CONCRETE ACTIONS, THEIR EFFECT AND TIMING

IAM Improvement Plan: Air Liquide

France · benchmark: Chemicals — Western Europe, 10 companies · 2016–2025 · € m

Who this report is for

- **Management and board** — how to move up an attractiveness class.
- **CFO** — which ratios to improve first.
- **Sustainability team** — ESG disclosure priorities.

Prepared: November 10, 2026

Data: financial statements and sustainability reports for 2016–2025

Version: 1.0 · updated every year

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Sources: Air Liquide's filings; sector benchmarks are indicators of 10 reference companies in the sector (listed in Appendix D). Prepared by Dr Ekaterina Yaremchuk, PhD (Henley Business School, University of Reading), IAM Rating (Express Analysis).

Executive summary

191.8	1 / 10	46.2	75.9
IAM	**Sector rank by IAM**	**Finance F**	**ESG**
Stable Investments	Chemicals — Western Europe	of 64	of 88

- Air Liquide is in the “Stable Investments” class by IAM (191.8 of 256) and ranks 1 of 10 in its sector.
- Financial score F is 46.2 of 64, rank 2 of 10. ESG is 75.9 of 88, rank 4 of 10.
- The strongest dimension is S (92% of the maximum), the weakest is F (72%).
- Reliability signal for 2025: green.
- Air Liquide leads the sector by IAM.

The analysis, the sector’s leading companies and the ratio boundaries are updated every year once companies publish their annual reports. This report reflects data for financial year 2025.

191.8	Market Leaders	12	206.0
IAM	**Target class**	**Actions in the plan**	**Potential IAM after the plan**
Stable Investments	18.2 points short	ranked by expected effect	Stable Investments

Key point: the 12-action plan adds about 14.2 to IAM, leaving about 4.0 to reach Market Leaders. Getting all the way also needs broader financial improvement in profitability and cash flow. The most effective single action: Introduce a policy and start reporting on: Make product LCA (Life Cycle Assessment).

1 Where the company stands

Dimension	Air Liquide	% of maximum	Sector median	Rank
F: finance	46.2	72%	28.9	2 of 10
E: environmental	37.2	81%	37.1	5 of 10
S: social	16.6	92%	15.0	2 of 10
G: governance	22.0	92%	21.2	3 of 10

> The largest room for improvement is in F: finance (72% of maximum).

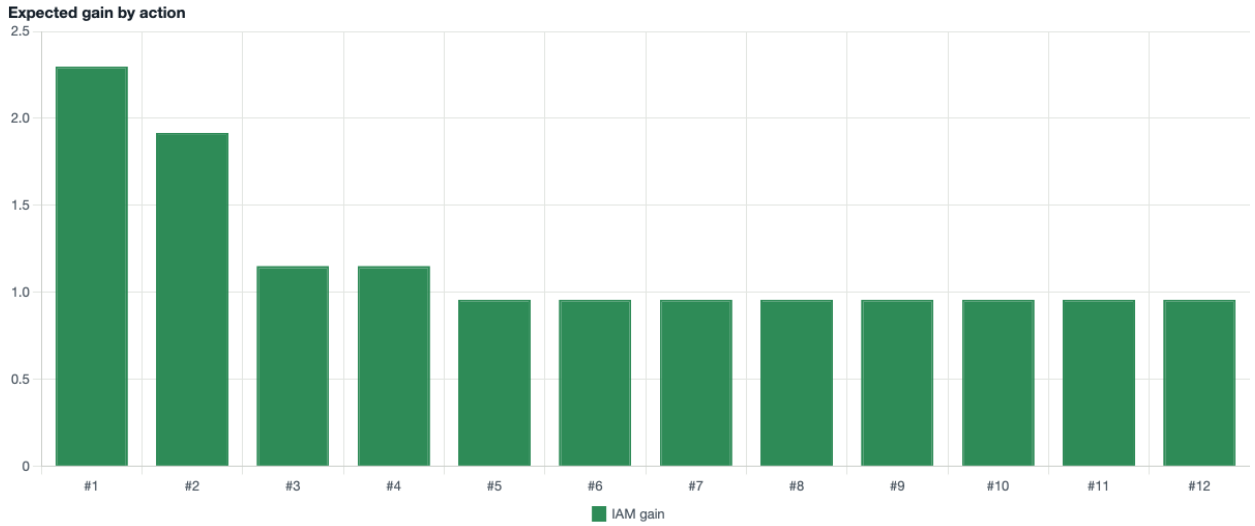
2 Priority actions

#	Action	Area	Now	Sector	Horizon	IAM gain
1	Introduce a policy and start reporting on: Make product LCA (Life Cycle Assessment)	Environmental	none	0.8 / 2	6–12 months	+2.3
2	Increase: Current ratio to 1.49 or more	Finance	1.17	1.73	1–2 years	+1.9
3	Add measurable targets and results for: Source locally	Environmental	partly	1.1 / 2	0–6 months	+1.2
4	Add measurable targets and results for: Reduce consumption of resources	Environmental	partly	1.9 / 2	0–6 months	+1.2
5	Reduce: Short-term liabilities share to below 0.30	Finance	0.35	0.36	1–2 years	+1.0
6	Increase: ROA, % to 7.49 or more	Finance	7.02	2.77	1–2 years	+1.0
7	Increase: ROE, % to 18.21 or more	Finance	13.36	6.23	1–2 years	+1.0
8	Increase: Retained earnings / assets to 0.48 or more	Finance	0.40	0.42	1–2 years	+1.0
9	Increase: Revenue growth, % to 10.19 or more	Finance	−0.43	−4.45	1–2 years	+1.0
10	Increase: Operating cash flow / operating profit to 1.50 or more	Finance	1.23	1.18	1–2 years	+1.0

#	Action	Area	Now	Sector	Horizon	IAM gain
11	Increase: Cash flow / equity to 0.25 or more	Finance	0.24	0.20	1–2 years	+1.0
12	Increase: Cash flow / net profit to 2.21 or more	Finance	1.79	1.52	1–2 years	+1.0

"Sector": for ESG, the sector companies' average score on the criterion (of 2); for finance, the sector median. Gain: an indicative estimate of the effect on the total score in the next reporting year.

> The plan has 3 ESG actions and 9 financial actions. ESG actions usually pay off faster: policies, targets and disclosure show up in the very next report.



> IAM gain: highest #1 (2.3), lowest #12 (1.0).

3 Roadmap

Horizon	Actions	Gain	Cumulative IAM	Class
0–6 months	#3, #4	+2.3	194.1	Stable Investments
6–12 months	#1	+2.3	196.4	Stable Investments
1–2 years	#2, #5, #6, #7, #8, #9, #10, #11, #12	+9.6	206.0	Stable Investments

> If every action in the plan is achieved, IAM could rise from 191.8 to about 206.0 (Stable Investments). This is a guide, not a forecast: the actual result depends on execution and on the sector's figures next year.

Effect estimates are indicative and assume other indicators stay unchanged. The plan is advisory material for the company's management, not investment advice.

Appendix A Basis of preparation and sources

- Company: Air Liquide, France. Period analysed: 2016–2025. Currency: € m.
- Data: the company's consolidated financial statements and sustainability reports for 2016–2025.
- Sector benchmarks: 10 reference companies in Chemicals — Western Europe, from their public filings for the same years (listed in Appendix D). Benchmarks are the median and quartiles (P25, P75); data of individual companies are not disclosed.
- Prepared: November 10, 2026. Data for financial year 2025. Version 1.0.
- The analysis, the sector's leading companies and the ratio boundaries are updated every year once companies publish their annual reports. This report reflects data for financial year 2025.

Appendix B Methodology in brief

- 32 financial ratios (liquidity, solvency, efficiency, profitability, cash flows) are compared with the sector boundaries for past years, the latest year and the trend; the result is the financial score F (up to 64).
- 44 ESG criteria are scored from the sustainability reports, taking the trend over the years into account; the result is the E, S and G scores.
- The financial and ESG scores are combined into the overall IAM score (up to 256). Classes: 210+ Market Leaders, 168–209 Stable Investments, 126–167 Emerging Opportunities, 84–125 Moderate Risk, 42–83 Speculative, below 42 High Risk.
- Ratio boundaries and sector benchmarks are recalculated every year from the reference companies' new filings; the set of leading companies may change.

Appendix C Glossary

Term	Meaning
IAM	Investment Attractiveness Model: the overall score combining finance and ESG, maximum 256.
TBL	Triple Bottom Line: finance + environment + social (F + E + S), maximum 128.
F	Financial score from 32 ratios, maximum 64.
E / S / G	Scores on 44 ESG criteria: environment (up to 46), social (up to 18), governance (up to 24).
Median	The value with half of the sector's companies above it and half below.
Quartiles P25 / P75	A quarter of the sector's companies are below P25 and a quarter above P75; between them is the middle half.
Ratio boundaries	Thresholds that split each ratio into the best, normal and worst zone for the sector; reviewed every year.
Interest coverage	Operating profit divided by interest expense.
Free cash flow	Operating cash flow minus capital expenditure.
Reliability signal	Green, amber or red, based on signs of losses, weak interest coverage, liquidity and cash flow.

Appendix D Sample composition

#	Company	Country
1	Air Liquide	France
2	Givaudan	Switzerland
3	Symrise	Germany
4	Brenntag	Germany
5	Yara	Norway
6	Wacker Chemie	Germany
7	Lanxess	Germany
8	Clariant	Switzerland
9	Arkema	France
10	Sika	Switzerland

Reference companies for Chemicals — Western Europe. The list is reviewed every year.

Appendix E Important notice

- This report is based on public filings and data provided by the client. The author has not audited this data and is not responsible for errors in the source reports.
- This report is analytical. It is not investment advice, an offer to buy or sell securities, or a credit rating.

- The scores reflect data at the stated date and are updated every year; later events may change the conclusions.
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