



Engineered for Performance



Fourth Quarter 2015 Earnings Review

February 25, 2016

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; the effect of changes in currency exchange rates, expected volumes of purchases of parts denominated in euros used for engines to be sold in U.S. dollars; 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. In addition, adverse developments could arise in regard to voluntary petitions filed by certain of our subsidiaries in U.S. Bankruptcy Court to establish a trust that would resolve all current and future asbestos claims. Our filings with the Securities and Exchange Commission, including the Form 10-K for the year ended December 31, 2014 and form 10-Q for the quarter ended September 30, 2015, 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 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.

Summary Highlights



- 2015 Results beat guidance despite challenging market conditions
 - weakness in oil & gas, steel, metals & mining, and agricultural equipment
 - stable conditions in aerospace, nuclear, trucking, and automotive
 - stable government spending on ships and maintenance
- EnPro Q4 Sales mirror macro-economic conditions
 - consolidated sales as reported, up 2%;
 - pro forma sales* (including deconsolidated GST) as reported, level with 2015
 - excluding FX, acquisitions and divestiture, consolidated sales were down 4%
- Consolidated Adjusted EBITDA of \$42.8M up 4% YoY
 - pro forma adjusted EBITDA* of \$51.6M level with Q4 2014
- Consolidated EPS of \$0.30 up from \$0.15 in Q4 2014
 - includes lower corporate expense and lower expenses from discrete items
 - Q4 2014 had \$30M accrual to fund a contribution as per GST's reorganization plan
 - 3.6 million fewer shares versus Q4 2014

* Pro forma sales and EBITDA include illustrative reconsolidation of GST

- New product development
 - Monolithic Isolation Joints - pipeline corrosion protection - Sealing
 - Gaskets and seals for sanitary applications - food & pharma - Sealing
 - Products for aerospace - Sealing
 - Products for industrial gas turbines - Sealing
 - Safety & fuel efficiency products - heavy-duty trucking - Sealing
 - Opposed Piston engine 2nd generation - power generation - Power Systems
 - Power Systems for N. America commercial power market - Power Systems

MIJ



Hydrodynamic Lift Off Seal



MAN 35/44 G



PS-Seal



OP 2.0



Strategic Initiative Update – Restructuring and Cost Management



- Restructuring and cost management actions - Sealing Products
 - Relocated former ATDynamics assembly from Hayward, CA to Longview, TX
 - Stemco Distribution Center garnering positive customer feedback
 - Announced closure of Garlock’s Elland, UK facility for Q1 2016
 - Local distributors to continue to serve the market with Garlock product
- Restructuring and cost management actions - Engineered Products
 - GGB’s focus on optimizing manufacturing footprint & improving service
 - consolidating two mfg. facilities into new facility in Thorofare, NJ
 - consolidated solid polymer operation into existing Europe facilities
 - replacing a shared leased facility in China with owned facility
 - CPI exiting from 9 service centers and light manufacturing facilities
 - 6 facilities closed, 2 sold, 1 sale pending
 - Actions estimated to result in \$4-5M annualized savings for segment

Strategic Initiative Update- Acquisition Integration



- Good progress on the three acquisitions made since December 2014
 - Integration activities proceeding according to plan
 - \$110M investment return:
 - approximately \$11M adjusted EBITDA in 2015 (excluding deal and integration costs)
 - tracking \$20-25M adjusted EBITDA /year in next two years

**Industrial Turbine
Technology (Fuel Nozzle
Components, Combustion
Components, Hot Gas
Path Components)**



**TrailerTail® Fuel Savings
Technology**

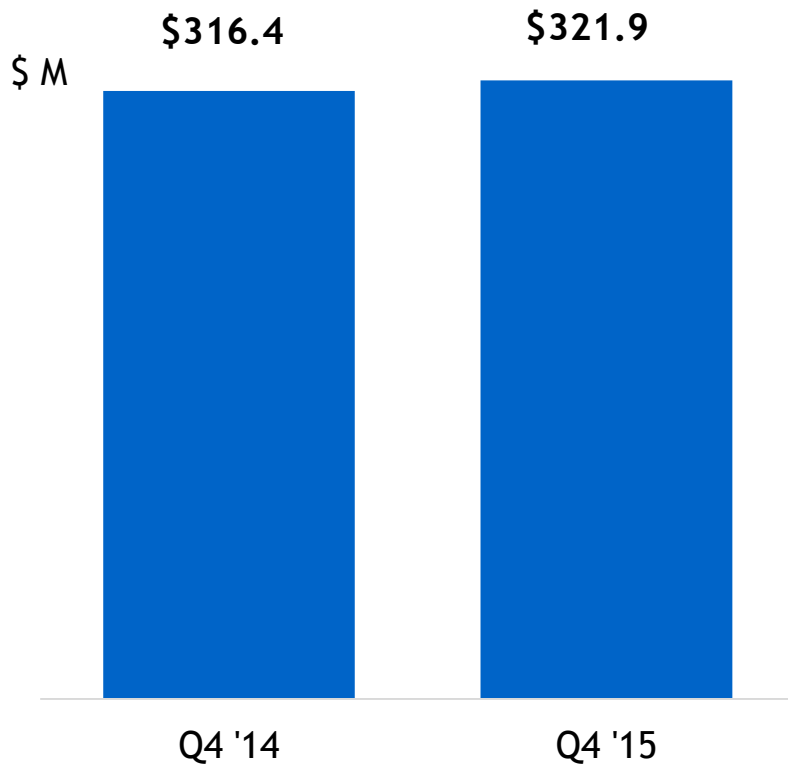


**Super Cushion® Bellows
Air Springs**



- Debtors, ACC and FCR postponed January hearing to negotiate issues potentially leading toward a consensual settlement.
- Parties have extended the negotiation period. Postponed summary judgment hearing until March 10.
- Consensual settlement is fastest and most efficient completion of case
 - Saves significant future court costs
 - Allows for complete finality of asbestos claims
- No assurance that a consensual settlement will be reached.
- We remain committed to achieving a just result for GST that will restore significant value to EnPro and its shareholders.
- Will not comment on status of negotiations or provide interim updates.

Fourth Quarter 2015 Consolidated Sales

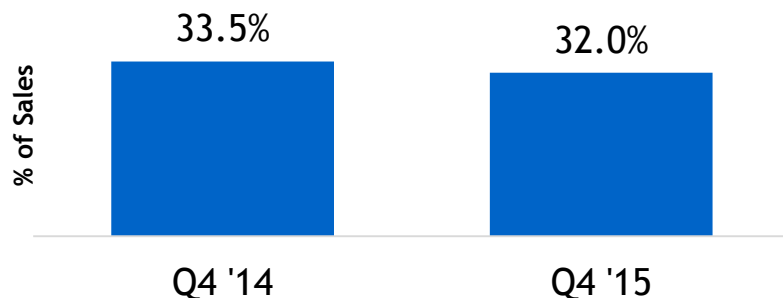


- Consolidated sales up 2%; (normalized -4%)
 - Acquisitions/(Divestiture): 9%
 - FX translation: (3%)
 - Price 1%
 - Volume/mix (5%)
- Softness in O&G, genl. industrial, semiconductor
- Stable demand in aerospace, nuclear, trucking, auto, defense

Gross Profit and SG&A as a Percent of Sales



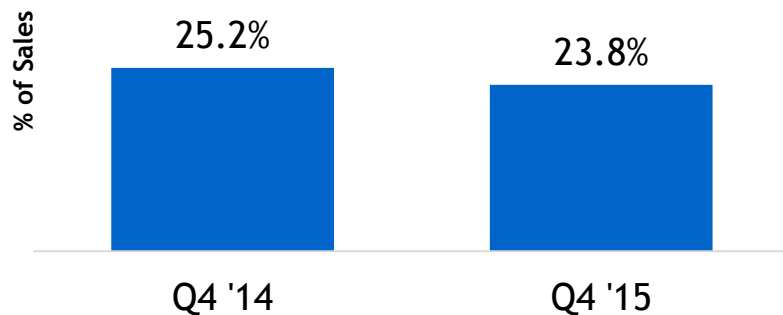
Gross Margins



- Gross profit

- Q4 '15: \$103.0M
- Q4 '14: \$105.9M
- Acquisition-related lower margins
- Volume/mix
- Price Increases
- Lower material costs and cost savings

SG&A



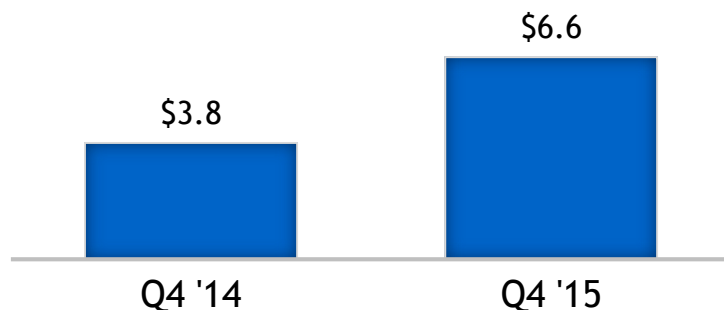
- SG&A

- Q4 '15: \$76.6M
- Q4 '14: \$79.7M
- FX impact \$3.1M
- Lower corporate expense \$3.3M
- (Acquisitions)/Divestiture (\$4.6M)
- Growth initiatives - Stemco, Power Systems

Net Income and EPS change

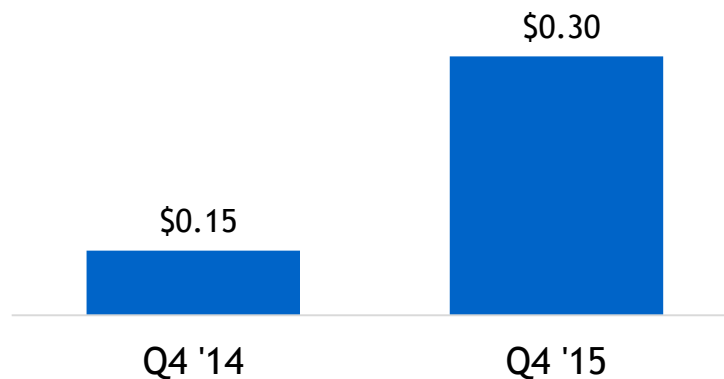


\$ M Net Income



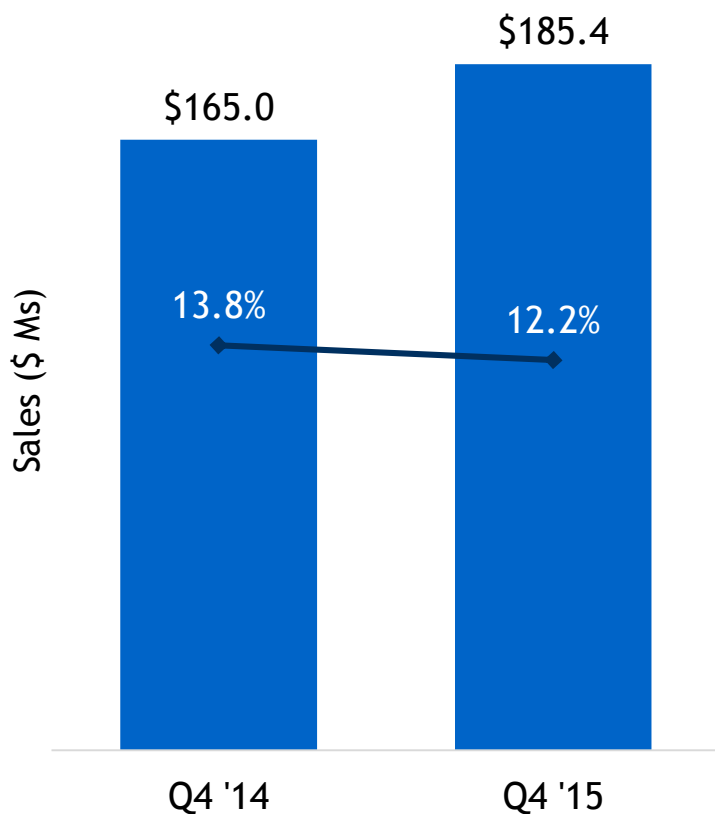
- Net Income YoY Change +\$2.8M
 - Gross Profit (2.9)
 - SG&A 3.1
 - ACRP accrual Q4 '14 30.0
 - Other Op Exp (2.9)
 - Interest & Other non-oper 2.9
 - GRT gain on sale Q4 '14 (27.7)
 - Income tax 0.3

EPS



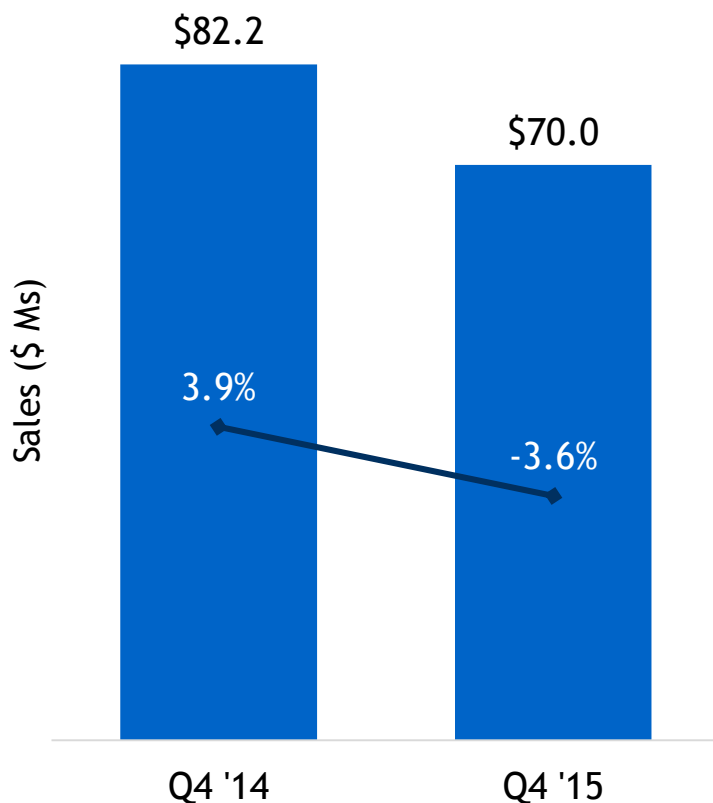
- Average Diluted Shares
 - Q4' 15: 22.2M
 - Q4 '14: 25.8M
 - Share repurchases
 - Unwinding convertible debenture call spread options

Sealing Products Segment Results



- Segment sales up 12%; (normalized -3%)
 - Acquisitions/(divestiture): 18%
 - FX: (3%)
 - Increases in nuclear and aerospace components
 - Decreases in O&G-related, AM truck parts, semiconductor and general industrial
- Segment profit even;(normalized also even)
 - Q4 '15: \$22.6M
 - Q4 '14: \$22.7M
- Segment normalized margin
 - Q4 '15: 15.1%
 - Q4 '14: 14.6%
 - Impact of cost reduction initiatives
 - Lower material costs

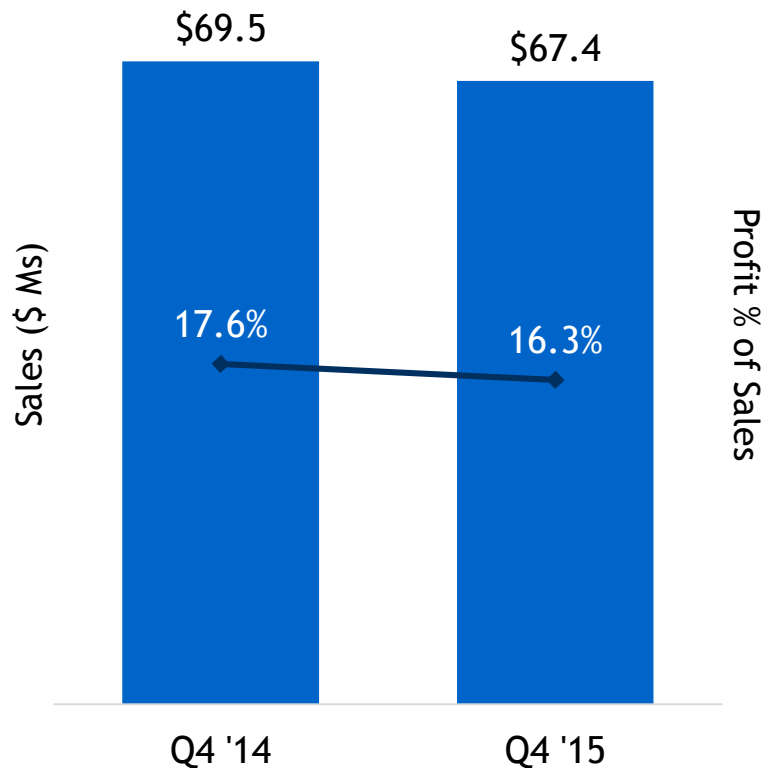
Engineered Products Results



Profit % of Sales

- Segment sales down 15%; (normalized -7%)
 - FX: (7%)
 - European auto up
 - O&G down in N. America and Middle East
 - Agricultural & industrial OEM low in Europe & N.A.
- Segment profit down \$5.7M; (normalized -\$1.9M)
 - Q4 '15: (\$2.5M)
 - Q4 '14: \$3.2M
 - Restructuring charges: GGB (\$0.2M); CPI (\$3.8M)
- Segment normalized margins
 - Q4 '15: 1.6%
 - Q4 '14: 3.8%
- Future Restructuring charges:
 - ~\$3-4M at CPI (~50% impacts cash in 2016)
 - ~\$1M at GGB (all cash)

Fourth Quarter 2015 Power Systems Results



- Segment sales down 3%
 - Lower engine revenues (\$3.6M)
 - Parts and service \$1.5
- Segment profit down \$1.2M
 - Q4 '15: \$11.0M
 - Q4 '14: \$12.2M
 - EdF FX-related LT contract loss accrual \$2.9M
 - 1.6 pt. gross margin increase from sourcing euro denominated materials and lower operating cost
 - Higher R&D and SG&A
- Segment normalized margins
 - Q4 '15: 19.1%
 - Q4 '14: 17.6%

December YTD 2015

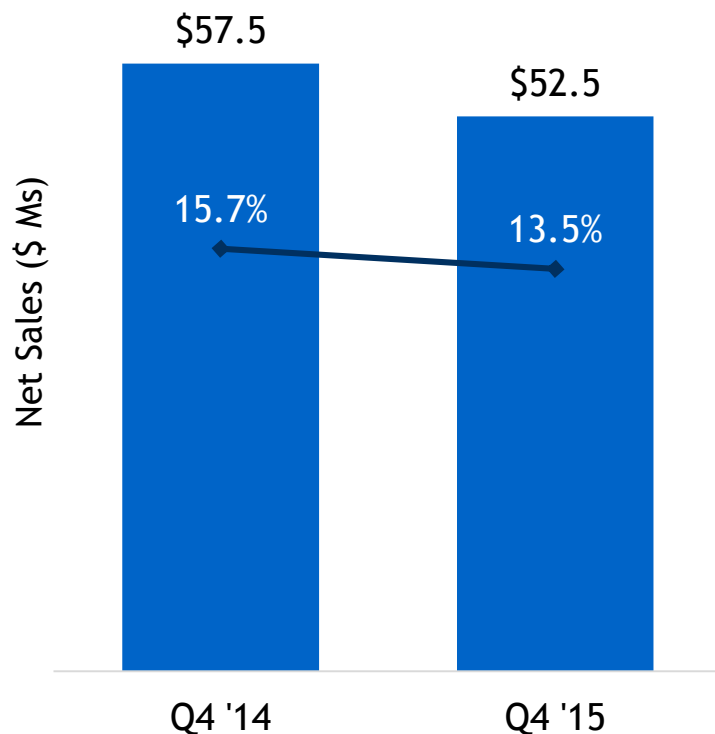
Cash Flows



\$ millions

	<u>2015</u>	<u>2014</u>
EBITDA	\$91.6	\$134.2
Tax payments	(20.4)	(50.3)
Pension contributions	--	(48.5)
Interest payments, non cash adjustments, other	19.5	11.0
Increase in segment working capital	(1.6)	(13.3)
Capital expenditures	<u>(41.4)</u>	<u>(52.3)</u>
Free cash flow	47.7	(19.2)
Revolver, senior notes and ST borrowing (net)	67.3	293.4
Repurchase of convertible debentures	(47.1)	(105.6)
Acquisitions/divestiture	(45.5)	(22.6)
Share repurchases	(85.3)	--
Dividends	(18.0)	--
Non-Operating and discontinued ops.	<u>(9.9)</u>	<u>(16.2)</u>
Increase/ (Decrease) in cash	<u>(\$90.8)</u>	<u>\$129.8</u>

Deconsolidated Results of GST



- Net sales down 9% (normalized -3%)
 - FX: (6%)
 - Lower refinery maintenance shutdowns
 - Lower demand from steel and mining
- Operating income (w/o asbestos expense) down 21%
 - Q4 '15: \$7.1M
 - Q4 '14: \$9.0M
 - Lower volume, less-profitable mix
- Asbestos-related expense
 - Q4 '15: \$9.1M
 - Q4 '14: \$62.5M (incl. \$57.9M accrual to reflect 2nd plan of reorganization)
- EBITDA-A down 19%: \$8.8M from \$10.8M in 2014
- Cash & investments: \$271.9M
- Asbestos Insurance A/R: \$80.0M

2016 Current and Full Year Outlook



Current Outlook

- Little visibility to future demand in most of our businesses.
- Head winds
 - Soft O&G, metals & mining, and other global industrial product markets.
 - FX impacts from strong U.S. dollar.
- Tail winds
 - Stable demand in aerospace, European automotive, and engine parts and service.
 - Semiconductor showing signs of recovery.

Full Year Outlook

- Pro forma EnPro (includes GST) sales estimated to be 3-5% higher on an FX-neutral basis. (i.e. putting 2015 and 2016 sales at same FX rates).
- Pro forma segment margins to be comparable to 2015.
 - Improvements in Engineered Products offset by declines in Sealing and Power Systems.
- Corporate Expense above 2015 and closer to 5-year average.
- Pro forma adjusted EBITDA estimated to be low single digit growth.

QUESTIONS

APPENDIX

Reconciliation of Adjusted EBITDA to Net Income from Continuing Operations (Unaudited)



(Stated in Millions of Dollars)

	Quarters Ended December 31,		Years Ended December 31,	
	2015	2014	2015	2014
Earnings before interest, income taxes, depreciation, amortization, and other selected items (adjusted EBITDA) *	\$ 42.8	\$ 41.2	\$ 156.7	\$ 156.3
Adjustments to arrive at earnings before interest, income taxes, depreciation and amortization (EBITDA):				
Restructuring costs	(4.4)	(1.2)	(6.6)	(2.3)
Asbestos settlement	-	(30.0)	-	(30.0)
Gain on sale of business	-	27.7	-	27.7
Environmental reserve adjustment	(0.4)	(3.8)	(1.4)	(4.5)
Loss on exchange and repurchase of convertible debenture	-	-	(2.8)	(10.0)
Goodwill and other intangible asset impairment	-	-	(47.0)	-
Acquisition expenses	(0.8)	(0.3)	(3.0)	(0.7)
Fair value adjustment to acquisition date inventory	-	-	(1.3)	-
Other	(0.7)	(0.8)	(3.0)	(2.3)
EBITDA	36.5	32.8	91.6	134.2
Adjustments to arrive at net income (loss):				
Interest expense, net	(13.5)	(12.6)	(52.1)	(44.1)
Income tax expense	(1.6)	(1.9)	(2.3)	(10.6)
Depreciation and amortization expense	(14.8)	(14.5)	(58.1)	(57.5)
Net income (loss)	\$ 6.6	\$ 3.8	\$ (20.9)	\$ 22.0

* Adjusted EBITDA as presented also represents the amount defined as "EBITDA" under the indenture governing the Company's 5.875% senior notes due 2022.

Reconciliation of Normalized Segment Sales to Segment Net Sales



For the Quarters and
Twelve Months Ended
December 31, 2015 and
2014

(Stated in Millions of
Dollars)

	Quarter Ended December 31, 2015				
	Sealing Products	Engineered Products	Power Systems	Intersegment sales	Consolidated
Normalized net sales	\$ 153.8	\$ 76.1	\$ 67.4	\$ (0.9)	\$ 296.4
Adjustments:					
Foreign exchange translation	(4.3)	(6.1)	-	-	(10.4)
Acquisitions	35.9	-	-	-	35.9
Netsales	\$ 185.4	\$ 70.0	\$ 67.4	\$ (0.9)	\$ 321.9

	Quarter Ended December 31, 2014				
	Sealing Products	Engineered Products	Power Systems	Intersegment sales	Consolidated
Normalized net sales	\$ 158.4	\$ 82.2	\$ 69.5	\$ (0.3)	\$ 309.8
Adjustments:					
Divestitures	6.6	-	-	-	6.6
Netsales	\$ 165.0	\$ 82.2	\$ 69.5	\$ (0.3)	\$ 316.4

	Year Ended December 31, 2015				
	Sealing Products	Engineered Products	Power Systems	Intersegment sales	Consolidated
Normalized net sales	\$ 628.4	\$ 332.6	\$ 204.6	\$ (3.6)	\$ 1,162.0
Adjustments:					
Foreign exchange translation	(22.6)	(34.8)	-	-	(57.4)
Acquisitions	99.8	-	-	-	99.8
Netsales	\$ 705.6	\$ 297.8	\$ 204.6	\$ (3.6)	\$ 1,204.4

	Year Ended December 31, 2014				
	Sealing Products	Engineered Products	Power Systems	Intersegment sales	Consolidated
Normalized net sales	\$ 633.0	\$ 357.6	\$ 200.1	\$ (2.7)	\$ 1,188.0
Adjustments:					
Divestitures	31.3	-	-	-	31.3
Netsales	\$ 664.3	\$ 357.6	\$ 200.1	\$ (2.7)	\$ 1,219.3

Reconciliation of Normalized Segment Profit to Segment Profit



For the Quarters and
Twelve Months Ended
December 31, 2015 and
2014

(Stated in Millions of
Dollars)

	Quarter Ended December 31, 2015			
	Sealing Products	Engineered Products	Power Systems	Total Segments
Normalized segment profit	\$ 23.2	\$ 1.2	\$ 12.9	\$ 37.3
Adjustments:				
Foreign exchange translation	(0.8)	0.3	-	(0.5)
Acquisitions	0.6	-	-	0.6
Restructuring	(0.4)	(4.0)	-	(4.4)
EDF contract	-	-	(1.9)	(1.9)
Segment profit (loss)	\$ 22.6	\$ (2.5)	\$ 11.0	\$ 31.1

	Quarter Ended December 31, 2014			
	Sealing Products	Engineered Products	Power Systems	Total Segments
Normalized segment profit	\$ 23.2	\$ 3.1	\$ 12.2	\$ 38.5
Adjustments:				
Divestitures	0.8	-	-	0.8
Restructuring	(1.3)	0.1	-	(1.2)
Segment profit	\$ 22.7	\$ 3.2	\$ 12.2	\$ 38.1

	Year Ended December 31, 2015			
	Sealing Products	Engineered Products	Power Systems	Total Segments
Normalized segment profit	\$ 85.5	\$ 14.5	\$ 34.0	\$ 134.0
Adjustments:				
Foreign exchange translation	(1.7)	(1.9)	-	(3.6)
Acquisitions	0.9	-	-	0.9
Restructuring	(0.4)	(6.2)	-	(6.6)
EDF contract	-	-	(6.9)	(6.9)
Segment profit	\$ 84.3	\$ 6.4	\$ 27.1	\$ 117.8

	Year Ended December 31, 2014			
	Sealing Products	Engineered Products	Power Systems	Total Segments
Normalized segment profit	\$ 82.7	\$ 26.8	\$ 28.5	\$ 138.0
Adjustments:				
Acquisitions/Divestitures	5.3	(0.1)	-	5.2
Restructuring	(2.4)	0.1	-	(2.3)
Segment profit	\$ 85.6	\$ 26.8	\$ 28.5	\$ 140.9

Reconciliation of Income Before Selected Items to Net Income (Unaudited)



For the Quarters Ended December 31, 2015 and 2014
(Stated in Millions of Dollars, Except Per Share Data)

	Quarters Ended December 31,			
	2015		2014	
	\$	Per share	\$	Per share
Adjusted net income	\$ 9.8	\$ 0.44	\$ 8.9	\$ 0.38
Adjustments (net of tax):				
Restructuring costs	(2.7)	(0.12)	(0.7)	(0.03)
Asbestos settlement	-	-	(18.7)	(0.72)
Gain on sale of business	-	-	17.3	0.67
Environmental reserve adjustment	(0.3)	(0.01)	(2.4)	(0.09)
Acquisition expenses	(0.5)	(0.02)	(0.2)	(0.01)
Other	(0.4)	(0.02)	(0.6)	(0.03)
Tax accrual adjustments	0.7	0.03	0.2	0.01
Impact of shares deliverable under convertible debenture hedge	N/A	NA	N/A	(0.03)
Impact	(3.2)	(0.14)	(5.1)	(0.23)
Net income	\$ 6.6	\$ 0.30	\$ 3.8	\$ 0.15

Reconciliation of Income Before Selected Items to Net Income (Unaudited)



For the Twelve Months Ended December 31, 2015 and 2014
(Stated in Millions of Dollars, Except Per Share Data)

	Years Ended December 31,			
	2015		2014	
	\$	Per share	\$	Per share
Adjusted net income	\$ 31.4	\$ 1.41	\$ 36.2	\$ 1.56
Adjustments (net of tax):				
Restructuring costs	(4.1)	(0.18)	(1.4)	(0.06)
Asbestos settlement	-	-	(18.7)	(0.72)
Gain on sale of business	-	-	17.3	0.67
Loss on exchange and repurchase of convertible debentures	(1.8)	(0.08)	(6.2)	(0.24)
Environmental reserve adjustment	(0.9)	(0.04)	(2.8)	(0.11)
Goodwill and other intangible asset impairment	(45.8)	(2.03)	-	-
Fair value adjustment to acquisition date inventory	(0.8)	(0.03)	-	-
Acquisition expenses	(1.9)	(0.09)	(0.5)	(0.02)
Other	(1.8)	(0.08)	(1.5)	(0.06)
Tax accrual adjustments	4.8	0.21	(0.4)	(0.02)
Impact of shares deliverable under convertible debenture hedge	N/A	(0.02)	N/A	(0.15)
Impact	(52.3)	(2.34)	(14.2)	(0.71)
Net income (loss)	\$ (20.9)	\$ (0.93)	\$ 22.0	\$ 0.85

Pro forma Condensed Consolidated Financials



- Illustrate GST reconsolidated into EnPro as of January 1, 2014
- Adjustments on the pro forma financial statements include:
 - Elimination of I/C sales and I/C trade receivables and payables
 - Impact of revaluing GST's assets to fair value
 - Elimination of impacts associated with ACRP (assumes claims resolution according to GST's second amended plan of reorganization)
 - Removes the intercompany notes and all associated interest
 - Elimination of Investment in GST and related deferred tax impacts
- On this basis,
 - For the quarter ending December 31, 2015 the following estimates are illustrated,
 - Pro forma Sales: \$361.1M
 - Pro forma adj. EBITDA: \$51.6M
 - Pro forma diluted EPS: \$0.63/share