



BWX Technologies Reports Robust Second Quarter 2022 Results; Increases 2022 Revenue and Adjusted EBITDA(1) Guidance

August 8, 2022

- 2Q22 revenue of \$554 million, up 10%
- 2Q22 GAAP and non-GAAP⁽¹⁾ EPS of \$0.82, up 32%
- 2Q22 net income of \$74.6 million, up 26%; adjusted EBITDA⁽¹⁾ of \$114.7 million, up 26%
- Completes Tc-99m reference batches; assembling final data for FDA submission
- Commences work on first advanced microreactor in the U.S. for the Department of Defense
- Increases 2022 guidance for revenue, adjusted EBITDA⁽¹⁾ and capital expenditures, and narrows 2022 non-GAAP⁽¹⁾ EPS guidance

LYNCHBURG, Va.--(BUSINESS WIRE)-- BWX Technologies, Inc. (NYSE: BWXT) ("BWXT", "we", "us" or the "Company") reported second quarter 2022 revenue of \$554 million, a 10% increase compared with \$505 million in the second quarter 2021. GAAP net income for the second quarter 2022 was \$74.6 million, or \$0.82 per diluted share, compared with net income of \$59.3 million, or \$0.62 per diluted share, in the prior-year period. Non-GAAP⁽¹⁾ net income for the second quarter 2022 was \$75.4 million, or \$0.82 per diluted share. Adjusted EBITDA⁽¹⁾ for the second quarter 2022 was \$114.7 million, a 26% increase compared with \$90.8 million in the prior-year period, primarily driven by higher revenue, the timing of certain long lead material production and positive site performance. A reconciliation of non-GAAP⁽¹⁾ results are detailed in Exhibit 1.

"BWXT delivered a strong second quarter despite a few operational challenges," said Rex D. Geveden, president and chief executive officer. "Second quarter results were seasonally stronger than we originally expected, driven by a combination of business performance and favorable timing. Impressive operational performance in commercial power, nuclear medicine and uranium processing offset some challenges for naval component production at certain facilities within Government Operations. Notably, the results include certain activities that were originally anticipated to occur in the third quarter, which has reduced uncertainty for the year and leads us to narrow 2022 earnings guidance."

"I want to express my gratitude to the entire BWXT team, which continues to do a remarkable job of supporting our critical nuclear missions while building strategically significant new business lines in advanced microreactors and nuclear medicine. In June, we secured a competitively-bid contract to build the first advanced microreactor in the United States through the Strategic Capabilities Office's Project Pele. With our key partners, we are quickly building a team of highly talented people to demonstrate that we can manufacture a reliable, safe, transportable microreactor to meet the critical power and operational needs of the Department of Defense. In addition, in early August, we completed the Tc-99m reference batches and are assembling the final data package for FDA submission," said Geveden.

(1) A reconciliation of non-GAAP results, including adjusted EBITDA, are detailed in Exhibit 1. Additional information can be found in the materials on the BWXT investor relations website at www.bwxt.com/investors.

Segment Results

Government Operations segment revenue was \$437 million for the second quarter 2022, an 8% increase compared with the prior-year period, driven by the favorable timing of long-lead material volume in naval

reactors and higher revenue in uranium processing, partially offset by lower missile tube revenue due to contract adjustments. Government Operations segment operating income was \$83.8 million in the second quarter 2022, a 15% increase compared with the prior-year period. Government Operations segment adjusted EBITDA⁽¹⁾ was \$95.7 million in the second quarter 2022, a 15% increase compared with the prior-year period, primarily driven by higher revenue and robust contract performance in technical services and uranium processing which was partially offset by fewer favorable contract adjustments due to operational challenges and lower recoverable CAS pension income.

Commercial Operations segment revenue was \$119 million for the second quarter 2022, a 16% increase compared with the prior-year period, driven by increased revenue from commercial nuclear power field service activity, nuclear fuel handling and

BWXT Medical. Commercial Operations segment operating income was \$12.9 million (GAAP) and \$13.1 million (non-GAAP⁽¹⁾) in the second quarter 2022, a significant respective increase compared with \$5.6 million in the prior-year period. Commercial Operations segment adjusted EBITDA⁽¹⁾ was \$18.2 million in the second quarter 2022, a 70% increase compared with the prior-year period, primarily driven by higher revenue, favorable business mix and the timing of certain expenses.

Cash and Capital Returned to Shareholders

BWXT generated \$77.4 million of cash from operating activities in the second quarter 2022, compared with \$59.9 million of cash generated from operating activities in the prior-year period. The Company's cash balance, net of restricted cash, was \$67.4 million at the end of the second quarter 2022.

The Company returned \$20.1 million of cash to shareholders during the second quarter 2022 through dividends. Year-to-date, the Company has returned \$60.8 million of cash to shareholders, including \$20.0 million in share repurchases and \$40.8 million in dividends. As of June 30, 2022, total remaining share repurchase authorization was \$398 million.

On August 3, 2022, the BWXT Board of Directors declared a quarterly cash dividend of \$0.22 per common share. The dividend will be payable on September 8, 2022, to shareholders of record on August 19, 2022.

2022 Guidance

BWXT increased guidance for revenue, adjusted EBITDA⁽¹⁾ and capital expenditures and narrowed guidance for non-GAAP⁽¹⁾ EPS.

- Revenue up 6.5% to 8.0% vs. 2021
- Adjusted EBITDA⁽¹⁾ up 5.0% to 6.5% vs. 2021
- Non-GAAP⁽¹⁾ EPS: \$3.08 to \$3.23
- Cash from operations: \$260 million to \$290 million
- Capital expenditures: \$195 million to \$210 million

Additional information can be found in the 2022 second quarter earnings call presentation on the BWXT investor relations website at www.bwxt.com/investors. The Company does not provide GAAP guidance because it is unable to reliably forecast most of the items that are excluded from GAAP to calculate non-GAAP results. These items could cause GAAP results to differ materially from non-GAAP results. See reconciliation of non-GAAP results in Exhibit 1 for additional information.

Conference Call to Discuss Second Quarter 2022 Results

Date: Monday, August 8, 2022, at 5:00 p.m. EDT

Live Webcast: Investor Relations section of website at www.bwxt.com

Full Earnings Release Available on BWXT Website

A full version of this earnings release is available on our Investor Relations website at <http://investors.bwxt.com/2Q2022-release>

BWXT may use its website (www.bwxt.com) as a channel of distribution of material Company information. Financial and other important information regarding BWXT is routinely accessible through and posted on our website. In addition, you may elect to automatically receive e-mail alerts and other information about BWXT by enrolling through the "Email Alerts" section of our website at <http://investors.bwxt.com>.

Forward-Looking Statements

BWXT cautions that this release contains forward-looking statements, including, without limitation, statements relating to backlog, to the extent they may be viewed as an indicator of future revenues; our plans and expectations for each of our reportable segments, including the expectations, timing and revenue of our strategic initiatives, such as medical radioisotopes and recent acquisitions; disruptions to our supply chain and/or operations, changes in government regulations and other factors, including any such impacts of, or actions in response to the COVID-19 health crisis; and our expectations and guidance for 2022 and beyond. These forward-looking statements are based on management's current expectations and involve a number of risks and uncertainties, including, among other things, our ability to execute contracts in backlog; the lack of, or adverse changes in, federal appropriations to government programs in which we participate; the demand for and competitiveness of nuclear products and services; capital priorities of power generating utilities and other customers; the timing of technology development, regulatory approval and automation of production; the receipt and/or timing of government approvals; the impact of COVID-19 on our business and our employees, contractors, suppliers, customers and other partners and their business activities; the potential recurrence of subsequent waves or strains of COVID-19 or similar diseases; adverse changes in the industries in which we operate; and delays, changes or termination of contracts in backlog. If one or more of these risks or other risks materialize, actual results may vary materially from those expressed. For a more complete discussion of these and other risk factors, see BWXT's

filings with the Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2021 and subsequent Form 10-Q filings. BWXT cautions not to place undue reliance on these forward-looking statements, which speak only as of the date of this release, and undertakes no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

About BWXT

At BWXT Technologies, Inc. (NYSE: BWXT), we are People Strong, Innovation Driven. Headquartered in Lynchburg, Va. BWXT is a Fortune 1000 and Defense News Top 100 manufacturing and engineering innovator that provides safe and effective nuclear solutions for global security, clean energy, environmental remediation, nuclear medicine and space exploration. With approximately 6,700 employees, BWXT has 14 major operating sites in the U.S., Canada and the U.K. In addition, BWXT joint ventures provide management and operations at more than a dozen U.S. Department of Energy and NASA facilities. Follow us on Twitter at @BWXT and learn more at www.bwxt.com.

EXHIBIT 1

BWX TECHNOLOGIES, INC.
RECONCILIATION OF NON-GAAP OPERATING INCOME AND EARNINGS PER SHARE⁽¹⁾⁽²⁾⁽³⁾
(In millions, except per share amounts)
Three Months Ended June 30, 2022

	<u>GAAP</u>	<u>Restructuring Costs</u>	<u>Acquisition Related Costs</u>	<u>Non-GAAP</u>
Operating Income	\$ 95.2	\$ 0.3	\$ 0.6	\$ 96.1
Other Income (Expense)	2.9	—	—	2.9
Provision for Income Taxes	(23.4)	(0.1)	(0.0)	(23.5)
Net Income	74.7	0.2	0.6	75.5
Net Income Attributable to Noncontrolling Interest	(0.1)	—	—	(0.1)
Net Income Attributable to BWXT	\$ 74.6	\$ 0.2	\$ 0.6	\$ 75.4
Diluted Shares Outstanding	91.5			91.5
Diluted Earnings per Common Share	\$ 0.82	\$ 0.00	\$ 0.01	\$ 0.82
Effective Tax Rate	23.9%			23.7%
Government Operations Operating Income	\$ 83.8	\$ —	\$ —	\$ 83.8
Commercial Operations Operating Income	\$ 12.9	\$ 0.3	\$ —	\$ 13.1
Unallocated Corporate Operating Income	\$ (1.4)	\$ 0.0	\$ 0.6	\$ (0.8)

RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA⁽¹⁾⁽²⁾⁽³⁾

(In millions)

	Three Months Ended June 30, 2022			
GAAP	Restructuring Costs	Acquisition Related Costs		Non-GAAP
Net Income	\$ 74.7	\$ 0.2	\$ 0.6	\$ 75.5
Provision for Income Taxes	23.4	0.1	0.0	23.5
Other - net	(11.1)	—	—	(11.1)
Interest Income	(0.1)	—	—	(0.1)
Interest Expense	8.3	—	—	8.3
Depreciation & Amortization	18.6	—	—	\$ 18.6
Adjusted EBITDA	\$ 113.8	\$ 0.3	\$ 0.6	\$ 114.7

Three Months Ended June 30, 2021

	GAAP
Net Income	\$ 59.4
Provision for Income Taxes	19.5
Other - net	(15.3)
Interest Income	(0.1)
Interest Expense	10.2
Depreciation & Amortization	17.1
Adjusted EBITDA	\$ 90.8

EXHIBIT 1 (continued)

RECONCILIATION OF REPORTING SEGMENT ADJUSTED EBITDA⁽¹⁾⁽²⁾⁽³⁾

(In millions)

	Three Months Ended June 30, 2022			
Operating Income (GAAP)	Non-GAAP Adjustments ⁽⁴⁾	Depreciation & Amortization		Adjusted EBITDA
Government Operations	\$ 83.8	\$ —	\$ 11.9	\$ 95.7
Commercial Operations	\$ 12.9	\$ 0.3	\$ 5.0	\$ 18.2

	Three Months Ended June 30, 2021			
Operating Income (GAAP)	Non-GAAP Adjustments ⁽⁴⁾	Depreciation & Amortization		Adjusted EBITDA
Government Operations	\$ 72.9	\$ —	\$ 10.3	\$ 83.2
Commercial Operations	\$ 5.6	\$ —	\$ 5.0	\$ 10.7

(1) Tables may not foot due to rounding.

- (2) BWXT is providing non-GAAP information regarding certain of its historical results and guidance on future earnings per share to supplement the results provided in accordance with GAAP and it should not be considered superior to, or as a substitute for, the comparable GAAP measures. BWXT believes the non-GAAP measures provide meaningful insight and transparency into the Company's operational performance and provides these measures to investors to help facilitate comparisons of operating results with prior periods and to assist them in understanding BWXT's ongoing operations.
- (3) BWXT has not included a reconciliation of provided non-GAAP guidance to the comparable GAAP measures due to the difficulty of estimating any mark-to-market adjustments for pension and post-retirement benefits, which are determined at the end of the year.
- (4) For Non-GAAP adjustment details, see reconciliation of non-GAAP operating income and earnings per share.



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