

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 29, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-35370

Luxfer Holdings PLC

(Exact Name of Registrant as Specified in Its Charter)

England and Wales

98-1024030

State or Other Jurisdiction of
Incorporation or Organization

I.R.S. Employer Identification No.

1433 North Water Street, Suite 400,
Milwaukee, WI, 53202

Address of principal executive offices

Registrant's telephone number, including area code: +1 414-269-2419

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, nominal value £0.50 each	LXFR	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	<input type="checkbox"/>	Accelerated Filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of shares outstanding of Registrant's only class of ordinary stock on September 29, 2024, was 26,784,848.

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PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (unaudited)

LUXFER HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME / (LOSS) (UNAUDITED)

<i>In millions, except share and per-share data</i>	Third Quarter		Year-to-date	
	2024	2023	2024	2023
Net sales	\$ 99.4	\$ 97.4	\$ 288.5	\$ 309.1
Cost of goods sold	(77.0)	(82.8)	(225.7)	(249.2)
Gross profit	22.4	14.6	62.8	59.9
Selling, general and administrative expenses	(11.4)	(11.3)	(34.9)	(36.6)
Research and development	(1.0)	(1.2)	(3.3)	(3.4)
Restructuring charges	(0.5)	(1.6)	(2.3)	(4.4)
Acquisition and disposal related costs	(0.1)	—	(9.5)	—
Gain on disposal of assets held-for-sale	6.1	—	6.1	—
Other income	1.9	—	7.2	—
Operating income	17.4	0.5	26.1	15.5
Net interest expense	(1.4)	(1.6)	(4.1)	(4.7)
Defined benefit pension credit / (charge)	0.3	0.3	0.8	(8.0)
Income / (loss) before income taxes	16.3	(0.8)	22.8	2.8
(Provision) / credit for income taxes	(3.7)	(0.7)	(7.8)	1.1
Net income / (loss) from continuing operations	12.6	(1.5)	15.0	3.9
Income / (loss) from discontinued operations, net of tax	0.1	0.2	(0.1)	—
Net income / (loss) from discontinued operations	0.1	0.2	(0.1)	—
Net income / (loss)	\$ 12.7	\$ (1.3)	\$ 14.9	\$ 3.9
Earnings / (loss) per share¹				
Basic from continuing operations	\$ 0.47	\$ (0.06)	\$ 0.56	\$ 0.14
Basic from discontinued operations ²	\$ —	\$ 0.01	\$ —	\$ —
Basic	\$ 0.47	\$ (0.05)	\$ 0.56	\$ 0.14
Diluted from continuing operations	\$ 0.47	\$ (0.06)	\$ 0.56	\$ 0.14
Diluted from discontinued operations ²	\$ —	\$ 0.01	\$ —	\$ —
Diluted	\$ 0.47	\$ (0.05)	\$ 0.55	\$ 0.14
Weighted average ordinary shares outstanding				
Basic	26,808,401	26,895,968	26,820,280	26,913,771
Diluted	26,932,411	27,016,373	26,961,125	27,072,425

See accompanying notes to condensed consolidated financial statements

¹ The calculation of earnings per share is performed separately for continuing and discontinued operations. As a result, the sum of the two in any particular period may not equal the earnings-per-share amount in total.

² The loss per share for continuing operations for the third quarter of 2023 and for discontinued operations for first nine months of 2024, has not been diluted since the incremental shares included in the weighted-average number of shares outstanding would have been anti-dilutive.

LUXFER HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME / (LOSS)

<i>In millions</i>	Third Quarter		Year-to-date	
	2024	2023	2024	2023
Net income / (loss)	\$ 12.7	\$ (1.3)	\$ 14.9	\$ 3.9
Other comprehensive income / (loss)				
Net change in foreign currency translation adjustment, net of tax	9.5	(5.4)	7.5	1.4
Pension and post-retirement actuarial gains, net of \$nil, \$0.1, \$0.2 and \$5.1 tax, respectively	0.1	0.3	0.5	7.3
Other comprehensive income / (loss), net of tax	9.6	(5.1)	8.0	8.7
Total comprehensive income / (loss)	\$ 22.3	\$ (6.4)	\$ 22.9	\$ 12.6

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<i>In millions, except share and per-share data</i>	September 29, 2024	December 31, 2023
Current assets		
Cash and cash equivalents	\$ 3.5	\$ 2.3
Restricted cash	0.6	0.3
Accounts and other receivables, net of allowances of \$0.5 and \$0.7, respectively	75.2	59.9
Inventories	93.5	95.9
Current assets held-for-sale	22.1	8.9
Other current assets	1.5	1.5
Total current assets	\$ 196.4	\$ 168.8
Non-current assets		
Property, plant and equipment, net	\$ 65.7	\$ 63.8
Right-of-use assets from operating leases	13.7	15.4
Goodwill	69.5	67.5
Intangibles, net	11.9	12.0
Deferred tax assets	3.1	3.9
Investments and loans to joint ventures and other affiliates	0.4	0.4
Pensions and other retirement benefits	44.1	40.3
Total assets	\$ 404.8	\$ 372.1
Current liabilities		
Current maturities of long-term debt and short-term borrowing	\$ 3.7	\$ 4.6
Accounts payable	27.7	26.5
Accrued liabilities	33.3	20.9
Taxes on income	8.5	—
Current liabilities held-for-sale	7.2	3.9
Other current liabilities	9.9	8.9
Total current liabilities	\$ 90.3	\$ 64.8
Non-current liabilities		
Long-term debt	\$ 65.8	\$ 67.6
Pensions and other retirement benefits	—	0.1
Deferred tax liabilities	10.2	10.2
Other non-current liabilities	13.4	16.8
Total liabilities	\$ 179.7	\$ 159.5
Commitments and contingencies (Note 16)		
Shareholders' equity		
Ordinary shares of £0.50 par value; authorized 40,000,000 shares for 2024 and 2023; issued 28,944,000 for 2024 and 2023; outstanding 26,784,848 and 26,834,628 for 2024 and 2023, respectively	26.5	26.5
Additional paid-in capital	224.8	223.5
Treasury shares	(24.2)	(22.9)
Company shares held by ESOP	(0.8)	(0.9)
Retained earnings	108.7	104.3
Accumulated other comprehensive loss	(109.9)	(117.9)
Total shareholders' equity	225.1	212.6
Total liabilities and shareholders' equity	\$ 404.8	\$ 372.1

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<i>In millions</i>	Year-to-date	
	2024	2023
Operating activities		
Net income	\$ 14.9	\$ 3.9
Net loss from discontinued operations	0.1	—
Net income from continuing operations	15.0	3.9
<i>Adjustments to reconcile net income to net cash provided / (used) by operating activities</i>		
Depreciation	6.9	9.2
Amortization of purchased intangible assets	0.6	0.6
Amortization of debt issuance costs	0.2	0.3
Share-based compensation charges	2.1	2.0
Deferred income taxes	0.5	1.6
Loss on disposal of property, plant and equipment	0.1	—
Asset impairment charges	—	2.7
Gain on disposal of held for sale assets	(6.1)	—
Loss on held for sale asset group	7.5	—
Defined benefit pension (credit) / charge	(0.8)	8.0
Defined benefit pension contributions	—	(2.1)
<i>Changes in assets and liabilities</i>		
Accounts and other receivables	(5.5)	(0.6)
Inventories	(10.3)	1.2
Current assets held-for-sale	(2.2)	0.4
Accounts payable	(4.4)	(0.9)
Accrued liabilities	12.9	(8.7)
Current liabilities held-for-sale	0.1	(0.7)
Other current liabilities	8.9	(7.0)
Other non-current assets and liabilities	(0.1)	0.3
Net cash provided by operating activities - continuing	25.4	10.2
Net cash provided by operating activities - discontinued	0.2	0.1
Net cash provided by operating activities	25.6	10.3
Investing activities		
Capital expenditures	(7.3)	(7.5)
Purchase of intangible assets	(0.4)	—
Net cash used by investing activities - continuing	(7.7)	(7.5)
Net cash used by investing activities - discontinued	(0.2)	(0.1)
Net cash used by investing activities	(7.9)	(7.6)
Financing activities		
Net repayment of short-term borrowings	(0.9)	(25.0)
Net (repayment) / drawdown of long-term borrowings	(2.9)	22.5
Repurchase of own shares	(1.6)	(2.2)
Share-based compensation cash paid	(0.4)	(0.3)
Dividends paid	(10.5)	(10.5)
Net cash used by financing activities	(16.3)	(15.5)
Effect of exchange rate changes on cash and cash equivalents	0.1	0.3
Net increase / (decrease)	\$ 1.5	\$ (12.5)
Cash, cash equivalents and restricted cash; beginning of year	2.6	12.9
Cash, cash equivalents and restricted cash; end of the third quarter	4.1	0.4
Supplemental cash flow information:		
Interest payments	\$ 4.4	\$ 4.8
Income tax payments, net	0.5	2.8

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

<i>In millions,</i>	Ordinary shares	Additional paid-in capital	Treasury shares Number	Treasury shares Amount	Own shares held by ESOP Number	Own shares held by ESOP Amount	Retained earnings	Accumulated other comprehensive loss	Total equity
At January 1, 2024	\$ 26.5	\$ 223.5	(1.5)	\$ (22.9)	(0.6)	\$ (0.9)	\$ 104.3	\$ (117.9)	\$ 212.6
Net income	—	—	—	—	—	—	2.7	—	2.7
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(1.5)	(1.5)
Dividends declared	—	—	—	—	—	—	(3.5)	—	(3.5)
Share-based compensation	—	0.6	—	—	—	—	—	—	0.6
Share buyback	—	—	—	(0.4)	—	—	—	—	(0.4)
Utilization of shares from ESOP to satisfy share based compensation	—	(0.2)	—	—	—	—	—	—	(0.2)
At March 31, 2024	26.5	223.9	(1.5)	(23.3)	(0.6)	(0.9)	103.5	(119.4)	210.3
Net loss	—	—	—	—	—	—	(0.5)	—	(0.5)
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(0.1)	(0.1)
Dividends declared	—	—	—	—	—	—	(3.5)	—	(3.5)
Share based compensation	—	0.8	—	—	—	—	—	—	0.8
Share buyback	—	—	(0.1)	(0.6)	—	—	—	—	(0.6)
Utilization of treasury shares to satisfy share based compensation	—	(0.3)	—	0.3	—	—	—	—	—
Utilization of shares from ESOP to satisfy share based compensation	—	(0.2)	—	—	—	0.1	—	—	(0.1)
At June 30, 2024	26.5	224.2	(1.6)	(23.6)	(0.6)	(0.8)	99.5	(119.5)	206.3
Net income	—	—	—	—	—	—	12.7	—	12.7
Other comprehensive income, net of tax	—	—	—	—	—	—	—	9.6	9.6
Dividends declared	—	—	—	—	—	—	(3.5)	—	(3.5)
Share based compensation	—	0.7	—	—	—	—	—	—	0.7
Share buy back	—	—	—	(0.6)	—	—	—	—	(0.6)
Utilization of shares from ESOP to satisfy share based compensation	—	(0.1)	—	—	—	—	—	—	(0.1)
At September 29, 2024	\$ 26.5	\$ 224.8	(1.6)	\$ (24.2)	(0.6)	\$ (0.8)	\$ 108.7	\$ (109.9)	\$ 225.1

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

<i>In millions,</i>	Ordinary shares	Additional paid-in capital	Treasury shares Number	Treasury shares Amount	Own shares held by ESOP Number	Own shares held by ESOP Amount	Retained earnings	Accumulated other comprehensive loss	Total equity
At January 1, 2023	\$ 26.5	\$ 221.4	(1.3)	\$ (20.4)	(0.7)	\$ (1.0)	\$ 120.2	\$ (139.4)	\$ 207.3
Net income	—	—	—	—	—	—	0.5	—	0.5
Other comprehensive income, net of tax	—	—	—	—	—	—	—	10.2	10.2
Dividends declared	—	—	—	—	—	—	(3.5)	—	(3.5)
Share based compensation	—	0.6	—	—	—	—	—	—	0.6
Share buyback	—	—	(0.1)	(0.8)	—	—	—	—	(0.8)
Utilization of shares from ESOP to satisfy share based compensation	—	(0.3)	—	—	—	—	—	—	(0.3)
At April, 2023	\$ 26.5	\$ 221.7	(1.4)	\$ (21.2)	(0.7)	\$ (1.0)	\$ 117.2	\$ (129.2)	\$ 214.0
Net income	—	—	—	—	—	—	4.7	—	4.7
Other comprehensive income, net of tax	—	—	—	—	—	—	—	3.6	3.6
Dividends declared	—	—	—	—	—	—	(7.0)	—	(7.0)
Share based compensation	—	0.7	—	—	—	—	—	—	0.7
Share buyback	—	—	—	(0.8)	—	—	—	—	(0.8)
Utilization of treasury shares to satisfy share based compensation	—	(0.3)	—	0.2	—	—	—	—	(0.1)
Utilization of shares from ESOP to satisfy share based compensation	—	—	—	—	0.1	0.1	—	—	0.1
At July 2, 2023	\$ 26.5	\$ 222.1	(1.4)	\$ (21.8)	(0.6)	\$ (0.9)	\$ 114.9	\$ (125.6)	\$ 215.2
Net loss	—	—	—	—	—	—	(1.3)	—	(1.3)
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(5.1)	(5.1)
Dividends declared	—	—	—	—	—	—	(3.5)	—	(3.5)
Share based compensation	—	0.7	—	—	—	—	—	—	0.7
Share buy back	—	—	—	(0.6)	—	—	—	—	(0.6)
At October 1, 2023	\$ 26.5	\$ 222.8	(1.4)	\$ (22.4)	(0.6)	\$ (0.9)	\$ 110.1	\$ (130.7)	\$ 205.4

See accompanying notes to condensed consolidated financial statements

LUXFER HOLDINGS PLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation and Responsibility for interim Financial Statements

We prepared the accompanying unaudited condensed consolidated financial statements of Luxfer Holdings PLC and all wholly-owned, majority owned or otherwise controlled subsidiaries on the same basis as our annual audited financial statements. We condensed or omitted certain information and footnote disclosures normally included in our annual audited financial statements, which we prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Our quarterly financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023. As used in this report, the terms "we," "us," "our," "Luxfer" and "the Company" mean Luxfer Holdings PLC and its subsidiaries, unless the context indicates another meaning.

In the opinion of management, our financial statements reflect all adjustments, which are only of a normal recurring nature, necessary for the fair statement of financial statements for interim periods in accordance with U.S. GAAP and with the instructions to Form 10-Q in Article 10 of Securities and Exchange Commission (SEC) Regulation S-X.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates, and any such differences may be material to our financial statements.

Our fiscal year ends on December 31. We report our interim quarterly periods on a 13-week quarter basis, ending on a Sunday. The third quarter 2024, ended on September 29, 2024, and the third quarter 2023, ended on October 1, 2023.

Accounting standards issued but not yet effective

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, to improve reportable segment disclosure requirements. The new guidance requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included in the reported measure of segment profit or loss. It does not change the definition of a segment or the guidance for determining reportable segments. The new guidance is effective for the Company in the annual period beginning January 1, 2024 and in 2025 for interim periods. Adoption of this ASU will result in additional disclosure, but it will not impact the Company's consolidated financial position, results of operations or cash flows.

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Improvements to Income Tax Disclosures, which enhances the transparency of income tax disclosures in ASC 740, Income Taxes, primarily related to rate reconciliation and income taxes paid information. The ASU is effective for fiscal years beginning after December 15, 2024 and early adoption is permitted. The Company is currently assessing the impact on its Consolidated Condensed Financial Statements and related disclosures.

2. Earnings / (loss) per share

Basic earnings / (loss) per share are computed by dividing net income or (loss) for the period by the weighted-average number of ordinary shares outstanding, net of treasury shares and shares held in ESOP. Diluted earnings per share are computed by dividing net income for the period by the weighted average number of ordinary shares outstanding and the dilutive ordinary shares equivalents.

Basic and diluted earnings per share were calculated as follows:

<i>In millions except share and per-share data</i>	Third Quarter		Year-to-date	
	2024	2023	2024	2023
Basic earnings / (loss):				
Net income / (loss) from continuing operations	\$ 12.6	\$ (1.5)	\$ 15.0	\$ 3.9
Net income / (loss) from discontinued operations	0.1	0.2	(0.1)	—
Net income / (loss)	\$ 12.7	\$ (1.3)	\$ 14.9	\$ 3.9
Weighted average number of £0.50 ordinary shares:				
For basic earnings / (loss) per share	26,808,401	26,895,968	26,820,280	26,913,771
Dilutive effect of potential common stock	124,010	120,405	140,845	158,654
For diluted earnings / (loss) per share	26,932,411	27,016,373	26,961,125	27,072,425
Earnings / (loss) per share using weighted average number of ordinary shares outstanding⁽¹⁾:				
Basic earnings / (loss) per ordinary share for continuing operations	\$ 0.47	\$ (0.06)	\$ 0.56	\$ 0.14
Basic earnings / (loss) per ordinary share for discontinued operations	—	0.01	—	—
Basic earnings / (loss) per ordinary share	\$ 0.47	\$ (0.05)	\$ 0.56	\$ 0.14
Diluted earnings / (loss) per ordinary share for continuing operations	\$ 0.47	\$ (0.06)	\$ 0.56	\$ 0.14
Diluted earnings / (loss) per ordinary share for discontinued operations	—	0.01	—	—
Diluted earnings / (loss) per ordinary share	\$ 0.47	\$ (0.05)	\$ 0.55	\$ 0.14

(1) The calculation of earnings per share is performed separately for continuing and discontinued operations. As a result, the sum of the two in any particular period may not equal the earnings-per-share amount in total

Basic average shares outstanding and diluted average shares outstanding were the same for discontinued operations in 2024 year-to-date and for continuing operations in the third quarter of 2023 because the effect of potential shares of common stock was anti-dilutive since the Company generated a net loss from discontinued operations.

3. Net Sales

Disaggregated sales disclosures for the third quarter and year-to-date ended September 29, 2024, and October 1, 2023, are included below and in Note 15, Segmental Information.

<i>In millions</i>	Third Quarter							
	2024				2023			
	Gas Cylinders	Elektron	Graphic Arts	Total	Gas Cylinders	Elektron	Graphic Arts	Total
Defense, First Response & Healthcare	\$ 19.2	\$ 24.0	\$ —	\$ 43.2	\$ 20.3	\$ 19.4	\$ —	\$ 39.7
Transportation	14.2	11.5	—	25.7	18.1	12.9	—	31.0
General industrial	9.2	13.3	8.0	30.5	6.3	13.3	7.1	26.7
	\$ 42.6	\$ 48.8	\$ 8.0	\$ 99.4	\$ 44.7	\$ 45.6	\$ 7.1	\$ 97.4

<i>In millions</i>	Year-to-date							
	2024				2023			
	Gas Cylinders	Elektron	Graphic Arts	Total	Gas Cylinders	Elektron	Graphic Arts	Total
Defense, First Response & Healthcare	\$ 64.4	\$ 55.8	\$ —	\$ 120.2	\$ 59.3	\$ 68.0	\$ —	\$ 127.3
Transportation	50.5	32.4	—	82.9	50.6	38.6	—	89.2
General industrial	22.9	40.3	22.2	85.4	24.8	44.4	23.4	92.6
	\$ 137.8	\$ 128.5	\$ 22.2	\$ 288.5	\$ 134.7	\$ 151.0	\$ 23.4	\$ 309.1

The Company's performance obligations are satisfied at a point in time. With the reclassification of our Superform business as discontinued operations, none of the Company's revenue from continuing operations is satisfied over time. As a result, the Company's contract receivables, contract assets and contract liabilities are included within current assets and liabilities held-for-sale.

4. Restructuring

The \$0.5 million and \$2.3 million restructuring charge in the third quarter and first nine months, respectively, of 2024 predominantly relates to continued costs aimed at reducing our fixed cost structure and realigning our business.

Restructuring-related costs by reportable segment were as follows:

<i>In millions</i>	Third Quarter		Year-to-date	
	2024	2023	2024	2023
Severance and other costs				
Gas Cylinders	\$ 0.5	\$ 1.1	\$ 2.1	\$ 1.6
Elektron	—	0.1	0.2	0.1
	\$ 0.5	\$ 1.2	\$ 2.3	\$ 1.7
Asset impairments				
Gas Cylinders	\$ —	\$ 0.3	\$ —	\$ 2.6
Elektron segment	—	0.1	—	0.1
	\$ —	\$ 0.4	\$ —	\$ 2.7
Total restructuring charges	\$ 0.5	\$ 1.6	\$ 2.3	\$ 4.4

Activity related to restructuring, recorded in *Other current liabilities* in the consolidated balance sheets is summarized as follows:

<i>In millions</i>	2024
Balance at January 1,	\$ 3.3
Costs incurred	2.3
Cash payments and other	(2.4)
Balance at September 29,	\$ 3.2

5. Other income

In December 2023, it was established that any potential liability arising from the lawsuits and reasonable defense costs related to the previously disclosed US Ecology case are covered by insurance. The Company recognized \$1.9 million and \$7.2 million in the third quarter and first nine months, respectively, of 2024, in relation to these costs previously incurred by the Company. \$5.3 million cash has been received in the first nine months of 2024 with a further \$1.9 million accrued at September 2024.

6. Income Taxes

We manage our affairs so that we are centrally managed and controlled in the United Kingdom (“U.K.”) and therefore have our tax residency in the U.K. The provision for income taxes consists of provisions for the U.K. and international income taxes. We operate in an international environment with operations in various locations outside the U.K. Accordingly, the consolidated income tax rate is a composite rate reflecting the earnings in the various locations and the applicable rates.

The effective income tax rate on continuing operations for the first nine months ended September 29, 2024, was a 34.2%, tax charge compared to a 39.3% tax credit for the first nine months ended October 1, 2023. The rate was impacted by non-deductible expenses and the loss on held-for-sale asset group. 2023 was also impacted by a deferred tax credit primarily in relation to the U.S. pension buyout.

7. Acquisition and disposal related costs

<i>In millions</i>	Third Quarter		Year-to-date	
	2024	2023	2024	2023
Loss on held-for-sale asset group	\$ —	\$ —	\$ 7.5	\$ —
Disposal related costs	0.1	—	2.0	—
	\$ 0.1	\$ —	\$ 9.5	\$ —

The \$7.5 million loss on held-for-sale asset group in the first nine months of 2024 relates to the Graphic Arts' assets which have been revalued to the expected consideration the Company will receive.

Disposal-related costs of \$0.1 million and \$2.0 million in the third quarter and first nine months of 2024, respectively, represent professional fees incurred and accrued in relation to the planned divestiture of the Graphic Arts segment.

8. Supplementary balance sheet information

<i>In millions</i>	September 29, 2024	December 31, 2023
Accounts and other receivables		
Trade receivables	\$ 55.9	\$ 52.3
Related parties	0.1	0.1
Prepayments and accrued income	7.9	5.7
Derivative financial instruments	0.9	0.4
Other receivables	10.4	1.4
Total accounts and other receivables	\$ 75.2	\$ 59.9
Inventories		
Raw materials and supplies	\$ 34.7	\$ 34.7
Work-in-process	28.1	34.8
Finished goods	30.7	26.4
Total inventories	\$ 93.5	\$ 95.9
Other current assets		
Income tax receivable	1.5	1.5
Total other current assets	\$ 1.5	\$ 1.5
Property, plant and equipment, net		
Land, buildings and leasehold improvements	\$ 53.7	\$ 51.0
Machinery and equipment	244.8	234.9
Construction in progress	12.7	13.6
Total property, plant and equipment	311.2	299.5
Accumulated depreciation and impairment	(245.5)	(235.7)
Total property, plant and equipment, net	\$ 65.7	\$ 63.8
Current maturities of long-term debt and short-term borrowings		
Overdrafts	3.7	4.6
Total current maturities of long-term debt and short-term borrowings	\$ 3.7	\$ 4.6
Other current liabilities		
Restructuring provision	\$ 3.2	\$ 3.3
Short term provision	0.1	0.1
Derivative financial instruments	—	—
Operating lease liability	4.6	4.7
Advance payments	2.0	0.8
Total other current liabilities	\$ 9.9	\$ 8.9
Other non-current liabilities		
Contingent liabilities	\$ 1.8	\$ 1.6
Operating lease liability	11.5	15.0
Other non-current liabilities	0.1	0.2
Total other non-current liabilities	\$ 13.4	\$ 16.8

9. Goodwill and other identifiable intangible assets

Changes in goodwill during the first nine months ended September 29, 2024, were as follows:

<i>In millions</i>	Gas Cylinders	Elektron	Total
At January 1, 2024	\$ 26.2	\$ 41.3	\$ 67.5
Exchange difference	1.2	0.8	2.0
Net balance at September 29, 2024	<u>\$ 27.4</u>	<u>\$ 42.1</u>	<u>\$ 69.5</u>

Accumulated goodwill impairment losses in relation to continuing activities were \$8.0 million as of September 29, 2024 and December 31, 2023.

Identifiable intangible assets consisted of the following:

<i>In millions</i>	Customer relationships	Technology and trading related	Total
Cost:			
At January 1, 2024	\$ 15.2	\$ 7.8	\$ 23.0
Additions	0.4	—	0.4
Exchange movements	—	0.3	0.3
At September 29, 2024	<u>\$ 15.6</u>	<u>\$ 8.1</u>	<u>\$ 23.7</u>
Accumulated amortization:			
At January 1, 2024	\$ 6.6	\$ 4.4	\$ 11.0
Charge	0.3	0.3	0.6
Exchange movements	—	0.2	0.2
At September 29, 2024	<u>\$ 6.9</u>	<u>\$ 4.9</u>	<u>\$ 11.8</u>
Net book values:			
At January 1, 2024	\$ 8.6	\$ 3.4	\$ 12.0
At September 29, 2024	<u>\$ 8.7</u>	<u>\$ 3.2</u>	<u>\$ 11.9</u>

Identifiable intangible asset amortization expense was \$0.6 million and \$0.6 million for the first nine months of 2024 and 2023 respectively.

Intangible asset amortization expense during each of the following five years is expected to be approximately \$0.8 million per year.

10. Debt

Debt outstanding was as follows:

<i>In millions</i>	September 29, 2024	December 31, 2023
4.94% Loan Notes due 2026	\$ 25.0	\$ 25.0
Revolving credit facility	41.1	43.1
Bank overdraft	3.7	4.6
Unamortized debt issuance costs	(0.3)	(0.5)
Total debt	<u>69.5</u>	<u>72.2</u>
Less current portion	(3.7)	(4.6)
Non-current debt	<u>\$ 65.8</u>	<u>\$ 67.6</u>

The weighted-average interest rate on the revolving credit facility was 7.80% for first nine months of the year and 7.70% for the full-year 2023.

10. Debt (continued)

Loan notes due and shelf facility

The Note Purchase Agreement and Private Shelf Agreement requires us to maintain compliance with a minimum interest coverage ratio and a leverage ratio. We have been in compliance with the covenants under the Note Purchase and Private Shelf Agreement throughout all of the quarterly measurement dates from and including September 30, 2014, to September 29, 2024.

The Loan Notes due 2026, the Shelf Facility and the Note Purchase and Private Shelf Agreement are governed by the law of the State of New York.

Senior Facilities Agreement

During the first nine months of 2024, we repaid net \$2.9 million on the Revolving Credit Facility and the balance outstanding at September 29, 2024, was \$41.1 million, and at December 31, 2023, was \$43.1 million, with \$83.9 million undrawn at September 29, 2024.

We have been in compliance with the covenants under the Senior Facilities Agreement throughout all of the quarterly measurement dates from and including September 30, 2011 to September 29, 2024.

Bank Overdraft

The bank overdraft is an uncommitted facility with no expiration date, this is reviewed annually and can be cancelled by either the bank or the Company on demand.

11. Discontinued Operations

Our Superform aluminum superplastic forming business operating in the U.S. was historically included in the Gas Cylinders segment. As a result of our decision to exit non-strategic aluminum product lines, we have reflected the results of operations of this business as discontinued operations in the Condensed Consolidated Statements of Income for all periods presented. We expect the sale of our Superform business to occur in the next twelve months.

The assets and liabilities of the Superform business have been presented within assets held-for-sale and liabilities held-for-sale in the consolidated balance sheets for 2024 and 2023.

Results of discontinued operations in the third quarter and first nine months of 2024 and 2023 were as follows:

<i>In millions</i>	Third Quarter		Year-to-date	
	2024	2023	2024	2023
Net sales	\$ 1.6	\$ 1.9	\$ 4.7	\$ 6.1
Cost of goods sold	(1.1)	(1.4)	(3.6)	(5.0)
Gross profit	0.5	0.5	1.1	1.1
Selling, general and administrative expenses	(0.3)	(0.3)	(1.1)	(1.0)
Restructuring charge	—	0.1	(0.1)	(0.1)
Operating income / (loss)	0.2	0.3	(0.1)	—
Tax (charge) / credit	(0.1)	(0.1)	—	—
Net income / (loss)	\$ 0.1	\$ 0.2	\$ (0.1)	\$ —

11. Discontinued Operations (continued)

The assets and liabilities classified as held-for-sale related to discontinued operations were as follows:

Held-for-sale assets	September 29,	December 31,
<i>In millions</i>	2024	2023
Inventory	\$ 4.1	\$ 3.3
Accounts and other receivables	2.1	2.3
Current assets	6.2	5.6
Right-of-use-assets	1.6	2.1
Held-for-sale assets	\$ 7.8	\$ 7.7
Held-for-sale liabilities		
Accounts payable	\$ 0.7	\$ 0.9
Accrued liabilities	0.4	0.4
Other liabilities	2.2	2.6
Held-for-sale liabilities	\$ 3.3	\$ 3.9

There was \$0.1m and \$0.2m of capital expenditure in the third quarter and first nine months of 2024 respectively (2023: none), there was no depreciation and amortization or any other significant non-cash items.

12. Held-for-sale assets and liabilities

The total assets and liabilities classified as held-for-sale, including those that qualify as discontinued operations are as follows:

Held-for-sale assets	September 29,	December 31,
<i>In millions</i>	2024	2023
Inventory	\$ 12.1	\$ 3.3
Accounts and other receivables	8.2	2.3
Current assets	20.3	5.6
Property, plant and equipment	0.2	1.2
Right-of-use-assets	1.6	2.1
Non-current assets	1.8	3.3
Total held-for-sale assets	\$ 22.1	\$ 8.9
Held-for-sale liabilities		
Accounts payable	2.1	0.9
Accrued liabilities	1.8	0.4
Other liabilities	3.3	2.6
Held-for-sale liabilities	\$ 7.2	\$ 3.9

As a result of the Company's strategic review process announced in October 2023, the Company concluded that its Graphic Arts business no longer aligns with the Company's overall business and value proposition. In 2024, the Company initiated a sale process for its Graphic Arts business with the intention of divesting this business in 2024.

In the first nine months of 2024, the company recognized a \$7.5 million loss on held-for-sale asset group recognized in continuing operations, relating to our Graphic Arts segment to reflect the fair value of Graphic Arts. A \$1.4 million accrual, also recognized within acquisition and disposal related costs in the Income Statement, has been recognized for expected costs in relation to professional fees in relation to the planned divestiture of the Graphic Arts segment.

In accordance with ASC 205-20 and ASC 360-10, our Graphic Arts business is classified as held-for-sale at September 29, 2024, however the business does not meet the criteria to be classified as a discontinued operation.

12. Held-for-sale assets and liabilities (continued)

In the third quarter and first nine months of 2024, the Company recognized a \$6.1m gain on disposal of assets in relation to the sale of previously disclosed held-for-sale land and buildings in our Elektron division, net consideration of \$7.3 million was received in the fourth quarter of 2024.

13. Share Plans

Total share-based compensation expense for the quarters ended September 29, 2024, and October 1, 2023, was as follows:

<i>In millions</i>	Third Quarter		Year-to-date	
	2024	2023	2024	2023
Total share-based compensation charges	\$ 0.7	\$ 0.7	\$ 2.1	\$ 2.0

In March 2024, we issued our annual share-based compensation grants under the Luxfer Holdings PLC Long-Term Umbrella Incentive Plan. The total number of awards issued was approximately 155,000 and the weighted average fair value of options granted in 2024 was estimated to be \$10.44 per share.

In June 2024, we issued our annual share-based compensation grants under the Luxfer Holdings PLC Non-Executive Directors' Equity Incentive Plan. The total number of awards issued was 47,012 and the weighted-average fair value of options granted was estimated to be \$10.53 per share.

The following table illustrates the assumptions used in deriving the fair value of share options granted during 2024 and the year-ended December 31, 2023:

	2024	2023
Dividend yield (%)	3.15 - 3.32	3.15 - 3.32
Expected volatility range (%)	31.54 - 43.49	31.54 - 43.49
Risk-free interest rate (%)	3.67 - 5.16	3.67 - 5.16
Expected life of share options range (years)	1.00 - 4.00	1.00 - 4.00
Forfeiture rate (%)	5.00	5.00
Weighted average exercise price (\$)	\$1.00	\$1.00
Model used	Black-Scholes & Monte-Carlo	Black-Scholes & Monte-Carlo

The expected life of the share options is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

14. Shareholders' Equity

Dividends paid and proposed

<i>In millions</i>	Third Quarter		Year-to-date	
	2024	2023	2024	2023
Dividends declared and paid / accrued during the year:				
Interim dividend declared January 3, 2023 and paid February 1, 2023 (\$0.130 per ordinary share)	\$ —	\$ —	\$ —	\$ 3.5
Interim dividend declared April 3, 2023 and paid May 3, 2023 (\$0.130 per ordinary share)	—	—	—	3.5
Interim dividend declared June 29, 2023 and paid August 2, 2023 (\$0.130 per ordinary share)	—	—	—	3.5
Interim dividend declared September 25, 2023 and paid November 1, 2023 (\$0.130 per ordinary share)	—	3.5	—	3.5
Interim dividend declared January 19, 2024 and paid February 7, 2024 (\$0.130 per ordinary share)	—	—	3.5	—
Interim dividend declared April 9, 2024 and paid May 8, 2024 (\$0.130 per ordinary share)	—	—	3.5	—
Interim dividend declared July 8, 2024 and paid August 7, 2024 (\$0.130 per ordinary share)	3.5	—	3.5	—
	<u>\$ 3.5</u>	<u>\$ 3.5</u>	<u>\$ 10.5</u>	<u>\$ 14.0</u>
<i>In millions</i>			2024	2023
Dividends declared and paid after the quarter end (not recognized as a liability at the quarter end):				
Interim dividend declared October 4, 2024 and to be paid November 6, 2024 (\$0.130 per ordinary share)			\$ 3.5	\$ —
			<u>\$ 3.5</u>	<u>\$ —</u>

15. Segmental Information

We classify our operations into business segments, based primarily on shared economic characteristics for the nature of the products and services; the nature of the production processes; the type or class of customer for their products and services; the methods used to distribute their products or provide their services; and the nature of the regulatory environment. The Company has five identified business units, which aggregate into three reportable segments within continuing operations, and one within discontinued operations. Luxfer Gas Cylinders forms the Gas Cylinders segment, and Luxfer MEL Technologies and Luxfer Magtech aggregate into the Elektron segment. As of December 31, 2023, it was determined that the Luxfer Graphic Arts reporting segment no longer met the criteria, specifically, similar economic characteristics, to be aggregated within the Elektron segment for 2023. As a result, Luxfer Graphic Arts has been disaggregated from the Elektron segment and is being reported separately as the Graphic Arts segment. The Elektron segment's results for 2023 have been adjusted to exclude Graphic Arts' results. Our Superform business unit used to aggregate into the Gas Cylinders segment but is now recognized within discontinued operations. A summary of the operations of the segments within continuing operations is provided below:

Gas Cylinders segment

Our Gas Cylinders segment manufactures and markets specialized highly-engineered cylinders, using composites and aluminum alloys, including pressurized cylinders for use in various applications including self-contained breathing apparatus ('SCBA') for firefighters, containment of oxygen and other medical gases for healthcare, alternative fuel ('AF') vehicles, and general industrial applications.

Elektron segment

Our Elektron segment focuses on specialty materials based primarily on magnesium and zirconium, with key product lines including advanced lightweight magnesium alloys with a variety of uses across a variety of industries; magnesium powders for use in countermeasure flares, as well as heater meals; and high-performance zirconium-based materials and oxides used as catalysts and in the manufacture of advanced ceramics, fiber-optic fuel cells, and many other performance products.

Graphic Arts segment

Our Graphic Arts segment provides a full range of pre-sensitized magnesium, copper and zinc plates, along with associated chemicals, for the production of foil-stamping and embossing dies. In addition, non-sensitized polished brass and magnesium plates are also manufactured for computer numerical control ('CNC') engraving. The segment also advises on turnkey engraving operations, complete with etching machines, computer-to-plate ('CtP') machines, exposure units and film setters.

Other

Other, as used below, primarily represents unallocated corporate expense and includes non-service related defined benefit pension credit / charge.

Management monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated by the chief operating decision maker, the CEO, who is responsible for allocating resources and assessing performance of the operating segments, using adjusted EBITA⁽¹⁾ and adjusted EBITDA, which is defined as segment income, and is based on operating income adjusted for share-based compensation charges; restructuring charges; loss on disposal of property, plant and equipment; gain on disposal of held for sale assets; acquisitions and disposals costs; and depreciation and amortization.

Unallocated assets and liabilities include those which are held on behalf of the Company and cannot be allocated to a segment, such as taxation, investments, cash, retirement benefits obligations, bank and other loans and holding company assets and liabilities.

Financial information by reportable segment for the Third Quarter and first half ended September 29, 2024, and October 1, 2023, is included in the following summary:

	Net sales				Adjusted EBITDA			
	Third Quarter		Year-to-date		Third Quarter		Year-to-date	
<i>In millions</i>	2024	2023	2024	2023	2024	2023	2024	2023
Gas Cylinders segment	\$ 42.6	\$ 44.7	\$ 137.8	\$ 134.7	\$ 4.6	\$ 2.8	\$ 13.6	\$ 10.2
Elektron segment	48.8	45.6	128.5	151.0	10.8	6.0	29.6	25.0
Graphic Arts segment	8.0	7.1	22.2	23.4	(0.1)	(2.8)	(1.7)	(3.5)
Consolidated	\$ 99.4	\$ 97.4	\$ 288.5	\$ 309.1	\$ 15.3	\$ 6.0	\$ 41.5	\$ 31.7

⁽¹⁾ Adjusted EBITA is adjusted EBITDA less depreciation and loss on disposal of property, plant and equipment.

15. Segmental Information (continued)

<i>In millions</i>	Depreciation and amortization				Restructuring charges			
	Third Quarter		Year-to-date		Third Quarter		Year-to-date	
	2024	2023	2024	2023	2024	2023	2024	2023
Gas Cylinders segment	\$ 0.9	\$ 1.1	\$ 2.6	\$ 3.2	\$ 0.5	\$ 1.4	\$ 2.1	\$ 4.2
Elektron segment	1.7	1.6	4.9	5.1	—	0.2	0.2	0.2
Graphic Arts segment	—	0.5	—	1.5	—	—	—	—
Consolidated	\$ 2.6	\$ 3.2	\$ 7.5	\$ 9.8	\$ 0.5	\$ 1.6	\$ 2.3	\$ 4.4

<i>In millions</i>	Total assets		Capital expenditures			
	September 29,	December 31,	Third Quarter		Year-to-date	
	2024	2023	2024	2023	2024	2023
Gas Cylinders segment	\$ 139.0	\$ 131.0	\$ 1.1	\$ 0.8	\$ 3.2	\$ 1.4
Elektron segment	183.8	162.4	1.8	1.6	3.9	5.5
Graphic Arts segment	14.3	19.6	0.1	0.1	0.2	0.6
Total reportable segments	337.1	313.0	3.0	2.5	7.3	7.5
Other	59.9	51.3	—	—	—	—
Discontinued operations	7.8	7.8	—	—	—	0.1
Consolidated	\$ 404.8	\$ 372.1	\$ 3.0	\$ 2.5	\$ 7.3	\$ 7.6

<i>In millions</i>	Property, plant and equipment, net	
	September 29,	December 31,
	2024	2023
U.S.	\$ 27.1	\$ 26.8
United Kingdom	34.4	32.8
Canada	2.9	2.9
Rest of Europe	1.0	1.0
Asia Pacific	0.3	0.3
	\$ 65.7	\$ 63.8

The following table presents a reconciliation of Adjusted EBITDA to net income before income taxes, from continuing operations:

<i>In millions</i>	Third Quarter		Year-to-date	
	2024	2023	2024	2023
Adjusted EBITDA	\$ 15.3	\$ 6.0	\$ 41.5	\$ 31.7
Other share-based compensation charges	(0.7)	(0.7)	(2.1)	(2.0)
Gain on disposal of held for sale assets	6.1	—	6.1	—
Depreciation and amortization	(2.6)	(3.2)	(7.5)	(9.8)
Loss on disposal of property, plant and equipment	(0.1)	—	(0.1)	—
Restructuring charges	(0.5)	(1.6)	(2.3)	(4.4)
Acquisition and disposal related costs	(0.1)	—	(9.5)	—
Defined benefits pension credit / (charge)	0.3	0.3	0.8	(8.0)
Interest expense, net	(1.4)	(1.6)	(4.1)	(4.7)
Net income before income taxes from continuing operations	\$ 16.3	\$ (0.8)	\$ 22.8	\$ 2.8

15. Segmental Information (continued)

The following tables present certain geographic information by geographic region for the Third Quarter ended September 29, 2024, and October 1, 2023:

	Net Sales ⁽¹⁾							
	Third Quarter				Year-to-date			
	2024		2023		2024		2023	
	\$M	Percent	\$M	Percent	\$M	Percent	\$M	Percent
United States	\$ 57.7	58.1 %	\$ 59.0	60.7 %	\$ 168.2	58.3 %	\$ 184.5	59.7 %
Germany	5.8	5.8 %	4.7	4.8 %	18.4	6.4 %	14.8	4.8 %
United Kingdom	7.4	7.4 %	4.3	4.4 %	18.0	6.2 %	15.1	4.9 %
Japan	5.7	5.7 %	5.1	5.2 %	14.7	5.1 %	15.9	5.1 %
Canada	2.8	2.8 %	3.3	3.4 %	9.3	3.2 %	8.5	2.7 %
Top five countries	79.4	79.8 %	76.4	78.5 %	228.6	79.2 %	238.8	77.2 %
Rest of Europe	12.1	12.3 %	10.8	11.1 %	36.5	12.7 %	35.5	11.5 %
Asia Pacific	5.8	5.8 %	4.9	5.0 %	16.1	5.6 %	22.2	7.2 %
Other ⁽²⁾	2.1	2.1 %	5.3	5.4 %	7.3	2.5 %	12.6	4.1 %
	\$ 99.4		\$ 97.4		\$ 288.5		\$ 309.1	

(1) Net sales are based on the geographic destination of sale.

(2) Other includes South America, Latin America and Africa.

16. Commitments and Contingencies

Committed and uncommitted banking facilities

The Company had committed banking facilities of \$125.0 million at September 29, 2024 and December 31, 2023. Of these committed facilities, \$41.1 million was drawn at September 29, 2024 and \$43.1 million at December 31, 2023. The Company also had an additional \$25.0 million of uncommitted facilities through an accordion provision at September 29, 2024 and December 31, 2023.

	Uncommitted Facilities			
	September 29, 2024		December 31, 2023	
	Facility	Drawn	Facility	Drawn
Bond and Guarantees	\$ 0.7	\$ 0.2	\$ 0.6	\$ 0.2
Letters of Credit	\$ 4.0	\$ 2.8	\$ 4.0	\$ 2.2
Overdraft	\$ 8.0	\$ 3.7	\$ 7.8	\$ 4.6
	\$ 12.7	\$ 6.7	\$ 12.4	\$ 7.0

Contingencies

In November 2018, an alleged explosion occurred at a third-party waste disposal and treatment site in Grand View, Idaho, reportedly causing property damage, personal injury, and one fatality. The Company had contracted with a service company for removal and disposal of certain waste resulting from the magnesium powder manufacturing operations at the Reade facility in Manchester, New Jersey. The Company believes this service company, in turn, contracted with the third-party disposal company, at whose facility the explosion occurred, for treatment and disposal of the waste. In November 2020, we were named as a defendant in three lawsuits in relation to the incident – one by the third-party disposal company, one by the estate of the decedent, and one by an injured employee of the third-party disposal company. The three lawsuits were administratively consolidated and, to date, two lawsuits remain ongoing. The Company believes that we are not liable for the incident, have asserted such, and, in conjunction with our insurers, continue to fully defend the Company against these lawsuits. Therefore, we do not currently expect any eventual outcome in these matters to have a material impact on the Company's financial position or results of operations.

In December 2023, it was established that any potential liability arising from the lawsuits and reasonable defense costs related to the previously disclosed US Ecology case are covered by insurance. The Company recognized \$1.9 million and \$7.2 million in the third quarter and first nine months, respectively, of 2024, in relation to these costs previously incurred by the Company. \$5.3 million cash has been received in the first nine months of 2024 with a further \$1.9 million accrued at September 2024.

17. Pension Settlement

In the first quarter of 2023, there was a \$9.2 million charge in relation to the sale of the U.S. pension plan liability to an insurer, which included \$2.3 million cash and \$6.9 million in relation to the derecognition of the U.S. pension liability and reallocation of accumulated actuarial losses from other comprehensive income. This was partially offset by a \$0.3 million defined benefit credit on the U.K. pension plan.

There was also a \$0.3 million and \$0.8 million defined benefit credit on the U.K pension plan for the third quarter and first nine months of 2024 respectively, consistent with the \$0.3 million and \$1.0 million for the third quarter and first nine months of 2023.

18. Subsequent Events

Other than those disclosed elsewhere in the note to the financial statements, no material subsequent events to report.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Information regarding forward-looking statements

This Interim Report on Form 10-Q contains certain statements, statistics and projections that are, or may be, forward-looking. These forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors that could cause our actual results of operations, financial condition, liquidity, performance, prospects, opportunities, achievements or industry results, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. The accuracy and completeness of all such statements, including, without limitation, statements regarding our future financial position, strategy, plans and objectives for the management of future operations, is not warranted or guaranteed. These statements typically contain words such as "believes," "intends," "expects," "anticipates," "estimates," "may," "will," "should" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Although we believe that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, factors identified in "Business," "Risk factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," or elsewhere in this Interim Report, as well as:

- 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;
- worldwide economic and business conditions and conditions in the industries in which we operate;
- our ability to execute a turnaround plan in our Graphic Arts business to safeguard revenues and reduce costs;
- post-pandemic impact of COVID-19 and future pandemics;
- fluctuations in the cost and / or availability of raw materials, labor and energy, as well as our ability to pass on cost increases to customers;
- currency fluctuations and other financial risks;
- our ability to protect our intellectual property;
- the amount of indebtedness we have incurred and may incur, and the obligations to service such indebtedness and to comply with the covenants contained therein;
- relationships with our customers and suppliers;
- increased competition from other companies in the industries in which we operate;
- changing technology;
- our ability to execute and integrate new acquisitions;
- claims for personal injury, death or property damage arising from the use of products produced by us;
- the occurrence of accidents or other interruptions to our production processes;
- changes in our business strategy or development plans, and our expected level of capital expenditure;
- our ability to attract and retain qualified personnel;
- restrictions on the ability of Luxfer Holdings PLC to receive dividends or loans from certain of its subsidiaries;
- climate change regulations and the potential impact on energy costs;
- regulatory, environmental, legislative and judicial developments; and
- our intention to pay dividends.

Please read the sections "Business" and "Risk factors" included within the 2023 Annual Report on Form 10-K and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Risk factors" of this Interim Report on Form 10-Q for a more complete discussion of the factors that could affect our performance and the industries in which we operate, as well as those discussed in other documents we file or furnish with the SEC.

About Luxfer

Luxfer Holdings PLC ("Luxfer," "the Company," "we," "our") is a global industrial company innovating niche applications in materials engineering. Luxfer focuses on value creation by using its broad array of technical know-how and proprietary technologies to help create a safe, clean and energy-efficient world. Luxfer's high performance materials, components and high-pressure gas containment devices are used in defense, first response and healthcare, transportation and general industrial applications.

Luxfer is a global industrial company innovating niche applications in materials engineering. Luxfer focuses on value creation by using its broad array of technical know-how and proprietary technologies to help create a safe, clean and energy-efficient world. Luxfer's high-performance materials, components and high-pressure gas containment devices are used in defense, first response and healthcare, transportation and general industrial applications.

Key trends and uncertainties regarding our existing business

Uncertainty of demand in certain end-markets

Macro-economic conditions have continued to impact our general industrial end-market with demand softening for our products across all segments. We have also experienced variability of demand for certain products in our defense, first response & healthcare end-market, particularly defense applications, including countermeasure flares and flameless ration heaters, although we have seen the former improve in the third quarter. We have been able to navigate these challenges through productivity and cost management initiatives resulting in improved margins. Legal recoveries and inventory management contributed to solid cash conversion and reduced net debt levels.

While the outlook remains uncertain there are some signs of recovery within the industrial and defense end-markets within our Elektron segment, which we are well-placed to capitalize on.

Operating objectives and trends

In 2024, we expect the following operating objectives and trends to impact our business:

- Addressing continuing general macro uncertainty and building resilience into the outlook;
- Ongoing focus on cost control, new product launches and productivity improvements across the business, driving margin improvement;
- Execution of actions identified upon completion of the previously announced expanded and accelerated strategic review, including the divestiture of Graphic Arts;
- Execution of selected capital investment projects, especially those related to clean energy, to support our strategy of profitable growth while maintaining our infrastructure;
- Continued emphasis on operating cash generation and maintaining strong working capital performance;
- Further improvements in ESG standing through focus on sustainability and on our values of teamworking and accountability; and
- Focus on recruiting, developing and maintaining talent, including our new leadership development programs, while driving a high-performance culture.

CONSOLIDATED RESULTS OF OPERATIONS

The consolidated results of operations for the third quarter of 2024 and 2023 of Luxfer were as follows:

<i>In millions</i>	Third Quarter		% / point change
	2024	2023	2024 v 2023
Net sales	\$ 99.4	\$ 97.4	2.1 %
Cost of goods sold	(77.0)	(82.8)	(7.0)%
Gross profit	\$ 22.4	\$ 14.6	53.4 %
<i>% of net sales</i>	22.5 %	15.0 %	7.5
Selling, general and administrative expenses	(11.4)	(11.3)	0.9 %
<i>% of net sales</i>	11.5 %	11.6 %	(0.1)
Research and development	(1.0)	(1.2)	(16.7)%
<i>% of net sales</i>	1.0 %	1.2 %	(0.2)
Restructuring charges	(0.5)	(1.6)	(68.8)%
<i>% of net sales</i>	0.5 %	1.6 %	(1.1)
Acquisition and disposal related costs	(0.1)	—	n/a
<i>% of net sales</i>	0.1 %	— %	0.1
Gain on disposal of assets held for sale	6.1	—	n/a
<i>% of net sales</i>	(6.1)%	— %	(6.1)
Other income	1.9	—	n/a
<i>% of net sales</i>	(1.9)%	— %	(1.9)
Operating income	\$ 17.4	\$ 0.5	3380.0 %
<i>% of net sales</i>	17.5 %	0.5 %	17.0
Net interest expense	(1.4)	(1.6)	(12.5)%
<i>% of net sales</i>	1.4 %	1.6 %	(0.2)
Defined benefit pension credit	0.3	0.3	— %
<i>% of net sales</i>	0.3 %	0.3 %	—
Income / (loss) before income taxes	\$ 16.3	\$ (0.8)	n/a
<i>% of net sales</i>	16.4 %	(0.8)%	17.2
Provision for income taxes	(3.7)	(0.7)	428.6 %
<i>Effective tax rate</i>	22.7 %	(87.5)%	110.2
Net income / (loss) from continuing activities	\$ 12.6	\$ (1.5)	n/a
<i>% of net sales</i>	12.7 %	(1.5)%	14.2

The consolidated results of operations for the first nine months of 2024 and 2023 of Luxfer were as follows:

<i>In millions</i>	Year-to-date		% / point change
	2024	2023	2024 v 2023
Net sales	\$ 288.5	\$ 309.1	(6.7)%
Cost of goods sold	(225.7)	(249.2)	(9.4)%
Gross profit	62.8	59.9	4.8 %
<i>% of net sales</i>	21.8 %	19.4 %	2.4
Selling, general and administrative expenses	(34.9)	(36.6)	(4.6)%
<i>% of net sales</i>	12.1 %	11.8 %	0.3
Research and development	(3.3)	(3.4)	(2.9)%
<i>% of net sales</i>	1.1 %	1.1 %	—
Restructuring charges	(2.3)	(4.4)	(47.7)%
<i>% of net sales</i>	0.8 %	1.4 %	(0.6)
Acquisition and disposal related costs	(9.5)	—	n/a
<i>% of net sales</i>	3.3 %	— %	3.3
Gain on disposal of assets held for sale	6.1	—	n/a
<i>% of net sales</i>	(2.1)%	— %	(2.1)
Other income	7.2	—	n/a
<i>% of net sales</i>	(2.5)%	— %	(2.5)
Operating income	\$ 26.1	\$ 15.5	68.4 %
<i>% of net sales</i>	9.0 %	5.0 %	4.0
Net interest expense	(4.1)	(4.7)	(12.8)%
<i>% of net sales</i>	1.4 %	1.5 %	(0.1)
Defined benefit pension credit / (charge)	0.8	(8.0)	n/a
<i>% of net sales</i>	0.3 %	(2.6)%	2.9
Income from continuing operations	\$ 22.8	\$ 2.8	714.3 %
<i>% of net sales</i>	7.9 %	0.9 %	7.0
(Provision) / credit for income taxes	(7.8)	1.1	n/a
<i>Effective tax rate</i>	34.2 %	(39.3)%	73.5
Net income from continuing operations	\$ 15.0	\$ 3.9	284.6 %
<i>% of net sales</i>	5.2 %	1.3 %	3.9

Net sales

Adjusting for a foreign exchange tailwind of \$1.8 million and \$2.2 million in the third quarter and first nine months of 2024, respectively, net sales have increased by 0.2% and decreased 7.4% respectively.

Revenue for the quarter was positively impacted by:

- Elevated sales of magnesium powders, especially those used in military applications, including countermeasure flares;
- Increased sales of MRE and chemical response kits in our Magtech division;
- Strong sales of magnesium alloys, particularly those used in aerospace and automotive applications; and
- Improved sales of both medical and industrial gas cylinders.

These increases were partially offset by:

- Significant decrease in demand for zirconium products, particularly those used in auto-catalyst products, as well as those used by our industrial end-markets; and
- Lower sales for our AF cylinders, off the back of strong comparative performance, coupled with weaker demand for our SCBA cylinders.

Further to the above, the first nine months of the year were also affected by;

- Strong demand for SCBA cylinders in the first half of the year; and
- Offset by significant reductions in chemical response kit and magnesium powders' sales in the first six months of the year.

Gross profit

The 7.5 and 2.4 percentage point increase in gross profit as a percentage of sales in the third quarter and first nine months of 2024 from 2023 was primarily the result of contract renegotiation and manufacturing efficiencies having a positive impact on margins within the Gas Cylinders and Elektron Divisions respectively. This has been partially offset by adverse volume and mix.

Selling, general and administrative expenses ("SG&A")

SG&A costs as a percentage of sales in 2024 from 2023 has increased by 0.1 percentage points and 0.3 percentage points in the quarter and first nine months respectively. This is primarily the result of movement in variable management compensation in 2024 compared to 2023. SG&A costs in 2023 included \$2.2 million and \$4.5 million, respectively, in legal fees which did not re-occur in 2024, these predominantly related to the case described in Note 16 - Commitments and Contingencies.

Research and development costs

Research and development costs as a percentage of sales reduced by 0.2 percentage points in the third quarter although remained flat for first nine months of 2024 respectively. The slight reduction in the third quarter is a result of timing of research and development spend.

Restructuring charges

The \$0.5 million and \$2.3 million restructuring charge in the third quarter and first nine months respectively of 2024 predominantly relates to the execution of cost savings initiatives affecting our North American Gas Cylinders business. This amounted to \$0.4 million and \$1.4 million in the third quarter and first nine months of the year respectively. There was a further \$0.1 million and \$0.7 million in the third quarter and first nine months of the year primarily relating to site clean-up costs associated with the closure of Luxfer Gas Cylinders France, which ceased operations in 2019. Additionally, there were clean-up costs of \$0.2 million in the first nine months of the year within our Elektron Division relating to the consolidation of production facilities in the Magnesium Powders operations.

The \$1.6 million and \$4.4 million restructuring charge in the third quarter and first nine months of 2023 relates predominantly to asset impairments in relation to rationalization of our North American Gas Cylinders businesses to reduce our fixed cost base. This amounted to \$0.3 million in the third quarter and \$2.6 million in the first nine months of the year respectively. There was an additional \$0.9 million and \$1.3 million of other expenses in the third quarter and first nine months of the year in relation to the aforementioned rationalization.

Acquisition and disposal related costs

Acquisition and disposal related costs of \$0.1 million and \$9.5 million in the third quarter and first nine months respectively of 2024 were incurred in relation to the divestiture of our Graphic Arts segment. \$7.5 million represents a loss on held-for-sale asset group, recognized in the first half of 2024 and \$0.1 million and \$2.0 million respectively, represents professional fees. No acquisition and disposal related costs were incurred during 2023.

Other Income

Other Income of \$1.9 million and \$7.2 million in the third quarter and first nine months of 2024 relate to the recovery of legal costs from our insurer related to the previously disclosed US Ecology case.

Gain on Disposal of assets held for sale

The \$6.1 million gain on disposal recognized in the third quarter and first nine months respectively of 2024 were in relation to the sale of previously disclosed held-for-sale land and buildings in our Elektron division. Net consideration of \$7.3 million was received in the fourth quarter of 2024.

Net Interest Expense

Net interest expense of \$1.4 million in the Third Quarter of 2024 decreased 12.5% from \$1.6 million in the Third Quarter of 2023, due to a decrease in drawings and average lower interest rates. Interest expense of \$4.1 million in the first nine months of 2024 was also lower than the \$4.7 million in the first nine months of 2023.

Defined benefit pension credit

There was a defined benefit credit of \$0.3 million and \$0.8 million in the third quarter and first nine months respectively for the U.K. plan, consistent with 2023. 2023 was also impacted by the sale of the U.S. pension plan liability to an insurer, which included \$2.3 million cash and \$6.9 million in relation to the derecognition of the U.S. pension liability and reallocation of accumulated actuarial losses from other comprehensive income. In the second quarter of 2023, we received a \$0.2 million contribution refund, resulting in a net cash outflow of \$2.1 million and a half year charge of \$9.0 million.

Provision for income taxes

The movement in the year to date statutory effective tax rate from negative 39.3% in 2023, to positive 34.2% in 2024, was primarily due to non-deductible expenses and deferred tax credit, predominantly in relation to the previously mentioned pension buy-out and impairment charges. When stripping out the impact of this, as well as other less significant adjusting items, the adjusted effective tax rate has increased to 23.4% in 2024 from 21.9% in 2023, largely as a result of the statutory tax rate increase in the U.K. from 19% to 25%, which came into effect in April 2023.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP MEASURES

The following tables of non-GAAP summary financial data presents a reconciliation of net income from continuing operations and diluted earnings per ordinary share from continuing operations to adjusted net income from continuing operations, adjusted EBITA from continuing operations, adjusted income from continuing operations before income taxes, adjusted EBITDA from continuing operations, adjusted earnings per ordinary share from continuing operations, adjusted provision for income taxes and adjusted effective tax rate from continuing operations, for the periods presented, being the most comparable GAAP measures. Management believes that adjusted net income, adjusted earnings per share, adjusted EBITA and adjusted EBITDA are key performance indicators ("KPIs") used by the investment community and that such presentation will enhance an investor's understanding of the Company's operational results. In addition, Luxfer's CEO and other senior management use these KPIs, among others, to evaluate business performance. However, investors should not consider adjusted net income from continuing operations, adjusted earnings per share from continuing operations, adjusted EBITA from continuing operations and adjusted EBITDA from continuing operations in isolation as an alternative to net income and earnings per share when evaluating Luxfer's operating performance or measuring Luxfer's profitability. In 2024, the Company initiated a process to divest the Graphic Arts business. While Graphic Arts does not meet the 'strategic shift' criteria outlined in ASC 205-20 for it to be classified as a discontinued operation, we believe that given the expectation that divestiture will be completed in the current year, it is appropriate in the the tables below to separate out the results of Graphic Arts in order to provide a more complete financial summary for the period.

<i>In millions except per share data</i>	Third Quarter					
	2024			2023		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Net income / (loss)	\$ 12.6	\$ —	\$ 12.6	\$ (1.5)	(2.6)	\$ 1.1
Accounting charges relating to acquisitions and disposals of businesses:						
Amortization on acquired intangibles	0.2	—	0.2	0.2	—	0.2
Acquisition and disposal related charge	0.1	0.1	—	—	—	—
Defined benefit pension credit	(0.3)	—	(0.3)	(0.3)	—	(0.3)
Restructuring charge	0.5	—	0.5	1.6	—	1.6
Gain on disposal of assets held-for-sale assets	(6.1)	—	(6.1)	—	—	—
Share-based compensation charge	0.7	0.1	0.6	0.7	—	0.7
Income tax on adjusted items	1.1	—	1.1	0.4	—	0.4
Adjusted net income / (loss)	\$ 8.8	\$ 0.2	\$ 8.6	\$ 1.1	\$ (2.6)	\$ 3.7
Adjusted earnings / (loss) per ordinary share ⁽¹⁾						
Diluted earnings / (loss) per ordinary share	\$ 0.47	\$ —	\$ 0.47	\$ (0.06)	\$ (0.10)	\$ 0.04
Impact of adjusted items	(0.14)	0.01	(0.15)	0.10	—	0.10
Adjusted diluted earnings / (loss) per ordinary share	\$ 0.33	\$ 0.01	\$ 0.32	\$ 0.04	\$ (0.10)	\$ 0.14

<i>In millions except per share data</i>	Year-to-date					
	2024			2023		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Net income / (loss)	\$ 15.0	\$ (10.6)	\$ 25.6	\$ 3.9	(4.1)	\$ 8.0
Accounting charges relating to acquisitions and disposals of businesses:						
Amortization on acquired intangibles	0.6	—	0.6	0.6	—	0.6
Acquisition and disposal related charge	9.5	9.4	0.1	—	—	—
Defined benefit pension (credit) / charge	(0.8)	—	(0.8)	8.0	—	8.0
Restructuring charge	2.3	—	2.3	4.4	—	4.4
Gain on disposal of assets held-for-sale	(6.1)	—	(6.1)	—	—	—
Share-based compensation charge	2.1	0.3	1.8	2.0	—	2.0
Income tax on adjusted items	0.7	(0.1)	0.8	(0.1)	—	(0.1)
Adjusted net income / (loss)	\$ 23.3	\$ (1.0)	\$ 24.3	\$ 13.9	\$ (4.1)	\$ 18.0
Adjusted earnings / (loss) per ordinary share⁽¹⁾						
Diluted earnings / (loss) per ordinary share	\$ 0.56	\$ (0.39)	\$ 0.95	\$ 0.14	\$ (0.15)	\$ 0.30
Impact of adjusted items	0.30	0.36	(0.05)	0.37	—	0.36
Adjusted diluted earnings / (loss) per ordinary share	\$ 0.86	\$ (0.04)	\$ 0.90	\$ 0.51	\$ (0.15)	\$ 0.66

⁽¹⁾ For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding during the financial year has been adjusted for the dilutive effects of all potential ordinary shares and share options granted to employees, except where there is a loss in the period, then no adjustment is made.

<i>In millions except per share data</i>	Thid Quarter					
	2024			2023		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income from continuing operations	\$ 8.8	\$ 0.2	\$ 8.6	\$ 1.1	\$ (2.6)	\$ 3.7
Add back:						
Income tax on adjusted items	(1.1)	—	(1.1)	(0.4)	—	(0.4)
Provision / (credit) for income taxes	3.7	—	3.7	0.7	(0.6)	1.3
Net finance costs	1.4	(0.3)	1.7	1.6	(0.1)	1.7
Adjusted EBITA	12.8	(0.1)	12.9	3.0	(3.3)	6.3
Loss on disposal of property, plant and equipment	0.1	—	0.1	—	—	—
Depreciation	2.4	—	2.4	3.0	0.5	2.5
Adjusted EBITDA	15.3	(0.1)	15.4	6.0	(2.8)	8.8

<i>In millions except per share data</i>	Year-to-date					
	2024			2023		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income from continuing operations	\$ 23.3	\$ (1.0)	\$ 24.3	\$ 13.9	\$ (4.1)	\$ 18.0
Add back:						
Income tax on adjusted items	(0.7)	0.1	(0.8)	0.1	—	0.1
Provision / (credit) for income taxes	7.8	(0.5)	8.3	(1.1)	(0.8)	(0.3)
Tax impact of defined benefit pension settlement	—	—	—	4.9	—	4.9
Net finance costs	4.1	(0.3)	4.4	4.7	(0.1)	4.8
Adjusted EBITA	34.5	(1.7)	36.2	22.5	(5.0)	27.5
Loss on disposal of property, plant and equipment	0.1	—	0.1	—	—	—
Depreciation	6.9	—	6.9	9.2	1.5	7.7
Adjusted EBITDA	41.5	(1.7)	43.2	31.7	(3.5)	35.2

The following table presents a reconciliation for the adjusted effective tax rate, adjusted income before income taxes and adjusted provision for income taxes all of which are non-GAAP measures that management believes are KPIs used by the investment community and that such presentation will enhance an investor's understanding of the Company's operational results.

Second Quarter						
<i>In millions except per share data</i>	2024			2023		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income / (loss) from continuing operations	\$ 8.8	\$ 0.2	\$ 8.6	\$ 1.1	\$ (2.6)	\$ 3.7
Add back:						
Income tax on adjusted items	(1.1)	—	(1.1)	(0.4)	—	(0.4)
Provision / (credit) for income taxes	3.7	—	3.7	0.7	(0.6)	1.3
Adjusted income / (loss) from continuing operations before income taxes	11.4	0.2	11.2	1.4	(3.2)	4.6
Adjusted provision for income taxes	2.6	—	2.6	0.3	(0.6)	0.9
Adjusted effective tax rate from continuing operations	22.8 %	n/a	23.2 %	21.4 %	18.8 %	19.6 %

Year-to-date						
<i>In millions except per share data</i>	2024			2023		
	Continuing operations	Graphic Arts	Adjusted Total	Continuing operations	Graphic Arts	Adjusted Total
Adjusted net income / (loss) from continuing operations	\$ 23.3	\$ (1.0)	\$ 24.3	\$ 13.9	\$ (4.1)	\$ 18.0
Add back:						
Income tax on adjusted items	(0.7)	0.1	(0.8)	0.1	—	0.1
Tax impact of defined benefit pension settlement	—	—	—	4.9	—	4.9
Provision / (credit) for income taxes	7.8	(0.5)	8.3	(1.1)	(0.8)	(0.3)
Adjusted income / (loss) from continuing operations before income taxes	30.4	(1.4)	31.8	17.8	(4.9)	22.7
Adjusted provision / (credit) for income taxes	7.1	(0.4)	7.5	3.9	(0.8)	4.7
Adjusted effective tax rate from continuing operations	23.4 %	28.6 %	23.6 %	21.9 %	16.3 %	20.7 %

SEGMENT RESULTS OF OPERATIONS

The summary that follows provides a discussion of the results of operations of each of our three reportable segments (Gas Cylinders, Elektron and Graphic Arts). The three segments comprise various product offerings that serve multiple end-markets.

During 2023, the Graphic Arts reporting segment has been disaggregated from the Elektron segment and is being reported separately as the Graphic Arts segment. The Elektron segment's results for 2023 has been adjusted to strip out Graphic Arts' results.

Adjusted EBITDA represents operating income adjusted for share based compensation charges; restructuring charges; acquisition and disposal related gains and costs; depreciation and amortization. A reconciliation to net income and taxes can be found in Note 15 to the condensed consolidated financial statements.

GAS CYLINDERS

The net sales and adjusted EBITDA for Gas Cylinders were as follows:

	Third Quarter		% / point change	Year-to-date		% / point change
<i>In millions</i>	2024	2023	2024 v 2023	2024	2023	2024 v 2023
Net sales	\$ 42.6	\$ 44.7	(4.7)%	\$ 137.8	\$ 134.7	2.3%
Adjusted EBITDA	4.6	2.8	64.3%	13.6	10.2	33.3%
<i>% of net sales</i>	10.8 %	6.3 %	4.5	9.9 %	7.6 %	2.3

Net sales

The 4.7% decrease in Gas Cylinders sales in the third quarter of 2024 from 2023 was primarily the result of reduced sales of SCBA and alternative fuel cylinders, these reductions have been partially offset by increases in cylinders sold to our medical and industrial end markets.

The 2.3% increase in sales for the first nine months of the year was primarily the benefit from renegotiated contracts, which previously constrained inflationary cost pass through in the first six months of 2023. These increases have been partially offset by reduced sales of aluminum cylinders used in our general industrial end market.

Adjusted EBITDA

The 4.5 and 2.3 percentage point increase in adjusted EBITDA for Gas Cylinders as a percentage of net sales in the third quarter and first nine months of 2024 relative to 2023 is predominantly the result of pricing improvements from new sales contracts partially offset by adverse sales mix and volume.

ELEKTRON

The net sales and adjusted EBITDA for Elektron were as follows:

<i>In millions</i>	Third Quarter		% / point change	Year-to-date		% / point change
	2024	2023	2024 v 2023	2024	2023	2024 v 2023
Net sales	\$ 48.8	\$ 45.6	7.0%	\$ 128.5	\$ 151.0	(14.9)%
Adjusted EBITDA	10.8	6.0	80.0%	29.6	25.0	18.4%
<i>% of net sales</i>	22.1 %	13.2 %	8.9	23.0 %	16.6 %	6.4

Net sales

The 7.0% increase in Elektron sales in the third quarter of 2024 from 2023 was primarily the result of:

- Elevated sales of magnesium powders, especially those used in military applications, including countermeasure flares;
- Increased sales of MRE and chemical response kits in our Magtech division; and
- Strong sales of magnesium alloys, particularly those used in aerospace and automotive applications.

These increases were partially offset by a decrease in demand for zirconium products, particularly those used in auto-catalyst products, as well as those used by our industrial end-markets

The 14.9% decrease in Elektron sales in the first nine months of 2024 from 2023 was also impacted by the significant reduction of magnesium powders sales in the first half of 2024.

Adjusted EBITDA

The 8.9 and 6.4 percentage point increase in adjusted EBITDA for Elektron as a percentage of net sales in the third quarter and first nine months respectively of 2024 from 2023 was a result of the net recovery from the previously disclosed US Ecology case in 2024 of \$1.9 million and \$7.2 million, compared to the net cost of \$2.2 million and \$4.5 million in 2023. This was partially offset by adverse price and unfavorable FX.

GRAPHIC ARTS

The net sales and adjusted EBITDA for Graphic Arts were as follows:

<i>In millions</i>	Third Quarter		% / point change	Year-to-date		% / point change
	2024	2023	2024 v 2023	2024	2023	2024 v 2023
Net sales	\$ 8.0	\$ 7.1	12.7%	\$ 22.2	\$ 23.4	(5.1)%
Adjusted EBITDA	(0.1)	(2.8)	n/a	(1.7)	(3.5)	(51.4)%
<i>% of net sales</i>	(1.3)%	(39.4)%	38.1	(7.7)%	(15.0)%	7.3

Net sales

The 12.7% increase and 5.1% decrease in Graphic Arts sales in the third quarter and first nine months of 2024 from 2023 respectively was primarily the result of fluctuating demand for photo-engraving plates, particularly outside the North American market.

Adjusted EBITDA

Graphic Arts made a small, negative EBITDA of \$0.1 million for the third quarter of 2024, compared to a loss of \$2.8 million in the third quarter of 2023. For the first nine months of 2024 there was an EBITDA loss of \$1.7 million, compared to a \$3.5 million loss in the first nine months of 2023. 2023 was significantly impacted by material cost inflation resulting in competitive constraints. Magnesium purchase price has reduced as we progress through 2024, consistent with the improvement in adjusted EBITDA in the second and third quarter of 2024.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements arise primarily from obligations under our indebtedness, capital expenditures, acquisitions, the funding of working capital and the funding of hedging facilities to manage foreign exchange and commodity purchase price risks. We meet these requirements primarily through cash flows from operating activities, cash deposits and borrowings under the Revolving Credit Facility and accompanying ancillary hedging facilities and the Loan Note due in 2026. Our principal liquidity needs are:

- funding acquisitions, including deferred contingent consideration payments;
- capital expenditure requirements;
- payment of shareholder dividends;
- servicing interest on the Loan Notes, which is payable at each quarter end, in addition to interest and / or commitment fees on the Senior Facilities Agreement;
- working capital requirements, particularly in the short term as we aim to achieve organic sales growth; and
- hedging facilities used to manage our foreign exchange risks and aluminum purchase price risks.

We believe that, in the long term, cash generated from our operations will be adequate to meet our anticipated requirements for working capital, capital expenditures and interest payments on our indebtedness. In the short term, we believe we have sufficient credit facilities to cover any variation in our cash flow generation. However, any major repayments of indebtedness will be dependent on our ability to raise alternative financing or to realize substantial returns from operational sales. Also, our ability to expand operations through sales development and capital expenditures could be constrained by the availability of liquidity, which, in turn, could impact the profitability of our operations.

We have been in compliance with the covenants under the Loan Notes and the Senior Facilities Agreement throughout all of the quarterly measurement dates from and including September 30, 2011, to September 29, 2024.

Luxfer conducts all of its operations through its subsidiaries, joint ventures and affiliates. Accordingly, Luxfer's main cash source is dividends from its subsidiaries. The ability of each subsidiary to make distributions depends on the funds that a subsidiary receives from its operations in excess of the funds necessary for its operations, obligations or other business plans. We have not historically experienced any material impediment to these distributions, and we do not expect any local legal or regulatory regimes to have any impact on our ability to meet our liquidity requirements in the future. In addition, since our subsidiaries are wholly-owned, our claims will generally rank junior to all other obligations of the subsidiaries. If our operating subsidiaries are unable to make distributions, our growth may slow, unless we are able to obtain additional debt or equity financing. In the event of a subsidiary's liquidation, there may not be assets sufficient for us to recoup our investment in the subsidiary.

Our ability to maintain or increase the generation of cash from our operations in the future will depend significantly on the competitiveness of and demand for our products, including our success in launching new products. Achieving such success is a key objective of our business strategy. Due to commercial, competitive and external economic factors, however, we cannot guarantee that we will generate sufficient cash flows from operations or that future working capital will be available in an amount sufficient to enable us to service our indebtedness or make necessary capital expenditures.

Cash Flows

Operating activities

Cash generated by continuing operating activities was \$25.4 million inflow and \$10.2 million inflow for the first nine months in 2024 and 2023 respectively. It was primarily related to net income from operating activities, net of the following non-cash items: depreciation and amortization; share-based compensation charges; pension credit / (charge); gain on disposal of held for sale assets; loss on held-for-sale asset group and net changes to assets and liabilities. Cash flow was impacted by the \$5.3 million receipt arising from the reimbursement of legal costs in relation to the previously disclosed US Ecology case, the first nine months in 2023 had an equivalent outflow of \$4.5 million. Also impacting the 2023 cash flow was the \$2.1 million contribution the Company made in relation to the sale of the U.S. pension plan to an insurer.

Investing activities

Net cash used by continuing investing activities was \$7.7 million for the first nine months of 2024, compared to net cash used by investing activities of \$7.5 million in 2023, comparable quarter on quarter.

Financing activities

In the first nine months of 2024, net cash used by financing activities was \$16.3 million, (2023: \$15.5 million used by financing activities). We made a net repayment on our banking facilities of \$3.8 million, having repaid \$2.9 million on our revolving credit facility and paid back \$0.9 million of short term debt (2023: \$2.5 million net repayment). Dividend payments of \$10.5 million (2023: \$10.5 million), equating to \$0.390 per ordinary share. We paid out \$0.4 million, (2023: \$0.3 million) in settling share based compensation and \$1.6 million, (2023: \$2.2 million) in repurchasing our own shares as part of the share buyback program which equates to approximately 150,000 shares (2023: 150,000 shares).

Capital Resources

Dividends

We paid year-to-date dividends in 2024 of \$10.5 million and declared an additional \$3.5 million in the fourth quarter of 2024 (2023: \$14.0 million declared year-to-date and \$10.5 million paid year-to-date), or \$0.390 per ordinary share (2023: \$0.390).

Any payment of dividends is also subject to the provisions of the U.K. Companies Act, according to which dividends may only be paid out of profits available for distribution determined by reference to financial statements prepared in accordance with the Companies Act and IFRS as adopted by the E.U., which differ in some respects from GAAP. In the event that dividends are paid in the future, holders of the ordinary shares will be entitled to receive payments in U.S. dollars in respect of dividends on the underlying ordinary shares in accordance with the deposit agreement. Furthermore, because we are a holding company, any dividend payments would depend on cash flows from our subsidiaries.

Item 3. Quantitative and qualitative disclosures about market risk

There have been no material changes in our market risk during the first nine months ended September 29, 2024. For additional information, refer to Item 7A of our 2023 Annual Report on Form 10-K, filed with the SEC on February 27, 2024.

Item 4. Controls and Procedures***Evaluation of Disclosure Controls and Procedures***

We maintain a system of disclosure controls and procedures designed to provide reasonable assurance as to the reliability of our published financial statements and other disclosures included in this report. Our management evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter ended March 31, 2024, pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon their evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective, at a reasonable assurance level, as of the quarter ended September 29, 2024.

Remediation of Previously Reported Material Weakness

As previously disclosed in Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 27, 2024, we identified a material weakness in internal control over financial reporting as we did not properly design or maintain effective risk assessment control activities to allow for timely reassessment of the material risks of misstatement in financial reporting due to a lack of controls related to the accounting for inventory in-transit. During the first nine months of 2024, we undertook efforts to develop and design enhanced risk assessment procedures to identify and analyze changes in the business that could have a significant impact on financial reporting and determine actions necessary to mitigate new or evolving risks. We have also implemented a new period-end control over the recording of inventory in-transit and enhanced other post-closing controls. Management has operated the new risk assessment process for a sufficient period of time and have concluded, through testing, that these controls are operating effectively.

Changes in Internal Control over Financial Reporting

Other than the changes related to the remediation activities related to the material weakness noted above, no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the nine months or quarter ended September 29, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is a defendant in various lawsuits and is subject to various claims that arise in the normal course of business, the most significant of which are summarized in Note 16 (commitments and contingencies) to the consolidated financial statements in ITEM 1. In the opinion of management, the likelihood that the ultimate disposition of these matters will have a material adverse impact is remote.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in Item 1A. of our 2023 Annual Report on Form 10-K filed with the SEC on February 27, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 5. Other Information

Director and Officer Trading Arrangements

None of Luxfer's directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarterly period covered by this Report.

Item 6. Exhibits

- 3.1 [Articles of Association of Luxfer Holdings PLC, initially filed with the SEC on December 2, 2011 and as amended on May 22, 2018, May 15, 2019, and July 29, 2022 \(filed herewith\)](#)
- 31.1 [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934 \(filed herewith\)](#)
- 31.2 [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934 \(filed herewith\)](#)
- 32.1 [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(furnished herewith\)](#)
- 32.2 [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(furnished herewith\)](#)
- 101.INS The financial statements from the Company's Interim Report on Form 10-Q for the quarter ended September 29, 2024, formatted in inline XRBL: (i) Condensed Consolidated Statements of Income; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Balance Sheets; (iv) Condensed Consolidated Statements of Cash Flows; (v) Condensed Consolidated Statements of Changes in Equity; and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags. The instance document does not appear in the Interactive Data File because its XRBL tags are embedded within the Inline XRBL document
- 101.SCH Inline XRBL Taxonomy Extension Schema Document
- 101.CAL Inline XRBL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XRBL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XRBL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XRBL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (formatted as inline XRBL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Luxfer Holdings plc
(Registrant)

/s/Andrew Butcher

Andrew Butcher
Chief Executive Officer
(Duly Authorized Officer)
October 29, 2024