



# SPIG Transaction Overview

May 23, 2016



# Safe Harbor Statement

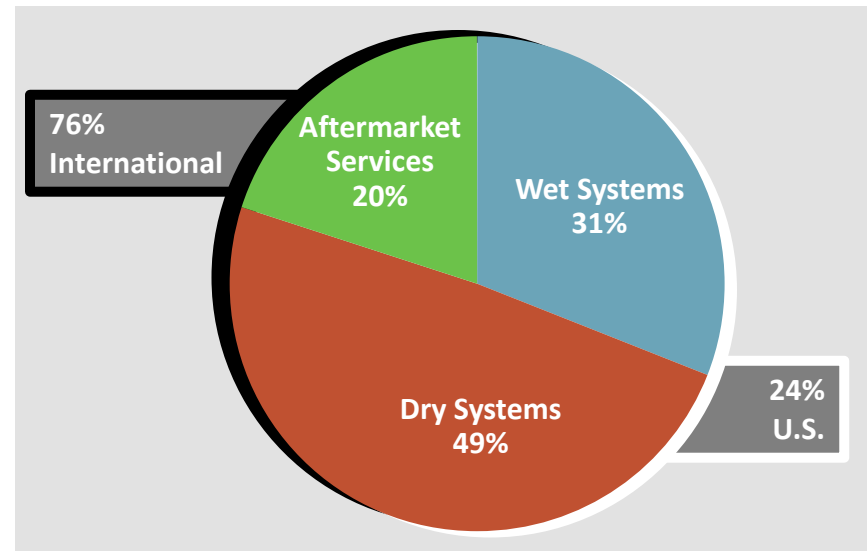
**Forward-looking statements.** B&W cautions that this release contains forward-looking statements, including, without limitation, statements relating to our proposed acquisition of SPIG. These forward-looking statements are based on management's current expectations and involve a number of risks and uncertainties, including, among other things, our ability to successfully consummate the acquisition of SPIG, including satisfying closing conditions; our ability to successfully integrate SPIG; and the performance of SPIG. For a more complete discussion of other risk factors, see B&W's filings with the Securities and Exchange Commission, including its annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. B&W cautions not to place undue reliance on these forward-looking statements, which speak only as of the date of this release, and undertakes no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.



# SPIG Overview

- B&W entered into a definitive agreement to acquire SPIG S.p.A. on May 20, 2016 for €155M, subject to certain adjustments
- SPIG provides customized dry and wet cooling solutions and aftermarket services to power generation and industrial customers
- Headquartered in Arona, Italy
- 2015 revenue of ~€168M
- Approximately 250 employees

2016E Revenue by Segment



Wet Cooling Systems



Dry Cooling Systems



Aftermarket Solutions

**Expand Fuel-Neutral Offering Scope to Customers Internationally**

# Investment Highlights



**Complementary Technology  
Broadens B&W's Custom-  
Engineered Solutions Offering**



**Asset Light  
Business Model  
Provides Flexibility**



**Diversifies  
B&W's End Markets  
and Geographic Presence**



**Strengthens B&W SPIG's  
Customer Access  
and Financial Position**



**Significant  
Aftermarket Business  
Mitigates Industry Cyclicity**



**Experienced Management  
Team to Drive Growth  
and Synergy Realization**

# Synergistic Combination

Cross-Selling Opportunities Provide Additional Transaction Upside

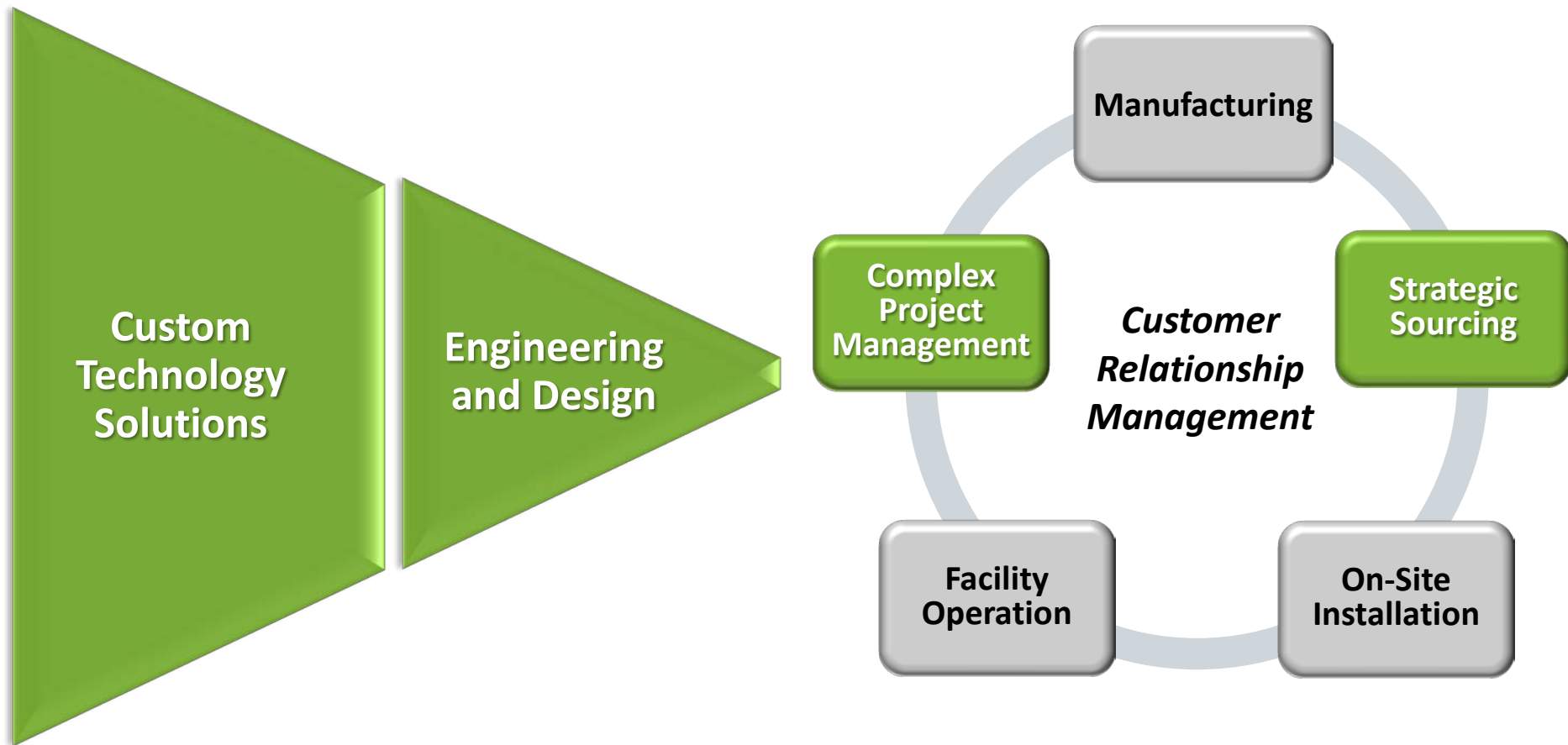


**Cross-Selling Opportunities  
Flow in Both Directions**



# SPIG Business Model Aligns with B&W

Engineering custom solutions that are difficult to replicate and are fundamental to reliable operations and regulatory compliance



Each new installation provides attractive aftermarket opportunities



# Critical Technology for Multiple End Markets

## Critical Technology

- Cooling systems required for all production processes involving steam
- Technology impacts operational efficiency of a facility
- Aging installed base requires servicing to maintain operational integrity

## Secular Growth Drivers

Closed circuit cooling systems show higher growth rates than those of their industry of application due to:

- **Water Scarcity:** Growth in dry cooling use where access to water is limited
- **Environmental Regulation:** Stricter regulations drive system upgrades and servicing
- **Growth of Natural Gas:** Cheap gas and environmental awareness is leading to increased usage in power generation applications

## Power Generation



### Traditional

- Natural Gas
- Combined Cycle Power Plants (CCPP)

### Renewable / Distributed

- Geothermal
- Solar thermal
- Biomass / Waste-to-Energy

## Oil & Petrochemical



### Refining

- Oil & Natural Gas
- Gasoline

### Process

- Chemical / Petrochemical
- Gas Processing

## Other Industrial



### Manufacturing

- Steel and Metals
- Food and Beverage
- Pulp and Paper

### Industrial & HVACR

- District Heating and Cooling
- Airports AC



