

**LUXFER**

**FIRST QUARTER 2024  
EARNINGS PRESENTATION**

May 01, 2024



# 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.



# Q1 2024 KEY MESSAGES

<b>Sales Met Projections:</b>	<i>Sales tracked to expectations for the quarter, reflecting seasonal norms and continued general industrial softness</i>
<b>Market Dynamics:</b>	<i>Strategic approach kept business competitive, despite ongoing market headwinds in certain sectors</i>
<b>Efficiency Realized:</b>	<i>Consolidation of manufacturing operations delivered notable improvement to Adjusted Gross Margin</i>
<b>Earnings Delivery:</b>	<i>Adjusted EPS exceeded internal forecasts, reflecting operational excellence</i>
<b>Cash Flow:</b>	<i>Enhanced cash flow and reduced debt aided profitability</i>
<b>Strategic Review:</b>	<i>Initiated sale process of Graphic Arts, attracting considerable initial interest</i>
<b>Insurance Legal Fees:</b>	<i>Received first significant recovery of legal fees (post quarter end)</i>

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

## Q1'24 KEY FINANCIALS\*

**\$83.1M**

Adjusted Sales

**22.3%**

Adj Gross Margin

**\$10.5M**

Adjusted EBITDA

**\$0.20**

Adjusted EPS

**\$3.6M**

Cash from Operations

## Sequential Improvement in Profitability with Solid Cash Flow

CUSTOMER FIRST • INTEGRITY • ACCOUNTABILITY • INNOVATION • PERSONAL DEVELOPMENT • TEAMWORK

# COMPREHENSIVE STRATEGIC REVIEW UPDATE

## ACCELERATED AND EXPANDED ANNUAL STRATEGIC REVIEW

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

1

### SALE OF GRAPHIC ARTS BUSINESS

- **Retained Advisor:** XMS Capital Partners
- **Sale Process:** Well underway with significant engagement from potential buyers
- **Timing:** Expectation of closing transaction by year-end

2

### ENHANCING GAS CYLINDERS AND ELEKTRON TO GENERATE STRONG PROFITABLE GROWTH AND RETURNS

- **Cost Optimization:** Continue to reduce costs to improve margins
- **Investment:** Focused investment on profitable growth and attractive returns
- **Market Trends:** Anticipating Industrial recovery and Clean Energy growth
- **Future Growth:** Targeting sustainable profitable expansion in 2025 and beyond

3

### CONSIDERABLE STRATEGIC OPTIONALITY TO MAXIMIZE VALUE

- **Independence:** Gas Cylinders and Elektron operate with no material strategic synergies
- **Ongoing Monitoring:** Continuously assessing business performance and market conditions for optionality to unlock shareholder value

**Optimizing Luxfer's Portfolio and Operations to Drive Growth and Maximize Shareholder Value.**

# PERFORMANCE IMPROVEMENT ACTIVITIES

## THE LUXFER BUSINESS SYSTEM



- **Manufacturing Efficiencies:** Elektron profitability enhanced by strategic manufacturing footprint simplification.
- **Market Leadership:** Recovery in Flameless Ration Heater sales, following 2024 awards from the Defense Logistics Agency, confirming Luxfer’s strong position in the Meals Ready-to-Eat market.
- **Enhanced Strategic Partnerships:** Delivered Super Light SCBA cylinders to the US Air Force via a key strategic customer, bolstering defense safety and readiness.
- **Advancing Clean Energy Initiatives:** Enhanced North American operations and continued construction of UK Bulk Gas Transportation Module facility.
- **Product Development Grant:** Accelerating Luxfer's Type 4 hydrogen cylinder innovation for elevated performance in green energy solutions.
- **Legal Fee Recovery:** Began recovering legal fees, with \$1.3 million received in April, with further work ongoing.

## Leveraging The Luxfer Business System for Enduring Growth and Value Creation

# Q1'24 FINANCIAL RESULTS & BRIDGES

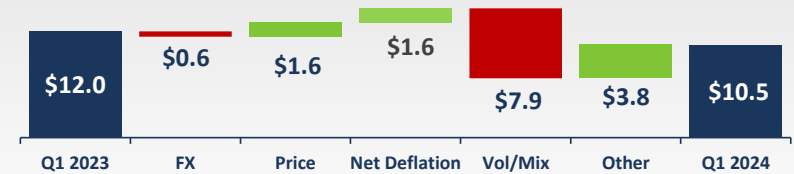
(amounts in millions, except EPS)

	Sales	Gross Profit	Gross Margin	Adj. EBITDA	Adj. EBITDA Margin	Adj. EPS	Free Cash Flow	Net Debt
Q1' 2024	\$83.1	\$18.5	22.3%	\$10.5	12.6%	\$0.20	\$2.2	\$71.6
vs. Q1' 2023	-11.5%	-11.5%	flat	-12.5%	-20bps	-16.7%	+\$18.6	-\$18.0

## SALES (\$M)



## Adj EBITDA (\$M)



- **Pricing and FX Benefits:** Offset by expected volume declines linked to ongoing general industrial softness.
- **Gas Cylinders:** Robust price recovery after contract renegotiations.
- **Market Trends:** Overall contraction across all end markets year-over-year (YoY), yet showing sequential improvement in General Industrial.

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

- **Pricing and Cost Dynamics:** Favorable pricing and cost deflation, balanced by a decline in volume.
- **Operational Efficiencies:** Gains from manufacturing efficiencies and cost reductions due to recent consolidation efforts.
- **Legal Cost Benefit:** Minimal legal expenses following significant expenditures in the previous year.

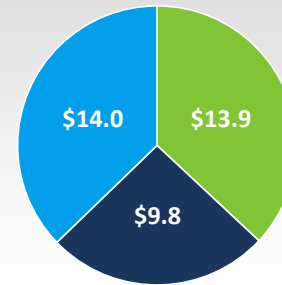
## Financial Results Recovering from Q4 2023 and Slightly Ahead of Expectations



# ELEKTRON Q1 '24 FINANCIAL RESULTS

<i>(amounts in millions)</i>	Q1 2024	Chg. vs. Q1'23	Chg. vs. Q4'23
Sales	\$37.7	-28.1%	4.4%
Gross Margin	28.6%	-140bps	840bps
Adj. EBITDA	\$6.4	-32.6%	300.0%
Adj. EBITDA Margin	17.0%	-110bps	1,260bps

Q1'24 SALES  
BY SEGMENT (\$M)



	Chg. vs Q1'23	Chg. vs Q4'23
Defense, First Response, Healthcare	-\$10.2	-\$1.6
Transportation	-\$3.0	-\$0.3
General Industrial	-\$1.5	+\$3.4

## FINANCIAL PERFORMANCE OVERVIEW:

- **Strong Turnaround:** Sequentially improved profitability, with gross margin increase of 840bps from Q4'23.
- **Sales Trends:** Year-over-Year reduction due to ongoing market softness, but volume recovering from the lows of Q4'23 led by recovery in Flameless Ration Heaters.
- **Manufacturing Efficiencies:** Cost structure initiatives enhancing profitability with greatly improved Adjusted EBITDA Margins from Q4'23.

## SEGMENT COMMENTARY:

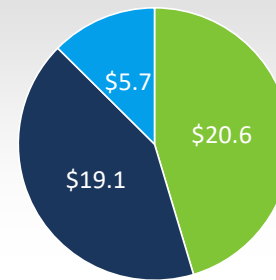
- **Market Headwinds:** Navigating headwinds in subdued markets, notably in defense applications although broader industrial sector improved.
- **Defense Sector Dynamics:** Defense segment sales faced pressures, linked to short term customer destocking of countermeasure flares.
- **Recovery Anticipation:** Sequential improvement in General Industrial sales with improving order book hinting at future volume recovery.
- **Recovery in Margins & Profitability:** Improving from H2 2023 due to better product mix, reduced legal costs, and positive self-help initiatives.

## Sequential Recovery in Profitability from Improved Manufacturing Efficiency and Mix

# GAS CYLINDERS Q1 '24 FINANCIAL RESULTS

<i>(amounts in millions)</i>	Q1 2024	Chg. vs. Q1 '23	Chg. vs. Q4 '23
<b>Sales</b>	<b>\$45.4</b>	9.4%	-12.2%
<b>Gross Margin</b>	<b>17.0%</b>	450bps	-120bps
<b>Adj. EBITDA</b>	<b>\$4.1</b>	64.0%	-36.9%
<b>Adj. EBITDA Margin</b>	<b>9.0%</b>	300bps	-360bps

Q1'24 SALES  
BY SEGMENT (\$M)



	Chg. vs Q1 '23	Chg. vs Q4 '23
Defense, First Response, Healthcare	+\$2.5	-\$3.9
Transportation	+\$5.2	-\$0.9
General Industrial	-\$3.8	-\$1.5

## FINANCIAL PERFORMANCE OVERVIEW:

- **Sales Dynamics:** Sustained demand in both SCBA and Alternative Fuel drove higher sales versus prior year.
- **Gross Margin Enhancement:** Achieved through operational efficiencies and securing long-term SCBA contracts with key customers.
- **Cost Management Impact:** Structural footprint changes have supported a 300bps improvement in Adjusted EBITDA Margins Year-over-Year.

## SEGMENT COMMENTARY:

- **First Response:** Year-on-year sales uplift with new contracts with key customers of our advanced lightweight firefighter SCBA cylinders.
- **Transportation Dynamics:** Notably stronger North American CNG demand counteracts slower growth in hydrogen alternative fuel sales.
- **Seasonal Demand Shifts:** A dip below Q4'23 sales attributed to an unusually high Q4 demand for SCBA products.
- **Profitability Outlook:** Gross Margin trajectory has secured a position in the high teens, delivered by new long-term agreements.

**New SCBA Contracts Delivering Greatly Improved year-on-year Profitability**



# FY 2024 OUTLOOK

FULL YEAR*	Prior	Current
<b>Sales Growth</b> (incl. volume, price, and FX)	-3% to +1%	<b>Down (LSD)</b>
<b>Adjusted EBITDA</b>	\$42M - \$46M	<b>\$44M - \$48M</b>
<b>Adjusted Diluted EPS</b>	\$0.70 - \$0.85	<b>\$0.75 - \$0.90</b>
<b>Free Cash Flow</b>	\$20M - \$24M	<b>\$21M - \$25M</b>

## ASSUMPTIONS\*

<b>Capex</b>	\$11M - \$14M	<b>\$11M - \$14M</b>
<b>Tax Rate</b>	~23%	<b>~23%</b>
<b>FX GBP:USD</b>	1.25	<b>1.25</b>
<b>Net Debt: EBITDA (FY)</b>	~1.5x	<b>~1.5x</b>

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

## ASSUMPTIONS OVERVIEW:

- **Industrial Sector Outlook:** Persistent challenges in industrial markets but improving in H2.
- **Earnings Rebound:** Elektron sequential margin improvement in first quarter to be maintained.
- **Gas Cylinders Growth:** Enhanced by renewed partnerships and cost-saving strategies.
- **Strengthening Cash Flow:** Efficiently managing operating working capital while leveraging our balance sheet to fuel growth capex and return capital to shareholders.
- **Legal costs:** Incremental recovery of historic legal costs provides upside to earnings and cash.
- **Leverage:** Net Debt: EBITDA to fall over course of year to 1.5x.

**Revision to Guidance reflects Encouraging Q1 and Known Recovery of Legal Fees**

# ENHANCING BUSINESS PERFORMANCE

GROWING CONFIDENCE AND RESILANCE WITH CLEAR PATH TO VALUE CREATION

## Strategic Commercial Developments:

*"Secured multi-year SCBA agreements, including supply to the US Air Force, emphasizing safety and support with advanced technology."*



## Market Demand Recovery:

*"Capitalizing on early signs of demand recovery in various Elektron markets."*



## Operational Consolidations:

*"Streamlined North American operations and launched new UK facility, boosting our role in green energy."*



## Insurance Legal Fees Resolution:

*"Addressed insurance coverage issues, now recovering historical legal fees."*



## Financial Health Enhancement:

*"Reduced inventories, improved free cash flow, and maintained net debt, enhancing financial stability."*

**Driving Forward: Leveraging Our Materials Technology Expertise for Sustainable Long-Term Growth**

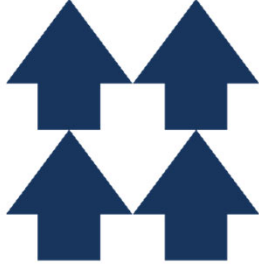


**LUXFER**

**Q&A**

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FIRST QUARTER 2024  
EARNINGS PRESENTATION



# **LUXFER**

## **APPENDICES**

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

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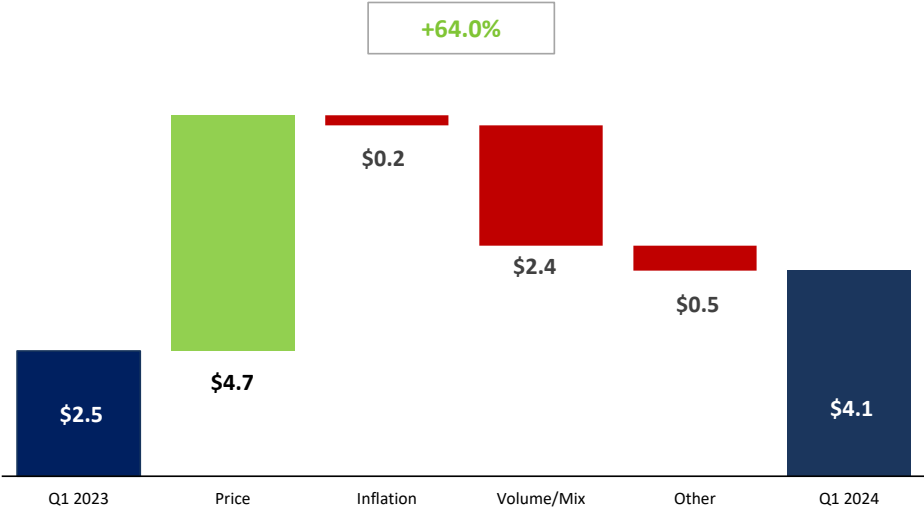
# Q1 2024: GAS CYLINDERS SEGMENT RESULTS



Sales (\$M)



Adj. EBITDA (\$M)



# Q1 2024: ELEKTRON SEGMENT RESULTS



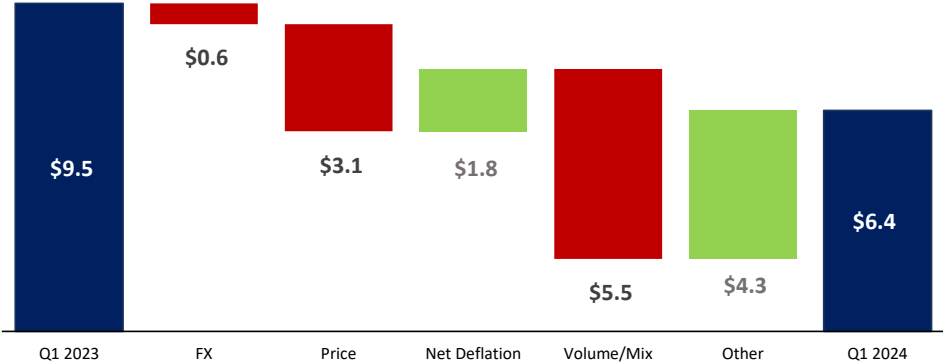
Sales (\$M)

-28.1%



Adj. EBITDA (\$M)

-32.6%



# CONDENSED CONSOLIDATED STATEMENTS OF INCOME



<i>In millions, except share and per share data</i>	First Quarter	
	2024	2023
Net sales	\$ 89.4	\$ 101.3
Cost of goods sold	(71.0)	(80.2)
<b>Gross profit</b>	<b>18.4</b>	<b>21.1</b>
Selling, general and administrative expenses	(11.6)	(12.5)
Research and development	(1.2)	(1.2)
Restructuring charges	(0.7)	(0.3)
Acquisition and disposal related costs	(0.2)	—
Other income	0.2	—
<b>Operating income</b>	<b>4.9</b>	<b>7.1</b>
Interest expense	(1.4)	(1.3)
Defined benefit pension credit / (charge)	0.3	(8.9)
<b>Income / (loss) before income taxes</b>	<b>3.8</b>	<b>(3.1)</b>
(Provision) / credit for income taxes	(1.0)	3.6
<b>Net income from continuing operations</b>	<b>2.8</b>	<b>0.5</b>
<b>Net (loss) / income from discontinued operations</b>	<b>\$ (0.1)</b>	<b>\$ —</b>
<b>Net income</b>	<b>\$ 2.7</b>	<b>\$ 0.5</b>
<b>Earnings per share<sup>1</sup></b>		
Basic from continuing operations	\$ 0.10	\$ 0.02
Basic from discontinued operations <sup>2</sup>	\$ —	\$ —
<b>Basic</b>	<b>\$ 0.10</b>	<b>\$ 0.02</b>
Diluted from continuing operations	\$ 0.10	\$ 0.02
Diluted from discontinued operations <sup>2</sup>	\$ —	\$ —
<b>Diluted</b>	<b>\$ 0.10</b>	<b>\$ 0.02</b>
<b>Weighted average ordinary shares outstanding</b>		
Basic	26,820,968	26,921,010
Diluted	26,866,976	27,071,494

<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.

<sup>2</sup> The loss per share for discontinued operations in the First Quarter of 2024 has not been diluted, since the incremental shares included in the weighted-average number of shares outstanding would have been anti-dilutive.

# CONDENSED CONSOLIDATED BALANCE SHEETS



<i>In millions, except share and per share data</i>	March 31, 2024	December 31, 2023
<b>Current assets</b>		
Cash and cash equivalents	\$ 6.8	\$ 2.3
Restricted cash	0.3	0.3
Accounts and other receivables, net of allowances of \$1.4 and \$0.7, respectively	59.9	59.9
Inventories	88.9	95.9
Current assets held-for-sale	27.8	8.9
Other current assets	1.5	1.5
<b>Total current assets</b>	<b>\$ 185.2</b>	<b>\$ 168.8</b>
<b>Non-current assets</b>		
Property, plant and equipment, net	\$ 62.7	\$ 63.8
Right-of-use assets from operating leases	14.5	15.4
Goodwill	67.2	67.5
Intangibles, net	11.8	12.0
Deferred tax assets	3.7	3.9
Investments and loans to joint ventures and other affiliates	0.4	0.4
Pensions and other retirement benefits	40.5	40.3
<b>Total assets</b>	<b>\$ 386.0</b>	<b>\$ 372.1</b>
<b>Current liabilities</b>		
Current maturities of long-term debt and short-term borrowings	\$ 0.3	\$ 4.6
Accounts payable	30.9	26.5
Accrued liabilities	22.8	20.9
Taxes on income	2.3	—
Current liabilities held-for-sale	8.0	3.9
Other current liabilities	8.0	8.9
<b>Total current liabilities</b>	<b>\$ 72.3</b>	<b>\$ 64.8</b>
<b>Non-current liabilities</b>		
Long-term debt	\$ 78.1	\$ 67.6
Pensions and other retirement benefits	—	0.1
Deferred tax liabilities	10.2	10.2
Other non-current liabilities	15.1	16.8
<b>Total liabilities</b>	<b>\$ 175.7</b>	<b>\$ 159.5</b>
Commitments and contingencies (Note 15)		
<b>Shareholders' equity</b>		
Ordinary shares of £0.50 par value; authorized 40,000,000 shares for 2024 and 2023; issued and outstanding 28,944,000 for 2024 and 2023	\$ 26.5	\$ 26.5
Additional paid-in capital	223.9	223.5
Treasury shares	(23.3)	(22.9)
Company shares held by ESOP	(0.9)	(0.9)
Retained earnings	103.5	104.3
Accumulated other comprehensive loss	(119.4)	(117.9)
<b>Total shareholders' equity</b>	<b>\$ 210.3</b>	<b>\$ 212.6</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 386.0</b>	<b>\$ 372.1</b>



# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS



<i>In millions</i>	First Quarter	
	2024	2023
<b>Operating activities</b>		
Net income	\$ 2.7	\$ 0.5
Net (loss) / income from discontinued operations	(0.1)	—
Net income from continuing operations	\$ 2.8	\$ 0.5
<i>Adjustments to reconcile net income to net cash used by operating activities</i>		
Depreciation	2.2	3.1
Amortization of purchased intangible assets	0.2	0.2
Amortization of debt issuance costs	0.1	0.1
Share-based compensation charges	0.6	0.6
Deferred income taxes	0.1	1.2
Defined benefit pension charge	0.3	8.9
Defined benefit pension contributions	—	(2.3)
<i>Changes in assets and liabilities</i>		
Accounts and other receivables	(6.9)	(2.3)
Inventories	(8.2)	(17.1)
Current assets held-for-sale	0.7	1.5
Other current assets	—	—
Accounts payable	5.7	(2.4)
Accrued liabilities	3.1	(1.0)
Current liabilities held-for-sale	0.6	(0.9)
Other current liabilities	3.7	(3.5)
Other non-current assets and liabilities	(1.4)	(1.0)
Net cash provided / (used) by operating activities - continuing	3.6	(14.4)
Net cash provided by operating activities - discontinued	0.1	—
<b>Net cash provided / (used) by operating activities</b>	<b>\$ 3.7</b>	<b>\$ (14.4)</b>
<b>Investing activities</b>		
Capital expenditures	\$ (1.4)	\$ (2.0)
Net cash used by investing activities - continuing	(1.4)	(2.0)
Net cash used by investing activities - discontinued	(0.1)	—
<b>Net cash used by investing activities</b>	<b>\$ (1.5)</b>	<b>\$ (2.0)</b>
<b>Financing activities</b>		
Repayment of bank overdraft	\$ (4.3)	\$ —
Net drawdown of long-term borrowings	\$ 10.6	\$ 9.9
Repurchase of own shares	(0.4)	(0.8)
Share-based compensation cash paid	(0.1)	(0.3)
Dividends paid	(3.5)	(3.5)
<b>Net cash provided by financing activities</b>	<b>\$ 2.3</b>	<b>\$ 5.3</b>
Effect of exchange rate changes on cash and cash equivalents	—	0.3
<b>Net increase / (decrease)</b>	<b>\$ 4.5</b>	<b>\$ (10.8)</b>
Cash, cash equivalents and restricted cash; beginning of year	2.6	12.9
Cash, cash equivalents and restricted cash; end of the First Quarter	7.1	2.1
<b>Supplemental cash flow information:</b>		
Interest payments	\$ 1.4	\$ 1.4
Income tax receipts, net	—	(0.5)

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



<i>In millions except per share data</i>	First Quarter					
	2024			2023		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Net income / (loss)	\$ 2.8	\$ (1.6)	\$ 4.4	\$ 0.5	(1.0)	\$ 1.5
Accounting charges relating to acquisitions and disposals of businesses:						
Amortization on acquired intangibles	0.2	—	0.2	0.2	—	0.2
Acquisition and disposal related charge	0.2	0.2	—	—	—	—
Defined benefit pension (credit) / charge	(0.3)	—	(0.3)	8.9	—	8.9
Restructuring charge	0.7	—	0.7	0.3	—	0.3
Share-based compensation charge	0.6	0.1	0.5	0.6	—	0.6
Tax impact of defined benefit settlement	—	—	—	(4.9)	—	(4.9)
Income tax on adjusted items	(0.2)	—	(0.2)	(0.2)	—	(0.2)
Adjusted net income / (loss)	\$ 4.0	\$ (1.3)	\$ 5.3	\$ 5.4	\$ (1.0)	\$ 6.4
<b>Adjusted earnings per ordinary share <sup>(1)</sup></b>						
Diluted earnings / (loss) per ordinary share	\$ 0.10	\$ (0.06)	\$ 0.16	\$ 0.02	\$ (0.04)	\$ 0.06
Impact of adjusted items	0.05	0.01	0.04	0.18	—	0.18
Adjusted diluted earnings / (loss) per ordinary share	\$ 0.15	\$ (0.05)	\$ 0.20	\$ 0.20	\$ (0.04)	\$ 0.24

<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, except where there is a loss in the period, then no adjustment is made.

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: ADJUSTED EBITDA



<i>In millions except per share data</i>	First Quarter					
	2024			2023		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income from continuing operations	\$ 4.0	\$ (1.3)	\$ 5.3	\$ 5.4	\$ (1.0)	\$ 6.4
Add back:						
Income tax on adjusted items	0.2	—	0.2	0.2	—	0.2
Provision / (credit) for income taxes	1.0	(0.4)	1.4	(3.6)	(0.2)	(3.4)
Tax impact of defined benefit pension settlement	—	—	—	4.9	—	4.9
Net finance costs	1.4	—	1.4	1.3	—	1.3
Adjusted EBITA	6.6	(1.7)	8.3	8.2	(1.2)	9.4
Depreciation	2.2	—	2.2	3.1	0.5	2.6
Adjusted EBITDA	8.8	(1.7)	10.5	11.3	(0.7)	12.0

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



<i>In millions</i>	Net sales		Adjusted EBITDA	
	First Quarter		First Quarter	
	2024	2023	2024	2023
Gas Cylinders segment	\$ 45.4	\$ 41.5	\$ 4.1	\$ 2.5
Elektron segment	37.7	52.4	6.4	9.5
Excluding Graphic Arts segment	83.1	93.9	10.5	12.0
Graphic Arts segment	6.3	7.4	(1.7)	(0.7)
Consolidated	\$ 89.4	\$ 101.3	\$ 8.8	\$ 11.3

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



<i>In millions except per share data</i>	First Quarter					
	2024			2023		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income from continuing operations	\$ 4.0	\$ (1.3)	\$ 5.3	\$ 5.4	\$ (1.0)	\$ 6.4
Add back:						
Income tax on adjusted items	0.2	—	0.2	0.2	—	0.2
Tax impact of defined benefit pension settlement	—	—	—	4.9	—	4.9
Provision / (credit) for income taxes	1.0	(0.4)	1.4	(3.6)	(0.2)	(3.4)
Adjusted income from continuing operations before income taxes	5.2	(1.7)	6.9	6.9	(1.2)	8.1
Adjusted provision / (credit) for income taxes	1.2	(0.4)	1.6	1.5	(0.2)	1.7
Adjusted effective tax rate from continuing operations	23.1 %	23.5 %	23.2 %	21.7 %	16.7 %	21.0 %

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



## NET DEBT RATIO (UNAUDITED)

<i>In millions</i>	First Quarter	
	2024	
Cash and cash equivalents	\$	6.8
Total debt		(78.4)
Net debt		71.6
Adjusted EBITDA		36.3
Net debt to EBITDA ratio		2.0
Adjusted EBITDA excluding Graphic Arts segment		41.8
Net debt to EBITDA ratio excluding Graphic Arts segment		1.7

## FREE CASH FLOW (UNAUDITED)

<i>In millions</i>	First Quarter		
	2024	2023	
Net cash provided / (used) by continuing operating activities	\$	3.6	\$ (14.4)
Net cash provided by Graphic Arts operating activities		—	—
Net cash provided by continuing operating activities excluding Graphic Arts		3.6	(14.4)
Capital expenditures		(1.4)	(2.0)
Graphic Arts capital expenditures		—	—
Capital expenditures excluding Graphic Arts		(1.4)	(2.0)
Free cash flow	\$	2.2	\$ (16.4)
Free cash flow excluding Graphic Arts	\$	2.2	\$ (16.4)

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

<i>In millions</i>	<b>First Quarter 2024 Continuing Operations</b>
Accounts and other receivables, net of allowances	59.9
Inventories	88.9
Accounts payable	(30.9)
Accrued liabilities	(22.8)
<b>Operating Working Capital</b>	<b>\$95.1</b>
Net sales	83.1
Annualized net sales	\$332.4
<b>Operating Working Capital as a % of Annualized Net Sales</b>	<b>28.6%</b>

