



BWX Technologies, Inc.

Baird's 2019 Global Industrial Conference

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➤ 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 2019 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; the timing and impact of the missile tube welding issue; estimated pension costs; the expected Canadian nuclear power forecast for services, refurbishment timelines and opportunities; our outlook, priorities, growth opportunities in our businesses and guidance for 2019 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; 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 power. 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



\$1.8 billion
in 2018 revenues



6,400⁽¹⁾
highly skilled
employees



11
major manufacturing
facilities totaling 3.8
million square feet



60+
years producing
naval nuclear
propulsion systems



Only manufacturer
of large reactor
components in
North America



Reliable markets
with potential for
robust growth

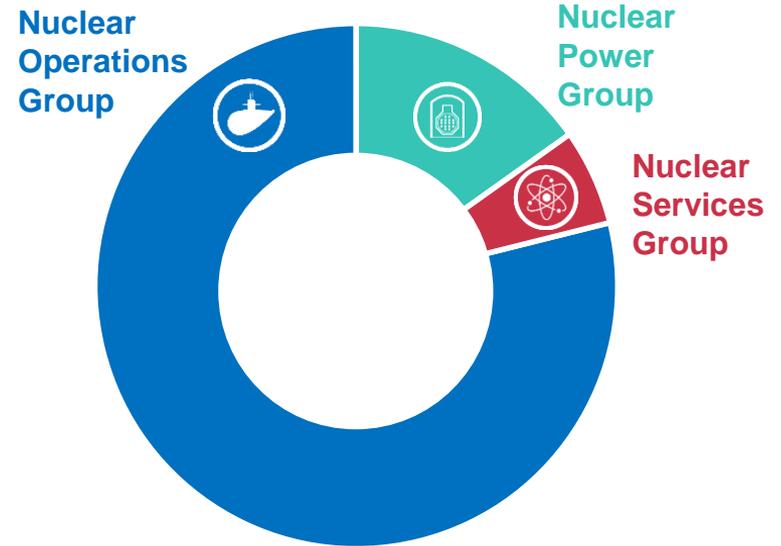


Process-oriented
R&D team
developing
disruptive products



Disciplined growth
strategy with financial
strength and premium
competitive position

2018 Segment Operating Income



1) As of September 30, 2019



Our Businesses

Three reporting segments help define who we are as a company.



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



NUCLEAR POWER

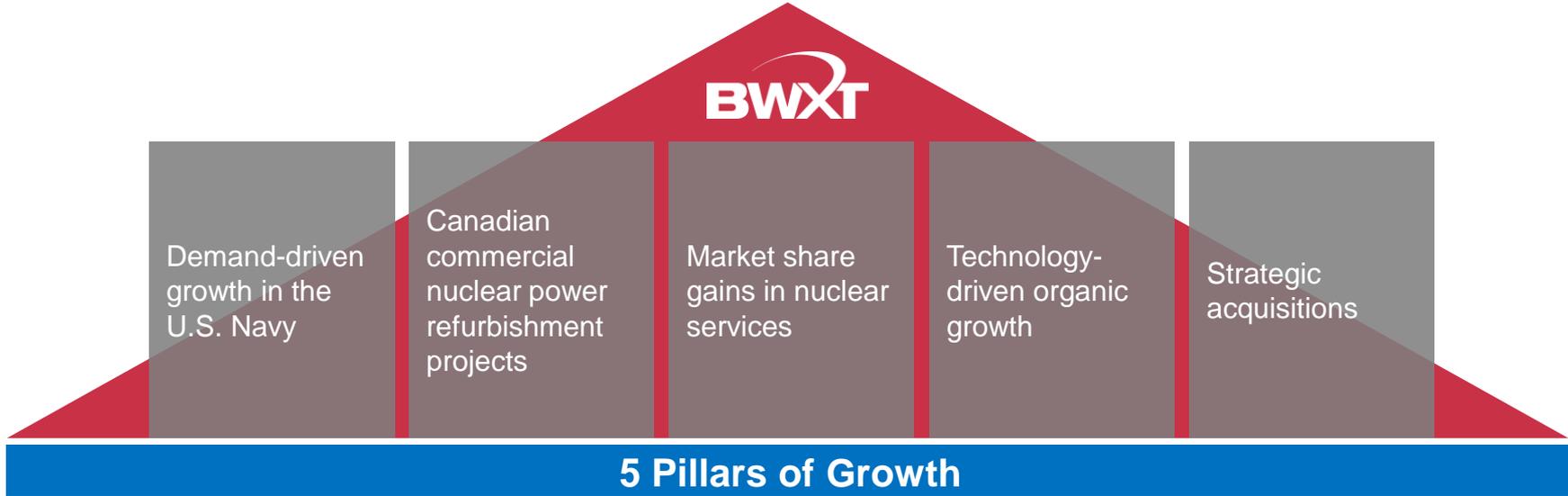
Services and supplies engineered, designed and precision-manufactured components for Canada Deuterium Uranium (CANDU) and PWR nuclear reactor stations; CANDU fuel production; medical isotope and radiopharmaceutical production for hospitals and radiopharmacies



NUCLEAR SERVICES

Provides technical operations at government sites, U.S. commercial plant services and advanced technology developments in space power and medical isotopes

➤ Strategy: A solid foundation to support growth



Financial Strength

- Strong cash generation
- Balanced capital deployment
- Financial capacity and flexibility

Operational Excellence

- Strong business execution
- Sustainable backlog
- Superior competitive positioning

Built on a Solid Foundation

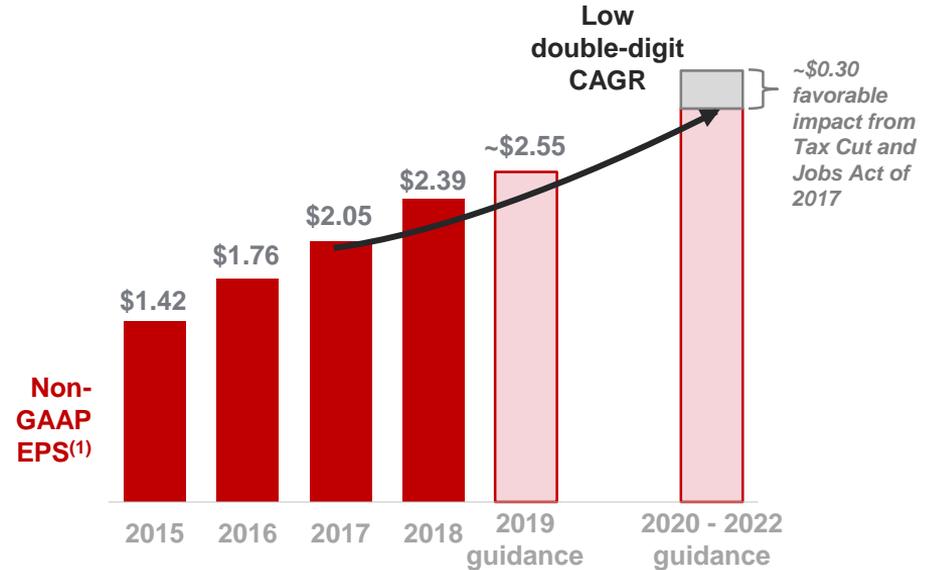
> Increased 2019 guidance, reiterated long-term guidance

2019 Guidance

↑↓ = change from prior guidance

- Non-GAAP EPS⁽¹⁾: ~\$2.55 ↑
- Consolidated revenue growth: ~6%
 - NOG revenue: up ~6%
 - NPG revenue: ~flat
- Operating income and margin
 - NOG operating margin: high teens with upside potential from CAS pension reimbursements
 - NPG operating margin: ~14%
 - NSG operating income: ~\$20M
 - Other segment operating expense primarily for R&D: ~1% of revenue
- Corporate unallocated costs: < \$20M
- Other income, primarily related to pension and other post-employment benefit plans: ~\$24M ↑
- Non-GAAP effective tax rate: ~23% ↓
- Capital expenditures: ~\$210M ↓

Long-Term Non-GAAP EPS⁽¹⁾ Guidance



On November 4, 2019, the Company **reiterated** its long-term guidance that excluding the benefit of tax reform, we anticipate an EPS⁽¹⁾ Compound Annual Growth Rate (CAGR) in the low-double digits over a three-to-five-year period from 2017 based on a robust organic growth strategy and balance sheet capacity.

1) Non-GAAP EPS exclude any mark-to-market adjustment for pension and postretirement benefits recognized during 2019 and other one-time items, which are not known at the time guidance is first 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.

> Initial 2020 outlook vs. 2019

- **Consolidated revenue growth: ~9%**
 - NOG revenue 
 - NPG revenue 
- **Operating margin: similar to 2019 excluding 3Q19 favorable NOG non-recurring items**
- **Non-GAAP EPS⁽¹⁾⁽²⁾ growth: ~7%**
- Cap-ex: > 2019... peak year driven by Navy, isotopes and 2019 timing

1) Non-GAAP EPS exclude any mark-to-market adjustment for pension and postretirement benefits recognized during 2019 and other one-time items, which are not known at the time guidance is first provided.

2) 2020 non-GAAP EPS outlook does not contemplate final changes to pension assumptions and effective tax rate. The Company anticipates providing comprehensive 2020 guidance when it reports full-year 2019 results.