



Q1 2018 Activity

Group Sales Up +6%

Strong Momentum
in All Activities

Paris, 25 April 2018



2018 Q1 Activity

Fabienne Lecorvaisier
Executive Vice President &
Chief Financial Officer

Highlights

- Strong quarter in all business lines and geographies
- Group sales up +6%
 - ✓ Very high base business
 - ✓ Strong LI, thriving bidding activity and improving E&C
- Performance well on track
 - ✓ Efficiencies and Synergies delivered
 - ✓ Solid cash-flow

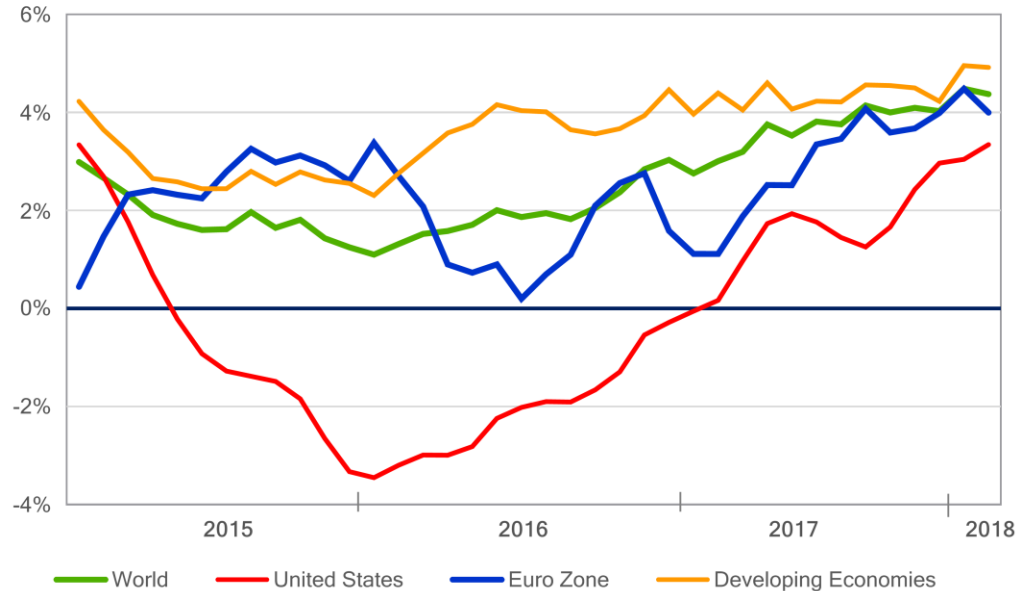
Favorable Environment

Increased Demand from End-markets

- ✓ Chemicals 
- ✓ Refining 
- ✓ Metals 

IP Stabilizing

Industrial Production Year on Year in % (3-month rolling average)



Source: Coe-Rexecode

FX Headwind in Q1 2018

Increased Negative FX Impact⁽¹⁾



FY 2017



Q1 2018



Estimated
FY 2018

Slightly Negative Energy Impact⁽¹⁾



FY 2017



Q1 2018



Estimated
FY 2018

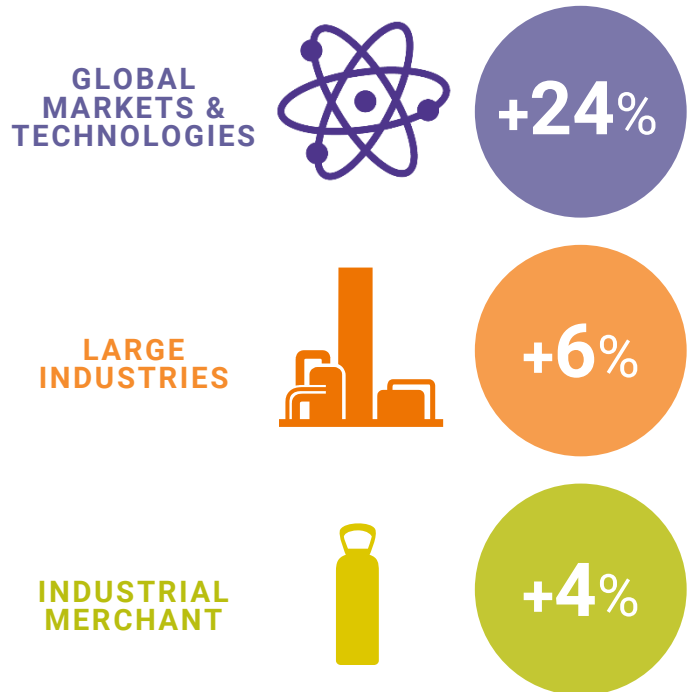
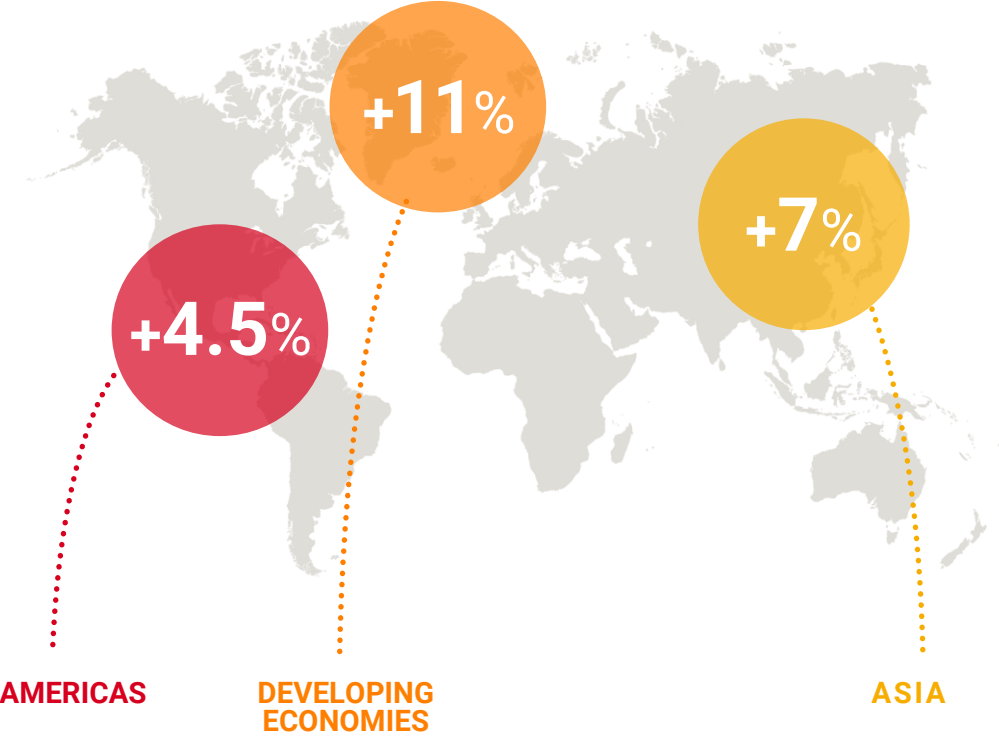
(1) On Group sales

(2) Based on Bloomberg forward rates as of beginning of April
(€1 = US\$1.24)

Higher G&S Growth, Improving E&C and Strong GM&T

Sales in €m	Q1 17	Q1 18	Q1 18/17 Comparable	Q1 18/17 As published
Gas & Services	5,046	4,831	+5.0%	-4.3%
Engineering & Construction	53	85	+75.2%	+62.7%
Global Markets & Technologies	77	94	+24.4%	+21.4%
Group Total	5,176	5,010	+6.0%	-3.2%

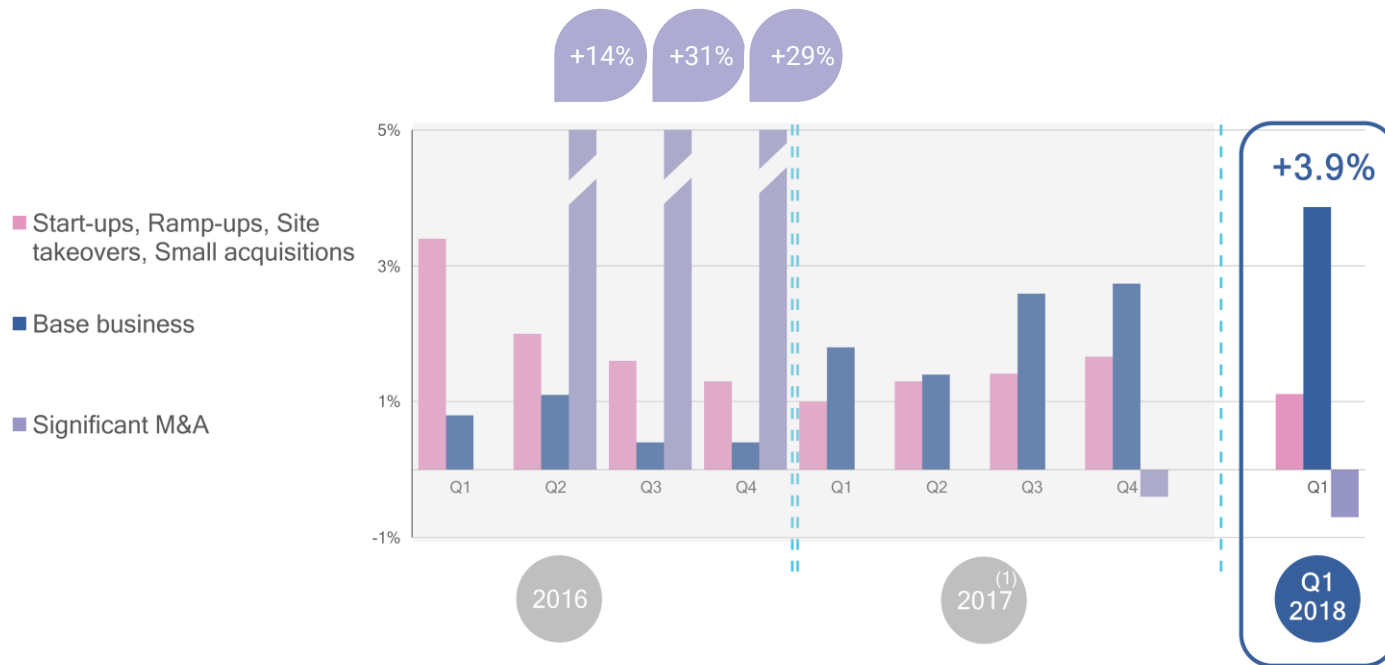
Growth Across Major Geographies and Businesses



Comparable sales growth

Very High Base Business

G&S Quarterly Growth Analysis



Strongest
base business
since
Q2 11

(1) Comparable growth based on 2016 adjusted sales

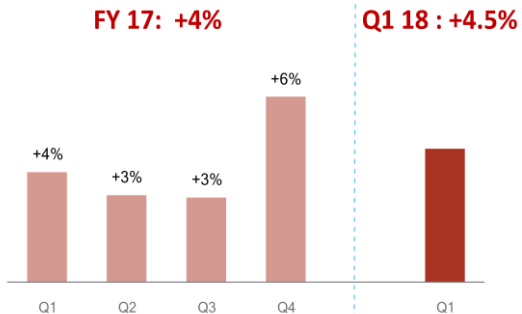
Group Sales, 6 Quarters of Accelerating Growth

Comparable Sales Growth

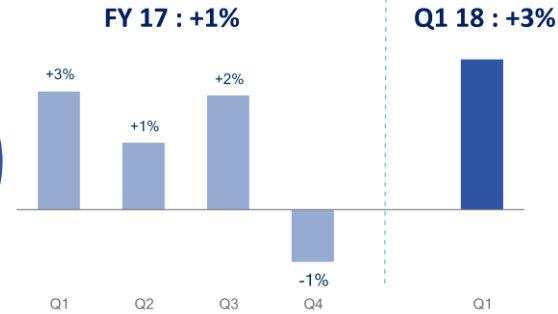


Q1- Robust Growth in North America and Europe

AMERICAS
Q1 2018
€1,901m



EUROPE
Q1 2018
€1,753m



G&S Comparable Sales Growth

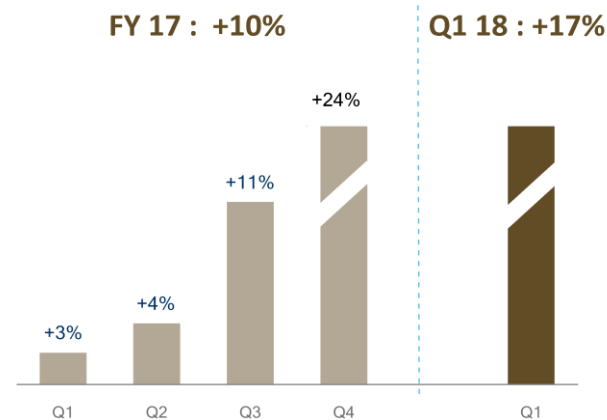
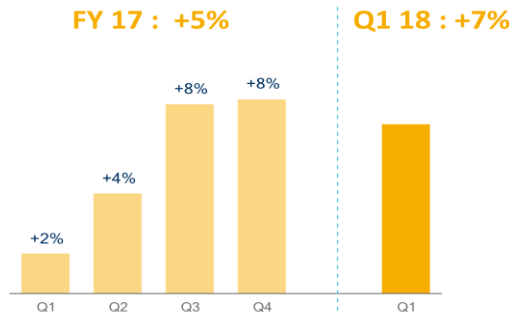
Robust IM and LI growth in North America

- **LI: high air gases** in the U.S., ramp-ups in South America
- **IM: very solid** in all end markets, strong manufacturing
- **Strong HHC** in South America & Canada
- Low E&I in **EL**

Solid growth in all activities

- **LI: very high H₂ volumes** and strong **cogen**
- **Solid IM** despite 1 fewer working day, better pricing
- Sustained **HC** driven by HHC and Seppic
- Strong **Developing Europe**

Q1- Strong Asia, Major Start-up in South Africa



G&S Comparable Sales Growth

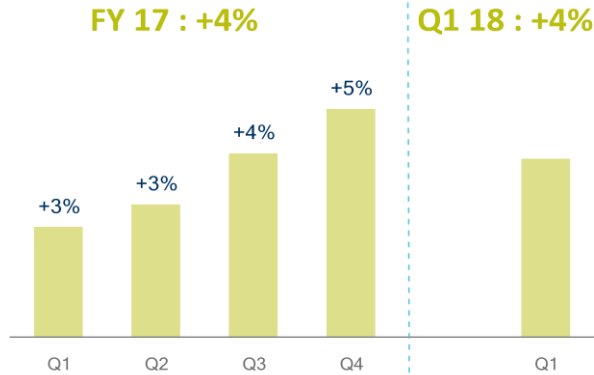
Strong momentum in all activities

- **LI:** projects ramp-up in China, high volumes
- **IM:** very strong growth driven by China, improving Australia
- **EL:** >+10%, including high E&I

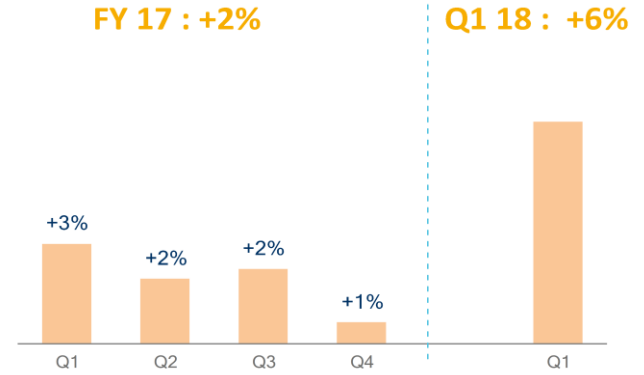
Very strong LI with major SU

- Sasol **start-up** in South Africa
- High loading at Yanbu (Saudi)
- Dynamic LI and IM in **Egypt**
- Strong HC development

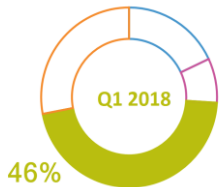
Q1- Well-oriented Markets in IM, Increased Volumes in LI



G&S Comparable Sales Growth

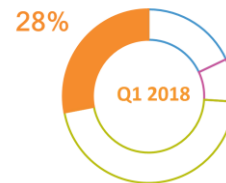


Very robust growth despite negative working day



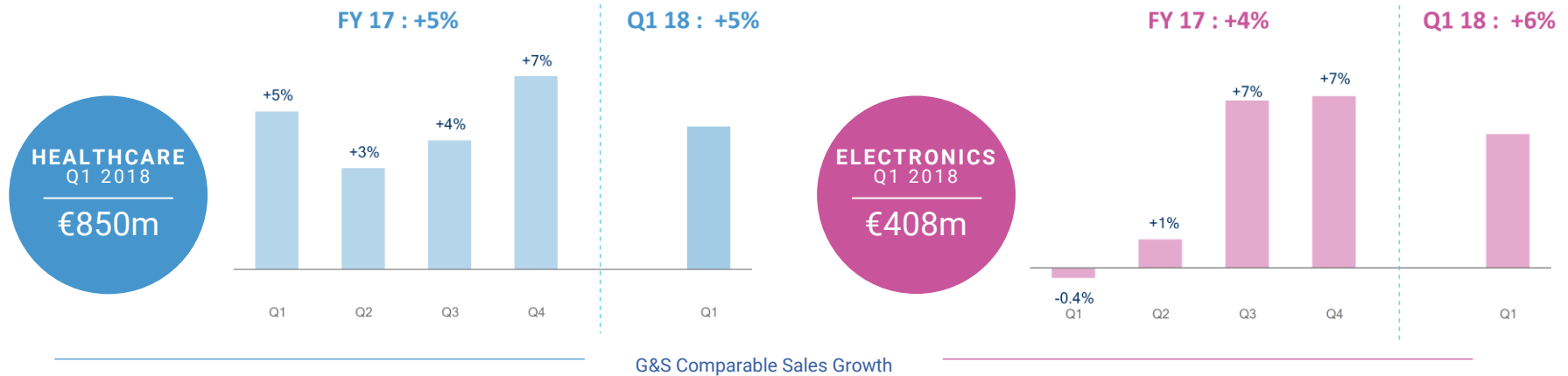
- **>+15% growth** in China
- **All end markets** well oriented
- **High volumes** in cylinders
- Firming pricing **+2.1%**

High activity & a major start-up

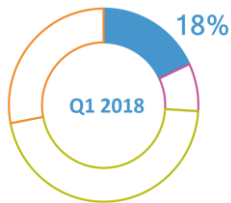


- Very solid growth in **all regions**
- Major ASU **start-up** in South Africa
- **Ramp-ups** in China
- Air gases and hydrogen higher volumes

Q1- Solid HC and EL

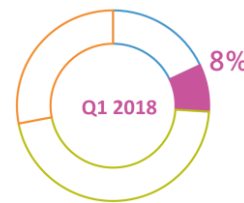


Sustained growth, strategic acquisitions



- Strong growth in **Home Healthcare**
- **Contribution from acquisitions** in Japan and Saudi
- Dynamic growth in **developing economies**

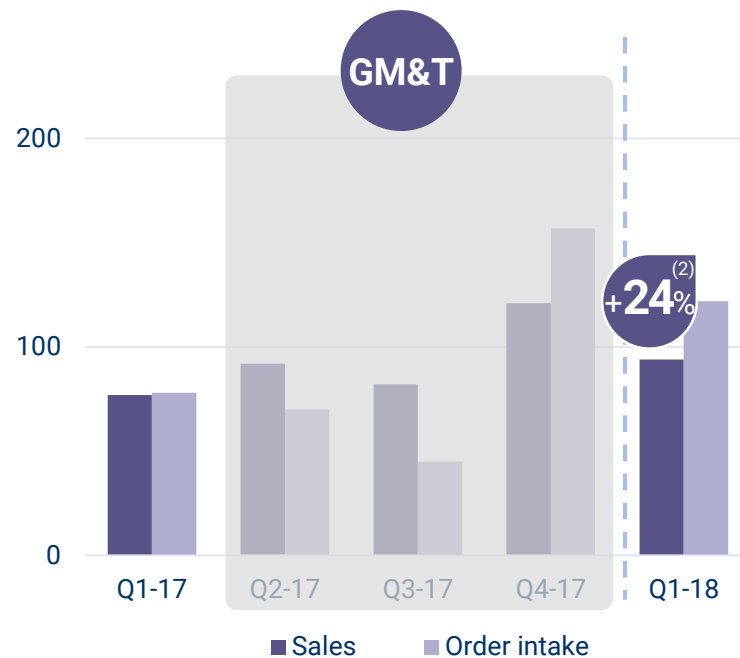
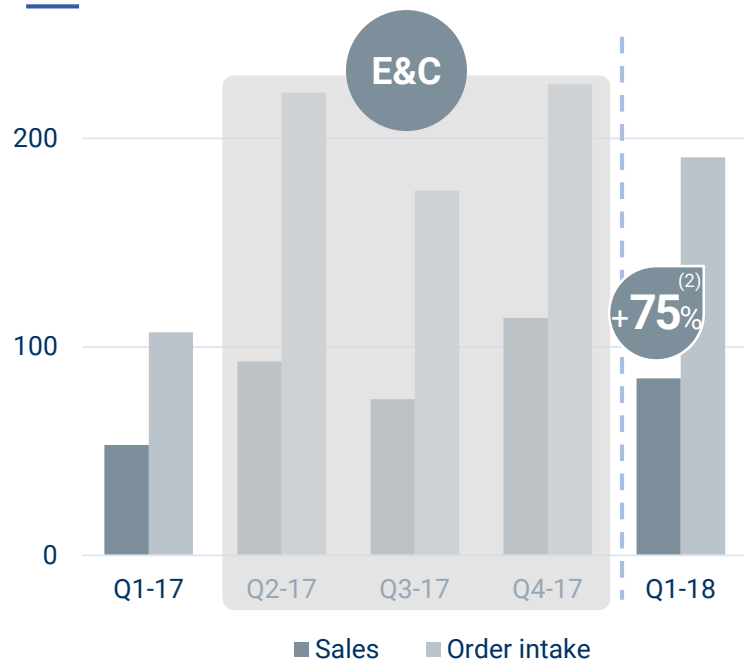
Strong momentum in Asia



- **Asia** driving growth
- Strong **Carrier Gases**
- High E&I sales

Improving E&C, Very Strong GM&T

Sales and Order intake⁽¹⁾ – in €m



(1) Group and third-party order intake

(2) Comparable growth

Global Markets & Technologies (GM&T) High Growth

1,800
Employees

€372m
2017
Revenue

**Double
digit
growth**

- **Manage innovative activities
and new market initiatives
on a global basis**



GM&T: Opening New Markets

Deep Tech



Space & Aerospace



Extreme cryogenics



Energy Transition



Biomethane production



Clean mobility



Cryogenic Maritime Logistics



Cryogenic transportation



Maritime usages



Q1 – Performance Well On Track

Efficiencies

€79m

- Industrial efficiencies accounting for half
- First Airgas efficiencies

Airgas Synergies

US\$22m

- Growth synergies accounting for 1/3 in Q1
- US\$237m cumulated synergies

Cash Flow⁽¹⁾

19.5%

- Gross Capex = €570m

(1) Operating Cash Flow before change in Working Capital Requirements/Group Revenue

All Indicators Improving, Higher Project Activity

Investment Opportunities⁽¹⁾ 12-month portfolio



- **Increased bidding activity**
- Medium-size projects and more take-overs

Q1 2018 Investment Decisions⁽¹⁾



- **Major long-term contracts**
- **EL Carrier Gas contracts** in Japan and Taiwan

Q1 2018 Start-up/Ramp-up Sales Growth Contribution

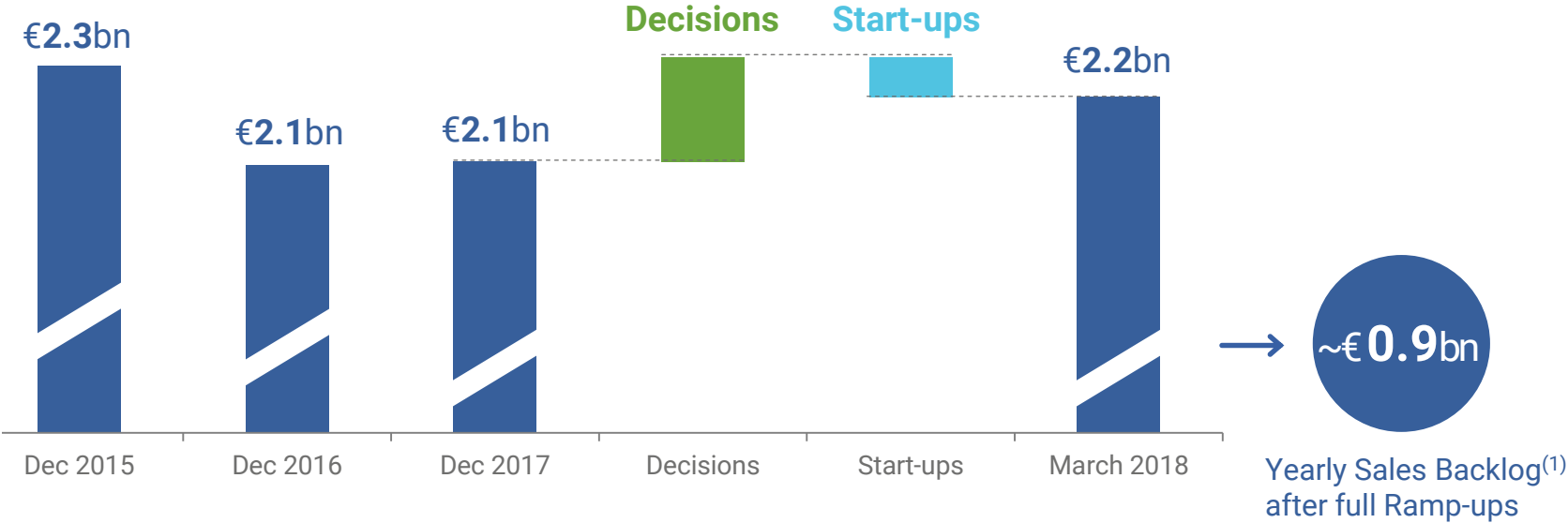


- **3 start-ups**
- Ramp-ups in **China** and **South Africa**

(1) See definitions in appendix

Increased Backlog

Investment Backlog⁽¹⁾ in €bn



(1) See definitions in appendix

2018 Outlook

Q1
2018

- Group sales up +6%
- High base business
- Buoyant bidding activity
- Performance well on track

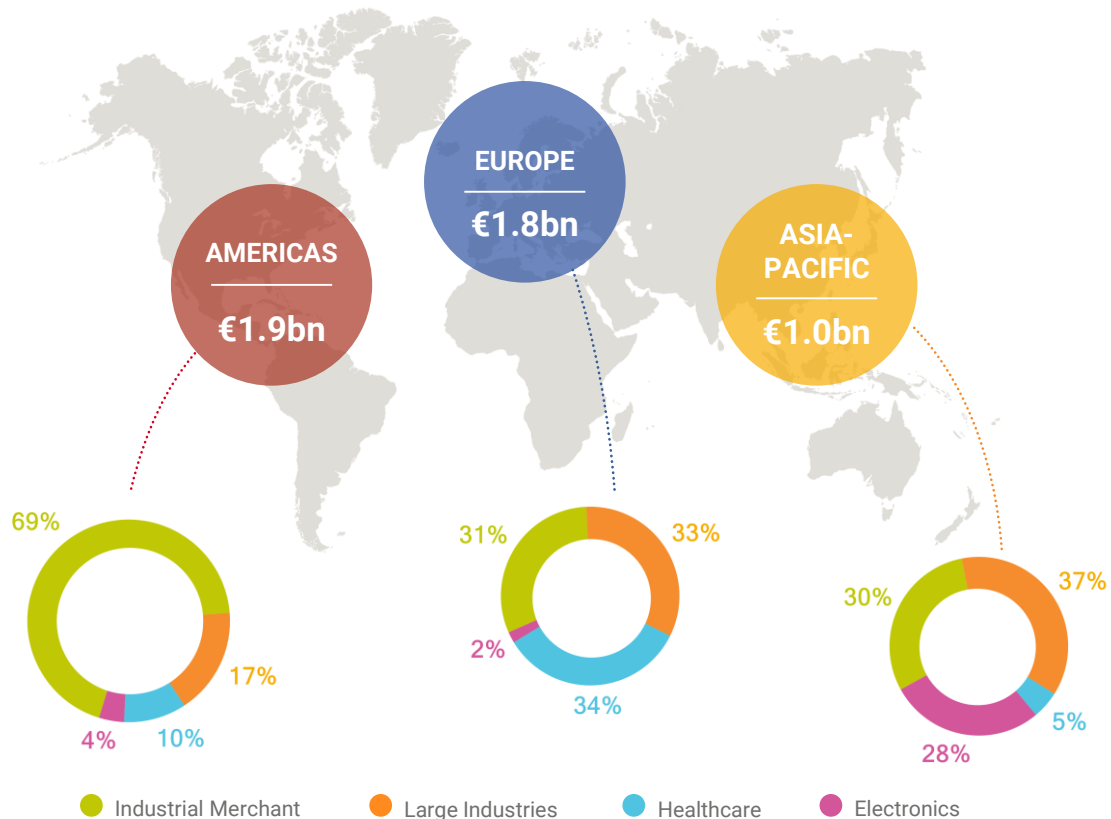
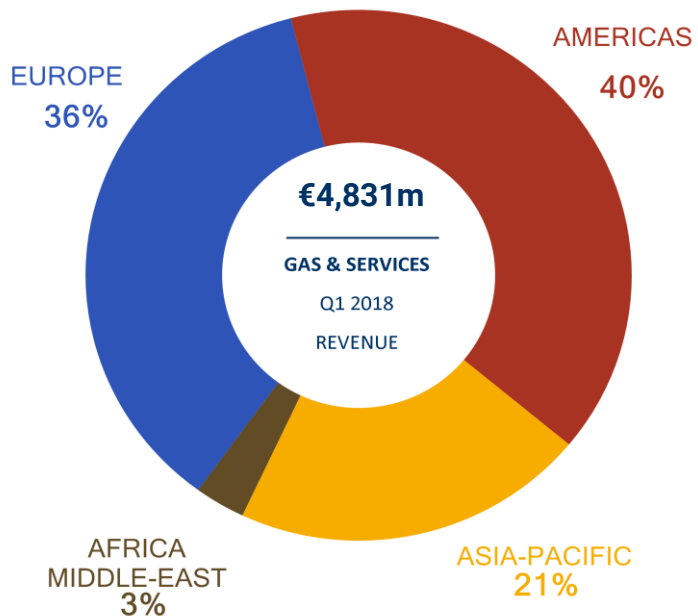
2018

“Assuming a comparable environment, Air Liquide is confident in its ability to deliver net profit growth in 2018, calculated at constant exchange rate and excluding 2017 exceptionals⁽¹⁾.”

(1) Exceptional non-cash items having a net positive impact on 2017 net profit

Q1 2018 Appendix

Q1 2018 G&S Revenue Breakdown by Region



Americas

Q1 Gas & Services Sales: €1,901m

INDUSTRIAL MERCHANT

- **High demand** from end-markets
- **Solid** cylinders and hardgoods in the U.S., low argon supply due to weather conditions
- **Dynamic** cylinders in Canada
- **Dynamic South America**, Brazil improving

LARGE INDUSTRIES

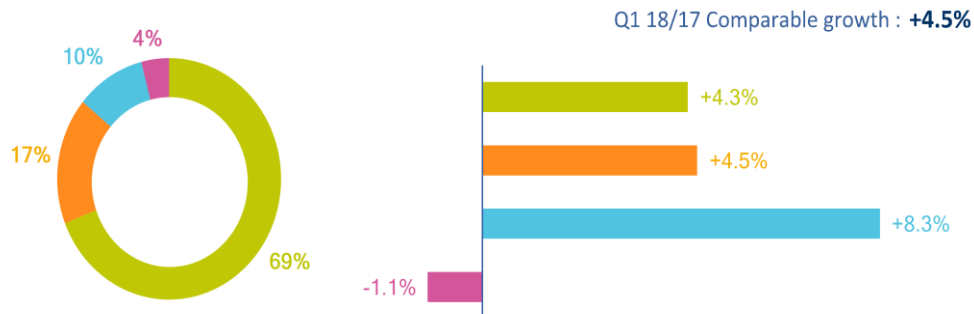
- **Air gases sales increase**
- **SU/RU** in South America
- **Pricing** in North America

HEALTHCARE

- **Dynamic Latin America**
- **Strong** sleep apnea in **Canada**
- **Solid medical gases** in the U.S.

ELECTRONICS

- Weak E&I



Europe

Q1 Gas & Services Sales: €1,753m

INDUSTRIAL MERCHANT

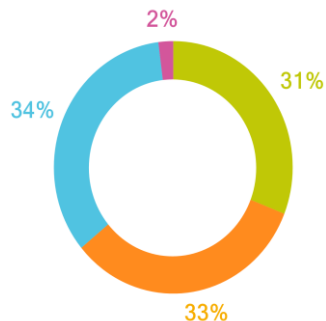
- **Activity improvement** despite one fewer working day
- Progress in almost all markets
- **Double-digit** growth in Developing Europe
- **Better pricing: +0.8%**

LARGE INDUSTRIES

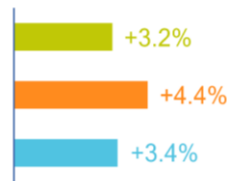
- Increase in **hydrogen** volumes for refineries
- Dynamic **cogen**
- **High growth** in Developing Europe, especially in Turkey

HEALTHCARE

- **Steady growth** with **few bolt-on acquisitions**
- Dynamic HHC, especially in Nordics
- Strong increase in **Specialty Ingredients**



Q1 18/17 Comparable growth : **+3.3%**



Asia-Pacific

Q1 Gas & Services Sales: €1,016m

INDUSTRIAL MERCHANT

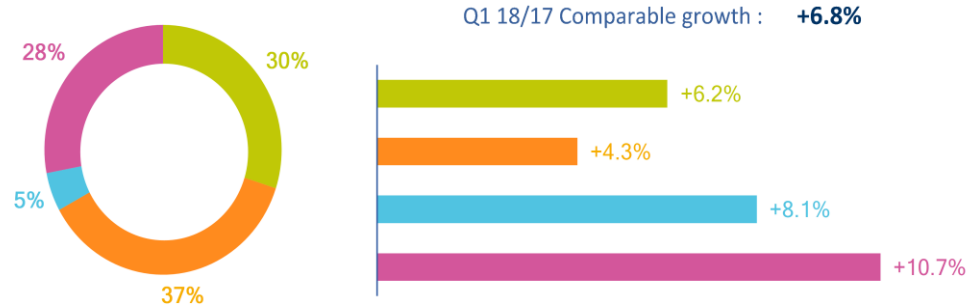
- **Buoyant China** (>+15%)
- **Decreasing Japan** with high E&I sales in Q1 2017
- **Improving Australia**

LARGE INDUSTRIES

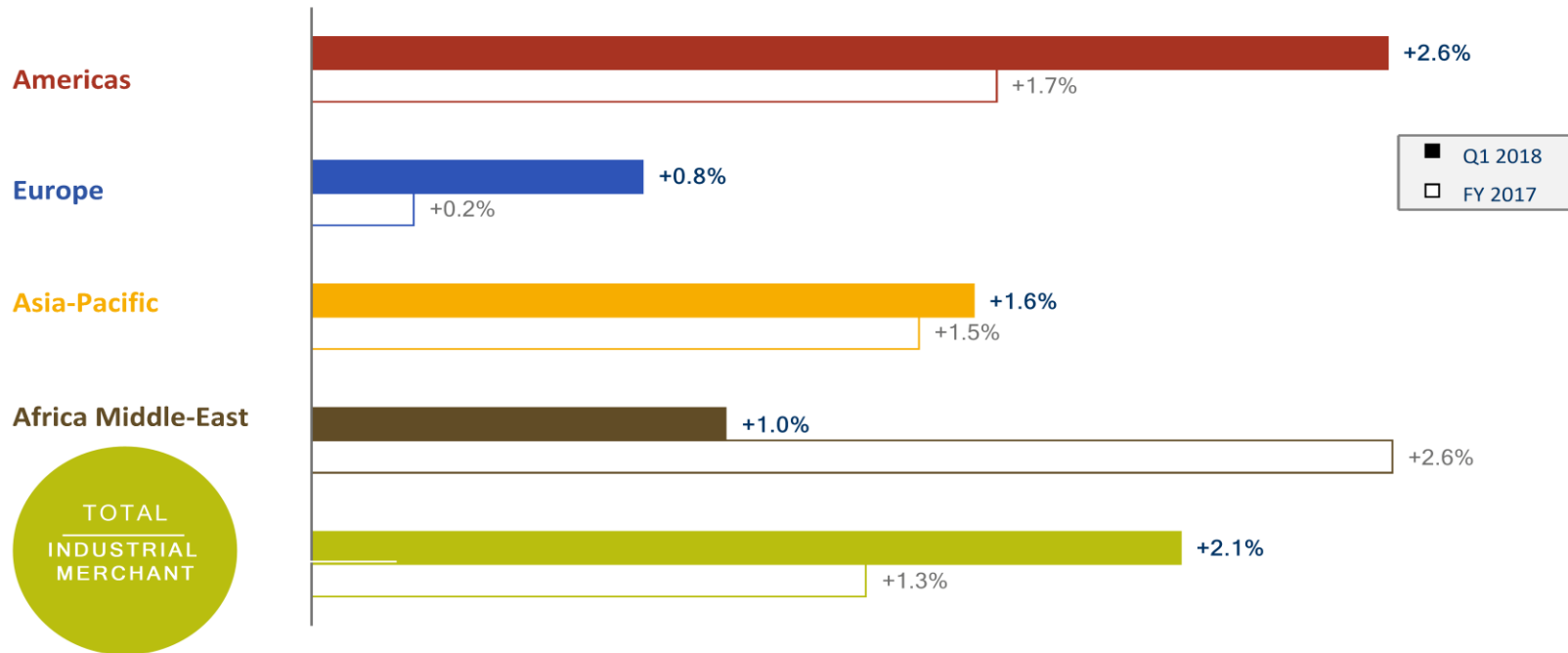
- **3 ramps-ups** in China including 1 take-over, more than compensating the sale of 3 isolated units
- **Sustained demand** from customers in China, South Korea and Singapore

ELECTRONICS

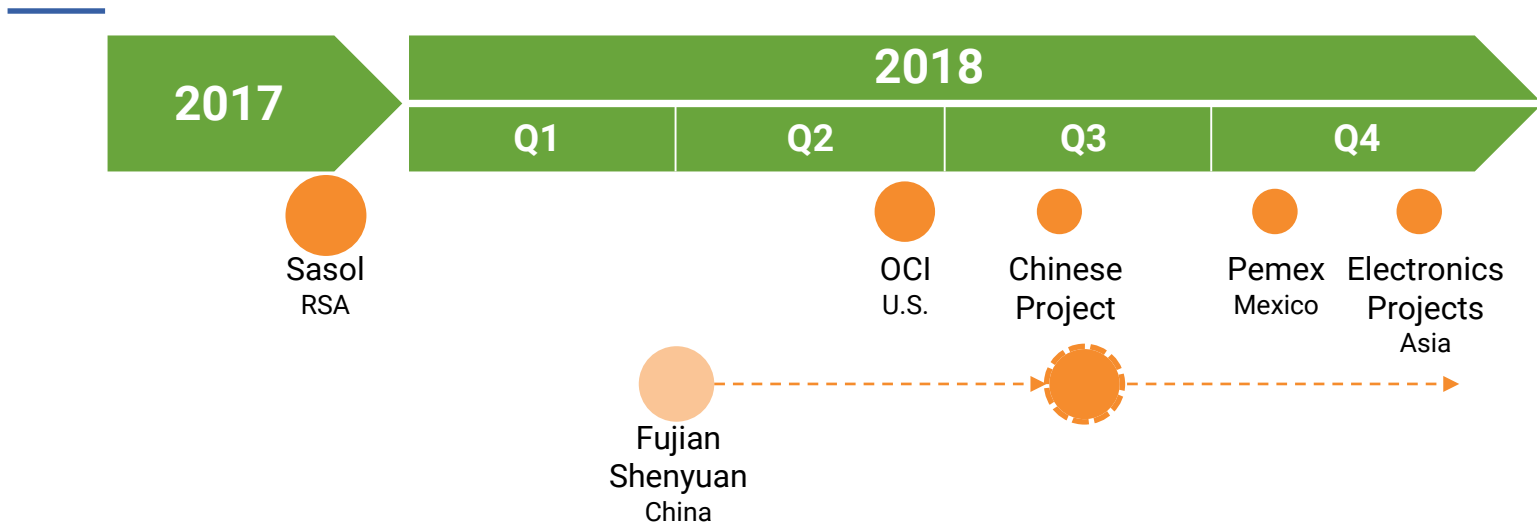
- **Dynamic Advanced materials** in Taiwan and South Korea
- **Ramp-up** in Carrier Gases
- **Strong sales** in E&I



Industrial Merchant Pricing



Updated 2018 Start-Up Timeline



- 2018 forecasted additional sales between €250 and €300 million
- Uncertainties about Fujian start-up date
- Increased bidding activity on new projects

Impact of Currency and Energy on G&S Revenue

Currency	In €m	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18
€/USD		+64	+49	(89)	(161)	(258)
€/CNY		(7)	(8)	(20)	(23)	(26)
€/JP¥		+13	(1)	(34)	(30)	(24)
Others		+46	+10	(51)	(59)	(105)
Total currency impact		+116	+50	(194)	(273)	(413)
Average rate		Q1 17	Q2 17	Q3 17	Q4 17	Q1 18
€/USD		1.07	1.10	1.17	1.18	1.23
€/CNY		7.33	7.55	7.83	7.79	7.81
€/JP¥		121.0	122.2	130.4	132.9	133.1
Natural Gas	In €m					
Natural Gas Impact		+104	+75	+41	+23	(14)
Electricity	In €m					
Electricity Impact		+25	+17	+9	(0)	(2)

Revenue Analysis by Quarter and by Business Line

Sales in €m	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q1 18/17 as published	Q1 18/17 comparable
Large Industries	1,392	1,302	1,286	1,356	1,365	-1.9%	+6.0%
Industrial Merchant	2,384	2,373	2,265	2,239	2,208	-7.4%	+4.2%
Healthcare	850	840	833	878	850	-0.1%	+4.9%
Electronics	420	417	403	404	408	-3.1%	+5.7%
Gas & Services	5,046	4,932	4,787	4,877	4,831	-4.3%	+5.0%
Engineering & Construction	53	93	75	114	85	+62.7%	+75.2%
Global Markets & Technologies	77	92	82	121	94	+21.4%	+24.4%
Group Total	5,176	5,117	4,944	5,112	5,010	-3.2%	+6.0%

Revenue Analysis by Quarter and by Geography

Sales in €m	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q1 18/17 as published	Q1 18/17 comparable
Americas	2,142	2,109	1,968	1,931	1,901	-11.3%	+4.5%
Europe	1,710	1,661	1,657	1,748	1,753	+2.5%	+3.3%
Asia-Pacific	1,024	1,008	1,010	1,039	1,016	-0.8%	+6.8%
Middle-East, Africa	170	154	152	159	161	-5.4%	+16.7%
Gas & Services	5,046	4,932	4,787	4,877	4,831	-4.3%	+5.0%
Engineering & Construction	53	93	75	114	85	+62.7%	+75.2%
Global Markets & Technologies	77	92	82	121	94	+21.4%	+24.4%
Group Total	5,176	5,117	4,944	5,112	5,010	-3.2%	+6.0%

G&S Revenue Growth by Quarter and by Impact

	Growth as published	Natural Gas	Electricity	Currency	Significant perimeter	Comparable growth
Q1 2017	+42.2%	+2.2%	+0.6%	+2.5%	N/A	+2.8%
Q2 2017	+21.2%	+1.6%	+0.4%	+1.1%	N/A	+2.7%
Q3 2017	+0.1%	+0.8%	+0.2%	-4.1%	N/A	+4.0%
Q4 2017	-1.1%	+0.5%	+0.0%	-5.6%	-0.4%	+4.4%
Q1 2018	-4.3%	-0.3%	-0.0%	-8.3%	-0.7%	+5.0%

2017 impacts compared to adjusted 2016 revenue, as if on January 1st 2016 Airgas had been fully consolidated.

Investment Cycle – Definitions

• Investment opportunities at end of the period

- Investment opportunities under consideration by the Group for decision within 12 months.
- Industrial projects with investment value > **€5m** for Large Industries and > **€3m** for other business lines.
- Includes asset replacements or efficiency projects. Excludes maintenance and safety.

• Investment backlog at end of the period

- Cumulated industrial investment value of projects decided but not yet started.
- Industrial projects with value > **€10m**, including asset replacements or efficiency projects, excluding maintenance and safety.

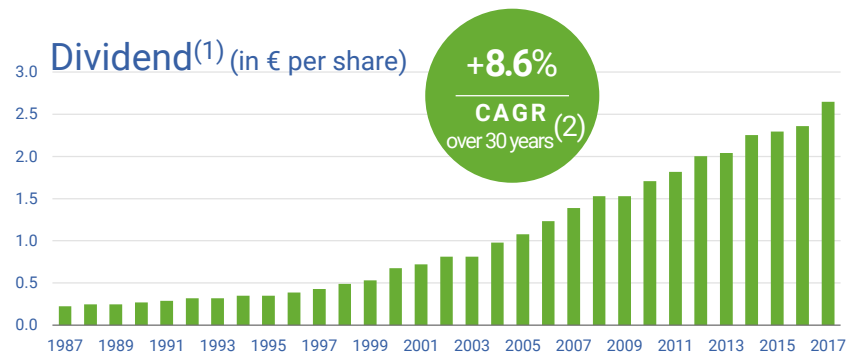
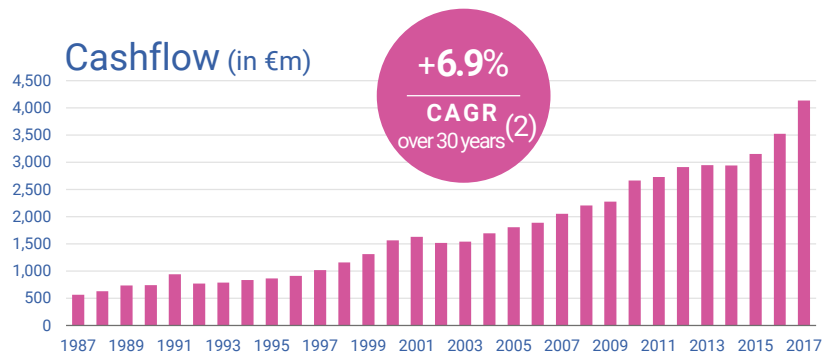
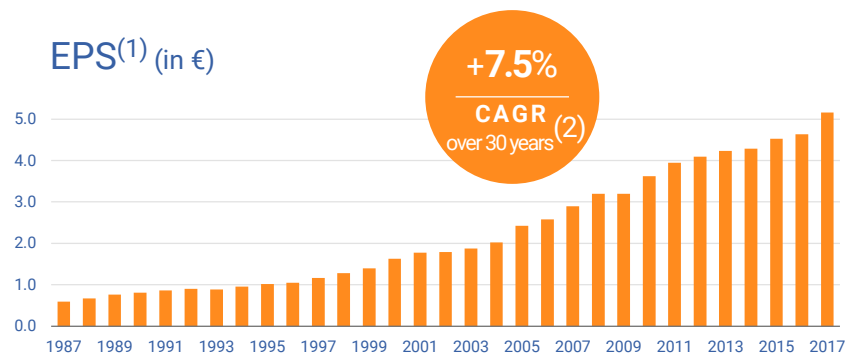
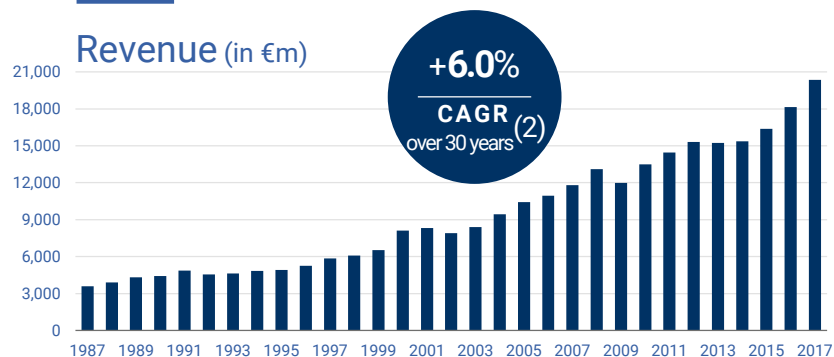
• Sales backlog

- Cumulated expected sales per year generated by the current investment backlog after full ramp-up.

• Decisions of the period

- Cumulated value of industrial and financial investment decisions.
- Industrial, growth and non-growth projects including asset replacements, efficiency, maintenance and safety.
- Financial decisions (acquisitions).

Regular and Sustained Performance



(1) Adjusted for the 2-for-1 share split in 2007, for attributions of free shares and for a factor of 0.974 reflecting the value of the rights of the capital increase completed in October 2016. (2) Calculated according to prevailing accounting rules over 30 years.

For further information, please contact:

Investor Relations

Aude Rodriguez ☎ + 33 (0)1 40 62 57 08

Louis Laffont ☎ + 33 (0)1 40 62 57 18

Ludmilla Binet ☎ + 33 (0)1 40 62 57 37

Jérôme Zaman ☎ + 33 (0)1 40 62 59 38

Joseph Marczely ☎ + 1 610 263 8277

Communication

Anne Bardot ☎ + 33 (0)1 40 62 50 93

Annie Fournier ☎ + 33 (0)1 40 62 51 31

www.airliquide.com

Follow us on Twitter @AirLiquideGroup

L'Air Liquide S.A.

*Corporation for the study and application of processes developed by Georges Claude
with registered capital of 2,356,439,277.50 euros*

Corporate Headquarters:

75, Quai d'Orsay

75321 Paris Cedex 07

Tel : +33 (0)1 40 62 55 55

RCS Paris 552 096 281