

Paris, October 25, 2023

2023 third quarter revenue:

- **Solid performance demonstrating the resilience of the business model**
- **Outlook supported by record investment decisions**

Key Figures (in millions of euros)	Q3 2023	2023/2022 as published	2023/2022 comparable ^(a)
Group Revenue	6,811	-17.4%	+1.5%
of which Gas & Services	6,483	-17.9%	+1.7%
of which Engineering & Construction	110	-5.3%	-0.8%
of which Global Markets & Technologies	218	-7.1%	-3.9%

(a) Change excluding the currency, energy (natural gas and electricity) and significant scope impacts, see reconciliation in the appendices.

Commenting on sales in the third quarter of 2023, **François Jackow, Chief Executive Officer of the Air Liquide Group, stated:**

*“Air Liquide achieved a **solid performance** in the third quarter, highlighting the **resilience of its diversified business model** and its ability to **prepare for future growth** in a challenging macroeconomic and geopolitical environment. The Group’s performance this quarter was characterized by **growth** of its activity **on a comparable basis** and a **record level** of investment decisions. In line with its ADVANCE strategic plan, the Group continued its actions to **steadily improve operating performance**, in particular to **generate efficiencies**.”*

Revenue reached 6.81 billion euros, an increase of +1.5% on a comparable basis in the third quarter. On a published basis, it stood at -17.4%, **mainly due to the drop in energy prices** (whose variations are contractually passed through to Large Industries customers) as well as **negative currency impacts**. The **Gas & Services** activity, which represented 95% of the Group’s revenue, was up +1.7% on a comparable basis. **Industrial Merchant** and **Healthcare** were the growth drivers of this activity.

Constantly improving its operating performance, the Group has notably generated significant efficiencies of **320 million euros** over nine months, which represents an increase of +22%, despite an inflationary environment unfavorable to cost savings on purchases. It also continued the dynamic management of its business portfolio, while its ability to create value enabled it to adjust its prices in Industrial Merchant. Cash flow⁽¹⁾ grew by +8.6% excluding the currency impact.

The Group’s **investment momentum** was particularly strong, **reflecting its commitment to climate and paving the way for future growth**. The **project backlog**, at 4.2 billion euros, and **investment decisions**, at 1.3 billion euros this quarter, reached **record levels**. With more than 40% of projects linked to the energy transition, 12-month investment opportunities are also numerous and total 3.4 billion euros.

In 2023, Air Liquide is confident in its ability to further increase its operating margin and to deliver recurring net profit growth, at constant exchange rates⁽²⁾.”

¹ Cash flows from operating activities before changes in working capital.

² Operating margin excluding energy pass through impact. Net profit recurring excluding exceptional and significant transactions that have no impact on the operating income recurring.

Highlights

■ Hydrogen

- Announcement of an **investment of more than 400 million euros** for the **construction of the Air Liquide Normand'Hy electrolyzer**, in the context of the signing of a Memorandum of Understanding notably to provide renewable and low-carbon hydrogen to the TotalEnergies refinery in Gonfreville, Normandy. In the framework of the Important Project of Common European Interest (IPCEI) approved by the European Commission, **the project received the support of the French State for an amount of 190 million euros**, as part of the “Plan de Relance”.
- Partnership with INPEX Corporation, LSB Industries Inc., Vopak Moda Houston LLC to study **the development of a large-scale low-carbon ammonia production and export project** in Houston in the United States, with direct access to the Gulf of Mexico. As part of this project, **Air Liquide will in particular provide its ATR technology**, one of the most suitable solutions for large-scale production of low-carbon hydrogen (H₂), which is then combined with nitrogen (N₂) to produce low-carbon ammonia (NH₃). Once transported, the ammonia can be converted back into hydrogen to help decarbonize industry and mobility.
- Air Liquide is a partner of a **record number of six out of seven** renewable and low-carbon **hydrogen hubs** (Clean Hydrogen Hubs) selected for funding negotiation by the U.S. Department of Energy to receive up to 7 billion USD in Bipartisan Infrastructure Law (BIL) funding.
- Signature with Trillium Energy Solutions of a Memorandum of Understanding (MoU) to **develop the hydrogen fueling market for heavy-duty vehicles in the United States**, focusing on both hydrogen supply and fueling infrastructure.

■ Energy transition & sustainable development

- Through an **investment of more than 140 million euros**, announcement in October of the establishment in Bécancour, Québec, Canada, of a breakthrough production platform of low-carbon industrial gases to primarily supply, through long term contracts, **customers manufacturing battery components for electric vehicles**. Completing the Group's 20 MW PEM electrolyzer, this infrastructure will include a new air separation unit powered by hydroelectricity to produce **renewable oxygen and nitrogen**, as well as liquid storage capacity, connected by a local pipeline network to best serve its customers.
- Announcement in October of the signing with Vattenfall, one of the European leaders in the production and distribution of electricity in Europe, of a **long-term renewable electricity purchase agreement (PPA) in Benelux for an installed offshore wind capacity of approximately 115 MW**. In total, Air Liquide has now signed PPAs for a total installed capacity of 270 MW in Benelux. It will provide energy representing more than 70% of the Group's existing electricity consumption in this region, which includes Belgium, the Netherlands and Luxembourg.
- **Air Liquide's biodiversity commitments are recognized** by Act4nature International, an initiative led by business networks, scientific partners and environmental NGOs.

■ Corporate

- **Amelia Irion** is appointed **Human Resources Director** of the Air Liquide Group. This appointment complements several [Changes within the Air Liquide Executive Committee](#) since September 1, 2023.

Group revenue amounted to **6,811 million euros** in the 3rd quarter 2023 and posted a comparable growth of **+1.5%**, which demonstrated the resilience of the portfolio of activities in a challenging environment. The Group's **revenue as published** was down **-17.4%**, impacted by very unfavorable energy (-13.3%) and currency (-6.3%) impacts, the significant perimeter impact being slightly positive at +0.7%.

Gas & Services revenue in the 3rd quarter 2023 reached **6,483 million euros**, up by **+1.7%** on a comparable basis.

- Gas & Services revenue in the **Americas** totaled **2,556 million euros** in the 3rd quarter, up **+1.8%** on a comparable basis. Large Industries sales (-5.2%) were impacted by relatively low demand and customer turnarounds. Revenue in the Industrial Merchant business posted growth of +3.6%, driven by higher prices (+5.1%) and resilient gas volumes. In Healthcare, the increase in prices in proximity care in the United States and the dynamism of the businesses in Latin America contributed to the very strong increase in sales (+11.7%). Electronics revenue was down by -10.2% compared to very high sales in the 3rd quarter 2022, in a context of slowing demand from memory manufacturers.
- Revenue in **Europe** was up **+2.9%** on a comparable basis during the 3rd quarter 2023 and reached **2,331 million euros**. In Large Industries, activity stabilized in a difficult environment, with sales up slightly by +0.5%. The +6.5% growth in Industrial Merchant sales benefited from a price impact maintained at a high level (+9.9%) and resilient volumes excluding helium and liquefied CO₂, whose supply has been tight. Healthcare business revenue increased by +5.2%, driven by the dynamism of Home Healthcare and the increase in medical gas prices in line with inflation.
- Revenue in **Asia Pacific** amounted to **1,313 million euros** in the 3rd quarter 2023, a **-2.0%** decrease on a comparable basis. Large Industries sales (-6.4%) were impacted by relatively low demand and customer turnarounds. The Industrial Merchant business posted strong sales growth of +6.8%, supported by high price rises (+ 5,7 %) and a sharp increase in volumes in China. Electronics revenue was down -5.2% compared to very high sales in the 3rd quarter 2022, in the context of a sharp slowdown in the memory market, which penalized sales of specialty and advanced Materials.
- Revenue in the **Middle East and Africa** posted a sharp increase of **+7.8%** to **283 million euros** in the 3rd quarter 2023. All business lines grew. Large Industries benefited from solid activity. In Industrial Merchant, a high price impact (+11.9%) and a strong increase in volumes made it possible to fully absorb the impact of the divestiture of businesses in the Middle East in the 3rd quarter 2022 and achieve solid sales growth.

In the 3rd quarter 2023, sales growth in the **Industrial Merchant** activity (**+4.9%**) was solid and continued to benefit from a high **price impact** which stood at **+6.5%**. Gas volumes remained resilient, affected by an unfavorable working day impact. Sales of **Large Industries** were down by **-1.7%** on a comparable basis, impacted by customer turnarounds and a relatively low demand which had globally stabilized since the 1st quarter 2023. **Healthcare** revenue posted a strong growth of **+7.3%**, driven by the dynamic development of Home Healthcare and price increases of medical gases in an inflationary environment. **Electronics** revenue was down **-5.0%** compared to very high sales in the 3rd quarter 2022, in a context of marked slowdown in the memory sector which penalized particularly specialty and advanced materials sales.

Consolidated revenue from **Engineering & Construction** amounted to **110 million euros** in the 3rd quarter and remained stable (**-0.8%**) compared to the 3rd quarter 2022.

Global Markets & Technologies revenue reached **218 million euros** in the 3rd quarter 2023, down by **-3.9%** on a comparable basis. However, revenue saw an **organic growth** of **+6.3%** excluding the impact of divestitures finalized in the 4th quarter 2022.

Industrial and financial investment decisions totaled a **very high** level of **1.3 billion euros** in the 3rd quarter 2023 and 3.1 billion euros since the beginning of the year, thus exceeding 3 billion euros for the first time at the end of September. The **investment backlog** hit a **record high of 4.2 billion euros**.

The **additional contribution to sales** of unit start-ups and ramp-ups totaled **200 million euros** at the end of the 3rd quarter. The **contribution expected for full-year 2023** has been revised to approximately **270 million euros**.

The portfolio of **12-month investment opportunities** remained high, at **3.4 billion euros** at the end of September 2023 and the portfolio beyond 12 months was strengthened.

The **price impact in the Industrial Merchant** activity stood at **+6.5%** in the 3rd quarter 2023 and was **in addition to the record price increase of +18.0% in the 3rd quarter 2022**. Prices were also increasing in the other Gas & Services business lines. **Efficiencies⁽³⁾** amounted to **320 million euros** in the first nine months of the year, up sharply by **+22.1%** compared to the same period in 2022. The Group continued the **active management of its portfolio** in 2023 with the integration of 11 small acquisitions and the divestitures of its business in Trinidad and Tobago and of its stake in the company Hydrogenics in the first half.

Cash flow from operating activities before changes in working capital reached **4,754 million euros** at the end of September 2023, an increase of +4.1% and **+8.6% excluding currency impact**. It notably ensures the payment of **industrial investments**, which totaled **2,431 million euros**.

Net debt amounted to **10,168 million euros**, a decrease of 382 million euros compared to 10,550 million euros as of June 30, 2023.

In the 3rd quarter of 2023, the Group continued to deploy its **energy transition** strategy, particularly with investment decisions concerning new **low-carbon and renewable industrial gas** production units. Furthermore, Air Liquide's commitments made in 2022 regarding **biodiversity** were recognized and validated by the **Act4nature International** initiative.

³ See definition in the appendices.

Analysis of 3rd quarter 2023 revenue

Unless otherwise stated, all variations in revenue outlined below are on a **comparable basis**, excluding currency, energy (natural gas and electricity) and significant scope impacts.

REVENUE

Revenue <i>(in millions of euros)</i>	Q3 2022	Q3 2023	2023/2022 published change	2023/2022 comparable change
Gas & Services	7,897	6,483	-17.9%	+1.7%
Engineering & Construction	115	110	-5.3%	-0.8%
Global Markets & Technologies	235	218	-7.1%	-3.9%
TOTAL REVENUE	8,247	6,811	-17.4%	+1.5%

Revenue by Quarter <i>(in millions of euros)</i>	Q1 2023	Q2 2023	Q3 2023
Gas & Services	6,893	6,512	6,483
Engineering & Construction	87	93	110
Global Markets & Technologies	194	201	218
TOTAL REVENUE	7,174	6,806	6,811
2023/2022 Group published change	+4.2%	-7.0%	-17.4%
2023/2022 Group comparable change	+6.2%	+3.8%	+1.5%
2023/2022 Gas & Services comparable change	+6.7%	+4.1%	+1.7%

Group

Group revenue amounted to **6,811 million euros** in the 3rd quarter 2023 and posted a comparable growth of **+1.5%** which demonstrated the resilience of the portfolio of activities in a challenging environment.

Sales of the **Global Markets & Technologies** activity were down by **-3.9%** on a comparable basis and posted an organic growth of **+6.3%** which excludes the impact of divestitures finalized in the 4th quarter 2022. **Engineering & Construction** consolidated sales were stable (**-0.8%**) compared with the 3rd quarter 2022.

The Group's **revenue as published** was down **-17.4%**, impacted by very unfavorable energy (-13.3%) and currency (-6.3%) impacts, the significant perimeter impact being slightly positive at +0.7%.

Gas & Services

Gas & Services revenue in the 3rd quarter of 2023 reached **6,483 million euros**, up by **+1.7%** on a comparable basis.

In the 3rd quarter 2023, sales growth in the **Industrial Merchant** activity (**+4.9%**) was solid and continued to benefit from a high **price impact** which stood at **+6.5%**. Gas volumes remained resilient, affected by an unfavorable working day impact. Sales of **Large Industries** were down by **-1.7%** on a comparable basis, impacted by customer turnarounds and a relatively low demand which had globally stabilized since the 1st quarter 2023. **Healthcare** revenue posted a strong growth of **+7.3%**, driven by the dynamic development of Home Healthcare and price increases of medical gases in an inflationary environment. **Electronics** revenue was down **-5.0%** compared to very high sales in the 3rd quarter 2022, in a context of marked slowdown in the memory sector which penalized particularly specialty and advanced materials sales.

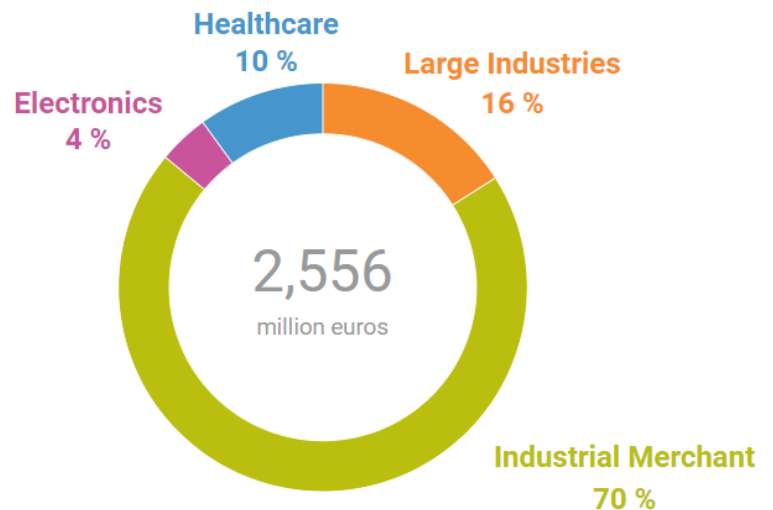
As published revenue for Gas & Services were down **-17.9%** in the 3rd quarter, impacted by strongly negative energy and currency impacts which respectively stood at -13.9% and -6.4%. The significant scope impact was positive but limited to +0.7%.

Revenue by geography and business line (in millions of euros)	Q3 2022	Q3 2023	2023/2022 published change	2023/2022 comparable change
Americas	2,936	2,556	-12.9%	+1.8%
Europe	3,266	2,331	-28.6%	+2.9%
Asia Pacific	1,474	1,313	-10.9%	-2.0%
Middle East & Africa	221	283	+28.1%	+7.8%
GAS & SERVICES REVENUE	7,897	6,483	-17.9%	+1.7%
Large Industries	3,112	1,882	-39.5%	-1.7%
Industrial Merchant	3,092	2,988	-3.4%	+4.9%
Healthcare	999	1,013	+1.4%	+7.3%
Electronics	694	600	-13.4%	-5.0%

Americas

Gas & Services revenue in the Americas totaled **2,556 million euros** in the 3rd quarter, up **+1.8%**. Large Industries sales (-5.2%) were impacted by relatively low demand and customer turnarounds. Revenue in the Industrial Merchant business posted growth of +3.6%, driven by higher prices (+5.1%) and resilient gas volumes. In Healthcare, the increase in prices in proximity care in the United States and the dynamism of the businesses in Latin America contributed to the very strong increase in sales (+11.7%). Electronics revenue was down by -10.2% compared to very high sales in the 3rd quarter 2022, in a context of slowing demand from memory manufacturers.

Americas Gas & Services Q3 2023 Revenue



- Sales in **Large Industries** were down **-5.2%** in the 3rd quarter 2023, impacted in particular by customer turnarounds and the divestiture of the activity in Trinidad and Tobago. Business was also marked by relatively low demand from customers in the Chemicals and Steel industries.
- The **Industrial Merchant** business posted sales growth of **+3.6%**. **Price impact** was maintained at a high level at **+5.1%**. Gas volumes (excluding hardgoods) were resilient (-0.7%) and penalized by an unfavorable working day impact of around -1%. Volumes were notably up in the Construction and Aeronautics sectors.
- Sales in the **Healthcare** business saw very strong growth (**+11.7%**) in the 3rd quarter 2023. The main contributors to this growth were the rise in prices in Proximity Care in the United States and the dynamism of Home Healthcare and Medical Gases in Latin America.
- Revenue from **Electronics** was down **-10.2%** compared to very high sales in the 3rd quarter 2022, which were up +10.3%. Sales of specialty and advanced materials were strongly impacted by the memory manufacturer production slowdown. Growth in sales of Carrier Gases continued its steady rise.



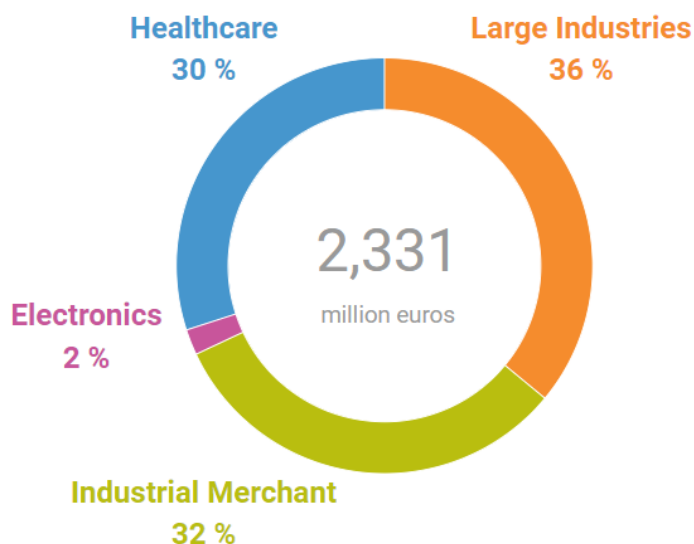
Americas

- Through an investment of **more than 140 million euros**, Air Liquide announced that it will establish in Bécancour (Canada), a breakthrough platform supplying low-carbon industrial gases including hydrogen, oxygen, nitrogen and argon. In addition to the **existing Group's 20 MW PEM electrolyzer**, currently the world's largest in operation, the infrastructure created by Air Liquide will include a **new air separation unit** producing **renewable oxygen and nitrogen** and a local pipeline network. This Air Liquide low-carbon production platform, in line with the industrial and port zone's drive to decarbonize, will primarily supply **customers manufacturing battery components for electric vehicles** via long term contracts.
- In the context of the **U.S.** government's announcement to **support** seven regional Clean Hydrogen Hubs to accelerate **low-carbon hydrogen** development, Air Liquide is a **partner in a record 6 out of the 7 Hubs**. This achievement is a recognition of Air Liquide's commitment to hydrogen development. Air Liquide's participation in these regional hubs supports its ambition to create a reliable hydrogen network in the industry and bring it to scale.
- Air Liquide and **Trillium Energy Solutions**, a leading supplier of sustainable fueling infrastructure in the U.S., have signed a **Memorandum of Understanding (MoU)** to pursue the development of the **heavy-duty hydrogen fueling market in the U.S.**. This significant collaboration marks a pivotal milestone in accelerating the decarbonization of the transportation sector while bolstering the hydrogen mobility market. The ambition through this partnership is to initially support the development of **150 tons per day of hydrogen production** and the **refueling infrastructure** capable of supplying **more than 2,000 heavy-duty vehicles**.

Europe

Revenue in Europe was up **+2.9%** during the 3rd quarter 2023 and reached **2,331 million euros**. In Large Industries, activity stabilized in a difficult environment, with sales up slightly by +0.5%. The +6.5% growth in Industrial Merchant sales benefited from a price impact maintained at a high level (+9.9%) and resilient volumes excluding helium and liquefied CO₂, whose supply has been tight. Healthcare business revenue increased by +5.2%, driven by the dynamism of Home Healthcare and the increase in medical gas prices in line with inflation.

Europe Gas & Services Q3 2023 Revenue



- Revenue for **Large Industries** rose slightly by **+0.5%** compared to the 3rd quarter 2022. Hydrogen volumes for Refining increased, while demand from Steel and Chemicals customers remained weak, with natural gas prices remaining higher than to their pre-energy crisis level. Sales of cogeneration units were down, penalized by electricity prices that were below their very high level of the 3rd quarter 2022. The combined effect, which was exceptionally high in the 3rd quarter 2022 due to the steep increase in energy prices, was not significant this quarter, as relatively stable volumes neutralized the effect of the sharp drop in energy prices⁽⁴⁾.
- **Industrial Merchant** sales saw strong growth of **+6.5%**, driven by a **price impact** that remained high (**+9.9%**) and which came on top of the record increase of +29.9% in the 3rd quarter 2022. Volumes excluding helium and liquefied CO₂, whose supply has been tight for several months, remained resilient (-1%). They were penalized by one working day less during the 3rd quarter, with an impact on volumes estimated at around -1%. Volumes were up in the Automotive, Manufacturing and Pharmaceuticals markets, and down notably in the Food sector.
- In the **Healthcare** business, sales were up sharply by **+5.2%**. They benefited notably from the dynamism of the Home Healthcare business, in particular for the treatment of diabetes and sleep apnea. Growth in Medical Gas revenue was supported by rising prices in an inflationary context and increased volumes.



Europe

- On the occasion of the signing of a Memorandum of Understanding to supply the **TotalEnergies** refinery in Gonfreville, Normandy, France, with **renewable and low-carbon hydrogen**, Air Liquide announced an investment of over **400 million euros** for the construction of its **Normand'Hy electrolyzer**. With a capacity of **200 MW**, it will be the largest PEM electrolyzer ever built and will integrate equipment manufactured in the frame of the joint-venture between Air Liquide and Siemens Energy. Connected to the Air Liquide local hydrogen network, this electrolyzer will contribute to the decarbonization of the industry and transportation. Normand'hy was recognized as an **Important Project of Common European Interest (IPCEI)** by the European Commission and received **support from the French State for an amount of 190 million euros**.

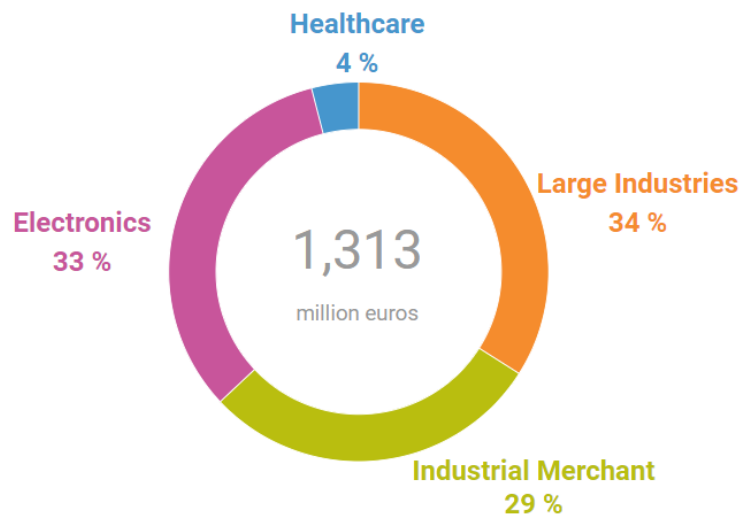
⁴ See the [presentation dedicated to the combined effect](#) available on the Group website.

Asia Pacific

Revenue in Asia Pacific amounted to **1,313 million euros** in the 3rd quarter 2023, a **-2.0%** decrease. Large Industries sales (-6.4%) were impacted by relatively low demand and customer turnarounds. The Industrial Merchant business posted strong sales growth of +6.8%, supported by high price rises and a sharp increase in volumes in China. Electronics revenue was down -5.2% compared to very high sales in 3rd quarter 2022, in the context of a sharp slowdown in the memory market, which penalized sales of specialty and advanced Materials.

Asia Pacific Gas & Services Q3 2023 Revenue

- Revenue for **Large Industries** decreased by **-6.4%** during the 3rd quarter. Trends observed in the 1st half-year continued, demand remaining weak in the region. Sales of air gases were impacted by customer turnarounds, including one extended stoppage in China.
- **Industrial Merchant** sales were up sharply by **+6.8%**. They benefited from high **price** rises of **+5.7%** in addition to the strong +9.3% increase in the 3rd quarter 2022. In China, the marked increase in volumes, particularly in the Manufacturing sector, explains the dynamic growth in sales.
- Revenue from the **Electronics** business was down **-5.2%** albeit compared to record sales in the 3rd quarter 2022, which benefited from growth of +21.8%. Volumes of specialty and advanced Materials were temporarily penalized by the slowdown in demand from memory manufacturers. Equipment & Installation sales were also down compared to a high level in 2022. Sales of Carrier Gases, whose business model resilience is comparable to that of Large Industries, remained very solid.



Middle East and Africa

Revenue in the Middle East and Africa posted a sharp increase of **+7.8%** to **283 million euros** in the 3rd quarter 2023. All business lines grew. Large Industries benefited from solid activity. In Industrial Merchant, a high price impact (+11.9%) and a strong increase in volumes made it possible to fully absorb the impact of the divestiture of businesses in the Middle East in the 3rd quarter 2022 and achieve solid sales growth. In the Healthcare business, the development of diabetes treatment in Saudi Arabia and non recurring sales in Egypt were the main drivers of strong sales growth.

Engineering & Construction

Consolidated revenue from Engineering & Construction amounted to **110 million euros** in the 3rd quarter and remained stable (**-0.8%**) compared to the 3rd quarter 2022.

Order intake in the 3rd quarter reached their highest level in 10 years at **647 million euros** and mainly included projects for the Group. These include notably a large-scale electrolyzer (200 MW) for Large Industries and several air separation units for the Gas & Services activities.

Global Markets & Technologies

Global Markets & Technologies posted a **-3.9%** decrease in revenue to **218 million euros** in the 3rd quarter 2023. However, excluding the impact of the divestitures of the mobility biogas distribution and the manufacture of small-scale cryogenic tank businesses in the 4th quarter 2022, revenue saw **organic growth** of **+6.3%**. Sales of technological equipment, in particular Turbo-Braytons, were up sharply and the ramp-up of the hydrogen liquefier in the United States contributed to the dynamic growth of Hydrogen mobility.

Order intake for Group projects and for third-party customers amounted to **224 million euros** and includes Turbo-Brayton LNG reliquefaction units, biogas processing equipment and cryogenic equipment for an advanced research laboratory.

Investment Cycle

INVESTMENT DECISIONS AND INVESTMENT BACKLOG

Industrial and financial investment decisions totaled a very high level of **1.3 billion euros** in the 3rd quarter 2023 and 3.1 billion euros since the beginning of the year, thus exceeding 3 billion euros for the first time at the end of September.

Industrial investment decisions included three major projects and reached a **record level of 1,273 million euros** over the quarter, up sharply compared to 1,074 million euros in the 3rd quarter 2022. In **Large Industries**, two significant projects related to the energy transition were decided this quarter: a first large-scale electrolyzer (200 MW) to produce low-carbon and renewable hydrogen in France and a new renewable air gas production unit in Canada for battery material manufacturers. These two projects are part of the decarbonization of dynamic industrial basins. In **Electronics**, decisions included investments in carrier gas production units in Asia, in Europe and in the Americas, including a large-scale unit. In **Industrial Merchant**, new contracts were awarded for gas generators on customer sites. In **Healthcare**, investments in distribution equipment were approved to support the growth of medical gas sales, particularly in South Africa and the United States.

Financial investment decisions amounted to **30 million euros** in the 3rd quarter and included in particular small acquisitions in **Industrial Merchant** in Canada and China, which will strengthen the density of Group local presence and thus improve the business efficiency.

The **investment backlog** hit a **record high of 4.2 billion euros**. The breakdown is well balanced between Large Industries projects located in all regions and those in Electronics, mainly in Asia and America.

START-UPS

The main start-ups in the 3rd quarter 2023 included an Air Separation Unit (ASU) for a Large Industries customer manufacturing battery materials in Germany, a carrier gas production unit for a Semiconductor customer in the United States and the Group's first biomethane unit in China.

The **additional contribution to sales** of unit start-ups and ramp-ups totaled **200 million euros** at the end of the 3rd quarter. The **contribution expected for full-year 2023** has been revised to approximately **270 million euros**, reflecting the delayed start-up of a major unit for a Large Industries customer in the Americas and a more moderate contribution from the ramp-up of units already in operation, in the context of a slowdown in demand in industry and Semiconductors. These sales are delayed to 2024.

INVESTMENT OPPORTUNITIES

The portfolio of **12-month investment opportunities** remained high, at **3.4 billion euros** at the end of September 2023. The development of projects in the **energy transition**, which represent more than 40% of the portfolio, was very dynamic in Europe and the Americas. Investment opportunities in Electronics are not only in Asia but also in Europe and the United States, supported by incentive programs (Chips Acts). The portfolio beyond 12 months was strengthened and includes in particular significant projects related to the Inflation Reduction Act and the Chips Act in the United States and the energy transition in Europe and Canada.

Operating Performance

In an inflationary environment, the Group continues its **active price management**. Thus, the **price impact in the Industrial Merchant** activity stood at **+6.5%** in the 3rd quarter 2023 and was **in addition to the record price increase of +18.0% in the 3rd quarter 2022**. Prices were also increasing in the other Gas & Services business lines.

Efficiencies⁽⁵⁾ totaled **114 million euros** in the 3rd quarter. They amounted to **320 million euros** in the first nine months of the year, up sharply by **+22.1%** compared to the same period in 2022 and they are in advance compared with the annual target of 400 million euros. At the end of September, they represent a saving of 1.9% of the cost base. **Industrial efficiencies** increased and accounted for more than 50% of the total. They included in Large Industries energy efficiency and production optimization projects and in Industrial Merchant supply chain improvements. The Group's **digital transformation** continued: in Large Industries with the contribution of remote operation centers (Smart Innovative Operations, SIO), in Industrial Merchant and in Healthcare with the implementation of tools to optimize delivery routes for bulk and, increasingly, cylinders. The continued implementation of shared service centers also contributes to efficiencies as well as the global continuous improvement program which is supported by a digital platform facilitating the replication of best initiatives.

During the first 9 months of the year, the Group continued the **active management of its portfolio** with the integration of 11 small acquisitions, in Industrial Merchant, Home Healthcare and Hydrogen Mobility. Furthermore, in the first half, the Group divested its business in Trinidad and Tobago and its stake in the company Hydrogenics.

Cash flow from operating activities before changes in working capital reached **4,754 million euros** at the end of September 2023, an increase of +4.1% and **+8.6% excluding currency impact**. It notably ensures the payment of **industrial investments**, which totaled **2,431 million euros**.

Net debt amounted to **10,168 million euros**, a decrease of 382 million euros compared to 10,550 million euros as of June 30, 2023.

In the 3rd quarter of 2023, the Group continued to deploy its **energy transition** strategy, particularly with investment decisions concerning new **low-carbon and renewable industrial gas** production units. Furthermore, Air Liquide's commitments made in 2022 regarding **biodiversity** were recognized and validated by the **Act4nature International** initiative.

⁵ See definition in the appendices.

Outlook

Air Liquide achieved a **solid performance** in the third quarter, highlighting the **resilience of its diversified business model** and its ability to **prepare for future growth** in a challenging macroeconomic and geopolitical environment. The Group's performance this quarter was characterized by **growth of its activity on a comparable basis** and a **record level** of investment decisions. In line with its ADVANCE strategic plan, the Group continued its actions to **steadily improve operating performance**, in particular to **generate efficiencies**.

Revenue reached 6.81 billion euros, an increase of +1.5% on a comparable basis in the third quarter. On a published basis, it stood at -17.4%, **mainly due to the drop in energy prices** (energy costs being contractually passed through to Large Industries customers) as well as **negative currency impacts**. The **Gas & Services** activity, which represented 95% of the Group's revenue, was up +1.7% on a comparable basis. **Industrial Merchant** and **Healthcare** were the growth drivers of this activity.

Constantly improving its operating performance, the Group has notably generated significant efficiencies of **320 million euros** over nine months, which represents an increase of +22%, despite an inflationary environment unfavorable to cost savings on purchases. It also continued the dynamic management of its business portfolio, while its ability to create value enabled it to adjust its prices in Industrial Merchant. **Cash flow⁽⁶⁾** grew by **+8.6% excluding the currency impact**.

The Group's **investment momentum** was particularly strong, **reflecting its commitment to climate and paving the way for future growth**. The **project backlog**, at 4.2 billion euros, and **investment decisions**, at 1.3 billion euros this quarter, reached **record levels**. With more than 40% of projects linked to the energy transition, 12-month investment opportunities are also numerous and total 3.4 billion euros.

In 2023, Air Liquide is confident in its ability to further increase its operating margin and to deliver recurring net profit growth, at constant exchange rates⁽⁷⁾.

⁶ Cash flows from operating activities before changes in working capital.

⁷ Operating margin excluding energy pass through impact. Net profit recurring excluding exceptional and significant transactions that have no impact on the operating income recurring.

Appendices - Performance indicators

Performance indicators used by the Group that are not directly defined in the financial statements have been prepared in accordance with the AMF position 2015-12 about alternative performance measures.

The performance indicators are the following:

- Currency, energy and significant scope impacts
- Comparable sales change
- Efficiencies

DEFINITION OF CURRENCY, ENERGY AND SIGNIFICANT SCOPE IMPACTS

Since industrial and medical gases are rarely exported, the impact of currency fluctuations on activity levels and results is limited to euro translation impacts with respect to the financial statements of subsidiaries located outside the euro zone. **The currency effect** is calculated based on the aggregates for the period converted at the exchange rate for the previous period.

In addition, the Group passes on variations in the cost of energy (electricity and natural gas) to its customers via indexed invoicing integrated into their medium and long-term contracts. This indexing can lead to significant variations in sales (mainly in the Large Industries Business Line) from one period to another depending on fluctuations in prices on the energy market.

An energy impact is calculated based on the sales of each of the main subsidiaries in Large Industries. Their consolidation allows the determination of the energy impact for the Group as a whole. The foreign exchange rate used is the average annual exchange rate for the year N-1. Thus, at the subsidiary level, the following formula provides the energy impact, calculated for natural gas and electricity respectively:

Energy impact =

Share of sales indexed to energy year (N-1) x (Average energy price in year (N) - Average energy price in year (N-1))

This indexation effect of electricity and natural gas does not impact the operating income recurring.

The significant scope effect corresponds to the impact on sales of all acquisitions or disposals of a significant size for the Group. These changes in scope of consolidation are determined:

- for acquisitions during the period, by deducting from the aggregates for the period the contribution of the acquisition,
- for acquisitions during the previous period, by deducting from the aggregates for the period the contribution of the acquisition between January 1 of the current period and the anniversary date of the acquisition,
- for disposals during the period, by deducting from the aggregates for the previous period the contribution of the disposed entity as of the anniversary date of the disposal,
- for disposals during the previous period, by deducting from the aggregates for the previous period the contribution of the disposed entity.

Note: exceptionally, the acquisition of Sasol air separation units in 2021 had an impact in 2 steps on Group sales. After the acquisition of the assets in June 2021 (1st step), devices were installed on the units in 2022 in order to measure the energy consumed which, from October 2022 (2nd step), could be re-invoiced to the customer according to the standard Large Industries contractual frame. For the sake of transparency in financial communication, sales related to energy consumed and contractually re-invoiced to the customer are identified within the significant scope and are therefore excluded from the comparable growth. This element will thus be accounted for in the significant scope during 12 months from October 2022.

COMPARABLE SALES CHANGE

Comparable sales change **excludes the currency, energy and significant scope impacts** described above.

<i>(in millions of euros)</i>	Q3 2023	Q3 2023/2022 Published Growth	Currency impact	Natural gas impact	Electricity impact	Significant scope impact	Q3 2023/2022 Comparable Growth
Revenue							
Group	6,811	-17.4%	(518)	(829)	(268)	53	+1.5%
<i>Impacts in %</i>			-6.3%	-10.0%	-3.3%	+0.7%	
Gas & Services	6,483	-17.9%	(505)	(829)	(268)	53	+1.7%
<i>Impacts in %</i>			-6.4%	-10.5%	-3.4%	+0.7%	

<i>(in millions of euros)</i>	YTD 2023	YTD 2023/2022 Published Growth	Currency impact	Natural gas impact	Electricity impact	Significant scope impact	YTD 2023/2022 Comparable Growth
Revenue							
Group	20,791	-7.4%	(820)	(1,388)	(379)	100	+3.7%
<i>Impacts in %</i>			-3.6%	-6.2%	-1.7%	+0.4%	
Gas & Services	19,888	-7.5%	(799)	(1,388)	(379)	100	+4.0%
<i>Impacts in %</i>			-3.7%	-6.5%	-1.7%	+0.4%	

EFFICIENCIES

Efficiencies represent a sustainable cost reduction resulting from an action plan on a specific project. Efficiencies are identified and managed on a per project basis. Each project is followed by a team composed in alignment with the nature of the project (purchasing, operations, human resources...).

Year to date revenue

BY GEOGRAPHY

Revenue (in millions of euros)	YTD 2022	YTD 2023	YTD Published change	YTD Comparable change
Americas	7,953	7,715	-3.0%	+4.9%
Europe	8,690	7,306	-15.9%	+4.1%
Asia Pacific	4,220	4,076	-3.4%	+1.8%
Middle East & Africa	634	791	+24.7%	+6.5%
GAS & SERVICES REVENUE	21,497	19,888	-7.5%	+4.0%
Engineering & Construction	336	290	-13.9%	-11.6%
Global Markets & Technologies	621	613	-1.1%	+1.0%
GROUP REVENUE	22,454	20,791	-7.4%	+3.7%

BY BUSINESS LINE

Revenue (in millions of euros)	YTD 2022	YTD 2023	YTD Published change	YTD Comparable change
Large Industries	8,052	5,942	-26.2%	-2.9%
Industrial Merchant	8,602	9,038	+5.1%	+9.5%
Healthcare	2,924	3,047	+4.2%	+7.9%
Electronics	1,919	1,861	-3.0%	+2.2%
GAS & SERVICES REVENUE	21,497	19,888	-7.5%	+4.0%

Sales and investments key figures synthesis

The following tables **gather data already available** in this report. They **complement the key figures** indicated in the table on the **first page**.

Sales

Q3 2023 split of revenue and comparable growth in %	Total	Large Industries	Industrial Merchant	Electronics	Healthcare
Americas	100%	16%	70%	4%	10%
	+1.8%	-5.2%	+3.6%	-10.2%	+11.7%
Europe	100%	36%	32%	2%	30%
	+2.9%	+0.5%	+6.5%	N.C.	+5.2%
Asia Pacific	100%	34%	29%	33%	4%
	-2.0%	-6.4%	+6.8%	-5.2%	N.C.
Middle-East and Africa	100%	N.C.	N.C.	N.C.	N.C.
	+7.8%				
Gas & Services	100%	29%	46%	9%	16%
	+1.7%	-1.7%	+4.9%	-5.0%	+7.3%
Engineering & Construction	-0.8%				
Global Markets & Technologies	-3.9%				
GROUP TOTAL	+1.5%				

N.C.: Not communicated.

Investments

(in billion euros)	YTD 2023
12-month portfolio of investment opportunities ^(a)	3.4
Investment decisions since the beginning of the year ^(b)	3.1
Investment backlog ^(a)	4.2
Additional contribution to revenue of unit start-ups and ramp-ups ^(b) (in million euros)	200

^(a) At the end of the reporting period.

^(b) Cumulated from the beginning of the calendar year until the end of the reporting period.

**The slideshow that accompanies this release is available as of 7:20 am (Paris time) at www.airliquide.com.
Throughout the year, follow Air Liquide on [LinkedIn](#).**

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UPCOMING EVENTS

2023 Full Year results:

February 20, 2024

A world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 73 countries with approximately 67,100 employees and serves more than 3.9 million customers and patients. Oxygen, nitrogen and hydrogen are essential small molecules for life, matter and energy. They embody Air Liquide's scientific territory and have been at the core of the company's activities since its creation in 1902.

Taking action today while preparing the future is at the heart of Air Liquide's strategy. With ADVANCE, its strategic plan for 2025, Air Liquide is targeting a global performance, combining financial and extra-financial dimensions. Positioned on new markets, the Group benefits from major assets such as its business model combining resilience and strength, its ability to innovate and its technological expertise. The Group develops solutions contributing to climate and the energy transition—particularly with hydrogen—and takes action to progress in areas of healthcare, digital and high technologies.

Air Liquide's revenue amounted to more than 29.9 billion euros in 2022. Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, CAC 40 ESG, EURO STOXX 50, FTSE4Good and DJSI Europe indexes.