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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-K

### CURRENT REPORT

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Pursuant to Section 13 or 15(D) of the Securities Exchange Act of 1934

Date of Report: (Date of earliest event reported): October 26, 2016

### **CURTISS-WRIGHT CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

Delaware	1-134	13-0612970
State or Other Jurisdiction of Incorporation or Organization	Commission File Number	IRS Employer Identification No.

13925 Ballantyne Corporate Place, Suite 400

Charlotte, North Carolina

Address of Principal Executive Offices

28277

Zip Code

Registrant's telephone number, including area code: (704) 869-4600

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(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## SECTION 2 – FINANCIAL INFORMATION

### ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION .

On Wednesday, October 26, 2016, the Company issued a press release announcing financial results for the third quarter ended September 30, 2016. A conference call and webcast presentation will be held on October 27, 2016 at 9:00 am EDT for management to discuss the Company's third quarter 2016 performance. David C. Adams, Chairman and CEO, and Glenn E. Tynan, Vice President and CFO, will host the call. A copy of the press release and the webcast slide presentation are attached hereto as Exhibits 99.1 and 99.2.

The financial press release, access to the webcast and the accompanying financial presentation will be posted on Curtiss-Wright's website at [www.curtisswright.com](http://www.curtisswright.com). In addition, the Listen-Only dial-in number for domestic callers is (844) 220-4970, while international callers can dial (262) 558-6349. For those unable to participate live, a webcast replay will be available for 90 days on the Company's website beginning one hour after the call takes place. A conference call replay will also be available for seven days.

Conference Call Replay:  
Domestic (855) 859-2056  
International (404) 537-3406  
Passcode 88350075

The information contained in this Current Report, including Exhibits 99.1 and 99.2, are being furnished and shall not be deemed to be "*filed*" for the purposes of Section 18 of the Securities and Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this report shall not be incorporated by reference into any filing of the registrant with the SEC, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

### ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits.

99.1 Press Release dated October 26, 2016

99.2 Presentation shown during investor and securities analyst webcast on October 27, 2016

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CURTISS-WRIGHT CORPORATION

By: /s/ Glenn E. Tynan  
Glenn E. Tynan  
Vice-President and  
Chief Financial Officer

Date: October 26, 2016

EXHIBIT INDEX

Exhibit  
Number

Description

99.1	Press Release dated October 26, 2016
99.2	Presentation shown during investor and securities analyst webcast on October 27, 2016

## **Curtiss-Wright Reports Third Quarter 2016 Financial Results; Maintains Full-Year EPS And Increases Operating Margin Guidance**

CHARLOTTE, N.C.--(BUSINESS WIRE)--October 26, 2016--Curtiss-Wright Corporation (NYSE: CW) reported financial results for the third quarter and nine months ended September 30, 2016.

### **Third Quarter 2016 Highlights**

- Earnings per diluted share of \$1.02, exceeding expectations;
- Free cash flow of \$100 million, resulting in free cash flow conversion of 218%, as defined herein;
- Net sales of \$507 million;
- Operating income of \$77 million;
- Operating margin of 15.1%, up 300 basis points as compared with the prior period;
- Backlog of \$2.0 billion increased 6% from December 31, 2015; and
- Share repurchase of approximately \$25 million.

### **Full-Year 2016 Business Outlook**

- Increasing operating margin guidance by 10 basis points to new range of 14.3% to 14.5%, an increase of 100 to 120 basis points compared with pro forma 2015, despite a slight reduction to sales forecast;
- Maintaining expectations for diluted earnings per share (EPS) of \$4.00 to \$4.15; and
- Maintaining free cash flow guidance range of \$300 million to \$320 million.

“Our third quarter results were ahead of our expectations, led by strong margin improvement within the Defense and Power segments,” said David C. Adams, Chairman and CEO of Curtiss-Wright Corporation. “This performance was primarily driven by increased profitability on our embedded computing products serving the defense markets, as well as higher margins on the AP1000 program, as we continue to support new nuclear power plant construction in the U.S. and China. Further, Curtiss-Wright’s commitment to ongoing margin improvement initiatives is driving increased profitability and generating significant value for our shareholders, as we continue to mitigate challenging conditions in the nuclear aftermarket and general industrial end markets.”

“Looking at the remainder of 2016, we are raising our full-year operating margin guidance to 14.3% to 14.5%, a 100 to 120 basis point improvement compared with pro forma 2015 results. As a result, we expect to be in the top quartile of our peer group. In addition, we are maintaining our full-year free cash flow guidance range of \$300 to \$320 million, which reflects strong year-to-date free cash flow and efficient working capital management.”

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### **Third Quarter 2016 Operating Results from Continuing Operations**

<i>(In thousands)</i>	<u>3Q-2016</u>	<u>3Q-2015</u>	<u>% Change</u>
Sales	\$ 507,092	\$ 525,535	(4%)
Operating income	76,573	63,813	20%
Operating margin	15.1%	12.1%	300 bps

#### **Sales**

Sales of \$507 million in the third quarter decreased \$18 million, or 4%, compared to the prior year, primarily reflecting a \$14 million decrease in organic sales as well as \$4 million, or 1%, in unfavorable foreign currency translation. Third quarter 2016 sales primarily reflect continued lower demand in the energy sector within the Commercial/Industrial segment, as well as lower aftermarket sales in the Power segment. Those decreases were partially offset by higher AP1000 program and naval defense revenues in the Power segment.

From an end market perspective, sales to the defense markets increased 2%, while sales to the commercial markets decreased 7%, compared to the prior year.

Please refer to the accompanying tables for a breakdown of sales by end market.

#### **Operating Income**

Operating income in the third quarter was \$77 million, an increase of \$13 million, or 20%, compared to the prior year. These results reflect higher profitability on our embedded computing products in the Defense segment and on our AP1000 program in the Power segment, as well as a prior year one-time \$7 million pension settlement charge that did not recur in 2016. This was partially offset by reduced operating income in the Commercial/Industrial segment resulting from lower sales volumes.

Operating margin was 15.1%, an increase of 300 basis points over the prior year, reflecting higher segment operating income and the benefits of our ongoing margin improvement initiatives, despite lower sales.

#### **Non-segment Expense**

Non-segment expenses decreased 65% compared with the prior year, principally due to lower pension expense resulting from the aforementioned prior year pension charge.

#### **Net Earnings**

Third quarter net earnings increased 20% compared with the prior year, as higher operating income was partially offset by higher interest expense, which increased by nearly \$2 million compared to the prior year. In addition, the effective tax rate for the current quarter was 31.0%, essentially flat compared with the prior year.

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## Free Cash Flow

(In thousands)

	<u>3Q-2016</u>	<u>3Q-2015</u>
Net cash provided by operating activities	\$ 110,581	\$ 106,579
Capital expenditures	(10,394)	(8,159)
Free cash flow	\$ 100,187	\$ 98,420

Free cash flow, defined as cash flow from operations less capital expenditures, was \$100 million for the third quarter of 2016, an increase of \$2 million compared with the prior year. Net cash provided by operating activities increased \$4 million to \$111 million, primarily due to higher cash earnings and advanced payments in the current year, partially offset by a large income tax refund in the prior year. Capital expenditures increased by \$2 million to \$10 million, due to increased investment in a facility expansion in the Commercial/Industrial segment.

## New Orders and Backlog

New orders of \$500 million in the third quarter increased 1% compared to the prior year, as higher orders within the Defense segment were mainly offset by lower orders within the Power segment. Backlog of \$2.0 billion increased 6% from December 31, 2015, primarily due to growth in our naval defense businesses.

## Other Items – Share Repurchase

During the third quarter, the Company repurchased 287,900 shares of its common stock for approximately \$25 million.

## Full-Year 2016 Guidance

The Company is updating its full-year 2016 financial guidance as follows:

	<u>Prior Guidance</u>	<u>Current Guidance</u>	<u>Chg vs. 2015</u>
Total sales	\$2.12 - \$2.17 billion	\$2.11 - \$2.16 billion	Down 1 - 3%
Operating income	\$301 - \$313 million	No change	Up 4 - 8%
Operating margin	14.2% - 14.4%	14.3% - 14.5%	Up 100 - 120 bps
Interest expense	\$40 - \$41 million	No change	
Diluted earnings per share	\$4.00 - \$4.15	No change	Up 7 - 11%
Diluted shares outstanding	45.2 million	No change	
Free cash flow	\$300 - \$320 million	No change	Up 10 - 18%

Notes:

Full-year 2016 growth rates reflect comparisons to 2015 Pro Forma results, which exclude the one-time China AP1000 fee of \$20 million recognized in the fourth quarter of 2015.

Additionally, 2016 growth in free cash flow is comparable to adjusted free cash flow for 2015, which excludes the contribution to the Company's corporate defined benefit pension plan of \$145 million in 2015.

A more detailed breakdown of the Company's 2016 guidance by segment and by market can be found in the accompanying schedules.

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## Third Quarter 2016 Segment Performance

### Commercial/Industrial

<i>(In thousands)</i>	<b>3Q-2016</b>	<b>3Q-2015</b>	<b>% Change</b>
Sales	\$ 275,649	\$ 292,557	(6%)
Operating income	39,067	40,259	(3%)
Operating margin	14.2%	13.8%	40 bps

Sales for the third quarter were \$276 million, a decrease of \$17 million, or 6%, over the prior year. Organic sales decreased 5%, excluding \$3 million in unfavorable foreign currency translation. In the general industrial market, we experienced a continued reduction in sales of severe-service valves, primarily serving the oil and gas markets, as well as lower sales for industrial vehicle products. Within the commercial aerospace market, sales were up slightly, primarily due to higher actuation systems sales to Boeing, partially offset by lower sales of surface treatment services.

Operating income in the third quarter was \$39 million, down 3% from the prior year, while operating margin improved 40 basis points to 14.2%. The decrease in operating income primarily reflects lower sales volumes for industrial valves and surface treatment services. However, improved operating margin was primarily driven by higher profitability for industrial vehicle products, despite lower sales volumes, due to ongoing margin improvement initiatives. In addition, favorable foreign currency translation added \$1 million to current quarter operating income.

### Defense

<i>(In thousands)</i>	<b>3Q-2016</b>	<b>3Q-2015</b>	<b>% Change</b>
Sales	\$ 113,949	\$ 117,444	(3%)
Operating income	28,822	25,477	13%
Operating margin	25.3%	21.7%	360 bps

Sales for the third quarter were \$114 million, a decrease of \$3 million, or 3%, from the prior year. Organic sales decreased 2% from the prior year, excluding approximately \$1 million in unfavorable foreign currency translation. In the aerospace defense market, we experienced lower sales of embedded computing products on various fighter jet and Intelligence, Surveillance and Reconnaissance (ISR) programs. In the ground defense market, we experienced higher sales of our ammunition handling systems. Within the commercial aerospace market, we experienced lower revenues for avionics and electronics equipment, primarily due to reduced helicopter demand.

Operating income in the third quarter was \$29 million, an increase of \$3 million, or 13%, compared to the prior year, while operating margin increased 360 basis points to 25.3%. These improvements in operating income and margin were driven primarily by favorable mix for our defense electronics products, despite flat sales volumes, as well as the benefits of our ongoing margin improvement initiatives. In addition, there were several non-recurring items that favorably impacted margins in the current quarter. These results were partially offset by lower profitability in our commercial avionics and electronics business. Favorable foreign currency translation added approximately \$1 million to current quarter operating income.

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## Power

(In thousands)

	<u>3Q-2016</u>	<u>3Q-2015</u>	<u>% Change</u>
Sales	\$ 117,494	\$ 115,534	2%
Operating income	14,130	13,545	4%
Operating margin	12.0%	11.7%	30 bps

Sales for the third quarter were \$117 million, an increase of \$2 million, or 2%, from the prior year. In the naval defense market, our results reflect higher development revenues supporting the ramp-up on the new Ohio-class replacement submarine program, as well as higher sales on the Electromagnetic Aircraft Launching System (EMALS) program. Those gains were partially offset by lower revenues on the CVN-79 aircraft carrier program as production is nearing completion. Within the power generation market, higher revenues on the AP1000 program were more than offset by lower aftermarket sales supporting currently operating nuclear reactors.

Operating income in the third quarter was \$14 million, an increase of less than \$1 million, or 4%, compared to the prior year, while operating margin increased 30 basis points to 12.0%. These results primarily reflect higher profitability on the AP1000 program, partially offset by reduced profitability in the aftermarket power generation business due to lower sales volumes.

### Conference Call Information

The Company will host a conference call to discuss third quarter 2016 financial results at 9:00 a.m. EDT on Thursday, October 27, 2016. A live webcast of the call and the accompanying financial presentation will be made available on the internet by visiting the Investor Relations section of the Company's website at [www.curtisswright.com](http://www.curtisswright.com).

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**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)**

(\$'s in thousands, except per share data)

	Three Months Ended				Nine Months Ended			
	September 30,		Change		September 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
Product sales	\$ 413,905	\$ 427,732	\$ (13,827)	(3%)	\$ 1,244,148	\$ 1,313,290	\$ (69,142)	(5%)
Service sales	93,187	97,803	(4,616)	(5%)	299,218	303,638	(4,420)	(1%)
Total net sales	<u>507,092</u>	<u>525,535</u>	<u>(18,443)</u>	<u>(4%)</u>	<u>1,543,366</u>	<u>1,616,928</u>	<u>(73,562)</u>	<u>(5%)</u>
Cost of product sales	261,488	284,007	(22,519)	(8%)	806,092	864,701	(58,609)	(7%)
Cost of service sales	61,128	56,034	5,094	9%	195,515	193,286	2,229	1%
Total cost of sales	<u>322,616</u>	<u>340,041</u>	<u>(17,425)</u>	<u>(5%)</u>	<u>1,001,607</u>	<u>1,057,987</u>	<u>(56,380)</u>	<u>(5%)</u>
Gross profit	184,476	185,494	(1,018)	(1%)	541,759	558,941	(17,182)	(3%)
Research and development expenses	14,071	15,050	(979)	(7%)	44,467	45,633	(1,166)	(3%)
Selling expenses	26,273	30,247	(3,974)	(13%)	85,025	90,440	(5,415)	(6%)
General and administrative expenses	67,559	76,384	(8,825)	(12%)	210,342	220,778	(10,436)	(5%)
Operating income	76,573	63,813	12,760	20%	201,925	202,090	(165)	0%
Interest expense	10,488	8,972	1,516	17%	30,694	26,953	3,741	14%
Other income, net	483	161	322	NM	818	605	213	NM
Earnings before income taxes	66,568	55,002	11,566	21%	172,049	175,742	(3,693)	(2%)
Provision for income taxes	(20,636)	(16,860)	(3,776)	22%	(53,335)	(54,256)	921	(2%)
Earnings from continuing operations	<u>\$ 45,932</u>	<u>\$ 38,142</u>	<u>\$ 7,790</u>	<u>20%</u>	<u>\$ 118,714</u>	<u>\$ 121,486</u>	<u>\$ (2,772)</u>	<u>(2%)</u>
Loss from discontinued operations, net of tax	—	(4,258)	4,258	NM	—	(45,874)	45,874	NM
Net earnings	<u>\$ 45,932</u>	<u>\$ 33,884</u>	<u>\$ 12,048</u>	<u>36%</u>	<u>\$ 118,714</u>	<u>\$ 75,612</u>	<u>\$ 43,102</u>	<u>57%</u>
Basic earnings per share								
Earnings from continuing operations	\$ 1.04	\$ 0.82			\$ 2.67	\$ 2.58		
Earnings from discontinued operations	—	(0.09)			—	(0.97)		
Total	<u>\$ 1.04</u>	<u>\$ 0.73</u>			<u>\$ 2.67</u>	<u>\$ 1.61</u>		
Diluted earnings per share								
Earnings from continuing operations	\$ 1.02	\$ 0.80			\$ 2.63	\$ 2.53		
Earnings from discontinued operations	—	(0.09)			—	(0.96)		
Total	<u>\$ 1.02</u>	<u>\$ 0.71</u>			<u>\$ 2.63</u>	<u>\$ 1.57</u>		
Dividends per share	<u>\$ 0.13</u>	<u>\$ 0.13</u>			<u>\$ 0.39</u>	<u>\$ 0.39</u>		
Weighted average shares outstanding:								
Basic	44,323	46,366			44,457	47,082		
Diluted	44,997	47,395			45,128	48,106		

**NM- not meaningful**

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
(\$'s in thousands, except par value)

	<u>September 30, 2016</u>	<u>December 31, 2015</u>	<u>Change %</u>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 452,053	\$ 288,697	57%
Receivables, net	462,004	566,289	(18%)
Inventories	399,638	379,591	5%
Other current assets	49,438	40,306	23%
Total current assets	<u>1,363,133</u>	<u>1,274,883</u>	7%
Property, plant, and equipment, net	387,458	413,644	(6%)
Goodwill	964,446	972,606	(1%)
Other intangible assets, net	283,670	310,763	(9%)
Other assets	15,277	17,715	(14%)
<b>Total assets</b>	<b><u>\$ 3,013,984</u></b>	<b><u>\$ 2,989,611</u></b>	1%
<b>Liabilities</b>			
Current liabilities:			
Current portion of long-term and short term debt	\$ 802	\$ 1,259	(36%)
Accounts payable	133,101	163,286	(18%)
Accrued expenses	116,778	131,863	(11%)
Income taxes payable	6,461	7,956	(19%)
Deferred revenue	196,609	181,671	8%
Other current liabilities	34,264	37,190	(8%)
Total current liabilities	<u>488,015</u>	<u>523,225</u>	(7%)
Long-term debt, net	966,040	951,946	1%
Deferred tax liabilities, net	73,650	54,447	35%
Accrued pension and other postretirement benefit costs	100,999	103,723	(3%)
Long-term portion of environmental reserves	14,534	14,017	4%
Other liabilities	83,731	86,830	(4%)
Total liabilities	<u>1,726,969</u>	<u>1,734,188</u>	0%
<b>Stockholders' equity</b>			
Common stock, \$1 par value	\$ 49,187	\$ 49,190	0%
Additional paid in capital	134,597	144,923	(7%)
Retained earnings	1,692,026	1,590,645	6%
Accumulated other comprehensive loss	(248,069)	(225,928)	10%
Less: cost of treasury stock	(340,726)	(303,407)	12%
Total stockholders' equity	<u>1,287,015</u>	<u>1,255,423</u>	3%
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 3,013,984</u></b>	<b><u>\$ 2,989,611</u></b>	1%

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**SEGMENT INFORMATION (UNAUDITED)**  
(\$'s in thousands)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change %	2016	2015	Change %
<b>Sales:</b>						
Commercial/Industrial	\$ 275,649	\$ 292,557	(6%)	\$ 840,422	\$ 894,909	(6%)
Defense	113,949	117,444	(3%)	333,301	350,595	(5%)
Power	117,494	115,534	2%	369,643	371,424	0%
<b>Total sales</b>	<b>\$ 507,092</b>	<b>\$ 525,535</b>	<b>(4%)</b>	<b>\$ 1,543,366</b>	<b>\$ 1,616,928</b>	<b>(5%)</b>
<b>Operating income (expense):</b>						
Commercial/Industrial	\$ 39,067	\$ 40,259	(3%)	\$ 108,076	\$ 128,801	(16%)
Defense	28,822	25,477	13%	64,276	67,895	(5%)
Power	14,130	13,545	4%	44,872	34,511	30%
<b>Total segments</b>	<b>\$ 82,019</b>	<b>\$ 79,281</b>	<b>3%</b>	<b>\$ 217,224</b>	<b>\$ 231,207</b>	<b>(6%)</b>
Corporate and other	(5,446)	(15,468)	65%	(15,299)	(29,117)	47%
<b>Total operating income</b>	<b>\$ 76,573</b>	<b>\$ 63,813</b>	<b>20%</b>	<b>\$ 201,925</b>	<b>\$ 202,090</b>	<b>0%</b>
<b>Operating margins:</b>						
Commercial/Industrial	14.2 %	13.8 %		12.9 %	14.4 %	
Defense	25.3 %	21.7 %		19.3 %	19.4 %	
Power	12.0 %	11.7 %		12.1 %	9.3 %	
<b>Total Curtiss-Wright</b>	<b>15.1 %</b>	<b>12.1 %</b>		<b>13.1 %</b>	<b>12.5 %</b>	
Segment margins	16.2 %	15.1 %		14.1 %	14.3 %	

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**SALES BY END MARKET (UNAUDITED)**  
(\$'s in thousands)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change %	2016	2015	Change %
<b>Defense markets:</b>						
Aerospace	\$ 77,990	\$ 81,758	(5%)	\$ 215,586	\$ 228,865	(6%)
Ground	19,599	18,522	6%	58,654	61,415	(4%)
Naval	100,054	96,229	4%	297,512	286,113	4%
Other	4,391	1,410	211%	8,185	4,960	65%
<b>Total Defense</b>	<b>\$ 202,034</b>	<b>\$ 197,919</b>	<b>2%</b>	<b>\$ 579,937</b>	<b>\$ 581,353</b>	<b>0%</b>
<b>Commercial markets:</b>						
Aerospace	\$ 94,241	\$ 94,476	0%	\$ 299,052	\$ 294,554	2%
Power Generation	89,600	87,371	3%	285,030	294,848	(3%)
General Industrial	121,217	145,769	(17%)	379,347	446,173	(15%)
<b>Total Commercial</b>	<b>\$ 305,058</b>	<b>\$ 327,616</b>	<b>(7%)</b>	<b>\$ 963,429</b>	<b>\$ 1,035,575</b>	<b>(7%)</b>
<b>Total Curtiss-Wright</b>	<b>\$ 507,092</b>	<b>\$ 525,535</b>	<b>(4%)</b>	<b>\$ 1,543,366</b>	<b>\$ 1,616,928</b>	<b>(5%)</b>

**Use of Non-GAAP Financial Information (Unaudited)**

The Corporation supplements its financial information determined under U.S. generally accepted accounting principles (GAAP) with certain non-GAAP financial information. Curtiss-Wright believes that these non-GAAP measures provide investors with additional insight into the Company's ongoing business performance. These non-GAAP measures should not be considered in isolation or as a substitute for the related GAAP measures, and other companies may define such measures differently. Curtiss-Wright encourages investors to review its financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. The following definitions are provided:

**Organic Revenue and Organic Operating Income**

The Corporation discloses organic revenue and organic operating income because the Corporation believes it provides investors with insight as to the Company's ongoing business performance. Organic revenue and organic operating income are defined as revenue and operating income excluding the impact of foreign currency fluctuations and contributions from acquisitions made during the last twelve months.

	Three Months Ended September 30, 2016 vs. 2015							
	Commercial/Industrial		Defense		Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Organic	(5%)	(6%)	(2%)	10%	2%	4%	(3%)	17%
Acquisitions	0%	0%	0%	0%	0%	0%	0%	0%
Foreign Currency	(1%)	3%	(1%)	3%	0%	0%	(1%)	3%
<b>Total</b>	<b>(6%)</b>	<b>(3%)</b>	<b>(3%)</b>	<b>13%</b>	<b>2%</b>	<b>4%</b>	<b>(4%)</b>	<b>20%</b>
	Nine Months Ended September 30, 2016 vs. 2015							
	Commercial/Industrial		Defense		Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Organic	(5%)	(19%)	(4%)	(12%)	0%	30%	(4%)	(4%)
Acquisitions	0%	0%	0%	0%	0%	0%	0%	0%
Foreign Currency	(1%)	3%	(1%)	7%	0%	0%	(1%)	4%
<b>Total</b>	<b>(6%)</b>	<b>(16%)</b>	<b>(5%)</b>	<b>(5%)</b>	<b>0%</b>	<b>30%</b>	<b>(5%)</b>	<b>0%</b>

### Free Cash Flow and Free Cash Flow Conversion

The Corporation discloses free cash flow because it measures cash flow available for investing and financing activities. Free cash flow represents cash available to repay outstanding debt, invest in the business, acquire businesses, return capital to shareholders and make other strategic investments. Free cash flow is defined as cash flow provided by operating activities less capital expenditures. The Corporation discloses free cash flow conversion because it measures the proportion of net earnings converted into free cash flow and is defined as free cash flow divided by net earnings from continuing operations.

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**NON-GAAP FINANCIAL DATA (UNAUDITED)**  
(\$'s in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net cash provided by (used by) operating activities	\$ 110,581	\$ 106,579	\$ 267,212	\$ (4,691)
Capital expenditures	(10,394)	(8,159)	(26,127)	(23,848)
Free cash flow	<u>\$ 100,187</u>	<u>\$ 98,420</u>	<u>\$ 241,085</u>	<u>\$ (28,539)</u>
Pension Payment	—	—	—	145,000
Adjusted free cash flow	<u>\$ 100,187</u>	<u>\$ 98,420</u>	<u>\$ 241,085</u>	<u>\$ 116,461</u>
Free Cash Flow Conversion	<u>218%</u>	<u>258%</u>	<u>203%</u>	<u>96%</u>

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**CURTISS-WRIGHT CORPORATION**

**2016 Guidance (from Continuing Operations)**

**As of October 26, 2016**

(\$'s in millions, except per share data)

	<b>2015 Reported</b>	<b>2015 Pro Forma*</b>	<b>2016 Guidance (Current)</b>	
			<b>Low</b>	<b>High</b>
<b>Sales:</b>				
Commercial/Industrial	\$ 1,185	\$ 1,185	\$ 1,120	\$ 1,145
Defense	477	477	475	485
Power	543	523	515	530
<b>Total sales</b>	<b>\$ 2,206</b>	<b>\$ 2,186</b>	<b>\$ 2,110</b>	<b>\$ 2,160</b>
<b>Operating income:</b>				
Commercial/Industrial	\$ 172	\$ 172	\$ 158	\$ 163
Defense	99	99	96	100
Power	75	55	70	73
<b>Total segments</b>	<b>346</b>	<b>326</b>	<b>324</b>	<b>336</b>
Corporate and other	(35)	(35)	(23)	(24)
<b>Total operating income</b>	<b>\$ 311</b>	<b>\$ 291</b>	<b>\$ 301</b>	<b>\$ 313</b>
Interest expense	\$ (36)	\$ (36)	\$ (40)	\$ (41)
<b>Earnings before income taxes</b>	<b>275</b>	<b>255</b>	<b>262</b>	<b>272</b>
Provision for income taxes	(83)	(77)	(81)	(84)
<b>Net earnings</b>	<b>\$ 192</b>	<b>\$ 178</b>	<b>\$ 181</b>	<b>\$ 188</b>
<b>Reported diluted earnings per share</b>	<b>\$ 4.04</b>	<b>\$ 3.74</b>	<b>\$ 4.00</b>	<b>\$ 4.15</b>
<i>Diluted shares outstanding</i>	47.6	47.6	45.2	45.2
<i>Effective tax rate</i>	30.1%	30.1%	31.0%	31.0%
<b>Operating margins:</b>				
Commercial/Industrial	14.5%	14.5%	14.1%	14.3%
Defense	20.7%	20.7%	20.3%	20.5%
Power	13.8%	10.5%	13.6%	13.8%
<b>Total operating margin</b>	<b>14.1%</b>	<b>13.3%</b>	<b>14.3%</b>	<b>14.5%</b>

Note: Full year amounts may not add due to rounding

\* Excludes the one-time China AP1000 fee of \$20 million recognized as revenue and operating income in the fourth quarter of 2015. This affects the Power segment and Total Curtiss-Wright.

**CURTISS-WRIGHT CORPORATION**  
**2016 Sales Growth Guidance by End Market (from Continuing Operations)**  
**As of October 26, 2016**

	(Prior) 2016 % Change vs 2015	(Current) 2016 % Change vs 2015
<b><u>Defense Markets</u></b>		
Aerospace	Flat	Flat
Ground	(2 - 4%)	(2 - 4%)
Navy	0 - 2%	6 - 8%
<b>Total Defense (Including Other Defense)</b>	<b>Flat</b>	<b>Up 1% to 3%</b>
<b><u>Commercial Markets</u></b>		
Commercial Aerospace	Flat	Flat
Power Generation	0 - 2%	(1 - 3%)
General Industrial	(5 - 9%)	(10 - 12%)
<b>Total Commercial</b>	<b>(2 - 4%)</b>	<b>(4 - 6%)</b>
<b>Total Curtiss-Wright Sales</b>	<b>Down 1% to 3%</b>	<b>Down 1% to 3%</b>

**Note: Full year amounts may not add due to rounding**

**\* The Company's full-year 2016 guidance reflects sales growth rates compared to 2015 Pro Forma results, which exclude the one-time China AP1000 fee of \$20 million recognized as revenue in the fourth quarter of 2015. This affects 2016 growth rates for Power Generation, Total Commercial and Total Curtiss-Wright sales.**

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## **About Curtiss-Wright Corporation**

Curtiss-Wright Corporation (NYSE: CW) is a global innovative company that delivers highly engineered, critical function products and services to the commercial, industrial, defense and energy markets. Building on the heritage of Glenn Curtiss and the Wright brothers, Curtiss-Wright has a long tradition of providing reliable solutions through trusted customer relationships. The company employs approximately 8,400 people worldwide. For more information, visit [www.curtisswright.com](http://www.curtisswright.com).

*Certain statements made in this press release, including statements about future revenue, financial performance guidance, quarterly and annual revenue, net income, operating income growth, future business opportunities, cost saving initiatives, the successful integration of the Company's acquisitions, and future cash flow from operations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements present management's expectations, beliefs, plans and objectives regarding future financial performance, and assumptions or judgments concerning such performance. Any discussions contained in this press release, except to the extent that they contain historical facts, are forward-looking and accordingly involve estimates, assumptions, judgments and uncertainties. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Such risks and uncertainties include, but are not limited to: a reduction in anticipated orders; an economic downturn; changes in the competitive marketplace and/or customer requirements; a change in government spending; an inability to perform customer contracts at anticipated cost levels; and other factors that generally affect the business of aerospace, defense contracting, electronics, marine, and industrial companies. Such factors are detailed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and subsequent reports filed with the Securities and Exchange Commission.*

*This press release and additional information are available at [www.curtisswright.com](http://www.curtisswright.com).*

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**CURTISS -  
WRIGHT**



# 3Q 2016 Earnings Conference Call

October 27, 2016



NYSE: CW

**CURTISS -  
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## Safe Harbor Statement

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Please note that the information provided in this presentation is accurate as of the date of the original presentation. The presentation will remain posted on this website from one to twelve months following the initial presentation, but content will not be updated to reflect new information that may become available after the original presentation posting. The presentation contains forward-looking statements including, among other things, management's estimates of future performance, revenue and earnings, our management's growth objectives and our management's ability to produce consistent operating improvements. These forward-looking statements are based on expectations as of the time the statements were made only, and are subject to a number of risks and uncertainties which could cause us to fail to achieve our then-current financial projections and other expectations. This presentation also includes certain non-GAAP financial measures with reconciliations being made available in the earnings release that is posted to our website and furnished with the SEC. We undertake no duty to update this information. More information about potential factors that could affect our business and financial results is included in our filings with the Securities and Exchange Commission, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, including, among other sections, under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is on file with the SEC and available at the SEC's website at [www.sec.gov](http://www.sec.gov).

## Reflection on 2016 Investor Day



Shipment of the AP1000 RCPs



## 2016 Third Quarter Performance and Business Outlook

### 3Q Highlights

- **Diluted EPS of \$1.02, ahead of expectations, reflecting:**
  - Solid profitability in the Defense and Power segments
  - Benefits of ongoing operational improvement and cost control initiatives
- **Operating Income up 20%; Operating Margin up 300 bps to 15.1%**
- **Net Sales decreased 4%**
  - Continued industrial and nuclear aftermarket headwinds
- **Strong Free Cash Flow (FCF) of \$100M, FCF conversion 218%**

### FY 2016 Guidance Highlights

- **Raising full-year Operating Margin guidance to 14.3 - 14.5% (+10 bps)**
  - Expect 100 - 120 bps of margin improvement YOY
  - Improved execution driving margin expansion, despite lower sales
- **Maintaining full-year Diluted EPS guidance of \$4.00 - \$4.15**
- **Maintaining full-year FCF guidance of \$300 - \$320M**

## Third Quarter 2016 End Market Sales

	3Q'16 Change vs. PY	% of Total Sales
Aero Defense	(5%)	15%
Ground Defense	6%	4%
Naval Defense	4%	20%
<b>Total Defense</b> <small>Including Other Defense</small>	<b>2%</b>	<b>40%</b>
Commercial Aero	Flat	19%
Power Generation	3%	18%
General Industrial	(17%)	24%
<b>Total Commercial</b>	<b>(7%)</b>	<b>60%</b>
<b>Total Curtiss-Wright</b>	<b>(4%)</b>	<b>100%</b>

Notes: Amounts may not add due to rounding.

### 3Q'16 Results:

- **Defense Markets +2%; Commercial Markets (7%)**

### Key Drivers:

- **Aerospace Defense:** Lower embedded computing sales on fighter jets and ISR programs
- **Ground Defense:** Higher sales of ammunition handling systems
- **Naval Defense:** Higher Ohio-class replacement submarine development revenues, partially offset by lower CVN-79 aircraft carrier production
- **Commercial Aerospace:** Higher actuation systems sales to Boeing, offset by lower sales of surface treatment services and avionics equipment
- **Power Generation:** Higher AP1000 revenues, partially offset by deferred maintenance spending in U.S. aftermarket
- **General Industrial:** Lower sales of valves (O&G market) and vehicle products (truck market)

## Third Quarter 2016 Operating Income / Margin Drivers

(\$ in millions)	3Q'16	3Q'15	Change vs. 2015
Commercial / Industrial	\$39.1	\$40.3	(3%)
Margin	14.2%	13.8%	40 bps
Defense	28.8	25.5	13%
Margin	25.3%	21.7%	360 bps
Power	14.1	13.5	4%
Margin	12.0%	11.7%	30 bps
<b>Total Segments Operating Income</b>	<b>\$82.0</b>	<b>\$79.3</b>	<b>3%</b>
Corp & Other	(\$5.4)	(\$15.5)	65%
<b>Total CW Op Income</b>	<b>\$76.6</b>	<b>\$63.8</b>	<b>20%</b>
Margin	15.1%	12.1%	300 bps

Notes:

All figures presented on a continuing operations basis. Amounts may not add down due to rounding.

## 2016E End Market Sales Outlook\* (Guidance as of October 26, 2016) **Updated** (in blue)

	FY2016E (Prior)	FY2016E (Current)	% of Total Sales
Aero Defense	Flat	No change	14%
Ground Defense	(2 - 4%)	No change	4%
Naval Defense	0 - 2%	6 - 8%	20%
<b>Total Defense</b> Including Other Defense	<b>Flat</b>	<b>1 - 3%</b>	<b>38%</b>
Commercial Aero	Flat	No change	19%
Power Generation	0 - 2%	(1 - 3%)	19%
General Industrial	(5 - 9%)	(10 - 12%)	24%
<b>Total Commercial</b>	<b>(2 - 4%)</b>	<b>(4 - 6%)</b>	<b>62%</b>
<b>Total Curtiss-Wright</b>	<b>(1 - 3%)</b>	<b>No change</b>	<b>100%</b>

\* The Company's full-year 2016 guidance reflects growth rates compared to 2015 Pro Forma results, which excludes the one-time China AP1000 fee of \$20 million recognized in the fourth quarter of 2015. This affects 2016 growth rates for Power Generation, Total Commercial and Total Curtiss-Wright sales.



## 2016E Financial Outlook\* (Guidance as of October 26, 2016)

Updated (in blue)

(\$ in millions, except EPS)	FY2016E (Prior)	FY2016E (Current)	Growth % vs 2015
Commercial / Industrial	\$1,130 - 1,155	\$1,120 - 1,145	(3 - 5%)
Defense	\$475 - 485	No change	0 - 2%
Power	\$515 - 530	No change	(2) - 1%
<b>Total Sales</b>	<b>\$2,120 - 2,170</b>	<b>\$2,110 - 2,160</b>	<b>(1 - 3%)</b>
Commercial / Industrial Margin	\$165 - 170 14.6% - 14.8%	\$158 - 163 14.1% - 14.3%	(5 - 8%) (20 - 40 bps)
Defense Margin	\$92 - 96 19.5% - 19.7%	\$96 - 100 20.3% - 20.5%	(3) - 1% (20 - 40 bps)
Power Margin	\$68 - 71 13.2% - 13.4%	\$70 - 73 13.6% - 13.8%	27 - 33% +310 - 330 bps
Corporate and Other	(\$24 - 25)	(\$23 - 24)	32 - 35%
<b>Total Operating Income</b>	<b>\$301 - 313</b>	<b>No change</b>	<b>4 - 8%</b>
CW Margin	14.2% - 14.4%	14.3% - 14.5%	+100 - 120 bps
<b>Diluted EPS</b>	<b>\$4.00 - 4.15</b>	<b>No change</b>	<b>7 - 11%</b>

\*The Company's full-year 2016 guidance reflects growth rates compared to 2015 Pro Forma results, which excludes the one-time China AP1000 fee of \$20 million recognized in the fourth quarter of 2015 from sales and operating income. Amounts may not add due to rounding.

(\$ in millions)	FY2016E (Prior)	FY2016E (Current)	Growth % vs 2015
<b>Free Cash Flow <sup>(1)</sup></b>	<b>\$300 - 320</b>	<b>No change</b>	<b>10 - 18%</b>
Free Cash Flow Conversion <sup>(2)</sup>	166 - 170%	No change	
Capital Expenditures	\$45 - 55	No change	
Depreciation & Amortization	\$100 - 110	<b>\$90 - 100</b>	

(1) Free Cash Flow is defined as cash flow from operations less capital expenditures. 2016 growth rate is comparable to 2015 adjusted free cash flow of \$272 million, which excludes the contribution to the Company's corporate defined benefit pension plan of \$145 million in 2015.

(2) Free Cash Flow Conversion is calculated as free cash flow divided by net earnings from continuing operations.

## Positioned to Deliver Strong 2016 Results

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- **Strong operating margin expansion, up 100 - 120 bps to 14.3 - 14.5%\***
  - Mitigating impact of reduced sales
  - Benefit of margin improvement and cost control initiatives
  - Expect to be in top quartile of our peer group
- **Solid growth in diluted EPS, up 7 - 11%\***
- **Strong free cash flow expectations (>\$300 million) driven by new AP1000 order and lower working capital**
- **Committed to a balanced capital allocation strategy**

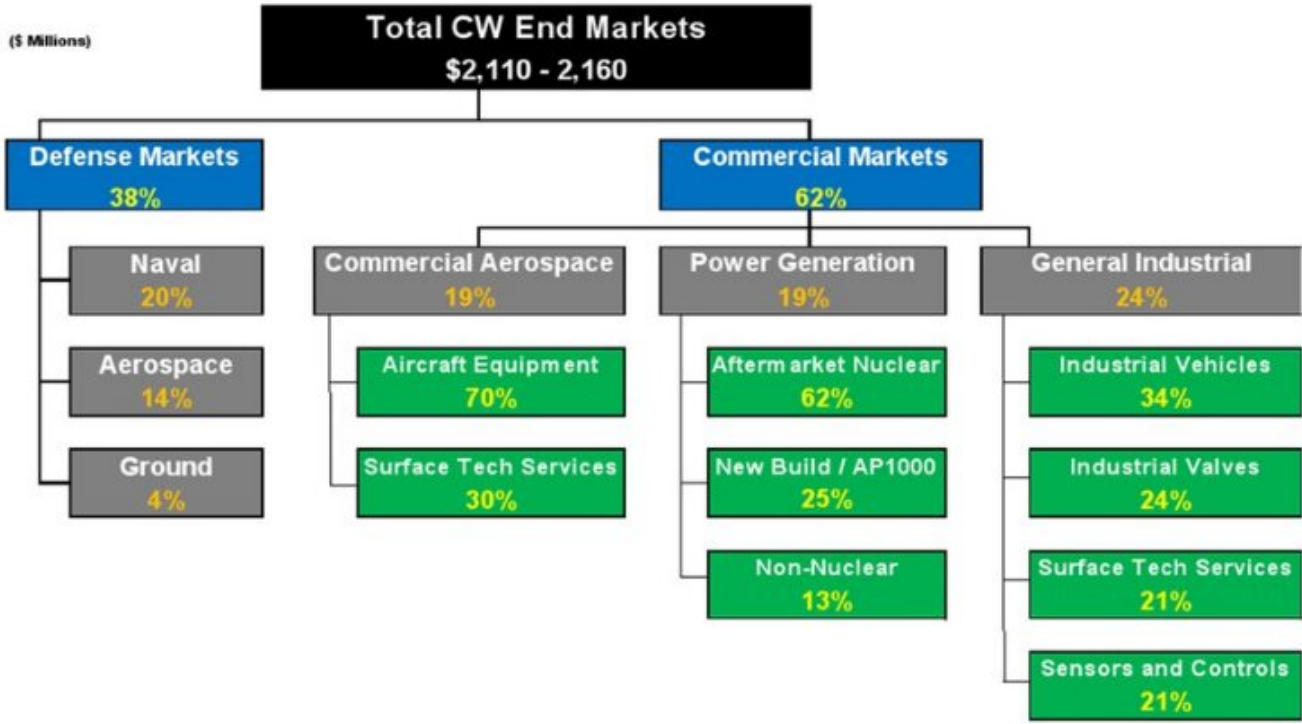
\* The Company's full-year 2016 guidance reflects growth rates compared to 2015 Pro Forma results, which excludes the one-time China AP1000 fee of \$20 million recognized in the fourth quarter of 2015 from sales and operating income.

# Appendix

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# 2016 End Market Sales Waterfall (Guidance as of October 26, 2016)

Updated



Note: Percentages in chart relate to Full-Year 2016 sales

**Non-Nuclear:**

Surface Technologies services (peening, coatings); Fossil power gen equipment

**Sensors and Controls:**

Sensors, controls and industrial automation equipment

## Non-GAAP Reconciliation

### Three Months Ended September 30, 2016 vs 2015

	Commercial/Industrial		Defense		Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Organic	(5%)	(6%)	(2%)	10%	2%	4%	(3%)	17%
Acquisitions	0%	0%	0%	0%	0%	0%	0%	0%
Foreign Currency	(1%)	3%	(1%)	3%	(0%)	(0%)	(1%)	3%
Total	(6%)	(3%)	(3%)	13%	2%	4%	(4%)	20%

### Nine Months Ended September 30, 2016 vs 2015

	Commercial/Industrial		Defense		Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Organic	(5%)	(10%)	(4%)	(12%)	(0%)	30%	(4%)	(4%)
Acquisitions	0%	0%	0%	0%	0%	0%	0%	0%
Foreign Currency	(1%)	3%	(1%)	7%	(0%)	0%	(1%)	4%
Total	(6%)	(16%)	(5%)	(5%)	(0%)	30%	(5%)	(0%)

#### Organic Revenue and Organic Operating Income

The Corporation discloses organic revenue and organic operating income because the Corporation believes it provides investors with insight as to the Company's ongoing business performance. Organic revenue and organic operating income are defined as revenue and operating income excluding the impact of foreign currency fluctuations and contributions from acquisitions made during the last twelve months.

**Note: Amounts may not add due to rounding**