



Linde plc

Investor Teleconference Presentation
First Quarter 2020

May 7, 2020

Making our world more productive



Forward-Looking Statement



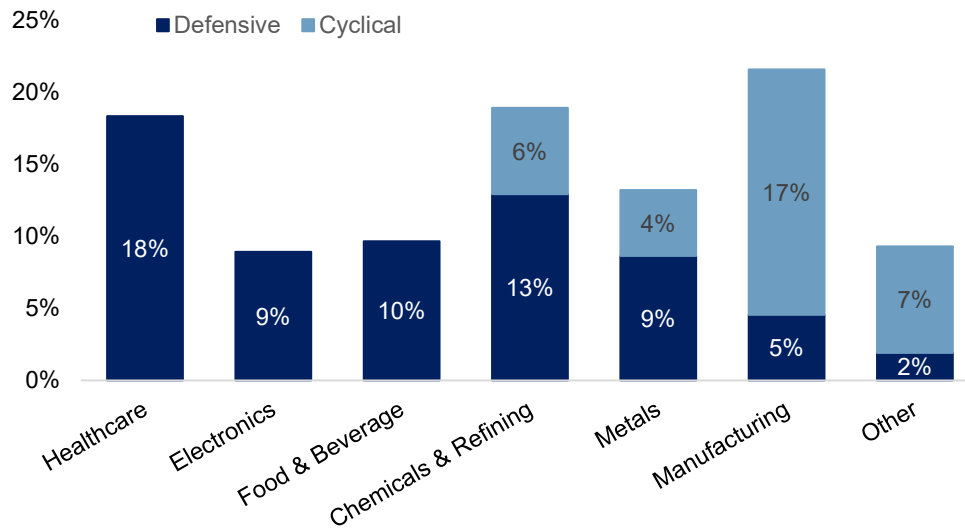
This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, 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: that Linde plc may be unable to achieve expected synergies from the business combination of Praxair and Linde AG 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 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, 2019 filed with the SEC on March 2, 2020 and in subsequent filings with the SEC which should be reviewed carefully. Please consider Linde plc’s forward-looking statements in light of those risks.

Defensive Model



2019 Sales by End Market ⁽¹⁾



Defensive sales ~ 65%

Defensive sales:

- Long-term supply agreements with high-quality customers which include fixed fee elements
- Resilient end-markets (e.g. Healthcare, Food & Beverage, Electronics)
- Steady rental payments (e.g. tanks, cylinders, equipment)

Locally managed business:

- Source, produce and sell locally
- Align costs to market

More than 65% of sales from fixed fees or resilient end-markets

(1) Total sales exclude Linde Engineering

First-Quarter Adjusted Results⁽¹⁾



(\$MM)	1Q 2020	4Q 2019	Var	1Q 2019	Var
Sales	\$6,739	\$7,077	-5%	\$6,914	-3%
Operating Profit	\$1,352	\$1,347	0%	\$1,222	11%
<i>% of Sales</i>	<i>20.1%</i>	<i>19.0%</i>		<i>17.7%</i>	
Income	\$1,009	\$1,024	-1%	\$927	9%
Diluted EPS	\$1.89	\$1.89	0%	\$1.69	12%
Op. Cash Flow	\$1,347	\$2,174	-38%	\$1,068	26%
Capex	\$803	\$1,015	-21%	\$843	-5%
Base Capex ⁽²⁾	\$418	\$511	-18%	\$514	-19%
Project Capex ⁽³⁾	\$385	\$504	-24%	\$329	17%
After-Tax ROC	12.1%	11.6%	+50 bps	10.4%	+170 bps

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

- **Solid operating leverage YoY & sequentially**
 - YoY ex. FX, Sales 0%, OP +14%, EPS +15%
 - Seq. ex. FX, Sales -4%, OP +1%, EPS +1%
- **Broad-based price attainment & continued progress on productivity initiatives**
- **YoY and sequential volumes drop led by Engineering timing and COVID-19 impact**
- **Strong operating cash flow, +26% YoY**
- **ROC 12.1%, +170 bps YoY, +50 bps sequentially**

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

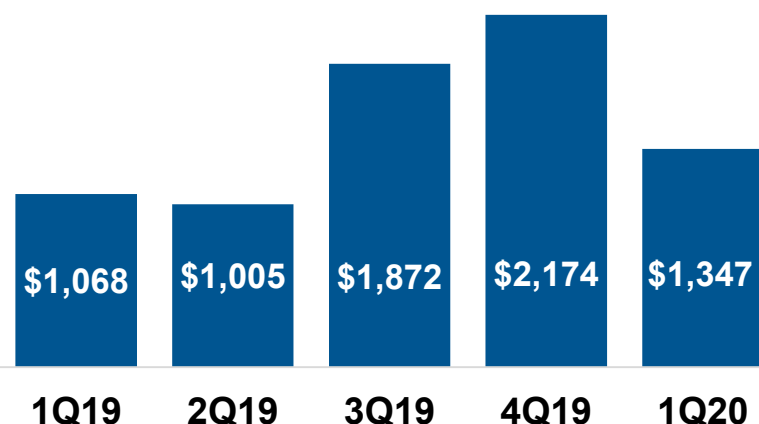
(2) Base capex = Total capex minus project capex

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

Financial Position (\$MM)



Operating Cash Flow (OCF) Trend



OCF	\$1,068	\$1,005	\$1,872	\$2,174	\$1,347
Base CAPEX	(\$514)	(\$468)	(\$437)	(\$511)	(\$418)
Avail. OCF	\$554	\$537	\$1,435	\$1,663	\$929
Dividends	(\$477)	(\$474)	(\$471)	(\$469)	(\$511)

Capital Structure - 1Q 2020

Debt	\$16,875
(-) Cash & Cash Equivalents	\$4,014
(-) Non-cash purchase accounting	\$170
Adj. Net Debt	\$12,691
LTM Adj. EBITDA	\$8,255
Adj. Net Debt / Adj. EBITDA	1.5x

- \$5B undrawn credit facility
- 27 consecutive years of dividend increase
- Repurchased 10MM shares in 1Q
- Ample liquidity to take advantage of new growth opportunities

Strong, resilient cash flow and high-quality balance sheet

2020 Full Year Outlook



	Feb. 2020 Guidance	May 2020 Outlook	
Foreign Currency	-1%	-4% to -5%	Translation Effect
EPS growth vs 2019 (excluding FX)	+10% to +13%	Positive mid-to-high single digit %	<u>Scenario 1</u> Early Q3 recovery ⁽¹⁾
		Flat to negative low single digit %	<u>Scenario 2</u> Mid Q4 recovery ⁽¹⁾
Capex	\$3.4B to \$3.8B	\$3.0B to \$3.4B	Base capex reduction

EPS growth contingent on scenario; Long-term fundamentals remain intact

(1) "Recovery" assumes base volumes that are low-to-mid single digit % below 2019 levels



Appendix

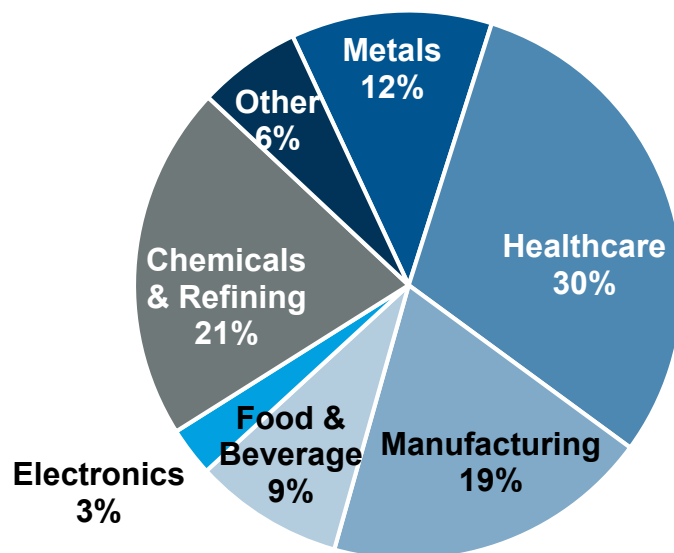
Americas



(\$MM)	1Q 2020	4Q 2019	Var	1Q 2019	Var
Sales	\$2,677	\$2,737	-2%	\$2,702	-1%
Operating Profit	\$661	\$676	-2%	\$584	13%
% of Sales	24.7%	24.7%		21.6%	

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

2019 Full Year Sales by End Market



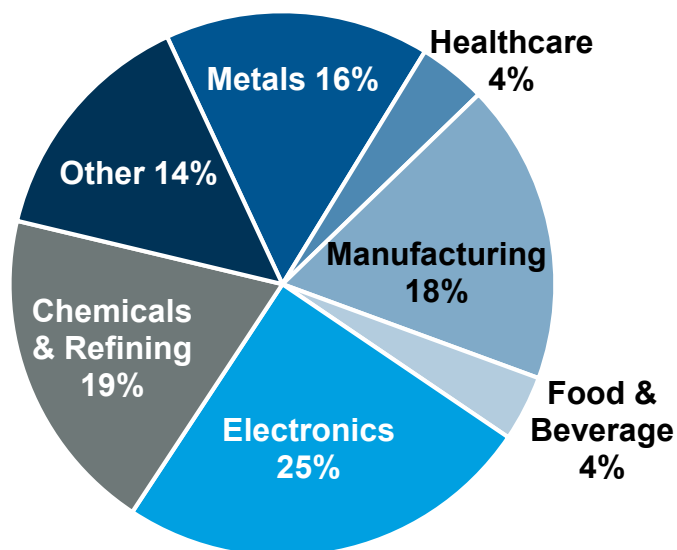
- YoY ex. FX & P/T, Sales +4%, OP +16%
- YoY margin expansion led by price and productivity initiatives
- YoY volumes led mainly by healthcare and food & beverage end markets
- COVID-19 negatively impacted volumes 1%



(\$MM)	1Q 2020	4Q 2019	Var	1Q 2019	Var
Sales	\$1,336	\$1,403	-5%	\$1,427	-6%
Operating Profit	\$281	\$299	-6%	\$273	3%
% of Sales	21.0%	21.3%		19.1%	

	YOY	SEQ.
Sales Growth	- 6%	- 5%
Volume	- 5%	- 5%
Price / Mix	+ 2%	+ 1%
Cost pass-thru	--	--
Currency	- 3%	- 1%
Acq/Div	--	--

2019 Full Year Sales by End Market



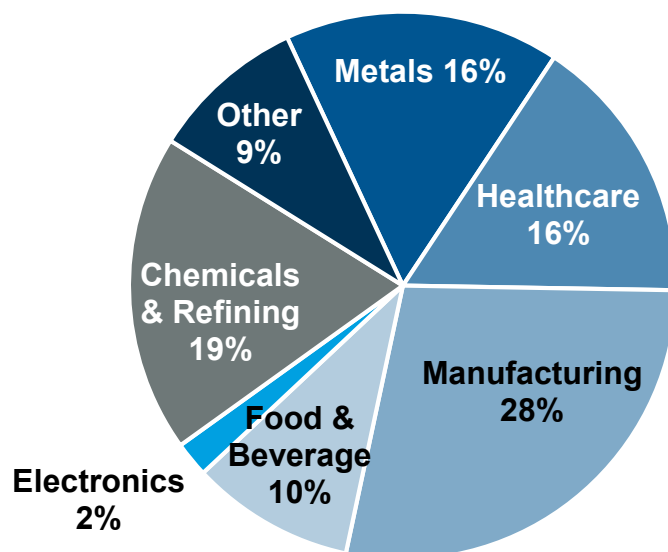
- YoY margin expansion led by price and productivity initiatives
- YoY volume decline driven by:
 - COVID-19 impact -4%
 - Prior-year sale of equipment -3%
 - Remaining volume +2%
- Seq. volumes decline driven by:
 - COVID-19 impact -4%
 - Seasonality -2%
 - Remaining volume +1%



(\$MM)	1Q 2020	4Q 2019	Var	1Q 2019	Var
Sales	\$1,633	\$1,654	-1%	\$1,682	-3%
Operating Profit	\$355	\$353	1%	\$347	2%
% of Sales	21.7%	21.3%		20.6%	

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

2019 Full Year Sales by End Market



- YoY and sequential margin expansion led by price and productivity initiatives
- YoY and sequential volumes impacted by overall weaker industrial production
- FX headwinds driven mainly by EUR, GBP and ZAR

Engineering



(\$MM)	1Q 2020	4Q 2019	Var	1Q 2019	Var
Sales	\$608	\$770	-21%	\$636	-4%
Operating Profit	\$91	\$93	-2%	\$78	17%
% of Sales	15.0%	12.1%		12.3%	

- **Margin expansion led by:**
 - Strong project execution
 - Increased productivity

- **Sales decline led by project timing**

- **Contractually secured backlog of \$5.4 billion**

3rd Party Orders (\$MM)	1Q 2020	4Q 2019	1Q 2019
Intake	\$392	\$1,475	\$565
Backlog	\$5,406	\$5,735	\$4,955

Global Other



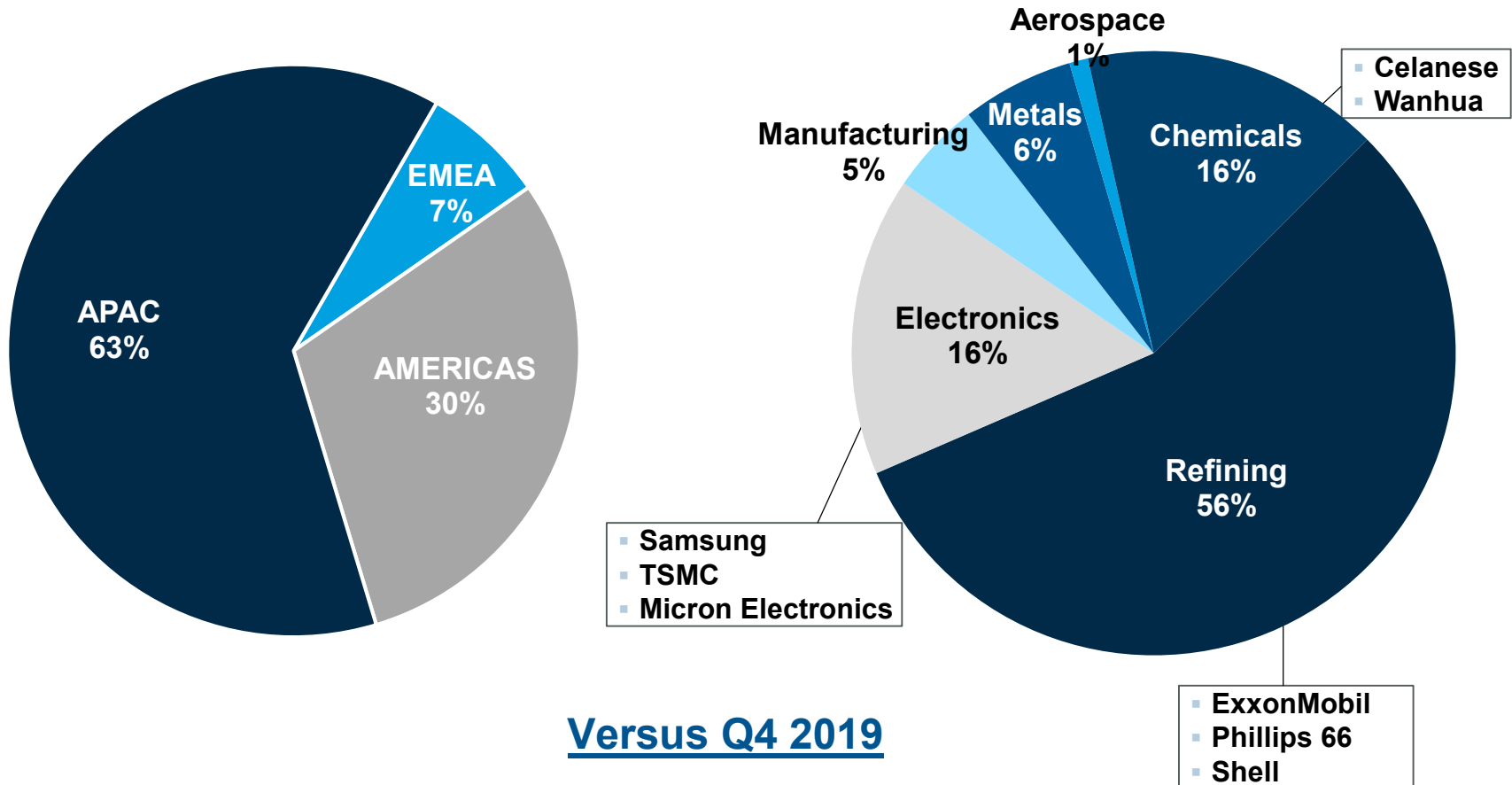
(\$MM)	1Q 2020	4Q 2019	Var	1Q 2019	Var
Sales	\$485	\$513	-5%	\$467	4%
Operating Profit	(\$36)	(\$74)	51%	(\$60)	40%
% of Sales	-7.4%	-14.4%		-12.8%	

- YoY sales led by global helium
- Margin improvement driven by productivity initiatives

High-Quality Backlog



Sale of Gas (SOG) Backlog (~\$4.0B)⁽¹⁾



Versus Q4 2019

- Started up 5 new projects
- Signed several new projects

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

Sustainable Development Highlights



A subset of Linde applications enabled

**2x more
GHG emissions
to be avoided**

than were emitted from all of the company's operations

Launched 10-year
**industry-leading
Climate Change
targets**

Most
**H₂ electrolyzer
operating experience**
in the industry:
40MW, 80 units

Employees contributed
>370
community engagement
projects globally

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.

RECOGNITION

MEMBER OF

**Dow Jones
Sustainability Indices**



FTSE4Good

Non-GAAP Measures, continued



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" 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	
	2020	2019	2020	2019	2020	2019	2020	2019
Quarter Ended March 31								
Reported GAAP Amounts	\$ 6,739	\$ 6,944	\$ 733	\$ 609	\$ 571	\$ 435	\$ 1.07	\$ 0.79
Cost reduction program and other charges (a)	—	—	131	89	95	70	0.18	0.13
Pension settlement charges (b)	—	—	—	—	—	51	—	0.09
Merger-related divestitures (c)	—	(30)	—	(7)	—	(5)	—	(0.01)
Purchase accounting impacts - Linde AG (d)	—	—	488	531	343	376	0.64	0.69
Total adjustments	—	(30)	619	613	438	492	0.82	0.90
Adjusted amounts	\$ 6,739	\$ 6,914	\$ 1,352	\$ 1,222	\$ 1,009	\$ 927	\$ 1.89	\$ 1.69

- (a) To adjust for cost reduction program and other charges.
- (b) To adjust for pension settlement charges relates to the merger.
- (c) To adjust for the results of Praxair's merger-related divestitures.
- (d) 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.

	2020		2019		
	Q1	Q4	Q3	Q2	Q1
<u>Adjusted Sales</u>					
Reported Sales	\$ 6,739	\$ 7,080	\$ 7,000	\$ 7,204	\$ 6,944
Less: Merger-related divestitures (d)	—	(3)	(7)	(25)	(30)
Adjusted Sales	<u>\$ 6,739</u>	<u>\$ 7,077</u>	<u>\$ 6,993</u>	<u>\$ 7,179</u>	<u>\$ 6,914</u>
<u>Adjusted Operating Profit and Operating Margin</u>					
Reported operating profit	\$ 733	\$ 655	\$ 1,000	\$ 669	\$ 609
Less: Merger-related divestitures (d)	—	(1)	(2)	(6)	(7)
Add: Cost reduction programs and other charges	131	212	125	141	89
Less: Net gain on sale of businesses	—	—	(164)	—	—
Add: Purchase accounting impacts - Linde AG (c)	488	481	425	515	531
Total adjustments	619	692	384	650	613
Adjusted operating profit	<u>\$ 1,352</u>	<u>\$ 1,347</u>	<u>\$ 1,384</u>	<u>\$ 1,319</u>	<u>\$ 1,222</u>
Reported percentage change	20 %				
Adjusted percentage change	11 %				
Reported sales	\$ 6,739	\$ 7,080	\$ 7,000	\$ 7,204	\$ 6,944
Adjusted sales	\$ 6,739	\$ 7,077	\$ 6,993	\$ 7,179	\$ 6,914
Reported operating margin	10.9 %	9.3 %	14.3 %	9.3 %	8.8 %
Adjusted operating margin	20.1 %	19.0 %	19.8 %	18.4 %	17.7 %
<u>Adjusted Depreciation and amortization</u>					
Reported depreciation and amortization	\$ 1,142	\$ 1,162	\$ 1,095	\$ 1,195	\$ 1,223
Less: Purchase accounting impacts - Linde AG (c)	(476)	(481)	(423)	(515)	(521)
Adjusted depreciation and amortization	<u>\$ 666</u>	<u>\$ 681</u>	<u>\$ 672</u>	<u>\$ 680</u>	<u>\$ 702</u>
<u>Adjusted Net Pension and OPEB Cost (Benefit), Excluding Service Cost</u>					
Reported net pension and OPEB cost (benefit), excluding service cost	\$ (45)	\$ (25)	\$ 2	\$ (24)	\$ 15
Add: Pension settlement charges	—	(6)	(40)	(10)	(51)
Adjusted Net Pension and OPEB cost (benefit), excluding service costs	<u>\$ (45)</u>	<u>\$ (31)</u>	<u>\$ (38)</u>	<u>\$ (34)</u>	<u>\$ (36)</u>
<u>Adjusted Interest Expense - Net</u>					
Reported interest expense - net	\$ 24	\$ 8	\$ (3)	\$ 10	\$ 23
Add: Purchase accounting impacts - Linde AG (c)	22	22	22	25	27
Adjusted interest expense - net	<u>\$ 46</u>	<u>\$ 30</u>	<u>\$ 19</u>	<u>\$ 35</u>	<u>\$ 50</u>

Non-GAAP Measures, continued



	2020		2019		
	Q1	Q4	Q3	Q2	Q1
Adjusted Income Taxes (a)					
Reported income taxes	\$ 165	\$ 162	\$ 298	\$ 169	\$ 140
Add: Purchase accounting impacts - Linde AG (c)	122	105	99	119	127
Add: Cost reduction programs and other charges	36	54	1	28	19
Less: Merger-related divestitures (d)	—	—	(1)	(2)	(2)
Less: Net gain on sale of businesses	—	—	(49)	—	—
Total adjustments	158	159	50	145	144
Adjusted income taxes	\$ 323	\$ 321	\$ 348	\$ 314	\$ 284
Adjusted Effective Tax Rate (a)					
Reported income before income taxes and equity investments	\$ 754	\$ 672	\$ 1,001	\$ 683	\$ 571
Less: Merger-related divestitures (d)	—	(1)	(2)	(6)	(7)
Add: Pension settlement charge	—	6	40	10	51
Add: Purchase accounting impacts - Linde AG (c)	466	459	403	490	504
Add: Cost reduction programs and other charges	131	212	125	141	89
Less: Net gain on sale of businesses	—	—	(164)	—	—
Total adjustments	597	676	402	635	637
Adjusted income before income taxes and equity investments	\$ 1,351	\$ 1,348	\$ 1,403	\$ 1,318	\$ 1,208
Reported Income taxes	\$ 165	\$ 162	\$ 298	\$ 169	\$ 140
Reported effective tax rate	21.9 %	24.1 %	29.8 %	24.7 %	24.5 %
Adjusted income taxes	\$ 323	\$ 321	\$ 348	\$ 314	\$ 284
Adjusted effective tax rate	23.9 %	23.8 %	24.8 %	23.8 %	23.5 %
Income from Equity Investments					
Reported income from equity investments	\$ 17	\$ 24	\$ 28	\$ 28	\$ 34
Add: Purchase accounting impacts - Linde AG (c)	14	14	15	14	14
Adjusted income from equity investments	\$ 31	\$ 38	\$ 43	\$ 42	\$ 48
Adjusted Noncontrolling Interests from Continuing Operations					
Reported noncontrolling interests from continuing operations	\$ (35)	\$ (27)	\$ (3)	\$ (29)	\$ (30)
Add: Cost reduction programs and other charges	—	—	(35)	—	—
Add: Purchase accounting impacts - Linde AG (c)	(15)	(14)	(8)	(17)	(15)
Total adjustments	(15)	(14)	(43)	(17)	(15)
Adjusted noncontrolling interests from continuing operations	\$ (50)	\$ (41)	\$ (46)	\$ (46)	\$ (45)
Adjusted Income from Continuing Operations (b)					
Reported income from continuing operations	\$ 571	\$ 507	\$ 728	\$ 513	\$ 435
Add: Pension settlement charge	—	8	40	—	51
Less: Merger-related divestitures (d)	—	(1)	(2)	(4)	(5)
Add: Cost reduction programs and other charges	95	156	89	123	70
Less: Net gain on sale of business	—	—	(115)	—	—
Add: Purchase accounting impacts - Linde AG (c)	343	354	312	368	376
Total adjustments	438	517	324	487	492
Adjusted income from continuing operations	\$ 1,009	\$ 1,024	\$ 1,052	\$ 1,000	\$ 927

Non-GAAP Measures, continued



	2020		2019		
	Q1	Q4	Q3	Q2	Q1
Adjusted Diluted EPS from Continuing Operations (b)					
Reported diluted EPS from continuing operations	\$ 1.07	\$ 0.94	\$ 1.34	\$ 0.94	\$ 0.79
Add: Pension settlement charge	—	0.01	0.07	—	0.09
Add: Cost reduction programs and other charges	0.18	0.29	0.17	0.23	0.13
Less: Merger-related divestitures (d)	—	—	(0.01)	(0.01)	(0.01)
Less: Net gain on sale of business	—	—	(0.21)	—	—
Add: Purchase accounting impacts - Linde AG	0.64	0.65	0.58	0.67	0.69
Total adjustments	0.82	0.95	0.60	0.89	0.90
Adjusted diluted EPS from continuing operations	\$ 1.89	\$ 1.89	\$ 1.94	\$ 1.83	\$ 1.69
Adjusted EBITDA and % of Sales					
Income from continuing operations	\$ 571	\$ 507	\$ 728	\$ 513	\$ 435
Add: Noncontrolling interests related to continuing operations	35	27	3	29	30
Add: Net pension and OPEB cost (benefit), excluding service cost	(45)	(25)	2	(24)	15
Add: Interest expense	24	8	(3)	10	23
Add: Income taxes	165	162	298	169	140
Add: Depreciation and amortization	1,142	1,162	1,095	1,195	1,223
EBITDA from continuing operations	1,892	1,841	2,123	1,892	1,866
Less: Merger-related divestitures (d)	—	(1)	(2)	(6)	(7)
Less: Net gain on sale of business	—	—	(164)	—	—
Add: Cost reduction programs and other charges	131	212	125	141	89
Add: Purchase accounting impacts - Linde AG	26	14	17	14	24
Total adjustments	157	225	(24)	149	106
Adjusted EBITDA from continuing operations	\$ 2,049	\$ 2,066	\$ 2,099	\$ 2,041	\$ 1,972
Adjusted EBITDA from continuing operations LTM	\$ 8,255				
Reported sales	\$ 6,739	\$ 7,080	\$ 7,000	\$ 7,204	\$ 6,944
Adjusted sales	\$ 6,739	\$ 7,077	\$ 6,993	\$ 7,179	\$ 6,914
% of sales					
EBITDA from continuing operations	28.1 %	26.0 %	30.3 %	26.3 %	26.9 %
Adjusted EBITDA from continuing operations	30.4 %	29.2 %	30.0 %	28.4 %	28.5 %

(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.

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) To adjust for the results of Praxair's merger-related divestitures.

Non-GAAP Measures, continued



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

	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
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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	\$ 803	\$ 1,015	\$ 959	\$ 865	\$ 843
Less: backlog capex (a)	(385)	(504)	(522)	(397)	(329)
Base Capex	\$ 418	\$ 511	\$ 437	\$ 468	\$ 514
Operating cash flow	\$ 1,347	\$ 2,174	\$ 1,872	\$ 1,005	\$ 1,068
Less: base capex	(418)	(511)	(437)	(468)	(514)
Available Operating Cash Flow	\$ 929	\$ 1,663	\$ 1,435	\$ 537	\$ 554

(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)

	2020		2019				2018	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2

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	\$ 16,875	\$ 13,956	\$ 13,201	\$ 13,957	\$ 14,146	\$ 15,296
Less: Cash and cash equivalents	(4,014)	(2,700)	(2,120)	(2,686)	(5,791)	(4,466)
Net debt	12,861	11,256	11,081	11,271	8,355	10,830
Less: Purchase accounting impacts - Linde AG	(170)	(195)	(211)	(243)	(262)	(291)
Adjusted net debt	\$ 12,691	\$ 11,061	\$ 10,870	\$ 11,028	\$ 8,093	\$ 10,539
Less: Net assets held for sale	(115)	(123)	(223)	(272)	(1,629)	(4,730)
Adjusted net debt less net assets held for sale	\$ 12,576	\$ 10,938	\$ 10,647	\$ 10,756	\$ 6,464	\$ 5,809
Equity and redeemable noncontrolling interests:						
Redeemable noncontrolling interests	92	113	14	15	15	16
Linde plc shareholders' equity	44,776	49,074	48,953	50,564	51,175	51,596
Noncontrolling interests	2,375	2,448	2,341	2,315	5,457	5,484
Total equity and redeemable noncontrolling interests	47,243	51,635	51,308	52,894	56,647	57,096
Reported capital	59,989	62,768	62,166	63,893	63,373	63,196
Adjusted capital	59,819	62,573	61,955	63,650	63,111	62,905
Less: Linde AG Goodwill	24,256	24,256	24,197	24,197	24,197	24,146
Less: Linde AG Indefinite lived intangibles	1,868	1,868	1,868	1,868	1,868	1,648
Adjusted capital	\$ 33,695	\$ 36,449	\$ 35,890	\$ 37,585	\$ 37,046	\$ 37,111

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	\$ 571	\$ 507	\$ 728	\$ 513	\$ 435	\$ 2,870	\$ 461	\$ 480
Add: noncontrolling interests from continuing operations	35	27	3	29	30	(33)	19	19
Add: interest expense - net	24	8	(3)	10	23	72	40	44
Less: tax benefit on interest expense - net *	(6)	(2)	1	(3)	(6)	(18)	(10)	(11)
Reported NOPAT	\$ 624	\$ 540	\$ 729	\$ 549	\$ 482	\$ 2,891	\$ 510	\$ 532
Adjusted income from continuing operations	\$ 1,009	\$ 1,024	\$ 1,052	\$ 1,000	\$ 927	\$ 841	\$ 850	\$ 905
Add: adjusted noncontrolling interests from continuing operations	50	41	46	46	45	40	39	49
Add: adjusted interest expense - net	46	30	19	35	50	50	73	60
Less: tax benefit on interest expense - net *	(12)	(7)	(5)	(9)	(13)	(13)	(18)	(15)
Adjusted NOPAT	\$ 1,093	\$ 1,088	\$ 1,112	\$ 1,072	\$ 1,009	\$ 919	\$ 944	\$ 999
4-quarter trailing reported NOPAT	\$ 2,442	\$ 2,300			\$ 4,415			
4-quarter trailing adjusted NOPAT	\$ 4,365	\$ 4,281			\$ 3,871			
Ending capital (see above)	\$ 59,989	\$ 62,768			\$ 63,373			
5-quarter average ending capital **	\$ 62,438	\$ 63,079			\$ 63,285			
Ending adjusted capital (see above)	\$ 33,695	\$ 36,449			\$ 37,046			
5-quarter average ending adjusted capital **	\$ 36,133	\$ 36,816			\$ 37,079			
After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)	3.9 %	3.6 %			7.0 %			
Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital)	12.1 %	11.6 %			10.4 %			

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

** Q1 2019 average ending reported and adjusted capital only contains two quarters due to the lack of comparability to periods prior to the merger.



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