



LUXFER

FIRST QUARTER 2022 EARNINGS PRESENTATION

Earnings Conference Call April 26, 2022



FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected in the 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 several 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) lower than expected future sales; (ii) increasing competitive industry pressures; (iii) general economic conditions or conditions affecting demand for the products and services it offers, both domestically and internationally, including as a result of post-Brexit regulation, being less favorable than expected; (iv) worldwide economic and business conditions and conditions in the industries in which it operates; (v) fluctuations in the cost of raw materials, utilities, and other inputs; (vi) currency fluctuations and hedging risks; (vii) its ability to protect its intellectual property; (viii) the significant amount of indebtedness it has incurred and may incur and the obligations to service such indebtedness and to comply with the covenants contained therein; and (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 entitled “Forward-Looking Statements” and “Risk Factors” in its Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the U.S. Securities and Exchange Commission on February 24, 2022. 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 because of new information, future events, or otherwise.

EXECUTIVE SUMMARY

Q1 2022 Financial Performance¹

Strong Start to 2022

- Sales of \$97.0M vs. \$85.2M, growth of 13.8%, driven by SCI acquisition and inflation
- Adjusted EBITDA of \$16.1M vs \$17.7M, decrease of 9.0%
- Adjusted diluted EPS of \$0.33 vs. \$0.39²
- Net debt to EBITDA of 1.1x; free cash outflow of \$10.3M to build supply chain resiliency

Robust Business Backdrop

Focus on Execution Amid Strong Demand and Tight Supply Chain Conditions

- Macro favorable in industrial and aerospace with momentum building in defense
- Improving supply chain; demand still outpacing material availability
- Addressing inflation with cost pass through

Updating 2022 Guidance

Attractive Outlook

- Improving 2022 adjusted diluted EPS guidance to \$1.35 - \$1.50 vs. prior \$1.30 - \$1.50²
- Reiterating 2025 adjusted diluted EPS goal of \$2.00+²

¹Q1 2022 financial historical comparisons year-over-year; results exclude discontinued operations

²Calculated using adjusted earnings (see appendix)

Delivering Despite Inflation and Supply Chain Challenges

UPDATE ON SUPPLY CHAIN RECOVERY

Ongoing Material Supply Challenges

- Material shortages & delays continue
- Inflationary pressure on magnesium, carbon fiber, and aluminum
- Ongoing force majeure at U.S. Magnesium LLC

**Customer First
focus during supply
chain constraints**

Strong Order Pipeline

- Positive industrial and energy macro
- European conflict building defense spending momentum
- Primed for incremental first response relief demand

Execution Delivering Impact

- Multiple alternate suppliers qualified
- Securing capacity from current and new suppliers
- Richards Bay mine increasing zircon sand supply (force majeure lifted)

Proactive Customer Action

- Collaboration with customers to manage late order backlog
- Luxfer's robust localized supply chain remains competitive advantage

Focusing on Execution Amid Challenging Supply Conditions

RECENT SALES PERFORMANCE BY END MARKET

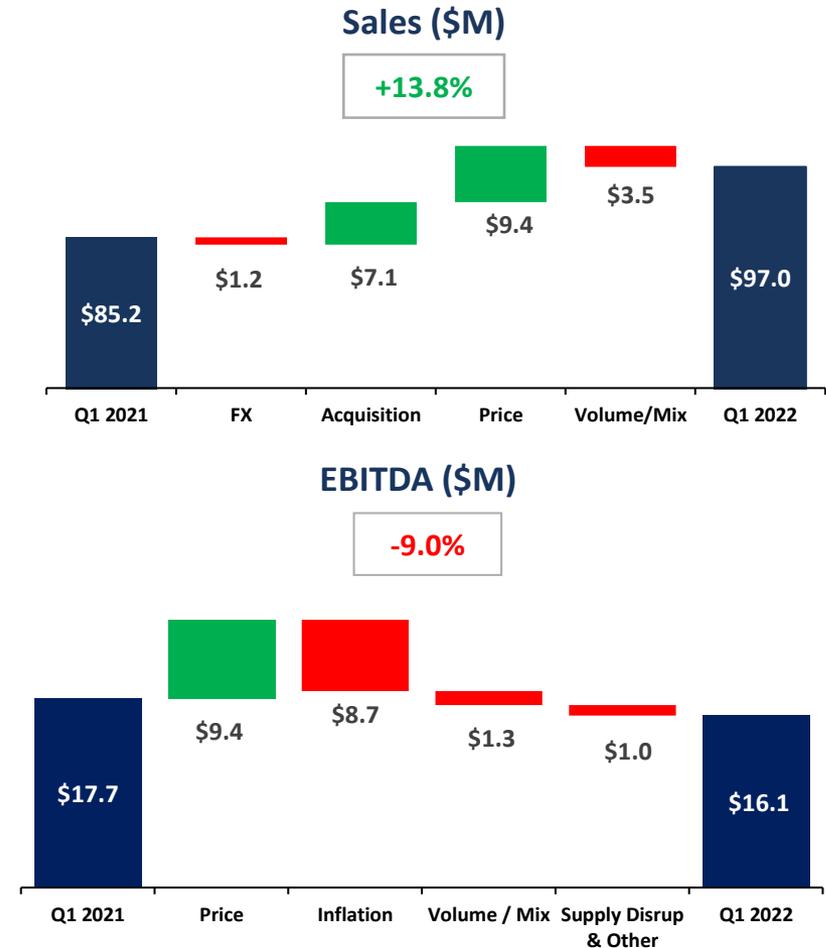
	Year-over-Year Change			Q1 Commentary
	FY 2020	FY 2021	Q1 2022	
33% Defense, First Response, & Healthcare	-6.4%	+5.9%	+2.9%	<ul style="list-style-type: none"> • Lower replenishment of COVID/disaster relief products • Optimistic given recent defense wins
31% Transportation (AF, Aero, Auto)	-14.7%	+27.0%	+11.6%	<ul style="list-style-type: none"> • Growth due to SCI acquisition • Recovery in autocatalysis • Good aerospace momentum
36% General Industrial	-18.0%	+15.5%	+28.4%	<ul style="list-style-type: none"> • Strong industrial macro leading to broad-based growth
	-13.0%	+15.2%	+13.8%	

Strong Demand Complemented by Cost Pass Through Drives Q1 2022 Sales

Q1 2022: LUXFER FINANCIAL RESULTS

Performance Highlights

- **Sales** increased by 13.8% from prior year
 - Price increases of \$9.4M to cover rising material inflation
 - SCI acquisition added \$7.1M in sales or 8.3%
 - Raw materials availability challenges impacted volume/mix by \$3.5M
 - Quarter ended with strong order backlog
- **EBITDA** decreased due to volume decline and investments to overcome supply disruptions
 - Making solid progress in matching capacity with strong demand
 - Actions underway to restore manufacturing efficiency compromised during supply chain disruption



Margins Impacted by Timing of Inflation Pass Through

Q1 2022: SEGMENT RESULTS

Q1 2022

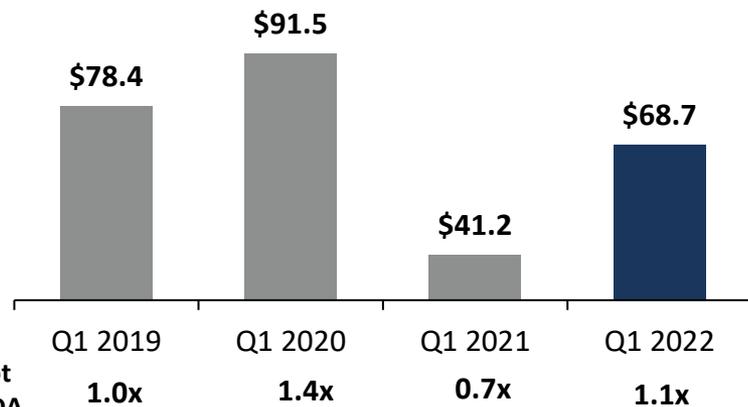
	Sales	EBITDA	Performance Commentary
Elektron year-over-year change	\$54.6M Up 11.4%	\$13.4M Up 14.5%	<ul style="list-style-type: none"> • Strong industrial demand • Good cost pass through to offset inflation
Gas Cylinders year-over-year change	\$42.4M Up 17.1%	\$2.7M Down 55.0%	<ul style="list-style-type: none"> • Continuing losses at SCI, as expected • Overall order book remains strong • Actions undertaken to mitigate supply chain constraints provide confidence in full year forecast
	\$97.0M Up 13.8%	\$16.1M Down 9.0%	

Strong Elektron Performance | Overcoming Constraints at Gas Cylinders

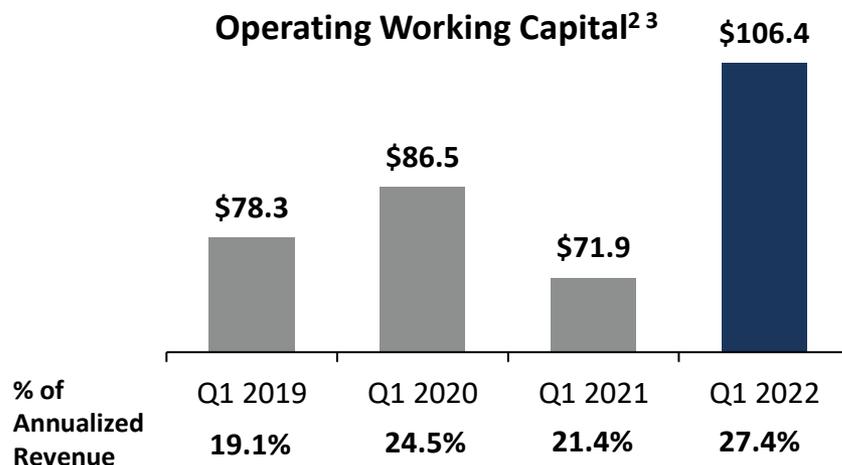
KEY BALANCE SHEET & CASH FLOW METRICS

(\$M)

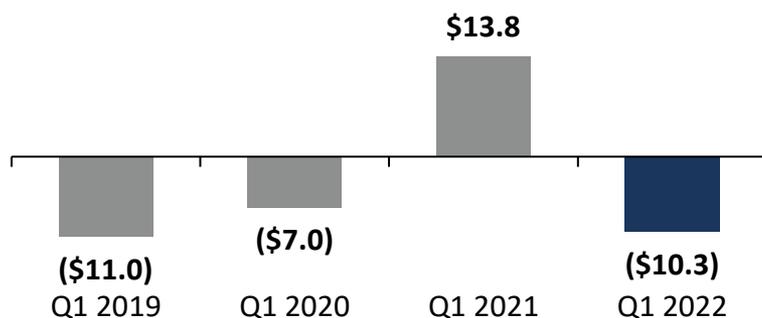
Net Debt¹



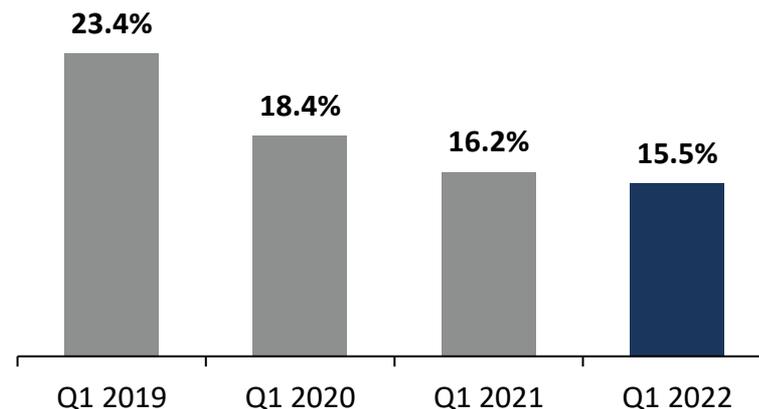
Operating Working Capital^{2 3}



Free Cash Flow⁴



ROIC⁵



¹ Net Debt = Bank and Other Loans – Cash and Cash Equivalents; ² Operating Working Capital = Accounts and Other Receivables, net + Inventories – Accounts Payable – Accrued Liabilities
³ Excludes discontinued operations for all periods and SCI acquisition in Q1 2021 ⁴ FCF = Net Cash Flow from Continuing Operations – Capex ⁵ Calculated using adjusted earnings (see appendix)

Maintaining Strong Balance Sheet

CAPITAL DEPLOYMENT TO SUPPORT GROWTH

Flexible balance sheet allows for acceleration of investments in organic + inorganic growth, operational excellence, and returns

Reinvestment

- ✓ Investing in **strategic growth opportunities** and new product innovation
 - ✓ Hydrogen bulk gas transportation
- ✓ Funding **transformation cost savings initiatives**: \$44M through Q1 2022

Bolt-on M&A

- ✓ Identifying inorganic options to **drive additional shareholder value**
- ✓ **Thoughtful, disciplined approach** to meeting our key strategic and financial thresholds

Shareholder Returns

- ✓ **Announced 4% increase in quarterly dividend** to \$0.13/share or \$0.52/share annualized on March 10, 2022
- ✓ Paid **>\$109M in dividends since 2013**, including \$3.4M, or \$0.125/share in Q1 2022
- ✓ **Repurchased \$1.5M in shares** during Q1 2022, following **\$6.4M in repurchases** during 2021

Balance Sheet and Cash Flow Strength Set Stage to Invest in Future Growth

UPDATED 2022 FINANCIAL GUIDANCE

2022 Guidance

Revenue Growth (incl. FX, acquisitions, and price)	12% - 20%
Adjusted Diluted EPS	\$1.35 - \$1.50

Assumptions

Operating Working Capital	21% - 23%
Capex	\$10M - \$12M
Tax Rate	~21%
Pension Contribution	\$0 to UK Pension
FX Impact	Nominal @ GBP/USD 1.30 - 1.35 Rate
Restructuring & Exceptional Cash Outlay	\$8M - \$10M

Expectations

- Strong order book while revenue remains constrained by supply chain conditions; expected to improve in 2H
- Improving 2022 adj. diluted EPS guidance
- Operating working capital range assumes 2H improvements
- 100% FCF conversion goal maintained but may be pressured in 2022 by supply chain conditions
- Restructuring cash partially offset by cash generated from assets held for sale

Anticipated 2022 Performance Supports 2025 Adj. Diluted EPS Goal of \$2.00+

CEO DESIGNATE ANDY BUTCHER



Andy Butcher

Chief Executive Officer Designate

- Joined Luxfer in 1991
- US Citizen; born in UK
- MA from Cambridge Univ.,
MBA from Keele University

- ✓ Currently leads Luxfer's largest business unit; Gas Cylinders
- ✓ Part of Luxfer Executive Leadership team for 8+ years
- ✓ Drove 4X Growth in Composite Cylinder revenue
- ✓ Led multiple joint ventures, acquisitions, and divestures to reshape portfolio
- ✓ Executed expansion programs including initiation of operations in China and business development in India
- ✓ Emphasis on growth culture and team building with core strengths in Strategy, Lean, and Technology

Proven Growth Leader to Unlock Luxfer's Value Potential

LUXFER: OUR BEST DAYS ARE AHEAD OF US

✓ Cost Transformation Achieved

Key Recent achievements

- ✓ Executed Transformation Plan with total cash savings of \$30M+
- ✓ Optimized operational footprint
- ✓ Repositioned portfolio towards growth
- ✓ Set up for sustained strong cash conversion
- ✓ Higher performance teams dedicated to customer first
- ✓ Built a strong ESG foundation

➔ Accelerating Growth

Next Phases of our Transformation

- ✓ Driving increased **Growth**
 - Positive macro and secular demand
 - New product development
 - Bolt-on acquisitions
- ✓ Pursing a **Commitment to Excellence**
 - Advancing a strong operating model
 - Strategy, Sales, Innovation, Lean, ESG
- ✓ **Investing in our People** and in our Business
 - Talent management
 - Leadership development



Advancing on Path Towards \$2.00+ Adjusted Diluted EPS Goal in 2025

KEY INVESTMENT CONSIDERATIONS



**Highly Engineered
Industrial Materials
Company with
Attractive End
Markets**

**Comprehensive
Transformation
Plan To Enhance
Growth and
Profitability**

**Strong Balance
Sheet, Consistent
Cash Conversion, &
Disciplined Capital
Allocation**

**Significant
Opportunities for
Continued Value
Creation**

**Commitment
To Business
Excellence**

Our Best Days Are Ahead of Us



APPENDICES

Financial Statements and Reconciliation of Non-GAAP Measures

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<i>In millions, except share and pershare data</i>	First Quarter	
	2022	2021
Net sales	\$ 97.0	\$ 85.2
Cost of goods sold	(72.8)	(60.0)
Gross profit	24.2	25.2
Selling, general and administrative expenses	(10.7)	(10.6)
Research and development	(1.3)	(0.8)
Restructuring charges	(1.4)	(1.4)
Acquisition -related costs	(0.2)	(0.2)
Other charges	—	(1.1)
Operating income	10.6	11.1
Interest expense	(0.8)	(0.8)
Defined benefit pension credit	0.4	0.6
Income before income taxes	10.2	10.9
Provision for income taxes	(2.5)	(2.3)
Net income from continuing operations	7.7	8.6
Net loss from discontinued operations, net of tax	(0.1)	(1.6)
Gain on disposition of discontinued operations, net of tax	—	7.5
Net (loss) / income from discontinued operations	\$ (0.1)	\$ 5.9
Net income	\$ 7.6	\$ 14.5
Earnings / (loss) per share		
Basic from continuing operations	\$ 0.28	\$ 0.31
Basic from discontinued operations	\$ —	\$ 0.21
Basic	\$ 0.28	\$ 0.52
Diluted from continuing operations	\$ 0.28	\$ 0.31
Diluted from discontinued operations	\$ —	\$ 0.21
Diluted	\$ 0.28	\$ 0.52
Weighted average ordinary shares outstanding		
Basic	27,490,741	27,658,871
Diluted	27,696,118	28,057,323

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<i>In millions</i>	First Quarter	
	2022	2021
Operating activities		
Net income	\$ 7.6	\$ 14.5
Net loss / (income) from discontinued operations	0.1	(5.9)
Net income from continuing operations	7.7	8.6
<i>Adjustments to reconcile net income to net cash (used for) / provided by operating activities</i>		
Depreciation	3.5	3.2
Amortization of purchased intangible assets	0.2	0.2
Amortization of debt issuance costs	0.2	0.1
Share-based compensation charges	0.2	0.5
Deferred income taxes	0.1	0.3
Defined benefit pension credit	(0.4)	(0.6)
Defined benefit pension contributions	—	(1.4)
<i>Changes in assets and liabilities</i>		
Accounts and other receivables	(12.2)	(7.4)
Inventories	(16.2)	(0.1)
Other current assets	(3.0)	(1.7)
Accounts payable	6.8	6.7
Accrued liabilities	3.4	2.5
Other current liabilities	2.0	2.0
Other non-current assets and liabilities	(1.6)	2.3
Net cash (used for) / provided by operating activities - continuing	(9.3)	15.2
Net cash provided by operating activities - discontinued	—	—
Net cash (used for) / provided by operating activities	\$ (9.3)	\$ 15.2
Investing activities		
Capital expenditures	\$ (1.0)	\$ (1.4)
Proceeds from sale of discontinued operations	—	21.0
Business acquisition	—	(19.3)
Net cash (used for) / provided by investing activities - continuing	\$ (1.0)	\$ 0.3
Net cash used for investing activities - discontinued	\$ —	\$ —
Net cash (used for) / provided by investing activities	\$ (1.0)	\$ 0.3
Financing activities		
Net drawdown of long-term borrowings	26.7	19.5
Share-based compensation cash paid	(0.4)	(1.3)
Dividends paid	(3.4)	(3.4)
Repurchases of ordinary shares	(1.5)	—
Net cash from financing activities	\$ 21.4	\$ 14.8
Effect of exchange rate changes on cash and cash equivalents	(0.2)	—
Net increase	\$ 10.9	\$ 30.3
Cash, cash equivalents and restricted cash; beginning of year ⁽¹⁾	6.4	1.5
Cash, cash equivalents and restricted cash; end of the First Quarter ⁽¹⁾	17.3	31.8

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: ADJUSTED NET INCOME, ADJUSTED EPS, AND ADJUSTED EBITDA

<i>In millions except per share data</i>	First Quarter	
	2022	2021
Net income	\$ 7.7	\$ 8.6
Accounting charges relating to acquisitions and disposals of businesses:		
Amortization on acquired intangibles	0.2	0.2
Acquisition costs	0.2	0.2
Defined benefit pension credit	(0.4)	(0.6)
Restructuring charges	1.4	1.4
Other charges	—	1.1
Share-based compensation charges	0.2	0.5
Income tax on adjusted items	(0.1)	(0.5)
Adjusted net income	\$ 9.2	\$ 10.9

Adjusted earnings per ordinary share

Diluted earnings per ordinary share	\$ 0.28	\$ 0.31
Impact of adjusted items	0.05	0.08
Adjusted diluted earnings per ordinary share ⁽¹⁾	\$ 0.33	\$ 0.39

<i>In millions</i>	First Quarter	
	2022	2021
Adjusted net income	\$ 9.2	\$ 10.9
Add back:		
Income tax on adjusted items	0.1	0.5
Provision for income taxes	2.5	2.3
Net finance costs	0.8	0.8
Adjusted EBITA	\$ 12.6	\$ 14.5
Depreciation	3.5	3.2
Adjusted EBITDA	\$ 16.1	\$ 17.7

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: RETURN ON INVESTED CAPITAL (ROIC)¹

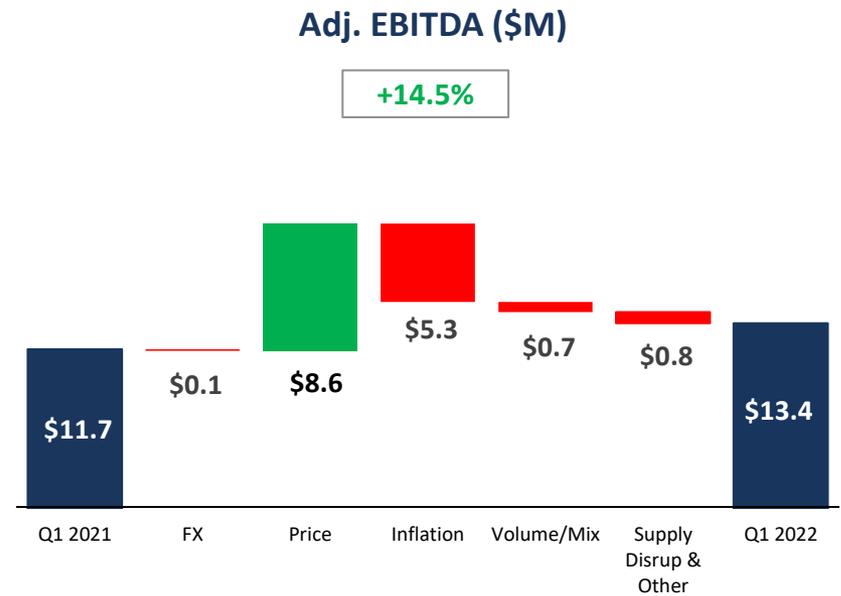
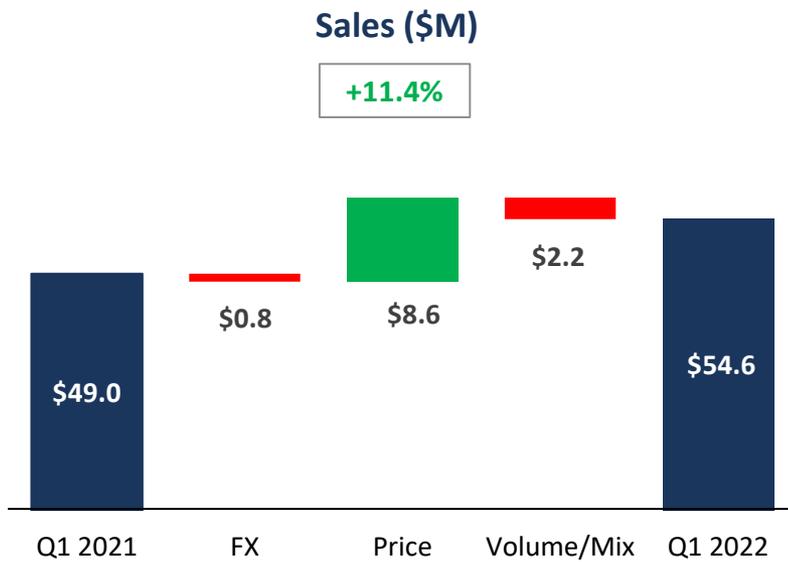
(Unaudited)

\$M	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
EBITA	14.5	13.5	10.3	10.4	12.6
Effective tax rate - per income statement	24.8%	21.0%	24.0%	34.0%	24.5%
Notional tax	(3.6)	(2.8)	(2.5)	(3.5)	(3.1)
EBITA after notional tax	10.9	10.7	7.8	6.9	9.5
Rolling 12 month EBITA after notional tax	30.6	35.2	38.2	36.3	34.9
Bank and other loans	73.0	49.6	49.6	59.6	85.9
Net cash and cash equivalents	(31.8)	(10.1)	(15.1)	(6.2)	(17.2)
Net debt	41.2	39.5	34.5	53.4	68.7
Total equity	178.9	188.2	186.7	209.1	206.6
Held-for-sale net assets ²	(13.4)	(13.6)	(13.0)	(3.4)	(3.2)
Invested capital	206.7	214.1	208.2	259.1	272.1
4 point average invested capital	211.0	207.7	206.8	222.0	238.4
Return on invested capital	14.5%	17.0%	18.5%	16.3%	14.6%
Adjusted net income for the period	10.9	10.2	7.2	7.9	9.2
Provision for income taxes	2.3	(0.6)	1.9	1.8	2.5
Income tax on adjustments to net income	0.5	3.1	0.4	-	0.1
Adjusted income tax charge	2.8	2.5	2.3	1.8	2.6
Adjusted profit before taxation	13.7	12.7	9.5	9.7	11.8
Adjusted effective tax rate	20.4%	19.7%	24.3%	18.6%	22.0%
EBITA (as above)	14.5	13.5	10.3	10.4	12.6
Adjusted notional tax	(3.0)	(2.7)	(2.5)	(1.9)	(2.8)
Adjusted EBITA after notional tax	11.6	10.8	7.8	8.5	9.8
Rolling 12 month adjusted EBITA after notional tax	34.1	38.9	39.2	38.7	36.9
Adjusted return on invested capital	16.2%	18.7%	18.9%	17.4%	15.5%

¹ From continuing operations unless otherwise stated

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

Q1 2022: ELEKTRON SEGMENT RESULTS



Q1 2022: GAS CYLINDERS SEGMENT RESULTS

