

**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): April 28, 2025

WOODWARD, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-8408

(Commission File Number)

36-1984010

(I.R.S. Employer Identification No.)

1081 Woodward Way

Fort Collins, Colorado 80524

(Address of Principal Executive Offices) (Zip Code)

(970) 482-5811

(Registrant's telephone number, including area code)

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:

- 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, par value \$0.001455 | WWD | Nasdaq Global Select Market |

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

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.

Item 2.02. Results of Operations and Financial Condition.

On April 28, 2025, Woodward, Inc. (the "Registrant") reported its results of operations for its second quarter of fiscal year 2025. A copy of the news release issued by the Registrant concerning the foregoing results is furnished herewith as Exhibit 99.1 and incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements:

None

(b) Pro forma financial information:

None

(c) Shell company transactions:

None

(d) Exhibits

[99.1](#) [Press Release of Woodward, Inc. dated April 28, 2025](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

Woodward, Inc.

Dated: April 28, 2025

By: /s/ William F. Lacey

William F. Lacey

Executive Vice President and Chief Financial Officer

Woodward Reports Second Quarter Fiscal Year 2025 Results

~Results in Line with Expectations, on Track to Deliver Full-Year Guidance~

FORT COLLINS, Colo., April 28, 2025 (GLOBE NEWSWIRE) -- Woodward, Inc. (NASDAQ: WWD) today reported financial results for its second quarter of fiscal year 2025.

All amounts are presented on an as reported (U.S. GAAP) basis unless otherwise indicated. All per share amounts are presented on a fully diluted basis. All references to years are references to the Company's fiscal year unless otherwise stated. All comparisons are made to the same period of the prior year unless otherwise stated.

Second Quarter Overview

| | Second Quarter 2025 | Year to Date – Fiscal Year 2025 |
|------------------------------------|------------------------|------------------------------------|
| Net sales | \$884M, 6% | \$1,656M, 2% |
| Net earnings | \$109M, 12% | \$196M, 5% |
| Adjusted net earnings ¹ | \$103M, 3% | \$186M, -3% |
| Earnings per share (EPS) | \$1.78, 14% | \$3.20, 6% |
| Adjusted EPS ¹ | \$1.69, 4% | \$3.04, -1% |
| Cash from operations | \$78M, -20% | \$112M, -22% |
| Free cash flow ¹ | \$59M, -28% | \$60M, -31% |

"Our strong second quarter results were in line with our expectations, reflecting the dedication of our members in a volatile environment," said Chip Blankenship, Chairman and Chief Executive Officer. "Aerospace segment growth was driven by continued strong demand for smart defense, and robust commercial aftermarket activity fueled by high utilization of legacy aircraft. This was partially offset by lower commercial OEM and defense aftermarket activity. Our Industrial business delivered double-digit sales growth in power generation, oil and gas, and marine transportation combined. This was offset by an anticipated decline in China on-highway natural gas truck sales."

"Based on what we know today, we are confident in Woodward's ability to manage the announced tariff levels and current operating environment in the second half of the fiscal year. We are raising the low end of our sales and earnings guidance and reaffirming the other elements of our full-year outlook. Our long-term value proposition remains intact, and we are committed to achieving sustainable growth and enhancing shareholder value."

Second Quarter Fiscal Year 2025 Company Results

Total Company Results

| <i>Dollars in millions, except per share amounts</i> | <i>Three Months Ended March 31</i> | | | <i>Six Months Ended March 31</i> | | |
|--|------------------------------------|---------|-------------------|----------------------------------|----------|-------------------|
| | 2025 | 2024 | Year over Year | 2025 | 2024 | Year over Year |
| Income Statement | | | | | | |
| Total Sales | \$ 884 | \$ 835 | 6% | \$ 1,656 | \$ 1,622 | 2% |
| Net Earnings | 109 | 98 | 12% | 196 | 188 | 5% |
| Adjusted Net Earnings | 103 | 101 | 3% | 186 | 191 | -3% |
| EPS | \$ 1.78 | \$ 1.56 | 14% | \$ 3.20 | \$ 3.02 | 6% |
| Adjusted EPS | \$ 1.69 | \$ 1.62 | 4% | \$ 3.04 | \$ 3.07 | -1% |
| EBIT ¹ | 144 | 131 | 10% | 257 | 251 | 2% |
| Adjusted EBIT ¹ | 136 | 135 | 1% | 243 | 254 | -4% |
| Effective Tax Rate | 18.1% | 19.1% | -100 bps | 16.5% | 18.6% | -210 bps |
| Adjusted Effective Tax Rate ¹ | 17.7% | 19.3% | -160 bps | 16.1% | 18.6% | -250 bps |
| Cash Flow and Financial Position | | | | | | |
| Cash from Operating Activities | \$ 78 | \$ 97 | -20% | \$ 112 | \$ 144 | -22% |
| Capital Expenditures | 18 | 14 | 27% | 52 | 56 | -8% |
| Free Cash Flow | 59 | 83 | -28% | 60 | 88 | -31% |

| | | | | | | |
|------------------------------|----|----|------|------|------|------|
| Dividends Paid | 17 | 15 | 10% | 31 | 28 | 11% |
| Share Repurchases | 44 | - | 100% | 79 | - | 100% |
| Total Debt | | | | 912 | 791 | 15% |
| EBITDA ¹ Leverage | | | | 1.5x | 1.2x | |

Segment Results

Aerospace

| <i>Dollars in millions</i> | <i>Three Months Ended March 31</i> | | | <i>Six Months Ended March 31</i> | | |
|----------------------------|------------------------------------|-------------|------------------|----------------------------------|-------------|------------------|
| | <i>2025</i> | <i>2024</i> | <i>Year over</i> | <i>2025</i> | <i>2024</i> | <i>Year over</i> |
| | | | <i>Year</i> | | | <i>Year</i> |
| Commercial OEM | \$ 167 | \$ 184 | -9% | \$ 322 | \$ 355 | -9% |
| Commercial Aftermarket | 202 | 164 | 23% | 366 | 301 | 21% |
| Defense OEM | 138 | 91 | 52% | 251 | 184 | 36% |
| Defense Aftermarket | 54 | 59 | -8% | 118 | 118 | 0% |
| Revenue | 562 | 498 | 13% | 1,056 | 958 | 10% |
| Segment Earnings | 125 | 98 | 27% | 219 | 177 | 24% |
| Segment Margin % | 22.2% | 19.8% | 240 bps | 20.8% | 18.5% | 230 bps |

The increase in Aerospace segment earnings in the second quarter was primarily a result of price realization and volume, partially offset by inflation and unfavorable mix.

The increase in Aerospace segment earnings for the six months ended March 31, 2025, was primarily a result of price realization, partially offset by inflation and unfavorable mix.

Industrial

| <i>Dollars in millions</i> | <i>Three Months Ended March 31</i> | | | <i>Six Months Ended March 31</i> | | |
|----------------------------|------------------------------------|-------------|------------------|----------------------------------|-------------|------------------|
| | <i>2025</i> | <i>2024</i> | <i>Year over</i> | <i>2025</i> | <i>2024</i> | <i>Year over</i> |
| | | | <i>Year</i> | | | <i>Year</i> |
| Transportation | \$ 142 | \$ 174 | -18% | \$ 258 | \$ 348 | -26% |
| Power generation | 111 | 107 | 4% | 216 | 205 | 6% |
| Oil and gas | 69 | 57 | 21% | 126 | 111 | 14% |
| Revenue | 322 | 338 | -5% | 601 | 664 | -10% |
| Segment Earnings | 46 | 65 | -30% | 86 | 132 | -35% |
| Segment Margin % | 14.3% | 19.3% | -500 bps | 14.3% | 19.9% | -560 bps |

The decrease in Industrial segment earnings in the second quarter was primarily a result of lower China on-highway volume and unfavorable mix, partially offset by price realization.

The decrease in Industrial segment earnings in the six months ended March 31, 2025, was primarily a result of lower China on-highway volume and unfavorable mix, partially offset by price realization.

Nonsegment

| <i>Dollars in millions</i> | <i>Three Months Ended March 31</i> | | | <i>Six Months Ended March 31</i> | | |
|---|------------------------------------|-------------|------------------|----------------------------------|-------------|------------------|
| | <i>2025</i> | <i>2024</i> | <i>Year over</i> | <i>2025</i> | <i>2024</i> | <i>Year over</i> |
| | | | <i>Year</i> | | | <i>Year</i> |
| Nonsegment Expense | \$ (27) | \$ (33) | -19% | \$ (49) | \$ (59) | -17% |
| Adjusted Nonsegment Expenses ¹ | (34) | (29) | 20% | (62) | (55) | 12% |

Fiscal Year 2025 Guidance

Woodward is raising the low end of its sales and Adjusted EPS guidance while reaffirming the other elements of its full-year outlook. This updated guidance

reflects strong year-to-date performance and the expected impact of announced tariffs. The Company's revised guidance does not incorporate potential effects from further escalation of announced tariff levels, significant changes in customer demand, or recession in the U.S. or globally. For the fiscal year 2025, Woodward now expects the following:

Woodward, Inc. and Subsidiaries
Revised Guidance
(In millions, except per share amount and percentages)

| | Prior FY25 Guidance issued on February 3, 2025 | Revised FY25 Guidance issued on April 28, 2025 |
|-------------------------------|---|---|
| Total Company | | |
| Sales | \$3,300 - \$3,500 | \$3,375 - \$3,500 |
| Adjusted Effective Tax Rate | ~19% | No Change |
| Free Cash Flow | \$350 - \$400 | No change |
| Capital Expenditures | ~\$115 | No change |
| Shares | ~61.5 | No change |
| Adjusted EPS | \$5.85 - \$6.25 | \$5.95 - \$6.25 |
| Segment Data | | |
| Aerospace | | |
| Sales Growth | Up 6% to 13% | Up 8% to 13% |
| Segment Earnings (% of Sales) | 20% - 21% | No change |
| Industrial | | |
| Sales Growth | Down 7% to 11% | Down 7% to 9% |
| Segment Earnings (% of Sales) | 13% - 14% | No change |

Conference Call

Woodward will hold an investor conference call at 5:00 p.m. ET, April 28, 2025, to provide an overview of the financial performance for its second quarter of fiscal year 2025 ending March 31, 2025, business highlights, and guidance for fiscal 2025. You are invited to listen to the live webcast of our conference call, or a recording, and view or download accompanying presentation slides at our website, www.woodward.com².

You may also listen to the call by dialing 1-800-715-9871 (domestic) or 1-646-307-1963 (international). Participants should call prior to the start time to allow for registration; the Conference ID is 4675940. The call and presentation will be available on the website by selecting "Investors/Events & Presentations" from the menu and will remain accessible on the Company's website for one year.

About Woodward, Inc.

Woodward is the global leader in the design, manufacture, and service of energy conversion and control solutions for the aerospace and industrial equipment markets. Our purpose is to design and deliver energy control solutions our partners count on to power a clean future. Our innovative fluid, combustion, electrical, propulsion and motion control systems perform in some of the world's harshest environments. Woodward is a global company headquartered in Fort Collins, Colorado, USA. Visit our website at www.woodward.com.

Cautionary Statement

Information in this press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, including, but not limited to, the Company's ability to manage tariffs and the current operating environment; our long-term value proposition and ability to achieve sustainable growth and enhance shareholder value; and statements regarding our business, expectations and guidance for fiscal year 2025, including our guidance for sales, segment sales as compared to the prior fiscal year, adjusted earnings per share, segment earnings margin, adjusted effective tax rate, free cash flow, capital expenditures, and diluted weighted average shares outstanding, as well as our assumptions and expectations regarding our guidance and the factors that may impact guidance, and anticipated trends in our business and markets. Factors that could cause actual results and the timing of certain events to differ materially from the forward-looking statements include, but are not limited to: (1) global economic uncertainty and instability, including a potential global recession and the impact on customer demand; (2) changes in or uncertainty with respect to global trade and economic policy, including tariff levels and other retaliatory measures; (3) risks related to constraints and disruptions in the global supply chain and labor markets; (4) Woodward's long sales cycle; (5) risks related to Woodward's concentration of revenue among a relatively small number of customers; (6) Woodward's ability to implement and realize the intended effects of any restructuring efforts; (67) Woodward's ability to successfully manage competitive factors including expenses and fluctuations in sales; (8) changes and consolidations in the aerospace market; (9) Woodward's financial obligations including debt obligations and tax expenses and exposures; (10) risks related to Woodward's U.S. government contracting activities including potential changes in government spending patterns; (11) Woodward's ability to protect its intellectual property rights and avoid infringing the intellectual property rights of others; (12) changes in the estimates of fair value of reporting units or of long-lived assets; (13) environmental risks; (14) Woodward's continued access to a stable workforce and favorable labor relations with its employees; (15) Woodward's ability to manage various regulatory and legal matters; (16) risks from operating internationally; (17) cybersecurity and other technological risks; and other risk factors and risks described in Woodward's filings with the Securities and Exchange

Commission, including its Annual Report on Form 10-K for the fiscal year ended September 30, 2024, any subsequently filed Quarterly Report on Form 10-Q, as well as its Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, which we expect to file shortly, and other risks described in Woodward's filings with the Securities and Exchange Commission. The forward-looking statements contained in this press release are made as of the date hereof and Woodward assumes no obligation to update such statements, except as required by applicable law.

Woodward, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited - in thousands, except per share amounts)

| | <i>Three Months Ended</i> <i>March 31,</i> | | <i>Six Months Ended</i> <i>March 31,</i> | |
|--|---|------------------|---|-------------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Net sales | \$ 883,629 | \$ 835,343 | \$ 1,656,354 | \$ 1,622,073 |
| Costs and expenses: | | | | |
| Cost of goods sold | 643,530 | 600,954 | 1,226,621 | 1,183,335 |
| Selling, general, and administrative expenses | 83,842 | 81,447 | 153,538 | 155,958 |
| Research and development costs | 37,230 | 36,465 | 67,437 | 67,259 |
| Interest expense | 11,889 | 11,530 | 24,230 | 22,966 |
| Interest income | (1,021) | (1,293) | (2,398) | (2,766) |
| Other (income) expense, net | (24,804) | (14,384) | (47,891) | (35,023) |
| Total costs and expenses | <u>750,666</u> | <u>714,719</u> | <u>1,421,537</u> | <u>1,391,729</u> |
| Earnings before income taxes | 132,963 | 120,624 | 234,817 | 230,344 |
| Income taxes | 24,014 | 23,068 | 38,777 | 42,744 |
| Net earnings | <u>\$ 108,949</u> | <u>\$ 97,556</u> | <u>\$ 196,040</u> | <u>\$ 187,600</u> |
| Earnings per share amounts: | | | | |
| Basic earnings per share | \$ 1.83 | \$ 1.61 | \$ 3.30 | \$ 3.12 |
| Diluted earnings per share | \$ 1.78 | \$ 1.56 | \$ 3.20 | \$ 3.02 |
| Weighted average common shares outstanding: | | | | |
| Basic | 59,432 | 60,427 | 59,323 | 60,223 |
| Diluted | 61,344 | 62,365 | 61,258 | 62,106 |
| Cash dividends paid per share | \$ 0.28 | \$ 0.25 | \$ 0.53 | \$ 0.47 |

Woodward, Inc. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited - in thousands)

| | <u>March 31,</u> <u>2025</u> | <u>September 30,</u> <u>2024</u> |
|-------------------------------------|---------------------------------|-------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 364,141 | \$ 282,270 |
| Accounts receivable | 831,500 | 770,066 |
| Inventories | 634,508 | 609,092 |
| Income taxes receivable | 21,280 | 22,016 |
| Other current assets | 60,508 | 60,167 |
| Total current assets | <u>1,911,937</u> | <u>1,743,611</u> |
| Property, plant, and equipment, net | 929,357 | 940,715 |
| Goodwill | 791,989 | 806,643 |
| Intangible assets, net | 412,186 | 440,419 |
| Deferred income tax assets | 85,631 | 84,392 |

| | | |
|---|---------------------|---------------------|
| Other assets | 362,369 | 353,135 |
| Total assets | <u>\$ 4,493,469</u> | <u>\$ 4,368,915</u> |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Short-term debt | \$ 261,100 | \$ 217,000 |
| Current portion of long-term debt | 160,989 | 85,719 |
| Accounts payable | 269,318 | 287,457 |
| Income taxes payable | 46,025 | 40,692 |
| Accrued liabilities | 242,285 | 292,642 |
| Total current liabilities | <u>979,717</u> | <u>923,510</u> |
| Long-term debt, less current portion | 489,821 | 569,751 |
| Deferred income tax liabilities | 117,984 | 121,858 |
| Other liabilities | 568,440 | 577,380 |
| Total liabilities | <u>2,155,962</u> | <u>2,192,499</u> |
| Stockholders' equity | <u>2,337,507</u> | <u>2,176,416</u> |
| Total liabilities and stockholders' equity | <u>\$ 4,493,469</u> | <u>\$ 4,368,915</u> |

Woodward, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - in thousands)

| | <i>Six Months Ended March 31,</i> | |
|---|-----------------------------------|-------------------|
| | <u>2025</u> | <u>2024</u> |
| Net cash provided by operating activities | <u>\$ 112,341</u> | <u>\$ 144,118</u> |
| Cash flows from investing activities: | | |
| Payments for purchase of property, plant, and equipment | (51,990) | (56,301) |
| Proceeds from sale of assets | 33 | 51 |
| Proceeds from business divestitures | 44,896 | 600 |
| Payments for short-term investments | - | (3,723) |
| Proceeds from sales of short-term investments | 2,923 | 9,732 |
| Net cash used in investing activities | <u>(4,138)</u> | <u>(49,641)</u> |
| Cash flows from financing activities: | | |
| Cash dividends paid | (31,453) | (28,327) |
| Proceeds from sales of treasury stock | 49,717 | 43,087 |
| Payments for repurchases of common stock | (79,493) | - |
| Borrowings on revolving lines of credit and short-term borrowings | 1,350,200 | 1,539,100 |
| Payments on revolving lines of credit and short-term borrowings | (1,306,100) | (1,397,800) |
| Payments of long-term debt and finance lease obligations | (473) | (75,472) |
| Net cash (used in) provided by financing activities | <u>(17,602)</u> | <u>80,588</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(8,730)</u> | <u>4,420</u> |
| Net change in cash and cash equivalents | <u>81,871</u> | <u>179,485</u> |
| Cash and cash equivalents at beginning of year | <u>282,270</u> | <u>137,447</u> |
| Cash and cash equivalents at end of period | <u>\$ 364,141</u> | <u>\$ 316,932</u> |

Woodward, Inc. and Subsidiaries
SEGMENT NET SALES AND NET EARNINGS
(Unaudited - in thousands)

| | <i>Three Months Ended March 31,</i> | | <i>Six Months Ended March 31,</i> | |
|--|-------------------------------------|-------------------|-----------------------------------|---------------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Net sales: | | | | |
| Aerospace | \$ 561,729 | \$ 497,512 | \$ 1,055,611 | \$ 958,268 |
| Industrial | 321,900 | 337,831 | 600,743 | 663,805 |
| Total consolidated net sales | <u>\$ 883,629</u> | <u>\$ 835,343</u> | <u>\$ 1,656,354</u> | <u>\$ 1,622,073</u> |
| Segment earnings*: | | | | |
| Aerospace | \$ 124,616 | \$ 98,451 | \$ 219,341 | \$ 177,453 |
| <i>As a percent of segment net sales</i> | 22.2% | 19.8% | 20.8% | 18.5% |
| Industrial | 45,967 | 65,244 | 86,164 | 132,125 |
| <i>As a percent of segment net sales</i> | <u>14.3%</u> | <u>19.3%</u> | <u>14.3%</u> | <u>19.9%</u> |
| Total segment earnings | 170,583 | 163,695 | 305,505 | 309,578 |
| Nonsegment expenses | (26,752) | (32,834) | (48,856) | (59,034) |
| EBIT | 143,831 | 130,861 | 256,649 | 250,544 |
| Interest expense, net | (10,868) | (10,237) | (21,832) | (20,200) |
| Consolidated earnings before income taxes | <u>\$ 132,963</u> | <u>\$ 120,624</u> | <u>\$ 234,817</u> | <u>\$ 230,344</u> |

*This schedule reconciles segment earnings, which exclude certain costs, to consolidated earnings before taxes.

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Payments for property, plant and equipment | \$ 18,416 | \$ 14,489 | \$ 51,990 | \$ 56,301 |
| Depreciation expense | \$ 20,794 | \$ 20,607 | \$ 41,756 | \$ 40,833 |

Woodward, Inc. and Subsidiaries
RECONCILIATION OF NET EARNINGS TO ADJUSTED NET EARNINGS¹
(Unaudited - in thousands, except per share amounts)

| | <i>Three Months Ended March 31,</i> | | | |
|---|-------------------------------------|---------------------------|---------------------|---------------------------|
| | <u>2025</u> | | <u>2024</u> | |
| | <i>Net Earnings</i> | <i>Earnings Per Share</i> | <i>Net Earnings</i> | <i>Earnings Per Share</i> |
| Net earnings (U.S. GAAP) | \$ 108,949 | \$ 1.78 | \$ 97,556 | \$ 1.56 |
| Non-U.S. GAAP adjustments: | | | | |
| Product rationalization ^a | (11,163) | (0.18) | - | - |
| Business development activities ^b | 3,793 | 0.06 | 1,664 | 0.03 |
| Certain non-restructuring separation costs ^b | - | - | 2,666 | 0.04 |
| Tax effect of Non-U.S. GAAP net earnings adjustments | 1,811 | 0.03 | (1,061) | (0.01) |
| Total non-U.S. GAAP adjustments | <u>(5,559)</u> | <u>(0.09)</u> | <u>3,269</u> | <u>0.06</u> |
| Adjusted net earnings (Non-U.S. GAAP) | <u>\$ 103,390</u> | <u>\$ 1.69</u> | <u>\$ 100,825</u> | <u>\$ 1.62</u> |

a. Presented in the line item "Other (income) expense, net" in Woodward's Condensed Consolidated Statement of Earnings.

b. Presented in item "Selling, general and administrative" expenses in Woodward's Condensed Consolidated Statement of Earnings.

Woodward, Inc. and Subsidiaries

RECONCILIATION OF NET EARNINGS TO ADJUSTED NET EARNINGS¹
(Unaudited - in thousands, except per share amounts)

| | <i>Six Months Ended March 31,</i> | | | |
|---|-----------------------------------|---------------------------|---------------------|---------------------------|
| | <u>2025</u> | | <u>2024</u> | |
| | <i>Net Earnings</i> | <i>Earnings Per Share</i> | <i>Net Earnings</i> | <i>Earnings Per Share</i> |
| Net earnings (U.S. GAAP) | \$ 196,040 | \$ 3.20 | \$ 187,600 | \$ 3.02 |
| Non-U.S. GAAP adjustments: | | | | |
| Product rationalization ^a | (20,524) | (0.33) | - | - |
| Non-recurring gain related to a previous acquisition ^a | - | - | (4,803) | (0.08) |
| Business development activities ^b | 7,310 | 0.12 | 5,902 | 0.10 |
| Certain non-restructuring separation costs ^b | - | - | 2,666 | 0.04 |
| Tax effect of Non-U.S. GAAP net earnings adjustments | 3,130 | 0.05 | (729) | (0.01) |
| Total non-U.S. GAAP adjustments | <u>(10,084)</u> | <u>(0.16)</u> | <u>3,036</u> | <u>0.05</u> |
| Adjusted net earnings (Non-U.S. GAAP) | <u>\$ 185,956</u> | <u>\$ 3.04</u> | <u>\$ 190,636</u> | <u>\$ 3.07</u> |

a. Presented in the line item "Other (income) expense, net" in Woodward's Condensed Consolidated Statement of Earnings.

b. Presented in item "Selling, general and administrative" expenses in Woodward's Condensed Consolidated Statement of Earnings.

Woodward, Inc. and Subsidiaries

RECONCILIATION OF INCOME TAX EXPENSE TO ADJUSTED INCOME TAX EXPENSE¹
(Unaudited - in thousands)

| | <i>Three Months Ended March 31,</i> | | <i>Six Months Ended March 31,</i> | |
|--|-------------------------------------|------------------|-----------------------------------|------------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Income tax expense (U.S. GAAP) | \$ 24,014 | \$ 23,068 | \$ 38,777 | \$ 42,744 |
| Tax effect of Non-U.S. GAAP net income adjustments | (1,811) | 1,061 | (3,130) | 729 |
| Adjusted income tax expense (Non-U.S. GAAP) | <u>\$ 22,203</u> | <u>\$ 24,129</u> | <u>\$ 35,647</u> | <u>\$ 43,473</u> |
| Adjusted effective tax rate (Non-U.S. GAAP) | 17.7% | 19.3% | 16.1% | 18.6% |

Woodward, Inc. and Subsidiaries

RECONCILIATION OF NET EARNINGS TO EBIT¹ AND ADJUSTED EBIT¹
(Unaudited - in thousands)

| | <i>Three Months Ended March 31,</i> | | <i>Six Months Ended March 31,</i> | |
|-----------------------------|-------------------------------------|----------------|-----------------------------------|----------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Net earnings (U.S. GAAP) | \$ 108,949 | \$ 97,556 | \$ 196,040 | \$ 187,600 |
| Income tax expense | 24,014 | 23,068 | 38,777 | 42,744 |
| Interest expense | 11,889 | 11,530 | 24,230 | 22,966 |
| Interest income | (1,021) | (1,293) | (2,398) | (2,766) |
| EBIT (Non-U.S. GAAP) | <u>143,831</u> | <u>130,861</u> | <u>256,649</u> | <u>250,544</u> |

| | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Total non-U.S. GAAP adjustments* | (7,370) | 4,330 | (13,214) | 3,765 |
| Adjusted EBIT (Non-U.S. GAAP) | <u>\$ 136,461</u> | <u>\$ 135,191</u> | <u>\$ 243,435</u> | <u>\$ 254,309</u> |

*See Reconciliation of Net Earnings to Adjusted Net Earnings¹ table above for the list of Non-U.S. GAAP adjustments made in the applicable periods.

Woodward, Inc. and Subsidiaries
RECONCILIATION OF NET EARNINGS TO EBITDA¹ AND ADJUSTED EBITDA¹
(Unaudited - in thousands)

| | <i>Three Months Ended March 31,</i> | | <i>Six Months Ended March 31,</i> | |
|--|-------------------------------------|-------------------|-----------------------------------|-------------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Net earnings (U.S. GAAP) | \$ 108,949 | \$ 97,556 | \$ 196,040 | \$ 187,600 |
| Income tax expense | 24,014 | 23,068 | 38,777 | 42,744 |
| Interest expense | 11,889 | 11,530 | 24,230 | 22,966 |
| Interest income | (1,021) | (1,293) | (2,398) | (2,766) |
| Amortization of intangible assets | 6,772 | 8,618 | 13,686 | 17,217 |
| Depreciation expense | 20,794 | 20,607 | 41,756 | 40,833 |
| EBITDA (Non-U.S. GAAP) | <u>171,397</u> | <u>160,086</u> | <u>312,091</u> | <u>308,594</u> |
| Total non-U.S. GAAP adjustments* | (7,370) | 4,330 | (13,214) | 3,765 |
| Adjusted EBITDA (Non-U.S. GAAP) | <u>\$ 164,027</u> | <u>\$ 164,416</u> | <u>\$ 298,877</u> | <u>\$ 312,359</u> |

*See Reconciliation of Net Earnings to Adjusted Net Earnings¹ table above for the list of Non-U.S. GAAP adjustments made in the applicable periods.

Woodward, Inc. and Subsidiaries
RECONCILIATION OF NONSEGMENT EXPENSES TO ADJUSTED NONSEGMENT EXPENSES¹
(Unaudited - in thousands)

| | <i>Three Months Ended March 31,</i> | | <i>Six Months Ended March 31,</i> | |
|--|-------------------------------------|------------------|-----------------------------------|------------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Nonsegment expenses (U.S. GAAP) | \$ 26,752 | \$ 32,834 | \$ 48,856 | \$ 59,034 |
| Product rationalization | 11,163 | - | 20,524 | - |
| Business development activities | (3,793) | (1,664) | (7,310) | (5,902) |
| Non-recurring gain related to a previous acquisition | - | - | - | 4,803 |
| Certain non-recurring separation costs | - | (2,666) | - | (2,666) |
| Adjusted nonsegment expenses (Non-U.S. GAAP) | <u>\$ 34,122</u> | <u>\$ 28,504</u> | <u>\$ 62,070</u> | <u>\$ 55,269</u> |

Woodward, Inc. and Subsidiaries
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW¹
(Unaudited - in thousands)

| | <i>Six Months Ended March 31,</i> | |
|---|-----------------------------------|-------------|
| | <u>2025</u> | <u>2024</u> |
| Net cash provided by operating activities (U.S. GAAP) | \$ 112,341 | \$ 144,118 |
| Payments for property, plant, and equipment | (51,990) | (56,301) |

Free cash flow (Non-U.S. GAAP)

\$ 60,351 \$ 87,817

¹Adjusted and Non-U.S. GAAP Financial Measures: Adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted income tax expense, adjusted effective tax rate, and adjusted nonsegment expenses exclude, as applicable (i) product rationalization, (ii) a non-recurring gain related to a previous acquisition, (iii) costs related to business development activities, and (iv) certain non-restructuring separation costs. The product rationalization adjustment pertains to gains related to the elimination of certain product lines. The Company believes that these excluded items are short-term in nature, not directly related to the ongoing operations of the business, and therefore, the exclusion of them illustrates more clearly how the underlying business of Woodward is performing. Guidance with respect to non-U.S. GAAP measures as provided in this release excludes, as applicable, (i) product rationalization, and (ii) business development activities.

EBIT (earnings before interest and taxes), EBITDA (earnings before interest, taxes, depreciation and amortization), free cash flow, adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted income tax expense, adjusted effective tax rate, and adjusted nonsegment expenses are financial measures not prepared and presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Management uses EBIT and adjusted EBIT to evaluate Woodward's operating performance without the impacts of financing and tax related considerations. Management uses EBITDA and adjusted EBITDA in evaluating Woodward's operating performance, making business decisions, including developing budgets, managing expenditures, forecasting future periods, and evaluating capital structure impacts of various strategic scenarios. Management also uses free cash flow, which is derived from net cash provided by or used in operating activities less payments for property, plant, and equipment in reviewing the financial performance of Woodward's various business segments and evaluating cash generation levels. Securities analysts, investors, and others frequently use EBIT, EBITDA, and free cash flow in their evaluation of companies, particularly those with significant property, plant, and equipment, and intangible assets that are subject to amortization. The use of any of these non-U.S. GAAP financial measures is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with U.S. GAAP. Because adjusted net earnings, adjusted earnings per share, EBIT, EBITDA, adjusted EBIT, and adjusted EBITDA exclude certain financial information compared with net earnings, the most comparable U.S. GAAP financial measure, users of this financial information should consider the information that is excluded. Free cash flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs. Woodward's calculations of EBIT, EBITDA, adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted effective tax rate, adjusted nonsegment expenses, and free cash flow may differ from similarly titled measures used by other companies, limiting their usefulness as comparative measures.

²Website, Facebook, X: Woodward has used, and intends to continue to use, its Investor Relations website, LinkedIn page, Facebook page, and X handle as means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

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