ENPRO INDUSTRIES

INVESTOR PRESENTATION

JPMorgan Global High Yield & Leveraged Finance Conference
March 2, 2021



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.

KEY MESSAGES

1. Reshaping our portfolio to accelerate growth in niche, high-margin materials science-related businesses with strong cash flow

2. Maintaining our high aftermarket exposure and investing in faster growth end markets

3. Leveraging EnPro Capability Center to increase returns on invested capital by improving margins and cash flow return on investment

4. Maximizing long-term shareholder returns through a commitment to disciplined capital allocation

5. Empowering our employees through a forward-thinking culture that values authenticity and self-awareness while fostering superior decision-making

ENPRO OVERVIEW

A leading industrial technology company using materials science to push boundaries in semiconductor, life sciences, and other technology-enabled sectors



ENPRO (NYSE: NPO) | ATTRACTIVE PORTFOLIO OF BUSINESSES

Company Overview

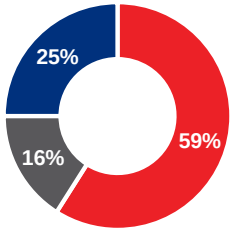
Headquarters	**Charlotte, NC**
Manufacturing Facilities	**22 primary**
Global Employees	**~4,400**

Financial Overview

Market-Cap[1]	**$1.7B**
Revenue[3]	**$1.1B**
Adjusted EBITDA (Margin)[2,3]	**$168M (15.7%)**
Aftermarket Revenue %[3]	**53%**
Dividend Yield[1]	**1.3%**

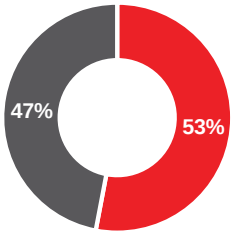
Revenue Contribution[3]

By Segment



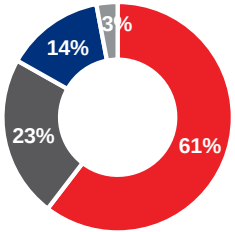
- Sealing Technologies
- Advanced Surface Technologies
- Engineered Materials

By Channel



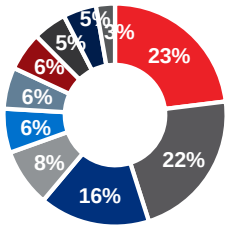
- Aftermarket
- OE

By Geography



- North America
- Europe
- Asia
- RoW

By Market



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

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

[1] As of 2/24/21; [2] Refer to appendix for Non-GAAP reconciliation; [3] As of FY 2020; Note: Excludes Fairbanks Morse divestiture, which closed on January 21, 2020 and is reported as a discontinued operation.

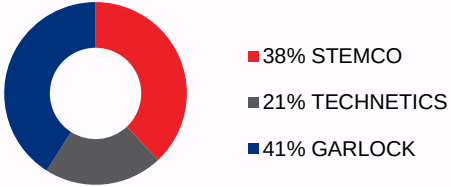
ENPRO'S SEGMENTS

Sealing Technologies

Safeguarding critical environments

2020 REVENUE	$637M
2020 ADJUSTED EBITDA MARGIN	20.6%

REVENUE COMPOSITION (2020)



KEY PRODUCT OFFERINGS:

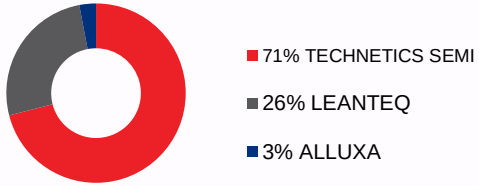
- Pharmaceutical Hygienic Components
- Hydrodynamic Seals
- High-Performance Metal and Brush Seals
- Felt Metal & Acoustic Material
- Edge-Welded Bellows
- Wheel End Seals
- Gaskets & Packing

Advanced Surface Technologies

Advancing precision services and solutions

2020 REVENUE	$171M
2020 ADJUSTED EBITDA MARGIN	27.5%

REVENUE COMPOSITION (2020)



KEY PRODUCT OFFERINGS:

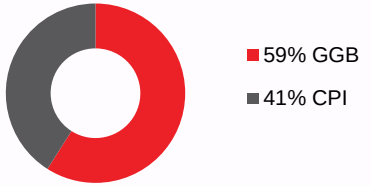
- Semiconductor Cleaning and Aftermarket Services
- Specialty optical filters and thin-film coatings technology
- Semiconductor Sub Assemblies
- Bellows

Engineered Materials

Enabling high performance polymer applications

2020 REVENUE	$275M
2020 ADJUSTED EBITDA MARGIN	11.8%

REVENUE COMPOSITION (2020)



KEY PRODUCT OFFERINGS:

- Metallic Plain Bearings
- Composite Plain Bearings
- Isolation Gaskets and Joints
- Reciprocating Compressor Products:
  - Monitoring Systems
  - Sealing Components
  - Valves
  - Lubrication Systems

FOUR-PHASE RESPONSE TO NAVIGATE THE COVID-19 PANDEMIC

Our cross-functional COVID-19 Response & Support Team, made up of global executive leadership, has managed 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

- Planned for several contingency scenarios
- Planned for running business in adverse conditions, resetting business to new demand levels, managing liquidity, and being responsive to customers
- Took 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

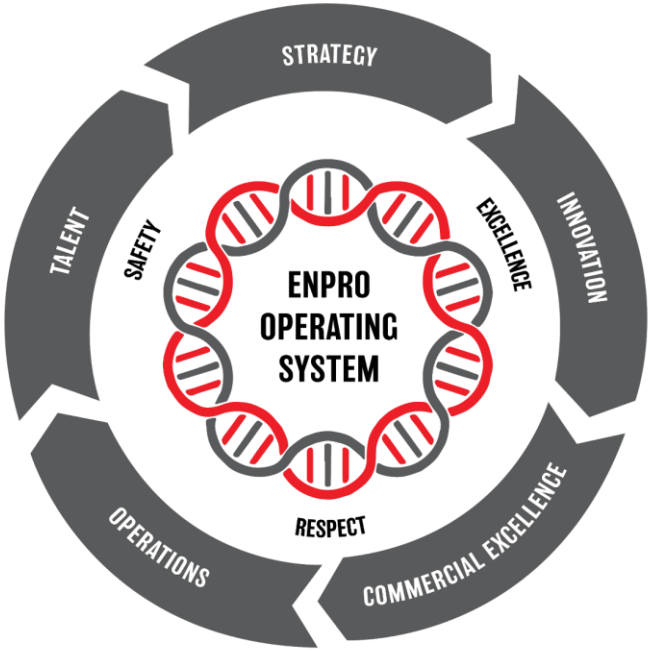
- Monitored and improved:
  - Processes
  - Procedures
  - New ways of working
- Found solutions to allow employees to thrive in new environment
- Enhanced customer experience

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 OPERATING SYSTEM ENHANCING SHAREHOLDER VALUE



Shared purpose
Full release of human possibility

1. Combines capabilities that improve productivity, efficiency and innovation in all business units
2. World class standard is always maintained
3. Learning mentality and ownership-based leadership
4. Everyone must play for EnPro; learn from others, contribute to others, ensure commitment and accountability

The EnPro Operating System Enables Margin Expansion and Cash Flow Return on Investment Improvement

ENPRO'S PORTFOLIO TRANSFORMATION

Strategic Imperatives

1. **Focusing on niche, high-margin materials science-related businesses with strong cash flow**
2. **Maintaining our high aftermarket exposure and investing in faster growth end markets**
3. **Leveraging the EnPro Capability Center to increase margins and cash flow return on investment**
4. **Maximizing long-term shareholder returns through commitment to disciplined capital allocation**

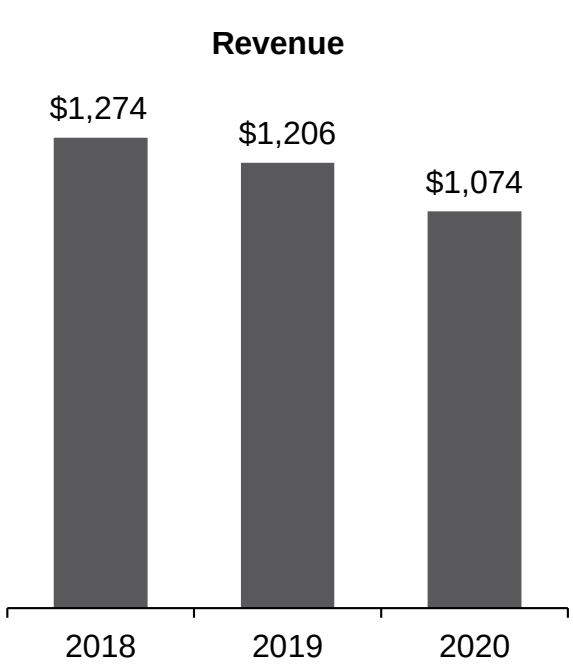


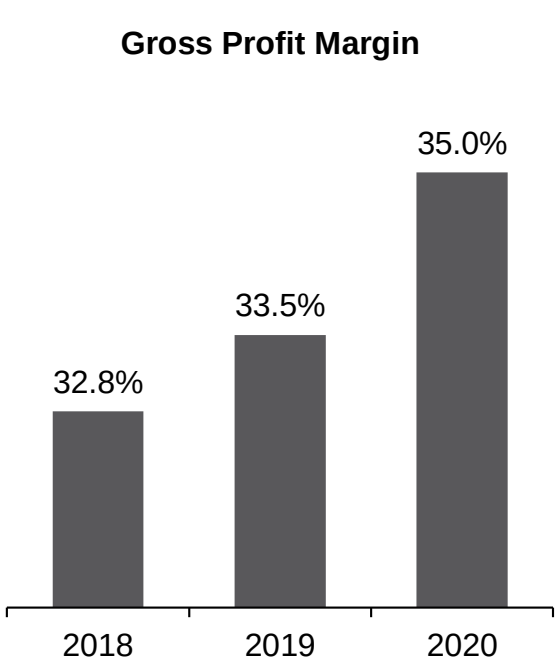
Successful Execution of Portfolio Shaping Actions Resulting in a More Durable Business Model

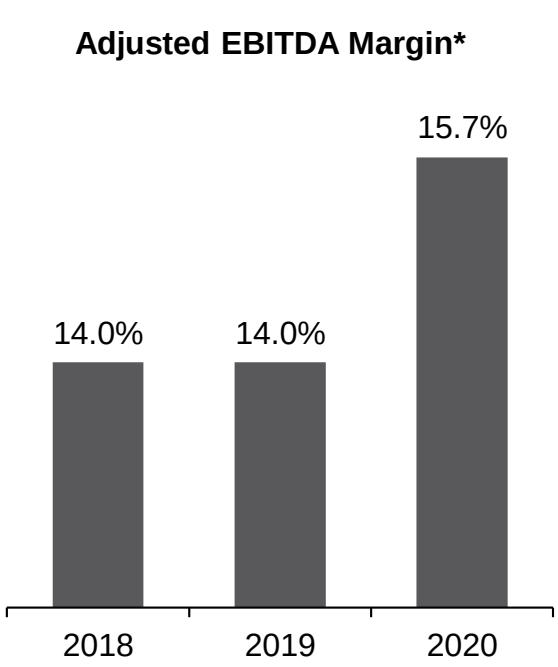
	Transaction	Strategic Rationale
Acquisitions	**Alluxa** *Closed 4Q20*	• Materials science • High-growth, high-margin business • Fragmented competitive base • Robust end-market growth • Strong, experienced management team • Meets stated M&A criteria
Acquisitions	**LeanTeq Co., Ltd.** *Closed 3Q19*	
Acquisitions	**The Aseptic Group** *Closed 3Q19*	
Divestitures	**Air Springs** *Closed 4Q20*	• 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** *Closed 4Q20*	
Divestitures	**Fairbanks Morse** *Closed 1Q20*	

FINANCIAL PERFORMANCE

$ in millions







Portfolio Reshaping and Operational Improvements Leading to Meaningful Margin Expansion

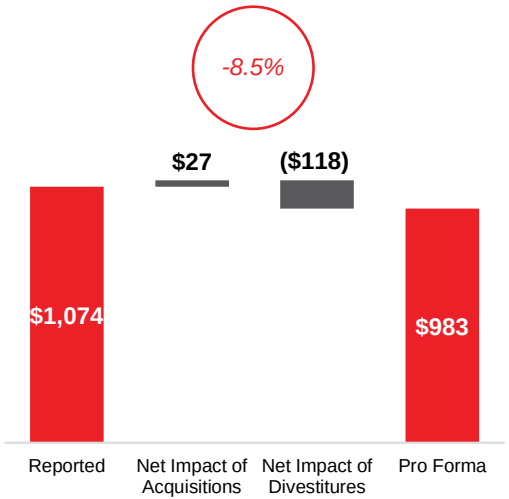
* Non-GAAP measure; refer to appendix for reconciliation to GAAP

2020 PRO FORMA BRIDGE

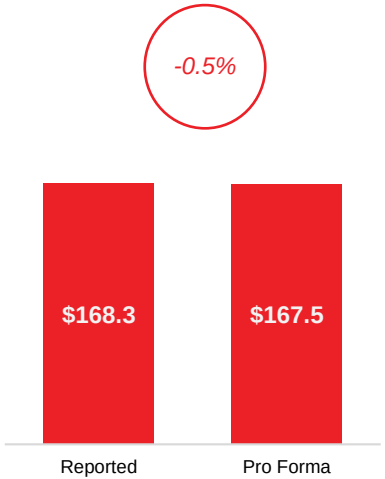
$ in millions

RESHAPING ACTIONS HAVE SIGNIFICANTLY ENHANCED PROFITABILITY OF THE PORTFOLIO

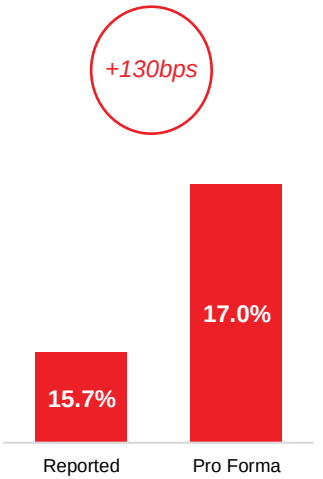
Sales



Adjusted EBITDA*



Adjusted EBITDA Margin*



More Exposure to Resilient, Leading Edge, Advanced Technology and Materials Science-based Niche Markets Poised for Growth

Note: Pro forma based on 2020 actual results and includes Alluxa acquisition, the sale of GGB's bushing block business and the reshaping activities in Sealing Technologies segment as if those transactions had closed effective January 1, 2020.
* Non-GAAP measure; refer to appendix for reconciliation to GAAP.

REINSTATING 2021 GUIDANCE

	2021 Guidance (as of 2/23/21)
Sales	$1.04B – $1.08B
Adjusted EBITDA *	$178M – $188M
Adjusted Diluted EPS *	$4.32 – $4.66

Assumptions:

- Anticipate slightly less than half of our full-year adjusted EBITDA and adjusted EPS guidance in H1 2021
- Amortization of acquisition-related intangible assets of $44M to $46M
- Depreciation and other amortization of $33M to $35M
- Net interest expense of $15M to $17M
- Normalized tax rate of 30%

2021 Interest Expense ($M)

	Interest Expense, Before Net Investment Hedge	$23-$25
	Net Investment Hedge	($8)
A	Total Interest Expense	$15-$17
B	Interest Income	$0
C = A – B	Net Interest Expense	$15-$17

* Non-GAAP measure; calculated in a similar manner to the historical non-GAAP measures included in the appendix. Full-year guidance excludes changes in the number of shares outstanding, impacts from future acquisitions, dispositions and related transaction costs, restructuring costs, incremental impacts of tariffs and trade tensions on market demand and costs subsequent to the end of the fourth quarter, the impact of foreign exchange rate changes subsequent to the end of the fourth quarter, impacts from further spread of COVID-19, and environmental and litigation charges.

DISCIPLINED CAPITAL ALLOCATION STRATEGY

REINVEST IN THE BUSINESS

- Capital expenditures of $18 million in FY20
- Approximately 68% in FY20 growth-related and balance focused on maintenance

STRATEGIC ACQUISITIONS

- High technical know-how, IP-rich offering, Add to breadth of materials science expertise
- Experienced management with proven track record
- Serving markets growing >7% per year annually
- EBITDA margins > 20% and eCFROIC >20%

RETURN CASH TO SHAREHOLDERS

- Current dividend yield of 1.3%(1)
- Approximate 4% increase in quarterly dividend as of February 2021 to $0.27 per share
- Repurchased 0.1M shares for $5.3M in 2020 prior to suspending share buybacks in response to COVID-19
- New two-year $50M share repurchase authorization in October 2020

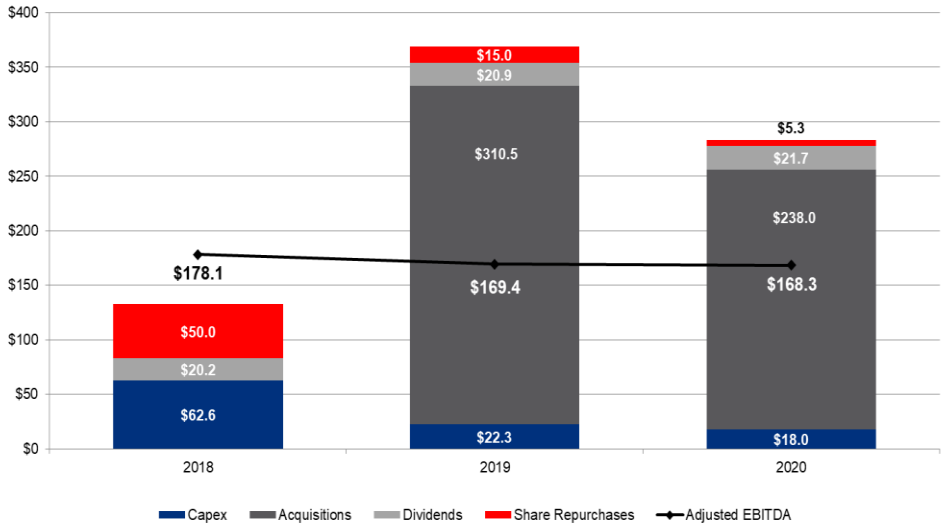
FOCUS ON CASH FLOW

- Cash return on operating capital is a key metric
- Expand margins
- Reduce net working capital, increase cash conversion cycle and manage capex

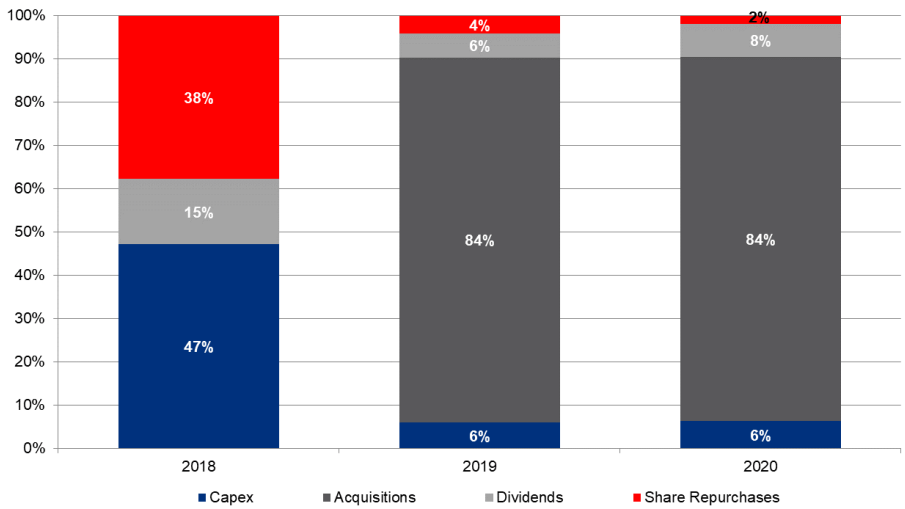
(1) Dividend yield as of 2/24/21

CAPITAL ALLOCATION HISTORY

CAPITAL DEPLOYED DETAIL



CAPITAL DEPLOYED as % TOTAL

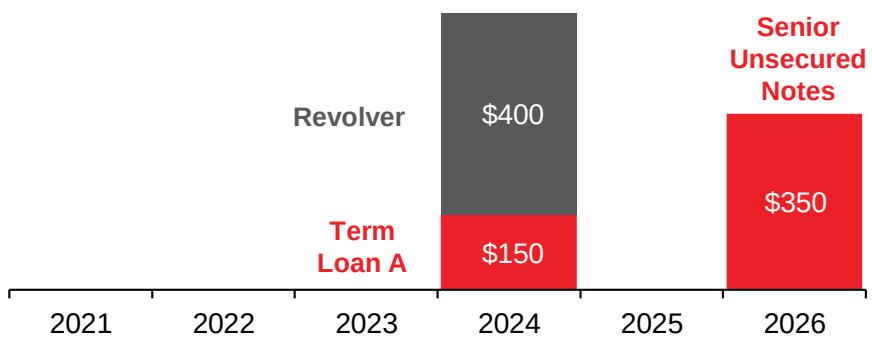


- Long term growth and R&D projects represented 68% of FY 2020 Cap ex vs. 32% dedicated to sustaining and maintenance projects
  - Growth and R&D projects as a share of Cap ex increased over prior year

CAPITALIZATION

($M)	12/31/20
Net Debt Analysis	
Cash	$230
Credit Facility – Revolver	0
Term Loan (*)	145
$350M Senior Notes (2026 Maturity) (1)	346
Capital Lease Obligations	0
Net Debt	**$261**
Capitalization Analysis	
Revolver (Variable Rate @ L+1.50%)	$0
Term Loan (Variable Rate @ L+1.50%)	145
Senior (Fixed Rate @ 5.75%)	346
Equity	1,079
Total Capitalization	**$1,570**
Liquidity Analysis	
Cash	$230
Revolver Availability (2)	389
Total Liquidity	**$619**

BALANCED MATURITY SCHEDULE ($M)



- Well-balanced capital structure with favorable mix of pre-payable floating rate debt and long-term fixed rate bonds
- Strong and flexible balance sheet positions EnPro to capitalize on further opportunities

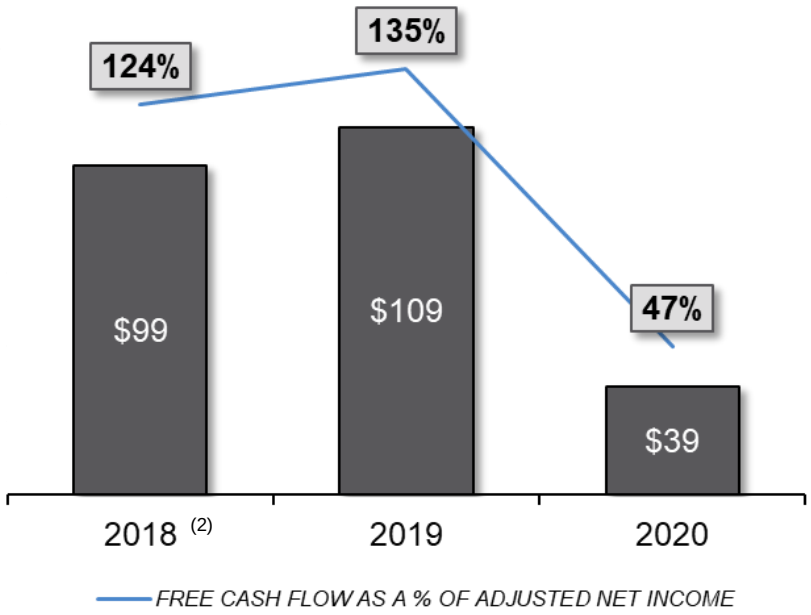
Debt Rating:
S&P: BB
Moody's: Ba3

[1] Includes impact from unamortized debt issue costs.
[2] Company has full availability of $400M revolver, less $11M in outstanding letters of credit.
* 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.

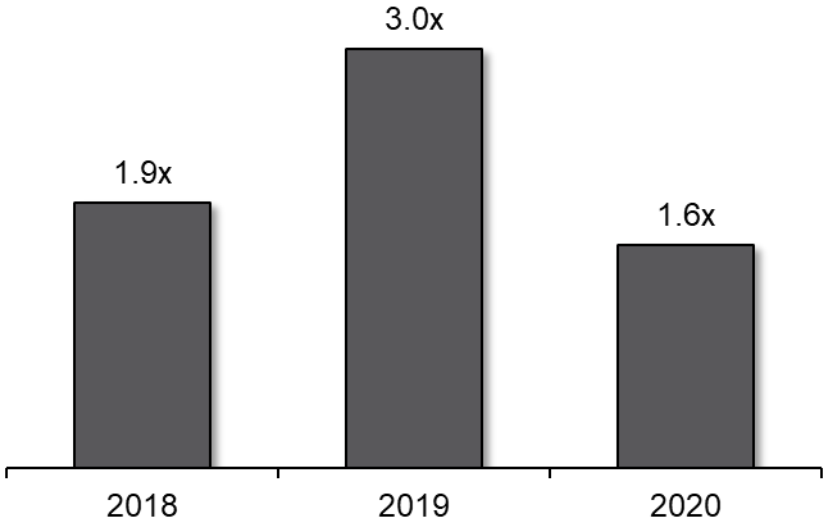
CASH FLOW AND LEVERAGE

($ IN MILLIONS)

FREE CASH FLOW*,(1)



NET DEBT TO ADJUSTED EBITDA* MULTIPLE



- Net debt to adjusted EBITDA leverage ratio remains well within long-term target leverage range of **1.5x** to **2.0x**
  - 2019 Acquisitions of LeanTeq and The Aseptic Group increased leverage ratio
  - 2020 Fairbanks Morse divestiture de-levered business considerably
- FY 20 cash flow was lower than prior years due to cash taxes on Fairbanks Morse divestiture, environmental settlements and restructuring payments
  - Excluding these items, free cash flow would have been on par with prior years

* Non-GAAP measure; refer to appendix for reconciliation to GAAP
(1) Free Cash Flow = Cash Flow from Operations less Capital Expenditures
(2) Excludes $78M of tax refund benefit

KEY TAKEAWAYS

1	2	3	4	5
Reshaping our portfolio to accelerate growth in niche, high-margin materials science-related businesses with strong cash flow	Maintaining our high aftermarket exposure and investing in faster growth end markets	Leveraging EnPro Capability Center to increase returns on invested capital by improving margins and cash flow return on investment	Maximizing long-term shareholder returns through a commitment to disciplined capital allocation	Empowering our employees through a forward-thinking culture that values authenticity and self-awareness while fostering superior decision-making

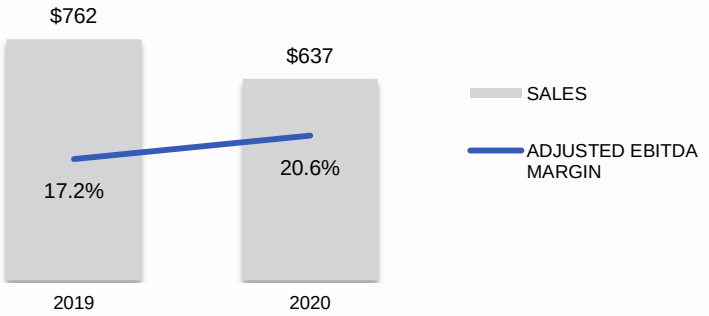
Q&A



APPENDIX

SEALING TECHNOLOGIES: SAFEGUARDING CRITICAL ENVIRONMENTS

Historical Financials ($M)



Profile

- Composed of the Garlock, Stemco, and Technetics (excluding Semiconductor)
- High degree of materials science application expertise
- Extensive proprietary knowledge
- Deep customer relationships
- Innovative sealing solutions complemented by value-added systems integration



HYDRODYNAMIC SEALS



SOFT GASKETS



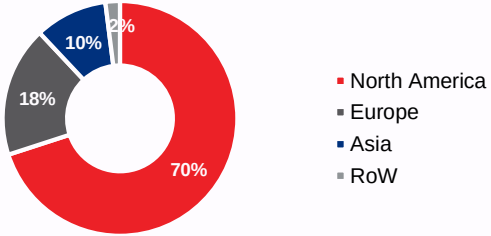
WHEEL-END PRODUCTS



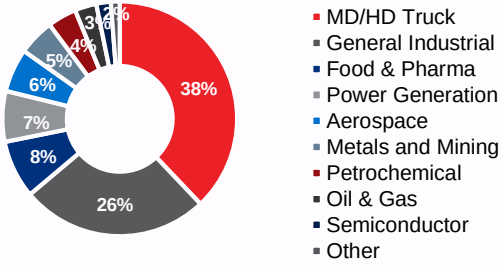
BEARING ISOLATORS

2020 Revenue Composition

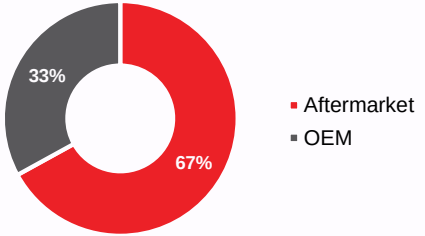
SALES BY GEOGRAPHY



SALES BY MARKET

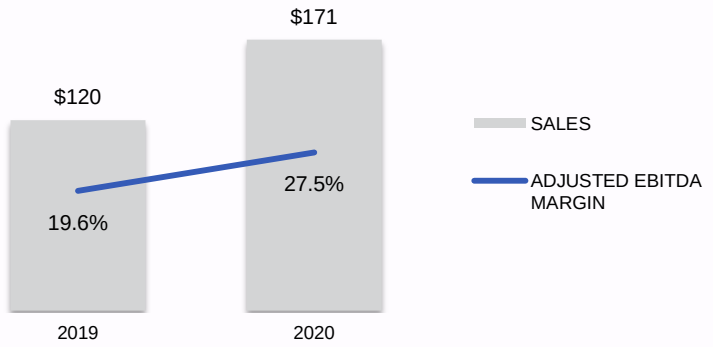


SALES BY CHANNEL



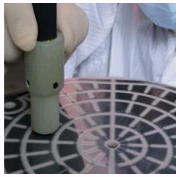
ADVANCED SURFACE TECHNOLOGIES: ADVANCING PRECISION SERVICES AND SOLUTIONS

Historical Financials ($M)



Profile

- Composed of the Technetics Semiconductor, LeanTeq, and Alluxa
- Utilize proprietary technologies, processes, and capabilities with highly differentiated services and products
- Serve the most challenging applications for semiconductor equipment, specialized optical filters, and thin-film coatings



ELECTROSTATIC PEDESTALS



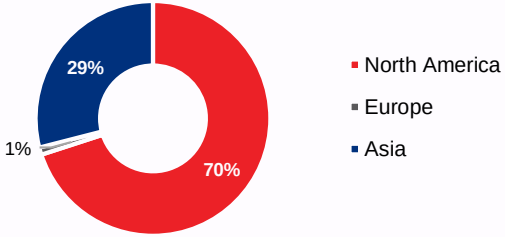
CLEANING AND REFURBISHMENT SERVICES



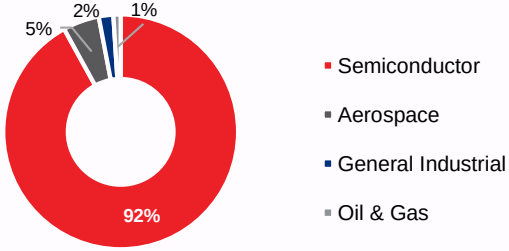
OPTICAL FILTERS

2020 Revenue Composition

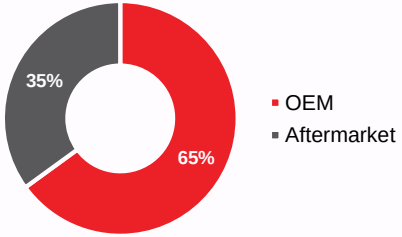
SALES BY GEOGRAPHY



SALES BY MARKET

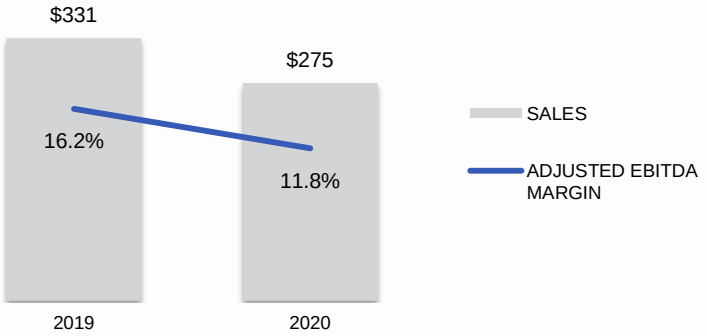


SALES BY CHANNEL



ENGINEERED MATERIALS: ENABLING HIGH PERFORMANCE POLYMER APPLICATIONS

Historical Financials ($M)

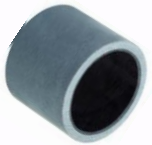


Profile

- Composed of the GGB and CPI
- Technology and market leadership in plain bearings
- Extensive global footprints and applications engineering capabilities
- Solve customers' most difficult challenges



MONITORING DEVICES



SOLID POLYMER BEARING



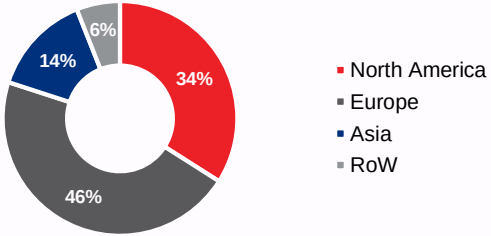
PACKING CASES



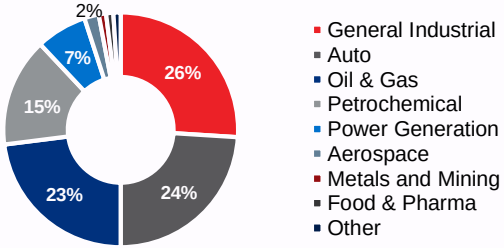
HIGH-FLOW VALVES

2020 Revenue Composition

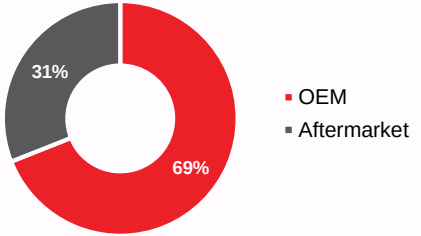
SALES BY GEOGRAPHY



SALES BY MARKET



SALES BY CHANNEL



SUCCESSFUL EXECUTION OF PORTFOLIO SHAPING ACTIONS



Fairbanks Morse Divestiture
(Closed Q1 2020)

- Produces large medium-speed diesel engines, primarily for U.S. Navy
- Divestiture exits a capital-intensive business with lumpy cash flows and customer concentration
- Focuses EnPro on businesses that offer highly engineered products & services to niche markets based on core competency of materials science

FAIRBANKS MORSE



Heavy Duty Truck Product Lines Divestitures
(Closed Q3 2020)

- Includes: TrailerTail, Brake Shoe, Aeris, AirBatRF, Motor Wheel, Crewson, Lunar
- Reduces exposure and supports reshaping of heavy-duty truck business to focus on higher margin product lines

STEMCO



Bushing Block Divestiture
(Closed Q4 2020)

- Bushing block business, headquartered in Dieuze, France
- Refocuses GGB on its higher-margin product lines

GGB



Air Springs Divestiture
(Closed Q4 2020)

- Manufacturer of Goodyear licensed air springs, as well as Super Cushion® and Spring Ride® air springs
- Divestiture exits non-core product line
- Reduces exposure and supports reshaping of heavy-duty truck business

STEMCO

SUCCESSFUL INTEGRATION OF RECENT ACQUISITIONS

LeanTeq (joined Advanced Surface Technologies)

濂達科技有限公司
LeanTeq Co., Ltd

Acquisition increases aftermarket presence in the growing semiconductor wafer production market

- Announced on July 22, 2019; closed on September 25, 2019
- Provides cleaning and other refurbishment services for critical components and assemblies used in state-of-the-art semiconductor equipment
- This equipment is used to produce the latest and most technologically advanced microchips for smartphones, autonomous vehicles, high-speed wireless connectivity (5G), artificial intelligence, and other leading-edge applications
- Headquartered in Taoyuan City, Taiwan (3 facilities: 2 Taiwan, 1 US)



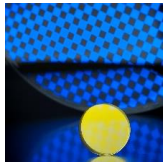


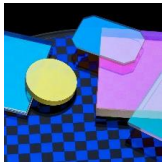
Alluxa (joined Advanced Surface Technologies)

Alluxa

Acquisition strengthens and expands materials science exposure

- Announced September 28, 2020; closed on October 26, 2020
- Provides on specialized optical filters and thin-film coatings, with a focus on serving the most challenging applications in high-growth markets, primarily industrial technology, life sciences, and semiconductor
- Proprietary technology platform, processes, and capabilities with a highly differentiated product suite and service offering, including proprietary advanced SIRRUS™ automated plasma deposition software
- Headquartered in Santa Rosa, CA (2 facilities: Both US)





Focused on Capturing the Full Benefits of These Acquisitions to Drive Shareholders Value

ADDING STRONG CHARACTERISTICS TO OUR PORTFOLIO

Current

- Leadership in high-value niche markets with established, premium brands
- Supporting mission-critical applications in highly demanding and extreme operating environments
- Low-cost relative to applications served; value-based pricing leverage
- Applying manufacturing know-how and trade secrets; significant application and technical expertise
- Embedded with our customers; substantial switching costs and barriers to entry

Adding

- Invested in high-value niche markets with addressable market growth of >7% p.a., driven by technology tailwinds
- Portfolio of businesses with high cash flow and low asset intensity
- Applying advanced materials technologies to support mission critical applications within cutting-edge industries
- Stable market dynamics with high recurring revenue mix and aftermarket exposure
- Applying manufacturing know-how and trade secrets; significant materials technology and application expertise
- Competing in industries with attractive structures including high customer switching costs and barriers to entry such as intellectual property and customer qualifications

INORGANIC VALUE CREATION DELIVERED THROUGH DELIBERATE M&A APPROACH

ENPRO'S M&A CRITERIA

MARKET FIT

- Addressable market growth >7% per annum, driven by key technology growth trends
- High barriers to entry (e.g., intellectual property, switching costs, trade secrets, etc.)
- Market segment with high degree of aftermarket exposure or recurring revenue
- Relatively fragmented competitive base, providing potential for follow-on acquisitions

ORGANIZATIONAL PROFILE

- Experienced management team in place
- Ability to integrate with EnPro culture and values of Safety, Excellence, and Respect

FINANCIAL PROFILE

- EBITDA margins >20%
- EBITDA >$10MM
- eCFROI >20%; High cash flow, asset light characteristics

ILLUSTRATIVE AREAS OF INTEREST



This Approach will Expand Our Expertise in Materials Science into Attractive Technologies and Services

CONSOLIDATED ADJUSTED EBITDA

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

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

	Quarters Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
Net income (loss) attributable to EnPro Industries, Inc.	$ (8.1)	$ 2.8	$ 184.4	$ 38.3
Adjustments to arrive at earnings before interest, income taxes, depreciation and amortization (EBITDA):				
Income from discontinued operations, net of taxes	(0.8)	(11.0)	(208.1)	(30.5)
Income attributable to redeemable non-controlling interest, net of taxes	(0.1)	-	0.4	-
Interest expense, net	3.5	5.7	14.9	18.2
Income tax (benefit) expense	(5.7)	(14.1)	(3.5)	(3.5)
Depreciation and amortization expense	19.3	20.1	70.8	67.9
EBITDA	8.1	3.5	58.9	90.5
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization and other selected items (Adjusted EBITDA):				
Restructuring and impairment expense	6.7	23.5	30.6	27.2
Environmental reserve adjustments	22.1	4.8	36.2	12.7
Costs associated with previously disposed businesses	0.6	0.1	2.0	1.8
Net loss on sale of businesses	0.6	1.1	2.6	16.3
Acquisition and divestiture expenses	6.7	1.0	11.2	8.9
Pension expense (income) (non-service cost)	(1.0)	0.9	(3.0)	3.3
Non-controlling interest compensation allocation**	1.3	0.5	2.9	0.5
Impairment of indefinite-lived trademarks	-	7.9	16.1	7.9
Legal settlement - legacy matter	0.1	-	7.5	-
Amortization of the fair value adjustment to acquisition date inventory	3.0	-	3.0	-
Other	(0.1)	-	0.3	0.3
Adjusted EBITDA	$ 48.1	$ 43.3	$ 168.3	$ 169.4

**Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa being subject to reduction for certain types of employment terminations of the LeanTeq and Alluxa 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 respective acquisition. 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 EBITDA

(Stated in Millions of Dollars)

	Years Ended December 31,		
	2020	2019	2018
Net income attributable to EnPro Industries, Inc.	$ 184.4	$ 38.3	$ 19.6
Adjustments to arrive at earnings before interest, income taxes, depreciation and amortization ("EBITDA"):			
Income from discontinued operations, net of taxes	(208.1)	(30.5)	(24.3)
Income attributable to redeemable non-controlling interest, net of taxes	0.4	—	—
Interest expense, net	14.9	18.2	27.3
Income tax expense (benefit)	(3.5)	(3.5)	19.8
Depreciation and amortization	70.8	67.9	66.1
EBITDA	58.9	90.5	108.5
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization, and other selected items (" Adjusted EBITDA"):			
Restructuring and impairment expense	30.6	27.2	22.1
Environmental reserve adjustments	36.2	12.7	11.0
Costs associated with previously disposed businesses	2.0	1.8	2.4
Net loss on sale of business	2.6	16.3	—
Loss on the extinguishment of debt	—	—	18.1
Acquisition and divestiture expense	11.2	8.9	2.0
Pension expense (income) (non-service cost)	(3.0)	3.3	11.9
Non-controlling interest compensation allocations [1]	2.9	0.5	—
Impairment of indefinite-lived trademarks	16.1	7.9	—
Legal settlement - legacy matter	7.5	—	—
Amortization of the fair value adjustment to acquisition date inventory	3.0	—	—
Other	0.3	0.3	2.1
Adjusted EBITDA	168.3	169.4	178.1

[1] Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that is subject to reduction for certain types of employment terminations of the LeanTeq Executive Officers and the Alluxa Executive Officers sellers and is directly related to the terms of the respective acquisition. 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 ADJUSTED EBITDA

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

	Quarter Ended December 31, 2020			
	Sealing Technologies	Advanced Surface Technologies	Engineered Materials	Total Segments
Segment profit	$ 24.2	$ (1.9)	$ 2.2	$ 24.5
Acquisition and divestiture expenses	0.6	6.3	-	6.9
Non-controlling interest compensation allocation*	-	1.3	-	1.3
Amortization of the fair value adjustment to acquisition date inventory	-	3.0	-	3.0
Restructuring and impairment expense	1.3	-	5.4	6.7
Depreciation and amortization expense	8.8	6.7	3.8	19.3
Earnings before interest, income taxes, depreciation, amortization, and other selected items (Adjusted Segment EBITDA)	$ 34.9	$ 15.4	$ 11.4	$ 61.7
Adjusted Segment EBITDA Margin	22.6%	30.9%	15.5%	22.4%

	Quarter Ended December 31, 2019			
	Sealing Technologies	Advanced Surface Technologies	Engineered Materials	Total Segments
Segment profit	$ 17.6	$ 4.9	$ 5.7	$ 28.2
Acquisition and divestiture expenses	0.4	-	0.1	0.5
Non-controlling interest compensation allocation*	-	0.5	-	0.5
Restructuring costs	4.1	-	1.3	5.4
Depreciation and amortization expense	11.0	4.4	4.6	20.0
Adjusted segment EBITDA	$ 33.1	$ 9.8	$ 11.7	$ 54.6
Adjusted Segment EBITDA Margin	19.0%	25.0%	15.5%	19.1%

	Year Ended December 31, 2020			
	Sealing Technologies	Advanced Surface Technologies	Engineered Materials	Total Segments
Segment profit	$ 77.5	$ 14.3	$ 2.0	$ 93.8
Acquisition and divestiture expenses	2.8	6.8	-	9.6
Non-controlling interest compensation allocation*	-	2.9	-	2.9
Amortization of the fair value adjustment to acquisition date inventory	-	3.0	-	3.0
Restructuring and impairment costs	14.2	0.1	16.3	30.6
Depreciation and amortization expense	36.5	20.0	14.2	70.7
Adjusted segment EBITDA	$ 131.0	$ 47.1	$ 32.5	$ 210.6
Adjusted Segment EBITDA Margin	20.6%	27.5%	11.8%	19.6%

	Year Ended December 31, 2019			
	Sealing Technologies	Advanced Surface Technologies	Engineered Materials	Total Segments
Segment profit	$ 79.2	$ 9.5	$ 34.4	$ 123.1
Acquisition and divestiture expenses	1.1	6.5	0.8	8.4
Non-controlling interest compensation allocation*	-	0.5	-	0.5
Restructuring costs	6.1	-	2.6	8.7
Depreciation and amortization expense	45.0	7.0	15.9	67.9
Adjusted segment EBITDA	$ 131.4	$ 23.5	$ 53.7	$ 208.6
Adjusted Segment EBITDA Margin	17.2%	19.6%	16.2%	17.3%

For a reconciliation of Adjusted Segment EBITDA 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 acquisitions of LeanTeq and Alluxa being subject to reduction for certain types of employment terminations of the LeanTeq and Alluxa 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 respective acquisition. 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 INFORMATION

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

Sales

	Quarters Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
Sealing Technologies	$ 154.7	$ 174.4	$ 636.7	$ 762.4
Advanced Surface Technologies	49.9	39.2	171.2	120.2
Engineered Materials	73.6	75.5	275.0	331.3
	278.2	289.1	1,082.9	1,213.9
Less intersegment sales	(2.2)	(2.6)	(8.9)	(8.2)
	$ 276.0	$ 286.5	$ 1,074.0	$ 1,205.7

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

	Quarters Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
Sealing Technologies	$ 34.9	$ 33.1	$ 131.0	$ 131.4
Advanced Surface Technologies	15.4	9.8	47.1	23.5
Engineered Materials	11.4	11.7	32.5	53.7
	$ 61.7	$ 54.6	$ 210.6	$ 208.6

Adjusted Segment EBITDA Margin

	Quarters Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
Sealing Technologies	22.6%	19.0%	20.6%	17.2%
Advanced Surface Technologies	30.9%	25.0%	27.5%	19.6%
Engineered Materials	15.5%	15.5%	11.8%	16.2%
	22.4%	19.1%	19.6%	17.3%

Reconciliation of Adjusted Segment EBITDA to Income (Loss) from Continuing Operations

	Quarters Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
Adjusted Segment EBITDA	$ 61.7	$ 54.6	$ 210.6	$ 208.6
Acquisition and divestiture expenses	(6.9)	(0.5)	(9.6)	(8.4)
Non-controlling interest compensation allocation*	(1.3)	(0.5)	(2.9)	(0.5)
Fair value adjustment to acquisition date inventory	(3.0)	-	(3.0)	-
Restructuring and impairment expense	(6.7)	(5.4)	(30.6)	(8.7)
Depreciation and amortization expense	(19.3)	(20.0)	(70.7)	(67.9)
Segment profit	24.5	28.2	93.8	123.1
Corporate expenses	(10.6)	(10.9)	(37.9)	(36.4)
Interest expense, net	(3.5)	(5.7)	(14.9)	(18.2)
Other expense, net	(25.1)	(33.9)	(67.8)	(64.2)
Income (loss) from continuing operations before income taxes	(14.7)	(22.3)	(26.8)	4.3
Income tax benefit	5.7	14.1	3.5	3.5
Income (loss) from continuing operations	$ (9.0)	$ (8.2)	$ (23.3)	$ 7.8

Adjusted Segment EBITDA is segment profit excluding acquisition and divestiture expenses, restructuring and impairment expense, non-controlling interest compensation, fair value adjustment to acquisition of inventory, and depreciation and amortization.

Segment profit is total segment revenue reduced by operating expenses, restructuring and other costs identifiable with the segment. Corporate expenses include general corporate administrative costs. Expenses not directly attributable to the segments, corporate expenses, net interest expense, gains/losses related to the sale of assets, impairments of indefinite-lived tradenames, and income taxes are not included in the computation of segment profit. The accounting policies of the reportable segments are the same as those for the Company.

*Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisition of LeanTeq and Alluxa that is subject to reduction for certain types of employment terminations of the LeanTeq and Alluxa sellers and is directly related to the terms of the respective acquisition. 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 term inations have occurred.

CONSOLIDATED ADJUSTED NET INCOME

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

	Quarters Ended December 31,					
	2020			2019		
	$	Average common shares outstanding, diluted (millions)	Per share	$	Average common shares outstanding, diluted (millions)	Per share
Loss from continuing operations before income taxes	$ (14.7)			$ (22.3)		
Adjustments from selling, general, and administrative:						
Acquisition and divestiture expenses	6.7			1.0		
Non-controlling interest compensation allocation***	1.3			0.5		
Adjustments from other operating expense and cost of sales:						
Restructuring and impairment expense	6.7			23.5		
Amortization of the fair value adjustment to acquisition date inventory	3.0			-		
Impairment of indefinite-lived trademarks	-			7.9		
Legal settlement - legacy matter	0.1			-		
Adjustments from other non-operating expense:						
Environmental reserve adjustments	22.1			4.8		
Costs associated with previously disposed businesses	0.6			0.1		
Net loss on sale of businesses	0.6			1.1		
Pension expense (income) (non-service cost)	(1.0)			0.9		
Other adjustements:						
Amortization of acquisition-related intangible assets	10.9			11.1		
Other	(0.1)			-		
Adjusted income from operations before income taxes	36.2			28.6		
Adjusted income tax expense	(10.9)			(8.6)		
Loss from redeemable non-controlling interest, net of taxes	0.1			-		
Adjusted income from continuing operations attributable to EnPro Industries, Inc.	$ 25.4	20.6*	$ 1.24**	$ 20.0	20.7*	$ 0.97**

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, acquisitions and divestitures, or other selected items. Management acknowledges that there are many items that impact a company's reported results and this list is not intended to present all items that may have impacted these results.

Other adjustments are included in selling, general, and adimistrative, 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 30.0% 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 quarters ended December 31, 2020 and 2019 and 0.1 million potentially dilutive shares in the year ended December 31, 2020 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 adjusting net income per share.

** Adjusted diluted earnings per share.

***Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that is subject to reduction for certain types of employment terminations of the LeanTeq and Alluxa sellers and is directly related to the terms of the respective acquisition. 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

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

	Years Ended December 31,					
	2020			2019		
	$	Average common shares outstanding, diluted (millions)	Per share	$	Average common shares outstanding, diluted (millions)	Per share
Income (loss) from continuing operations before income taxes	(26.8)			4.3		
Adjustments from selling, general, and administrative:						
Acquisition and divestiture expenses	11.2			8.9		
Non-controlling interest compensation allocation***	2.9			0.5		
Adjustments from other operating expense and cost of sales:						
Restructuring and impairment costs	30.6			27.2		
Impairment of indefinite-lived trademarks	16.1			7.9		
Legal settlement - legacy matter	7.5			-		
Amortization of the fair value adjustment to acquisition date inventory	3.0			-		
Adjustments from other non-operating expense:						
Environmental reserve adjustments	36.2			12.7		
Costs associated with previously disposed businesses	2.0			1.8		
Net loss on sale of businesses	2.6			16.3		
Pension expense (income) (non-service cost)	(3.0)			3.3		
Other adjustements:						
Amortization of acquisition-related intangible assets	37.8			32.7		
Other	0.3			0.3		
Adjusted income from continuing operations before income taxes	120.4			115.9		
Adjusted income tax expense	(36.1)			(34.8)		
Income from redeemable non-controlling interest, net of taxes	(0.4)			-		
Adjusted income from continuing operations attributable to EnPro Industries, Inc.	$ 83.9	20.6*	$ 4.07**	$ 81.1	20.8	$ 3.90**

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, acquisitions and divestitures, or other selected items. Management acknowledges that there are many items that impact a company's reported results and this list is not intended to present all items that may have impacted these results.

Other adjustments are included in selling, general, and adimistrative, 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 30.0% 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 quarters ended December 31, 2020 and 2019 and 0.1 million potentially dilutive shares in the year ended December 31, 2020 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 adjusting net income per share.

** Adjusted diluted earnings per share.

***Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that is subject to reduction for certain types of employment terminations of the LeanTeq and Alluxa sellers and is directly related to the terms of the respective acquisition. 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

(Stated in Millions of Dollars, Except Per Share Data)	Year Ended December 31, 2018		
	$	Average common shares outstanding, diluted (millions)	Per Share
Income from continuing operations before income taxes	$ 15.1		
Adjustments from selling, general, and administrative:			
Acquisition and divestiture expenses	2.0		
Adjustments from other operating expense and cost of sales:			
Restructuring and impairment costs	22.1		
Adjustments from other non-operating expense			
Environmental reserve adjustments	11.0		
Costs associated with previously disposed businesses	2.4		
Loss on extinguishment of debt	18.1		
Pensions expense (income) (non-service cost)	11.9		
Other adjustments [4]			
Amortization of acquisition-related intangible assets	29.1		
Other	2.1		
Adjusted income from continuing operations before income taxes	113.8		
Adjusted tax expense	(34.1)		
Adjusted income from continuing operations attributable to EnPro Industries, Inc.	$ 79.7	21.1 [2]	$3.78 [3]

[2] There were 0.1 million and 0.2 million potentially dilutive shares in the year ended December 31, 2020 and 2018, respectively, 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 income from continuing operations attributable to EnPro Industries, Inc. per share.

[3] Adjusted diluted earnings per share

[4] Other adjustments are included in selling, general, and administrative, cost of sales, and other operating expenses on the consolidated statement of operations.

FREE CASH FLOW

(Stated in Millions of Dollars)

Free Cash Flow - 2020

	Quarter ended				Year Ended
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	December 31, 2020
Net cash provided by operating activities of continuing operations	$ 0.3	$ 33.1	$ 15.0	$ 9.2	$ 57.6
Purchases of property, plant, and equipment	(5.2)	(3.7)	(2.9)	(6.5)	(18.3)
Free cash flow	$ (4.9)	$ 29.4	$ 12.1	$ 2.7	$ 39.3

Free Cash Flow - 2019

	Quarter ended				Year Ended
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
Net cash provided by (used In) operating activities of continuing operations	$ (1.3)	$ 34.9	$ 57.5	$ 39.7	$ 130.8
Purchases of property, plant, and equipment	(4.1)	(5.9)	(5.1)	(6.5)	(21.6)
Free cash flow	$ (5.4)	$ 29.0	$ 52.4	$ 33.2	$ 109.2

FREE CASH FLOW

($ in Millions)	FY2020	FY2019	FY2018
Net Cash Provided by (Used in) Operating Activities of Continuing Operations	57.6	130.8	212.8
Purchases of Property, Plant and Equipment	(18.3)	(21.6)	(36.1)
Free Cash Flow	**39.3**	**109.2**	**176.7**
Excluding: 2018 Tax Refund Benefit	-	-	(78.0)
Free Cash Flow Excluding 2018 Tax Refund Benefit	**39.3**	**109.2**	**98.7**

PRO FORMA CALCULATION

(Stated in Millions of Dollars)

	Year Ended December 31, 2020		
	EnPro	Pro forma Adjustments	Pro Forma
Net sales	$ 1,074	$ (91)	$ 983
Net income (loss) attributable to EnPro Industries, Inc.	$ 184	$ 21	$ 205
Adjustments to arrive at earnings before interest, income taxes, depreciation and amortization (EBITDA):			
Loss (income) from discontinued operations, net of taxes	(208)	-	(208)
Income attributable to redeemable non-controlling interest, net of taxes	-	-	-
Interest expense, net	15	-	15
Income tax expense	(3)	3	(1)
Depreciation and amortization expense	71	(3)	68
EBITDA	59	21	80
Adjustments to arrive at earnings before interest, income taxes, depreciation, amortization and other selected items (Adjusted EBITDA):			
Restructuring and impairment costs	31	(18)	13
Environmental reserve adjustments and other costs associated with previously disposed businesses	38	-	38
Net loss on sale of businesses	3	-	3
Acquisition and divestiture expenses	11	(3)	8
Pension expense (income) (non-service cost)	(3)	-	(3)
Non-controlling interest compensation allocation	3	-	3
Impairment of indefinite-lived tradenames	16	-	16
Legal settlement	7	-	7
Other	3	-	3
Adjusted EBITDA	$ 168	$ (1)	$ 168
Adjusted EBITDA Margin	15.7%		17.0%

Note: Based on 2020 actual results and includes Alluxa acquisition, the sale of GGB's bushing block business and the reshaping activities in Sealing Technologies segment as if those transactions had closed effective January 1, 2020.

2018 NET DEBT TO ADJUSTED EBITDA

$ millions		December 31, 2018
	Credit Facility	$117
	Senior Notes	$345
	Capital Lease Obligations	$1
A	**Debt Components**	**$463**
B	**Cash and Equivalents**	**$130**
C = (A – B)	**Net Debt**	**$333**
D	**FY December 31, 2018 Adjusted EBITDA***	**$178**
E = (C / D)	**Leverage Ratio**	**1.9x**

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

2019 NET DEBT TO ADJUSTED EBITDA

	Reported December 31, 2019 ($M)	
	Credit Facility	$134
	Senior Notes[1]	$345
	Term Loan	$149
	Capital Lease Obligations	$1
A	**Debt Components**	**$629**
B	**Cash and Equivalents**	**$121**
C = (A – B)	**Net Debt**	**$508**
D	**December 31, 2019 Adjusted EBITDA***	**$169**
E = (C / D)	**Leverage Ratio**	**3.0x**

[1]Includes impact from unamortized debt issue costs
* Non-GAAP measure; refer to appendix for reconciliation to GAAP
Note: FY2019 Adjusted EBITDA includes two quarters of contribution from The Aseptic Group acquisition and one quarter contribution from LeanTeq acquisition