

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended September 25, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-35370

Luxfer Holdings PLC

(Exact Name of Registrant as Specified in Its Charter)

England and Wales

State or Other Jurisdiction of
Incorporation or Organization

98-1024030

I.R.S. Employer Identification No.

8989 North Port Washington Road, Suite 211,
Milwaukee, WI, 53217

Address of principal executive offices

Registrant's telephone number, including area code: **+1 414-269-2419**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, nominal value £0.50 each	LXFR	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	<input type="checkbox"/>	Accelerated Filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of shares outstanding of Registrant's only class of ordinary stock on September 25, 2022, was 27,208,641.

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PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (unaudited)

LUXFER HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<i>In millions, except share and per-share data</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Net sales	\$ 100.2	\$ 91.2	\$ 306.7	\$ 275.4
Cost of goods sold	(77.0)	(70.1)	(233.6)	(203.2)
Gross profit	23.2	21.1	73.1	72.2
Selling, general and administrative expenses	(10.3)	(10.6)	(32.5)	(33.9)
Research and development	(1.0)	(1.3)	(3.5)	(2.9)
Restructuring charges	(0.3)	(0.5)	(2.0)	(2.1)
Acquisition and disposal related costs	—	(0.6)	(0.3)	(1.5)
Other charges	—	—	—	(1.1)
Operating income	11.6	8.1	34.8	30.7
Interest expense	(1.0)	(0.8)	(2.7)	(2.4)
Defined benefit pension credit	0.2	0.6	0.9	1.8
Income before income taxes	10.8	7.9	33.0	30.1
Provision for income taxes	(2.3)	(1.9)	(7.2)	(3.6)
Net income from continuing operations	8.5	6.0	25.8	26.5
Net loss from discontinued operations, net of tax	(0.5)	(0.7)	(0.9)	(2.8)
(Loss) / gain on disposition of discontinued operations, net of tax	—	(0.5)	—	6.6
Net (loss) / income from discontinued operations	\$ (0.5)	\$ (1.2)	\$ (0.9)	\$ 3.8
Net income	\$ 8.0	\$ 4.8	\$ 24.9	\$ 30.3
Earnings / (loss) per share¹				
Basic from continuing operations	\$ 0.31	\$ 0.22	\$ 0.94	\$ 0.96
Basic from discontinued operations ²	\$ (0.02)	\$ (0.04)	\$ (0.03)	\$ 0.14
Basic	\$ 0.29	\$ 0.17	\$ 0.91	\$ 1.09
Diluted from continuing operations	\$ 0.31	\$ 0.21	\$ 0.93	\$ 0.94
Diluted from discontinued operations ²	\$ (0.02)	\$ (0.04)	\$ (0.03)	\$ 0.14
Diluted	\$ 0.29	\$ 0.17	\$ 0.90	\$ 1.08
Weighted average ordinary shares outstanding				
Basic	27,295,862	27,722,472	27,403,844	27,718,874
Diluted	27,525,314	28,033,732	27,652,886	28,072,155

See accompanying notes to condensed consolidated financial statements

¹ 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.

² The loss per share for discontinued operations in the Third Quarter of 2022 and 2021 and year-to-date of 2022 has not been diluted, since the incremental shares included in the weighted-average number of shares outstanding would have been anti-dilutive.

LUXFER HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

<i>In millions</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Net income	\$ 8.0	\$ 4.8	\$ 24.9	\$ 30.3
Other comprehensive (loss) / income				
Net change in foreign currency translation adjustment, net of tax	(12.5)	(2.1)	(22.5)	(0.1)
Pension and post-retirement actuarial gains, net of \$0.1, \$0.2, \$0.3 and \$0.5 tax, respectively	0.3	0.7	1.0	2.1
Other comprehensive (loss) / income, net of tax	(12.2)	(1.4)	(21.5)	2.0
Total comprehensive (loss) / income	\$ (4.2)	\$ 3.4	\$ 3.4	\$ 32.3

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<i>In millions, except share and per-share data</i>	September 25, 2022	December 31, 2021
Current assets		
Cash and cash equivalents	\$ 11.2	\$ 6.2
Restricted cash	0.3	0.2
Accounts and other receivables, net of allowances of \$0.7 and \$0.8, respectively	66.1	57.8
Inventories	111.6	90.5
Current assets held-for-sale	9.1	8.5
Total current assets	\$ 198.3	\$ 163.2
Non-current assets		
Property, plant and equipment, net	\$ 75.0	\$ 87.5
Right-of-use assets from operating leases	22.9	12.6
Goodwill	62.5	69.7
Intangibles, net	12.4	13.7
Deferred tax assets	7.1	8.0
Investments and loans to joint ventures and other affiliates	0.3	0.4
Pensions and other retirement benefits	13.9	13.7
Total assets	\$ 392.4	\$ 368.8
Current liabilities		
Short-term debt	\$ 25.0	\$ —
Accounts payable	27.9	31.7
Accrued liabilities	32.6	28.2
Taxes on income	7.8	3.0
Current liabilities held-for-sale	4.9	1.4
Other current liabilities	12.6	19.6
Total current liabilities	\$ 110.8	\$ 83.9
Non-current liabilities		
Long-term debt	\$ 61.8	\$ 59.6
Pensions and other retirement benefits	2.3	1.9
Deferred tax liabilities	2.7	2.7
Other non-current liabilities	19.5	11.6
Total liabilities	\$ 197.1	\$ 159.7
Commitments and contingencies (Note 15)		
Shareholders' equity		
Ordinary shares of £0.50 par value; authorized 40,000,000 shares for 2022 and 2021; issued and outstanding 28,944,000 for 2022 and 2021	\$ 26.5	\$ 26.5
Deferred shares of £0.0001 par value; authorized issued and outstanding 761,835,318,444 shares for 2021	—	149.9
Additional paid-in capital	220.6	70.9
Treasury shares	(16.2)	(9.6)
Own shares held by ESOP	(0.9)	(1.1)
Retained earnings	121.8	107.5
Accumulated other comprehensive loss	(156.5)	(135.0)
Total shareholders' equity	\$ 195.3	\$ 209.1
Total liabilities and shareholders' equity	\$ 392.4	\$ 368.8

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<i>In millions</i>	Year-to-date	
	2022	2021
Operating activities		
Net income	\$ 24.9	\$ 30.3
Net loss / (income) from discontinued operations	0.9	(3.8)
Net income from continuing operations	\$ 25.8	\$ 26.5
<i>Adjustments to reconcile net income to net cash (used) / provided by operating activities</i>		
Depreciation	9.8	10.5
Amortization of purchased intangible assets	0.6	0.7
Amortization of debt issuance costs	0.4	0.3
Share-based compensation charges	1.8	2.2
Deferred income taxes	0.5	(2.2)
Gain on disposal of property, plant and equipment	(0.2)	—
Defined benefit pension credit	(0.9)	(1.8)
Defined benefit pension contributions	—	(4.6)
<i>Changes in assets and liabilities</i>		
Accounts and other receivables	(13.6)	(10.2)
Inventories	(29.6)	(5.4)
Current assets held-for-sale	(3.8)	(1.6)
Other current assets	—	0.4
Accounts payable	3.5	9.6
Accrued liabilities	5.5	8.6
Current liabilities held-for-sale	3.5	(1.0)
Other current liabilities	(1.9)	0.7
Other non-current assets and liabilities	(4.6)	1.4
Net cash (used) / provided by operating activities - continuing	(3.2)	34.1
Net cash provided by operating activities - discontinued	—	—
Net cash (used) / provided by operating activities	\$ (3.2)	\$ 34.1
Investing activities		
Capital expenditures	\$ (5.2)	\$ (5.6)
Proceeds from sale of property, plant and equipment	3.7	—
Proceeds from sale of businesses and other	—	23.7
Acquisitions, net of cash acquired	—	(19.3)
Net cash used by investing activities - continuing	(1.5)	(1.2)
Net cash used by investing activities - discontinued	—	—
Net cash used by investing activities	\$ (1.5)	\$ (1.2)
Financing activities		
Net drawdown / (repayment) of long-term borrowings	\$ 31.7	\$ (4.4)
Repurchase of deferred shares	(0.1)	—
Repurchase of own shares	(6.9)	(2.8)
Share-based compensation cash paid	(1.4)	(1.9)
Dividends paid	(10.6)	(10.2)
Net cash provided / (used) by financing activities	\$ 12.7	\$ (19.3)
Effect of exchange rate changes on cash and cash equivalents	(2.9)	0.1
Net increase	\$ 5.1	\$ 13.7
Cash, cash equivalents and restricted cash; beginning of year	6.4	1.5
Cash, cash equivalents and restricted cash; end of the Third Quarter	11.5	15.2
Supplemental cash flow information:		
Interest payments	\$ 2.8	\$ 2.5
Income tax payments, net	2.2	5.2

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

<i>In millions,</i>	Ordinary shares	Deferred shares	Additional paid-in capital	Treasury shares Number	Treasury shares Amount	Own shares held by ESOP Number	Own shares held by ESOP Amount	Retained earnings	Accumulated other comprehensive loss	Total equity
At January 1, 2022	\$ 26.5	\$ 149.9	\$ 70.9	(0.6)	\$ (9.6)	(0.8)	\$ (1.1)	\$ 107.5	\$ (135.0)	\$ 209.1
Net income	—	—	—	—	—	—	—	7.6	—	7.6
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	—	(1.4)	(1.4)
Dividends declared	—	—	—	—	—	—	—	(7.0)	—	(7.0)
Share-based compensation	—	—	0.2	—	—	—	—	—	—	0.2
Share buyback	—	—	—	(0.1)	(1.5)	—	—	—	—	(1.5)
Utilization of shares from ESOP to satisfy share based compensation	—	—	(0.4)	—	—	—	—	—	—	(0.4)
At March 27, 2022	\$ 26.5	\$ 149.9	\$ 70.7	(0.7)	\$ (11.1)	(0.8)	\$ (1.1)	\$ 108.1	\$ (136.4)	\$ 206.6
Net income	—	—	—	—	—	—	—	9.3	—	9.3
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	—	(7.9)	(7.9)
Share based compensation	—	—	0.7	—	—	—	—	—	—	0.7
Share buyback	—	—	—	(0.1)	(2.2)	—	—	—	—	(2.2)
Utilization of treasury shares to satisfy share based compensation	—	—	0.1	—	0.3	—	—	—	—	0.4
Utilization of shares from ESOP to satisfy share based compensation	—	—	(1.5)	—	—	—	0.1	—	—	(1.4)
At June 26, 2022	\$ 26.5	\$ 149.9	\$ 70.0	(0.8)	\$ (13.0)	(0.8)	\$ (1.0)	\$ 117.4	\$ (144.3)	\$ 205.5
Net income	—	—	—	—	—	—	—	8.0	—	8.0
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	—	(12.2)	(12.2)
Dividends declared	—	—	—	—	—	—	—	(3.6)	—	(3.6)
Share based compensation	—	—	0.9	—	—	—	—	—	—	0.9
Share buy back	—	—	—	(0.2)	(3.2)	—	—	—	—	(3.2)
Utilization of shares from ESOP to satisfy share based compensation	—	—	(0.1)	—	—	0.1	0.1	—	—	—
Cancellation of deferred share capital	—	(149.9)	149.8	—	—	—	—	—	—	(0.1)
At September 25, 2022	\$ 26.5	\$ —	\$ 220.6	(1.0)	\$ (16.2)	(0.7)	\$ (0.9)	\$ 121.8	\$ (156.5)	\$ 195.3

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

<i>In millions,</i>	Ordinary shares	Deferred shares	Additional paid-in capital	Treasury shares Number	Treasury shares Amount	Own shares held by ESOP Number	Own shares held by ESOP Amount	Retained earnings	Accumulated other comprehensive loss	Total equity
At January 1, 2021	\$ 26.6	\$ 149.9	\$ 70.6	(0.4)	\$ (4.0)	(1.0)	\$ (1.4)	\$ 91.2	\$ (165.8)	\$ 167.1
Net income	—	—	—	—	—	—	—	14.5	—	14.5
Other comprehensive income, net of tax	—	—	—	—	—	—	—	—	1.5	1.5
Dividends declared	—	—	—	—	—	—	—	(3.4)	—	(3.4)
Share-based compensation	—	—	0.5	—	—	—	—	—	—	0.5
Utilization of treasury shares to satisfy share based compensation	—	—	(1.4)	—	—	0.1	0.1	—	—	(1.3)
At March 28, 2021	\$ 26.6	\$ 149.9	\$ 69.7	(0.4)	\$ (4.0)	(0.9)	\$ (1.3)	\$ 102.3	\$ (164.3)	\$ 178.9
Net income	—	—	—	—	—	—	—	11.0	—	11.0
Other comprehensive income, net of tax	—	—	—	—	—	—	—	—	1.9	1.9
Dividends declared	—	—	—	—	—	—	—	(3.4)	—	(3.4)
Share based compensation	—	—	0.9	—	—	—	—	—	—	0.9
Utilization of shares from ESOP to satisfy share based compensation	—	—	(0.3)	—	—	0.1	0.1	—	—	(0.2)
Cancellation of ordinary share capital	(0.1)	—	(0.8)	—	—	—	—	—	—	(0.9)
At June 27, 2021	\$ 26.5	\$ 149.9	\$ 69.5	(0.4)	\$ (4.0)	(0.8)	\$ (1.2)	\$ 109.9	\$ (162.4)	\$ 188.2
Net income	—	—	—	—	—	—	—	4.8	—	4.8
Shares sold from ESOP	—	—	(0.1)	—	—	—	—	—	—	(0.1)
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	—	(1.4)	(1.4)
Dividends declared	—	—	—	—	—	—	—	(3.4)	—	(3.4)
Share based compensation	—	—	0.8	—	—	—	—	—	—	0.8
Utilization of shares from ESOP to satisfy share based compensation	—	—	(0.3)	—	—	—	—	—	—	(0.3)
Purchase of own shares	—	—	—	(0.1)	(1.5)	—	—	—	—	(1.5)
Cancellation of ordinary share capital	—	—	(0.4)	—	—	—	—	—	—	(0.4)
At September 26, 2021	\$ 26.5	\$ 149.9	\$ 69.5	(0.5)	\$ (5.5)	(0.8)	\$ (1.2)	\$ 111.3	\$ (163.8)	\$ 186.7

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****1. Basis of Presentation and Responsibility for interim Financial Statements**

We prepared the accompanying unaudited condensed consolidated financial statements of Luxfer Holdings PLC and all wholly-owned, majority owned or otherwise controlled subsidiaries on the same basis as our annual audited financial statements. We condensed or omitted certain information and footnote disclosures normally included in our annual audited financial statements, which we prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Our quarterly financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2021. As used in this report, the terms "we," "us," "our," "Luxfer" and "the Company" mean Luxfer Holdings PLC and its subsidiaries, unless the context indicates another meaning.

In the opinion of management, our financial statements reflect all adjustments, which are only of a normal recurring nature, necessary for the fair statement of financial statements for interim periods in accordance with U.S. GAAP and with the instructions to Form 10-Q in Article 10 of Securities and Exchange Commission (SEC) Regulation S-X.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates, and any such differences may be material to our financial statements.

Our fiscal year ends on December 31. We report our interim quarterly periods on a 13-week quarter basis, ending on a Sunday. The Third Quarter 2022, ended on September 25, 2022, and the Third Quarter 2021, ended on September 26, 2021.

Accounting standards issued but not yet effective

None that will be material to the Company.

2. Earnings per share

Basic earnings per share are computed by dividing net income or loss for the period by the weighted-average number of ordinary shares outstanding, net of treasury shares and shares held in ESOP. Diluted earnings per share are computed by dividing net income or loss for the period by the weighted average number of ordinary shares outstanding and the dilutive ordinary shares equivalents.

Basic and diluted earnings per share were calculated as follows:

<i>In millions except share and per-share data</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Basic earnings:				
Net income from continuing operations	\$ 8.5	\$ 6.0	\$ 25.8	\$ 26.5
Net (loss) / income from discontinued operations	(0.5)	(1.2)	(0.9)	3.8
Net income	\$ 8.0	\$ 4.8	\$ 24.9	\$ 30.3
Weighted average number of £0.50 ordinary shares:				
For basic earnings per share	27,295,862	27,722,472	27,403,844	27,718,874
Dilutive effect of potential common stock	229,452	311,260	249,042	353,281
For diluted earnings per share	27,525,314	28,033,732	27,652,886	28,072,155
Earnings / (loss) per share using weighted average number of ordinary shares outstanding⁽¹⁾:				
Basic earnings per ordinary share for continuing operations	\$ 0.31	\$ 0.22	\$ 0.94	\$ 0.96
Basic (loss) / earnings per ordinary share for discontinued operations	(0.02)	(0.04)	(0.03)	0.14
Basic earnings per ordinary share	\$ 0.29	\$ 0.17	\$ 0.91	\$ 1.09
Diluted earnings per ordinary share for continuing operations	\$ 0.31	\$ 0.21	\$ 0.93	\$ 0.94
Diluted (loss) / earnings per ordinary share for discontinued operations	(0.02)	(0.04)	(0.03)	0.14
Diluted earnings per ordinary share	\$ 0.29	\$ 0.17	\$ 0.90	\$ 1.08

(1) 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

In the third quarter of 2022 and 2021 and year-to-date 2022, basic average shares outstanding and diluted average shares outstanding were the same for discontinued operations because the effect of potential shares of common stock was anti-dilutive since the Company generated a net loss from discontinued operations.

3. Net Sales

Disaggregated sales disclosures for the quarter and year-to-date ended September 25, 2022, and September 26, 2021, are included below and in Note 14, Segmental Information.

<i>In millions</i>	Third Quarter					
	2022			2021		
	Gas Cylinders	Elektron	Total	Gas Cylinders	Elektron	Total
General industrial	\$ 7.0	\$ 31.0	\$ 38.0	\$ 7.6	\$ 21.6	\$ 29.2
Transportation	17.9	11.3	29.2	19.7	11.4	31.1
Defense, First Response & Healthcare	18.5	14.5	33.0	18.3	12.6	30.9
	\$ 43.4	\$ 56.8	\$ 100.2	\$ 45.6	\$ 45.6	\$ 91.2

<i>In millions</i>	Year-to-date					
	2022			2021		
	Gas Cylinders	Elektron	Total	Gas Cylinders	Elektron	Total
General industrial	\$ 23.7	\$ 90.1	\$ 113.8	\$ 23.3	\$ 69.0	\$ 92.3
Transportation	53.9	40.4	94.3	50.7	35.1	85.8
Defense, First Response & Healthcare	54.3	44.3	98.6	54.3	43.0	97.3
	\$ 131.9	\$ 174.8	\$ 306.7	\$ 128.3	\$ 147.1	\$ 275.4

The Company's performance obligations are satisfied at a point in time. With the reclassification of our Superform business as discontinued operations, none of the Company's revenue from continuing operations is satisfied over time. As a result, the Company's contract receivables, contract assets and contract liabilities are included within current assets and liabilities held-for-sale.

4. Restructuring

The \$0.3 million (2021: \$0.5 million) and \$2.0 million restructuring charges (2021: \$2.1 million) in the third quarter and first nine months of 2022, respectively, included \$0.3 million (2021: \$0.3 million) and \$1.8 million (2021: \$1.0 million), respectively, of further costs associated with the closure of Luxfer Gas Cylinders France, and was largely legal and professional fees. In addition \$0.2 million of costs were incurred in the second quarter of 2022 relating to one-time employee termination benefits in the Elektron division in relation to the consolidation of production facilities in the Magnesium Powders operations.

The first nine months of 2021 also includes \$0.9 million primarily of one-time employee termination benefits in the Elektron division, largely in relation to the divestiture of our small Luxfer Magtech production facility in Ontario, Canada.

Restructuring-related costs by reportable segment were as follows:

<i>In millions</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Severance and related costs				
Gas Cylinders	\$ 0.3	\$ 0.5	\$ 1.8	\$ 1.1
Elektron	—	—	0.2	1.0
Total restructuring charges	\$ 0.3	\$ 0.5	\$ 2.0	\$ 2.1

4. Restructuring (continued)

Activity related to restructuring, recorded in *Other current liabilities* in the consolidated balance sheets is summarized as follows:

<i>In millions</i>	2022
Balance at January 1,	\$ 11.7
Costs incurred	2.0
Cash payments and other	(9.8)
Balance at September 25,	\$ 3.9

5. Acquisition and disposal related costs

On March 15, 2021 the Company completed the acquisition of the Structural Composites Industries LLC (SCI) business of Worthington Industries, Inc., based in Pomona, California, for \$19.3 million cash consideration. The acquisition of SCI strengthens Luxfer's composite cylinder offerings and aligns with recent investment to enhance our alternative fuel capabilities to capitalize on the growing compressed natural gas (CNG) and hydrogen opportunities.

Acquisition-related costs of \$0.3 million in the first nine months of 2022 and \$1.5 million in the first nine months of 2021 represent transitional costs and professional fees incurred in relation to the SCI acquisition.

6. Other charges

There were no other charges in the first nine months of 2022. Other charges of \$1.1 million in the first nine months of 2021 relates to the settlement of a class action lawsuit in the Gas Cylinders segment in relation to an alleged historic violation of the Californian Labor Code, concerning a Human Resources administration matter.

7. Supplementary balance sheet information

<i>In millions</i>	September 25, 2022	December 31, 2021
Accounts and other receivables		
Trade receivables	\$ 54.0	\$ 45.8
Related parties	0.1	0.1
Prepayments and accrued income	6.5	8.5
Derivative financial instruments	0.7	0.1
Deferred consideration	1.0	1.0
Other receivables	3.8	2.3
Total accounts and other receivables	\$ 66.1	\$ 57.8
Inventories		
Raw materials and supplies	\$ 44.1	\$ 39.3
Work-in-process	41.8	26.7
Finished goods	25.7	24.5
Total inventories	\$ 111.6	\$ 90.5
Property, plant and equipment, net		
Land, buildings and leasehold improvements	\$ 56.8	\$ 64.6
Machinery and equipment	241.1	266.3
Construction in progress	8.8	8.4
Total property, plant and equipment	306.7	339.3
Accumulated depreciation and impairment	(231.7)	(251.8)
Total property, plant and equipment, net	\$ 75.0	\$ 87.5
Other current liabilities		
Restructuring provision	\$ 3.9	\$ 11.7
Short term provision	1.0	0.2
Derivative financial instruments	0.7	0.1
Operating lease liability	4.5	3.0
Advance payments	2.5	4.6
Total other current liabilities	\$ 12.6	\$ 19.6
Other non-current liabilities		
Contingent liabilities	\$ 0.6	\$ 1.8
Operating lease liability	18.8	9.8
Other non-current liabilities	0.1	—
Total other non-current liabilities	\$ 19.5	\$ 11.6

8. Goodwill and other identifiable intangible assets

Changes in goodwill during the first nine months ended September 25, 2022, were as follows:

<i>In millions</i>	Gas Cylinders	Elektron	Total
At January 1, 2022	\$ 27.6	\$ 42.1	\$ 69.7
Exchange difference	(4.5)	(2.7)	(7.2)
Net balance at September 25, 2022	\$ 23.1	\$ 39.4	\$ 62.5

Accumulated goodwill impairment losses in relation to continuing activities were \$8.0 million as of September 25, 2022 and December 31, 2021.

Identifiable intangible assets consisted of the following:

<i>In millions</i>	Customer relationships	Technology and trading related	Total
Cost:			
At January 1, 2022	\$ 15.2	\$ 8.2	\$ 23.4
Exchange movements	—	(1.4)	(1.4)
At September 25, 2022	\$ 15.2	\$ 6.8	\$ 22.0
Accumulated amortization:			
At January 1, 2022	\$ 5.7	\$ 4.0	\$ 9.7
Provided during the period	0.4	0.2	0.6
Exchange movements	—	(0.7)	(0.7)
At September 25, 2022	\$ 6.1	\$ 3.5	\$ 9.6
Net book values:			
At January 1, 2022	\$ 9.5	\$ 4.2	\$ 13.7
At September 25, 2022	\$ 9.1	\$ 3.3	\$ 12.4

Identifiable intangible asset amortization expense was \$0.6 million and \$0.7 million for the first nine months of 2022 and 2021 respectively.

Intangible asset amortization expense in 2022 and each of the following four years is expected to be approximately \$0.8 million.

9. Debt

Debt outstanding was as follows:

<i>In millions</i>	September 25, 2022	December 31, 2021
4.88% Loan Notes due 2023	\$ 25.0	\$ 25.0
4.94% Loan Notes due 2026	25.0	25.0
Revolving credit facility	37.6	10.8
Unamortized debt issuance costs	(0.8)	(1.2)
Total debt	\$ 86.8	\$ 59.6
Less current portion	\$ (25.0)	\$ —
Non-current debt	\$ 61.8	\$ 59.6

The weighted-average interest rate on the revolving credit facility was 3.60% for the Third Quarter of 2022 and 1.70% for the full-year 2021.

9. Debt (continued)

The maturity profile of the Company's debt, excluding unamortized issuance costs and discounts, is as follows:

<i>In millions</i>	2022	2023	2024	2025	2026	Thereafter	Total
Loan Notes due 2023	—	25.0	—	—	—	—	25.0
Loan Notes due 2026	—	—	—	—	25.0	—	25.0
Revolving credit facility	—	—	—	—	37.6	—	37.6
Total debt	\$ —	\$ 25.0	\$ —	\$ —	\$ 62.6	\$ —	\$ 87.6

Loan notes due and shelf facility

The Note Purchase Agreement and Private Shelf Agreement requires us to maintain compliance with a minimum interest coverage ratio and a leverage ratio. We have been in compliance with the covenants under the Note Purchase and Private Shelf Agreement throughout all of the quarterly measurement dates from and including September 30, 2014, to September 25, 2022.

The Loan Notes due 2023 and 2026, the Shelf Facility and the Note Purchase and Private Shelf Agreement are governed by the law of the State of New York.

Senior Facilities Agreement

During the first nine months of 2022, we drew down net \$31.7 million on the Revolving Credit Facility and the balance outstanding at September 25, 2022, was \$37.6 million, and at December 31, 2021, was \$10.8 million, with \$62.3 million undrawn at September 25, 2022.

We have been in compliance with the covenants under the Senior Facilities Agreement throughout all of the quarterly measurement dates from and including September 30, 2011, to September 25, 2022.

10. Discontinued Operations

Our Superform aluminum superplastic forming business operating in the U.S. was historically included in the Gas Cylinders segment. As a result of our decision to exit non-strategic aluminum product lines, we have reflected the results of operations of this business as discontinued operations in the Condensed Consolidated Statements of Income for all periods presented. We expect the sale of our Superform business to occur in 2022.

The assets and liabilities of the Superform business have been presented within assets held-for-sale and liabilities held-for-sale in the consolidated balance sheets for 2022 and 2021.

In 2021, our Superform U.K. business was also disclosed within assets and liabilities held-for-sale. The business was sold in September 2021.

Results of discontinued operations in the first nine months of 2022 and 2021 were as follows:

<i>In millions</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Net sales	\$ 1.8	\$ 4.9	\$ 5.5	\$ 19.5
Cost of goods sold	(1.7)	(4.7)	(4.9)	(20.4)
Gross profit/(loss)	\$ 0.1	\$ 0.2	\$ 0.6	\$ (0.9)
Selling, general and administrative expenses	(0.1)	(1.4)	(0.5)	(3.1)
Restructuring charges	—	—	(0.3)	—
Acquisition and disposal related costs	(0.7)	—	(0.9)	—
Operating loss	\$ (0.7)	\$ (1.2)	\$ (1.1)	\$ (4.0)
Tax credit	0.2	0.5	0.2	1.2
Net loss	\$ (0.5)	\$ (0.7)	\$ (0.9)	\$ (2.8)

10. Discontinued Operations (continued)

Our U.S. aluminum gas cylinder business was sold in March 2021 for \$21.0 million. During 2021, \$0.8 million of working capital adjustments were made, resulting in final proceeds of \$20.2 million.

In the Third Quarter of 2021, the Company also recorded a \$0.1 million loss on the sale of the Superform U.K business resulting in a total \$0.5 million loss on disposition in the quarter and \$6.6 million gain on disposition in the year.

The assets and liabilities classified as held-for-sale related to discontinued operations were as follows:

Held-for-sale assets	September 25,		December 31,	
<i>In millions</i>	2022		2021	
Right-of-use-assets from operating leases	\$	2.8	\$	—
Inventory		3.0		2.7
Accounts and other receivables		2.1		2.1
Held-for-sale assets	\$	7.9	\$	4.8
Held-for-sale liabilities				
Accounts payable		1.1		0.5
Accrued liabilities		0.5		0.1
Other liabilities		0.2		—
Lease Liabilities		3.1		0.8
Held-for-sale liabilities	\$	4.9	\$	1.4

Also included within assets held-for-sale in 2022 are land and buildings valued at \$1.2 million, and an additional \$3.7 million in 2021, within our Elektron Segment.

The depreciation and amortization, capital expenditures and significant non-cash items were as follows:

<i>In millions</i>	Third Quarter			Year-to-date				
	2022	2021		2022	2021			
Cash flows from discontinued operating activities:								
Depreciation	\$	—	\$	0.1	\$	—	\$	0.4

Cash balances are swept into the treasury entities at the end of each day, these sweeps are recorded within operating cash flows in the statements of cash flows.

11. Income Taxes

We manage our affairs so that we are centrally managed and controlled in the United Kingdom (“U.K.”) and therefore have our tax residency in the U.K. The provision for income taxes consists of provisions for the U.K. and international income taxes. We operate in an international environment with operations in various locations outside the U.K. Accordingly, the consolidated income tax rate is a composite rate reflecting the earnings in the various locations and the applicable rates.

The effective income tax rate on continuing operations for the first nine months ended September 25, 2022, was 21.8%, compared to 12.0% for the first nine months ended September 26, 2021. The 2021 rate was impacted by a \$2.8 million deferred tax credit as a result of the enacted increase in the U.K. tax rate from 19% to 25% from April 2023.

12. Share Plans

Total share-based compensation expense for the quarters ended September 25, 2022, and September 26, 2021, was as follows:

<i>In millions</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Total share-based compensation charges	\$ 0.9	\$ 0.8	\$ 1.8	\$ 2.2

In March 2022, we issued our annual share-based compensation grants under the Luxfer Holdings PLC Long-Term Umbrella Incentive Plan. The total number of awards issued was approximately 167,400 and the weighted average fair value of options granted in 2022 was estimated to be \$17.82 per share.

Also in March 2022, approximately 17,000 awards were granted based on the achievement of total shareholder return targets from the period January 1, 2019 to December 31, 2021. 50% of these awards vested immediately upon grant, with the remaining 50% vesting in March 2023.

In May 2022, approximately 19,000 additional awards were granted under the Luxfer Holdings PLC Long-Term Umbrella Incentive Plan. The fair value of options granted was estimated to be \$15.00 per share.

In June 2022, we issued our annual share-based compensation grants under the Luxfer Holdings PLC Non-Executive Directors' Equity Incentive Plan. The total number of awards issued was 26,295 and the weighted-average fair value of options granted was estimated to be \$15.50 per share.

The following table illustrates the assumptions used in deriving the fair value of share options granted during 2022 and the year-ended December 31, 2021:

	2022	2021
Dividend yield (%)	2.27	2.27
Expected volatility range (%)	42.80 - 59.03	42.80 - 59.03
Risk-free interest rate (%)	0.04 - 0.24	0.04 - 0.24
Expected life of share options range (years)	0.50 - 4.00	0.50 - 4.00
Forfeiture rate (%)	5.00	5.00
Weighted average exercise price (\$)	\$1.00	\$1.00
Model used	Black-Scholes & Monte-Carlo	Black-Scholes & Monte-Carlo

The expected life of the share options is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

13. Shareholders' Equity

Dividends paid and proposed

<i>In millions</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Dividends declared and paid during the year:				
Interim dividend declared January 4 2021, and paid February 4, 2021 (\$0.125 per ordinary share)	\$ —	\$ —	\$ —	\$ 3.4
Interim dividend declared April 5 2021, and paid May 5, 2021 (\$0.125 per ordinary share)	—	—	—	3.4
Interim dividend declared July 6 2021, and paid August 4, 2021 (\$0.125 per ordinary share)	—	3.4	—	3.4
Interim dividend declared January 4 2022, and paid February 2, 2022 (\$0.125 per ordinary share)	—	—	3.4	—
Interim dividend declared March 10 2022, and paid May 4, 2022 (\$0.130 per ordinary share)	—	—	3.6	—
Interim dividend declared July 5 2022, and paid August 3, 2022 (\$0.130 per ordinary share)	3.6	—	3.6	—
	<u>\$ 3.6</u>	<u>\$ 3.4</u>	<u>\$ 10.6</u>	<u>\$ 10.2</u>

<i>In millions</i>	2022	2021
Dividends declared and paid after the quarter end (not recognized as a liability at the quarter end):		
Interim dividend declared October 5, and to be paid November 3, 2021 (\$0.125 per ordinary share)	\$ —	\$ 3.4
Interim dividend declared October 4, and to be paid November 2, 2022 (\$0.130 per ordinary share)	3.6	—
	<u>\$ 3.6</u>	<u>\$ 3.4</u>

In July 2022 the Company made a payment of \$0.1 million to cancel the entirety of deferred shares held, \$149.8 million was reallocated to additional paid-in capital to reflect the capital reduction in deferred shares.

14. Segmental Information

We classify our operations into two core business segments, Gas Cylinders and Elektron, based primarily on shared economic characteristics for the nature of the products and services; the nature of the production processes; the type or class of customer for their products and services; the methods used to distribute their products or provide their services; and the nature of the regulatory environment. The Company has four identified business units, which aggregate into the two reportable segments. Luxfer Gas Cylinders forms the Gas Cylinders segment, and Luxfer MEL Technologies, Luxfer Magtech and Luxfer Graphic Arts aggregate into the Elektron segment. The Superform business unit used to aggregate into the Gas Cylinders segment, but is now recognized as discontinued operations. A summary of the operations of the segments is provided below:

Gas Cylinders segment

Our Gas Cylinders segment manufactures and markets specialized products using composites and aluminum, including pressurized cylinders for use in various applications including self-contained breathing apparatus (SCBA) for firefighters, containment of oxygen and other medical gases for healthcare, alternative fuel vehicles, and general industrial.

Elektron segment

Our Elektron segment focuses on specialty materials based primarily on magnesium and zirconium, with key product lines including advanced lightweight magnesium alloys with a variety of uses across a variety of industries; magnesium powders for use in countermeasure flares, as well as heater meals; photoengraving plates for graphic arts; and high-performance zirconium-based materials and oxides used as catalysts and in the manufacture of advanced ceramics, fiber-optic fuel cells, and many other performance products.

Other

Other primarily represents unallocated corporate expense and includes non-service related defined benefit pension cost / credit.

Management monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated by the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments as the CEO, using adjusted EBITA⁽¹⁾ and adjusted EBITDA, which we defined as segment income and are based on operating income adjusted for share based compensation charges; loss on disposal of property, plant and equipment; restructuring charges; impairment charges; acquisition and disposal related gains and costs; other charges; depreciation and amortization; and unwind of the discount on deferred consideration.

¹ Adjusted EBITA is adjusted EBITDA less depreciation

Unallocated assets and liabilities include those which are held on behalf of the Company and cannot be allocated to a segment, such as taxation, investments, cash, retirement benefits obligations, bank and other loans and holding company assets and liabilities.

Financial information by reportable segment for the Third Quarter and year-to-date ended September 25, 2022, and September 26, 2021, is included in the following summary:

In millions	Net sales				Adjusted EBITDA			
	Third Quarter		Year-to-date		Third Quarter		Year-to-date	
	2022	2021	2022	2021	2022	2021	2022	2021
Gas Cylinders segment	\$ 43.4	\$ 45.6	\$ 131.9	\$ 128.3	\$ 3.4	\$ 5.4	\$ 9.8	\$ 16.7
Elektron segment	56.8	45.6	174.8	147.1	12.7	8.4	39.3	32.1
Consolidated	\$ 100.2	\$ 91.2	\$ 306.7	\$ 275.4	\$ 16.1	\$ 13.8	\$ 49.1	\$ 48.8

In millions	Depreciation and amortization				Restructuring charges			
	Third Quarter		Year-to-date		Third Quarter		Year-to-date	
	2022	2021	2022	2021	2022	2021	2022	2021
Gas Cylinders segment	\$ 1.2	\$ 1.4	\$ 3.8	\$ 3.9	\$ 0.3	\$ 0.5	\$ 1.8	\$ 1.1
Elektron segment	2.1	2.4	6.6	7.3	—	—	0.2	1.0
Consolidated	\$ 3.3	\$ 3.8	\$ 10.4	\$ 11.2	\$ 0.3	\$ 0.5	\$ 2.0	\$ 2.1

14. Segmental Information (continued)

In millions	Total assets				Capital expenditures			
	September 25,		December 31,		Third Quarter		Year-to-date	
	2022	2021	2022	2021	2022	2021	2022	2021
Gas Cylinders segment	\$ 131.0	\$ 122.7	\$ 0.4	\$ 0.2	\$ 0.8	\$ 0.7		
Elektron segment	213.1	206.5	2.1	1.8	4.7	4.9		
Other	40.4	34.8	—	—	—	—		
Discontinued operations	\$ 7.9	\$ 4.8	\$ —	\$ —	\$ —	\$ —		
Consolidated	\$ 392.4	\$ 368.8	\$ 2.5	\$ 2.0	\$ 5.5	\$ 5.6		

In millions	Property, plant and equipment, net			
	September 25,		December 31,	
	2022	2021	2022	2021
U.S.	\$ 42.2	\$ 46.9		
United Kingdom	28.8	36.0		
Canada	2.9	3.3		
Rest of Europe	0.9	1.0		
Asia Pacific	0.2	0.3		
	\$ 75.0	\$ 87.5		

The following table presents a reconciliation of Adjusted EBITDA to net income from continuing operations:

In millions	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Adjusted EBITDA	\$ 16.1	\$ 13.8	\$ 49.1	\$ 48.8
Other share-based compensation charges	(0.9)	(0.8)	(1.8)	(2.2)
Depreciation and amortization	(3.3)	(3.8)	(10.4)	(11.2)
Gain on disposal of property, plant and equipment	—	—	0.2	—
Restructuring charges	(0.3)	(0.5)	(2.0)	(2.1)
Acquisition and disposal related costs	—	(0.6)	(0.3)	(1.5)
Other charges	—	—	—	(1.1)
Defined benefits pension credit	0.2	0.6	0.9	1.8
Interest expense, net	(1.0)	(0.8)	(2.7)	(2.4)
Net income before income taxes from continuing operations	\$ 10.8	\$ 7.9	\$ 33.0	\$ 30.1

The following tables present certain geographic information by geographic region for the Third Quarter ended September 25, 2022, and September 26, 2021:

	Net Sales ⁽¹⁾							
	Third Quarter				Year-to-date			
	2022		2021		2022		2021	
	\$M	Percent	\$M	Percent	\$M	Percent	\$M	Percent
United States	\$ 57.0	56.8 %	\$ 49.4	54.2 %	\$ 174.0	56.8 %	\$ 151.8	55.1 %
U.K.	4.6	4.6 %	6.5	7.1 %	16.0	5.2 %	17.5	6.4 %
Germany	4.4	4.4 %	5.1	5.6 %	15.3	5.0 %	13.2	4.8 %
France	1.8	1.8 %	2.6	2.9 %	6.7	2.2 %	9.3	3.4 %
Italy	2.5	2.5 %	3.5	3.8 %	8.4	2.7 %	9.5	3.4 %
Top five countries	\$ 70.3	70.1 %	\$ 67.1	73.6 %	\$ 220.4	71.9 %	\$ 201.3	73.1 %
Rest of Europe	6.7	6.7 %	4.9	5.4 %	19.1	6.2 %	19.0	6.9 %
Asia Pacific	18.3	18.3 %	13.7	15.0 %	50.7	16.5 %	38.1	13.8 %
Other ⁽²⁾	4.9	4.9 %	5.5	6.0 %	16.5	5.4 %	17.0	6.2 %
	\$ 100.2		\$ 91.2		\$ 306.7		\$ 275.4	

(1) Net sales are based on the geographic destination of sale.

(2) Other includes Canada, South America, Latin America and Africa.

15. Commitments and Contingencies

Committed and uncommitted banking facilities

The Company had committed banking facilities of \$100.0 million at September 25, 2022 and December 31, 2021. Of these committed facilities, \$37.6 million was drawn at September 25, 2022 and \$10.8 million at December 31, 2021. The Company also had an additional \$50.0 million of uncommitted facilities through an accordion provision.

The Company also has a separate (uncommitted) bonding facility for bank guarantees, denominated in GBP sterling of £0.5 million or \$0.5 million (2021: £0.6 million or \$0.9 million), £0.1 million (\$0.1 million) and £0.1 million (\$0.2 million) was utilized at September 25, 2022, and December 31, 2021, respectively.

The Company has a separate (uncommitted) facility for letters of credit, which at September 25, 2022, was \$2.0 million (2021: \$1.5 million). \$1.1 million and \$0.9 million of this was utilized at September 25, 2022, and December 31, 2021, respectively.

The Company also has a \$4.0 million separate overdraft facility of which none was drawn at September 25, 2022 and at December 31, 2021.

Contingencies

In November 2018, an explosion occurred at a third-party waste disposal and treatment site in Boise, Idaho, reportedly causing property damage, personal injury, and one fatality. We had contracted with a service company for removal and disposal of certain waste resulting from the magnesium powder manufacturing operations at the Reade facility in Lakehurst, New Jersey. We believe this service company, in turn, apparently contracted with the third-party disposal company, at whose facility the explosion occurred, for treatment and disposal of the waste. In November 2020, we were named as a defendant in three lawsuits in relation to the incident - one by the third-party disposal company, one by the estate of the decedent, and one by an injured employee of the third-party disposal company. We do not believe that we are liable for the incident, have asserted such, and, therefore, do not currently expect this matter to have a material impact on the Company's financial position or results of operations.

16. Subsequent Events

No material events.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Information regarding forward-looking statements

This Interim Report on Form 10-Q contains certain statements, statistics and projections that are, or may be, forward-looking. These forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors that could cause our actual results of operations, financial condition, liquidity, performance, prospects, opportunities, achievements or industry results, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. The accuracy and completeness of all such statements, including, without limitation, statements regarding our future financial position, strategy, plans and objectives for the management of future operations, is not warranted or guaranteed. These statements typically contain words such as "believes," "intends," "expects," "anticipates," "estimates," "may," "will," "should" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Although we believe that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, factors identified in "Business," "Risk factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," or elsewhere in this Interim Report, as well as:

- general economic conditions, or conditions affecting demand for the services offered by us in the markets in which we operate, both domestically and internationally, being less favorable than expected;
- worldwide economic and business conditions and conditions in the industries in which we operate;
- post-pandemic impact of COVID-19 and future pandemics;
- fluctuations in the cost and / or availability of raw materials, labor and energy, as well as our ability to pass on cost increases to customers;
- currency fluctuations and other financial risks;
- our ability to protect our intellectual property;
- the amount of indebtedness we have incurred and may incur, and the obligations to service such indebtedness and to comply with the covenants contained therein;
- relationships with our customers and suppliers;
- increased competition from other companies in the industries in which we operate;
- changing technology;
- our ability to execute and integrate new acquisitions;
- claims for personal injury, death or property damage arising from the use of products produced by us;
- the occurrence of accidents or other interruptions to our production processes;
- changes in our business strategy or development plans, and our expected level of capital expenditure;
- our ability to attract and retain qualified personnel;
- restrictions on the ability of Luxfer Holdings PLC to receive dividends or loans from certain of its subsidiaries;
- climate change regulations and the potential impact on energy costs;
- regulatory, environmental, legislative and judicial developments; and
- our intention to pay dividends.

Please read the sections "Business" and "Risk factors" included within the 2021 Annual Report on Form 10-K and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Risk factors" of this Interim Report on Form 10-Q for a more complete discussion of the factors that could affect our performance and the industries in which we operate, as well as those discussed in other documents we file or furnish with the SEC.

About Luxfer

Luxfer is a global manufacturer of highly-engineered industrial materials, which focuses on value creation by using its broad array of technical know-how and proprietary technologies. Luxfer's high-performance products are used in defense and emergency response, healthcare, transportation, and general industrial settings. For more information, visit www.luxfer.com.

Key trends and uncertainties regarding our existing business

Update on ongoing challenging global macro environment and related impact on supply chain disruption

Demand from most end-markets we serve has continued to improve following the adverse impact of COVID-19 on volumes, notably in 2020. This sharp recovery in demand across the global macro environment has resulted in supply chain challenges characterized by significant increases in material cost inflation on key inputs (including magnesium, aluminum and carbon fiber), labor availability issues and energy and transport cost increases. Additionally, in the prior year we were faced with two critical suppliers of magnesium and zirconium respectively declaring force majeure, of which the former remains in place. The continuing conflict in Ukraine which has resulted in punitive sanctions against the Russian Federation has further exacerbated the availability and price of certain raw materials and energy supplies. In response to the supply chain disruption, we have been successful in securing alternative sources of supply for key material inputs affected by force majeure. Furthermore, in the majority of cases, we are able to pass through inflation to our customers. Currently, our expectation is that the impact of material availability / inflation and energy cost inflation and labor and transport constraints will continue into 2023; that we will be able to source sufficient material to meet demand and that in the majority of cases we expect to be able to pass on cost increases. However the outlook remains highly uncertain with both the size and timing of future cost increases difficult to predict.

Impact of conflict in Ukraine

However the outlook remains highly uncertain with both the size and timing of future cost increases difficult to predict. The Russian invasion of Ukraine and ongoing military conflict which commenced on February 24, 2022, has resulted in massive displacement of the Ukrainian population and huge disruption to its economy. Wide ranging sanctions have been imposed on the Russian Federation by the international community, targeting individuals, banks, businesses, funds transfers and imports and exports and are expected to have a significant adverse impact on Russia's economy as well as on international businesses active in the region. The impact on Luxfer is not expected to be significant as we have no direct operations in the region, and our sales to Russia and Ukraine combined typically represent less than one percent of total revenue by destination. Furthermore, neither country is a critical supplier of our raw material needs, and while Russia is a major global exporter of magnesium, we are able to source the metal from various alternative locations, including China, Israel, Turkey and the United States.

Operating objectives and trends

In 2022, we expect the following operating objectives and trends to impact our business:

- Organic growth initiatives with particular focus on revenue from new products;
- Actions to ensure continuity of supply of critical materials and services while safeguarding margins amid inflationary pressures;
- Proactive response on health and well-being of employees, including continuous improvement on safety;
- Targeted improvements in ESG standing through investment in new projects;
- Continued focus on recruiting and developing talent and driving a high-performance culture; and
- Continued focus on operating cash generation leveraging our recent years' of restructuring activity and targeting strong working capital performance.

CONSOLIDATED RESULTS OF OPERATIONS

The consolidated results of operations for the Third Quarter of 2022 and 2021 of Luxfer were as follows:

<i>In millions</i>	Third Quarter		% / point change 2022 v 2021
	2022	2021	
Net sales	\$ 100.2	\$ 91.2	9.9 %
Cost of goods sold	(77.0)	(70.1)	9.8 %
Gross profit	23.2	21.1	10.0 %
<i>% of net sales</i>	23.2 %	23.1 %	0.1
Selling, general and administrative expenses	(10.3)	(10.6)	(2.8)%
<i>% of net sales</i>	10.3 %	11.6 %	(1.3)
Research and development	(1.0)	(1.3)	(23.1)%
<i>% of net sales</i>	1.0 %	1.4 %	(0.4)
Restructuring charges	(0.3)	(0.5)	(40.0)%
<i>% of net sales</i>	0.3 %	0.5 %	(0.2)
Acquisition and disposal related costs	—	(0.6)	(100.0)%
<i>% of net sales</i>	— %	(0.7)%	0.7
Operating income	\$ 11.6	\$ 8.1	43.2 %
<i>% of net sales</i>	11.6 %	8.9 %	2.7
Net interest expense	(1.0)	(0.8)	25.0 %
<i>% of net sales</i>	1.0 %	0.9 %	0.1
Defined benefit pension credit	0.2	0.6	(66.7)%
<i>% of net sales</i>	0.2 %	0.7 %	(0.5)
Income before income taxes	\$ 10.8	\$ 7.9	36.7 %
<i>% of net sales</i>	10.8 %	8.7 %	2.1
Provision for income taxes	(2.3)	(1.9)	21.1 %
<i>Effective tax rate</i>	21.3 %	24.1 %	(2.8)
Net income from continuing activities	\$ 8.5	\$ 6.0	41.7 %
<i>% of net sales</i>	8.5 %	6.6 %	1.9

The consolidated results of operations for the nine months of 2022 and 2021 of Luxfer were as follows:

<i>In millions</i>	Year-to-date		% / point change
	2022	2021	2022 v 2021
Net sales	\$ 306.7	275.4	11.4 %
Cost of goods sold	(233.6)	(203.2)	15.0 %
Gross profit	73.1	72.2	1.2 %
<i>% of net sales</i>	23.8 %	26.2 %	(2.4)
Selling, general and administrative expenses	(32.5)	(33.9)	(4.1)%
<i>% of net sales</i>	10.6 %	12.3 %	(1.7)
Research and development	(3.5)	(2.9)	20.7 %
<i>% of net sales</i>	1.1 %	1.1 %	—
Restructuring charges	(2.0)	(2.1)	(4.8)%
<i>% of net sales</i>	0.7 %	0.8 %	(0.1)
Acquisition and disposal related costs	(0.3)	(1.5)	(80.0)%
<i>% of net sales</i>	0.1 %	(0.5)%	0.6
Other charges	—	(1.1)	n/a
<i>% of net sales</i>	— %	0.4 %	(0.4)
Operating income	34.8	30.7	13.4 %
<i>% of net sales</i>	11.3 %	11.1 %	0.2
Net interest expense	(2.7)	(2.4)	12.5 %
<i>% of net sales</i>	0.9 %	0.9 %	—
Defined benefit pension credit	0.9	1.8	(50.0)%
<i>% of net sales</i>	0.3 %	0.7 %	(0.4)
Income from continuing operations	33.0	30.1	9.6 %
<i>% of net sales</i>	10.8 %	10.9 %	(0.1)
Provision for income taxes	(7.2)	(3.6)	100.0 %
<i>Effective tax rate</i>	21.8 %	12.0 %	9.8
Net income from continuing operations	\$ 25.8	\$ 26.5	(2.6)%
<i>% of net sales</i>	8.4 %	9.6 %	(1.2)

Net sales

Adjusting for foreign exchange headwinds of \$4.9 million and \$9.8 million, net sales have increased by 15.2% and 14.9% in the third quarter and first nine months of 2022 respectively. The passing through of material cost inflation, where not constrained by contract, accounted for approximately 14.6% and 13.0% of the increase in consolidated net sales in the third quarter and first nine months, respectively, of 2022 from 2021. Furthermore, there was a benefit in the quarter from:

- Increased sales of magnesium powders used in commercial applications;
- Increased demand for composite cylinders used in aerospace and medical applications, although constrained by historical contractual prices;
- Increased sales of magnesium alloys, especially those used in aerospace applications; and
- Higher demand for our zirconium products particularly in industrial applications.

These increases were partially offset by:

- Unfavorable foreign exchange variances as highlighted above;
- Softening sales of flameless ration heaters ("FRH") and Chemical detection kits, and
- Alternative fuel cylinders down on strong quarter in prior year.

Further to the above, the first nine months of the year were also affected by:

- Increased sales of magnesium powders used in military applications; and
- Higher demand for photo-engraving plates

Gross profit

The 2.4 percentage point decrease in gross profit as a percentage of sales in the first nine months of 2022 from 2021 was primarily the result of increased material and labor costs and other supply chain investments to overcome disruption, not fully covered by price increases, particularly in the Gas Cylinders Division.

The 0.1 percentage point increase in gross profit as a percentage of sales in the third quarter of 2022 from 2021 is a result of positive sales mix between the Elektron and Gas Cylinders Division offsetting the impact of fixed-priced contracts in the Gas Cylinders Division.

Selling, general and administrative expenses ("SG&A")

SG&A costs as a percentage of sales in 2022 from 2021 has decreased by 1.3 percentage points and 1.7 percentage points in the quarter and first nine months respectively, largely due to the impact of price increases on revenue, as well as cost reduction programs effected in the prior year. We have also benefited from foreign currency translation of \$1.0 million and \$1.6 million in the quarter and first nine months respectively.

Research and development costs

Research and development costs as a percentage of sales decreased by 0.4 percentage points in the third quarter and remained flat for the first nine months of 2022 relative to 2021 respectively. The reduction in the quarter has brought the year-to-date spend in line with the prior year. There has been a \$0.1 million impact due to foreign exchange, accounting for half of the percentage point reduction.

Restructuring charges

The \$0.3 million and \$2.0 million restructuring charge in the third quarter and first nine months of 2022 relates predominantly to costs associated with the closure of Luxfer Gas Cylinders France, which ceased operations in 2019. There was \$0.2 million recognized in the second quarter of 2022 relating to one-time employee termination benefits in the Elektron division in relation to the consolidation of production facilities in the Magnesium Powders operations.

The \$0.5 million and \$2.1 million restructuring charge in the third quarter and first nine months of 2021 included \$0.3 million and \$1.1 million respectively of further costs associated with the announced closure of Luxfer Gas Cylinders France, and was largely legal and professional fees. The first nine months of 2021 also includes \$0.9 million of one-time employee termination benefits in the Elektron division, largely in relation to the planned divestiture of our small Elektron production facility in Ontario, Canada.

Acquisition and disposal related costs

Net costs of \$0.3 million incurred in the first nine months of 2022 and \$0.6 million and \$1.5 million in the third quarter and first nine months of 2021 respectively, represents amounts incurred in relation to the acquisition of Structural Composites Industries.

Other charges

Other charges in the first nine months of 2021 relates to the settlement of a class action lawsuit in the Gas Cylinders segment in relation to an alleged historic violation of the Californian Labor Code, concerning an Human Resources administration matter.

Net interest expense

Net interest expense of \$1.0 million in the third quarter of 2022 increased \$0.2 million from \$0.8 million in the third quarter 2021, due to combination of increased interest rates and higher drawings. Interest expense of \$2.7 million in the first nine months of 2022 was also higher than the \$2.4 million in the first nine months of 2021.

Defined benefit pension credit

The \$0.4 million and \$0.9 million decrease in defined benefit pension credit to \$0.2 million and \$0.9 million in the third quarter and first nine months of 2022 from \$0.6 million and \$1.8 million in 2021 is primarily due to the combined effect on the U.K. plan of lower projected asset returns and a higher inflation projection coupled with the weakening of the pound sterling.

Provision for income taxes

The movement in the statutory effective tax rate from 12.0% in 2021, to 21.8% in 2022, was primarily due to the impact of the enacted tax rate change in the U.K. in 2021, which is due to rise from 19% to 25% in April 2023. The subsequent increase in the value of deferred tax assets related to our defined benefit pension plan resulted in a credit of \$2.2 million recorded in our tax charge in the second quarter of 2021. When stripping out the impact of this, as well as other less significant adjusting items, the adjusted effective tax rate has increased to 21.5% in 2022 from 21.2% in 2021, largely as a result of jurisdictional profit mix.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP MEASURES

The following table of non-GAAP summary financial data presents a reconciliation of net income to adjusted net income for the periods presented, being the most comparable GAAP measure. Management believes that adjusted net income, adjusted earnings per share, adjusted EBITA and adjusted EBITDA are key performance indicators (KPIs) used by the investment community and that such presentation will enhance an investor's understanding of the Company's operational results. In addition, Luxfer's CEO and other senior management use these KPIs, among others, to evaluate business performance. However, investors should not consider adjusted net income and adjusted earnings per share in isolation as an alternative to net income and earnings per share when evaluating Luxfer's operating performance or measuring Luxfer's profitability.

<i>In millions except per share data</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Net income from continuing operations	\$ 8.5	\$ 6.0	\$ 25.8	\$ 26.5
Accounting charges relating to acquisitions and disposals of businesses:				
Amortization on acquired intangibles	0.2	0.3	0.6	0.7
Acquisition and disposal related costs	—	0.6	0.3	1.5
Defined benefit pension credit	(0.2)	(0.6)	(0.9)	(1.8)
Restructuring charges	0.3	0.5	2.0	2.1
Other charges	—	—	—	1.1
Share-based compensation charges	0.9	0.8	1.8	2.2
Other non-recurring tax items ⁽¹⁾	—	—	—	(2.2)
Income tax on adjusted items	(0.1)	(0.4)	(0.7)	(1.8)
Adjusted net income	\$ 9.6	\$ 7.2	\$ 28.9	\$ 28.3
Adjusted earnings per ordinary share				
Diluted earnings per ordinary share	\$ 0.31	\$ 0.21	\$ 0.93	\$ 0.94
Impact of adjusted items	0.04	0.05	0.12	0.07
Adjusted diluted earnings per ordinary share ⁽²⁾	\$ 0.35	\$ 0.26	\$ 1.05	\$ 1.01

⁽¹⁾ Other non-recurring tax items represents the impact of the enacted U.K. tax rate change (from 19% to 25% with effect from April 2023) on deferred tax assets related to our U.K. defined benefit pension plan.

⁽²⁾ 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, except where there is a loss in the period, then no adjustment is made.

<i>In millions</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Adjusted net income	\$ 9.6	\$ 7.2	\$ 28.9	\$ 28.3
Add back:				
Other non-recurring tax items	—	—	—	2.2
Income tax on adjusted items	0.1	0.4	0.7	1.8
Provision for income taxes	2.3	1.9	7.2	3.6
Net finance costs	1.0	0.8	2.7	2.4
Gain on disposal of PPE	—	—	(0.2)	—
Adjusted EBITA	\$ 13.0	\$ 10.3	\$ 39.3	\$ 38.3
Depreciation	3.1	3.5	9.8	10.5
Adjusted EBITDA	\$ 16.1	\$ 13.8	\$ 49.1	\$ 48.8

The following table presents a reconciliation for the adjusted effective tax rate, which management believes is a KPI used by the investment community and that such presentation will enhance an investor's understanding of the Company's operational results.

<i>In millions</i>	Third Quarter		Year-to-date	
	2022	2021	2022	2021
Adjusted net income	\$ 9.6	\$ 7.2	\$ 28.9	\$ 28.3
Add back:				
Other non-recurring tax items	—	2.2	—	2.2
Income tax on adjusted items	0.1	0.4	0.7	1.8
Provision for income taxes	2.3	1.9	7.2	3.6
Adjusted income before income taxes	\$ 12.0	\$ 11.7	\$ 36.8	\$ 35.9
Adjusted provision for income taxes	2.4	4.5	7.9	7.6
Adjusted effective tax rate	20.0 %	38.5 %	21.5 %	21.2 %

SEGMENT RESULTS OF OPERATIONS

The summary that follows provides a discussion of the results of operations of each of our two reportable segments (Gas Cylinders and Elektron). Both segments comprise various product offerings that serve multiple end markets.

Adjusted EBITDA represents operating income adjusted for share based compensation charges; gain on disposal of property, plant and equipment, restructuring charges; acquisition and disposal related gains and costs; other charges; depreciation and amortization. A reconciliation to net income and taxes can be found in Note 14 to the condensed consolidated financial statements.

GAS CYLINDERS

The net sales and adjusted EBITDA for Gas Cylinders were as follows:

<i>In millions</i>	Third Quarter		% / point change	Year-to-date		% / point change
	2022	2021	2022 v 2021	2022	2021	2022 v 2021
Net sales	\$ 43.4	\$ 45.6	(4.8)%	\$ 131.9	\$ 128.3	2.8%
Adjusted EBITDA	3.4	5.4	(37.0)%	9.8	16.7	(41.3)%
<i>% of net sales</i>	7.8 %	11.8 %	(4.0)	7.4 %	13.0 %	(5.6)

Net sales

The 4.8% decrease in Gas Cylinders sales in the third quarter of 2022 from 2021 was primarily the result of:

- Continued reduction in sales of aluminum products;
- Reduction in alternative fuel and SCBA cylinder sales; and
- \$2.6 million FX headwind.

These decreases have been partially offset by:

- Increased demand for composite cylinders used in aerospace; and
- Improved sales of medical oxygen cylinders.

Net sales in Gas Cylinders are still being impacted by the fixed-price contracts in place across the Division.

The first nine months of 2022 has benefited from \$7.1 million of sales due to the acquisition of SCI at the end of the first quarter of 2021, which has positively impacted sales of cylinders used in aerospace and alternative fuels ("AF") applications.

Adjusted EBITDA

The 4.0 percentage point and 5.6 percentage point decrease in adjusted EBITDA for Gas Cylinders as a percentage of net sales in the third quarter and first nine months of 2022 relative to 2021 continue to be impacted by timing of contractually constrained cost pass-through, though improving. Cost reduction effort activities more than offset adverse foreign exchange impact.

ELEKTRON

The net sales and adjusted EBITDA for Elektron were as follows:

<i>In millions</i>	Third Quarter		% / point change	Year-to-date		% / point change
	2022	2021	2022 v 2021	2022	2021	2022 v 2021
Net sales	\$ 56.8	\$ 45.6	24.6%	\$ 174.8	\$ 147.1	18.8%
Adjusted EBITDA	12.7	8.4	51.2%	39.3	32.1	22.4%
% of net sales	22.4 %	18.4 %	4.0	22.5 %	21.8 %	0.7

Net sales

The 24.6% and 18.8% increase in Elektron sales in the third quarter and first nine months, respectively, of 2022 from 2021 was primarily the result of:

- Increased sales of magnesium powders used in commercial applications;
- Improved sales of zirconium products including catalysis and traditional oxides; and
- Increased demand for magnesium used in the aerospace market.

These increases were partially offset by a decrease in sales of flameless ration heaters, heater meals and chemical response kits supplied by Luxfer Magtech.

Net sales were also impacted by \$2.3 million of FX headwinds.

Adjusted EBITDA

The 4.0 and 0.7 percentage point increase in adjusted EBITDA for Elektron as a percentage of net sales in the third quarter and first nine months respectively of 2022 from 2021 was primarily the result of the Division's ability to pass on the continued inflationary cost increases, as well as the benefit of positive foreign exchange variances.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements arise primarily from obligations under our indebtedness, capital expenditures, acquisitions, the funding of working capital and the funding of hedging facilities to manage foreign exchange and commodity purchase price risks. We meet these requirements primarily through cash flows from operating activities, cash deposits and borrowings under the Revolving Credit Facility and accompanying ancillary hedging facilities and the Loan Notes due, 2023 and 2026. Our principal liquidity needs are:

- funding acquisitions, including deferred contingent consideration payments;
- capital expenditure requirements;
- payment of shareholder dividends;
- servicing interest on the Loan Notes, which is payable at each quarter end, in addition to interest and / or commitment fees on the Senior Facilities Agreement;
- working capital requirements, particularly in the short term as we aim to safeguard the business from supply chain constraints, as well as to achieve organic sales growth; and
- hedging facilities used to manage our foreign exchange risks.

From time to time, we consider acquisitions or investments in other businesses that we believe would be appropriate additions to our business.

We believe that, in the long term, cash generated from our operations will be adequate to meet our anticipated requirements for working capital, capital expenditures and interest payments on our indebtedness. In the short term, we believe we have sufficient credit facilities to cover any variation in our cash flow generation. However, any major repayments of indebtedness will be dependent on our ability to raise alternative financing or to realize substantial returns from operational sales. Also, our ability to expand operations through sales development and capital expenditures could be constrained by the availability of liquidity, which, in turn, could impact the profitability of our operations.

We have been in compliance with the covenants under the Loan Notes and the Senior Facilities Agreement throughout all of the quarterly measurement dates from and including September 30, 2011, to September 25, 2022.

Luxfer conducts all of its operations through its subsidiaries, joint ventures and affiliates. Accordingly, Luxfer's main cash source is dividends from its subsidiaries. The ability of each subsidiary to make distributions depends on the funds that a subsidiary receives from its operations in excess of the funds necessary for its operations, obligations or other business plans. We have not historically experienced any material impediment to these distributions, and we do not expect any local legal or regulatory regimes to have any impact on our ability to meet our liquidity requirements in the future. In addition, since our subsidiaries are wholly-owned, our claims will generally rank junior to all other obligations of the subsidiaries. If our operating subsidiaries are unable to make distributions, our growth may slow, unless we are able to obtain additional debt or equity financing. In the event of a subsidiary's liquidation, there may not be assets sufficient for us to recoup our investment in the subsidiary.

Our ability to maintain or increase the generation of cash from our operations in the future will depend significantly on the competitiveness of and demand for our products, including our success in launching new products. Achieving such success is a key objective of our business strategy. Due to commercial, competitive and external economic factors, however, we cannot guarantee that we will generate sufficient cash flows from operations or that future working capital will be available in an amount sufficient to enable us to service our indebtedness or make necessary capital expenditures.

Cash Flows

Operating activities

Cash used by operating activities was \$3.2 million for the first nine months in 2022. It was primarily related to net income from operating activities offset by significant increases in working capital related to inventory build to protect supply chain, and net of the following non-cash items: depreciation and amortization; share-based compensation charges; pension credit and net changes to assets and liabilities.

Cash provided by operating activities was \$34.1 million in the first nine months of 2021. It was primarily related to net income from operating activities, net of the following non-cash items: depreciation and amortization; pension credit and net changes to assets and liabilities.

Investing activities

Net cash used by investing activities was \$1.5 million for the first nine months off 2022, compared to net cash used for investing activities of \$1.2 million in 2021. The movement was primarily due the \$3.7 million cash received in relation to the sale of our previously held-for-sale building in the Elektron division and the \$0.4 million reduction in capital expenditures. In 2021, we also received net, \$4.4 million from the divestiture of our U.S. aluminum gas cylinder facility in the U.S. and acquisition of SCI.

Financing activities

In the first nine months of 2022, net cash provided by financing activities was \$12.7 million (2021: \$19.3 million used for financing activities). We made net drawdown on our banking facilities of \$31.7 million (2021: \$4.4 million repayment) and dividend payments of \$10.6 million (2021: \$10.2 million), equating to \$0.385 and \$0.375 per ordinary share respectively. In addition, we paid out \$1.4 million (2021: \$1.9 million) in settling share based compensation and \$6.9 million (2021: \$2.8 million) in repurchasing our own shares as part of the share buyback program which equates to 350,000 shares (2021: 90,000 shares).

Capital Resources

Dividends

We paid year-to-date dividends in 2022 of \$10.6 million (2021: \$10.2 million year-to-date), or \$0.385 per ordinary share (2021: \$0.375).

Any payment of dividends is also subject to the provisions of the U.K. Companies Act, according to which dividends may only be paid out of profits available for distribution determined by reference to financial statements prepared in accordance with the Companies Act and IFRS as adopted by the E.U., which differ in some respects from GAAP. In the event that dividends are paid in the future, holders of the ordinary shares will be entitled to receive payments in U.S. dollars in respect of dividends on the underlying ordinary shares in accordance with the deposit agreement. Furthermore, because we are a holding company, any dividend payments would depend on cash flows from our subsidiaries.

Authorized shares

Our authorized share capital consists of 40.0 million ordinary shares with a par value of £0.50 per share.

Contractual obligations

The following summarizes our significant contractual obligations that impact our liquidity:

	Payments Due by Period				
	Total	Less than 1 year	1 – 3 years	3 – 5 years	After 5 years
	(in \$ million)				
Contractual cash obligations					
Loan Notes due 2023	\$ 25.0	\$ 25.0	\$ —	\$ —	\$ —
Loan Notes due 2026	25.0	—	—	25.0	—
Revolving credit facility	37.6	—	—	37.6	—
Obligations under operating leases	33.3	5.5	11.1	7.3	9.4
Capital commitments	0.9	0.9	—	—	—
Interest payments	17.2	3.8	6.8	6.6	—
Total contractual cash obligations	\$ 139.0	\$ 35.2	\$ 17.9	\$ 76.5	\$ 9.4

Off-balance sheet measures

At September 25, 2022, we had no off-balance sheet arrangements other than the two bonding facilities disclosed in Note 15.

NEW ACCOUNTING STANDARDS

See Note 1 of the Notes to Condensed Consolidated Financial Statements for information pertaining to recently adopted accounting standards or accounting standards to be adopted in the future.

CRITICAL ACCOUNTING POLICIES

We have adopted various accounting policies to prepare the consolidated financial statements in accordance with GAAP. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. In our 2021 Annual Report on Form 10-K, filed with the SEC on February 24, 2022, we identified the critical accounting policies which affect our more significant estimates and assumptions used in preparing our consolidated financial statements.

Item 3. Quantitative and qualitative disclosures about market risk

There have been no material changes in our market risk during the first nine months ended September 25, 2022. For additional information, refer to Item 7A of our 2021 Annual Report on Form 10-K, filed with the SEC on February 24, 2022.

Item 4. Controls and Procedures***Evaluation of Disclosure Controls and Procedures***

We maintain a system of disclosure controls and procedures designed to provide reasonable assurance as to the reliability of our published financial statements and other disclosures included in this report. Our management evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter ended September 25, 2022, pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon their evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective, at a reasonable assurance level, as of the quarter ended September 25, 2022, to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 25, 2022, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is a defendant in various lawsuits and is subject to various claims that arise in the normal course of business, the most significant of which are summarized in Note 15 (commitments and contingencies) to the consolidated financial statements in ITEM 1. In the opinion of management, the likelihood that the ultimate disposition of these matters will have a material adverse impact is remote.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in Item 1A. of our 2021 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 6. Exhibits

- 31.1 [Certification Required by Rule 13a-14\(a\) or 15d-14\(a\) under the Securities Exchange Act of 1934-Andrew Butcher](#)
- 31.2 [Certification Required by Rule 13a-14\(a\) or 15d-14\(a\) under the Securities Exchange Act of 1934-Stephen Webster](#)
- 32.1 [Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(Subsections \(a\) and \(b\) of Section 1350, Chapter 63 of Title 18, United States Code\)-Andrew Butcher](#)
- 32.2 [Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(Subsections \(a\) and \(b\) of Section 1350, Chapter 63 of Title 18, United States Code\)-Stephen Webster](#)
- 101 The financial statements from the Company's Interim Report on Form 10-Q for the quarter and year ended ended September 25, 2022, formatted in XBRL: (i) Condensed Consolidated Statements of Income, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Changes in Equity, and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Luxfer Holdings plc
(Registrant)

/s/Andrew Butcher

Andrew Butcher
Chief Executive Officer
(Duly Authorized Officer)
October 25, 2022

Section 302 Certificate

Certification Required by Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934

I, Andrew Butcher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Luxfer Holdings PLC;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 25, 2022

____/s/ Andrew Butcher _____
Andrew Butcher
Chief Executive Officer

Section 302 Certificate

Certification Required by Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934

I, Stephen Webster, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Luxfer Holdings PLC;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 25, 2022

_____/s/ Stephen Webster_____
Stephen Webster
Chief Financial Officer

Section 906 Certificate

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Andrew Butcher, the Chief Executive Officer of Luxfer Holdings PLC, a public limited company incorporated under English law (the “Company”), do hereby certify, to my knowledge, that:

- the Quarterly Report on Form 10-Q for the period ended September 25, 2022 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

____/s/ Andrew Butcher_____
Andrew Butcher
Chief Executive Officer

Date: October 25, 2022

Section 906 Certificate

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Stephen Webster, the Chief Financial Officer of Luxfer Holdings PLC, a public limited company incorporated under English law (the “Company”), do hereby certify, to my knowledge, that:

- the Quarterly Report on Form 10-Q for the period ended September 25, 2022 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

_____/s/ Stephen Webster_____
Stephen Webster
Chief Financial Officer

Date: October 25, 2022