

Q1 2022: Strong sales growth and continued investment momentum

Key Figures (in millions of euros)	Q1 2022	2022/2021 as published	2022/2021 comparable ^(a)
Group Revenue	6,887	+29.1%	+7.9%
of which Gas & Services	6,590	+29.1%	+7.1%
of which Engineering & Construction	108	+42.4%	+40.3%
of which Global Markets & Technologies	189	+22.0%	+18.3%

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

Commenting on sales in the 1st quarter of 2022, Benoît Potier, Chairman and CEO of the Air Liquide Group, said:

“There was strong growth in this first quarter, which reflects a good level of activity and demonstrates the Group’s resilience in a context marked, notably, by inflation and the war in Ukraine.

Group sales were up **+8%** on a comparable basis and **+29%** based on published figures, notably reflecting the sharp rise in energy prices contractually passed on to Large Industries customers. Sales reached **6.9 billion euros**, including 6.6 billion for Gas & Services. This growth confirms the strength of the Gas & Services businesses and the strong momentum of the Engineering & Construction and Global Markets & Technologies business lines.

Gas & Services, which represents over 95% of Group sales, was up **+7.1%** on a comparable basis. This reflects notably the strong growth of the **Electronics** business line as well as **Industrial Merchant** which demonstrated, once again, its ability to adapt prices to reflect rising costs. Despite a high basis of comparison, the **Healthcare** business line continued to grow. In terms of geographies, growth was particularly strong in **Europe** and the **Americas**.

Regarding **efficiencies**, the Group continued to take action to improve performance. In the 1st quarter of 2022, **77 million euros** in efficiencies were generated in spite of a highly inflationary context, and we confirm our target of over 400 million euros over the year. Cash flow remains high at more than 23% of sales excluding the energy effect.

Investment decisions over the quarter reached the very high level of **913 million euros**, with several **Electronics projects, particularly in Asia**. The 12-month **portfolio** of opportunities remains stable at **3.3 billion euros**. The proportion of projects linked to the energy transition exceeds 40%.

These investments will foster future growth. They will also contribute to **ADVANCE**, Air Liquide’s new strategic plan for 2025. This plan, which combines **financial and extra-financial performance**, is structured around four priorities: delivering strong financial performance, decarbonizing industry, promoting progress through technological innovation and acting for all. With **ADVANCE**, the Group reaffirms its commitment to sustainable development while continuing its growth trajectory.

In 2022, assuming no significant economic disruption, Air Liquide is confident in its ability to further increase its operating margin and to deliver recurring net profit growth at constant exchange rates.⁽¹⁾

¹ Operating margin excluding energy passthrough impact. Recurring net profit excluding exceptional and significant transactions that have no impact on the operating income recurring, and excluding the impact of any US tax reform in 2022.

Highlights of the 1st quarter

■ Corporate:

- Launch of **ADVANCE**, the new **Air Liquide strategic plan for 2025**, which places **sustainable development at the heart of the Group's strategy** and combines **financial and extra-financial performance** around **four priorities**:
 - **Delivering strong financial performance**
 - A continued **sales growth of 5 to 6% on average per year⁽²⁾**.
 - **A Return On Capital Employed (ROCE) of more than >10% starting from 2023**.
 - At the same time, a **reduction of our CO₂ emissions in absolute terms starting around 2025**, in line with the Group's Sustainable Development Objectives.
 - **Decarbonizing the industry**, in line with the Group's objective to reduce its CO₂ emissions by a third between 2020 and 2035, and to be carbon neutral by 2050.
 - **Promoting progress through technological innovation** by focusing on new markets, in particular hydrogen mobility, electronics, healthcare, industrial merchant and high technologies.
 - **Acting for all** by including the perspective of the Group's direct stakeholders (**employees, shareholders, suppliers, customers**), as well as those of **society at large**.
- **Mobilization of the Group to support victims of the war in Ukraine, notably through the Air Liquide Foundation.**

■ Sustainable Development:

- Publication of Air Liquide's first **Sustainable Development Report**, which set out the Group's ambitions for Sustainable Development and its 2021 extra-financial results.
- Attribution of **"A-" rating by the CDP in both categories of climate change and water management**. This rating recognizes the **"Leadership Level" of the Group's commitment to the environment**.
- In the United States, construction of Air Liquide's **largest biomethane production plant in the world**.

■ Decarbonizing the industry:

- Memorandum of Understanding **signed with Eni** to decarbonize hard-to-abate industries in the Mediterranean Basin.
- Selection of the **Air Liquide and EQIOM** project by the **European Innovation Fund** with the aim to transform the EQIOM plant in Lumbres, France, into **one of the first carbon-neutral cement plants in Europe**.
- Selection by the **European Innovation Fund of the Kairos@C project**, jointly developed by **Air Liquide and BASF**, with the objective to develop **the world's largest cross-border carbon capture and storage (CCS) value chain project** around the port of Antwerp.
- **Agreement signed with Sogestran** to develop **shipping solutions for carbon management**, as part of carbon capture and storage projects.

■ Low-carbon hydrogen:

- **Support of the French government for the Air Liquide Normand'Hy project** to produce **renewable hydrogen** on a large scale. This project will have an initial capacity of 200 MW and will contribute to creating a French and European low-carbon hydrogen industry, as well as to the decarbonization of the Normandy industrial basin.
- **Memorandum of Understanding signed with Airbus, Incheon Airport and Korean Air** to study the **use of hydrogen at Incheon International Airport**.

■ Electronics & Industry:

- **Within the context of long-term contracts** with two **world leaders** in semiconductors for the supply of ultra-high purity industrial gases **in Japan**, Air Liquide has begun a staged investment of **more than 300 million euros** in four state-of-the-art production plants.
- **Long-term agreements signed to supply a semiconductor manufacturing site in Arizona, United States**. As part of this agreement, **Air Liquide will invest nearly 60 million US dollars** to build and

² Compound Annual Growth Rate (CAGR) of sales on a comparable basis over the 2021-2025 period

- operate onsite plants and systems.
- **Increased presence in India** with an investment of around 40 million euros in a new **air separation unit dedicated to Industrial Merchant activities**, in the state of Uttar Pradesh in northern India.

Group revenue totaled **6,887 million euros** in the 1st quarter of 2022, up a strong **+7.9% on a comparable basis**. This performance was delivered in a challenging context of exceptionally high energy prices, strong inflation, strain on supply chains and the war in Ukraine. The Group benefited from a solid business model and proactive actions to increase prices in the Industrial Merchant business. Introduced in the 2nd half of 2021, the effectiveness of these increases started to be seen from the 4th quarter of 2021, with stronger pricing in the 1st quarter of 2022. The **Group's published revenue** saw very strong growth of **+29.1%** with an energy impact that reached +16.4% and with favorable currency (+4.2%) and significant scope (+0.6%) impacts.

Gas & Services revenue totaled **6,590 million euros**, up by **+ 7.1%** on a comparable basis. **Sales as published** for the 1st quarter of 2022 showed a strong growth of **+29.1%**, with a very high energy impact at +17.2% and with positive currency (+4.2%) and significant scope (+0.6%) impacts.

- Gas & Services revenue in the **Americas** region totaled **2,331 million euros** in the 1st quarter of 2022, showing a strong increase of **+9.0%** on a comparable basis. Growth in Large Industries reached +8.3%, driven by the dynamic demand, particularly in the Chemicals and Steel industries. Up +10.0%, Industrial Merchant revenue benefited from the acceleration of **pricing (+9.3%)** and the increase in volumes. Proximity care in the United States and the Home Healthcare business in Latin America drove growth in the Healthcare business line (+3.5%) in a context of lower demand for medical oxygen to treat covid-19. Finally, all business segments within Electronics contributed to the particularly dynamic growth (+10.0%).
- Revenue in **Europe** increased by **+7.2%** in the 1st quarter of 2022 on a comparable basis and totaled **2,718 million euros** in a context of exceptionally high energy prices and the war in Ukraine. While Large Industries showed a -4.5% decrease in sales, growth accelerated in Industrial Merchant to reach an exceptionally high level of +22.7%, driven by **record pricing of +19.4%**. Healthcare continued to grow (+3.0%) despite a particularly high basis of comparison in 2021, benefiting from dynamic development in Home Healthcare.
- Sales in **Asia-Pacific** were up **+4.4%** on a comparable basis in the 1st quarter of 2022 and totaled **1,340 million euros**, driven by particularly dynamic growth across all the Electronics business segments (+13.1%). Large Industries sales were down slightly by -1.1%, impacted by soft demand in China and by low hydrogen sales in South Korea. Industrial Merchant revenue grew by +2.7%, benefiting in particular from solid growth in China.
- Revenue in the **Middle-East and Africa** totaled **201 million euros**, which was stable (**-0.2%**) on a comparable basis and compared to the 1st quarter of 2021. Volumes increased strongly in South Africa with the integration of the **16 Sasol air separation units** whose acquisition was finalized at the end of the 1st half of 2021: sales of **approximately 35 million euros** in the 1st quarter were recognized as part of the **significant scope impact** (and hence excluded from comparable growth).

Large Industries sales were stable (**+0.1%**) on a comparable basis compared to the 1st quarter of 2021, with mixed activity depending on the region. In the Americas, demand was robust across all markets, while in Europe and Asia, sales were lower in the Steel and Refining industries. Demand in the Chemicals industry remained solid globally. **Industrial Merchant** business posted strong comparable growth of **+11.9%**, driven by the **acceleration of pricing** which was up **+10.7%**, even reaching +19.4% in Europe, and by solid volumes. Sales comparable growth was particularly dynamic in **Electronics**, at **+13.7%**, with all business segments showing strong growth. **Healthcare** continued to grow (**+2.6%**) on a comparable basis, supported by the momentum of Home Healthcare activity, despite a particularly high basis of comparison in 2021 related to the strong demand for medical oxygen to treat Covid-19.

Consolidated revenue from **Engineering & Construction** totaled **108 million euros** in the 1st quarter of 2022, posting a strong growth of **+40.3%** and reflecting the increase in order intake in recent quarters. Order intake reached **264 million euros**.

The sales of **Global Markets & Technologies** totaled **189 million euros** in the 1st quarter, up a strong **+18.3%**, driven by the dynamic biogas activity and the increase of sales for the hydrogen mobility. Order intake for Group projects and third-party customers reached **214 million euros**, up compared to 2021.

Efficiencies⁽³⁾ reached **77 million euros** in the 1st quarter. This performance was delivered in a context of high inflation unfavorable to procurement efficiencies. The projects initiated at the beginning of 2022 are expected to increase their contribution over the coming quarters, hence confirming the annual objective set at more than 400 million euros. In this inflationary environment, the priority of operations was the passthrough of costs into pricing.

Cash flow from operating activities before changes in working capital totaled **1,400 million euros**, a strong increase of **+12.6%** and +8.7% excluding the currency impact. It stood at **23.3% of sales excluding the energy impact**, stable compared to the 1st quarter of 2021. It allowed, in particular, the financing of industrial investments, which amounted to 784 million euros, representing 13.0% of sales excluding the energy impact.

In the 1st quarter of 2022, **industrial and financial investment decisions** reached the very high level of **913 million euros**, compared to 603 million euros in the 1st quarter of 2021. They included several carrier gases supply projects in Asia but also in the United States and in Europe for Electronics customers. The **12-month portfolio of investment opportunities** is stable at the high level of **3.3 billion euros** at the end of March. Projects related to the **energy transition** account for more than 40% of the portfolio.

The **additional contribution to revenue** of unit start-ups and ramp-ups amounted to **105 million euros** in the 1st quarter of 2022 and is expected to be **between 410 and 435 million euros** in 2022, higher than in 2021.

³ See definition in Appendix.

Analysis of 1st quarter 2022 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 (in millions of euros)	Q1 2021	Q1 2022	2022/2021 published change	2022/2021 comparable change
Gas & Services	5,103	6,590	+29.1%	+7.1%
Engineering & Construction	76	108	+42.4%	+40.3%
Global Markets & Technologies	155	189	+22.0%	+18.3%
TOTAL REVENUE	5,334	6,887	+29.1%	+7.9%

Group

Group revenue totaled **6,887 million euros** in the 1st quarter of 2022, up a strong **+7.9% on a comparable basis**. This performance was delivered in a challenging context of exceptionally high energy prices, strong inflation, strain on supply chains and the war in Ukraine. The Group benefited from a solid business model and proactive actions to increase prices in the Industrial Merchant business. Introduced in the 2nd half of 2021, the effectiveness of these increases started to be seen from the 4th quarter of 2021, with stronger pricing in the 1st quarter of 2022.

Engineering & Construction posted a strong growth of **+40.3%**, which reflects the increase in order intake in recent quarters. **Global Markets & Technologies** business was up **+18.3%**, driven by strong momentum in biogas and sales for hydrogen mobility. The **Group's published revenue** saw very strong growth of **+29.1%** with an energy impact that reached +16.4% and with favorable currency (+4.2%) and significant scope (+0.6%) impacts.

Gas & Services

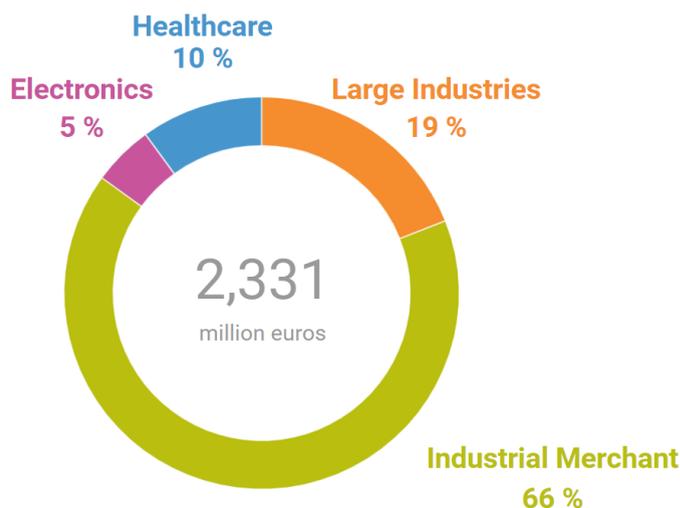
Gas & Services revenue totaled **6,590 million euros**, up by **+7.1%** on a comparable basis. **Large Industries** sales were stable (**+0.1%**) compared to the 1st quarter of 2021, with mixed activity depending on the region. In the Americas, demand was robust across all markets, while in Europe and Asia, sales were lower in the Steel and Refining industries. Demand in the Chemicals industry remained solid globally. **Industrial Merchant** business posted strong growth of **+11.9%**, driven by the **acceleration of pricing** which was up **+10.7%**, even reaching +19.4% in Europe, and by solid volumes. Sales growth was particularly dynamic in **Electronics**, at **+13.7%**, with all business segments showing strong growth. **Healthcare** continued to grow (**+2.6%**), supported by the momentum of Home Healthcare activity, despite a particularly high basis of comparison related to the strong demand for medical oxygen to treat Covid-19 in 2021. **Sales as published** for the 1st quarter of 2022 showed a strong growth of **+29.1%**, with a very high energy impact at +17.2% and with positive currency (+4.2%) and significant scope (+0.6%) impacts.

Revenue by geography and business line (in millions of euros)	Q1 2021	Q1 2022	2022/2021 published change	2022/2021 comparable change
Americas	2,003	2,331	+16.4%	+9.0%
Europe	1,797	2,718	+51.3%	+7.2%
Asia-Pacific	1,150	1,340	+16.5%	+4.4%
Middle East & Africa	153	201	+31.2%	-0.2%
GAS & SERVICES REVENUE	5,103	6,590	+29.1%	+7.1%
Large Industries	1,445	2,413	+67.0%	+0.1%
Industrial Merchant	2,253	2,638	+17.1%	+11.9%
Healthcare	914	955	+4.4%	+2.6%
Electronics	491	584	+19.0%	+13.7%

Americas

Gas & Services revenue in the Americas region totaled **2,331 million euros** in the 1st quarter of 2022, showing a strong increase of **+9.0%**. Growth in Large Industries reached +8.3%, driven by the dynamic demand, particularly in the Chemicals and Steel industries. Up +10.0%, Industrial Merchant revenue benefited from the acceleration of pricing (+9.3%) and increase in volumes. Proximity care in the United States and the Home Healthcare business in Latin America drove growth in the Healthcare business line (+3.5%) in a context of lower demand for medical oxygen to treat covid-19. Finally, all business segments within Electronics contributed to the particularly dynamic growth (+10.0%).

Americas Gas & Services Q1 2022 Revenue



- **Large Industries** revenue posted a strong increase of **+8.3%**. This growth reflects a good level of momentum in demand, independently from a favorable basis of comparison in the United States, as business was affected by a winter storm on the Gulf Coast in February 2021. Air gases volumes were up, driven by a high demand in the Chemicals and Steel industries. Hydrogen sales increased in spite of several maintenance turnarounds at refineries. The ramp-up of plants in the United States and Latin America also contributed to this growth.
- In the **Industrial Merchant** business, the sharp increase in sales of **+10.0%** was driven by the acceleration of the **pricing**, which stands at **+9.3%**, as well as by the robust growth in volumes. Indeed, the increase in volumes of bulk, cylinders and hardgoods, was partially masked by a decrease in helium volumes. In the United States, growth was strong in almost all markets, particularly in Fabrication and the Energy and Materials sectors.
- **Healthcare** continued to grow (**+3.5%**) in the 1st quarter of 2022, despite a high basis of comparison in 2021 due to the strong demand for medical oxygen to treat Covid-19. Sales in Medical Gases rose sharply in the United States, supported by strong momentum in proximity care and an acceleration of pricing. In Latin America, sales growth in Home Healthcare offset soft activity in Medical Gases compared to strong demand related to covid-19 in the 1st quarter of 2021.
- **Electronics** posted a very strong growth of **+10.0%**, supported by the momentum across all business segments. Carrier Gases benefited in particular from the ramp-up of several production plants and their resulting contribution.



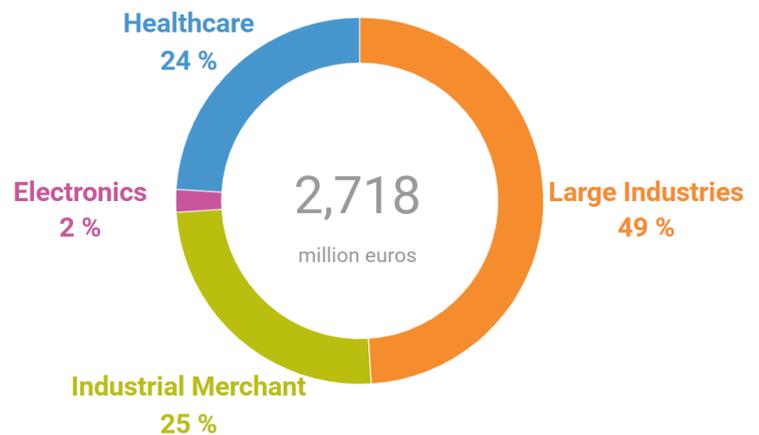
Americas

- Air Liquide announces a **long term agreement** to supply ultra high purity hydrogen, helium, and carbon dioxide to one of the world's largest semiconductor manufacturers. The Group plans to invest approximately **50 million euros** to build, own and operate plants and production systems at a new manufacturing site in Phoenix, Arizona, in support of this new agreement. Operations and supply are expected to start in the **second half of 2022**.

Europe

Revenue in Europe increased by **+7.2%** in the 1st quarter of 2022 and totaled **2,718 million euros** in a context of exceptionally high energy prices and the war in Ukraine. While Large Industries showed a -4.5% decrease in sales, growth accelerated in Industrial Merchant to reach an exceptionally high level of +22.7%, driven by record pricing of +19.4%. Healthcare continued to grow (+3.0%) despite a particularly high basis of comparison in 2021, benefiting from dynamic development in Home Healthcare.

Europe Gas & Services Q1 2022 Revenue



- **Large Industries** revenue declined by **-4.5%**. Sales were soft in Refining. In the Chemicals sector, demand for air gases remained stable while hydrogen sales were lower, impacted by customer maintenance turnarounds. Air gases volumes for the Steel Industry were lower in March, with some customers encountering difficulties with the supply of raw materials.
- **Industrial Merchant** business line saw an exceptionally high level of growth of **+22.7%**, driven by record high **pricing** of **+19.4%**. Progression in volumes was also very solid, despite softening bulk volumes during the quarter. Sales increased across all markets, particularly in the Food, Fabrication and Energy sectors.
- **Healthcare** continued to grow (**+3.0%**) despite a particularly high basis of comparison in 2021. Oxygen and medical equipment sales were down compared to the record-high demand that was seen for the treatment of covid-19 in the 1st quarter of 2021. However, growth was steady in the Home Healthcare business, particularly for the treatment of diabetes. The business line also benefited from the contribution of an acquisition in Poland that was made in the 4th quarter of 2021. Finally, progression in the sales of Specialty Ingredients continued to be very solid.



Europe

- Air Liquide receives **support from the French State***, in the requested amount of 190 million euros, for its Air Liquide **Normand'Hy large scale renewable hydrogen production** project. This electrolyzer with an **initial 200 MW capacity**, which should notably provide renewable hydrogen to TotalEnergies' Normandy refinery, will use Siemens Energy proton exchange membrane technology. This project, for which the start-up is planned for in 2025, will significantly contribute to the creation of a French and European low-carbon hydrogen sector and to the decarbonization of the Normandy industrial basin.
- Air Liquide continues its development along the **carbon value chain**:
 - Upstream, **Air Liquide and EQIOM** are joining forces with the aim to transform EQIOM's Lumbres plant into one of the first **carbon-neutral cement plants** in Europe, by using innovative technologies. Air Liquide will supply oxygen for the EQIOM production process and leverage its proprietary technology Cryocap™ Oxy to capture and then liquefy CO₂ emissions. The project aims to capture around **8 million tons of CO₂ over the first ten years** of operation. The project has been **awarded 150 million euros funding by the European Commission**, an important step toward its application.
 - Midstream, to support its **aggregator** role and complete its offer, **Air Liquide and Sogestran** have signed an agreement to form a **joint-venture**. It will provide large-scale **liquid CO₂ shipping and barging solutions to sequestration sites** in Europe.

- o **Air Liquide and Eni** have entered into a collaboration agreement aimed at assessing decarbonization solutions in the **Mediterranean region** of Europe, **focused on hard-to-abate industrial sectors**. Eni, leveraging on its experience in gas fields exploitation and management, will identify the most suitable permanent CO₂ storage locations in the Mediterranean sea, essential in the **downstream part of the carbon management chain**. Air Liquide will develop competitive CO₂ abatement solutions, supported by its experience and its technology.

** subject to a final validation by the European Commission*

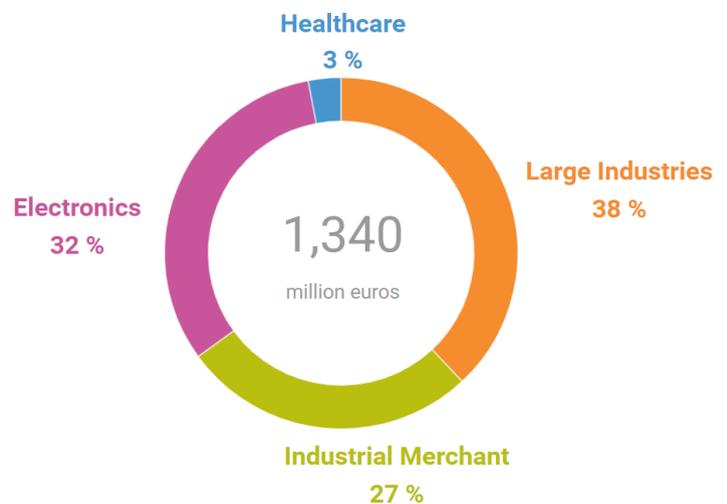
Asia-Pacific

Sales in Asia-Pacific were up **+4.4%** in the 1st quarter of 2022 and totaled **1,340 million euros**, driven by particularly dynamic growth across all the Electronics business segments (+13.1%). Large Industries sales were down slightly by -1.1%, impacted by soft demand in China and by low hydrogen sales in South Korea. Industrial Merchant revenue grew by +2.7%, benefiting in particular from solid growth in China.

Asia-Pacific Gas & Services Q1 2022 Revenue

- **Large Industries** sales were down slightly by **-1.1%** in the 1st quarter. Activity was soft in China, in particular due to residual Dual Energy Control measures. In addition, in South Korea, hydrogen sales for the Chemicals industry were low this quarter. These lower levels of activity are almost completely offset by the increase in sales of oxygen for the Steel Industry in Japan and of electricity in Singapore (produced by a cogeneration unit).

- **Industrial Merchant** revenue was up by **+2.7%**. Growth in China (+9%) was driven in particular by cylinder gas sales and the contribution of small on-site start-ups. The situation was contrasted in the rest of Asia, with sales down in Japan but up in Singapore and Australia. Sales increased in major business sectors, including Fabrication, Materials and Energy.



Pricing was up compared to the 4th quarter of 2021 and stood at **+3.1%**, with a strong contribution from China.

- The **Electronics** business showed a particularly dynamic growth of **+13.1%**. Growth reached +15% in Carrier Gases, which benefited from the contribution of a start-up in China in the 1st quarter and the ramp-up of several production plants. The increase in Advanced Materials sales was above +15%, with strong growth in activities in Singapore, China and Japan. Revenue from Specialty Materials and Services also posted double-digit growth, while the increase in Equipment and Installation sales was more modest, compared to a high level of sales in China in the 1st quarter of 2021.



Asia-Pacific

- Two major semiconductor market leaders have awarded Air Liquide **long-term contracts** for the **supply of ultra-high purity industrial gases in Japan**. In this context, Air Liquide has begun a staged investment of **more than 300 million euros** in **four state-of-the-art gas plants** in key Electronics basins to produce nitrogen and other high purity gases.

Middle East and Africa

Revenue in the Middle-East and Africa totaled **201 million euros**, which was stable (-0.2%) compared to the 1st quarter of 2021. In Large Industries, revenue was down: oxygen volumes for the Steel industry rose sharply in Egypt, but hydrogen sales to customers in the Yanbu basin in Saudi Arabia were lower. Volumes increased strongly in South Africa with the integration of the **16 Sasol air separation units** whose acquisition was finalized at the end of the 1st half of 2021: sales of **approximately 35 million euros** in the 1st quarter were recognized as part of the **significant scope impact** (and hence excluded from comparable growth). Growth in the Industrial Merchant business remained solid, driven by dynamic volumes and a marked increase of pricing at +4.6%, offsetting the impact of two small divestitures in the Middle-East. In Healthcare, revenue was down due to lower Medical Gas volumes for the treatment of covid-19. Sales in the Home Healthcare business grew in Saudi Arabia, particularly in diabetes treatment.



Middle East and Africa

- Air Liquide will invest around **40 million euros** in a new Air Separation Unit (ASU) in Kosi (Uttar Pradesh), Northern India, to supply **Industrial Merchant** customers and **oxygen for the hospitals**. This unit will have a production capacity of **350 tonnes per day**, with a maximum of 300 tonnes of oxygen. Air Liquide India will build, own and operate this ASU, which is planned to start operating **by the end of 2023** and which should be **fully powered by renewable electricity by 2030**.
- Air Liquide announced the sale of its **Industrial Merchant** business in the **United Arab Emirates** and **Bahrain**. It is part of the **Group's strategy to regularly review its asset portfolio** and focus on selected fast developing areas and activities and improve its return on capital employed. **Air Liquide is well-positioned to further grow** its already strong presence in the Gulf Cooperation Council (GCC) region in **Large Industries** and **Healthcare businesses** and pursue the many opportunities emerging with **clean Hydrogen** and **Energy Transition**.

Engineering & Construction

Consolidated revenue from Engineering & Construction totaled **108 million euros** in the 1st quarter of 2022, posting a strong growth of **+40.3%** and reflecting the increase in order intake in recent quarters.

Order intake totaled **264 million euros**, which was down slightly compared to the high level recorded in the 1st quarter of 2021. Orders for the Group represented more than half of the total and are mainly related to projects in Asia, including nitrogen generators for the Electronics and air separation units for Large Industries.

Global Markets & Technologies

The sales of Global Markets & Technologies totaled **189 million euros** in the 1st quarter, up a strong **+18.3%**. Biogas enjoyed strong momentum, benefiting from the ramp-up of new production units in Europe and from the rise in sales prices relating to the energy price increase and from equipment sales in the United States. Revenue for hydrogen mobility was up significantly, driven by the sale of hydrogen filling stations in China, Japan and Korea.

Order intake for Group projects and third-party customers are increasing and totaled **214 million euros**, up compared to 2021. It notably includes sales of Turbo-Brayton LNG reliquefaction units, biogas processing equipment, hydrogen refueling stations and equipment for the Electronics industry.



Global Markets & Technologies

- Air Liquide continues its **development of biomethane activities with the construction in the USA of its largest biomethane production unit in the world**. This will bring the worldwide biomethane production capacity of the Group to **1.8 TWh with 21 units**. The new production unit in the State of Illinois will allow Air Liquide to keep providing low-carbon solutions to its customers in the industrial and transportation sectors and to accompany them in the reduction of their emissions.
- Air Liquide, Airbus, Korean Air and Incheon International Airport Corporation signed a **Memorandum of Understanding** to explore the use of hydrogen at Incheon International Airport. More globally, the collaboration will also study the development of a Korean airport infrastructure to **support the deployment of hydrogen-powered commercial aircrafts**. This partnership reflects a shared ambition to drive the emergence of an innovative aviation sector dedicated to supporting the Korean government's goal of carbon neutrality by 2050. In the Incheon airport, the Group has already invested in two high capacity hydrogen refueling stations. Since August 2021, they have been supplying demonstration trucks as well as hydrogen buses and cars under a long-term contract.

Operating Performance

Efficiencies⁽⁴⁾ reached **77 million euros** in the 1st quarter, representing a saving of 2.0% of the cost base. This performance was delivered in a context of high inflation unfavorable to procurement efficiencies. The projects initiated at the beginning of 2022 are expected to increase their contribution over the coming quarters, hence confirming the annual objective set at more than 400 million euros. In this inflationary environment, the priority of operations was to transfer cost increases into pricing.

Industrial efficiencies contributed more than 50% and included energy efficiency projects in Large Industries and supply chain optimization projects in Industrial Merchant. The Group's **digital transformation** continued: in Large Industries with the connection of new units to remote operation centers (Smart Innovative Operations, SIO), in Industrial Merchant with the acceleration of tools implementation to optimize delivery routes (Integrated Bulk Operations, IBO) and in Healthcare with the deployment of remote patient monitoring platforms. The implementation of **shared services centers** and the pursuit of the **global continuous improvement program** also contributed to efficiencies.

Cash flow from operating activities before changes in working capital totaled **1,400 million euros**, a strong increase of **+12.6%** and **+8.7% excluding the currency impact**. It stood at **23.3% of sales excluding the energy impact**, stable compared to the 1st quarter of 2021. It allowed, in particular, the financing of industrial investments, which amounted to 784 million euros, representing 13.0% of sales excluding the energy impact.

⁴ See definition in Appendix.

Investment cycle

INVESTMENT DECISIONS AND INVESTMENT BACKLOG

In the 1st quarter of 2022, **industrial and financial investment decisions** reached the very high level of **913 million euros**, compared to 603 million euros in the 1st quarter of 2021.

The **industrial investment decisions** for the 1st quarter of 2022 amounted to **880 million euros**. Within the **Electronics** business line, several carrier gases supply projects in Asia but also in the United States and in Europe were decided in the 1st quarter. Investment decisions in **Large Industries** included the installation of an air separation unit in Egypt, which will be connected to existing units with the creation of a new local pipeline network. In **Industrial Merchant**, the investment in a new liquid production capacity has been decided in the United States.

Financial investment decisions amounted to **33 million euros** in the 1st quarter of 2022 and included several acquisitions in Industrial Merchant in China.

The **investment backlog** reached the high level of **3.4 billion euros**. Large Industries and Electronics projects account for the vast majority of the investment backlog. These investments' future contribution to annual revenue has also grown, amounting to approximately **1.2 billion euros per year** after full ramp-up of the units.

START-UPS

Several major units started up during the 1st quarter of 2022. These include Advanced Materials and Carrier Gases production plants for **Electronics** in Asia.

The **additional contribution to revenue** of unit start-ups and ramp-ups amounted to **105 million euros** in the 1st quarter of 2022, including sales of 35 million euros from the Sasol units in South Africa recognized as part of the significant scope effect (and thus excluded from comparable growth).

In 2022, the **additional contribution to revenue** of unit start-ups and ramp-ups is expected to be **between 410 and 435 million euros**, higher than in 2021. This includes the contribution of the 16 Sasol units acquired in late June 2021, which stands at approximately 135 million euros, and recognized as part of the significant scope effect.

INVESTMENT OPPORTUNITIES

The **12-month portfolio of investment opportunities** is stable at the high level of **3.3 billion euros** at the end of March.

Projects related to the **energy transition** account for more than 40% of the portfolio. These include projects for renewable hydrogen production by electrolysis, facilities for the capture of carbon dioxide emitted by the Group's and its customers' units, as well as hydrogen mobility projects in Europe and Asia. New Carrier Gases plants have been added to the portfolio for the **Electronics** business line, compensating for the projects decided in the 1st quarter, which therefore left the portfolio.

Europe and Asia represent about 75% of this portfolio. **Europe** remains the portfolio of opportunities' leading region with numerous **energy transition** projects. It is followed by **Asia**, due to many **Electronics** projects, and then by **Americas** with opportunities in **Large Industries** and **Electronics**.

Outlook

There was strong growth in this 1st quarter, which reflects a good level of activity and demonstrates the Group's resilience in a context marked, notably, by inflation and the war in Ukraine.

Group sales were up **+8%** on a comparable basis and **+29%** based on published figures, notably reflecting the sharp rise in energy prices contractually passed on to Large Industries customers. Sales reached **6.9 billion euros**, including 6.6 billion for Gas & Services. This growth confirms the strength of the Gas & Services businesses and the strong momentum of the Engineering & Construction and Global Markets & Technologies business lines.

Gas & Services, which represents over 95% of Group sales, was up **+7.1%** on a comparable basis. This reflects notably the strong growth of the **Electronics** business line as well as **Industrial Merchant** which demonstrated, once again, its ability to adapt prices to reflect rising costs. Despite a high basis of comparison, the **Healthcare** business line continued to grow. In terms of geographies, growth was particularly strong in **Europe** and the **Americas**.

Regarding **efficiencies**, the Group continued to take action to improve performance. In the 1st quarter of 2022, **77 million euros** in efficiencies were generated in spite of a highly inflationary context, and we confirm our target of over 400 million euros over the year. Cash flow remains high at more than 23% of sales excluding the energy effect.

Investment decisions over the quarter reached the very high level of **913 million euros**, with several **Electronics projects, particularly in Asia**. The 12-month **portfolio** of opportunities remains stable at **3.3 billion euros**. The proportion of projects linked to the energy transition exceeds 40%.

These investments will foster future growth. They will also contribute to **ADVANCE**, Air Liquide's new strategic plan for 2025. This plan, which combines **financial and extra-financial performance**, is structured around four priorities: delivering strong financial performance, decarbonizing industry, promoting progress through technological innovation and acting for all. With **ADVANCE**, the Group reaffirms its commitment to sustainable development while continuing its growth trajectory.

In 2022, assuming no significant economic disruption, Air Liquide is confident in its ability to further increase its operating margin and to deliver recurring net profit growth at constant exchange rates⁽⁵⁾.

⁵ Operating margin excluding energy passthrough impact. Recurring net profit excluding exceptional and significant transactions that have no impact on the operating income recurring, and excluding the impact of any US tax reform in 2022.

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:

- Comparable sales change
- Currency, energy and significant scope impacts
- 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 eurozone. **The currency impact** 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 impact 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.

COMPARABLE SALES CHANGE

Comparable changes for sales **exclude the currency, energy and significant scope impacts described above**. For the 1st quarter 2022, the calculations are the following:

<i>(in millions of euros)</i>	Q1 2022	Q1 2022/2021 Published Growth	Currency impact	Natural gas impact	Electricity impact	Significant scope impact	Q1 2022/2021 Comparable Growth
Revenue							
Group	6,887	+29.1%	225	607	267	35	+7.9%
<i>Impacts in %</i>			+4.2%	+11.4%	+5.0%	+0.6%	
Gas & Services	6,590	+29.1%	218	607	267	35	+7.1%
<i>Impacts in %</i>			+4.2%	+11.9%	+5.3%	+0.6%	

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...).

*The slideshow that accompanies this release is available as of 9:00 am (Paris time) at www.airliquide.com.
Throughout the year, follow Air Liquide on Twitter: [@AirLiquideGroup](https://twitter.com/AirLiquideGroup).*

CONTACTS

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UPCOMING EVENTS

Annual General Meeting of Shareholders:

May 4, 2022

Dividend Ex-coupon Date:

May 16, 2022

Dividend Payout Date:

May 18, 2022

2022 First Half Revenue and Results:

July 28, 2022

A world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 75 countries with approximately 66,400 employees and serves more than 3.8 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 23 billion euros in 2021. Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, CAC 40 ESG, EURO STOXX 50 and FTSE4Good indexes.