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HC2 HOLDINGS, INC.

Third Quarter 2017
Conference Call

Special Note Regarding Forward-Looking Statements. Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: This presentation contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements. Generally, forward-looking statements include information describing actions, events, results, strategies and expectations and are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" or similar expressions. The forward-looking statements in this presentation include without limitation statements regarding our expectation regarding building shareholder value. Such statements are based on the beliefs and assumptions of HC2's management and the management of HC2's subsidiaries and portfolio companies. The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and the Company's actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K. Such important factors include, without limitation, issues related to the restatement of our financial statements; the fact that we have historically identified material weaknesses in our internal control over financial reporting, and any inability to remediate future material weaknesses; capital market conditions; the ability of the Company to complete its proposed bridge loan; the ability of HC2's subsidiaries and portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of HC2 common stock; the ability of HC2 and its subsidiaries and portfolio companies to identify any suitable future acquisition opportunities; our ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and other anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesses; difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other contingent liabilities; changes in regulations and tax laws; and risks that may affect the performance of the operating subsidiaries and portfolio companies of HC2. These risks and other important factors discussed under the caption "Risk Factors" in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC"), and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to HC2 or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

In this presentation, HC2 refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"), including Core Operating Subsidiary Adjusted EBITDA, Total Adjusted EBITDA (excluding Insurance) and Insurance AOI.

Management believes that Adjusted EBITDA measures provide investors with meaningful information for gaining an understanding of certain results as it is frequently used by the financial community to provide insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation, amortization and the other items for which adjustments are made as noted in the definition of Adjusted EBITDA below can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company's ability to service debt. In addition, management uses Adjusted EBITDA measures in evaluating certain of the Company's segments performance because they eliminate the effects of considerable amounts of noncash depreciation and amortization and items not within the control of the Company's operations managers. While management believes that these non-US GAAP measurements are useful as supplemental information, such adjusted results are not intended to replace our US GAAP financial results and should be read together with HC2's results reported under GAAP.

Management defines Adjusted EBITDA as Net income (loss) adjusted to exclude the impact of depreciation and amortization; amortization of equity method fair value adjustments at acquisition; (gain) loss on sale or disposal of assets; lease termination costs; asset impairment expense; (gain) loss on early extinguishment or restructuring of debt; interest expense; net gain (loss) on contingent consideration; other (income) expense, net; foreign currency transaction (gain) loss included in cost of revenue; income tax (benefit) expense; (gain) loss from discontinued operations; noncontrolling interest; bonus to be settled in equity; share-based compensation expense; non-recurring items; and acquisition costs. Adjusted EBITDA excludes results of our Insurance segment. A reconciliation of Adjusted EBITDA to Net income (loss) is included in the financial tables at the end of this release.

Management recognizes that using Adjusted EBITDA as a performance measure has inherent limitations as an analytical tool as compared to net income (loss) or other U.S. GAAP financial measures, as these non-GAAP measures exclude certain items, including items that are recurring in nature, which may be meaningful to investors. As a result of the exclusions, Adjusted EBITDA should not be considered in isolation and do not purport to be alternatives to net income (loss) or other U.S. GAAP financial measures as a measure of our operating performance.

Management believes that Insurance AOI measures, used frequently in the insurance industry, provide investors with meaningful information for gaining an understanding of certain results and provides insight into an organization's operating trends and facilitates comparisons between peer companies.

Management defines Insurance AOI as Net income (loss) for the Insurance segment adjusted to exclude the impact of net investment gains (losses), including other-than-temporary impairment losses recognized in operations; asset impairment; intercompany elimination; non-recurring items; and acquisition costs. Management believes that Insurance AOI provides a meaningful financial metric that helps investors understand certain results and profitability. While these adjustments are an integral part of the overall performance of the Insurance segment, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, we believe using a measure which excludes their impact is effective in analyzing the trends of our operations.

By accepting this document, each recipient agrees to and acknowledges the foregoing terms and conditions.

OVERVIEW AND FINANCIAL HIGHLIGHTS	Philip Falcone	<i>Chairman, President and CEO</i>
Q AND A	Philip A. Falcone	<i>Chairman, President and CEO</i>
	Michael J. Sena	<i>Chief Financial Officer</i>
	Andrew G. Backman	<i>Managing Director</i>

The logo consists of the letters 'HC2' in a bold, sans-serif font. The 'H' and '2' are white, while the 'C' is a vibrant green. The text is set against a black diamond-shaped background.

HC2

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Quarterly Overview

- ◆ **Diverse portfolio of uncorrelated assets and investments**
- ◆ **Active management methodology to creating shareholder value by driving asset and capital appreciation of subsidiary and investment holdings**
- ◆ **Continue to drive organic and inorganic growth; Increasing “Core Operating Subsidiary” Revenue and Adjusted EBITDA**
- ◆ **Well-positioned to opportunistically capitalize and build platform in both public and private markets**
 - Rigorous commitment to realize synergies and optimize resources
 - Approach focused on control / implied control of acquisitions & investments
- ◆ **Continued focus on both cash flow and growth opportunities provides shareholders with a unique balance of stability and option value**
- ◆ **Look to not only create, but ultimately extract and monetize value where and when necessary**

Consolidated Financial Summary

(\$m)		Q3 2017	Q3 2016	YTD 2017	YTD 2016
Statement of Operations <i>(Selected Financial Data)</i>	Total Net Revenue	\$406.4	\$413.1	\$1,175.6	\$1,104.1
	Total Operating Expenses	\$395.8	\$406.2	\$1,175.3	\$1,110.5
	Income Loss From Operations	\$10.6	\$6.9	\$0.3	(\$6.4)
	Interest Expense	(\$13.2)	(\$10.7)	(\$39.4)	(\$31.6)
	Income From Equity Investees	\$1.0	\$0.3	\$12.7	\$3.2
	Income (loss) Before Taxes	\$4.5	(\$6.7)	(\$28.5)	(\$39.1)
	Net Loss attributable to common and participating preferred	(\$6.7)	(\$7.5)	(\$40.5)	(\$38.1)
Non-GAAP Measures	Core Operating Adjusted EBITDA	\$27.3	\$31.5	\$73.0	\$71.3
	Total Adjusted EBITDA	\$9.8	\$18.2	\$31.1	\$33.7
	Insurance AOI	\$3.7	(\$1.7)	\$5.4	(\$9.0)

Note: Reconciliations of Adjusted EBITDA and Adjusted Operating Income to U.S. GAAP Net Income in appendix. Adjusted Operating Income for Q1 2016 has been adjusted to exclude certain intercompany eliminations to better reflect the results of the Insurance segment, and remain consistent with internally reported metrics. Additional details in appendix. Q1 2016 benefitted from the release of valuation allowance impacting the net tax provision

- ◆ **Third quarter performance and recent initiatives once again highlight the unique value HC2 brings to the market with our diverse, uncorrelated industry holdings**
 - **Construction**: \$656 million record backlog; ~\$900 million inclusive of contracts awarded, but not yet signed including sporting arenas/stadiums, commercial office buildings and convention centers; Recently awarded major contract for new Los Angeles Rams and Los Angeles Chargers Stadium; Completed “tuck-in” acquisition of leading bridge & infrastructure detail & modelling company Candraft VSI; Recently announced \$5.0 million cash dividend to be paid in 4Q17, of which HC2 will receive ~\$4.5 million.
 - **Marine Services**: Record backlog for Global Marine since acquisition by HC2; Huawei Marine Backlog remains close to historic highs with strong pipeline; Recently awarded five-year renewal of SEAIOCMA maintenance contract; Announced acquisition of Fugro trenching and cable laying business
 - **Telecommunications**: Fifth consecutive cash dividend paid to HC2; Continued focus on higher margin wholesale traffic mix and improved operating efficiencies
 - **Energy**: Continued focus on integration of fueling stations acquired from Questar and Constellation CNG ; ~40 stations owned and/or operated nationwide
 - **Insurance**: Announced acquisition of Humana’s ~\$2.3 billion long-term care insurance business, which, once completed, will increase Continental’s insurance investment platform to approximately \$3.5 billion of cash and invested assets
- ◆ **Adjusted EBITDA for Core Operating Subsidiaries***
 - \$27.3 million in third quarter, as compared to \$31.5 million in the year-ago quarter
 - \$73.0 million year-to-date, as compared to \$71.3 million for the year-ago period

HC2 Segment Overview



Core Operating Subsidiaries

Construction: DBM GLOBAL (SCHUFF)

- ◆ 3Q17 Revenue: \$151.7m
- ◆ 3Q17 Adjusted EBITDA: \$16.8m
- ◆ YTD Adjusted EBITDA: \$36.5m
- ◆ Backlog \$656m; ~\$900m with contracts awarded, but not yet signed; ~\$300m additional opportunities
- ◆ Solid long-term pipeline
- ◆ Awarded major contract for new Los Angeles Rams and Los Angeles Chargers stadium



Marine Services: GMSL

- ◆ 3Q17 Revenue: \$42.8m
- ◆ 3Q17 Adjusted EBITDA: \$8.8m
- ◆ YTD Adjusted EBITDA: \$28.8m
- ◆ Strong year-to-date joint venture performance, in particular Huawei Marine
- ◆ Solid long term telecom and offshore power maintenance & install opportunities
- ◆ Awarded 5-year SEAOCMA maintenance renewal



Energy: ANG

- ◆ 3Q17 Revenue: \$3.9m
- ◆ 3Q17 Adjusted EBITDA: \$0.3m
- ◆ YTD Adjusted EBITDA: \$2.5m
- ◆ Delivered 2,730,000 Gasoline Gallon Equivalents (GGEs) in 3Q17 vs. 937,000 GGEs in 3Q16
- ◆ ~40 stations currently owned and / or operated vs. two stations at time of HC2's initial investment in 3Q14



Telecom: PTGI ICS

- ◆ 3Q17 Revenue: \$167.9m
- ◆ 3Q17 Adjusted EBITDA: \$1.5m
- ◆ YTD Adjusted EBITDA: \$5.3m
- ◆ Continued focus on higher margin wholesale traffic mix and improved operating efficiencies
- ◆ Fifth consecutive cash dividend paid to HC2 in 3Q17



Core Financial Services Subsidiaries

Insurance: CIG

- ◆ ~\$73m of statutory surplus
- ◆ ~\$84m total adjusted capital
- ◆ ~\$2.1b total GAAP assets
- ◆ ~\$1.3b cash & invested assets
- ◆ Platform for growth through additional M&A including recently announced acquisition of Humana's ~\$2.3b long-term care portfolio



Early Stage and Other Holdings

Life Sciences: PANSEND

- ◆ **MediBeacon:** Completed "Pilot Two" Clinical Study at Washington University in St. Louis (1Q17)
- ◆ **R2 Dermatology:** Received FDA Approval for second generation R2 Dermal Cooling System (2Q17)
- ◆ **BeneVir:** Granted additional patent protecting oncolytic immunotherapy Stealth-1H & other assets (2Q17)
- ◆ **Genovel:** Novel, Patented, "Mini Knee" and "Anatomical Knee" replacements
- ◆ **Triple Ring Technologies:** R&D engineering company specializing in medical devices, homeland security, imaging, sensors, optics, fluidics, robotics & mobile healthcare



Other:

- ◆ **704Games (Formerly DMR)** released NASCAR® Heat 2 on September 12, 2017



Segment Financial Summary

(\$m)		Q3 2017	Q3 2016	YTD 2017	YTD 2016
Adjusted EBITDA	Core Operating Subsidiaries				
	Construction	\$16.8	\$14.5	\$36.5	\$39.2
	Marine Services	\$8.8	\$14.1	\$28.8	\$26.4
	Energy	\$0.3	\$0.7	\$2.5	\$1.7
	Telecom	\$1.5	\$2.2	\$5.3	\$4.0
	Total Core Operating	\$27.3	\$31.5	\$73.0	\$71.3
	Early Stage and Other Holdings				
	Life Sciences	(\$8.2)	(\$2.9)	(\$17.1)	(\$8.2)
	Other	(\$1.1)	(\$4.8)	(\$4.4)	(\$12.1)
	Total Early Stage and Other	(\$9.3)	(\$7.7)	(\$21.6)	(\$20.4)
	Non-Operating Corporate	(\$8.3)	(\$5.5)	(\$20.4)	(\$17.2)
	Total HC2 (excluding Insurance)	\$9.8	\$18.2	\$31.1	\$33.7
Adjusted Operating Income	Core Financial Services				
	Insurance	\$3.7	(\$1.7)	\$5.4	(\$9.0)

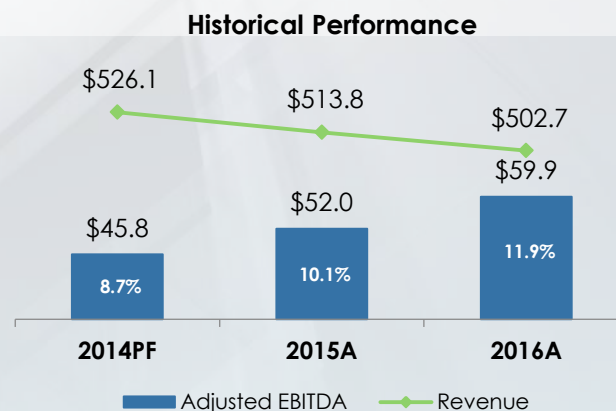
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Third Quarter Update

- ◆ 3Q17 Net Income: \$7.1m vs. \$7.0m for 3Q16; YTD17 Net Income \$14.5m vs. \$20.7m for YTD16
- ◆ 3Q17 Adjusted EBITDA: \$16.8m vs. \$14.5m for 3Q16 – Starting to see momentum from project delays in backlog
- ◆ YTD Adjusted EBITDA: \$36.5m vs. \$39.2m for the comparable 2016 year-to-date period – Timing issues associated with design changes for certain projects in backlog, as well as better-than-bid performance on commercial projects in year-ago period
- ◆ Record backlog of \$656m record at end of 3Q17, an increase of over 106% vs. \$318m in year-ago quarter
 - ◆ ~\$900m taking into consideration awarded, but not yet signed contracts, an increase of 73% vs. year-ago quarter
 - ◆ ~\$300m incremental opportunities that could be awarded over next several quarters
- ◆ Recently awarded major stadium construction contract for new Los Angeles Sports and Entertainment District – New home of the Los Angeles Rams and Los Angeles Chargers
- ◆ Recently completed “tuck-in” acquisition of North American Operations of Candraft VSI - Leading bridge and infrastructure detail and modeling company headquartered in Vancouver, British Columbia

Strategic Initiatives

- ◆ Continue to select profitable, strategic and “core competency” jobs, not all jobs
- ◆ Solid long-term pipeline of prospective projects; No shortage of transactions to evaluate
- ◆ Commercial / Stadium / Healthcare sectors remain strong, primarily in West region
- ◆ Opportunities to add higher margin, value added services to overall product offering (e.g. BDS VirCon/PDC/Candraft)



Third Quarter Update

- ◆ 3Q17 Net Income: \$0.8m vs. \$8.7m for 3Q16; YTD17 Net Income \$8.9m vs. \$8.8m for YTD16
- ◆ 3Q17 Adjusted EBITDA: \$8.8m vs. \$14.1m for 3Q16 - Due primarily to expected decline in large telecom installation projects
- ◆ YTD17 Adjusted EBITDA: \$28.8m vs. \$26.4m for YTD16 - Due primarily to higher year-to-date total joint venture income, in particular Huawei Marine mainly in 1Q17, and a one-time telecom charge in 1Q16
- ◆ Record Backlog for Global Marine since acquisition by HC2; Huawei Marine Backlog remained close to historic highs
- ◆ Announced agreement to acquire trenching and cable laying business from Fugro N.V.
 - ◆ Total consideration ~\$73 million 23.6% equity stake in Global Marine Holdings valued at \$65 million; \$7.5 million one year secured note
 - ◆ Significant CapX savings in 2018 expected as a result of acquisition
- ◆ Recently awarded five-year renewal of the South East Asia and Indian Ocean Cable Maintenance Agreement maintenance contract - Global Marine currently delivers support in three of the world's six maintenance zone agreements

Strategic Initiatives



HUAWEI MARINE

49% ownership

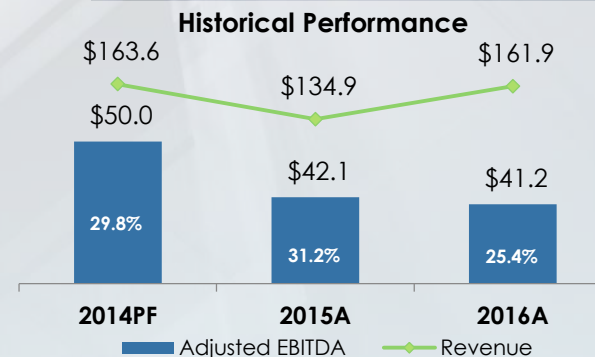
Total HMN*	2016	2015	2014
Revenue	~\$207m	~\$203m	~\$88m
Profit	~\$25m	~\$14m	~\$2m
Cash / Equivalents	~\$48m	~\$27m	~\$16m



SBSS

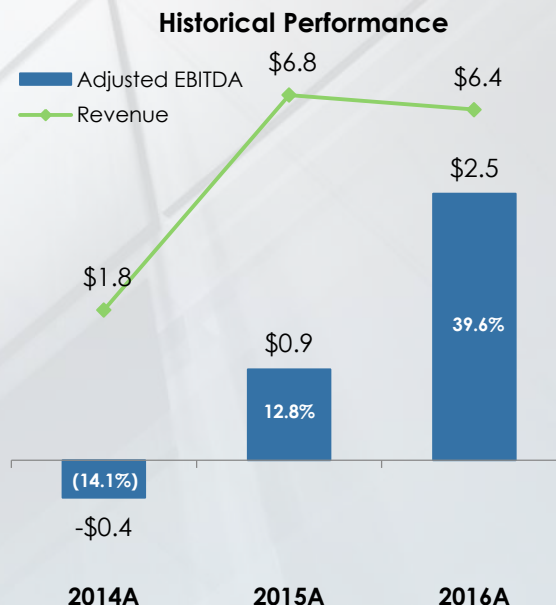
49% ownership

- ◆ Joint Venture established in 1995 with China Telecom
- ◆ China's leading provider of submarine cable installation
- ◆ Located in Shanghai and possesses a fleet of advanced purpose-built cable ships



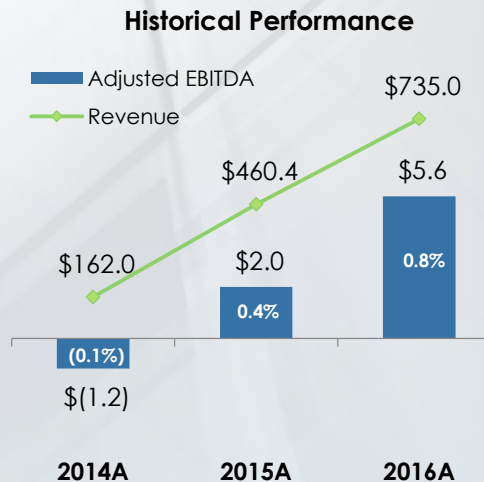
Third Quarter Update

- ◆ 3Q17 Net (Loss): \$(0.9)m vs. Net Income of \$0.03m for 3Q16; YTD17 Net (Loss) of \$(2.0)m vs. Income of \$0.07m for YTD16
- ◆ 3Q17 Adjusted EBITDA: \$0.3m vs. \$0.7m for 3Q16 – Due primarily to station down time and integration expenses associated with Constellation CNG and Questar Fueling
- ◆ YTD17 Adjusted EBITDA: \$2.5m vs. \$1.7m for the comparable 2016 year-to-date period
- ◆ Delivered 2,730,000 Gasoline Gallon Equivalents (GGEs) in the third quarter vs. 937,000 GGEs in the year-ago quarter, due primarily to newly developed and acquired CNG fueling stations
- ◆ ~40 stations currently owned and / or operated or under development vs. two stations at time of initial investments (3Q14)
- ◆ Focused on integrating acquired stations, increasing volumes at existing stations, while also expanding geographic footprint through both internal / organic growth and strategic M&A opportunities



Third Quarter Update

- ◆ Steady quarterly results again due to continued focus on higher margin wholesale traffic mix, smaller global accounts, and improved operational efficiencies
 - 3Q17 Net Income: \$1.3m vs. \$1.8m for 3Q16; YTD17 Net Income of \$4.9m vs. \$4.0m for YTD16
 - 3Q17 Adjusted EBITDA: \$1.5m vs. \$2.2m for 3Q16 – Due primarily to fluctuations in wholesale traffic volumes
 - YTD17 Adjusted EBITDA: \$5.3m vs. \$4.0m for the comparable 2016 year-to-date period
 - Fifth consecutive quarter of cash dividend to HC2
- ◆ One of the key objectives: leverage the infrastructure and management expertise within PTGi-ICS
 - Over 800+ wholesale interconnections globally provides HC2 the opportunity to leverage the existing cost effective infrastructure by bolting on higher margin products and M&A opportunities
 - A focused strategic initiative has been launched within PTGi-ICS to identify potential M&A opportunities



Third Quarter Update

- ◆ Continental Insurance Group serves as a platform for run-off Long Term Care ("LTC") books of business and for acquiring additional run-off LTC businesses
 - 3Q17 Net Income: \$4.3m vs. Net (Loss) of \$(2.2)m for 3Q16; YTD17 Net Income of \$3.7m vs. Net Loss of \$(12.0)m for YTD16
 - 3Q17 Adjusted Operating Income: \$3.7m vs. \$(1.7)m for 3Q16
 - YTD17 Adjusted Operating Income: \$5.4m vs. \$(9.0)m for comparable 2016 period
 - ~\$73m statutory surplus at end of third quarter
 - ~\$84m total adjusted capital at end of third quarter
 - ~\$2.1b in total GAAP assets at September 30, 2017
 - ~\$1.3b in cash and invested assets at September 30, 2017
- ◆ Signed Definitive Agreement to Acquire Humana's ~\$2.3 Billion Long-Term Care Insurance Business
 - Will significantly expand and leverage Continental's insurance platform in Austin, Texas
 - Once completed, Continental will have approximately \$3.5 billion portfolio of cash and investable assets
 - Immediately accretive to Continental's RBC Ratio and Statutory Capital
 - Opportunity to meaningfully increase investment portfolio yield
 - Validates and endorses HC2's insurance platform and strategy
 - Expected to close by third quarter 2018

HC2's Pansend Life Sciences Segment Is Focused on the Development of Innovative Healthcare Technologies and Products

BeneVir

- ◆ 80% equity ownership of company focused on immunotherapy; Oncolytic virotherapy for treatment of solid cancer tumors
- ◆ Founded by Dr. Matthew Mulvey & Dr. Ian Mohr (who co-developed T-Vec); Biovex (owner of T-Vec) acquired by Amgen for ~\$1 billion
- ◆ BeneVir's T-Stealth is a second generation oncolytic virus with new features and new intellectual property
- ◆ BeneVir holds exclusive worldwide license to develop BV-2711 (T-Stealth)
- ◆ Granted new patent entitled "Oncolytic Herpes Simplex Virus and Therapeutic Uses Thereof", covering the composition of matter for Stealth-1H, BeneVir's lead oncolytic immunotherapy, as well as other platform assets (2Q17)



- ◆ 74% equity ownership of dermatology company focused on lightening and brightening skin
- ◆ Founded by Pansend in partnership with Mass. General Hospital and inventors Dr. Rox Anderson, Dieter Manstein and Dr. Henry Chan
- ◆ Over \$20 billion global market
- ◆ Received Food and Drug Administration approval for the R2 Dermal Cooling System (4Q16)
- ◆ Received Food and Drug Administration approval for second generation R2 Dermal Cooling System (2Q17)

GENOVEL

- ◆ 80% equity ownership in company with unique knee replacements based on technology from Dr. Peter Walker, NYU Dept. of Orthopedic Surgery and one of the pioneers of the original Total Knee.
- ◆ "Mini-Knee" for early osteoarthritis of the knee; "Anatomical Knee" – A Novel Total Knee Replacement
- ◆ Strong patent portfolio

MediBeacon

- ◆ 50% equity ownership in company with unique technology and device for monitoring of real-time kidney function
- ◆ Current standard diagnostic tests measure kidney function are often inaccurate and not real-time
- ◆ MediBeacon's Optical Renal Function Monitor will be first and only, non-invasive system to enable real-time, direct monitoring of renal function at point-of-care
- ◆ \$3.5 billion potential market
- ◆ Successfully completed a key clinical study of its unique, real-time kidney monitoring system on subjects with impaired kidney function at Washington University in St. Louis. (1Q17)



- ◆ Profitable technology and product development company
- ◆ Areas of expertise include medical devices, homeland security, imaging systems, sensors, optics, fluidics, robotics and mobile healthcare
- ◆ Located in Silicon Valley and Boston area with over 90,000 square feet of working laboratory and incubator space
- ◆ Contract R&D market growing rapidly
- ◆ Customers include Fortune 500 companies and start-ups

- ◆ **Collateral Coverage Ratio at Quarter End Exceeded 2.0x**
- ◆ **\$100.8 million in Consolidated Cash (excluding Insurance segment)**
 - \$48.5 million Corporate Cash
- ◆ **\$2.0 million Received in Dividends PTGi ICS in Third Quarter 2017**
- ◆ **\$24.5 million Received in Dividends and Tax Share from DBM Global and PTGi ICS Year-to-Date 2017**
 - \$18.5 million received from DBM Global YTD: \$5.0 million in Tax Share plus \$13.5 million of dividends
 - ◆ Additional ~\$4.5 million expected dividend in fourth quarter 2017 (11/29)
 - \$6.0 million dividends received from PTGi ICS YTD
- ◆ **Entered into a Series of Transactions that will result in HC2 and Its Subsidiaries Acquiring 38 Operating Stations in 28 Cities From Mako Communications, building upon the DTV America Acquisition announced in 2Q17**
- ◆ **Expect to sign a \$75 million bridge loan to primarily finance acquisitions in the broadcast television distribution market**

(\$m)	Balance Sheet (at September 30, 2017)
Market Cap ⁽¹⁾	\$224.5
Preferred Equity	\$26.7
Total Debt	\$400.0
Corporate Cash ⁽²⁾	\$48.5
Enterprise Value ⁽³⁾	\$602.7

- (1) Market capitalization on a fully diluted basis, excluding preferred equity, using a common stock price per share of \$5.22 on November 7, 2017
 (2) Cash and cash equivalents
 (3) Enterprise Value is calculated by adding market capitalization, total preferred equity and total debt amounts, less Corporate cash



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Questions and Answers

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Appendix: Reconciliations



Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA Three Months Ended September 30, 2017

(in thousands)

Three Months Ended September 30, 2017								
	Core Operating Subsidiaries				Early Stage & Other		Non-operating Corporate	Total HC2
	Construction	Marine Services	Energy	Telecom	Life Sciences	Other & Elimination		
Net (Loss) attributable to HC2 Holdings, Inc.								\$ (5,967)
Less: Net Income attributable to HC2 Holdings Insurance Segment								4,280
Net Income (Loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	\$ 7,082	\$ 844	\$ (939)	\$ 1,348	\$ (6,760)	\$ (600)	\$ (11,222)	\$ (10,247)
<u>Adjustments to reconcile net income (loss) to Adjusted EBITDA:</u>								
Depreciation and amortization	1,314	6,221	1,247	94	50	272	17	9,215
Depreciation and amortization (included in cost of revenue)	1,293	-	-	-	-	-	-	1,293
Amortization of equity method fair value adjustment at acquisition	-	(573)	-	-	-	-	-	(573)
(Gain) loss on sale or disposal of assets	486	-	25	-	-	-	-	511
Lease termination costs	-	-	-	15	-	-	-	15
Interest expense	238	1,021	262	14	-	1	11,686	13,222
Net loss on contingent consideration	-	-	-	-	-	-	(6,320)	(6,320)
Other (income) expense, net	(165)	888	277	12	(10)	(118)	(718)	166
Foreign currency (gain) loss (included in cost of revenue)	-	(238)	-	-	-	-	-	(238)
Income tax (benefit) expense	4,481	(137)	-	-	-	-	(4,746)	(402)
Noncontrolling interest	558	43	(763)	-	(1,506)	(689)	-	(2,357)
Bonus to be settled in equity	-	-	-	-	-	-	765	765
Share-based payment expense	-	394	179	-	71	19	718	1,381
Nonrecurring items	-	-	-	-	-	-	-	-
Acquisition costs	1,501	300	-	-	-	-	1,564	3,365
Adjusted EBITDA	\$ 16,788	\$ 8,763	\$ 288	\$ 1,483	\$ (8,155)	\$ (1,115)	\$ (8,256)	\$ 9,796
Total Core Operating Subsidiaries	\$ 27,322							



Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA Three Months Ended September 30, 2016

(in thousands)

Three Months Ended September 30, 2016								
	Core Operating Subsidiaries				Early Stage & Other		Non-operating Corporate	Total HC2
	Construction	Marine Services	Energy	Telecom	Life Sciences	Other & Eliminations		
Net (Loss) attributable to HC2 Holdings, Inc.								\$ (4,558)
Less: Net (Loss) attributable to HC2 Holdings Insurance Segment								(2,189)
Net Income (Loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	\$ 6,962	\$ 8,696	\$ 27	\$ 1,796	\$ (2,285)	\$ (8,160)	\$ (9,404)	\$ (2,368)
<u>Adjustments to reconcile net income (loss) to Adjusted EBITDA:</u>								
Depreciation and amortization	431	5,554	582	144	32	380	4	7,127
Depreciation and amortization (included in cost of revenue)	1,321	-	-	-	-	-	-	1,321
Amortization of equity method fair value adjustment at acquisition	-	(329)	-	-	-	-	-	(329)
(Gain) loss on sale or disposal of assets	(23)	-	-	-	-	-	-	(23)
Lease termination costs	-	-	-	(159)	-	-	-	(159)
Interest expense	304	1,328	119	-	-	-	8,969	10,720
Net gain on contingent consideration	-	(1,381)	-	-	-	-	-	(1,381)
Other (income) expense, net	(12)	(632)	(24)	422	(2)	3,892	835	4,479
Foreign currency (gain) loss (included in cost of revenue)	-	(283)	-	-	-	-	-	(283)
Income tax (benefit) expense	4,672	96	-	-	-	-	(7,851)	(3,083)
Noncontrolling interest	411	465	27	-	(770)	(974)	-	(841)
Share-based payment expense	-	546	3	-	128	37	1,088	1,802
Non-recurring items	-	-	-	-	-	-	173	173
Acquisition costs	429	-	-	-	-	-	648	1,077
Adjusted EBITDA	\$ 14,495	\$ 14,060	\$ 734	\$ 2,203	\$ (2,897)	\$ (4,825)	\$ (5,538)	\$ 18,232
Total Core Operating Subsidiaries	\$ 31,492							

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA

Nine Months Ended September 30, 2017

(in thousands)

Nine Months Ended September 30, 2017

	Core Operating Subsidiaries				Early Stage & Other		Non-operating Corporate	Total HC2
	Construction	Marine Services	Energy	Telecom	Life Sciences	Other & Elimination		
Net (Loss) attributable to HC2 Holdings, Inc.								\$ (38,374)
Less: Net Income attributable to HC2 Holdings Insurance Segment								3,683
Net Income (Loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	\$ 14,464	\$ 8,943	\$ (2,001)	\$ 4,910	\$ (14,276)	\$ (9,787)	\$ (44,310)	\$ (42,057)
<u>Adjustments to reconcile net income (loss) to Adjusted EBITDA:</u>								
Depreciation and amortization	4,194	16,561	3,876	285	129	933	50	26,028
Depreciation and amortization (included in cost of revenue)	3,835	-	-	-	-	-	-	3,835
Amortization of equity method fair value adjustment at acquisition	-	(1,223)	-	-	-	-	-	(1,223)
Asset impairment expense	-	-	-	-	-	1,810	-	1,810
(Gain) loss on sale or disposal of assets	93	(3,500)	39	-	-	-	-	(3,368)
Lease termination costs	-	249	-	15	-	-	-	264
Interest expense	619	3,363	552	37	-	2,408	32,431	39,410
Net loss on contingent consideration	-	-	-	-	-	-	(6,001)	(6,001)
Other (income) expense, net	(158)	2,443	1,652	77	(25)	2,800	(460)	6,329
Foreign currency (gain) loss (included in cost of revenue)	-	(131)	-	-	-	-	-	(131)
Income tax (benefit) expense	9,792	239	12	-	-	-	(9,112)	931
Noncontrolling interest	1,190	381	(2,002)	-	(3,208)	(2,666)	-	(6,305)
Bonus to be settled in equity	-	-	-	-	-	-	1,350	1,350
Share-based payment expense	-	1,133	361	-	239	66	2,207	4,006
Non-recurring Items	-	-	-	-	-	-	-	-
Acquisition costs	2,447	300	-	-	-	-	3,425	6,172
Adjusted EBITDA	\$ 36,476	\$ 28,758	\$ 2,489	\$ 5,324	\$ (17,141)	\$ (4,436)	\$ (20,420)	\$ 31,050
Total Core Operating Subsidiaries	\$ 73,047							



Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA

Nine Months Ended September 30, 2016

(in thousands)

Nine Months Ended September 30, 2016								
	Core Operating Subsidiaries				Early Stage & Other		Non-operating Corporate	Total HC2
	Construction	Marine Services	Energy	Telecom	Life Sciences	Other & Elimination		
Net (Loss) attributable to HC2 Holdings, Inc.								\$ (33,085)
Less: Net (Loss) attributable to HC2 Holdings Insurance Segment								(11,978)
Net Income (Loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	\$ 20,710	\$ 8,780	\$ 68	\$ 4,007	\$ (2,991)	\$ (21,264)	\$ (30,417)	\$ (21,107)
<u>Adjustments to reconcile net income (loss) to Adjusted EBITDA:</u>								
Depreciation and amortization	1,263	16,793	1,479	389	87	1,050	4	21,065
Depreciation and amortization (included in cost of revenue)	3,048	-	-	-	-	-	-	3,048
Amortization of equity method fair value adjustment at acquisition	-	(1,046)	-	-	-	-	-	(1,046)
(Gain) loss on sale or disposal of assets	(963)	(10)	-	-	-	-	-	(973)
Lease termination costs	-	-	-	179	-	-	-	179
Interest expense	917	3,683	142	-	-	1	26,871	31,614
Net loss on contingent consideration	-	(1,573)	-	-	-	-	-	(1,573)
Other (income) expense, net	(88)	383	(399)	(574)	(3,223)	9,888	(311)	5,676
Foreign currency (gain) loss (included in cost of revenue)	-	(1,970)	-	-	-	-	-	(1,970)
Income tax (benefit) expense	12,641	(756)	-	-	-	-	(21,481)	(9,596)
Noncontrolling interest	1,240	510	249	-	(2,302)	(2,062)	-	(2,365)
Share-based payment expense	-	1,307	107	-	184	238	4,833	6,669
Non-recurring items	-	-	-	-	-	-	1,513	1,513
Acquisition costs	428	266	27	18	-	-	1,821	2,560
Adjusted EBITDA	\$ 39,196	\$ 26,367	\$ 1,673	\$ 4,019	\$ (8,245)	\$ (12,149)	\$ (17,166)	\$ 33,694
Total Core Operating Subsidiaries	\$ 71,255							

Reconciliation of U.S. GAAP Net Income (Loss) to Insurance AOI Three and Nine Months Ended September 30, 2017 and 2016

(in thousands)

Adjusted Operating Income - Insurance ("Insurance AOI")						
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	Increase/ (Decrease)	2017	2016	Increase/ (Decrease)
Net Income (loss) - Insurance segment	\$ 4,282	\$ (2,189)	\$ 6,471	\$ 3,685	\$ (11,978)	\$ 15,663
Effect of investment (gains) losses	(978)	220	(1,198)	(2,854)	2,677	(5,531)
Asset impairment expense	-	-	-	3,364	-	3,364
Acquisition costs	422	269	153	1,158	269	889
Insurance AOI	\$ 3,726	\$ (1,700)	\$ 5,426	\$ 5,353	\$ (9,032)	\$ 14,385

The calculation of Insurance Net Loss has been revised to exclude adjustments for intercompany eliminations as they are not considered relevant in evaluating the performance of our Insurance segment. For first quarter 2016, this resulted in a change to the previously reported Insurance loss of (\$12.3) million for the quarter to a loss of (\$7.5) million.

The calculation of Insurance AOI has been revised to exclude adjustments for intercompany eliminations as they are not considered relevant in evaluating the performance of our Insurance segment. For first quarter 2016, this resulted in a change to the previously reported Insurance AOI loss of (\$3.6) million for the quarter to a loss of (\$2.6) million.



HC2

Envision. Empower. Execute.

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