



Press release

Linde Reports Third-Quarter 2020 Results

Financial Highlights

- Operating profit margin 14.1%; adjusted operating profit margin 22.1%, up 230 basis points versus prior year
- EPS of \$1.32; adjusted EPS of \$2.15, up 11%
- Strong free cash flow of \$1.1 billion, up 20%
- Increased full-year 2020 adjusted EPS guidance to \$8.05 - \$8.10, represents 12% growth year-over-year, ex-FX*

Guildford, UK, November 5, 2020 – Linde plc (NYSE: LIN; FWB: LIN) today reported third-quarter 2020 income from continuing operations of \$699 million and diluted earnings per share of \$1.32. Excluding Linde AG purchase accounting impacts and other charges, adjusted income from continuing operations was \$1,140 million, up 8% versus prior year and 13% sequentially. Adjusted earnings per share was \$2.15, 11% above prior year and 13% higher sequentially.

Linde's sales for the third quarter were \$6,855 million, 2% below prior year and up 7% sequentially. Compared to prior year, excluding the impacts of foreign currency, cost pass-through and divestitures, underlying sales decreased 1%, as 2% price attainment was more than offset by 3% lower volumes. Sequentially, industrial gas volumes increased 6% but were partially offset by a 3% decrease in Engineering sales. Higher pricing of 1% was driven by increases across all geographic segments.

Third-quarter operating profit was \$969 million. Adjusted operating profit of \$1,515 million was up 9% versus prior year led by prudent price and cost management underpinned by the stable fixed payment revenue structure. Adjusted operating margin of 22.1%, expanded 230 basis points versus prior year and 140 basis points sequentially.

Third-quarter operating cash flow of \$1,884 million increased 1% versus prior year and 7% sequentially. After capital expenditures of \$787 million, free cash flow was \$1,097 million, up 20% versus prior year. In the quarter, the company returned \$692 million to shareholders through dividends and stock repurchases, net of issuance.

Commenting on the financial results and business outlook, Chief Executive Officer Steve Angel said, "Linde employees once again delivered a strong quarter with operating profit margins expanding 230 basis points and EPS growing 11%, reaching a record of \$2.15. This high level of profitability combined with disciplined capital management resulted in further expansion of our ROC to approximately 13%."

Angel continued, "Looking ahead, there is significant uncertainty in the environment, but regardless of the underlying economy, I have confidence in our business model and high-performance culture to continue growing earnings and cash flow for years to come."

For the full year, the company expects adjusted diluted earnings per share to be in the range of \$8.05 to \$8.10, up 10% versus prior year, or 12% when excluding currency headwinds. Full-year capital expenditures are expected to range between \$3.0 billion to \$3.2 billion to support operating and growth requirements including the \$3.7 billion contractual sale of gas project backlog.



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Third-Quarter 2020 Results by Segment

Americas sales of \$2,641 million were 5% below prior-year quarter, but increased 9% sequentially. Compared with third quarter 2019, underlying sales were flat as 2% higher pricing was offset by a 2% volume decline. Sequentially, pricing increased 1% and volumes grew 8%, led by higher demand across all end markets. Operating profit of \$742 million was 28.1% of sales, up 390 basis points versus prior year and 240 basis points sequentially.

APAC (Asia Pacific) sales of \$1,484 million were 2% above prior year and up 15% sequentially. Compared to prior year, underlying sales were flat as 1% price attainment was offset by 1% volume decline. Sequentially, price increased 1% and volumes grew 10% led by higher demand, primarily in China and India. Operating profit of \$337 million was 22.7% of sales, up 160 basis points versus prior year and steady sequentially.

EMEA (Europe, Middle East & Africa) sales of \$1,622 million were down 1% versus prior year, but grew 12% sequentially. Compared with third quarter 2019, underlying sales were down 1% as 3% higher pricing was more than offset by a 4% decline in volume. Sequentially, underlying sales grew 7% due to 2% higher pricing and 5% volume growth primarily in the manufacturing, food and beverage end markets. Operating profit of \$370 million was 22.8% of sales, up 230 basis points versus prior year and 190 basis points sequentially.

Linde Engineering sales were \$678 million, 6% higher than prior year, and operating profit was \$106 million or 15.6% of sales. Order intake for the quarter was \$484 million and third-party sale of equipment backlog remained steady at \$4.9 billion.

Earnings Call

A teleconference on Linde's third-quarter 2020 results is being held today at 10:00 am EST.

| | |
|-------------------------------|---|
| Live conference call | US Toll-Free Dial-In Number: 1 855 758 5442 Germany Toll-Free Dial-In Number: 0800 181 5287 UK Toll-Free Dial-In Number: 0800 028 8438 Access code: 1760986 |
| Live webcast (listen-only) | https://investors.linde.com/events-presentations Short URL: https://t1p.de/i2ho |

Materials to be used in the teleconference are also available on the website.

About Linde

Linde is a leading global industrial gases and engineering company with 2019 sales of \$28 billion (€25 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.



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The company serves a variety of end markets including chemicals & refining, food & beverage, electronics, healthcare, manufacturing and primary metals. 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.

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. See the attachments for a summary of non-GAAP reconciliations and calculations for adjusted amounts.

Attachments: Summary Non-GAAP Reconciliations, Statements of Income, Balance Sheets, Statements of Cash Flows, Segment Information and Appendix: Non-GAAP Measures and Reconciliations.

*Note: We are providing adjusted earnings per share ("EPS") guidance for 2020. 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.



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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, 2019 filed with the SEC on March 2, 2020 and in Item 1A. of Linde plc's Form 10-Q for the period ending March 31, 2020 filed with the SEC on May 7, 2020, which should be reviewed carefully. Please consider Linde plc's forward-looking statements in light of those risks.

LINDE PLC AND SUBSIDIARIES
SUMMARY NON-GAAP RECONCILIATIONS
(UNAUDITED)

The following adjusted amounts are Non-GAAP measures and are intended to supplement investors' understanding of the company's financial statements by providing measures which investors, financial analysts and management use to help evaluate the company's operating performance. Items which the company does not believe to be indicative of ongoing business trends are excluded from these calculations so that investors can better evaluate and analyze historical and future business trends on a consistent basis. Definitions of these Non-GAAP measures may not be comparable to similar definitions used by other companies and are not a substitute for similar GAAP measures. See the "NON-GAAP MEASURES AND RECONCILIATIONS" starting on page 10 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 September 30 | | | | | | | | |
| Reported GAAP Amounts | \$ 6,855 | \$ 7,000 | \$ 969 | \$ 1,000 | \$ 699 | \$ 728 | \$ 1.32 | \$ 1.34 |
| Cost reduction program and other charges (a) | - | - | 48 | 125 | 36 | 92 | 0.07 | 0.17 |
| Pension settlement charges (b) | - | - | - | - | 5 | 30 | 0.01 | 0.07 |
| Merger-related divestitures (c) | - | (7) | - | (2) | - | (2) | - | (0.01) |
| Purchase accounting impacts - Linde AG (d) | - | - | 498 | 425 | 400 | 312 | 0.75 | 0.58 |
| Gain on sale of businesses (e) | - | - | - | (164) | - | (108) | - | (0.21) |
| Total adjustments | - | (7) | 546 | 384 | 441 | 324 | 0.83 | 0.60 |
| Adjusted amounts | \$ 6,855 | \$ 6,993 | \$ 1,515 | \$ 1,384 | \$ 1,140 | \$ 1,052 | \$ 2.15 | \$ 1.94 |

| | Sales | | Operating Profit | | Income from Continuing Operations | | Diluted EPS from Continuing Operations | |
|--|-----------|-----------|------------------|----------|-----------------------------------|----------|--|---------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Year to Date September 30 | | | | | | | | |
| Reported GAAP Amounts | \$ 19,971 | \$ 21,148 | \$ 2,293 | \$ 2,278 | \$ 1,728 | \$ 1,676 | \$ 3.25 | \$ 3.07 |
| Cost reduction program and other charges (a) | - | - | 428 | 355 | 318 | 290 | 0.60 | 0.54 |
| Pension settlement charges (b) | - | - | - | - | 5 | 76 | 0.01 | 0.15 |
| Merger-related divestitures (c) | - | (62) | - | (15) | - | (11) | - | (0.03) |
| Purchase accounting impacts - Linde AG (d) | - | - | 1,463 | 1,471 | 1,103 | 1,056 | 2.07 | 1.94 |
| Gain on sale of businesses (e) | - | - | - | (164) | - | (108) | - | (0.21) |
| Total adjustments | - | (62) | 1,891 | 1,647 | 1,426 | 1,303 | 2.68 | 2.39 |
| Adjusted amounts | \$ 19,971 | \$ 21,086 | \$ 4,184 | \$ 3,925 | \$ 3,154 | \$ 2,979 | \$ 5.93 | \$ 5.46 |

(a) To adjust for cost reduction program and other charges; 2020 includes severance of \$31 million and \$281 million for the quarter and year-to-date periods, other cost reduction charges of \$8 million and \$49 million for the quarter and year-to-date periods, and other charges of \$9 million and \$98 million for the quarter and year-to-date periods.

(b) To adjust for pension settlement charges. 2019 charges primarily related 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.

(e) To adjust for gains recognized related to the sale of businesses related to the merger.

LINDE PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(Millions of dollars, except per share data)
(UNAUDITED)

| | Quarter Ended | | Year To Date | |
|---|----------------|----------------|-----------------|-----------------|
| | September 30, | | September 30, | |
| | 2020 | 2019 | 2020 | 2019 |
| SALES | \$ 6,855 | \$ 7,000 | \$ 19,971 | \$ 21,148 |
| Cost of sales | 3,835 | 4,061 | 11,297 | 12,457 |
| Selling, general and administrative | 770 | 850 | 2,391 | 2,613 |
| Depreciation and amortization | 1,168 | 1,095 | 3,434 | 3,513 |
| Research and development | 36 | 44 | 114 | 135 |
| Cost reduction programs and other charges | 48 | 125 | 428 | 355 |
| Net gain on sale of business | - | 164 | - | 164 |
| Other income (expense) - net | (29) | 11 | (14) | 39 |
| OPERATING PROFIT | 969 | 1,000 | 2,293 | 2,278 |
| Interest expense - net | 38 | (3) | 80 | 30 |
| Net pension and OPEB cost (benefit), excluding service cost | (41) | 2 | (131) | (7) |
| INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY INVESTMENTS | 972 | 1,001 | 2,344 | 2,255 |
| Income taxes | 265 | 298 | 594 | 607 |
| INCOME FROM CONTINUING OPERATIONS BEFORE EQUITY INVESTMENTS | 707 | 703 | 1,750 | 1,648 |
| Income from equity investments | 23 | 28 | 69 | 90 |
| INCOME FROM CONTINUING OPERATIONS (INCLUDING NONCONTROLLING INTERESTS) | 730 | 731 | 1,819 | 1,738 |
| Add: income from discontinued operations, net of tax | 1 | 7 | 3 | 105 |
| INCOME (INCLUDING NONCONTROLLING INTERESTS) | 731 | 738 | 1,822 | 1,843 |
| Less: noncontrolling interests from continuing operations | (31) | (3) | (91) | (62) |
| Less: noncontrolling interests from discontinued operations | - | - | - | (7) |
| NET INCOME - LINDE PLC | <u>\$ 700</u> | <u>\$ 735</u> | <u>\$ 1,731</u> | <u>\$ 1,774</u> |
| NET INCOME - LINDE PLC | | | | |
| Income from continuing operations | \$ 699 | \$ 728 | \$ 1,728 | \$ 1,676 |
| Income from discontinued operations | \$ 1 | \$ 7 | \$ 3 | \$ 98 |
| PER SHARE DATA - LINDE PLC SHAREHOLDERS | | | | |
| Basic earnings per share from continuing operations | \$ 1.33 | \$ 1.35 | \$ 3.28 | \$ 3.09 |
| Basic earnings per share from discontinued operations | - | 0.01 | 0.01 | 0.18 |
| Basic earnings per share | <u>\$ 1.33</u> | <u>\$ 1.36</u> | <u>\$ 3.29</u> | <u>\$ 3.27</u> |
| Diluted earnings per share from continuing operations | \$ 1.32 | \$ 1.34 | \$ 3.25 | \$ 3.07 |
| Diluted earnings per share from discontinued operations | - | 0.01 | 0.01 | 0.18 |
| Diluted earnings per share | <u>\$ 1.32</u> | <u>\$ 1.35</u> | <u>\$ 3.26</u> | <u>\$ 3.25</u> |
| Cash dividends | \$ 0.963 | \$ 0.875 | \$ 2.889 | \$ 2.625 |
| WEIGHTED AVERAGE SHARES OUTSTANDING | | | | |
| Basic shares outstanding (000's) | 525,694 | 539,753 | 527,501 | 542,589 |
| Diluted shares outstanding (000's) | 530,415 | 543,616 | 531,724 | 546,507 |

Note: See page 10 for a reconciliation to adjusted amounts which are Non-GAAP.

LINDE PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(Millions of dollars)
(UNAUDITED)

| | September 30, 2020 | December 31, 2019 |
|---|-------------------------------|------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 5,199 | \$ 2,700 |
| Accounts receivable - net | 4,033 | 4,322 |
| Contract assets | 170 | 368 |
| Inventories | 1,733 | 1,697 |
| Assets held for sale | 3 | 125 |
| Prepaid and other current assets | 1,127 | 1,140 |
| TOTAL CURRENT ASSETS | 12,265 | 10,352 |
| Property, plant and equipment - net | 27,945 | 29,064 |
| Goodwill | 27,239 | 27,019 |
| Other intangibles - net | 15,731 | 16,137 |
| Other long-term assets | 4,029 | 4,040 |
| TOTAL ASSETS | \$ 87,209 | \$ 86,612 |
| LIABILITIES AND EQUITY | | |
| Accounts payable | \$ 2,903 | \$ 3,266 |
| Short-term debt | 4,024 | 1,732 |
| Current portion of long-term debt | 1,820 | 1,531 |
| Contract liabilities | 1,714 | 1,758 |
| Liabilities of assets held for sale | 1 | 2 |
| Other current liabilities | 4,330 | 3,871 |
| TOTAL CURRENT LIABILITIES | 14,792 | 12,160 |
| Long-term debt | 11,959 | 10,693 |
| Other long-term liabilities | 11,866 | 12,124 |
| TOTAL LIABILITIES | 38,617 | 34,977 |
| REDEEMABLE NONCONTROLLING INTERESTS | 13 | 113 |
| LINDE PLC SHAREHOLDERS' EQUITY: | | |
| Common stock | 1 | 1 |
| Additional paid-in capital | 40,203 | 40,201 |
| Retained earnings | 16,927 | 16,842 |
| Accumulated other comprehensive income (loss) | (5,973) | (4,814) |
| Less: Treasury stock, at cost | (4,983) | (3,156) |
| Total Linde plc shareholders' equity | 46,175 | 49,074 |
| Noncontrolling interests | 2,404 | 2,448 |
| TOTAL EQUITY | 48,579 | 51,522 |
| TOTAL LIABILITIES AND EQUITY | \$ 87,209 | \$ 86,612 |

LINDE PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Millions of dollars)
(UNAUDITED)

| | Quarter Ended September 30, | | Year to Date September 30, | |
|--|--------------------------------|----------|-------------------------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| OPERATIONS | | | | |
| Net income - Linde plc | \$ 700 | \$ 735 | \$ 1,731 | \$ 1,774 |
| Less: income from discontinued operations, net of tax and noncontrolling interests | (1) | (7) | (3) | (98) |
| Add: noncontrolling interests | 31 | 3 | 91 | 62 |
| Net income (including noncontrolling interests) | 730 | 731 | 1,819 | 1,738 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Cost reduction programs and other charges, net of payments (a) | 1 | (70) | 240 | (356) |
| Depreciation and amortization | 1,168 | 1,095 | 3,434 | 3,513 |
| Accounts receivable | 42 | 158 | (76) | (30) |
| Contract assets and liabilities, net | 18 | 68 | 89 | (35) |
| Inventory | (19) | 12 | (101) | (61) |
| Payables and accruals | 15 | (164) | (12) | (411) |
| Pension contributions | (35) | (26) | (76) | (69) |
| Deferred income taxes and other | (36) | 68 | (322) | (344) |
| Net cash provided by operating activities | 1,884 | 1,872 | 4,995 | 3,945 |
| INVESTING | | | | |
| Capital expenditures | (787) | (959) | (2,373) | (2,667) |
| Acquisitions, net of cash acquired | - | (21) | (41) | (161) |
| Divestitures and asset sales | 55 | 271 | 435 | 4,960 |
| Net cash provided by (used for) investing activities | (732) | (709) | (1,979) | 2,132 |
| FINANCING | | | | |
| Debt increase (decrease) - net | (188) | (467) | 3,335 | (1,744) |
| Issuances of ordinary shares | 16 | 5 | 41 | 60 |
| Purchases of ordinary shares | (202) | (684) | (2,030) | (1,934) |
| Cash dividends - Linde plc shareholders | (506) | (471) | (1,523) | (1,422) |
| Noncontrolling interest transactions and other (b) | (53) | (35) | (201) | (3,257) |
| Net cash provided by (used for) financing activities | (933) | (1,652) | (378) | (8,297) |
| DISCONTINUED OPERATIONS | | | | |
| Cash provided by operating activities | - | (3) | - | 67 |
| Cash provided by investing activities | - | - | - | (59) |
| Cash provided by financing activities | - | - | - | 5 |
| Net cash provided by (used for) discontinued operations | - | (3) | - | 13 |
| Effect of exchange rate changes on cash and cash equivalents | 39 | (77) | (139) | (126) |
| Change in cash and cash equivalents | 258 | (569) | 2,499 | (2,333) |
| Cash and cash equivalents, beginning-of-period | 4,941 | 2,686 | 2,700 | 4,466 |
| Cash and cash equivalents, including discontinued operations | 5,199 | 2,117 | 5,199 | 2,133 |
| Cash and cash equivalents of discontinued operations | - | 3 | - | (13) |
| Cash and cash equivalents, end-of-period | \$ 5,199 | \$ 2,120 | \$ 5,199 | \$ 2,120 |

(a) Cost reduction programs and other charges cash outflows were \$47 million and \$195 million for the quarters ended September 30, 2020 and 2019, respectively, and \$188 million and \$711 million for the nine months ended September 30, 2020 and 2019, respectively.

(b) Noncontrolling interest transactions and other for the 2019 year to date period includes approximately \$3.2 billion related to the cash merger squeeze-out of the 8% Linde AG shares which were not tendered in the exchange offer.

LINDE PLC AND SUBSIDIARIES
SEGMENT INFORMATION
(Millions of dollars)
(UNAUDITED)

| | Quarter Ended September 30, | | Year to Date September 30, | |
|---|-----------------------------|-----------------|----------------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| SALES | | | | |
| Americas | \$ 2,641 | \$ 2,771 | \$ 7,735 | \$ 8,252 |
| EMEA | 1,622 | 1,634 | 4,703 | 4,989 |
| APAC | 1,484 | 1,461 | 4,115 | 4,376 |
| Engineering | 678 | 641 | 2,096 | 2,029 |
| Other | 430 | 486 | 1,322 | 1,440 |
| Segment sales | <u>\$ 6,855</u> | <u>\$ 6,993</u> | <u>\$ 19,971</u> | <u>\$ 21,086</u> |
| Merger-related divestitures (a) | - | 7 | - | 62 |
| Total sales | <u>\$ 6,855</u> | <u>\$ 7,000</u> | <u>\$ 19,971</u> | <u>\$ 21,148</u> |
| OPERATING PROFIT | | | | |
| Americas | \$ 742 | \$ 671 | \$ 2,025 | \$ 1,901 |
| EMEA | 370 | 335 | 1,028 | 1,014 |
| APAC | 337 | 308 | 912 | 885 |
| Engineering | 106 | 120 | 335 | 297 |
| Other | (40) | (50) | (116) | (172) |
| Segment operating profit | <u>\$ 1,515</u> | <u>\$ 1,384</u> | <u>\$ 4,184</u> | <u>\$ 3,925</u> |
| Cost reduction programs and other charges | (48) | (125) | (428) | (355) |
| Merger-related divestitures (a) | - | 2 | - | 15 |
| Net gain on sale of business (b) | - | 164 | - | 164 |
| Purchase accounting impacts - Linde AG | (498) | (425) | (1,463) | (1,471) |
| Total operating profit | <u>\$ 969</u> | <u>\$ 1,000</u> | <u>\$ 2,293</u> | <u>\$ 2,278</u> |

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

(b) To adjust for gains recognized related to the sale of businesses related to the merger.

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 | | | | |
|---|-------------------------------|----------|----------|----------|-------------------------------|----------|----------|----------|----------|
| | Year to Date September 30, | Q3 | Q2 | Q1 | Year to Date September 30, | Q4 | Q3 | Q2 | Q1 |
| Adjusted Sales | | | | | | | | | |
| Reported Sales | \$ 19,971 | \$ 6,855 | \$ 6,377 | \$ 6,739 | \$ 21,148 | \$ 7,080 | \$ 7,000 | \$ 7,204 | \$ 6,944 |
| Less: Merger-related divestitures (d) | - | - | - | - | (62) | (3) | (7) | (25) | (30) |
| Adjusted Sales | \$ 19,971 | \$ 6,855 | \$ 6,377 | \$ 6,739 | \$ 21,086 | \$ 7,077 | \$ 6,993 | \$ 7,179 | \$ 6,914 |
| Adjusted Operating Profit and Operating Margin | | | | | | | | | |
| Reported operating profit | \$ 2,293 | \$ 969 | \$ 591 | \$ 733 | \$ 2,278 | \$ 655 | \$ 1,000 | \$ 669 | \$ 609 |
| Less: Merger-related divestitures (d) | - | - | - | - | (15) | (1) | (2) | (6) | (7) |
| Add: Cost reduction programs and other charges | 428 | 48 | 249 | 131 | 355 | 212 | 125 | 141 | 89 |
| Less: Net gain on sale of businesses | - | - | - | - | (164) | - | (164) | - | - |
| Add: Purchase accounting impacts - Linde AG (c) | 1,463 | 498 | 477 | 488 | 1,471 | 481 | 425 | 515 | 531 |
| Total adjustments | 1,891 | 546 | 726 | 619 | 1,647 | 692 | 384 | 650 | 613 |
| Adjusted operating profit | \$ 4,184 | \$ 1,515 | \$ 1,317 | \$ 1,352 | \$ 3,925 | \$ 1,347 | \$ 1,384 | \$ 1,319 | \$ 1,222 |
| Reported percentage change | 1 % | (3)% | (12)% | 20 % | | | | | |
| Adjusted percentage change | 7 % | 9 % | - % | 11 % | | | | | |
| Reported sales | \$ 19,971 | \$ 6,855 | \$ 6,377 | \$ 6,739 | \$ 21,148 | \$ 7,080 | \$ 7,000 | \$ 7,204 | \$ 6,944 |
| Adjusted sales | \$ 19,971 | \$ 6,855 | \$ 6,377 | \$ 6,739 | \$ 21,086 | \$ 7,077 | \$ 6,993 | \$ 7,179 | \$ 6,914 |
| Reported operating margin | 11.5 % | 14.1 % | 9.3 % | 10.9 % | 10.8 % | 9.3 % | 14.3 % | 9.3 % | 8.8 % |
| Adjusted operating margin | 21.0 % | 22.1 % | 20.7 % | 20.1 % | 18.6 % | 19.0 % | 19.8 % | 18.4 % | 17.7 % |
| Adjusted Depreciation and amortization | | | | | | | | | |
| Reported depreciation and amortization | \$ 3,434 | \$ 1,168 | \$ 1,124 | \$ 1,142 | \$ 3,513 | \$ 1,162 | \$ 1,095 | \$ 1,195 | \$ 1,223 |
| Less: Purchase accounting impacts - Linde AG (c) | (1,431) | (487) | (468) | (476) | (1,459) | (481) | (423) | (515) | (521) |
| Adjusted depreciation and amortization | \$ 2,003 | \$ 681 | \$ 656 | \$ 666 | \$ 2,054 | \$ 681 | \$ 672 | \$ 680 | \$ 702 |
| Adjusted Other Income (Expense) - net | | | | | | | | | |
| Reported Other Income (Expense) - net | \$ (14) | \$ (29) | \$ - | \$ 15 | \$ 39 | \$ 29 | \$ 11 | \$ 10 | \$ 18 |
| Add: Purchase accounting impacts - Linde AG (c) | (32) | (11) | (9) | (12) | - | - | - | - | - |
| Adjusted Other Income (Expense) - net | \$ 18 | \$ (18) | \$ 9 | \$ 27 | \$ 39 | \$ 29 | \$ 11 | \$ 10 | \$ 18 |
| Adjusted Net Pension and OPEB Cost (Benefit), Excluding Service Cost | | | | | | | | | |
| Reported net pension and OPEB cost (benefit), excluding service cost | \$ (131) | \$ (41) | \$ (45) | \$ (45) | \$ (7) | \$ (25) | \$ 2 | \$ (24) | \$ 15 |
| Add: Pension settlement charges | (6) | (6) | - | - | (101) | (6) | (40) | (10) | (51) |
| Adjusted Net Pension and OPEB cost (benefit), excluding service costs | \$ (137) | \$ (47) | \$ (45) | \$ (45) | \$ (108) | \$ (31) | \$ (38) | \$ (34) | \$ (36) |
| Adjusted Interest Expense - Net | | | | | | | | | |
| Reported interest expense - net | \$ 80 | \$ 28 | \$ 18 | \$ 24 | \$ 30 | \$ 8 | \$ (3) | \$ 10 | \$ 23 |
| Add: Purchase accounting impacts - Linde AG (c) | 67 | 23 | 22 | 22 | 74 | 22 | 22 | 25 | 27 |
| Adjusted interest expense - net | \$ 147 | \$ 61 | \$ 40 | \$ 46 | \$ 104 | \$ 30 | \$ 19 | \$ 35 | \$ 50 |
| Adjusted Income Taxes (a) | | | | | | | | | |
| Reported income taxes | \$ 594 | \$ 265 | \$ 164 | \$ 165 | \$ 607 | \$ 162 | \$ 298 | \$ 169 | \$ 140 |
| Add: Purchase accounting impacts - Linde AG (c) | 292 | 75 | 95 | 122 | 345 | 105 | 99 | 119 | 127 |
| Add: Pension settlement charges | 1 | 1 | - | - | 25 | 1 | 10 | 2 | 13 |
| Add: Cost reduction programs and other charges | 110 | 12 | 62 | 36 | 30 | 53 | (2) | 26 | 6 |
| Less: Merger-related divestitures (d) | - | - | - | - | (5) | - | (1) | (2) | (2) |
| Less: Net gain on sale of businesses | - | - | - | - | (56) | - | (56) | - | - |
| Total adjustments | 403 | 88 | 157 | 158 | 339 | 159 | 50 | 145 | 144 |
| Adjusted income taxes | \$ 997 | \$ 353 | \$ 321 | \$ 323 | \$ 946 | \$ 321 | \$ 348 | \$ 314 | \$ 284 |
| Adjusted Effective Tax Rate (a) | | | | | | | | | |
| Reported income before income taxes and equity investments | \$ 2,344 | \$ 972 | \$ 618 | \$ 754 | \$ 2,255 | \$ 672 | \$ 1,001 | \$ 683 | \$ 571 |
| Less: Merger-related divestitures (d) | - | - | - | - | (15) | (1) | (2) | (6) | (7) |
| Add: Pension settlement charge | 6 | 6 | - | - | 101 | 6 | 40 | 10 | 51 |
| Add: Purchase accounting impacts - Linde AG (c) | 1,396 | 475 | 455 | 466 | 1,397 | 459 | 403 | 490 | 504 |
| Add: Cost reduction programs and other charges | 428 | 48 | 249 | 131 | 355 | 212 | 125 | 141 | 89 |
| Less: Net gain on sale of businesses | - | - | - | - | (164) | - | (164) | - | - |
| Total adjustments | 1,830 | 529 | 704 | 597 | 1,674 | 676 | 402 | 635 | 637 |
| Adjusted income before income taxes and equity investments | \$ 4,174 | \$ 1,501 | \$ 1,322 | \$ 1,351 | \$ 3,929 | \$ 1,348 | \$ 1,403 | \$ 1,318 | \$ 1,208 |
| Reported Income taxes | \$ 594 | \$ 265 | \$ 164 | \$ 165 | \$ 607 | \$ 162 | \$ 298 | \$ 169 | \$ 140 |
| Reported effective tax rate | 25.3 % | 27.3 % | 26.5 % | 21.9 % | 26.9 % | 24.1 % | 29.8 % | 24.7 % | 24.5 % |
| Adjusted income taxes | \$ 997 | \$ 353 | \$ 321 | \$ 323 | \$ 946 | \$ 321 | \$ 348 | \$ 314 | \$ 284 |
| Adjusted effective tax rate | 23.9 % | 23.5 % | 24.3 % | 23.9 % | 24.1 % | 23.8 % | 24.8 % | 23.8 % | 23.5 % |
| Income from Equity Investments | | | | | | | | | |
| Reported income from equity investments | \$ 69 | \$ 23 | \$ 29 | \$ 17 | \$ 90 | \$ 24 | \$ 28 | \$ 28 | \$ 34 |
| Add: Purchase accounting impacts - Linde AG (c) | 42 | 14 | 14 | 14 | 43 | 14 | 15 | 14 | 14 |
| Adjusted income from equity investments | \$ 111 | \$ 37 | \$ 43 | \$ 31 | \$ 133 | \$ 38 | \$ 43 | \$ 42 | \$ 48 |
| Adjusted Noncontrolling Interests from Continuing Operations | | | | | | | | | |
| Reported noncontrolling interests from continuing operations | \$ (91) | \$ (31) | \$ (25) | \$ (35) | \$ (62) | \$ (27) | \$ (3) | \$ (29) | \$ (30) |
| Add: Cost reduction programs and other charges | - | - | - | - | (35) | - | (35) | - | - |
| Add: Purchase accounting impacts - Linde AG (c) | (43) | (14) | (14) | (15) | (40) | (14) | (8) | (17) | (15) |
| Total adjustments | (43) | (14) | (14) | (15) | (75) | (14) | (43) | (17) | (15) |
| Adjusted noncontrolling interests from continuing operations | \$ (134) | \$ (45) | \$ (39) | \$ (50) | \$ (137) | \$ (41) | \$ (46) | \$ (46) | \$ (45) |

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

Adjusted Income from Continuing Operations (b)

| | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|--------|
| Reported income from continuing operations | \$ 1,728 | \$ 699 | \$ 458 | \$ 571 | \$ 1,676 | \$ 507 | \$ 728 | \$ 513 | \$ 435 |
| Add: Pension settlement charge | 5 | 5 | - | - | 76 | 5 | 30 | 8 | 38 |
| Less: Merger-related divestitures (d) | - | - | - | - | (11) | (1) | (2) | (4) | (5) |
| Add: Cost reduction programs and other charges | 318 | 36 | 187 | 95 | 290 | 159 | 92 | 115 | 83 |
| Less: Net gain on sale of business | - | - | - | - | (108) | - | (108) | - | - |
| Add: Purchase accounting impacts - Linde AG (c) | 1,103 | 400 | 360 | 343 | 1,056 | 354 | 312 | 368 | 376 |
| Total adjustments | 1,426 | 441 | 547 | 438 | 1,303 | 517 | 324 | 487 | 492 |
| Adjusted income from continuing operations | \$ 3,154 | \$ 1,140 | \$ 1,005 | \$ 1,009 | \$ 2,979 | \$ 1,024 | \$ 1,052 | \$ 1,000 | \$ 927 |

Adjusted Diluted EPS from Continuing Operations (b)

| | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Reported diluted EPS from continuing operations | \$ 3.25 | \$ 1.32 | \$ 0.87 | \$ 1.07 | \$ 3.07 | \$ 0.94 | \$ 1.34 | \$ 0.94 | \$ 0.79 |
| Add: Pension settlement charge | 0.01 | 0.01 | - | - | 0.15 | 0.01 | 0.07 | 0.01 | 0.07 |
| Add: Cost reduction programs and other charges | 0.60 | 0.07 | 0.35 | 0.18 | 0.54 | 0.29 | 0.17 | 0.22 | 0.15 |
| Less: Merger-related divestitures (d) | - | - | - | - | (0.03) | - | (0.01) | (0.01) | (0.01) |
| Less: Net gain on sale of business | - | - | - | - | (0.21) | - | (0.21) | - | - |
| Add: Purchase accounting impacts - Linde AG | 2.07 | 0.75 | 0.68 | 0.64 | 1.94 | 0.65 | 0.58 | 0.67 | 0.69 |
| Total adjustments | 2.68 | 0.83 | 1.03 | 0.82 | 2.39 | 0.95 | 0.60 | 0.89 | 0.90 |
| Adjusted diluted EPS from continuing operations | \$ 5.93 | \$ 2.15 | \$ 1.90 | \$ 1.89 | \$ 5.46 | \$ 1.89 | \$ 1.94 | \$ 1.83 | \$ 1.69 |

| | | | | | | | | | |
|----------------------------|-----|-------|-------|------|---------|-------------------------------------|--|--|--|
| Reported percentage change | 6 % | (1) % | (7) % | 35 % | \$ 7.34 | Full Year 2019 Adjusted diluted EPS | | | |
| Adjusted percentage change | 9 % | 11 % | 4 % | 12 % | | | | | |

Adjusted Diluted EPS from Continuing Operations Guidance (e)

| | Fourth Quarter 2020 | | Full Year 2020 | |
|---|---------------------|----------|----------------|----------|
| | Low End | High End | Low End | High End |
| 2020 Adjusted Guidance | \$ 2.11 | \$ 2.16 | \$ 8.05 | \$ 8.10 |
| Adjusted percentage change versus 2019 adjusted diluted EPS | 12 % | 14 % | 10 % | 10 % |
| Add: Estimated currency headwind | 1 % | 1 % | 2 % | 2 % |
| Adjusted percentage change excluding currency | 13 % | 15 % | 12 % | 12 % |

Adjusted EBITDA and % of Sales

| | | | | | | | | | |
|--|-----------|----------|----------|----------|-----------|----------|----------|----------|----------|
| Income from continuing operations | \$ 1,728 | \$ 699 | \$ 458 | \$ 571 | \$ 1,676 | \$ 507 | \$ 728 | \$ 513 | \$ 435 |
| Add: Noncontrolling interests related to continuing operations | 91 | 31 | 25 | 35 | 62 | 27 | 3 | 29 | 30 |
| Add: Net pension and OPEB cost (benefit), excluding service cost | (131) | (41) | (45) | (45) | (7) | (25) | 2 | (24) | 15 |
| Add: Interest expense | 80 | 38 | 18 | 24 | 30 | 8 | (3) | 10 | 23 |
| Add: Income taxes | 594 | 265 | 164 | 165 | 607 | 162 | 298 | 169 | 140 |
| Add: Depreciation and amortization | 3,434 | 1,168 | 1,124 | 1,142 | 3,513 | 1,162 | 1,095 | 1,195 | 1,223 |
| EBITDA from continuing operations | 5,796 | 2,160 | 1,744 | 1,892 | 5,881 | 1,841 | 2,123 | 1,892 | 1,866 |
| Less: Merger-related divestitures (d) | - | - | - | - | (15) | (1) | (2) | (6) | (7) |
| Less: Net gain on sale of business | - | - | - | - | (164) | - | (164) | - | - |
| Add: Cost reduction programs and other charges | 428 | 48 | 249 | 131 | 355 | 212 | 125 | 141 | 89 |
| Add: Purchase accounting impacts - Linde AG | 74 | 25 | 23 | 26 | 55 | 14 | 17 | 14 | 24 |
| Total adjustments | 502 | 73 | 272 | 157 | 231 | 225 | (24) | 149 | 106 |
| Adjusted EBITDA from continuing operations | \$ 6,298 | \$ 2,233 | \$ 2,016 | \$ 2,049 | \$ 6,112 | \$ 2,066 | \$ 2,099 | \$ 2,041 | \$ 1,972 |
| Reported sales | \$ 19,971 | \$ 6,855 | \$ 6,377 | \$ 6,739 | \$ 21,148 | \$ 7,080 | \$ 7,000 | \$ 7,204 | \$ 6,944 |
| Adjusted sales | \$ 19,971 | \$ 6,855 | \$ 6,377 | \$ 6,739 | \$ 21,086 | \$ 7,077 | \$ 6,993 | \$ 7,179 | \$ 6,914 |
| % of sales | | | | | | | | | |
| EBITDA from continuing operations | 29.0 % | 31.5 % | 27.3 % | 28.1 % | 27.8 % | 26.0 % | 30.3 % | 26.3 % | 26.9 % |
| Adjusted EBITDA from continuing operations | 31.5 % | 32.6 % | 31.6 % | 30.4 % | 29.0 % | 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 and the allocation of fair value step-up for ongoing Linde AG asset disposals (reflected in Other Income/(Expense)).

Adjusted Interest Expense - Net: Relates to the amortization of the fair value of debt acquired in the merger.

Adjusted Income Taxes and Effective Tax Rate: Relates to the current and deferred income tax impact on the adjustments discussed above. The income tax expense (benefit) on the non-GAAP pre-tax adjustments was determined using the applicable tax rates for the jurisdictions that were utilized in calculating the GAAP income tax expense (benefit) and included both current and deferred income tax amounts.

Adjusted Income from Equity Investments: Represents the amortization of increased fair value on equity investments related to depreciable and amortizable assets.

Adjusted Noncontrolling Interests from Continuing Operations: Represents the noncontrolling interests' ownership portion of the adjustments described above determined on an entity by entity basis.

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

(e) We are providing adjusted earnings per share ("EPS") guidance for 2020. 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.

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

| | 2020 | | | 2019 | | | | 2018 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Free Cash Flow (FCF) - Free cash flow is a measure used by investors, financial analysts and management to evaluate the ability of a company to pursue opportunities that enhance shareholder value. FCF equals cash flow from operations less capital expenditures. | | | | | | | | |
| Operating Cash Flow | \$ 1,884 | \$ 1,764 | \$ 1,347 | \$ 2,174 | \$ 1,872 | \$ 1,005 | \$ 1,068 | \$ 1,305 |
| Less: Capital Expenditures | (787) | (783) | (803) | (1,015) | (959) | (865) | (843) | (827) |
| Free Cash Flow | \$ 1,097 | \$ 981 | \$ 544 | \$ 1,159 | \$ 913 | \$ 140 | \$ 225 | \$ 478 |
| 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 | \$ 17,803 | \$ 17,480 | \$ 16,875 | \$ 13,956 | \$ 13,201 | \$ 13,957 | \$ 14,146 | \$ 15,296 |
| Less: Cash and cash equivalents | (5,199) | (4,941) | (4,014) | (2,700) | (2,120) | (2,686) | (5,791) | (4,466) |
| Net debt | 12,604 | 12,539 | 12,861 | 11,256 | 11,081 | 11,271 | 8,355 | 10,830 |
| Less: Purchase accounting impacts - Linde AG | (133) | (150) | (170) | (195) | (211) | (243) | (262) | (291) |
| Adjusted net debt | \$ 12,471 | \$ 12,389 | \$ 12,691 | \$ 11,061 | \$ 10,870 | \$ 11,028 | \$ 8,093 | \$ 10,539 |
| Less: Net assets held for sale | (2) | (2) | (115) | (123) | (223) | (272) | (1,629) | (4,730) |
| Adjusted net debt less net assets held for sale | \$ 12,469 | \$ 12,387 | \$ 12,576 | \$ 10,938 | \$ 10,647 | \$ 10,756 | \$ 6,464 | \$ 5,809 |
| 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 | \$ 699 | \$ 458 | \$ 571 | \$ 507 | \$ 728 | \$ 513 | \$ 435 | \$ 2,870 |
| Add: noncontrolling interests from continuing operations | 31 | 25 | 35 | 27 | 3 | 29 | 30 | (33) |
| Add: interest expense - net | 38 | 18 | 24 | 8 | (3) | 10 | 23 | 72 |
| Less: tax benefit on interest expense - net * | (10) | (5) | (6) | (2) | 1 | (3) | (6) | (18) |
| Reported NOPAT | \$ 758 | \$ 496 | \$ 624 | \$ 540 | \$ 729 | \$ 549 | \$ 482 | \$ 2,891 |
| Adjusted income from continuing operations | \$ 1,140 | \$ 1,005 | \$ 1,009 | \$ 1,024 | \$ 1,052 | \$ 1,000 | \$ 927 | \$ 841 |
| Add: adjusted noncontrolling interests from continuing operations | 45 | 39 | 50 | 41 | 46 | 46 | 45 | 40 |
| Add: adjusted interest expense - net | 61 | 40 | 46 | 30 | 19 | 35 | 50 | 50 |
| Less: tax benefit on interest expense - net * | (15) | (10) | (12) | (7) | (5) | (9) | (13) | (12) |
| Adjusted NOPAT | \$ 1,231 | \$ 1,074 | \$ 1,093 | \$ 1,088 | \$ 1,112 | \$ 1,072 | \$ 1,009 | \$ 919 |
| 4-quarter trailing reported NOPAT | \$ 2,418 | \$ 2,389 | \$ 2,442 | \$ 2,300 | | | | |
| 4-quarter trailing adjusted NOPAT | \$ 4,486 | \$ 4,367 | \$ 4,365 | \$ 4,281 | | | | |
| Equity and redeemable noncontrolling interests: | | | | | | | | |
| Redeemable noncontrolling interests | \$ 13 | \$ 13 | \$ 92 | \$ 113 | \$ 14 | \$ 15 | \$ 15 | \$ 16 |
| Linde plc shareholders' equity | 46,175 | 45,537 | 44,776 | 49,074 | 48,953 | 50,564 | 51,175 | 51,596 |
| Noncontrolling interests | 2,404 | 2,387 | 2,375 | 2,448 | 2,341 | 2,315 | 5,457 | 5,484 |
| Total equity and redeemable noncontrolling interests | \$ 48,592 | \$ 47,937 | \$ 47,243 | \$ 51,635 | \$ 51,308 | \$ 52,894 | \$ 56,647 | \$ 57,096 |
| Reported capital | \$ 61,194 | \$ 60,474 | \$ 59,989 | \$ 62,768 | \$ 62,166 | \$ 63,893 | \$ 63,373 | \$ 63,196 |
| Total equity and redeemable noncontrolling interests | \$ 48,592 | \$ 47,937 | \$ 47,243 | \$ 51,635 | \$ 51,308 | \$ 52,894 | \$ 56,647 | \$ 57,096 |
| Add: Adjusted net debt less net assets held for sale | 12,469 | 12,387 | 12,576 | 10,938 | 10,647 | 10,756 | 6,464 | 5,809 |
| Less: Linde AG Goodwill (a) | 24,256 | 24,256 | 24,256 | 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 | 1,868 | 1,868 | 1,868 |
| Adjusted capital | \$ 34,937 | \$ 34,200 | \$ 33,695 | \$ 36,449 | \$ 35,890 | \$ 37,585 | \$ 37,046 | \$ 36,840 |
| (a) Represent balance sheet purchase accounting impacts of non-amortizing assets related to the Linde AG merger. | | | | | | | | |
| Ending capital (see above) | \$ 61,194 | \$ 60,474 | \$ 59,989 | \$ 62,768 | | | | |
| 5-quarter average ending capital | \$ 61,318 | \$ 61,858 | \$ 62,438 | \$ 63,079 | | | | |
| Ending adjusted capital (see above) | \$ 34,937 | \$ 34,200 | \$ 33,695 | \$ 36,449 | | | | |
| 5-quarter average ending adjusted capital | \$ 35,034 | \$ 35,564 | \$ 36,133 | \$ 36,762 | | | | |
| After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital) | 3.9 % | 3.9 % | 3.9 % | 3.6 % | | | | |
| Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital) | 12.8 % | 12.3 % | 12.1 % | 11.6 % | | | | |

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