Woodward Reports Third Quarter Fiscal Year 2026 Results

July 29, 2026

Caution Concerning Forward-Looking Statements:

Certain statements in this presentation and other oral statements made by Woodward from time to time related to this presentation are forward-looking statements, including those that refer to projections of our future performance, guidance measures, capital allocation, market dynamics, strategies, strategic focus areas, trends in our businesses and markets, other events or developments, or other non-historical matters. These forward-looking statements are not guarantees of future performance and are subject to several factors, risks, and uncertainties, the impact or occurrence of which could cause actual results to differ materially from the expected results described in the forward-looking statements, including the factors, risks, and uncertainties set forth under the “Cautionary Statement” in our third quarter 2026 earnings release. Additional information on factors, risks, and uncertainties that may impact forward-looking statements is discussed under "Risk Factors" in our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date on which they are made, and Woodward assumes no obligation to update such statements, except as required by applicable law.

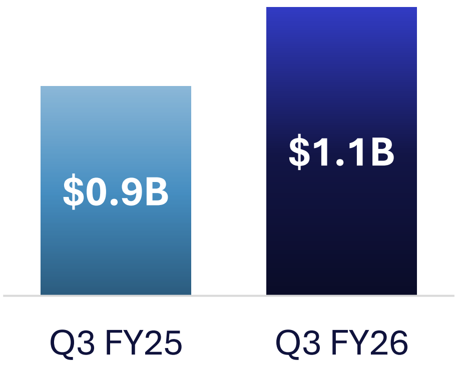
Other Information:

All amounts are presented on an as reported (U.S. GAAP) basis unless otherwise indicated. All per share amounts are presented on a fully diluted basis. All comparisons are made to the same period of the prior year unless otherwise stated. All references to years are references to the Company’s fiscal year unless otherwise stated. All percentages have been calculated using unrounded amounts. Charts shown on subsequent pages are not to scale.

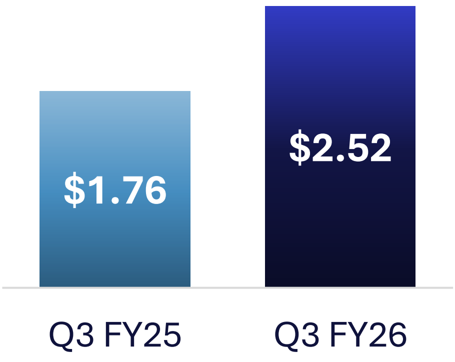
WOODWARD

Outstanding Sales & Earnings Performance in Q3 FY26

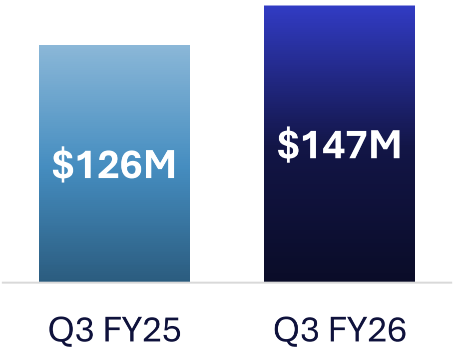
NET SALES
+21%



ADJUSTED EPS[1]
+43%
$2.40 EPS +36%



NET CASH FROM OPERATIONS
+17%



FREE CASH FLOW[1]
-12%

- Strong commercial Aerospace sales, strength across all Industrial primary markets
- Earnings growth driven by price realization and leverage on higher volumes, partially offset by inflation and effective tax rate
- Strong net cash from operations driven by higher earnings

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Driving Shareholder Value Through Execution on Strategic Pillars

GROWTH

- Expanded global LEAP repair network through new MRO license agreement
- Glatten expansion supports power generation demand
- Optimizing footprint

OPERATIONAL EXCELLENCE

- Lean Transformation starting to drive productivity improvements
- Automation to enable growth and drive long-term workforce efficiencies

INNOVATION

- Continuing investments for future growth
- Preparing for Next Single Aisle aircraft

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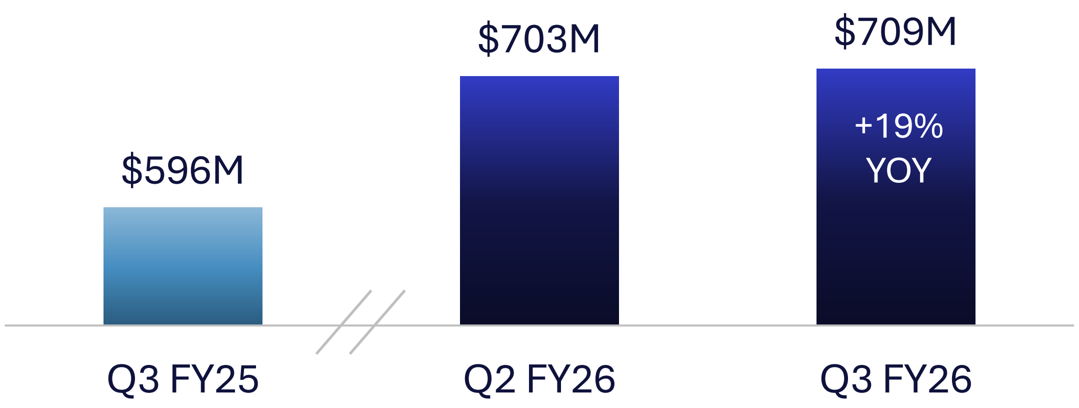
Aerospace Sales Increase 19%, Margins Expand 290 bps

Sales



<u>Based on YOY Comparisons</u>

- **+34% Commercial OEM:** Increasing aircraft build rates and price
- **+24% Commercial Services:** Continued legacy aircraft servicing and growing LEAP/GTF activity
- **-6% Defense OEM:** Volume and price offset by one-time revenue recognition adjustment
- **+20% Defense Services:** Price and volume

Earnings & Margin Percent

- **Earnings Margin +290 bps YOY**
  - Price realization across commercial and defense
    - Includes retroactive price adjustment on finalized LTA
  - Increased leverage on higher sales volume
  - Inflation and unfavorable mix

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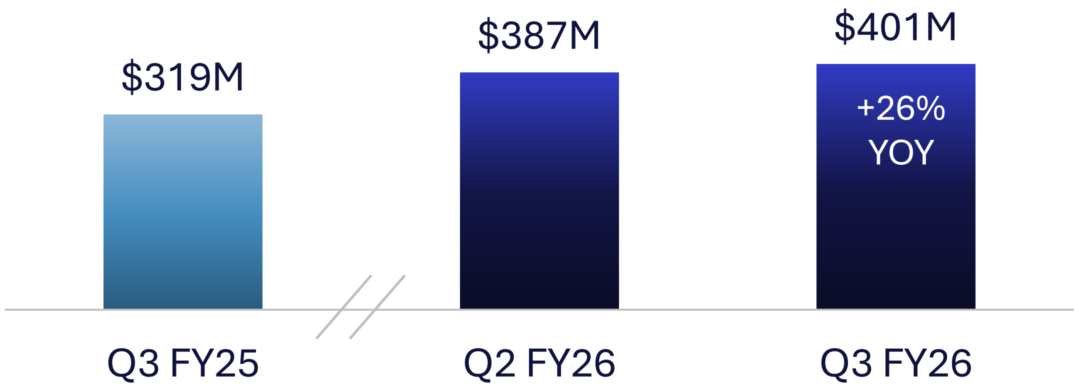
Industrial Sales Increase 26%, Margins Expand by 720 bps

Sales



Based on YOY Comparisons

- **+40% Transportation Sales:** Strong demand in marine; China on-highway sales were $40M
- **+19% Power Generation:** Robust data center demand for gas-fired prime and backup power
- **+11% Oil & Gas:** LNG infrastructure buildout, recovery in upstream capital spending

Earnings & Margin Percent

- **Earnings Margin +720 bps YOY**
  - Increased leverage on higher sales volume
  - Price realization
  - China on-highway contributed 90 bps of margin
  - Inflation

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Capital Allocation

Investing for Growth, Selectively Pursuing M&A, & Returning Capital to Shareholders

Cash Generation

$352M

Q3 YTD Net Cash from Operations

- +48% YOY
- Driven by higher earnings

Capital Return

$608M

Q3 YTD Capital Return to Shareholders

- $553M in share repurchases
- $55M in dividends
- Expect ~$700M in total capital return for 2026

Leverage

1.6x EBITDA[1]

Low EBITDA Leverage[1]

- Target range 1.0-2.0x
- Optimizing capital structure

Portfolio Management

Positioning for Long-Term Growth

- Focusing portfolio
- Strategic M&A
- Preparing for Next Single Aisle aircraft
- Footprint optimization

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Increasing Fiscal Year 2026 Earnings Guidance

	Metric	Prior	Revised
Woodward	Sales Growth	Up 20% - 23%	**no change**
	Adjusted EPS[3]	$9.15 - $9.45	**$9.30 - $9.50**
	Free Cash Flow[3]	$300 - $350M	**no change**
	Capital Expenditures	~$290M	**no change**
	Shares	~61.5M	**no change**
	Adjusted Effective Tax Rate[3]	~22%	**~22.5%**
Aerospace	Sales Growth	Up 21% - 24%	**Up 21% - 23%**
	Segment Earnings (% of sales)	23% - 23.5%	**~23.5%**
Industrial	Sales Growth	Up 18% - 20%	**Up 19% - 21%**
	Segment Earnings (% of sales)	18% - 18.5%	**~19%**

Prior guidance was issued with Q2 FY26 earnings on April 29th, 2026.

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Upcoming Calendar

Fourth Quarter Fiscal Year 2026 Earnings Call
Anticipated November 18, 2026 | 5:00PM Eastern Time

First Quarter Fiscal Year 2027 Earnings
Anticipated February 1, 2027 | 5:00PM Eastern Time

2027 Investor Day – Lotte Palace, New York City
Anticipated March 4, 2027

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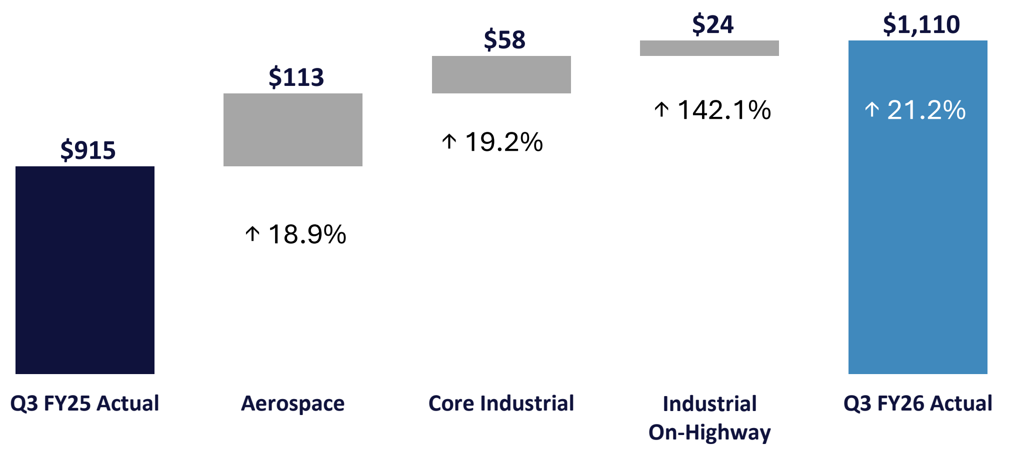
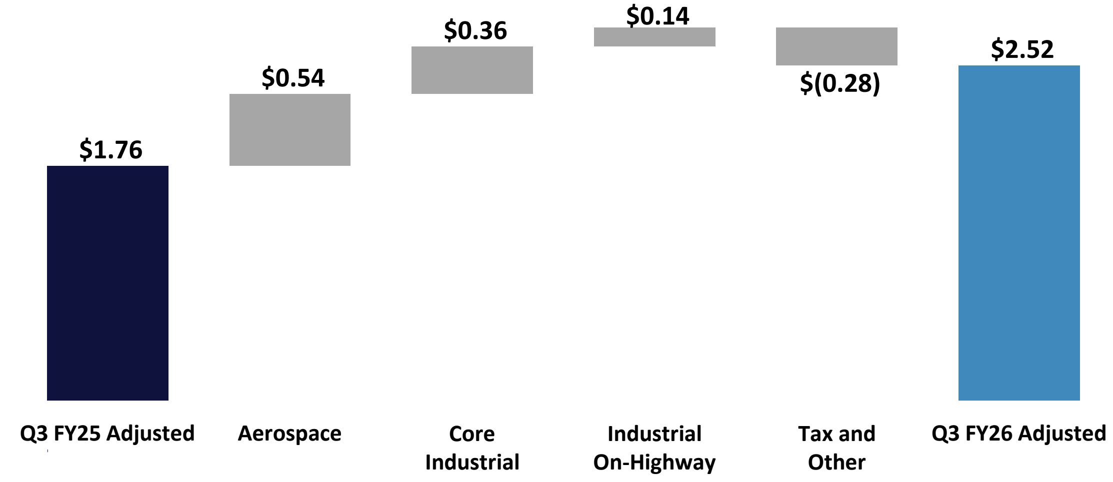
Appendix

Q3 FY26 Sales & Adjusted EPS Bridges

Sales ($M)



Adjusted EPS



FY26 Q3 Operating Margins	24.0%	21.2%

Growth in Aerospace, Core Industrial, and China On-Highway

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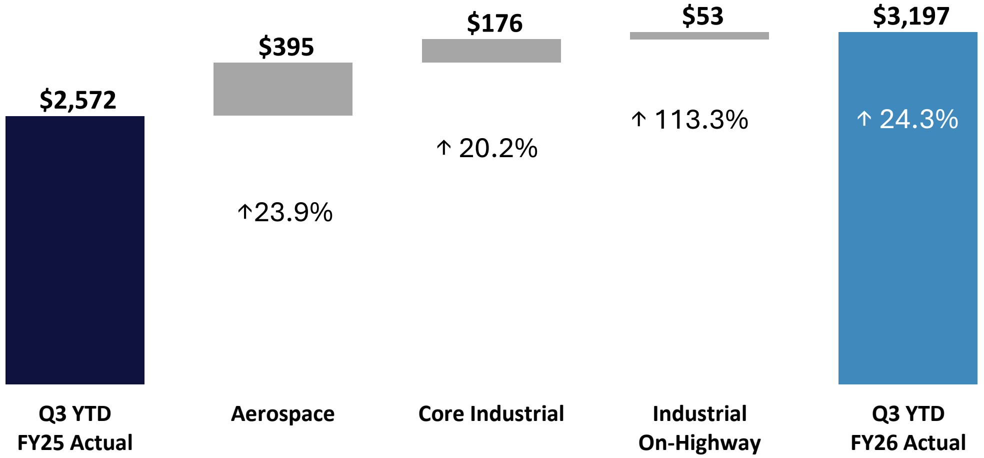
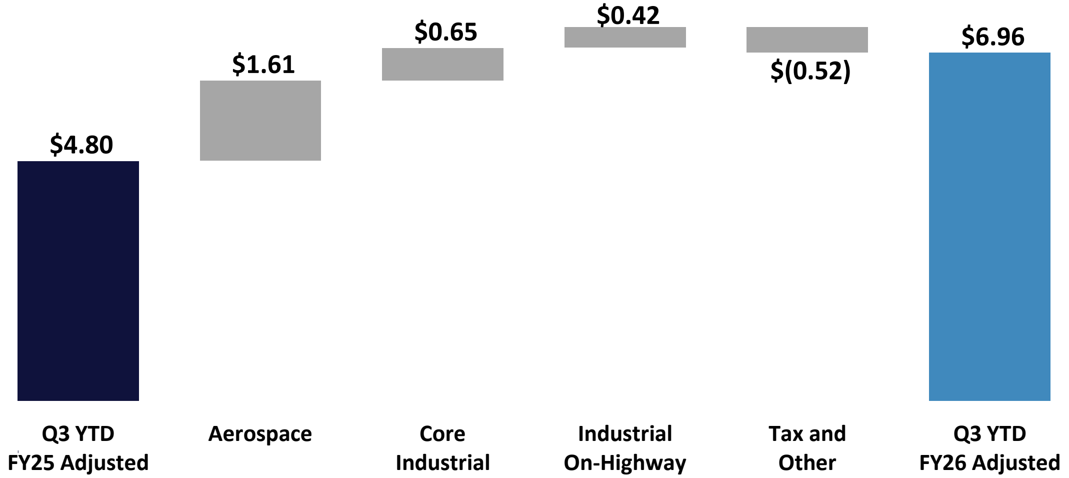
Q3 YTD FY26 Sales & Adjusted EPS Bridges

Sales ($M)



Adjusted EPS



FY26 Q3 Operating Margins	23.3%	17.7%

Growth in Aerospace, Core Industrial, and China On-Highway

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Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries Reconciliation of Net Earnings and EPS to Adjusted Net Earnings[1] and Adjusted EPS[1] (Unaudited – In thousands, except per share amounts)				
	Three Months Ended June 30,			
	2026		2025	
	Net Earnings	Earnings Per Share	Net Earnings	Earnings Per Share
Net earnings (U.S. GAAP)	**$ 146,675**	**$ 2.40**	**$ 108,448**	**$ 1.76**
Non-U.S. GAAP adjustments				
Restructuring charges	9,264	0.15	-	-
Tax effect of non-U.S. GAAP net earnings adjustments	(2,311)	(0.03)	-	-
Total non-U.S. GAAP adjustments	**6,953**	**0.12**	**-**	**-**
Adjusted net earnings (non-U.S. GAAP)	**$ 153,628**	**$ 2.52**	**$ 108,448**	**$ 1.76**

Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries **Reconciliation of Net Earnings and EPS to Adjusted Net Earnings[1] and Adjusted EPS[1]** **(Unaudited – In thousands, except per share amounts)**				
	Nine Months Ended June 30,			
	2026		**2025**	
	Net Earnings	**Earnings Per Share**	**Net Earnings**	**Earnings Per Share**
Net earnings (U.S. GAAP)	**$ 414,407**	**$ 6.76**	**$ 304,488**	**$ 4.96**
Non-U.S. GAAP adjustments				
Restructuring charges	16,079	0.26	-	-
Product rationalization[a]	-	-	(20,524)	(0.33)
Business development activities[b]	-	-	7,310	0.12
Tax effect of non-U.S. GAAP net earnings adjustments	(4,013)	(0.06)	3,130	0.05
Total non-U.S. GAAP adjustments	**12,066**	**0.20**	**(10,084)**	**(0.16)**
Adjusted net earnings (non-U.S. GAAP)	**$ 426,473**	**$ 6.96**	**$ 294,404**	**$ 4.80**

A. Presented in the line item "Other income, net" in Woodward's Condensed Consolidated Statement of Earnings.
B. Presented in the line item "Selling, general, and administrative expenses" in Woodward's Condensed Consolidated Statement of Earnings.

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Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries
Reconciliation of Net Earnings to EBIT[1] and Adjusted EBIT[1]
(Unaudited – In thousands)

	Three Months Ended June 30,			
	2026		2025	
Net earnings (U.S. GAAP)	$	146,675	$	108,448
Income tax expense		46,837		18,388
Interest expense		14,827		11,234
Interest income		(611)		(838)
EBIT (non-U.S. GAAP)		**207,728**		**137,232**
Total non-U.S. GAAP adjustments		**9,264**		**-**
Adjusted EBIT (non-U.S. GAAP)	**$**	**216,992**	**$**	**137,232**

Woodward, Inc. and Subsidiaries
Reconciliation of Net Earnings to EBIT[1] and Adjusted EBIT[1]
(Unaudited – In thousands)

	Nine Months Ended June 30,			
	2026		2025	
Net earnings (U.S. GAAP)	$	414,407	$	304,488
Income tax expense		115,683		57,165
Interest expense		37,206		35,464
Interest income		(2,027)		(3,236)
EBIT (non-U.S. GAAP)		**565,269**		**393,881**
Total non-U.S. GAAP adjustments		**16,079**		**(13,214)**
Adjusted EBIT (non-U.S. GAAP)	**$**	**581,348**	**$**	**380,667**

Woodward, Inc. and Subsidiaries
Reconciliation of Net Cash Provided by Operating Activities
to Free Cash Flow[1]
(Unaudited – In thousands)

	Three Months Ended June 30,			
	2026		2025	
Net cash provided by operating activities (U.S. GAAP)	$	146,673	$	125,635
Payments for property, plant, and equipment		(59,617)		(26,547)
Free cash flow (non-U.S. GAAP)	**$**	**87,056**	**$**	**99,088**

Woodward, Inc. and Subsidiaries
Reconciliation of Net Cash Provided by Operating Activities
to Free Cash Flow[1]
(Unaudited – In thousands)

	Nine Months Ended June 30,			
	2026		2025	
Net cash provided by operating activities (U.S. GAAP)	$	351,937	$	237,976
Payments for property, plant, and equipment		(156,337)		(78,537)
Free cash flow (non-U.S. GAAP)	**$**	**195,600**	**$**	**159,439**

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Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries Reconciliation of Net Earnings to EBITDA[1] and Adjusted EBITDA[1] (Unaudited – In thousands)				
	Three Months Ended June 30,			
	2026		2025	
Net earnings (U.S. GAAP)	$	**146,675**	$	**108,448**
Income tax expense		46,837		18,388
Interest expense		14,827		11,234
Interest income		(611)		(838)
Amortization of intangible assets		9,568		7,172
Depreciation expense		22,501		21,482
EBITDA (non-U.S. GAAP)		**239,797**		**165,886**
Total non-U.S. GAAP adjustments		**9,264**		**-**
Adjusted EBITDA (non-U.S. GAAP)	**$**	**249,061**	**$**	**165,886**

Woodward, Inc. and Subsidiaries Reconciliation of Net Earnings to EBITDA[1] and Adjusted EBITDA[1] (Unaudited – In thousands)				
	Nine Months Ended June 30,			
	2026		2025	
Net earnings (U.S. GAAP)	$	**414,407**	$	**304,488**
Income tax expense		115,683		57,165
Interest expense		37,206		35,464
Interest income		(2,027)		(3,236)
Amortization of intangible assets		24,334		20,858
Depreciation expense		66,679		63,238
EBITDA (non-U.S. GAAP)		**656,282**		**477,977**
Total non-U.S. GAAP adjustments		**16,079**		**(13,214)**
Adjusted EBITDA (non-U.S. GAAP)	**$**	**672,361**	**$**	**464,763**

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Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries Reconciliation of Income Tax Expense to Adjusted Income Tax Expense[1] (Unaudited – In thousands)				
	Three Months Ended June 30,			
		2026		2025
Income tax expense (U.S. GAAP)	$	**46,837**	$	**18,388**
Tax effect of non-U.S. GAAP net earnings adjustments		2,311		-
Adjusted income tax expense (non-U.S. GAAP)	$	**49,148**	$	**18,388**
Adjusted effective tax rate (non-U.S. GAAP)		24.2%		14.5%

Woodward, Inc. and Subsidiaries Reconciliation of Income Tax Expense to Adjusted Income Tax Expense[1] (Unaudited – In thousands)				
	Nine Months Ended June 30,			
		2026		2025
Income tax expense (U.S. GAAP)	$	**115,683**	$	**57,165**
Tax effect of non-U.S. GAAP net earnings adjustments		4,013		(3,130)
Adjusted income tax expense (non-U.S. GAAP)	$	**119,696**	$	**54,035**
Adjusted effective tax rate (non-U.S. GAAP)		21.9%		15.5%

Woodward, Inc. and Subsidiaries Reconciliation of Nonsegment Expenses to Adjusted Nonsegment Expenses[1] (Unaudited – In thousands)				
	Three Months Ended June 30,			
		2026		2025
Nonsegment expenses (U.S. GAAP)	$	**(50,776)**	$	**(36,130)**
Restructuring charges		9,264		-
Adjusted nonsegment expenses (non-U.S. GAAP)	$	**(41,512)**	$	**(36,130)**

Woodward, Inc. and Subsidiaries Reconciliation of Nonsegment Expenses to Adjusted Nonsegment Expenses[1] (Unaudited – In thousands)				
	Nine Months Ended June 30,			
		2026		2025
Nonsegment expenses (U.S. GAAP)	$	**(132,420)**	$	**(84,986)**
Restructuring charges		16,079		-
Product rationalization		-		(20,524)
Business development activities		-		7,310
Adjusted nonsegment expenses (non-U.S. GAAP)	$	**(116,341)**	$	**(98,200)**

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Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries Reconciliation of Industrial Net Sales (Unaudited – In thousands)		
	Three Months Ended June 30,	
	2026	2025
China on-highway natural gas truck sales	$ 40,157	$ 16,589
Core Industrial sales	360,875	302,867
Industrial segment net sales (U.S. GAAP)	**$ 401,032**	**$ 319,456**

Woodward, Inc. and Subsidiaries Reconciliation of Industrial Net Sales (Unaudited – In thousands)		
	Nine Months Ended June 30,	
	2026	2025
China on-highway natural gas truck sales	$ 100,563	$ 47,138
Core Industrial sales	1,049,273	873,061
Industrial segment net sales (U.S. GAAP)	**$ 1,149,836**	**$ 920,199**

Woodward, Inc. and Subsidiaries Reconciliation of Industrial Segment Earnings (Unaudited – In thousands)		
	Three Months Ended June 30,	
	2026	2025
China on-highway natural gas truck earnings	$ 11,991	$ 277
Core Industrial earnings	76,493	47,345
Industrial segment earnings (U.S. GAAP)	**$ 88,484**	**$ 47,622**

Woodward, Inc. and Subsidiaries Reconciliation of Industrial Segment Earnings (Unaudited – In thousands)		
	Nine Months Ended June 30,	
	2026	2025
China on-highway natural gas truck earnings	$ 35,041	$ 811
Core Industrial earnings	186,158	132,975
Industrial segment earnings (U.S. GAAP)	**$ 221,199**	**$ 133,786**

Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries
Reconciliation of Net Earnings to EBITDA[1]
(Unaudited – In thousands)

	Twelve Months Ended June 30,	
	2026	**2025**
Net earnings (U.S. GAAP)	$ **552,029**	$ **387,783**
Income tax expense	137,818	75,401
Interest expense	47,431	48,941
Interest income	(2,980)	(5,199)
Amortization of intangible assets	88,495	84,321
Depreciation expense	31,701	29,102
EBITDA (non-U.S. GAAP)	$ **854,494**	$ **620,349**

Woodward, Inc. and Subsidiaries
Calculation of EBITDA Leverage
(Unaudited – In thousands)

	Twelve Months Ended June 30,	
	2026	**2025**
Trailing twelve-month EBITDA[1]	$ 854,494	$ 620,349
Total debt	1,341,935	932,871
Leverage	**1.6x**	**1.5x**

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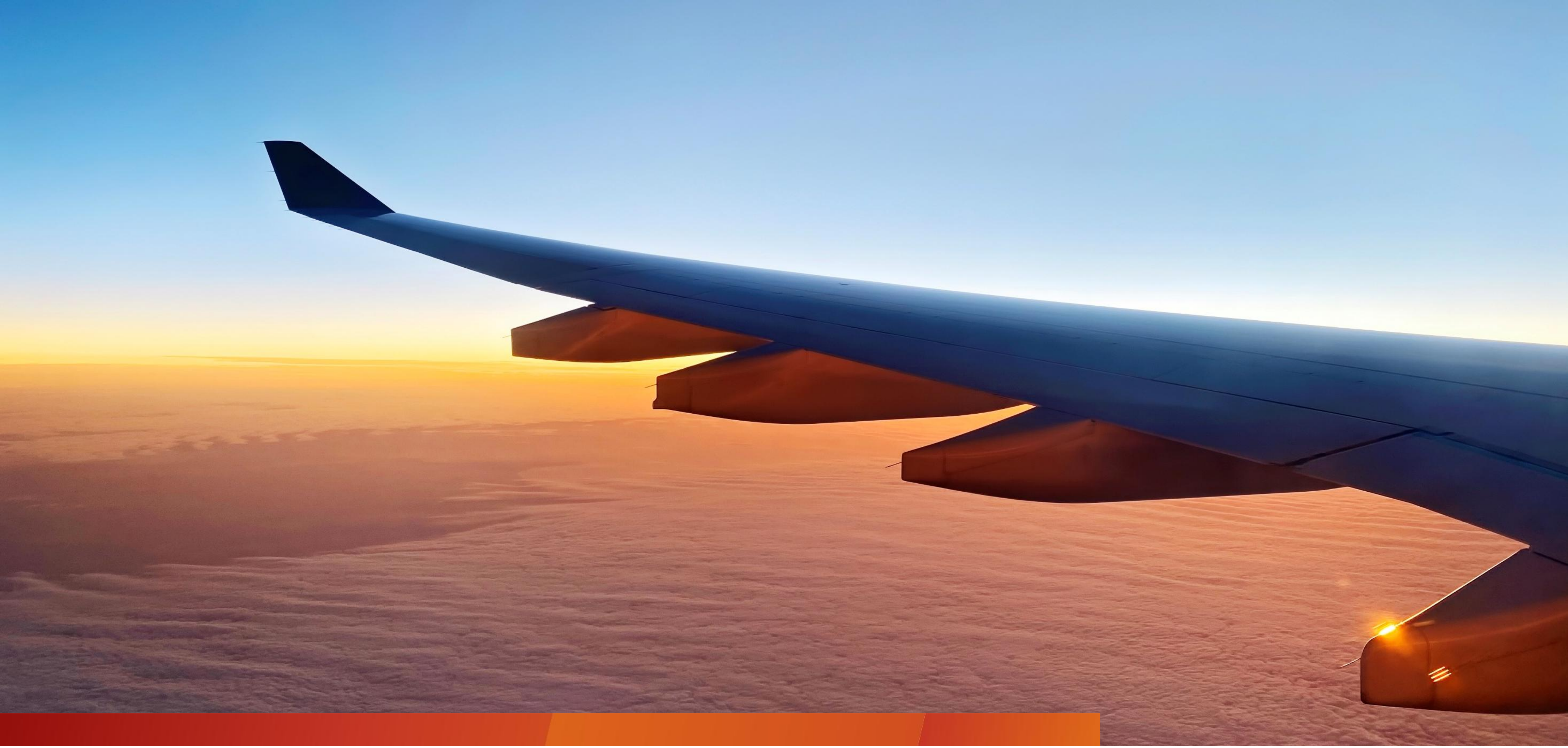
Non-U.S. GAAP Measures

[1]Adjusted and Non-U.S. GAAP Financial Measures: Adjusted net earnings, adjusted earnings per share, adjusted income tax expense, adjusted effective tax rate, adjusted EBIT, adjusted EBITDA, and adjusted nonsegment expenses exclude, as applicable, (i) product rationalization, (ii) costs related to business development activities, and (iii) restructuring charges. The product rationalization adjustment pertains to the elimination and divestiture of certain product lines. The Company believes that these excluded items are short-term in nature, not directly related to the ongoing operations of the business, and therefore, the exclusion of them illustrates more clearly how the underlying business of Woodward is performing. Guidance with respect to non-U.S. GAAP measures as provided in this release excludes, as applicable, restructuring charges.

EBIT (earnings before interest and taxes), adjusted EBIT, EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted EBITDA, adjusted net earnings, adjusted earnings per share, adjusted income tax expenses, adjusted effective tax rate, adjusted nonsegment expenses, EBITDA leverage, and free cash flow are financial measures not prepared and presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Management uses EBIT and adjusted EBIT to evaluate Woodward's operating performance without the impacts of financing and tax related considerations. Management uses EBITDA and adjusted EBITDA in evaluating Woodward's operating performance, making business decisions, including developing budgets, managing expenditures, forecasting future periods, and evaluating capital structure impacts of various strategic scenarios. EBITDA leverage is calculated by taking a rolling twelve-month EBITDA divided by total debt. Management uses EBITDA leverage to assess Woodward's earnings capacity relative to its total debt, monitor financial flexibility, evaluate capital structure impacts of strategic scenarios, and assist in capital allocation decisions. Management also uses free cash flow, which is derived from net cash provided by or used in operating activities less payments for property, plant, and equipment in reviewing the financial performance of Woodward's business segments and evaluating cash generation levels. Securities analysts, investors, and others frequently use EBIT, EBITDA and free cash flow in their evaluation of companies, particularly those with significant property, plant, and equipment, and intangible assets that are subject to amortization. The use of any of these non-U.S. GAAP financial measures is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with U.S. GAAP. Because adjusted net earnings, adjusted earnings per share, EBIT, EBITDA, adjusted EBIT, adjusted EBITDA, and EBITDA leverage exclude certain financial information compared with net earnings, the most comparable U.S. GAAP financial measure, users of this financial information should consider the information that is excluded. Free cash flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs. Management's calculations of EBIT, EBITDA, adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted effective tax rate, adjusted nonsegment expenses, EBITDA leverage and free cash flow may differ from similarly titled measures used by other companies, limiting their usefulness as comparative measures.

[2]Website, Social Media: Woodward has used, and intends to continue to use, its Investor Relations website, its Facebook page, and LinkedIn as means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

[3]FY26 Adjusted EPS, Free Cash Flow, and Adjusted Effective Tax Rate: Information reconciling our FY26 adjusted EPS, free cash flow and adjusted effective tax rate guidance to the most directly comparable GAAP financial measures on a forward-looking basis is not available without unreasonable effort primarily due to the unpredictability of the individual components of the most directly comparable GAAP financial measure and the variability of items excluded from each such measure. Such information may have a significant, and potentially unpredictable, impact on our future financial results.



Powering a clean future

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