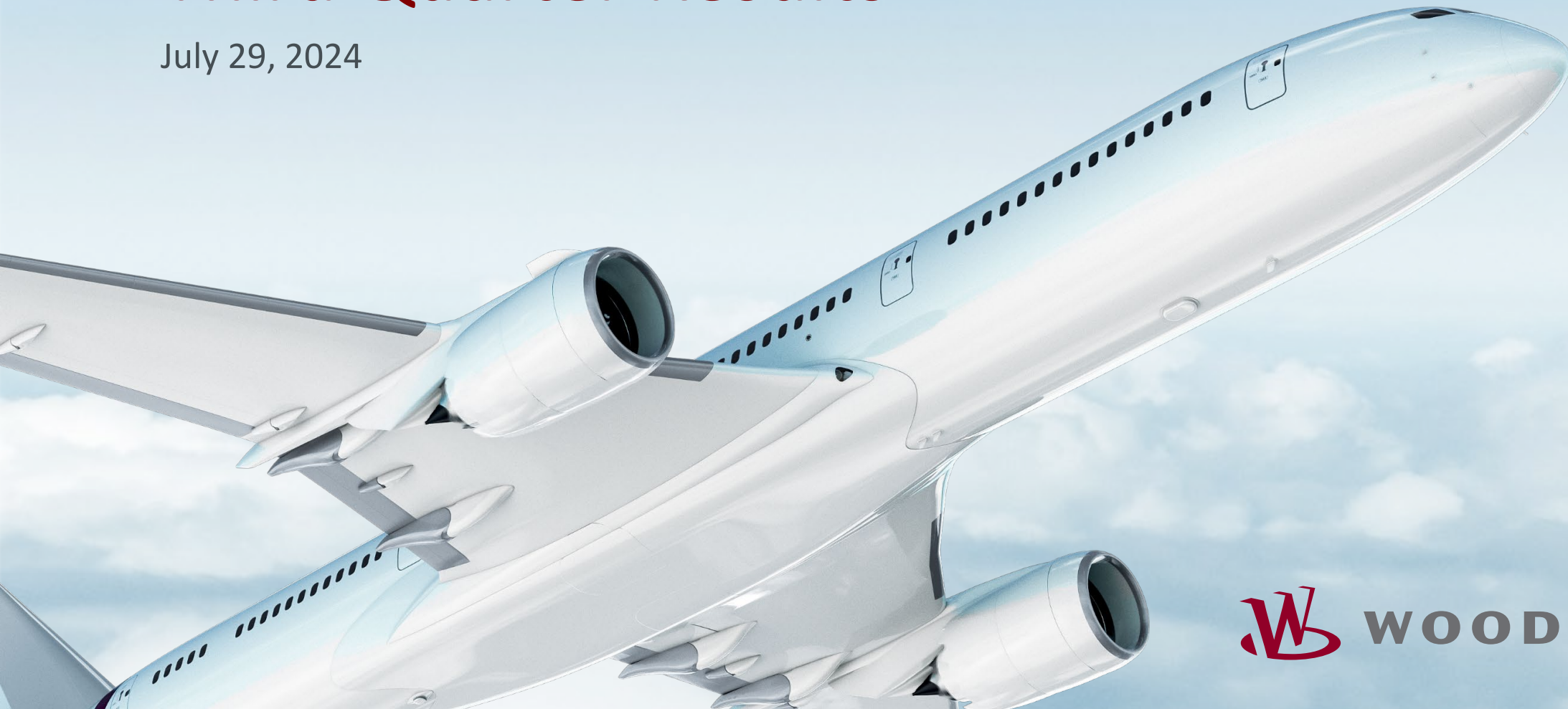


# Fiscal Year 2024 Third Quarter Results

July 29, 2024



## CAUTIONARY STATEMENT

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. These forward-looking statements include, but are not limited to, our focus on growth, operational excellence and innovation, including the outcome of such efforts on our long-term success and shareholder value; demand for our products and services and our ability to capitalize on such demand, trends in our markets and statements regarding our business and financial guidance for the remainder of fiscal year 2024, including our guidance for sales, adjusted earnings, adjusted earnings per share, segment sales growth, segment earnings as a percent of sales, adjusted effective tax rate, adjusted free cash flow, capital expenditures, and diluted weighted shares outstanding, as well as our assumptions and expectations regarding our guidance. 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; (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) volatility with respect to the China on-highway natural gas truck market; (11) Woodward's ability to protect its intellectual property rights and avoid infringing the intellectual property rights of others; (12) changes in the estimates of fair value of reporting units or of long-lived assets; (13) environmental risks; (14) Woodward's continued access to a stable workforce and favorable labor relations with its employees; (15) Woodward's ability to manage various regulatory and legal matters; (16) risks from operating internationally; (17) cybersecurity and other technological risks; 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, 2023, any subsequently filed Quarterly Report on Form 10-Q, as well as its Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, which we expect to file shortly, and other risks described in Woodward's filings with the Securities and Exchange Commission.

## Q3 FISCAL YEAR 2024 SUMMARY



SALES UP  
6% YOY

- Robust end market demand
- Strong Aerospace aftermarket



YOY  
OPERATING  
EARNINGS  
IMPROVEMENT

- Price realization partially offset by inflation
- Strong Aerospace aftermarket



STRONG  
BALANCE  
SHEET

- YTD adjusted free cash flow<sup>1</sup> of \$230M
- 1.5 times leverage



### CAPITAL ALLOCATION

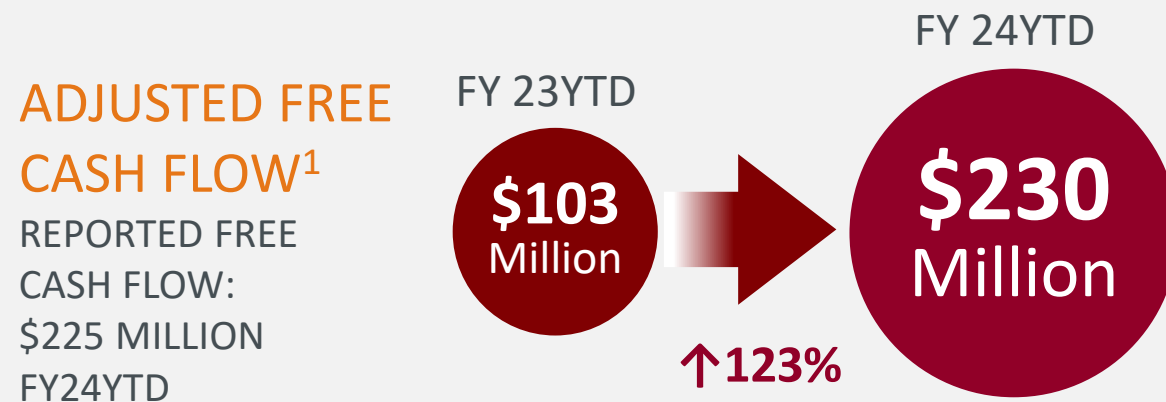
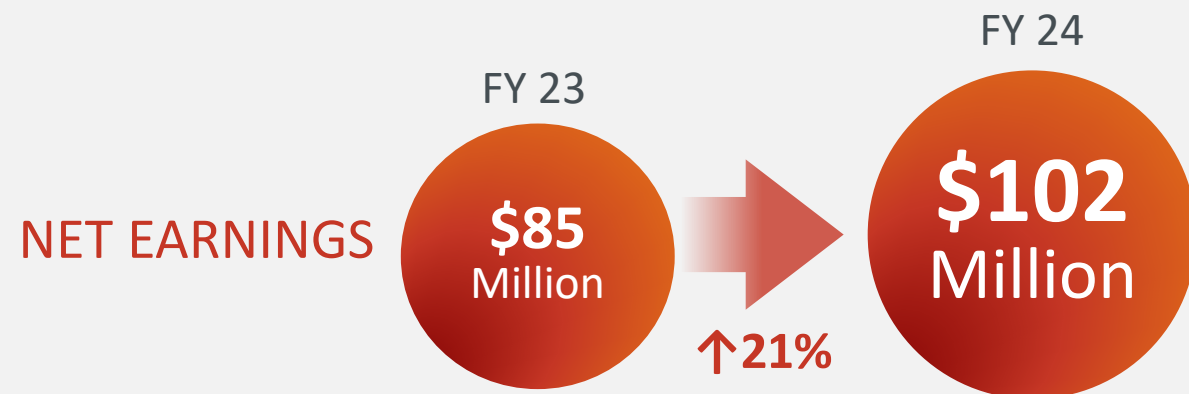
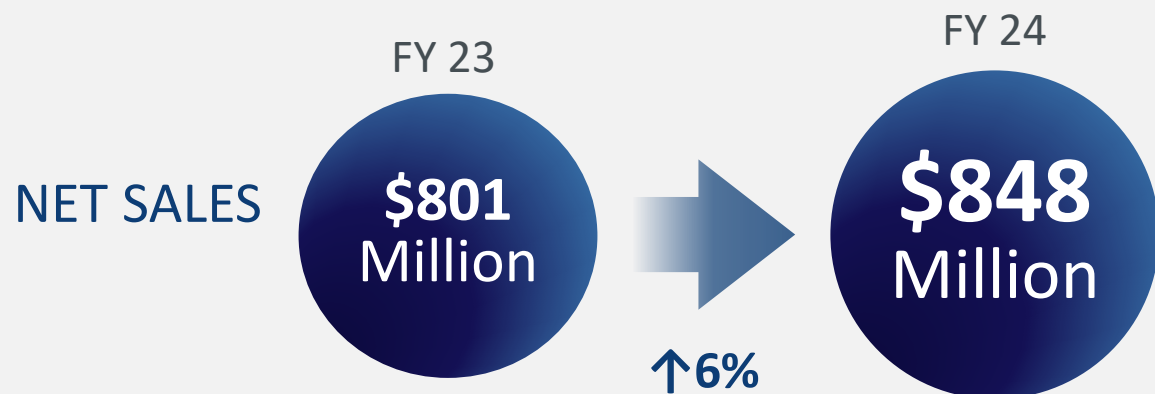
**\$72M YTD**

capital expenditures

**\$348M YTD**

returned to shareholders  
through dividends and share  
repurchases

# Q3 FISCAL YEAR 2024 CONSOLIDATED RESULTS





# AEROSPACE OVERVIEW

# AEROSPACE - COMMERCIAL

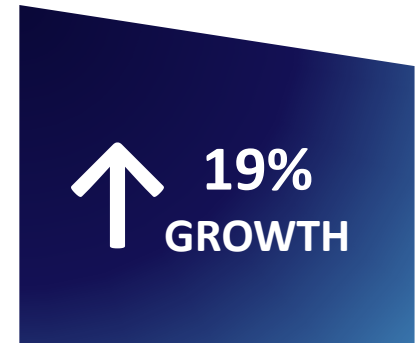
WWD Commercial  
**OEM Sales**



Q3'FY23 to Q3'FY24



WWD Commercial  
**Aftermarket Sales**



Q3'FY23 to Q3'FY24

**COMMERCIAL  
OEM**

Industry supply chain challenges

**COMMERCIAL  
AFTERMARKET**

Strong passenger traffic

High aircraft utilization

# AEROSPACE - DEFENSE

## WWD Defense OEM Sales



Q3'FY23 to Q3'FY24

↓ 4% DECLINE

**DEFENSE  
OEM**

Program delays in fixed and rotor wing  
Improved guided weapons shipments

## WWD Defense Aftermarket Sales

↑ 22%  
GROWTH

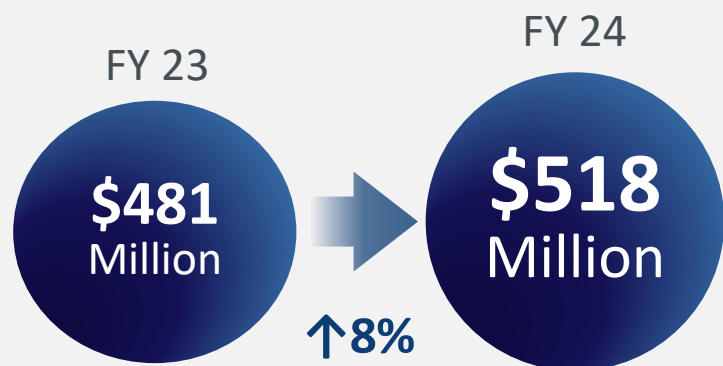
Q3'FY23 to Q3'FY24

**DEFENSE  
AFTERMARKET**

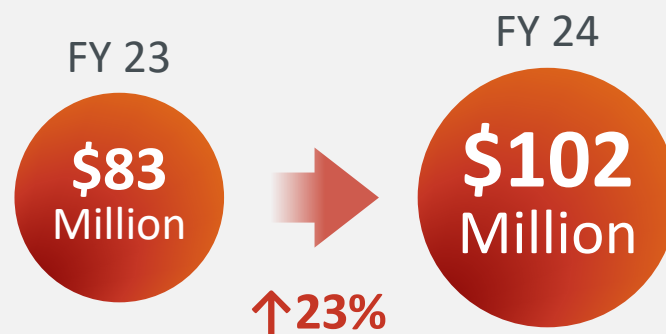
Increased output  
Supply chain stabilization  
Upgrade activity

# AEROSPACE SEGMENT Q3 FISCAL YEAR 2024

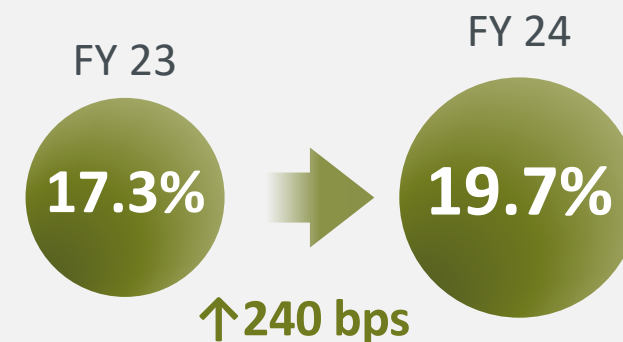
## SALES



## EARNINGS



## MARGIN





# INDUSTRIAL OVERVIEW

# INDUSTRIAL – PRIMARY MARKETS

## Q3'FY23 VS Q3'FY24



### POWER GENERATION

Rising global power demand driving investment in gas powered generation

Growing demand for data centers and associated backup power

Increased demand to support grid stability



### TRANSPORTATION

Softened demand for heavy duty trucks in China, but natural gas engines gaining share

Healthy global marine market with shipyards at capacity and higher utilization

Increasing demand for alternative fuels across the marine industry



### OIL AND GAS

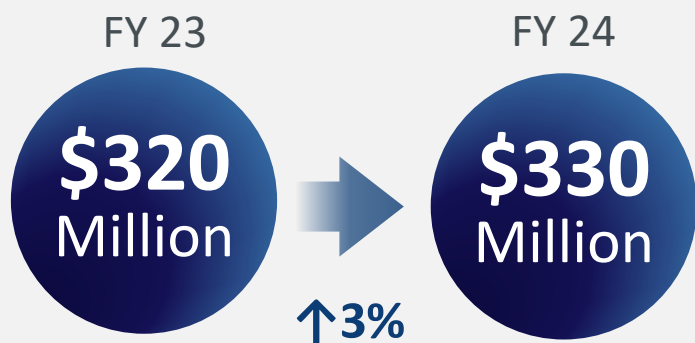
US natural gas investment dampened by low gas prices

Strong global natural gas demand

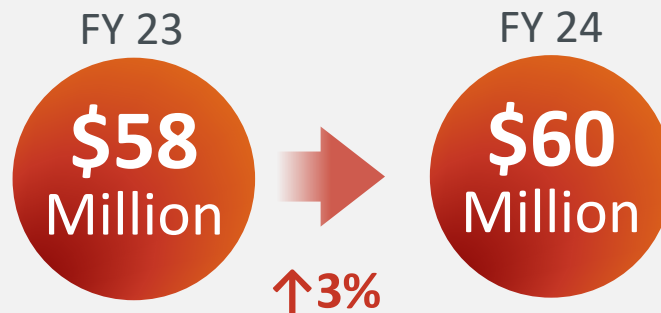
Positive outlook for domestic shale oil as well as China and India refining and Petrochem activities

# INDUSTRIAL SEGMENT Q3 FISCAL YEAR 2024

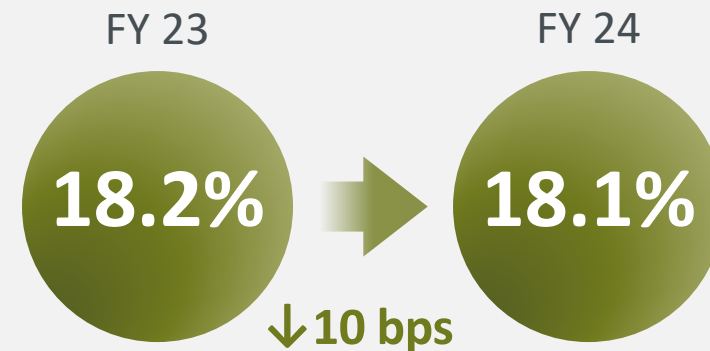
## SALES



## EARNINGS



## MARGIN



## WOODWARD SELECT FINANCIAL RESULTS

	Quarter-to-date			Year-to-date		
	Q3 FY 23	Q3 FY 24	CHANGE	Q3 FY 23	Q3 FY 24	CHANGE
GROSS MARGIN*	25.5%	27.1%	160 bps	22.8%	27.1%	430 bps
SG&A EXPENSES: % OF SALES	8.1%	8.7%	60 bps	9.5%	9.3%	(20) bps
R&D EXPENSES: % OF SALES	4.4%	4.6%	20 bps	4.7%	4.3%	(40) bps
EFFECTIVE TAX RATE	20.0%	16.4%	(360) bps	15.8%	17.8%	200 bps
EBITDA <sup>1</sup> (Million)	\$147	\$161	\$14	\$302	\$469	\$167
ADJUSTED EBITDA <sup>1</sup> (Million)	\$147	\$161	\$14	\$337	\$473	\$136
CASH FROM OPERATIONS (Million)				\$156	\$297	\$141
CAPITAL EXPENDITURES (Million)				\$57	\$72	\$15
FREE CASH FLOW <sup>1</sup> (Million)				\$98	\$225	\$127
ADJUSTED FREE CASH FLOW <sup>1</sup> (Million)				\$103	\$230	\$127

\* Gross margin defined as (Net Sales less Cost of Goods Sold) / (Net Sales)



## FY24 REVISED GUIDANCE

## REVISED FISCAL 2024 GUIDANCE

(in millions, except per share amount and percentages)

		<b>PRIOR</b> FY24 Guidance issued on Apr 29, 2024	<b>REVISED</b> FY24 Guidance issued on Jul 29, 2024
<b>TOTAL COMPANY</b>	Sales	\$3,250-\$3,350	\$3,250-\$3,300
	Adjusted Effective Tax Rate	~20%	~18.5%
	Adjusted Free Cash Flow	\$325-\$375	\$300-\$350
	Capital Expenditures	~\$100	No change
	Shares	~62	No change
	Adjusted EPS	\$5.70-\$6.00	\$5.80-\$6.00
<b>SEGMENT DATA AEROSPACE</b>	Sales Growth	Up 12% to 14%	No Change
	Segment Earnings (% of Sales)	18%-19%	~19%
<b>INDUSTRIAL</b>	Sales Growth	Up 13% to 15%	Up 11% to 13%
	Segment Earnings (% of Sales)	17%-18%	~17.5%

LOW Q4 CHINA ON-HIGHWAY NATURAL GAS TRUCK BUSINESS SHIPMENTS  
AEROSPACE INDUSTRY SUPPLY CHAIN CHALLENGES RETIMING CASH FLOW

# Appendix



## NON-U.S. GAAP RECONCILIATIONS

*Woodward, Inc. and Subsidiaries*  
**RECONCILIATION OF NET EARNINGS TO ADJUSTED NET EARNINGS<sup>1</sup>**  
*(Unaudited - in thousands, except per share amounts)*

	<i>Three Months Ended June 30, 2024</i>			<i>Three Months Ended June 30, 2023</i>		
	<i>Before Income</i>	<i>Net of Income</i>	<i>Per Share, Net of</i>	<i>Before Income</i>	<i>Net of Income</i>	<i>Per Share, Net of</i>
	<i>Tax</i>	<i>Tax</i>	<i>Income Tax</i>	<i>Tax</i>	<i>Tax</i>	<i>Income Tax</i>
<b>Net earnings (U.S. GAAP)</b>	\$ 122,096	\$ 102,075	\$ 1.63	\$ 105,738	\$ 84,599	\$ 1.37
Non-U.S. GAAP adjustments:						
Non-recurring gain related to a previous acquisition	-	-	-	-	-	-
Business development activities	-	-	-	-	-	-
Certain non-restructuring separation costs	-	-	-	-	-	-
Specific charge for excess and obsolete inventory	-	-	-	-	-	-
Product rationalization	-	-	-	-	-	-
Restructuring charges	-	-	-	-	-	-
Non-recurring charge related to customer collections	-	-	-	-	-	-
<b>Total non-U.S. GAAP adjustments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Adjusted net earnings (Non-U.S. GAAP)</b>	\$ 122,096	\$ 102,075	\$ 1.63	\$ 105,738	\$ 84,599	\$ 1.37

*Woodward, Inc. and Subsidiaries*  
**RECONCILIATION OF NET EARNINGS TO ADJUSTED NET EARNINGS<sup>1</sup>**  
*(Unaudited - in thousands, except per share amounts)*

	<i>Nine Months Ended June 30, 2024</i>			<i>Nine Months Ended June 30, 2023</i>		
	<i>Before Income</i>	<i>Net of Income</i>	<i>Per Share, Net of</i>	<i>Before Income</i>	<i>Net of Income</i>	<i>Per Share, Net of</i>
	<i>Tax</i>	<i>Tax</i>	<i>Income Tax</i>	<i>Tax</i>	<i>Tax</i>	<i>Income Tax</i>
<b>Net earnings (U.S. GAAP)</b>	\$ 352,440	\$ 289,675	\$ 4.65	\$ 177,728	\$ 149,716	\$ 2.44
Non-U.S. GAAP adjustments:						
Non-recurring gain related to a previous acquisition	(4,803)	(3,433)	(0.06)	-	-	-
Business development activities	5,902	4,456	0.07	-	-	-
Certain non-restructuring separation costs	2,666	2,013	0.04	2,208	1,661	0.03
Specific charge for excess and obsolete inventory	-	-	-	11,995	9,016	0.15
Product rationalization	-	-	-	10,504	7,896	0.13
Restructuring charges	-	-	-	5,172	3,874	0.06
Non-recurring charge related to customer collections	-	-	-	4,997	3,761	0.06
<b>Total non-U.S. GAAP adjustments</b>	<u>3,765</u>	<u>3,036</u>	<u>0.05</u>	<u>34,876</u>	<u>26,208</u>	<u>0.43</u>
<b>Adjusted net earnings (Non-U.S. GAAP)</b>	\$ 356,205	\$ 292,711	\$ 4.70	\$ 212,604	\$ 175,924	\$ 2.87

## NON-U.S. GAAP RECONCILIATIONS

*Woodward, Inc. and Subsidiaries*  
**RECONCILIATION OF NET EARNINGS TO EBIT<sup>1</sup> AND ADJUSTED EBIT<sup>1</sup>**  
*(Unaudited - in thousands)*

	<i>Three-Months Ended June 30,</i>		<i>Nine-Months Ended June 30,</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Net earnings (U.S. GAAP)	\$ 102,075	\$ 84,599	\$ 289,675	\$ 149,716
Income tax expense	20,021	21,139	62,765	28,012
Interest expense	11,516	12,175	34,482	36,162
Interest income	(1,728)	(516)	(4,494)	(1,390)
<b>EBIT (Non-U.S. GAAP)</b>	<b>131,884</b>	<b>117,397</b>	<b>382,428</b>	<b>212,500</b>
Total non-U.S. GAAP adjustments*	-	-	3,765	34,876
<b>Adjusted EBIT (Non-U.S. GAAP)</b>	<b>\$ 131,884</b>	<b>\$ 117,397</b>	<b>\$ 386,193</b>	<b>\$ 247,376</b>

\*See Reconciliation of Earnings to Adjusted Earnings<sup>1</sup> table above for the list of Non-U.S. GAAP adjustments made in the applicable periods.

*Woodward, Inc. and Subsidiaries*  
**RECONCILIATION OF NET EARNINGS TO EBITDA<sup>1</sup> AND ADJUSTED EBITDA<sup>1</sup>**  
*(Unaudited - in thousands)*

	<i>Three-Months Ended June 30,</i>		<i>Nine-Months Ended June 30,</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Net earnings (U.S. GAAP)	\$ 102,075	\$ 84,599	\$ 289,675	\$ 149,716
Income tax expense	20,021	21,139	62,765	28,012
Interest expense	11,516	12,175	34,482	36,162
Interest income	(1,728)	(516)	(4,494)	(1,390)
Amortization of intangible assets	8,131	9,493	25,348	28,089
Depreciation expense	20,661	20,551	61,494	61,212
<b>EBITDA (Non-U.S. GAAP)</b>	<b>160,676</b>	<b>147,441</b>	<b>469,270</b>	<b>301,801</b>
Total non-U.S. GAAP adjustments*	-	-	3,765	34,876
<b>Adjusted EBITDA (Non-U.S. GAAP)</b>	<b>\$ 160,676</b>	<b>\$ 147,441</b>	<b>\$ 473,035</b>	<b>\$ 336,677</b>

\*See Reconciliation of Earnings to Adjusted Earnings<sup>1</sup> table above for the list of Non-U.S. GAAP adjustments made in the applicable periods.

## NON-U.S. GAAP RECONCILIATIONS

## Woodward, Inc. and Subsidiaries

RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES TO FREE CASH FLOW<sup>1</sup> AND ADJUSTED FREE CASH FLOW<sup>1</sup>

(Unaudited - in thousands)

	Nine Months Ended June 30,	
	2024	2023
Net cash provided by operating activities (U.S. GAAP)	\$ 297,329	\$ 155,630
Payments for property, plant, and equipment	(72,193)	(57,142)
<b>Free cash flow (Non-U.S. GAAP)</b>	<b>225,136</b>	<b>98,488</b>
Cash received for a non-recurring matter related to a previous acquisition	(4,803)	-
Cash paid for business development activities	5,902	-
Cash paid for non-recurring matter unrelated to the ongoing operations of the business	2,725	-
Cash paid for certain non-restructuring separation costs	985	977
Cash paid for restructuring charges	-	3,594
<b>Adjusted free cash flow (Non-U.S. GAAP)</b>	<b>\$ 229,945</b>	<b>\$ 103,059</b>

## Woodward, Inc. and Subsidiaries

RECONCILIATION OF NONSEGMENT EXPENSES TO ADJUSTED NONSEGMENT EXPENSES<sup>1</sup>

(Unaudited - in thousands)

	Three-Months Ended June 30,		Nine-Months Ended June 30,	
	2024	2023	2024	2023
Nonsegment expenses (U.S. GAAP)	\$ 29,675	\$ 23,875	\$ 88,709	\$ 106,493
Non-recurring gain related to a previous acquisition	-	-	4,803	-
Certain non-restructuring separation costs	-	-	(5,902)	-
Business development activities	-	-	(2,666)	(2,208)
Specific charge for excess and obsolete inventory	-	-	-	(11,995)
Product rationalization	-	-	-	(10,504)
Restructuring charges	-	-	-	(5,172)
Non-recurring charge related to customer collections	-	-	-	(4,997)
<b>Adjusted nonsegment expenses (Non-U.S. GAAP)</b>	<b>\$ 29,675</b>	<b>\$ 23,875</b>	<b>\$ 84,944</b>	<b>\$ 71,617</b>

# NON-U.S. GAAP MEASURES

<sup>1</sup>Adjusted and Non-U.S. GAAP Financial Measures: Adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted effective tax rate, and adjusted nonsegment expenses exclude, as applicable, (i) a non-recurring gain related to a previous acquisition, (ii) costs related to business development activities, (iii) certain non-restructuring separation costs, (iv) a specific charge for excess and obsolete inventory, (v) product rationalization, (vi) restructuring charges, and (vii) a non-recurring charge related to customer collections. The product rationalization adjustment pertains to a non-recurring write-off of inventory and assets related to the elimination of certain product lines. The specific charge for excess and obsolete inventory pertains to a non-recurring process change that resulted in the identification and write down of certain excess inventory unrelated to product rationalization. The non-recurring charge related to customer collections pertains to a discrete process issue that was identified and corrected. 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. Adjusted free cash flow is free cash flow (defined below) plus cash received for a non-recurring matter related to a previous acquisition, minus (i) cash paid for business development activities, (ii) cash paid for a non-recurring matter unrelated to the ongoing operations of the business, (iii) certain non-restructuring separation costs, and (iv) cash paid for restructuring charges. Management believes these adjustments to free cash flow better portray Woodward's operating performance. Guidance provided in this presentation with respect to adjusted earnings per share and adjusted effective tax rate excludes, as applicable, (i) a non-recurring gain related to a previous acquisition, (ii) costs related to business development activities, and (iii) certain non-restructuring separation costs. Guidance provided in this presentation with respect to adjusted free cash flow excludes, as applicable, (i) cash received for a non-recurring matter related to a previous acquisition, (ii) cash paid for business development activities, (iii) cash paid for certain non-restructuring separation costs, and (iv) cash paid for non-recurring matter unrelated to the ongoing operations of the business.

EBIT (earnings before interest and taxes), EBITDA (earnings before interest, taxes, depreciation and amortization), free cash flow, adjusted free cash flow, adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted effective tax rate, and adjusted nonsegment expenses 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. 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, as well as adjusted free cash flow (as described above), in reviewing the financial performance of Woodward's various 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, and adjusted EBITDA 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 and adjusted free cash flow do not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs. Woodward's calculations of EBIT, EBITDA, adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted effective tax rate, adjusted nonsegment expenses, free cash flow, and adjusted free cash flow may differ from similarly titled measures used by other companies, limiting their usefulness as comparative measures.

<sup>2</sup>Website, Facebook, X: Woodward has used, and intends to continue to use, its Investor Relations website, its Facebook page and its X handle as means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.