

VERSUM MATERIALS

Air Products Electronic Materials Division Spin-off

Form 10 Highlights

August 2016



FORWARD-LOOKING STATEMENTS

This presentation and materials Air Products and Versum have filed or will file with the SEC contain, or will contain, certain statements regarding business strategies, market potential, future financial performance, future action, results and other matters which are “forward-looking” statements within the meaning of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “project,” “estimate,” “budget,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will,” “would,” “objective,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target” and similar expressions, among others, generally identify forward-looking statements, which speak only as of the date the statements were made. Additionally, forward-looking statements include, but are not limited to: statements about business strategies and outlook for Versum, expectations as to Versum’s future sales, estimates regarding Versum’s capital requirements and needs for additional financing, estimates of Versum’s expenses, future revenues and profitability, and estimates of the size of the market for Versum’s products, and estimates of the success of other competing technologies that may become available. These forward-looking statements are based on management’s reasonable expectations and assumptions as of the date of this presentation. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, weakening of global or regional economic conditions; future financial and operating performance of major customers; unanticipated contract terminations or customer cancellations of sales; the impact of competitive products and pricing; unexpected changes in raw material supply and markets; Versum’s failure to successfully develop and market new products and optimally manage product life cycles; Versum’s inability to protect and enforce its intellectual property rights; failure to appropriately manage process safety and product stewardship issues; changes in laws and regulations or political conditions; global economic and capital markets conditions, such as inflation, interest and currency exchange rates; delays in or inability to obtain requisite regulatory approvals and changes in capital market conditions that may affect the separation and the execution thereof, including the timing of the separation; business or supply disruptions; security threats, such as acts of sabotage, terrorism or war, weather events and natural disaster; increased competition; changes in relationships with our significant customers and suppliers; unanticipated business disruptions; Versum’s ability to predict, identify and interpret changes in consumer preferences and demand; uncertainty regarding the availability of financing to us in the future and the terms of such financing; disruptions in Versum’s information technology networks and systems; unexpected safety or manufacturing issues; costs and outcomes of litigation or regulatory investigations; the impact of management and organizational changes; the success of productivity and operational improvement programs; the timing, impact, and other uncertainties of future acquisitions or divestitures; the impact of changes in environmental, tax or other legislation and regulations in jurisdictions in which Versum and its affiliates operate; and relocation of our corporate headquarters and key activities and other risk factors described in “Risk Factors,” “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the amended Form 10 registration statement referred to below. Air Products and Versum disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document to reflect an change in assumptions, beliefs or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based, except as required by applicable law.

Versum Materials LLC filed an amended Form 10 registration statement with the United States Securities and Exchange Commission on August 25, 2016. The Form 10 is not yet effective and, as is customary, will be updated to provide additional information regarding capital structure, pro forma unaudited results and other matters as they become available.

AIR PRODUCTS HAS ANNOUNCED ...

- **“Our current intention to separate our electronic materials division (EMD) through a tax-free spin-off to our shareholders as Versum Materials.”**
 - Separation of EMD from the rest of Air Products is on track and expected by the end of September 2016
 - Spin-off of shares of Versum Materials to our shareholders is subject to;
 - Typical regulatory approvals and approval by Air Products’ Board
 - Currently targeting early October 2016 for Versum Materials to begin “regular way” public company trading
 - Currently expect a distribution ratio of 1 share of Versum Materials for every 2 shares of Air Products

MAXIMIZING SHAREHOLDER VALUE

- Air Products will be the safest and the most profitable industrial gas company in the world, providing excellent service to our customers
 - Enhances Air Products' ability to invest in and grow its core Industrial Gases business
- Ownership in Versum Materials
 - Will be the materials partner of choice for the semiconductor industry, providing innovative products for next generation chips used in mobile devices, Internet of Things, and PCs
- Both Air Products and Versum Materials will be well-capitalized with financial flexibility to pursue respective growth strategies

VERSUM MATERIALS

BEST IN CLASS ELECTRONIC MATERIALS COMPANY



Solid growth

High margins

Low capital intensity

Strong free cash flow



Leadership positions in a profitable and complex semiconductor materials industry



Strong technology, commercial and operations capabilities



Global infrastructure



Compelling growth platforms with sustainable competitive advantage



Strong financial performance and cash flow generation



Experienced management team with proven track record



Form 10 Highlights

VERSUM MATERIALS

A PORTFOLIO OF WORLD CLASS BUSINESSES

Sales:	\$1,009
Adj Op Income:	\$244
Op Margin:	24.1%
Adj EBITDA:	\$302
EBITDA Margin:	29.9%

Materials
74% of sales

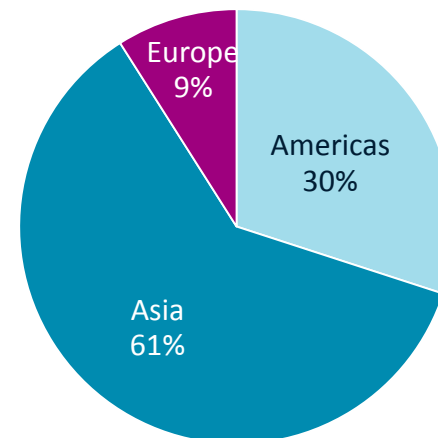
**Delivery Systems &
Services**
26% of sales

Solid growth

High margins

Low capital intensity

Strong free cash flow



VERSUM MATERIALS

DIVERSIFIED PORTFOLIO FOCUSED ON TECHNOLOGY DRIVEN SEMICONDUCTORS

Segments



Materials

Focus Areas

- Advanced Materials
- Process Materials

Key Products

- Advanced Deposition Materials for Thin Films
- CMP Slurries and Post CMP Cleans
- Formulated Products for Surface Prep & Clean
- Deposition
- Clean & Etch
- Doping
- Laser



Delivery Systems & Services

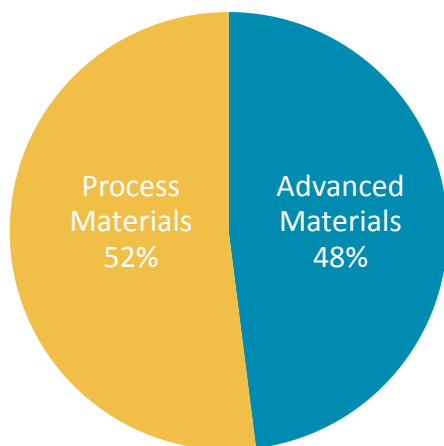
- Equipment
- Turnkey Systems
- Services

- Specialty Gases Delivery
- Chemicals Delivery
- CMP Slurry Delivery
- Systems Technical Support
- Installation Projects
- On site Materials Management Services



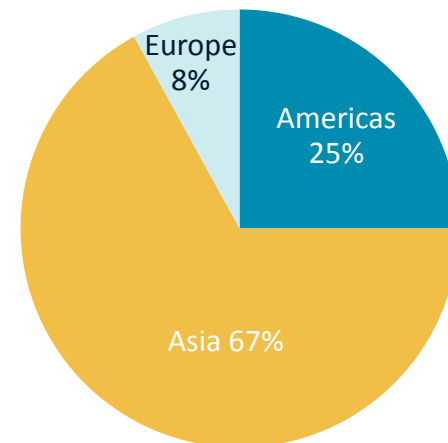
MATERIALS SEGMENT

DIVERSIFIED PORTFOLIO FOCUSED ON TECHNOLOGY DRIVEN SEMICONDUCTORS



Sales: \$743
Adj Op Income: \$214
Margin: 28.7%
Adj EBITDA: \$263
Margin: 35.4%

Sales by business unit and destination



- Integrated provider of leading edge specialty materials, 80% to the semiconductor market
- Advanced Materials - 80% of portfolio is based on proprietary or patent-protect positions
- Process Materials - High-purity gases & chemicals for cleaning, etching, doping & film deposition
- 980 employees, 11 production and 6 R&D facilities serving more than 250 customers

Solid growth

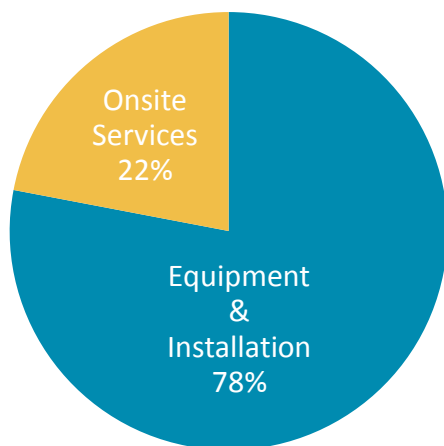
High margins

Low capital intensity

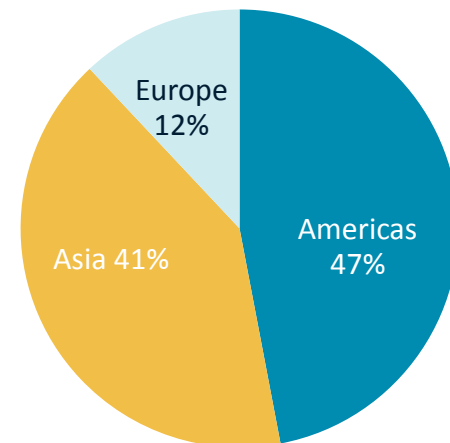
Strong free cash flow

DELIVERY SYSTEMS & SERVICES SEGMENT

DIVERSIFIED PORTFOLIO FOCUSED ON TECHNOLOGY DRIVEN SEMICONDUCTORS



Sales: \$266
Adj Op Income: \$ 49
Margin: 18.5%
Adj EBITDA: \$ 57
Margin: 21.6%



Sales by business unit and destination

- Gas & Chemical Delivery Systems – sale of equipment critical to managing delivery of key materials into the semiconductor process
- Turnkey & Installation – of materials delivery systems
- On-Site Services (MEGASYS)
 - On-going on-site inventory management of critical gases & chemicals
 - More than 450 people servicing over 50 customer locations

Solid growth

High margins

Low capital intensity

Strong free cash flow

THREE FINANCIAL REPORTS

“Electronic Materials Division (EMD) Results”

- As previously communicated by Air Products for EMD within the Materials Technologies segment statements

“Versum Audited Combined Financial Statements”

- Full Financial Statements as shown in the Form 10
- Primary adjustments relative to EMD results include;
 - GAAP restructuring and cost reduction charges
 - Allocation of corporate expenses to the Corporate Segment of Versum
 - Previously allocated depreciation now treated as a cash expense
 - Modest other adjustments including inventory valuation
 - Assessment of tax expense for the standalone business

“Versum Unaudited Pro-forma Financial Statements”

- Select financial information as shown in the Form 10
- Primary adjustments relative to Versum Combined include;
 - Capitalization – New third party debt, financing costs and interest expense
 - Business and Separation Agreements
 - \$22 million sales and \$11 million profit (FY15) primarily for products that will stay with APD
 - Transition service agreements (TSA) for interim Versum support such as IT, tax, accounting, treasury and legal expenses – assumed to approximate Versum Combined allocations
 - Pension obligations – reflects the transfer of net obligation for certain pension plans
 - Assessment of pro-forma tax expense

EMD VS VERSUM COMBINED

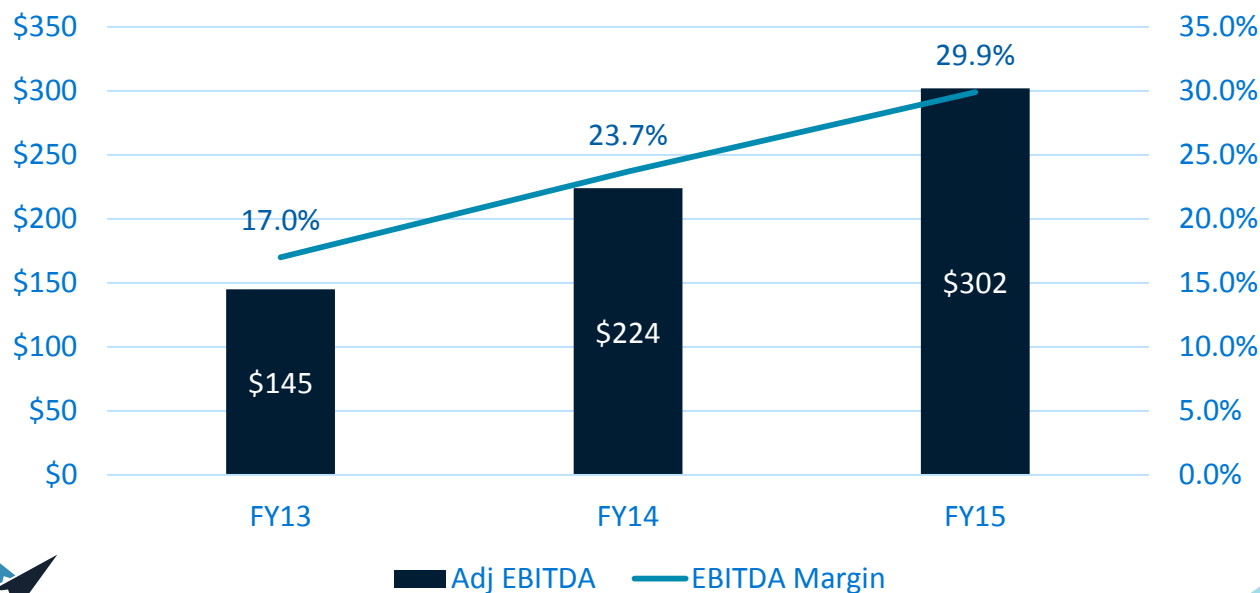
FY15	EMD	Versum	Delta
Sales	\$ 1,009	\$ 1,009	\$ 0
Adj Operating Income	\$ 266	\$ 244	\$ (22)
Op Margin	26.3%	24.1%	-220bp
Adj EBITDA	\$ 331	\$ 302	\$ (29)
EBITDA Margin	32.8%	29.9%	-290bp

- EMD = As previously communicated by Air Products for EMD within the Materials Technologies segment
- Versum = Versum Audited Combined Form 10 Financials includes;
 - Allocation of about \$18 million of corporate expenses (Corporate segment)
 - Other adjustments (inventory, etc.) of about \$4 million
 - Previously allocated depreciation now treated as a cash expense (\$7 million)

VERSUM COMBINED - FORM 10

FY15 IMPROVEMENT DRIVEN BY IMPROVED PRICING/MIX,
HIGHER VOLUMES AND LOWER COSTS OFFSETTING UNFAVORABLE CURRENCY

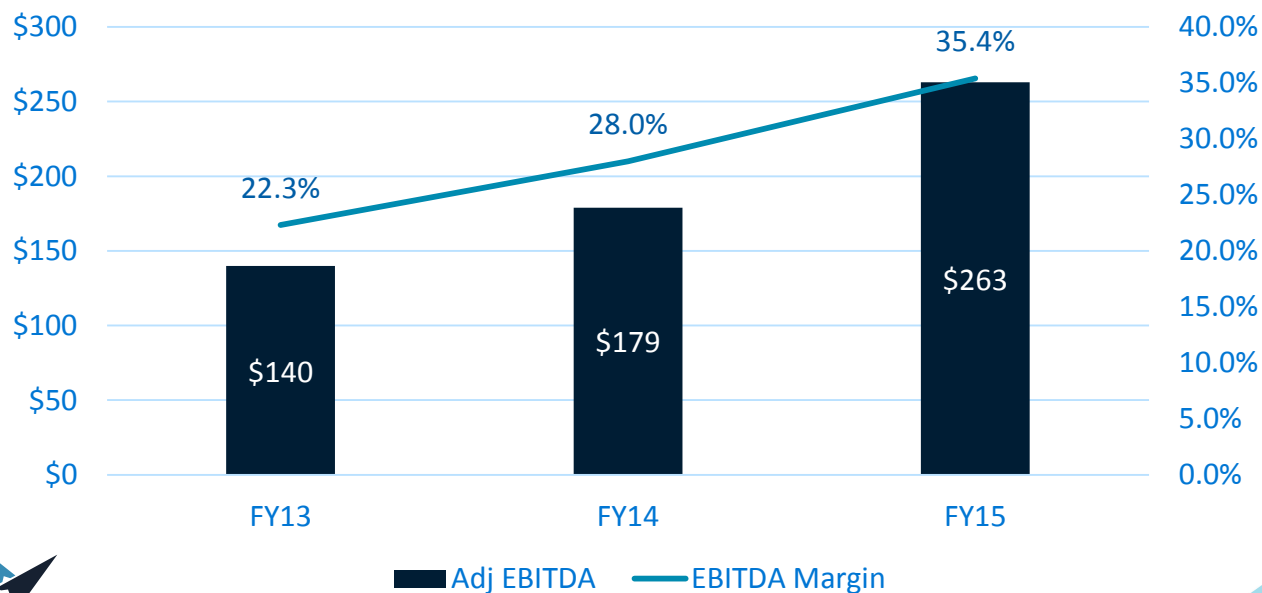
	FY13	FY14	FY15
Sales	\$ 853	\$ 943	\$ 1,009
Adj Operating Income	\$ 86	\$ 163	\$ 244
Op Margin	10.1%	17.2%	24.1%
Adj EBITDA	\$ 145	\$ 224	\$ 302
EBITDA Margin	17.0%	23.7%	29.9%



MATERIALS SEGMENT

FY15 IMPROVEMENT DRIVEN BY HIGHER VOLUMES, IMPROVED PRICING/MIX AND LOWER COSTS OFFSETTING UNFAVORABLE CURRENCY

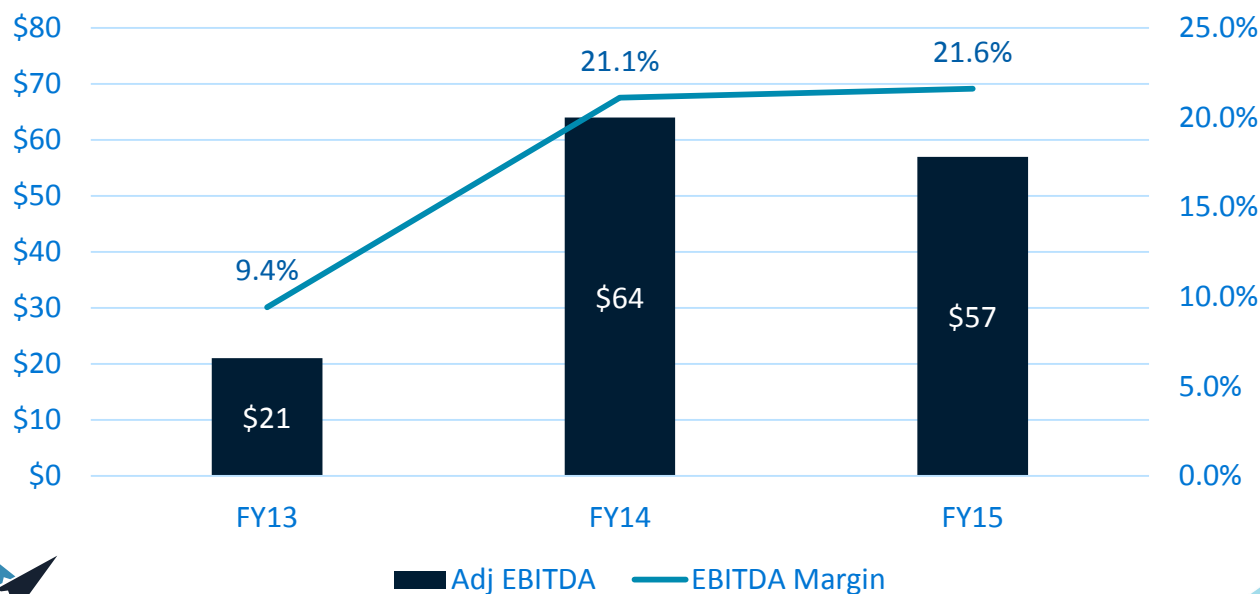
	FY13	FY14	FY15
Sales	\$ 628	\$ 640	\$ 743
Adj Operating Income	\$ 83	\$ 125	\$ 214
Op Margin	13.3%	19.5%	28.7%
Adj EBITDA	\$ 140	\$ 179	\$ 263
EBITDA Margin	22.3%	28.0%	35.4%



DELIVERY SYSTEMS & SERVICES SEGMENT

FY15 RESULTS IMPACTED BY LOWER VOLUMES OFFSETTING IMPROVED PRICING/MIX AND LOWER COSTS

	FY13	FY14	FY15
Sales	\$ 224	\$ 303	\$ 266
Adj Operating Income	\$ 20	\$ 58	\$ 49
Op Margin	8.8%	19.0%	18.5%
Adj EBITDA	\$ 21	\$ 64	\$ 57
EBITDA Margin	9.4%	21.1%	21.6%



ADDITIONAL ITEMS - #1

- Debt & Interest - initial debt level is expected to be approx. \$1 billion and we estimate the average annual interest cost will be approx. 5.25%
- Corporate Segment
 - Includes certain administrative costs associated with operating a public company, non-core operating activities, foreign exchange gains and losses, and other income and expense that cannot be directly associated with business segments.
 - \$19 million of costs, excluding non-GAAP items, in 2015
- Customers
 - Top 20 customers accounted for 80% of sales
 - Top 3 (Intel, Samsung, TSMC) accounted for 45% of sales
- Capex
 - Averaged about \$25 million annually over the last three years
 - Maintenance capex and Growth capex about half each
- Raw Materials
 - No single raw material is greater than 4% of COGS
 - About 40% of Materials Segment COGS
- R&D - Six R&D facilities in the US and Asia
 - Overall, about 4% of sales
 - Within Advanced Materials, 10-14% of sales
 - Approx. 1330 patents and 200 research scientists, lab technicians and engineers

ADDITIONAL ITEMS - #2

- Distribution Ratio – Currently expect a distribution ratio of 1 share of Versum Materials for every 2 shares of Air Products
- Restructuring Charges
 - 2015 = \$22 million related to business reorganization and cost reduction actions
 - 2014 = \$1 million related to business reorganization and cost reduction actions
 - 2013 = \$74 million related to business restructuring and cost reduction actions and \$59 million related to our exit from the photovoltaic market
- Separation Agreement
 - Will contain the principles governing the internal reorganization and specify the terms of the distribution
 - Will also include - Transition Services Agreement (TSA), a Tax Matters Agreement, an Employee Matters Agreement, Intellectual Property Licensing Agreement, and certain leases and utility, supply and toll manufacturing contracts
 - TSA – for a limited time, generally for no longer than 12 to 24 months
- Limited environmental liabilities
 - <\$1 million of environmental liabilities associated with one site will transfer to Versum
 - Air Products will retain liabilities and future exposure associated with all other sites
- Limited pension liabilities
 - Most Versum employees will be covered by a Versum defined contribution plan
 - \$20-\$25 million of net pension liabilities will transfer to Versum

LEADERSHIP

Seifollah Ghasemi

Director and Non-executive Chairman

Guillermo Novo

President and Chief Executive Officer
and Director

George Bitto

Senior Vice President and
Chief Financial Officer

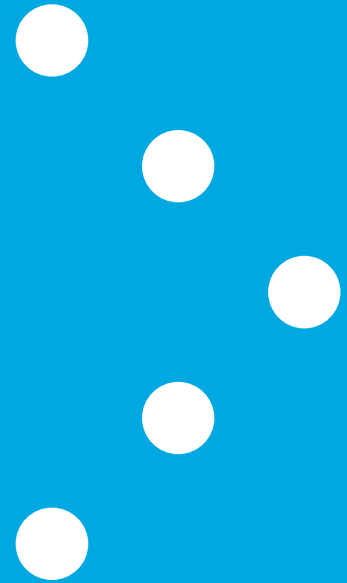
Patrick F. Loughlin

Senior Vice President Operations and
Supply Chain

Michael W. Valente

Senior Vice President Law and
Human Resources, General Counsel,
and Secretary

Appendix Slides



Appendix – Non GAAP Metrics

Versum - FORM 10			
\$ Millions	FY13	FY14	FY15
Materials Segment			
Operating Income	83.3	124.6	213.7
Add: Depreciation and amortization	54.9	52.7	48.1
Add Equity Affiliates' Income	<u>2.1</u>	<u>1.7</u>	<u>1.0</u>
Adjusted EBITDA	140.3	179.0	262.8
Sales	628.4	640.0	743.4
Operating Margin	13.3%	19.5%	28.7%
Adjusted EBITDA Margin	22.3%	28.0%	35.4%
Delivery Systems and Services Segment			
Operating Income	19.8	57.6	49.1
Add: Depreciation and amortization	1.4	6.3	8.3
Add Equity Affiliates' Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Adjusted EBITDA	21.2	63.9	57.4
Sales	224.4	302.5	265.9
Operating Margin	8.8%	19.0%	18.5%
Adjusted EBITDA Margin	9.4%	21.1%	21.6%
Corporate			
Operating Income	(17.0)	(19.7)	(19.2)
Add: Depreciation and amortization	0.6	0.5	0.5
Add: Equity Affiliates' Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Adjusted EBITDA	(16.4)	(19.2)	(18.7)
Total Versum Materials			
Operating Income	(46.5)	161.2	222.0
Business restructuring and cost reduction actions	<u>132.6</u>	<u>1.3</u>	<u>21.6</u>
Adjusted Operating Income	86.1	162.5	243.6
Add: Depreciation and amortization	56.9	59.5	56.9
Add Equity Affiliates' Income	<u>2.1</u>	<u>1.7</u>	<u>1.0</u>
Adjusted EBITDA	145.1	223.7	301.5
Sales	852.8	942.5	1,009.3
Adjusted Operating Margin	10.1%	17.2%	24.1%
Adjusted EBITDA Margin	17.0%	23.7%	29.9%

Electronic Materials *	
	FY15
Electronic Materials	
Operating Income	265.7
Add: Depreciation and amortization	63.8
Add Equity Affiliates' Income	<u>1.1</u>
Adjusted EBITDA	330.6
Sales	1,009.3
Operating Margin	26.3%
Adjusted EBITDA Margin	32.8%

* As previously communicated by Air Products for EMD within the Materials Technologies segment