





Second Quarter 2024 Earnings Review

August 6, 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 Advanced Surface Technologies 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 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 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 and pending 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 June 30, 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. Adjusted EBITDA and adjusted diluted earnings per share anticipated for the full-year 2024 are calculated in a manner consistent with the historical presentation of these measures in the appendix. Because of the forward-looking nature of these estimates, it is impractical to present quantitative reconciliations of such measures to comparable GAAP measures, and accordingly no such GAAP measures are presented.



Second Quarter 2024 Update

Eric Vaillancourt
President & Chief Executive Officer

ENPRO



Overview of Financial Results

Joe Bruderek

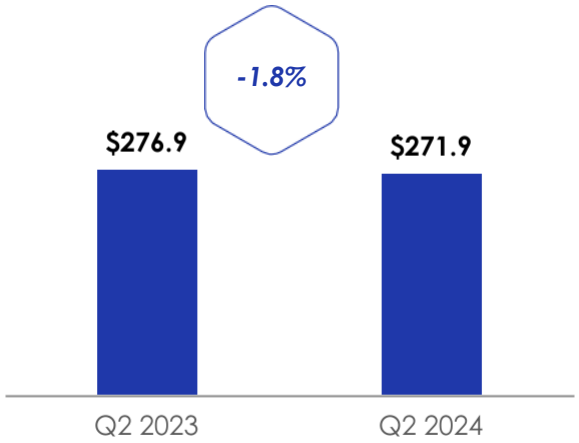
Executive Vice President & Chief Financial Officer

ENPRO

Second Quarter 2024 Financial Performance

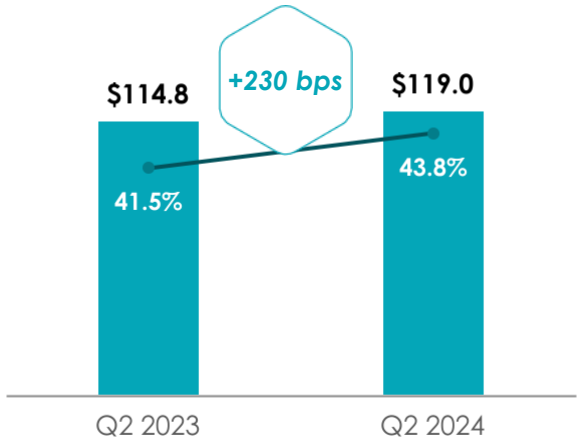
$ in millions, except per share data

Sales



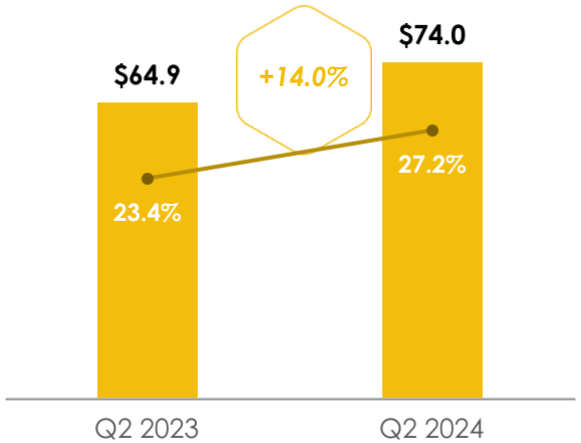
- Overall decline driven primarily by lower results in the AST segment due to ongoing softness in semiconductor capital equipment spending
- Organic sales decreased 5.0% year over year

Gross Profit & Margin



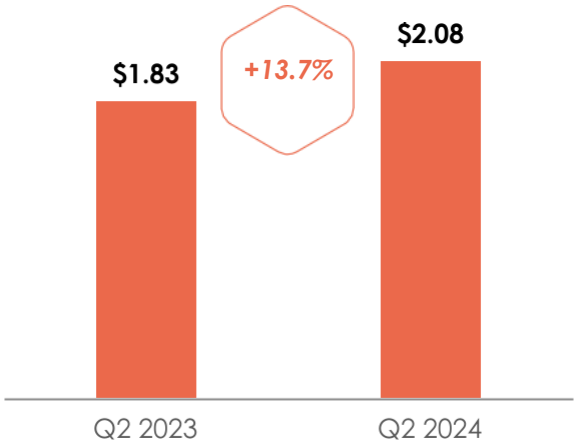
- Gross margin expansion driven by strategic pricing actions in Sealing Technologies, favorable mix, supply chain efficiencies, cost controls, and the accretive impact of AMI, offset in part by the impact of the sales volume decline

Adjusted EBITDA* & Margin*



- Adjusted EBITDA* of $74.0 million increased 14.0% year over year driven primarily by the factors expanding gross margin along with a reduction in corporate expense
- Adjusted EBITDA margin* of 27.2%, increased 380 bps

Adjusted Diluted EPS*



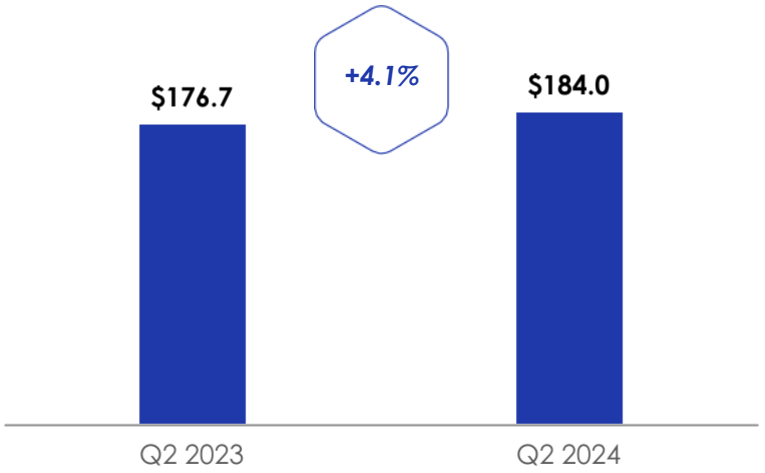
- Adjusted diluted earnings per share of $2.08 increased 13.7% compared to the prior-year period driven by the factors that drove adjusted EBITDA growth

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

Sealing Technologies – Second Quarter 2024 Performance

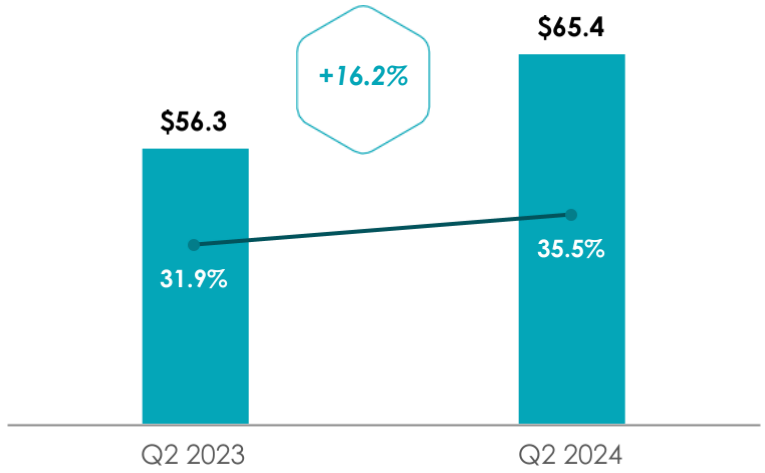
$ in millions

Sales



- Sales increase driven by strong demand in the aerospace and nuclear markets, the contribution from AMI, strategic pricing actions, and improved sales in food & pharma, offset by steep declines in commercial vehicle OEM revenue and soft general industrial demand in Asia
- Organic sales essentially flat

Adjusted EBITDA & Margin

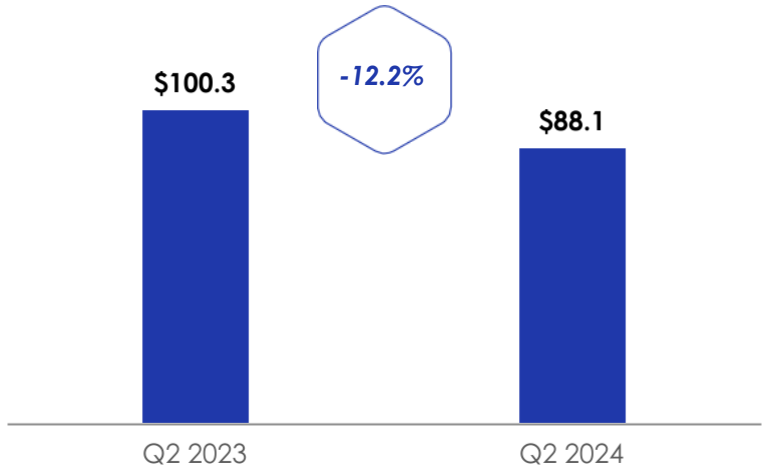


- Adjusted segment EBITDA of $65.4 million increased 16.2% compared to the prior-year period
- Adjusted segment EBITDA margin expanded 360 bps to 35.5% driven by pricing actions, the contribution from AMI, improved aftermarket mix, and 80/20 discipline, offset in part by the impact of lower sales volumes
- Adjusted segment EBITDA increased 7.3% organically

Advanced Surface Technologies – Second Quarter 2024 Performance

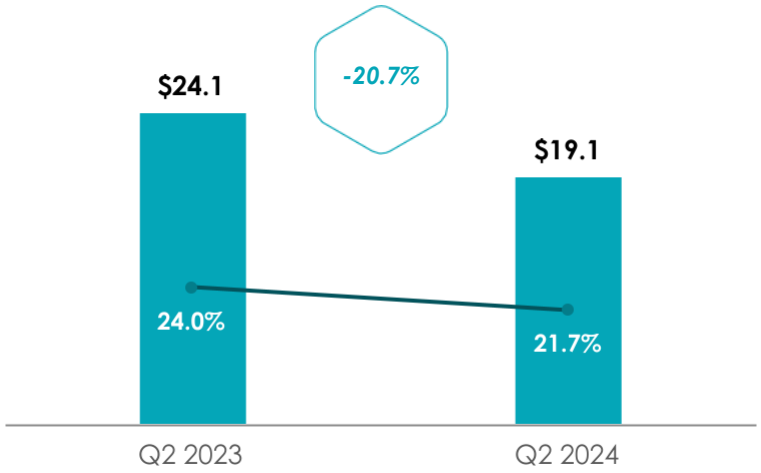
$ in millions

Sales



- Sales decrease as soft semiconductor capital equipment spending more than offset growth in our precision cleaning solutions business supporting leading edge nodes
- Organic sales decreased 12.2%

Adjusted EBITDA & Margin



- Adjusted segment EBITDA decrease driven primarily by the overall decline in volume
- Adjusted segment EBITDA decreased 20.7% year-on-year
- Growth investments in semiconductor for capacity expansion in the United States and Asia continue. In addition, we are pursuing a number of continuous improvement initiatives that will better position the segment long term.

Balance Sheet, Cash Flow & Capital Allocation

$ in millions

Net Leverage

Reported June 30, 2024

	Credit Facility	$	18
	Term Loans[1,2]	$	295
	Senior Notes[1]	$	350
	Capital Lease Obligations	$	1
A	Debt Components	$	664
B	Cash and Cash Equivalents	$	176
D = (A – B + C)	Net Debt	$	488

Commentary

- Strong balance sheet; ample liquidity consisting of $175.9M in cash and cash equivalents and $372.0M[3] available under revolver
- Free cash flow* for the six months ended June 30, 2024 was $35.5M, down from $66.5M last year
- Paid $12.7M in dividends for the six months ended June 30, 2024

[1] Outstanding balance of debt instrument.
[2] Includes Term Loan A-2 Facility, with an outstanding balance at June 30, 2024 of $295.3M. 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 $372.0M 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 August 6, 2024)*	Prior 2024 Guidance *(as of May 7, 2024)*
Revenue Growth[1]	Approximately Flat	Low-Mid Single Digit Growth
Adjusted EBITDA*[1]	$260M – $270M	$260M – $280M
Adjusted Diluted EPS*[1][2]	$7.00 – $7.60	$7.00 – $7.80

Assumptions

~$99-101M
Depreciation and Amortization[2]

~$60M
Capital Expenditures

~$33-35M
Net Interest Expense

25%
Normalized Tax Rate

[1] Full-year guidance excludes changes in the number of shares outstanding, 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 the end of the second quarter, the impact of foreign exchange rate changes subsequent to the end of the second quarter, increases in interest rates beyond those assumed in the preparation of the guidance, impacts from geopolitical activity, including the outbreak (or threat of outbreak) of armed hostilities, and environmental and litigation charges.
[2] Amortization of acquisition-related intangible assets of $75-$76 million excluded from the calculation of adjusted diluted EPS.



Closing Comments

Eric Vaillancourt

President & Chief Executive Officer

ENPRO

Q&A





Appendix

Enpro Inc. (NYSE: NPO) | Attractive Portfolio of High-Margin Businesses

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

Financial Overview	
Market-Cap[1]	$3.3B
LTM Revenue[3]	$1.0B
LTM Adj. EBITDA (Margin)[2,3]	$237M (23.0%)
2024 YTD Aftermarket Rev. %	54%
Dividend Yield[1]	0.8%

2024 YTD Revenue Contribution

Sales by Segment



- Sealing Technologies 67%
- Advanced Surface Technologies 33%

Sales by Channel



- Aftermarket 54%
- OE 46%

Sales by Geography



- North America 66%
- Asia Pacific 15%
- Europe 18%
- RoW 1%

Sales by Market



- Semiconductor 30%
- General Industrial 28%
- Commerical Vehicle 18%
- Power Generation 7%
- Food & Pharma 7%
- Aerospace 6%
- Petrochemical 4%

Leading Provider of Highly-Engineered Solutions for Mission Critical Applications

[1] As of 8/2/24; [2] Refer to appendix for Non-GAAP reconciliation; [3] As of 6/30/2024

Reconciliation of LTM Results

Enpro Inc. ($ in millions)	Revenue	Adjusted EBITDA	Adjusted EBITDA Margin
Six Months Ended June 30, 2024	$ 529.4	$ 132.5	25.0%
Plus:			
Year Ended December 31, 2023	1,059.3	238.0	22.5%
Less:			
Six Months Ended June 30, 2023	559.5	133.4	23.8%
LTM Ended June 30, 2024	$ 1,029.2	$ 237.1	23.0%

Consolidated Adjusted EBITDA (1/2)

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

	2023
Income from continuing operations attributable to Enpro 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	(0.3)
Goodwill impairment	60.8
Foreign exchange losses related to divestiture of a discontinued operation[1]	2.2
Other	0.8
Adjusted EBITDA	$ 238.0

1 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 the Quarters and Six Months Ended June 30, 2024 and 2023 (In Millions)	Quarters Ended June 30, 2024	 2023	Six Months Ended June, 2024	 2023
Income (loss) from continuing operations attributable to Enpro Inc., net of tax	$ 26.7	$ (18.6)	$ 39.2	$ 7.4
Net loss attributable to redeemable non-controlling interests	—	(4.2)	—	(4.2)
Income (loss) from continuing operations	26.7	(22.8)	39.2	3.2
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization, and other selected items ("Adjusted EBITDA"):				
Interest expense, net	9.5	8.6	17.7	16.5
Income tax expense	9.7	(5.8)	11.5	2.3
Depreciation and amortization expense	25.2	23.9	49.8	47.4
Restructuring expense	0.7	0.2	1.5	1.0
Environmental reserve adjustments	2.1	—	2.3	0.1
Costs associated with previously disposed businesses	0.1	0.2	0.4	0.5
Acquisition expenses	0.2	—	3.5	—
Pension expense	0.1	0.4	0.1	0.7
Non-controlling interest compensation allocation	—	(0.7)	—	(0.3)
Asbestos receivable adjustment	(0.6)	—	(0.6)	—
Amortization of the fair value adjustment to acquisition date inventory	—	—	1.7	—
Goodwill impairment	—	60.8	—	60.8
Foreign exchange losses related to the divestiture of a discontinued operation[1]	0.4	0.3	0.9	0.9
Long-term promissory note reserve[2]	—	—	4.5	—
Other	(0.1)	(0.2)	—	0.3
Adjusted EBITDA	$ 74.0	$ 64.9	$ 132.5	$ 133.4

[1] 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.

[2] 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 quarters and Six Months Ended June 30, 2024 and 2023
(In Millions)

Sales

	Quarters Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Sealing Technologies	$ 184.0	$ 176.7	$ 355.6	$ 350.0
Advanced Surface Technologies	88.1	100.3	174.1	209.7
	272.1	277.0	529.7	559.7
Less: intersegment sales	(0.2)	(0.1)	(0.3)	(0.2)
	$ 271.9	$ 276.9	$ 529.4	$ 559.5

Income (loss) from continuing operations attributable to Enpro Inc., net of tax	$ 26.7	$ (18.6)	$ 39.2	$ 7.4

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

	Quarters Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Sealing Technologies	$ 65.4	$ 56.3	$ 118.4	$ 106.0
Advanced Surface Technologies	19.1	24.1	36.4	53.5
	$ 84.5	$ 80.4	$ 154.8	$ 159.5

Adjusted Segment EBITDA Margin

	Quarters Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Sealing Technologies	35.5 %	31.9 %	33.3 %	30.3 %
Advanced Surface Technologies	21.7 %	24.0 %	20.9 %	25.5 %
	31.1 %	29.0 %	29.2 %	28.5 %

Reconciliation of Income (Loss) from Continuing Operations Attributable to Enpro Inc., Net of Tax to Adjusted Segment EBITDA

	Quarters Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Income (loss) from continuing operations attributable to Enpro Inc., net of tax	26.7	(18.6)	39.2	7.4
Plus: net loss attributable to redeeming non-controlling interests	—	(4.2)	—	(4.2)
Income (loss) from continuing operations	26.7	(22.8)	$ 39.2	$ 3.2
Income tax benefit (expense)	$ (9.7)	$ 5.8	(11.5)	(2.3)
Income (loss) from continuing operations before income taxes	36.4	(28.6)	50.7	5.5
Acquisition expenses	0.2	—	3.5	—
Non-controlling interest compensation allocation	—	(0.7)	—	(0.3)
Amortization of the fair value adjustment to acquisition date inventory	—	—	1.7	—
Restructuring expense	0.6	0.3	1.1	0.7
Depreciation and amortization expense	25.2	23.8	49.8	47.3
Corporate expenses	10.5	15.6	22.7	26.6
Interest expense, net	9.5	8.6	17.7	16.5
Goodwill impairment	—	60.8	—	60.8
Other expense	2.1	0.6	7.6	2.4
Adjusted Segment EBITDA	$ 84.5	$ 80.4	$ 154.8	$ 159.5

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 the first quarter of 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 June 30, 2023, we recast our results to increase Sealing Technologies Adjusted Segment EBITDA by $0.1 million and increased corporate expenses by $0.6 million. For the six months ended June 30, 2023, we increased Sealing Technologies Adjusted Segment EBITDA by $0.1 million, decreased Advanced Surface Technologies Adjusted Segment EBITDA by $0.1 million, and increased corporate expenses by $0.9 million.

Segment Information (2/2)

For the quarters and Six Months Ended June 30, 2024 and 2023
(In Millions)

	Quarter Ended June 30, 2024		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition and divestiture expenses	$ 0.2	$ —	$ 0.2
Restructuring and impairment expense	$ 0.6	$ —	$ 0.6
Depreciation and amortization expense	$ 8.3	$ 16.9	$ 25.2

	Quarter Ended June 30, 2023		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Non-controlling interest compensation allocation	$ —	$ (0.7)	$ (0.7)
Restructuring and impairment expense	$ 0.1	$ 0.2	$ 0.3
Depreciation and amortization expense	$ 6.4	$ 17.4	$ 23.8

	Six Months Ended June 30, 2024		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition expenses	$ 3.5	$ —	$ 3.5
Amortization of the fair value adjustment to acquisition date inventory	$ 1.7	$ —	$ 1.7
Restructuring expense	$ 1.1	$ —	$ 1.1
Depreciation and amortization expense	$ 16.1	$ 33.7	$ 49.8

	Six Months Ended June 30, 2023		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Non-controlling interest compensation allocation	$ —	$ (0.3)	$ (0.3)
Restructuring expense	$ 0.2	$ 0.5	$ 0.7
Depreciation and amortization expense	$ 12.6	$ 34.7	$ 47.3

Consolidated Adjusted Net Income

(In Millions, Except Per Share Data)	Quarters Ended June 30,					
	2024			2023		
	$	Average common shares outstanding, diluted	Per Share	$	Average common shared outstanding, diluted	Per Share
Income (loss) from continuing operations attributable to Enpro Inc., net of tax	$ 26.7	21.1	$ 1.27	$ (18.6)	20.9	$ (0.89)
Net loss from redeemable non-controlling interests	—			(4.2)		
Income tax benefit (expense)	9.7			(5.8)		
Income (loss) from continuing operations before income taxes	36.4			(28.6)		
Adjustments from selling, general, and administrative:						
Acquisition and divestiture expenses	0.2			—		
Non-controlling interest compensation allocations[1]	—			(0.7)		
Amortization of acquisition-related intangible assets	19.2			17.2		
Adjustments from other operating expense and cost of sales:						
Restructuring and impairment expense	0.7			0.2		
Adjustments from other non-operating expense:						
Asbestos receivable adjustment	(0.6)			—		
Environmental reserve adjustment	2.1			—		
Costs associated with previously disposed businesses	0.1			0.2		
Pension income (non-service cost)	0.1			0.4		
Goodwill impairment	—			56.6		
Foreign exchange losses related to the divestiture of a discontinued operation[1]	0.4			0.3		
Other adjustments:						
Other	(0.1)			(0.2)		
Adjusted income from continuing operations before income taxes	58.5			45.4		
Adjusted income tax expense	(14.6)			(11.4)		
Net loss from redeemable non-controlling interests	—			4.2		
Adjusted income from continuing operations attributable to Enpro Inc.	$ 43.9	21.1	$ 2.08 [3]	$ 38.2	20.9	$ 1.83 [3]

(In Millions, Except Per Share Data)	Six Months Ended June 30,					
	2024			2023		
	$	Average common shares outstanding, diluted	Per Share	$	Average common shared outstanding, diluted	Per Share
Income from continuing operations attributable to Enpro Inc., net of tax	$ 39.2	21.1	$ 1.86	$ 7.4	20.9	$ 0.35
Net loss from redeemable non-controlling interests	—			(4.2)		
Income tax expense	11.5			2.3		
Income from continuing operations before income taxes	50.7			5.5		
Adjustments from selling, general, and administrative:						
Acquisition expenses	3.5			—		
Non-controlling interest compensation allocations	—			(0.3)		
Amortization of acquisition-related intangible assets	37.7			34.4		
Adjustments from other operating expense and cost of sales:						
Restructuring expense	1.5			1.0		
Amortization of the fair value adjustment to acquisition date inventory	1.7			—		
Adjustments from other non-operating expense:						
Asbestos receivable adjustment	(0.6)			—		
Environmental reserve adjustments	2.3			0.1		
Costs associated with previously disposed businesses	0.4			0.5		
Pension income	0.1			0.7		
Goodwill impairment	—			56.6		
Foreign exchange losses related to the divestiture of a discontinued operation[1]	0.9			0.9		
Long-term promissory note reserve[2]	4.5			—		
Other adjustments:						
Other	—			0.3		
Adjusted income from continuing operations before income taxes	102.7			99.7		
Adjusted income tax expense	(25.7)			(24.9)		
Net loss from redeemable non-controlling interests	—			4.2		
Adjusted income from continuing operations attributable to Enpro Inc.	$ 77.0	21.1	$ 3.65 [3]	$ 79.0	20.9	$ 3.77 [3]

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] 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.

[2] 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.

[3] Adjusted diluted earnings per share.

Free Cash Flow

(In Millions)

Free Cash Flow - Six Months Ended June 30, 2024		
Net cash provided by operating activities	$	49.5
Purchases of property, plant, and equipment		(13.1)
Payments for capitalized internal-use software		(0.9)
	$	35.5

Free Cash Flow - Six Months Ended June 30, 2023		
Net cash provided by operating activities	$	78.5
Purchases of property, plant, and equipment		(11.9)
Payments for capitalized internal-use software		(0.1)
	$	66.5