THIRD QUARTER 2020 EARNINGS REVIEW

NOVEMBER 3, 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; 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 and 10-Q, 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.

Q3 2020 UPDATE

Marvin Riley – President & CEO



Q3 2020 HIGHLIGHTS



Financial Highlights

- Sales decreased 10.3% to $268.3M
- Adjusted EBITDA* decreased 1.4% to $42.1M; adjusted EBITDA* margin increased 140 bps to 15.7%
- Closed the previously announced acquisition of Alluxa, Inc. on October 26 and completed the sale of all assets related to STEMCO's Motor Wheel® and Crewson® businesses on September 2
- Strong balance sheet with net debt to adjusted EBITDA* of 0.3x and ample liquidity consisting of $441M cash and $389M available under revolver at quarter end; pro forma[1] net debt to adjusted EBITDA ratio would remain well within EnPro's long-term target leverage range of 1.5x to 2.0x



Sealing Products Developments

- Sales decreased 8.1% versus the prior-year period due to a decline in demand in the heavy-duty truck and aerospace markets, as well as flat performance in general industrial and food and pharma, somewhat offset by growth in the semiconductor market
- Adjusted EBITDA* increased 22.7% to $45.4M; adjusted EBITDA margin* expanded 560 bps to 22.5%; primarily driven by acquisitions, a favorable mix in heavy-duty trucking due in part to the strategic exits in this business, and cost management actions



Engineered Products Developments

- Sales decreased 16.5% versus the prior-year period primarily due to broad-based end market weakness, including general industrial, oil and gas, automotive, and petrochemical markets
- Adjusted EBITDA* decreased 46.6% to $7.9M; adjusted EBITDA margin* contracted 650 bps to 11.7%; driven by lower sales

* Non-GAAP measure; refer to appendix for reconciliation to GAAP.
[1] Pro forma net debt to adjusted EBITDA includes the Alluxa transaction, the pending sale of GGB's bushing block business, and the portfolio shaping activities in Sealing Products completed over the past year

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
- Focused on supply chain stability, progression, and risk mitigation
- Enacted cost reductions resulting in full year **2020 savings of ~$30M**, estimate half will be sustainable annual savings moving forward

PHASE 3
Process and Cost 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
Current and 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 STRATEGY

1. **Reshaping portfolio to accelerate growth** through the addition of niche, high-margin materials science-related businesses with leading technologies and strong cash flow in markets with favorable tailwinds
2. **Increasing aftermarket exposure** and driving greater recurring revenues
3. **Leveraging the EnPro Operating System** to increase margins and cash flow return on investment

Committed to Disciplined Capital Allocation to Maximize Long-term Shareholder Returns



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

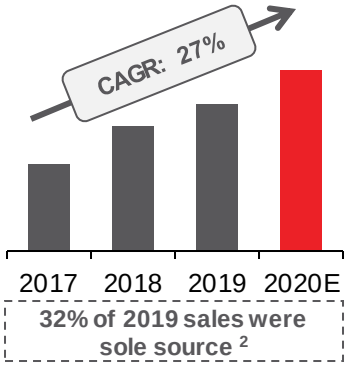
	Transaction	Strategic Rationale
Acquisitions	**Alluxa** *Closed 4Q20*	• Materials science • High-growth, high-margin business • Fragmented competitive base • Robust end market growth • Strong, experienced management team • Meets stated M&A criteria
Acquisitions	**LeanTeq Co., Ltd.** *Closed 3Q19*	
Acquisitions	**The Aseptic Group** *Closed 3Q19*	
Divestitures	**Air Springs** *Announced 3Q20*	• Non-core businesses and product lines • Reduces exposure to non-materials science-based sectors • Low return on operating capital
Divestitures	**Heavy-Duty Truck Product Lines** *Announced/Completed 3Q19 – 3Q20*	
Divestitures	**Bushing Block** *Announced 2Q20*	
Divestitures	**Fairbanks Morse** *Closed 1Q20*	

ALLUXA AT A GLANCE

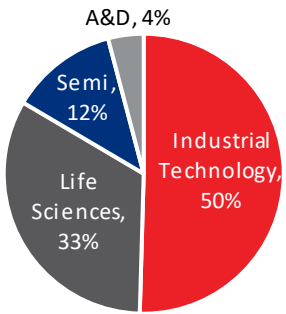
Key Statistics

Founded	**2007**
Facilities	**2**
Location	**Santa Rosa, CA**

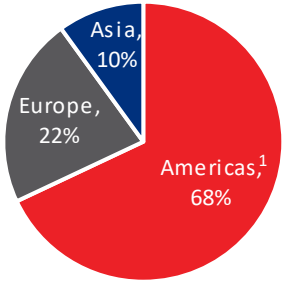
Revenue ($M)



2019 Sales By Application

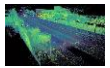


2019 Sales By Geography

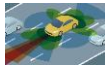


ALLUXA APPLICATIONS

Industrial Technology


LiDAR


Sensor


Autonomous Vehicles


Spectroscopy

Life Sciences


Advanced Fluorescence Microscopy


PCR


DNA Sequencing


Flow Cytometer

Semiconductors


Lithography (EUV and others)


Wafer Inspection

Aerospace & Defense


Thermal Imaging


Satellite Optics


Weapon Systems

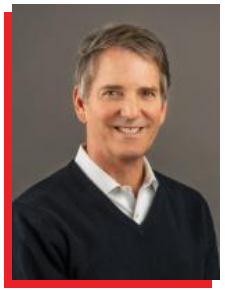

Remote Sensing

Leading Optical Filters and Thin-Film Precision Coatings Technology Company Serving Diverse, Attractive End Markets

[1] Includes Canada and South America. [2] Sole source defined as business that has very low risk of displacement by a competitor based on technical difficulty, technology, and/or competitive landscape

OVERVIEW OF FINANCIAL RESULTS

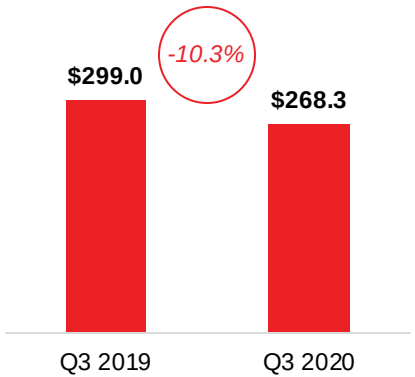
Milt Childress – Executive Vice President & CFO



Q3 2020 FINANCIAL PERFORMANCE

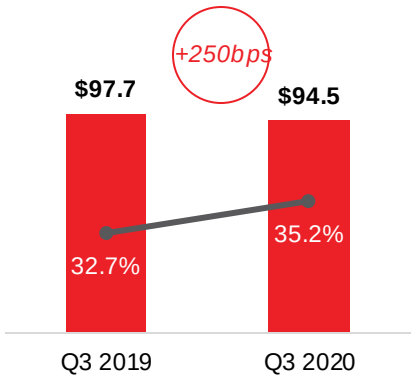
$ in millions, except per share data

Sales



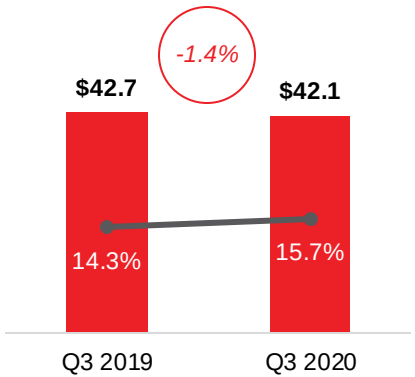
- Growth in semiconductor and flat performance in food and pharma was more than offset by weakness in the heavy-duty truck, aerospace, oil and gas, general industrial, petrochemical, and automotive markets
- Excluding impact of foreign currency and sales from acquired and divested businesses, organic sales for the quarter declined 12.4%

Gross Profit & Margin



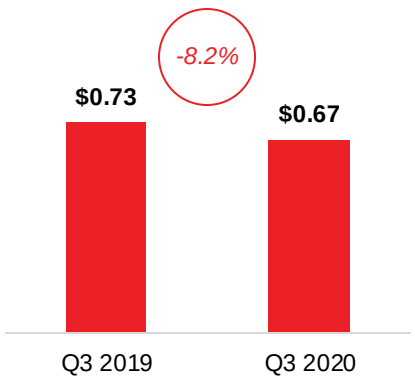
- Driven by the benefit of acquisitions, supply chain initiatives, company-wide cost reduction programs and improved operating performance, including a reduction in warranty expense, offset in part by the impact of sales declines

Adj. EBITDA* & Margin*



- Decline was primarily driven by continued impact of COVID, nearly offset by benefit of acquisitions, divestitures of underperforming businesses and company-wide cost reductions
- Adjusted EBITDA margin* of 15.7%, increased approximately 140 basis points

Adj. Diluted EPS*

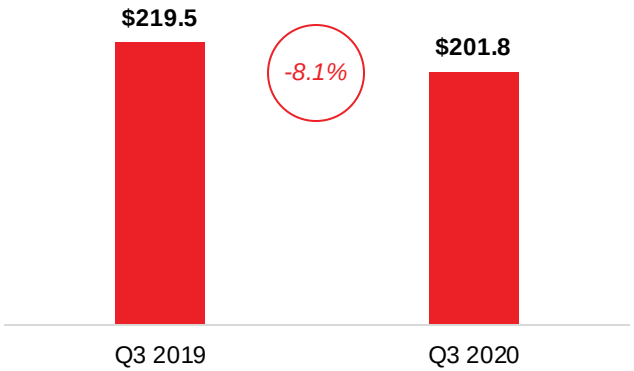


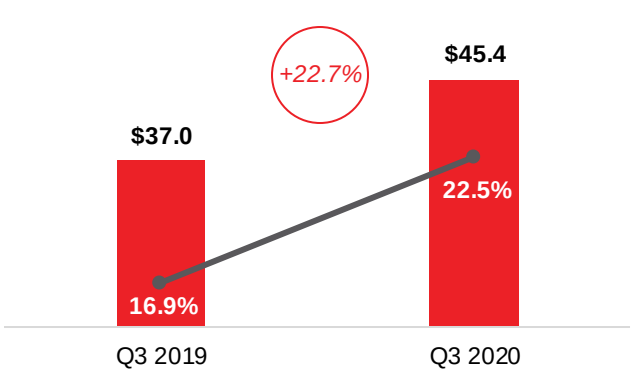
- Repurchased 117k shares, totaling $5.3M in Q1'20
- Excluding amortization of intangibles, adjusted diluted earnings per share decreased 1.5% versus the prior-year period

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

SEALING PRODUCTS – Q3 2020 FINANCIAL PERFORMANCE

$ in millions





- Growth in semiconductor, including the contribution of the LeanTeq acquisition that closed September 2019, and flat performance in general industrial and food and pharma was more than offset by decreased demand in heavy-duty truck and aerospace markets
- Impacted by reshaping of our heavy-duty truck business
- Excluding the impact of foreign exchange translation and sales from acquired and divested businesses, sales decreased 10.3% versus the prior-year period

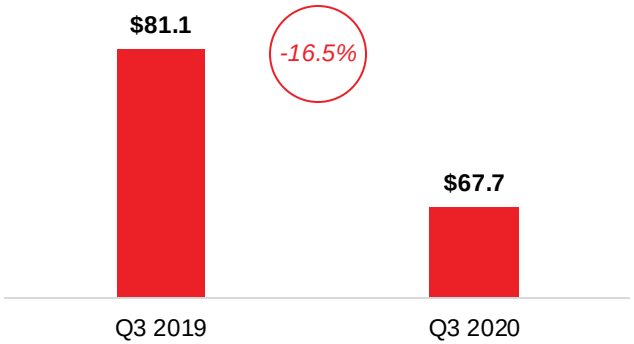
- Segment adjusted EBITDA margin* expanded 560 basis points to 22.5%
- Driven by contributions from LeanTeq, a more favorable mix in heavy-duty trucking due in part to the strategic exits in this business and cost management actions
- Excluding the impact of acquisitions, divestitures, and foreign exchange translation, segment adjusted EBITDA* margin contracted 50 basis points to 19.2% compared to last year

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

ENGINEERED PRODUCTS – Q3 2020 FINANCIAL PERFORMANCE

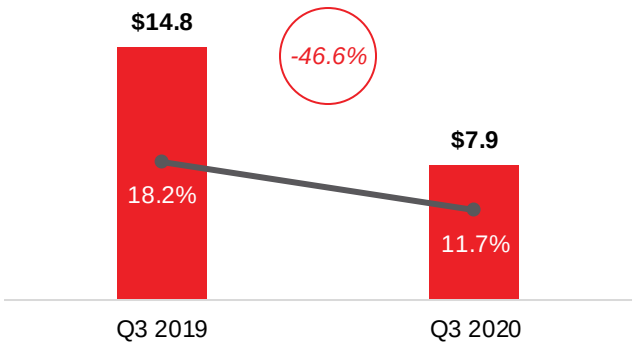
$ in millions

Sales



- Broad-based end market weakness, including general industrial, oil and gas, automotive, and petrochemical markets
- Excluding the impact of foreign currency, sales decreased 17.9% compared to the prior-year period

Adj. EBITDA* & Margin*



- Segment adjusted EBITDA* decreased 46.6% to $7.9M
- Segment adjusted EBITDA margin* contracted 650 bps to 11.7%; on a sequential basis, saw significant improvement from the 8.4% segment adjusted EBITDA margin reported last quarter
- Decline driven by lower sales, partially offset by cost-reduction initiatives in response to market challenges

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

BALANCE SHEET & CASH FLOW

Net Leverage

Reported September 30, 2020 ($M)

	Credit Facility	**$0**
	Senior Notes[1]	**$346**
	Term Loan[2]	**$147**
	Capital Lease Obligations	**$0**
A	Debt Components	**$493**
B	Cash and Equivalents	**$441**
C = (A – B)	Net Debt	**$52**
D	LTM September 30, 2020 Adj. EBITDA*	**$164**
E = (C / D)	**Leverage Ratio**	**0.3x**

Commentary

- Strong balance sheet; net debt to adjusted EBITDA* of 0.3x and ample liquidity consisting of $441M cash and $389M [3] available under revolver
  - No debt coming due until 2024
- Pro forma [4] net debt to adjusted EBITDA leverage ratio remains within long-term target leverage range of 1.5x to 2.0x
- Year-to-date free cash flow of $36.6M was down from $76.0M in the prior-year period
  - Excluding cash taxes on Fairbanks Morse divestiture and environmental settlement payments, year-to-date cash flow greater than prior-year
- Paid $5.4M in dividends, or $0.26 per share in Q3 2020
- New two-year $50M share repurchase authorization

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

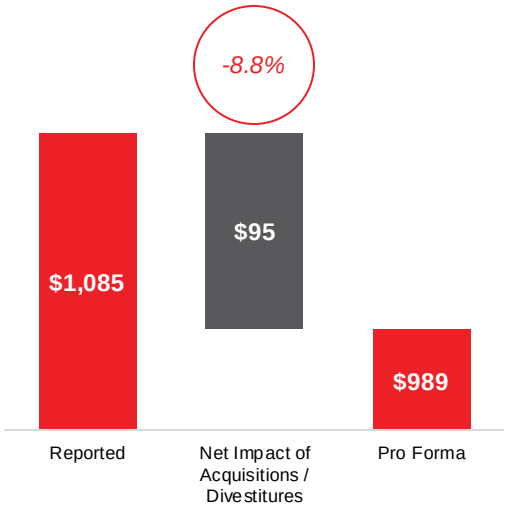
[1] Includes impact from unamortized debt issue costs. [2] The Term Loan Facility amortizes on a quarterly basis in an annual amount equal to 2.50% of the original principal amount of the Term Loan Facility in each of years one through three, 5.00% of such original principal amount in year four, and 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] Company has full availability of $400M revolver, less $11M in outstanding letters of credit. [4] Note: Based on Last-twelve-month results; includes impact of Alluxa acquisition, reshaping of heavy-duty truck business, and the pending sale of GGB's bushing block business as if all transactions occurred at the end of Q3 2019.
* Non-GAAP measure; refer to appendix for reconciliation to GAAP.

PRO FORMA BRIDGE (LTM)

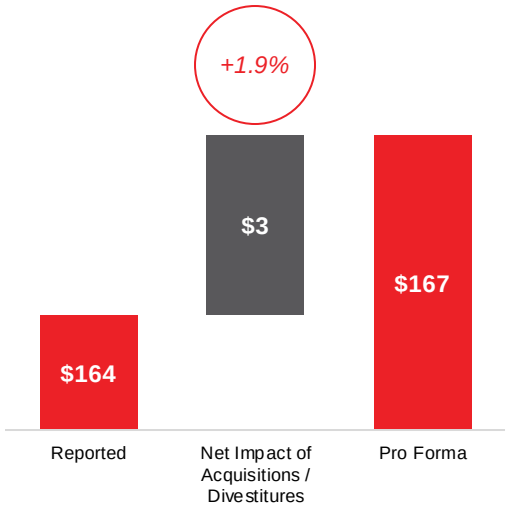
$ in millions

RESHAPING ACTIONS HAVE SIGNIFICANTLY ENHANCED PROFITABILITY OF THE PORTFOLIO

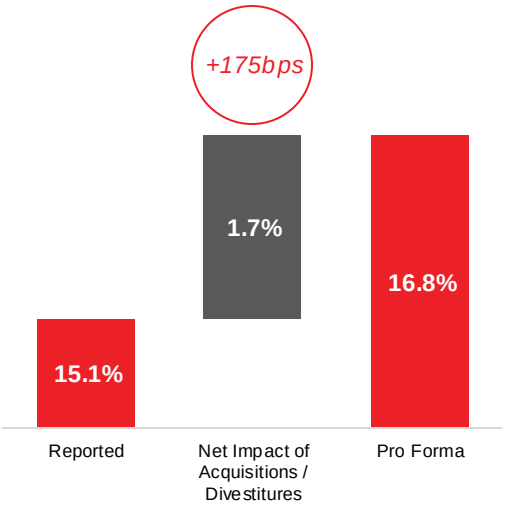
Sales



Adjusted EBITDA*



Adjusted EBITDA Margin*



Increases Exposure to More Resilient, Leading Edge, Advanced Technology and Materials Science-based Niche Markets Poised for Growth, with Semiconductor as Largest End Market

Note: Last-twelve-month results; includes impact of Alluxa acquisition, reshaping of heavy-duty truck business, and the pending sale of GGB's bushing block business as if all transactions occurred at the end of Q3 2019

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

COVID-19 SCENARIO ANALYSIS

- For the fourth quarter, anticipate year-over-year demand to be solid for both semiconductor and food and pharma, with continued softness in heavy duty truck, general industrial, oil and gas, petrochemical, and aerospace
- For the full year, revised scenario planning ranges based on market dynamics, portfolio reshaping actions, and seasonal and customer-specific demand patterns:
  - Year-over-year sales decline of a little over 15%
  - Adjusted EBITDA margins of approximately 15%
    - This compares to prior scenario planning ranges of a 15% to 25% decline in sales and adjusted EBITDA margins of 13% to 14%
- 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 Near-term Challenges and Will Move Quickly to Address Additional Risks if they Present Themselves

CLOSING COMMENTS

Marvin Riley – President & CEO



CLOSING COMMENTS

ENPRO IS A LEADING TECHNOLOGY COMPANY USING MATERIALS SCIENCE TO PUSH THE BOUNDARIES OF THE SEMICONDUCTOR, LIFE SCIENCES, AND OTHER TECHNOLOGY-ENABLED SECTORS

- Leveraging the EnPro Operating System to capture above-market growth, expand margins, and drive cash flow return on investment to maximize shareholder value
- Improved quality and resilience of portfolio by acquiring several businesses aligned with our long-term vision and exiting or divesting those that were no longer a strategic fit
- Adapting and performing well in pandemic environment; well positioned as our markets recover
- Standing behind commitment to equality and standing up against any form of discrimination; we have taken several concrete actions to increase diversity and inclusion

"EnPro's success will be fueled by our commitment to our strategy, our cycle-tested leadership team, our increasingly diverse and dedicated workforce, our strong financial position, and our focus on driving long-term shareholder value."
– Marvin Riley, President and CEO

Q&A

APPENDIX

ENPRO (NYSE: NPO) | ATTRACTIVE PORTFOLIO OF BUSINESSES

Company Overview

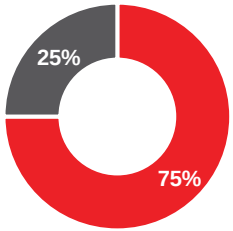
Headquarters	**Charlotte, NC**
Manufacturing Facilities	**25 primary**
Global Employees	**~5,000**
Customers	**50,000+**

Financial Overview

Market-Cap[1]	**$1.2B**
LTM Revenue[2]	**$1.1B**
LTM Adj. EBITDA (Margin)[2,3]	**$164M (15.1%)**
2019 Aftermarket Rev.	**57%**
Dividend Yield[1]	**1.8%**

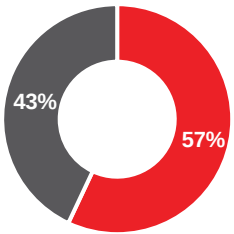
Revenue Contribution

Sales by Segment[4]



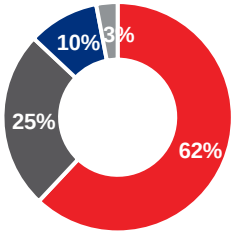
- Sealing Products
- Engineered Products

Sales by Channel[5]



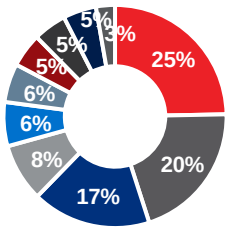
- Aftermarket
- OE

Sales by Geography[5]



- North America
- Europe
- Asia
- RoW

Sales by Market[4]



- MD/HD Truck
- General Industrial
- Semiconductor
- Oil & Gas
- Auto
- Power Generation
- Food & Pharma
- Aerospace
- Petrochemical
- Metals and Mining

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

[1] As of 10/29/20; [2] LTM as of 9/30/20; [3] Refer to appendix for Non-GAAP reconciliation; [4] As of Q3 2020; [5] As of FY 2019; Note: Excludes Fairbanks Morse, which is now reported as a discontinued operation.

RECONCILIATION OF LTM RESULTS

EnPro *($ in millions)*	Revenue ($)	Net income (loss) attributable to EnPro Industries, Inc.	Adjusted EBITDA ($)	Adjusted EBITDA Margin %
Plus:				
Nine Months Ended September 30, 2020	798	193	120	15.1%
Year Ended December 31, 2019	1,206	38	169	14.0%
Less:				
Nine Months Ended September 30, 2019	919	36	126	13.7%
LTM Ended September 30, 2020	1,085	195	164	15.1%

Sealing Products *($ in millions)*	Revenue ($)	Adjusted EBITDA ($)	Adjusted EBITDA Margin %
Plus:			
Nine Months Ended September 30, 2020	601	128	21.3%
Year Ended December 31, 2019	881	155	17.6%
Less:			
Nine Months Ended September 30, 2019	668	112	16.8%
LTM Ended September 30, 2020	814	171	21.0%

Engineered Products *($ in millions)*	Revenue ($)	Adjusted EBITDA ($)	Adjusted EBITDA Margin %
Plus:			
Nine Months Ended September 30, 2020	201	21	10.5%
Year Ended December 31, 2019	331	54	16.2%
Less:			
Nine Months Ended September 30, 2019	256	42	16.4%
LTM Ended September 30, 2020	277	33	11.8%

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 (Loss) Attributable to EnPro Industries, Inc. to Adjusted EBITDA (Unaudited)

For the Quarters and Nine Months Ended September 30, 2020 and 2019
(Stated in Millions of Dollars)

	Quarters Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income (loss) attributable to EnPro Industries, Inc.	$ (19.7)	$ (1.5)	$ 192.5	$ 35.5
Adjustments to arrive at earnings before interest, income taxes, depreciation and amortization (EBITDA):				
Income from discontinued operations, net of taxes	(1.9)	(6.9)	(207.3)	(19.5)
Income attributable to redeemable non-controlling interest, net of taxes	0.3	-	0.5	-
Interest expense, net	3.9	3.8	11.4	12.5
Income tax (benefit) expense	(7.3)	(0.9)	2.2	10.6
Depreciation and amortization expense	17.1	16.2	51.5	48.0
EBITDA	(7.6)	10.7	50.8	87.1
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization and other selected items (Adjusted EBITDA):				
Restructuring and impairment expense	5.0	1.4	23.9	3.6
Environmental reserve adjustments and other costs associated with previously disposed businesses	14.8	8.5	15.5	9.6
Net loss on sale of businesses	3.1	15.3	2.0	15.3
Acquisition and divestiture expenses	3.2	5.9	4.5	7.9
Pension expense (income) (non-service cost)	(0.7)	0.8	(2.0)	2.4
Non-controlling interest compensation allocation**	0.5	-	1.6	-
Impairment of indefinite-lived trademarks	16.1	-	16.1	-
Legal settlement	7.4	-	7.4	-
Other	0.3	0.1	0.4	0.2
Adjusted EBITDA	$ 42.1	$ 42.7	$ 120.2	$ 126.1

**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 recor ded in selling, general, and administrative expenses on our Consolidated Statements 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 cer tain employment terminations have occurred.

Supplemental disclosure: Adjusted EBITDA as presented also represents the amount defined as "EBITDA" under the indenture governing the Company's 5.75% Senior Notes due 2026. For the nine months ended September 30, 2020, approximately 68% 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

	Quarter Ended September 30, 2020		
	Sealing Products	Engineered Products	Total Segments
Segment profit	$ 33.0	$ (3.5)	$ 29.5
Acquisition and divestiture expenses	1.3	-	1.3
Non-controlling interest compensation allocation*	0.5	-	0.5
Restructuring and impairment (income) expense	(2.9)	7.9	5.0
Depreciation and amortization expense	13.5	3.5	17.0
Earnings before interest, income taxes, depreciation, amortization, and other selected items (adjusted segment EBITDA)	$ 45.4	$ 7.9	$ 53.3
Adjusted segment EBITDA margin	22.5%	11.7%	19.9%

	Quarter Ended September 30, 2019		
	Sealing Products	Engineered Products	Total Segments
Segment profit	$ 17.8	$ 10.6	$ 28.4
Acquisition and divestiture expenses	5.7	0.2	5.9
Restructuring costs	1.1	0.3	1.4
Depreciation and amortization expense	12.4	3.7	16.1
Adjusted segment EBITDA	$ 37.0	$ 14.8	$ 51.8
Adjusted segment EBITDA margin	16.9%	18.2%	17.3%

	Nine Months Ended September 30, 2020		
	Sealing Products	Engineered Products	Total Segments
Segment profit	$ 69.5	$ (0.2)	$ 69.3
Acquisition and divestiture expenses	2.6	-	2.6
Non-controlling interest compensation allocation*	1.6	-	1.6
Restructuring and impairment costs	13.0	10.9	23.9
Depreciation and amortization expense	41.1	10.4	51.5
Adjusted segment EBITDA	$ 127.8	$ 21.1	$ 148.9
Adjusted segment EBITDA margin	21.3%	10.5%	18.7%

	Nine Months Ended September 30, 2019		
	Sealing Products	Engineered Products	Total Segments
Segment profit	$ 66.2	$ 28.7	$ 94.9
Acquisition and divestiture expenses	7.2	0.7	7.9
Restructuring costs	1.9	1.3	3.2
Depreciation and amortization expense	36.7	11.3	48.0
Adjusted segment EBITDA	$ 112.0	$ 42.0	$ 154.0
Adjusted segment EBITDA margin	16.8%	16.4%	16.8%

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 administrative expenses on our Consolidated Statements 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.

Segment AEBITDA

	Quarter Ended				Year Ended	Quarter Ended	
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019	March 31, 2020	June 30, 2020
Sealing Products	$ 32.6	$ 42.4	$ 37.0	$ 42.9	$ 154.9	$ 40.8	$ 41.5
Engineered Products	11.5	15.7	14.8	11.7	53.7	8.3	4.9
	$ 44.1	$ 58.1	$ 51.8	$ 54.6	$ 208.6	$ 49.1	$ 46.4

In the second quarter of 2020, we moved our Garlock Pipeline Technologies ("GPT") business from the Sealing Products segment to the Engineered Products segement in order to simplify reporting and group our oil and gas businesses, GPT and CPI, togehter. The above tables have been restated to reflect this change.

CONSOLIDATED ADJUSTED NET INCOME

(Stated in Millions of Dollars, Except Per Share Data)

	Quarters Ended September 30,					
	2020			2019		
	$	Average common shares outstanding, diluted (millions)	Per share	$	Average common shares outstanding, diluted (millions)	Per share
Loss from continuing operations attributable to EnPro Industries, Inc.	$ (21.6)	20.5*	$ (1.05)	$ (8.4)	20.6*	$ (0.41)
Income from redeemable non-controlling interest, net of taxes	(0.3)			-		
Income tax benefit	7.3			0.9		
Loss from continuing operations before income taxes	(28.6)			(9.3)		
Adjustments:						
Restructuring and impairment expense	5.0			1.4		
Environmental reserve adjustments and other costs associated with previously disposed businesses	14.8			8.5		
Net loss on sale of businesses	3.1			15.3		
Acquisition and divestiture expenses	3.2			5.9		
Pension expense (income) (non-service cost)	(0.7)			0.8		
Non-controlling interest compensation allocation***	0.5			-		
Impairment of indefinite-lived trademarks	16.1			-		
Legal settlement	7.4			-		
Other	0.3			0.1		
Adjusted income from operations before income taxes	21.1			22.7		
Adjusted income tax expense	(7.0)			(7.5)		
Income from redeemable non-controlling interest, net of taxes	(0.3)			-		
Adjusted income from continuing operations attributable to EnPro Industries, Inc.	$ 13.8	20.6	$ 0.67**	$ 15.2	20.7	$ 0.73**

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 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 loss on sale of businesses, and pension expense (income) (non-service cost) are included as part of other 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, impairment, and legal settlement 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.

*There were 0.1 million potentially dilutive shares in the quarter and nine months ended September 30, 2020 and 0.1 million potentially dilutive shares in the quarter ended September 30, 2019 that were excluded from the calculation of consolidated earnings per share in the respective period since they were antidilutive. These shares were added back for the purpose of calculating adjusted net income per share for that period.

** 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.

ADJUSTED DILUTED EARNINGS PER SHARE EXCLUDING AMORTIZATION OF INTANGIBLES

(Stated in Millions of Dollars, Except Per Share Data)	Q3 2020			Q3 2019		
	Income	Shares O/S	EPS	Income	Shares O/S	EPS
Adjusted income from continuing operations attributable to EnPro Industries, Inc.	$ 13.8	20.6	$ 0.67	$ 15.2	20.7	$ 0.73
Amortization of intangibles	9.0			7.5		
Adjusted income tax expense	(3.0)			(2.5)		
Adjusted income excluding amortization of intangibles	$ 19.8	20.6	$ 0.96	$ 20.2	20.7	$ 0.98

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.

FREE CASH FLOW

(Stated in Millions of Dollars)

Free Cash Flow - 2020

	Quarter ended			Nine Months Ended
	March 31, 2020	June 30, 2020	September 30, 2020	September 30, 2020
Net cash provided by operating activities of continuing operations	$ 0.3	$ 33.1	$ 15.0	$ 48.4
Purchases of property, plant, and equipment	(5.2)	(3.7)	(2.9)	(11.8)
Free cash flow	$ (4.9)	$ 29.4	$ 12.1	$ 36.6

Free Cash Flow - 2019

	Quarter ended			Nine Months Ended
	March 31, 2019	June 30, 2019	September 30, 2019	September 30, 2019
Net cash provided by (used In) operating activities of continuing operations	$ (1.3)	$ 34.9	$ 57.5	$ 91.1
Purchases of property, plant, and equipment	(4.1)	(5.9)	(5.1)	(15.1)
Free cash flow	$ (5.4)	$ 29.0	$ 52.4	$ 76.0

PRO FORMA CALCULATION

(Stated in Millions of Dollars)

	LTM September 30, 2020		
	EnPro	Pro forma Adjustments	Pro Forma
Net sales	$ 1,085	$ (95)	$ 989
Net income (loss) attributable to EnPro Industries, Inc.	$ 195	$ 27	$ 222
Adjustments to arrive at earnings before interest, income taxes, depreciation and amortization (EBITDA):			
Loss (income) from discontinued operations, net of taxes	(218)	-	(218)
Income attributable to redeemable non-controlling interest, net of taxes	1	-	1
Interest expense, net	17	-	17
Income tax expense	(12)	3	(9)
Depreciation and amortization expense	72	(4)	67
EBITDA	54	25	79
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization and other selected items (Adjusted EBITDA):			
Restructuring and impairment costs	55	(20)	36
Environmental reserve adjustments and other costs associated with previously disposed businesses	20	-	20
Net loss on sale of businesses	3	-	3
Acquisition and divestiture expenses	6	(2)	3
Pension expense (income) (non-service cost)	(1)	-	(1)
Non-controlling interest compensation allocation	2	-	2
Impairment of indefinite-lived tradenames	16	-	16
Legal settlement	7	-	7
Other	0	-	0
Adjusted EBITDA	$ 164	$ 3	$ 167
Adjusted EBITDA Margin	15.1%		16.8%

Note: Last-twelve-month results; includes impact of Alluxa acquisition, reshaping of heavy-duty truck business, and the pending sale of GGB's bushing block business as if all transactions occurred at the end of Q3 2019