



# First-Quarter 2018

Earnings Conference Call. May 10<sup>th</sup>, 2018

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# FORWARD-LOOKING STATEMENTS

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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

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## First Quarter Highlights

- Revenue up 16% to \$119.7M from \$103.4M
  - 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
- Adjusted EBITDA increased 26% to \$19.3M from \$15.3M
- Adjusted diluted EPS advanced 41% to \$0.38 from \$0.27
- Net cash inflow before financing up 26% to \$7.8 million from \$6.2M
- Increasing 2018 full-year adjusted diluted EPS guidance to \$1.20 - \$1.30
- Solid execution and strategy driving better than expected results

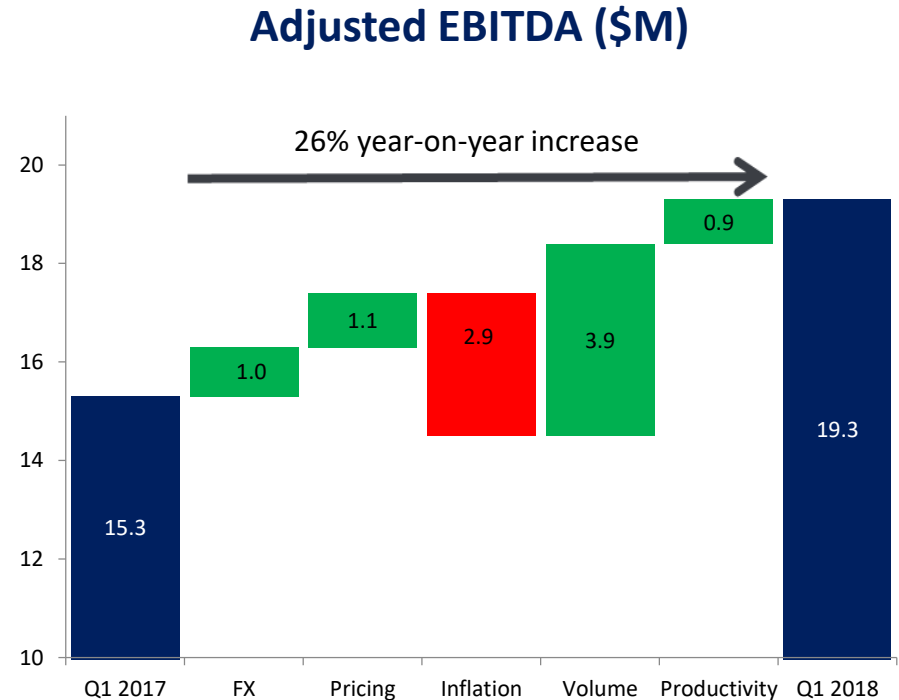
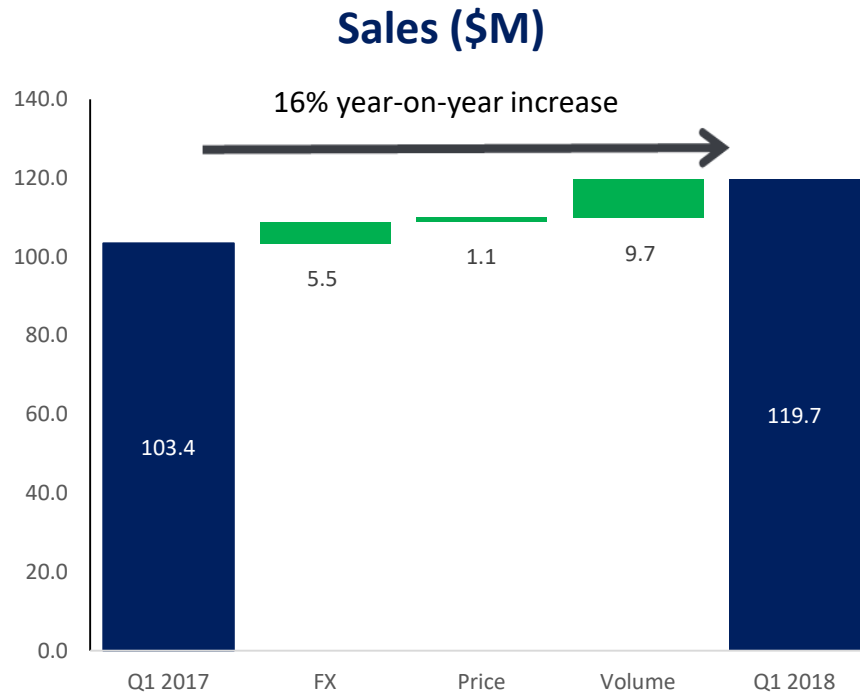


LUXFER

Transformation Gaining Momentum

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

# Q1 2018 LUXFER PERFORMANCE



## Performance highlights

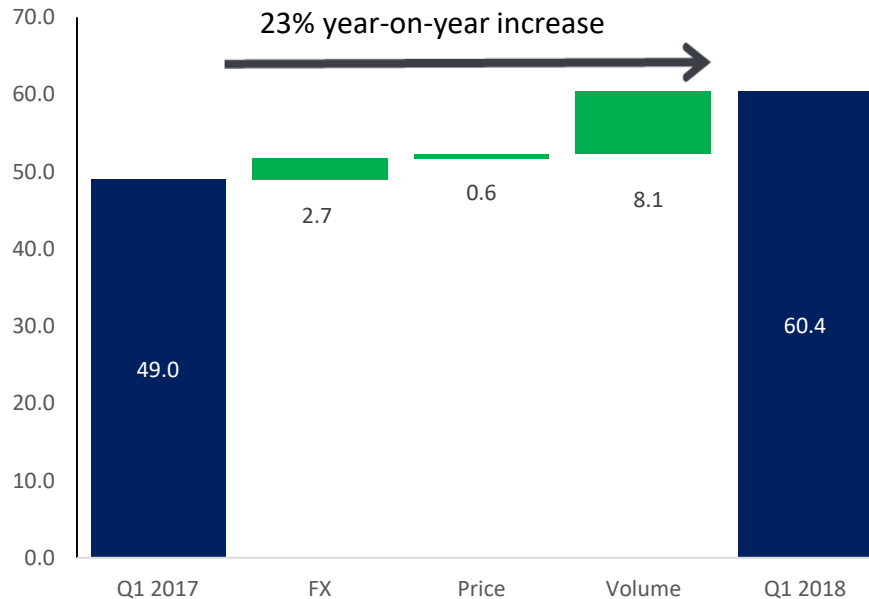
- Core revenue growth across both segments
- Profit expansion driven by volume on sales growth and cost reductions



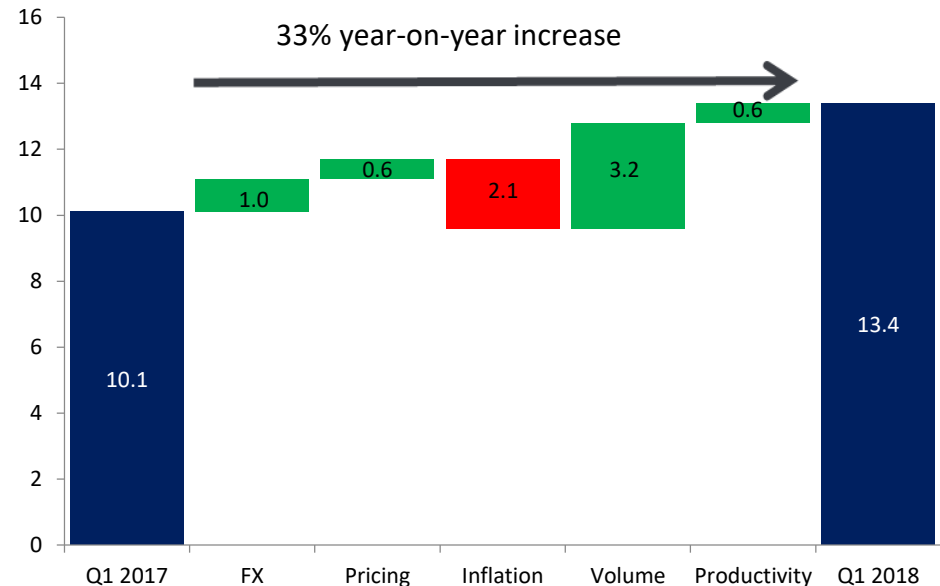
**Significant Revenue and Profit Growth**

# Q1 2018 ELEKTRON PERFORMANCE

## Sales (\$M)



## Adjusted EBITDA (\$M)



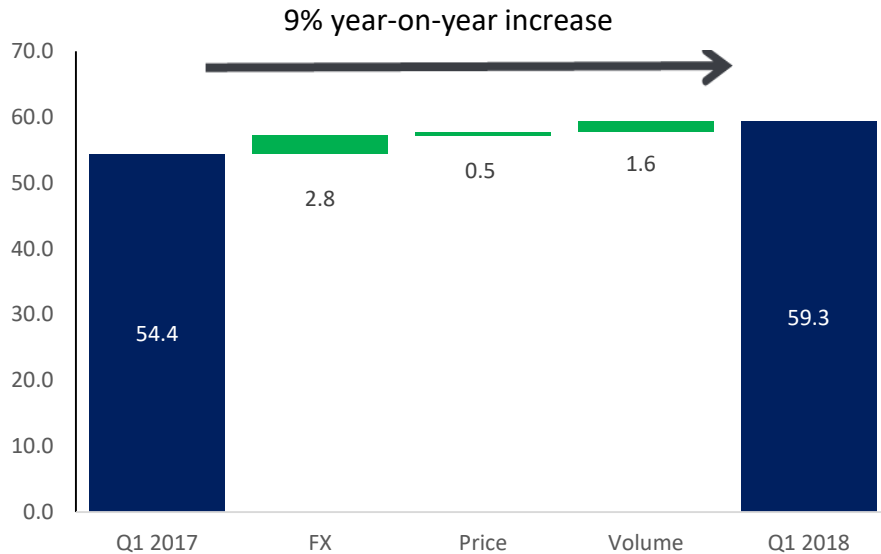
## Performance highlights

- Strong sales of disaster-relief and military products; Magnesium and Zirconium alloys growth driven by new proprietary alloys such as SoluMag®
- Price increase timing not aligned to material inflation in the quarter
- Profit increase driven by volume and cost reductions

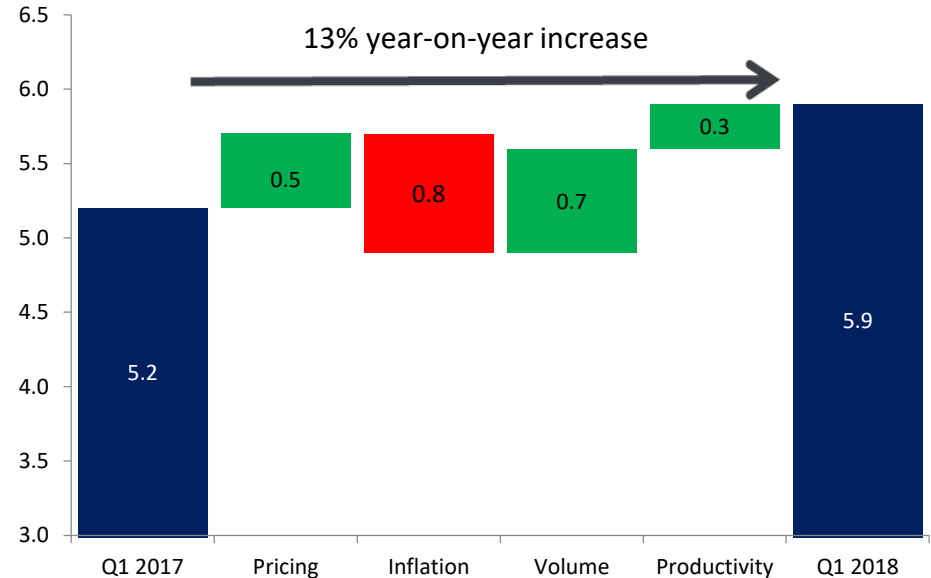
**Strong Growth and Productivity**

# Q1 2018 GAS CYLINDERS PERFORMANCE

## Sales (\$M)



## Adjusted EBITDA (\$M)



## Performance highlights

- Growth in composite SCBA, aluminium cylinders and Superform, partially offset by lower sales of alternative fuels products
- Increasing prices to offset aluminium inflation
- Productivity impact from facility consolidations and manufacturing improvements



**Profit Recovery Continues**

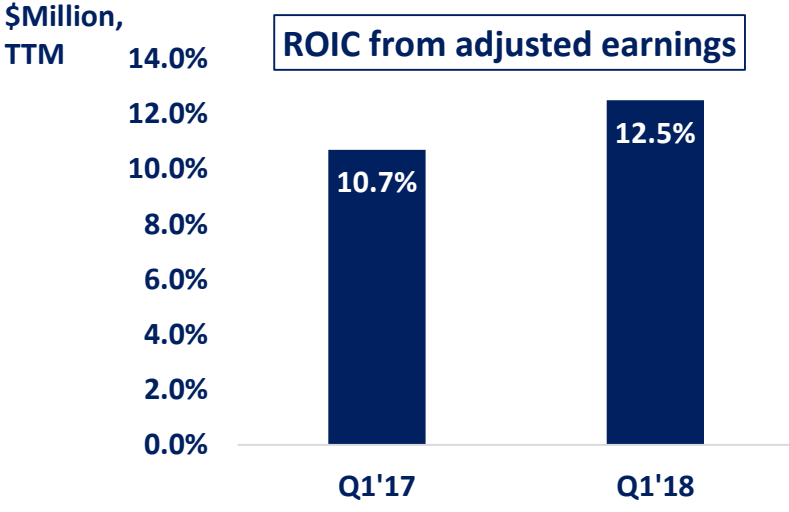
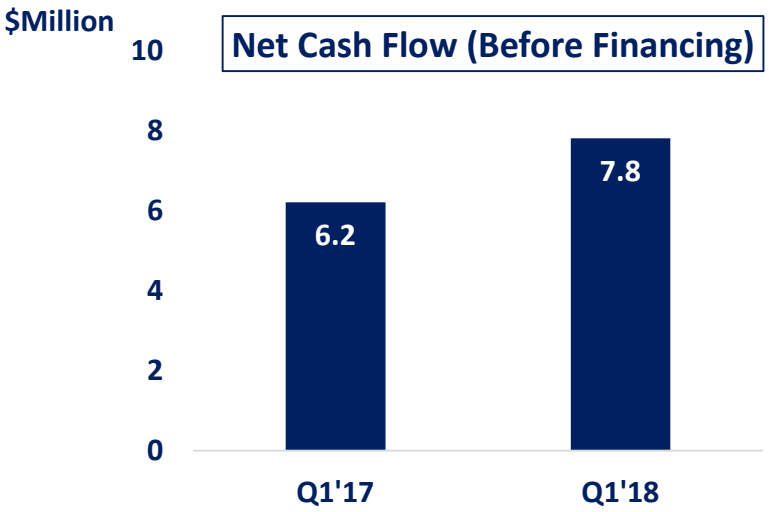
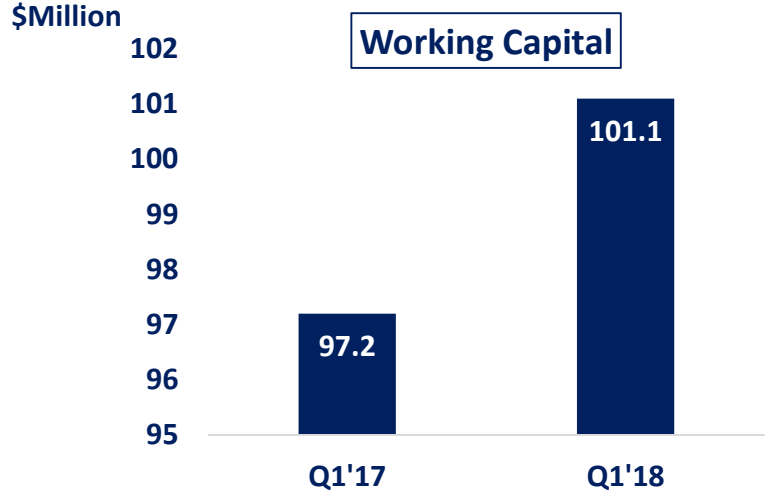
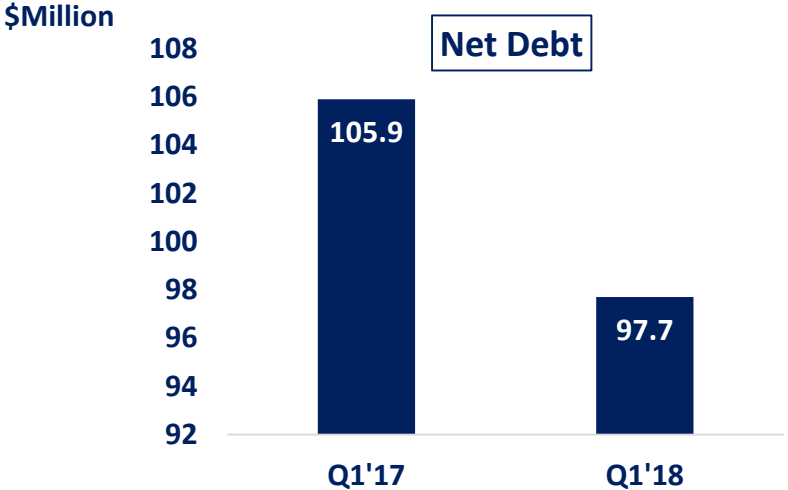
# KEY INCOME STATEMENT METRICS

<u>\$ in millions, except per share amount</u>	<u>Q1 2018</u>	<u>Q1 2017</u>	<u>vs Prior Year</u>	
			<u>Δ</u>	<u>Δ%</u>
Revenue	119.7	103.4	16.3	15.8%
Gross Margin	30.7	25.7	5.0	19.5%
Adjusted EBITDA*	19.3	15.3	4.0	26.1%
Adjusted Net Income*	10.5	7.2	3.3	45.8%
Effective tax rate	18.9%	23.3%	n/a	(4.4)bp
Adjusted Diluted EPS*	\$0.38	\$0.27	\$0.11	40.7%
Basic EPS	\$0.34	\$0.25	\$0.09	36.0%

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

**26% Quarter-on-quarter Increase in Adjusted EBITDA**

# KEY BALANCE SHEET & CASH FLOW METRICS



**Leveraging solid balance sheet and generating stronger cash**





# SUMMARY AND OUTLOOK

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- Solid execution and strategy driving better than expected results
- Increasing 2018 full-year adjusted diluted EPS guidance to \$1.20 - \$1.30



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# **COMPANY STRATEGY**



# KEY INVESTMENT CONSIDERATIONS

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**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**

# LUXFER TRANSFORMATION PLAN

**PHASE 1 (2017-18)**

**PHASE 2 (2017 – 2020)**

**PHASE 3 (2018+)**

**SIMPLIFICATION**

**HIGH  
PERFORMANCE  
CULTURE AND  
TALENT**

**PRODUCTIVITY  
ACCELERATION**

**GROWTH  
RECOVERY**

**PORTFOLIO  
OPTIMIZATION**

**On Path to Complete Phase 1 by end of 2018; In Early Stages of Phases 2/3**



# COMPANY SIMPLIFICATION

## INITIATIVES

- Simplify listing structure and transition away from ADS/ADR
  - Opportunity for inclusion in Russell index
  - No ADR fees deducted from dividends
- Transition to US domestic issuer vs. foreign private issuer
  - GAAP reporting and 10k/10Q filing
  - Insider trading disclosure & Annual proxy
- Simplify finance reporting, improve business intelligence

## MILESTONES

- ✓ Completed conversion into ordinary shares vs. ADR/ADS
- ✓ On-track to become a US domestic issuer by end of 2018
- ✓ New US GAAP compliant, cloud based internal reporting system



LUXFER

Making it Easier for Investors to Invest in LUXFER

# HIGH PERFORMANCE CULTURE AND TALENT

## INITIATIVES

- Increase emphasis on Luxfer values with a focus on customers and accountability
- Refresh the Board of directors and executive team
- Enhance pay for performance
- Train, coach, mentor and acquire talent to support profit and growth recovery

## MILESTONES

- ✓ Updated Luxfer Values Rolled out
  - Supporting behaviors being recognized
- ✓ Majority of senior exec. and board members are new to role
- ✓ 2018 management incentive plan focus
  - Cash 40%,
  - EBITA 40%, and
  - Balanced scorecard 20%
- ✓ Onboarded new CFO and CHRO



# PRODUCTIVITY ACCELERATION

## INITIATIVES

- **Implement Lean manufacturing and footprint reduction**
  - Significant opportunity for Lean manufacturing
  - Opportunity for facility consolidation
  
- **Consolidate back office and reduce G&A**
  - Finance and IT standardization
  - Scale benefits in applications & infrastructure
  - Savings in travel and other purchased services

## MILESTONES

- **\$12M annual savings by 2021**
  - Two facility consolidations (i.e., Findlay, Riverhead) underway
  - Two facilities/product lines divested (i.e., HotPack, HEI)
  
- **\$8M annual savings by 2021**
  - Delayed management structure – a flatter, more responsive organization
  - Successfully executed multiple IT and indirect spend consolidation project (e.g., Moved from multiple email domains to one and multiple travel agencies to one).

**\$20M Annual Net Savings by 2021**

# GROWTH RECOVERY (IN EARLY STAGES)

## INITIATIVES

- **Increasing customer loyalty**
  - Making it easy for customers to do business with Luxfer
- **Innovating new products**
  - Cleaning out funnel and increasing R&D spend
- **Driving commercial excellence**
  - CRM to drive sales process discipline
  - Performance pay and value-based selling
- **Focusing on growth regions / products**
  - Increase global market share
  - Business development in China, India, EE & MEA

## MILESTONES

- **Net Promoter score > 30 by 2021**
- **Vitality\* index: from 5% to 15% in 5 years**
- **Qualified sales pipeline to be 2X quarterly revenue**
- **Sales outside USA and Europe to be 20% by 2021 from 14% in 2017**

\* Sales from new products introduced within last five years divided by total sales



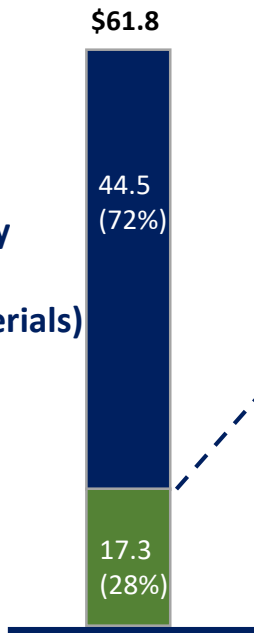
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## Market Share Growth



# PORTFOLIO OPTIMIZATION

2017 Luxfer EBITDA  
(\$M, adjusted)



Elektron (Highly Engineered Advanced Materials)

Cylinders (High performance gas cylinders)

## Industry characteristics

- ✓ High Fragmentation
- ✓ Higher profitability (for select materials and end-markets)
- ✓ Higher organic growth rate
- ✓ Innovation drives growth and profitability

## Portfolio Strategy

1. Growth acceleration through new products and geography
2. Profit and cash recovery through lean manufacturing
3. Acquisitions to increase advanced materials capability

## Industry characteristics

- ✓ High Concentration with continued consolidation
- ✓ Lower profitability for metal cylinders but higher for composites
- ✓ Lower organic growth rate as new cylinders have longer useful life

## Portfolio Strategy

1. Increase cash, profits, ROIC with lean manufacturing
2. Maintain leading SCBA position
3. Acquisitions for industry consolidation
4. Introduce new products & expand solutions” (e.g., Bus Systems)

Unlocking the Portfolio Value



# GROWTH POTENTIAL



\* Defined as High performance alloys, ceramics and composites used in general industrial, transportation, defense, and medical applications. Target addressable high performance market is 10% of the total available market which is \$85B in size

\*\* Luxfer analysis, industry annual reports, Deloitte, Spears and Associates, Mordor intelligence, Grandview research, William Blair

**Large Addressable Market**



# DISCIPLINED CAPITAL ALLOCATION

## PRODUCTIVITY ACCELERATION

- Average payback period of 2 years
- Good utilization of free cash for next year or two

## DRIVE ORGANIC GROWTH

- New product innovation spend to double from ~1% to ~2% of revenue
- Annual capex ~\$20M (~1x depreciation) with \$12M maintenance and \$8M for productivity and growth

## PURSUE STRATEGIC ACQUISITIONS

- Clear strategic and financial criteria/metrics for disciplined acquisitions
- Acquisitions focused on HE advanced materials capabilities or cylinders industry consolidation
- Robust opportunity pipeline

Maximizing Shareholder Value

# KEY INVESTMENT CONSIDERATIONS

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**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**



Questions?



# APPENDICES

**Summary Financial Statements and reconciliation of non-GAAP measures**

# SUMMARY INCOME STATEMENT

\$M	2018	2017	Variance Q1	
	Q1	Q1	\$M	%
<b>REVENUE</b>	<b>119.7</b>	<b>103.4</b>	<b>16.3</b>	<b>15.8%</b>
Cost of sales	(89.0)	(77.7)		
<b>Gross profit</b>	<b>30.7</b>	<b>25.7</b>	<b>5.0</b>	<b>19.5%</b>
Distribution costs	(2.7)	(2.1)		
General and administrative costs	(14.4)	(13.2)		
Share of results of joint ventures and associates	0.2	0.1		
Profit on sale of redundant site	-	0.4		
Restructuring and other expense	(0.7)	(0.2)		
<b>OPERATING PROFIT</b>	<b>13.1</b>	<b>10.7</b>	<b>2.4</b>	<b>22.4%</b>
Finance costs:				
Net finance costs	(1.7)	(1.6)		
IAS 19R retirement benefits finance charge	(0.3)	(0.5)		
<b>PROFIT ON OPERATIONS BEFORE TAXATION</b>	<b>11.1</b>	<b>8.6</b>	<b>2.5</b>	<b>29.1%</b>
Income tax expense	(2.1)	(2.0)		
<b>NET INCOME / (LOSS) FOR THE PERIOD</b>	<b>9.0</b>	<b>6.6</b>	<b>2.4</b>	<b>36.4%</b>
<i>Earnings per share - Basic</i>	<i>\$0.34</i>	<i>\$0.25</i>		
<b>ADJUSTED NET INCOME</b>	<b>10.5</b>	<b>7.2</b>	<b>3.3</b>	<b>45.8%</b>
<i>Adjusted earnings per share - Basic</i>	<i>\$0.40</i>	<i>\$0.27</i>		
<i>Adjusted earnings per share - Diluted</i>	<i>\$0.38</i>	<i>\$0.27</i>		
<b>Adjusted EBITDA</b>	<b>19.3</b>	<b>15.3</b>	<b>4.0</b>	<b>26.1%</b>

# BALANCE SHEET ANALYSIS

\$M	December 31 2017	Trading	Shareholder Returns	Pension Movements	FX Translation	April 1 2018
Property, plant and equipment	125.5	(3.2)	-	-	1.5	123.8
Intangible assets	81.7	(0.5)	-	-	1.5	82.7
Investments	7.6	0.3	-	-	0.1	8.0
Deferred income tax assets	16.2	0.6	-	(0.4)	0.5	16.9
Trade and other receivables	0.3	-	-	-	-	0.3
<b>Long term assets</b>	<b>231.3</b>	<b>(2.8)</b>	-	<b>(0.4)</b>	<b>3.6</b>	<b>231.7</b>
<i>Inventories</i>	82.2	11.2	-	-	1.2	94.6
<i>Trade and other receivables</i>	72.6	0.1	-	-	1.3	74.0
<i>Trade and other payables</i>	(61.3)	(5.4)	-	-	(0.8)	(67.5)
<b>Trading working capital</b>	<b>93.5</b>	<b>5.9</b>	-	-	<b>1.7</b>	<b>101.1</b>
Current investments	1.6	(0.7)	-	-	-	0.9
Net tax liabilities (excluding deferred tax assets)	(2.3)	(2.2)	-	-	-	(4.5)
Non-current trade and other payables	(1.9)	0.6	-	-	-	(1.3)
Provisions	(3.9)	0.4	-	-	(0.1)	(3.6)
Dividends payable	-	-	(3.3)	-	-	(3.3)
<b>Capital employed</b>	<b>318.3</b>	<b>1.2</b>	<b>(3.3)</b>	<b>(0.4)</b>	<b>5.2</b>	<b>321.0</b>
Retirement benefits	(55.3)	-	-	(1.0)	(1.7)	(58.0)
Deferred consideration	(0.3)	-	-	-	-	(0.3)
Deferred contingent consideration	(0.7)	0.4	-	-	-	(0.3)
<b>Invested capital</b>	<b>262.0</b>	<b>1.6</b>	<b>(3.3)</b>	<b>(1.4)</b>	<b>3.5</b>	<b>262.4</b>
Banking revolver	(19.5)	3.9	-	-	(0.1)	(15.7)
Net cash and cash equivalents	9.1	6.0	(3.4)	(3.5)	(0.1)	8.1
Loan notes	(89.3)	-	-	-	(0.1)	(89.4)
<b>Net assets</b>	<b>162.3</b>	<b>11.5</b>	<b>(6.7)</b>	<b>(4.9)</b>	<b>3.2</b>	<b>165.4</b>
<b>Capital &amp; reserves:</b>						
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)	-	-	-	-	(5.8)
Retained earnings	311.4	11.6	(6.7)	(4.9)	-	311.4
Other reserves	(42.1)	(0.1)	-	-	3.2	(39.0)
Merger reserve	(333.8)	-	-	-	-	(333.8)
<b>Total equity</b>	<b>162.3</b>	<b>11.5</b>	<b>(6.7)</b>	<b>(4.9)</b>	<b>3.2</b>	<b>165.4</b>



# CASH FLOW

\$M	2018	2017
	Q1	Q1
Operating profit	13.1	10.7
Depreciation and amortization	4.9	4.5
Profit on sale of redundant site	-	(0.4)
Share-based compensation charges net of cash settlement	(0.1)	0.3
Share of results of joint ventures and associates	(0.2)	(0.1)
Increase in working capital	(6.7)	(3.9)
Movement in retirement benefits obligations	(1.9)	(1.6)
Movement in provisions	(0.1)	0.2
Income taxes paid	-	(0.1)
<b>NET CASH FLOWS FROM CONTINUING OPERATING ACTIVITIES</b>	<b>9.0</b>	<b>9.6</b>
Purchases of property, plant and equipment	(1.3)	(2.3)
Purchases of intangible assets	(0.1)	(0.4)
Investment in joint ventures and associates	0.6	0.5
Interest income received from joint ventures	0.1	0.1
Net cash flow on purchase of businesses	-	(1.3)
Payment of deferred consideration	(0.5)	-
<b>NET CASH FLOWS BEFORE FINANCING</b>	<b>7.8</b>	<b>6.2</b>
Interest paid on banking facilities	(1.3)	(1.5)
(Repayment) / Draw down on banking facilities	(4.0)	25.1
Dividends paid	(3.4)	(3.3)
Purchase of treasury shares	-	0.1
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(0.9)</b>	<b>26.6</b>

# RECONCILIATION OF NON-GAAP MEASURES

\$M	2018 Q1	2017 Q1
<b>Net income for the period - as reported</b>	<b>9.0</b>	<b>6.6</b>
Accounting charges relating to acquisitions & disposals of businesses:		
Unwind of discount on deferred contingent consideration	0.1	-
Acquisitions and disposals	-	-
Amortization on acquired intangibles	0.3	0.3
IAS 19R retirement benefits finance charge	0.3	0.5
Changes to U.K. defined benefit pension plan	-	-
Profit on sale of redundant site	-	(0.4)
Restructuring and other expense	0.7	0.2
Other share-based compensation charges	0.5	0.3
Income tax thereon	(0.4)	(0.3)
Impact of U.S. tax reform	-	-
<b>Adjusted net income</b>	<b>10.5</b>	<b>7.2</b>
Add back / (deduct):		
Impact of U.S. tax reform	-	-
Income tax thereon	0.4	0.3
Income tax expense	2.1	2.0
Net interest costs	1.7	1.6
Depreciation and amortization	4.9	4.5
Loss on disposal of property, plant and equipment	-	-
Less: Amortization on acquired intangibles	(0.3)	(0.3)
<b>Adjusted EBITDA</b>	<b>19.3</b>	<b>15.3</b>

# 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
EBIT		35.3	40.5	11.8	11.0	7.3	5.2	10.5	10.1	11.3	8.6	13.8
<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%
Notional tax		(7.6)	(1.4)	(3.0)	(2.6)	(1.4)	(0.3)	(2.4)	(4.5)	(3.7)	(6.2)	(2.6)
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
<b>Rolling 12 month EBIT after notional tax</b>	<b>(A)</b>	<b>27.7</b>	<b>39.1</b>	<b>29.1</b>	<b>31.5</b>	<b>29.1</b>	<b>28.0</b>	<b>27.3</b>	<b>24.5</b>	<b>26.2</b>	<b>23.7</b>	<b>26.8</b>
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
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)
Net debt		107.4	99.7	101.9	101.9	105.2	107.4	105.9	103.4	101.4	99.7	97.0
Total equity		141.9	162.1	160.0	146.9	129.4	141.9	153.4	164.6	172.5	162.1	165.4
<b>Invested capital</b>		<b>249.3</b>	<b>261.8</b>	<b>261.9</b>	<b>248.8</b>	<b>234.6</b>	<b>249.3</b>	<b>259.3</b>	<b>268.0</b>	<b>273.9</b>	<b>261.8</b>	<b>262.4</b>
<b>4 point average invested capital</b>	<b>(B)</b>	<b>256.9</b>	<b>255.6</b>	<b>264.7</b>	<b>258.7</b>	<b>252.4</b>	<b>248.7</b>	<b>248.0</b>	<b>252.8</b>	<b>262.6</b>	<b>265.8</b>	<b>266.5</b>
<b>Return on invested capital</b>	<b>(A) / (B)</b>	<b>10.8%</b>	<b>15.3%</b>	<b>11.0%</b>	<b>12.2%</b>	<b>11.5%</b>	<b>11.3%</b>	<b>11.0%</b>	<b>9.7%</b>	<b>10.0%</b>	<b>8.9%</b>	<b>10.1%</b>
Adjusted net income for the period	<b>1</b>	24.7	27.6	8.1	7.9	5.0	3.7	7.2	6.6	7.5	6.3	10.5
Income tax charge for the period	<b>2</b>	6.0	0.4	2.9	2.1	0.8	0.2	2.0	2.0	2.3	(5.9)	2.1
Income tax on adjustments to net income	<b>3</b>	1.4	9.2	(0.1)	0.5	0.7	0.3	0.3	0.4	0.5	8.0	0.4
Adjusted income tax charge	<b>(C) (3 + 3)</b>	7.4	9.6	2.8	2.6	1.5	0.5	2.3	2.4	2.8	2.1	2.5
Adjusted profit before taxation	<b>(D) (1 + 2 + 3)</b>	32.1	37.2	10.9	10.5	6.5	4.2	9.5	9.0	10.3	8.4	13.0
<b>Adjusted effective tax rate</b>	<b>(C) / (D) = (E)</b>	<b>23.1%</b>	<b>25.8%</b>	<b>25.7%</b>	<b>24.8%</b>	<b>23.1%</b>	<b>11.9%</b>	<b>24.2%</b>	<b>26.7%</b>	<b>27.2%</b>	<b>25.0%</b>	<b>19.2%</b>
EBIT (as above)	<b>(F)</b>	35.3	40.5	11.8	11.0	7.3	5.2	10.5	10.1	11.3	8.6	13.8
Adjusted notional tax	<b>(E) x (F)</b>	(8.1)	(10.5)	(3.0)	(2.7)	(1.7)	(0.6)	(2.5)	(2.7)	(3.1)	(2.2)	(2.7)
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
<b>Rolling 12 month adjusted EBIT after notional tax</b>	<b>(G)</b>	<b>27.2</b>	<b>30.0</b>	<b>33.8</b>	<b>33.6</b>	<b>31.0</b>	<b>27.2</b>	<b>26.4</b>	<b>25.6</b>	<b>28.2</b>	<b>30.0</b>	<b>33.2</b>
<b>Adjusted return on invested capital</b>	<b>(G) / (B)</b>	<b>10.6%</b>	<b>11.8%</b>	<b>12.8%</b>	<b>13.0%</b>	<b>12.3%</b>	<b>11.0%</b>	<b>10.7%</b>	<b>10.1%</b>	<b>10.7%</b>	<b>11.3%</b>	<b>12.5%</b>



# KEY BALANCE SHEET & CASH FLOW METRICS

## \$ in millions

	Q1 2018	Q1 2017
Bank and other loans	(105.1)	(146.3)
Net cash and cash equivalents	8.1	40.4
Restricted cash	(0.7)	-
Net debt	(97.7)	(105.9)
Inventories, net	94.6	87.6
Accounts receivable, net	74.0	64.2
Accounts payable	(67.5)	(54.6)
Trade working capital	101.1	97.2
Adjusted return on invested capital*	17%	13%

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

## \$ in millions

	Q1 2018	Q1 2017	vs Prior Year	
			Δ	Δ%
Net cash flows from operating activities	9.0	9.6	(0.6)	(6.3%)
Net cash flows from investing activities	(1.2)	(3.4)	2.2	(64.7%)
Net cash flows before financing	7.8	6.2	1.6	25.8%
Funds returned to shareholders	(3.4)	(3.3)	(0.1)	3.0%

**Stronger Cash Conversion**

