# INVESTOR PRESENTATION

**MARCH 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; uncertainties with respect to the company's ability to achieve anticipated growth within the semiconductor, life sciences, and other technology-enabled markets; 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

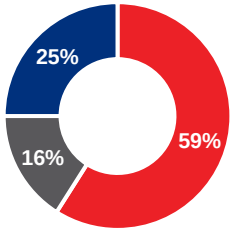
| | |
|---|---|
| Headquarters | **Charlotte, NC** |
| Manufacturing Facilities | **22 primary** |
| Global Employees | **~4,400** |

## Financial Overview

| | |
|---|---|
| Market-Cap[1] | **$1.9B** |
| Revenue[3] | **$1.1B** |
| Adjusted EBITDA (Margin)[2,3] | **$168M (15.7%)** |
| Aftermarket Revenue %[3] | **53%** |
| Dividend Yield[1] | **1.1%** |

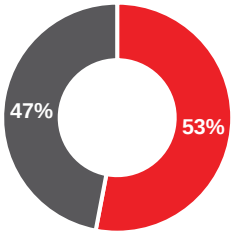
## Revenue Contribution[3]

### By Segment



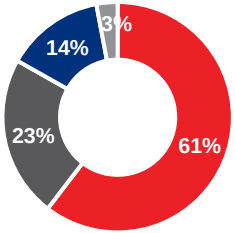

- Sealing Technologies
- Advanced Surface Technologies
- Engineered Materials

### By Channel



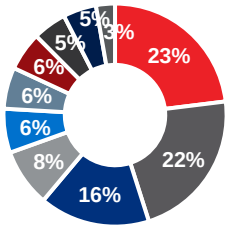

- Aftermarket
- OE

### 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 3/15/21; [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.

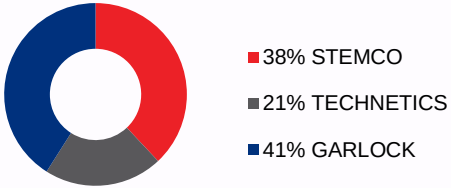
# ENPRO'S SEGMENTS

## Sealing Technologies

*Safeguarding critical environments*

| | |
|---|---|
| 2020 REVENUE | $637M |
| 2020 ADJUSTED EBITDA MARGIN | 20.6% |

REVENUE COMPOSITION (2020)




KEY PRODUCT OFFERINGS:

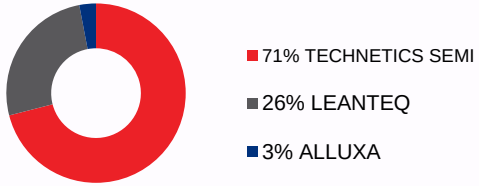
- Pharmaceutical Hygienic Components
- Hydrodynamic Seals
- High-Performance Metal and Brush Seals
- Felt Metal & Acoustic Material
- Wheel End Seals
- Gaskets & Packing

## Advanced Surface Technologies

*Advancing precision services and solutions*

| | |
|---|---|
| 2020 REVENUE | $171M |
| 2020 ADJUSTED EBITDA MARGIN | 27.5% |

REVENUE COMPOSITION (2020)




KEY PRODUCT OFFERINGS:

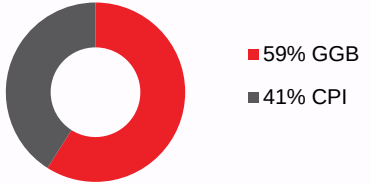
- Semiconductor Cleaning and Aftermarket Services
- Specialty optical filters and thin-film coatings technology
- Semiconductor Sub Assemblies
- Edge-Welded Bellows

## 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

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

# 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

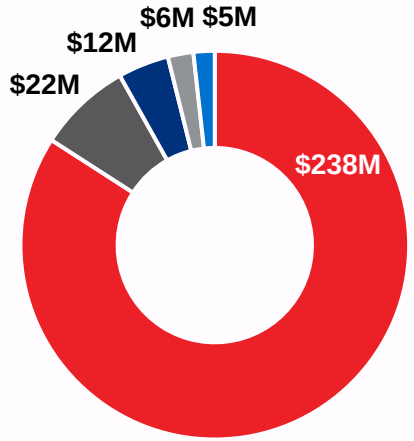
**STRATEGIC ACQUISITIONS**

- High technical know-how, IP-rich offering
- Experienced management with proven track record
- Add to breadth of materials science expertise
- Expand presence in high growth attractive markets

**RETURN CASH TO SHAREHOLDERS**

- Current dividend yield of 1.1%[1]
- 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; current share repurchase authorization of $50M

## 2020 Capital Allocation ($M)




[1] Dividend yield as of 3/15/21

# 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 |

# APPENDIX

# 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