

LUXFER

Q1 2016 conference call



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*A global
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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 Group's results of operations and financial condition, (ii) statements of plans, objectives or goals of the Group 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 Group 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, 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 Group 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, 2015 filed with the U.S. Securities and Exchange Commission on March 15, 2016. When relying on forward-looking statements to make decisions with respect to the Group, 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 Group does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Brian Purves, Chief Executive Officer

- Q1 2016 overview
- Divisional performance
- Update on selected strategic growth initiatives

Andy Beaden, Group Finance Director

- Q1 2016 financial review
- Liquidity and capital resources

Brian Purves

- Summary : Q1 2016
- Group outlook for 2016

Questions?



Evidence of improved profitability

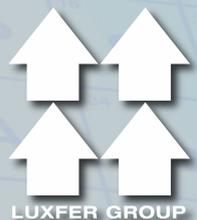
- Trading profit \$11.8m, 12% up on \$10.5m in Q1 2015.
- Gas Cylinders more than doubled compared to Q1 2015 due to increased revenue, elimination of AF losses and cost reductions.
- Small reduction in Elektron trading profit, but improved margin.
- Adjusted EBITDA of \$16.8m compared to \$15.4m in Q1 2015.
- Basic EPS of \$0.33 (Q1 2015: \$(0.02)) and fully diluted adjusted EPS of \$0.30 (Q1 2015: \$0.25).

Revenue still compressed but with stronger mix

- \$108.8m compared to \$116.9m in Q1 2015.
- FX translation differences reduced USD revenue by \$1.9m.
- Other trading revenues down \$6.2m.

Cash flow

- Cash generated from operations of \$3.0m compared to \$7.9m for Q1 2015.



North American SCBA up, improved AF revenue, some sales weakness in Elektron, favorable sales mix

- SCBA revenues continue to be strong, and AF revenue in North America has improved.
- Gas Cylinders now has a reduced cost base due to closure of two AF sites and other cost-reduction initiatives implemented in 2015.
- Elektron revenues lower, mix improved, trading profit slightly down.
- Catalysis business lifted by strong sales of industrial catalysts. Recovery in sales of zirconium automotive catalysis products still a work in progress.
- Sales of high-performance magnesium alloys remain compressed by lower helicopter build rates.
- Over \$2.0m sales of SoluMag[®] (oil & gas) alloy since launch at end of Q3 2015.
- Stronger product mix in both divisions resulted in Group return on sales improving to 10.8% in Q1 2016 compared to 9.0% in Q1 2015.



	Gas Cylinders Q1 \$M
2015 Revenue	58.4
Changes in period:	
FX translation	(1.0)
Trading movements	1.7
2016 Revenue	59.1
Trading variance	3.0%

Q1 underlying revenue* increased by \$1.7m or 3.0% compared to Q1 2015

- North American SCBA sales continue to be strong.
- AF sales were much improved compared to prior year.
- Lower sales of traditional (typically lower margin) aluminum cylinders.
- Superform revenues slightly down compared to Q1 2015.

* at constant translation exchange rates



	Elektron Q1 \$M
2015 Revenue	58.5
Changes in period:	
FX translation	(0.9)
Trading movements	(7.9)
2016 Revenue	49.7
Trading variance	(13.7%)

Q1 underlying revenue* down by \$7.9m or 13.7% compared to Q1 2015

- Higher sales of zirconium industrial catalysis products offset continuing weakness in zirconium automotive catalysis products.
- Strong sales of new SoluMag[®] product.
- Compressed defense spending impacting magnesium powders and Luxfer Magtech products.
- Reductions in (low-margin) recycling revenues from our Czech plant.

* at constant translation exchange rates



Redditch site disposal

- This redundant site near Birmingham, U.K., which manufactured aluminum tubes until 2009, has been listed by us for many years as an environmental issue.
- Site was discovered to have been contaminated with TCE (prior to our ownership) and had become subject to U.K. Environmental Agency supervision.
- On March 11, 2016, we completed the sale of the site for \$3.0m to a company that specializes in remediating and redeveloping contaminated land.
- Once remediation is complete (12-15 months), we should be clear of liability.
- The profit on sale of the site of \$2.1m has been recognized below trading profit in the Q1 2016 income statement.

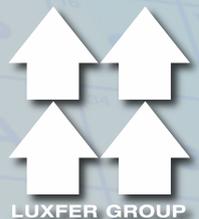


Share buy-back program

- In June 2015, we announced a share buy-back program of up to \$10m to cover the needs of employee share plans.
- As at December 31, 2015, the Group had purchased 146,804 shares, with all purchases in Q2 2015, at a cost of \$1.9m.
- In 2016, the Group has continued this program, and at the date of this report had purchased a further 591,037 shares at a cost of \$6.0m, bringing the total spent to \$7.9m.

Molycorp litigation

- Following loss of market share in the automotive catalysis sector and analysis of a trap purchase, legal action was launched on October 30, 2015, against Molycorp Chemicals & Oxides (Europe) Limited and is in process of being served against its Chinese affiliate (parent company currently in Chapter 11).
- The claim relates to alleged infringement of a patent covering our G4 process for the preparation of zirconium-cerium mixed oxides (automotive catalysis product).
- We have incurred \$0.1m of costs associated with this litigation in Q1 2016; \$0.5m was incurred during 2015.

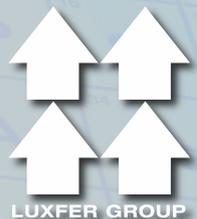


2015 – Losses being incurred, restructuring action undertaken

- End-Q1 – Utah facility closed.
- End-Q4 – German facility closed.
- Total project cost was \$21.8m.
 - Cash costs \$4.1m (of which \$2.1m was spent in 2015).
 - Asset impairment \$17.7m.
 - Leased German site returned to landlord February 2016.

2016 – Losses eliminated, operation profitable

- The business stream was profitable in Q1 and is expected to remain so at the current level of revenues.
- No further costs were incurred in relation to closure of sites and restructuring during Q1 2016.



Magnesium alloys for commercial aircraft: Continuing interest is being shown in our alloys. Our focus now is on improving the 'buy-to-fly' ratio for seat manufacturers.

SynerMag[®] bio-resorbable alloy: Clinical trials have been publicly reported as going well. We expect the first product containing SynerMag[®] to be launched in Europe later in the year.

Medical oxygen delivery systems: The product is mid-way through testing required for CE approval and is expected to be on sale later in 2016.

AF: We launched our second generation of Type 4 AF products on May 2, 2016, at a major trade show in California. Our GEN2 products are lighter in weight with increased capacity.



Group Finance Director Andy Beaden

FINANCIAL REVIEW



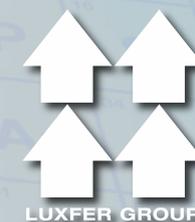
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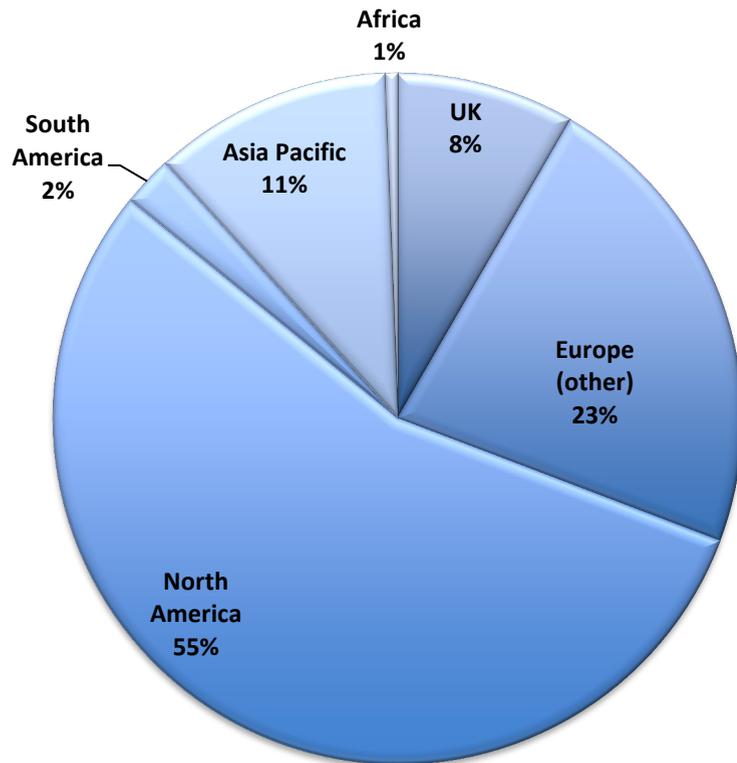


	Gas Cylinders Q1 \$M	Elektron Q1 \$M	Group Q1 \$M
2015 Revenue	58.4	58.5	116.9
Changes in period:			
FX translation	(1.0)	(0.9)	(1.9)
Trading movements	1.7	(7.9)	(6.2)
2016 Revenue	59.1	49.7	108.8
Trading variance	3.0%	(13.7%)	(5.4%)



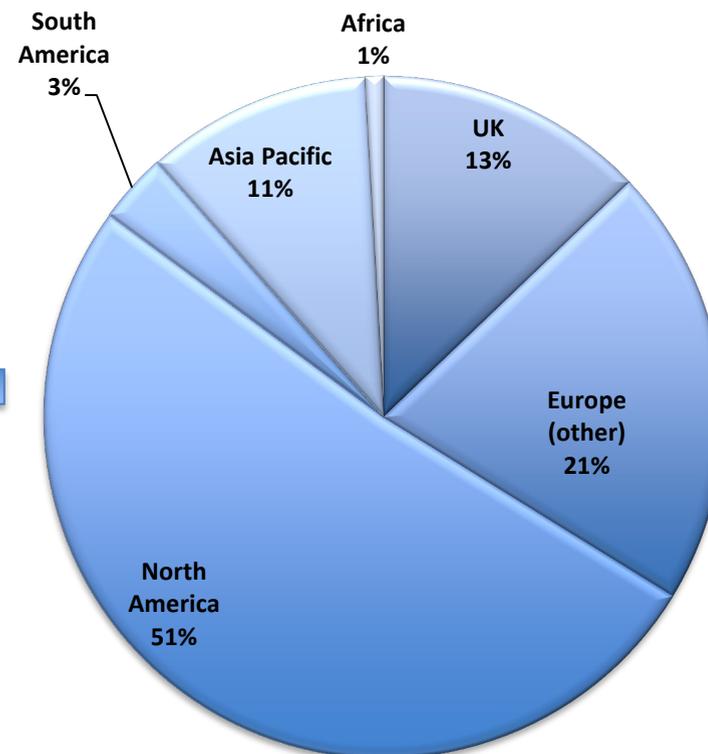
Revenue by Destination

Q1 2016



\$108.8 million

Q1 2015



\$116.9 million



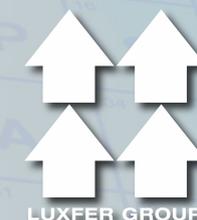
Trading profit and adjusted EBITDA analysis

		2016 Q1	2015 Q1
Trading profit \$M			
Gas Cylinders	Trading profit \$M	3.0	1.3
	ROS %	5.1%	2.2%
Elektron	Trading profit \$M	8.8	9.2
	ROS %	17.7%	15.7%
GROUP	Trading profit \$M	11.8	10.5
	ROS %	10.8%	9.0%

<i>Trading profit</i>	Gas Cylinders	130.8%
<i>changes for</i>	Elektron	(4.3%)
<i>2016 v 2015</i>	GROUP	12.4%

		2016 Q1	2015 Q1
Adjusted EBITDA \$M			
Gas Cylinders		5.0	3.2
Elektron		11.8	12.2
GROUP		16.8	15.4
GROUP adjusted EBITDA Margin %		15.4%	13.2%

N.B. trading profit is Luxfer's IFRS 8 segment profit measure. Adjusted EBITDA is also used by the chief operating decision maker. See appendices for non-GAAP reconciliations.



Summary income statement

16

\$M	2016 Q1	2015 Q1	Variance Q1	
			\$m	%
REVENUE	108.8	116.9	(8.1)	(6.9%)
Cost of sales	(82.4)	(90.8)		
Gross profit	26.4	26.1	0.3	1.1%
<i>Gross margin %</i>	<i>24.3%</i>	<i>22.3%</i>	<i>2.0%</i>	
Distribution costs	(1.9)	(1.8)		
Administrative expenses	(12.8)	(13.8)		
Share of results of joint ventures and associates	0.1	-		
TRADING PROFIT	11.8	10.5	1.3	12.4%
<i>Group ROS %</i>	<i>10.8%</i>	<i>9.0%</i>	<i>1.8%</i>	
Profit on sale of redundant site	2.1	-		
Restructuring and other expense	(0.1)	(8.0)		
OPERATING PROFIT	13.8	2.5	11.3	N/A
Finance costs:				
Net interest costs	(1.6)	(1.7)		
IAS 19R retirement benefits finance charge	(0.5)	(0.7)		
Unwind of discount on deferred contingent consideration from acquisitions	(0.1)	(0.1)		
PROFIT ON OPERATIONS BEFORE TAXATION	11.6	0.0	11.6	
Income tax expense	(2.9)	(0.5)		
NET INCOME / (LOSS) FOR THE PERIOD	8.7	(0.5)	9.2	N/A
<i>Earnings per ADS - Basic</i>	<i>\$0.33</i>	<i>\$(0.02)</i>		
ADJUSTED NET INCOME	8.1	6.9	1.2	17.4%
<i>Adjusted Earnings per ADS - Basic</i>	<i>\$0.30</i>	<i>\$0.26</i>		
<i>Adjusted Earnings per ADS - Fully Diluted</i>	<i>\$0.30</i>	<i>\$0.25</i>		
Adjusted EBITDA	16.8	15.4	1.4	9.1%

NOTE: (i) Adjusted earnings per share is adjusted net income divided by the weighted average number of ordinary shares outstanding.
Each £0.50 ordinary share now represents one American Depositary Share (ADS).



	31 December 2015 \$M	Trading \$M	FX Translation \$M	31 March 2016 \$M
Property, plant & equipment	136.0	(1.8)	(0.2)	134.0
Intangible assets	87.0	(0.3)	(1.0)	85.7
Investments	7.2	(0.9)		6.3
Deferred income tax assets	13.8	1.0	(0.2)	14.6
Long term assets	244.0	(2.0)	(1.4)	240.6
<i>Inventories</i>	91.8	1.9	(0.2)	93.5
<i>Trade and other receivables</i>	62.3	10.4		72.7
<i>Trade and other payables</i>	(65.5)	(1.9)	(0.5)	(67.9)
Trading working capital	88.6	10.4	(0.7)	98.3
Net tax liabilities (excluding deferred tax assets)	(1.1)	(1.6)	0.1	(2.6)
Provisions	(5.3)	0.6		(4.7)
Dividends payable		(3.4)		(3.4)
Capital employed	326.2	4.0	(2.0)	328.2
Retirement benefits	(58.9)	(5.6)	1.2	(63.3)
Deferred contingent consideration	(2.9)	(0.1)		(3.0)
Invested capital	264.4	(1.7)	(0.8)	261.9
Banking revolver	(42.5)	(19.5)	0.4	(61.6)
Cash and cash equivalents	36.9	12.3	(0.3)	48.9
Loan notes due 2018	(64.2)	(0.2)	0.1	(64.3)
Loan notes due 2021	(24.9)			(24.9)
Net assets	169.7	(9.1)	(0.6)	160.0
Total debt	(131.6)	(19.7)	0.5	(150.8)
Net debt	(94.7)	(7.4)	0.2	(101.9)
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	(1.3)	(6.0)		(7.3)
Retained earnings	316.6	(2.6)		314.0
Other IFRS reserves & ESOP	(44.4)	(0.5)	(0.6)	(45.5)
Merger reserve	(333.8)			(333.8)
Total equity	169.7	(9.1)	(0.6)	160.0

	2016 Q1 \$M	2015 Q1 \$M
Operating profit	13.8	2.5
Depreciation and amortization	4.6	4.6
Profit on sale of redundant site	(2.1)	-
Share-based compensation charges net of cash settlement	0.4	0.3
Non-cash restructuring charges	-	7.5
Share of results of joint ventures and associates	(0.1)	-
Increase in working capital	(10.2)	(4.6)
Movement in retirement benefits obligations	(1.4)	(2.1)
Movement in provisions	(0.6)	(0.2)
Acquisition and disposal costs paid	(1.2)	-
Income taxes paid	(0.2)	(0.1)
NET CASH FLOWS FROM CONTINUING OPERATING ACTIVITIES	3.0	7.9
Purchases of property, plant and equipment	(3.2)	(2.5)
Purchases of intangible assets	(0.2)	-
Proceeds from sale of redundant site	3.0	-
Investment in joint ventures - debt funding	1.0	(0.5)
Interest income received from joint ventures	0.1	0.2
NET CASH FLOWS BEFORE FINANCING	3.7	5.1
Interest paid on banking facilities	(1.5)	(1.7)
Draw down on banking facilities	19.5	-
Dividends paid	(3.4)	(2.7)
Purchase of treasury shares	(6.0)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	12.3	0.7

Chief Executive Brian Purves

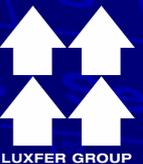
SUMMARY & OUTLOOK



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Gas Cylinders

- Significant improvement in profitability following the successful restructuring of AF and re-positioning of AF business towards more stable sectors.
- North American sales strong; European demand still flat.

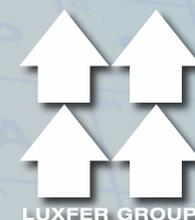
Elektron

- Higher sales of industrial catalysts, offsetting weakness in demand for our zirconium automotive catalysis products.
- Continued softness in sales of magnesium high-performance alloys, but strongly growing sales of new SoluMag[®] product.
- Demand for aerospace alloys stabilized – well positioned to benefit medium / longer term as recovery unfolds for both defense and commercial helicopters.
- Improvement in margin compared to Q1 2015.

Summary

- Trading profit 12% higher than Q1 2015.
- Both divisions have seen a favorable change in sales mix, causing profits to increase on lower sales revenue when compared to Q1 2015.

- Profit outlook re-affirmed: Group trading profit expected to increase by 5% - 10% over 2015.
- Improvement in trading profit is expected from both divisions.
- Q2 2016 is expected to be broadly in line with Q2 2015 (and Q1 2016) with further improvements expected in the second half of 2016 compared to 2015.
- Our AF business units are expected to remain profitable.
- Weakness in sectors affected by low oil price is expected to continue for some time.
- Rate of product launches accelerating in 2016, although the financial benefit will mainly start during 2017.



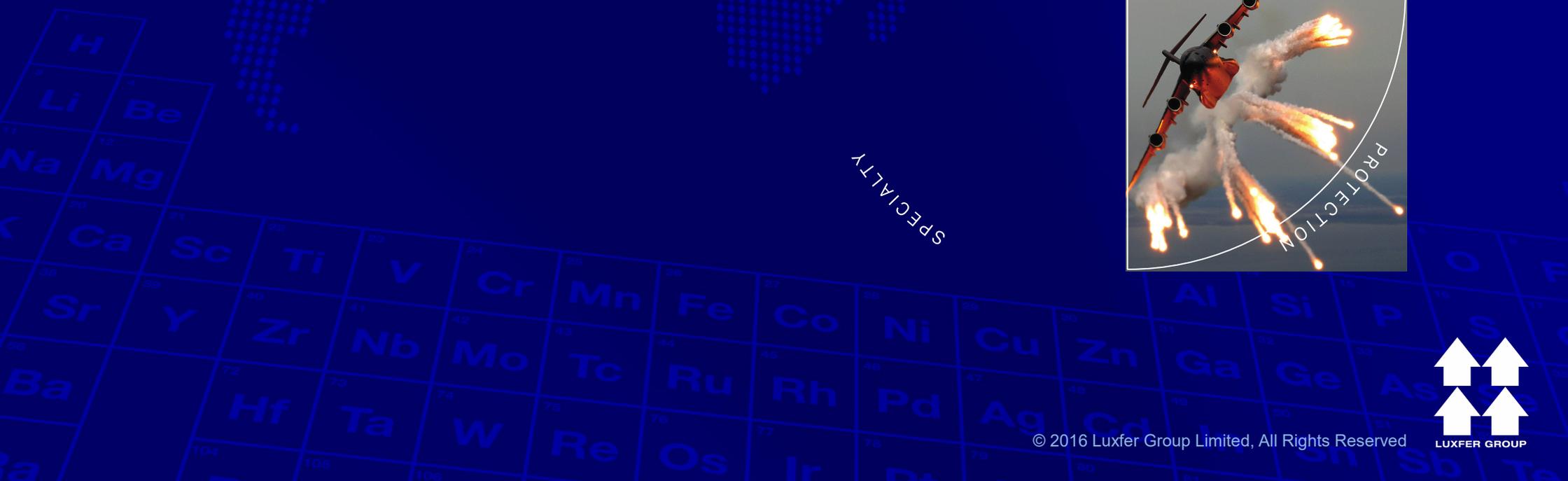
Questions?



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Appendices

Reconciliation of non-GAAP measures



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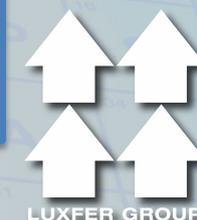


Adjusted net income and EBITDA:

	2016 Q1 \$M	2015 Q1 \$M
Net income / (loss) for the period - as reported	8.7	(0.5)
Accounting charges relating to acquisitions and disposals of businesses:		
Unwind of discount on deferred contingent consideration from acquisitions	0.1	0.1
Amortization on acquired intangibles	0.3	0.4
IAS 19R retirement benefits finance charge	0.5	0.7
Profit on sale of redundant site	(2.1)	-
Restructuring and other expense	0.1	8.0
Other share-based compensation charges	0.4	0.3
Income tax thereon	0.1	(2.1)
Adjusted net income	8.1	6.9
(Deduct) / add back :		
Income tax thereon	(0.1)	2.1
Income tax expense	2.9	0.5
Net interest costs	1.6	1.7
Depreciation and amortization	4.6	4.6
Less: Amortization on acquired intangibles	(0.3)	(0.4)
Adjusted EBITDA	16.8	15.4

Segmental adjusted EBITDA and trading profit:

		2016 Q1	2015 Q1
Gas Cylinders	Adjusted EBITDA \$M	5.0	3.2
	Other share-based compensation charges	(0.2)	(0.1)
	Depreciation and amortization	(1.8)	(1.8)
	Trading profit \$M	3.0	1.3
Elektron	Adjusted EBITDA \$M	11.8	12.2
	Other share-based compensation charges	(0.2)	(0.2)
	Depreciation and amortization	(2.8)	(2.8)
	Trading profit \$M	8.8	9.2
Group	Adjusted EBITDA \$M	16.8	15.4
	Other share-based compensation charges	(0.4)	(0.3)
	Depreciation and amortization	(4.6)	(4.6)
	Trading profit \$M	11.8	10.5



Return on invested capital (ROIC):

		2012 (restated)*	2013	2014	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2015	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Trading profit - per income statement		68.5	59.2	44.8	12.3	11.2	10.6	10.7	42.3	10.5	11.7	10.6	9.5	11.8
Effective tax rate - per income statement		28.8%	27.0%	19.6%	28.0%	27.8%	27.4%	3.3%	37.1%	0.0%	48.3%	21.8%	37.3%	25.0%
Notional tax		(19.7)	(16.0)	(8.8)	(3.4)	(3.1)	(2.9)	(0.4)	(15.7)	0.0	(5.7)	(2.3)	(3.5)	(3.0)
Trading profit after notional tax		48.8	43.2	36.0	8.9	8.1	7.7	10.3	26.6	10.5	6.0	8.3	6.0	8.8
Annualized trading profit after notional tax	(A)	48.8	43.2	36.0	35.6	32.4	30.8	41.2	26.6	42.0	24.0	33.2	24.0	35.2
Bank and other loans		63.5	63.8	121.4	64.1	66.5	126.2	121.4	131.6	121.5	156.7	137.2	131.6	150.8
Cash and cash equivalents		(40.2)	(28.4)	(14.6)	(18.5)	(11.1)	(15.4)	(14.6)	(36.9)	(15.7)	(58.3)	(39.6)	(36.9)	(48.9)
Net debt		23.3	35.4	106.8	45.6	55.4	110.8	106.8	94.7	105.8	98.4	97.6	94.7	101.9
Total equity		148.8	191.7	175.4	190.2	198.9	179.3	175.4	169.7	159.4	174.6	161.9	169.7	160.0
Invested capital		172.1	227.1	282.2	235.8	254.3	290.1	282.2	264.4	265.2	273.0	259.5	264.4	261.9
Average invested capital	(B)	173.6	199.6	254.7	231.5	245.1	272.2	286.2	273.3	273.7	269.1	266.3	262.0	263.2
Return on invested capital	(A) / (B)	28%	22%	14%	15%	13%	11%	14%	10%	15%	9%	12%	9%	13%
Adjusted net income for the period	1	45.0	39.8	30.9	8.0	7.6	6.7	8.6	29.5	6.9	7.6	7.6	7.4	8.1
Income tax charge for the period	2	17.0	12.6	7.1	2.8	2.2	1.7	0.4	9.5	0.5	2.9	1.7	4.4	2.9
Income tax on adjustments to net income	3	0.3	2.2	2.9	0.4	0.5	1.6	0.4	(0.9)	2.1	(0.1)	0.4	(3.3)	(0.1)
Adjusted income tax charge	(C) (2 + 3)	17.3	14.8	10.0	3.2	2.7	3.3	0.8	8.6	2.6	2.8	2.1	1.1	2.8
Adjusted profit before taxation	(D) (1 + 2 + 3)	62.3	54.6	40.9	11.2	10.3	10	9.4	38.1	9.5	10.4	9.7	8.5	10.9
Adjusted effective tax rate	(C) / (D) = (E)	27.8%	27.1%	24.4%	28.6%	26.2%	33.0%	8.5%	22.6%	27.4%	26.9%	21.6%	12.9%	25.7%
Trading profit - per income statement (as above)	(F)	68.5	59.2	44.8	12.3	11.2	10.6	10.7	42.3	10.5	11.7	10.6	9.5	11.8
Adjusted notional tax	(E) x (F)	(19.0)	(16.0)	(11.0)	(3.5)	(2.9)	(3.5)	(0.9)	(9.5)	(2.9)	(3.2)	(2.3)	(1.2)	(3.0)
Adjusted trading profit after notional tax		49.5	43.2	33.8	8.8	8.3	7.1	9.8	32.8	7.6	8.5	8.3	8.3	8.8
Annualized adjusted trading profit after notional tax	(G)	49.5	43.2	33.8	35.1	33.1	28.4	39.2	32.8	30.5	33.8	33.2	33.1	35.1
Adjusted return on invested capital	(G) / (B)	29%	22%	13%	15%	13%	10%	14%	12%	11%	13%	12%	13%	13%

* Restated under IAS19R