



First Quarter Fiscal Year 2026 Results

February 2, 2026



Cautionary Statement

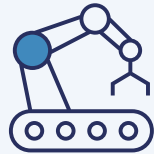
Information in this presentation contains forward-looking statements regarding future events and our future results within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, including, but not limited to, the results of our ongoing focus on operational excellence, increased output, more consistent execution, and innovation, including whether such focus ultimately leads to sustained profitable growth and long-term shareholder value, our efforts to align the supply chain to support stable inventory levels and predictable component availability, improved inventory management, capacity expansion efforts, increased services offerings, the impact of our determination to wind-down our China on-highway business, our near-term strategic priorities and our ability to achieve them, our capital allocation strategy and our execution of such strategy, and statements regarding our business and guidance for fiscal year 2026, including our guidance for sales, earnings per share, segment sales growth rates, segment earnings margin growth rates, effective tax rate, free cash flow, capital expenditures, and diluted weighted average shares outstanding, as well as our assumptions regarding our guidance, anticipated trends in our business and markets, including our assumptions regarding sales, demand, and margin expansion in fiscal 2026. 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) 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, including its ability to retain key personnel or attract and retain new qualified personnel; (15) Woodward's ability to manage various regulatory and legal matters; (16) risks from operating internationally; (17) cybersecurity, data privacy, 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, 2025, its Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2025, which we expect to file shortly, and other risks described in Woodward's filings with the Securities and Exchange Commission. 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.

Delivering Differentiated Value For Shareholders

Growth



Operational
Excellence



Innovation



Capital
Allocation



“We delivered strong first quarter 2026 performance that exceeded our expectations. Growth was broad-based across both segments and reflected strong demand and disciplined execution by our global teams.

Based on our strong start to the year, we are raising our full-year sales and earnings guidance. We remain focused on operational excellence and targeted innovation to deliver sustained profitable growth and long-term value for our shareholders.”

**– Chip Blankenship
Chairman and Chief Executive Officer**

First Quarter 2026 Summary

Operational excellence and continued strong demand



Sales up 29% YOY

Aerospace growth in Commercial
OEM and Services, and Smart
Defense

Industrial growth in Transportation,
Oil & Gas, and Power Generation



Net Earnings up 54% YOY

Price realization

Higher volume

Favorable mix



Strong Balance Sheet

Free Cash Flow¹ of \$70M

1.2 times leverage

First Quarter 2026 Summary

Investing for growth and returning capital to shareholders



Capital Allocation

\$44M

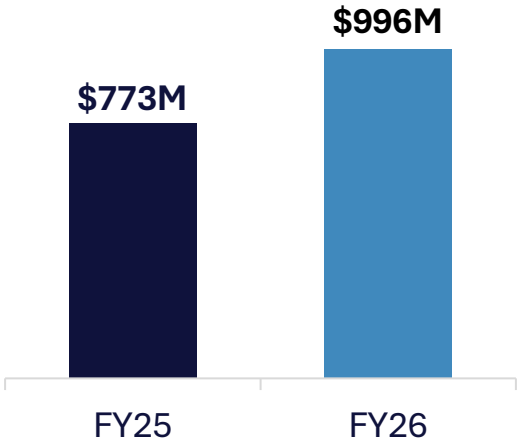
Capital Expenditures

\$146M

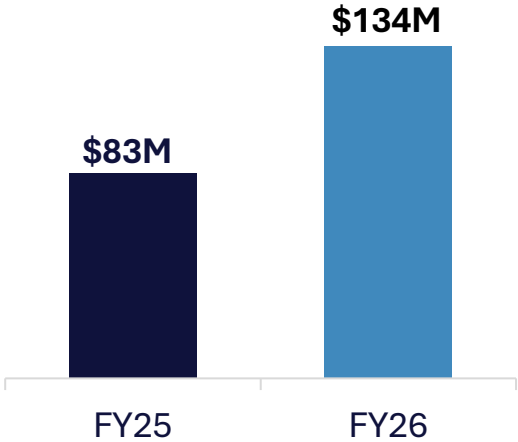
Returned to Stockholders
through dividends and share repurchases

Q1 Fiscal Year 2026 Consolidated Results

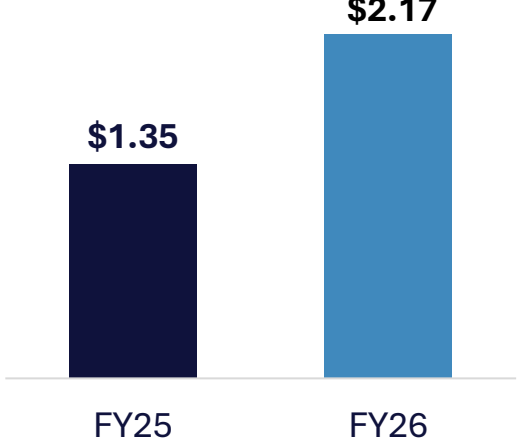
Net Sales up 29%



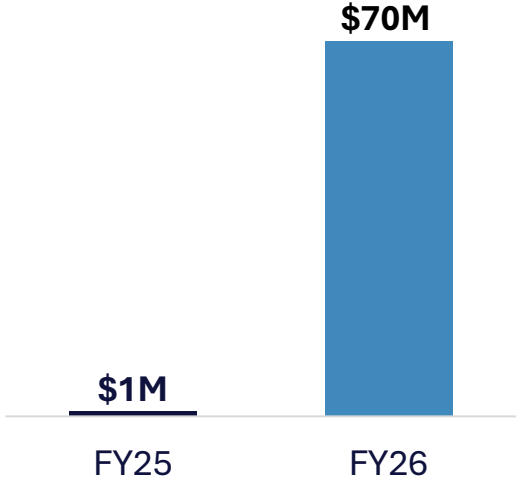
Adjusted Net Earnings¹ up 62%
Reported Net Earnings
\$87M Q1 FY25; \$134M Q1 FY26



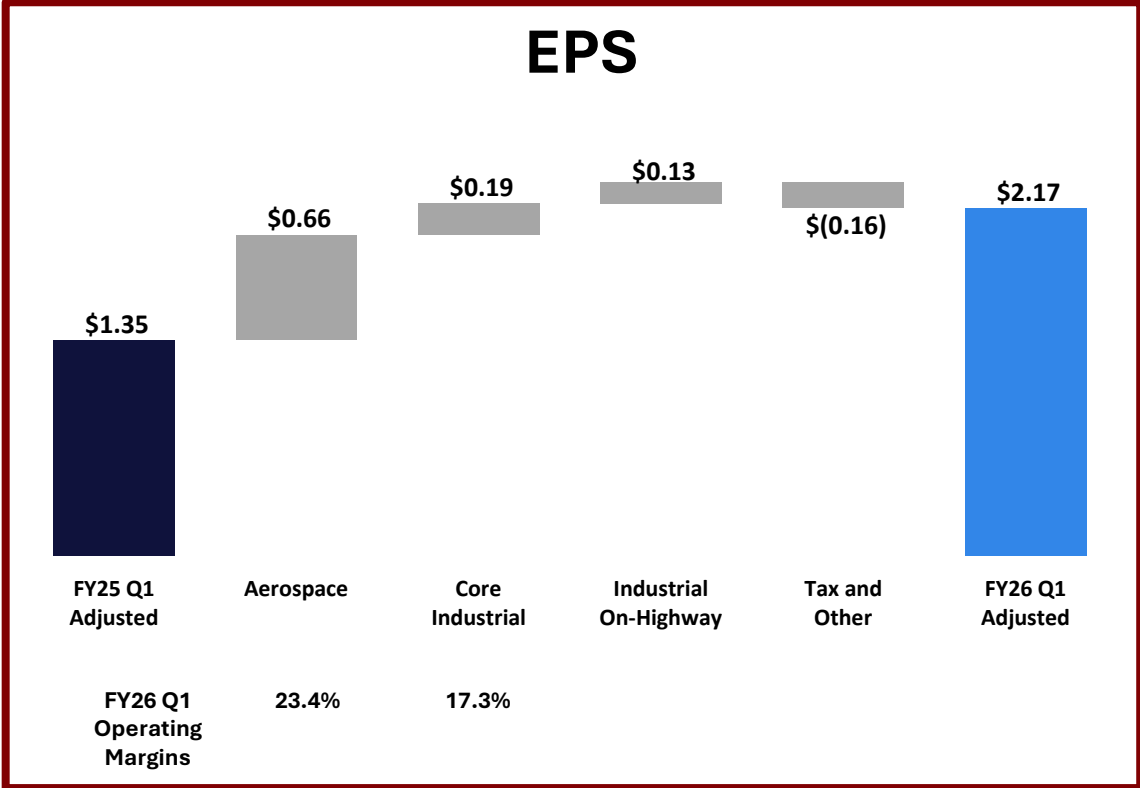
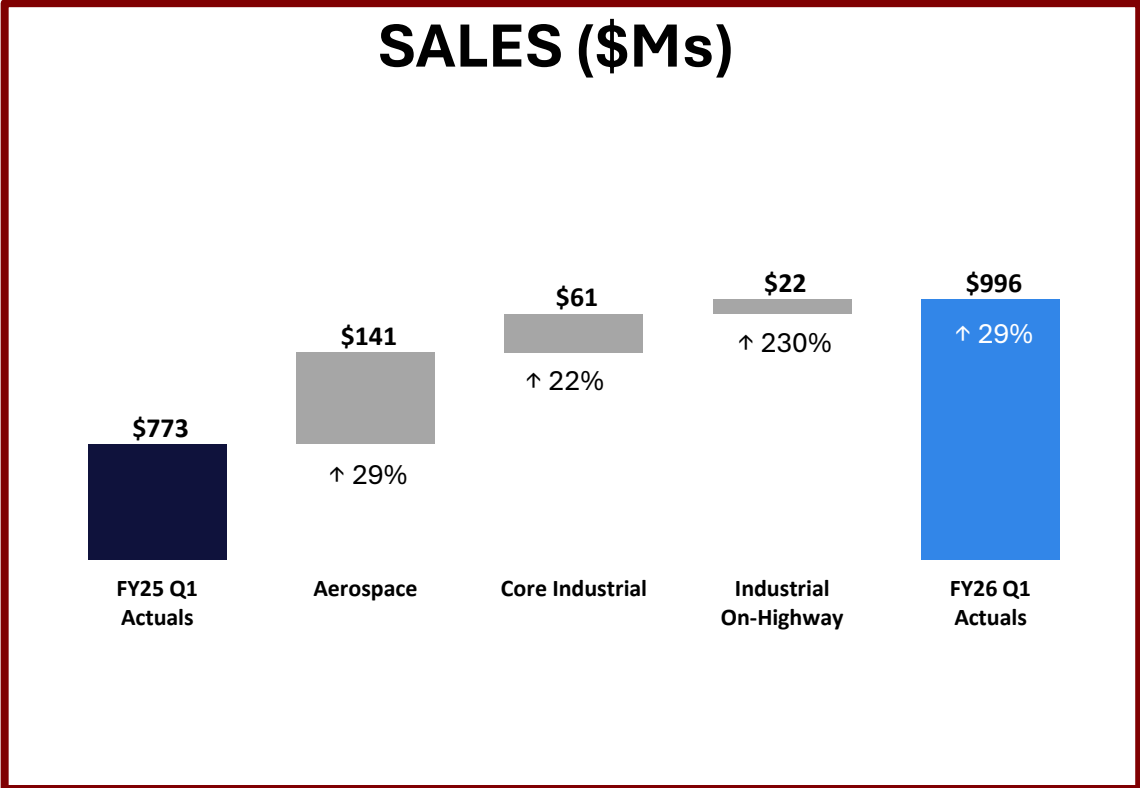
Adjusted EPS¹ up 61%
Reported EPS
\$1.42 Q1 FY25; \$2.17 Q1 FY26



Free Cash Flow up \$69M



Q1 Fiscal Year 2026 Sales & Adjusted EPS Bridge



GROWTH ACROSS BOTH AEROSPACE AND INDUSTRIAL

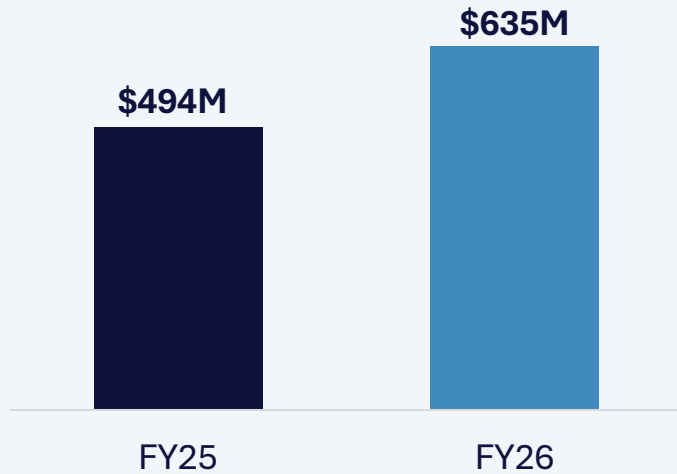
Aerospace Overview



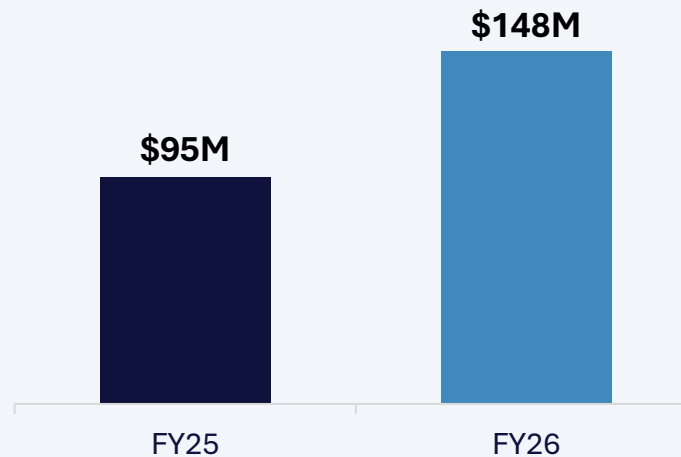
Q1 Fiscal Year 2026 Aerospace Segment

Earnings growth driven primarily by price realization, favorable mix, and higher sales volume

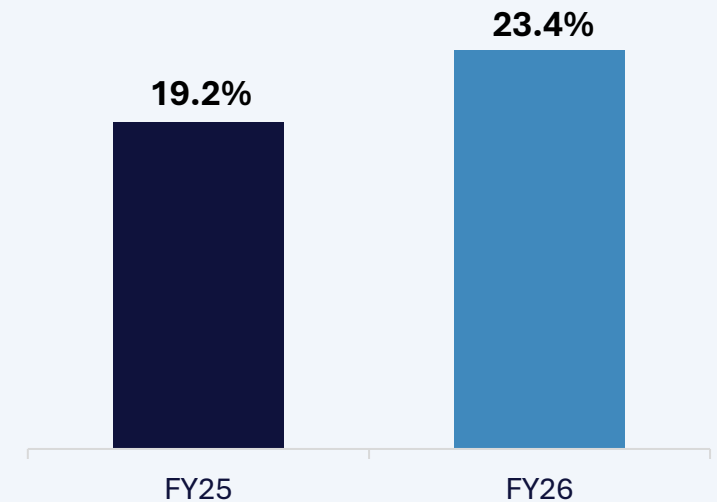
Sales up 29%



Earnings up 57%



Margin up 420 bps



Aerospace Commercial

Woodward Commercial
OEM Sales
Q1 FY25 to Q1 FY26

22%
Growth

Commercial OEM Market Update

- OEM build rates continue to improve
- Industry supply chain challenges
- OEMs managing inventory



Woodward Commercial
Services Sales
Q1 FY25 to Q1 FY26

50%
Growth

Commercial Services Market Update

- Air traffic remains solid
- High legacy aircraft utilization
- Current generation MRO ramping

Aerospace Defense

Woodward Defense
OEM Sales
Q1 FY25 to Q1 FY26

23%
Growth

Defense OEM
Market Update

- Strong demand for defense products
- Robust smart defense order activity



Woodward Defense
Services Sales
Q1 FY25 to Q1 FY26

1%
Growth

Defense Services
Market Update

- Solid demand environment
- Steady operations tempo

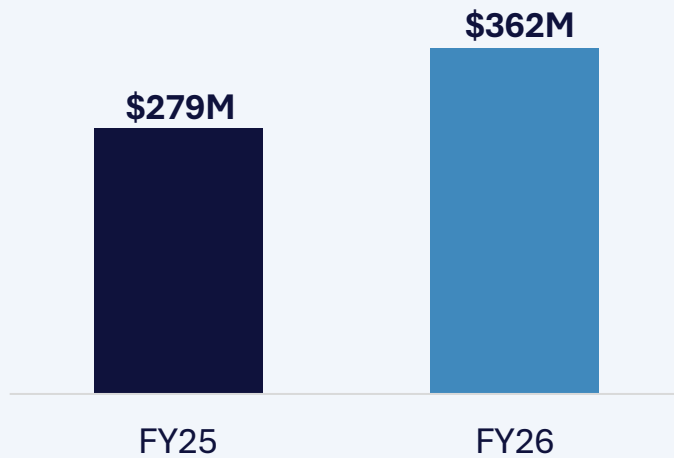
Industrial Overview



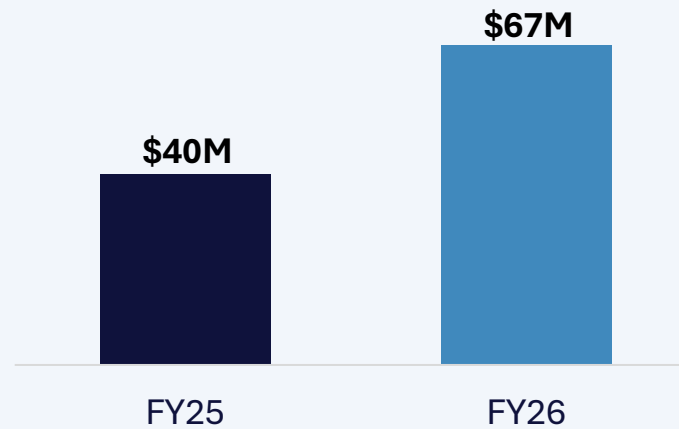
Q1 Fiscal Year 2026 Industrial Segment

Earnings growth driven by higher sales volume, price realization, and favorable mix

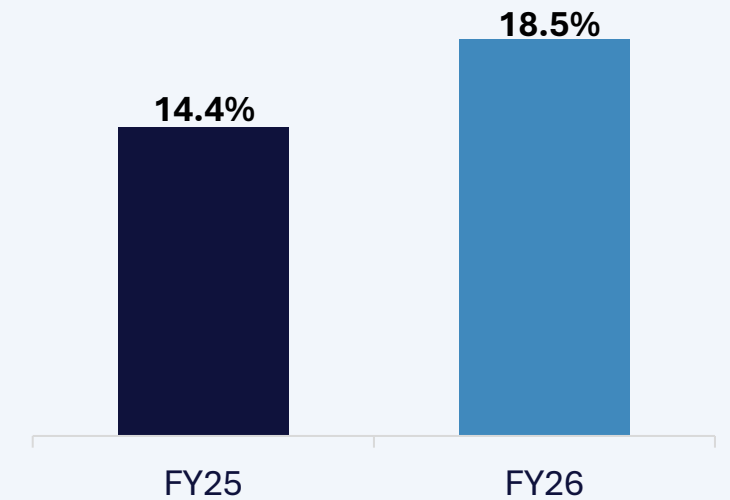
Sales up 30%



Earnings up 67%



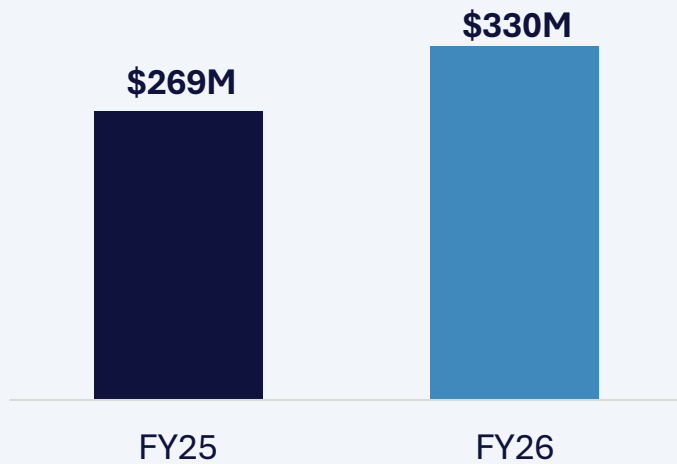
Margin up 410 bps



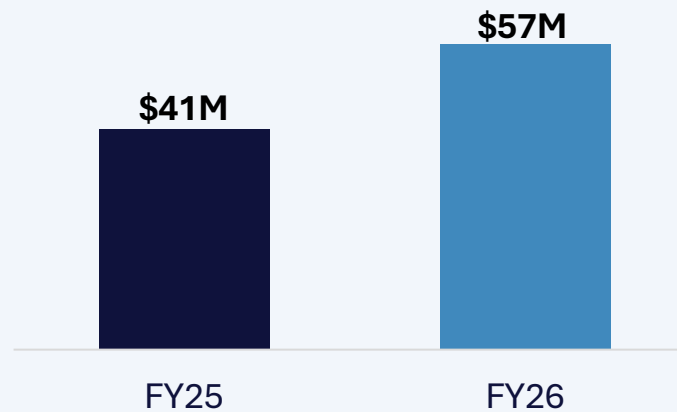
Q1 Fiscal Year 2026 Core Industrial

Earnings growth driven by higher sales volume and price realization

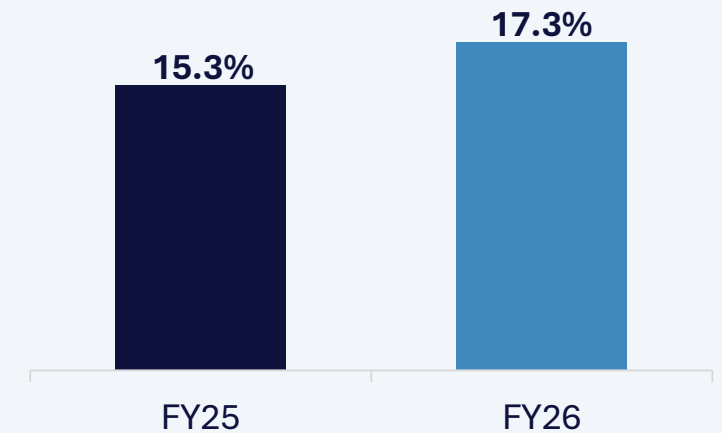
Sales up 22%



Earnings up 39%



Margin up 200 bps



Industrial



7% Growth

Woodward Power Gen Sales
Q1 FY25 to Q1 FY26

Power Generation

Market Update

- Robust global demand for power generation
- Increasing investment in gas-powered generation for both primary and backup power for grid stability
- Growing demand for data centers and associated backup power



55% Growth

Woodward Transportation Sales
Q1 FY25 to Q1 FY26

Transportation

Market Update

- Healthy global marine market with shipyards at capacity and high utilization
- Alternative fuel orders strong



28% Growth

Woodward Oil & Gas Sales
Q1 FY25 to Q1 FY26

Oil & Gas

Market Update

- Recent oil production declines on lower commodity prices
- Production efficiency gains impacting upstream services
- Positive outlook related to continued investment in refining and petrochemical activities in India and the Middle East

Woodward Select Financial Results

In millions, except bps and percentages

	Q1 FY25	Q1 FY26	Change
Gross Margin: % of Sales	24.5%	29.3%	480 bps
SG&A Expenses: % of Sales	9.0%	9.5%	50 bps
R&D Expenses: % of Sales	3.9%	3.8%	(10) bps
Effective Tax Rate	14.5%	20.9%	640 bps
Adjusted Effective Tax Rate ¹	14.0%	20.9%	690 bps
EBITDA ¹	\$141	\$208	\$67
Adjusted EBITDA ¹	\$135	\$208	\$73
Cash From Operations	\$35	\$114	\$80
Capital Expenditures	\$34	\$44	\$10
Free Cash Flow	\$1	\$70	\$69

Fiscal Year 2026 Guidance



Raising sales & EPS guidance based on first quarter outperformance

In millions, except EPS and percentages

		Prior FY26 Guidance Issued on November 24, 2025	Revised FY26 Guidance Issued on February 2, 2026
Woodward	Sales Growth	Up 7 to 12%	Up 14 to 18%
	EPS	\$7.50-\$8.00	\$8.20-\$8.60
	Free Cash Flow ³	\$300-\$350	No change
	Capital Expenditures	~\$290	No change
	Shares	~61	No change
	Effective Tax Rate	~22%	No change
Aerospace	Sales Growth	Up 9 to 15%	Up 15 to 20%
	Segment Earnings (% of Sales)	22-23%	No change
Industrial	Sales Growth	Up 5 to 9%	Up 11 to 14%
	Segment Earnings (% of Sales)	14.5-15.5%	16-17%

Appendix

Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries
Reconciliation of Net Earnings and EPS to Adjusted Earnings¹ and Adjusted EPS¹
(Unaudited – In thousands, except per share amounts)

	Three Months Ended December 31,			
	2025		2024	
	Net Earnings	Earnings Per Share	Net Earnings	Earnings Per Share
Net Earnings (U.S. GAAP)	\$ 133,719	\$ 2.17	\$ 87,091	\$ 1.42
Non-U.S. GAAP Adjustments				
Product rationalization ^a	-	-	(9,361)	(0.15)
Business development activities ^b	-	-	3,518	0.06
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	-	-	1,319	0.02
Total non-U.S. GAAP Adjustments	-	-	(4,524)	(0.07)
Adjusted Net Earnings (Non-U.S. GAAP)	\$ 133,719	\$ 2.17	\$ 82,567	\$ 1.35

- 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.

Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries Reconciliation of Net Earnings to EBIT¹ and Adjusted EBIT¹ (Unaudited – In thousands)

	Three Months Ended December 31,	
	2025	2024
Net Earnings (U.S. GAAP)	\$ 133,719	\$ 87,091
Income Tax Expense	35,432	14,763
Interest Expense	10,344	12,341
Interest Income	(701)	(1,377)
EBIT (Non-U.S. GAAP)	178,794	112,818
Total non-U.S. GAAP Adjustments	-	(5,843)
Adjusted EBIT (Non-U.S. GAAP)	\$ 178,794	\$ 106,975

Woodward, Inc. and Subsidiaries Reconciliation of Net Earnings to EBITDA¹ and Adjusted EBITDA¹ (Unaudited – In thousands)

	Three Months Ended December 31,	
	2025	2024
Net Earnings (U.S. GAAP)	\$ 133,719	\$ 87,091
Income Tax Expense	35,432	14,763
Interest Expense	10,344	12,341
Interest Income	(701)	(1,377)
Amortization of intangible assets	7,342	6,914
Depreciation Expense	21,696	20,962
EBITDA (Non-U.S. GAAP)	207,832	140,694
Total non-U.S. GAAP Adjustments	-	(5,843)
Adjusted EBITDA (Non-U.S. GAAP)	\$ 207,832	\$ 134,851

Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries Reconciliation of Income Tax Expense to Adjusted Income Tax Expense¹ (Unaudited – In thousands)

	Three Months Ended December 31,	
	2025	2024
Income tax expense (U.S. GAAP)	\$ 35,432	\$ 14,763
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	-	(1,319)
Adjusted Income Tax Expense (Non-U.S. GAAP)	\$ 35,432	\$ 13,444
Adjusted Effective Income Tax Rate (Non-U.S. GAAP)	20.9%	14.0%

Woodward, Inc. and Subsidiaries Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow¹ (Unaudited – In thousands)

	Three Months Ended December 31,	
	2025	2024
Net cash provided by operating activities (U.S. GAAP)	\$ 114,43	\$ 34,516
Payments for property, plant, and equipment	(44,129)	(33,574)
Free cash flow (Non-U.S. GAAP)	\$ 70,308	\$ 942

Woodward, Inc. and Subsidiaries Reconciliation of Non-Segment Expenses to Adjusted Non-Segment Expenses¹ (Unaudited – In thousands)

	Three Months Ended December 31,	
	2025	2024
Non-Segment Expenses (U.S. GAAP)	\$ (36,595)	\$ (22,104)
Product rationalization	-	(9,361)
Business development activities	-	3,518
Adjusted Non-Segment Expenses (Non-U.S. GAAP)	\$ (36,595)	\$ (27,947)

Non-U.S. GAAP Reconciliations

Woodward, Inc. and Subsidiaries Reconciliation of Industrial Net Sales (Unaudited – In thousands)

	Three Months Ended December 31,	
	2025	2024
China on highway natural gas truck sales	\$ 31,834	\$ 9,633
Core Industrial sales	329,723	269,210
Industrial segment net sales (U.S. GAAP)	\$ 361,557	\$ 278,843

Woodward, Inc. and Subsidiaries Reconciliation of Industrial Segment Earnings (Unaudited – In thousands)

	Three Months Ended December 31,	
	2025	2024
China on highway natural gas truck earnings (loss)	\$ 9,992	\$ (941)
Core Industrial earnings	57,002	41,138
Industrial segment earnings (U.S. GAAP)	\$ 66,994	\$ 40,197

Non-U.S. GAAP Measures

¹Adjusted and Non-U.S. GAAP Financial Measures: Adjusted net earnings, adjusted earnings per share, adjusted income tax expense, adjusted effective income tax rate, EBIT, adjusted EBIT, EBITDA, adjusted EBITDA, and adjusted nonsegment expenses exclude, as applicable, (i) product rationalization and (ii) costs related to business development activities. 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.

EBIT (earnings before interest and taxes), adjusted EBIT, EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted EBITDA, free cash flow, adjusted net earnings, adjusted earnings per share, adjusted income tax expenses, adjusted effective income 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 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, 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 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 income tax rate, adjusted nonsegment expenses, and free cash flow may differ from similarly titled measures used by other companies, limiting their usefulness as comparative measures. EBITDA leverage is calculated by taking a rolling twelve month EBITDA divided by total debt.

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

³FY26 Free Cash Flow: Information reconciling our FY26 free cash flow guidance to forward-looking net cash provided by operating activities is not available without unreasonable effort due primarily to uncertainty of timing for capital expenditures.



Powering a clean future

