



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



Reported August 8, 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

2Q 2022 and 2Q 2021 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 June 30, 2022

	GAAP		Restructuring Costs		Acquisition Related Costs		Non-GAAP	
Operating Income	\$	95.2	\$	0.3	\$	0.6	\$	96.1
Other Income (Expense)		2.9		—		—		2.9
Provision for Income Taxes		(23.4)		(0.1)		(0.0)		(23.5)
Net Income		74.7		0.2		0.6		75.5
Net Income Attributable to Noncontrolling Interest		(0.1)		—		—		(0.1)
Net Income Attributable to BWXT	\$	74.6	\$	0.2	\$	0.6	\$	75.4
Diluted Shares Outstanding		91.5						91.5
Diluted Earnings per Common Share	\$	0.82	\$	0.00	\$	0.01	\$	0.82
Effective Tax Rate		23.9%						23.7%
Government Operations Operating Income	\$	83.8	\$	—	\$	—	\$	83.8
Commercial Operations Operating Income	\$	12.9	\$	0.3	\$	—	\$	13.1
Unallocated Corporate Operating Income	\$	(1.4)	\$	0.0	\$	0.6	\$	(0.8)

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

Three Months Ended June 30, 2022

	GAAP		Restructuring Costs		Acquisition Related Costs		Non-GAAP	
Net Income	\$	74.7	\$	0.2	\$	0.6	\$	75.5
Provision for Income Taxes		23.4		0.1		0.0		23.5
Other - net		(11.1)		—		—		(11.1)
Interest Income		(0.1)		—		—		(0.1)
Interest Expense		8.3		—		—		8.3
Depreciation & Amortization		18.6		—		—		18.6
Adjusted EBITDA	\$	113.8	\$	0.3	\$	0.6	\$	114.7

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

Three Months Ended June 30, 2021

	GAAP	
Net Income	\$	59.4
Provision for Income Taxes		19.5
Other - net		(15.3)
Interest Income		(0.1)
Interest Expense		10.2
Depreciation & Amortization		17.1
Adjusted EBITDA	\$	90.8

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- (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 2021 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)

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⁽¹⁾⁽²⁾⁽³⁾ (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⁽¹⁾⁽²⁾⁽³⁾ (In millions)

Year Ended December 31, 2021

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

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- (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⁽¹⁾⁽²⁾⁽³⁾ (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⁽¹⁾⁽²⁾⁽³⁾ (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⁽¹⁾⁽²⁾⁽³⁾ (In millions)

Year Ended December 31, 2020

	Operating Income (GAAP)	Non-GAAP Adjustments ⁽⁴⁾	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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