



News Release

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Enpro Completes Acquisition of NxEdge

CHARLOTTE, NC -- December 17, 2021 – EnPro Industries, Inc. (NYSE: NPO), an industrial technology company, today announced it has completed its previously announced acquisition of NxEdge, an advanced manufacturing, cleaning, coating, and refurbishment business focused on the semiconductor value chain, from Trive Capital for \$850 million in cash. NxEdge joins Enpro as a part of its Advanced Surface Technologies (AST) Segment. The transaction marks a transformative next step in Enpro's strategy to drive value through the addition of unique, high-margin, high-cash flow industrial technology businesses in secular growth markets.

"We are excited to welcome the NxEdge team to Enpro as we take this important step forward together in our portfolio reshaping strategy," said Eric Vaillancourt, President and Chief Executive Officer. "With NxEdge, we are well-positioned to significantly enhance the scale and breadth of our offerings across the semiconductor value chain, expand our relationships with customers and benefit from new, high-margin revenue streams. We have a comprehensive integration plan in place, and we look forward to capitalizing on the robust growth and value-creation opportunities this combination presents."

In connection with the completion of the NxEdge acquisition, Enpro amended its senior credit facilities to provide for a five-year \$400 million revolving credit facility, a \$142.5 million term loan facility maturing in September 2024 to replace its existing term loan facility, a five-year \$315 million term loan facility, and a 364-day \$150 million term loan facility. Initially, borrowings under these facilities bear interest principally at an annual rate of LIBOR plus 1.75% or base rate plus 0.75%, subject to incremental increase or decrease based on a consolidated total net leverage ratio. Enpro used borrowings under the amended senior credit facilities and available cash to fund the purchase of NxEdge.

With the close of the transaction, Enpro's net leverage ratio is approximately 3.7x net debt to adjusted EBITDA for the trailing twelve months. Proceeds from Enpro's recently announced agreement to sell its Compressor Products International (CPI) business, which is anticipated to close by the end of the first quarter of 2022, is expected to assist in reducing the leverage ratio to 3.3x in the near term. Enpro remains committed to achieving over time a target leverage ratio in the 2.0x range and plans to use future excess cash flow to reduce leverage.

Advisors

Houlihan Lokey, which recently acquired GCA, served as financial advisor to Enpro, and Robinson Bradshaw served as legal counsel. Evercore advised Trive Capital on the sale of NxEdge, and Kirkland & Ellis served as legal counsel.

Forward-Looking Statements and Guidance

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. 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; 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, including international markets that may not recover at the same pace as markets in the United States; the extent to which the impacts from the COVID-19 pandemic could result in a reduction in demand for the company's products and services, which could also result in asset impairment charges, including for goodwill; 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 disruptions in the pricing of oil and gas; 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; the impact of any potential 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. In addition, statements with respect to the announced disposition of the CPI business, including the anticipated timing and impact of the completion of such transaction, are subject to risks and uncertainties including, among others, the possibility that necessary regulatory approvals may not be obtained or that other conditions to closing such 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 such transaction; the amount of the costs, fees, expenses and charges related to such transaction; the outcome of any legal proceedings that may arise with respect to such transaction; and the occurrence of any event, change or other circumstances that could give rise to the termination of the agreement for the disposition of the CPI business. 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.

About Enpro

Enpro is an industrial technology company focused on unique applications across many end-markets, including semiconductor, photonics, industrial process, aerospace, food and pharma and life sciences. For more information about Enpro, visit the company's website at <http://www.enproindustries.com>.

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