ENPRO INDUSTRIES

FIRST QUARTER 2020 EARNINGS REVIEW

MAY 5, 2020



FORWARD-LOOKING STATEMENTS

Statements made in the course of 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: impacts from the COVID-19 pandemic and governmental responses to limit the further spread of COVID-19, including impacts on the company's operations, and the operations and businesses of its customers and vendors, including whether the company's operations and those of its customers and vendors will continue to be treated as "essential" operations under government orders restricting business activities or, even if so treated, whether site-specific health and safety concerns might otherwise require certain of the company's operations to be halted for some period of time; uncertainty with respect to the duration and severity of these impacts from the COVID-19 pandemic, including impacts on the general economy; other economic conditions in the markets served by EnPro's businesses, some of which are cyclical and experience periodic downturns; prices and availability of its raw materials; the impact of fluctuations in relevant foreign currency exchange rates; unanticipated delays or problems in introducing new products; announcements by competitors of new products, services or technological innovations; changes in pricing policies or the pricing policies of competitors; the impact of the acquisition of LeanTeq on its existing customer relationships; and the amount of any payments required to satisfy contingent liabilities related to discontinued operations of its predecessors, including liabilities for certain products, environmental matters, employee benefit obligations and other matters. EnPro's filings with the Securities and Exchange Commission, including its most recent Form 10-K, describe these and other risks and uncertainties in more detail. EnPro does not undertake to update any forward-looking statements made in the course of this presentation to reflect any change in management's expectations or any change in the assumptions or circumstances on which such statements are based.

We own a number of direct and indirect subsidiaries and, from time to time, we may refer collectively to EnPro and one or more of our subsidiaries as "we" or to the businesses, assets, debts or affairs of EnPro or a subsidiary as "ours." These and similar references are for convenience only and should not be construed to change the fact that EnPro and each subsidiary is an independent entity with separate management, operations, obligations and affairs.

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

Q1 2020 UPDATE

Marvin Riley – President & Chief Executive Officer

Q1 2020 HIGHLIGHTS



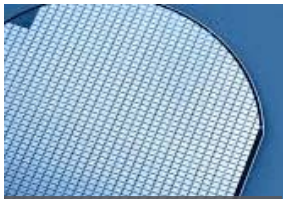
Q1 2020 Financial Highlights

- Sales decreased ~7% to $282.7M
- Adjusted EBITDA* increased ~19% to $40.6M; adjusted EBITDA margin* expanded ~320 bps to 14.4%
- Closed divestiture of Fairbanks Morse on January 21, 2020
- Net debt to adjusted EBITDA at March 31, 2020 of 0.6x
- Withdrawing 2020 guidance due to macroeconomic uncertainty surrounding the COVID-19 pandemic



Sealing Products Development

- Sales decreased ~4% to $216.1M due to decreased demand in the heavy-duty truck and petrochemical markets, offset by food and pharma, general industrial, and semiconductor markets
- Adjusted EBITDA* increased ~23% to $41.3M; adjusted EBITDA margin* expanded 410 bps to 19.1%; primarily driven by acquisitions, improvements in the heavy-duty truck business, and cost control measures



Engineered Products Development

- Sales decreased ~15% to $67.9M due to weakness in the automotive, general industrial, and petrochemical markets
- Adjusted EBITDA* decreased ~25% to $7.8M; adjusted EBITDA margin* contracted 160 bps to 11.5%; primarily driven by lower sales volume, partially offset by cost-reduction initiatives
- Continue to optimize the cost structure in response to volume declines and are taking actions to right size workforce, improve plant overhead, and decrease SG&A spending

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

FOUR-PHASE RESPONSE TO NAVIGATE THE COVID-19 PANDEMIC

Our cross-functional COVID-19 Response & Support Team, made up of our global executive leadership team, is working around the clock to manage our business continuity plans and coordinated response

THE HEALTH AND SAFETY OF OUR EMPLOYEES, COMMUNITIES, CUSTOMERS, AND SUPPLIERS IS OUR NUMBER ONE PRIORITY

Phase 1
Health and Safety

- Mobilized COVID-19 Response & Support Team
- Developed 'global safe work playbook', a standardized approach for COVID-19 pandemic preparedness and response
- Enacted preventative measures in line with recommendations from global and local authorities
- Implemented flexible and remote work options
- Enacted safe operating procedures, including temperature screenings, additional PPE, physical plexiglass workspace barriers, and enhanced visual management to support social distancing

Phase 2
Business Stability and Progression

- Planning for several contingency scenarios
- Planning for running business in adverse conditions, resetting business to new demand levels, managing liquidity, and being responsive to customers
- Taking decisive, informed actions to prevent the spread of COVID-19
- Developed playbooks to respond to changing demand levels
- Supply chain focused on stability, progression, and risk mitigation

Phase 3
Process Improvement

- Monitoring and improving:
  - Processes
  - Procedures
  - New ways of working
- Finding solutions to allow employees to thrive in new environment
- Enhanced customer experience

Phase 4
Post-pandemic Period

- Adapting to the new normal
- Refocusing on our core strategy
- Digital transformation of workplace and work routines
- Supply chain reconfiguration

Taking the Necessary Actions to Protect our People and Organization

ENPRO'S STRATEGIC OUTLOOK

1. **Reshaping our portfolio towards businesses with compelling margins, leading technology, and high cash flow return on investment in markets with favorable secular tailwinds**
2. **Increasing aftermarket exposure and recurring revenue opportunities**
3. **Maintaining a balanced approach to capital allocation**
4. **Leverage the EnPro Operating System for continuous improvement to increase margins and cash flow return on investment**

Successful Execution of Portfolio Shaping Actions Resulting in a More Durable Business Model



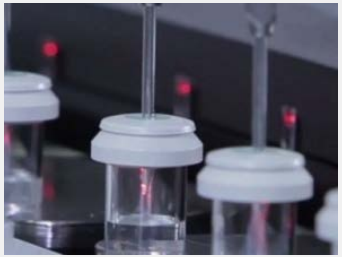
Fairbanks Morse Divestiture
(Closed Q1 2020)



TrailerTail, Aeris, and AirBatRF Exits
(Q1 2020/Q4 2019)



Brake Shoe Business Divestiture
(Closed Q3 2019)



The Aseptic Group Acquisition
(Closed Q3 2019)



LeanTeq Co., Ltd. Acquisition
(Closed Q3 2019)

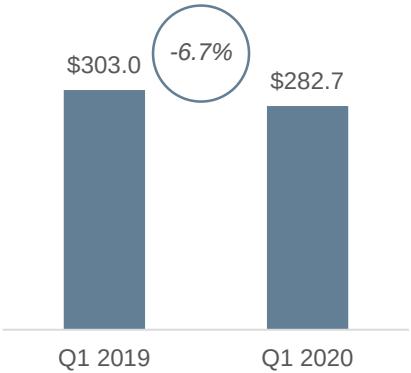
OVERVIEW OF FINANCIAL RESULTS

Milt Childress – Executive Vice President & CFO

Q1 2020 FINANCIAL PERFORMANCE

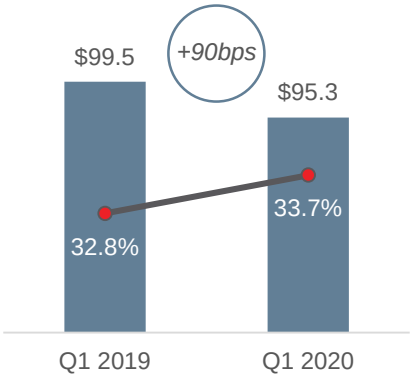
$ in millions, except per share data

Sales



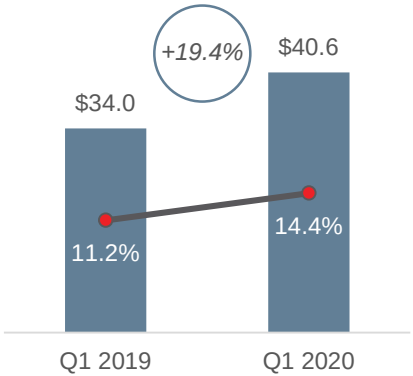
- Growth in semiconductor and food and pharma, including contributions from acquired businesses, were more than offset by weakness in the heavy-duty truck, general industrial, automotive, and petrochemical markets
- Excluding impact of foreign exchange translation and sales from acquired and divested businesses, organic sales declined 7.1%

Gross Profit & Margin



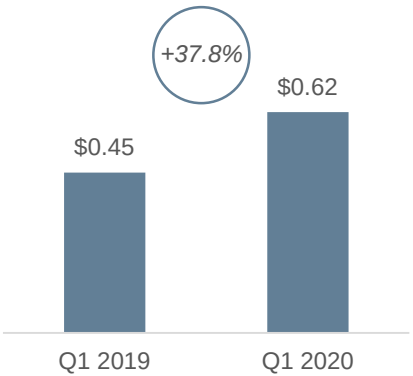
- Benefit from LeanTeq and The Aseptic Group acquisitions
- Improvements in the heavy-duty truck business

Adj. EBITDA* & Margin



- Increase driven by:
  - LeanTeq and Aseptic Group acquisitions
  - Improved results in heavy-duty truck resulting from cost reductions
  - Exit from brake shoe business

Adj. Diluted EPS*



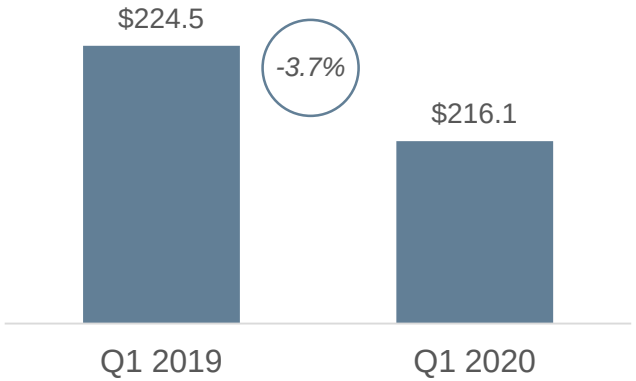
- Improved profitability in Sealing Products segment

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

SEALING PRODUCTS – Q1 2020 FINANCIAL PERFORMANCE

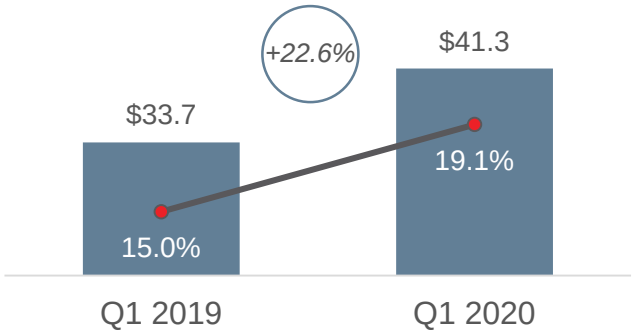
$ in millions

Sales



- Growth in food and pharma, general industrial, and semiconductor markets
- Decreased demand in the heavy-duty truck and petrochemical markets
- Unfavorable foreign exchange translation
- Impact of ceasing operations of three underperforming product lines in Q4 2019 and divestiture of our brake shoe business in Q3 2019
- Excluding the impact of foreign exchange translation and acquisitions and divestitures, sales decreased 4.8% compared to the prior-year period

Segment Adjusted EBITDA* & Margin



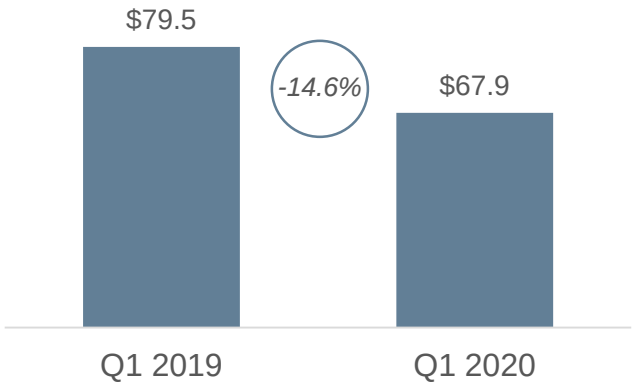
- Benefit from acquisitions, cost realignment in the heavy-duty truck business, and the sale of the brake shoe operation
- Segment adjusted EBITDA margin expanded 410 basis points to 19.1%
- Excluding the impact of foreign exchange translation and acquisitions and divestitures, segment adjusted EBITDA margin expanded 160 basis points compared to a year ago

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

ENGINEERED PRODUCTS – Q1 2020 FINANCIAL PERFORMANCE

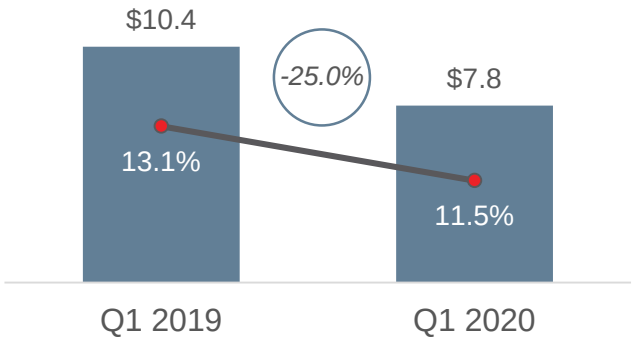
$ in millions

Sales



- Weakness in the automotive, general industrial, and petrochemical markets, exacerbated by COVID-19 as the quarter progressed
- Excluding the impact of foreign exchange translation, sales decreased 12.6% compared to the prior-year period

Segment Adjusted EBITDA* & Margin



- Driven by a decline in sales volume, partially offset by cost-reduction initiatives
- Excluding the impact of foreign exchange translation, segment adjusted EBITDA margin declined 139 basis points compared to a year ago

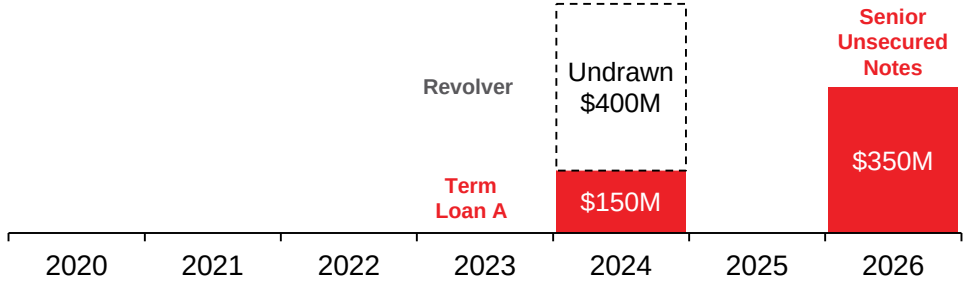
* Non-GAAP measure; refer to appendix for reconciliation to GAAP

BALANCE SHEET STRENGTH

NET LEVERAGE

	Reported March 31, 2020 ($M)	
	Credit Facility	$0
	Senior Notes(1)	$345
	Term Loan	$149
	Capital Lease Obligations	$1
A	Debt Components	$495
B	Cash and Equivalents	$391
C = (A – B)	Net Debt	$104
D	LTM March 31, 2020 Adjusted EBITDA*	$176
E = (C / D)	**Leverage Ratio**	**0.6x**

DEBT MATURITY SCHEDULE



COMMENTARY

- Completed divestiture of Fairbanks Morse in Q1 2020
- Repurchased $5.3M of shares YTD 2020; repurchases paused; $30M remains under current authorization
- Paid $5.5M in dividends, or $0.26 per share in Q1 2020; remain committed to dividend
- Excluding environmental payments in both periods and Fairbanks Morse related receivables this year, free cash flow was $13.8 million in Q1 2020 compared to negative $4.5 million in Q1 2019
- Expect 2020 capital spending to be at, or below, 2019 levels
- Credit facility and senior notes mature in 2024 and 2026, respectively, subject to applicable reinvestment requirements related to the Fairbanks Morse divestiture

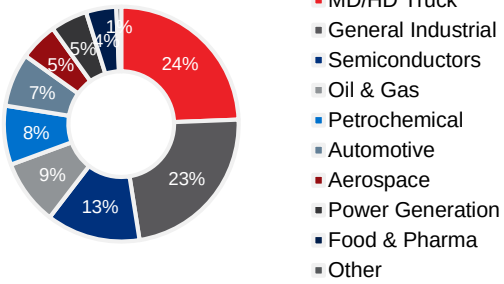
Strong and Flexible Balance Sheet Positions Company to Confidently Weather Downturn and Capitalize on Further Opportunities

(1) Includes impact from unamortized debt issue costs
* Non-GAAP measure; refer to appendix for reconciliation to GAAP
Note: LTM March 31, 2020 Adjusted EBITDA includes three quarters of contribution from The Aseptic Group acquisition and two quarters contribution from LeanTeq acquisition

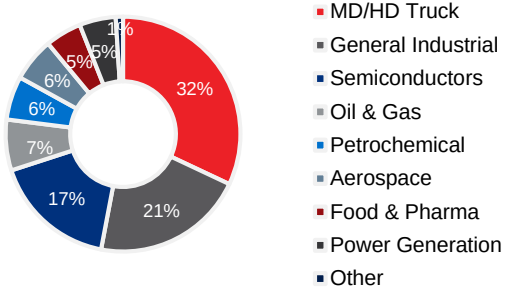
COVID-19 SCENARIO ANALYSIS

Q1 MARKET EXPOSURE:

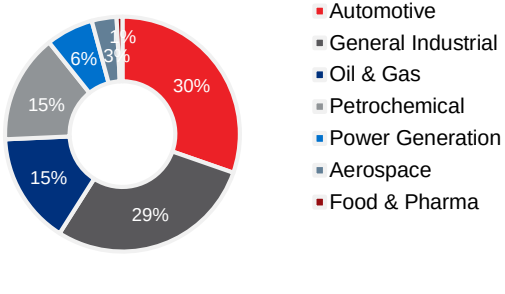
TOTAL ENPRO



SEALING PRODUCTS



ENGINEERED PRODUCTS



SCENARIO ANALYSIS INSIGHTS:

- Very limited visibility into the balance of the year
- Planned for a variety of COVID-19 scenarios for 2020:
  - Anticipate that Q2 will be hardest hit quarter followed by continued softness in Q3, and the beginning of a recovery in Q4
  - Have modeled a variety of different scenarios for the year based on revenue, in the aggregate, falling from 15% to 25% compared to 2019
  - If 2020 revenues decline in this range, then adjusted EBITDA margins may range between 11-13%, depending on the market mix of the decline
    - Takes into account the benefits of our recent acquisitions and cost actions identified for various levels of demand decline
- Businesses have already taken actions to mitigate impacts of decreased demand due to COVID-19; further contingency plans are ready, if needed, to adjust businesses to meet new demand levels and recover from economic slowdown

Well prepared for the near-term challenges and will move quickly to address additional risks as they present themselves

CLOSING COMMENTS

Marvin Riley – President & Chief Executive Officer

CLOSING COMMENTS

- Leadership team is confident in ability to safely and successfully navigate the current environment, taking every opportunity to strengthen our organization
- EnPro is continuing to ensure the health and safety of employees and delivering high levels of service to customers
- Financial position is strong with ample liquidity
- Management team is comprised of experienced leaders who successfully managed through challenging economic environments in the past, including the 2008 Recession and the 2014-2015 Industrial Recession
- Leadership team is successfully managing what is within our control and acting with compassion and agility
- EnPro will continue to take the necessary measures to protect the company and its stakeholders

EnPro is determined to maximize shareholder value during this challenging time and beyond

Q&A

APPENDIX

ENPRO (NYSE: NPO) | ATTRACTIVE PORTFOLIO OF BUSINESSES

COMPANY OVERVIEW

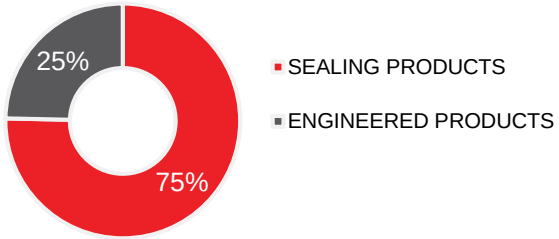
Headquarters	Charlotte, NC
Manufacturing Facilities	27 primary
Global Employees	5,000+
Customers	50,000+

FINANCIAL OVERVIEW

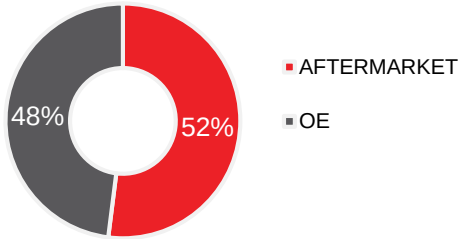
Market-Cap[1]	$940M
LTM Revenue[2]	$1.2B
LTM Adj. EBITDA (Margin)[2,3]	$176M (14.8%)
2019 Aftermarket Rev.	52%
Dividend Yield[1]	2.2%

2019 REVENUE CONTRIBUTION

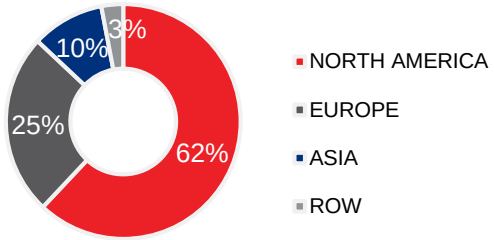
SALES BY SEGMENT



SALES BY CHANNEL



SALES BY GEOGRAPHY



Leading Provider of Highly-Engineered Solutions for Mission Critical Applications with #1-3 Market Positions

[1] As of 4/30/20; [2] LTM as of 3/31/20; [3] Refer to appendix for Non-GAAP reconciliation; Note: Excludes Fairbanks Morse, which is now reported as a discontinued operation

RECONCILIATION OF LTM RESULTS

EnPro *($ in millions)*	**Revenue ($)**	**Adjusted EBITDA ($)**	**Adjusted EBITDA Margin %**
Plus:			
Three Months Ended March 31, 2020	283	41	14.4%
Year Ended December 31, 2019	1,206	169	14.0%
Less:			
Three Months Ended March 31, 2019	303	34	11.2%
LTM Ended March 31, 2020	1,185	176	14.8%

Sealing Products *($ in millions)*	**Revenue ($)**	**Adjusted EBITDA ($)**	**Adjusted EBITDA Margin %**
Plus:			
Three Months Ended March 31, 2020	216	41	19.1%
Year Ended December 31, 2019	912	162	17.7%
Less:			
Three Months Ended March 31, 2019	225	34	15.0%
LTM Ended March 31, 2020	903	169	18.7%

Engineered Products *($ in millions)*	**Revenue ($)**	**Adjusted EBITDA ($)**	**Adjusted EBITDA Margin %**
Plus:			
Three Months Ended March 31, 2020	68	8	11.5%
Year Ended December 31, 2019	298	47	15.7%
Less:			
Three Months Ended March 31, 2019	80	10	13.1%
LTM Ended March 31, 2020	287	44	15.5%

CONSOLIDATED ADJUSTED EBITDA

Reconciliation of Net Income (Loss) to Adjusted EBITDA (Unaudited)

For the Years Ended December 31, 2019 and 2018
(Stated in Millions of Dollars)

	Years Ended December 31,	
	2019	2018
Net income (loss)	$ 38.3	$ 19.6
Adjustments to arrive at earnings before interest, income taxes, depreciation and amortization (EBITDA):		
Income from discontinued operations, net of taxes	(30.5)	(24.3)
Interest expense, net	18.2	27.3
Income tax benefit (expense)	(3.5)	19.8
Depreciation and amortization expense	68.0	66.1
EBITDA	90.5	108.5
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization and other selected items (Adjusted EBITDA):		
Restructuring and impairment costs	35.1	22.1
Environmental reserve adjustments and other costs associated with previously disposed businesses	14.5	13.4
Loss on sale of business	16.3	-
Loss on extinguishment of debt	-	18.1
Acquisition and divestiture expenses	8.9	2.0
Pension expense (income) (non-service cost)	3.3	11.9
Non-controlling interest compensation allocation**	0.5	-
Other	0.3	2.1
Adjusted EBITDA	$ 169.4	$ 178.1

* Adjusted EBITDA as presented also represents the amount defined as "EBITDA" under the indenture governing the Company's 5.75% Senior Notes due 2026.

**Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisition of LeanTeq being subject to reduction for certain types of employment terminations of the LeanTeq sellers. This expense is recorded in selling, general, and administration expenses on our Consolidated Statement of Operations and is directly related to the terms of the acquistion of LeanTeq. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisition unless certain employment terminations have occured.

Supplemental disclosure: For the year ended December 31, 2019, approximately 60% of the adjusted EBITDA as presented above was attributable to EnPro's subsidiaries that do not guarantee the Company's 5.75% Senior Notes due 2026

CONSOLIDATED ADJUSTED EBITDA

Reconciliation of Net Income Attributable to EnPro Industries, Inc. to Adjusted EBITDA (Unaudited)

For the Three Months Ended March 31, 2020 and 2019
(Stated in Millions of Dollars)

	2020	2019
Net income attributable to EnPro Industries, Inc.	$ 218.7	$ 13.1
Adjustments to arrive at earnings before interest, income taxes, depreciation and amortization (EBITDA):		
Income from discontinued operations, net of taxes	(208.6)	(5.3)
Income from redeemable non-controlling interest, net of taxes	0.1	-
Interest expense, net	4.0	4.5
Income tax expense	7.7	2.8
Depreciation and amortization expense	17.2	15.6
EBITDA	39.1	30.7
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization and other selected items (Adjusted EBITDA):		
Restructuring and impairment costs	1.4	1.3
Environmental reserve adjustments and other costs associated with previously disposed businesses	0.4	0.9
Net gain on sale of businesses	(1.1)	-
Acquisition and divestiture expenses	0.9	0.5
Pension expense (income) (non-service cost)	(0.7)	0.6
Non-controlling interest compensation allocation**	0.5	-
Other	0.1	-
Adjusted EBITDA	$ 40.6	$ 34.0

* Adjusted EBITDA as presented also represents the amount defined as "EBITDA" under the indenture governing the Company's 5.75% Senior Notes due 2026.

**Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisition of LeanTeq being subject to reduction for certain types of employment terminations of the LeanTeq sellers. This expense is recorded in selling, general, and administration expenses on our Consolidated Statement of Operations and is directly related to the terms of the acquisition of LeanTeq. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisition unless certain employment terminations have occurred.

Supplemental disclosure: For the three months ended March 31, 2020, approximately 64% of the adjusted EBITDA as presented above was attributable to EnPro's subsidiaries that do not guarantee the Company's 5.75% Senior Notes due 2026

SEGMENT ADJUSTED EBITDA

Reconciliation of Segment Profit to Adjusted Segment EBITDA (Unaudited)

For the Quarters ended March 31, 2020 and 2019 and Year Ended December 31, 2019
(Stated in Millions of Dollars)

	Three Months Ended March 31, 2020		
	Sealing Products	Engineered Products	Total Segments
Segment profit	$ 25.7	$ 3.4	$ 29.1
Acquisition and divestiture expenses	0.9	-	0.9
Non-controlling interest compensation allocation*	0.5	-	0.5
Restructuring and impairment costs	0.2	1.2	1.4
Depreciation and amortization expense	14.0	3.2	17.2
Earnings before interest, income taxes, depreciation, amortization, and other selected items (adjusted segment EBITDA)	$ 41.3	$ 7.8	$ 49.1
Adjusted segment EBITDA margin	19.1%	11.5%	17.4%

	Three Months Ended March 31, 2019		
	Sealing Products	Engineered Products	Total Segments
Segment profit	$ 20.8	$ 6.2	$ 27.0
Acquisition expenses	0.2	0.3	0.5
Restructuring costs	0.7	0.3	1.0
Depreciation and amortization expense	12.0	3.6	15.6
Adjusted segment EBITDA	$ 33.7	$ 10.4	$ 44.1
Adjusted segment EBITDA margin	15.0%	13.1%	14.6%

	Year Ended December 31, 2019		
	Sealing Products	Engineered Products	Total Segments
Segment profit	$ 93.8	$ 29.3	$ 123.1
Acquisition and divestiture expenses	7.7	0.7	8.4
Non-controlling interest compensation allocation*	0.5	-	0.5
Restructuring and impairment costs	6.6	2.1	8.7
Depreciation and amortization expense	53.1	14.8	67.9
Adjusted segment EBITDA	$ 161.7	$ 46.9	$ 208.6
Adjusted segment EBITDA margin	17.7%	15.7%	17.3%

For a reconciliation of segment profit to income from continuing operations, please refer to the Segment Information (Unaudited) schedule.

*Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisition of LeanTeq being subject to reduction for certain types of employment terminations of the LeanTeq sellers. This expense is recorded in selling, general, and administration expenses on our Consolidated Statement of Operations and is directly related to the terms of the acquisition of LeanTeq. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisition unless certain employment terminations have occurred.

CONSOLIDATED ADJUSTED NET INCOME

Reconciliation of Income from Continuing Operations Attributable to EnPro Industries, Inc. to Adjusted Income from Continuing Operations Attributable to EnPro Industries, Inc. and Adjusted Diluted Earnings Per Share (Unaudited)

For the Three Months Ended March 31, 2020 and 2019
(Stated in Millions of Dollars, Except Per Share Data)

	2020			2019		
	$	Average common shares outstanding, diluted (millions)	Per share	$	Average common shares outstanding, diluted (millions)	Per share
Income from continuing operations attributable to EnPro Industries, Inc.	$ 10.1	20.6	$ 0.49	$ 7.8	20.9	$ 0.37
Income from redeemable non-controlling interest, net of taxes	(0.1)			-		
Income tax expense	(7.7)			(2.8)		
Income from continuing operations before income taxes	17.9			10.6		
Adjustments:						
Restructuring and impairment costs	1.4			1.3		
Environmental reserve adjustments and other costs associated with previously disposed businesses	0.4			0.9		
Net gain on sale of businesses	(1.1)			-		
Acquisition and divestiture expenses	0.9			0.5		
Pension expense (income) (non-service cost)	(0.7)			0.6		
Non-controlling interest compensation allocation***	0.5			-		
Other	0.1			-		
Adjusted income from continuing operations before income taxes	19.4			13.9		
Adjusted income tax expense	(6.4)			(4.6)		
Income from redeemable non-controlling interest, net of taxes	(0.1)			-		
Adjusted income from continuing operations attributable to EnPro Industries, Inc.	$ 12.9	20.6	$ 0.62**	$ 9.3	20.9	$ 0.45**

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 attriubtable to EnPro Industries, 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 Industries, Inc. to other diversified industrial manufacturing companies that do not incur the sporadic impact of restructuring activities, costs associated with previously disposed of businesses, 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.

The environmental reserve adjustments and other costs associated with previously disposed businesses, net gain on sale of business, and pension expense (settlement and other non-service cost) are included as part of other income (expense). The non-controlling interest compensation allocation, acquisition and divestiture expenses, and other costs are included in selling, general, and administrative and other operating expenses. Restructuring and impairment costs are included as part of other operating expense and cost of sales.

The adjusted income tax expense presented above is calculated using a normalized company-wide effective tax rate excluding discrete items of 33.0% for continuing operations. Per share amounts were calculated by dividing by the weighted-average shares of diluted common stock outstanding during the periods.

** Adjusted diluted earnings per share.

***Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisition of LeanTeq that is subject to reduction for certain types of employment terminations of the LeanTeq sellers and is directly related to the terms of the acquisition of LeanTeq. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisition unless certain employment terminations have occurred.

FREE CASH FLOW

March 31, 2020 ($M)	Q12020	Q12019
Net Cash Provided by (Used in) Operating Activities of Continuing Operations	0.3	(1.3)
Purchases of Property, Plant and Equipment	(5.2)	(4.1)
Free Cash Flow	**(4.9)**	**(5.4)**
Excluding: Environmental Payments	15.5	0.9
Excluding: Fairbanks Morse Related Receivables	3.2	-
Free Cash Flow Excluding Environmental Payments	**13.8**	**(4.5)**