



BWX Technologies, Inc.

2021 Second Quarter Earnings Call Presentation

Reported August 2, 2021

➤ Forward-Looking Statements Disclaimer

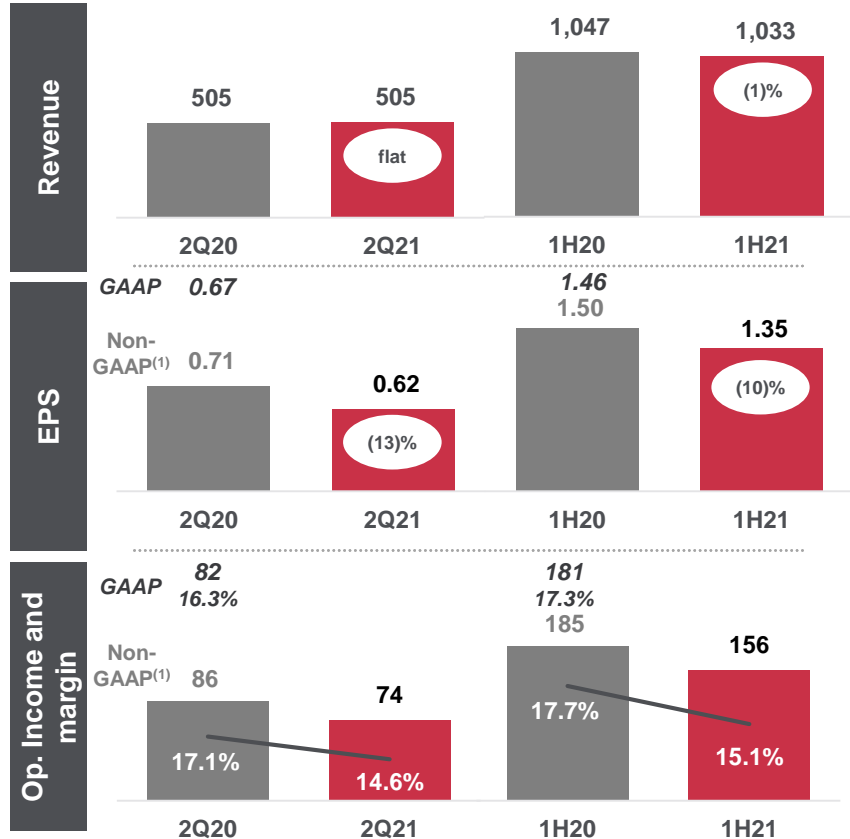
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> 2Q21 earnings call summary

- **Solid 2Q and YTD results... earnings as expected at midpoint of year**
- **2021 guidance reiterated... other information updated**
- **Continued progress on Technetium-99m generator commercialization... FDA submission on track and in sight**
- **Additional opportunities in medical including expansion of TheraSphere™ product with Boston Scientific**
- **New award for NASA/DOE Nuclear Thermal Propulsion...partnering with Lockheed Martin**
- **Anticipate awards for DOE/NNSA in Nuclear Services Group**
- **Investor Day in NYC on November 16, 2021... focusing on strategy and detailing future opportunities across the BWXT portfolio**

> 2Q21 and 1H21 company results

(\$million, except per share amounts)

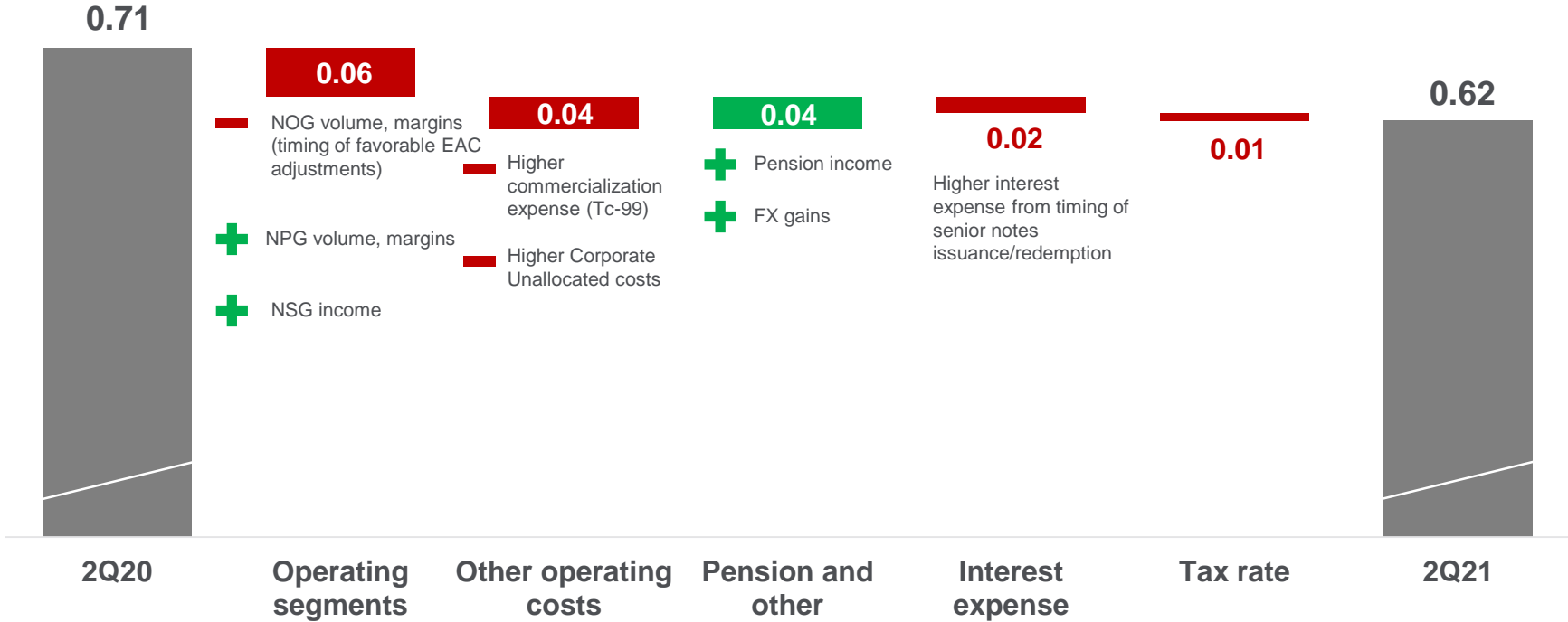


- 2Q21 and 1H21 revenue ~flat and down 1% respectively as higher NPG revenue offset by lower NOG and NSG revenue.
- 2Q21 and 1H21 EPS down 13% and 10% respectively primarily from less operating segment earnings, higher commercialization expenses related to medical isotopes, higher interest expense and higher tax rate, partially offset by higher pension income, FX gains
- 2Q21 and 1H21 operating margin down primarily on lower NOG margin driven by fewer favorable EAC adjustments mostly due to timing
- Backlog remains strong at \$4.85 billion

1) Non-GAAP figures exclude any mark-to-market adjustment for pension and postretirement benefits recognized and other one-time items. A reconciliation of GAAP to adjusted, non-GAAP items can be found in the appendix of this presentation or on the investor relations website at www.bwxt.com/investors.

> 2Q20 to 2Q21 non-GAAP⁽¹⁾ EPS bridge

(\$ per diluted share)



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> 1H20 to 1H21 non-GAAP⁽¹⁾ EPS bridge

(\$ per diluted share)



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> 2Q21 segment results

Segment

Revenue

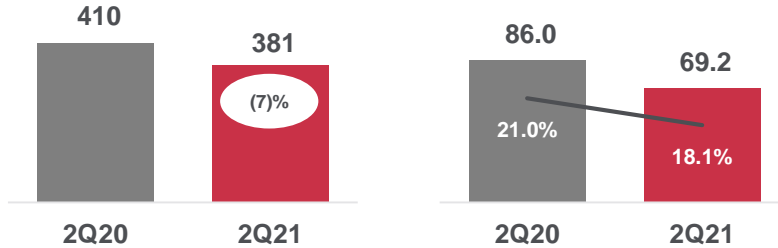
Op. Income / Margin

Summary

(\$million)



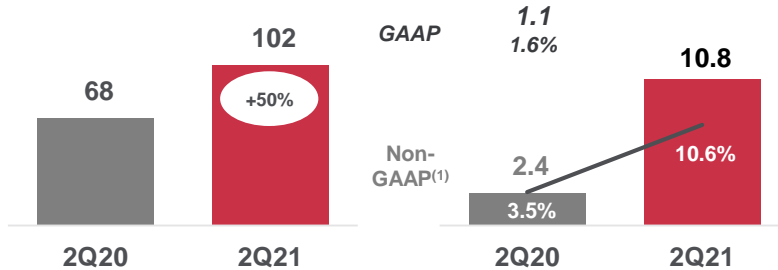
NOG



- Revenue down 7% on higher production volume, more than offset by lower long-lead material production
- Operating income down 20% on lower revenue and fewer favorable contract adjustments due to timing of certain milestones



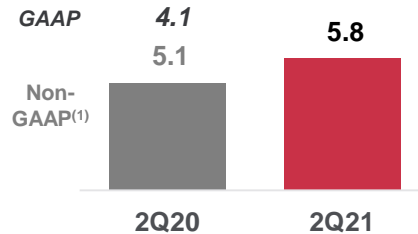
NPG



- Revenue up 50% on higher field services, fuel production and fuel handling activity, and higher medical isotope demand
- Operating income up significantly on higher revenue as well as incremental funds received to offset expenses related to COVID



NSG



- Operating income up on better contract performance partially offset by the absence of contracts that completed in 2020

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> 1H21 segment results

Segment

Revenue

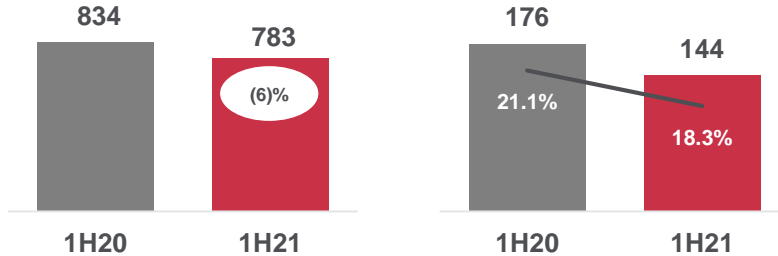
Op. Income / Margin

Summary

(\$million)



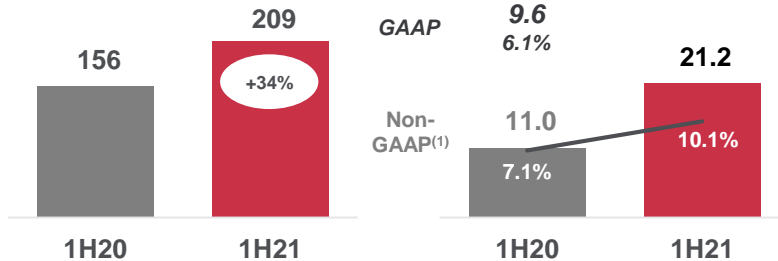
NOG



- Revenue down 6% on higher production volume, more than offset by lower long-lead material production
- Operating income down 19% on lower revenue and fewer favorable contract adjustments due to timing of certain milestones and driven in part by negative impacts from COVID absences



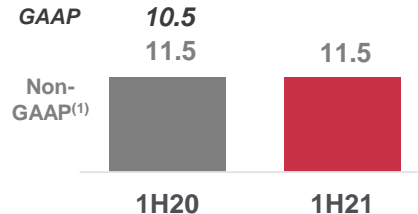
NPG



- Revenue up 34% on higher field services, fuel production and fuel handling activity, and higher medical isotope demand, partially offset by lower component manufacturing volume
- Operating income up nearly 2x on higher revenue as well as incremental funds received to offset expenses incurred related to COVID



NSG



- Operating income about even on better contract performance partially offset by the absence of contracts that completed in 2020 and the absence of income due to the sale of the U.S. commercial nuclear services business in 2020

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➤ 2021 guidance reiterated... other information updated

BWXT consolidated guidance

<u>Revenue</u>	<u>Non-GAAP EPS⁽¹⁾</u>	<u>Cap-ex</u>
<i>up low-single digits</i>	\$3.05 - \$3.20	~\$250M

Operating segment guidance

	<u>Revenue</u>	<u>Operating margin / income</u>
NOG	<i>up slightly</i>	<i>"high teens" + CAS pension reimbursement</i>
NPG	<i>up ~6%</i>	<i>~13%</i>
NSG	<i>N/A⁽²⁾</i>	<i>\$25 - 30M</i>

1) Non-GAAP EPS exclude any mark-to-market adjustment for pension and postretirement benefits recognized and other one-time items, which are not known at the time guidance is provided. A reconciliation of GAAP to adjusted, non-GAAP items can be found in the appendix of this presentation or on the investor relations website at www.bwxt.com/investors.

2) NSG revenue is not consolidated for minority positions in Joint Ventures, which comprise most of the segment's activity

Other information

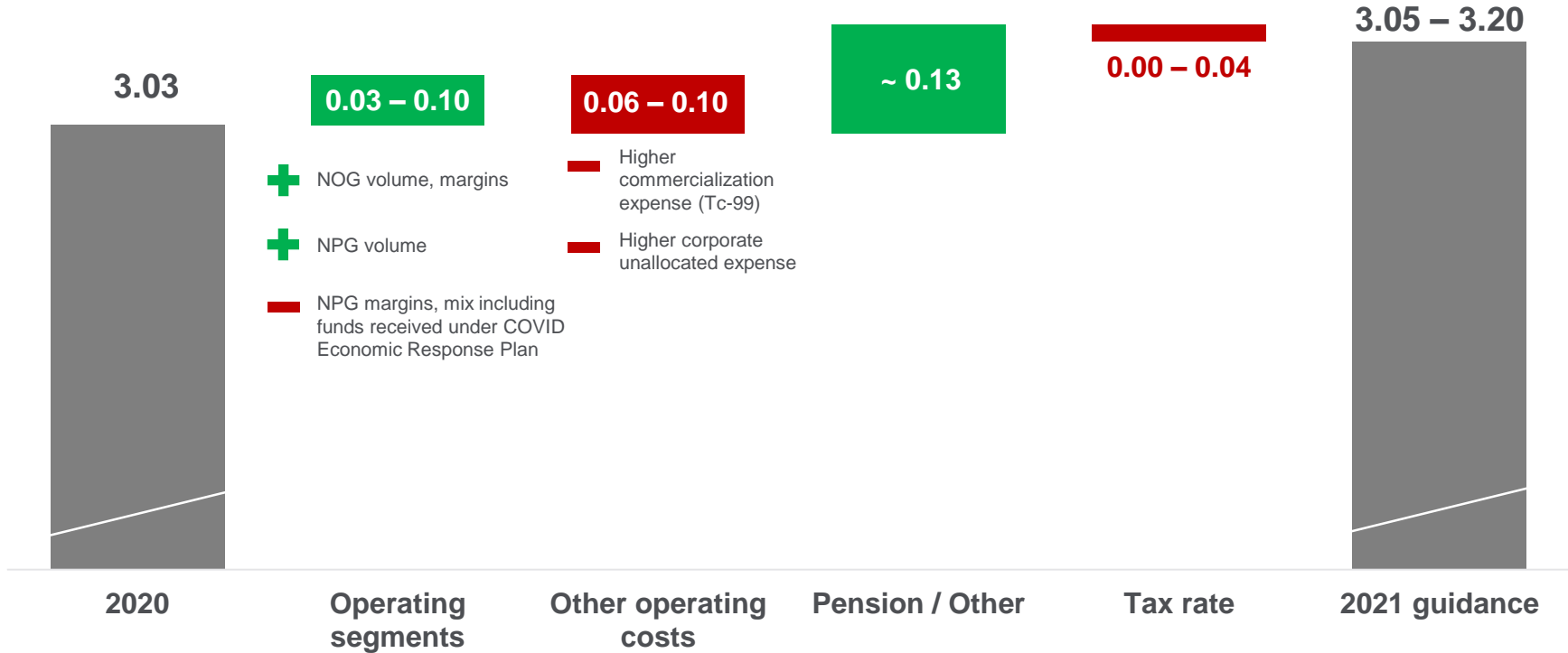
Green = positive revision vs. prior

Red = negative revision vs. prior

- Other segment operating expense including R&D and Tc-99 commercialization expense: **~\$30M**
(vs. >1% of revenue)
- Corporate unallocated costs: **\$20 - 25M**
- Other income, primarily related to pension and other post-employment benefit plans: **\$55 - 60M**
(vs. \$50 - 55M)
- Non-GAAP effective tax rate: **23 - 24%**
- Average diluted shares outstanding: **~95.7M**
- Depreciation & Amortization: **~\$65M**

➤ 2020 to 2021 guidance non-GAAP⁽¹⁾ EPS bridge

(\$ per diluted share)



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Non-GAAP reconciliations

➤ Non-GAAP reconciliation for 2Q20 and 1H20⁽¹⁾

For the Three Months Ended June 30, 2020

(In millions, except per share amounts)

	GAAP	Restructuring Costs	Costs Associated with Sale of Business	Debt Issuance Costs	Non-GAAP
Operating Income	\$ 82.4	\$ 1.3	\$ 2.7	\$ -	\$ 86.4
Other Income (Expense)	1.6	-	-	0.5	2.2
Provision for Income Taxes	(19.7)	(0.3)	(0.6)	(0.1)	(20.8)
Net Income	64.4	0.9	2.1	0.4	67.8
Net Income Attributable to Noncontrolling Interest	(0.1)	-	-	-	(0.1)
Net Income Attributable to BWXT	\$ 64.3	\$ 0.9	\$ 2.1	\$ 0.4	\$ 67.7
Diluted Shares Outstanding	95.6				95.6
Diluted Earnings per Common Share	\$ 0.67	\$ 0.01	\$ 0.02	\$ 0.00	\$ 0.71
Effective Tax Rate	23.4%				23.4%
NPG Operating Income	\$ 1.1	\$ 1.3			\$ 2.4
NSG Operating Income	\$ 4.1		\$ 1.0		\$ 5.1

For the Six Months Ended June 30, 2020

(In millions, except per share amounts)

	GAAP	Restructuring Costs	Costs Associated with Sale of Business	Debt Issuance Costs	Non-GAAP
Operating Income	\$ 180.7	\$ 1.4	\$ 2.7	\$ -	\$ 184.8
Other Income (Expense)	1.8	-	-	0.5	2.3
Provision for Income Taxes	(42.5)	(0.4)	(0.6)	(0.1)	(43.6)
Net Income	140.0	1.1	2.1	0.4	143.6
Net Income Attributable to Noncontrolling Interest	(0.3)	-	-	-	(0.3)
Net Income Attributable to BWXT	\$ 139.8	\$ 1.1	\$ 2.1	\$ 0.4	\$ 143.3
Diluted Shares Outstanding	95.7				95.7
Diluted Earnings per Common Share	\$ 1.46	\$ 0.01	\$ 0.02	\$ 0.00	\$ 1.50
Effective Tax Rate	23.3%				23.3%
NPG Operating Income	\$ 9.6	\$ 1.4			\$ 11.0
NSG Operating Income	\$ 10.5		\$ 1.0		\$ 11.5
Unallocated Corporate	\$ (4.8)		\$ 1.7		\$ (3.1)

1) Tables may not foot due to rounding.