





Fourth Quarter & Full Year 2022 Earnings Review

February 21, 2023

ENPRO

Forward-Looking Statements

Statements in 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: economic conditions in the markets served by Enpro's businesses and those of its customers, some of which are cyclical and experience periodic downturns and disruptions; the impact of geopolitical activity on those markets, including instabilities associated with the armed conflict in Ukraine and any conflict or threat of conflict that may affect Taiwan; uncertainties with respect to the imposition of government embargoes, tariffs and trade protection measures, such as "anti-dumping" duties applicable to classes of products, and import or export licensing requirements, as well as the imposition of trade sanctions against a class of products imported from or sold and exported to, or the loss of "normal trade relations" status with, countries in which Enpro conducts business, which could significantly increase its cost of products or otherwise reduce sales and harm its business; uncertainty with respect to the duration and severity of impacts from the COVID-19 pandemic on the company's operations and on the operations and businesses of its customers and vendors, including impacts on the general economy and the markets served by the company's customers, as well as supply chain disruptions and materials cost increases that are not passed along to our customers; prices and availability of its raw materials, including as a result of the COVID-19 pandemic or instabilities from geopolitical conflicts; uncertainties with respect to the company's ability to achieve anticipated growth within the semiconductor, life sciences, and other technology-enabled markets; the impact of fluctuations in relevant foreign currency exchange rates or unanticipated increases in applicable interest rates; unanticipated delays or problems in introducing new products; the impact of any labor disputes; announcements by competitors of new products, services or technological innovations; changes in pricing policies or the pricing policies of competitors; and the amount of any payments required to satisfy contingent liabilities, including those related to discontinued operations, other divested businesses and the discontinued operations of its predecessors, including liabilities for certain products, environmental matters, employee benefit and statutory severance obligations and other matters. Enpro's filings with the Securities and Exchange Commission, including its most recent Form 10-K and Form 10-Q, describe these and other risks and uncertainties in more detail. Enpro does not undertake to update any forward-looking statements made in this presentation to reflect any change in management's expectations or any change in the assumptions or circumstances on which such statements are based.

Full-year guidance is subject to the risks and uncertainties discussed above and specifically excludes changes in the number of shares outstanding, 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 December 31, 2022, and the impact of foreign exchange rate changes subsequent to that date.

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

The former Engineered Materials segment has been classified as discontinued operations for all periods presented. Unless otherwise expressly noted, financial information included in this presentation is with respect to continuing operations of Enpro.



Full Year 2022 Review

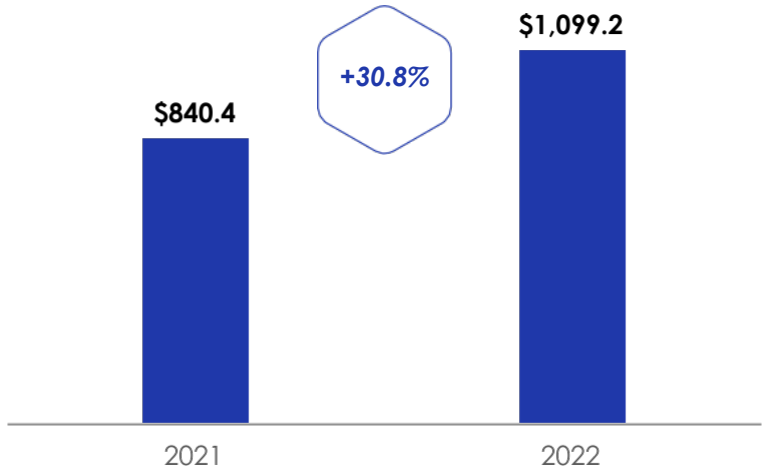
Eric Vaillancourt
President & Chief Executive Officer

ENPRO

2022 Full-Year Performance

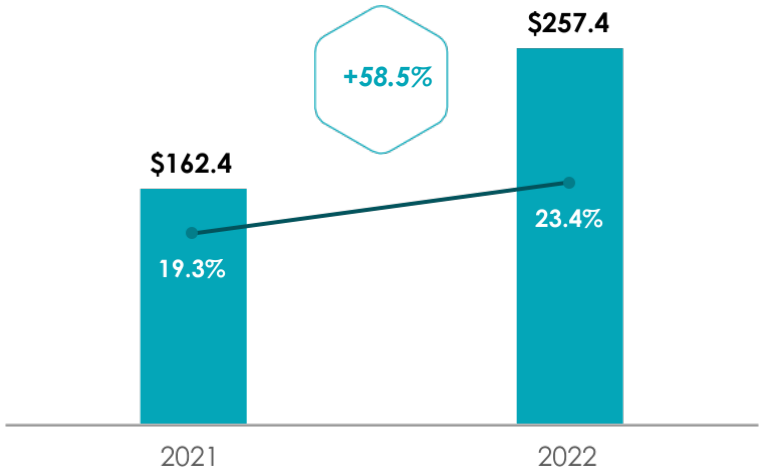
$ in millions

Sales



- Sales increased 30.8% compared to 2021. On an organic basis, sales grew 14.1%
- Strong volume across most major end markets and strategic pricing initiatives equally contributed to full-year revenue growth.

Adjusted EBITDA* & Margin*



- Adjusted EBITDA* increased 58.5% compared to 2021. Adjusted EBITDA margin* of 23.4% increased 410 basis points compared to the prior year
- Operating leverage on organic volume growth, pricing initiatives and strong operational performance, in addition to the sustained benefits of portfolio reshaping actions, offset higher operating costs, growth investments and materials, wage and freight inflation

Foundation in Place to Drive Sustained High-Margin Growth

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



Fourth Quarter 2022 Results

Milt Childress

Executive Vice President & Chief Financial Officer

ENPRO

Fourth Quarter 2022 Highlights

Outstanding Execution

- **Strong organic revenue growth** in both segments
- **Strategic pricing initiatives** offset inflationary materials, wage and freight costs
- **Firm foundation** to drive high-margin growth following the completion of the divestiture program to optimize our portfolio
- **Positioned to outperform**, while investing in growth opportunities despite macroeconomic and geopolitical uncertainty

Consistent Quarterly Results

↑ **14.8%**
Sales *(organically)*

↑ **39.4%**
Adjusted EBITDA*
To
$53.4M

↑ **160bps**
Adjusted EBITDA margin*
To
19.6%

- **Sustained benefits** from portfolio reshaping and execution on commercial, strategic and operational objectives, despite higher costs and late-quarter semiconductor weakness during the fourth quarter
- **Strong free cash flow and ample liquidity** to pursue future growth opportunities as debt was further reduced during the fourth quarter

Strategic Focus

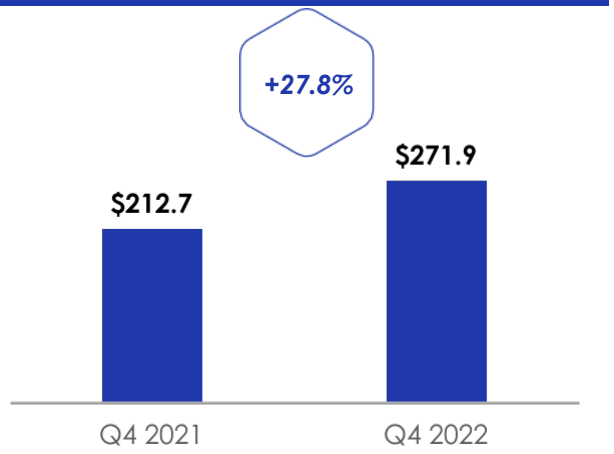
- Remain **focused on leading-edge critical products and solutions,** with high-margins, strong cash flow and recurring/aftermarket revenue exposure
- Continue to **invest in our best organic growth opportunities,** while selectively pursuing **acquisitions** that fit our strategic and financial criteria
- **Maximize long-term shareholder returns** through a commitment to sustainability and diversity, disciplined capital allocation and transparency

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

Q4 2022 Financial Performance

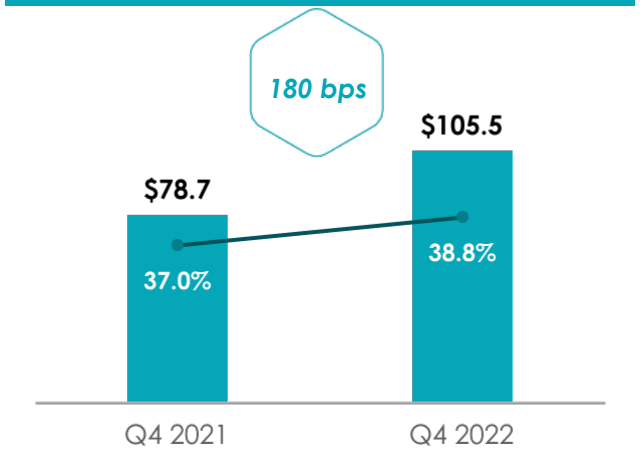
$ in millions, except per share data

Sales



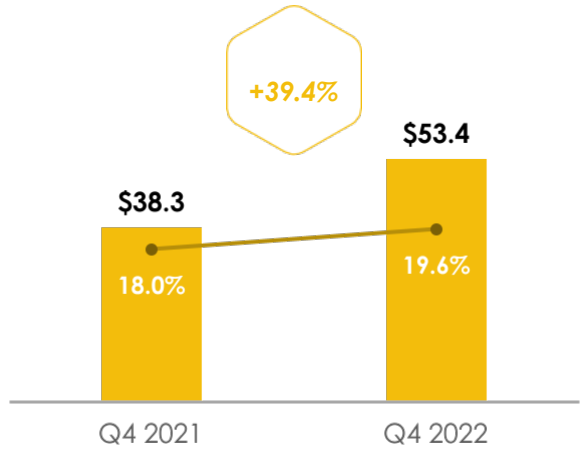
- Volume growth in the semiconductor, heavy-duty truck, aerospace, general industrial and food & pharma markets, as well as the contribution from NxEdge, in addition to strategic pricing actions, drove strong revenue growth
- Organic sales increased 14.8% year over year

Gross Profit & Margin



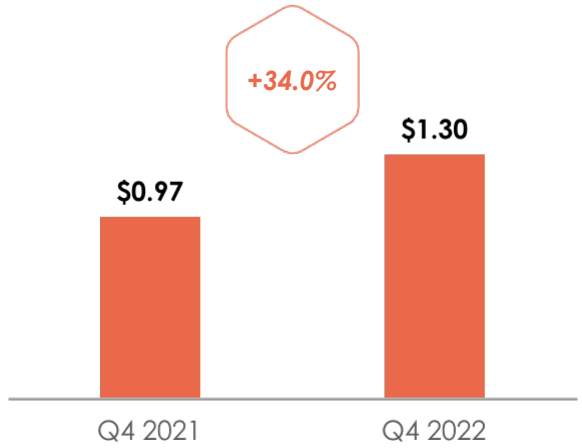
- Gross margin expansion primarily driven by volume growth and strategic pricing initiatives offsetting inflationary pressures on raw material, freight and labor costs

Adjusted EBITDA* & Margin*



- Adjusted EBITDA margin of 19.6% increased 160 basis points driven by volume growth, pricing and operational efficiencies, offset by inflationary pressures, higher incentive compensation accruals, growth investments and late-quarter softness in semiconductor demand affecting mix and cost absorption

Adjusted Diluted EPS*



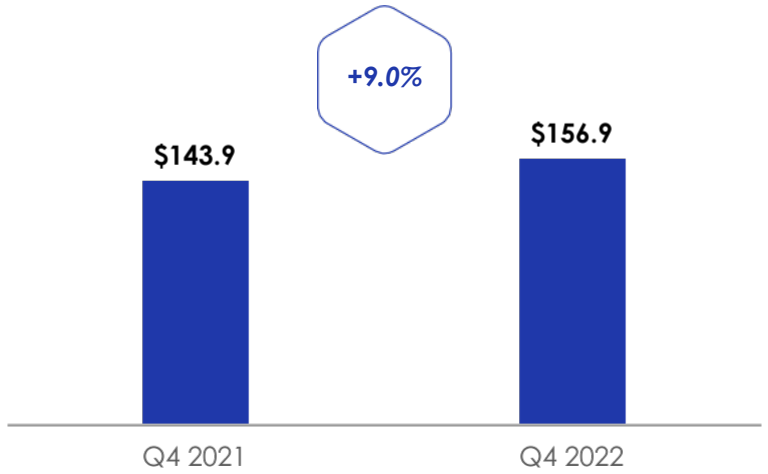
- Adjusted diluted earnings per share of $1.30** increased 34% driven by strong operating performance and a lower tax rate, offset by higher interest resulting from higher debt balances, rate increases, and a reduced benefit from net investment hedges
- Normalized tax rate of 27% used in determining adjusted net income for 4Q, from 30% last year

* Non-GAAP measure; refer to appendix for reconciliation to GAAP.
** Adjusted diluted earnings per share based on refined method of calculation: Form 8-K filed on February 23, 2023

Sealing Technologies – Q4 2022 Performance

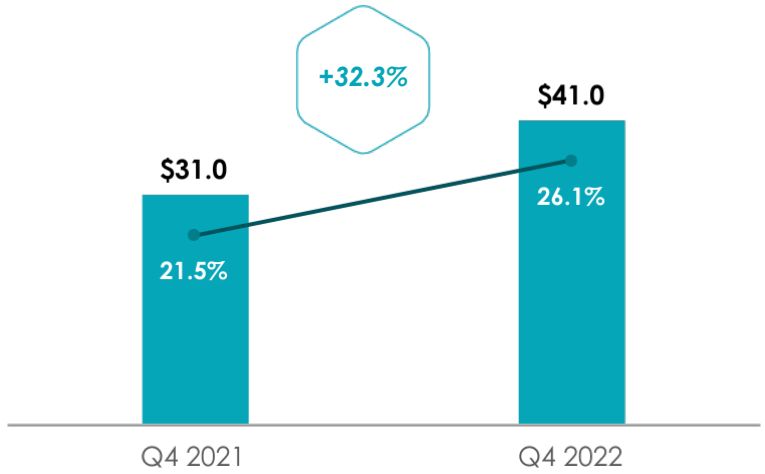
$ in millions

Sales



- Sales grew 9%, on a reported basis
- Organic sales, excluding foreign exchange translation and divested businesses, increased 13.4% driven by successful pricing strategies and strong volume in the aerospace, general industrial, heavy-duty truck and food & pharma markets

Adjusted EBITDA & Margin

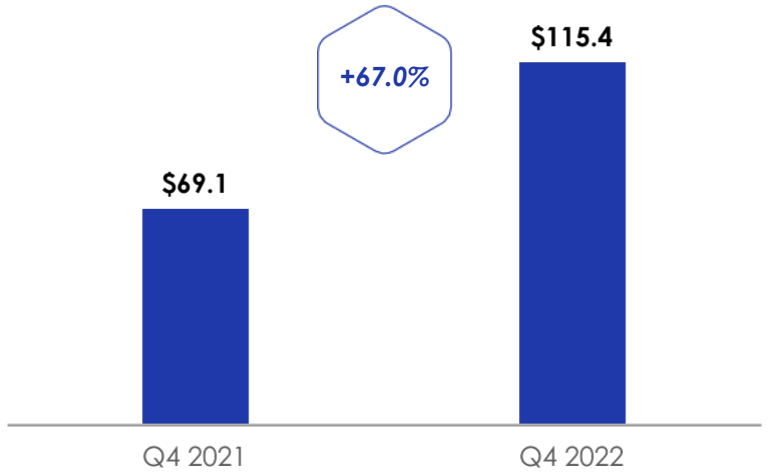


- Adjusted segment EBITDA increased 32.3%. Excluding the impact of foreign exchange translation and divestitures, adjusted segment EBITDA increased 38.7%
- Leverage on organic volume growth, successful pricing strategies and operational efficiencies offset inflationary pressure on materials, labor and freight across the segment
- Portfolio reshaping actions undertaken in recent years contribute to the sustained improvement

Advanced Surface Technologies – Q4 2022 Performance

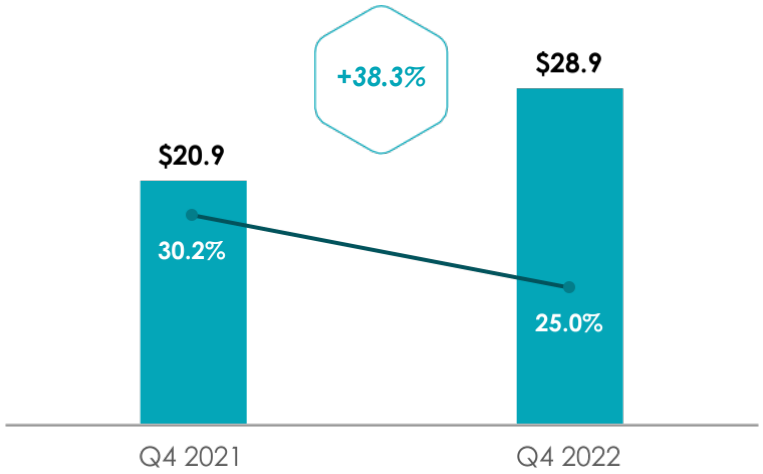
$ in millions

Sales



- Sales increase driven primarily by strong demand in the semiconductor market and the addition of NxEdge
- Organic sales increased 17.5%, despite late-quarter weakness in the semiconductor market

Adjusted EBITDA & Margin



- Adjusted segment EBITDA increased 38.3%, driven primarily by the acquisition of NxEdge and strong year-over-year organic sales growth
- Adjusted segment EBITDA growth was offset by softness appearing late in the fourth quarter that affected volume and mix, while continued investments supporting long-term growth also caused margin contraction in the fourth quarter
- Adjusted segment EBITDA increased 10.0%, excluding foreign exchange translation and the NxEdge acquisition

Balance Sheet, Cash Flow & Capital Allocation

Net Leverage

Reported December 31, 2022

$ in millions

	Credit Facility	$ -
	Term Loans[1,2]	$ 443
	Senior Notes[1]	$ 347
	Capital Lease Obligations	$ 1
A	Debt Components	$ 791
B	Cash and Equivalents	$ 334
C	Redeemable Noncontrolling Interest[3]	$ 18
D = (A-B+C)	Net Debt	$ 474

Commentary

- Strong balance sheet; ample liquidity consisting of $334 million in cash and ~$390 million[4] available under the revolving credit facility
- Leverage ratio of 1.8x at year-end
- Repatriated almost $300 million for the full year 2022 and estimate an additional $100 million in 2023
- Free cash flow* for the full year 2022 was $105 million, excluding cash taxes paid on GGB proceeds (~$26M), and including higher capital expenditures compared to last year
- Paid $23.4 million in dividends for the full year
- Reduced net borrowings by more than $370 million, inclusive of the acquisition of noncontrolling interests in LeanTeq, with divestiture proceeds, repatriated cash and free cash flow

[1] Includes impact from unamortized debt issuance costs
[2] Includes two term loan facilities established in December 2021: Term Loan A-1 Facility and Term Loan A-2 Facility, with outstanding balances at December 31, 2022 of $137.0 and $307.1, respectively. The Term Loan A-1 Facility amortizes on a quarterly basis in an annual amount equal to 2.50% of the original principal amount of the Term Loan A-1 Facility in year one after the closing, 5.00% of such original principal amount in year two and 1.25% of such original principal amount in each of the first three quarters of year three, with the remaining outstanding principal amount payable at maturity. The Term Loan A-2 Facility amortizes on a quarterly basis in an annual amount equal to 2.5% of the original principal amount of the Term Loan A-2 Facility in each of years one through three, 5.0% of such original principal amount in year four and 1.25% of such original principal amount in each of the first three quarters of year five, with the remaining outstanding principal amount payable at maturity.
[3] Represents redeemable retained interests in Alluxa held by previous ownership. The LeanTeq retained interests were acquired by Enpro in December 2022
[4]The $389.2 available for borrowing under revolver is net of $10.8 in letters of credit
* Non-GAAP measure; refer to appendix for reconciliation to GAAP.

2023 Guidance

	2023 Guidance* (as of 2/21/23)
Revenue Growth	Flat – Low Single Digit Growth
Adjusted EBITDA**	$248M – $260M
Adjusted Diluted EPS**	$6.45 – $7.05

Assumptions

~$100M
Depreciation and Amortization

~$40M
Net Interest Expense

25%
Normalized Tax Rate (from 27% last year)

* Full-year guidance is subject to risks and uncertainties discussed above and specifically excludes changes in the number of shares outstanding, impacts from future and pending acquisitions, dispositions and related transaction costs, restructuring costs, incremental impacts of tariffs and trade tensions on market demand and costs subsequent to the end of the fourth quarter, the impact of foreign exchange rate changes subsequent to the end of the fourth quarter and increases in interest rates beyond those assumed in the preparation of the guidance.
** Non-GAAP financial measure. Because of the forward-looking nature of guidance, it is impractical to provide a quantitative reconciliation of such measures to the comparable GAAP measures. Amortization of acquisition-related intangible assets of $73 million excluded from the calculation of adjusted diluted EPS



Closing Comments

Eric Vaillancourt

President & Chief Executive Officer

ENPRO



At Enpro, we empower technology, with purpose. Our customers rely on us to elevate their applications and accelerate their competitive edge through a suite of advanced technologies and critical solutions to meet their most challenging needs.

By leveraging decades of experience and deep technical expertise, we're skillfully pushing boundaries in the many fast-growing sectors we serve.

Our people are the heart of our success. They are the engine that drives our mission and purpose. Collectively, we create a culture of mindful and unlimited growth.

Our differentiation lies in our commitment to inventive sustainability, our unwavering focus on safety and our work to build a compassionate company and community made stronger by diversity and inclusion.

Q&A





Appendix

Enpro (NYSE: NPO) | Attractive Portfolio of Leading-Edge Businesses

Company Overview

Headquarters Charlotte, NC

13 Principal Manufacturing and Service Facilities

Global Employees ~3,500

Financial Overview

Market-Cap[1]	**$2.5B**
2022 Revenue	**$1.10B**
2022 Adj. EBITDA (Margin)[2]	**$257M (23.4%)**
2022 Aftermarket Rev. %	**52%**
Dividend Yield[1]	**1.0%**

2022 Revenue Contribution

Sales by Segment



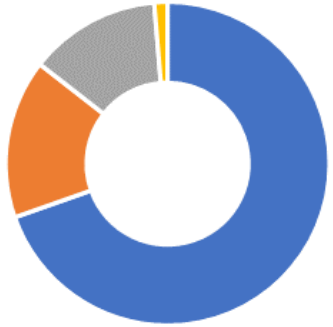
- Sealing Technologies 57%
- Advanced Surface Technologies 43%

Sales by Channel



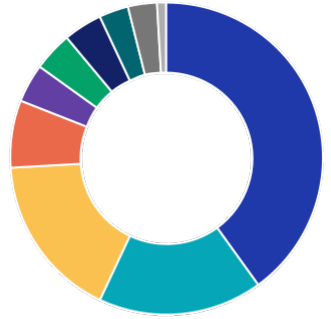
- Aftermarket 52%
- OE 48%

Sales by Geography



- North America 70%
- Asia Pacific 16%
- Europe 13%
- RoW 1%

Sales by Market



- Semiconductor 40%
- MD/HD Truck 17%
- General Industrial 17%
- Food & Pharma 7%
- Aerospace 4%
- Power Generation 4%
- Petrochemical 4%
- Metals and Mining 3%
- Oil and Gas 3%
- Other 1%

Strong Aftermarket Position Across Both Segments with Critical Products and Solutions

[1] As of 2/17/23; [2] Refer to appendix for Non-GAAP reconciliation

Reconciliation of Consolidated Adjusted EBITDA

For the Quarters and Years Ended December 31, 2022 and 2021
(In Millions)

	Quarters Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Income (loss) from continuing operations attributable to EnPro Industries, Inc.	$ (57.5)	$ (1.6)	$ 6.7	$ 56.9
Net income (loss) attributable to redeemable non-controlling interests	(3.6)	0.3	(2.8)	0.4
Income (loss) from continuing operations	(61.1)	(1.3)	3.9	57.3
Adjustments to arrive at earnings from continuing operations before interest, income taxes, depreciation, amortization, and other selected items ("Adjusted EBITDA"):				
Interest expense, net	10.0	3.5	33.9	13.7
Income tax benefit	4.6	(6.1)	24.4	8.7
Depreciation and amortization expense	25.1	17.1	103.1	63.8
Restructuring and impairment expense	0.7	0.5	2.9	2.5
Environmental reserve adjustments	5.3	3.8	5.1	8.3
Costs associated with previously disposed businesses	(0.6)	(0.3)	0.3	0.4
Net loss on sale of businesses	0.4	—	0.6	(17.5)
Acquisition and divestiture expenses	0.1	14.9	1.2	15.6
Pension expense (income) (non-service cost)	(1.5)	(2.2)	(3.6)	(8.4)
Non-controlling interest compensation allocation[1]	(0.5)	1.2	(0.6)	5.3
Asbestos receivable adjustment	—	—	2.8	—
Amortization of the fair value adjustment to acquisition date inventory	1.0	4.1	13.3	9.9
Tax indemnification asset[2]	0.9	3.0	0.9	3.0
Goodwill impairment	65.2	—	65.2	—
Foreign exchange losses related to the divestiture of GGB[3]	3.8	—	3.8	—
Other	—	0.1	0.2	(0.2)
Adjusted EBITDA	$ 53.4	$ 38.3	$ 257.4	$ 162.4

1Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that was and 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 acquisitions. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisitions unless certain employment terminations have occurred. The LeanTeq non-controlling interests were acquired by EnPro in December 2022.

2 In connection with the acquisition of Aseptic in 2019, we recognized a liability for uncertain tax positions and a related indemnification asset for the portion of that liability recoverable from the seller. We determined the statute of limitations expired on some of the uncertain tax positions in 2022 and 2021 and, accordingly, removed a portion of the liability and receivable. The release of the related liability was recorded as part of our tax expense for the year ended December 31, 2022 and 2021 and the reversal of the related receivable was recorded as an expense in other non-operating income (expense) on our consolidated statement of operations.

3 In connection with the sale of GGB, accounted for as a discontinued operation, in the fourth quarter of 2022, we issued an intercompany note between a domestic and foreign entity that was denominated in a foreign currency. As a result of this note, we recorded a loss due to the change in exchange rate during December 2022. In January 2023, we hedged the outstanding notes and expect future gains or losses to be minimal.

Supplemental disclosure: Adjusted EBITDA as presented also represents the amount defined as "EBITDA" under the indenture governing the Company's 5.75% Senior Notes due 2026. For the year ended December 31, 2022, approximately 47% of the adjusted EBITDA as presented above was attributable to Enpro's subsidiaries that do not guarantee the Company's 5.75% Senior Notes due 2026.

Segment Information (1/2)

For the Quarters and Years Ended December 31, 2022 and 2021
(Dollars in Millions)

Sales

	Quarters Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Sealing Technologies	$ 156.9	$ 143.9	$ 624.3	$ 599.8
Advanced Surface Technologies	115.4	69.1	476.1	247.3
	272.3	213.0	1,100.4	847.1
Less: intersegment sales	(0.4)	(0.3)	(1.2)	(6.7)
	$ 271.9	$ 212.7	$1,099.2	$ 840.4

Income (loss) from continuing operations attributable to EnPro Industries, Inc.	$ (57.5)	$ (1.6)	$ 6.7	$ 56.9
Income (loss) from continuing operations attributable to EnPro Industries, Inc. Margin	(21.1)%	(0.8)%	0.6%	6.8%

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

	Quarters Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Sealing Technologies	$ 41.0	$ 31.0	$ 159.1	$ 141.9
Advanced Surface Technologies	28.9	20.9	141.5	73.2
	$ 69.9	$ 51.9	$ 300.6	$ 215.1

Adjusted Segment EBITDA Margin

	Quarters Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Sealing Technologies	26.1 %	21.5 %	25.5 %	23.7 %
Advanced Surface Technologies	25.0 %	30.2 %	29.7 %	29.6 %
	25.7 %	24.4 %	27.3 %	25.6 %

Reconciliation of Adjusted Segment EBITDA to Income (Loss) from Continuing Operations Attributable to EnPro Industries, Inc.

	Quarters Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Income (loss) from continuing operations attributable to EnPro Industries, Inc.	$ (57.5)	$ (1.6)	$ 6.7	$ 56.9
Plus: net income (loss) attributable to redeeming non-controlling interests	(3.6)	0.3	(2.8)	0.4
Income (loss) from continuing operations	(61.1)	(1.3)	3.9	57.3
Income tax benefit (expense)	(4.6)	6.1	(24.4)	(8.7)
Income (loss) from continuing operations before income taxes	(56.5)	(7.4)	28.3	66.0
Acquisition and divestiture expense	0.1		0.5	0.4
Non-controlling interest compensation allocation[1]	(0.5)	1.2	(0.6)	5.3
Amortization of the fair value adjustment to acquisition date inventory	1.0	4.1	13.3	9.9
Restructuring and impairment expense	0.7	0.6	1.9	2.4
Depreciation and amortization expense	25.1	17.0	102.8	63.5
Corporate expenses	15.6	27.8	47.0	64.9
Interest expense, net	10.0	3.5	33.9	13.7
Goodwill impairment	65.2	—	65.2	—
Other income (expense), net	9.2	5.1	8.3	(11.0)
Adjusted Segment EBITDA	$ 69.9	$ 51.9	$ 300.6	$ 215.1

Adjusted Segment EBITDA is total segment revenue reduced by operating expenses and other costs identifiable with the segment, excluding acquisition and divestiture expenses, restructuring and impairment expense, non-controlling interest compensation, amortization of the fair value adjustment to acquisition date inventory, and depreciation and amortization.

Corporate expenses include general corporate administrative costs. Expenses not directly attributable to the segments, corporate expenses, net interest expense, gains/losses related to the sale of assets, and income taxes are not included in the computation of Adjusted Segment EBITDA. The accounting policies of the reportable segments are the same as those for the Company.

1Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that was and 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 acquisitions. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisitions unless certain employment terminations have occurred. The LeanTeq non-controlling interests were acquired by EnPro in December 2022.

Segment Information (2/2)

For the Quarters and Years Ended December 31, 2022 and 2021

(In Millions)

	Quarter Ended December 31, 2022		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition and divestiture expenses	$ —	$ 0.1	$ 0.1
Non-controlling interest compensation allocation[1]	$ —	$ (0.5)	$ (0.5)
Amortization of the fair value adjustment to acquisition date inventory	$ —	$ 1.0	$ 1.0
Restructuring and impairment expense	$ 0.1	$ 0.6	$ 0.7
Depreciation and amortization expense	$ 6.3	$ 18.8	$ 25.1

	Quarter Ended December 31, 2021		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Non-controlling interest compensation allocation[1]	$ —	$ 1.2	$ 1.2
Amortization of the fair value adjustment to acquisition date inventory	$ —	$ 4.1	$ 4.1
Restructuring and impairment expense	$ 0.6	$ —	$ 0.6
Depreciation and amortization expense	$ 7.3	$ 9.7	$ 17.0

	Years Ended December 31, 2022		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition and divestiture expenses	$ —	$ 0.5	$ 0.5
Non-controlling interest compensation allocation[1]	$ —	$ (0.6)	$ (0.6)
Amortization of the fair value adjustment to acquisition date inventory	$ —	$ 13.3	$ 13.3
Restructuring and impairment expense	$ 0.6	$ 1.3	$ 1.9
Depreciation and amortization expense	$ 26.2	$ 76.6	$ 102.8

	Years Ended December 31, 2021		
	Sealing Technologies	Advanced Surface Technologies	Total Segments
Acquisition and divestiture expenses	$ 0.4	$ —	$ 0.4
Non-controlling interest compensation allocation[1]	$ —	$ 5.3	$ 5.3
Amortization of the fair value adjustment to acquisition date inventory	$ —	$ 9.9	$ 9.9
Restructuring and impairment expense	$ 2.4	$ —	$ 2.4
Depreciation and amortization expense	$ 30.6	$ 32.9	$ 63.5

1Non-controlling interest compensation allocation represents compensation expense associated with a portion of the rollover equity from the acquisitions of LeanTeq and Alluxa that was and 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 acquisitions. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisitions unless certain employment terminations have occurred. The LeanTeq non-controlling interests were acquired by EnPro in December 2022.

Consolidated Adjusted Net Income*

(In Millions, Except Per Share Data)	Quarters Ended December 31, 2022 $	2022 Average common shares outstanding, diluted	2022 Per Share	2021 $	2021 Average common shared outstanding, diluted	2021 Per Share
Income (loss) from continuing operations attributable to EnPro Industries, Inc.	$(57.5)	20.9	$(2.76)	$ (1.6)	20.6	$(0.08)
Net income from redeemable non-controlling interests	(3.6)			0.3		
Income tax expense (benefit)	4.6			(6.1)		
Loss from continuing operations before income taxes	(56.5)			(7.4)		
Adjustments from selling, general, and administrative:						
Acquisition and divestiture expenses	0.1			14.9		
Non-controlling interest compensation allocations[1]	(0.5)			1.1		
Amortization of acquisition-related intangible assets	18.5			11.6		
Adjustments from other operating expense and cost of sales:						
Restructuring and impairment expense	0.7			0.5		
Amortization of the fair value adjustment to acquisition date inventory	1.0			4.0		
Adjustments from other non-operating expense:						
Environmental reserve adjustment	5.3			3.8		
Costs associated with previously disposed businesses	(0.6)			(0.3)		
Net loss (gain) on sale of businesses	0.4			—		
Pension income (non-service cost)	(1.5)			(2.2)		
Tax indemnification asset[2]	0.9			3.0		
Alluxa Goodwill impairment	60.6			—		
Foreign exchange losses related to the divestiture of GGB[3]	3.8			—		
Other adjustments:						
Other	—			0.1		
Adjusted income from operations before income taxes	32.2			29.1		
Adjusted income tax expense	(8.7)			(8.7)		
Net income (loss) from redeemable non-controlling interests	3.6			(0.3)		
Adjusted income from continuing operations attributable to EnPro Industries, Inc.	$ 27.1	20.9	$ 1.30 [4]	$ 20.1	20.8	$ 0.97 [4]

	Years Ended December 31, 2022 $	2022 Average common shares outstanding, diluted	2022 Per Share	2021 $	2021 Average common shares outstanding, diluted	2021 Per Share
Income from continuing operations attributable to EnPro Industries, Inc.	$ 6.7	20.9	$ 0.32	$ 56.9	20.8	$ 2.74
Net income (loss) from redeemable non-controlling interests	(2.8)			0.4		
Income tax expense	24.4			8.7		
Income from continuing operations before income taxes	28.3			66.0		
Adjustments from selling, general, and administrative:						
Acquisition and divestiture expenses	1.2			15.6		
Non-controlling interest compensation allocations[1]	(0.7)			4.9		
Amortization of acquisition-related intangible assets	74.8			42.1		
Adjustments from other operating expense and cost of sales:						
Restructuring and impairment expense	2.9			2.5		
Amortization of the fair value adjustment to acquisition date inventory	13.1			9.4		
Adjustments from other non-operating expense:						
Asbestos receivable adjustment	2.8			—		
Environmental reserve adjustment	5.1			8.3		
Costs associated with previously disposed businesses	0.3			0.4		
Net loss (gain) on sale of businesses	0.6			(17.5)		
Pension income (non-service cost)	(3.6)			(8.4)		
Tax indemnification asset[2]	0.9			3.0		
Goodwill impairment	60.6			—		
Foreign exchange losses related to the divestiture of GGB[3]	3.8			—		
Other adjustments:						
Other	0.2			(0.2)		
Adjusted income from continuing operations before income taxes	190.3			126.1		
Adjusted income tax expense	(51.3)			(37.8)		
Net income from redeemable non-controlling interests	2.8			(0.4)		
Adjusted income from continuing operations attributable to EnPro Industries, Inc.	$141.8	20.9	$ 6.79 [4]	$ 87.9	20.8	$ 4.23 [4]

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 administrative, cost of sales, and other operating expenses on the consolidated statements of operations.

The adjusted income tax expense presented above is calculated using a normalized company-wide effective tax rate excluding discrete items of 27.0% and 30.0% for 2022 and 2021, respectively. Per share amounts were calculated by dividing by the weighted-average shares of diluted common stock outstanding during the periods.

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 was and 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 acquisitions. This expense will continue to be recognized as compensation expense over the term of the put and call options associated with the acquisitions unless certain employment terminations have occurred. The LeanTeq non-controlling interests were acquired by Enpro in December 2022.

2 In connection with the acquisition of Aseptic in 2019, we recognized a liability for uncertain tax positions and a related indemnification asset for the portion of that liability recoverable from the seller. We determined the statute of limitations expired on some of the uncertain tax positions in 2022 and 2021 and, accordingly, removed a portion of the liability and receivable. The release of the related liability was recorded as part of our tax expense for the years ended December 31, 2022 and 2021 and the reversal of the related receivable was recorded as an expense in other non-operating income (expense) on our consolidated statement of operations.

3 In connection with the sale of GGB, accounted for as a discontinued operation, in the fourth quarter of 2022, we issued an intercompany note between a domestic and foreign entity that was denominated in a foreign currency. As a result of this note, we recorded a loss due to the change in exchange rate during December 2022. In January 2023, we hedged the outstanding notes and expect future gains or losses to be minimal.

4 Adjusted diluted earnings per share

**Adjusted diluted earnings per share based on refined method of calculation: Form 8-K filed on February 23, 2023*

Free Cash Flow

(Stated in Millions of Dollars)

Free Cash Flow -Year Ended December 31, 2022		
Net cash provided by operating activities of continuing operations	$	106.2
Purchases of property, plant, and equipment		(29.5)
Free cash flow	$	76.7

Free Cash Flow -Year Ended December 31, 2021		
Net cash provided by operating activities of continuing operations	$	124.1
Purchases of property, plant, and equipment		(14.9)
Free cash flow	$	109.2