

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2021.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File No. 001-34658

BWX TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware 80-0558025
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

800 Main Street, 4th Floor
Lynchburg, Virginia 24504
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (980) 365-4300

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	BWXT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock outstanding at July 29, 2021 was 95,176,522.

BWX TECHNOLOGIES, INC.
INDEX – FORM 10-Q

	<u>PAGE</u>	
<u>PART I – FINANCIAL INFORMATION</u>		
Item 1.	Condensed Consolidated Financial Statements	2
	Condensed Consolidated Balance Sheets	
	June 30, 2021 and December 31, 2020 (Unaudited)	2
	Condensed Consolidated Statements of Income	
	Three and Six Months Ended June 30, 2021 and 2020 (Unaudited)	4
	Condensed Consolidated Statements of Comprehensive Income	
	Three and Six Months Ended June 30, 2021 and 2020 (Unaudited)	5
	Condensed Consolidated Statements of Stockholders' Equity	
	Three Months Ended March 31 and June 30, 2021 and 2020 (Unaudited)	6
	Condensed Consolidated Statements of Cash Flows	
	Six Months Ended June 30, 2021 and 2020 (Unaudited)	7
	Notes to Condensed Consolidated Financial Statements	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	20
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	30
Item 4.	Controls and Procedures	30
<u>PART II – OTHER INFORMATION</u>		
Item 1.	Legal Proceedings	32
Item 1A.	Risk Factors	32
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	32
Item 6.	Exhibits	33
Signatures		34

PART I**FINANCIAL INFORMATION****Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****BWX TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS****ASSETS**

	June 30, 2021	December 31, 2020
	(Unaudited) (In thousands)	
Current Assets:		
Cash and cash equivalents	\$ 190,752	\$ 42,610
Restricted cash and cash equivalents	3,071	3,070
Investments	3,300	3,707
Accounts receivable – trade, net	61,107	153,368
Accounts receivable – other	37,741	22,239
Retainages	50,982	55,172
Contracts in progress	530,904	449,176
Other current assets	44,795	44,256
Total Current Assets	<u>922,652</u>	<u>773,598</u>
Property, Plant and Equipment, Net	<u>942,128</u>	<u>816,471</u>
Investments	<u>10,064</u>	<u>9,356</u>
Goodwill	<u>287,935</u>	<u>283,708</u>
Deferred Income Taxes	<u>31,710</u>	<u>49,415</u>
Investments in Unconsolidated Affiliates	<u>78,135</u>	<u>71,806</u>
Intangible Assets	<u>192,902</u>	<u>192,751</u>
Other Assets	<u>100,876</u>	<u>96,398</u>
TOTAL	<u><u>\$ 2,566,402</u></u>	<u><u>\$ 2,293,503</u></u>

See accompanying notes to condensed consolidated financial statements.

BWX TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2021	December 31, 2020
	(Unaudited) (In thousands, except share and per share amounts)	
Current Liabilities:		
Current portion of long-term debt	\$ 400,000	\$ —
Bank overdraft	—	88,694
Accounts payable	143,878	184,392
Accrued employee benefits	70,322	89,740
Accrued liabilities – other	76,564	78,028
Advance billings on contracts	105,242	83,581
Accrued warranty expense	5,637	5,292
Total Current Liabilities	801,643	529,727
Long-Term Debt	784,111	862,731
Accumulated Postretirement Benefit Obligation	25,245	25,689
Environmental Liabilities	92,032	84,153
Pension Liability	122,084	144,859
Other Liabilities	32,200	28,576
Commitments and Contingencies (Note 6)		
Stockholders' Equity:		
Common stock, par value \$0.01 per share, authorized 325,000,000 shares; issued 127,287,679 and 127,009,536 shares at June 30, 2021 and December 31, 2020, respectively	1,273	1,270
Preferred stock, par value \$0.01 per share, authorized 75,000,000 shares; No shares issued	—	—
Capital in excess of par value	164,926	153,800
Retained earnings	1,638,709	1,549,950
Treasury stock at cost, 32,121,418 and 31,698,747 shares at June 30, 2021 and December 31, 2020, respectively	(1,120,204)	(1,095,452)
Accumulated other comprehensive income (loss)	24,293	8,198
Stockholders' Equity – BWX Technologies, Inc.	708,997	617,766
Noncontrolling interest	90	2
Total Stockholders' Equity	709,087	617,768
TOTAL	\$ 2,566,402	\$ 2,293,503

See accompanying notes to condensed consolidated financial statements.

BWX TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Unaudited)			
	(In thousands, except share and per share amounts)			
Revenues	\$ 505,099	\$ 504,520	\$ 1,033,372	\$ 1,046,728
Costs and Expenses:				
Cost of operations	375,817	367,534	768,623	759,977
Research and development costs	3,505	4,029	6,621	8,632
Losses (gains) on asset disposals and impairments, net	(29)	299	(37)	299
Selling, general and administrative expenses	59,318	55,137	117,579	108,095
Total Costs and Expenses	438,611	426,999	892,786	877,003
Equity in Income of Investees	7,263	4,913	15,579	10,976
Operating Income	73,751	82,434	156,165	180,701
Other Income (Expense):				
Interest income	77	61	209	292
Interest expense	(10,203)	(7,865)	(17,242)	(15,832)
Other – net	15,306	9,450	31,692	17,367
Total Other Income (Expense)	5,180	1,646	14,659	1,827
Income before Provision for Income Taxes	78,931	84,080	170,824	182,528
Provision for Income Taxes	19,522	19,684	41,600	42,512
Net Income	\$ 59,409	\$ 64,396	\$ 129,224	\$ 140,016
Net Income Attributable to Noncontrolling Interest	(62)	(138)	(128)	(259)
Net Income Attributable to BWX Technologies, Inc.	\$ 59,347	\$ 64,258	\$ 129,096	\$ 139,757
Earnings per Common Share:				
Basic:				
Net Income Attributable to BWX Technologies, Inc.	\$ 0.62	\$ 0.67	\$ 1.35	\$ 1.46
Diluted:				
Net Income Attributable to BWX Technologies, Inc.	\$ 0.62	\$ 0.67	\$ 1.35	\$ 1.46
Shares used in the computation of earnings per share (Note 10):				
Basic	95,354,932	95,457,629	95,329,330	95,434,990
Diluted	95,529,189	95,633,571	95,544,026	95,694,972

See accompanying notes to condensed consolidated financial statements.

BWX TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Unaudited) (In thousands)			
Net Income	\$ 59,409	\$ 64,396	\$ 129,224	\$ 140,016
Other Comprehensive Income (Loss):				
Currency translation adjustments	7,220	856	15,221	(11,084)
Derivative financial instruments:				
Unrealized gains (losses) arising during the period, net of tax (provision) benefit of \$(15), \$141, \$124 and \$32, respectively	40	(404)	(372)	(91)
Reclassification adjustment for losses (gains) included in net income, net of tax (benefit) provision of \$(55), \$32, \$1 and \$(106), respectively	163	(89)	(3)	331
Amortization of benefit plan costs, net of tax benefit of \$(158), \$(167), \$(315) and \$(334), respectively	580	609	1,160	1,219
Unrealized gains (losses) on investments arising during the period, net of tax benefit (provision) of \$84, \$0, \$60 and \$(2), respectively	—	154	89	(446)
Other Comprehensive Income (Loss)	8,003	1,126	16,095	(10,071)
Total Comprehensive Income	67,412	65,522	145,319	129,945
Comprehensive Income Attributable to Noncontrolling Interest	(62)	(138)	(128)	(259)
Comprehensive Income Attributable to BWX Technologies, Inc.	\$ 67,350	\$ 65,384	\$ 145,191	\$ 129,686

See accompanying notes to condensed consolidated financial statements.

BWX TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value							
(In thousands, except share and per share amounts)									
Balance December 31, 2020	127,009,536	\$ 1,270	\$ 153,800	\$ 1,549,950	\$ 8,198	\$ (1,095,452)	\$ 617,766	\$ 2	\$ 617,768
Net income	—	—	—	69,749	—	—	69,749	66	69,815
Dividends declared (\$0.21 per share)	—	—	—	(20,173)	—	—	(20,173)	—	(20,173)
Currency translation adjustments	—	—	—	—	8,001	—	8,001	—	8,001
Derivative financial instruments	—	—	—	—	(578)	—	(578)	—	(578)
Defined benefit obligations	—	—	—	—	580	—	580	—	580
Available-for-sale investments	—	—	—	—	89	—	89	—	89
Exercises of stock options	61,260	—	1,517	—	—	—	1,517	—	1,517
Shares placed in treasury	—	—	—	—	—	(24,694)	(24,694)	—	(24,694)
Stock-based compensation charges	191,350	3	3,978	—	—	—	3,981	—	3,981
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—
Balance March 31, 2021 (unaudited)	127,262,146	\$ 1,273	\$ 159,295	\$ 1,599,526	\$ 16,290	\$ (1,120,146)	\$ 656,238	\$ 68	\$ 656,306
Net income	—	—	—	59,347	—	—	59,347	62	59,409
Dividends declared (\$0.21 per share)	—	—	—	(20,164)	—	—	(20,164)	—	(20,164)
Currency translation adjustments	—	—	—	—	7,220	—	7,220	—	7,220
Derivative financial instruments	—	—	—	—	203	—	203	—	203
Defined benefit obligations	—	—	—	—	580	—	580	—	580
Available-for-sale investments	—	—	—	—	—	—	—	—	—
Exercises of stock options	13,936	—	339	—	—	—	339	—	339
Shares placed in treasury	—	—	—	—	—	(58)	(58)	—	(58)
Stock-based compensation charges	11,597	—	5,292	—	—	—	5,292	—	5,292
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(40)	(40)
Balance June 30, 2021 (unaudited)	127,287,679	\$ 1,273	\$ 164,926	\$ 1,638,709	\$ 24,293	\$ (1,120,204)	\$ 708,997	\$ 90	\$ 709,087
Balance December 31, 2019	126,579,285	\$ 1,266	\$ 134,069	\$ 1,344,383	\$ (7,448)	\$ (1,068,164)	\$ 404,106	\$ 6	\$ 404,112
Net income	—	—	—	75,499	—	—	75,499	121	75,620
Dividends declared (\$0.19 per share)	—	—	—	(18,254)	—	—	(18,254)	—	(18,254)
Currency translation adjustments	—	—	—	—	(11,940)	—	(11,940)	—	(11,940)
Derivative financial instruments	—	—	—	—	733	—	733	—	733
Defined benefit obligations	—	—	—	—	610	—	610	—	610
Available-for-sale investments	—	—	—	—	(600)	—	(600)	—	(600)
Exercises of stock options	56,431	1	1,331	—	—	—	1,332	—	1,332
Shares placed in treasury	—	—	—	—	—	(25,076)	(25,076)	—	(25,076)
Stock-based compensation charges	252,943	2	3,100	—	—	—	3,102	—	3,102
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(127)	(127)
Balance March 31, 2020 (unaudited)	126,888,659	\$ 1,269	\$ 138,500	\$ 1,401,628	\$ (18,645)	\$ (1,093,240)	\$ 429,512	\$ —	\$ 429,512
Net income	—	—	—	64,258	—	—	64,258	138	64,396
Dividends declared (\$0.19 per share)	—	—	—	(18,244)	—	—	(18,244)	—	(18,244)
Currency translation adjustments	—	—	—	—	856	—	856	—	856
Derivative financial instruments	—	—	—	—	(493)	—	(493)	—	(493)
Defined benefit obligations	—	—	—	—	609	—	609	—	609
Available-for-sale investments	—	—	—	—	154	—	154	—	154
Exercises of stock options	22,556	—	537	—	—	—	537	—	537
Shares placed in treasury	—	—	—	—	—	(47)	(47)	—	(47)
Stock-based compensation charges	38,667	—	4,375	—	—	—	4,375	—	4,375
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(123)	(123)
Balance June 30, 2020 (unaudited)	126,949,882	\$ 1,269	\$ 143,412	\$ 1,447,642	\$ (17,519)	\$ (1,093,287)	\$ 481,517	\$ 15	\$ 481,532

See accompanying notes to condensed consolidated financial statements.

BWX TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2021	2020
	(Unaudited) (In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 129,224	\$ 140,016
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	32,992	30,565
Income of investees, net of dividends	(5,874)	(927)
Recognition of losses for pension and postretirement plans	1,475	1,553
Stock-based compensation expense	9,273	7,477
Other, net	1,548	2,025
Changes in assets and liabilities, net of effects from acquisitions:		
Accounts receivable	93,503	(2,433)
Accounts payable	(16,875)	(6,641)
Retainages	4,308	(76)
Contracts in progress and advance billings on contracts	(53,649)	(27,560)
Income taxes	876	39,098
Accrued and other current liabilities	411	2,612
Pension liabilities, accrued postretirement benefit obligations and employee benefits	(44,746)	(32,996)
Other, net	5,857	2,917
NET CASH PROVIDED BY OPERATING ACTIVITIES	158,323	155,630
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(170,170)	(115,477)
Acquisition of business	—	(16,174)
Purchases of securities	(2,378)	(2,159)
Sales and maturities of securities	2,764	4,305
Investments, net of return of capital, in equity method investees	—	88
Other, net	182	—
NET CASH USED IN INVESTING ACTIVITIES	(169,602)	(129,417)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt	625,800	643,000
Repayments of long-term debt	(300,800)	(628,176)
Payment of debt issuance costs	(4,838)	(6,310)
Repayment of bank overdraft	(88,694)	—
Repurchases of common shares	(20,007)	(20,000)
Dividends paid to common shareholders	(40,326)	(36,764)
Exercises of stock options	2,011	1,790
Cash paid for shares withheld to satisfy employee taxes	(4,745)	(5,044)
Other, net	(8,979)	1,137
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	159,422	(50,367)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	64	(690)
TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS	148,207	(24,844)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	48,298	92,400
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 196,505	\$ 67,556
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ 20,270	\$ 17,923
Income taxes (net of refunds)	\$ 40,661	\$ 3,274
SCHEDULE OF NON-CASH INVESTING ACTIVITY:		
Accrued capital expenditures included in accounts payable	\$ 26,328	\$ 17,235

See accompanying notes to condensed consolidated financial statements.

BWX TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021
(UNAUDITED)

NOTE 1 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

We have presented the condensed consolidated financial statements of BWX Technologies, Inc. ("BWXT" or the "Company") in U.S. dollars in accordance with the interim reporting requirements of Form 10-Q, Rule 10-01 of Regulation S-X and accounting principles generally accepted in the United States ("GAAP"). Certain financial information and disclosures normally included in our financial statements prepared annually in accordance with GAAP have been condensed or omitted. Readers of these financial statements should, therefore, refer to the consolidated financial statements and notes in our annual report on Form 10-K for the year ended December 31, 2020 (our "2020 10-K"). We have included all adjustments, in the opinion of management, consisting only of normal recurring adjustments, necessary for a fair presentation.

We use the equity method to account for investments in entities that we do not control, but over which we have the ability to exercise significant influence. We generally refer to these entities as "joint ventures." We have eliminated all intercompany transactions and accounts. We present the notes to our condensed consolidated financial statements on the basis of continuing operations, unless otherwise stated.

Unless the context otherwise indicates, "we," "us" and "our" mean BWXT and its consolidated subsidiaries.

Reportable Segments

We operate in three reportable segments: Nuclear Operations Group, Nuclear Power Group and Nuclear Services Group. Our reportable segments are further described as follows:

- Our Nuclear Operations Group segment manufactures naval nuclear reactors for the U.S. Naval Nuclear Propulsion Program for use in submarines and aircraft carriers. Through this segment, we own and operate manufacturing facilities located in Lynchburg, Virginia; Barberton, Ohio; Mount Vernon, Indiana; Euclid, Ohio; and Erwin, Tennessee. The Lynchburg operations fabricate fuel-bearing precision components that range in weight from a few grams to hundreds of tons. In-house capabilities also include wet chemistry uranium processing, advanced heat treatment to optimize component material properties and a controlled, clean-room environment with the capacity to assemble railcar-size components. The Barberton and Mount Vernon locations specialize in the design and manufacture of heavy components inclusive of fabrication activities for submarine missile launch tubes. The Euclid facility fabricates electro-mechanical equipment and performs design, manufacturing, inspection, assembly and testing activities. Fuel for the naval nuclear reactors is provided by Nuclear Fuel Services, Inc. ("NFS"), one of our wholly owned subsidiaries. Located in Erwin, NFS also downblends Cold War-era government stockpiles of high-enriched uranium.
- Our Nuclear Power Group segment fabricates commercial nuclear steam generators, nuclear fuel, fuel handling systems, pressure vessels, reactor components, heat exchangers, tooling delivery systems and other auxiliary equipment, including containers for the storage of spent nuclear fuel and other high-level waste and supplies nuclear-grade materials and precisely machined components for nuclear utility customers. BWXT has supplied the nuclear industry with more than 1,300 large, heavy components worldwide and is the only commercial heavy nuclear component manufacturer in North America. This segment also provides specialized engineering services that include structural component design, 3-D thermal-hydraulic engineering analysis, weld and robotic process development, electrical and controls engineering and metallurgy and materials engineering. In addition, this segment offers in-plant inspection, maintenance and modification services for nuclear steam generators, heat exchangers, reactors, fuel handling systems and balance of plant equipment, as well as specialized non-destructive examination and tooling/repair solutions. This segment is also a leading global manufacturer and supplier of critical medical radioisotopes and radiopharmaceuticals for research, diagnostic and therapeutic uses.
- Our Nuclear Services Group segment provides various services to the U.S. Government including nuclear materials management and operation, environmental management and administrative and operating services for various U.S. Government-owned facilities. These services are provided to the U.S. Department of Energy ("DOE"), including the National Nuclear Security Administration, the Office of Nuclear Energy, the Office of Science and the Office of Environmental Management, and NASA. Through this segment we deliver services and management solutions to nuclear and high-consequence operations. A significant portion of this segment's operations are conducted through joint ventures. This segment also develops technology for a variety of applications, including advanced nuclear power

sources, and offers complete advanced nuclear fuel and reactor design and engineering, licensing and manufacturing services for new advanced nuclear reactors.

See Note 9 for financial information about our segments. Operating results for the three and six months ended June 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021. For further information, refer to the consolidated financial statements and notes included in our 2020 10-K.

Divestiture of U.S.-Based Commercial Nuclear Services Business

On May 29, 2020, our subsidiary BWXT Nuclear Energy, Inc. divested its U.S.-based commercial nuclear services business, a component of our Nuclear Services Group segment. In a cashless transaction, we exchanged net assets totaling \$18.0 million, consisting primarily of property, plant and equipment and certain warranty obligations, for a manufacturing facility and the associated land of approximately the same value. The acquired assets are reported as part of the Nuclear Services Group segment.

Recently Adopted Accounting Standards

There were no accounting standards adopted during the six months ended June 30, 2021.

Contracts and Revenue Recognition

We generally recognize contract revenues and related costs over time for individual performance obligations based on a cost-to-cost method in accordance with FASB Topic *Revenue from Contracts with Customers*. We recognize estimated contract revenue and resulting income based on the measurement of the extent of progress toward completion as a percentage of the total project. Certain costs may be excluded from the cost-to-cost method of measuring progress, such as significant costs for uninstalled materials, if such costs do not depict our performance in transferring control of goods or services to the customer. We review contract price and cost estimates periodically as the work progresses and reflect adjustments proportionate to the percentage-of-completion in income in the period when those estimates are revised. Certain of our contracts recognize revenue at a point in time, and revenue on these contracts is recognized when control transfers to the customer. The majority of our revenue that is recognized at a point in time is related to parts and certain medical radioisotopes and radiopharmaceuticals in our Nuclear Power Group segment. For all contracts, if a current estimate of total contract cost indicates a loss on a contract, the projected loss is recognized in full when determined.

Provision for Income Taxes

We are subject to federal income tax in the U.S. and Canada as well as income tax within multiple U.S. state jurisdictions. We provide for income taxes based on the enacted tax laws and rates in the jurisdictions in which we conduct our operations. These jurisdictions may have regimes of taxation that vary with respect to nominal rates and with respect to the basis on which these rates are applied. This variation, along with the changes in our mix of income within these jurisdictions, can contribute to shifts in our effective tax rate from period to period.

Our effective tax rate for the three months ended June 30, 2021 was 24.7% as compared to 23.4% for the three months ended June 30, 2020. Our effective tax rate for the six months ended June 30, 2021 was 24.4% as compared to 23.3% for the six months ended June 30, 2020. The effective tax rates for the three and six months ended June 30, 2021 and 2020 were higher than the U.S. corporate income tax rate of 21% primarily due to state income taxes within the U.S. and the unfavorable rate differential associated with our Canadian earnings. Our effective tax rates for the six months ended June 30, 2021 and 2020 were favorably impacted by excess tax benefits recognized related to employee share-based payments of \$0.2 million and \$0.9 million, respectively.

As of June 30, 2021, we had gross unrecognized tax benefits of \$6.3 million (exclusive of interest and federal and state benefits), all of which would reduce our effective tax rate if recognized.

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

At June 30, 2021, we had restricted cash and cash equivalents totaling \$5.8 million, \$2.7 million of which was held for future decommissioning of facilities (which is included in Other Assets on our condensed consolidated balance sheets) and \$3.1 million of which was held to meet reinsurance reserve requirements of our captive insurer.

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents on our condensed consolidated balance sheets to the totals presented on our condensed consolidated statement of cash flows:

	June 30, 2021	December 31, 2020
(In thousands)		
Cash and cash equivalents	\$ 190,752	\$ 42,610
Restricted cash and cash equivalents	3,071	3,070
Restricted cash and cash equivalents included in Other Assets	2,682	2,618
Total cash and cash equivalents and restricted cash and cash equivalents as presented on our condensed consolidated statement of cash flows	<u>\$ 196,505</u>	<u>\$ 48,298</u>

Inventories

At June 30, 2021 and December 31, 2020, Other current assets included inventories totaling \$14.8 million and \$15.0 million, respectively, consisting entirely of raw materials and supplies.

Property, Plant and Equipment, Net

Property, plant and equipment, net is stated at cost and is set forth below:

	June 30, 2021	December 31, 2020
(In thousands)		
Land	\$ 9,596	\$ 9,585
Buildings	288,516	267,808
Machinery and equipment	879,725	827,785
Property under construction	469,261	420,374
	<u>1,647,098</u>	<u>1,525,552</u>
Less: Accumulated depreciation	704,970	709,081
Property, Plant and Equipment, Net	<u>\$ 942,128</u>	<u>\$ 816,471</u>

Deferred Debt Issuance Costs

We have included deferred debt issuance costs in the condensed consolidated balance sheets as a direct deduction from the carrying amount of our Long-Term Debt. We amortize deferred debt issuance costs as interest expense over the life of the related debt. The following summarizes the changes in the carrying amount of our deferred debt issuance costs:

	Six Months Ended June 30,	
	2021	2020
(In thousands)		
Balance at beginning of period	\$ 12,269	\$ 8,006
Additions	4,838	6,627
Interest expense ⁽¹⁾	(1,218)	(1,464)
Balance at end of period	<u>\$ 15,889</u>	<u>\$ 13,169</u>

(1) Includes the recognition of prior deferred debt issuance costs associated with the Credit Facility, as defined below, of \$(0.7) million for the six months ended June 30, 2020.

Accumulated Other Comprehensive Income (Loss)

The components of Accumulated other comprehensive income (loss) included in Stockholders' Equity are as follows:

	June 30, 2021	December 31, 2020
	(In thousands)	
Currency translation adjustments	\$ 39,675	\$ 24,454
Net unrealized loss on derivative financial instruments	(871)	(496)
Unrecognized prior service cost on benefit obligations	(14,742)	(15,902)
Net unrealized gain on available-for-sale investments	231	142
Accumulated other comprehensive income (loss)	<u>\$ 24,293</u>	<u>\$ 8,198</u>

The amounts reclassified out of Accumulated other comprehensive income (loss) by component and the affected condensed consolidated statements of income line items are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		
	2021	2020	2021	2020	
Accumulated Other Comprehensive Income (Loss)	(In thousands)				Line Item Presented
Component Recognized					
Realized gain (loss) on derivative financial instruments	\$ (95)	\$ 551	\$ 132	\$ 550	Revenues
	(123)	(430)	(128)	(987)	Cost of operations
	(218)	121	4	(437)	Total before tax
	55	(32)	(1)	106	Provision for Income Taxes
	<u>\$ (163)</u>	<u>\$ 89</u>	<u>\$ 3</u>	<u>\$ (331)</u>	Net Income
Amortization of prior service cost on benefit obligations	\$ (738)	\$ (776)	\$ (1,475)	\$ (1,553)	Other – net
	158	167	315	334	Provision for Income Taxes
	<u>\$ (580)</u>	<u>\$ (609)</u>	<u>\$ (1,160)</u>	<u>\$ (1,219)</u>	Net Income
Total reclassification for the period	<u>\$ (743)</u>	<u>\$ (520)</u>	<u>\$ (1,157)</u>	<u>\$ (1,550)</u>	

Derivative Financial Instruments

Our operations give rise to exposure to market risks from changes in foreign currency exchange ("FX") rates. We use derivative financial instruments, primarily FX forward contracts, to reduce the impact of changes in FX rates on our operating results. We use these instruments to hedge our exposure associated with revenues or costs on our long-term contracts and other transactions that are denominated in currencies other than our operating entities' functional currencies. We do not hold or issue derivative financial instruments for trading or other speculative purposes.

We enter into derivative financial instruments primarily as hedges of certain firm purchase and sale commitments and loans between domestic and foreign subsidiaries denominated in foreign currencies. We record these contracts at fair value on our condensed consolidated balance sheets. Based on the hedge designation at the inception of the contract, the related gains and losses on these contracts are deferred in stockholders' equity as a component of Accumulated other comprehensive income until the hedged item is recognized in earnings. The gain or loss on a derivative instrument not designated as a hedging instrument is immediately recognized in earnings. Gains and losses on derivative financial instruments that require immediate recognition are included as a component of Other – net on our condensed consolidated statements of income.

We have designated the majority of our FX forward contracts that qualify for hedge accounting as cash flow hedges. The hedged risk is the risk of changes in functional-currency-equivalent cash flows attributable to changes in FX spot rates of forecasted transactions primarily related to long-term contracts. We exclude from our assessment of effectiveness the portion of the fair value of the FX forward contracts attributable to the difference between FX spot rates and FX forward rates. At June 30, 2021, we had deferred approximately \$0.9 million of net losses on these derivative financial instruments. Assuming market conditions continue, we expect to recognize the majority of this amount in the next 12 months. For the three months ended June 30, 2021 and 2020, we recognized (gains) losses of \$4.7 million and \$3.6 million, respectively, and for the six months ended June 30, 2021 and 2020, we recognized (gains) losses of \$8.7 million and \$(1.6) million, respectively, in Other – net on our condensed consolidated statements of income associated with FX forward contracts not designated as hedging instruments.

At June 30, 2021, our derivative financial instruments consisted of FX forward contracts with a total notional value of \$341.4 million with maturities extending to March 2023. These instruments consist primarily of FX forward contracts to purchase or sell Canadian dollars and Euros. We are exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. We attempt to mitigate this risk by using major financial institutions with high credit ratings. Our counterparties to derivative financial instruments have the benefit of the same collateral arrangements and covenants as described under our credit facility.

NOTE 2 – ACQUISITIONS

Laker Energy Products Ltd.

On January 2, 2020, our subsidiary BWXT Canada Ltd. acquired Laker Energy Products Ltd., which was renamed BWXT Precision Manufacturing Inc. ("Precision Manufacturing"), for CAD 23.3 million (\$17.8 million U.S. dollar equivalent). We are subject to the payment of contingent consideration totaling CAD 5.0 million, of which we have recognized CAD 2.5 million as a component of the purchase price. Our purchase price allocation resulted in the recognition of \$8.4 million of Property, Plant and Equipment, Net, \$8.2 million of Intangible Assets and \$5.8 million of Goodwill. In addition, we recognized right-of-use assets and lease liabilities of \$2.7 million. Precision Manufacturing is a global supplier of nuclear-grade materials and precisely machined components for CANDU nuclear power utilities, employs approximately 140 personnel and is reported as part of our Nuclear Power Group segment.

NOTE 3 – REVENUE RECOGNITION

Disaggregated Revenues

Revenues by geographical area and customer type were as follows:

	Three Months Ended June 30, 2021				Three Months Ended June 30, 2020			
	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total
	(In thousands)							
<i>United States:</i>								
Government	\$ 361,994	\$ —	\$ 27,258	\$ 389,252	\$ 370,060	\$ —	\$ 28,486	\$ 398,546
Non-Government	18,019	11,488	2,220	31,727	38,084	6,989	3,731	48,804
	<u>\$ 380,013</u>	<u>\$ 11,488</u>	<u>\$ 29,478</u>	<u>\$ 420,979</u>	<u>\$ 408,144</u>	<u>\$ 6,989</u>	<u>\$ 32,217</u>	<u>\$ 447,350</u>
<i>Canada:</i>								
Non-Government	\$ —	\$ 84,576	\$ 634	\$ 85,210	\$ —	\$ 57,380	\$ 1,111	\$ 58,491
<i>Other:</i>								
Non-Government	\$ 1,329	\$ 5,778	\$ 22	\$ 7,129	\$ 2,108	\$ 3,614	\$ —	\$ 5,722
Segment Revenues	<u>\$ 381,342</u>	<u>\$ 101,842</u>	<u>\$ 30,134</u>	<u>513,318</u>	<u>\$ 410,252</u>	<u>\$ 67,983</u>	<u>\$ 33,328</u>	<u>511,563</u>
Eliminations				(8,219)				(7,043)
Revenues				<u>\$ 505,099</u>				<u>\$ 504,520</u>

	Six Months Ended June 30, 2021				Six Months Ended June 30, 2020			
	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total
(In thousands)								
<i>United States:</i>								
Government	\$ 741,237	\$ —	\$ 50,027	\$ 791,264	\$ 771,126	\$ —	\$ 53,082	\$ 824,208
Non-Government	38,685	21,760	3,888	64,333	58,925	16,597	14,940	90,462
	<u>\$ 779,922</u>	<u>\$ 21,760</u>	<u>\$ 53,915</u>	<u>\$ 855,597</u>	<u>\$ 830,051</u>	<u>\$ 16,597</u>	<u>\$ 68,022</u>	<u>\$ 914,670</u>
<i>Canada:</i>								
Non-Government	\$ —	\$ 175,931	\$ 1,654	\$ 177,585	\$ —	\$ 131,907	\$ 2,071	\$ 133,978
<i>Other:</i>								
Non-Government	\$ 3,488	\$ 11,549	\$ 48	\$ 15,085	\$ 3,976	\$ 7,396	\$ —	\$ 11,372
Segment Revenues	<u>\$ 783,410</u>	<u>\$ 209,240</u>	<u>\$ 55,617</u>	<u>1,048,267</u>	<u>\$ 834,027</u>	<u>\$ 155,900</u>	<u>\$ 70,093</u>	<u>1,060,020</u>
Eliminations				(14,895)				(13,292)
Revenues				<u>\$ 1,033,372</u>				<u>\$ 1,046,728</u>

Revenues by timing of transfer of goods or services were as follows:

	Three Months Ended June 30, 2021				Three Months Ended June 30, 2020			
	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total
(In thousands)								
Over time	\$ 381,254	\$ 91,857	\$ 30,134	\$ 503,245	\$ 410,204	\$ 61,590	\$ 33,328	\$ 505,122
Point-in-time	88	9,985	—	10,073	48	6,393	—	6,441
Segment Revenues	<u>\$ 381,342</u>	<u>\$ 101,842</u>	<u>\$ 30,134</u>	<u>513,318</u>	<u>\$ 410,252</u>	<u>\$ 67,983</u>	<u>\$ 33,328</u>	<u>511,563</u>
Eliminations				(8,219)				(7,043)
Revenues				<u>\$ 505,099</u>				<u>\$ 504,520</u>

	Six Months Ended June 30, 2021				Six Months Ended June 30, 2020			
	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total
(In thousands)								
Over time	\$ 783,297	\$ 185,744	\$ 55,617	\$ 1,024,658	\$ 833,943	\$ 138,775	\$ 70,093	\$ 1,042,811
Point-in-time	113	23,496	—	23,609	84	17,125	—	17,209
Segment Revenues	<u>\$ 783,410</u>	<u>\$ 209,240</u>	<u>\$ 55,617</u>	<u>1,048,267</u>	<u>\$ 834,027</u>	<u>\$ 155,900</u>	<u>\$ 70,093</u>	<u>1,060,020</u>
Eliminations				(14,895)				(13,292)
Revenues				<u>\$ 1,033,372</u>				<u>\$ 1,046,728</u>

Revenues by contract type were as follows:

	Three Months Ended June 30, 2021				Three Months Ended June 30, 2020			
	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total
	(In thousands)							
Fixed-Price Incentive Fee	\$ 318,844	\$ 3,730	\$ —	\$ 322,574	\$ 317,180	\$ 394	\$ —	\$ 317,574
Firm-Fixed-Price	37,766	75,276	9,194	122,236	64,193	61,866	6,911	132,970
Cost-Plus Fee	24,612	—	18,597	43,209	28,827	—	24,018	52,845
Time-and-Materials	120	22,836	2,343	25,299	52	5,723	2,399	8,174
Segment Revenues	<u>\$ 381,342</u>	<u>\$ 101,842</u>	<u>\$ 30,134</u>	<u>513,318</u>	<u>\$ 410,252</u>	<u>\$ 67,983</u>	<u>\$ 33,328</u>	<u>511,563</u>
Eliminations				(8,219)				(7,043)
Revenues				<u>\$ 505,099</u>				<u>\$ 504,520</u>

	Six Months Ended June 30, 2021				Six Months Ended June 30, 2020			
	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total	Nuclear Operations Group	Nuclear Power Group	Nuclear Services Group	Total
	(In thousands)							
Fixed-Price Incentive Fee	\$ 621,169	\$ 4,220	\$ —	\$ 625,389	\$ 601,554	\$ 886	\$ —	\$ 602,440
Firm-Fixed-Price	113,135	143,333	14,734	271,202	177,530	132,702	18,548	328,780
Cost-Plus Fee	48,792	—	36,577	85,369	54,823	—	46,511	101,334
Time-and-Materials	314	61,687	4,306	66,307	120	22,312	5,034	27,466
Segment Revenues	<u>\$ 783,410</u>	<u>\$ 209,240</u>	<u>\$ 55,617</u>	<u>1,048,267</u>	<u>\$ 834,027</u>	<u>\$ 155,900</u>	<u>\$ 70,093</u>	<u>1,060,020</u>
Eliminations				(14,895)				(13,292)
Revenues				<u>\$ 1,033,372</u>				<u>\$ 1,046,728</u>

Performance Obligations

As we progress on our contracts and the underlying performance obligations for which we recognize revenue over time, we refine our estimates of variable consideration and total estimated costs at completion, which impact the overall profitability on our contracts and performance obligations. Changes in these estimates result in the recognition of cumulative catch-up adjustments that impact our revenues and/or costs of contracts. During the three months ended June 30, 2021 and 2020, we recognized net favorable changes in estimates that resulted in increases in revenues of \$3.2 million and \$11.4 million, respectively. During the six months ended June 30, 2021 and 2020, we recognized net favorable changes in estimates that resulted in increases in revenues of \$9.7 million and \$21.0 million, respectively.

Contract Assets and Liabilities

We include revenues and related costs incurred, plus accumulated contract costs that exceed amounts invoiced to customers under the terms of the contracts, in Contracts in progress. We include in Advance billings on contracts billings that exceed accumulated contract costs and revenues recognized over time. Amounts that are withheld on our fixed-price incentive fee contracts are classified within Retainages. Certain of these amounts require conditions other than the passage of time to be achieved, with the remaining amounts only requiring the passage of time. Most long-term contracts contain provisions for progress payments. Our unbilled receivables do not contain an allowance for credit losses as we expect to invoice customers and collect all amounts for unbilled receivables. Changes in Contracts in progress and Advance billings on contracts are primarily driven by differences in the timing of revenue recognition and billings to our customers. During the six months ended June 30, 2021, our unbilled receivables increased \$80.5 million primarily as a result of the timing of milestone billings on certain firm-fixed-price contracts within our Nuclear Power Group segment and increases in unbilled receivables on fixed-price incentive fee contracts within our Nuclear Operations Group segment. During the six months ended June 30, 2021, our Advance billings on contracts increased \$21.7 million primarily as a result of billings in excess of revenue recognized within our Nuclear Operations Group segment. Our fixed-price incentive fee contracts for our Nuclear Operations Group segment include provisions that result in an increase in retainages on contracts during the first and third quarters of the year, with larger payments received during the second and fourth quarters. Retainages also vary as a result of timing differences between incurring costs and achieving milestones that allow us to recover these amounts.

	June 30, 2021	December 31, 2020
(In thousands)		
Included in Contracts in progress:		
Unbilled receivables	\$ 516,775	\$ 436,279
Retainages	\$ 50,982	\$ 55,172
Included in Other Assets:		
Retainages	\$ 1,370	\$ 1,488
Advance billings on contracts	\$ 105,242	\$ 83,581

During the three months ended June 30, 2021 and 2020, we recognized \$23.1 million and \$12.2 million of revenues that were in Advance billings on contracts at December 31, 2020 and 2019, respectively. During the six months ended June 30, 2021 and 2020, we recognized \$53.1 million and \$42.4 million of revenues that were in Advance billings on contracts at December 31, 2020 and 2019, respectively.

Remaining Performance Obligations

Remaining performance obligations represent the dollar amount of revenue we expect to recognize in the future from performance obligations on contracts previously awarded and in progress. Of the remaining performance obligations on our contracts with customers at June 30, 2021, we expect to recognize revenues as follows:

	2021	2022	Thereafter	Total
(In approximate millions)				
Nuclear Operations Group	\$ 825	\$ 1,235	\$ 2,073	\$ 4,133
Nuclear Power Group	179	202	293	674
Nuclear Services Group	36	6	—	42
Total Remaining Performance Obligations	\$ 1,040	\$ 1,443	\$ 2,366	\$ 4,849

NOTE 4 – LONG-TERM DEBT

Our Long-Term Debt consists of the following:

	June 30, 2021	December 31, 2020
(In thousands)		
Secured Debt:		
Senior Notes	\$ 1,200,000	\$ 800,000
Credit Facility	—	75,000
Less: Amounts due within one year	400,000	—
Long-Term Debt, gross	800,000	875,000
Less: Deferred debt issuance costs	15,889	12,269
Long-Term Debt	\$ 784,111	\$ 862,731

Maturities of long-term debt subsequent to June 30, 2021 were as follows: 2021 – \$400.0 million; 2022 through 2026 – \$0.0 million; and thereafter – \$800.0 million.

Senior Notes due 2029

We issued \$400 million aggregate principal amount of 4.125% senior notes due 2029 (the "Senior Notes due 2029") pursuant to an indenture dated April 13, 2021 (the "2021 Indenture"), among the Company, certain of our subsidiaries, as guarantors, and U.S. Bank National Association, as trustee. The Senior Notes due 2029 are guaranteed by each of the Company's present and future direct and indirect wholly owned domestic subsidiaries that is a guarantor under our credit facility.

Interest on the Senior Notes due 2029 is payable semi-annually in cash in arrears on April 15 and October 15 of each year, commencing on October 15, 2021, at a rate of 4.125% per annum. The Senior Notes due 2029 will mature on April 15, 2029.

We may redeem the Senior Notes due 2029, in whole or in part, at any time on or after April 15, 2024 at a redemption price equal to (i) 102.063% of the principal amount to be redeemed if the redemption occurs during the twelve-month period beginning on April 15, 2024, (ii) 101.031% of the principal amount to be redeemed if the redemption occurs during the twelve-month period beginning on April 15, 2025 and (iii) 100.0% of the principal amount to be redeemed if the redemption occurs on or after April 15, 2026, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time prior to April 15, 2024, we may also redeem up to 40.0% of the Senior Notes due 2029 with net cash proceeds of certain equity offerings at a redemption price equal to 104.125% of the principal amount of the Senior Notes due 2029 to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to April 15, 2024, we may redeem the Senior Notes due 2029, in whole or in part, at a redemption price equal to 100.0% of the principal amount of the Senior Notes due 2029 to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date plus an applicable "make-whole" premium.

The 2021 Indenture contains customary events of default, including, among other things, payment default, failure to comply with covenants or agreements contained in the 2021 Indenture or the Senior Notes due 2029 and certain provisions related to bankruptcy events. The 2021 Indenture also contains customary negative covenants. As of June 30, 2021, we were in compliance with all covenants set forth in the 2021 Indenture and the Senior Notes due 2029.

Senior Notes due 2026

On July 15, 2021, using cash on hand and borrowings under our credit facility, we redeemed the \$400 million aggregate principal amount outstanding of our 5.375% senior notes due 2026 (the "Senior Notes due 2026") at a redemption price equal to 102.688% of the principal amount, resulting in an early redemption premium of \$10.8 million and the write-off of deferred financing costs totaling \$4.2 million. These charges will be recorded in our condensed consolidated statement of income during the three months ending September 30, 2021. As of June 30, 2021, the Senior Notes due 2026 were classified as current on our condensed consolidated balance sheet.

NOTE 5 – PENSION PLANS AND POSTRETIREMENT BENEFITS

We record the service cost component of net periodic benefit cost within Operating income on our condensed consolidated statements of income. For the three months ended June 30, 2021 and 2020, these amounts were \$3.2 million and \$2.9 million, respectively. For the six months ended June 30, 2021 and 2020, these amounts were \$6.3 million and \$5.9 million, respectively. All other components of net periodic benefit cost are included in Other – net within the condensed consolidated statements of income. For the three months ended June 30, 2021 and 2020, these amounts were \$(13.4) million and \$(9.5) million, respectively. For the six months ended June 30, 2021 and 2020, these amounts were \$(26.7) million and \$(19.0) million, respectively. Components of net periodic benefit cost included in net income were as follows:

	Pension Benefits				Other Benefits			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020	2021	2020	2021	2020
	(In thousands)							
Service cost	\$ 2,972	\$ 2,779	\$ 5,929	\$ 5,598	\$ 196	\$ 161	\$ 386	\$ 327
Interest cost	6,781	9,221	13,535	18,523	286	404	568	814
Expected return on plan assets	(20,448)	(19,211)	(40,862)	(38,575)	(715)	(672)	(1,431)	(1,344)
Amortization of prior service cost (credit)	782	825	1,564	1,650	(44)	(49)	(89)	(97)
Net periodic benefit income	\$ (9,913)	\$ (6,386)	\$ (19,834)	\$ (12,804)	\$ (277)	\$ (156)	\$ (566)	\$ (300)

NOTE 6 – COMMITMENTS AND CONTINGENCIES

There were no material contingencies during the period covered by this Form 10-Q.

NOTE 7 – FAIR VALUE MEASUREMENTS
Investments

The following is a summary of our investments measured at fair value at June 30, 2021:

	Total	Level 1	Level 2	Level 3	Unclassified
	(In thousands)				
Equity securities					
Equities	\$ 800	\$ —	\$ —	\$ 800	\$ —
Mutual funds	7,358	—	7,358	—	—
Available-for-sale securities					
U.S. Government and agency securities	2,752	2,752	—	—	—
Corporate bonds	2,396	1,848	548	—	—
Asset-backed securities and collateralized mortgage obligations	58	—	58	—	—
Total	\$ 13,364	\$ 4,600	\$ 7,964	\$ 800	\$ —

The following is a summary of our investments measured at fair value at December 31, 2020:

	Total	Level 1	Level 2	Level 3	Unclassified
	(In thousands)				
Equity securities					
Equities	\$ 800	\$ —	\$ —	\$ 800	\$ —
Mutual funds	6,755	—	6,755	—	—
Available-for-sale securities					
U.S. Government and agency securities	2,314	2,314	—	—	—
Corporate bonds	3,132	1,738	1,394	—	—
Asset-backed securities and collateralized mortgage obligations	62	—	62	—	—
Total	\$ 13,063	\$ 4,052	\$ 8,211	\$ 800	\$ —

We estimate the fair value of investments based on quoted market prices. For investments for which there are no quoted market prices, we derive fair values from available yield curves for investments of similar quality and terms.

Derivatives

Level 2 derivative assets and liabilities currently consist of FX forward contracts. Where applicable, the value of these derivative assets and liabilities is computed by discounting the projected future cash flow amounts to present value using market-based observable inputs, including FX forward and spot rates, interest rates and counterparty performance risk adjustments. At June 30, 2021 and December 31, 2020, we had FX forward contracts outstanding to purchase or sell foreign currencies, primarily Canadian dollars and Euros, with a total fair value of \$(0.2) million and \$(2.2) million, respectively.

Other Financial Instruments

We used the following methods and assumptions in estimating our fair value disclosures for our other financial instruments, as follows:

Cash and cash equivalents and restricted cash and cash equivalents. The carrying amounts that we have reported in the accompanying condensed consolidated balance sheets for Cash and cash equivalents and Restricted cash and cash equivalents approximate their fair values due to their highly liquid nature.

Long-term and short-term debt. We base the fair values of debt instruments, including our Senior Notes due 2026, our 4.125% senior notes due 2028 (the "Senior Notes due 2028") and our Senior Notes due 2029, on quoted market prices. Where quoted prices are not available, we base the fair values on the present value of future cash flows discounted at estimated borrowing rates for similar debt instruments or on estimated prices based on current yields for debt issues of similar quality and terms. At June 30, 2021 and December 31, 2020, the fair value of our Senior Notes due 2026 was \$411.0 million and \$415.5

million, respectively, and the fair value of our Senior Notes due 2028 was \$407.8 million and \$416.7 million, respectively. At June 30, 2021, the fair value of our Senior Notes due 2029 was \$405.8 million. The fair value of our remaining debt instruments approximated their carrying values at June 30, 2021 and December 31, 2020.

NOTE 8 – STOCK-BASED COMPENSATION

Stock-based compensation recognized for all of our plans for the three months ended June 30, 2021 and 2020 totaled \$5.0 million and \$4.7 million, respectively, with associated tax benefit totaling \$0.8 million and \$0.8 million, respectively. Stock-based compensation recognized for all of our plans for the six months ended June 30, 2021 and 2020 totaled \$9.2 million and \$7.3 million, respectively, with associated tax benefit totaling \$1.5 million and \$1.2 million, respectively.

NOTE 9 – SEGMENT REPORTING

As described in Note 1, our operations are assessed based on three reportable segments. An analysis of our operations by reportable segment is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(In thousands)				
REVENUES:				
Nuclear Operations Group	\$ 381,342	\$ 410,252	\$ 783,410	\$ 834,027
Nuclear Power Group	101,842	67,983	209,240	155,900
Nuclear Services Group	30,134	33,328	55,617	70,093
Eliminations ⁽¹⁾	(8,219)	(7,043)	(14,895)	(13,292)
	<u>\$ 505,099</u>	<u>\$ 504,520</u>	<u>\$ 1,033,372</u>	<u>\$ 1,046,728</u>
 (1) Segment revenues are net of the following intersegment transfers:				
Nuclear Operations Group Transfers	\$ (1,523)	\$ (863)	\$ (2,463)	\$ (1,536)
Nuclear Power Group Transfers	(343)	(145)	(524)	(274)
Nuclear Services Group Transfers	(6,353)	(6,035)	(11,908)	(11,482)
	<u>\$ (8,219)</u>	<u>\$ (7,043)</u>	<u>\$ (14,895)</u>	<u>\$ (13,292)</u>
OPERATING INCOME:				
Nuclear Operations Group	\$ 69,157	\$ 85,972	\$ 143,517	\$ 176,331
Nuclear Power Group	10,840	1,102	21,158	9,572
Nuclear Services Group	5,760	4,122	11,507	10,522
Other	(7,246)	(5,600)	(13,132)	(10,959)
	<u>\$ 78,511</u>	<u>\$ 85,596</u>	<u>\$ 163,050</u>	<u>\$ 185,466</u>
Unallocated Corporate ⁽²⁾	(4,760)	(3,162)	(6,885)	(4,765)
Total Operating Income	<u>\$ 73,751</u>	<u>\$ 82,434</u>	<u>\$ 156,165</u>	<u>\$ 180,701</u>
Other Income (Expense)	5,180	1,646	14,659	1,827
Income before Provision for Income Taxes	<u>\$ 78,931</u>	<u>\$ 84,080</u>	<u>\$ 170,824</u>	<u>\$ 182,528</u>

(2) Unallocated corporate includes general corporate overhead not allocated to segments.

NOTE 10 – EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(In thousands, except share and per share amounts)				
Basic:				
Net Income Attributable to BWX Technologies, Inc.	\$ 59,347	\$ 64,258	\$ 129,096	\$ 139,757
Weighted-average common shares	95,354,932	95,457,629	95,329,330	95,434,990
Basic earnings per common share	\$ 0.62	\$ 0.67	\$ 1.35	\$ 1.46
Diluted:				
Net Income Attributable to BWX Technologies, Inc.	\$ 59,347	\$ 64,258	\$ 129,096	\$ 139,757
Weighted-average common shares (basic)	95,354,932	95,457,629	95,329,330	95,434,990
Effect of dilutive securities:				
Stock options, restricted stock units and performance shares ⁽¹⁾	174,257	175,942	214,696	259,982
Adjusted weighted-average common shares	95,529,189	95,633,571	95,544,026	95,694,972
Diluted earnings per common share	\$ 0.62	\$ 0.67	\$ 1.35	\$ 1.46

(1) At June 30, 2021 and 2020, we excluded 7,914 and 8,321 shares, respectively, from our diluted share calculation as their effect would have been antidilutive.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

The following information should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included under Item 1 of this quarterly report on Form 10-Q ("Report") and the audited consolidated financial statements and the related notes and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our annual report on Form 10-K for the year ended December 31, 2020 (our "2020 10-K").

In this Report, unless the context otherwise indicates, "we," "us" and "our" mean BWX Technologies, Inc. ("BWXT" or the "Company") and its consolidated subsidiaries.

From time to time, our management or persons acting on our behalf make forward-looking statements to inform existing and potential security holders about our Company. Forward-looking statements include those statements that express a belief, expectation or intention, as well as those that are not statements of historical fact, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements and assumptions regarding expectations and projections of specific projects, our future backlog, revenues, income and capital spending, strategic investments, acquisitions or divestitures, return of capital activities, margin improvement initiatives or impacts of the novel strain of coronavirus ("COVID-19") pandemic are examples of forward-looking statements. Forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "plan," "seek," "goal," "could," "intend," "may," "should" or other words that convey the uncertainty of future events or outcomes. In addition, sometimes we will specifically describe a statement as being a forward-looking statement and refer to this cautionary statement.

We have based our forward-looking statements on information currently available to us and our current expectations, estimates and projections about our Company, industries and business environment. We caution that these statements are not guarantees of future performance and you should not rely unduly on them as they involve risks, uncertainties and assumptions that we cannot predict. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. For example, the extent to which the COVID-19 pandemic will continue to impact our business will depend on future developments that are highly uncertain and cannot be predicted, including the length and severity of the COVID-19 health crisis and the potential recurrence of COVID-19, subsequent waves or strains or the development of similar diseases, and the actions to contain the impact of such diseases. While our management considers these statements and assumptions to be reasonable, they are inherently subject to numerous factors, including potentially the risk factors described in the section labeled Item 1A, "Risk Factors" in our 2020 10-K, most of which are difficult to predict and many of which are beyond our control. Accordingly, our actual results may differ materially from the future performance that we have expressed or forecast in our forward-looking statements.

We have discussed many of these factors in more detail elsewhere in this Report, including under the heading "COVID-19 Assessment" of this Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 1A, "Risk Factors" in our 2020 10-K. These factors are not necessarily all the factors that could affect us. Unpredictable or unanticipated factors we have not discussed in this Report or in our 2020 10-K could also have material adverse effects on actual results of matters that are the subject of our forward-looking statements. We do not intend to update or review any forward-looking statement or our description of important factors, whether as a result of new information, future events or otherwise, except as required by applicable laws.

GENERAL

We operate in three reportable segments: Nuclear Operations Group, Nuclear Power Group and Nuclear Services Group. In general, we operate in capital-intensive industries and rely on large contracts for a substantial amount of our revenues. We are currently exploring growth strategies across our segments to expand and complement our existing businesses. We would expect to fund these opportunities with cash generated from operations or by raising additional capital through debt, equity or some combination thereof.

Nuclear Operations Group

The revenues of our Nuclear Operations Group segment are largely a function of defense spending by the U.S. Government. Through this segment, we engineer, design and manufacture precision naval nuclear components, reactors and nuclear fuel for the U.S. Department of Energy ("DOE")/National Nuclear Security Administration's Naval Nuclear Propulsion Program. In addition, we perform fabrication activities for missile launch tubes for U.S. Navy submarines. As a supplier of

major nuclear components for certain U.S. Government programs, this segment is a significant participant in the defense industry.

Nuclear Power Group

Through this segment, we design and manufacture commercial nuclear steam generators, heat exchangers, pressure vessels, reactor components, as well as other auxiliary equipment, including containers for the storage of spent nuclear fuel and other high-level nuclear waste. This segment is a leading supplier of nuclear fuel, fuel handling systems, tooling delivery systems, nuclear-grade materials and precisely machined components, and related services for CANDU nuclear power plants. This segment also provides a variety of engineering and in-plant services and is a significant supplier to nuclear power utilities undergoing major refurbishment and plant life extension projects. Additionally, this segment is a leading global manufacturer and supplier of critical medical radioisotopes and radiopharmaceuticals.

Our Nuclear Power Group segment's overall activity primarily depends on the demand and competitiveness of nuclear energy. A significant portion of our Nuclear Power Group segment's operations depends on the timing of maintenance outages, the cyclical nature of capital expenditures and major refurbishment and life extension projects, as well as the demand for nuclear fuel and fuel handling equipment primarily in the Canadian market, which could cause variability in our financial results.

Nuclear Services Group

Our Nuclear Services Group segment provides various services to the U.S. Government. The revenues and equity in income of investees under our U.S. Government contracts are largely a function of spending of the U.S. Government and the performance scores we and our consortium partners earn in managing and operating high-consequence operations at U.S. nuclear weapons sites, national laboratories and manufacturing complexes. With its specialized capabilities of full life-cycle management of special materials, facilities and technologies, we believe our Nuclear Services Group segment is well-positioned to continue to participate in the continuing cleanup, operation and management of critical government-owned nuclear sites, laboratories and manufacturing complexes maintained by the DOE, NASA and other federal agencies. This segment also develops technology for a variety of applications, including advanced nuclear power sources, and offers complete advanced nuclear fuel and reactor design and engineering, licensing and manufacturing services for new advanced nuclear reactors.

Divestiture of U.S.-Based Commercial Nuclear Services Business

On May 29, 2020, our subsidiary BWXT Nuclear Energy, Inc. divested its U.S.-based commercial nuclear services business, a component of our Nuclear Services Group segment. In a cashless transaction, we exchanged net assets totaling \$18.0 million, consisting primarily of property, plant and equipment and certain warranty obligations, for a manufacturing facility and the associated land of approximately the same value. The acquired assets are reported as part of the Nuclear Services Group segment.

Acquisition of Laker Energy Products Ltd.

On January 2, 2020, our subsidiary BWXT Canada Ltd. acquired Laker Energy Products Ltd., which was renamed BWXT Precision Manufacturing Inc. ("Precision Manufacturing"). Precision Manufacturing is a global supplier of nuclear-grade materials and precisely machined components for CANDU nuclear power utilities, employs approximately 140 personnel and is reported as part of our Nuclear Power Group segment.

Critical Accounting Policies and Estimates

For a summary of the critical accounting policies and estimates that we use in the preparation of our unaudited condensed consolidated financial statements, see Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2020 10-K. There have been no material changes to our critical accounting policies during the six months ended June 30, 2021.

Accounting for Contracts

On certain of our performance obligations, we recognize revenue over time. In accordance with FASB Topic *Revenue from Contracts with Customers*, we are required to estimate the total amount of costs on these performance obligations. As of June 30, 2021, we have provided for the estimated costs to complete all of our ongoing contracts. However, it is possible that current estimates could change due to unforeseen events, which could result in adjustments to overall contract revenues and

costs. A principal risk on fixed-price contracts is that revenue from the customer is insufficient to cover increases in our costs. It is possible that current estimates could materially change for various reasons, including, but not limited to, fluctuations in forecasted labor productivity or steel and other raw material prices. In some instances, we guarantee completion dates related to our projects or provide performance guarantees. Increases in costs on our fixed-price contracts could have a material adverse impact on our consolidated results of operations, financial condition and cash flows. Alternatively, reductions in overall contract costs at completion could materially improve our consolidated results of operations, financial condition and cash flows. During the three months ended June 30, 2021 and 2020, we recognized net changes in estimates related to contracts that recognize revenue over time, which increased operating income by approximately \$3.2 million and \$11.4 million, respectively. During the six months ended June 30, 2021 and 2020, we recognized net changes in estimates related to contracts that recognize revenue over time, which increased operating income by approximately \$9.7 million and \$21.0 million, respectively.

COVID-19 Assessment

General

We continue to monitor the COVID-19 pandemic and its impacts and potential impacts on our business. We have received notifications from the U.S. and Canadian governments designating BWXT as an essential business given our roles in national security, energy production and medical manufacturing. We continue to operate our facilities and have taken numerous precautions to mitigate exposure and protect the health and well-being of our workforce, including arranging for the vaccination of our workforce, where possible.

To date, we have experienced localized operational challenges as a result of employee illness, quarantines and social distancing protocols, but the severity of these impacts have subsided significantly. Because developments related to the spread of COVID-19 and its impacts continue to change, it is difficult to predict any future impact at this time. We have experienced, and may experience further, disruptions to demand for our products and services and our operations in the future as a result of, among other things, national, state, provincial or local government enforced quarantines, worker illness or absenteeism, and travel and other restrictions. For similar reasons, the COVID-19 pandemic may also adversely impact our supply chain and other manufacturers, which could delay our receipt of essential goods and services. Any number of these potential risks could have a material adverse effect on our financial condition, results of operations and cash flows.

Government Assistance

On March 27, 2020, the U.S. Government enacted the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), which, among other things, provides employers an option to defer payroll tax payments for a limited period. Based on our evaluation of the CARES Act, we qualify for the deferral of payroll tax payments and as of June 30, 2021, we have deferred \$21.4 million that will be due beginning in December 2021. Additionally, on April 11, 2020, the Canadian Government enacted the Canada Emergency Wage Subsidy ("CEWS") under the COVID-19 Economic Response Plan to prevent large layoffs and help employers offset a portion of their employee salaries and wages for a limited period. During the three and six months ended June 30, 2021, we recognized \$3.3 million and \$4.2 million of subsidies under the CEWS as an offset to operating expenses, respectively. The Canadian Government has extended the CEWS to September 2021 with a number of modifications. These modifications are expected to significantly decrease the amount of future claims for which we may qualify when compared to the prior year.

RESULTS OF OPERATIONS – THREE AND SIX MONTHS ENDED JUNE 30, 2021 VS. THREE AND SIX MONTHS ENDED JUNE 30, 2020

Selected financial highlights are presented in the table below:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	\$ Change	2021	2020	\$ Change
(In thousands)						
REVENUES:						
Nuclear Operations Group	\$ 381,342	\$ 410,252	\$ (28,910)	\$ 783,410	\$ 834,027	\$ (50,617)
Nuclear Power Group	101,842	67,983	33,859	209,240	155,900	53,340
Nuclear Services Group	30,134	33,328	(3,194)	55,617	70,093	(14,476)
Eliminations	(8,219)	(7,043)	(1,176)	(14,895)	(13,292)	(1,603)
	<u>\$ 505,099</u>	<u>\$ 504,520</u>	<u>\$ 579</u>	<u>\$ 1,033,372</u>	<u>\$ 1,046,728</u>	<u>\$ (13,356)</u>
OPERATING INCOME:						
Nuclear Operations Group	\$ 69,157	\$ 85,972	\$ (16,815)	\$ 143,517	\$ 176,331	\$ (32,814)
Nuclear Power Group	10,840	1,102	9,738	21,158	9,572	11,586
Nuclear Services Group	5,760	4,122	1,638	11,507	10,522	985
Other	(7,246)	(5,600)	(1,646)	(13,132)	(10,959)	(2,173)
	<u>\$ 78,511</u>	<u>\$ 85,596</u>	<u>\$ (7,085)</u>	<u>\$ 163,050</u>	<u>\$ 185,466</u>	<u>\$ (22,416)</u>
Unallocated Corporate	(4,760)	(3,162)	(1,598)	(6,885)	(4,765)	(2,120)
Total Operating Income	<u>\$ 73,751</u>	<u>\$ 82,434</u>	<u>\$ (8,683)</u>	<u>\$ 156,165</u>	<u>\$ 180,701</u>	<u>\$ (24,536)</u>

Consolidated Results of Operations
Three months ended June 30, 2021 vs. 2020

Consolidated revenues totaled \$505.1 million in the three months ended June 30, 2021 and were relatively unchanged when compared to \$504.5 million in the corresponding period of 2020. This was due to an increase in revenues in our Nuclear Power Group segment of \$33.9 million which was offset by decreases in revenues from our Nuclear Operations Group and Nuclear Services Group segments totaling \$28.9 million and \$3.2 million, respectively.

Consolidated operating income decreased \$8.7 million to \$73.8 million in the three months ended June 30, 2021 compared to \$82.4 million for the corresponding period of 2020. Operating income in our Nuclear Operations Group and Other segments decreased by \$16.8 million and \$1.6 million, respectively. In addition, we experienced higher Unallocated Corporate expenses of \$1.6 million when compared to the corresponding period of 2020. These decreases were partially offset by increases in operating income in our Nuclear Power Group and Nuclear Services Group segments of \$9.7 million and \$1.6 million, respectively.

Six months ended June 30, 2021 vs. 2020

Consolidated revenues decreased 1.3%, or \$13.4 million, to \$1,033.4 million in the six months ended June 30, 2021 compared to \$1,046.7 million for the corresponding period of 2020, due to decreases in revenues from our Nuclear Operations Group and Nuclear Services Group segments totaling \$50.6 million and \$14.5 million, respectively. These decreases were partially offset by an increase in revenues in our Nuclear Power Group segment of \$53.3 million.

Consolidated operating income decreased \$24.5 million to \$156.2 million in the six months ended June 30, 2021 compared to \$180.7 million for the corresponding period of 2020. Operating income in our Nuclear Operations Group and Other segments decreased by \$32.8 million and \$2.2 million, respectively. In addition, we experienced higher Unallocated Corporate expenses of \$2.1 million when compared to the corresponding period of 2020. These decreases were partially offset by increases in operating income in our Nuclear Power Group and Nuclear Services Group segments of \$11.6 million and \$1.0 million, respectively.

Nuclear Operations Group

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	\$ Change	2021	2020	\$ Change
	(In thousands)					
Revenues	\$ 381,342	\$ 410,252	\$ (28,910)	\$ 783,410	\$ 834,027	\$ (50,617)
Operating Income	\$ 69,157	\$ 85,972	\$ (16,815)	\$ 143,517	\$ 176,331	\$ (32,814)
% of Revenues	18.1%	21.0%		18.3%	21.1%	

Three months ended June 30, 2021 vs. 2020

Revenues decreased 7.0%, or \$28.9 million, to \$381.3 million in the three months ended June 30, 2021 compared to \$410.3 million for the corresponding period of 2020. The decrease was primarily related to the timing of the procurement of certain long-lead materials when compared to the corresponding period of 2020, which was partially offset by additional volume in the manufacture of nuclear components for U.S. Government programs.

Operating income decreased \$16.8 million to \$69.2 million in the three months ended June 30, 2021 compared to \$86.0 million for the corresponding period of 2020. The decrease was due to the operating income impact of the changes in revenue noted above as well as higher levels of favorable contract adjustments recorded in the corresponding period of the prior year.

Six months ended June 30, 2021 vs. 2020

Revenues decreased 6.1%, or \$50.6 million, to \$783.4 million in the six months ended June 30, 2021 compared to \$834.0 million for the corresponding period of 2020. The decrease was primarily related to the timing of the procurement of certain long-lead materials when compared to the corresponding period of 2020, which was partially offset by additional volume in the manufacture of nuclear components for U.S. Government programs.

Operating income decreased \$32.8 million to \$143.5 million in the six months ended June 30, 2021 compared to \$176.3 million for the corresponding period of 2020. The decrease was due to the operating income impact of the changes in revenue noted above as well as higher levels of favorable contract adjustments recorded in the corresponding period of the prior year.

Nuclear Power Group

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	\$ Change	2021	2020	\$ Change
	(In thousands)					
Revenues	\$ 101,842	\$ 67,983	\$ 33,859	\$ 209,240	\$ 155,900	\$ 53,340
Operating Income	\$ 10,840	\$ 1,102	\$ 9,738	\$ 21,158	\$ 9,572	\$ 11,586
% of Revenues	10.6%	1.6%		10.1%	6.1%	

Three months ended June 30, 2021 vs. 2020

Revenues increased 49.8%, or \$33.9 million, to \$101.8 million in the three months ended June 30, 2021 compared to \$68.0 million for the corresponding period of 2020. The increase was primarily related to higher levels of in-plant inspection, maintenance and modification services totaling \$18.8 million as well as additional volume related to the fabrication of nuclear fuel and nuclear fuel handling capabilities when compared to the same period in the prior year. We also experienced an increase in revenues in our medical radioisotopes business as demand began to return following the COVID-19 related declines experienced in the prior year.

Operating income increased \$9.7 million to \$10.8 million in the three months ended June 30, 2021 compared to \$1.1 million for the corresponding period of 2020, due to the operating income impact of the changes in revenue noted above. In addition, we received \$3.3 million of wage subsidies under the CEWS to offset the effects of COVID-19 on our Canadian operations.

Six months ended June 30, 2021 vs. 2020

Revenues increased 34.2%, or \$53.3 million, to \$209.2 million in the six months ended June 30, 2021 compared to \$155.9 million for the corresponding period of 2020. The increase was primarily related to higher levels of in-plant inspection,

maintenance and modification services totaling \$41.8 million as well as increases in revenues in our parts manufacturing and nuclear fuel handling businesses when compared to the same period in the prior year. This was partially offset by lower activity in our nuclear components business of \$10.8 million, primarily associated with a major steam generator design and supply contract.

Operating income increased \$11.6 million to \$21.2 million in the six months ended June 30, 2021 compared to \$9.6 million for the corresponding period of 2020, due to the operating income impact of the changes in revenue noted above. In addition, we received \$4.2 million of wage subsidies under the CEWS to offset the effects of COVID-19 on our Canadian operations.

Nuclear Services Group

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	\$ Change	2021	2020	\$ Change
	(In thousands)					
Revenues	\$ 30,134	\$ 33,328	\$ (3,194)	\$ 55,617	\$ 70,093	\$ (14,476)
Operating Income	\$ 5,760	\$ 4,122	\$ 1,638	\$ 11,507	\$ 10,522	\$ 985
% of Revenues	19.1%	12.4%		20.7%	15.0%	

Three months ended June 30, 2021 vs. 2020

Revenues decreased 9.6%, or \$3.2 million, to \$30.1 million in the three months ended June 30, 2021 compared to \$33.3 million for the corresponding period of 2020, primarily attributable to lower revenues at our Naval Reactors decommissioning and decontamination project due to the completion of several portions of the contract in the third quarter of 2020. These decreases were partially offset by an increase in design and engineering work executed by our advanced technologies business.

Operating income increased \$1.6 million to \$5.8 million in the three months ended June 30, 2021 compared to \$4.1 million for the corresponding period of 2020 due to higher fee income at several of our sites which was partially offset by the operating income impact associated with the decline in revenues at our Naval Reactors decommissioning and decontamination project.

Six months ended June 30, 2021 vs. 2020

Revenues decreased 20.7%, or \$14.5 million, to \$55.6 million in the six months ended June 30, 2021 compared to \$70.1 million for the corresponding period of 2020, primarily attributable to the divestiture of our U.S.-based commercial nuclear services business during the second quarter of 2020 and lower revenues at our Naval Reactors decommissioning and decontamination project. These decreases were partially offset by an increase in design and engineering work executed by our advanced technologies business.

Operating income increased \$1.0 million to \$11.5 million in the six months ended June 30, 2021 compared to \$10.5 million for the corresponding period of 2020 due to higher fee income at several of our sites which was partially offset by the operating income impact associated with the decline in revenues noted above.

Other

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	\$ Change	2021	2020	\$ Change
	(In thousands)					
Operating Income	\$ (7,246)	\$ (5,600)	\$ (1,646)	\$ (13,132)	\$ (10,959)	\$ (2,173)

Operating income decreased \$1.6 million and \$2.2 million in the three and six months ended June 30, 2021, respectively, compared to the corresponding periods of 2020, primarily due to an increase in costs associated with the commercialization of our new medical radioisotope technology. This was partially offset by a decrease in research and development related activities.

Unallocated Corporate

Unallocated corporate expenses increased \$1.6 million and \$2.1 million in the three and six months ended June 30, 2021, respectively, compared to the corresponding periods of 2020, primarily due to the timing of healthcare costs which was partially offset by a decrease in legal and consulting costs associated with due diligence activities conducted in the prior year.

Provision for Income Taxes

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	\$ Change	2021	2020	\$ Change
	(In thousands)					
Income before Provision for Income Taxes	\$ 78,931	\$ 84,080	\$ (5,149)	\$ 170,824	\$ 182,528	\$ (11,704)
Provision for Income Taxes	\$ 19,522	\$ 19,684	\$ (162)	\$ 41,600	\$ 42,512	\$ (912)
Effective Tax Rate	24.7%	23.4%		24.4%	23.3%	

We primarily operate in the U.S. and Canada, and we recognize our U.S. income tax provision based on the U.S. federal statutory rate of 21% and our Canadian tax provision based on the Canadian local statutory rate of approximately 25%.

Our effective tax rate for the three months ended June 30, 2021 was 24.7% as compared to 23.4% for the three months ended June 30, 2020. Our effective tax rate for the six months ended June 30, 2021 was 24.4% as compared to 23.3% for the six months ended June 30, 2020. The effective tax rates for the three and six months ended June 30, 2021 and 2020 were higher than the U.S. corporate income tax rate of 21% primarily due to state income taxes within the U.S. and the unfavorable rate differential associated with our Canadian earnings. Our effective tax rates for the six months ended June 30, 2021 and 2020 were favorably impacted by excess tax benefits recognized related to employee share-based payments of \$0.2 million and \$0.9 million, respectively.

Backlog

Backlog represents the dollar amount of revenue we expect to recognize in the future from contracts awarded and in progress. Not all of our expected revenue from a contract award is recorded in backlog for a variety of reasons, including that some projects are awarded and completed within the same reporting period.

Our backlog is equal to our remaining performance obligations under contracts that meet the criteria in FASB Topic *Revenue from Contracts with Customers*, as discussed in Note 3 to our condensed consolidated financial statements included in this Report. It is possible that our methodology for determining backlog may not be comparable to methods used by other companies.

We are subject to the budgetary and appropriations cycle of the U.S. Government as it relates to our Nuclear Operations Group and Nuclear Services Group segments. Backlog may not be indicative of future operating results, and projects in our backlog may be cancelled, modified or otherwise altered by customers.

	June 30, 2021	December 31, 2020
	(In approximate millions)	
Nuclear Operations Group	\$ 4,133	\$ 3,659
Nuclear Power Group	674	726
Nuclear Services Group	42	21
Total Backlog	\$ 4,849	\$ 4,406

We do not include the value of our unconsolidated joint venture contracts in backlog. These unconsolidated joint ventures are included in our Nuclear Services Group segment.

Of the backlog at June 30, 2021, we expect to recognize revenues as follows:

	2021	2022	Thereafter	Total
	(In approximate millions)			
Nuclear Operations Group	\$ 825	\$ 1,235	\$ 2,073	\$ 4,133
Nuclear Power Group	179	202	293	674
Nuclear Services Group	36	6	—	42
Total Backlog	<u>\$ 1,040</u>	<u>\$ 1,443</u>	<u>\$ 2,366</u>	<u>\$ 4,849</u>

At June 30, 2021, our Nuclear Operations Group segment's backlog with the U.S. Government was \$3,754.8 million, \$94.5 million of which had not yet been funded.

At June 30, 2021, our Nuclear Power Group segment had no backlog with the U.S. Government.

At June 30, 2021, our Nuclear Services Group segment's backlog with the U.S. Government was \$41.2 million, all of which was funded.

Major new awards from the U.S. Government are typically received following Congressional approval of the budget for the U.S. Government's next fiscal year, which starts October 1, and may not be awarded to us before the end of the calendar year. Due to the fact that most contracts awarded by the U.S. Government are subject to these annual funding approvals, the total values of the underlying programs are significantly larger. In March 2021, we received awards from the U.S. Government with a combined value of \$2.2 billion, inclusive of unexercised options, approximately \$1.1 billion of which had been added to backlog as of June 30, 2021.

The value of unexercised options excluded from backlog as of June 30, 2021, including previous awards, was approximately \$1.5 billion. Approximately \$1.0 billion of these unexercised options are expected to be awarded in 2021, with the remaining balance to be exercised through 2024, subject to annual Congressional appropriations.

Liquidity and Capital Resources

Credit Facility

On March 24, 2020, we entered into an Amendment No. 1 to Credit Agreement, which amended the Credit Agreement dated as of May 24, 2018 (as amended, the "Credit Facility") with Wells Fargo Bank, N.A., as administrative agent, and the other lenders party thereto. The Credit Facility provides for a \$750 million senior secured revolving credit facility (the "Revolving Credit Facility"). All obligations under the Revolving Credit Facility are scheduled to mature on March 24, 2025. The proceeds of loans under the Revolving Credit Facility are available for working capital needs, permitted acquisitions and other general corporate purposes.

The Credit Facility allows for additional parties to become lenders and, subject to certain conditions, for the increase of the commitments under the Credit Facility, subject to an aggregate maximum for all additional commitments of (1) the greater of (a) \$250 million and (b) 65% of EBITDA, as defined in the Credit Facility, for the last four full fiscal quarters, plus (2) all voluntary prepayments of the term loans, plus (3) additional amounts provided the Company is in compliance with a pro forma first lien leverage ratio test of less than or equal to 2.50 to 1.00.

The Company's obligations under the Credit Facility are guaranteed, subject to certain exceptions, by substantially all of the Company's present and future wholly owned domestic restricted subsidiaries. The Credit Facility is secured by first-priority liens on certain assets owned by the Company and its subsidiary guarantors (other than its subsidiaries comprising its Nuclear Operations Group segment and a portion of its Nuclear Services Group segment).

The Revolving Credit Facility requires interest payments on revolving loans on a periodic basis until maturity. We may prepay all loans under the Credit Facility at any time without premium or penalty (other than customary Eurocurrency breakage costs), subject to notice requirements.

The Credit Facility includes financial covenants that are tested on a quarterly basis, based on the rolling four-quarter period that ends on the last day of each fiscal quarter. The maximum permitted leverage ratio is 4.00 to 1.00, which may be increased to 4.50 to 1.00 for up to four consecutive fiscal quarters after a material acquisition. The minimum consolidated interest coverage ratio is 3.00 to 1.00. In addition, the Credit Facility contains various restrictive covenants, including with

respect to debt, liens, investments, mergers, acquisitions, dividends, equity repurchases and asset sales. As of June 30, 2021, we were in compliance with all covenants set forth in the Credit Facility.

Outstanding loans under the Revolving Credit Facility bear interest at our option at either (1) the Eurocurrency rate plus a margin ranging from 1.0% to 1.75% per year or (2) the base rate plus a margin ranging from 0.0% to 0.75% per year. We are charged a commitment fee on the unused portion of the Revolving Credit Facility, and that fee ranges from 0.15% to 0.225% per year. Additionally, we are charged a letter of credit fee of between 1.0% and 1.75% per year with respect to the amount of each financial letter of credit issued under the Credit Facility, and a letter of credit fee of between 0.75% and 1.05% per year with respect to the amount of each performance letter of credit issued under the Credit Facility. The applicable margin for loans, the commitment fee and the letter of credit fees set forth above will vary quarterly based on our leverage ratio. Based on the leverage ratio applicable at June 30, 2021, the margin for Eurocurrency rate and base rate revolving loans was 1.25% and 0.25%, respectively, the letter of credit fee for financial letters of credit and performance letters of credit was 1.25% and 0.825%, respectively, and the commitment fee for the unused portion of the Revolving Credit Facility was 0.175%.

As of June 30, 2021, borrowings and letters of credit issued under the Revolving Credit Facility totaled \$0.0 million and \$29.5 million, respectively. As a result, as of June 30, 2021 we had \$720.5 million available under the Revolving Credit Facility for borrowings and to meet letter of credit requirements.

The Credit Facility generally includes customary events of default for a secured credit facility. Under the Credit Facility, (1) if an event of default relating to bankruptcy or other insolvency events occurs with respect to the Company, all related obligations will immediately become due and payable; (2) if any other event of default exists, the lenders will be permitted to accelerate the maturity of the related obligations outstanding; and (3) if any event of default exists, the lenders will be permitted to terminate their commitments thereunder and exercise other rights and remedies, including the commencement of foreclosure or other actions against the collateral.

If any default occurs under the Credit Facility, or if we are unable to make any of the representations and warranties in the Credit Facility, we will be unable to borrow funds or have letters of credit issued under the Credit Facility.

Senior Notes due 2026

On July 15, 2021, using cash on hand and borrowings under our credit facility, we redeemed the \$400 million aggregate principal amount outstanding of our 5.375% senior notes due 2026 (the "Senior Notes due 2026") at a redemption price equal to 102.688% of the principal amount, resulting in an early redemption premium of \$10.8 million and the write-off of deferred financing costs totaling \$4.2 million. These charges will be recorded in our condensed consolidated statement of income during the three months ending September 30, 2021. As of June 30, 2021, the Senior Notes due 2026 were classified as current on our condensed consolidated balance sheet.

Senior Notes due 2028

We issued \$400 million aggregate principal amount of 4.125% senior notes due 2028 (the "Senior Notes due 2028") pursuant to an indenture dated June 12, 2020 (the "2020 Indenture"), among the Company, certain of our subsidiaries, as guarantors, and U.S. Bank National Association, as trustee. The Senior Notes due 2028 are guaranteed by each of the Company's present and future direct and indirect wholly owned domestic subsidiaries that is a guarantor under the Credit Facility.

Interest on the Senior Notes due 2028 is payable semi-annually in cash in arrears on June 30 and December 30 of each year at a rate of 4.125% per annum. The Senior Notes due 2028 will mature on June 30, 2028.

We may redeem the Senior Notes due 2028, in whole or in part, at any time on or after June 30, 2023 at a redemption price equal to (i) 102.063% of the principal amount to be redeemed if the redemption occurs during the twelve-month period beginning on June 30, 2023, (ii) 101.031% of the principal amount to be redeemed if the redemption occurs during the twelve-month period beginning on June 30, 2024 and (iii) 100.0% of the principal amount to be redeemed if the redemption occurs on or after June 30, 2025, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time prior to June 30, 2023, we may also redeem up to 40.0% of the Senior Notes due 2028 with net cash proceeds of certain equity offerings at a redemption price equal to 104.125% of the principal amount of the Senior Notes due 2028 to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to June 30, 2023, we may redeem the Senior Notes due 2028, in whole or in part, at a redemption price equal to 100.0% of the principal amount of the Senior Notes due 2028 to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date plus an applicable "make-whole" premium.

The 2020 Indenture contains customary events of default, including, among other things, payment default, failure to comply with covenants or agreements contained in the 2020 Indenture or the Senior Notes due 2028 and certain provisions related to bankruptcy events. The 2020 Indenture also contains customary negative covenants. As of June 30, 2021, we were in compliance with all covenants set forth in the 2020 Indenture and the Senior Notes due 2028.

Senior Notes due 2029

We issued \$400 million aggregate principal amount of 4.125% Senior Notes due 2029 (the "Senior Notes due 2029") pursuant to an indenture dated April 13, 2021 (the "2021 Indenture"), among the Company, certain of our subsidiaries, as guarantors, and U.S. Bank National Association, as trustee. The Senior Notes due 2029 are guaranteed by each of the Company's present and future direct and indirect wholly owned domestic subsidiaries that is a guarantor under the Credit Facility.

Interest on the Senior Notes due 2029 is payable semi-annually in cash in arrears on April 15 and October 15 of each year, commencing on October 15, 2021, at a rate of 4.125% per annum. The Senior Notes due 2029 will mature on April 15, 2029.

We may redeem the Senior Notes due 2029, in whole or in part, at any time on or after April 15, 2024 at a redemption price equal to (i) 102.063% of the principal amount to be redeemed if the redemption occurs during the twelve-month period beginning on April 15, 2024, (ii) 101.031% of the principal amount to be redeemed if the redemption occurs during the twelve-month period beginning on April 15, 2025 and (iii) 100.0% of the principal amount to be redeemed if the redemption occurs on or after April 15, 2026, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time prior to April 15, 2024, we may also redeem up to 40.0% of the Senior Notes due 2029 with net cash proceeds of certain equity offerings at a redemption price equal to 104.125% of the principal amount of the Senior Notes due 2029 to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to April 15, 2024, we may redeem the Senior Notes due 2029, in whole or in part, at a redemption price equal to 100.0% of the principal amount of the Senior Notes due 2029 to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date plus an applicable "make-whole" premium.

The 2021 Indenture contains customary events of default, including, among other things, payment default, failure to comply with covenants or agreements contained in the 2021 Indenture or the Senior Notes due 2029 and certain provisions related to bankruptcy events. The 2021 Indenture also contains customary negative covenants. As of June 30, 2021, we were in compliance with all covenants set forth in the 2021 Indenture and the Senior Notes due 2029.

Other Arrangements

We have posted surety bonds to support regulatory and contractual obligations for certain decommissioning responsibilities, projects and legal matters. We utilize bonding facilities to support such obligations, but the issuance of bonds under those facilities is typically at the surety's discretion, and the bonding facilities generally permit the surety, in its sole discretion, to terminate the facility or demand collateral. Although there can be no assurance that we will maintain our surety bonding capacity, we believe our current capacity is adequate to support our existing requirements for the next twelve months. In addition, these bonds generally indemnify the beneficiaries should we fail to perform our obligations under the applicable agreements. We, and certain of our subsidiaries, have jointly executed general agreements of indemnity in favor of surety underwriters relating to surety bonds those underwriters issue. As of June 30, 2021, bonds issued and outstanding under these arrangements totaled approximately \$111.2 million.

Long-term Benefit Obligations

As of June 30, 2021, we had underfunded defined benefit pension and postretirement benefit plans with obligations totaling approximately \$151.3 million. These long-term liabilities are expected to require use of our resources to satisfy future funding obligations. Based largely on statutory funding requirements, we expect to make contributions of approximately \$3.1 million for the remainder of 2021 related to our pension and postretirement plans. We may also make additional contributions based on a variety of factors including, but not limited to, tax planning, evaluation of funded status and risk mitigation strategies.

Other

Our domestic and foreign cash and cash equivalents, restricted cash and cash equivalents and investments as of June 30, 2021 and December 31, 2020 were as follows:

	June 30, 2021	December 31, 2020
	(In thousands)	
Domestic	\$ 188,569	\$ 31,376
Foreign	21,300	29,985
Total	\$ 209,869	\$ 61,361

Our working capital decreased by \$122.9 million to \$121.0 million at June 30, 2021 from \$243.9 million at December 31, 2020, due to the reclassification of our Senior Notes due 2026 to current, net of cash proceeds from the issuance of the Senior Notes due 2029. This decrease was partially offset by changes in contracts in progress and advanced billings due to the timing of project cash flows and a decrease in accounts payable associated with the timing of vendor payments.

Our net cash provided by operating activities increased by \$2.7 million to \$158.3 million in the six months ended June 30, 2021, compared to \$155.6 million in the six months ended June 30, 2020. The increase in cash provided by operating activities was primarily attributable to the timing of project cash flows, partially offset by the timing of income tax payments compared to the prior year.

Our net cash used in investing activities increased by \$40.2 million to \$169.6 million in the six months ended June 30, 2021, compared to \$129.4 million in the six months ended June 30, 2020. The increase in cash used in investing activities was primarily attributable to an increase in purchases of property, plant and equipment of \$54.7 million, partially offset by a \$16.2 million decrease attributable to our acquisition of Precision Manufacturing in the six months ended June 30, 2020.

Our net cash provided by financing activities increased by \$209.8 million to \$159.4 million in the six months ended June 30, 2021, compared to cash used in financing activities of \$50.4 million in the six months ended June 30, 2020. The increase in cash provided by financing activities was primarily attributable to an increase in net borrowings of long-term debt of \$310.2 million, partially offset by the repayment of bank overdrafts of \$88.7 million.

At June 30, 2021, we had restricted cash and cash equivalents totaling \$5.8 million, \$2.7 million of which was held for future decommissioning of facilities (which is included in other assets on our condensed consolidated balance sheets) and \$3.1 million of which was held to meet reinsurance reserve requirements of our captive insurer.

At June 30, 2021, we had short-term and long-term investments with a fair value of \$13.4 million. Our investment portfolio consists primarily of U.S. Government and agency securities, corporate bonds and mutual funds. Our debt securities are carried at fair value and are either classified as trading, with unrealized gains and losses reported in earnings, or as available-for-sale, with unrealized gains and losses, net of tax, being reported as a component of other comprehensive income. Our equity securities are carried at fair value with the unrealized gains and losses reported in earnings.

Based on our liquidity position, we believe we have sufficient cash and letter of credit and borrowing capacity to fund our operating requirements for at least the next 12 months.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposures to market risks have not changed materially from those disclosed in Item 7A included in Part II of our 2020 10-K.

Item 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this Report, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) adopted by the Securities and Exchange Commission ("SEC") under the Exchange Act). This evaluation was conducted under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Our disclosure controls and procedures were developed through a process in which our management applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding the control objectives. You should note that the design of any system of disclosure controls and procedures is based in part upon

various assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Based on the evaluation referred to above, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures are effective as of June 30, 2021 to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and such information is accumulated and communicated to management as appropriate to allow timely decisions regarding disclosure. There has been no change in our internal control over financial reporting during the three months ended June 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II**OTHER INFORMATION****Item 1. LEGAL PROCEEDINGS**

For information regarding ongoing investigations and litigation, see Note 6 to our unaudited condensed consolidated financial statements in Part I of this Report, which we incorporate by reference into this Item.

Item 1A. RISK FACTORS

In addition to the other information in this Report, the other factors presented in Item 1A "Risk Factors" in our 2020 10-K are some of the factors that could materially affect our business, financial condition or future results. There have been no material changes to our risk factors from those disclosed in our 2020 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Since November 2012, we have periodically announced that our Board of Directors has authorized share repurchase programs. The following table provides information on our purchases of equity securities during the three months ended June 30, 2021. Any shares purchased that were not part of a publicly announced plan or program are related to repurchases of common stock pursuant to the provisions of employee benefit plans that permit the repurchase of shares to satisfy statutory tax withholding obligations.

Period	Total number of shares purchased ⁽¹⁾	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions) ⁽²⁾
April 1, 2021 - April 30, 2021	560	\$ 66.92	—	\$ 623.4
May 1, 2021 - May 31, 2021	314	\$ 65.61	—	\$ 623.4
June 1, 2021 - June 30, 2021	—	—	—	\$ 623.4
Total	<u>874</u>	<u>\$ 66.45</u>	<u>—</u>	

- (1) Includes 560 and 314 shares repurchased during April and May, respectively, pursuant to the provisions of employee benefit plans that permit the repurchase of shares to satisfy statutory tax withholding obligations.
- (2) On November 6, 2018, we announced that our Board of Directors authorized us to repurchase an indeterminate number of shares of our common stock at an aggregate market value of up to \$250 million during a three-year period that expires on November 6, 2021. On April 30, 2021, our Board of Directors authorized us to repurchase an indeterminate number of shares of our common stock at an aggregate market value of up to \$500 million with no expiration date. The April 2021 authorization was in addition to the share repurchase amount authorized in November 2018.

Item 6. EXHIBITS

Exhibit Number	Description
3.1	Certificate of Amendment to Restated Certificate of Incorporation dated May 14, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on May 17, 2019 (File No. 1-34658)).
3.2	Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on May 17, 2019 (File No. 1-34658)).
3.3	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 (File No. 1-34658)).
4.1	Indenture, dated April 13, 2021, among BWX Technologies, Inc., each of the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on April 13, 2021).
4.2	Form of 4.125% Senior Notes Due 2029 (included in Exhibit 4.1) (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on April 13, 2021).
10.1	Form of 2021 Performance Restricted Stock Unit Grant Agreement for Employees.
10.2	Form of 2021 Restricted Stock Unit Grant Agreement for Employees.
31.1	Rule 13a-14(a)/15d-14(a) certification of Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) certification of Chief Financial Officer.
32.1	Section 1350 certification of Chief Executive Officer.
32.2	Section 1350 certification of Chief Financial Officer.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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 thereunto duly authorized.

BWX TECHNOLOGIES, INC.

By: /s/ David S. Black
David S. Black
Senior Vice President and Chief Financial Officer
(Principal Financial Officer and Duly Authorized
Representative)

By: /s/ Jason S. Kerr
Jason S. Kerr
Vice President and Chief Accounting Officer
(Principal Accounting Officer and Duly Authorized
Representative)

August 2, 2021

**2021 PERFORMANCE RESTRICTED STOCK UNITS
GRANT AGREEMENT**

To:

By accepting your grant online through the Schwab Equity Award Center, you agree that these incentives are granted under and governed by the terms and conditions of the BWX Technologies, Inc. 2020 Omnibus Incentive Plan (the "Plan"), and this 2021 Performance Restricted Stock Units Grant Agreement, which is included in the online acceptance process. A copy of the Plan and the Prospectus relating to the stock issued under the Plan can be found at <http://equityawardcenter.schwab.com> under the "At a Glance/My Company Info" tab in your Schwab account. The Plan and Prospectus are incorporated by reference and made a part of the terms and conditions of your award. If you would like to receive a copy of either the Plan or Prospectus, please contact Kathy Peres at 980-625-4194 or kaperes@bwxt.com.

Effective _____, 2021 (the "Date of Grant"), the Compensation Committee of the Board of Directors (the "Committee") of BWX Technologies, Inc. ("BWXT") awarded you a grant of performance-based Restricted Stock Units ("Performance RSUs") under the Plan. The provisions of the Plan are incorporated herein by reference and capitalized terms used but not otherwise defined in this Agreement have the meanings given them in the Plan.

Any reference or definition contained in this Agreement shall, except as otherwise specified, be construed in accordance with the terms and conditions of the Plan and all determinations and interpretations made by the Committee with regard to any question arising hereunder or under the Plan shall be binding and conclusive on you and your legal representatives and beneficiaries. The term "BWXT" as used in this Agreement with reference to employment shall include subsidiaries of BWXT (including unconsolidated joint ventures). Whenever the words "you" or "your" are used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiary, estate, or personal representative, to whom any rights under this Agreement may be transferred by will or by the laws of descent and distribution, it shall be deemed to include such person.

Performance RSUs

1. Performance RSU Award. You have been awarded performance-based restricted stock units (the "Initial Performance RSUs"). These Performance RSUs represent a right to receive Shares, calculated as described below, provided (and to the extent that) the applicable performance measures and vesting requirements set forth in this Agreement have been satisfied. No Shares are awarded or issued to you on the Date of Grant.

2. Vesting Requirements. Subject to Section 3 of this Agreement (the "Forfeiture of Performance RSUs" provision), Performance RSUs will become vested under one of the following circumstances, to the extent the Performance RSUs have not previously vested or become forfeited:

- a percentage of the Initial Performance RSUs shall become vested on the third anniversary of the Date of Grant, provided you are still employed by BWXT (with the number in which you vest determined as described in Section 4 of this Agreement (the “Number of Performance RSUs” provision));
- if you terminate employment on or after the first anniversary of the Date of Grant but prior to the third anniversary of the Date of Grant due to Retirement (as defined below) or an involuntary termination by BWXT without Cause, you will be eligible to vest in a number of Performance RSUs equal to the product of (a) the number of Performance RSUs that would have vested if you would have remained in the continuous employ of BWXT until the third anniversary of the Date of Grant or the occurrence of a Change in Control that would otherwise result in vesting (whichever occurs first) multiplied by (b) a fraction, the numerator of which is the number of calendar days you are employed by BWXT during the Performance Period, and the denominator of which is the total number of calendar days in the Performance Period;
- 100% of the Initial Performance RSUs shall become vested prior to the third anniversary of the Date of Grant on the earliest to occur of: (a) the date of termination of your employment from BWXT due to death, or (b) your Disability; and
- the Committee may provide for additional vesting under other circumstances, in its sole discretion.

In the event of a Change in Control that occurs prior to the vesting or forfeiture of the Performance RSUs, the Performance RSUs shall be treated as set forth in Article 16 of the Plan.

For purposes of this Agreement, “Retirement” means voluntary termination of employment with BWXT after attaining (i) at least 60 years of age and (ii) at least 10 [5 for key executives] years of service with BWXT (with years of service calculated by reference from your “adjusted service date,” as determined by the Company).

3. Forfeiture of Performance RSUs. Except as otherwise provided in Section 2 above, Performance RSUs which are not or do not become vested upon your termination of employment for any reason shall, coincident therewith, be forfeited and be of no force and effect.

4. Number of Performance RSUs. Except as otherwise provided in this Agreement and subject to adjustments permitted by the Plan, the number of Performance RSUs in which you will vest under this Agreement, if any, will be determined by multiplying (a) the sum of (i) 0.5 times the vested percentage applicable to Return on Invested Capital (“ROIC”) plus (ii) 0.5 times the vested percentage applicable to diluted Earnings Per Share (“EPS”) by (b) the number of Initial Performance RSUs. The maximum number of Performance RSUs in which you can vest is 200% of your Initial Performance RSUs and the minimum number of Performance RSUs in which you can vest is 0% of your Initial Performance RSUs.

The vested percentage applicable to ROIC and EPS will each be determined over the Performance Period as set forth on Schedule 1 attached hereto and incorporated by reference herein. For purposes of this Agreement, the “Performance Period” means the period beginning on January 1, 2021 and ending on December 31, 2023.

5. Settlement of Performance RSUs. You (or your beneficiary, if applicable) will receive one Share for each Performance RSU that vests under this Agreement. If you have made a permitted deferral election with respect to the Performance RSUs, then, subject to compliance with Section 409A of the Code (to the extent applicable), vested Performance RSUs shall be paid to you in accordance with such deferral election. If you have not made a permitted deferral election with respect to the Performance RSUs, vested Performance RSUs shall be paid to you as soon as administratively practicable after the Performance RSUs vest, but in no event later than the earlier of (a) March 15 following the end of the calendar year in which the Performance RSUs vest and (b) March 15, 2024 (and in all events within the short-term deferral period for purposes of Section 409A of the Code).

6. Dividend, Voting Rights and Other Rights. You shall have no rights of ownership in the Shares underlying the Performance RSUs and shall have no right to vote such Shares until the date on which the Shares are transferred to you pursuant hereto. From and after the Date of Grant and until the earlier of (a) the time when the Performance RSUs become vested and are paid in accordance with Section 5 hereof or (b) the time when your right to receive Shares in payment of the Performance RSUs is forfeited in accordance with Section 3 hereof, on the date that BWXT pays a cash dividend (if any) to holders of Shares generally, you shall be credited with cash per Performance RSU equal to the amount of such dividend. Any amounts credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as apply to the Performance RSUs based on which the dividend equivalents were credited, and such amounts shall be paid in cash at the same time as the Performance RSUs to which they relate.

Taxes

7. Liability for Tax-Related Items. Regardless of any action BWXT or your employer (the “Employer”) takes with respect to any or all federal, state, local or foreign taxes or other tax-related amounts (“Tax-Related Items”), you acknowledge and agree that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that BWXT and/or the Employer (i) make no representations nor undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this grant of Performance RSUs, including the grant and vesting of Performance RSUs, subsequent delivery of Shares or the subsequent sale of any Shares acquired pursuant to such Performance RSUs and receipt of any dividend equivalent payments (if any) and (ii) do not commit to structure the terms or any aspect of this grant of Performance RSUs to reduce or eliminate your liability for Tax-Related Items. To the extent that BWXT or the Employer is required to withhold Tax-Related Items in connection with any payment made to or benefit realized by you or another person with respect to the Performance RSUs, you agree that, unless otherwise determined by the Committee, BWXT or the Employer will withhold Shares having a value equal to (A) the minimum statutory withholding amount permissible or (B) if approved by the Committee, a greater amount based on your election. To the extent that the amounts available to BWXT or the Employer for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that you or such other person make arrangements satisfactory to BWXT or the Employer, as applicable, for payment of the balance of such Tax-Related Items required to be withheld. The Shares withheld as described above shall be credited against any such withholding requirement at the fair market value of such Shares on the date the applicable benefit is to be included in your income. In no event will the market value of the Shares to be

withheld and/or delivered pursuant to this Section 7 to satisfy applicable Tax-Related Items exceed your estimated tax obligations attributable to the applicable transaction.

If the obligation for Tax-Related Items is satisfied by withholding a number of Shares as described herein, you understand that you will be deemed to have been issued the full number of Shares subject to the settled Performance RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of the settlement of the Performance RSUs.

Transferability

8. **Non-Transferability.** Performance RSUs granted hereunder are non-transferable other than by will or by the laws of descent and distribution.

Clawback Provisions

9. **Recovery of Performance RSUs.** In the event that BWXT is required to prepare an accounting restatement due to the material noncompliance of BWXT with any financial reporting requirement under the U.S. federal securities laws as a result of fraud (a "**Restatement**") and the Board reasonably determines that you knowingly engaged in the fraud, BWXT will have the right to recover the Performance RSUs granted during the three-year period preceding the date on which the Board or BWXT, as applicable, determines it is required to prepare the Restatement (the "**Three-Year Period**"), or vested in whole or in part during the Three-Year Period, to the extent of any excess of what would have been granted to or would have vested for you under the Restatement.

10. **Recovery Process.** In the event a Restatement is required, the Board, based upon a recommendation by the Committee, will (a) review the Performance RSUs either granted or vested in whole or in part during the Three-Year Period and (b) in accordance with the provisions of this Agreement and the Plan, will take reasonable action to seek recovery of the amount of such Performance RSUs in excess of what would have been granted to or would have vested for you under the Restatement (but in no event more than the total amount of such Performance RSUs), as such excess amount is reasonably determined by the Board in its sole discretion, in compliance with Section 409A of the Code. There shall be no duplication of recovery under Sections 9 and 10 of this Agreement and any of 15 U.S.C. Section 7243 (Section 304 of The Sarbanes-Oxley Act of 2002) and Section 10D of the Exchange Act. Notwithstanding anything in this Agreement to the contrary, you acknowledge and agree that this Agreement and the award described herein (and any settlement thereof) are subject to the terms and conditions of the Company's clawback policy (if any) as may be in effect from time to time including specifically to implement Section 10D of the Exchange Act, and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Shares may be traded) (the "**Compensation Recovery Policy**"), and that Sections 9 and 10 of this Agreement shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

Other Information

11. **No Guarantee of Continued Service.** Neither the action of BWXT in establishing the Plan, nor any action taken by it, by the Committee or by your employer, nor any provision of the Plan or this Agreement shall be construed as conferring upon you the right to be retained in the employ of BWXT or any of its subsidiaries or affiliates.

12. **Adjustments.** The Performance RSUs evidenced by this Agreement are subject to adjustment as provided in Sections 4.3 and 17.2 of the Plan.

13. **Compliance with Section 409A of the Code.** To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by BWXT without your consent). Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

14. **Electronic Delivery.** BWXT may, in its sole discretion, deliver any documents related to the Performance RSUs and your participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, agree to participate in the Plan through an on-line or electronic system established and maintained by BWXT or another third party designated by BWXT.

15. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

16. **Successors and Assigns.** Without limiting Section 8 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, your successors, administrators, heirs, legal representatives and assigns, and the successors and assigns of the Company.

17. **Acknowledgement.** You acknowledge that you (a) have received a copy of the Plan, (b) have had an opportunity to review the terms of this Agreement and the Plan, (c) understand the terms and conditions of this Agreement and the Plan and (d) agree to such terms and conditions.

18. **Country-Specific Special Terms and Conditions.** Notwithstanding any provisions in this Agreement, the Performance RSUs shall also be subject to the special terms and conditions set forth in Appendix A to this Agreement for your country of residence. Moreover, if you relocate to one of the countries included on Appendix A, the special terms and conditions for such country will apply to you, to the extent BWXT determines that the application of such terms and conditions are necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix A constitutes part of this Agreement.

19. Notice to Governmental Authority. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents you from providing, without prior notice to BWXT, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity you are not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the 1934 Act.

Schedule 1

Calculating ROIC and EPS

Except as otherwise described below, the component values used to calculate ROIC and EPS will be determined in accordance with U.S. generally accepted accounting principles excluding (1) expenses associated with the acquisition or disposition of any asset, (2) expenses associated with company restructuring activity, (3) any pension accounting mark-to-market losses, (4) acquisition related amortization resulting from an acquisition that occurs during the Performance Period, (5) losses from divestitures, (6) impairments of tangible and intangible assets, (7) losses in respect of legal proceedings and dispute resolutions, (8) losses from tax valuation allowances, (9) fluctuations in foreign currency exchange rates impacting translation of foreign earnings into USD, and (10) losses in respect of an Act of God/Force Majeure matter. The performance goals or the component values will also be adjusted to reflect the negative effects from applicable changes in accounting standards / policies or tax regulations after the date of this meeting. No adjustment herein shall limit any discretion provided by the Plan to increase or reduce the amount of a Participant's Final Award as computed hereunder.

Return on Invested Capital (ROIC)

The vested percentage applicable to ROIC will be determined based on BWXT's average annual ROIC (as calculated below) ("Average ROIC") for the Performance Period in accordance with the following schedule:

Average ROIC ROIC Vested Percentage

xx.x% 50%
xx.x% 100%
xx.x% 200%

Vested percentages between the amounts shown will be calculated by linear interpolation. The vested percentage applicable to ROIC will be 0% if the Average ROIC for the Performance Period is below xx.x%. In no event will the vested percentage applicable to ROIC be greater than 200%.

ROIC will be calculated quarterly and the ROIC for any calendar year during the Performance Period will equal the sum of the four applicable quarterly ROIC calculations. Average ROIC will equal the sum of the three annual ROIC calculations during the Performance Period divided by three.

For purposes of this Agreement, the term "ROIC" is a ratio measure of BWXT's net income in relation to BWXT's invested capital, using the formula set forth below. For purposes of determining ROIC, net income is pre-tax income less tax expense calculated in accordance with U.S. generally accepted accounting principles. Invested capital is BWXT's total assets less current liabilities. Current liabilities include any liabilities that are due within one calendar year and will be defined based on BWXT's consolidated balance sheet applicable to the applicable period.

$$\frac{\text{Net Income}}{\text{Invested Capital}} = \frac{\text{Pre-tax Income} - \text{Tax Expense}}{\text{Total Assets} - \text{Current Liabilities}}$$

Diluted Earnings Per Share (EPS)

The vested percentage applicable to EPS will be determined based on BWXT’s cumulative EPS (as calculated below) (“Cumulative EPS”) for the Performance Period in accordance with the following schedule:

Cumulative EPS EPS Vested Percentage

\$x.xx 50%
 \$x.xx 100%
 \$x.xx 200%

Vested percentages between the amounts shown will be calculated by linear interpolation. The vested percentage applicable to EPS will be 0% if the Cumulative EPS for the Performance Period is below \$x.xx. In no event will the vested percentage applicable to EPS be greater than 200%.

EPS will be calculated for each calendar year during the Performance Period and Cumulative EPS for the Performance Period will equal the sum of the three applicable annual EPS calculations.

For purposes of this Agreement, the term “EPS” means BWXT’s net income attributable to stockholders of common stock for the applicable period divided by BWXT’s weighted average diluted shares outstanding for the applicable period. For purposes of determining EPS, net income attributable to stockholders of common stock is defined as “Net Income Attributable to BWX Technologies, Inc.” on BWXT’s Consolidated Statement of Income. Diluted shares outstanding will include all basic shares outstanding and any other dilutive securities for the period. If any securities are dilutive, the impact on the number of outstanding shares will be included in the denominator and the related income statement impact of the security will be removed from the numerator.

$$\text{Diluted EPS} = \frac{\text{Net Income to Common Shareholders} + \text{Net Income Impact of Dilutive Securities}}{\text{WASCO assuming all Dilutive Securities are converted to Common Stock}}$$

WACSO represents weighted average common stock outstanding.

APPENDIX A

COUNTRY-SPECIFIC SPECIAL TERMS AND CONDITIONS

This Appendix A, which is part of the BWXT 2021 Performance Restricted Stock Units Grant Agreement (the “Agreement”), contains additional terms and conditions of the Agreement that will apply to you if you reside in one of the countries listed below. It also includes information about certain other issues of which you should be aware with respect to your participation in the Plan. Such information is based on securities, exchange control, and other laws in effect in the respective countries as of February 2021. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and/or the Agreement. By accepting the Performance RSUs, you agree to be bound by the terms and conditions contained in the paragraphs below in addition to the terms of the Plan, the Agreement, and the terms of any other document that may apply to you and your Performance RSUs.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and BWXT is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, transferred employment after the Performance RSUs were granted to you, or are considered a resident of another country for local law purposes, the information contained herein may not apply.

COUNTRIES COVERED BY THIS APPENDIX A:

Canada.

CANADA

Terms and Conditions

1. Vesting Requirements. For the purposes of Section 2 of the Agreement (“Vesting Requirements”), your entitlement to vesting of the Performance RSUs in connection with an involuntary termination of your employment by BWXT will be determined on the basis of “without Cause” where any Cause alleged does not disqualify you from notice of termination or termination pay under O. Reg., 288/01 of the *Employment Standards Act, 2000*, as amended. This proviso shall also apply to any corresponding definition of Cause in your employment agreement or any related agreements.

2. Forfeiture of Performance RSUs. Section 3 of the Agreement (the “Forfeiture of RSUs” provision) is amended in its entirety to read as follows:

“Except as otherwise provided in Section 2 above, Performance RSUs which are not or do not become vested upon your termination of employment for any reason shall, coincident

therewith, be forfeited and be of no force and effect, except to the extent otherwise expressly required to comply with minimum standards employment legislation, if applicable, in the province in which you are employed.”

3. Nature of Grant. In accepting the grant of Performance RSUs, you acknowledge that:

- the Plan is established voluntarily by BWXT, is discretionary in nature and may be modified, amended, suspended or terminated by BWXT at any time;
- the grant of the Performance RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance RSUs, or benefits in lieu of Performance RSUs, even if Performance RSUs have been granted repeatedly in the past;
- all decisions with respect to future Performance RSUs grants, if any, will be at the sole discretion of BWXT;
- you are voluntarily participating in the Plan;
- the Performance RSUs and the Shares subject to the Performance RSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to BWXT or the Employer, and which is outside the scope of your employment contract, if any;
- the Performance RSUs and the Shares subject to the Performance RSUs are not intended to replace any pension rights or compensation;
- the Performance RSUs and the Shares subject to the Performance RSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for BWXT, the Employer, or any Subsidiary;
- the Performance RSUs and your participation in the Plan will not be interpreted to form an employment contract or relationship with BWXT or any Subsidiary;
- the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- in consideration of the grant of the Performance RSUs, and except to the minimum extent prohibited by the provincial minimum standards legislation as may be applicable to you, no claim or entitlement to compensation or damages shall arise from forfeiture of the Performance RSUs resulting from termination of your service with BWXT or the Employer (for any reason whatsoever) and you irrevocably release BWXT and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, you shall be deemed irrevocably to have waived any entitlement to pursue such claim;
- for purposes of the Agreement, the date of occurrence of your termination of employment by BWXT or a Subsidiary is the later of: (a) the date that you actually cease to perform services for BWXT or a Subsidiary, as recorded by BWXT or its Subsidiary, as applicable; and (b) the last day of the period during which you are entitled to notice of termination under applicable minimum employment standards legislation (the “Termination Date”).

For greater certainty, the Termination Date shall be determined without reference to any statutory severance or any contractual or common law notice of termination of which you

are in receipt or may be eligible to receive at common law, pursuant to a contract, or otherwise; and no grants or damages in lieu thereof are payable with respect to any applicable statutory severance period or contractual or common law notice period. Notwithstanding the foregoing, in no event will you receive less under the Agreement than that required by applicable minimum employment standards legislation.

BWXT and its Subsidiaries reserve the right to terminate the employment of any person, regardless of the effect of such termination of employment on entitlements under the Agreement. You hereby waive, and irrevocably release BWXT and its Subsidiaries from, any claim or entitlement to compensation or damages that may arise from any forfeiture of the Performance RSUs as a result of the cessation of vesting on the Termination Date; notwithstanding the foregoing, if your service terminates due to certain termination events as described in this Agreement, the Performance RSUs will be fully vested as of the date of death; and

- the Performance RSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

4. ***Data Privacy.*** *You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other award materials by and among, as applicable, the Employer, BWXT, and its Subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that BWXT and the Employer may hold certain personal information about you, including but not limited to, your name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any Shares or directorships held in BWXT, details of all awards or any other entitlement Shares granted, canceled, purchased, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

You understand that Data will be transferred to any third parties assisting BWXT with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize BWXT and any other possible recipients which may assist BWXT (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or

withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

5. Settlement of Performance RSUs. Section 5 of the Agreement (the “Settlement of Performance RSUs” provision) is hereby amended in its entirety to read as follows:

“Settlement of Performance RSUs. You (or your beneficiary, if applicable) will receive one Share for each Performance RSU that vests under this Agreement. Such Shares shall be distributed to you as soon as administratively practicable after the Performance RSUs vest, but in no event later than March 15 following the end of the calendar year in which the Performance RSUs vest or, if earlier, at the latest by December 31 of the third year following the end of the year in which the Date of Grant occurred.

6. Language Consent. The following provision will apply to residents of Quebec:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente convention.

7. Dividend Equivalents Settled in Shares Only. Notwithstanding anything to the contrary in the Plan and/or this Agreement, any vested dividend equivalents will be settled in Shares.

8. Performance RSUs Settled in Shares Only. Notwithstanding anything to the contrary in the Plan and/or this Agreement, any Performance RSUs granted to you shall be paid in Shares only and do not provide any right to receive a cash payment.

9. Form of Payment. Due to legal restrictions in Canada and notwithstanding any language to the contrary in the Plan, you are prohibited from surrendering Shares that you already own or from attesting to the ownership of Shares to pay any tax withholding in connection with Performance RSUs granted to you.

Notifications

1. Additional Restrictions on Resale. In addition to the restrictions on resale and transfer noted in Plan materials, securities purchased under the Plan may be subject to certain restrictions on resale imposed by Canadian provincial securities laws. You are encouraged to seek legal advice prior to any resale of such securities. In general, participants resident in Canada may resell their securities in transactions carried out on exchanges outside of Canada and, in particular, you are generally permitted to sell Shares acquired pursuant to the Plan through the designated broker appointed under the Plan, if any, provided that BWXT is a foreign issuer that is not public in Canada and the sale of the Shares acquired pursuant to the Plan takes place: (i) through an exchange, or a market, outside of Canada on the distribution date; or (ii) to a person or company outside of Canada. For purposes hereof, a foreign issuer is an issuer that: (a) is not incorporated or existing pursuant to the laws of Canada or any jurisdiction of Canada; (b) does

not have its head office in Canada; and (c) does not have a majority of its executive officers or directors ordinarily resident in Canada.

2. Tax Reporting. The Tax Act and the regulations thereunder require a Canadian resident individual (among others) to file an information return disclosing prescribed information where, at any time in a tax year, the total cost amount of such individual's "specified foreign property" (which includes shares, options, restricted stock units, and performance-based restricted stock units) exceeds Cdn.\$100,000. You should consult your own tax advisor regarding this reporting requirement.

**2021 RESTRICTED STOCK UNITS
GRANT AGREEMENT**

To:

By accepting your grant online through the Schwab Equity Award Center, you agree that these incentives are granted under and governed by the terms and conditions of the BWX Technologies, Inc. 2020 Omnibus Incentive Plan (the "Plan"), and this 2021 Restricted Stock Units Grant Agreement, which is included in the online acceptance process. A copy of the Plan and the Prospectus relating to the stock issued under the Plan can be found at <http://equityawardcenter.schwab.com> under the "At a Glance/My Company Info" tab in your Schwab account. The Plan and Prospectus are incorporated by reference and made a part of the terms and conditions of your award. If you would like to receive a copy of either the Plan or Prospectus, please contact Kathy Peres at 980-625-4194 or kaperes@bwxt.com.

Effective _____, 2021 (the "Date of Grant"), the Compensation Committee of the Board of Directors (the "Committee") of BWX Technologies, Inc. ("BWXT") awarded you a grant of Restricted Stock Units ("RSUs") under the Plan. The provisions of the Plan are incorporated herein by reference and capitalized terms used but not otherwise defined in this Agreement have the meanings given them in the Plan.

Any reference or definition contained in this Agreement shall, except as otherwise specified, be construed in accordance with the terms and conditions of the Plan and all determinations and interpretations made by the Committee with regard to any question arising hereunder or under the Plan shall be binding and conclusive on you and your legal representatives and beneficiaries. The term "BWXT" as used in this Agreement with reference to employment or separation from service shall include subsidiaries of BWXT (including unconsolidated joint ventures). Whenever the words "you" or "your" are used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiary, estate, or personal representative, to whom any rights under this Agreement may be transferred by will or by the laws of descent and distribution, it shall be deemed to include such person.

Restricted Stock Units

1. RSU Award. You have been awarded RSUs. Each RSU represents a right to receive one Share after the vesting of such RSU, as set forth in Section 2 of this Agreement (the "Vesting Requirements" provision).
2. Vesting Requirements. Subject to Section 3 of this Agreement (the "Forfeiture of RSUs" provision), the RSUs will become vested under one or more of the following circumstances, to the extent the RSUs have not previously vested or become forfeited as of the occurrence of such circumstance:
 - in one-third (1/3) increments on the first, second and third anniversaries of the Date of Grant (the date of each, an "Anniversary Date");

- if you Retire on or after the first anniversary of the Date of Grant and prior to the second anniversary of the Date of Grant, in one-half (1/2) increments of the then-outstanding and unvested RSUs on the second and third anniversaries of the Date of Grant;
- if you Retire on or after the second anniversary of the Date of Grant and prior to the third anniversary of the Date of Grant, 100% of the then-outstanding and unvested RSUs on the third anniversary of the Date of Grant;
- 100% of the then-outstanding and unvested RSUs on the earliest of the following to occur prior to the third anniversary of the Date of Grant: (a) your death, or (b) your Disability; and
- the Committee may provide for additional vesting under other circumstances, in its sole discretion.

In the event of a Change in Control that occurs prior to the vesting or forfeiture of the RSUs, the RSUs shall be treated as set forth in Article 16 of the Plan.

For purposes of this Agreement, the term “Retire” means to terminate employment with BWXT after attaining (i) at least 60 years of age and (ii) at least 10 [5 for key executives] years of service with BWXT (with years of service calculated by reference from your “adjusted service date,” as determined by the Company).

3. Forfeiture of RSUs. Except as otherwise provided in Section 2, RSUs which are not or do not become vested upon your termination of employment shall, coincident therewith, terminate and be of no force or effect.

In the event that Cause exists with respect to you, as determined in the sole judgment of the Committee, then all RSUs and all rights or benefits awarded to you under this grant of RSUs are forfeited, terminated and withdrawn immediately upon notice of such determination. The Committee shall have the right to suspend any and all rights or benefits awarded to you hereunder pending its investigation and final determination with regard to such matters. The forfeiture provisions of this paragraph are in addition to the provisions under the heading “Clawback Provisions” below.

4. Settlement of RSUs. If you have made a permitted deferral election with respect to the RSUs, then, subject to compliance with Section 409A of the Code (to the extent applicable), vested RSUs shall be paid to you in accordance with such deferral election. If you have not made a permitted deferral election with respect to the RSUs, vested RSUs shall be paid to you in the form of Shares within 10 days after each Anniversary Date. To the extent the RSUs are not subject to a “substantial risk of forfeiture” (within the meaning of Section 409A of the Code), the RSUs shall be paid on an accelerated basis on any of the following events, to the extent necessary to comply with Section 409A of the Code:

- the occurrence of a Change in Control, unless such Change in Control does not constitute a “change in control” for purposes of Section 409A(a)(2)(A)(v) of the Code (a “409A Change in Control”);
- your separation from service (within the meaning of Section 409A of the Code) with BWXT within two years after a Change in Control that is a 409A Change in Control;
- your death; or
- your Disability.

5. Dividend, Voting Rights and Other Rights. You shall have no rights of ownership in the Shares underlying the RSUs and shall have no right to vote such Shares until the date on which the Shares are transferred to you pursuant hereto. From and after the Date of Grant and until the earlier of (a) the time when the RSUs become vested and are paid in accordance with Section 4 hereof or (b) the time when your right to receive Shares in payment of the RSUs is forfeited in accordance with Section 3 hereof, on the date that BWXT pays a cash dividend (if any) to holders of Shares generally, you shall be credited with cash per RSU equal to the amount of such dividend. Any amounts credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as apply to the RSUs based on which the dividend equivalents were credited, and such amounts shall be paid in cash at the same time as the RSUs to which they relate.

Taxes

6. Liability for Tax-Related Items. Regardless of any action BWXT or your employer (the “Employer”) takes with respect to any or all federal, state, local or foreign taxes or other tax-related amounts (“Tax-Related Items”), you acknowledge and agree that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that BWXT and/or the Employer (i) make no representations nor undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this grant of RSUs, including the grant and vesting of RSUs, subsequent delivery of Shares or the subsequent sale of any Shares acquired pursuant to such RSUs and receipt of any dividend equivalent payments (if any) and (ii) do not commit to structure the terms or any aspect of this grant of RSUs to reduce or eliminate your liability for Tax-Related Items. To the extent that BWXT or the Employer is required to withhold Tax-Related Items in connection with any payment made to or benefit realized by you or another person with respect to the RSUs, you agree that, unless otherwise determined by the Committee, BWXT or the Employer will withhold Shares having a value equal to (A) the minimum statutory withholding amount permissible or (B) if approved by the Committee, a greater amount based on your election. To the extent that the amounts available to BWXT or the Employer for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that you or such other person make arrangements satisfactory to BWXT or the Employer, as applicable, for payment of the balance of such Tax-Related Items required to be withheld. The Shares withheld as described above shall be credited against any such withholding requirement at the fair market value of such Shares on the date the applicable benefit is to be included in your income. In no event will the market value of the Shares to be withheld and/or delivered pursuant to this Section 6 to satisfy applicable Tax-Related Items exceed your estimated tax obligations attributable to the applicable transaction.

If the obligation for Tax-Related Items is satisfied by withholding a number of Shares as described herein, you understand that you will be deemed to have been issued the full number of Shares subject to the settled RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of the settlement of the RSUs. Notwithstanding anything herein to the contrary, if the Federal Insurance Contributions Act tax (“FICA Tax”) imposed under Sections 3101, 3121(a) and 3121(v)(2) of the Code becomes due with respect to any of the RSUs prior to the payment of such RSUs, BWXT or Employee will withhold from your cash compensation an amount sufficient to pay the FICA Tax with respect to such RSUs.

Transferability

7. Non-Transferability. RSUs granted hereunder are non-transferable other than by will or by the laws of descent and distribution.

Clawback Provisions

8. Recovery of RSUs. In the event that BWXT is required to prepare an accounting restatement due to the material noncompliance of BWXT with any financial reporting requirement under the U.S. federal securities laws as a result of fraud (a “Restatement”) and the Board reasonably determines that you knowingly engaged in the fraud, BWXT will have the right to recover the RSUs granted during the three-year period preceding the date on which the Board or BWXT, as applicable, determines it is required to prepare the Restatement (the “Three-Year Period”), or vested in whole or in part during the Three-Year Period, to the extent of any excess of what would have been granted to or would have vested for you under the Restatement.

9. Recovery Process. In the event a Restatement is required, the Board, based upon a recommendation by the Committee, will (a) review the RSUs either granted or vested in whole or in part during the Three-Year Period and (b) in accordance with the provisions of this Agreement and the Plan, will take reasonable action to seek recovery of the amount of such RSUs in excess of what would have been granted to or would have vested for you under the Restatement (but in no event more than the total amount of such RSUs), as such excess amount is reasonably determined by the Board in its sole discretion, in compliance with Section 409A of the Code. There shall be no duplication of recovery under Sections 8 and 9 of this Agreement and any of 15 U.S.C. Section 7243 (Section 304 of The Sarbanes-Oxley Act of 2002) and Section 10D of the Exchange Act. The clawback provisions of this Agreement are in addition to the forfeiture provisions contained in Section 3 of this Agreement (under the heading “Forfeiture of RSUs”). Notwithstanding anything in this Agreement to the contrary, you acknowledge and agree that this Agreement and the award described herein (and any settlement thereof) are subject to the terms and conditions of the Company’s clawback policy (if any) as may be in effect from time to time including specifically to implement Section 10D of the Exchange Act, and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Shares may be traded) (the “Compensation Recovery Policy”), and that Sections 8 and 9 of this Agreement shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

Other Information

10. **No Guarantee of Continued Service.** Neither the action of BWXT in establishing the Plan, nor any action taken by it, by the Committee or by your employer, nor any provision of the Plan or this Agreement shall be construed as conferring upon you the right to be retained in the employ of BWXT.

11. **Adjustments.** The RSUs evidenced by this Agreement are subject to adjustment as provided in Sections 4.3 and 17.2 of the Plan.

12. **Compliance with Section 409A of the Code.** To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by BWXT without your consent). Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

13. **Electronic Delivery.** BWXT may, in its sole discretion, deliver any documents related to the RSUs and your participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, agree to participate in the Plan through an on-line or electronic system established and maintained by BWXT or another third party designated by BWXT.

14. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

15. **Successors and Assigns.** Without limiting Section 7 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, your successors, administrators, heirs, legal representatives and assigns, and the successors and assigns of the Company.

16. **Acknowledgement.** You acknowledge that you (a) have received a copy of the Plan, (b) have had an opportunity to review the terms of this Agreement and the Plan, (c) understand the terms and conditions of this Agreement and the Plan and (d) agree to such terms and conditions.

17. **Country-Specific Special Terms and Conditions.** Notwithstanding any provisions in this Agreement, the RSUs shall also be subject to the special terms and conditions set forth in Appendix A to this Agreement for your country of residence. Moreover, if you relocate to one of the countries included on Appendix A, the special terms and conditions for such country will apply to you, to the extent BWXT determines that the application of such terms and conditions are necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix A constitutes part of this Agreement.

18. Notice to Governmental Authority. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents you from providing, without prior notice to BWXT, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity you are not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the 1934 Act.

APPENDIX A

COUNTRY-SPECIFIC SPECIAL TERMS AND CONDITIONS

This Appendix A, which is part of the BWXT 2021 Restricted Stock Units Grant Agreement (the “Agreement”), contains additional terms and conditions of the Agreement that will apply to you if you reside in one of the countries listed below. It also includes information about certain other issues of which you should be aware with respect to your participation in the Plan. Such information is based on securities, exchange control, and other laws in effect in the respective countries as of February 2021. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and/or the Agreement. By accepting the RSUs, you agree to be bound by the terms and conditions contained in the paragraphs below in addition to the terms of the Plan, the Agreement, and the terms of any other document that may apply to you and your RSUs.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and BWXT is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, transferred employment after the RSUs were granted to you, or are considered a resident of another country for local law purposes, the information contained herein may not apply.

COUNTRIES COVERED BY THIS APPENDIX A:

Canada.

CANADA

Terms and Conditions

1. Forfeiture of RSUs. Section 3 of the Agreement (the “Forfeiture of RSUs” provision) is amended in its entirety to read as follows:

“Except as otherwise provided in Section 2, RSUs which are not or do not become vested upon your termination of employment shall, coincident therewith, terminate and be of no force or effect, except to the extent otherwise expressly required to comply with minimum standards employment legislation, if applicable, in the province in which you are employed.

In the event that Cause exists with respect to you, as determined in the sole judgment of the Committee, then all RSUs and all rights or benefits awarded to you under this grant of RSUs are forfeited, terminated and withdrawn immediately upon notice of such determination. The Committee shall have the right to suspend any and all rights or benefits awarded to you hereunder pending its investigation and final determination with regard to such matters; provided, however, that where Cause would not disqualify you

from receiving statutory notice pursuant to minimum standards employment legislation in the province in which you are employed, if applicable, your employment will be deemed terminated on the final day of such statutory notice period. The forfeiture provisions of this paragraph are in addition to the provisions under the heading ‘Clawback Provisions’ below.”

2. Nature of Grant. In accepting the grant of RSUs, you acknowledge that:

- the Plan is established voluntarily by BWXT, is discretionary in nature and may be modified, amended, suspended or terminated by BWXT at any time;
- the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past;
- all decisions with respect to future RSUs grants, if any, will be at the sole discretion of BWXT;
- you are voluntarily participating in the Plan;
- the RSUs and the Shares subject to the RSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to BWXT or the Employer, and which is outside the scope of your employment contract, if any;
 - the RSUs and the Shares subject to the RSUs are not intended to replace any pension rights or compensation;
 - the RSUs and the Shares subject to the RSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for BWXT, the Employer, or any Subsidiary;
 - the RSUs and your participation in the Plan will not be interpreted to form an employment contract or relationship with BWXT or any Subsidiary;
 - the future value of the underlying Shares is unknown and cannot be predicted with certainty;
 - in consideration of the grant of the RSUs, and except to the minimum extent prohibited by the provincial minimum standards legislation as may be applicable to you, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of your service with BWXT or the Employer (for any reason whatsoever) and you irrevocably release BWXT and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, you shall be deemed irrevocably to have waived any entitlement to pursue such claim;
 - for purposes of the Agreement, the date of occurrence of your termination of employment by BWXT or a Subsidiary is the later of: (a) the date that you actually cease to perform services for BWXT or a Subsidiary, as recorded by BWXT or its Subsidiary, as applicable; and (b) the last day of the period during which you are entitled to notice of termination under applicable minimum employment standards legislation (the “Termination Date”).

For greater certainty, the Termination Date shall be determined without reference to any statutory severance or any contractual or common law notice of termination of which you

are in receipt or may be eligible to receive at common law, pursuant to a contract, or otherwise; and no grants or damages in lieu thereof are payable with respect to any applicable statutory severance period or contractual or common law notice period. Notwithstanding the foregoing, in no event will you receive less under the Agreement than that required by applicable minimum employment standards legislation.

BWXT and its Subsidiaries reserve the right to terminate the employment of any person, regardless of the effect of such termination of employment on entitlements under the Agreement. You hereby waive, and irrevocably release BWXT and its Subsidiaries from, any claim or entitlement to compensation or damages that may arise from any forfeiture of the RSUs as a result of the cessation of vesting on the Termination Date; notwithstanding the foregoing, if your service terminates due to certain termination events as described in this Agreement, the RSUs will be fully vested; and

- the RSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

3. ***Data Privacy.*** *You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other award materials by and among, as applicable, the Employer, BWXT, and its Subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that BWXT and the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any Shares or directorships held in BWXT, details of all awards or any other entitlement to Shares granted, canceled, purchased, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

You understand that Data will be transferred to any third parties assisting BWXT with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize BWXT and any other possible recipients which may assist BWXT (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more

information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

4. Settlement of RSUs. Section 4 of the Agreement (the “Settlement of RSUs” provision) is amended in its entirety to read as follows:

“Settlement of RSUs. Vested RSUs shall be paid to you in the form of Shares within 10 days after each Anniversary Date, with an accelerated settlement of vested RSUs on the first of the following events to occur:

- the occurrence of a Change in Control, unless such Change in Control does not constitute a “change in control” for purposes of Section 409A(a)(2)(A)(v) of the Code (a “409A Change in Control”);
- your separation from service (within the meaning of Section 409A of the Code) with BWXT within two years after a Change in Control that is a 409A Change in Control;
- your death; or
- your Disability.

Notwithstanding the foregoing, if a Replacement Award is provided and the Change in Control is a 409A Change in Control, notwithstanding anything in this Agreement to the contrary, to the extent necessary to comply with Section 409A of the Code, any outstanding RSUs that at the time of the Change in Control are not subject to a “substantial risk of forfeiture” (within the meaning of Section 409A of the Code) will be paid within 30 days after the Change in Control.”

5. Language Consent. The following provision will apply to residents of Quebec:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente convention.

6. Dividend Equivalents Settled in Shares Only. Notwithstanding anything to the contrary in the Plan and/or this Agreement, any vested dividend equivalents will be settled in Shares.

7. RSUs Settled in Shares Only. Notwithstanding anything to the contrary in the Plan and/or this Agreement, any RSUs granted to you shall be paid in Shares only and do not provide any right to receive a cash payment.

8. Form of Payment. Due to legal restrictions in Canada and notwithstanding any language to the contrary in the Plan, you are prohibited from surrendering Shares that you already own or from attesting to the ownership of Shares to pay any tax withholding in connection with RSUs granted to you.

Notifications

1. Additional Restrictions on Resale. In addition to the restrictions on resale and transfer noted in Plan materials, securities purchased under the Plan may be subject to certain restrictions on resale imposed by Canadian provincial securities laws. You are encouraged to seek legal advice prior to any resale of such securities. In general, participants resident in Canada may resell their securities in transactions carried out on exchanges outside of Canada and, in particular, you are generally permitted to sell Shares acquired pursuant to the Plan through the designated broker appointed under the Plan, if any, provided that BWXT is a foreign issuer that is not public in Canada and the sale of the Shares acquired pursuant to the Plan takes place: (i) through an exchange, or a market, outside of Canada on the distribution date; or (ii) to a person or company outside of Canada. For purposes hereof, a foreign issuer is an issuer that: (a) is not incorporated or existing pursuant to the laws of Canada or any jurisdiction of Canada; (b) does not have its head office in Canada; and (c) does not have a majority of its executive officers or directors ordinarily resident in Canada.

2. Tax Reporting. The Tax Act and the regulations thereunder require a Canadian resident individual (among others) to file an information return disclosing prescribed information where, at any time in a tax year, the total cost amount of such individual's "specified foreign property" (which includes shares, options, restricted stock units, and performance-based restricted stock units) exceeds Cdn.\$100,000. You should consult your own tax advisor regarding this reporting requirement.

CERTIFICATION

I, Rex D. Geveden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BWX Technologies, Inc. for the quarterly period ended June 30, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2021

/s/ Rex D. Geveden

Rex D. Geveden

President and Chief Executive Officer

CERTIFICATION

I, David S. Black, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BWX Technologies, Inc. for the quarterly period ended June 30, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2021

/s/ David S. Black

David S. Black

Senior Vice President and Chief Financial Officer

BWX TECHNOLOGIES, INC.

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Rex D. Geveden, President and Chief Executive Officer of BWX Technologies, Inc., a Delaware corporation (the "Company"), hereby certify, to my knowledge, that:

- (1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 2, 2021

/s/ Rex D. Geveden

Rex D. Geveden

President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

BWX TECHNOLOGIES, INC.

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, David S. Black, Senior Vice President and Chief Financial Officer of BWX Technologies, Inc., a Delaware corporation (the "Company"), hereby certify, to my knowledge, that:

- (1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 2, 2021

/s/ David S. Black

David S. Black

Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.