





Fourth Quarter & Full Year 2023 Earnings Review

February 20, 2024

ENPRO

Forward-Looking Statements

Statements in this presentation that express a belief, expectation or intention, as well as those that are not historical fact, are forward-looking statements under the Private Securities Litigation Reform Act of 1995. They involve a number of risks and uncertainties that may cause actual events and results to differ materially from such forward-looking statements. These risks and uncertainties include, but are not limited to: economic conditions in the markets served by our businesses and the businesses of our customers, some of which are cyclical and experience periodic downturns; the impact of geopolitical activity on those markets, including instabilities associated with the armed conflicts in Ukraine and between Israel and Hamas, and any conflict or threat of conflict that may affect Taiwan; uncertainties with respect to the imposition of government embargoes, tariffs and trade protection measures, such as "anti-dumping" duties applicable to classes of products, and import or export licensing requirements, as well as the imposition of trade sanctions against a class of products imported from or sold and exported to, or the loss of "normal trade relations" status with, countries in which we conduct business, could significantly increase our cost of products or otherwise reduce our sales and harm our business; uncertainties with respect to prices and availability of raw materials, including as a result of instabilities from geopolitical conflicts; uncertainties with respect to our ability to achieve anticipated growth within the semiconductor, life sciences, and other technology-enabled markets, including uncertainties with respect to receipt of CHIPS Act support and the timing of completion of the new facility in Arizona; the impact of fluctuations in relevant foreign currency exchange rates or unanticipated increases in applicable interest rates; unanticipated delays or problems in introducing new products; the impact of any labor disputes; announcements by competitors of new products, services or technological innovations; changes in our pricing policies or the pricing policies of our competitors; risks related to the reliance of our Advanced Surface Technologies segment on a small number of significant customers; uncertainties with respect to our ability to identify and complete business acquisitions consistent with our strategy and to successfully integrate any businesses that we acquire; and uncertainties with respect to the amount of any payments required to satisfy contingent liabilities, including those related to discontinued operations, other divested businesses and discontinued operations of our predecessors, including liabilities for certain products, environmental matters, employee benefit and statutory severance obligations and other matters. Enpro's filings with the Securities and Exchange Commission, including its most recent Form 10-K and Form 10-Q reports, describe these and other risks and uncertainties in more detail. Enpro does not undertake to update any forward-looking statements made in this press release to reflect any change in management's expectations or any change in the assumptions or circumstances on which such statements are based.

Full-year guidance is subject to the risks and uncertainties referred to above and excludes changes in the number of shares outstanding, changes in long-term compensation expense due to changes in our common stock price, impacts from future and pending acquisitions, dispositions and related transaction costs, restructuring costs, incremental impacts of tariffs and trade tensions on market demand and costs subsequent to year end, and the impact of foreign exchange rate changes subsequent to year end.

This presentation also contains certain non-GAAP financial measures (*) as defined by the Securities and Exchange Commission. A reconciliation of historical non-GAAP measures to the most directly comparable GAAP equivalents is included as an appendix to this presentation.



Full Year 2023 Review

Eric Vaillancourt

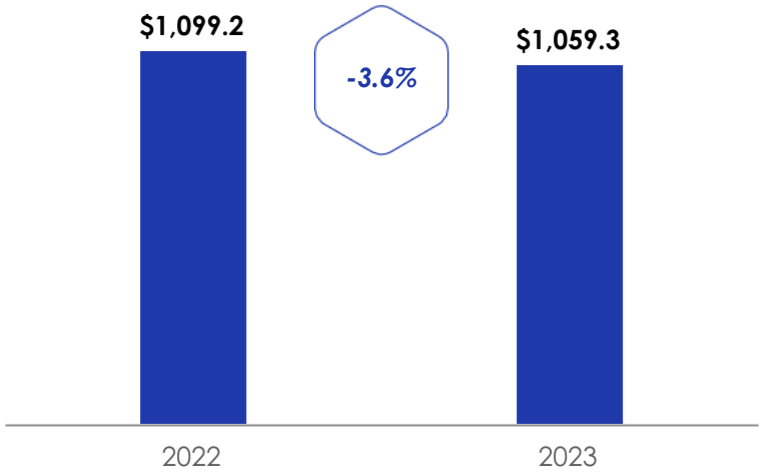
President & Chief Executive Officer

ENPRO

Full Year 2023 Performance

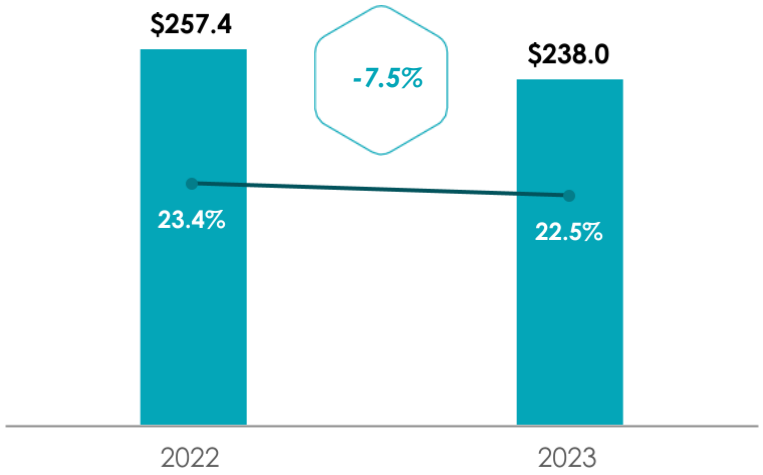
$ in millions

Sales



- Sales decreased 3.6% compared to 2022. On an organic basis, sales declined 3.3%
- A slow semiconductor market driving weakness in AST was partially offset by the contribution from strategic pricing actions and strength in nuclear and commercial aerospace & space markets in Sealing Technologies

Adjusted EBITDA* & Margin*



- Adjusted EBITDA decreased 7.5% compared to 2022. Adjusted EBITDA margin of 22.5% decreased 90 basis points compared to the prior year
- 2023 adjusted EBITDA was impacted by the overall volume decline as well as $7.1 million of share price-driven compensation expense
- Pleased with healthy overall margin, including record profitability at Sealing Technologies, in face of market challenges

Maintaining profitability and generating strong cash flow despite current environment

* Non-GAAP measure; refer to appendix for reconciliation to GAAP.

Semiconductor Market Widely Expected to Double Over The Next Decade

Semiconductor Industry Trends*

Chip Architectures Evolving and Increasing in Complexity

Advanced Processing Nodes Enable Artificial Intelligence and Data Storage while Accelerating Computing Power

Fab Capacity Expansions Globally Drive Regionalization of Semiconductor Equipment Supply Chains

Process Yield Efficiency and Contamination Control Driving Life Cycle Management of Critical Tools

Internet of Things, Industrial and Automotive Electronics Increasing Chip Consumption

AST Semiconductor Strategy

NxEdge – Technetics Semi – LeanTeq

Technology Differentiation

Vertical Integration

Regional Expansion

Building on a Foundation

Developing **New Technologies**

Infrastructure & Capacity **Investments**

Advancing Our World-Class Safety Track Record

In 2023 we saw a:

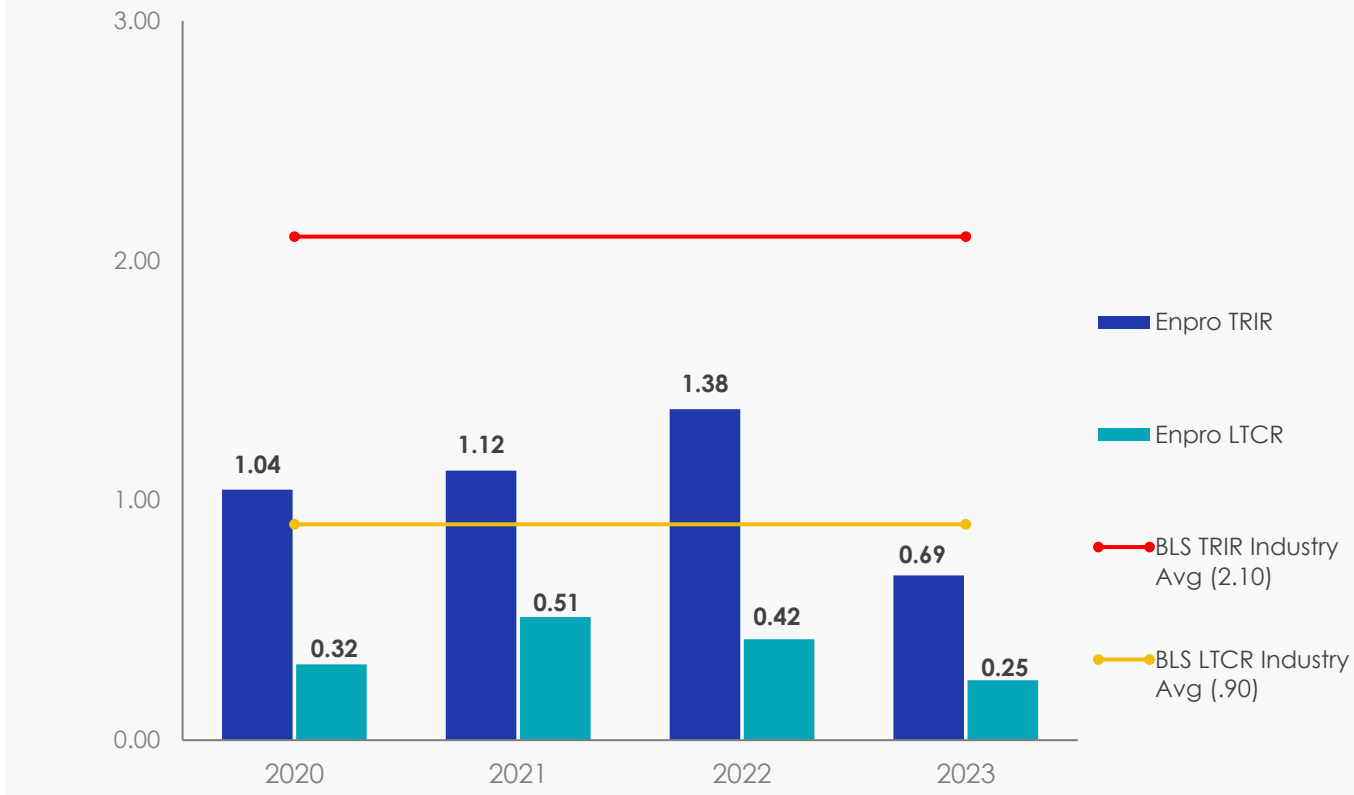
59% reduction

in our Total Recordable Incident Rate (TRIR), bringing Enpro well below the industry average

47% reduction

in Lost Time Case Rate (LTCR), bringing Enpro even further below the industry average

Enpro Safety Statistics vs. BLS Industry Averages



Source: 2022 U.S. Bureau of Labor Statistics Industry Averages as of November 2023



Fourth Quarter 2023 Financial Results

Milt Childress

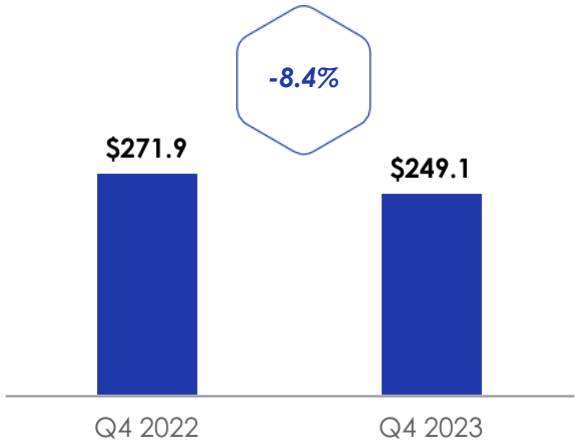
Executive Vice President & Chief Financial Officer

ENPRO

Fourth Quarter 2023 Financial Performance

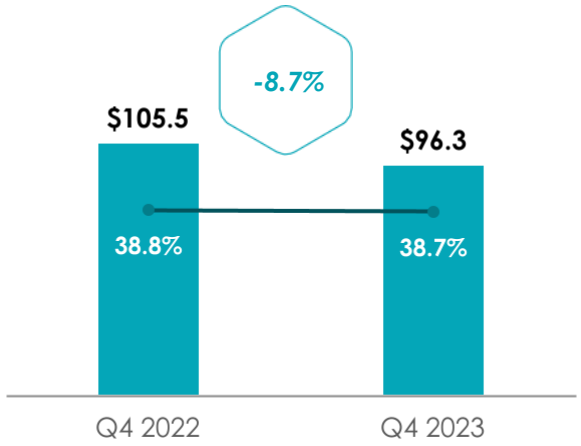
$ in millions, except per share data

Sales



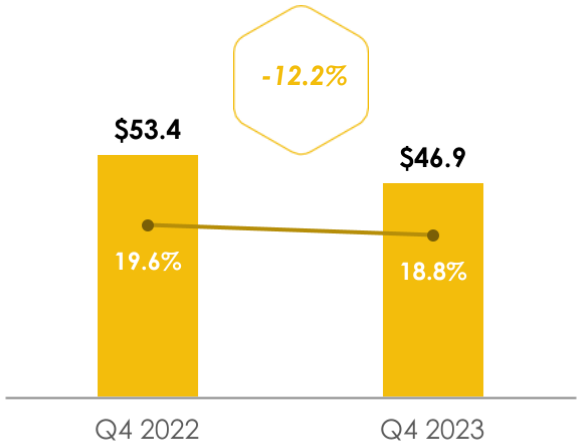
- Sales decline driven by ongoing softness in semiconductor and a sharp decline in commercial vehicle OEM, along with lower demand in general industrial, aerospace, and pharma
- Organic sales decreased 9% year over year

Gross Profit & Margin



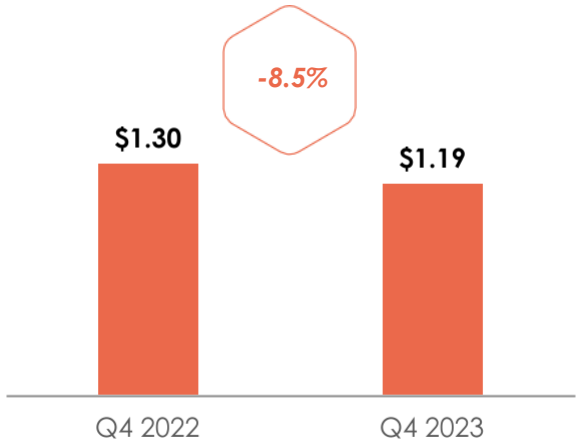
- Gross margin flat as strategic pricing actions, supply chain savings and ongoing continuous improvement initiatives mostly offset the margin impact volume decline

Adjusted EBITDA* & Margin*



- Adjusted EBITDA margin of 18.8% decreased 80 basis points driven by the volume decline, partially offset by cost mitigation activities
- Results for the quarter were also impacted by $6.4 million of long-term incentive compensation expense tied to strong share price performance during the period (not considered in prior 2023 annual guidance), compared to $4.8 million in the prior year

Adjusted Diluted EPS*



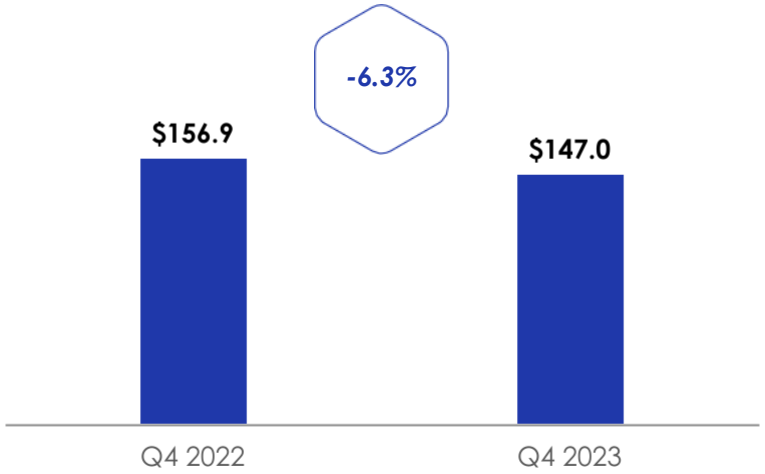
- Adjusted diluted earnings per share of $1.19 declined in line with adjusted EBITDA
- 35% reduction in net interest expense year-over-year
- Normalized tax rate of 25% used in determining adjusted net income for 4Q 2023, compared to 27% last year

* Non-GAAP measure; refer to appendix for reconciliation to GAAP.

Sealing Technologies – Q4 2023 Performance

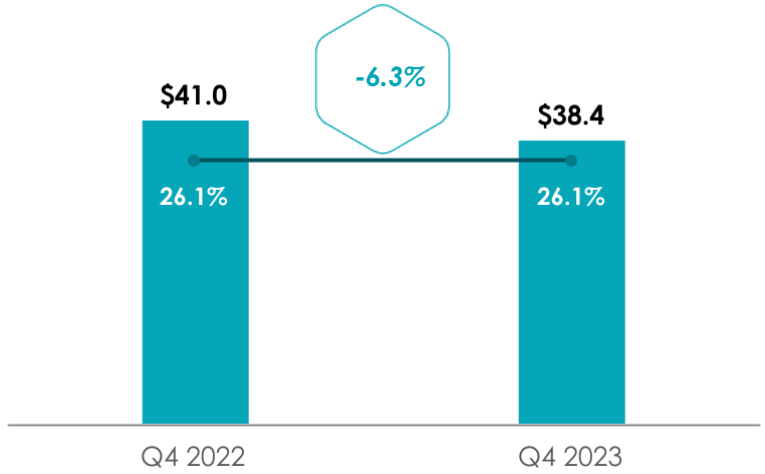
$ in millions

Sales



- Sales decrease driven by a sharp decline in commercial vehicle OEM, as well as soft general industrial, commercial aerospace, commercial vehicle aftermarket and pharma demand
- Organic sales decreased 7.5%, when factoring in foreign exchange translation and a divested business

Adjusted Segment EBITDA & Margin

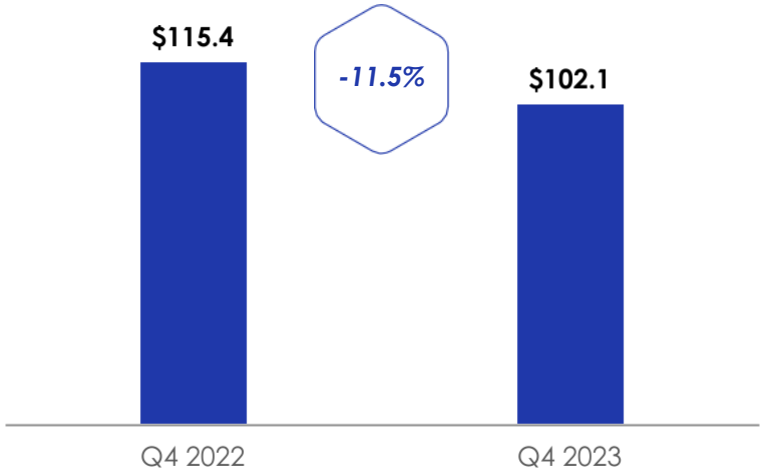


- Adjusted segment EBITDA decreased 6.3% and 7.9% organically
- Against a stronger demand backdrop last year, strategic pricing actions, continuous improvement initiatives and supply chain savings held segment profitability in line with the sales decline

Advanced Surface Technologies – Q4 2023 Performance

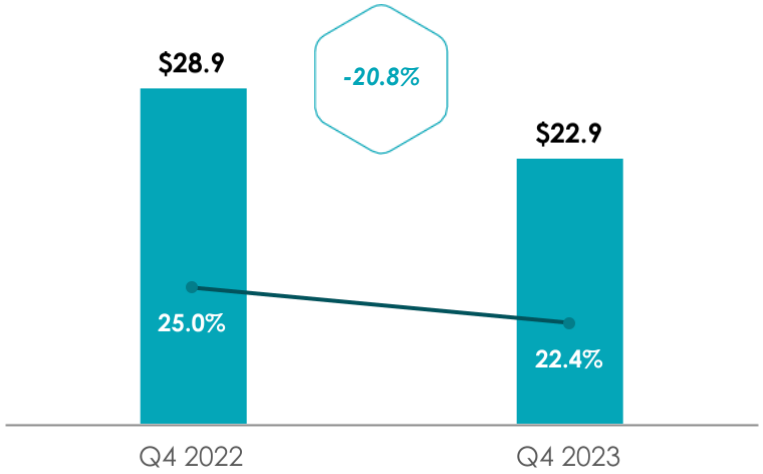
$ in millions

Sales



- Sales decreased 11.5% driven primarily by a soft semiconductor market
- Organic sales decreased 11.3%

Adjusted Segment EBITDA & Margin



- Adjusted segment EBITDA decreased 20.8%, with the slow semiconductor market as the primary driver, in addition to mix, material cost increases and increased operating expenses supporting growth investments, offset in part by cost mitigation activities and pricing actions
- Observed stabilization in the optical filter business, with improved profitability

Balance Sheet, Cash Flow & Capital Allocation

Net Debt

December 31, 2023, $ in millions

	Credit Facility	$	—
	Senior Notes[1]	$	347
	Term Loan[1,2]	$	299
	Capital Lease Obligations	$	1
A	Debt Components	$	647
B	Cash and Equivalents	$	370
C	Noncontrolling Interest[3]	$	18
D = (A - B + C)	Net Debt	$	295

Commentary

- Ample liquidity consisting of $370M cash, and $390M available for borrowing under revolving credit facility[4]
- Free cash flow* for the full year 2023 of $174.5M, up from $76.7M in the prior year
- Paid $24.3M in dividends in 2023
- On January 29, the acquisition of AMI closed, using $210 million in cash. Net leverage ratio, inclusive of this use of cash, stands at approximately 2x 2023 full year adjusted EBITDA
- Increased quarterly dividend to $0.30 per share in mid-February, representing the ninth consecutive annual increase.

[1] Includes impact from unamortized debt issue costs.
[2] Includes Term Loan A-2 Facility, with an outstanding balance at December 31, 2023 of $299.3. The Term Loan A-1 Facility was fully paid down on July 26, 2023. The Term Loan A-2 Facility amortizes on a quarterly basis in an annual amount equal to 2.5% of the original principal amount of the Term Loan A-2 Facility in each of years one through three, 5.0% of such original principal amount in year four and 1.25% of such original principal amount in each of the first three quarters of year five, with the remaining outstanding principal amount payable at maturity.
[3] Represents redeemable retained interest in Alluxa by previous ownership
[4] The $390M available for borrowing under revolving credit facility is net of $10.0M in letters of credit.
* Non-GAAP measure; refer to appendix for reconciliation to GAAP.

2024 Guidance

	2024 Guidance* (at February 20, 2024)
Revenue Growth	Low – Mid Single Digit Growth
Adjusted EBITDA**	$260M – $280M
Adjusted Diluted EPS**	$7.00 – $7.80

Assumptions

~$97-100M
Depreciation and Amortization***

~$60M
Capital Expenditures

~$31-33M
Net Interest Expense

25%
Normalized Tax Rate

* Full-year guidance is subject to risks and uncertainties referred to above and specifically excludes changes in the number of shares outstanding, changes in long-term compensation expense due to changes in our common stock price, impacts from future acquisitions, dispositions and related transaction costs, restructuring costs, incremental impacts of tariffs and trade tensions on market demand and costs subsequent to the end of the fourth quarter, and the impact of foreign exchange rate changes subsequent to the end of the fourth quarter.
** Non-GAAP financial measure. Because of the forward-looking nature of guidance, it is impractical to provide a quantitative reconciliation of such measures to the comparable GAAP measures. Amortization of acquisition-related intangible assets of $73 million excluded from the calculation of adjusted diluted EPS
***Depreciation and amortization does not include incremental intangible amortization to result from the acquisition of AMI, which will be calculated as a part of the purchase price allocation process taking place in Q1 2024



Closing Comments

Eric Vaillancourt

President & Chief Executive Officer

ENPRO

Q&A





Appendix

Enpro (NYSE: NPO) | Attractive Portfolio of Businesses

Company Overview	
Headquarters	Charlotte, NC
Principal Manufacturing and Service Facilities	13
Global Employees	~3,500

Financial Overview	
Market-Cap[1]	$3.5B
2023 Revenue[2]	$1.06B
2023 Adj. EBITDA (Margin)[2]	$238M (22.5%)
2023 Aftermarket Rev. %	53%
Dividend Yield[1]	0.7%

2023 Revenue Contribution

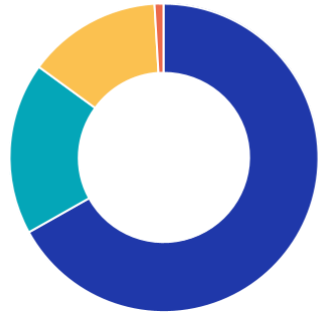
Sales by Segment



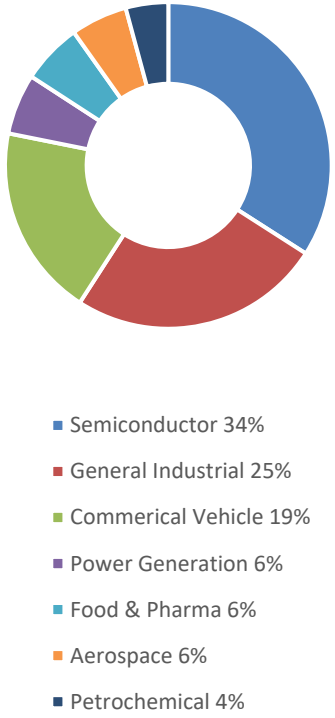
Sales by Channel



Sales by Geography



Sales by Market



Strong aftermarket with critical products and solutions in diverse markets

[1] As of 2/16/24; [2] Refer to appendix for Non-GAAP reconciliation.

Consolidated Adjusted EBITDA

For the Quarters and Years Ended December 31, 2023 and 2022
(In Millions)

	Quarters Ended December 31,		Years Ended December 31,	
	2023	2022	2023	2022
Income (loss) from continuing operations attributable to Enpro Inc.	$ (4.9)	$ (57.5)	$ 10.8	$ 6.7
Net income (loss) attributable to redeemable non-controlling interests	0.4	(3.6)	(3.9)	(2.8)
Income (loss) from continuing operations	(4.5)	(61.1)	6.9	3.9
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization, and other selected items ("Adjusted EBITDA"):				
Interest expense, net	6.5	10.0	30.1	33.9
Income tax expense	13.8	4.6	30.8	24.4
Depreciation and amortization expense	23.4	25.1	94.5	103.1
Restructuring and impairment expense	1.9	0.7	5.0	2.9
Environmental reserve adjustments	2.5	5.3	2.9	5.1
Costs associated with previously disposed businesses	0.9	(0.6)	1.7	0.3
Net loss on sale of businesses	—	0.4	—	0.6
Acquisition and divestiture expenses	1.1	0.1	1.1	1.2
Pension expense (income) (non-service cost)	0.4	(1.5)	1.5	(3.6)
Non-controlling interest compensation allocation[1]	—	(0.5)	(0.3)	(0.6)
Asbestos receivable adjustment	—	—	—	2.8
Amortization of the fair value adjustment to acquisition date inventory	—	1.0	—	13.3
Tax indemnification asset [2]	—	0.9	—	0.9
Goodwill impairment	—	65.2	60.8	65.2
Foreign exchange losses related to the divestiture of a discontinued operation[3]	0.7	3.8	2.2	3.8
Other	0.2	—	0.8	0.2
Adjusted EBITDA	$ 46.9	$ 53.4	$ 238.0	$ 257.4

1Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that is subject to reduction for certain types of employment terminations of the LeanTeq and Alluxa sellers and is directly related to the terms of the respective acquisitions. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisitions unless certain employment terminations have occurred. The LeanTeq non-controlling interests were acquired by Enpro in December 2022.
2 In connection with the acquisition of Aseptic in 2019, we recognized a liability for uncertain tax positions and a related indemnification asset for the portion of that liability recoverable from the seller. We determined the statute of limitations expired on some of the uncertain tax positions in 2021 and, accordingly, removed a portion of the liability and receivable. The release of the related liability was recorded as part of our tax expense for the year ended December 31, 2021 and the reversal of the related receivable was recorded as an expense in other non-operating income (expense) on our consolidated statement of operations.
3 In connection with the sale of GGB, accounted for as a discontinued operation, in the fourth quarter of 2022, we issued an intercompany note between a domestic and foreign entity that was denominated in a foreign currency. As a result of this note, we recorded a loss due to the change in exchange rate during December 2022. In January 2023, we hedged the outstanding notes and expect future gains or losses to be minimal.

Segment Information (1/2)

For the Quarters and Years Ended December 31, 2023 and 2022
(In Millions)

Sales

	Quarters Ended December 31,		Years Ended December 31,	
	2023	2022	2023	2022
Sealing Technologies	$ 147.0	$ 156.9	$ 658.4	$ 624.3
Advanced Surface Technologies	102.1	115.4	401.2	476.1
	249.1	272.3	1,059.6	1,100.4
Less: intersegment sales	—	(0.4)	(0.3)	(1.2)
	$ 249.1	$ 271.9	$1,059.3	$1,099.2

Income from continuing operations attributable to Enpro Inc.	$ (4.9)	$ (57.5)	$ 10.8	$ 6.7

Earnings before interest, income taxes, depreciation, amortization and other selected items (Adjusted Segment EBITDA)

	2023	2022	2023	2022
Sealing Technologies	$ 38.4	$ 41.0	$ 192.3	$ 159.1
Advanced Surface Technologies	22.9	28.9	95.5	141.5
	$ 61.3	$ 69.9	$ 287.8	$ 300.6

Adjusted Segment EBITDA Margin

	2023	2022	2023	2022
Sealing Technologies	26.1 %	26.1 %	29.2 %	25.5 %
Advanced Surface Technologies	22.4 %	25.0 %	23.8 %	29.7 %
	24.6 %	25.7 %	27.2 %	27.3 %

Reconciliation of Adjusted Segment EBITDA to Income from Continuing Operations Attributable to Enpro Inc.

	Quarters Ended December 31,		Years Ended December 31,	
	2023	2022	2023	2022
Income (loss) from continuing operations attributable to Enpro Inc.	$ (4.9)	$ (57.5)	$ 10.8	$ 6.7
Plus: net income (loss) attributable to redeeming non-controlling interests	0.4	(3.6)	(3.9)	(2.8)
Income (loss) from continuing operations	(4.5)	(61.1)	6.9	3.9
Income tax expense	(13.8)	(4.6)	(30.8)	(24.4)
Income (loss) from continuing operations before income taxes	9.3	(56.5)	37.7	28.3
Acquisition and divestiture expense	1.1	0.1	1.1	0.5
Non-controlling interest compensation allocation[1]	—	(0.5)	(0.3)	(0.6)
Amortization of the fair value adjustment to acquisition date inventory	—	1.0	—	13.3
Restructuring and impairment expense	1.4	0.7	4.0	1.9
Depreciation and amortization expense	23.4	25.1	94.3	102.8
Corporate expenses	14.4	15.6	49.5	47.0
Interest expense, net	6.5	10.0	30.1	33.9
Goodwill impairment	—	65.2	60.8	65.2
Other expense, net	5.2	9.2	10.6	8.3
Adjusted Segment EBITDA	$ 61.3	$ 69.9	$ 287.8	$ 300.6

Adjusted Segment EBITDA is total segment revenue reduced by operating expenses and other costs identifiable with the segment, excluding acquisition and divestiture expenses, restructuring and impairment expense, non-controlling interest compensation, amortization of the fair value adjustment to acquisition date inventory, and depreciation and amortization.
Corporate expenses include general corporate administrative costs. Expenses not directly attributable to the segments, corporate expenses, net interest expense, gains/losses related to the sale of assets, and income taxes are not included in the computation of Adjusted Segment EBITDA. The accounting policies of the reportable segments are the same as those for the Company. Adjusted segment EBITDA margin for a period is calculated by dividing adjusted segment EBITDA for the period by revenue for the period.
1 Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that is subject to reduction for certain types of employment terminations of the LeanTeq and Alluxa sellers and is directly related to the terms of the respective acquisitions. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisitions unless certain employment terminations have occurred. The LeanTeq non-controlling interests were acquired by Enpro in December 2022.

Segment Information (2/2)

For the Quarters and Years Ended December 31, 2023 and 2022
(In Millions)

	Quarter Ended December 31, 2023		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition and divestiture expenses	$ 1.1	$ —	$ 1.1
Restructuring and impairment expense	$ 1.4	$ —	$ 1.4
Depreciation and amortization expense	$ 6.2	$ 17.2	$ 23.4

	Quarter Ended December 31, 2022		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition and divestiture expenses	$ —	$ 0.1	$ 0.1
Non-controlling interest compensation allocation[1]	$ —	$ (0.5)	$ (0.5)
Amortization of the fair value adjustment to acquisition date inventory	$ —	$ 1.0	$ 1.0
Restructuring and impairment expense	$ 0.1	$ 0.6	$ 0.7
Depreciation and amortization expense	$ 6.3	$ 18.8	$ 25.1

	Year Ended December 31, 2023		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition and divestiture expenses	$ 1.1	$ —	$ 1.1
Non-controlling interest compensation allocation[1]	$ —	$ (0.3)	$ (0.3)
Restructuring and impairment expense	$ 3.0	$ 1.0	$ 4.0
Depreciation and amortization expense	$ 25.1	$ 69.2	$ 94.3

	Year Ended December 31, 2022		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition and divestiture expenses	$ —	$ 0.5	$ 0.5
Non-controlling interest compensation allocation[1]	$ —	$ (0.6)	$ (0.6)
Amortization of the fair value adjustment to acquisition date inventory	$ —	$ 13.3	$ 13.3
Restructuring and impairment expense	$ 0.6	$ 1.3	$ 1.9
Depreciation and amortization expense	$ 26.2	$ 76.6	$ 102.8

1Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that was and is subject to reduction for certain types of employment terminations of the LeanTeq and Alluxa sellers and is directly related to the terms of the respective acquisitions. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisitions unless certain employment terminations have occurred. The LeanTeq non-controlling interests were acquired by Enpro in December 2022.

Consolidated Adjusted Net Income*

(In Millions, Except Per Share Data)	Quarters Ended December 31, 2023 $	2023 Average common shares outstanding, diluted	2023 Per Share	2022 $	2022 Average common shared outstanding, diluted	2022 Per Share
Income (loss) from continuing operations attributable to Enpro Inc.	$ (4.9)	21.0	$(0.23)	$(57.5)	20.9	$(2.76)
Net income (loss) from redeemable non-controlling interests	0.4			(3.6)		
Income tax expense	13.8			4.6		
Income (loss) from continuing operations before income taxes	9.3			(56.5)		
Adjustments from selling, general, and administrative:						
Acquisition and divestiture expenses	1.1			0.1		
Non-controlling interest compensation allocations[1]	—			(0.5)		
Amortization of acquisition-related intangible assets	16.8			18.5		
Adjustments from other operating expense and cost of sales:						
Restructuring and impairment expense	1.9			0.7		
Amortization of the fair value adjustment to acquisition date inventory	—			1.0		
Adjustments from other non-operating expense:						
Environmental reserve adjustment	2.5			5.3		
Costs associated with previously disposed businesses	0.9			(0.6)		
Net loss (gain) on sale of businesses	—			0.4		
Pension income (non-service cost)	0.4			(1.5)		
Tax indemnification asset[2]	—			0.9		
Alluxa Goodwill impairment	—			60.6		
Foreign exchange losses related to the divestiture of GGB[3]	0.7			3.8		
Other adjustments:						
Other	0.2			—		
Adjusted income from operations before income taxes	33.8			32.2		
Adjusted income tax expense	(8.4)			(8.7)		
Net income (loss) from redeemable non-controlling interests	(0.4)			3.6		
Adjusted income from continuing operations attributable to Enpro Inc.	$ 25.0	21.0	$ 1.19 [4]	$ 27.1	20.9	$ 1.30 [4]

	Years Ended December 31, 2023 $	2023 Average common shares outstanding, diluted	2023 Per Share	2022 $	2022 Average common shares outstanding, diluted	2022 Per Share
Income from continuing operations attributable to Enpro Inc.	$ 10.8	21.0	$ 0.51	$ 6.7	20.9	$ 0.32
Net loss from redeemable non-controlling interests	(3.9)			(2.8)		
Income tax expense	30.8			24.4		
Income from continuing operations before income taxes	37.7			28.3		
Adjustments from selling, general, and administrative:						
Acquisition and divestiture expenses	1.1			1.2		
Non-controlling interest compensation allocations[1]	(0.3)			(0.7)		
Amortization of acquisition-related intangible assets	68.4			74.8		
Adjustments from other operating expense and cost of sales:						
Restructuring and impairment expense	5.0			2.9		
Amortization of the fair value adjustment to acquisition date inventory	—			13.1		
Adjustments from other non-operating expense:						
Asbestos receivable adjustment	—			2.8		
Environmental reserve adjustment	2.9			5.1		
Costs associated with previously disposed businesses	1.7			0.3		
Net loss (gain) on sale of businesses	—			0.6		
Pension income (non-service cost)	1.5			(3.6)		
Tax indemnification asset[2]	—			0.9		
Goodwill impairment	56.5			60.6		
Foreign exchange losses related to the divestiture of GGB[3]	2.2			3.8		
Other adjustments:						
Other	0.8			0.2		
Adjusted income from continuing operations before income taxes	177.5			190.3		
Adjusted income tax expense	(44.4)			(51.3)		
Net loss from redeemable non-controlling interests	3.9			2.8		
Adjusted income from continuing operations attributable to Enpro Inc.	$137.0	21.0	$ 6.54 [4]	$141.8	20.9	$ 6.79 [4]

Management of the Company believes that it would be helpful to the readers of the financial statements to understand the impact of certain selected items on the Company's reported income from continuing operations attributable to EnPro Industries, Inc. and diluted earnings per share attributable to Enpro Inc., including items that may recur from time to time. The items adjusted for in this schedule are those that are excluded by management in budgeting or projecting for performance in future periods, as they typically relate to events specific to the period in which they occur. This presentation enables readers to better compare Enpro Inc. to other diversified industrial manufacturing companies that do not incur the sporadic impact of restructuring activities, costs associated with previously disposed of businesses, acquisitions and divestitures, or other selected items. Management acknowledges that there are many items that impact a company's reported results and this list is not intended to present all items that may have impacted these results. Other adjustments are included in selling, general, and administrative, cost of sales, and other operating expenses on the consolidated statements of operations. The adjusted income tax expense presented above is calculated using a normalized company-wide effective tax rate excluding discrete items of 25% and 27% for 2023 and 2022, respectively. Per share amounts were calculated by dividing by the weighted-average shares of diluted common stock outstanding during the periods.

1 Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that was and is subject to reduction for certain types of employment terminations of the LeanTeq and Alluxa sellers and is directly related to the terms of the respective acquisitions. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisitions unless certain employment terminations have occurred. The LeanTeq non-controlling interests were acquired by Enpro in December 2022.

2 In connection with the acquisition of Aseptic in 2019, we recognized a liability for uncertain tax positions and a related indemnification asset for the portion of that liability recoverable from the seller. We determined the statute of limitations expired on some of the uncertain tax positions in 2022 and 2021 and, accordingly, removed a portion of the liability and receivable. The release of the related liability was recorded as part of our tax expense for the years ended December 31, 2022 and 2021 and the reversal of the related receivable was recorded as an expense in other non-operating income (expense) on our consolidated statement of operations.

3 In connection with the sale of GGB, accounted for as a discontinued operation, in the fourth quarter of 2022, we issued an intercompany note between a domestic and foreign entity that was denominated in a foreign currency. As a result of this note, we recorded a loss due to the change in exchange rate during December 2022. In January 2023, we hedged the outstanding notes and expect future gains or losses to be minimal.

4 Adjusted diluted earnings per share

Free Cash Flow

(In Millions)

Free Cash Flow - Year Ended December 31, 2023		
Net cash provided by operating activities of continuing operations	$	208.4
Purchases of property, plant, and equipment		(33.9)
Free cash flow	$	174.5

Free Cash Flow - Year Ended December 31, 2022		
Net cash provided by operating activities of continuing operations	$	106.1
Purchases of property, plant, and equipment		(29.4)
Free cash flow	$	76.7