





First Quarter 2024 Earnings Review

May 7, 2024

ENPRO

Forward-Looking Statements

Statements in this presentation that express a belief, expectation or intention, including the 2024 guidance and other statements 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 the company's businesses and the businesses of its 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 in the Middle East region 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 the company conducts business, could significantly increase the company's cost of products or otherwise reduce its sales and harm its business; uncertainties with respect to prices and availability of raw materials, including as a result of instabilities from geopolitical conflicts; uncertainties with respect to the company's 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 Arizona facility; 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 the company's pricing policies or the pricing policies of its competitors; risks related to the reliance of the AST segment on a small number of significant customers; uncertainties with respect to the company's ability to identify and complete business acquisitions consistent with its strategy and to successfully integrate any businesses that it acquires; 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 the company's 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 report, describe these and other risks and uncertainties in more detail. Enpro does not undertake to update any forward-looking statements made in this presentation 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 discussed above and specifically excludes changes in the number of shares outstanding, changes in long-term compensation expense due to changes in the company's 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, and the impact of changes in foreign exchange rates, in each case subsequent to March 31, 2024.

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.



First Quarter 2024 Update

Eric Vaillancourt
President & Chief Executive Officer

ENPRO



Overview of Financial Results

Joe Bruderek

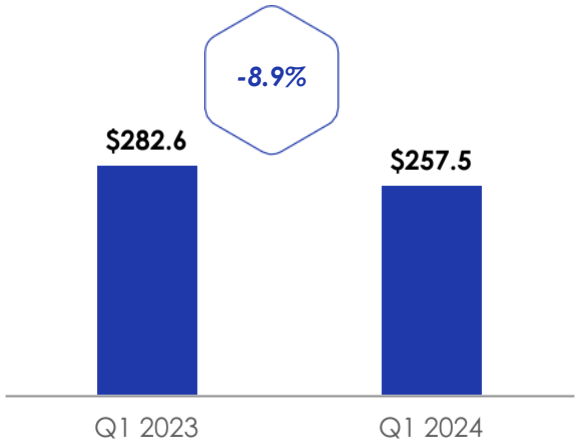
Executive Vice President & Chief Financial Officer

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First Quarter 2024 Financial Performance

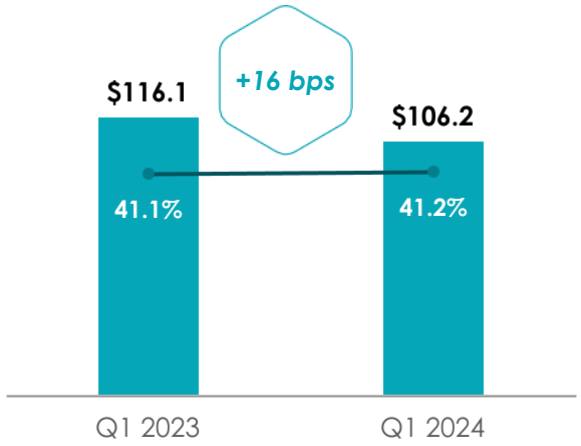
$ in millions, except per share data

Sales



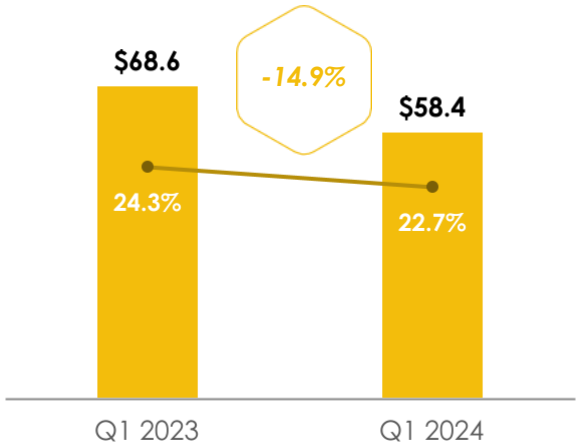
- Slow semiconductor markets, as well as weaker demand in commercial vehicle and food and pharma, more than offset the contribution from pricing actions, strength in nuclear and aerospace markets, as well as a partial quarter's contribution from AMI
- Organic sales decreased 11.6% year over year

Gross Profit & Margin



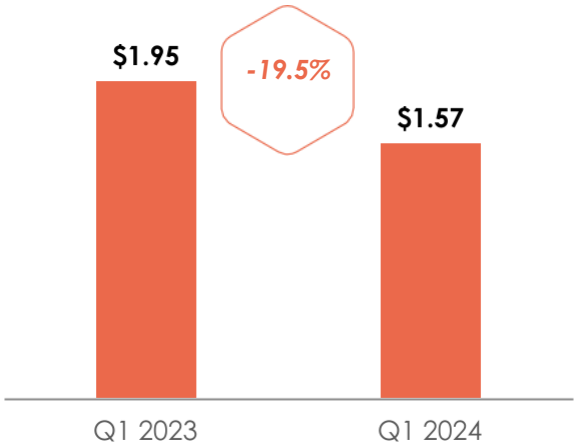
- Gross profit declined year over year driven primarily by sales volume declines, offset in part by pricing gains, favorable mix, and effective cost management
- Gross margin remained relatively flat as a percentage of sales
- Gross profit this quarter was impacted by $1.7 million of amortization from a purchase accounting fair value inventory write-up associated with the acquisition of AMI

Adjusted EBITDA* & Margin*



- Adjusted EBITDA* of $58.4 million decreased 14.9% over the prior-year period primarily driven by volume declines, offset in part by pricing gains, favorable mix, and effective cost management
- Adjusted EBITDA margin* of 22.7%, decreased 160 bps

Adjusted Diluted EPS*



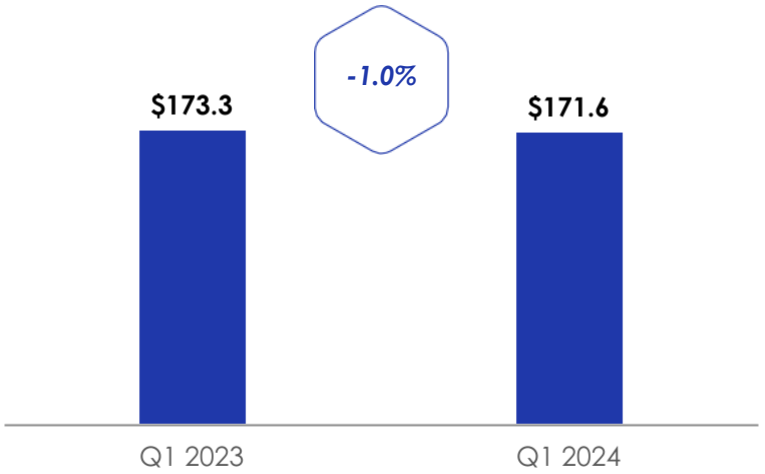
- Adjusted diluted earnings per share* of $1.57 decreased 19.5% compared to the prior-year period driven by the factors impacting adjusted EBITDA

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

Sealing Technologies – First Quarter 2024 Performance

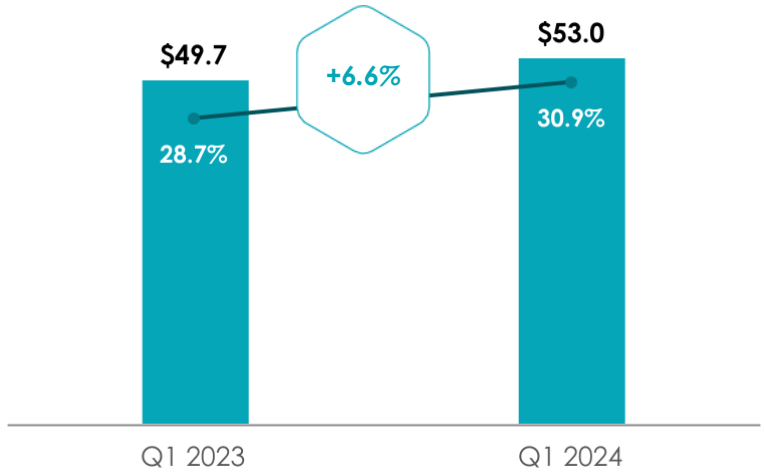
$ in millions

Sales



- Sales decrease driven by weaker demand in commercial vehicle, food and pharmaceutical, and general industrial in Asia, offset in part by pricing gains, strength in nuclear and aerospace and a partial quarter's contribution from AMI. Organic sales decreased 5.4%

Adjusted EBITDA & Margin

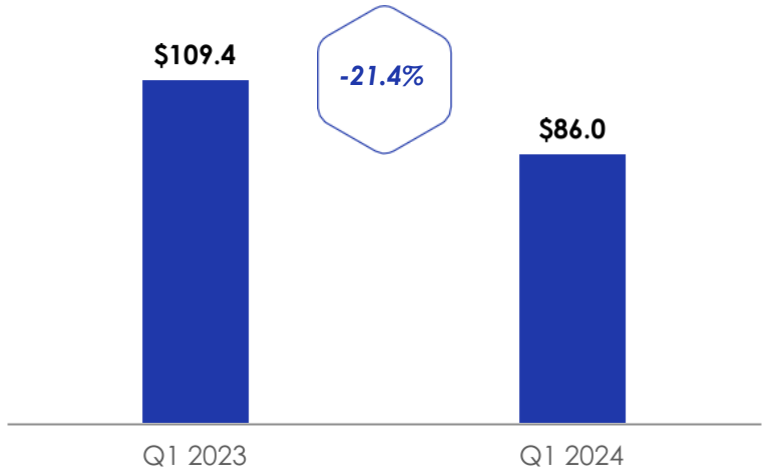


- Adjusted segment EBITDA of $53.0 million increased 6.6% compared to the prior-year period
- Adjusted segment EBITDA decreased 2.0% organically driven mainly by lower volume, offset in part by strategic pricing actions, favorable mix, and effective cost management. These offsetting factors and the accretive addition of AMI drove adjusted segment EBITDA margin to expand 220 bps

Advanced Surface Technologies – First Quarter 2024 Performance

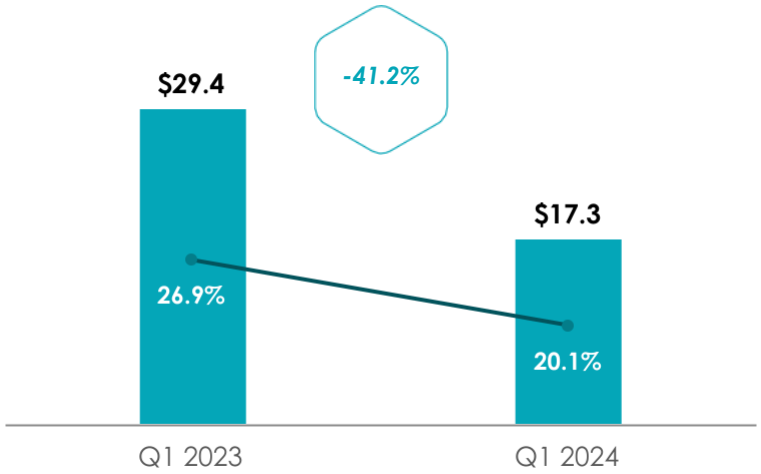
$ in millions

Sales



- Sales decrease driven primarily by softness in the semiconductor market and, to a lesser extent, lower sales of optical filter solutions

Adjusted EBITDA & Margin



- Adjusted segment EBITDA decrease driven primarily by the decline in volume
- Growth investments in semiconductor continue

Balance Sheet, Cash Flow & Capital Allocation

$ in millions

Net Leverage

Reported March 31, 2024

	Credit Facility	$	35
	Term Loans[1,2]	$	297
	Senior Notes[1]	$	350
	Capital Lease Obligations/Other	$	1
A	Debt Components	$	683
B	Cash and Equivalents	$	164
C = (A – B)	Net Debt	$	519

Commentary

- Strong balance sheet; ample liquidity consisting of $163.9M in cash and $355.0M[3] available under revolver
- Free cash flow* for the three months ended March 31, 2024 was $(1.9)M, compared to $21.4M last year
- Paid $6.4M in dividends for the three months ended March 31, 2024

[1] Outstanding balance of debt instrument.
[2] Includes Term Loan A-2 Facility, with an outstanding balance at March 31, 2024 of $297.3 million. The Term Loan A-1 Facility was fully paid down on July 26, 2023. The Term Loan A-2 Facility will amortize 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] The $355.0M available for borrowing under revolver is net of $10.0M in letters of credit
* Non-GAAP measure; refer to appendix for reconciliation to GAAP.

2024 Guidance

	2024 Guidance* (as of May 7, 2024)
Revenue Growth	Low – Mid Single Digit Growth
Adjusted EBITDA**	$260M – $280M
Adjusted Diluted EPS**	$7.00 – $7.80

Assumptions

~$98-101M
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, and the impact of foreign exchange rate changes, in each case subsequent to March 31, 2024.
** 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 updated from February 20, 2024 guidance to include incremental intangible amortization to result from the acquisition of AMI, which is estimated as part of the preliminary purchase price allocation process that was completed 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 Facilities	13
Global Employees	~3,400

Financial Overview	
Market-Cap[1]	$3.2B
LTM Revenue[3]	$1.0B
LTM Adj. EBITDA (Margin)[2,3]	$228M (22.0%)
2024 Aftermarket Rev. %	55%
Dividend Yield[1]	0.8%

2024 Revenue Contribution

Sales by Segment



- Sealing Technologies 67%
- Advanced Surface Technologies 33%

Sales by Channel



- Aftermarket 55%
- OE 45%

Sales by Geography



- North America 64%
- Asia Pacific 15%
- Europe 20%
- RoW 1%

Sales by Market



- Semiconductor 30%
- General Industrial 28%
- Commerical Vehicle 17%
- Power Generation 7%
- Food & Pharma 7%
- Aerospace 7%
- Petrochemical 4%

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[1] As of 5/2/24; [2] Refer to appendix for Non-GAAP reconciliation; [3] As of 3/31/2024

Reconciliation of LTM Results

Enpro Inc. ($ in millions)	Revenue	Adjusted EBITDA	Adjusted EBITDA Margin
Three Months Ended March 31, 2024	$ 257.5	$ 58.4	22.7%
Plus:			
Year Ended December 31, 2023	1,059.3	238.0	22.5%
Less:			
Three Months Ended March 31, 2023	282.6	68.6	24.3%
LTM Ended March 31, 2024	$ 1,034.2	$ 227.8	22.0%

Consolidated Adjusted EBITDA (1/2)

For the Year Ended December 31, 2023
(In Millions)

	2023
Income from continuing operations attributable to EnPro Industries, Inc., net of tax	$ 10.8
Net income attributable to redeemable non-controlling interests	(3.9)
	6.9
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization, and other selected items ("Adjusted EBITDA"):	
Interest expense, net	30.1
Income tax expense	30.8
Depreciation and amortization expense	94.5
Restructuring and impairment expense	5.0
Environmental reserve adjustments	2.9
Costs associated with previously disposed businesses	1.7
Acquisition and divestiture expenses	1.1
Pension income (non-service cost)	1.5
Non-controlling interest compensation allocation[1]	(0.3)
Goodwill impairment	60.8
Foreign exchange losses related to divestiture of GGB[2]	2.2
Other	0.8
Adjusted EBITDA	$ 238.0

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 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.

Consolidated Adjusted EBITDA (2/2)

For Three Months Ended March 31, 2024 and 2023 (In Millions)	Three Months Ended March 31, 2024	2023
Income from continuing operations	$ 12.5	$ 26.0
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization, and other selected items ("Adjusted EBITDA"):		
Interest expense, net	8.2	7.9
Income tax expense	1.8	8.1
Depreciation and amortization expense	24.6	23.6
Restructuring expense	0.8	0.8
Environmental reserve adjustments	0.2	0.1
Costs associated with previously disposed businesses	0.3	0.2
Acquisition expenses	3.3	—
Pension expense	—	0.4
Non-controlling interest compensation allocation[1]	—	0.4
Amortization of the fair value adjustment to acquisition date inventory	1.7	—
Foreign exchange losses related to the divestiture of a discontinued operation[2]	0.5	0.7
Long-term promissory note reserve[3]	4.5	—
Other	—	0.4
Adjusted EBITDA	$ 58.4	$ 68.6

[1]Non-controlling interest compensation allocation represents compensation expense adjustment associated with a portion of the rollover equity from the acquisition of Alluxa that was subject to reduction for certain types of employment terminations of the Alluxa sellers and is directly related to the terms of the acquisition. This expense was recognized as compensation expense over the term of the put and call option associated with the acquisition unless certain employment terminations occurred. The Alluxa non-controlling interests were acquired in February 2024.

[2]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 is denominated in a foreign currency. As a result of this note, we have recorded losses due to the changes in the foreign exchange rate. The outstanding note is hedged in order to minimize related gains or losses.

[3]We issued a long-term promissory note in connection to the sale of a divested business. As part of our regular review of the note, in the first quarter of 2024 we concluded a reserve was needed for expected credit losses. We will continue to monitor the note regularly and make adjustments to the reserve as needed based on known facts and circumstances

Segment Information (1/2)

For the Three Months Ended March 31, 2024 and 2023
(In Millions)

Sales

	2024	2023
Sealing Technologies	$ 171.6	$ 173.3
Advanced Surface Technologies	86.0	109.4
	257.6	282.7
Less: intersegment sales	(0.1)	(0.1)
	$ 257.5	$ 282.6

Income from continuing operations attributable to EnPro Industries, Inc.	$ 12.5	$ 26.0

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

	2024	2023
Sealing Technologies	$ 53.0	$ 49.7
Advanced Surface Technologies	17.3	29.4
	$ 70.3	$ 79.1

Adjusted Segment EBITDA Margin

	2024	2023
Sealing Technologies	30.9 %	28.7 %
Advanced Surface Technologies	20.1 %	26.9 %
	27.3 %	28.0 %

Reconciliation of Adjusted Segment EBITDA to Income from Continuing Operations Attributable to EnPro Industries, Inc.

	2024	2023
Income from continuing operations	$ 12.5	$ 26.0
Income tax expense	(1.8)	(8.1)
Income from continuing operations before income taxes	14.3	34.1
Acquisition expenses	3.3	—
Non-controlling interest compensation allocation[1]	—	0.4
Amortization of the fair value adjustment to acquisition date inventory	1.7	—
Restructuring expense	0.5	0.4
Depreciation and amortization expense	24.6	23.5
Corporate expenses	12.2	11.0
Interest expense, net	8.2	7.9
Other expense	5.5	1.8
Adjusted Segment EBITDA	$ 70.3	$ 79.1

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. Non-operating expenses not directly attributable to the segments, corporate expenses, net interest expense, 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.

In 2024, we refined our definition of Adjusted Segment EBITDA and corporate expenses to include certain other income or expenses previously reported in other expense, net. These items were primarily comprised of bank fees and certain foreign exchange transaction gains and losses. As a result of this change, for the quarter ended March 31, 2023, we decreased Advanced Surface Technologies adjusted segment EBITDA by $0.1 million and increased corporate expenses by $0.3 million.

[1]Non-controlling interest compensation allocation represents compensation expense adjustment associated with a portion of the rollover equity from the acquisition of Alluxa that was subject to reduction for certain types of employment terminations of the Alluxa sellers and is directly related to the terms of the acquisition. This expense was recognized as compensation expense over the term of the put and call option associated with the acquisition unless certain employment terminations occurred. The Alluxa non-controlling interests were acquired in February 2024.

Segment Information (2/2)

For the Three Months Ended March 31, 2024 and 2023
(In Millions)

	Three Months Ended March 31, 2024		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition expenses	$ 3.3	$ —	$ 3.3
Amortization of the fair value adjustment to acquisition date inventory	$ 1.7	$ —	$ 1.7
Restructuring expense	$ 0.5	$ —	$ 0.5
Depreciation and amortization expense	$ 7.7	$ 16.9	$ 24.6

	Three Months Ended March 31, 2023		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Non-controlling interest compensation allocation[1]	$ —	$ 0.4	$ 0.4
Restructuring expense	$ —	$ 0.4	$ 0.4
Depreciation and amortization expense	$ 6.3	$ 17.2	$ 23.5

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. The Alluxa non-controlling interests were acquired by Enpro in February 2024.

Consolidated Adjusted Net Income

(In Millions, Except Per Share Data)	Three Months Ended March 31,					
	2024			2023		
	$	Average common shares outstanding, diluted	Per Share	$	Average common shared outstanding, diluted	Per Share
Income from continuing operations	$ 12.5	21.1	$ 0.59	$ 26.0	20.9	$ 1.24
Income tax expense	1.8			8.1		
Income from continuing operations before income taxes	14.3			34.1		
Adjustments from selling, general, and administrative:						
Acquisition expenses	3.3			—		
Non-controlling interest compensation allocations[1]	—			0.3		
Amortization of acquisition-related intangible assets	18.6			17.2		
Adjustments from other operating expense and cost of sales:						
Restructuring expense	0.8			0.8		
Amortization of the fair value adjustment to acquisition date inventory	1.7			—		
Adjustments from other non-operating expense:						
Environmental reserve adjustments	0.2			0.1		
Costs associated with previously disposed businesses	0.3			0.2		
Pension income	—			0.4		
Foreign exchange losses related to the divestiture of a discontinued operation[2]	0.5			0.7		
Long-term promissory note reserve[3]	4.5			—		
Other adjustments:						
Other	—			0.4		
Adjusted income from continuing operations before income taxes	44.2			54.2		
Adjusted income tax expense	(11.1)			(13.5)		
Adjusted income from continuing operations	$ 33.1	21.1	$ 1.57 [4]	$ 40.7	20.9	$ 1.95 [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 and diluted earnings per share, 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 technology 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. The adjustments in the table above relate solely to expenses attributable to Enpro Inc. and have been adjusted to remove any amounts attributable to non-controlling interests.
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 25.0%. 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 adjustment associated with a portion of the rollover equity from the acquisition of Alluxa that was subject to reduction for certain types of employment terminations of the Alluxa sellers and is directly related to the terms of the acquisition. This expense was recognized as compensation expense over the term of the put and call option associated with the acquisition unless certain employment terminations occurred. The Alluxa non-controlling interests were acquired in February 2024.
[2]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 is denominated in a foreign currency. As a result of this note, we have recorded losses due to the changes in the foreign exchange rate. The outstanding note is hedged in order to minimize related gains or losses.
[3]We issued a long-term promissory note in connection to the sale of a divested business. As part of our regular review of the note, in the first quarter of 2024 we concluded a reserve was needed for expected future credit losses. We will continue to monitor the note regularly and make adjustments to the reserve as needed based on known facts and circumstances
[4]Adjusted diluted earnings per share.

Free Cash Flow

(In Millions)

Free Cash Flow - Three Months Ended March 31, 2024		
Net cash provided by operating activities	$	6.3
Purchases of property, plant, and equipment		(8.2)
	$	(1.9)

Free Cash Flow - Three Months Ended March 31, 2023		
Net cash provided by operating activities	$	26.4
Purchases of property, plant, and equipment		(5.0)
	$	21.4