Babcock & Wilcox Enterprises, Inc.

Company Overview

May 2018

B&W

ENERGY | ENVIRONMENTAL

Safe Harbor Statement

B&W cautions that this overview contains forward-looking statements, including, without limitation, statements relating to our strategic objectives; our business execution model; management's expectations regarding the industries in which we operate; our guidance and forecasts; our projected operating margin improvements, savings and restructuring costs; covenant compliance; and project execution. 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 continue as a going concern; our ability to obtain and maintain sufficient financing to provide liquidity to meet our business objectives, surety bonds, letters of credit and similar financing; the highly competitive nature of our businesses; general economic and business conditions, including changes in interest rates and currency exchange rates; general developments in the industries in which we are involved; 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, joint venture partners or suppliers to perform their obligations on time and as specified; our ability to realize anticipated savings and operational benefits from our restructuring plans, and other cost-savings initiatives; our ability to successfully integrate and realize the expected synergies from acquisitions; our ability to successfully address productivity and schedule issues in our Renewable segment, including the ability to complete our Renewable energy projects within the expected time frame and the estimated costs; willingness of customers to waive liquidated damages or agree to bonus opportunities; our ability to successfully partner with third parties to win and execute renewable projects; changes in our effective tax rate and tax positions; our ability to maintain operational support for our information systems against service outages and data corruption, as well as protection against cyber-based network security breaches and theft of data; our ability to protect our intellectual property and renew licenses to use intellectual property of third parties; our use of the percentage-of-completion method of accounting; the risks associated with integrating businesses we acquire; 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; 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; our limited ability to influence and direct the operations of our joint ventures; potential violations of the Foreign Corrupt Practices Act; our ability to successfully compete with current and future competitors; the loss of key personnel and the continued availability of qualified personnel; 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; the possibilities of war, other armed conflicts or terrorist attacks; our ability to successfully consummate the sale of our MEGTEC and Universal businesses, as well as any other non-core assets, within the expected timeframes or at all. 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 Securities and Exchange Commission, including our most recent 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.

Non-GAAP financial information. This presentation includes Adjusted Operating Income, Adjusted EBITDA and Adjusted Earnings per Share as non-GAAP financial measures. A reconciliation of historical Adjusted Operating Income, Adjusted EBITDA and Adjusted Earnings per Share to the most directly comparable GAAP measures is included at the end of this overview. These measures should be considered in addition to results prepared in accordance with GAAP, but are not a substitute for GAAP results.

Company Profile

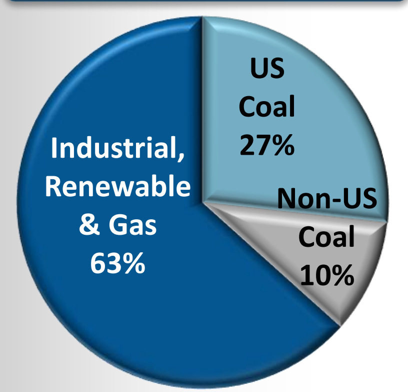
*B&W is a global leader in providing **custom technologies**, **engineered solutions**, and **aftermarket services** to a broad range of industrial and power generation markets*

Headquarters:	Charlotte, NC
Founded:	1867
Ownership:	Public (NYSE:BW)
2017 Revenue:	$1.6B
President and CEO:	Leslie C. Kass
Employees:	Approximately 4,400 employees, in addition to 250 joint venture employees worldwide
Locations:	25 countries

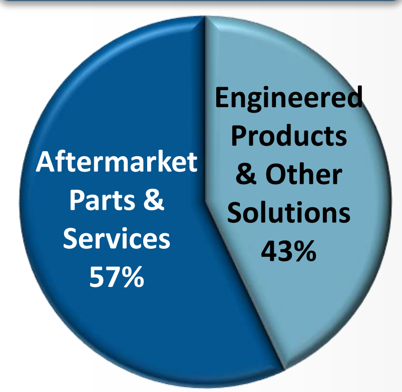
Business model delivers shareholder value by driving maximum value for customers through:

- Custom technologies
- Engineered solutions
- Aftermarket service offerings

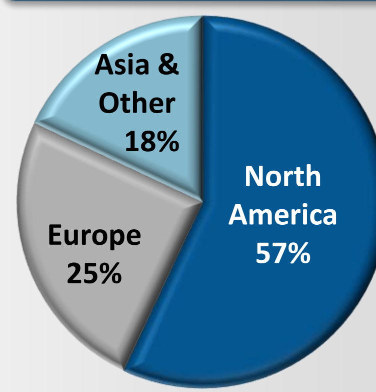
End Markets



Products & Services



Geography



Note: All charts based on full year 2017 revenue unless otherwise noted; aftermarket parts & services includes retrofit.

Markets We Serve

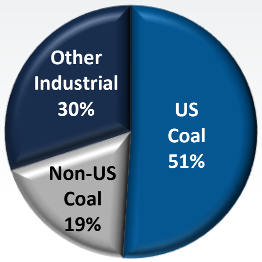
- Traditional Power Generation
- Natural Gas Power Generation
- Renewable Power Generation
- Oil and Petrochemical
- Natural Gas Midstream
- Pulp and Paper, Wood Products
- Mining and Metals
- Iron and Steel
- Food Processing and Agriculture
- Coatings and Flexible Packaging
- Lithium Ion Battery Production
- General Industry and Manufacturing
- Waste Management / Biomass

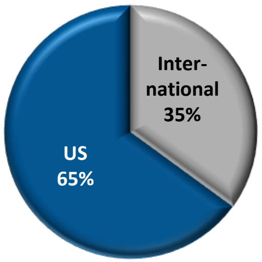
Business Segment & Strategic Overview

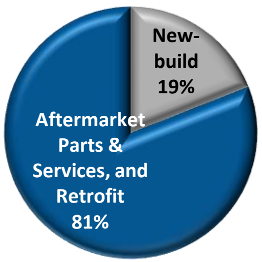
	2017 Revenue	% Revenue from Aftermarket Parts and Services*	Strategic Focus	Key End Markets	Product and Service Offering
Power	$821M	81% (includes Retrofit)	Optimize Our Legacy Business and Improve Efficiency	Utility General Industrial	Utility steam generation equipment, industrial boilers, environmental solutions, aftermarket parts and service
Renewable	$347M	36%	Pursue Profitable Core Growth in Global Markets	Waste-to-Energy Biomass	Waste-to-energy and biomass steam generating equipment, environmental solutions, aftermarket parts and service, operations & maintenance
Industrial	$398M	27%	Leverage Technology Portfolio to Drive Cross-Selling Opportunities	General Industrial (3,000+ customers in 60+ countries) Oil & Gas, Power Pipeline, Locomotive	Wet and dry cooling systems, environmental and noise abatement solutions, aftermarket solutions

* Aftermarket parts and service mix based on 2017 revenue.

Power Segment

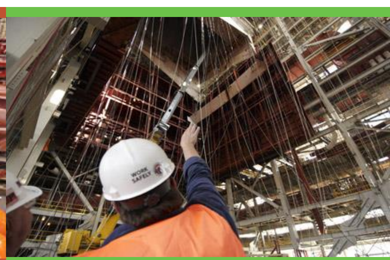






- Majority of revenue generated by aftermarket parts and services for steam generating, environmental and auxiliary equipment for power generation and other large industrial applications
- Services B&W-installed electricity generation capacity of approximately 300,000 MW in more than 90 countries
- Strong share in U.S. coal power generation aftermarket services
- Optimized cost structure with goal of sustaining segment gross margins
- 2018 estimated revenue down 5% to flat compared to 2017; 2018 estimated gross margin approximately 20%


Parts and Technical Services


Retrofit Projects


Utility Steam Generation


Environmental Solutions

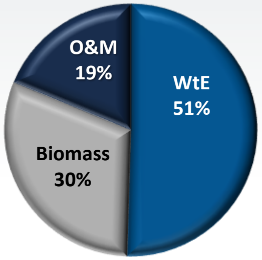

Industrial Steam

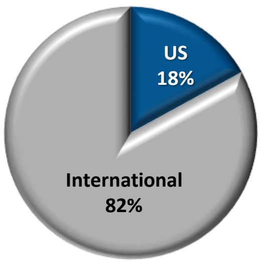
Product & Service Offerings and Key Market Drivers

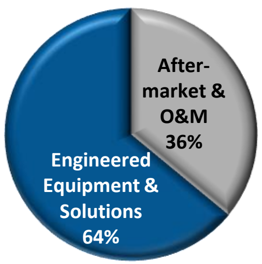
Over 80% of segment revenue tied to existing installed base

	Retrofits	Global Parts and Field Engineering Services	New Build Utility and Environmental	Industrial Steam Generation	
DESCRIPTION	Existing equipment retrofit projects, services, ash handling equipment	Aftermarket parts and services for existing steam generation and environmental equipment	Utility boilers and large environmental equipment for utility and industrial customers globally	Natural-gas fired package boilers, industrial boilers and process recovery boilers End markets include pulp & paper, metals, oil and petrochemical	DESCRIPTION
DRIVERS	Global demand for power generation and reliability standards	Global demand for power generation	Global demand for power generation and environmental regulations	GDP growth for heavy industrial customers globally	DRIVERS
Customer Type	Utilities Existing Facilities	Utilities and Industrial Existing Facilities	Utilities and Industrial Existing and New Facilities	Industrial Existing and New Facilities	Customer Type
Award Size	<$1 million to $50 million	<$2 million	$10 million to >$100 million	~$1 million to $30 million	Award Size

Renewable Segment







- Supplies steam-generating systems, environmental and auxiliary equipment and provides operations and maintenance support for waste-to-energy and biomass power generation applications
- Product offering meets renewable power standards and allows customers to provide 24/7 base load power to the grid
- Our proprietary DynaGrate® combustion technology offers a competitive advantage in the waste-to-energy market
- New execution model better aligns B&W's project scope with our core technology and strategy of being an industrial solutions provider
- Near-term focus on project execution and improvements in engineering & project management processes


Biomass


Waste-to-Energy

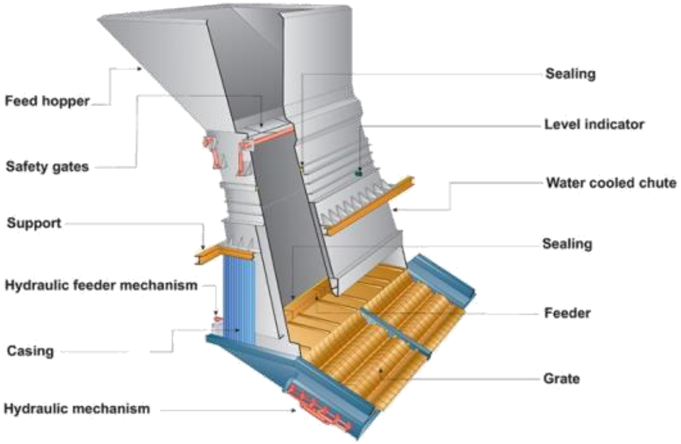

Environmental Solutions

Operations & Maintenance

Dynagrate® Pivoting Combustion Grate

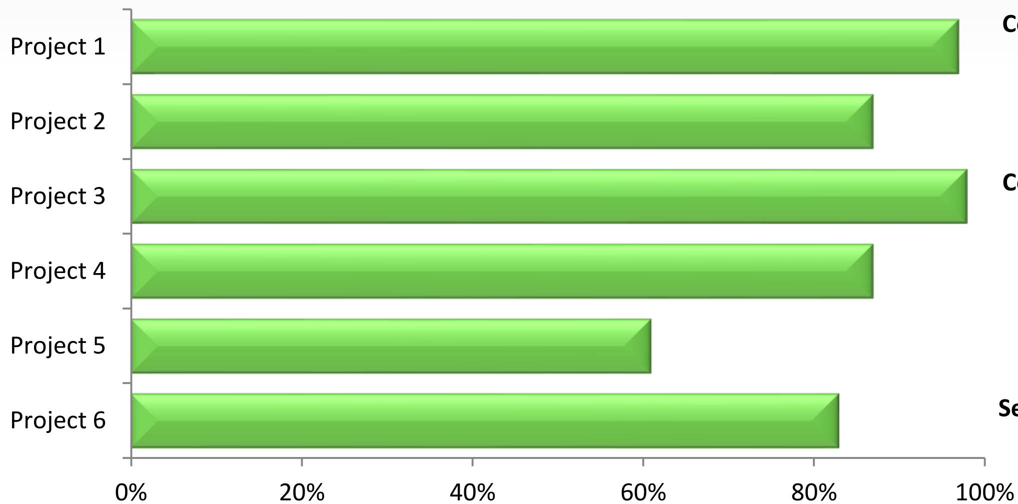
A Market Leader with Differentiating Technology in Waste-to-Energy Solutions

- 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



Renewable Projects Update

Percent Complete at End of Q1 2018



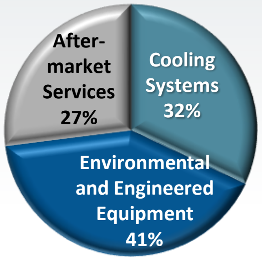
Target Construction Completion Date

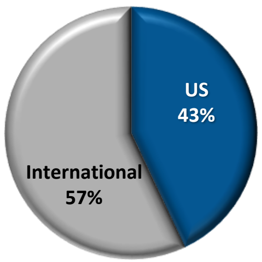
	Target Construction Completion Date
Project 1	Construction Complete
Project 2	Mid-2018
Project 3	Construction Complete
Project 4	Mid-2018
Project 5	Late-2018
Project 6	Second Half – 2018

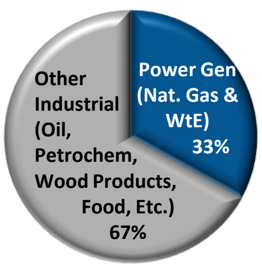
- Turnover of Project 1 expected in mid-2018 and turnover of Project 3 later in 2018
- Project 2 and Project 4 in start-up commissioning phases; turnover expected to occur in mid-2018
- Construction on all U.K. loss projects expected to be largely complete in 2018
- Seeking further agreements with customers for design changes to enhance plant performance and liquidated damage relief and other claims where appropriate and available, to mitigate impact of increased estimated costs

Percent complete based on information provided in the Form 10-Q for the period ended March 31, 2018.

Industrial Segment







- Custom-engineered environmental and cooling equipment, other engineered equipment (i.e., drying and coating), and related aftermarket services
- Focused on organic growth, cross-selling opportunities, and integration in the near term
- Increasing emphasis on capturing aftermarket parts and services opportunities
- Key drivers include industrial capital expenditures, environmental regulations, and sustainability (including water scarcity)
- 2018 estimated revenue up 14% to 19% compared to 2017; gross margin approaching 20%


Environmental Solutions


Noise Abatement


Cooling Systems


Drying & Coating Solutions


Aftermarket Services

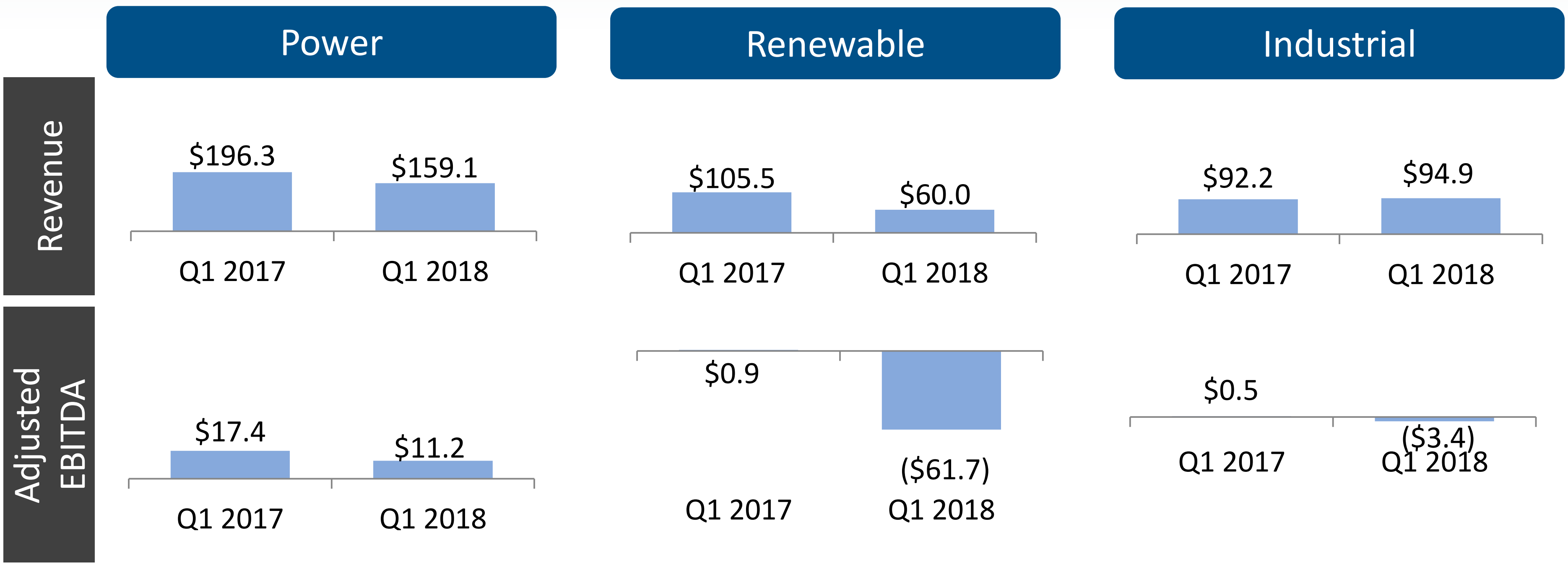
Industrial Segment Business Lines & Key Market Drivers

		DESCRIPTION	DRIVERS	KEY MARKETS
MEGTEC		Designs, engineers, and manufactures environmental equipment and coating & drying equipment and solutions; aftermarket services	Industrial capacity expansion, environmental regulations	General Industrial (3,100 customers in 60+ countries), Lithium–ion battery
SPIG		Designs and engineers dry and wet cooling systems; aftermarket solutions	New plant construction and maintenance	Power generation, industrial, oil & gas
Universal		Designs, engineers, and manufactures noise abatement, emissions, and filtration	Global demand for power generation and environmental regulations	Pipelines, locomotive, power generation, general industrial

Financial Information

Q1 Segment Financial Results Summary

Segment Revenue and Adjusted EBITDA, $ in Millions



Revenue

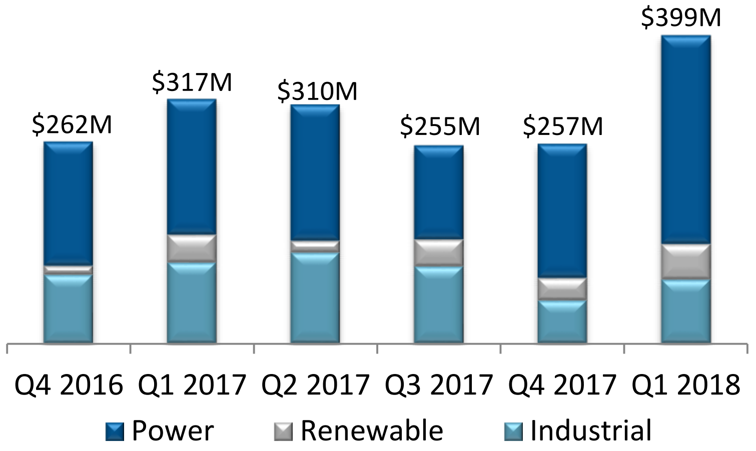
- Power: Lower activity in line with expectations
- Renewable: Progress on projects in backlog
- Industrial: B&W Universal acquisition and organic growth at MEGTEC, partially offset by lower revenue at SPIG

Adjusted EBITDA

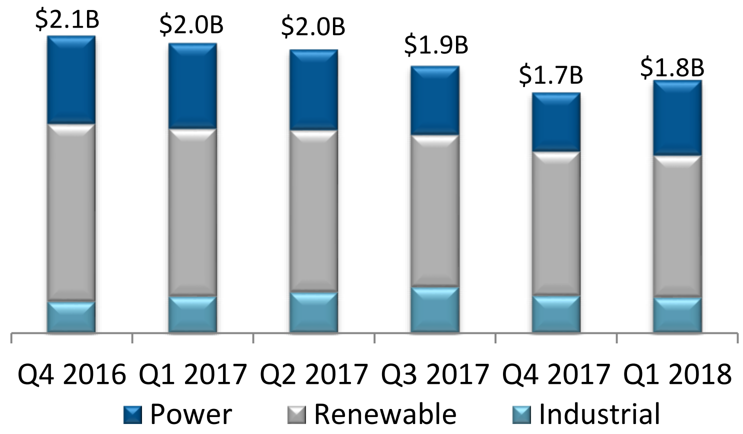
- Power: Restructuring savings and cost control partially offset impact of lower volume
- Renewable: Additional estimated costs to complete Renewable energy projects in Europe and higher support costs
- Industrial: Overall business mix; lower profitability on certain cooling systems projects

Bookings & Backlog

Bookings



Backlog



- Solid bookings in power driven by retrofit contracts; multiple retrofit awards booked in Q1 2018 and strong aftermarket bookings
- Base parts and services business in Power showing signs of stabilization; finding opportunities to improve market share
- Robust Industrial bid pipeline supported by improving end-markets; MEGTEC bookings included a large award for lithium-ion battery coating equipment

FY 2018 Guidance

Consolidated:

- EBITDA (1): $20 million – $40 million

Segments:

- **Power:** full year revenue down 5% to flat compared to 2017; gross margin (2) approximately 20%
- **Renewable:** no guidance provided
- **Industrial:** full year revenue up 14% to 19% compared to 2017; gross margin(2) approaching 20%

(1) EBITDA is not a calculation based on generally accepted accounting principles (GAAP). The amounts included in Adjusted EBITDA however, are derived from amounts included in the Consolidated Statements of Earnings. EBITDA should not be considered an alternative to net earnings (loss), operating profit (loss) or operating cash flows. B&W has presented EBITDA as it is regularly used by many of our investors and is presented as a convenience to them. Adjusted EBITDA, as presented in this calculation, however, differs from the EBITDA calculation used to compute our leverage ratio and interest coverage ratio as defined by our Amended Credit Agreement. See slide 18 for Reconciliation of Adjusted EBITDA guidance.

(2) Segment gross margin guidance is presented reflecting the adoption of FASB ASU 2017-07. The new guidance classifies service cost as the only component of net periodic benefit cost presented in cost of operations, whereas the other components will be presented in other income; see slide 21 for a reconciliation of historical results.

Reconciliation of Adjusted EBITDA Guidance

Management has provided full year adjusted EBITDA guidance of $20 million to $40 million. It is not possible for B&W to identify the amount or significance of future adjustments associated with potential mark to market adjustments to our pension and other postretirement benefit plan liabilities or other non-routine costs that we adjust in our presentation of adjusted EBITDA. These items are dependent on future events and/or market inputs that are not reasonably estimable at this time. Accordingly, management is unable to reconcile without unreasonable effort its forecasted range of adjusted EBITDA for the full year included in the 2018 Guidance section of this overview to a comparable GAAP range. However, items excluded from adjusted EBITDA guidance include the historical adjustments previously disclosed such as interest, income taxes, depreciation, amortization, restructuring and spin costs, acquisition and integration costs, financial advisory services, gains or losses on asset sales, including any related expenses, goodwill and other asset impairments, litigation settlements and mark-to-market adjustments of pension and other postretirement benefit plan liabilities. B&W's full-year adjusted EBITDA guidance also excludes the following estimable adjusting items: $49.2 million loss on extinguishment of second lien debt, spin and restructuring costs of approximately $8.8 million, financial advisory services costs of approximately $9.4 million, the gain on the sale of BWBC (a former Chinese joint venture) of $6.5 million, other than temporary impairment of equity method investment in TBWES impairment of $18.4 million and additional acquisition integration costs of less than $1 million.

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

Long-term Growth Strategy Aligned with Businesses

Established Platform in Industrial Environmental and Cooling Systems

Technology Leader in Global Power Generation

Appendix

Skilled Management Team

President and Chief Executive Officer

Leslie Kass

Finance

Jenny Apker
Senior Vice President
& Chief Financial Officer
Retiring as of June 1, 2018

Joel Mostrom
Interim Chief Financial Officer, as of June 1, 2018

Chief Implementation Officer

Robert Caruso

Power

Mark Low
Senior Vice President

Renewable

Jimmy Morgan
Senior Vice President

Industrial

Mark Carano
Senior Vice President
Industrial and Corporate Development

Human Resources

Ben Bash
Senior Vice President
(Interim)

Legal

André Hall
Senior Vice President
& General Counsel

Operations

Jim Muckley
Senior Vice President

Pension Accounting Change

- In 2018, we will adopt FASB ASU 2017-07, under which the non-service cost components of net periodic benefit cost will be presented in other income rather than in cost of operations*
- This will not impact our EPS or Net Income, but will unfavorably impact segment and consolidated gross profit and operating income
- The large majority of the impact with be in the Power segment, with an immaterial impact in Industrial, and no impact in Renewable

Pension & other postretirement benefit costs (benefits), Consolidated

(in thousands)	Year ended December 31, 2015	2016	2017	Current Classification	Future Classification
Service cost	$13,701	$1,703	$804	Cost of operations	Cost of operations
Interest cost	$50,644	$41,772	$41,432	Cost of operations	Other income (expense)
Expected return on plan assets	($68,709)	($61,939)	($59,409)	Cost of operations	Other income (expense)
Amortization of prior service cost	$307	$250	($2,906)	Cost of operations	Other income (expense)
Recognized net actuarial losses and mark to market adjustments	$40,210	$24,110	($8,696)	Cost of operations or SG&A expense	Other income (expense)
Net periodic benefit cost (benefit)	**$36,153**	**$5,896**	**($28,775)**		

Power Segment

(in thousands)	Full Year 2015	Full Year 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full Year 2017
Gross Profit, as reported	**$247,632**	**$233,550**	**$42,963**	**$49,061**	**$40,629**	**$59,346**	**$191,999**
% Gross Margin	*20.1%*	*23.8%*	*21.9%*	*23.0%*	*20.1%*	*28.4%*	*23.4%*
Pension & other post retiremenet benefit costs (benefits)							
Interest Cost	$50,547	$41,681	$10,456	$10,395	$10,236	$10,246	$41,333
Expected return on plan assets	($68,709)	($61,939)	($14,856)	($14,854)	($14,936)	($14,763)	($59,409)
Amortization of PSC	$307	$250	($875)	($790)	($532)	($704)	($2,901)
Gross Profit, pro forma	**$229,777**	**$213,542**	**$37,688**	**$43,812**	**$35,397**	**$54,125**	**$171,022**
% Gross Margin, pro forma	***18.6%***	***21.7%***	***19.2%***	***20.5%***	***17.5%***	***25.9%***	***20.8%***

* See Note 29 to Consolidated Financial Statements in our Form 10-K for the year ended December 31, 2017 for additional information regarding the adoption of FASB ASU 2017-07.

Reconciliation of Adjusted EBITDA*

$ in millions	Three Months Ended				
	March 31, 2018	December 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Power segment **	$11.2	$38.4	$21.6	$27.4	$17.4
Renewable segment	(61.7)	(39.0)	(10.6)	(123.3)	0.9
Industrial segment	(3.4)	(7.2)	(5.7)	(6.9)	0.5
Corporate	(9.1)	(6.0)	(6.9)	(7.7)	(7.8)
Research and development costs	(1.5)	(2.0)	(2.3)	(2.9)	(2.3)
Foreign exchange & other income (expense)	2.8	(0.8)	(7.6)	1.9	(0.4)
EBITDA - Adjusted	**($61.6)**	**($16.5)**	**($11.5)**	**($111.5)**	**$8.4**
Gain on sale of equity method investment (BWBC)	6.5	—	—	—	—
Other than temporary impairment of equity method investment in TBWES	(18.4)	—	—	(18.2)	—
MTM gain/(loss) included in benefit plans, net	—	9.8	—	—	(1.1)
Financial advisory services included in SG&A	(3.5)	(2.3)	(0.4)	—	—
Restructuring activities and spin-off transaction costs	(6.9)	(6.5)	(3.8)	(2.1)	(3.0)
Acquisition and integration Costs	—	(0.2)	(0.3)	(0.9)	(1.9)
Goodwill and other impairments	—	—	(86.9)	—	—
Litigation settlement gain	—	0.8	—	—	—
Depreciation & amortization	(9.1)	(9.2)	(9.6)	(9.9)	(11.6)
Interest expense, net	(13.4)	(10.6)	(7.3)	(6.2)	(1.6)
Loss before income tax expense	**($106.3)**	**($34.8)**	**($119.7)**	**($148.9)**	**($10.8)**
Income tax expense (benefit)	14.1	72.5	(5.6)	2.0	(4.0)
Net loss	**($120.3)**	**($107.2)**	**($114.1)**	**($150.9)**	**($6.8)**
Net income attributable to noncontrolling interest	(0.1)	(0.2)	(0.2)	(0.1)	(0.2)
Net loss attributable to stockholders	**($120.4)**	**($107.5)**	**($114.3)**	**($151.0)**	**($7.0)**

*EBITDA is not a calculation based on upon generally accepted accounting principles (GAAP). The amounts included in Adjusted EBITDA however, are derived from amounts included in the Consolidated Statements of Earnings. EBITDA should not be considered an alternative to net earnings (loss), operating profit (loss) or operating cash flows. B&W has presented EBITDA as it is regularly used by many of our investors and is presented as a convenience to them. Adjusted EBITDA, as presented in this calculation, however, differs from the EBITDA calculation used to compute our leverage ratio and interest coverage ratio as defined by our Amended Credit Agreement.

** Power adjusted EBITDA includes of pension benefit, excluding MTM adjustments of $6.8 million, $5.2 million, $5.0 million, $5.0 million and $5.0 million in the three months ended March 31, 2018, December 30, 2017, September 30, 2017, June 30, 2017 and March 31, 2017, respectively.

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

Reconciliation of Adjusted, Non-GAAP Results

$ in millions, except per share amounts

Three Months Ended March 31, 2018

	GAAP	Restructuring and spin-off transaction costs	Pension & OPEB MTM (gain) / loss	Financial advisory services	BWBC (gain) on sale	Impairment of equity method investment	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating income (loss)	($102.7)	$6.9	$—	$3.5	($6.5)	$18.4	($80.5)	$3.5	($77.0)
Other income (expense)	(3.5)	—	—	—	—	—	(3.5)	—	(3.5)
Income tax expense (benefit)	14.1	0.4	—	0.8	—	—	15.2	0.9	16.1
Net income (loss)	(120.3)	6.5	$—	2.7	(6.5)	18.4	(99.3)	2.6	(96.7)
Net income attributable to non-controlling intere:	(0.1)	—	—	—	—	—	(0.1)	—	(0.1)
Net income (loss) attributable to shareholders	($120.4)	$6.5	$—	$2.7	($6.5)	$18.4	($99.4)	$2.6	($96.8)
Diluted EPS - continuing operations	($2.73)	$0.15	$—	$0.06	($0.15)	$0.42	($2.25)	$0.06	($2.19)
Income tax rate							(18.1%)		(20.0%)

Three Months Ended March 31, 2017

	GAAP	Restructuring and spin-off transaction costs	Acquisition and integration costs	Pension & OPEB MTM (gain) / loss	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating income (loss)	($13.0)	$3.0	$1.9	$—	($8.0)	$6.0	($2.0)
Other income (expense)	2.2	—	—	1.1	3.2	—	3.2
Income tax expense (benefit)	(4.0)	0.8	0.3	0.3	(2.6)	1.9	(0.7)
Net income (loss)	(6.8)	2.2	1.7	0.8	(2.2)	4.1	1.9
Net income attributable to non-controlling intere:	(0.2)	—	—	—	(0.2)	—	(0.2)
Net income (loss) attributable to shareholders	($7.0)	$2.2	$1.7	$0.8	($2.4)	$4.1	$1.7
Diluted EPS - continuing operations	($0.14)	$0.05	$0.03	$0.02	($0.05)	$0.08	$0.04
Income tax rate					54.6%		(58.1%)

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