

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

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**FORM 8-K**

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**CURRENT REPORT**

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**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 6, 2018**

**BWX TECHNOLOGIES, INC.**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-34658**  
(Commission  
File Number)

**80-0558025**  
(IRS Employer  
Identification No.)

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

**24504**  
(Zip Code)

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

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On August 6, 2018, we issued a press release announcing our financial results for the second quarter ended June 30, 2018. A copy of the press release is attached as Exhibit 99.1, and the information contained in Exhibit 99.1 is incorporated by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

99.1 [Earnings Release dated August 6, 2018.](#)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**BWX TECHNOLOGIES, INC.**

By: /s/ Jason S. Kerr  
Jason S. Kerr  
Vice President and Chief Accounting Officer

August 6, 2018

## **BWXT Technologies Reports Solid Second Quarter 2018 Results with Strong Revenue Growth**

- 2Q18 strong revenue growth of 7%; 2Q18 orders up significantly
- 2Q18 GAAP EPS of \$0.60; 2Q18 non-GAAP EPS of \$0.58
- Reiterated 2018 non-GAAP EPS guidance of \$2.45 to \$2.55 despite higher interest expense and integration costs
- Completed acquisition of Nordion medical isotope business on July 30, 2018

**Lynchburg, VA - August 6, 2018** - BWXT Technologies, Inc. (NYSE: BWXT) ("BWXT" or the "Company") reported second quarter 2018 revenue of \$439 million, a 7.1% increase compared to \$410 million in the second quarter of 2017. GAAP net income for the second quarter 2018 was \$60.7 million, or \$0.60 per diluted share, compared to GAAP net income of \$61.3 million, or \$0.61 per diluted share, in the prior-year quarter. Non-GAAP net income for the second quarter 2018 was \$58.0 million, or \$0.58 per diluted share, compared to non-GAAP net income of \$56.2 million, or \$0.56 per diluted share, in the second quarter of 2017. A reconciliation of non-GAAP results is detailed in Exhibit 1.

"We are extremely pleased with our second quarter results, especially the robust top-line growth and the overall strong first half performance," said Rex D. Geveden, president and chief executive officer. "We continue to exhibit our capacity for growth while maintaining best-in-class margins and superior competitive positioning. We are maintaining earnings guidance as improving operating performance is being offset by increasing interest expense resulting from capital restructuring and integration costs related to the early close of Nordion."

"We completed the acquisition of the Nordion medical radioisotope business on July 30, 2018. Closing this acquisition earlier than anticipated de-risks the industrialization phase for our technetium-99m product line and gives us immediate access to a growing and dynamic market."

### ***Second Quarter 2018 Segment Results***

Nuclear Operations Group (NOG) segment revenue was \$332 million for the second quarter of 2018, a 6.2% increase from the prior-year period driven by higher missile tube volume and more fuel activity. NOG operating income was \$67.0 million in the second quarter of 2018, down 3.2% compared with the prior-year period. Second quarter 2018 segment operating margin was 20.2%.

Nuclear Power Group (NPG) segment revenue was \$75.7 million for the second quarter of 2018, a 39% increase from the prior-year period driven by increased field service and refurbishment activity. NPG operating income was \$7.8 million in the second quarter of 2018, a 37% increase from the prior-year period. Second quarter 2018 segment operating margin was 10.3%.

Nuclear Services Group (NSG) segment operating income was \$3.5 million for the second quarter of 2018 compared with \$15.4 million for second quarter of 2017, primarily driven by a \$7.9 million gain from a favorable legal settlement in the prior-year period.

### ***Liquidity and Debt***

The Company generated cash from operating activities of \$35.9 million in the second quarter of 2018 compared with net cash generated from operating activities of \$118.8 million in the prior-year period. At the end of the second quarter 2018, the Company's cash and short-term investments position, net of restricted cash, was \$319.4 million.

As of June 30, 2018, the company had gross debt of \$691.1 million, which included \$400 million in senior notes and \$291.1 million in term loans. There was no revolving line of credit borrowings and \$71.5 million in letters of credit issued under the Company's revolving credit facility. As a result, the Company had \$428.5 million in remaining availability under its revolving credit facility.

### ***Quarterly Dividend***

On August 3, 2018, our Board of Directors declared a quarterly cash dividend of \$0.16 per common share. The dividend will be payable on September 7, 2018, to shareholders of record on August 20, 2018.

### ***2018 Outlook***

BWXT reiterated guidance for 2018:

- EPS in a range of \$2.45 to \$2.55 (excluding mark-to-market of pension and post-retirement benefits)
- Revenue in a range of \$1.75 to \$1.85 billion
- NOG revenue in a range of \$1.3 to \$1.4 billion and operating margin in the high teens with upside potential
- NPG revenue in a range of \$300 to \$350 million and operating margin of approximately 12%
- NSG operating income of approximately \$20 million
- Research and development costs of approximately \$15 million
- Corporate unallocated costs of approximately \$20 million
- Other income primarily related to pension and other post-employment benefit plans of \$30 to \$35 million
- Effective non-GAAP tax rate in a range of 22% to 25%
- Capital expenditures of approximately \$150 million, primarily to support growth in Navy business
- Depreciation and amortization of approximately \$60 million

### ***Long-term Outlook***

BWXT reiterated long-term guidance that beyond 2017, and excluding the benefit of tax reform, the Company anticipates an EPS Compound Annual Growth Rate (CAGR) in the low-double digits over a three to five year period based on a robust organic growth strategy and balance sheet capacity.

### ***Conference Call to Discuss Second Quarter 2018 Results***

**Date:** Tuesday, August 7, 2018, at 9:00 a.m. EDT

**Live Webcast:** Investor Relations section of website at [www.bwxt.com](http://www.bwxt.com)

### ***Forward-Looking Statements***

BWXT cautions that this release contains forward-looking statements, including, without limitation, statements relating to backlog, to the extent they may be viewed as an indicator of future revenues; the anticipated benefits of our acquisition of Nordion's medical isotope business; timing of future revenues from the acquisition of Nordion's medical isotope business and new medical isotope business; our plans and expectations for the NOG, NPG and NSG segments; and our outlook and guidance for 2018 and beyond. These forward-looking statements are based on management's current expectations and involve a number of risks and uncertainties, including, among other things, our ability to execute contracts in backlog; the lack of, or adverse changes in, Federal appropriations to government programs in which we participate; the demand for and competitiveness of nuclear power; capital priorities of power generating utilities; adverse changes in the industries in which we operate and delays, changes or termination of contracts in backlog. If one or more of these risks or other risks materialize, actual results may vary materially from those expressed. For a more complete discussion of these and other risk factors, see BWXT's filings with the Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2017 and subsequent quarterly reports on Form 10-Q. BWXT cautions not to place undue reliance on these forward-looking statements, which speak only as of the date of this release, and undertakes no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

### ***About BWXT***

Headquartered in Lynchburg, Va., BWX Technologies, Inc. (NYSE:BWXT) is a leading supplier of nuclear components and fuel to the U.S. government; provides technical and management services to support the U.S. government in the operation of complex facilities and environmental remediation activities; and supplies precision manufactured components, services and fuel for the commercial nuclear power industry. With approximately 6,250 employees, BWXT has eleven major operating sites in the U.S. and Canada. In addition, BWXT joint ventures provide management and operations at more than a dozen U.S. Department of Energy and two NASA facilities. Follow us on Twitter @BWXTech and learn more at [www.bwxt.com](http://www.bwxt.com).

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**EXHIBIT 1**

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

|   | Three Months Ended June 30, 2018 |                              |  |                              | Non-GAAP |
|---|----------------------------------|------------------------------|--|------------------------------|----------|
|   | GAAP                             | Acquisition<br>Related Costs | Recognition of Debt<br>Issuance Costs from<br>Former Credit Facility | Gain on Forward<br>Contracts |          |
| Operating Income                                      | \$ 71.5                          | \$ —                         | \$ —   | \$ —                         | \$ 71.5  |
| Other Income (Expense)                                | 7.7                              | —                            | 2.4  | (6.0)                        | 4.1      |
| Provision for Income Taxes                            | (18.5)                           | —                            | (0.6)  | 1.5                          | (17.6)   |
| Net Income  | 60.7                             | —                            | 1.8  | (4.5)                        | 58.1     |
| Net Income Attributable to<br>Noncontrolling Interest | (0.1)                            | —                            | —  | —                            | (0.1)    |
| Net Income Attributable to<br>BWXT                    | \$ 60.7                          | \$ —                         | \$ 1.8   | \$ (4.5)                     | \$ 58.0  |
| Diluted Shares Outstanding                            | 100.6                            |                              |  |                              | 100.6    |
| Diluted Earnings per Common<br>Share                  | \$ 0.60                          | \$ —                         | \$ 0.02  | \$ (0.04)                    | \$ 0.58  |
| Effective Tax Rate                                    | 23.3%                            |                              |  |                              | 23.2%    |

|   | Three Months Ended June 30, 2017 |            |                                | Non-GAAP |
|---|----------------------------------|------------|--------------------------------|----------|
|   | GAAP                             | Litigation | Impairment (Gains) /<br>Losses |          |
| Operating Income                                      | \$ 85.4                          | \$ (7.9)   | \$ —                           | \$ 77.5  |
| Other Income (Expense)                                | 3.1                              | —          | —                              | 3.1      |
| Provision for Income Taxes                            | (27.1)                           | 2.8        | —                              | (24.2)   |
| Net Income  | 61.4                             | (5.1)      | —                              | 56.3     |
| Net Income Attributable to<br>Noncontrolling Interest | (0.2)                            | —          | —                              | (0.2)    |
| Net Income Attributable to<br>BWXT                    | \$ 61.3                          | \$ (5.1)   | \$ —                           | \$ 56.2  |
| Diluted Shares Outstanding                            | 100.2                            |            |                                | 100.2    |
| Diluted Earnings per Common<br>Share                  | \$ 0.61                          | \$ (0.05)  | \$ —                           | \$ 0.56  |
| Effective Tax Rate                                    | 30.6%                            |            |                                | 30.1%    |

(1) Tables may not foot due to rounding.

(2) BWXT is providing non-GAAP information regarding certain of its historical results and guidance on future earnings per share to supplement the results provided in accordance with GAAP and it should not be considered superior to, or as a substitute for, the comparable GAAP measures. BWXT believes the non-GAAP measures provide meaningful insight and transparency into the Company's operational performance and provides these measures to investors to help facilitate comparisons of operating results with prior periods and to assist them in understanding BWXT's ongoing operations.

(3) BWXT has not included a reconciliation of provided non-GAAP guidance to the comparable GAAP measures due to the difficulty and unreliability of estimating any mark-to-market adjustments for pension and post-retirement benefits, which are determined at the end of the year.

**EXHIBIT 1 (continued)**

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

|   | Six Months Ended June 30, 2018 |                              |   |                                 | Non-GAAP |
|---|--------------------------------|------------------------------|---|---------------------------------|----------|
|   | GAAP                           | Acquisition<br>Related Costs | Recognition of<br>Debt Issuance<br>Costs from Former<br>Credit Facility | Gain on<br>Forward<br>Contracts |          |
| Operating Income                                      | \$ 151.4                       | \$ 1.6                       | \$ —  | \$ —                            | \$ 153.0 |
| Other Income (Expense)                                | 12.8                           | —                            | 2.4   | (6.0)                           | 9.2      |
| Provision for Income Taxes                            | (37.1)                         | (0.4)                        | (0.6)   | 1.5                             | (36.6)   |
| Net Income  | 127.1                          | 1.2                          | 1.8   | (4.5)                           | 125.7    |
| Net Income Attributable to<br>Noncontrolling Interest | (0.0)                          | —                            | —   | —                               | (0.0)    |
| Net Income Attributable to BWXT                       | \$ 127.1                       | \$ 1.2                       | \$ 1.8  | \$ (4.5)                        | \$ 125.6 |
| Diluted Shares Outstanding                            | 100.5                          |                              |   |                                 | 100.5    |
| Diluted Earnings per Common Share                     | \$ 1.26                        | \$ 0.01                      | \$ 0.02   | \$ (0.04)                       | \$ 1.25  |
| Effective Tax Rate                                    | 22.6%                          |                              |   |                                 | 22.5%    |

|   | Six Months Ended June 30, 2017 |            |                                 | Non-GAAP |
|---|--------------------------------|------------|---------------------------------|----------|
|   | GAAP                           | Litigation | Impairment<br>(Gains) / Charges |          |
| Operating Income                                      | \$ 161.7                       | \$ (7.9)   | \$ —                            | \$ 153.8 |
| Other Income (Expense)                                | 7.2                            | —          | (0.4)                           | 6.8      |
| Provision for Income Taxes                            | (51.7)                         | 2.8        | 0.0                             | (48.8)   |
| Net Income  | 117.2                          | (5.1)      | (0.4)                           | 111.7    |
| Net Income Attributable to Noncontrolling<br>Interest | (0.2)                          | —          | —                               | (0.2)    |
| Net Income Attributable to BWXT                       | \$ 117.0                       | \$ (5.1)   | \$ (0.4)                        | \$ 111.5 |
| Diluted Shares Outstanding                            | 100.4                          |            |                                 | 100.4    |
| Diluted Earnings per Common Share                     | \$ 1.16                        | \$ (0.05)  | \$ (0.00)                       | \$ 1.11  |
| Effective Tax Rate                                    | 30.6%                          |            |                                 | 30.4%    |

(1) Tables may not foot due to rounding.

(2) BWXT is providing non-GAAP information regarding certain of its historical results and guidance on future earnings per share to supplement the results provided in accordance with GAAP and it should not be considered superior to, or as a substitute for, the comparable GAAP measures. BWXT believes the non-GAAP measures provide meaningful insight and transparency into the Company's operational performance and provides these measures to investors to help facilitate comparisons of operating results with prior periods and to assist them in understanding BWXT's ongoing operations.

(3) BWXT has not included a reconciliation of provided non-GAAP guidance to the comparable GAAP measures due to the difficulty of estimating any mark-to-market adjustments for pension and post-retirement benefits, which are determined at the end of the year.

**BWX TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

**ASSETS**

|  | June 30,<br>2018              | December 31,<br>2017 |
|--|-------------------------------|----------------------|
|  | (Unaudited)<br>(In thousands) |                      |
| <b>Current Assets:</b>                   |                               |                      |
| Cash and cash equivalents                | \$ 317,624                    | \$ 203,404           |
| Restricted cash and cash equivalents     | 5,870                         | 7,105                |
| Investments                              | 1,824                         | 2,934                |
| Accounts receivable – trade, net         | 200,889                       | 189,217              |
| Accounts receivable – other              | 14,742                        | 19,365               |
| Contracts in progress                    | 317,405                       | 420,628              |
| Other current assets                     | 32,343                        | 30,437               |
| <b>Total Current Assets</b>              | <b>890,697</b>                | <b>873,090</b>       |
| Property, Plant and Equipment            | 1,034,015                     | 1,013,141            |
| Less accumulated depreciation            | 676,813                       | 664,512              |
| <b>Net Property, Plant and Equipment</b> | <b>357,202</b>                | <b>348,629</b>       |
| Investments                              | 8,932                         | 9,301                |
| Goodwill                                 | 215,547                       | 218,331              |
| Deferred Income Taxes                    | 84,868                        | 86,740               |
| Investments in Unconsolidated Affiliates | 57,854                        | 43,266               |
| Intangible Assets                        | 103,008                       | 110,405              |
| Other Assets                             | 24,357                        | 22,577               |
| <b>TOTAL</b>                             | <b>\$ 1,742,465</b>           | <b>\$ 1,712,339</b>  |



**BWX TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

|   | June 30,<br>2018                                      | December 31,<br>2017 |
|---|---|----------------------|
|   | (Unaudited)   |                      |
|   | (In thousands, except share<br>and per share amounts) |                      |
| <b>Current Liabilities:</b>   |   |                      |
| Current maturities of long-term debt  | \$ 14,556   | \$ 27,870            |
| Accounts payable  | 88,421  | 93,421               |
| Accrued employee benefits   | 67,417  | 82,477               |
| Accrued liabilities – other   | 48,377  | 64,738               |
| Advance billings on contracts   | 77,775  | 246,192              |
| Accrued warranty expense  | 12,822  | 13,428               |
| Total Current Liabilities   | 309,368   | 528,126              |
| Long-Term Debt  | 666,200   | 481,059              |
| Accumulated Postretirement Benefit Obligation   | 20,065  | 21,368               |
| Environmental Liabilities   | 80,708  | 79,786               |
| Pension Liability   | 259,231   | 296,444              |
| Other Liabilities   | 18,576  | 19,799               |
| <b>Commitments and Contingencies</b>  |   |                      |
| <b>Stockholders' Equity:</b>  |   |                      |
| Common stock, par value \$0.01 per share, authorized 325,000,000 shares; issued 125,748,071 and 125,381,591 shares at June 30, 2018 and December 31, 2017, respectively | 1,257   | 1,254                |
| Preferred stock, par value \$0.01 per share, authorized 75,000,000 shares; No shares issued   | —   | —                    |
| Capital in excess of par value  | 108,919   | 98,843               |
| Retained earnings   | 1,097,665   | 990,652              |
| Treasury stock at cost, 26,057,475 and 25,964,088 shares at June 30, 2018 and December 31, 2017, respectively   | (820,826)   | (814,809)            |
| Accumulated other comprehensive income  | 1,248   | 9,454                |
| Stockholders' Equity – BWX Technologies, Inc.   | 388,263   | 285,394              |
| Noncontrolling interest   | 54  | 363                  |
| Total Stockholders' Equity  | 388,317   | 285,757              |
| <b>TOTAL</b>  | <b>\$ 1,742,465</b>                                   | <b>\$ 1,712,339</b>  |

**BWX TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

|   | Three Months Ended June 30,                                       |             | Six Months Ended June 30, |             |
|---|---|-------------|---------------------------|-------------|
|   | 2018  | 2017        | 2018                      | 2017        |
|   | (Unaudited)<br>(In thousands, except share and per share amounts) |             |                           |             |
| Revenues  | \$ 438,921  | \$ 410,011  | \$ 896,384                | \$ 838,240  |
| Costs and Expenses:                                   |   |             |                           |             |
| Cost of operations                                    | 318,209   | 278,356     | 645,573                   | 581,572     |
| Research and development costs                        | 4,107   | 1,152       | 7,714                     | 2,671       |
| Gains on asset disposals and impairments, net         | (237)   | (31)        | (245)                     | (31)        |
| Selling, general and administrative expenses          | 51,518  | 48,433      | 105,280                   | 99,530      |
| Total Costs and Expenses                              | 373,597   | 327,910     | 758,322                   | 683,742     |
| Equity in Income of Investees                         | 6,225   | 3,327       | 13,375                    | 7,202       |
| Operating Income                                      | 71,549  | 85,428      | 151,437                   | 161,700     |
| Other Income (Expense):                               |   |             |                           |             |
| Interest income                                       | 441   | 211         | 1,219                     | 348         |
| Interest expense                                      | (7,869)   | (3,906)     | (11,429)                  | (7,423)     |
| Other – net   | 15,106  | 6,749       | 23,016                    | 14,235      |
| Total Other Income (Expense)                          | 7,678   | 3,054       | 12,806                    | 7,160       |
| Income before Provision for Income Taxes              | 79,227  | 88,482      | 164,243                   | 168,860     |
| Provision for Income Taxes                            | 18,493  | 27,062      | 37,096                    | 51,654      |
| Net Income  | \$ 60,734   | \$ 61,420   | \$ 127,147                | \$ 117,206  |
| Net Income Attributable to Noncontrolling Interest    | (71)  | (157)       | (43)                      | (224)       |
| Net Income Attributable to BWX Technologies, Inc.     | \$ 60,663   | \$ 61,263   | \$ 127,104                | \$ 116,982  |
| Earnings per Common Share:                            |   |             |                           |             |
| Basic:  |   |             |                           |             |
| Net Income Attributable to BWX Technologies, Inc.     | \$ 0.61   | \$ 0.62     | \$ 1.28                   | \$ 1.18     |
| Diluted:  |   |             |                           |             |
| Net Income Attributable to BWX Technologies, Inc.     | \$ 0.60   | \$ 0.61     | \$ 1.26                   | \$ 1.16     |
| Shares used in the computation of earnings per share: |   |             |                           |             |
| Basic   | 99,681,580  | 99,166,205  | 99,603,884                | 99,305,558  |
| Diluted   | 100,571,737   | 100,150,926 | 100,542,014               | 100,420,948 |

**BWX TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

|  | Six Months Ended June 30,     |                   |
|--|-------------------------------|-------------------|
|  | 2018                          | 2017              |
|  | (Unaudited)<br>(In thousands) |                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                               |                   |
| Net Income   | \$ 127,147                    | \$ 117,206        |
| Non-cash items included in net income from continuing operations:                                |                               |                   |
| Depreciation and amortization  | 28,420                        | 28,199            |
| Income of investees, net of dividends  | (3,384)                       | 987               |
| Gains on asset disposals and impairments, net  | (245)                         | (31)              |
| Gain on forward contracts  | (5,997)                       | —                 |
| Recognition of debt issuance costs from Former Credit Facility                                   | 2,441                         | —                 |
| Recognition of losses for pension and postretirement plans                                       | 993                           | 892               |
| Stock-based compensation expense   | 5,755                         | 7,098             |
| Changes in assets and liabilities:   |                               |                   |
| Accounts receivable  | (10,858)                      | (154)             |
| Accounts payable   | (3,835)                       | (26,905)          |
| Contracts in progress and advance billings on contracts  | (53,902)                      | (3,869)           |
| Income taxes   | (12,302)                      | 18,477            |
| Accrued and other current liabilities  | 973                           | (39,325)          |
| Pension liability, accrued postretirement benefit obligation and employee benefits               | (57,439)                      | (43,790)          |
| Other, net   | (457)                         | 5,320             |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>17,310</b>                 | <b>64,105</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                               |                   |
| Purchases of property, plant and equipment   | (33,960)                      | (28,747)          |
| Purchases of securities  | (1,822)                       | (12,049)          |
| Sales and maturities of securities   | 2,955                         | 19,986            |
| Investments, net of return of capital, in equity method investees                                | (9,800)                       | 211               |
| Proceeds from asset disposals  | 249                           | 140               |
| Other, net   | 997                           | (24)              |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>   | <b>(41,381)</b>               | <b>(20,483)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |                               |                   |
| Borrowings of long-term debt   | 700,000                       | 73,600            |
| Repayments of long-term debt   | (509,968)                     | (87,344)          |
| Payment of debt issuance costs   | (8,197)                       | —                 |
| Dividends paid to common shareholders  | (32,063)                      | (20,139)          |
| Exercise of stock options  | 3,018                         | 14,608            |
| Cash paid for shares withheld to satisfy employee taxes  | (4,710)                       | (7,045)           |
| Other  | (352)                         | (266)             |
| <b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>                                       | <b>147,728</b>                | <b>(26,586)</b>   |
| <b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH</b>  | <b>(10,660)</b>               | <b>6,294</b>      |
| <b>TOTAL INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS</b>      | <b>112,997</b>                | <b>23,330</b>     |
| <b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b> | <b>213,144</b>                | <b>134,600</b>    |
| <b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>       | <b>\$ 326,141</b>             | <b>\$ 157,930</b> |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>  |                               |                   |
| Cash paid during the period for:   |                               |                   |
| Interest   | \$ 7,625                      | \$ 7,049          |
| Income taxes (net of refunds)  | \$ 49,848                     | \$ 33,997         |
| <b>SCHEDULE OF NON-CASH INVESTING ACTIVITY:</b>  |                               |                   |
| Accrued capital expenditures included in accounts payable  | \$ 8,775                      | \$ 3,886          |

**BWX TECHNOLOGIES, INC.**  
**BUSINESS SEGMENT INFORMATION**

|                                       | Three Months Ended June 30, |                   | Six Months Ended June 30, |                   |
|---------------------------------------|-----------------------------|-------------------|---------------------------|-------------------|
|                                       | 2018                        | 2017              | 2018                      | 2017              |
| (Unaudited)<br>(In thousands)         |                             |                   |                           |                   |
| <b>REVENUES:</b>                      |                             |                   |                           |                   |
| Nuclear Operations Group              | \$ 332,140                  | \$ 312,866        | \$ 648,771                | \$ 637,947        |
| Nuclear Services Group                | 32,596                      | 44,785            | 62,629                    | 72,639            |
| Nuclear Power Group                   | 75,697                      | 54,569            | 188,513                   | 132,243           |
| Adjustments and Eliminations          | (1,512)                     | (2,209)           | (3,529)                   | (4,589)           |
| <b>TOTAL</b>                          | <b>\$ 438,921</b>           | <b>\$ 410,011</b> | <b>\$ 896,384</b>         | <b>\$ 838,240</b> |
| <b>SEGMENT INCOME:</b>                |                             |                   |                           |                   |
| Nuclear Operations Group              | \$ 67,046                   | \$ 69,295         | \$ 134,703                | \$ 137,044        |
| Nuclear Services Group                | 3,511                       | 15,399            | 4,688                     | 15,801            |
| Nuclear Power Group                   | 7,810                       | 5,712             | 29,574                    | 18,668            |
| Other                                 | (4,357)                     | (1,070)           | (8,400)                   | (2,682)           |
| <b>SUBTOTAL</b>                       | <b>74,010</b>               | <b>89,336</b>     | <b>160,565</b>            | <b>168,831</b>    |
| Unallocated Corporate                 | (2,461)                     | (3,908)           | (9,128)                   | (7,131)           |
| <b>TOTAL</b>                          | <b>\$ 71,549</b>            | <b>\$ 85,428</b>  | <b>\$ 151,437</b>         | <b>\$ 161,700</b> |
| <b>DEPRECIATION AND AMORTIZATION:</b> |                             |                   |                           |                   |
| Nuclear Operations Group              | \$ 8,124                    | \$ 7,924          | \$ 15,902                 | \$ 15,555         |
| Nuclear Services Group                | 895                         | 936               | 1,808                     | 1,874             |
| Nuclear Power Group                   | 3,484                       | 3,419             | 7,079                     | 6,807             |
| Other                                 | —                           | —                 | —                         | —                 |
| Corporate                             | 1,856                       | 1,944             | 3,631                     | 3,963             |
| <b>TOTAL</b>                          | <b>\$ 14,359</b>            | <b>\$ 14,223</b>  | <b>\$ 28,420</b>          | <b>\$ 28,199</b>  |
| <b>CAPITAL EXPENDITURES:</b>          |                             |                   |                           |                   |
| Nuclear Operations Group              | \$ 14,615                   | \$ 12,488         | \$ 28,424                 | \$ 24,239         |
| Nuclear Services Group                | —                           | 104               | 235                       | 311               |
| Nuclear Power Group                   | 763                         | 1,148             | 1,722                     | 2,188             |
| Other                                 | 542                         | —                 | 1,054                     | —                 |
| Corporate                             | 406                         | 1,294             | 2,525                     | 2,009             |
| <b>TOTAL</b>                          | <b>\$ 16,326</b>            | <b>\$ 15,034</b>  | <b>\$ 33,960</b>          | <b>\$ 28,747</b>  |

**BWX TECHNOLOGIES, INC.**  
**BUSINESS SEGMENT INFORMATION**

|                               | Three Months Ended June 30, |                     | Six Months Ended June 30, |                     |
|-------------------------------|-----------------------------|---------------------|---------------------------|---------------------|
|                               | 2018                        | 2017                | 2018                      | 2017                |
| (Unaudited)<br>(In thousands) |                             |                     |                           |                     |
| <b>BACKLOG:</b>               |                             |                     |                           |                     |
| Nuclear Operations Group      | \$ 2,686,050                | \$ 3,262,169        | \$ 2,686,050              | \$ 3,262,169        |
| Nuclear Services Group        | 43,518                      | 20,980              | 43,518                    | 20,980              |
| Nuclear Power Group           | 883,049                     | 480,534             | 883,049                   | 480,534             |
| <b>TOTAL</b>                  | <b>\$ 3,612,617</b>         | <b>\$ 3,763,683</b> | <b>\$ 3,612,617</b>       | <b>\$ 3,763,683</b> |
| <b>BOOKINGS:</b>              |                             |                     |                           |                     |
| Nuclear Operations Group      | \$ 14,860                   | \$ 169,734          | \$ 74,936                 | \$ 414,499          |
| Nuclear Services Group        | 47,572                      | 28,241              | 75,323                    | 65,291              |
| Nuclear Power Group           | 408,377                     | 56,654              | 445,285                   | 139,352             |
| <b>TOTAL</b>                  | <b>\$ 470,809</b>           | <b>\$ 254,629</b>   | <b>\$ 595,544</b>         | <b>\$ 619,142</b>   |