2021
Intake	$645	$799	$461
SOP Backlog	$2,200	$9,576	$4,323

- Higher margins due to project timing and good execution
  - Anticipate low-teen margins by 2H
- Russian projects removed from backlog

Global Other

($MM)	1Q 2022	4Q 2021	Var	1Q 2021	Var
Sales	$492	$553	-11%	$494	0%
Operating Profit	($44)	($7)	-529%	($18)	-144%
% of Sales	-8.9%	-1.3%		-3.6%	

- Lower profit driven by:
  - Higher helium sourcing cost
    - 3rd party helium price increases reflected in geographic segments
    - No net impact at consolidated level
  - One-time unfavorable costs
- Expect profitability to improve in 2Q

High-Quality Project Backlog ~$6B

SOP Backlog[1] $2.2B



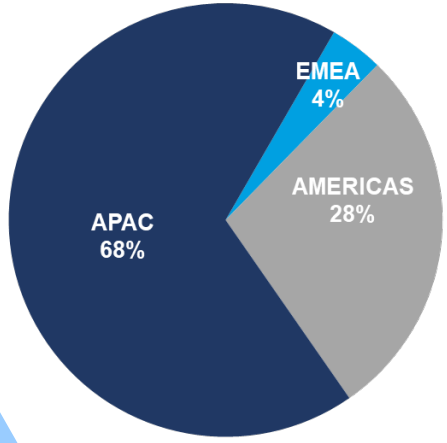
- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Primarily engineering and procurement services

SOG Backlog[2] $3.5B

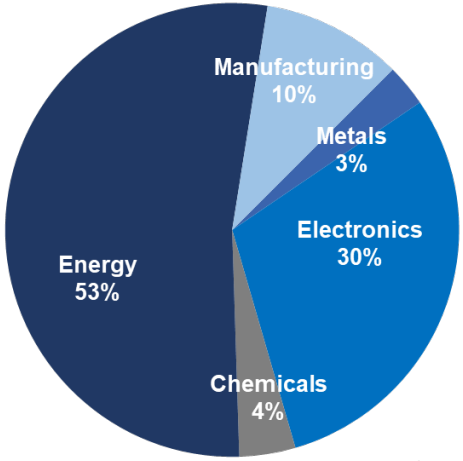


- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ High-quality customers
- ✓ Increases network density

Geography



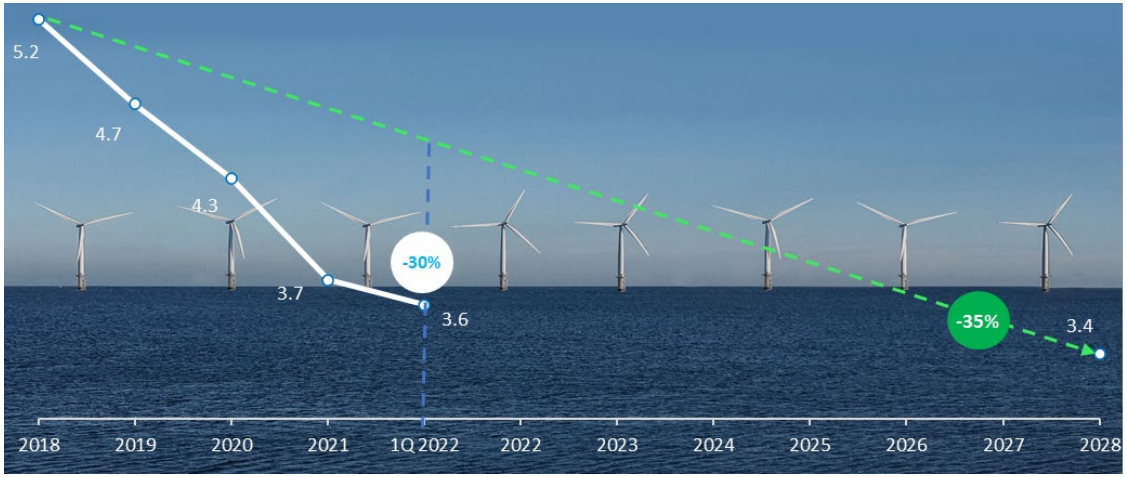
End Market



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

ESG Performance

Target: 35% Reduction in GHG Emissions Intensity 2018-2028[1]



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

– 1Q 2022 improvement led by profitable growth and slightly lower scope 1 GHG emissions

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

- Ethisphere named Linde among 2022 World's Most Ethical Companies

(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 H_2 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**

ENVIRONMENTAL QUALITYSCORE 1 HIGHEST RANKED BY ISS ESG

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

Bloomberg Gender-Equality Index 2021

Strategy

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

Leverage the Recovery
- ✓ Price and volume
- ✓ Cost management
- ✓ Operations optimization

Capitalize on Growth
- ✓ Electronics
- ✓ Healthcare
- ✓ Backlog start-up

\+ **Clean Energy**



>10% EPS Growth

\+

Clean Energy

2021+

Sustainable value creation

Non-GAAP Measures

LINDE PLC AND SUBSIDIARIES
SUMMARY NON-GAAP RECONCILIATIONS
(UNAUDITED)

The following adjusted amounts are Non-GAAP measures and are intended to supplement investors' understanding of the company's financial statements by providing measures which investors, financial analysts and management use to help evaluate the company's operating performance. Items which the company does not believe to be indicative of ongoing business trends are excluded from these calculations so that investors can better evaluate and analyze historical and future business trends on a consistent basis. Definitions of these Non-GAAP measures may not be comparable to similar definitions used by other companies and are not a substitute for similar GAAP measures. See the "NON GAAP MEASURES AND RECONCILIATIONS" starting on the following pages for additional details relating to the adjustments.

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
(Millions of dollars, except per share amounts)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Quarter Ended March 31								
Reported GAAP Amounts	$ 8,211	$ 7,243	$ 1,480	$ 1,213	$ 1,174	$ 979	$ 2.30	$ 1.86
Cost reduction program and other charges (a)	-	-	(4)	(8)	(1)	(28)	-	(0.05)
Purchase accounting impacts - Linde AG (b)	-	-	429	483	327	361	0.63	0.68
Total adjustments	-	-	425	475	326	333	0.63	0.63
Adjusted amounts	$ 8,211	$ 7,243	$ 1,905	$ 1,688	$ 1,500	$ 1,312	$ 2.93	$ 2.49

(a) To adjust for cost reduction program and other charges; 2022 includes severance of $4 million and an other net benefit of $8 million for the quarter ended March 31, 2022.

(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			
(Millions of dollars, except per share data)	Q1	Q4	Q3	Q2	Q1
Adjusted Operating Profit and Operating Margin					
Reported operating profit	$ 1,480	$ 1,337	$ 1,292	$ 1,142	$ 1,213
Add: Cost reduction programs and other charges	(4)	51	26	204	(8)
Add: Purchase accounting impacts - Linde AG (c)	429	453	492	491	483
Total adjustments	425	504	518	695	475
Adjusted operating profit	$ 1,905	$ 1,841	$ 1,810	$ 1,837	$ 1,688
Reported percentage change	22 %	30 %	33 %	93 %	65 %
Adjusted percentage change	13 %	14 %	19 %	39 %	25 %
Reported sales	$ 8,211	$ 8,298	$ 7,668	$ 7,584	$ 7,243
Reported operating margin	18.0 %	16.1 %	16.8 %	15.1 %	16.7 %
Adjusted operating margin	23.2 %	22.2 %	23.6 %	24.2 %	23.3 %
Adjusted Depreciation and amortization					
Reported depreciation and amortization	$ 1,112	$ 1,135	$ 1,163	$ 1,171	$ 1,166
Less: Purchase accounting impacts - Linde AG (c)	(418)	(437)	(469)	(479)	(478)
Adjusted depreciation and amortization	$ 694	$ 698	$ 694	$ 692	$ 688
Adjusted Other Income (Expense) - net					
Reported Other Income (Expense) - net	$ 12	$ (23)	$ 10	$ (17)	$ 4
Add: Purchase accounting impacts - Linde AG (c)	(11)	(16)	(23)	(12)	(5)
Adjusted Other Income (Expense) - net	$ 23	$ (7)	$ 33	$ (5)	$ 9

Non-GAAP Measures, continued

	2022	2021			
Adjusted Net Pension and OPEB Cost (Benefit), Excluding Service Cost					
Reported net pension and OPEB cost (benefit), excluding service cost	$ (64)	$ (49)	$ (45)	$ (49)	$ (49)
Add: Pension settlement charges	-	-	(4)	-	-
Adjusted Net Pension and OPEB cost (benefit), excluding service costs	$ (64)	$ (49)	$ (49)	$ (49)	$ (49)
Adjusted Interest Expense - Net					
Reported interest expense - net	$ 9	$ 31	$ 8	$ 18	$ 20
Add: Purchase accounting impacts - Linde AG (c)	10	10	10	15	18
Adjusted interest expense - net	$ 19	$ 41	$ 18	$ 33	$ 38
Adjusted Income Taxes (a)					
Reported income taxes	$ 369	$ 339	$ 321	$ 334	$ 268
Add: Purchase accounting impacts - Linde AG (c)	108	103	115	116	118
Add: Pension settlement charges	-	-	1	-	-
Add: Cost reduction programs and other charges	(3)	-	3	6	20
Total adjustments	105	103	119	122	138
Adjusted income taxes	$ 474	$ 442	$ 440	$ 456	$ 406
Adjusted Effective Tax Rate (a)					
Reported income before income taxes and equity investments	$ 1,535	$ 1,355	$ 1,329	$ 1,173	$ 1,242
Add: Pension settlement charge	-	-	4	-	-
Add: Purchase accounting impacts - Linde AG (c)	419	443	482	476	465
Add: Cost reduction programs and other charges	(4)	51	26	204	(8)
Total adjustments	415	494	512	680	457
Adjusted income before income taxes and equity investments	$ 1,950	$ 1,849	$ 1,841	$ 1,853	$ 1,699
Reported Income taxes	$ 369	$ 339	$ 321	$ 334	$ 268
Reported effective tax rate	24.0 %	25.0 %	24.2 %	28.5 %	21.6 %
Adjusted income taxes	$ 474	$ 442	$ 440	$ 456	$ 406
Adjusted effective tax rate	24.3 %	23.9 %	23.9 %	24.6 %	23.9 %

Non-GAAP Measures, continued

	2022	2021			
Income from Equity Investments					
Reported income from equity investments	$ 44	$ 38	$ 1	$ 37	$ 43
Add: Cost reduction programs and other charges (e)	-	-	35	-	-
Add: Purchase accounting impacts - Linde AG (c)	20	20	19	19	19
Total adjustments	20	20	54	19	19
Adjusted income from equity investments	$ 64	$ 58	$ 55	$ 56	$ 62
Adjusted Noncontrolling Interests from Continuing Operations					
Reported noncontrolling interests from continuing operations	$ (36)	$ (30)	$ (31)	$ (36)	$ (38)
Add: Purchase accounting impacts - Linde AG (c)	(4)	(4)	(4)	(2)	(5)
Adjusted noncontrolling interests from continuing operations	$ (40)	$ (34)	$ (35)	$ (38)	$ (43)
Adjusted Income from Continuing Operations (b)					
Reported income from continuing operations	$ 1,174	$ 1,024	$ 978	$ 840	$ 979
Add: Pension settlement charge	-	-	3	-	-
Add: Cost reduction programs and other charges	(1)	51	58	198	(28)
Add: Purchase accounting impacts - Linde AG (c)	327	356	382	377	361
Total adjustments	326	407	443	575	333
Adjusted income from continuing operations	$ 1,500	$ 1,431	$ 1,421	$ 1,415	$ 1,312
Adjusted Diluted EPS from Continuing Operations (b)					
Reported diluted EPS from continuing operations	$ 2.30	$ 1.98	$ 1.88	$ 1.60	$ 1.86
Add: Pension settlement charge	-	-	0.01	-	-
Add: Cost reduction programs and other charges	-	0.10	0.11	0.38	(0.05)
Add: Purchase accounting impacts - Linde AG	0.63	0.69	0.73	0.72	0.68
Total adjustments	0.63	0.79	0.85	1.10	0.63
Adjusted diluted EPS from continuing operations	$ 2.93	$ 2.77	$ 2.73	$ 2.70	$ 2.49
Reported percentage change	24 %	37 %	42 %	84 %	74 %
Adjusted percentage change	18 %	20 %	27 %	42 %	32 %

Non-GAAP Measures, continued

	2022	2021			
	Second Quarter 2022		Full Year 2022		
Adjusted Diluted EPS from Continuing Operations Guidance (d)	Low End	High End	Low End	High End	
2022 Adjusted Guidance	$ 2.90	$ 3.00	$ 11.65	$ 11.90	
Adjusted percentage changes versus 2021 adjusted diluted EPS	7 %	11 %	9 %	11 %	
Add: Estimated currency headwind/(tailwind)	3 %	3 %	2 %	2 %	
Adjusted percentage change excluding currency	10 %	14 %	11 %	13 %	
Adjusted EBITDA and % of Sales					
Income from continuing operations	$ 1,174	$ 1,024	$ 978	$ 840	$ 979
Add: Noncontrolling interests related to continuing operations	36	30	31	36	38
Add: Net pension and OPEB cost (benefit), excluding service cost	(64)	(49)	(45)	(49)	(49)
Add: Interest expense	9	31	8	18	20
Add: Income taxes	369	339	321	334	268
Add: Depreciation and amortization	1,112	1,135	1,163	1,171	1,166
EBITDA from continuing operations	2,636	2,510	2,456	2,350	2,422
Add: Cost reduction programs and other charges	(4)	51	61	204	(8)
Add: Purchase accounting impacts - Linde AG	31	36	42	31	24
Total adjustments	27	87	103	235	16
Adjusted EBITDA from continuing operations	$ 2,663	$ 2,597	$ 2,559	$ 2,585	$ 2,438
Reported sales	$ 8,211	$ 8,298	$ 7,668	$ 7,584	$ 7,243
% of sales					
EBITDA from continuing operations	32.1 %	30.2 %	32.0 %	31.0 %	33.4 %
Adjusted EBITDA from continuing operations	32.4 %	31.3 %	33.4 %	34.1 %	33.7 %

(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".

Non-GAAP Measures, continued

(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.
(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, any impairment or other charges related to scaling back operations in Russia as actions are defined and executed and as sanctions are enacted that impact the Company's operations, the impact of potential divestitures or other potentially significant items. Given the uncertainty of timing and magnitude of such items, we cannot provide a reconciliation of the differences between the non-GAAP adjusted EPS guidance and the corresponding GAAP EPS measure without unreasonable effort.

(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)

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.

	2022	2021			
	Q1	Q4	Q3	Q2	Q1
Capex	$ 649	$ 839	$ 741	$ 744	$ 762
Less: backlog capex (a)	(190)	(225)	(261)	(263)	(266)
Base Capex	$ 459	$ 614	$ 480	$ 481	$ 496
Operating cash flow	$ 2,000	$ 3,233	$ 2,556	$ 1,827	$ 2,109
Less: base capex	(459)	(614)	(480)	(481)	(496)
Available Operating Cash Flow	$ 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 Q1	2022 Q4	2022 Q3	2022 Q2	2021 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	$ 2,000	$ 3,233	$ 2,556	$ 1,827	$ 2,109
Less: Capital Expenditures	(649)	(839)	(741)	(744)	(762)
Free Cash Flow	$ 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	$ 16,456	$ 14,207	$ 16,727	$ 15,492	$ 15,750
Less: Cash and cash equivalents	(4,464)	(2,823)	(4,700)	(3,137)	(4,096)
Net debt	11,992	11,384	12,027	12,355	11,654
Less: Purchase accounting impacts - Linde AG	(50)	(61)	(72)	(84)	(98)
Adjusted net debt	$ 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	$ 11,942	$ 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	$ 1,174	$ 1,024	$ 978	$ 840	$ 979
Add: noncontrolling interests from continuing operations	36	30	31	36	38
Add: interest expense - net	9	31	8	18	20
Less: tax benefit on interest expense - net *	(2)	(8)	(2)	(5)	(5)
Reported NOPAT	$ 1,217	$ 1,077	$ 1,015	$ 889	$ 1,032
Adjusted income from continuing operations	$ 1,500	$ 1,431	$ 1,421	$ 1,415	$ 1,312
Add: adjusted noncontrolling interests from continuing operations	40	34	35	38	43
Add: adjusted interest expense - net	19	41	18	33	38
Less: tax benefit on interest expense - net *	(5)	(10)	(5)	(8)	(10)
Adjusted NOPAT	$ 1,554	$ 1,496	$ 1,469	$ 1,478	$ 1,383
4-quarter trailing reported NOPAT	$ 4,198	$ 4,013	$ 3,765	$ 3,508	$ 3,115
4-quarter trailing adjusted NOPAT	$ 5,997	$ 5,826	$ 5,627	$ 5,389	$ 4,985

Non-GAAP Measures, continued

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

	2022				2021
	Q1	Q4	Q3	Q2	Q1
Equity and redeemable noncontrolling interests:					
Redeemable noncontrolling interests	$ 13	$ 13	$ 13	$ 13	$ 13
Linde plc shareholders' equity	42,963	44,035	44,323	45,777	46,210
Noncontrolling interests	1,414	1,393	1,401	1,438	1,410
Total equity and redeemable noncontrolling interests	$ 44,390	$ 45,441	$ 45,737	$ 47,228	$ 47,633
Reported capital	$ 56,382	$ 56,825	$ 57,763	$ 59,582	$ 59,283
Total equity and redeemable noncontrolling interests	$ 44,390	$ 45,441	$ 45,737	$ 47,228	$ 47,633
Add: Adjusted net debt less net assets held for sale	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
Less: Linde AG Indefinite lived intangibles (a)	1,868	1,868	1,868	1,868	1,868
Adjusted capital	$ 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)	$ 56,382	$ 56,825	$ 57,763	$ 59,582	$ 59,283
5-quarter average ending capital	$ 57,967	$ 59,086	$ 59,960	$ 60,502	$ 60,584
Ending adjusted capital (see above)	$ 30,208	$ 30,640	$ 31,567	$ 33,374	$ 33,061
5-quarter average ending adjusted capital	$ 31,770	$ 32,875	$ 33,735	$ 34,261	$ 34,325
After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)	**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)	**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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