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# Investor Briefing Reconciliation of non-GAAP financial measures and Regulation G disclosures



Reported November 7, 2022

# Regulation G Disclosures and non-GAAP definitions



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.

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

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

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

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

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

# 3Q 2022 and 3Q 2021 non-GAAP reconciliations



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

(In millions, except per share amounts)

Three Months Ended September 30, 2022

	GAAP	Restructuring Costs	Acquisition Related Costs	Non-GAAP
Operating Income	\$ 79.9	\$ 1.2	\$ 0.5	\$ 81.5
Other Income (Expense)	2.1	—	—	2.1
Provision for Income Taxes	(20.2)	(0.2)	(0.1)	(20.5)
Net Income	61.8	1.0	0.4	63.2
Net Income Attributable to Noncontrolling Interest	(0.2)	—	—	(0.2)
Net Income Attributable to BWXT	\$ 61.6	\$ 1.0	\$ 0.4	\$ 63.0
Diluted Shares Outstanding	91.7			91.7
Diluted Earnings per Common Share	\$ 0.67	\$ 0.01	\$ 0.00	\$ 0.69
Effective Tax Rate	24.6%			24.5%
Government Operations Operating Income	\$ 77.7	\$ —	\$ 0.5	\$ 78.2
Commercial Operations Operating Income	\$ 6.8	\$ —	\$ —	\$ 6.8
Unallocated Corporate Operating Income	\$ (4.7)	\$ 1.2	\$ —	\$ (3.5)

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

(In millions)

Three Months Ended September 30, 2022

	GAAP	Restructuring Costs	Acquisition Related Costs	Non-GAAP
Net Income	\$ 61.8	\$ 1.0	\$ 0.4	\$ 63.2
Provision for Income Taxes	20.2	0.2	0.1	20.5
Other - net	(11.5)	—	—	(11.5)
Interest Income	(0.3)	—	—	(0.3)
Interest Expense	9.6	—	—	9.6
Depreciation & Amortization	18.6	—	—	18.6
Adjusted EBITDA	\$ 98.5	\$ 1.2	\$ 0.5	\$ 100.1

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

(In millions)

Three Months Ended September 30, 2022

Net Cash Provided By Operating Activities	\$ 65.0
Purchases of Property, Plant and Equipment	(39.6)
Free Cash Flow	\$ 25.4

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

(In millions, except per share amounts)

Three Months Ended September 30, 2021

	GAAP	Restructuring Costs	Cost associated with early bond redemption	Non-GAAP
Operating Income	\$ 87.5	\$ 0.8	\$ —	\$ 88.2
Other Income (Expense)	(9.7)	—	15.0	5.3
Provision for Income Taxes	(17.6)	(0.2)	(3.5)	(21.3)
Net Income	60.2	0.6	11.5	72.2
Net Income Attributable to Noncontrolling Interest	(0.2)	—	—	(0.2)
Net Income Attributable to BWXT	\$ 59.9	\$ 0.6	\$ 11.5	\$ 72.0
Diluted Shares Outstanding	94.5			94.5
Diluted Earnings per Common Share	\$ 0.63	\$ 0.01	\$ 0.12	\$ 0.76
Effective Tax Rate	22.6%			22.8%
Government Operations Operating Income	\$ 87.5	\$ 0.2	\$ —	\$ 87.7
Commercial Operations Operating Income	\$ 4.9	\$ 0.3	\$ —	\$ 5.2
Unallocated Corporate Operating Income	\$ (5.0)	\$ 0.3	\$ —	\$ (4.7)

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

(In millions)

Three Months Ended September 30, 2021

	GAAP	Restructuring Costs	Costs associated with early bond redemption	Non-GAAP
Net Income	\$ 60.2	\$ 0.6	\$ 11.5	\$ 72.2
Provision for Income Taxes	17.6	0.2	3.5	21.3
Other - net	(1.6)	—	(10.8)	(12.4)
Interest Income	(0.2)	—	—	(0.2)
Interest Expense	11.5	—	(4.2)	7.3
Depreciation & Amortization	17.5	—	—	17.5
Adjusted EBITDA	\$ 105.0	\$ 0.8	\$ —	\$ 105.7

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

(In millions)

Three Months Ended September 30, 2021

Net Cash Provided By Operating Activities	\$ 67.3
Purchases of Property, Plant and Equipment	(66.5)
Free Cash Flow	\$ 0.8

# Full year 2021 non-GAAP reconciliations



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

Year Ended December 31, 2021

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

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

Year Ended December 31, 2021

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

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

Year Ended December 31, 2021

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

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

# Full year 2020 non-GAAP reconciliations



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

Year Ended December 31, 2020

	GAAP	Pension & OPEB MTM (Gain) / Loss	Restructuring Costs	Costs Associated with Sale of Business	Debt Issuance Costs	One-time Franchise Tax Audit Expense	Non-GAAP
Operating Income	\$ 358.6	\$ —	\$ 2.3	\$ 2.9	\$ —	\$ 2.6	\$ 366.3
Other Income (Expense)	3.6	6.4	—	—	0.5	—	10.5
Provision for Income Taxes	(83.0)	(1.6)	(0.6)	(0.7)	(0.1)	(0.6)	(86.5)
Net Income	279.2	4.8	1.7	2.2	0.4	2.0	290.3
Net Income Attributable to Noncontrolling Interest	(0.5)	—	—	—	—	—	(0.5)
Net Income Attributable to BWXT	\$ 278.7	\$ 4.8	\$ 1.7	\$ 2.2	\$ 0.4	\$ 2.0	\$ 289.8
Diluted Shares Outstanding	95.7						95.7
Diluted Earnings per Common Share	\$ 2.91	\$ 0.05	\$ 0.02	\$ 0.02	\$ 0.00	\$ 0.02	\$ 3.03
Effective Tax Rate	22.9%						23.0%
Government Operations Operating Income	\$ 345.3			\$ 1.0			\$ 346.2
Commercial Operations Operating Income	\$ 36.9		\$ 2.3				\$ 39.2
Unallocated Corporate Operating Income	\$ (23.6)			\$ 1.9		\$ 2.6	\$ (19.0)

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

Year Ended December 31, 2020

	GAAP	Pension & OPEB MTM (Gain) / Loss	Restructuring Costs	Costs Associated with Sale of Business	Debt Issuance Costs	One-time Franchise Tax Audit Expense	Non-GAAP
Net Income	\$ 279.2	\$ 4.8	\$ 1.7	\$ 2.2	\$ 0.4	\$ 2.0	\$ 290.3
Provision for Income Taxes	83.0	1.6	0.6	0.7	0.1	0.6	86.5
Other - net	(34.1)	(6.4)	—	—	—	—	(40.5)
Interest Income	(0.5)	—	—	—	—	—	(0.5)
Interest Expense	31.0	—	—	—	(0.5)	—	30.5
Depreciation & Amortization	60.7	—	—	—	—	—	60.7
Adjusted EBITDA	\$ 419.2	\$ —	\$ 2.3	\$ 2.9	\$ —	\$ 2.6	\$ 427.0

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

Year Ended December 31, 2020

	Operating Income (GAAP)	Non-GAAP Adjustments <sup>(4)</sup>	Depreciation & Amortization	Adjusted EBITDA
Government Operations	\$ 345.3	\$ 1.0	\$ 35.4	\$ 381.6
Commercial Operations	\$ 36.9	\$ 2.3	\$ 18.4	\$ 57.6

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