



SECOND QUARTER 2018

Earnings Conference Call August 2, 2018



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. 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 20-F for the year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission on March 19, 2018. 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

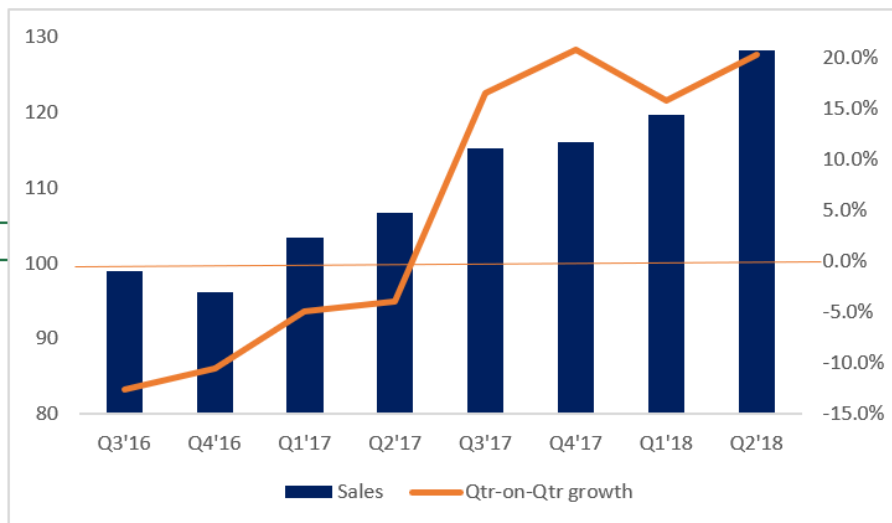
Solid execution and transformation plan driving better than expected results

- Revenue up 20% to \$128.2M from \$106.6M
 - Growth in both business segments – Elektron and Gas Cylinders
 - Broad-based contributions from nearly all product lines
 - Improved sales execution led to strong volume increases
- Gross margin up 180 bps to 26.5% from 24.7%
- Adjusted EBITDA increased 40% to \$21.3M from \$15.2M
- Adjusted diluted EPS advanced 76% to \$0.44 from \$0.25
- Net cash inflow before financing up 7% to \$8.0 million from \$7.5M
- Increasing 2018 full-year adjusted diluted EPS guidance to \$1.35 - \$1.45

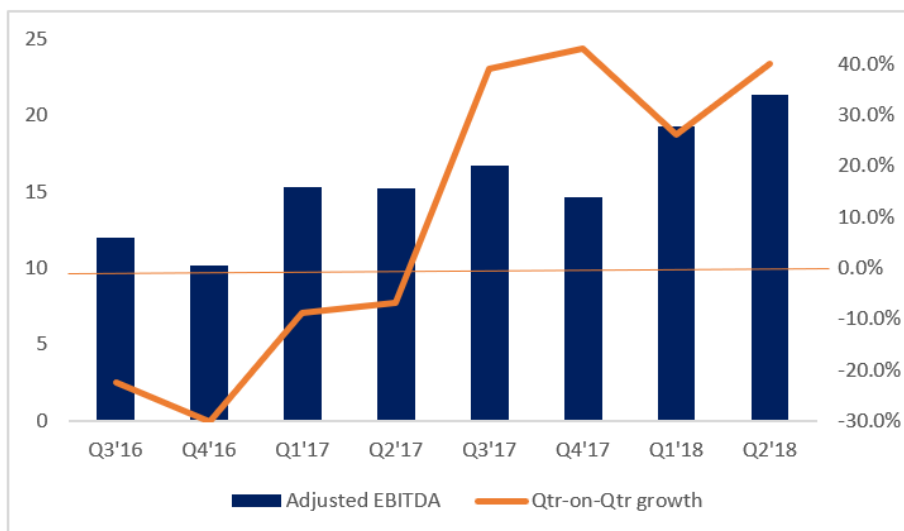


QUARTERLY TRENDS IN LUXFER PERFORMANCE

Quarterly Sales and Growth



Adjusted EBITDA and Growth

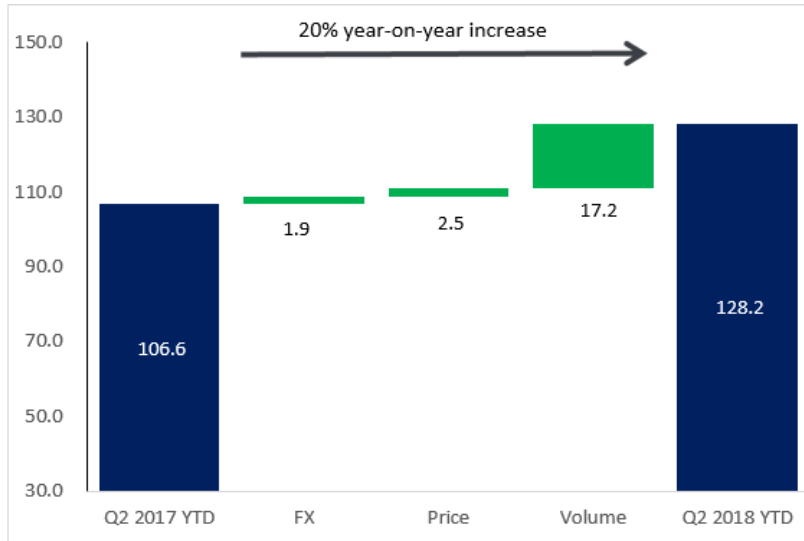


Performance highlights

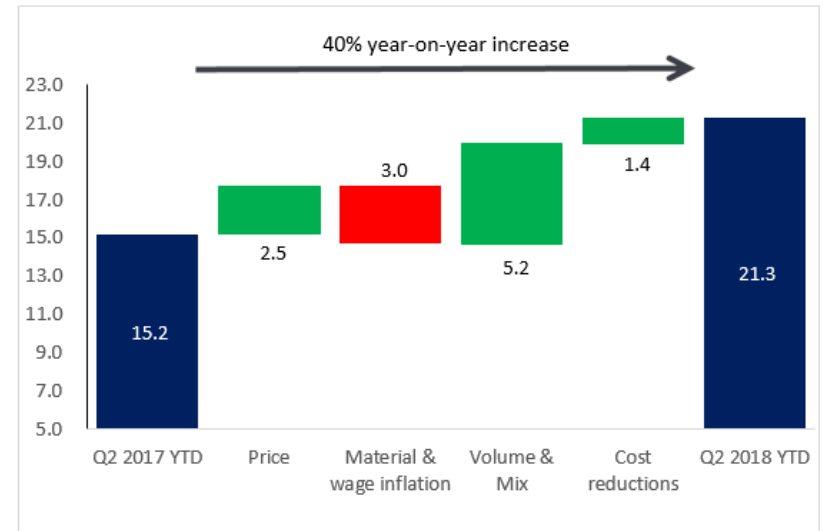
- Y/Y sales growth since Q3'17; sequential growth since Q4'16
- Strong adjusted EBITDA margin, with significant improvements in 2018

Q2 2018 LUXFER PERFORMANCE

Sales (\$M)



Adjusted EBITDA (\$M)



Performance highlights

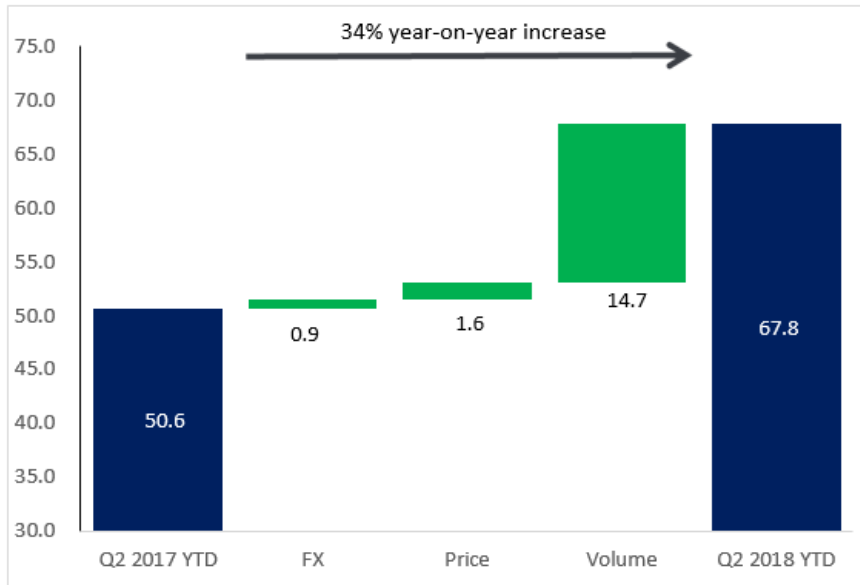
- Core revenue growth across both segments
- Profit expansion driven by volume on sales growth, pricing increases and cost reductions



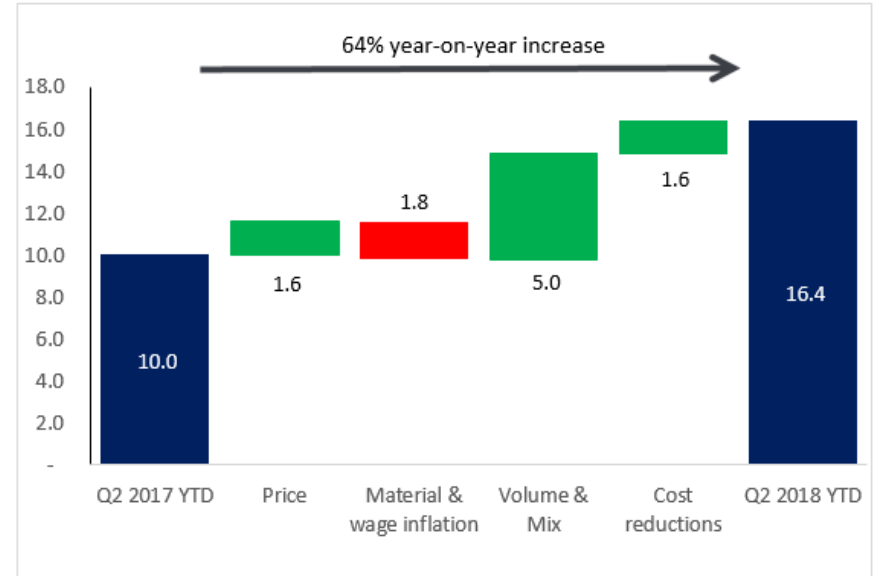
Continued Revenue and Profit Growth

Q2 2018 ELEKTRON PERFORMANCE

Sales (\$M)



Adjusted EBITDA (\$M)



Performance highlights

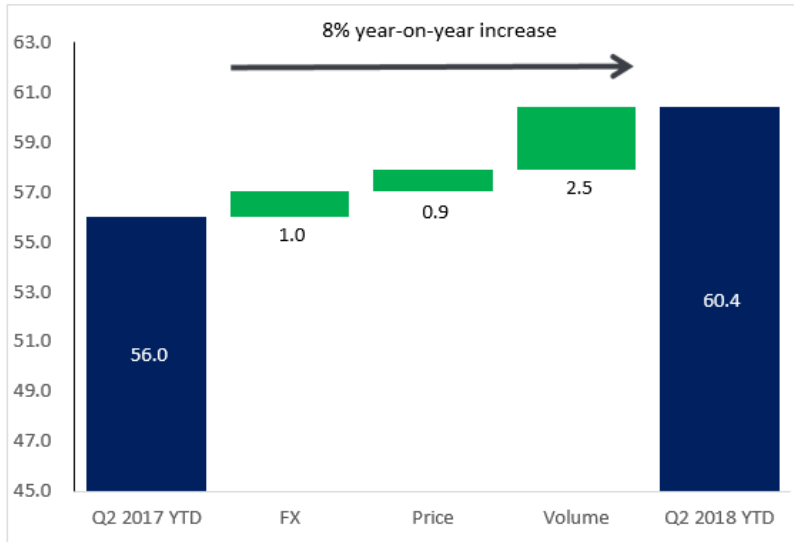
- Strong sales of disaster-relief and military products; continued growth in our proprietary alloy, SoluMag®
- Profit increase driven by volume and cost reductions, partially offset by material and wage inflation



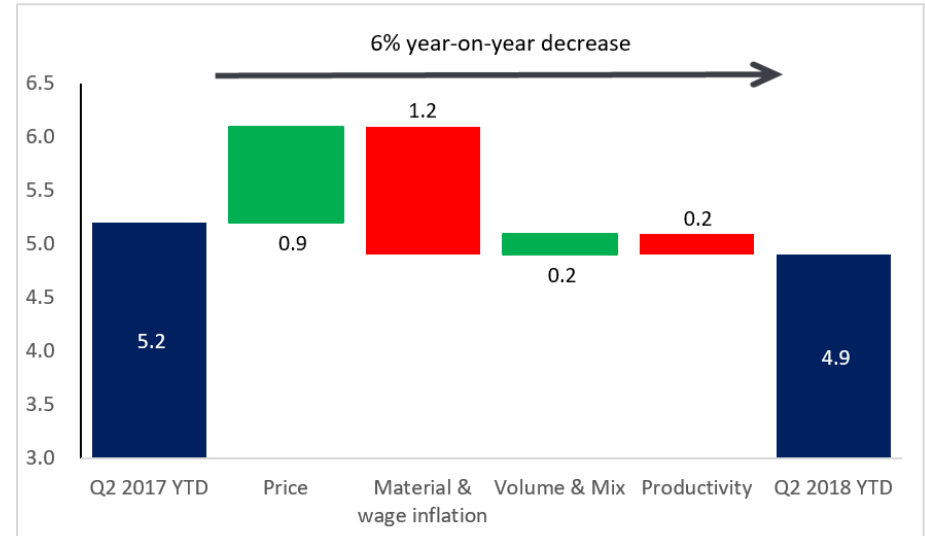
Continued Strong Growth and Cost Reductions

Q2 2018 GAS CYLINDERS PERFORMANCE

Sales (\$M)



Adjusted EBITDA (\$M)



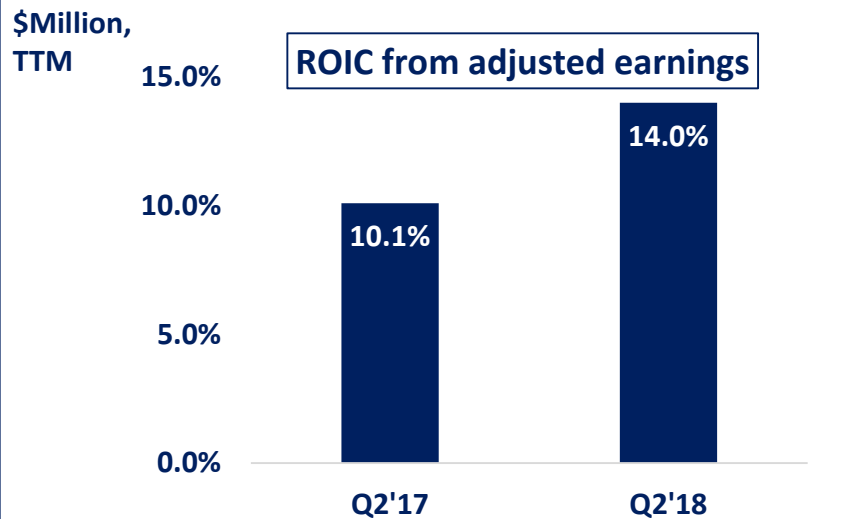
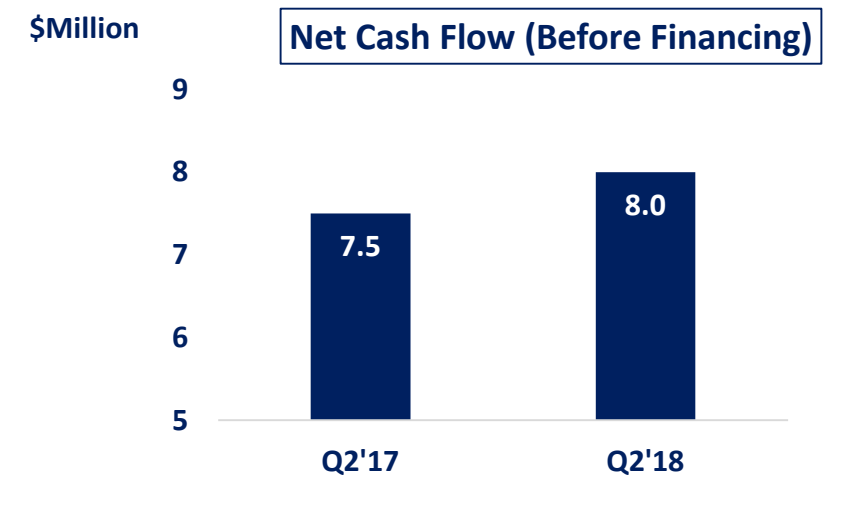
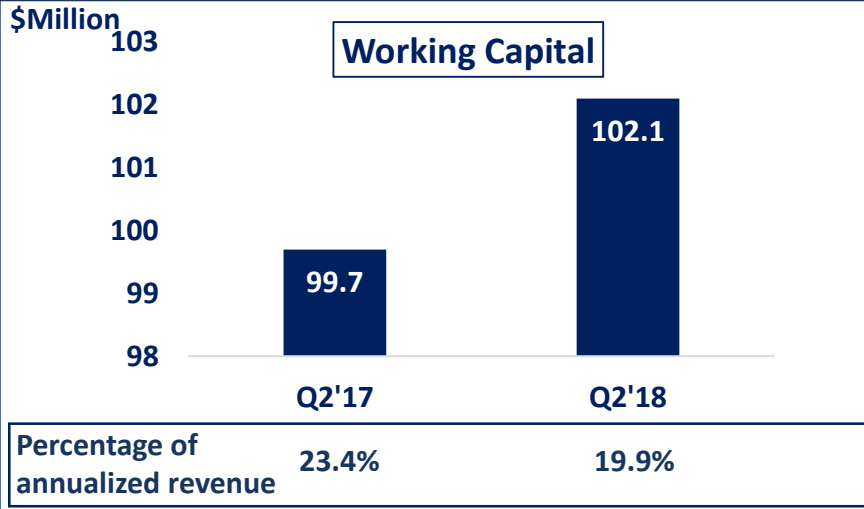
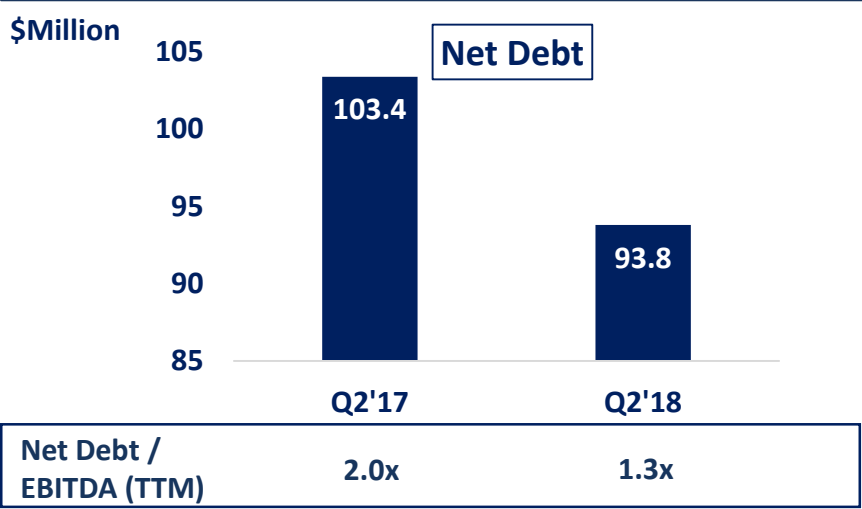
Performance highlights

- Sales growth in aluminum cylinders and Superform products; improving alternative fuel sales
- Productivity impact from Superform performance trends relative to 2Q'17



Profit Recovery Impacted By Productivity Challenges

KEY BALANCE SHEET & CASH FLOW METRICS



Leveraging Solid Balance Sheet and Generating Stronger Cash



LUXFER TRANSFORMATION PLAN: Q2 UPDATE

Simplification

- On-track to shed the “foreign private issuer” status by January 1st, 2019
- Increased effort to attract new investors – making it easier to own LXFR

Culture

- Held “top 50” leadership workshop in Manchester (UK)
- Aligned resources on action plan required to deliver 2020 goals
- Reinforced common values to drive a high-performance culture

Growth

- Finalized business unit growth roadmap based on external assessment
- Focused innovation efforts by pruning projects. Implementing stage-gate process

Productivity

- Riverhead (NY) consolidation complete. Findlay (OH) consolidation on-track
- Completed 1st phase of spend consolidation (e.g., IT, travel, freight, insurance)

Portfolio

- Finalized proactive pipeline for divestures and acquisitions
- Expanded relationships with key bankers and M&A advisors

Transformation Gaining Momentum

Q2 2018: SUMMARY AND OUTLOOK

- **Solid execution and strategy driving better than expected results**
 - Productivity and cost-out remain “on-track”
 - Growth driven by new products and share recovery through commercial excellence
- **Increasing 2018 full-year adjusted diluted EPS guidance to \$1.35 - \$1.45**
 - Core growth and productivity momentum to continue
 - Seasonality, tough disaster relief comps, and increased simplification expenses to impact second half



KEY INVESTMENT CONSIDERATIONS

Global Highly Engineered Advanced Materials Company with Attractive End Markets

Early Stages of Comprehensive Company Transformation To Enhance Growth and Profitability

Strong Balance Sheet, Consistent Cash Generation and Disciplined Capital Allocation with Emphasis on Portfolio Optimization

Significant Opportunities with Plenty of Runway for Continued Value Creation

Innovation and Continuous Improvement

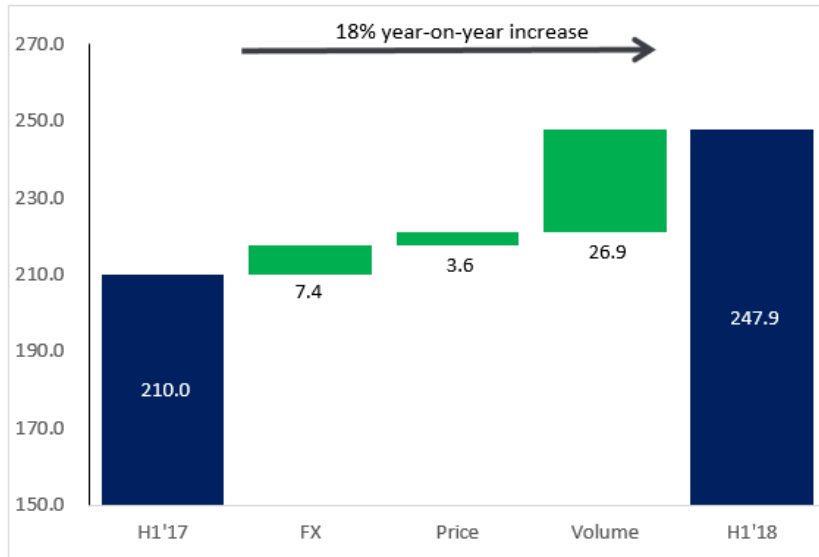


APPENDICES

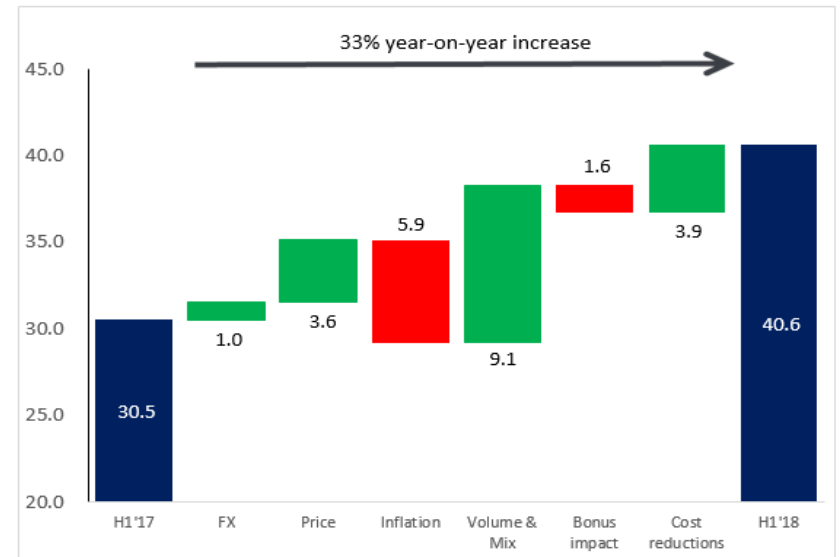
Summary Financial Statements and reconciliation of non-GAAP measures

YTD 2018 LUXFER PERFORMANCE

Sales (\$M)



Adjusted EBITDA (\$M)



Performance highlights

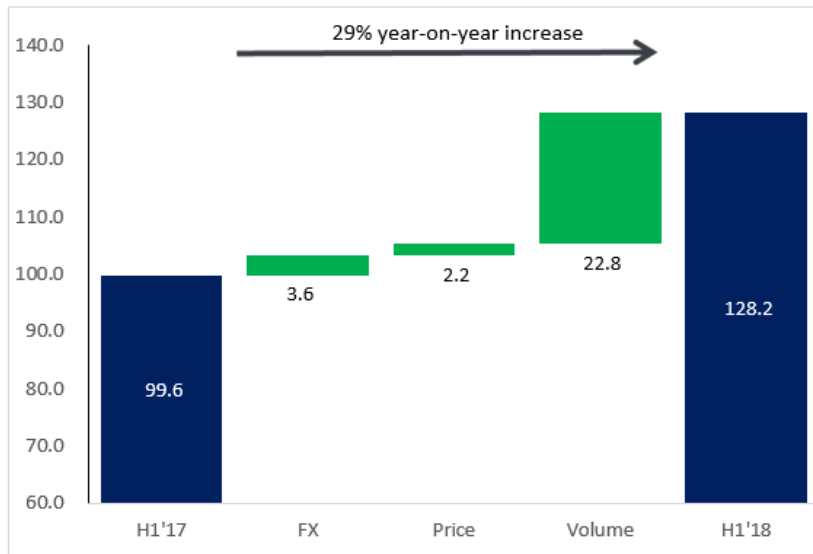
- Core revenue growth across both segments
- Profit expansion driven by volume on sales growth and pricing increases



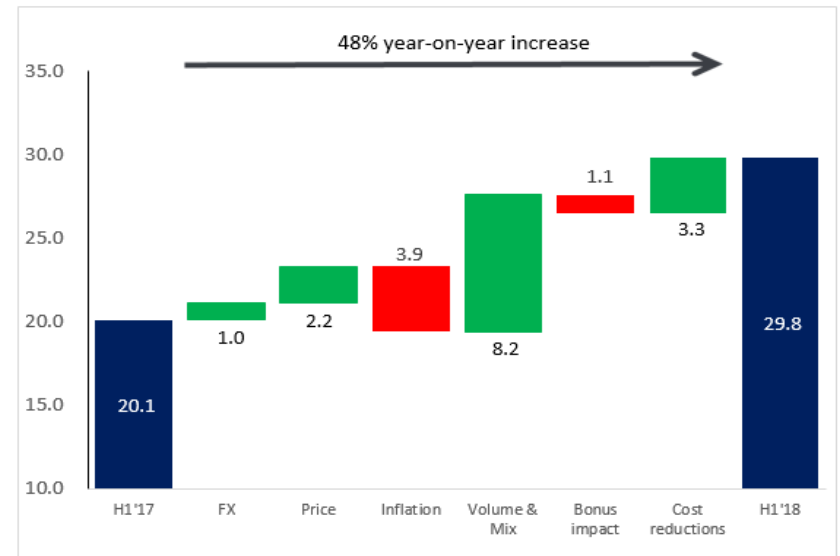
Adjusted EPS increased 60% from 0.52 to 0.83

YTD 2018 ELEKTRON PERFORMANCE

Sales (\$M)



Adjusted EBITDA (\$M)



Performance highlights

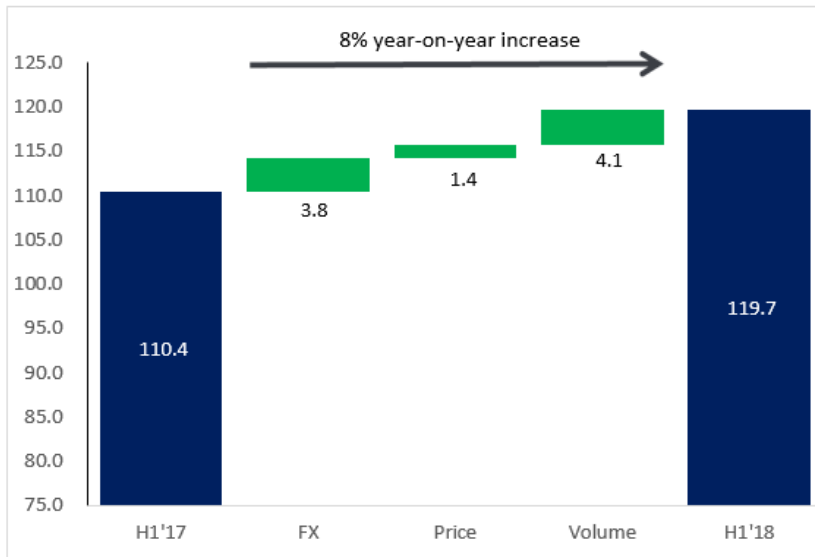
- Disaster-relief and military products showing significant growth; Magnesium and Zirconium alloys increase driven by new proprietary alloys such as SoluMag®
- Increased volume driving significant improvement



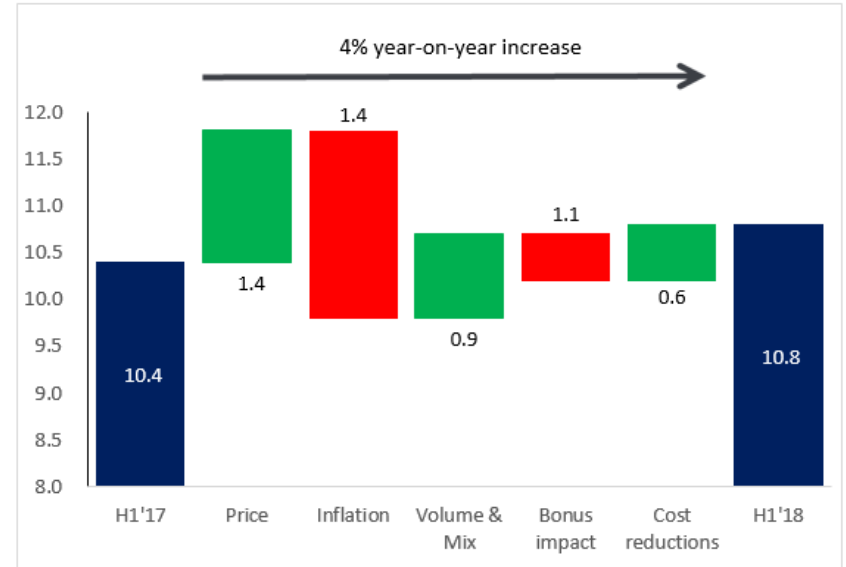
Strong Volume Growth and Cost Reductions

YTD 2018 GAS CYLINDERS PERFORMANCE

Sales (\$M)



Adjusted EBITDA (\$M)

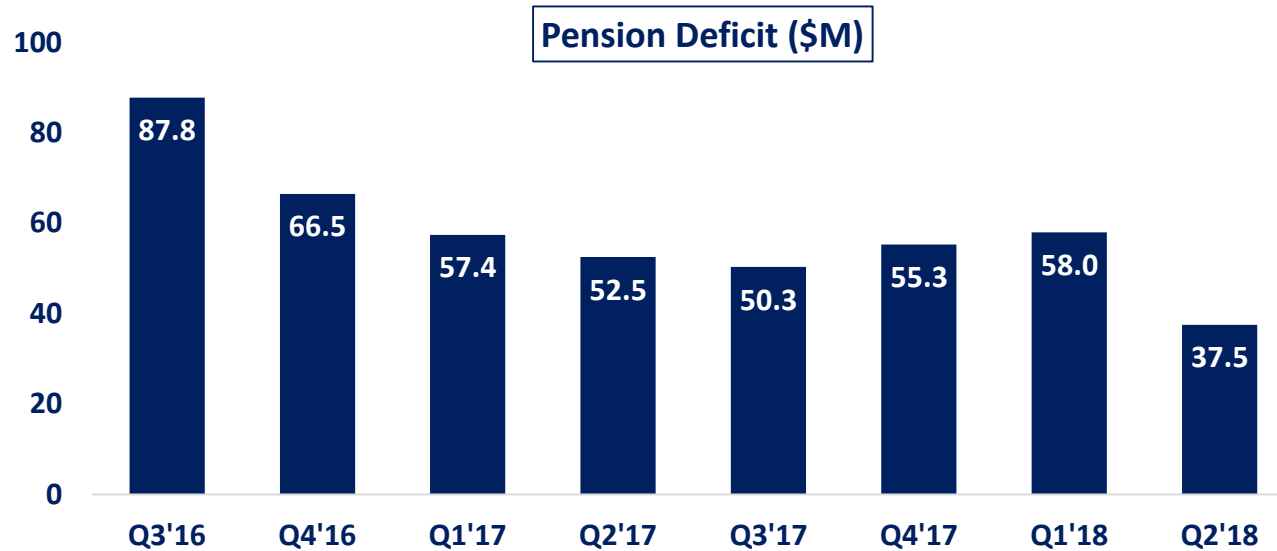


Performance highlights

- Growth in aluminum cylinders and Superform products, partially offset by lower sales of composite cylinders
- Increased prices to offset aluminum inflation
- YTD cost reductions offset productivity challenges

Profit Recovery Impacted By Timing of Bonus Charge

QUARTERLY PENSION DEFICIT REDUCTION



Performance highlights

- Quarter-on-quarter deficit reduction
- Increased discount rate and improvement in long-term inflation expectations impacted Q2'18

Significant reduction in the Pension Deficit

KEY INCOME STATEMENT METRICS

\$ in millions, except per share amount	Q2 2018	Q2 2017	vs Prior Year		YTD 2018	YTD 2017	vs Prior Year	
			Δ	Δ%			Δ	Δ%
Revenue	128.2	106.6	21.6	20.3%	247.9	210.0	37.9	18.0%
Gross Profit	34.0	26.3	7.7	29.3%	64.7	52.0	12.7	24.4%
Adjusted EBITDA*	21.3	15.2	6.1	40.1%	40.6	30.5	10.1	33.1%
Adjusted Net Income*	12.2	6.6	5.6	84.8%	22.8	13.8	9.0	65.2%
Effective tax rate	20.9%	44.4%	n/a	n/a	20.0%	30.5%	n/a	n/a
Adjusted Diluted EPS*	\$0.44	\$0.25	\$0.19	76.0%	\$0.83	\$0.52	\$0.31	59.6%
Basic EPS	\$0.38	\$0.09	\$0.29	322.2%	\$0.72	\$0.34	\$0.38	111.8%

*NOTE: *See appendices for non-GAAP reconciliations.*



40% Quarter-on-quarter Increase in Adjusted EBITDA

SUMMARY INCOME STATEMENT

\$M	2018	2018	2017	2017	Variance Q2		Variance YTD	
	Q2	YTD	Q2	YTD	\$M	%	\$M	%
REVENUE	128.2	247.9	106.6	210.0	21.6	20.3%	37.9	18.0%
Cost of sales	(94.2)	(183.2)	(80.3)	(158.0)				
Gross profit	34.0	64.7	26.3	52.0	7.7	29.3%	12.7	24.4%
Distribution costs	(3.0)	(5.7)	(2.2)	(4.3)				
General and administrative costs	(16.0)	(30.4)	(14.1)	(27.3)				
Share of results of joint ventures and associates	-	0.2	0.1	0.2				
Profit on sale of redundant site	-	-	-	0.4				
Restructuring and other expense	(0.3)	(1.0)	(3.3)	(3.5)				
OPERATING PROFIT	14.7	27.8	6.8	17.5	7.9	116.2%	10.3	58.9%
Finance costs:								
Net finance costs	(1.4)	(3.1)	(1.9)	(3.5)				
IAS 19R retirement benefits finance charge	(0.4)	(0.7)	(0.4)	(0.9)				
PROFIT ON OPERATIONS BEFORE TAXATION	12.9	24.0	4.5	13.1	8.4	186.7%	10.9	83.2%
Income tax expense	(2.7)	(4.8)	(2.0)	(4.0)				
NET INCOME / (LOSS) FOR THE PERIOD	10.2	19.2	2.5	9.1	7.7	308.0%	10.1	111.0%
<i>Earnings per share - Basic</i>	<i>\$0.38</i>	<i>\$0.72</i>	<i>\$0.09</i>	<i>\$0.34</i>				
ADJUSTED NET INCOME	12.2	22.8	6.6	13.8	5.6	84.8%	9.0	65.2%
<i>Adjusted earnings per share - Basic</i>	<i>\$0.46</i>	<i>\$0.86</i>	<i>\$0.25</i>	<i>\$0.52</i>				
<i>Adjusted earnings per share - Diluted</i>	<i>\$0.44</i>	<i>\$0.82</i>	<i>\$0.25</i>	<i>\$0.52</i>				
Adjusted EBITDA	21.3	40.6	15.3	30.6	6.0	39.2%	10.0	32.7%

BALANCE SHEET ANALYSIS

SM	December 31 2017	Trading	Shareholder Returns	Pension Movements	FX Translation	July 1 2018
Property, plant and equipment	125.5	(7.3)	-	-	1.1	119.3
Intangible assets	81.7	(3.0)	-	-	0.9	79.6
Investments	7.6	0.2	-	-	-	7.8
Deferred income tax assets	16.2	(1.6)	-	(2.7)	0.5	12.4
Trade and other receivables	0.3	(0.3)	-	-	-	-
Long term assets	231.3	(12.0)	-	(2.7)	2.5	219.1
<i>Inventories</i>	82.2	12.6	-	-	1.6	96.4
<i>Trade and other receivables</i>	72.6	1.4	-	-	0.5	74.5
<i>Trade and other payables</i>	(61.3)	(6.4)	-	-	(1.1)	(68.8)
Trading working capital	93.5	7.6	-	-	1.0	102.1
Current investments	1.6	(1.1)	-	-	-	0.5
Net tax liabilities (excluding deferred tax assets)	(2.3)	(2.6)	-	-	-	(4.9)
Non-current trade and other payables	(1.9)	0.7	-	-	-	(1.2)
Provisions	(3.9)	0.6	-	-	-	(3.3)
Capital employed	318.3	(6.8)	-	(2.7)	3.5	312.3
Retirement benefits	(55.3)	-	-	19.0	(1.2)	(37.5)
Deferred consideration	(0.3)	-	-	-	-	(0.3)
Deferred contingent consideration	(0.7)	0.3	-	-	-	(0.4)
Invested capital	262.0	(6.5)	-	16.3	2.3	274.1
Banking revolver	(19.5)	(4.9)	-	-	(0.1)	(24.5)
Net cash and cash equivalents	9.1	9.3	(6.7)	(6.9)	0.4	5.2
Loan notes	(89.3)	14.8	-	-	-	(74.5)
Net assets	162.3	12.7	(6.7)	9.4	2.6	180.3
Capital & reserves:						
Ordinary share capital	25.3	-	-	-	-	25.3
Deferred share capital	150.9	-	-	-	-	150.9
Share premium account	56.4	-	-	-	-	56.4
Treasury shares	(5.8)	0.2	-	-	-	(5.6)
Retained earnings	311.4	21.4	(6.7)	9.4	-	335.5
Other reserves	(42.1)	(8.9)	-	-	2.6	(48.4)
Merger reserve	(333.8)	-	-	-	-	(333.8)
Total equity	162.3	12.7	(6.7)	9.4	2.6	180.3

CASH FLOW

\$M	2018 Q2	2018 YTD	2017 Q2	2017 YTD
Operating profit	14.7	27.8	6.8	17.5
Depreciation and amortization	4.9	9.8	4.7	9.2
Loss on disposal of property, plant and equipment	0.1	0.1	-	-
Profit on sale of redundant site	-	-	-	(0.4)
Share-based compensation charges net of cash settlement	(2.7)	(2.8)	0.2	0.5
Non-cash restructuring charges	-	-	2.2	2.2
Share of results of joint ventures and associates	-	(0.2)	(0.1)	(0.2)
Increase in working capital	(3.0)	(9.7)	(0.2)	(4.1)
Movement in retirement benefits obligations	(1.8)	(3.7)	(2.5)	(4.1)
Movement in provisions	(0.3)	(0.4)	(0.2)	-
Income taxes paid	(1.7)	(1.7)	(1.2)	(1.3)
NET CASH FLOWS FROM CONTINUING OPERATING ACTIVITIES	10.2	19.2	9.7	19.3
Purchases of property, plant and equipment	(2.5)	(3.8)	(2.3)	(4.6)
Purchases of intangible assets	-	(0.1)	(0.3)	(0.7)
Investment in joint ventures and associates	0.2	0.8	0.5	1.0
Interest income received from joint ventures	0.1	0.2	-	0.1
Net cash flow on purchase of businesses	-	-	(0.1)	(1.4)
Payment of deferred consideration	-	(0.5)	-	-
NET CASH FLOWS BEFORE FINANCING	8.0	15.8	7.5	13.7
Interest paid on banking facilities	(1.3)	(2.6)	(1.6)	(3.1)
(Repayment) / Draw down on banking facilities	(6.0)	(10.0)	13.2	38.3
Dividends paid	(3.3)	(6.7)	(3.3)	(6.6)
Purchase of treasury shares	-	-	0.2	0.3
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(2.6)	(3.5)	16.0	42.6

RECONCILIATION OF NON-GAAP MEASURES

\$M	2018 Q2	2018 YTD	2017 Q2	2017 YTD
Net income for the period - as reported	10.2	19.2	2.5	9.1
Accounting charges relating to acquisitions & disposals of businesses:				
Unwind of discount on deferred contingent consideration	0.2	0.3	0.1	0.1
Amortization on acquired intangibles	0.3	0.6	0.3	0.6
IAS 19R retirement benefits finance charge	0.4	0.7	0.4	0.9
Profit on sale of redundant site	-	-	-	(0.4)
Restructuring and other expense	0.3	1.0	3.3	3.5
Other share-based compensation charges	1.4	2.0	0.4	0.7
Income tax thereon	(0.6)	(1.0)	(0.4)	(0.7)
Adjusted net income	12.2	22.8	6.6	13.8
Add back / (deduct):				
Income tax thereon	0.6	1.0	0.4	0.7
Income tax expense	2.7	4.8	2.0	4.0
Net interest costs	1.2	2.8	1.8	3.4
Depreciation and amortization	4.9	9.8	4.7	9.2
Less: Amortization on acquired intangibles	(0.3)	(0.6)	(0.3)	(0.6)
Adjusted EBITDA	21.3	40.6	15.2	30.5

RECONCILIATION OF NON-GAAP MEASURES

\$M		2016	2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
EBIT		35.3	40.5	11.8	11.0	7.3	5.2	10.5	10.1	11.3	8.6	13.8	15.0
<i>Effective tax rate - per income statement</i>		21.5%	3.4%	25.0%	23.9%	19.5%	5.9%	23.3%	44.4%	32.9%	72.0%	18.9%	20.9%
Notional tax		(7.6)	(1.4)	(3.0)	(2.6)	(1.4)	(0.3)	(2.4)	(4.5)	(3.7)	(6.2)	(2.6)	(3.1)
EBIT after notional tax		27.7	39.1	8.8	8.4	5.9	4.9	8.1	5.6	7.6	2.4	11.2	11.9
Rolling 12 month EBIT after notional tax	(A)	27.7	39.1	29.1	31.5	29.1	28.0	27.3	24.5	26.2	23.7	26.8	33.1
Bank and other loans		121.0	108.8	150.8	185.5	137.5	121.0	146.3	160.6	120.6	108.8	105.1	99.0
Net cash and cash equivalents		(13.6)	(9.1)	(48.9)	(83.6)	(32.3)	(13.6)	(40.4)	(57.2)	(19.2)	(9.1)	(8.1)	(5.2)
Net debt		107.4	99.7	101.9	101.9	105.2	107.4	105.9	103.4	101.4	99.7	97.0	93.8
Total equity		141.9	162.1	160.0	146.9	129.4	141.9	153.4	164.6	172.5	162.1	165.4	180.3
Invested capital		249.3	261.8	261.9	248.8	234.6	249.3	259.3	268.0	273.9	261.8	262.4	274.1
4 point average invested capital	(B)	256.9	255.6	264.7	258.7	252.4	248.7	248.0	252.8	262.6	265.8	266.5	268.1
Return on invested capital	(A) / (B)	10.8%	15.3%	11.0%	12.2%	11.5%	11.3%	11.0%	9.7%	10.0%	8.9%	10.1%	12.3%
Adjusted net income for the period	1	24.7	27.6	8.1	7.9	5.0	3.7	7.2	6.6	7.5	6.3	10.5	12.2
Income tax charge for the period	2	6.0	0.4	2.9	2.1	0.8	0.2	2.0	2.0	2.3	(5.9)	2.1	2.7
Income tax on adjustments to net income	3	1.4	9.2	(0.1)	0.5	0.7	0.3	0.3	0.4	0.5	8.0	0.4	0.6
Adjusted income tax charge	(C) (2+3)	7.4	9.6	2.8	2.6	1.5	0.5	2.3	2.4	2.8	2.1	2.5	3.3
Adjusted profit before taxation	(D) (1+2+3)	32.1	37.2	10.9	10.5	6.5	4.2	9.5	9.0	10.3	8.4	13.0	15.5
Adjusted effective tax rate	(C) / (D) = (E)	23.1%	25.8%	25.7%	24.8%	23.1%	11.9%	24.2%	26.7%	27.2%	25.0%	19.2%	21.3%
EBIT (as above)	(F)	35.3	40.5	11.8	11.0	7.3	5.2	10.5	10.1	11.3	8.6	13.8	15.0
Adjusted notional tax	(E) x (F)	(8.1)	(10.5)	(3.0)	(2.7)	(1.7)	(0.6)	(2.5)	(2.7)	(3.1)	(2.2)	(2.7)	(3.2)
Adjusted EBIT after notional tax		27.2	30.0	8.8	8.3	5.6	4.6	8.0	7.4	8.2	6.5	11.1	11.8
Rolling 12 month adjusted EBIT after notional tax	(G)	27.2	30.0	33.8	33.6	31.0	27.2	26.4	25.6	28.2	30.0	33.2	37.6
Adjusted return on invested capital	(G) / (B)	10.6%	11.8%	12.8%	13.0%	12.3%	11.0%	10.7%	10.1%	10.7%	11.3%	12.5%	14.0%

