

**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): August 3, 2022

CURTISS-WRIGHT CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

001-00134

13-0612970

(Commission File
Number)

(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, August 3, 2022, the Company issued a press release announcing financial results for the second quarter ended June 30, 2022. A conference call and webcast presentation will be held on Thursday, August 4, 2022 at 10:00 am ET for management to discuss the Company's second quarter 2022 financial results and updates to 2022 financial guidance. Lynn M. Bamford, Chair 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 dial-in number for domestic callers is (866) 374-5140, while international callers can dial (404) 400-0571. The PIN code for all participants is 71170317#. For those unable to join the live presentation, a webcast replay will be available within the Investor Relations section on the Company's website beginning one hour after the call takes place.

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 August 3, 2022

99.2 Presentation shown during investor and securities analyst webcast on August 4, 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: August 3, 2022

EXHIBIT INDEX

Exhibit
Number

Description

<u>99.1</u>	<u>Press Release dated August 3, 2022</u>
<u>99.2</u>	<u>Presentation shown during investor and securities analyst webcast on August 4, 2022</u>

Curtiss-Wright Reports Second Quarter 2022 Financial Results and Raises Full-year 2022 Guidance

DAVIDSON, N.C.--(BUSINESS WIRE)--August 3, 2022--Curtiss-Wright Corporation (NYSE: CW) reports financial results for the second quarter ended June 30, 2022.

Second Quarter 2022 Highlights:

- Reported sales of \$609 million, operating income of \$98 million, operating margin of 16.1%, and diluted earnings per share (EPS) of \$1.83;
- Adjusted operating margin of 16.1%, up 50 basis points;
- Adjusted diluted EPS of \$1.83, up 18%;
- New orders of \$776 million, up 13%, reflecting strong Aerospace & Defense (A&D) market demand, and book-to-bill of 1.27;
- Backlog of \$2.4 billion, up 9% year-to-date;
- Reported free cash flow (FCF) of \$22 million; and
- Share repurchases of approximately \$12 million.

Full-Year 2022 Adjusted Guidance:

- Full-year 2022 guidance updated to include the acquisition of the Safran aerospace arresting systems business (SAA) that was completed on June 30, 2022; the business is expected to generate partial year sales of approximately \$40 million within the Naval & Power segment and also be accretive to full-year Adjusted diluted EPS;
- Sales increased to new range of 4% to 6% growth (previously 3% to 5%);
- Adjusted operating income increased to new range of 5% to 7% growth (previously 3% to 6%) to reflect organic improvements and the contribution from SAA;
- Maintained Adjusted operating margin range of 17.1% to 17.3%, up 10 to 30 basis points compared with the prior year;
- Adjusted diluted EPS increased by \$0.05 to new range of \$8.10 to \$8.30, up 10% to 13%; and
- Maintained free cash flow range of \$345 to \$365 million, reflecting greater than 110% FCF conversion.

"Curtiss-Wright delivered solid second quarter results, as overall sales were in-line with our expectations and our ongoing focus on operational execution enabled us to generate 50 basis points in operating margin expansion. As a result, Adjusted diluted EPS of \$1.83 exceeded our expectations in the second quarter," said Lynn M. Bamford, Chair and CEO of Curtiss-Wright Corporation. "We also experienced strong order activity, as bookings increased 13% year over year, yielding a book-to-bill of 1.27, driven by increased demand in our defense and commercial aerospace markets."

"Looking ahead to the remainder of 2022, although near-term headwinds from ongoing supply chain disruption continue to impact the timing of revenue within our defense markets, we are encouraged by the improving trends in our commercial markets which provides confidence in achieving our full-year outlook. We raised our full-year 2022 guidance for total sales growth to a new range of 4% to 6% to reflect the contribution of the recently completed SAA acquisition, and we continue to anticipate solid organic growth of 3% to 5% in our A&D and Commercial markets. We also expect continued operating margin expansion and double-digit Adjusted diluted EPS growth of 10% to 13%, as we successfully execute on our Pivot to Growth strategy to drive long-term shareholder value."

Financing of \$300 Million in Senior Notes:

- On July 29, 2022, the Company priced a private placement debt offering of \$300 million for senior notes, consisting of \$200 million 4.49% notes due 2032 and \$100 million 4.64% notes due 2034; The offering is expected to close in the fourth quarter; and
 - Curtiss-Wright maintains a flexible and conservative capital structure, and has significant capacity for acquisitions, returns to shareholders and other corporate needs.
-

Second Quarter 2022 Operating Results

<i>(In millions)</i>	Q2-2022		Q2-2021		Change
Reported					
Sales	\$	609	\$	621	(2%)
Operating income	\$	98	\$	95	4%
Operating margin		16.1%		15.2%	90 bps
Adjusted (1)					
Sales	\$	609	\$	609	0%
Operating income	\$	98	\$	95	3%
Operating margin		16.1%		15.6%	50 bps

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

- Adjusted sales of \$609 million were flat compared with the prior year;
- Total A&D market sales decreased 3%, while total Commercial market sales increased 6%;
- In our A&D markets, we experienced reduced sales in our defense markets due to ongoing supply chain headwinds principally for defense electronics components and the timing of naval defense revenues, which were partially offset by modest growth in the commercial aerospace market;
- In our Commercial markets, we experienced solid sales growth within the power & process market, despite the wind down on the China Direct AP1000 program, as well as solid mid-single-digit growth in the general industrial market; and
- Adjusted operating income of \$98 million increased 3%, while Adjusted operating margin increased 50 basis points to 16.1%, principally driven by increased profitability in the Naval & Power segment, as well as the benefits of our ongoing company-wide operational excellence initiatives; These increases were partially offset by unfavorable overhead absorption on lower revenues in our Defense Electronics segment.

Second Quarter 2022 Segment Performance**Aerospace & Industrial**

<i>(In millions)</i>	Q2-2022		Q2-2021		Change
Reported					
Sales	\$	209	\$	200	4%
Operating income	\$	32	\$	32	2%
Operating margin		15.6%		16.0%	(40 bps)
Adjusted ⁽¹⁾					
Sales	\$	209	\$	194	8%
Operating income	\$	32	\$	30	7%
Operating margin		15.6%		15.7%	(10 bps)

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

- Adjusted sales of \$209 million, up \$15 million, or 8%;
- Higher commercial aerospace market revenue reflected strong demand for actuation and sensors products, as well as surface treatment services, on numerous narrowbody and widebody platforms;
- Higher general industrial market revenue was driven by increased sales of industrial vehicle products, principally serving off-highway and specialty platforms;
- Lower aerospace defense market revenue principally reflected reduced sales of actuation and sensors products on various fighter jet programs; and
- Adjusted operating income was \$32 million, up 7% from the prior year, while Adjusted operating margin decreased 10 basis points to 15.6%, as favorable absorption on strong Commercial market sales and the benefits of our ongoing operational excellence initiatives were offset by higher research and development investments.

Defense Electronics

<i>(In millions)</i>	Q2-2022		Q2-2021		Change
Reported					
Sales	\$	150	\$	162	(8%)
Operating income	\$	24	\$	29	(16%)
Operating margin		16.4%		18.0%	(160 bps)
Adjusted (1)					
Sales	\$	150	\$	163	(8%)
Operating income	\$	24	\$	31	(21%)
Operating margin		16.4%		18.9%	(250 bps)

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

- Adjusted sales of \$150 million, down \$14 million, or 8%, principally reflected the timing of sales within our aerospace and ground defense markets due to ongoing supply chain headwinds and the delayed signing of the FY22 defense budget;
- Higher naval defense market revenue primarily reflected increased revenues on the Virginia-class submarine program;
- Lower commercial aerospace market revenue reflected decreased sales of avionics and flight test equipment on various domestic and international platforms; and
- Adjusted operating income was \$24 million, down 21% from the prior year, while adjusted operating margin decreased 250 basis points to 16.4%, primarily reflecting unfavorable absorption on lower A&D revenues.

Naval & Power

<i>(In millions)</i>	Q2-2022		Q2-2021		Change
Reported					
Sales	\$	251	\$	259	(3%)
Operating income	\$	50	\$	43	16%
Operating margin		19.9%		16.6%	330 bps
Adjusted (1)					
Sales	\$	251	\$	252	0%
Operating income	\$	50	\$	43	15%
Operating margin		19.9%		17.2%	270 bps

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

- Adjusted sales of \$251 million were essentially flat compared with the prior year period;
- Naval defense market revenue declines primarily reflected lower revenues on the CVN-80 aircraft carrier and Virginia-class submarine programs, partially offset by higher revenues on the CVN-81 aircraft carrier and Columbia-class submarine programs;
- Higher power & process market revenues reflected strong growth in industrial valve sales in the process market as well as higher nuclear aftermarket revenues supporting the maintenance of existing operating reactors; Those increases were partially offset by the timing of production on the China Direct AP1000 program; and
- Adjusted operating income was \$50 million, up 15% from the prior year, while adjusted operating margin increased 270 basis points to 19.9%, primarily driven by favorable mix in the naval defense and process markets, as well as the benefits of our ongoing operational excellence initiatives.

Free Cash Flow

<i>(In millions)</i>	Q2-2022	Q2-2021	Change
Net cash provided by operating activities	\$ 31	\$ 75	(59%)
Capital expenditures	(9)	(9)	(7%)
Reported free cash flow	\$ 22	\$ 66	(66%)
Adjusted free cash flow ⁽¹⁾	\$ 22	\$ 66	(66%)

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

- Reported free cash flow of \$22 million decreased \$43 million, primarily due to the timing of defense revenues and higher working capital;
- Adjusted free cash flow of \$22 million; and
- Capital expenditures were essentially flat compared with the prior year.

New Orders and Backlog

- New orders of \$776 million increased 13% and generated a strong book-to-bill of 1.27, principally driven by strong demand for naval defense and commercial aerospace products within our A&D markets, and for nuclear aftermarket and process products within our Commercial markets; and
- Backlog of \$2.4 billion, up 9% from December 31, 2021, reflects higher demand in both our A&D and commercial markets.

Share Repurchase and Dividends

- During the second quarter, the Company repurchased 87,412 shares of its common stock for approximately \$12 million; and
 - The Company also declared and paid a quarterly dividend of \$0.19 a share, an increase of 6% from the previous quarter.
-

Full-Year 2022 Guidance

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

(\$ in millions, except EPS)	2022 Adjusted Non-GAAP Guidance (Prior)	2022 Adjusted Non-GAAP Guidance (Current)	% Chg vs 2021
Total Sales	\$2,530 - \$2,580	\$2,570 - \$2,620	Up 4% - 6%
Operating Income	\$432 - \$446	\$439 - \$452	Up 5% - 7%
Operating Margin	17.1% - 17.3%	17.1% - 17.3%	Up 10 - 30 bps
Diluted EPS	\$8.05 - \$8.25	\$8.10 - \$8.30	Up 10% - 13%
Free Cash Flow	\$345 - \$365	\$345 - \$365	Up 0% - 5%

⁽¹⁾ Reconciliations of Reported to Adjusted 2021 operating results and 2022 financial guidance are available in the Appendix. Adjusted guidance includes the contribution from the SAA acquisition to the Company's second half 2022 performance.

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 second quarter 2022 financial results and updates to 2022 guidance at 10:00 a.m. ET on Thursday, August 4, 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
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)
(\$'s in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Product sales	\$ 505,416	\$ 515,392	\$ 958,837	\$ 1,024,367
Service sales	103,941	106,103	209,981	194,187
Total net sales	<u>609,357</u>	<u>621,495</u>	<u>1,168,818</u>	<u>1,218,554</u>
Cost of product sales	316,389	331,881	610,916	661,335
Cost of service sales	64,454	64,895	127,986	122,743
Total cost of sales	<u>380,843</u>	<u>396,776</u>	<u>738,902</u>	<u>784,078</u>
Gross profit	228,514	224,719	429,916	434,476
Research and development expenses	23,868	23,194	44,417	45,057
Selling expenses	30,407	29,564	58,499	59,160
General and administrative expenses	76,134	77,378	163,734	150,610
Loss on divestiture	—	—	4,651	—
Operating income	<u>98,105</u>	<u>94,583</u>	<u>158,615</u>	<u>179,649</u>
Interest expense	9,788	10,180	19,318	20,139
Other income, net	4,555	440	7,552	5,283
Earnings before income taxes	92,872	84,843	146,849	164,793
Provision for income taxes	(22,000)	(23,435)	(35,292)	(43,916)
Net earnings	<u>\$ 70,872</u>	<u>\$ 61,408</u>	<u>\$ 111,557</u>	<u>\$ 120,877</u>
Net earnings per share:				
Basic earnings per share	\$ 1.84	\$ 1.50	\$ 2.90	\$ 2.95
Diluted earnings per share	\$ 1.83	\$ 1.49	\$ 2.89	\$ 2.94
Dividends per share	\$ 0.19	\$ 0.18	\$ 0.37	\$ 0.35
Weighted-average shares outstanding:				
Basic	38,429	40,915	38,438	40,921
Diluted	38,654	41,088	38,657	41,092

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

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 171,414	\$ 171,004
Receivables, net	699,632	647,148
Inventories, net	482,790	411,567
Assets held for sale	—	10,988
Other current assets	84,584	67,101
Total current assets	<u>1,438,420</u>	<u>1,307,808</u>
Property, plant, and equipment, net	348,062	360,031
Goodwill	1,531,999	1,463,026
Other intangible assets, net	638,873	538,077
Operating lease right-of-use assets, net	145,325	143,613
Prepaid pension asset	263,719	256,422
Other assets	36,130	34,568
Total assets	<u>\$ 4,402,528</u>	<u>\$ 4,103,545</u>
Liabilities		
Current liabilities:		
Current portion of long-term debt	\$ 202,500	\$ —
Accounts payable	171,589	211,640
Accrued expenses	133,706	147,701
Deferred revenue	215,188	260,157
Liabilities held for sale	—	12,655
Due to seller	247,215	—
Other current liabilities	89,009	102,714
Total current liabilities	<u>1,059,207</u>	<u>734,867</u>
Long-term debt	1,006,577	1,050,610
Deferred tax liabilities, net	149,213	147,349
Accrued pension and other postretirement benefit costs	84,404	91,329
Long-term operating lease liability	126,006	127,152
Long-term portion of environmental reserves	13,100	13,656
Other liabilities	96,382	112,092
Total liabilities	<u>2,534,889</u>	<u>2,277,055</u>
Stockholders' equity		
Common stock, \$1 par value	\$ 49,187	\$ 49,187
Additional paid in capital	126,316	127,104
Retained earnings	3,006,164	2,908,827
Accumulated other comprehensive loss	(227,872)	(190,465)
Less: cost of treasury stock	<u>(1,086,156)</u>	<u>(1,068,163)</u>
Total stockholders' equity	<u>1,867,639</u>	<u>1,826,490</u>
Total liabilities and stockholders' equity	<u>\$ 4,402,528</u>	<u>\$ 4,103,545</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 "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) the sale or divestiture of a business or product line; (iii) pension settlement charges; and (iv) significant legal settlements, impairment costs, and costs associated with shareholder activism, as applicable.

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

	Three Months Ended June 30, 2022			Three Months Ended June 30, 2021			% Change	
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted	As Reported	Adjusted
Sales:								
Aerospace & Industrial ⁽¹⁾	\$ 208,572	\$ —	\$ 208,572	\$ 199,713	\$ (5,784)	\$ 193,929	4%	8%
Defense Electronics ⁽²⁾	149,549	—	149,549	162,351	1,080	163,431	(8)%	(8)%
Naval & Power ⁽³⁾	251,236	—	251,236	259,431	(7,413)	252,018	(3)%	—%
Total sales	\$ 609,357	\$ —	\$ 609,357	\$ 621,495	\$ (12,117)	\$ 609,378	(2)%	—%
Operating income (expense):								
Aerospace & Industrial ⁽¹⁾	\$ 32,464	\$ —	\$ 32,464	\$ 31,977	\$ (1,506)	\$ 30,471	2%	7%
Defense Electronics ⁽²⁾	24,460	—	24,460	29,271	1,592	30,863	(16)%	(21)%
Naval & Power ⁽³⁾	50,001	—	50,001	43,095	366	43,461	16%	15%
Total segments	\$ 106,925	\$ —	\$ 106,925	\$ 104,343	\$ 452	\$ 104,795	2%	2%
Corporate and other	(8,820)	—	(8,820)	(9,760)	—	(9,760)	10%	10%
Total operating income	\$ 98,105	\$ —	\$ 98,105	\$ 94,583	\$ 452	\$ 95,035	4%	3%
Operating margins:	As Reported		Adjusted	As Reported		Adjusted	As Reported	Adjusted
Aerospace & Industrial	15.6%		15.6%	16.0%		15.7%	(40 bps)	(10 bps)
Defense Electronics	16.4%		16.4%	18.0%		18.9%	(160 bps)	(250 bps)
Naval & Power	19.9%		19.9%	16.6%		17.2%	330 bps	270 bps
Total Curtiss-Wright	16.1%		16.1%	15.2%		15.6%	90 bps	50 bps
Segment margins	17.5%		17.5%	16.8%		17.2%	70 bps	30 bps

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

(2) Excludes first year purchase accounting adjustments in the prior period.

(3) Excludes the results of operations from our German valves business, which was sold in January 2022.

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

	Six Months Ended June 30, 2022			Six Months Ended June 30, 2021			% Change	
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted	As Reported	Adjusted
Sales:								
Aerospace & Industrial ⁽¹⁾	\$ 399,684	\$ —	\$ 399,684	\$ 380,044	\$ (8,383)	\$ 371,661	5%	8%
Defense Electronics ⁽²⁾	292,618	—	292,618	343,563	2,160	345,723	(15)%	(15)%
Naval & Power ⁽³⁾	476,516	—	476,516	494,947	(12,996)	481,951	(4)%	(1)%
Total sales	\$ 1,168,818	\$ —	\$ 1,168,818	\$ 1,218,554	\$ (19,219)	\$ 1,199,335	(4)%	(3)%
Operating income (expense):								
Aerospace & Industrial ⁽¹⁾	\$ 57,317	\$ —	\$ 57,317	\$ 51,002	\$ (1,982)	\$ 49,020	12%	17%
Defense Electronics ⁽²⁾	47,750	—	47,750	65,894	3,197	69,091	(28)%	(31)%
Naval & Power ⁽³⁾	77,289	5,427	82,716	81,152	2,955	84,107	(5)%	(2)%
Total segments	\$ 182,356	\$ 5,427	\$ 187,783	\$ 198,048	\$ 4,170	\$ 202,218	(8)%	(7)%
Corporate and other ⁽⁴⁾	(23,741)	4,876	(18,865)	(18,399)	—	(18,399)	(29)%	(3)%
Total operating income	\$ 158,615	\$ 10,303	\$ 168,918	\$ 179,649	\$ 4,170	\$ 183,819	(12)%	(8)%
Operating margins:	As Reported		Adjusted	As Reported		Adjusted	As Reported	Adjusted
Aerospace & Industrial	14.3%		14.3%	13.4%		13.2%	90 bps	110 bps
Defense Electronics	16.3%		16.3%	19.2%		20.0%	(290 bps)	(370 bps)
Naval & Power	16.2%		17.4%	16.4%		17.5%	(20 bps)	(10 bps)
Total Curtiss-Wright	13.6%		14.5%	14.7%		15.3%	(110 bps)	(80 bps)
Segment margins	15.6%		16.1%	16.3%		16.9%	(70 bps)	(80 bps)

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

(2) Excludes first year purchase accounting adjustments in the prior period.

(3) Excludes the results of operations from our German valves business, which was sold in January 2022, and the loss on divestiture in the current period.

(4) Excludes costs associated with shareholder activism in the current period.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
RECONCILIATION OF AS REPORTED TO ADJUSTED DILUTED EARNINGS PER SHARE (UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Diluted earnings per share - As Reported	\$ 1.83	\$ 1.49	\$ 2.89	\$ 2.94
Divested German valves business	—	—	0.11	0.04
Costs associated with shareholder activism	—	—	0.10	—
Former executive pension settlement expense	—	0.06	0.04	0.06
First year purchase accounting adjustments	—	0.03	—	0.06
Exit of build-to-print actuation product line	—	(0.02)	—	(0.03)
Diluted earnings per share - Adjusted ⁽¹⁾	\$ 1.83	\$ 1.56	\$ 3.14	\$ 3.07

⁽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 contributions from acquisitions made during the last twelve months, loss on divestiture of the German valves business, and foreign currency fluctuations.

Three Months Ended								
June 30,								
2022 vs. 2021								
	Aerospace & Industrial		Defense Electronics		Naval & Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
As Reported	4%	2%	(8%)	(16%)	(3%)	16%	(2%)	4%
Less: Acquisitions	0%	0%	0%	0%	0%	0%	0%	0%
Foreign Currency	3%	0%	1%	(5%)	0%	(1%)	1%	(2%)
Organic	<u>7%</u>	<u>2%</u>	<u>(7%)</u>	<u>(21%)</u>	<u>(3%)</u>	<u>15%</u>	<u>(1%)</u>	<u>2%</u>
Six Months Ended								
June 30,								
2022 vs. 2021								
	Aerospace & Industrial		Defense Electronics		Naval & Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
As Reported	5%	12%	(15%)	(28%)	(4%)	(5%)	(4%)	(12%)
Less: Acquisitions	0%	0%	0%	0%	0%	0%	0%	0%
Loss on divestiture	0%	0%	0%	0%	0%	7%	0%	4%
Foreign Currency	2%	2%	1%	(1%)	0%	0%	1%	(1%)
Organic	<u>7%</u>	<u>14%</u>	<u>(14%)</u>	<u>(29%)</u>	<u>(4%)</u>	<u>2%</u>	<u>(3%)</u>	<u>(9%)</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 2022 excludes: (i) payments associated with the Westinghouse legal settlement and (ii) executive pension payments. 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's in thousands)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net cash provided by (used for) operating activities	\$ 31,044	\$ 75,079	\$ (93,271)	\$ 48,476
Capital expenditures	(8,596)	(9,234)	(19,492)	(17,771)
Free cash flow	\$ 22,448	\$ 65,845	\$ (112,763)	\$ 30,705
Westinghouse legal settlement	—	—	15,000	—
Pension payment to former executive	—	—	8,214	—
Adjusted free cash flow	\$ 22,448	\$ 65,845	\$ (89,549)	\$ 30,705
Adjusted free cash flow conversion	32%	101%	(74%)	24%

CURTISS-WRIGHT CORPORATION

2022 Guidance

As of August 3, 2022

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

	2021 Reported (GAAP)	2021 Adjustments (Non- GAAP)(1)	2021 Adjusted (Non- GAAP)(1)	2022 Reported Guidance (GAAP)		2022 Adjustments (Non-GAAP)(2,3)	2022 Adjusted Guidance (Non-GAAP)(1,2,3)		2022 Chg vs 2021 Adjusted
				Low	High		Low	High	
Sales:									
Aerospace & Industrial	\$ 786	\$ (11)	\$ 775	\$ 820	\$ 840	\$ —	\$ 820	\$ 840	6 - 8%
Defense Electronics	724	4	728	720	735	—	720	735	(1) - 1%
Naval & Power	995	(30)	965	1,030	1,045	—	1,030	1,045	7 - 8%
Total sales	\$ 2,506	\$ (37)	\$ 2,468	\$ 2,570	\$ 2,620	\$ —	\$ 2,570	\$ 2,620	4 to 6%
Operating income:									
Aerospace & Industrial	\$ 122	\$ (2)	\$ 120	\$ 133	\$ 137	\$ —	\$ 133	\$ 137	11 - 14%
Defense Electronics	159	5	164	160	165	—	160	165	(3) - 0%
Naval & Power	142	34	176	171	175	15	186	190	6 - 8%
Total segments	423	38	460	464	477	15	479	492	
Corporate and other	(40)	—	(40)	(44)	(45)	5	(39)	(40)	
Total operating income	\$ 383	\$ 38	\$ 420	\$ 420	\$ 432	\$ 20	\$ 439	\$ 452	5 to 7%
Interest expense	\$ (40)	\$ —	\$ (40)	\$ (44)	\$ (45)	\$ —	\$ (44)	\$ (45)	
Other income, net	12	3	15	8	9	9	17	18	
Earnings before income taxes	355	41	395	384	396	29	412	424	
Provision for income taxes	(87)	(10)	(97)	(92)	(95)	(7)	(99)	(102)	
Net earnings	\$ 267	\$ 31	\$ 298	\$ 291	\$ 301	\$ 22	\$ 313	\$ 323	
Diluted earnings per share	\$ 6.58	\$ 0.76	\$ 7.34	\$ 7.54	\$ 7.74	\$ 0.56	\$ 8.10	\$ 8.30	10 to 13%
Diluted shares outstanding	40.6		40.6	38.6	38.8		38.6	38.8	
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%	22.2%	22.4%		22.2%	22.4%	(20 to 40 bps)
Naval & Power	14.2%		18.2%	16.6%	16.7%		18.0%	18.2%	(20) to 0 bps
Total operating margin	15.3%		17.0%	16.3%	16.5%		17.1%	17.3%	10 to 30 bps
Free cash flow	\$ 347		\$ 347	\$ 306	\$ 326	\$ 39	\$ 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; 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 the impact of first year purchase accounting adjustments, the loss on sale of our German valves business, costs associated with shareholder activism and pension settlement charges related to the retirement of two former executives.

(3) Free Cash Flow is defined as cash flow from operations less capital expenditures. 2022 Adjusted Free Cash Flow guidance excludes executive pension settlement payments of \$24 million and a legal settlement payment of \$15 million.

CURTISS-WRIGHT CORPORATION
2022 Sales Growth Guidance by End Market
As of August 3, 2022

	2022 % Change vs. 2021 Adjusted ⁽¹⁾⁽²⁾		
	Prior	Current	% Total Sales
<u>Aerospace & Defense Markets</u>			
Aerospace Defense	0 - 2%	9 - 11%	19%
Ground Defense	2 - 4%	(1 - 3%)	8%
Naval Defense	1 - 3%	1 - 3%	28%
Commercial Aerospace	9 - 11%	9 - 11%	11%
Total Aerospace & Defense	2 - 4%	4 - 6%	66%
<u>Commercial Markets</u>			
Power & Process	1 - 3%	4 - 6%	18%
General Industrial	6 - 8%	6 - 8%	16%
Total Commercial	4 - 6%	5 - 7%	34%
Total Curtiss-Wright Sales	3 - 5%	4 - 6%	100%

⁽¹⁾ 2021 Adjusted Sales exclude the impact of first year purchase accounting adjustments; our build-to-print actuation product line supporting the Boeing 737 Max programs; and the results of operations from our German valves business.

⁽²⁾ 2022 Sales include the contribution from the SAA acquisition to the Company's second half 2022 performance.

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 approximately 8,000 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, 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, 2021, and subsequent reports filed with the Securities and Exchange Commission.

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

Contacts

Jim Ryan
(704) 869-4621
Jim.Ryan@curtisswright.com

**CURTISS -
WRIGHT**

Q2 2022

EARNINGS CONFERENCE CALL

AUGUST 4, 2022

Conference Call Dial-in numbers:
(866) 374-5140 (domestic)
(404) 400-0571 (international)
PIN Code: 71170317#

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 SECOND QUARTER PERFORMANCE SUPPORTS FULL-YEAR 2022 OUTLOOK

Second Quarter 2022 Highlights

- **Sales of \$609M, reflecting HSD sequential growth**
 - Strong demand in Nuclear aftermarket, Process and Industrial end markets
- **Continued Operating Margin expansion, up 50 bps**
 - Driven by strong profitability in N&P segment and benefits of company-wide operational excellence initiatives
- **Adj. Diluted EPS of \$1.83, up 18%, exceeded expectations**
- **Q2 Orders of \$776M, up 13%; Backlog up 9% YTD**
 - Q2 Book-to-Bill 1.27x, led by strong demand in Naval Defense, Commercial Aerospace, Nuclear and Process markets

Recent Events

- **Secured new financing to support capital allocation strategy**
 - Announced new and expanded revolving credit facility
 - Circled \$300M Senior Notes; Delayed draw feature
- **Completed acquisition of Safran aerospace arresting systems business (SAA) for \$240M**

Raised Full-Year 2022 Guidance

- **4% - 6% Sales growth, including contribution from SAA**
 - Maintaining overall 3% - 5% organic growth, despite impact of ongoing supply chain headwinds
- **5% - 7% Operating Income growth**
- **10% - 13% EPS growth driven by improved profitability and benefit of prior year share repurchase**

Note: Second quarter 2022 results do not include any contribution from the previously announced SAA acquisition. FY 2022 guidance is presented on an Adjusted (Non-GAAP) basis and includes partial year sales contribution from SAA.

SECOND QUARTER 2022 FINANCIAL REVIEW

(\$ in millions)	Q2'22 Adjusted	Q2'21 Adjusted	Chg vs. Q2'21	Key Drivers
Aerospace & Industrial	\$209	\$194	8%	<ul style="list-style-type: none"> Strong growth in Commercial Aerospace (narrow/widebody OEM) and industrial vehicles
Defense Electronics	\$150	\$163	(8%)	<ul style="list-style-type: none"> Timing of revenue in Aerospace Defense (embedded computing equipment on fighter jet and helicopter platforms) and Ground Defense (tactical communications equipment) Lower Commercial Aerospace sales (avionics and flight test equipment)
Naval & Power	\$251	\$252	(0%)	<ul style="list-style-type: none"> Lower Naval Defense revenues (CVN-80 aircraft carrier and timing on Virginia-class submarine) Strong, double-digit growth in Nuclear aftermarket and Process (valves), partially offset by reduced CAP1000 program revenues (wind down)
Total Sales	\$609	\$609	(0%)	
Aerospace & Industrial <i>Margin</i>	\$32 15.6%	\$30 15.7%	7% (10 bps)	<ul style="list-style-type: none"> Favorable absorption on solid sales growth and benefit of operational excellence and pricing initiatives Profitability offset by YOY R&D investments (40 bps impact)
Defense Electronics <i>Margin</i>	\$24 16.4%	\$31 18.9%	(21%) (250 bps)	<ul style="list-style-type: none"> Unfavorable absorption on lower A&D revenues
Naval & Power <i>Margin</i>	\$50 19.9%	\$43 17.2%	15% 270 bps	<ul style="list-style-type: none"> Favorable mix in Naval Defense and Process markets Benefit of operational excellence and pricing initiatives
Corporate and Other	(\$9)	(\$10)	9%	
Total Op. Income <i>CW Margin</i>	\$98 16.1%	\$95 15.6%	3% 50 bps	

2022 END MARKET SALES GROWTH GUIDANCE (As of August 3, 2022)

Updated (in blue)

	2022E Growth vs 2021 (Prior)	2022E Growth vs 2021 (Current)	2022E % Sales	Expecting Solid Growth in A&D and Commercial Markets
Aerospace Defense	0% - 2%	9% - 11%	19%	▪ Contribution from SAA acquisition; Expect H2 ramp in defense electronics
Ground Defense	2% - 4%	(1% - 3%)	8%	▪ Timing of tactical communications equipment revenues; Expect H2 ramp
Naval Defense	1% - 3%	1% - 3%	28%	▪ Solid revenue growth on CVN-81 aircraft carrier and Columbia-class submarine, partially offset by lower CVN-80 A/C revenues
Commercial Aero	9% - 11%	9% - 11%	11%	▪ Strong recovery in OEM (mainly narrowbody) and Aftermarket
Total Aerospace & Defense	2% - 4%	4% - 6%	66%	Defense markets guidance weighted to H2 - Ongoing supply chain disruption and delayed signing of FY22 budget
Power & Process	1% - 3%	4% - 6%	18%	▪ Strong U.S. nuclear aftermarket revenues, partially offset by lower CAP1000 program revenues (wind down) ▪ Strong growth in valves sales to process market
General Industrial	6% - 8%	6% - 8%	16%	▪ Continued strength in industrial vehicles
Total Commercial	4% - 6%	5% - 7%	34%	Continued strong demand in Comm'l markets, up 7% - 9% ex. CAP1000
Total Curtiss-Wright	3% - 5%	4% - 6%	100%	

CURTISS - WRIGHT

Note: FY2022 guidance includes partial year sales contribution from SAA acquisition.

Q2 2022 Earnings Presentation 5

2022 FINANCIAL GUIDANCE (As of August 3, 2022)

Updated (in blue)

(\$ in millions)	2022E Adjusted (Prior)	2022E Adjusted (Current)	% Change vs 2021	
Aerospace & Industrial	\$805 - 825	\$820 - 840	6% - 8%	<ul style="list-style-type: none"> Strong growth in Commercial Aerospace and General Industrial markets
Defense Electronics	\$745 - 760	\$720 - 735	(1%) - 1%	<ul style="list-style-type: none"> A&D sales growth weighted to H2; Caution remains on supply chain Higher Aerospace Defense (C5ISR) mainly offset by Ground Defense (tactical communications)
Naval & Power	\$980 - 995	\$1,030 - 1,045	7% - 8%	<ul style="list-style-type: none"> Naval Defense growth LSD driven by CVN-81 aircraft carrier and Columbia-class submarine Strong growth in Nuclear Aftermarket and Process, part. offset by wind down on CAP1000 program Reflects ½ year contribution from SAA acquisition (\$40M)
Total Sales	\$2,530 - 2,580	\$2,570 - 2,620	4% - 6%	
Aerospace & Industrial Margin	\$131 - 135 16.2% - 16.4%	\$133 - 137 16.2% - 16.4%	11% - 14% 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%	\$160 - 165 22.2% - 22.4%	(3%) - 0% (20 - 40) bps	<ul style="list-style-type: none"> Benefit of ongoing operational excellence initiatives Includes YOY R&D investments of \$5M (70 bps impact)
Naval & Power Margin	\$177 - 182 18.1% - 18.3%	\$186 - 190 18.0% - 18.2%	6% - 8% (20) - 0 bps	<ul style="list-style-type: none"> Higher Nuclear AM and Process sales offset by wind down on profitable CAP1000 program Solid incremental margin expansion excl. CAP1000 impact Acquisition accretive to operating income, but initially dilutive on operating margin
Corporate and Other	(\$39 - 40)	(\$39 - 40)	~ Flat	
Total Op. Income	\$432 - 446	\$439 - 452	5% - 7%	Continued Margin Expansion in 2022, incl. R&D investments and CAP1000 Headwinds
CW Margin	17.1% - 17.3%	17.1% - 17.3%	+10 - 30 bps	

CURTISS - WRIGHT

Note: FY 2022 guidance includes partial year sales contribution from SAA acquisition.

Q2 2022 Earnings Presentation 6

(\$ in millions, except EPS)	2022E Adjusted (Prior)	2022E Adjusted (Current)	% Change vs 2021	
Total Sales	\$2,530 - 2,580	\$2,570 - 2,620	4% - 6%	
Total Operating Income	\$432 - 446	\$439 - 452	5% - 7%	Growth in operating income > sales
Other Income	\$17 - 18	\$17 - 18		
Interest Expense	(\$40 - 41)	(\$44 - 45)		▪ Reflects use of revolver and new financing
Diluted EPS	\$8.05 - 8.25	\$8.10 - 8.30	10% - 13%	Benefit of Record '21 Share Repurchase (\$350M); SAA acquisition accretive to EPS
Diluted Shares Outstanding	38.6 - 38.8	38.6 - 38.8		▪ Min. \$50M share repurchase in '22
Free Cash Flow	\$345 - 365	\$345 - 365	0% - 5%	Cash Flow from Operations up 2% - 10%
Free Cash Flow Conversion	>110%	>110%		▪ Remain above 110% long-term target
Capital Expenditures	\$50 - 60	\$50 - 60		▪ Average ~2% of Sales (over time)
Depreciation & Amortization	\$110 - 120	\$110 - 120		

CURTISS-WRIGHT REMAINS WELL POSITIONED FOR LONG-TERM PROFITABLE GROWTH

- **Sales growth of 4% - 6%, driven by increases in A&D and Commercial markets**
 - Solid 3% - 5% organic growth plus SAA acquisition providing strong boost to top-line
- **Continued Operating Margin expansion, Expect 10 - 30 bps increase to 17.1% - 17.3%**
- **Solid growth in Adjusted Diluted EPS, up 10% - 13%**
- **Free Cash Flow generation remains solid**
 - Targeting 10th consecutive year >100% FCF conversion
- **Disciplined and focused capital allocation strategy**
 - Maintain flexible and conservative capital structure with significant capacity for acquisitions and share repurchases
- **Remain confident to deliver on Investor Day financial targets for 2023**
 - Release of initial FY23 Defense Budget provides optimism and continued support for platforms most critical to CW
 - Commercial markets continue to benefit from long-term secular trends



Appendix

NON-GAAP FINANCIAL INFORMATION

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 "Reported" GAAP amounts to "Adjusted" non-GAAP amounts are furnished within the Company's earnings press 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 in the prior year, specifically one-time inventory step-up, backlog amortization, deferred revenue adjustments and transaction costs; (ii) the sale or divestiture of a business or product line; (iii) pension settlement charges; and (iv) significant legal settlements, impairment costs, and costs associated with shareholder activism, as applicable.

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 contributions from acquisitions made during the last twelve months, loss on divestiture of the German valves business, and foreign currency fluctuations.

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 2022 excludes: (i) payments associated with the Westinghouse legal settlement and (ii) executive pension payments. 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.

SECOND QUARTER 2022: END MARKET SALES GROWTH

(\$ in millions)	Q2'22 Adjusted	Q2'21 Adjusted	Chg vs. Q2'21	Key Drivers
Aerospace Defense	\$95	\$100	(5%)	Timing of sales on various programs, due to supply chain headwinds and delayed signing of FY22 DoD Budget; Partially offset by higher foreign military sales
Ground Defense	\$44	\$49	(10%)	Timing of sales on tactical communications equipment, due to supply chain headwinds and delayed signing of FY22 DoD Budget; Partially offset by higher stabilization systems
Naval Defense	\$172	\$178	(3%)	Lower revenues on CVN-80 aircraft carrier and timing on Virginia-class submarine; Partially offset by higher Columbia-class submarine, CVN-81 aircraft carrier and C5/ISR
Commercial Aero	\$68	\$66	4%	Strong demand for actuation and sensors equipment, and surface treatment services; Mainly offset by reduced sales of avionics and flight test equipment
Total A&D Markets	\$380	\$393	(3%)	
Power & Process	\$125	\$118	6%	Double-digit sales growth in nuclear aftermarket and process markets, partially offset by lower CAP1000 revenues (wind down)
General Industrial	\$104	\$99	5%	Continued strong demand for industrial vehicles products
Total Commercial Markets	\$229	\$217	6%	
Total Curtiss-Wright	\$609	\$609	(0%)	

2022E END MARKET SALES WATERFALL (as of August 3, 2022)

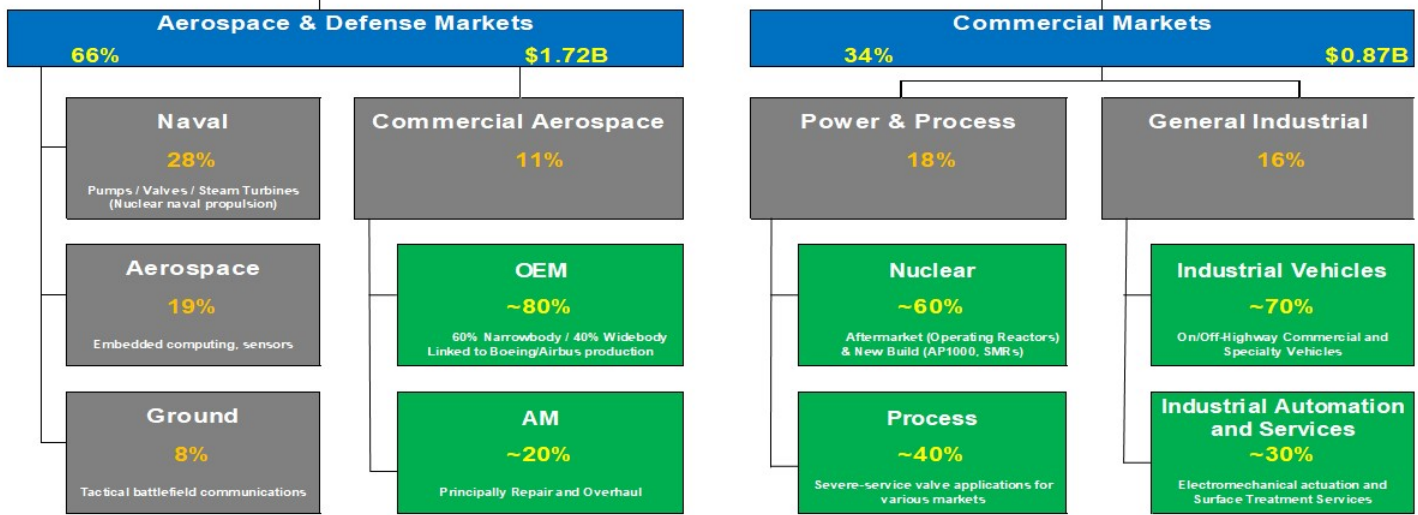
FY'22 Adjusted Guidance:

Overall UP 4 - 6%

A&D Markets UP 4 - 6%

Comm'l Markets UP 5 - 7%

Total 2022 CW End Markets
\$2.57B - 2.62B



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