



Conference Call 9M 2017 Results

Leading.



THE LINDE GROUP

27 October 2017

This discussion may contain forward-looking statements about Linde and its businesses, including statements concerning its strategies, future growth potential of markets and products, profitability in specific areas, future product portfolio, and development of and competition in economics and markets, as well as statements concerning the proposed business combination between Linde and Praxair.

Any such forward-looking statements involve known and unknown risks which may cause actual results to differ significantly from any future results expressed or implied. While we believe that the assumptions made and the expectations reflected in today's discussion are reasonable, no assurance can be given that such assumptions or expectations will prove to have been correct. We undertake no obligation to update or revise the forward-looking statements in today's discussion.

Please also be aware that in connection with the proposed business combination transaction, Linde plc, a newly formed holding company, has filed a registration statement with the U.S. Securities and Exchange Commission and published an offer document which was approved for publication by the German Federal Financial Supervisory Authority (BaFin) and an amendment to such offer document. Praxair's stockholders approved the merger at Praxair's special meeting held on September 27, 2017. We urge you to read the offer document and the amendment thereto regarding the proposed business combination and offer because it contains important information.

Agenda



Part 1 – Operational & Financial Performance 9M 2017

Part 2 – Strategic Plan and Outlook

Appendix

Performance 9M 2017

Highlights

[EUR]		9M 2016	9M 2017	yoy [%]	yoy [%] adj.for FX
Revenue	[m]	12,530	12,864	+2.7	+2.4
Operating profit	[m]	3,035	3,151	+3.8	+3.7
Operating margin	[%]	24.2	24.5	+30bp	
Operating cash flow	[m]	2,472	2,289	-7.4	
EPS before special items (undiluted)		5.23	5.71	+9.2	

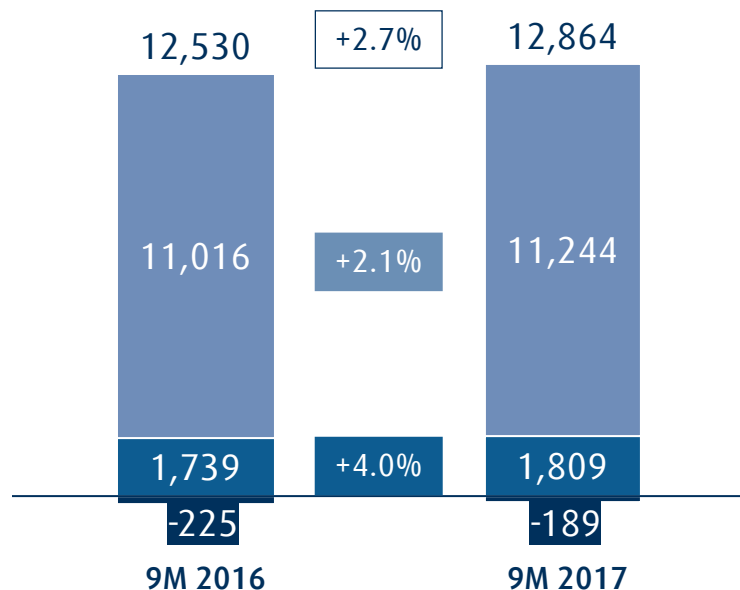
- Revenue growth driven by industrial gases business and higher contribution from Engineering
- Margin increase by 30bp supported by Gases Division
- Stable operating cash flow in Gases; Group cash flow up year-on-year by 12% in Q3
- Special items of EUR 277m related to restructuring and planned merger
- Strong increase of 9.2% in EPS before special items (undiluted)

All figures from continuing operations
Please see definitions of key financial figures in the appendix

Group | Revenue and operating profit by division

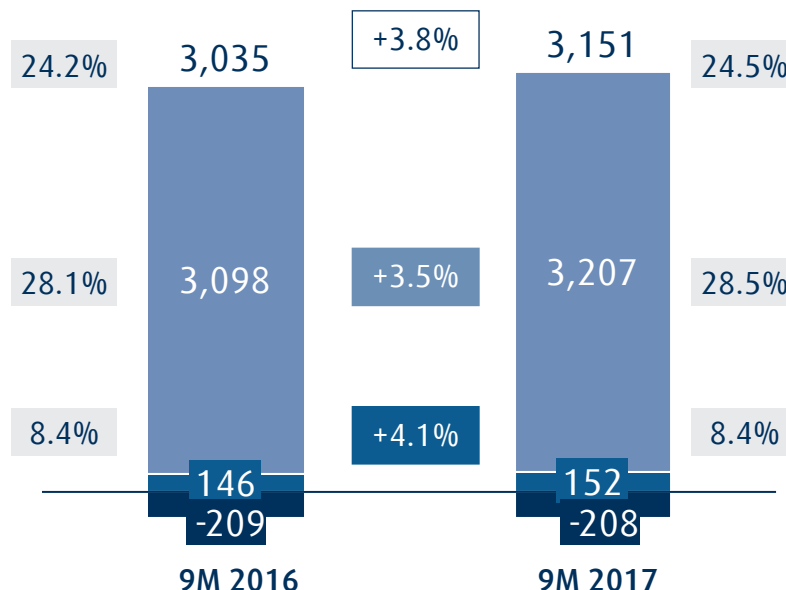
Revenue growth in both Gases and Engineering

Revenue [EUR m]



■ Gases ■ Engineering ■ Other/Cons.

Operating profit [EUR m]



■ Gases ■ Engineering ■ Other/Cons.

Gases

Revenue driven by organic growth, natural gas price effects and currency

Engineering

Positive revenue development

Gases

Margin improvement of 60bp to 28.7% after adjusting for higher natural gas prices

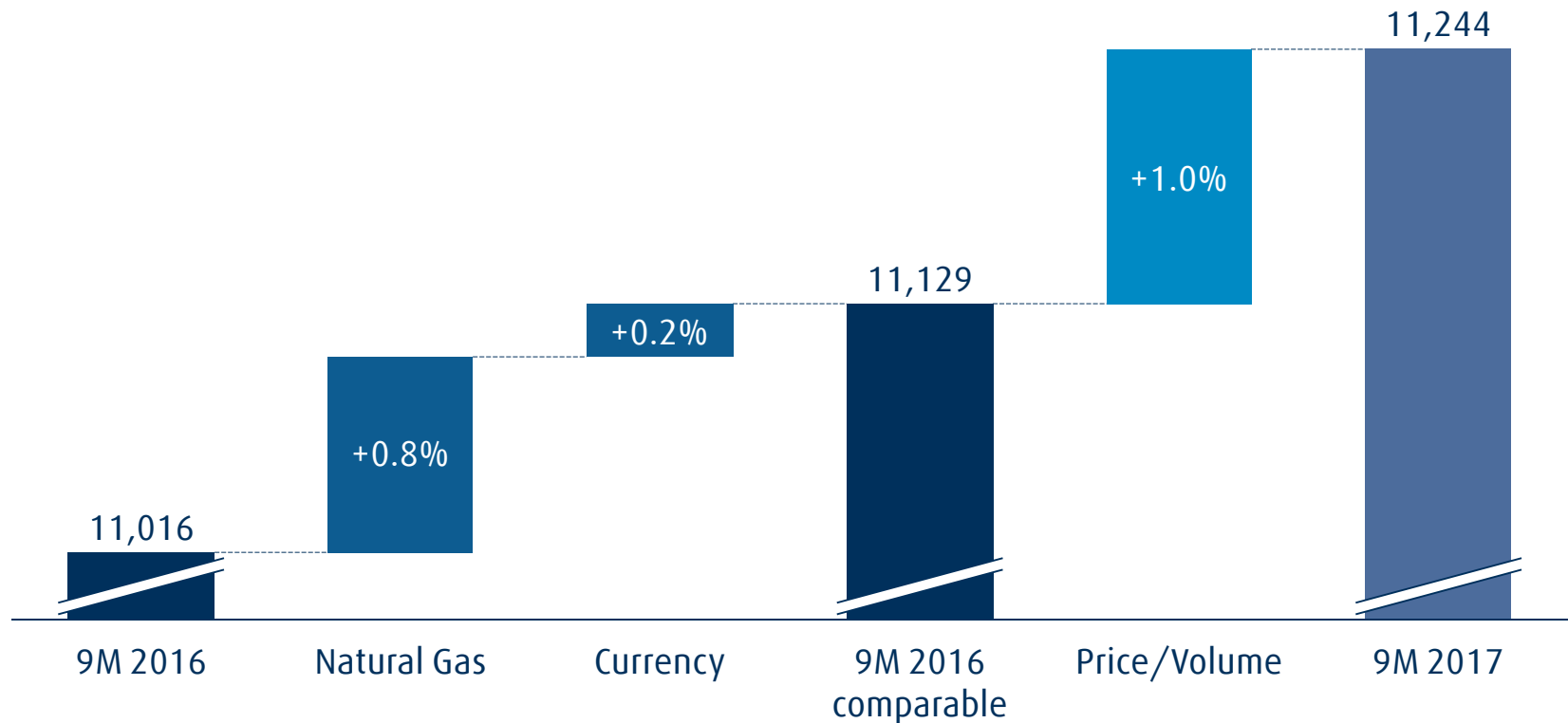
Engineering

Stable margin in line with guidance of around 8 percent

Gases Division | Revenue bridge

9M 2017 result supported by solid growth of +2.6% in Q3

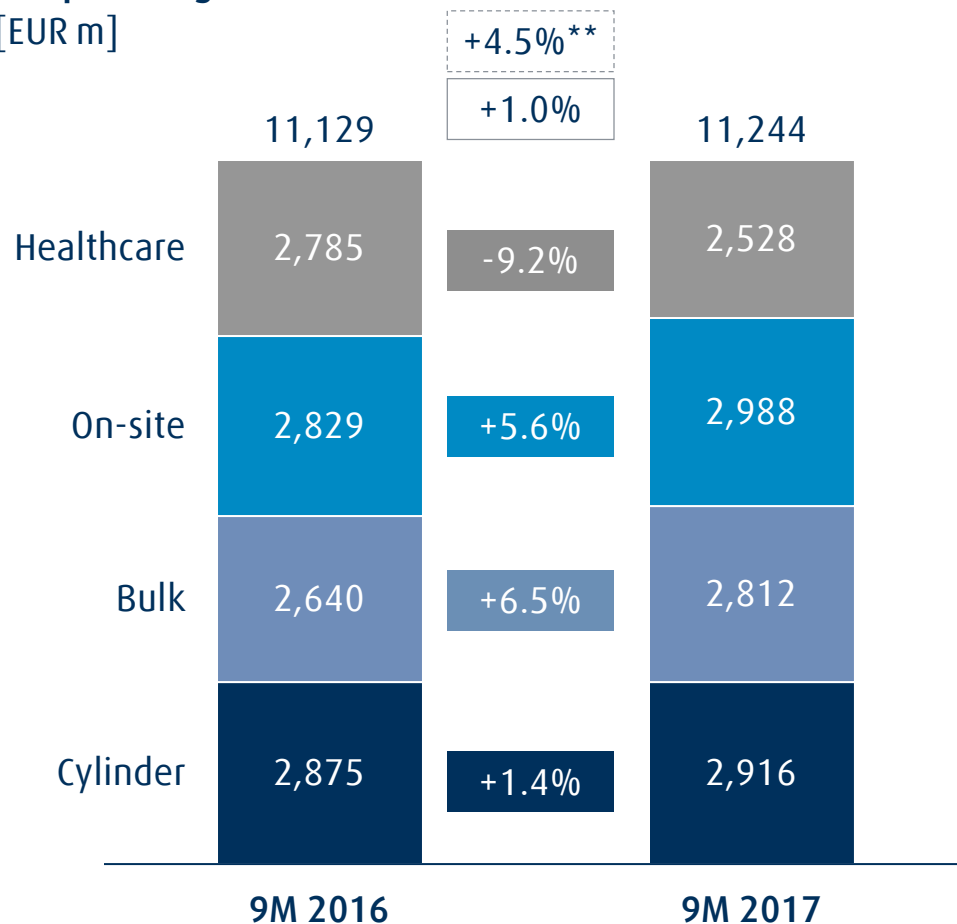
[EUR m]



Gases Division | Revenue by product area

Comparable growth excluding Healthcare of 4.5 percent

Comparable growth*
[EUR m]



*Excludes currency and natural gas price effects

**Comparable growth excluding Healthcare

Comments / Additional effects



Healthcare
Development impacted by Competitive Bidding and divestment of Specialty Pharma, -5.5% excluding consolidation effects



On-site
Solid growth from start-ups and ramp-ups in all operating segments



Bulk
Positive growth development in all geographies, most notably in Asia



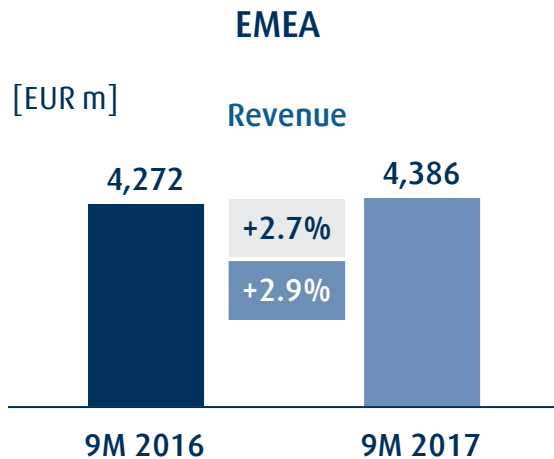
Cylinder
Improvement in growth restrained by Specialty Gases

Gases Division | Revenue by operating segment

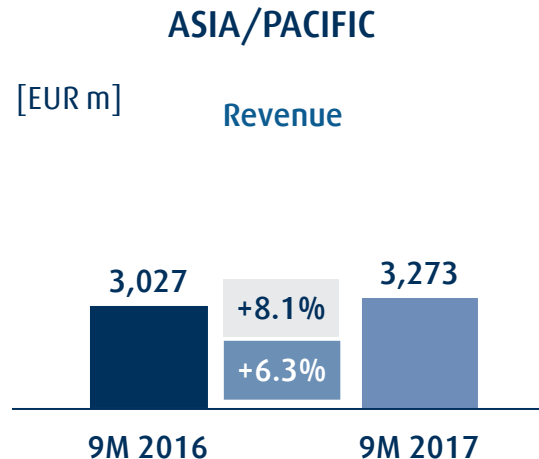
Solid comparable growth in EMEA and Asia



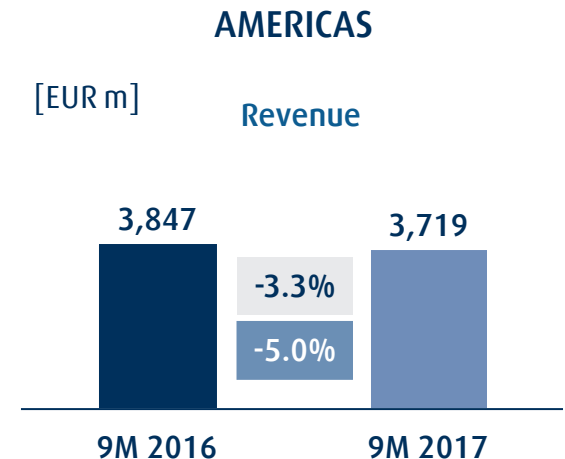
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- Highest growth contribution from Northern Europe, Middle East and Eastern Europe
- Strongest growth development in On-site and Bulk



- Positive growth development in Bulk and On-site in all regions
- 8.5% comparable growth in Asia
- Situation in South Pacific has stabilised on a low level

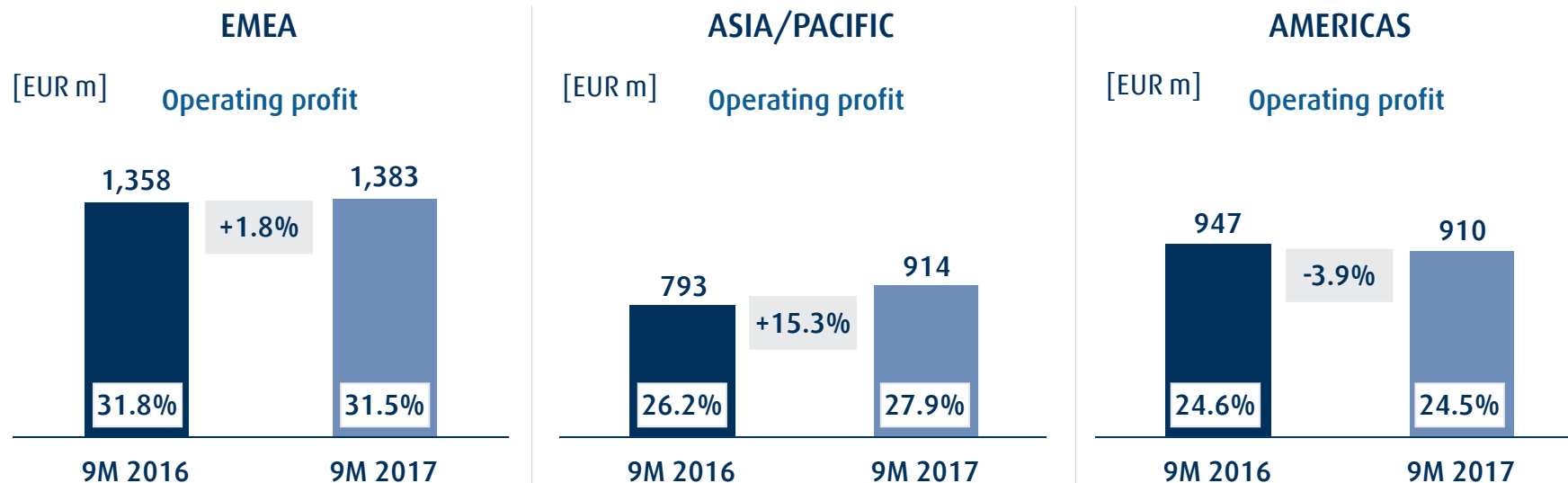


- Positive development in On-site and Bulk in North America
- Macro-economic situation in South America remains tepid
- Significant headwinds from Competitive Bidding, Specialty Pharma and Specialty Gases

■ Reported growth ■ Comparable growth: excluding currency and natural gas price effects

Gases Division | Operating profit by operating segment

Operating profit margin of 28.5 percent

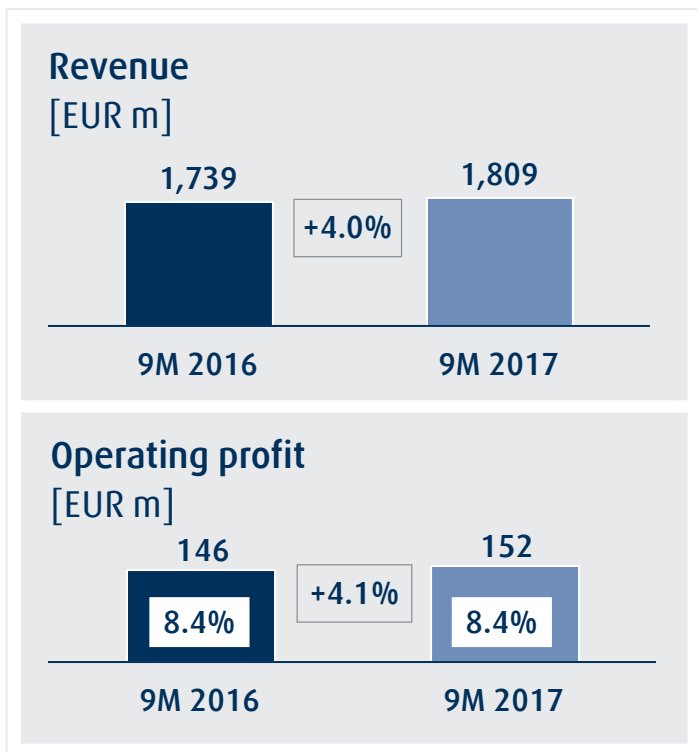


- Margin improvement in EMEA by 60bp after adjusting for positive one-time effects of EUR 39m in H1 2016 and aided by growth and restructuring savings
- Higher margin in Asia/Pacific supported by growth, restructuring, and sale of assets
- Stable margin in Americas supported by positive On-site and Bulk development but impacted by headwinds from Competitive Bidding and higher natural gas prices

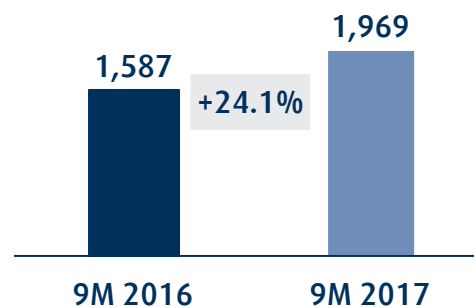
■ Reported growth □ Operating profit margin

Engineering Division | Key figures

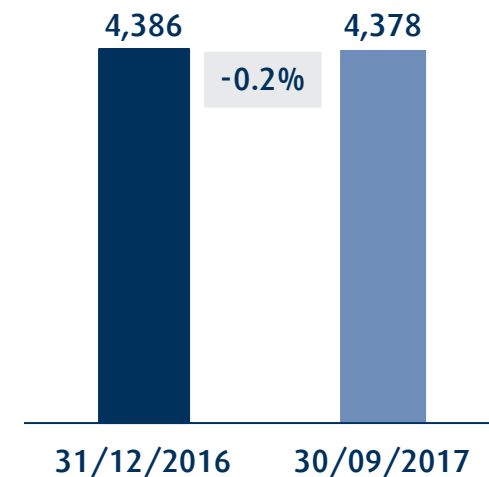
Stable backlog supported by new project wins



Order intake
[EUR m]



Order backlog
[EUR m]



■ Reported growth □ Operating profit margin

- Revenue development in line with progress of projects
- Improved order intake supported by new project wins:
 - Polypropylene production for Braskem America in La Porte, Texas, USA
 - Natural gas plants related to third phase of Gazprom's Amur GPP project

Financial Performance | Key figures

Further decline in net debt / operating profit ratio



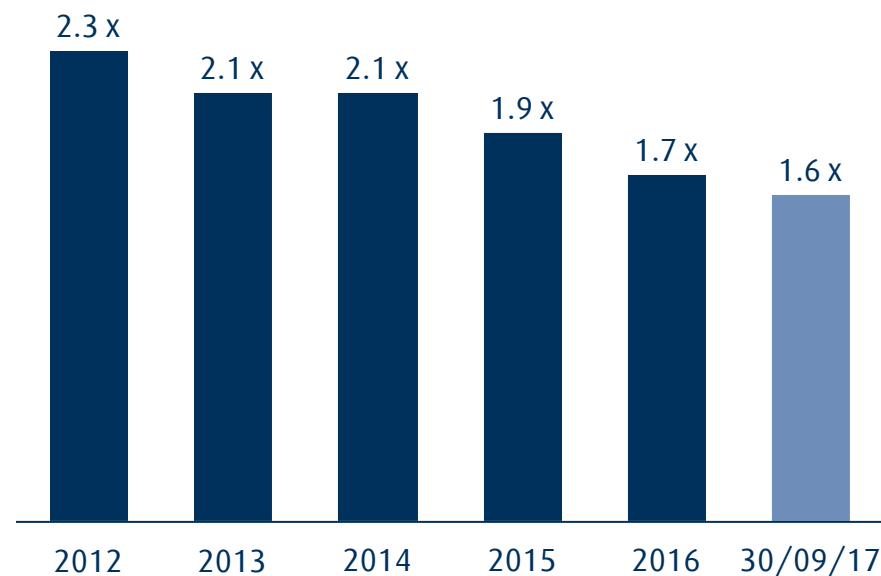
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Operating cash flow

[EUR m]

	9M 2016	9M 2017
Operating profit	3,035	3,151
Change in working capital	+23	-24
Income taxes paid	-329	-377
Other changes	-257	-461
Operating cash flow from continuing operations	2,472	2,289

Net debt / operating profit



- Group cash flow up year-on-year by 12% in Q3 supported by higher operating profit and change in working capital
- Lower income taxes paid in 9M 2016 due to repayments
- Other changes include special items related to restructuring and planned merger
- Redemption of NOK 2 bn bond in September

Agenda



Part 1 – Operational & Financial Performance 9M 2017

Part 2 – Strategic Plan and Outlook

Appendix

Strategic plan | Cost management

On track to deliver targeted savings

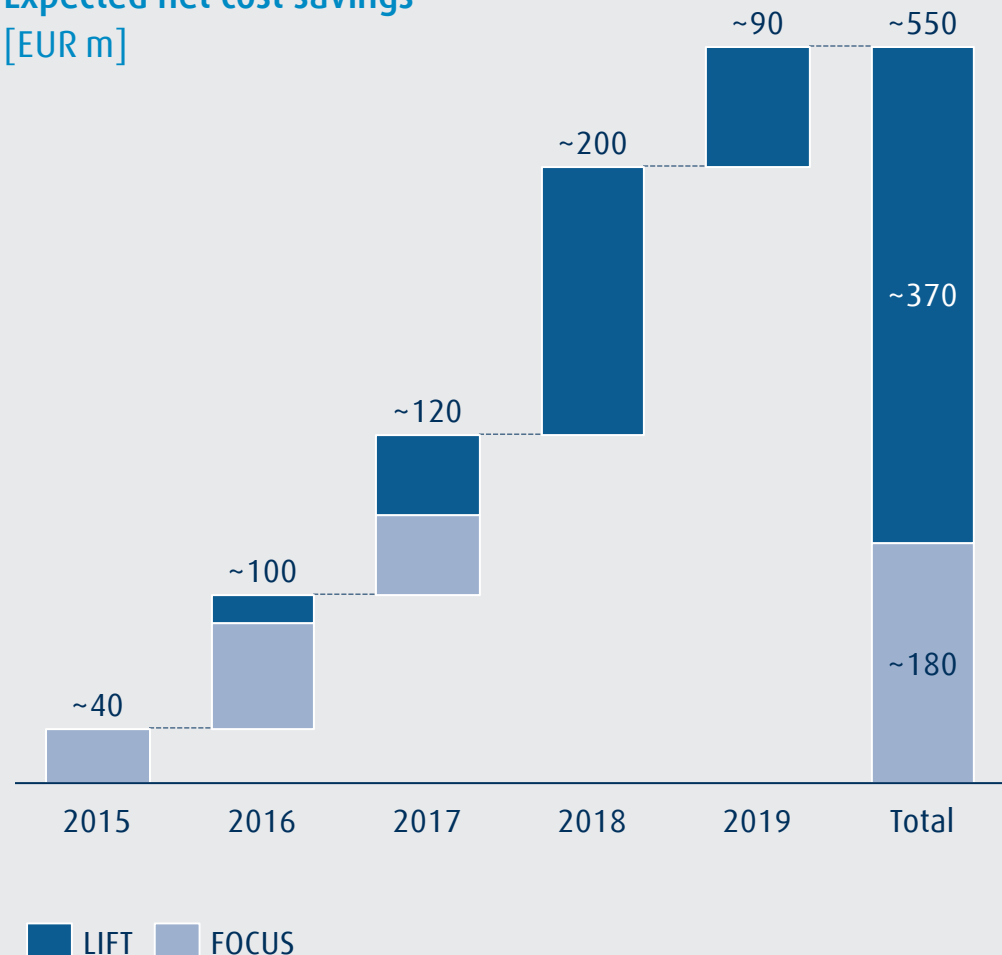
LIFT (2016 – 2019)

- Implementation of LIFT measures fully on track in all operating segments, Engineering and corporate functions
- SG&A expenditures before special items down year on year by EUR 103m in 9M 2017
- Number of employees reduced by 1,745 versus year-end 2016
- Restructuring costs of EUR ~400m as special items by the end of 2017
- EUR 343m restructuring costs recognized so far, thereof EUR 116m in 2016 and EUR 227m in 9M 2017

FOCUS (2015 – 2017)

- Implementation completed to deliver net cost savings of EUR ~180m by end of 2017

Expected net cost savings [EUR m]

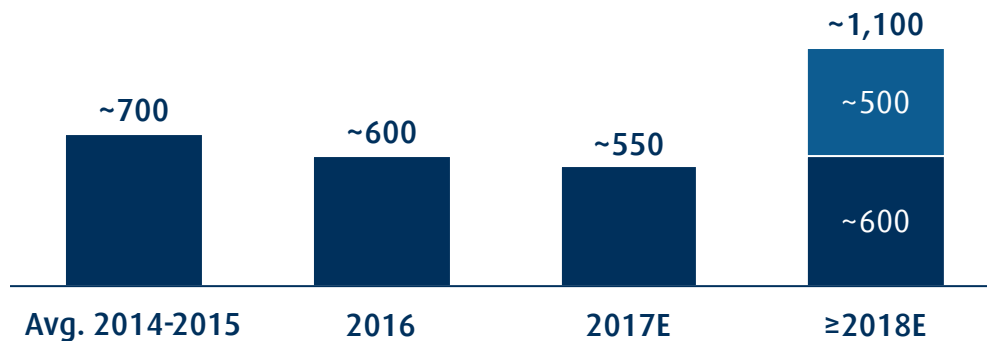


Strategic plan | Quality growth

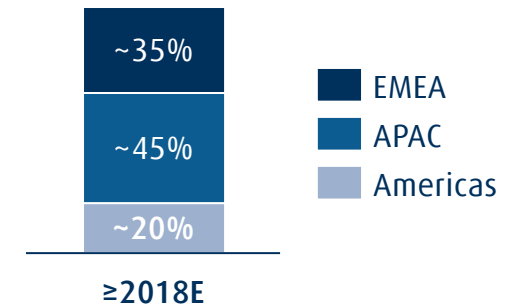
Increased backlog from new project wins

Total investments for committed projects by on-stream date

[EUR m]



Committed projects by region



Projects > 10m Euros ■ New project wins in 9M 2017

Major on-streams in 9M 2017

- ASU for ArcelorMittal steelworks in Eisenhüttenstadt, Germany
- JV to supply JSC KuibyshevAzot's chemicals production in Samara, Russia
- Spectra plant to supply Electronics customer BOE's new display production in Fujian, China

Major wins in 9M 2017

- 6th JV with Sinopec to supply customer ZRCC and pipeline network in Ningbo cluster, China
- New ASU to expand on-site production capacity in central Malaysia to support economic and export growth
- Additional ASU for ArcelorMittal in Temirtau, Kazakhstan
- JV with Erdemir Group for new ASU in Iskenderun, Turkey

Outlook 2017

Guidance confirmed

2017	
Group	
Revenue	-3 to +3% versus 2016 adjusted for FX
Operating profit	±0 to +7% versus 2016 adjusted for FX
ROCE	9 to 10 percent
Gases Division	
Revenue	-2 to +3% versus 2016 adjusted for FX
Operating profit	±0 to +6% versus 2016 adjusted for FX
Engineering Division	
Revenue	EUR 2.0 to 2.4 billion
Operating margin	Around 8 percent

Please see definitions of key financial figures in the appendix, all figures from continuing operations

Agenda

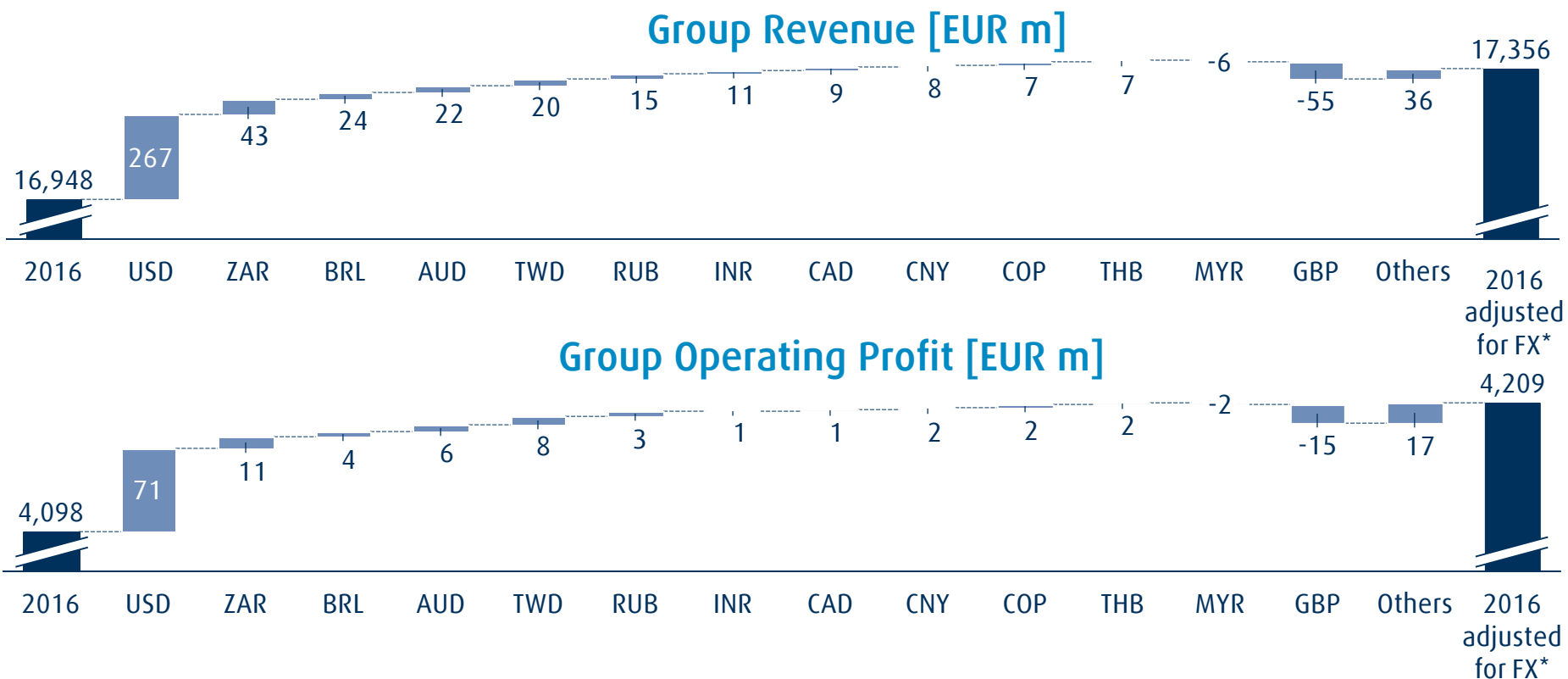


Part 1 – Operational & Financial Performance 9M 2017

Part 2 – Strategic Plan and Outlook

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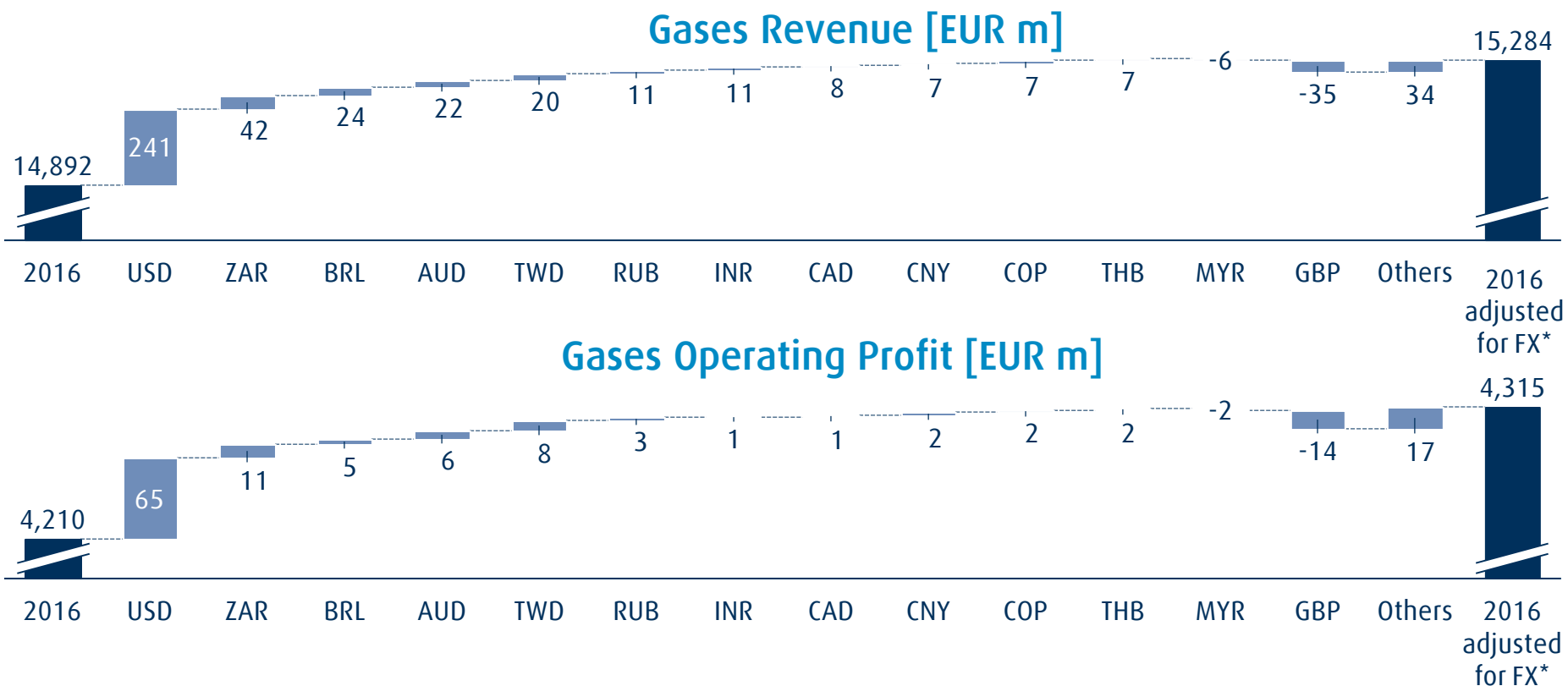
Group | Potential currency impact on 2017 outlook



	USD	ZAR	BRL	AUD	TWD	RUB	INR	CAD	CNY	COP	THB	MYR	GBP
Average rate in 2016	1.107	16.27	3.855	1.489	35.69	74.14	74.37	1.466	7.353	3378	39.05	4.583	0.820
2016 adjusted for FX*	1.052	14.15	3.423	1.457	34.13	64.43	71.46	1.413	7.303	3157	37.70	4.717	0.852

All figures from continuing operations
 *Based on spot rates as of 31 December 2016

Gases Division | Potential currency impact on 2017 outlook



	USD	ZAR	BRL	AUD	TWD	RUB	INR	CAD	CNY	COP	THB	MYR	GBP
Average rate in 2016	1.107	16.27	3.855	1.489	35.69	74.14	74.37	1.466	7.353	3378	39.05	4.583	0.820
2016 adjusted for FX*	1.052	14.15	3.423	1.457	34.13	64.43	71.46	1.413	7.303	3157	37.70	4.717	0.852

*Based on spot rates as of 31 December 2016

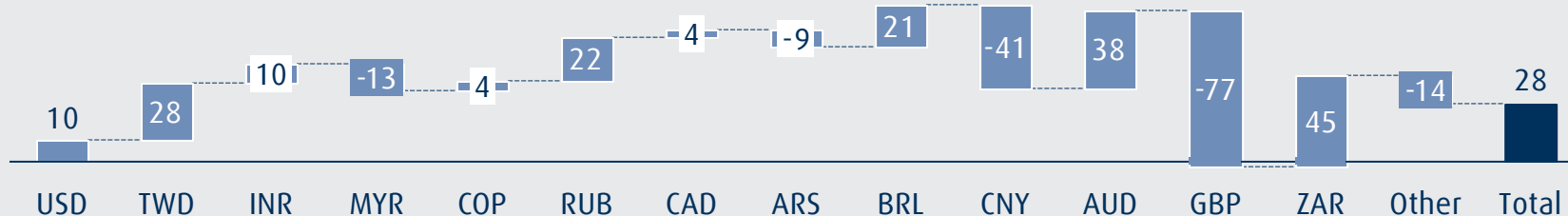
Group | Currency impact

Impact on revenue and operating profit in 9M 2017



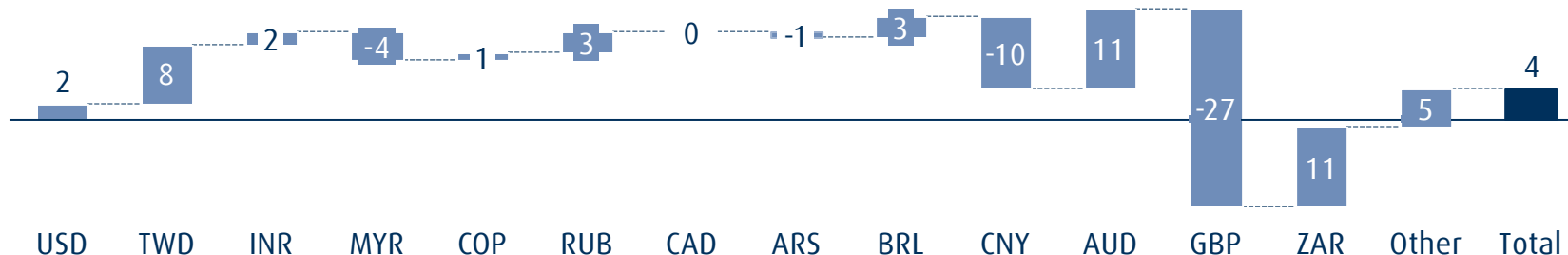
Impact on Group revenue in 9M 2017

[EUR m]



Impact on Group operating profit in 9M 2017

[EUR m]



Group | 9M 2017

Key P&L items

[EUR m]	9M 2016	9M 2017	Δ in %
Revenue	12,530	12,864	+2.7
Operating profit	3,035	3,151	+3.8
Operating margin	24.2	24.5	+30bp
PPA depreciation for BOC	-132	-125	+5.3
Depreciation & amortisation (excl. PPA BOC)	-1,246	-1,287	-3.3
Special items	-50	-277	-
EBIT	1,607	1,462	-9.0
Financial result	-252	-201	+20.2
Taxes	-335	-303	+9.6
Profit for the period – attributable to Linde AG shareholders	931	860	-7.6
EPS – undiluted – reported [EUR]	5.02	4.63	-7.8
EPS – undiluted – before special items [EUR]	5.23	5.71	+9.2

All figures from continuing operations

Group | 9M 2017

Cash flow statement



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[EUR m]	9M 2016	9M 2017
Operating profit	3,035	3,151
Change in working capital	+23	-24
Income taxes paid	-329	-377
Other changes e.g. change in provisions and special items	-257	-461
Operating cash flow from continuing operations	2,472	2,289
Investments in tangibles/intangibles	-1,212	-1,180
Payments for acquisitions	-190	-38
Other (incl. financial investments)	210	206
Investing cash flow* from continuing operations	-1,192	-1,012
Free cash flow before financing from continuing operations	1,280	1,277
Free cash flow before financing from discontinued operations	15	1
Free cash flow before financing	1,295	1,278
Interest and swaps, dividends and other changes	-1,016	-1,020
Change in cash and financial debt	279	258

*Excluding investments in / disposals of securities; 9M 2016: EUR -9m; 9M 2017: EUR +6m

Operating Profit	Earnings per Share (EPS) before special items	Earnings per Share (EPS) reported	Return on Capital Employed (ROCE)
Return	Return	Return	Return
EBIT before special items adjusted for amortisation of intangible assets and depreciation of tangible assets	Profit for the period before special items attributable to Linde AG shareholders	Profit for the period attributable to Linde AG shareholders	EBIT before special items
	Shares	Shares	Average Capital Employed
	Number of weighted average outstanding shares	Number of weighted average outstanding shares	Equity (incl. non-controlling interests) + financial debt + liabilities from finance leases + net pension obligations - cash, cash equivalents and securities - receivables from finance leases

Financial calendar



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Linde share information

Type of share:
Bearer shares

Stock exchanges:
All German stock exchanges

Security reference number:
ISIN DE0006483001
CUSIP 648300



The Linde IR app is
now available at:

