



# Second Quarter Fiscal Year 2026 Results

April 29, 2026



# Cautionary Statement

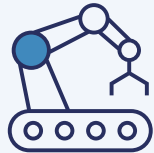
Information in this press release contains forward-looking statements regarding future events and our future results within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, including, but not limited to, the continued strength in demand for our products and services; our investments in our business, including in our capabilities, innovation, and operational discipline, including whether these investments ultimately lead to sustained profitable growth and long-term shareholder value; our portfolio management efforts and their ultimate impact; geopolitical developments and how those might impact defense spending or airline traffic, including the anticipated timing of any such impacts; the impact of recent M&A activity; the impact of the relocation of certain product lines and whether such relocations are successful and achieve the desired results; our expectations with regard to the wind-down of our China On-Highway business; our capital expenditure initiatives, including the timing of anticipated capital expenditures; our ability to produce at sufficient capacity to meet anticipated demand and our ability to expand our capacity and to work with the supply chain to expand theirs; our investments in automation and the ultimate impact of such investments; our investments in our talent pipeline and member development; strategic investments to our manufacturing capabilities and business enterprise systems; anticipated increases to our research and development costs, particularly in our aerospace segment; our capital allocation strategies, priorities, decisions, and activities; and statements regarding our business and guidance for fiscal year 2026, including our guidance for sales, adjusted earnings per share, segment sales growth rates, segment earnings margin growth rates, adjusted 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, any subsequently filed Quarterly Report on Form 10-Q, 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 outstanding second quarter results reflecting robust demand and strong execution across both segments. Aerospace performance was largely driven by continued strength in commercial services activity and OEM demand. Industrial grew across the board in transportation, power generation, and oil and gas.

“Based on our first half performance and continued demand strength, we are raising our full-year outlook. We remain focused on executing in a dynamic environment while continuing to invest in innovation and operational excellence to deliver sustained profitable growth and long-term shareholder value.”

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

# Second Quarter 2026 Summary

Operational excellence, investing in innovation, and continued strong demand



## Net Sales up 23% YOY

Aerospace growth in Commercial Services and OEM, and Smart Defense

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



## Net Earnings up 23% YOY

Higher Volume

Price Realization

Strategic Investments



## Strong Balance Sheet

Free Cash Flow<sup>1</sup> of \$38M

1.4 times leverage

# Capital Allocation

Investing for growth and returning capital to shareholders



Capital Allocation

Q2 2026

Q2 YTD 2026

**\$53M**

**\$97M**

Capital Expenditures

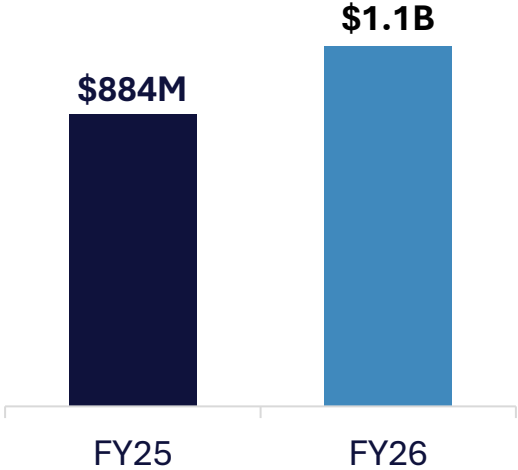
**\$245M**

**\$391M**

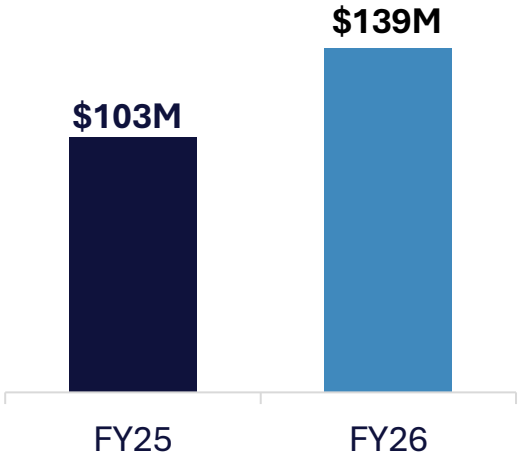
Returned to shareholders through dividends and share repurchases

# Q2 Fiscal Year 2026 Consolidated Results

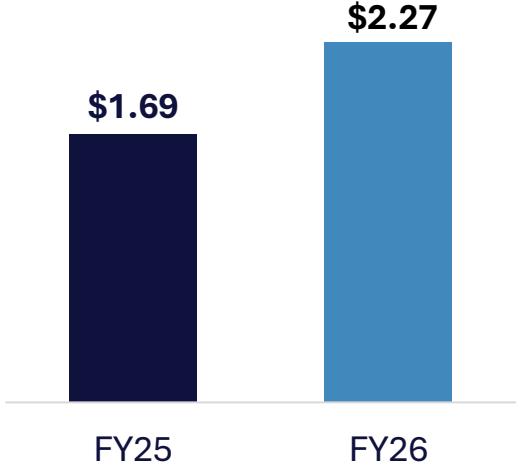
**Net Sales up 23%**



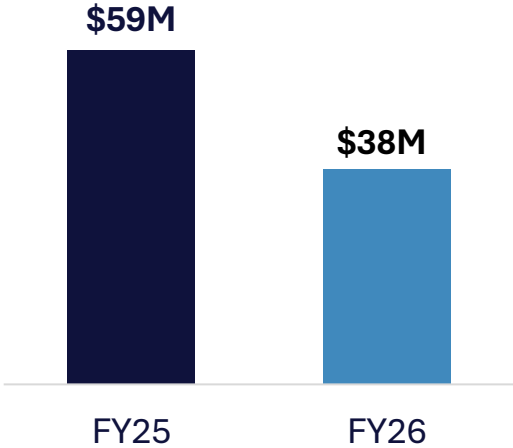
**Adjusted Net Earnings<sup>1</sup> up 35%**  
Reported Net Earnings  
\$109M Q2 FY25; \$134M Q2 FY26



**Adjusted EPS<sup>1</sup> up 34%**  
Reported EPS  
\$1.78 Q2 FY25; \$2.19 Q2 FY26

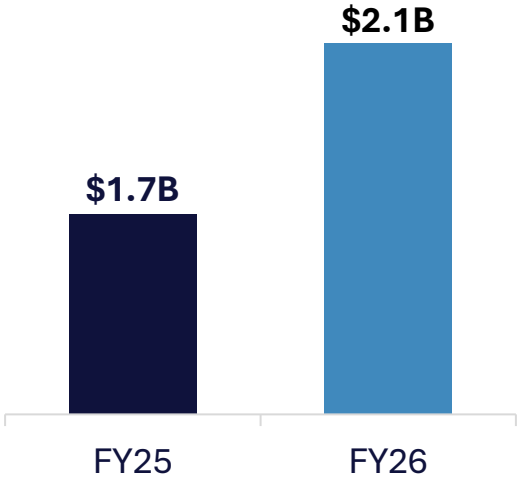


**Free Cash Flow down \$21M**

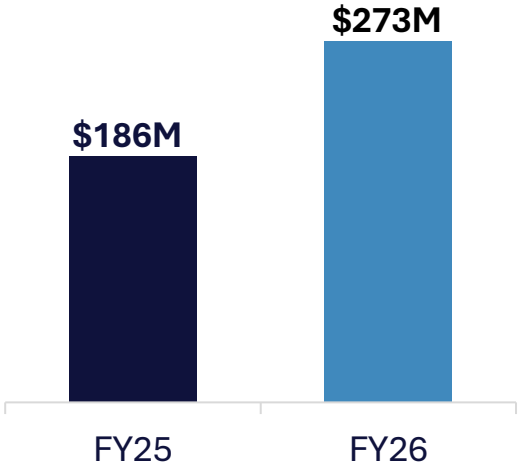


# Q2 YTD Fiscal Year 2026 Consolidated Results

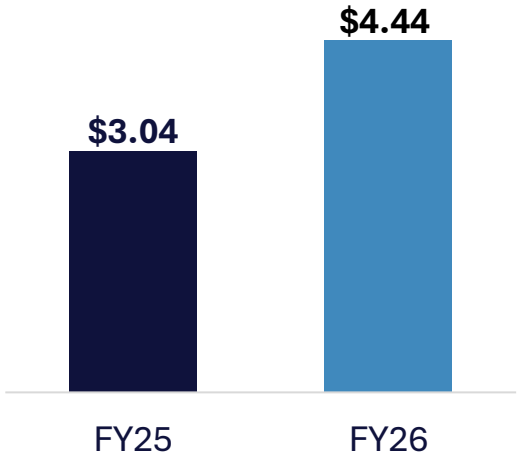
**Net Sales up 26%**



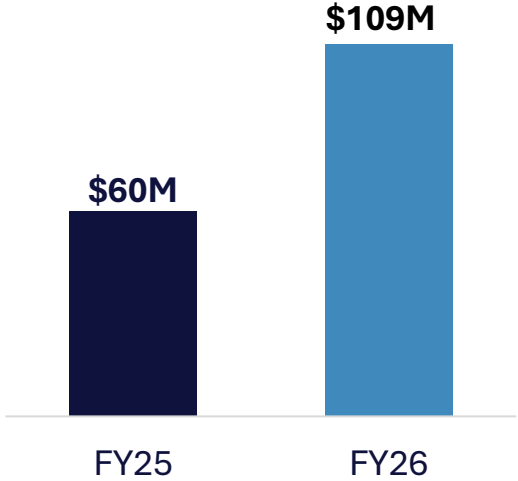
**Adjusted Net Earnings<sup>1</sup> up 47%**  
Reported Net Earnings  
\$196M Q2 FY25; \$268M Q2 FY26



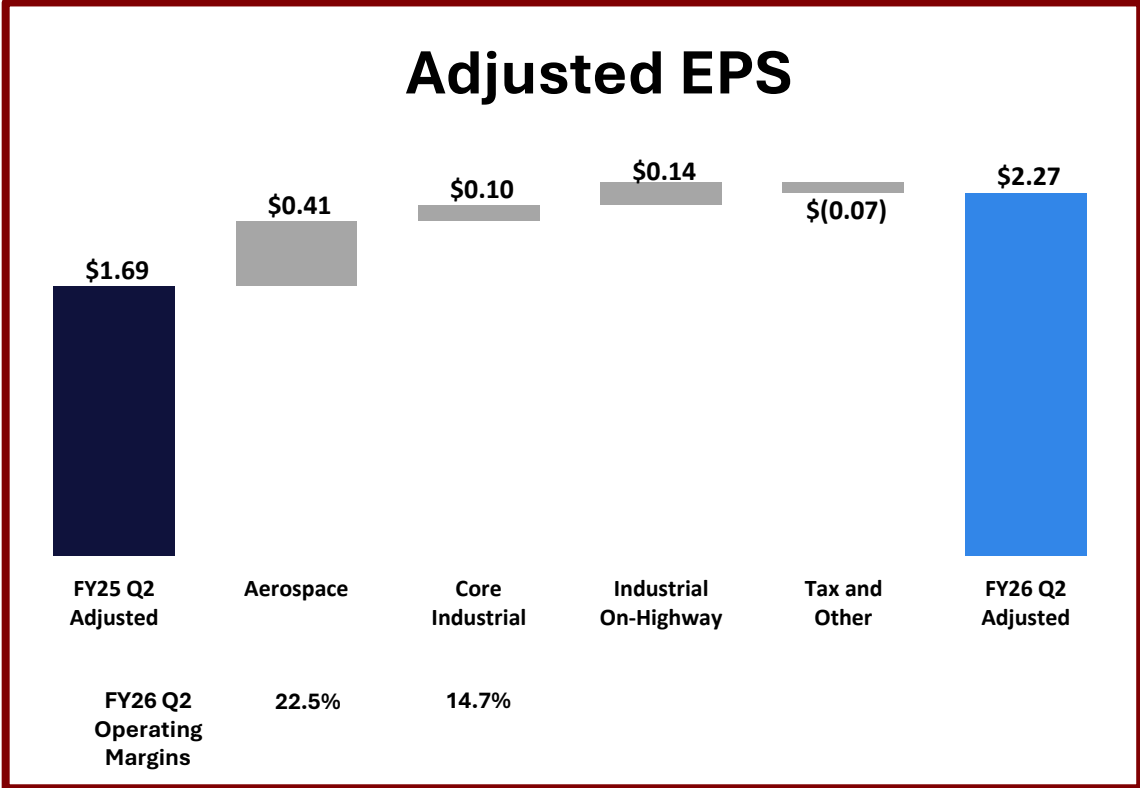
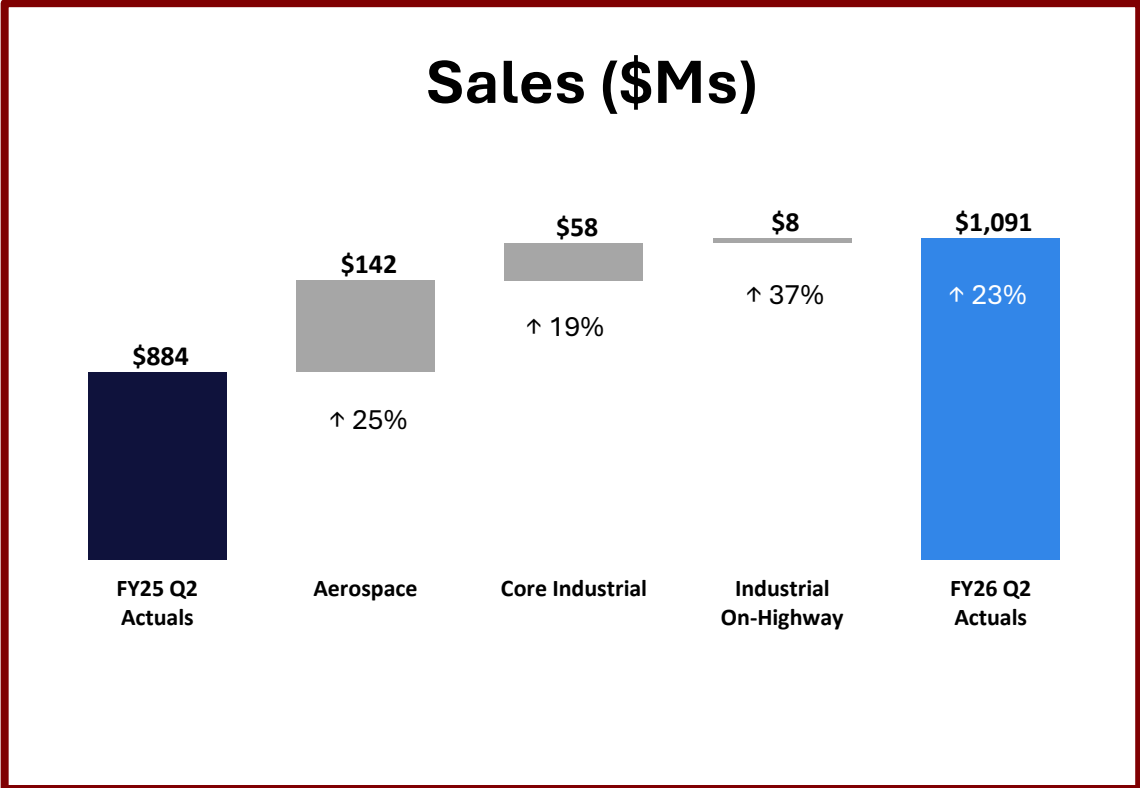
**Adjusted EPS<sup>1</sup> up 46%**  
Reported EPS  
\$3.20 Q2 FY25; \$4.36 Q2 FY26



**Free Cash Flow up \$49M**

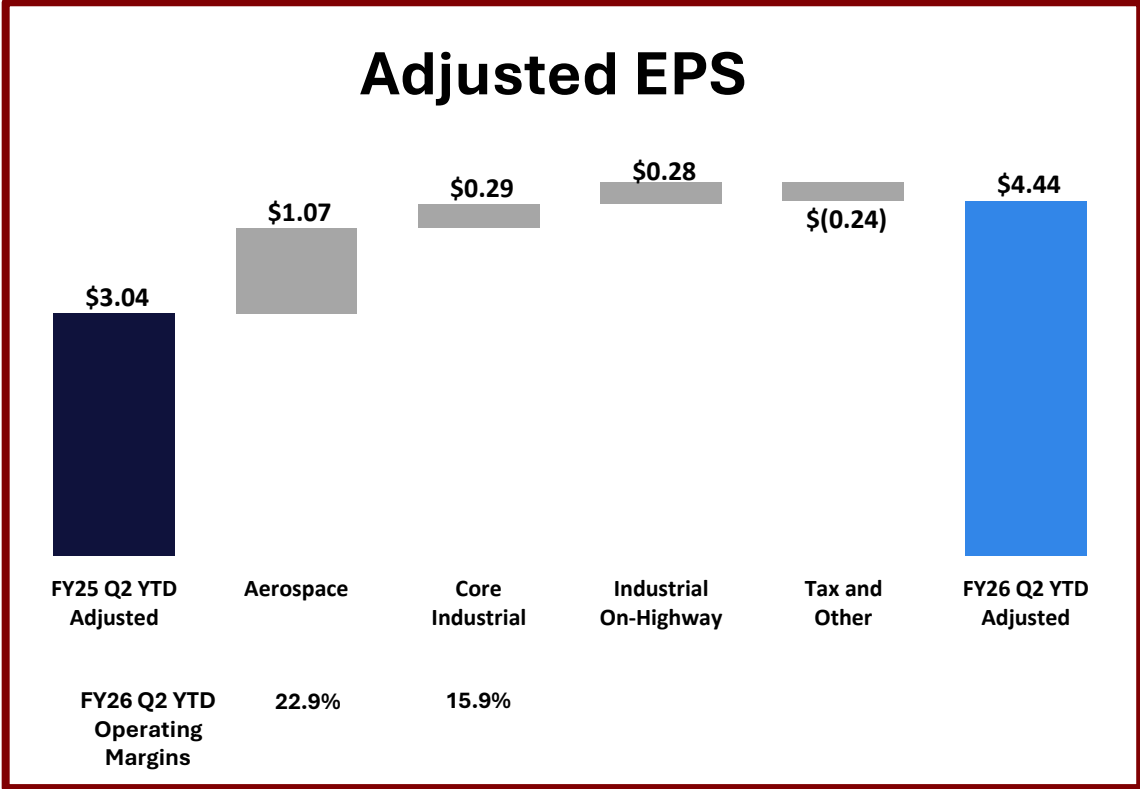
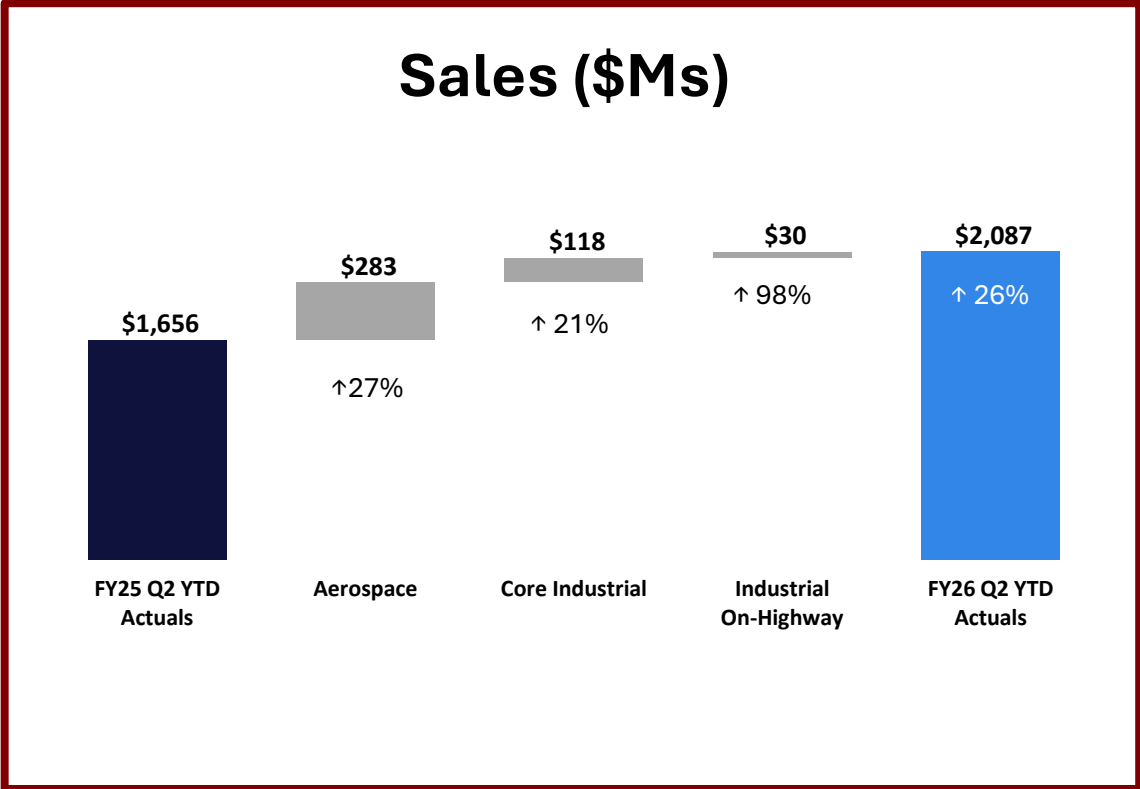


# Q2 Fiscal Year 2026 Sales and Adjusted EPS Bridge



**GROWTH ACROSS BOTH AEROSPACE AND INDUSTRIAL**

# Q2 YTD Fiscal Year 2026 Sales and Adjusted EPS Bridge



**GROWTH ACROSS BOTH AEROSPACE AND INDUSTRIAL**

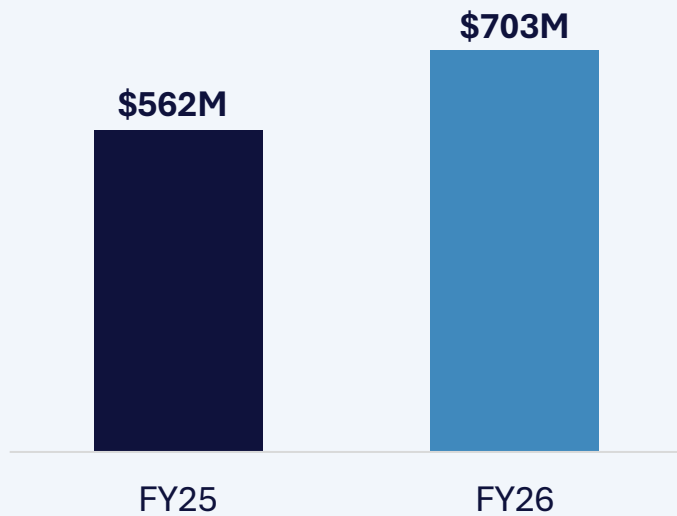
# Aerospace Overview



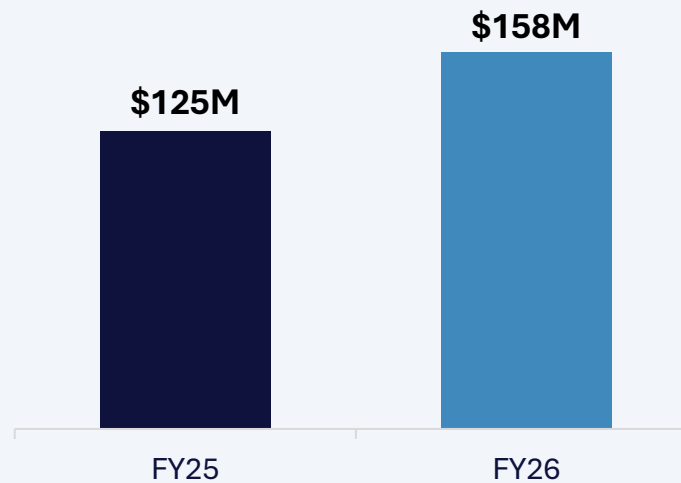
# Q2 Fiscal Year 2026 Aerospace Segment

Earnings growth driven primarily by price realization and higher sales volume

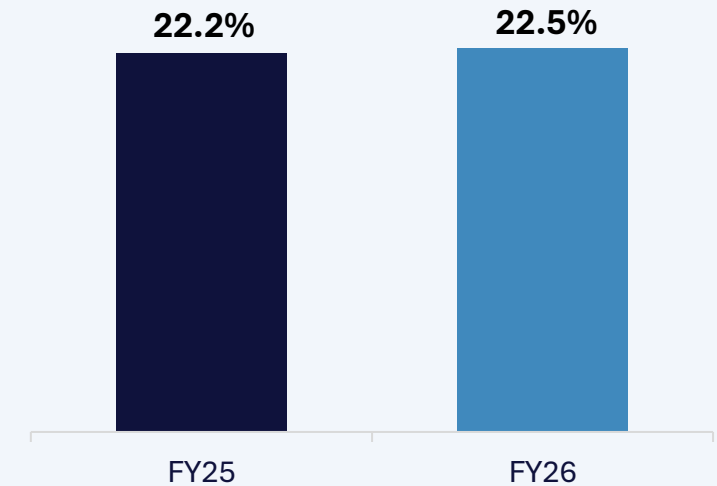
## Sales up 25%



## Earnings up 27%



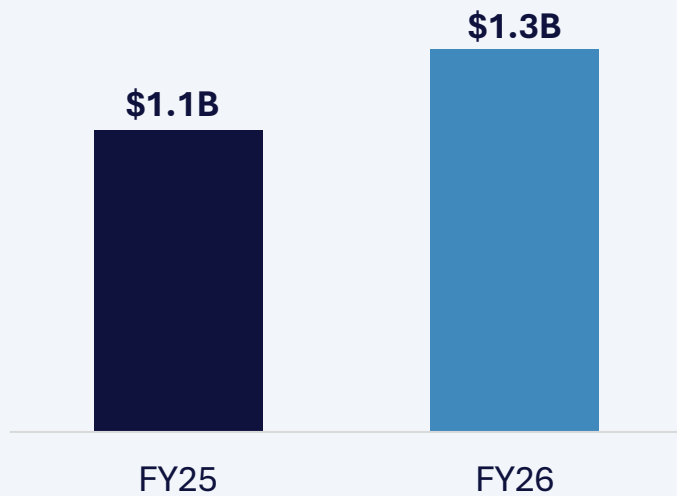
## Margin up 30 bps



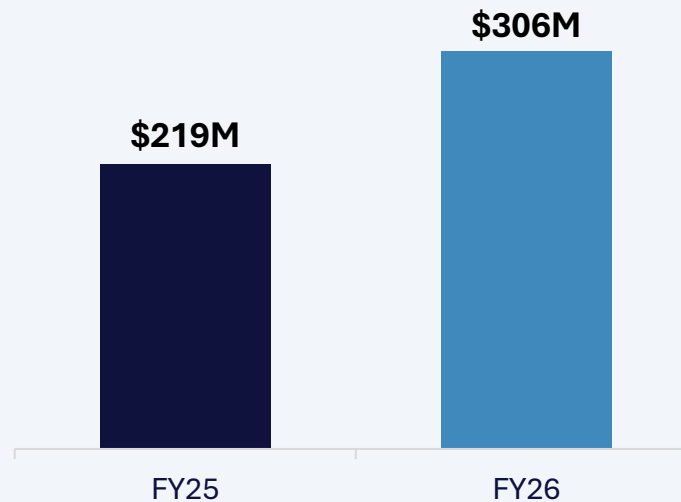
# Q2 YTD Fiscal Year 2026 Aerospace Segment

Earnings growth driven primarily by price realization and higher sales volume

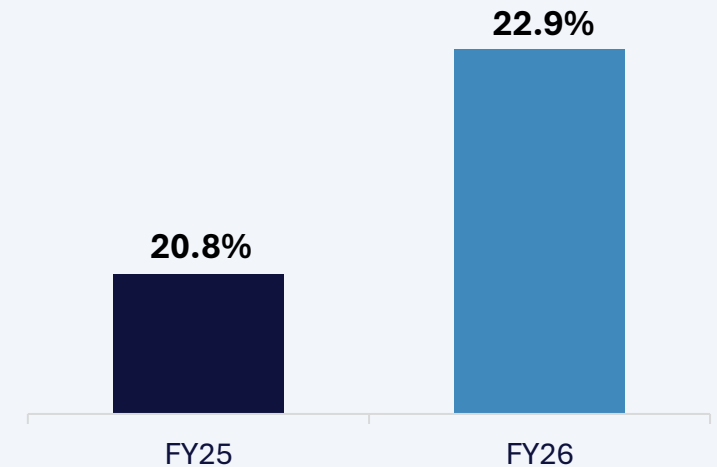
## Sales up 27%



## Earnings up 40%



## Margin up 210 bps



# Aerospace Commercial

Woodward Commercial  
**OEM Sales**  
Q2 FY25 to Q2 FY26

**30%**  
Growth

**Commercial OEM**  
Market Update

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- Strong OEM build rates
- Industry supply chain challenges



Woodward Commercial  
**Services Sales**  
Q2 FY25 to Q2 FY26

**36%**  
Growth

**Commercial Services**  
Market Update

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

# Aerospace Defense

Woodward Defense  
**OEM Sales**  
Q2 FY25 to Q2 FY26

**9%**  
Growth

**Defense OEM**  
Market Update

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



Woodward Defense  
**Services Sales**  
Q2 FY25 to Q2 FY26

**8%**  
Growth

**Defense Services**  
Market Update

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- Solid demand environment
- Steady operations tempo

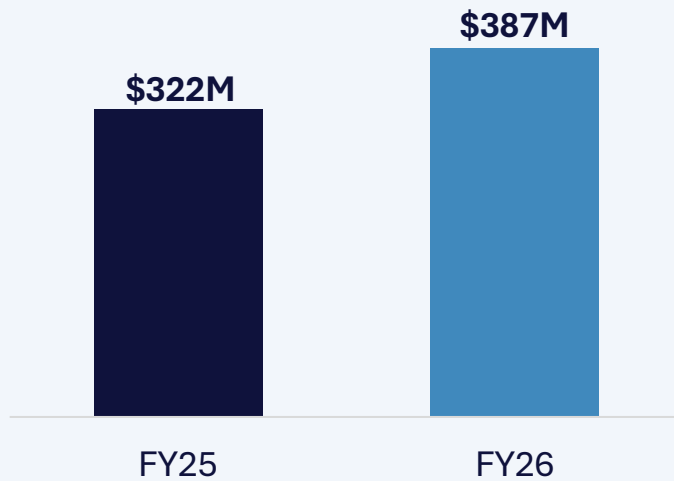
# Industrial Overview



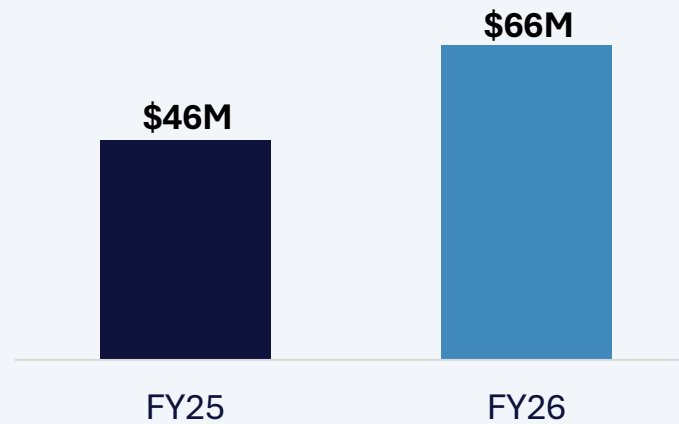
# Q2 Fiscal Year 2026 Industrial Segment

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

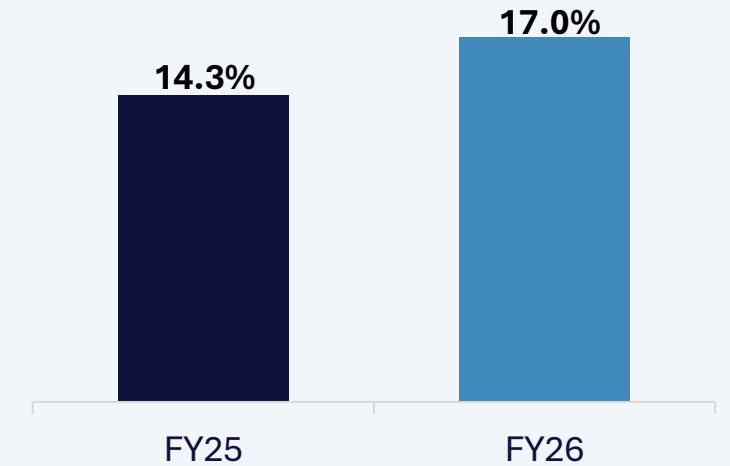
## Sales up 20%



## Earnings up 43%



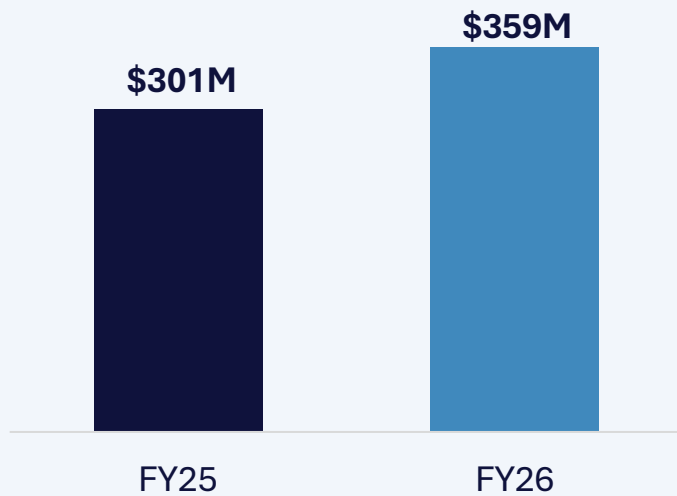
## Margin up 270 bps



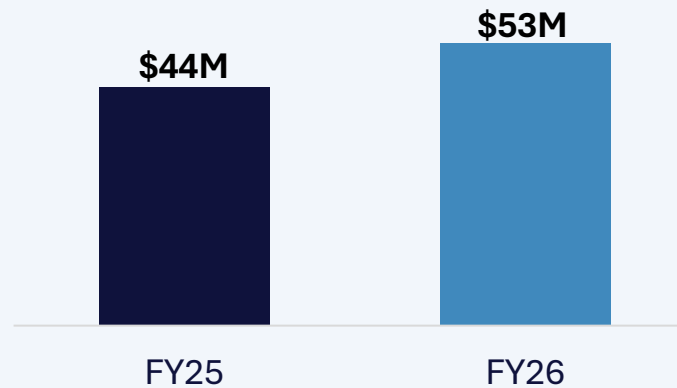
# Q2 Fiscal Year 2026 Core Industrial

Earnings growth driven by higher sales volume and price realization

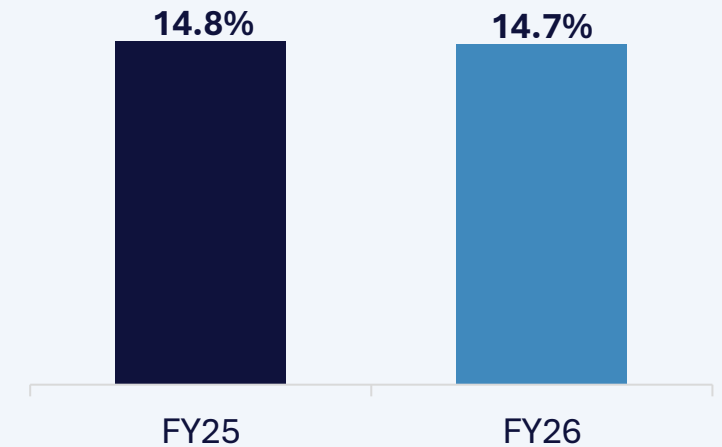
## Sales up 19%



## Earnings up 18%



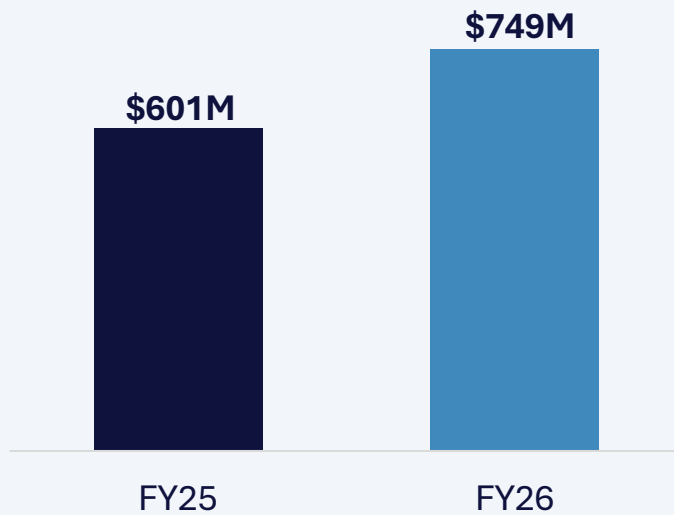
## Margin down 10 bps



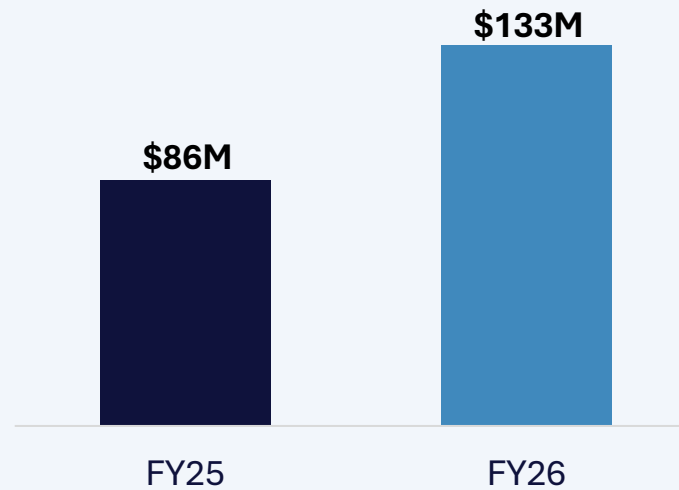
# Q2 YTD Fiscal Year 2026 Industrial Segment

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

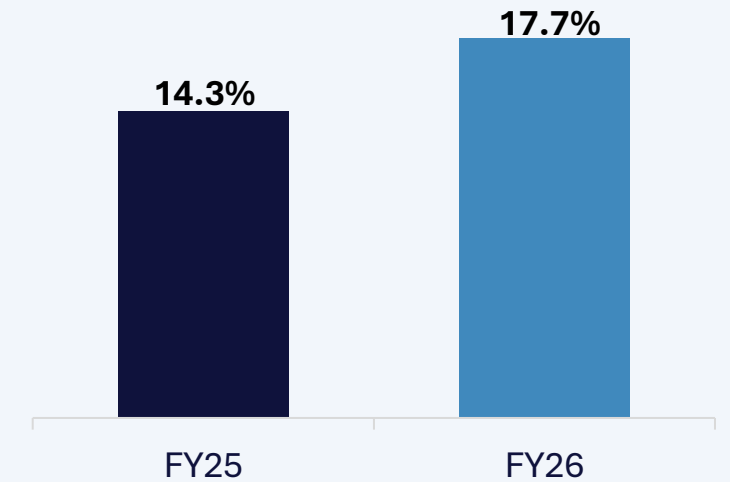
## Sales up 25%



## Earnings up 54%



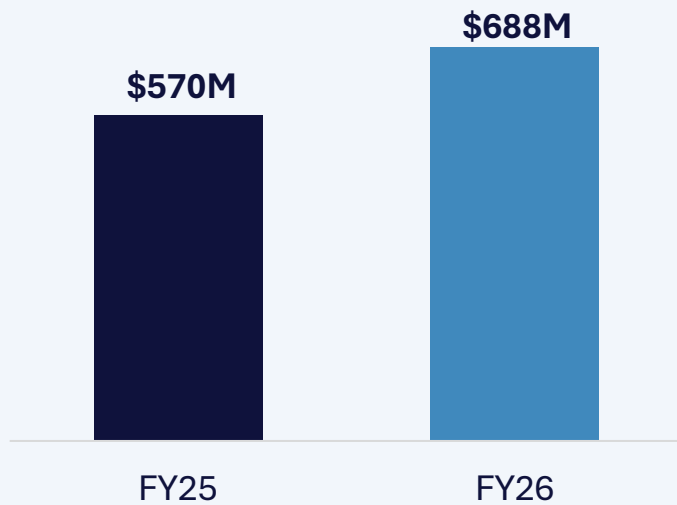
## Margin up 340 bps



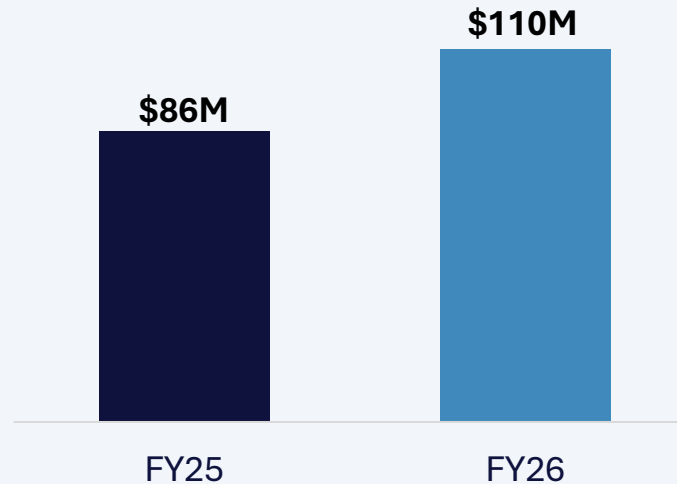
# Q2 YTD Fiscal Year 2026 Core Industrial

Earnings growth driven by higher sales volume and price realization

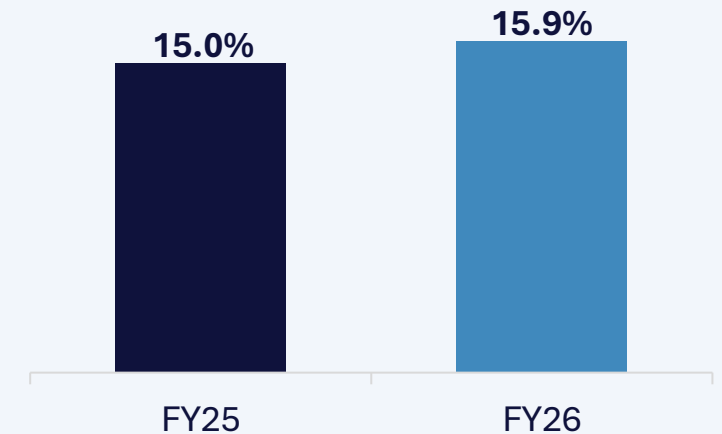
## Sales up 21%



## Earnings up 28%



## Margin up 90 bps



# Industrial



**7% Growth**

Woodward Power Gen Sales  
Q2 FY25 to Q2 FY26

## Power Generation

### Market Update

- Robust global demand for power generation
- Increased investment in gas-powered generation for both base load and renewables firming
- Strong datacenter demand growth for both primary and backup power



**34% Growth**

Woodward Transportation Sales  
Q2 FY25 to Q2 FY26

## Transportation

### Market Update

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



**18% Growth**

Woodward Oil & Gas Sales  
Q2 FY25 to Q2 FY26

## Oil & Gas

### Market Update

- Prior to the recent Middle East conflict, oil production declined on lower commodity prices
- Increased investment in LNG and natural gas infrastructure
- Cautious outlook related to continued investment in refining and petrochemical activities

# Woodward Select Financial Results

In millions, except bps and percentages

	Quarter-to-Date			Year-to-Date		
	Q2 FY25	Q2 FY26	Change	Q2 FY25	Q2 FY26	Change
Gross Margin: % of Sales	27.2%	29.0%	180 bps	25.9%	29.1%	320 bps
SG&A Expenses: % of Sales	9.5%	9.4%	(10) bps	9.3%	9.5%	20 bps
R&D Expenses: % of Sales	4.2%	4.2%	0 bps	4.1%	4.0%	(10) bps
Effective Tax Rate	18.1%	20.0%	190 bps	16.5%	20.5%	400 bps
Adjusted Effective Tax Rate <sup>1</sup>	17.7%	20.2%	250 bps	16.1%	20.5%	440 bps
EBITDA <sup>1</sup>	\$171	\$209	\$38	\$312	\$416	\$104
Adjusted EBITDA <sup>1</sup>	\$164	\$216	\$52	\$299	\$423	\$124
Cash From Operations	\$78	\$91	\$13	\$112	\$205	\$93
Capital Expenditures	\$18	\$53	\$35	\$52	\$97	\$45
Free Cash Flow	\$59	\$38	(\$21)	\$60	\$109	\$49

# Fiscal Year 2026 Guidance



# Raising sales & earnings guidance based on strong Q2 performance and confidence in the second half outlook

In millions, except EPS and percentages

		Prior FY26 Guidance Issued on February 2, 2026	Revised FY26 Guidance Issued on April 29, 2026
<b>Woodward</b>	Sales Growth	Up 14% to 18%	Up 20% to 23%
	Adjusted EPS <sup>3</sup>	\$8.20-\$8.60	\$9.15-\$9.45
	Free Cash Flow <sup>3</sup>	\$300-\$350	No Change
	Capital Expenditures	~\$290	No Change
	Shares	~61	~61.5
	Adjusted Effective Tax Rate <sup>3</sup>	~22%	No Change
<b>Aerospace</b>	Sales Growth	Up 15% to 20%	Up 21% to 24%
	Segment Earnings (% of Sales)	22% to 23%	23% to 23.5%
<b>Industrial</b>	Sales Growth	Up 11% to 14%	Up 18% to 20%
	Segment Earnings (% of Sales)	16% to 17%	18% to 18.5%

# Appendix

# Non-U.S. GAAP Reconciliations

<b>Woodward, Inc. and Subsidiaries</b>				
<b>Reconciliation of Net Earnings and EPS to Adjusted Earnings<sup>1</sup> and Adjusted EPS<sup>1</sup></b>				
<b>(Unaudited – In thousands, except per share amounts)</b>				
	<b>Three Months Ended March 31,</b>			
	<b>2026</b>		<b>2025</b>	
	<b>Net Earnings</b>	<b>Earnings Per Share</b>	<b>Net Earnings</b>	<b>Earnings Per Share</b>
<b>Net Earnings (U.S. GAAP)</b>	<b>\$ 134,013</b>	<b>\$ 2.19</b>	<b>\$ 108,949</b>	<b>\$ 1.78</b>
Non-U.S. GAAP Adjustments				
Restructuring charges	6,815	0.11	-	-
Product rationalization <sup>a</sup>	-	-	(11,163)	(0.18)
Business development activities <sup>b</sup>	-	-	3,793	0.06
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	(1,702)	(0.03)	1,811	0.03
<b>Total non-U.S. GAAP Adjustments</b>	<b>5,113</b>	<b>0.08</b>	<b>(5,559)</b>	<b>(0.09)</b>
<b>Adjusted Net Earnings (Non-U.S. GAAP)</b>	<b>\$ 139,126</b>	<b>\$ 2.27</b>	<b>\$ 103,390</b>	<b>\$ 1.69</b>

- 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

<b>Woodward, Inc. and Subsidiaries</b>				
<b>Reconciliation of Net Earnings and EPS to Adjusted Net Earnings<sup>1</sup> and Adjusted EPS<sup>1</sup></b>				
<b>(Unaudited – In thousands, except per share amounts)</b>				
	<b>Six Months Ended March 31,</b>			
	<b>2026</b>		<b>2025</b>	
	<b>Net Earnings</b>	<b>Earnings Per Share</b>	<b>Net Earnings</b>	<b>Earnings Per Share</b>
<b>Net Earnings (U.S. GAAP)</b>	<b>\$ 267,732</b>	<b>\$ 4.36</b>	<b>\$ 196,040</b>	<b>\$ 3.20</b>
Non-U.S. GAAP Adjustments				
Restructuring charges	6,815	0.11	-	-
Product rationalization <sup>a</sup>	-	-	(20,524)	(0.33)
Business development activities <sup>b</sup>	-	-	7,310	0.12
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	(1,702)	(0.03)	3,130	0.05
<b>Total non-U.S. GAAP Adjustments</b>	<b>5,113</b>	<b>0.08</b>	<b>(10,084)</b>	<b>(0.16)</b>
<b>Adjusted Net Earnings (Non-U.S. GAAP)</b>	<b>\$ 272,845</b>	<b>\$ 4.44</b>	<b>\$ 185,956</b>	<b>\$ 3.04</b>

- 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 EBIT<sup>1</sup> and Adjusted EBIT<sup>1</sup>

(Unaudited – In thousands)

	Three Months Ended March 31,	
	2026	2025
Net Earnings (U.S. GAAP)	\$ 134,013	\$ 108,949
Income Tax Expense	33,414	24,014
Interest Expense	12,035	11,889
Interest Income	(715)	(1,021)
<b>EBIT (Non-U.S. GAAP)</b>	<b>178,747</b>	<b>143,831</b>
<b>Total non-U.S. GAAP Adjustments</b>	<b>6,815</b>	<b>(7,370)</b>
<b>Adjusted EBIT (Non-U.S. GAAP)</b>	<b>\$ 185,562</b>	<b>\$ 136,461</b>

## Woodward, Inc. and Subsidiaries

### Reconciliation of Net Cash Provided by Operating Activities

to Free Cash Flow<sup>1</sup>

(Unaudited – In thousands)

	Three Months Ended March 31,	
	2026	2025
Net cash provided by operating activities (U.S. GAAP)	\$ 90,827	\$ 77,825
Payments for property, plant, and equipment	(52,591)	(18,416)
<b>Free cash flow (Non-U.S. GAAP)</b>	<b>\$ 38,236</b>	<b>\$ 59,409</b>

## Woodward, Inc. and Subsidiaries

### Reconciliation of Net Earnings to EBIT<sup>1</sup> and Adjusted EBIT<sup>1</sup>

(Unaudited – In thousands)

	Six Months Ended March 31,	
	2026	2025
Net Earnings (U.S. GAAP)	\$ 267,732	\$ 196,040
Income Tax Expense	68,846	38,777
Interest Expense	22,379	24,230
Interest Income	(1,416)	(2,398)
<b>EBIT (Non-U.S. GAAP)</b>	<b>357,541</b>	<b>256,649</b>
<b>Total non-U.S. GAAP Adjustments</b>	<b>6,815</b>	<b>(13,214)</b>
<b>Adjusted EBIT (Non-U.S. GAAP)</b>	<b>\$ 364,356</b>	<b>\$ 243,435</b>

## Woodward, Inc. and Subsidiaries

### Reconciliation of Net Cash Provided by Operating Activities

to Free Cash Flow<sup>1</sup>

(Unaudited – In thousands)

	Six Months Ended March 31,	
	2026	2025
Net cash provided by operating activities (U.S. GAAP)	\$ 205,264	\$ 112,341
Payments for property, plant, and equipment	(96,720)	(51,990)
<b>Free cash flow (Non-U.S. GAAP)</b>	<b>\$ 108,544</b>	<b>\$ 60,351</b>

# Non-U.S. GAAP Reconciliations

**Woodward, Inc. and Subsidiaries**
**Reconciliation of Net Earnings to EBITDA<sup>1</sup> and Adjusted EBITDA<sup>1</sup>**
**(Unaudited – In thousands)**

	Three Months Ended March 31,	
	2026	2025
Net Earnings (U.S. GAAP)	\$ 134,013	\$ 108,949
Income Tax Expense	33,414	24,014
Interest Expense	12,035	11,889
Interest Income	(715)	(1,021)
Amortization of intangible assets	7,424	6,772
Depreciation Expense	22,482	20,794
<b>EBITDA (Non-U.S. GAAP)</b>	<b>208,653</b>	<b>171,397</b>
<b>Total non-U.S. GAAP Adjustments</b>	<b>6,815</b>	<b>(7,370)</b>
<b>Adjusted EBITDA (Non-U.S. GAAP)</b>	<b>\$ 215,468</b>	<b>\$ 164,027</b>

**Woodward, Inc. and Subsidiaries**
**Reconciliation of Net Earnings to EBITDA<sup>1</sup> and Adjusted EBITDA<sup>1</sup>**
**(Unaudited – In thousands)**

	Six Months Ended March 31,	
	2026	2025
Net Earnings (U.S. GAAP)	\$ 267,732	\$ 196,040
Income Tax Expense	68,846	38,777
Interest Expense	22,379	24,230
Interest Income	(1,416)	(2,398)
Amortization of Intangible Assets	14,766	13,686
Depreciation Expense	44,178	41,756
<b>EBITDA (Non-U.S. GAAP)</b>	<b>416,485</b>	<b>312,091</b>
<b>Total non-U.S. GAAP Adjustments</b>	<b>6,815</b>	<b>(13,214)</b>
<b>Adjusted EBITDA (Non-U.S. GAAP)</b>	<b>\$ 423,300</b>	<b>\$ 298,877</b>

# Non-U.S. GAAP Reconciliations

## Woodward, Inc. and Subsidiaries Reconciliation of Income Tax Expense to Adjusted Income Tax Expense<sup>1</sup> (Unaudited – In thousands)

	Three Months Ended March 31,	
	2026	2025
Income tax expense (U.S. GAAP)	\$ 33,414	\$ 24,014
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	1,702	(1,811)
<b>Adjusted Income Tax Expense (Non-U.S. GAAP)</b>	<b>\$ 35,116</b>	<b>\$ 22,203</b>
<b>Adjusted Income Tax Rate (Non-U.S. GAAP)</b>	<b>20.2%</b>	<b>17.7%</b>

## Woodward, Inc. and Subsidiaries Reconciliation of Non-Segment Expenses to Adjusted Non-Segment Expenses<sup>1</sup> (Unaudited – In thousands)

	Three Months Ended March 31,	
	2026	2025
Non-Segment Expenses (U.S. GAAP)	\$ (45,049)	\$ (26,752)
Restructuring charges	6,815	-
Product rationalization	-	(11,163)
Business development activities	-	3,793
<b>Adjusted Non-Segment Expenses (Non-U.S. GAAP)</b>	<b>\$ (38,234)</b>	<b>\$ (34,122)</b>

## Woodward, Inc. and Subsidiaries Reconciliation of Income Tax Expense to Adjusted Income Tax Expense<sup>1</sup> (Unaudited – In thousands)

	Six Months Ended March 31,	
	2026	2025
Income tax expense (U.S. GAAP)	\$ 68,846	\$ 38,777
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	1,702	(3,130)
<b>Adjusted Income Tax Expense (Non-U.S. GAAP)</b>	<b>\$ 70,548</b>	<b>\$ 35,647</b>
<b>Adjusted Income Tax Rate (Non-U.S. GAAP)</b>	<b>20.5%</b>	<b>16.1%</b>

## Woodward, Inc. and Subsidiaries Reconciliation of Non-Segment Expenses to Adjusted Non-Segment Expenses<sup>1</sup> (Unaudited – In thousands)

	Six Months Ended March 31,	
	2026	2025
Non-Segment Expenses (U.S. GAAP)	\$ (81,644)	\$ (48,856)
Restructuring charges	6,815	-
Product rationalization	-	(20,524)
Business development activities	-	7,310
<b>Adjusted Non-Segment Expenses (Non-U.S. GAAP)</b>	<b>\$ (74,829)</b>	<b>\$ (62,070)</b>

# Non-U.S. GAAP Reconciliations

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

	Three Months Ended March 31,	
	2026	2025
China on highway natural gas truck sales	\$ 28,572	\$ 20,916
Core Industrial sales	358,675	300,984
<b>Industrial segment net sales (U.S. GAAP)</b>	<b>\$ 387,247</b>	<b>\$ 321,900</b>

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

	Three Months Ended March 31,	
	2026	2025
China on highway natural gas truck earnings	\$ 13,059	\$ 1,475
Core Industrial sales	52,662	44,492
<b>Industrial segment earnings (U.S. GAAP)</b>	<b>\$ 65,721</b>	<b>\$ 45,967</b>

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

	Six Months Ended March 31,	
	2026	2025
China on highway natural gas truck sales	\$ 60,406	\$ 30,549
Core Industrial sales	688,398	570,194
<b>Industrial segment net sales (U.S. GAAP)</b>	<b>\$ 748,804</b>	<b>\$ 600,743</b>

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

	Six Months Ended March 31,	
	2026	2025
China on highway natural gas truck earnings	\$ 23,050	\$ 534
Core Industrial sales	109,665	85,630
<b>Industrial segment earnings (U.S. GAAP)</b>	<b>\$ 132,715</b>	<b>\$ 86,164</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 income tax expense, adjusted effective income tax rate, EBIT, adjusted EBIT, EBITDA, 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, 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.

<sup>2</sup>Website, 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.

<sup>3</sup>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.



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