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NEWS RELEASE

Woodward, Inc.
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Woodward Reports Record Sales & Earnings for Fiscal Year 2026

Fort Collins, Colo., November 18, 2026 — Woodward, Inc. (NASDAQ:WWD) today reported financial results for its fiscal year 2026 and fourth quarter ended September 30, 2026.

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 references to years are references to the Company's fiscal year unless otherwise stated. All comparisons are made to the same period of the prior year unless otherwise stated.

Fourth Quarter and Fiscal Year 2026 Overview

	Fourth Quarter 2026	Fiscal Year 2026
Net sales	$1.2B, +17%	$4.4B, +22%
Earnings per share (EPS)	$2.74, +23%	$9.49, +32%
Adjusted EPS[1]	$2.83, +35%	$9.78, +42%
Net cash provided by operating activities	$294M, +26%	$646M, +37%
Free cash flow[1]	$131M, -28%	$327M, -4%

"Woodward delivered another year of record sales and earnings, with 22% sales growth and significant margin expansion across both segments, reflecting strong demand and disciplined execution," said Chip Blankenship, Chairman and Chief Executive Officer. "In Aerospace, higher aircraft production rates and continued strong inputs to repair centers drove double-digit growth in Commercial OEM and Services. In Industrial, strong demand across our end markets, combined with disciplined operational execution, drove significant earnings growth and margin expansion.

"We are building on this momentum by expanding manufacturing capacity, strengthening our services capabilities, and investing in technologies that provide value to our customers. These investments, together with continued operational improvements, position Woodward for solid growth in 2027. We expect to reach new levels of financial performance in 2028 and beyond as we realize the benefits of increased scale, an optimized footprint, and operational efficiencies."

Woodward's key highlights include:

- Acquired Valve Research & Manufacturing, adding key technologies and capabilities to provide new Aerospace growth opportunities in commercial and defense
- Signed Elite Licensed Repair Service Facility agreements with Lufthansa Technik, Air France Industries KLM Engineering and Maintenance, and HAECO, expanding global LEAP MRO capacity to prepare for future growth while optimizing capital

- Signed a multi-year commercial distribution agreement naming AAR Corp. as the preferred distributor of Woodward's high-demand consumable parts for the CFM LEAP, GEnx, and CF34 engines, extending the companies' defense relationship into commercial markets
- Expanded our Glatten, Germany, facility, increasing production capacity by 50 percent for high-speed fuel injection systems used to power data centers, broader power generation, marine transportation, and oil and gas applications
- Continued to focus on footprint optimization to enable future growth, including construction of the Spartanburg campus to support the Airbus A350 spoiler actuation win and other product line moves and transfers between Woodward locations
- Launched an expansion of our MRO facility in Prestwick, Scotland, that will double its capacity to service growing LEAP and GTF repair volumes
- Selected by Airbus to supply a complete wing actuation system for its Folding Wing demonstrator, extending Woodward's hydraulic and electromechanical actuation expertise to next-generation aircraft wing design
- Won Gold for Manufacturing Employer of the Year at the 2026 Stevie Awards for Great Employers
- Named to Fast Company's World's Most Innovative Companies of 2026
- Named to the 2026 Fortune 100 Fastest-Growing Companies list

Fourth Quarter and Fiscal Year 2026 Company Results

Total Company Results
(Dollars in millions, except per share amounts)

	Three Months Ended September 30,			Years Ended September 30,		
	2026	2025	Year over Year	2026	2025	Year over Year
Income Statement						
Net sales	$ 1,160	$ 995	17%	$ 4,357	$ 3,567	22%
Net earnings	166	138	20%	580	442	31%
Adjusted net earnings[1]	171	129	33%	598	424	41%
EPS	$ 2.74	$ 2.23	23%	$ 9.49	$ 7.19	32%
Adjusted EPS	$ 2.83	$ 2.09	35%	$ 9.78	$ 6.89	42%
EBIT[1]	229	169	35%	794	563	41%
Adjusted EBIT[1]	236	176	34%	817	556	47%
EBITDA[1]	260	198	31%	916	676	35%
Adjusted EBITDA[1]	267	205	30%	939	670	40%
Effective tax rate	22.5%	13.9%	860 bps	22.0%	15.2%	680 bps
Adjusted effective income tax rate[1]	22.6%	22.3%	30 bps	22.1%	17.7%	440 bps
Cash Flow and Financial Position						
Net cash provided by operating activities	$ 294	$ 233	26%	$ 646	$ 471	37%
Capital expenditures	163	52	210%	319	131	144%
Free cash flow	131	181	-28%	327	340	-4%
Dividends paid	19	17		74	65	
Share repurchases	154	49		711	173	
Total debt				1,422	702	
EBITDA leverage[1]				1.6x	1.0x	

Segment Results

Aerospace
(Dollars in millions)

	Three Months Ended September 30,			Years Ended September 30,		
	2026	2025	Year over Year	2026	2025	Year over Year
Commercial OEM	$ 244	$ 194	26%	$ 885	$ 691	28%
Commercial Services	302	242	25%	1,090	824	32%
Defense OEM	177	160	11%	607	561	8%
Defense Services	57	64	-12%	245	237	4%
Sales	781	661	18%	2,828	2,313	22%
Segment Earnings	190	162	17%	666	507	32%
Segment Margin %	24.3%	24.4%	-10 bps	23.6%	21.9%	170 bps

Aerospace segment earnings for the fourth quarter of 2026 increased to $190 million, or 24.3% of segment sales, and earnings for 2026 increased to $666 million, or 23.6% of segment sales. The increases in segment earnings in both the fourth quarter and the year were driven by price realization and higher sales volumes, partially offset by inflation and strategic investments in manufacturing capabilities.

Industrial
(Dollars in millions)

	Three Months Ended September 30,			Years Ended September 30,		
	2026	2025	Year over Year	2026	2025	Year over Year
Transportation	$ 154	$ 139	11%	$ 678	$ 507	34%
Power generation	147	125	18%	551	489	13%
Oil and gas	78	70	11%	301	258	17%
Sales	380	334	14%	1,529	1,254	22%
Segment Earnings	79	49	61%	300	183	64%
Segment Margin %	20.7%	14.6%	610 bps	19.6%	14.6%	500 bps

Industrial segment earnings for the fourth quarter of 2026 increased to $79 million, with margins expanding approximately 610 basis points to 20.7%. The increase in segment earnings in the fourth quarter was driven by higher sales volumes and price realization, partially offset by inflation.

Industrial segment earnings for 2026 increased to $300 million, with margins expanding approximately 500 basis points to 19.6%. The increase in segment earnings in the year was driven by higher sales volumes and price realization, partially offset by inflation and strategic investments in manufacturing capabilities.

Nonsegment
(Dollars in millions)

	Three Months Ended September 30,			Years Ended September 30,		
	2026	2025	Year over Year	2026	2025	Year over Year
Nonsegment expenses	$ 40	$ 41	-3%	$ 172	$ 126	37%
Adjusted nonsegment expenses[1]	33	35	-6%	149	133	12%

Fiscal Year 2027 Guidance

Our fiscal 2027 guidance assumes a sustained strong demand environment, which will drive continued sales growth and margin expansion. As reflected in our guidance, margin rate expansion will moderate in fiscal 2027 due to higher investments in our manufacturing capabilities and capacity to ensure we can continue to increase production volumes, improve our structural cost position, and deliver durable earnings growth.

Total Company	
Sales growth	up 6% - 10%
Adjusted EPS[3]	$10.20 - $10.70
Free cash flow[3]	$400 - $450M
Capital expenditures	~$290M
Shares	~60M
Adjusted effective tax rate[3]	~22%

Segment Data	
Aerospace	
Sales growth	up 8% - 13%
Segment earnings (% of sales)	23.8% - 24.3%
Industrial	
Sales growth	up 1% - 5%
Segment earnings (% of sales)	18.2% - 18.7%

Other Fiscal Year 2027 Modeling Assumptions

- Annual price realization normalizes at approximately 4%
- Nonsegment expenses of approximately 3.4% of sales
- Net interest expense of approximately $75 million
- Incorporates the China On-Highway wind-down and no China On-Highway sales in 2027, creating a $110 million sales comparison headwind

Conference Call

Woodward will hold an investor conference call at 5:00 p.m. ET on November 18, 2026, to provide an overview of the financial performance for its fourth quarter and fiscal year ended September 30, 2026, business highlights, and guidance for fiscal year 2027. You are invited to listen to the live webcast of our conference call, or a recording, and view or download accompanying presentation slides at our website, www.woodward.com[2].

You may also listen to the call by dialing + 1 (833) 461-5787 (U.S. domestic) or + 1 (585) 542-9983 (international). Participants should call prior to the start time to allow for registration; the Conference ID is 424 247 210. The call and presentation will be available on the website by selecting “Investors/Events & Presentations” from the menu and will remain accessible on the Company’s website for one year.

About Woodward, Inc.

Woodward is the global leader in the design, manufacture, and service of energy conversion and control solutions for the aerospace and industrial equipment markets. Our purpose is to design and deliver energy control solutions our partners count on to power a clean future. Our innovative fluid, combustion, electrical, propulsion, and motion control systems perform in some of the world's harshest environments. Woodward is a global company headquartered in Fort Collins, Colorado, USA. Visit our website at www.woodward.com.

Cautionary Statement

This release contains forward-looking statements regarding future events and Woodward's future results within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are statements that are deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of management. Words such as "anticipate," "believe," "estimate," "seek," "goal," "expect," "forecast," "intend," "continue," "outlook," "plan," "project," "target," "strive," "can," "could," "may," "should," "will," "would," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, forward-looking statements may include statements that refer to projections of our future performance, guidance measures, 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. Factors that could cause actual results and the timing of certain events to differ materially from the forward-looking statements include, but are not limited to: (1) global economic uncertainty and instability, including in the financial markets that affect Woodward, its customers, and its supply chain; (2) risks related to constraints and disruptions in the global supply chain and labor markets; (3) Woodward's long sales cycle; (4) risks related to Woodward's concentration of revenue among a relatively small number of customers; (5) Woodward's ability to implement and realize the intended effects of any restructuring efforts; (6) Woodward's ability to successfully manage competitive factors including expenses and fluctuations in sales, as well as innovation and new product development; (7) changes and consolidations in the aerospace market; (8) Woodward's financial obligations including debt obligations and tax expenses and exposures; (9) risks related to Woodward's U.S. government contracting activities including potential changes in government spending patterns; (10) Woodward's ability to protect its intellectual property rights and avoid infringing the intellectual property rights of others; (11) changes in the estimates of fair value of reporting units or of long-lived assets; (12) environmental risks; (13) Woodward's continued access to a stable workforce and favorable labor relations with its employees, including its ability to retain key personnel or attract and retain new qualified personnel; (14) Woodward's ability to manage various regulatory and legal matters; (15) risks from operating internationally, including tariffs and changes in trade policies and geopolitical conflicts; (16) cybersecurity, artificial intelligence, data privacy, and other technological risks; (17) risks related to acquisitions and divestitures; (18) risks related to the design and implementation of Woodward's optimized enterprise resource planning system; and other risk factors and risks described in Woodward's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended September 30, 2026, which we expect to file shortly. The forward-looking statements contained in this press release are made as of the date hereof and Woodward assumes no obligation to update such statements, except as required by applicable law.

Woodward, Inc. and Subsidiaries
Condensed Consolidated Statement of Earnings
(Unaudited – In thousands)

	Three Months Ended September 30,		Years Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net sales	**$ 1,160,198**	**$ 995,264**	**$ 4,356,925**	**$ 3,567,064**
Costs and expenses:				
Cost of goods sold	805,059	717,864	3,043,811	2,610,772
Selling, general, and administrative expenses	97,230	87,582	400,965	329,823
Research and development costs	47,312	39,043	180,503	147,568
Restructuring activities	7,437	-	23,516	-
Interest expense	15,952	10,225	53,158	45,689
Interest income	(977)	(953)	(3,004)	(4,189)
Other income, net	(25,421)	(18,255)	(85,720)	(84,010)
Total costs and expenses	**946,592**	**835,506**	**3,613,229**	**3,045,653**
Earnings before income taxes	**213,606**	**159,758**	**743,696**	**521,411**
Income tax expense	48,017	22,135	163,700	79,300
Net earnings	**$ 165,589**	**$ 137,623**	**$ 579,996**	**$ 442,111**
Earnings per share amounts:				
Basic earnings per share	**$ 2.81**	**$ 2.30**	**$ 9.75**	**$ 7.42**
Diluted earnings per share	**$ 2.74**	**$ 2.23**	**$ 9.49**	**$ 7.19**
Weighted average common shares outstanding:				
Basic	59,016	59,921	59,477	59,563
Diluted	60,461	61,720	61,101	61,464
Cash dividends paid per share	**$ 0.32**	**$ 0.28**	**$ 1.24**	**$ 1.09**

Woodward, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited – In thousands)

	September 30, 2026	September 30, 2025
Assets		
Current assets:		
Cash and cash equivalents	**$ 521,610**	**$ 327,431**
Accounts receivable	988,895	831,116
Inventories	707,754	654,608
Income taxes receivable	2,277	1,553
Other current assets	70,782	69,706
Assets held for sale	82,370	-
Total current assets	**2,373,688**	**1,884,414**
Property, plant, and equipment, net	1,216,039	986,623
Goodwill	893,141	832,288
Intangible assets, net	434,935	428,080
Deferred income tax assets	46,270	118,711
Other assets	376,581	380,027
Total assets	**$ 5,340,654**	**$ 4,630,143**
Liabilities and stockholders' equity		
Current liabilities:		
Short-term debt	**$ 268,621**	**$ 122,300**
Current portion of long-term debt	86,857	122,934
Accounts payable	378,793	289,417
Income taxes payable	73,545	59,655
Accrued liabilities	346,488	313,083
Liabilities held for sale	11,743	-
Total current liabilities	**1,166,047**	**907,389**
Long-term debt, less current portion	1,066,328	456,968
Deferred income tax liabilities	105,565	107,669
Other liabilities	562,439	591,727
Total liabilities	2,900,379	2,063,753
Stockholders' equity	2,440,275	2,566,390
Total liabilities and stockholders' equity	**$ 5,340,654**	**$ 4,630,143**

Woodward, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited – In thousands)

	Years Ended September 30,	
	2026	**2025**
Net cash provided by operating activities	**$ 645,591**	**$ 471,294**
Cash flows from investing activities:		
Payments for purchase of property, plant, and equipment	(318,932)	(130,928)
Proceeds from sale of assets	9,127	42
Proceeds from business divestiture	2,111	50,068
Payments for acquisitions, net of cash acquired	(131,739)	(41,678)
Proceeds from sales of investments	81	2,943
Net cash used in investing activities	**(439,352)**	**(119,553)**
Cash flows from financing activities:		
Cash dividends paid	(73,799)	(64,975)
Proceeds from sales of treasury stock	57,106	104,578
Payments for repurchases of common stock	(707,838)	(172,857)
Borrowings on long-term debt	700,000	-
Borrowings on revolving lines of credit and short-term borrowings	3,680,332	2,285,900
Payments on revolving lines of credit and short-term borrowings	(3,533,384)	(2,380,600)
Payments of debt financing costs	(5,482)	-
Payments of long-term debt and finance lease obligations	(121,423)	(85,972)
Net cash used in financing activities	**(4,488)**	**(313,926)**
Effect of exchange rate changes on cash and cash equivalents	(7,572)	7,346
Net change in cash and cash equivalents	**194,179**	**45,161**
Cash and cash equivalents at beginning of year	**327,431**	**282,270**
Cash and cash equivalents at end of year	**$ 521,610**	**$ 327,431**

Woodward, Inc. and Subsidiaries
Segment Net Sales and Net Earnings
(Unaudited – In thousands)

	Three Months Ended September 30,		Years Ended September 30,	
	2026	**2025**	**2026**	**2025**
Segment net sales:				
Aerospace	780,635	661,205	2,827,527	2,312,806
Industrial	379,563	334,059	1,529,398	1,254,258
Total consolidated net sales	**$ 1,160,198**	**$ 995,264**	**$ 4,356,925**	**$ 3,567,064**
Segment earnings*:				
Aerospace	189,952	161,532	666,442	506,613
As a percent of segment net sales	*24.3%*	*24.4%*	*23.6%*	*21.9%*
Industrial	78,703	48,738	299,902	182,524
As a percent of segment net sales	*20.7%*	*14.6%*	*19.6%*	*14.6%*
Total segment earnings	**$ 268,655**	**$ 210,270**	**$ 966,344**	**$ 689,137**
Nonsegment expenses	(40,074)	(41,240)	(172,494)	(126,226)
EBIT	**$ 228,581**	**$ 169,030**	**$ 793,850**	**$ 562,911**
Interest expense, net	(14,975)	(9,272)	(50,154)	(41,500)
Consolidated earnings before income taxes	**$ 213,606**	**$ 159,758**	**$ 743,696**	**$ 521,411**

This schedule reconciles segment earnings, which exclude certain costs, to consolidated earnings before taxes.

Payments for property, plant and equipment	**$ 162,595**	**$ 52,391**	**$ 318,932**	**$ 130,928**
Depreciation expense	**$ 24,356**	**$ 21,816**	**$ 91,035**	**$ 85,054**

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 September 30,			
	2026		2025	
	Net Earnings	Earnings Per Share	Net Earnings	Earnings Per Share
Net Earnings (U.S. GAAP)	**$ 165,589**	**$ 2.74**	**$ 137,623**	**$ 2.23**
Non-U.S. GAAP Adjustments				
Restructuring activities	7,437	0.12	-	-
Specific charge for excess and obsolete inventory[a]	-	-	6,536	0.11
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	(1,843)	(0.03)	(1,618)	(0.03)
Total non-U.S. GAAP Adjustments	**5,594**	**0.09**	**4,918**	**0.08**
German corporate tax rate reduction impact[b]	-	-	(13,392)	(0.22)
Adjusted Net Earnings (Non-U.S. GAAP)	**$ 171,183**	**$ 2.83**	**$ 129,149**	**$ 2.09**

a. Presented in the line item "Cost of goods sold" in Woodward's Condensed Consolidated Statement of Earnings.
b. Presented in the line item "Income tax expense" in Woodward's Condensed Consolidated Statement of Earnings.

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)

	Years Ended September 30,			
	2026		2025	
	Net Earnings	Earnings Per Share	Net Earnings	Earnings Per Share
Net Earnings (U.S. GAAP)	**$ 579,996**	**$ 9.49**	**$ 442,111**	**$ 7.19**
Non-U.S. GAAP Adjustments				
Restructuring activities	23,516	0.39	-	-
Product rationalization[a]	-	-	(20,524)	(0.33)
Business development activities[b]	-	-	7,310	0.12
Specific charge for excess and obsolete inventory[c]	-	-	6,536	0.11
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	(5,856)	(0.10)	1,512	0.02
Total non-U.S. GAAP Adjustments	**17,660**	**0.29**	**(5,166)**	**(0.08)**
German corporate tax rate reduction impact[d]	-	-	(13,392)	(0.22)
Adjusted Net Earnings (Non-U.S. GAAP)	**$ 597,656**	**$ 9.78**	**$ 423,553**	**$ 6.89**

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.
c. Presented in the line item "Cost of goods sold" in Woodward's Condensed Consolidated Statement of Earnings.
d. Presented in the line item "Income tax expense" in Woodward's Condensed Consolidated Statement of Earnings.

Woodward, Inc. and Subsidiaries
Reconciliation of Income Tax Expense
to Adjusted Income Tax Expense[1]
(Unaudited – In thousands)

	Three Months Ended September 30,	
	2026	2025
Income tax expense (U.S. GAAP)	**$ 48,017**	**$ 22,135**
Tax effect of Non-U.S. GAAP net earnings adjustments	1,843	15,010
Adjusted income tax expense (Non-U.S. GAAP)	**$ 49,860**	**$ 37,145**
Adjusted effective income tax rate (Non-U.S. GAAP)	22.6%	22.3%

Woodward, Inc. and Subsidiaries
Reconciliation of Income Tax Expense
to Adjusted Income Tax Expense[1]
(Unaudited – In thousands)

	Years Ended September 30,	
	2026	**2025**
Income tax expense (U.S. GAAP)	**$ 163,700**	**$ 79,300**
Tax effect of Non-U.S. GAAP net earnings adjustments	5,856	11,880
Adjusted income tax expense (Non-U.S. GAAP)	**$ 169,556**	**$ 91,180**
Adjusted effective income tax rate (Non-U.S. GAAP)	22.1%	17.7%

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

	Three Months Ended September 30,	
	2026	**2025**
Net earnings (U.S. GAAP)	**$ 165,589**	**$ 137,623**
Income tax expense	48,017	22,135
Interest expense	15,952	10,225
Interest income	(977)	(953)
EBIT (Non-U.S. GAAP)	**228,581**	**169,030**
Total non-U.S. GAAP adjustments	**7,437**	**6,536**
Adjusted EBIT (Non-U.S. GAAP)	**$ 236,018**	**$ 175,566**

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

	Years Ended September 30,	
	2026	**2025**
Net earnings (U.S. GAAP)	**$ 579,996**	**$ 442,111**
Income tax expense	163,700	79,300
Interest expense	53,158	45,689
Interest income	(3,004)	(4,189)
EBIT (Non-U.S. GAAP)	**793,850**	**562,911**
Total non-U.S. GAAP adjustments	**23,516**	**(6,678)**
Adjusted EBIT (Non-U.S. GAAP)	**$ 817,366**	**$ 556,233**

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

	Three Months Ended September 30,	
	2026	**2025**
Net earnings (U.S. GAAP)	**$ 165,589**	**$ 137,623**
Income tax expense	48,017	22,135
Interest expense	15,952	10,225
Interest income	(977)	(953)
Amortization of intangible assets	6,571	7,366
Depreciation expense	24,356	21,816
EBITDA (Non-U.S. GAAP)	**259,508**	**198,212**
Total non-U.S. GAAP adjustments	**7,437**	**6,536**
Adjusted EBITDA (Non-U.S. GAAP)	**$ 266,945**	**$ 204,748**

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

	Years Ended September 30,	
	2026	**2025**
Net earnings (U.S. GAAP)	**$ 579,996**	**$ 442,111**
Income tax expense	163,700	79,300
Interest expense	53,158	45,689
Interest income	(3,004)	(4,189)
Amortization of intangible assets	30,905	28,224
Depreciation expense	91,035	85,054
EBITDA (Non-U.S. GAAP)	**915,790**	**676,189**
Total non-U.S. GAAP adjustments	**23,516**	**(6,678)**
Adjusted EBITDA (Non-U.S. GAAP)	**$ 939,306**	**$ 669,511**

Woodward, Inc. and Subsidiaries
Reconciliation of Non-Segment Expenses
to Adjusted Non-Segment Expenses[1]
(Unaudited – In thousands)

	Three Months Ended September 30,	
	2026	**2025**
Non-Segment expenses (U.S. GAAP)	**$ (40,074)**	**$ (41,240)**
Restructuring activities	7,437	-
Specific charge for excess and obsolete inventory	-	6,536
Adjusted non-segment expenses (Non-U.S. GAAP)	**$ (32,637)**	**$ (34,704)**

Woodward, Inc. and Subsidiaries
Reconciliation of Non-Segment Expenses
to Adjusted Non-Segment Expenses[1]
(Unaudited – In thousands)

	Years Ended September 30,	
	2026	**2025**
Non-Segment expenses (U.S. GAAP)	**$ (172,494)**	**$ (126,226)**
Restructuring activities	23,516	-
Product rationalization	-	(20,524)
Business development activities	-	7,310
Specific charge for excess and obsolete inventory	-	6,536
Adjusted non-segment expenses (Non-U.S. GAAP)	**$ (148,978)**	**$ (132,904)**

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

	Three Months Ended September 30,	
	2026	**2025**
Net cash provided by operating activities (U.S. GAAP)	**$ 293,654**	**$ 233,318**
Payments for property, plant, and equipment	(162,595)	(52,391)
Free cash flow (Non-U.S. GAAP)	**$ 131,059**	**$ 180,927**

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

	Years Ended September 30,	
	2026	**2025**
Net cash provided by operating activities (U.S. GAAP)	**$ 645,591**	**$ 471,294**
Payments for property, plant, and equipment	(318,932)	(130,928)
Free cash flow (Non-U.S. GAAP)	**$ 326,659**	**$ 340,366**

Woodward, Inc. and Subsidiaries
Calculation of EBITDA[1] Leverage
(Unaudited – In thousands)

	Twelve Months Ended September 30,	
	2026	**2025**
Rolling twelve-month EBITDA[1]	$ 915,790	$ 676,189
Total debt	1,421,806	702,202
EBITDA Leverage	**1.6**	**1.0**

[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, (iii) restructuring charges, (iv) a specific charge for excess and obsolete inventory, and (v) the impact of a German corporate tax rate reduction. The product rationalization adjustment pertains to the elimination and divestiture of certain product lines. The specific charge for excess and obsolete inventory relates to the intended disposal of certain inventory in our Industrial segment due in part to an unexpected shift in sales patterns. This non-recurring charge is not related to product rationalization and reflects an isolated event. 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.

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 expense, 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 total debt divided by rolling twelve-month EBITDA. 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, LinkedIn, Instagram, and YouTube as means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

[3]FY27 Adjusted EPS, Free Cash Flow, and Adjusted Effective Tax Rate: Information reconciling our FY27 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.

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