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Linde Reports Third-Quarter 2021 Results

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

Financial Highlights

- Sales \$7.7 billion, up 12% versus prior-year quarter
- Operating profit \$1.3 billion; adjusted operating profit \$1.8 billion, up 19%
- Operating profit margin 16.8%; adjusted operating profit margin 23.6%, up 150 basis points
- EPS \$1.88, up 42%; adjusted EPS \$2.73, up 27%
- Strong operating cash flow \$2.6 billion, up 36%
- Increased full-year 2021 adjusted EPS guidance to \$10.52 - \$10.62, representing 28% to 29% growth

Guildford, UK, October 28, 2021 – Linde plc (NYSE: LIN; FWB: LIN) today reported third-quarter 2021 income from continuing operations of \$978 million and diluted earnings per share of \$1.88, an increase of 42% versus prior year. Excluding Linde AG purchase accounting impacts and other charges, adjusted income from continuing operations was \$1,421 million, up 25% versus prior year and flat sequentially. Adjusted earnings per share was \$2.73, 27% above prior year and 1% higher sequentially.

Linde's sales for the third quarter were \$7,668 million, 12% above prior year and up 1% sequentially. Compared to prior year, underlying sales increased 11%, including 3% price attainment and 8% higher volumes. Volume growth was broad-based across all geographic segments and end markets. Sequentially, underlying sales increased 1% driven by higher price.

Third-quarter operating profit was \$1,292 million. Adjusted operating profit of \$1,810 million was up 19% versus prior year led by higher price, strong volumes and continued productivity initiatives across all segments. Adjusted operating margin of 23.6% expanded 150 basis points versus prior year and 220 basis points when excluding the effects of cost pass-through. Sequentially, operating margins were stable when excluding cost pass-through. Cost pass-through represents the contractual billing of energy cost variance, primarily to onsite customers, with minimal effect on profit.

Third-quarter operating cash flow of \$2,556 million increased 36% versus prior year and 40% sequentially. After capital expenditures of \$741 million, free cash flow was \$1,815 million, up 65% versus prior year and 68% sequentially. During the quarter, the company returned \$1,708 million to shareholders through dividends and stock repurchases, net of issuance.

In addition, the company ended the third quarter with a total backlog of approximately \$13.4 billion which includes both sale of gas and sale of plant projects, all contractually secured with high-quality customers.

Commenting on the financial results and business outlook, Chief Executive Officer Steve Angel said, "Linde employees delivered another stellar quarter achieving record EPS, operating cash flow and return on capital. We maintained our industry leading performance and significantly expanded our project backlog. We also announced new GHG emission goals including a commitment to absolute emissions reduction, reaching climate neutrality by 2050."

Angel continued, "The Linde team demonstrated, once again, they can deliver in any environment. We are well positioned for the future and I am confident our best days, indeed, lie ahead."

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For full year 2021, the company has updated its adjusted diluted earnings per share guidance to be in the range of \$10.52 to \$10.62, up 43% to 45% versus 2019 and 28% to 29% versus prior year. This guidance assumes 3% currency tailwind versus 2020. Full-year capital expenditures are expected to be in the range of \$3.0 billion to \$3.2 billion to support maintenance and growth requirements including the contractual project backlog.

Third-Quarter 2021 Results by Segment

Americas sales of \$3,091 million were 17% above prior year. Underlying sales increased 12% driven by 3% higher pricing and 9% higher volume, led by stronger demand across all end markets and project start-ups. Sequentially, price increased 1% and volumes were flat. Operating profit of \$859 million was 27.8% of sales, 30 basis points below prior year or 70 basis points higher when excluding the effects of cost pass-through.

APAC (Asia Pacific) sales of \$1,564 million were 5% above prior year. Underlying sales grew 11% driven by 1% price attainment and 10% volume growth, led by higher demand across all end markets and project start-ups. Sequentially, price increased 1% and volume grew 2%, led by growth across most end markets. Divestitures were driven by an accounting deconsolidation of a joint venture which reduced sales 11% versus prior year but had no impact on earnings per share. Operating profit of \$382 million was 24.4% of sales, up 170 basis points versus prior year or 220 basis points when excluding the effects of cost pass-through.

EMEA (Europe, Middle East & Africa) sales of \$1,911 million were up 18% versus prior year. Underlying sales grew 9% from 4% higher pricing and 5% higher volumes across all end markets. Sequentially, underlying sales were flat with pricing up 1%, offset by lower volumes. Operating profit of \$476 million was 24.9% of sales, up 210 basis points versus prior year or 370 basis points when excluding the effects of cost pass-through.

Linde Engineering sales were \$601 million, 11% below prior year largely due to the timing of plant completion. Operating profit was \$106 million or 17.6% of sales, up 200 basis points versus prior year. Order intake for the quarter was \$6,612 million and third-party sale of plant backlog was \$9.9 billion.

About Linde

Linde is a leading global industrial gases and engineering company with 2020 sales of \$27 billion (€24 billion). We live our mission of *making our world more productive* every day by providing high-quality solutions, technologies and services which are making our customers more successful and helping to sustain and protect our planet.

The company serves a variety of end markets including chemicals & energy, food & beverage, electronics, healthcare, manufacturing, metals and mining. Linde's industrial gases are used in countless applications, from life-saving oxygen for hospitals to high-purity & specialty gases for electronics manufacturing, hydrogen for clean fuels and much more. Linde also delivers state-of-the-art gas processing solutions to support customer expansion, efficiency improvements and emissions reductions.

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

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accounting standards for the consolidation of joint venture participations. Based on IFRS, the Q3 2021 group revenues amount to USD 7.8 billion.

For more information about the company and its products and services, please visit www.linde.com.

Adjusted amounts, free cash flow and return on capital are non-GAAP measures.

*Note: 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.

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 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.