FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): November 12, 2018

HC2 HOLDINGS, INC.

Delaware	**001-35210**	**54-1708481**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

450 Park Avenue, 30th Floor
New York, NY 10022
(Address of principal executive offices)

(212) 235-2690
(Registrant's telephone number, including area code)

Not Applicable
(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:

☐ 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 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 7.01 Regulation FD Disclosure

Notes Offering

On November 12, 2018, HC2 Holdings, Inc. ("HC2") announced that it commenced a private offering of $470 million aggregate principal amount of senior secured notes due 2021 (the "Senior Secured Notes Offering") and a concurrent private offering of $55 million aggregate principal amount of convertible senior notes due 2022 (the "Convertible Senior Notes Offering," and together with the Senior Secured Notes Offering, the "Notes Offerings") to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and, solely with respect to the Senior Secured Notes Offering, to certain persons in offshore transactions in accordance with Regulation S under the Securities Act.

A copy of the press release announcing the Notes Offering is furnished with this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

In connection with the Notes Offering, HC2 is providing prospective investors with certain financial and other information which HC2 is furnishing with this report as exhibits. This information, which has not been previously reported, is excerpted from a preliminary offering memoranda that are being disseminated in connection with the Notes Offerings or from an investor presentation related thereto.

This Current Report on Form 8-K does not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offering, solicitation or sale would be unlawful. The Senior Secured Notes being offered in the Notes Offering will not be and have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

This information 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, and shall not be deemed to be incorporated by reference into any of HC2's filings under the Securities Act 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.

Forward Looking Statements

This Current Report on Form 8-K, including the Exhibits, contains forward-looking statements. Actual results, events or developments may differ materially from those anticipated or discussed in any forward-looking statement. These statements are subject to risks, uncertainties and other factors, as discussed further in the press release attached hereto as Exhibits 99.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	
99.1	Press Release issued by the Company, dated November 12, 2018, titled "HC2 Holdings Announces Launch of $470 Million Senior Secured Notes Private Offering and Concurrent $55 Million Convertible Senior Notes Private Offering"
99.2	Recent Developments
99.3	Risk Factors Related to the Convertible Senior Notes Offering
99.4	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.

Date: November 13, 2018

By: */s/ Michael J. Sena*

Name: Michael J. Sena
Title: Chief Financial Officer

Exhibit 99.1

FOR IMMEDIATE RELEASE

HC2 Holdings Announces Launch of $470 Million Senior Secured Notes Private Offering and Concurrent $55 Million Convertible Senior Notes Private Offering

Net Proceeds to Refinance 11% Senior Secured Notes

New York, November 12, 2018 (GlobeNewswire) - HC2 Holdings, Inc. ("HC2") (NYSE: HCHC), a diversified holding company, announced today a private offering of $470 million aggregate principal amount of senior secured notes due 2021 (the "Secured Notes") and a concurrent private offering of $55 million aggregate principal amount of convertible senior notes due 2022 (the "Convertible Notes", and together with the "Secured Notes", the "Notes") being offered by the Company in private offerings (the "Offerings") exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act").

The previously announced offering of $535 million in aggregate principal amount of senior secured notes has been downsized to an offering of $470 million aggregate principal amount of senior secured notes due 2021, coupled with an offering of $55 million aggregate principal amount of convertible senior notes due 2022, in response to broader market conditions.

The Company expects to use the net proceeds from the issuance of the Notes, together with cash on hand, to redeem all of its outstanding 11% senior secured notes due 2019 and to pay fees and expenses related thereto. The Offerings are subject to market conditions and other factors.

The Notes will be offered solely by means of a private placement to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act.

The Notes have not been, and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offering solicitation or sale would be unlawful.

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.

Cautionary Statement Regarding Forward Looking Statements

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: This release contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements, including statements regarding the commencement or completion of the Offerings. Generally, forward-looking statements include information describing the Offerings and other 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, statements regarding our expectation regarding building shareholder value. Such statements are based on the beliefs and assumptions of HC2's management and the management of HC2's subsidiaries and portfolio companies. The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and the Company's actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K. Such important factors include, without limitation, the ability of our subsidiaries (including target businesses following their acquisition) to generate sufficient net income and cash flows to make upstream cash distributions, capital market conditions, our subsidiaries' ability to identify any suitable future acquisition opportunities, efficiencies/cost avoidance, cost savings, income and margins, growth, economies of scale, combined operations, future economic performance, conditions to, and the timetable for, completing the integration of financial reporting of acquired or target businesses with HC2 or the applicable subsidiary of HC2, completing future acquisitions and dispositions, litigation, potential and contingent liabilities, management's plans, changes in regulations and taxes. These risks and other important factors discussed under the caption "Risk Factors" in our most recent Annual Report on Form 10- K filed with the Securities and Exchange Commission ("SEC"), and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this 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 HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.
For information on HC2 Holdings, Inc., please contact:

Andrew G. Backman
Managing Director
abackman@hc2.com
212-339-5836

Exhibit 99.2

RECENT DEVELOPMENTS

GrayWolf Industrial Acquisition

Pursuant to the GrayWolf Merger Agreement, DBM Global has agreed to customary covenants to obtain debt financing, and GrayWolf Industrial has agreed to provide reasonable cooperation with DBM Global in DBM Global's efforts to obtain such financing. In connection with the GrayWolf Merger, as described below, we anticipate that we and certain of our subsidiaries will use existing cash to make indirect investments in DBM Global, through investments in DBM Intermediate in an aggregate amount of at least $40.0 million. Shortly after the closing of this offering, but prior to the consummation of the GrayWolf Merger, we intend to form a new Subsidiary Guarantor ("DBM Intermediate"), and, prior to consummation of the GrayWolf Merger, we will contribute all of HC2's and HC2 Holdings 2, Inc.'s outstanding direct equity interests in DBM Global (representing an aggregate of 89.82% of DBM Global's currently outstanding common stock) to DBM Intermediate. Any preferred stock issued to HC2 or of any of our other subsidiaries in connection with the GrayWolf Merger will be issued by DBM Intermediate. DBM Intermediate will then invest the net proceeds from any such preferred stock issuance in DBM Global, either in the form of common or preferred equity. We also anticipate that DBM Global will make an equity investment in GrayWolf Industrial of $15.0 million with the net proceeds from borrowings under DBM Global's existing credit facility. In addition, upon closing of the GrayWolf Merger, one of DBM Global's subsidiaries will assume approximately $80.0 million of Target's outstanding indebtedness which is expected to be refinanced with indebtedness of DBM Global immediately thereafter. DBM Global has entered into committed financing arrangements with respect to such refinancing. As a result of the foregoing, upon the consummation of the GrayWolf Merger, we expect the consolidated indebtedness of DBM Global to increase by approximately $95.0 million. There is no financing condition to the consummation of the GrayWolf Merger.

Exhibit 99.3

RISK FACTORS RELATED TO THE CONVERTIBLE SENIOR NOTES OFFERING

Recent regulatory actions may adversely affect the trading price and liquidity of the notes.

We expect that many investors in, and potential purchasers of, the notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the notes. Investors would typically implement such a strategy by selling short the common stock to which the convertible notes are linked and dynamically adjusting their short position while continuing to hold the notes. Investors may also implement this type of strategy by entering into swaps on our common stock in lieu of or in addition to short selling the common stock.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules, and take other actions, that may impact those engaging in short selling activity involving equity securities (including our common stock). Such rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a "Limit Up-Limit Down" program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of, the notes to effect short sales of our common stock, borrow our common stock or enter into swaps on our common stock could adversely affect the trading price and liquidity of the notes.

Volatility in the market price and trading volume of our common stock, changes in the interest rate environment and/ or changes in our credit quality could adversely impact the trading price of the notes.

We expect that the trading price of the notes will depend on a variety of factors, including, without limitation, the market price and trading volume of our common stock, the interest rate environment and our credit quality. Each of these factors may be volatile, and may or may not be within our control.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated to the operating performance of companies. The market price of our common stock could fluctuate significantly for many reasons, including in response to the risks described in this section, elsewhere in this offering memorandum or the documents we have incorporated by reference in this offering memorandum or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our customers, competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would likely adversely impact the trading price of the notes. The market price of our common stock could also be affected by possible sales of our common stock by investors who view the notes as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that we expect to develop involving our common stock. This trading activity could, in turn, affect the trading prices of the notes. This may result in greater volatility in the trading price of the notes than would be expected for non-convertible debt securities.

Likewise, if interest rates, or expected future interest rates, rise during the term of the notes, the yield of the notes will likely decrease, but the value of the conversion option embedded in the notes will likely increase. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the trading price of the notes. In recent years, the Federal Reserve has undertaken a policy known as quantitative easing, which involves open market transactions by monetary authorities to stimulate economic activity through the purchase of assets with longer maturities than short-term government bonds. The Federal Reserve has recently ended quantitative easing. Before that, so-called "tapering" of quantitative easing led to higher long-term interest rates, and market interest rates may continue to rise as a result of the recent end to quantitative easing. Because interest rates and interest rate expectations are influenced by a wide variety of factors, many of which are beyond our control, we cannot assure you that changes in interest rates or interest rate expectations will not adversely affect the trading price of the notes.

Furthermore, the trading price of the notes will likely be significantly affected by any change in our credit quality. Because our credit quality is influenced by a variety of factors, some of which are beyond our control, we cannot guarantee that we will maintain or improve our credit quality during the term of the notes. In addition, because we may choose to take actions that adversely affect our credit quality, such as incurring additional debt, there can be no guarantee that our credit quality will not decline during the term of the notes, which would likely negatively impact the trading price of the notes.

At times, the market price of our common stock has fluctuated significantly, and such fluctuations in the future may impact the trading price of the notes and make them more difficult to resell.

The market price of our common stock has been, and is likely to continue to be, highly volatile. For example, since January 1, 2015, the market price of our common stock ranged from a low of $3.25 per share to a high of $13.28 per share. Because the notes are convertible into shares of our common stock, volatility or depressed market prices of our common stock could have a similar effect on the trading price of the notes. Holders who receive shares of our common stock upon conversion of the notes will also be subject to the risk of volatility and depressed market prices of our common stock. Many factors could cause the market price of our common stock to rise and fall. In addition to the matters discussed in other risk factors included or incorporated by reference herein, some of the reasons for the fluctuations in our stock price are:

- actual or anticipated fluctuations in our results of operations and the performance of our competitors;
- reaction of the market to our announcement of any future acquisitions or investments;
- the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- adverse judgments or settlements obligating us to pay damages;
- changes in general economic conditions; and
- actions of our equity investors, including sales of our common stock by significant shareholders.

An outgrowth of this market volatility is the significant vulnerability of our stock price to any actual or perceived fluctuation in the strength of the markets we serve, regardless of the actual consequence of such fluctuations. As a result, the market price for our stock is highly volatile. These broad market and industry factors have caused the market price of our common stock to fluctuate, and may in the future cause the market price of our common stock to fluctuate, regardless of our actual operating performance.

Future sales of our common stock in the public market could lower the market price for our common stock and adversely impact the trading price of the notes.

In the future, we may sell additional shares of our common stock to raise capital. In addition, a substantial number of shares of our common stock are reserved for issuance upon the conversion of the notes. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common stock. The issuance and sale of substantial amounts of common stock, or the perception that such issuances and sales may occur, could adversely affect the trading price of the notes and the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities.

In addition, the existence of the notes may encourage short selling by market participants because the conversion of the notes could depress our common stock price. The price of our common stock could be affected by possible sales of our common stock by investors who view the notes as a more attractive means of equity participation in us or as a means to engage in hedging or arbitrage trading activity, which we expect to occur involving our common stock. This hedging or arbitrage could, in turn, affect the market price of the notes.

Holders of notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to our common stock.

Holders of notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), but holders of notes will be subject to all changes affecting our common stock. For example, if an amendment is proposed to our certificate of incorporation requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the relevant conversion date, such holder will not be entitled to vote on the amendment to our certificate of incorporation, although such holder will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

Upon any redemption of the notes on or after , 2020 or any conversion of the notes in connection with a redemption notice, the cash comprising the redemption price, in the case of a redemption, or the increase in the applicable conversion rate, in the case of a conversion in connection with a redemption notice, as applicable, may not fully compensate you for future interest payments or lost time value of your notes.

If the last reported sale price per share of our common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the trading day immediately preceding the date on which we deliver the notice of redemption exceeds 130% of the applicable conversion price on each applicable trading day, subject to certain limited exceptions, we may redeem all of the notes. The redemption price for the notes to be redeemed on any such redemption date will equal 100% of the principal amount of the notes being redeemed, *plus* accrued and unpaid interest to, but excluding, the redemption date, calculated as described under "Description of Notes-Optional redemption on or after , 2020." If we deliver a notice of redemption to call any notes for redemption, you may convert your notes at any time until the close of business on the business day immediately preceding the redemption date. Upon any such redemption or conversion, the cash comprising the redemption price, in the case of a redemption, or the increase in the applicable conversion rate, in the case of a conversion in connection with a redemption notice, in either case, may not fully compensate you for any future interest payments that you would have otherwise received or any other lost time value of your notes. See "Description of Notes-Optional redemption on or after , 2020" and "Description of Notes-Conversion rights-Adjustment to shares of our common stock delivered upon conversion upon (i) a make-whole fundamental change or (ii) the delivery of a notice of redemption."

The adjustment to the conversion rate for notes converted in connection with (i) a make-whole fundamental change or (ii) the delivery of a notice of redemption may not adequately compensate you for any lost value of your notes as a result of such transaction.

If a make-whole fundamental change occurs prior to maturity or we deliver a notice of redemption, under certain circumstances, we will increase the conversion rate by a number of additional shares of our common stock for notes converted in connection with (i) such make-whole fundamental change or (ii) such notice of redemption. The increase in the conversion rate will be determined based on the date on which the specified corporate transaction becomes effective or the date of the notice of redemption, as applicable, and the price paid (or deemed paid) per share of our common stock in such transaction or redemption, as described below under "Description of Notes- Conversion rights-Adjustment to shares of our common stock delivered upon conversion upon (i) a make-whole fundamental change or (ii) the delivery of a notice of redemption." The adjustment to the conversion rate for notes converted in connection with (i) a make-whole fundamental change or (ii) the delivery of a notice of redemption may not adequately compensate you for any lost value of your notes as a result of such transaction or redemption. In addition, if the price paid (or deemed paid) per share of our common stock in the transaction is greater than $ per share of our common stock or less than $ per share of our common stock (in each case, subject to adjustment), no adjustment will be made to the conversion rate. Moreover, in no event will the total number of shares of our common stock issuable upon conversion as a result of such adjustment exceed shares of our common stock per $1,000 principal amount of notes, subject to adjustments in the same manner as the conversion rate as set forth under "Description of Notes-Conversion rights-Conversion rate adjustments." Notwithstanding the foregoing, certain listing standards of NYSE potentially limit the number of shares we may issue upon conversion of the notes. See "Description of Notes-Conversion rights-Settlement upon conversion."

Our obligation to increase the conversion rate upon (i) the occurrence of a make-whole fundamental change or (ii) the delivery of a notice of redemption could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

The conversion rate of the notes may not be adjusted for all dilutive events.

The conversion rate of the notes is subject to adjustment for certain events, including, but not limited to, the issuance of stock dividends on our common stock, the issuance of certain rights, options, or warrants, subdivisions, combinations, distributions of capital stock, evidences of indebtedness, assets or property, cash dividends and certain issuer tender offers or exchange offers as described under "Description of Notes-Conversion rights-Conversion rate adjustments." However, the conversion rate will not be adjusted for certain other events, such as a third-party tender offer or exchange offer or an issuance of shares of our common stock for cash, that may adversely affect the trading price of the notes or the market price of our common stock. An event that adversely affects the value of the notes may occur, and that event may not result in an adjustment to the conversion rate.

Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to purchase the notes at the option of the holder.

Upon the occurrence of a fundamental change, subject to certain conditions, you will have the right, at your option, to require us to purchase for cash all or any portion of your notes with a principal amount equal to $1,000 or an integral multiple of $1,000 in excess thereof. However, the fundamental change provisions will not afford protection to holders of notes in the event of other transactions that will not constitute a fundamental change but that could nevertheless adversely affect the value and trading price of the notes. For example, transactions such as leveraged recapitalizations, refinancings, restructurings or acquisitions initiated by us may not constitute a fundamental change requiring us to purchase the notes. In the event of any such transaction, holders would not have the right to require us to purchase their notes, even though each of these transactions could increase the amount of our indebtedness or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting holders of the notes. In addition, a sale of the Global Marine Business will not constitute a fundamental change under the Indenture.

Provisions of the indenture that will govern the notes and certain provisions of our other existing and future indebtedness may impede or discourage a takeover, which could cause the market price of our common stock to decline.

Certain provisions of the notes and our other existing and future indebtedness could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of a fundamental change, subject to certain conditions, holders will have the right, at their option, to require us to purchase for cash all or any portion of their notes with a principal amount equal to $1,000 or an integral multiple of $1,000 in excess thereof. We may also be required, under certain circumstances, to increase the conversion rate for the notes if a holder elects to convert its notes in connection with a make-whole fundamental change. See "Description of Notes-Conversion rights-Adjustment to shares of our common stock delivered upon conversion upon (i) a make-whole fundamental change or (ii) the delivery of a notice of redemption" and "Description of Notes-Fundamental change permits holders to require us to purchase notes."

Any adverse rating of the notes may cause their trading price to fall.

We do not intend to seek a rating on the notes. However, if a rating service were to rate the notes and if such rating service were to lower its rating on the notes below the rating initially assigned to the notes or otherwise announce its intention to put the notes on credit watch, the trading price of the notes could decline.

There are restrictions on transfers of the new notes.

The notes and the shares of our common stock issuable upon conversion of the notes have not been and will not be registered under the Securities Act or any state securities laws and are, and will be, subject to significant transfer restrictions. The transfer and resale of the notes in jurisdictions outside the United States may be subject to restrictions under the laws of such jurisdictions. We are relying upon an exemption from registration under the Securities Act and applicable state securities laws in offering the notes. As a result, the notes may be transferred or resold only in transactions registered under, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The notes will not have the benefit of registration rights and we do not intend to register the notes and the shares of our common stock into which the notes are convertible under the Securities Act.

Conversion of the notes will dilute the ownership interest of existing shareholders, including holders who had previously converted their notes, or may otherwise depress the market price of our common stock.

The conversion of some or all of the notes will dilute the ownership interests of existing shareholders. Any sales in the public market of the shares of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the notes may encourage short selling by market participants because the conversion of the notes could be used to satisfy short positions, or anticipated conversion of the notes into shares of our common stock could depress the market price of our common stock.

Upon conversion of the notes, you may receive less valuable consideration than expected because the value of our common stock may decline after you exercise your conversion right.

Under the terms of indenture that will govern the notes, a converting holder will be exposed to fluctuations in the value of our common stock during the period from the date such holder surrenders notes for conversion until the date we settle our conversion obligation. Upon conversion of the notes, we will be required to deliver the shares of our common stock, together with cash for any fractional shares, on the third business day following the relevant conversion date. Accordingly, if the price of our common stock decreases during this period, the value of the shares that you receive will be adversely affected and would be less than the conversion value of the notes on the conversion date.

Delaware law and our charter documents contain provisions that could discourage or prevent a potential takeover, even if such a transaction would be beneficial to our stockholders.

Some provisions of our certificate of incorporation and bylaws, as well as provisions of Delaware law, may discourage, delay or prevent a merger or acquisition that a stockholder may consider favorable. These include provisions:

- authorizing a board of directors to issue preferred stock;
- prohibiting cumulative voting in the election of directors;
- limiting the persons who may call special meetings of stockholders;
- prohibiting stockholder actions by written consent;
- creating a classified board of directors pursuant to which our directors are elected for staggered three-year terms;
- permitting the board of directors to increase the size of the board and to fill vacancies;
- requiring a super-majority vote of our stockholders to amend our bylaws and certain provisions of our certificate of incorporation; and
- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

We are subject to the provisions of Section 203 of the Delaware General Corporation Law which limit the right of a corporation to engage in a business combination with a holder of 15 percent or more of the corporation's outstanding voting securities, or certain affiliated persons. We do not currently have a stockholder rights plan in place.

Although we believe that these charter and bylaw provisions, and provisions of Delaware law, provide an opportunity for the board to assure that our stockholders realize full value for their investment, they could have the effect of delaying or preventing a change of control, even under circumstances that some stockholders may consider beneficial.

The fundamental change repurchase feature of the notes may delay or prevent an otherwise beneficial attempt to take over our company.

The terms of the notes require us to repurchase the notes for cash at the option of the holder in the event of a fundamental change and in certain circumstances require us to increase the conversion rate for conversions in connection with (i) a make-whole fundamental change or (ii) the delivery of a notice of redemption. A takeover of us may trigger an option of the holder to require us to repurchase the notes. These features may have the effect of delaying or preventing a takeover of our company that would otherwise be beneficial to investors in the notes.

Holders may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the notes even though holders do not receive a corresponding cash distribution.

The conversion rate of the notes is subject to adjustment in certain circumstances, including the payment of cash dividends to our common stockholders. See "Description of Notes-Conversion rights-Conversion rate adjustments." If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, holders may be deemed to have received a dividend subject to U.S. federal income tax without the receipt of any cash. In addition, a failure to adjust (or to adjust adequately) the conversion rate after an event that increases a holder's proportionate interest in us could be treated as a deemed taxable dividend to such holder. If a make-whole fundamental change occurs on or prior to the maturity date of the notes or we deliver a notice of redemption for the notes, under some circumstances, we will increase the conversion rate for notes converted in connection with the make-whole fundamental change or the delivery of a notice of redemption. Such increase may also be treated as a distribution subject to U.S. federal income tax. See "Certain U.S. Federal Income Tax Considerations." Any deemed dividend may be subject to U.S. federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable treaty, or backup withholding which may be set off against subsequent payments on the notes (including upon conversion, repayment or maturity) or, in certain circumstances, from any payments on our common stock received upon any conversion of the notes, or from sales proceeds subsequently paid or credited to you, or from your other funds or assets. The Internal Revenue Service proposed regulations addressing the amount and timing of deemed distributions, obligations of withholding agents and filing and notice obligations of issuers, which, if adopted, could affect the U.S. federal income tax treatment of investors deemed to receive such a distribution. See "Certain U.S. Federal Income Tax Considerations."

Our ability to use our net operating loss carry-forwards to offset future taxable income may be subject to certain limitations.

It is possible that conversions of the notes into common stock may cause a reduction in the value of our net operating loss carryforwards realizable for income tax purposes. Section 382 of the Internal Revenue Code imposes restrictions on the use of a corporation's net operating losses, as well as certain recognized built-in losses and other carryforwards, after an "ownership change" occurs. A Section 382 "ownership change" occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Even if conversions of the notes into common stock do not cause an "ownership change," other future issuances or sales of our stock (including certain transactions involving our stock that are outside of our control) could also result in an ownership change under Section 382. If an "ownership change" occurs, Section 382 would impose an annual limit on the amount of pre-change net operating losses and other losses we can use to reduce our taxable income generally equal to the product of the total value of our outstanding equity immediately prior to the "ownership change" (subject to certain adjustments) and the applicable federal long-term tax-exempt interest rate for the month of the "ownership change."

The notes and the indenture that will govern the notes will contain limited protections against certain types of important corporate events, and may not protect your investment upon the occurrence of such corporate events or other corporate events.

The indenture contains no covenants or other provisions to afford protection to holders of the notes in the event of a fundamental change involving us except to the extent described under "Description of Notes-Fundamental change permits holders to require us to purchase notes," "Description of Notes-Conversion rights-Adjustment to shares of our common stock delivered upon conversion upon (i) a make-whole fundamental change or (ii) the delivery of a notice of redemption" and "Description of Notes-Merger, consolidation or sale of assets." Consequently, your rights under the notes may be substantially and adversely affected upon any fundamental change or if we or our subsidiaries take certain actions that could either increase the probability that we default on the notes or reduce the recovery that you are likely to receive upon any such default.

We may issue additional shares of common stock or preferred stock, which could dilute the interests of our stockholders and present other risks.

Our certificate of incorporation, as amended (the "Certificate of Incorporation"), authorizes the issuance of up to 80,000,000 shares of common stock and 20,000,000 shares of preferred stock.

As of September 30, 2018, HC2 has 45,188,169 issued and 44,743,273 outstanding shares of its common stock, and 26,500 shares of preferred stock issued and outstanding. However, the Certificate of Incorporation authorizes our board of directors (the "HC2 Board of Directors"), from time to time, subject to limitations prescribed by law and any consent rights granted to holders of outstanding shares of preferred stock, to issue additional shares of preferred stock having rights that are senior to those afforded to the holders of our common stock. We also have reserved shares of common stock for issuance pursuant to our broad-based equity incentive plans, upon exercise of stock options and other equity-based awards granted thereunder, and pursuant to other equity compensation arrangements.

We may issue shares of common stock or additional shares of preferred stock to raise additional capital, to complete a business combination or other acquisition, to capitalize new businesses or new or existing businesses of our operating subsidiaries or pursuant to other employee incentive plans, any of which could dilute the interests of our stockholders and present other risks.

The issuance of additional shares of common stock or preferred stock may, among other things:

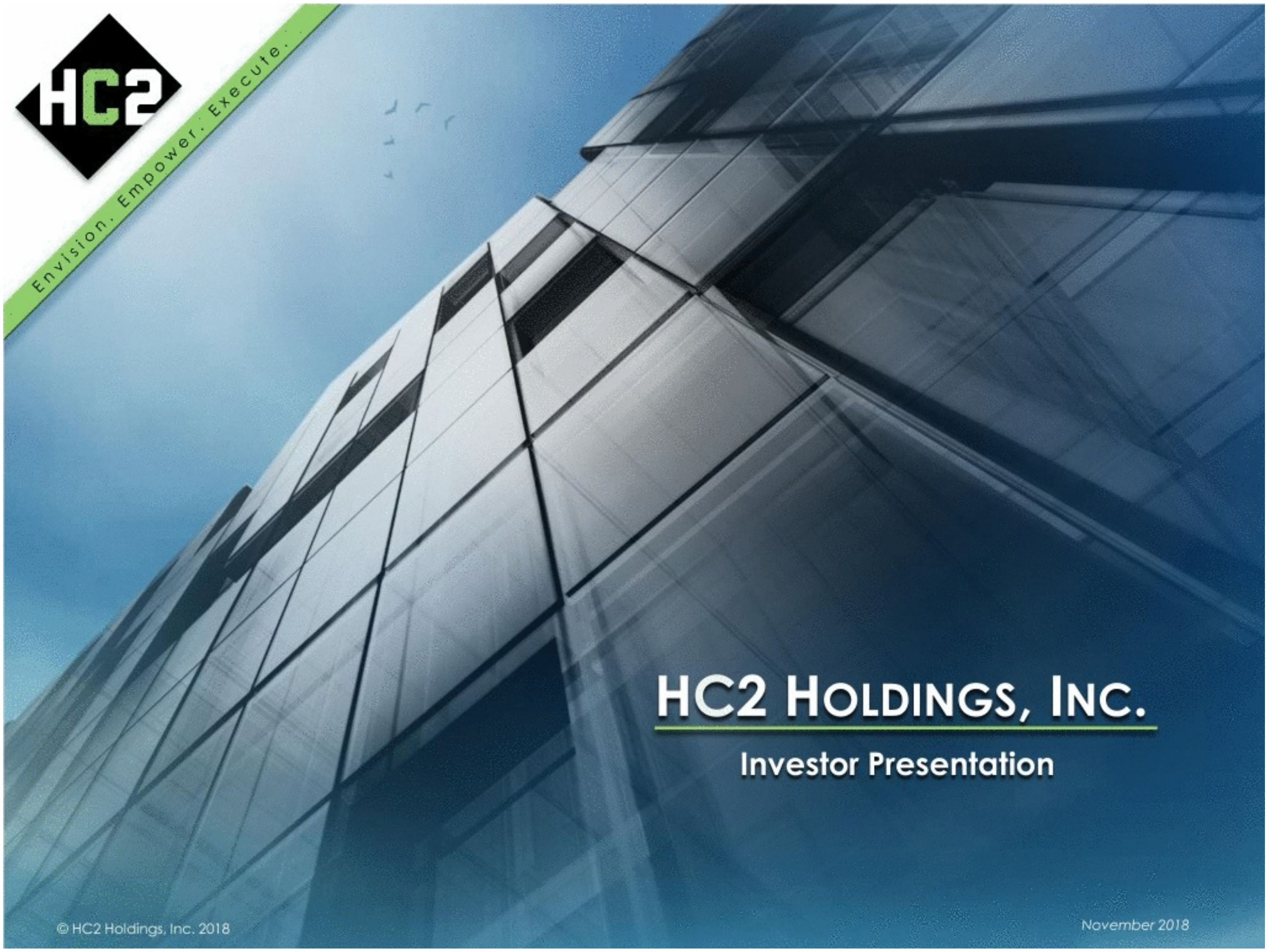
- significantly dilute the equity interest and voting power of all other stockholders;
- subordinate the rights of holders of our outstanding common stock and/or preferred stock if preferred stock is issued with rights senior to those afforded to holders of our common stock and/or preferred stock;
- trigger an adjustment to the price at which all or a portion of our outstanding preferred stock converts into our common stock, if such stock is issued at a price lower than the then-applicable conversion price;
- entitle our existing holders of preferred stock to purchase a portion of such issuance to maintain their ownership percentage, subject to certain exceptions;
- call for us to make dividend or other payments not available to the holders of our common stock; and
- cause a change in control of our company is a substantial number of shares of our common stock are issued and/or if additional shares of preferred stock having substantial voting rights are issued.

The issuance of additional shares of common stock or preferred stock, or perceptions in the market that such issuances could occur, may also adversely affect the prevailing market price of our outstanding common stock and impair our ability to raise capital through the sale of additional equity securities.

Future sales of substantial amounts of our common stock by holders of our preferred stock or other significant stockholders may adversely affect the market price of our common stock.

As of September 30, 2018, the holders of our outstanding preferred stock had certain rights to convert their Preferred Stock into approximately 4.8 million shares of our common stock.

Pursuant to a second amended and restated registration rights agreement, dated January 5, 2015, entered into in connection with the issuance of the preferred stock (the “Registration Rights Agreement”), we have granted registration rights to the purchasers of our preferred stock and certain of their transferees with respect to HC2 common stock held by them and common stock underlying the preferred stock. This Registration Rights Agreement allows these holders, subject to certain conditions, to require us to register the sale of their shares under the federal securities laws. Furthermore, the shares of our common stock held by these holders, as well as other significant stockholders, may be sold into the public market under Rule 144 of the Securities Act of 1933, as amended. Future sales of substantial amounts of our common stock into the public market whether by holders of the preferred stock, by other holders of substantial amounts of our common stock or by us, or perceptions in the market that such sales could occur, may adversely affect the prevailing market price of our common stock and impair our ability to raise capital through the sale of additional equity securities.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HC2 HOLDINGS, INC.
Investor Presentation
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November 2018

HC2's Diversified Portfolio

Core Operating Subsidiaries

Construction: DBM Global (SCHUFF)

- One of the largest steel fabrication and erection companies in the U.S.
- Offers full suite of integrated steel construction and professional services
- Pending acquisition of GrayWolf Industrial, entry into heavy maintenance and repair industry
- Backlog $615m; ~$632m with contracts awarded, not yet signed
- 92.5% ownership
- LTM 9/30/18 Revenue: $706.9m
- LTM 9/30/18 Adjusted EBITDA: $56.6m

Marine Services: GMSL

- Leading provider of subsea cable installation, maintenance and protection in telecom, offshore power and oil & gas
- Equity investments in Huawei Marine Networks & S.B. Submarine Systems (China Telecom)
- 72.5% ownership
- GMSL Backlog $358m
- HMN Backlog >$350m
- LTM 9/30/18 Revenue: $196.0m
- LTM 9/30/18 Adjusted EBITDA: $41.1m

Energy: ANG

- Premier distributor of natural gas motor fuel throughout the U.S.
- Currently own or operate ~40 natural gas fueling stations throughout United States
- 67.7% ownership
- LTM 9/30/18 Revenue: $20.3m
- LTM 9/30/18 Adjusted EBITDA: $5.1m

Telecommunications: PTGi ICS

- International wholesale telecom service company
- Global sales presence
- Internal and scalable offshore back office operations
- 100% ownership
- LTM 9/30/18 Revenue: $762.3m
- LTM 9/30/18 Adjusted EBITDA: $5.5m

Core Financial Services Subsidiaries

Insurance: CIG

- Platform to invest in long-term care (LTC) portfolio of assets
- Initially acquired American Financial Group's LTC assets
- Recently closed acquisition of Humana's ~$2.4b LTC assets
- Ring Fenced Liabilities – No Parent Guarantees
- 100% ownership
- ~$300m of statutory surplus
- ~$330m total adjusted capital
- ~$4.1b cash & invested assets

Early Stage and Other Holdings

Life Sciences: PANSEND

- **BeneVir:** Oncolytic viral immunotherapy for treatment of solid cancer tumors; Sold to Janssen Biotech (Johnson & Johnson) for up to $1.04 billion 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 brighten skin based on Mass. General Hospital technology; The Company has received 2 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

Broadcasting:

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

All data as of September 30, 2018 unless otherwise noted; Humana acquisition closed on 8/9/18

Significant Value Creation

- **Since inception in 2014, HC2:**
  - Increased market capitalization from ~$46 million to ~$240 million and increased revenues from ~$230 million to ~$1.6 billion
  - Received ~$200 million in total dividends, distributions, tax share and asset management fees from subsidiaries and investments
- **Since HC2's acquisition of DBM Global in 2014, DBM:**
  - Increased Adjusted EBITDA by ~93% and increased backlog from ~$400 million to ~$615 million (9/30/18) with a record high of ~$723 million (4Q'17)
  - DBM's projects/customers have included the Inglewood NFL Stadium (LA Rams / LA Chargers), Apple, Google, Facebook, Tesla, etc.
- **Since HC2's acquisition of Global Marine in 2014, Global Marine:**
  - Successfully renewed all three of its critical, long-term telecom maintenance agreements, representing approximately half of the world's contracted telecom maintenance zones
  - Significant progress in renewing its fleet of marine assets through strategic acquisitions and substantially reduced debt and pension liabilities by ~31%
  - Huawei Marine equity investment profit, of which Global Marine owns 49%, increased from ~$2 million in 2014 to ~$40 million in FY17; Increased cash/equivalents/securities from ~$16 million to ~$73 million in the same period
  - Huawei Marine recently implemented a long-term annual dividend policy
- **Since HC2's initial investment in American Natural Gas in 2014, ANG:**
  - Increased its Compressed Natural Gas ("CNG") fueling station footprint to ~40 stations across the United States from two stations at the time of HC2's initial investment
  - Increased annual gasoline-gallon equivalents to ~12 million and increased the flow of Renewable Natural Gas ("RNG") through the ANG stations
- **Since HC2's acquisition of PTGi-ICS in 2014, PTGi-ICS:**
  - Increased Adjusted EBITDA from a loss generating business at the time of HC2's acquisition to ~$5.5 million in the LTM period ended 9/30/18
- **Since HC2's initial acquisition of the long-term care assets from American Financial Group in 2015, our insurance subsidiary:**
  - Has grown platform assets to approximately $4.1 billion in cash, cash equivalents and invested assets and has more than tripled its total adjusted capital base, through its recently completed acquisition of Humana's long-term care insurance business
  - Built a powerful insurance platform, including a team over 100 insurance professionals based in Austin, Texas, which has served as a competitive advantage in acquiring books of business
  - Provides a valuable fee stream through various asset management fees, providing a source of upstream liquidity to HC2
- **Since HC2's initial investment in the Life Sciences Platform in 2014:**
  - BeneVir Biopharm was acquired by Janssen Biotech, Inc., (Johnson & Johnson) for up to $1.04 billion; $140 million upfront cash payment and ~$900 million of pre-determined milestones (Pansend owned ~76% of BeneVir); HC2's total investment in BeneVir was ~$8 million
  - 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 received two U.S. Food and Drug Administration ("FDA") approvals
- **Since HC2's initial broadcast acquisitions in 2017:**
  - HC2 has acquired spectrum and licenses to cover a significant part of the U.S.
  - Currently have 164 operational stations, including 14 full-power stations, 52 Class A stations and 98 low power stations*
  - Currently have an additional ~400 silent licenses and construction permits in over 130 U.S. Markets including nine of the top 10 markets nationwide

*Includes closed and pending transactions

GrayWolf Industrial Inc. ("GrayWolf")

Strategic Rationale:

- GrayWolf Industrial provides DBM Global with an entry into the heavy maintenance and repair industry, diversifying its revenue stream from large commercial construction projects while capitalizing on strong customer relationships with prime contracts and a culture focused on ROI when bidding and pricing work
- GrayWolf substantially increases DBM's exposure to recurring maintenance work, providing increased revenue stability and visibility
- The acquisition increases the combined business' exposure to industrial build, diversifying away from more cyclical commercial construction market
- GrayWolf's asset light business model requires minimal capital expenditure spend which translates to higher free cash flow conversion
- DBM management believes the GrayWolf acquisition will allow for the combined company to cross sell its products amongst its current customer base and provide meaningful synergies related to accounting and consolidated back office expenses

Transaction Overview:

- The purchase price for the acquisition is $135.0 million or ~6.9x based on 2017 Adjusted EBITDA[1] of $19.7 million, which represents a compelling multiple given comparable transactions in the sector
- The acquisition is expected to be financed by an $80.0 million Term Loan financing at DBM Global, $15.0 million from DBM's existing credit facility and $40.0 million of existing cash from HC2 and certain of our subsidiaries via indirect investment in DBM Global

1. GrayWolf Adjusted EBITDA represents normalized EBITDA view, which excludes certain expenses management believes will not be continuing post-acquisition in order to better reflect ongoing earnings capacity

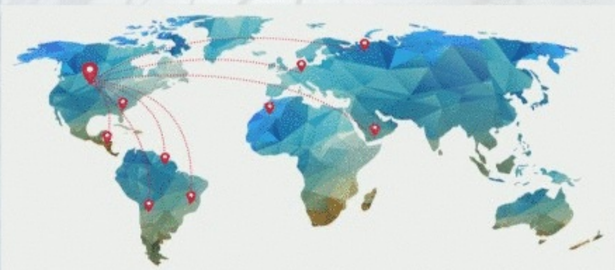
PTGi International Carrier Services ("PTGi ICS")

Business Description:

- International wholesale telecom service company providing voice and data call termination to the telecom industry worldwide
- Provides transit and termination of telephone calls through its own global network of next-generation IP soft switches and media gateways, connecting the networks of incumbent telephone companies, mobile operators and OTT companies worldwide
- Restructured in 2014, PTGi ICS now delivers industry leading technology via best of breed sales and operational support teams
    - ICS Group to acquire Go2Tel.com Inc. a well-established VoIP carrier that offers high-quality termination services, primarily in Latin America, South America and the Caribbean region.
- In business since 1997, recognized as a trusted business partner globally
- Headquartered in Herndon, Virginia with representation across North America, South America, the Middle East, CIS, Asia, Romania and the UK.

Select Management:

- Craig Denson – Chief Executive Officer



PTGi International Carrier Services

Continental Insurance Group

Business Description:

- The formation of Continental Insurance Group ("CIG") in April 2015 to invest in the insurance sector is consistent with HC2's overall strategy of taking advantage of dislocated and undervalued operating businesses
- Through CIG, HC2 intends to build an attractive platform of insurance businesses
- "Ring Fenced" Liabilities – No Parent Guarantees
- In December 2015, Continental LTC Inc. ("CLI"), a wholly owned subsidiary of CIG, completed the acquisition of American Financial Group's long-term care and life insurance businesses, United Teacher Associates Insurance Company ("UTAIC") and Continental General Insurance Company ("CGIC")
- In 2016, HC2 merged UTAIC into CGIC to form a single Texas-domiciled life insurance company, CGIC, and unlock cost and capital efficiencies
- Recently Completed Acquisition of Humana's ~$2.4 Billion Long-Term Care Insurance Business [3Q18]
    - Immediately accretive to Continental's Risk Based Capital ratio and Statutory Surplus
- Key measures as of September 30, 2018:
    - Statutory Surplus ~$300 million
    - Total Adjusted Capital ~$330 million
    - GAAP Assets of ~$5.5 billion
    - Cash and Invested Assets ~$4.1 billion
- Projected ~$15 million investment management fee stream to HC2

CONTINENTAL LTC INC.

Select Management:

- James P. Corcoran – Executive Chair
    - James has extensive experience in the insurance industry on both the corporate and regulatory side as the former Superintendent of Insurance of the State of New York

All data as of September 30, 2018 unless otherwise noted; Humana acquisition closed on 8/9/18

Pansend

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

BeneVir	• Recently completed sale to Janssen Biotech, Inc. (Johnson & Johnson) for up to $1.04 billion (2Q18); $8m total investment • 76% equity ownership of company focused on immunotherapy; Oncolytic virotherapy for treatment of solid cancer tumors • Founded by Dr. Matthew Mulvey & Dr. Ian Mohr (who co-developed T-Vec); Biovex (owner of T-Vec) acquired by Amgen for ~$1billion • Benevir's T-Stealth is a second generation oncolytic virus with new features and new intellectual property • BeneVir holds exclusive worldwide license to develop BV-2711 (T-Stealth) • Granted new patent entitled *"Oncolytic Herpes Simplex Virus and Therapeutic Uses Thereof"*, covering the composition of matter for Stealth-1H, BeneVir's lead oncolytic immunotherapy, as well as other platform assets (2Q17)
MediBeacon	• 50% equity ownership in company with unique technology and device for monitoring of real-time kidney function • The U.S. Food and Drug Administration has granted Breakthrough Device designation to Medibeacon for the company's Transdermal GFR Measurement System ("TFGR"). The device is intended to measure Glomerular Filtration Rate ("GFR") in patients with impaired or normal renal function.[1] • Under the Breakthrough Devices program, a provision of the 21st Century Act, the FDA works with companies to expedite regulatory review in order to give patients more timely access to diagnostic and therapeutic technologies. • The TGFR is designed to provide clinicians real-time measurement of GFR at the point of care with no need for blood sampling or urine collection. The ability to measure GFR is of high clinical interest, especially in patients with or at risk of kidney disease.
R2 dermatology	• 74% equity ownership of dermatology company focused on lightening and brightening skin • Founded by Pansend in partnership with Mass. General Hospital and inventors Dr. Rox Anderson, Dieter Manstein and Dr. Henry Chan • Over $20 billion global market • Received Food and Drug Administration approval for the R2 Dermal Cooling System (4Q16) • Received Food and Drug Administration approval for second generation R2 Dermal Cooling System (2Q17)
GENOVEL	• 80% equity ownership in company with unique knee replacements based on technology from Dr. Peter Walker, NYU Dept. of Orthopedic Surgery and one of the pioneers of the original Total Knee. • "Mini-Knee" for early osteoarthritis of the knee; "Anatomical Knee" – A Novel Total Knee Replacement • Strong patent portfolio
Triple Ring technologies	• Profitable technology and product development company • Areas of expertise include medical devices, homeland security, imaging systems, sensors, optics, fluidics, robotics and mobile healthcare • Located in Silicon Valley and Boston area with over 90,000 square feet of working laboratory and incubator space • Contract R&D market growing rapidly • Customers include Fortune 500 companies and start-ups

(1) Data on file, Medibeacon, Inc., St. Louis, MO.
All data as of September 30, 2018 unless otherwise noted

Note: Equity ownership percentages do not reflect fully diluted amounts, except Benevir, which reflects fully diluted ownership at the time of disposition.

Pansend: BeneVir / Janssen Acquisition Summary

BeneVir:

- **BeneVir was a portfolio company of Pansend, our Life Sciences segment**
  - Focused on the development of a patent-protected oncolytic virus, BV-2711, for the treatment of solid cancer tumors
- **Pansend was the owner of all of BeneVir's outstanding preferred stock, through which Pansend held an approximate 80%, or ~76% on a fully diluted basis, controlling interest in BeneVir**
- **On June 11th, 2018, BeneVir completed its sale to Janssen Biotech, Inc. ("Janssen"), one of the Janssen Pharmaceutical Companies of Johnson & Johnson**
- **Janssen made an upfront cash payment of $140 million to BeneVir shareholders at the closing, of which HC2 received approximately $73 million, excluding approximately $9 million being held in escrow**
- **Janssen will make additional payments of up to $900 million to BeneVir shareholders if achievement of certain predetermined milestones are met**
- **HC2 had invested ~$8 million in BeneVir since inception**

HC2 Broadcasting Holdings Inc.

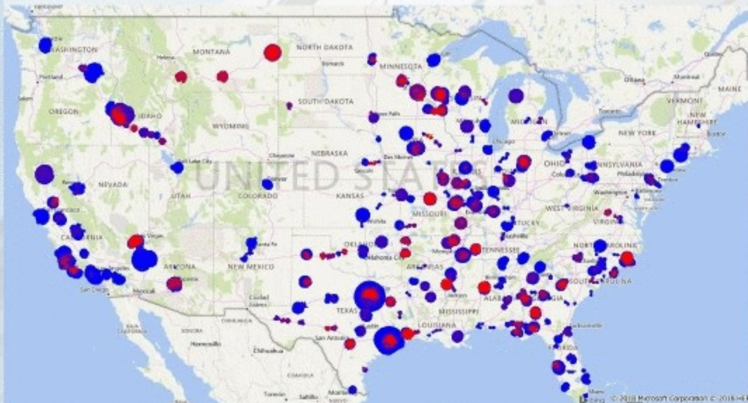
Business Description*

- HC2 Broadcasting Holdings Inc., a subsidiary of HC2 Holdings, has strategically acquired broadcast assets across the United States
- HC2's broadcast vision is to capitalize on the opportunities to bring valuable content to more viewers over-the-air and position the company for a changing media landscape

DTV America | MAKO Communications LLC | Azteca America | 3ABN | OTA Broadcasting

Broadcast Television Stations: Key Metrics**

- Operational Stations: 164
  - Full-Power Stations: 14
  - Class A Stations: 52
  - LPTV Stations: 98
- Silent Licenses & Construction Permits: ~400
- U.S. Markets: >130
- Total Footprint Covers Approximately 60% of the U.S. Population



Select Management:

- Kurt Hanson – Chief Technology Officer, HC2 Broadcasting Holdings
- Louis Libin – Managing Director, Strategy, HC2 Broadcasting Holdings
- Les Levi – Chief Operating Officer, HC2 Broadcasting Holdings
- Rebecca Hanson – General Counsel, HC2 Broadcasting Holdings
- Manuel Abud – President and CEO, Azteca America

Legend

- 30 MHz or more
- 24 MHz
- 18 MHz
- 12 MHz
- 6 MHz

* Map based on 2010 population data
** Metrics include pending transactions as of November 6, 2018.

Segment Financial Summary

($m)		Q3 2018	Q3 2017	YTD 2018	YTD 2017
Adjusted EBITDA	**Core Operating Subsidiaries**				
	Construction	$16.0	$16.8	$41.5	$36.5
	Marine Services	7.9	8.8	25.8	28.8
	Energy	1.0	0.3	4.7	2.5
	Telecom	1.5	1.5	3.9	5.3
	Total Core Operating	**$26.3**	**$27.3**	**$75.8**	**$73.0**
	Early Stage and Other Holdings				
	Life Sciences	($3.0)	($8.2)	($12.2)	($17.1)
	Broadcasting	(2.4)	-	(13.7)	-
	Other	(1.0)	(1.1)	(2.2)	(4.4)
	Total Early Stage and Other	**($6.4)**	**($9.3)**	**($28.1)**	**($21.6)**
	Non-Operating Corporate	($6.2)	($8.3)	($18.3)	($20.4)
	Total HC2 (excluding Insurance)	**$13.7**	**$9.8**	**$29.4**	**$31.1**
Pre-Tax Insurance AOI*	**Core Financial Services**				
	Insurance	($11.3)	$17.0	($8.7)	$20.6

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

Note: Reconciliations of Adjusted EBITDA and Pre-Tax Insurance AOI to U.S. GAAP Net Income in appendix. Table may not foot due to rounding. Broadcasting segment was formed in Q1 2018; no comparable results for Q3 and YTD 2017.

Third Quarter 2018 Highlights

Construction	• 3Q18 Adjusted EBITDA \$16.0m vs. \$16.8m for 3Q17; YTD18 Adjusted EBITDA \$41.5m vs. \$36.5m for YTD17
	• \$615m reported backlog; \$632m backlog taking into consideration awarded, but not yet signed contracts;
	• Acquiring GrayWolf Industrial, a specialty maintenance, repair and installation service provider for \$135M
	  ◦ Provides diversification of revenue and earnings; helps offset cyclicality of commercial construction market
	  ◦ Just over \$20 million in annual Adjusted EBITDA with minimal capex, strong cash flows and Blue-Chip customer base
	• Reaffirm FY18 Guidance: Continue to expect \$60m and \$65m of FY18 Adjusted EBITDA

Marine Services	• 3Q18 Adjusted EBITDA \$7.9m vs. \$8.8m for 3Q17; YTD18 Adjusted EBITDA \$25.8m vs. \$28.8m for YTD17
	• GMSL – Continued solid backlog at \$358m -- Huawei Marine equity investment - Continued strong backlog over \$350m
	• 3Q18 performance driven by the Huawei Marine Network equity investment, offset by higher than expected costs on a certain offshore power construction project and increases in unutilized vessel costs attributable to timing of new project work
	• Huawei Marine Network implemented a new long-term annual dividend policy after several years of meaningful shareholder value creation:
	  ◦ Global Marine received ~US\$10m of dividends in 3Q18; Will receive additional special dividends of ~\$4.9m in 4Q18 and ~\$4.9m in 2Q19
	  ◦ Going forward, equity investment partners will annually distribute a <u>minimum</u> of 30% of cumulative distributable net profits as dividends based on audited annual financials
	• Executed five-year cable repair framework agreement with a leading offshore wind power developer covering their European assets
	• Exploring strategic alternatives for the Global Marine business, including a potential sale; proceeds to pay down HC2 Holdco debt
	• Reaffirm FY18 Guidance: Continue to expect \$45m and \$50m of FY18 Adjusted EBITDA

Energy	• 3Q18 Adjusted EBITDA \$1.0m vs. \$0.3m for 3Q17; YTD18 Adjusted EBITDA \$4.7m vs. \$2.5m for YTD17 • Seek to increase existing station utilization; Focus on business development and marketing efforts to drive organic sales; Develop preferred fueling agreements with new and existing customers to ramp volumes; Continue to increase flow of Renewable Natural Gas (RNG) through ANG stations
Telecom	• 3Q18 Adjusted EBITDA \$1.5m vs. \$1.5m for 3Q17; YTD18 Adjusted EBITDA \$3.9m vs. \$5.3m for YTD17 • ICS Group to acquire Go2Tel.com Inc. a well-established VoIP carrier that offers high-quality termination services, primarily in Latin America, South America and the Caribbean region

Third Quarter 2018 Highlights (con't)

Insurance

- Completed Acquisition of Humana's ~$2.4 billion long-term care insurance business – (Closed 8/9/18)
- 3Q18 Pretax Insurance AOI ($11.3) million vs. $17.0 million 3Q17
- YTD18 Pretax Insurance AOI ($8.7) million vs. $20.6 million YTD17
- As of September 30, 2018, inclusive of Humana assets:
  - Statutory Surplus ~$300 million
  - Total Adjusted Capital ~$330 million
  - GAAP Assets of ~$5.5 billion
  - Cash and Invested Assets ~$4.1 billion
- ~$15 million annual investment management fee, with potential back-end upside
- Ring-fenced liabilities / no-parent guarantees

Pansend

PANSEND

- The U.S. Food and Drug Administration has granted Breakthrough Device designation to Medibeacon for the company's Transdermal GFR Measurement System ("TFGR"). The device is intended to measure Glomerular Filtration Rate ("GFR") in patients with impaired or normal renal function.[1]
- Under the Breakthrough Devices program, a provision of the 21st Century Act, the FDA works with companies to expedite regulatory review in order to give patients more timely access to diagnostic and therapeutic technologies.
- The TGFR is designed to provide clinicians real-time measurement of GFR at the point of care with no need for blood sampling or urine collection. The ability to measure GFR is of high clinical interest, especially in patients with or at risk of kidney disease.
- R2 Dermatology and MediBeacon remain in discussions with strategic parties for possible monetizations

Broadcasting

- 3Q18 Adjusted EBITDA ($2.4) million; YTD18 Adjusted EBITDA ($13.7) million
- Operational Stations*: 164
  - Full-Power Stations: 14
  - Class A Stations: 52
  - LPTV Stations: 98
  - Silent Licenses & Construction Permits: ~400
- U.S. Markets*: >130
- Total Footprint Covers Approximately 60% of the U.S. Population*
- Obtained $38 million debt and equity financing;
  - $35 million one-year secured note; 8.5% rate payable at maturity and secured by certain of HC2 Station Group, Inc. and HC2 LPTV Holdings, Inc.'s assets
  - 2.0% of outstanding common stock of HC2 Broadcasting purchased for $3.1 million
  - Issued warrants to purchase additional 2.0% of common stock of HC2 Broadcasting

(1) Data on file. Medibeacon, Inc., St. Louis, MO.
* Metrics include pending transactions as of November 6, 2018.

2018 Focus and Priorities – Update

- **Monetization / Value Creation Within Diverse HC2 Portfolio**
  - Sold BeneVir to Janssen Biotech (Johnson & Johnson) for up to $1.04 billion [2Q18]
  - Closed on the acquisition of Humana's $2.4 billion long-term care insurance business;
    - Combined Total Adjusted Capital is now approximately $330M [3Q18]
  - Announced the evaluation of strategic alternatives for Global Marine, including potential sale
  - Announced DBM Global's pending acquisition of Graywolf Industrial; diversification of revenue and service offering strong, stable cash flow [4Q18]
- **Continued Focused Expansion of Over-The-Air Broadcast Television Strategy**
  - Expanded market reach by building a nationwide network through strategic acquisitions
  - Identified significant opportunities to reduce costs and increase efficiencies
  - Building out and integrating infrastructure to support vision of creating a valuable content distribution "pipeline"
- **Optimization of HC2 Capital Structure**
  - Obtained $38 million new debt and equity financing at Broadcasting subsidiary, validating the Broadcasting strategy and vision
- **Diverse and Meaningful Sources of Liquidity at HC2 Holdco**
- **Re-Affirmed 2018 Guidance for Construction & Marine Services**
  - **DBM Global**: Currently expect $60 million - $65 million of FY18 Adjusted EBITDA
  - **Global Marine**: Currently expect $45 million - $50 million of FY18 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).

Segment Financial Summary

($m)		Q3 2018	Q2 2018	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2016
Adjusted EBITDA	**Core Operating Subsidiaries**									
	Construction	$16.0	$15.5	$10.0	$51.6	$15.1	$16.8	$11.1	$8.6	$59.9
	Marine Services	7.9	20.4	(2.4)	44.0	15.3	8.8	3.6	16.3	41.2
	Energy	1.0	3.0	0.7	2.9	0.4	0.3	1.0	1.2	2.5
	Telecom	1.5	1.3	1.1	6.9	1.6	1.5	2.2	1.7	5.6
	Total Core Operating	**$26.3**	**$40.2**	**$9.3**	**$105.5**	**$32.4**	**$27.3**	**$17.9**	**$27.8**	**$109.1**
	Early Stage and Other Holdings									
	Life Sciences	($3.0)	($4.9)	($4.4)	($22.4)	($5.2)	($8.2)	($4.9)	($4.1)	($12.0)
	Broadcasting	(2.4)	(6.2)	(5.1)	(0.8)	(0.8)	0.0	0.0	0.0	0.0
	Other	(1.0)	(1.0)	(0.2)	(2.3)	2.1	(1.1)	(2.2)	(1.2)	(11.2)
	Total Early Stage and Other	**($6.4)**	**($12.1)**	**($9.6)**	**($25.5)**	**($3.9)**	**($9.3)**	**($7.1)**	**($5.2)**	**($23.2)**
	Non-Operating Corporate	($6.2)	($5.4)	($6.7)	($29.2)	($8.7)	($8.3)	($6.3)	($5.9)	($25.7)
	Total HC2 (excluding Insurance)	**$13.7**	**$22.7**	**($6.9)**	**$50.8**	**$19.7**	**$9.8**	**$4.6**	**$16.7**	**$60.2**
Pre-Tax Insurance AOI*	**Core Financial Services**									
	Insurance	$(11.3)	$0.5	$2.2	$24.2	$3.6	$17.0	$4.1	($0.5)	($2.7)

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

Note: Reconciliations of Adjusted EBITDA and Pre-Tax Insurance AOI to U.S. GAAP Net Income in appendix. Table may not foot due to rounding. Pre-Tax Insurance Adjusted Operating Income for Q1 2016 was adjusted to exclude certain intercompany eliminations to better reflect the results of the insurance segment, and remain consistent with internally reported metrics. Additional details in appendix.


HC2
Envision. Empower. Execute.
Reconciliations

Reconciliation of Net Revenue
Last Twelve Months Ended September 30, 2018

(in thousands)

Net revenue

	Twelve Months Ended December 31, 2017	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Latest Twelve Months September 30, 2018
Construction	$ 578,989	$ 403,325	$ 531,209	$ 706,873
Marine Services	169,453	123,382	149,923	195,994
Energy	16,415	12,301	16,141	20,255
Telecommunications	701,898	520,214	580,630	762,314
Core Operating	**$ 1,466,755**	**$ 1,059,222**	**$ 1,277,903**	**$ 1,685,436**
Insurance	151,577	112,032	161,179	200,724
Broadcasting	4,765	-	33,702	38,467
Life Sciences	-	-	-	-
Other	11,026	4,375	3,680	10,331
Non-operating Corporate	-	-	-	-
Consolidating Elimination	-	-	(24,639)	(24,639)
Total net revenue	**$ 1,634,123**	**$ 1,175,629**	**$ 1,451,825**	**$ 1,910,319**

Reconciliation of Adjusted EBITDA
Last Twelve Months Ended September 30, 2018

(in thousands)

Adjusted EBITDA

	Twelve Months Ended December 31, 2017	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Latest Twelve Months September 30, 2018
Construction	$ 51,588	$ 36,476	$ 41,453	$ 56,565
Marine Services	44,027	28,758	25,824	41,093
Energy	2,911	2,489	4,657	5,079
Telecommunications	6,929	5,324	3,858	5,463
Core Operating	**$ 105,455**	**$ 73,047**	**$ 75,792**	**$ 108,200**
Broadcasting	(849)	-	(13,684)	(14,533)
Life Sciences	(22,366)	(17,141)	(12,209)	(17,434)
Other	(2,290)	(4,436)	(2,180)	(34)
Non-operating Corporate	(29,152)	(20,420)	(18,285)	(27,017)
Total	**$ 50,798**	**$ 31,050**	**$ 29,434**	**$ 49,182**

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Three Months Ended September 30, 2018

(in thousands)

Three Months Ended September 30, 2018	Core Operating Subsidiaries				Early Stage & Other			Non-operating Corporate	Total HC2
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination		
Net Income attributable to HC2 Holdings, Inc.									$ 153,466
Less: Net Income attributable to HC2 Holdings Insurance Segment									141,068
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									23,072
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 9,203	$ (515)	$ (562)	$ 1,302	$ (2,636)	$ (4,686)	$ 4,487	$ (17,267)	$ (10,674)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	1,851	6,853	1,389	89	35	827	11	21	11,076
Depreciation and amortization (included in cost of revenue)	1,792	-	-	-	-	-	-	-	1,792
Amortization of equity method fair value adjustment at acquisition	-	(371)	-	-	-	-	-	-	(371)
(Gain) loss on sale or disposal of assets	(681)	(118)	-	-	-	(20)	-	-	(819)
Interest expense	594	1,221	408	-	-	534	-	14,588	17,345
Other (income) expense, net	(1,938)	(263)	58	(21)	(14)	361	(3,606)	1,569	(3,854)
Gain on sale and deconsolidation of subsidiary	-	-	-	-	22	-	(1,540)	-	(1,518)
Foreign currency (gain) loss (included in cost of revenue)	-	156	-	-	-	-	-	-	156
Income tax (benefit) expense	3,842	147	7	-	-	-	-	(6,483)	(2,487)
Noncontrolling interest	750	27	(268)	-	(463)	(1,538)	(433)	-	(1,925)
Bonus to be settled in equity	-	-	-	-	-	-	-	165	165
Share-based payment expense	-	492	1	-	52	1,657	75	1,032	3,309
Non-recurring items	-	-	-	-	-	-	-	-	-
Acquisition and disposition costs	538	239	-	105	-	449	-	146	1,477
Adjusted EBITDA	**$ 15,951**	**$ 7,868**	**$ 1,033**	**$ 1,475**	**$ (3,004)**	**$ (2,416)**	**$ (1,006)**	**$ (6,229)**	**$ 13,672**
Total Core Operating Subsidiaries	**$ 26,327**								

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

(in thousands)

Three Months Ended September 30, 2017

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

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Nine Months Ended September 30, 2018

(in thousands)

Nine Months Ended September 30, 2018	Core Operating Subsidiaries				Early Stage & Other				
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination	Non-operating Corporate	Total HC2
Net Income attributable to HC2 Holdings, Inc.									$ 173,836
Less: Net Income attributable to HC2 Holdings Insurance Segment									142,878
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									19,076
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 20,067	$ 4,096	$ (581)	$ 3,395	$ 67,552	$ (29,238)	$ 3,779	$ (57,188)	$ 11,882
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	5,043	20,110	4,092	262	146	2,275	53	62	32,043
Depreciation and amortization (included in cost of revenue)	5,071	-	-	-	-	-	-	-	5,071
Amortization of equity method fair value adjustment at acquisition	-	(1,112)	-	-	-	-	-	-	(1,112)
Asset impairment expense	-	-	277	-	-	104	-	-	381
(Gain) loss on sale or disposal of assets	(253)	(2,779)	(223)	-	-	(12)	-	-	(3,267)
Interest expense	1,462	3,712	1,154	-	-	7,763	2	39,758	53,851
Loss on early extinguishment of debt	-	-	-	-	-	2,537	-	-	2,537
Other (income) expense, net	(1,915)	(1,296)	190	19	70	379	(3,433)	1,073	(4,913)
Gain on sale and deconsolidation of subsidiary	-	-	-	-	(102,119)	-	(1,540)	-	(103,659)
Foreign currency (gain) loss (included in cost of revenue)	-	(366)	-	-	-	-	-	-	(366)
Income tax (benefit) expense	8,992	149	20	-	1	14	(272)	(7,039)	1,865
Noncontrolling interest	1,633	1,693	(277)	-	19,469	(2,848)	(1,055)	-	18,615
Bonus to be settled in equity	-	-	-	-	-	-	-	515	515
Share-based payment expense	-	1,378	5	-	144	2,319	286	3,970	8,102
Non-recurring items	-	-	-	-	-	-	-	-	-
Acquisition and disposition costs	1,353	239	-	182	2,528	3,023	-	564	7,889
Adjusted EBITDA	**$ 41,453**	**$ 25,824**	**$ 4,657**	**$ 3,858**	**$ (12,209)**	**$ (13,684)**	**$ (2,180)**	**$ (18,285)**	**$ 29,434**
Total Core Operating Subsidiaries	**$ 75,792**								

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

(in thousands)

Nine Months Ended September 30, 2017	Core Operating Subsidiaries				Early Stage & Other				
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination	Non-operating Corporate	Total HC2
Net (Loss) attributable to HC2 Holdings, Inc.									$ (38,374)
Less: Net Income attributable to HC2 Holdings Insurance Segment									3,683
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 14,464	$ 8,943	$ (2,001)	$ 4,910	$ (14,276)	$ -	$ (9,787)	$ (44,310)	$ (42,057)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	4,194	16,561	3,876	285	129	-	933	50	26,028
Depreciation and amortization (included in cost of revenue)	3,835	-	-	-	-	-	-	-	3,835
Amortization of equity method fair value adjustment at acquisition	-	(1,223)	-	-	-	-	-	-	(1,223)
Asset impairment expense	-	-	-	-	-	-	1,810	-	1,810
(Gain) loss on sale or disposal of assets	93	(3,500)	39	-	-	-	-	-	(3,368)
Lease termination costs	-	249	-	15	-	-	-	-	264
Interest expense	619	3,363	552	37	-	-	2,408	32,431	39,410
Net loss (gain) on contingent consideration	-	-	-	-	-	-	-	(6,001)	(6,001)
Other (income) expense, net	(158)	2,443	1,652	77	(25)	-	2,800	(460)	6,329
Foreign currency (gain) loss (included in cost of revenue)	-	(131)	-	-	-	-	-	-	(131)
Income tax (benefit) expense	9,792	239	12	-	(0)	-	0	(9,112)	931
Noncontrolling interest	1,190	381	(2,002)	-	(3,208)	-	(2,666)	-	(6,305)
Bonus to be settled in equity	-	-	-	-	-	-	-	1,350	1,350
Share-based payment expense	-	1,133	361	-	239	-	66	2,207	4,006
Non-recurring items	-	-	-	-	-	-	-	-	-
Acquisition and disposition costs	2,447	300	-	-	-	-	-	3,425	6,172
Adjusted EBITDA	**$ 36,476**	**$ 28,758**	**$ 2,489**	**$ 5,324**	**$ (17,141)**	**$ -**	**$ (4,436)**	**$ (20,420)**	**$ 31,050**
Total Core Operating Subsidiaries	**$ 73,047**								

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Three Months Ended June 30, 2018

(in thousands)

Three Months Ended June 30, 2018	Core Operating Subsidiaries				Early Stage & Other			Non-operating Corporate	Total HC2
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination		
Net Income attributable to HC2 Holdings, Inc.									$ 55,366
Less: Net Income attributable to HC2 Holdings Insurance Segment									565
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									(2,009)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 7,397	$ 10,864	$ 679	$ 1,040	$ 74,124	$ (11,816)	$ (552)	$ (24,926)	$ 56,810
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	1,665	6,429	1,359	87	53	743	21	20	10,377
Depreciation and amortization (included in cost of revenue)	1,686	-	-	-	-	-	-	-	1,686
Amortization of equity method fair value adjustment at acquisition	-	(370)	-	-	-	-	-	-	(370)
Asset impairment expense	-	-	277	-	-	104	-	-	381
(Gain) loss on sale or disposal of assets	13	(25)	(192)	-	-	8	-	-	(196)
Interest expense	458	1,328	426	-	-	1,523	-	13,446	17,181
Loss on early extinguishment of debt	-	-	-	-	-	2,537	-	-	2,537
Gain on sale and deconsolidation of subsidiary	-	-	-	-	(102,141)	-	-	-	(102,141)
Other (income) expense, net	(66)	(1,981)	66	99	56	93	121	226	(1,386)
Foreign currency (gain) loss (included in cost of revenue)	-	(420)	-	-	-	-	-	-	(420)
Income tax (benefit) expense	3,318	68	13	-	1	14	(272)	2,759	5,901
Noncontrolling interest	601	4,030	324	-	20,679	(700)	(536)	-	24,398
Bonus to be settled in equity	-	-	-	-	-	-	-	175	175
Share-based payment expense	-	476	2	-	18	349	200	2,660	3,705
Non-recurring items	-	-	-	-	-	-	-	-	-
Acquisition and disposition costs	456	-	-	49	2,355	928	-	240	4,028
Adjusted EBITDA	**$ 15,528**	**$ 20,399**	**$ 2,954**	**$ 1,275**	**$ (4,855)**	**$ (6,217)**	**$ (1,018)**	**$ (5,400)**	**$ 22,666**
Total Core Operating Subsidiaries	**$ 40,156**								

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

(in thousands)

Three Months Ended March 31, 2018	Core Operating Subsidiaries				Early Stage & Other				
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination	Non-operating Corporate	Total HC2
Net Income (loss) attributable to HC2 Holdings, Inc.									$ (34,996)
Less: Net Income attributable to HC2 Holdings Insurance Segment									1,245
Less: Consolidating eliminations attributable to HC2 Holdings Insurance segment									(1,987)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 3,467	$ (6,253)	$ (698)	$ 1,053	$ (3,936)	$ (12,736)	$ (156)	$ (14,995)	$ (34,254)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						-			
Depreciation and amortization	1,527	6,828	1,344	86	58	705	21	21	10,590
Depreciation and amortization (included in cost of revenue)	1,593	-	-	-	-	-	-	-	1,593
Amortization of equity method fair value adjustment at acquisition	-	(371)	-	-	-	-	-	-	(371)
(Gain) loss on sale or disposal of assets	415	(2,636)	(31)	-	-	-	-	-	(2,252)
Interest expense	410	1,163	320	-	-	5,706	2	11,724	19,325
Other (income) expense, net	89	948	66	(59)	28	(75)	52	(722)	327
Foreign currency (gain) loss (included in cost of revenue)	-	(102)	-	-	-	-	-	-	(102)
Income tax (benefit) expense	1,832	(66)	-	-	-	-	-	(3,315)	(1,549)
Noncontrolling interest	282	(2,364)	(333)	-	(747)	(610)	(86)	-	(3,858)
Bonus to be settled in equity	-	-	-	-	-	-	-	175	175
Share-based payment expense	-	410	2	-	74	313	11	278	1,088
Non-recurring items	-	-	-	-	-	-	-	-	-
Acquisition costs	359	-	-	28	173	1,646	-	178	2,384
Adjusted EBITDA	**$ 9,974**	**$ (2,443)**	**$ 670**	**$ 1,108**	**$ (4,350)**	**$ (5,051)**	**$ (156)**	**$ (6,656)**	**$ (6,904)**
Total Core Operating Subsidiaries	**$ 9,309**								

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

(in thousands)

Year Ended December 31, 2017	Core Operating Subsidiaries				Early Stage & Other			Non-operating Corporate	Total HC2
	Construction	**Marine**	**Energy**	**Telecom**	**Life Sciences**	**Broadcasting**	**Other & Elimination**		
Net loss attributable to HC2 Holdings, Inc.									$ (46,911)
Less: Net Income attributable to HC2 Holdings Insurance segment									7,066
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 23,624	$ 15,173	$ (516)	$ 6,163	$ (18,098)	$ (4,941)	$ (13,064)	$ (62,318)	$ (53,977)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	5,583	22,898	5,071	371	186	302	1,206	71	35,688
Depreciation and amortization (included in cost of revenue)	5,254	-	-	-	-	-	-	-	5,254
Amortization of equity method fair value adjustment at acquisition	-	(1,594)	-	-	-	-	-	-	(1,594)
Asset impairment expense	-	-	-	-	-	-	1,810	-	1,810
(Gain) loss on sale or disposal of assets	292	(3,500)	247	181	-	-	-	-	(2,780)
Lease termination costs	-	249	-	17	-	-	-	-	266
Interest expense	976	4,392	1,181	41	-	1,963	2,410	44,135	55,098
Net loss (gain) on contingent consideration	-	-	-	-	-	-	-	(11,411)	(11,411)
Other (income) expense, net	(41)	2,683	1,488	149	(17)	41	6,500	(92)	10,711
Foreign currency (gain) loss (included in cost of revenue)	-	(79)	-	-	-	-	-	-	(79)
Income tax (benefit) expense	10,679	203	(4,243)	7	(820)	(1,811)	682	(10,185)	(5,488)
Noncontrolling interest	1,941	260	(681)	-	(3,936)	755	(1,919)	-	(3,580)
Bonus to be settled in equity	-	-	-	-	-	-	-	4,130	4,130
Share-based compensation expense	-	1,527	364	-	319	194	85	2,754	5,243
Non-recurring items	-	-	-	-	-	-	-	-	-
Acquisition costs	3,280	1,815	-	-	-	2,648	-	3,764	11,507
Adjusted EBITDA	**$ 51,588**	**$ 44,027**	**$ 2,911**	**$ 6,929**	**$ (22,366)**	**$ (849)**	**$ (2,290)**	**$ (29,152)**	**$ 50,798**
Total Core Operating Subsidiaries	**$ 105,455**								

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

(in thousands)

Three Months Ended December 31, 2017	Core Operating Subsidiaries				Early Stage & Other				
	Construction	**Marine**	**Energy**	**Telecom**	**Life Sciences**	**Broadcasting**	**Other & Elimination**	**Non-operating Corporate**	**Total HC2**
Net loss attributable to HC2 Holdings, Inc.									$ (8,537)
Less: Net Income attributable to HC2 Holdings Insurance segment									3,383
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 9,160	$ 6,230	$ 1,485	$ 1,253	$ (3,822)	$ (4,941)	$ (3,277)	$ (18,008)	$ (11,920)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	1,389	6,337	1,195	86	57	302	273	21	9,660
Depreciation and amortization (included in cost of revenue)	1,419	-	-	-	-	-	-	-	1,419
Amortization of equity method fair value adjustment at acquisition	-	(371)	-	-	-	-	-	-	(371)
Asset impairment expense	-	-	-	-	-	-	-	-	-
(Gain) loss on sale or disposal of assets	199	-	208	181	-	-	-	-	588
Lease termination costs	-	-	-	2	-	-	-	-	2
Interest expense	357	1,029	629	4	-	1,963	2	11,704	15,688
Net loss (gain) on contingent consideration	-	-	-	-	-	-	-	(5,410)	(5,410)
Other (income) expense, net	117	240	(164)	72	8	41	3,700	368	4,382
Foreign currency (gain) loss (included in cost of revenue)	-	52	-	-	-	-	-	-	52
Income tax (benefit) expense	887	(36)	(4,255)	7	(820)	(1,811)	682	(1,073)	(6,419)
Noncontrolling interest	751	(121)	1,321	-	(728)	755	747	-	2,725
Bonus to be settled in equity	-	-	-	-	-	-	-	2,780	2,780
Share-based compensation expense	-	394	3	-	80	194	19	547	1,237
Non-recurring items	-	-	-	-	-	-	-	-	-
Acquisition costs	833	1,515	-	-	-	2,648	-	339	5,335
Adjusted EBITDA	**$ 15,112**	**$ 15,269**	**$ 422**	**$ 1,605**	**$ (5,225)**	**$ (849)**	**$ 2,146**	**$ (8,732)**	**$ 19,748**
Total Core Operating Subsidiaries	**$ 32,408**								

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

(in thousands)

Three Months Ended June 30, 2017	Core Operating Subsidiaries				Early Stage & Other				
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination	Non-operating Corporate	Total HC2
Net loss attributable to HC2 Holdings, Inc.									$ (17,911)
Less: Net Income attributable to HC2 Holdings Insurance segment									164
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 4,179	$ (3,053)	$ (365)	$ 2,060	$ (4,106)	$ -	$ (3,757)	$ (13,033)	$ (18,075)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	1,240	5,255	1,381	94	41	-	331	16	8,358
Depreciation and amortization (included in cost of revenue)	1,302	-	-	-	-	-	-	-	1,302
Amortization of equity method fair value adjustment at acquisition	-	(325)	-	-	-	-	-	-	(325)
Asset impairment expense	-	-	-	-	-	-	1,810	-	1,810
(Gain) loss on sale or disposal of assets	(145)	-	18	-	-	-	-	-	(127)
Lease termination costs	-	55	-	-	-	-	-	-	55
Interest expense	174	1,040	154	14	-	-	16	10,675	12,073
Net loss (gain) on contingent consideration	-	-	-	-	-	-	-	88	88
Other (income) expense, net	28	490	255	(9)	(11)	-	803	214	1,770
Foreign currency (gain) loss (included in cost of revenue)	-	83	-	-	-	-	-	-	83
Income tax (benefit) expense	3,232	(134)	(1)	-	-	-	-	(6,543)	(3,446)
Noncontrolling interest	369	(156)	(492)	-	(911)	-	(1,372)	-	(2,562)
Bonus to be settled in equity	-	-	-	-	-	-	-	585	585
Share-based compensation expense	-	394	91	-	76	-	18	527	1,106
Non-recurring items	-	-	-	-	-	-	-	-	-
Acquisition costs	701	-	-	-	-	-	-	1,168	1,869
Adjusted EBITDA	**$ 11,080**	**$ 3,649**	**$ 1,041**	**$ 2,159**	**$ (4,911)**	**$ -**	**$ (2,151)**	**$ (6,303)**	**$ 4,564**
Total Core Operating Subsidiaries	**$ 17,929**								

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Three Months Ended March 31, 2017

(in thousands)

Three Months Ended March 31, 2017	Core Operating Subsidiaries				Early Stage & Other			Non-operating Corporate	Total HC2
	Construction	Marine	Energy	Telecom	Life Sciences	Broadcasting	Other & Elimination		
Net loss attributable to HC2 Holdings, Inc.									$ (14,496)
Less: Net loss attributable to HC2 Holdings Insurance segment									(761)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 3,203	$ 11,152	$ (697)	$ 1,502	$ (3,410)	$ -	$ (5,430)	$ (20,055)	$ (13,735)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:									
Depreciation and amortization	1,640	5,085	1,248	97	38	-	330	16	8,454
Depreciation and amortization (included in cost of revenue)	1,240	-	-	-	-	-	-	-	1,240
Amortization of equity method fair value adjustment at acquisition	-	(325)	-	-	-	-	-	-	(325)
Asset impairment expense	-	-	-	-	-	-	-	-	-
(Gain) loss on sale or disposal of assets	(248)	(3,500)	(4)	-	-	-	-	-	(3,752)
Lease termination costs	-	194	-	-	-	-	-	-	194
Interest expense	207	1,302	136	9	-	-	2,391	10,070	14,115
Net loss (gain) on contingent consideration	-	-	-	-	-	-	-	231	231
Other (income) expense, net	(21)	1,065	1,120	74	(4)	-	2,115	44	4,393
Foreign currency (gain) loss (included in cost of revenue)	-	24	-	-	-	-	-	-	24
Income tax (benefit) expense	2,079	510	13	-	-	-	-	2,177	4,779
Noncontrolling interest	263	494	(747)	-	(791)	-	(605)	-	(1,386)
Bonus to be settled in equity	-	-	-	-	-	-	-	-	-
Share-based compensation expense	-	345	91	-	92	-	29	962	1,519
Non-recurring items	-	-	-	-	-	-	-	-	-
Acquisition costs	245	-	-	-	-	-	-	693	938
Adjusted EBITDA	**$ 8,608**	**$ 16,346**	**$ 1,160**	**$ 1,682**	**$ (4,075)**	**$ -**	**$ (1,170)**	**$ (5,862)**	**$ 16,689**
Total Core Operating Subsidiaries	**$ 27,796**								

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

(in thousands)

Year Ended December 31, 2016	Core Operating Subsidiaries				Early Stage & Other		Non-operating Corporate	Total HC2
	Construction	Marine	Energy	Telecom	Life Sciences	Other & Elimination		
Net loss attributable to HC2 Holdings, Inc.								$ (94,549)
Less: Net loss attributable to HC2 Holdings Insurance segment								(14,028)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 28,002	$ 17,447	$ 7	$ 1,435	$ (7,646)	$ (24,800)	$ (94,966)	$ (80,521)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:								
Depreciation and amortization	1,892	22,007	2,248	504	124	1,480	9	28,264
Depreciation and amortization (included in cost of revenue)	4,370	-	-	-	-	-	-	4,370
Amortization of equity method fair value adjustment at acquisition	-	(1,371)	-	-	-	-	-	(1,371)
(Gain) loss on sale or disposal of assets	1,663	(9)	-	708	-	-	-	2,362
Lease termination costs	-	-	-	179	-	-	-	179
Interest expense	1,239	4,774	211	-	-	1,164	35,987	43,375
Net loss (gain) on contingent consideration	-	(2,482)	-	-	-	-	11,411	8,929
Other (income) expense, net	(163)	(2,424)	(8)	(87)	(3,213)	9,987	(1,277)	2,815
Foreign currency (gain) loss (included in cost of revenue)	-	(1,106)	-	-	-	-	-	(1,106)
Income tax (benefit) expense	18,727	1,394	(535)	2,803	1,558	3,250	11,245	38,442
Noncontrolling interest	1,834	974	(4)	-	(3,111)	(2,575)	-	(2,882)
Bonus to be settled in equity	-	-	-	-	-	-	2,503	2,503
Share-based compensation expense	-	1,682	597	-	251	273	5,545	8,348
Non-recurring items	-	-	-	-	-	-	1,513	1,513
Acquisition Costs	2,296	290	27	18	-	-	2,312	4,943
Adjusted EBITDA	**$ 59,860**	**$ 41,176**	**$ 2,543**	**$ 5,560**	**$ (12,037)**	**$ (11,221)**	**$ (25,718)**	**$ 60,163**
Total Core Operating Subsidiaries	**$ 109,139**							

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

(in thousands)

Adjusted Operating Income - Insurance ("Insurance AOI")

	YTD 2018	Q3 2018	Q2 2018	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2016
Net Income (loss) - Insurance segment	$ 142,878	$ 141,068	$ 565	$ 1,245	$ 7,066	$ 3,381	$ 4,282	$ 164	$ (761)	$ (14,028)
Effect of investment (gains) losses	(27,086)	(20,147)	(4,429)	(2,510)	(4,983)	(2,129)	(978)	(1,095)	(781)	(5,019)
Asset impairment expense	-	-	-	-	3,364	-	-	2,842	522	2,400
Bargain Purchase Gain	(109,112)	(109,112)	-	-	-	-	-	-	-	-
Reinsurance Gain	(17,715)	(17,715)	-	-	-	-	-	-	-	-
Acquisition costs	2,367	1,305	759	303	2,535	1,377	422	736	-	714
Insurance AOI	**$ (8,668)**	**$ (4,601)**	**$ (3,105)**	**$ (962)**	**$ 7,982**	**$ 2,629**	**$ 3,726**	**$ 2,647**	**$ (1,020)**	**$ (15,933)**
Addback: Tax expense (benefit)	-	(6,741)	3,560	3,181	16,228	992	13,263	1,461	512	13,196
Pre-tax Insurance AOI	**$ (8,668)**	**$ (11,342)**	**$ 455**	**$ 2,219**	**$ 24,210**	**$ 3,621**	**$ 16,989**	**$ 4,108**	**$ (508)**	**$ (2,737)**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HC2 HOLDINGS, INC.
Andrew G. Backman • ir@hc2.com • 212.235.2691 • 450 Park Avenue, 30th Floor, New York, NY 10022
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