

Presentation for 86th Annual General Meeting. Linde India Limited.

Abhijit Banerjee
Kolkata, 23rd June 2022

Making our world more productive



Agenda



1

Business Briefing

- Linde Plc & Linde India: A Brief Introduction
- Executive Summary
- Gases Volume Trend in 2021
- Macro economics, Implications to Linde

2

Financial Performance

- Financial Performance 2021
- Balance Sheet 2021
- Financial Performance of 1Q 2022

3

Key Priorities

- Future Outlook - Growth Drivers for Linde India
- Leverage Application capabilities
- Sustainable Development & People Strategy
- Digitalization focus

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2021 Linde India & Linde Introduction



01 Linde India & Linde Introduction

LINDE PLC

Globally

- Formed in 2018 with the business combination of Linde AG and Praxair, Inc – two world-class companies with nearly 140 years of shared history and successful achievements
- The leading industrial gases and engineering company in 100+ countries with ~ 74,000 employees
- A wide range of patents worldwide
- 2021 Global Sales: \$ 31 Billion; Market Cap : \$ 170 billion

In India

- More than 100 ASU's/ N2 Plants built by Linde in India in the last 20 years; Worlds largest ASU's (5 x 5,250 TPD) installed at Jamnagar | 20 ASUs on BOO basis
- Engineering centers with over 1500 professionals @ Baroda, Kolkata & Bangalore
- Preferred partner for all major steel companies & refineries in India

LINDE INDIA LIMITED

Onsite

- Long Term Agreements with key Customers such as TATA, SAIL, JSL and many other players
- Highly Capital-Intensive segment

Bulk

- Strong Supply Chain Management; serves LOX, LIN, LAR as major products to more than 1000 Customers
- Sales team strongly supported by Deliver, Customer Service

- More than 20 lakh m3 of compressed gases sold per month in more than 150,000 cylinders in circulation
- Footprints across India

PGP Industrial Products

- Focused team dealing in Special gases such as He, Calibration gases, electronic gases.
- Highly profitable segment

PGP Special Products

- Medical Oxygen and other products for healthcare
- >200 tonnes of Medical Oxygen delivered every day by Linde Team to meet Hospital's demands

Healthcare

- State of the Art ASUs, N2 generators across the Globe
- Major Customers : Steel (SAIL, TATA, JSW, BPSL, NMDC, RINL), Oil & Gas (HPCL, IOCL, BPCL, ONGC, GAIL, HMEL, MRPL, CPCL)

PED

01 | Executive Summary 2021



Safety

- Decreased Incident rates (TRCR/CVIR) compared to last year
- Focus on near miss/Process safety Tier 3 reporting (3000+ cases)
- Focus on people vaccination & reinforcement of Covid-19 guidelines
- Leverage taken from Technologies to improve Transport safety like use of driving simulator, MDVR & TOC

Revenue

- Revenue higher by 44% due to re-opening of the economy
- Gases revenue higher by 38% with growth in all business majorly in liquid oxygen in Q2 due to COVID
- PED revenue higher by 66% due to strong performance and lockdown impact in last year

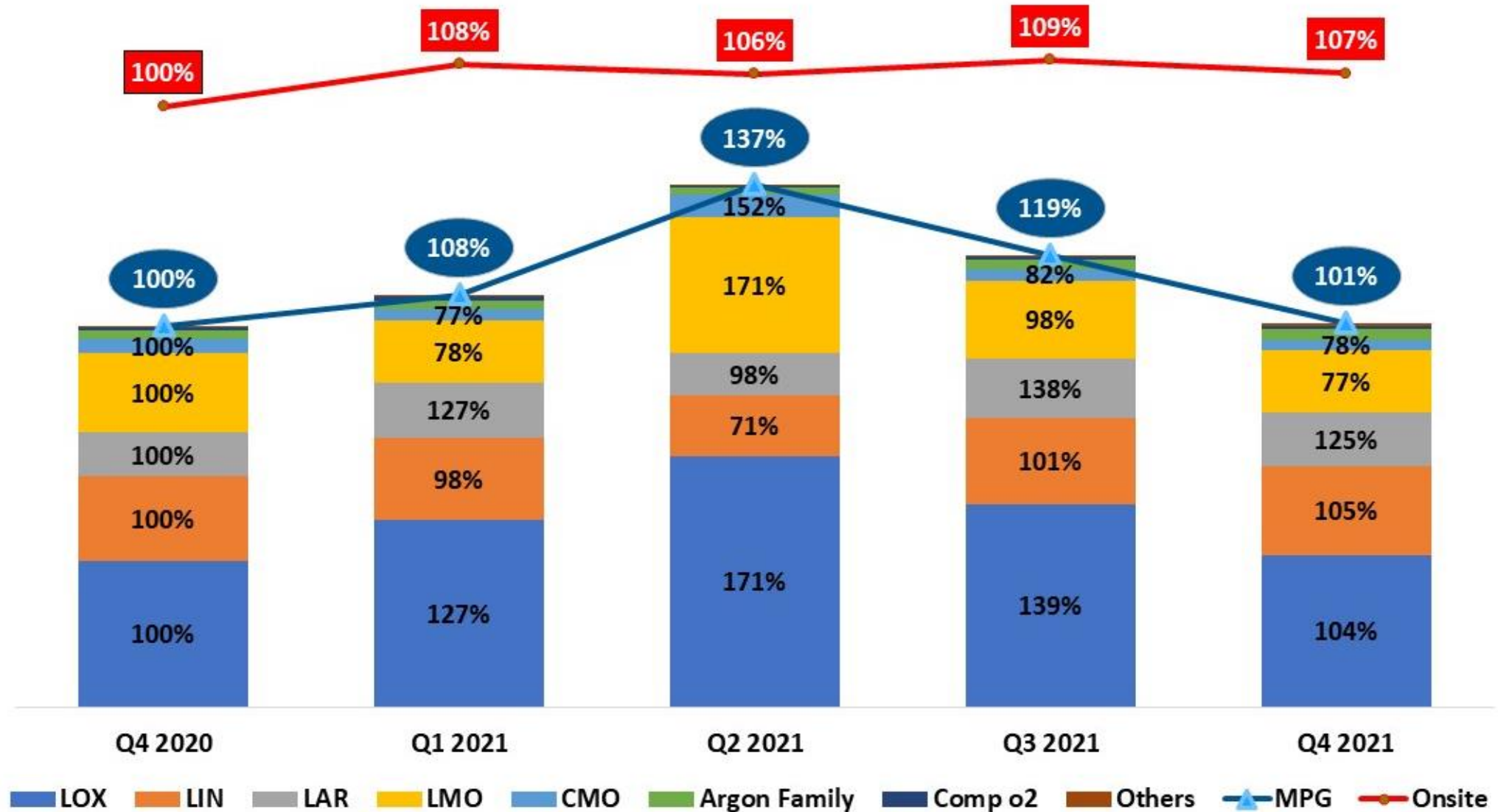
Cash flow

- Robust cash flow of around 6,000 MINR from Operations
- Additional Cash flow of 2,500 MINR from sale of land
- Closing cash balance around 10,000 MINR

PED Projects

- PED revenue over 4,500 MINR in 2021 which is higher by 66% as compared to last year
- Robust order book of 11,000 MINR as on Dec 2021

01 | Gases Volume Trend - 2021



01 | Market: Macroeconomy for 2022 and Outlooks



Macroeconomic Overview

- India's ambitious goal to reach 5 trillion economy by 2025 may experience pushback
- Self Reliant Stimulus (10% of GDP or ~20 Trillion INR) pepping up industrial activity, increased privatization and faster economic revival
- Supported by accelerated vaccinations (~75% adult population), economy showing recovery in infrastructure projects; automotive, whitegoods, specialty steel, pharma
- Healthcare spends growing with state-level incentives. Plan to increase public health spending to 2.5% of GDP by 2025
- Infrastructure and government spending oriented budget to boost growth. Auto below pre-Covid, Steel at pre-Covid, Cement and pharma above pre-Covid levels
- PV solar manufacturing capacity expected to grow from 3 to 10 GW in India

Implications to Linde

- Industrial gases market expected to grow at ~9% (1.5 x IP)
- Consolidation in steel segment expected to boost gas demands to enhance productivity (SAIL, Tata Steel, Vedanta) leading to new prospects
- Indian auto industry expected to reach 19-21 Trillion INR by 2026. Argon & SPC demand expected to grow by 25%
- Healthcare poised for faster growth
- Post Covid digitalization wave expected to propel growth in electronics
- Growth expected in SPC products (Ammonia, Silane, Nitrous Oxide) along with nitrogen opportunities (LIN/plant sale/onsite)

2021 India GDP size: 147.72 (Trillion INR)

Country	GDP ⁽¹⁾	IP	CPI
India	6.1%	6.1%	5.3%

⁽¹⁾ Real GDP

Source: IHS Markit (15th Feb 2022)

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02 | Financial Performance 2021

M INR



	YE 2021	YE 2020	Variance
Net Revenue	21,120	14,711	+44%
EBITDA	6,013	4,075	+48%
EBITDA Margin [%]	28.5%	27.7%	+80 bps
PBT	4,168	2,252	+85%
Exceptional Items	2,944	111	
PAT	5,139	1,555	+230%
EPS (incl. exceptional) [INR]	60.26	18.24	+230%
EPS (excl. exceptional) [INR]	33.78	17.23	+96%

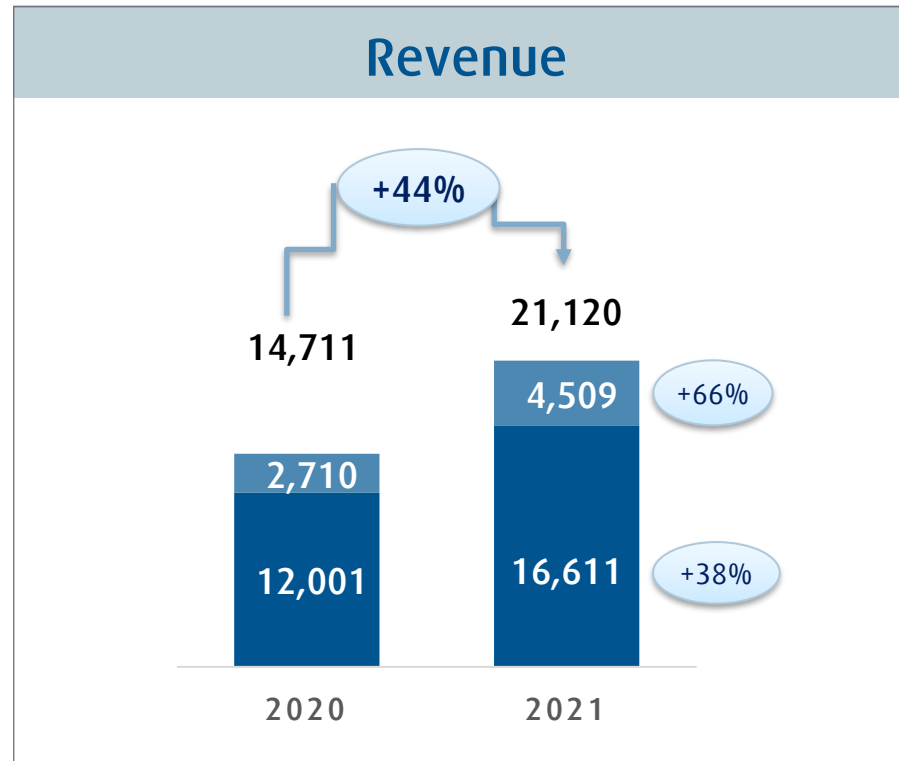
- Revenue up by 44% (+6,409m): Gases revenue higher due to re-opening of the economy and higher medical oxygen demand in 2nd quarter. PED higher due to strong performance and lower revenue in 2020 due to COVID lockdown
- EBITDA up by 48% (+1,938m) due to higher sales, cost savings and productivity
- Exceptional items includes profit from sale of kolkata land

02 | Financial Performance 2021 – Split by divisions

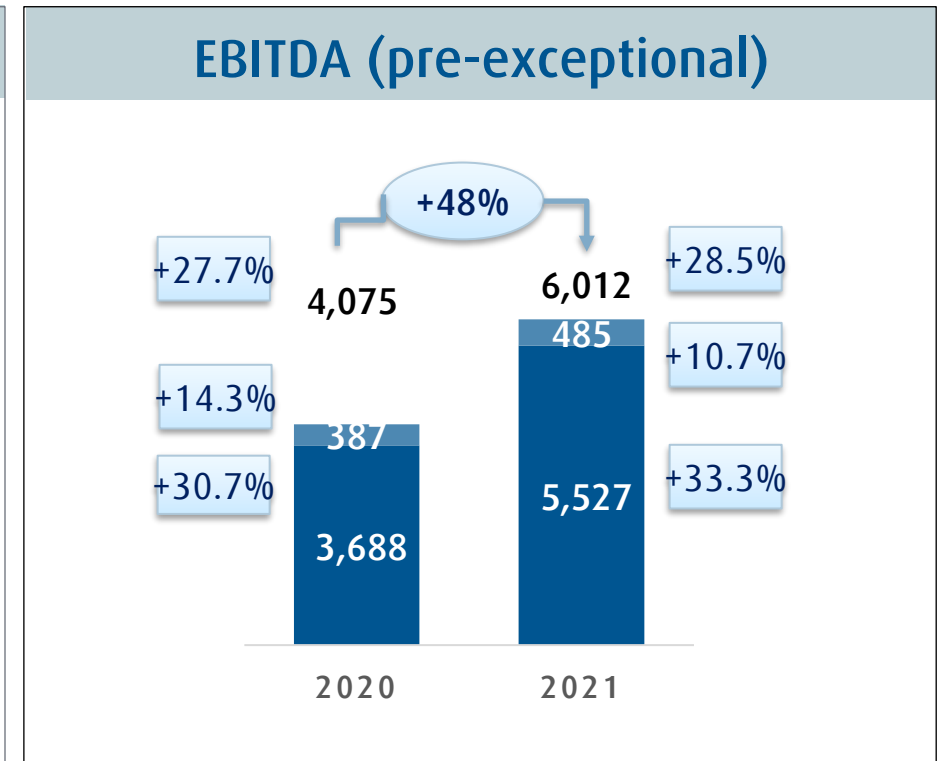
M INR



Revenue & EBITDA By Divisions : YE 2021



- Gases revenue up by 38% (+4,610m):
 - Onsite revenue up by 12%
 - Bulk business up by 66% and Healthcare business up by 45%
 - Helium & Special Gases up by 50%
- PED revenue higher by 66% (+1,799m)



- Gases EBITDA up by 50% (+ 1,839m):
 - Higher volumes across gases business
 - Cost savings, productivity and one-offs
- PED EBITDA up by 25% (+98m)

■ Gases % EBITDA Margin
■ PED % Growth

02 | Balance Sheet 2021

M INR



	Dec 2021	Dec 2020	Δ
Shareholders' Funds	26,910	22,037	+22%
Non-current liabilities	4,364	3,449	+27%
Current Liabilities	8,753	7,102	+23%
Total Equities and Liabilities	40,027	32,588	+23%
Non-current assets	21,411	21,983	-3%
Property, Plant & Equipment	18,104	19,685	-8%
Current assets	18,448	10,409	+77%
Cash and cash equivalents	9,833	3,241	+203%
Asset Held for Sale	168	196	-14%
Total Assets	40,027	32,588	+23%

Strong Balance Sheet on back of robust business performance

Zero debt and over 9,800 MINR cash balance

02 | Financial Performance of 1Q 2022

M INR



	Q1 2022	Q4 2021	Q1 2021
Net Revenue	5,343	6,441	4,414
EBITDA	1,457	1,695	1,362
EBITDA Margin [%]	27.3%	26.3%	30.9%
PBT	988	1,223	904
Exceptional Items	-	-	2,944
PAT	639	784	3,026
EPS (incl. exceptional) [INR]	7.49	9.21	35.48
EPS (excl. exceptional) [INR]	7.49	9.21	9.00

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03 | Future Outlook - Growth Drivers for Linde India



Onsite & PED



Bulk



PGP IP, HC, SPC



Target Mkt Segments

Metallurgy, :

- High Steel prices, strong demand to drive new investments & expansions

Chemistry:

- Airgas Opportunities in Refinery & Petrochemical plants (IOCL, Shell etc.)

Glass & Paper

- Pursue selective opportunities

Primary Metals:

- ATS offerings in primary metals (Steel, Copper, Aluminium)

Chemistry:

- Pharmaceuticals growing fast
- Demands from chemicals, Paints

Automotive:

- Gradual resumption of production expected in 2022

Food & Bev.

- N2 Dosing, Cryo-grinding, freezing opportunities

Healthcare:

- Focus on hospitals in Tier 2, 3 towns
- Strengthen LIV, Entonox, MGPS, PSA plants

Manufacturing

- Boost from Make in India drive
- MAPAX
- Mobile Fill at construction sites

Electronics

- Fast growing, resilient market
- SPC and N2 opportunities

Optimize Base

- RE/ Low-cost Power sourcing
- Leverage capabilities of PED for enhanced insourcing

- Focus pricing & margin actions, contract execution
- Improve density: reduce fixed cost

- PGP growth through MBC, focus on high value products: Ar & N2
- Improve Deliver profitability through CNG & E-Vehicles

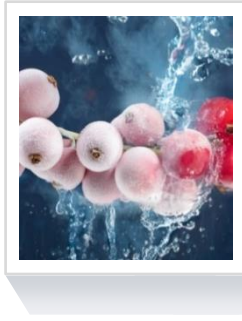
New Growth

- Leverage on competitive technologies
- Win larger share of new prospects
- Develop pipeline clusters

- Expand geographic footprint in strategic locations
- LOX & LIN loading through ATS
- M&A Opportunities

- Differentiated offering through micro bulk
- Helium warm magnet filling
- M&A opportunities

03 | Our Application Technologies (I)



Food and Beverage

Extending shelf life, eliminating harmful bacteria from food, and adding a “fizz effect” to beverages are a few examples of gas applications.

Food

- Food freezing and chilling
- Packaging

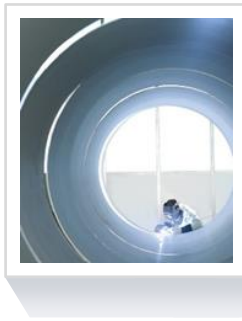
Beverage

- Blanketing, purging, and sparging

N₂

O₂

Spec



Metals

Gases such as argon, nitrogen, and oxygen have a substantial impact on productivity increase, cost reduction, and product quality.

Metal Fabrication

- Cutting and welding
- Thermal processes
- Thermal coating

Metallurgy, Materials Processing

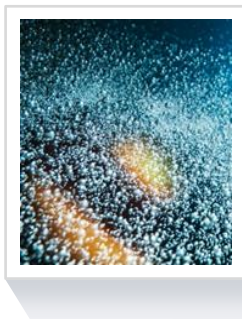
- Melting, reheating, and casting
- Heat treatment

Ar

N₂

O₂

Spec



Environmental

Oxygen brings reliability and efficiency to water treatment, while nitrogen and ozone are used to reduce emissions up to 99%.

Water Treatment

- Aerobic treatment
- Neutralization and remineralization

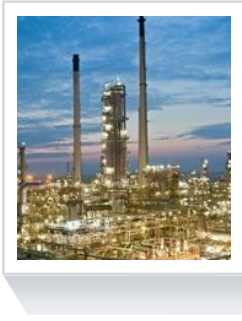
Air Emissions

- VOC emissions control
- NOx abatement
- Carbon capture, utilization, and storage

N₂

O₂

O₃



Refining

Using oxygen in refinery processes significantly increases performance. Nitrogen is a key requirement for safety and process.

Up & Midstream

- Purging and inerting
- Pipeline services

Refining

- Oxygen enrichment

N₂

O₂



Pharma & Specialty Chemicals

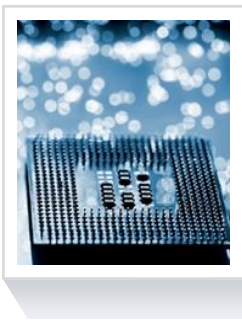
Nitrogen is a powerful ally in ensuring safety and improving efficiency. Oxygen can bring advantages such as higher yields and more flexibility.

- Inerting
- VOC recovery

- Liquid phase oxidation
- Blanketing, purging, and sparging

N₂

O₂



Electronics

There are hundreds of gases used in the semiconductor, solar, display, and LED markets. Reliability, productivity increase, and product quality are some of the advantages of using the right molecule.

- Fabrication
- Atmosphere control

- Purging
- Leak detection

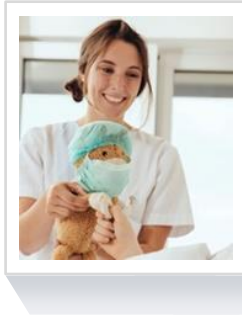
N₂

Ar

He

Spec

03 | Our Application Technologies (II)



Healthcare

Millions of patients worldwide rely on medical oxygen for life support, both at home and at the hospital. MRIs require a continuous supply of a cryogenic product to cool the magnetic coils.

- Respiratory assistance
- Anesthesia
- MRI cooling
- Clinical diagnostics

- O₂
- N₂O
- He
- Spec



Plastics and Rubber

In many curing, molding, inerting, and cleaning applications, gas and cryogenic solutions represent energy-efficient opportunities for manufacturers to increase productivity and product quality while also enhancing environmental performance.

- Extrusion foaming
- Injection molding
- Mold temperature control
- Cleaning

- N₂



Pulp and Paper

The use of gases such as oxygen can increase capacity, reduce dependence on hazardous chemicals, improve pulp washing efficiency, and stabilize pH, alkalinity, and calcium levels in papermaking.

- Pulp wash
- Bleaching
- pH control

- O₂
- O₃



Additive Manufacturing

Process gases play a vital role in additive manufacturing and are involved in every step of the AM fabrication chain – from metal powder production to surface finishing.

- 3D printing
- Powder atomization and packaging
- Powder storage and handling
- Post processing

- N₂
- Ar
- He



Glass

A wide variety of industrial gases is used along the various steps of the glass value-chain. In melting, for instance, using oxy-fuel improves efficiency and product quality, while the use of oxygen and hydrogen ensures the perfect glass surface finishing.

- Melting
- Forming
- Primary processing
- Secondary processing

- O₂
- N₂
- Spec



Aquaculture

Maintaining the right oxygen level in the water improves feed utilization, shortens the growth period, and reduces fish mortality.

- Flow-through farms oxygenation
- RAS water quality
- pH c| Sea cage oxygenation
- Fish transportation

- O₂

03 | Sustainable Development, People Strategy



Owner: Operations, Deliver, SD Champions and CSR Committee

Owner: HR Team

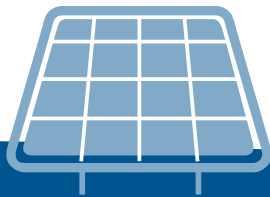
Waste Management

- Zero Waste; Water Management
- The focus is to bring more sites every year under zero waste – 5 more in 2022
- Focus on Rainwater harvesting, plastic and tyre management



GHG Emission Reduction

- Procurement of Renewable Energy; PGP & SPC GHG Emission Reduction
- Intensity Improvement: ASU Energy and Fleet GHG



Productivity

- Eco Productivity: Target 25% of the total productivity
- Reduction in consumption of power units (KWH)
- Reduction in consumption of fossil fuel in our distribution process
- Initiatives in pipeline
 - Installation of solar panels for alternate low-cost renewable power
 - Extensive use of digital tools and applications to reduce consumption of papers



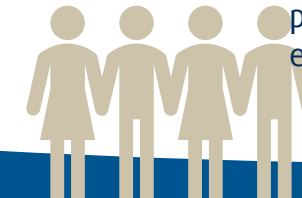
Corporate Social Responsibility

- Spread the reach and impact of key flagship programs
- Support communities where we work and operate
- Focus on building systems for impact assessment
- Formation of Linde Foundation, drive all CE activities through the Foundation



Diversity & Inclusion

- Identify “diversity – only” roles in line with Linde PLC’s D&I agenda
- Boost diversity ratio through campus hire program
- Inhouse coaching for diversity talent in leadership roles for career acceleration



Talent Development & Optimization

- Succession planning to ensure a robust talent pipeline
- Focused function-wise immersive learning interventions
- Job enrichment and Job enhancement for accelerated career growth
- Time and Motion study at sites to improve Manpower productivity and efficiency
- Leveraging AI to enhance employee experience
- Contemporary employee-friendly policies to boost productivity and work-life balance
- Engagement through ERGs for personal development and employee bonding

03 | Digitalization focus



Thank You

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Although the Company believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, actual results or performance could differ materially from such expectations, projections, etc., whether express or implied as a result of among other factors, changes in economic conditions affecting demand and supply, success of business and operating initiatives and restructuring objectives, change in regulatory environment, other government actions including taxation, natural phenomena such as floods and earthquakes, customer strategies, etc., over which the Company does not have any direct control.