

# Praxair, Inc.

Scott E. Telesz  
Executive Vice President



Barclays ROC Stars Conference

May 06, 2014

# Forward Looking Statement

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 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; the cost and outcomes of investigations, litigation and regulatory proceedings; 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 projections or estimates contained in the forward-looking statements. Additionally, financial projections or estimates exclude the impact of special items which the company believes are not indicative of ongoing business performance. 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 Form 10-K and 10-Q reports filed with the SEC which should be reviewed carefully. Please consider the company’s forward-looking statements in light of those risks.

## **Scott E. Telesz**

### **Executive Vice President**

Scott Telesz currently serves as executive vice president of Praxair, leading the company's U.S. atmospheric gases businesses, Praxair Canada and Praxair Surface Technologies.

In 2012, Telesz was named executive vice president of Praxair. Since joining the company in 2010 as senior vice president and a member of the executive leadership team, Telesz has led several businesses and functions, including Praxair Asia, Praxair Europe/Russia, Praxair Middle East, Strategic Planning and Global Procurement & Materials Management.

Prior to joining Praxair, Telesz was vice president of SABIC Innovative Plastics, a major division of Riyadh-based Saudi Basic Industries Corporation, a global manufacturer of chemicals, fertilizers, plastics and metals. In this role, he managed the company's \$2.5 billion global resins business. Prior to that, Telesz held a variety of management positions with General Electric from 1998 to 2007 and played important roles in sourcing, logistics and business development. From 1989 to 1998, he held several positions, including engagement manager, in the U.S. and Australia with McKinsey & Company.

Telesz earned a bachelor's degree in electrical engineering from Duke University and a master's degree in business administration from Harvard Business School.

We supply customers with atmospheric, process and specialty gases, high-performance coatings, and related services and technologies

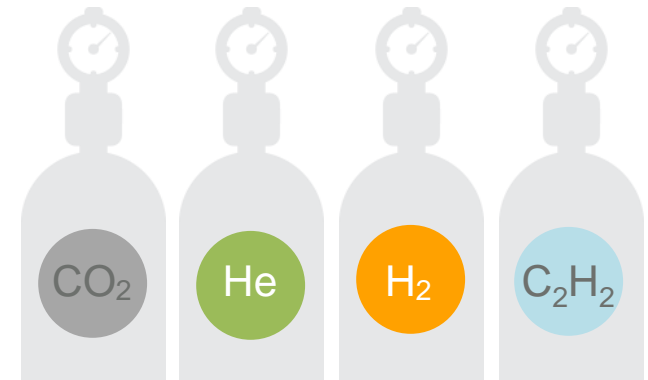
## ■ Atmospheric Gases

- Produced when air is purified, compressed, cooled, distilled and condensed
- Oxygen, nitrogen, argon and rare gases

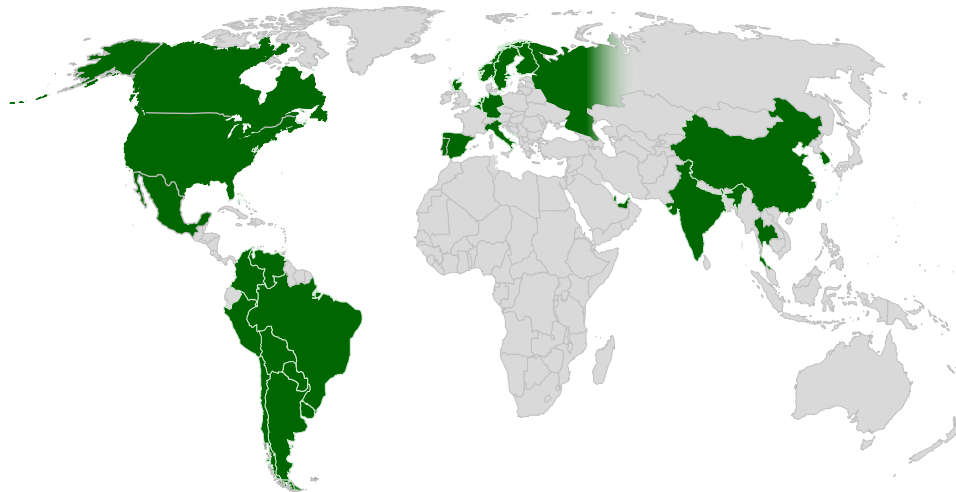


## ■ Process & Specialty Gases

- Produced as by-products of chemical production or recovered from natural gas
- Carbon dioxide, helium, hydrogen, semiconductor process gases, and acetylene



# Select Geographies and Integrated Supply



**North America** 52%

**South America** 17%

**Europe** 13%

**Asia** 13%

## Three supply modes

**Onsite / Pipeline** 27%

- 15-year take-or-pay contracts
- Indexed to energy, inflation and currency

**Merchant / Liquid** 34%

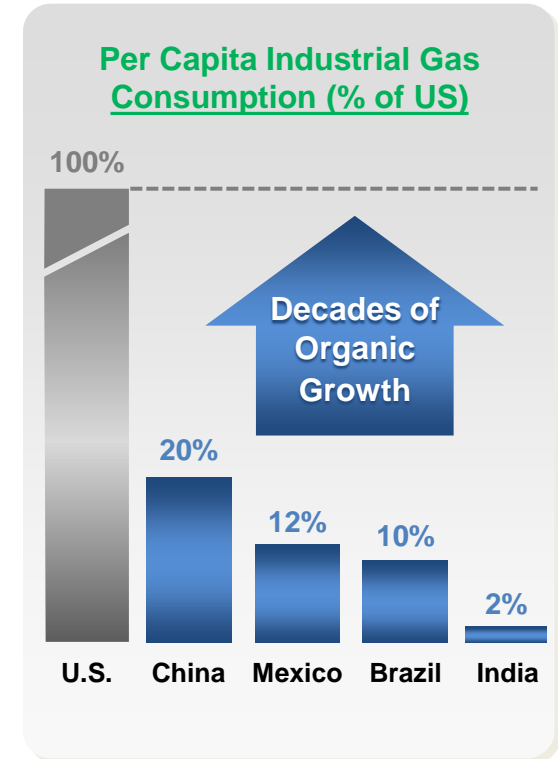
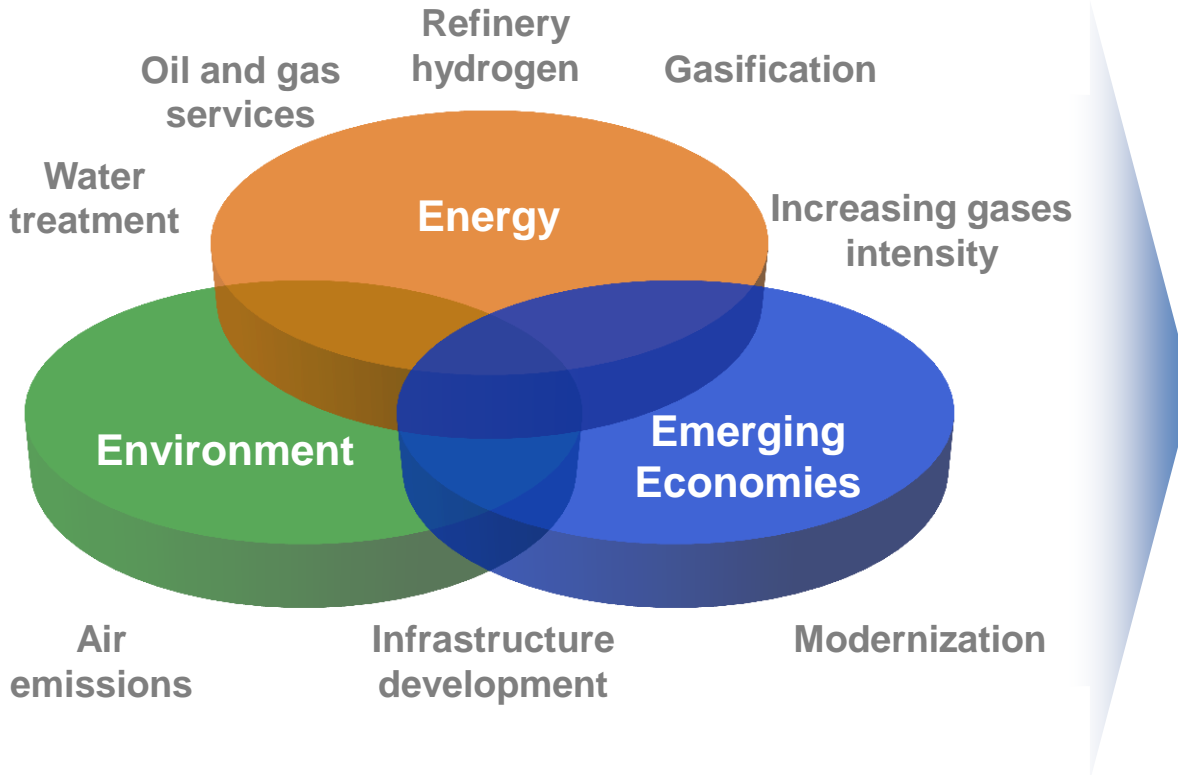
- Exclusive supply contracts, 3-7 years
- Sourced as by-product from on-site

**Packaged** 30%

- Cylinder rental and specialty gas focus
- Sourced as by-product from bulk

Production / distribution density drives higher profitability and ROC

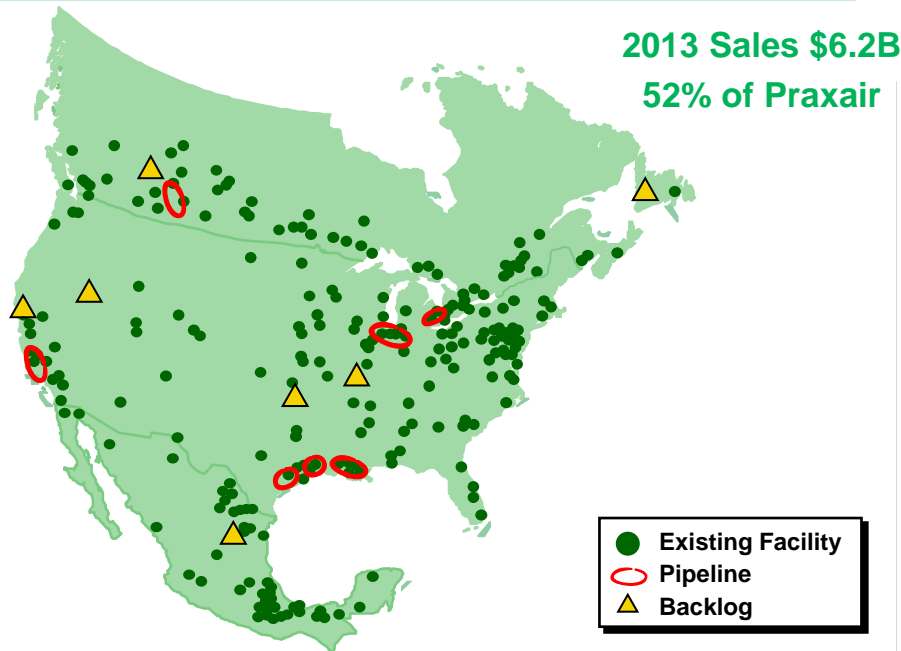
# Secular Growth Drivers...



Source: Spiritus Consulting and internal analysis

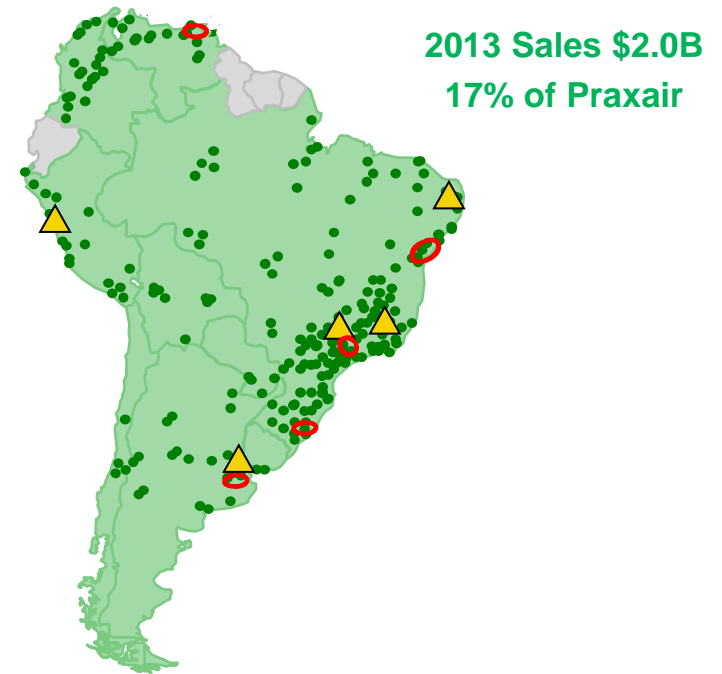
...provide sustainable growth

# The Americas: Unrivalled Integrated Supply Networks



- Solid growth fundamentals: manufacturing, energy, chemical and metals
- Packaged gas acquisition opportunities
- Strong petchem proposal activity

Growing & Building Density

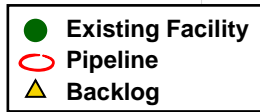
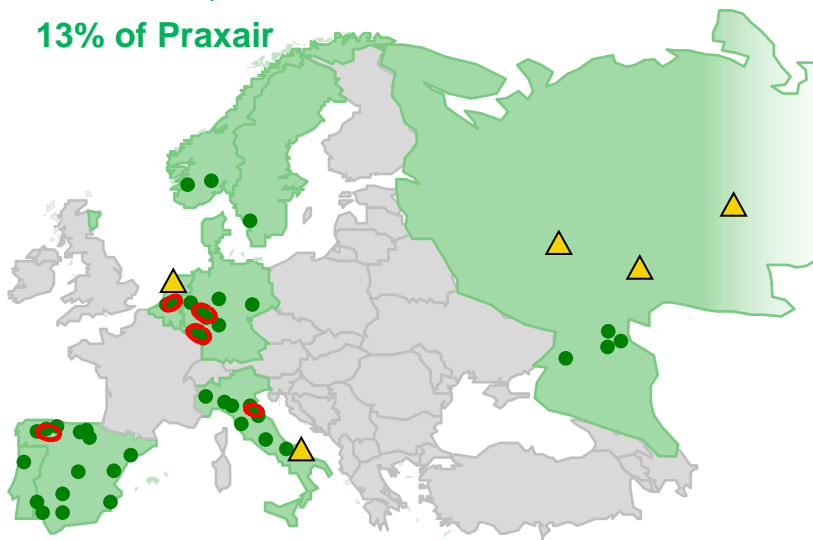


- Growth opportunities
  - Expanding domestic demand and infrastructure projects
  - Vast mineral and hydrocarbon resources
- #1 or #2 position in eight out of nine countries

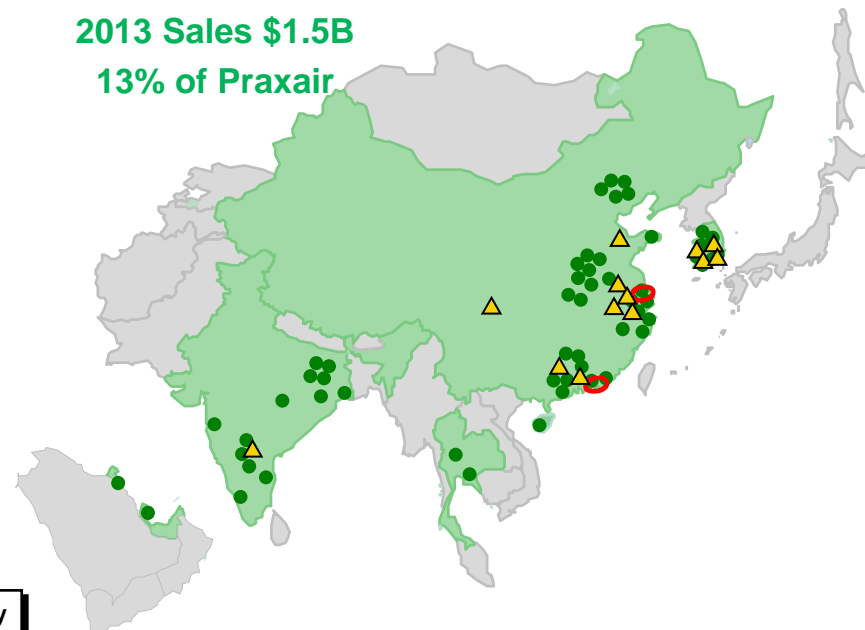
Best Positioned & Preferred Supplier

# Europe and Asia Segments

2013 Sales \$1.5B  
13% of Praxair



2013 Sales \$1.5B  
13% of Praxair



- Rightsized costs in the South
- Density and efficiency improvement with Italian acquisition & France divestiture
- Growing in the North, entering Russia

## Growth Opportunities

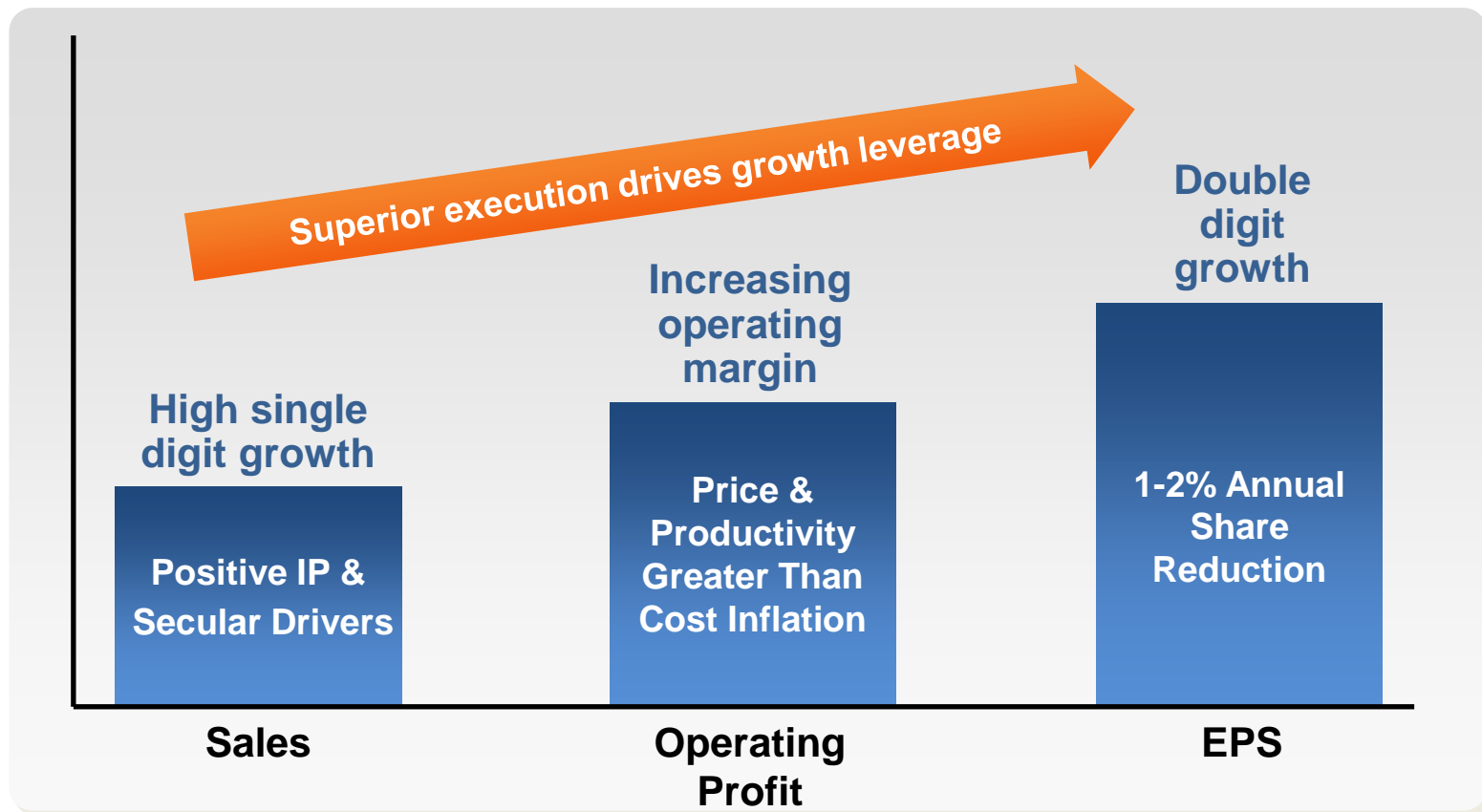
- Refining
- Chemicals
- Energy efficiency
- Environmental
- Application technologies

Margin upside with recovery

Density focus...profitable growth



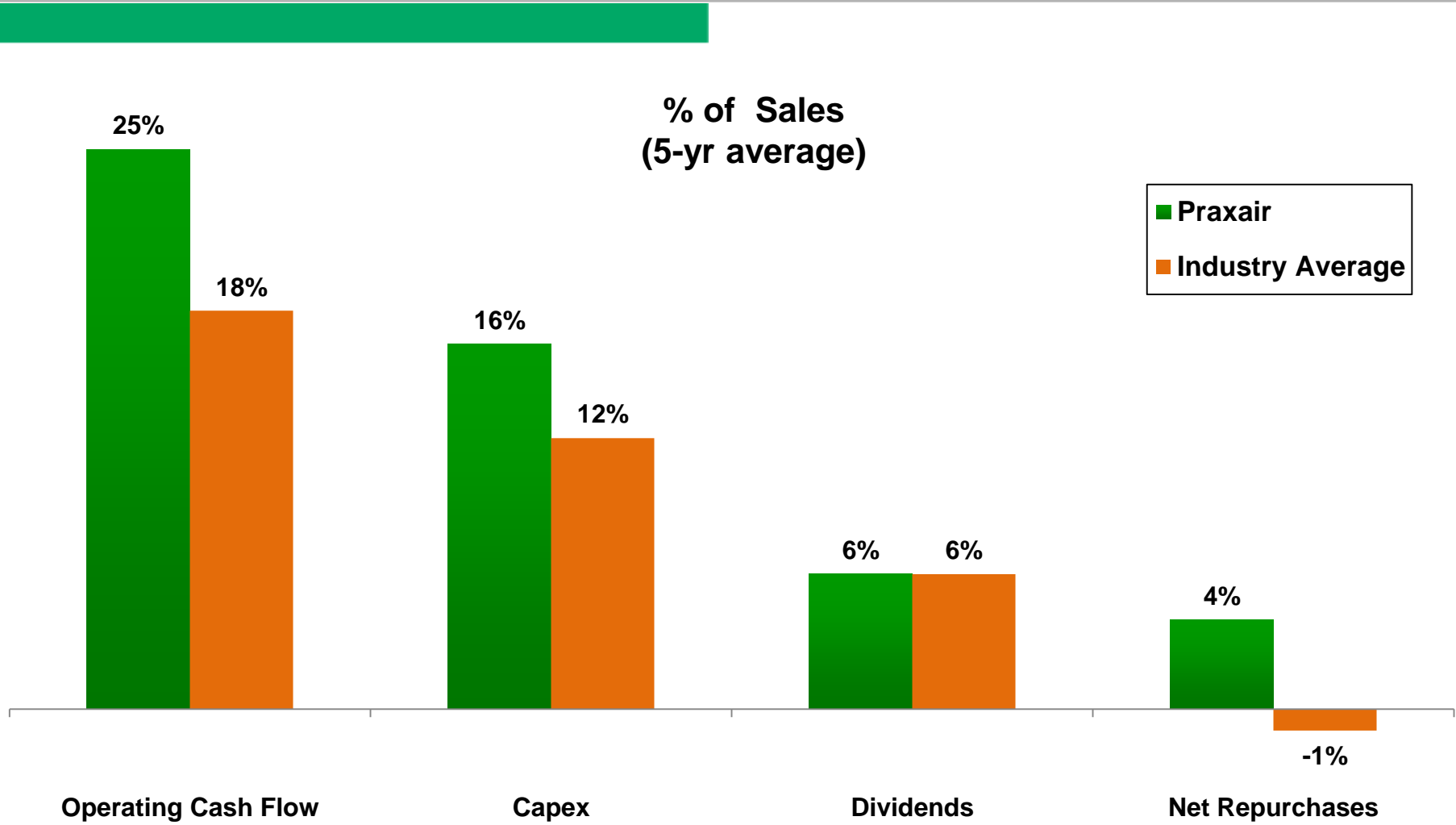
# Medium Term Growth Outlook



After-tax ROC 14-15%

Strong cash flow generation

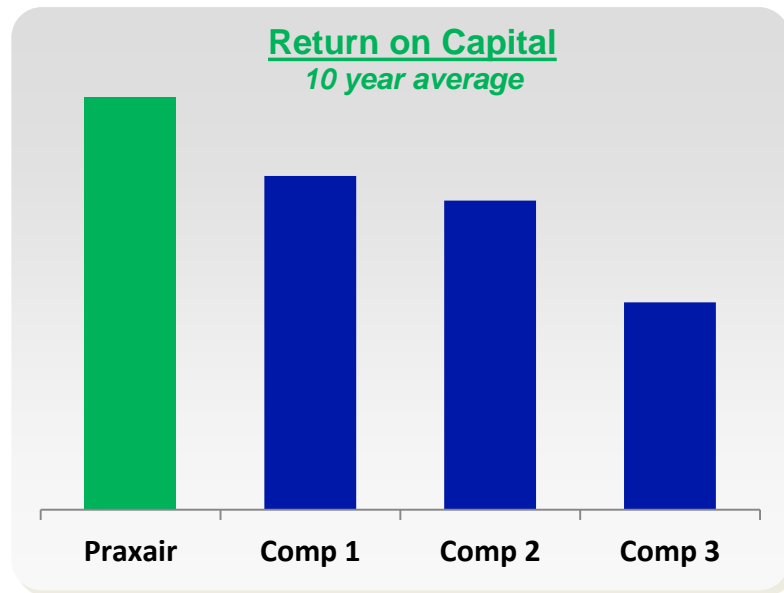
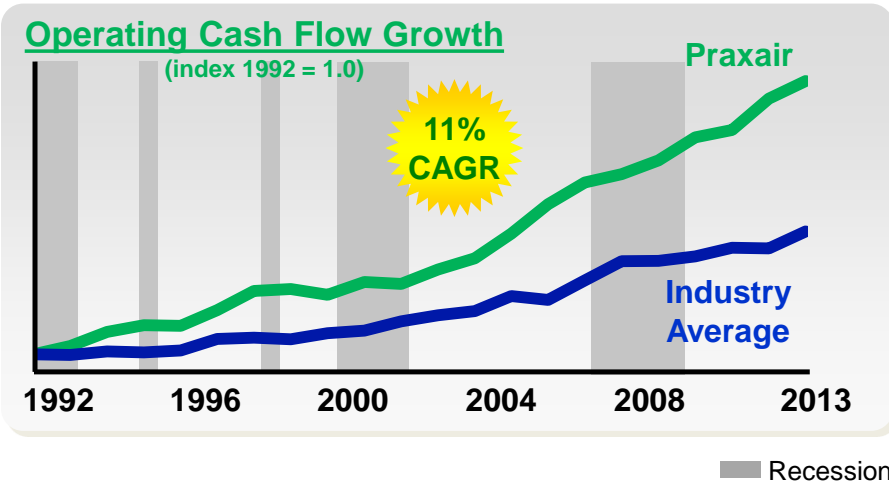
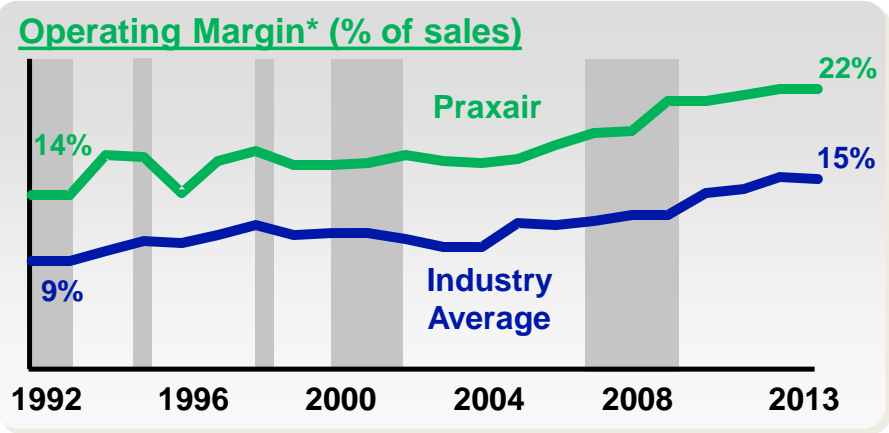
# We Generate Stronger Cash Flow and...



...reinvest and return to shareholders at a greater rate





# Consistent Outperformance

- Execution Culture
- Productivity and Price
- Disciplined Capital Investment



Leading value creation in the industry

## Sustainable Development Targets 2009-2015

Business Drivers	Economic	Environmental	Social
ENERGY			Zero Waste
ENVIRONMENT	\$3 Billion Eco-Portfolio		
EMERGING ECONOMIES		GHG benefit 2X total GHG emissions	
EXECUTION	\$500 Million cumulative savings from Sustainable Productivity	Energy Efficiency	1.3MM Hours invested in safety training

