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): May 7, 2019

HC2 Holdings, Inc.

(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.)

450 Park Avenue, 30th Floor
New York, NY

(Address of principal executive offices)

10022

(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))

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. ☐

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	HCHC	New York Stock Exchange

Item 2.02 Results of Operations and Financial Condition

On May 7, 2019, HC2 Holdings, Inc. (the "Company") issued a press release setting forth its results for the three months ended March 31, 2019 (the "Earnings Release") and posted the HC2 Holdings, Inc. First Quarter 2019 Conference Call investor presentation to its Investor Relations section of the Company's website at http://www.hc2.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.

The information in Item 2.02 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 7.01 Regulation FD Disclosure

As previously announced, the Company will conduct a conference call today, Tuesday, May 7, 2019 at 5:00 p.m. 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.hc2.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 5:00 p.m. ET on Tuesday, May 7, 2019. The information contained in, or that can be accessed through the Company's website is not a part of this filing.

The information set forth in (and incorporated by reference into) this Item 7.01, including Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that Section. The information in this Item 7.01, including Exhibit 99.2, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be 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 HC2 Holdings, Inc., dated May 7, 2019
99.2	Selected Investor Presentation Materials

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.

	HC2 Holdings, Inc.	
May 7, 2019	By:	*/s/ Michael J. Sena*
		Name: Michael J. Sena Title: Chief Financial Officer

FOR IMMEDIATE RELEASE

HC2 Holdings Reports First Quarter 2019 Results

- First Quarter 2019 Consolidated Net Revenue Grew 8.3% Year-Over-Year to $491.4 Million -

- Reaffirms 2019 Guidance for Construction Segment -

New York, May 7, 2019 - HC2 Holdings, Inc. (“HC2” or the “Company”) (NYSE: HCHC), a diversified holding company, announced today its consolidated results for the first quarter ended March 31, 2019.

First Quarter 2019 Highlights

- Consolidated net revenue grew 8.3% year-over-year to $491.4 million.
- Net loss attributable to common and participating preferred stockholders improved by $34.1 million to $(1.6) million, or $(0.04) per fully diluted share, compared to $(35.7) million, or $(0.81) per fully diluted share, in the prior-year period.
- Adjusted EBITDA for Core Operating Subsidiaries* grew 52.1% to $14.3 million, compared to $9.4 million in the prior-year period.
- Total Adjusted EBITDA, excluding Insurance, of $2.8 million, compared to Adjusted EBITDA loss of $(6.9) million in the prior-year period.
- Pre-tax Adjusted Operating Income (“Pre-tax Insurance AOI”) for Insurance segment of $28.7 million, compared to $2.2 million in the prior-year period.

** “Core Operating Subsidiaries” consists of HC2’s Construction, Marine Services, Energy and Telecommunications segments.*

“We started off 2019 strong, making significant progress across our portfolio, particularly in our Construction and Insurance segments,” said Philip Falcone, HC2’s Chairman, Chief Executive Officer and President. “Construction generated nearly $200 million in revenue in the quarter, while maintaining a healthy backlog, and continued the integration of GrayWolf Industrial. Meanwhile, our Insurance subsidiary had an excellent quarter driven by the recent addition of the KIC block and buoyed by strong investment performance.”

“Looking at the balance of the year, our strategy in the near-term remains unchanged in terms of reducing debt at the holding company level as we focus on generating consistent and strong cash flows at our Construction and Insurance segments,” continued Mr. Falcone. “Longer term, we are excited about the platform and growth opportunity at Broadcasting and the inherent value at Life Sciences. Our portfolio of businesses performed well in the first quarter, and we look to transform the Company to deliver long-term value for our stockholders.”

First Quarter Financial Highlights

- **Net Revenue:** For the first quarter of 2019, HC2 grew consolidated net revenue by 8.3% to $491.4 million, as compared to $453.7 million for the year-ago quarter. The increase was primarily driven by higher revenue from the Insurance, Construction and Marine Services segments, partially offset by a decline in Telecommunications.

NET REVENUE by OPERATING SEGMENT

(in millions)	Three Months Ended March 31, 2019	2018	Increase / (Decrease)
Construction	$ 192.1	$ 158.9	$ 33.2
Marine Services	42.4	36.7	5.7
Energy	5.1	4.5	0.6
Telecommunications	155.5	202.3	(46.8)
Total Core Operating Subsidiaries	$ 395.1	$ 402.4	$ (7.3)
Insurance	88.8	40.2	48.6
Broadcasting	9.8	10.7	(0.9)
Other	—	2.4	(2.4)
Eliminations [1]	(2.3)	(2.0)	(0.3)
Consolidated HC2	$ 491.4	$ 453.7	$ 37.7

[1] The Insurance segment revenues are inclusive of realized and unrealized gains and net investment income for the three months ended March 31, 2019 and 2018. Such adjustments are related to transactions between entities under common control which are eliminated or are reclassified in consolidation.

Net Income / (Loss): For the first quarter of 2019, HC2 reported Net Loss attributable to common stock and participating preferred stockholders of $(1.6) million, or $(0.04) per fully diluted share, compared to $(35.7) million, or $(0.81) per fully diluted share, for the first quarter 2018.

NET INCOME (LOSS) by OPERATING SEGMENT

(in millions)	Three Months Ended March 31, 2019	2018	Increase / (Decrease)
Construction	$ 2.1	$ 3.5	$ (1.4)
Marine Services	(6.4)	(6.3)	(0.1)
Energy	(0.6)	(0.7)	0.1
Telecommunications	0.6	1.1	(0.5)
Total Core Operating Subsidiaries	$ (4.3)	$ (2.4)	$ (1.9)
Life Sciences	(2.6)	(3.9)	1.3
Insurance	33.8	1.2	32.6
Broadcasting	(4.4)	(12.7)	8.3
Other & Elimination	0.6	(0.1)	0.7
Non-operating Corporate	(23.6)	(15.1)	(8.5)
Consolidating eliminations attributable to HC2 Holdings Insurance segment	(2.3)	(2.0)	(0.3)
Net loss attributable to HC2 Holdings, Inc.	$ (2.8)	$ (35.0)	$ 32.2
Less: Preferred dividends, deemed dividends, and repurchase gains	(1.2)	0.7	(1.9)
Net loss attributable to common stock and participating preferred stockholders	$ (1.6)	$ (35.7)	$ 34.1

- **Adjusted EBITDA:** Adjusted EBITDA for "Core Operating Subsidiaries" grew 52.1% to a combined $14.3 million for the first quarter of 2019, compared to $9.4 million for the year-ago quarter, as improvements at the Construction, Marine Services and Energy segments more than offset reduced contributions from Telecommunications.

  For the first quarter of 2019, Total HC2 Adjusted EBITDA, which excludes the Insurance segment, was $2.8 million, compared to an Adjusted EBITDA loss of $(6.9) million for the year-ago quarter, due primarily to net growth from the Company's Core Operating Subsidiaries, reduced losses at the Broadcasting and Life Sciences segments, and lower recurring expenses at the Non-operating Corporate segment.

ADJUSTED EBITDA by OPERATING SEGMENT

(in millions)	Three Months Ended March 31,		
	2019	2018	Increase / (Decrease)
Construction	$ 12.4	$ 10.0	$ 2.4
Marine Services	0.1	(2.4)	2.5
Energy	1.0	0.7	0.3
Telecommunications	0.8	1.1	(0.3)
Total Core Operating Subsidiaries	$ 14.3	$ 9.4	$ 4.9
Life Sciences	(2.9)	(4.3)	1.4
Broadcasting	(2.5)	(5.1)	2.6
Other and Eliminations	—	(0.2)	0.2
Non-operating Corporate	(6.1)	(6.7)	0.6
Total HC2 Adjusted EBITDA	$ 2.8	$ (6.9)	$ 9.7

- **Balance Sheet:** As of March 31, 2019, HC2 had consolidated cash, cash equivalents and investments of $4.3 billion, which includes cash and investments associated with HC2's Insurance segment. Excluding the Insurance segment, consolidated cash was $46.6 million, of which $1.3 million was at the HC2 corporate level. On April 3, 2019, HC2 entered into a $15 million secured revolving credit agreement with MSD PCOF Partners IX, LLC, as the lender.

First Quarter 2019 Segment Highlights

- **Construction**
  – For the first quarter of 2019, DBM Global Inc. ("DBM") reported Net Income of $2.1 million, compared to $3.5 million for the year-ago quarter. Adjusted EBITDA grew 24% year-over-year to $12.4 million, driven by positive project execution in the Western U.S. and a full quarter of contributions from GrayWolf Industrial.

  – Total backlog for Construction was approximately $558.6 million as of March 31, 2019, compared to $718.3 million for the year-ago quarter. Taking into consideration awarded, but not yet signed contracts, backlog would have been approximately $678 million at the end of the first quarter 2019, compared to $759 million as of the first quarter 2018.

- **Insurance**
  - As of March 31, 2019, Insurance had $4.3 billion of cash and invested assets, $5.4 billion in total GAAP assets, and an estimated $310 million of total adjusted insurance capital base.

  - For the first quarter of 2019, Continental Insurance Group (“Continental”) reported Net Income of $33.8 million, compared to $1.2 million for the year-ago quarter. Pre-tax Insurance AOI was $28.7 million for the first quarter of 2019, compared to $2.2 million for the year-ago quarter, driven by net investment income and policy premiums from the KIC block acquisition. Additionally contributing to the increase was higher net investment income on the legacy CGI block, driven by both the growth and mix of the investment portfolio, and decreases in benefits and expenses related to higher claims terminations.

- **Marine Services**
  - Total backlog for Marine Services was approximately $455.1 million as of March 31, 2019, inclusive of $119.8 million of installation projects, compared to $430.1 million for the year-ago quarter, inclusive of $70.3 million of installation projects. Installation project backlog increased by $49.5 million compared to the year-ago quarter.

  - Global Marine will receive approximately $4.9 million in additional special dividends in the second quarter 2019. Prospectively, Huawei Marine has agreed to annually distribute a minimum of 30% of cumulative distributable net profits as dividends.

- **Broadcasting**
  - As of May 1, 2019, including completed and pending transactions, HC2’s Broadcasting segment has 186 operational stations, including 15 full-power stations, 61 Class A stations and 110 LPTV stations. In addition, Broadcasting has over 350 silent licenses and construction permits. The total Broadcasting footprint currently covers approximately 60 percent of the U.S. population, in over 130 U.S. markets, including 9 of the top 10 markets across the United States.

Global Marine Strategic Alternatives Update

HC2 continues to explore strategic alternatives for its Global Marine subsidiary, including a potential sale. As previously mentioned, HC2 intends to use the net proceeds from a potential sale to reduce its overall debt. There can be no assurance that the exploration of any strategic alternative, including a potential sale, will result in a consummated transaction or other alternative.

Reaffirms 2019 Guidance for Construction Segment

While the complex nature of certain large-scale DBM Global projects could cause quarterly variability in their financial results, the Company reaffirms its expectations for the full year 2019 for its largest Adjusted EBITDA segment contributor, Construction:

- **Construction:** $75 million and $80 million of Adjusted EBITDA

The Company has provided 2019 guidance with regard to the non-GAAP measures of Adjusted EBITDA. These measures exclude from the corresponding GAAP financial measures the effect of special items as described below under “Non-GAAP Financial Measures.” The Company has not provided a reconciliation of such non-GAAP guidance to the most directly comparable GAAP measure because it cannot predict and quantify with a reasonable degree of confidence all of the special items that may occur during 2019.

HC2 does not guarantee future results of any kind. The Company's guidance is based on numerous assumptions about future events and conditions and, therefore, could vary materially from actual results, and is subject to risks and uncertainties, including, without limitation, those factors outlined in the "Forward Looking Statements" of this release and the "Risk Factors" section of the Company's annual and quarterly reports filed with the Securities and Exchange Commission ("SEC").

Conference Call

HC2 Holdings, Inc. will host a live conference call to discuss its first quarter 2019 financial results and operations today at 5:00 p.m. ET. The Company will post an earnings supplemental presentation in the Investor Relations section of the HC2 Website at ir.hc2.com, to accompany the conference call.

Dial-in instructions for the conference call and the replay are as follows:

Live Call

Domestic Dial-In (Toll Free): 1-866-395-3893

International Dial-In: 1-678-509-7540

Participant Entry Number: 2062747

Alternatively, a live webcast of the conference call can be accessed by interested parties through the Investor Relations section of the HC2 Website at ir.hc2.com.

Conference Replay*

Domestic Dial-In (Toll Free): 1-855-859-2056

International Dial-In: 1-404-537-3406

Conference Number: 2062747

*Available approximately two hours after the end of the conference call through June 6, 2019.

About HC2

HC2 Holdings, Inc. is a publicly traded (NYSE:HCHC) diversified holding company, which seeks opportunities to acquire and grow businesses that can generate long-term sustainable free cash flow and attractive returns in order to maximize value for all stakeholders. HC2 has a diverse array of operating subsidiaries across eight reportable segments, including Construction, Marine Services, Energy, Telecommunications, Life Sciences, Broadcasting, Insurance and Other. HC2's largest operating subsidiaries include DBM Global Inc., a family of companies providing fully integrated structural and steel construction services, and Global Marine Systems Limited, a leading provider of engineering and underwater services on submarine cables. Founded in 1994, HC2 is headquartered in New York, New York. Learn more about HC2 and its portfolio companies at www.hc2.com.

Contact
Investor Relations
Garrett Edson
ICR
Phone: (212) 235-2691
E-mail: ir@hc2.com

Non-GAAP Financial Measures

In this press release, 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 the Insurance segment), Adjusted EBITDA for its operating segments, Adjusted Operating Income for the Insurance segment and Pre-Tax Adjusted Operating Income for the Insurance segment.

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 Insurance segment.

The calculation of Adjusted EBITDA, as defined by us, consists of Net income (loss) as adjusted for depreciation and amortization; amortization of equity method fair value adjustments at acquisition; 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; net gain (loss) on contingent consideration; loss on early extinguishment or restructuring of debt; gain (loss) on sale of subsidiaries; 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 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.

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 GAAP financial measures or a measure of our operating performance.

Adjusted Operating Income - Insurance

Adjusted Operating Income (“Insurance AOI”) and Pre-tax Adjusted Operating Income (“Pre-tax Insurance AOI”) for the Insurance segment are non-U.S. GAAP financial measures frequently used throughout the insurance industry and are economic measures the Insurance segment uses to evaluate its financial performance. Management believes that Insurance AOI and Pretax Insurance AOI measures provide investors with meaningful information for gaining an understanding of certain results and provide insight into an organization’s operating trends and facilitates comparisons between peer companies. However, Insurance AOI and Pre-tax Insurance AOI have certain limitations, and we may not calculate it the same as other companies in our industry. It should, therefore, be read together with the Company's results calculated in accordance with U.S. GAAP.

Similarly to Adjusted EBITDA, using Insurance AOI and Pre-tax Insurance AOI as performance measures have inherent limitations as an analytical tool as compared to income (loss) from operations or other U.S. GAAP financial measures, as these non-U.S. GAAP measures excludes certain items, including items that are recurring in nature, which may be meaningful to investors. As a result of the exclusions, Insurance AOI and Pre-tax Insurance AOI should not be considered in isolation and do not purport to be an alternative to income (loss) from operations or other U.S. GAAP financial measures as a measure of our operating performance.

Management defines Insurance AOI as Net income (loss) for the Insurance segment adjusted to exclude the impact of net investment gains (losses), including OTTI losses recognized in operations; asset impairment; intercompany elimination; bargain purchase gains; reinsurance gains; and acquisition costs. Management defines Pre-tax Insurance AOI as Insurance AOI adjusted to exclude the impact of income tax (benefit) expense recognized during the current period. Management believes that Insurance AOI and Pre-tax Insurance AOI provide meaningful financial metrics that help 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.

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. The forward-looking statements in this press release include, without limitation, our 2019 guidance for the Construction and Marine Services segments and statements regarding our expectations regarding building shareholder value and future cash flow and invested assets. 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 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, 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, including the ability of HC2 and HC2's subsidiaries to raise capital; 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 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; and risks that may affect the performance of the operating subsidiaries and portfolio companies of HC2. Although HC2 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 press release.

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 unless legally required, HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

HC2 HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Revenue	$ 404.9	$ 415.5
Life, accident and health earned premiums, net	29.9	20.0
Net investment income	51.1	17.7
Net realized and unrealized gains on investments	5.5	0.5
Net revenue	491.4	453.7
Operating expenses		
Cost of revenue	357.7	375.6
Policy benefits, changes in reserves, and commissions	52.7	32.3
Selling, general and administrative	52.9	52.1
Depreciation and amortization	6.9	9.7
Other operating income, net	(0.4)	(2.2)
Total operating expenses	469.8	467.5
Income (loss) from operations	21.6	(13.8)
Interest expense	(22.3)	(19.3)
Loss from equity investees	(4.9)	(5.2)
Other income, net	3.3	1.1
Loss from continuing operations before income taxes	(2.3)	(37.2)
Income tax expense	(4.0)	(1.7)
Net loss	(6.3)	(38.9)
Less: Net loss attributable to noncontrolling interest and redeemable noncontrolling interest	3.5	3.9
Net loss attributable to HC2 Holdings, Inc.	(2.8)	(35.0)
Less: Preferred dividends, deemed dividends, and repurchase gains	(1.2)	0.7
Net loss attributable to common stock and participating preferred stockholders	$ (1.6)	$ (35.7)
Loss per common share		
Basic and diluted	$ (0.04)	$ (0.81)
Weighted average common shares outstanding:		
Basic and diluted	44.8	44.3

HC2 HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(in millions, except share amounts)
(Unaudited)

	March 31, 2019	December 31, 2018
Assets		
Investments:		
Fixed maturity securities, available-for-sale at fair value	$ 3,625.9	$ 3,391.6
Equity securities	172.7	200.5
Mortgage loans	137.2	137.6
Policy loans	19.7	19.8
Other invested assets	67.9	72.5
Total investments	4,023.4	3,822.0
Cash and cash equivalents	302.2	325.0
Accounts receivable, net	328.4	379.2
Recoverable from reinsurers	975.8	1,000.2
Deferred tax asset	1.8	2.1
Property, plant and equipment, net	376.6	376.3
Goodwill	171.7	171.7
Intangibles, net	221.7	219.2
Other assets	280.8	208.1
Total assets	$ 6,682.4	$ 6,503.8
Liabilities, temporary equity and stockholders' equity		
Life, accident and health reserves	$ 4,549.0	$ 4,562.1
Annuity reserves	241.5	245.2
Value of business acquired	238.0	244.6
Accounts payable and other current liabilities	320.3	344.9
Deferred tax liability	34.6	30.3
Debt obligations	762.0	743.9
Other liabilities	187.2	110.8
Total liabilities	6,332.6	6,281.8
Commitments and contingencies		
Temporary equity		
Preferred stock	10.3	20.3
Redeemable noncontrolling interest	7.3	8.0
Total temporary equity	17.6	28.3
Stockholders' equity		
Common stock, $.001 par value	—	—
Shares authorized: 80,000,000 at March 31, 2019 and December 31, 2018;		
Shares issued: 46,266,918 and 45,391,397 at March 31, 2019 and December 31, 2018;		
Shares outstanding: 45,563,003 and 44,907,818 at March 31, 2019 and December 31, 2018, respectively		
Additional paid-in capital	264.4	260.5
Treasury stock, at cost: 703,915 and 483,579 shares at March 31, 2019 and December 31, 2018, respectively	(3.2)	(2.6)
Accumulated deficit	(64.3)	(57.2)
Accumulated other comprehensive income (loss)	36.2	(112.6)
Total HC2 Holdings, Inc. stockholders' equity	233.1	88.1
Noncontrolling interest	99.1	105.6
Total stockholders' equity	332.2	193.7
Total liabilities, temporary equity and stockholders' equity	$ 6,682.4	$ 6,503.8

HC2 HOLDINGS, INC.
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA
(Unaudited)

(in millions)

	Three Months Ended March 31, 2019								
	Core Operating Subsidiaries				Early Stage & Other				
	Construction	Marine Services	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination	Non-operating Corporate	Total HC2
Net (loss) attributable to HC2 Holdings, Inc.									$ (2.8)
Less: Net Income attributable to HC2 Holdings Insurance segment									33.8
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									(2.3)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 2.1	$ (6.4)	$ (0.6)	$ 0.6	$ (2.6)	$ (4.4)	$ 0.6	$ (23.6)	$ (34.3)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	3.9	6.6	1.4	0.1	—	1.4	—	—	13.4
Depreciation and amortization (included in cost of revenue)	2.1	—	—	—	—	—	—	—	2.1
Amortization of equity method fair value adjustment at acquisition	—	(0.4)	—	—	—	—	—	—	(0.4)
Other operating (income) expenses	(0.1)	0.6	—	—	—	(0.9)	—	—	(0.4)
Interest expense	2.5	1.1	0.4	—	—	1.6	—	16.7	22.3
Other (income) expense, net	—	—	0.1	—	—	0.1	(0.6)	(2.7)	(3.1)
Foreign currency loss (included in cost of revenue)	—	0.1	—	—	—	—	—	—	0.1
Income tax (benefit) expense	1.0	—	—	—	—	—	—	2.3	3.3
Noncontrolling interest	0.1	(2.4)	(0.3)	—	(0.3)	(0.6)	—	—	(3.5)
Share-based payment expense	—	0.4	—	—	—	0.2	—	1.1	1.7
Non-recurring items	—	—	—	—	—	—	—	—	—
Acquisition and disposition costs	0.8	0.5	—	0.1	—	0.1	—	0.1	1.6
Adjusted EBITDA	$ 12.4	$ 0.1	$ 1.0	$ 0.8	$ (2.9)	$ (2.5)	$ —	$ (6.1)	$ 2.8
Total Core Operating Subsidiaries	$ 14.3								

(in millions)

	Three Months Ended March 31, 2018								
	Core Operating Subsidiaries				Early Stage & Other				
	Construction	Marine Services	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination	Non-operating Corporate	Total HC2
Net (loss) attributable to HC2 Holdings, Inc.									$ (35.0)
Less: Net Income attributable to HC2 Holdings Insurance segment									1.2
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									(2.0)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance segment	$ 3.5	$ (6.3)	$ (0.7)	$ 1.1	$ (3.9)	$ (12.7)	$ (0.1)	$ (15.1)	$ (34.2)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	1.5	6.9	1.3	0.1	0.1	0.7	—	—	10.6
Depreciation and amortization (included in cost of revenue)	1.6	—	—	—	—	—	—	—	1.6
Amortization of equity method fair value adjustment at acquisition	—	(0.4)	—	—	—	—	—	—	(0.4)
Other operating (income) expenses	0.4	(2.6)	—	—	—	—	—	—	(2.2)
Interest expense	0.4	1.2	0.3	—	—	5.7	—	11.7	19.3
Other (income) expense, net	0.1	0.9	0.1	(0.1)	—	(0.1)	—	(0.7)	0.2
Foreign currency (gain) (included in cost of revenue)	—	(0.1)	—	—	—	—	—	—	(0.1)
Income tax (benefit) expense	1.8	—	—	—	—	—	—	(3.3)	(1.5)
Noncontrolling interest	0.3	(2.4)	(0.3)	—	(0.8)	(0.6)	(0.1)	—	(3.9)
Bonus to be settled in equity	—	—	—	—	—	—	—	0.2	0.2
Share-based payment expense	—	0.4	—	—	0.1	0.3	—	0.3	1.1
Non-recurring items	—	—	—	—	—	—	—	—	—
Acquisition and disposition costs	0.4	—	—	—	0.2	1.6	—	0.2	2.4
Adjusted EBITDA	$ 10.0	$ (2.4)	$ 0.7	$ 1.1	$ (4.3)	$ (5.1)	$ (0.2)	$ (6.7)	$ (6.9)
Total Core Operating Subsidiaries	$ 9.4								

HC2 HOLDINGS, INC.
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED OPERATING INCOME ("INSURANCE AOI")
AND PRE-TAX OPERATING INCOME ("PRE-TAX INSURANCE AOI")
(Unaudited)

The table below shows the adjustments made to the reported Net income (loss) of the Insurance segment to calculate Insurance AOI and Pre-tax Insurance AOI.

(in millions)	Three Months Ended March 31,		
	2019	2018	Increase / (Decrease)
Net income	$ 33.8	$ 1.2	$ 32.6
Effect of investment (gains) [(1)]	(6.0)	(2.5)	(3.5)
Acquisition costs	0.2	0.3	(0.1)
Insurance AOI	28.0	(1.0)	29.0
Income tax expense (benefit)	0.7	3.2	(2.5)
Pre-tax Insurance AOI	$ 28.7	$ 2.2	$ 26.5

[(1)] The Insurance segment revenues are inclusive of realized and unrealized gains and net investment income for the three months ended March 31, 2019 and 2018. Such adjustments are related to transactions between entities under common control which are eliminated or are reclassified in consolidation.


HC2
Envision. Empower. Execute.
HC2 HOLDINGS, INC.
First Quarter 2019
Conference Call
© HC2 Holdings, Inc. 2019

Safe Harbor Disclaimers

Special Note Regarding Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This presentation contains, and certain oral statemen made by our representatives from time to time may contain, forward-looking statements. Generally, forward-looking statements includ information describing actions, events, results, strategies and expectations and are generally identifiable by use of the words "believes "expects," "guidance," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" similar expressions. The forward-looking statements in this presentation include, without limitation, our 2019 guidance for the Constructio segment and statements regarding our expectations regarding building shareholder value and future cash flow and invested assets. Suc statements are based on the beliefs and assumptions of HC2's management and the management of HC2's subsidiaries and portfoli companies. HC2 believes these judgments are reasonable, but you should understand that these statements are not guarantees performance or results, and the Company's actual results could differ materially from those expressed or implied in the forward-lookin statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequer statements and reports filed with the Securities and Exchange Commission ("SEC"), including in our reports on Forms 10-K, 10-Q, and 8- Such important factors include, without limitation, issues related to the restatement of our financial statements; the fact that we hav historically identified material weaknesses in our internal control over financial reporting, and any inability to remediate future materi weaknesses; capital market conditions, including the ability of HC2 and HC2's subsidiaries to raise capital; the ability of HC2's subsidiaries an portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price HC2 common stock; the ability of HC2 and its subsidiaries and portfolio companies to identify any suitable future acquisition or dispositio opportunities; our ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and othe anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesse difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other continger liabilities; changes in regulations and tax laws; and risks that may affect the performance of the operating subsidiaries and portfoli companies of HC2. Although HC2 believes its expectations and assumptions regarding its future operating performance are reasonabl there can be no assurance that the expectations reflected herein will be achieved. These risks and other important factors discussed und 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 coul 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 o its behalf are expressly qualified in their entirety by the foregoing cautionary statements. HC2 has no obligation to update any of th guidance provided to conform to actual results or changes in HC2's expectations. All statements speak only as of the date made, an unless legally required, HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of ne information, future events or otherwise.

Safe Harbor Disclaimers

Non-GAAP Financial Measures
In this release, HC2 refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"), ir Adjusted EBITDA (excluding the Insurance segment) and Adjusted Operating Income ("Insurance AOI") and Pre-tax Adjusted Operating Income ("Pre-tax In AOI") for our Insurance segment.

Adjusted EBITDA
Management believes that Adjusted EBITDA measures provide investors with meaningful information for gaining an understanding of the Company's result frequently used by the financial community to provide insight into an organization's operating trends and facilitates comparisons between peer companies, b interest, taxes, depreciation, amortization and the other items for which adjustments are made as noted in the definition of Adjusted EBITDA below can differ between organizations as a result of differing capital structures and tax strategies. In addition, management uses Adjusted EBITDA measures in evaluating ce the Company's segments' performance because they eliminate the effects of considerable amounts of non-cash depreciation and amortization and items no the control of the Company's operations managers. While management believes that these non-GAAP measurements are useful as supplemental informatio adjusted results are not intended to replace our GAAP financial results and should be read together with HC2's results reported under GAAP.

Management defines Adjusted EBITDA as net income (loss) as adjusted for depreciation and amortization; amortization of equity method fair value adjustn acquisition; Other operating (income) expense, which is inclusive of (gain) loss on sale or disposal of assets, lease termination costs, asset impairment exper FCC reimbursements; interest expense; net gain (loss) on contingent consideration; loss on early extinguishment or restructuring of debt; gain (loss) on subsidiaries; other (income) expense, net; foreign currency transaction (gain) loss included in cost of revenue; income tax (benefit) expense; (gain) lo discontinued operations; noncontrolling interest; bonus to be settled in equity; share-based compensation expense; non-recurring items; and acquisiti disposition costs. A reconciliation of Adjusted EBITDA to Net Income (Loss) is included in the financial tables at the end of this release. Management recogni using Adjusted EBITDA as a performance measure has inherent limitations as an analytical tool as compared to net income (loss) or other GAAP financial meas 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 exc Adjusted EBITDA should not be considered in isolation and do not purport to be alternatives to net income (loss) or other GAAP financial measures or a measur operating performance.

Adjusted Operating Income
Adjusted Operating Income ("Insurance AOI") and Pre-tax Adjusted Operating Income ("Pre-tax Insurance AOI") for the Insurance segment are non-U.S financial measures frequently used throughout the insurance industry and are economic measures the Insurance segment uses to evaluate its financial perfor Management believes that Insurance AOI and Pre-tax Insurance AOI measures provide investors with meaningful information for gaining an understanding of results and provide insight into an organization's operating trends and facilitates comparisons between peer companies. However, Insurance AOI and Insurance AOI have certain limitations, and we may not calculate it the same as other companies in our industry. It should, therefore, be read together v Company's results calculated in accordance with U.S. GAAP. Management recognizes that using Insurance AOI and Pre-tax Insurance AOI as performance m have inherent limitations as an analytical tool as compared to income (loss) from operations or other U.S. GAAP financial measures, as these non-U.S. GAAP m excludes certain items, including items that are recurring in nature, which may be meaningful to investors. As a result of the exclusions, Insurance AOI and Insurance AOI should not be considered in isolation and do not purport to be an alternative to income (loss) from operations or other U.S. GAAP financial mea a measure of our operating performance.

Management defines Insurance AOI as Net income (loss) for the Insurance segment adjusted to exclude the impact of net investment gains (losses), includin than-temporary impairment ("OTTI") losses recognized in operations; asset impairment; intercompany elimination; bargain purchase gains; reinsurance gai acquisition costs. Management defines Pre-tax Insurance AOI as Insurance AOI adjusted to exclude the impact of income tax (benefit) expense recognized du current period. Management believes that Insurance AOI and Pre-tax Insurance AOI provide meaningful financial metrics that help investors understand certai and profitability. While these adjustments are an integral part of the overall performance of the Insurance segment, market conditions impacting these ite overshadow the underlying performance of the business. Accordingly, we believe using a measure which excludes their impact is effective in analyzing the t our operations.

First Quarter 2019 Key Highlights

HC2	◆ 8% Y/Y revenue growth to $491.4 million ◆ Core Operating Subsidiaries Adjusted EBITDA Y/Y growth of 52%
DBM Global	◆ 24% Adjusted EBITDA growth year-over-year to $12.4 million ◆ Reaffirm 2019 Adjusted EBITDA guidance of $75-80 million
Continental LTC Inc.	◆ Pre-tax Adjusted Operating Income of $28.7 million ◆ $4.3 billion cash & invested assets, $5.4 billion total GAAP assets
HC2 Broadcasting	◆ Continuing to expand operations through strategic acquisitions ◆ 186 operational stations* as of early May 2019
Global Marine	◆ Continue to seek strategic alternatives, including possible sale ◆ Proceeds from any sale to de-lever HC2

* Metrics include pending transactions as of May 1, 2019

Hybrid, Diversified Long-Term Strategy

Strong Cash Flow Generation	Driving Growth and Unlocking Value
DBM GLOBAL	PANSEND
CONTINENTAL LTC INC.	HC2 Broadcasting
	ANG AMERICAN NATURAL GAS
	Global Marine

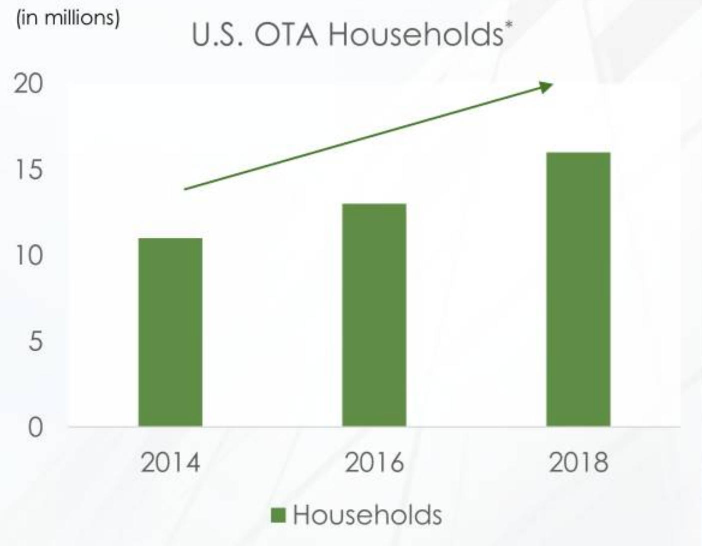
Our Broadcast Strategy

Take advantage of the prime opportunity to capitalize on the dynamically changing media landscape

Create an alternative distribution platform to bring valuable content to over-the-air (OTA) viewers

HC2 Broadcasting
Growing Demand, Limited Licenses Available

More U.S. OTA Households



Limited TV Spectrum Availabl

- After the most recent auction of Broadcast spectrum, available broadc channels in a single DMA were reduce from 49 to 35 licenses.
- Each license = 6 mHz of spectrum
- In the digital world, that equates to 5-6 channels per license, which provides ability **to create 5-6 potential revenue streams per license.**
- Our platform could potentially have 2,0 channels available for content once w are fully built out.

More OTA Households, Limited Licenses = More Valuable Stations

* Nielsen Television Market Universe Estimates

HC2 Broadcasting
Multiple Paths to Growth

Three-Prong Strategy for Revenue & Adjusted EBITDA Expansion

1. Lease capacity to third-party content providers, collect an ongoing fee
   - Believe platform can attract major content providers once it covers 75% of US population
   - OTA lease rates are on an upward trend from past levels
2. Azteca America – a leading Spanish-language network
   - Generate ongoing advertising revenue
3. Potential revenue-sharing agreements with major content providers

Cost structure of the built-out platform will be mostly fixed

NOT a content producer – strictly distribution

HC2 Broadcasting
Platform Overview & Near-Term Priorities

Significant Opportunities

- 2019 priorities:
  - Complete financing at Broadcasting segment level
  - Add broadcast assets where necessary
  - Upgrade technology / infrastructure
  - Continue to build out distribution platform
- Once the platform is built, will be positioned for margin expansion and rapidly growing free cash flow

Our OTA Platform*

- Operational Stations: 186
  - Full-Power Stations: 15
  - Class A Stations: 61
  - LPTV Stations: 110
- Silent Licenses & Construction Permits: >350
- U.S. Markets: >130, including 9 of the top 10 DMAs
- Covering approximately 60% of U.S. Population

* Metrics include pending transactions as of May 1, 2019

2019 Corporate Liquidity & Key Priorities

HC2 Corporate Overview

- Collateral Coverage Ratio[1] exceeded 2.00x
- $46.6 million in Consolidated Cash (excluding Insurance segment)

Liquidity Levers

- Ability to upstream dividends from Construction and Telecom segments
- Collect investment management fees from Insurance segment
- Recently entered into $15 million revolving credit facility
- $9 million escrow payment from BeneVir transaction in September 2019

Key Priorities

- Ongoing strategic alternative process of Global Marine
- Reduce HC2 Corporate debt
- Continue to focus on the expansion of OTA broadcast television strategy
- Generate increased cash flows at Core Operating Subsidiaries

2019 Guidance for Construction

- **DBM Global**: Reaffirm expectations of $75 million to $80 million of Adjusted EBITDA

HC2 does not guarantee future results of any kind. Guidance is subject to risks and uncertainties, including, without limitation, those factors outlined in the "Forward Looking Statements" of this presentation and the "Risk Factors" section of the company's annual and quarterly reports filed with the Securities and Exchange Commission (SEC).

(1) As defined in HC2's 11.5% Senior Secured Notes indenture

All data as of March 31, 2019 unless otherwise noted

Segment Financial Summary

($m)		Q1 2019	Q1 2018
Adjusted EBITDA	**Core Operating Subsidiaries**		
	Construction	$12.4	$10.0
	Marine Services	0.1	(2.4)
	Energy	1.0	0.7
	Telecom	0.8	1.1
	Total Core Operating	**$14.3**	**$9.4**
	Early Stage and Other Holdings		
	Life Sciences	($2.9)	($4.3)
	Broadcasting	(2.5)	(5.1)
	Other	-	(0.2)
	Total Early Stage and Other	**($5.4)**	**($9.6)**
	Non-Operating Corporate	($6.1)	($6.7)
	Total HC2 (excluding Insurance)	**$2.8**	**($6.9)**
Pre-tax Insurance AOI*	**Core Financial Services**		
	Insurance	$28.7	$2.2

*1Q19 includes results from the long-term care insurance business recently acquired from Humana, Inc. (NYSE: HUM)


HC2
Envision. Empower. Execute.
Appendix:

HC2's Diversified Portfolio

HC2

Core Operating Subsidiaries

Construction: DBM Global (SCHUFF)

- 1Q19 Revenue: $192.1m
- 1Q19 Adj. EBITDA: $12.4m
- 2018 Revenue: $716.4m
- 2018 Adj. EBITDA: $60.9m
- Backlog $559m; ~$678m with contracts awarded, but not yet signed.
- Solid long-term pipeline
- Recent acquisition of Graywolf Industrial

DBM GLOBAL

Marine Services: GMSL

- 1Q19 Revenue: $42.4m
- 1Q19 Adj. EBITDA: $0.1m
- 2018 Revenue: $194.3m
- 2018 Adj. EBITDA: $32.7m
- GMSL Backlog $455m
- Solid long term telecom and offshore power maintenance & install opportunities
- Evaluating strategic alternatives including a potential sale

Global Marine

Energy: ANG

- 1Q19 Revenue: $5.1m
- 1Q19 Adj. EBITDA: $1.0m
- 2018 Revenue: $20.7m
- 2018 Adj. EBITDA: $5.5m
- Delivered ~11.8m Gasoline Gallon Equivalents (GGEs) in 2018 vs. ~11.1m GGEs in 2017
- ~42 stations currently owned or operated or under development vs. two stations at time of HC2's initial investment in 3Q14

ANG AMERICAN NATURAL GAS

Telecommunications: PTGi ICS

- 1Q19 Revenue: $155.5m
- 1Q19 Adj. EBITDA: $0.8m
- 2018 Revenue: $793.6m
- 2018 Adj. EBITDA: $5.3m
- Continued focus on higher margin wholesale traffic mix and improved operating efficiencies

PTGi International Carrier Services

Core Financi Services Subsid

Insurance: CIG

- ~$274m of statutory s
- ~$310m total adjuste
- $5.4b total GAAP ass
- $4.3b cash & investe
- Platform for growth th additional M&A inclu recent acquisition of long-term care portfo

CONTIN LTC INC.

Early Stage and Other Holdings

Life Sciences: PANSEND

- **BeneVir:** Oncolytic viral immunotherapy for treatment of solid cancer tumors; Sold to Janssen Biotech (Johnson & Johnson) in 2Q18
- **MediBeacon:** Unique non-invasive real-time monitoring of kidney function; MediBeacon recently granted Breakthrough Device designation from the FDA; MediBeacon's device is intended to measure GFR in patients with impaired or normal kidney function
- **R2 Dermatology:** Medical device to lighten and even skin tone based on Mass. General Hospital technology, including two FDA approvals
- **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

BeneVir
MediBeacon
R2
GENOVEL
TRIPLE RING technologies

Broadcasting:

- **HC2 Broadcasting Holdings**
  Our Vision: Capitalize on the opportunities to bring valu content to more viewers over-the-air and position the c a changing media landscape

DTV America
OTA BROADCASTING
MAK
AZTECA AMERICA
3ABN

All data as of March 31, 2019 unless otherwise noted; Humana acquisition closed on August 8, 2018; GrayWolf Industrial acquired November 30, 2018

Consolidated Financial Summary

($m)		Q1 2019	Q1 2018
Statement of Operations *(Selected Financial Data)*	Total Net Revenue	$491.4	$453.7
	Total Operating Expenses	469.8	467.5
	Income (Loss) From Operations	21.6	(13.8)
	Interest Expense	(22.3)	(19.3)
	Income (Loss) From Equity Investees	(4.9)	(5.2)
	Net loss from Continuing Operations Before Taxes	(2.3)	(37.2)
	Net loss attributable to common and participating preferred stockholders	($1.6)	($35.7)
Non-GAAP Measures	Core Operating Adjusted EBITDA	$14.3	$9.4
	Total Adjusted EBITDA (excl. Insurance segment)	$2.8	($6.9)
	Pre-tax Insurance AOI*	$28.7	$2.2

**1Q19 includes results from the long-term care insurance business acquired from Humana, Inc. (NYSE: HUM)*

All data as of March 31, 2019 unless otherwise noted
Note: Reconciliations of Adjusted EBITDA and Pre-tax Insurance AOI to U.S. GAAP Net Income in appendix.

DBM Global Inc. – Consistent & Growing Cash Flow

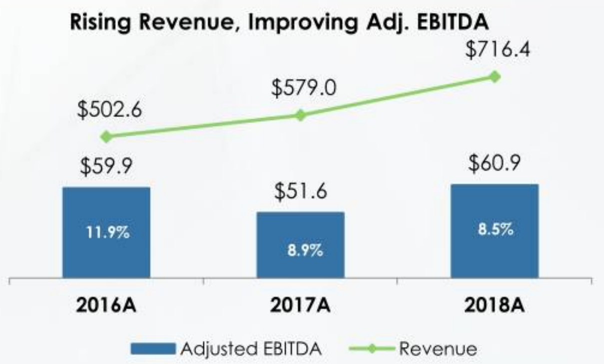
First Quarter 2019 Highlights

- 1Q19 Net Income $2.1m vs. $3.5m in 1Q18
- Adjusted EBITDA rose 24% 1Q19 vs. 1Q18
- Includes full quarter of operations from GrayWolf
  - Diversify into servicing, maintenance, repair
  - Greater recurring revenue
- Approximately $559 million reported backlog; $678 million adjusted backlog taking into consideration awarded, but not yet signed contracts
- Reaffirm FY19 Adjusted EBITDA guidance of $75-80 million

2019 and Longer Term Initiatives

- Fully integrate GrayWolf into DBM Global
- Build relationships and find additional cross-selling opportunities
- Remain on schedule with Western U.S. projects and retain strong pipeline and robust backlog
- Disciplined job selection – strong execution and profitability
- Focus on winning more small to mid-size projects
  - Enhance margins through improved capacity utilization and faster turn-around time

Loma Linda Hospital



LA Rams / Chargers Stadium

Continental Insurance Group – Building A Portfolio

Continental Insurance Group Overview

- Platform for run-off Long Term Care ("LTC") books of business
- Completed acquisition of Humana's ~$2.4 billion LTC Insurance block in August 2018
  - Significantly grew the platform and leverages Continental's insurance operations in Austin, Texas
  - Opportunity to meaningfully increase investment portfolio yield
  - Validates and endorses HC2's insurance platform and strategy
- HC2 receives recurring investment management fee

CONTINENTAL LTC INC.

Key Metrics (as of March 31, 2019)

Statutory Surplus	~$274 million
Total Adjusted Capital	~$310 million
Total GAAP Assets	~$5.4 billion
Cash and Invested Assets	~$4.3 billion

"Ring Fenced" Liabilities – No Parent Guarantees

Pansend – Unlocking Value Through Innovation

Small to Medium Investments – Significant Potential for Value Creation

BeneVir

- Sold to Janssen Biotech, Inc. (Johnson & Johnson) in 2Q18
- $8m total investment, $73m cash received by HC2
- $9 million escrow payment expected to be paid in 2019
- Additional approximate $140 million of cash payments to HC2 if FDA, EU, Japan approvals received
- Long-term, there are approximately $370 million in potential cash payments to HC2 if certain sales milestones are achieved

MediBeacon

- 50% equity ownership
- Unique technology and device for monitoring of real-time kidney function
- Received Breakthrough Device designation from FDA to MediBeacon for the company's Transdermal GFR Measurement System ("TFGR")
- $24.9m total investment
- Well positioned to extract significant value from monetization event

R2 dermatology

- 74% equity ownership
- Developed skin lightening evening product using "cc technology"
- Received FDA approvals i 2016 and 2017
- $20 billion global market
- $27.4m total investment
- Positioning for commercialization, seekin proper strategic partner

Note: Equity ownership percentages do not reflect fully diluted amounts.


Envision. Empower. Execute.
Additional Segment Profiles

Marine Services: Global Marine Group

First Quarter Update

- 1Q19 Net (Loss) of ($6.4)m vs. ($6.3)m in 1Q18
- 1Q19 Adjusted EBITDA: $0.1m vs. Adjusted EBITDA loss of ($2.4)m in 1Q18
- Global Marine backlog of $455m as of March 31, 2019
- Huawei Marine Network implemented a long-term annual dividend policy after several years of meaningful shareholder value creation:
  - Global Marine received ~US$15m of dividends 2018; will receive an additional special dividend of ~$4.9m in 2Q19
  - HMN will annually distribute a minimum of 30% of cumulative distributable net profits as dividends based on audited annu financials.
- Exploring strategic alternatives for the Global Marine business, including a potential sale; proceeds to pay down HC2 debt

Equity Investments

HUAWEI MARINE **49% ownership**

- Equity investment established in 2007 with Huawei Technologies Co., Ltd
- Provides turnkey submarine cable system solutions incorporating system design, integration and installation services

SBSS **49% ownership**

- Equity investment 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

Historical Performance

Energy: American Natural Gas (ANG)

First Quarter Update

- 1Q19 Net (Loss) of ($0.6)m vs. ($0.7)m in 1Q18
- 1Q19 Adjusted EBITDA: $1.0m vs. $0.7m in 1Q18
- Delivered 3.2m Gasoline Gallon Equivalents (GGEs) in 1Q19 vs. 3.0m GGEs in 1Q18; 11.8m GGEs in 2018 vs. 11.1m GGEs in 2017
- Seek to increase existing station utilization
- Continued focus on business development and marketing efforts to drive organic sales
- Develop preferred fueling agreements with new and existing customers to ramp volumes and continue to increase flow of Renewable Natural Gas (RNG) through ANG stations
- ~42 stations currently owned or operated or under development vs. two stations at time of initial investments (3Q14)

Telecommunications: PTGi-ICS

First Quarter Update

- 1Q19 Net Income: $0.6m vs. $1.1m in 1Q18
- 1Q19 Adjusted EBITDA: $0.8m vs. $1.1m for 1Q18
- ICS Group acquired Go2Tel.com Inc. a well-established VoIP carrier that offers high-quality termination services, primarily i Latin America, South America and the Caribbean region

Reconciliations

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA Three Months Ended March 31, 2019

(in millior

Three Months Ended March 31, 2019	Core Operating Subsidiaries				Early Stage & Other			Non-operating Corporate	To
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination		
Net (loss) attributable to HC2 Holdings, Inc.									$
Less: Net Income attributable to HC2 Holdings Insurance Segment									
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 2.1	$ (6.4)	$ (0.6)	$ 0.6	$ (2.6)	$ (4.4)	$ 0.6	$ (23.6)	$
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	3.9	6.6	1.4	0.1	-	1.4	-	-	
Depreciation and amortization (included in cost of revenue)	2.1	-	-	-	-	-	-	-	
Amortization of equity method fair value adjustment at acquisition	-	(0.4)	-	-	-	-	-	-	
Other operating (income) expenses	(0.1)	0.6	-	-	-	(0.9)	-	-	
Interest expense	2.5	1.1	0.4	-	-	1.6	-	16.7	
Other (income) expense, net	-	-	0.1	-	-	0.1	(0.6)	(2.7)	
Foreign currency (gain) loss (included in cost of revenue)	-	0.1	-	-	-	-	-	-	
Income tax (benefit) expense	1.0	-	-	-	-	-	-	2.3	
Noncontrolling interest	0.1	(2.4)	(0.3)	-	(0.3)	(0.6)	-	-	
Bonus to be settled in equity	-	-	-	-	-	-	-	-	
Share-based payment expense	-	0.4	-	-	-	0.2	-	1.1	
Non-recurring items	-	-	-	-	-	-	-	-	
Acquisition and disposition costs	0.8	0.5	-	0.1	-	0.1	-	0.1	
Adjusted EBITDA	**$ 12.4**	**$ 0.1**	**$ 1.0**	**$ 0.8**	**$ (2.9)**	**$ (2.5)**	**$ -**	**$ (6.1)**	**$**
Total Core Operating Subsidiaries	**$ 14.3**								

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Three Months Ended March 31, 2018

(in millior

Three Months Ended March 31, 2018

	Core Operating Subsidiaries				Early Stage & Other			Non-operating	
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination	Corporate	To
Net (loss) attributable to HC2 Holdings, Inc.									$
Less: Net Income attributable to HC2 Holdings Insurance Segment									
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 3.5	$ (6.3)	$ (0.7)	$ 1.1	$ (3.9)	$ (12.7)	$ (0.1)	$ (15.1)	$
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	1.5	6.9	1.3	0.1	0.1	0.7	-	-	
Depreciation and amortization (included in cost of revenue)	1.6	-	-	-	-	-	-	-	
Amortization of equity method fair value adjustment at acquisition	-	(0.4)	-	-	-	-	-	-	
Other operating (income) expenses	0.4	(2.6)	-	-	-	-	-	-	
Interest expense	0.4	1.2	0.3	-	-	5.7	-	11.7	
Other (income) expense, net	0.1	0.9	0.1	(0.1)	-	(0.1)	-	(0.7)	
Foreign currency (gain) loss (included in cost of revenue)	-	(0.1)	-	-	-	-	-	-	
Income tax (benefit) expense	1.8	-	-	-	-	-	-	(3.3)	
Noncontrolling interest	0.3	(2.4)	(0.3)	-	(0.8)	(0.6)	(0.1)	-	
Bonus to be settled in equity	-	-	-	-	-	-	-	0.2	
Share-based payment expense	-	0.4	-	-	0.1	0.3	-	0.3	
Non-recurring items	-	-	-	-	-	-	-	-	
Acquisition and disposition costs	0.4	-	-	-	0.2	1.6	-	0.2	
Adjusted EBITDA	**$ 10.0**	**$ (2.4)**	**$ 0.7**	**$ 1.1**	**$ (4.3)**	**$ (5.1)**	**$ (0.2)**	**$ (6.7)**	**$**
Total Core Operating Subsidiaries	**$ 9.4**								

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Full Year Ended December 31, 2018

(in millio

Year Ended December 31, 2018	Core Operating Subsidiaries				Early Stage & Other			Non-operating	
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination	Non-operating Corporate	To
Net Income attributable to HC2 Holdings, Inc.									$
Less: Net Income attributable to HC2 Holdings Insurance Segment									
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 27.7	$ 0.3	$ (0.9)	$ 4.6	$ 65.2	$ (34.5)	$ (2.9)	$ (81.9)	$
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	7.4	27.2	5.5	0.3	0.2	3.3	0.1	0.1	
Depreciation and amortization (included in cost of revenue)	7.0	-	-	-	-	-	-	-	
Amortization of equity method fair value adjustment at acquisition	-	(1.5)	-	-	-	-	-	-	
Asset impairment expense	-	-	0.7	-	-	0.3	-	-	
(Gain) loss on sale or disposal of assets	(0.2)	(0.7)	(0.2)	-	-	-	-	-	
Interest expense	2.6	4.8	1.6	-	-	9.5	-	57.1	
Loss on early extinguishment or restructuring of debt	-	-	-	-	-	2.6	-	2.5	
Net loss (gain) on contingent consideration	-	0.8	-	-	-	-	-	-	
Other (income) expense, net	(2.6)	(1.8)	0.3	0.1	-	1.5	4.6	(4.8)	
Gain on sale and deconsolidation of subsidiary	-	-	-	-	(102.1)	-	(1.6)	-	
Foreign currency (gain) loss (included in cost of revenue)	-	0.1	-	-	-	-	-	-	
Income tax (benefit) expense	11.9	0.2	(1.1)	-	-	(1.0)	(1.6)	(6.6)	
Noncontrolling interest	2.2	-	(0.4)	-	19.1	(1.9)	(1.1)	-	
Bonus to be settled in equity	-	-	-	-	-	-	-	2.0	
Share-based payment expense	-	1.9	-	-	0.2	1.6	0.3	5.0	
Non-recurring items	-	-	-	-	-	-	-	-	
Acquisition and disposition costs	4.9	1.4	-	0.3	2.5	1.7	-	0.7	
Adjusted EBITDA	**$ 60.9**	**$ 32.7**	**$ 5.5**	**$ 5.3**	**$ (14.9)**	**$ (16.9)**	**$ (2.2)**	**$ (25.9)**	**$**
Total Core Operating Subsidiaries	**$ 104.4**								

Note: Numbers may not foot due to rounding.

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Full Year Ended December 31, 2017

(in millio

Year Ended December 31, 2017	Core Operating Subsidiaries				Early Stage & Other			Non-operating Corporate	To
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination		
Net (loss) attributable to HC2 Holdings, Inc.									$
Less: Net Income attributable to HC2 Holdings Insurance segment									
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 23.6	$ 15.2	$ (0.5)	$ 6.2	$ (18.1)	$ (4.9)	$ (13.1)	$ (62.3)	$
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	5.6	22.9	5.1	0.4	0.2	0.3	1.2	0.1	
Depreciation and amortization (included in cost of revenue)	5.3	-	-	-	-	-	-	-	
Amortization of equity method fair value adjustment at acquisition	-	(1.6)	-	-	-	-	-	-	
Asset impairment expense	-	-	-	-	-	-	1.8	-	
(Gain) loss on sale or disposal of assets	0.3	(3.5)	0.2	0.2	-	-	-	-	
Lease termination costs	-	0.2	-	-	-	-	-	-	
Interest expense	1.0	4.4	1.2	-	-	2.0	2.4	44.1	
Gain on contingent consideration	-	-	-	-	-	-	-	(11.4)	
Other (income) expense, net	-	2.7	1.5	0.1	-	-	6.5	(0.1)	
Foreign currency gain (included in cost of revenue)	-	(0.1)	-	-	-	-	-	-	
Income tax (benefit) expense	10.7	0.2	(4.2)	-	(0.8)	(1.8)	0.7	(10.2)	
Noncontrolling interest	1.9	0.3	(0.7)	-	(3.9)	0.8	(1.9)	-	
Bonus to be settled in equity	-	-	-	-	-	-	-	4.1	
Share-based payment expense	-	1.5	0.4	-	0.3	0.2	0.1	2.8	
Non-recurring items	-	-	-	-	-	-	-	-	
Acquisition and disposition costs	3.3	1.8	-	-	-	2.6	-	3.8	
Adjusted EBITDA	**$ 51.6**	**$ 44.0**	**$ 2.9**	**$ 6.9**	**$ (22.4)**	**$ (0.8)**	**$ (2.3)**	**$ (29.2)**	**$**
Total Core Operating Subsidiaries	**$ 105.5**								

Note: Numbers may not foot due to rounding.

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Full Year Ended December 31, 2016

(in millior

Year Ended December 31, 2016	Core Operating Subsidiaries				Early Stage & Other		Non-	
	Construction	Marine	Energy	Telecom	Life Sciences	Other & Elimination	operating Corporate	To
Net (loss) attributable to HC2 Holdings, Inc.								$
Less: Net (loss) attributable to HC2 Holdings Insurance segment								
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 28.0	$ 17.4	$ 0.0	$ 1.4	$ (7.6)	$ (24.8)	$ (95.0)	$
Adjustments to reconcile net income (loss) to Adjusted EBITDA:								
Depreciation and amortization	1.9	22.0	2.2	0.5	0.1	1.5	0.0	
Depreciation and amortization (included in cost of revenue)	4.4	-	-	-	-	-	-	
Amortization of equity method fair value adjustment at acquisition	-	(1.4)	-	-	-	-	-	
(Gain) loss on sale or disposal of assets	1.7	(0.0)	-	0.7	-	-	-	
Lease termination costs	-	-	-	0.2	-	-	-	
Interest expense	1.2	4.8	0.2	-	-	1.2	36.0	
Net loss (gain) on contingent consideration	-	(2.5)	-	-	-	-	11.4	
Other (income) expense, net	(0.2)	(2.4)	(0.0)	(0.1)	(3.2)	10.0	(1.3)	
Foreign currency gain (included in cost of revenue)	-	(1.1)	-	-	-	-	-	
Income tax (benefit) expense	18.7	1.4	(0.5)	2.8	1.6	3.3	11.2	
Noncontrolling interest	1.8	1.0	(0.0)	-	(3.1)	(2.6)	-	
Bonus to be settled in equity	-	-	-	-	-	-	2.5	
Share-based payment expense	-	1.7	0.6	-	0.3	0.3	5.5	
Non-recurring items	-	-	-	-	-	-	1.5	
Acquisition and disposition costs	2.3	0.3	0.0	0.0	-	-	2.3	
Adjusted EBITDA	**$ 59.9**	**$ 41.2**	**$ 2.5**	**$ 5.6**	**$ (12.0)**	**$ (11.2)**	**$ (25.7)**	**$**
Total Core Operating Subsidiaries	**$ 109.1**							

Note: Numbers may not foot due to rounding.

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

(in millior

Adjusted Operating Income - Insurance ("Insurance AOI")				
	Three Months Ended March 31,			
		2019		2018
Net Income	$	33.8	$	1.2
Effect of inv estment (gains)		(6.0)		(2.5)
Acquisition costs		0.2		0.3
Insurance AOI	**$**	**28.0**	**$**	**(1.0)**
Addback: Tax expense (benefit)		0.7		3.2
Pre-tax Insurance AOI	**$**	**28.7**	**$**	**2.2**

Envision. Empower. Execute.

HC2 Holdings, Inc.

ir@hc2.com • 212.235.2691 • 450 Park Avenue, 30th Floor, New York, NY 10022

May 2019