PRAXAIR

Making our planet more productive℠

Investor Teleconference Presentation
Second Quarter 2018



Praxair, Inc.
July 26, 2018

Forward Looking Statement

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This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the expected timing and likelihood of the completion of the contemplated business combination with Linde AG, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals that could reduce anticipated benefits or cause the parties to abandon the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the business combination agreement; the ability to successfully complete the proposed business combination, regulatory or other limitations imposed as a result of the proposed business combination; the success of the business following the proposed business combination; the ability to successfully integrate the Praxair and Linde businesses; the risk that the combined company may be unable to achieve expected synergies or that it may take longer or be more costly than expected to achieve those synergies; the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events including natural disasters, epidemics and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of changes in pension plan liabilities; the impact of tax, environmental, healthcare and other legislation and government regulation in jurisdictions in which the company operates, including the impact of the U.S. Tax Cuts and Jobs Act of 2017; the cost and outcomes of investigations, litigation and regulatory proceedings; the impact of potential unusual or non-recurring items; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; future financial and operating performance of major customers and industries served; the impact of information technology system failures, network disruptions and breaches in data security; and the effectiveness and speed of integrating new acquisitions into the business. These risks and uncertainties may cause actual future results or circumstances to differ materially from the GAAP or adjusted projections or estimates contained in the forward-looking statements.

The company assumes no obligation to update or provide revisions to any forward-looking statement in response to changing circumstances. The above listed risks and uncertainties are further described in Item 1A (Risk Factors) in the company's latest Annual Report on Form 10-K filed with the SEC and in the proxy statement/prospectus included in the Registration Statement on Form S-4 (which Registration Statement was declared effective on August 14, 2017) filed by Linde plc with the SEC which should be reviewed carefully. Please consider the company's forward-looking statements in light of those risks.

Praxair, Inc.

Matthew J. White
Senior Vice President and Chief Financial Officer

2Q18 Global Trends

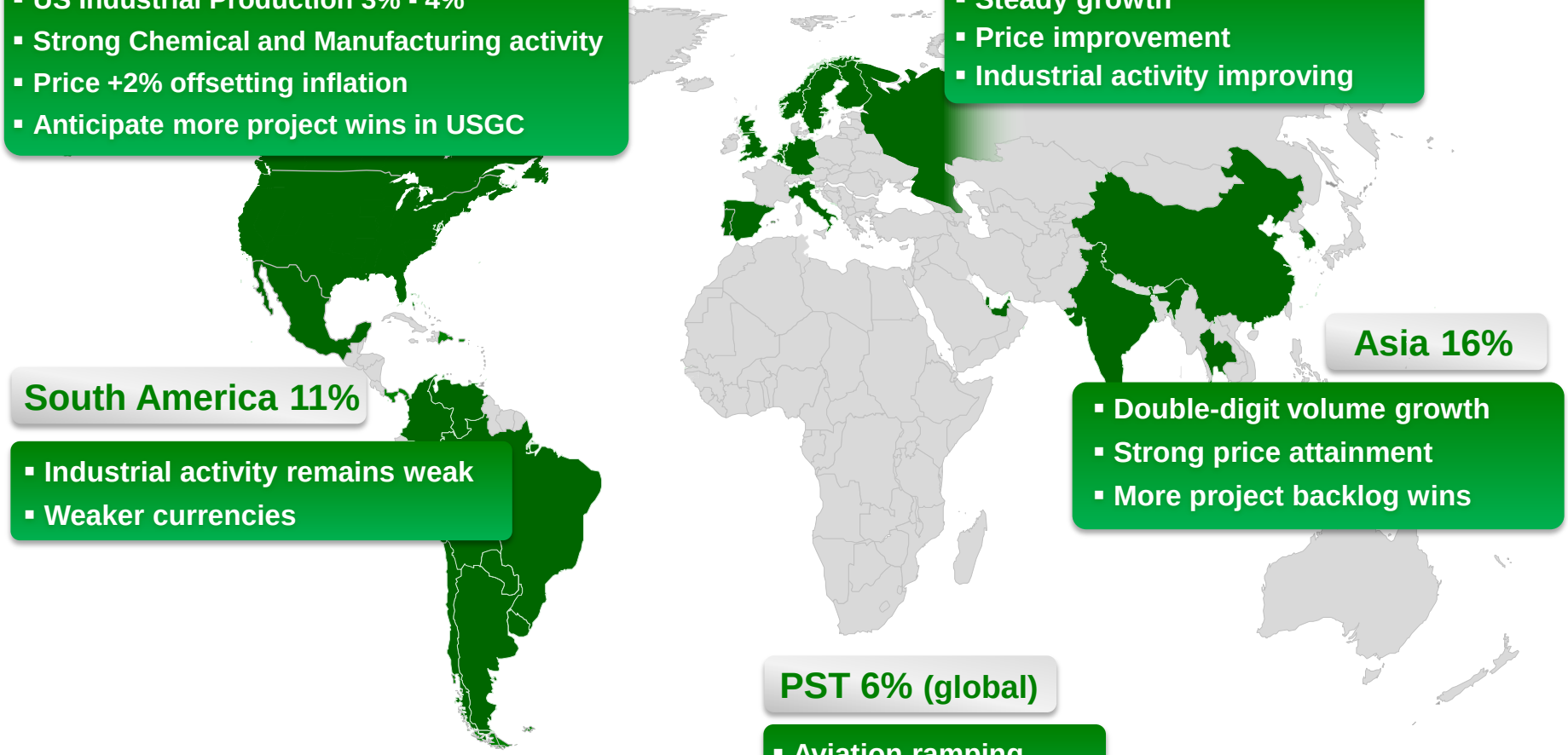
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North America 52%

- US Industrial Production 3% - 4%
- Strong Chemical and Manufacturing activity
- Price +2% offsetting inflation
- Anticipate more project wins in USGC

Europe 15%

- Steady growth
- Price improvement
- Industrial activity improving



Asia 16%

- Double-digit volume growth
- Strong price attainment
- More project backlog wins

South America 11%

- Industrial activity remains weak
- Weaker currencies

PST 6% (global)

- Aviation ramping
- Industrial recovery

Timeline to Complete Merger



Second Quarter Results

($ MM)	Adj. Second Quarter 2018(1)	Adj. First Quarter 2018(1)	Adj. Second Quarter 2017(1)
Sales	$3,061	$2,999	$2,834
Operating Profit(3)	$713	$672	$621
Operating Margin(3)	23.3%	22.4%	21.9%
EBITDA (3)	$1,038	$998	$924
EBITDA Margin (3)	33.9%	33.3%	32.6%
Diluted EPS(2)	$1.72	$1.65	$1.46
Op. Cash flow	$790	$688	$701
Base Capex	(209)	(225)	(217)
Available OCF	581	463	484
After–Tax ROC	13.6%	13.0%	12.1%

	YOY	2Q vs. 1Q
Sales Growth	+8%	+ 2%
Volume	+ 5%	+ 3%
Price / Mix	+ 2%	--
Cost pass-thru	+ 1%	+ 1%
Currency	--	- 2%
Acq/Div	--	--

- YoY Sales +8%, OP +15%, EPS +18%
- Strong operating cash $0.8B, 26% of sales
- YoY volume growth across all end-markets
- Project contribution in N. America and Asia
- Broad-based price attainment
- Increased backlog to $1.7B:
  - +$0.3 billion new wins in N. America and Asia
  - Started up CNOOC project in China
- ROC 13.6%, +150 bps YoY

(1) Non-GAAP measures, other than sales and operating cash flow. See Appendix.
(2) Diluted EPS attributable to Praxair, Inc. shareholders.
(3) Prior periods reclassified in conformance with pension accounting change ASU 2017-07 with no impact to EPS.

Base capex includes maintenance, small growth, safety, cost reduction and other non backlog project capex
Available OCF = operating cash flow minus base capex

2H Outlook

- **Anticipate similar business trends, seasonally adjusted**
- **Tax rate 23% - 25%**
- **Estimated currency headwind:**

Foreign Currency Impact		
Q1 A	**Q2 A**	**2H Estimates**
+ 3%	**+ 0%**	**- 2% to - 4%**

Major Currency Rates		
Currency	**% of Sales**	**2Q18 Avg. P&L Rate**
EUR	14%	1.19
BRL	9%	3.60
CAD	7%	1.29
CNY	7%	6.38
MXN	5%	19.36
KRW	4%	1,079.39

Appendix

North America

($ MM)	Second Quarter 2018	First Quarter 2018	Second Quarter 2017[1]
Sales	$1,594	$1,563	$1,505
Segment OP	$432	$406	$378
Operating Margin	27.1%	26.0%	25.1%
Segment EBITDA	599	568	535
EBITDA Margin	37.6%	36.3%	35.5%

	YOY	2Q vs. 1Q
Sales Growth	+ 6%	+ 2%
Volume	+ 4%	+2%
Price / Mix	+ 2%	--
Cost pass-thru	--	--
Currency	--	--
Acq/Div	--	--

- **Solid operating leverage YoY Sales +6%, OP +14%**
- **YoY volume growth driven by manufacturing, chemicals, food and beverage and project start-ups**
- **Price attainment in merchant and packaged gases**
- **U.S. manufacturing continues growing, packaged gas business +8% YoY**
- **Won new non-cryogenic on-site project**
- **Robust project bidding activity in the U.S. Gulf Coast**

(1) Prior periods reclassified in conformance with pension accounting change ASU 2017-07.

Asia

($ MM)	Second Quarter 2018	First Quarter 2018	Second Quarter 2017[1]
Sales	$502	$476	$422
Segment OP	$107	$104	$80
Operating Margin	21.3%	21.8%	19.0%
Segment EBITDA	167	166	133
EBITDA Margin	33.3%	34.9%	31.5%

	YOY	2Q vs. 1Q
Sales Growth	+ 19%	+ 5%
Volume	+ 11%	+ 5%
Price / Mix	+ 3%	--
Cost pass-thru	+ 1%	+ 1%
Currency	+ 4%	- 1%
Acq/Div	--	--

- Continued strong operating leverage YoY Sales +19%, OP +34%
- YoY volumes:
  - + Metals, chemicals and electronics
  - + Manufacturing and project start-ups
- Sequential volumes driven by metals, electronics and chemicals
- Strong price attainment
- Signed two new long-term projects
- Started up CNOOC project in China

(1) Prior periods reclassified in conformance with pension accounting change ASU 2017-07.

Europe

($ MM)	Second Quarter 2018	First Quarter 2018	Second Quarter 2017[1]
Sales	$444	$428	$383
Segment OP	$87	$80	$74
Operating Margin	19.6%	18.7%	19.3%
Segment EBITDA	137	131	119
EBITDA Margin	30.9%	30.6%	31.2%

	YOY	2Q vs. 1Q
Sales Growth	+ 16%	+4%
Volume	+ 2%	+ 5%
Price / Mix	+ 3%	--
Cost pass-thru	+ 4%	+ 2%
Currency	+ 7%	- 3%
Acq/Div	--	--

- Solid operating leverage YoY
  Sales +16%, OP +18%
- CO2 source disruption negatively impacted margins
- YoY volume growth in all major end-markets
- Growth led by Italy and Spain
- Sequential volume growth led by food & beverage and manufacturing

(1) Prior periods reclassified in conformance with pension accounting change ASU 2017-07.

South America

($ MM)	Second Quarter 2018	First Quarter 2018	Second Quarter 2017(1)
Sales	$349	$365	$373
Segment OP	$56	$54	$64
Operating Margin	16.0%	14.8%	17.2%
Segment EBITDA	93	95	102
EBITDA Margin	26.6%	26.0%	27.3%

	YOY	2Q vs. 1Q
Sales Growth	- 6%	- 4%
Volume	+ 4%	+ 3%
Price / Mix	--	+ 1%
Cost pass-thru	--	--
Currency	- 10%	- 8%
Acq/Div	--	--

- YoY and seq. volume growth driven by metals and healthcare
- Margins impacted by nationwide trucker's strike in Brazil
- Continued outperformance vs. Brazil industrial production
- Currency headwinds from Argentine peso and Brazilian real

(1) Prior periods reclassified in conformance with pension accounting change ASU 2017-07.

Surface Technologies

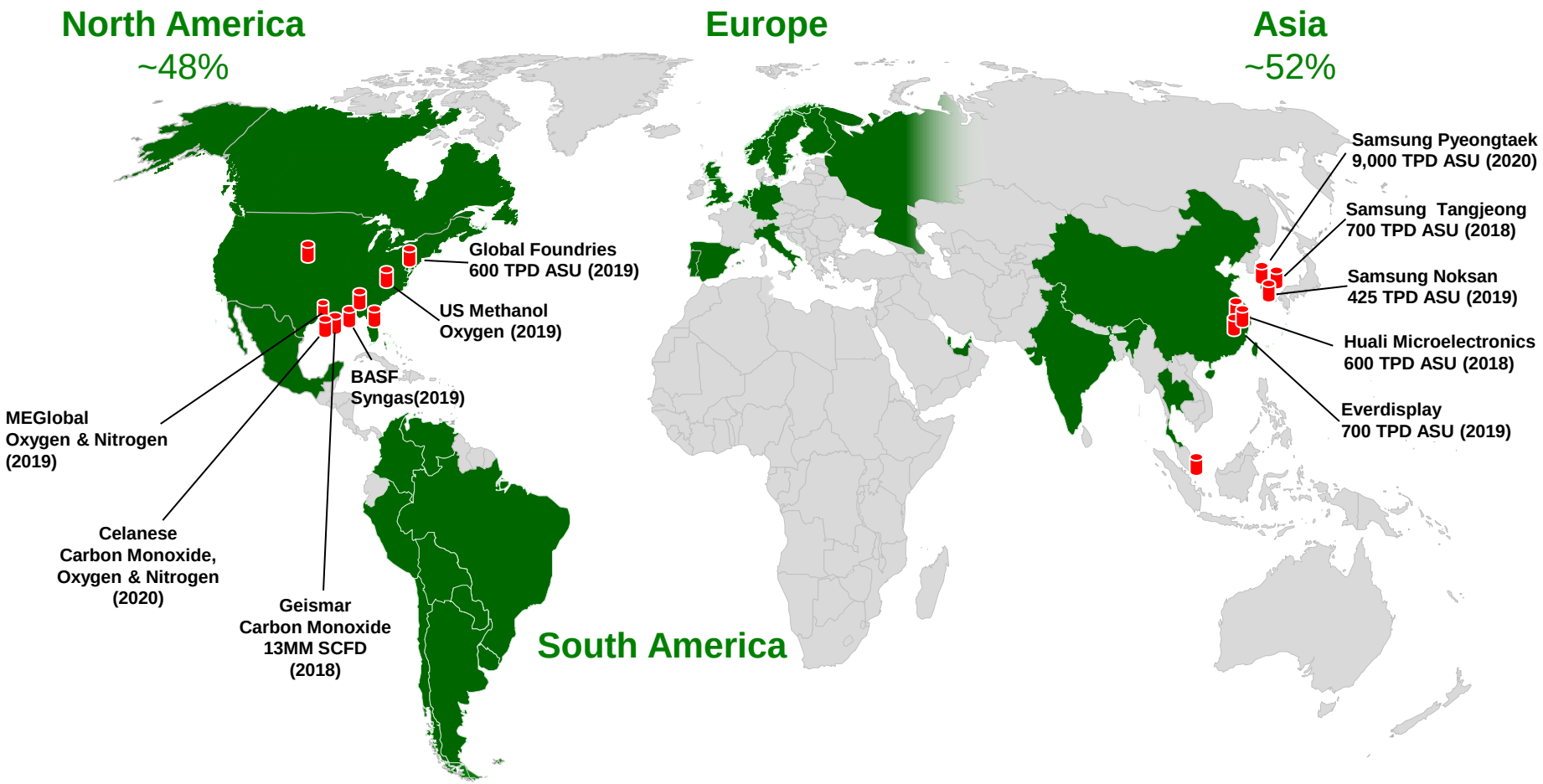
($ MM)	Second Quarter 2018	First Quarter 2018	Second Quarter 2017[(1)]
Sales	$172	$167	$151
Segment OP	$31	$28	$25
Operating Margin	18.0%	16.8%	16.6%
Segment EBITDA	42	38	35
EBITDA Margin	24.4%	22.8%	23.2%

- **Strong operating leverage YoY**
  Sales +14%, OP +24%
- **Price attainment +2%**
- **Volume growth from all end-markets and project start-ups**
- **Ramping up coating volumes serving aviation market**

(1) Prior periods reclassified in conformance with pension accounting change ASU 2017-07.

2Q18 Backlog - $1.7B Capital Expenditures

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(XXXX) Indicates expected startup year

% of backlog capex

ASU – Air separation unit(s)
VPSA – Vacuum pressure swing adsorption
TPD – Tons per day
SCFD – Standard cubic feet per day

Global End-Market Trends

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	2Q18 % of Sales	2Q18 Sales Growth* YOY	2Q18 Sales Growth* Vs. 1Q18	
	Manufacturing (22%)	+ 7%	+ 2%	YoY North America, Asia and Europe
	Metals (17%)	+ 11%	+ 2%	YoY growth in all geographic segments
	Energy (11%)	+ 2%	+ 5%	YoY Asia startup; Seq N. America
	Chemicals (11%)	+ 13%	+ 3%	YoY growth N. America, Asia and Europe
	Food & Bev (9%)	+ 4%	+ 7%	YoY North America; Seq seasonality
	Healthcare (8%)	+ 7%	+ 5%	YoY North and South America, Europe
	Electronics (9%)	+ 7%	+ 3%	YoY Asia and North America

* Excludes impact of currency, natural gas/precious metals cost pass-through and acquisitions/divestitures.

Non-GAAP Measures

PRAXAIR, INC. AND SUBSIDIARIES

SUMMARY NON-GAAP RECONCILIATIONS

(UNAUDITED)

The following adjusted amounts are Non-GAAP measures and are intended to supplement investors' understanding of the company's financial statements by providing measures which investors, financial analysts and management use to help evaluate the company's operating performance. Items which the company does not believe to be indicative of on-going business trends are excluded from these calculations so that investors can better evaluate and analyze historical and future business trends on a consistent basis. Definitions of these Non-GAAP measures may not be comparable to similar definitions used by other companies and are not a substitute for similar GAAP measures. See the Non-GAAP reconciliations starting on the next page for additional details relating to the Non-GAAP adjustments.

(Millions of dollars, except per share amounts)

	Sales		Operating Profit		Net Income - Praxair, Inc.		Diluted EPS	
	2018	2017	2018	2017 (b)	2018	2017	2018	2017
Quarter Ended June 30								
Reported GAAP Amounts	$ 3,061	$ 2,834	$ 689	$ 606	$ 480	$ 406	$ 1.65	$ 1.41
Transaction costs and other charges (a)	—	—	24	15	21	15	0.07	0.05
Adjusted amounts	$ 3,061	$ 2,834	$ 713	$ 621	$ 501	$ 421	$ 1.72	$ 1.46
Year To Date June 30								
Reported GAAP Amounts	$ 6,060	$ 5,562	$ 1,342	$ 1,173	$ 942	$ 795	$ 3.24	$ 2.76
Transaction costs (a)	—	—	43	21	39	21	0.13	0.07
Adjusted amounts	$ 6,060	$ 5,562	$ 1,385	$ 1,194	$ 981	$ 816	$ 3.37	$ 2.83

(a) Charges primarily for transaction costs related to the potential Linde merger.

(b) During the first quarter 2018, Praxair adopted accounting guidance on the presentation of net periodic pension and postretirement benefit costs which requires non-service related costs be presented outside of operating profit. As a result, non-service related pension and postretirement benefit costs are now presented in the consolidated statements of income in "Net pension and OPEB cost (benefit), excluding service cost." Prior period information, including segment operating profit, has been reclassified to conform with current year presentation. The adoption of this guidance did not impact "Net Income - Praxair, Inc."

Non-GAAP Measures, continued

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PRAXAIR, INC. AND SUBSIDIARIES
APPENDIX
NON-GAAP MEASURES
(Millions of dollars, except per share data)
(UNAUDITED)

The following Non-GAAP measures are intended to supplement investors' understanding of the company's financial information by providing measures which investors, financial analysts and management use to help evaluate the company's financial leverage, return on capital and operating performance. Items which the company does not believe to be indicative of on-going business trends are excluded from these calculations so that investors can better evaluate and analyze historical and future business trends on a consistent basis. Definitions of these Non-GAAP measures may not be comparable to similar definitions used by other companies and are not a substitute for similar GAAP measures. Adjusted amounts exclude the impacts of the 2018 transaction costs and other charges, 2017 transaction costs and other charges, 2017 third quarter pension settlement, 2017 fourth quarter U.S. tax reform, 2016 third quarter cost reduction program and pension settlement, and 2016 first quarter bond redemption.

Adjusted Amounts

	Year-to-date June 30, 2018	Second Quarter 2018	First Quarter 2018	Year 2017	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017	First Quarter 2017	Year 2016	Third Quarter 2016	First Quarter 2016
Profit Margin											
Reported operating profit	$ 1,342	$ 689	$ 653	$ 2,444	$ 639	$ 632	$ 606	$ 567	$ 2,247	$ 505	$ 554
Add: Cost reduction program and other charges, net	—	—	—	—	—	—	—	—	96	96	—
Add: Pension settlement charge	—	—	—	—	—	—	—	—	—	—	—
Add: Transaction costs and other charges	43	24	19	52	17	14	15	6	—	—	—
Total adjustments	43	24	19	52	17	14	15	6	96	96	—
Adjusted operating profit	$ 1,385	$ 713	$ 672	$ 2,496	$ 656	$ 646	$ 621	$ 573	$ 2,343	$ 601	$ 554
Reported percentage change	14 %	14 %									
Adjusted percentage change	16 %	15 %									
Reported sales	$ 6,060	$ 3,061	$ 2,999	$ 11,437	$ 2,953	$ 2,922	$ 2,834	$ 2,728	$ 10,534	$ 2,716	$ 2,509
Adjusted operating profit margin	22.9 %	23.3 %	22.4 %	21.8 %	22.2 %	22.1 %	21.9 %	21.0 %	22.2 %	22.1 %	22.1 %
Adjusted Interest Expense - net											
Reported interest expense - net	$ 90	$ 44	$ 46	$ 161	$ 41	$ 41	$ 38	$ 41	$ 190	$ 43	$ 65
Less: Bond redemption	—	—	—	—	—	—	—	—	(16)	—	(16)
Adjusted interest expense - net	$ 90	$ 44	$ 46	$ 161	$ 41	$ 41	$ 38	$ 41	$ 174	$ 43	$ 49
Adjusted Net Pension and OPEB costs (benefit), excluding service cost											
Reported net pension and OPEB costs (benefit), excluding service cost	$ 4	$ 2	$ 2	$ (4)	$ 3	$ 6	$ 2	$ (15)	9	8	—
Less: Pension settlement charge	—	—	—	(2)	—	(2)	—	—	(4)	(4)	—
Adjusted net Pension and OPEB costs (benefit), excluding service cost	$ 4	$ 2	$ 2	$ (6)	$ 3	$ 4	$ 2	$ (15)	$ 5	$ 4	$ —
Adjusted Income Taxes											
Reported income taxes	$ 306	$ 158	$ 148	$ 1,026	$ 558	$ 162	$ 157	$ 149	$ 551	$ 120	$ 133
Add: Cost reduction program and other charges, net	—	—	—	—	—	—	—	—	28	28	—
Add: Bond redemption	—	—	—	—	—	—	—	—	6	—	6
Add: Pension settlement charge	—	—	—	1	—	1	—	—	1	1	—
Add: Tax reform	—	—	—	(394)	(394)	—	—	—	—	—	—
Add: Transaction costs and other charges	5	3	2	4	3	1	—	—	—	—	—
Total adjustments	5	3	2	(389)	(391)	2	—	—	35	29	6
Adjusted income taxes	$ 311	$ 161	$ 150	$ 637	$ 167	$ 164	$ 157	$ 149	$ 586	$ 149	$ 139

Non-GAAP Measures, continued

	Year-to-date June 30, 2018	Second Quarter 2018	First Quarter 2018	Year 2017	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017	First Quarter 2017	Year 2016	Third Quarter 2016	First Quarter 2016
Adjusted Effective Tax Rate											
Reported income before income taxes and equity investments	$ 1,248	$ 643	$ 605	$ 2,287	$ 595	$ 585	$ 566	$ 541	$ 2,048	$ 454	$ 489
Add: Cost reduction program and other charges, net	—	—	—	—	—	—	—	—	96	96	—
Add: Bond redemption	—	—	—	—	—	—	—	—	16	—	16
Add: Pension settlement charge	—	—	—	2	—	2	—	—	4	4	—
Add: Transaction costs and other charges	43	24	19	52	17	14	15	6	—	—	—
Total adjustments	43	24	19	54	17	16	15	6	116	100	16
Adjusted income before income taxes and equity investments	$ 1,291	$ 667	$ 624	$ 2,341	$ 612	$ 601	$ 581	$ 547	$ 2,164	$ 554	$ 505
Reported effective tax rate	24.5 %	24.6 %	24.5 %	44.9 %	93.8 %	27.7 %	27.7 %	27.5 %	26.9 %	26.4 %	27.2 %
Adjusted effective tax rate	24.1 %	24.1 %	24.0 %	27.2 %	27.3 %	27.3 %	27.0 %	27.2 %	27.1 %	26.9 %	27.5 %
Adjusted Noncontrolling Interests											
Reported noncontrolling interests	$ 29	$ 19	$ 10	$ 61	$ 16	$ 16	$ 14	$ 15	$ 38	$ 5	$ 10
Add: Cost reduction program and other charges, net	(1)	—	(1)	—	—	—	—	—	5	5	—
Total adjustments	(1)	—	(1)	—	—	—	—	—	5	5	—
Adjusted noncontrolling interests	$ 28	$ 19	$ 9	$ 61	$ 16	$ 16	$ 14	$ 15	$ 43	$ 10	$ 10
Adjusted Net Income - Praxair, Inc.											
Reported net income - Praxair, Inc.	$ 942	$ 480	$ 462	1,247	33	419	406	389	1,500	339	356
Add: Cost reduction program and other charges, net	1	—	1	—	—	—	—	—	63	63	—
Add: Bond redemption	—	—	—	—	—	—	—	—	10	—	10
Add: Pension settlement charge	—	—	—	1	—	1	—	—	3	3	—
Add: Tax reform	—	—	—	394	394	—	—	—	—	—	—
Add: Transaction costs and other charges	$ 38	21	17	48	14	13	15	6	—	—	—
Total adjustments	39	21	18	443	408	14	15	6	76	66	10
Adjusted net income - Praxair, Inc.	$ 981	$ 501	$ 480	$ 1,690	$ 441	$ 433	$ 421	$ 395	$ 1,576	$ 405	$ 366
Reported percentage change	18 %	18 %									
Adjusted percentage change	20 %	19 %									
Adjusted Diluted EPS											
Reported diluted EPS	$ 3.24	$ 1.65	$ 1.59	4.32	0.11	1.45	1.41	1.35	5.21	1.18	1.24
Add: Cost reduction program and other charges, net	—	—	—	—	—	—	—	—	0.22	0.22	—
Add: Bond redemption	—	—	—	—	—	—	—	—	0.04	—	0.04
Add: Pension settlement charge	—	—	—	—	—	—	—	—	0.01	0.01	—
Add: Tax reform		—	—	1.36	1.36	—	—	—	—	—	—
Add: Transaction costs and other charges	0.13	0.07	0.06	0.17	0.05	0.05	0.05	0.02	—	—	—
Total adjustments	0.13	0.07	0.06	1.53	1.41	0.05	0.05	0.02	0.27	0.23	0.04
Adjusted diluted EPS	$ 3.37	$ 1.72	$ 1.65	$ 5.85	$ 1.52	$ 1.50	$ 1.46	$ 1.37	$ 5.48	$ 1.41	$ 1.28
Reported percentage change	17 %	17 %									
Adjusted percentage change	19 %	18 %									

Non-GAAP Measures, continued

	2018		2017				2016			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1 (a)
Free Cash Flow (FCF) - Free cash flow is a measure used by investors, financial analysts and management to evaluate the ability of a company to pursue opportunities that enhance shareholder value. FCF equals cash flow from operations less capital expenditures.										
Operating cash flow	$ 790	$ 688	$ 836	$ 794	$ 701	$ 710	$ 726	$ 788	$ 706	$ 569
Less: capital expenditures	(351)	(325)	(339)	(320)	(325)	(327)	(409)	(376)	(357)	(323)
Free Cash Flow	**$ 439**	**$ 363**	**$ 497**	**$ 474**	**$ 376**	**$ 383**	**$ 317**	**$ 412**	**$ 349**	**$ 246**
Available Operating Cash Flow (AOCF) and Base Capex - Available operating cash flow is a measure used by investors, financial analysts and management to evaluate the ability of a company to pursue opportunities that enhance shareholder value. AOCF measures operating cash flows available after capital expenditures to maintain or replace existing assets (base capex). AOCF equals cash flow from operations less base capex.										
Capex	$ 351	$ 325	$ 339	$ 320	$ 325	$ 327	$ 409	$ 376	$ 357	$ 323
Less: backlog capex (a)	(142)	(100)	(96)	(70)	(108)	(94)	(140)	(147)	(126)	(115)
Base Capex	**$ 209**	**$ 225**	**$ 243**	**$ 250**	**$ 217**	**$ 233**	**$ 269**	**$ 229**	**$ 231**	**$ 208**
Operating cash flow	$ 790	$ 688	$ 836	$ 794	$ 701	$ 710	$ 726	$ 788	$ 706	$ 569
Less: base capex	(209)	(225)	(243)	(250)	(217)	(233)	(269)	(229)	(231)	(208)
Available Operating Cash Flow	**$ 581**	**$ 463**	**$ 593**	**$ 544**	**$ 484**	**$ 477**	**$ 457**	**$ 559**	**$ 475**	**$ 361**

(a) Backlog capex is defined as capital expenditures for projects greater than $5 million with a customer supply contract

Net Debt, Capital and Debt-to-Capital Ratio - The debt-to-capital ratio is a measure used by investors, financial analysts and management to provide a measure of financial leverage and insights into how the company is financing its operations.

Debt	$ 8,458	$ 8,842	$ 9,000	$ 9,237	$ 9,367	$ 9,368	$ 9,515	$ 9,842	$ 9,956	$ 9,404
Less: cash and cash equivalents	(479)	(545)	(617)	(607)	(535)	(519)	(524)	(627)	(567)	(221)
Net debt	7,979	8,297	8,383	8,630	8,832	8,849	8,991	9,215	9,389	9,183
Equity and redeemable noncontrolling interests:										
Redeemable noncontrolling interests	14	13	11	11	10	10	11	11	12	119
Praxair, Inc. shareholders' equity	6,027	6,368	6,018	6,256	5,807	5,529	5,021	5,245	5,140	4,888
Noncontrolling interests	501	516	493	475	453	436	420	393	407	417
Total equity and redeemable noncontrolling interests	6,542	6,897	6,522	6,742	6,270	5,975	5,452	5,649	5,559	5,424
Capital	$ 14,521	$ 15,194	$ 14,905	$ 15,372	$ 15,102	$ 14,824	$ 14,443	$ 14,864	$ 14,948	$ 14,607
Debt-to-capital	**54.9 %**	**54.6 %**	**56.2 %**	**56.1 %**	**58.5 %**	**59.7 %**	**62.3 %**	**62.0 %**	**62.8 %**	**62.9 %**

Non-GAAP Measures, continued

After-tax Return on Capital and Adjusted After-tax Return on Capital (ROC)- After-tax return on capital is a measure used by investors, financial analysts and management to evaluate the return on net assets employed in the business. ROC measures the after-tax operating profit that the company was able to generate with the investments made by all parties in the business (debt, noncontrolling interests and Praxair, Inc. shareholders' equity).

	2018		2017				2016			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1 (a)
Reported net income - Praxair, Inc.	$ 480	$ 462	$ 33	$ 419	$ 406	$ 389	$ 406	$ 339	$ 399	$ 356
Add: noncontrolling interests	19	10	16	16	14	15	13	5	10	10
Add: interest expense - net	44	46	41	41	38	41	38	43	44	65
Less: tax benefit on interest expense - net *	(11)	(11)	(11)	(11)	(11)	(12)	(10)	(12)	(12)	(20)
Net operating profit after-tax (NOPAT)	**$ 532**	**$ 507**	**$ 79**	**$ 465**	**$ 447**	**$ 433**	**$ 447**	**$ 375**	**$ 441**	**$ 411**
Pre-tax Adjustments:										
Add: Cost reduction program and other charges, net	—	—	—	—	—	—	—	96	—	—
Add: Pension settlement charge	—	—	—	2	—	—	—	4	—	—
Add: Transaction costs and other charges	24	19	17	14	15	6	—	—	—	—
Less: income taxes on pre-tax adjustments	(3)	(2)	(3)	—	—	—	—	(29)	—	—
Add: Tax reform net income tax charge	—	—	394	—	—	—	—	—	—	—
Adjusted NOPAT	**$ 553**	**$ 524**	**$ 487**	**$ 481**	**$ 462**	**$ 439**	**$ 447**	**$ 446**	**$ 441**	**$ 411**
4-quarter trailing NOPAT	$ 1,583	$ 1,497	$ 1,424	$ 1,792	$ 1,702	$ 1,696	$ 1,674	$ 1,688	$ 1,751	$ 1,658
4-quarter trailing adjusted NOPAT	$ 2,045	$ 1,953	$ 1,869	$ 1,829	$ 1,794	$ 1,773	$ 1,745	$ 1,759	$ 1,769	$ 1,789
Ending capital (see above)	$ 14,521	$ 15,194	$ 14,905	$ 15,372	$ 15,102	$ 14,824	$ 14,443	$ 14,864	$ 14,948	$ 14,607
5-quarter average ending capital	$ 15,019	$ 15,079	$ 14,929	$ 14,921	$ 14,836	$ 14,737	$ 14,570	$ 14,513	$ 14,480	$ 14,451
After-tax ROC (4-quarter trailing NOPAT / 5-quarter average capital)	**10.5 %**	**9.9 %**	**9.5 %**	**12.0 %**	**11.5 %**	**11.5 %**	**11.5 %**	**11.6 %**	**12.1 %**	**11.5 %**
Adjusted after-tax ROC (4-quarter trailing adjusted NOPAT / 5-quarter average capital)	**13.6 %**	**13.0 %**	**12.5 %**	**12.3 %**	**12.1 %**	**12.0 %**	**12.0 %**	**12.1 %**	**12.2 %**	**12.4 %**

* Tax benefit on interest expense - net is generally presented using the reported effective rate.

EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin - These measures are used by investors, financial analysts and management to assess a company's profitability.

Reported net income - Praxair, Inc.	$ 480	$ 462	$ 33	$ 419	$ 406	$ 389	$ 406	$ 339	$ 399	$ 356
Add: noncontrolling interests	19	10	$ 16	16	14	15	13	5	10	10
Add: interest expense - net	44	46	$ 41	41	38	41	38	43	44	65
Add: net pension and OPEB cost (benefit), excluding service cost	2	2	3	6	2	(15)	(1)	8	2	—
Add: income taxes	158	148	558	162	157	149	152	120	146	133
Add: depreciation and amortization	311	311	307	298	292	287	285	284	281	272
EBITDA	**$ 1,014**	**$ 979**	**$ 958**	**$ 942**	**$ 909**	**$ 866**	**$ 893**	**$ 799**	**$ 882**	**$ 836**
Adjustments:										
Add: Cost reduction program and other charges, net	—	—	—	—	—	—	—	96	—	—
Add: Pension settlement charge	—	—	—	—	—	—	—	—	—	—
Add: Transaction costs and other charges	24	19	17	14	15	6	—	—	—	—
Adjusted EBITDA	**$ 1,038**	**$ 998**	**$ 975**	**$ 956**	**$ 924**	**$ 872**	**$ 893**	**$ 895**	**$ 882**	**$ 836**
Reported sales	3,061	2,999	2,953	2,922	2,834	2,728	2,644	2,716	2,665	2,509
EBITDA margin	**33.1 %**	**32.6 %**	**32.4 %**	**32.2 %**	**32.1 %**	**31.7 %**	**33.8 %**	**29.4 %**	**33.1 %**	**33.3 %**
Adjusted EBITDA margin	**33.9 %**	**33.3 %**	**33.0 %**	**32.7 %**	**32.6 %**	**32.0 %**	**33.8 %**	**33.0 %**	**33.1 %**	**33.3 %**

(a) 2016 first quarter operating cash flow was restated for the reclassification of $16 million cash payment related to the bond redemption from operating cash flow to financing cash flow on the statement of cash flow pursuant to new accounting guidance adopted in the first quarter of 2018 relating to the classification of certain cash receipts and payments.

Sustainable Development Highlights

PRAXAIR
Making our planet more productive

BEST-IN-CLASS SAFETY PERFORMANCE

SAFETY FIRST

20x BETTER than US OSHA Industrial Average Lost Workday Case Rate

Praxair applications enabled

2X more GHG emissions to be avoided

than were emitted from all its operations

355,000

global beneficiaries from Praxair's Community Engagement Program

230 Million

people globally served by water applications

400+ sites

PARTICIPATED IN PRAXAIR'S **Zero Waste Program**

RECOGNITION

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

America's Most JUST Companies — Forbes 2017

2018 = Bloomberg Gender-Equality Index

DiversityInc 2018 TOP 50 COMPANIES FOR DIVERSITY NOTEWORTHY

2018 World's Most Ethical Companies® WWW.ETHISPHERE.COM

Forbes | 2018 America's Best Large Employers — Powered by Statista

Praxair's Global Giving Program supported 1,000 organizations in 31 countries around the world

PRAXAIR
Making our planet more productive

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