



SECOND QUARTER 2020

Earnings Conference Call July 28th, 2020



FORWARD-LOOKING STATEMENTS

This presentation contains 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 a number of 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) future revenues being lower than expected; (ii) increasing competitive pressures in the industry; (iii) general economic conditions or conditions affecting demand for the services offered by us in the markets in which we operate, both domestically and internationally, including as a result of the Brexit referendum, being less favorable than expected; (iv) worldwide economic and business conditions and conditions in the industries in which we operate; (v) fluctuations in the cost of raw materials and utilities; (vi) currency fluctuations and hedging risks; (vii) our ability to protect our intellectual property; and (viii) the significant amount of indebtedness we have incurred and may incur and the obligations to service such indebtedness and to comply with the covenants contained therein; (ix) our ability to remediate the material weakness in our internal controls over financial reporting; and (x) risks related to the impact of the global COVID-19 pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, supply chain disruptions and other impacts to the business, and the Company's ability to execute business continuity plans, as a result of the COVID-19 pandemic. The Company cautions that the foregoing list of important factors is not exhaustive. These factors are more fully discussed in the sections "Forward-Looking Statements" and "Risk factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the U.S. Securities and Exchange Commission on March 10, 2020. 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. Such 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 of them, whether as a result of new information, future events or otherwise.



EXECUTIVE SUMMARY

Q2 2020 Financial Performance

Results slightly better than expectations

- Sales decreased 21.1%¹, due to the impact of COVID-19
- Adj. EBITDA decreased 49% to \$10.4M; margin down 570 basis points to 11.6%
- Adj. diluted EPS of \$0.17, down 61% with COVID-19 impact
- Achieved \$0.7M in net cost savings; on track with transformation plan savings

Cash Flow & Capital Allocation

Strong Balance Sheet

- Free Cash Flow of \$12.1M including \$1.6M in restructuring spend
- Reduced Net Debt by \$9.1M to \$82.4M with Net Debt to EBITDA ratio of 1.5x
- Quarterly dividend payout of \$3.4M, or \$0.125 per share
- ROIC² of 12.7%, decreased 380 basis points from year end

COVID-19 Impact

Taking necessary steps to protect our employees and realign operations

- Emphasis on employee health and safety while servicing customers
- Additional cost actions to offset lower demand

¹ Excludes divested Czech Recycling Business; ² Calculated using adjusted earnings (see appendix)



Solid Execution | Unprecedented Macro

ADOPTING TO THE NEW NORMAL

UNPRECEDENTED CHALLENGES

- ✓ Ensuring health & safety during COVID-19
- ✓ Maintaining business continuity given shortage of hourly manufacturing workers despite record unemployment
- ✓ Stepping up ESG efforts to do our part in addressing racial injustice and inequity



RECENT ACTIONS

Customer Related

- ✓ Enhanced customer communication to support supply chain requirements and gain insight into demand trends

Manufacturing and Operations

- ✓ Re-tooled operations and schedules to ensure social distancing
- ✓ Provided appropriate protective equipment and supplies
- ✓ Shifted to remote work strategies, when possible
- ✓ Restricted employee travel and visitors to our facilities

Leadership and Governance

- ✓ Updated policies and procedures to support employees
- ✓ Accelerated implementation of digital tools for remote working
- ✓ Furlough and/or temporary pay reductions for Executives
- ✓ Maintaining enhanced leadership communication

MACRO TRENDS

	YoY Change			Commentary
	2018	2019	Q2'20	
38% Defense, First Response, & Healthcare	+4.5%	-11.8%	-5.9%	<ul style="list-style-type: none"> • Robust sales of chemical response kits, heater meals • COVID-19 impact as military training exercises postponed • SCBA sales marginally lower due to timing and COVID-19 related supply chain disruptions
30% Transportation ¹ (AF, Aero, Auto)	+8.2%	+1.8%	-29.1%	<ul style="list-style-type: none"> • Significant COVID-19 impact on auto and aerospace • AF experienced short-term supply chain disruption, but pipeline remains strong
32% General Industrial	+20.2%	-9.6%	-27.1%	<ul style="list-style-type: none"> • COVID-19 impacting most product areas • No Solumag sales in Q2; sales down 22% excluding Solumag
	+11.0%	-7.1%	-21.1%¹	

¹: Excludes divested Czech Recycling Business



COVID-19 Significantly Impacted Markets

MAINTAINING GROWTH INVESTMENTS

Alternative Fuel Products

- Hydrogen Cylinders and Systems for medium to heavy duty vehicles are an increasing part of alternative fuel sales
- Continued growth in our large diameter G-Stor Go Type IV cylinders, especially for North American Trucks
- Strong outlook for European Alternative Fuel systems used in CNG and Hydrogen-powered Buses, trucks and other vehicles



G-Stor Go Type IV cylinder



Hydrogen Powered Bus

Specialty Chemical Kits

- Luxfer has been awarded several US Government contracts in 2020, for unique proprietary Chemical Response products used for decontamination and testing
- Some of the awards are likely to continue over the next 3 to 5 years



Decontamination Kit



Decontamination kit in use

Growth Drivers	Increase revenue from new products	Improve customer satisfaction (NPS)
2016 → 2019 → 2024E	11% → 15% → 20%	30% → 45% → 60%



Pockets of Double-Digit Growth

TRANSFORMATION PLAN: OVERVIEW

Simplification

PHASE 1: Complete

- Included in R2000 index;
- Refreshed Luxfer's Board
- Divested three operations and three JVs

Productivity and Culture

PHASE 2: 2017 - 2020

- Implementing training on Luxfer Values
- Four locations consolidated, including France

Growth, Lean, and Portfolio Optimization

PHASE 3: 2018+

- Implementing Luxfer BEST for Growth and Lean
- Building pipeline for divestures and acquisitions

BETTER POSITIONED FOR COVID-19

- Flexible IT Infrastructure
- Stronger Balance Sheet
- Lower Fixed Costs
- Flatter Organization
- Stronger Talent
- Lean operations reacting fast to demand changes
- New products growth and pipeline

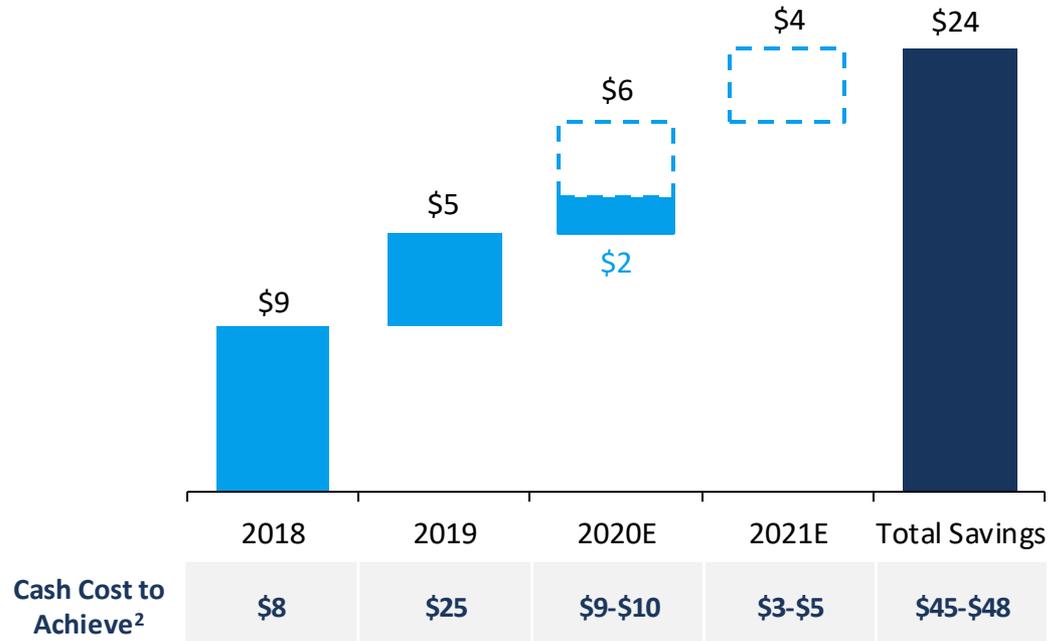
Strong Execution Against Strategic Initiatives

TRANSFORMATION SUCCESS: BETTER POSITIONED

COST MANAGEMENT UPDATE

- Focus on cost reduction and waste elimination has added \$16M of net cost savings
- Continuous improvement mindset in our workforce positions us well to maintain our cost initiatives during second half of the year
- Remain on track to deliver our committed \$24M in net cost reductions by the end of next year

TRANSFORMATION PLAN SAVINGS (\$M)



¹ Calculated using adjusted earnings (see appendix)

² Cash cost to achieve includes restructuring and exceptional charges, such as Severance, Rationalization & Environmental remediation, etc.; Cash cost to achieve excludes typical annual capital spend of ~\$15M

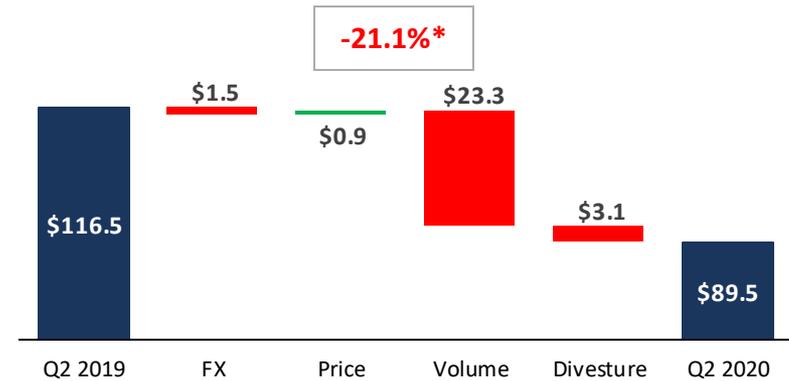
\$16M Lower Costs | \$8M Remaining Cost Reductions in 2020 and 2021

Q2 2020: LUXFER FINANCIAL RESULTS

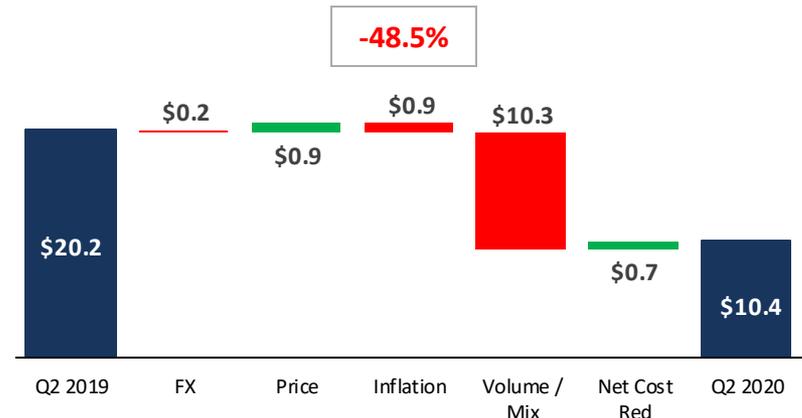
PERFORMANCE HIGHLIGHTS

- **Sales declined 23.2%, or 21.1%* adjusted**
 - Substantial decline in industrial & transportation products
 - Modest decline in military sales from Q2'19
- **Achieved net savings of \$0.7M**
 - Actioned gross savings of ~\$1.6M
 - Gross Savings partially offset by \$0.5M in fire remediation and \$0.4M COVID-19 related spending

Sales (\$M)



EBITDA (\$M)



* Excludes divested Czech Recycling Business

Continued Progress in Structural Cost Savings Initiatives



Q2 SEGMENT RESULTS

Q2

Performance Commentary

	Sales	EBITDA	
Elektron	\$39.1M Down 29.3%*	\$5.3M Down 59.5%	<ul style="list-style-type: none"> • COVID-19 impact on Catalysis, Graphic Arts • Lower magnesium for aerospace & industrial • COVID-19 impact as military training exercises postponed
Gas Cylinders	\$50.4M Down 13.3%	\$5.1M Down 28.2%	<ul style="list-style-type: none"> • Euro Luxury auto decline • Industrial gas cylinders lower • Fire Extinguisher exit • Alternative fuel decline due to COVID-19
	\$89.5M Down 21.1%*	\$10.4M Down 48.5%	

* Excludes divested Czech Recycling Business

Compelling Niche Market Opportunities Over the Long-Term



KEY BALANCE SHEET & CASH FLOW METRICS

All in \$M except ROIC

Net Debt



Working Capital



Free Cash Flow¹



ROIC from Adj. Earnings (TTM)²



¹ FCF = Cash Flow from Operations – Capex; ² Calculated using adjusted earnings (see appendix)

Strong Balance Sheet; Delivered FCF



FY2020 GUIDEPOSTS

Income Statement

- Expect full year **Revenue** decline with challenging Macro
 - Defense & First Responder flat to down YoY
 - Transportation down with auto exposure while AF grows
 - Industrial down with broad based decline
- Further **cost actions** to lower both variable and fixed costs
- Expect **weakness to continue** with margins improving sequentially
- Second half revenue comps not impacted by **Czech** divestiture

Balance Sheet

- **OWC** improvements, with inventory, receivables and payables
- Reduced **Pension** deficit funding by ~\$3M for 2020
- Cash for **Restructuring** remains at ~\$9M for the year
- 100% **FCF** conversion excluding restructuring

Disciplined Financial Management

DOWNTURN PLAYBOOK: SUCCESS UPDATE

SELF-ADJUSTING	DISCRETIONARY	CAPITAL ALLOCATION
<ul style="list-style-type: none"> ✓ Volume-based cost savings ✓ Management incentive scheme ✓ EPS based share awards ✓ Employee bonus plans ✓ Headcount optimization 	<ul style="list-style-type: none"> ✓ Delayed hiring ✓ T&E ✓ MRO savings ✓ Professional services ✓ Personnel training ✓ Marketing 	<ul style="list-style-type: none"> ✓ Accelerate Productivity through restructuring spend on headcount reduction ✓ Drive growth by protecting growth capital and expense ✓ Maintain Flexibility and dividend payments while delaying share buy back ✓ Build strategic M&A pipeline for future execution
<p>On Track for ~30% executive comp reduction; 10% lower headcount</p>	<p>Incremental cost savings of \$2M+</p>	<p>Strong free cash flow generation; Target of 100%+ Cash Conversion</p>



Taking the Necessary Actions to Limit Potential Impacts

KEY INVESTMENT CONSIDERATIONS

**Highly Engineered
Industrial Materials
Company with
Attractive End
Markets**



**Comprehensive
Transformation
Plan To Enhance
Growth and
Profitability**



**Strong Balance
Sheet, Consistent
Cash Conversion &
Disciplined Capital
Allocation**



**Significant
Opportunities for
Continued Value
Creation**



Our Best Days Are Ahead of Us



APPENDICES

Summary Financial Statements and Reconciliation of Non-GAAP Measures

SUMMARY INCOME STATEMENT

(Unaudited)

\$M	2020	2019	Variance		2020	2019	Variance	
	Q2	Q2	\$M	%	YTD	YTD	\$M	%
NET SALES	89.5	116.5	(27.0)	-23.2%	193.3	236.9	(43.6)	-18.4%
Cost of sales	(70.7)	(85.5)			(150.0)	(175.8)		
Gross profit	18.8	31.0	(12.2)	-39.4%	43.3	61.1	(17.8)	-29.1%
Selling, general and administrative expenses	(11.8)	(14.4)			(24.6)	(30.8)		
Research and development expenses	(0.9)	(1.6)			(1.6)	(3.0)		
Restructuring charges	(0.8)	(12.7)			(3.6)	(21.7)		
Impairment charges	-	-			-	0.2		
Acquisition related costs / credits	-	2.9			(0.2)	(1.7)		
Operating income	5.3	5.2	0.1	1.9%	13.3	4.1	9.2	224.4%
Finance costs:								
Net finance costs	(1.1)	(1.1)			(2.3)	(2.2)		
Defined benefit pension credit	1.1	0.5			2.2	1.1		
Income before income taxes and equity in net income of affiliates	5.3	4.6	0.7	15.2%	13.2	3.0	10.2	340.0%
Provision for income taxes	(1.1)	(1.4)			(2.8)	(3.5)		
Income before equity in net income of affiliates	4.2	3.2	1.0	31.2%	10.4	(0.5)	10.9	n/a
Equity in income / (loss) of affiliates (net of tax)	(0.1)	0.3			(0.1)	0.2		
Net income	4.1	3.5	0.6	17.1%	10.3	(0.3)	10.6	n/a
<i>Earnings per share - Basic</i>	0.15	0.13			0.38	(0.01)		
<i>Earnings per share - Diluted</i>	0.15	0.13			0.37	(0.01)		
ADJUSTED NET INCOME	4.7	12.4	(7.7)	-62.1%	13.1	23.6	(10.5)	-44.5%
<i>Adjusted earnings per share - Diluted</i>	0.17	0.44			0.44	0.85		
Adjusted EBITDA	10.4	20.2	(9.8)	-48.5%	25.5	38.7	(13.2)	-34.1%



LUXFER

CASH FLOW

(Unaudited)

	2020	2019	2020	2019
\$M	Q2	Q2	YTD	YTD
Operating activities				
Net income / (loss)	4.1	3.5	10.3	(0.3)
Equity income of unconsolidated affiliates	0.1	(0.3)	0.1	(0.2)
Depreciation	3.4	3.7	6.8	7.1
Amortization of purchased intangible assets	0.2	0.3	0.4	0.6
Amortization of debt issuance costs	0.2	0.1	0.3	0.2
Share-based compensation	0.8	0.8	1.3	3.4
Deferred income taxes	0.3	0.4	0.5	1.2
(Gain) loss on disposal of business	-	(2.9)	-	(2.9)
Asset impairment charges	-	5.0	-	4.8
Defined benefit pension credit	(1.1)	(0.5)	(2.2)	(1.1)
Defined benefit pension contributions	(0.3)	(1.4)	(1.7)	(3.3)
<i>Changes in assets and liabilities, net of effects of business acquisitions</i>				
Accounts and notes receivable	8.4	5.6	2.8	(4.8)
Inventories	0.7	(2.3)	(1.4)	(5.9)
Other current assets	0.3	(1.4)	1.0	(1.4)
Accounts payable	(2.6)	(0.2)	(9.9)	(1.0)
Accrued liabilities	(1.4)	(9.1)	(0.6)	(10.8)
Other current liabilities	0.9	(6.5)	2.0	0.7
Other non-current assets and liabilities	-	(2.6)	(0.2)	(1.9)
NET CASH PROVIDED BY OPERATING ACTIVITIES	14.0	(7.8)	9.5	(15.6)
Investing activities				
Capital expenditures	(1.9)	(3.9)	(4.4)	(7.1)
Proceeds from sale of property and equipment	-	1.2	-	1.2
Proceeds from sale of businesses and other	-	4.6	-	4.6
NET CASH FLOWS BEFORE FINANCING	12.1	(5.9)	5.1	(16.9)
Financing activities				
Net increase / (decrease) in short-term borrowings	-	(0.4)	-	3.8
Net (drawdown) / repayments of long-term borrowings	(18.5)	16.9	0.4	28.2
Deferred consideration paid	-	-	(0.4)	(0.5)
Proceeds from issue of share capital	1.0	1.9	1.1	3.3
Share-based compensation cash paid	(0.5)	(2.7)	(1.2)	(4.5)
Dividends paid	(3.4)	(3.4)	(6.8)	(6.8)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS BEFORE EXCHANGE	(9.3)	6.4	(1.8)	6.6
Effect of exchange rate changes	0.1	(0.3)	(0.3)	(0.1)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(9.2)	6.1	(2.1)	6.5

RECONCILIATION OF NON-GAAP MEASURES

(Unaudited)

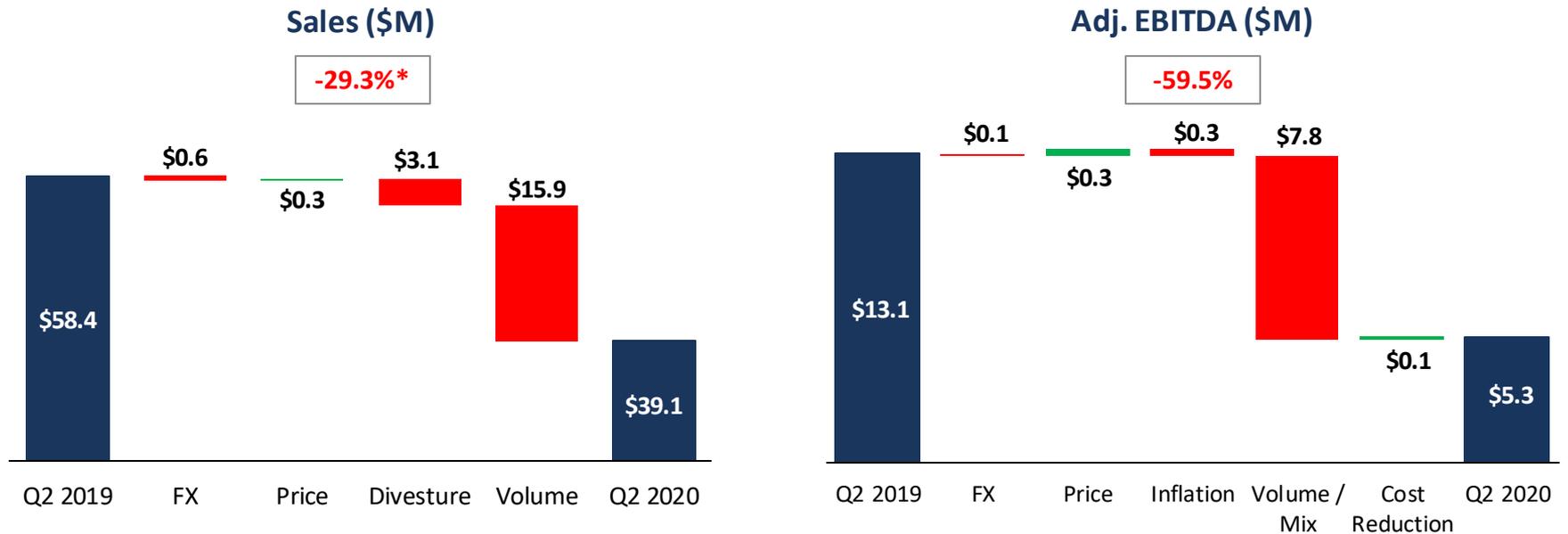
	2020	2019	2020	2019
\$M	Q2	Q2	YTD	YTD
Net income	4.1	3.5	10.3	(0.3)
Accounting charges relating to acquisitions and disposals of businesses:				
Unwind of discount on deferred consideration	-	0.1	-	0.2
Amortization on acquired intangibles	0.2	0.3	0.4	0.6
Acquisitions and disposals	-	(2.9)	0.2	1.7
Defined benefit pension actuarial adjustment	(1.1)	(0.5)	(2.2)	(1.1)
Restructuring charges	0.8	12.7	3.6	21.7
Impairment charges	-	-	-	(0.2)
Share-based compensation charges	0.8	0.8	1.3	3.4
Income tax thereon	(0.1)	(1.6)	(0.5)	(2.3)
Adjusted net income	4.7	12.4	13.1	23.6
Add back / (deduct):				
Income tax thereon	0.1	1.6	0.5	2.3
Provision for income taxes	1.1	1.4	2.8	3.5
Net finance costs	1.1	1.1	2.3	2.2
Adjusted EBITA	7.0	16.5	18.7	31.6
Depreciation	3.4	3.7	6.8	7.1
Adjusted EBITDA	10.4	20.2	25.5	38.7

RECONCILIATION OF NON-GAAP MEASURES

(Unaudited)

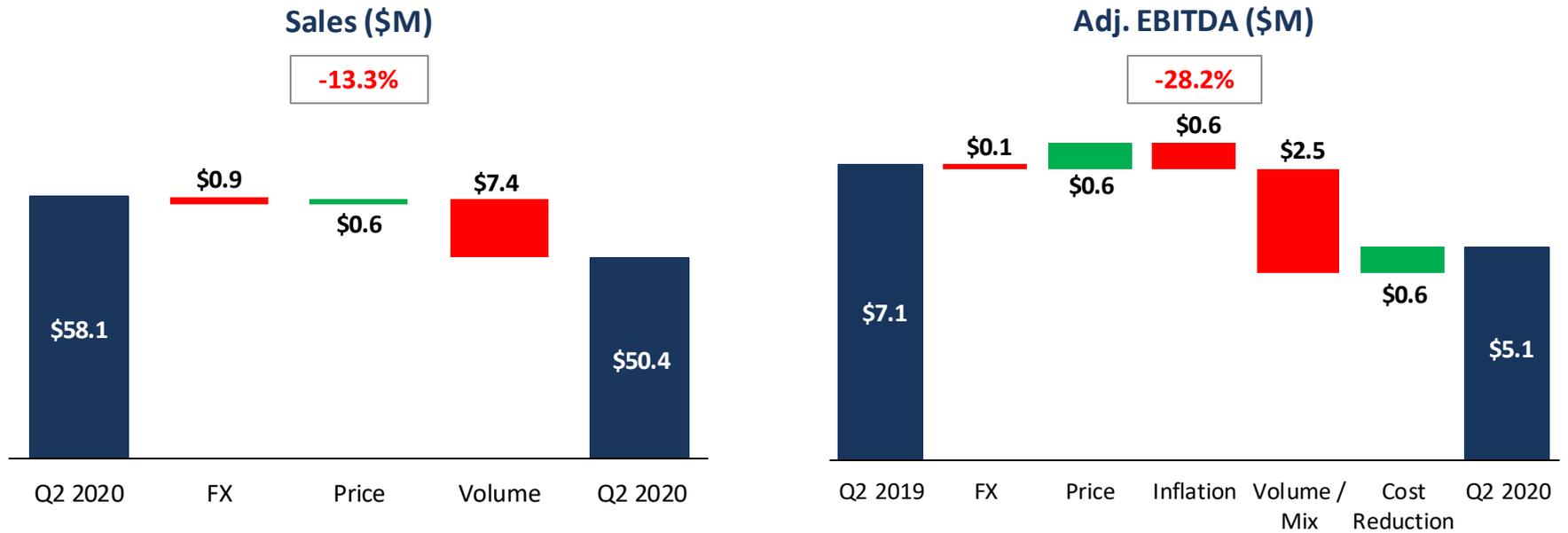
\$M	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2018 FY	2019 FY
EBITA	14.6	16.8	18.4	11.7	15.1	16.5	13.4	8.8	11.7	7.0	61.5	53.8
Effective tax rate - per income statement	23.6%	23.0%	22.2%	33.3%	-131.3%	30.4%	10.2%	1300.0%	21.4%	20.4%	18.3%	73.9%
Notional tax	(3.4)	(3.9)	(4.1)	(3.9)	19.8	(5.0)	(1.4)	(114.4)	(2.5)	(1.4)	(11.3)	(39.8)
EBITA after notional tax	11.2	12.9	14.3	7.8	34.9	11.5	12.0	(105.6)	9.2	5.6	50.2	14.0
Rolling 12 month EBITA after notional tax	29.3	35.1	41.1	46.2	69.9	68.5	66.2	(47.2)	(72.9)	(78.8)	50.2	14.0
Bank and other loans	105.1	99.8	88.7	77.1	92.6	109.2	105.6	91.4	108.8	90.5	77.1	91.4
Net cash and cash equivalents	(7.4)	(5.2)	(8.9)	(13.8)	(14.2)	(20.4)	(11.9)	(10.2)	(17.3)	(8.1)	(13.8)	(10.2)
Net debt	97.7	94.6	79.8	63.3	78.4	88.8	93.7	81.2	91.5	82.4	63.3	81.2
Total equity	177.1	191.1	213.0	184.3	179.8	178.0	179.9	174.4	169.8	173.3	184.3	174.4
Invested capital	274.8	285.7	292.8	247.6	258.2	266.8	273.6	255.6	261.3	255.7	247.6	255.6
4 point average invested capital	276.7	279.1	281.8	275.2	271.1	266.4	261.6	263.6	264.3	261.6	247.6	255.6
Return on invested capital	10.6%	12.6%	14.6%	16.8%	25.8%	25.7%	25.3%	-17.9%	-27.6%	-30.1%	20.3%	5.5%
Adjusted net income for the period	10.0	12.2	13.4	11.2	11.2	12.4	10.0	6.2	8.4	4.7	46.8	39.8
Other tax adjustments	-	-	-	2.9	-	-	-	-	-	-	2.9	-
Provision for income taxes	3.0	3.4	3.5	(4.4)	2.1	1.4	0.6	2.6	1.7	1.1	5.5	6.7
Income tax on adjustments to net income	0.1	0.2	0.3	1.1	0.7	1.6	1.5	(1.1)	0.4	0.1	1.7	2.7
Adjusted income tax charge	3.1	3.6	3.8	(0.4)	2.8	3.0	2.1	1.5	2.1	1.2	10.1	9.4
Adjusted profit before taxation	13.1	15.8	17.2	10.8	14.0	15.4	12.1	7.7	10.5	5.9	56.9	49.2
Adjusted effective tax rate	23.7%	22.8%	22.1%	-3.7%	20.0%	19.5%	17.4%	19.5%	20.0%	20.3%	17.8%	19.1%
EBITA (as above)	14.6	16.8	18.4	11.7	15.1	16.5	13.4	8.8	11.7	7.0	61.5	53.8
Adjusted notional tax	(3.5)	(3.8)	(4.1)	0.4	(3.0)	(3.2)	(2.3)	(1.7)	(2.3)	(1.4)	(10.9)	(10.3)
Adjusted EBITA after notional tax	11.1	13.0	14.3	12.1	12.1	13.3	11.1	7.1	9.4	5.6	50.6	43.5
Rolling 12 month adjusted EBITA after notional tax	35.0	40.3	46.2	50.6	51.5	51.8	48.6	43.5	40.8	33.1	50.6	43.5
Adjusted return on invested capital	12.7%	14.4%	16.4%	18.4%	19.0%	19.5%	18.6%	16.5%	15.4%	12.7%	20.4%	17.0%

Q2 2020: ELEKTRON SEGMENT RESULTS



* Sales growth restated to exclude divested Czech Recycling Business

Q2 2020: GAS CYLINDERS SEGMENT RESULTS



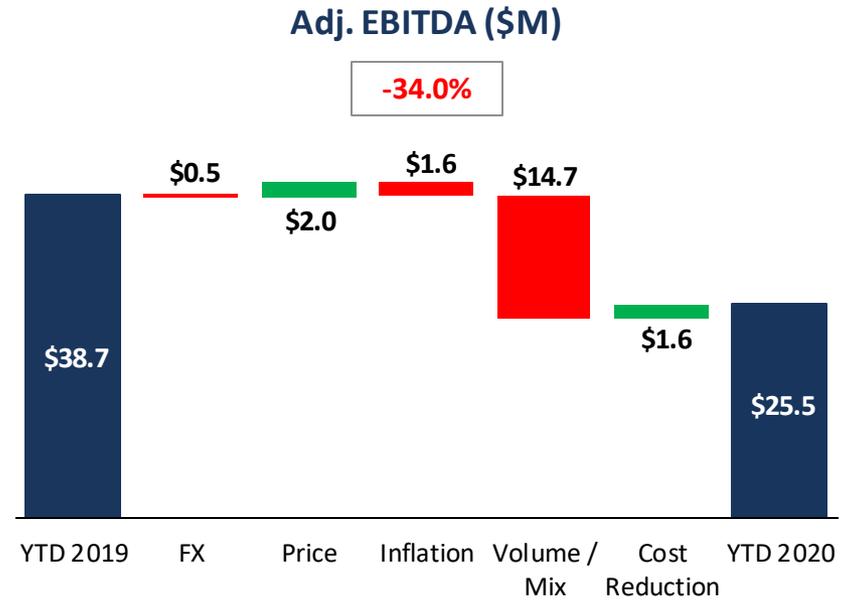
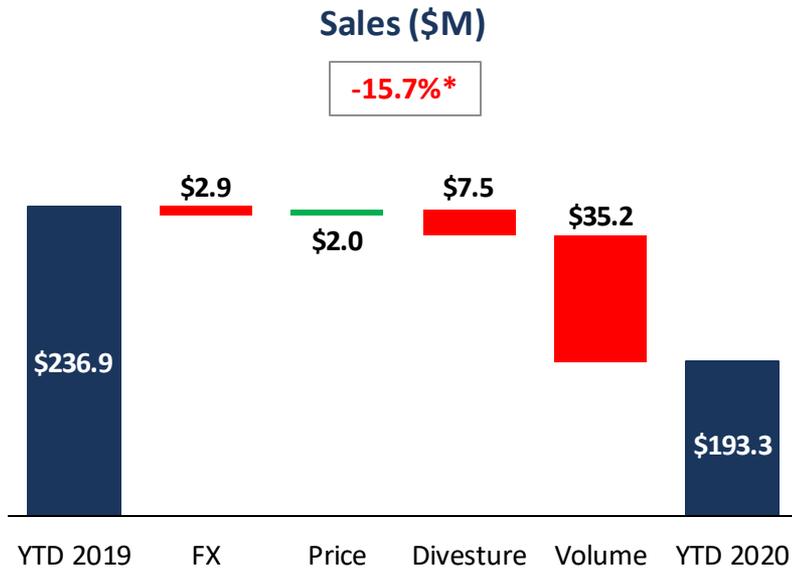
YTD SEGMENT RESULTS

	YTD	
	Sales	EBITDA
Elektron	\$90.3M Down 20.0%*	\$16.9M Down 37.6%
Gas Cylinders	\$103.0M Down 11.6%	\$8.6M Down 25.9%
	\$193.3M Down 15.7%*	\$25.5M Down 34.1%

* Excludes divested Czech Recycling Business

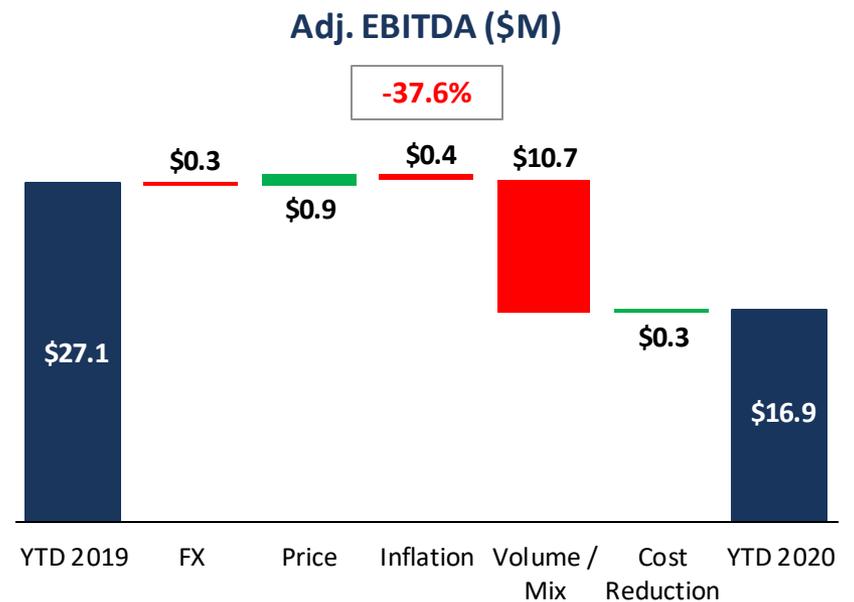
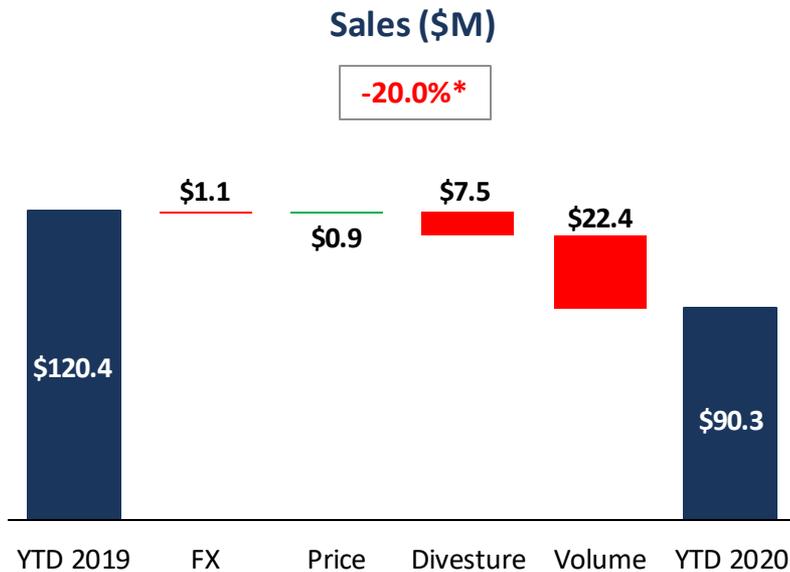


YTD LUXFER 2020



* Sales growth restated to exclude divested Czech Recycling Business

YTD 2020: ELEKTRON SEGMENT RESULTS



* Sales growth restated to exclude divested Czech Recycling Business

YTD 2020: GAS CYLINDERS SEGMENT RESULTS

