



News Release

Investor Contact: Chris O'Neal
Senior Vice President – Strategy, Corporate
Development and Investor Relations

Phone: 704-731-1527

Email: investor.relations@enproindustries.com

EnPro Industries, Inc.
5605 Carnegie Boulevard
Charlotte, North Carolina 28209-4674
Phone: 704-731-1500
Fax: 704-731-1511
www.enproindustries.com

EnPro Industries Announces Agreement to Sell All Assets Related to the STEMCO Motor Wheel® and Crewson® Businesses

CHARLOTTE, N.C., August 14, 2020 -- EnPro Industries, Inc. (NYSE: NPO) announced that a definitive agreement to sell all assets related to the STEMCO Motor Wheel® brake drum and Crewson® brake adjuster brands (collectively the “business”), has been entered into with Hendrickson USA, LLC. The sale is expected to close in the third quarter of 2020 and is subject to typical closing conditions.

“After announcing the exit of STEMCO’s Motor Wheel® brake drum and Crewson® brake adjuster brands on June 25th, we were pleased to receive an offer from Hendrickson to purchase the assets and to continue operating the business. This transaction represents a positive outcome for all stakeholders as it preserves the jobs of our workforce and mitigates customer disruptions, while providing EnPro’s shareholders a fair valuation for the assets of the business,” said Marvin Riley, President and Chief Executive Officer.

“On behalf of the entire EnPro organization, I want to express our great appreciation for the many contributions that our colleagues at STEMCO’s Motor Wheel® and Crewson® businesses have made to EnPro,” added Mr. Riley.

“The sale of this business supports our journey of reshaping our portfolio towards businesses with compelling margins, leading technology, and high cash flow return on investment in markets with favorable secular tailwinds; maintaining a balanced approach to capital allocation; increasing aftermarket exposure and recurring revenue opportunities; and leveraging the EnPro Operating System for continuous improvement to increase margins and cash flow return on investment,” said Mr. Riley.

During the second quarter, in connection with the decision to exit this business, EnPro recorded related restructuring and impairment charges of \$11.1 million. Upon the expected completion of the sale during the third quarter, EnPro anticipates reversing \$3.7 million of the cash restructuring charges recorded in the second quarter and recording a loss on sale of the business of approximately \$4.4 million, for a pretax loss in the third quarter of approximately \$0.7 million.

About EnPro Industries

EnPro Industries, Inc. is a niche provider of precision components, solutions, and services with a well-diversified customer base. For more information about EnPro, visit the company’s website at <https://www.enproindustries.com>.

Forward-Looking Statements

Statements in this press release 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. Certain matters with respect to the sale of the business are subject to risk and uncertainties, including the possibility that conditions to closing the transaction may not be satisfied such that the transaction will not close or that the closing may be delayed; the possibility of unexpected costs, liabilities or delays in connection with the transaction; and risks and uncertainties with respect to the occurrence of any event, change or other circumstances that could give rise to the termination of the transaction. EnPro cannot provide assurance that the transaction will be completed within the anticipated time schedule or at all. In addition, matters addressed in these forward-looking statements involve other risks and uncertainties, which 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 and the markets served by the company's customers; other 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, such as the recent disruptions in the pricing of oil and gas; 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 and the 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 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 press release to reflect any change in management's expectations or any change in the assumptions or circumstances on which such statements are based.