



**LUXFER**

# FOURTH QUARTER 2023 EARNINGS PRESENTATION

February 28, 2024

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# FORWARD-LOOKING STATEMENTS

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This release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. Examples of such forward-looking statements include but are not limited to: (i) statements regarding the Company’s results of operations and financial condition; (ii) statements of plans, objectives or goals of the Company or its management, including those related to financing, products, or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Words such as “believes,” “anticipates,” “expects,” “intends,” “forecasts,” and “plans,” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections, and other forward-looking statements will not be achieved. The Company cautions that several important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates, and intentions expressed in such forward-looking statements. These factors include but are not limited to: (i) lower than expected future sales; (ii) increasing competitive industry pressures; (iii) general economic conditions or conditions affecting demand for the products and services it offers, both domestically and internationally; (iv) worldwide economic and business conditions and conditions in the industries in which the Company operates; (v) geopolitical issues (vi) fluctuations in the cost of raw materials, utilities, and other inputs; (vii) currency fluctuations and hedging risks; (viii) the Company’s ability to protect its intellectual property; (ix) the significant amount of indebtedness the Company has incurred and may incur and the obligations to service such indebtedness and to comply with the covenants contained therein; and (x) risks related to the impact of COVID-19. The Company cautions that the foregoing list of important factors is not exhaustive. These factors are more fully discussed in the sections entitled “Forward-Looking Statements” and “Risk Factors” in its Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the U.S. Securities and Exchange Commission on February 27, 2024. When relying on forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and events. Forward-looking statements speak only as of the date on which they are made, and the Company does not undertake any obligation to update or revise any such statement, whether because of new information, future events, or otherwise.

# HIGHLIGHTS AND KEY MESSAGES

<i>(amounts in millions, except EPS)</i>	Q4 2023	Q4 2022	FY 2023
<b>Adj. Sales</b>	\$87.8	\$106.3	\$373.5
<b>Adj. EBITDA</b>	\$8.1	\$11.2	\$43.3
<b>Adj. Diluted EPS</b>	\$0.13	\$0.25	\$0.80
<b>Adj. Free Cash Flow</b>	\$14.1	\$15.9	\$16.8
<b>Net Debt</b>	\$69.9	\$68.6	\$69.9
<b>Net Debt : EBITDA</b>	1.6x	1.2x	1.6x

*\*Note: Adjusted financials exclude Graphic Arts; Free Cash Flow defined as Operating Cash Flow less Capital Expenditures*

## Q4 FINANCIAL RESULTS

- Overall results above expectations for revenue, profit, and cash
- Strong EBITDA margin in Gas Cylinders reflected ongoing improvements in cost recovery
- Challenging macro impacted the Elektron General Industrial end-market, and resulting profitability, as expected
- Further sequential improvement in free cash flow resulted in lower net debt

Note: Including Graphic Arts, Q4 2023 sales were \$95.9M, Adj. EBITDA was \$7.1M and Adj. EPS was \$0.09, all ahead of prior expectations

## COMPREHENSIVE STRATEGIC REVIEW

- Planning immediate divestiture of Graphic Arts which no longer fits our value proposition
- Confident the long-term plan for remaining businesses can deliver profitable growth in 2025 and beyond
- Strategic optionality identified for Elektron and Gas Cylinders segments

## ACTIONS LIFTING FINANCIAL PERFORMANCE

- Enhanced cost pass-through in Gas Cylinders
- Elektron supply stabilizing; volume recovering; improving outlook
- Consolidated manufacturing footprint supporting margin improvement
- Established insurance cover for Elektron legal matter

**Strong Performance in Gas Cylinders; Continuing Industrial Weakness Weighs on Elektron**

## ACCELERATED AND EXPANDED ANNUAL STRATEGIC REVIEW PROCESS

### *Comprehensive, portfolio-wide evaluation of all businesses, capital structure and available opportunities*

In October, we announced the acceleration and expansion of our annual strategic review process. Deutsche Bank is engaged to assist. Strategic review essentially complete with three key conclusions.

#### 1. Graphic Arts Divestiture

- Graphic Arts no longer aligns with Luxfer value proposition
- Sale process initiating with XMS Capital Partners

#### 2. Gas Cylinders and Elektron can each deliver strong returns

- Attractive profitable growth identified in 2025 and beyond
- Driven by end market demand, structurally lower costs, and further improved competitive positioning

#### 3. Luxfer overall has considerable strategic optionality

- Limited strategic benefit in Gas Cylinders and Elektron being together
- Current market environment limits separation alternatives to deliver appropriate value commensurate with expected improved operating performance in both businesses
- Will continue to monitor market conditions and evaluate alternatives to drive value

## Clear Path to Driving Stronger Performance and Greater Value

# ACTIONS TAKEN TO IMPROVE PERFORMANCE

## LUXFER BUSINESS SYSTEM






## REDUCING COSTS, IMPROVING MARGIN & CASH FLOW

- Consolidated Elektron Powders plants from 3 to 2 to deliver \$900K in annual savings; selling closed site in H2 2024
- Established insurance recovery for Elektron legal matter: expect elimination of future financial exposure and taking action to recover historical legal expenses
- New long-term agreement reached with major SCBA customer with enhanced carbon fiber cost pass-through and immediate margin benefit
- Completed Alternative Fuel footprint simplification delivering \$1.1M in annual savings and increased output
- Managing working capital and reducing inventories to further improve cash flow; new source of magnesium for some of our North American facilities

**Structural Moves Completed To Achieve Sustainable Long-Term Benefits**

# SALES PERFORMANCE BY END MARKET

	 <b>45%</b> <b>DEFENSE, FIRST RESPONSE &amp; HEALTHCARE</b>	 <b>34%</b> <b>TRANSPORTATION (ALTERNATIVE FUEL, AEROSPACE, AUTOMOTIVE)</b>	 <b>21%</b> <b>GENERAL INDUSTRIAL</b>	<b>TOTAL</b>
<b>FY 2021</b>	+5.9%	+27.0%	+15.9%	<b>+15.3%</b>
<b>FY 2022</b>	+5.6%	+13.6%	+31.1%	<b>+15.2%</b>
<b>Q4 2023</b>	+9.7%	-22.3%	-42.8%	<b>-17.4%</b>
<b>FY 2023</b>	+23.9%	-10.2%	-25.6%	<b>-2.9%</b>

## Q4 2023 COMMENTARY

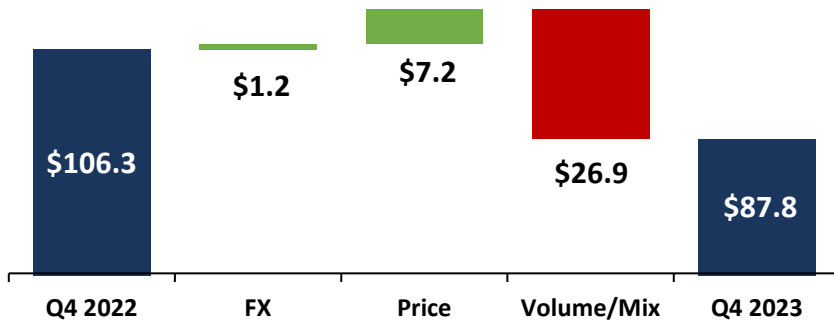
- Continued strong sales of lightweight firefighter SCBA cylinders
- As expected, lower sales of Flameless rations heaters, chemical kits, now improving
- Alternative Fuels and Aero Inflatables cylinders lower
- Automotive weaker on lower sales of autocatalysis material
- Aerospace alloys flat
- Challenging European conditions for industrial gas applications
- Continued weakness of commercial zirconium applications, and Oil & Gas

*\*Note: Adjusted financials exclude Graphic Arts*

**Broad-based General Industrial Softness Offset by Resilient DFR&H**

# Q4 2023: FINANCIAL BRIDGE

## SALES (\$M)

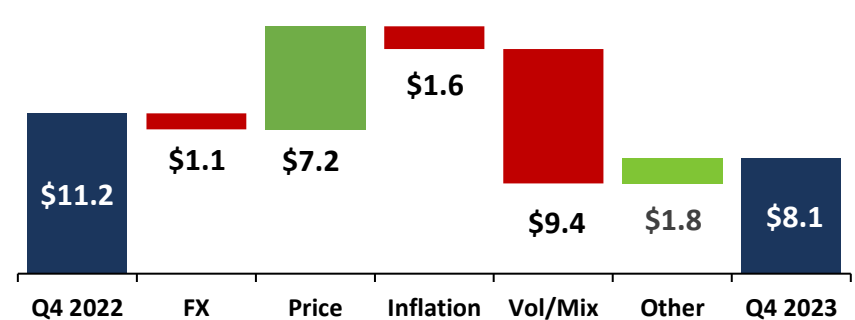


\*Note: Adjusted financials exclude Graphic Arts

### Sales decreased by 17.4%

- Favorable price and FX offset by volume decline and unfavorable mix versus unusually strong prior year final quarter
- Continued success in recovering price in Gas Cylinders following contract renegotiations
- Industrial and Transport markets led to volume contraction

## ADJ. EBITDA (\$M)



### Adj EBITDA decreased by 27.7%

- Price meaningfully outstripped inflation especially in Gas Cylinders from new agreements
- Adverse mix exacerbated the impact of Industrial volume reduction, especially in Elektron
- Other benefited from impact of cost reduction programs
- Adverse foreign exchange

**Unfavorable Volume/Mix and Inflation Partially Offset by Pricing Benefits**

# Q4 2023: SEGMENT RESULTS

	GAS CYLINDERS		ELEKTRON	
	Sales	Adj. EBITDA	Sales	Adj. EBITDA
Q4 2022	\$51.8	\$3.0	\$54.5	\$8.2
Q4 2023	\$51.7	\$6.5	\$36.1	\$1.6
FY 2023	\$186.4	\$16.7	\$187.1	\$26.6

## Q4 2023 COMMENTARY

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▪ Higher SCBA and Medical sales offset by lower sales of Industrial and Alternative Fuels cylinders</li> <li>▪ Significant margin improvement from enhanced cost pass-through on contract re-negotiation</li> </ul> | <ul style="list-style-type: none"> <li>▪ Sales deterioration due to continued slowdown in demand in General Industrial end markets</li> <li>▪ Adj. EBITDA results impacted by volume shortfall and by elevated legal expenses</li> </ul> |
|--|--|

**Significant Improvement in Gas Cylinders; Continued Industrial Pressure in Elektron**



# FY 2024 OUTLOOK



FULL YEAR 2024 GUIDANCE*	
Sales Growth (incl. volume, price, and FX)	-3% to +1%
Adjusted EBITDA	\$42M - \$46M
Adjusted Diluted EPS	\$0.70 - \$0.85
Free Cash Flow	\$20M - \$24M

ASSUMPTIONS*	
Capex	\$11M - \$14M
Tax Rate	~23%
FX GBP:USD	1.25
Net Debt: EBITDA	~1.5x

\*Note: The 2024 Full Year outlook excludes Graphic Arts business

## EXPECTATIONS

- Full year Gas Cylinders performance bolstered by impact of new agreements and cost savings initiatives
- Continued Industrial end market weakness impacting Elektron during H1 2024
- Overall earnings recovery begins in Q2
- Continue to generate strong operating cash with 100% adjusted net income to cash conversion and minimal restructuring payments
- Increased Capex investment to drive organic growth within strategic review framework
- Recovery of historical legal expenses regards to legal matter provides incremental upside to earnings and cash

## Modest Earnings Growth on Recovery from Weaker Second-Half 2023

# PROFIT IMPROVEMENT AND VALUE CREATION



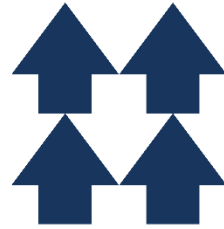
## COMPLETION OF KEY INTERNAL PROGRAMS IS DRIVING IMPROVED EARNINGS PROJECTIONS

- Improved cost base in both Elektron and Gas Cylinders with consolidation programs completed
- Strengthened margins and restored profitability through new commercial arrangements for our SCBA cylinders
- Reduced costs for a number of Elektron applications with new magnesium sourcing contracts in place
- Eliminated ongoing abnormal legal expenses with confirmed insurance coverage in place
- Lowered net debt below \$70M by minimizing our inventories, reducing our future interest costs

## GROWING CONFIDENCE IN CLEAR PATH TO VALUE CREATION

- ✓ Unique customer value propositions based on materials engineering expertise
- ✓ Proprietary technologies and manufacturing capabilities to deliver innovative solutions
- ✓ Strong balance sheet to invest in value-add applications aligned with competitive advantages
- ✓ Clear actions from accelerated and expanded annual strategic review process to further unlock and maximize value

## Driving Performance and Unlocking Shareholder Value

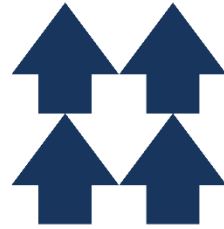


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**Q&A**

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**FOURTH QUARTER 2023 EARNINGS PRESENTATION**



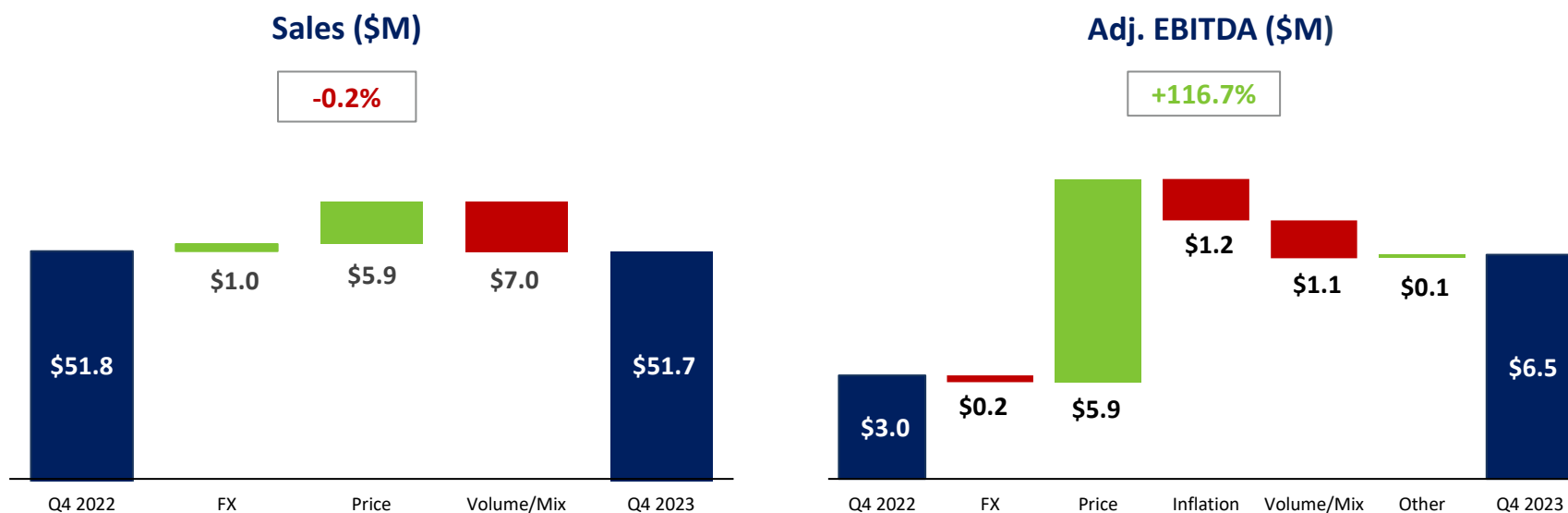
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# **APPENDICES**

**Segment Financial Detail and Reconciliation of Non-GAAP Measures**

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# Q4 2023: GAS CYLINDERS SEGMENT RESULTS

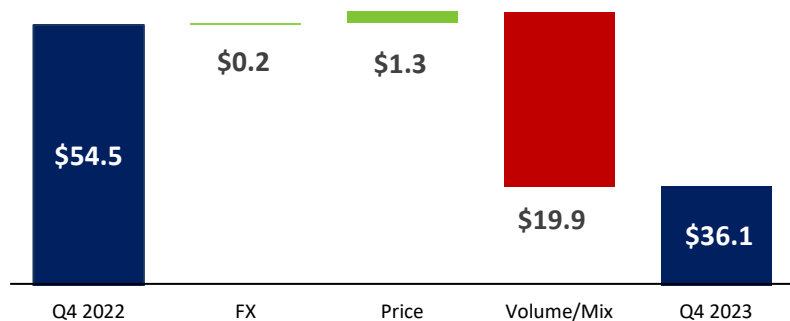


# Q4 2023: ELEKTRON SEGMENT RESULTS EXC G.A.



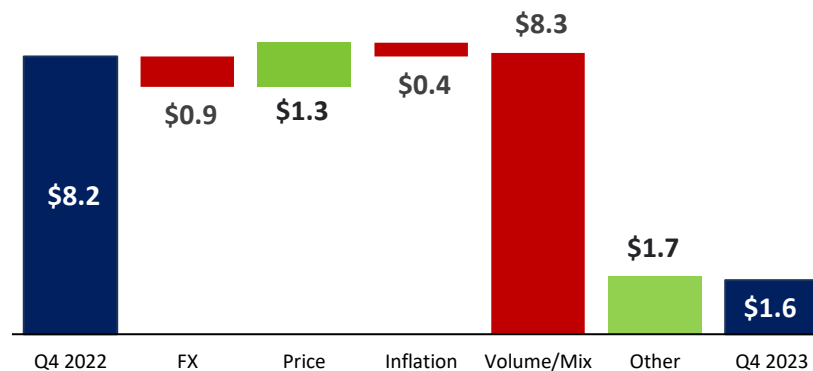
Sales (\$M)

-33.8%

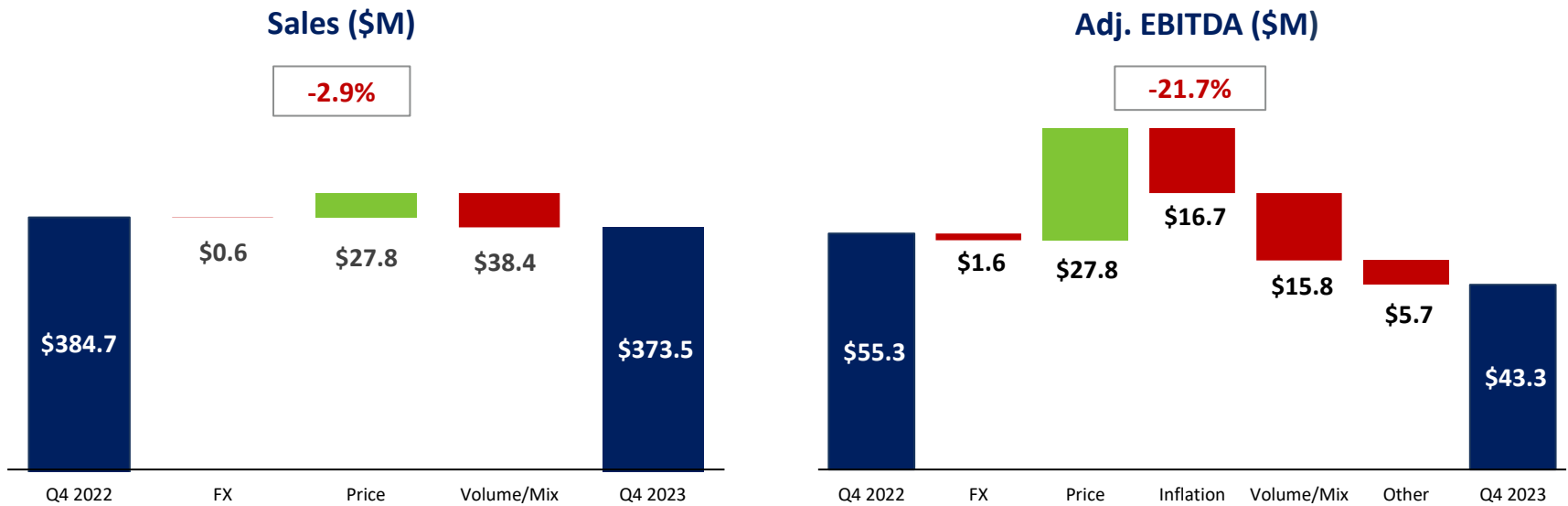


Adj. EBITDA (\$M)

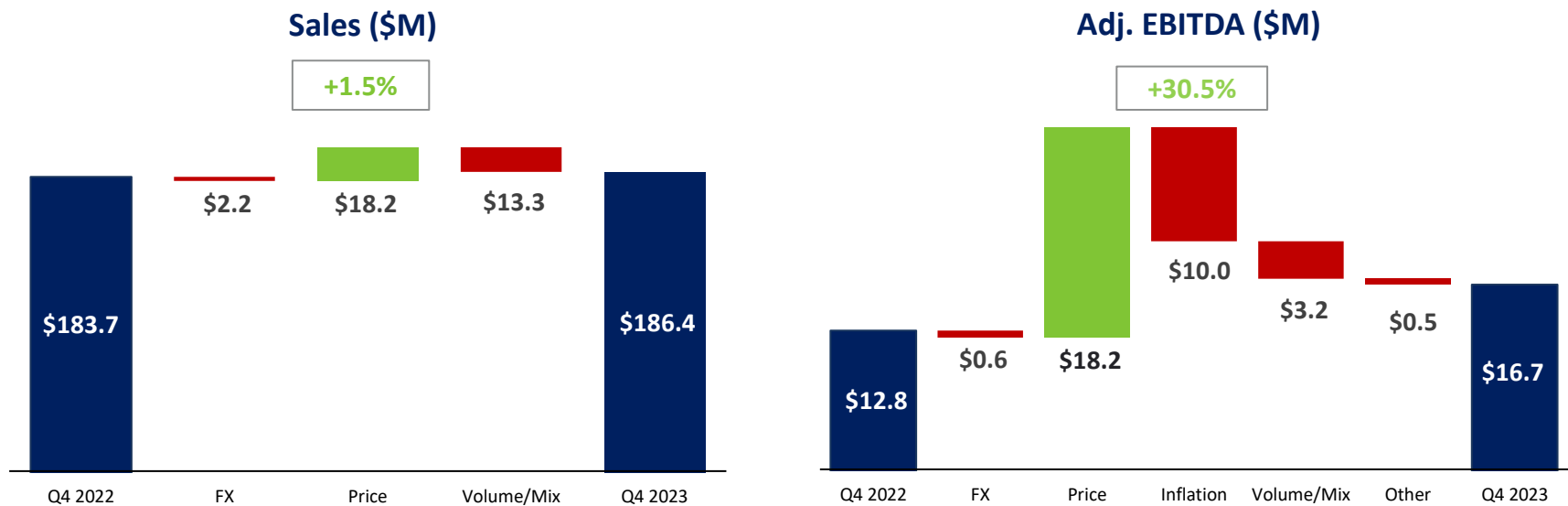
-80.5%



# YTD Q4 2023: CONSOLIDATED TOTAL RESULTS EXC G.A.



# YTD Q4 2023: GAS CYLINDERS SEGMENT TOTAL



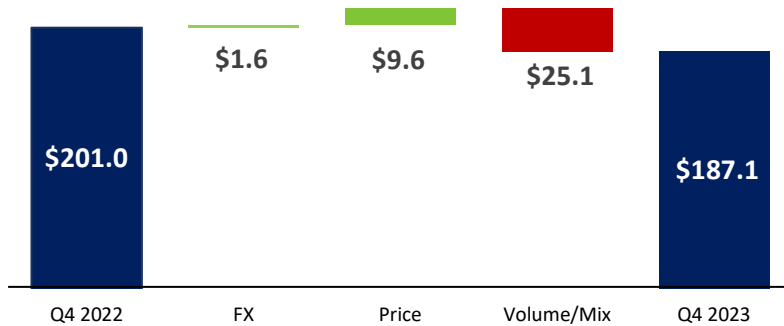


# YTD Q4 2023: ELEKTRON SEGMENT EXC G.A.



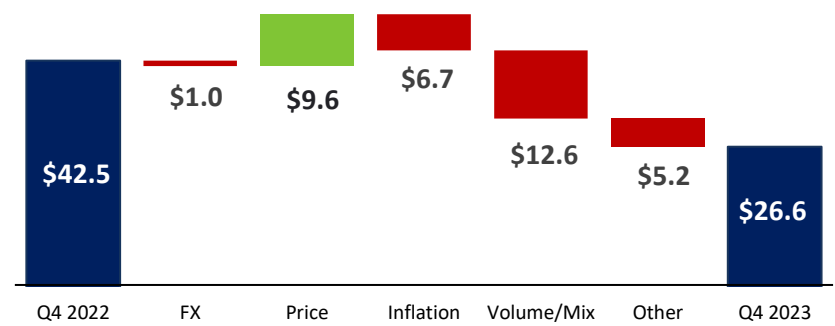
Sales (\$M)

-6.9%



Adj. EBITDA (\$M)

-37.4%



# CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)



<i>In millions, except share and per-share data</i>	Fourth Quarter		Years ended	
	2023	2022	2023	2022
Net sales	\$ 95.9	\$ 116.7	\$ 405.0	\$ 423.4
Cost of sales	(79.2)	(94.8)	(328.4)	(328.4)
<b>Gross profit</b>	<b>16.7</b>	<b>21.9</b>	<b>76.6</b>	<b>95.0</b>
Selling, general and administrative expenses	(12.1)	(10.6)	(48.7)	(43.1)
Research and development	(1.2)	(1.4)	(4.6)	(4.9)
Restructuring charges	(2.0)	0.1	(6.4)	(1.9)
Impairment charges	(12.7)	—	(12.7)	—
Acquisitions and disposals costs	—	—	—	(0.3)
<b>Operating (loss) / income</b>	<b>(11.3)</b>	<b>10.0</b>	<b>4.2</b>	<b>44.8</b>
Net interest expense	(1.6)	(1.2)	(6.3)	(3.9)
Defined benefit pension credit / (charge)	0.4	(0.8)	(7.6)	0.1
<b>(Loss) / income before income taxes</b>	<b>(12.5)</b>	<b>8.0</b>	<b>(9.7)</b>	<b>41.0</b>
Credit / (provision) for income taxes	6.0	(1.8)	7.1	(9.0)
<b>Net (loss) / income from continuing operations</b>	<b>(6.5)</b>	<b>6.2</b>	<b>(2.6)</b>	<b>32.0</b>
Income / (loss) from discontinued operations, net of tax	0.7	(4.2)	0.7	(5.1)
<b>Net (loss) / income</b>	<b>\$ (5.8)</b>	<b>\$ 2.0</b>	<b>\$ (1.9)</b>	<b>\$ 26.9</b>
<b>(Loss) / earnings per share<sup>(1)</sup></b>				
Basic from continuing operations	(0.24)	0.23	(0.10)	1.17
Basic from discontinued operations	0.03	(0.16)	0.03	(0.19)
<b>Basic</b>	<b>\$ (0.22)</b>	<b>\$ 0.07</b>	<b>\$ (0.07)</b>	<b>\$ 0.99</b>
Diluted from continuing operations	(0.24)	0.23	(0.10)	1.16
Diluted from discontinued operations	0.03	(0.15)	0.03	(0.19)
<b>Diluted</b>	<b>\$ (0.22)</b>	<b>\$ 0.07</b>	<b>\$ (0.07)</b>	<b>\$ 0.98</b>
<b>Weighted average ordinary shares outstanding</b>				
Basic	26,848,665	27,030,516	26,897,556	27,304,847
Diluted	26,888,034	27,482,347	27,020,959	27,541,202

<sup>(1)</sup> The calculation of earnings per share is performed separately for continuing and discontinued operations. As a result, the sum of the two in any particular period may not equal the earnings-per-share amount in total.

# CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)



<i>In millions, except share and per-share data</i>	December 31,	
	2023	2022
<b>Current assets</b>		
Cash and cash equivalents	\$ 2.3	\$ 12.6
Restricted cash	0.3	0.3
Accounts and other receivables, net of allowances of \$0.7 and \$0.4, respectively	59.9	67.8
Inventories	95.9	111.1
Current assets held-for-sale	8.9	9.3
Other current assets	1.5	—
<b>Total current assets</b>	<b>168.8</b>	<b>201.1</b>
<b>Non-current assets</b>		
Property, plant and equipment, net	63.8	77.7
Right-of-use assets from operating leases	15.4	19.8
Goodwill	67.5	65.6
Intangibles, net	12.0	12.5
Deferred tax assets	3.9	3.0
Pensions and other retirement benefits	40.3	27.0
Investments and loans to joint ventures and other affiliates	0.4	0.4
<b>Total assets</b>	<b>\$ 372.1</b>	<b>\$ 407.1</b>
<b>Current liabilities</b>		
Current maturities of long-term debt and short-term borrowings	\$ 4.6	\$ 25.0
Accounts payable	26.5	37.8
Accrued liabilities	20.9	29.4
Taxes on income	—	1.8
Current liabilities held-for-sale	3.9	5.0
Other current liabilities	8.9	11.2
<b>Total current liabilities</b>	<b>64.8</b>	<b>110.2</b>
<b>Non-current liabilities</b>		
Long-term debt	67.6	56.2
Pensions and other retirement benefits	0.1	4.5
Deferred tax liabilities	10.2	9.9
Other non-current liabilities	16.8	19.0
<b>Total liabilities</b>	<b>\$ 159.5</b>	<b>\$ 199.8</b>
Commitments and contingencies		
<b>Shareholders' equity</b>		
Ordinary shares of £0.50 par value; authorized 40,000,000 shares for 2023 and 2022; issued and outstanding 28,944,000 shares for 2023 and 2022	\$ 26.5	\$ 26.5
Deferred shares of £0.0001 par value; authorized, issued and outstanding 0 shares for 2022	—	—
Additional paid-in capital	223.5	221.4
Treasury shares	(22.9)	(20.4)
Company shares held by ESOP	(0.9)	(1.0)
Retained earnings	104.3	120.2
Accumulated other comprehensive loss	(117.9)	(139.4)
<b>Total shareholders' equity</b>	<b>\$ 212.6</b>	<b>\$ 207.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 372.1</b>	<b>\$ 407.1</b>

# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)



<i>In millions</i>	Years Ended December 31,	
	2023	2022
<b>Operating activities</b>		
Net (loss) / income	\$ (1.9)	\$ 26.9
Net (income) / loss from discontinued operations	(0.7)	5.1
Net (loss) / income from continuing operations	(2.6)	32.0
<i>Adjustments to reconcile net loss from continuing operations to net cash provided by operating activities</i>		
Equity in loss of affiliates	—	—
Depreciation	11.9	12.9
Amortization of purchased intangible assets	0.8	0.7
Amortization of debt issuance costs	0.4	0.5
Share-based compensation charge	2.8	2.5
Deferred income taxes	(0.6)	8.7
Loss on disposal of business	—	1.0
Asset impairment charges and non-cash restructuring charges	15.9	—
Defined benefit pension expense	7.9	0.1
Defined benefit pension contributions	(2.3)	(0.4)
<i>Changes in assets and liabilities, net of effects of business acquisitions</i>		
Accounts and notes receivable	16.6	(27.2)
Inventories	16.6	(25.0)
Current assets held-for-sale	1.0	(3.3)
Other current assets	(1.5)	—
Accounts payable	(19.0)	21.3
Accrued liabilities	(9.2)	2.4
Current liabilities held-for-sale	0.5	0.9
Other current liabilities	(4.3)	(8.8)
Other non-current assets and liabilities	(8.7)	(2.5)
Net cash provided by operating activities - continuing	26.2	15.8
Net cash provided by operating activities - discontinued	0.1	0.1
<b>Net cash provided by operating activities</b>	<b>26.3</b>	<b>15.9</b>
<b>Investing activities</b>		
Capital expenditures	(9.4)	(8.3)
Proceeds from sale of property, plant and equipment	—	3.7
Settlements from sale of businesses	—	(1.0)
Net cash used for investing activities - continuing	(9.4)	(5.6)
Net cash used for investing activities - discontinued	(0.1)	(0.1)
<b>Net cash used for investing activities</b>	<b>(9.5)</b>	<b>(5.7)</b>
<b>Financing activities</b>		
Repayment of loan notes	(25.0)	—
Net drawdown of long-term borrowings	10.2	24.8
Debt issuance costs	(0.2)	—
Dividends paid	(14.0)	(14.2)
Share-based compensation cash paid	(0.4)	(1.4)
Repurchase of deferred shares	—	(0.1)
Repurchase of ordinary shares	(2.7)	(11.1)
<b>Net cash used for financing activities</b>	<b>(27.5)</b>	<b>(2.0)</b>
Effect of exchange rate changes on cash and cash equivalents	0.4	(1.7)
<b>Net (decrease) / increase</b>	<b>(10.3)</b>	<b>6.5</b>
<b>Cash, cash equivalents and restricted cash; beginning of year</b>	<b>12.9</b>	<b>6.4</b>
<b>Cash, cash equivalents and restricted cash; end of year</b>	<b>\$ 2.6</b>	<b>\$ 12.9</b>
<b>Supplemental cash flow information:</b>		
Interest payments	\$ 6.1	\$ 4.0
Income tax payments	3.3	0.6

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE (UNAUDITED)



<i>In millions except per share data</i>	Fourth Quarter					
	2023			2022		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Net (loss) / income	\$ (6.5)	\$ (10.8)	\$ 4.3	\$ 6.2	1.7	\$ 4.5
Accounting charges relating to acquisitions and disposals of businesses:						
Amortization on acquired intangibles	0.2	—	0.2	0.1	—	0.1
Defined benefit pension (credit) / charge	(0.4)	—	(0.4)	0.8	—	0.8
Restructuring charge / (credit)	2.0	—	2.0	(0.1)	—	(0.1)
Impairment charge	12.7	12.7	—	—	—	—
Share-based compensation charge	0.8	—	0.8	0.7	—	0.7
Income tax on adjusted items	(6.3)	(3.0)	(3.3)	0.8	—	0.8
<b>Adjusted net income / (loss)</b>	<b>\$ 2.5</b>	<b>\$ (1.1)</b>	<b>\$ 3.6</b>	<b>\$ 8.5</b>	<b>\$ 1.7</b>	<b>\$ 6.8</b>
<b>Adjusted earnings per ordinary share <sup>(1)</sup></b>						
Diluted (loss) / earnings per ordinary share	\$ (0.24)	\$ (0.40)	\$ 0.16	\$ 0.23	\$ 0.06	\$ 0.16
Impact of adjusted items	0.33	0.36	(0.03)	0.08	—	0.09
<b>Adjusted diluted earnings / (loss) per ordinary share</b>	<b>\$ 0.09</b>	<b>\$ (0.04)</b>	<b>\$ 0.13</b>	<b>\$ 0.31</b>	<b>\$ 0.06</b>	<b>\$ 0.25</b>

<i>In millions except per share data</i>	Year-to-date					
	2023			2022		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Net (loss) / income	\$ (2.6)	\$ (14.9)	\$ 12.3	\$ 32.0	4.6	\$ 27.4
Accounting charges relating to acquisitions and disposals of businesses:						
Amortization on acquired intangibles	0.8	—	0.8	0.7	—	0.7
Acquisition and disposal related charge	—	—	—	0.3	—	0.3
Defined benefit pension charge / (credit)	7.6	—	7.6	(0.1)	—	(0.1)
Restructuring charge	6.4	—	6.4	1.9	—	1.9
Impairment charge	12.7	12.7	—	—	—	—
Share-based compensation charge	2.8	—	2.8	2.5	—	2.5
Tax impact of defined benefit settlement	(4.9)	—	(4.9)	—	—	—
Income tax on adjusted items	(6.4)	(3.0)	(3.4)	0.1	—	0.1
<b>Adjusted net income / (loss)</b>	<b>\$ 16.4</b>	<b>\$ (5.2)</b>	<b>\$ 21.6</b>	<b>\$ 37.4</b>	<b>\$ 4.6</b>	<b>\$ 32.8</b>
<b>Adjusted earnings per ordinary share <sup>(1)</sup></b>						
Diluted (loss) / earnings per ordinary share	\$ (0.10)	\$ (0.55)	\$ 0.46	\$ 1.16	\$ 0.17	\$ 0.99
Impact of adjusted items	0.71	0.36	0.34	0.20	—	0.20
<b>Adjusted diluted earnings / (loss) per ordinary share</b>	<b>\$ 0.61</b>	<b>\$ (0.19)</b>	<b>\$ 0.80</b>	<b>\$ 1.36</b>	<b>\$ 0.17</b>	<b>\$ 1.19</b>

<sup>(1)</sup> For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding during the financial year has been adjusted for the dilutive effects of all potential ordinary shares and share options granted to employees.

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: ADJUSTED EBITDA (UNAUDITED)



<i>In millions except per share data</i>	Fourth Quarter					
	2023			2022		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income from continuing operations	\$ 2.5	\$ (1.1)	\$ 3.6	\$ 8.5	\$ 1.7	\$ 6.8
Add back:						
Income tax on adjusted items	6.3	3.0	3.3	(0.8)	—	(0.8)
Income tax expense	(6.0)	(3.3)	(2.7)	1.8	0.3	1.5
Tax impact of defined benefit pension settlement	—	—	—	—	—	—
Net finance costs	1.6	(0.1)	1.7	1.2	—	1.2
Adjusted EBITA	4.4	(1.5)	5.9	10.7	2.0	8.7
Loss on disposal of property, plant and equipment	—	—	—	0.2	0.2	—
Depreciation	2.7	0.5	2.2	3.1	0.6	2.5
Adjusted EBITDA	7.1	(1.0)	8.1	14.0	2.8	11.2

<i>In millions except per share data</i>	Year-to-date					
	2023			2022		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income from continuing operations	\$ 16.4	\$ (5.2)	\$ 21.6	\$ 37.4	\$ 4.6	\$ 32.8
Add back:						
Income tax on adjusted items	6.4	3.0	3.4	(0.1)	—	(0.1)
Income tax expense	(7.1)	(4.1)	(3.0)	9.0	1.2	7.8
Tax impact of defined benefit pension settlement	4.9	—	4.9	—	—	—
Net finance costs	6.3	(0.2)	6.5	3.9	(0.2)	4.1
Adjusted EBITA	26.9	(6.5)	33.4	50.2	5.6	44.6
Loss on disposal of property, plant and equipment	—	—	—	—	—	—
Depreciation	11.9	2.0	9.9	12.9	2.2	10.7
Adjusted EBITDA	38.8	(4.5)	43.3	63.1	7.8	55.3

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: NET SALES AND ADJUSTED EBITDA BY SEGMENT (UNAUDITED)



<i>In millions</i>	Net sales				Adjusted EBITDA			
	Fourth Quarter		Year-to-date		Fourth Quarter		Year-to-date	
	2023	2022	2023	2022	2023	2022	2023	2022
Gas Cylinders segment	\$ 51.7	\$ 51.8	\$ 186.4	\$ 183.7	\$ 6.5	\$ 3.0	\$ 16.7	\$ 12.8
Elektron segment	36.1	54.5	187.1	201.0	1.6	8.2	26.6	42.5
Excluding Graphic Arts segment	87.8	106.3	373.5	384.7	8.1	11.2	43.3	55.3
Graphic Arts segment	8.1	10.4	31.5	38.7	(1.0)	2.8	(4.5)	7.8
Consolidated	\$ 95.9	\$ 116.7	\$ 405.0	\$ 423.4	\$ 7.1	\$ 14.0	\$ 38.8	\$ 63.1



# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: ADJUSTED EFFECTIVE TAX RATE (UNAUDITED)



<i>In millions except per share data</i>	Fourth Quarter					
	2023			2022		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income from continuing operations	\$ 2.5	\$ (1.1)	\$ 3.6	\$ 8.5	\$ 1.7	\$ 6.8
Add back:						
Income tax on adjusted items	6.3	3.0	3.3	(0.8)	—	(0.8)
Tax impact of defined benefit pension settlement	—					
Provision for income taxes	(6.0)	(3.3)	(2.7)	1.8	0.3	1.5
Adjusted income from continuing operations before income taxes	2.8	(1.4)	4.2	9.5	2.0	7.5
Adjusted provision for income taxes	0.3	(0.3)	0.6	1.0	0.3	0.7
Adjusted effective tax rate from continuing operations	10.7 %	21.4 %	14.3 %	10.5 %	15.0 %	9.3 %

<i>In millions except per share data</i>	Year-to-date					
	2023			2022		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income from continuing operations	\$ 16.4	\$ (5.2)	\$ 21.6	\$ 37.4	\$ 4.6	\$ 32.8
Add back:						
Income tax on adjusted items	6.4	3.0	3.4	(0.1)	—	(0.1)
Tax impact of defined benefit pension settlement	4.9	—	4.9	—		
Provision for income taxes	(7.1)	(4.1)	(3.0)	9.0	1.2	7.8
Adjusted income from continuing operations before income taxes	20.6	(6.3)	26.9	46.3	5.8	40.5
Adjusted provision for income taxes	4.2	(1.1)	5.3	8.9	1.2	7.7
Adjusted effective tax rate from continuing operations	20.4 %	17.5 %	19.7 %	19.2 %	20.7 %	19.0 %



# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: NET DEBT RATIO AND FREE CASH FLOW (UNAUDITED)



## NET DEBT RATIO (UNAUDITED)

<i>In millions</i>	Fourth Quarter 2023
Cash and cash equivalents	\$ 2.3
Total debt	(72.2)
Net debt	(69.9)
Adjusted EBITDA	38.8
Net debt to EBITDA ratio	1.8
Adjusted EBITDA excluding Graphic Arts segment	43.3
Net debt to EBITDA ratio excluding Graphic Arts segment	1.6

## FREE CASH FLOW (UNAUDITED)

<i>In millions</i>	Fourth Quarter		Year-to-date	
	2023	2022	2023	2022
Net cash provided by continuing operating activities	\$ 16.0	\$ 19.0	\$ 26.2	\$ 15.8
Net cash provided by Graphic Arts operating activities	0.4	0.2	1.0	0.7
Net cash provided by continuing operating activities excluding Graphic Arts	15.6	18.8	25.2	15.1
Capital expenditures	(1.9)	(3.1)	(9.4)	(8.3)
Graphic Arts capital expenditures	(0.4)	(0.2)	(1.0)	(0.7)
Capital expenditures excluding Graphic Arts	(1.5)	(2.9)	(8.4)	(7.6)
Free cash flow	\$ 14.1	\$ 15.9	\$ 16.8	\$ 7.5
Free cash flow excluding Graphic Arts	\$ 14.1	\$ 15.9	\$ 16.8	\$ 7.5

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: OPERATING WORKING CAPITAL AS A % ANNUALIZED NET SALES (UNAUDITED)



Fourth Quarter 2023

*In millions*

	Continuing Operations	Graphic Arts	Adjusted Total
Accounts and other receivables, net of allowances	\$59.9	\$5.0	\$54.9
Inventories	95.9	14.8	81.1
Accounts payable	(26.5)	(0.3)	(26.2)
Accrued liabilities	(20.9)	(1.1)	(19.8)
<b>Operating Working Capital</b>	<b>\$108.4</b>	<b>\$18.4</b>	<b>\$90.0</b>
Net sales	\$95.9	\$8.1	\$87.8
Annualized net sales	\$383.6	\$32.4	\$351.2
<b>Operating Working Capital as a % of Annualized Net Sales</b>	<b>28.3%</b>	<b>56.8%</b>	<b>25.6%</b>

