



Linde Reports First-Quarter 2021 Results

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

Financial Highlights

- Sales \$7.2 billion, up 7% versus prior-year quarter
- Operating profit \$1.2 billion; adjusted operating profit \$1.7 billion, up 25%
- Operating profit margin 16.7%; adjusted operating profit margin 23.3%, up 320 basis points
- EPS \$1.86; adjusted EPS \$2.49, up 32%
- Strong operating cash flow \$2.1 billion, up 57%
- Increased full-year 2021 adjusted EPS guidance to \$9.60 - \$9.80, represents 17% to 19% growth year-over-year

Guildford, UK, May 6, 2021 – Linde plc (NYSE: LIN; FWB: LIN) today reported first-quarter 2021 income from continuing operations of \$979 million and diluted earnings per share of \$1.86, an increase of 74% versus prior year. Excluding Linde AG purchase accounting impacts and other charges, adjusted income from continuing operations was \$1,312 million, up 30% versus prior year and 8% sequentially. Adjusted earnings per share was \$2.49, 32% above prior year and 8% higher sequentially.

Linde's sales for the first quarter were \$7,243 million, 7% above prior year and flat sequentially. Compared to prior year, underlying sales increased 5%, including 2% price attainment and 3% higher volumes, led by healthcare, electronics and a recovery in the cyclical end markets of manufacturing, metals, chemicals and refining. Sequentially, underlying sales increased 2% driven by higher volume and price.

First-quarter operating profit was \$1,213 million. Adjusted operating profit of \$1,688 million was up 25% versus prior year led by higher price and continued productivity initiatives across all segments. Adjusted operating margin of 23.3% expanded 320 basis points versus prior year and 110 basis points sequentially.

First-quarter operating cash flow of \$2,109 million increased 57% versus prior year. After capital expenditures of \$762 million, free cash flow was \$1,347 million, up 148% versus prior year. During the quarter, the company returned \$1,404 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 delivered another strong quarter of financial results with operating profit margins expanding over 320 basis points, ROC improving to 14.5% and operating cash flow increasing 57%. In addition, EPS grew 32%, reaching a new record high of \$2.49. The resiliency of our business model coupled with the ability to leverage any economic recovery has allowed Linde to continue delivering stellar results."

Angel continued, "Looking ahead, I have confidence the company will continue to create significant shareholder value for years to come."

For the second quarter of 2021, Linde expects adjusted diluted earnings per share in the range of \$2.50 to \$2.55, up 37% to 39% versus the same quarter in 2019 and 32% to 34% versus prior-year quarter. This guidance assumes a year-over-year 4% currency tailwind and sequentially a negative currency impact of 1%.

For the full year 2021, the company expects adjusted diluted earnings per share to be in the range of \$9.60 to \$9.80, up 31% to 34% versus 2019 and 17% to 19% versus prior year. This guidance assumes a 2% 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 \$3.5 billion contractual sale of gas project backlog.



First-Quarter 2021 Results by Segment

Americas sales of \$2,840 million were 6% above prior year. Underlying sales increased 7% driven by 3% higher pricing and 4% higher volume, led by higher demand across all end markets. Sequentially, price increased 1% and volumes grew 3%, led by higher demand in healthcare, electronics and cyclical end markets. Operating profit of \$795 million was 28.0% of sales, up 330 basis points versus prior year.

APAC (Asia Pacific) sales of \$1,436 million were 7% above prior year. Underlying sales grew 11% driven by 1% price attainment and 10% volume growth, primarily in the electronics and cyclical end markets plus project start-ups. Sequentially, volume was flat as contribution from project start-ups was offset by weaker base volumes, mainly due to seasonality. Divestitures were driven by an accounting deconsolidation of a joint venture which reduced sales 11% versus prior year and 12% sequentially, but had no impact on earnings per share. Operating profit of \$351 million was 24.4% of sales, up 340 basis points versus prior year.

EMEA (Europe, Middle East & Africa) sales of \$1,799 million were up 10% versus prior year. Underlying sales grew 4%, primarily led by 3% higher pricing and increased demand from the healthcare end market. Sequentially, underlying sales were flat, with 1% higher pricing offset by slightly lower volumes. Operating profit of \$451 million was 25.1% of sales, up 340 basis points versus prior year.

Linde Engineering sales were \$674 million, 11% above prior year, and operating profit was \$109 million or 16.2% of sales. Order intake for the quarter was \$461 million, up 30% sequentially, and third-party sale of equipment backlog was \$4.3 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 & 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.

The figures and results contained in this Quarterly Statement are prepared in accordance with U.S. GAAP. For purposes of this Quarterly Statement pursuant to section 53 of the Exchange Rules for the Frankfurt Stock Exchange, these figures and results are not materially different from IFRS as adopted by the EU. However, in case individual figures should significantly deviate, they are shown separately in this Quarterly Statement. This applies in particular to the Linde plc group revenues as a result of different accounting standards for the consolidation of joint venture participations. Based on IFRS, the Q1 2021 group revenues amount to USD 7.4 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. 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 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.