







Company Overview

November 8, 2022



### Safe Harbor Statement

B&W Enterprises cautions that this presentation contains forward-looking statements within the meaning of federal securities laws. All statements other than statements of historical or current fact included in this presentation are forward-looking statements, including, without limitation, statements relating to the company's business outlook and expected financial performance, including 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 or other similar global health crises; the impact of the ongoing conflict in Ukraine; the impact of global macroeconomic conditions, including inflation and volatility in the capital markets; our ability to integrate acquired businesses and the impact of those acquired businesses on our cash flows, results of operations and financial condition, including our acquisitions of Fosler Construction Company Inc., VODA A/S, Fossil Power Systems, Inc., and Optimus Industries, LLC; 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; our ability to make interest payments on our 8.125% senior notes due 2026 and our 6.50% notes due 2026; 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; 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, product liability, warranty and other claims against us; difficulties we may encounter in obtaining regulatory or other necessary permits or approvals; changes in actuarial assumptions and market fluctuations that affect our net pension liabilities and income; our ability to successfully compete with current and future competitors; our ability to negotiate and maintain good relationships with labor unions; changes in pension and medical expenses associated with our retirement benefit programs; social, political, competitive and economic situations in foreign countries where we do business or seek new business; 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, 2021 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 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 you 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, which is a non-GAAP financial measure. Adjusted EBITDA on a consolidated basis is defined as the sum of the adjusted EBITDA for each of the segments, further adjusted for corporate allocations and research and development costs. At a segment level, adjusted EBITDA presented 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 expense, tax, depreciation and amortization adjusted for items such as gains or losses arising from the sale of non-income producing assets, 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.



### **Next Generation B&W**

# **B&W FOUNDATION DRIVES GROWTH STRATEGY Advanced Technologies** Research & Innovation **Global Brand Equity High-Growth End Markets** Vast Installed Base



#### Supporting a Circular Economy

For our economy and future generations, we continually develop ecologically sound ways of utilizing and recycling valuable resources like biomass, municipal waste, and solar energy 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, energy recovery, carbon capture and hydrogen production 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, renewable and energy transition solutions, generating recurring revenues from a broad thermal installed base and expanding globally



### What We Do



#### **Technologies for Renewable Power & Resource Recovery**

Waste-to-energy and biomass-to-energy baseload power, chemical recovery boilers for pulp & paper, long duration energy storage, solar power installation & services



#### **Technologies for a Clean Environment**

Emissions control, ash handling systems for bottom and fly ash, wet/dry/hybrid cooling systems, energy recovery, ClimateBright<sup>TM</sup> hydrogen production and decarbonization technologies



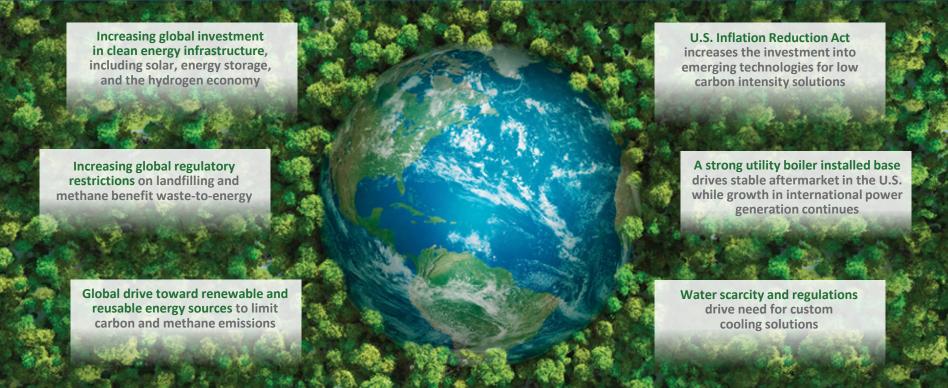
#### **Technologies for Efficient Steam Generation**

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 energy needs, including carbon capture



### Key Market Drivers & Opportunities



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



### **Key Growth Strategies**

Accelerate growth 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, hydrogen production, solar 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, renewable and energy transition technologies, growing aftermarket sales by leveraging the installed base, and expanding internationally in key regions



### 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



More than 100 MW of clean solar power production installed





Large worldwide installed base of wet and dry scrubbers, particulate control equipment, NOx reduction technologies, and mercury control systems to meet environmental regulations at a wide range of utility and industrial installations



Nearly 2,000 wet, dry and hybrid cooling system units (10,000+ cells) installed across the globe





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



More than 300 operating baseload power generation boilers in the U.S. and nearly 200 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)

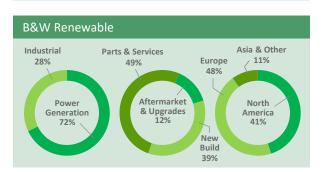
Employees: ~2150

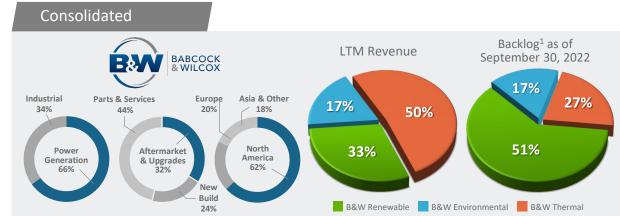
**LTM Revenue** 

~\$832M

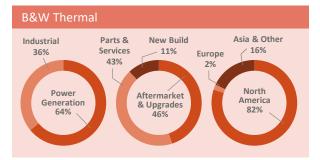
September 2022:

**2023 EBITDA Target:** \$100M to \$120M









#### Notes:

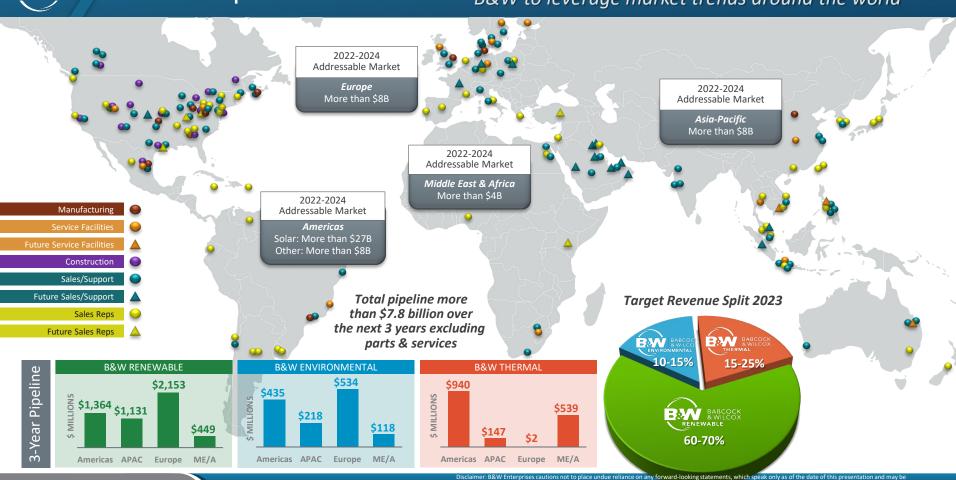
All charts based on LTM September 30, 2022 revenues, unless otherwise noted.

1. Backlog does not include shorter lead-time parts and services



### **Global Expansion**

### Global footprint and ongoing expansion positions B&W to leverage market trends around the world





### BrightLoop Hydrogen Production

### **FEEDSTOCK**

**BIOMASS** 

BIOGAS

NATURAL GAS

COAL

PETROLEUM COKE





- Solid Fuels can be used as the feedstock
- Low Carbon Intensityfrom >95+% pureCO<sub>2</sub> stream
- Low-Cost Hydrogen production due to efficient process



### BrightLoop Hydrogen Production Progress

### **BrightLoop Evolution**





**COMPLETED** 

**Sub-Pilot with** The Ohio State **University and B&W** 25 Kilowatts Thermal

**SUB-PILOT SCALE** 



Steam & Hydrogen **250 Kilowatts Thermal** (National Carbon Capture Center in Alabama)

**PILOT SCALE** 



#### **Industrial Commercial**

2.5 to 25 Megawatts Thermal 1.5 to 15 Tons Per Day **Hydrogen Output** 



### **Utility Commercial**

100 – 550 Megawatts Thermal 60 - 320 Tons Per Day **Hydrogen Output** 

1994 - 2004 2008 2014 2023 2024

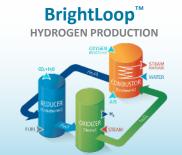


### Global Leader in Clean Power Production Technologies

### **ClimateBright**<sup>™</sup>













Direct

#### **EMERGING TECHNOLOGIES**

- ▶ 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's portfolio of clean power production solutions continues to evolve to reach customers at all stages of their energy transition.



### 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. produce emissions equivalent to 10 million cars
- Landfills in the U.S.iii 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



Reduced to .03% of Landfill GWP









#### B&W is actively deploying technology that curbs the global warming impact of methane

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; 20-year basis

**WTE Technologies** 

Fuel handling systems

▶ Boiler/steam generation island ▶ DynaGrate® combustion grate

→ Emissions control equipment

EIA Biomass Explained: Waste-to-energy (Municipal Solid Waste), November 29, 2020 https://www.eia.gov/energyexp

III EPA Landfill Methane Outreach Program: Project and Landfill Data by State; https://www.epa.gov/Imop/project-and-landfill-data-state#::text=The%20LMOP%20Landfill%20and%20Landfill,more%20than%202%2C600%20MSW%20landfills and EPA U.S. Greenhouse Gas Inventory 2020, Chapter 7: Waste, Section 7.1 Landfills (CRF Source Category 5A1) № Equivalent car emissions calculated using EPA metric of 4.6 metric tons of CO2 per year per passenger car



# **Financial Information**



### **Consolidated Financial Summary**

			- I NA				/lonths End ber 31, 202		
(\$ in Millions)	Twelve Months Ended September 30, 2022		Twelve Months Ended <u>December 31, 2021</u>		Repor	Reported		Pro Forma Exc. Non-Recurring Insurance	
Revenue	\$	832.2	\$	723.4	\$	566.3	\$	566.3	
Operating Income (Loss)	\$	( 3.7)	\$	20.8	\$	(1.7)	\$	(27.7)	
Net Income (loss)	\$	(2.0)	\$	31.5	\$	(10.3)	\$	(36.3)	
Net income (loss) attributable to stockholders of common stock	\$	(2.7)	\$	21.8	\$	(10.3)	\$	(36.3)	
Adjusted EBITDA	\$	73.6	\$	70.6	\$	45.7	\$	19.7	
Adjusted EBITDA Margin %		8.8%		9.8%		8.1%		3.5%	

Note: 2020 Reported results include the recognition in Q3 2020 of a \$26.0 million non-recurring loss recovery settlement related to certain historical EPC loss contracts; 2020 Pro Forma results exclude the non-recurring \$26.0 million loss recovery settlement; figures may not be clerically accurate due to rounding; see SEC financial fillings and/or slides in Appendix for reconciliation of non-GAAP measures; COVID-19 adversely impacted all segments in 2020 and 2021.

### Positioning for improved performance and growth in 2023



### **Capital Structure**

\$336.3
\$336.3
\$336.3
69.5
\$266.8
73.6
3.62x

Note: Figures may not be clerically accurate due to rounding.

- (1) See SEC financial filings and/or slides in Appendix for reconciliation of non-GAAP measures.
- (2) Net Debt compared to LTM 9/30/2022 Adjusted EBITDA







# Appendix



## Leadership Team



Chairman and
Chief Executive Officer

Kenny Young



Chief Financial Officer

Lou Salamone



**Chief Operating Officer** 

Jimmy Morgan



**General Counsel** 

John Dziewisz



Chief Strategy and Technology Officer

Brandy Johnson



VP, Corporate Operations

Gillianne Hetrick



Clean Energy, SVP

Joe Buckler



Thermal, SVP

Chris Riker



VP, Corporate Development

Sarah Serafin









### Corporate Governance

#### **Board of Directors**



Chairman and Chief Executive Officer

Kenny Young



Henry Bartoli



Joseph Tato



Rebecca Stahl



Alan Howe



Philip Moeller

### **Advisory Board**



Homaira Akbari



Peter O'Keefe





Rod O'Connor



Phillip Piddington



## Adjusted EBITDA Reconciliation (1)

\$ in Millions	Twelve Months Ended	Twelve Months ended			
	Sep 30, 2022 <sup>(4)</sup>	Dec 31, 2021	Dec 31, 2020 <sup>(3)</sup>	1)	Figures may not be clerically accurate due to rounding
Net income (loss)	\$ (2.1)	\$31.5	\$ (10.3)		rounding
Interest expense	46.8	41.4	60.7	2)	Cost associated with development of commercially viable
Income tax (benefit) expense	(4.1)	(2.2)	8.2		
Depreciation & amortization	22.4	18.3	16.8		products that are ready to
EBITDA	63.0	89.0	75.4		go to market
Goodwill impairment	7.2	_	_		
Benefit plans, net	(45.5)	(48.1)	(5.6)	3)	Adjusted EBITDA for the
Gain on sales, net	(0.6)	(14.0)	(3.2)		twelve months ended December 31, 2020, include the recognition of a \$26.0 million loss recovery settlement related to certain historical EPC loss
(Gain) loss on debt extinguishment		(6.5)	6.2		
Stock compensation	7.7	10.5	4.6		
Restructuring activities and business services transition costs	8.9	10.7	11.8		
Advisory fees for settlement costs and liquidity planning	2.4	5.5	6.4		
Litigation legal costs	10.0	4.9	2.1		contracts in the third
Acquisition pursuit and related costs	5.6	4.8	_		quarter, as previously disclosed.
Product development (2)	4.6	4.7	_		disclosed.
Foreign exchange	6.5	4.3	(58.8)	4)	Adjusted EBITDA for the
Financial advisory services	1.3	2.7	4.4		twelve months ended
Contract step-up purchase price adjustment	1.7	_	_		September 30, 2022 include a \$7.0 million non-recurring gain on sale
Loss from business held for sale	_	0.5	0.5		
Other – net	8.0	1.6	3.7		related to development rights of a future solar
Income from discontinued operations	<u> </u>	_	(1.8)		project that was sold.
Adjusted EBITDA	\$73.6	\$70.6	\$45.7		



# Key Technologies



### Key Technologies: Steam Generation



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 and Fire-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



#### **Heat Recovery Steam Generator Components**

Pressure parts, casing, ducting, drums, housing and frames Fuel: Waste heat and gases



#### **Process Recovery Boilers**

Single-drum, industry-standard unit for improved mill operation Fuels: Black liquor





# **Utility Boilers**



### Key Technologies: Renewable Combustion Grates

#### **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



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



## **Key Technologies: Emissions Controls**

Emission	Technology Solution
Particulate Control	<ul> <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> <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> <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><li>Wet ESPs</li><li>Dry Sorbent Injection (DSI)</li></ul>
Mercury, Dioxins, Furans	<ul> <li>Powdered Activated Carbon Injection</li> <li>Absorption Plus™, MercPlus™, Mitagent™ Additives</li> <li>GMAB™ ADIOX® and MERCOX® technologies</li> </ul>
Wastewater Elimination	<ul> <li>Wastewater Evaporation System (WES) via Spray Drying</li> <li>Air-Cooled Condensers</li> </ul>





### Key Technologies: Comprehensive Waste-to-Energy Solutions





## Key Technologies: Submerged Grind Conveyor Ash Handling



An innovative solution to eliminate ash ponds



### Key Technologies: Ignitors, Flame Scanners and Controls

#### Designed for safety, reliability and fuel flexibility

- Natural gas conversions from oil or coal-firing
- Alternative energy fuels such as hydrogen, bio-diesel, methanol and bio-gas
- Burner management and controls for complete turnkey system capability
- Flame scanning capability can be effectively implemented on any industrial application
- New construction or retrofit projects
- Safety standards conforming to National Fire Protection Association (NFPA) classes













Proven technologies with installations in more than 70 countries, including more than 11,000 ignitors



## Key Technologies: Engineered Products and HRSG Components

# **Engineered products and solutions, quality manufacturing**

- Comprehensive mechanical and process design upgrades
- Chanute, Kansas, manufacturing facility has produced more HRSG components than any other facility in North America
  - Pressure part modules and coils, superheaters, economizers
  - Finned tubing
  - Casing
  - Ducting
  - · Steam drums
  - Housing and frames
- Firetube and watertube package boilers
- Sulfuric acid plant capabilities





Proven experience in heat transfer and steam generating equipment for use in a wide range of applications.



## Key Technologies: Solar Installation

#### Engineering & Procurement

- Project Cost Analysis
- Grid Integration and Interconnection
- Technical Evaluation
- AC and DC Engineering

- Permitting and AHJ Permissions
- Logistics
- Strategic Procurement of Structural Components and Electrical BOE

#### Construction

- Subcontractor Management
- On-Site Construction Management
- Coordination and Supervision of Projects
- Utility Interconnections
- Quality and Commissioning Control
- Electrical and Structural QA/QC

# Benefits of a solar addition:

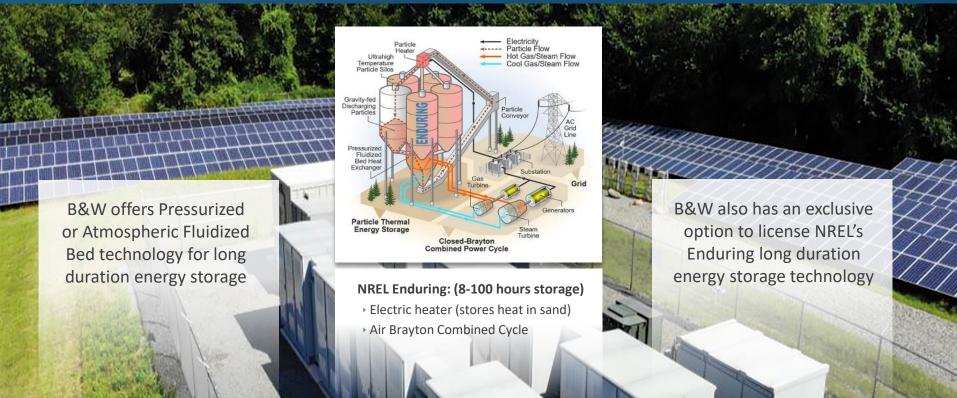
- 1. Powering up/down operations
- 2. Supplemental/plant energy source
- 3. Additional MW/GW output

*Industry-leading EPC Services* 

High efficiency. Low emissions.
Integrated solutions for clean power production.



### Key Technologies: Long Duration Energy Storage



Long duration energy storage smooths renewable energy peaks and bridges weather events



### Key Technologies: Cooling Systems



### 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



















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

