First Half 2023 Financial Report

Content

First Half Financial Report

2023

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

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

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

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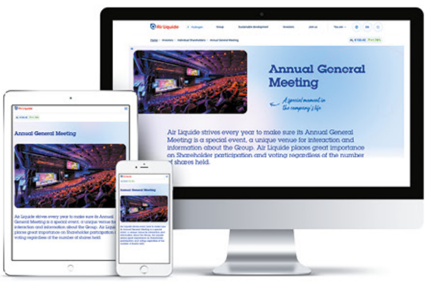

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1 Activity report

H1 2023 PERFORMANCE

Group revenue totaled **13,980 million euros** in the 1st half of 2023, up **+4.9%** on a comparable basis. Group **revenue as published** in the 1st half-year was down **-1.6%**, impacted by unfavorable energy (-4.7%) and currency (-2.1%) impacts, with the significant scope impact being slightly positive at +0.3%.

Gas & Services revenue amounted to **13,405 million euros** during the 1st half, a comparable increase of **+5.3%**. **Published sales** in the 1st half of 2023 were down slightly by **-1.4%**, impacted by negative energy and currency impacts of -4.9% and -2.1% respectively, the significant scope impact being limited (+0.3%).

- Gas & Services revenue in the **Americas** reached **5,159 million euros** in the 1st half of 2023, representing a comparable increase of **+6.7%**. Sales in the Industrial Merchant business were up sharply, by +10.0%, driven by a high price effect (+7.5%). Customer shutdowns penalized Large Industries sales (-3.9%) while volumes remained solid overall in the US Gulf Coast. In Healthcare, price increases in Proximity Care in the United States and the dynamism of Home Healthcare in Canada and South America were the main contributors to the very strong increase in sales (+13.5%). Lastly, after very solid growth in 2022, revenue from the Electronics business was down by -5.8% in the 1st half due to the sharp decline in sales of materials in the 2nd quarter, in a context of slowdown in demand from memory manufacturers.
- Revenue in **Europe** was up **+4.8%** on a comparable basis during the 1st half of 2023 and reached **4,975 million euros**. In Industrial Merchant, the very strong increase in sales of +18.1% benefited from a price effect that remained very high at +19.0%. Healthcare sales were up +5.8%, driven notably by the strong development of diabetes treatment in Home Healthcare and higher medical gas prices in response to inflation. Large Industries revenue was down -3.6% in the 1st half-year, however this was a significant improvement compared to the 2nd half of 2022 heavily impacted by the sharp increase in energy prices.
- Sales in **Asia Pacific** were up **+3.8%** on a comparable basis in the 1st half of 2023 and amounted to **2,763 million euro**s. Large Industries revenue, down -5.9%, was impacted in particular by weak demand and customer shutdowns. In Industrial Merchant, the sharp increase in sales of +12.1% was supported by a price effect of +9.2% and a strong increase in volumes in China in the 2nd quarter. In the Electronics business (+7.3%), after double-digit sales growth in the 1st quarter, revenue growth was more moderate in the 2nd quarter (+4.3%).
- Revenue in the **Middle East & Africa** region increased by **+5.8%** on a comparable basis to **508 million euros** in the 1st half of 2023. The sales growth in air gases in South Africa and Egypt explained the solid performance of Large Industries. In Industrial Merchant, a high price effect (+8.7%) and the increase in volumes made it possible to fully absorb the impact of the divestiture of businesses in the Middle East and achieve solid sales growth.

Industrial Merchant revenue continued to grow strongly (**+12.1%**), driven by a high price effect of +10.7% and growing volumes. **Large Industries** revenue, down **-3.6%** in a context of weak demand, saw a significant improvement compared to a 2nd half of 2022 which was heavily impacted by the sharp increase in energy prices, in Europe in particular. **Electronics** sales were up **+6.3%** in the half-year: following double-digit growth in the 1st quarter, revenue growth was more moderate in the 2nd quarter due to a very high basis of comparison in 2022 and lower demand from memory manufacturers. Lastly, the strong growth in sales in **Healthcare** (**+8.2%**) was supported by the increase in the prices of medical gases in an inflationary context and the dynamism of Home Healthcare.

Consolidated revenue from **Engineering & Construction** totaled **180 million euros** in the 1st half of 2023, down **-17.3%** compared to the high sales to third-party customers in the 1st half of 2022. Consolidated revenue does not reflect the volume of activity carried out with internal projects in Large Industries or Electronics. Order intake amounted to **530 million euros**, a slight increase compared to the 1st half of 2022.

Sales in the **Global Markets & Technologies** business increased by **+3.9%** on a comparable basis and amounted to **395 million euros** in the 1st half-year. **Organic growth** reached **+17%**, excluding several divestitures. Order intake for Group projects and third-party customers reached **496 million euros**.

The Group's **operating income recurring (OIR)** reached **2,481 million euros** in the 1st half of 2023. It was up by +8.5% and **+13.0% on a comparable basis**, which is significantly higher than the comparable growth in sales of +4.9%.

The **operating margin** (OIR to revenue) stood at **17.7%**, **a strong improvement of +80 basis points excluding the energy impact**.

Efficiencies [(1)] contributed to this improvement in margin. They amounted to **206 million euros**, up sharply by **+23.6%** compared to the 1st half of 2022 and in line with the annual target of more than 400 million euros.

(1) *See definition in appendix.*

Net profit (Group share) amounted to **1,722 million euros** in the 1st half of 2023, with an increase as published of **+31.9%** and **+39.5% excluding the currency impact**. Excluding the proceeds from the sale of the stake in Hydrogenics, the impairment of an intangible asset and of assets held for sale, **net profit recurring (Group share)** [2] amounted to **1,627 million euros**. This was up by +4.9% and **+11.3% excluding currency**, compared to net profit recurring (Group share) in the 1st half of 2022, a significant increase over comparable sales growth of +4.9%. **Net earnings per share** rose by **+32.0%** compared with the 1st half of 2022, in line with the increase in net profit (Group share). These stood at **3.30 euros per share** compared with 2.50 euros per share in the 1st half of 2022.

Cash flows from operating activities before changes in working capital amounted to **3,211 million euros** during the 1st half of 2023, representing a sharp increase of +10.4% and **+13.2% excluding the currency impact**.

Net debt at June 30, 2023 reached **10,550 million euros**, a sharp decrease compared with 12,010 million euros at June 30, 2022 and an increase of 289 million euros compared with December 31, 2022, following the payment of more than 1.6 billion euros in dividends in May.

The **return on capital employed after tax (ROCE)** was 10.0% for the 1st half of 2023. At **10.2%, recurring ROCE** [3] remained above the target of 10.0% in the Advance strategic plan, and was up sharply by **+50 basis points** compared to the 1st half of 2022.

In order to accelerate the **decarbonization of its production units**, Air Liquide announced in the 1st half of 2023 the signing of long-term renewable energy supply contracts (PPAs) for more than 1,000 GWh per year. This will equate to a **reduction of its annual CO_2 emissions by approximately -970,000 tonnes**.

In the 1st half of 2023, **industrial and financial investment decisions** amounted to **1,798 million euros**. They were stable compared to the very high level of the 1st half of 2022.

At **3.5 billion euros**, the **investment backlog** remained at a very high level for three quarters and posted a strong increase compared to the 3.0 billion euros in the 1st half of 2022.

The **additional contribution to sales** of unit start-ups and ramp-ups totaled **139 million euros** over the 1st half of 2023. Over full-year 2023, it is expected to be at the low end of the range of 300 to 330 million euros previously communicated.

At **3.4 billion euros**, the **12-month portfolio of investment opportunities** remained very high at the end of June 2023. This reflects the dynamism of project developments, particularly in the **energy transition**, representing more than 40% of the portfolio, as well as in the **Electronics** business.

The Air Liquide Board of Directors met on July 26, 2023. During this meeting, the **Board reviewed the consolidated financial statements** ending June 30, 2023. Limited review procedures were completed with respect to the consolidated interim financial statements, and an **unqualified review report was in the process of being issued** by the statutory auditors at the date of the Board's meeting.

(2) *See definition and reconciliation in appendix.*
(3) *See definition and reconciliation in appendix.*

Key Figures

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.

(in millions of euros)	**H1 2022**	**H1 2023**	**2023/2022 published change**	**2023/2022 comparable change** [(a)]
Total Revenue	**14,207**	**13,980**	**-1.6%**	**+4.9%**
Of which Gas & Services	*13,600*	*13,405*	*-1.4%*	*+5.3%*
Operating Income Recurring (OIR)	2,286	2,481	+8.5%	+13.0%
Group OIR Margin	16.1%	17.7%	+160 bps	
Variation excluding energy impact [(b)]			*+80 bps*	
Other Non-Recurring Operating Income and Expenses	(270)	33		
Net Profit (Group Share)	1,305	1,722	+31.9%	
Net Profit Recurring (Group share) [(c)]	1,551	1,627	+4.9%	
Variation Net Profit Recurring (Group Share) excluding currency impact(b)			*+11.3%*	
Net earnings per share (in euros)	**2.50**	**3.30**	**+32.0%**	
Cash flow from operating activities before changes in working capital	2,907	3,211	+10.4%	
Net Capital Expenditure [(d)]	1,547	1,466		
Net Debt	€12.0 bn	€10.6 bn		
Net Debt to Equity ratio [(e)]	46.0%	39.2%		
Return on Capital Employed after tax - ROCE	9.0%	10.0%	+100 bps	
Recurring ROCE [(f)]	**9.7%**	**10.2%**	**+50 bps**	

(a) Change excluding the currency, energy (natural gas and electricity) and significant scope impacts, see reconciliation in appendix.
(b) See reconciliation in appendix.
(c) Excluding exceptional and significant transactions that have no impact on the operating income recurring, see reconciliation in appendix.
(d) Including transactions with minority shareholders
(e) Adjusted to spread the dividend payment in 1st half out over the full year.
(f) Based on the recurring net profit, see reconciliation in appendix.

Income Statement

REVENUE

Revenue *(in millions of euros)*	H1 2022	H1 2023	2023/2022 published change	2023/2022 comparable change
Gas & Services	13,600	13,405	-1.4%	+5.3%
Engineering & Construction	221	180	-18.4%	-17.3%
Global Markets & Technologies	386	395	+2.5%	+3.9%
TOTAL REVENUE	**14,207**	**13,980**	**-1.6%**	**+4.9%**

Revenue by quarter *(in millions of euros)*	Q1 2023	Q2 2023
Gas & Services	6,893	6,512
Engineering & Construction	87	93
Global Markets & Technologies	194	201
TOTAL REVENUE	**7,174**	**6,806**
2023/2022 Group published change	**+4.2%**	**-7.0%**
2023/2022 Group comparable change	**+6.2%**	**+3.8%**
2023/2022 Gas & Services comparable change	**+6.7%**	**+4.1%**

Group

Group revenue totaled **13,980 million euros** in the 1st half of 2023, up **+4.9%** on a comparable basis. Sales were up +3.8% during the 2nd quarter of 2023 compared with the 2nd quarter of 2022.

Global Markets & Technologies sales were up **+3.9%** and showed organic growth of +17%, excluding the impact of divestitures. Consolidated revenue from **Engineering & Construction** was down **-17.3%** compared to high sales to third-party customers in the 1st half of 2022.

Group **revenue as published** in the 1st half-year was down **-1.6%**, impacted by unfavorable energy (-4.7%) and currency (-2.1%) impacts, with the significant scope impact being slightly positive at +0.3%.

Gas & Services

Gas & Services revenue amounted to **13,405 million euros** during the 1st half, a comparable increase of **+5.3%**.

Industrial Merchant revenue continued to grow strongly (**+12.1%**), driven by a high price effect of +10.7% and growing volumes. **Large Industries** revenue, down **-3.6%** in a context of weak demand, saw a significant improvement compared to a 2nd half of 2022 which was heavily impacted by the sharp increase in energy prices, in Europe in particular. **Electronics** sales were up **+6.3%** in the half-year: following double-digit growth in the 1st quarter, revenue growth was more moderate in the 2nd quarter due to a very high basis of comparison in 2022 and lower demand from memory manufacturers. Lastly, the strong growth in sales in **Healthcare** (**+8.2%**) was supported by the increase in the prices of medical gases in an inflationary context and the dynamism of Home Healthcare.

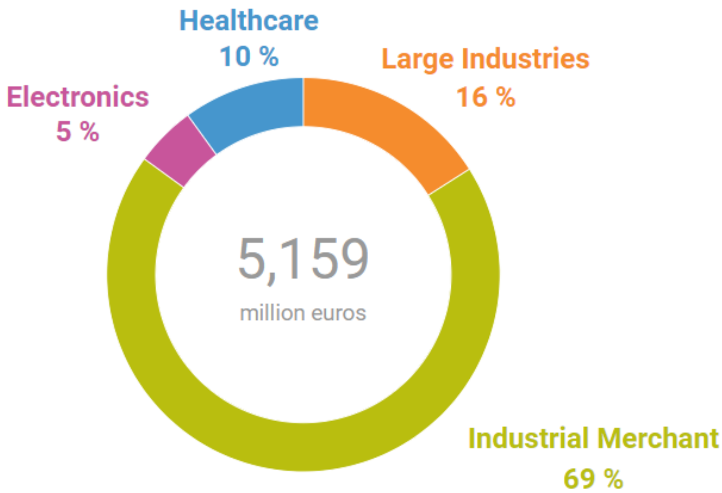
Published sales in the 1st half of 2023 were down slightly by **-1.4%**, impacted by negative energy and currency impacts of -4.9% and -2.1% respectively, the significant scope impact being limited (+0.3%).

Revenue by geography and business line *(in millions of euros)*	H1 2022	H1 2023	2023/2022 published change	2023/2022 comparable change
Americas	5,017	5,159	+2.8%	+6.7%
Europe	5,424	4,975	-8.3%	+4.8%
Asia-Pacific	2,746	2,763	+0.6%	+3.8%
Middle East & Africa	413	508	+23.0%	+5.8%
GAS & SERVICES REVENUE	**13,600**	**13,405**	**-1.4%**	**+5.3%**
Large Industries	4,940	4,060	-17.8%	-3.6%
Industrial Merchant	5,510	6,050	+9.8%	+12.1%
Healthcare	1,925	2,034	+5.6%	+8.2%
Electronics	1,225	1,261	+3.0%	+6.3%

Americas

Gas & Services revenue in the Americas reached **5,159 million euros** in the 1st half of 2023, representing an increase of **+6.7%**. Sales in the Industrial Merchant business were up sharply, by +10.0%, driven by a high price effect (+7.5%). Customer shutdowns penalized Large Industries sales (-3.9%) while volumes remained solid overall in the US Gulf Coast. In Healthcare, price increases in Proximity Care in the United States and the dynamism of Home Healthcare in Canada and South America were the main contributors to the very strong increase in sales (+13.5%). Lastly, after very solid growth in 2022, revenue from the Electronics business was down by -5.8% in the 1st half due to the sharp decline in sales of materials in the 2nd quarter, in a context of slowdown in demand from memory manufacturers.

AMERICAS GAS & SERVICES H1 2023 REVENUE

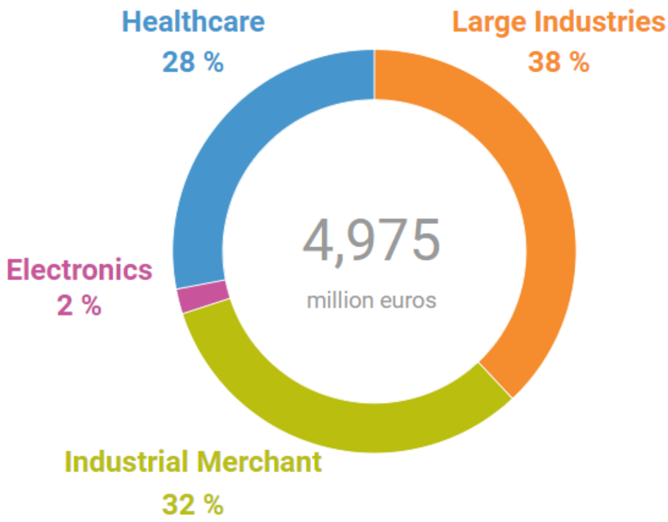


- Revenue from **Large Industries** was down **-3.9%** in the 1st half-year, affected by customer shutdowns in the region and the divestiture of the activity in Trinidad and Tobago. In the United States, sales of cogeneration units were solid and gas volumes resilient, particularly in the 2nd quarter.
- Sales in the **Industrial Merchant** business posted a strong increase of **+10.0%** in the 1st half-year. The **price effect** remained high at **+7.5%** in an inflationary context, down slightly sequentially in the 2nd quarter (+5.3%). Volumes increased, in particular those of bulk, supported notably by the Manufacturing, Construction and Research markets.
- In the **Healthcare** business, sales increased sharply by **+13.5%** in the 1st half of 2023. Rising prices in Proximity Care in the United States, the dynamism of Home Healthcare in Canada, particularly for the treatment of sleep apnea, and the development of the Medical Gases and Home Healthcare businesses in Latin America were the main drivers of this strong growth.
- **Electronics** posted a decrease of **-5.8%** in revenue in the 1st half-year. The sharp decline in volumes in specialty and advanced materials was partially offset by higher sales in Equipment & Installation, while Carrier Gas revenue remained stable.

Europe

Revenue in Europe was up **+4.8%** during the 1st half of 2023 and reached **4,975 million euros**. In Industrial Merchant, the very strong increase in sales of +18.1% benefited from a price effect that remained very high at +19.0%. Healthcare sales were up +5.8%, driven notably by the strong development of diabetes treatment in Home Healthcare and higher medical gas prices in response to inflation. Large Industries revenue was down -3.6% in the 1st half-year, however this was a significant improvement compared to a 2nd half of 2022 heavily impacted by the sharp increase in energy prices.

EUROPE GAS & SERVICES H1 2023 REVENUE



- Revenue from **Large Industries** was down **-3.6%** in the 1st half-year, however a strong improvement compared to sales that were down -22% in the 2nd half of 2022 due to the sharp rise in energy prices. Customer demand strengthened in the 1st half-year in a context of lower energy prices and sales benefited from the start-up of a new Air Separation Unit (ASU) in Poland at the beginning of the year. Hydrogen volumes progressed in the 2nd quarter in Refining. The level of activity in the 2nd quarter was broadly stable compared to the 1st quarter.
- In the **Industrial Merchant** business, sales growth remained extremely strong, at **+18.1%**, supported by a **price effect** of **+19.0%**, still very high, with a slight sequential decrease in the 2nd quarter (+16.4%). Volumes increased excluding helium and liquefied CO_2 (whose supply was restricted for several months). They benefited in particular from sustained demand in the Automotive and Metallurgy sectors.
- Revenue from **Healthcare** increased by **+5.8%** in the 1st half-year. Diabetes treatment was the largest contributor to the strong growth in Home Healthcare sales, followed by sleep apnea. Growth in Medical Gases revenue was supported by rising prices in an inflationary context. Growth in Specialty Ingredients sales remained dynamic, with a strong contribution from price increases associated with raw material cost inflation.

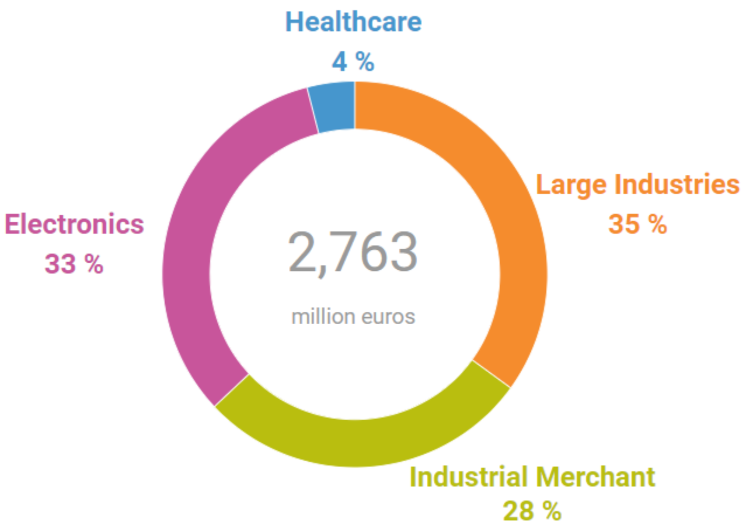
EUROPE

- Air Liquide and Holcim have signed a Memorandum of Understanding (MoU) to pursue a **project to decarbonize Holcim's new cement production plant** under development in **Belgium**, using Air Liquide proprietary **Cryocap™** carbon capture innovative technology. The joint funding request was **selected by the European Union Innovation Fund**.
- Air Liquide will implement **for Verallia**, in **Italy**, **a customized solution allowing to reduce CO_2 emissions and energy consumption**. The furnace will use the **oxy-combustion** process and the **HeatOx™** proprietary technology to recover the heat.
- Air Liquide announced the construction of an **industrial scale ammonia (NH_3) cracking pilot plant** in the port of Antwerp, **Belgium**. When transformed into ammonia, hydrogen can be easily transported over long distances. Using innovative technology, this plant will make it possible to **convert, with an optimized carbon footprint, ammonia into hydrogen**.

Asia Pacific

Sales in Asia Pacific were up **+3.8%** in the 1st half of 2023 and amounted to **2,763 million euros**. Large Industries revenue, down -5.9%, was impacted in particular by weak demand and customer shutdowns. In Industrial Merchant, the sharp increase in sales of +12.1% was supported by a price effect of +9.2% and a strong increase in volumes in China in the 2nd quarter. In the Electronics business (+7.3%), after double-digit sales growth in the 1st quarter, revenue growth was more moderate in the 2nd quarter (+4.3%).

ASIA PACIFIC GAS & SERVICES H1 2023 REVENUE



- Sales in **Large Industries** were down **-5.9%** in the 1st half-year, with trends observed at the beginning of the year continuing in the 2nd quarter. Demand thus remained low, particularly in air gases for the Steel industry in Japan and in Chemicals. Sales were also impacted by customer maintenance turnarounds, including one extended stoppage in China.
- **Industrial Merchant** revenue was up sharply by **+12.1%**. The **price effect** stood at a very high level of **+9.2%** in the 1st half-year, with particularly strong price increases in Japan and Australia. In China, after the beginning of the year was marked by a wave of covid-19, volumes rose sharply from March, with the comparison effect also favorable in the 2nd quarter. In the region, the Manufacturing, Food and Technology sectors supported the increase in volumes.
- Sales in the **Electronics** business were up by **+7.3%** in the 1st half-year. Following double-digit growth in the 1st quarter, revenue growth was more moderate in the 2nd quarter due to a very high basis of comparison in 2022 and lower demand from memory manufacturers. Sales of materials were down, while Carrier Gas revenue was up sharply, supported by the start-up and ramp-up of new units and by the increase in the price of helium. After a very strong increase in the 1st quarter, Equipment & Installation sales were stable in the 2nd quarter compared to a high level in 2022.

ASIA-PACIFIC

- Air Liquide has signed a **long-term Power Purchase Agreement** (PPA) with subsidiaries of **China Three Gorges**, allowing access to solar and wind farms of a total production capacity of **200 MW**. This agreement will enable up to **120,000 tonnes of CO_2 emission reduction** per year. Following PPAs signed in the United States, Europe and South Africa, this is the **first long-term PPA signed by Air Liquide in China**.
- Air Liquide will invest in **China** around **60 million euros** to **revamp two Air Separation Units** (ASUs) in order to use **electrical energy instead of steam**, hence significantly **reducing the CO_2 emissions**. This investment is performed within the frame of a long term supply contract renewal with **Tianjin Bohua Yongli Chemical Industry CO., Ltd** (YLC).

Middle East and Africa

Revenue in the Middle East & Africa region increased by **+5.8%** to **508 million euros** in the 1st half of 2023. The sales growth in air gases in South Africa and Egypt explained the solid performance of Large Industries. In Industrial Merchant, a high price effect (+8.7%) and the increase in volumes made it possible to fully absorb the impact of the divestiture of businesses in the Middle East and achieve solid sales growth. In the Healthcare business, the development of diabetes treatment in Saudi Arabia and the contribution of an acquisition in South Africa were the main drivers of the strong growth in Home Healthcare.

MIDDLE EAST AND AFRICA

- In the first half, Air Liquide and **Sasol** announced the signing of long-term **Power Purchase Agreements** (PPAs) with Enel Green Power, TotalEnergies and its partner Mulilo for the Sasol site at Secunda in **South Africa**. The **renewable energy capacities** secured by Air Liquide and Sasol under these contracts reach **480 MW** and are part of their **joint commitment** to secure a **total capacity of 900 MW of renewable energy** for the site.

Engineering & Construction

Consolidated revenue from Engineering & Construction totaled **180 million euros** in the 1st half of 2023, down **-17.3%** compared to the high sales to third-party customers in the 1st half of 2022. Consolidated revenue does not reflect the volume of activity carried out with internal projects in Large Industries or Electronics.

Order intake amounted to **530 million euros**, a slight increase compared to the 1st half of 2022. Orders for third-party customers represent more than half of the total and include large scale hydrogen production and liquefaction units. Group projects include Air Separation Units, a rare gas production unit and an industrial scale pilot ammonia cracking unit.

ENGINEERING & CONSTRUCTION

- Air Liquide, through its Engineering & Construction Division, will work with **KBR** to offer **fully integrated low-carbon ammonia solutions** based on Autothermal Reforming (**ATR**) technology. Air Liquide is a world leader in ATR technology, one of the most suitable solutions for large-scale production of low-carbon hydrogen (H2), which is then combined with nitrogen (N2) to produce low-carbon ammonia (NH3). The solutions provided with KBR, the world leader in ammonia technology, will also contribute to the **development of a global low-carbon hydrogen market** as, when transformed into ammonia, hydrogen can be easily **transported over long distances**.

Global Markets & Technologies

Sales in the Global Markets & Technologies business increased by **+3.9%** and amounted to **395 million euros** in the 1st half-year. **Organic growth** reached **+17%**, excluding the divestiture of the biogas distribution for mobility and the manufacture of small-scale cryogenic vessels businesses. Sales of technological equipment, particularly for the liquefaction of gases (in particular Turbo-Braytons), were up sharply. The ramp-up of the hydrogen liquefier in the United States contributed to the very strong growth of hydrogen mobility.

Order intake for Group projects and third-party customers reached **496 million euros**. This notably included Turbo-Brayton LNG reliquefaction units, biogas processing equipment in the United States, hydrogen refueling stations, and equipment for the electronics industry.

GLOBAL MARKETS & TECHNOLOGIES

- Air Liquide and **Groupe ADP** announced the creation and start of activities of **Hydrogen Airport**, the **first engineering and consulting joint venture specializing** in helping **airports integrate hydrogen projects within their infrastructures**.
- Air Liquide and **TotalEnergies** announced their decision to create an equally owned **joint venture** to develop a **network of hydrogen stations**, geared towards **heavy duty vehicles** on major European **road corridors**. This initiative will help **facilitate access to hydrogen**, enabling the development of its use for goods transportation and further strengthening the hydrogen sector.
- With the **opening** of Air Liquide's **high-pressure hydrogen refueling station** in Fos-sur-Mer (Marseille) and the **will of Iveco Group to deliver hydrogen trucks from the end of 2023**, the two companies are paving the way for **hydrogen long-haulage mobility in Europe**.
- In May 2023, **Future Proof Shipping** (FPS) launched the **world's first hydrogen-powered container barge**. "H2 Barge 1" transports goods between the port of Rotterdam (Netherlands) and the region of Antwerp (Belgium) on behalf of the sports equipment manufacturer Nike. Air Liquide actively contributed to this project with the **supply of hydrogen and the development of a specific storage system**.

OPERATING INCOME RECURRING

Operating income recurring before depreciation and amortization totaled **3,710 million euros**, an increase of +6.8% and **+9.3% excluding the currency impact** compared with the 1st half of 2022.

Purchases were down significantly by **-10.3%** excluding currency impacts, due to the decrease in energy costs. Other purchasing items were up slightly in an inflationary environment. **Personnel costs** increased by **+8.3%** excluding currency impacts in a context of sustained inflation. **Other operating income and expenses** increased by **+12.2%** excluding currency impacts and notably included an increase in maintenance costs and to a lesser extent travel costs, the level of which nevertheless remained lower than in 2019.

Depreciation and amortization amounted to **1,229 million euros**, an increase of **+4.5%** excluding the currency impact, reflecting the impact of the start-up of new units.

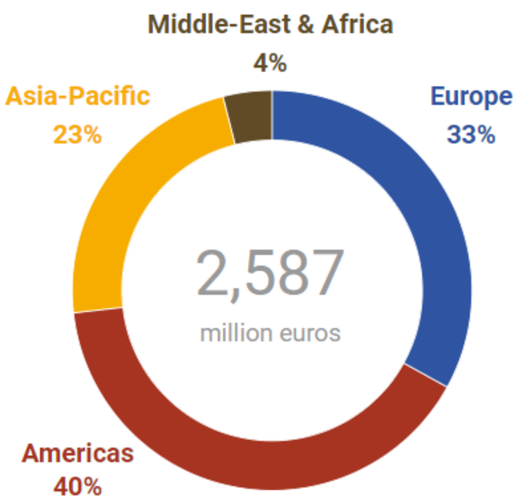
The Group's **operating income recurring (OIR)** reached **2,481 million euros** in the 1st half of 2023. It was up by **+8.5%** and **+13.0% on a comparable basis**, which is significantly higher than the comparable growth in sales of +4.9%. The **operating margin** (OIR to revenue) stood at **17.7%, a strong improvement of +80 basis points excluding the energy impact**. The increase was +160 basis points as published thanks to the accretive effect linked to the decrease in energy costs contractually passed through to Large Industries customers.

Efficiencies [(4)] contributed to this improvement in margin. They amounted to **206 million euros**, up sharply by **+23.6%** compared to the 1st half of 2022 and in line with the annual target of more than 400 million euros. These efficiencies represent a saving of 1.9% of the cost base. **Industrial efficiencies** increased and accounted for more than 50% of the total. They included energy efficiency and production optimization projects in Large Industries and supply chain improvements 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 implementation of tools to optimize delivery routes for bulk and, increasingly, cylinders, and in Healthcare with the deployment of remote patient support platforms. The continued implementation of shared service centers also contributes to efficiencies as well as the global continuous improvement program which is supported by a digital platform facilitating the replication of best initiatives.

Pricing and portfolio management also supported margin improvement.

Gas & Services

H1 2023 GAS & SERVICES OPERATING INCOME RECURRING



Gas & Services operating income recurring totaled **2,587 million euros**, up **+7.6%** as published compared with the 1st half of 2022, and up **+11.8%** on a comparable basis. The **operating margin** as published stood at **18.4%**, a significant improvement of **+70 basis points excluding the energy impact** compared with the 1st half of 2022.

Industrial Merchant prices were up **+10.7%** in the 1st half, demonstrating the Group's ability to pass through cost increases. Prices were also up in Large Industries, Electronics and Healthcare, in all regions.

(4) *See definition in appendix.*

Gas & Services Operating margin [a]	H1 2022	H1 2023	2023/2022 excluding energy impact
Americas	19.3%	19.9%	+10 bps
Europe	14.2%	17.0%	+100 bps
Asia-Pacific	20.7%	22.1%	+170 bps
Middle East & Africa	23.3%	20.0%	-320 bps
TOTAL	**17.7%**	**19.3%**	**+70 bps**

(a) Operating income recurring / revenue as published.

Operating income recurring in the **Americas** reached **1,029 million euros** over the 1st half of 2023, an increase of **+6.2%** as published. **Excluding the energy impact**, the operating margin increased by **+10 basis points** compared with the 1st half of 2022. This improvement was supported by the increase in the Industrial Merchant business margin, which benefited from higher prices and volumes and the high level of efficiencies. In the Electronics business, the significant decline in sales of advanced materials with high added value, and in Large Industries, the costs resulting from customer shutdowns, had an unfavorable impact on the margin, which partially offset the positive contribution of Industrial Merchant.

Operating income recurring in **Europe** amounted to **846 million euros**, an increase as published of **+9.7%** compared with the 1st half of 2022. **Excluding the energy impact**, the operating margin improved very significantly by **+100 basis points** compared with the 1st half of 2022. The contribution of the Industrial Merchant business was significant, with higher prices and efficiencies supporting the increase in the operating margin. The efficiencies generated in the Healthcare activity also contributed to the improvement in the margin.

In **Asia Pacific**, operating income recurring stood at **611 million euros**, an increase as published of **+7.7%**. **Excluding the energy impact**, the operating margin improved by **+170 basis points** compared with the 1st half of 2022. This improvement was supported by the increase in the Industrial Merchant business margin, which benefited from higher prices and the high level of efficiencies, and by an increase in prices in Electronics, particularly helium and rare gases. The payment of an indemnity by a Large Industries customer also contributed to this improvement.

Operating income recurring for the **Middle East and Africa** region amounted to **101 million euros**, representing an increase of **+5.2%** as published compared with the 1st half of 2022. **Excluding the energy impact**, the operating margin was down by **-320 basis points** compared with the 1st half of 2022. The introduction of re-invoicing to the customer for the costs of the energy consumed by the 17 units at the Secunda site in South Africa had a highly dilutive effect on the margin [5].

Engineering & Construction

Operating income recurring for **Engineering & Construction** amounted to **18 million euros** in the 1st half of 2023, or 10.0% of sales, in line with medium-term business objectives.

Global Markets & Technologies

Operating income recurring for **Global Markets & Technologies** stood at **64 million euros**, an increase of **+29.3%** as published compared with the 1st half of 2022. The operating margin reached **16.2%**, a very sharp increase of **+330 basis points** compared with the 1st half of 2022. This performance was supported by high efficiencies and the accretive effect on the margin of the recent activities divestitures.

Research & Development and Corporate costs

Research & Development expenses and Corporate costs totaled 188 million euros, stable compared with the 1st half of 2022.

NET PROFIT

Other operating income and expenses showed a positive net balance of **33 million euros**. Other operating expenses amounted to -172 million euros and included in particular the impairment of an intangible asset and of assets held for sale (these two items having no cash impact) and, to a lesser extent, restructuring costs. Other operating income amounted to 205 million euros and mainly included the sale of the Group's stake in Hydrogenics.

The **financial result** totaled **-211 million euros** compared to -180 million euros in the 1st half of 2022. This includes net finance costs of -118 million euros, down -22.5% excluding currency impact due to the decrease in average outstanding debt and to the proceeds generated by the early redemption of bonds in US dollars. The **average net finance cost** of **3.3%** was higher than in the 1st half of 2022 (3.0%). The average net finance cost does not include the exceptional income related to the early redemption of bonds denominated in US dollars. Other financial income and expenses stood at -93 million euros compared with -36 million euros in the 1st half of 2022. This sharp increase is due to a provision for interest on arrears and the impact of the increase in interest rates on pension obligations.

The **tax expense** was **539 million euros**, an effective tax rate of **23.4%**, lower than in the 1st half of 2022 (25.0%), mainly due to a reduced tax rate on the capital gain on the divestiture of the Group's stake in Hydrogenics.

[5] *For more information, see explanation in appendix.*

The **share of profit of associates** amounted to **2 million euros**. The **share of minority interests in net profit** totaled **44 million euros**, down -39.6%, mainly due to the impairment of an intangible asset.

Net profit (Group share) amounted to **1,722 million euros** in the 1st half of 2023, with an increase as published of **+31.9%** and **+39.5% excluding the currency impact**. Excluding the proceeds from the sale of the stake in Hydrogenics, the impairment of an intangible asset and of assets held for sale, **net profit recurring (Group share)** [6] amounted to **1,627 million euros**. This was up by +4.9% and **+11.3% excluding currency impact**, compared to net profit recurring (Group share) in the 1st half of 2022, a significant increase over comparable sales growth of +4.9%.

Net earnings per share rose by **+32.0%** compared with the 1st half of 2022, in line with the increase in net profit (Group share). These stood at **3.30 euros per share** compared with 2.50 euros per share in the 1st half of 2022. The average number of outstanding shares used for the calculation of net earnings per share as of June 30, 2023 was **521,952,149**.

FINANCE

- Air Liquide has **sold its 19% stake** in the fuel cell and hydrogen production technologies provider **Hydrogenics Corporation** to Cummins, who owns the remaining 81% of the company. With a large portfolio of technologies, Air Liquide is more than ever committed to the development of hydrogen and the Group is a leader in developing and operating large scale electrolyzers.
- Air Liquide announced in March 2023 the **early redemption of bonds**, for a total of **382 million US dollars**, following a Tender Offer relating to two series of bonds in US dollars maturing in 2026 for the first and in 2046 for the second.
- Within the context of its project to build two low-carbon hydrogen production units in the Shanghai Chemical Industrial Park (SCIP), Shanghai Chemical Industry Park Industrial Gases Co., Ltd (SCIPIG), a subsidiary of Air Liquide, signed a **bilateral Green Loan of 500 million RMB (around 67 million euros)** with BNP Paribas. This green credit is in line with the **principles common to the green taxonomies of China and the European Union**, which define strict criteria for the production of hydrogen with an emission threshold for low-carbon hydrogen.
- **Scope Ratings**, the leading European credit rating agency, issued an **“A” corporate issuer rating to Air Liquide**, as well as an **“A” senior unsecured debt rating** and a **“S-1” short-term rating to all debt instruments** issued by Air Liquide SA and Air Liquide Finance. The outlook associated with the issuer rating is positive.

CHANGE IN THE NUMBER OF SHARES

	H1 2022	H1 2023
Average number of outstanding shares	522,144,843	521,952,149

(6) *See definition and reconciliation in appendix.*

Change in Net debt

Cash flow from operating activities before changes in working capital amounted to **3,211 million euros** during the 1st half of 2023, representing a sharp increase of +10.4% and **+13.2% excluding the currency impact**. This amounted to a high level of **23.0% of sales**.

The increase in the **working capital requirement** (WCR) compared to December 31, 2022 is limited to **298 million euros**. **Net cash flow from operating activities after changes in working capital requirement** amounted to **2,960 million euros**, a sharp increase of **+32.1%** compared with the 1st half of 2022.

Gross capital expenditure totaled **1,746 million euros**. **Industrial capital expenditure** amounted to **1,714 million euros**, an increase of +8.9% compared with the 1st half of 2022, and **+12.4% excluding the currency impact**, reflecting dynamic project development activity. **Financial investments** totaled **32 million euros** compared with 54 million euros in the 1st half of 2022. **Proceeds from the sale of fixed assets and businesses** totaled **252 million euros**, including the sale of the Group's stake in Hydrogenics and the divestiture of the Large Industries business in Trinidad and Tobago. This reflects the Group's active business portfolio management. **Net capital expenditure** [(7)] totaled **1,457 million euros**.

Net debt at June 30, 2023 reached **10,550 million euros**, a sharp decrease compared with 12,010 million euros at June 30, 2022 and an increase of 289 million euros compared with December 31, 2022, following the payment of more than 1.6 billion euros in dividends in May. The **net debt-to-equity ratio**, adjusted for the seasonal effect of the dividend payment, reached **39.2%**.

The **return on capital employed after tax (ROCE)** was 10.0% for the 1st half of 2023. At **10.2%, recurring ROCE** [(8)] remained above the target of 10.0% in the Advance strategic plan, and was up sharply by **+50 basis points** compared to the 1st half of 2022.

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(7) *Including transactions with minority shareholders and dividends received from equity affiliates.*
(8) *See definition and reconciliation in appendix.*

Extra-financial performance

In order to accelerate the **decarbonization of its production units**, Air Liquide announced in the 1st half of 2023 the signing of long-term renewable energy supply contracts (PPAs) for more than 1,000 GWh per year. This will equate to a **reduction of its annual CO_2 emissions by approximately -970,000 tonnes**. The Group has also decided to build a pilot industrial-scale ammonia cracking unit to enrich its portfolio of low-carbon hydrogen production solutions.

The European Commission granted subsidies to 2 new **carbon capture projects** in Germany and Belgium. They will enable Group **customers** in the cement and lime sectors to **reduce their emissions by 2.6 million tonnes of CO_2 per year**.

Air Liquide has partnered with Lotte Chemical in South Korea and TotalEnergies in Europe to create joint ventures that will invest primarily in hydrogen filling centers and refueling stations for heavy vehicles. The Group has also signed a partnership with Iveco to develop hydrogen mobility in Europe, with a first refueling station having been inaugurated in the south of France. Air Liquide is thus very actively involved in the **decarbonization of mobility**.

Importantly, an **additional "scope 3" objective and new biodiversity commitments** were also announced in the first half of 2023.

SUSTAINABLE DEVELOPMENT

- Aware of the importance of contributing to the achievement of carbon neutrality throughout its value chain and the importance of its customer relationships, the Group made a pledge that **75% of its 50 largest customers will have a stated carbon neutrality commitment by 2025 and 100% by 2035**.
- New **biodiversity** objectives:
  - Air Liquide committed to submit a set of engagements towards biodiversity conservation to **Act4nature** International.
  - Air Liquide committed to **develop and implement an aggregated biodiversity KPI** by 2025, allowing the Group to monitor and communicate on its biodiversity performance. This will be defined in 2023 and be deployed thereafter.
  - Air Liquide committed to **reinforce its biodiversity assessment criteria into the investment process** for all new projects by 2024.

INVESTMENT CYCLE

INVESTMENT DECISIONS AND INVESTMENT BACKLOG

In the 1st half of 2023, **industrial and financial investment decisions** amounted to **1,798 million euros**. They were stable compared to the very high level of the 1st half of 2022.

Industrial investment decisions reached **1,771 million euros** in the 1st half of 2023, an increase over the 1,738 million euros in investments decided in the 1st half of 2022. The **Electronics** business continued to grow, notably with the signature of long-term contracts for new carrier gas production units in the United States and Asia, and the investment in a new production site for advanced materials in Asia. In **Industrial Merchant**, 2nd quarter decisions include in particular three nitrogen generators for a customer manufacturing batteries in the United States, in addition to the five nitrogen generators decided in the 1st quarter in China. Within the **Global Markets & Technologies** business, the development of hydrogen mobility continues in China and Korea with investment decisions in hydrogen filling centers and their logistics chain.

Financial investment decisions totaled **27 million euros** in the 1st half of 2023. They include seven acquisitions in **Industrial Merchant** in China, the United States, Italy and India to intensify the density of our local presence and thus profitability of the businesses. They also include the acquisition of a **Home Healthcare** company in Sweden and a company that designs and manufactures innovative equipment for **Hydrogen mobility**.

At **3.5 billion euros**, the **investment backlog** remained at a very high level for three quarters and posted a strong increase compared to the 3.0 billion euros in the 1st half of 2022. The breakdown of the investment backlog is balanced between Large Industries and Electronics. These investments should lead to a future contribution to annual sales of approximately **1.2 billion euros per year** after full ramp-up of the units.

START-UPS

In the 1st quarter, three large Air Separation Units (ASUs) for **Large Industries** customers started up in Europe and the United States. In the 2nd quarter, three carrier gas units also started up for **Electronics** customers in China and Japan, as well as a unit for the assembly of integrated circuits in secondary electronics in the **Industrial Merchant** business in Vietnam.

The **additional contribution to sales** of unit start-ups and ramp-ups totaled **139 million euros** over the 1st half of 2023. Over full-year 2023, it is expected to be at the low end of the range of 300 to 330 million euros previously communicated.

INVESTMENT OPPORTUNITIES

At **3.4 billion euros**, the **12-month portfolio of investment opportunities** remained very high at the end of June 2023. This reflects the dynamism of project developments, particularly in the **energy transition**, representing more than 40% of the portfolio, as well as in the **Electronics** business. The distribution of opportunities is well-balanced between Americas, supported by the Inflation Reduction Act and the Chips Act, Europe, where large electrolyzer and carbon capture projects are in the advanced development phase, Asia, with projects in Large Industries and Electronics, and lastly, the Middle East. The portfolio beyond 12 months includes other significant projects related to the Inflation Reduction Act and the Chips Act in the United States and the energy transition in Europe and Canada.

RISK FACTORS

There was no change in risk factors during the first half. Risk factors are described in the 2022 Universal Registration Document on pages 76 to 94.

OUTLOOK

In a complex and changing macroeconomic and geopolitical environment, Air Liquide delivered, in the first half of the year, a very solid performance characterized by sales growth on a comparable basis and a new **increase in its operating margin** excluding the energy impact. This performance highlights the resilience and quality of its business model and is in line with the trajectory of the **ADVANCE strategic plan**.

Revenue reached 13.98 billion euros, an increase of +4.9% on a comparable basis in the 1st semester. On an as published basis, the year-over-year comparison was -1.6%, due to the drop in energy prices - whose variations are passed on to Large Industries customers - as well as negative currency impacts. The **Gas & Services** activity, which represented 96% of the Group's revenue, was up **+5.3%** on a comparable basis. Within this activity, **all regions saw growth**, in particular the Americas and Europe, driven notably by Industrial Merchant and Healthcare.

In line with its **ADVANCE strategic plan**, Air Liquide continued the steady improvement of its operational performance. The Group generated significant **efficiencies** of **206 million euros**, **up +24%** despite an inflationary context unfavorable to savings on purchases, and continued the dynamic management of its business portfolio. Its ability to create value allowed it to adjust its prices in Industrial Merchant while preserving sales volumes. As a result, the **operating margin** increased further, by **+80 basis points** excluding the energy impact.

Net profit (Group share) amounted to 1.72 billion euros, up +32% as published. **Recurring net profit** [(9)] increased by **+11.3% excluding currency impact**. Cash flow [(10)] grew by +13% excluding currency impact. The balance sheet is strong with a net debt to equity ratio of 39.2% [(11)]. Recurring ROCE [(12)], which amounted to 10.2% at end-June, remains above 10%, in line with ADVANCE's objectives.

In terms of outlook, the Group's **investment momentum** remained strong, reflecting its **commitment to climate and paving the way for future growth**. The project backlog, at 3.5 billion euros, remained high. **Investment decisions reached 1.8 billion euros** this semester. With more than 40% of projects linked to the energy transition, 12-month investment opportunities are numerous and total 3.4 billion euros.

In 2023, Air Liquide is confident in its ability to further increase its operating margin and to deliver recurring net profit growth, at constant exchange rates [(13)].

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(9) Net profit recurring excluding exceptional and significant transactions that have no impact on the operating income recurring.
(10) Cash Flow from operations before changes in working capital.
(11) Adjusted for dividend seasonality.
(12) Recurring ROCE based on Recurring Net Profit.
(13) Operating margin excluding energy passthrough impact. Net profit recurring excluding exceptional and significant transactions that have no impact on the operating income recurring.

APPENDICES

Performance indicators

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

The performance indicators are the following:

- Currency, energy and significant scope impacts
- Comparable sales change and comparable operating income recurring change
- Operating margin and operating margin excluding energy impact
- Recurring net profit Group share
- Recurring net profit excluding currency impact
- Net Profit Excluding IFRS16
- Net Profit Recurring Excluding IFRS16
- Efficiencies
- Return on Capital Employed (ROCE)
- Recurring ROCE

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.

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

Calculation of performance indicators (Semester)

COMPARABLE SALES CHANGE AND COMPARABLE OPERATING INCOME RECURRING CHANGE

Comparable changes for sales and operating income recurring exclude the currency, energy and significant scope impacts described above.

(in millions of euros)	H1 2023	H1 2023/2022 Published Growth	Currency impact	Natural gas impact	Electricity impact	Significant scope impact	H1 2023/2022 Comparable Growth
Revenue							
Group	13,980	-1.6%	(302)	(559)	(110)	48	+4.9%
Impacts in %			*-2.1%*	*-4.0%*	*-0.7%*	*+0.3%*	
Gas & Services	13,405	-1.4%	(294)	(559)	(110)	48	+5.3%
Impacts in %			*-2.1%*	*-4.1%*	*-0.8%*	*+0.3%*	
Operating Income Recurring							
Group	2,481	+8.5%	(77)	-	-	(21)	+13.0%
Impacts in %			*-3.4%*	-	-	*-1.1%*	
Gas & Services	2,587	+7.6%	(75)	-	-	(21)	+11.8%
Impacts in %			*-3.2%*	-	-	*-1.0%*	

OPERATING MARGIN AND OPERATING MARGIN EXCLUDING ENERGY IMPACT

The operating margin is the ratio of the operating income recurring divided by revenue. The operating margin excluding energy impact corresponds to the operating income recurring (not affected in absolute value by the cost of energy contractually re-invoiced to Large Industries customers) divided by revenue excluding the energy impact to which is attached the corresponding currency impact. The ratio of operating income recurring divided by the revenue (whether restated or not from the energy impact) is calculated with rounding to one decimal place. The variation between 2 periods is calculated as the difference between these rounded ratios, which can result in positive or negative differences compared to a more precise calculation, due to rounding.

		H1 2023	Natural gas impact [a]	Electricity impact [a]	H1 2023, excluding energy impact
Revenue	Group	13,980	(565)	(118)	14,663
	Gas & Services	13,405	(565)	(118)	14,088
Operating Income Recurring	Group	2,481			2,481
	Gas & Services	2,587			2,587
Operating Margin	**Group**	**17.7%**			**16.9%**
	Gas & Services	**19.3%**			**18.4%**

(a) Including the currency impact attached to the considered energy impact.

RECURRING NET PROFIT GROUP SHARE AND RECURRING NET PROFIT GROUP SHARE EXCLUDING CURRENCY IMPACT

The recurring net profit Group share corresponds to the net profit Group share excluding exceptional and significant transactions that have no impact on the operating income recurring.

	H1 2022	H1 2023	2023/2022 variation
(A) Net Profit (Group Share) - As Published	**1,304.8**	**1,721.6**	**+31.9%**
(B) Exceptional and significant transactions after-tax with no impact on OIR			
- Exceptional provisions on industrial assets in Russia and other related costs	(419.0)		
- Exceptional income related to joint-venture take-over in Asia-Pacific	205.5		
- Provision for risks in Engineering & Construction	(32.3)		
- Sale of Group stake in Hydrogenics		156.5	
- Impairment of an intangible asset and of assets held for sale		(61.6)	
(A) - (B) = Net Profit Recurring (Group Share)	**1,550.6**	**1,626.7**	**+4.9%**
(C) Currency impact		(99.5)	
(A) - (B) - (C) = Net Profit Recurring (Group Share) excluding currency impact		**1,726.2**	**+11.3%**

NET PROFIT EXCLUDING IFRS16 AND NET PROFIT RECURRING EXCLUDING IFRS16

Net Profit excluding IFRS16:

	H1 2022	FY 2022	H1 2023
(A) Net Profit as Published	**1,377.6**	**2,903.9**	**1,765.6**
(B) = IFRS16 Impact (1)	(7.2)	(15.6)	(7.1)
(A) - (B) = Net Profit excluding IFRS16	**1,384.8**	**2,919.5**	**1,772.7**

(1) The IFRS16 impact includes the reintegration of leasing expenses less depreciation and other financial expenses booked in relation to IFRS16.

Net Profit Recurring excluding IFRS16:

	H1 2022	FY 2022	H1 2023
(A) Net Profit as Published	**1,377.6**	**2,903.9**	**1,765.6**
(B) Exceptional and significant transactions after-tax with no impact on OIR	(245.8)	(402.9)	70.2
(A) - (B) = Net Profit recurring	**1,623.4**	**3,306.8**	**1,695.4**
(C) IFRS16 Impact (1)	(7.2)	(15.6)	(7.1)
(A) - (B) - (C) = Net Profit recurring excluding IFRS16	**1,630.6**	**3,322.4**	**1,702.5**

(1) The IFRS16 impact includes the reintegration of leasing expenses less depreciation and other financial expenses booked in relation to IFRS16.

Nota: the fact that the impaired intangible asset is on the balance sheet of a company with minority interests explains the difference between the amount of significant and non-recurring items after tax taken into account in the calculation of recurring net profit Group share and the amount considered in the calculation of non-recurring ROCE (based on 100% recurring net income excluding IFRS 16).

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...).

RETURN ON CAPITAL EMPLOYED - ROCE

Return on capital employed after tax is calculated based on the Group's consolidated financial statements, by applying the following ratio for the period in question.

For the numerator: net profit excluding IFRS16 - net finance costs after taxes for the period in question.

For the denominator: the average of (total shareholders' equity excluding IFRS16 + net debt) at the end of the past three half-years.

(in millions of euros)		H1 2022 (a)	FY 2022 (b)	H1 2023 (c)	ROCE Calculation
Numerator (b)-(a)+(c)	Net Profit Excluding IFRS16	1,384.8	2,919.5	1,772.7	3,307.4
	Net Finance costs	(144.7)	(288.4)	(118.4)	(262.1)
	Effective Tax Rate (1)	24.2%	25.0%	23.9%	
	Net Finance costs after tax	(109.7)	(216.4)	(90.1)	(196.8)
	Net Profit - Net financial costs after tax	**1,494.5**	**3,135.9**	**1,862.8**	**3,504.2**
Denominator ((a)+(b)+(c))/3	Total Equity Excluding IFRS16	23,942.0	24,628.5	24,110.1	24,226.9
	Net Debt	12,009.9	10,261.3	10,550.4	10,940.5
	Average of (total equity + net debt)	**35,951.9**	**34,889.8**	**34,660.5**	**35,167.4**
ROCE					**10.0%**

(1) excluding non-recurring tax impact.

RECURRING ROCE

The recurring ROCE is calculated in the same manner as the ROCE using the recurring net profit excluding IFR16 for the numerator.

(in millions of euros)		H1 2022 (a)	FY 2022 (b)	H1 2023 (c)	Recurring ROCE Calculation
Numerator (b)-(a)+(c)	Net Profit Recurring Excluding IFRS16	1,630.6	3,322.4	1,702.5	3,394.3
	Net Finance costs	(144.7)	(288.4)	(118.4)	(262.1)
	Effective Tax Rate [(1)]	24.2%	25.0%	23.9%	
	Net Finance costs after tax	(109.7)	(216.4)	(90.1)	(196.8)
	Recurring Net Profit Excluding IFRS16 - Net financial costs after tax	**1,740.3**	**3,538.8**	**1,792.6**	**3,591.1**
Denominator ((a)+(b)+(c))/3	Total Equity Excluding IFRS16	23,942.0	24,628.5	24,110.1	24,226.9
	Net Debt	12,009.9	10,261.3	10,550.4	10,940.5
	Average of (total equity + net debt)	**35,951.9**	**34,889.8**	**34,660.5**	**35,167.4**
Recurring ROCE					**10.2%**

(1) excluding non-recurring tax impact.

Calculation of performance indicators (Quarter)

	Q2 2023	Q2 2023/2022 Published Growth	Currency impact	Natural gas impact	Electricity impact	Significant scope impact	Q2 2023/2022 Comparable Growth
Revenue							
Group	6,806	-7.0%	(291)	(436)	(96)	35	+3.8%
Impacts in %			*-4.0%*	*-5.9%*	*-1.3%*	*+0.4%*	
Gas & Services	6,512	-7.1%	(284)	(436)	(96)	35	+4.1%
Impacts in %			*-4.0%*	*-6.3%*	*-1.3%*	*+0.4%*	

2nd quarter 2023 revenue

BY GEOGRAPHY

Revenue *(in millions of euros)*	Q2 2022	Q2 2023	Published change	Comparable change
Americas	2,686	2,530	-5.8%	+4.6%
Europe	2,706	2,336	-13.7%	+4.0%
Asia-Pacific	1,406	1,378	-2.0%	+2.8%
Middle East & Africa	212	268	+26.3%	+7.0%
Gas & Services Revenue	**7,010**	**6,512**	**-7.1%**	**+4.1%**
Engineering & Construction	113	93	-17.9%	-16.0%
Global Markets & Technologies	197	201	+2.7%	+5.1%
GROUP REVENUE	**7,320**	**6,806**	**-7.0%**	**+3.8%**

BY WORLD BUSINESS LINE

Revenue *(in millions of euros)*	Q2 2022	Q2 2023	Published change	Comparable change
Large industries	2,527	1,858	-26.4%	-3.7%
Industrial Merchant	2,872	3,012	+4.8%	+9.6%
Healthcare	970	1,018	+4.8%	+8.7%
Electronics	641	624	-2.6%	+2.6%
GAS & SERVICES REVENUE	**7,010**	**6,512**	**-7.1%**	**+4.1%**

Geographic and segment information

(in millions of euros and %)	H1 2022 Revenue	H1 2022 Operating income recurring	H1 2022 OIR margin	H1 2023 Revenue	H1 2023 Operating income recurring	H1 2023 OIR margin
Americas	5,017	969	19.3%	5,159	1,029	19.9%
Europe	5,424	771	14.2%	4,975	846	17.0%
Asia-Pacific	2,746	567	20.7%	2,763	611	22.1%
Middle East and Africa	413	97	23.3%	508	101	20.0%
Gas & Services	**13,600**	**2,404**	**17.7%**	**13,405**	**2,587**	**19.3%**
Engineering and Construction	221	22	10.1%	180	18	9.9%
Global Markets & Technologies	386	50	12.9%	395	64	16.2%
Reconciliation	-	(190)	-	-	(189)	-
TOTAL GROUP	**14,207**	**2,286**	**16.1%**	**13,980**	**2,481**	**17.7%**

2

Financial Statements

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in millions of euros)	Notes	1st half 2022	1st half 2023
Revenue	**(2)**	**14,206.6**	**13,980.3**
Other income		103.3	115.3
Purchases		(6,515.7)	(5,736.8)
Personnel expenses		(2,380.0)	(2,545.8)
Other expenses		(1,939.6)	(2,103.1)
Operating income recurring before depreciation and amortization		**3,474.6**	**3,709.9**
Depreciation and amortization expense	(3)	(1,188.6)	(1,229.2)
Operating income recurring		**2,286.0**	**2,480.7**
Other non-recurring operating income	(4)	205.5	205.3
Other non-recurring operating expenses	(4)	(475.3)	(172.3)
Operating income		**2,016.2**	**2,513.7**
Net finance costs	(5)	(144.7)	(118.4)
Other financial income	(5)	29.0	9.8
Other financial expenses	(5)	(64.6)	(102.8)
Income taxes	(6)	(459.3)	(538.6)
Share of profit of equity affiliates		1.0	1.9
PROFIT FOR THE PERIOD		**1,377.6**	**1,765.6**
■ Minority interests		72.8	44.0
■ Net profit (Group share)		1,304.8	1,721.6

Basic earnings per share *(in euros)*	**(8)**	**2.50**	**3.30**
Diluted earnings per share *(in euros)*	**(8)**	**2.49**	**3.29**

Statement of net income and gains and losses recognized directly in equity

(in millions of euros)	1st half 2022	1st half 2023
Profit for the period	**1,377.6**	**1,765.6**
Items recognized in equity		
Change in fair value of financial instruments	28.0	0.2
Change in foreign currency translation reserve	1,462.3	(748.6)
Items that may be subsequently reclassified to profit	**1,490.3**	**(748.4)**
Actuarial gains/(losses)	290.7	(0.5)
Items that may not be subsequently reclassified to profit	**290.7**	**(0.5)**
Items recognized in equity, net of taxes	**1,781.0**	**(748.9)**
Net income and gains and losses recognized directly in equity	**3,158.6**	**1,016.7**
■ Attributable to minority interests	113.4	3.3
■ Attributable to equity holders of the parent	3,045.2	1,013.4

Consolidated balance sheet

ASSETS *(in millions of euros)*	**Notes**	**December 31, 2022**	**June 30, 2023**
Goodwill	(9)	14,587.2	14,300.4
Other intangible assets		1,811.4	1,664.7
Property, plant and equipment		23,646.9	23,658.3
Non-current assets		**40,045.5**	**39,623.4**
Non-current financial assets		775.5	752.3
Investments in equity affiliates		185.7	180.8
Deferred tax assets		232.3	191.6
Fair value of non-current derivatives (assets)		40.8	25.0
Other non-current assets		**1,234.3**	**1,149.7**
TOTAL NON-CURRENT ASSETS		**41,279.8**	**40,773.1**
Inventories and work-in progress		1,961.0	2,022.6
Trade receivables		3,034.8	2,971.9
Other current assets		985.4	844.0
Current tax assets		196.3	70.2
Fair value of current derivatives (assets)		107.6	74.8
Cash and cash equivalents	(11)	1,911.4	1,712.2
TOTAL CURRENT ASSETS		**8,196.5**	**7,695.7**
ASSETS HELD FOR SALE		**41.7**	**87.4**
TOTAL ASSETS		**49,518.0**	**48,556.2**

EQUITY AND LIABILITIES *(in millions of euros)*	**Notes**	**December 31, 2022**	**June 30, 2023**
Share capital		2,879.0	2,880.6
Additional paid-in capital		2,349.0	2,367.8
Retained earnings		15,868.0	16,471.0
Treasury shares		(118.4)	(200.7)
Net profit (Group share)		2,758.8	1,721.6
Shareholders' equity		**23,736.4**	**23,240.3**
Minority interests		**835.6**	**806.1**
TOTAL EQUITY [(a)]		**24,572.0**	**24,046.4**
Provisions, pensions and other employee benefits	(10)	1,991.1	1,986.9
Deferred tax liabilities		2,465.4	2,434.3
Non-current borrowings	(11)	10,168.8	8,762.1
Non-current lease liabilities		1,052.2	1,042.6
Other non-current liabilities		317.8	399.2
Fair value of non-current derivatives (liabilities)		54.5	46.1
TOTAL NON-CURRENT LIABILITIES		**16,049.8**	**14,671.2**
Provisions, pensions and other employee benefits	(10)	282.4	308.9
Trade payables		3,782.6	3,234.0
Other current liabilities		2,215.6	2,161.2
Current tax payables		260.1	311.3
Current borrowings	(11)	2,003.9	3,500.5
Current lease liabilities		227.6	222.9
Fair value of current derivatives (liabilities)		108.6	59.2
TOTAL CURRENT LIABILITIES		**8,880.8**	**9,798.0**
LIABILITIES HELD FOR SALE		**15.4**	**40.6**
TOTAL EQUITY AND LIABILITIES		**49,518.0**	**48,556.2**

(a) A breakdown of changes in shareholders' equity and minority interests is presented on pages 31 and 32.

Consolidated cash flow statement

(in millions of euros)	Notes	1st half 2022	1st half 2023
Operating activities			
Net profit (Group share)		**1,304.8**	**1,721.6**
Minority interests		**72.8**	**44.0**
Adjustments:			
■ Depreciation and amortization expense	(3)	1,188.6	1,229.2
■ Changes in deferred taxes [(a)]		(24.2)	66.3
■ Changes in provisions		357.1	115.9
■ Share of profit of equity affiliates		(1.0)	(1.9)
■ Profit/loss on disposal of assets		(170.0)	(149.4)
■ Net finance costs		108.5	90.7
■ Other non cash items		70.7	94.4
Cash flows from operating activities before changes in working capital [(b)]		**2,907.3**	**3,210.8**
Changes in working capital		(634.5)	(298.4)
Other cash items		(31.9)	47.9
Net cash flows from operating activities		**2,240.9**	**2,960.3**
Investing activities			
Purchase of property, plant and equipment and intangible assets		(1,574.0)	(1,713.9)
Acquisition of consolidated companies and financial assets		(54.0)	(31.7)
Proceeds from sale of property, plant and equipment and intangible assets		45.8	34.8
Proceeds from the sale of subsidiaries, net of net debt sold and from the sale of financial assets		22.5	252.2
Dividends received from equity affiliates		12.7	1.2
Net cash flows used in investing activities		**(1,547.0)**	**(1,457.4)**
Financing activities			
Dividends paid [(c)]			
■ L'Air Liquide S.A.	(13)	(1,408.1)	(1,578.4)
■ Minority interests		(20.1)	(34.0)
Proceeds from issues of share capital [(c)]		16.8	20.4
Purchase of treasury shares [(c)]		(192.5)	(82.6)
Net financial interests paid		(145.1)	(135.4)
Increase (decrease) in borrowings		467.0	238.7
Lease liabilities repayments		(125.3)	(116.2)
Net interests paid on lease liabilities		(14.6)	(18.3)
Transactions with minority shareholders		—	(8.4)
Net cash flows from (used in) financing activities		**(1,421.9)**	**(1,714.2)**
Effect of exchange rate changes and change in scope of consolidation		(35.2)	(39.8)
Net increase (decrease) in net cash and cash equivalents		**(763.2)**	**(251.1)**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**2,138.9**	**1,760.9**
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,375.7**	**1,509.8**

(a) Changes in deferred taxes reported in the consolidated cash flow statement do not include changes in deferred taxes relating to disposals of assets and capitalized finance costs.
(b) The cash flows from operating activities before changes in net working capital are presented before payment of interests on net debt net of taxes and of interests paid on lease liabilities.
(c) A breakdown of dividends paid, share capital increases and treasury share purchases is provided on pages 31 and 32.

The analysis of net cash and cash equivalents at the end of the period is as follows :

(in millions of euros)	Notes	December 31, 2022	June 30, 2022	June 30, 2023
Cash and cash equivalents	(11)	1,911.4	1,519.7	1,712.2
Bank overdrafts (included in current borrowings)		(150.5)	(144.0)	(202.4)
NET CASH AND CASH EQUIVALENTS		**1,760.9**	**1,375.7**	**1,509.8**

Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1, 2023 TO JUNE 30, 2023

(in millions of euros)	Notes	Share capital	Additional paid-in capital	Retained earnings (including net profit)	Fair value of financial instruments	Translation reserves	Treasury shares	Shareholders' equity	Minority interests	Total equity
Equity and minority interests as of January 1, 2023		**2,879.0**	**2,349.0**	**18,858.0**	**(169.4)**	**(61.8)**	**(118.4)**	**23,736.4**	**835.6**	**24,572.0**
Profit for the period				**1,721.6**				**1,721.6**	**44.0**	**1,765.6**
Items recognized directly in equity				(0.5)	0.2	(707.9)		(708.2)	(40.7)	(748.9)
Net income and gains and losses recognized directly in equity [a]				**1,721.1**	**0.2**	**(707.9)**		**1,013.4**	**3.3**	**1,016.7**
Increase (decrease) in share capital		1.6	18.8					20.4		20.4
Distribution	(13)			(1,582.7)				(1,582.7)	(34.1)	(1,616.8)
Purchase/Sale of treasury shares [c]							(82.3)	(82.3)		(82.3)
Share-based payments				21.2				21.2		21.2
Transactions with minority shareholders recognized directly in equity				(0.6)				(0.6)	1.3	0.7
Others [d]				114.5				114.5		114.5
EQUITY AND MINORITY INTERESTS AS OF JUNE 30, 2023		**2,880.6** [b]	**2,367.8**	**19,131.5**	**(169.2)**	**(769.7)**	**(200.7)** [c]	**23,240.3**	**806.1**	**24,046.4**

(a) The statement of net income and gains and losses recognized directly in equity is presented on page 28.
(b) Share capital as of June 30, 2023 was made up of 523,745,183 shares at a par value of 5.50 euros. During the fiscal year, share capital was increased by the creation of 294,912 shares in cash with a par value of 5.50 euros resulting from the exercise of options.
(c) The number of treasury shares as of June 30, 2023 totaled 1,767,625 (including 1,506,508 held by L'Air Liquide S.A.). During the fiscal year, movements affecting treasury shares were mainly as follows:
– acquisitions, net of disposals and allocations, of 544,175 shares.
(d) Mainly the effects of hyperinflation in Argentina and Türkiye.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1, 2022 TO JUNE 30, 2022

(in millions of euros)	Share capital	Additional paid-in capital	Retained earnings (including net profit)	Fair value of financial instruments	Translation reserves	Treasury shares	Shareholders' equity	Minority interests	Total equity
Equity and minority interests as of January 1, 2022	**2,614.1**	**2,749.2**	**17,128.4**	**(209.2)**	**(701.9)**	**(118.3)**	**21,462.3**	**536.5**	**21,998.8**
Profit for the period			**1,304.8**				**1,304.8**	**72.8**	**1,377.6**
Items recognized directly in equity			290.7	28.0	1,421.7		1,740.4	40.6	1,781.0
Net income and gains and losses recognized directly in equity [(a)]			**1,595.5**	**28.0**	**1,421.7**		**3,045.2**	**113.4**	**3,158.6**
Increase (decrease) in share capital	1.1	13.8					14.9	1.9	16.8
Free share attribution	269.0	(269.0)							
Distribution			(1,412.0)				(1,412.0)	(20.1)	(1,432.1)
Purchase/Sale of treasury shares						(191.9)	(191.9)		(191.9)
Share-based payments			19.9				19.9		19.9
Transactions with minority shareholders recognized directly in equity			(0.1)				(0.1)	261.7	261.6
Others [(b)]			68.2		(6.0)		62.2		62.2
EQUITY AND MINORITY INTERESTS AS OF JUNE 30, 2022	**2,884.2**	**2,494.0**	**17,399.9**	**(181.2)**	**713.8**	**(310.2)**	**23,000.5**	**893.4**	**23,893.9**

(a) The statement of net income and gains and losses recognized directly in equity is presented on page 28.
(b) Mainly including the effects of hyperinflation in Argentina.

Accounting principles

The condensed interim consolidated financial statements for the half-year ended June 30, 2023 include the Company and its subsidiaries (together referred to as the "Group") as well as the Group share of associates or joint ventures. The Group consolidated financial statements for the fiscal year ended December 31, 2022 are available upon request at the Company registered office at 75, quai d'Orsay, 75007 Paris, France or on the website www.airliquide.com.

BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", a standard within the IFRS (International Financial Reporting Standards), as endorsed by the European Union. They do not include all the information required for complete annual financial statements and should be read in conjunction with the Group financial statements for the fiscal year ended December 31, 2022.

Except for the application of standards, interpretations and amendments being mandatory as of January 1, 2023, the accounting principles used for the preparation of the condensed interim consolidated financial statements are identical to those used for the preparation of the consolidated financial statements for the fiscal year ended December 31, 2022. They have been prepared in accordance with IFRS, as endorsed by the European Union as of June 30, 2023.

The IFRS standards and interpretations as endorsed by the European Union are available at the following website:

https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/international-accounting-standards-regulation_en

The Group has not anticipated any standards, amendments or interpretations published by the IASB but not yet approved or not yet mandatory in the European Union as of June 30, 2023.

The financial statements are presented in million of euros. They were reviewed by the Board of Directors on July 26, 2023.

NEW IFRS AND INTERPRETATIONS

1. Standards, interpretations and amendments endorsed by the European Union whose application is mandatory as of January 1, 2023

The following texts have no material impact on the Group financial statements:

- amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction", issued on May 7, 2021;
- amendments to IAS 1 "Presentation of Financial Statements", issued on February 12, 2021;
- amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates", issued on February 12, 2021.

In addition, the following texts are not applicable to the Group:

- IFRS 17 "Insurance Contracts", issued on May 18, 2017;
- amendments to IFRS 17 "First application of IFRS 17 and IFRS 9 – Comparative Information" issued on December 9, 2021.

2. Standards, interpretations and amendments not yet endorsed by the European Union

The impacts on the financial statements of texts published by the IASB as of June 30, 2023 and not yet endorsed by the European Union are currently being analyzed. These texts are as follows:

- amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", "Classification of Liabilities as Current or Non-current – Deferral of Effective Date" and "Non-current Liabilities with Covenants", issued on January 23, 2020, July 15, 2020 and October 31, 2022 respectively;
- amendments to IFRS 16 "Lease Liability in a Sale and Leaseback" issued on September 22, 2022;
- amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures: Supplier Finance Arrangements", issued on May 25, 2023;
- amendments to IAS 12 "Income taxes : International Tax Reform - Pillar Two Model Rules", issued on May 23, 2023.

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires Group or subsidiary Management to make estimates and use certain assumptions which have a significant impact on the carrying amounts of assets and liabilities recorded in the consolidated balance sheet, the notes related to these assets and liabilities, the profit and expense items in the income statement and the commitments relating to the period-end. Subsequent results may differ.

The significant judgments exercised by the Group or subsidiary Management in applying the Group accounting policies used in preparing the half-year condensed consolidated financial statements, and the main sources of uncertainty in making the estimates, are identical to those described in the consolidated financial statements for the fiscal year ended December 31, 2022.

BASIS FOR PRESENTATION AND MEASUREMENT OF FIRST HALF-YEAR INFORMATION

The segment information corresponds to the information required by IAS 34 “Interim Financial Reporting”.

The Group’s activities may be affected by significant changes in the economic situation. Therefore, its interim results are not necessarily indicative of those to be expected for the fiscal year as a whole.

The income tax expense for the period is calculated by applying the estimated effective income tax rate for the fiscal year, based on the information available as of the interim reporting date, to the different categories of profit.

Notes to the consolidated financial statements for the half-year ended June 30, 2023

Note 1 Segment information

1.1. INCOME STATEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2023

	Gas & Services								
(in millions of euros)	Europe	Americas	Asia Pacific	Middle East and Africa	Sub-total	Engineering & Construction	Global Markets & Technologies	Reconciliation	Total
Revenue	4,975.4	5,158.7	2,762.7	508.2	13,405.0	180.1	395.2	—	13,980.3
Inter-segment revenue	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*266.5*	*373.5*	*(640.0)*	*0.0*
Operating income recurring	**845.9**	**1,029.1**	**610.7**	**101.4**	**2,587.1**	**17.9**	**64.2**	**(188.5)**	**2,480.7**
incl. depreciation and amortization	*(372.0)*	*(481.7)*	*(251.5)*	*(52.0)*	*(1,157.2)*	*(12.7)*	*(36.6)*	*(22.7)*	*(1,229.2)*
Other non-recurring operating income									205.3
Other non-recurring operating expenses									(172.3)
Net finance costs									(118.4)
Other financial income									9.8
Other financial expenses									(102.8)
Income taxes									(538.6)
Share of profit of equity affiliates									1.9
Profit for the period									**1,765.6**

The Research and Development and Holdings activities (corporate) are presented in the “Reconciliation” column.

1.2. INCOME STATEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2022

	Gas & Services								
(in millions of euros)	Europe	Americas	Asia Pacific	Middle East and Africa	Sub-total	Engineering & Construction	Global Markets & Technologies	Reconciliation	Total
Revenue	5,424.0	5,016.8	2,746.2	413.3	13,600.3	220.8	385.5	—	14,206.6
Inter-segment revenue	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*294.1*	*287.5*	*(581.6)*	*0.0*
Operating income recurring	**771.0**	**969.0**	**567.3**	**96.5**	**2,403.8**	**22.2**	**49.6**	**(189.6)**	**2,286.0**
incl. depreciation and amortization	*(362.2)*	*(455.6)*	*(249.5)*	*(55.2)*	*(1,122.5)*	*(12.0)*	*(33.8)*	*(20.3)*	*(1,188.6)*
Other non-recurring operating income									205.5
Other non-recurring operating expenses									(475.3)
Net finance costs									(144.7)
Other financial income									29.0
Other financial expenses									(64.6)
Income taxes									(459.3)
Share of profit of equity affiliates									1.0
Profit for the period									**1,377.6**

Note 2 Revenue

Consolidated revenue for the 1st half of 2023 amounts to 13,980.3 million euros, down to 1.6% compared to the 1st half of 2022 (14,206.6 million euros). Revenue was up +0.5% after adjusting for the cumulative impact of foreign exchange fluctuations, and +5.2% after adjusting for the energy pricing.

Note 3 Depreciation and amortization expense

(in millions of euros)	**1st half 2022**	**1st half 2023**
Intangible assets	(96.9)	(102.3)
Property, plant and equipment [(a)]	(1,091.7)	(1,126.9)
TOTAL	**(1,188.6)**	**(1,229.2)**

(a) Including the depreciation expense after deduction of investment grants released to profit.

Note 4 Other non-recurring operating income and expenses

(in millions of euros)	**1st half 2022**	**1st half 2023**
Income		
Net gain on the disposals of activities or group of assets	—	198.7
Impact of financial operations related to the scope of consolidation	205.5	—
Others	—	6.6
TOTAL OTHER NON-RECURRING OPERATING INCOME	**205.5**	**205.3**
Expenses		
Reorganization, restructuring and realignment programs costs	(29.5)	(23.2)
Acquisition costs	(2.2)	(2.3)
Political risks and legal procedures	(6.4)	(17.2)
Net loss on the disposals of activities or group of assets and impairments of assets	(429.4)	(126.5)
Others	(7.8)	(3.1)
TOTAL OTHER NON-RECURRING OPERATING EXPENSES	**(475.3)**	**(172.3)**
TOTAL	**(269.8)**	**33.0**

In the 1st half of 2023, the Group recognized:

- Net gains on the disposals of activities or group of assets amounting to 198.7 million euros including 174 million euros related to the disposal of non-consolidated investments;
- Restructuring costs corresponding to realignment programs primarily in Gas & Services;
- Incomes and expenses related to political risks and legal procedures, including a 21 million euros depreciation related to the equalization charge following the decision of the Council of State in March 2023 which partially questioned the favorable judgment of May 12, 2022 of the Court of Justice of the European Union (CJEU) by referring the case to an Administrative Court of Appeal;
- Impairment losses on assets amounting to 125 million euros, mainly on an intangible asset and on assets held for sale.

In the 1st half of 2022, the Group recognized:

- Impact on financial transactions amounting to 205.5 million euros corresponding to Air Liquide taking control of an existing 50/50 Joint Venture in Asia Pacific on January 11, 2022, and reevaluated at fair market value;
- Restructuring costs corresponding to realignment programs primarily in Gas & Services;
- Incomes and expenses related to legal procedure including a 46.8 million euros provision for risk in Engineering & Construction and a 31.9 million euros reversal of reserve initially set up to cover the risk of being requested to refund the equalization charge reimbursed to L'Air Liquide S.A in 2020. This reversal follows favorable conclusions released by the European Court of Justice on May 12, 2022;
- A 404 millions euros provision on its Russia assets booked in net loss on the disposals of activities or group of assets and impairments of assets.

Note 5 Net finance costs and other financial income and expenses

The average net finance costs stands at 3.3% in the 1st half of 2023, in slight increase compared with the 1st half of 2022. The average net finance costs does not include the exceptional income related to the liability management of bonds denominated in US dollars.

The increase of the other financial expenses mainly comes from a depreciation related to the interests on the equalization charge for 15 million euros following the decision of the State Council of March 2023 as well as the increase of interest cost linked to IAS 19 (Note 7).

Note 6 Income taxes

(in %)	1st half 2022	1st half 2023
Average effective tax rate	25.0	23.4

The average effective tax rate of the 1st half of 2023 is impacted by the application of the reduced tax rate on long term gain for non-consolidated investment sale.

Note 7 Employee benefits

The expenses recognized for pension and other employee benefits amount to 86.5 million euros in the 1st half of 2023 and can be broken down as follows:

(in millions of euros)	1st half 2022	1st half 2023
Service cost	15.5	13.2
Interest cost	4.4	17.7
Defined benefit plans	**19.9**	**30.9**
Defined contribution plans	**51.2**	**55.6**
TOTAL	**71.1**	**86.5**

Note 8 Net earnings per share

8.1. BASIC EARNINGS PER SHARE

	1st half 2022	1st half 2023
Net profit (Group share) attributable to ordinary shareholders of the parent *(in millions of euros)*	1,304.8	1,721.6
Weighted average number of ordinary shares outstanding	522,144,843	521,952,149
Basic earnings per share *(in euros)*	**2.50**	**3.30**

8.2. DILUTED EARNINGS PER SHARE

	1st half 2022	1st half 2023
Net profit used to calculate diluted earnings per share *(in millions of euros)*	**1,304.8**	**1,721.6**
Weighted average number of ordinary shares outstanding	522,144,843	521,952,149
Adjustment for dilutive impact of share subscription options	824,814	660,158
Adjustment for dilutive impact of performance shares	1,072,674	1,333,339
Adjusted weighted average number of shares outstanding used to calculate diluted earnings per share	**524,042,331**	**523,945,646**
Diluted earnings per share *(in euros)*	**2.49**	**3.29**

All instruments that could dilute net profit – Group share, are included in the calculation of diluted earnings per share.

The Group has not issued any other financial instruments that may result in further dilution of net earnings per share.

Note 9 Goodwill

(in millions of euros)	As of January 1, 2023	Goodwill recognized during the period	Goodwill removed during the period	Foreign exchange differences	As of June 30, 2023
Goodwill	**14,587.2**	**13.9**	**(30.6)**	**(270.1)**	**14,300.4**

As of June 30, 2023, the Group did not identify any indications of impairment loss on cash-generating units (CGU) or group of cash-generating units to which goodwill is allocated.

Note 10 Provisions, pensions and other employee benefits

2023 *(in millions of euros)*	As of January 1	Increase	Utilized	Other reversals	Discounting	Foreign exchange differences	Other movements [a]	As of June 30
Pensions and other employee benefits	1,091.4	31.5	(48.6)	—	12.0	(4.2)	(13.4)	1,068.7
Restructuring plans	15.8	1.9	(2.1)	—	—	(0.2)	4.8	20.2
Guarantees and other provisions related to engineering contracts	185.6	33.1	(15.8)	(7.8)	—	(0.7)	(3.5)	190.9
Dismantling	259.9	0.9	(2.0)	—	3.5	(3.9)	3.8	262.2
Provisions and contingent liabilities as part of a business combination	164.9	0.9	(5.9)	(6.1)	0.8	(3.8)	(8.0)	142.8
Other provisions	555.9	112.3	(21.5)	(26.0)	1.1	(0.1)	(10.7)	611.0
TOTAL PROVISIONS	**2,273.5**	**180.6**	**(95.9)**	**(39.9)**	**17.4**	**(12.9)**	**(27.0)**	**2,295.8**

(a) Other movements correspond to account reclassifications, disposals and provisions for dismantling, with no impact on the consolidated cash flow statement.

In the 1st half of 2023, no new litigation is likely to have a material impact on the Group's financial position or profitability.

Furthermore, the assets covering defined benefit plan obligations were measured at fair value. The discount rates used to determine the present value of the Group's obligations were also reviewed.

Note 11 Borrowings

Net debt calculation

(in millions of euros)	December 31, 2022	June 30, 2022	June 30, 2023
Non-current borrowings	(10,168.8)	(10,690.0)	(8,762.1)
Current borrowings	(2,003.9)	(2,839.6)	(3,500.5)
TOTAL GROSS DEBT	**(12,172.7)**	**(13,529.6)**	**(12,262.6)**
Cash and cash equivalents	**1,911.4**	**1,519.7**	**1,712.2**
TOTAL NET DEBT AT THE END OF THE PERIOD	**(10,261.3)**	**(12,009.9)**	**(10,550.4)**

Statement of changes in net debt

(in millions of euros)	2022 financial year	1st half 2022	1st half 2023
Net debt at the beginning of the period	**(10,448.3)**	**(10,448.3)**	**(10,261.3)**
Net cash flows from operating activities	5,810.1	2,240.9	2,960.3
Net cash flows used in investing activities	(3,241.9)	(1,547.0)	(1,457.4)
Net cash flows from (used in) financing activities excluding changes in borrowings	(1,927.2)	(1,743.8)	(1,817.6)
Total net cash flows	**641.0**	**(1,049.9)**	**(314.7)**
Effect of exchange rate changes, opening net indebtedness of newly acquired companies and others	(248.0)	(407.1)	171.5
Adjustment of net finance costs	(206.0)	(104.6)	(145.9)
Change in net debt	**187.0**	**(1,561.6)**	**(289.1)**
TOTAL NET DEBT AT THE END OF THE PERIOD	**(10,261.3)**	**(12,009.9)**	**(10,550.4)**

The Air Liquide Group net debt breaks down as follows:

	December 31, 2022			June 30, 2023		
	Carrying amount			Carrying amount		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Bonds and private placements	9,332.8	1,206.9	10,539.7	7,927.8	2,046.5	9,974.3
Commercial paper programs	—	130.6	130.6	—	754.0	754.0
Bank debt and other financial debt	760.5	665.1	1,425.6	774.3	691.1	1,465.4
Put options granted to minority shareholders	75.5	1.3	76.8	60.0	8.9	68.9
TOTAL BORROWINGS (A)	**10,168.8**	**2,003.9**	**12,172.7**	**8,762.1**	**3,500.5**	**12,262.6**
TOTAL CASH AND CASH EQUIVALENTS (B)	**—**	**1,911.4**	**1,911.4**	**—**	**1,712.2**	**1,712.2**
NET DEBT (A) - (B)	**10,168.8**	**92.5**	**10,261.3**	**8,762.1**	**1,788.3**	**10,550.4**

Gross debt (A) increased by 90 million euros between December 31, 2022 and June 30, 2023. This rise mainly comes from the extended use of commercial paper programs, mainly in US dollar.

In return, the second and third tranche of the Panda (bond issue in 2018 on the Chinese domestic market, amounting to 800 million Chinese renminbi (equivalent to 109 million euros), has been reimbursed at maturity on March 7, 2023.

In addition, as part of the management of the maturity of its long-term debt, Air Liquide Finance purchased in advance:

- 315 million American dollars (equivalent to 295 million euros) on a bond of 1,250 million American dollars issued in September 2016 conforming to format 144A and maturing on September 2026;
- 68 million American dollars (equivalent to 63 million euros) on a bond of 750 million American dollars issued in September 2016 conforming to format 144A and maturing on September 2046.

In addition, gross debt is impacted by a favorable foreign exchange impact, including 66 million euros for bonds, related to the appreciation of the euro against the majority of other currencies.

Gross current debt (maturity in less than 12 months) (A) increased by 1,497 million euros compared to December 31, 2022. This increase in current gross debt is explained by:

- the increase in commercial paper portfolio by 623 million euros;
- the reclassification to current borrowings of 2 bond issues of 500 million euros each, maturing on June 5 and 13, 2024;
- in return, the repayments of bond issues of the first half of 2023.

Cash decreased by 199 million euros compared to December 31, 2022. The net debt amounts to 10,550 million euros, increasing by 289 million euros compared to December 31, 2022 and decreasing significantly by 1,459 million euros compared to June 30, 2022.

Note 12 Commitments

The Group's energy purchase commitments as of June 30, 2023 increased compared to December 31, 2022 mainly due to the signing of five new power purchase agreements in South Africa and China for a global amount of 795 million euros. These 20 years contracts for South Africa and 10 years for China are scheduled to start in 2025 and 2024 respectively. As a result, these contracts are not yet subject to reciprocal commitments received from customers under long-term gas supply contracts.

The other commitments did not change significantly in comparison to December 31, 2022.

Note 13 Dividend per share

The 2022 dividend authorized by the General Meeting and paid on May 17, 2023 to the Group shareholders was 1,582.7 million euros (including fidelity premium), corresponding to an ordinary dividend of 2.95 euros and a fidelity premium of 0.29 per share.

Note 14 Related party disclosures

Due to the activities and legal organization of the Group, only executives, associates and joint ventures are considered to be related parties to the Group. Transactions performed between these individuals or these companies and Group subsidiaries are not material.

Note 15 Contingent liabilities

To the best of the Group's knowledge, there is no exceptional event or litigation which has affected in the recent past or which is likely to materially affect its financial situation or profitability.

Note 16 Post-balance sheet events

On July 5, 2023, the management of Air Liquide Healthcare presented a project to transform its Home Healthcare activity in France to employee representatives. The project aims to address the needs and expectations of patients and healthcare professionals, and to adapt the activity's business model to meet the challenges of the healthcare system.

Note 17 Other information

As of June 30, 2023, given the geopolitical context and reinforced sanctions and counter-sanctions, the Group continues to consider that it no longer has control of its activities in Russia since September 1, 2022. As a reminder, all assets in Russia have been fully depreciated in the accounts as of December 31, 2022.

Statutory auditors' review report on the half-yearly financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of L'Air Liquide, for the period from January 1 to June 30, 2023;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 27, 2023
KPMG S.A.

Neuilly-sur-Seine, July 27, 2023
PricewaterhouseCoopers Audit

French original signed by

Valérie Besson   Laurent Genin

Oliviez Lotz   Cédric Le Gal

3 Certification by the person responsible for the first half financial report

PERSON RESPONSIBLE FOR THE FIRST HALF FINANCIAL REPORT

François JACKOW, Chief Executive Officer of L'Air Liquide S.A.

CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE FIRST HALF FINANCIAL REPORT

This is a free translation into English of the certification by the person responsible for the First half financial report and is provided solely for the convenience of English speaking readers.

I hereby declare that, to the best of my knowledge, the condensed financial statements for the half-year ended June 30, 2023 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and results of the Company and the entities included in the consolidation, and that the first half activity report, available in chapter 1, provides a faithful representation of the major events which occurred during the first six months of the fiscal year, their impact on the financial statements, the main related-party transactions, and describes the major risks and uncertainties for the remaining six months of the fiscal year.

Paris, July 27, 2023

François Jackow

Chief Executive Officer

Cautionary note regarding forward-looking statements

This First half financial report contains information on the Group's prospects, objectives and trends for growth. These forward-looking statements can be identified by the use of the future tense, conditional or of forward-looking terms such as "consider", "intend", "anticipate", "believe", "estimate", "plan", "expect", "think", "aim", or, as the case may be, the negative of these words, or any other terms with a similar meaning. This information is not based on historical data and should not be considered as a guarantee that the prospects and objectives described will be achieved. These statements are based on data, assumptions and estimates considered reasonable by the Group as of the date of this First half financial report. They may be affected by known or unknown risks, uncertainties and other factors which might impact future results, performances and achievements of the Group in a way that is substantially different from the objectives described. This information might therefore change due to uncertainties relating notably to the economic, financial, competitive and regulatory environment or due to the occurrence of certain risks described in Chapter 1 of this First half financial report. This information is given solely as of the date of this First half financial report. All forward-looking statements contained in this First half financial report are qualified in their entirety by this cautionary note.

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Air Liquide - Company established for the study and application of
processes developed by Georges Claude with issued capital of €2,880,598,506.50