



First-Quarter 2024 Earnings Call Presentation



Reported May 6, 2024

Forward-Looking Statements Disclaimer



BWX Technologies, Inc. (“BWXT”) cautions that statements in this presentation that are forward-looking and provide other than historical information involve risks and uncertainties that may impact actual results and any future performance suggested in the forward-looking statements. The forward-looking statements in this presentation include, but are not limited to, statements relating to our 2023 and future strategic priorities, including U.S. Navy procurement, microreactors, advanced nuclear fuels, medical radioisotope industrialization, small modular reactor components, recent acquisitions and organic growth opportunities; statements related to backlog, to the extent they may be viewed as an indicator of future revenues; the expected U.S. Navy long-term procurement schedules and forecasts; estimated pension costs; expected future capital expenditure levels; the expected Canadian nuclear power forecast for services, refurbishment timelines and opportunities; disruptions to our supply chain and/or operations, changes in government regulations and other factors; our outlook, priorities and growth opportunities in our businesses; and guidance for 2024 and beyond. These forward-looking statements are based on current management expectations and involve a number of risks and uncertainties, including, among other things, federal budget uncertainty, the risk of future budget cuts, the impact of continuing resolution funding mechanisms and the debt ceiling, the potential for government shutdowns and changing funding and acquisition priorities; our ability to win new project awards; the receipt and/or timing of government approvals; capital spending of power generating utilities; the timing of technology development, regulatory approvals and automation of production; the potential recurrence or subsequent waves or strains of COVID-19 or similar diseases; the actions to contain the impact of such diseases and potential employee unrest; adverse changes in the industries in which we operate; labor market challenges, including employee retention and recruitment; termination, delays and other difficulties executing on contracts in backlog and adverse changes in the demand for or competitiveness of nuclear products and services. If one or more of these or other risks materialize, actual results may vary materially from those expressed. For a more complete discussion of these and other risks, please see BWXT’s filings with the Securities and Exchange Commission, including our most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. BWXT cautions not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation, and undertakes no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

First Quarter 2024 and Outlook Highlights



- **1Q24 Y/Y financial performance**
 - Revenue **up 6%**, driven by solid organic revenue growth in Government Operations and Commercial Operations
 - Adjusted EBITDA⁽¹⁾ **up 4%**, driven by CO margin expansion, including improved medical EBITDA contribution, but slightly lower GO margins as solid underlying performance was offset by program mix and onboarding inefficiencies
 - Free Cash Flow⁽¹⁾ of \$3M, **better than historical seasonal trends**, driven by good working capital management
- **1Q24 Financial and Operational Highlights**
 - **Government Operations**
 - Revenue growth driven by microreactors and special materials; better efficiency at key sites offset by program mix
 - BWXT-led JV awarded 10-year Hanford Integrated Tank Disposition Contract
 - Key programs received good support in FY24 appropriations; ongoing negotiations for next multi-year pricing agreement
 - **Commercial Operations**
 - Robust double-digit Medical revenue growth with improving EBITDA contribution, driven largely by base diagnostics portfolio
 - OPG announced long-term life extensions at its Pickering site; continued interest in advanced reactor projects
- **Reaffirming 2024 Non-GAAP EPS⁽¹⁾ guidance of \$3.05-\$3.20**
 - Mid-single-digit revenue growth to **>\$2.6B**: Growth in both segments, led by Commercial
 - Mid-single-digit adjusted EBITDA⁽¹⁾ growth to **~\$500M**: Higher Commercial margin offset by slightly lower Government margin
 - 2024 Free Cash Flow⁽¹⁾ of **\$225M-\$250M**: Higher operating cash flow, with flat to slightly lower capital expenditures

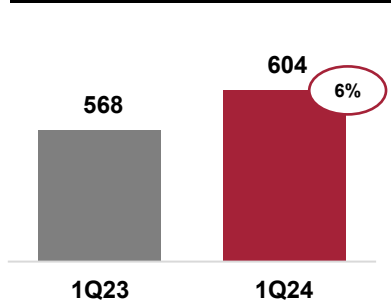
(1) Non-GAAP figures exclude any mark-to-market adjustment for pension and postretirement benefits recognized and other one-time items. A reconciliation of GAAP to adjusted, non-GAAP measures can be found in the Appendix section of this presentation.

1Q24 financial summary

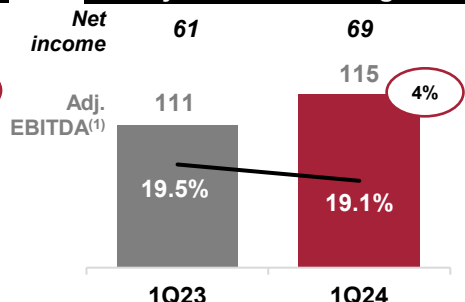


(\$million, except per share amounts)

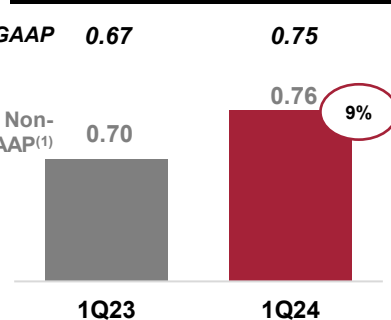
Revenue



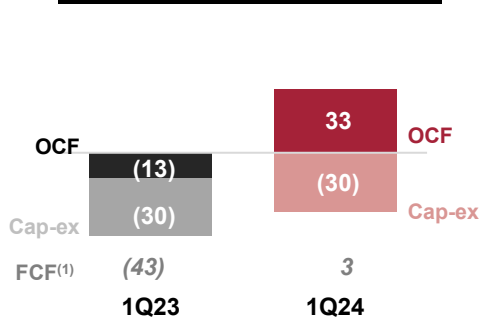
Net income & adj. EBITDA⁽¹⁾ / margin



EPS



OCF / FCF⁽¹⁾



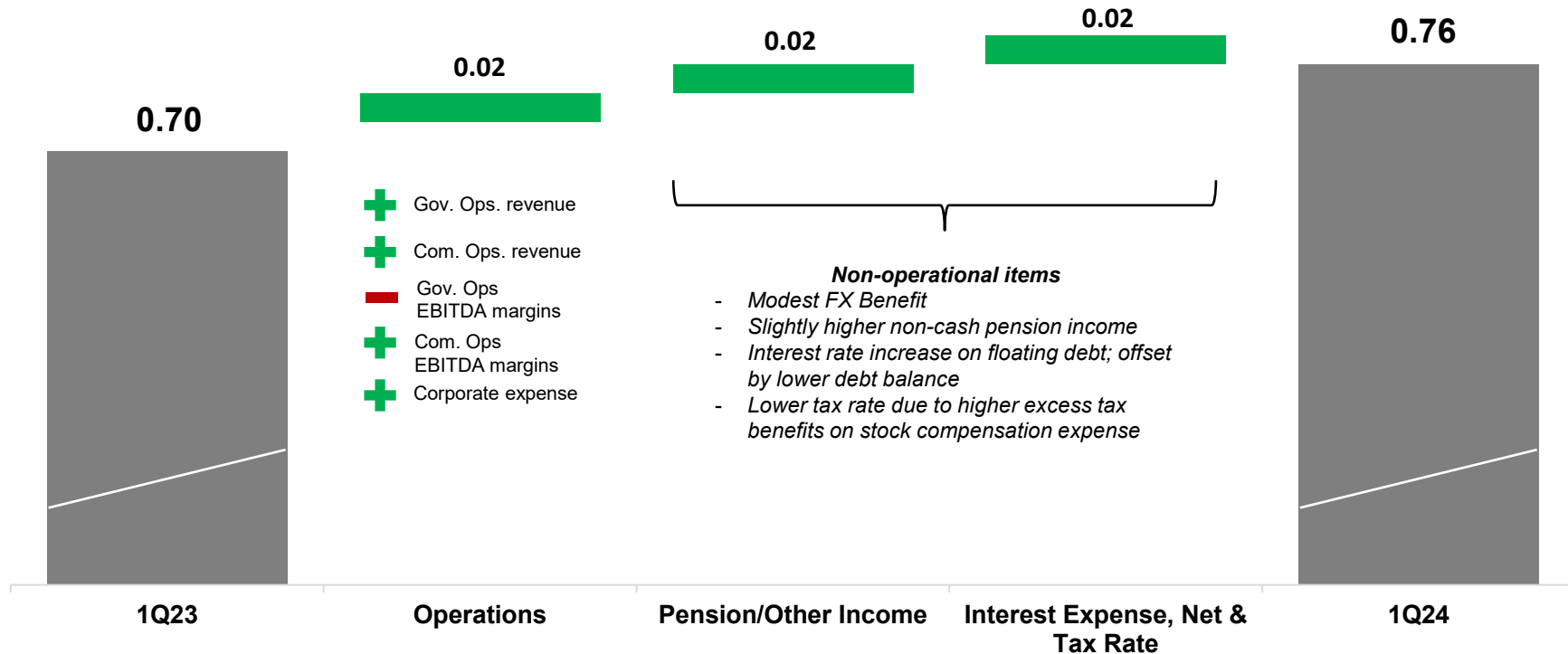
- 1Q24 revenue up 6% from higher revenue in Government Operations and Commercial Operations
- 1Q24 adj. EBITDA⁽¹⁾ up 4% from higher revenue, higher Commercial margin, driven by Medical, and lower corporate costs, which was partially offset by Government program mix
- 1Q24 non-GAAP⁽¹⁾ EPS up 9% driven by higher operating income and pension income, as well as lower interest expense and tax rate
- 1Q24 OCF increased driven by stronger working capital performance. 1Q24 FCF⁽¹⁾ was \$3M, a \$46M year-over-year improvement
 - Capital expenditures up modestly due to timing of select growth investments

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

1Q23 to 1Q24 non-GAAP⁽¹⁾ EPS bridge



(\$ per diluted share)



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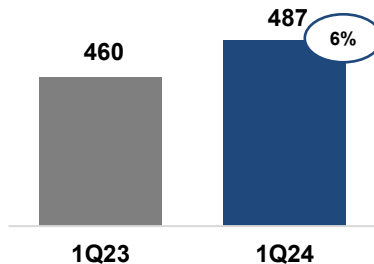
1Q24 segment summary



Government Operations

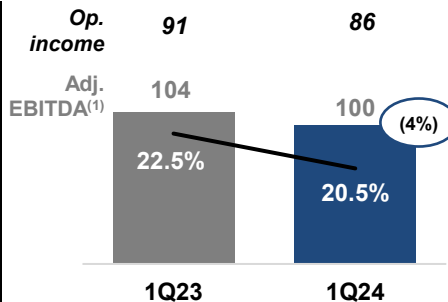
(\$million)

Revenue



1Q24 revenue up 6% from higher volume of naval nuclear component manufacturing, microreactor activities, and uranium processing

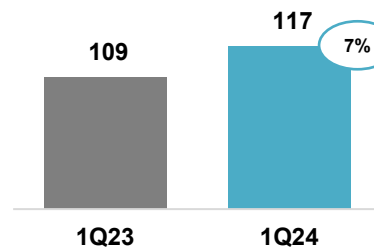
Operating income & Adj. EBITDA⁽¹⁾ / margin



1Q24 adj. EBITDA⁽¹⁾ down 4% as higher revenue offset by less favorable program mix and onboarding inefficiencies

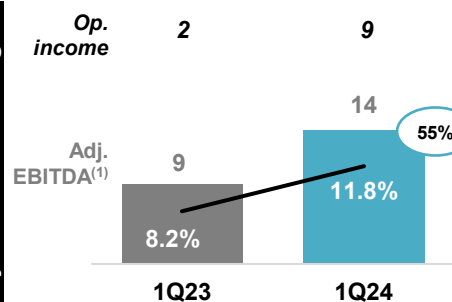
Commercial Operations

Revenue



1Q24 revenue up 7% from higher commercial nuclear field services, and higher BWXT Medical sales, partially offset by lower fuel handling and components volume

Operating income & Adj. EBITDA⁽¹⁾ / margin



1Q24 adj. EBITDA⁽¹⁾ up 55% driven by higher revenue and better margin in BWXT Medical, partially offset by a less favorable commercial nuclear product mix

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BWXT consolidated guidance

Revenue

>\$2.6B

Up mid-single digits

Adj. EBITDA⁽¹⁾

~\$500M

*up mid-single digits
~19% EBITDA margin*

Non-GAAP EPS⁽¹⁾

\$3.05 - \$3.20

Free Cash Flow⁽¹⁾

\$225M-\$250M

significant inflection up

Other information (vs. 2023)

- **Revenue**
 - Government Operations: up mid single digits
 - Commercial Operations: up high-single to low-double digits
- **Adj. EBITDA⁽¹⁾**
 - Government Operations Margin: slightly lower
 - Commercial Operations Margin: higher
 - Corporate expense: flat to slightly lower
- **Adj. Pre-tax Income⁽¹⁾**
 - Slightly lower other income
 - Modest improvement; lower debt offset by potentially higher rates
 - ~\$10M D&A step-up driven mostly by GO
- **Non-GAAP EPS⁽¹⁾**
 - Tax rate: ~23.5%
 - Share repurchase to offset dilution: ~flat
- **Free Cash Flow⁽¹⁾**
 - OCF higher, following strong 2023
 - Cap-Ex: flat to slightly lower

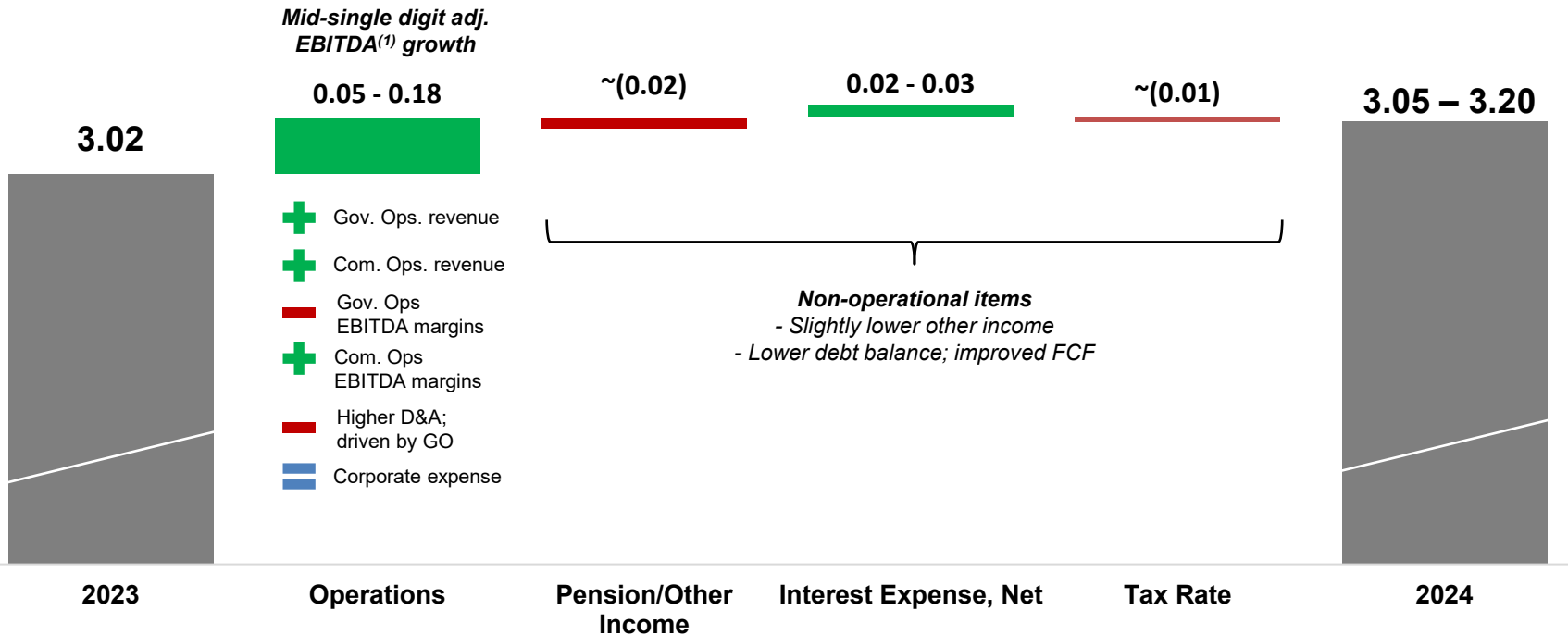
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(2) BWXT has not included a reconciliation of provided non-GAAP guidance to the comparable GAAP measures due to the difficulty of estimating any mark-to-market adjustments for pension and post-retirement benefits, which are determined at the end of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

2023 to 2024 non-GAAP^(1,2) EPS bridge



(\$ per diluted share)



(1) Non-GAAP figures exclude any mark-to-market adjustment for pension and postretirement benefits recognized and other one-time items. A reconciliation of GAAP to adjusted, non-GAAP measures can be found in the Appendix section of this presentation. Items may not foot due to rounding.

(2) 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.



Appendix

Non-GAAP reconciliations





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

Non-GAAP Earnings Per Share (EPS) = GAAP EPS less the non-operational tax effected per share impact of pension & OPEB mark-to-market gains or losses and other one-time items, such as restructuring, transformation, and acquisition-related costs.

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

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

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

1Q 2024 non-GAAP reconciliations



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

(In millions, except per share amounts)

Three Months Ended March 31, 2024

	GAAP	Restructuring & Transformation Costs	Acquisition-related Costs	Non-GAAP
Operating Income	\$ 93.0	\$ 1.6	\$ 0.1	\$ 94.6
Other Income (Expense)	(4.6)	—	—	(4.6)
Income Before Provision for Income Taxes	88.4	1.6	0.1	90.0
Provision for Income Taxes	(19.8)	(0.4)	(0.0)	(20.2)
Net Income	68.5	1.2	0.0	69.8
Net Income Attributable to Noncontrolling Interest	(0.1)	—	—	(0.1)
Net Income Attributable to BWXT	\$ 68.5	\$ 1.2	\$ 0.0	\$ 69.7
Diluted Shares Outstanding	91.9			91.9
Diluted Earnings per Common Share	\$ 0.75	\$ 0.01	\$ 0.00	\$ 0.76
Effective Tax Rate	22.5%			22.5%
Government Operations Operating Income	\$ 85.7	\$ —	\$ —	\$ 85.7
Commercial Operations Operating Income	\$ 8.6	\$ 0.9	\$ —	\$ 9.4
Unallocated Corporate Operating Income	\$ (1.3)	\$ 0.7	\$ 0.1	\$ (0.5)

RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA⁽¹⁾⁽²⁾⁽³⁾

(In millions)

Three Months Ended March 31, 2024

	GAAP	Restructuring & Transformation Costs	Acquisition-related Costs	Non-GAAP
Net Income	\$ 68.5	\$ 1.2	\$ 0.0	\$ 69.8
Provision for Income Taxes	19.8	0.4	0.0	20.2
Other – net	(4.2)	—	—	(4.2)
Interest Expense	9.6	—	—	9.6
Interest Income	(0.8)	—	—	(0.8)
Depreciation & Amortization	20.6	—	—	20.6
Adjusted EBITDA	\$ 113.5	\$ 1.6	\$ 0.1	\$ 115.2

RECONCILIATION OF REPORTING SEGMENT ADJUSTED EBITDA⁽¹⁾⁽²⁾⁽³⁾

(In millions)

Three Months Ended March 31, 2024

	Operating Income (GAAP)	Non-GAAP Adjustments ⁽⁴⁾	Depreciation & Amortization	Adjusted EBITDA
Government Operations	\$ 85.7	\$ —	\$ 14.2	\$ 99.9
Commercial Operations	\$ 8.6	\$ 0.9	\$ 4.4	\$ 13.9

RECONCILIATION OF CONSOLIDATED FREE CASH FLOW⁽¹⁾⁽²⁾⁽³⁾

(In millions)

Three Months Ended March 31, 2024

Net Cash Provided By Operating Activities	\$ 33.0
Purchases of Property, Plant and Equipment	(30.4)
Free Cash Flow	\$ 2.6

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

1Q 2023 non-GAAP reconciliations



BWXT TECHNOLOGIES, INC.

RECONCILIATION OF NON-GAAP OPERATING INCOME AND EARNINGS PER SHARE⁽¹⁾⁽²⁾⁽³⁾

(In millions, except per share amounts)

Three Months Ended March 31, 2023

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

RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA⁽¹⁾⁽²⁾⁽³⁾

(In millions)

Three Months Ended March 31, 2023

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

RECONCILIATION OF REPORTING SEGMENT ADJUSTED EBITDA⁽¹⁾⁽²⁾⁽³⁾

(In millions)

Three Months Ended March 31, 2023

	Operating Income (GAAP)	Non-GAAP Adjustments ⁽⁴⁾	Depreciation & Amortization	Adjusted EBITDA
Government Operations	\$ 90.6	\$ 0.3	\$ 12.8	\$ 103.6
Commercial Operations	\$ 1.5	\$ 3.1	\$ 4.4	\$ 8.9

RECONCILIATION OF CONSOLIDATED FREE CASH FLOW⁽¹⁾⁽²⁾⁽³⁾

(In millions)

Three Months Ended March 31, 2023

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

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