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# Investor Briefing



1Q23 results  
reported May 8, 2023

# Forward-Looking Statements Disclaimer



BWX Technologies, Inc. (“BWXT”) cautions that statements in this presentation that are forward-looking and provide other than historical information involve risks and uncertainties that may impact actual results and any future performance suggested in the forward-looking statements. The forward-looking statements in this presentation include, but are not limited to, statements relating to our 2023 and future strategic priorities, including U.S. Navy procurement, microreactors, advanced nuclear fuels, medical radioisotope industrialization, small modular reactor components, recent acquisitions and organic growth opportunities; bookings and backlog, to the extent they may be viewed as an indicator of future revenues; the expected U.S. Navy long-term procurement schedules and forecasts; estimated pension costs; expected future capital expenditure levels; the expected Canadian nuclear power forecast for services, refurbishment timelines and opportunities; 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; our outlook, priorities, growth opportunities in our businesses; and guidance for 2023 and beyond. These forward-looking statements are based on current management expectations and involve a number of risks and uncertainties, including, among other things, the availability of federal appropriations to government programs in which we participate; our ability to win new project awards; the receipt and/or timing of government approvals; capital spending of power generating utilities; the extent to which the COVID-19 health crisis impacts our businesses; the timing of technology development; the potential recurrence or subsequent waves or strains of COVID-19 or similar diseases; the actions to contain the impact of such diseases and potential employee unrest; adverse changes in the industries in which we operate; labor market challenges, including employee retention and recruitment; termination, delays and other difficulties executing on contracts in backlog and adverse changes in the demand for or competitiveness of nuclear products and services. If one or more of these or other risks materialize, actual results may vary materially from those expressed. For a more complete discussion of these and other risks, please see BWXT’s filings with the Securities and Exchange Commission, including our most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. BWXT cautions not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation, and undertakes no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

BWX Technologies, Inc.  
is using **nuclear technology**  
to solve some of the world's  
most important problems.

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**OUR MISSION:**

We provide safe and effective solutions for global security, clean energy, environmental restoration, nuclear medicine and space exploration.

We maintain a commitment to innovation, operational excellence, safety and the highest ESG standards.





Unique differentiators in specialized markets create favorable business characteristics



# Unparalleled assets and strong market positioning across the portfolio

## **DECADES**

of nuclear operation  
experience

## **WORLD CLASS**

nuclear manufacturing  
facilities

## **ONLY**

company to possess NRC  
Category 1 licenses

## **SOLE SOURCE**

position on mission-  
critical programs



# Distinct strategies for government and commercial markets



## GOVERNMENT

### Global security



- U.S. naval nuclear propulsion components
- U.S. Navy fuel manufacturing
- Highly engineered proprietary components for U.S. and U.K. submarine fleet

### Nuclear fuels & uranium processing



- TRISO and coated nuclear fuel manufacturing
- Uranium conversion and purification services
- Research and test reactor fuel production
- Uranium recovery
- Uranium medical target manufacturing

### Technical services



- Nuclear environmental restoration for U.S. Department of Energy (DOE) sites
- DOE site management and operation services

### Advanced technologies



- Defense and space nuclear reactors
- Advanced reactor and fuel design
- Cutting-edge R&D

## COMMERCIAL

### Clean energy



- Nuclear component engineering and manufacturing
- Fuel manufacturing and fuel handling
- Nuclear spent fuel and waste containers
- Inspection, maintenance and field services

### Nuclear medicine



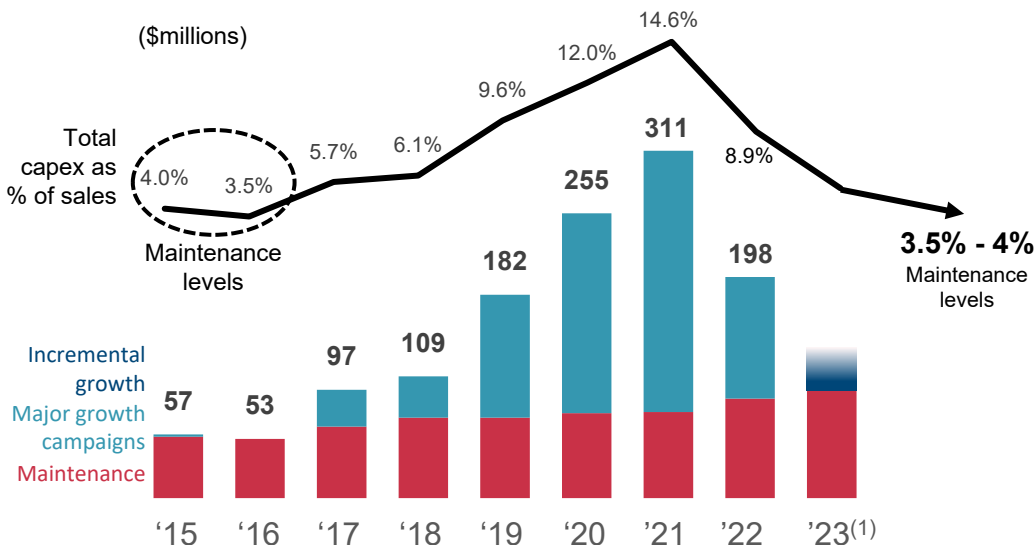
- Diagnostic and therapeutic nuclear radiochemical manufacturing
- Generic radiopharmaceuticals
- Contract drug manufacturing



- 1 Transition to maintenance capital and fund incremental growth**
- 2 Focus on continuous improvement to hone the business**
- 3 Deliver on commitments for naval reactors and leverage unique capabilities to grow in other government nuclear markets**
- 4 Execute nuclear medicine commercialization strategy and position for next generation commercial nuclear power**
- 5 Achieve medium-term financial targets**



## Heightened capex returning to normalized levels



## Major growth capital campaigns (2017 – 2022)

### Naval reactors (~\$300M+)

- Maintaining 2 Virginia-class annual ordering cadence
- Decadal growth of Columbia-class program
- Accelerated carrier procurements
- Provides some capacity for 3<sup>rd</sup> VA / AUKUS scenarios

### Medical radioisotopes (~\$300M+)

- Developing and constructing first-of-a-kind commercial Tc-99m generator production line
- Includes facility modifications, reactor access equipment, radiochemistry and radiopharmacy investments

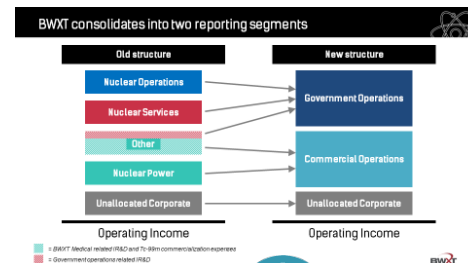
1) Based on assumptions for free cash flow guidance provided on May 8, 2023. For more information refer to the quarterly earnings and related material found on the BWXT investor relations website





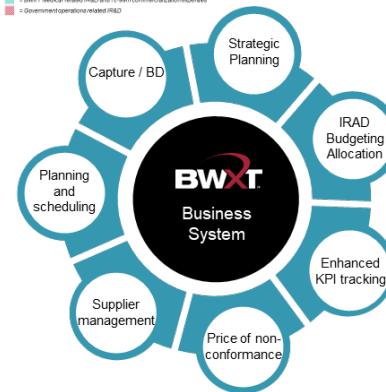
## Consolidate operating segments

- Effectively meet customer needs
- Drive future strategic and cost synergies for customers and shareholders



## Increase operational effectiveness and modernize support functions

- Small investments in integrated business systems
- Digital transformation



## Streamline financial execution

- Manage downward glide path on capex
- Improve managed working capital efficiency
- Realize margin expansion through cost efficiencies



# 3 Deliver on commitments for naval reactors and...



Government Fiscal Year <sup>(1)</sup>	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	
<b>Aircraft Carrier Plan<sup>(2)</sup></b>																																
CVN (Ford Class)																																
Alternative 1						1				1					1					1						1					1	
Alternative 2						1				1					1					1						1					1	
Alternative 3						1				1				1					1				1							1		
<b>Submarine Program<sup>(2)</sup></b>																																
SSN (Virginia / X-Class)	2	2	2	2	2																											
Alternative 1						2	2	1	1	2	1	2	1	2	2	2	2	2	1	2	2	2	2	2	1	2	2	2	2	2	2	
Alternative 2						2	2	2	2	2	1	2	2	3	2	3	2	2	3	3	2	2	3	2	2	3	2	2	3	2	2	
Alternative 3						2	2	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
SSBN (Columbia / X-Class)																																
Alternative 1	1				1	1				1	1	1	1	1					1				1				1				1	
Alternative 2						1	1	1	1	1	1	1	1		1			1			1				1			1			1	
Alternative 3						1	1	1	1	1	1	1	1		1			1			1			1			1			1		

  
Solid, long-term visibility on future orders

  
BWXT orders ~2 years in advance of ship procurements

  
Individual years may be lumpy due to carrier activity

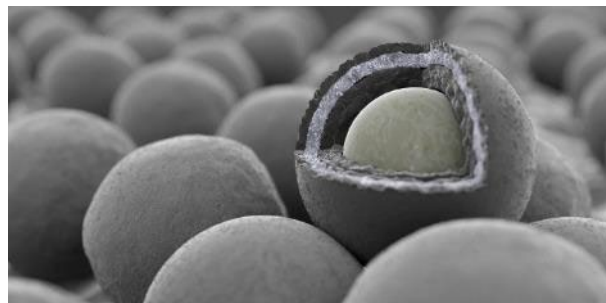
1) Source: Office of the Chief of Naval Operations report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2024, published April 2023. Green and red shading indicate respective positive and negative change from prior shipbuilding plans/BWXT estimates.  
2) Navy construction plan and order schedule may not directly align with ~2 year advance to BWXT calendar year.



### Nuclear fuels



Research and test reactors



TRISO and other coated fuels

20%+

#### High enriched uranium

Category 1 license, only handlers are government & BWXT

5% - 19.99%

#### High-assay low-enriched uranium

Category 2 license high enriched fuels (TRISO)

0% - 4.99%

#### Low enriched uranium

Category 3 license

### Uranium Processing



Downblending highly enriched uranium

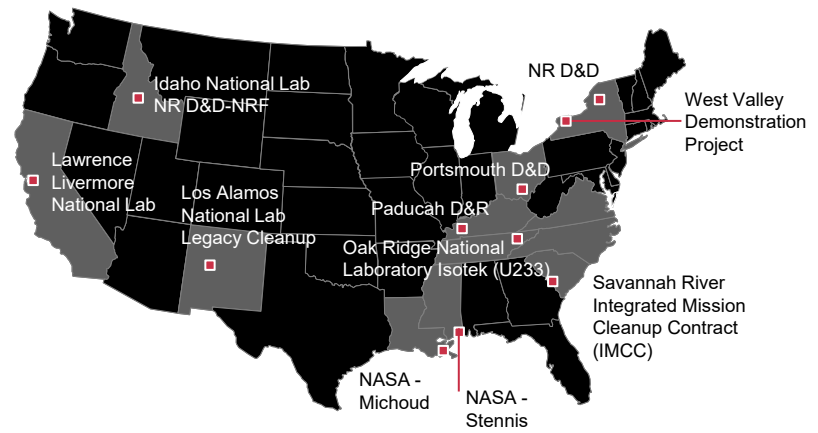


Uranium conversion and purification

# 3 ...leverage unique capabilities to grow in government nuclear markets



## Technical services market



Relative size and scale<sup>(1)</sup>

 <b>10 of 33</b> DOE sites	 <b>~3600</b> employees	 <b>~\$1B</b> unconsolidated revenue
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(1) Excludes Hanford Integrated Tank Disposition Contract

## Upcoming opportunities

(estimated annual budgets)

 <b>SC</b>	<b>Savannah River Site Integrated Mission Completion Contract</b>	<b>\$1-1.4B</b>	 <b>~\$45M</b>
 <b>WA</b>	<b>Hanford Integrated Tank Disposition Contract</b>	<b>~\$2B</b>	 <b>~\$55M</b>
 <b>OH</b>	<b>Portsmouth D&amp;D</b>	<b>~\$300M</b>	 <b>~\$10M</b>
 <b>TX</b>	<b>Pantex M&amp;O</b>	<b>~\$900M</b>	 <b>~\$25M</b>
 <b>OH KY</b>	<b>Portsmouth / Paducah Operations and Site Mission Support</b>	<b>~\$250M</b>	 <b>~\$10M</b>

= potential JV annual income opportunity

# 3 ...leverage unique capabilities to grow in government nuclear markets



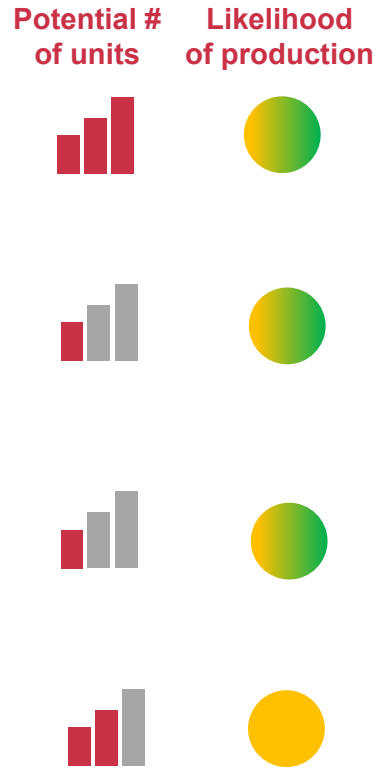
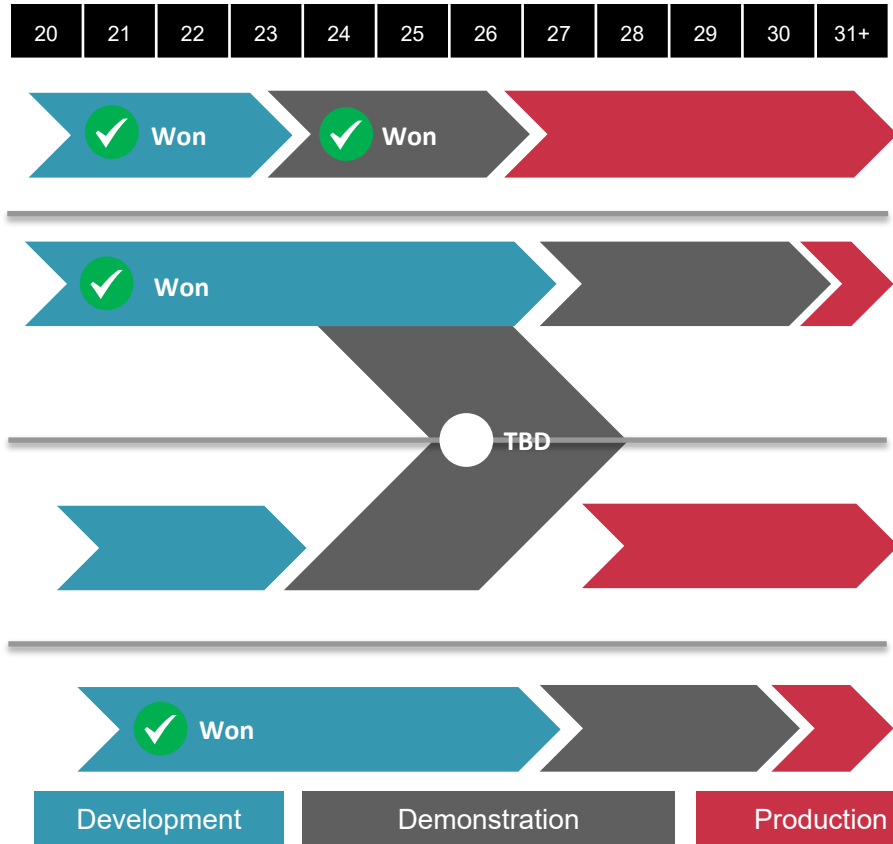
## BWXT positioning for wins across advanced nuclear microreactor programs

**Off-grid and remote military applications**

**Space propulsion  
Space power**

**National security space**

**Other applications**



# 4 Execute nuclear medicine commercialization strategy...

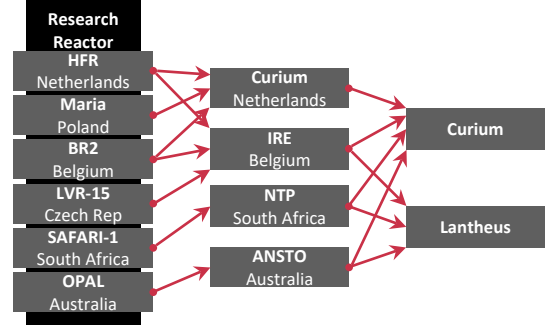


Leverage BWXT's differentiated technology and capabilities

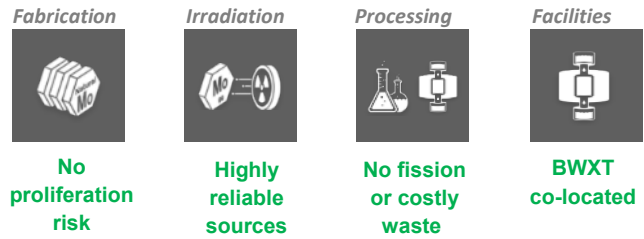
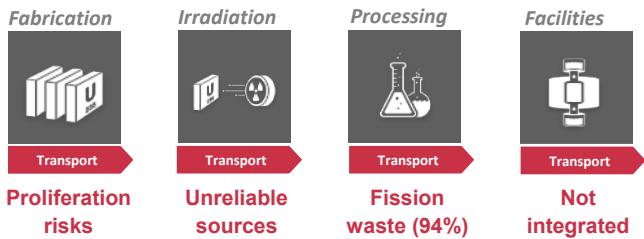
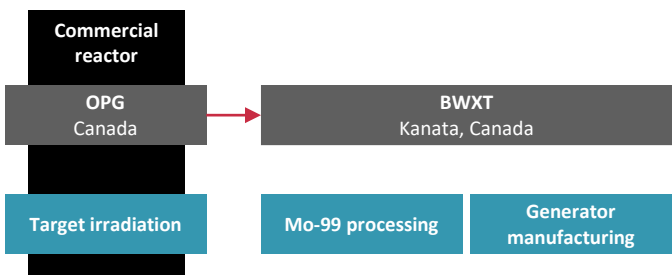
## Current supply dynamics



**Complex supply chain**



## BWXT supply dynamics



Lower Cost

More Reliable

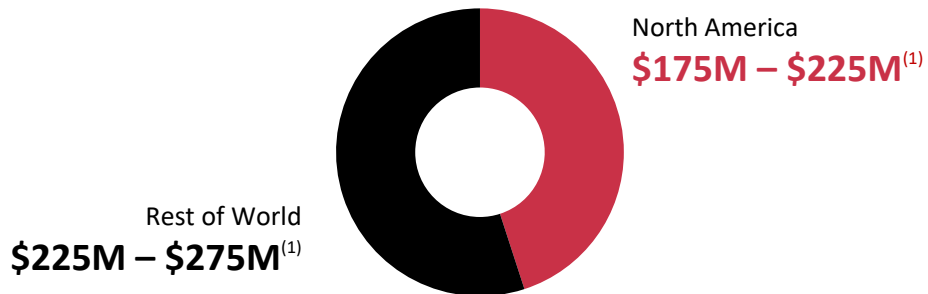
Drop-in Replacement





## Opportunity and progress on BWXT's Tc-99m generator project

\$400M - \$500M<sup>(1)</sup> annual global Mo-99 / Tc-99m generator segment



First

Next

North America



Become supplier to leading nuclear medicine companies

Asia



BWXT / GMS joint venture



Europe



TBA

1) BWXT estimate

## Major milestones

- FDA, BWXT Type C meeting
- Design reactor access equipment
- Design manufacturing and processing equipment
- Manufacture reactor access equipment
- Install final manufacturing equipment
- Modify medical radioisotope facility
- Run equipment validations
- Submit application to FDA
- Install CANDU reactor access equipment
- FDA approval for BWXT Tc-99m generator

= in progress

= completed



## Examples of BWXT emerging as a preferred partner

### Build upon existing products

**Long-term, mutually exclusive agreement to manufacture TheraSphere**

- Current therapeutic product developed for the treatment of liver cancer
- Growing global demand driven by 2021 FDA approval – expanding patient access
- Investing to automate production process to significantly increase capacity to meet demand

**Boston Scientific**



### Create to capture – leverage partners

**Collaboration with Bayer AG and Fusion Pharmaceuticals for Actinium-225 supply**

- Used in targeted alpha therapies for various tumors
- BWXT intends to leverage isotope and CDMO capabilities to manufacture finished drugs



**Development of Lutetium-177 supply**

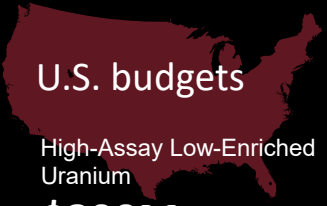
- Used in targeted beta therapies for various tumors
- BWXT intends to leverage relationships with strategic partners for irradiation services

# 4 ...and position for next generation commercial nuclear power



## Government

## Private industry

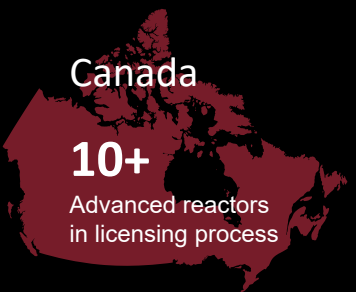


### U.S. budgets

High-Assay Low-Enriched Uranium  
**\$800M**

Office of Nuclear Energy  
**\$1.8B**

DOE Advanced Reactor Demonstration Program  
**\$2.4B**



### Canada

**10+**  
Advanced reactors in licensing process

**\$970M CAD**  
Secured funding from Canadian Infrastructure Bank for first grid-scale SMR



OPG targeting a grid-connected SMR by 2028



Bill Gates founded / funded Sodium reactor

Warren Buffet's PacifiCorp - initial site and purchaser of advanced reactor at retiring coal plant in Wyoming



Developing Xe-100

BWRX-300; signs agreements for potential new builds in various countries



HITACHI



BWXT positioned to capture manufacturing opportunities in next-generation commercial nuclear power build-out

## 5 Achieve medium-term financial targets



### Mid-to-high-single digit adj. EBITDA<sup>(1)</sup> growth

- Sustained revenue growth; all segments
- Margin expansion outside of Navy business



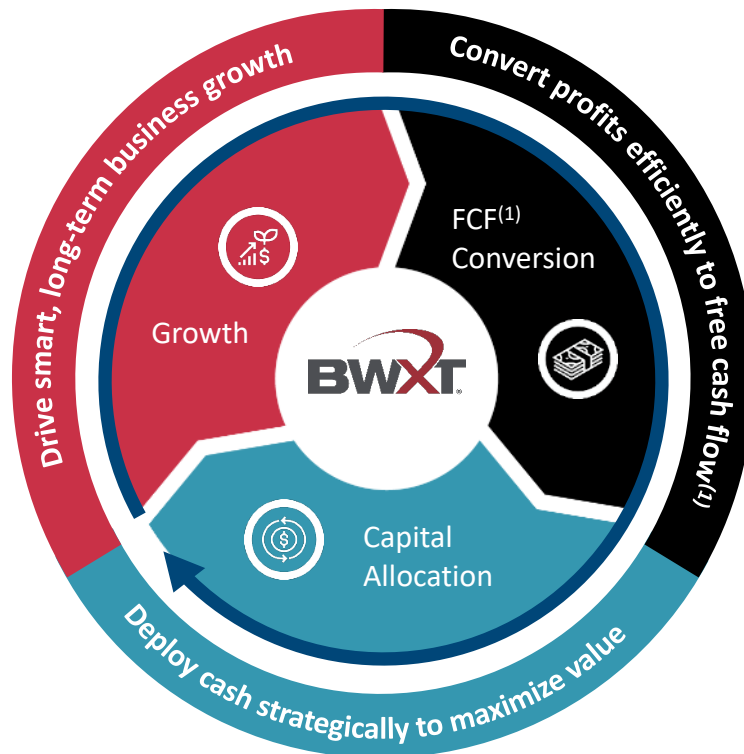
### >85% FCF<sup>(1)</sup> conversion

- Modest improvements in working capital as % sales
- Maintenance capex run-rate exiting 2022



### >50% FCF<sup>(1)</sup> return to shareholders

- **Dividend:** In line with historical ratio to earnings;
- **Share repurchases:** remaining balance of >50% FCF<sup>(1)</sup> allocation target, pending market conditions
- Other cash / debt could be invested in organic / inorganic growth opportunities with attractive returns



1) Non-GAAP figures exclude any mark-to-market adjustment for pension and postretirement benefits recognized and other one-time items. A reconciliation and definitions of GAAP to adjusted, non-GAAP items can be found in the Appendix section of this presentation.

# 5 Achieve medium-term financial targets



Multiple levers to drive mid-to-high single digit adjusted EBITDA<sup>(1)</sup> growth

Underlying market growth

2.5 to 4.0%













Incremental growth vectors











2.0 to 4.0%







Operational efficiency initiatives

~0.5%

Mid-to-high single digit growth

-   Columbia growth
-   Aircraft carrier gap years
-   FAS/CAS pension roll-off
-   High fixed infrastructure dynamic
-   Clean energy growth
-   Nuclear medicine base growth

-   New nuclear medicine products
-   Nuclear medicine start-up costs
-   Increased DOE services wins
-   Defense and Space reactor prototypes
-   New nuclear fuels

-   Digital transformation
-   BWXT business system
-   Software transition costs

Executing and streamlining while investing and expanding into nuclear adjacencies provides an attractive growth profile

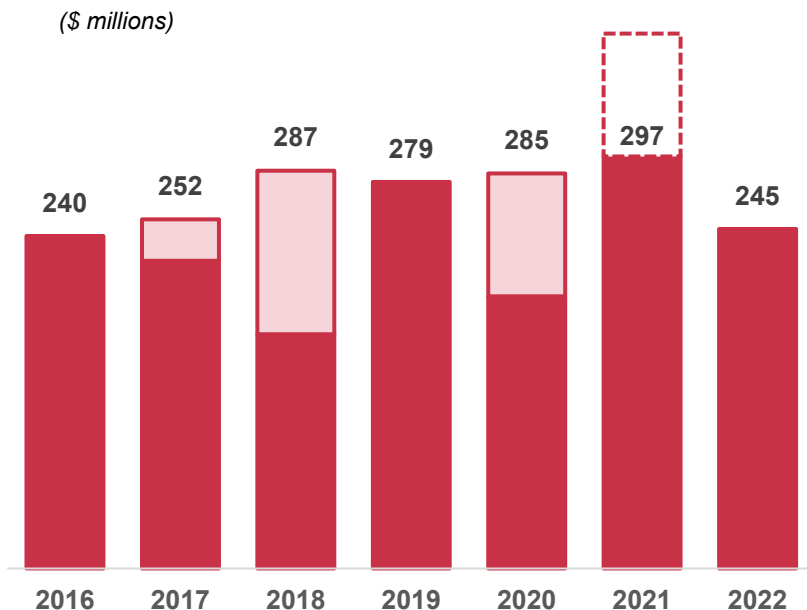
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## 5 Achieve medium-term financial targets



Continue strong operating cash flow generation and align capital to priority framework

### Historical adjusted operating cash flow<sup>(1)</sup>



1) Adjusted operating cash flow = operating cash flow less net cash used for discretionary pension contributions, excluding any related tax impacts and other one-time items. 2017 adjustments include a \$30 million discretionary pension contribution and 2018 adjustments include \$118 million in discretionary pension contributions. 2020 and 2021 adjustment includes an \$89 million late payment from customer received January 4, 2021. Shaded areas include add back to reported figures. Dashed areas are subtraction from reported figures.

### Future capital allocation priority framework

- 1 Complete two major growth capital campaigns
- 2 Fund incremental capital in nuclear adjacencies:
  - Microreactor manufacturing capacity
  - Advanced capabilities in nuclear medicine
  - Advanced nuclear fuels
- 3 Greater return to shareholders **>50%** FCF return
- 4 Potential acquisitions

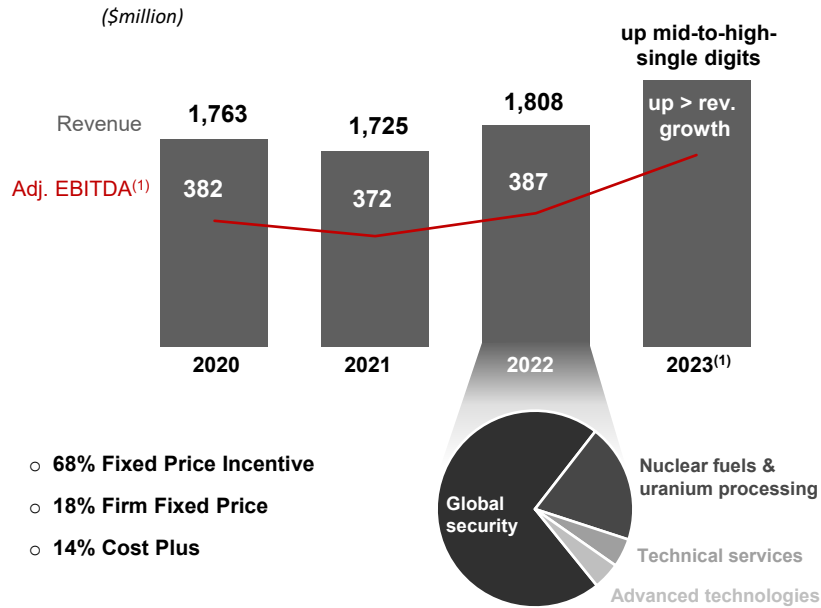




# Segment details



# Government Operations



## Key takeaways

- Decades of high consequence nuclear operations experience
- Sole provider of U.S. Navy nuclear propulsion components and fuel
- Only company to possess Category 1 nuclear credentials
- Differentiated capabilities in emerging nuclear microreactor market
- Leadership position maintained through safety, quality and performance track record

## Outlook and growth opportunities

- Long-term growth in nuclear navy production primarily driven by Columbia ballistic missile submarine
- Opportunities to leverage category I credentials to expand strategic material production/services
- Poised for market share gains in DOE nuclear technical services
- Positioning for wins across advanced nuclear microreactor programs



Global security



Nuclear fuels & uranium processing



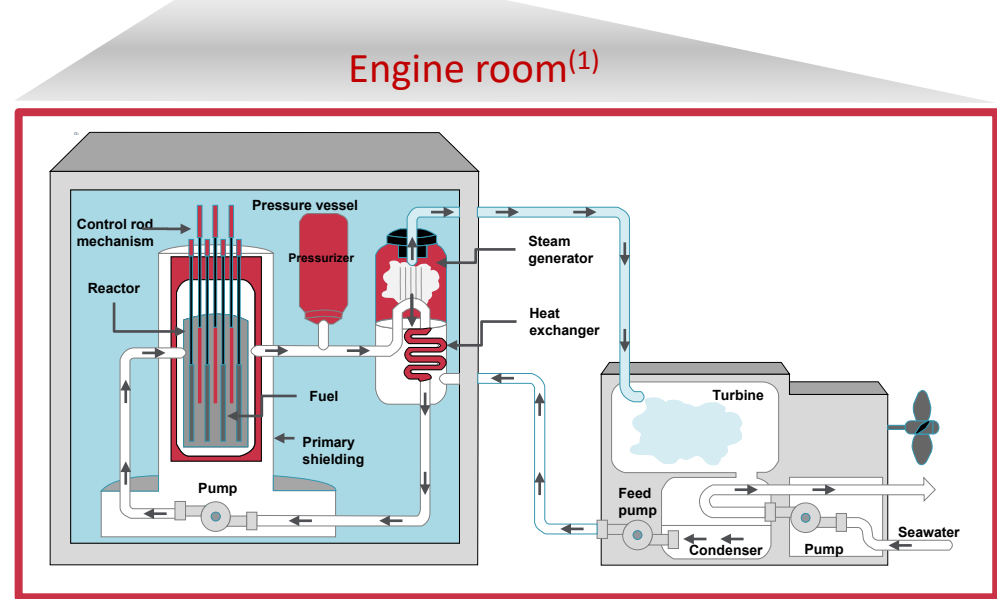
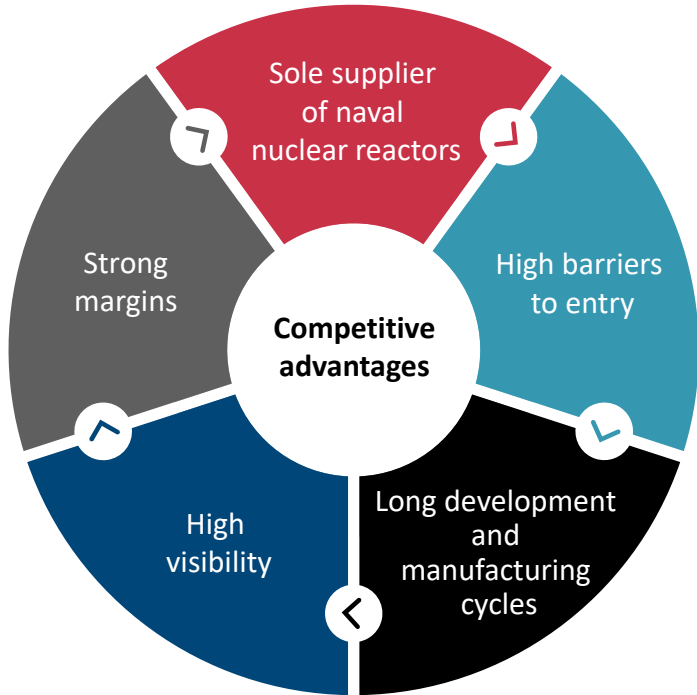
Technical services



Advanced technologies

1) 2023 guidance initiated May 8, 2023. For more information refer to the quarterly earnings and related material found on the BWXT investor relations website

# Critical aspects of naval nuclear propulsion



1) Engine room components in red produced by BWXT

# BWXT / Naval reactors contracts overview



**2 or 3-year**  
order pricing agreements

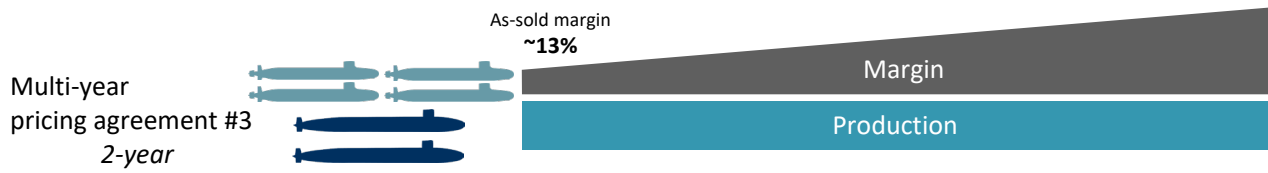
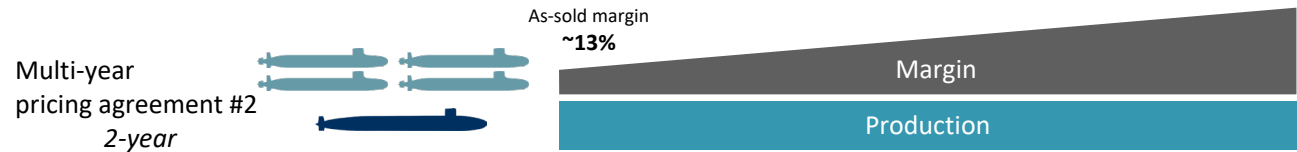
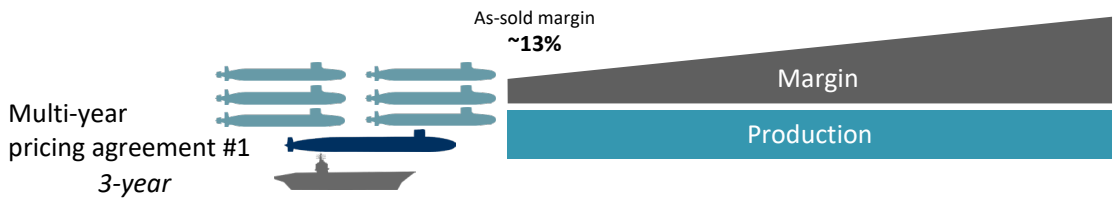
**6+ year**  
contract timeline

**Fixed price incentive fee**

**~15% as-sold fee on cost**

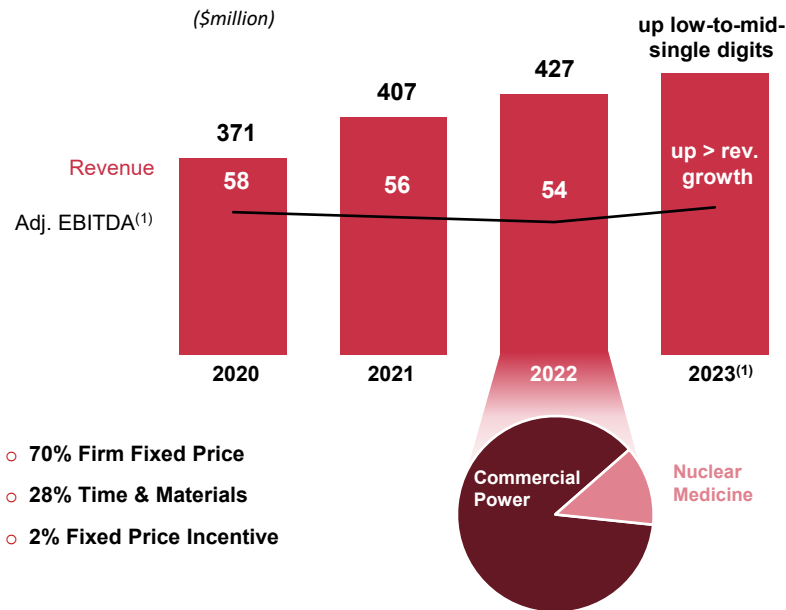
**Margins increase**  
as savings are realized over time

**Cost underruns shared with customer, boost margins**



\*For illustrative purposes only

# Commercial Operations

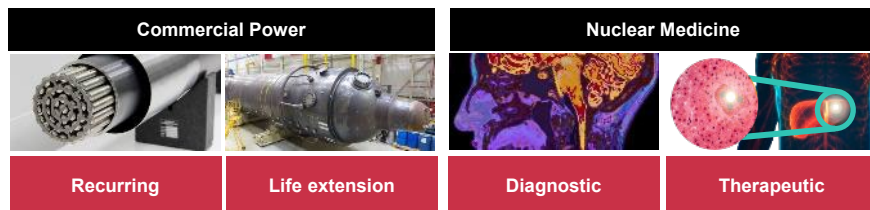


## Key takeaways

- Unique strengths, capabilities and market position in nuclear power, a clean energy source essential to meet net-zero carbon objectives
- Long-term demand driven by Canadian life-extension projects
- Positioned to capture advanced reactor supplier opportunities
- Strong nuclear medicine market growth driven by therapeutics
- BWXT technology addresses market challenges and future needs
- Aim to become a leading nuclear medicine manufacturing company and at an inflection point to generate significant shareholder value

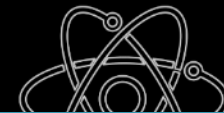
## Outlook and growth opportunities

- Commercial power recurring work provides long-term visibility and life-extension projects establish stable medium-term volume
- Opportunities for growth with small modular and advanced reactors; Canada ordering first small modular reactor, other utilities pursuing
- Market growth with current medical radioisotope portfolio
- Entry into Tc-99m market anticipated to accelerate growth
- Emerging demand for therapeutic radioisotopes and market need for contract drug manufacturing



1) 2023 guidance initiated May 8, 2023. For more information refer to the quarterly earnings and related material found on the BWXT investor relations website

# How BWXT serves the CANDU commercial nuclear power fleet



## Recurring



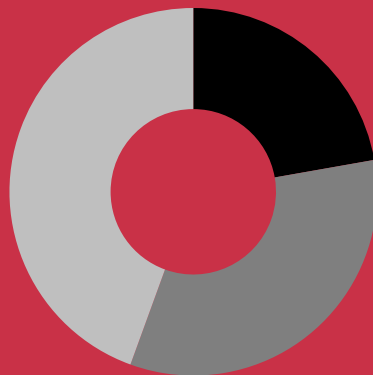
Services



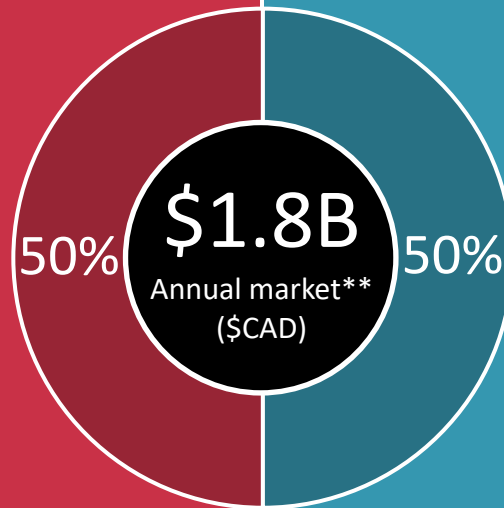
Fuel / spent fuel containers



Components



- Components/Engineering
- Fuel & Fuel Handling
- Outage & Field Services



## Life extension



Waste containers



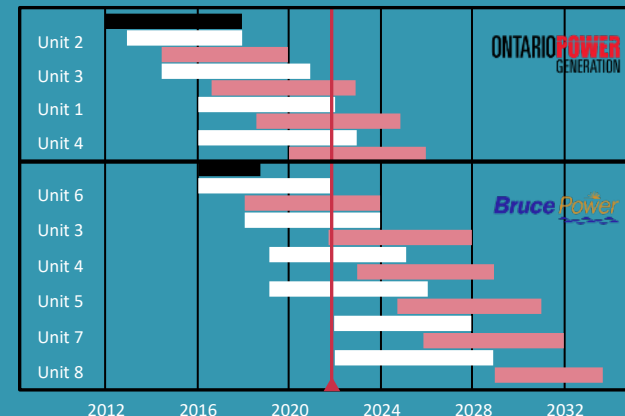
Components



Services

## 10 reactors being refurbished

Non-recurring life extension market\*\*



■ Engineering   ■ Components (BWXT primary position)  
■ Projects / services (competitive segment)

\*\*Source: Based on BWXT estimates



# Uniquely positioned between pharma and traditional nuclear medicine



## Irradiation process

## Nuclear medicine manufacturing

## Drug development and distribution

### Nuclear reactors



### Isotope processing & production



### Drug development



Global nuclear medicine market

### Cyclotrons



### Radiopharmaceutical & contract drug manufacturing



### Radiopharmacies



Hospitals, physicians, technologists, patients

Share of selling price

One-Third of selling price

Two-Thirds of selling price

Financial risk

Low to Medium

High

# Expectations for BWXT's nuclear medicine manufacturing business<sup>(1)</sup>



	R&D & acquire to accelerate	Tc-99m construction	Commercialize and ramp	Grow into global leader
	2017 - 2018	2019 - 2021	2022 - 2024	2025+
Milestones	<ul style="list-style-type: none"> <li>Tc-99m innovation</li> <li>Acquire facility / personnel</li> </ul>	<ul style="list-style-type: none"> <li>Construct Tc-99m product line</li> <li>Expand to 7 active products</li> </ul>	<ul style="list-style-type: none"> <li>Tc-99m FDA approval</li> <li>Expand therapeutic strategy</li> </ul>	<ul style="list-style-type: none"> <li>10+ products including therapeutic radioisotopes and finished drug manufacturing</li> </ul>
Investment	\$213M acquisition	~\$300M capex	Modest	Modest
Sales	\$45M acquired	\$50M+ enhanced	~\$60M → ~\$125M inflecting	\$200M+ continued growth
Tc-99m Start-up Costs	Minimal	(\$15M)-(\$20M) per annum	~(\$20M) per annum	
Total BWXT Medical EBITDA	\$13M	(\$5M)-(\$10M) per annum	~(\$10M) → \$25M+	\$75M+
D&A		~\$6M Nordion amortization per annum	~\$20M Tc-99m D&A per annum (upon commercialization)	
Value Creation	 Innovative Tc-99m IP option + Acquired Business	 Enhanced business + Tc-99m NPV + therapeutic option	 Tc-99m and therapeutic portfolio begins generating meaningful profit	 Significant value inside BWXT of a global nuclear medical manufacturing platform

1) unaudited, pro forma consolidated figures as reported at BWXT Investor Day on November 16, 2021



# Latest results and guidance

## 1Q23

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# First Quarter 2023 and Outlook Highlights



## ○ 1Q23 financial performance

- Revenue **up 7%**, adjusted EBITDA<sup>(1)</sup> **up 17%**, non-GAAP EPS<sup>(1)</sup> **up 2%**
- Strong revenue growth and operational performance, offset macro headwinds including hiring challenges, lower pension income and higher interest expense... **resulting in non-GAAP EPS<sup>(1)</sup> growth**

## ○ 2023 opportunities and recent announcements: ***Nuclear playing a major role for Government and Commercial Clients***

- **Global Security:** 2-year multi-year pricing agreement, Uranium conversion and purification phase II, AUKUS trilateral security agreement ✓
- **Environmental Restoration:** Hanford Tanks Remediation, the largest services contract in BWXT portfolio ✓
- **Advanced Technologies:** DARPA DRACO contract for space nuclear propulsion demonstration
- **Clean Energy:** Follow on fuel contracts at Darlington and Pickering, incremental component orders, new small modular reactor (SMR) scope ✓
- **Medical:** Tc-99m generator FDA approval, product portfolio expansion further into therapeutics

## ○ Reaffirmed 2023 Guidance: ***Continue to drive top-line gains, accelerate adjusted EBITDA<sup>(1)</sup> growth and inflect FCF<sup>(1)</sup>***

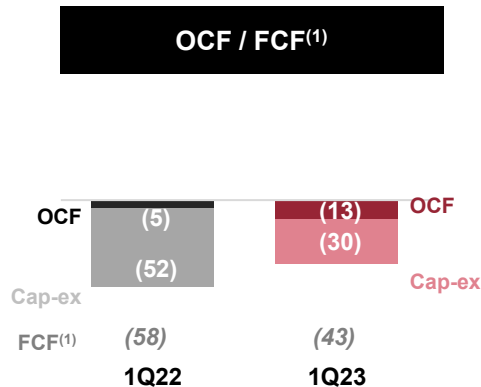
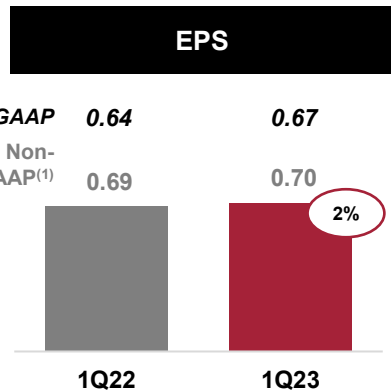
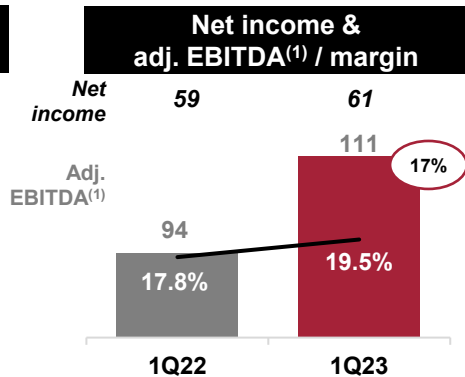
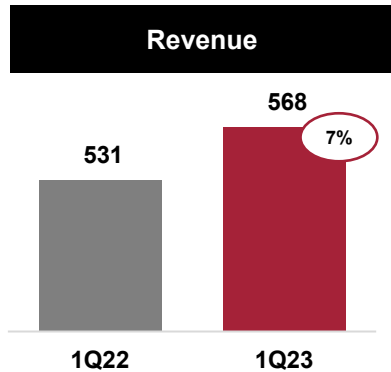
- Revenue: ~\$2.4B
- Adjusted EBITDA<sup>(1)</sup>: ~\$475M
- Adjusted Pre-tax Income<sup>(1)</sup>: ~\$350M
- Non-GAAP<sup>(1)</sup> EPS: \$2.80 to \$3.00
- Free Cash Flow<sup>(1)</sup>: ~\$200M

(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 section of this presentation.

# 1Q23 financial summary



(\$million, except per share amounts)



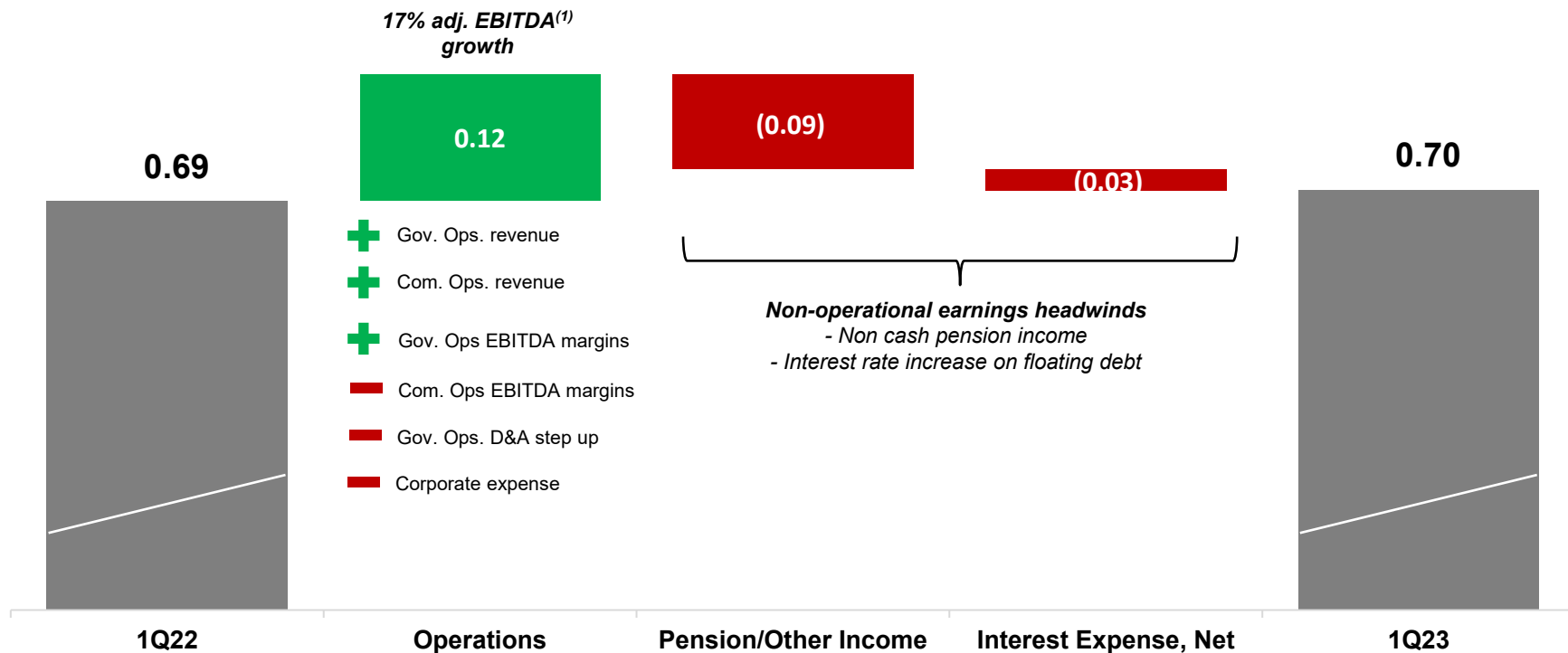
- 1Q23 revenue up 7% from higher revenue in Government Operations and Commercial Operations
- 1Q23 adj. EBITDA<sup>(1)</sup> up 17% from higher revenue and better margins in Government Operations, partially offset by lower Commercial Operations margin, mainly due to revenue mix in the quarter
- 1Q23 non-GAAP<sup>(1)</sup> EPS up 2% as operating income growth was partially offset by non-operational items including lower pension income and higher interest expense
- 1Q23 OCF was a use of \$13M primarily due to increased working capital, inline with seasonal patterns. 1Q23 FCF<sup>(1)</sup> was (\$43M), a \$15M year-over-year improvement, as slightly lower OCF was offset by lower capital expenditures
  - Capital expenditures down Y/Y driven by timing of two major capital campaigns nearing completion, partially offset by increases in other growth capital

(1) Non-GAAP figures exclude any mark-to-market adjustment for pension and postretirement benefits recognized and other one-time items. A reconciliation and definition of GAAP to adjusted, non-GAAP items can be found in the Appendix section of this presentation.

# 1Q22 to 1Q23 non-GAAP<sup>(1)</sup> EPS bridge



(\$ per diluted share)



(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 section of this presentation.

(2) Items may not foot due to rounding.



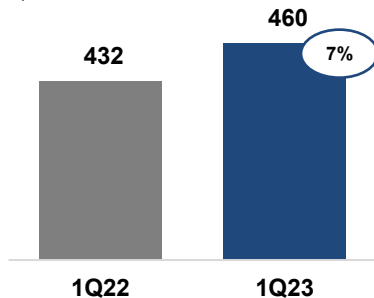
# 1Q23 segment summary



## Government Operations

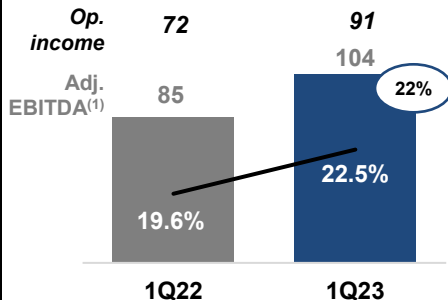
(\$million)

Revenue



1Q23 revenue up 7% from higher volume of naval nuclear component manufacturing, microreactor design activities, the DCL/Cunico acquisition, and uranium processing, partially offset by long-lead material procurement

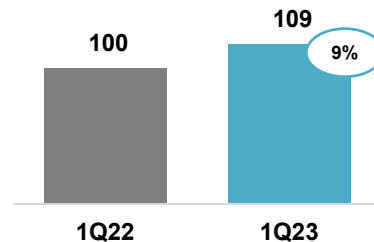
Operating income & Adj. EBITDA<sup>(1)</sup> / margin



1Q23 adj. EBITDA<sup>(1)</sup> up 22% from higher revenue, favorable mix, and higher income from joint venture services, partially offset from labor challenges including decreased efficiencies that led to fewer favorable contract adjustments

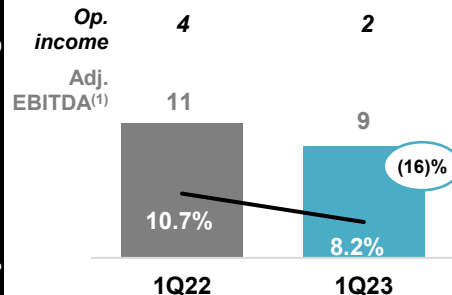
## Commercial Operations

Revenue



1Q23 revenue up 9% from higher commercial nuclear power component manufacturing and field services, and higher BWXT Medical sales

Operating income & Adj. EBITDA<sup>(1)</sup> / margin



1Q23 adj. EBITDA<sup>(1)</sup> down 16% from a less favorable business mix that was skewed towards commercial nuclear refurbishment projects

(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 section of this presentation.



## BWXT consolidated guidance

Revenue

**~\$2.4B**  
 up mid-to-high-single digits

Adj. EBITDA<sup>(1)</sup>

**~\$475M**  
 up high-single digits  
 ~20% EBITDA margin

Adj. Pre-tax Income<sup>(1)</sup>

**~\$350M**  
 down from pension, interest  
 and D&A headwinds

Non-GAAP EPS<sup>(1)</sup>

**\$2.80 - \$3.00**  
 down ~11% - ~4%

Free Cash Flow<sup>(1)</sup>

**~\$200M**  
 significant inflection up

= change versus prior year

(1) Adjusted Pre-tax income and 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 section of this presentation.

## Guidance assumptions

- Modest labor progress including hiring/attrition
- Interest rates at current levels
- Continued minimal supply chain disruptions
- Equitable adjustment to certain contracts

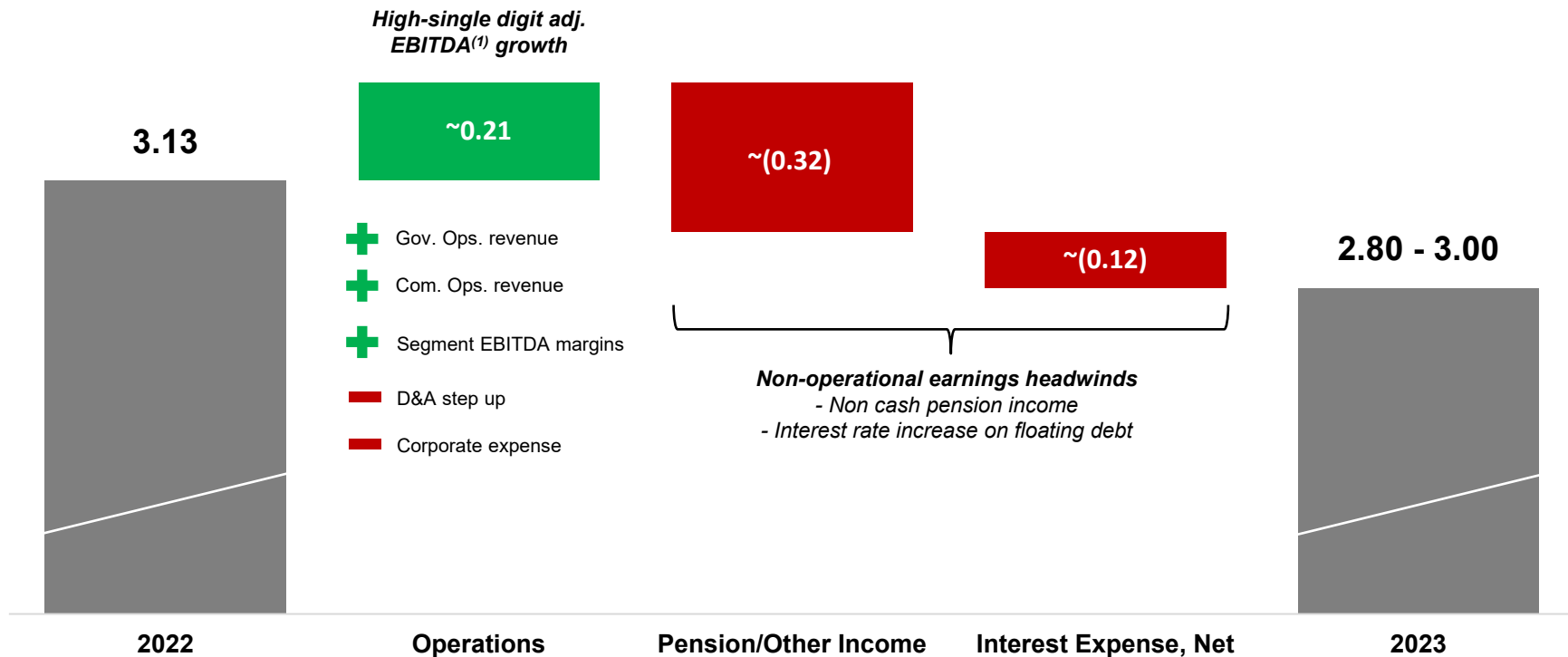
## Other information (vs. 2022)

- **Revenue**
  - Government Operations: up mid-to-high single digit
  - Commercial Operations: up low-to-mid single digit
- **Adj. EBITDA<sup>(1)</sup>**
  - Modest margin expansion
  - Corporate expense higher, similar to historical average
- **Adj. Pre-tax Income<sup>(1)</sup>**
  - ~\$40M non-cash pension headwind
  - ~\$15M interest expense headwind (driven by rate increases)
  - ~\$10M D&A step-up
- **Non-GAAP EPS<sup>(1)</sup>**
  - Consistent effective tax rate
  - Share repurchase to offset dilution: ~flat
- **Free Cash Flow<sup>(1)</sup>**
  - OCF normalized for 2022 headwinds, growth in-line with EBITDA
  - Cap-Ex: material step-down: Maintenance + Pele + small potential growth capital

# 2022 to 2023 non-GAAP<sup>(1)</sup> EPS bridge



(\$ per diluted share)



(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 section of this presentation.



# Appendix

## Pension summary and non-GAAP reconciliations

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# Pension summary



<i>(\$millions)</i>	2018	2019	2020	2021	2022	2023E
Benefit obligation at end of period	1,186	1,309	1,414	1,308	927	
Fair value of plan assets at end of period	1,024	1,150	1,281	1,257	876	
Funded status over (under)	(162)	(158)	(133)	(51)	(51)	
% Funded	86%	88%	91%	96%	94%	
Pension funding (company contributions)	158	4	5	6	14	~5
<b>Reported in other income</b>						
Net periodic benefit cost (income)	6	(11)	(30)	(86)	3	
Recognized net actuarial Mark-To-Market (MTM) loss	37	9	7	(35)	52	
<b>Net periodic benefit cost (income) excl. MTM loss</b>	<b>(31)</b>	<b>(21)</b>	<b>(37)</b>	<b>(52)</b>	<b>(49)</b>	<b>~(10)</b>
<b>Reported in operating income</b>						
Recoverable CAS <sup>(1)</sup> costs	44	47	44	29	12	
FAS <sup>(2)</sup> service cost	10	9	11	12	11	
<b>Total FAS<sup>(2)</sup>/CAS<sup>(1)</sup> differential</b>	<b>34</b>	<b>38</b>	<b>33</b>	<b>17</b>	<b>1</b>	<b>~5</b>

1) CAS – Cost accounting standards in accordance with the Federal Acquisition Regulation and the related U.S. Government Cost Accounting Standards – used as basis for recovery of costs on government contracts

2) FAS – Financial accounting standards in accordance with GAAP and the way we report our financial results



**Non-GAAP figures exclude any mark-to-market adjustment for pension and postretirement benefits recognized and other one-time items.**

## **Other non-GAAP definitions and calculations**

**Adjusted EBITDA** = *Earnings Before Interest, Taxes, Depreciation and Amortization. Calculated using non-GAAP Net income, plus Provision for Income Taxes, less Other – net, less Interest income, plus Interest expense, plus Depreciation and amortization.*

**FCF** = *Free Cash Flow. Calculated using net income to derive Net Cash Provided By (Used In) Operating Activities less Purchases of property, plant and equipment.*

**FCF Conversion** = *Free Cash Flow Conversion. Free Cash Flow divided by net income*

# 1Q 2023 non-GAAP reconciliations



**BWX TECHNOLOGIES, INC.**  
**RECONCILIATION OF NON-GAAP OPERATING INCOME AND EARNINGS PER SHARE<sup>(1)(2)(3)</sup>**  
(In millions, except per share amounts)

Three Months Ended March 31, 2023

	GAAP	Restructuring Costs	Acquisition-related Costs	Non-GAAP
Operating Income	\$ 87.8	\$ 3.5	\$ 0.3	\$ 91.7
Other Income (Expense)	(8.2)	—	—	(8.2)
Income Before Provision for Income Taxes	79.7	3.5	0.3	83.5
Provision for Income Taxes	(18.7)	(0.7)	(0.1)	(19.5)
Net Income	61.0	2.8	0.3	64.0
Net Income Attributable to Noncontrolling Interest	0.1	—	—	0.1
Net Income Attributable to BWXT	\$ 61.1	\$ 2.8	\$ 0.3	\$ 64.1
Diluted Shares Outstanding	91.8			91.8
Diluted Earnings per Common Share	\$ 0.67	\$ 0.03	\$ 0.00	\$ 0.70
Effective Tax Rate	23.4%			23.3%
Government Operations Operating Income	\$ 90.6	\$ —	\$ 0.3	\$ 90.8
Commercial Operations Operating Income	\$ 1.5	\$ 3.1	\$ —	\$ 4.6
Unallocated Corporate Operating Income	\$ (4.2)	\$ 0.4	\$ 0.1	\$ (3.7)

**RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA<sup>(1)(2)(3)</sup>**  
(In millions)

Three Months Ended March 31, 2023

	GAAP	Restructuring Costs	Acquisition-related Costs	Non-GAAP
Net Income	\$ 61.0	\$ 2.8	\$ 0.3	\$ 64.0
Provision for Income Taxes	18.7	0.7	0.1	19.5
Other – net	(2.2)	—	—	(2.2)
Interest Expense	10.8	—	—	10.8
Interest Income	(0.5)	—	—	(0.5)
Depreciation & Amortization	19.0	—	—	19.0
Adjusted EBITDA	\$ 106.9	\$ 3.5	\$ 0.3	\$ 110.7

**RECONCILIATION OF REPORTING SEGMENT ADJUSTED EBITDA<sup>(1)(2)(3)</sup>**  
(In millions)

Three Months Ended March 31, 2022

	Operating Income (GAAP)	Non-GAAP Adjustments <sup>(4)</sup>	Depreciation & Amortization	Adjusted EBITDA
Government Operations	\$ 72.2	\$ 1.2	\$ 11.2	\$ 84.7
Commercial Operations	\$ 4.0	\$ 1.9	\$ 4.8	\$ 10.7

**RECONCILIATION OF CONSOLIDATED FREE CASH FLOW<sup>(1)(2)(3)</sup>**  
(In millions)

Three Months Ended March 31, 2023

Net Cash Used In Operating Activities	\$ (13.0)
Purchases of Property, Plant and Equipment	(29.8)
Free Cash Flow	\$ (42.8)

- (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.

# 1Q 2022 non-GAAP reconciliations



## BWX TECHNOLOGIES, INC. RECONCILIATION OF NON-GAAP OPERATING INCOME AND EARNINGS PER SHARE<sup>(1)(2)(3)</sup> (In millions, except per share amounts)

Three Months Ended March 31, 2022

	GAAP	Restructuring Costs	Acquisition-related Costs	Non-GAAP
Operating Income	\$ 71.6	\$ 4.1	\$ 1.2	\$ 76.8
Other Income (Expense)	5.9	—	—	5.9
Income Before Provision for Income Taxes	77.4	4.1	1.2	82.7
Provision for Income Taxes	(18.4)	(1.0)	(0.2)	(19.6)
Net Income	59.1	3.1	0.9	63.1
Net Income Attributable to Noncontrolling Interest	(0.1)	—	—	(0.1)
Net Income Attributable to BWXT	\$ 59.0	\$ 3.1	\$ 0.9	\$ 63.0
Diluted Shares Outstanding	91.8			91.8
Diluted Earnings per Common Share	\$ 0.64	\$ 0.03	\$ 0.01	\$ 0.69
Effective Tax Rate	23.7%			23.7%
Government Operations Operating Income	\$ 72.2	\$ 1.2	\$ —	\$ 73.5
Commercial Operations Operating Income	\$ 4.0	\$ 1.9	\$ —	\$ 5.9
Unallocated Corporate Operating Income	\$ (4.6)	\$ 0.9	\$ 1.2	\$ (2.5)

## RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA<sup>(1)(2)(3)</sup> (In millions)

Three Months Ended March 31, 2022

	GAAP	Restructuring Costs	Acquisition-related Costs	Non-GAAP
Net Income	\$ 59.1	\$ 3.1	\$ 0.9	\$ 63.1
Provision for Income Taxes	18.4	1.0	0.2	19.6
Other – net	(12.8)	—	—	(12.8)
Interest Expense	7.1	—	—	7.1
Interest Income	(0.1)	—	—	(0.1)
Depreciation & Amortization	17.6	—	—	17.6
Adjusted EBITDA	\$ 89.2	\$ 4.1	\$ 1.2	\$ 94.4

## RECONCILIATION OF REPORTING SEGMENT ADJUSTED EBITDA<sup>(1)(2)(3)</sup> (In millions)

Three Months Ended March 31, 2022

	Operating Income (GAAP)	Non-GAAP Adjustments <sup>(4)</sup>	Depreciation & Amortization	Adjusted EBITDA
Government Operations	\$ 72.2	\$ 1.2	\$ 11.2	\$ 84.7
Commercial Operations	\$ 4.0	\$ 1.9	\$ 4.8	\$ 10.7

## RECONCILIATION OF CONSOLIDATED FREE CASH FLOW<sup>(1)(2)(3)</sup> (In millions)

Three Months Ended March 31, 2022

Net Cash Used In Operating Activities	\$ (5.4)
Purchases of Property, Plant and Equipment	(52.4)
Free Cash Flow	\$ (57.8)

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- (4) For Non-GAAP adjustment details, see reconciliation of non-GAAP operating income and earnings per share.



# 2022 non-GAAP reconciliations



## BWXT TECHNOLOGIES, INC. RECONCILIATION OF NON-GAAP OPERATING INCOME AND EARNINGS PER SHARE<sup>(1)(2)(3)</sup> (In millions, except per share amounts)

	Year Ended December 31, 2022						Non-GAAP
	GAAP	Pension & OPEB MTM (Gain) / Loss	Restructuring Costs	Acquisition-related Costs	Loss on Asset Disposal		
Operating Income	\$ 348.6	\$ —	\$ 8.2	\$ 2.6	\$ 6.2	\$ 365.6	
Other Income (Expense)	(34.2)	46.6	0.0	—	—	12.4	
Income before Provision for Income Taxes	314.4	46.6	8.2	2.6	6.2	378.0	
Provision for Income Taxes	(75.8)	(10.9)	(1.9)	(0.4)	(1.6)	(90.5)	
Net Income	238.6	35.7	6.3	2.2	4.7	287.5	
Net Income Attributable to Noncontrolling Interest	(0.4)	—	—	—	—	(0.4)	
Net Income Attributable to BWXT	\$ 238.2	\$ 35.7	\$ 6.3	\$ 2.2	\$ 4.7	\$ 287.1	
Diluted Shares Outstanding	91.7					91.7	
Diluted Earnings per Common Share	\$ 2.60	\$ 0.39	\$ 0.07	\$ 0.02	\$ 0.05	\$ 3.13	
Effective Tax Rate	24.1%					23.9%	
Government Operations Operating Income	\$ 336.5	\$ —	\$ 1.2	\$ 0.8	\$ —	\$ 338.6	
Commercial Operations Operating Income	\$ 27.4	\$ —	\$ 1.5	\$ —	\$ 6.2	\$ 35.1	
Unallocated Corporate Operating Income	\$ (15.3)	\$ —	\$ 5.4	\$ 1.8	\$ —	\$ (8.1)	

## RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA<sup>(1)(2)(3)</sup> (In millions)

	Year Ended December 31, 2022						Non-GAAP
	GAAP	Pension & OPEB MTM (Gain) / Loss	Restructuring Costs	Acquisition-related Costs	Loss on Asset Disposal		
Net Income	\$ 238.6	\$ 35.7	\$ 6.3	\$ 2.2	\$ 4.7	\$ 287.5	
Provision for Income Taxes	75.8	10.9	1.9	0.4	1.6	90.5	
Other – net	(1.5)	(46.6)	—	—	—	(48.0)	
Interest Expense	36.4	—	(0.0)	—	—	36.4	
Interest Income	(0.8)	—	—	—	—	(0.8)	
Depreciation & Amortization	73.8	—	—	—	—	73.8	
Adjusted EBITDA	\$ 422.4	\$ —	\$ 8.2	\$ 2.6	\$ 6.2	\$ 439.4	

## RECONCILIATION OF REPORTING SEGMENT ADJUSTED EBITDA<sup>(1)(2)(3)</sup> (In millions)

	Year Ended December 31, 2022			Adjusted EBITDA
	Operating Income (GAAP)	Non-GAAP Adjustments <sup>(4)</sup>	Depreciation & Amortization	
Government Operations	\$ 336.5	\$ 2.1	\$ 48.0	\$ 386.5
Commercial Operations	\$ 27.4	\$ 7.7	\$ 18.8	\$ 53.9

## RECONCILIATION OF CONSOLIDATED FREE CASH FLOW<sup>(1)(2)(3)</sup> (In millions)

Year Ended December 31, 2022	
Net Cash Provided By Operating Activities	\$ 244.7
Purchases of Property, Plant and Equipment	(198.3)
Free Cash Flow	\$ 46.4

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- (4) For Non-GAAP adjustment details, see reconciliation of non-GAAP operating income and earnings per share.

# 2021 non-GAAP reconciliations



## BWX TECHNOLOGIES, INC. RECONCILIATION OF NON-GAAP OPERATING INCOME AND EARNINGS PER SHARE<sup>(1)(2)(3)</sup>

(In millions, except per share amounts)

Year Ended December 31, 2021

	GAAP	Pension & OPEB MTM (Gain) / Loss	Restructuring and Other Costs	Costs Associated With Early Bond Redemption	Non-GAAP
Operating Income	\$ 345.8	\$ —	\$ 3.1	\$ —	\$ 349.0
Other Income (Expense)	49.9	(39.6)	—	15.0	25.3
Income before Provision for Income Taxes	395.7	(39.6)	3.1	15.0	374.3
Provision for Income Taxes	(89.4)	9.1	(0.8)	(3.5)	(84.6)
Net Income	306.3	(30.5)	2.4	11.5	289.6
Net Income Attributable to Noncontrolling Interest	(0.4)	—	—	—	(0.4)
Net Income Attributable to BWXT	\$ 305.9	\$ (30.5)	\$ 2.4	\$ 11.5	\$ 289.2
Diluted Shares Outstanding	94.5				94.5
Diluted Earnings per Common Share	\$ 3.24	\$ (0.32)	\$ 0.03	\$ 0.12	\$ 3.06
Effective Tax Rate	22.6%				22.6%
Government Operations Operating Income	\$ 329.5	\$ —	\$ 0.2	\$ —	\$ 329.7
Commercial Operations Operating Income	\$ 35.2	\$ —	\$ 0.9	\$ —	\$ 36.2
Unallocated Corporate Operating Income	\$ (18.9)	\$ —	\$ 2.1	\$ —	\$ (16.9)

## RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA<sup>(1)(2)(3)</sup>

(In millions)

Year Ended December 31, 2021

	GAAP	Pension & OPEB MTM (Gain) / Loss	Restructuring and Other Costs	Costs Associated With Early Bond Redemption	Non-GAAP
Net Income	\$ 306.3	\$ (30.5)	\$ 2.4	\$ 11.5	\$ 289.6
Provision for Income Taxes	89.4	(9.1)	0.8	3.5	84.6
Other – net	(85.2)	39.6	—	(10.8)	(56.4)
Interest Expense	35.8	—	—	(4.2)	31.5
Interest Income	(0.4)	—	—	—	(0.4)
Depreciation & Amortization	69.1	—	—	—	69.1
Adjusted EBITDA	\$ 414.9	\$ —	\$ 3.1	\$ —	\$ 418.1

## RECONCILIATION OF REPORTING SEGMENT ADJUSTED EBITDA<sup>(1)(2)(3)</sup>

(In millions)

Year Ended December 31, 2021

	Operating Income (GAAP)	Non-GAAP Adjustments <sup>(4)</sup>	Depreciation & Amortization	Adjusted EBITDA
Government Operations	\$ 329.5	\$ 0.2	\$ 42.5	\$ 372.2
Commercial Operations	\$ 35.2	\$ 0.9	\$ 19.9	\$ 56.0

## RECONCILIATION OF CONSOLIDATED FREE CASH FLOW<sup>(1)(2)(3)</sup>

(In millions)

Year Ended December 31, 2021

Net Cash Provided By Operating Activities	\$ 386.0
Purchases of Property, Plant and Equipment	(311.1)
Free Cash Flow	\$ 75.0

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- (4) For Non-GAAP adjustment details, see reconciliation of non-GAAP operating income and earnings per share.