



Linde plc

Investor Teleconference Presentation
Fourth Quarter 2019

February 13, 2020

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 ability to successfully integrate the Praxair and Linde AG businesses following the October 2018 Business Combination of both companies (the “Business Combination”); the risk that Linde plc may be unable to achieve expected synergies in connection with the Business Combination or that it may take longer or be more costly than expected to achieve those synergies; 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 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 GAAP, IFRS 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, 2018 filed with the SEC on March 18, 2019 which should be reviewed carefully. Please consider Linde plc’s forward-looking statements in light of those risks.



Steve Angel

CEO

Making our world more productive



Making Our World More Productive



Recognized leader in Sustainability

- Dow Jones Sustainability World Index for 17 consecutive years
- Silver Class distinction in RobecoSAM's Sustainability Yearbook 2019

Climate change is a global challenge, we're part of the solution..

- > 50% of our sales bring sustainable benefits to customers & society
- Our GHG application benefits enable >2x carbon net benefits

... And we are setting new 2028 sustainability goals

- Investing at least \$1B in decarbonization projects
- Spending one third of R&D budget towards decarbonization initiatives
- Continuing to invest in promising technologies to reduce carbon
- Doubling our annual purchase of renewable power
- Lowering GHG emissions intensity⁽¹⁾ by 35%

4Q 2019 Highlights

- Won ICIS⁽²⁾ award for Best Process Innovation to reduce carbon emissions
- Acquired minority stake in ITM Power and formed a joint venture
- Signed agreement in S. Korea to BOO⁽³⁾ new hydrogen refueling stations
- Memorandum of Understanding with Baowu Clean Energy to further develop China's hydrogen market

Living our mission to help sustain and protect our planet

(1) Million tons of Co2 equivalent divided by adjusted EBITDA

(2) Independent Chemical Information Service

(3) BOO – Build, own and operate

Fourth-Quarter Adjusted Pro Forma Results⁽¹⁾



(\$MM)	4Q 2019	3Q 2019	Var	4Q 2018	Var
Sales	\$7,077	\$6,993	1%	\$7,023	1%
Operating Profit	\$1,347	\$1,384	-3%	\$1,156	17%
<i>% of Sales</i>	<i>19.0%</i>	<i>19.8%</i>		<i>16.5%</i>	
Income	\$1,024	\$1,052	-3%	\$841	22%
Diluted EPS	\$1.89	\$1.94	-3%	\$1.51	25%
Op. Cash Flow	\$2,174	\$1,872	16%		
Capex	\$1,015	\$959	6%		
Base Capex ⁽²⁾	\$504	\$437	15%		
Project Capex ⁽³⁾	\$511	\$522	-2%		
After-Tax ROC	11.6%	11.2%	+40 bps		

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

- **Solid operating leverage YoY**
 - YoY ex. FX, Sales +3%, OP +19%, EPS +27%
 - Broad-based price attainment
 - Continued progress on productivity initiatives
- **Seq. margin improvement across all business segments, except Engineering**
- **Strong operating cash flow**
- **Robust backlog: Sale of Gas \$4.4B and Sale of Equipment \$5.7B**
- **ROC +40 bps sequentially**

(1) Non-GAAP measures – see Appendix. All amounts are from continuing operations

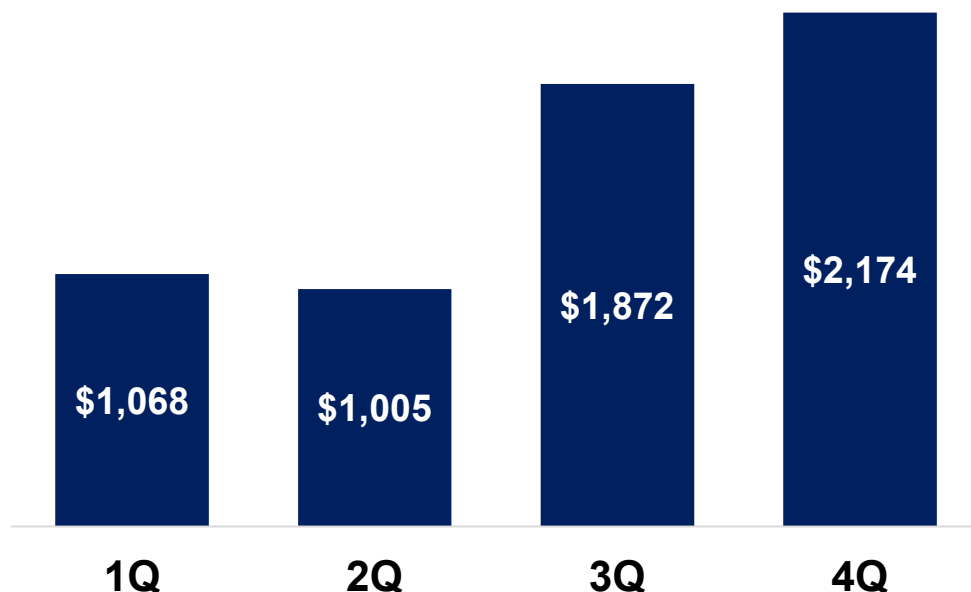
(2) Base capex = Total capex minus project capex

(3) Project capex = Capex for projects > \$5mm with a long-term customer supply agreement

2019 Cash Flow



Operating Cash Flow Trend (\$MM)



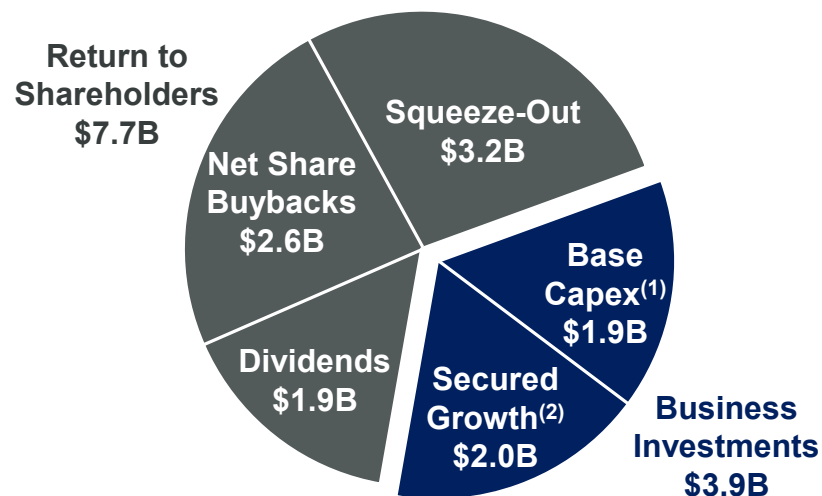
Full-year \$6.1B

includes \$0.8B of merger-related cash outflows

Cash Inflows

Operating Cash Flow	\$6.1 B
+ Divestiture Proceeds	\$5.1 B
+ Increased Net Debt / Other	\$0.4 B
	\$11.6 B

Use of \$11.6B



Strong cash generation

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

(2) Represents project capex plus acquisitions

2020 Guidance



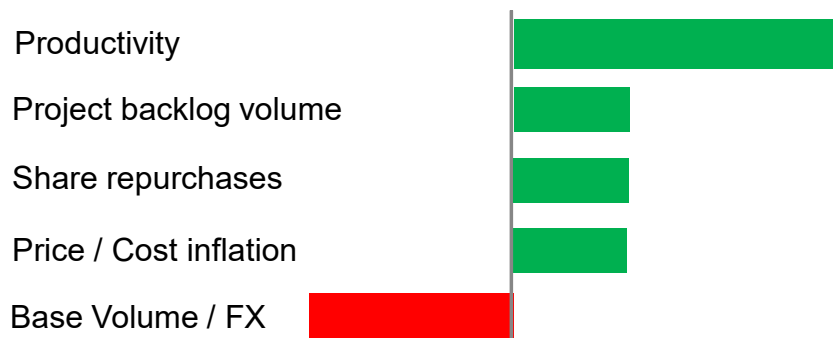
Full-Year 2020

- Adjusted EPS⁽¹⁾ in the range of \$8.00 to \$8.25
 - +10% to 13% ex-FX
 - Estimated currency headwind - 1%
 - CAPEX: \$3.4B to \$3.8B

First-Quarter 2020

- Adjusted EPS⁽¹⁾ in the range of \$1.86 to \$1.94
 - +11% to +16% ex-FX
 - Estimated currency headwind - 1%

EPS Range Drivers



Anticipate double-digit EPS growth

Appendix

Full-Year Adjusted Pro Forma Results⁽¹⁾



(\$MM)	2019	2018	Var	Var Ex Fx
Sales	\$28,163	\$28,084	--	4%
Operating Profit	\$5,272	\$4,796	10%	14%
<i>% of Sales</i>	<i>18.7%</i>	<i>17.1%</i>		
Income	\$4,003	\$3,433	17%	21%
Diluted EPS	\$7.34	\$6.19	19%	23%
After-Tax ROC	11.6%	10.3%	+130 bps	
Op. Cash Flow	\$6,119			
Capex	\$3,682			

	<u>YOY</u>
Sales Growth	--
Volume	+ 2%
Price / Mix	+ 2%
Cost pass-thru	- 1%
Currency	- 4%
Acq/Div	+ 1%

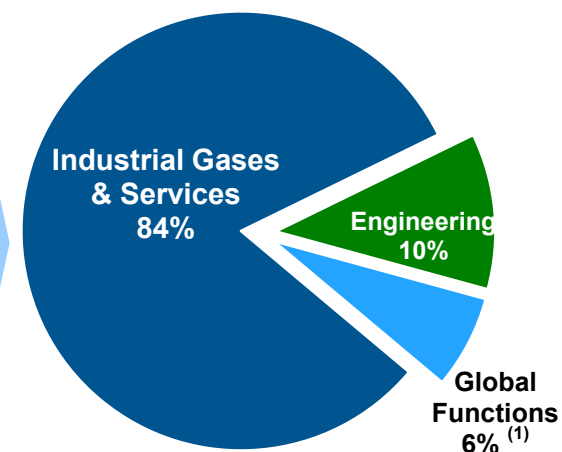
- YoY ex. FX, Sales +4%, OP +14%, EPS +23%
- ROC 11.6%, increased 130 bps
- Volume split between project contribution and base business
- Price attainment across all geographic segments
- Operating leverage across all segments
- Operating cash flow includes \$0.8B of merger-related outflows

IG & Service Sales by Geography (% of Total Sales)



Americas 40% (North & South America)		EMEA 24% (Europe, Middle East & Africa)		APAC 20% (Asia, South Pacific)	
USA	29%	Germany	5%	China & Taiwan	8%
Brazil	4%	UK	4%	Australia	4%
Mexico	3%	Eastern Europe	3%	South Korea	2%
Canada	3%	Rest of Europe	10%	India	2%
Other	1%	Other	2%	Other	4%

2019 Sales \$28B



Top 12 geographies represent 77% of total sales

(1) Excludes Global Helium which is allocated to the corresponding country



(\$MM)	4Q 2019	3Q 2019	Var	4Q 2018	Var
Sales	\$2,737	\$2,771	-1%	\$2,684	2%
Operating Profit	\$676	\$671	1%	\$609	11%
% of Sales	24.7%	24.2%		22.7%	

- YoY and seq. margin expansion
- YoY volumes led primarily by healthcare, food & beverage end markets
- Seq. volumes weaker due primarily to manufacturing and metals end markets

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

(\$MM)	4Q 2019	3Q 2019	Var	4Q 2018	Var
Sales	\$1,403	\$1,461	-4%	\$1,447	-3%
Operating Profit	\$299	\$308	-3%	\$246	22%
% of Sales	21.3%	21.1%		17.0%	

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

- Strong operating leverage led by price and merger efficiencies
- Price attainment across all businesses
- YoY volume decline driven by:
 - Electronics slowdown
 - Prior-year sale of equipment
 - Weaker economy in Australia
- Seq. volumes impacted by:
 - LPG seasonality in Australia -3%
 - Sale of Equipment -2%
 - Base business +1%

(\$MM)	4Q 2019	3Q 2019	Var	4Q 2018	Var
Sales	\$1,654	\$1,634	1%	\$1,704	-3%
Operating Profit	\$353	\$335	5%	\$296	19%
% of Sales	21.3%	20.5%		17.4%	

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

- Price attainment YoY and seq.
- YoY volumes impacted by overall weaker industrial production
- YoY and seq. operating leverage
- FX headwinds driven mainly by EUR, SEK and NOK



(\$MM)	4Q 2019	3Q 2019	Var	4Q 2018	Var
Sales	\$770	\$641	20%	\$716	8%
Operating Profit	\$93	\$120	-23%	\$77	21%
% of Sales	12.1%	18.7%		10.8%	

3rd Party Orders (\$MM)	4Q 2019	3Q 2019	4Q 2018
Intake	\$1,475	\$806	\$646
Backlog	\$5,735	\$4,931	\$5,220

- Significant increase in backlog due to Amur Gas Chemical Complex win
- YoY margin expansion led by:
 - Strong project execution
 - Better cost absorption
 - Productivity
- Seq. margin decrease as anticipated from timing of project completion

Global Other⁽¹⁾



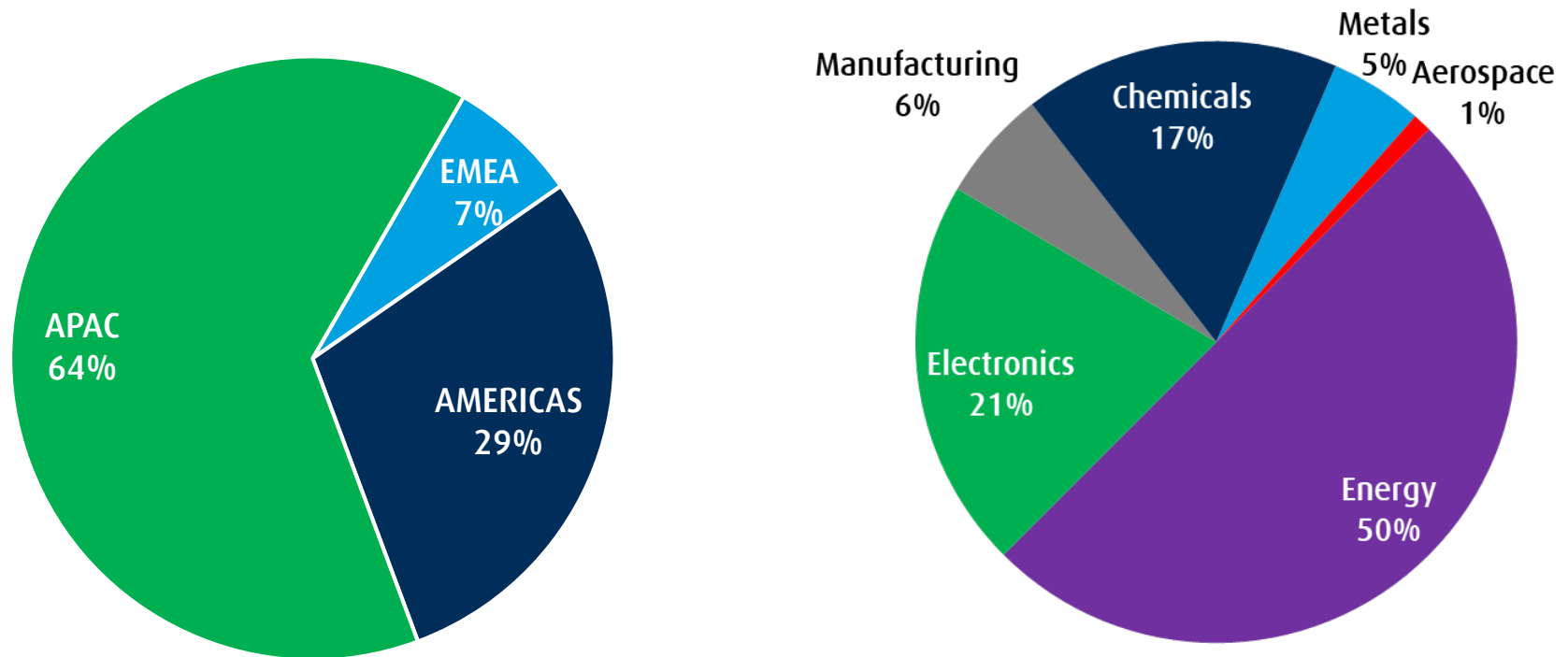
(\$MM)	4Q 2019	3Q 2019	Var	4Q 2018	Var
Sales	\$513	\$486	6%	\$472	9%
Operating Profit	(\$74)	(\$50)	-48%	(\$72)	-3%
% of Sales	-14.4%	-10.3%		-15.3%	

- **YoY sales led by global helium**
- **Sequential margins lower due to:**
 - Higher helium sourcing cost
 - Higher R&D cost
 - Year-end incentive accruals

High-Quality Backlog



Sale of Gas (SOG) Backlog (~\$4.4B)⁽¹⁾



Versus Q3 2019

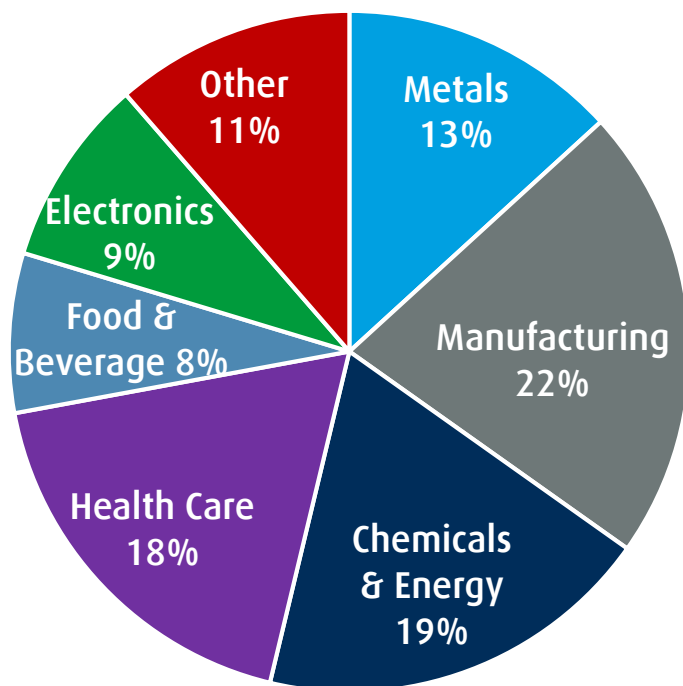
- Started up 6 new projects
- Signed new project in the U.S. Gulf Coast

(1) SOG backlog figures include project investments above \$5M with a signed long-term supply agreement

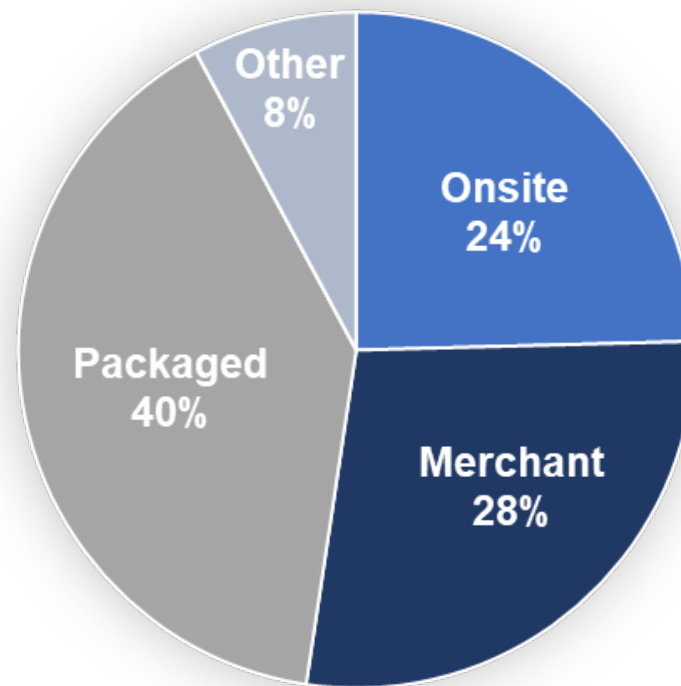
2019 Sales⁽¹⁾



End Market



Distribution Mode



(1) Total sales excluding Linde Engineering

Non-GAAP Measures



LINDE PLC AND SUBSIDIARIES APPENDIX (UNAUDITED)

	Pro forma Income Statement Information							Non-GAAP Reconciliations				
	Pro forma Adjustments							Pro Forma Amounts	Purchase Accounting	Cost Reduction Programs and Other Charges	Total	Adjusted Pro Forma Amounts
	Linde plc Reported	Linde AG (a)	Divestitures (b)	Purchase Accounting (c)	Other	Total	Pro Forma					
	(Millions of dollars, except per share data)											
Q4 2019												
Sales	\$ 7,080		\$ (3)		\$ —	\$ (3)	\$ 7,077					
Operating profit	655		(1)		50	49	704	704	481	162	643	1,347
Operating margin	9.3 %						9.9 %					19.0%
Income from continuing operations	507		(1)		46	45	552	552	354	118	472	1,024
Diluted shares outstanding	540,919					540,919	540,919				540,919	540,919
Diluted EPS from continuing operations	\$ 0.94					\$ 0.08	\$ 1.02	\$ 1.02			\$ 0.87	\$ 1.89
Q3 2019												
Sales	\$ 7,000		\$ (7)		\$ —	\$ (7)	\$ 6,993					
Operating profit	1,000		(2)		(143)	(145)	855	855	423	106	529	1,384
Operating margin	14.3 %						12.2 %					19.8%
Income from continuing operations	728		(1)		(49)	(50)	678	678	310	64	374	1,052
Diluted shares outstanding	543,616					543,616	543,616				543,616	543,616
Diluted EPS from continuing operations	\$ 1.34					\$ (0.09)	\$ 1.25	\$ 1.25			\$ 0.69	\$ 1.94
Q4 2018												
Sales	\$ 5,801	\$ 1,736	\$ (506)	—	\$ (8)	\$ 1,222	\$ 7,023					
Operating profit	3,236	164	(114)	(186)	(2,573)	(2,709)	527	527	558	71	629	1,156
Operating margin	55.8%						7.5 %					16.5 %
Income from continuing operations	2,870	(159)	(84)	(126)	(2,294)	(2,663)	207	207	378	256	634	841
Diluted shares outstanding	461,150					94,001	555,151				555,151	555,151
Diluted EPS from continuing operations	\$ 6.22					\$ (5.85)	\$ 0.37	\$ 0.37			\$ 1.14	\$ 1.51

Pro Forma Adjustments:

To assist with a discussion of the 2019 and 2018 results on a comparable basis, certain supplemental unaudited pro forma income statement information is provided on both a consolidated and segment basis. The pro forma information has been prepared on a basis consistent with Article 11, assuming the Merger and merger-related divestitures had been consummated on January 1, 2018. In preparing this pro forma information, the historical financial information has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Business Combination and other transactions presented herein, such as the merger-related divestitures, (ii) factually supportable, and (iii) expected to have a continuing impact on the combined entity's consolidated results. The pro forma information is based on management's assumptions and is presented for illustrative purposes and does not purport to represent what the results of operations would actually have been if the Business Combination and merger-related divestitures had occurred as of the dates indicated or what the results would be for any future periods. Also, the pro forma information does not include the impact of any revenue, cost or other operating synergies that may result from the Business Combination or any related restructuring costs. The unaudited pro forma income statement has been presented for informational purposes only and is not necessarily indicative of what Linde plc's results of operation actually would have been had the Merger been completed on January 1, 2018. In addition, the unaudited pro forma income statement does not purport to project the future operating results of the company.

(a) To include Linde AG consolidated results for the period prior to the merger date of October 31, 2018. The adjustments reflect reclassifications to conform to Linde plc's reporting format and adjustments from IFRS to U.S. GAAP.

(b) To eliminate the results of merger-related divestitures required by regulatory authorities to secure approval for the Merger. These divestitures include the majority of Praxair's European industrial gases business (completed December 3, 2018), a significant portion of Linde AG's Americas industrial gases business (completed on March 1, 2019), select assets of Linde AG's South Korean industrial gases business (completed April 30, 2019), as well as certain divestitures of other Praxair and Linde AG businesses in Asia.

(c) To include preliminary purchase accounting adjustments for the period from January 1, 2018 to October 30, 2018 (prior to the Merger). This relates to (i) additional depreciation and amortization related to the increased value of property, plant and equipment and increased basis of intangible assets, (ii) interest expense impacts related to the fair value of debt, (iii) the tax impacts related to the non-GAAP adjustments above, (iv) income from equity investments equity related to the fair value of equity investments, and (v) noncontrolling interests adjustments related to the fair value adjustments above. Purchase accounting impacts are not included in the definition of segment operating profit; therefore, no pro forma adjustment is required for segment reporting.

Non-GAAP Reconciliations:

The Non-GAAP measures above 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.

Non-GAAP Measures, continued



LINDE PLC AND SUBSIDIARIES SUMMARY PRO FORMA AND ADJUSTED PRO FORMA RECONCILIATIONS (UNAUDITED)

On October 31, 2018, Praxair, Inc. and Linde AG, combined (the "Merger", or "Business Combination") under Linde plc (the "company"). Praxair, Inc. was the accounting acquirer and as a result historical periods prior to the merger date solely reflect the results of Praxair, Inc.

The following adjusted pro forma 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 "PRO FORMA INCOME STATEMENT INFORMATION" and "NON GAAP MEASURES AND RECONCILIATIONS" in appendix 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	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Quarter Ended December 31,								
Reported GAAP amounts	\$ 7,080	\$ 5,801	\$ 655	\$ 3,236	\$ 507	\$ 2,870	\$ 0.94	\$ 6.22
Pro forma adjustments	(3)	1,222	49	(2,709)	45	(2,663)	0.08	(5.85)
Non-GAAP adjustments	—	—	643	629	472	634	0.87	1.14
Adjusted pro forma amounts	\$ 7,077	\$ 7,023	\$ 1,347	\$ 1,156	\$ 1,024	\$ 841	\$ 1.89	\$ 1.51

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Year To Date December 31,								
Reported GAAP amounts	\$ 28,228	\$ 14,836	\$ 2,933	\$ 5,247	\$ 2,183	\$ 4,273	\$ 4.00	\$ 12.79
Pro forma adjustments	(65)	13,248	22	(2,686)	139	(2,544)	0.25	(9.68)
Non-GAAP adjustments	—	—	2,317	2,235	1,681	1,704	3.09	3.08
Adjusted pro forma amounts	\$ 28,163	\$ 28,084	\$ 5,272	\$ 4,796	\$ 4,003	\$ 3,433	\$ 7.34	\$ 6.19

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.

	Fourth Quarter		Third Quarter		Second Quarter		First Quarter		Year to date December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Adjusted Pro Forma Operating Profit and Operating Margin										
Reported operating profit	\$ 655	\$ 3,236	\$ 1,000	\$ 669	\$ 669	\$ 689	\$ 609	\$ 653	\$ 2,933	\$ 5,247
Pro forma adjustments (a)	49	(2,709)	(145)	(52)	59	29	59	46	22	(2,686)
Pro forma	704	527	855	617	728	718	668	699	2,955	2,561
Non-GAAP Adjustments:										
Add: Cost reduction programs and other charges	162	41	106	12	76	—	33	—	377	53
Less: Net gain on sale of businesses	—	30	—	—	—	(30)	—	(51)	—	(51)
Add: Purchase accounting impacts - Linde AG (d)	481	558	423	559	515	558	521	558	1,940	2,233
Total adjustments	643	629	529	571	591	528	554	507	2,317	2,235
Adjusted pro forma operating profit	\$ 1,347	\$ 1,156	\$ 1,384	\$ 1,188	\$ 1,319	\$ 1,246	\$ 1,222	\$ 1,206	\$ 5,272	\$ 4,796
Reported percentage change	(79.8)%		49.5 %		(2.9)%		(6.7)%		(44.1)%	
Adjusted pro forma percentage change	16.5 %		16.5 %		5.9 %		1.3 %		9.9 %	
Reported sales	\$ 7,080	\$ 5,801	\$ 7,000	\$ 3,008	\$ 7,204	\$ 3,044	\$ 6,944	\$ 2,983	\$ 28,228	\$ 14,836
Pro forma sales (a)	\$ 7,077	\$ 7,023	\$ 6,993	\$ 6,942	\$ 7,179	\$ 7,178	\$ 6,914	\$ 6,941	\$ 28,163	\$ 28,084
Reported operating margin	9.3 %	55.8 %	14.3 %	22.2 %	9.3 %	22.6 %	8.8 %	21.9 %	10.4 %	35.4 %
Pro forma operating margin	9.9 %	7.5 %	12.2 %	8.9 %	10.1 %	10.0 %	9.7 %	10.1 %	10.5 %	9.1 %
Adjusted pro forma operating margin	19.0 %	16.5 %	19.8 %	17.1 %	18.4 %	17.4 %	17.7 %	17.4 %	18.7 %	17.1 %
Adjusted Pro Forma Depreciation and amortization										
Reported depreciation and amortization	\$ 1,162	\$ 902	\$ 1,095	\$ 306	\$ 1,195	\$ 311	\$ 1,223	\$ 311	\$ 4,675	\$ 1,830
Pro forma adjustments (a)	—	295	—	956	—	916	—	927	\$ —	\$ 3,094
Pro forma	1,162	1,197	1,095	1,262	1,195	1,227	1,223	1,238	4,675	4,924
Non-GAAP Adjustments:										
Less: Purchase accounting impacts - Linde AG (d)	(481)	(558)	(423)	(559)	(515)	(558)	(521)	(558)	(1,940)	(2,233)
Adjusted pro forma depreciation and amortization	\$ 681	\$ 639	\$ 672	\$ 703	\$ 680	\$ 669	\$ 702	\$ 680	\$ 2,735	\$ 2,691
Adjusted Pro Forma Net Pension and OPEB Cost (Benefit), Excluding Service Cost										
Reported net pension and OPEB cost (benefit), excluding service	\$ (25)	\$ (14)	\$ 2	\$ 6	\$ (24)	\$ 2	\$ 15	\$ 2	\$ (32)	\$ (4)
Pro forma adjustments (a)	(6)	(14)	(40)	(40)	—	(67)	(51)	(40)	(97)	(161)
Pro forma	(31)	(28)	(38)	(34)	(24)	(65)	(36)	(38)	(129)	(165)
Non-GAAP Adjustments:										
Add: Pension plan reorganization charge - net	—	(10)	—	(4)	(10)	—	—	—	(10)	(14)
Total adjustments	—	(10)	—	(4)	(10)	—	—	—	(10)	(14)
Adjusted pro forma Net Pension and OPEB cost (benefit),	\$ (31)	\$ (38)	\$ (38)	\$ (38)	\$ (34)	\$ (65)	\$ (36)	\$ (38)	\$ (139)	\$ (179)
Adjusted Pro Forma Interest Expense - Net										
Reported interest expense - net	\$ 8	\$ 72	\$ (3)	\$ 40	\$ 10	\$ 44	\$ 23	\$ 46	\$ 38	\$ 202
Pro forma adjustments (a)	—	153	—	7	—	(9)	—	26	—	177
Pro forma	8	225	(3)	47	10	35	23	72	38	379
Non-GAAP Adjustments:										
Less: Bond redemption	—	(26)	—	—	—	—	—	—	—	(26)
Less: Loss on hedge portfolio unwind	—	(174)	—	—	—	—	—	—	—	(174)
Add: Purchase accounting impacts - Linde AG (d)	22	25	22	25	25	25	27	25	96	100
Total adjustments	22	(175)	22	25	25	25	27	25	96	(100)
Adjusted pro forma interest expense - net	\$ 30	\$ 50	\$ 19	\$ 72	\$ 35	\$ 60	\$ 50	\$ 97	\$ 134	\$ 279

Non-GAAP Measures, continued



	Fourth Quarter		Third Quarter		Second Quarter		First Quarter		Year to date December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Adjusted Pro Forma Income Taxes (b)										
Reported income taxes	\$ 162	\$ 355	\$ 298	\$ 156	\$ 169	\$ 158	\$ 140	\$ 148	\$ 769	\$ 817
Pro forma adjustments (a)	10	(217)	(55)	9	11	38	14	23	(20)	(147)
Pro forma	172	138	243	165	180	196	154	171	749	670
Non-GAAP Adjustments:										
Add: Bond redemption	—	6	—	—	—	—	—	—	—	6
Add: Pension settlement charge	—	2	—	1	—	—	—	—	\$ —	\$ 3
Add: Purchase accounting impacts - Linde AG (d)	105	129	98	129	119	129	125	129	\$ 447	\$ 516
Add: Cost reduction programs and other charges	44	—	7	—	15	—	5	(1)	\$ 71	\$ (1)
Add: Tax reform	—	17	—	—	—	—	—	—	\$ —	\$ 17
Total adjustments	149	154	105	130	134	129	130	128	518	541
Adjusted pro forma income taxes	\$ 321	\$ 292	\$ 348	\$ 295	\$ 314	\$ 325	\$ 284	\$ 299	\$ 1,267	\$ 1,211
Adjusted Pro Forma Effective Tax Rate (b)										
Reported income before income taxes and equity investments	\$ 672	\$ 3,178	\$ 1,001	\$ 623	\$ 683	\$ 643	\$ 571	\$ 605	\$ 2,927	\$ 5,049
Pro forma adjustments (a)	55	(2,848)	(105)	(19)	59	105	110	60	\$ 119	\$ (2,702)
Pro forma	\$ 727	\$ 330	\$ 896	\$ 604	\$ 742	\$ 748	\$ 681	\$ 665	\$ 3,046	\$ 2,347
Non-GAAP Adjustments:										
Add: Bond redemption	\$ —	\$ 26	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 26
Add: Pension settlement charge	—	10	—	4	—	—	—	—	—	14
Add: Purchase accounting impacts - Linde AG (d)	459	533	401	534	490	533	494	533	1,844	2,133
Add: Cost reduction programs and other charges	162	41	106	12	76	—	33	—	377	53
Add: Pension plan reorganization charge - net	—	—	—	—	10	—	—	—	10	—
Add: Loss on hedge portfolio unwind	—	174	—	—	—	—	—	—	—	174
Less: Net gain on sale of businesses	—	30	—	—	—	(30)	—	(51)	—	(51)
Total adjustments	621	814	507	550	576	503	527	482	2,231	2,349
investments	\$ 1,348	\$ 1,144	\$ 1,403	\$ 1,154	\$ 1,318	\$ 1,251	\$ 1,208	\$ 1,147	\$ 5,277	\$ 4,696
Reported Income taxes	\$ 162	\$ 355	\$ 298	\$ 156	\$ 169	\$ 158	\$ 140	\$ 148	\$ 769	\$ 817
Reported effective tax rate	24.1 %	11.2 %	29.8 %	25.0 %	24.7 %	24.6 %	24.5 %	24.5 %	26.3 %	16.2 %
Adjusted pro forma income taxes	\$ 321	\$ 292	\$ 348	\$ 295	\$ 314	\$ 325	\$ 284	\$ 299	\$ 1,267	\$ 1,211
Adjusted pro forma effective tax rate	23.8 %	25.5 %	24.8 %	25.6 %	23.8 %	26.0 %	23.5 %	26.1 %	24.0 %	25.8 %
Income from Equity Investments										
Reported income from equity investments	\$ 24	\$ 14	\$ 28	\$ 13	\$ 28	\$ 14	\$ 34	\$ 15	\$ 114	\$ 56
Pro forma adjustments (a)	—	(2)	—	1	—	(2)	—	(1)	—	(4)
Pro forma	24	12	28	14	28	12	34	14	114	52
Non-GAAP Adjustments:										
Add: Purchase accounting impacts - Linde AG (d)	14	16	15	16	14	16	14	16	57	64
Total adjustments	14	16	15	16	14	16	14	16	57	64
Adjusted pro forma income from equity investments	\$ 38	\$ 28	\$ 43	\$ 30	\$ 42	\$ 28	\$ 48	\$ 30	\$ 171	\$ 116
Adjusted Pro Forma Noncontrolling Interests from Continuing Operations										
Reported noncontrolling interests from continuing operations	\$ (27)	\$ 33	\$ (3)	\$ (19)	\$ (29)	\$ (19)	\$ (30)	\$ (10)	\$ (89)	\$ (15)
Pro forma adjustments (a)	—	(30)	—	22	—	12	—	11	\$ —	\$ 15
Pro forma	(27)	3	(3)	3	(29)	(7)	(30)	1	(89)	—
Non-GAAP adjustments:										
Add: Cost reduction programs and other charges	—	—	(35)	—	—	—	—	—	(35)	—
Add: Purchase accounting impacts - Linde AG (d)	(14)	(42)	(8)	(42)	(17)	(42)	(15)	(42)	(54)	(168)
Total adjustments	(14)	(42)	(43)	(42)	(17)	(42)	(15)	(42)	(89)	(168)
operations	\$ (41)	\$ (39)	\$ (46)	\$ (39)	\$ (46)	\$ (49)	\$ (45)	\$ (41)	\$ (178)	\$ (168)

Non-GAAP Measures, continued



	Fourth Quarter		Third Quarter		Second Quarter		First Quarter		Year to date December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<u>Adjusted Pro Forma Income from Continuing Operations (c)</u>										
Reported income from continuing operations	\$ 507	\$ 2,870	\$ 728	\$ 461	\$ 513	\$ 480	\$ 435	\$ 462	\$ 2,183	\$ 4,273
Pro forma adjustments (a)	45	(2,663)	(50)	(5)	48	77	96	47	\$ 139	\$ (2,544)
Pro forma	552	207	678	456	561	557	531	509	2,322	1,729
Non-GAAP adjustments:										
Add: Pension settlement charge	—	8	—	3	—	—	—	—	\$ —	\$ 11
Add: Cost reduction programs and other charges	118	41	64	12	71	—	28	—	281	53
Less: Net gain on sale of business	—	30	—	—	—	(30)	—	(50)	—	(50)
Add: Bond Redemption	—	20	—	—	—	—	—	—	—	20
Add: Loss on hedge portfolio unwind	—	(17)	—	—	—	—	—	—	—	(17)
Less: Other tax charges	—	174	—	—	—	—	—	—	—	174
Add: Purchase accounting impacts - Linde AG	354	378	310	379	368	378	368	378	1,400	1,513
Total adjustments	472	634	374	394	439	348	396	328	1,681	1,704
Adjusted pro forma income from continuing operations	\$ 1,024	\$ 841	\$ 1,052	\$ 850	\$ 1,000	\$ 905	\$ 927	\$ 837	\$ 4,003	\$ 3,433
<u>Adjusted Pro Forma Diluted EPS from Continuing Operations (c)</u>										
Reported diluted EPS from continuing operations	\$ 0.94	\$ 6.22	\$ 1.34	\$ 1.58	\$ 0.94	\$ 1.65	\$ 0.79	\$ 1.59	\$ 4.00	\$ 12.79
Pro forma adjustments (a)	0.08	(5.85)	(0.09)	(0.76)	0.09	(0.65)	0.18	(0.67)	0.25	(9.68)
Pro forma	1.02	0.37	1.25	0.82	1.03	1.00	0.97	0.92	4.25	3.11
Non-GAAP adjustments:										
Add: Pension settlement charge	—	0.02	—	0.01	—	—	—	—	\$ —	\$ 0.03
Add: Cost reduction programs and other charges	0.22	0.07	0.12	0.02	0.13	—	0.05	—	0.52	0.09
Less: Net gain on sale of business	—	0.05	—	—	—	(0.05)	—	(0.09)	—	(0.09)
Add: Bond redemption charge	—	0.04	—	—	—	—	—	—	—	0.04
Add: Loss on hedge portfolio unwind	—	0.31	—	—	—	—	—	—	—	0.31
Less: Income tax reform	—	(0.03)	—	—	—	—	—	—	—	(0.03)
Add: Purchase accounting impacts - Linde AG	0.65	0.68	0.57	0.69	0.67	0.68	0.67	0.68	2.57	2.73
Total adjustments	0.87	1.14	0.69	0.72	0.80	0.63	0.72	0.59	3.08	3.08
Adjusted pro forma diluted EPS from continuing operations	\$ 1.89	\$ 1.51	\$ 1.94	\$ 1.54	\$ 1.83	\$ 1.63	\$ 1.69	\$ 1.51	\$ 7.34	\$ 6.19

Non-GAAP Measures, continued



	Fourth Quarter		Third Quarter		Second Quarter		First Quarter		Year to date December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Adjusted Pro Forma EBITDA and % of Sales										
Income from continuing operations	\$ 507	\$ 2,870	\$ 728	\$ 461	\$ 513	\$ 480	\$ 435	\$ 462	\$ 2,183	\$ 4,273
Add: Noncontrolling interests related to continuing operations	27	(33)	3	19	29	19	30	10	89	15
Add: Net pension and OPEB cost (benefit), excluding service cost	(25)	(14)	2	6	(24)	2	15	2	(32)	(4)
Add: Interest expense	8	72	(3)	40	10	44	23	46	38	202
Add: Income taxes	162	355	298	156	169	158	140	148	769	817
Add: Depreciation and amortization	1,162	902	1,095	306	1,195	311	1,223	311	4,675	1,830
EBITDA from continuing operations	1,841	4,152	2,123	988	1,892	1,014	1,866	979	7,722	7,133
Pro forma adjustments (a)										
Add: Linde AG consolidated results	—	312	—	1,146	—	1,214	—	1,245	\$ —	\$ 3,917
Add: Purchase accounting impacts - Linde AG	—	363	2	(16)	—	(16)	10	(16)	12	315
Add: Cost reduction programs and other charges	50	353	19	94	65	69	56	60	190	576
Less: Net gain on sale of businesses	—	(3,294)	(164)	—	—	—	—	—	(164)	(3,294)
Less: Divestitures	(1)	(150)	(2)	(319)	(6)	(324)	(7)	(317)	(16)	(1,110)
Pro forma adjustments	49	(2,416)	(145)	905	59	943	59	972	22	404
Pro forma EBITDA from continuing operations	1,890	1,736	1,978	1,893	1,951	1,957	1,925	1,951	7,744	7,537
Non-GAAP adjustments:										
Less: Net gain on sale of business	—	30	—	—	—	(30)	—	(51)	—	(51)
Add: Cost reduction programs and other charges	162	41	106	12	76	—	33	—	377	53
Add: Purchase accounting impacts - Linde AG	14	16	15	16	14	16	14	16	57	64
Adjusted pro forma EBITDA from continuing operations	\$ 2,066	\$ 1,823	\$ 2,099	\$ 1,921	\$ 2,041	\$ 1,943	\$ 1,972	\$ 1,916	\$ 8,178	\$ 7,603
Reported sales	\$ 7,080	\$ 5,801	\$ 7,000	\$ 3,008	\$ 7,204	\$ 3,044	\$ 6,944	\$ 2,983	\$ 28,228	14,836
Pro forma sales	\$ 7,077	\$ 7,023	\$ 6,993	\$ 6,942	\$ 7,179	\$ 7,178	\$ 6,914	\$ 6,941	\$ 28,163	28,084
% of sales										
EBITDA from continuing operations	26.0 %	71.6 %	30.3 %	32.8 %	26.3 %	33.3 %	26.9 %	32.8 %	27.4 %	48.1 %
Pro forma EBITDA from continuing operations	26.7 %	24.7 %	28.3 %	27.3 %	27.2 %	27.3 %	27.8 %	28.1 %	27.5 %	26.8 %
Adjusted pro forma EBITDA from continuing operations	29.2 %	26.0 %	30.0 %	27.7 %	28.4 %	27.1 %	28.5 %	27.6 %	29.0 %	27.1 %

(a) See pro forma Income Statement Information in the preceding sections.

(b) 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.

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

(d) 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 quarter and year ended December 31, 2019 include (i) a \$12 million adjustment for the year ended December 31, 2019 for the increase in cost of sales related to the fair value step up of inventories acquired in the merger (included as a pro forma adjustment), and (ii) a \$481 million and \$1,940 million increase for the quarter and year ended December 31, 2019, respectively in depreciation and amortization related to the fair value step up of fixed assets and intangible assets (primarily customer related) acquired in the merger.

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.

Non-GAAP Measures, continued



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

	2019 Q4	2019 Q3	2019 Q2	2019 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	\$ 1,015	\$ 959	\$ 865	\$ 843
Less: backlog capex (a)	(504)	(522)	(397)	(329)
Base Capex	<u>\$ 511</u>	<u>\$ 437</u>	<u>\$ 468</u>	<u>\$ 514</u>
Operating cash flow	\$ 2,174	\$ 1,872	\$ 1,005	\$ 1,068
Less: base capex	(511)	(437)	(468)	(514)
Available Operating Cash Flow	<u>\$ 1,663</u>	<u>\$ 1,435</u>	<u>\$ 537</u>	<u>\$ 554</u>

(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

QUARTER ENDED December 31, 2019 PRO FORMA INCOME STATEMENT INFORMATION

(Millions of dollars, except per share data)

(UNAUDITED)

To assist with a discussion of the 2019 and 2018 results on a comparable basis, certain supplemental unaudited pro forma income statement information is provided on both a consolidated and segment basis. The pro forma information has been prepared on a basis consistent with Article 11, assuming the Merger and merger-related divestitures had been consummated on January 1, 2018. In preparing this pro forma information, the historical financial information has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Business Combination and other transactions presented herein, such as the merger-related divestitures, (ii) factually supportable, and (iii) expected to have a continuing impact on the combined entity's consolidated results. The pro forma information is based on management's assumptions and is presented for illustrative purposes and does not purport to represent what the results of operations would actually have been if the Business Combination and merger-related divestitures had occurred as of the dates indicated or what the results would be for any future periods. Also, the pro forma information does not include the impact of any revenue, cost or other operating synergies that may result from the Business Combination or any related restructuring costs. The unaudited pro forma income statement has been presented for informational purposes only and is not necessarily indicative of what Linde plc's results of operation actually would have been had the Merger been completed on January 1, 2018. In addition, the unaudited pro forma income statement does not purport to project the future operating results of the company.

Quarter to Date December 31, 2019						
Pro forma Income Statement Information						
Pro forma Adjustments						
	<u>Linde plc</u> <u>Reported</u>	<u>Divestitures</u> <u>(a)</u>	<u>Other</u>	<u>Total</u>		<u>Pro Forma</u>
Sales	\$ 7,080	\$ (3)	\$ —	\$ —	(3)	\$ 7,077
Cost of sales, exclusive of depreciation	4,187	(2)	—	—	(2)	4,185
Selling, general and administrative	844	—	—	—	—	844
As a % of Sales	11.9 %					11.9 %
Depreciation and amortization	1,162	—	—	—	—	1,162
Research and development	49	—	—	—	—	49
Cost reduction programs and other charges	212	—	(50) (b)	(50)	162	
Net gain on sale of businesses	—	—	—	—	—	—
Other income (expense) - net	29	—	—	—	29	
Operating profit	655	(1)	50	49	704	
Operating margin	9.3 %				9.9 %	
Net pension and OPEB cost (benefit), excluding service costs	(25)	—	(6) (c)	(6)	(31)	
Interest expense - net	8	—	—	—	8	
Income taxes	162	(0)	10 (d)	10	172	
Effective Tax Rate	24.1 %				23.7 %	
Income from equity investments	24	—	—	—	24	
Noncontrolling interests from continuing operations	(27)	—	—	—	(27)	
Income from continuing operations	\$ 507	\$ (1)	\$ 46	\$ 45	\$ 552	
Diluted shares outstanding	540,919	—	—	—	540,919	540,919
Diluted EPS from continuing operations	\$ 0.94	—	—	—	\$ 0.08	\$ 1.02
SEGMENT SALES						
Americas	\$ 2,737	\$ —	\$ —	\$ —	\$ 2,737	
EMEA	1,654	—	—	—	1,654	
APAC	1,406	(3)	—	(3)	1,403	
Engineering	770	—	—	—	770	
Other	513	—	—	—	513	
Segment sales	\$ 7,080	\$ (3)	\$ —	\$ (3)	\$ 7,077	
SEGMENT OPERATING PROFIT						
Americas	\$ 676	\$ —	\$ —	\$ —	\$ 676	
EMEA	353	—	—	—	353	
APAC	300	(1)	—	(1)	299	
Engineering	93	—	—	—	93	
Other	(74)	—	—	—	(74)	
Segment operating profit	1,348	(1)	—	(1)	1,347	
Cost reduction programs and other charges	(212)	—	—	—	(212)	
Gain on sale of businesses	—	—	—	—	—	
Purchase accounting impacts - Linde AG	(481)	—	—	—	(481)	
Total operating profit	\$ 655	\$ (1)	\$ —	\$ (1)	\$ 654	

Pro Forma Adjustments:

- To eliminate the results of Praxair's merger-related divestitures.
- To eliminate the transaction costs and other charges related to the Merger.
- To eliminate pension settlement charges related to the Merger.
- To eliminate the income tax impacts of the Other adjustments.

Non-GAAP Measures, continued



	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Debt, Adjusted Net Debt, Capital and Adjusted Capital - 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	\$ 13,956	\$ 13,201	\$ 13,957	\$ 14,146	\$ 15,296			
Less: cash and cash equivalents	(2,700)	(2,120)	(2,686)	(5,791)	(4,466)			
Net debt	11,256	11,081	11,271	8,355	10,830			
Less: Purchase accounting impacts - Linde AG	(195)	(211)	(243)	(262)	(291)			
Adjusted net debt	11,061	10,870	11,028	8,093	10,539			
Less: Net assets held for sale	(123)	(223)	(272)	(1,629)	(4,730)			
Adjusted net debt less net assets held for sale	\$ 10,938	\$ 10,647	\$ 10,756	\$ 6,464	\$ 5,809			
Equity and redeemable noncontrolling interests:								
Redeemable noncontrolling interests	113	14	15	15	16			
Linde plc shareholders' equity	49,074	48,953	50,564	51,175	51,596			
Noncontrolling interests	2,448	2,341	2,315	5,457	5,484			
Total equity and redeemable noncontrolling interests	51,635	51,308	52,894	56,647	57,096			
Reported capital	62,768	62,166	63,893	63,373	63,196			
Adjusted capital, excluding net assets held for sale	62,573	61,955	63,650	63,111	62,905			
Less: Linde AG Goodwill (a)	24,256	24,197	24,197	24,197	24,197			
Less: Linde AG Indefinite lived intangibles (a)	1,868	1,868	1,868	1,868	1,868			
Adjusted capital	\$ 36,449	\$ 35,890	\$ 37,585	\$ 37,046	\$ 36,840			
(a) Represent opening balance sheet purchase accounting impacts of non-amortizing assets related to the Linde AG merger.								
After-tax Return on Capital and Adjusted Pro Forma 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	\$ 507	\$ 728	\$ 513	\$ 435	\$ 2,870	\$ 461	\$ 480	\$ 462
Add: noncontrolling interests from continuing	27	3	29	30	(33)	19	19	10
Add: interest expense - net	8	(3)	10	23	72	40	44	46
Less: tax benefit on interest expense - net *	(2)	1	(3)	(6)	(18)	(10)	(11)	(11)
Reported NOPAT	\$ 540	\$ 729	\$ 549	\$ 482	\$ 2,891	\$ 510	\$ 532	\$ 507
Adjusted pro forma income from continuing	\$ 1,024	\$ 1,052	\$ 1,000	\$ 927	\$ 841	\$ 850	\$ 905	\$ 837
Add: adjusted pro forma noncontrolling interests	41	46	46	45	40	39	49	41
Add: adjusted pro forma interest expense - net	30	19	35	50	50	72	60	97
Less: tax benefit on interest expense - net *	(8)	(5)	(9)	(13)	(13)	(18)	(15)	(24)
Adjusted pro forma NOPAT	\$ 1,088	\$ 1,112	\$ 1,072	\$ 1,009	\$ 919	\$ 943	\$ 999	\$ 951
4-quarter trailing reported NOPAT	\$ 2,300	\$ 4,651	\$ 4,432	\$ 3,883	\$ 3,401			
4-quarter trailing pro forma adjusted NOPAT	\$ 4,281	\$ 4,112	\$ 3,943	\$ 3,869	\$ 3,811			
Ending capital (see above)	\$ 62,768	\$ 62,166	\$ 63,893	\$ 63,373	\$ 63,196			
Average ending capital	\$ 63,079	\$ 63,157	\$ 63,487	\$ 63,285	\$ 63,196			
Ending adjusted capital (see above)	\$ 36,449	\$ 35,890	\$ 37,585	\$ 37,046	\$ 36,840			
Average ending capital	\$ 36,762	\$ 36,840	\$ 37,247	\$ 37,214	\$ 36,840			
After-tax ROC (4 quarter reported NOPAT / Average ending capital)	3.6 %	7.4 %	7.0 %	6.1 %	5.4 %			
Adjusted pro forma after-tax ROC (4 quarter trailing adjusted pro forma NOPAT / Average ending adjusted capital)	11.6 %	11.2 %	10.6 %	10.4 %	10.3 %			

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

Sustainable Development Highlights



Linde applications enabled
**2x more
GHG emissions
to be avoided**

than were emitted in all of the
company's operations

Best-in-Class Safety Performance

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

Employees contributed
>370
community engagement
projects globally

The most on purpose
H₂ electrolysis
operating experience
in the industry:
40MW, 80 units

Partner in
**largest clean H₂
energy park**
(Mainz, Germany)

An industry leader in
**diversity &
inclusion**

All results are 2019 for Linde plc and are estimated.

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