LUXFERR

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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 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, forwardlooking 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) 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; (v) contractual restrictions on the ability of Luxfer Holdings PLC to receive dividends or loans from certain of its subsidiaries; (vi) fluctuations in the price of raw materials and utilities; (vii) currency fluctuations and hedging risks; and (viii) worldwide economic and business conditions and conditions in the industries in which we operate. 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, 2014, filed with the U.S. Securities and Exchange Commission on March 19, 2015. 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.



Presentation team



Brian G. Purves Chief Executive



Andrew M. Beaden Group Finance Director

- Chief Executive since January 2002.
- Group Finance Director from 1996 to 2001.
- Prior to 1996, worked 18 years in the UK automotive industry.
- Chartered Management Accountant.
- BSc in Physics and MSc in Business Studies.
- 19 years with Luxfer.

- Group Finance Director since June 2011.
- Executive Management Board since 2006.
- Director of Planning and Finance since 2008 and Group Financial Controller since 2002.
- Qualified Chartered Accountant with KPMG.
- Financial experience with various FTSE 100 PLCs.
- 18 years with Luxfer.

Luxfer founded in 1897



Luxfer was founded by Scottish inventor James Pennycuick in **1897** in **Chicago**, Illinois, to produce **prismatic glass** products to illuminate architectural interiors in North American and Europe. The name Luxfer comes from Latin *lux* (light) and *ferre* (to carry), so it literally means **"light carrier."**



Luxfer Pavement Lights Stallboard Lights Floor Lights Cellar Flaps

Building—Dome Lights and Celling Lights, Roch Lights, Schriften, Leaded Lights, Metal Casements; Pramatic, Pre-resisting, Ornamental and Roof Glazing, THE BRITISH LUXFER PRISM SYND., LTD., 16 HILL STREET, FINSBURY, LONDON, EC2. The company established its first subsidiary in **England** in **1898**, followed by plants in France, Belgium and Germany in 1899. The British company is the main ancestor of today's **Luxfer Group**.



Our Alcan heritage



All the companies that now comprise Luxfer Group were owned by British Alcan until 1996, when Alcan sold these businesses—and several others—to a group of investors, including a number of former Alcan managers.

In 2000, the new owners sold aluminum plate, sheet and extrusion operations, as well as several distribution businesses, to Alcoa.

The remain four businesses—Magnesium Elektron, MEL Chemicals, Luxfer Gas Cylinders and Superform—were the core operations of Luxfer Group when the company listed on the New York Stock Exchange on October 3, 2012.



USA • Canada • UK • France • Czech Republic • China • Japan • Australia • India • Germany



Our four end-markets





Magnesium Elektron®

SERVICE & INNOVATION IN MAGNESIUM

MELChemicals[®]

Luxfer

Gas Cylinders

Elektron Division

SUPERFORM[®]

Gas Cylinders Division



The Luxfer Model





We have long-standing relationships with these world-class companies:









Luxfer specializes in **advanced** products made primarily from four **materials**:





Composites



Mg

Magnesium is the lightest-weight structural metal: 2/3 the density of aluminum and 1/4 that of steel. Luxfer holds more global patents on magnesium alloys than any other company.

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HAGINE MAGNESIUM





Luxfer is the only Western supplier of high-quality magnesium **photo-engraving plate**.

We also make **sheet**, **plate**, **extrusions** and **ultra-fine powders** and run a dedicated **recycling** operation.







In Madison, Illinois, Luxfer operates the world's largest magnesium rolling mill.

X









Luxfer is the world leader in the production of bespoke magnesium powders for **countermeasure flares** that protect aircraft from heat-seeking missile attack.



Hagnesium-





Luxfer is a global leader in magnesium aerospace alloys for both military and civilian applications. Helicopter gearboxes were an important breakthrough application for our alloys.







Migrating techologies





Civil airliner seat components.



Bioaborbable magnesium alloy for in-body repair







In development: Luxfer continues to make progress toward use of our magnesium alloys in civil airliner seats. Two seat manufacturers are now using our Elektron 43 alloy, and others are considering it because of significant weight savings offered by magnesium against traditional aluminum alloys used by the industry.













In development: Luxfer's new **SynerMag**[®] **bioabsorbable magnesium alloy** is now in human trials. The alloy is used to produce arterial stents, as well as splints and screws for bone repair. Once repair is complete, the material **safely dissolves** and is absorbed in the body.









Luxfer Magtech Inc. (LMI), our newest company, makes magnesium-based heating pads for selfheating meals used by the military. HeaterMeals[®], which use the same heating technology, are a mainstay in civilian disaster-relief. LMI also markets self-heating beverages under the brand Café 2 Go[®].



healthcare

Our versatile zirconium chemicals offer low relative toxicity and hightemperature tolerance for a wide variety of applications.

environmental

MELChemicals

arotection

<u>Likeomun</u>







Migrating technologies



We are a major player in **zirconium-cerium** washcoats for automotive **catalytic converters**.

MEL Chemicals has migrated this catalytic converter know-how into proprietary new technology for **catalysis** and **pollution control** in refineries, petrochemical plants and other large industrial manufacturing facilities.

Zirconium-

S

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Our highly adsorptive waterpurification products effectively remove arsenic and other heavy metals from drinking water and wastewater. Systems are available in a variety of sizes ranging from small home units to larger centraltreatment systems for communities.





LUXFER GROUP Zirconium-

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Migrating technologies



In development: Luxfer Magtech makes kits for detecting and decontaminating chemical agents. We are in the process of improving these products by using our zirconia-based adsorbent technology originally used for water purification.

LUXFER GROUP Zirconium-





Zirconium is used to make high-quality electro-ceramics.

Zirconium oxide ceramic filters remove slag, dross and other impurities from molten metal during production of high-quality castings.



Our zirconium oxides are used to create a variety of advanced ceramic products used for circuit boards, filtration of molten metal alloys and as substrates for catalysts requiring large internal surface areas.







We produce an extensive, proprietary range of highquality pure **zirconia**, nanozirconia, doped zirconia and zirconium hydroxides, salts and solutions used in a wide **variety of products**, including electronic components, paint and pigments, printing ink, adhesives, antiperspirants, cosmetics, dental crowns and various medical products.





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Aluminum

We have been manufacturing products from aluminum for more than 75 years.











Luxfer is the world's **largest** manufacturer of highpressure aluminum cylinders. We **invented** the highpressure, hot-extruded **aluminum cylinder** in 1941 and the cold-extruded aluminum cylinder in 1958. We have a long history of cylinder innovation, including using our own patented and proprietary alloys.



Healthcare

How our aluminum cylinders are used

Emergency medical services





Beverage dispensing



Manufacture of microchips and electrical components

Fire extinguishers





LUXFER GROUP



Luxfer invented and remains the global leader in the **superforming** process for making high-value-added, complex, **sheet-based parts** from aluminum for automotive, aerospace, rail, medical and architectural markets. We are now also forming magnesium sheet.









Superform UK has been manufacturing exterior body parts for Morgan Cars for many years.

LUXFER GROUP



BOEING

Superform is producing this component for Boeing advanced-technology winglets being used for the first time on the new Boeing 737 Max airliner.





Superiorm is producing complex bootlid inner and outer parts for the new Ferrari California T sports car.



California









Superform makes complex-shaped components for hightechnology **medical equipment**, including Siemens MRI scanners (above) and Varian linear accelerators for radiation therapy (right).







Superform produced exterior panels for the International Space Station.

<u>omposites</u>



Luxfer is known worldwide as an innovator in the use of carbon composite materials for high-pressure gas containment.







Luxfer is the world's largest manufacturer of high-pressure composite cylinders, both small and large.





5E



Our highly automated composite cylinder manufacturing facility in Riverside, California.

Portable composites

Luxfer is the global leader in **portable SCBA cylinders** for firefighters and other first-responders. We offer the world's **highest-pressure** SCBA cylinder, as well as the world's **lightest-weight** SCBA cylinder. We make these products in the USA, France and China.

Portable composites-





Honeywell Sperian Luxfer enjoys **long-term relationships** with the 'Big 3' manufacturers of SCBA units. We often collaborate with them to develop new products.

2014 was a difficult year for all three, and thus for Luxfer, because of delayed regulatory approvals in the USA for their new SCBA kits. However, most kits were finally approved late in the year, and the market has been **steadily recovering** thus far in 2015.

Portable composites





Despite 2014 problems of the North American SCBA market, we received the good news late in the year that our products will soon be in service with the **Paris Fire Brigade**, the largest fire department in Europe.





Portable composites



Innovation in healthcare

300 BAR

L7X

Luxfer also makes portable composite cylinders for medical oxygen. Our exclusive L7X 300-bar (1,450-psi) products were featured at the recent Medica show in Germany. With liners made from our proprietary Luxfer L7X® aluminum alloy, these are the lightest-weight high-pressure oxygen cylinders in the world.



Portable composites-



Innovation in healthcare

In development: Portable medical oxygen delivery system. We are now manufacturing required samples of the marketready version of our new lightweight, ergonomic, long-lasting oxygen delivery system. Testing of these samples will support our request for **CE marking** before the end of 2015, and we expect to begin selling these units in Europe in 2016. This new system will add value to our existing medical market sales.



Ultra-lightweight portable composite life-support cylinders

Large CNG systems for buses and trucks



Large gas transportation modules

Large composites









Luxfer now manufactures a wide range of **large composite cylinders** for containment of alternative fuels (AF), including **compressed natural gas** (CNG) and **hydrogen**.

These carbon composite cylinders include both **Type 3** (aluminum-lined) and larger-diameter **Type 4** (polymer-lined) cylinders used to contain fuel for trucks and buses. Both cylinder types are also used to store and transport CNG and other alternative fuels, as well as other bulk gases.



Luxfer AF cylinders are marketed under the brands G-Stor[®] Pro (Type 3), G-Stor[®] Go (Type 4) and Dynecell[®] (for hydrogen).

Large composites

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Road-trains in Western Australia could save power plants up to **30%** versus diesel, with **27%** lower CO_2 emissions.

As announced in our Q2 report released August 5th, Luxfer has invested in the recapitalization of **SUB161**, our virtual pipeline customer in **Western Australia**. We invested the equivalent of \$4m and some AF assets (modules like those shown above) for a **26.5% stake** in the business. We have appointed a director to the board, and we are treating the investment as a **joint-venture operation**. Luxfer and SUB161 are now working together on proving virtual pipeline capability.





To complement our range of large **Type 3** and **Type 4** composite cylinders, Luxfer has launched its new line of in-house-developed **AF accessories** for CNG, including our exclusive **high-flow valves** that speed up fueling and defueling and **high-flow PRDs** that enhance safety. We also make a full line of accessories for **hydrogen** containment.

New product pipeline

- Luxfer has a long corporate heritage of innovation and a comprehensive material science knowledge bank.
- After the 1996 management buy-in, we stressed manufacturing excellence and IP protection.
- We subsequently focused on strategy mapping and high-growth end-markets.
- We have multi-year development programs, most often with partners.
- We usually need to obtain approvals and certifications.

We are working on a pipeline of **new products** for commercialization through 2017—with more to come.

The Luxfer advantage



 Our global position, which enables us to service large global customers and benefit from developing economies.

 Our long-term, positive relationships with many blue chip customers.

 Our deep material science expertise and proven ability to collaborate with customers to develop next-generation technologies.

 Our ongoing research, including work with leading universities around the world.

Our product, market and geographic diversification.

Our strong positions in numerous high-growth end-markets.

Our robust business model and strong balance sheet.

Our strong new product pipeline.

Group Finance Director Andy Beaden

FINANCIAL REVIEW











Group revenue 2009 to HY 2015



Elektron Division

	Elektron Q2 \$M	YTD \$M
Net revenue RE surcharge	55.4	111.7 1 5
2014 Revenue analysis	56.0	113.2
Changes in period:		
FX translation	(3.2)	(6.4)
Rare earth surcharge	(0.6)	(1.5)
Luxfer Magtech	6.8	13.9
Trading movements	1.1	(0.6)
Net revenue RE surcharge	60.1	118.6 -
2015 Revenue analysis	60.1	118.6
Trading variance	1.9%	(0.5%)

Underlying Q2 revenue increased by \$1.1m or 1.9% compared to Q2 2014.

- Luxfer Magtech added \$6.8m.
- FX transaction differences reduced revenue by \$0.8m.
 - Higher demand for recycling and photo-engraving products offset lower sales of aerospace alloys.
- Improved demand for military powders.
- Zirconium industrial catalyst sales were up on Q2 2014, offset by lower automotive sales.

Luxier Gas Cylinders Division

	Gas Cylinders Q2 \$M	YTD \$M
2014 Revenue analysis	65.9	132.0
Changes in period:		
FX translation	(4.2)	(9.6)
Trading movements	1.0	(1.3)
2015 Revenue analysis	62.7	121.1
Trading variance	1.6%	(1.1%)

Q2 underlying revenue (excluding FX translation) up \$1.0m or 1.6% on Q2 2014.

AF revenue down \$1.3m or 13.6%.

U.S. AF revenue up \$0.4m or 10%.

Non-AF revenue up \$2.3m or 5.8%.

Demand for SCBA composite cylinders was strong, and there was some improvement in medical composite demand in Europe versus Q2 2014.

Superform revenue improved in Q2 2015, with increases in both tooling and formed-goods sales.

Aluminum sales down on Q2 2014.



Group revenue – HY 2015 analysis

	Elektron Q2	YTD		Gas Cylinders Q2	YTD	Group Q2	YT	
	\$M	\$M		\$M	\$M	\$M	\$N	
Net revenue RE surcharge	55.4 0.6	111.7 1.5		65.9	132.0 -	121.3 0.6	243. 1.5	
2014 Revenue analysis	56.0	113.2		65.9	132.0	121.9	245	
Changes in period:								
FX translation	(3.2)	(6.4)		(4.2)	(9.6)	(7.4)	(16.0	
Rare earth surcharge	(0.6)	(1.5)		-	-	(0.6)	(1.5	
Luxfer Magtech	6.8	13.9		-	-	6.8	13.9	
Trading movements	1.1	(0.6)		1.0	(1.3)	2.1	(1.9	
Net revenue RE surcharge	60.1	118.6 -		62.7	121.1	122.8	239.	
2015 Revenue analysis	60.1	118.6		62.7	121.1	122.8	239	
Trading variance	1.9%	(0.5%)		1.6%	(1.1%)	1.7%	(0.8%	



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Divisional & Group trading profit



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Divisional segment profit by recent quarters



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Operating cash flow -



Cash flow by quarter-



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Financial position as at June 30, 2015

- Regular dividend: 10 cent per quarter, 40 cent per annum.
- Debt gearing: 1.5x Adj. EBITDA.
- Net debt as at June 30, 2015: \$98.4m.
- Banking facilities: committed \$150m, expandable to \$200m.
- U.S. private placement debt \$90m, expandable to \$140m.
- Gross assets of \$484.1m.



Thank you









