



July 31, 2025

# **QUARTERLY** 2Q / 2025 **EARNINGS**

**Stuart Bradie**, President and CEO

**Mark Sopp**, EVP and CFO

**Jamie DuBray**, VP of Investor Relations



# Forward-Looking Statements

The statements in this presentation that are not historical statements, including statements regarding our expectations for our future financial performance, effective tax rate, operating cash flows, contract revenues, award activity and backlog, program activity, our business strategy, business opportunities, interest expense, our plans for raising and deploying capital and paying dividends, are forward-looking statements within the meaning of the federal securities laws. These statements are subject to numerous risks and uncertainties, many of which are beyond the company's control that could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: uncertainty, delays or reductions in government funding, appropriations and payments, including as a result of continuing resolution funding mechanisms, government shutdowns or changing budget priorities; developments and changes in government laws, regulations and regulatory requirements and policies that may require us to pause, delay or abandon new and existing projects; changes in the priorities, focus, authority and budgets of government agencies under the current administration that may impact our existing projects and/or our ability to win new contracts; the ongoing conflict between Russia and Ukraine and volatility and continued unrest in the Middle East and the related impacts on our business; potential adverse economic and market conditions, such as interest rate and currency exchange rate fluctuations, or impacts of newly imposed U.S. tariffs and any additional responsive non-U.S. tariffs or other changes in trade policy, including impact tariffs could have on customer spend; the company's ability to manage its liquidity; delays, cancellations or reversals of contract awards due to bid protests or legal challenges; the potential adverse outcome of and the publicity surrounding audits and investigations by domestic and foreign government agencies and legislative bodies; changes in capital spending by the company's customers; the company's ability to obtain contracts from existing and new customers and perform under those contracts; structural changes in the industries in which the company operates; escalating costs associated with and the performance of fixed-fee projects and the company's ability to control its cost under its contracts; claims negotiations and contract disputes with the company's customers; changes in the demand for or price of oil and/or natural gas; protection of intellectual property rights; compliance with environmental laws; compliance with laws related to income taxes including compliance with the reconciliation bill H.R. 1; unsettled political conditions, war and the effects of terrorism; foreign operations and foreign exchange rates and controls; the development and installation of financial systems; the possibility of cyber and malware attacks; increased competition for employees; the ability to successfully complete and integrate acquisitions; investment decisions by project owners; and operations of joint ventures, including joint ventures that are not controlled by the company.

The company's most recently filed Annual Report on Form 10-K, any subsequent Form 10-Qs and 8-Ks, and other U.S. Securities and Exchange Commission filings discuss some of the important risk factors that the company has identified that may affect its business, results of operations and financial condition. Except as required by law, the company undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Results herein are reported on a continuing operations basis and reflect HomeSafe Alliance JV ("HomeSafe") as discontinued operations. Unless otherwise noted, all comparisons are to the prior year's results have been adjusted to reflect HomeSafe as discontinued operations. Refer to Note 17 "Discontinued Operations" in our Form 10-Q for the quarter ended July 4, 2025, for further details.

# Stuart Bradie

President and CEO





## Brown & Root Safety Excellence Award

(2025 Winner for Best in Class –  
Extra Large General Contractor)

**ZERO**   
**HARM**  
COURAGE TO CARE

**26.8**  
**MILLION**  
Consecutive  
Safe work  
hours

**101**  
Consecutive  
Zero Harm  
days

**94%**  
Zero Harm  
days

## 2Q 2025 | Key Messages

**\$2.0B**  
Revenues  
+6%

**\$242M**  
Adj. EBITDA<sup>1</sup>  
+12%

**12.4%**  
Adj. EBITDA  
margin<sup>1</sup>  
+70 bps

YoY Growth

- 1 **Delivered** solid financial performance in Revenues and strong bottom line performance with Adj. EBITDA margin<sup>1</sup> expansion
- 2 **Executing our strategy** through customer centricity in key geographic markets; **poised for growth** in key U.S. defense markets
- 3 **Disciplined and balanced capital allocation** with continued share repurchases
- 4 **Revising FY25 Revenues guidance** and reaffirming all other metrics; **Updating long-term targets** for the impact of HomeSafe
- 5 Committed to creating shareholder value; **intentionally enabling future strategic optionality**

<sup>1</sup> See Appendix for reconciliation of non-GAAP financial measure Adj. EBITDA to the nearest GAAP measure. Adj. EBITDA margin calculated as Adj. EBITDA / Revenues.

**1.0x**  
TTM  
Book-to-Bill<sup>1</sup>

**0.9x**  
QTD  
Book-to-Bill<sup>1</sup>

**\$21.6B**  
Backlog &  
Options<sup>1</sup>

## Key Contract Wins

### Mission Tech:

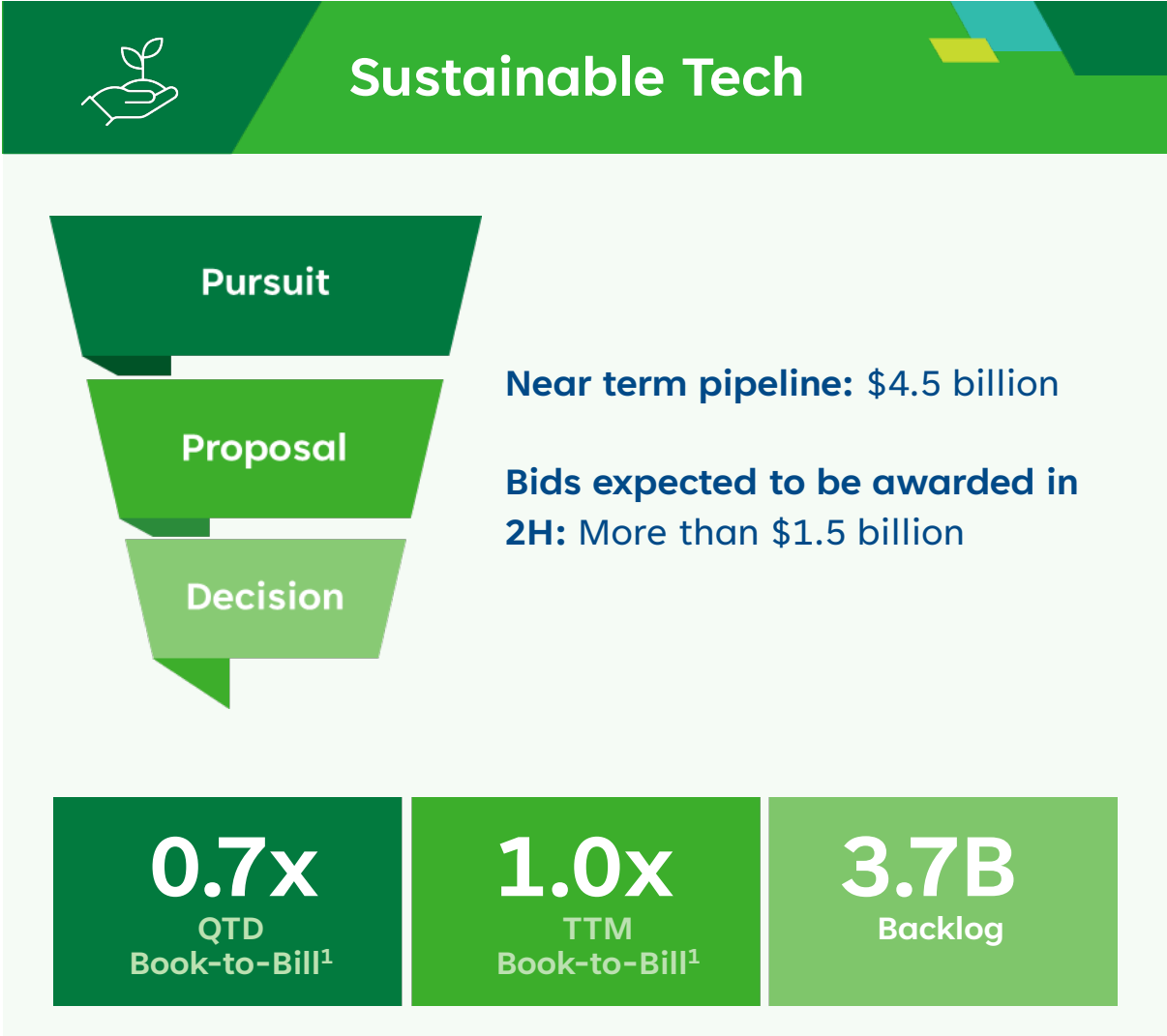
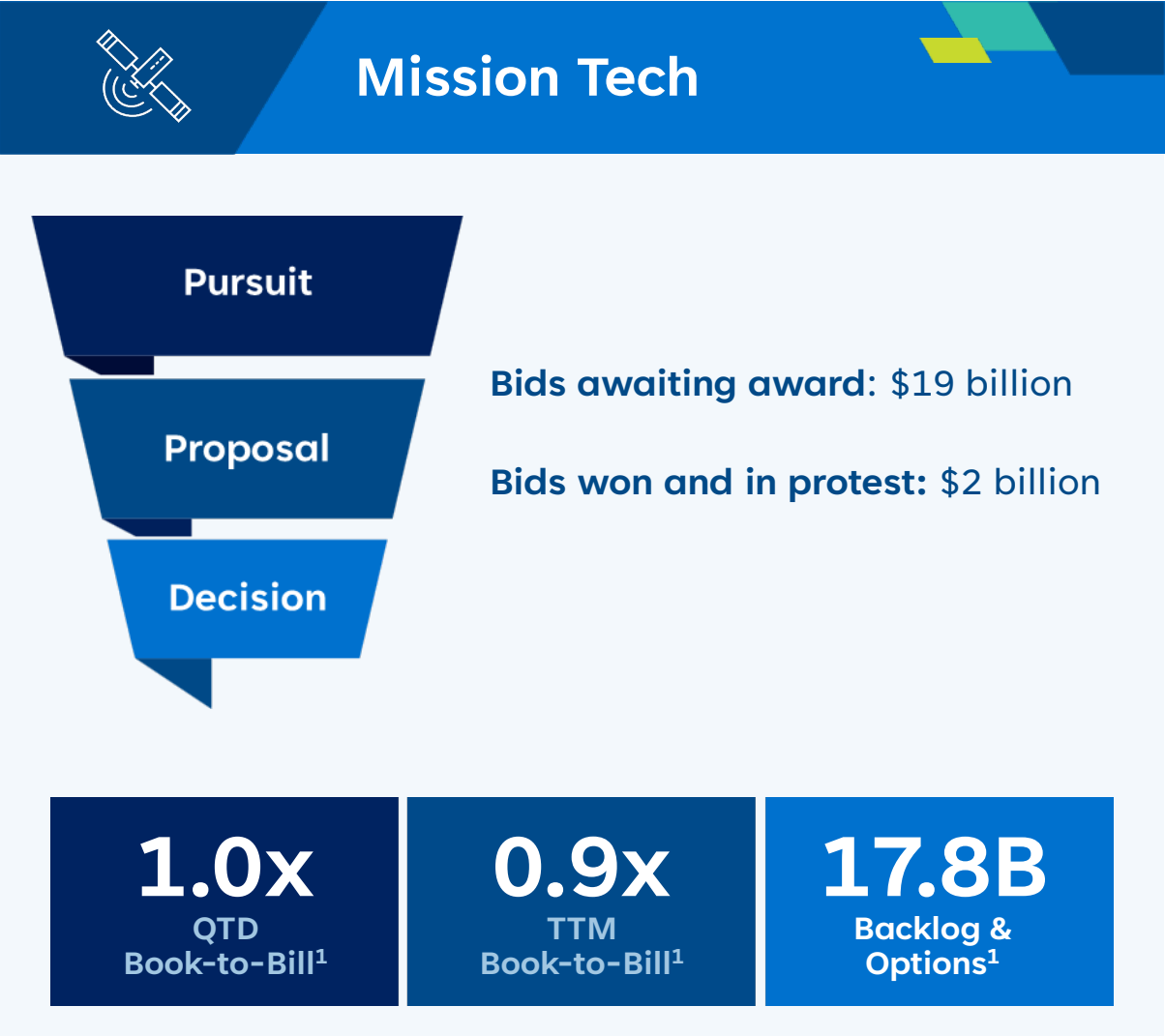
- Awarded subcontract with Strategic Resources Inc to expand psychological health services to aid Army resilience training
- Awarded \$476M base operations support contract in Djibouti
- Awarded multiple strategic contracts in support of the Air Force Research Laboratory
- Awarded LOGCAP V contract extension through 2030 for EUCOM and NORTHCOM

### Sustainable Tech:

- Awarded combined technology and services for a large ammonia and urea complex
- Awarded FEED contract for KEPPT's fertilizer facility in Iraq
- KBR SOCAR JV selected by BP for energy security projects in Azerbaijan
- Mitsubishi Chemical and ENEOS announced opening of plastics recycling plant, using KBR's licensed Hydro-PRT<sup>®</sup> technology

<sup>1</sup> Book-to-Bill (BTB) excludes long-term UK PFIs, the Plaquemines LNG project, and HomeSafe Alliance JV. Backlog and options excludes HomeSafe Alliance JV.

# Building Future Opportunities Amidst Delayed Decisions



<sup>1</sup> Book-to-Bill (BTB) excludes long-term UK PFIs, the Plaquemines LNG project, and HomeSafe Alliance JV. Backlog and options excludes HomeSafe Alliance JV.

# Executing our Growth Strategy: Middle East



**THRIVE and EXPAND**  
in Core Markets and New Geographies  
Capture Breakout Growth



**DELIVER**  
Technical, Digital, Process Innovation  
Create Customer Intimacy



**DRIVE**  
**Operational Excellence Globally**  
Achieve Industry-leading Margins



**DEPLOY**  
**Capital Effectively**  
Generate Strong Returns



## KBR's Differentiators

Deep local engagement, strong partnerships with international stakeholders, ability to rapidly develop and deploy solutions, advanced digital capabilities

# KBR Alignment to Government Budget Priorities



## DoD: RDT&E

- \$11B more funding to US Space Force
  - Aligned to LinQuest & Centauri
- \$25B more funding to Golden Dome
  - Aligned to Space Domain & Missile Defense Expertise
- \$40B more funding for Future Weapons Systems
  - Current support of multiple missile platforms: Patriot, THAAD, IBCS, LTAMDS
- Increases in both National and Military Intelligence Budgets



## DoD: O&M

- \$16B for Army, Navy and USAF Sustainment
  - Supporting Army & Navy currently with multiple base-operations logistics programs
- Geopolitical tensions increase defense spending
  - Geographically well-positioned
  - Highest capability in contingency and expeditionary support
- Munitions storage and transport are key priorities
  - Digital solutions for optimization readiness



## NASA

- \$7B more funding for Space Exploration and Human Spaceflight expected
  - Leader in human health performance
- \$10B to support Artemis, ISS, Gateway and SLS
  - Six decades of support to Moon Missions
- Growing commercial space market
- Space launch infrastructure modernization & expansion
- Limited exposure to science work

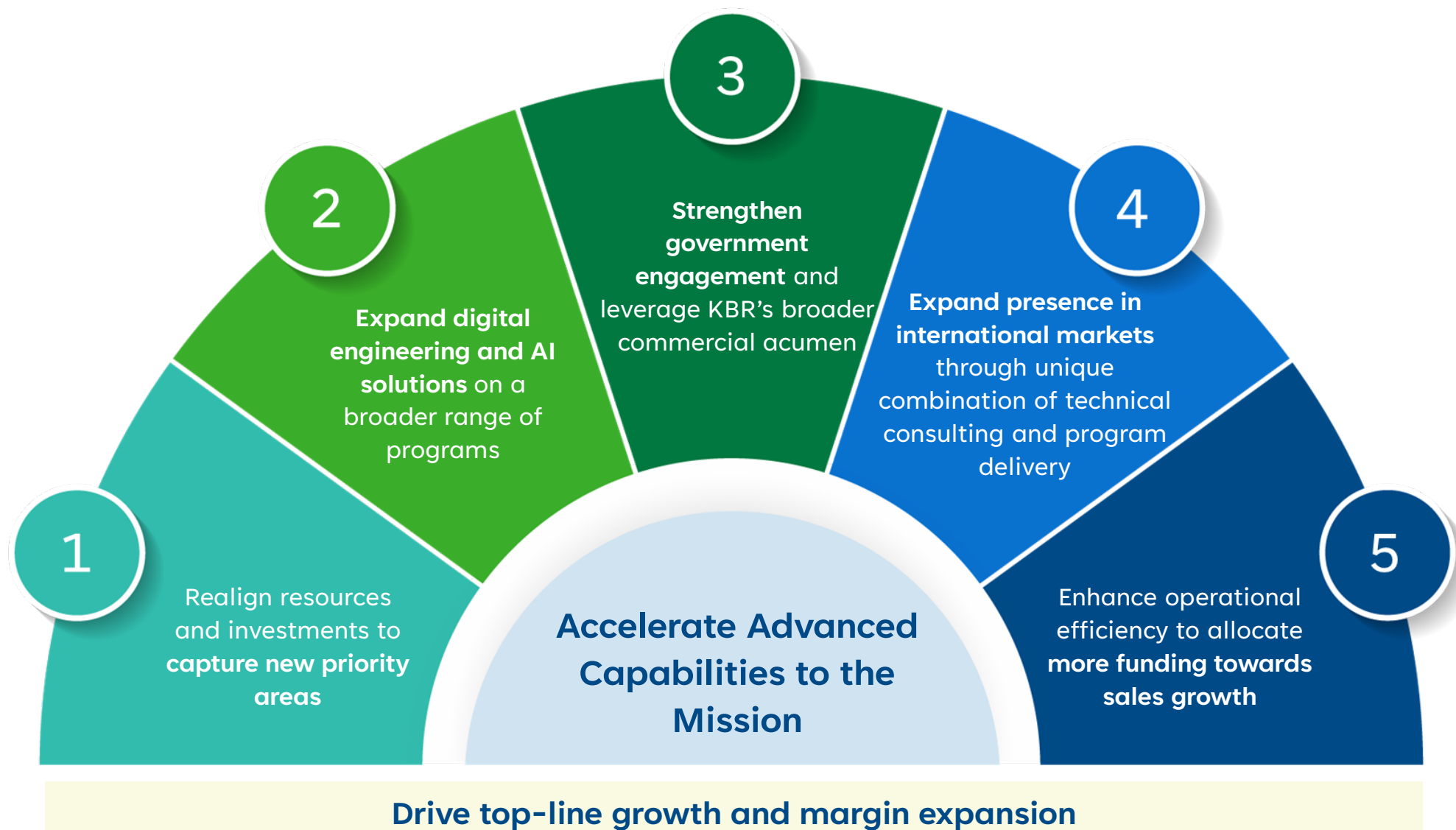


## International

- Nations strive for sovereign defense capabilities and independence
- UK completed the 2025 Strategic Defense Review
- AUS Inaugural 2025 Defense Strategy called for increased spending
- AUKUS
- Infrastar acquisition supplements Intelligence Portfolio in UK

Amounts herein sourced from the Reconciliation Bill H.R.1.

# MTS Positioning for the Future

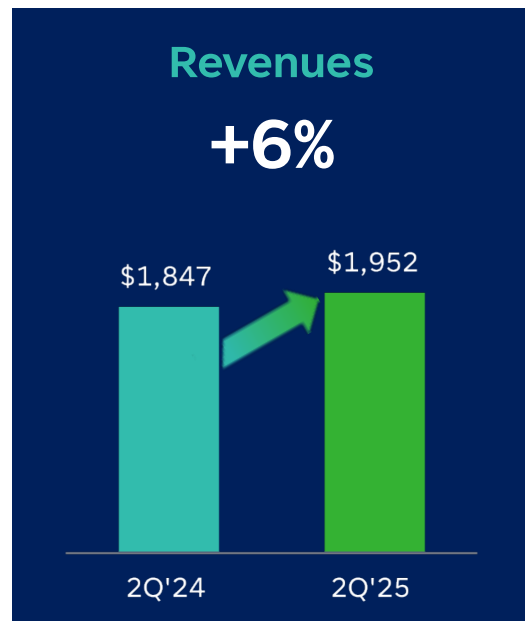


# Mark Sopp

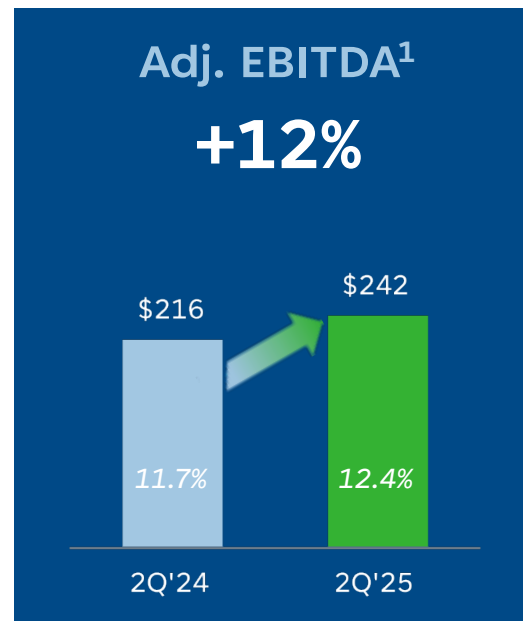
EVP and CFO



# 2Q 2025 | KBR Delivers Continued Growth and Margin Expansion



- Growth in Defense & Intel fueled by the LinQuest acquisition



- Growth due to strong unconsolidated joint venture performance in Sustainable Tech, Mission Tech in line with expectations, and contained overhead costs
- ~70 bps margin expansion



- Growth due to Adj. EBITDA and lower outstanding shares due to open market repurchases, partially offset by higher below the line expenses



- YTD conversion<sup>1</sup> 123%

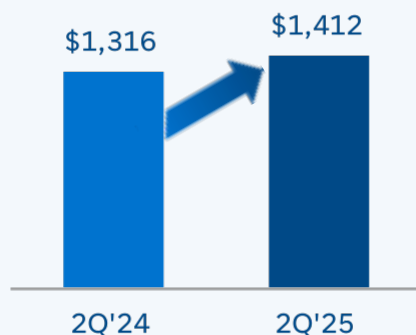
<sup>1</sup> See Appendix for reconciliation of non-GAAP financial measures Adj. EBITDA and Adj. EPS to the nearest GAAP measures. Adj. EBITDA margin calculated as Adj. EBITDA / Revenues. Conversion calculated as (OCF / Adjusted diluted share count) / Adj. EPS.

# Strong Segment Performance in an Increasingly Challenging Environment Underscores Business Model Durability

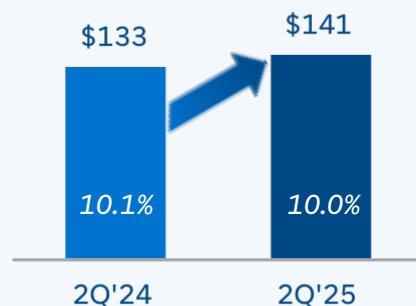


## Mission Tech

**Revenues**  
**+7%**



**Adj. EBITDA<sup>1</sup>**  
**+6%**



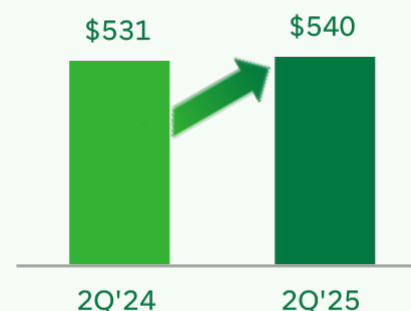
- **Revenues:** Growth in Defense & Intel fueled by the LinQuest acquisition (+21% YoY), offset by abrupt reduction in EUCOM

- **Adj. EBITDA:** Growth in line with Revenues due to strong project execution

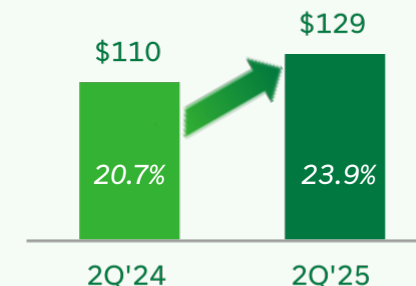


## Sustainable Tech

**Revenues**  
**+2%**



**Adj. EBITDA<sup>1</sup>**  
**+17%**



- **Revenues:** Modest growth due to delayed new awards

- **Adj. EBITDA:** Continued strong delivery across STS, including increase in Equity in earnings due to strong performance on an LNG project

<sup>1</sup> See Appendix for reconciliation of non-GAAP financial measure Adj. EBITDA to the nearest GAAP measures. Adj. EBITDA margin calculated as Adj. EBITDA / Revenues.

# 2Q 2025 | Balance Sheet and Capital Allocation

## Liquidity and Leverage

Net debt	2,234
TTM Adj. EBITDA <sup>1</sup>	935
Net debt / TTM Adj. EBITDA <sup>1</sup>	2.4x

## Free Cash Flow YTD

Operating cash flow	308
Capital expenditures	16
Free cash flow	292

## Return of Capital YTD

Share repurchases	204
Dividends	41
Available share repurchase program	552

## Balanced Capital Allocation Priorities

### Organic Growth

- Innovation, digital solutions and engineering

### Strategic M&A

- Disciplined approach to accretive, strategic bolt-on acquisitions

### Prudent Leverage

- Maintain leverage at 2.5x or below

### Return Capital to Shareholders

- Continued share repurchases; 3% outstanding shares repurchased YTD
- Attractive dividend that grows with earnings

<sup>1</sup> See Appendix for reconciliation of non-GAAP financial measure Adj. EBITDA to the nearest GAAP measure. Refer to Investor Relations data sheet for trailing twelve months (TTM) Adj. EBITDA.

# Revising FY 2025 Guidance



## FY 2025 Guidance

Revenues

**\$7.9B - \$8.1B**

vs. \$8.7B - \$9.1B

Adj. EBITDA<sup>1</sup>

**\$960M - \$980M**

vs. \$950M - \$990M

Adj. EPS<sup>1</sup>

**\$3.78 - \$3.88**

vs. \$3.71 - \$3.95

Operating Cash Flow

**\$500M - \$550M**

<sup>1</sup> The company does not provide reconciliations of Adj. EBITDA and Adj. EPS to the most comparable GAAP financial measures on a forward-looking basis because the company is unable to predict with reasonable certainty the ultimate outcome of legal proceedings, unusual gains and losses, and acquisition-related expenses without unreasonable effort, which could be material to the company's results computed in accordance with GAAP.

## FY25 Revenues Guidance Update

\$8,900M



Prior MP

-\$400M

HomeSafe  
Contract  
Termination

-\$250M

Reductions in  
EUCOM &  
Logistics

-\$250M

Protest  
Resolution  
Delay

\$8,000M



Updated MP

## Financial Modeling Assumptions

- Capex: ~\$30M - \$40M
- Effective tax rate: 25% - \$27%
- Depreciation & amortization: ~\$165M (includes ~\$45M purchased intangibles amortization)

# Updating FY 2027 Financial Targets

	Updated FY27 Targets	Prior FY27 Targets
<b>Revenues</b>	<b>\$9.0B+</b>	<b>\$11.5B+</b>
Revenues CAGR <sup>1</sup>	MTS: 5% - 8% STS: 11% - 15%	MTS: 11% - 15% STS: 11% - 15%
<b>Adj. EBITDA<sup>2</sup></b>	<b>\$1.15B+</b>	<b>\$1.15B+</b>
<b>Adj. EBITDA Margin</b>	<b>11%+</b>	<b>10% - 11%</b>
Segment Adj. EBITDA Margin	MTS: 10%+ STS: 20%+	MTS: 9% - 10% STS: ~20%
<b>Operating Cash Flow</b>	<b>\$650M+</b>	<b>\$700M+</b>
<b>Cumulative Deployable Free Cash<sup>3</sup></b>	<b>~\$2.0B</b>	<b>~\$2.0B</b>

<sup>1</sup> CAGR reflects 2023A - 2027E.

<sup>2</sup> The company does not provide a reconciliation of Adj. EBITDA to the most comparable GAAP financial measure on a forward-looking basis because the company is unable to predict with reasonable certainty the ultimate outcome of legal proceedings, unusual gains and losses, and acquisition-related expenses without unreasonable effort, which could be material to the company's results computed in accordance with GAAP.

<sup>3</sup> Cumulative deployable free cash reflects 2024A-2027E cumulative OCF less capital expenditures of 0.5% to 0.75% of annual revenues.



# Key Takeaways

- **Delivered** solid financial performance in Revenues and strong bottom line performance with Adj. EBITDA margin<sup>1</sup> expansion
- **Executing our strategy** through customer centricity in key geographic markets; **poised for growth** in key U.S. defense markets
- **Disciplined and balanced capital allocation** with continued share repurchases
- **Revising FY25 Revenues guidance** and reaffirming all other metrics; **Updating long-term targets** for the impact of HomeSafe
- Committed to creating shareholder value; **intentionally enabling future strategic optionality**



<sup>1</sup> See Appendix for reconciliation of non-GAAP financial measure Adj. EBITDA to the nearest GAAP measures. Adj. EBITDA margin calculated as Adj. EBITDA / Revenues.

# Q & A



# KBR Investment Thesis

1

Multi-year transformation into a **leading provider of differentiated, innovative, up-market science, technology, and engineering solutions** with **large scale, global reach**

2

Serving **diverse, attractive end markets** aligned with secular growth trends including global security, sustainability, and digitalization

3

**Top talent** combining **deep domain expertise, proprietary technologies**, and an **unwavering focus on execution, with a specialization in complex, mission critical work**

4

**Excellent partners** operating in dynamic teams to **solve our customers' most complex challenges**, which has resulted in recurring, long-term engagements and \$21.6B+ in backlog and options<sup>1</sup>

5

Diversification, low capital intensity, and disciplined capital allocation generate stable, **predictable cash flows and long-term shareholder returns**, with growth and margin expansion plans in flight

<sup>1</sup> Backlog and options as of second quarter ended July 4, 2025, and excludes HomeSafe Alliance JV.



# Appendix

# HomeSafe Alliance JV - Discontinued Operations

- Substantially completed the wind-down of the joint venture
- Contained cash costs to meet obligations through H2 2025

## Net Loss Attributable to KBR from Discontinued Operations

**\$(36)M**



**Loss on operations<sup>1</sup>**  
**\$(24)M**

**Loss on disposal<sup>1</sup>**  
**\$(12)M**



A supplemental investor schedule is available with relevant recast financial information for continuing operations on [investors.kbr.com](https://investors.kbr.com) website

<sup>1</sup> Reflects KBR's share of the loss on operations and loss on disposal after tax. Amounts reflect YTD 2Q'25.

# NON-GAAP RECONCILIATION

## Adjusted EBITDA - KBR Consolidated

	2Q'24	2Q'25	YTD 2024	YTD 2025
<b>Net income attributable to KBR</b>	<b>\$106</b>	<b>\$73</b>	<b>\$199</b>	<b>\$189</b>
Net (income) loss from discontinued operations, net of tax	(1)	48	(1)	54
Net (loss) income attributable to noncontrolling interest included in discontinued operations	1	(16)	1	(18)
<b>Net income attributable to KBR from continuing operations</b>	<b>\$106</b>	<b>\$105</b>	<b>\$199</b>	<b>\$225</b>
Interest expense	32	41	63	82
Other non-operating (income) expense	2	8	8	5
Provision for income taxes	40	39	75	82
Depreciation and amortization	35	45	71	86
Acquisition, integration and other	5	4	6	10
Ichthys commercial dispute cost	(1)	—	3	—
Legacy legal fees and settlements	(3)	—	(2)	—
<b>Adjusted EBITDA</b>	<b>\$216</b>	<b>\$242</b>	<b>\$423</b>	<b>\$490</b>

# NON-GAAP RECONCILIATION

## Adjusted EBITDA - Segment

	2Q'24	2Q'25	YTD 2024	YTD 2025
<b>Operating income - MTS</b>	<b>\$113</b>	<b>\$110</b>	<b>\$219</b>	<b>\$231</b>
Net loss attributable to noncontrolling interests included in continuing operations	2	1	2	1
Depreciation and amortization	21	30	45	59
Legacy legal fee and settlements	(3)	—	(2)	—
<b>Adjusted EBITDA - MTS</b>	<b>\$133</b>	<b>\$141</b>	<b>\$264</b>	<b>\$291</b>
<b>Operating income - STS</b>	<b>\$106</b>	<b>\$123</b>	<b>\$201</b>	<b>\$242</b>
Net loss attributable to noncontrolling interests included in continuing operations	(2)	(2)	(3)	(3)
Depreciation and amortization	7	8	12	14
Ichthys commercial dispute cost	(1)	—	3	—
<b>Adjusted EBITDA - STS</b>	<b>\$110</b>	<b>\$129</b>	<b>\$213</b>	<b>\$253</b>

*Continued on next slide*

# NON-GAAP RECONCILIATION

## Adjusted EBITDA - Segment

	2Q'24	2Q'25	YTD 2024	YTD 2025
<b>Operating income - Corporate</b>	<b>\$(39)</b>	<b>\$(39)</b>	<b>\$(74)</b>	<b>\$(77)</b>
Depreciation and amortization	7	7	14	13
Acquisition, integration and other	5	4	6	10
<b>Adjusted EBITDA - Corporate</b>	<b>\$(27)</b>	<b>\$(28)</b>	<b>\$(54)</b>	<b>\$(54)</b>
<b>Operating income - KBR</b>	<b>\$180</b>	<b>\$194</b>	<b>\$346</b>	<b>\$396</b>
Net loss attributable to noncontrolling interests included in continuing operations	—	(1)	(1)	(2)
Depreciation and amortization	35	45	71	86
Acquisition, integration and other	5	4	6	10
Legacy legal fee and settlements	(3)	—	(2)	—
Ichthys commercial dispute cost	(1)	—	3	—
<b>Adjusted EBITDA - KBR</b>	<b>\$216</b>	<b>\$242</b>	<b>\$423</b>	<b>\$490</b>

# NON-GAAP RECONCILIATION

Adjusted EPS				
	2Q'24	2Q'25	YTD 2024	YTD 2025
<b>Diluted EPS attributable to KBR</b>	<b>\$0.79</b>	<b>\$0.56</b>	<b>\$1.47</b>	<b>\$1.44</b>
Diluted EPS from discontinued operations	—	(0.25)	—	(0.27)
<b>Diluted EPS from continuing operations</b>	<b>\$0.79</b>	<b>\$0.81</b>	<b>\$1.47</b>	<b>\$1.71</b>
Adjustments:				
Amortization related to acquisitions	0.04	0.07	0.08	0.14
Ichthys commercial dispute costs	(0.01)	—	0.02	—
Acquisition, integration and other	0.03	0.03	0.04	0.06
Legacy legal fees and settlements	(0.02)	—	(0.02)	—
<b>Adjusted EPS</b>	<b>\$0.83</b>	<b>\$0.91</b>	<b>\$1.59</b>	<b>\$1.91</b>
<i>Diluted weighted average common shares outstanding</i>	<i>134</i>	<i>129</i>	<i>135</i>	<i>131</i>
<i>Adjusted weighted average common shares outstanding</i>	<i>134</i>	<i>129</i>	<i>135</i>	<i>131</i>

# NON-GAAP RECONCILIATION

## Operating Cash Flow Conversion

	2Q'24	2Q'25	YTD 2024	YTD 2025
Cash flows provided by operating activities from continuing operations	\$157	\$217	\$256	\$308
Operating cash flow per share	\$1.17	\$1.68	\$1.90	\$2.35
Adjusted EPS	\$0.83	\$0.91	\$1.59	\$1.91
<b>Operating cash flow conversion</b>	<b>141%</b>	<b>185%</b>	<b>119%</b>	<b>123%</b>
<i>Diluted weighted average common shares outstanding</i>	134	129	135	131
<i>Adjusted weighted average common shares outstanding</i>	134	129	135	131

## Reconciliation of Adjusted EBITDA to Adjusted EPS

Three Months Ended July 4, 2025

	KBR
<b>Adjusted EBITDA</b>	<b>\$242</b>
Interest expense	(41)
Other non-operating income (expense)	(8)
Provision for income taxes	(39)
Depreciation and amortization	(45)
EPS adjustments:	
Amortization related to acquisitions (after tax)	9
Tax effect of EBITDA adjustments	(1)
<b>Adjusted net income attributable to KBR from continuing operations</b>	<b>\$117</b>
<i>Adjusted weighted average common shares outstanding</i>	<i>129</i>
<b>Adjusted EPS</b>	<b>\$0.91</b>