



Babcock & Wilcox Enterprises, Inc.

Company Overview

March 2018



ENERGY | ENVIRONMENTAL

Safe Harbor Statement

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; our projected operating margin improvements, savings and restructuring costs; 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 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 plans, and other cost-savings initiatives; our ability to successfully capitalize on the strategic alternative evaluation of our MEGTEC and Universal business lines; our ability to successfully integrate and realize the expected synergies from acquisitions; our ability to realize the benefits of expected cross-selling opportunities from 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 meet performance guarantees; 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, suppliers or joint venture partners; claims by third parties; the inability to retain key personnel; 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 Securities and Exchange Commission, including our most recent annual report on Form 10-K and 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 overview, 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)

2018E Revenue: ~\$1.6B

President and CEO: Leslie C. Kass

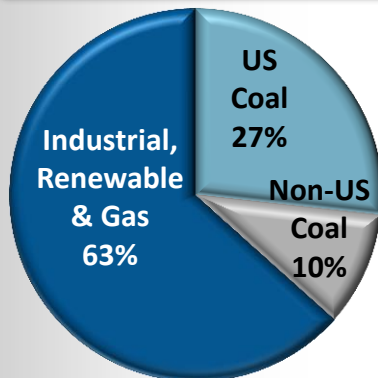
Employees: Approximately 4,400 employees, in addition to 255 joint venture employees worldwide

Locations: 25 countries

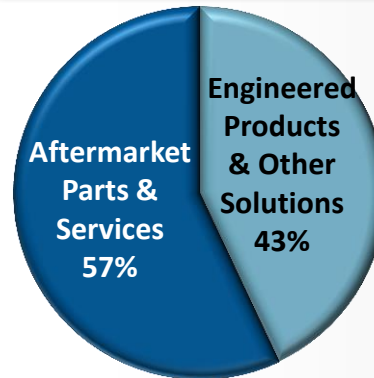
Business model delivers shareholder value by driving maximum value for customers through:

- Custom technologies
- Engineered solutions
- Aftermarket service offerings

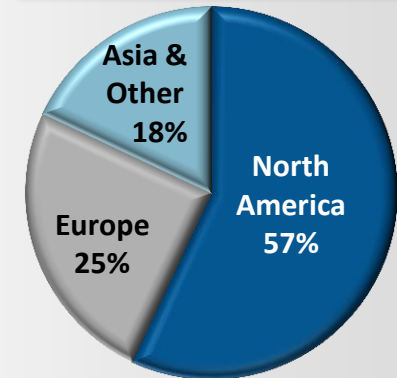
End Markets



Products & Services



Geography



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

Markets We Serve



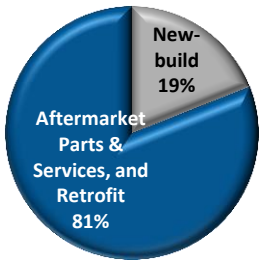
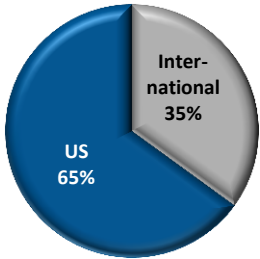
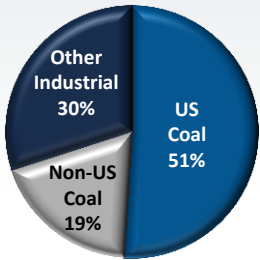
- Traditional Power Generation
- Natural Gas Power Generation
- Renewable Power Generation
- Oil and Petrochemical
- Natural Gas Midstream
- Pulp and Paper, Wood Products
- Mining and Metals
- Iron and Steel
- Food Processing and Agriculture
- Coatings and Flexible Packaging
- Lithium Ion Battery Production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

Business Segment & Strategic Overview

	Estimated 2018 Revenue	% Revenue from Aftermarket Parts and Services*	Strategic Focus	Key End Markets	Product and Service Offering
Power	~\$800M	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	~\$370M	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	~\$450M	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 of ~\$800M; 2018 estimated gross margin* approximately 20%

* Gross margin guidance is presented on a pro forma basis, reflecting the adoption of 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. See Appendix for a reconciliation of changes in the classification of the historical components of net periodic benefit cost.



Parts and Technical Services



Retrofit Projects



Utility Steam Generation



Environmental Solutions



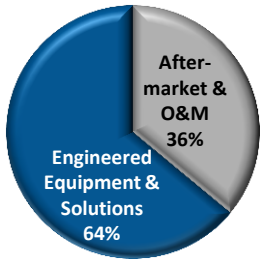
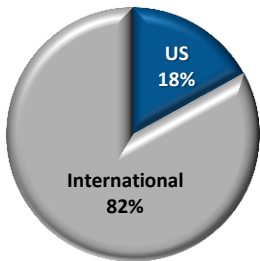
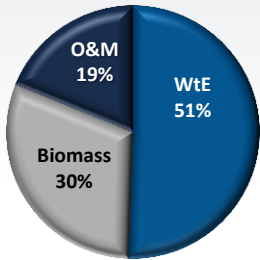
Industrial Steam

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
- ▶ 2018 estimated revenue of ~\$370M; gross margin greater than 10%



Biomass



Waste-to-Energy



Environmental Solutions



Operations & Maintenance

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 over time, provides opportunity to execute more projects at once
- End-market demand remains robust

Dynagrate® Pivoting Combustion Grate

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

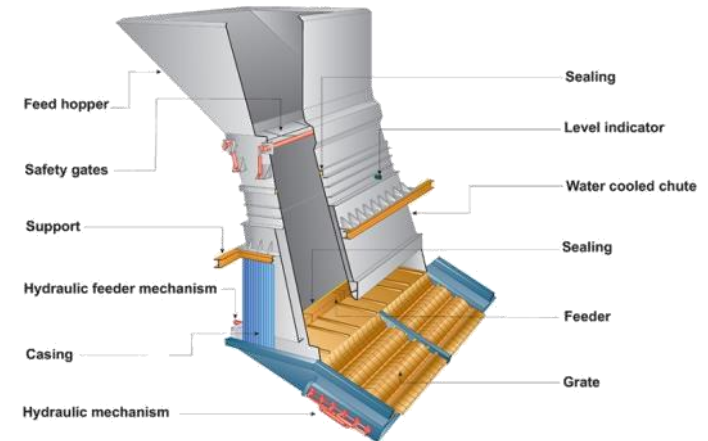
Large installed base with diverse set of customers

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

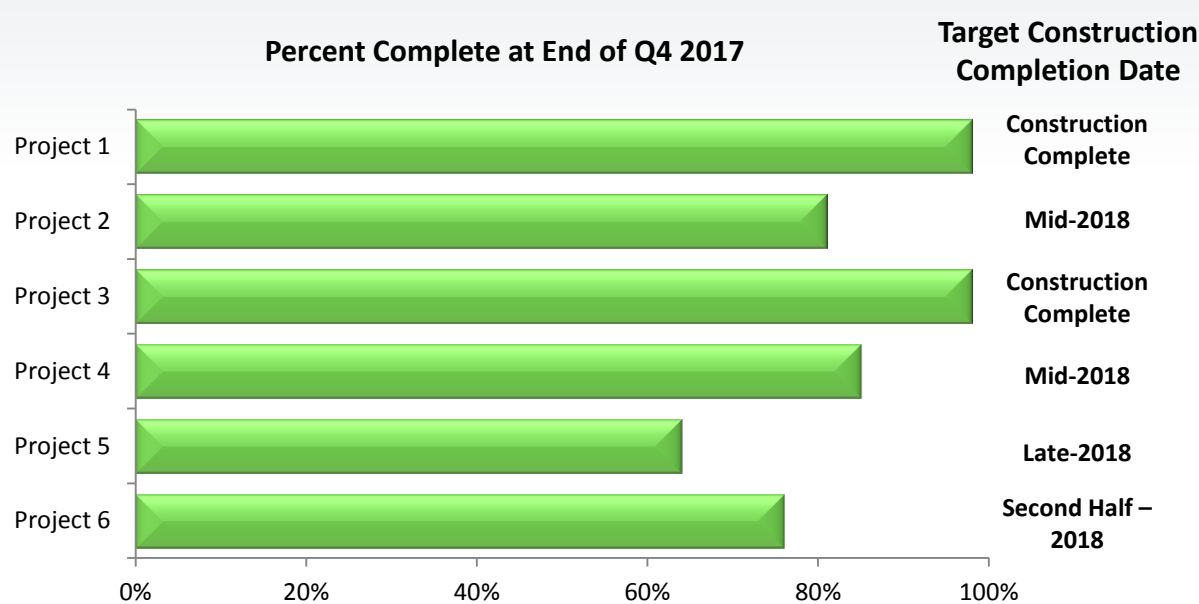
High thermal efficiency and low emissions

Fuel flexibility

Factory assembled modules reduce field construction



Renewable Projects Update

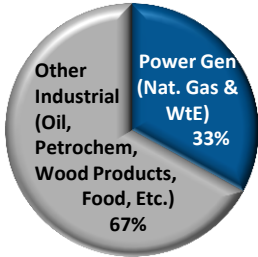
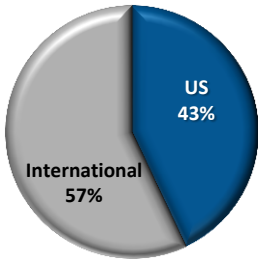
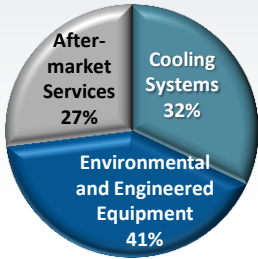


- ▶ Turnover of Project 1 and Project 3 expected in first half 2018
- ▶ Project 2 and Project 4 in start-up commissioning phases
- ▶ Construction on all U.K. loss projects expected to be largely complete in 2018
- ▶ Agreements with customers for design changes to enhance plant performance and liquidated damage (LD) relief partially offset profitability impact of structural steel issue in Q4 2017; pursuing additional agreements in 2018



Percent complete based on information provided in the Form 10-K for the period ended December 31, 2017.

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 of ~\$450 million; gross margin approaching 20%



Environmental Solutions



Noise Abatement



Cooling Systems




Drying & Coating Solutions



Aftermarket Services

Industrial Segment Business Lines & Key Market Drivers

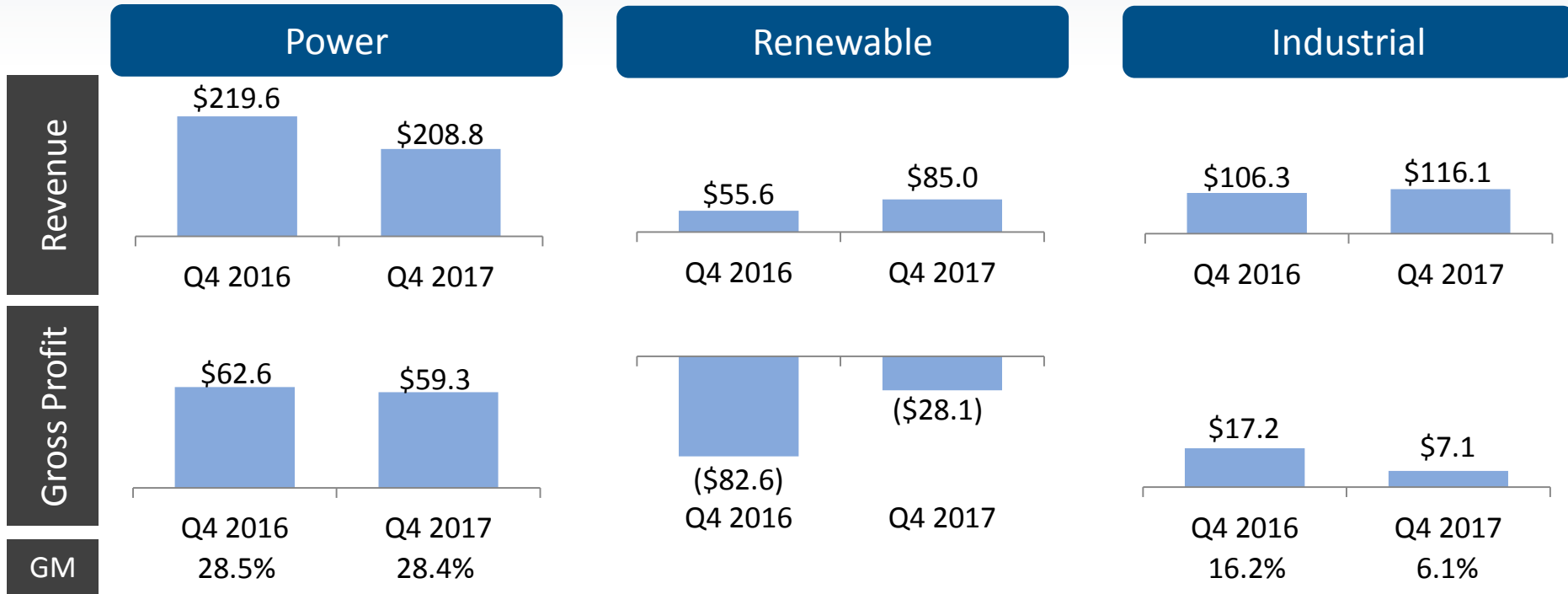
		DESCRIPTION	DRIVERS	KEY MARKETS	
MEGTEC		Designs, engineers, and manufactures environmental equipment and coating & drying equipment and solutions; aftermarket services	Industrial capacity expansion, environmental regulations	General Industrial (3,100 customers in 60+ countries), Lithium-ion battery	
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	

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

Financial Information

Q4 Segment Financial Results Summary

Segment Revenue and Gross Profit
\$ in Millions



Revenue

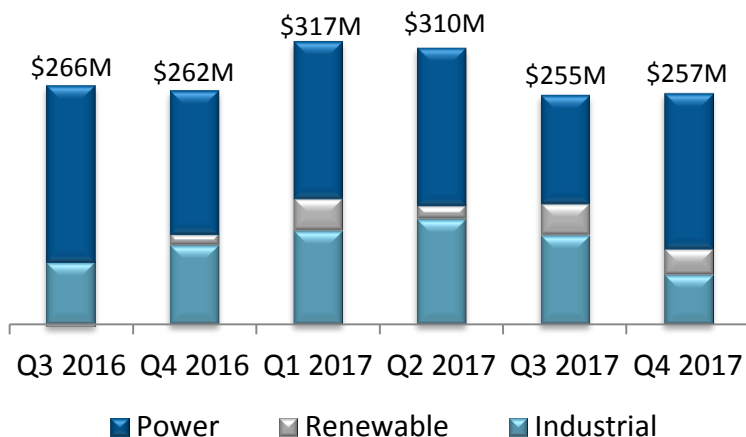
- Power: Lower activity in line with expectations
- Renewable: Progress on projects in backlog
- Industrial: B&W Universal acquisition and organic growth at MEGTEC, partially offset by lower revenue at SPIG

Gross Profit Margin

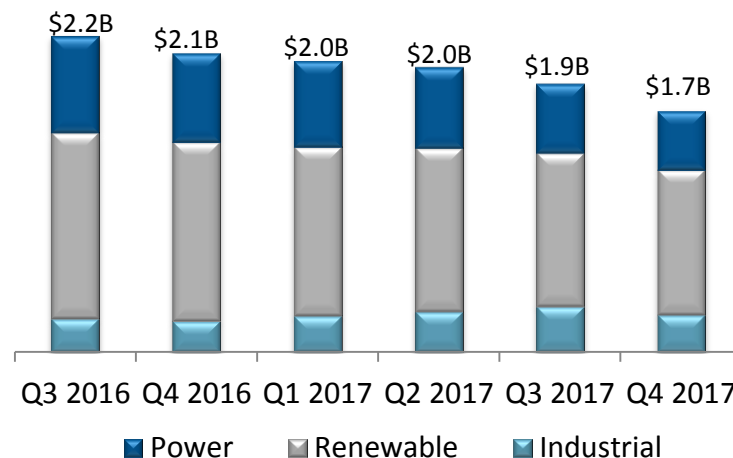
- Power: Restructuring savings and cost control partially offset impact of lower volume
- Renewable: Performance on projects in backlog; cost related to structural steel issue partially offset by contract modifications
- Industrial: Overall business mix; lower profitability on certain cooling systems projects

Bookings & Backlog

Bookings



Backlog



- Solid bookings in power driven by retrofit contracts; multiple retrofit awards booked in Q1 2018
- 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

FY 2018 Guidance

Consolidated:

- Revenue: \$1.5 billion – \$1.7 billion
- EBITDA ⁽¹⁾: \$75 million – \$95 million

Segments:

- **Power:** full year revenue down 5% to flat compared to 2017; gross margin ⁽²⁾ approximately 20%
- **Renewable:** full year revenue up 5% to 10% compared to 2017; gross margin ⁽²⁾ greater than 10%
- **Industrial:** full year revenue up 14% to 19% compared to 2017; gross margin ⁽²⁾ approaching 20%

(1) 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. See slide 18 for Reconciliation of Adjusted EBITDA guidance.

(2) Segment gross margin guidance assumes adoption of 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; see slide 23 for a reconciliation of historical results.



Reconciliation of Adjusted EBITDA Guidance

Management has provided full year adjusted EBITDA guidance of \$75 million to \$95 million. It is not possible for management 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 the Company's 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 our adjusted EBITDA guidance include the historical adjustments noted in the tables in the Appendix to this presentation, and our adjusted EBITDA guidance also excludes future estimable adjusting items, charges relating to previously announced restructuring initiatives of approximately \$7 million, financial advisory services costs of approximately \$2 million, the gain on the sale of BWBC of \$3.4 million, and additional spin and acquisitions and 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



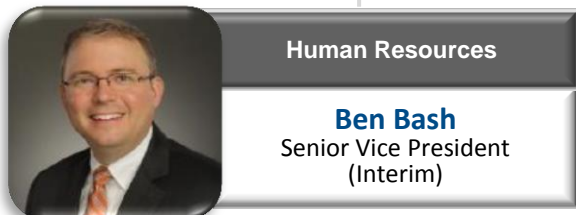
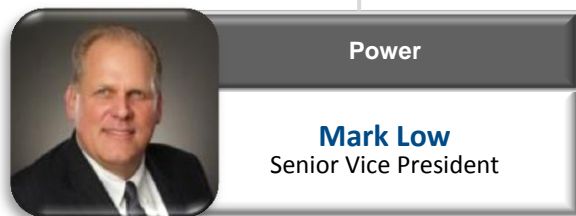
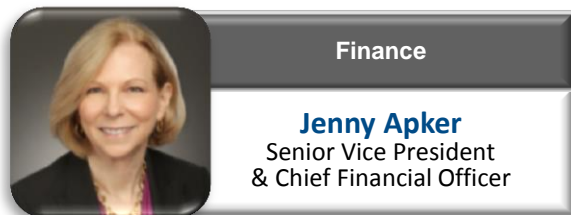
Established Platform in Industrial Environmental and Cooling Systems



Technology Leader in Global Power Generation

Appendix

Skilled Management Team



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 will 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,			Current	Future
	2015	2016	2017	Classification	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	(\$2,901)	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	(\$28,770)		

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	\$247,633	\$233,550	\$42,963	\$49,601	\$40,629	\$59,346	\$191,999
% Gross Margin	20.1%	23.8%	21.9%	23.2%	20.1%	28.4%	23.4%
Pension & other post retirement 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	\$229,778	\$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*

<i>\$ in millions</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Net Income - GAAP	(\$107.5)	(\$71.6)	(\$379.8)	(\$115.7)
Income tax expense (benefit)	72.5	7.7	64.9	6.9
Interest expense, net	10.6	2.5	25.7	3.0
Depreciation and amortization expense	9.0	12.4	40.0	39.3
Restructuring costs	6.4	2.4	14.3	37.0
Spin costs	0.2	0.4	1.2	3.8
Acquisition and integration costs	0.2	2.4	3.3	5.1
Financial advisory services	2.3	—	2.7	—
(Gain) loss on sale of assets	—	(8.3)	—	(8.3)
Goodwill and other impairments	—	—	86.9	—
Litigation Settlement (Gain)	(0.8)	3.2	(0.8)	3.2
Pension & OPEB MTM	(9.8)	(6.4)	(8.7)	24.1
Other than temporary impairment of equity method investment in TBWES	—	—	18.2	—
EBITDA - Adjusted	(\$17.0)	(\$55.3)	(\$132.1)	(\$1.6)

*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.

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 December 31, 2017

	GAAP	Restructuring and spin-off transaction costs	Acquisition and integration costs	Pension & OPEB MTM (gain) / loss	Litigation	Financial advisory services	Revaluation of deferred tax assets and other	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating income (loss)	(\$13.3)	\$6.5	\$0.2	(\$9.8)	(\$0.8)	\$2.3	\$—	(\$14.8)	\$3.8	(\$11.0)
Other expense	(11.4)	—	—	—	(0.7)	—	—	(12.1)	—	(12.1)
Income tax expense (benefit)	72.5	1.5	0.1	(3.6)	(0.6)	0.8	(63.7)	7.0	1.2	8.2
Net income (loss)	(97.1)	5.0	0.1	(6.2)	(1.0)	1.5	63.7	(33.9)	2.6	(31.3)
Net loss attributable to non-controlling interest	(0.2)	—	—	—	—	—	—	(0.2)	—	(0.2)
Net income (loss) attributable to shareholders	(\$97.4)	\$5.0	\$0.1	(\$6.2)	(\$1.0)	\$1.5	\$63.7	(\$34.2)	\$2.6	(\$31.6)
Diluted EPS - continuing operations	(\$2.21)	\$0.11	\$—		(\$0.02)	\$—	\$1.45	(\$0.78)	\$0.06	(\$0.72)
Income tax rate	(293.7%)							(25.9%)		(35.4%)

Three Months Ended December 31, 2016

	GAAP	Restructuring costs and spin- off transaction costs	Acquisition and integration costs	Pension & OPEB MTM (gain) / loss	Sale of equity method investment	Litigation	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating income (loss)	(\$58.6)	\$2.8	\$2.4	(\$6.4)	(\$8.3)	\$3.2	(\$65.0)	\$8.0	(\$57.0)
Other expense	(5.0)	—	—	—	—	—	(5.0)	—	(5.0)
Income tax expense (benefit)	7.7	1.0	0.2	(2.7)	—	1.2	7.4	2.5	10.0
Net income (loss)	(71.3)	1.8	2.1	(3.8)	(8.3)	2.0	(77.4)	5.5	(71.9)
Net loss attributable to non-controlling interest	(0.3)	—	—	—	—	—	(0.3)	—	(0.3)
Net income (loss) attributable to shareholders	(\$71.6)	\$1.8	\$2.1	(\$3.8)	(\$8.3)	\$2.0	(\$77.7)	\$5.5	(\$72.2)
Diluted EPS - continuing operations	(\$1.47)	\$0.04	\$0.04	(\$0.08)	(\$0.17)	\$0.04	(\$1.60)	\$0.11	(\$1.48)
Income tax rate	(12.2%)						(10.6%)		(16.1%)

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

Reconciliation of Adjusted, Non-GAAP Results

\$ in millions, except per share amounts

Year Ended December 31, 2017

	GAAP	Impairment of equity method investment	Restructuring and spin-off transaction costs	Acquisition and integration costs	Pension & OPEB MTM (gain) / loss	Litigation	Financial advisory services	Goodwill impairment	Revaluation of deferred tax assets and other	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating income (loss)	(\$281.6)	\$18.2	\$15.4	\$3.3	(\$8.7)	(\$0.8)	\$2.7	\$86.9	\$—	(\$164.6)	\$18.3	(\$146.3)
Other income (expense)	(32.6)	—	—	—	—	3.0	—	—	—	(29.6)	—	(29.6)
Income tax expense (benefit)	64.8	—	3.7	0.8	(3.3)	0.8	1.0	1.1	(63.7)	5.2	5.8	10.9
Net income (loss)	(379.0)	18.2	11.8	2.5	(5.4)	1.4	1.7	85.8	63.7	(199.4)	12.5	(186.8)
Net loss attributable to non-controlling interest	(0.8)	—	—	—	—	—	—	—	—	(0.8)	—	(0.8)
Net income (loss) attributable to shareholders	(\$379.8)	\$18.2	\$11.8	\$2.5	(\$5.4)	\$1.4	\$1.7	\$85.8	\$63.7	(\$200.2)	\$12.5	(\$187.6)
Diluted EPS - continuing operations	(\$8.09)	\$0.39	\$0.25	\$0.05	(\$0.11)	\$0.03	\$0.04	\$1.83	\$1.36	(\$4.26)	\$0.27	(\$4.00)
Income tax rate	(20.6%)									(2.7%)		(6.2%)

Year Ended December 31, 2016

	GAAP	Restructuring costs and spin-off transaction costs	Acquisition and integration costs	Pension & OPEB MTM (gain) / loss	Sale of equity method investment	Litigation	Non-GAAP	Intangible amortization	Non-GAAP excluding intangible amortization
Operating income (loss)	(\$102.8)	\$40.8	\$5.1	\$24.1	(\$8.3)	\$3.2	(\$37.9)	\$19.9	(\$18.0)
Other income (expense)	(5.4)	—	—	—	—	—	(5.4)	—	(5.4)
Income tax expense (benefit)	6.9	0.3	0.8	8.4	—	1.2	17.7	6.4	24.1
Net income (loss)	(115.1)	40.5	4.3	15.7	(8.3)	2.0	(60.9)	13.5	(47.4)
Net loss attributable to non-controlling interest	(0.6)	—	—	—	—	—	(0.6)	—	(0.6)
Net income (loss) attributable to shareholders	(\$115.6)	\$40.5	\$4.3	\$15.7	(\$8.3)	\$2.0	(\$61.5)	\$13.5	(\$48.0)
Diluted EPS - continuing operations	(\$2.31)	\$0.81	\$0.09	\$0.31	(\$0.17)	\$0.04	(\$1.23)	\$0.27	(\$0.96)
Income tax rate	(6.4%)						(40.9%)		(103.3%)

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