



BWX Technologies, Inc.

Investor Briefing

2Q21 results
reported August 2, 2021

> 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 2021 and future strategic priorities, including U.S. Navy procurement, medical radioisotope industrialization 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 2021 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; capital spending of power generating utilities; the extent to which the COVID-19 health crisis impacts our businesses; the impact of COVID-19 on our employees, contractors, suppliers, customers and other partners and their business activities; the extent to which the length and severity of the COVID-19 health crisis exceeds our current expectations; the potential recurrence or subsequent waves or strains of COVID-19 or similar diseases; adverse changes in the industries in which we operate; 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.

> BWXT company overview



\$2.1 billion
in 2020 revenues



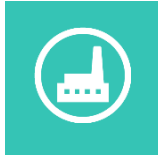
Only manufacturer
of large reactor
components in
North America



6,700⁽¹⁾
highly skilled
employees



Reliable markets
with potential for
robust growth



12
major manufacturing
facilities totaling ~4
million square feet



Process-oriented
R&D team
developing
disruptive products



60+
years producing
naval nuclear
propulsion systems



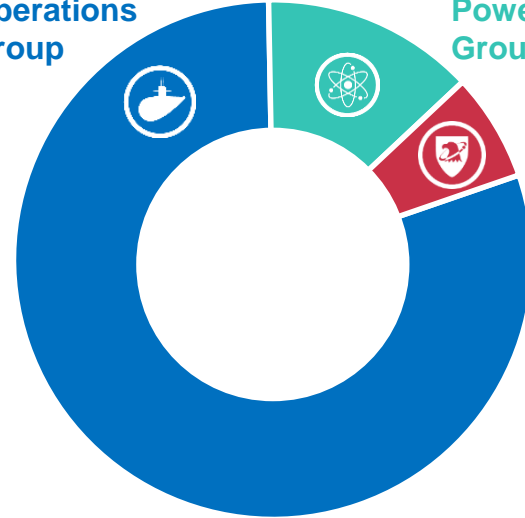
Disciplined growth
strategy with financial
strength and premium
competitive position

2020 Segment Operating Income

**Nuclear
Operations
Group**

**Nuclear
Power
Group**

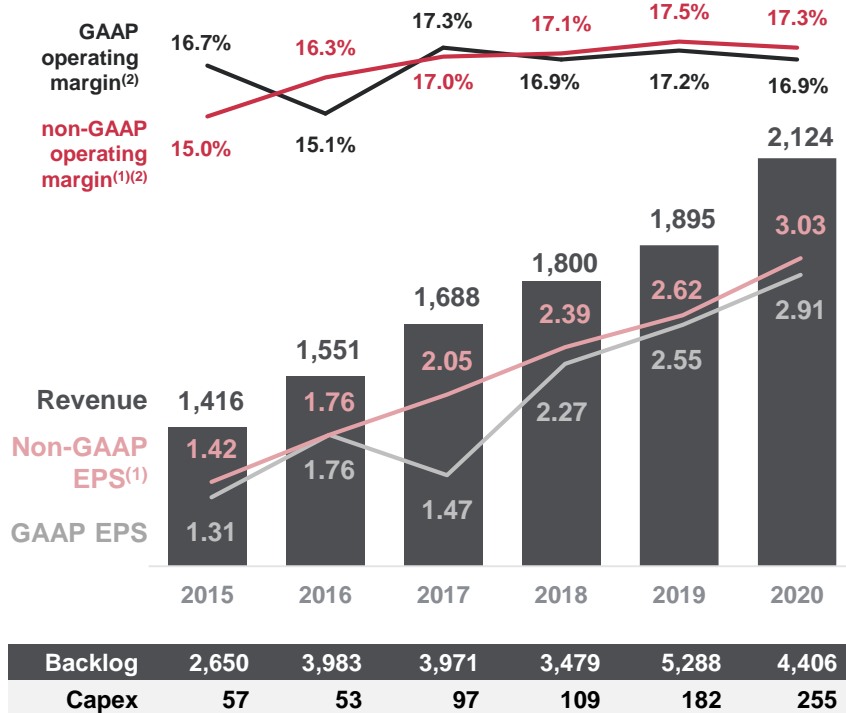
**Nuclear
Services
Group**



1) As of June 30, 2021

➤ Financial overview and key investment themes

(\$million, except per share amounts)



- Attractive growth opportunities with long-cycle businesses and positive outlook
- Track record of revenue growth and financial efficiency
- Capital allocation aligned to long-term growth strategy
- Efficient balance sheet use with additional capacity
- Continuous improvement culture

1) See Appendix for reconciliation of GAAP to adjusted, non-GAAP items and slide 21 for leverage ratio.

2) Historical operating income and operating margin amounts presented throughout have been adjusted to reflect the reclassification between operating income and other income (expense) associated with the adoption of the new pension presentation accounting requirements. For further information see Note 1 to our March 31, 2018 Form 10-Q.

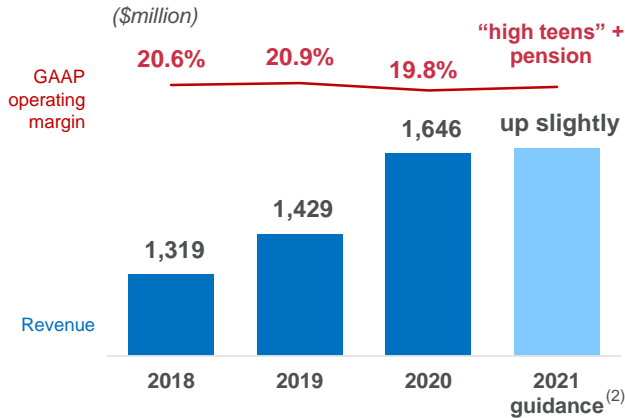
➤ BWXT reporting segments



Nuclear Operations

Manufactures naval nuclear reactors for U.S. submarines and aircraft carriers; supplies research reactor fuel and elements for universities, national laboratories and international customers

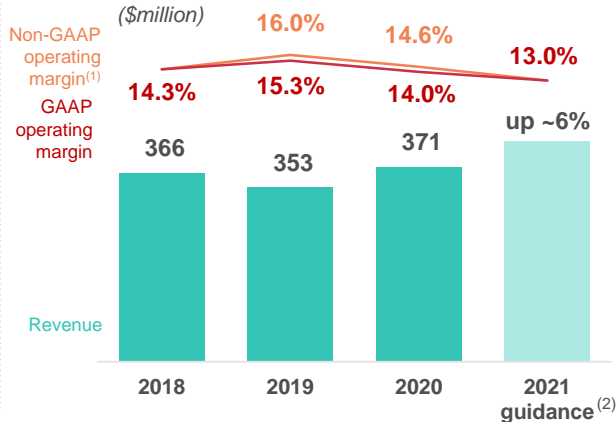
- Solid, double-digit operating margins
- Long-term, high-visibility forecast
- Specialized capabilities and licenses



Nuclear Power

Designs, services, engineers and manufactures components and fuel for CANDU nuclear power plants; medical isotope and radiopharmaceutical production for hospitals and radiopharmacies

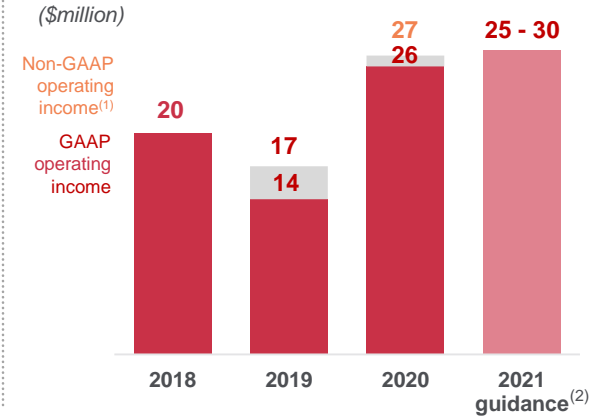
- Only provider of large nuclear components
- Attractive Canadian nuclear market
- Unique isotope manufacturing technology



Nuclear Services

Provides technical operations at government sites; advanced technology developments in space power and microreactors

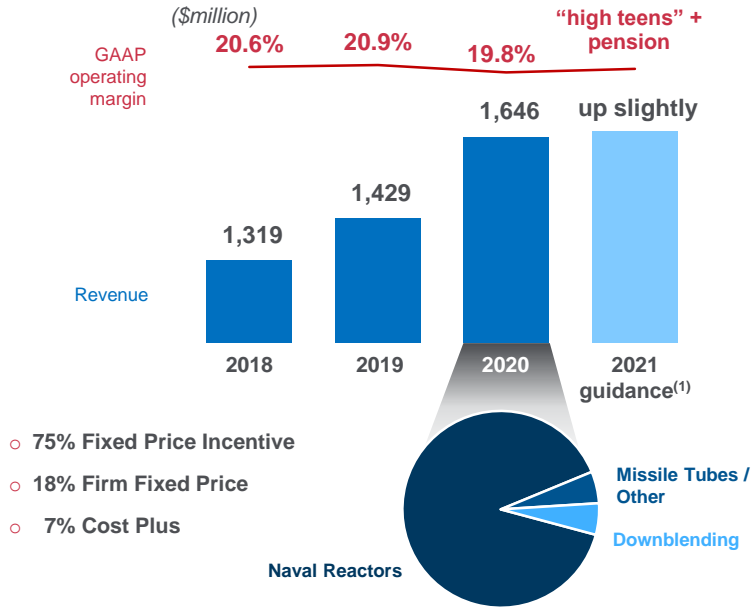
- Nuclear owner/operator pedigree
- Best-in-class safety and industry metrics
- Growth through technology investments



1) See Appendix for reconciliation of GAAP to adjusted, non-GAAP items.

2) 2021 guidance reiterated August 2, 2021. For more information refer to the quarterly earnings and related material found on the BWXT investor relations website

> Nuclear Operations



Business highlights

- ~4,550⁽²⁾ employees
- \$4.1B⁽²⁾ backlog
- Solid, double-digit operating margins
- History of safe nuclear operations and unyielding product quality

Near-term priorities

- Sustain operational excellence and maintain safety record, focus on quality, and meet increased production cadence
- Capitalize for long-term growth; ramp Columbia production
- Maintain financial strength through maximized production

Outlook and growth opportunities

- Multi-year growth through Columbia-class production ramp
- Solid outlook for naval nuclear components
- Opportunities to expand strategic material production / TRISO fuel



Submarines

Aircraft carriers

Uranium
downblending

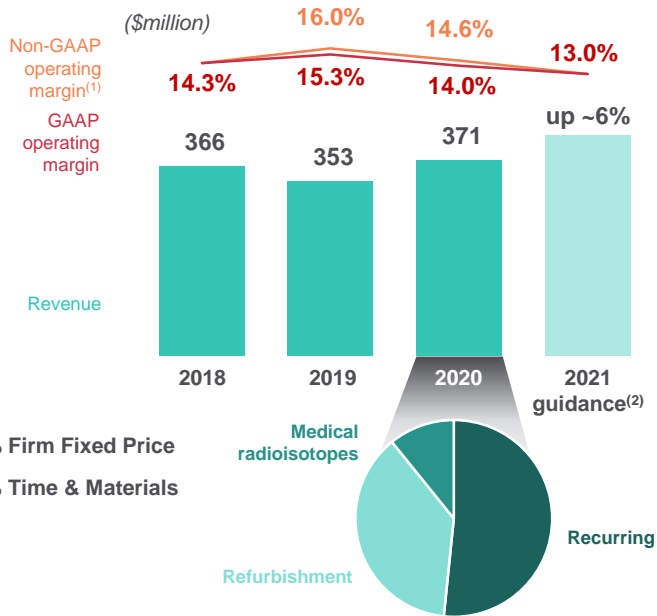
Strategic nuclear materials /
research and test reactors

1) 2021 guidance reiterated August 2, 2021. For more information refer to the quarterly earnings and related material found on the BWXT investor relations website

2) As of June 30, 2021



> Nuclear Power



Business highlights

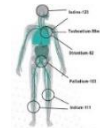
- ~1,325⁽³⁾ employees
- \$674M⁽³⁾ backlog
- Only North American manufacturer of large nuclear components
- Unique radioisotope manufacturing technology

Near-term priorities

- Drive excellent safety record and focus on quality
- Capitalize and execute moly-99 production line build-out
- Leverage scale and new product offerings to grow commercial nuclear and medical radioisotopes

Outlook and growth opportunities

- Canadian nuclear refurbishment work through 2033
- Commercialize moly-99 product; grow radioisotope portfolio
- Position for potential commercial nuclear new builds globally



Nuclear components & field services

Fuel & fuel services

Medical radioisotopes

Global customer base

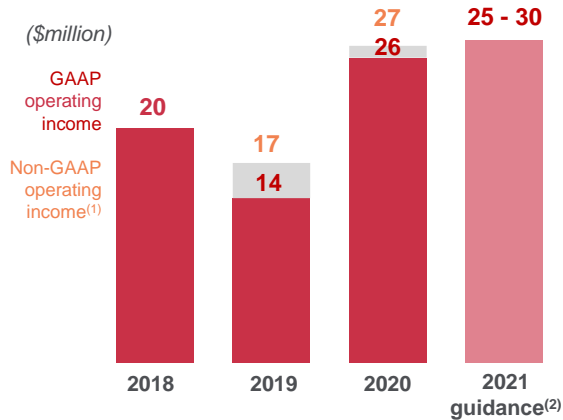
1) See Appendix for reconciliation of GAAP to adjusted, non-GAAP items

2) 2021 guidance reiterated August 2, 2021. For more information refer to the quarterly earnings and related material found on the BWXT investor relations website

3) As of June 30, 2021



> Nuclear Services



Nuclear technical services



Defense reactors



Space reactors



Advanced research & development

Business highlights

- ~325⁽³⁾ employees
- More than a dozen sites across the DOE complex, DOE labs, Naval Reactors and NASA
- Nuclear owner/operator pedigree

Near-term priorities

- Maintain high safeguards, security and industry-best metrics
- Drive bottom-line performance and build backlog with DOE/NNSA
- Leverage technology to increase margins through new business

Outlook and growth opportunities

- Gain market share in services with unique offerings and capability
- Pursue new growth through demand for microreactors
- Lead technology development in fuel and advanced reactor design

1) See Appendix for reconciliation of GAAP to adjusted, non-GAAP items

2) 2021 guidance reiterated August 2, 2021. For more information refer to the quarterly earnings and related material found on the BWXT investor relations website

3) As of June 30, 2021

> BWXT strategic priorities

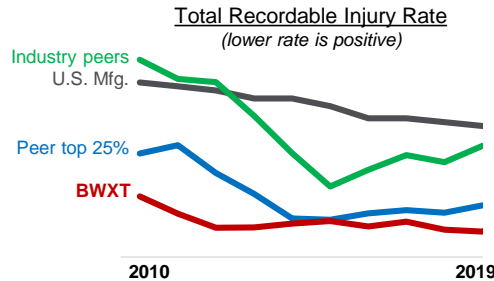
- Drive flawless business execution while capitalizing for long-term growth**
 - Expand base business and enter near and emerging nuclear growth markets**
 - Focus investments in innovative nuclear technology**
 - Maintain balance sheet optionality and liquidity while maximizing cash flow for strategic, shareholder-friendly capital deployment**
-

➤ Drive flawless business execution while capitalizing for long-term growth

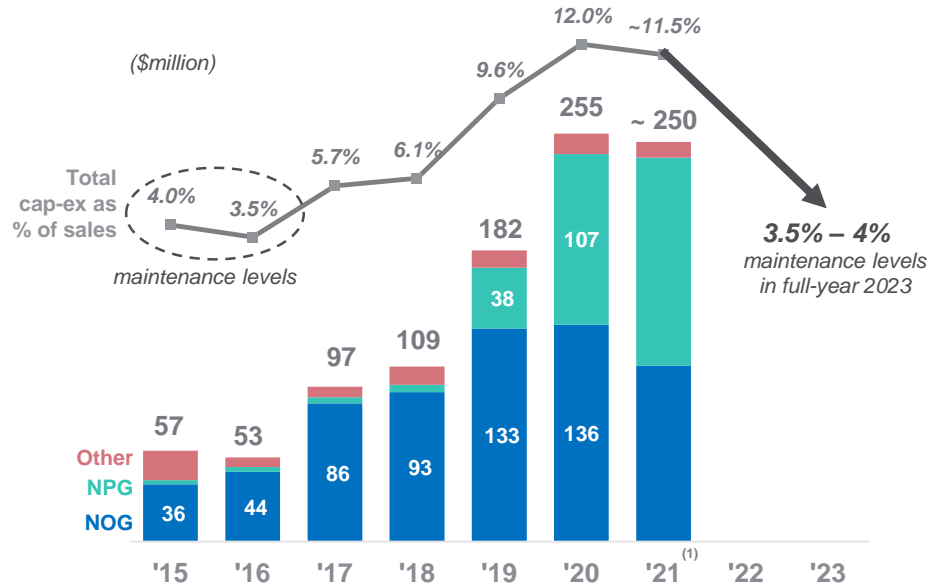
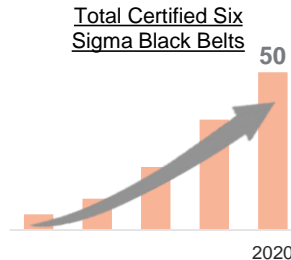
Deliver on commitments for high-consequence products



Maintain track record for best-in-class safety performance



Execute against robust backlog and maintain culture of continuous improvement



- Multi-year NOG capital investment to enable Navy growth
- Multi-year NPG capital investment primarily for Mo-99/Tc-99 radioisotope production line
- Anticipate reaching cap-ex maintenance levels by end of 2022, full-year 2023

1) 2021 estimates based on guidance reiterated August 2, 2021. For more information refer to the quarterly earnings and related material found on the BWXT investor relations website

➤ Expand base business and enter near and emerging nuclear growth markets

Near-term operating segment growth...

- 1 Nuclear Operations**
 - Demand-driven growth in the U.S. Navy
 - Decadal ramp with Columbia product line
 - Maintain or improve terms on new pricing agreements
- 2 Nuclear Power**
 - Leveraging position within CANDU segment for refurbishment opportunities
 - Expanding product offering with Laker Energy Products acquisition
- 3 Nuclear Services**
 - Market share expansion with new awards
 - Robust opportunity pipeline
 - Differentiated through nuclear owner/operator pedigree and technology offerings

... with longer term optionality in close adjacencies and acquisitions

- 4 Medical Radioisotopes**
 - Expanded product line to 7 offerings
 - Leverage medical isotopes acquisition to commercialize Mo-99 product
 - Opportunity to expand into fast-growing therapeutic radioisotope segment
- 5 Microreactor Applications**
 - Well positioned as a leader in fuel (TRISO)
 - Continued development of additive manufacturing technologies
 - Leverage capacity and Category I license
- 6 Mergers & Acquisitions**
 - Proven track record of successful bolt-on acquisitions
 - Disciplined approach to M&A to amplify strategic growth



1

Expand base business and enter near and emerging nuclear growth markets

Demand-driven growth in the U.S. Navy

- BWXT is the sole manufacturer of naval nuclear reactors for U.S. Navy submarines and aircraft carriers
- Long-range procurement plan provides dependable forecast; BWXT orders ~2 years in advance of shipyard (depicted in 30-year Navy Shipbuilding Plan⁽¹⁾ below)
- **Included in BWXT long-term plan:** Virginia-class production at two submarines per year, Columbia-class orders through 2035, and aircraft carrier 5-year order cadence

GFY2022 Navy ordering plan for nuclear powered vessels

Government Fiscal Year	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	
Aircraft Carrier Program Plan⁽²⁾																															
CVN (Ford Class)							1			1				1				1				1					1				
Submarine Program⁽²⁾																															
SSN (Virginia Class / X-Class)	2	2	2	3	3	2	2	3	2	2	2	3	2	3	3	3	3	3	3	3	2	3	3	2	3	3	2	3	3	2	
SSBN (Columbia Class)			1		1	1	1	1	1	1	1	1	1	1																	
SSXN (Large Payload Class)																															

■ = acceleration or addition compared to prior 30-year Navy Shipbuilding Plan ■ = deceleration or removal compared to prior 30-year Navy Shipbuilding Plan

1) Source: Office of the Chief of Naval Operations report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2022, published December 2020

2) Navy construction plan schedule that may not directly align with BWXT estimates



1 Expand base business and enter near and emerging nuclear growth markets

Decadal ramp with Columbia production line

○ Nuclear power units a major source of NOG revenue

- Virginia Class – 1 unit per ship (smallest)
- Columbia Class – 1 unit per ship (larger)
- Ford Class – 2 units per ship (largest)

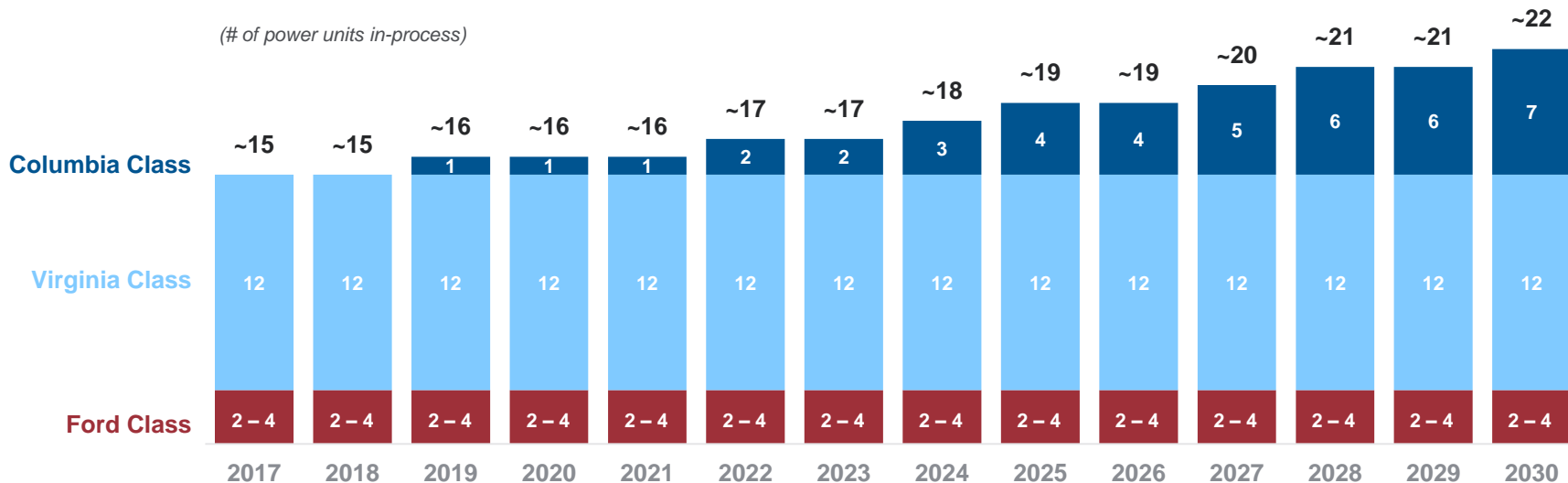
○ Typical nuclear power unit production duration 5 to 8 years

- Virginia Class 5 to 7 years
- Columbia Class 6 to 8 years
- Ford Class 7 to 8 years

○ Other considerations for NOG revenue

- Cost improvements rolled forward into new Multi-year Pricing Agreements
- Carrier refueling supplements shop volume
- High fixed-cost overhead business

Illustrative nuclear power unit production ramp⁽¹⁾



¹⁾ Source: BWXT estimates based on baseline assumption of two fast attack submarine procurements per year in addition to Navy's procurement plan for aircraft carriers and ballistic missile submarines published in December 2020 in the Office of the Chief of Naval Operations report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2022. Estimates are subject to change based on customer directive.



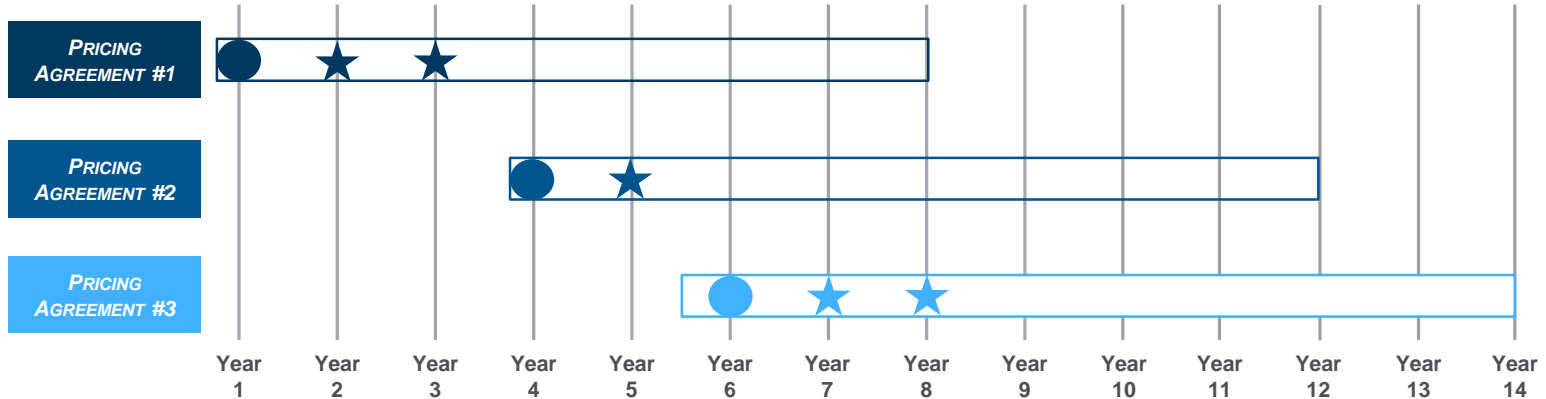
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Expand base business and enter near and emerging nuclear growth markets

Maintain or improve terms on new pricing agreements

- Pricing agreement every 2-3 years includes annual awards / options
 - Cost parameters set for initial contract awards
 - Subsequent years' option as authorized by Congress
- Fixed price incentive fee contracts
 - Target costs include fee percentage around 15%; operating margin approximately 13%
 - Share cost underruns / overruns with customer; Rewarded for underruns below target cost; responsible for all costs above ceiling price
 - Cost underruns can enhance margins
- Typical contract execution of 5 - 8 years
 - Employ best practices and cost-saving initiatives for best customer cost results maintaining highest quality standards

Annual Award / Option Pricing Agreement Framework



● = initial award ★ = option exercise □ = contract execution

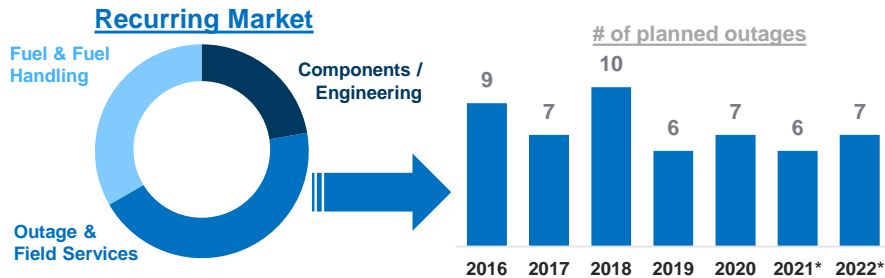


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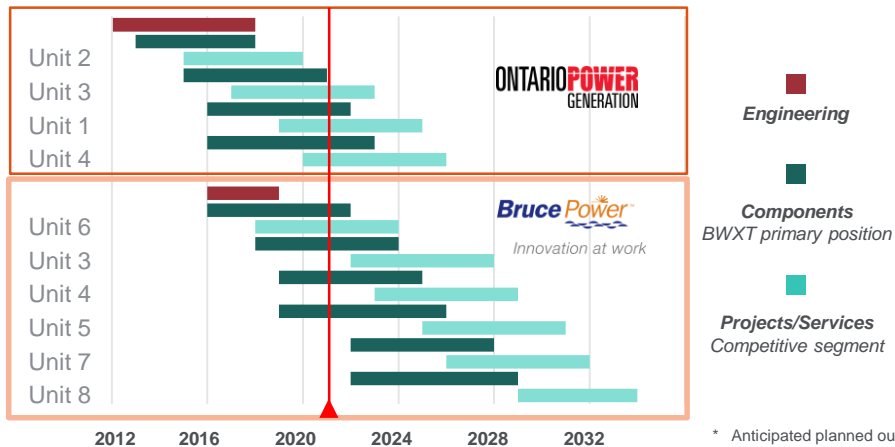
Expand base business and enter near and emerging nuclear growth markets

Canadian commercial nuclear power

Leveraging position as a supplier of choice in the CANDU market...



Non-Recurring Refurbishment Market**



...and expanding capabilities through acquisitions



- Established BWXT as a leading fuel and fuel servicing supplier to the CANDU market
- Accretive to earnings in first year
- Increased exposure to CANDU refurbishment



- Enhanced BWXT's position as a leading supplier of CANDU nuclear components
- Expanded global customer base
- Broadened complimentary CANDU product portfolio

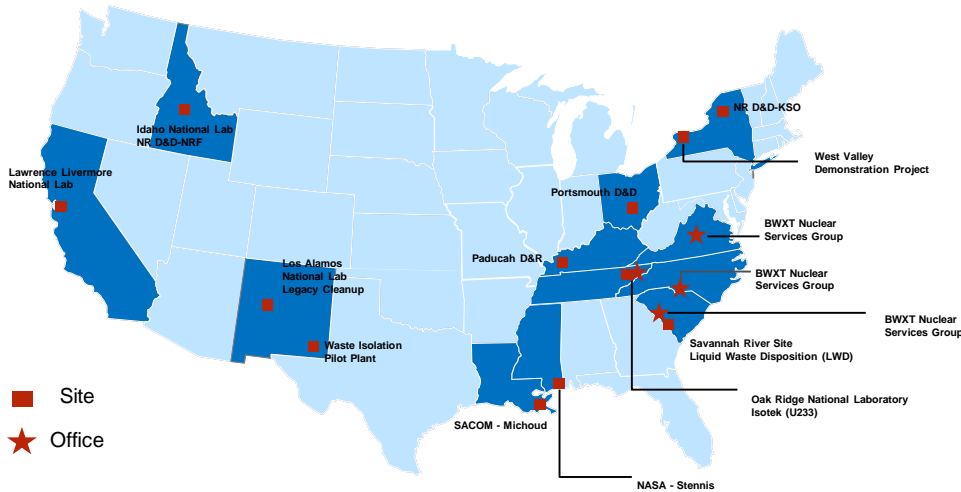
* Anticipated planned outages with BWXT content
 ** Source: BWXT estimates based on significant spend from utilities



3

Expand base business and enter near and emerging nuclear growth markets

Market share gains in nuclear services



Recent nuclear service contract wins

- \$690M Portsmouth Site Cleanup extension
- \$243M West Valley 39-month extension
- \$1.4B Los Alamos Legacy Cleanup 10-year award
- \$5.0B Idaho National Laboratory M&O five-year extension

Upcoming opportunities

(estimated annual budgets)

- Savannah River Site Integrated Mission Cleanup (~\$1B)
- Pantex and Y-12 M&O (~\$2B combined)
- Oak Ridge Reservation Cleanup (~\$400M)
- Savannah River Site M&O (~\$700M)
- Hanford Direct Feed / Tank Closure (~\$1.2B)

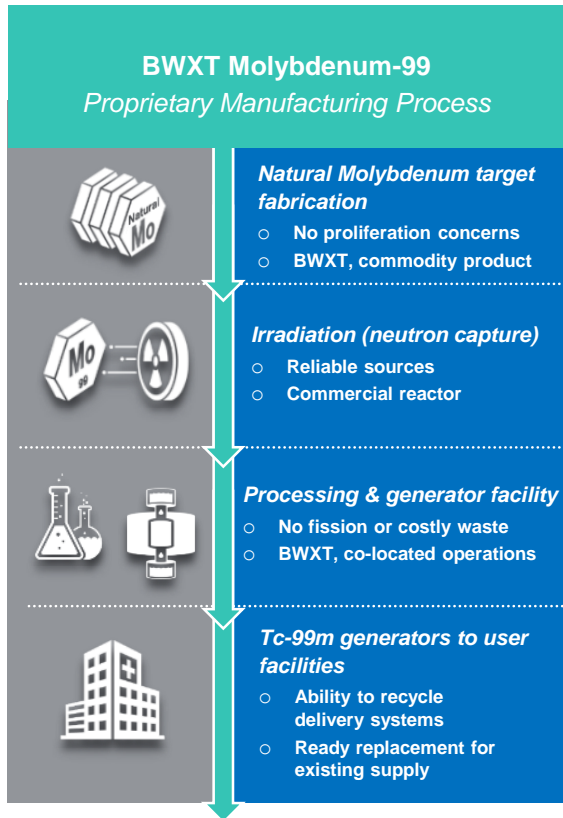


4 Expand base business and enter near and emerging nuclear growth markets

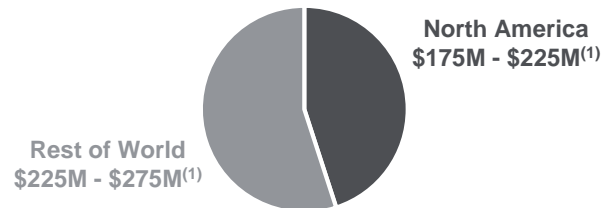
Adjacent growth in medical radioisotopes

Current medical isotopes portfolio

- **TheraSphere™**
 - Liver cancer therapeutic
- **Iodine-123**
 - Thyroid, Neuroendocrine diagnostic
- **Strontium-82**
 - Cardiac diagnostic
- **Indium-111**
 - White blood cell infection diagnostic
 - Active pharmaceutical ingredient
- **Indium-111 Oxyquinoline**
 - White blood cell labeling diagnostic
 - FDA approved drug / radiopharmaceutical
- **Palladium-103**
 - Prostate cancer therapeutic
- **Germanium-68**
 - Prostate and neuroendocrine cancer diagnostic



\$400M - \$500M⁽¹⁾ annual global Mo-99 / Tc-99m generator segment



Key milestones to commercialize Mo-99

- ✓ FDA, BWXT Type C meeting
 - ✓ Reactor access equipment design
 - ✓ Manufacturing and processing equipment design
 - ✓ Manufacture reactor access equipment
 - Medical radioisotope facility modifications complete
 - Final manufacturing equipment installation
 - Reactor access equipment installation
 - Moly target irradiations, Mo-99 reference batches
 - FDA approval for BWXT Tc-99m generator
- ✓ = completed

¹⁾ BWXT estimate
TheraSphere is a trademark of Boston Scientific Corporation

5

Expand base business and enter near and emerging nuclear growth markets

Microreactors for defense and space



In-space power

BWXT
BWX Technologies, Inc.

Common Core Capabilities

- Light weight radiation shielding systems
- Complex, high-temperature, structural components
- Advanced, high-temperature materials
- Moderator coolant systems

Fuel manufacturing →

- Reactor system manufacturing
- Reactor pressure vessel
- Reactivity & instrument control systems
- Uranium enrichment

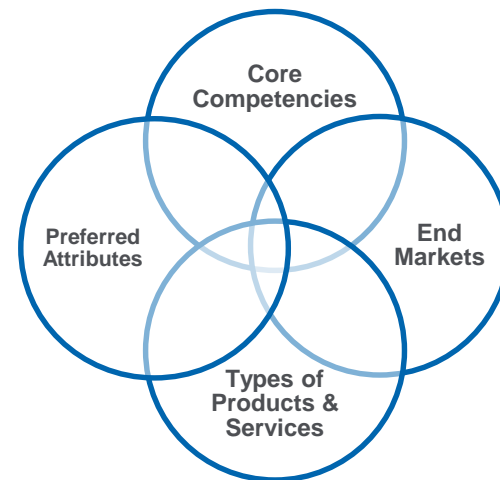
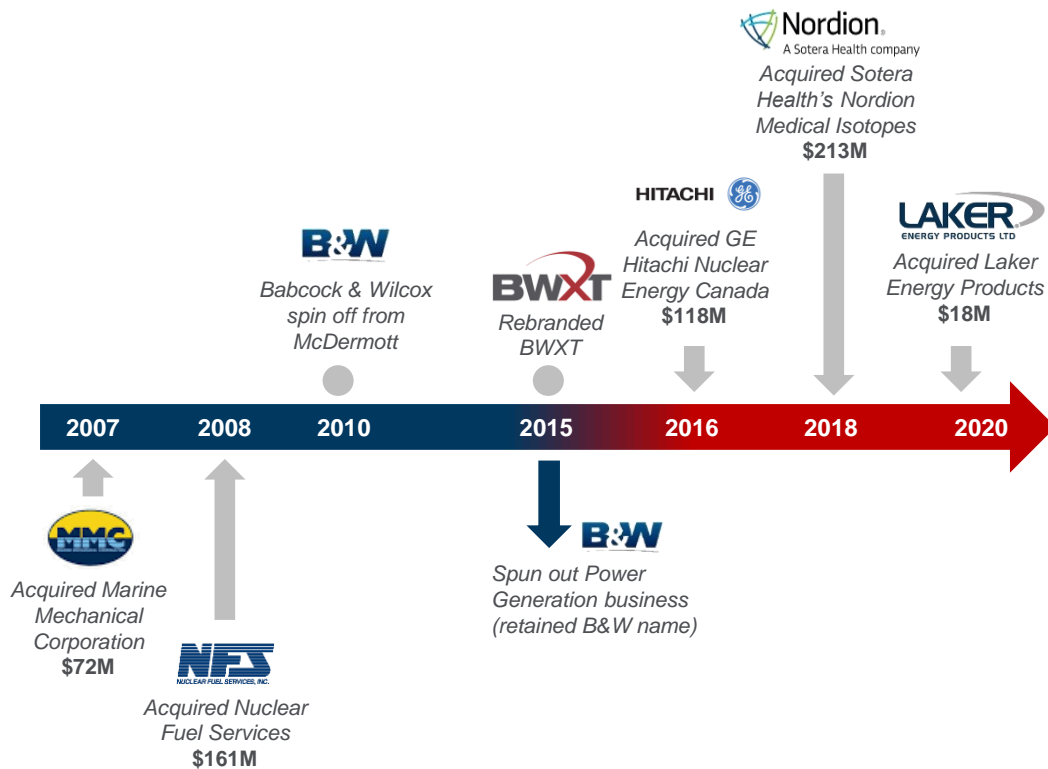
Space propulsion

Terrestrial microreactor concept

6

Expand base business and enter near and emerging nuclear growth markets

Disciplined approach to M&A to amplify strategic growth



- Strategic and/or bolt-on acquisitions
- Increase position in current markets or accelerate entry into adjacencies
- Cash generation and balance sheet strength supports range of potential deal sizes

➤ Focus investments in innovative nuclear technology

BWXT R&D COUNCIL

Governs the enterprise-wide partnership for collective R&D, prioritizing development initiatives and granting final approval on projects

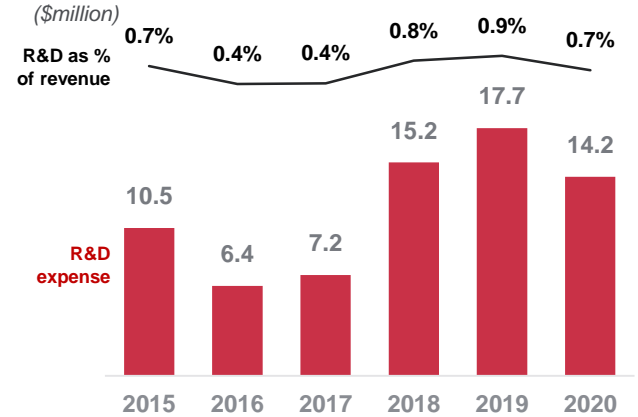
TOLLGATE PROCESS

Multi-faceted development plan designed to effectively evaluate commercialization of new ideas

FELLOWSHIP PROGRAM

Provides subject matter experts with an innovative platform to develop leading-edge solutions to industry challenges

- **Tollgate 1: Scoping opportunities**
 - Idea screening and initial scope
 - Preliminary product assessment
- **Tollgate 2: Product plan**
 - Market and business case analysis
 - Technology maturation plan
 - Product requirements definition
- **Tollgate 3: Concept development**
 - Conceptual design, IP assessment
 - Product specifications and execution plan
- **Tollgate 4: Design development**
 - Full cost design, FEMA design
 - Revised execution plan
- **Tollgate 5: Detailed design**
 - Advanced design, execute V&V
 - Manufacturing validation
 - Final product review
- **Tollgate 6: Initial commercialization**
 - Complete V&V plan, customer feedback
 - Updated standards, tooling and design
- **Tollgate 7: Full commercial release**
 - Handoff to commercial team
 - Execute go-to-market strategy



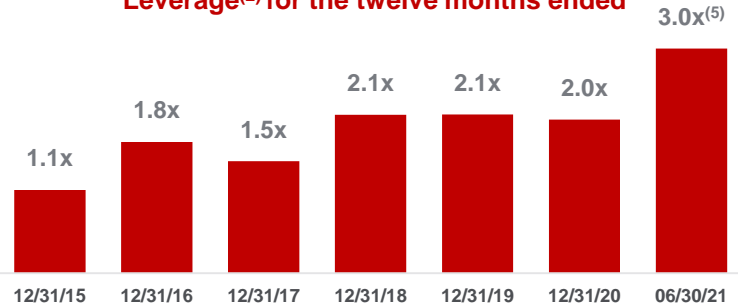
R&D activities

- **Advanced nuclear fuel**
- **Nuclear additive manufacturing**
- **Reactor optimization software**
- **Therapeutic radioisotopes**
- **Other radioisotopes**



Maintain balance sheet optionality and liquidity while maximizing cash flow for strategic, shareholder-friendly capital deployment

Leverage⁽²⁾ for the twelve months ended



- Historical leverage ~2.0x target and significant capacity under <4.0x max leverage covenant in Revolver

- \$750M Revolver maturing March, 2025

- \$911M Total Available Liquidity⁽¹⁾⁽⁴⁾

- Committed to maintaining credit ratings

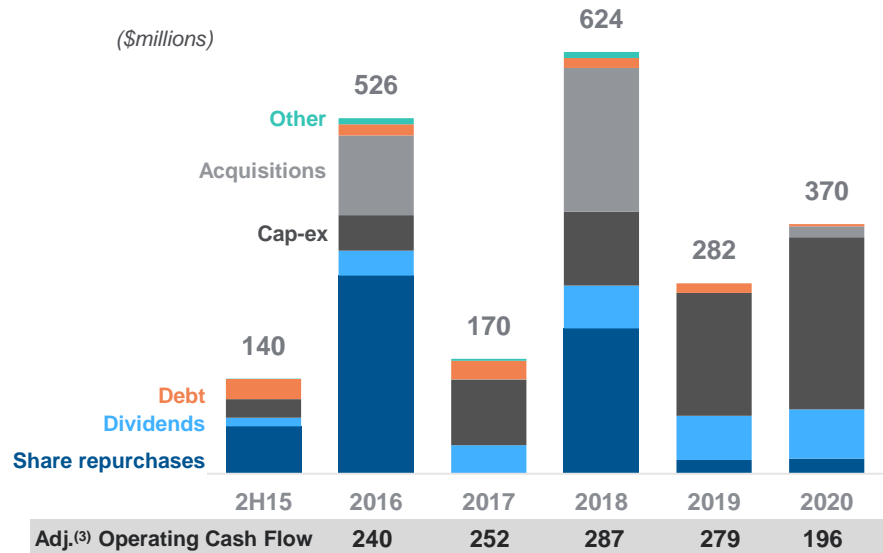
- Moody's: Ba2 / Stable

- S&P: BB / Stable

- Long term debt maturities staggered and positioned well into future



Historical capital allocation



- 250% dividend increase since spin
- ~43% of capital returned to shareholders, including opportunistic share repurchases from spin through 2020
- Maximizing value through strategic capital deployment

1) Total Available Liquidity includes \$191 million cash and cash equivalents and \$720 million available under the revolving credit facility, which includes \$30 million in undrawn letters of credit outstanding

2) Leverage represents Total Debt, Gross divided by sum of adjusted, non-GAAP Operating Income plus Depreciation and Amortization (see appendix for reconciliation to GAAP operating income)

3) Adjusted operating cash flow = operating cash flow less net cash used for discretionary pension contributions, excluding any related tax impacts. 2017 adjustments in a \$30 million discretionary pension contribution and 2018 adjustments include \$118 million in discretionary pension contributions.

4) Figures as of June 30, 2021

5) Figures do not incorporate redemption of \$400M outstanding senior notes due 2026 which were classified as current on the June 30, 2021 balance sheet and redeemed on July 15, 2021.



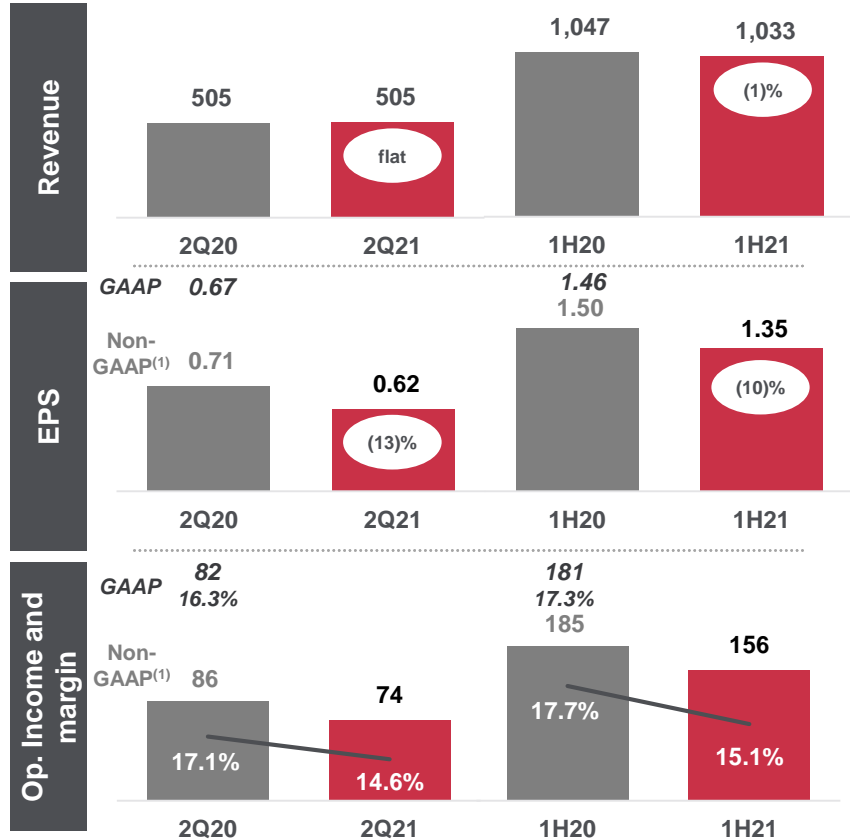
BWX Technologies, Inc.

Latest results and guidance

2Q21 results
reported August 2, 2021

> 2Q21 and 1H21 company results

(\$million, except per share amounts)



- 2Q21 and 1H21 revenue ~flat and down 1% respectively as higher NPG revenue offset by lower NOG and NSG revenue.
- 2Q21 and 1H21 EPS down 13% and 10% respectively primarily from less operating segment earnings, higher commercialization expenses related to medical isotopes, higher interest expense and higher tax rate, partially offset by higher pension income, FX gains
- 2Q21 and 1H21 operating margin down primarily on lower NOG margin driven by fewer favorable EAC adjustments mostly due to timing
- Backlog remains strong at \$4.85 billion

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 of this presentation or on the investor relations website at www.bwxt.com/investors.

➤ 2021 guidance reiterated... other information updated

BWXT consolidated guidance

Revenue	Non-GAAP EPS ⁽¹⁾	Cap-ex
up low-single digits	\$3.05 - \$3.20	~\$250M

Operating segment guidance

	Revenue	Operating margin / income
NOG	up slightly	"high teens" + CAS pension reimbursement
NPG	up ~6%	~13%
NSG	N/A ⁽²⁾	\$25 - 30M

1) 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 of this presentation or on the investor relations website at www.bwxt.com/investors.

2) NSG revenue is not consolidated for minority positions in Joint Ventures, which comprise most of the segment's activity

Other information

Green = positive revision vs. prior

Red = negative revision vs. prior

- Other segment operating expense including R&D and Tc-99 commercialization expense : **~\$30M**
(vs. >1% of revenue)
- Corporate unallocated costs: **\$20 - 25M**
- Other income, primarily related to pension and other post-employment benefit plans: **\$55 - 60M**
(vs. \$50 - 55M)
- Non-GAAP effective tax rate: **23 - 24%**
- Average diluted shares outstanding: **~95.7M**
- Depreciation & Amortization: **~\$65M**

> Medium-term financial targets



Mid-to-high-single digit adj. EBITDA⁽¹⁾ growth

- Sustained revenue growth; all segments
- Margin expansion outside of Naval Reactors business



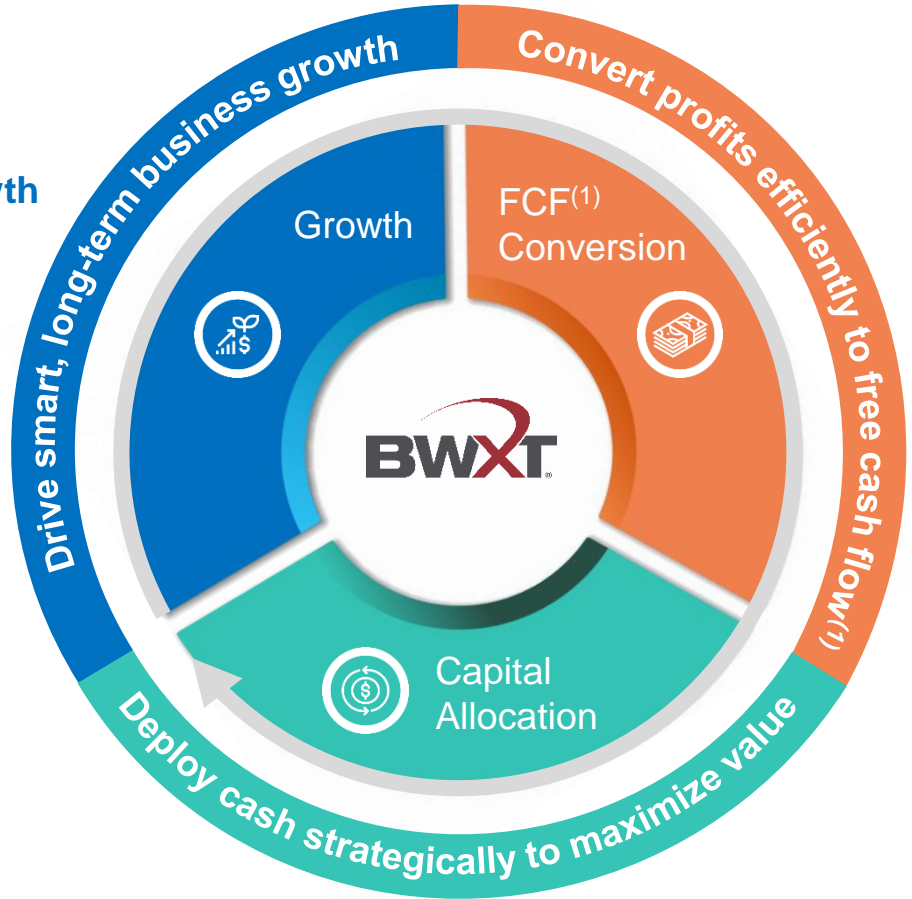
>85% FCF⁽¹⁾ conversion

- Modest improvements in working capital as % sales
- Maintenance cap-ex run-rate exiting 2022



>50% FCF⁽¹⁾ return to shareholders

- **Dividend:** In line with historical ratio to earnings;
- **Share repurchases:** remaining balance of >50% FCF⁽¹⁾ allocation target, pending market conditions
- Other cash/debt could be invested in organic/inorganic growth opportunities with attractive returns



1) Non-GAAP figures exclude any mark-to-market adjustment for pension and postretirement benefits recognized and other one-time items. A reconciliation and definitions of GAAP to adjusted, non-GAAP items can be found in the appendix of this presentation or on the investor relations website at www.bwxt.com/investors.



Appendix

2Q21 results
reported August 2, 2021

> Pension summary

(\$millions)	2015 ⁽³⁾	2016	2017	2018	2019	2020	2021
Benefit obligation at end of period	1,566	1,572	1,543	1,186	1,309	1,414	
Fair value of plan assets at end of period	1,210	1,218	1,258	1,024	1,150	1,281	
Funded status over (under)	(356)	(354)	(286)	(162)	(158)	(133)	
% Funded	77%	77%	81%	86%	88%	91%	
Pension funding (company contributions)	13	12	56	158	4	5	~5*
Reported in other income							
Net periodic benefit cost (income)	36	2	(19)	6	(11)	(30)	
Recognized net actuarial Mark-To-Market (MTM) loss	61	28	8	37	9	7	
Net periodic benefit cost (income) excl. MTM loss	(24)	(26)	(27)	(31)	(21)	(37)	~(53)
Reported in operating income							
Recoverable CAS ⁽¹⁾ costs	58	50	56	44	47	44	
FAS ⁽²⁾ service cost	24	7	8	10	9	11	
Total FAS⁽²⁾/CAS⁽¹⁾ differential	34	42	48	34	38	33	~24**

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

3) Presentation of 2015 amounts reflects adoption of ASU 2017-07 which requires non-service cost components of net periodic benefit cost to be classified outside of operating income

*Similar funding levels are also anticipated for 2022 based on current projections

**Material FAC/CAS differential income amounts are anticipated through 2024 based on actuarial studies and projections as of December 31, 2020

➤ Non-GAAP definitions and reconciliation for 2Q20 and 1H20⁽¹⁾

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 non-GAAP 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 non-GAAP net income

For the Three Months Ended June 30, 2020 (In millions, except per share amounts)						
GAAP	Restructuring Costs	Costs Associated with Sale of Business	Debt Issuance Costs	Non-GAAP		
Operating Income	\$ 82.4	\$ 1.3	\$ 2.7	\$ -	\$ 86.4	
Other Income (Expense)	1.6	-	-	0.5	2.2	
Provision for Income Taxes	(19.7)	(0.3)	(0.6)	(0.1)	(20.8)	
Net Income	64.4	0.9	2.1	0.4	67.8	
Net Income Attributable to Noncontrolling Interest	(0.1)	-	-	-	(0.1)	
Net Income Attributable to BWXT	\$ 64.3	\$ 0.9	\$ 2.1	\$ 0.4	\$ 67.7	
Diluted Shares Outstanding	95.6				95.6	
Diluted Earnings per Common Share	\$ 0.67	\$ 0.01	\$ 0.02	\$ 0.00	\$ 0.71	
Effective Tax Rate	23.4%				23.4%	
NPG Operating Income	\$ 1.1	\$ 1.3			\$ 2.4	
NSG Operating Income	\$ 4.1	\$	\$ 1.0		\$ 5.1	

For the Six Months Ended June 30, 2020 (In millions, except per share amounts)						
GAAP	Restructuring Costs	Costs Associated with Sale of Business	Debt Issuance Costs	Non-GAAP		
Operating Income	\$ 180.7	\$ 1.4	\$ 2.7	\$ -	\$ 184.8	
Other Income (Expense)	1.8	-	-	0.5	2.3	
Provision for Income Taxes	(42.5)	(0.4)	(0.6)	(0.1)	(43.6)	
Net Income	140.0	1.1	2.1	0.4	143.6	
Net Income Attributable to Noncontrolling Interest	(0.3)	-	-	-	(0.3)	
Net Income Attributable to BWXT	\$ 139.8	\$ 1.1	\$ 2.1	\$ 0.4	\$ 143.3	
Diluted Shares Outstanding	95.7				95.7	
Diluted Earnings per Common Share	\$ 1.46	\$ 0.01	\$ 0.02	\$ 0.00	\$ 1.50	
Effective Tax Rate	23.3%				23.3%	
NPG Operating Income	\$ 9.6	\$ 1.4			\$ 11.0	
NSG Operating Income	\$ 10.5	\$	\$ 1.0		\$ 11.5	
Unallocated Corporate	\$ (4.8)	\$	\$ 1.7		\$ (3.1)	

1) Tables may not foot due to rounding.

➤ Non-GAAP reconciliation for 2019 and 2020⁽¹⁾

For the Year Ended December 31, 2020
(In millions, except per share amounts)

	GAAP	One-time franchise tax audit expense	Restructuring Costs	Costs Associated with Sale of Business	Debt Issuance Costs	Pension & OPEB MTM (Gain) / Loss	Non-GAAP
Operating Income	\$ 358.6	\$ 2.6	\$ 2.3	\$ 2.9	\$ -	\$ -	\$ 366.3
Other Income (Expense)	3.6	-	-	-	0.5	6.4	10.5
Provision for Income Taxes	(83.0)	(0.6)	(0.6)	(0.7)	(0.1)	(1.6)	(86.5)
Net Income	279.2	2.0	1.7	2.2	0.4	4.8	290.3
Net Income Attributable to Noncontrolling Interest	(0.5)	-	-	-	-	-	(0.5)
Net Income Attributable to BWXT	\$ 278.7	\$ 2.0	1.7	2.2	0.4	4.8	\$ 289.8
Diluted Shares Outstanding	95.7						95.7
Diluted Earnings per Common Share	\$ 2.91	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.00	\$ 0.05	\$ 3.03
Effective Tax Rate	22.9%						23.0%
NPG Operating Income	\$ 52.0		\$ 2.3				\$ 54.2
NSG Operating Income	\$ 26.4			\$ 1.0			\$ 27.4

For the Year Ended December 31, 2019
(In millions, except per share amounts)

	GAAP	Pension & OPEB MTM (Gain) / Loss	Acquisition Related Costs	Restructuring & Impairment Costs	Non-GAAP
Operating Income	\$ 325.5	\$ -	\$ 0.2	\$ 5.8	\$ -
Other Income (Expense)	(11.8)	3.6	-	-	-
Provision for Income Taxes	(69.1)	(0.9)	(0.0)	(1.5)	-
Net Income	244.7	2.7	0.1	4.3	-
Net Income Attributable to Noncontrolling Interest	(0.6)	-	-	-	-
Net Income Attributable to BWXT	\$ 244.1	\$ 2.7	0.1	4.3	\$ -
Diluted Shares Outstanding	95.8				95.8
Diluted Earnings per Common Share	\$ 2.55	\$ 0.03	\$ 0.00	\$ 0.04	\$ -
Effective Tax Rate	22.0%				22.1%
NPG Operating Income	\$ 53.8			\$ 2.6	\$ 56.4
NSG Operating Income	\$ 14.2			\$ 2.9	\$ 17.1

1) Tables may not foot due to rounding.

➤ Non-GAAP reconciliation for full-year 2018 and 2017⁽¹⁾

For the Twelve Months Ended December 31, 2018
(In millions, except per share amounts)

	GAAP	Pension & OPEB MTM (Gain) / Loss	Acquisition Related Costs	Recognition of Debt Issuance Costs from Former Credit Facility	Gain on Forward Contracts	One Time Tax (Benefit) / Losses	Non-GAAP
Operating Income	\$ 305.0	\$ -	\$ 2.5	\$ -	\$ -	\$ -	\$ 307.5
Other Income (Expense)	(24.8)	32.6	-	2.4	(4.7)	-	5.5
Provision for Income Taxes	(52.8)	(7.5)	(0.6)	(0.6)	1.2	(13.5)	(73.8)
Net Income	227.3	25.1	1.9	1.8	(3.5)	(13.5)	239.1
Net Income Attributable to Noncontrolling Interest	(0.3)	-	-	-	-	-	(0.3)
Net Income Attributable to BWXT	\$ 227.0	\$ 25.1	\$ 1.9	\$ 1.8	\$ (3.5)	\$ (13.5)	\$ 238.8
Diluted Shares Outstanding	100.0						100.0
Diluted Earnings per Common Share	\$ 2.27	\$ 0.25	\$ 0.02	\$ 0.02	\$ (0.03)	\$ (0.13)	\$ 2.39
Effective Tax Rate	18.9%						23.6%

For the Twelve Months Ended December 31, 2017
(In millions, except per share amounts)

	GAAP	Pension & OPEB MTM (Gain) / Loss	Litigation	Impairment (Gains) / Charges	One Time Tax (Benefit) / Losses	Executive Restructuring	Non-GAAP
Operating Income	\$ 292.2	\$ -	\$ (7.9)	\$ -	\$ -	\$ 2.6	\$ 287.0
Other Income (Expense)	3.6	11.1	-	(0.4)	-	-	14.2
Provision for Income Taxes	(147.4)	(4.2)	2.8	0.0	54.6	(1.0)	(95.1)
Net Income	148.4	6.9	(5.1)	(0.4)	54.6	1.7	206.1
Net Income Attributable to Noncontrolling Interest	(0.5)	-	-	-	-	-	(0.5)
Net Income Attributable to BWXT	\$ 147.8	\$ 6.9	\$ (5.1)	\$ (0.4)	\$ 54.6	\$ 1.7	\$ 205.6
Diluted Shares Outstanding	100.4						100.4
Diluted Earnings per Common Share	\$ 1.47	\$ 0.07	\$ (0.05)	\$ (0.00)	\$ 0.54	\$ 0.02	\$ 2.05
Effective Tax Rate	49.8%						31.6%
NSG Operating Income	\$ 22.1		\$ (7.9)				\$ 14.2

1) Tables may not foot due to rounding.

> Non-GAAP reconciliation for full-year 2016 and 2015⁽¹⁾

For the Twelve Months Ended December 31, 2016
(In millions, except per share amounts)

	GAAP	Pension & OPEB MTM (Gain) / Loss	Performance Guarantees Release	mPower Deconsolidation	Framework Agreement & Litigation	Impairment (Gains) / Charges	One Time Tax (Benefit) / Losses	Executive Restructuring	Non-GAAP
Operating Income	\$ 234.4	\$ -	\$ -	\$ -	\$ 13.9	\$ -	\$ -	\$ 4.5	\$ 252.8
Other Income (Expense)	22.8	21.3	(9.3)	(13.6)	-	(1.6)	-	-	19.7
Provision for Income Taxes	(73.7)	(7.1)	3.4	-	(5.6)	-	(5.0)	(1.6)	(89.6)
Net Income	183.6	14.2	(5.9)	(13.6)	8.3	(1.6)	(5.0)	2.8	182.9
Net Income Attributable to Noncontrolling Interest	(0.6)	-	-	-	-	-	-	-	(0.6)
Net Income Attributable to BWXT	\$ 183.1	\$ 14.2	\$ (5.9)	\$ (13.6)	\$ 8.3	\$ (1.6)	\$ (5.0)	\$ 2.8	\$ 182.3
Diluted Shares Outstanding	103.8								103.8
Diluted Earnings per Common Share	\$ 1.76	\$ 0.14	\$ (0.06)	\$ (0.13)	\$ 0.08	\$ (0.02)	\$ (0.05)	\$ 0.03	\$ 1.76
Effective Tax Rate	28.6%								32.9%

For the Twelve Months Ended December 31, 2015
(In millions, except per share amounts)

	GAAP	Pension & OPEB MTM (Gain) / Loss	Spin / Other Restructuring	Impairment (Gains) / Charges	One Time Tax (Benefit) / Losses	Litigation Proceeds	Non-GAAP
Operating Income	\$ 236.1	\$ -	\$ 42.6	\$ -	\$ -	\$ (65.7)	\$ 213.0
Other Income (Expense)	(15.1)	54.7	-	2.9	-	(29.1)	13.5
Provision for Income Taxes	(80.4)	(19.2)	(12.2)	(1.0)	7.7	31.6	(73.5)
Net Income	140.6	35.4	30.4	1.9	7.7	(63.2)	152.9
Net Income Attributable to Noncontrolling Interest	0.1	-	-	-	-	-	0.1
Net Income Attributable to BWXT	\$ 140.8	\$ 35.4	\$ 30.4	\$ 1.9	\$ 7.7	\$ (63.2)	\$ 153.1
Diluted Shares Outstanding	107.6						107.6
Diluted Earnings per Common Share	\$ 1.31	\$ 0.33	\$ 0.28	\$ 0.02	\$ 0.07	\$ (0.59)	\$ 1.42
Effective Tax Rate	36.4%						32.5%

1) Tables may not foot due to rounding.