



LUXFER

FIRST QUARTER 2021 EARNINGS PRESENTATION

Earnings Conference Call April 27th, 2021



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 post-Brexit regulation, 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) 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, 2020, which was filed with the U.S. Securities and Exchange Commission on March 2, 2021. 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

Q1 2021 Financial Performance¹

Better than Expected Results Driven by Solid Execution and Improving Macro

- Sales of \$85.2M decreased 3.6% YoY, FX benefit of \$3.0M or 3.4%
- SCI acquisition added ~\$1.2M in sales, or 1.4% to sales
- Adj. EBITDA increased 12.0% to \$17.7M; margin improved 290 bps to 20.8%
- Adj. diluted EPS of \$0.39 increased 14.7%; GAAP EPS of \$0.31 increased 19.2%

Cash flow and operational improvement

Strong Balance Sheet and Cash Generation

- Net debt of \$41.2M, a reduction of \$50.3M from prior year net debt of \$91.5M
- Cash for SCI acquisition offset by cash from Graham Aluminum plant divestiture
- FCF of \$13.8M; ROIC² of 16.2%; Net Debt to EBITDA ratio of 0.7x

Strategic Transformation Update

Improving Portfolio Attractiveness

- Steady progress on sale of discontinued operations
- Increasing AF investment to capture CNG/hydrogen growth
- Robust innovative new products pipeline and commercial excellence initiatives
- Further increasing productivity by consolidating Canadian Magnesium plant

¹ Excluding the impact of Discontinued Operations (see appendix); ² Calculated using adjusted earnings (see appendix)

Delivering Strong Financial Results while Repositioning Portfolio

TRANSACTION SUMMARY: SCI ACQUISITION

KEY STATISTICS

Founded	1971
Employees	~150
Timing	Acquisition Completed 3/15/21

Acquisition Completed 3/15/21

- Acquired Structural Composites Industries (“SCI”) from Worthington Industries, Inc. (NYSE: WOR) for ~\$20 million cash
- Expected to generate \$5M-\$7M EBITDA synergies within three years by operating efficiencies and growth
- Dilutive by ~\$0.15 cents in 2021; accretive in 2022 and beyond. ROIC>10% in less than three years



Aerospace



Alternative Fuel



Other



Meets Strategic Criteria for Acquisitions

✓ IP / Critical Process Technology

✓ Niche Products / Applications

✓ Customer Relationships

✓ Cost and Revenue Synergies

✓ Geographic / Growth Expansion

✓ Strong Cultural Fit

Disciplined Approach to Strategic Acquisitions Resulted in a Value-added Transaction

COMPELLING STRATEGIC BENEFITS

Expands Capabilities Within Higher Growth Alternative Fuel

- Increases exposure to CNG and Hydrogen Storage Growth
- Expands capacity & technology to capture growth
- Grows customer base and strengthens global team
- Strengthens position with high-growth hydrogen market



Broadens Portfolio and Creates Expansion Opportunities

- Better Serve Customers in SCBA & Aerospace
- Broader product portfolio to serve customers
- Better positioned for market recovery
- Greater opportunity to expand geographically

Significant Growth and Cost Synergies within three years

- Facility proximity enables significant operating costs synergies
- Expanded technology portfolio creates growth opportunities
- Generating efficiencies through use of Lean and Luxfer B.E.S.T



Improving Our Growth Profile

2021: SEGMENT OVERVIEW

Elektron		Gas Cylinders
High Performance Magnesium Alloys Innovation leader in the use of magnesium for unique, high-performance, lightweight alloys, flameless heating technology and specialty products	Specialty Zirconium Catalysts Expertise in high-performance specialty zirconium-based solutions for a broad range of applications	High Pressure Composite Cylinders World's largest manufacturer of high-pressure composite cylinders with innovations in manufacturing to produce lightweight, durable and corrosion-resistant cylinders

End Markets		
Industrial Defense Medical Aero	Industrial and Automotive Catalysis	Alternative Fuel SCBA Aero



ENABLERS OF ACCELERATED GROWTH

Recent Accomplishments

- | | | | | |
|--|--|---|--|---|
| <ul style="list-style-type: none">✓ Customer First & Innovation values✓ Additional commercial and Innovation Talent | <ul style="list-style-type: none">✓ Divested \$100M revenue business with low growth profile | <ul style="list-style-type: none">✓ Implemented process with Salesforce tool✓ Growth incentive plans | <ul style="list-style-type: none">✓ Revenue from new products increased from 9% to 17% over the past three years | <ul style="list-style-type: none">✓ Acquired SCI and ESM Specialty Metals |
|--|--|---|--|---|



Future Opportunities

- | | | | | |
|---|--|---|---|---|
| <ul style="list-style-type: none">• Succession planning | <ul style="list-style-type: none">• Continuous Monitoring and Evaluation | <ul style="list-style-type: none">• Penetrating fast growth regions | <ul style="list-style-type: none">• Increase new products revenue above 20% | <ul style="list-style-type: none">• Successfully integrate SCI acquisition• Evaluate and complete more bolt-on acquisition |
|---|--|---|---|---|

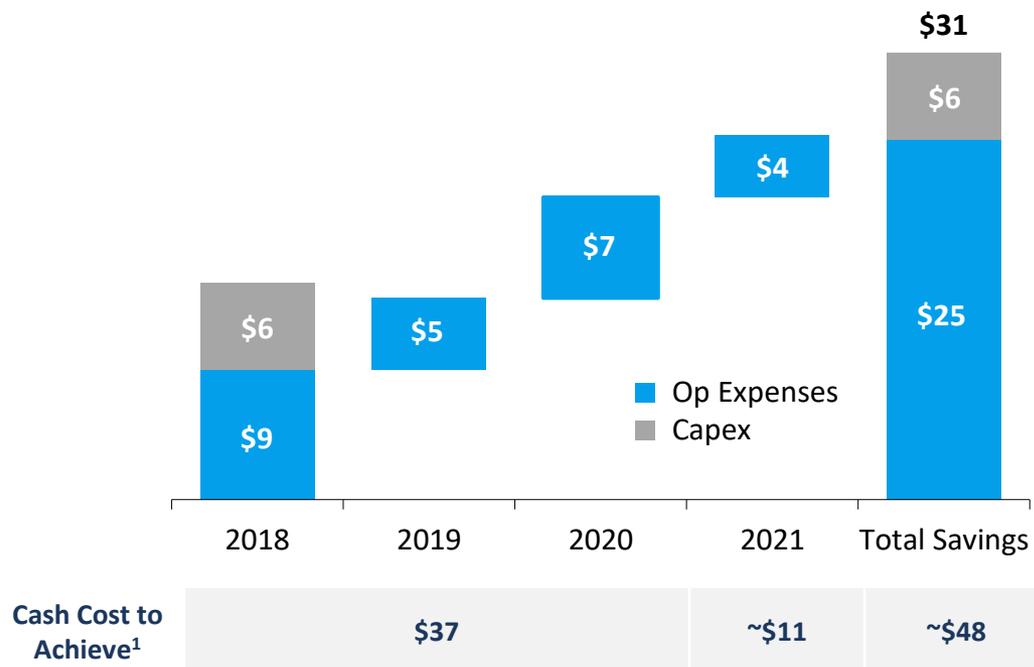
Stronger Portfolio Provides Numerous Growth Opportunities

DELIVERED FULL COST SAVINGS GOAL AHEAD OF SCHEDULE

Transformational Cost Savings

- **2017:** Launched P&L savings target of \$20M to be achieved in 2021
- **2018:** Increased savings target to \$24M
- **2021:** Total Plan Savings of \$25.3M
- ✓ Delivered \$4M+ cost reductions in the quarter
- ✓ Smaller footprint also reduced operational capital by ~\$6M annually

Transformation Plan Savings (\$M)



¹ 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 ~\$10M to \$12M

Shifting Focus and Resources Towards SCI Integration

RECENT PERFORMANCE BY END-MARKETS

	Change			Q4 Commentary
	'16-'19	2020	Q1'21	
37% Defense, First Response, & Healthcare ¹	+0.1%	-6.4%	+2.0%	<ul style="list-style-type: none"> • Growth in MRE / Heater Meals • Recovery in Military Flares sales
31% Transportation ¹ (AF, Aero, Auto)	+5.9%	-8.4%	+10.8%	<ul style="list-style-type: none"> • Alternative Fuel posted double digit growth in Q1 (YoY & Sequential) • Growth in Aero & AutoCat
32% General Industrial ¹	+7.0%	-18.0%	-18.9%	<ul style="list-style-type: none"> • Sequential sales improvement from Q4 • Improved order rates and easier comps increase optimism for 2nd half 2021
	+4.1%	-0.2%	-3.6%	

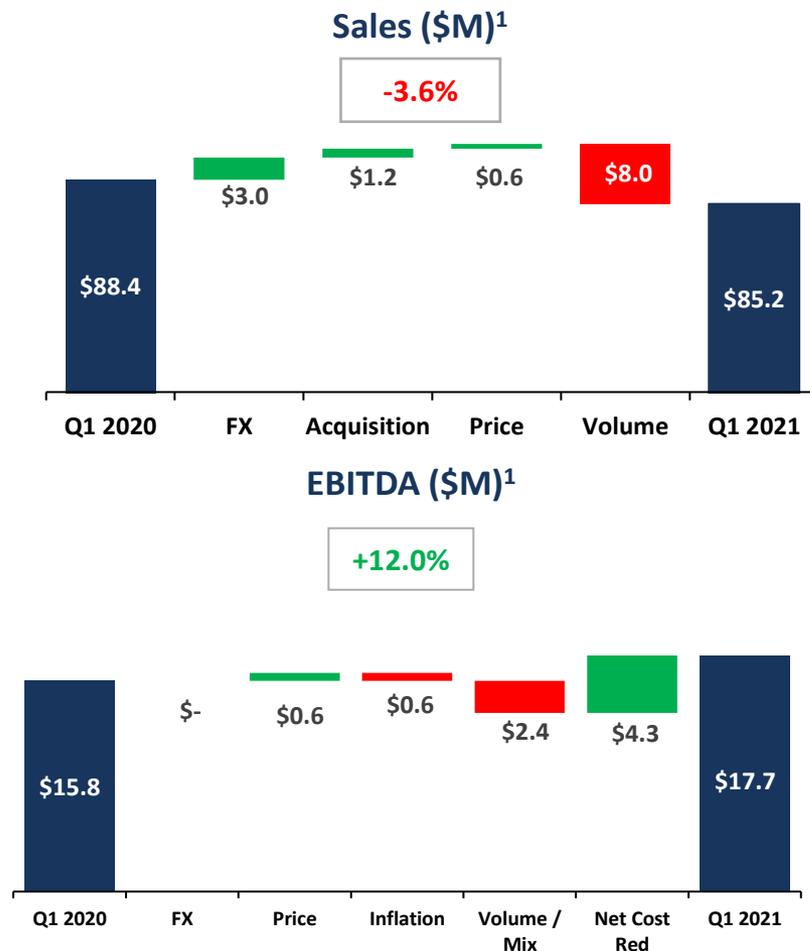
¹ Excluding the impact of Discontinued Operations (see appendix) and excluding the impact of Czech Recycling Divestiture

Well Positioned to Benefit from Recovery

Q1 2021: LUXFER FINANCIAL RESULTS

Performance Highlights

- Sales declined by 3.6% from prior year
 - Favorable FX of 3.4% driven by UK Pound strength
 - SCI acquisition added ~\$1.2M in sales, or 1.4% to sales
 - Growth in alternative fuel & transportation offset by tough Pre-COVID Industrial comps
- Significant improvement in profitability
 - Delivered net cost savings of \$4M+
 - Margin expansion of 290 bps



¹ Excluding the impact of Discontinued Operations (see appendix)

Solid Quarter with Margin Expansion

Q1 2021: SEGMENT RESULTS

Q1 2021¹

	Sales	EBITDA	Performance Commentary
Elektron	\$49.0M Down 4.3%	\$11.7M Up 0.9%	<ul style="list-style-type: none"> • Strong MRE / Heater Meals & Military sales • Auto Catalysis growth mid single digits • COVID-19 impact on Industrial products
Gas Cylinders	\$36.2M Down 2.7%	\$6.0M Up 42.9%	<ul style="list-style-type: none"> • Double-digit Alternative Fuel sales growth • Continued COVID-19 impact on industrial cylinders
	\$85.2M Down 3.6%	\$17.7M Up 12.0%	

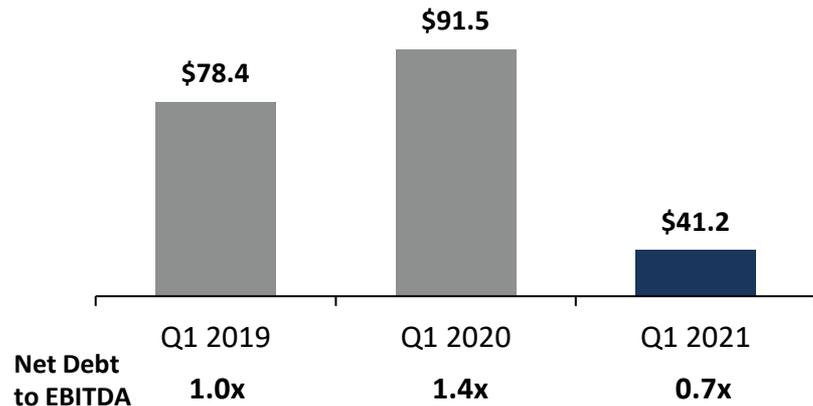
¹ Excludes the impact of Discontinued Operations (see appendix)

Compelling Niche Market Opportunities Over the Long-Term

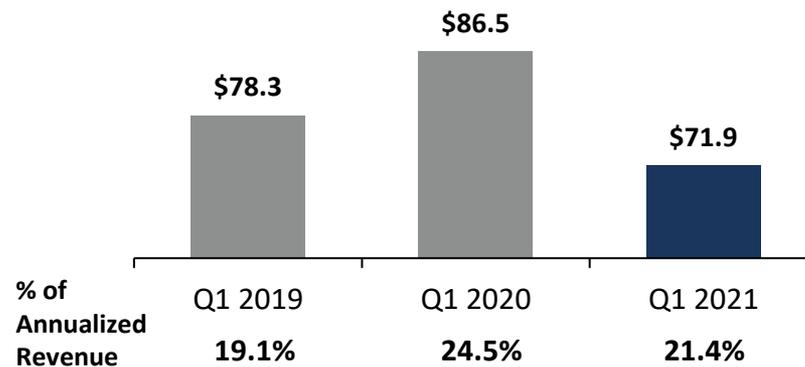
KEY BALANCE SHEET & CASH FLOW METRICS

All in \$M except ROIC

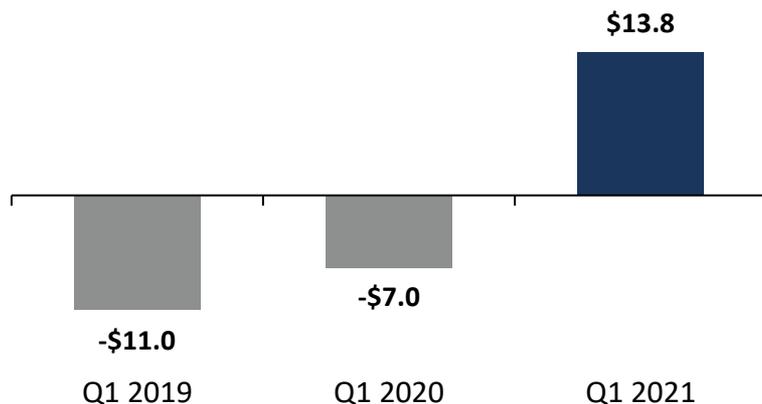
Net Debt¹



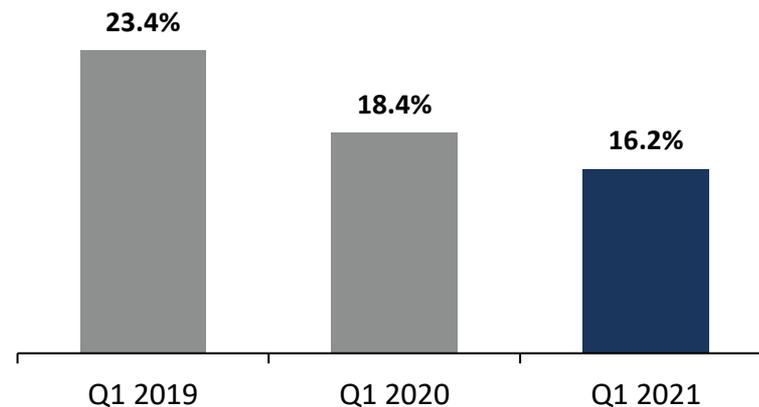
Working Capital¹



Free Cash Flow²



ROIC³



¹ Excludes the impact of Discontinued Operations (see appendix) & SCI Acquisition; ² FCF = Cash Flow from Operations – Capex; ³ Calculated using adjusted earnings (see appendix)

Strong FCF Generation & Balance Sheet

CAPITAL ALLOCATION PRIORITIES

Reinvestment

- ✓ Investing in strategic growth opportunities and new product innovation
- ✓ Funding transformation cost savings initiatives; \$37M through 2020

M&A

- ✓ Identifying inorganic options to drive additional shareholder value creation

Returns to Shareholders

- ✓ Paid +\$96M in dividends since 2013, including \$3.4M, or \$0.125/share in Q1 2021
- ✓ Share repurchases of +\$9M since 2013

STRATEGIC FILTERS

- ✓ Niche End Markets
- ✓ Growth
- ✓ Attractive Margin
- ✓ Synergies

FINANCIAL CRITERIA

- ✓ ROIC
- ✓ IRR
- ✓ ROS
- ✓ EPS

Continuing to Invest for Long-Term Growth

2021 FINANCIAL GUIDANCE

2021 Guidance

Revenue Growth (including FX & Acq)	10% - 15%
EPS	\$1.10 - \$1.30

Assumptions

Operating Working Capital	21% - 23%
Capex	\$10M - \$12M
Restructuring Cash*	\$16M-\$20M
Tax Rate	20% - 21%
Pension Contribution	\$5M - \$6M
FX Impact	Revenue: +3% to +4% Profit: ~(\$2M)

* Includes integration cash

Expectations

- Updated '21 guidance includes SCI acquisition dilution of ~\$0.15 cents on revenues of \$20M-\$25M
- Expect Revenue growth in all end markets
 - Defense, First Response & Healthcare growth of mid-single digits
 - Double-digit growth in Transportation driven by CNG, Hydrogen & gas particulate filtration
 - Industrial mid-single digit growth
- Annual manufacturing cost productivity target of 2%
- FX cost headwinds
- 100% FCF conversion excluding restructuring

Well Positioned for 2021 with a Strong Balance Sheet and Improved Growth Trajectory

GLOBAL MEGA TRENDS BUILDING GROWTH MOMENTUM

General Industrial

Aerospace, Alternative Fuel and Auto

Defense, First Response and Healthcare



Light Weighting

- Magnesium & Carbon Fiber composite products
- Aerospace alloys, Portable Oxygen cylinders for SCBA and medical applications



Safe & Healthy Lifestyle

Meals Ready-to-Eat; and medical



Clean Environment & Emissions

CNG & Hydrogen Storage; auto emission control

Repositioning Portfolio to Support Global MEGA Growth Trends

ESG IMPROVEMENTS: REDUCING WASTE AND CO2 IMPACT

Reduce Energy Demand (RED)

- RED Program audits for key facilities; identified opportunities to reduce energy consumption
- Recent investment to upgrade over 7,500 old lighting fixtures to LED
- Saves 2,106,300 Kwh of electricity annually, which is equal to 3,290,830 lbs of CO2

Increase Recycling and Material Yield

- Focus on improving waste streams, yield rate and reducing scrap
- Recent installation of additional equipment to reclaim oil and magnesium fines
- Recycling 100 gallons of oil per week; recovering magnesium at 40% yield

Environmentally-Friendly Operations

- Ion Exchange column removal in Manchester
- Wastewater treatment plant upgrades
- Upgrading processes to reduce CO2 equivalent impact



**Environmental
Goals**



20%
CO2e Emissions
Reduction

10%
Freshwater Use
Reduction

20%
Less Waste to
Landfill

Reducing CO2 impact while generating productivity

STRONG FOUNDATION FOR LONG TERM SUCCESS



Achievements

Strategy Execution

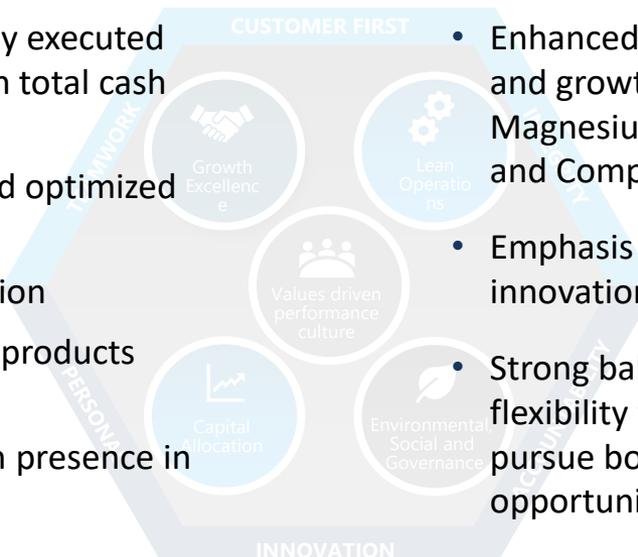
- ✓ Developed and successfully executed Transformational Plan with total cash savings of \$30M+
- ✓ Lowered cost structure and optimized operational footprint
- ✓ Built a strong ESG foundation
- ✓ Divesting most Aluminum products including Superform
- ✓ Acquired SCI to strengthen presence in CNG and Hydrogen



Onwards

Accelerating Momentum

- Enhanced portfolio has stronger margin and growth profile with focus on Magnesium Alloys, Zirconium Catalysts and Composite Cylinders
- Emphasis on commercial excellence, innovation and talent management
- Strong balance sheet enables financial flexibility to reinvest in the business and pursue bolt-on acquisition opportunities



Our Best Days Are Ahead of Us



APPENDICES

Summary Financial Statements and Reconciliation of Non-GAAP Measures

SUMMARY INCOME STATEMENT¹

(Unaudited)

\$M	2021	2020	Variance	
	Q1	Q1	\$M	%
NET SALES	85.2	88.4	(3.2)	-3.6%
Cost of sales	(60.0)	(64.3)		
Gross profit	25.2	24.1	1.1	4.6%
Selling, general and administrative expenses	(10.6)	(11.4)		
Research and development expenses	(0.8)	(0.7)		
Restructuring charges	(1.4)	(2.8)		
Acquisition related charge	(0.2)	(0.2)		
Other charges	(1.1)	-		
Operating income	11.1	9.0	2.1	23.3%
Finance costs:				
Net finance costs	(0.8)	(1.2)		
Defined benefit pension credit	0.6	1.1		
Income before income taxes and equity in net income of affiliates	10.9	8.9	2.0	22.5%
Provision for income taxes	(2.3)	(1.7)		
Income before equity in net result of affiliates	8.6	7.2	1.4	19.4%
Equity in result of affiliates (net of tax)	-	-		
Net income from continuing operations	8.6	7.2	1.4	19.4%
Net loss from discontinued operations	(1.6)	(1.0)		
Gain on disposition of discontinued operations	7.5	-		
Net income	14.5	6.2	8.3	133.9%
<i>Earnings per share - Basic</i>	0.31	0.26		
<i>Earnings per share - Diluted</i>	0.31	0.26		
ADJUSTED NET INCOME	10.9	9.4	1.5	16.0%
<i>Adjusted earnings per share - Diluted</i>	0.39	0.34		
Adjusted EBITDA	17.7	15.8	1.9	12.0%

¹ From continuing operations unless otherwise stated

CASH FLOW

(Unaudited)		
\$M	2021 Q1	2020 Q1
Operating activities		
Net income / (loss)	14.5	6.2
Net (income) / loss from discontinued operations	(5.9)	1.0
NET INCOME / (LOSS) FROM CONTINUING OPERATIONS	8.6	7.2
Depreciation	3.2	3.1
Amortization of purchased intangible assets	0.2	0.2
Amortization of debt issuance costs	0.1	0.1
Share-based compensation	0.5	0.5
Deferred income taxes	0.3	0.2
Defined benefit pension credit	(0.6)	(1.1)
Defined benefit pension contributions	(1.4)	(1.4)
Changes in assets and liabilities, net of effects of business		
Accounts and notes receivable	(7.4)	(4.2)
Inventories	(0.1)	(2.8)
Other current assets	(1.7)	(0.2)
Accounts payable	6.7	(5.0)
Accrued liabilities	2.5	(0.5)
Other current liabilities	2.0	(0.5)
Other non-current assets and liabilities	2.3	(0.1)
NET CASH FLOWS FROM OPERATING - CONTINUING OPERATIONS	15.2	(4.5)
Net cash flows from operating - discontinued operations	-	-
NET CASH FLOWS FROM OPERATING OPERATIONS	15.2	(4.5)
Investing activities		
Capital expenditures	(1.4)	(2.5)
Proceeds from sale of businesses and other	21.0	-
Business Acquisitions	(19.3)	-
NET CASH FLOWS FROM INVESTING - CONTINUING OPERATIONS	0.3	(2.5)
Net cash flows from investing - discontinued operations	-	-
NET CASH FLOWS BEFORE FINANCING	15.5	(7.0)
Financing activities		
Net (drawdown) / repayments of long-term borrowings	19.5	18.9
Deferred consideration paid	-	(0.4)
Proceeds from issue of share capital	-	0.1
Share-based compensation cash paid	-	1.30
Dividends paid	(3.4)	(3.4)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS BEFORE EXCHANGE	30.3	7.5
Effect of exchange rate changes	-	(0.4)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	30.3	7.1

RECONCILIATION OF NON-GAAP MEASURES¹

(Unaudited)

	2021	2020
\$M	Q1	Q1
Net income	8.6	7.2
Accounting charges relating to acquisitions and disposals of businesses:		
Amortization on acquired intangibles	0.2	0.2
Acquisitions and disposals	0.2	0.2
Defined benefit pension actuarial adjustment	(0.6)	(1.1)
Restructuring charges	1.4	2.8
Other charges	1.1	-
Share-based compensation charges	0.5	0.5
Income tax on adjusted items	(0.5)	(0.4)
Adjusted net income	10.9	9.4
Add back / (deduct):		
Income tax on adjusted items	0.5	0.4
Provision for income taxes	2.3	1.7
Net finance costs	0.8	1.2
Adjusted EBITA	14.5	12.7
Depreciation	3.2	3.1
Adjusted EBITDA	17.7	15.8

¹ From continuing operations unless otherwise stated

RECONCILIATION OF NON-GAAP MEASURES¹

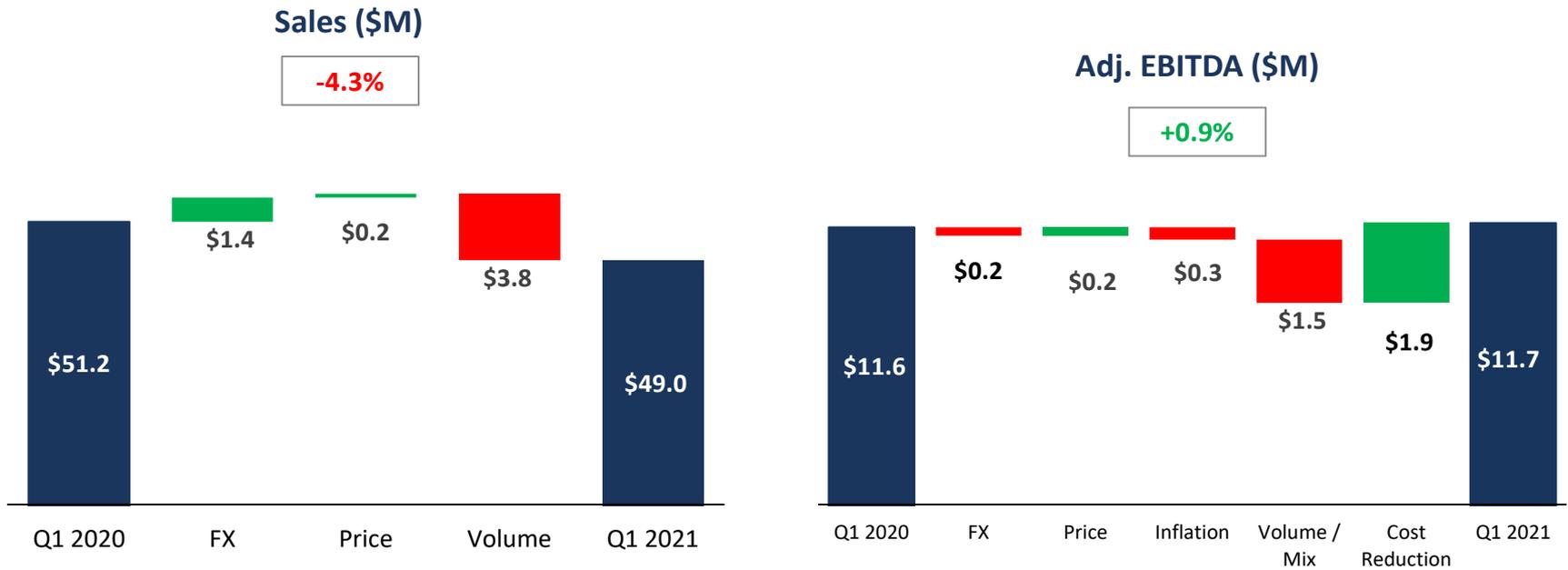
(Unaudited)

\$M	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1
EBITA	12.7	7.5	10.5	10.5	14.5
Effective tax rate - per income statement	19.1%	19.0%	53.8%	16.5%	24.8%
Notional tax	(2.4)	(1.4)	(5.7)	(1.7)	(3.6)
EBITA after notional tax	10.3	6.1	4.8	8.8	10.9
Rolling 12 month EBITA after notional tax	37.7	31.5	23.9	30.0	30.6
Bank and other loans	108.8	90.5	74.2	53.4	73.0
Net cash and cash equivalents	(17.3)	(8.1)	(14.9)	(1.5)	(31.8)
Net debt	91.5	82.4	59.3	51.9	41.2
Total equity	169.8	173.3	176.7	167.1	178.1
Held-for-sale net assets ²	(33.1)	(28.2)	(24.2)	(20.9)	(9.7)
Invested capital	228.2	227.5	211.8	198.1	209.6
4 point average invested capital	230.0	229.3	223.3	216.4	211.8
Return on invested capital	16.4%	13.7%	10.7%	13.8%	14.5%
Adjusted net income for the period	9.4	5.2	6.6	7.7	10.9
Provision for income taxes	1.7	1.1	2.8	1.3	2.3
Income tax on adjustments to net income	0.4	0.1	(0.1)	-	0.5
Adjusted income tax charge	2.1	1.2	2.7	1.3	2.8
Adjusted profit before taxation	11.5	6.4	9.3	9.0	13.7
Adjusted effective tax rate	18.3%	18.8%	29.0%	14.4%	20.4%
EBITA (as above)	12.7	7.5	10.5	10.5	14.5
Adjusted notional tax	(2.3)	(1.4)	(3.0)	(1.5)	(3.0)
Adjusted EBITA after notional tax	10.4	6.1	7.5	9.0	11.6
Rolling 12 month adjusted EBITA after notional tax	42.3	34.5	30.4	32.9	34.1
Adjusted return on invested capital	18.4%	15.0%	13.6%	15.2%	16.1%

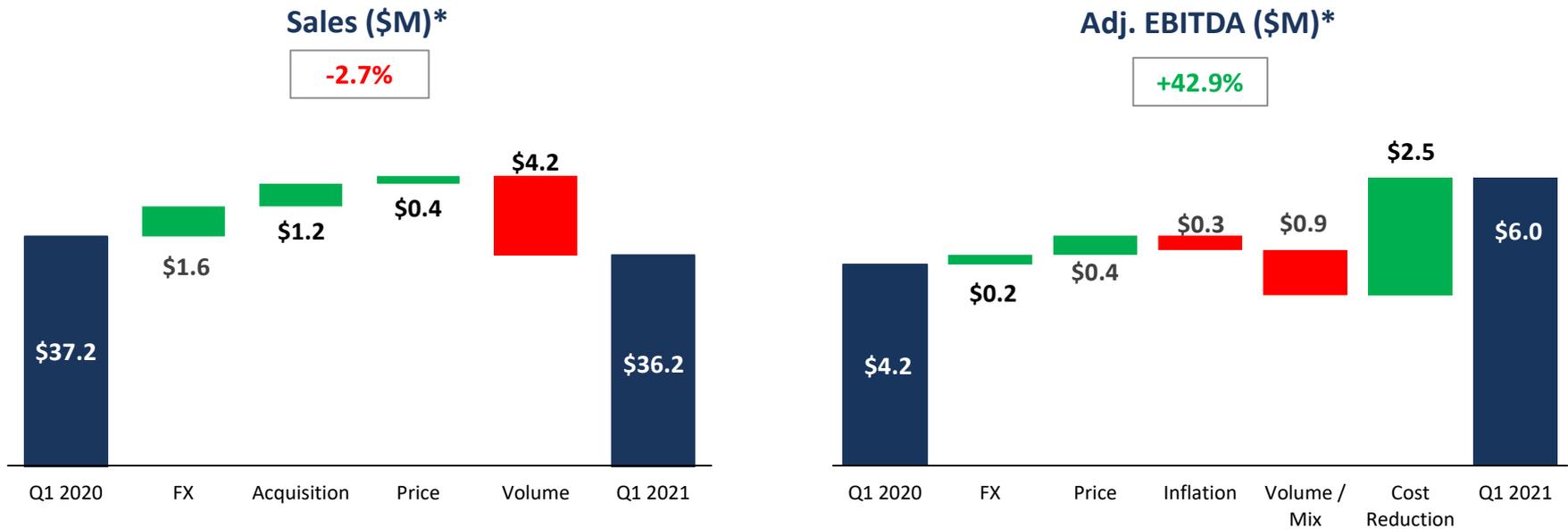
¹ From continuing operations unless otherwise stated

² Held-for-sale net assets relating to discontinued operations

Q1 2021: ELEKTRON SEGMENT RESULTS



Q1 2021: GAS CYLINDERS SEGMENT RESULTS



* Excludes the impact of Discontinued Operations (see appendix)

RESTATEMENT TABLE FOR DISCONTINUED OPERATIONS

(Unaudited)

	2019	2019	2019	2019	2020	2020	2020	2020	2021	2019	2020
\$M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	FY	FY
Net Sales											
Gas Cylinders segment	40.3	39.6	37.9	35.7	37.2	37.5	32.3	34.9	36.2	153.5	141.9
Elektron Segment	62.0	58.4	52.9	46.6	51.2	39.1	45.4	47.2	49.0	219.9	182.9
Net sales from continuing operations	102.3	98.0	90.8	82.3	88.4	76.6	77.7	82.1	85.2	373.4	324.8
Net sales from discontinued operations	18.1	18.5	16.3	17.2	15.4	12.9	12.7	12.2	9.7	70.1	53.2
	120.4	116.5	107.1	99.5	103.8	89.5	90.4	94.3	94.9	443.5	378.0
Adjusted EBITDA											
Gas Cylinders segment	4.6	7.3	6.3	4.1	4.2	5.3	7.1	4.7	6.0	22.3	21.3
Elektron Segment	14.0	13.1	10.4	7.3	11.6	5.3	6.6	9.1	11.7	44.8	32.6
EBITDA from continuing operations	18.6	20.4	16.7	11.4	15.8	10.6	13.7	13.8	17.7	67.1	53.9
EBITDA from discontinued operations	(0.1)	(0.2)	-	1.3	(0.7)	(0.2)	0.5	0.9	(1.5)	1.0	0.5
	18.5	20.2	16.7	12.7	15.1	10.4	14.2	14.7	16.2	68.1	54.4
Adjusted diluted earnings per ordinary share											
From continuing operations	0.42	0.47	0.38	0.20	0.34	0.19	0.24	0.27	0.39	1.47	1.03
From discontinued operations	(0.02)	(0.03)	(0.02)	0.02	(0.04)	(0.02)	0.01	0.02	(0.06)	(0.04)	(0.03)
	0.40	0.44	0.36	0.22	0.30	0.17	0.25	0.29	0.33	1.43	1.01