



Engineered for Performance



First Quarter 2018 Earnings Review

May 3, 2018

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. These risks and uncertainties include, but are not limited to: general economic conditions in the markets served by our businesses, some of which are cyclical and experience periodic downturns; prices and availability of raw materials; and the amount of any payments required to satisfy contingent liabilities related to discontinued operations of our predecessors, including liabilities for certain products, environmental matters, employee benefit obligations and other matters. Our filings with the Securities and Exchange Commission, including the Form 10-K for the year ended December 31, 2017, describe these and other risks and uncertainties in more detail. We do not undertake to update any forward-looking statement 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.

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 these measures to the most directly comparable GAAP equivalents is included as an appendix to this presentation. We will also be referencing certain pro forma unaudited condensed consolidated financials. Please refer to our earnings release for important information regarding how pro forma and other financial information is derived, as well as related risks and uncertainties.

Agenda



- Summary Highlights
- Strategic Initiatives Update
 - Power Systems Update
 - Innovation Update
- Operating Results
- Capital Allocation
- Net Debt & Liquidity
- 2018 Guidance

Summary Highlights

Market Indicators



EnPro Segment	Divisions	End-Market Exposure	Q1'18 vs. Q1'17	Q2'18 vs. Q2'17
Sealing Products	  	• Aerospace	↗	↗
		• Food & Pharma	↗	↗
		• General Industrial	↗	↗
		• Heavy-Duty Trucking	↗	↗
		• Industrial Gas Turbines	↘	↘
		• Metals & Mining	↗	↗
		• Nuclear	↘	↘
		• Oil & Gas	↗	↗
		• Refining & Processing	↗	↗
		• Semiconductor	↗	↗
Engineered Products	 	• Automotive	↗	→
		• ConAg	↗	↗
		• General Industrial	↗	↗
		• Oil & Gas	↗	↗
		• Refining & Processing	↗	↗
		• Aftermarket Sales	↗	↗

Summary Highlights

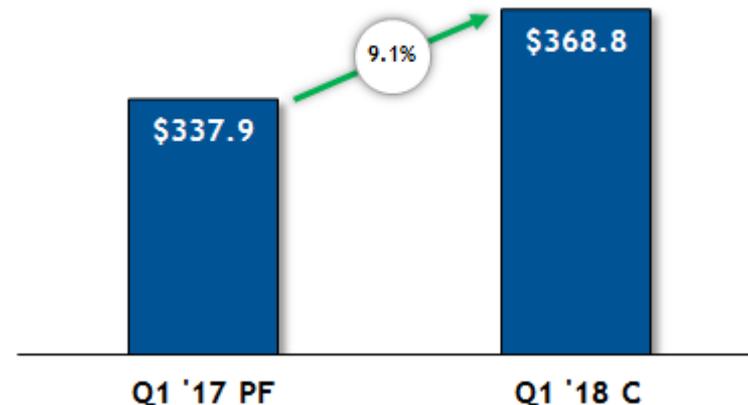
EnPro Performance Highlights



- Items impacting sales:
 - Experienced continued strengthening conditions in most of our core end markets
 - Year-over-year sales increases in each of our divisions and segments
- Items impacting profitability:
 - Volume gains, offset by product mix and a challenging start to the year for profitability in heavy-duty trucking and Power Systems

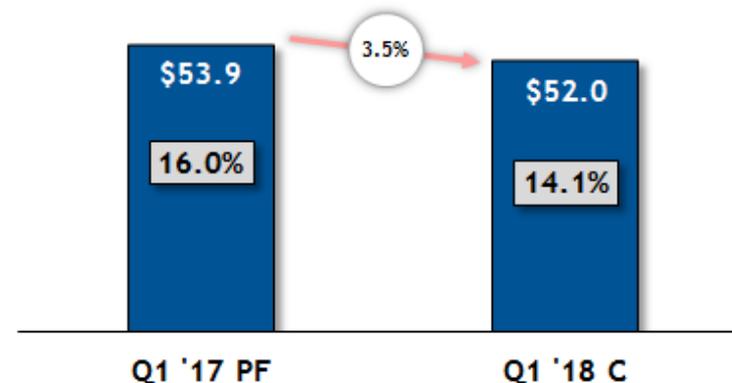
Sales

\$ in millions



Adjusted EBITDA & Margin

\$ in millions



Note: The first quarter of 2018 was the second full quarter in which consolidated results reflect all of EnPro's entities. As such, consolidated results for the first quarter of 2018 are being compared herein to the pro forma results for the first quarter of 2017. Please refer to reconciliation tables included in our first quarter press release dated May 2, 2018 for further detail.

Trident OP

- Continue to optimize this best-in-class product
- Demonstrated fuel efficiency advantages over our competitors' comparable engines
- Pipeline of sales opportunities continued to grow as we added potential launch partners and collaborated with them on their timelines



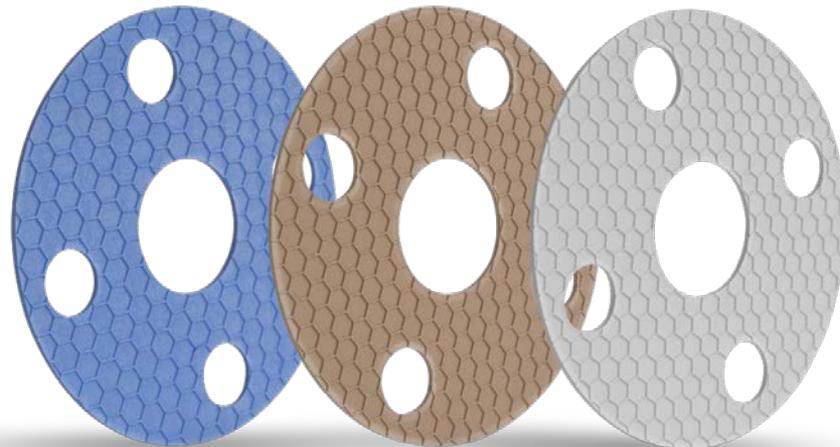
TRIDENT OP[™]
OPPOSED-PISTON POWER

Sealing Products

New Product
Development:

Garlock
SEALING TECHNOLOGIES™

- Garlock introduced GYLON EPIX, a newly developed family of PTFE gaskets
- Completed regional launch events in North America, Europe, Asia, and the Middle East
- EPIX redefines high-performance PTFE gasketing by combining the traditional attributes of GYLON, our flagship product, with an innovative surface design
- EPIX seals a broader range of applications, is more forgiving during the installation process and allows the end user to save valuable turnaround time, reduce re-work, and lower costs



Overview of Financial Results

Milt Childress

Executive Vice President & CFO

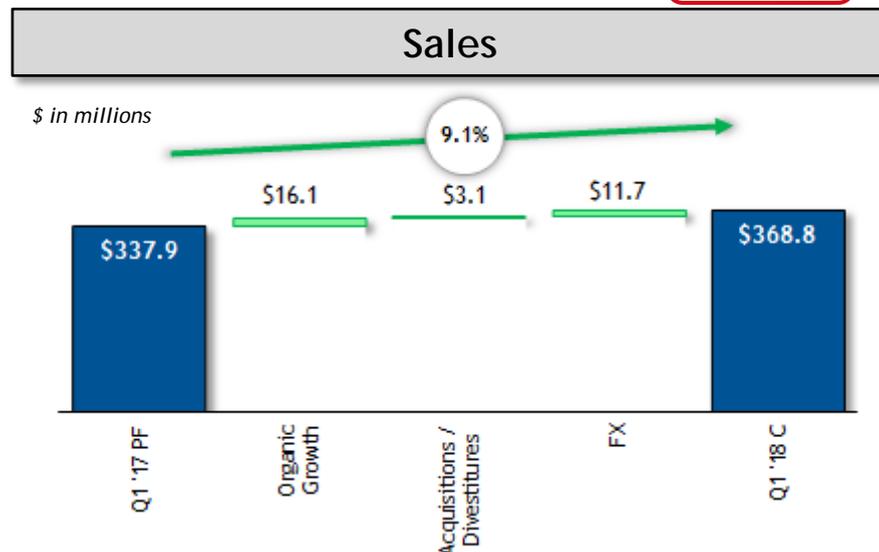
Operating Results

Sales & Gross Margin



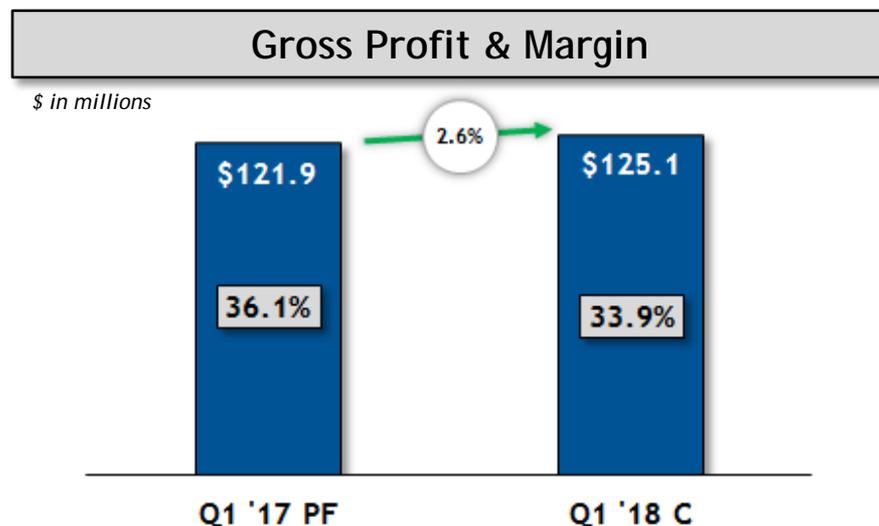
Sales

- Fourth quarter sales of \$368.8 million were up 9.1% over the same period of 2017
- Volume increases in all three segments



Gross Profit & Margin

- First quarter gross profit was up 2.6% compared to the same period of 2017
- Gross profit margin decrease of -215 basis points compared to the first quarter of 2017



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Operating Results

Adjusted Earnings Per Share



Adjusted Earnings Per Share

- Adjusted EPS in Q1 2018 was \$0.85/share, down -11.5% compared to the first quarter of the prior year

(\$ and shares in millions, except per share data)	Pro Forma	Consolidated
	Q1 2017	Q1 2018
Adjusted EBITDA	\$53.9	\$52.0
Less: Interest	(6.5)	(7.8)
Less: Adjusted Taxes	(8.6)	(7.5)
Less: Depreciation & Amortization	(17.9)	(18.3)
Adjusted Net Income	\$20.9	\$18.4
Average Diluted Shares Outstanding	21.8	21.6
Adjusted Earnings Per Share	\$0.96	\$0.85

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Capital Allocation Overview



Capital Expenditures

- \$11.5M invested in equipment, facilities, and software in Q1

Dividends & Share Repurchases

- \$0.24/share dividend totaling \$5.3 million paid in Q1
 - Up from \$0.22/share in Q1 2017
- Repurchased 224K shares for total of \$17M in Q1 under the current \$50M share repurchase program authorized in October 2017

Liquidity

- Cash balance as of 3/31/18 of approximately \$118 million

- 2018:
 - Tax refund of approximately \$128 million in connection with the filing of EnPro's 10-year loss carryback return
 - Expect to receive approximately \$17 million total from ACRP-related insurance recoveries, with \$1 million received in the first quarter

- Beyond 2018:
 - Expect an additional benefit of approximately \$31 million in the form of reduced taxes in future periods through the use of foreign tax credits

Net Debt & Liquidity Summary



\$ millions		Mar. 31, 2018
	Credit Facility	\$162
	Senior Notes	450
A	Debt Components	\$612
	Cash and Equivalents	118
	Remaining Asbestos Insurance To Be Received in 2018	16
B	Cash and Equivalents	\$134
C = (A - B)	Net Debt	\$478
D	LTM March 31, 2018 Pro Forma EBITDA	\$213
E = (C / D)	Leverage Ratio	2.2x

(1) Does not include expected tax benefits from funding asbestos claims trust as contemplated in the terms of the consensual comprehensive settlement. Including the approximate \$128 million tax refund that we expect to receive in 2018, the adjusted net debt-to-LTM pro forma adjusted EBITDA multiple would be approximately 1.6x.

Guidance Commentary

- Increasing our expectation for full year 2018 sales and EBITDA
- We expect sales to be up between 6% and 8% over last year, and adjusted EBITDA between \$224 and \$230 million for the year
- About \$3.5 million of the EBITDA increase over prior guidance is due to the estimated impact of currency, and the balance of the increase is a result of current momentum in our businesses

\$ in millions

	2018 Guidance ⁽¹⁾	
	Low	High
Sales Growth	6.0%	8.0%
EBITDA	\$224M	\$230M

(1) Ranges includes the impact from the previously announced Qualiseal and CVC acquisitions and excludes any impact of further M&A activity, changes in foreign exchange rates from the end of the first quarter (March 31, 2018), accounting adjustments associated with the reconsolidation of GST and OldCo, and any litigation or environmental charges.

QUESTIONS

APPENDIX

LTM EBITDA Calculation



(Stated in Millions of Dollars)

	<u>Consolidated</u> <u>Adjusted</u> <u>EBITDA</u>	<u>Pro Forma</u> <u>Adjusted</u> <u>EBITDA</u>
Three Months Ended March 31, 2018 (A)	\$ 52.0	\$ 52.0
Year Ended December 31, 2017	187.7	214.5
Less: Three Months Ended March 31, 2017 (A)	<u>42.7</u>	<u>53.9</u>
Trailing Twelve Months Ended March 31, 2018	\$ 197.0	\$ 212.6

(A) For reconciliations of consolidated net income to consolidated adjusted EBITDA and to pro forma net income, and of pro forma net income to pro forma adjusted EBITDA for the three months ended March 31, 2017, please refer to our first quarter earnings release dated May 2, 2018 and available at our website. For reconciliations of consolidated net income to consolidated adjusted EBITDA and to pro forma net income, and of pro forma net income to pro forma adjusted EBITDA for the year ended December 31, 2017, please refer to our fourth quarter earnings release dated February 13, 2018, also available at our website