



Babcock & Wilcox Enterprises, Inc.

Company Overview

August 2017

TRANSFORMING OUR WORLD | 150 YEARS

Building on our heritage with a focus on the future

Safe Harbor Statement

Forward Looking Statements. B&W cautions that this presentation 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 for 2017; our projected tax rate; our projected operating margin improvements, savings and restructuring costs; project execution; and growth through acquisitions. 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 maintain sufficient sources of liquidity to fund our operations, including sufficient bonding and surety capacity to meet customer requirements; our ability to realize anticipated savings and operational benefits from our restructuring plan; our ability to successfully integrate B&W SPIG and B&W Universal and realize the expected synergies from the acquisitions; our ability to realize the benefits of expected cross-selling opportunities from the B&W SPIG and B&W Universal acquisitions; our ability to successfully address productivity and schedule issues in our Renewable segment, including our efforts to enhance its resources and infrastructure; timely completion of engineering work; productivity of subcontractors; our ability to successfully refine our the execution model of our Renewable segment; our ability to successfully partner with third parties to win and execute renewable projects; changes in the jurisdictional mix of our income and losses; disruptions experienced with customers and suppliers; the inability to retain key personnel; adverse changes in the industries in which we operate; delays, changes or termination of contracts in backlog; the timing and amount of repurchases of our common stock, if any; and the inability to grow and diversify through acquisitions. 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 presentation, 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 and Adjusted Earnings per Share as non-GAAP financial measures. A reconciliation of historical Adjusted Operating Income and Adjusted Earnings per Share to the most directly comparable GAAP measures is included at the end of this presentation. 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

Ownership: Public (NYSE:BW)

2017E Revenue: ~\$1.6B

Chairman & CEO: E. James Ferland

Employees: Approximately 5,000 employees,
in addition to 2,500 joint venture
employees worldwide

Locations: 28 countries

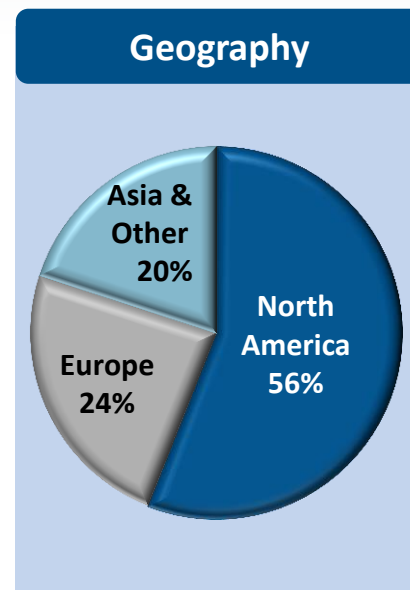
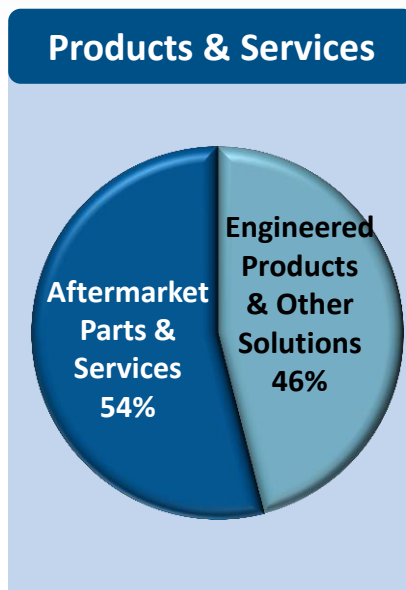
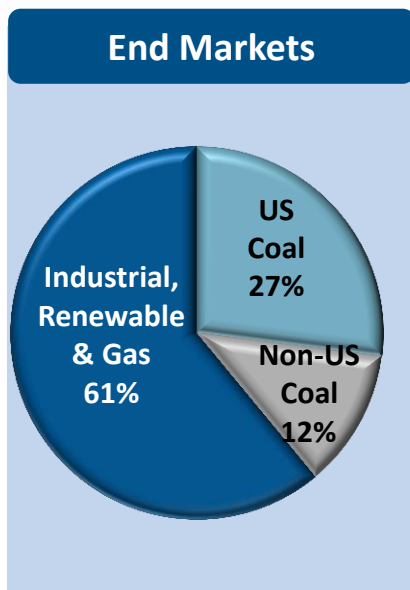
Founded: 1867

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

- Custom technologies
- Engineered solutions
- Aftermarket service offerings



Consolidated Revenue Overview



- Further diversification of end market exposure is key to strategy; have grown non-coal revenue to over 60% of total
- Improving organic growth potential driven by cross-selling near-term; inorganic growth potential longer-term
- Strong aftermarket services business

Note: All charts based on trailing twelve-month revenue and segment structure as of June 30, 2017 unless otherwise noted

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
- General Industry and Manufacturing
- Waste Management / Biomass

Consistent Strategic Focus...

Power



**Optimize Our Legacy Business
and Improve Efficiency**

Renewable



**Pursue Profitable Core Growth in
Global Markets**

Industrial



**Leverage Technology Portfolio to
Drive Cross-Selling Opportunities;
Acquisitions to Drive Growth and
Diversification**

...is well-aligned with our business segments

Business Segment Overview

**Estimated
2017
Revenue**

**% Revenue
from Coal**

**Custom
Technologies**

**Engineered
Solutions**

**Aftermarket
Service
Offerings**

Power

- Aftermarket parts and services
- Utility steam generation
- Industrial Power
- Environmental solutions

~\$850M

~70%



Renewable

- Waste-to-Energy solutions
- Biomass power solutions
- Environmental solutions
- Operations and maintenance

~\$350M

<3%



Industrial

- Wet and dry cooling systems
- Air pollution control systems
- Noise abatement solutions
- Aftermarket solutions

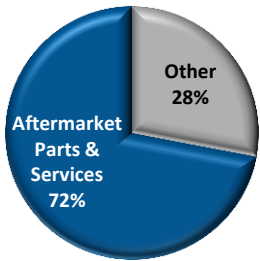
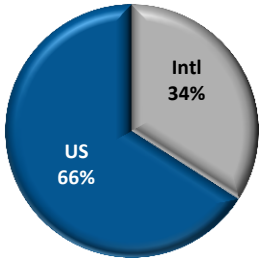
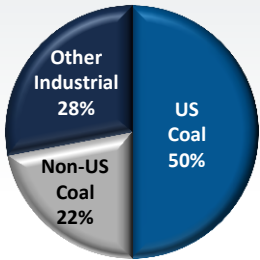
~\$425M

<1%



Note: Based on segment structure as of June 30, 2017

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
- ▶ Mid-2016 restructuring actions optimized cost structure with goal of sustaining segment gross margins in the low 20% range
- ▶ 2017 estimated revenue of ~\$850M; 2017 estimated gross margin in low 20% range



Parts and Technical Services



Service Projects



Utility Steam Generation







Environmental Solutions



Aftermarket Parts

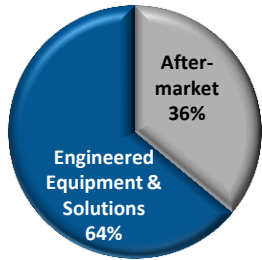
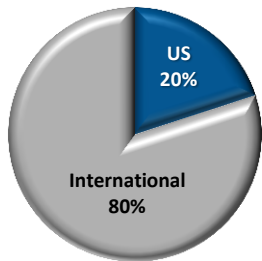
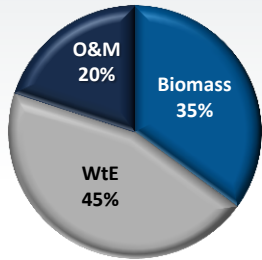
Product & Service Offerings and Key Market Drivers

					
DESCRIPTION	Utility retrofit, services, ash handling equipment and emissions control monitoring systems	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 environmental regulations	Global demand for power generation	Global demand for power generation and environmental regulations	GDP growth for heavy industrial customers globally	DRIVERS
AWARD SIZES	<\$1 million to \$30 million	<\$2 million	\$10 million to >\$100 million	~\$1 million to \$30 million	AWARD SIZES
MIX	41%	28%	16%	15%	MIX

Optimized cost structure allowing for continued solid margin performance

* Effective July 1, 2017, Industrial Steam Generation will be reported as part of Industrial Segment (announced May 23, 2017); mix based on segment structure as of June 30, 2017

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
- ▶ Introduced new execution model to better align 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
- ▶ 2017 estimated revenue of ~\$350M; positive gross margins estimated in second half 2017 and returning to high-teens longer-term



Biomass



Waste-to-Energy



Environmental Solutions



Operations & Maintenance

Dynagrate® Pivoting Combustion Grate

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

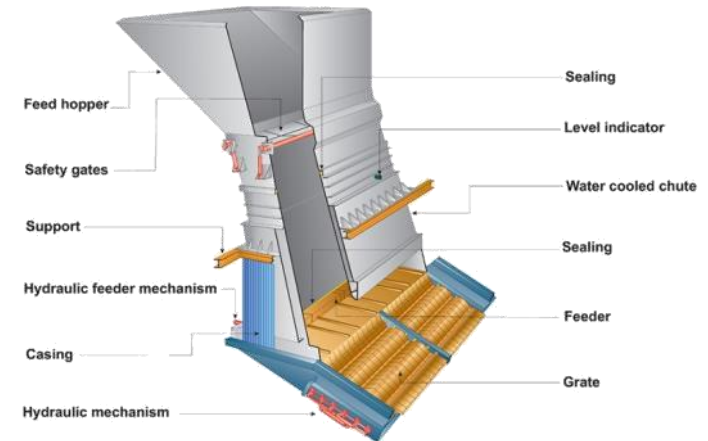
Large installed base with diverse set of customers

Grate design allows for high availability and long operational time, leading to reduced O&M cost

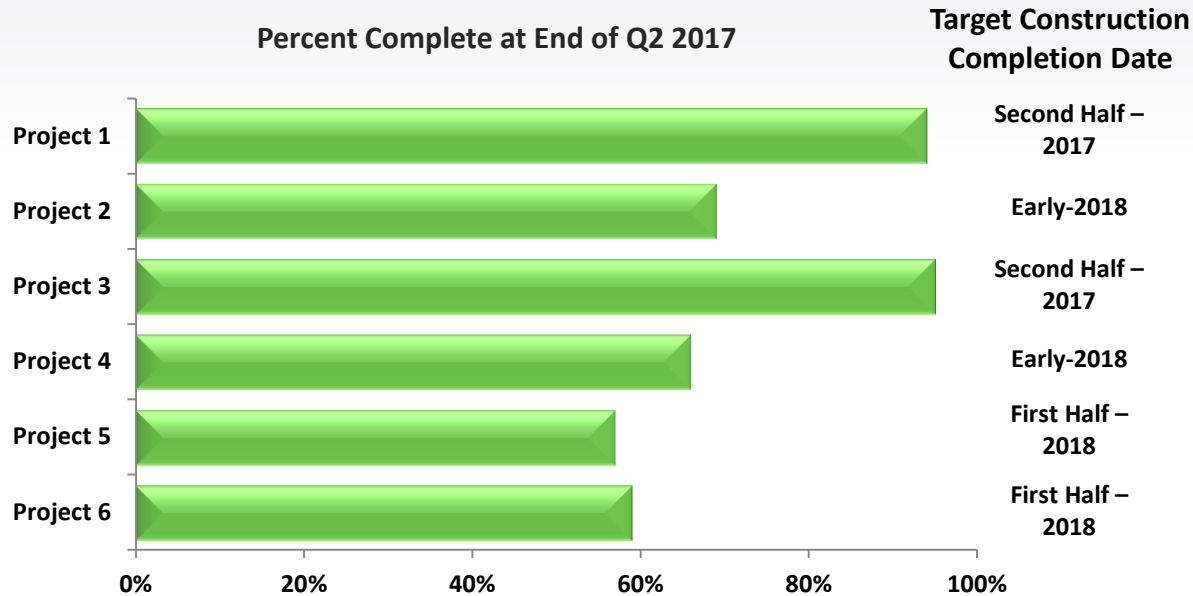
High thermal efficiency and low emissions

Fuel flexibility

Factory assembled modules limit field construction



Renewable Projects Update



- ▶ Construction on Project 1 and Project 3 is essentially complete; in start-up operations
- ▶ Introduced new, lower-risk execution model



Percent complete based on information provided in the Form 10-Q for the period ended June 30, 2017.

Renewable New-Build Execution Model

Illustrative Renewable New-Build Project: Breakdown of Major Work Packages

New Model focuses
primarily on Core
B&W Scope



EPC Partner executes Balance of
Plant and Civil Scope

Core B&W Scope (30%)

Boiler
Dynagrate®
Environmental Equipment
Cooling Systems
Ash Handling

Balance of Plant (40%)

Piping
Electrical
Instrumentation
Condenser
Auxiliary steel
Pumps & Valves
Insulation
Stack
Pumps
Cranes

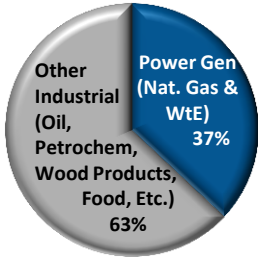
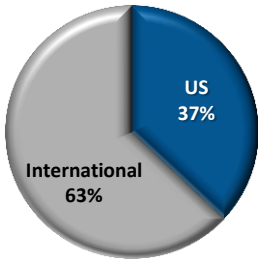
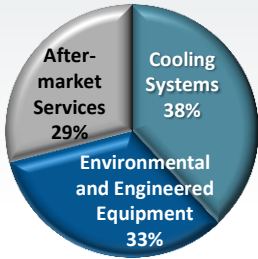
Civil Scope (30%)

Foundation
Building Steel/Cladding
Underground
Building Services
Waste Bunker

Current B&W Scope on U.K. Projects

- ▶ Focus on Core B&W Scope improves overall risk and margin profile
- ▶ Reduces revenue opportunity per project; but overtime, provides opportunity to execute more projects at once
- ▶ End-market demand remains robust
- ▶ Expect to begin bidding in third quarter 2017 as opportunities allow

Industrial Segment



- ▶ Custom-engineered environmental and cooling equipment, other engineered equipment (i.e. drying and coating), industrial steam generation equipment, and related aftermarket services
- ▶ Focused on organic growth, cross selling opportunities, and integration in the near term and growth via acquisitions in the longer term
- ▶ New segment structure and defined management team enhance ability to drive organic growth through increased cross-selling potential and in new end-markets
- ▶ Key drivers include industrial capital expenditures, environmental regulations, and sustainability (including water scarcity)
- ▶ 2017 estimated revenue of ~\$425M; 2017 estimated gross margin in the mid-teens



Air Pollution Control Systems



Noise Abatement



Cooling Systems



Drying & Coating Solutions







Aftermarket Services

* Effective July 1, 2017, Industrial Steam Generation will transition from the Power segment to the Industrial segment (announced May 23, 2017).

Industrial Segment Business Lines & Key Market Drivers

(Adjusted for new segment structure)

	MEGTEC	SPIG	Universal	Industrial Steam Generation*	
					
DESCRIPTION	Designs, engineers, and manufactures air pollution control and coating & drying equipment and solutions; aftermarket services	Designs and engineers dry and wet cooling systems; aftermarket solutions	Designs, engineers, and manufactures noise abatement, emissions, and filtration	Natural-gas fired package boilers, industrial boilers and process recovery boilers End markets include pulp & paper, metals, oil and petrochemical	DESCRIPTION
DRIVERS & KEY MARKETS	Industrial capacity expansion, environmental regulations General Industrial (3,100 customers in 60+ countries), Lithium-ion battery production	New plant construction and maintenance Power generation, Industrial, Oil & gas	Global demand for power generation and environmental regulations Pipelines, locomotive, power generation, general industrial	GDP growth for heavy industrial customers globally Pulp & paper, oil & gas, chemical, other industrial	DRIVERS & KEY MARKETS
MIX	25%	34%	14%	27%	MIX

Leveraging technology portfolio to drive cross selling opportunities and enhance organic growth potential

* Effective July 1, 2017, Industrial Steam Generation will be reported as part of Industrial Segment (announced May 23, 2017); mix based trailing 12-month revenue as of June 30, 2017, including Universal, and pro-forma segment structure as of July 1, 2017

Financial Information

Q2 Segment Financial Results Summary

Segment Revenue and Gross Profit

\$ in Millions

Power

Renewable

Industrial

Revenue

\$261.8

\$213.8

Q2 2016

Q2 2017

\$85.5

\$48.1

Q2 2016

Q2 2017

\$38.0

\$90.2

Q2 2016

Q2 2017

Gross Profit

\$62.5

\$49.1

Q2 2016

Q2 2017

\$(17.5)

\$(110.9)

Q2 2016

Q2 2017

\$11.1

\$9.5

Q2 2016

Q2 2017

GM

23.9%

23.0%

(20.5%)

(230.7%)

29.2%

10.5%

Revenue

- Power: Lower activity in line with expectations and proactive restructuring plan
- Renewable: Comparable level activity; impacted by estimate revisions on ongoing projects
- Industrial: Increase driven by B&W SPIG and B&W Universal acquisitions

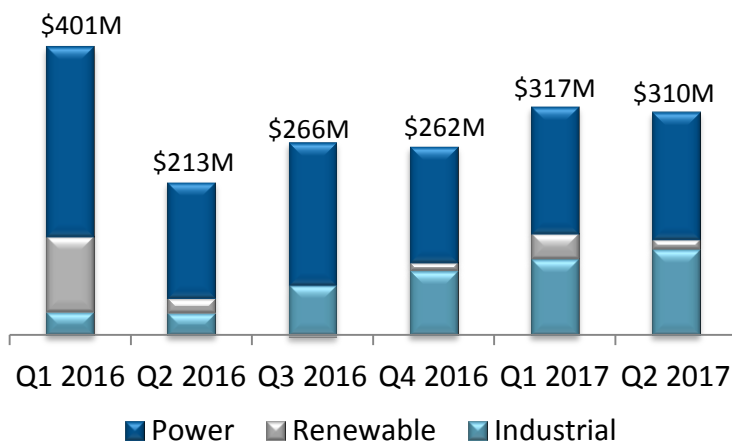
Gross Profit Margin

- Power: Good execution and restructuring savings mitigated impact of lower volume
- Renewable: Performance on projects in backlog
- Industrial: Shift in revenue mix to more cooling systems; lower profitability on certain cooling systems projects

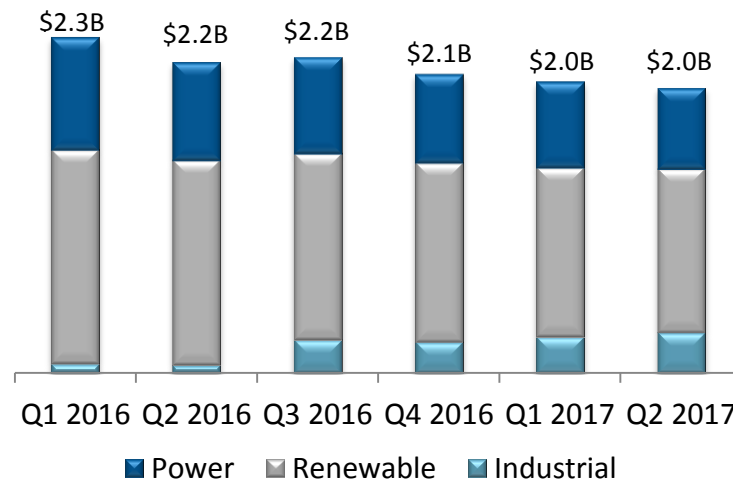


Bookings & Backlog

Bookings



Backlog



- Increase in Industrial bookings driven by MEGTEC and SPIG, as anticipated
- Solid pipeline of Renewable prospects; plan to return to bidding in second half 2017 under new execution model
- Base business in Power showing signs of stabilization; timing on international new-build bookings uncertain
- Backlog modestly lower quarter-over-quarter; Industrial growing as percentage of total

FY 2017 Guidance

- Guidance by segment:
 - **Power:** full year 2017 revenue in the range of \$825 million to \$875 million with gross margin in the low 20% range
 - **Renewable:** full year 2017 revenue of approximately \$350 million with positive gross margins returning in second half 2017
 - **Industrial:** full year 2017 revenue in the range of \$400 million to \$450 million with gross margin in the mid-teens

Note: Segment guidance is reflective of the segment structure prior to the realignment of the Industrial Steam Generation business line.

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



Established Platform in Industrial Environmental and Cooling Systems



Technology Leader in Global Power Generation

Appendix

Skilled Management Team



**Chairman and
Chief Executive Officer**

Jim Ferland



Finance

Jenny Apker
Senior Vice President
& Chief Financial Officer



Renewable

Jimmy Morgan
Senior Vice President



Industrial

Leslie Kass
Senior Vice President



Corporate Development

Mark Carano
Senior Vice President, Corporate
Development & Industrial
Finance



Legal

André Hall
Senior Vice President
& General Counsel



Operations

Jim Muckley
Senior Vice President



Business Development

Elias Gedeon
Senior Vice President & Chief
Business Development Officer



Human Resources

Ben Bash
Senior Vice President
(interim)

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 served as Finance Director for JKN Oil & Gas, an LSE-listed oil and gas exploration and production company, from November 2011 through January 2016. 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 served as the Executive Vice President and Chief Financial Officer for KBR, a global technology, engineering, procurement and construction company, from October 2013 through February 2017. 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 International.



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. From 2010-2015, he served as VP and Lead Director of the Board of Directors of Green Bay Packers, Inc., on which he served beginning in 2003.

Reconciliation of Adjusted, Non-GAAP Results

\$ in millions, except per share amounts

Three Months Ended June 30, 2017

	GAAP	Impairment of equity method investment	Restructuring and spin-off transaction costs	Acquisition and integration costs	Litigation settlement	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating loss	(\$144.6)	\$18.2	\$2.1	\$0.9	\$0.0	(\$123.4)	\$4.5	(\$119.0)
Other income (expense)	(4.2)	—	—	—	3.7	(0.5)	0.0	(0.5)
Income tax expense	(2.0)	—	(0.5)	(0.3)	(1.4)	(4.2)	(1.4)	(5.6)
Net loss	(150.9)	18.2	1.6	0.6	2.3	(128.1)	3.1	(125.1)
Net loss attributable to non-controlling interest	(0.1)	—	—	—	—	(0.1)	—	(0.1)
Net loss attributable to shareholders	(\$151.0)	\$18.2	\$1.6	\$0.6	\$2.3	(\$128.3)	\$3.1	(\$125.2)
Diluted EPS - continuing operations	(\$3.09)	\$0.34	\$0.03	\$0.01	\$0.05	(\$2.63)	\$0.06	(\$2.56)
Income tax rate	(1.3%)					(3.4%)		(4.7%)

Three Months Ended June 30, 2016

	GAAP	Restructuring costs	Pension & OPEB MTM (gain) / loss	Spin costs	Acquisition and integration costs	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating loss	(\$72.6)	\$30.5	\$29.9	\$1.1	\$1.9	(\$9.1)	\$1.6	(\$7.5)
Other income	0.2	—	—	—	—	0.2	—	0.2
Income tax benefit (expense)	9.0	1.9	(11.0)	(0.3)	(0.7)	(1.1)	(0.5)	(1.6)
Net loss	(63.4)	32.4	18.9	0.8	1.2	(10.1)	1.1	(9.0)
Net loss attributable to non-controlling interest	(0.1)	—	—	—	—	(0.1)	—	(0.1)
Net loss attributable to shareholders	(\$63.5)	\$32.4	\$18.9	\$0.8	\$1.2	(\$10.1)	\$1.1	(\$9.1)
Diluted EPS - continuing operations	(\$1.25)	\$0.64	\$0.37	\$0.02	\$0.02	(\$0.20)	\$0.02	(\$0.18)
Income tax rate	12.5%					(11.9%)		(21.9%)

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



Reconciliation of Adjusted, Non-GAAP Results

\$ in millions, except per share amounts

Six Months Ended June 30, 2017

	GAAP	Impairment of equity method investment	Restructuring and spin-off transaction costs	Acquisition and integration costs	Pension & OPEB MTM (gain) / loss	Litigation settlement	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating loss	(\$153.4)	\$18.2	\$5.1	\$2.9	\$1.1	—	(\$126.2)	\$10.5	(\$115.7)
Other income (expense)	(6.3)	—	—	—	—	3.7	(2.5)	0.0	(2.5)
Income tax benefit (expense)	2.0	—	(1.3)	(0.6)	(0.3)	(1.4)	(1.6)	(3.3)	(4.9)
Net loss	(157.7)	18.2	3.8	2.3	0.8	2.3	(130.3)	7.2	(123.1)
Net loss attributable to non-controlling interest	(0.4)	—	—	—	—	—	(0.4)	—	(0.4)
Net loss attributable to shareholders	(\$158.0)	\$18.2	\$3.8	\$2.3	\$0.8	\$2.3	(\$130.7)	\$7.2	(\$123.5)
Diluted EPS - continuing operations	(\$3.24)	\$0.37	\$0.08	\$0.05	\$0.02	\$0.05	(\$2.68)	\$0.15	(\$2.53)
Income tax rate	1.3%						(1.2%)		(4.1%)

Six Months Ended June 30, 2016

	GAAP	Restructuring costs	Pension & OPEB MTM (gain) / loss	Spin costs	Acquisition and integration costs	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating income (loss)	(\$55.3)	\$32.6	\$29.9	\$3.0	\$1.9	\$12.1	\$3.1	\$15.2
Other income	0.1	—	—	—	—	0.1	—	0.1
Income tax benefit (expense)	2.4	1.1	(11.0)	0.3	(0.7)	(7.9)	—	(7.9)
Net income (loss)	(52.8)	33.7	18.9	3.3	1.2	4.4	3.1	7.5
Net loss attributable to non-controlling interest	(0.2)	—	—	—	—	(0.2)	—	(0.2)
Net income (loss) attributable to shareholders	(\$53.0)	\$33.7	\$18.9	\$3.3	\$1.2	\$4.2	\$3.1	\$7.3
Diluted EPS - continuing operations	(\$1.04)	\$0.66	\$0.37	\$0.06	\$0.02	\$0.08	\$0.06	\$0.60
Income tax rate	4.4%					64.2%		51.6%

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