



# Press release

## Linde Reports Second-Quarter 2021 Results

### Financial Highlights

- Sales \$7.6 billion, up 19% versus prior-year quarter
- Operating profit \$1.1 billion; adjusted operating profit \$1.8 billion, up 39%
- Operating profit margin 15.1%; adjusted operating profit margin 24.2%, up 350 basis points
- EPS \$1.60, up 84%; adjusted EPS \$2.70, up 42%
- Increased full-year 2021 adjusted EPS guidance to \$10.10 - \$10.30, representing 23% to 25% growth year-over-year

Guildford, UK, July 30, 2021 – Linde plc (NYSE: LIN; FWB: LIN) today reported second-quarter 2021 income from continuing operations of \$840 million and diluted earnings per share of \$1.60, an increase of 84% versus prior year. Excluding Linde AG purchase accounting impacts and other charges, adjusted income from continuing operations was \$1,415 million, up 41% versus prior year and 8% sequentially. Adjusted earnings per share was \$2.70, 42% above prior year and 8% higher sequentially.

Linde's sales for the second quarter were \$7,584 million, 19% above prior year and up 5% sequentially. Compared to prior year, underlying sales increased 18%, including 3% price attainment and 15% higher volumes. Volume growth was broad-based across all geographic segments and end markets. Sequentially, underlying sales increased 5% driven by higher volume and price.

Second-quarter operating profit was \$1,142 million. Adjusted operating profit of \$1,837 million was up 39% versus prior year led by higher price, strong volumes and continued productivity initiatives across all segments. Adjusted operating margin of 24.2% expanded 350 basis points versus prior year and 90 basis points sequentially.

Second-quarter operating cash flow of \$1,827 million increased 4% versus prior year. After capital expenditures of \$744 million, free cash flow was \$1,083 million, up 10% versus prior year. During the quarter, the company returned \$1,748 million to shareholders through dividends and stock repurchases, net of issuance.

In addition, the company ended the second quarter with a total backlog of approximately \$7.5 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 quarter of record breaking financial results with operating profit margins expanding 350 basis points, ROC improving to 15.7% and EPS growing 42%, reaching an all-time high of \$2.70. Our team continues to execute well against our core strategy, producing industry leading performance."

Angel continued, "Looking ahead, I'm confident the company will deliver another outstanding year."

For third quarter 2021, Linde expects adjusted diluted earnings per share in the range of \$2.60 to \$2.70, up 34% to 39% versus the same quarter in 2019 and 21% to 26% versus prior-year quarter. This guidance assumes 3% currency



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tailwind versus prior year and 1% headwind sequentially.

For full year 2021, the company has updated its adjusted diluted earnings per share guidance to be in the range of \$10.10 to \$10.30, up 38% to 40% versus 2019 and 23% to 25% 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 \$3.4 billion to support maintenance and growth requirements including the contractual project backlog.

### Second-Quarter 2021 Results by Segment

Americas sales of \$3,020 million were 25% above prior year. Underlying sales increased 21% driven by 3% higher pricing and 18% higher volume, led by stronger demand across all end markets and project start-ups. Sequentially, price increased 1% and volumes grew 5%, led primarily by higher demand in the cyclical end markets. Operating profit of \$871 million was 28.8% of sales, up 310 basis points versus prior year.

APAC (Asia Pacific) sales of \$1,544 million were 19% above prior year. Underlying sales grew 21% driven by 2% price attainment and 19% volume growth, led by higher demand across all end markets, plus project start-ups. Sequentially, price increased 1% and volume grew 7%, led by electronics and cyclical end markets. Divestitures were driven by an accounting deconsolidation of a joint venture which reduced sales 12% versus prior year, but had no impact on earnings per share. Operating profit of \$389 million was 25.2% of sales, up 250 basis points versus prior year.

EMEA (Europe, Middle East & Africa) sales of \$1,875 million were up 29% versus prior year. Underlying sales grew 16% from 4% higher pricing and 12% higher volumes across all end markets. Sequentially, underlying sales were up 3% from 1% pricing and 2% volumes. Operating profit of \$487 million was 26.0% of sales, up 510 basis points versus prior year.

Linde Engineering sales were \$646 million, 20% below prior year largely due to the timing of plant completion and operating profit was \$108 million or 16.7% of sales. Order intake for the quarter was \$355 million and third-party sale of plant backlog was \$4.1 billion.

### Earnings Call

A teleconference on Linde's second-quarter 2021 results is being held today at 9:00 am EDT.

<b>Live conference call</b>	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: 2925099
<b>Live webcast (listen-only)</b>	<a href="https://investors.linde.com/events-presentations">https://investors.linde.com/events-presentations</a> Short URL: <a href="https://t1p.de/i2ho">https://t1p.de/i2ho</a>

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



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### 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 & 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](http://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 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



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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.

**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	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Quarter Ended June 30</b>								
Reported GAAP Amounts	\$ 7,584	\$ 6,377	\$ 1,142	\$ 591	\$ 840	\$ 458	\$ 1.60	\$ 0.87
Cost reduction program and other charges (a)	-	-	204	249	198	187	0.38	0.35
Purchase accounting impacts - Linde AG (b)	-	-	491	477	377	360	0.72	0.68
Total adjustments	-	-	695	726	575	547	1.10	1.03
Adjusted amounts	\$ 7,584	\$ 6,377	\$ 1,837	\$ 1,317	\$ 1,415	\$ 1,005	\$ 2.70	\$ 1.90

	Sales		Operating Profit		Income from Continuing Operations		Diluted EPS from Continuing Operations	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Year to Date June 30</b>								
Reported GAAP Amounts	\$ 14,827	\$ 13,116	\$ 2,355	\$ 1,324	\$ 1,819	\$ 1,029	\$ 3.46	\$ 1.93
Cost reduction program and other charges (a)	-	-	196	380	170	282	0.32	0.53
Purchase accounting impacts - Linde AG (b)	-	-	974	965	738	703	1.41	1.32
Total adjustments	-	-	1,170	1,345	908	985	1.73	1.85
Adjusted amounts	\$ 14,827	\$ 13,116	\$ 3,525	\$ 2,669	\$ 2,727	\$ 2,014	\$ 5.19	\$ 3.78

(a) To adjust for cost reduction program and other charges; 2021 includes severance of \$182 million and \$208 million for the quarter and year-to-date periods, other cost reduction charges of \$22 million and \$40 million for the quarter and year-to-date periods and other charges of \$0 million for the quarter and an other net benefit of \$52 million for the year-to-date period.

(b) To adjust for purchase accounting impacts 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	
	June 30,		June 30,	
	2021	2020	2021	2020
<b>SALES</b>	\$ 7,584	\$ 6,377	\$ 14,827	\$ 13,116
Cost of sales	4,194	3,619	8,248	7,462
Selling, general and administrative	822	760	1,609	1,621
Depreciation and amortization	1,171	1,124	2,337	2,266
Research and development	34	34	69	78
Cost reduction programs and other charges	204	249	196	380
Other income (expense) - net	(17)	-	(13)	15
<b>OPERATING PROFIT</b>	<u>1,142</u>	<u>591</u>	<u>2,355</u>	<u>1,324</u>
Interest expense - net	18	18	38	42
Net pension and OPEB cost (benefit), excluding service cost	(49)	(45)	(98)	(90)
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY INVESTMENTS</b>	1,173	618	2,415	1,372
Income taxes	334	164	602	329
<b>INCOME FROM CONTINUING OPERATIONS BEFORE EQUITY INVESTMENTS</b>	839	454	1,813	1,043
Income from equity investments	37	29	80	46
<b>INCOME FROM CONTINUING OPERATIONS (INCLUDING NONCONTROLLING INTERESTS)</b>	876	483	1,893	1,089
Add: income from discontinued operations, net of tax	1	-	2	2
<b>INCOME (INCLUDING NONCONTROLLING INTERESTS)</b>	877	483	1,895	1,091
Less: noncontrolling interests from continuing operations	(36)	(25)	(74)	(60)
Less: noncontrolling interests from discontinued operations	-	-	-	-
<b>NET INCOME - LINDE PLC</b>	<u>\$ 841</u>	<u>\$ 458</u>	<u>\$ 1,821</u>	<u>\$ 1,031</u>
<b>NET INCOME - LINDE PLC</b>				
Income from continuing operations	\$ 840	\$ 458	\$ 1,819	\$ 1,029
Income from discontinued operations	\$ 1	\$ -	\$ 2	\$ 2
<b>PER SHARE DATA - LINDE PLC SHAREHOLDERS</b>				
Basic earnings per share from continuing operations	\$ 1.62	\$ 0.87	\$ 3.49	\$ 1.95
Basic earnings per share from discontinued operations	-	-	-	-
Basic earnings per share	<u>\$ 1.62</u>	<u>\$ 0.87</u>	<u>\$ 3.49</u>	<u>\$ 1.95</u>
Diluted earnings per share from continuing operations	\$ 1.60	\$ 0.87	\$ 3.46	\$ 1.93
Diluted earnings per share from discontinued operations	-	-	-	-
Diluted earnings per share	<u>\$ 1.60</u>	<u>\$ 0.87</u>	<u>\$ 3.46</u>	<u>\$ 1.93</u>
Cash dividends	\$ 1.06	\$ 0.963	\$ 2.12	\$ 1.926
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>				
Basic shares outstanding (000's)	518,950	525,510	520,691	528,385
Diluted shares outstanding (000's)	523,723	529,054	525,380	532,112

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)**

	<u>June 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,137	\$ 3,754
Accounts receivable - net	4,342	4,167
Contract assets	173	162
Inventories	1,692	1,729
Prepaid and other current assets	1,102	1,112
<b>TOTAL CURRENT ASSETS</b>	<u>10,446</u>	<u>10,924</u>
Property, plant and equipment - net	26,917	28,711
Goodwill	27,621	28,201
Other intangibles - net	14,493	16,184
Other long-term assets	4,868	4,209
<b>TOTAL ASSETS</b>	<u>\$ 84,345</u>	<u>\$ 88,229</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 3,143	\$ 3,095
Short-term debt	3,681	3,251
Current portion of long-term debt	1,827	751
Contract liabilities	1,787	1,769
Other current liabilities	4,238	4,874
<b>TOTAL CURRENT LIABILITIES</b>	<u>14,676</u>	<u>13,740</u>
Long-term debt	9,984	12,152
Other long-term liabilities	12,457	12,755
<b>TOTAL LIABILITIES</b>	<u>37,117</u>	<u>38,647</u>
<b>REDEEMABLE NONCONTROLLING INTERESTS</b>	13	13
<b>LINDE PLC SHAREHOLDERS' EQUITY:</b>		
Common stock	1	1
Additional paid-in capital	40,200	40,202
Retained earnings	17,820	17,178
Accumulated other comprehensive income (loss)	(4,908)	(4,690)
Less: Treasury stock, at cost	(7,336)	(5,374)
Total Linde plc shareholders' equity	<u>45,777</u>	<u>47,317</u>
Noncontrolling interests	1,438	2,252
<b>TOTAL EQUITY</b>	<u>47,215</u>	<u>49,569</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 84,345</u>	<u>\$ 88,229</u>

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

	Quarter Ended		Year to Date	
	June 30,		June 30,	
	2021	2020	2021	2020
<b>OPERATIONS</b>				
Net income - Linde plc	\$ 841	\$ 458	\$ 1,821	\$ 1,031
Less: income from discontinued operations, net of tax and noncontrolling interests	(1)	-	(2)	(2)
Add: noncontrolling interests	36	25	74	60
Net income (including noncontrolling interests)	876	483	1,893	1,089
Adjustments to reconcile net income to net cash provided by operating activities:				
Cost reduction programs and other charges, net of payments (a)	171	199	95	239
Depreciation and amortization	1,171	1,124	2,337	2,266
Accounts receivable	(210)	(9)	(388)	(118)
Contract assets and liabilities, net	(140)	(105)	51	71
Inventory	18	(20)	(42)	(82)
Payables and accruals	(30)	156	39	(27)
Pension contributions	(16)	(24)	(28)	(41)
Deferred income taxes and other	(13)	(40)	(21)	(286)
Net cash provided by operating activities	1,827	1,764	3,936	3,111
<b>INVESTING</b>				
Capital expenditures	(744)	(783)	(1,506)	(1,586)
Acquisitions, net of cash acquired	(21)	-	(31)	(41)
Divestitures and asset sales	56	149	77	380
Net cash provided by (used for) investing activities	(709)	(634)	(1,460)	(1,247)
<b>FINANCING</b>				
Debt increase (decrease) - net	(367)	411	314	3,523
Issuances of ordinary shares	15	12	32	25
Purchases of ordinary shares	(1,214)	-	(2,082)	(1,828)
Cash dividends - Linde plc shareholders	(549)	(506)	(1,102)	(1,017)
Noncontrolling interest transactions and other	(30)	(121)	(277)	(148)
Net cash provided by (used for) financing activities	(2,145)	(204)	(3,115)	555
Effect of exchange rate changes on cash and cash equivalents	68	1	22	(178)
Change in cash and cash equivalents	(959)	927	(617)	2,241
Cash and cash equivalents, beginning-of-period	4,096	4,014	3,754	2,700
Cash and cash equivalents, end-of-period	\$ 3,137	\$ 4,941	\$ 3,137	\$ 4,941

(a) Cost reduction programs and other charges were \$204 million and \$249 million for the quarters ended June 30, 2021 and 2020, respectively, and \$196 million and \$380 million for the six months ended June 30, 2021 and 2020, respectively. Related cash outflows were \$33 million and \$50 million for the quarters ended June 30, 2021 and 2020, respectively, and \$101 million and \$141 million for the six months ended June 30, 2021 and 2020, respectively.



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

	Quarter Ended June 30,		Year to Date June 30,	
	2021	2020	2021	2020
<b>SALES</b>				
Americas	\$ 3,020	\$ 2,417	\$ 5,860	\$ 5,094
EMEA	1,875	1,448	3,674	3,081
APAC	1,544	1,295	2,980	2,631
Engineering	646	810	1,320	1,418
Other	499	407	993	892
Total segment sales	\$ 7,584	\$ 6,377	\$ 14,827	\$ 13,116
<b>OPERATING PROFIT</b>				
Americas	\$ 871	\$ 622	\$ 1,666	\$ 1,283
EMEA	487	303	938	658
APAC	389	294	740	575
Engineering	108	138	217	229
Other	(18)	(40)	(36)	(76)
Segment operating profit	\$ 1,837	\$ 1,317	\$ 3,525	\$ 2,669
Cost reduction programs and other charges	(204)	(249)	(196)	(380)
Purchase accounting impacts - Linde AG	(491)	(477)	(974)	(965)
Total operating profit	\$ 1,142	\$ 591	\$ 2,355	\$ 1,324

**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.

	2021			2020				
	Year to Date June 30,	Q2	Q1	Year to Date June 30,	Q4	Q3	Q2	Q1
<b>Adjusted Operating Profit and Operating Margin</b>								
Reported operating profit	\$ 2,355	\$ 1,142	\$ 1,213	\$ 1,324	\$ 1,029	\$ 969	\$ 591	\$ 733
Add: Cost reduction programs and other charges	196	204	(8)	380	78	48	249	131
Add: Purchase accounting impacts - Linde AG (c)	974	491	483	965	506	498	477	488
Total adjustments	1,170	695	475	1,345	584	546	726	619
Adjusted operating profit	\$ 3,525	\$ 1,837	\$ 1,688	\$ 2,669	\$ 1,613	\$ 1,515	\$ 1,317	\$ 1,352
Reported percentage change	78 %	93 %	65 %	4 %			(12)%	20 %
Adjusted percentage change	32 %	39 %	25 %	5 %			- %	11 %
Reported sales	\$ 14,827	\$ 7,584	\$ 7,243	\$ 13,116	\$ 7,272	\$ 6,855	\$ 6,377	\$ 6,739
Reported operating margin	15.9 %	15.1 %	16.7 %	10.1 %	14.2 %	14.1 %	9.3 %	10.9 %
Adjusted operating margin	23.8 %	24.2 %	23.3 %	20.3 %	22.2 %	22.1 %	20.7 %	20.1 %
<b>Adjusted Depreciation and amortization</b>								
Reported depreciation and amortization	\$ 2,337	\$ 1,171	\$ 1,166	\$ 2,266	\$ 1,192	\$ 1,168	\$ 1,124	\$ 1,142
Less: Purchase accounting impacts - Linde AG (c)	(957)	(479)	(478)	(944)	(489)	(487)	(488)	(476)
Adjusted depreciation and amortization	\$ 1,380	\$ 692	\$ 688	\$ 1,322	\$ 703	\$ 681	\$ 636	\$ 666
<b>Adjusted Other Income (Expense) - net</b>								
Reported Other Income (Expense) - net	\$ (13)	\$ (17)	\$ 4	\$ 15	\$ (47)	\$ (29)	\$ -	\$ 15
Add: Purchase accounting impacts - Linde AG (c)	(17)	(12)	(5)	(21)	(17)	(11)	(9)	(12)
Adjusted Other Income (Expense) - net	\$ 4	\$ (5)	\$ 9	\$ 36	\$ (30)	\$ (18)	\$ 9	\$ 27
<b>Adjusted Net Pension and OPEB Cost (Benefit), Excluding Service Cost</b>								
Reported net pension and OPEB cost (benefit), excluding service cost	\$ (98)	\$ (49)	\$ (49)	\$ (90)	\$ (46)	\$ (41)	\$ (45)	\$ (45)
Add: Pension settlement charges	-	-	-	-	-	(6)	-	-
Adjusted Net Pension and OPEB cost (benefit), excluding service costs	\$ (98)	\$ (49)	\$ (49)	\$ (90)	\$ (46)	\$ (47)	\$ (45)	\$ (45)
<b>Adjusted Interest Expense - Net</b>								
Reported interest expense - net	\$ 38	\$ 18	\$ 20	\$ 42	\$ 35	\$ 38	\$ 18	\$ 24
Add: Purchase accounting impacts - Linde AG (c)	33	15	18	44	18	23	22	22
Less: Bond Redemption	-	-	-	-	(16)	-	-	-
Total adjustments	33	15	18	44	2	23	22	22
Adjusted interest expense - net	\$ 71	\$ 33	\$ 38	\$ 86	\$ 37	\$ 61	\$ 40	\$ 46
<b>Adjusted Income Taxes (a)</b>								
Reported income taxes	\$ 602	\$ 334	\$ 268	\$ 329	\$ 253	\$ 265	\$ 164	\$ 165
Add: Purchase accounting impacts - Linde AG (c)	234	116	118	217	107	75	95	122
Add: Pension settlement charges	-	-	-	-	-	1	-	-
Add: Cost reduction programs and other charges	26	6	20	98	20	12	62	36
Less: Bond Redemption	-	-	-	-	4	-	-	-
Total adjustments	260	122	138	315	131	88	157	158
Adjusted income taxes	\$ 862	\$ 456	\$ 406	\$ 644	\$ 384	\$ 353	\$ 321	\$ 323
<b>Adjusted Effective Tax Rate (a)</b>								
Reported income before income taxes and equity investments	\$ 2,415	\$ 1,173	\$ 1,242	\$ 1,372	\$ 1,040	\$ 972	\$ 618	\$ 754
Add: Pension settlement charge	-	-	-	-	-	6	-	-
Add: Purchase accounting impacts - Linde AG (c)	941	476	465	921	488	475	455	466
Add: Cost reduction programs and other charges	196	204	(8)	380	78	48	249	131
Less: Bond Redemption	-	-	-	-	16	-	-	-
Total adjustments	1,137	680	457	1,301	582	529	704	597
Adjusted income before income taxes and equity investments	\$ 3,552	\$ 1,853	\$ 1,699	\$ 2,673	\$ 1,622	\$ 1,501	\$ 1,322	\$ 1,351
Reported Income taxes	\$ 602	\$ 334	\$ 268	\$ 329	\$ 253	\$ 265	\$ 164	\$ 165
Reported effective tax rate	24.9 %	28.5 %	21.6 %	24.0 %	24.3 %	27.3 %	26.5 %	21.9 %
Adjusted income taxes	\$ 862	\$ 456	\$ 406	\$ 644	\$ 384	\$ 353	\$ 321	\$ 323
Adjusted effective tax rate	24.3 %	24.6 %	23.9 %	24.1 %	23.7 %	23.5 %	24.3 %	23.9 %
<b>Income from Equity Investments</b>								
Reported income from equity investments	\$ 80	\$ 37	\$ 43	\$ 46	\$ 16	\$ 23	\$ 29	\$ 17
Add: Purchase accounting impacts - Linde AG (c)	38	19	19	28	15	14	14	14
Adjusted income from equity investments	\$ 118	\$ 56	\$ 62	\$ 74	\$ 31	\$ 37	\$ 43	\$ 31
<b>Adjusted Noncontrolling Interests from Continuing Operations</b>								
Reported noncontrolling interests from continuing operations	\$ (74)	\$ (36)	\$ (38)	\$ (60)	\$ (34)	\$ (31)	\$ (25)	\$ (35)
Add: Cost reduction programs and other charges	-	-	-	-	(4)	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	(7)	(2)	(5)	(29)	(14)	(14)	(14)	(15)
Total adjustments	(7)	(2)	(5)	(29)	(18)	(14)	(14)	(15)
Adjusted noncontrolling interests from continuing operations	\$ (81)	\$ (38)	\$ (43)	\$ (89)	\$ (52)	\$ (45)	\$ (39)	\$ (50)

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

	2021			2020				
	Year to Date June 30,	Q2	Q1	Year to Date June 30,	Q4	Q3	Q2	Q1
<b>Adjusted Income from Continuing Operations (b)</b>								
Reported income from continuing operations	\$ 1,819	\$ 840	\$ 979	\$ 1,029	\$ 769	\$ 699	\$ 458	\$ 571
Add: Pension settlement charge	-	-	-	-	-	5	-	-
Add: Cost reduction programs and other charges	170	198	(28)	282	54	36	187	95
Less: Bond redemption	-	-	-	-	12	-	-	-
Add: Purchase accounting impacts - Linde AG (c)	738	377	361	703	382	400	360	343
Total adjustments	908	575	333	985	448	441	547	438
Adjusted income from continuing operations	\$ 2,727	\$ 1,415	\$ 1,312	\$ 2,014	\$ 1,217	\$ 1,140	\$ 1,005	\$ 1,009

**Adjusted Diluted EPS from Continuing Operations (b)**

Reported diluted EPS from continuing operations	\$ 3.46	\$ 1.60	\$ 1.86	\$ 1.93	\$ 1.45	\$ 1.32	\$ 0.87	\$ 1.07
Add: Pension settlement charge	-	-	-	-	-	0.01	-	-
Add: Cost reduction programs and other charges	0.32	0.38	(0.05)	0.53	0.10	0.07	0.35	0.18
Less: Bond Redemption	-	-	-	-	0.02	-	-	-
Add: Purchase accounting impacts - Linde AG	1.41	0.72	0.68	1.32	0.73	0.75	0.68	0.64
Total adjustments	1.73	1.10	0.63	1.85	0.85	0.83	1.03	0.82
Adjusted diluted EPS from continuing operations	\$ 5.19	\$ 2.70	\$ 2.49	\$ 3.78	\$ 2.30	\$ 2.15	\$ 1.90	\$ 1.89

Reported percentage change	79 %	84 %	74 %	12 %	54 %	(1)%	(7)%	35 %
Adjusted percentage change	37 %	42 %	32 %	7 %	22 %	11 %	4 %	12 %

**Adjusted Diluted EPS from Continuing Operations Guidance (d)**

	Third Quarter 2021		Full Year 2021	
	Low End	High End	Low End	High End
2021 Adjusted Guidance	\$ 2.60	\$ 2.70	\$ 10.10	\$ 10.30
Adjusted percentage changes versus 2020 adjusted diluted EPS	21 %	26 %	23 %	25 %
Add: Estimated currency headwind/(tailwind)	(3)%	(3)%	(3)%	(3)%
Adjusted percentage change excluding currency	18 %	23 %	20 %	22 %

**Adjusted EBITDA and % of Sales**

Income from continuing operations	\$ 1,819	\$ 840	\$ 979	\$ 1,029	\$ 769	\$ 699	\$ 458	\$ 571
Add: Noncontrolling interests related to continuing operations	74	36	38	60	34	31	25	35
Add: Net pension and OPEB cost (benefit), excluding service cost	(98)	(49)	(49)	(90)	(46)	(41)	(45)	(45)
Add: Interest expense	38	18	20	42	35	38	18	24
Add: Income taxes	602	334	268	329	253	265	164	165
Add: Depreciation and amortization	2,337	1,171	1,166	2,266	1,192	1,168	1,124	1,142
EBITDA from continuing operations	4,772	2,350	2,422	3,636	2,237	2,160	1,744	1,892
Add: Cost reduction programs and other charges	196	204	(8)	380	78	48	249	131
Add: Purchase accounting impacts - Linde AG	55	31	24	49	32	25	23	26
Total adjustments	251	235	16	429	110	73	272	157
Adjusted EBITDA from continuing operations	\$ 5,023	\$ 2,585	\$ 2,438	\$ 4,065	\$ 2,347	\$ 2,233	\$ 2,016	\$ 2,049
Reported sales	\$ 14,827	\$ 7,584	\$ 7,243	\$ 13,116	\$ 7,272	\$ 6,855	\$ 6,377	\$ 6,739
% of sales								
EBITDA from continuing operations	32.2 %	31.0 %	33.4 %	27.7 %	30.8 %	31.5 %	27.3 %	28.1 %
Adjusted EBITDA from continuing operations	33.9 %	34.1 %	33.7 %	31.0 %	32.3 %	32.6 %	31.6 %	30.4 %

(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 purchase 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) 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.

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

	2021		2020				2019				
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
<b>Free Cash Flow (FCF)</b> - 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	\$ 1,827	\$ 2,109	\$ 2,434	\$ 1,884	\$ 1,764	\$ 1,347	\$ 2,174	\$ 1,872	\$ 1,005	\$ 1,068	
Less: Capital Expenditures	(744)	(762)	(1,027)	(787)	(783)	(803)	(1,015)	(959)	(865)	(843)	
<b>Free Cash Flow</b>	<b>\$ 1,083</b>	<b>\$ 1,347</b>	<b>\$ 1,407</b>	<b>\$ 1,097</b>	<b>\$ 981</b>	<b>\$ 544</b>	<b>\$ 1,159</b>	<b>\$ 913</b>	<b>\$ 140</b>	<b>\$ 225</b>	
<b>Net Debt</b> - 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	\$ 15,492	\$ 15,750	\$ 16,154	\$ 17,803	\$ 17,480	\$ 16,875	\$ 13,956	\$ 13,201	\$ 13,957	\$ 14,146	
Less: Cash and cash equivalents	(3,137)	(4,096)	(3,754)	(5,199)	(4,941)	(4,014)	(2,700)	(2,120)	(2,686)	(5,791)	
Net debt	12,355	11,654	12,400	12,604	12,539	12,861	11,256	11,081	11,271	8,355	
Less: Purchase accounting impacts - Linde AG	(84)	(98)	(121)	(133)	(150)	(170)	(195)	(211)	(243)	(262)	
Adjusted net debt	\$ 12,271	\$ 11,556	\$ 12,279	\$ 12,471	\$ 12,389	\$ 12,691	\$ 11,061	\$ 10,870	\$ 11,028	\$ 8,093	
Less: Net assets held for sale	(1)	(4)	(3)	(2)	(2)	(115)	(123)	(223)	(272)	(1,629)	
Adjusted net debt less net assets held for sale	<b>\$ 12,270</b>	<b>\$ 11,552</b>	<b>\$ 12,276</b>	<b>\$ 12,469</b>	<b>\$ 12,387</b>	<b>\$ 12,576</b>	<b>\$ 10,938</b>	<b>\$ 10,647</b>	<b>\$ 10,756</b>	<b>\$ 6,464</b>	
<b>After-tax Return on Capital and Adjusted After-tax Return on Capital (ROC)</b> - 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	\$ 840	\$ 979	\$ 769	\$ 699	\$ 458	\$ 571	\$ 507	\$ 728	\$ 513	\$ 435	
Add: noncontrolling interests from continuing operations	36	38	34	31	25	35	27	3	29	30	
Add: interest expense - net	18	20	35	38	18	24	8	(3)	10	23	
Less: tax benefit on interest expense - net *	(5)	(5)	(9)	(10)	(5)	(6)	(2)	1	(3)	(6)	
<b>Reported NOPAT</b>	<b>\$ 889</b>	<b>\$ 1,032</b>	<b>\$ 829</b>	<b>\$ 758</b>	<b>\$ 496</b>	<b>\$ 624</b>	<b>\$ 540</b>	<b>\$ 729</b>	<b>\$ 549</b>	<b>\$ 482</b>	
Adjusted income from continuing operations	\$ 1,415	\$ 1,312	\$ 1,217	\$ 1,140	\$ 1,005	\$ 1,009	\$ 1,024	\$ 1,052	\$ 1,000	\$ 927	
Add: adjusted noncontrolling interests from continuing operations	38	43	52	45	39	50	41	46	46	45	
Add: adjusted interest expense - net	33	38	37	61	40	46	30	19	35	50	
Less: tax benefit on interest expense - net *	(8)	(10)	(9)	(15)	(10)	(12)	(7)	(5)	(9)	(13)	
<b>Adjusted NOPAT</b>	<b>\$ 1,478</b>	<b>\$ 1,383</b>	<b>\$ 1,297</b>	<b>\$ 1,231</b>	<b>\$ 1,074</b>	<b>\$ 1,093</b>	<b>\$ 1,088</b>	<b>\$ 1,112</b>	<b>\$ 1,072</b>	<b>\$ 1,009</b>	
4-quarter trailing reported NOPAT	\$ 3,508	\$ 3,115	\$ 2,707	\$ 2,418	\$ 2,389	\$ 2,442	\$ 2,300				
4-quarter trailing adjusted NOPAT	\$ 5,389	\$ 4,985	\$ 4,695	\$ 4,486	\$ 4,367	\$ 4,365	\$ 4,281				
Equity and redeemable noncontrolling interests:											
Redeemable noncontrolling interests	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 92	\$ 113	\$ 14	\$ 15	\$ 15	
Linde plc shareholders' equity	45,777	46,210	47,317	46,175	45,537	44,776	49,074	48,953	50,564	51,175	
Noncontrolling interests	1,438	1,410	2,252	2,404	2,387	2,375	2,448	2,341	2,315	5,457	
Total equity and redeemable noncontrolling interests	<b>\$ 47,228</b>	<b>\$ 47,633</b>	<b>\$ 49,582</b>	<b>\$ 48,592</b>	<b>\$ 47,937</b>	<b>\$ 47,243</b>	<b>\$ 51,635</b>	<b>\$ 51,308</b>	<b>\$ 52,894</b>	<b>\$ 56,647</b>	
Reported capital	\$ 59,582	\$ 59,283	\$ 61,979	\$ 61,194	\$ 60,474	\$ 59,989	\$ 62,768	\$ 62,166	\$ 63,893	\$ 63,373	
Total equity and redeemable noncontrolling interests	\$ 47,228	\$ 47,633	\$ 49,582	\$ 48,592	\$ 47,937	\$ 47,243	\$ 51,635	\$ 51,308	\$ 52,894	\$ 56,647	
Add: Adjusted net debt less net assets held for sale	12,270	11,552	12,276	12,469	12,387	12,576	10,938	10,647	10,756	6,464	
Less: Linde AG Goodwill (a)	24,256	24,256	24,256	24,256	24,256	24,256	24,256	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	1,868	1,868	
Adjusted capital	<b>\$ 33,374</b>	<b>\$ 33,061</b>	<b>\$ 35,734</b>	<b>\$ 34,937</b>	<b>\$ 34,200</b>	<b>\$ 33,695</b>	<b>\$ 36,449</b>	<b>\$ 35,890</b>	<b>\$ 37,585</b>	<b>\$ 37,046</b>	
(a) Represent opening balance sheet purchase accounting impacts of non-amortizing assets related to the Linde AG merger.											
Ending capital (see above)	\$ 59,582	\$ 59,283	\$ 61,979	\$ 61,194	\$ 60,474	\$ 59,989					
5-quarter average ending capital	\$ 60,502	\$ 60,584	\$ 61,281	\$ 61,318	\$ 61,858	\$ 62,438					
Ending adjusted capital (see above)	\$ 33,374	\$ 33,061	\$ 35,734	\$ 34,937	\$ 34,200	\$ 33,695					
5-quarter average ending adjusted capital	\$ 34,261	\$ 34,325	\$ 35,003	\$ 35,034	\$ 35,564	\$ 36,133					
<b>After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)</b>	<b>5.8 %</b>	<b>5.1 %</b>	<b>4.4 %</b>	<b>3.9 %</b>	<b>3.9 %</b>	<b>3.9 %</b>					
<b>Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital)</b>	<b>15.7 %</b>	<b>14.5 %</b>	<b>13.4 %</b>	<b>12.8 %</b>	<b>12.3 %</b>	<b>12.1 %</b>					

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