



## **CJS Securities 15th Annual Summer New Ideas Conference**

July 14, 2015



# Safe Harbor Statement

**Forward-looking statements.** The Babcock & Wilcox Company (“B&W”) cautions that this presentation contains forward-looking statements, including, without limitation, statements relating to the timing of and expected benefits associated with the planned spin-off of Babcock & Wilcox Enterprises, Inc. (“New B&W”) into an independent public company; backlog, to the extent it may be viewed as an indicator of future revenues; management’s expectations regarding the industries in which we operate; our guidance and forecasts for 2015; and our projected operating margin improvements, savings and restructuring costs. These forward-looking statements are based on management’s current expectations and involve a number of risks and uncertainties, including, among other things, the proposed spin-off not being completed as anticipated or at all; delays or other difficulties in completing the spin-off, including the inability to satisfy the conditions for its completion; disruptions experienced with customers and suppliers; adverse changes in the industries in which we operate and delays, changes or termination of contracts in backlog. If one or more of these risks or other risks materialize, actual results may vary materially from those expressed. For a more complete discussion of these and other risk factors, see B&W’s filings with the SEC, including our annual report on Form 10-K for the year ended December 31, 2014 and subsequent quarterly report on Form 10-Q. See also New B&W’s filings with the SEC, including the information statement included as an exhibit to New B&W’s registration statement on Form 10. B&W and New B&W caution not to place undue reliance on these forward-looking statements, which speak only as of June 17, 2015, the date of this presentation, and undertake no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

**Pro-forma financial information.** The pro forma financial data in this presentation reflects transactions related to the spin-off and is subject to assumptions and adjustments described in New B&W’s registration statement on Form 10. New B&W’s management believes these assumptions and adjustments are reasonable under the circumstances and given the information available at this time. The pro forma financial data does not purport to represent what New B&W’s financial position and results of operations actually would have been had the spinoff occurred on the dates indicated, or to project New B&W’s financial performance for any future period following the spinoff.

**Non-GAAP financial information.** This presentation includes Adjusted Earnings per Share as a non-GAAP financial measure. A reconciliation to GAAP Earnings per Share, the most directly comparable GAAP measure, is included at the end of this presentation. This presentation also discusses targeted EBITDA growth. EBITDA is a non-GAAP financial measure defined by New B&W as earnings before interest, taxes, depreciation and amortization. These measures should be considered in addition to results prepared in accordance with GAAP, but are not a substitute for GAAP results.



# B&W Company Profile



**Headquarters:** Charlotte, NC

**Incorporation:** Delaware

**Chairman & CEO:** E. James Ferland

**Employees:** Approximately 6,000 employees, in addition to 2,500 joint venture employees worldwide

- Global leader in energy and environmental technologies and services for the power and industrial markets
- Installed electricity generation capacity of more than 300,000 MW in more than 90 countries
- Ability to service B&W and competitor products
- Pioneered environmental equipment in the 1970s with most comprehensive suite of products available
- Employees in 25 countries

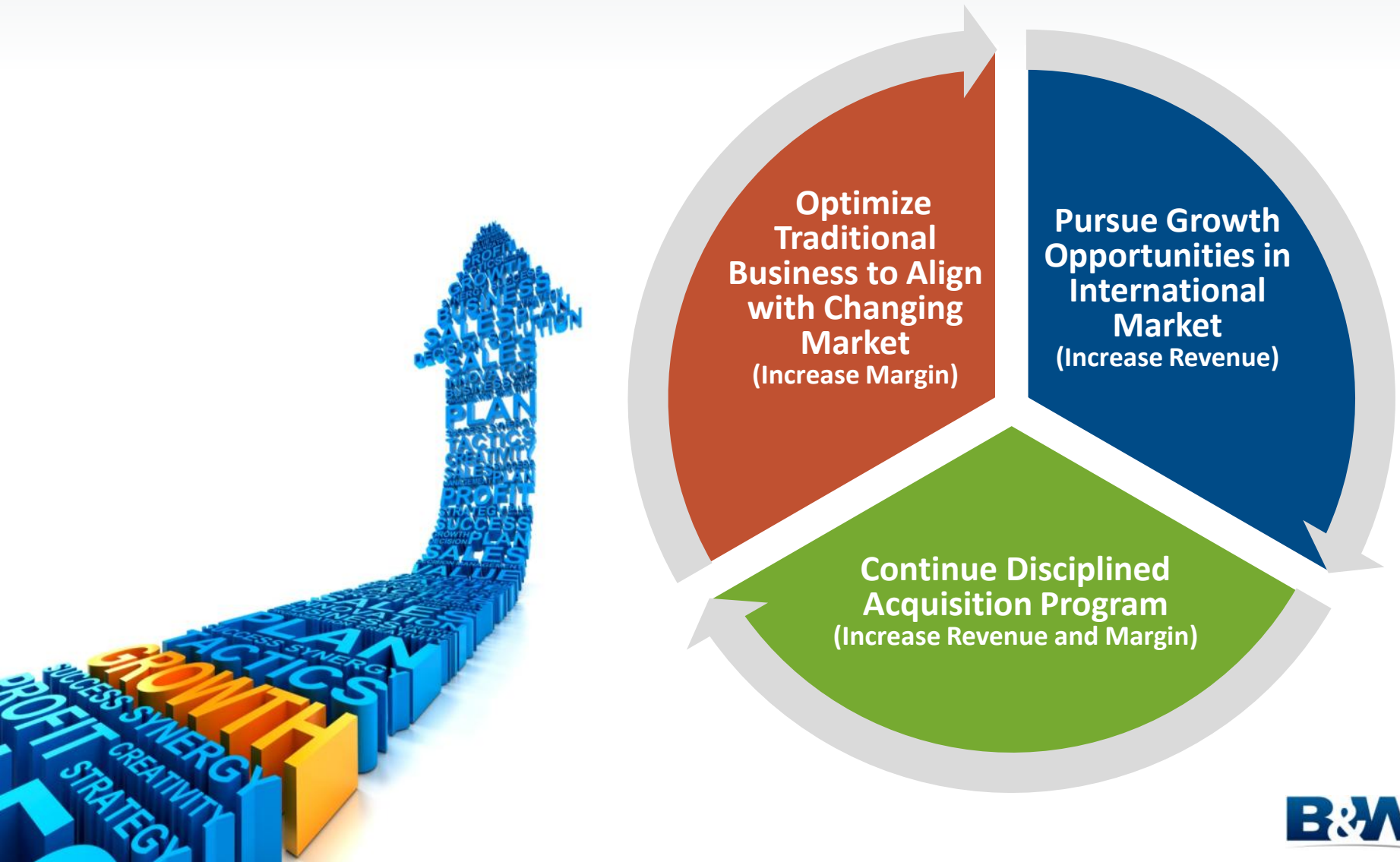


# Spin-Off Overview

Overview	
Ticker	BW
Exchange	NYSE
Distribution Ratio	1:2 (BW to BWC)
Expected Sharecount	~53.5M fully diluted shares outstanding
Record Date	June 18, 2015
Distribution Date	June 30, 2015
Trading Begins	July 1, 2015



# Three-Pronged Strategy Drives EPS Growth and Shareholder Value



# Post-Spin Benefits and Opportunities

**Increases Management  
Focus on Operations**

**Better Positions B&W  
for Changing Industry Dynamics**

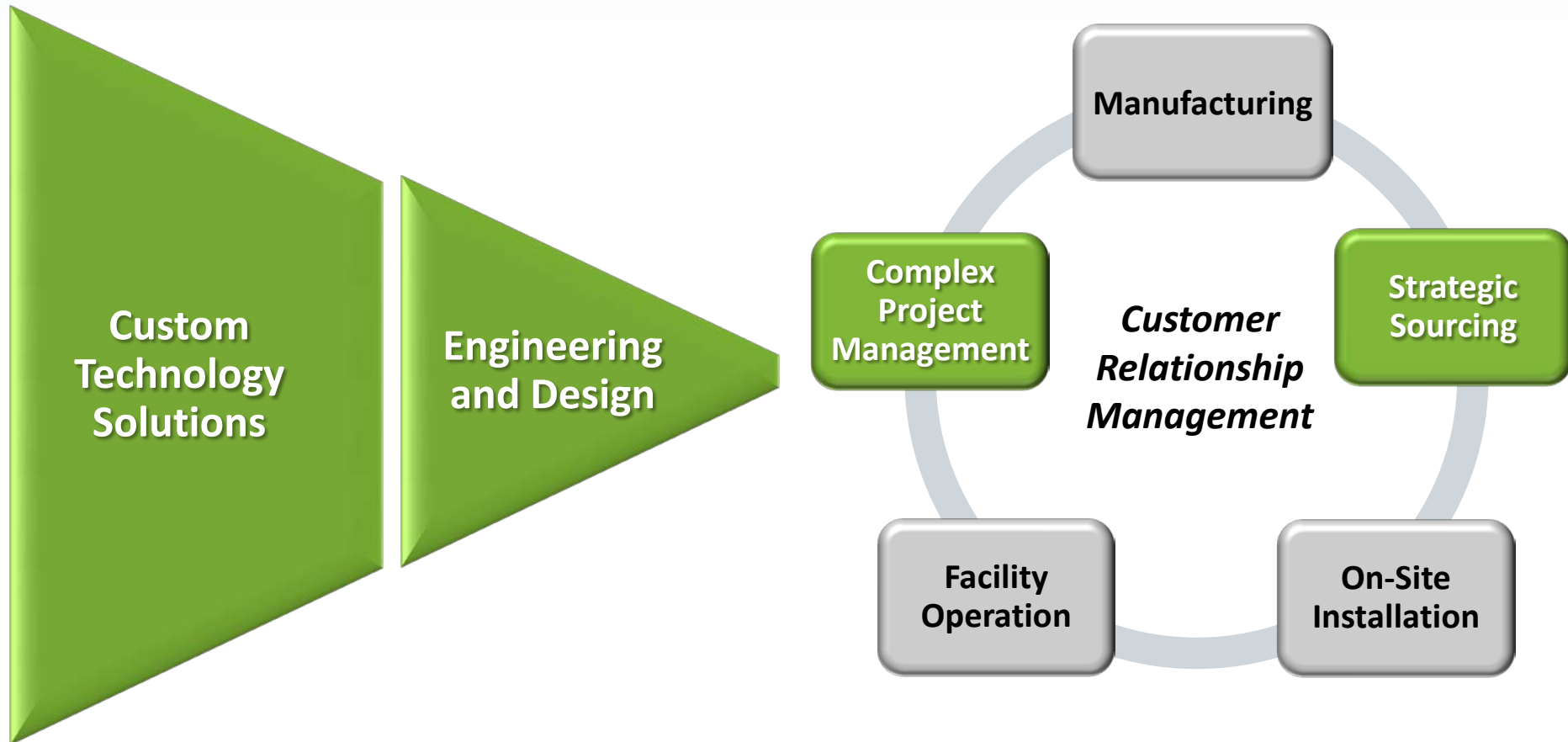
**Increases International  
Tax Optionality**

**Facilitates Board Emphasis  
on Long-Term Strategy**



# Business Model Delivers Maximum Customer Value

B&W engineers custom solutions that are difficult to replicate and are fundamental to reliable operations and regulatory compliance

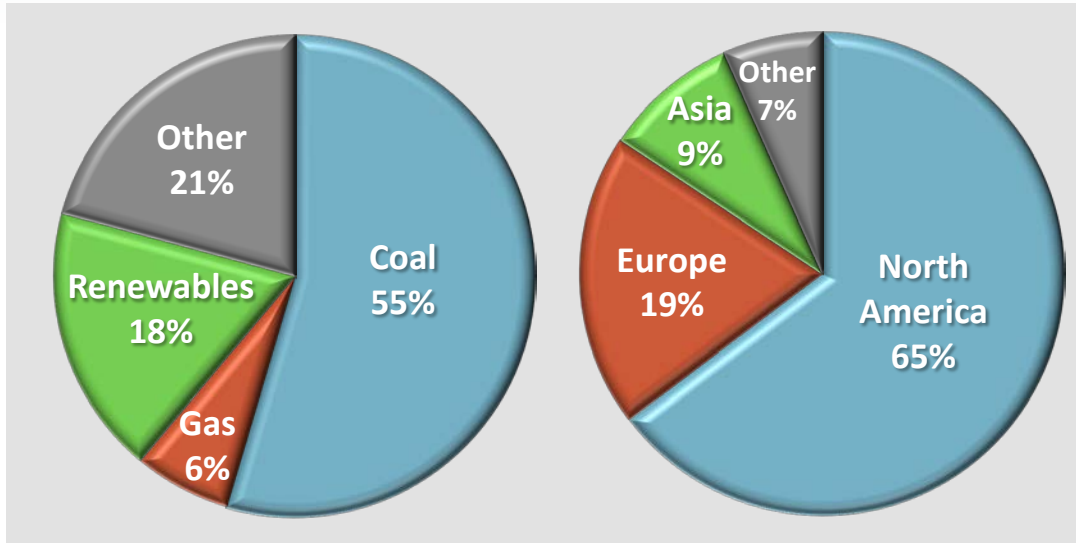


Each new installation provides attractive aftermarket opportunities



# Consolidated Revenue Overview

2015E B&W Revenue Breakdown



**Aftermarket coal will be a solid base for the business while our strategy drives growth and diversification**



# Business Segments Align with Growth Strategy

## Global Services

- Retrofits and upgrades
- Construction project services
- Operations and maintenance
- Replacement parts
- Auxiliary equipment

**Optimize Traditional  
Business to Align  
with Changing  
Markets**



## Global Power

- Utility steam generation
- Renewable power
- Industrial power
- Environmental solutions

**Pursue Growth  
Opportunities in  
International Markets**



## Industrial Environmental

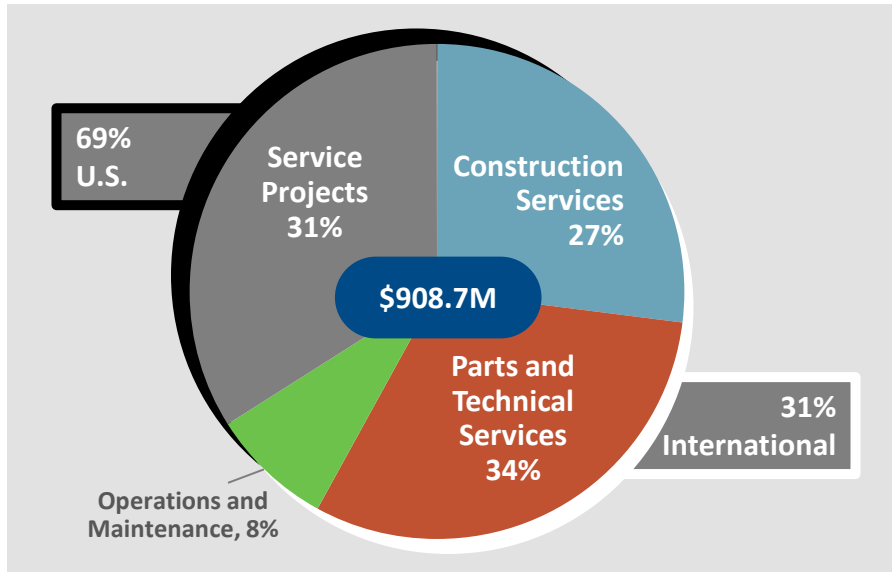
- Air pollution control systems
- Coating and drying equipment
- Replacement parts
- Preventive maintenance

**Continue Disciplined  
Acquisition Program**



# Global Services Overview

2014 Revenue by Segment



- Aftermarket products and services for steam generating equipment and associated environmental and auxiliary equipment
- Servicing B&W installed electricity generation capacity of approximately 300,000 MW in more than 90 countries plus competitor equipment
- Supports general industry and renewable boilers, including waste-to-energy and pulp & paper
- Extensive network of regionally located service centers, technical support personnel and global sourcing capabilities



Retrofits and Upgrades of Boilers and Environmental Equipment



Construction Services



Operations and Maintenance



Technical Services and Replacement Parts

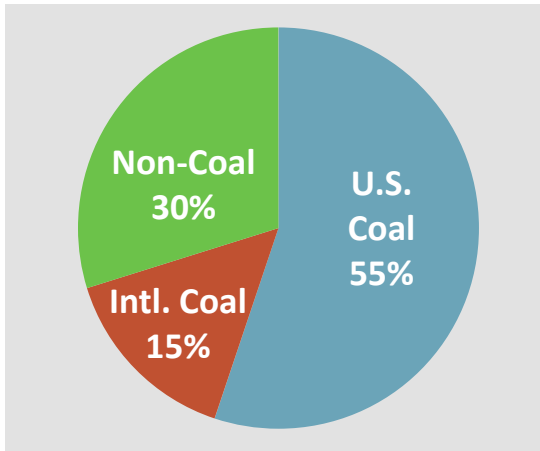


Auxiliary Equipment

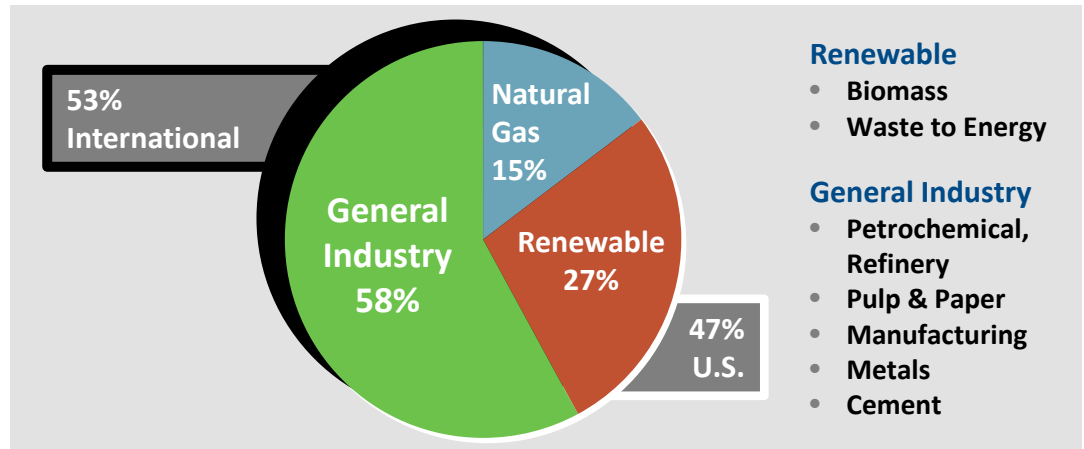
Optimize Traditional Business to Align with Changing Markets

# Market Overview

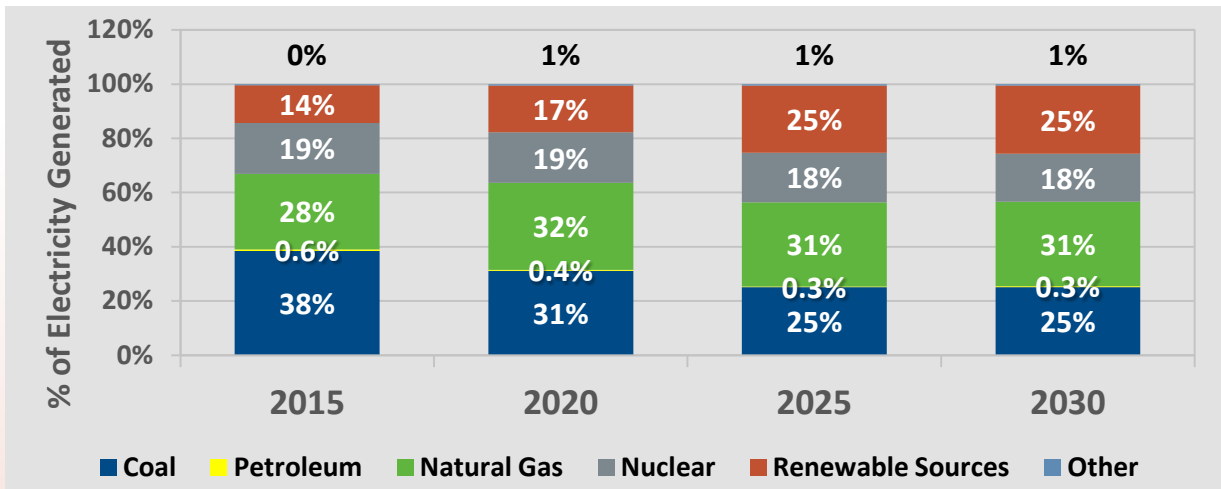
2014 Total Revenue Breakdown



2014 Non-Coal Revenue Breakdown



Total Electricity Generation in U.S. by Fuel with EPA Clean Power Plan<sup>(1)</sup>



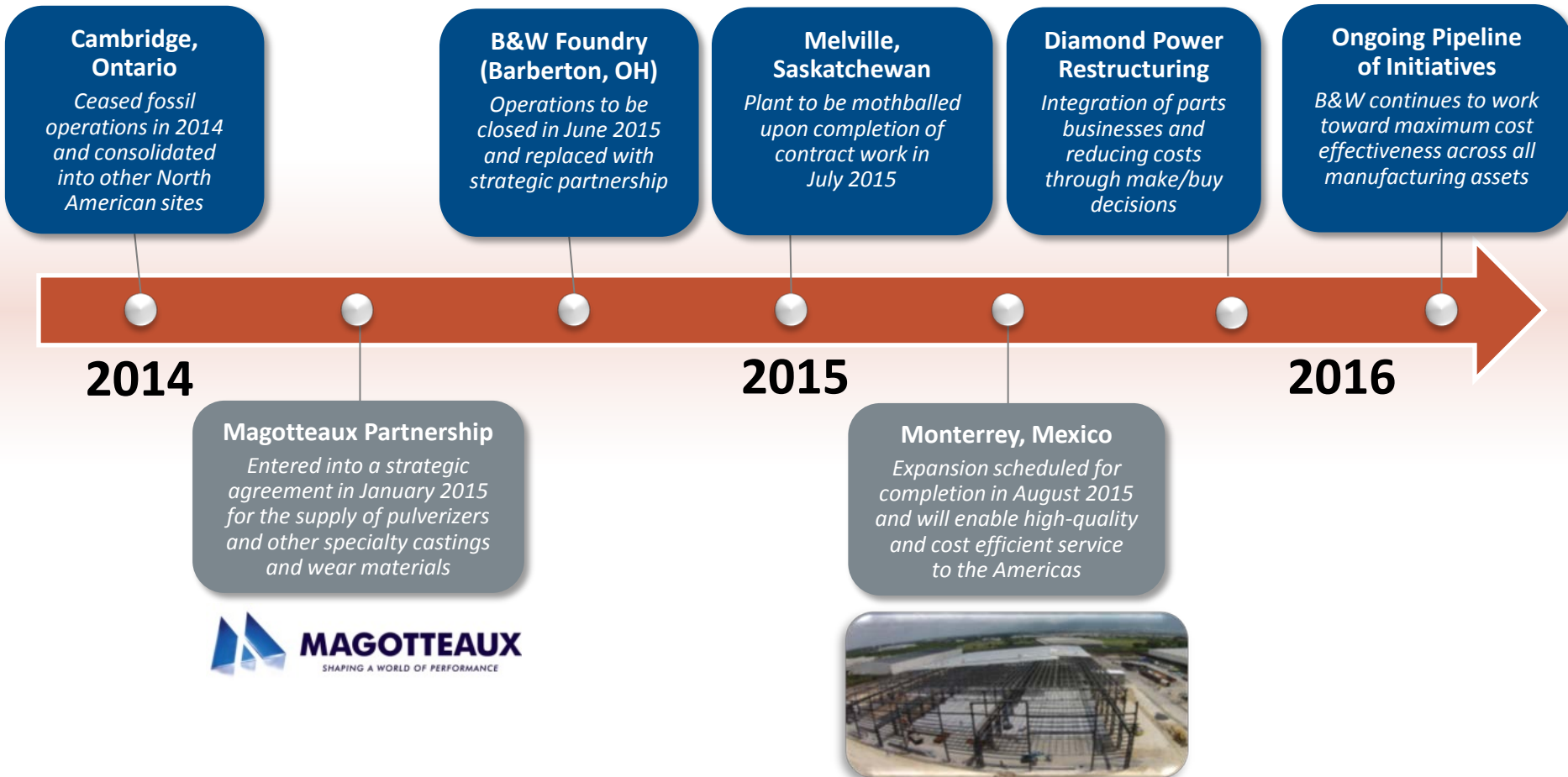
- Coal will continue to be a significant part of the U.S. electricity generation mix
- B&W's non-coal business represents a diverse customer base

Source: Analysis of the impacts of the Clean Power Plan, Energy Information Administration (EIA)

Footnote: (1) Base case normalized to %



# Ongoing Rationalization of Operations



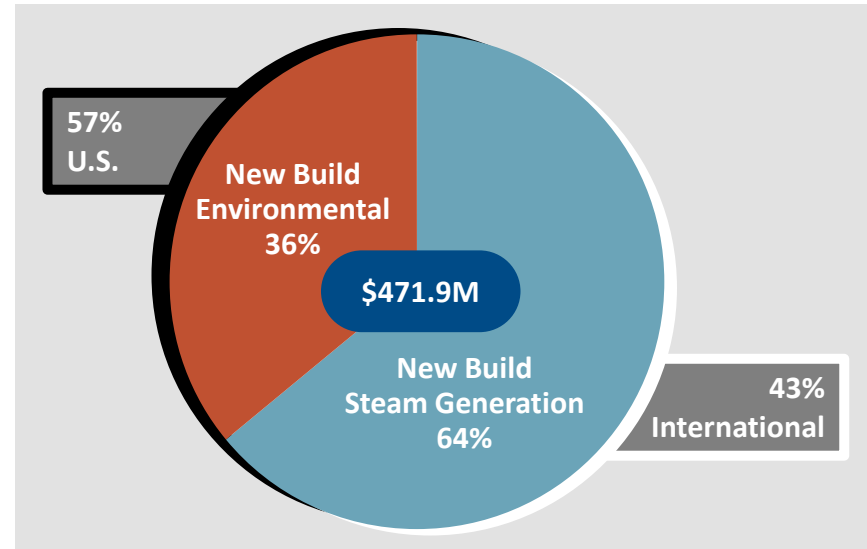
Through a critical but balanced evaluation approach,  
B&W is reducing fixed overhead and improving margins



# Global Power Overview

- Steam generating systems for fossil fuels and renewable energy conversion for power generation and industrial uses
- Environmental solutions include emissions control products and related equipment
- Complex project execution from design through commissioning, offering predictable installation of reliable equipment

2014 Revenue by Segment



Utility Steam Generation



Renewable Power



Industrial Power

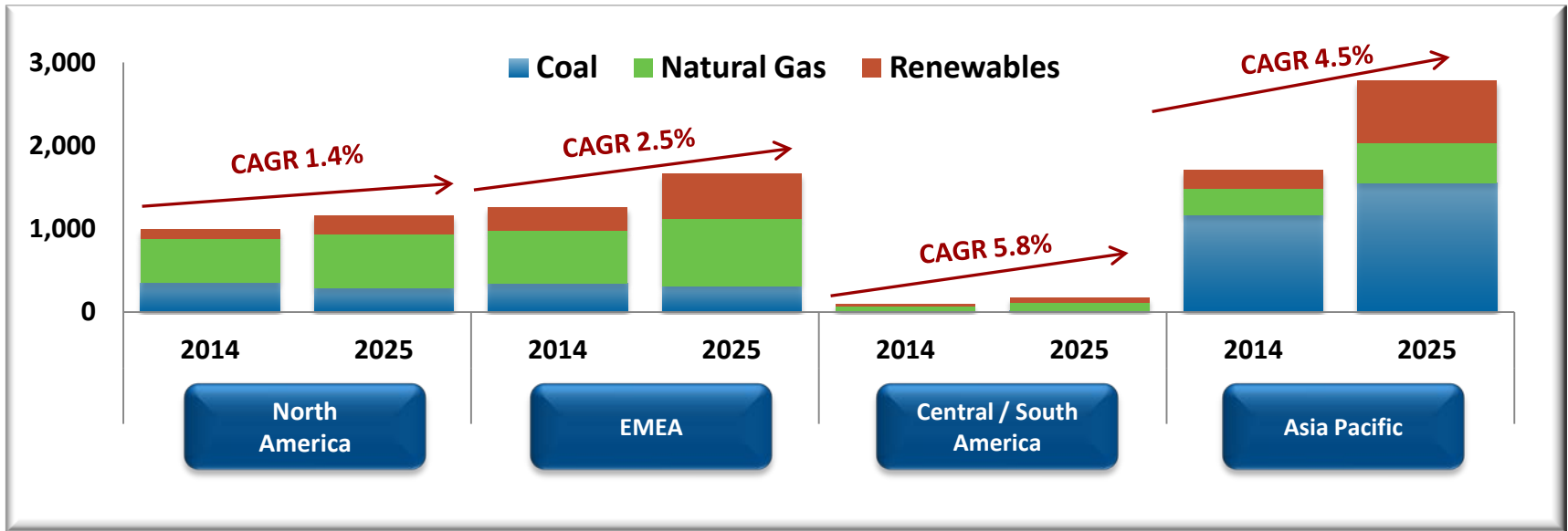


Environmental Solutions

Pursue Growth Opportunities in International Market

# Market Opportunity

Select Fuels Generating Capacity (GWe) by Region



Source: IHS Energy Scenarios (Rivalry), July 2014

- Global capital spending on power generation is and will continue to be robust
- Energy policy and natural resource availability will drive technology selection
- B&W possesses a strong brand and technology foundation
- B&W is well-positioned to globally deploy our products and services



# Recent Project Awards Demonstrate Global Expansion is Underway

**Emissions Control Project in Colorado**  
*March 2015 – \$40.3M*



**Biomass Power Plant in England**  
*March 2015 – >\$220M*



**Biomass Power Plant in Wales**  
*January 2015 – >\$200M*



**Supercritical Coal-Fire Boiler and SCR System in Vietnam**  
*January 2015*



**Waste-to-Energy Power Plant in Scotland**  
*December 2014 – \$230M*



**Biomass Power Plant in Denmark**  
*July 2014 – \$80M*



**Two Subcritical Coal-Fired Boilers in Dominican Republic**  
*July 2014*

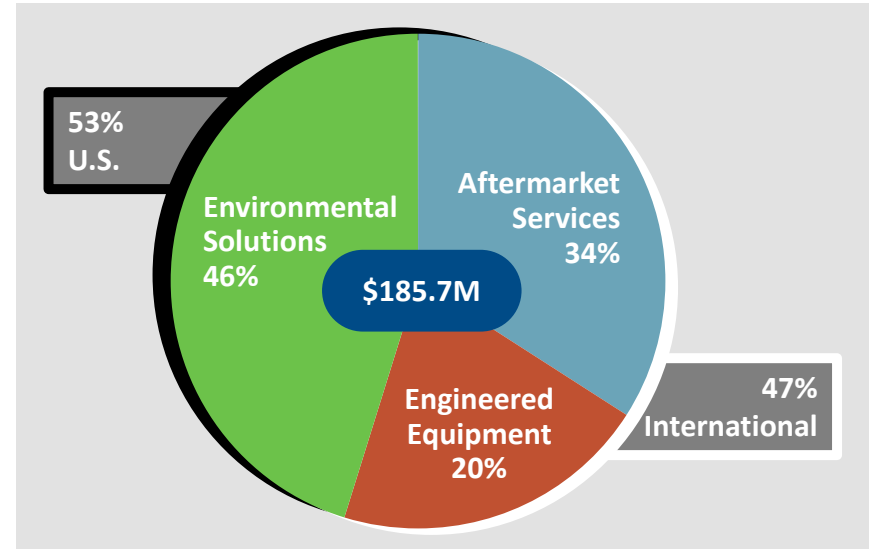




# Industrial Environmental Overview

- B&W acquired MEGTEC Systems, Inc. on June 20, 2014
  - 40+ year history with ~600 employees across 13 offices globally
  - Asset-light flexible manufacturing platform
  - Significantly expanded B&W's industrial environmental capabilities and provides additional channels to market
- Design, engineer, manufacture and service industrial equipment for process industries worldwide
  - Specific technologies for industrial air pollution abatement and recovery
  - Coating and drying equipment for various end markets (including energy storage)
  - Recurring aftermarket business

2014 Revenue by Segment<sup>(1)</sup>



Footnote: (1) 2014 full-year segment revenue includes revenue attributable to previous owner and revenue attributable to B&W



Air Pollution Control Systems



Coating and Drying Equipment



Replacement Parts

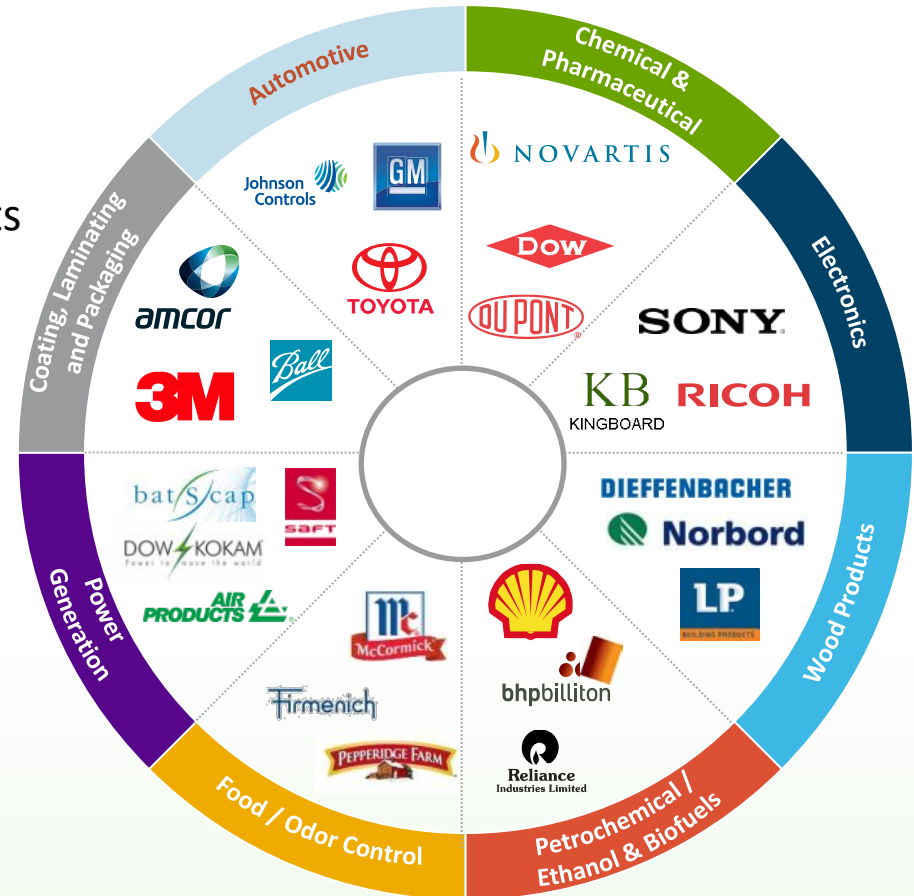


Preventive Maintenance

Continued Disciplined Acquisition Program

# Market Opportunity

- Industrial environmental business provides engineered solutions to a wide range of problems and processes in diverse and naturally growing end markets  
**5% projected annual market growth**
- Broad customer base includes ~3,100 businesses stretching across six continents and over 60 countries
- Steady stream of repeat aftermarket orders from customers over a long equipment lifecycle promotes a strong relationship and recurring business over time



# Competitive Landscape

ANGUIL



**CECO**  
ENVIRONMENTAL

**DUPONT**  
(Belco®)

Catalytic Products  
INTERNATIONAL

**DÜRR**

adphos

**EnviroCare** International



**EISENMANN**

**FUEL TECH**  
Technologies to enable clean efficient energy



**Techno Smart**  
Changing Life with Coating Technology

*Chugai Ro*

**FLSMIDTH**  
(AirTech)

Turner  
**EnviroLogic**  
INNOVATIVE AIR SOLUTIONS

**KMPS**  
Koch Modular Process Systems

**DEC**  
DEC IMPIANTI  
Your environmental partner

Gulf Coast Environmental  
Systems

**Tri-Mer**  
CORPORATION

**Outotec**



**GEA**  
(Bischoff)

**McGill AirClean LLC**

**scheuch**  
TECHNOLOGY FOR CLEAN AIR

株式会社 ヒラノ テクシード  
HIRANO TECSEED Co., Ltd.

**LUNDBERG**

EXPERIENCE CLEAN AIR  
**SOUTHERN**  
environmental

**HAMON**

**B&W**

# Investment Highlights



## *Strong Foundation*



**Great Brand Associated with Quality, Reliable Delivery and Innovation**



**Customer and Strategic Partner Relationships**



**Experienced Management Team**



**Recurring Aftermarket Services Business**

## *Significant Earnings Upside*



**Three-Pronged Growth Strategy Aligned with Businesses**



**Technology Leader in Global Power Generation**

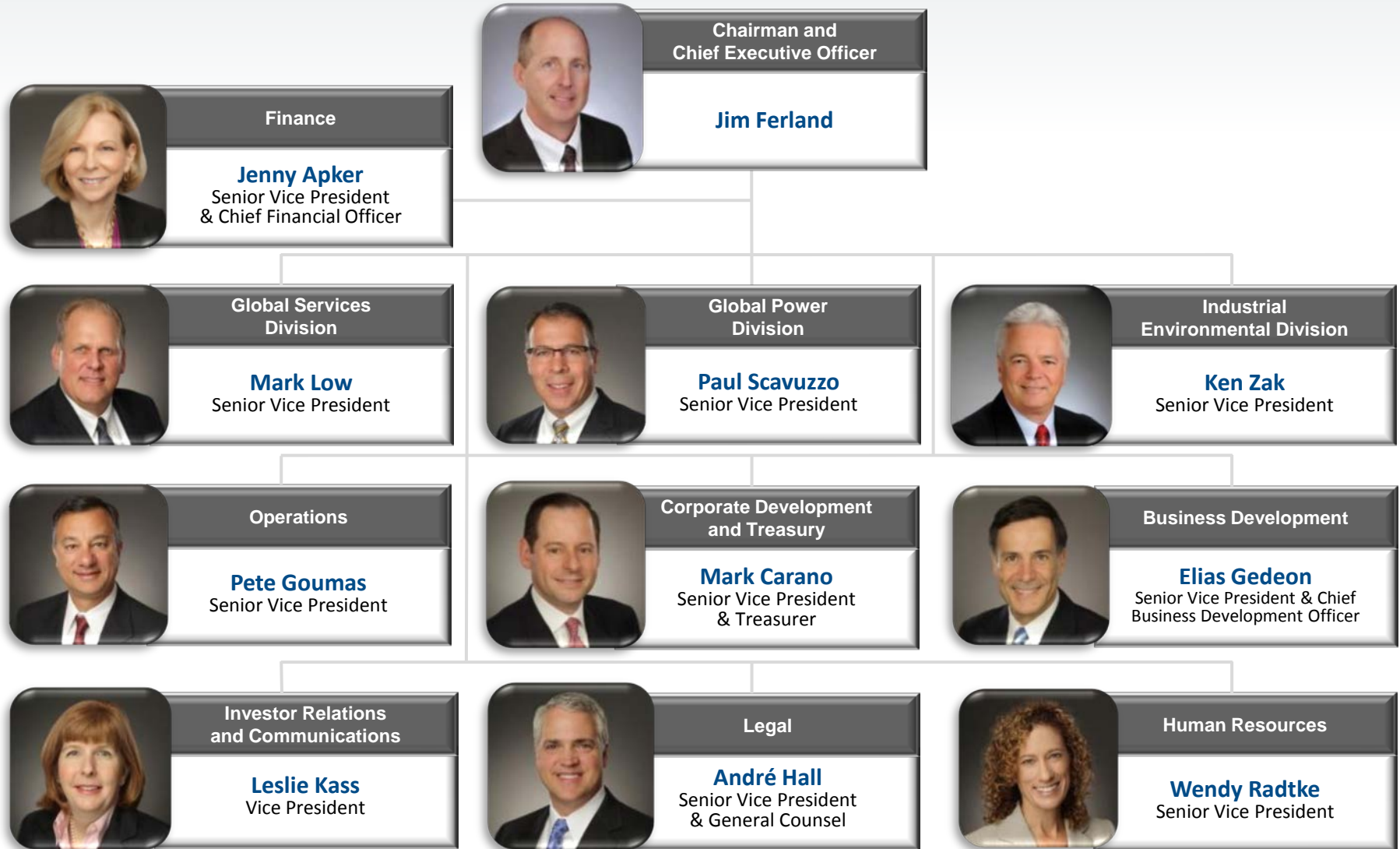


**Established Platform in Industrial Environmental Market**



**Strong Balance Sheet Enables Strategy Execution**

# Skilled Management Team





# Experienced Board of Directors



**Jim Ferland**  
Chairman and  
Chief Executive Officer



**Thomas A. Christopher**

Former Vice Chairman of AREVA, Mr. Christopher also served as its President and CEO from 2000 to 2009. Before that, he held a number of positions at Westinghouse, including Vice President and General Manager, Westinghouse Power Services.



**Cynthia S. Dubin**

Ms. Dubin is Finance Director for JKX Oil & Gas, an LSE-listed oil and gas exploration and production company. From 2006-2011 she was co-founder and CFO of Canamens, a pan European oil and gas company. She was with Edison Mission Energy from 1993-2005, latterly as VP and CFO for EMEA.



**Brian K. Ferraioli**

Mr. Ferraioli is the Executive Vice President and Chief Financial Officer for KBR, a global technology, engineering, procurement and construction company. He was formerly Executive Vice President and CFO of The Shaw Group, which was acquired by CB&I in February 2013.



**Stephen G. Hanks**

From November 2007 until his retirement in January 2008, Mr. Hanks served as President of the Washington Division of URS Corporation, an engineering, construction and technical services company, as well as a member of the Board of Directors. From June 2001 to November 2007, he was President and CEO of Washington Group Intl.



**Anne R. Pramaggiore**

Ms. Pramaggiore is President and CEO of ComEd, an electric utility company delivering electricity to 3.8 million customers in Chicago and Northern Illinois. Ms. Pramaggiore also serves as a board member of Chicago Federal Reserve Board, Motorola Solutions, and several civic and community organizations.



**Larry L. Weyers**

Prior to his retirement in March 2010, Mr. Weyers served as Chairman of Integrys Energy Group, Inc., a holding company with operations providing products and services in regulated and non-regulated energy markets. He also serves as VP and Lead Director of the Board of Directors of Green Bay Packers, Inc., on which he has served since 2003.