INVESTOR AND ANALYST DAY
December 6, 2019
Welcome

Thank you for attending!

Housekeeping items

- Safety first
- Restrooms
- Lunch

Respect for the individual

Please silence your cell phone during the session

Comment Cards

Please leave at the registration desk
Information in this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, including, but not limited to, statements regarding our position within our markets and ability to compete effectively, expectations related to the performance of our segments and specific markets within those segments, and our future sales, earnings, earnings per share, liquidity, tax rate, and relative profitability. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict. 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, a decline in our customers’ business, or our business with, or financial distress of, Woodward’s significant customers; global economic uncertainty and instability in the financial markets; Woodward’s ability to manage product liability claims, product recalls or other liabilities associated with the products and services that Woodward provides; Woodward’s ability to obtain financing, on acceptable terms or at all, to implement its business plans, complete acquisitions, or otherwise take advantage of business opportunities or respond to business pressures; Woodward’s long sales cycle, customer evaluation process, and implementation period of some of its products and services; Woodward’s ability to implement and realize the intended effects of any restructuring and alignment efforts; Woodward’s ability to successfully manage competitive factors, including prices, promotional incentives, competitor product development, industry consolidation, and commodity and other input cost increases; Woodward’s ability to manage expenses and product mix while responding to sales increases or decreases; the ability of Woodward’s subcontractors to perform contractual obligations and its suppliers to provide Woodward with materials of sufficient quality or quantity required to meet Woodward’s production needs at favorable prices or at all; Woodward’s ability to monitor its technological expertise and the success of, and/or costs associated with, its product development activities; consolidation in the aerospace market and our participation in a strategic joint venture with General Electric Company may make it more difficult to secure long-term sales in certain aerospace markets; Woodward’s debt obligations, debt service requirements, and ability to operate its business, pursue its business strategies and incur additional debt in light of covenants contained in its outstanding debt agreements; Woodward’s ability to manage additional tax expense and exposures; risks related to Woodward’s U.S. Government contracting activities, including liabilities resulting from legal and regulatory proceedings, inquiries, or investigations related to such activities; the potential of a significant reduction in defense sales due to decreases in the amount of U.S. Federal defense spending or other specific budget cuts impacting defense programs in which Woodward participates; changes in government spending patterns, priorities, subsidy programs and/or regulatory requirements; future impairment charges resulting from changes in the estimates of fair value of reporting units or of long-lived assets; future results of Woodward’s subsidiaries; environmental liabilities related to manufacturing activities and/or real estate acquisitions; Woodward’s continued access to a stable workforce and favorable labor relations with its employees; physical and other risks related to Woodward’s operations and suppliers, including natural disasters, which could disrupt production; Woodward’s ability to successfully manage regulatory, tax, and legal matters; changes in accounting standards that could adversely impact our profitability or financial position; risks related to Woodward’s common stock, including changes in prices and trading volumes; impacts of tariff regulations; risks from operating internationally, including the impact on reported earnings from fluctuations in foreign currency exchange rates, and compliance with and changes in the legal and regulatory environments of the United States and the countries in which Woodward operates; fair value of defined benefit plan assets and assumptions used in determining Woodward’s retirement pension and other postretirement benefit obligations and related expenses; industry risks, including increases in natural gas prices, unforeseen events that may reduce commercial aviation and increasing emissions standards; any adverse effects on Woodward’s operations due to information systems interruptions or intrusions; risks associated with integrating the L’Orange business, including diversion of management time and attention, inability to meet our expectations, unexpected liabilities, loss of employees and difficulties integrating and retaining customers, suppliers and partners; certain provisions of Woodward’s charter documents and Delaware law that could discourage or prevent others from acquiring the company; and other risk factors described in Woodward’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended September 30, 2019, and other risks described in Woodward’s filings with the Securities and Exchange Commission.
Our Agenda

Welcome
Woodward Overview
Aerospace
Industrial
Financials
Summary
2019 Financial Highlights
What we said and what we did

<table>
<thead>
<tr>
<th>SALES</th>
<th>ADJUSTED EPS&lt;sup&gt;1&lt;/sup&gt;</th>
<th>FREE CASH FLOW&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between $2.65B and $2.80B</td>
<td>Between $4.40 and $4.70 per diluted share (65 million shares)</td>
<td>Approximately $300M</td>
</tr>
</tbody>
</table>

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</tr>
</thead>
<tbody>
<tr>
<td>$2.9B</td>
<td>$4.88 Up 27% from $3.85</td>
<td>$292M Up 70% from $172 million</td>
</tr>
</tbody>
</table>
Woodward Overview

Tom Gendron
Celebrating 150 Years
Making Our Mark

Building One Team
Crafting Innovative Solutions
Expanding Our Reach
Creating Better Tomorrows
We design and manufacture **control system solutions** and components for the **aerospace and industrial markets**.

**Innovative flow, combustion, electrical, and motion control systems** help our customers offer cleaner, more reliable, and more efficient equipment.

Our customers are **leading original equipment manufacturers** and end users of their products.

We have **>9,200 members** worldwide.

We have operations and offices in **14 countries**.

We’re making our mark on the aerospace and industrial markets.

**Always innovating for a better future.**
Commitment to Sustainability
Focuses on environmental stewardship and social responsibility

Improving efficiency

Reducing emissions

Community service

This commitment to improving the global environment is reflected in our brand promise,
“Always innovating for a better future”.
2019 Highlights

- Added key leadership talent
- Enhanced True North capability
- New program wins in both Aerospace and Industrial
- Return to organic growth in Industrial
- Woodward L’Orange integration successfully completed
- Transition from capital investment phase to significant cash generation cycle
- Balance sheet leverage back to 2x debt-to-EBITDA level
- Returned $149 million to shareholders ($110M share repurchases and $39M dividends)
The Woodward Value Proposition

Aerospace Growth
Strong commercial and defense OEM platforms
Growing aftermarket entitlement

Attractive Industrial Markets
Gaining share in markets driven by fuel efficiency and emissions
Increasing content on existing and new platforms

High Impact R&D Investment
World class technology – leveraged across company
Consistently investing 5-6% of sales

Accelerating True North
Targeting world class operating performance
Expanding net operating margins

Strong free cash flow generation
~$2+ billion expected over 5 years for opportunistic M&A, dividend growth, and share repurchases

Driving value to shareholders through capital allocation
Double digit dividend growth
Share repurchases
Leverage, excluding M&A, at or below 2.0x debt/EBITDA
Pursuit of robust M&A to accelerate growth
Compelling Strategy
Leader in niche markets | Partner with industry leaders
Indispensable to our customers | Disciplined capital deployment
Attractive Markets
Positive Growth Drivers

Global Infrastructure
- Transportation of goods and people
- Power generation and control
- Energy extraction and distribution

Emissions reductions
- Tightening global regulations
- Shift to cleaner fuels

High Performance
- Energy/fuel efficiency
- Harsh conditions
- Consistent, safe operations
Competitive Advantages

**World-class technology** leveraged across the company

High barriers to entry: certifications (FAA, emissions), significant investment, pedigree/field experience

**Complex solutions** drive customer value; highly integrated

Operational excellence

Sole source positions
Operational Excellence

True North Journey – Perfect Safety, Quality and Delivery

Value stream mapping/analysis
Resource planning and scheduling
Productivity improvements
Lead time reductions
Layout and flow improvements

Employee satisfaction
Better quality and delivery
Customer satisfaction
Increasing margins
Improved working capital leverage
Strong cash flow generation
Significant shareholder value

Driving customer satisfaction and significant long-term free cash flow and shareholder value
Accelerating True North Operational Excellence

Successes in 2019

Significantly upgraded operational talent
- Tom Cromwell, Vice Chairman and COO
- Global Sourcing VP and Quality VP
- Operations VPs for most of our product lines

Improved output and flow of several plants

Reduced throughput time of aircraft turbine systems repair and overhaul
Superior Cash Generation

100%+ Free Cash Flow Conversion

On track to reach goal of ~$2 billion from 2019-2023
Disciplined Capital Deployment

Cash Invested

2015 – 2019

- $771 million in M&A
- $781 million in capex
- $465 million in share repurchases
- $155 million in dividends

Annual cadence

- 50% of net earnings to shareholders
- Dividends and share repurchases

Remainder to M&A or additional share repurchases

Capex Share repurchases Dividends M&A

1,000
500
400
300
200
100

2015 2016 2017 2018 2019
10 year total shareholder returns

- WWD
- Proxy Peer Group
- S&P 400 Mid

Investment Phase
Narrowbody Ramp
Return Cycle Begins
## FY2020 Priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerate implementation of industry leading operational excellence</td>
<td></td>
</tr>
<tr>
<td>Grow aerospace sales by ~6% and industrial sales by 0-3%</td>
<td></td>
</tr>
<tr>
<td>Achieve aerospace margins of ~21% and industrial margins of ~14%</td>
<td></td>
</tr>
<tr>
<td>Grow EPS by 2x revenue growth rate or greater</td>
<td></td>
</tr>
<tr>
<td>Generate ~$400 million of free cash flow, as profitability grows and capex moderates</td>
<td></td>
</tr>
<tr>
<td>Return 50%+ of net earnings to shareholders in form of dividends and share repurchases</td>
<td></td>
</tr>
</tbody>
</table>
Aerospace Sales

$1.9 Billion FY2019 Sales

- OEM: 63%
- After-market: 37%
- Civil: 61%
- Defense: 39%
Aerospace Sales
$1.9 Billion FY2019 Sales
Market Outlook
Commercial Aerospace Market

- Robust backlogs and deliveries
- Narrowbody production ramp continues
- Strong passenger traffic
- High aircraft utilization rates
Market Outlook
Defense Market

- US Defense: update (maintenance) and modernize (technology)
- Global budgets growing in response to geopolitical threats
- DoD budget growing; outlays lag budget
- Growing international demand
Significant Capture Rate Over the Last Decade

Woodward’s successful execution of innovation, customer, & acquisition strategies have resulted in significant content wins on major programs over the last 10 years.
Content Gains Driving Above Market Growth Rate 2019-2024

Woodward Unit Growth
- 4.6%

Woodward Unit Growth 4.8%

Military Fixed Wing Unit Deliveries Growth
- 3.9%

Airbus/Boeing Unit Deliveries Growth
- 2.7%

1 All models, 2019-2024 growth rate
2 Woodward Platforms
Boeing 737 MAX
Update and Impacts

2019 impact on Woodward

- Minimal to Woodward from an OEM perspective in 2019
- Significant on initial provisioning sales (not lost: delayed until return to service)

2020 assumptions

- Estimating return to service in the second quarter of our fiscal year
- Production rates ramping in line with the Boeing build rates communicated at the end of September
- Initial provisioning ramping in second half of the fiscal year
  - Anticipate a year-over-year headwind to commercial aftermarket in the first half of fiscal 2020
  - And, year-over-year tailwind in the second half
Business and General Aviation

Market stabilized
Slow growth expected as utilization cools (2019 – 2024 CAGR* ~1.3%)
Woodward growth due to new aircraft model introductions as well as share growth versus prior generations (2019 – 2024 CAGR ~8.5%)

*Compound annual growth rate
What We Do

Aerospace

Fuel Systems
Engine Actuation
Thrust Reverser Actuation
Fuel Injection & Ignition
Oil & Air Management

Integrated Propulsion Systems
What We Do

Aerospace

Side Sticks
Throttles
Pedals
Flap Levers

Flight Deck Controls
What We Do

Aerospace

Electromechanical Actuation
Hydraulic Actuation
Precision Motors
Servo Controls
Sensors

Aircraft Actuation and Control
Installed Base Growth
Driving robust, long-term aftermarket

Commercial fleet growing
- ~50% increase from 2010 to 2020
- ~60% of A320 fleet has not had first engine overhaul

Significant initial provisioning sales

Number of Woodward components in service increasing 4X from 2013 to 2024
Executing the Strategy
Continuing to Win

In Defense, propulsion and motion controls for recent awards in rotorcraft and trainers

In Commercial Aviation, new customers and customer relationships paving the way to new and displacement products

Continuing product line platform extension for Business Aviation
FY2020 Aerospace Financial Outlook

- Up ~6% in 2020
- Commercial and defense growth
- 737 MAX headwind
- Commercial A/M up mid-single digits

Aerospace Sales

- 2016: $1,233 million
- 2017: $1,342 million
- 2018: $1,558 million
- 2019: $1,881 million
- 2020E: $1,881 million

Aerospace Margins

- 2016: 18.8%
- 2017: 19.2%
- 2018: 19.8%
- 2019: 20.7%
- 2020E: ~21%

- ~21% in 2020
- Improved leverage on OEM
- Aftermarket and defense growth
Q&A
Industrial Segment Overview
Industrial Margin Improvement

- FY19: 11.2%*
- FY20: ~14%
- FY21: 16%+

*Adjusted
Driving Productivity

**True North operational improvements**

- Safety, Quality, OTD
- Sourcing
  - Low cost countries
  - Supplier quality and cost
  - On-time delivery
- Cost structure optimization
Macro Trends

Global population and wealth
Increased demand for power
Increased global trade

Energy Independence
Fuel flexibility and reliability

Emissions reduction
Lower greenhouse gases
Higher efficiency
Macro Trends

Energy outlook: Golden Age of Gas is Here

Projected sources of power through 2040

- Liquids remain number #1
- Natural gas projected to grow significantly and become #2
- Liquids and natural gas represent 54% of total energy used

Significant growth in energy demand, with gas and renewables increasing share
Emissions regulations are driving requirements in power, oil & gas, and transportation.

In every one of our markets, emissions are driving demand for our products.
Industrial Sales by End Market

$1.0 Billion FY2019 Sales

- Power Generation: 45%
- Oil & Gas: 20%
- Transportation: 35%
## Turbine Market

<table>
<thead>
<tr>
<th>TYPE</th>
<th>VOLUMES* (units)</th>
<th>APPLICATIONS</th>
<th>CUSTOMERS</th>
<th>CONTENT* ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy Frame</td>
<td>100 - 200</td>
<td>Power generation</td>
<td>GE</td>
<td>MHI Siemens</td>
</tr>
<tr>
<td>Aero Derivative</td>
<td>50 - 100</td>
<td>Power generation Process</td>
<td>O&amp;G</td>
<td>GE</td>
</tr>
<tr>
<td>Small Industrial</td>
<td>250 - 350</td>
<td>Power generation Process</td>
<td>O&amp;G Marine</td>
<td>Offshore</td>
</tr>
<tr>
<td>Wind</td>
<td>23,000 – 28,000</td>
<td>Power generation</td>
<td>Siemens Nordex Acciona Vestas</td>
<td>10,000 – 60,000</td>
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*Volumes are annual and company estimates. Content is per unit and approximate.*
## Engine Market

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<td>Medium Speed</td>
<td>4,000 - 5,000</td>
<td>Power generation</td>
<td>Wartsila</td>
<td>Himsen MAN</td>
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<td>Locomotive</td>
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<td>Cummins</td>
<td>Yuchai</td>
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<tr>
<td>High Speed Small Industrial</td>
<td>&gt;1,000,000</td>
<td>Power generation</td>
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Market Update
Power Generation

Gas turbine market starting to recover
- Demand for cleaner power
- Replacing coal plants in U.S.

Distributed power poised for growth due to lower cost and increased flexibility

Higher efficiency, lower emissions and increased complexity driving significant Woodward content increases on new engines and turbines
Market Update

Transportation - Marine

Global economic growth driving increased commerce and freight, and ship utilization driving aftermarket

LNG becoming a global commodity

International Marine Organization (IMO) driving higher emissions regulations

- IMO III
  - Marine, GHG reduction – 50% by 2050

- Drives demand for complex fuel injection and gaseous systems
Market Update
Transportation—China Natural Gas

China “Protect the Blue Sky” initiative

- Strong emissions & truck weight limiting enforcement
- Retirement of 1m+ non-compliant HD trucks by 2020
- Restrictions on diesel heavy duty trucks in city centers and harbors

Rapid transition to China VI after China V pre-buy in 2019

Favorable natural gas pricing enables ~6 month payback on natural gas truck
Market Update
Transportation—China Natural Gas

Natural gas engines increasing share of truck market

Engine complexity increasing to meet China VI regulations

~30% higher Woodward content on China VI engines
Global oil demand growing 1% per year, or 1 million barrels/day

Natural gas growing market share to ~30% by 2040

North America becoming the largest producer

Significant infrastructure investments
- Wellhead
- Midstream/pipeline
- LNG terminals
- Marine transportation
Increasing Content
Large Engine Systems for Asian OEMs

Woodward L’Orange product portfolio significantly enhances Woodward value proposition

Asian OEMs select Woodward systems for the combined expertise
Aftermarket
Large and Growing Installed Base

- Continuing to expand OEM partnerships
- Expanding presence in Middle East
- E-commerce site launched
- Launched North American repair, re-man & overhaul facility
- Continuing to expand end user product & service agreements
FY2020 Industrial Financial Outlook

- Flat to up low single digits in 2020
- Gas turbine recovering
- Strong Asia natural gas trucks
- Economic weakness, softening oil & gas

Industrial Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales in $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>790</td>
</tr>
<tr>
<td>2017</td>
<td>756</td>
</tr>
<tr>
<td>2018</td>
<td>768</td>
</tr>
<tr>
<td>2019</td>
<td>1,020</td>
</tr>
<tr>
<td>2020E</td>
<td></td>
</tr>
</tbody>
</table>

Industrial Margins

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>10.4%</td>
</tr>
<tr>
<td>2017</td>
<td>10.4%</td>
</tr>
<tr>
<td>2018 Adj</td>
<td>11.0%</td>
</tr>
<tr>
<td>2019 Adj</td>
<td>11.2%</td>
</tr>
<tr>
<td>2020E</td>
<td></td>
</tr>
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Q&A
Financials

Jack Thayer
A Partner with Industry Leaders
Total FY2019 Sales: $2.9 billion
Sales and Earnings Growing

Total Sales
**CAGR* 7.7%**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industrial Sales</th>
<th>Aerospace Sales</th>
<th>Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,161</td>
<td>$877</td>
<td>$2,048</td>
</tr>
<tr>
<td>2016</td>
<td>$1,233</td>
<td>$790</td>
<td>$2,023</td>
</tr>
<tr>
<td>2017</td>
<td>$1,342</td>
<td>$756</td>
<td>$2,108</td>
</tr>
<tr>
<td>2018</td>
<td>$1,558</td>
<td>$768</td>
<td>$2,336</td>
</tr>
<tr>
<td>2019</td>
<td>$1,881</td>
<td></td>
<td>$2,909</td>
</tr>
</tbody>
</table>

Adjusted Earnings per Share
**CAGR 14.8%**

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$2.75</td>
</tr>
<tr>
<td>2016</td>
<td>$2.85</td>
</tr>
<tr>
<td>2017</td>
<td>$3.16</td>
</tr>
<tr>
<td>2018</td>
<td>$3.85</td>
</tr>
<tr>
<td>2019</td>
<td>$4.88</td>
</tr>
</tbody>
</table>

*Compounded annual growth rate
Margin Improvement

Aerospace continues to deliver industry-leading margin performance

- Leverage on content wins and narrowbody production ramp
- Strong aftermarket and defense

Industrial focus on improving margins

- Renewable power systems improvement
- Accelerating True North initiatives
- Productivity improvement

Segment Margins

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2019</th>
<th>FY2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>20.7%</td>
<td>~21%</td>
</tr>
<tr>
<td>Industrial</td>
<td>11.2%*</td>
<td>~14%</td>
</tr>
</tbody>
</table>

*Adjusted
True North Initiatives Driving Margin Improvement

Segment Margins

Aerospace
- FY2019: 20.7%
- FY2020E: 21%
- FY2024E: 21%+

Industrial
- FY2019: 11.2%*
- FY2020E: 14%
- FY2024E: 16%+

*Adjusted
Capital Expenditures Moderating

<table>
<thead>
<tr>
<th>Year</th>
<th>Equipment and Maintenance</th>
<th>Facilities</th>
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<tbody>
<tr>
<td>2012</td>
<td>$65</td>
<td>$0</td>
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<td>2013</td>
<td>$142</td>
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<td>2018</td>
<td>$127</td>
<td>$0</td>
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<tr>
<td>2019</td>
<td>$99</td>
<td>$0</td>
</tr>
<tr>
<td>2020E</td>
<td>$80</td>
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<tr>
<td>2021E</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2022E</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2023E</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2024E</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>
Free Cash Flow Accelerating

Target conversion of 100%+

Entering strong cash generation cycle

Heavy investment cycle 2013 – 2016 due to content wins

On track to reach goal of $2 billion from 2019 - 2023

FREE CASH FLOW AS % OF NET EARNINGS

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>37%</td>
<td>1%</td>
<td>144%</td>
<td>107%</td>
<td>70%</td>
<td>93%</td>
<td>~115%</td>
</tr>
</tbody>
</table>
Conservative Balance Sheet

Debt and EBITDA\(^1\) (in millions)

Debt to EBITDA Leverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt</th>
<th>EBITDA</th>
<th>Debt to EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.8x</td>
<td>2.2x</td>
<td>2.5x</td>
</tr>
<tr>
<td>2014</td>
<td>1.7x</td>
<td>2.0x</td>
<td>1.4x</td>
</tr>
<tr>
<td>2015</td>
<td>2.3x</td>
<td>2.9x</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>2.3x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>2.3x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018 Adj</td>
<td>1.8x</td>
<td>2.2x</td>
<td>2.5x</td>
</tr>
<tr>
<td>2019 Adj</td>
<td>1.7x</td>
<td>2.0x</td>
<td>1.4x</td>
</tr>
<tr>
<td>2020E</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Disciplined Capital Management

**Creating Shareholder Value**

<table>
<thead>
<tr>
<th>LEVERAGE* (2019)</th>
<th>DIVIDENDS (Millions)</th>
<th>NET EARNINGS RETURNED</th>
<th>SHARE REPURCHASES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>55%</strong> 2015-2019</td>
<td><strong>$500M</strong> 2015-2019</td>
</tr>
<tr>
<td>2.0x</td>
<td>2019 $39</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2018 $34</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017 $30</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016 $27</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2015 $25</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\*Debt/EBITDA

Approximately $500M

PROPRIETARY
Return on Invested Capital

Strong recovery in 2019 from L’Orange acquisition

ROIC projected to continue improving

- Earnings growth
- Capex moderates
- Debt pay-down

Targeting ~15%
Long-Term Financial Targets

Organic\(^1\) sales growth
~6%

Earnings per share growth
~2x sales growth

Free cash flow
100% conversion
## FY2020 Outlook

<table>
<thead>
<tr>
<th>WWD REVENUE</th>
<th>EARNINGS PER SHARE</th>
<th>FREE CASH FLOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between $3.0B and $3.1B</td>
<td>Between $5.30 and $5.60 per diluted share (~64 million shares)</td>
<td>Approximately $400M</td>
</tr>
</tbody>
</table>

### Aerospace
- Revenue up ~6%
- Margin ~21%

### Industrial
- Revenue flat to up low single digits
- Margin ~14%
Closing

Tom Gendron
The Woodward Value Proposition

**Aerospace Growth**
- Strong commercial and defense OEM platforms
- Growing aftermarket entitlement

**Attractive Industrial Markets**
- Gaining share in markets driven by fuel efficiency and emissions
- Increasing content on existing and new platforms

**High Impact R&D Investment**
- World class technology – leveraged across company
- Consistently investing 5-6% of sales

**Accelerating True North**
- Targeting world class operating performance
- Expanding net operating margins

**Strong free cash flow generation**
- ~$2+ billion expected over 5 years for opportunistic M&A, dividend growth, and share repurchases

**Driving value to shareholders through capital allocation**
- Double digit dividend growth
- Share repurchases
- Leverage, excluding M&A, at or below 2.0x debt/EBITDA
- Pursuit of robust M&A to accelerate growth
Q&A
PURSUING EXCELLENCE
Appendix
Key Content - Narrowbody

- **737NG** ~$125,000
- **A320** ~$80,000
- **CRJ** ~$110,000
- **EJet** ~$165,000\(^1\)
- **737 MAX** ~$275,000
- **A320neo** ~$230,000\(^2\)
- **A220** ~$240,000
- **EJets E2** ~$185,000

Content may vary based on options selected

\(^1\) Representative of delivery profile – 70-seat and 90-seat

\(^2\) Content does not include thrust reverser actuation system for new nacelle version
Key Content - Widebody

Content may vary based on options selected

1 GP7200 engine option
2 GEnx engine option
3 Estimated content
Key Content - Defense

- **F-16** ~$125,000
- **F/A-18** ~$335,000
- **V-22** ~$645,000
- **Black Hawk** ~$55,000
- **Apache** ~$145,000
- **F-35** ~$300,000
- **KC-46 Tanker** ~$545,000

Content may vary based on options selected
Key Content – Business Jets

- Global Express ~$230,000
- Global 7500 ~$365,000
- G550 ~$185,000
- G500/G600 ~$180,000
- G650 ~$210,000
- HondaJet ~$90,000
- G700 ~$119,000

Content may vary based on options selected
Non-U.S. GAAP Reconciliations

<table>
<thead>
<tr>
<th></th>
<th>YTD FY 19 (mils)</th>
<th>YTD FY 18 (mils)</th>
<th>YTD FY 17 (mils)</th>
<th>YTD FY 16 (mils)</th>
<th>YTD FY 15 (mils)</th>
<th>YTD FY 14 (mils)</th>
<th>YTD FY 13 (mils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Earnings</td>
<td>$259.6</td>
<td>$180.4</td>
<td>$200.5</td>
<td>$180.8</td>
<td>$181.5</td>
<td>$163.8</td>
<td>$145.9</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>61.0</td>
<td>39.2</td>
<td>52.2</td>
<td>45.6</td>
<td>59.3</td>
<td>61.4</td>
<td>53.6</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>44.0</td>
<td>40.5</td>
<td>35.6</td>
<td>26.8</td>
<td>24.9</td>
<td>22.8</td>
<td>26.7</td>
</tr>
<tr>
<td>Interest Income</td>
<td>(1.4)</td>
<td>(1.7)</td>
<td>(1.7)</td>
<td>(2.0)</td>
<td>(0.8)</td>
<td>(0.3)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>EBIT</td>
<td>363.2</td>
<td>258.4</td>
<td>286.7</td>
<td>251.2</td>
<td>265.0</td>
<td>249.8</td>
<td>226.0</td>
</tr>
<tr>
<td>Amortization of Intangibles</td>
<td>56.0</td>
<td>44.7</td>
<td>25.8</td>
<td>27.5</td>
<td>29.2</td>
<td>33.6</td>
<td>37.0</td>
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<tr>
<td>Depreciation Expense</td>
<td>86.0</td>
<td>71.4</td>
<td>55.1</td>
<td>41.6</td>
<td>46.0</td>
<td>43.8</td>
<td>37.3</td>
</tr>
<tr>
<td>EBITDA as reported</td>
<td>$505.2</td>
<td>$374.5</td>
<td>$367.6</td>
<td>$320.3</td>
<td>$340.3</td>
<td>$327.1</td>
<td>$300.2</td>
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<tr>
<td>Restructuring and other charges</td>
<td>39.7</td>
<td>57.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>EBITDA as adjusted</td>
<td>$544.9</td>
<td>$432.4</td>
<td>$367.6</td>
<td>$320.3</td>
<td>$340.3</td>
<td>$327.1</td>
<td>$300.2</td>
</tr>
</tbody>
</table>

Net Earnings Per Share

<table>
<thead>
<tr>
<th></th>
<th>YTD FY 19</th>
<th>YTD FY 18</th>
<th>YTD FY 17</th>
<th>YTD FY 16</th>
<th>YTD FY 15</th>
<th>YTD FY 14</th>
<th>YTD FY 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Earnings Per Share</td>
<td>$4.02</td>
<td>$2.82</td>
<td>$3.16</td>
<td>$2.85</td>
<td>$2.75</td>
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<td></td>
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<tr>
<td>Non-U.S. GAAP Adjustments</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring charges, net of tax</td>
<td>-</td>
<td>0.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other charges, net of tax*</td>
<td>0.69</td>
<td>0.66</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-U.S. GAAP adjustments</td>
<td>0.69</td>
<td>0.86</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transition impact of recent changes to U.S. tax law</td>
<td>0.17</td>
<td>0.17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Total non-U.S. GAAP adjustments</td>
<td>0.86</td>
<td>1.03</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted net earnings per share</td>
<td>$4.88</td>
<td>$3.85</td>
<td>$3.16</td>
<td>$2.85</td>
<td>$2.75</td>
<td></td>
<td></td>
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</tbody>
</table>

* Includes, as applicable, (i) restructuring charges, (ii) Duarte move related costs, (iii) purchase accounting impact related to the amortization of the Woodward L’Orange backlog intangible, (iv) L’Orange Acquisition transaction and integration costs (v) cost associated with the Forward Option, (vi) warranty and indemnity insurance costs associated with the acquisition of L’Orange, (vii) German real estate transfer tax costs associated with the acquisition of L’Orange, and (viii) the write-off of Senvion related assets.

Industrial Segment Sales

<table>
<thead>
<tr>
<th></th>
<th>YTD FY 19 (mils)</th>
<th>YTD FY 18 (mils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Segment Sales</td>
<td>$1,019.7</td>
<td>$767.9</td>
</tr>
<tr>
<td>Industrial Segment Earnings</td>
<td>93.5</td>
<td>49.9</td>
</tr>
<tr>
<td>Purchase accounting impacts</td>
<td>21.1</td>
<td>34.4</td>
</tr>
<tr>
<td>Adjusted Industrial Segment Earnings</td>
<td>$114.6</td>
<td>$84.3</td>
</tr>
<tr>
<td>Adjusted Industrial Segment Margin</td>
<td>11.2%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>
Non-U.S. GAAP Measures

1Non-US GAAP Measures: EBIT (earnings before interest and taxes), EBITDA (earnings before interest, taxes, depreciation and amortization) and free cash flow (cash from operations less capital expenditures) are non-US GAAP financial measures. Adjusted and Non-U.S. GAAP Financial Measures: Adjusted net earnings, adjusted earnings per share, adjusted EBIT and EBITDA, adjusted effective tax rate, adjusted Industrial segment margins, and adjusted nonsegment expenses exclude, as applicable, (i) restructuring charges, (ii) move costs associated with the relocation of our Duarte, California operations to the Company’s newly renovated Drake Campus in Fort Collins, Colorado (“Duarte move related costs”), (iii) L’Orange M&A transaction and integration costs, (iv) the purchase accounting impacts related to the revaluation of the L’Orange inventory recognized in cost of goods sold and the amortization of the backlog intangible, (v) cost associated with the L’Orange acquisition-related forward option, (vi) warranty and indemnity insurance costs associated with the acquisition of L’Orange, (vii) German real estate transfer tax costs associated with the acquisition of L’Orange, (viii) the transition impacts of the change in U.S. federal tax legislation, and (ix) the asset impairment charge related to the Senvion bankruptcy. Organic financial measures excludes all impacts related to acquisitions. EBIT (earnings before interest and taxes), EBITDA (earnings before interest, taxes, depreciation and amortization), 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). The use of these measures is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America. Securities analysts, investors, and others frequently use EBIT, EBITDA and free cash flow in their evaluation of companies.