



Linde Reports Third-Quarter 2019 Results

(pursuant to section 53 of the Exchange Rules for the Frankfurt Stock Exchange)

Financial Highlights

- Sales \$7.0 billion, ex. FX +4% versus prior year
- Operating profit margin 14.3%, adjusted pro forma operating profit margin 19.8%
- Strong operating cash flow of \$1.9 billion increased 86% sequentially
- EPS \$1.34, adjusted pro forma EPS \$1.94
- Raised full-year adjusted pro forma EPS guidance to \$7.25 - \$7.30*

Guildford, UK, November 12, 2019 – Linde plc (NYSE: LIN; FWB: LIN) today reported third-quarter income from continuing operations of \$728 million and diluted earnings per share of \$1.34. Excluding Linde AG purchase accounting impacts and other charges, adjusted pro forma income from continuing operations was \$1,052 million, up 24% versus prior year and 5% sequentially. Adjusted pro forma earnings per share was \$1.94, 26% above prior year and 6% above second quarter.

Linde's sales for the third quarter were \$7,000 million. Pro forma sales were \$6,993 million, 1% higher than prior year. Excluding unfavorable currency translation effects, sales increased 4% driven by volume and price each growing 2%. Volume growth was evenly split between base business and project start-ups while price improved across all geographic segments. Sequentially, sales decreased 3% driven primarily by lower engineering sales, unfavorable currency and lower cost pass-through.

Third-quarter operating profit of \$1,000 million was 49% above the prior-year quarter mainly due to the merger, including a gain from a merger related divestiture. On an adjusted pro forma basis, operating profit of \$1,384 million was 16% above prior year or 19% when excluding unfavorable currency.

Third-quarter operating cash flow of \$1,872 million increased \$867 million versus the second quarter primarily driven by higher net income and improved working capital. During the quarter the company invested \$959 million in capital expenditures, mostly for new production plants under long-term contracts, and returned \$1,150 million to shareholders through dividends and stock repurchases.

Commenting on the financial results, Chief Executive Officer Steve Angel said, "The Linde team delivered another quarter of strong financial results with operating margins expanding 270 basis points, operating cash flow reaching \$1.9 billion and earnings per share growing 26%. These results reflect our employees' relentless focus on operational excellence and delivering value for our shareholders. For the remainder of the year we anticipate continued softening of the global economy, however, we are raising our full-year EPS guidance given the opportunities we see to continue to improve the quality of our business."



For full-year 2019, Linde expects adjusted pro forma diluted earnings per share in the range of \$7.25 to \$7.30 which represents an increase of 17% to 18% versus prior year. This range includes an estimated full-year currency headwind of 4%.

The following provides additional detail on third-quarter 2019 pro forma results for each segment:

Americas sales of \$2,771 million were 5% higher versus prior-year quarter and flat sequentially. Compared to second quarter 2019, price increased 1%, offset by negative cost pass-through. Operating profit of \$671 million was 24.2% of sales.

APAC (Asia Pacific) sales of \$1,461 million decreased 5% from prior year and 2% sequentially. Excluding negative currency and cost pass-through, sales were flat versus the prior year and up 1% sequentially. Price increased 1% versus prior year but was offset by negative volumes driven by an overall weaker economy and customer turnarounds. Sequentially, price was up 1% while volume was flat as contribution from project start-ups was offset by weaker base volumes. Operating profit of \$308 million was 21.1% of sales.

EMEA (Europe, Middle East & Africa) sales of \$1,634 million were down 4% versus prior year and 2% sequentially. Excluding unfavorable currency, sales increased 1% versus the prior year and were flat sequentially. Compared with second quarter 2019, higher pricing of 1% was offset by weaker volumes primarily due to a slowing manufacturing end-market. Operating profit of \$335 million was 20.5% of sales.

Linde Engineering sales were \$641 million and operating profit was \$120 million or 18.7% of sales. Operating profit grew 74% versus prior year and 21% sequentially due primarily to strong project execution, cost management and favorable timing of project completion.

Linde is a leading industrial gases and engineering company with 2018 pro forma sales of USD 28 billion (EUR 24 billion). The company employs approximately 80,000 people globally and serves customers in more than 100 countries worldwide. Linde delivers innovative and sustainable solutions to its customers and creates long-term value for all stakeholders. The company is making our world more productive by providing products, technologies and services that help customers improve their economic and environmental performance in a connected world.

The figures and results contained in this Quarterly Statement are prepared in accordance with U.S. GAAP. For purposes of this Quarterly Statement pursuant to section 53 of the Exchange Rules for the Frankfurt Stock Exchange, these figures and results are not materially different from IFRS as adopted by the EU. However, in case individual figures should significantly deviate, they are shown separately in this Quarterly Statement. This applies in particular to the Linde plc group revenues as a result of different accounting standards for the consolidation of joint venture participations. Based on IFRS, the Q3 2019 group revenues amount to USD 7.1 billion.

For more information about the company, please visit www.linde.com



Pro forma sales and adjusted operating profit and earnings per share are non-GAAP measures prepared on a basis consistent with Article 11 and includes certain non-GAAP adjustments.

*Note: We are providing adjusted pro forma earnings per share ("EPS") guidance for 2019. 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. At this time, we cannot provide a reconciliation of the differences between the non-GAAP adjusted pro forma EPS guidance and the corresponding GAAP EPS measure for 2019 without unreasonable effort such as (1) the impact of anticipated asset divestitures and (2) purchase accounting adjustments related to the business combination between Praxair and Linde AG. As such, these variables result in an EPS GAAP range that we believe is too large and variable to be meaningful.

Forward-looking Statements

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; regulatory or other limitations and requirements imposed as a result of the business combination of Praxair and Linde AG that could reduce anticipated benefits of the transaction; the risk that Linde plc may be unable to achieve expected synergies 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, including the impact of the U.S. Tax Cuts and Jobs Act of 2017; 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.

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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.