

1 KEY RESULTS VS. CONSENSUS			
Metric	Reported	Consensus	vs. Cons.
Revenue	\$3.161 billion	\$3.19 billion	-0.9%
Operating Income (vs. Prior Quarter)	\$810.3 million	\$752.7 million	+7.7%
Diluted EPS (adjusted)	\$3.47	\$3.34	+3.9%
SEGMENT REVENUE			
Industrial Gases Americas	\$1.321 billion	\$1.35 billion	-2.1%
Industrial Gases Asia	\$886.0 million	\$851.2 million	+4.1%
Industrial Gases Europe	\$815.7 million	\$813.6 million	+0.3%
Industrial Gases Middle East & India	\$34.8 million	\$36.3 million	-4.1%

2 | GUIDANCE AND OUTLOOK

Full-year adjusted EPS guidance rose to \$13.39-\$13.49 from \$13.00-\$13.25; Q4 guidance is \$3.55-\$3.65. Capital expenditure guidance fell to approximately \$3.5 billion from \$4.0 billion, with payment timing the largest immediate factor. Middle East affiliate income should normalize in Q4, while productivity comparisons become less favorable. No formal fiscal 2027 EPS range was issued; management expects no NEOM gain or loss in 2027. Buybacks remain conditional, with visibility toward late 2027 or early 2028.

3 | EARNINGS ANALYSIS

PROFITABILITY LED THE BEAT. Adjusted EPS rose 12.3% to \$3.47, beating consensus by 3.9%, while revenue was approximately 0.9% below expectations. Asia generated approximately 57% of the increase in consolidated adjusted operating income, supported by electronics demand, assets, helium improvement and held-for-sale gasification benefits. Americas demand improved, but operating income finished slightly below consensus; higher affiliate income helps reconcile the EPS contribution. This was a profitability-led earnings beat rather than revenue outperformance. Sequentially, revenue was unchanged while operating margin improved from 23.7% to 25.6%.

REPORTED IS NOT NORMALIZED. Equity-affiliate income increased to \$205.2 million from \$167.6 million and sits below consolidated operating income. Middle East and India affiliate income was \$101.1 million, up \$15.1 million, not an increase exceeding \$100 million. Preferred-dividend timing supported the unusually strong quarter. Suspended depreciation increases accounting earnings without increasing cash generation; overdue collections improve cash realization but cannot be extrapolated indefinitely. Both benefits remain within adjusted earnings. Consequently, adjusted EPS of \$3.47 is not synonymous with fully normalized recurring EPS of \$3.47. Yara removes volume risk, not Air Products’ fixed-purchase exposure to ammonia prices. Fiscal 2027 earnings neutrality does not establish profitable steady-state economics.

MARGIN GAINS REMAIN UNEVEN. Americas operating margin was 29.9%, versus approximately 29.7%, but approximately 50 basis points of favorable energy pass-through impact exceeded the expansion. Underlying margin performance was modestly weaker as costs absorbed volume benefits. Europe’s volumes declined 2% and operating margin fell to 28.3%; pricing and mix provided resilience, not evidence of broad industrial recovery. Asia’s depreciation reduction was material relative to its profit increase, limiting evidence for purely organic, cash-based improvement. Helium remained an approximately 2% earnings headwind, better than the expected 3%, with 40% of volume supplied from the Texas cavern; withdrawals could continue for many quarters; the forecast did not depend on prompt normalization of Qatari supply.

CASH COVERAGE IS IMPROVING. Year-to-date operating cash flow of \$3.310 billion exceeded management-defined capital expenditure by \$663.4 million, but remained negative by \$536.6 million after dividends. Standalone Q3 was modestly positive after dividends, without establishing cash neutrality. Working-capital improvement accounted for 65% of operating-cash-flow growth. Project exits reduced funding needs but crystallized a \$2.907 billion pretax charge. The reset does not reverse sunk losses.

4 | KEY READ-THROUGHS

YARA CAPTURES DISTRIBUTION ECONOMICS WITHOUT ASSUMING MOST OF NEOM’S PRICE RISK
Yara International (YAR) | Positive | Moderate strategic benefit to the ammonia platform
Variable commissions reward Yara for commercializing renewable ammonia, while Air Products retains its fixed-price purchase obligation and most commodity-price exposure. Potential NEOM output of up to 1.2 million metric tonnes annually can increase utilization of Yara’s shipping, terminals and customer network. Commission rates and allocation to European hydrogen remain undisclosed, leaving the initial consolidated earnings contribution limited and unquantifiable.

PROJECT CANCELLATIONS AND EXTENDED COMMISSIONING REMAIN MATERIAL RISKS TO ELECTROLYZER MARGIN RECOVERY
thyssenkrupp nucera (NCH2) | Negative | Material to the green-hydrogen segment
Casa Grande’s exit affects an identified electrolyzer supply project, while NEOM’s long commissioning process extends execution uncertainty. Nucera already guided green-hydrogen EBIT to negative €125 million to negative €90 million. Cancellation can remove future service opportunities; commissioning can affect acceptance-related work and cash collection. No specific supplier penalty, payment delay or technical failure was established. Nucera’s €176 million of green-hydrogen order intake prevents a blanket sector-collapse conclusion.

ELECTRONICS GROWTH IS AN INDUSTRY OPPORTUNITY
Linde (LIN), Air Liquide (AI) | Positive | Moderate for multiyear growth visibility
New long-duration gas-supply infrastructure and customer ramps support recurring consumption across suppliers. Air Liquide’s approximately €1 billion of first-half electronics investment decisions and record €6 billion total backlog corroborate an industry opportunity, not observed peer share loss. Linde’s July 31 results were the immediate test; Air Liquide’s July 28 results make this confirmation rather than a fresh earnings predictor.

LOUISIANA’S CANCELLATION REDUCES COMPETING AMMONIA SUPPLY
CF Industries (CF) | Positive | Moderate for low-carbon ammonia positioning
Removing Louisiana’s approximately 2.8 million tonnes of planned annual low-carbon ammonia production reduces committed competing supply around CF’s Blue Point startup, targeted for 2029. Less competition can improve the outlook for customer commitments and low-carbon offtake. Equipment resale or redeployment limits permanence: the high-conviction conclusion is probable capacity delay, not permanent supply removal, with negligible direct effect on 2026 earnings.