

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of Earliest Event Reported): August 3, 2022

INNOVATE CORP.

(Exact name of registrant as specified in its charter)		
Delaware	001-35210	54-1708481
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
295 Madison Avenue, 12th Floor		10017
New York, NY		
(Address of principal executive offices)		(Zip Code)
Registrant's telephone number, including area code:		(212) 235-2690

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	VATE	New York Stock Exchange
Preferred Stock Purchase Rights	N/A	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

On August 3, 2022, INNOVATE Corp. (the “Company”) issued a press release announcing its results for the three and six months ended June 30, 2022 (the “Earnings Release”) and posted the INNOVATE Corp Second Quarter 2022 Conference Call Investor Presentation to its Investor Relations section of the Company’s website at <http://www.innovatecorp.com>.

A copy of the Earnings Release and the investor presentation are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

As previously announced, the Company will conduct a conference call today, Wednesday, August 3, 2022 at 4:30 p.m. ET. The presentation slides to be used during the call, attached hereto as Exhibit 99.2, will be available on the “Investor Relations” section of the Company’s website (<http://www.innovatecorp.com>) immediately prior to the call. The conference call and the presentation slides will be simultaneously webcast on the “Investor Relations” section of the Company’s website beginning at 4:30 p.m. ET on Wednesday, August 3, 2022. The information contained in, or that can be accessed through the Company’s website is not a part of this filing.

The information in Item 2.02 and Item 7.01 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release of INNOVATE Corp., dated August 3, 2022
99.2	INNOVATE Corp. Second Quarter 2022 Conference Call Investor Presentation
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INNOVATE Corp.

August 3, 2022

By: /s/ Michael J. Sena

Name: Michael J. Sena
Title: Chief Financial Officer



FOR IMMEDIATE RELEASE

INNOVATE Corp. Announces Second Quarter 2022 Results

- *Infrastructure: DBM Global delivers revenue of \$382.1 million in the second quarter driven by continued strength at Banker Steel and robust demand in the construction market -*
- *Life Sciences: MediBeacon's IDE application accepted by the FDA; begins its U.S. Pivotal Study -*
- *Spectrum: Broadcasting maintains focus on adding capacity and optimizing performance -*

NEW YORK, August 3, 2022 - INNOVATE Corp. ("INNOVATE" or the "Company") (NYSE: VATE) announced today its consolidated results for the second quarter.

Financial Summary

(in millions, except per share amounts)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Increase / (Decrease)	2022	2021	Increase / (Decrease)
Revenue	\$ 392.2	\$ 243.8	60.9 %	\$ 805.0	\$ 415.6	93.7 %
Net loss attributable to common stock and participating preferred stockholders	\$ (13.6)	\$ (23.7)	42.6 %	\$ (27.2)	\$ (11.5)	(136.5)%
Diluted loss per share - Net loss attributable to common stock and participating preferred shareholders	\$ (0.18)	\$ (0.31)	41.9 %	\$ (0.35)	\$ (0.15)	(133.3)%
Total Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 12.1	\$ 6.5	86.2 %	\$ 23.6	\$ 7.5	214.7 %

(1) Reconciliation of GAAP to Non-GAAP measures follows

(2) Note that Total Adjusted EBITDA excludes results for discontinued operations

Commentary

"INNOVATE's strong financial performance in the second quarter is a testament to continued momentum across each of its best-in-class operating segments as well as the team's relentless focus on the execution of our long-term strategy to drive shareholder value," said Avie Glazer, Chairman of INNOVATE. "Infrastructure revenue grew 65% year-over-year in the second quarter and has been a consistent cash flow generative business. At Life Sciences, MediBeacon began its U.S. Pivotal Study, marking a key milestone in the development and commercialization of its kidney monitoring technology. Lastly, Spectrum continues to make progress optimizing operations despite short-term challenges in the OTA market. We remain optimistic about the strategic positioning and long-term value of each of our three operating segments for the rest of 2022 and beyond."

"We are very pleased with our second quarter results" said Wayne Barr, Jr., Chief Executive Officer of INNOVATE. "We continue to be impressed with the performance of DBM Global, as we continue to capitalize on positive market dynamics and strategically leverage DBM's broader geographic influence. In Life Sciences, we continue to advance toward the commercialization of MediBeacon's innovative kidney monitoring technology and at R2, our expanded sales team is focused on driving growth in new products. At Spectrum, we completed all their station builds targeted for this year. We believe that the scale of Spectrum's assets

combined with the demand for a national distribution platform will create significant value in the near future. Overall, we have made significant progress across our operating segments.”

Second Quarter 2022 Highlights and Recent Highlights

- The Company achieved Revenue and Adjusted EBITDA growth of 60.9% and 86.2%, respectively.

Infrastructure

- DBM Global Inc. ("DBM Global") achieved strong revenue in the second quarter, driven by Banker Steel and robust demand in the commercial steel fabrication and erection markets.
- For the second quarter of 2022, DBM Global reported revenue of \$382.1 million, an increase of 64.7% compared to \$232.0 million in the prior year quarter. Net Income was \$6.8 million, compared to \$1.4 million for the prior year quarter. Adjusted EBITDA increased to \$20.9 million from \$13.9 million in the prior year quarter.
- DBM Global's total backlog decreased to \$1.5 billion as of June 30, 2022, slightly down from \$1.6 billion as of December 31, 2021. Taking into consideration awarded, but not yet signed contracts, backlog would have been approximately \$1.7 billion at the end of the second quarter of 2022, compared with \$1.9 billion as of December 31, 2021.

Life Sciences

- R2 Technologies, Inc. ("R2") has shipped 171 GLACIAL devices globally in 2022.
- The FDA accepted MediBeacon Inc.'s ("MediBeacon") Investigational Device Exemption (IDE) application and, on June 26, 2022, MediBeacon initiated its Transdermal GFR Measurement System FDA Pivotal Study.

Spectrum

- All 24 new station builds targeted for 2022 have been built and are now on air, including the last two builds in Bangor, ME, which have received Canadian regulatory approval and are operating today. Broadcasting owns and operates 249 stations that cover 105 designated market areas (DMAs).
- For the second quarter of 2022, Broadcasting reported revenue of \$9.1 million, a decrease of 14.2% compared to \$10.6 million in the prior year quarter. The decrease was primarily driven by lower advertising revenue and a decline in paid programming.
- For the second quarter of 2022, Broadcasting reported Net Loss of \$5.7 million compared to \$1.1 million in the prior year quarter. Adjusted EBITDA was \$0.4 million, compared to an Adjusted EBITDA of \$2.7 million in the prior year quarter.

Second Quarter Financial Highlights

- Revenue:** For the second quarter of 2022, INNOVATE's consolidated revenue from continuing operations was \$392.2 million, an increase of 60.9% compared to \$243.8 million for the prior year quarter. The increase in revenue was due to contributions from the Company's Infrastructure segment.

REVENUE by OPERATING SEGMENT							
(in millions)	Three Months Ended June 30,			Six Months Ended June 30,			
	2022	2021	Increase / (Decrease)	2022	2021	Increase / (Decrease)	
	\$	\$	\$	\$	\$	\$	
Infrastructure	382.1	232.0	150.1	784.3	393.3	391.0	
Life Sciences	1.0	1.2	(0.2)	1.8	1.2	0.6	
Spectrum	9.1	10.6	(1.5)	18.9	21.1	(2.2)	
Consolidated INNOVATE	392.2	243.8	148.4	805.0	415.6	389.4	

- Net Loss:** For the second quarter of 2022, INNOVATE reported a Net Loss attributable to common stock and participating preferred stockholders of \$13.6 million, or \$0.18 per fully diluted share, compared to a Net Loss of \$23.7 million, or \$0.31 per fully diluted share, for the prior year quarter. The decrease in the Net loss was driven primarily by the contribution from Banker Steel, which was acquired by the Infrastructure segment on May 27, 2021, higher gross profit from higher sales at the fabrication and erection business, as well as the unrepeatable loss on debt extinguishment in the comparable period as a result of the DBM Global refinancing, which coincided with the Banker Steel acquisition. The decrease was also attributable to the Non-operating Corporate segment, which included an accrued settlement for the former CEO in the comparable period and decreases in legal fees driven by the conclusion of extraordinary projects such as CEO separation and 2021 Board-directed projects. This was partially offset by certain drivers in the Spectrum segment such as asset impairments, reductions in Network advertising revenue due to a decreased footprint and declines in paid programming, as well as higher support service fees and new royalty expenses for the Azteca business, which went into effect Q1 2022, along with increases in tower maintenance and utilities as a result of additional station builds throughout 2021.

NET LOSS by OPERATING SEGMENT							
(in millions)	Three Months Ended June 30,			Six Months Ended June 30,			
	2022	2021	Increase / (Decrease)	2022	2021	Increase / (Decrease)	
	\$	\$	\$	\$	\$	\$	
Infrastructure	6.8	1.8	5.4	12.9	1.4	11.5	
Life Sciences	(5.3)	(4.3)	(1.0)	(9.4)	(8.5)	(0.9)	
Spectrum	(5.7)	(1.1)	(4.6)	(9.1)	(5.5)	(3.6)	
Non-operating Corporate	(9.5)	(19.2)	9.7	(20.8)	(50.0)	29.2	
Other and Eliminations	1.3	1.2	0.1	1.6	1.3	0.3	
Net loss attributable to INNOVATE Corp., excluding discontinued operations	(12.8)	(22.8)	9.6	(24.8)	(61.8)	36.5	
Net income from discontinued operations	—	(1.5)	1.5	—	50.4	(50.4)	
Net loss attributable to INNOVATE Corp.	(12.8)	(23.5)	11.1	(24.8)	(10.9)	(13.9)	
Less: Preferred dividends and deemed dividends from conversions	1.2	0.2	1.0	2.4	0.6	1.8	
Net loss attributable to common stock and participating preferred stockholders	(13.6)	(23.9)	10.1	(27.2)	(11.5)	(15.7)	

- Adjusted EBITDA:** For the second quarter of 2022, Total Adjusted EBITDA, which excludes discontinued operations, was \$12.1 million, compared to Total Adjusted EBITDA of \$6.5 million for the prior year quarter. The increase in second quarter Adjusted EBITDA can be attributed to the contribution from Banker Steel at the Infrastructure segment, which was acquired on May 27, 2021, as well as from the fabrication and erection business as a result of larger jobs with increased profits in the current year. The increase was due to settlement expense for the Company's former CEO accrued in the prior period, as well as decreased legal expenses at the Non-operating Corporate segment. The increase was partially offset by increases in G&A expenses at the Infrastructure segment due to the acquisition of Banker Steel, increases in salaries and wages, increases in travel expenses and increases in professional fees at the Infrastructure segment, as well as lower contribution at the industrial maintenance and repair, and construction modeling and detailing, businesses. The increase in Adjusted EBITDA was also partially offset by decreased advertising revenue at the Azteca network driven by a decreased footprint, declines in paid programming, an increase in expenses at the Azteca network as a result of higher support service fees and royalty expenses, which started in the first quarter of 2022, and an increase in station costs as a result of new station builds at the Spectrum segment; and increased expenses at the Life Sciences segment driven by MediBeacon as the Pivotal Study commenced in the second quarter.

ADJUSTED EBITDA by OPERATING SEGMENT								
(in millions)	Three Months Ended June 30,			Six Months Ended June 30,				
	2022	2021	Increase / (Decrease)	2022	2021	Increase/(Decrease)		
Infrastructure	\$ 20.9	\$ 13.9	\$ 7.0	\$ 41.4	\$ 25.2	\$ 16.2		
Life Sciences	(7.5)	(6.1)	(1.4)	(13.3)	(12.3)	(1.0)		
Spectrum	0.4	2.7	(2.3)	1.7	3.5	(1.8)		
Non-operating Corporate	(3.4)	(5.7)	2.3	(8.0)	(9.7)	1.7		
Other and Eliminations	1.7	1.7	—	1.8	0.8	1.0		
Total Adjusted EBITDA	\$ 12.1	\$ 6.5	\$ 5.6	\$ 23.6	\$ 7.5	\$ 16.1		

- Balance Sheet:** As of June 30, 2022, INNOVATE had cash and cash equivalents, excluding restricted cash, of \$24.9 million compared to \$45.5 million as of December 31, 2021. On a stand-alone basis, as of June 30, 2022, the Corporate segment had cash and cash equivalents of \$3.6 million compared to \$22.0 million at December 31, 2021.

Conference Call

INNOVATE will host a live conference call to discuss its second quarter 2022 financial results and operations today at 4:30 p.m. ET. The Company will post an earnings supplemental presentation in the Investor Relations section of the INNOVATE website at innovate-ir.com, to accompany the conference call. Dial-in instructions for the conference call and the replay follows.

- **Live Webcast and Call.** A live webcast of the conference call can be accessed by interested parties through the Investor Relations section of the INNOVATE website at innovate-ir.com.
 - Dial-in: 1-877-704-4453 (Domestic Toll Free) / 1-201-389-0920 (Toll/International)
 - Participant Entry Number: 13731314
- **Conference Replay***
 - Dial-in: 1-844-512-2921 (Domestic Toll Free) / 1-412-317-6671 (Toll/International)
 - Conference Number: 13731314

*Available approximately two hours after the end of the conference call through August 17, 2022.

About INNOVATE Corp.

INNOVATE Corp., is a portfolio of best-in-class assets in three key areas of the new economy – Infrastructure, Life Sciences and Spectrum. Dedicated to stakeholder capitalism, INNOVATE employs approximately 3,902 people across its subsidiaries. For more information, please visit: www.INNOVATECorp.com.

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Non-GAAP Financial Measures

In this press release, INNOVATE refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles (“GAAP”), including Total Adjusted EBITDA (excluding discontinued operations) and Adjusted EBITDA for its operating segments.

Adjusted EBITDA

Management believes that Adjusted EBITDA provides investors with meaningful information for gaining an understanding of our 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, since interest, taxes, depreciation, amortization and the other items listed 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. While management believes that non-U.S. GAAP measurements are useful supplemental information, such adjusted results are not intended to replace our U.S. GAAP financial results. 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 this non-GAAP measure excludes 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 does not purport to be an alternative to net income (loss) or other U.S. GAAP financial measures as a measure of our operating performance. Adjusted EBITDA excludes the results of operations and any consolidating eliminations of our previous Insurance segment.

The calculation of Adjusted EBITDA, as defined by us, consists of Net income (loss) as adjusted for discontinued operations; depreciation and amortization; Other operating (income) expense, which is inclusive of (gain) loss on sale or disposal of assets, lease termination costs, asset impairment expense and FCC reimbursements; interest expense; loss on early extinguishment or restructuring of debt; other (income) expense, net; gain on sale or dissolution of subsidiary; income tax expense (benefit); noncontrolling interest; share-based compensation expense; non-recurring items; costs associated with the COVID-19 pandemic, and acquisition and disposition costs.

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 GAAP financial measures, as these non-GAAP measures exclude certain items, including items that are recurring in nature, which may be meaningful to investors.

Cautionary Statement Regarding Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This press release 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. Such forward-looking statements are based on current expectations and inherently involve certain risks, assumptions and uncertainties. The forward-looking statements in this presentation include, without limitation, any statements regarding INNOVATE's inability to predict the extent to which the COVID-19 pandemic and related impacts will continue to adversely impact INNOVATE's business operations, financial performance, results of operations, financial position, the prices of INNOVATE's securities and the achievement of INNOVATE's strategic objectives, and changes in macroeconomic and market conditions and market volatility (including developments and volatility arising from the COVID-19 pandemic), including interest rates, the value of securities and other financial assets, and the impact of such changes and volatility on INNOVATE's financial position. Such statements are based on the beliefs and assumptions of INNOVATE's management and the management of INNOVATE's subsidiaries and portfolio companies.

The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance, results or the creation of stockholder value 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, including those that may be identified in subsequent statements and reports filed with the Securities and Exchange Commission (“SEC”), including in our reports on Forms 10-K, 10-Q, and 8-K. Such important factors include, without limitation: developments relating to on-going hostilities in Ukraine, the severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of businesses’ and governments’ responses to the pandemic on INNOVATE’s operations and personnel, and on commercial activity and demand across our businesses, capital market conditions, including the ability of INNOVATE and INNOVATE’s subsidiaries to raise capital; the ability of INNOVATE’s subsidiaries and portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of INNOVATE common stock; the ability of INNOVATE and its subsidiaries and portfolio companies to identify any suitable future acquisition or disposition 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; covenants noncompliance risk; interest rate environment; ability to remain in compliance with NYSE listing requirement and risks that may affect the performance of the operating subsidiaries and portfolio companies of INNOVATE.

Although INNOVATE believes its expectations and assumptions regarding its future operating performance are reasonable, there can be no assurance that the expectations reflected herein will be achieved. 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 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 INNOVATE 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 unless legally required, INNOVATE undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

INNOVATE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue	\$ 392.2	\$ 243.8	\$ 805.0	\$ 415.6
Cost of revenue	341.9	207.4	704.9	348.7
Gross profit	50.3	36.4	100.1	66.9
Operating expenses:				
Selling, general and administrative	42.1	39.5	84.7	76.6
Depreciation and amortization	6.9	4.8	13.8	8.7
Other operating loss (income)	1.7	(0.2)	1.3	0.2
(Loss) income from operations	(0.4)	(7.7)	0.3	(18.6)
Other (expense) income:				
Interest expense	(12.5)	(12.4)	(25.1)	(33.8)
Loss on early extinguishment or restructuring of debt	—	(1.6)	—	(12.4)
(Loss) income from equity investees	(0.5)	0.2	(1.0)	(1.9)
Other income, net	1.5	0.4	1.4	3.8
Loss from continuing operations before income taxes	(11.9)	(21.1)	(24.4)	(62.9)
Income tax expense	(2.0)	(2.6)	(3.6)	(3.7)
Loss from continuing operations	(13.9)	(23.7)	(28.0)	(66.6)
(Loss) income from discontinued operations (including gain on disposal of \$40.4 million for the six months ended June 30, 2021)	—	(1.5)	—	50.4
Net loss	(13.9)	(25.2)	(28.0)	(16.2)
Net loss attributable to noncontrolling interest and redeemable noncontrolling interest	1.5	1.7	3.2	5.3
Net loss attributable to INNOVATE Corp.	(12.4)	(23.5)	(24.8)	(10.9)
Less: Preferred dividends and deemed dividends from conversions	1.2	0.2	2.4	0.6
Net loss attributable to common stock and participating preferred stockholders	\$ (13.6)	\$ (23.7)	\$ (27.2)	\$ (11.5)
Loss per common share - continuing operations				
Basic	\$ (0.18)	\$ (0.29)	\$ (0.35)	\$ (0.82)
Diluted	\$ (0.18)	\$ (0.29)	\$ (0.35)	\$ (0.82)
(Loss) income per common share - discontinued operations				
Basic	\$ —	\$ (0.02)	\$ —	\$ 0.67
Diluted	\$ —	\$ (0.02)	\$ —	\$ 0.67
Loss per share - Net loss attributable to common stock and participating preferred stockholders				
Basic	\$ (0.18)	\$ (0.31)	\$ (0.35)	\$ (0.15)
Diluted	\$ (0.18)	\$ (0.31)	\$ (0.35)	\$ (0.15)
Weighted average common shares outstanding:				
Basic	77.5	77.0	77.4	77.1
Diluted	77.5	77.0	77.4	77.1

INNOVATE CORP.
CONDENSED CONSOLIDATED BALANCE SHEET
(in millions, except share amounts)
(Unaudited)

	June 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 24.9	\$ 45.5
Accounts receivable, net	271.1	247.1
Contract assets	152.7	118.6
Inventory	20.1	17.0
Restricted cash	1.0	2.0
Assets held for sale	1.4	1.5
Other current assets	11.1	10.9
Total current assets	482.3	442.6
Investments	58.9	56.0
Deferred tax asset	2.8	3.0
Property, plant and equipment, net	164.5	169.9
Goodwill	127.1	127.4
Intangibles, net	198.4	208.4
Other assets	72.4	73.3
Total assets	\$ 1,106.4	\$ 1,080.6
Liabilities, temporary equity and stockholders' deficit		
Current liabilities		
Accounts payable	\$ 182.4	\$ 179.2
Accrued liabilities	93.3	93.4
Current portion of debt obligations	73.0	69.5
Contract liabilities	93.3	79.1
Other current liabilities	19.7	18.3
Total current liabilities	461.7	439.5
Deferred tax liability	9.9	9.1
Debt obligations	594.1	556.8
Other liabilities	59.8	63.3
Total liabilities	1,125.5	1,068.7
Commitments and contingencies		
Temporary equity		
Preferred stock	18.2	18.8
Redeemable noncontrolling interest	46.8	49.3
Total temporary equity	65.0	68.1
Stockholders' deficit		
Common stock, \$0.001 par value	0.1	0.1
Shares authorized: 160,000,000 at both June 30, 2022 and December 31, 2021		
Shares issued: 79,829,503 and 79,225,964 at June 30, 2022 and December 31, 2021, respectively		
Shares outstanding: 78,440,287 and 77,836,748 at June 30, 2022 and December 31, 2021, respectively		
Additional paid-in capital	330.7	330.6
Treasury stock, at cost: 1,389,216 shares at both June 30, 2022 and December 31, 2021	(5.2)	(5.2)
Accumulated deficit	(441.0)	(416.2)
Accumulated other comprehensive income	4.7	6.4
Total INNOVATE Corp. stockholders' deficit	(110.7)	(84.3)
Noncontrolling interest	26.6	28.1
Total stockholders' deficit	(84.1)	(56.2)
Total liabilities, temporary equity and stockholders' deficit	\$ 1,106.4	\$ 1,080.6

INNOVATE CORP.
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA
(Unaudited)

(in millions)

	Three Months ended June 30, 2022						
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Elimination	INNOVATE	
Net (loss) attributable to INNOVATE Corp.						\$	(12.4)
Less: Discontinued operations							—
Net Income (loss) attributable to INNOVATE Corp., excluding discontinued operations	\$ 6.8	\$ (5.3)	\$ (5.7)	\$ (9.5)	\$ 1.3	\$	(12.4)
<u>Adjustments to reconcile net income (loss) to Adjusted EBITDA:</u>							
Depreciation and amortization	5.3	—	1.5	0.1	—		6.9
Depreciation and amortization (included in cost of revenue)	3.6	—	—	—	—		3.6
Other operating expense	—	—	1.7	—	—		1.7
Interest expense	2.2	—	1.9	8.4	—		12.5
Other (income) expense, net	(1.4)	(0.2)	1.4	(1.2)	—		(1.4)
Gain on sale or dissolution of subsidiary	—	—	—	(0.1)	—		(0.1)
Income tax expense (benefit)	3.5	—	—	(1.5)	—		2.0
Noncontrolling interest	0.7	(2.1)	(0.5)	—	0.4		(1.5)
Share-based compensation expense	—	0.1	—	0.4	—		0.5
Nonrecurring Items	0.1	—	—	—	—		0.1
Acquisition and disposition costs	0.1	—	0.1	—	—		0.2
Adjusted EBITDA	<u>\$ 20.9</u>	<u>\$ (7.5)</u>	<u>\$ 0.4</u>	<u>\$ (3.4)</u>	<u>\$ 1.7</u>	<u>\$</u>	<u>12.1</u>

(in millions)

	Three Months ended June 30, 2021						
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Elimination	INNOVATE	
Net (loss) attributable to INNOVATE Corp.						\$	(23.5)
Less: Discontinued operations							(1.5)
Net Income (loss) attributable to INNOVATE Corp., excluding discontinued operations	\$ 1.4	\$ (4.3)	\$ (1.1)	\$ (19.2)	\$ 1.2	\$	(22.0)
<u>Adjustments to reconcile net income (loss) to Adjusted EBITDA:</u>							
Depreciation and amortization	3.3	0.1	1.4	—	—		4.8
Depreciation and amortization (included in cost of revenue)	2.7	—	—	—	—		2.7
Other operating (income)	—	—	(0.2)	—	—		(0.2)
Interest expense	2.2	—	2.4	7.8	—		12.4
Loss on early extinguishment or restructuring of debt	1.5	—	—	0.1	—		1.6
Other (income) expense, net	(4.1)	—	0.4	3.3	—		(0.4)
Income tax expense	1.2	—	—	1.4	—		2.6
Noncontrolling interest	0.2	(1.9)	(0.5)	—	0.6		(1.6)
Share-based compensation expense	—	—	0.2	0.5	—		0.7
Nonrecurring Items	0.2	—	—	—	—		0.2
COVID-19 Costs	4.0	—	—	—	—		4.0
Acquisition and disposition costs	1.3	—	0.1	0.4	(0.1)		1.7
Adjusted EBITDA	<u>\$ 13.9</u>	<u>\$ (6.1)</u>	<u>\$ 2.7</u>	<u>\$ (5.7)</u>	<u>\$ 1.7</u>	<u>\$</u>	<u>6.5</u>

INNOVATE CORP.
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA
(Unaudited)

(in millions)

	Six Months ended June 30, 2022						
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	INNOVATE	
Net (loss) attributable to INNOVATE Corp.						\$	(24.8)
Less: Discontinued operations							—
Net Income (loss) attributable to INNOVATE Corp., excluding discontinued operations	\$ 12.9	\$ (9.4)	\$ (9.1)	\$ (20.8)	\$ 1.6	\$	(24.8)
<u>Adjustments to reconcile net income (loss) to Adjusted EBITDA:</u>							
Depreciation and amortization	10.6	0.1	3.0	0.1	—		13.8
Depreciation and amortization (included in cost of revenue)	7.3	—	—	—	—		7.3
Other operating (income) expense	(0.6)	—	1.9	—	—		1.3
Gain on sale or dissolution of subsidiary	—	—	—	(0.1)	—		(0.1)
Interest expense	4.4	—	3.9	16.8	—		25.1
Other (income) expense, net	(1.3)	(0.1)	2.9	(2.8)	—		(1.3)
Income tax expense (benefit)	6.4	—	—	(2.8)	—		3.6
Noncontrolling interest	1.3	(4.1)	(1.1)	—	0.7		(3.2)
Share-based compensation expense	—	0.2	—	1.1	—		1.3
Nonrecurring items	0.1	—	—	—	—		0.1
Acquisition and disposition costs	0.3	—	0.2	0.5	(0.5)		0.5
Adjusted EBITDA	<u>\$ 41.4</u>	<u>\$ (13.3)</u>	<u>\$ 1.7</u>	<u>\$ (8.0)</u>	<u>\$ 1.8</u>	<u>\$</u>	<u>23.6</u>

(in millions)

	Six Months ended June 30, 2021						
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	INNOVATE	
Net (loss) attributable to INNOVATE Corp.						\$	(10.9)
Less: Discontinued operations							50.4
Net Income (loss) attributable to INNOVATE Corp., excluding discontinued operations	\$ 1.4	\$ (8.5)	\$ (5.5)	\$ (50.0)	\$ 1.3	\$	(61.3)
<u>Adjustments to reconcile net income (loss) to Adjusted EBITDA:</u>							
Depreciation and amortization	5.7	0.1	2.9	—	—		8.7
Depreciation and amortization (included in cost of revenue)	5.0	—	—	—	—		5.0
Other operating expense	—	—	0.2	—	—		0.2
Interest expense	4.1	—	4.7	25.0	—		33.8
Loss on early extinguishment or restructuring of debt	1.5	—	0.9	10.0	—		12.4
Other (income) expense, net	(3.9)	—	0.8	(0.7)	—		(3.8)
Income tax expense	1.2	—	—	2.5	—		3.7
Noncontrolling interest	0.2	(4.0)	(1.0)	—	(0.5)		(5.3)
Share-based compensation expense	—	0.1	0.3	0.9	—		1.3
Nonrecurring items	0.4	—	—	0.5	—		0.9
COVID-19 costs	7.9	—	—	—	—		7.9
Acquisition and disposition costs	1.7	—	0.2	2.1	—		4.0
Adjusted EBITDA	<u>\$ 25.2</u>	<u>\$ (12.3)</u>	<u>\$ 3.5</u>	<u>\$ (9.7)</u>	<u>\$ 0.8</u>	<u>\$</u>	<u>7.5</u>



I N N O V A T E

INNOVATE Corp.

Q2 2022 Earnings Release Supplement

August 3, 2022

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Cautionary Statement 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. Such forward-looking statements are based on current expectations and inherently involve certain risks, assumptions and uncertainties. The forward-looking statements in this presentation include, without limitation, any statements regarding our inability to predict the extent to which the COVID-19 pandemic and related impacts will continue to adversely impact INNOVATE's business operations, financial performance, results of operations, financial position, the prices of INNOVATE's securities and the achievement of INNOVATE's strategic objectives, and changes in macroeconomic and market conditions and market volatility (including developments and volatility arising from the COVID-19 pandemic), including interest rates, the value of securities and other financial assets, and the impact of such changes and volatility on INNOVATE's financial position. Such statements are based on the beliefs and assumptions of INNOVATE's management and the management of INNOVATE's subsidiaries and portfolio companies.

INNOVATE believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance, results or the creation of stockholder value and our 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, including those that may be identified in subsequent statements and reports filed with the Securities and Exchange Commission ("SEC"), including in our reports on Forms 10-K, 10-Q, and 8-K. Such important factors include, without limitation: developments relating to on-going hostilities in Ukraine, the severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of businesses' and governments' responses to the pandemic on INNOVATE's operations and personnel, and on commercial activity and demand across our businesses, capital market conditions, including the ability of INNOVATE and INNOVATE's subsidiaries to raise capital; the ability of INNOVATE's subsidiaries and portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of INNOVATE common stock; the ability of INNOVATE and its subsidiaries and portfolio companies to identify any suitable future acquisition or disposition 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; covenants noncompliance risk; interest rate environment; ability to remain in compliance with NYSE listing requirement and risks that may affect the performance of the operating subsidiaries and portfolio companies of INNOVATE.

Although INNOVATE believes its expectations and assumptions regarding its future operating performance are reasonable, there can be no assurance that the expectations reflected herein will be achieved. 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 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 INNOVATE 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 unless legally required, INNOVATE undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Safe Harbor Disclaimers



Non-GAAP Financial Measures

In this earnings release supplement, INNOVATE refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"), including Adjusted EBITDA, which excludes results for discontinued operations, and Adjusted EBITDA for its operating segments.

Adjusted EBITDA

Adjusted EBITDA is not a measurement recognized under U.S. GAAP. In addition, other companies may define Adjusted EBITDA differently than we do, which could limit its usefulness.

Management believes that Adjusted EBITDA provides investors with meaningful information for gaining an understanding of our 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, since interest, taxes, depreciation, amortization and the other items listed 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. While management believes that non-U.S. GAAP measurements are useful supplemental information, such adjusted results are not intended to replace our U.S. GAAP financial results. 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 this non-GAAP measure excludes 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 does not purport to be an alternative to net income (loss) or other U.S. GAAP financial measures as a measure of our operating performance. Adjusted EBITDA excludes the results of operations and any consolidating eliminations of our Insurance segment.

The calculation of Adjusted EBITDA, as defined by us, consists of Net income (loss) as adjusted for discontinued operations; depreciation and amortization; Other operating (income) expense, which is inclusive of (gain) loss on sale or disposal of assets, lease termination costs, asset impairment expense and FCC reimbursements; interest expense; loss on early extinguishment or restructuring of debt; other (income) expense, net; gain on sale or dissolution of subsidiary; income tax expense (benefit); noncontrolling interest; share-based compensation expense; non-recurring items; costs associated with the COVID-19 pandemic, and acquisition and disposition costs.

Third Party Sources

Third party information presented in this earnings release supplement is based on sources we believe to be reliable, however there can be no assurance information so presented will prove accurate in whole or in part.

Delivered strong second quarter results as INNOVATE continues to make progress across its operating businesses

- Second Quarter 2022 revenue and Adjusted EBITDA⁽¹⁾ growth of 60.9% and 86.2%, respectively
- DBM delivered 64.7% growth in revenue while maintaining backlog levels
- MediBeacon's IDE application accepted by the FDA and commenced its U.S. Pivotal Study
- Broadcasting finished new station builds targeted for 2022
- Appointed Brian Goldstein and Amy Wilkinson to INNOVATE's Board of Directors

(1) See Appendix for reconciliation of Non-GAAP to U.S. GAAP.



Infrastructure Highlights

- Reported Backlog = \$1.5B
- Total adjusted backlog⁽¹⁾ = \$1.7B
- Converting backlog to revenue with strong backlog levels
- Backlog provides revenue visibility for 2022 and beyond



Life Sciences Highlights



- R2 has shipped 171 GLACIAL devices globally in 2022

MediBeacon

- MediBeacon IDE application accepted by FDA
- Initiated Transdermal GFR Measurement System (TGFR) FDA Pivotal Study
- Submitted PMA Module 3 (Device Manufacturing) of 5 to FDA



Spectrum Highlights

- 2Q22 Adjusted EBITDA⁽²⁾ of \$0.4M
- Finished construction of new broadcast stations - all of which were targeted for 2022
- Broadcasting owns and operates 249 stations that cover 105 designated market areas (DMAs)

(1) Adjusted Backlog takes into consideration awarded, but not yet signed contracts.
(2) See Appendix for reconciliation of Non-GAAP to U.S. GAAP.

Q2 2022 Financial Highlights



Revenue			
(\$ millions)	2Q22		2Q21
Infrastructure	\$	382.1	\$ 232.0
Life Sciences		1.0	1.2
Spectrum		9.1	10.6
Consolidated INNOVATE	\$	392.2	\$ 243.8

Net Income (loss) Attrib. to INNOVATE Corp. & Adj. EBITDA					
(\$ millions)	2Q22		2Q21		
	NI ⁽¹⁾	Adj. EBITDA ⁽²⁾	NI ⁽¹⁾	Adj. EBITDA ⁽²⁾	
Infrastructure	\$ 6.8	\$ 20.9	\$ 1.4	\$ 13.9	
Life Sciences	(5.3)	(7.5)	(4.3)	(6.1)	
Spectrum	(5.7)	0.4	(1.1)	2.7	
Non-operating Corporate	(9.5)	(3.4)	(19.2)	(5.7)	
Other & Eliminations	1.3	1.7	1.2	1.7	
Consolidated INNOVATE, Excluding Disc Ops	\$ (12.4)	\$ 12.1	\$ (22.0)	\$ 6.5	
Discontinued Operations	\$ —		\$ (1.5)		
Net (loss) Attrib. to INNOVATE Corp.	\$ (12.4)		\$ (23.5)		

Consolidated Q2 Results

- Revenue increased \$148.4M or 60.9% driven by our Infrastructure segment, due primarily to DBM's acquisition of Banker Steel on May 27, 2021, and increases in Infrastructure market demand along with larger projects entering the market
- Net Loss attributable to INNOVATE Corp. of \$12.4M
- Adjusted EBITDA⁽²⁾ increased by \$5.6M to \$12.1M driven by contribution from Banker Steel at Infrastructure

Infrastructure

- Net Income of \$6.8M⁽¹⁾
- \$20.9M in Adjusted EBITDA⁽²⁾; contracted backlog of \$1.5B (Adjusted ~\$1.7B⁽³⁾), compared to \$1.6B at 12/31/21

Spectrum

- Net Loss of \$5.7M⁽¹⁾
- \$0.4M in Adjusted EBITDA⁽²⁾ due to advertising softness, reduced footprint, along with higher costs at the network business.

Life Sciences

- Revenue of \$1.0M driven by R2's Glacial Rx and Spa devices

Non-operating Corporate

- Recurring SG&A down \$2.3M year-over-year due to accrued settlement with former CEO in the prior year

Second Quarter Consolidated Revenue and Adjusted EBITDA⁽²⁾ grew 60.9% and 86.2%, respectively, year-over-year

(1) Net Income (loss) attributable to INNOVATE Corp.

(2) See Appendix for reconciliation of Non-GAAP to U.S. GAAP.

(3) Adjusted Backlog takes into consideration awarded, but not yet signed contracts.

Segment Highlights - Infrastructure

DBM Global ("DBM")



Overview

- 64.7% revenue increase due to the acquisition of Banker Steel as well as an increase from the fabrication and erection business, partially offset by a decrease at the industrial maintenance and repair and the construction modeling and detailing business and the industrial maintenance and repair business due to the completion of projects in 2021
- Adjusted EBITDA increase can be attributed to the contribution from Banker Steel and increased profit at the fabrication and erection business as a result of larger projects in the current year, partially offset by an increase in G&A expenses, as well as lower profits in the industrial maintenance and repair business and the construction modeling and detailing business
- Reported backlog level of \$1.5B
- Taking into consideration awarded but not yet signed contracts, adjusted backlog was ~\$1.7B

Near-Term Focus

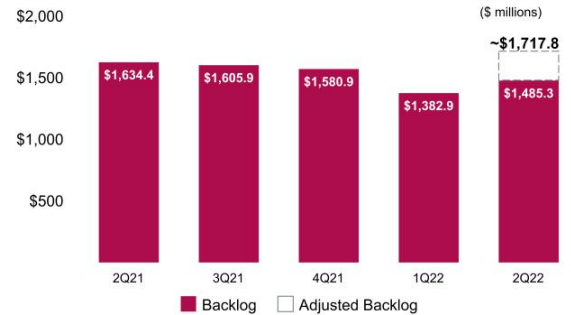
- Address working capital needs from growth, changes in projects and timing
- Strong backlog provides runway for future cash generation of the business
- Convert backlog to revenue while being selective in future projects for higher margin

(1) See Appendix for reconciliation of Non-GAAP to U.S. GAAP.
(2) All data as of June 30, 2022 unless otherwise noted.

Financials

(\$ millions)	2Q22	2Q21
Revenue	\$ 382.1	\$ 232.0
Net Income	\$ 6.8	\$ 1.4
Adjusted EBITDA ⁽¹⁾	\$ 20.9	\$ 13.9

Trending Backlog



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Segment Highlights - Life Sciences

Pansend Life Sciences ("Pansend")



R2 Technologies



- R2 has now shipped 171 GLACIAL[®] devices to customers globally

MediBeacon



- Initiated Transdermal GFR Measurement System (TGFR) FDA Pivotal Study on June 26
 - The study targets a total of 140 subjects over the next 90 days. Over 25% of the subjects have been completed to date.
- Submitted Premarket Approval (PMA) Module 3 (Device Manufacturing) of 5 to FDA in July
- Regulatory process for approval in China now underway

Summary of Investments

Company	Investment to Date	Equity %	Fully Diluted %
R2 Technologies	\$42.4M	56.3%	50.9%
MediBeacon	\$29.4M	47.2%	41.5%
Genovel	\$3.9M	80.0%	75.2%
Triple Ring	\$3.0M	25.8%	22.9%

(1) Investment-to-date totals and equity ownership percentages are as of June 30, 2022.
(2) MediBeacon agents and devices are not approved for human use by any regulatory agency.

Segment Highlights - Spectrum

HC2 Broadcasting ("Broadcasting")



Overview

- Finished all station builds targeted in 2022
- Currently completing the build-out of a new station for license WKOB-LD in New York City. The new site for the station is One World Trade Center and it will be on-air in August, providing a far-ranging robust signal to the New York City market
- Broadcasting will own and operate 249 stations that cover 105 DMAs
- Broadcasting growth slowed due to softness in advertising market and the origination of new dignets
- Network business, Azteca America, challenged by the current advertising markets along with declining viewership and increased costs for content

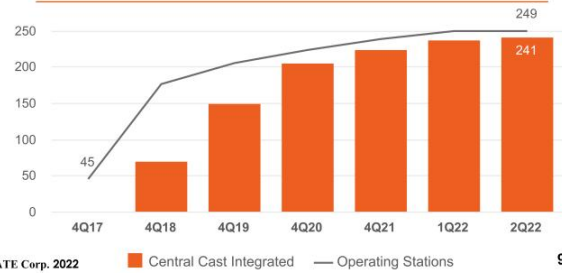
Near-Term Focus

- Continue business development and sign up large content providers; strong pipeline of pending lease agreements or revenue shares across multiple markets
- Seeing new revenue opportunities with shopping networks, news networks and religious networks
- Explore ATSC 3.0 technologies that offer expanded capability and use of Broadcasting's spectrum

Financials

(\$ millions)	2Q22	2Q21
Station Group	\$ 4.7	\$ 4.6
Network ("Azteca")	4.4	6.0
Revenue	\$ 9.1	\$ 10.6
Net (Loss) Income	\$ (5.7)	\$ (1.1)
Adjusted EBITDA ⁽¹⁾	\$ 0.4	\$ 2.7

Station Growth



⁽¹⁾ See Appendix for reconciliation of Non-GAAP to U.S. GAAP.

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■ Central Cast Integrated — Operating Stations

9

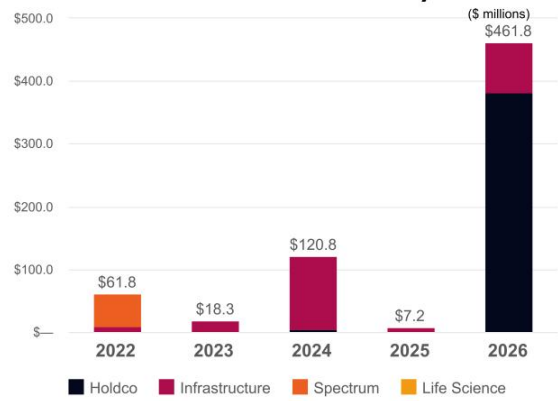
Current Credit Picture



Debt Summary

(\$ millions)	Maturity	Jun-22	Dec-21
8.50% Senior Secured Notes	2026	\$ 330.0	\$ 330.0
7.50% Convertible Senior Notes	2022	—	3.2
7.50% Convertible Senior Notes	2026	51.8	51.8
Line of Credit	2024	5.0	5.0
Infrastructure Debt	Various	230.4	188.6
Spectrum Debt	2022	52.2	52.2
Life Science Debt	2022	0.5	—
Total Principal Outstanding		\$ 669.9	\$ 630.8
Unamortized OID and DFC		(2.8)	(4.5)
Total Debt		\$ 667.1	\$ 626.3
Cash & Cash Equivalents		24.9	45.5
Net Debt		\$ 642.2	\$ 580.8

Debt Amortization and Maturity Profile



(1) Debt Maturity Profile excludes Preferred Stock and capital leases.
 (2) Infrastructure Line of Credit reflects maturity in 2024 and not U.S. GAAP presentation.
 (3) Debt amortization and Maturity Profile chart presents debt annual amortization and maturity payments.



INNOVATE

Appendix

Select GAAP Financials & Non-GAAP Reconciliations

INNOVATE Selected GAAP Financials

Income Statement - Unaudited



(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue	\$ 392.2	\$ 243.8	\$ 805.0	\$ 415.6
Cost of revenue	341.9	207.4	704.9	348.7
Gross profit	50.3	36.4	100.1	66.9
Operating expenses:				
Selling, general and administrative	42.1	39.5	84.7	76.6
Depreciation and amortization	6.9	4.8	13.8	8.7
Other operating loss (income)	1.7	(0.2)	1.3	0.2
(Loss) income from operations	(0.4)	(7.7)	0.3	(18.6)
Other (expense) income:				
Interest expense	(12.5)	(12.4)	(25.1)	(33.8)
Loss on early extinguishment or restructuring of debt	—	(1.6)	—	(12.4)
(Loss) income from equity investees	(0.5)	0.2	(1.0)	(1.9)
Other income, net	1.5	0.4	1.4	3.8
Loss from continuing operations before income taxes	(11.9)	(21.1)	(24.4)	(62.9)
Income tax expense	(2.0)	(2.6)	(3.6)	(3.7)
Loss from continuing operations	(13.9)	(23.7)	(28.0)	(66.6)
(Loss) income from discontinued operations (including gain on disposal of \$40.4 million for the six months ended June 30, 2021)	—	(1.5)	—	50.4
Net loss	(13.9)	(25.2)	(28.0)	(16.2)
Net loss attributable to noncontrolling interest and redeemable noncontrolling interest	1.5	1.7	3.2	5.3
Net loss attributable to INNOVATE Corp.	(12.4)	(23.5)	(24.8)	(10.9)
Less: Preferred dividends and deemed dividends from conversions	1.2	0.2	2.4	0.6
Net loss attributable to common stock and participating preferred stockholders	\$ (13.6)	\$ (23.7)	\$ (27.2)	\$ (11.5)

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



(in millions)

	Three Months ended June 30, 2022					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Elimination	INNOVATE
Net (loss) attributable to INNOVATE Corp.						\$ (12.4)
Less: Discontinued operations						—
Net Income (loss) attributable to INNOVATE Corp., excluding discontinued operations	\$ 6.8	\$ (5.3)	\$ (5.7)	\$ (9.5)	\$ 1.3	\$ (12.4)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	5.3	—	1.5	0.1	—	6.9
Depreciation and amortization (included in cost of revenue)	3.6	—	—	—	—	3.6
Other operating expense	—	—	1.7	—	—	1.7
Interest expense	2.2	—	1.9	8.4	—	12.5
Other (income) expense, net	(1.4)	(0.2)	1.4	(1.2)	—	(1.4)
Gain on sale or dissolution of subsidiary	—	—	—	(0.1)	—	(0.1)
Income tax expense (benefit)	3.5	—	—	(1.5)	—	2.0
Noncontrolling interest	0.7	(2.1)	(0.5)	—	0.4	(1.5)
Share-based compensation expense	—	0.1	—	0.4	—	0.5
Nonrecurring Items	0.1	—	—	—	—	0.1
Acquisition and disposition costs	0.1	—	0.1	—	—	0.2
Adjusted EBITDA	\$ 20.9	\$ (7.5)	\$ 0.4	\$ (3.4)	\$ 1.7	\$ 12.1

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



(in millions)

	Six Months ended June 30, 2022					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	INNOVATE
Net (loss) attributable to INNOVATE Corp.						\$ (24.8)
Less: Discontinued operations						—
Net Income (loss) attributable to INNOVATE Corp., excluding discontinued operations	\$ 12.9	\$ (9.4)	\$ (9.1)	\$ (20.8)	\$ 1.6	\$ (24.8)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	10.6	0.1	3.0	0.1	—	13.8
Depreciation and amortization (included in cost of revenue)	7.3	—	—	—	—	7.3
Other operating (income) expense	(0.6)	—	1.9	—	—	1.3
Gain on sale or dissolution of subsidiary	—	—	—	(0.1)	—	(0.1)
Interest expense	4.4	—	3.9	16.8	—	25.1
Other (income) expense, net	(1.3)	(0.1)	2.9	(2.8)	—	(1.3)
Income tax expense (benefit)	6.4	—	—	(2.8)	—	3.6
Noncontrolling interest	1.3	(4.1)	(1.1)	—	0.7	(3.2)
Share-based compensation expense	—	0.2	—	1.1	—	1.3
Nonrecurring items	0.1	—	—	—	—	0.1
Acquisition and disposition costs	0.3	—	0.2	0.5	(0.5)	0.5
Adjusted EBITDA	\$ 41.4	\$ (13.3)	\$ 1.7	\$ (8.0)	\$ 1.8	\$ 23.6

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



(in millions)

	Three Months ended June 30, 2021					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Elimination	INNOVATE
Net (loss) attributable to INNOVATE Corp.						\$ (23.5)
Less: Discontinued operations						(1.5)
Net Income (loss) attributable to INNOVATE Corp., excluding discontinued operations	\$ 1.4	\$ (4.3)	\$ (1.1)	\$ (19.2)	\$ 1.2	\$ (22.0)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	3.3	0.1	1.4	—	—	4.8
Depreciation and amortization (included in cost of revenue)	2.7	—	—	—	—	2.7
Other operating (income)	—	—	(0.2)	—	—	(0.2)
Interest expense	2.2	—	2.4	7.8	—	12.4
Loss on early extinguishment or restructuring of debt	1.5	—	—	0.1	—	1.6
Other (income) expense, net	(4.1)	—	0.4	3.3	—	(0.4)
Income tax expense	1.2	—	—	1.4	—	2.6
Noncontrolling interest	0.2	(1.9)	(0.5)	—	0.6	(1.6)
Share-based compensation expense	—	—	0.2	0.5	—	0.7
Nonrecurring Items	0.2	—	—	—	—	0.2
COVID-19 Costs	4.0	—	—	—	—	4.0
Acquisition and disposition costs	1.3	—	0.1	0.4	(0.1)	1.7
Adjusted EBITDA	\$ 13.9	\$ (6.1)	\$ 2.7	\$ (5.7)	\$ 1.7	\$ 6.5

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



(in millions)

	Six Months ended June 30, 2021						INNOVATE
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations		
Net (loss) attributable to INNOVATE Corp.						\$	(10.9)
Less: Discontinued operations							50.4
Net Income (loss) attributable to INNOVATE Corp., excluding discontinued operations	\$ 1.4	\$ (8.5)	\$ (5.5)	\$ (50.0)	\$ 1.3	\$	(61.3)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:							
Depreciation and amortization	5.7	0.1	2.9	—	—		8.7
Depreciation and amortization (included in cost of revenue)	5.0	—	—	—	—		5.0
Other operating expense	—	—	0.2	—	—		0.2
Interest expense	4.1	—	4.7	25.0	—		33.8
Loss on early extinguishment or restructuring of debt	1.5	—	0.9	10.0	—		12.4
Other (income) expense, net	(3.9)	—	0.8	(0.7)	—		(3.8)
Income tax expense	1.2	—	—	2.5	—		3.7
Noncontrolling interest	0.2	(4.0)	(1.0)	—	(0.5)		(5.3)
Share-based compensation expense	—	0.1	0.3	0.9	—		1.3
Nonrecurring items	0.4	—	—	0.5	—		0.9
COVID-19 costs	7.9	—	—	—	—		7.9
Acquisition and disposition costs	1.7	—	0.2	2.1	—		4.0
Adjusted EBITDA	\$ 25.2	\$ (12.3)	\$ 3.5	\$ (9.7)	\$ 0.8	\$	7.5

