



# Sustainable Technology Solutions **PRIMER**

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March 12, 2024

*Delivering Solutions, Changing the World.™*

**Jamie DuBray**

VP Investor Relations



# Forward-Looking Statement



This presentation contains forward-looking statements regarding our plans, objectives, goals, strategies, future events, future financial performance, backlog information, future demand expectations and other information that is not historical. When used in this presentation, the words “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “forecasts” or future or conditional verbs such as “will,” “should,” “could” or “may,” and variations of such words or similar expressions are intended to identify forward-looking statements. Because forward-looking statements relate to the future, they are subject to inherent risks, uncertainties and other factors that are difficult to predict, and which could cause actual results to differ materially from the forward-looking statements contained in this presentation. Our most recently filed Annual Report on Form 10-K, any subsequent Form 10-Qs and 8-Ks and other U.S. Securities and Exchange Commission filings discuss some of the important risk factors that the company has identified that may affect its business, results of operations and financial condition.

We caution you not to place undue reliance on the forward-looking statements included in this presentation, which speak only as of the date hereof. We disclaim any intent or obligation, except as required by law, to revise or update publicly any forward-looking statements for any reason.

This presentation includes certain non-GAAP financial measures. Because not all companies calculate non-GAAP financial measures identically (or at all), the presentations herein may not be comparable to other similarly titled measures used by other companies. Further, such non-GAAP financial information should not be considered superior to, as a substitute for or as an alternative to the historical financial information of the company, if any, prepared in accordance with GAAP. Please refer to our fourth quarter and full year 2023 earnings release and investor presentation posted on [kbr.com](http://kbr.com) for definitions and a reconciliation of Adj. EBITDA to the nearest GAAP measure.

The company does not provide reconciliations of Adj. EBITDA, Free Cash Flow and Free Cash Conversion to the most comparable GAAP financial measures on a forward-looking basis because the company is unable to predict with reasonable certainty the ultimate outcome of legal proceedings, unusual gains and losses, and acquisition-related expenses without unreasonable effort, which could be material to the company’s results computed in accordance with GAAP.

## Stuart Bradie

President & Chief Executive Officer





## Unique, investible, IP- based enabler of energy trilemma

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*Highly trusted global capability with  
significant installed base and track  
record of delivery*

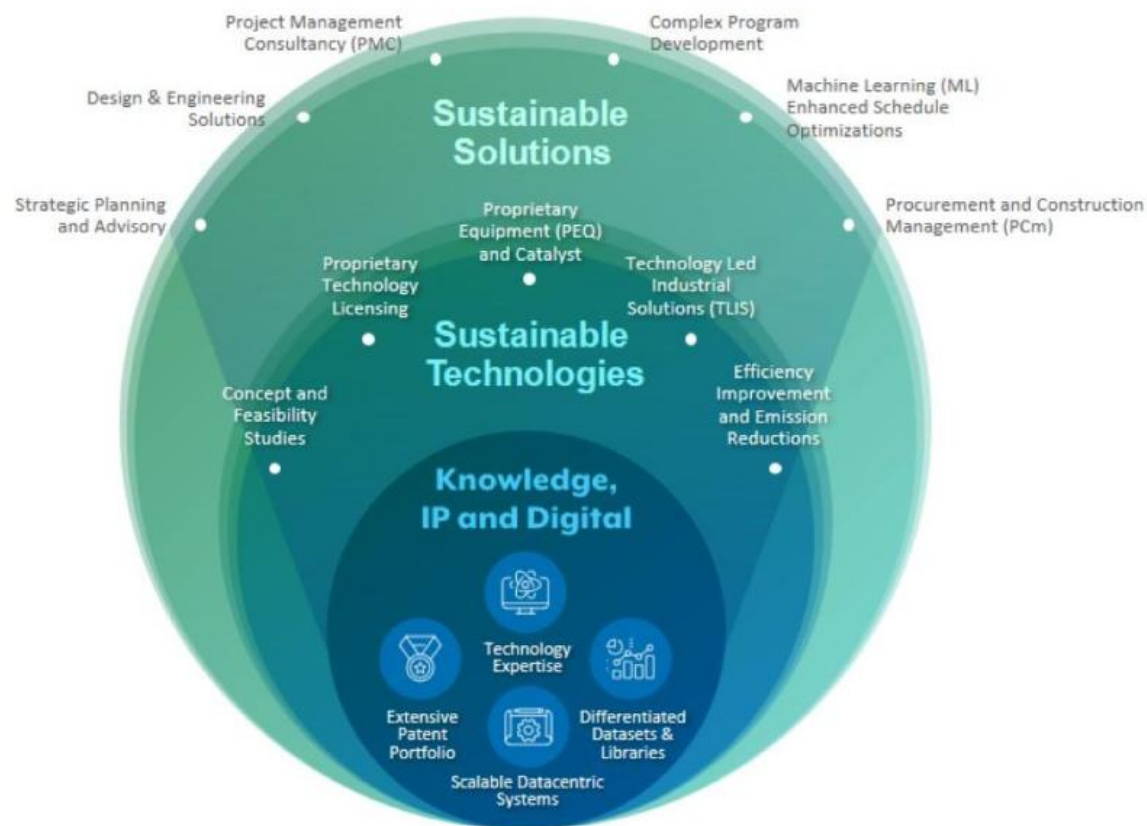
*Underpinned by mega-investment  
needed to meet growing cleaner  
energy demand*

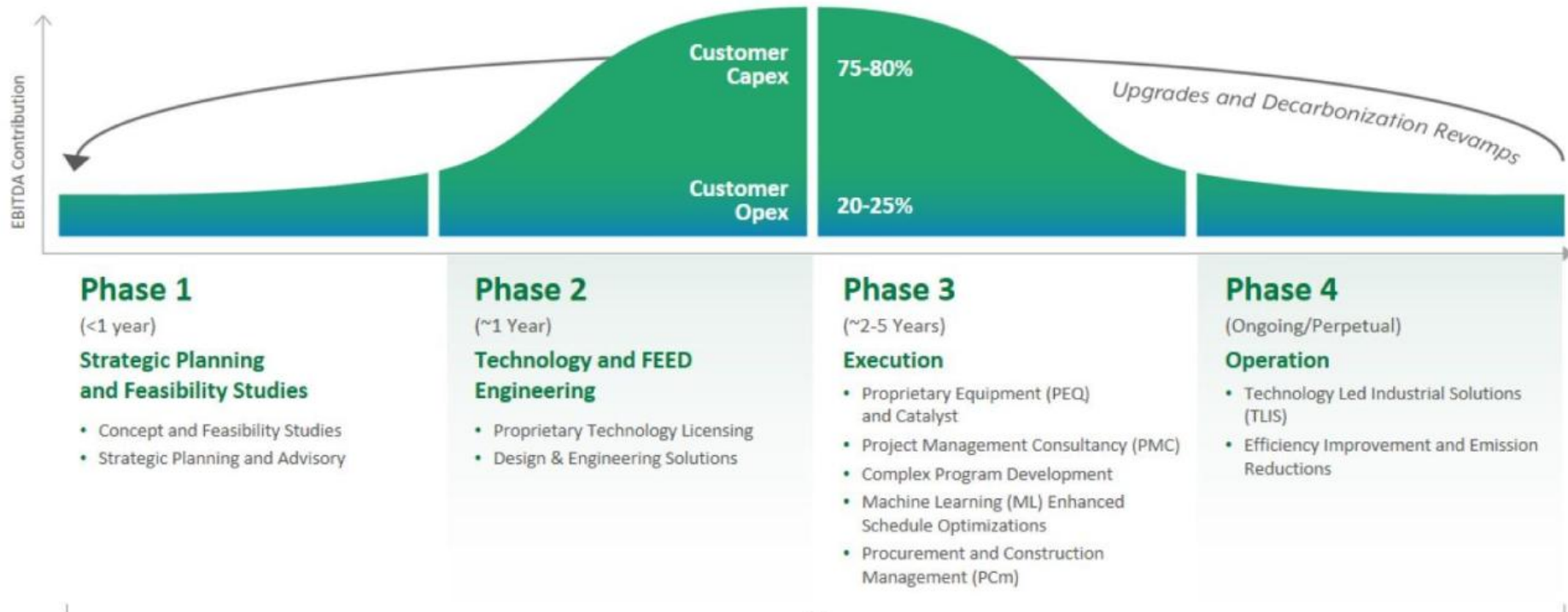


## Sustainable Technology Solutions Primer Video



# What We Do





STS provides solutions across the full asset lifecycle from end-to-end.  
Our support starts from ideation and continues all the way through plant startup and beyond.





**Enduring growth outlook as  
STS is enabler of Energy Trilemma**



**80+**

*Protected technologies*

- Expanding, sustainability-centered IP portfolio
- Broad and differentiated; sustained, protected advantage



**38**

*Countries of operations*

- Global installed base across diverse product lines
- Global IP and differentiated service delivery platform



**Decades**

*Average client tenures*

- Loyal, long-term, well-funded blue-chip clients
- NOCs, IECs, industrials, developers, early adopters



**20%+**

*2023 Adj. EBITDA<sup>1</sup> %*

- High margin, high cash flow, growth vehicle
- Strong visibility and resiliency; solutions across multiple verticals and cycles

<sup>1</sup> Refer to fourth quarter FY 2023 earnings presentation for reconciliation of non-GAAP financial measure.

# Key Financial Highlights



## KEY HIGHLIGHTS

**\$336M**

2023 Adj. EBITDA<sup>1</sup>

**20%+**

2023 Adj. EBITDA<sup>1</sup> Margin

**20-25%**

2022A – 2025E Adj. EBITDA<sup>2</sup> CAGR

**\$5Bn**

2023 Backlog

**~100%**

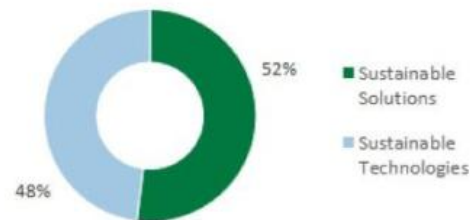
Free Cash Conversion<sup>2,3</sup>

**~65%**

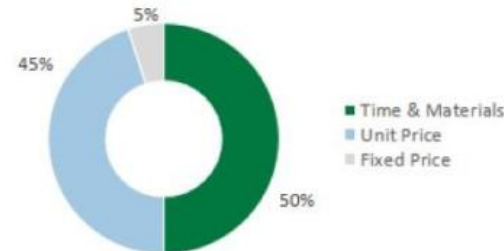
Profit from Repeat Customers

## DIVERSIFIED MIX

EBITDA By PSL



EBITDA By Contract Mix



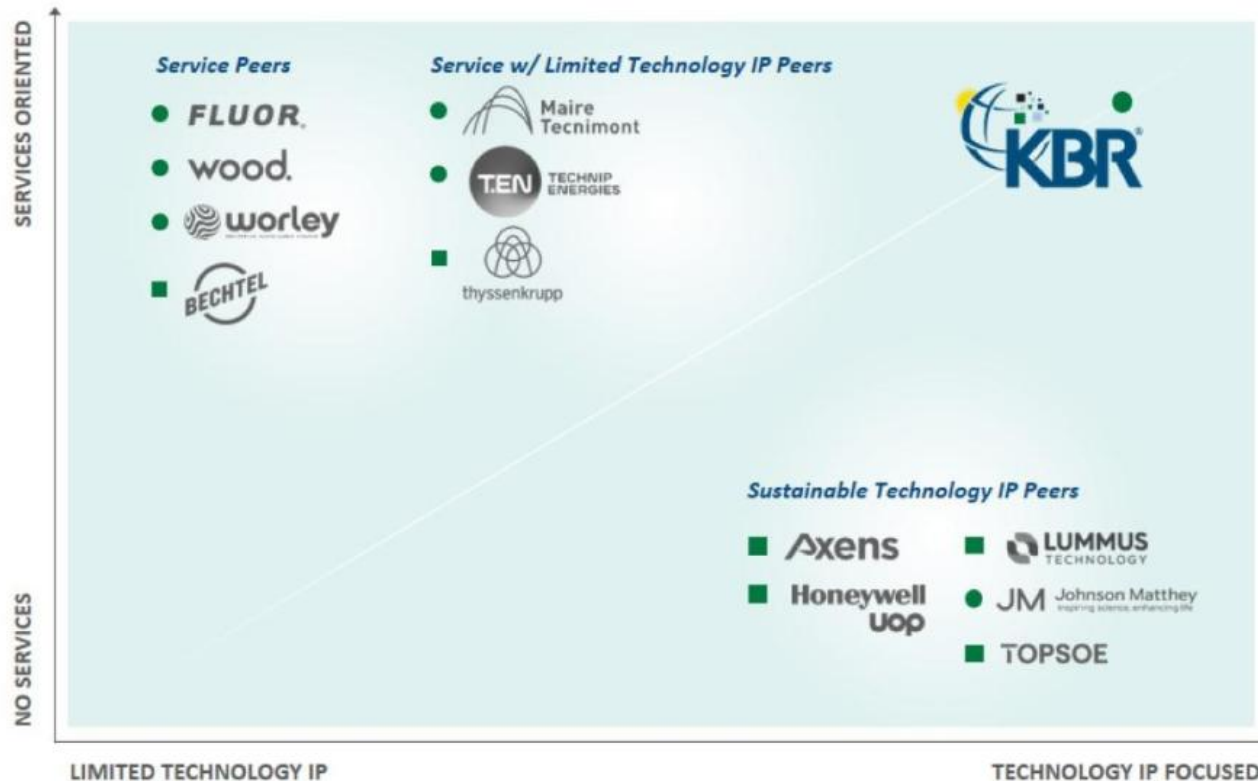
- Double-digit EBITDA growth
- Scalable with high margin IP
- Low capital intensity; high free cash conversion
- Strong geographic diversification
- Multi-product line diversification
- Cycle-resistant with capex and opex funding streams

<sup>1</sup> Refer to fourth quarter FY 2023 earnings presentation for reconciliation of non-GAAP financial measure.

<sup>2</sup> Refer to slide 3 regarding forward looking non-GAAP financial measure.

<sup>3</sup> Free cash conversion computed as Free cash flow / Pretax income attributable to STS.

# Leading the Energy Trilemma



KBR is the only  
listed company  
offering  
**both Services and IP**  
with a  
**Sustainability focus.**

## STS Margin Composition



Product/Solution Lines (PSLs)	Margin	PSL Mix	Weighted Average EBITDA Contribution
Sustainable Technologies	~25%	40% - 55%	~10% - 14%
Sustainable Solutions	~15%	45% - 60%	~7% - 9%
			~20%

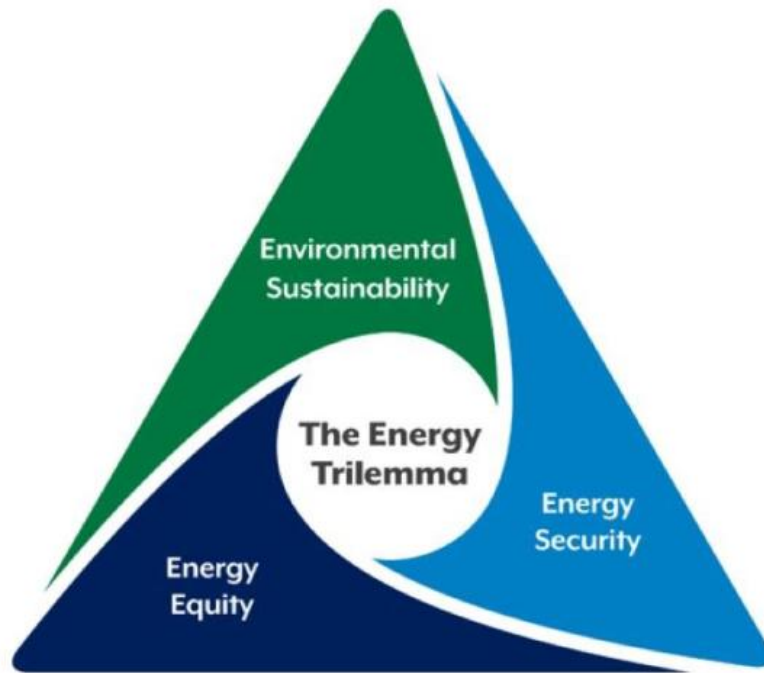
**All contracts are performance-based and generate positive economies of scale with growth due to low fixed overhead structure.**



## Jay Ibrahim

President, Sustainable Technology Solutions





## Delivering More

- Geopolitical turmoil has exposed the fragility of global energy systems
- Ensuring adequacy, affordability and reliability of energy sources
- Competitive advantage: Global presence, installed base, IP for higher throughput

## Delivering Cleaner

- Increasing societal and governmental pressures to minimize environmental harm (e.g., net-zero targets)
- Private sector and governments accelerating transition to sustainability
- Competitive advantage: Engineering Innovation; IP for decarbonization

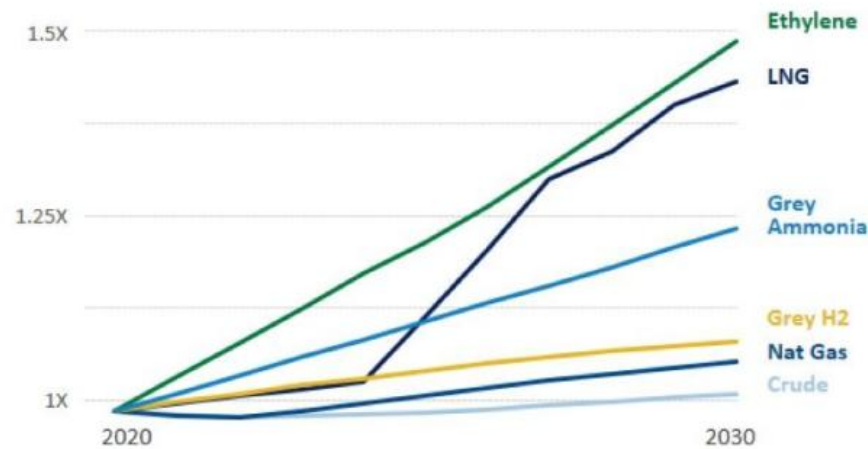
## Delivering Affordability

- Affordable energy for consumers is the most dominant and pressing issue
- Government incentives are becoming more common and impactful
- Competitive advantage: Global resources/supply chain; IP to deliver lowest TCO

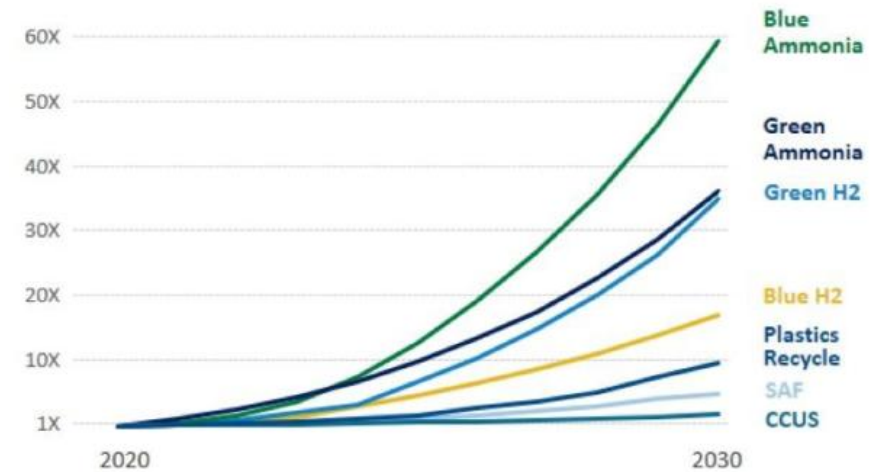
# Growth Vectors



## Traditional Vectors



## New Energy Vectors



## Industry Investment

- Traditional Vectors
- New Energy Vectors

2020



2025



2030



Traditional and new energy vectors and industry investment represent KBR's interpretation of external sources; refer to slide 23

# Global Presence





# Top Customers

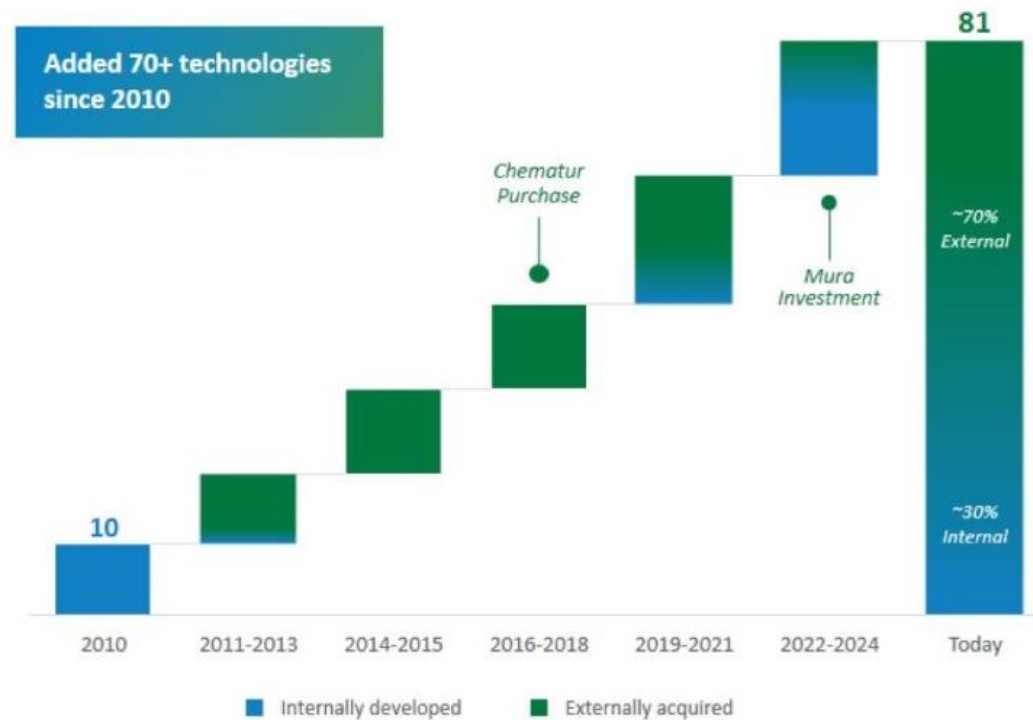


Excludes unconsolidated JVs

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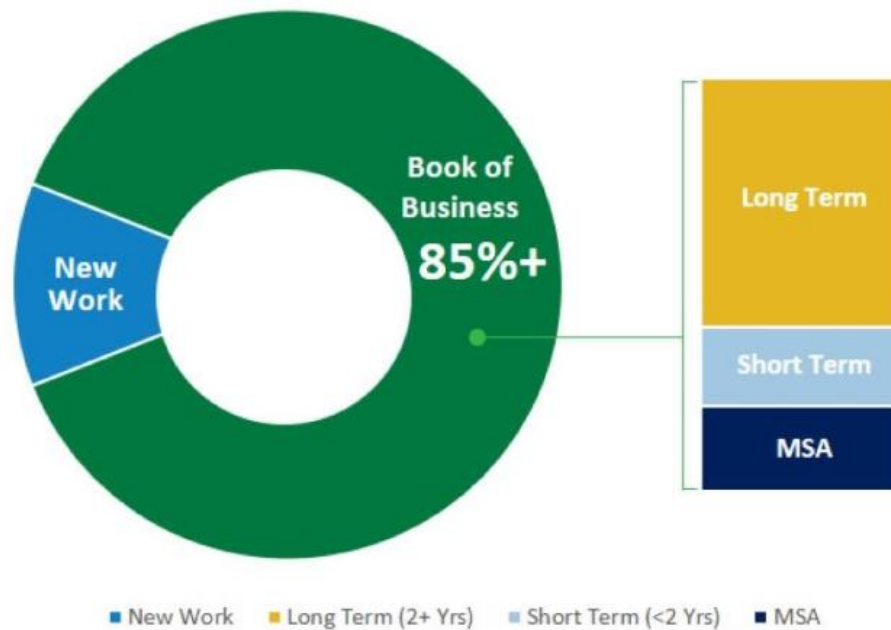
Delivering Solutions, Changing the World.™

# Technology Portfolio Expansion



- Robust and growing portfolio of patented technologies – **from 10 technologies in 2010 to 80+ today**
- Diverse, globally relevant, technology portfolio **mitigates risk of regional instability or end-market cyclicality**
- Demonstrated success in **commercializing externally developed, first-of-a-kind and future-leaning solutions**

## 2024 Profit Source Trajectory



- Over 85% of work for 2024 is in our book of business today with high confidence
- Of this, ~50% is coming from long term projects which are 2 years or more
- We have significant, long-term visibility

Book of business includes backlog, options, renewals, and high confidence work in pipeline.

# Risk Profile



PSL	Offering	Unit Price	Predominantly Paid in Advance	Back-to-Back with Suppliers	Highly Controllable; Rates include Overhead and Profit	Defined Rate with Incentives	Risk Profile
Sustainable Technologies	Concept and Feasibility Studies				✓		Very Low
	Proprietary Technology Licensing	✓	✓				Low
	Proprietary Equipment (PEQ) and Catalyst	✓	✓	✓			Very Low
	Technology Led Industrial Solutions (TLIS)	✓				✓	Very Low
	Efficiency Improvement and Emission Reductions	✓					Very Low
Sustainable Solutions	Strategic Planning and Advisory				✓		Very Low
	Engineering Solutions				✓		Very Low
	Project Management Consultancy (PMC)				✓		Very Low
	Complex Program Development				✓		Low
	Machine Learning (ML) Enhanced Schedule Optimizations				✓		Low
	Procurement and Construction Management (PCm)				✓	✓	Low



Sustainable Technology Solutions  
**PRIMER SUPPLEMENT**



# Glossary



<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortization
<b>FCF</b>	Cash flow from operations less capital expenditures
<b>IEC</b>	International Energy Company
<b>IP</b>	Intellectual Property
<b>IRA</b>	Inflation Reduction Act
<b>LNG</b>	Liquefied Natural Gas

<b>MSA</b>	Master Service Agreement
<b>NOC</b>	National Oil Company
<b>PEQ</b>	Proprietary Equipment
<b>PMC</b>	Program Management Consultancy
<b>STS</b>	Sustainable Technology Solutions
<b>TLIS</b>	Technology Led Industrial Solutions

## Traditional and New Energy Vectors & Industry Investment

OPEC World Oil Outlook ('23)

IEA World Energy Outlook ('23)

BP Energy Outlook - New Momentum ('23)

Shell Energy Security Scenarios - Archipelagos ('23)

S&P LNG Supply/Demand Gap ('23)

McKinsey Global Gas Outlook ('21)

Enterprise Products Analyst Day Presentation ('23)

IEA Energy Transition Outlook ('23)

McKinsey Global Energy Perspective ('23)

IRENA Innovation Outlook Renewable Ammonia ('22)

Yara Capital Markets Day ('22)

S&P Fertecon ('23)