

Linde plc

Investor Teleconference Presentation
Third Quarter 2021

October 28, 2021

Making our world more productive

Forward-Looking Statement

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar expressions. They are based on management’s reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances, including trade conflicts and tariffs; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events including natural disasters, epidemics, pandemics such as COVID-19 and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of changes in pension plan liabilities; the impact of tax, environmental, healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of investigations, litigation and regulatory proceedings; the impact of potential unusual or non-recurring items; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; future financial and operating performance of major customers and industries served; the impact of information technology system failures, network disruptions and breaches in data security; and the effectiveness and speed of integrating new acquisitions into the business. These risks and uncertainties may cause actual future results or circumstances to differ materially from accounting principles generally accepted in the United States of America, International Financial Reporting Standards or adjusted projections, estimates or other forward-looking statements.

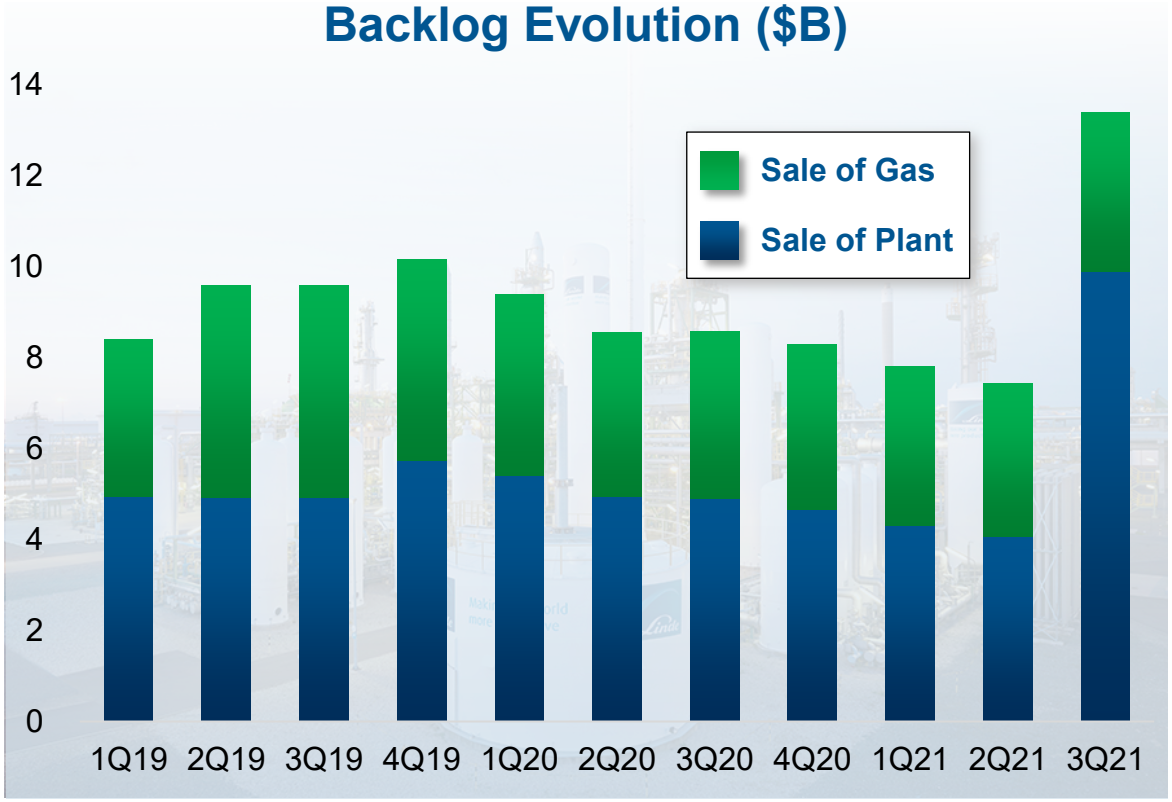
Linde plc assumes no obligation to update or provide revisions to any forward-looking statement in response to changing circumstances. The above listed risks and uncertainties are further described in Item 1A. Risk Factors in Linde plc’s Form 10-K for the fiscal year ended December 31, 2020 filed with the SEC on March 1, 2021 which should be reviewed carefully. Please consider Linde plc’s forward-looking statements in light of those risks.

Record Backlog

Backlog (~$13.4B)



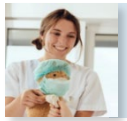
- ✓ Contractual growth
- ✓ Secured cash flow
- ✓ Double-digit returns
- ✓ High-quality customers

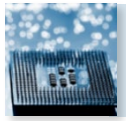


Up 81% from last quarter

Our products play a critical role

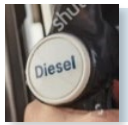
Our products benefit society


Medical Gases

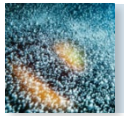

Semiconductors


Food Freezing


Insulation



Cleaner fuels


Clean Water

… and help customers avoid emissions

-85 MM MT CO_2e

Linde footprint[1]

Scope 1

17 MM MT CO_2e

Natural gas


Steam Methane Reformer

Scope 2

22 MM MT CO_2e

Electricity


ASU

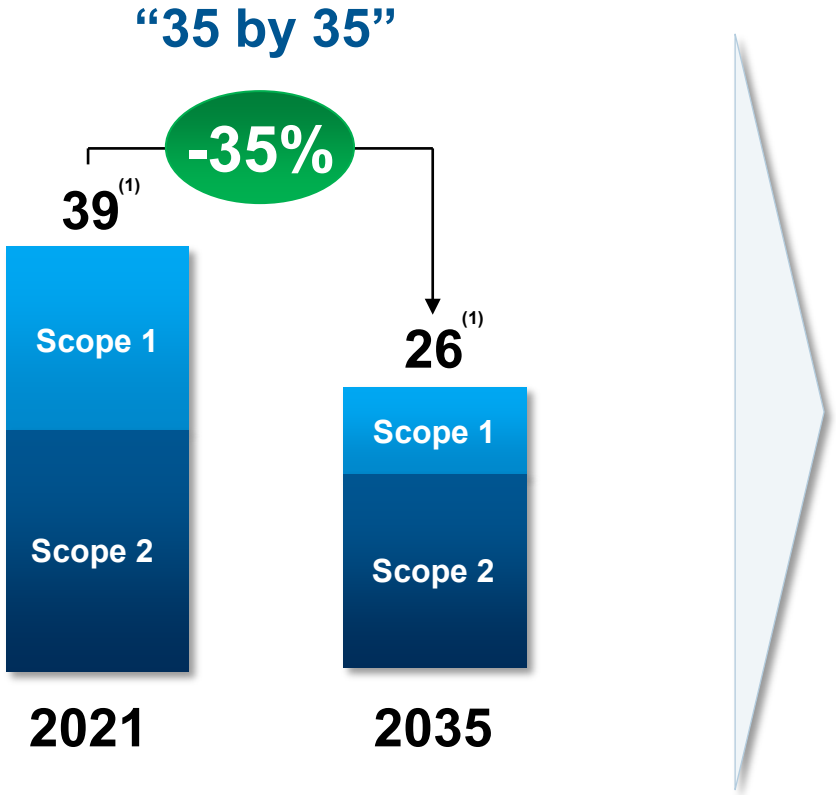
>2x
Avoidance

- H_2 ultra low sulfur diesel
- N_2 aviation coatings
- O_2 combustion
- Kr insulation

Making our world more productive

1) Expected emissions for 2021

Pursuing Climate Neutrality





Committed to absolute emissions reduction

1) Million metric tons CO_2e
2) Requires strong policy and regulatory support, and availability of new low-carbon energy

Roadmap to Climate Neutrality

2028

GHG Intensity[1] ⬇35% vs. 2018

- Current GHG intensity down 29%
- > 35% of power consumption is renewable or low carbon
- Pursuing several “blue and green” hydrogen projects

2035

Absolute GHG Emissions ⬇35% vs. 2021

- Develop CCS[(2)] projects
- Utilize renewable feedstock
- Source 3x more renewable and low carbon energy

2050

Climate Neutrality[3]

- CCS and renewable feedstock
- Transition fleet to zero emissions
- ~ 100% renewable/low carbon power
- Negative emissions projects

Aligned with the Paris Accords

1) GHG emissions / Adj. EBITDA
2) Carbon capture and sequestration
3) Requires strong policy and regulatory support

Third-Quarter Adjusted Results[1]

($MM)	3Q 2021	2Q 2021	Var	3Q 2020	Var
Sales	$7,668	$7,584	1%	$6,855	12%
Operating Profit	$1,810	$1,837	-1%	$1,515	19%
% of Sales	*23.6%*	*24.2%*		*22.1%*	
Income	$1,421	$1,415	0%	$1,140	25%
Diluted EPS	$2.73	$2.70	1%	$2.15	27%
Op. Cash Flow	$2,556	$1,827	40%	$1,884	36%
Capex	$741	$744	0%	$787	-6%
Base Capex[2]	$480	$481	0%	$456	5%
Project Capex[3]	$261	$263	-1%	$331	-21%
After-Tax ROC	16.7%	15.7%	+100 bps	12.8%	+390 bps

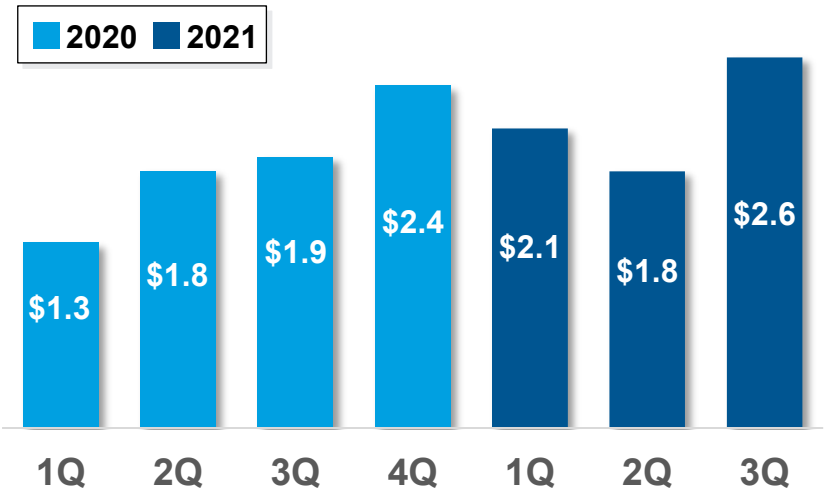
	YOY	SEQ.
Sales Growth	+ 12%	+ 1%
Volume	+ 8%	--
Price / Mix	+ 3%	+ 1%
Cost pass-thru	+ 3%	+ 2%
Currency	+ 2%	- 1%
Acq / Div	- 3%	--
Engineering	- 1%	- 1%

- Ex. cost pass-thru, YoY margins up 220 bps, sequentially stable
- Broad-based price attainment & continued progress on productivity initiatives
- YoY volume growth across all end markets including project start ups
- EPS +41% vs. 3Q 2019, +27% vs. 3Q 2020
- Divestiture: deconsolidated JV in APAC
- Record operating and free cash flow
- ROC 16.7%, +390 bps YoY, +100 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

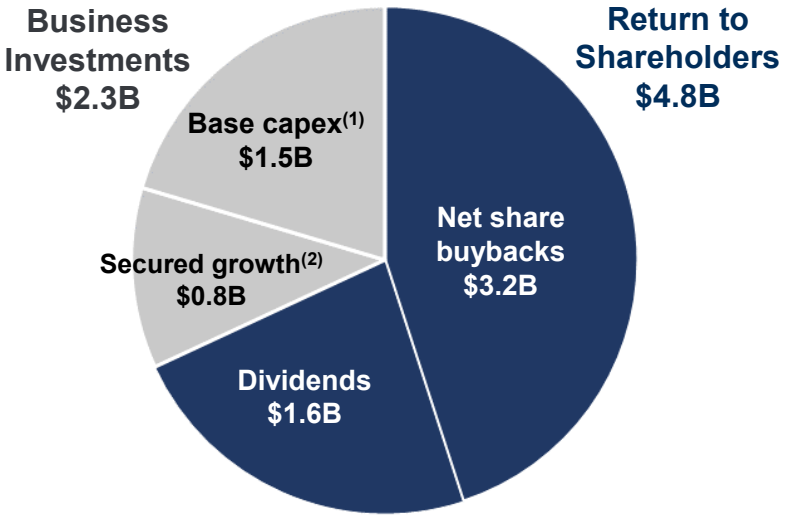
Cash Management

Operating Cash Flow (OCF) Trend ($B)



	1Q	2Q	3Q	4Q	1Q	2Q	3Q
OCF	$1.3	$1.8	$1.9	$2.4	$2.1	$1.8	$2.6
Base CAPEX[1]	($0.4)	($0.4)	($0.5)	($0.6)	($0.5)	($0.5)	($0.5)
Avail. OCF	$0.9	$1.4	$1.4	$1.8	$1.6	$1.3	$2.1

YTD Capital Allocation



- **Disciplined cash allocation policy**
- **Access to low-cost capital**
  - Issued €1.9 billion in September
  - Coupons: 5 yr @ 0%, 12 yr @ 0.38%, 30 yr @ 1%
- **Rewarding shareholders**

Record cash generation

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

2021 Guidance

4th Quarter 2021

- Adjusted EPS[1] in the range of $2.60 to $2.70
  - +13% to +17% vs. 2020
  - +38% to +43% vs. 2019
  - Estimated YoY and seq. currency headwind -1%

Full-Year 2021

- Adjusted EPS[1] in the range of $10.52 to $10.62
  - +28% to +29% vs. 2020
  - +43% to +45% vs. 2019
  - Estimated YoY currency tailwind +3%
- CAPEX: $3.0B to $3.2B

Raising guidance

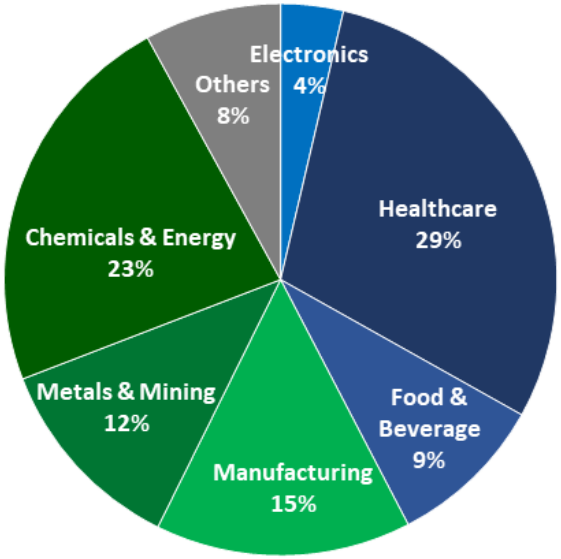
1) Non-GAAP measure, see appendix

Appendix

Americas

($MM)	3Q 2021	2Q 2021	Var	3Q 2020	Var
Sales	$3,091	$3,020	2%	$2,641	17%
Operating Profit	$859	$871	-1%	$742	16%
% of Sales	27.8%	28.8%		28.1%	

End Market



	YOY	SEQ.
Sales Growth	+ 17%	+ 2%
Volume	+ 9%	--
Price / Mix	+ 3%	+ 1%
Cost pass-thru	+ 4%	+ 2%
Currency	+ 1%	- 1%
Acq / Div	--	--

- Continued price and productivity initiatives
- Ex cost pass-thru, YoY margins up 70 bps
- YoY growth across all end markets; Manufacturing, Metals and Mining, Chemicals and Energy the strongest
- Broad-based growth across all three distribution modes

APAC

($MM)	3Q 2021	2Q 2021	Var	3Q 2020	Var
Sales	$1,564	$1,544	1%	$1,484	5%
Operating Profit	$382	$389	-2%	$337	13%
% of Sales	24.4%	25.2%		22.7%	

Adjusted for JV deconsolidation[1]

($MM)	3Q 2021 Reported	3Q 2020 Ex. JV	Var
Sales	$1,564	$1,323	18%
Operating Profit	$382	$308	24%
% of Sales	24.4%	23.3%	

	YOY	SEQ.
Sales Growth	+ 5%	+ 1%
Volume	+ 10%	+ 2%
Price / Mix	+ 1%	--
Cost pass-thru	+ 2%	+ 1%
Currency	+ 3%	- 2%
Acq / Div	- 11%	--

- Stepping up price and productivity initiatives
- Ex cost pass-thru, YoY margins up 220 bps
- YoY growth across all end markets; Electronics, Chemicals and Energy the strongest
- Seq. growth across all end markets except Healthcare, Metals and Mining
- 1Q deconsolidated Joint Venture in Taiwan
  - No impact to EPS

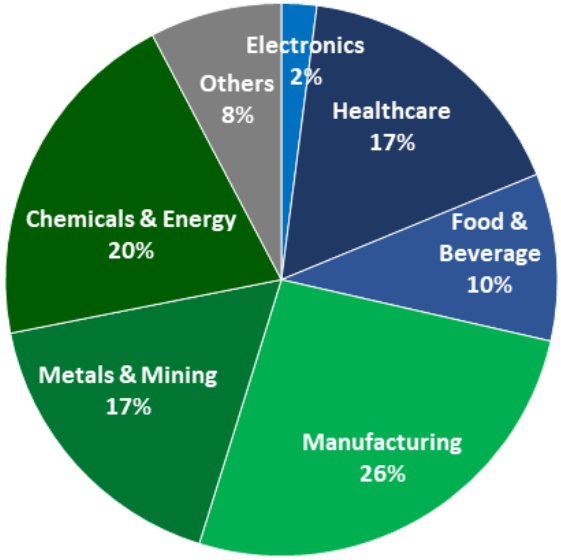
1) See appendix for reconciliation of reported segment results excluding the impact of the deconsolidation

EMEA

($MM)	3Q 2021	2Q 2021	Var	3Q 2020	Var
Sales	$1,911	$1,875	2%	$1,622	18%
Operating Profit	$476	$487	-2%	$370	29%
% of Sales	24.9%	26.0%		22.8%	

	YOY	SEQ.
Sales Growth	+ 18%	+ 2%
Volume	+ 5%	- 1%
Price / Mix	+ 4%	+ 1%
Cost pass-thru	+ 7%	+ 4%
Currency	+ 2%	- 2%
Acq / Div	--	--

End Market



- Continued strong pricing plus productivity initiatives
- Ex cost pass-thru, YoY margins up 370 bps
- YoY growth across all end markets; Manufacturing, Metals and Mining the strongest
- Sequential increase in Food and Beverage sales offset by Chemicals and Energy, Healthcare and Electronics

Engineering

($MM)	3Q 2021	2Q 2021	Var	3Q 2020	Var
Sales	$601	$646	-7%	$678	-11%
Operating Profit	$106	$108	-2%	$106	0%
% of Sales	17.6%	16.7%		15.6%	

3rd Party Orders ($MM)	3Q 2021	2Q 2021	3Q 2020
Intake	$6,612	$355	$484
Backlog	$9,890	$4,069	$4,903

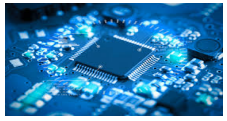
- Continued good execution, productivity initiatives and fixed cost absorption
- Awarded largest ever E&P contracts, $6 billion
- Doubled sale of plant backlog, $10 billion

Global Other

($MM)	3Q 2021	2Q 2021	Var	3Q 2020	Var
Sales	$501	$499	0%	$430	17%
Operating Profit	($13)	($18)	28%	($40)	68%
% of Sales	-2.6%	-3.6%		-9.3%	

- YoY margin improvement driven by price and productivity initiatives, plus volume growth
- Continued optimization of corporate costs

Global End Market Trends

3Q 2021	End Market	% of Sales[1] & Trend	YoY Sales[2] Growth	Seq. Sales[2] Growth
Consumer Related End Markets (More Resilient)				
	**Healthcare**	**19%**	+7%	--
	**Food & Beverage**	**10%**	+12%	+5%
	**Electronics**	**8%**	+16%	+1%
Industrial Related End Markets (More Cyclical)				
	**Manufacturing**	**20%**	+11%	+2%
	**Chemicals & Energy**	**21%**	+13%	+4%
	**Metals & Mining**	**13%**	+12%	--
	Other	**9%**	+11%	-5%

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

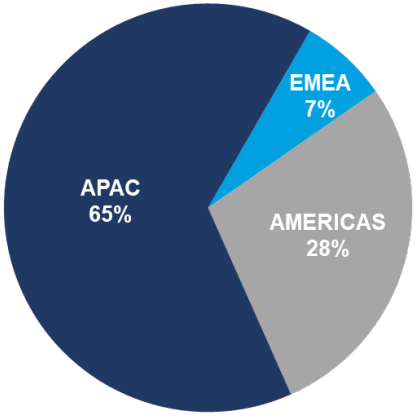
High-Quality Sale of Gas (SOG) Backlog

SOG Backlog[1] $3.5B

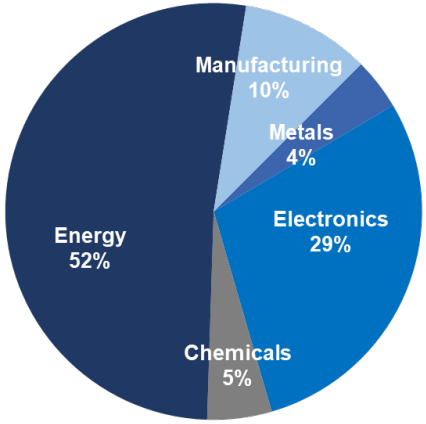


- ✓ Contractual growth
- ✓ Secure cash flow
- ✓ Double-digit IRR
- ✓ Increases network density
- ✓ High-quality customers

Geography



End Market



- **Awarded 7 new projects**
  - ✓ **Includes win in U.S. for largest semiconductor fab Investment ~$600mm**
- **Started up 8 projects**
  - ✓ **Includes one of the largest H2 facilities in the U.S. Gulf Coast**
- **SOG backlog composed of 35 high-quality projects**

1) Represents project investments (CAPEX), supported by a long-term supply agreement

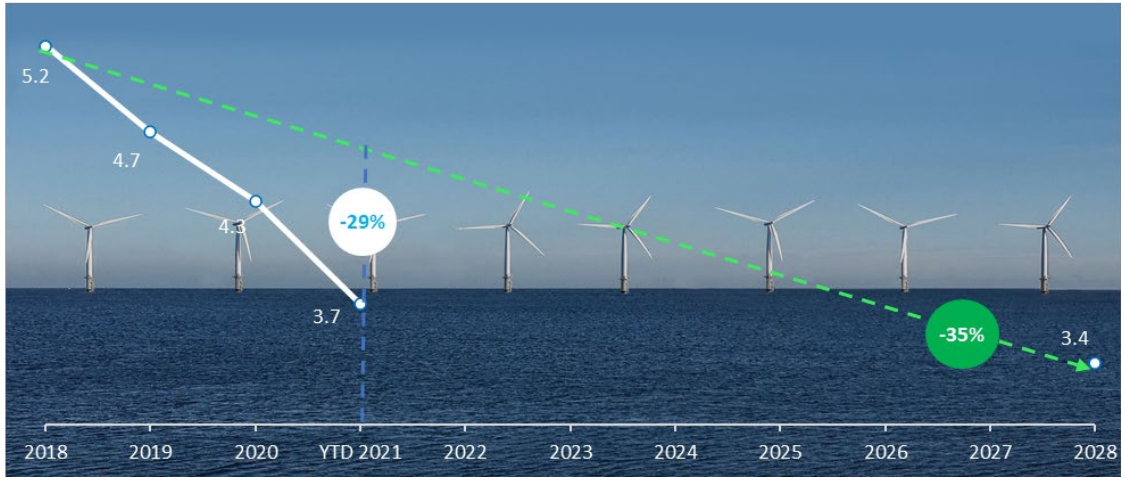
Linde's Technology Offerings for Blue H_2

	Steam Methane Reformer (SMR)	Auto-Thermal Reformer (ATR)	Partial Oxidation Gasifier (POx)
			
Features & Use	▪ Highly efficient H_2 production ▪ Requires less land	▪ Primarily to produce syngas & CO ▪ Requires significant O_2 supply	▪ Primarily to produce syngas & CO ▪ Requires significant O_2 supply ▪ Feedstock flexibility ▪ > power consumption than ATR
Capturing CO_2 emissions	▪ Pre-combustion ~60% CO_2 capture ▪ Post-combustion >95% CO_2 capture ▪ Additional capital to capture CO_2	▪ >95% CO_2 capture	▪ >95% CO_2 capture
Power requirement	▪ Negligible vs ATR and POx	▪ Power for ASU to produce O_2 ▪ Requires renewable power for lower scope 2	▪ Power for ASU to produce O_2 ▪ Requires renewable power for lower scope 2

Linde can provide all - selection varies based on key factors

ESG Performance vs. 2028 Goals

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



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

- YTD volumes up 8% and GHG emissions stable, largely due to improved energy sourcing and operations management
- GHG intensity continues improving, led by better company performance

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

- More than one third of energy consumption is low carbon

Decarbonizing our future

- Supplying high-purity green hydrogen to the semiconductor industry. It will be the first use of green hydrogen in Infineon's semiconductor manufacturing process
- Investing in first North American PEM electrolyzer plant in New York State

ESG News and Recognitions

- FTSE4Good Index includes Linde for sixth consecutive year
- Published 2020 Sustainable Development Report
- Company discloses new sustainability goals:
  - *Reducing absolute emissions 35% by 2035*
  - *Climate Neutral by 2050*

1) Scope 1 and 2 emissions (in million MT) divided by adjusted EBITDA in billion USD
2) Low-carbon energy includes passive and active sourcing of solar, wind, hydro and nuclear

Sustainable Development Highlights

Best-in-class safety performance

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

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

350,000 people benefited from global employee **community engagement** projects

Green 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**

Recognized 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 following pages for additional details relating to the adjustments.

(Millions of dollars, except per share amounts)

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
Quarter Ended September 30	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Reported GAAP Amounts	$ 7,668	$ 6,855	$ 1,292	$ 969	$ 978	$ 699	$ 1.88	$ 1.32
Cost reduction program and other charges (a)	-	-	26	48	58	36	0.11	0.07
Pension settlement charges (b)	-	-	-	-	3	5	0.01	0.01
Purchase accounting impacts - Linde AG (c)	-	-	492	498	382	400	0.73	0.75
Total adjustments	-	-	518	546	443	441	0.85	0.83
Adjusted amounts	$ 7,668	$ 6,855	$ 1,810	$ 1,515	$ 1,421	$ 1,140	$ 2.73	$ 2.15

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
Year to Date September 30	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Reported GAAP Amounts	$ 22,495	$ 19,971	$ 3,647	$ 2,293	$ 2,797	$ 1,728	$ 5.34	$ 3.25
Cost reduction program and other charges (a)	-	-	222	428	228	318	0.44	0.60
Pension settlement charges (b)	-	-	-	-	3	5	0.01	0.01
Purchase accounting impacts - Linde AG (c)	-	-	1,466	1,463	1,120	1,103	2.13	2.07
Total adjustments	-	-	1,688	1,891	1,351	1,426	2.58	2.68
Adjusted amounts	$ 22,495	$ 19,971	$ 5,335	$ 4,184	$ 4,148	$ 3,154	$ 7.92	$ 5.93

(a) To adjust for cost reduction program and other charges; 2021 includes severance of $20 million and $228 million for the quarter and year-to-date periods, other cost reduction charges of $9 million and $49 million for the quarter and year-to-date periods and an other net benefit of $3 million for the quarter and $55 million for the year-to-date period.

(b) To adjust for pension settlement charges.

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

Non-GAAP Measures, continued

LINDE PLC AND SUBSIDIARIES
APPENDIX
NON-GAAP MEASURES AND RECONCILIATIONS
(Millions of dollars, except per share data)
(UNAUDITED)

The following Non-GAAP measures are intended to supplement investors' understanding of the company's financial information by providing measures which investors, financial analysts and management use to help evaluate the company's operating performance and liquidity. Items which the company does not believe to be indicative of on-going business trends are excluded from these calculations so that investors can better evaluate and analyze historical and future business trends on a consistent basis. Definitions of these Non-GAAP measures may not be comparable to similar definitions used by other companies and are not a substitute for similar GAAP measures.

	2021				2020				
	Year to Date September 30,	Q3	Q2	Q1	Year to Date September 30,	Q4	Q3	Q2	Q1
Adjusted Operating Profit and Operating Margin									
Reported operating profit	$ 3,647	$ 1,292	$ 1,142	$ 1,213	$ 2,293	$ 1,029	$ 969	$ 591	$ 733
Add: Cost reduction programs and other charges	222	26	204	(8)	428	78	48	249	131
Add: Purchase accounting impacts - Linde AG (c)	1,466	492	491	483	1,463	506	498	477	488
Total adjustments	1,688	518	695	475	1,891	584	546	726	619
Adjusted operating profit	$ 5,335	$ 1,810	$ 1,837	$ 1,688	$ 4,184	$ 1,613	$ 1,515	$ 1,317	$ 1,352
Reported percentage change	59 %	33 %	93 %	65 %	1 %		(3)%	(12)%	20 %
Adjusted percentage change	28 %	19 %	39 %	25 %	7 %		9 %	- %	11 %
Reported sales	$ 22,495	$ 7,668	$ 7,584	$ 7,243	$ 19,971	$ 7,272	$ 6,855	$ 6,377	$ 6,739
Reported operating margin	16.2 %	16.8 %	15.1 %	16.7 %	11.5 %	14.2 %	14.1 %	9.3 %	10.9 %
Adjusted operating margin	23.7 %	23.6 %	24.2 %	23.3 %	21.0 %	22.2 %	22.1 %	20.7 %	20.1 %
Adjusted Depreciation and amortization									
Reported depreciation and amortization	$ 3,500	$ 1,163	$ 1,171	$ 1,166	$ 3,434	$ 1,192	$ 1,168	$ 1,124	$ 1,142
Less: Purchase accounting impacts - Linde AG (c)	(1,426)	(469)	(479)	(478)	(1,431)	(489)	(487)	(468)	(476)
Adjusted depreciation and amortization	$ 2,074	$ 694	$ 692	$ 688	$ 2,003	$ 703	$ 681	$ 656	$ 666
Adjusted Other Income (Expense) - net									
Reported Other Income (Expense) - net	$ (3)	$ 10	$ (17)	$ 4	$ (14)	$ (47)	$ (29)	$ -	$ 15
Add: Purchase accounting impacts - Linde AG (c)	(40)	(23)	(12)	(5)	(32)	(17)	(11)	(9)	(12)
Adjusted Other Income (Expense) - net	$ 37	$ 33	$ (5)	$ 9	$ 18	$ (30)	$ (18)	$ 9	$ 27
Adjusted Net Pension and OPEB Cost (Benefit), Excluding Service Cost									
Reported net pension and OPEB cost (benefit), excluding service cost	$ (143)	$ (45)	$ (49)	$ (49)	$ (131)	$ (46)	$ (41)	$ (45)	$ (45)
Add: Pension settlement charges	(4)	(4)	-	-	(6)	-	(6)	-	-
Adjusted Net Pension and OPEB cost (benefit), excluding service costs	$ (147)	$ (49)	$ (49)	$ (49)	$ (137)	$ (46)	$ (47)	$ (45)	$ (45)
Adjusted Interest Expense - Net									
Reported interest expense - net	$ 46	$ 8	$ 18	$ 20	$ 80	$ 35	$ 38	$ 18	$ 24
Add: Purchase accounting impacts - Linde AG (c)	43	10	15	18	$ 67	18	23	22	22
Less: Bond Redemption	-	-	-	-	-	(16)	-	-	-
Total adjustments	43	10	15	18	67	2	23	22	22
Adjusted interest expense - net	$ 89	$ 18	$ 33	$ 38	$ 147	$ 37	$ 61	$ 40	$ 46

Non-GAAP Measures, continued

	2021				2020				
	Year to Date September 30,	Q3	Q2	Q1	Year to Date September 30,	Q4	Q3	Q2	Q1
Adjusted Income Taxes (a)									
Reported income taxes	$ 923	$ 321	$ 334	$ 268	$ 594	$ 253	$ 265	$ 164	$ 165
Add: Purchase accounting impacts - Linde AG (c)	349	115	116	118	292	107	75	95	122
Add: Pension settlement charges	1	1	-	-	1	-	1	-	-
Add: Cost reduction programs and other charges	29	3	6	20	110	20	12	62	36
Less: Bond Redemption	-	-	-	-	-	4	-	-	-
Total adjustments	379	119	122	138	403	131	88	157	158
Adjusted income taxes	$ 1,302	$ 440	$ 456	$ 406	$ 997	$ 384	$ 353	$ 321	$ 323
Adjusted Effective Tax Rate (a)									
Reported income before income taxes and equity investments	$ 3,744	$ 1,329	$ 1,173	$ 1,242	$ 2,344	$ 1,040	$ 972	$ 618	$ 754
Add: Pension settlement charge	4	4	-	-	6	-	6	-	-
Add: Purchase accounting impacts - Linde AG (c)	1,423	482	476	465	1,396	488	475	455	466
Add: Cost reduction programs and other charges	222	26	204	(8)	428	78	48	249	131
Less: Bond Redemption	-	-	-	-	-	16	-	-	-
Total adjustments	1,649	512	680	457	1,830	582	529	704	597
Adjusted income before income taxes and equity investments	$ 5,393	$ 1,841	$ 1,853	$ 1,699	$ 4,174	$ 1,622	$ 1,501	$ 1,322	$ 1,351
Reported Income taxes	$ 923	$ 321	$ 334	$ 268	$ 594	$ 253	$ 265	$ 164	$ 165
Reported effective tax rate	24.7 %	24.2 %	28.5 %	21.6 %	25.3 %	24.3 %	27.3 %	26.5 %	21.9 %
Adjusted income taxes	$ 1,302	$ 440	$ 456	$ 406	$ 997	$ 384	$ 353	$ 321	$ 323
Adjusted effective tax rate	24.1 %	23.9 %	24.6 %	23.9 %	23.9 %	23.7 %	23.5 %	24.3 %	23.9 %
Income from Equity Investments									
Reported income from equity investments	$ 81	$ 1	$ 37	$ 43	$ 69	$ 16	$ 23	$ 29	$ 17
Add: Cost reduction programs and other charges (e)	35	35	-	-	-	-	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	57	19	19	19	42	15	14	14	14
Adjusted income from equity investments	$ 173	$ 55	$ 56	$ 62	$ 111	$ 31	$ 37	$ 43	$ 31
Adjusted Noncontrolling Interests from Continuing Operations									
Reported noncontrolling interests from continuing operations	$ (105)	$ (31)	$ (36)	$ (38)	$ (91)	$ (34)	$ (31)	$ (25)	$ (35)
Add: Cost reduction programs and other charges	-	-	-	-	-	(4)	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	(11)	(4)	(2)	(5)	(43)	(14)	(14)	(14)	(15)
Total adjustments	(11)	(4)	(2)	(5)	(43)	(18)	(14)	(14)	(15)
Adjusted noncontrolling interests from continuing operations	$ (116)	$ (35)	$ (38)	$ (43)	$ (134)	$ (52)	$ (45)	$ (39)	$ (50)

Non-GAAP Measures, continued

	2021				2020				
	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	$ 2,797	$ 978	$ 840	$ 979	$ 1,728	$ 769	$ 699	$ 458	$ 571
Add: Pension settlement charge	3	3	-	-	5	-	5	-	-
Add: Cost reduction programs and other charges	228	58	198	(28)	318	54	36	187	95
Less: Bond redemption	-	-	-	-	-	12	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	1,120	382	377	361	1,103	382	400	360	343
Total adjustments	1,351	443	575	333	1,426	448	441	547	438
Adjusted income from continuing operations	$ 4,148	$ 1,421	$ 1,415	$ 1,312	$ 3,154	$ 1,217	$ 1,140	$ 1,005	$ 1,009
Adjusted Diluted EPS from Continuing Operations (b)									
Reported diluted EPS from continuing operations	$ 5.34	$ 1.88	$ 1.60	$ 1.86	$ 3.25	$ 1.45	$ 1.32	$ 0.87	$ 1.07
Add: Pension settlement charge	0.01	0.01	-	-	0.01	-	0.01	-	-
Add: Cost reduction programs and other charges	0.44	0.11	0.38	(0.05)	0.60	0.10	0.07	0.35	0.18
Less: Bond Redemption	-	-	-	-	-	0.02	-	-	-
Add: Purchase accounting impacts - Linde AG	2.13	0.73	0.72	0.68	2.07	0.73	0.75	0.68	0.64
Total adjustments	2.58	0.85	1.10	0.63	2.68	0.85	0.83	1.03	0.82
Adjusted diluted EPS from continuing operations	$ 7.92	$ 2.73	$ 2.70	$ 2.49	$ 5.93	$ 2.30	$ 2.15	$ 1.90	$ 1.89
Reported percentage change	64 %	42 %	84 %	74 %	6 %	54 %	(1)%	(7)%	35 %
Adjusted percentage change	34 %	27 %	42 %	32 %	9 %	22 %	11 %	4 %	12 %

Adjusted Diluted EPS from Continuing Operations Guidance (d)	Fourth Quarter 2021		Full Year 2021	
	Low End	High End	Low End	High End
2021 Adjusted Guidance	$ 2.60	$ 2.70	$ 10.52	$ 10.62
Adjusted percentage changes versus 2020 adjusted diluted EPS	13 %	17 %	28 %	29 %

Non-GAAP Measures, continued

	2021				2020				
	Year to Date September 30,	Q3	Q2	Q1	Year to Date September 30,	Q4	Q3	Q2	Q1
Adjusted EBITDA and % of Sales									
Income from continuing operations	$ 2,797	$ 978	$ 840	$ 979	$ 1,728	$ 769	$ 699	$ 458	$ 571
Add: Noncontrolling interests related to continuing operations	105	31	36	38	91	34	31	25	35
Add: Net pension and OPEB cost (benefit), excluding service cost	(143)	(45)	(49)	(49)	(131)	(46)	(41)	(45)	(45)
Add: Interest expense	46	8	18	20	80	35	38	18	24
Add: Income taxes	923	321	334	268	594	253	265	164	165
Add: Depreciation and amortization	3,500	1,163	1,171	1,166	3,434	1,192	1,168	1,124	1,142
EBITDA from continuing operations	7,228	2,456	2,350	2,422	5,796	2,237	2,160	1,744	1,892
Add: Cost reduction programs and other charges	257	61	204	(8)	428	78	48	249	131
Add: Purchase accounting impacts - Linde AG	97	42	31	24	74	32	25	23	26
Total adjustments	354	103	235	16	502	110	73	272	157
Adjusted EBITDA from continuing operations	$ 7,582	$ 2,559	$ 2,585	$ 2,438	$ 6,298	$ 2,347	$ 2,233	$ 2,016	$ 2,049
Reported sales	$ 22,495	$ 7,668	$ 7,584	$ 7,243	$ 19,971	$ 7,272	$ 6,855	$ 6,377	$ 6,739
% of sales									
EBITDA from continuing operations	32.1 %	32.0 %	31.0 %	33.4 %	29.0 %	30.8 %	31.5 %	27.3 %	28.1 %
Adjusted EBITDA from continuing operations	33.7 %	33.4 %	34.1 %	33.7 %	31.5 %	32.3 %	32.6 %	31.6 %	30.4 %

(a) The income tax expense (benefit) on the non-GAAP pre-tax adjustments was determined using the applicable tax rates for the jurisdictions that were utilized in calculating the GAAP income tax expense (benefit) and included both current and deferred income tax amounts.

(b) Net of income taxes which are shown separately in "Adjusted Income Taxes and Effective Tax Rate".

(c) The company believes that its non-GAAP measures excluding Purchase accounting impacts - Linde AG are useful to investors because: (i) the business combination was a merger of equals in an all-stock merger transaction, with no cash consideration, (ii) the company is managed on a geographic basis and the results of certain geographies are more heavily impacted by purchase accounting than others, causing results that are not comparable at the reportable segment level, therefore, the impacts of purchasing accounting adjustments to each segment vary and are not comparable within the company and when compared to other companies in similar regions, (iii) business management is evaluated and variable compensation is determined based on results excluding purchase accounting impacts, and; (iv) it is important to investors and analysts to understand the purchase accounting impacts to the financial statements.
A summary of each of the adjustments made for Purchase accounting impacts - Linde AG are as follows:
Adjusted Operating Profit and Margin: The purchase accounting adjustments for the periods presented relate primarily to depreciation and amortization related to the fair value step up of fixed assets and intangible assets (primarily customer related) acquired in the merger and the allocation of fair value step-up for ongoing Linde AG asset disposals (reflected in Other Income/(Expense)).
Adjusted Interest Expense - Net: Relates to the amortization of the fair value of debt acquired in the merger.
Adjusted Income Taxes and Effective Tax Rate: Relates to the current and deferred income tax impact on the adjustments discussed above. The income tax expense (benefit) on the non-GAAP pre-tax adjustments was determined using the applicable tax rates for the jurisdictions that were utilized in calculating the GAAP income tax expense (benefit) and included both current and deferred income tax amounts.
Adjusted Income from Equity Investments: Represents the amortization of increased fair value on equity investments related to depreciable and amortizable assets.
Adjusted Noncontrolling Interests from Continuing Operations: Represents the noncontrolling interests' ownership portion of the adjustments described above determined on an entity by entity basis.
(d) We are providing adjusted earnings per share ("EPS") guidance for 2021. 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)

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.

	2021			2020			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Capex	$ 741	$ 744	$ 762	$ 1,027	$ 787	$ 783	$ 803
Less: backlog capex (a)	(261)	(263)	(266)	(412)	(331)	(334)	(385)
Base Capex	$ 480	$ 481	$ 496	$ 615	$ 456	$ 449	$ 418
Operating cash flow	$2,556	$ 1,827	$ 2,109	$ 2,434	$ 1,884	$ 1,764	$ 1,347
Less: base capex	(480)	(481)	(496)	(615)	(456)	(449)	(418)
Available Operating Cash Flow	$2,076	$ 1,346	$ 1,613	$ 1,819	$ 1,428	$ 1,315	$ 929

(a) Backlog capex is defined as capital expenditures for projects greater than $5 million with a customer supply contract.

APAC Segment Results Adjusted for JV Consolidation

	2020			
	Q4	Q3	Q2	Q1
APAC Segment Reported Sales	$ 1,572	$ 1,484	$ 1,295	$ 1,336
Deconsolidation Impact	(182)	(161)	(153)	(143)
APAC Segment Adjusted Sales	$ 1,390	$ 1,323	$ 1,142	$ 1,193
APAC Segment Reported Operating Profit	$ 365	$ 337	$ 294	$ 281
Deconsolidation Impact	(41)	(29)	(28)	(28)
APAC Segment Adjusted Operation Profit	$ 324	$ 308	$ 266	$ 253
APAC Segment Reported % of Sales	23.2%	22.7%	22.7%	21.0%
APAC Segment Adjusted % of Sales	23.3%	23.3%	23.3%	21.2%

Non-GAAP Measures, continued

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

	2021			2020				2019			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Free Cash Flow (FCF) - Free cash flow is a measure used by investors, financial analysts and management to evaluate the ability of a company to pursue opportunities that enhance shareholder value. FCF equals cash flow from operations less capital expenditures.											
Operating Cash Flow	$ 2,556	$ 1,827	$ 2,109	$ 2,434	$ 1,884	$ 1,764	$ 1,347	$ 2,174	$ 1,872	$ 1,005	$ 1,068
Less: Capital Expenditures	(741)	(744)	(762)	(1,027)	(787)	(783)	(803)	(1,015)	(959)	(865)	(843)
Free Cash Flow	$ 1,815	$ 1,083	$ 1,347	$ 1,407	$ 1,097	$ 981	$ 544	$ 1,159	$ 913	$ 140	$ 225
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	$ 16,727	$ 15,492	$ 15,750	$ 16,154	$ 17,803	$ 17,480	$ 16,875	$ 13,956	$ 13,201	$ 13,957	$ 14,146
Less: Cash and cash equivalents	(4,700)	(3,137)	(4,096)	(3,754)	(5,199)	(4,941)	(4,014)	(2,700)	(2,120)	(2,686)	(5,791)
Net debt	12,027	12,355	11,654	12,400	12,604	12,539	12,861	11,256	11,081	11,271	8,355
Less: Purchase accounting impacts - Linde AG	(72)	(84)	(98)	(121)	(133)	(150)	(170)	(195)	(211)	(243)	(262)
Adjusted net debt	$ 11,955	$ 12,271	$ 11,556	$ 12,279	$ 12,471	$ 12,389	$ 12,691	$ 11,061	$ 10,870	$ 11,028	$ 8,093
Less: Net assets held for sale	(1)	(1)	(4)	(3)	(2)	(2)	(115)	(123)	(223)	(272)	(1,629)
Adjusted net debt less net assets held for sale	$ 11,954	$ 12,270	$ 11,552	$ 12,276	$ 12,469	$ 12,387	$ 12,576	$ 10,938	$ 10,647	$ 10,756	$ 6,464
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	$ 978	$ 840	$ 979	$ 769	$ 699	$ 458	$ 571	$ 507	$ 728	$ 513	$ 435
Add: noncontrolling interests from continuing operations	31	36	38	34	31	25	35	27	3	29	30
Add: interest expense - net	8	18	20	35	38	18	24	8	(3)	10	23
Less: tax benefit on interest expense - net *	(2)	(5)	(5)	(9)	(10)	(5)	(6)	(2)	1	(3)	(6)
Reported NOPAT	$ 1,015	$ 889	$ 1,032	$ 829	$ 758	$ 496	$ 624	$ 540	$ 729	$ 549	$ 482
Adjusted income from continuing operations	$ 1,421	$ 1,415	$ 1,312	$ 1,217	$ 1,140	$ 1,005	$ 1,009	$ 1,024	$ 1,052	$ 1,000	$ 927
Add: adjusted noncontrolling interests from continuing operations	35	38	43	52	45	39	50	41	46	46	45
Add: adjusted interest expense - net	18	33	38	37	61	40	46	30	19	35	50
Less: tax benefit on interest expense - net *	(5)	(8)	(10)	(9)	(15)	(10)	(12)	(7)	(5)	(9)	(13)
Adjusted NOPAT	$ 1,469	$ 1,478	$ 1,383	$ 1,297	$ 1,231	$ 1,074	$ 1,093	$ 1,088	$ 1,112	$ 1,072	$ 1,009
4-quarter trailing reported NOPAT	$ 3,765	$ 3,508	$ 3,115	$ 2,707	$ 2,418	$ 2,389	$ 2,442	$ 2,300			
4-quarter trailing adjusted NOPAT	$ 5,627	$ 5,389	$ 4,985	$ 4,695	$ 4,486	$ 4,367	$ 4,365	$ 4,281			

Non-GAAP Measures, continued

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

	2021			2020				2019			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Equity and redeemable noncontrolling interests:											
Redeemable noncontrolling interests	$ 13	$ 13	$ 13	$ 13	$ 13	$ 13	$ 92	$ 113	$ 14	$ 15	$ 15
Linde plc shareholders' equity	44,323	45,777	46,210	47,317	46,175	45,537	44,776	49,074	48,953	50,564	51,175
Noncontrolling interests	1,401	1,438	1,410	2,252	2,404	2,387	2,375	2,448	2,341	2,315	5,457
Total equity and redeemable noncontrolling interests	$ 45,737	$ 47,228	$ 47,633	$ 49,582	$ 48,592	$ 47,937	$ 47,243	$ 51,635	$ 51,308	$ 52,894	$ 56,647
Reported capital	$ 57,763	$ 59,582	$ 59,283	$ 61,979	$ 61,194	$ 60,474	$ 59,989	$ 62,768	$ 62,166	$ 63,893	$ 63,373
Total equity and redeemable noncontrolling interests	$ 45,737	$ 47,228	$ 47,633	$ 49,582	$ 48,592	$ 47,937	$ 47,243	$ 51,635	$ 51,308	$ 52,894	$ 56,647
Add: Adjusted net debt less net assets held for sale	11,954	12,270	11,552	12,276	12,469	12,387	12,576	10,938	10,647	10,756	6,464
Less: Linde AG Goodwill (a)	24,256	24,256	24,256	24,256	24,256	24,256	24,256	24,256	24,197	24,197	24,197
Less: Linde AG Indefinite lived intangibles (a)	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868
Adjusted capital	$ 31,567	$ 33,374	$ 33,061	$ 35,734	$ 34,937	$ 34,200	$ 33,695	$ 36,449	$ 35,890	$ 37,585	$ 37,046
(a) Represent opening balance sheet purchase accounting impacts of non-amortizing assets related to the Linde AG merger.											
Ending capital (see above)	$ 57,763	$ 59,582	$ 59,283	$ 61,979	$ 61,194	$ 60,474	$ 59,989				
5-quarter average ending capital	$ 59,960	$ 60,502	$ 60,584	$ 61,281	$ 61,318	$ 61,858	$ 62,438				
Ending adjusted capital (see above)	$ 31,567	$ 33,374	$ 33,061	$ 35,734	$ 34,937	$ 34,200	$ 33,695				
5-quarter average ending adjusted capital	$ 33,735	$ 34,261	$ 34,325	$ 35,003	$ 35,034	$ 35,564	$ 36,133				
After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)	**6.3 %**	**5.8 %**	**5.1 %**	**4.4 %**	**3.9 %**	**3.9 %**	**3.9 %**				
Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital)	**16.7 %**	**15.7 %**	**14.5 %**	**13.4 %**	**12.8 %**	**12.3 %**	**12.1 %**				

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

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