



## Linde Reports Third-Quarter 2022 Results

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

### Third-Quarter Highlights

- Sales \$8.8 billion, up 15% versus prior-year quarter
- Operating profit \$1.6 billion; adjusted operating profit \$2.0 billion, up 11%
- Operating profit margin 18.3%; adjusted operating profit margin 22.8%, up 90 basis points ex. cost pass-through
- EPS \$2.54; adjusted EPS \$3.10, up 14%
- Operating cash flow of \$2.6 billion, up 3% versus prior-year quarter and 24% sequentially
- Increased full-year 2022 adjusted EPS guidance to \$11.93 - \$12.03, represents 12% to 13% growth year-over-year, 17% to 18% ex FX

Woking, UK, October 27, 2022 – Linde plc (NYSE: LIN; FWB: LIN) today reported third-quarter 2022 income from continuing operations of \$1,273 million and diluted earnings per share of \$2.54, up 30% and 35% respectively. Excluding Linde AG purchase accounting impacts and other charges, adjusted income from continuing operations was \$1,555 million, up 9% versus prior year. Adjusted earnings per share was \$3.10, 14% above prior year.

Linde's sales for the third quarter were \$8,797 million, 15% above prior year. Compared to prior year, underlying sales increased 11%, including 8% price attainment and 3% higher volumes, with growth in all end markets except healthcare. Sequentially, underlying sales increased 3% with growth across all end markets driven by 2% higher price and 1% volume.

Third-quarter operating profit was \$1,613 million. Adjusted operating profit of \$2,010 million was up 11% versus prior year led by higher price, volumes and continued productivity initiatives across all segments. Excluding the effects of cost pass-through, adjusted operating margins expanded 90 basis points versus prior year.

Third-quarter operating cash flow of \$2,636 million more than covered capital expenditures of \$762 million resulting in free cash flow of \$1,874 million. During the quarter, the company returned \$1,728 million to shareholders through dividends and stock repurchases, net of issuances.

Commenting on the financial results and business outlook, Chief Executive Officer Sanjiv Lamba said, "Linde employees delivered another strong quarter of financial results with EPS increasing 14% despite 7% currency headwinds. Furthermore, operating margins expanded 90 basis points when excluding cost pass-through - all underpinned by strong operating cash flow of \$2.6 billion and record ROC of 21.8%. These results demonstrate, once again, Linde's resiliency and growth capabilities in any environment.

Lamba continued, "Irrespective of the macro-economic uncertainty, I have confidence in our business model and high-performance culture to continue creating shareholder value for years to come."

For the fourth quarter of 2022, Linde expects adjusted diluted earnings per share in the range of \$2.80 to \$2.90, up 1% to 5% versus prior-year quarter. This guidance includes an assumed currency headwind of 8% year-over-year and 2% sequentially.

For the full year 2022, the company expects adjusted diluted earnings per share to be in the range of \$11.93 to \$12.03, up 12% to 13% versus prior year or 17% to 18% excluding currency headwind. Full-year capital expenditures are expected



to be in the range of \$3.0 billion to \$3.4 billion to support growth and maintenance requirements including the \$3.7 billion contractual sale of gas project backlog.

### Third-Quarter 2022 Results by Segment

Americas sales of \$3,694 million grew 20% versus prior-year quarter and 5% sequentially. Compared with third quarter 2021, underlying sales increased 13% driven by 6% higher pricing and 7% higher volume, with double-digit growth in all end markets except healthcare. Sequentially, underlying sales grew 4%, from 1% higher pricing and 3% volume. Operating profit of \$974 million was 26.4% of sales, 140 basis points below prior year or 50 basis points higher when excluding the effects of cost pass-through.

APAC (Asia Pacific) sales of \$1,660 million were 6% above prior year and up 1% sequentially. Compared to prior year, underlying sales grew 12% driven by 7% price attainment and 5% volume growth, with growth across all end markets except healthcare. Sequentially, underlying sales grew 6% with pricing up 2% and volume growing 4%. Operating profit of \$429 million was 25.8% of sales, 140 basis points above prior year or 180 basis points higher when excluding the effects of cost pass-through.

EMEA (Europe, Middle East & Africa) sales of \$2,125 million were up 11% versus prior year and down 1% sequentially. Compared with third-quarter 2021, underlying sales grew 11%, driven by 14% higher pricing and 3% lower volumes. Sales grew across all end markets except healthcare. Sequentially, underlying sales grew 1% driven by 4% higher pricing and 3% lower volumes. Operating profit of \$465 million was 21.9% of sales, 300 basis points below prior year or 60 basis points higher when excluding the effects of cost pass-through.

Linde Engineering sales were \$828 million, up 38% versus prior year, and operating profit was \$150 million or 18.1% of sales. Order intake for the quarter was \$1,001 million and third-party sale of plant backlog increased to \$3.1 billion.

### About Linde

Linde is a leading global industrial gases and engineering company with 2021 sales of \$31 billion (€26 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 & energy, food & beverage, electronics, healthcare, manufacturing, metals and mining. 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 Q3 2022 group revenues amount to USD 8.9 billion.

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.



\*Note: We are providing adjusted earnings per share ("EPS") guidance for 2022. 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 future results or circumstances to differ materially from 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, 2021 filed with the SEC on February 28, 2022 which should be reviewed carefully. Please consider Linde plc's forward-looking statements in light of those risks.