

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

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

Date of Report (Date of earliest event reported): February 23, 2022

CURTISS-WRIGHT CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

001-00134

(Commission File
Number)

13-0612970

(IRS Employer
Identification No.)

130 Harbour Place Drive, Suite 300
Davidson, NC
(Address of Principal Executive Offices)

28036
(Zip Code)

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

Not applicable
(Former name or former address, if changed since last report)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	CW	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

SECTION 2 – FINANCIAL INFORMATION

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On Wednesday, February 23, 2022, the Company issued a press release announcing financial results for the fourth quarter and full-year ended December 31, 2021. A conference call and webcast presentation will be held on Thursday, February 24, 2022 at 10:00 am ET for management to discuss the Company's fourth quarter and full-year 2021 financial results and initial 2022 financial guidance. Lynn M. Bamford, President and Chief Executive Officer, and K. Christopher Farkas, Vice President and Chief Financial Officer, 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. 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 1619366

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 February 23, 2022

99.2 Presentation shown during investor and securities analyst webcast on February 24, 2022

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/ K. Christopher Farkas
K. Christopher Farkas
Vice-President and
Chief Financial Officer

Date: February 23, 2022

EXHIBIT INDEX

Exhibit
Number

Description

<u>99.1</u>	<u>Press Release dated February 23, 2022</u>
<u>99.2</u>	<u>Presentation shown during investor and securities analyst webcast on February 24, 2022</u>

Curtiss-Wright Reports Fourth Quarter and Full-Year 2021 Financial Results; Full-Year 2022 Guidance Reflects Higher Sales, Operating Margin and EPS

Company Achieves Record Full-Year Adjusted Operating Margin of 17.0% and Completes Record \$350 Million in Annual Share Repurchases

DAVIDSON, N.C.--(BUSINESS WIRE)--February 23, 2022--Curtiss-Wright Corporation (NYSE: CW) reports financial results for the fourth quarter and full-year ended December 31, 2021.

Fourth Quarter 2021 Highlights:

- Reported sales of \$667 million, diluted earnings per share (EPS) of \$1.94, and free cash flow (FCF) of \$219 million;
- Adjusted sales of \$655 million, up 2%;
- Adjusted diluted EPS of \$2.40, up 6%;
- New orders of \$676 million, up 19%;
- Adjusted FCF of \$219 million, with 230% FCF conversion; and
- Record share repurchases of approximately \$258 million.

Full-Year 2021 Highlights:

- Reported sales of \$2.5 billion, operating income of \$383 million, operating margin of 15.3%, diluted EPS of \$6.58, and FCF of \$347 million;
- Adjusted sales of \$2.5 billion, up 7%;
- Adjusted operating income of \$420 million, up 12%;
- Record Adjusted operating margin of 17.0%, up 70 basis points;
- Adjusted diluted EPS of \$7.34, up 11%;
- New orders of \$2.5 billion, up 11%; Backlog up 3%;
- Adjusted FCF of \$347 million, with 116% FCF conversion; and
- Record annual share repurchases of \$350 million.

“Curtiss-Wright delivered strong fourth quarter results with better-than-expected profitability, strong free cash flow and tremendous order growth,” said Lynn M. Bamford, President and CEO of Curtiss-Wright Corporation. “For the full year, we grew sales by 7% to nearly \$2.5 billion, in line with our expectations, as we leveraged the strength and resilience of our combined portfolio to minimize the impact of the challenging supply chain environment. I’m proud of the team’s focus and continued strong execution of our operational excellence initiatives, which enabled us to generate 70 basis points in full-year operating margin expansion and meet our 17% operating margin objective one full year ahead of schedule.”

“We continue to utilize our strong and healthy balance sheet to implement a disciplined capital deployment strategy. Throughout the past year, we delivered on our commitment to drive returns to our shareholders by executing record annual share repurchases of \$350 million. We also recently announced our pending acquisition of Safran’s aerospace arresting systems business for \$240 million, which will increase the breadth of our global defense portfolio and is expected to yield significant opportunities for revenue growth”

“Over the past few weeks, we resolved two significant legacy matters. First, we have reached an agreement with Westinghouse to settle all outstanding legal matters covering both the U.S. and China AP1000 Reactor Coolant Pump (RCP) contracts dating back to 2007. As a result, we have secured Westinghouse’s commitment to Curtiss-Wright’s RCP technology in future AP1000 power plants globally, including their next multi-unit project in Eastern Europe. We now have a clear path moving forward and the potential to generate new RCP orders within the next three to five years. Second, we recently completed the divestiture of the German valves business which had been classified as held for sale since the fourth quarter of 2020. We are pleased to move past these matters with a well-defined focus on advancing our strategic priorities to generate long-term profitable growth.”

“Looking to 2022, we are projecting total sales growth of 3% to 5% driven by growth in all of our A&D and Commercial markets, continued operating margin expansion, and double-digit Adjusted diluted EPS growth of 10% to 12%. We remain on track to achieve our 3-year financial targets for 2023 that we communicated at last year’s investor day and successfully execute on our Pivot to Growth strategy to drive long-term shareholder value.”

Fourth Quarter 2021 Operating Results

<i>(In millions)</i>	Q4-2021		Q4-2020		Change
Reported					
Sales	\$ 667	\$	668		0%
Operating income	\$ 105	\$	76		38%
Operating margin	15.8%		11.4%		440 bps
Adjusted (1)					
Sales	\$ 655	\$	641		2%
Operating income	\$ 129	\$	126		2%
Operating margin	19.7%		19.7%		-

(1) Reconciliations of Reported to Adjusted operating results are available in the Appendix.

- Adjusted sales of \$655 million, up \$14 million, or 2%;
- Total Aerospace & Defense (A&D) market sales were flat, while total Commercial market sales increased 6%;
- In our A&D markets, strong double-digit growth in commercial aerospace and the contribution from the PacStar acquisition in ground defense were offset by reductions in the aerospace defense and naval defense markets due to the timing of sales and ongoing supply chain headwinds;
- In our Commercial markets, we experienced continued strong demand in the general industrial market, as well as higher sales within the power & process markets, despite the wind down on the China Direct AP1000 program;
- Adjusted operating income of \$129 million improved 2%, while Adjusted operating margin remained flat at 19.7%. Higher operating income was driven by favorable overhead absorption on higher revenues in our Aerospace & Industrial and Defense Electronics segments, as well as the benefits of our ongoing company-wide operational excellence initiatives. These improvements were partially offset by lower revenues and unfavorable mix in the Naval & Power segment; and
- Non-segment expenses of \$12 million, up \$2 million, primarily due to higher environmental costs.

Fourth Quarter 2021 Segment Performance**Aerospace & Industrial**

<i>(In millions)</i>	Q4-2021	Q4-2020	Change
Reported			
Sales	\$ 210	\$ 213	(1%)
Operating income	\$ 40	\$ 34	17%
Operating margin	19.0%	16.0%	300 bps
Adjusted (1)			
Sales	\$ 208	\$ 192	8%
Operating income	\$ 40	\$ 34	20%
Operating margin	19.5%	17.5%	200 bps

(1) Reconciliations of Reported to Adjusted operating results are available in the Appendix.

- Adjusted sales of \$208 million, up approximately \$15 million, or 8%;
- Higher general industrial market revenue was principally driven by the continued strong rebound in demand for industrial vehicle products for on- and off-highway platforms;
- Higher commercial aerospace market revenue reflected higher sales of sensors products and surface treatment services on narrowbody platforms, partially offset by lower actuation sales on widebody platforms;
- Aerospace defense market revenue increased primarily due to higher sales of actuation products and surface treatment services on the F-35 program; and
- Adjusted operating income of \$40 million, up 20% from the prior year, while Adjusted operating margin increased 200 basis points to 19.5%, reflecting strong absorption on higher sales and the benefits of our ongoing operational excellence initiatives.

Defense Electronics

<i>(In millions)</i>	Q4-2021	Q4-2020	Change
Reported			
Sales	\$ 199	\$ 181	10%
Operating income	\$ 52	\$ 35	50%
Operating margin	26.3%	19.2%	710 bps
Adjusted (1)			
Sales	\$ 200	\$ 182	10%
Operating income	\$ 53	\$ 45	17%
Operating margin	26.5%	24.9%	160 bps

(1) Reconciliations of Reported to Adjusted operating results are available in the Appendix.

- Adjusted sales of \$200 million, up approximately \$17 million, or 10%;
 - Lower aerospace defense market revenues reflected the timing of sales of our embedded computing equipment on various programs, as certain revenues shifted into 2022 due to ongoing supply chain headwinds. This decrease was partially offset by higher production revenues on the F-35 program;
 - Higher ground defense market revenue was principally driven by the contribution from the PacStar acquisition for tactical battlefield communications equipment;
 - Higher commercial aerospace market revenue reflected increased sales of avionics and electronic systems on various domestic and international platforms; and
 - Adjusted operating income of \$53 million, up 17% from the prior year, while Adjusted operating margin increased 160 basis points to 26.5%, as solid absorption on higher sales and favorable mix in defense electronics more than offset unfavorable foreign currency translation.
-

Naval & Power

<i>(In millions)</i>	Q4-2021	Q4-2020	Change
Reported			
Sales	\$ 258	\$ 274	(6%)
Operating income	\$ 25	\$ 18	43%
Operating margin	9.7%	6.4%	330 bps
Adjusted (1)			
Sales	\$ 248	\$ 267	(7%)
Operating income	\$ 48	\$ 57	(16%)
Operating margin	19.3%	21.4%	(210 bps)

(1) Reconciliations of Reported to Adjusted operating results are available in the Appendix.

- Adjusted sales of \$248 million, down \$19 million, or 7%;
- Naval defense market revenue declines primarily reflected lower revenues on the Virginia-class submarine program, partially offset by higher revenues on the CVN-81 aircraft carrier program;
- Higher power & process market sales reflected solid industrial valve demand in the oil and gas market and higher domestic nuclear aftermarket revenues, partially offset by the timing of production on the China Direct AP1000 program; and
- Adjusted operating income of \$48 million, down 16% from the prior year, while Adjusted operating margin decreased 210 basis points to 19.3%, driven by unfavorable absorption on lower revenues and unfavorable mix in the power & process market.

Free Cash Flow

<i>(In millions)</i>	Q4-2021	Q4-2020	Change
Net cash provided by operating activities	\$ 232	\$ 257	(10%)
Capital expenditures	(13)	(11)	(19%)
Reported free cash flow	\$ 219	\$ 246	(11%)
Adjusted free cash flow (1)	\$ 219	\$ 256	(15%)

(1) A reconciliation of Reported to Adjusted free cash flow is available in the Appendix.

- Reported free cash flow of \$219 million decreased approximately \$28 million, or 11%, primarily due to higher working capital and higher taxes;
- Capital expenditures increased \$2 million compared with the prior year, primarily due to higher capital investments within the Naval & Power segment; and
- Adjusted free cash flow of \$219 million decreased \$37 million, or approximately 15%, compared with record free cash flow achieved in the prior year period.

New Orders and Backlog

- New orders of \$676 million increased 19% and generated an overall book-to-bill that exceeded 1.0x, principally driven by solid demand within our A&D markets for our commercial aerospace and naval defense products; and
- Backlog of \$2.2 billion, up 3% from December 31, 2020, reflects higher demand in both our A&D and commercial markets.

Share Repurchase and Dividends

- During the fourth quarter, the Company repurchased 1.96 million shares of its common stock for approximately \$258 million;
- During full-year 2021, the Company repurchased 2.70 million shares for a record \$350 million; and
- The Company also declared a quarterly dividend of \$0.18 a share, unchanged from the previous quarter.

Other Items – Business Held for Sale

- In January 2022, the Company completed the sale of its German valves business.

Other Items – Westinghouse Legal Settlement

- In February 2022, the Company and Westinghouse reached an agreement to settle all open claims and counterclaims under the AP1000 U.S. and China contracts. Based on the terms of the settlement, the Company recorded full-year charges of approximately \$13 million related to this matter for the year ended December 31, 2021; and
 - The Company's 2021 non-GAAP results have been adjusted for this legal matter.
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Full-Year 2022 Guidance

The Company's full-year 2022 Adjusted financial guidance⁽¹⁾ is as follows:

(In millions, except EPS)	2022 Adjusted Non-GAAP Guidance	% Chg vs 2021
Total Sales	\$2,530 - \$2,580	Up 3% - 5%
Operating Income	\$432 - \$446	Up 3% - 6%
Operating Margin	17.1% - 17.3%	Up 10 - 30 bps
Diluted EPS	\$8.05 - \$8.25	Up 10% - 12%
Free Cash Flow ⁽²⁾	\$345 - \$365	Up 0% - 5%

(1) Reconciliations of Reported to Adjusted 2021 operating results and 2022 financial guidance are available in the Appendix.

(2) 2022 Adjusted Free Cash Flow includes \$50 - \$60 million in capital expenditures compared with \$41 million in 2021.

A more detailed breakdown of the Company's 2022 financial guidance by segment and by market, as well as all reconciliations of Reported GAAP amounts to Adjusted non-GAAP amounts can be found in the accompanying schedules. Historical financial results are available in the Investor Relations section of Curtiss-Wright's website.

Conference Call & Webcast Information

The Company will host a conference call to discuss fourth quarter and full-year 2021 financial results and expectations for 2022 guidance at 10:00 a.m. ET on Thursday, February 24, 2022. A live webcast of the call and the accompanying financial presentation, as well as a replay of the call, will be made available on the internet by visiting the Investor Relations section of the Company's website at www.curtisswright.com.

(Tables to Follow)

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

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Product sales	\$ 556,911	\$ 583,314	\$ 2,109,617	\$ 2,041,086
Service sales	109,847	85,130	396,314	350,250
Total net sales	<u>666,758</u>	<u>668,444</u>	<u>2,505,931</u>	<u>2,391,336</u>
Cost of product sales	340,432	373,676	1,330,191	1,319,562
Cost of service sales	64,454	52,967	242,384	230,547
Total cost of sales	<u>404,886</u>	<u>426,643</u>	<u>1,572,575</u>	<u>1,550,109</u>
Gross profit	261,872	241,801	933,356	841,227
Research and development expenses	21,814	20,653	88,489	74,816
Selling expenses	27,729	27,887	116,956	109,537
General and administrative expenses	96,532	72,773	326,140	303,288
Impairment of assets held for sale	10,432	33,043	19,088	33,043
Restructuring expenses	—	10,965	—	31,695
Operating income	<u>105,365</u>	<u>76,480</u>	<u>382,683</u>	<u>288,848</u>
Interest expense	10,146	10,486	40,240	35,545
Other income, net	<u>3,157</u>	<u>2,904</u>	<u>12,067</u>	<u>9,748</u>
Earnings before income taxes	98,376	68,898	354,510	263,051
Provision for income taxes	<u>(21,797)</u>	<u>(14,905)</u>	<u>(87,351)</u>	<u>(61,659)</u>
Net earnings	<u>\$ 76,579</u>	<u>\$ 53,993</u>	<u>\$ 267,159</u>	<u>\$ 201,392</u>
Net earnings per share:				
Basic earnings per share	\$ 1.95	\$ 1.31	\$ 6.61	\$ 4.83
Diluted earnings per share	\$ 1.94	\$ 1.30	\$ 6.58	\$ 4.80
Dividends per share	\$ 0.18	\$ 0.17	\$ 0.71	\$ 0.68
Weighted average shares outstanding:				
Basic	39,309	41,209	40,417	41,738
Diluted	39,524	41,459	40,602	41,999

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

	December 31,	December 31,
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 171,004	\$ 198,248
Receivables, net	647,148	588,718
Inventories, net	411,567	428,879
Assets held for sale	10,988	27,584
Other current assets	67,101	57,395
Total current assets	<u>1,307,808</u>	<u>1,300,824</u>
Property, plant, and equipment, net	360,031	378,200
Goodwill	1,463,026	1,455,137
Other intangible assets, net	538,077	609,630
Operating lease right-of-use assets, net	143,613	150,898
Prepaid pension asset	256,422	92,531
Other assets	34,568	34,114
Total assets	<u>\$ 4,103,545</u>	<u>\$ 4,021,334</u>
Liabilities		
Current liabilities:		
Current portion of long-term and short term debt	\$ —	\$ 100,000
Accounts payable	211,640	201,237
Accrued expenses	144,466	140,200
Income taxes payable	3,235	6,633
Deferred revenue	260,157	253,411
Liabilities held for sale	12,655	10,141
Other current liabilities	102,714	98,755
Total current liabilities	<u>734,867</u>	<u>810,377</u>
Long-term debt, net	1,050,610	958,292
Deferred tax liabilities	147,349	115,007
Accrued pension and other postretirement benefit costs	91,329	98,345
Long-term operating lease liability	127,152	133,069
Long-term portion of environmental reserves	13,656	15,422
Other liabilities	112,092	103,248
Total liabilities	<u>2,277,055</u>	<u>2,233,760</u>
Stockholders' equity		
Common stock, \$1 par value	\$ 49,187	\$ 49,187
Additional paid in capital	127,104	122,535
Retained earnings	2,908,827	2,670,328
Accumulated other comprehensive loss	(190,465)	(310,856)
Less: cost of treasury stock	(1,068,163)	(743,620)
Total stockholders' equity	<u>1,826,490</u>	<u>1,787,574</u>
Total liabilities and stockholders' equity	<u>\$ 4,103,545</u>	<u>\$ 4,021,334</u>

Use and Definitions 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 Adjusted (non-GAAP) measures provide investors with improved transparency in order to better measure Curtiss-Wright's ongoing operating and financial performance and better comparisons of our key financial metrics to our peers. 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. Reconciliations of "As Reported" GAAP amounts to "Adjusted" non-GAAP amounts are furnished within this release.

The following definitions are provided:

Adjusted Sales, Operating Income, Operating Margin, Net Earnings and Diluted EPS

These Adjusted financials are defined as Reported Sales, Operating Income, Operating Margin, Net Earnings and Diluted Earnings per Share under GAAP excluding: (i) the impact of first year purchase accounting costs associated with acquisitions, specifically one-time inventory step-up, backlog amortization, deferred revenue adjustments and transaction costs; (ii) one-time transition and IT security costs associated with the relocation of a business in the prior year period; (iii) the non-cash impairment of capitalized development costs in the prior year period; (iv) significant restructuring costs in 2020 associated with its operations; (v) the sale or divestiture of a business or product line; (vi) pension settlement charges; and (vii) significant legal settlements and impairment costs.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
RECONCILIATION OF AS REPORTED TO ADJUSTED (UNAUDITED)
(\$'s in thousands)

	Three Months Ended December 31, 2021			Three Months Ended December 31, 2020			% Change	
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted	Reported	Adjusted
Sales:								
Aerospace & Industrial ⁽¹⁾	\$ 209,994	\$ (2,418)	\$ 207,576	\$ 212,766	\$ (20,553)	\$ 192,213	(1)%	8%
Defense Electronics ⁽²⁾	199,259	360	199,619	181,239	935	182,174	10%	10%
Naval & Power ⁽³⁾	257,505	(9,401)	248,104	274,439	(7,360)	267,079	(6)%	(7)%
Total sales	\$ 666,758	\$ (11,459)	\$ 655,299	\$ 668,444	\$ (26,978)	\$ 641,466	—%	2%
Operating income (expense):								
Aerospace & Industrial ⁽¹⁾	\$ 39,943	\$ 493	\$ 40,436	\$ 34,079	\$ (362)	\$ 33,717	17%	20%
Defense Electronics ⁽²⁾	52,433	442	52,875	34,846	10,492	45,338	50%	17%
Naval & Power ⁽³⁾	25,025	22,802	47,827	17,528	39,513	57,041	43%	(16)%
Total segments	\$ 117,401	\$ 23,737	\$ 141,138	\$ 86,453	\$ 49,643	\$ 136,096	36%	4%
Corporate and other	(12,036)	(22)	(12,058)	(9,973)	65	(9,908)	(21)%	(22)%
Total operating income	\$ 105,365	\$ 23,715	\$ 129,080	\$ 76,480	\$ 49,708	\$ 126,188	38%	2%
Operating margins:								
	<u>As Reported</u>		<u>Adjusted</u>	<u>As Reported</u>		<u>Adjusted</u>	<u>Reported</u>	<u>Adjusted</u>
Aerospace & Industrial	19.0%		19.5%	16.0%		17.5%	300 bps	200 bps
Defense Electronics	26.3%		26.5%	19.2%		24.9%	710 bps	160 bps
Naval & Power	9.7%		19.3%	6.4%		21.4%	330 bps	(210 bps)
Total Curtiss-Wright	15.8%		19.7%	11.4%		19.7%	440 bps	— bps
Segment margins	17.6%		21.5%	12.9%		21.2%	470 bps	30 bps

(1) Excludes our build-to-print actuation product line supporting the Boeing 737 Max program in both periods, and restructuring costs incurred in the prior period.

(2) Excludes first year purchase accounting adjustments in both periods and restructuring costs incurred in the prior period.

(3) Excludes the results of operations and related impairments from our German valves business in both periods, one-time legal settlement costs in the current period, first year purchase accounting adjustments in the prior period, and restructuring costs in the prior period.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
RECONCILIATION OF AS REPORTED TO ADJUSTED (UNAUDITED)
(\$'s in thousands)

	Twelve Months Ended December 31, 2021			Twelve Months Ended December 31, 2020			% Change	
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted	Reported	Adjusted
	Sales:							
Aerospace & Industrial ⁽¹⁾	\$ 786,334	\$ (11,182)	\$ 775,152	\$ 805,673	\$ (67,482)	\$ 738,191	(2)%	5%
Defense Electronics ⁽²⁾	724,326	3,600	727,926	608,757	1,884	610,641	19%	19%
Naval & Power ⁽³⁾	995,271	(29,869)	965,402	976,906	(25,963)	950,943	2%	2%
Total sales	\$2,505,931	\$ (37,451)	\$2,468,480	\$2,391,336	\$ (91,562)	\$2,299,774	5%	7%
Operating income (expense):								
Aerospace & Industrial ⁽¹⁾	\$ 121,817	\$ (1,586)	\$ 120,231	\$ 99,714	\$ (1,879)	\$ 97,835	22%	23%
Defense Electronics ⁽²⁾	159,089	5,134	164,223	118,748	25,625	144,373	34%	14%
Naval & Power ⁽³⁾	141,660	34,139	175,799	108,151	62,715	170,866	31%	3%
Total segments	\$ 422,566	\$ 37,687	\$ 460,253	\$ 326,613	\$ 86,461	\$ 413,074	29%	11%
Corporate and other	(39,883)	53	(39,830)	(37,765)	186	(37,579)	(6)%	(6)%
Total operating income	\$ 382,683	\$ 37,740	\$ 420,423	\$ 288,848	\$ 86,647	\$ 375,495	32%	12%
Operating margins:	As Reported		Adjusted	As Reported		Adjusted	Reported	Adjusted
Aerospace & Industrial	15.5%		15.5%	12.4%		13.3%	310 bps	220 bps
Defense Electronics	22.0%		22.6%	19.5%		23.6%	250 bps	(100 bps)
Naval & Power	14.2%		18.2%	11.1%		18.0%	310 bps	20 bps
Total Curtiss-Wright	15.3%		17.0%	12.1%		16.3%	320 bps	70 bps
Segment margins	16.9%		18.6%	13.7%		18.0%	320 bps	60 bps

(1) Excludes our build-to-print actuation product line supporting the Boeing 737 Max program in both periods and restructuring costs in the prior period.

(2) Excludes first year purchase accounting adjustments in both periods, a non-cash impairment of capitalized development costs related to a commercial aerospace program in the prior period, and restructuring costs in the prior period.

(3) Excludes the results of operations and related impairments from our German valves business in both periods, one-time legal settlement costs in the current period, one-time costs in the prior period associated with the relocation of our DRG business, first year purchase accounting adjustments in the prior period, and restructuring costs in the prior period.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
RECONCILIATION OF AS REPORTED SALES TO ADJUSTED SALES BY END MARKET (UNAUDITED)
(\$'s in thousands)

	Three Months Ended December 31, 2021			Three Months Ended December 31, 2020			2021 vs. 2020	
	Reported Sales	Adjustments	Adjusted Sales	Reported Sales	Adjustments	Adjusted Sales	Change in Reported Sales	Change in Adjusted Sales
Aerospace & Defense markets:								
Aerospace Defense (1)	\$ 124,815	\$ —	\$ 124,815	\$ 130,570	\$ 215	\$ 130,785	(4%)	(5%)
Ground Defense (1)	61,199	360	61,559	44,243	720	44,963	38%	37%
Naval Defense	179,259	—	179,259	195,995	—	195,995	(9%)	(9%)
Commercial Aerospace (2)	71,437	(2,418)	69,019	82,810	(20,553)	62,257	(14%)	11%
Total Aerospace & Defense	\$ 436,710	\$ (2,058)	\$ 434,652	\$ 453,618	\$ (19,618)	\$ 434,000	(4%)	0%
Commercial markets:								
Power & Process (3)	129,916	(9,401)	120,515	124,210	(7,360)	116,850	5%	3%
General Industrial	100,132	—	100,132	90,616	—	90,616	11%	11%
Total Commercial	230,048	(9,401)	220,647	214,826	(7,360)	207,466	7%	6%
Total Curtiss-Wright	\$ 666,758	\$ (11,459)	\$ 655,299	\$ 668,444	\$ (26,978)	\$ 641,466	0%	2%
<hr/>								
	Twelve Months Ended December 31, 2021			Twelve Months Ended December 31, 2020			2021 vs. 2020	
	Reported Sales	Adjustments	Adjusted Sales	Reported Sales	Adjustments	Adjusted Sales	Change in Reported Sales	Change in Adjusted Sales
Aerospace & Defense markets:								
Aerospace Defense (1)	\$ 452,661	\$ —	\$ 452,661	\$ 463,690	\$ 1,164	\$ 464,854	(2%)	(3%)
Ground Defense (1)	220,290	3,600	223,890	107,448	720	108,168	105%	107%
Naval Defense	710,688	—	710,688	692,152	—	692,152	3%	3%
Commercial Aerospace (2)	267,722	(11,182)	256,540	325,518	(67,482)	258,036	(18%)	(1%)
Total Aerospace & Defense	\$1,651,361	\$ (7,582)	\$1,643,779	\$1,588,808	\$ (65,598)	\$1,523,210	4%	8%
Commercial markets:								
Power & Process (3)	473,489	(29,869)	443,620	474,842	(25,964)	448,878	0%	(1%)
General Industrial	381,081	—	381,081	327,686	—	327,686	16%	16%
Total Commercial	\$ 854,570	\$ (29,869)	\$ 824,701	\$ 802,528	\$ (25,964)	\$ 776,564	6%	6%
Total Curtiss-Wright	\$2,505,931	\$ (37,451)	\$2,468,480	\$2,391,336	\$ (91,562)	\$2,299,774	5%	7%

(1) Excludes first year purchase accounting adjustments.

(2) Excludes our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited in the fourth quarter of 2020.

(3) Excludes our German valves business which was classified as held for sale in the fourth quarter of 2020.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
RECONCILIATION OF AS REPORTED TO ADJUSTED (UNAUDITED)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Diluted earnings per share - As Reported	\$ 1.94	\$ 1.30	\$ 6.58	\$ 4.80
First year purchase accounting adjustments	0.02	0.21	0.11	0.69
Exit of build-to-print actuation product line	0.01	(0.04)	(0.02)	(0.17)
German valves business held for sale	0.11	0.59	0.30	0.61
Charges related to legal settlement	0.32	—	0.31	—
Restructuring costs	—	0.21	—	0.66
Pension settlement charges	—	—	0.06	—
Diluted earnings per share - Adjusted (1)	<u>\$ 2.40</u>	<u>\$ 2.27</u>	<u>\$ 7.34</u>	<u>\$ 6.59</u>

(1) All adjustments are presented net of income taxes.

Organic Sales and Organic Operating Income

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

Three Months Ended December 31, 2021 vs. 2020

	Aerospace & Industrial		Defense Electronics		Naval & Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
As Reported	(1)%	17%	10%	50%	(6)%	43%	0%	38%
Less: Acquisitions	0%	0%	(6)%	(3)%	0%	0%	(2)%	(1)%
Impairment of assets held for sale	0%	0%	0%	0%	0%	(129)%	0%	(30)%
Restructuring	0%	(16)%	0%	(1)%	0%	(40)%	0%	(16)%
Foreign Currency	0%	2%	0%	3%	0%	(2)%	0%	1%
Organic	<u>(1)%</u>	<u>3%</u>	<u>4%</u>	<u>49%</u>	<u>(6)%</u>	<u>(128)%</u>	<u>(2)%</u>	<u>(8)%</u>

Year Ended December 31, 2021 vs. 2020

	Aerospace & Industrial		Defense Electronics		Naval & Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
As Reported	(2)%	22%	19%	34%	2%	31%	5%	32%
Less: Acquisitions	0%	0%	(19)%	(12)%	0%	0%	(5)%	(5)%
Impairment of assets held for sale	0%	0%	0%	0%	0%	(13)%	0%	(5)%
Restructuring	0%	(14)%	0%	(3)%	0%	(22)%	0%	(14)%
Foreign Currency	(2)%	1%	0%	5%	(1)%	1%	(1)%	3%
Organic	<u>(4)%</u>	<u>9%</u>	<u>0%</u>	<u>24%</u>	<u>1%</u>	<u>(3)%</u>	<u>(1)%</u>	<u>11%</u>

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 net cash provided by operating activities less capital expenditures. Adjusted free cash flow for 2020 excludes: (i) a capital investment in the Naval & Power segment related to the new, state-of-the-art naval facility principally for DRG; (ii) a voluntary contribution to the Company's corporate defined benefit pension plan made in the first quarter of 2020; and (iii) the cash impact from significant restructuring in 2020. The Corporation discloses adjusted free cash flow conversion because it measures the proportion of net earnings converted into free cash flow and is defined as adjusted free cash flow divided by adjusted net earnings.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES NON-GAAP FINANCIAL DATA (UNAUDITED)

(\$'s in thousands)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Net cash provided by operating activities	\$ 231,907	\$ 257,396	\$ 387,668	\$ 261,180
Capital expenditures	(13,250)	(11,158)	(41,108)	(47,499)
Free cash flow	\$ 218,657	\$ 246,238	\$ 346,560	\$ 213,681
Voluntary pension contribution	—	—	—	150,000
Adjustment to capital expenditures (DRG facility investment)	—	139	—	10,251
Restructuring	—	9,582	—	20,258
Adjusted free cash flow	\$ 218,657	\$ 255,959	\$ 346,560	\$ 394,190
Adjusted free cash flow conversion	230%	272%	116%	142%

CURTISS-WRIGHT CORPORATION

2022 Guidance

As of February 23, 2022

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

	2021 Reported (GAAP)	2021 Adjustments (1) (Non-GAAP)	2021 Adjusted (1) (Non-GAAP)	2022 Reported Guidance (GAAP)		2022 Adjustments (2,3) (Non-GAAP)	2022 Adjusted Guidance (1,2,3) (Non-GAAP)		2022 Chg vs 2021 Adjusted
				Low	High		Low	High	
Sales:									
Aerospace & Industrial	\$ 786	\$ (11)	\$ 775	\$ 805	\$ 825	-	\$ 805	\$ 825	4 - 6%
Defense Electronics	724	4	728	745	760	-	745	760	2 - 4%
Naval & Power	995	(30)	965	980	995	-	980	995	2 - 3%
Total sales	\$ 2,506	\$ (37)	\$ 2,468	\$2,530	\$2,580		\$2,530	\$2,580	3 to 5%
Operating income:									
Aerospace & Industrial	\$ 122	\$ (2)	\$ 120	\$ 131	\$ 135	-	\$ 131	\$ 135	9 - 12%
Defense Electronics	159	5	164	164	169	-	164	169	0 - 3%
Naval & Power	142	34	176	177	182	-	177	182	1 - 4%
Total segments	423	38	460	472	486		472	486	
Corporate and other	(40)	-	(40)	(39)	(40)	-	(39)	(40)	
Total operating income	\$ 383	\$ 38	\$ 420	\$ 432	\$ 446		\$ 432	\$ 446	3 to 6%
Interest expense	\$ (40)	\$ -	\$ (40)	\$ (39)	\$ (40)	-	\$ (39)	\$ (40)	
Other income, net	12	3	15	8	9	\$ 9	17	18	
Earnings before income taxes	355	41	396	401	415	9	410	424	
Provision for income taxes	(87)	(10)	(97)	(96)	(100)	(2)	(98)	(102)	
Net earnings	\$ 267	\$ 31	\$ 298	\$ 305	\$ 315	\$ 7	\$ 312	\$ 322	
Diluted earnings per share	\$ 6.58	\$ 0.76	\$ 7.34	\$ 7.87	\$ 8.08	\$ 0.18	\$ 8.05	\$ 8.25	10 to 12%
Diluted shares outstanding	40.6		40.6	38.8	39.0		38.8	39.0	
Effective tax rate	24.6%		24.6%	24.0%	24.0%		24.0%	24.0%	
Operating margins:									
Aerospace & Industrial	15.5%		15.5%	16.2%	16.4%		16.2%	16.4%	70 to 90 bps
Defense Electronics	22.0%		22.6%	22.0%	22.2%		22.0%	22.2%	(40 to 60 bps)
Naval & Power	14.2%		18.2%	18.1%	18.3%		18.1%	18.3%	(10) to 10 bps
Total operating margin	15.3%		17.0%	17.1%	17.3%		17.1%	17.3%	10 to 30 bps
Free cash flow	\$ 347		\$ 347	\$ 308	\$ 328	\$ 37	\$ 345	\$ 365	

Notes: Full year amounts may not add due to rounding.

(1) 2021 Adjusted financials excludes the impact of first year purchase accounting adjustments; our build-to-print actuation product line supporting the Boeing 737 Max program; the results of operations and related impairments from our German valves business; one-time, pension settlement charges related to the retirement of two former executives (within non-operating income); and one-time legal settlement costs.

(2) 2022 Adjusted financials exclude one-time, pension settlement charges related to the retirement of two former executives (within non-operating income).

(3) Free Cash Flow is defined as cash flow from operations less capital expenditures. 2022 Adjusted Free Cash Flow guidance excludes one-time, pension settlement payments of \$22 million and a legal settlement payment of \$15 million.

CURTISS-WRIGHT CORPORATION
2022 Sales Growth Guidance by End Market
As of February 23, 2022

<u>Aerospace & Defense Markets</u>	<u>2022 % Change vs 2021 Adjusted(1)</u>	<u>% Total Sales</u>
Aerospace Defense	0 - 2%	18%
Ground Defense	2 - 4%	9%
Naval Defense	1 - 3%	28%
Commercial Aerospace	9 - 11%	11%
Total Aerospace & Defense	2 - 4%	66%
<u>Commercial Markets</u>		
Power & Process	1 - 3%	18%
General Industrial	6 - 8%	16%
Total Commercial	4 - 6%	34%
Total Curtiss-Wright Sales	3 - 5%	100%

About Curtiss-Wright Corporation

Curtiss-Wright Corporation (NYSE:CW) is a global integrated business that provides highly engineered products, solutions and services mainly to Aerospace & Defense markets, as well as critical technologies in demanding Commercial Power, Process and Industrial markets. We leverage a workforce of 7,800 highly skilled employees who develop, design and build what we believe are the best engineered solutions to the markets we serve. Building on the heritage of Glenn Curtiss and the Wright brothers, Curtiss-Wright has a long tradition of providing innovative solutions through trusted customer relationships. For more information, visit 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, future cash flow from operations, and potential impacts of the COVID-19 pandemic are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act") and 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; the impact of a global pandemic or national epidemic, 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, 2020 and subsequent reports filed with the Securities and Exchange Commission.

This press release and additional information are available at www.curtisswright.com.

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**CURTISS -
WRIGHT**



**Q4 2021
EARNINGS CONFERENCE CALL**

FEBRUARY 24, 2022

Listen-Only dial-in numbers:
(844) 220-4970 (domestic)
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Conference ID: 1619366

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SAFE HARBOR STATEMENT

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 within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and the Private Securities Litigation-Reform Act of 1995. Such forward-looking statements only speak as of the date of this report and Curtiss-Wright Corporation assumes no obligation to update the information included in this report. Such forward-looking statements include, among other things, management's estimates of future performance, revenue and earnings, our management's growth objectives, our management's ability to integrate our acquisition, 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, including the impact of a global pandemic or national epidemic.

This presentation also includes certain non-GAAP financial measures with reconciliations to GAAP financial measures being made available in the earnings release and this presentation that are 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.

SOLID FINISH TO 2021 ENSURES CURTISS-WRIGHT IS WELL POSITIONED FOR 2022

Fourth Quarter 2021 Highlights

- **Sales increased 2% overall**
 - Strength of combined portfolio minimized supply chain impacts
 - A&D markets flat; Commercial markets up 6%
- **Operating Income up 2%; Operating Margin of 19.7%**
 - Strong profitability in A&I and Defense Electronics segments
 - Benefit of company-wide operational excellence initiatives
- **Diluted EPS of \$2.40, up 6%, exceeded expectations**
 - Record Q4 share repurchase of \$258M
- **FCF of \$219M; 230% FCF conversion**
- **New Orders up 19%; Book-to-bill > 1.0x**

Note: 2021 results and 2022 guidance presented on an Adjusted (Non-GAAP) basis

FY2021 Highlights

- **Sales up 7%; Double-digit growth in Operating Income, Diluted EPS and New Orders**
- **Achieved 17% Operating Margin target One Year early**
 - Results include \$14M (60 bps) in incremental R&D investments
- **Completed Record annual Share Repurchase of \$350M**

Recent News and Future Outlook

- **Cleared runway for new AP1000 orders following settlement with Westinghouse**
- **Announced acquisition of Safran's arresting systems business (SAA) for \$240M in cash**
- **Completed sale of German valves business**
- **2022 guidance reflects 3-5% Sales growth, improved profitability, 10-12% EPS growth and solid FCF generation**

FOURTH QUARTER 2021 FINANCIAL REVIEW

(\$ in millions)	Q4'21 Adjusted	Q4'20 Adjusted	Chg vs. Q4'20	Key Drivers
Aerospace & Industrial	\$208	\$192	8%	<ul style="list-style-type: none"> ▪ Solid growth in comm'l aero (narrowbody OEM), industrial (vehicles) and defense (fighter jets)
Defense Electronics	\$200	\$182	10%	<ul style="list-style-type: none"> ▪ Strong contribution from PacStar acquisition and higher F-35 program revenues ▪ Includes ~\$20M shift in revenues to 2022 (ongoing supply chain headwinds)
Naval & Power	\$248	\$267	(7%)	<ul style="list-style-type: none"> ▪ Lower naval defense sales (Virginia-class submarine) due to timing ▪ Reduced CAP1000 program revenues (wind down) part. offset by growth in process (valves)
Total Sales	\$655	\$641	2%	
Aerospace & Industrial <i>Margin</i>	\$40 19.5%	\$34 17.5%	20% 200 bps	<ul style="list-style-type: none"> ▪ Favorable absorption on strong sales growth ▪ Benefit of ongoing operational excellence initiatives and pricing initiatives to mitigate supply chain headwinds
Defense Electronics <i>Margin</i>	\$53 26.5%	\$45 24.9%	17% 160 bps	<ul style="list-style-type: none"> ▪ Favorable absorption and mix on defense electronics revenues ▪ PacStar acquisition accretive to operating income, but dilutive to operating margin
Naval & Power <i>Margin</i>	\$48 19.3%	\$57 21.4%	(16%) (210 bps)	<ul style="list-style-type: none"> ▪ Unfavorable absorption on lower naval revenues ▪ Unfavorable mix in the power & process market (CAP1000) and investments in Op Excellence
Corporate and Other	(\$12)	(\$10)	(22%)	<ul style="list-style-type: none"> ▪ Higher environmental costs
Total Op. Income <i>CW Margin</i>	\$129 19.7%	\$126 19.7%	2% <i>Flat</i>	

2022 END MARKET SALES GROWTH GUIDANCE (As of February 23, 2022)

	2022E Growth vs 2021	2022E % Sales	Expecting Solid Organic Growth in All A&D and Commercial Markets
Aerospace Defense	0% - 2%	18%	<ul style="list-style-type: none"> Favorable growth on C5/ISR programs; Partially offset by Lower F-35
Ground Defense	2% - 4%	9%	<ul style="list-style-type: none"> Higher tactical battlefield communication systems revenues
Naval Defense	1% - 3%	28%	<ul style="list-style-type: none"> Solid growth on CVN-81 A/C carrier and Columbia Class sub revenues, partially offset by lower CVN-80 A/C revenues
Commercial Aero	9% - 11%	11%	<ul style="list-style-type: none"> Rebound in Core OEM (mainly narrowbody)
Total Aerospace & Defense	2% - 4%	66%	Defense markets guidance considers continued supply chain disruption and Continuing Resolution (CR)
Power & Process	1% - 3%	18%	<ul style="list-style-type: none"> Solid U.S. nuclear aftermarket revenues, part. offset by lower CAP1000 program revenues (wind down) Solid growth in valves sales to Process market
General Industrial	6% - 8%	16%	<ul style="list-style-type: none"> Continued strength across industrial markets
Total Commercial	4% - 6%	34%	Growing backlog across Commercial markets
Total Curtiss-Wright	3% - 5%	100%	

2022 FINANCIAL GUIDANCE (As of February 23, 2022)

<small>(\$ in millions)</small>	2022E Adjusted	% Change vs 2021	
Aerospace & Industrial	\$805 - 825	4% - 6%	<ul style="list-style-type: none"> Strong growth in Comm'l Aero and General Industrial markets; part. offset by lower F-35
Defense Electronics	\$745 - 760	2% - 4%	<ul style="list-style-type: none"> A&D sales growth weighted to H2; Caution remains on supply chain Higher Aero Defense (C5ISR) and Ground Defense (PacStar)
Naval & Power	\$980 - 995	2% - 3%	<ul style="list-style-type: none"> Naval Defense growth LSD MSD Growth in Nuclear AM and Process, partially offset by wind down on CAP1000 program
Total Sales	\$2,530 - 2,580	3% - 5%	
Aerospace & Industrial Margin	\$131 - 135 16.2% - 16.4%	9% - 12% 70 - 90 bps	<ul style="list-style-type: none"> Strong absorption on higher sales Benefit of ongoing operational excellence initiatives
Defense Electronics Margin	\$164 - 169 22.0% - 22.2%	0% - 3% (40 - 60 bps)	<ul style="list-style-type: none"> Favorable absorption on higher A&D revenues Includes YOY R&D investments of \$7M (90 bps impact)
Naval & Power Margin	\$177 - 182 18.1% - 18.3%	1% - 4% (10) - 10 bps	<ul style="list-style-type: none"> Higher Nuclear AM and Process sales offset by wind down on profitable CAP1000 (23%+) Solid incremental margin expansion excl. CAP1000 impact Benefit of Operational Excellence initiatives
Corporate and Other	(\$39 - 40)	- Flat	
Total Op. Income CW Margin	\$432 - 446 17.1% - 17.3%	3% - 6% +10 - 30 bps	Continued Margin Expansion in 2022, including R&D investments and CAP1000 Headwinds

2022 FINANCIAL GUIDANCE (As of February 23, 2022)

(\$ in millions, except EPS)	2022E Adjusted	% Change vs 2021	
Total Sales	\$2,530 - 2,580	3% - 5%	
Total Operating Income	\$432 - 446	3% - 6%	
Other Income	\$17 - 18		▪ Higher Discount Rates
Interest Expense	(\$39 - 40)		
Diluted EPS	\$8.05 - 8.25	10% - 12%	Benefit of Record \$350M in '21 Share Repurchases; Expect Q1'22 EPS below PY level
Diluted Shares Outstanding	38.8 - 39.0		▪ Min. \$50 million share repurchase in '22
Free Cash Flow	\$345 - 365	0% - 5%	Cash Flow from Operations up 2% - 10%
Free Cash Flow Conversion	>110%		▪ Remain above 110% long-term target
Capital Expenditures	\$50 - 60		▪ Return to normal discretionary spending (vs \$41M in 2021)
Depreciation & Amortization	\$110 - 120		

REVITALIZING CURTISS-WRIGHT'S LONG-TERM OPPORTUNITY TO SUPPORT AP1000 PROGRAM

- **Secured Westinghouse's commitment to Curtiss-Wright RCP technology in future AP1000 power plants for their next multi-unit project in Eastern Europe**
 - Potentially opens vast opportunity to new AP1000 plants, including in Poland, Ukraine, Bulgaria, Czech Republic, Slovenia and U.S., among others
 - Potential to generate new RCP orders within the next 3-5 years
- **Settled all outstanding legal matters with Westinghouse**
 - In February 2022, Curtiss-Wright and Westinghouse reached an agreement to settle all outstanding AP1000 commercial claims on both sides
 - Covers both U.S. and China AP1000 reactor coolant pump (RCP) contracts dating back to 2007
 - Curtiss-Wright to pay Westinghouse \$25M settlement (split between Q1'22 and Q1'23)
- **Long-term potential in Eastern Europe to secure more than \$1.5B in RCP orders**
 - Jan. '22: Westinghouse signed MOUs⁽¹⁾ with ten companies in Poland on the potential deployment of 6 AP1000 plants for the Polish Nuclear Power Plant program
 - Jan. '22: Westinghouse signed Strategic Partnerships with Czech firms on the potential deployment of an AP1000 plant for the Dukovany 5 project, as well as other potential AP1000 projects
 - Nov. '21: Westinghouse entered into a MOU with the Ukraine's nuclear operator Energoatom for the procurement of AP1000 power plants for up to 5 reactors



DELIVERING VALUE THROUGH M&A...WHILE MOVING PAST LEGACY MATTERS



Integration Going Very Well

- Enhancing COTS value proposition with increased breadth of embedded computing portfolio; Addition of proprietary software
- Fully integrated into Curtiss-Wright shared services (e.g. Sales, Marketing, Contracts)
- PacStar providing leadership in systems approach to MOSA, bringing Hybrid MOSA chassis and IQ Core software support to multiple CW product lines
- Delivered strong profitability on high single-digit sales growth in '21, as expected



Phönix Group

Successfully Divested German Valves business

- Acquired in 2013
- Unable to develop necessary synergies with CW's existing valves businesses
- Required significant management time and resources
- Financials below corporate objectives
- Moved to Held for Sale status in Q4'20; Signed and closed in Jan 2022

PHÖNIX



ACQUISITION OF SAFRAN'S ARRESTING SYSTEMS BUSINESS EXPANDS GLOBAL DEFENSE PORTFOLIO

- **Jan'22: Announced Acquisition of Safran Aerosystems Arresting Company**

- A leading supplier of mission-critical, fixed-wing military aircraft arresting systems
- Strong global installed base (>5,000 systems worldwide) provides recurring aftermarket revenue
- Geographic mix: 25% U.S., 75% ROW

- **Aligned with CW Investor Day Priorities**

- Defense businesses providing 'critical safety systems'
- Industry leader with strong OEM and AM market share
- Adjacent technology with CW's existing helicopter landing and recovery systems

- **Supports Curtiss-Wright's Long-Term Financial Objectives**

- Growth in fighter jet fleet (notably F-35) expected to yield significant long-term revenue growth opportunities
- Expected to contribute to CW's overall operating margin target of 17% over time

- **Deal expected to close by early 3rd quarter**

Purchase Price	\$240M (cash)
EBITDA Multiple	~12x NTM
2021 Sales	~\$70M
Adjusted Operating Margin ⁽¹⁾	Dilutive to CW in Year One
Adjusted EPS ⁽¹⁾	Accretive in Year One
Free Cash Flow	Expected to generate >100% FCF Conv.

(1) Excludes impact of first-year purchase accounting adjustments, including backlog amortization and transaction costs

CURTISS-WRIGHT IS WELL POSITIONED TO DELIVER PROFITABLE GROWTH IN 2022

- **Sales growth of 3% - 5%, driven by increases in all A&D and Commercial markets**
 - Remain cautious on supply chain and impact of Continuing Resolution in Defense
- **Continued Operating Margin expansion, Expect 10 - 30 bps increase to 17.1% - 17.3%**
 - Maintaining increased investment in R&D for long-term growth (\$8M or 30 bps)
- **Free Cash Flow generation remains solid**
 - Targeting 10th consecutive year >100% FCF conversion
- **Committed to a disciplined capital allocation strategy**
 - Acquisitions remain a top priority
- **Remain on track to deliver on our Investor Day financial targets for 2023**



Appendix

NON-GAAP FINANCIAL RESULTS

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 Adjusted (non-GAAP) measures provide investors with improved transparency in order to better measure Curtiss-Wright's ongoing operating and financial performance and better comparisons of our key financial metrics to our peers. 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. Reconciliations of "As Reported" GAAP amounts to "Adjusted" non-GAAP amounts are furnished within this release.

The following definitions are provided:

Adjusted Sales, Operating Income, Operating Margin, Net Earnings and Diluted EPS

These Adjusted financials are defined as Reported Sales, Operating Income, Operating Margin, Net Earnings and Diluted Earnings per Share under GAAP excluding: (i) the impact of first year purchase accounting costs associated with acquisitions, specifically one-time inventory step-up, backlog amortization, deferred revenue adjustments and transaction costs; (ii) one-time transition and IT security costs associated with the relocation of a business in the prior year period; (iii) the non-cash impairment of capitalized development costs in the prior year period; (iv) significant restructuring costs in 2020 associated with its operations; (v) the sale or divestiture of a business or product line; (vi) pension settlement charges; and (vii) significant legal settlements and impairment costs.

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 net cash provided by operating activities less capital expenditures. Adjusted free cash flow for 2020 excludes: (i) a capital investment in the Naval & Power segment related to the new, state-of-the-art naval facility principally for DRG; (ii) a voluntary contribution to the Company's corporate defined benefit pension plan made in the first quarter of 2020; and (iii) the cash impact from significant restructuring in 2020. The Corporation discloses adjusted free cash flow conversion because it measures the proportion of net earnings converted into free cash flow and is defined as adjusted free cash flow divided by adjusted net earnings.

EBITDA

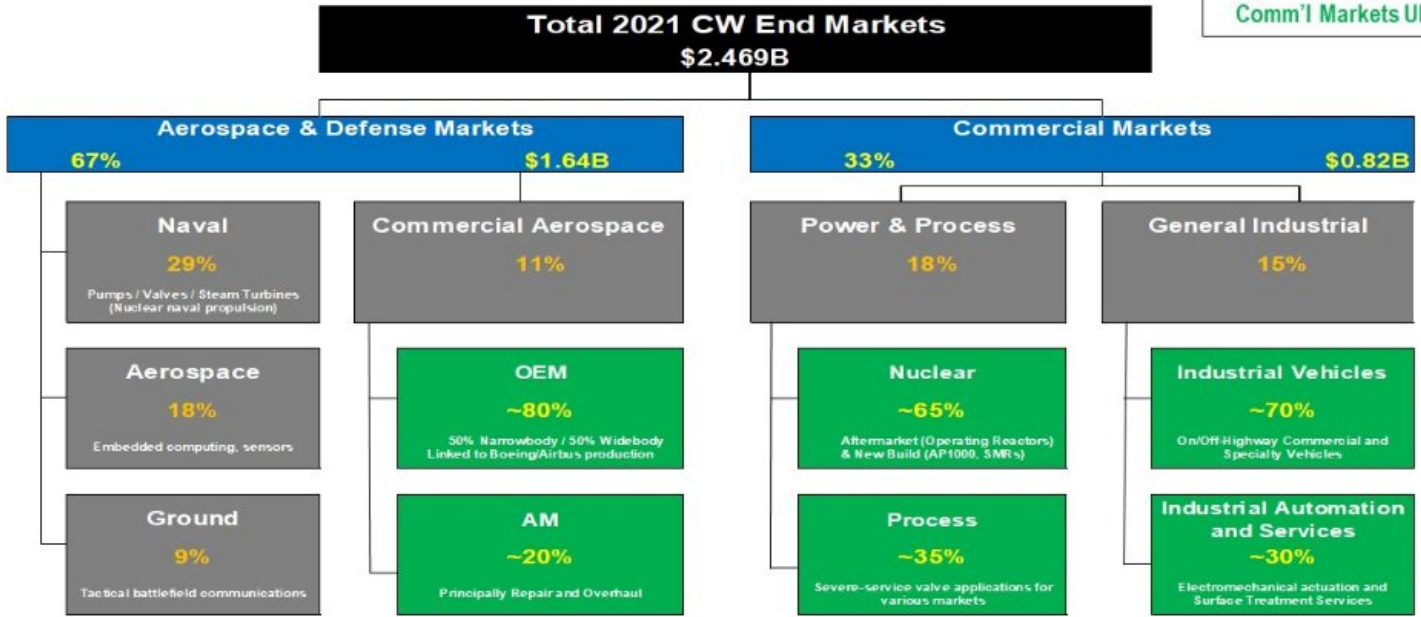
EBITDA is defined as Net Earnings before Interest, Tax, Depreciation and Amortization.

FOURTH QUARTER 2021: END MARKET SALES GROWTH

(\$ in Millions)	Q4'21 Adjusted	Q4'20 Adjusted	Chg vs. Q4'20	Key Drivers
Aerospace Defense	\$125	\$131	(5%)	Lower defense electronics sales on various programs, as certain revenues shifted into 2022; Partially offset by higher F-35 sales
Ground Defense	\$62	\$45	37%	Higher tactical battlefield communications equipment revenues (PacStar)
Naval Defense	\$179	\$196	(9%)	Lower revenues on Virginia-class submarine (due to timing), partially offset by higher CVN-81 aircraft carrier revenue
Commercial Aero	\$69	\$62	11%	Higher sales of sensors and surface treatment services on narrowbody platforms
Total A&D Markets	\$435	\$434	0%	
Power & Process	\$121	\$117	3%	Improved valves sales to process markets, more than offset by lower power generation revenues (CAP1000 wind down)
General Industrial	\$100	\$91	11%	Continued strong demand for industrial vehicles products
Total Commercial Markets	\$221	\$207	6%	
Total Curtiss-Wright	\$655	\$641	2%	

2021 END MARKET SALES WATERFALL

FY'21 Adjusted:
 Overall UP 7%
 A&D Markets UP 8%
 Comm'l Markets UP 6%



Note: Amounts may not add down due to rounding.

- Power & Process market sales concentrated in Naval & Power segment
- General Industrial sales concentrated in Aerospace & Industrial segment

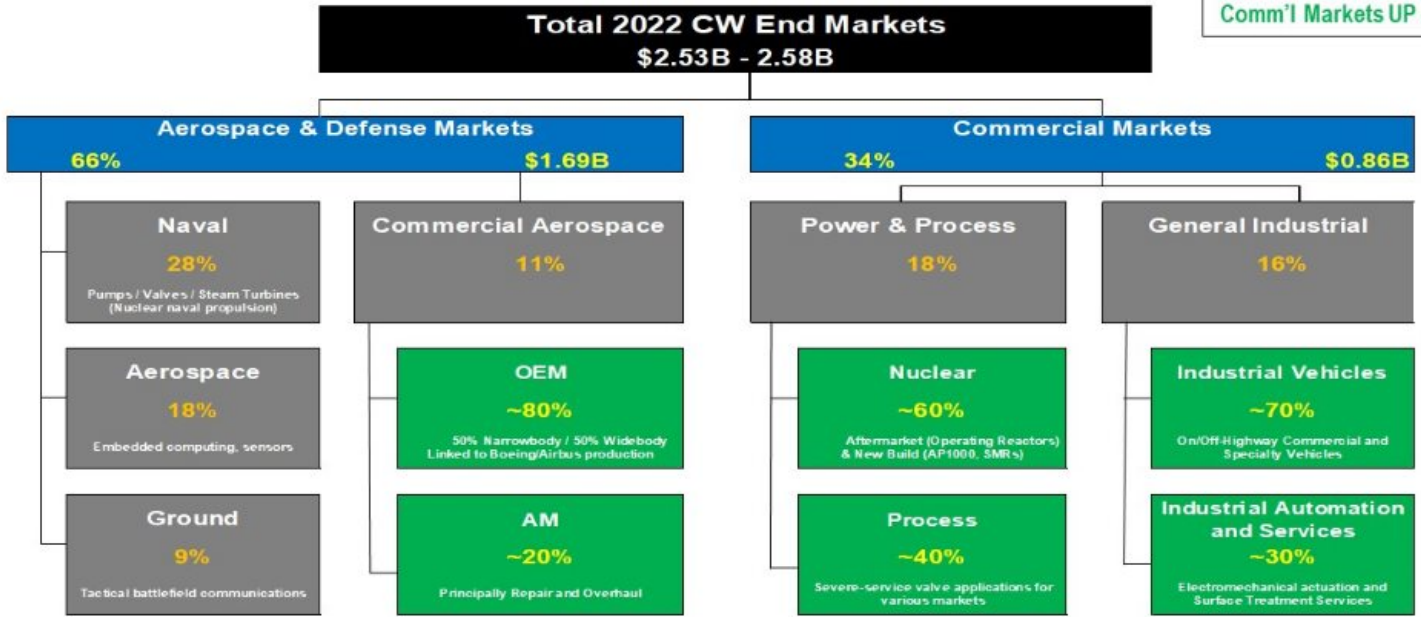
2022E END MARKET SALES WATERFALL (as of February 23, 2022)

FY'22 Adjusted Guidance:

Overall UP 3 - 5%

A&D Markets UP 2 - 4%

Comm'l Markets UP 4 - 6%



Note: Amounts may not add down due to rounding.

- Power & Process market sales concentrated in Naval & Power segment
- General Industrial sales concentrated in Aerospace & Industrial segment

NON-GAAP RECONCILIATION – 2022 VS 2021 (ADJUSTED)

CURTISS-WRIGHT CORPORATION									
2022 Guidance									
As of February 23, 2022									
(\$'s in millions, except per share data)									
	2021 Reported (GAAP)	2021 Adjustments ⁽¹⁾ (Non-GAAP)	2021 Adjusted ⁽¹⁾ (Non-GAAP)	2022 Reported Guidance (GAAP)		2022 Adjustments ^(2,3) (Non-GAAP)	2022 Adjusted Guidance ^(1,2,3) (Non-GAAP)		2022 Chg vs 2021 Adjusted
				Low	High		Low	High	
Sales:									
Aerospace & Industrial	\$ 786	\$ (11)	\$ 775	\$ 805	\$ 825	-	\$ 805	\$ 825	4 - 6%
Defense Electronics	724	4	728	745	760	-	745	760	2 - 4%
Naval & Power	995	(30)	965	980	995	-	980	995	2 - 3%
Total sales	\$ 2,506	\$ (37)	\$ 2,468	\$ 2,530	\$ 2,580		\$ 2,530	\$ 2,580	3 to 5%
Operating income:									
Aerospace & Industrial	\$ 122	\$ (2)	\$ 120	\$ 131	\$ 135	-	\$ 131	\$ 135	9 - 12%
Defense Electronics	159	5	164	164	169	-	164	169	0 - 3%
Naval & Power	142	34	176	177	182	-	177	182	1 - 4%
Total segments	423	38	460	472	486	-	472	486	
Corporate and other	(40)	-	(40)	(39)	(40)	-	(39)	(40)	
Total operating income	\$ 383	\$ 38	\$ 420	\$ 432	\$ 446		\$ 432	\$ 446	3 to 6%
Interest expense	\$ (40)	\$ -	\$ (40)	\$ (39)	\$ (40)	-	\$ (39)	\$ (40)	
Other income, net	12	3	15	8	9	\$ 9	17	18	
Earnings before income taxes	355	41	396	401	415	9	410	424	
Provision for income taxes	(87)	(10)	(97)	(96)	(100)	(2)	(98)	(102)	
Net earnings	\$ 267	\$ 31	\$ 298	\$ 305	\$ 315	7	\$ 312	\$ 322	
Diluted earnings per share	\$ 6.58	\$ 0.76	\$ 7.34	\$ 7.87	\$ 8.08	\$ 0.18	\$ 8.05	\$ 8.25	10 to 12%
Diluted shares outstanding	40.6		40.6	38.8	39.0		38.8	39.0	
Effective tax rate	24.6%		24.6%	24.0%	24.0%		24.0%	24.0%	
Operating margins:									
Aerospace & Industrial	15.5%		15.5%	16.2%	16.4%		16.2%	16.4%	70 to 90 bps
Defense Electronics	22.0%		22.6%	22.0%	22.2%		22.0%	22.2%	(40 to 60 bps)
Naval & Power	14.2%		18.2%	18.1%	18.3%		18.1%	18.3%	(10) to 10 bps
Total operating margin	15.3%		17.0%	17.1%	17.3%		17.1%	17.3%	10 to 30 bps
Free cash flow	\$ 347		\$ 347	\$ 308	\$ 328	\$ 37	\$ 345	\$ 365	

Notes: Full year amounts may not add due to rounding.

(1) 2021 Adjusted financials excludes the impact of first year purchase accounting adjustments; our build-to-print actuation product line supporting the Boeing 737 Max program; the results of operations and related impairments from our German valves business; one-time, pension settlement charges related to the retirement of two former executives (within non-operating income); and one-time legal settlement costs.

(2) 2022 Adjusted financials exclude one-time, pension settlement charges related to the retirement of two former executives (within non-operating income).

(3) Free Cash Flow is defined as cash flow from operations less capital expenditures. 2022 Adjusted Free Cash Flow guidance excludes one-time, pension settlement payments of \$22 million and a legal settlement payment of \$15 million.