



# Investor Presentation

August 12, 2021

# Safe Harbor Statement

B&W Enterprises cautions that this presentation contains forward-looking statements, including, without limitation, statements relating to adjusted EBITDA and sales targets, expectations regarding future growth, expansion and profitability, as well as statements about B&W's future pipeline of new projects and business within its Renewable, Environmental and Thermal operating segments and their impact on future shareholder value. These forward-looking statements are based on management's current expectations and involve a number of risks and uncertainties, including, among other things, the impact of COVID-19 on us and the capital markets and global economic climate generally; our recognition of any asset impairments as a result of any decline in the value of our assets or our efforts to dispose of any assets in the future; our ability to obtain and maintain sufficient financing to provide liquidity to meet our business objectives, surety bonds, letters of credit and similar financing; our ability to comply with the requirements of, and to service the indebtedness under, our debt facility agreements; our ability to pay dividends on our 7.75% Series A Cumulative Perpetual Preferred Stock, the highly competitive nature of our businesses and our ability to win work, including identified project opportunities in our pipeline; general economic and business conditions, including changes in interest rates and currency exchange rates; cancellations of and adjustments to backlog and the resulting impact from using backlog as an indicator of future earnings; our ability to perform contracts on time and on budget, in accordance with the schedules and terms established by the applicable contracts with customers; failure by third-party subcontractors, partners or suppliers to perform their obligations on time and as specified; our ability to successfully resolve claims by vendors for goods and services provided and claims by customers for items under warranty; our ability to realize anticipated savings and operational benefits from our restructuring plans, and other cost-savings initiatives; our ability to successfully address productivity and schedule issues in our B&W Renewable, B&W Environmental and B&W Thermal segments, including the ability to complete our B&W Renewable's European EPC projects and B&W Environmental's U.S. loss projects within the expected time frame and the estimated costs; our ability to successfully partner with third parties to win and execute contracts within our B&W Renewable, B&W Environmental and B&W Thermal segments; changes in our effective tax rate and tax positions, including any limitation on our ability to use our net operating loss carryforwards and other tax assets; our ability to successfully manage research and development projects and costs, including our efforts to successfully develop and commercialize new technologies and products; the operating risks normally incident to our lines of business, including professional liability, product liability, warranty and other claims against us; changes in, or our failure or inability to comply with, laws and government regulations; actual or anticipated changes in governmental regulation, including trade and tariff policies; difficulties we may encounter in obtaining regulatory or other necessary permits or approvals; changes in, and liabilities relating to, existing or future environmental regulatory matters; changes in actuarial assumptions and market fluctuations that affect our net pension liabilities and income; the Company's ability to successfully compete with current and future competitors; the Company's ability to negotiate and maintain good relationships with labor unions; changes in pension and medical expenses associated with its retirement benefit programs; social, political, competitive and economic situations in foreign countries where it does business or seeks new business; the termination of our prior credit agreement and the restrictions on operations under our new revolving credit agreement; and the other factors specified and set forth under "Risk Factors" in our periodic reports filed with the Securities and Exchange Commission, including, without limitation, the risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and Quarterly Report on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021 under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" (as applicable). These factors should be considered carefully, and B&W Enterprises 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.

## Non-GAAP Financial Measures

This presentation contains information regarding our adjusted EBITDA (including calculated on a pro forma basis to show the effect of certain changes in our operations and strategic focus going forward) and adjusted gross profit, which are non GAAP financial measures. Adjusted EBITDA on a consolidated basis is defined as the sum of the adjusted EBITDA for each of the segments, plus allocations to corporate and research and development costs. At a segment level, adjusted EBITDA is consistent with the way our chief operating decision maker reviews the results of operations and makes strategic decisions about the business and is calculated as earnings before interest, tax, depreciation and amortization adjusted for items such as gains or losses on asset sales, net pension benefits, restructuring costs, impairments, gains and losses on debt extinguishment, costs related to financial consulting, research and development costs and other costs that may not be directly controllable by segment management and are not allocated to the segment. We present consolidated Adjusted EBITDA because we believe it is useful to investors to help facilitate comparisons of our ongoing, operating performance before corporate overhead and other expenses not attributable to the operating performance of our revenue generating segments. In this presentation, we also present certain targets for our adjusted EBITDA in the future; these targets are not intended as guidance regarding how we believe the business will perform. We are unable to reconcile these targets to their GAAP counterparts without unreasonable effort and expense due to the aspirational nature of these targets. This presentation also presents adjusted gross profit. We believe that adjusted gross profit by segment is useful to investors to help facilitate comparisons of the ongoing, operating performance by excluding expenses related to, among other things, activities related to the spin off, activities related to various restructuring activities we have undertaken, corporate overhead (such as SG&A expenses and research and development costs) and certain non-cash expenses such as intangible amortization and goodwill impairments.



# Executive Summary



## Strong Global Brand

Babcock & Wilcox provides high-quality, innovative renewable, environmental and thermal technologies and has served critical power generation and industrial applications for more than 150 years.

## Executing a Transformation

B&W is executing a robust growth strategy after:

- Recovering from losses related to several expanded-scope projects, returning to its core technology and delivery model
- Implementing \$137 million in cost savings initiatives, with another \$5 million identified, and
- Reducing total secured debt by \$347 million in 2021 to position for growth and support clean energy growth initiatives

## Positioned for Growth

B&W's transformation is gaining momentum, with new branding and a global expansion underway to pursue more than \$6 billion in identified project opportunities in high-growth markets over the next three years. B&W is pursuing a further expansion of its clean energy portfolio through innovation and acquisition.

## Building Toward the Future

After achieving ~\$66 million in adjusted EBITDA in the 12 months ended June 30, 2021, B&W is targeting<sup>1</sup>:

- FY2021 adjusted EBITDA of \$70-\$80 million
- FY2022 adjusted EBITDA of \$95-\$105 million

*Advancing energy and environmental solutions that bring power and progress to our world*

(1) The most comparable GAAP target information is not available without unreasonable effort; based on Q2 2021 results  
Disclaimer: B&W Enterprises cautions not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation and may be impacted by the risks described in our SEC reports including, without limitation, the impact of COVID-19 on us and the capital markets and global economic climate generally. We undertake no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

## B&W FOUNDATION DRIVES GROWTH STRATEGY



Advanced Technologies



Research & Innovation



Global Brand Equity



High-Growth End Markets



Vast Installed Base



### ***A Circular Economy***

For our economy and future generations, we continually develop ecologically sound ways of recycling resources, like biomass and waste, to create clean, renewable baseload power while reducing greenhouse gas emissions.



### ***The Clear Choice for Our Climate***

As an industry leader in providing advanced air emissions control and energy recovery equipment and technologies, our engineered solutions are designed to reduce the environmental impact of industrial processes.



### ***Efficient. Safe. Reliable.***

From the initial patent for the water-tube safety boiler to the world's first supercritical boiler to technologies using the latest advanced steam cycles, our robust thermal energy designs deliver availability and long-term operation.

*The next generation Babcock & Wilcox is providing innovative environmental and renewable solutions, generating recurring revenues from a broad thermal installed base and expanding globally*



RENEWABLE

## Technologies for Renewable Power & Resource Recovery

*Waste-to-energy and biomass-to-energy baseload power, chemical recovery boilers for pulp & paper, multi-fuel technology, Dynagrate® and vibrating combustion grates*



ENVIRONMENTAL

## Technologies for a Clean Environment

*Emissions controls, ash handling systems for bottom and fly ash, submerged grind conveyors, wet, dry and hybrid cooling systems, carbon capture*



THERMAL

## Technologies for Efficient Steam Generation

*Boilers, ancillary equipment and global aftermarket parts, service and upgrade offerings to effectively utilize a wide range of fuels for power or industrial applications*

*Delivering value to our customers through technology-driven products and services, with 600 active patents worldwide  
Continual product improvement and research and development to support future needs, including carbon capture*



# Installed & Proven Technologies



More than 500 waste-to-energy and biomass-to-energy units at more than 300 facilities in more than 30 countries, serving a wide range of utility, waste management, municipality and investment firm customers

Combined installed capacity of our WtE technology is more than 48 million tons of waste per year and more than 5 GW of electricity from our BtE technology

~90 pulp and paper recovery boiler units in North America; at nearly 50%, the largest installed base among OEMs



Key patented ADIOX® and MERCOX™ flue gas environmental technology installed in more than 120 plants

Large installed base of wet and dry scrubbers to meet environmental regulations and technologies to improve ESP performance at a wide range of utility and industrial installations

Nearly 2,000 cooling system units (7,000+ cells) across the globe



More than 5,000 industrial water-tube package boilers installed in a variety of facilities, including refining, petrochemical, food processing, metals and mining composite and carbon fiber, carbon black and wood products

~110 GW of baseload power generation capacity through ~330 operating fossil fuel boiler units in the U.S.

~180 operating utility and industrial boiler units across 38 countries outside of North America (excluding waste-to-energy and biomass)



*A vast global installation of B&W's core technologies at utility and industrial plants, renewable plants and pulp & paper facilities create a large growth opportunity for parts, services and retrofits*



# Company Profile



Babcock & Wilcox is a global leader in advanced environmental, renewable and thermal technologies and services for power and industrial applications.

## Corporate Snapshot

**Headquarters:** Akron OH, USA

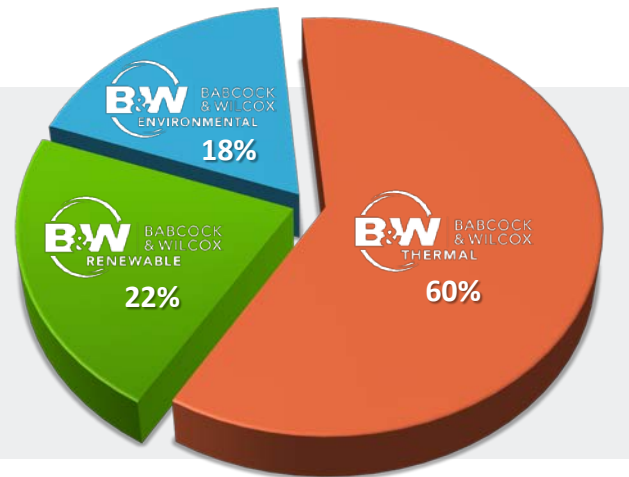
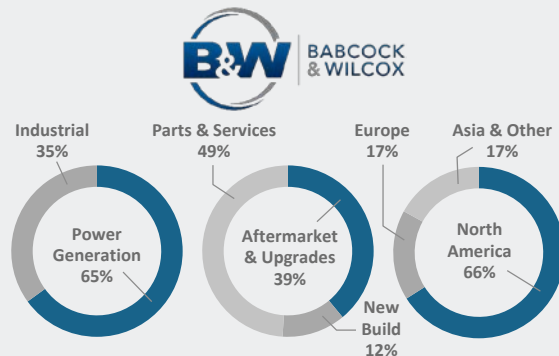
**Founded:** 1867

**Ownership:** Public (NYSE:BW)

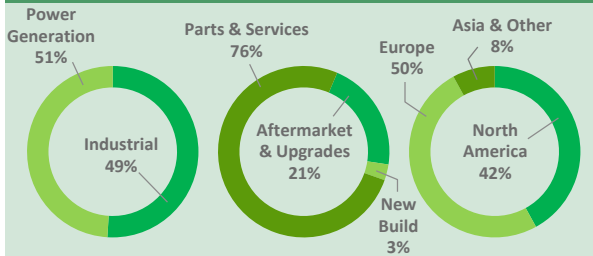
**LTM Q2 2021 Revenue:** \$654M

**Employees:** ~2,100

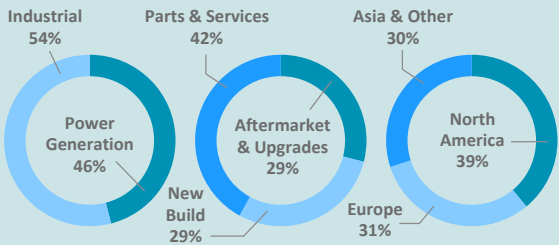
## Consolidated



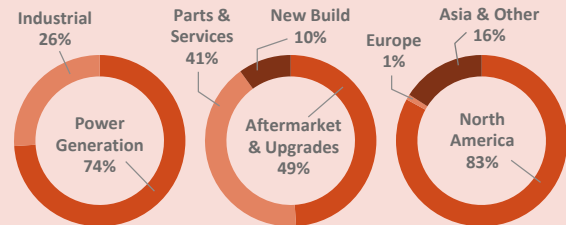
## B&W Renewable



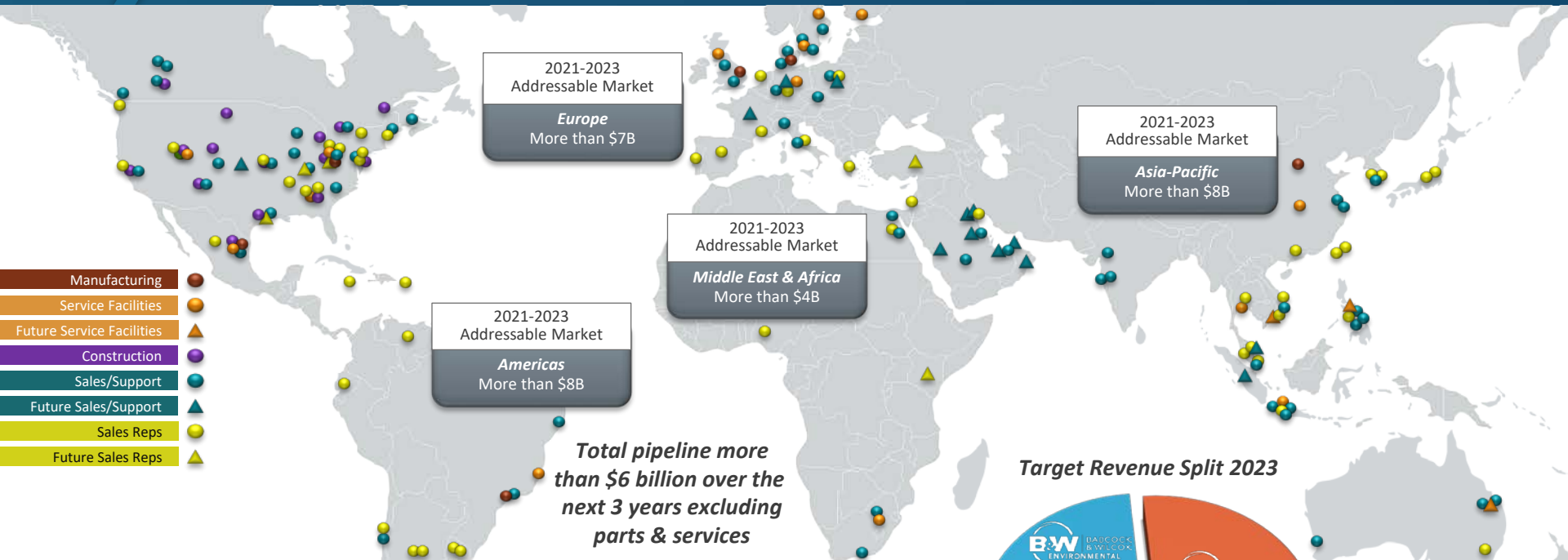
## B&W Environmental



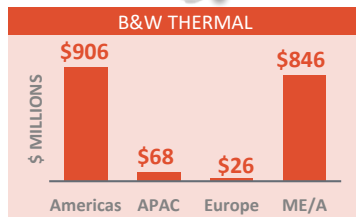
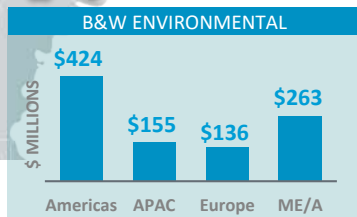
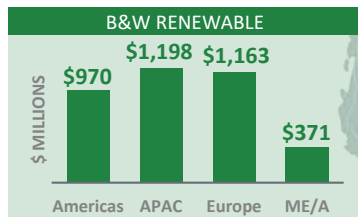
## B&W Thermal



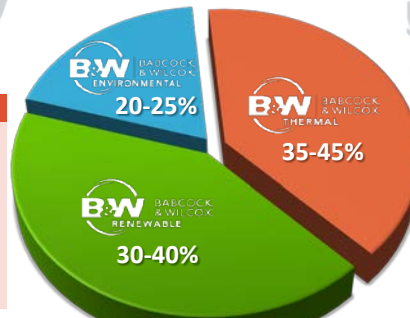
Note: All charts based on LTM June 30, 2021 revenues, unless otherwise noted.



### 3-Year Pipeline



### Target Revenue Split 2023





# B&W's Waste-to-Energy Technology Reduces Methane Emissions

- ▶ Methane has **84 times** the Global Warming Potential (GWP) of CO<sub>2</sub><sup>i</sup>
- ▶ **Annual additions to landfills** in the U.S.<sup>ii</sup> produce emissions equivalent to **10 million cars**
- ▶ **Landfills in the U.S.**<sup>iii</sup> emit more than 330 million tons of 20-year basis GWP each year, roughly equal to **70 million cars**<sup>iv</sup>
- ▶ Waste-to-Energy (WTE) avoids landfilling while producing **baseload clean energy**

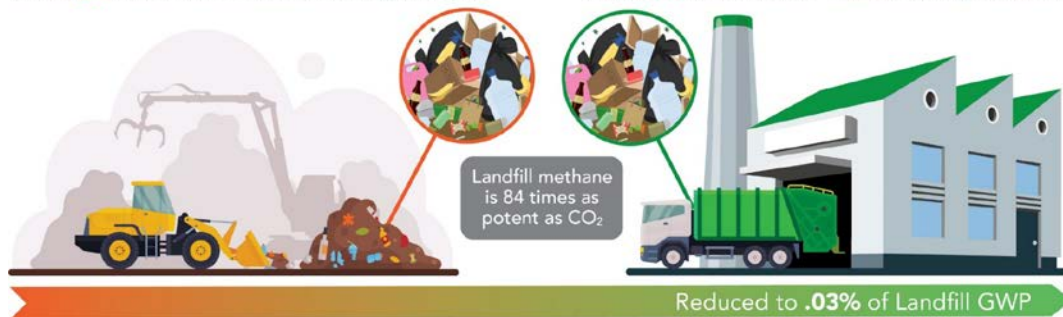
- ▶ **B&W's state-of-the-art technology** has been installed in more than 500 units in more than 30 countries, including:
  - The most recent WTE facility in the U.S. (Palm Beach Renewable Energy Facility, Florida)
  - One of the world's largest waste treatment facilities in the world (Shenzhen East, China)

One Ton of Waste in a **LANDFILL**  
Emits **3.42** Metric Tons of Global Warming Potential

One Ton of Waste in a **WASTE-TO-ENERGY FACILITY**  
Emits **.001** Metric Tons of Global Warming Potential

## WTE Technologies

- ▶ Boiler/steam generation island
- ▶ DynaGrate® combustion grate
- ▶ Fuel handling systems
- ▶ Emissions control equipment



*B&W is actively deploying technology today which curbs the global warming impact of methane*

<sup>i</sup> Anthropogenic and Natural Radiative Forcing. In: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Stocker, T.F., D. Qin, G.-K. Plattner, M. Tignor, S.K. Allen, J. Boschung, A. Nauels, Y. Xia, V. Bex and P.M. Midgley (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA. [https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5\\_Chapter08\\_FINAL.pdf](https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5_Chapter08_FINAL.pdf); 20-year basis

<sup>ii</sup> EIA Biomass Explained: Waste-to-energy (Municipal Solid Waste), November 29, 2020 <https://www.eia.gov/energyexplained/biomass/waste-to-energy.php>

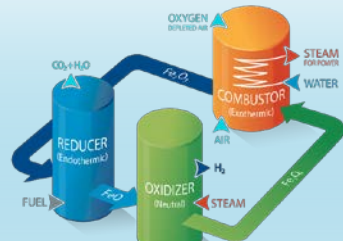
<sup>iii</sup> EPA Landfill Methane Outreach Program: Project and Landfill Data by State; <https://www.epa.gov/lmop/project-and-landfill-data-state#:~:text=The%20LMOP%20Landfill%20and%20Landfill,more%20than%20%2C600%20MSW%20landfills> and EPA U.S. Greenhouse Gas Inventory 2020, Chapter 7: Waste, Section 7.1 Landfills (CRF Source Category 5A1)

<sup>iv</sup> Equivalent car emissions calculated using EPA metric of 4.6 metric tons of CO<sub>2</sub> per year per passenger car



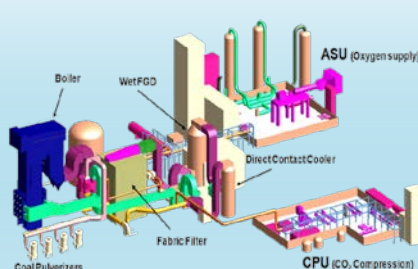
## ClimateBright™ DECARBONIZATION TECHNOLOGIES

### BrightLoop™ CHEMICAL LOOPING



- Jointly developed with The Ohio State University
  - Can simultaneously produce hydrogen
  - Pilot testing complete on both syngas and coal at 250 kW<sub>th</sub> input
  - Ready for scale-up to 4 x 2.5 MW<sub>e</sub>
- FUELS:** Coal, pet coke, natural gas and any syngas

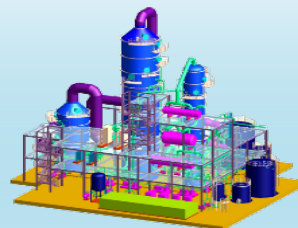
### OxyBright™ OXYGEN-FUEL COMBUSTION



- Pilot-scale testing complete (30 MW<sub>th</sub>)
- 168 MW<sub>e</sub> full-scale design ready

**FUELS:** Natural gas and solid fuels (biomass, coal)

### SolveBright™ POST-COMBUSTION CARBON CAPTURE



- Pilot testing complete
- Post-combustion amine-based solvent process
- First solvent demonstrated at National Carbon Capture Center (NCCC) Southern Company's Plant Gaston
- Reference plant design ready

**FUELS:** Any combustion, gasification and industrial process that produces a flue gas stream with CO<sub>2</sub>

### BrightGen™ HYDROGEN COMBUSTION



- Commercially ready and currently in operation
- A combustion technology that produces no CO<sub>2</sub>
- Can be retrofitted to fire hydrogen

**FUELS:** Hydrogen, alone or in combination with natural gas, oil, or other gaseous fuels



- B&W is at the forefront of developing CO<sub>2</sub> capturing technologies
- Multiple technologies ready for commercial demonstration
- 93 active patents related to carbon capture technology
- Positioned to provide critical solutions to meet global climate goals

*B&W has successfully tested three carbon capture technologies applicable to a wide range of fuels and processes*



# Financial Information



# Consolidated Financial Summary

(\$ in Millions)	Twelve Months Ended <u>June 30, 2021*</u>	Twelve Months Ended <u>March 31, 2021*</u>	Twelve Months Ended <u>December 31, 2020*</u>	Twelve Months Ended <u>December 31, 2019</u>
Revenue	\$ 653.5	\$ 586.0	\$ 566.3	\$ 859.1
Adjusted Gross Profit	\$ 188.3	\$ 176.4	\$ 173.6	\$ 169.5
Adjusted Gross Profit Margin %	28.8%	30.1%	30.7%	19.7%
Operating Income (Loss)	\$ 12.6	\$ 2.1	\$ (1.7)	\$ (29.4)
Net income (loss) attributable to stockholders of common stock	\$ 25.2	\$ 5.7	\$ (10.3)	\$ (122.0)
Adjusted EBITDA	\$ 65.9	\$ 52.6	\$ 45.1	\$ 45.0
Adjusted EBITDA Margin %	10.1%	9.0%	8.0%	5.2%

Note: 2020 results include the recognition in Q3 2020 of a \$26.0 million loss recovery settlement related to certain historical EPC loss contracts; figures may not be clerically accurate due to rounding; see SEC financial filings and/or slides in Appendix for reconciliation of non-GAAP measures; COVID-19 adversely impacted all segments in 2020 and YTD June 2021; during the year ended December 31, 2020, we redefined our definition of adjusted EBITDA to eliminate the effects of certain items including loss from a non-strategic business, interest on letters of credit included in cost of operations and loss on business held for sale. Consequently, adjusted EBITDA in prior periods have been revised to conform with the revised definition and present separate reconciling items in our reconciliation.

*\*COVID-19 adversely impacted all segments in 2020 and through YTD June 2021;  
strategic actions taken to-date provide the foundation for a strong second half of 2021 and beyond*

(\$ in Millions)

As of Jun 30, 2021

## Capitalization:

<b>Total Debt</b>	<b>\$170.9</b>
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Cash, cash equivalents and restricted cash <sup>(1)</sup>	143.6
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<b>Net Debt</b>	<b>\$27.3</b>
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## Adjusted EBITDA:

LTM 6/30/2021 Adjusted EBITDA <sup>(2)</sup>	65.9
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2021 Target Adjusted EBITDA Range <sup>(3)</sup>	70.0 - 80.0
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## Total Debt Leverage:

Net Leverage <sup>(4)</sup>	0.41x
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Target Net Leverage Range <sup>(5)</sup>	0.34x - 0.39x
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Note: Figures may not be clerically accurate due to rounding.

- (1) As of 6/30/21, includes total restricted cash of \$113.5 million of which \$110.7 million relates to letters of credit collateral for cash pledged to secure the outstanding and undrawn letters of credit issued under our prior A&R Credit Agreement. As of August 12, 2021, we have issued \$60.7 million of backstop letters of credit issued by PNC and reclassified this amount from restricted cash to cash and cash equivalents. We expect the completion of the issuance of new letters of credit to cover the remaining collateral balance of \$50.0 million by PNC by 9/30/21, which will alleviate any restricted use of the letters of credit collateral.
- (2) See SEC financial filings and/or slides in Appendix for reconciliation of non-GAAP measures. 2020 results include the recognition in the third quarter of a \$26.0 million loss recovery settlement related to certain historical EPC loss contracts, as previously disclosed. Adjusted EBITDA for LTM as of 6/30/2021 is based on unaudited results for Q1 2021 and Q2 2021; 2020 Adjusted EBITDA excludes losses related to a non-strategic business, interest on letters of credit included in cost of operations and loss on business held for sale.
- (3) Targeted range for Adjusted EBITDA in 2021 previously disclosed by BW management; the most comparable GAAP target information is not available without unreasonable effort.
- (4) Net Debt compared to LTM 6/30/2021 Adjusted EBITDA
- (5) Net Debt compared to 2021 Target Adjusted EBITDA Range

*2021 common stock, preferred stock and senior note offerings reduced secured debt by \$347 million*





## Strong Global Brand

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- Recovering from losses related to several expanded-scope projects, returning to its core technology and delivery model
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## Building Toward the Future

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# Appendix



# Leadership Team



Chairman &  
Chief Executive Officer

Kenny Young



Chief Financial Officer

Lou Salamone



Chief Operating Officer

Jimmy Morgan



General Counsel

John Dziewisz



Human Resources

Jacqueline Opal



Corporate Development  
& Investor Relations

Megan Wilson



# Key Market Drivers & Opportunities



**Global drive toward renewable and reusable energy sources**



**Increasing global regulatory restrictions on landfilling benefit waste-to-energy**



**New EU regulations require higher emissions standards**



**An aging utility boiler installed base drives stable aftermarket in the U.S. while growth in international power generation continues**



**Water scarcity and regulations drive need for custom cooling solutions**



**Potential for carbon legislation benefits emergent carbon-capture technologies**

*B&W is positioned to capitalize on global trends driving the need for environmental and renewable solutions*

# Key Growth Strategies



Grow by **expanding sales, service and business development teams** in key international regions to serve the broad renewable, environmental and thermal markets



Meet the global need for carbon reduction with patented **renewable waste-to-energy & biomass** and **carbon-capture solutions**



Leverage a vast installed base and stable U.S. market to drive aftermarket parts and service sales and generate **strong cash flow**

Provide best-in-class **environmental technologies** to customers across a broad array of markets to meet growing environmental regulations

*Core growth strategies focused on driving innovative environmental and renewable technologies, growing aftermarket sales by leveraging the installed base, and expanding internationally in key regions*



# Ongoing Transformation

*Key strategic actions have returned the company to positive performance and positioned it for growth*

	ACTION	ACHIEVED	ONGOING
<b>November 2018</b>	New Senior Management Team led by Kenny Young	✓	
<b>April 2019</b>	Settlement Negotiated for Remaining Loss Contracts; Additional Financing Obtained	✓	
<b>May 2019</b>	EPC Loss Contracts Turned Over to Customers <sup>(1)</sup>	✓	
<b>June 2019</b>	Sale of Non-Strategic Asset (Loibl)	✓	
<b>July 2019</b>	Deleveraging Events: Rights Offering & Debt Conversion	✓	
<b>May 2020</b>	Extended Credit Facility for Two Years with Further Reductions Through End of 2020	✓	
<b>August 2020</b>	Strategic Organizational and Global Branding Initiative Launched	✓	✓
<b>August 2020</b>	Board Transition to Align with Market-Focused Initiatives Complete	✓	
<b>February 2021</b>	Deleveraging Event: Common Stock and Senior Notes Public Offerings	✓	
<b>March 2021</b>	Entered into ATM sales agreement to sell, from time to time, Senior Notes	✓	✓
<b>May 2021</b>	Deleveraging Event: Preferred Stock Offering	✓	
<b>May 2021</b>	Launch of ClimateBright™ Decarbonization Technologies Platform	✓	
<b>June 2021</b>	Deleveraging Event: Exchange of Secured Term Debt for Preferred Stock; Credit Facility Refinance	✓	
<b>Ongoing</b>	Implementation of ~\$137M in Cost Reductions Complete; Further \$5 million identified	✓	✓
<b>Ongoing</b>	Pursuing Recoveries from Historical EPC Loss Projects; \$9.1M Insurance Proceeds Q3'19; \$26M Insurance Loss Recovery Recognized Q3'20; Pursuing Further Recoveries from Subcontractors		✓
<b>Ongoing</b>	Expanding Sales, Service and Business Development Teams Globally		✓
<b>Ongoing</b>	Targeting 2021 adjusted EBITDA of \$70-\$80 million, 2022 adjusted EBITDA of \$95-\$105 million <sup>(2)</sup>		✓




## Focus on Strengths

- Focus on core products and services for environmental, renewable and thermal markets
- Increase emphasis on retrofit and aftermarket services
- Focus on quality, high margin projects rather than revenues
- Leverage a vast installed base and robust pipeline
- Return the renewable business to its historically profitable business model, providing core technologies and services, with no EPC scope
- Expand sales, service and business development teams internationally

## Financial Credibility & Profitability

- (1) 5 of 6 EPC Loss Contracts turned over; Turnover not applicable for last project under settlement terms
- (2) The most comparable GAAP target information is not available without unreasonable effort; targets based on current visibility regarding COVID-19 impacts; it is not possible to fully predict the impacts of COVID-19

# Financial Reporting Segments

	Key End Markets	Product and Service Overview
	Waste-to-Energy Biomass Pulp & Paper	Waste-to-energy and biomass technologies, aftermarket equipment upgrades, parts and service
	Power Oil and Gas Pulp & Paper General Industry	Air emissions control and ash handling systems, cooling and energy recovery, aftermarket equipment upgrades, parts and service
	Power Oil and Gas General Industry	Utility steam generation equipment, industrial boilers, boiler cleaning, aftermarket equipment upgrades, parts and service

Note: Financial performance reported under new segments starting with Q3 2020 results; segment results for prior periods have been restated for comparative purposes.

# Adjusted EBITDA Reconciliation<sup>(1)</sup>

\$ in Millions

	Three months ended June 30,	
	2021	2020
<b>Adjusted EBITDA</b> <sup>(2)</sup>	<b>\$ 15.1</b>	<b>\$ 1.7</b>
Restructuring activities	(2.4)	(2.4)
Financial advisory services	(1.3)	(0.6)
Advisory fees for settlement costs and liquidity planning	(2.1)	(1.2)
Litigation legal costs	(1.2)	(0.3)
Stock compensation	(0.1)	(1.2)
Interest on letters of credit included in cost of operations	(0.3)	(0.2)
Income (loss) from business held for sale	—	0.5
Depreciation & amortization	(4.3)	(4.0)
Contract asset amortization	(0.1)	—
ClimateBright™ product development	(0.3)	—
Loss from a non-strategic business	(0.3)	(0.1)
Gain on asset disposals, net	—	—
<b>Operating income (loss)</b>	<b>2.8</b>	<b>(7.7)</b>
Interest expense, net	(7.9)	(15.3)
Gain (loss) on debt extinguishment	6.5	(6.2)
Loss on sale of business	(2.6)	(0.1)
Net pension benefit	5.9	7.5
Foreign exchange	1.8	7.1
Other – net	0.1	(2.6)
Total other income (expense)	3.9	(9.6)
<b>Income (loss) before income tax expense</b>	<b>6.7</b>	<b>(17.3)</b>
Income tax expense	3.5	0.8
<b>Income (loss) from continuing operations</b>	<b>3.1</b>	<b>(18.1)</b>
Income (loss) from discontinued operations, net of tax	—	(0.1)
<b>Net income (loss)</b>	<b>3.1</b>	<b>(18.2)</b>
Net (income) loss attributable to non-controlling interest	—	0.1
<b>Net income (loss) attributable to stockholders</b>	<b>3.1</b>	<b>(18.1)</b>
Less: Dividend on Series A preferred stock	1.7	—
<b>Net income (loss) attributable to stockholders of common stock</b>	<b>\$ 1.4</b>	<b>\$ (18.1)</b>

\$ in Millions

	Six months ended June 30,	
	2021	2020
<b>Adjusted EBITDA</b> <sup>(2)</sup>	<b>\$ 23.5</b>	<b>\$ 2.7</b>
Restructuring activities	(3.4)	(4.3)
Financial advisory services	(2.2)	(1.5)
Advisory fees for settlement costs and liquidity planning	(4.0)	(3.8)
Litigation legal costs	(1.5)	(0.9)
Stock compensation	(7.9)	(1.9)
Interest on letters of credit included in cost of operations	(0.6)	(0.4)
Income (loss) from business held for sale	(0.5)	(0.3)
Depreciation & amortization	(8.4)	(8.2)
Contract asset amortization	(0.1)	—
ClimateBright™ product development	(0.3)	—
Loss from a non-strategic business	(0.3)	(0.2)
Gain on asset disposals, net	2.0	0.9
<b>Operating income (loss)</b>	<b>(3.7)</b>	<b>(18.0)</b>
Interest expense, net	(22.0)	(37.3)
Gain (loss) on debt extinguishment	6.5	(6.2)
Loss on sale of business	(2.2)	(0.1)
Net pension benefit	15.0	15.0
Foreign exchange	0.6	(2.2)
Other – net	(0.2)	(2.8)
Total other income (expense)	(2.2)	(33.6)
<b>Income (loss) before income tax expense</b>	<b>(5.9)</b>	<b>(51.6)</b>
Income tax expense	6.4	—
<b>Income (loss) from continuing operations</b>	<b>(12.3)</b>	<b>(51.7)</b>
Income (loss) from discontinued operations, net of tax	—	1.8
<b>Net income (loss)</b>	<b>(12.3)</b>	<b>(49.9)</b>
Net (income) loss attributable to non-controlling interest	—	0.2
<b>Net income (loss) attributable to stockholders</b>	<b>(12.3)</b>	<b>(49.6)</b>
Less: Dividend on Series A preferred stock	1.7	—
<b>Net income (loss) attributable to stockholders of common stock</b>	<b>\$ (14.1)</b>	<b>\$ (49.6)</b>

- Figures may not be clerically accurate due to rounding
- Adjusted EBITDA for the three months and six months ended June 30, 2020, excludes losses related to a non-strategic business and interest on letters of credit included in cost of operations that were previously included in Adjusted EBITDA and total \$(0.1) million and \$(0.2) million, respectively, and \$(0.2) million and \$(0.4) million, respectively

# Adjusted EBITDA Reconciliation<sup>(1)</sup>

\$ in Millions

	Twelve months ended		
	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019
<b>Adjusted EBITDA</b> <sup>(2)(3)</sup>	<b>\$ 65.9</b>	<b>\$ 45.1</b>	<b>\$ 45.0</b>
Restructuring activities	(10.9)	(11.8)	(11.7)
Financial advisory services	(5.1)	(4.4)	(9.1)
Settlement cost to exit Vølund contract <sup>(4)</sup>	—	—	(6.6)
Advisory fees for settlement costs and liquidity planning	(6.6)	(6.4)	(11.8)
Litigation legal costs	(2.7)	(2.1)	(0.5)
Stock compensation	(10.6)	(4.6)	(3.4)
Interest on letters of credit included in cost of operations	(1.1)	(0.9)	(0.4)
Income (loss) from business held for sale	(0.6)	(0.5)	(5.9)
Depreciation & amortization	(16.9)	(16.8)	(23.6)
Contract asset amortization	(0.1)	—	—
ClimateBright™ product development	(0.3)	—	—
Loss from a non-strategic business	(2.6)	(2.6)	(5.5)
Gain on asset disposals, net	4.3	3.3	3.9
<b>Operating income (loss)</b>	<b>12.6</b>	<b>(1.7)</b>	<b>(29.4)</b>
Interest expense, net	(43.8)	(59.2)	(94.0)
Gain (loss) on debt extinguishment	6.5	(6.2)	(4.0)
Loss on sale of business	(2.2)	(0.1)	(3.6)
Net pension benefit before MTM	28.8	28.8	14.0
MTM (loss) gain from benefit plans	(23.2)	(23.2)	8.8
Foreign exchange	61.6	58.8	(16.6)
Other – net	1.5	(1.1)	0.3
<b>Income (loss) before income tax expense</b>	<b>41.8</b>	<b>(3.9)</b>	<b>(124.4)</b>
Income tax expense	14.5	8.2	5.3
<b>Income (loss) from continuing operations</b>	<b>27.3</b>	<b>(12.1)</b>	<b>(129.7)</b>
Income (loss) from discontinued operations, net of tax	—	1.8	0.7
<b>Net income (loss)</b>	<b>27.3</b>	<b>(10.3)</b>	<b>(129.0)</b>
Net (income) loss attributable to non-controlling interest	(0.3)	—	7.1
<b>Net income (loss) attributable to stockholders</b>	<b>27.0</b>	<b>(10.3)</b>	<b>(122.0)</b>
Less: Dividend on Series A preferred stock	1.7	—	—
<b>Net income (loss) attributable to stockholders of common stock</b>	<b>\$ 25.2</b>	<b>\$ (10.3)</b>	<b>\$ (122.0)</b>

- 1) Figures may not be clerically accurate due to rounding
- 2) During the year ended December 31, 2020, we redefined our definition of adjusted EBITDA to eliminate the effects of certain items including loss from a non-strategic business, interest on letters of credit included in cost of operations and loss on business held for sale. Consequently, adjusted EBITDA in prior periods have been revised to conform with the revised definition and present separate reconciling items in our reconciliation.
- 3) Adjusted EBITDA for the twelve months ended December 31, 2020, include the recognition of a \$26.0 million loss recovery settlement related to certain historical EPC loss contracts in the third quarter, as previously disclosed.
- 4) In March 2019, we entered into a settlement in connection with an additional B&W Renewable waste-to-energy EPC contract, for which notice to proceed was not given and the contract was not started. The settlement eliminated our obligations to act, and our risk related to acting, as the prime EPC should the project have moved forward.

# Adjusted Gross Profit Reconciliation <sup>(3)</sup>

\$ in Millions

	Three months ended June 30,	
	2021	2020
Adjusted gross profit <sup>(1)(2)</sup>		
<b>Operating income (loss)</b>	<b>\$ 2.8</b>	<b>\$ (7.7)</b>
Selling, general and administrative ("SG&A") expenses	33.2	34.5
Advisory fees and settlement costs	4.5	2.0
Amortization expense	2.0	1.3
Restructuring activities	2.4	2.4
Research and development costs	0.6	1.2
Losses from a non-strategic business	0.3	0.1
Gains on asset disposals, net	—	—
<b>Adjusted gross profit</b>	<b>\$ 45.8</b>	<b>\$ 33.8</b>

\$ in Millions

	Six months ended June 30,	
	2021	2020
Adjusted gross profit <sup>(1)(2)</sup>		
<b>Operating income (loss)</b>	<b>\$ (3.7)</b>	<b>\$ (18.0)</b>
Selling, general and administrative ("SG&A") expenses	73.6	72.0
Advisory fees and settlement costs	7.8	6.2
Amortization expense	3.4	2.7
Restructuring activities	3.4	4.3
Research and development costs	1.2	2.6
Losses from a non-strategic business	0.3	0.2
Gains on asset disposals, net	(2.0)	(0.9)
<b>Adjusted gross profit</b>	<b>\$ 84.0</b>	<b>\$ 69.2</b>

(1) Intangible amortization is not allocated to the segments' adjusted gross profit, but depreciation is allocated to the segments' adjusted gross profit.

(2) Adjusted gross profit for the three and six months ended June 30, 2020, excludes losses related to a non-strategic business that was previously included in Adjusted gross profit and totals (\$0.1) million and (\$0.2) million.

(3) Figures may not be clerically accurate due to rounding.



# Adjusted Gross Profit Reconciliation<sup>(4)</sup>

\$ in Millions

Adjusted gross profit <sup>(1)(2)(3)</sup>

**Operating income (loss)**

Selling, general and administrative ("SG&A") expenses

Advisory fees and settlement costs

Amortization expense

Restructuring activities

Research and development costs

Losses from a non-strategic business

Gains on asset disposals, net

**Adjusted gross profit**

	Twelve months ended		
	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019
<b>Operating income (loss)</b>	<b>\$ 12.6</b>	<b>\$ (1.7)</b>	<b>\$ (29.4)</b>
Selling, general and administrative ("SG&A") expenses	143.0	141.4	150.6
Advisory fees and settlement costs	14.5	12.9	27.9
Amortization expense	6.1	5.5	4.3
Restructuring activities	10.9	11.8	11.7
Research and development costs	3.0	4.4	2.9
Losses from a non-strategic business	2.6	2.6	5.5
Gains on asset disposals, net	(4.3)	(3.3)	(3.9)
<b>Adjusted gross profit</b>	<b>\$ 188.3</b>	<b>\$ 173.6</b>	<b>\$ 169.5</b>

(1) Intangible amortization is not allocated to the segments' adjusted gross profit, but depreciation is allocated to the segments' adjusted gross profit.

(2) Adjusted gross profit for the twelve months ended December 31, 2020 and December 31, 2019, excludes losses related to a non-strategic business that was previously included in Adjusted gross profit and totals \$2.6 million and \$5.5 million.

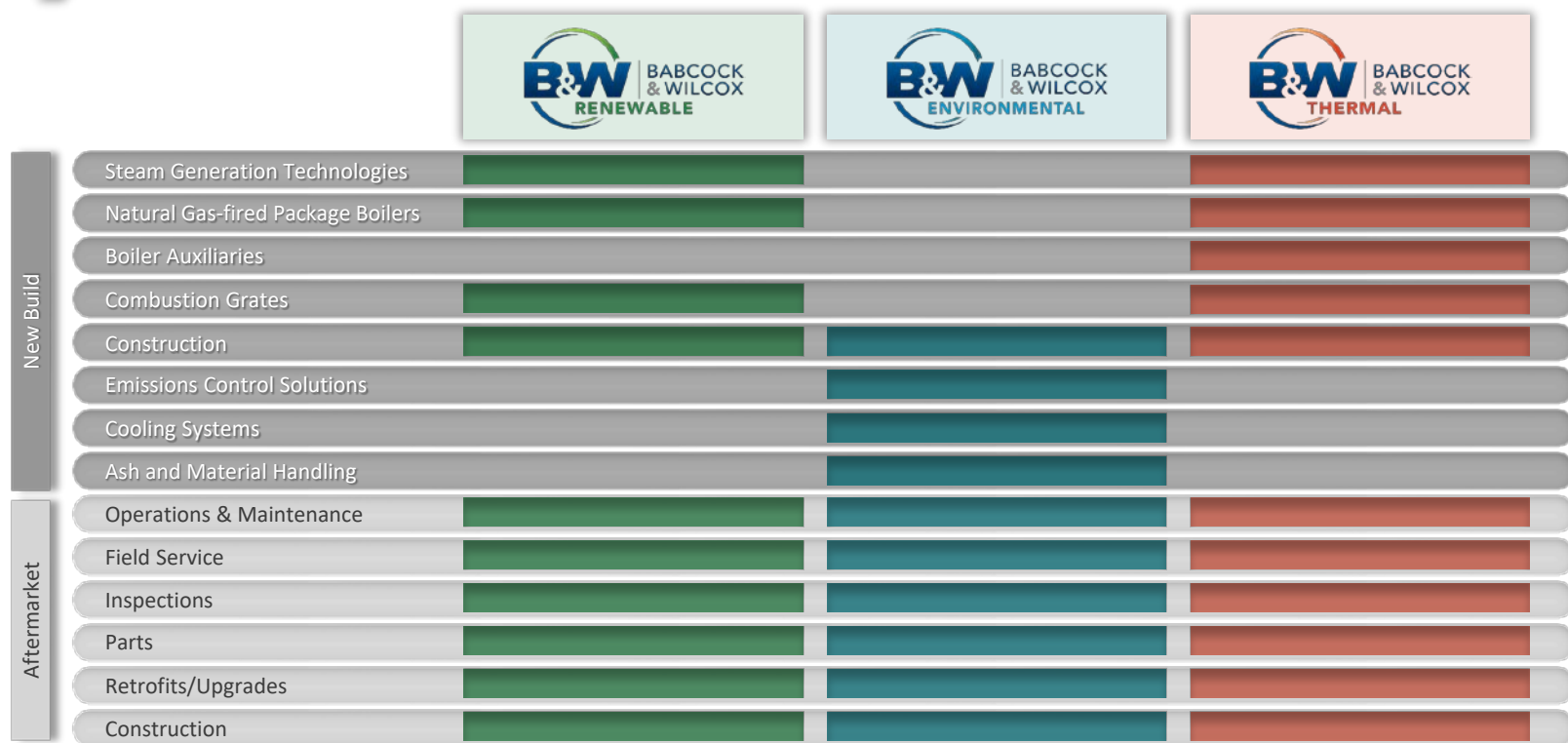
(3) Adjusted gross profit for the twelve months ended December 31, 2020 includes the recognition of a \$26.0 million loss recovery settlement related to certain historical EPC loss contracts in the third quarter, as previously disclosed

(4) Figures may not be clerically accurate due to rounding.



# Key Technologies

# Products & Services Across Our Brands



*Providing “life of the plant” product and service applications across a broad array of power generation and industrial markets*

Note: Gas-fired package boilers are used in coal-fired and renewable plants for start-up or auxiliary power

# Key Technologies: Steam Generation Technologies



## Utility Boilers

**High pressure, high efficiency, high capacity, low emissions**

*Fuel: Coal, oil, natural gas, multi-fuel*



## Waste-to-Energy Boilers

**Reduces dependency on landfills and reduces methane gas emissions**

*Fuels: MSW, RDF*



## Natural Gas-Fired and Other Industrial Water-Tube Boilers

**Bottom- or top-supported, shop- or field-assembled**

*Fuel: Natural gas, oil, CO, waste heat and gases*



## Biomass-Fired Boilers

**Carbon-neutral technology**

*Fuels: Wood, wood waste, straw, sludge*



## Process Recovery Boilers

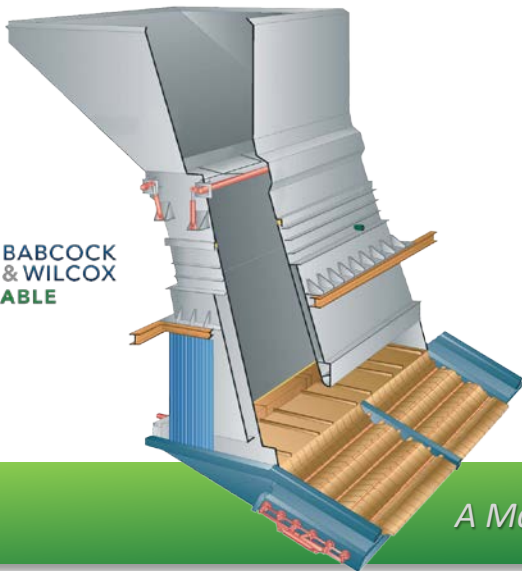
**Single-drum, industry-standard unit for improved mill operation**

*Fuels: Black liquor*

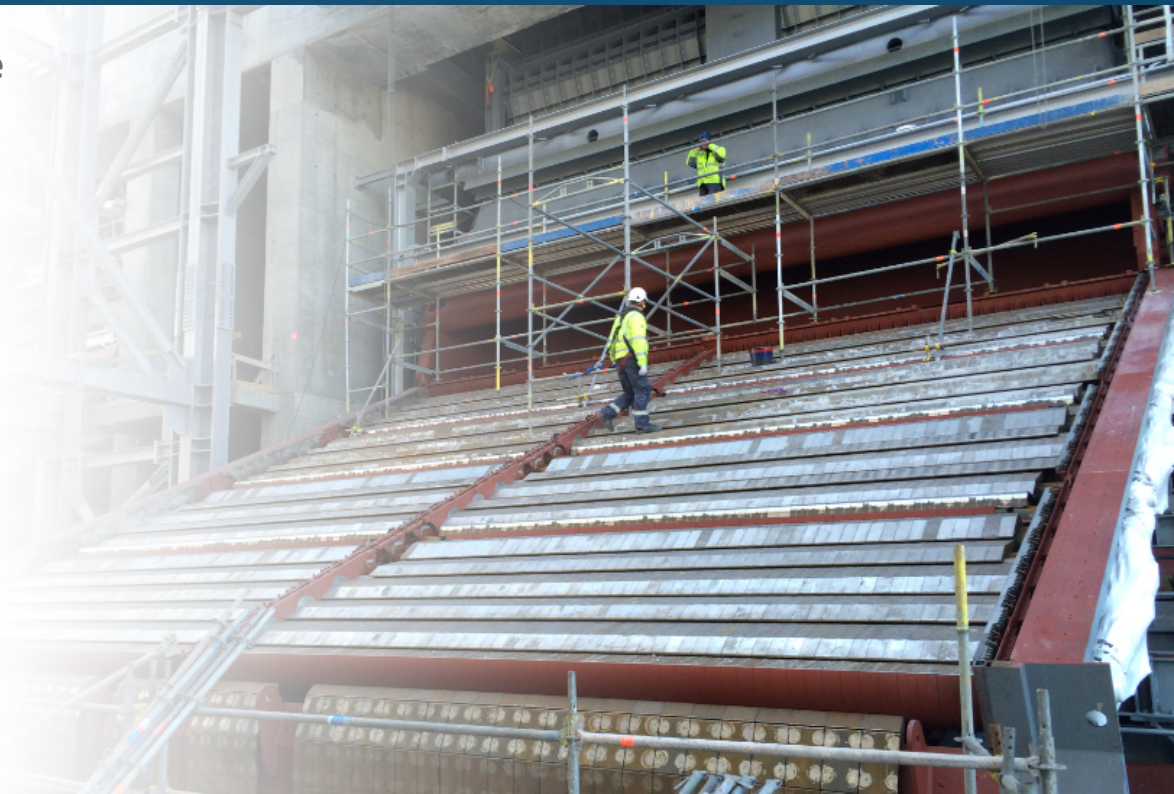


## DynaGrate® Pivoting Combustion Grate

- ▶ Large installed base with diverse set of customers
- ▶ Grate design allows for high availability and long operational time, leading to reduced O&M cost
- ▶ High thermal efficiency and low emissions
- ▶ Fuel flexibility
- ▶ Factory assembled modules reduce field construction



*A Market Leader with Differentiating Technology in Waste-to-Energy Solutions*





# Key Technologies: Emissions Controls

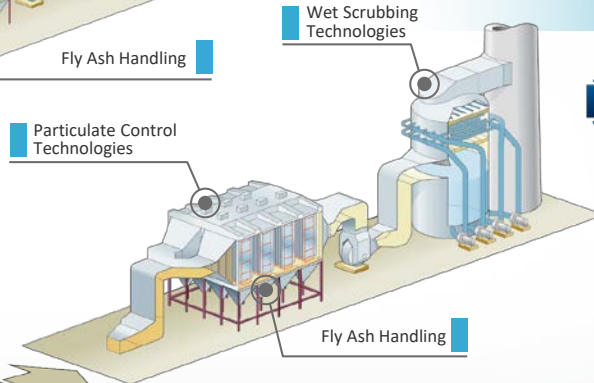
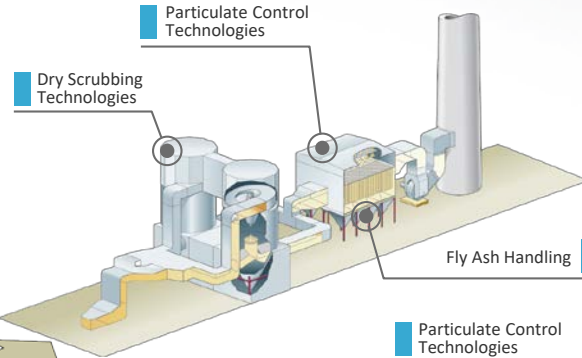
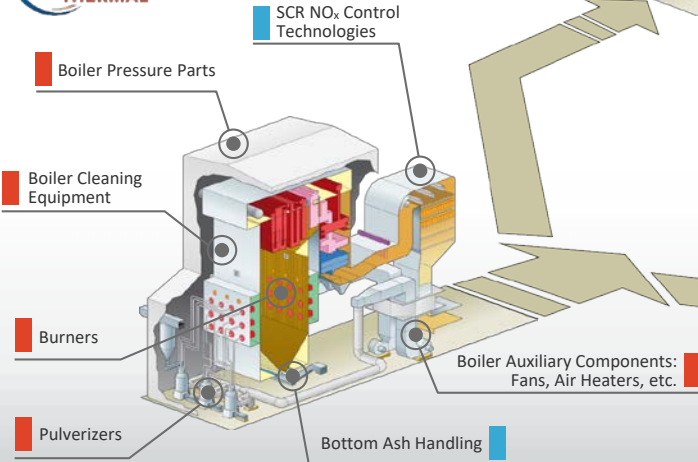
Emission	Technology Solution
Particulate Control	<ul style="list-style-type: none"> <li>▶ Pulse Jet Fabric Filters (PJFF) / Baghouses</li> <li>▶ Wet and Dry Electrostatic Precipitators (ESPs)</li> <li>▶ Wet Particulate Scrubbers</li> <li>▶ Multiclone® Dust Collectors</li> </ul>
NO <sub>x</sub> Control	<ul style="list-style-type: none"> <li>▶ Selective Catalytic and Non-catalytic Reduction (SCR/SNCR)</li> <li>▶ Low NO<sub>x</sub> Burners and Combustion Systems</li> </ul>
SO <sub>2</sub> / Acid Gas Control	<ul style="list-style-type: none"> <li>▶ Wet or Seawater Flue Gas Desulfurization (FGD) Systems</li> <li>▶ Semi-dry FGDs (Spray Dry Absorbers, Circulating Dry Scrubbers)</li> <li>▶ Wet ESPs</li> <li>▶ Dry Sorbent Injection (DSI)</li> </ul>
SO <sub>3</sub> / Acid Mist Control	<ul style="list-style-type: none"> <li>▶ Wet ESPs</li> <li>▶ Dry Sorbent Injection (DSI)</li> </ul>
Mercury, Dioxins, Furans	<ul style="list-style-type: none"> <li>▶ Powdered Activated Carbon Injection</li> <li>▶ Absorption Plus™, MercPlus™, Mitagent™ Additives</li> <li>▶ GMAB™ ADIOX® and MERCOX® technologies</li> </ul>
Wastewater Elimination	<ul style="list-style-type: none"> <li>▶ Wastewater Evaporation System (WES) via Spray Drying</li> <li>▶ Air-Cooled Condensers</li> </ul>



# Key Technologies: Steam Generation & Environmental Solutions Across a Utility Plant

## Steam Generator Technology

- › Pulverizers
- › Furnace
- › Burners and ignitors
- › Sootblowers
- › Pressure parts
- › Air heaters and air heating cleaning systems
- › Bottom ash handling systems



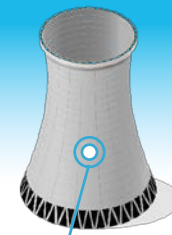
## Environmental Solutions

- › Particulate control
- › Nitrogen oxides (NO<sub>x</sub>) removal
- › Sulfur removal
- › Mercury, dioxin and furan removal
- › Fly ash handling systems
- › Wastewater elimination



*B&W provides a comprehensive array of proprietary technology and experience to utility power generation customers*

# B&W's Comprehensive WtE Solutions



Cooling towers

On-line boiler washing system

DynaFeeder® waste fuel feeder system

VoluMix® system for improved combustion

DynaGrate® combustion grate  
DynaDischarger® ash removal

Battery storage systems



Selective non-catalytic reduction (SNCR) NOx control

Fabric filter baghouse

Wet scrubber with ADIOX® including energy recovery

Carbon capture solutions

Water-cooled wear zones and Inconel® corrosion protection



Field Services



Component & System Upgrades



Control Systems



Replacement & Spare Parts



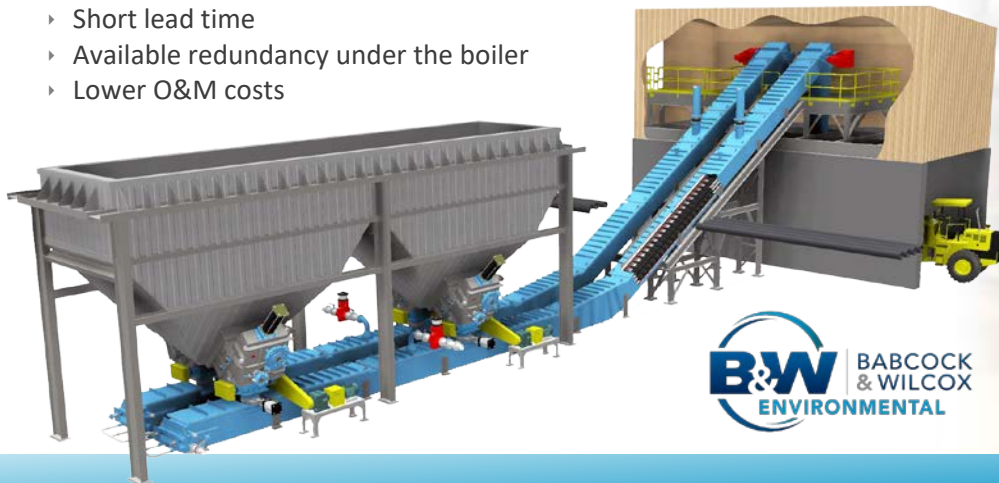
Operation & Maintenance



# Key Technologies: Submerged Grind Conveyor Ash Handling

**Designed to meet current and future U.S. regulatory requirements for ash handling with:**

- Lower equipment cost
- Lower installation cost
  - Utilize existing hoppers and gate valves
  - No modification to hopper
- Short outage required
- Short lead time
- Available redundancy under the boiler
- Lower O&M costs

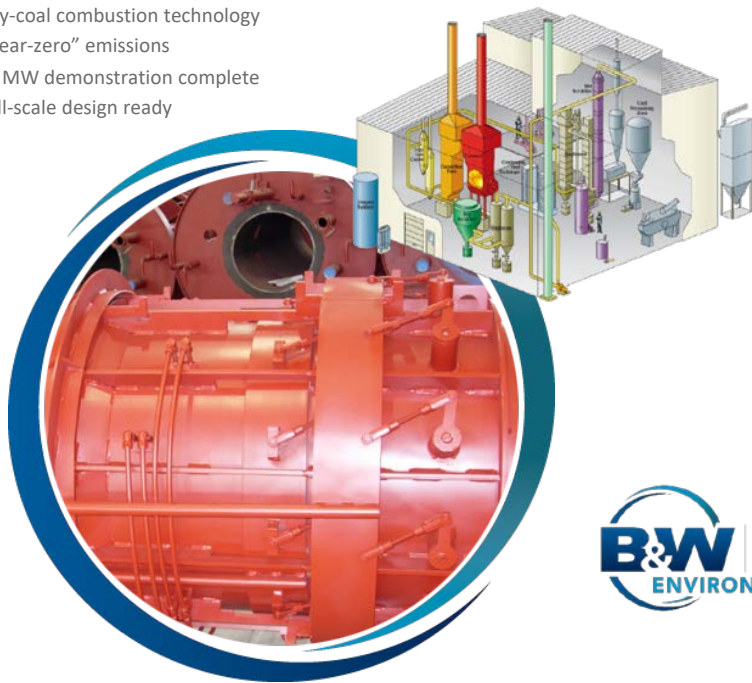


*An innovative solution to eliminate ash ponds*

# Key Technologies: Clean Coal Solutions Ready for Deployment

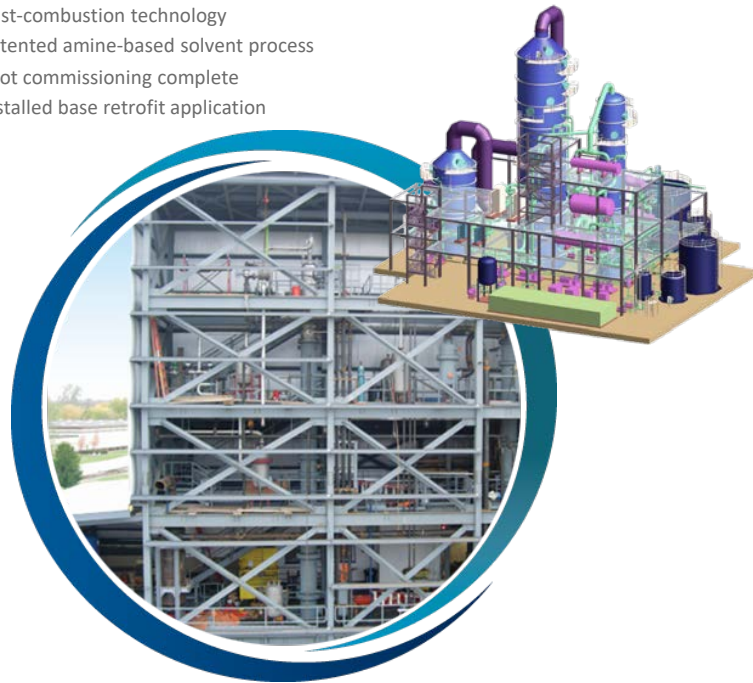
## OxyBright™ oxygen-fuel combustion

- › Oxy-coal combustion technology
- › “Near-zero” emissions
- › 30 MW demonstration complete
- › Full-scale design ready

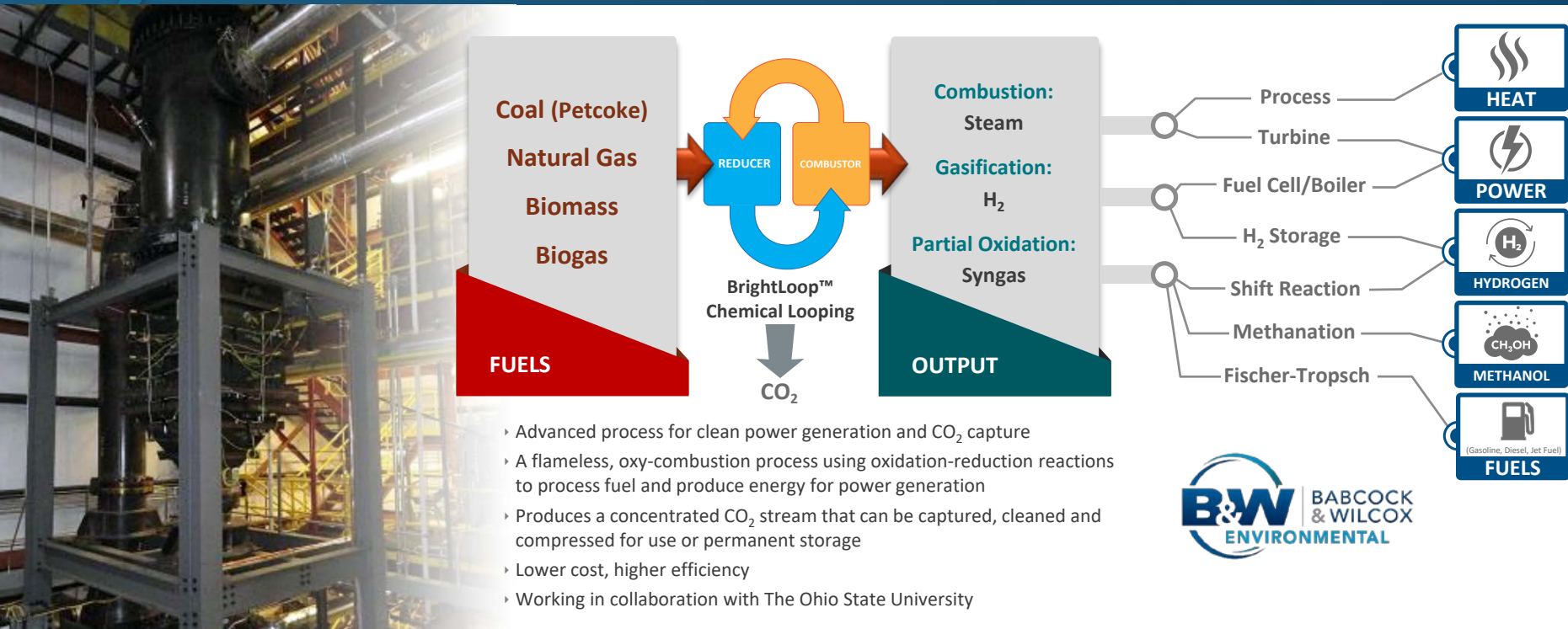


## SolveBright™ post-combustion carbon capture

- › Post-combustion technology
- › Patented amine-based solvent process
- › Pilot commissioning complete
- › Installed base retrofit application



*Carbon Capture Technology for the 1000 GW of Global Coal Installed Base*



## Potential extension beyond power generation

Process can be modified to convert carbon-based fuels—coal, biomass and natural gas—to electricity, syngas, chemicals, liquid fuels or hydrogen



# Key Technologies: Cooling Systems

WET



## Natural Draft/Hyperbolic

Fanless design provides low power, noise and maintenance, as well as long operating lifecycle



## Mechanical Draft

Counterflow for cost-effective thermal performance; crossflow for low energy consumption and operating costs

MATERIAL OPTIONS:

WOOD | CONCRETE | FIBER-REINFORCED POLYMER (FRP)

DRY



## Air-Cooled Condensers

Water preservation technology customized for high-performance, long-life, low noise, corrosion-resistant applications



## Air Fin Coolers

Cost-effective designs using embedded or wrapped tubes to meet required thermal, mechanical, noise and space requirements



## Optimization Services

Specialized services to maximize plant performance and minimize costs and maintenance

# Key Technologies: Global Parts & Service

## Upgrades & Retrofits

### **Maintaining/improving plant operation:**

Projects for extending the life of power, process and environmental equipment

## Replacement Parts

### **Supplying components for system reliability:**

High-quality standard or custom-engineered pressure and non-pressure parts

## Optimization Systems

### **Enhancing efficiency with proven technology:**

Diagnostic, monitoring, tuning and control systems for combustion, cleaning and cooling equipment

## Engineering Services

### **Evaluating options for improved performance:**

Expert people, tools and processes to measure, model, design, deliver, train and project manage

## Construction

### **Adding value through constructability:**

Safe execution of new installation, retrofits, system maintenance/repair, plant modifications



