



First-Quarter 2023 Earnings Call Presentation



Reported May 8, 2023

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 plans and expectations for each of our reportable segments, including the expectations, timing and revenue of our strategic initiatives, including U.S. Navy procurement, microreactors, advanced nuclear fuels, medical radioisotope industrialization, small modular reactor components, recent acquisitions and organic growth opportunities; bookings and 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, including any such impacts of, or actions in response to the COVID-19 health crisis; our outlook, priorities, growth opportunities in our businesses; and guidance for 2023 and beyond. These forward-looking statements are based on current management expectations and involve a number of risks and uncertainties, including, among other things, the availability of federal appropriations to government programs in which we participate; our ability to win new project awards; the receipt and/or timing of government approvals; capital priorities of power generating utilities and other customers; the timing of technology development; the extent to which the COVID-19 health crisis impacts our businesses; 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.



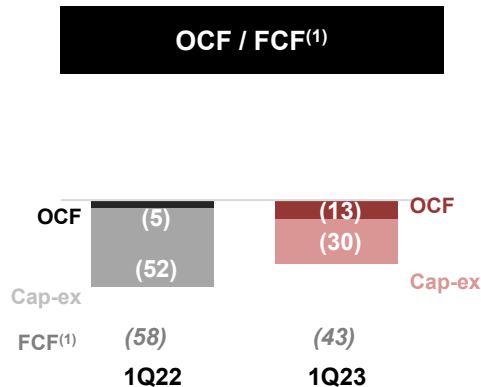
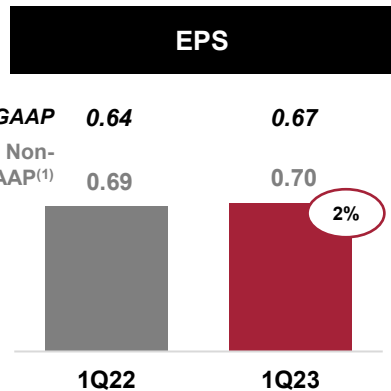
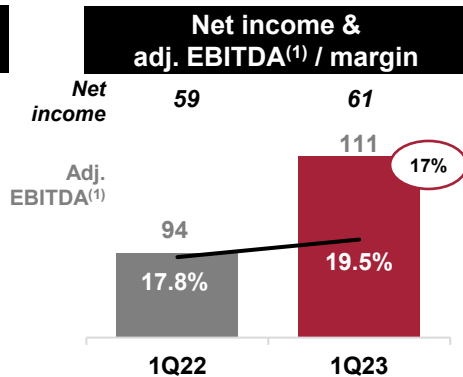
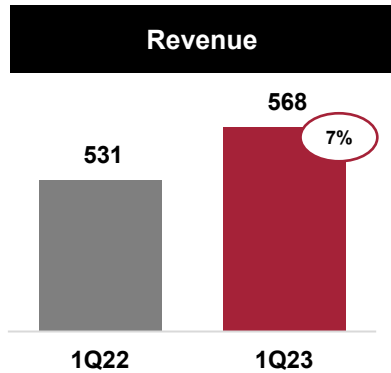
- **1Q23 financial performance**
 - Revenue **up 7%**, adjusted EBITDA⁽¹⁾ **up 17%**, non-GAAP EPS⁽¹⁾ **up 2%**
 - Strong revenue growth and operational performance, offset macro headwinds including hiring challenges, lower pension income and higher interest expense... **resulting in non-GAAP EPS⁽¹⁾ growth**
- **2023 opportunities and recent announcements: *Nuclear playing a major role for Government and Commercial Clients***
 - **Global Security:** 2-year multi-year pricing agreement, Uranium conversion and purification phase II, AUKUS trilateral security agreement ✓
 - **Environmental Restoration:** Hanford Tanks Remediation, the largest services contract in BWXT portfolio ✓
 - **Advanced Technologies:** DARPA DRACO contract for space nuclear propulsion demonstration
 - **Clean Energy:** Follow on fuel contracts at Darlington and Pickering, incremental component orders, new small modular reactor (SMR) scope ✓
 - **Medical:** Tc-99m generator FDA approval, product portfolio expansion further into therapeutics
- **Reaffirmed 2023 Guidance: *Continue to drive top-line gains, accelerate adjusted EBITDA⁽¹⁾ growth and inflect FCF⁽¹⁾***
 - Revenue: ~\$2.4B
 - Adjusted EBITDA⁽¹⁾: ~\$475M
 - Adjusted Pre-tax Income⁽¹⁾: ~\$350M
 - Non-GAAP⁽¹⁾ EPS: \$2.80 to \$3.00
 - Free Cash Flow⁽¹⁾: ~\$200M

(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 items can be found in the Appendix section of this presentation.

1Q23 financial summary



(\$million, except per share amounts)



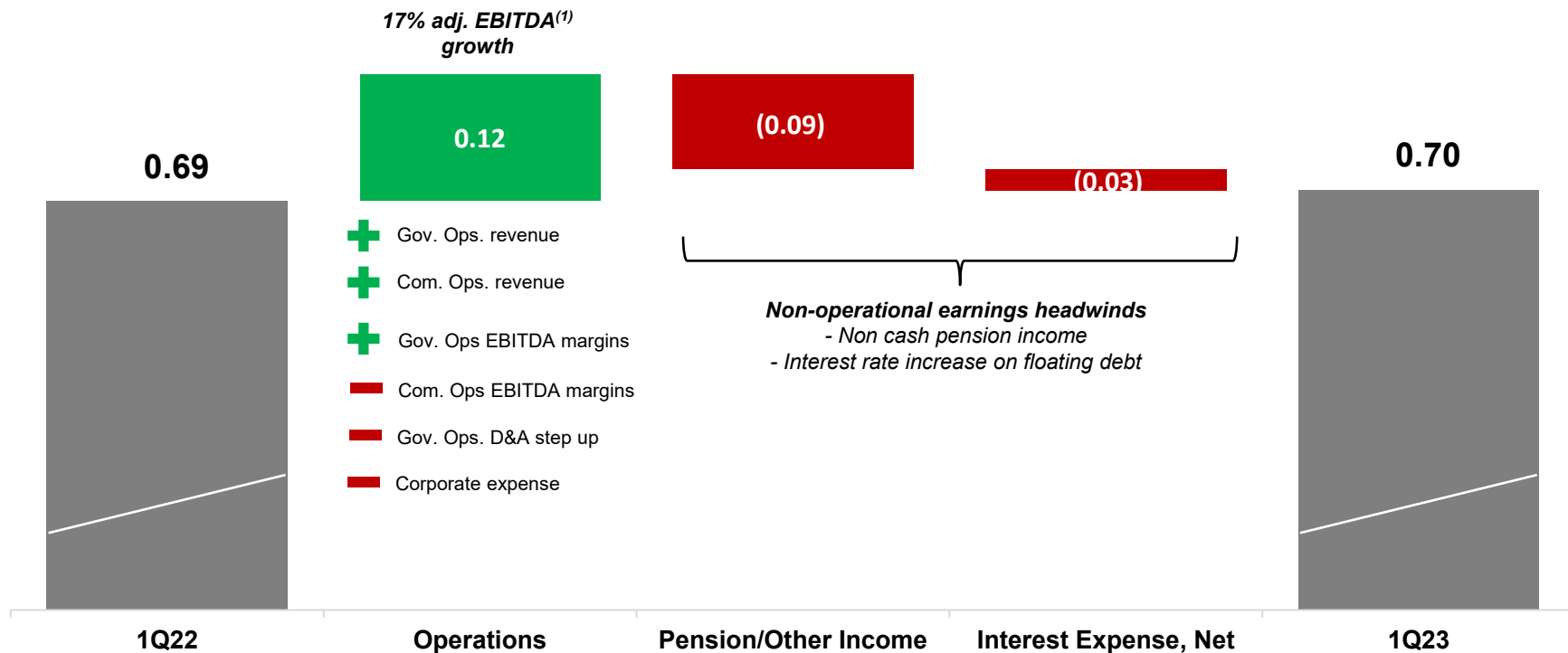
- 1Q23 revenue up 7% from higher revenue in Government Operations and Commercial Operations
- 1Q23 adj. EBITDA⁽¹⁾ up 17% from higher revenue and better margins in Government Operations, partially offset by lower Commercial Operations margin, mainly due to revenue mix in the quarter
- 1Q23 non-GAAP⁽¹⁾ EPS up 2% as operating income growth was partially offset by non-operational items including lower pension income and higher interest expense
- 1Q23 OCF was a use of \$13M primarily due to increased working capital, inline with seasonal patterns. 1Q23 FCF⁽¹⁾ was (\$43M), a \$15M year-over-year improvement, as slightly lower OCF was offset by lower capital expenditures
 - Capital expenditures down Y/Y driven by timing of two major capital campaigns nearing completion, partially offset by increases in other growth capital

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

1Q22 to 1Q23 non-GAAP⁽¹⁾ 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 items can be found in the Appendix section of this presentation.

(2) Items may not foot due to rounding.

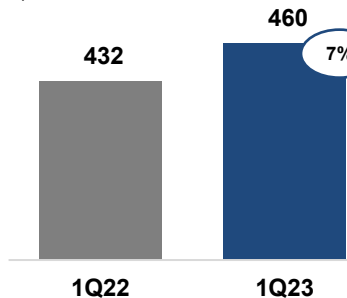
1Q23 segment summary



Government Operations

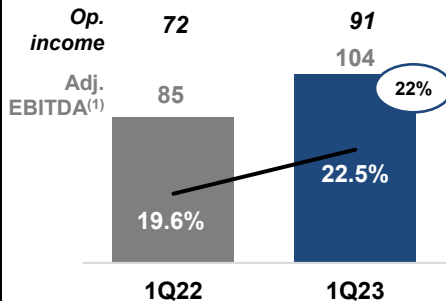
(\$million)

Revenue



1Q23 revenue up 7% from higher volume of naval nuclear component manufacturing, microreactor design activities, the DCL/Cunico acquisition, and uranium processing, partially offset by long-lead material procurement

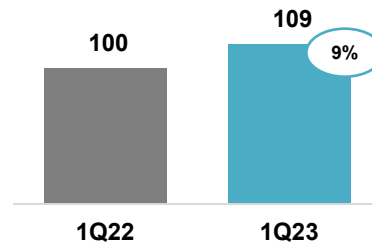
Operating income & Adj. EBITDA⁽¹⁾ / margin



1Q23 adj. EBITDA⁽¹⁾ up 22% from higher revenue, favorable mix, and higher income from joint venture services, partially offset from labor challenges including decreased efficiencies that led to fewer favorable contract adjustments

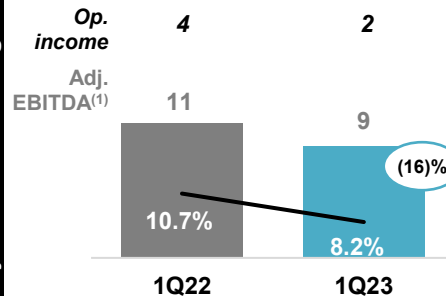
Commercial Operations

Revenue



1Q23 revenue up 9% from higher commercial nuclear power component manufacturing and field services, and higher BWXT Medical sales

Operating income & Adj. EBITDA⁽¹⁾ / margin




1Q23 adj. EBITDA⁽¹⁾ down 16% from a less favorable business mix that was skewed towards commercial nuclear refurbishment projects

(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 items can be found in the Appendix section of this presentation.



BWXT consolidated guidance

Revenue

~\$2.4B
 up mid-to-high-single digits


Adj. EBITDA⁽¹⁾

~\$475M
 up high-single digits
 ~20% EBITDA margin

Adj. Pre-tax Income⁽¹⁾



~\$350M
 down from pension, interest
 and D&A headwinds

Non-GAAP EPS⁽¹⁾

\$2.80 - \$3.00
 down ~11% - ~4%

Free Cash Flow⁽¹⁾

~\$200M
 significant inflection up

  = change versus prior year

(1) Adjusted Pre-tax income and Non-GAAP EPS exclude any mark-to-market adjustment for pension and postretirement benefits recognized and other one-time items, which are not known at the time guidance is provided. A reconciliation of GAAP to adjusted, non-GAAP items can be found in the Appendix section of this presentation.

Guidance assumptions

- Modest labor progress including hiring/attrition
- Interest rates at current levels
- Continued minimal supply chain disruptions
- Equitable adjustment to certain contracts

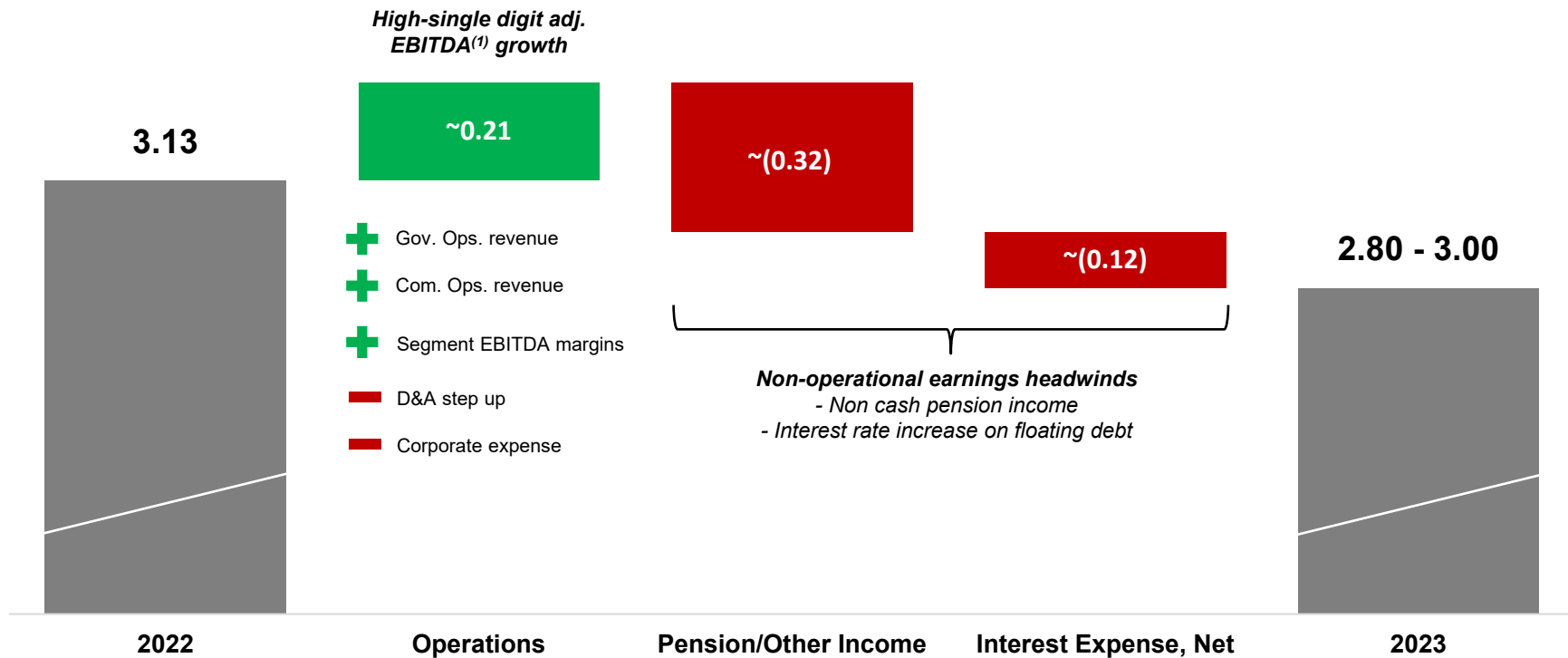
Other information (vs. 2022)

- **Revenue**
 - Government Operations: up mid-to-high single digit
 - Commercial Operations: up low-to-mid single digit
- **Adj. EBITDA⁽¹⁾**
 - Modest margin expansion
 - Corporate expense higher, similar to historical average
- **Adj. Pre-tax Income⁽¹⁾**
 - ~\$40M non-cash pension headwind
 - ~\$15M interest expense headwind (driven by rate increases)
 - ~\$10M D&A step-up
- **Non-GAAP EPS⁽¹⁾**
 - Consistent effective tax rate
 - Share repurchase to offset dilution: ~flat
- **Free Cash Flow⁽¹⁾**
 - OCF normalized for 2022 headwinds, growth in-line with EBITDA
 - Cap-Ex: material step-down: Maintenance + Pele + small potential growth capital

2022 to 2023 non-GAAP⁽¹⁾ 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 items can be found in the Appendix section of this presentation.



Appendix

Pension summary and non-GAAP reconciliations

Pension summary



<i>(\$millions)</i>	2018	2019	2020	2021	2022	2023E
Benefit obligation at end of period	1,186	1,309	1,414	1,308	927	
Fair value of plan assets at end of period	1,024	1,150	1,281	1,257	876	
Funded status over (under)	(162)	(158)	(133)	(51)	(51)	
% Funded	86%	88%	91%	96%	94%	
Pension funding (company contributions)	158	4	5	6	14	~5
Reported in other income						
Net periodic benefit cost (income)	6	(11)	(30)	(86)	3	
Recognized net actuarial Mark-To-Market (MTM) loss	37	9	7	(35)	52	
Net periodic benefit cost (income) excl. MTM loss	(31)	(21)	(37)	(52)	(49)	~(10)
Reported in operating income						
Recoverable CAS ⁽¹⁾ costs	44	47	44	29	12	
FAS ⁽²⁾ service cost	10	9	11	12	11	
Total FAS⁽²⁾/CAS⁽¹⁾ differential	34	38	33	17	1	~5

1) CAS – Cost accounting standards in accordance with the Federal Acquisition Regulation and the related U.S. Government Cost Accounting Standards – used as basis for recovery of costs on government contracts

2) FAS – Financial accounting standards in accordance with GAAP and the way we report our financial results



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*

1Q 2023 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, 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, 2022

	Operating Income (GAAP)	Non-GAAP Adjustments ⁽⁴⁾	Depreciation & Amortization	Adjusted EBITDA
Government Operations	\$ 72.2	\$ 1.2	\$ 11.2	\$ 84.7
Commercial Operations	\$ 4.0	\$ 1.9	\$ 4.8	\$ 10.7

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)

- (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.

1Q 2022 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, 2022

	GAAP	Restructuring Costs	Acquisition-related Costs	Non-GAAP
Operating Income	\$ 71.6	\$ 4.1	\$ 1.2	\$ 76.8
Other Income (Expense)	5.9	—	—	5.9
Income Before Provision for Income Taxes	77.4	4.1	1.2	82.7
Provision for Income Taxes	(18.4)	(1.0)	(0.2)	(19.6)
Net Income	59.1	3.1	0.9	63.1
Net Income Attributable to Noncontrolling Interest	(0.1)	—	—	(0.1)
Net Income Attributable to BWXT	\$ 59.0	\$ 3.1	\$ 0.9	\$ 63.0
Diluted Shares Outstanding	91.8			91.8
Diluted Earnings per Common Share	\$ 0.64	\$ 0.03	\$ 0.01	\$ 0.69
Effective Tax Rate	23.7%			23.7%
Government Operations Operating Income	\$ 72.2	\$ 1.2	\$ —	\$ 73.5
Commercial Operations Operating Income	\$ 4.0	\$ 1.9	\$ —	\$ 5.9
Unallocated Corporate Operating Income	\$ (4.6)	\$ 0.9	\$ 1.2	\$ (2.5)

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

Three Months Ended March 31, 2022

	GAAP	Restructuring Costs	Acquisition-related Costs	Non-GAAP
Net Income	\$ 59.1	\$ 3.1	\$ 0.9	\$ 63.1
Provision for Income Taxes	18.4	1.0	0.2	19.6
Other – net	(12.8)	—	—	(12.8)
Interest Expense	7.1	—	—	7.1
Interest Income	(0.1)	—	—	(0.1)
Depreciation & Amortization	17.6	—	—	17.6
Adjusted EBITDA	\$ 89.2	\$ 4.1	\$ 1.2	\$ 94.4

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

Three Months Ended March 31, 2022

	Operating Income (GAAP)	Non-GAAP Adjustments ⁽⁴⁾	Depreciation & Amortization	Adjusted EBITDA
Government Operations	\$ 72.2	\$ 1.2	\$ 11.2	\$ 84.7
Commercial Operations	\$ 4.0	\$ 1.9	\$ 4.8	\$ 10.7

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

(In millions)

Three Months Ended March 31, 2022

Net Cash Used In Operating Activities	\$ (5.4)
Purchases of Property, Plant and Equipment	(52.4)
Free Cash Flow	\$ (57.8)

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