

# Fiscal Third Quarter 2025 Earnings Results Teleconference

July 31, 2025

GENERATING A CLEANER FUTURE



## Forward-Looking Statements

This presentation contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about earnings guidance, business outlook and investment opportunities. These forward-looking statements are based on management’s expectations and assumptions as of the date of this presentation and are not guarantees of future performance. While forward-looking statements are made in good faith and based on assumptions, expectations and projections that management believes are reasonable based on currently available information, actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors, including those disclosed in our earnings release for the third quarter of fiscal year 2025 and our Annual Report on Form 10-K for our fiscal year ended September 30, 2024 as well as in our other filings with the Securities and Exchange Commission. Except as required by law, the Company disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in the assumptions, beliefs, or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

## Non-GAAP Financial Measures

This presentation and the discussion on the accompanying conference call contain certain financial measures that are not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). We have posted to our investor [website](#), in the relevant Earnings Release section, reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP. Management believes these non-GAAP financial measures provide investors, potential investors, securities analysts, and others with useful information to evaluate our business because such measures, when viewed together with our GAAP disclosures, provide a more complete understanding of the factors and trends affecting our business. The non-GAAP financial measures supplement our GAAP disclosures and are not meant to be considered in isolation or as a substitute for the most directly comparable measures prepared in accordance with GAAP. These measures may not be comparable to similarly titled measures used by other companies.

# Demonstrating strength and resiliency in core business

## Core business



- Exceeded Q3 guidance despite macroeconomic headwinds
- Core business demonstrating strength and resilience
- Focus: unlock value through disciplined cost productivity, pricing, operational excellence and capital allocation discipline

## Projects



- Finalize current energy transition projects
- Focus on core industrial gases projects – strong demand for electronics in Asia
- Exercise capital discipline and reduce financial leverage

# Unlocking earnings potential: 5-year journey

	As of today	Improve core / Re-focus CapEx (2026-2029)	Achieve potential (approx. 2030+)
	<ul style="list-style-type: none"> <li>High quality base obscured by underperforming projects</li> <li>Committed to our A/A2 rating</li> </ul>	<ul style="list-style-type: none"> <li>Unlock base earnings through significant margin improvement</li> <li>Optimize underperforming projects</li> </ul>	<ul style="list-style-type: none"> <li>Strong base growth</li> <li>NEOM / Darrow offsetting underperforming projects</li> </ul>
<b>Adjusted EPS*</b>	<b>\$11.90 - \$12.10</b> FY25 Forecast	<b>High single-digit annual growth</b>	<b>Double-digit annual growth</b>
<b>Adjusted Op. Margin*</b>	<b>24%</b> FY25 Forecast	<b>High 20's</b>	<b>~30's</b>
<b>Adjusted ROCE*</b>	<b>10%</b> FY25 Forecast Cash and Construction in Progress ~(500)bps	<b>Low-to-mid-teens</b> Cash and Construction in Progress ~(500)bps	<b>Mid-to-high-teens</b>
<b>Net Cash Flow</b>	<b>Significant capital to fund projects</b>	<b>Net cash-flow neutral-to-positive</b>	<b>Net cash-flow positive</b>
<b>Cash to Shareholders</b>	<b>Continued dividend increases</b>	<b>Dividends and share buybacks</b>	<b>Dividends and share buybacks</b>

\* Earnings potential for 2026 and beyond does not include economic growth or impacts of energy cost pass through.

Non-GAAP financial measure. Management is unable to reconcile, without unreasonable efforts, the Company's forecasted range of adjusted operating margin, return on capital employed or adjusted EPS to a comparable GAAP range.



## Earnings Results & Guidance

# Q3 Results Summary

## Adjusted EPS\*

Q3FY25	\$3.09	
Q3FY24	\$3.20	(3)% vs PY
Q2FY25	\$2.69	15% vs PQ

## Adjusted ROCE\*\*

Q3FY25	10.3%	
Q3FY24	11.3%	(100)bp vs PY
Q2FY25	10.5%	(20)bp vs PQ

## Adjusted Op Inc\*

Q3FY25	\$741	
Q3FY24	\$738	Flat vs PY
Q2FY25	\$631	17% vs PQ

## Adjusted Op Inc Margin\*

Q3FY25	24.5%	
Q3FY24	24.7%	(20)bp vs PY
Q2FY25	21.6%	290bp vs PQ

### Vs. Prior Year

- Lower volume mainly due to the prior year LNG sale, lower helium and project exits, partially offset by favorable on-site
- Adjusted operating income\* flat as strong base business performance, incl non-helium pricing across all regions, was largely offset by the prior year LNG sale and exited projects
- Energy cost pass-through lowered adjusted operating margin\* ~100bp

### Vs. Prior Quarter

- Adjusted operating income\* improved across all reporting segments
- Adjusted operating margin\* increased sequentially due to favorable volume and productivity improvements

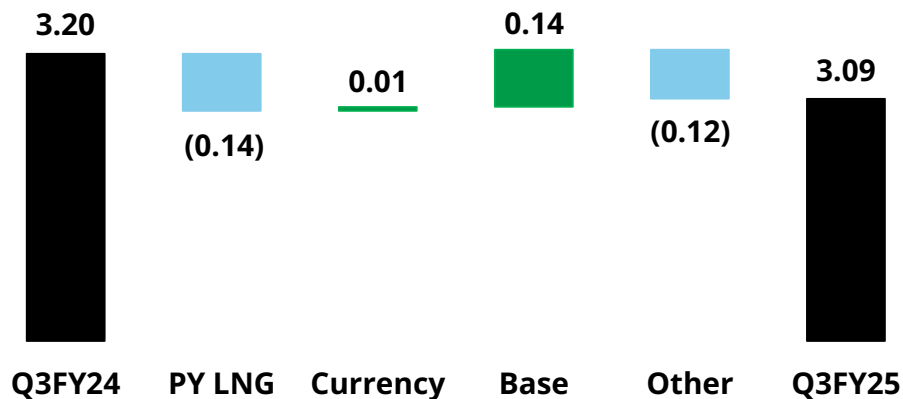
### vs Q3FY24 vs Q2FY25

#### Sales

	+1%	+4%
Volume	(4)%	4%
Price	1%	-%
Energy pass-through	3%	(2)%
Currency	1%	2%

## Q3 Adjusted EPS\* \$3.09, \$(0.11), (3)% vs PY

### Adjusted EPS\*



### Base +\$0.14

#### **Volume ex LNG +\$0.06:**

- Favorable on-site, including project exits, were partially offset by lower helium

#### **Price +\$0.05:**

- Positive non-helium merchant price across all regions

#### **Costs +\$0.03:**

- Primarily due to productivity improvements and lower maintenance, partially offset by depreciation and inflation

### Other \$(0.12)

- Tax rate \$(0.05) due to one-time benefits in prior year
- Non-Op. Income \$(0.03), Interest expense \$(0.02), NCI \$(0.02)

\* Non-GAAP financial measure is reconciled on our investor [website](#).

# Fiscal year 2025 outlook\*

## Q4 FY2025

**\$3.27 to 3.47**  
Adjusted EPS\*

(8)% to (3)% vs Q4 FY24

(4)% to 2% vs Q4 FY24 (ex LNG)<sup>(A)</sup>

## FY2025

**\$11.90 to 12.10**  
Adjusted EPS\*

(4)% to (3)% vs FY24

-% to 1% vs FY24 (ex LNG)<sup>(A)</sup>

## FY2025

**~\$5.0B**  
Capital Expenditures\*

\*Non-GAAP financial measure. Reconciliation of historical adjusted EPS is available on our investor website.

Adjusted EPS guidance is provided on a diluted basis from continuing operations attributable to Air Products. Management is unable to reconcile, without unreasonable efforts, the Company's forecasted range of adjusted EPS or capital expenditures to a comparable GAAP range.

<sup>(A)</sup>Air Products completed the divestiture of its LNG business on September 30, 2024; therefore, this business will not contribute to fiscal 2025 results and, accordingly, is not reflected in fiscal 2025 guidance. The LNG business generated operating income for the Corporate and other segment of approximately \$40 million and \$135 million for the fourth quarter and full year fiscal 2024, respectively. Based on these results, we estimate the divestiture will result in headwinds of approximately 4% during the fourth quarter and full year fiscal 2025. We applied a simplified approach when estimating the expected headwinds in fiscal year 2025, which considers the total company effective tax rate rather than a specific rate for the divested business, as management believes the cost to calculate a specific rate exceeds the benefit.



## Appendix Slides

# Americas: Results Summary

## Sales

Q3FY25	\$1,261	
Q3FY24	\$1,235	2% vs PY
Q2FY25	\$1,287	(2)% vs PQ

## Operating Income

Q3FY25	\$374	
Q3FY24	\$391	(4)% vs PY
Q2FY25	\$366	2% vs PQ

## Operating Income Margin

Q3FY25	29.7%	
Q3FY24	31.7%	(200)bp vs PY
Q2FY25	28.4%	130bp vs PQ

## Adjusted EBITDA\*

Q3FY25	\$604	
Q3FY24	\$604	Flat vs PY
Q2FY25	\$575	5% vs PQ

### Vs. Prior Year

- Volume declined mainly due to lower on-site, including project exits, and lower helium demand
- Price improved for non-helium products
- Operating income decreased as higher costs, mainly maintenance depreciation, project exits, and helium headwinds were partially offset by strong pricing
- Energy pass-through lowered operating margin ~200bp

### Vs. Prior Quarter

- Operating income increased due to lower costs
- Lower cost and energy pass through improved operating margin

### vs Q3FY24 vs Q2FY25

#### Sales

	+2%	(2)%
Volume	(6)%	-%
Price	1%	-%
Energy pass-through	7%	(2)%
Currency	-%	-%

# Asia: Results Summary

## Sales

Q3FY25	\$810	
Q3FY24	\$790	3% vs PY
Q2FY25	\$774	5% vs PQ

## Operating Income

Q3FY25	\$217	
Q3FY24	\$200	8% vs PY
Q2FY25	\$191	13% vs PQ

## Operating Income Margin

Q3FY25	26.8%	
Q3FY24	25.3%	150bp vs PY
Q2FY25	24.7%	210bp vs PQ

## Adjusted EBITDA\*

Q3FY25	\$353	
Q3FY24	\$324	9% vs PY
Q2FY25	\$334	6% vs PQ

### Vs. Prior Year

- Volume growth driven by favorable on-site, partially offset by lower helium
- Price decreased due to helium
- Operating income increased as favorable costs, primarily productivity and lower maintenance, were partially offset by lower price and merchant volume
- Operating margin improved 150 bp primarily due to lower cost, partially offset by price

### Vs. Prior Quarter

- Volume recovered following Lunar New Year holidays
- Operating income and margin improved due to strong cost productivity

### vs Q3FY24

### vs Q2FY25

### Sales

+3%

+5%

Volume

2%

3%

Price

(1)%

-%

Energy pass-through

1%

-%

Currency

1%

2%

# Europe: Results Summary

## Sales

Q3FY25	\$771	
Q3FY24	\$693	11% vs PY
Q2FY25	\$727	6% vs PQ

## Operating Income

Q3FY25	\$225	
Q3FY24	\$205	10% vs PY
Q2FY25	\$196	15% vs PQ

## Operating Income Margin

Q3FY25	29.2%	
Q3FY24	29.5%	(30)bp vs PY
Q2FY25	26.9%	230bp vs PQ

## Adjusted EBITDA\*

Q3FY25	\$320	
Q3FY24	\$283	13% vs PY
Q2FY25	\$280	14% vs PQ

### Vs. Prior Year

- Volume growth driven by favorable on-site, partially offset by lower helium
- Strong price improvement for non-helium products
- Operating income increased due to price, currencies and volume, partially offset by higher costs
- Operating margin stable

### Vs. Prior Quarter

- Volume improved due to strong on-site
- Operating income increased driven by on-site and currencies
- Operating margin improved due to energy pass through and volume

### vs Q3FY24 vs Q2FY25

#### Sales

	+11%	+6%
Volume	3%	5%
Price	2%	(1)%
Energy pass-through	1%	(5)%
Currency	5%	7%

\* Non-GAAP financial measure is reconciled on our investor [website](#).

# Middle East and India: Results Summary

## Sales

Q3FY25	\$38	
Q3FY24	\$33	\$5 vs PY
Q2FY25	\$33	\$5 vs PQ

## Operating Income

Q3FY25	\$8	
Q3FY24	\$(1)	\$9 vs PY
Q2FY25	\$(3)	\$11 vs PQ

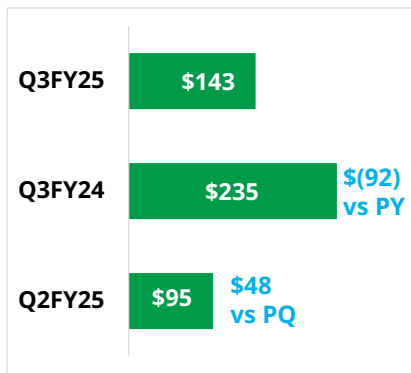
## Adjusted EBITDA\*

Q3FY25	\$101	
Q3FY24	\$95	\$6 vs PY
Q2FY25	\$82	\$19 vs PQ

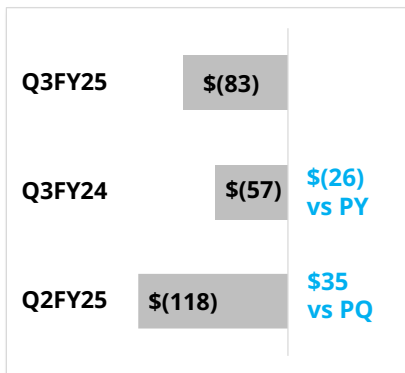
- Operating income increased vs. prior year driven by lower cost and higher volume
- Equity affiliates' income modestly lower vs. prior driven by an affiliate in Saudi Arabia

# Corporate and Other: Results Summary

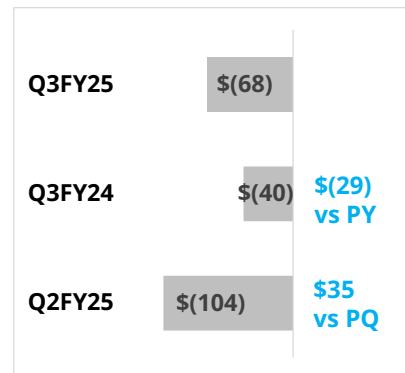
## Sales



## Operating Income



## Adjusted EBITDA\*



### Vs. Prior Year

- Sales and profits decreased primarily due to LNG business divestment in September 2024, ~\$35 operating income in prior year quarter
- Lower costs related to sale of equipment and corporate function cost productivity supported results

### Vs. Prior Quarter

- Profits improved driven by lower costs related to sale of equipment and cost productivity actions