PRESS RELEASE
AND ACTIVITY REPORT

Paris, October 24, 2019

3rd quarter 2019:
Continued sales growth, +3.5% for the quarter
Selective investment decisions in an environment rich in opportunities

Key Figures (in millions of euros)	Q3 2019	2019/2018 as published	2019/2018 comparable [(a)]
Group Revenue	**5,454**	**+3.5%**	**+3.5%**
of which Gas & Services	*5,242*	*+3.5%*	*+3.5%*
of which Engineering & Construction	*81*	*-22.9%*	*-24.6%*
of which Global Markets & Technologies	*131*	*+31.4%*	*+29.7%*

(a) Growth excluding the currency, energy (natural gas and electricity), and significant scope impacts; see reconciliation in appendix.

Commenting on the 3rd quarter of 2019, Benoît Potier, Chairman and CEO of Air Liquide, stated:

"Sales growth continued this quarter, with Group revenue amounting to 5.5 billion euros, up 3.5%. Growth was driven by all Gas & Services activities, which represent 96% of the Group's sales, as well as our Global Markets & Technologies business. Positive currency and significant scope impacts offset lower energy prices.

All Gas & Services activities grew on a comparable basis, despite a more moderate global growth. Healthcare and Electronics were particularly dynamic, and Industrial Merchant and Large Industries remained solid. Geographically, our business continued to grow in every region in the world, particularly across Asia and Europe.

In addition, the Group continued to implement its operational efficiency program, which reached 310 million euros over the first nine months of 2019, in line with the annual target of more than 400 million euros. Operating cash flow growth was clearly higher than sales growth. The investment cycle remained particularly well oriented, with a large number of opportunities 12 months out. Investment decisions, which ensure future growth, increased sharply in the 3rd quarter and totaled 2.7 billion euros at the end of September.

Assuming a comparable environment, Air Liquide is confident in its ability to deliver net profit growth in 2019, at constant exchange rates."

Highlights of the 3rd quarter

- **Large Industries:** signature of **three long-term contracts**, in the United States Gulf Coast, with Methanex; in Canada, with Shell Chemicals; and in the Philippines, with Pilipinas Shell. Completion of the sale to Fujian Shenyuan of the production complex.
- **Industrial Merchant:** launch of Qlixbi, a **disruptive innovation** that combines technical and digital innovation in the field of welding.
- **Environment:** participation in **two innovative projects to fight climate change**, the Northern Lights CO_2 capture and storage project in Norway, and with thyssenkrupp Steel to reduce carbon emissions linked to steel production.
- **Corporate:** successful launch of a 500 million dollars long-term bond issue to fund long-term growth at a historically low interest rate.

Group revenue for the 3rd quarter of 2019 totaled **5,454 million euros**, up **+3.5%** on a **comparable basis**. Gas & Services posted robust comparable sales growth (**+3.5%**), in spite of a softening economic environment. In Engineering & Construction, sales to third-party customers were stable compared with the 2nd quarter, with resources mainly attributed to internal Large Industries and Electronics projects. Global Markets & Technologies continued its strong development with growth of **+29.7%**.
The currency impact remained positive at +2.1% this quarter, whereas the energy impact, which was neutral during the 1st half, was unfavorable during the 3rd quarter (-2.7%). The acquisition of Tech Air in the United States at the end of the 1st quarter of 2019 generated a significant scope impact of +0.6%. **Published** 3rd quarter Group revenue **growth** was also therefore **+3.5%**.

Gas & Services revenue for the 3rd quarter of 2019 reached **5,242 million euros**, up **+3.5%** on a comparable basis. Published sales were also up **+3.5%**, with the unfavorable energy impact (-2.9%) offset by the favorable currency impact (+2.2%) and the consolidation of Tech Air acquired in the United States at the end of the 1st quarter, accounted for as the significant scope (+0.7%).

- Gas & Services revenue in the **Americas** amounted to **2,137 million euros**, an increase of **+2.0%** during the 3rd quarter of 2019. Large Industries sales were up +0.6%, affected by customer maintenance turnarounds in the United States. Industrial Merchant revenue posted resilient growth of +1.1%, mainly driven by higher pricing. Electronics growth stood at +1.5% and Healthcare continued to improve markedly (+11.1%).
- Revenue in the **Europe** zone reached **1,742 million euros** over the quarter, up **+3.3%**, driven mainly by good Healthcare sales momentum (+4.8%) and strong growth in Industrial Merchant (+4.6%). Large Industries sales (+0.6%) benefited from high hydrogen demand from refiners in the Benelux, but activity was weaker in Germany and Southern Europe.
- Revenue in **Asia Pacific** totaled **1,207 million euros** in the 3rd quarter of 2019, up **+7.2%**. Sales growth in Large Industries (+10.3%) benefited from several start-ups in the 4th quarter of 2018 in China, including the last contributions from Fujian Shenyuan. Industrial Merchant sales growth (+3.7%) was in line with that of the 2nd quarter overall. Electronics continued to enjoy strong revenue growth in the 3rd quarter (+7.3%) despite a marked decrease in Equipment & Installation sales compared with a particularly high level in the 3rd quarter of 2018.
- Revenue in **Middle East and Africa** amounted to **156 million euros**, up **+1.5%** over the quarter. Large Industries activity was up slightly. Industrial Merchant remained very dynamic in the Middle East, Egypt and India, with strong helium sales in particular.

In line with the 1st half of the year, all businesses contributed to the growth of Gas & Services revenue, in particular Healthcare and Electronics. **Large Industries** (**+3.3%**) benefited notably from the contribution to sales of several ramp-ups in Asia, including the last contributions from Fujian Shenyuan, and to a lesser extend in Europe. In a softening economic environment, growth in **Industrial Merchant** stood at **+2.4%**, driven mainly by successful pricing management, growth in consumer-related markets and a favorable number of working days. Sales growth was high in Healthcare (+5.9%), in particular in Home Healthcare in Europe and in Latin America, and in Medical Gases in the United States. Electronics maintained a significant increase in revenue (+5.8%) despite a high basis of comparison, as Equipment & Installation (E&I) sales were very strong during the 3rd quarter of 2018 ; growth stood at +8.6% excluding E&I.

Consolidated Engineering & Construction revenue, at 81 million euros, was stable compared with the 2nd quarter, with resources mainly attributed to internal Large Industries and Electronics projects.

Global Markets & Technologies sales were up +29.7% in the 3rd quarter at 131 million euros. Biomethane remained the main contributor to growth, with the ramp-up of several units in Europe. Equipment sales related to the Turbo-Brayton technology, which enables the cryogenic refrigeration and reliquefaction of natural gas when transported by sea, also posted strong growth.

Efficiency gains reached 310 million euros since the beginning of the year, up more than +20% compared with end-September 2018 and slightly ahead of the annual objective, reinforced and now fixed at more than 400 million euros.

Cash flows from operating activities before changes in working capital requirements amounted to 3,458 million euros for the first 9 months of the year, an increase of +8.8% excluding IFRS16, which was largely higher than the increase in sales as published (+6.3%). It stood at the high level of 21.1% of sales and at 19.9% excluding IFRS16. Net capital expenditure[1] totaled 1,834 million euros, up +10.8% compared with end-September 2018, and represented 11.2% of sales, in line with the NEOS strategic plan.

Industrial and financial investment decisions totaled 2.7 billion euros since the beginning of the year, including the acquisition of Tech Air in the United States completed at the end of the 1st quarter. Industrial decisions were up markedly by about +20%. The strong momentum of investment projects continued with the 12-month portfolio of opportunities reaching 2.8 billion euros.

[1] *Including transactions with minority shareholders*