



Linde Reports First-Quarter 2023 Results

First-Quarter Highlights

- Sales \$8.2 billion, flat YoY, up 3% ex. FX
- Operating profit \$1.9 billion, adjusted operating profit \$2.2 billion, up 16%
- Operating profit margin 23.6%; adjusted operating profit margin 26.9%, up 370 basis points
- EPS \$3.06, up 33%; adjusted EPS \$3.42, up 17% YoY or 20% ex. FX
- Increased full-year 2023 adjusted EPS guidance to \$13.45 - \$13.85, represents 9% to 13% growth year-over-year

Woking, UK, April 27, 2023 – Linde plc (NYSE: LIN) today reported first-quarter 2023 net income of \$1,516 million and diluted earnings per share of \$3.06, up 29% and 33% respectively. Excluding Linde AG purchase accounting impacts and other charges, adjusted net income was \$1,693 million, up 13% versus prior year. Adjusted earnings per share was \$3.42, 17% above prior year.

Linde's sales for the first quarter were \$8,193 million, flat versus prior year or 3% above when excluding negative currency impact. Compared to prior year, underlying sales increased 8% from price attainment.

First-quarter operating profit was \$1,933 million. Adjusted operating profit of \$2,206 million was up 16% versus prior year led by higher price and continued productivity initiatives across all segments. Adjusted operating profit margin of 26.9% was 370 basis points above prior year and 360 basis points higher when excluding the effects of cost pass-through.

First-quarter operating cash flow of \$1,908 million decreased 5% versus prior year driven primarily by lower engineering project prepayments. After capital expenditures of \$829 million, free cash flow was \$1,079 million. During the quarter, the company returned \$1,469 million to shareholders through dividends and stock repurchases, net of issuances.

Commenting on the financial results and business outlook, Chief Executive Officer Sanjiv Lamba said, "Linde employees delivered another set of strong results in the first quarter, including record ROC of 24.0%, expanding operating margin to 26.9% and a tenth consecutive quarter of 20% or more EPS growth ex. FX. This performance is a result of our unwavering focus to optimize the base business, capitalize on high-quality growth opportunities and leverage our asset network to increase density, all while maintaining rigorous capital discipline."

Lamba continued, "Looking ahead, the geopolitical and macro environment continues to remain uncertain. Regardless, we will continue to create shareholder value in any economic scenario."

For the second quarter of 2023, Linde expects adjusted diluted earnings per share in the range of \$3.40 to \$3.50, up 10% to 13% versus prior-year quarter. This guidance assumes a currency headwind of 1% year-over-year and flat sequentially.

For the full year 2023, the company expects adjusted diluted earnings per share to be in the range of \$13.45 to \$13.85, up 9% to 13% versus prior year and assumes no currency impact. Full-year capital expenditures are expected to be in the range of \$3.5 billion to \$4.0 billion to support growth and maintenance requirements including the \$4.2 billion contractual sale of gas project backlog.



First-Quarter 2023 Results by Segment

Americas sales of \$3,551 million grew 10% versus prior-year quarter. Compared with first quarter 2022, underlying sales increased 8% driven by 7% higher pricing and 1% volume growth, primarily in the manufacturing and food and beverage end markets. Operating profit of \$1,025 million was 28.9% of sales, 100 basis points above prior year and 60 basis points higher when excluding the effects of cost pass-through.

APAC (Asia Pacific) sales of \$1,598 million were flat versus prior year. Compared with first quarter 2022, underlying sales grew 6% driven by 5% price attainment and 1% volume growth, primarily in the electronics, chemicals and energy end markets including project start-ups. Operating profit of \$423 million was 26.5% of sales, 160 basis points above prior year. Year over year cost pass-through was immaterial.

EMEA (Europe, Middle East & Africa) sales of \$2,177 million were up 1% versus prior year. Compared with first quarter 2022, underlying sales grew 10%, driven by 13% higher pricing partially offset by 3% lower volumes. Operating profit of \$607 million was 27.9% of sales, 450 basis points above prior year and 470 basis points higher when excluding the effects of cost pass-through.

Linde Engineering sales were \$540 million, 26% below prior year, and operating profit was \$149 million or 27.6% of sales. Order intake for the quarter was \$478 million and third-party sale of equipment backlog was \$3.5 billion.

Earnings Call

A teleconference on Linde’s first-quarter 2023 results is being held today at 9:00 am EST.

Live conference call	US Toll-Free Dial-In Number: 1 888 770 7292 Germany Toll-Free Dial-In Number: 0800 000 0105 UK Toll-Free Dial-In Number: 0800 358 0970 Access code: 6877110
Live webcast (listen-only)	https://investors.linde.com/events-presentations

Materials to be used in the teleconference are also available on the website.

About Linde

Linde is a leading global industrial gases and engineering company with 2022 sales of \$33 billion. We live our mission of making our world more productive every day by providing high-quality solutions, technologies and services which are making our customers more successful and helping to sustain, decarbonize and protect our planet.

The company serves a variety of end markets such as chemicals & energy, food & beverage, electronics, healthcare, manufacturing, metals and mining. Linde's industrial gases and technologies are used in countless applications including production of clean hydrogen and carbon capture systems critical to the energy transition, life-saving medical oxygen and high-purity & specialty gases for electronics. Linde also delivers state-of-the-art gas processing solutions to support customer expansion, efficiency improvements and emissions reductions.

For more information about the company and its products and services, please visit www.linde.com

Adjusted amounts, free cash flow and return on capital are non-GAAP measures. See the attachments for a summary of non-GAAP reconciliations and calculations for adjusted amounts.



Attachments: Summary Non-GAAP Reconciliations, Statements of Income, Balance Sheets, Statements of Cash Flows, Segment Information and Appendix: Non-GAAP Measures and Reconciliations.

*Note: We are providing adjusted earnings per share (“EPS”) guidance for 2023. This is a non-GAAP financial measure that represents diluted earnings per share from continuing operations (a GAAP measure) but excludes the impact of certain items that we believe are not representative of our underlying business performance, such as cost reduction and other charges, any impairment or other charges related to scaling back operations in Russia as actions are defined and executed and as sanctions are enacted that impact the Company’s operations, the impact of potential divestitures or other potentially significant items. Given the uncertainty of timing and magnitude of such items, we cannot provide a reconciliation of the differences between the non-GAAP adjusted EPS guidance and the corresponding GAAP EPS measure without unreasonable effort.

Forward-looking Statements

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar expressions. They are based on management’s reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances, including trade conflicts and tariffs; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events including natural disasters, epidemics, pandemics such as COVID-19 and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of changes in pension plan liabilities; the impact of tax, environmental, healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of investigations, litigation and regulatory proceedings; the impact of potential unusual or non-recurring items; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; future financial and operating performance of major customers and industries served; the impact of information technology system failures, network disruptions and breaches in data security; and the effectiveness and speed of integrating new acquisitions into the business. These risks and uncertainties may cause future results or circumstances to differ materially from adjusted projections, estimates or other forward-looking statements.

Linde plc assumes no obligation to update or provide revisions to any forward-looking statement in response to changing circumstances. The above listed risks and uncertainties are further described in Item 1A. Risk Factors in Linde plc’s Form 10-K for the fiscal year ended December 31, 2022 filed with the SEC on February 28, 2023 which should be reviewed carefully. Please consider Linde plc’s forward-looking statements in light of those risks.

LINDE PLC AND SUBSIDIARIES
SUMMARY NON-GAAP RECONCILIATIONS
(UNAUDITED)

The following adjusted 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 "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		Net Income		Diluted EPS	
	2023	2022	2023	2022	2023	2022	2023	2022
Quarter Ended March 31								
Reported GAAP Amounts	\$ 8,193	\$ 8,211	\$ 1,933	\$ 1,480	\$ 1,516	\$ 1,174	\$ 3.06	\$ 2.30
Other charges (a)	—	—	18	(4)	(27)	(1)	(0.05)	—
Purchase accounting impacts - Linde AG (b)	—	—	255	429	204	327	0.41	0.63
Total adjustments	—	—	273	425	177	326	0.36	0.63
Adjusted amounts	\$ 8,193	\$ 8,211	\$ 2,206	\$ 1,905	\$ 1,693	\$ 1,500	\$ 3.42	\$ 2.93

- (a) First quarter 2023 charges relate primarily to costs associated with the delisting, more than offset by net tax benefits.
- (b) To adjust for purchase accounting impacts related to the merger.

LINDE PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

(Millions of dollars, except per share data)	Quarter Ended March 31,	
	2023	2022
Sales	\$ 8,193	\$ 8,211
Cost of sales	4,431	4,798
Selling, general and administrative	822	802
Depreciation and amortization	948	1,112
Research and development	36	35
Other charges	18	(4)
Other income (expense) - net	(5)	12
Operating Profit	1,933	1,480
Interest expense - net	37	9
Net pension and OPEB cost (benefit), excluding service cost	(45)	(64)
Income Before Income Taxes and Equity Investments	1,941	1,535
Income taxes	430	369
Income Before Equity Investments	1,511	1,166
Income from equity investments	41	44
Income (Including Noncontrolling Interests)	1,552	1,210
Less: noncontrolling interests	(36)	(36)
Net Income – Linde plc	\$ 1,516	\$ 1,174
Per Share Data – Linde plc Shareholders		
Basic earnings per share	\$ 3.08	\$ 2.31
Diluted earnings per share	\$ 3.06	\$ 2.30
Cash dividends per share	\$ 1.28	\$ 1.17
Weighted Average Shares Outstanding (000's):		
Basic shares outstanding (000's)	491,817	507,152
Diluted shares outstanding (000's)	495,676	511,410

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

LINDE PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

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(Millions of dollars)	March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 4,962	\$ 5,436
Accounts receivable - net	4,753	4,559
Contract assets	175	124
Inventories	2,054	1,978
Prepaid and other current assets	960	950
Total Current Assets	12,904	13,047
Property, plant and equipment - net	23,796	23,548
Goodwill	26,418	25,817
Other intangibles - net	12,638	12,420
Other long-term assets	4,552	4,826
Total Assets	\$ 80,308	\$ 79,658
Liabilities and equity		
Accounts payable	\$ 2,941	\$ 2,995
Short-term debt	5,337	4,117
Current portion of long-term debt	1,696	1,599
Contract liabilities	3,070	3,073
Other current liabilities	4,741	4,695
Total Current Liabilities	17,785	16,479
Long-term debt	11,744	12,198
Other long-term liabilities	9,443	9,594
Total Liabilities	\$ 38,972	\$ 38,271
Redeemable noncontrolling interests	13	13
Linde plc Shareholders' Equity		
Ordinary shares	—	1
Additional paid-in capital	39,859	40,005
Retained earnings (a)	6,092	20,541
Accumulated other comprehensive income (loss)	(5,810)	(5,782)
Less: Treasury shares, at cost (a)	(171)	(14,737)
Total Linde plc Shareholders' Equity	39,970	40,028
Noncontrolling interests	1,353	1,346
Total Equity	\$ 41,323	\$ 41,374
Total Liabilities and Equity	\$ 80,308	\$ 79,658

(a) As a result of delisting from the Frankfurt Stock Exchange, Linde plc's historical treasury shares were immediately canceled which resulted in an approximately \$15 billion decrease in treasury shares and retained earnings in Shareholders' Equity.

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

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(Millions of dollars)	Quarter Ended March 31,	
	2023	2022
Operations		
Net income - Linde plc	\$ 1,516	\$ 1,174
Add: noncontrolling interests	36	36
Net income (including noncontrolling interests)	1,552	1,210
Adjustments to reconcile net income to net cash provided by operating activities:		
Other charges, net of payments (a)	(61)	(34)
Depreciation and amortization	948	1,112
Accounts receivable	(131)	(340)
Contract assets and liabilities, net	(66)	192
Inventory	(59)	(35)
Payables and accruals	(64)	51
Pension contributions	(10)	(13)
Deferred income taxes and other	(201)	(143)
Net cash provided by (used for) operating activities	1,908	2,000
Investing		
Capital expenditures	(829)	(649)
Acquisitions, net of cash acquired	(808)	(43)
Divestitures, net of cash divested and asset sales	3	27
Net cash provided by (used for) investing activities	(1,634)	(665)
Financing		
Debt increase (decrease) - net	717	2,546
Issuances of ordinary shares	13	10
Purchases of ordinary shares	(859)	(1,719)
Cash dividends - Linde plc shareholders	(623)	(592)
Noncontrolling interest transactions and other	(12)	(1)
Net cash provided by (used for) financing activities	(764)	244
Effect of exchange rate changes on cash and cash equivalents	16	62
Change in cash and cash equivalents	(474)	1,641
Cash and cash equivalents, beginning-of-period	5,436	2,823
Cash and cash equivalents, end-of-period	\$ 4,962	\$ 4,464

(a) Other charges were a charge of \$18 million and a benefit of \$4 million for the quarter ended March 31, 2023 and 2022, respectively. Related cash outflows were \$79 million and \$30 million for the quarters ended March 31, 2023 and 2022, respectively.

LINDE PLC AND SUBSIDIARIES
SEGMENT INFORMATION
(UNAUDITED)

(Millions of dollars)	Quarter Ended March 31,	
	2023	2022
Sales		
Americas	\$ 3,551	\$ 3,241
EMEA	2,177	2,148
APAC	1,598	1,602
Engineering	540	728
Other	327	492
Total segment sales	\$ 8,193	\$ 8,211
Operating Profit		
Americas	\$ 1,025	\$ 904
EMEA	607	503
APAC	423	399
Engineering	149	143
Other	2	(44)
Segment operating profit	2,206	1,905
Other charges	(18)	4
Purchase accounting impacts - Linde AG	(255)	(429)
Total operating profit	\$ 1,933	\$ 1,480

LINDE PLC AND SUBSIDIARIES
APPENDIX
NON-GAAP MEASURES AND RECONCILIATIONS
(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.

(Millions of dollars)	2023	2022			
	Q1	Q4	Q3	Q2	Q1
Adjusted Operating Profit and Operating Margin					
Reported operating profit	\$ 1,933	\$ 1,687	\$ 1,613	\$ 589	\$ 1,480
Add: Other charges (a)	18	25	15	993	(4)
Add: Purchase accounting impacts - Linde AG (c)	255	289	382	406	429
Total adjustments	\$ 273	\$ 314	\$ 397	\$ 1,399	\$ 425
Adjusted operating profit	\$ 2,206	\$ 2,001	\$ 2,010	\$ 1,988	\$ 1,905
Reported percentage change	31 %	26 %	25 %	(48)%	22 %
Adjusted percentage change	16 %	9 %	11 %	8 %	13 %
Reported sales	\$ 8,193	\$ 7,899	\$ 8,797	\$ 8,457	\$ 8,211
Reported operating margin	23.6 %	21.4 %	18.3 %	7.0 %	18.0 %
Adjusted operating margin	26.9 %	25.3 %	22.8 %	23.5 %	23.2 %
Adjusted Depreciation and amortization					
Reported depreciation and amortization	\$ 948	\$ 956	\$ 1,045	\$ 1,091	\$ 1,112
Less: Purchase accounting impacts - Linde AG (c)	(250)	(285)	(377)	(401)	(418)
Adjusted depreciation and amortization	\$ 698	\$ 671	\$ 668	\$ 690	\$ 694
Adjusted Other Income (Expense) - net					
Reported Other Income (Expense) - net	\$ (5)	\$ (4)	\$ (34)	\$ (36)	\$ 12
Add: Purchase accounting impacts - Linde AG (c)	(5)	(4)	(5)	(5)	(11)
Adjusted Other Income (Expense) - net	\$ —	\$ —	\$ (29)	\$ (31)	\$ 23
Adjusted Net Pension and OPEB Cost (Benefit), Excluding Service Cost					
Reported net pension and OPEB cost (benefit), excluding service cost	\$ (45)	\$ (58)	\$ (53)	\$ (62)	\$ (64)
Add: Pension settlement charges	—	—	(6)	—	—
Adjusted Net Pension and OPEB cost (benefit), excluding service costs	\$ (45)	\$ (58)	\$ (59)	\$ (62)	\$ (64)
Adjusted Interest Expense - Net					
Reported interest expense - net	\$ 37	\$ 31	\$ 18	\$ 5	\$ 9
Add: Purchase accounting impacts - Linde AG (c)	9	8	8	9	10
Adjusted interest expense - net	\$ 46	\$ 39	\$ 26	\$ 14	\$ 19

(Millions of dollars)	2023		2022			
	Q1	Q4	Q3	Q2	Q1	
Adjusted Income Taxes (a)						
Reported income taxes	\$ 430	\$ 388	\$ 391	\$ 286	\$ 369	
Add: Purchase accounting impacts - Linde AG (c)	57	66	92	108	108	
Add: Pension settlement charges	—	—	1	—	—	
Add: Other charges (a)	45	9	26	104	(3)	
Total adjustments	102	75	119	212	105	
Adjusted income taxes	\$ 532	\$ 463	\$ 510	\$ 498	\$ 474	
Adjusted Effective Tax Rate (a)						
Reported income before income taxes and equity investments	\$ 1,941	\$ 1,714	\$ 1,648	\$ 646	\$ 1,535	
Add: Pension settlement charge	—	—	6	—	—	
Add: Purchase accounting impacts - Linde AG (c)	246	281	374	397	419	
Add: Other charges (a)	18	25	15	993	(4)	
Total adjustments	264	306	395	1,390	415	
Adjusted income before income taxes and equity investments	\$ 2,205	\$ 2,020	\$ 2,043	\$ 2,036	\$ 1,950	
Reported Income taxes	\$ 430	\$ 388	\$ 391	\$ 286	\$ 369	
Reported effective tax rate	22.2%	22.6%	23.7%	44.3%	24.0%	
Adjusted income taxes	\$ 532	\$ 463	\$ 510	\$ 498	\$ 474	
Adjusted effective tax rate	24.1%	22.9%	25.0%	24.5%	24.3%	
Income from Equity Investments						
Reported income from equity investments	\$ 41	\$ 35	\$ 43	\$ 50	\$ 44	
Add: Purchase accounting impacts - Linde AG (c)	18	18	18	19	20	
Adjusted income from equity investments	\$ 59	\$ 53	\$ 61	\$ 69	\$ 64	
Adjusted Noncontrolling Interests						
Reported noncontrolling interests	\$ (36)	\$ (33)	\$ (27)	\$ (38)	\$ (36)	
Add: Purchase accounting impacts - Linde AG (c)	(3)	(3)	(12)	(3)	(4)	
Adjusted noncontrolling interests	\$ (39)	\$ (36)	\$ (39)	\$ (41)	\$ (40)	
Adjusted Net Income - Linde plc (b)						
Reported net income	\$ 1,516	\$ 1,328	\$ 1,273	\$ 372	\$ 1,174	
Add: Pension settlement charge	—	—	5	—	—	
Add: Other charges (a)	(27)	16	(11)	889	(1)	
Add: Purchase accounting impacts - Linde AG (c)	204	230	288	305	327	
Total adjustments	177	246	282	1,194	326	
Adjusted net income - Linde plc	\$ 1,693	\$ 1,574	\$ 1,555	\$ 1,566	\$ 1,500	

(Millions of dollars, except per share data)	2023		2022																																
	Q1	Q4	Q3	Q2	Q1																														
Adjusted Diluted EPS (b)																																			
Reported diluted EPS	\$ 3.06	\$ 2.67	\$ 2.54	\$ 0.74	\$ 2.30																														
Add: Pension settlement charge	—	—	0.01	—	—																														
Add: Other charges (a)	(0.05)	0.03	(0.02)	1.76	—																														
Add: Purchase accounting impacts - Linde AG (c)	0.41	0.46	0.57	0.60	0.63																														
Total adjustments	0.36	0.49	0.56	2.36	0.63																														
Adjusted diluted EPS	\$ 3.42	\$ 3.16	\$ 3.10	\$ 3.10	\$ 2.93																														
Reported percentage change	33 %	35 %	35 %	(54)%	24 %																														
Adjusted percentage change	17 %	14 %	14 %	15 %	18 %																														
<table border="1"> <thead> <tr> <th></th> <th colspan="2">Second Quarter 2023</th> <th colspan="2">Full Year 2023</th> </tr> <tr> <th>Adjusted Diluted EPS Guidance (d)</th> <th>Low End</th> <th>High End</th> <th>Low End</th> <th>High End</th> </tr> </thead> <tbody> <tr> <td>2023 Adjusted Guidance</td> <td>\$ 3.40</td> <td>\$ 3.50</td> <td>\$ 13.45</td> <td>\$ 13.85</td> </tr> <tr> <td>Adjusted percentage changes versus 2022 adjusted diluted EPS</td> <td>10 %</td> <td>13 %</td> <td>9 %</td> <td>13 %</td> </tr> <tr> <td>Add: Estimated currency headwind/(tailwind)</td> <td>1 %</td> <td>1 %</td> <td>— %</td> <td>— %</td> </tr> <tr> <td>Adjusted percentage change excluding currency</td> <td>11 %</td> <td>14 %</td> <td>9 %</td> <td>13 %</td> </tr> </tbody> </table>							Second Quarter 2023		Full Year 2023		Adjusted Diluted EPS Guidance (d)	Low End	High End	Low End	High End	2023 Adjusted Guidance	\$ 3.40	\$ 3.50	\$ 13.45	\$ 13.85	Adjusted percentage changes versus 2022 adjusted diluted EPS	10 %	13 %	9 %	13 %	Add: Estimated currency headwind/(tailwind)	1 %	1 %	— %	— %	Adjusted percentage change excluding currency	11 %	14 %	9 %	13 %
	Second Quarter 2023		Full Year 2023																																
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Add: Estimated currency headwind/(tailwind)	1 %	1 %	— %	— %																															
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Net Income - Linde plc	\$ 1,516	\$ 1,328	\$ 1,273	\$ 372	\$ 1,174																														
Add: Noncontrolling interests	36	33	27	38	36																														
Add: Net pension and OPEB cost (benefit), excluding service cost	(45)	(58)	(53)	(62)	(64)																														
Add: Interest expense	37	31	18	5	9																														
Add: Income taxes	430	388	391	286	369																														
Add: Depreciation and amortization	948	956	1,045	1,091	1,112																														
EBITDA	2,922	2,678	2,701	1,730	2,636																														
Add: Other charges (a)	18	25	15	993	(4)																														
Add: Purchase accounting impacts - Linde AG (c)	23	22	23	23	31																														
Total adjustments	41	47	38	1,016	27																														
Adjusted EBITDA	\$ 2,963	\$ 2,725	\$ 2,739	\$ 2,746	\$ 2,663																														
Reported sales	\$ 8,193	\$ 7,899	\$ 8,797	\$ 8,457	\$ 8,211																														
% of sales																																			
EBITDA	35.7%	33.9%	30.7%	20.5%	32.1%																														
Adjusted EBITDA as a % of Sales	36.2%	34.5%	31.1%	32.5%	32.4%																														

(a) 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.

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

(c) The company believes that its non-GAAP measures excluding Purchase accounting impacts - Linde AG are useful to investors because: (i) the 2018 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 periods presented relate primarily to depreciation and amortization related to the fair value step up of fixed assets and intangible assets (primarily customer related) acquired in the merger and the allocation of fair value step-up for ongoing Linde AG asset disposals (reflected in Other Income/(Expense)).

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: Represents the noncontrolling interests' ownership portion of the adjustments described above determined on an entity by entity basis.

(d) We are providing adjusted earnings per share ("EPS") guidance for 2023. This is a non-GAAP financial measure that represents diluted earnings per share (a GAAP measure) but excludes the impact of certain items that we believe are not representative of our underlying business performance, such as cost reduction and other charges, any impairment or other charges related to scaling back operations in Russia as actions are defined and executed and as sanctions are enacted that impact the Company's operations, the impact of potential divestitures or other potentially significant items. Given the uncertainty of timing and magnitude of such items, we cannot provide a reconciliation of the differences between the non-GAAP adjusted EPS guidance and the corresponding GAAP EPS measure without unreasonable effort.

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

(Millions of dollars)	2023	2022			
	Q1	Q4	Q3	Q2	Q1
Free Cash Flow (FCF) - Free cash flow is a measure used by investors, financial analysts and management to evaluate the ability of a company to pursue opportunities that enhance shareholder value. FCF equals cash flow from operations less capital expenditures.					
Operating Cash Flow	\$ 1,908	\$ 2,095	\$ 2,636	\$ 2,133	\$ 2,000
Less: Capital Expenditures	(829)	(936)	(762)	(826)	(649)
Free Cash Flow	\$ 1,079	\$ 1,159	\$ 1,874	\$ 1,307	\$ 1,351

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.

Debt	\$ 18,777	\$ 17,914	\$ 15,338	\$ 16,043	\$ 16,456
Less: Cash and cash equivalents	(4,962)	(5,436)	(3,756)	(3,655)	(4,464)
Net debt	13,815	12,478	11,582	12,388	11,992
Less: Purchase accounting impacts - Linde AG	(13)	(22)	(28)	(38)	(50)
Adjusted net debt	\$ 13,802	\$ 12,456	\$ 11,554	\$ 12,350	\$ 11,942

After-tax Return on Capital and Adjusted After-tax Return on Capital (ROC) - After-tax return on capital is a measure used by investors, financial analysts and management to evaluate the return on net assets employed in the business. ROC measures the after-tax operating profit that the company was able to generate with the investments made by all parties in the business (debt, noncontrolling interests and Linde plc Shareholders' Equity).

Reported net income - Linde plc	\$ 1,516	\$ 1,328	\$ 1,273	\$ 372	\$ 1,174
Add: noncontrolling interests	36	33	27	38	36
Add: interest expense - net	37	31	18	5	9
Less: tax benefit on interest expense - net *	(9)	(7)	(5)	(1)	(2)
Reported NOPAT	\$ 1,580	\$ 1,385	\$ 1,313	\$ 414	\$ 1,217
Adjusted net income - Linde plc	\$ 1,693	\$ 1,574	\$ 1,555	\$ 1,566	\$ 1,500
Add: adjusted noncontrolling interests	39	36	39	41	40
Add: adjusted interest expense - net	46	39	26	14	19
Less: tax benefit on interest expense - net *	(11)	(9)	(7)	(3)	(5)
Adjusted NOPAT	\$ 1,767	\$ 1,640	\$ 1,613	\$ 1,618	\$ 1,554

*Tax benefit on interest expense - net is generally presented using the reported effective rate.

4-quarter trailing reported NOPAT	\$ 4,692	\$ 4,329	\$ 4,021	\$ 3,723	\$ 4,198
4-quarter trailing adjusted NOPAT	\$ 6,638	\$ 6,425	\$ 6,281	\$ 6,137	\$ 5,997

(Millions of dollars)	2023	2022			
	Q1	Q4	Q3	Q2	Q1
Equity and redeemable noncontrolling interests:					
Redeemable noncontrolling interests	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13
Linde plc shareholders' equity	39,970	40,028	37,628	39,674	42,963
Noncontrolling interests	1,353	1,346	1,298	1,353	1,414
Total equity and redeemable noncontrolling interests	\$ 41,336	\$ 41,387	\$ 38,939	\$ 41,040	\$ 44,390
Reported capital	\$ 55,151	\$ 53,865	\$ 50,521	\$ 53,428	\$ 56,382
Total equity and redeemable noncontrolling interests	\$ 41,336	\$ 41,387	\$ 38,939	\$ 41,040	\$ 44,390
Add: Adjusted net debt	13,802	12,456	11,554	12,350	11,942
Less: Linde AG Goodwill (a)	24,256	24,256	24,256	24,256	24,256
Less: Linde AG Indefinite lived intangibles (a)	1,868	1,868	1,868	1,868	1,868
Adjusted capital	\$ 29,014	\$ 27,719	\$ 24,369	\$ 27,266	\$ 30,208
(a) Represent opening balance sheet purchase accounting impacts of non-amortizing assets related to the Linde AG merger.					
Ending capital (see above)	\$ 55,151	\$ 53,865	\$ 50,521	\$ 53,428	\$ 56,382
5-quarter average ending capital	\$ 53,869	\$ 54,204	\$ 54,984	\$ 56,796	\$ 57,967
Ending adjusted capital (see above)	\$ 29,014	\$ 27,719	\$ 24,369	\$ 27,266	\$ 30,208
5-quarter average ending adjusted capital	\$ 27,715	\$ 28,040	\$ 28,810	\$ 30,611	\$ 31,770
After-tax ROC (4 quarter reported NOPAT / 5-quarter average ending capital)	8.7 %	8.0 %	7.3 %	6.6 %	7.2 %
Adjusted after-tax ROC (4 quarter trailing adjusted NOPAT / 5-quarter average ending adjusted capital)	24.0 %	22.9 %	21.8 %	20.0 %	18.9 %