



Press release

Linde Reports Third-Quarter 2019 Results

Financial Highlights

- Sales \$7.0 billion, ex. FX +4% versus prior year
- Operating profit margin 14.3%, adjusted pro forma operating profit margin 19.8%
- Strong operating cash flow of \$1.9 billion increased 86% sequentially
- EPS \$1.34, adjusted pro forma EPS \$1.94
- Raised full-year adjusted pro forma EPS guidance to \$7.25 - \$7.30*

Guildford, UK, November 12, 2019 – Linde plc (NYSE: LIN; FWB: LIN) today reported third-quarter income from continuing operations of \$728 million and diluted earnings per share of \$1.34. Excluding Linde AG purchase accounting impacts and other charges, adjusted pro forma income from continuing operations was \$1,052 million, up 24% versus prior year and 5% sequentially. Adjusted pro forma earnings per share was \$1.94, 26% above prior year and 6% above second quarter.

Linde's sales for the third quarter were \$7,000 million. Pro forma sales were \$6,993 million, 1% higher than prior year. Excluding unfavorable currency translation effects, sales increased 4% driven by volume and price each growing 2%. Volume growth was evenly split between base business and project start-ups while price improved across all geographic segments. Sequentially, sales decreased 3% driven primarily by lower engineering sales, unfavorable currency and lower cost pass-through.

Third-quarter operating profit of \$1,000 million was 49% above the prior-year quarter mainly due to the merger, including a gain from a merger related divestiture. On an adjusted pro forma basis, operating profit of \$1,384 million was 16% above prior year or 19% when excluding unfavorable currency.

Third-quarter operating cash flow of \$1,872 million increased \$867 million versus the second quarter primarily driven by higher net income and improved working capital. During the quarter the company invested \$959 million in capital expenditures, mostly for new production plants under long-term contracts, and returned \$1,150 million to shareholders through dividends and stock repurchases.

Commenting on the financial results, Chief Executive Officer Steve Angel said, "The Linde team delivered another quarter of strong financial results with operating margins expanding 270 basis points, operating cash flow reaching \$1.9 billion and earnings per share growing 26%. These results reflect our employees' relentless focus on operational excellence and delivering value for our shareholders. For the remainder of the year we anticipate continued softening of the global economy, however, we are raising our full-year EPS guidance given the opportunities we see to continue to improve the quality of our business."

For full-year 2019, Linde expects adjusted pro forma diluted earnings per share in the range of \$7.25 to \$7.30 which represents an increase of 17% to 18% versus prior year. This range includes an estimated full-year currency headwind of 4%.



Press release

The following provides additional detail on third-quarter 2019 pro forma results for each segment:

Americas sales of \$2,771 million were 5% higher versus prior-year quarter and flat sequentially. Compared to second quarter 2019, price increased 1%, offset by negative cost pass-through. Operating profit of \$671 million was 24.2% of sales.

APAC (Asia Pacific) sales of \$1,461 million decreased 5% from prior year and 2% sequentially. Excluding negative currency and cost pass-through, sales were flat versus the prior year and up 1% sequentially. Price increased 1% versus prior year but was offset by negative volumes driven by an overall weaker economy and customer turnarounds. Sequentially, price was up 1% while volume was flat as contribution from project start-ups was offset by weaker base volumes. Operating profit of \$308 million was 21.1% of sales.

EMEA (Europe, Middle East & Africa) sales of \$1,634 million were down 4% versus prior year and 2% sequentially. Excluding unfavorable currency, sales increased 1% versus the prior year and were flat sequentially. Compared with second quarter 2019, higher pricing of 1% was offset by weaker volumes primarily due to a slowing manufacturing end-market. Operating profit of \$335 million was 20.5% of sales.

Linde Engineering sales were \$641 million and operating profit was \$120 million or 18.7% of sales. Operating profit grew 74% versus prior year and 21% sequentially due primarily to strong project execution, cost management and favorable timing of project completion.

A teleconference on Linde's third-quarter results is being held this morning, November 12, 2019 at 9:00 am Eastern Time. The US Toll-Free Dial-In Number is 1 855 758 5442 and the access code is 3488733. The call is also available as a webcast live and on-demand at www.linde.com/investors. Materials to be used in the teleconference are also available on the website.

About Linde

Linde is a leading industrial gases and engineering company with 2018 pro forma sales of USD 28 billion (EUR 24 billion). The company employs approximately 80,000 people globally and serves customers in more than 100 countries worldwide. Linde delivers innovative and sustainable solutions to its customers and creates long-term value for all stakeholders. The company is making our world more productive by providing products, technologies and services that help customers improve their economic and environmental performance in a connected world.

For more information about the company, please visit www.linde.com

Pro forma sales and adjusted operating profit and earnings per share are non-GAAP measures prepared on a basis consistent with Article 11 and includes certain non-GAAP adjustments. See pages 9 to 17 for reconciliations.

See the attachments for a summary of pro forma, adjusted pro forma and non-GAAP reconciliations and calculations. Adjusted amounts, EBITDA, free cash flow and net debt are non-GAAP measures.



Press release

*Note: We are providing adjusted pro forma earnings per share ("EPS") guidance for 2019. 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. At this time, we cannot provide a reconciliation of the differences between the non-GAAP adjusted pro forma EPS guidance and the corresponding GAAP EPS measure for 2019 without unreasonable effort such as (1) the impact of anticipated asset divestitures and (2) purchase accounting adjustments related to the business combination between Praxair and Linde AG. As such, these variables result in an GAAP EPS range that we believe is too large and variable to be meaningful.

Attachments: Summary pro forma and adjusted pro forma reconciliations, Statements of Income, Balance Sheets, Statements of Cash Flows, Segment Information and Appendix: 2019 and 2018 pro forma income statement information and non-GAAP Measures.

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 ability to successfully integrate the Praxair and Linde AG businesses; regulatory or other limitations and requirements imposed as a result of the business combination of Praxair and Linde AG that could reduce anticipated benefits of the transaction; the risk that Linde plc may be unable to achieve expected synergies or that it may take longer or be more costly than expected to achieve those synergies; 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 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, including the impact of the U.S. Tax Cuts and Jobs Act of 2017; 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 GAAP, IFRS 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, 2018 filed with the SEC on March 18, 2019 which should be reviewed carefully. Please consider Linde plc's forward-looking statements in light of those risks.

LINDE PLC AND SUBSIDIARIES
SUMMARY PRO FORMA AND ADJUSTED PRO FORMA RECONCILIATIONS
(UNAUDITED)

On October 31, 2018, Praxair, Inc. and Linde AG, combined (the "Merger", or "Business Combination") under Linde plc (the "company"). Praxair, Inc. was the accounting acquirer and as a result historical periods prior to the merger date solely reflect the results of Praxair, Inc.

The following adjusted pro forma 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 "PRO FORMA INCOME STATEMENT INFORMATION" and "NON GAAP MEASURES AND RECONCILIATIONS" starting on page 9 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	
	2019	2018	2019	2018	2019	2018	2019	2018
Quarter Ended September 30,								
Reported GAAP amounts	\$ 7,000	\$ 3,008	\$ 1,000	\$ 669	\$ 728	\$ 461	\$ 1.34	\$ 1.58
Pro forma adjustments	(7)	3,934	(145)	(52)	(50)	(5)	(0.09)	(0.76)
Non-GAAP adjustments	—	—	529	571	374	394	0.69	0.72
Adjusted pro forma amounts	\$ 6,993	\$ 6,942	\$ 1,384	\$ 1,188	\$ 1,052	\$ 850	\$ 1.94	\$ 1.54
Year To Date September 30,								
Reported GAAP amounts	\$ 21,148	\$ 9,035	\$ 2,278	\$ 2,011	\$ 1,676	\$ 1,403	\$ 3.07	\$ 4.82
Pro forma adjustments	(62)	12,026	(27)	23	94	119	0.18	(2.08)
Non-GAAP adjustments	—	—	1,674	1,606	1,209	1,070	2.21	1.94
Adjusted pro forma amounts	\$ 21,086	\$ 21,061	\$ 3,925	\$ 3,640	\$ 2,979	\$ 2,592	\$ 5.46	\$ 4.68

LINDE PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(Millions of dollars, except per share data)
(UNAUDITED)

	Quarter Ended September 30,		Year To Date September 30,	
	2019	2018	2019	2018
SALES				
Cost of sales	\$ 7,000	\$ 3,008	\$ 21,148	\$ 9,035
Selling, general and administrative	4,061	1,698	12,457	5,065
Depreciation and amortization	850	294	2,613	911
Research and development	1,095	306	3,513	928
Cost reduction programs and other charges	44	23	135	71
Net gain on sale of businesses	125	31	355	74
Other income (expense) - net	164	—	164	—
OPERATING PROFIT	<u>11</u>	<u>13</u>	<u>39</u>	<u>25</u>
Interest expense - net	(3)	40	30	130
Net pension and OPEB cost (benefit), excluding service cost	<u>2</u>	<u>6</u>	<u>(7)</u>	<u>10</u>
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY INVESTMENTS				
Taxes and equity investments	1,001	623	2,255	1,871
Income taxes	298	156	607	462
INCOME FROM CONTINUING OPERATIONS BEFORE EQUITY INVESTMENTS				
Income from equity investments	703	467	1,648	1,409
INCOME FROM CONTINUING OPERATIONS (INCLUDING NONCONTROLLING INTERESTS)				
Income from discontinued operations, net of tax	28	13	90	42
INCOME (INCLUDING NONCONTROLLING INTERESTS)				
Add: income from discontinued operations, net of tax	731	480	1,738	1,451
Less: noncontrolling interests from continuing operations	7	—	105	—
Less: noncontrolling interests from discontinued operations	(3)	(19)	(62)	(48)
NET INCOME - LINDE PLC	<u>\$ 735</u>	<u>\$ 461</u>	<u>\$ 1,774</u>	<u>\$ 1,403</u>
NET INCOME - LINDE PLC				
Income from continuing operations	\$ 728	\$ 461	\$ 1,676	\$ 1,403
Income from discontinued operations	\$ 7	\$ —	\$ 98	\$ —
PER SHARE DATA - LINDE PLC SHAREHOLDERS				
Basic earnings per share from continuing operations	\$ 1.35	\$ 1.60	\$ 3.09	\$ 4.87
Basic earnings per share from discontinued operations	0.01	—	0.18	—
Basic earnings per share	<u>\$ 1.36</u>	<u>\$ 1.60</u>	<u>\$ 3.27</u>	<u>\$ 4.87</u>
Diluted earnings per share from continuing operations	1.34	1.58	3.07	4.82
Diluted earnings per share from discontinued operations	0.01	—	0.18	—
Diluted earnings per share	<u>\$ 1.35</u>	<u>\$ 1.58</u>	<u>\$ 3.25</u>	<u>\$ 4.82</u>
Cash dividends	\$ 0.875	\$ 0.825	\$ 2.625	\$ 2.475
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic shares outstanding (000's)	539,753	288,093	542,589	287,800
Diluted shares outstanding (000's)	543,616	291,513	546,507	291,275

Note: See page 9 for a reconciliation to adjusted amounts which are Non-GAAP.

LINDE PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(Millions of dollars)
(UNAUDITED)

	September 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	\$ 2,120	\$ 4,466
Accounts receivable - net	4,238	4,297
Contract assets	367	283
Inventories	1,653	1,651
Assets held for sale	232	5,498
Prepaid and other current assets	1,202	1,077
TOTAL CURRENT ASSETS	<u>9,812</u>	<u>17,272</u>
Property, plant and equipment - net	28,460	29,717
Goodwill	26,261	26,874
Other intangibles - net	15,836	16,223
Other long-term assets	4,025	3,300
TOTAL ASSETS	<u><u>\$ 84,394</u></u>	<u><u>\$ 93,386</u></u>
LIABILITIES AND EQUITY		
Accounts payable	\$ 3,071	\$ 3,219
Short-term debt	1,209	1,485
Current portion of long-term debt	1,425	1,523
Contract liabilities	1,597	1,546
Liabilities of assets held for sale	9	768
Other current liabilities	3,572	4,415
TOTAL CURRENT LIABILITIES	<u>10,883</u>	<u>12,956</u>
Long-term debt	10,567	12,288
Other long-term liabilities	11,636	11,046
TOTAL LIABILITIES	<u>33,086</u>	<u>36,290</u>
REDEEMABLE NONCONTROLLING INTERESTS	14	16
LINDE PLC SHAREHOLDERS' EQUITY:		
Common stock	1	1
Additional paid-in capital	40,185	40,151
Retained earnings	16,810	16,529
Accumulated other comprehensive income (loss)	(5,600)	(4,456)
Less: Treasury stock, at cost	(2,443)	(629)
Total Linde plc Shareholders' Equity	48,953	51,596
Noncontrolling interests	2,341	5,484
TOTAL EQUITY	<u>51,294</u>	<u>57,080</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 84,394</u></u>	<u><u>\$ 93,386</u></u>

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

	Quarter Ended September 30,		Year to Date September 30,	
	2019	2018	2019	2018
OPERATIONS				
Net income - Linde plc	\$ 735	\$ 461	\$ 1,774	\$ 1,403
Less: income from discontinued operations, net of tax and noncontrolling interests	(7)	—	(98)	—
Add: noncontrolling interests	3	19	62	48
Net income (including noncontrolling interests)	<u>\$ 731</u>	<u>480</u>	<u>\$ 1,738</u>	<u>1,451</u>
Adjustments to reconcile net income to net cash provided by operating activities:				
Cost reduction programs and other charges, net of payments (a)	(70)	20	(356)	35
Depreciation and amortization	1,095	306	3,513	928
Accounts receivable	158	26	(30)	(121)
Contract assets and liabilities, net	68	—	(35)	—
Inventory	12	(19)	(61)	(29)
Payables and accruals	(164)	107	(411)	101
Pension contributions	(26)	(7)	(69)	(17)
Deferred income taxes and other	68	(42)	(344)	1
Net cash provided by operating activities	<u>\$ 1,872</u>	<u>\$ 871</u>	<u>\$ 3,945</u>	<u>\$ 2,349</u>
INVESTING				
Capital expenditures	(959)	(380)	(2,667)	(1,056)
Acquisitions, net of cash acquired	(21)	(6)	(161)	(6)
Divestitures and asset sales	271	8	4,960	77
Net cash used for investing activities	<u>\$ (709)</u>	<u>\$ (378)</u>	<u>\$ 2,132</u>	<u>\$ (985)</u>
FINANCING				
Debt increase (decrease) - net	(467)	(133)	(1,744)	(625)
Issuances of ordinary shares	5	26	60	70
Purchases of ordinary shares	(684)	(1)	(1,934)	(2)
Cash dividends - Linde plc shareholders	(471)	(238)	(1,422)	(712)
Noncontrolling interest transactions and other (b)	(35)	(11)	(3,257)	(33)
Net cash provided by (used for) financing activities	<u>\$ (1,652)</u>	<u>\$ (357)</u>	<u>\$ (8,297)</u>	<u>\$ (1,302)</u>
DISCONTINUED OPERATIONS				
Cash provided by operating activities	(3)	—	67	—
Cash provided by investing activities	—	—	(59)	—
Cash provided by financing activities	—	—	5	—
Net cash provided by (used for) discontinued operations	<u>\$ (3)</u>	<u>\$ —</u>	<u>\$ 13</u>	<u>\$ —</u>
Effect of exchange rate changes on cash and cash equivalents	(77)	(15)	(126)	(79)
Change in cash and cash equivalents	(569)	121	(2,333)	(17)
Cash and cash equivalents, beginning-of-period	2,686	479	4,466	617
Cash and cash equivalents, including discontinued operations	<u>\$ 2,117</u>	<u>\$ 600</u>	<u>\$ 2,133</u>	<u>\$ 600</u>
Cash and cash equivalents of discontinued operations	3	—	(13)	—
Cash and cash equivalents, end-of-period	<u>\$ 2,120</u>	<u>\$ 600</u>	<u>\$ 2,120</u>	<u>\$ 600</u>

(a) Cost reduction programs and other charges cash outflows for the 2019 quarter were \$195 million (\$711 million for the nine months ended September 30, 2019), reflected in the condensed consolidated statement of cash flows as follows: \$125 million (\$355 million for the nine months ended September 30, 2019) included within "Net income - Linde plc", and \$70 million (\$356 million of the nine months ended September 30, 2019) included within "Adjustments to reconcile net income to net cash provided by operating activities".

(b) Noncontrolling interest transactions and other for the 2019 year to date period includes approximately \$3.2 billion related to the cash merger squeeze-out of the 8% Linde AG shares which were not tendered in the exchange offer.

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

	Reported		Pro Forma (b)	
	Quarter Ended September 30,		Quarter Ended September 30,	
	2019	2018 (a)	2019	2018 (a)
SALES				
Americas	\$ 2,771	\$ 1,865	\$ 2,771	\$ 2,627
EMEA	1,634	415	1,634	1,695
APAC	1,468	447	1,461	1,539
Engineering	641	—	641	635
Other	486	281	486	446
Segment sales	<u>\$ 7,000</u>	<u>\$ 3,008</u>	<u>\$ 6,993</u>	<u>\$ 6,942</u>
OPERATING PROFIT				
Americas	\$ 671	\$ 498	\$ 671	\$ 622
EMEA	335	87	335	308
APAC	310	108	308	256
Engineering	120	—	120	69
Other	(50)	7	(50)	(67)
Segment operating profit	<u>\$ 1,386</u>	<u>\$ 700</u>	<u>\$ 1,384</u>	<u>\$ 1,188</u>
Cost reduction programs and other charges	(125)	(31)		
Net gain on sale of businesses	164	—		
Purchase accounting impacts - Linde AG	(425)	—		
Total operating profit	<u>\$ 1,000</u>	<u>\$ 669</u>		
SALES				
Americas	\$ 8,256	\$ 5,580	\$ 8,252	\$ 7,855
EMEA	4,989	1,265	4,989	5,287
APAC	4,433	1,342	4,376	4,503
Engineering	2,029	—	2,029	2,076
Other	1,441	848	1,440	1,340
Segment sales	<u>\$ 21,148</u>	<u>\$ 9,035</u>	<u>\$ 21,086</u>	<u>\$ 21,061</u>
OPERATING PROFIT				
Americas	\$ 1,902	\$ 1,491	\$ 1,901	\$ 1,824
EMEA	1,014	267	1,014	1,048
APAC	898	322	885	783
Engineering	297	—	297	208
Other	(171)	5	(172)	(223)
Segment operating profit	<u>\$ 3,940</u>	<u>\$ 2,085</u>	<u>\$ 3,925</u>	<u>\$ 3,640</u>
Cost reduction programs and other charges	(355)	(74)		
Net gain on sale of businesses	164	—		
Purchase accounting impacts - Linde AG	(1,471)	—		
Total operating profit	<u>\$ 2,278</u>	<u>\$ 2,011</u>		

(a) As a result of the merger and effective with the lifting of the hold separate order, effective March 1, 2019, new reportable segments were created. All periods presented were recast to conform to the new segment structure.

(b) See pro forma income statement information starting on page 9.

LINDE PLC AND SUBSIDIARIES
APPENDIX
QUARTER ENDED September 30, 2019 PRO FORMA INCOME STATEMENT INFORMATION
(Millions of dollars, except per share data)
(UNAUDITED)

To assist with a discussion of the 2019 and 2018 results on a comparable basis, certain supplemental unaudited pro forma income statement information is provided on both a consolidated and segment basis. The pro forma information has been prepared on a basis consistent with Article 11 of Regulation S-X, assuming the Merger and merger-related divestitures had been consummated on January 1, 2018. In preparing this pro forma information, the historical financial information has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Business Combination and other transactions presented herein, such as the merger-related divestitures, (ii) factually supportable, and (iii) expected to have a continuing impact on the combined entity's consolidated results. The pro forma information is based on management's assumptions and is presented for illustrative purposes and does not purport to represent what the results of operations would actually have been if the Business Combination and merger-related divestitures had occurred as of the dates indicated or what the results would be for any future periods. Also, the pro forma information does not include the impact of any revenue, cost or other operating synergies that may result from the Business Combination or any related restructuring costs. The unaudited pro forma income statement has been presented for informational purposes only and is not necessarily indicative of what Linde plc's results of operation actually would have been had the Merger been completed on January 1, 2018. In addition, the unaudited pro forma income statement does not purport to project the future operating results of the company.

Quarter to Date September 30, 2019						
Pro forma Income Statement Information						
Pro forma Adjustments						
	<u>Linde plc</u>	<u>Reported</u>	<u>Divestitures (a)</u>	<u>Other</u>	<u>Total</u>	<u>Pro Forma</u>
Sales		\$ 7,000	\$ (7)	\$ —	\$ (7)	\$ 6,993
Cost of sales, exclusive of depreciation		4,061	(5)	(2) (b)	(7)	4,054
Selling, general and administrative		850	—	—	—	850
As a % of Sales		12.1 %				12.2 %
Depreciation and amortization		1,095			—	1,095
Research and development		44			—	44
Cost reduction programs and other charges		125		(19) (c)	(19)	106
Net gain on sale of businesses		164		(164) (d)	(164)	—
Other income (expense) - net		11		—	—	11
Operating profit		1,000	(2)	(143)	(145)	855
Operating margin		14.3 %				12.2 %
Net pension and OPEB cost (benefit), excluding service costs		2		(40) (e)	(40)	(38)
Interest expense - net		(3)		—	—	(3)
Income taxes		298	(1)	(54) (f)	(55)	243
Effective Tax Rate		29.8 %				27.1 %
Income from equity investments		28		—	—	28
Noncontrolling interests from continuing operations		(3)		—	—	(3)
Income from continuing operations		\$ 728	\$ (1)	\$ (49)	\$ (50)	\$ 678
Diluted shares outstanding		543,616			543,616	543,616
Diluted EPS from continuing operations		\$ 1.34			\$ (0.09)	\$ 1.25
SEGMENT SALES						
Americas		\$ 2,771	\$ —	\$ —	\$ —	\$ 2,771
EMEA		1,634			—	1,634
APAC		1,468	(7)		(7)	1,461
Engineering		641			—	641
Other		486	—		—	486
Segment sales		\$ 7,000	\$ (7)	\$ —	\$ (7)	\$ 6,993
SEGMENT OPERATING PROFIT						
Americas		\$ 671	\$ —	\$ —	\$ —	\$ 671
EMEA		335			—	335
APAC		310	(2)		(2)	308
Engineering		120			—	120
Other		(50)	—		—	(50)
Segment operating profit		1,386	(2)	—	(2)	1,384
Cost reduction programs and other charges		(125)			—	(125)
Gain on sale of businesses		164			—	164
Purchase accounting impacts - Linde AG		(425)			—	(425)
Total operating profit		\$ 1,000	\$ (2)	\$ —	\$ (2)	\$ 998

Pro Forma Adjustments:

- (a) To eliminate the results of Praxair's merger-related divestitures.
- (b) To eliminate the impact of the inventory step-up recorded in purchase accounting for the merger. This item is nonrecurring in nature, directly attributable to the Merger and occurred within one year of the transaction.
- (c) To eliminate the transaction costs and other charges related to the Merger.
- (d) To eliminate the gain on merger related divestitures.
- (e) To eliminate pension settlement charges related to the Merger.
- (f) To eliminate the income tax impacts of the Other adjustments.

LINDE PLC AND SUBSIDIARIES
APPENDIX
QUARTER ENDED JUNE 30, 2019 PRO FORMA INCOME STATEMENT INFORMATION
(Millions of dollars, except per share data)
(UNAUDITED)

	Quarter to Date June 30, 2019					
	Pro forma Income Statement Information					
	Pro forma Adjustments					
	Linde plc Reported	Divestitures (a)	Other	Total		Pro Forma
Sales	\$ 7,204	\$ (25)	\$ —	\$ (25)	\$ 7,179	
Cost of sales, exclusive of depreciation	4,280	(19)	—	(19)	4,261	
Selling, general and administrative	884	—	—	—	884	
As a % of Sales	12.3 %				12.3 %	
Depreciation and amortization	1,195	—	—	—	1,195	
Research and development	45	—	—	—	45	
Cost reduction programs and other charges	141	(65)	(b)	(65)	76	
Other income (expense) - net	10	—	—	—	10	
Operating profit	669	(6)	65	59	728	
Operating margin	9.3 %				10.1 %	
Net pension and OPEB cost (benefit), excluding service costs	(24)	—	—	—	(24)	
Interest expense - net	10	—	—	—	10	
Income taxes	169	(2)	13 (c)	11	180	
Effective Tax Rate	24.7 %				24.3 %	
Income from equity investments	28	—	—	—	28	
Noncontrolling interests from continuing operations	(29)	—	—	—	(29)	
Income from continuing operations	\$ 513	\$ (4)	\$ 52	\$ 48	\$ 561	
Diluted shares outstanding	546,488	—	—	546,488	546,488	
Diluted EPS from continuing operations	\$ 0.94	—	—	\$ 0.09	\$ 1.03	
SEGMENT SALES						
Americas	\$ 2,779	\$ —	\$ —	\$ —	\$ 2,779	
EMEA	1,673	—	—	—	1,673	
APAC	1,513	(25)	—	(25)	1,488	
Engineering	752	—	—	—	752	
Other	487	—	—	—	487	
Segment sales	\$ 7,204	\$ (25)	\$ —	\$ (25)	\$ 7,179	
SEGMENT OPERATING PROFIT						
Americas	\$ 646	\$ —	\$ —	\$ —	\$ 646	
EMEA	332	—	—	—	332	
APAC	310	(6)	—	(6)	304	
Engineering	99	—	—	—	99	
Other	(62)	—	—	—	(62)	
Segment operating profit	1,325	(6)	—	(6)	1,319	
Cost reduction programs and other charges	(141)	—	—	—	(141)	
Purchase accounting impacts - Linde AG	(515)	—	—	—	(515)	
Total operating profit	\$ 669	\$ (6)	\$ —	\$ (6)	\$ 663	

Pro Forma Adjustments:

- (a) To eliminate the results of Praxair's merger-related divestitures.
- (b) To eliminate the transaction costs and other charges related to the Merger.
- (c) To eliminate the income tax impacts of the Other adjustments.

LINDE PLC AND SUBSIDIARIES
APPENDIX
QUARTER ENDED MARCH 31, 2019 PRO FORMA INCOME STATEMENT INFORMATION
(Millions of dollars, except per share data)
(UNAUDITED)

	Quarter to Date March 31, 2019					
	Pro forma Income Statement Information					
	Pro forma Adjustments					
	<u>Linde plc</u>	<u>Reported</u>	<u>Divestitures (a)</u>	<u>Other</u>	<u>Total</u>	<u>Pro Forma</u>
Sales		\$ 6,944	\$ (30)	\$ —	\$ (30)	\$ 6,914
Cost of sales, exclusive of depreciation		4,116	(22)	(10) (b)	(32)	4,084
Selling, general and administrative		879	(1)		(1)	878
As a % of Sales		12.7 %				12.7 %
Depreciation and amortization		1,223			—	1,223
Research and development		46			—	46
Cost reduction programs and other charges		89		(56) (c)	(56)	33
Other income (expense) - net		18			—	18
Operating profit		609	(7)	66	59	668
Operating margin		8.8 %				9.7 %
Net pension and OPEB cost (benefit), excluding service costs		15		(51) (d)	(51)	(36)
Interest expense - net		23			—	23
Income taxes		140	(2)	16 (e)	14	154
Effective Tax Rate		24.5 %				22.6 %
Income from equity investments		34			—	34
Noncontrolling interests from continuing operations		(30)			—	(30)
Income from continuing operations		\$ 435	\$ (5)	\$ 101	\$ 96	\$ 531
Diluted shares outstanding		549,147			549,147	549,147
Diluted EPS from continuing operations		\$ 0.79			\$ 0.18	\$ 0.97
SEGMENT SALES						
Americas		\$ 2,706	\$ (4)	\$ —	\$ (4)	\$ 2,702
EMEA		1,682			—	1,682
APAC		1,452	(25)		(25)	1,427
Engineering		636			—	636
Other		468	(1)		(1)	467
Segment sales		\$ 6,944	\$ (30)	\$ —	\$ (30)	\$ 6,914
SEGMENT OPERATING PROFIT						
Americas		\$ 585	\$ (1)	\$ —	\$ (1)	\$ 584
EMEA		347			—	347
APAC		278	(5)		(5)	273
Engineering		78			—	78
Other		(59)	(1)		(1)	(60)
Segment operating profit		1,229	(7)	—	(7)	1,222
Transaction costs and other charges		(89)			—	(89)
Purchase accounting impacts - Linde AG		(531)			—	(531)
Total operating profit		\$ 609	\$ (7)	\$ —	\$ (7)	\$ 602

Pro Forma Adjustments:

- (a) To eliminate the results of Praxair's merger-related divestitures.
- (b) To eliminate the impact of the inventory step-up recorded in purchase accounting for the merger. This item is nonrecurring in nature, directly attributable to the Merger and occurred within one year of the transaction.
- (c) To eliminate the transaction costs and other charges related to the Merger.
- (d) To eliminate pension settlement charges related to the Merger.
- (e) To eliminate the income tax impacts of the Other adjustments.

LINDE PLC AND SUBSIDIARIES
APPENDIX
YEAR TO DATE September 30, 2019 PRO FORMA INCOME STATEMENT INFORMATION
(Millions of dollars, except per share data)
(UNAUDITED)

	Year to Date September 30, 2019					
	Pro forma Income Statement Information					
	Pro forma Adjustments					
	<u>Linde plc</u> Reported	Divestitures (a)	Other	Total		Pro Forma
Sales	\$ 21,148	\$ (62)	\$ —	\$ (62)	\$ 21,086	
Cost of sales, exclusive of depreciation	12,457	(46)	(12)	(b)	(58)	12,399
Selling, general and administrative	2,613	(1)			(1)	2,612
As a % of Sales	12.4 %					12.4 %
Depreciation and amortization	3,513					3,513
Research and development	135					135
Cost reduction programs and other charges	355		(140)	(c)	(140)	215
Net gain on sale of businesses	164		(164)	(d)	(164)	—
Other income (expense) - net	39					39
Operating profit	2,278	(15)	(12)	(27)		2,251
Operating margin	10.8 %					10.7 %
Net pension and OPEB cost (benefit), excluding service costs		(7)		(91)	(e)	(91)
Interest expense - net	30					30
Income taxes	607	(5)	(25)	(f)	(30)	577
Effective Tax Rate	26.9 %					24.9 %
Income from equity investments	90					90
Noncontrolling interests from continuing operations	(62)					(62)
Income from continuing operations	\$ 1,676	\$ (10)	\$ 104	\$ 94	\$ 1,770	
Diluted shares outstanding	546,507				546,507	546,507
Diluted EPS from continuing operations	\$ 3.07			\$ 0.18	\$ 3.25	
SEGMENT SALES						
Americas	\$ 8,256	\$ (4)	\$ —	\$ (4)	\$ 8,252	
EMEA	4,989					4,989
APAC	4,433	(57)			(57)	4,376
Engineering	2,029					2,029
Other	1,441	(1)			(1)	1,440
Segment sales	\$ 21,148	\$ (62)	\$ —	\$ (62)	\$ 21,086	
SEGMENT OPERATING PROFIT						
Americas	\$ 1,902	\$ (1)	\$ —	\$ (1)	\$ 1,901	
EMEA	1,014					1,014
APAC	898	(13)			(13)	885
Engineering	297					297
Other	(171)	(1)			(1)	(172)
Segment operating profit	3,940	(15)	\$ —	(15)		3,925
Cost reduction programs and other charges	(355)					(355)
Net gain on sale of businesses	164					164
Purchase accounting impacts - Linde AG	(1,471)					(1,471)
Total operating profit	\$ 2,278	\$ (15)	\$ —	\$ (15)	\$ 2,263	

Pro Forma Adjustments:

- (a) To eliminate the results of Praxair's merger-related divestitures.
- (b) To eliminate the impact of the inventory step-up recorded in purchase accounting for the merger. This item is nonrecurring in nature, directly attributable to the Merger and occurred within one year of the transaction.
- (c) To eliminate the transaction costs and other charges related to the Merger.
- (d) To eliminate the gain on merger related divestitures.
- (e) To eliminate pension settlement charges related to the Merger.
- (f) To eliminate the income tax impacts of the Other adjustments.

LINDE PLC AND SUBSIDIARIES
APPENDIX
QUARTER ENDED September 30, 2018 PRO FORMA INCOME STATEMENT INFORMATION
(Millions of dollars, except per share data)
(UNAUDITED)

	Quarter to Date September 30, 2018									
	Pro Forma Income Statement Information									
	Pro Forma Adjustments									
Sales										
Sales	\$ 3,008	\$ 5,008	\$ (1,050)	\$ -	\$ (24) (e)	\$ 3,934	\$ 6,942			
Cost of sales, exclusive of depreciation	1,698	3,132	(630)	—	(24) (e)	2,478	4,176			
Selling, general and administrative	294	696	(109)	—	—	587	881			
As a % of Sales	9.8 %						12.7 %			
Depreciation and amortization	306	500	(103)	559	—	956	1,262			
Research and development	23	26	—	—	—	26	49			
Cost reduction programs and other charges	31	75	—	—	(94) (f)	(19)	12			
Other income (expense) - net	13	42	—	—	—	42	55			
Operating profit	669	621	(208)	(559)	94	(52)	617			
Operating margin	22.2 %						8.9 %			
Net pension and OPEB cost (benefit), excluding service costs	6	(39)	(1)	—	—	(40)	(34)			
Interest expense - net	40	50	(18)	(25)	—	7	47			
Income taxes	156	157	(24)	(129)	5 (g)	9	165			
Effective Tax Rate	25.0 %						27.3 %			
Income from equity investments	13	25	(8)	(16)	—	1	14			
Noncontrolling interests from continuing operations	(19)	(26)	6	42	—	22	3			
Income from continuing operations	\$ 461	\$ 452	\$ (167)	\$ (379)	\$ 89	\$ (5)	\$ 456			
Diluted shares outstanding	291,513					263,638 (h)	555,151			
Diluted EPS from continuing operations	\$ 1.58					\$ (0.76) (h)	\$ 0.82			
SEGMENT SALES										
Americas	\$ 1,865	\$ 1,331	\$ (549)	\$ -	\$ (20) (e)	\$ 762	\$ 2,627			
EMEA	415	1,675	(395)	—	(e)	1,280	1,695			
APAC	447	1,192	(96)	(4) (e)	—	1,092	1,539			
Engineering	—	635	—	—	—	635	635			
Other	281	175	(10)	—	(e)	165	446			
Segment sales	\$ 3,008	\$ 5,008	\$ (1,050)	\$ -	\$ (24)	\$ 3,934	\$ 6,942			
SEGMENT OPERATING PROFIT										
Americas	\$ 498	\$ 222	\$ (98)	\$ —	— (i)	\$ 124	\$ 622			
EMEA	87	305	(83)	—	(1) (i)	221	308			
APAC	108	172	(24)	—	(i)	148	256			
Engineering	—	69	—	—	(i)	69	69			
Other	7	(72)	(3)	1	(i)	(74)	(67)			
Segment operating profit	700	696	(208)	—	—	488	1,188			
Cost reduction programs and other charges	(31)	(75)		106	—	31	—			
Total operating profit	\$ 669	\$ 621	\$ (208)	\$ -	\$ 106	\$ 519	\$ 1,188			

Pro Forma Adjustments:

(a) To include Praxair, Inc. consolidated results for the quarter ended September 30, 2018. Note that the results include the performance of Praxair's European industrial gases business through December 3, 2018. The adjustments reflect reclassifications to conform to Linde plc's reporting format.

(b) To include Linde AG consolidated results for the quarter ended September 30, 2018. The adjustments reflect reclassifications to conform to Linde plc's reporting format and adjustments from IFRS to U.S. GAAP.

(c) To eliminate the results of merger-related divestitures required by regulatory authorities to secure approval for the Merger. These divestitures include the majority of Praxair's European industrial gases business (completed December 3, 2018), a significant portion of Linde AG's America's industrial gases business (completed on March 1, 2019), select assets of Linde AG's South Korean industrial gases business (completed April 30, 2019), as well as certain divestitures of other Praxair and Linde AG businesses in Asia.

(d) To include preliminary purchase accounting adjustments for the period from January 1, 2018 to October 30, 2018 (prior to the Merger). This relates to (i) additional depreciation and amortization related to the increased value of property, plant and equipment and increased basis of intangible assets, (ii) interest expense impacts related to the fair value of debt, (iii) the tax impacts related to the non-GAAP adjustments above, (iv) income from equity investments equity related to the fair value of equity investments, and (v) noncontrolling interests adjustments related to the fair value adjustments above. Purchase accounting impacts are not included in the definition of segment operating profit; therefore, no pro forma adjustment is required for segment reporting.

(e) To eliminate sales between Praxair and Linde AG for the period prior to the Merger date at October 31, 2018 (January 1, 2018 to October 30, 2018).

(f) To eliminate the transaction costs and other charges related to the Merger.

(g) To reflect the income tax impact of the above pro forma adjustments.

(h) To reflect the impact on diluted shares outstanding and diluted EPS related to ordinary shares issued to Linde AG shareholders in connection with the Merger.

(i) To eliminate other (income) charges not included in segment operating profit.

LINDE PLC AND SUBSIDIARIES
APPENDIX
QUARTER ENDED JUNE 30, 2018 PRO FORMA INCOME STATEMENT INFORMATION
(Millions of dollars, except per share data)
(UNAUDITED)

	Quarter to Date June 30, 2018						
	Pro Forma Income Statement Information						
	Pro Forma Adjustments						
	<u>Praxair, Inc. (a)</u>	<u>Linde AG (b)</u>	<u>Divestitures (c)</u>	<u>Purchase Accounting (d)</u>	<u>Other</u>	<u>Total</u>	<u>Pro Forma Linde plc</u>
Sales	\$ 3,044	\$ 5,175	\$ (1,015)	\$ -	\$ (26) (e)	\$ 4,134	\$ 7,178
Cost of sales, exclusive of depreciation	1,706	3,247	(605)		(26) (e)	2,616	4,322
Selling, general and administrative	307	741	(95)			646	953
As a % of Sales	10.0 %						13.3 %
Depreciation and amortization	311	459	(101)	558		916	1,227
Research and development	24	26				26	50
Cost reduction programs and other charges	24	45			(69) (f)	(24)	—
Other income (expense) - net	17	75				75	92
Operating profit	689	732	(214)	(558)	69	29	718
Operating margin	22.6 %						10.0 %
Net pension and OPEB cost (benefit), excluding service costs	2	(67)	—			(67)	(65)
Interest expense - net	44	34	(18)	(25)		(9)	35
Income taxes	158	185	(23)	(129)	5 (g)	38	196
Effective Tax Rate	24.6 %						26.2 %
Income from equity investments	14	23	(9)	(16)		(2)	12
Noncontrolling interests from continuing operations	(19)	(36)	6	42		12	(7)
Income from continuing operations	\$ 480	\$ 567	\$ (176)	\$ (378)	\$ 64	\$ 77	\$ 557
Diluted shares outstanding	290,908					264,243	(h) 555,151
Diluted EPS from continuing operations	\$ 1.65					\$ (0.65)	(h) \$ 1.00
SEGMENT SALES							
Americas	\$ 1,865	\$ 1,312	\$ (498)	\$ —	\$ (19) (e)	\$ 795	\$ 2,660
EMEA	435	1,756	(413)		— (e)	1,343	1,778
APAC	460	1,157	(94)		(6) (e)	1,057	1,517
Engineering	—	778	—		—	778	778
Other	284	172	(10)		(1) (e)	161	445
Segment sales	\$ 3,044	\$ 5,175	\$ (1,015)	\$ —	\$ (26)	\$ 4,134	\$ 7,178
SEGMENT OPERATING PROFIT							
Americas	\$ 510	\$ 219	\$ (98)	\$ —	\$ (1) (i)	\$ 120	\$ 630
EMEA	93	354	(90)		(4) (i)	260	353
APAC	108	220	(24)		(33) (i)	163	271
Engineering	—	81	—		(3) (i)	78	78
Other	2	(97)	(2)		11 (i)	(88)	(86)
Segment operating profit	713	777	(214)	—	(30)	533	1,246
Cost reduction programs and other charges	(24)	(45)			69	24	—
Total operating profit	\$ 689	\$ 732	\$ (214)	\$ —	\$ 39	\$ 557	\$ 1,246

Pro Forma Adjustments:

- (a) To include Praxair, Inc. consolidated results for the quarter ended June 30, 2018. Note that the results include the performance of Praxair's European industrial gases business through December 3, 2018. The adjustments reflect reclassifications to conform to Linde plc's reporting format.
- (b) To include Linde AG consolidated results for the quarter ended June 30, 2018. The adjustments reflect reclassifications to conform to Linde plc's reporting format and adjustments from IFRS to U.S. GAAP.
- (c) To eliminate the results of merger-related divestitures required by regulatory authorities to secure approval for the Merger. These divestitures include the majority of Praxair's European industrial gases business (completed December 3, 2018), a significant portion of Linde AG's America's industrial gases business (completed on March 1, 2019), select assets of Linde AG's South Korean industrial gases business (completed April 30, 2019), as well as certain divestitures of other Praxair and Linde AG businesses in Asia.
- (d) To include preliminary purchase accounting adjustments for the period from January 1, 2018 to October 30, 2018 (prior to the Merger). This relates to (i) additional depreciation and amortization related to the increased value of of property, plant and equipment and increased basis of intangible assets, (ii) interest expense impacts related to the fair value of debt, (iii) the tax impacts related to the non-GAAP adjustments above, (iv) income from equity investments equity related to the fair value of equity investments, and (v) noncontrolling interests adjustments related to the fair value adjustments above. Purchase accounting impacts are not included in the definition of segment operating profit; therefore, no pro forma adjustment is required for segment reporting.
- (e) To eliminate sales between Praxair and Linde AG for the period prior to the Merger date at October 31, 2018 (January 1, 2018 to October 30, 2018).
- (f) To eliminate the transaction costs and other charges related to the Merger.
- (g) To reflect the income tax impact of the above pro forma adjustments.
- (h) To reflect the impact on diluted shares outstanding and diluted EPS related to ordinary shares issued to Linde AG shareholders in connection with the Merger.
- (i) To eliminate other (income) charges not included in segment operating profit, primarily related to a gain on a sale of asset in APAC.

LINDE PLC AND SUBSIDIARIES
APPENDIX
QUARTER ENDED MARCH 31, 2018 PRO FORMA INCOME STATEMENT INFORMATION
(Millions of dollars, except per share data)
(UNAUDITED)

Quarter to Date March 31, 2018

Pro Forma Income Statement Information

	Pro Forma Adjustments							Pro Forma Linde plc	
	Praxair, Inc. (a)	Linde AG (b)	Divestitures (c)	Purchase	Other	Total			
				Accounting (d)					
Sales	\$ 2,983	\$ 5,010	\$ (1,027)	\$ —	\$ (25) (e)	\$ 3,958	\$ 6,941		
Cost of sales, exclusive of depreciation	1,661	3,105	(609)		(25) (e)	2,471	4,132		
Selling, general and administrative	310	704	(110)			594	904		
As a % of Sales	10.4 %						13.0 %		
Depreciation and amortization	311	471	(102)	558		927	1,238		
Research and development	24	26				26	50		
Cost reduction programs and other charges	19	41			(60) (f)	(19)	—		
Other income (expense) - net	(5)	87				87	82		
Operating profit	653	750	(206)	(558)	60	46	699		
Operating margin	21.9 %						10.1 %		
Net pension and OPEB cost (benefit), excluding service costs	2	(39)	(1)			(40)	(38)		
Interest expense - net	46	69	(18)	(25)		26	72		
Income taxes	148	171	(24)	(129)	5 (g)	23	171		
Effective Tax Rate	24.5 %						25.7 %		
Income from equity investments	15	24	(9)	(16)		(1)	14		
Noncontrolling interests from continuing operations	(10)	(37)	6	42		11	1		
Income from continuing operations	\$ 462	\$ 536	\$ (166)	\$ (378)	\$ 55	\$ 47	\$ 509		
Diluted shares outstanding	290,809					264,342 (h)	555,151		
Diluted EPS from continuing operations	\$ 1.59					\$ (0.67) (h)	\$ 0.92		
SEGMENT SALES									
Americas	\$ 1,850	\$ 1,267	\$ (533)	\$ —	\$ (16) (e)	\$ 718	\$ 2,568		
EMEA	415	1,791	(393)		1 (e)	1,399	1,814		
APAC	435	1,111	(92)		(7) (e)	1,012	1,447		
Engineering	—	663	—			663	663		
Other	283	178	(9)		(3) (e)	166	449		
Segment sales	\$ 2,983	\$ 5,010	\$ (1,027)	\$ —	\$ (25)	\$ 3,958	\$ 6,941		
SEGMENT OPERATING PROFIT									
Americas	\$ 483	\$ 192	\$ (97)	\$ —	\$ (6) (i)	\$ 89	\$ 572		
EMEA	87	438	(82)		(56) (i)	300	387		
APAC	106	182	(25)		(7) (i)	150	256		
Engineering	—	63	—		(2) (i)	61	61		
Other	(4)	(84)	(2)		20 (i)	(66)	(70)		
Segment operating profit	672	791	(206)	—	(51)	534	1,206		
Transaction costs and other charges	(19)	(41)			60	19	—		
Total operating profit	\$ 653	\$ 750	\$ (206)	\$ —	\$ 9	\$ 553	\$ 1,206		

Pro Forma Adjustments:

(a) To include Praxair, Inc. consolidated results for the quarter ended March 31, 2018. Note that the results include the performance of Praxair's European industrial gases business through December 3, 2018. The adjustments reflect reclassifications to conform to Linde plc's reporting format.

(b) To include Linde AG consolidated results for the quarter ended March 31, 2018. The adjustments reflect reclassifications to conform to Linde plc's reporting format and adjustments from IFRS to U.S. GAAP.

(c) To eliminate the results of merger-related divestitures required by regulatory authorities to secure approval for the Merger. These divestitures include the majority of Praxair's European industrial gases business (completed December 3, 2018), a significant portion of Linde AG's America's industrial gases business (completed on March 1, 2019), select assets of Linde AG's South Korean industrial gases business (completed April 30, 2019), as well as certain divestitures of other Praxair and Linde AG businesses in Asia.

(d) To include preliminary purchase accounting adjustments for the period from January 1, 2018 to October 30, 2018 (prior to the Merger). This relates to (i) additional depreciation and amortization related to the increased value of property, plant and equipment and increased basis of intangible assets, (ii) interest expense impacts related to the fair value of debt, (iii) the tax impacts related to the non-GAAP adjustments above, (iv) income from equity investments equity related to the fair value of equity investments, and (v) noncontrolling interests adjustments related to the fair value adjustments above. Purchase accounting impacts are not included in the definition of segment operating profit; therefore, no pro forma adjustment is required for segment reporting.

(e) To eliminate sales between Praxair and Linde AG for the period prior to the Merger date at October 31, 2018 (January 1, 2018 to October 30, 2018).

(f) To eliminate the transaction costs and other charges related to the Merger.

(g) To reflect the income tax impact of the above pro forma adjustments.

(h) To reflect the impact on diluted shares outstanding and diluted EPS related to ordinary shares issued to Linde AG shareholders in connection with the Merger.

(i) To eliminate other (income) charges not included in segment operating profit, primarily related to a gain on the sale of a business in EMEA.

LINDE PLC AND SUBSIDIARIES
APPENDIX
YEAR TO DATE September 30, 2018 PRO FORMA INCOME STATEMENT INFORMATION
(Millions of dollars, except per share data)
(UNAUDITED)

Year to Date September 30, 2018										
Pro Forma Income Statement Information										
Pro Forma Adjustments										
	Praxair, Inc. (a)	Linde AG (b)	Divestitures (c)	Purchase Accounting (d)	Other	Total			Pro Forma	Linde
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales	\$ 9,035	\$ 15,193	\$ (3,092)	\$ —	\$ (75)	\$ (e)	\$ 12,026	\$ 21,061		
Cost of sales, exclusive of depreciation	5,065	9,484	(1,844)		(75)	(e)	7,565		12,630	
Selling, general and administrative	911	2,141	(314)						1,827	2,738
As a % of Sales	10.1 %									13.0 %
Depreciation and amortization	928	1,430	(306)	1,675			2,799		3,727	
Research and development	71	78					78		149	
Cost reduction programs and other charges	74	161			(223)	(f)	(62)		12	
Other income (expense) - net	25	204					204		229	
Operating profit	2,011	2,103	(628)	(1,675)	223		23		2,034	
Operating margin		22.3 %								9.7 %
Net pension and OPEB cost (benefit), excluding service costs	10	(145)	(2)				(147)		(137)	
Interest expense - net	130	153	(54)	(75)			24		154	
Income taxes	462	513	(71)	(387)	15	(g)	70		532	
Effective Tax Rate	24.7 %									26.4 %
Income from equity investments	42	72	(26)	(48)			(2)		40	
Noncontrolling interests from continuing operations	(48)	(99)	18	126			45		(3)	
Income from continuing operations	\$ 1,403	\$ 1,555	\$ (509)	\$ (1,135)	\$ 208		\$ 119	\$ 1,522		
Diluted shares outstanding	290,926						264,225	(h)	555,151	
Diluted EPS from continuing operations	\$ 4.82						\$ (2.08)	(h)	\$ 2.74	
SEGMENT SALES										
Americas	\$ 5,580	\$ 3,910	\$ (1,580)	\$ —	\$ (55)	(e)	\$ 2,275	\$ 7,855		
EMEA	1,265	5,222	(1,201)		1	(e)	4,022		5,287	
APAC	1,342	3,460	(282)		(17)	(e)	3,161		4,503	
Engineering	—	2,076	—		—		2,076		2,076	
Other	848	525	(29)		(4)	(e)	492		1,340	
Segment sales	\$ 9,035	\$ 15,193	\$ (3,092)	\$ —	\$ (75)		\$ 12,026	\$ 21,061		
SEGMENT OPERATING PROFIT										
Americas	\$ 1,491	\$ 633	\$ (293)	\$ —	\$ (7)	(i)	\$ 333	\$ 1,824		
EMEA	267	1,097	(255)		(61)	(i)	781		1,048	
APAC	322	574	(73)		(40)	(i)	461		783	
Engineering	—	213	—		(5)	(i)	208		208	
Other	5	(253)	(7)		32	(i)	(228)		(223)	
Segment operating profit	2,085	2,264	(628)	—	(81)		1,555		3,640	
Cost reduction programs and other charges	(74)	(161)			235		74		—	
Total operating profit	\$ 2,011	\$ 2,103	\$ (628)	\$ —	\$ 154		\$ 1,629	\$ 3,640		

Pro Forma Adjustments:

(a) To include Praxair, Inc. consolidated results for the nine months ended September 30, 2018. Note that the results include the performance of Praxair's European industrial gases business through December 3, 2018. The adjustments reflect reclassifications to conform to Linde plc's reporting format.

(b) To include Linde AG consolidated results for the nine months ended September 30, 2018. The adjustments reflect reclassifications to conform to Linde plc's reporting format and adjustments from IFRS to U.S. GAAP.

(c) To eliminate the results of merger-related divestitures required by regulatory authorities to secure approval for the Merger. These divestitures include the majority of Praxair's European industrial gases business (completed December 3, 2018), a significant portion of Linde AG's America's industrial gases business (completed on March 1, 2019), select assets of Linde AG's South Korean industrial gases business (completed April 30, 2019), as well as certain divestitures of other Praxair and Linde AG businesses in Asia.

(d) To include preliminary purchase accounting adjustments for the period from January 1, 2018 to October 30, 2018 (prior to the Merger). This relates to (i) additional depreciation and amortization related to the increased value of property, plant and equipment and increased basis of intangible assets, (ii) interest expense impacts related to the fair value of debt, (iii) the tax impacts related to the non-GAAP adjustments above, (iv) income from equity investments equity related to the fair value of equity investments, and (v) noncontrolling interests adjustments related to the fair value adjustments above. Purchase accounting impacts are not included in the definition of segment operating profit; therefore, no pro forma adjustment is required for segment reporting.

(e) To eliminate sales between Praxair and Linde AG for the period prior to the Merger date at October 31, 2018 (January 1, 2018 to October 30, 2018).

(f) To eliminate the transaction costs and other charges related to the Merger.

(g) To reflect the income tax impact of the above pro forma adjustments.

(h) To reflect the impact on diluted shares outstanding and diluted EPS related to ordinary shares issued to Linde AG shareholders in connection with the Merger.

(i) To eliminate other (income) charges not included in segment operating profit, primarily related to a gain on a sale of business in EMEA and a gain on a sale of asset in APAC.

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.

	Third Quarter		Second Quarter		First Quarter		Year to date September 30,	
	2019	2018	2019	2018	2019	2018	2019	2018
Adjusted Pro Forma Operating Profit and Operating Margin								
Reported operating profit	\$ 1,000	\$ 669	\$ 669	\$ 59	\$ 689	\$ 609	\$ 653	\$ 2,278
Pro forma adjustments (a)	(145)	(52)	59	29	59	59	(27)	23
Pro forma	855	617	728	718	668	699	2,251	2,034
Non-GAAP Adjustments:								
Add: Cost reduction programs and other charges	106	12	76	—	33	—	215	12
Less: Net gain on sale of businesses	—	—	—	(30)	—	(51)	—	(81)
Add: Purchase accounting impacts - Linde AG (d)	423	559	515	558	521	558	1,459	1,675
Total adjustments	529	571	591	528	554	507	1,674	1,606
Adjusted pro forma operating profit	\$ 1,384	\$ 1,188	\$ 1,319	\$ 1,246	\$ 1,222	\$ 1,206	\$ 3,925	\$ 3,640
Reported percentage change	49.5 %		(2.9)%		(6.7)%		13.3 %	
Adjusted pro forma percentage change	16.5 %		5.9 %		1.3 %		7.8 %	
Reported sales	\$ 7,000	\$ 3,008	\$ 7,204	\$ 3,044	\$ 6,944	\$ 2,983	\$ 21,148	\$ 9,035
Pro forma sales (a)	\$ 6,993	\$ 6,942	\$ 7,179	\$ 7,178	\$ 6,914	\$ 6,941	\$ 21,086	\$ 21,061
Reported operating margin	14.3 %	22.2 %	9.3 %	22.6 %	8.8 %	21.9 %	10.8 %	22.3 %
Pro forma operating margin	12.2 %	8.9 %	10.1 %	10.0 %	9.7 %	10.1 %	10.7 %	9.7 %
Adjusted pro forma operating margin	19.8 %	17.1 %	18.4 %	17.4 %	17.7 %	17.4 %	18.6 %	17.3 %
Adjusted Pro Forma Depreciation and amortization								
Reported Depreciation and amortization	\$ 1,095	\$ 306	\$ 1,195	\$ 311	\$ 1,223	\$ 311	\$ 3,513	\$ 928
Pro forma adjustments (a)	—	956	—	916	—	927	—	2,799
Pro forma	1,095	1,262	1,195	1,227	1,223	1,238	3,513	3,727
Non-GAAP Adjustments:								
Less: Purchase accounting impacts - Linde AG (d)	(423)	(559)	(515)	(558)	(521)	(558)	(1,459)	(1,675)
Adjusted pro forma Depreciation and amortization	\$ 672	\$ 703	\$ 680	\$ 669	\$ 702	\$ 680	\$ 2,054	\$ 2,052
Adjusted Pro Forma Net Pension and OPEB Cost (Benefit), Excluding Service Cost								
Reported net pension and OPEB cost (benefit), excluding service cost	\$ 2	\$ 6	\$ (24)	\$ 2	\$ 15	\$ 2	\$ (7)	\$ 10
Pro forma adjustments (a)	(40)	(40)	—	(67)	(51)	(40)	(91)	(147)
Pro forma	(38)	(34)	(24)	(65)	(36)	(38)	(98)	(137)
Non-GAAP Adjustments:								
Add: Pension plan reorganization charge - net	—	(4)	(10)	—	—	—	(10)	(4)
Total adjustments	—	(4)	(10)	—	—	—	(10)	(4)
Adjusted pro forma Net Pension and OPEB cost (benefit), excluding service costs	\$ (38)	\$ (38)	\$ (34)	\$ (65)	\$ (36)	\$ (38)	\$ (108)	\$ (141)
Adjusted Pro Forma Interest Expense - Net								
Reported interest expense - net	\$ (3)	\$ 40	\$ 10	\$ 44	\$ 23	\$ 46	\$ 30	\$ 130
Pro forma adjustments (a)	—	7	—	(9)	—	26	—	24
Pro forma	(3)	47	10	35	23	72	30	154
Non-GAAP Adjustments:								
Add: Purchase accounting impacts - Linde AG (d)	22	25	25	25	27	25	74	75
Total adjustments	22	25	25	25	27	25	74	75
Adjusted pro forma interest expense - net	\$ 19	\$ 72	\$ 35	\$ 60	\$ 50	\$ 97	\$ 104	\$ 229
Adjusted Pro Forma Income Taxes (b)								
Reported income taxes	\$ 298	\$ 156	\$ 169	\$ 158	\$ 140	\$ 148	\$ 607	\$ 462
Pro forma adjustments (a)	(55)	9	11	38	14	23	(30)	70
Pro forma	243	165	180	196	154	171	577	532
Non-GAAP Adjustments:								
Add: Pension settlement charge	—	1	—	—	—	—	—	1
Add: Purchase accounting impacts - Linde AG (d)	98	129	119	129	125	129	342	387
Add: Cost reduction programs and other charges	7	—	15	—	5	(1)	27	(1)
Total adjustments	105	130	134	129	130	128	369	387
Adjusted pro forma income taxes	\$ 348	\$ 295	\$ 314	\$ 325	\$ 284	\$ 299	\$ 946	\$ 919
Adjusted Pro Forma Effective Tax Rate (b)								
Reported income before income taxes and equity investments	\$ 1,001	\$ 623	\$ 683	\$ 643	\$ 571	\$ 605	\$ 2,255	\$ 1,871
Pro forma adjustments (a)	(105)	(19)	59	105	110	60	64	146
Pro forma	896	\$ 604	\$ 742	\$ 748	\$ 681	\$ 665	\$ 2,319	\$ 2,017
Non-GAAP Adjustments:								
Add: Pension settlement charge	\$ —	\$ 4	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4
Add: Purchase accounting impacts - Linde AG (d)	401	534	490	533	494	533	1,385	1,600
Add: Cost reduction programs and other charges	106	12	76	—	33	—	215	12
Add: Pension plan reorganization charge - net	—	—	10	—	—	—	10	—
Less: Net gain on sale of businesses	—	—	—	(30)	—	(51)	—	(81)
Total adjustments	507	550	576	503	527	482	1,610	1,535
Adjusted pro forma income before income taxes and equity investments	\$ 1,403	\$ 1,154	\$ 1,318	\$ 1,251	\$ 1,208	\$ 1,147	\$ 3,929	\$ 3,552
Reported Income taxes	\$ 298	\$ 156	\$ 169	\$ 158	\$ 140	\$ 148	\$ 607	\$ 462
Reported effective tax rate	29.8 %	25.0 %	24.7 %	24.6 %	24.5 %	24.5 %	26.9 %	24.7 %
Adjusted pro forma income taxes	\$ 348	\$ 295	\$ 314	\$ 325	\$ 284	\$ 299	\$ 946	\$ 919
Adjusted pro forma effective tax rate	24.8 %	25.6 %	23.8 %	26.0 %	23.5 %	26.1 %	24.1 %	25.9 %

Income from Equity Investments

Reported income from equity investments	\$ 28	\$ 13	\$ 28	\$ 14	\$ 34	\$ 15	\$ 90	\$ 42
Pro forma adjustments (a)	—	1	—	(2)	—	(1)	—	(2)
Pro forma	28	14	28	12	34	14	90	40
Non-GAAP Adjustments:								
Add: Purchase accounting impacts - Linde AG (d)	15	16	14	16	14	16	43	48
Total adjustments	15	16	14	16	14	16	43	48
Adjusted pro forma income from equity investments	\$ 43	\$ 30	\$ 42	\$ 28	\$ 48	\$ 30	\$ 133	\$ 88

Adjusted Pro Forma Noncontrolling Interests from Continuing Operations

Reported noncontrolling interests from continuing operations	\$ (3)	\$ (19)	\$ (29)	\$ (19)	\$ (30)	\$ (10)	\$ (62)	\$ (48)
Pro forma adjustments (a)	—	22	—	12	—	11	—	45
Pro forma	(3)	3	(29)	(7)	(30)	1	(62)	(3)
Non-GAAP adjustments:								
Add: Cost reduction programs and other charges	(35)	—	—	—	—	—	(35)	—
Add: Purchase accounting impacts - Linde AG (d)	(8)	(42)	(17)	(42)	(15)	(42)	(40)	(126)
Total adjustments	(43)	(42)	(17)	(42)	(15)	(42)	(75)	(126)
Adjusted pro forma noncontrolling interests from continuing operations	\$ (46)	\$ (39)	\$ (46)	\$ (49)	\$ (45)	\$ (41)	\$ (137)	\$ (129)

Adjusted Pro Forma Income from Continuing Operations (c)

Reported income from continuing operations	\$ 728	\$ 461	\$ 513	\$ 480	\$ 435	\$ 462	\$ 1,676	\$ 1,403
Pro forma adjustments (a)	(50)	(5)	48	77	96	47	94	119
Pro forma	678	456	561	557	531	509	1,770	1,522
Non-GAAP adjustments:								
Add: Pension settlement charge	—	3	—	—	—	—	—	3
Add: Cost reduction programs and other charges	64	12	71	—	28	—	163	12
Less: Net gain on sale of business	—	—	—	(30)	—	(50)	—	(80)
Add: Purchase accounting impacts - Linde AG	310	379	368	378	368	378	1,046	1,135
Total adjustments	374	394	439	348	396	328	1,209	1,070
Adjusted pro forma income from continuing operations	\$ 1,052	\$ 850	\$ 1,000	\$ 905	\$ 927	\$ 837	\$ 2,979	\$ 2,592

Adjusted Pro Forma Diluted EPS from Continuing Operations (c)

Reported diluted EPS from continuing operations	\$ 1.34	\$ 1.58	\$ 0.94	\$ 1.65	\$ 0.79	\$ 1.59	\$ 3.07	\$ 4.82
Pro forma adjustments (a)	(0.09)	(0.76)	0.09	(0.65)	0.18	(0.67)	0.18	(2.08)
Pro forma	1.25	0.82	1.03	1.00	0.97	0.92	3.25	2.74
Non-GAAP adjustments:								
Add: Pension settlement charge	—	0.01	—	—	—	—	—	0.01
Add: Cost reduction programs and other charges	0.12	0.02	0.13	—	0.05	—	0.30	0.02
Less: Net gain on sale of business	—	—	—	(0.05)	—	(0.09)	—	(0.14)
Add: Purchase accounting impacts - Linde AG	0.57	0.69	0.67	0.68	0.67	0.68	1.91	2.05
Total adjustments	0.69	0.72	0.80	0.63	0.72	0.59	2.21	1.94
Adjusted pro forma diluted EPS from continuing operations	\$ 1.94	\$ 1.54	\$ 1.83	\$ 1.63	\$ 1.69	\$ 1.51	\$ 5.46	\$ 4.68

Adjusted Pro Forma EBITDA and % of Sales

Income from continuing operations	\$ 728	\$ 461	\$ 513	\$ 480	\$ 435	\$ 462	\$ 1,676	\$ 1,403
Add: Noncontrolling interests related to continuing operations	3	19	29	19	30	10	62	48
Add: Net pension and OPEB cost (benefit), excluding service cost	2	6	(24)	2	15	2	(7)	10
Add: Interest expense	(3)	40	10	44	23	46	30	130
Add: Income taxes	298	156	169	158	140	148	607	462
Add: Depreciation and amortization	1,095	306	1,195	311	1,223	311	3,513	928
EBITDA from continuing operations	2,123	988	1,892	1,014	1,866	979	5,881	2,981
Pro forma adjustments (a)								
Add: Linde AG consolidated results	—	1,146	—	1,214	—	1,245	—	3,605
Add: Purchase accounting impacts - Linde AG	2	(16)	—	(16)	10	(16)	12	(48)
Add: Cost reduction programs and other charges	19	94	65	69	56	60	140	223
Less: Net gain on sale of businesses	(164)	—	—	—	—	—	(164)	—
Less: Divestitures	(2)	(319)	(6)	(324)	(7)	(317)	(15)	(960)
Pro forma adjustments	(145)	905	59	943	59	972	(27)	2,820
Pro forma EBITDA from continuing operations	1,978	1,893	1,951	1,957	1,925	1,951	5,854	5,801
Non-GAAP adjustments:								
Less: Net gain on sale of business	—	—	—	(30)	—	(51)	—	(81)
Add: Cost reduction programs and other charges	106	12	76	—	33	—	215	12
Add: Purchase accounting impacts - Linde AG	15	16	14	16	14	16	43	48
Adjusted pro forma EBITDA from continuing operations	\$ 2,099	\$ 1,921	\$ 2,041	\$ 1,943	\$ 1,972	\$ 1,916	\$ 6,112	\$ 5,780

Reported sales

Reported sales	\$ 7,000	\$ 3,008	\$ 7,204	\$ 3,044	\$ 6,944	\$ 2,983	\$ 21,148	9,035
Pro forma sales	\$ 6,993	\$ 6,942	\$ 7,179	\$ 7,178	\$ 6,914	\$ 6,941	\$ 21,086	21,061
% of sales								
EBITDA from continuing operations	30.3 %	32.8 %	26.3 %	33.3 %	26.9 %	32.8 %	27.8 %	33.0 %
Pro forma EBITDA from continuing operations	28.3 %	27.3 %	27.2 %	27.3 %	27.8 %	28.1 %	27.8 %	27.5 %
Adjusted pro forma EBITDA from continuing operations	30.0 %	27.7 %	28.4 %	27.1 %	28.5 %	27.6 %	29.0 %	27.4 %

(a) See pro forma Income Statement Information in the preceding sections.

(b) 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.

(c) Net of income taxes which are shown separately in "Adjusted Income Taxes and Effective Tax Rate".

(d) 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 purchasing 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 quarter and nine-months ended September 30, 2019 include (i) a \$2 million adjustment for the quarter and a \$12 million adjustment for the nine-months ended September 30, 2019 for the increase in cost of sales related to the fair value step up of inventories acquired in the merger (included as a pro forma adjustment), and (ii) a \$423 million and \$1,459 million increase for the quarter and nine-months ended September 30, 2019, respectively in 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 basis.

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

	2019			2018	
	Q3	Q2	Q1	Q4	
Debt	\$ 13,201	\$ 13,957	\$ 14,146	\$ 15,296	
Less: Cash and cash equivalents	(2,120)	(2,686)	(5,791)	(4,466)	
Net debt	11,081	11,271	8,355	10,830	
Less: Purchase accounting impacts - Linde AG	(211)	(243)	(262)	(291)	
Adjusted net debt	<u>\$ 10,870</u>	<u>\$ 11,028</u>	<u>\$ 8,093</u>	<u>\$ 10,539</u>	

Net Debt - 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.