

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-39265

WOODWARD, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

36-1984010

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

1081 Woodward Way, Fort Collins, Colorado

(Address of principal executive offices)

80524

(Zip Code)

(970) 482-5811

(Registrant's telephone number, including area code)

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 per share

WWD

NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 29, 2026, 59,582,861 shares of the registrant's common stock with a par value of \$0.001455 per share were outstanding.

TABLE OF CONTENTS

	Page
PART I – FINANCIAL INFORMATION	
Item 1.	1
Financial Statements	1
Condensed Consolidated Statements of Earnings	1
Condensed Consolidated Statements of Comprehensive Earnings	2
Condensed Consolidated Balance Sheets	3
Condensed Consolidated Statements of Cash Flows	4
Condensed Consolidated Statements of Stockholders' Equity	5
Notes to Condensed Consolidated Financial Statements	7
Item 2.	30
Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Forward-Looking Statements	30
Overview	31
Results of Operations	33
Liquidity and Capital Resources	37
Item 3.	42
Quantitative and Qualitative Disclosures About Market Risk	42
Item 4.	42
Controls and Procedures	42
PART II – OTHER INFORMATION	
Item 1.	42
Legal Proceedings	42
Item 1A.	42
Risk Factors	42
Item 2.	42
Unregistered Sales of Equity Securities and Use of Proceeds	42
Item 5.	43
Other Information	43
Item 6.	44
Exhibits	44
Signatures	44

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

WOODWARD, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Net sales	\$ 1,090,568	\$ 883,629	\$ 2,087,022	\$ 1,656,354
Costs and expenses:				
Cost of goods sold	774,660	643,530	1,478,953	1,226,621
Selling, general and administrative expenses	102,285	83,842	197,270	153,538
Research and development costs	46,119	37,230	83,875	67,437
Restructuring charges	6,815	—	6,815	—
Interest expense	12,035	11,889	22,379	24,230
Interest income	(715)	(1,021)	(1,416)	(2,398)
Other income, net	(18,058)	(24,804)	(37,432)	(47,891)
Total costs and expenses	923,141	750,666	1,750,444	1,421,537
Earnings before income taxes	167,427	132,963	336,578	234,817
Income tax expense	33,414	24,014	68,846	38,777
Net earnings	\$ 134,013	\$ 108,949	\$ 267,732	\$ 196,040
Earnings per share:				
Basic earnings per share	\$ 2.25	\$ 1.83	\$ 4.48	\$ 3.30
Diluted earnings per share	\$ 2.19	\$ 1.78	\$ 4.36	\$ 3.20
Weighted Average Common Shares Outstanding:				
Basic	59,611	59,432	59,725	59,323
Diluted	61,276	61,344	61,462	61,258

See accompanying Notes to Condensed Consolidated Financial Statements

WOODWARD, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(In thousands)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Net earnings	\$ 134,013	\$ 108,949	\$ 267,732	\$ 196,040
Other comprehensive earnings:				
Foreign currency translation adjustments	(15,082)	19,562	(13,922)	(17,322)
Net gain (loss) on foreign currency transactions designated as hedges of net investments	1,153	(1,712)	1,069	1,351
Taxes on changes in foreign currency translation adjustments	(592)	12	1,767	448
Foreign currency translation and hedge transactions adjustments, net of tax	(14,521)	17,862	(11,086)	(15,523)
Derivative related other comprehensive earnings:				
Unrealized gain (loss) on fair value adjustment of derivative instruments	7,329	(11,402)	9,177	8,966
Reclassification of net realized (gain) loss on derivatives to earnings	(7,791)	16,560	(7,257)	(11,123)
Derivative adjustments, net of tax	(462)	5,158	1,920	(2,157)
Pension and other postretirement medical liability other comprehensive earnings:				
Amortization of:				
Net prior service cost	135	195	270	392
Net actuarial (gain)	(197)	(167)	(396)	(334)
Foreign currency exchange rate changes on pension and other postretirement medical liabilities	(65)	202	(105)	(124)
Taxes on changes in pension and other postretirement medical liability adjustments	32	(19)	66	(34)
Pension and other postretirement benefit plan adjustments, net of tax	(95)	211	(165)	(100)
Total comprehensive earnings	\$ 118,935	\$ 132,180	\$ 258,401	\$ 178,260

See accompanying Notes to Condensed Consolidated Financial Statements

WOODWARD, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(Unaudited)

	<u>March 31,</u> <u>2026</u>	<u>September 30,</u> <u>2025</u>
ASSETS		
Current assets:		
Cash and cash equivalents, including restricted cash of \$3,600 as of March 31, 2026	\$ 501,169	\$ 327,431
Accounts receivable, less allowance for uncollectible amounts of \$13,107 and \$9,725, respectively	931,231	831,116
Inventories	704,465	654,608
Income taxes receivable	69,743	1,553
Other current assets	65,314	69,706
Total current assets	2,271,922	1,884,414
Property, plant and equipment, net	1,034,798	986,623
Goodwill	825,503	832,288
Intangible assets, net	408,801	428,080
Deferred income tax assets	44,737	118,711
Other assets	383,351	380,027
Total assets	\$ 4,969,112	\$ 4,630,143
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 623,000	\$ 122,300
Current portion of long-term debt	46,905	122,934
Accounts payable	305,855	289,417
Income taxes payable	54,532	59,655
Accrued liabilities	281,463	313,083
Total current liabilities	1,311,755	907,389
Long-term debt, less current portion	453,373	456,968
Deferred income tax liabilities	105,332	107,669
Other liabilities	573,192	591,727
Total liabilities	2,443,652	2,063,753
Commitments and contingencies (Note 22)		
Stockholders' equity:		
Preferred stock, par value \$0.003 per share, 10,000 shares authorized, no shares issued	—	—
Common stock, par value \$0.001455 per share, 150,000 shares authorized, 72,960 shares issued	106	106
Additional paid-in capital	544,888	482,259
Accumulated other comprehensive losses	(19,746)	(10,415)
Deferred compensation	1,918	1,741
Retained earnings	3,832,274	3,600,395
	4,359,440	4,074,086
Treasury stock at cost, 13,367 shares and 13,060 shares, respectively	(1,832,062)	(1,505,955)
Treasury stock held for deferred compensation, at cost, 27 shares and 28 shares, respectively	(1,918)	(1,741)
Total stockholders' equity	2,525,460	2,566,390
Total liabilities and stockholders' equity	\$ 4,969,112	\$ 4,630,143

See accompanying Notes to Condensed Consolidated Financial Statements

WOODWARD, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net earnings	\$ 267,732	\$ 196,040
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	58,944	55,442
Net loss (gain) on sales of assets and businesses	36	(20,049)
Stock-based compensation	21,123	19,376
Deferred income taxes	75,581	(1,503)
Changes in operating assets and liabilities:		
Trade accounts receivable	(59,624)	(41,912)
Unbilled receivables (contract assets)	(49,077)	(25,310)
Costs to fulfill a contract	5,697	(7,180)
Inventories	(52,633)	(49,582)
Accounts payable and accrued liabilities	9,871	(14,065)
Contract liabilities	(2,263)	1,707
Income taxes	(72,296)	1,152
Retirement benefit obligations	(2,032)	(1,859)
Other	4,205	84
Net cash provided by operating activities	205,264	112,341
Cash flows from investing activities:		
Payments for purchase of property, plant, and equipment	(96,720)	(51,990)
Proceeds from sale of assets	—	33
Proceeds from short-term investments	65	2,923
Proceeds from business divestitures	—	44,896
Payments for acquisitions, net of cash acquired	(2,808)	—
Net cash (used in) investing activities	(99,463)	(4,138)
Cash flows from financing activities:		
Cash dividends paid	(35,853)	(31,453)
Proceeds from sales of treasury stock	40,388	49,717
Payments for repurchases of common stock	(355,297)	(79,493)
Borrowings on revolving lines of credit and short-term borrowings	2,010,053	1,350,200
Payments on revolving lines of credit and short-term borrowings	(1,509,353)	(1,306,100)
Payments of long-term debt and finance lease obligations	(75,507)	(473)
Net cash provided by (used in) financing activities	74,431	(17,602)
Effect of exchange rate changes on cash and cash equivalents	(6,494)	(8,730)
Net change in cash and cash equivalents	173,738	81,871
Cash and cash equivalents, including restricted cash, at beginning of year	327,431	282,270
Cash and cash equivalents, including restricted cash, at end of period	\$ 501,169	\$ 364,141

See accompanying Notes to Condensed Consolidated Financial Statements

WOODWARD, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Stockholders' equity										
	Common stock	Additional paid-in capital	Accumulated other comprehensive (loss) earnings					Deferred compensation	Retained earnings	Treasury stock at cost	Treasury stock held for deferred compensation
Foreign currency translation adjustments			Unrealized derivative gains (losses)	Minimum retirement benefit liability adjustments	Total accumulated other comprehensive (loss) earnings						
Balances as of January 1, 2025	\$ 106	\$ 414,175	\$ (72,514)	\$ (12,492)	\$ 11,297	\$ (73,709)	\$ 1,752	\$ 3,295,569	\$ (1,427,720)	\$ (1,752)	\$ 2,208,421
Net earnings	—	—	—	—	—	—	—	108,949	—	—	108,949
Other comprehensive earnings (loss), net of tax	—	—	17,862	5,158	211	23,231	—	—	—	—	23,231
Cash dividends paid (\$0.28 per share)	—	—	—	—	—	—	—	(16,672)	—	—	(16,672)
Purchase of treasury stock	—	—	—	—	—	—	—	—	(44,020)	—	(44,020)
Sales of treasury stock	—	4,504	—	—	—	—	—	—	16,326	—	20,830
Common shares issued for benefit plans	—	17,763	—	—	—	—	—	—	6,295	—	24,058
Stock-based compensation	—	12,710	—	—	—	—	—	—	—	—	12,710
Purchases of stock by deferred compensation	—	—	—	—	—	—	34	—	—	(34)	—
Distribution of stock from deferred compensation	—	—	—	—	—	—	(23)	—	—	23	—
Balances as of March 31, 2025	<u>\$ 106</u>	<u>\$ 449,152</u>	<u>\$ (54,652)</u>	<u>\$ (7,334)</u>	<u>\$ 11,508</u>	<u>\$ (50,478)</u>	<u>\$ 1,763</u>	<u>\$ 3,387,846</u>	<u>\$ (1,449,119)</u>	<u>\$ (1,763)</u>	<u>\$ 2,337,507</u>
Balances as of January 1, 2026	106	497,787	(15,515)	(3,465)	14,312	(4,668)	1,947	3,717,350	(1,623,087)	(1,947)	2,587,488
Net earnings	—	—	—	—	—	—	—	134,013	—	—	134,013
Other comprehensive earnings (loss), net of tax	—	—	(14,521)	(462)	(95)	(15,078)	—	—	—	—	(15,078)
Cash dividends paid (\$0.32 per share)	—	—	—	—	—	—	—	(19,089)	—	—	(19,089)
Purchases of treasury stock	—	—	—	—	—	—	—	—	(225,503)	—	(225,503)
Sales of treasury stock	—	6,720	—	—	—	—	—	—	13,003	—	19,723
Common shares issued for benefit plans	—	26,288	—	—	—	—	—	—	3,525	—	29,813
Stock-based compensation	—	14,093	—	—	—	—	—	—	—	—	14,093
Purchases of stock by deferred compensation	—	—	—	—	—	—	17	—	—	(17)	—
Distribution of stock from deferred compensation	—	—	—	—	—	—	(46)	—	—	46	—
Balances as of March 31, 2026	<u>\$ 106</u>	<u>\$ 544,888</u>	<u>\$ (30,036)</u>	<u>\$ (3,927)</u>	<u>\$ 14,217</u>	<u>\$ (19,746)</u>	<u>\$ 1,918</u>	<u>\$ 3,832,274</u>	<u>\$ (1,832,062)</u>	<u>\$ (1,918)</u>	<u>\$ 2,525,460</u>

WOODWARD, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Stockholders' equity										
	Common stock	Additional paid-in capital	Accumulated other comprehensive (loss) earnings				Deferred compensation	Retained earnings	Treasury stock at cost	Treasury stock held for deferred compensation	Total stockholders' equity
Foreign currency translation adjustments			Unrealized derivative gains (losses)	Minimum retirement benefit liability adjustments	Total accumulated other comprehensive (loss) earnings						
Balances as of September 30, 2024	\$ 106	\$ 396,554	\$ (39,129)	\$ (5,177)	\$ 11,608	\$ (32,698)	\$ 2,662	\$ 3,223,259	\$ (1,410,805)	\$ (2,662)	\$ 2,176,416
Net earnings	—	—	—	—	—	—	—	196,040	—	—	196,040
Other comprehensive earnings (loss), net of tax	—	—	(15,523)	(2,157)	(100)	(17,780)	—	—	—	—	(17,780)
Cash dividends paid (\$0.53 per share)	—	—	—	—	—	—	—	(31,453)	—	—	(31,453)
Purchase of treasury stock	—	—	—	—	—	—	—	—	(79,493)	—	(79,493)
Sales of treasury stock	—	14,844	—	—	—	—	—	—	34,645	—	49,489
Common shares issued for benefit plans	—	18,378	—	—	—	—	—	—	6,534	—	24,912
Stock-based compensation	—	19,376	—	—	—	—	—	—	—	—	19,376
Purchases of stock by deferred compensation	—	—	—	—	—	—	82	—	—	(82)	—
Distribution of stock from deferred compensation	—	—	—	—	—	—	(981)	—	—	981	—
Balances as of March 31, 2025	<u>\$ 106</u>	<u>\$ 449,152</u>	<u>\$ (54,652)</u>	<u>\$ (7,334)</u>	<u>\$ 11,508</u>	<u>\$ (50,478)</u>	<u>\$ 1,763</u>	<u>\$ 3,387,846</u>	<u>\$ (1,449,119)</u>	<u>\$ (1,763)</u>	<u>\$ 2,337,507</u>
Balances as of September 30, 2025	106	482,259	(18,950)	(5,847)	14,382	(10,415)	1,741	3,600,395	(1,505,955)	(1,741)	2,566,390
Net earnings	—	—	—	—	—	—	—	267,732	—	—	267,732
Other comprehensive earnings (loss), net of tax	—	—	(11,086)	1,920	(165)	(9,331)	—	—	—	—	(9,331)
Cash dividends paid (\$0.60 per share)	—	—	—	—	—	—	—	(35,853)	—	—	(35,853)
Purchases of treasury stock	—	—	—	—	—	—	—	—	(354,890)	—	(354,890)
Sales of treasury stock	—	15,218	—	—	—	—	—	—	25,258	—	40,476
Common shares issued for benefit plans	—	26,288	—	—	—	—	—	—	3,525	—	29,813
Stock-based compensation	—	21,123	—	—	—	—	—	—	—	—	21,123
Purchases of stock by deferred compensation	—	—	—	—	—	—	281	—	—	(281)	—
Distribution of stock from deferred compensation	—	—	—	—	—	—	(104)	—	—	104	—
Balances as of March 31, 2026	<u>\$ 106</u>	<u>\$ 544,888</u>	<u>\$ (30,036)</u>	<u>\$ (3,927)</u>	<u>\$ 14,217</u>	<u>\$ (19,746)</u>	<u>\$ 1,918</u>	<u>\$ 3,832,274</u>	<u>\$ (1,832,062)</u>	<u>\$ (1,918)</u>	<u>\$ 2,525,460</u>

See accompanying Notes to Condensed Consolidated Financial Statements

WOODWARD, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

Note 1. Basis of presentation

The Condensed Consolidated Financial Statements of Woodward, Inc. ("Woodward" or the "Company") as of March 31, 2026 and for the three and six months ended March 31, 2026 and 2025, included herein, have not been audited by an independent registered public accounting firm. These unaudited Condensed Consolidated Financial Statements reflect all normal recurring adjustments that, in the opinion of management, are necessary to present fairly Woodward's financial position as of March 31, 2026, and the statements of earnings, comprehensive earnings, cash flows, and changes in stockholders' equity for the periods presented herein. The results of operations for the three and six months ended March 31, 2026 and 2025 are not necessarily indicative of the operating results to be expected for other interim periods or for the full fiscal year. Dollar and share amounts contained in these unaudited Condensed Consolidated Financial Statements are in thousands, except per share amounts, unless otherwise noted.

The unaudited Condensed Consolidated Financial Statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim reporting. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations. Accordingly, these unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and Notes thereto included in Woodward's most recent Annual Report on Form 10-K filed with the SEC and other financial information filed with the SEC.

Management is required to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported revenues and expenses recognized during the reporting period, and certain financial statement disclosures, in the preparation of the unaudited Condensed Consolidated Financial Statements included herein. Significant estimates in these unaudited Condensed Consolidated Financial Statements include allowances for credit losses; net realizable value of inventories; variable consideration including customer rebates earned and payable and early payment discounts; warranty reserves; useful lives of property and identifiable intangible assets; the evaluation of impairments of property, intangible assets, and goodwill; the provision for income tax and related valuation reserves; the valuation of derivative instruments; assumptions used in the determination of the funded status and annual expense of pension and postretirement employee benefit plans; the valuation of stock compensation instruments granted to members, board members and any other eligible recipients; estimates of incremental borrowing rates used when estimating the present value of future lease payments; assumptions used when including renewal options or non-exercise of termination options in lease terms; estimates of total lifetime sales used in the recognition of revenue associated with material rights and balance sheet classification of the related contract liability; estimates of total sales contract costs when recognizing revenue under the cost-to-cost method; and contingencies. Actual results could vary from Woodward's estimates.

Note 2. New accounting standards

From time to time, the Financial Accounting Standards Board ("FASB") or other standards setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standards Codification ("ASC") are communicated through issuance of an Accounting Standards Update ("ASU").

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The purpose of ASU 2023-09 is to provide enhanced annual disclosures surrounding income taxes by requiring consistent categories and greater disaggregation of information in the rate reconciliation, the disaggregation of income taxes paid by jurisdiction, as well as several other changes to the income tax disclosure. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024 (fiscal year 2026 for Woodward), with early adoption permitted, and is required to be applied prospectively with the option of retrospective application. Woodward is currently assessing the impact on its income tax disclosures.

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." The purpose of ASU 2024-03 is to provide enhanced disclosures about significant expenses on the Consolidated Statement of Earnings. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026 (fiscal year 2028 for Woodward), and interim periods within fiscal years beginning after December 15, 2027 (fiscal year 2029 for Woodward), with early adoption permitted, and are to be applied either on a prospective basis to financial statements issued for reporting periods after the

effective date or on a retrospective basis to all periods presented. Woodward is currently assessing the impact on its Consolidated Statement of Earnings disclosures.

Note 3. Revenue

The amount of revenue recognized as point in time or over time was as follows:

	Three Months Ended March 31, 2026			Three Months Ended March 31, 2025		
	Aerospace	Industrial	Consolidated	Aerospace	Industrial	Consolidated
Point in time	\$ 278,555	\$ 221,071	\$ 499,626	\$ 223,025	\$ 178,801	\$ 401,826
Over time	424,766	166,176	590,942	338,704	143,099	481,803
Total net sales	\$ 703,321	\$ 387,247	\$ 1,090,568	\$ 561,729	\$ 321,900	\$ 883,629

	Six Months Ended March 31, 2026			Six Months Ended March 31, 2025		
	Aerospace	Industrial	Consolidated	Aerospace	Industrial	Consolidated
Point in time	\$ 532,200	\$ 435,042	\$ 967,242	\$ 415,010	\$ 333,869	\$ 748,879
Over time	806,018	313,762	1,119,780	640,601	266,874	907,475
Total net sales	\$ 1,338,218	\$ 748,804	\$ 2,087,022	\$ 1,055,611	\$ 600,743	\$ 1,656,354

Accounts Receivable

Accounts receivable consisted of the following:

	March 31, 2026	September 30, 2025
Billed receivables		
Trade accounts receivable	\$ 536,474	\$ 477,217
Other (Chinese financial institutions)	—	104
Total billed receivables	536,474	477,321
Current unbilled receivables (contract assets)	407,864	363,520
Total accounts receivable	944,338	840,841
Less: Allowance for uncollectible amounts	(13,107)	(9,725)
Total accounts receivable, net	\$ 931,231	\$ 831,116

As of March 31, 2026, "Other assets" on the Condensed Consolidated Balance Sheets includes \$13,668 of unbilled receivables not expected to be invoiced and collected within a period of 12 months, compared to \$10,963 as of September 30, 2025.

Accounts receivable in Woodward's Condensed Consolidated Financial Statements represent the net amount expected to be collected, and an allowance for uncollectible amounts related to credit losses is established based on expected losses. Expected losses are estimated by reviewing specific customer accounts, taking into consideration accounts receivable aging, credit risk of the customers, and historical payment history, as well as current and forecasted economic conditions and other relevant factors.

The allowance for uncollectible amounts and change in expected credit losses for trade accounts receivable and unbilled receivables (contract assets) consisted of the following:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Balance, beginning	\$ 13,426	\$ 7,793	\$ 9,725	\$ 7,738
Changes in estimates	(179)	599	3,450	806
Write-offs	—	(120)	(78)	(120)
Other ¹	(140)	286	10	134
Balance, ending	\$ 13,107	\$ 8,558	\$ 13,107	\$ 8,558

(1) Includes effects of foreign exchange rate changes during the period.

Contract liabilities

Contract liabilities consisted of the following:

	March 31, 2026		September 30, 2025	
	Current	Noncurrent	Current	Noncurrent
Deferred revenue from material rights from JV formation	\$ 7,689	\$ 230,266	\$ 7,298	\$ 229,878
Deferred revenue from advanced invoicing and/or prepayments from customers	21,672	569	14,944	2,115
Liability related to customer supplied inventory	22,226	—	19,640	—
Deferred revenue from material rights related to engineering and development funding	9,080	186,376	7,353	199,465
Net contract liabilities	<u>\$ 60,667</u>	<u>\$ 417,211</u>	<u>\$ 49,235</u>	<u>\$ 431,458</u>

Woodward recognized revenue of \$8,951 in the three months and \$23,481 in the six months ended March 31, 2026 from contract liabilities balances recorded as of October 1, 2025, compared to \$5,035 in the three months and \$21,118 in the six months ended March 31, 2025 from contract liabilities balances recorded as of October 1, 2024.

Remaining performance obligations

Remaining performance obligations related to the aggregate amount of the total contract transaction price of firm orders for which the performance obligation has not yet been recognized in revenue as of March 31, 2026 were \$3,777,552, compared to \$3,195,156 as of September 30, 2025, the majority of which relates to Woodward's Aerospace segment in both periods. Woodward expects to recognize almost all remaining performance obligations within two years after March 31, 2026.

Remaining performance obligations related to material rights that have not yet been recognized in revenue as of March 31, 2026 were \$491,444, of which \$8,594 is expected to be recognized in the remainder of fiscal year 2026, \$17,350 is expected to be recognized in fiscal year 2027, and the remaining balance is expected to be recognized thereafter. Woodward expects to recognize revenue from performance obligations related to material rights over the life of the underlying programs, which may be as long as forty years.

Disaggregation of Revenue

Woodward designs, produces, and services reliable, efficient, low-emission, and high-performance energy control products for diverse applications in markets throughout the world. Woodward reports financial results for each of its reportable segments, Aerospace and Industrial, and further disaggregates its revenue from contracts with customers by primary market as Woodward believes this best depicts how the nature, amount, timing, and uncertainty of its revenue and cash flows are affected by economic factors. We focus primarily on serving original equipment manufacturers ("OEMs") and equipment packagers, partnering with them to bring superior component and system solutions to their demanding applications. We also provide repair, maintenance, replacement, and other services support for our installed products. We have traditionally referred to this part of our business as "aftermarket"; however, to better reflect the nature and scope of these offerings, we will now refer to it as "services."

Revenue by primary market for the Aerospace reportable segment was as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Commercial OEM	\$ 218,015	\$ 167,461	\$ 405,954	\$ 321,537
Commercial services	275,374	201,861	520,280	365,711
Defense OEM	150,932	137,928	289,165	250,710
Defense services	59,000	54,479	122,819	117,653
Total Aerospace segment net sales	<u>\$ 703,321</u>	<u>\$ 561,729</u>	<u>\$ 1,338,218</u>	<u>\$ 1,055,611</u>

Revenue by primary market for the Industrial reportable segment was as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Power generation	\$ 135,870	\$ 126,482	\$ 258,710	\$ 241,490
Transportation	176,914	132,096	343,222	239,361
Oil and gas	74,463	63,322	146,872	119,892
Total Industrial segment net sales	<u>\$ 387,247</u>	<u>\$ 321,900</u>	<u>\$ 748,804</u>	<u>\$ 600,743</u>

Based on changes in market dynamics, the Company has refined its Industrial end market presentation to better align certain sales within power generation, transportation, and oil and gas. Accordingly, sales for the three and six months ended March 31, 2025 have been reclassified for comparability. The reclassification had no impact on total Industrial segment net sales or the Company's financial results.

The customers who each account for approximately 10% or more of net sales of each of Woodward's reportable segments were as follows:

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Aerospace	The Boeing Company, GE Aerospace, RTX Corporation	RTX Corporation, GE Aerospace, The Boeing Company
Industrial	Rolls-Royce PLC, Caterpillar, Inc.	Rolls-Royce PLC, Caterpillar, Inc.

	Six Months Ended March 31, 2026	Six Months Ended March 31, 2025
Aerospace	GE Aerospace, The Boeing Company, RTX Corporation	RTX Corporation, GE Aerospace, The Boeing Company
Industrial	Rolls-Royce PLC, Caterpillar, Inc.	Rolls-Royce PLC, GE Vernova, Caterpillar, Inc.

Note 4. Earnings per share

Basic earnings per share is computed by dividing net earnings available to common stockholders by the weighted-average number of shares of common stock outstanding for the period.

Diluted earnings per share reflects the weighted-average number of shares outstanding after consideration of the dilutive effect of stock options, restricted stock units, and performance stock units.

The following is a reconciliation of net earnings to basic earnings per share and diluted earnings per share:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Numerator:				
Net earnings	\$ 134,013	\$ 108,949	\$ 267,732	\$ 196,040
Denominator:				
Basic shares outstanding	59,611	59,432	59,725	59,323
Dilutive effect of stock options; restricted and performance stock units	1,665	1,912	1,737	1,935
Diluted shares outstanding	61,276	61,344	61,462	61,258
Income per common share:				
Basic earnings per share	\$ 2.25	\$ 1.83	\$ 4.48	\$ 3.30
Diluted earnings per share	\$ 2.19	\$ 1.78	\$ 4.36	\$ 3.20

The following stock option grants and restricted stock awards were outstanding but were excluded from the computation of diluted earnings per share because their inclusion would have been anti-dilutive:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Restricted stock and option awards	9	21	5	10
Weighted-average price	\$ 391.53	\$ 193.09	\$ 391.53	\$ 193.09

The weighted-average shares of common stock outstanding for basic and diluted earnings per share included the weighted-average treasury stock shares held for deferred compensation obligations of the following:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Weighted-average treasury stock shares held for deferred compensation obligations	28	30	29	35

Note 5. Leases

Lessee arrangements

Woodward has entered into operating leases for certain facilities and equipment with terms in excess of one year under agreements that expire at various dates. Some leases require the payment of property taxes, insurance, maintenance costs, or other similar costs in addition to rental payments. Woodward has also entered into finance leases for equipment with terms in excess of one year under agreements that expire at various dates.

Lease-related assets and liabilities were as follows:

Classification on the Condensed Consolidated Balance Sheets		March 31, 2026	September 30, 2025
Assets:			
Operating lease	Other assets	\$ 23,876	\$ 25,274
Finance lease	Property, plant, and equipment, net	2,362	2,896
Total lease assets		<u>26,238</u>	<u>28,170</u>
Current liabilities:			
Operating lease	Accrued liabilities	5,606	5,465
Finance lease	Current portion of long-term debt	1,062	1,032
Noncurrent liabilities:			
Operating lease	Other liabilities	18,994	20,199
Finance lease	Long-term debt, less current portion	1,396	1,902
Total lease liabilities		<u>\$ 27,058</u>	<u>\$ 28,598</u>

Lease-related expenses were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Operating lease expense	\$ 1,995	\$ 1,899	\$ 4,053	\$ 3,695
Amortization of finance lease assets	243	242	485	483
Interest on finance lease liabilities	31	42	64	86
Variable lease expense	503	375	902	568
Short-term lease expense	178	55	204	108
Total lease expense	<u>\$ 2,950</u>	<u>\$ 2,613</u>	<u>\$ 5,708</u>	<u>\$ 4,940</u>

Lease-related supplemental cash flow information was as follows:

	Six Months Ended March 31,	
	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 3,194	\$ 2,982
Operating cash flows for finance leases	64	86
Financing cash flows for finance leases	511	474
Right-of-use assets obtained in exchange for recorded lease obligations:		
Operating leases	2,271	3,852
Finance leases	43	1,069

Lessor arrangements

Woodward has assessed its manufacturing contracts and concluded that certain contracts for the manufacture of customer products met the criteria to be considered a leasing arrangement ("embedded leases") with Woodward as the lessor. The specific manufacturing contracts that met the criteria were those that utilized Woodward property, plant, and equipment and which are substantially (more than 90%) dedicated to the manufacturing of the product(s) for a single customer. Woodward has dedicated manufacturing lines with three of its customers representing embedded leases, all of which qualified as operating leases with undefined quantities of future customer purchase commitments.

Although Woodward expects to allocate some portion of future net sales to these customers to embedded lessor arrangements, it cannot provide expected future undiscounted lease payments from property, plant, and equipment leased to customers as of March 31, 2026. If, in the future, customers reduce purchases of related products from Woodward, the Company believes it will derive additional value from the underlying equipment by repurposing its use to support other customer arrangements.

Revenue from contracts with customers that included embedded operating leases, which are included in "Net sales" in the Condensed Consolidated Statements of Earnings, was \$1,016 for the three months and \$2,042 for the six months ended March 31, 2026, compared to \$903 for the three months and \$1,937 for the six months ended March 31, 2025.

The carrying amount of property, plant, and equipment leased to others through embedded leasing arrangements, included in "Property, plant, and equipment, net" on the Condensed Consolidated Balance Sheets, follows:

	<u>March 31, 2026</u>	<u>September 30, 2025</u>
Property, plant, and equipment	\$ 41,243	\$ 41,593
Less accumulated depreciation	(30,143)	(29,110)
Property, plant, and equipment, net	<u>\$ 11,100</u>	<u>\$ 12,483</u>

Note 6. Joint venture

In fiscal year 2016, Woodward and GE consummated the formation of a strategic joint venture (the "JV"). For purposes of the JV, GE has been acting through GE Aerospace since April 2024. The JV was formed to develop, manufacture, and support fuel systems for specified existing and all future GE commercial aircraft engines that produce thrust in excess of 50,000 pounds. Woodward is accounting for its 50% ownership interest in the JV using the equity method of accounting. The JV is a related party to Woodward, and transactions between Woodward and the JV are included in our Aerospace segment.

Unamortized deferred revenue recorded in connection with the JV formation included:

	<u>March 31, 2026</u>	<u>September 30, 2025</u>
Accrued liabilities	\$ 7,689	\$ 7,298
Other liabilities	230,266	229,878

Amortization of the deferred gain recognized as an increase to net sales was \$2,017 for the three months and \$4,116 for the six months ended March 31, 2026, and \$1,607 for the three months and \$2,630 for the six months ended March 31, 2025.

Other income related to Woodward's equity interest in the earnings of the JV were as follows:

	<u>Three Months Ended March 31,</u>		<u>Six Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Other income	\$ 15,558	\$ 11,386	\$ 30,935	\$ 21,542

Cash distributions to Woodward from the JV, recognized in "Other, net" in "Net cash provided by operating activities" on the Condensed Consolidated Statements of Cash Flows, were as follows:

	<u>Three Months Ended March 31,</u>		<u>Six Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Cash distributions	\$ 11,500	\$ 10,000	\$ 25,500	\$ 21,000

Net sales to the JV were as follows:

	<u>Three Months Ended March 31,</u>		<u>Six Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Net sales	\$ 31,220	\$ 24,270	\$ 55,775	\$ 44,966

Woodward net sales includes a reduction of \$22,228 for the three months and \$42,901 for the six months ended March 31, 2026, compared to \$19,630 for the three months and \$35,169 for the six months ended March 31, 2025, related to royalties, associated with the contributed IP owed to the JV by Woodward on sales by Woodward directly to third-party services customers.

The Condensed Consolidated Balance Sheets include “Accounts receivable” related to amounts the JV owed Woodward, “Accounts payable” related to amounts Woodward owed the JV, and “Other assets” related to Woodward’s net investment in the JV, as follows:

	March 31, 2026	September 30, 2025
Accounts receivable	\$ 6,523	\$ 5,377
Accounts payable	9,571	8,370
Other assets	28,504	23,069

Note 7. Financial instruments and fair value measurements

The table below presents information about Woodward’s financial assets and liabilities that are measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques Woodward utilized to determine such fair value.

	At March 31, 2026				At September 30, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Investments in money markets and depository accounts	\$ 56,525	\$ —	\$ —	\$ 56,525	\$ 30,256	\$ —	\$ —	\$ 30,256
Equity securities	39,648	—	—	39,648	37,846	—	—	37,846
Total financial assets	<u>\$ 96,173</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 96,173</u>	<u>\$ 68,102</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 68,102</u>
Financial liabilities:								
Cross-currency interest rate swaps	\$ —	\$ 17,741	\$ —	\$ 17,741	\$ —	\$ 27,406	\$ —	\$ 27,406
Total financial liabilities	<u>\$ —</u>	<u>\$ 17,741</u>	<u>\$ —</u>	<u>\$ 17,741</u>	<u>\$ —</u>	<u>\$ 27,406</u>	<u>\$ —</u>	<u>\$ 27,406</u>

Investments in money markets and depository accounts: The Company sometimes invests excess cash in various highly liquid financial instruments that Woodward believes are with creditworthy financial institutions. Such investments are reported in “Cash and cash equivalents” at fair value, with realized gains from interest income recognized in earnings. The carrying value of Woodward’s investments in money markets and depository accounts are considered equal to the fair value given the highly liquid nature of the investments.

Equity securities: Woodward holds marketable equity securities, through investments in various mutual funds, related to its deferred compensation program. Based on Woodward’s intentions regarding these instruments, marketable equity securities are classified as trading securities. The trading securities are reported at fair value, with realized gains and losses recognized in “Other income, net” on the Condensed Consolidated Statements of Earnings. The trading securities are included in “Other assets” in the Condensed Consolidated Balance Sheets. The fair values of Woodward’s trading securities are based on the quoted market prices for the net asset value of the various mutual funds.

Cross-currency interest rate swaps: Woodward holds cross-currency interest rate swaps, which are accounted for at fair value. The swaps in an asset position are included in “Other current assets” and “Other assets,” and swaps in a liability position are included in “Accrued liabilities” and “Other liabilities” in the Condensed Consolidated Balance Sheets. The fair values of Woodward’s cross-currency interest rate swaps are determined using a market approach that is based on observable inputs other than quoted market prices, including contract terms, interest rates, currency rates, and other market factors.

Cash, trade accounts receivable, accounts payable, and short-term borrowings are not remeasured to fair value, as the carrying cost of each approximates its respective fair value.

The estimated fair values and carrying costs of other financial instruments that are not required to be remeasured at fair value in the Condensed Consolidated Balance Sheets were as follows:

	Fair Value Hierarchy Level	At March 31, 2026		At September 30, 2025	
		Estimated Fair Value	Carrying Cost	Estimated Fair Value	Carrying Cost
Assets:					
Notes receivable from municipalities	2	\$ 5,071	\$ 5,056	\$ 5,444	\$ 5,392
Liabilities:					
Long-term debt	2	483,645	500,827	566,582	580,547

In connection with certain economic incentives related to Woodward's development of a second campus in the greater Rockford, Illinois area for its Aerospace segment and Woodward's development of its corporate headquarters in Fort Collins, Colorado, Woodward received long-term notes from municipalities within the states of Illinois and Colorado. The fair value of the long-term notes was estimated based on a model that discounted future principal and interest payments received at an interest rate available to Woodward at the end of the period for similarly rated municipal notes of similar maturity, which is a level 2 input as defined by the U.S. GAAP fair value hierarchy. The interest rates used to estimate the fair value of the long-term notes were 3.2% at March 31, 2026 and 3.0% at September 30, 2025.

The fair value of long-term debt was estimated based on a model that discounted future principal and interest payments at interest rates available to the Company at the end of the period for similar debt of the same maturity, which is a level 2 input as defined by the U.S. GAAP fair value hierarchy. The weighted-average interest rates used to estimate the fair value of long-term debt were 4.5% at March 31, 2026 and 4.2% at September 30, 2025.

Woodward does not have expected credit losses related to any financial assets that are not required to be remeasured at fair value.

Note 8. Derivative instruments and hedging activities

Derivative instruments not designated or qualifying as hedging instruments

In May 2020, Woodward entered into five fixed-rate cross-currency interest rate swap agreements (the "2020 Fixed-Rate Cross-Currency Swaps"), with an aggregate notional value of \$400,000, which effectively reduced the interest rates on the underlying fixed-rate debt under the 2018 Notes (as defined in Note 15, *Credit facilities, short-term borrowings, and long-term debt*, in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of Woodward's most recently filed Form 10-K) and Woodward's then existing revolving credit agreement. The net interest income of the 2020 Fixed-Rate Cross-Currency Swaps is recorded as a reduction to "Interest expense" in Woodward's Condensed Consolidated Statements of Earnings. The total notional value of the 2020 Fixed-Rate Cross-Currency Swaps was \$315,000 at March 31, 2026. See Note 7, *Financial Instruments and fair value measurements* for the related fair value of the derivative instruments as of March 31, 2026.

Derivative instruments in cash flow hedging relationships

In May 2020, Woodward entered into five U.S. dollar intercompany loans payable, with identical terms and notional values of each tranche of the 2020 Fixed-Rate Cross-Currency Swaps, together with reciprocal fixed-rate intercompany cross-currency interest rate swaps. The agreements were entered into by Woodward Barbados Euro Financing SRL ("Euro Barbados"), a wholly owned subsidiary of Woodward, and are designated as cash flow hedges under the criteria prescribed in ASC 815. The objective of these derivative instruments is to hedge the risk of variability in cash flows attributable to the foreign currency exchange risk for future principal and interest payments associated with the U.S. dollar denominated intercompany loans over a 13 year period, as Euro Barbados maintains a Euro functional currency. For each of the fixed-rate intercompany cross-currency interest rate swaps, changes in the fair values of the derivative instruments are recognized in accumulated OCI and reclassified to foreign currency transaction gain or loss included in "Selling, general and administrative expenses" in Woodward's Condensed Consolidated Statements of Earnings. Reclassifications out of accumulated OCI of the change in fair value occur each reporting period based upon changes in the spot rate remeasurement of the Euro and U.S. dollar denominated intercompany loans, including associated interest. Hedge effectiveness is assessed based on the fair value changes of the derivative instruments, and such hedges are deemed to be highly effective in offsetting exposure to variability in foreign exchange rates. There are no credit-risk-related contingent features associated with these fixed-rate cross-currency interest rate swaps.

Derivatives instruments in net investment hedging relationships

On September 23, 2016, Woodward and Woodward International Holding B.V., a wholly owned subsidiary of Woodward organized under the laws of The Netherlands (the "BV Subsidiary"), each entered into a note purchase agreement (the "2016 Note Purchase Agreement") relating to the sale by Woodward and the BV Subsidiary of an aggregate principal amount of €160,000 of senior unsecured notes in a series of private placement transactions. Woodward issued €40,000 aggregate principal amount of Woodward's Series M Senior Notes due September 23, 2026 (the "Series M Notes"). Woodward designated the Series M Notes as a hedge of a foreign currency exposure of Woodward's net investment in its Euro denominated functional currency subsidiaries. Related to the Series M Notes, included in foreign currency translation adjustments within total comprehensive (losses) earnings were a net foreign exchange gain of \$1,153 for the three months and a foreign exchange gain of \$1,069 for the six months ended March 31, 2026, compared to a net foreign exchange loss of \$1,712 for the three months and a foreign exchange gain of \$1,351 for the six months ended March 31, 2025.

Impact of derivative instruments designated as qualifying hedging instruments

The following table discloses the amounts recognized in relation to the cash flow hedges designated as qualifying hedging instruments:

Derivatives in:	Location	Three months ended March 31,		Six months ended March 31,	
		2026	2025	2026	2025
(Gain) loss reclassified from accumulated OCI into earnings	Selling, general and administrative expenses	\$ (7,791)	\$ 16,560	\$ (7,257)	\$ (11,123)
(Gain) loss recognized in accumulated OCI	Selling, general and administrative expenses	(7,329)	11,402	(9,177)	(8,966)

The remaining unrecognized gains and losses in Woodward's Condensed Consolidated Balance Sheets associated with derivative instruments that were previously entered into by Woodward, which are classified in accumulated OCI, were net losses of \$4,322 as of March 31, 2026 and \$5,830 as of September 30, 2025.

Note 9. Supplemental statement of cash flows information

	Six Months Ended March 31,	
	2026	2025
Interest paid	\$ 17,838	\$ 18,366
Income taxes paid	62,977	43,141
Income tax refunds received	2,886	4,182
Non-cash activities:		
Purchases of property, plant and equipment on account	10,808	6,292
Common shares issued from treasury to settle benefit obligations	29,813	24,912
Receivables related to business acquisitions and divestitures	—	7,003

Note 10. Acquisitions and Divestitures

Acquisitions

On March 9, 2026, Woodward entered into a definitive agreement to acquire Jet Research Development, Inc., doing business as Valve Research & Manufacturing Company, a Florida-based manufacturer of high-precision flow control valves for aerospace applications ("Valve Research Acquisition"). The Valve Research Acquisition, included within the Aerospace reportable segment, adds precision electromagnetic valve solutions, including solenoid valves, check valves, and relief valves to Woodward's comprehensive aerospace controls capabilities. It also provides new growth opportunities across commercial and defense aerospace OEM applications, including Next Generation Single Aisle (NSA) programs. Solenoid technology for precision flow control plays a vital role in both current and future defense and commercial aircraft programs.

The Valve Research Acquisition includes intellectual property, operations assets, associated real estate, and talent. The Valve Research Acquisition closed on April 1, 2026 (the "Closing Date"), and the Company paid aggregate cash consideration of \$120,972, subject to post-Closing adjustments. The cash consideration was financed through the use of cash on hand.

As the Valve Research Acquisition was completed subsequent to March 31, 2026, the Company has not yet completed the accounting for the business combination, including the preliminary purchase price allocation. Accordingly, the Company is unable to provide amounts recognized as of the Closing Date for major classes of assets and liabilities related to the Valve Research Acquisition. This information, at least on a provisional basis, will be available in the Quarterly Report on Form 10-Q to be filed for the quarterly period ended June 30, 2026.

On July 21, 2025, the Company acquired 100% of the outstanding equity interests of Safran Electronics and Defense Canada, Inc. and certain net assets of Safran's electro-mechanical actuation business in the United States and Mexico ("Safran Acquisition") for total consideration of \$40,286, net of cash acquired and after net working capital adjustments. The Safran Acquisition, included within the Aerospace reportable segment, expands the Company's electromechanical actuation portfolio and was financed through existing cash balances. The Company incurred acquisition-related costs of \$9,348 in fiscal year 2025 that were expensed as incurred and recorded in "Selling, general and administrative expenses" within the Condensed Consolidated Statement of Earnings.

During the first quarter of fiscal 2026, the Company substantially completed its evaluation of the fair value of assets acquired and liabilities assumed related to the Safran Acquisition. The following table presents the preliminary fair-value determinations of the assets acquired and liabilities assumed as of July 21, 2025:

Assets:	
Accounts Receivable	\$ 6,103
Inventories	11,833
Other current assets	3,125
Property, plant, and equipment	6,945
Goodwill	17,462
Other assets	4,527
Total assets	<u>\$ 49,995</u>
Liabilities:	
Accrued liabilities	\$ 4,447
Accounts payable	588
Income tax payable	189
Other noncurrent liabilities	4,485
Total liabilities	<u>\$ 9,709</u>

During the first quarter of fiscal year 2026, we made certain measurement period adjustments to the acquired assets and the assumed liabilities due to clarification of information utilized to determine fair value during the measurement period. The measurement period adjustment was a working capital adjustment that resulted in the reduction of goodwill.

The majority of the goodwill is expected to be deductible for tax purposes and represents the estimated value of the acquired workforce, expanded sales opportunities on the next generation of aircraft, and other synergies expected from the integration of the Safran Acquisition with Woodward's Aerospace segment.

Divestitures

The Company periodically reviews its business and from time to time may sell businesses, assets, or product lines as part of business rationalization. Any gain or loss recognized due to divestitures is recorded within the line item "Other income, net" in the Condensed Consolidated Statements of Earnings.

In connection with certain product rationalization activities, during the six months ended March 31, 2025, the Company sold certain product lines and its heavy-duty gas turbine combustion parts product line, included in the Industrial segment, to third parties. The Company received cash proceeds of \$44,896 and recognized a pretax gain of \$20,524 during the six months ended March 31, 2025.

Note 11. Inventories

	March 31, 2026	September 30, 2025
Raw materials	\$ 224,611	\$ 192,373
Work in progress	176,037	163,275
Component parts ⁽¹⁾	403,308	382,650
Finished goods	106,480	102,746
Customer supplied inventory	22,226	19,640
On-hand inventory for which control has transferred to the customer	(228,197)	(206,076)
	<u>\$ 704,465</u>	<u>\$ 654,608</u>

(1) Component parts include items that can be sold separately as finished goods or included in the manufacture of other products.

Note 12. Property, plant, and equipment

	March 31, 2026	September 30, 2025
Land and land improvements	\$ 103,810	\$ 95,172
Buildings and building improvements	639,239	626,144
Leasehold improvements	15,816	15,900
Machinery and production equipment	908,199	885,473
Computer equipment and software	123,394	116,706
Office furniture and equipment	44,202	43,312
Other	33,621	33,591
Construction in progress	145,666	111,580
	<u>2,013,947</u>	<u>1,927,878</u>
Less accumulated depreciation	(979,149)	(941,255)
Property, plant, and equipment, net	<u>\$ 1,034,798</u>	<u>\$ 986,623</u>

Woodward had depreciation expense as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Depreciation expense	\$ 22,482	\$ 20,794	\$ 44,178	\$ 41,756

Note 13. Goodwill

	September 30, 2025	Reduction from Working Capital Adjustment	Effects of Foreign Currency Translation	March 31, 2026
Aerospace	\$ 473,779	\$ (931)	\$ 47	\$ 472,895
Industrial	358,509	—	(5,901)	352,608
Consolidated	<u>\$ 832,288</u>	<u>\$ (931)</u>	<u>\$ (5,854)</u>	<u>\$ 825,503</u>

In the first quarter of 2026, a working capital adjustment was made that resulted in a reduction of goodwill of \$931.

Note 14. Intangible assets, net

	March 31, 2026			September 30, 2025		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Intangible assets with finite lives:						
Customer relationships and contracts:						
Aerospace	\$ 281,683	\$ (253,588)	\$ 28,095	\$ 281,683	\$ (251,109)	\$ 30,574
Industrial	392,991	(133,176)	259,815	401,778	(125,909)	275,869
Total	<u>\$ 674,674</u>	<u>\$ (386,764)</u>	<u>\$ 287,910</u>	<u>\$ 683,461</u>	<u>\$ (377,018)</u>	<u>\$ 306,443</u>
Intellectual property:						
Aerospace	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Industrial	3,139	(3,139)	—	3,139	(3,139)	—
Total	<u>\$ 3,139</u>	<u>\$ (3,139)</u>	<u>\$ —</u>	<u>\$ 3,139</u>	<u>\$ (3,139)</u>	<u>\$ —</u>
Process technology:						
Aerospace	\$ 44,570	\$ (41,281)	\$ 3,289	\$ 44,570	\$ (40,973)	\$ 3,597
Industrial	89,930	(38,800)	51,130	87,640	(37,610)	50,030
Total	<u>\$ 134,500</u>	<u>\$ (80,081)</u>	<u>\$ 54,419</u>	<u>\$ 132,210</u>	<u>\$ (78,583)</u>	<u>\$ 53,627</u>
Intangible asset with indefinite life:						
Trade name:						
Aerospace	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Industrial	66,472	—	66,472	68,010	—	68,010
Total	<u>\$ 66,472</u>	<u>\$ —</u>	<u>\$ 66,472</u>	<u>\$ 68,010</u>	<u>\$ —</u>	<u>\$ 68,010</u>
Total intangibles:						
Aerospace	\$ 326,253	\$ (294,869)	\$ 31,384	\$ 326,253	\$ (292,082)	\$ 34,171
Industrial	552,532	(175,115)	377,417	560,567	(166,658)	393,909
Consolidated Total	<u>\$ 878,785</u>	<u>\$ (469,984)</u>	<u>\$ 408,801</u>	<u>\$ 886,820</u>	<u>\$ (458,740)</u>	<u>\$ 428,080</u>

Woodward recorded amortization expense associated with intangibles of the following:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Amortization expense	<u>\$ 7,424</u>	<u>\$ 6,772</u>	<u>\$ 14,766</u>	<u>\$ 13,686</u>

Future amortization expense associated with intangibles is expected to be:

Year Ending September 30:

2026 (Remaining)	\$ 14,618
2027	29,498
2028	29,147
2029	28,242
2030	28,214
Thereafter	212,610
	<u>\$ 342,329</u>

Note 15. Credit facilities, short-term borrowings, and long-term debt

As of March 31, 2026, Woodward's short-term borrowings and availability under its various short-term credit facilities were as follows:

	Total availability	Outstanding letters of credit and guarantees		Banker acceptance notes issued	Outstanding borrowings	Remaining availability
Revolving credit facility	\$ 1,000,000	\$ (7,875)	\$ —	\$ (623,000)	\$ 369,125	
Foreign lines of credit and overdraft facilities	25,600	(23)	(51)	—	25,526	
Foreign performance guarantee facilities	33	—	—	—	33	
	<u>\$ 1,025,633</u>	<u>\$ (7,898)</u>	<u>\$ (51)</u>	<u>\$ (623,000)</u>	<u>\$ 394,684</u>	

Revolving credit facility

Woodward maintains a \$1,000,000 revolving credit facility established under a revolving credit agreement among Woodward, a syndicate of lenders and Wells Fargo Bank, National Association, as administrative agent, which provides for the option to increase available borrowings up to \$1,500,000, subject to lenders' participation (as amended in October 2022, the "Second Amended and Restated Revolving Credit Agreement"). Borrowings under the Second Amended and Restated Revolving Credit Agreement can be made by Woodward and certain Woodward foreign subsidiaries in U.S. dollars or in foreign currencies other than the U.S. dollar and generally bear interest at the Euro Interbank Offered Rate ("Euribor"), Sterling Overnight Index Average ("SONIA"), Tokyo Interbank Offered Rate ("TIBOR"), and Secured Overnight Financing Rate ("SOFR") base rates plus 0.875% to 1.75%. The Second Amended and Restated Revolving Credit Agreement matures on October 21, 2027.

Under the Second Amended and Restated Revolving Credit Agreement, there were \$623,000 in principal amount of borrowings outstanding as of March 31, 2026 at an effective interest rate of 4.78% as compared to \$122,300 in principal borrowings outstanding as of September 30, 2025 at an effective interest rate of 5.41%. All of the borrowings outstanding were classified as short-term borrowings based on Woodward's intent and ability to pay this amount in the next 12 months.

Short-term borrowings

Woodward has other foreign lines of credit and foreign overdraft facilities at various financial institutions, which are generally reviewed annually for renewal and are subject to the usual terms and conditions applied by the financial institutions. Pursuant to the terms of the related facility agreements, Woodward's foreign performance guarantee facilities are limited in use to providing performance guarantees to third parties. There were no borrowings outstanding on Woodward's foreign lines of credit and foreign overdraft facilities as of March 31, 2026 and September 30, 2025.

Series I and L Notes

On November 17, 2025, Woodward paid the entire principal balance of \$75,000 on the Series I and L Notes using proceeds from borrowings under its existing revolving credit facility.

Note 16. Accrued liabilities

	March 31, 2026	September 30, 2025
Salaries and other member benefits	\$ 130,666	\$ 175,110
Product warranties and related liabilities	18,885	25,504
Interest payable	8,773	10,211
Accrued restructuring	3,647	—
Accrued retirement benefits	2,915	2,986
Net current contract liabilities	60,667	49,235
Taxes, other than income	14,480	15,367
Other	41,430	34,670
	<u>\$ 281,463</u>	<u>\$ 313,083</u>

Product warranties and related liabilities

Provisions of Woodward's sales agreements include product warranties customary to these types of agreements. Accruals are established for specifically identified warranty issues and related liabilities that are probable to result in future costs. Warranty costs are accrued as revenue is recognized on a non-specific basis whenever past experience indicates a normal and predictable pattern exists.

Changes in accrued product warranties and related liabilities were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Beginning of period	\$ 17,773	\$ 19,008	25,504	\$ 18,844
Additions, net of recoveries	3,097	5,841	5,476	9,346
Reductions for settlement	(1,931)	(4,030)	(12,051)	(7,044)
Foreign currency exchange rate changes	(54)	127	(44)	(200)
End of period	<u>\$ 18,885</u>	<u>\$ 20,946</u>	<u>\$ 18,885</u>	<u>\$ 20,946</u>

Restructuring charges

On January 12, 2026, the Company approved a plan to wind-down its on-highway natural gas truck manufacturing operations in China (the “China OH Business”). This decision follows prior unsuccessful efforts to divest the China OH Business and is a strategic step to align the Industrial segment portfolio with priority end-markets and long-term growth opportunities. As a result of the China OH Business wind-down, during the three months ended March 31, 2026, the Company incurred \$6,815 of restructuring charges for employee severance and benefit costs, as well as additional wind-down charges. All of the restructuring charges recorded during the three months ended March 31, 2026 were recorded as nonsegment expenses and are expected to be paid within twelve months.

	Balances as of September 30, 2025	Period Activity			Balances as of March 31, 2026
		Charges	Payments	Non-cash activity	
Workforce management costs associated with:					
China On-Highway Wind-down	\$ —	\$ 6,815	\$ (2,836)	\$ (332)	\$ 3,647
Total	\$ —	\$ 6,815	\$ (2,836)	\$ (332)	\$ 3,647

In addition to the restructuring charges recognized in the first six months of fiscal year 2026, the Company anticipates incurring additional costs associated with the China OH Business wind-down such as expenses associated with equipment relocation, accelerated depreciation, and inventory write-offs over the coming year. The Company anticipates these additional expenses, which are expected to be approximately \$13,000 in total, will be substantially complete by the end of fiscal year 2026.

Note 17. Other liabilities

	March 31, 2026	September 30, 2025
Net accrued retirement benefits, less amounts recognized within accrued liabilities	\$ 88,815	\$ 88,112
Total unrecognized tax benefits	18,576	12,130
Deferred economic incentives ⁽¹⁾	5,548	6,158
Noncurrent operating lease liabilities	18,994	20,199
Net noncurrent contract liabilities	417,211	431,458
Cross-currency swap derivative liability	17,741	27,406
Other	6,307	6,264
	<u>\$ 573,192</u>	<u>\$ 591,727</u>

- (1) Woodward receives certain economic incentives from various state and local authorities related to capital expansion projects. Such amounts are initially recorded as deferred credits and are being recognized as a reduction to pre-tax expense over the economic lives of the related capital expansion projects.

Note 18. Other income, net

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Equity interest in the earnings of the JV	\$ (15,558)	\$ (11,386)	\$ (30,935)	\$ (21,542)
Net loss (gain) on sales of assets and businesses	18	(10,806)	36	(20,049)
Net loss on investments in deferred compensation program	1,369	1,034	762	1,133
Other components of net periodic pension and other postretirement benefit, excluding service cost and interest expense	(3,259)	(3,323)	(6,552)	(6,639)
Other	(628)	(323)	(743)	(794)
	<u>\$ (18,058)</u>	<u>\$ (24,804)</u>	<u>\$ (37,432)</u>	<u>\$ (47,891)</u>

Note 19. Income taxes

The determination of the estimated annual effective tax rate is based upon a number of significant estimates and judgments. In addition, as a global commercial enterprise, Woodward’s tax expense can be impacted by changes in tax rates, tax laws, the finalization of tax audits and reviews, changes in the estimate of the amount of undistributed foreign earnings that Woodward considers indefinitely reinvested, issuance of future guidance, interpretation, and rule-making,

and other factors that cannot be predicted with certainty. As such, there can be significant volatility in interim tax provisions.

The following table sets forth the tax expense and the effective tax rate for Woodward's earnings before income taxes:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Earnings before income taxes	\$ 167,427	\$ 132,963	\$ 336,578	\$ 234,817
Income tax expense	33,414	24,014	68,846	38,777
Effective tax rate	20.0%	18.1%	20.5%	16.5%

The increases in the effective tax rates for the three months ended March 31, 2026 and the six months ended March 31, 2026 compared to the same periods of the prior fiscal year were primarily attributable to remeasurement to tax reserves, the current year elimination of the U.S. intangible income tax benefit due to the one-time reversal of research costs previously capitalized, a reduction to the U.S. Federal Research and Development Credit, and unfavorable state tax law changes. These increases were partially offset by increases in the tax benefit from stock-based compensation.

Gross unrecognized tax benefits were \$24,329 as of March 31, 2026 and \$17,271 as of September 30, 2025. At March 31, 2026, the amount of the liability for unrecognized tax benefits that, if recognized, would impact Woodward's effective tax rate was \$14,438. At this time, Woodward believes it is reasonably possible that the liability for unrecognized tax benefits will decrease by as much as \$1,326 in the next 12 months due to the completion of review by tax authorities, lapses of statutes, and the settlement of tax positions. Woodward's tax expense includes accruals for potential interest and penalties related to unrecognized tax benefits and all other interest and penalties related to tax payments.

Woodward's tax returns are subject to audits by U.S. federal, state, and foreign tax authorities, and these audits are at various stages of completion at any given time. Reviews of tax matters by authorities and lapses of the applicable statutes of limitation may result in changes to tax expense. Woodward's fiscal years remaining open to examination for U.S. Federal income taxes include fiscal years 2022 and thereafter. Woodward's fiscal years remaining open to examination for significant U.S. state income tax jurisdictions include fiscal years 2020 and thereafter. Woodward's fiscal years remaining open to examination in significant foreign jurisdictions include 2018 and thereafter.

Note 20. Retirement benefits

Woodward provides various retirement benefits to eligible members of the Company, including contributions to various defined contribution plans, pension benefits associated with defined benefit plans, postretirement medical benefits, and postretirement life insurance benefits. Eligibility requirements and benefit levels vary depending on member location.

Woodward's U.S. employees receive an annual contribution of Woodward stock, equal to 5% of their eligible prior year wages, to their personal Woodward Retirement Saving Plan accounts. Woodward fulfilled its annual Woodward stock contribution obligation using shares held in treasury stock by issuing a total of 78 shares of common stock for a value of \$29,813 in the second quarter of fiscal year 2026, compared to a total of 126 shares of common stock for a value of \$24,058 in the second quarter of fiscal year 2025.

Defined contribution plans

Most of the Company's U.S. members are eligible to participate in the U.S. defined contribution plan. The U.S. defined contribution plan allows members to defer part of their annual income for income tax purposes into their personal 401(k) accounts. The Company makes matching contributions to eligible member accounts, which are also deferred for member personal income tax purposes. Certain non-U.S. members are also eligible to participate in similar non-U.S. plans.

The amount of expense associated with defined contribution plans were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Company costs	\$ 16,505	\$ 13,627	\$ 31,246	\$ 25,970

Defined benefit plans

Woodward has defined benefit plans that provide pension benefits for certain retired members in the United States, the United Kingdom, Japan, and Germany. Woodward also provides other postretirement benefits to its members including postretirement medical benefits and life insurance benefits. Postretirement medical benefits are provided to certain current and retired members and their covered dependents, and beneficiaries in the United States. Life insurance benefits are provided to certain retirees in the United States under frozen plans, which are no longer available to current members. A September 30 measurement date is utilized to value plan assets and obligations for all of Woodward's defined benefit pension and other postretirement benefit plans.

U.S. GAAP requires that, for obligations outstanding as of September 30, 2025, the funded status reported in interim periods shall be the same asset or liability recognized in the previous year end statement of financial position adjusted for (a) subsequent accruals of net periodic benefit cost that exclude the amortization of amounts previously recognized in other comprehensive income (for example, subsequent accruals of service cost, interest cost, and return on plan assets) and (b) contributions to a funded plan or benefit payments.

The components of the net periodic retirement pension costs recognized were as follows:

	Three Months Ended March 31,					
	United States		Other Countries		Total	
	2026	2025	2026	2025	2026	2025
Service cost	\$ 199	\$ 230	\$ 338	\$ 343	\$ 537	\$ 573
Interest cost	1,770	1,718	793	717	2,563	2,435
Expected return on plan assets	(2,617)	(2,748)	(641)	(604)	(3,258)	(3,352)
Amortization of:						
Net actuarial loss (gain)	34	42	(119)	(98)	(85)	(56)
Prior service cost	129	190	6	5	135	195
Net periodic retirement pension (benefit) cost	\$ (485)	\$ (568)	\$ 377	\$ 363	\$ (108)	\$ (205)
Contributions paid	\$ —	\$ —	\$ 692	\$ 490	\$ 692	\$ 490

	Six Months Ended March 31,					
	United States		Other Countries		Total	
	2026	2025	2026	2025	2026	2025
Service cost	\$ 398	\$ 459	\$ 673	\$ 691	\$ 1,071	\$ 1,150
Interest cost	3,540	3,437	1,579	1,445	5,119	4,882
Expected return on plan assets	(5,235)	(5,496)	(1,276)	(1,218)	(6,511)	(6,714)
Amortization of:						
Net actuarial loss (gain)	68	85	(239)	(198)	(171)	(113)
Prior service cost	258	381	12	11	270	392
Net periodic retirement pension (benefit) cost	\$ (971)	\$ (1,134)	\$ 749	\$ 731	\$ (222)	\$ (403)
Contributions paid	\$ —	\$ —	\$ 1,112	\$ 874	\$ 1,112	\$ 874

The components of net periodic retirement pension costs other than the service cost and interest cost components are included in the line item "Other income, net", and the interest component is included in the line item "Interest expense" in the Condensed Consolidated Statements of Earnings.

The components of the net periodic other postretirement benefit costs recognized were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Interest cost	\$ 178	\$ 180	\$ 355	\$ 359
Amortization of:				
Net actuarial gain	(112)	(111)	(225)	(221)
Net periodic other postretirement cost	\$ 66	\$ 69	\$ 130	\$ 138
Contributions paid	\$ 394	\$ 408	\$ 791	\$ 794

The components of net periodic other postretirement benefit costs other than the service cost and interest cost components are included in the line item "Other income, net", and the interest cost is included in the line item "Interest expense" in the Condensed Consolidated Statements of Earnings.

The amount of cash contributions made to these plans in any year is dependent upon several factors, including minimum funding requirements in the jurisdictions in which Woodward operates and arrangements made with trustees of certain foreign plans. As a result, the actual funding in fiscal year 2026 may differ from the current estimate. Woodward estimates its remaining cash contributions in fiscal year 2026 will be as follows:

Retirement pension benefits:		
United States	\$	433
United Kingdom		186
Japan		—
Germany		541
Other postretirement benefits		1,588

Note 21. Stockholders' equity

Common stock and treasury stock

Activity in common stock and treasury stock shares was as follows:

	Common Stock	Treasury Stock	Treasury stock held for deferred compensation
Balances as of January 1, 2025	72,960	(13,607)	(31)
Purchase of treasury stock	—	(243)	—
Sales of treasury stock	—	344	—
Common shares issued for benefit plans	—	126	—
Distribution of stock from deferred compensation	—	—	1
Balances as of March 31, 2025	<u>72,960</u>	<u>(13,380)</u>	<u>(30)</u>

Balances as of January 1, 2026	72,960	(13,174)	(28)
Purchase of treasury stock	—	(631)	—
Sales of treasury stock	—	360	—
Common shares issued for benefit plans	—	78	—
Distribution of stock from deferred compensation	—	—	1
Balances as of March 31, 2026	<u>72,960</u>	<u>(13,367)</u>	<u>(27)</u>

	Common Stock	Treasury Stock	Treasury stock held for deferred compensation
Balances as of September 30, 2024	72,960	(13,787)	(45)
Purchase of treasury stock	—	(449)	—
Sales of treasury stock	—	725	—
Common shares issued for benefit plans	—	131	—
Purchases of stock by deferred compensation	—	—	(1)
Distribution of stock from deferred compensation	—	—	16
Balances as of March 31, 2025	<u>72,960</u>	<u>(13,380)</u>	<u>(30)</u>

Balances as of September 30, 2025	72,960	(13,060)	(28)
Purchase of treasury stock	—	(1,086)	—
Sales of treasury stock	—	701	—
Common shares issued for benefit plans	—	78	—
Purchases of stock by deferred compensation	—	—	(1)
Distribution of stock from deferred compensation	—	—	2
Balances as of March 31, 2026	<u>72,960</u>	<u>(13,367)</u>	<u>(27)</u>

Stock repurchase program

In January 2024, the Board of Directors of the Company (the "Board") authorized a program for the repurchase of up to \$600,000 of Woodward's outstanding shares of common stock on the open market or in privately negotiated transactions

over a three-year period ending in January 2027 (the "2024 Authorization"). During the six months ended March 31, 2026, Woodward repurchased 153 shares of its common stock for \$39,145 under the 2024 Authorization, all held for reissuance. During the six months ended March 31, 2025, Woodward repurchased 449 shares of its common stock for \$79,493 under the 2024 Authorization, all held for reissuance.

In November 2025, Woodward completed the 2024 Authorization, and subsequently the Board authorized a new program for the repurchase of up to \$1,800,000 of Woodward's outstanding shares of common stock on the open market or in privately negotiated transactions over a three-year period ending in November 2028 (the "2026 Authorization"). During the six months ended March 31, 2026, Woodward repurchased 933 shares of its common stock for \$315,745 under the 2026 Authorization, all held for reissuance.

Stock-based compensation

Provisions governing non-qualified stock option awards ("stock options" or "options"), restricted stock units ("RSUs"), and performance restricted stock units ("PSUs") are included in the 2017 Omnibus Incentive Plan, as amended from time to time (the "2017 Plan").

The 2017 Plan was first approved by Woodward's stockholders in January 2017. The Board delegated authority to administer the 2017 Plan to the Human Capital & Compensation Committee of the Board, including, but not limited to, the power to determine the recipients of awards and the terms of those awards.

Stock options

Stock option awards are granted with an exercise price equal to the market price of Woodward's stock at the date the grants are awarded, a ten-year term, and generally have a four-year vesting schedule at a rate of 25% per year.

The fair value of options granted is estimated as of the grant date using the Black-Scholes-Merton option-valuation model. Woodward calculates the expected term, which represents the average period of time that stock options granted are expected to be outstanding, based upon historical experience of plan participants. Expected volatility is based on historical volatility using daily stock price observations. The estimated dividend yield is based upon Woodward's historical dividend practice and the market value of its common stock. The risk-free rate is based on the U.S. treasury yield curve, for periods within the contractual life of the stock option, at the time of grant.

The following is a summary of the activity for stock option awards:

	Three Months Ended March 31, 2026		Six Months Ended March 31, 2026	
	Number of options	Weighted-Average Exercise Price per Share	Number of options	Weighted-Average Exercise Price per Share
Beginning balance	1,942	\$ 92.48	2,249	\$ 91.25
Granted	17	391.53	17	391.53
Exercised	(287)	81.78	(594)	82.65
Forfeited	(1)	83.24	(1)	83.24
Ending balance	<u>1,671</u>	<u>\$ 97.33</u>	<u>1,671</u>	<u>\$ 97.33</u>

Changes in non-vested stock options were as follows:

	Three Months Ended March 31, 2026		Six Months Ended March 31, 2026	
	Number of options	Weighted-Average Grant Date Fair Value per Share	Number of options	Weighted-Average Grant Date Fair Value per Share
Beginning balance	247	\$ 48.33	473	\$ 43.40
Granted	17	173.79	17	173.79
Vested	(31)	64.60	(257)	41.21
Forfeited	—	—	—	—
Ending balance	<u>233</u>	<u>\$ 55.26</u>	<u>233</u>	<u>\$ 55.26</u>

Information about stock options that have vested, or are expected to vest, and are exercisable at March 31, 2026 was as follows:

	Number of options	Weighted-Average Exercise Price	Weighted-Average Remaining Life in Years	Aggregate Intrinsic Value
Options outstanding	1,671	\$ 97.33	4.8	\$ 436,191
Options vested and exercisable	1,439	91.91	4.4	382,708
Options vested and expected to vest	1,663	96.84	4.8	434,762

Restricted stock units

The Company generally grants RSUs to eligible employees under its form RSU Agreement for Employees and Consultants (the "Standard Form RSU Agreement"). RSUs granted under the Standard Form RSU Agreement prior to November 14, 2023 generally have a four-year vesting schedule at a rate of 25% per year, and RSUs granted after November 14, 2023 generally have a three-year vesting schedule at a rate of 33.3% per year, in each case generally subject to continued employment. The fair value of RSUs granted is estimated using the closing price of the Company's stock on the grant date.

The Company has also granted RSUs to certain employees under its form attraction and retention RSU agreement (the "Form Attraction and Retention RSU Agreement"), which has from time to time been used for new hires and specific retention purposes. RSUs granted under the Form Attraction and Retention RSU Agreement are generally scheduled to fully vest on the third or fourth anniversary of the respective grant dates, and in each case, subject to continued employment.

A summary of the activity for RSUs:

	Three Months Ended March 31, 2026		Six Months Ended March 31, 2026	
	Number of units	Weighted-Average Grant Date Fair Value	Number of units	Weighted-Average Grant Date Fair Value
Beginning balance	264	\$ 159.51	309	\$ 148.31
Granted	55	391.53	62	378.10
Released	(82)	159.64	(132)	139.31
Forfeited	(1)	188.05	(3)	131.21
Ending balance	<u>236</u>	<u>\$ 213.07</u>	<u>236</u>	<u>\$ 213.07</u>

Performance restricted stock units

PSUs represent the right to receive a share of the Company's common stock subject to the achievement of conditions established by the Human Capital & Compensation Committee of the Board and measured over a three-year performance period. Partial vesting in these awards may occur after separation from the Company for retirement eligible employees. The Company awards two types of PSUs, one of which is subject to a market condition (the "rTSR PSUs") and the other is subject to a performance condition (the "ROIC PSUs"). Subject to the terms of the applicable award agreement, full or partial vesting in these awards may occur upon or after separation from the Company in certain circumstances.

Market condition awards

The market condition associated with the rTSR PSU awards is based on the Company's relative total shareholder return ("TSR") compared to the TSR generated by the other companies that comprise the S&P 400 Midcap Index over a three-year performance period. Performance at target will result in vesting and issuance of the number of PSUs granted, equal to 100% payout. For rTSR PSUs granted prior to September 30, 2025, performance below or above target can result in an issuance of between 0% to 150% of the target number of rTSR PSUs granted. For rTSR PSUs granted after September 30, 2025, performance below or above target can result in an issuance of 0% to 200% of the target number of rTSR PSUs granted. Expense is recognized based on the weighted average grant date fair value on a straight line basis over the service period, irrespective as to whether the market condition is achieved.

The fair value of the rTSR PSUs at the grant date was determined based upon a Monte Carlo valuation method. The assumptions used in the Monte Carlo method to value the rTSR PSUs granted, which includes the grant date fair value outcome from the Monte Carlo method, were as follows:

	March 31, 2026	March 31, 2025	March 31, 2024
Expected volatility	30.7%	30.9%	30.2%
Risk free interest rate	3.4%	4.1%	4.5%
Expected life	3 years	3 years	3 years
Grant date fair value	\$ 367.56	\$ 196.63	\$ 146.47

The PSUs granted receive dividend equivalent units; therefore, no discount was applied for Woodward's dividends.

A summary of the activity for market condition awards:

	Six Months Ended March 31, 2026	
	Number of units	Weighted-Average Grant Date Fair Value
Beginning balance	104	\$ 167.17
Granted	15	367.56
Forfeited	—	—
Ending balance	<u>119</u>	<u>\$ 193.29</u>

There was no activity for market condition awards during the three months ended March 31, 2026.

Performance condition awards

The performance condition associated with the ROIC PSU awards is based on an internal return on invested capital growth metric. Each of these performance conditions is measured over the same three-year performance period. The cumulative result of these performance conditions can result in a number of shares earned in the range of 0% to 200% of the target number of shares granted.

The fair value on the date of grant of the ROIC PSUs is equal to the market price of the Company's stock at the date of the grant, and the amount of expense recognized over the vesting period is subject to adjustment based on the expected attainment of the performance condition.

A summary of the activity for performance condition awards:

	Six Months Ended March 31, 2026	
	Number of units	Weighted-Average Grant Date Fair Value
Beginning balance	—	\$ —
Granted	15	298.15
Forfeited	—	—
Ending balance	<u>15</u>	<u>\$ 298.15</u>

There was no activity for performance condition awards during the three months ended March 31, 2026.

Stock-based compensation expense

Woodward recognizes stock-based compensation expense on a straight-line basis over the requisite service period. Pursuant to the form agreements used by the Company, with terms approved by the administrator of the applicable plan, the requisite service period can be less than the stated vesting period based on grantee's retirement eligibility. As such, the recognition of stock-based compensation expense associated with some grants can be accelerated to a period of less than the stated vesting period, including immediate recognition of stock-based compensation expense on the date of grant.

At March 31, 2026, there was approximately \$43,646 of total unrecognized compensation expense related to non-vested stock-based compensation arrangements, including stock options, RSUs, and PSUs. The pre-vesting forfeiture rates for purposes of determining stock-based compensation expense recognized were estimated to be 0% for members of the Board and 7.2% for all others. The remaining unrecognized compensation cost is expected to be recognized over a weighted-average period of approximately 2 years.

Note 22. Commitments and contingencies

Woodward is currently involved in claims, pending or threatened litigation or other legal proceedings, investigations and/or regulatory proceedings arising in the normal course of business, including, among others, those relating to product liability claims, employment matters, worker's compensation claims, contractual disputes, product warranty claims, and alleged violations of various laws and regulations. Woodward accrues for known individual matters using estimates of the most likely amount of loss where it believes that it is probable the matter will result in a loss when ultimately resolved and such loss is reasonably estimable. Legal costs are expensed as incurred and are classified in "Selling, general and administrative expenses" on the Condensed Consolidated Statements of Earnings.

Woodward is partially self-insured in the United States for healthcare and worker's compensation up to predetermined amounts, above which third-party insurance applies. Management regularly reviews the probable outcome of related claims and proceedings, the expenses expected to be incurred, the availability and limits of the insurance coverage, and the established accruals for liabilities.

While the outcome of pending claims, legal and regulatory proceedings, and investigations cannot be predicted with certainty, management believes that any liabilities that may result from these claims, proceedings, and investigations will not have a material effect on Woodward's liquidity, financial condition, or results of operations.

Under the Company's severance and change in control agreements with its current corporate officers, Woodward would be required to pay termination benefits to any such officer if such officer's employment is terminated without Cause or for Good Reason (as each term is defined therein). The amount of such benefits would vary depending on whether such termination occurs during a specified period within a change of control.

Note 23. Segment information

Woodward's segments are composed of similar product groupings that serve the same or similar end markets. Based on this approach, Woodward has two reportable segments that are also its operating segments: Aerospace and Industrial, as described below in further detail. Woodward uses segment information internally to manage its business, including the assessment of segment performance and decisions for the allocation of resources between segments.

Our Aerospace segment designs, manufactures, and services systems and products for the management of fuel, air, combustion, and motion control. These products include fuel pumps, metering units, actuators, air valves, specialty valves, fuel nozzles, and thrust reverser actuation systems for turbine engines and nacelles, as well as flight deck controls, actuators, servocontrols, motors, and sensors for aircraft. These products are used on commercial and private aircraft and rotorcraft, as well as on military fixed-wing aircraft and rotorcraft, guided weapons, and other defense systems.

Our Industrial segment designs, produces, and services systems and products for the management of energy in the form of fuel, air, fluids, gases, motion, combustion, and electricity. These products include actuators, valves, pumps, fuel injection systems, solenoids, ignition systems, control systems, electronics and software, and sensors. Our products are used on industrial gas turbines (including heavy frame, aeroderivative, and small industrial gas turbines), steam turbines, compressors, and reciprocating engines (including low speed, medium speed, and high-speed engines that operate on various fuels, including natural gas, diesel, heavy fuel oil, and new lower carbon alternative fuels in both single and dual-fuel applications). The equipment on which our products are found is used to: generate power; to extract, distribute, and refine energy sources; to mine other commodities; and to convert fuel to work in transportation and freight (both marine and locomotives), mobile, and industrial equipment applications.

Nonsegment expenses consist of corporate office expenses, including compensation, benefits, depreciation, restructuring charges, and other administrative costs.

The accounting policies of the reportable segments are the same as those of the Company. The Aerospace and Industrial segments maintain separate financial information that is reviewed by the Chief Operating Decision Maker ("CODM"), who is the Company's Chief Executive Officer. The CODM uses forecast-to-actual variances and year-over-year variances on a monthly basis when assessing segment performance and forecasts in deciding how to allocate resources among the segments. The CODM evaluates the performance of the Company's segments based on reportable segment operating profit. In connection with that assessment, Woodward generally excludes matters such as certain charges for restructuring, interest income and expense, certain gains and losses from asset dispositions, or other unusual and/or non-operationally related expenses.

A summary of consolidated net sales and segment operating profit by segment follows:

	Three Months Ended March 31, 2026			Six Months Ended March 31, 2026		
	Aerospace	Industrial	Total	Aerospace	Industrial	Total
Net sales	\$ 703,321	\$ 387,247	\$ 1,090,568	\$ 1,338,218	\$ 748,804	\$ 2,087,022
Cost of goods sold	506,058	268,272	774,330	959,858	518,433	1,478,291
Selling, general and administrative expenses	27,912	39,488	67,400	56,531	70,277	126,808
Research and development costs	29,416	14,906	44,322	51,434	29,178	80,612
Other segment items ¹	(18,140)	(1,140)	(19,280)	(36,075)	(1,799)	(37,874)
Reportable segment operating profit	\$ 158,075	\$ 65,721	\$ 223,796	\$ 306,470	\$ 132,715	\$ 439,185

	Three Months Ended March 31, 2025			Six Months Ended March 31, 2025		
	Aerospace	Industrial	Total	Aerospace	Industrial	Total
Net sales	\$ 561,729	\$ 321,900	\$ 883,629	\$ 1,055,611	\$ 600,743	\$ 1,656,354
Cost of goods sold	407,063	235,704	642,767	782,815	442,623	1,225,438
Selling, general and administrative expenses	22,490	26,813	49,303	40,965	47,917	88,882
Research and development costs	21,223	14,372	35,595	38,851	25,638	64,489
Other segment items ¹	(13,663)	(956)	(14,619)	(26,361)	(1,599)	(27,960)
Reportable segment operating profit	\$ 124,616	\$ 45,967	\$ 170,583	\$ 219,341	\$ 86,164	\$ 305,505

- (1) Other segment items mainly includes our equity interest in the earnings of the JV, other components of net periodic pension and other postretirement benefit, excluding service cost and interest expense, and net gain/loss on sales of assets and businesses.

A summary of consolidated earnings before income taxes was as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Reportable segment operating profit	\$ 223,796	\$ 170,583	\$ 439,185	\$ 305,505
Nonsegment expenses	(45,049)	(26,752)	(81,644)	(48,856)
Interest expense, net	(11,320)	(10,868)	(20,963)	(21,832)
Consolidated earnings before income taxes	\$ 167,427	\$ 132,963	\$ 336,578	\$ 234,817

Segment assets consist of accounts receivable, inventories, property, plant, and equipment, net, goodwill, and other intangibles, net. A summary of consolidated total assets was as follows:

	March 31, 2026	September 30, 2025
Segment assets:		
Aerospace	\$ 2,276,086	\$ 2,110,805
Industrial	1,506,784	1,501,503
Unallocated corporate property, plant, and equipment, net	122,023	120,502
Other unallocated assets	1,064,219	897,333
Consolidated total assets	\$ 4,969,112	\$ 4,630,143

A summary of consolidated capital expenditures was as follows:

	Six Months Ended March 31,	
	2026	2025
Segment capital expenditures:		
Aerospace	\$ 67,742	\$ 19,047
Industrial	19,515	11,871
Unallocated corporate amounts	9,013	21,072
Consolidated capital expenditures	\$ 96,270	\$ 51,990

A summary of consolidated depreciation and amortization was as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Segment depreciation and amortization:				
Aerospace	\$ 13,232	\$ 12,607	\$ 26,297	\$ 25,341
Industrial	13,127	11,979	25,909	24,115
Unallocated corporate amounts	3,547	2,980	6,738	5,986
Consolidated depreciation and amortization	<u>\$ 29,906</u>	<u>\$ 27,566</u>	<u>\$ 58,944</u>	<u>\$ 55,442</u>

Note 24. Subsequent events

On April 22, 2026, the Board declared a cash dividend of \$0.32 per share for the quarter, payable on June 4, 2026 for stockholders of record as of May 21, 2026.

On April 15, 2026, Woodward entered into a definitive agreement to sell the Aerospace pilot controls product line to ONTIC Engineering and Manufacturing, Inc. for \$180,000, subject to purchase price adjustments. The agreement for the sale of the product line is expected to result in an accounting gain and close later in fiscal year 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Form 10-Q"), including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and our future results within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are statements that are deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of management. Words such as "anticipate," "believe," "estimate," "seek," "goal," "expect," "forecast," "intend," "continue," "outlook," "plan," "project," "target," "strive," "can," "could," "may," "should," "will," "would," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characteristics of future events or circumstances are forward-looking statements. Forward-looking statements may include, among others, statements relating to:

- future sales, earnings, cash flow, uses of cash, and other measures of financial performance, including our assumptions underlying our expectations;*
- trends in our business and the markets in which we operate, including expectations for those markets, our customers and their business and products;*
- our ability to manage risks from operating internationally, including the impacts of tariffs on our markets in which we operate as well as our supply chain;*
- expectations regarding demand for our products;*
- our expected expenses in future periods and trends in such expenses over time;*
- our expectations regarding margins and the impact of specific products, product mix, and our strategic actions on margins;*
- descriptions of our plans and expectations for future operations, including our strategic initiatives and impact of such initiatives;*
- plans and expectations relating to the performance of our joint venture with GE Aerospace;*
- the expected levels of activity in particular industries or markets and the effects of changes in those levels;*
- the scope, nature, or impact of acquisition activity and integration of such acquisition into our business;*
- the impact of restructuring activities;*
- the research, development, production, and support of new products and services;*
- our plans, objectives, expectations, and intentions with respect to business opportunities that may be available to us;*
- our liquidity, including our ability to meet capital spending requirements and operations;*
- future dividends and repurchases of common stock;*
- future levels of indebtedness and capital spending;*
- the stability of financial institutions, including those lending to us;*
- pension and other postretirement plan assumptions and future contributions;*
- our tax rate and other effects of the changes in U.S. federal tax law and other tax law;*
- availability of raw materials and components used in our products;*
- expectations relating to environmental and emissions regulations;*
- effects of data privacy, data protection, and cybersecurity regulations;*
- our ability to develop competitive technologies or products and to compete effectively in our markets;*
- our consolidated customer base and ability to enhance customer experience;*
- our ability to manage risks related to U.S. Government contracting, including defense activity and spending patterns;*
- our ability to attract, retain, and develop qualified personnel;*
- our continued access to a stable workforce and our ability to maintain favorable labor relations;*
- our ability to structure our operations in light of evolving market conditions;*
- our ability to mitigate the ongoing impacts of inflation and tariffs;*
- the impact of legal proceedings, investigations, claims and other regulatory proceedings;*
- the impact of future prices for fossil fuels and commodity prices for oil, natural gas, and other minerals;*
- the impact of our ability to protect our intellectual property and technological know-how on our business, financial condition, results of operations, and cash flows; and*
- the impact of any potential physical or cybersecurity attacks and other information technology system or network interruptions or intrusions on our operations, business, including our financial condition, operating results, and reputation.*

All these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. 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, risk factors described in Woodward's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended September 30, 2025, which was filed on November 25, 2025, and other risks described in Woodward's filings with the Securities and Exchange Commission.

We undertake no obligation to revise or update any forward-looking statements for any reason, except as required by applicable law. Unless we have indicated otherwise or the context otherwise requires, references in this Form 10-Q to "Woodward," "the Company," "we," "us," and "our" refer to Woodward, Inc. and its consolidated subsidiaries.

Except where we have otherwise indicated or the context otherwise requires, amounts presented in this Form 10-Q are in thousands, except per share amounts.

OVERVIEW

Global Business Conditions

As global trade dynamics continue to evolve, the impact of increased trade tensions and related tariffs with U.S. trading partners remains a key factor in shaping global economic activity, supply chains, and market stability. Future tariff adjustments may emerge as countries negotiate trade agreements, respond to geopolitical shifts, and address the challenges of inflation and global competition. We expect increased cost pressure resulting from the already announced tariffs, and there are uncertainties surrounding future tariff policy changes and enforcement. However, the Company's production and supply bases are largely in the same regions where our products are sold, which we believe will mitigate our exposure. Woodward is closely tracking costs from our supply base and customer forecasts regarding the potential impact of currently announced tariff levels, changes to such levels, and actual and potential retaliatory trade actions. We have experienced and are expecting cost pressure as a result of the implemented tariffs. We are proactively working to mitigate this cost pressure, potential sales risks, and potential supply chain disruptions.

On February 20, 2026, the U.S. Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act ("IEEPA") were not authorized by the statute, although it did not establish a process for recovery. Subsequent cases were filed after the U.S. Supreme Court ruling, which resulted in an order requiring U.S. Customs and Border Protection ("CBP") to establish an administrative process through which applicable tariffs could be recovered. The Company is the importer of record for certain merchandise that was previously subject to such tariffs under IEEPA. The CBP has proposed and worked to develop an administrative process, which went live on April 20, 2026. However, significant uncertainty remains as to the effectiveness, timing, and process for tariff recovery. The Company is evaluating the ruling and potential actions available to it, including actions that may be taken to preserve or protect its rights and remedies. In addition, Woodward is not able to accurately estimate the financial effects of any tariff recovery at this time based on a variety of factors, including the unknown amount that can be directly recovered, the percentage of recovery that may be required to be returned to our customers, and the amount that can be recovered from third parties to whom Woodward paid increased costs due to tariffs. The Company is actively evaluating the applicable rulings and administrative actions taken by CBP to determine the best and most efficient course of action to recover such tariffs. Because the process, timing, and amount of any recovery are uncertain, the Company is unable to accurately estimate the financial impacts on the financial statements.

The United States-Iran Conflict

In March 2026, in response to the military conflict between the United States and Iran, the North Atlantic Treaty Organization ("NATO") members (including the United States) announced targeted economic sanctions on Iran and Iranian enterprises. Fluctuations in oil prices resulting from the conflict have the potential to significantly disrupt global supply chains, increase production costs, and create economic uncertainty. The impact of any additional sanctions, trade restrictions, or limitations on oil supply remain uncertain due to the fluid nature of the military conflict as it is unfolding. Potential impacts could include supply chain and logistics disruptions, volatility in foreign exchange rates and interest rates, inflationary pressures on raw materials and energy, heightened cybersecurity threats, and other restrictions. In addition, we are monitoring uncertainties in the geopolitical environment and the extent to which they could impact airline traffic and/or defense spending levels in the U.S. and other countries; if such impacts occur, we expect the significant impacts to us would likely begin in fiscal year 2027.

China Wind-Down

On January 12, 2026, the Company approved a plan to wind-down its on-highway natural gas truck manufacturing operations in China (the "China OH Business"). This decision follows prior unsuccessful efforts to divest the China OH Business and is a strategic step to align the Industrial segment portfolio with priority end-markets and long-term growth opportunities. The China OH Business has not significantly contributed to the Company's overall financial performance on a consistent basis.

In connection with this action, we have incurred \$6,815 in the three months ended March 31, 2026 and expect to incur pre-tax charges of approximately \$13,000 for the remainder of fiscal year 2026. The majority of these charges are expected to be recognized in the third quarter of fiscal year 2026, and the wind-down is expected to be substantially completed by the end of fiscal year 2026.

Operational Highlights

Quarter and Year-to-Date Highlights

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Net sales:				
Aerospace segment	\$ 703,321	\$ 561,729	\$ 1,338,218	\$ 1,055,611
Industrial segment	387,247	321,900	748,804	600,743
Consolidated net sales	<u>\$ 1,090,568</u>	<u>\$ 883,629</u>	<u>\$ 2,087,022</u>	<u>\$ 1,656,354</u>
Earnings:				
Aerospace segment	\$ 158,075	\$ 124,616	\$ 306,470	\$ 219,341
<i>Segment earnings as a percent of segment net sales</i>	22.5%	22.2%	22.9%	20.8%
Industrial segment	\$ 65,721	\$ 45,967	\$ 132,715	\$ 86,164
<i>Segment earnings as a percent of segment net sales</i>	17.0%	14.3%	17.7%	14.3%
Consolidated net earnings	\$ 134,013	\$ 108,949	\$ 267,732	\$ 196,040
Adjusted net earnings	\$ 139,126	\$ 103,390	\$ 272,845	\$ 185,956
Effective tax rate	20.0%	18.1%	20.5%	16.5%
Adjusted effective tax rate	20.2%	17.7%	20.5%	16.1%
Consolidated diluted earnings per share	\$ 2.19	\$ 1.78	\$ 4.36	\$ 3.20
Consolidated adjusted diluted earnings per share	\$ 2.27	\$ 1.69	\$ 4.44	\$ 3.04
Earnings before interest and taxes ("EBIT")	\$ 178,747	\$ 143,831	\$ 357,541	\$ 256,649
Adjusted EBIT	\$ 185,562	\$ 136,461	\$ 364,356	\$ 243,435
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	\$ 208,653	\$ 171,397	\$ 416,485	\$ 312,091
Adjusted EBITDA	\$ 215,468	\$ 164,027	\$ 423,300	\$ 298,877

Adjusted net earnings, adjusted earnings per share, adjusted effective tax rate, EBIT, adjusted EBIT, EBITDA, and adjusted EBITDA are non-U.S. GAAP financial measures. A description of these measures as well as a reconciliation of these non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found under the caption "Non-U.S. GAAP Financial Measures" in this Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations.

Liquidity Highlights

Net cash provided by operating activities for the first half of fiscal year 2026 was \$205,264, compared to \$112,341 for the first half of fiscal year 2025. The increase in cash provided by operating activities for the first half of fiscal year 2026 as compared to the same period of fiscal year 2025 was primarily attributable to increased earnings.

For the first half of fiscal year 2026, free cash flow was \$108,544, compared to \$60,351 for the first half of fiscal year 2025. We define free cash flow as net cash provided by operating activities less payments for property, plant, and equipment. The increase in free cash flow for the first half of fiscal year 2026 as compared to the same period of fiscal year 2025 was primarily attributable to increased earnings, partially offset by higher capital expenditures. On September 16, 2025, we announced plans to build a precision manufacturing facility in Greer, South Carolina, in Spartanburg County. The new site is a strategic investment for us and will require significant capital investment in fiscal year 2026 and fiscal year 2027. The site is expected to become operational in 2027, and we continue to expect a meaningful increase in capital expenditures over the second half of fiscal year 2026 related to the construction of this facility. Free cash flow is a non-U.S. GAAP financial measure. A description of this measure as well as a reconciliation of this non-U.S. GAAP financial measure to the most directly comparable U.S. GAAP financial measure can be found under the caption "Non-U.S. GAAP Financial Measures" in this Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations.

At March 31, 2026, we held \$501,169 in cash and cash equivalents and had total outstanding debt of \$1,123,278. We have additional borrowing availability of \$369,125, net of outstanding letters of credit, under our revolving credit agreement. At March 31, 2026, we also had additional borrowing capacity of \$25,526 under various foreign lines of credit and foreign overdraft facilities.

RESULTS OF OPERATIONS

The following table sets forth condensed consolidated statements of earnings data as a percentage of net sales for each period indicated:

	Three Months Ended				Six Months Ended			
	March 31, 2026	% of Net Sales	March 31, 2025	% of Net Sales	March 31, 2026	% of Net Sales	March 31, 2025	% of Net Sales
Net sales	\$ 1,090,568	100%	\$ 883,629	100%	\$ 2,087,022	100%	\$ 1,656,354	100%
Costs and expenses:								
Cost of goods sold	774,660	71.0%	643,530	72.8%	1,478,953	70.9%	1,226,621	74.1%
Selling, general, and administrative expenses	102,285	9.4%	83,842	9.5%	197,270	9.5%	153,538	9.3%
Research and development costs	46,119	4.2%	37,230	4.2%	83,875	4.0%	67,437	4.1%
Restructuring charges	6,815	0.6%	—	0.0%	6,815	0.3%	—	0.0%
Interest expense	12,035	1.1%	11,889	1.3%	22,379	1.1%	24,230	1.5%
Interest income	(715)	(0.1)%	(1,021)	(0.1)%	(1,416)	(0.1)%	(2,398)	(0.2)%
Other income, net	(18,058)	(1.7)%	(24,804)	(2.8)%	(37,432)	(1.8)%	(47,891)	(2.9)%
Total costs and expenses	923,141	84.6%	750,666	85.0%	1,750,444	83.9%	1,421,537	85.8%
Earnings before income taxes	167,427	15.4%	132,963	15.0%	336,578	16.1%	234,817	14.2%
Income tax expense	33,414	3.1%	24,014	2.7%	68,846	3.3%	38,777	2.3%
Net earnings	\$ 134,013	12.3%	\$ 108,949	12.3%	\$ 267,732	12.8%	\$ 196,040	11.8%

Other select financial data:

	March 31, 2026	September 30, 2025
Net working capital	\$ 960,167	\$ 977,025
Total debt	1,123,278	702,202
Total stockholders' equity	2,525,460	2,566,390

Net Sales

Consolidated net sales for the second quarter of fiscal year 2026 increased by \$206,939, or 23.4%, compared to the same period of fiscal year 2025. Consolidated net sales for the first half of fiscal year 2026 increased by \$430,668, or 26.0%, compared to the same period of fiscal year 2025.

Details of the changes in consolidated net sales were as follows:

	Three-Month Period	Six-Month Period
Consolidated net sales for the period ended March 31, 2025	\$ 883,629	\$ 1,656,354
Aerospace volume	97,771	185,021
Industrial volume	33,276	85,865
Effects of changes in price	57,243	126,907
Effects of changes in foreign currency rates	18,649	32,875
Consolidated net sales for the period ended March 31, 2026	\$ 1,090,568	\$ 2,087,022

The increases in Aerospace segment net sales in the second quarter and first half of fiscal year 2026 as compared to the same periods of fiscal year 2025 were primarily attributable to higher sales volumes and price realization.

The increases in Industrial segment net sales in the second quarter and first half of fiscal year 2026 as compared to the same periods of fiscal year 2025 were primarily attributable to higher sales volumes, price realization, and favorable foreign currency impacts.

Costs and Expenses

Cost of goods sold increased by \$131,130 to \$774,660 for the second quarter of fiscal year 2026, from \$643,530 for the second quarter of fiscal year 2025. Cost of goods sold decreased to 71.0% of net sales for the second quarter of fiscal year 2026, compared to 72.8% of net sales for the second quarter of fiscal year 2025.

Cost of goods sold increased by \$252,332 to \$1,478,953 for the first half of fiscal year 2026, from \$1,226,621 for the first half of fiscal year 2025. Cost of goods sold decreased to 70.9% of net sales for the first half of fiscal year 2026, compared to 74.1% of net sales for the first half of fiscal year 2025.

The increases in cost of goods sold on an absolute basis in the second quarter and first half of fiscal year 2026 compared to the same periods of fiscal year 2025 were primarily due to higher sales volumes and net inflationary impacts on material and labor costs.

Gross margin (as measured by net sales less cost of goods sold, divided by net sales) was 29.0% for the second quarter of fiscal year 2026, compared to 27.2% for the second quarter of fiscal year 2025. Gross margin was 29.1% for the first half of fiscal year 2026, compared to 25.9% for the first half of fiscal year 2025. The increases in gross margin for the second quarter and first half of fiscal year 2026 as compared to the same periods of fiscal year 2025 were primarily attributable to higher sales volumes and price realization.

Selling, general, and administrative expenses increased by \$18,443, or 22.0%, to \$102,285 for the second quarter of fiscal year 2026, compared to \$83,842 for the second quarter of fiscal year 2025. Selling, general, and administrative expenses as a percentage of net sales decreased to 9.4% for the second quarter of fiscal year 2026, compared to 9.5% for the second quarter of fiscal year 2025. The increase in selling, general, and administrative expenses on an absolute basis for the second quarter of fiscal year 2026 as compared to the same period of fiscal year 2025 was primarily due to a reserve for a product performance claim in our Industrial segment, increased expenses relating to headcount, and increased variable annual incentive compensation costs.

Selling, general, and administrative expenses increased by \$43,732, or 28.5%, to \$197,270 for the first half of fiscal year 2026, compared to \$153,538 for the first half of fiscal year 2025. Selling, general, and administrative expenses as a percentage of net sales increased to 9.5% for the first half of fiscal year 2026, compared to 9.3% for the first half of fiscal year 2025. The increase in selling, general, and administrative expenses for the first half of fiscal year 2026 as compared to the same period of fiscal year 2025 was primarily due to a reserve for a product performance claim in our Industrial segment, higher project-related costs, higher labor costs, and increased variable annual incentive compensation costs.

Research and development ("R&D") costs were \$46,119, or 4.2% of net sales, for the second quarter of fiscal year 2026, as compared to \$37,230, or 4.2% of net sales, for the second quarter of fiscal year 2025. R&D costs were \$83,875, or 4.0% of net sales, for the first half of fiscal year 2026, as compared to \$67,437, or 4.1% of net sales, for the first half of fiscal year 2025. R&D costs increased in the second quarter and first half of fiscal year 2026, primarily due to early-stage efforts to compete for the next single-aisle aircraft platform. We expect R&D costs to increase in fiscal year 2026 as compared to fiscal year 2025, and we anticipate additional increases in future years as next-generation aircraft program timelines become more defined. Our R&D activities extend across almost all of our customer base, and we anticipate ongoing variability in R&D costs due to the timing of customer business needs on current and future programs.

Interest expense increased by \$146, or 1.2%, to \$12,035 for the second quarter of fiscal year 2026, compared to \$11,889 for the second quarter of fiscal year 2025. Interest expense as a percentage of net sales was 1.1% for the second quarter of fiscal year 2026, compared to 1.3% for the second quarter of fiscal year 2025. The increase in interest expense on an absolute basis was primarily attributable to increased daily borrowings on the revolving credit facility during the second quarter of fiscal year 2026.

Interest expense decreased by \$1,851, or 7.6%, to \$22,379 for the first half of fiscal year 2026, compared to \$24,230 for the first half of fiscal year 2025. Interest expense as a percentage of net sales was 1.1% for the first half of fiscal year 2026, compared to 1.5% for the first half of fiscal year 2025. The decrease was primarily attributable to a lower long-term debt balance, as on November 17, 2025, we paid the entire principal balance of \$75,000 on the Series I and L Notes.

Other income, net decreased by \$6,746 to \$18,058 for the second quarter of fiscal year 2026, compared to \$24,804 for the second quarter of fiscal year 2025. Other income decreased by \$10,459 to \$37,432 for the first half of fiscal year 2026, compared to \$47,891 for the first half of fiscal year 2025. The decreases in other income for the second quarter and first half of fiscal year 2026 as compared to the same periods of fiscal 2025 were primarily attributable to a one-time gain related to product rationalization activities that was recognized in the prior year second quarter that did not occur in the current year second quarter, partially offset by an increase in earnings of the JV.

Income taxes were provided at an effective rate of 20.0% on earnings before income taxes for the second quarter of fiscal year 2026, compared to 18.1% for the second quarter of fiscal year 2025. Income taxes were provided at an effective rate of 20.5% on earnings before income taxes for the first half of fiscal year 2026, compared to 16.5% for the first half of fiscal year 2025. The increases in the effective tax rates for the second quarter and first half of fiscal year 2026, compared to the same periods of fiscal year 2025 were primarily attributable to remeasurement to tax reserves, the current year elimination of the U.S. intangible income tax benefit due to the one-time reversal of research costs previously capitalized, a reduction in the U.S. Federal Research and Development Credit, and unfavorable state tax law changes. These increases were partially offset by increases in the tax benefit from stock-based compensation.

Segment Results

The following table presents sales by segment:

	Three Months Ended March 31,				Six Months Ended March 31,			
	2026		2025		2026		2025	
Net sales:								
Aerospace	\$ 703,321	64.5%	\$ 561,729	63.6%	\$ 1,338,218	64.1%	\$ 1,055,611	63.7%
Industrial	387,247	35.5%	321,900	36.4%	748,804	35.9%	600,743	36.3%
Consolidated net sales	<u>\$ 1,090,568</u>	<u>100%</u>	<u>\$ 883,629</u>	<u>100%</u>	<u>\$ 2,087,022</u>	<u>100%</u>	<u>\$ 1,656,354</u>	<u>100%</u>

The following table presents earnings by segment and reconciles segment earnings to consolidated net earnings:

	Three Months Ended March 31,				Six Months Ended March 31,			
	2026		2025		2026		2025	
Aerospace	\$ 158,075		\$ 124,616		\$ 306,470		\$ 219,341	
Industrial	65,721		45,967		132,715		86,164	
Nonsegment expenses	(45,049)		(26,752)		(81,644)		(48,856)	
Interest expense, net	(11,320)		(10,868)		(20,963)		(21,832)	
Consolidated earnings before income taxes	167,427		132,963		336,578		234,817	
Income tax expense	(33,414)		(24,014)		(68,846)		(38,777)	
Consolidated net earnings	<u>\$ 134,013</u>		<u>\$ 108,949</u>		<u>\$ 267,732</u>		<u>\$ 196,040</u>	

The following table presents segment earnings as a percent of segment net sales:

	Three Months Ended March 31,				Six Months Ended March 31,			
	2026		2025		2026		2025	
Aerospace	22.5%		22.2%		22.9%		20.8%	
Industrial	17.0%		14.3%		17.7%		14.3%	

Aerospace

Aerospace segment net sales increased by \$141,592, or 25.2%, to \$703,321 for the second quarter of fiscal year 2026, compared to \$561,729 for the second quarter of fiscal year 2025. Aerospace segment net sales increased by \$282,607, or 26.8%, to \$1,338,218 for the first half of fiscal year 2026, compared to \$1,055,611 for the first half of fiscal year 2025.

The increases in Aerospace segment net sales in the second quarter and first half of fiscal year 2026 as compared to the same periods of the prior fiscal year 2025 were primarily attributable to increased sales volumes and price realization.

Commercial OEM sales increased in the second quarter as compared to the same period of fiscal year 2025, primarily due to increased airframer production rates. Commercial OEM sales increased in the first half of fiscal year 2026 as compared to the same period of fiscal year 2025, primarily due to increased airframer production rates and a tapering of destocking efforts by airframers. For the remainder of fiscal year 2026, we do not expect destocking efforts to have a large impact, as we believe our output is currently well-aligned with current airframer build rates.

Commercial services sales increased in the second quarter and first half of fiscal year 2026 as compared to the same periods of fiscal year 2025, primarily due to higher repair volume supported by sustained high aircraft utilization of legacy aircraft, as well as increased Leading Edge Aviation Propulsion ("LEAP") and Pratt & Whitney's Geared Turbo Fan ("GTF") activity. We also experienced strong spare line replacement unit ("LRU") sales in the second quarter and first half of fiscal year 2026 as compared to the same periods of fiscal year 2025. Spare LRU sales were generally consistent with what we experienced during the fourth quarter of fiscal year 2025 and the first quarter of fiscal year 2026.

Defense OEM sales increased in the second quarter and first half of fiscal year 2026 as compared to the same periods of fiscal year 2025, primarily driven by increased Joint Direct Attack Munition ("JDAM") pricing, which took effect during the fourth quarter of fiscal year 2025. Defense services sales increased in the second quarter and first half of fiscal year 2026 as compared to the same periods of fiscal year 2025, primarily due to price realization. We expect variability in Defense services sales, which is generally attributable to the cycling of various maintenance and upgrade programs, as well as actual usage.

Aerospace segment earnings increased by \$33,459, or 26.8%, to \$158,075 for the second quarter of fiscal year 2026, compared to \$124,616 for the second quarter of fiscal year 2025. Aerospace segment earnings increased by \$87,129, or 39.7%, to \$306,470 for the first half of fiscal year 2026, compared to \$219,341 for the first half of fiscal year 2025.

The increases in Aerospace segment earnings were due to the following:

	Three months Ended December 31, 2025	Three months Ended March 31, 2026	Fiscal Year-to-Date
Earnings for the period ended fiscal year 2025	\$ 94,725	\$ 124,616	\$ 219,341
Sales volume and mix	26,065	40,690	66,755
Price, inflation, and productivity	43,314	23,574	66,888
Manufacturing expenses	(13,241)	(6,359)	(19,600)
Annual variable incentive compensation expenses	(6,700)	(6,765)	(13,465)
Research and development expenses	(3,995)	(5,580)	(9,575)
Other, net	8,227	(12,101)	(3,874)
Earnings for the period ended fiscal year 2026	<u>\$ 148,395</u>	<u>\$ 158,075</u>	<u>\$ 306,470</u>

Following a change in management's data analysis methodology for acquisition results, the Company has refined its Aerospace earnings reconciliation to classify acquisition results under "sales volume and mix", rather than including them in "other, net". Accordingly, the earnings reconciliation for the first quarter of fiscal year 2026 has been reclassified for comparability. The reclassification had no impact on total Aerospace segment net earnings or the Company's financial results.

Aerospace segment earnings as a percentage of segment net sales were 22.5% for the second quarter of fiscal year 2026, compared to 22.2% for the second quarter of fiscal year 2025. Aerospace segment earnings as a percentage of segment net sales were 22.9% for the first half of fiscal year 2026, compared to 20.8% for the first half of fiscal year 2025. The increases in Aerospace segment earnings as a percentage of segment sales for the second quarter and first half of fiscal year 2026 were primarily attributable strength in commercial services, higher commercial OEM volumes, and solid price realization, partially offset by ongoing inflationary pressures and planned strategic investments to support future growth. The strategic investments include enhancements to our manufacturing capabilities to deliver the content on current platforms, incremental R&D tied to early-stage efforts to compete for the next single-aisle aircraft platform, and an enterprise resource planning system upgrade. While these initiatives are impacting margins, they are critical to position the company for sustained long-term growth, and we expect these investments to continue in fiscal year 2026 and fiscal year 2027.

Industrial

Industrial segment net sales increased by \$65,347, or 20.3%, to \$387,247 for the second quarter of fiscal year 2026, compared to \$321,900 for the second quarter of fiscal year 2025. Industrial segment net sales increased by \$148,061, or 24.6%, to \$748,804 for the first half of fiscal year 2026, compared to \$600,743 for the first half of fiscal year 2025.

The increases in Industrial segment net sales in the second quarter and first half of fiscal year 2026 as compared to the same periods of fiscal year 2025 were primarily attributable to higher sales volumes, price realization, and favorable foreign currency impacts.

Industrial segment earnings increased by \$19,754, or 43.0%, to \$65,721 for the second quarter of fiscal year 2026, compared to \$45,967 for the second quarter of fiscal year 2025. Industrial segment earnings increased by \$46,551, or 54.0%, to \$132,715 for the first half of fiscal year 2026, compared to \$86,164 for the first half of fiscal year 2025.

The increase in Industrial segment earnings was due to the following:

	Three-Month Period	Six-Month Period
Earnings for the period ended March 31, 2025	\$ 45,967	\$ 86,164
Sales volume and mix	21,666	48,709
Price, inflation, and productivity	9,285	23,305
Annual variable incentive compensation expenses	(3,540)	(7,320)
Other, net	(7,657)	(18,143)
Earnings for the period ended March 31, 2026	<u>\$ 65,721</u>	<u>\$ 132,715</u>

Industrial segment earnings as a percentage of segment net sales were 17.0% for the second quarter of fiscal year 2026, compared to 14.3% for the second quarter of fiscal year 2025. Industrial segment earnings as a percentage of segment net sales were 17.7% for the first half of fiscal year 2026, compared to 14.3% for the first half of fiscal year 2025.

Nonsegment

Nonsegment expenses increased by \$18,297 to \$45,049 for the second quarter of fiscal year 2026, compared to \$26,752 for the second quarter of fiscal year 2025. Nonsegment expenses increased by \$32,788 to \$81,644 for the first half of fiscal year 2026, compared to \$48,856 for the first half of fiscal year 2025.

The significant items that impacted nonsegment expenses were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Nonsegment expenses	\$ (45,049)	\$ (26,752)	\$ (81,644)	\$ (48,856)
Restructuring charges	6,815	—	6,815	—
Product rationalization	—	(11,163)	—	(20,524)
Business development activities	—	3,793	—	7,310
Nonsegment expenses excluding infrequent significant items	<u>\$ (38,234)</u>	<u>\$ (34,122)</u>	<u>\$ (74,829)</u>	<u>\$ (62,070)</u>

Excluding these items, nonsegment expenses increased \$4,112 in the second quarter of fiscal year 2026 as compared to the same period of fiscal year 2025 and increased \$12,759 in the first half of fiscal year 2026 as compared to the same period of fiscal year 2025. The increases in nonsegment expenses for the second quarter and first half of fiscal year 2026 were primarily attributable to higher project-related costs and increased labor costs.

LIQUIDITY AND CAPITAL RESOURCES

Historically, we have satisfied our working capital needs, as well as capital expenditures, product development, and other liquidity requirements associated with our operations, with net cash provided by operating activities and borrowings under our credit facilities. From time to time, we have also issued debt to supplement our cash needs, repay our other indebtedness, or finance our acquisitions. We continue to expect that cash generated from our operating activities, together with borrowings under our revolving credit facility and other borrowing capacity, will be sufficient to fund our continuing operating needs for the next 12 months and the foreseeable future.

In addition to our revolving credit facility, we have various foreign credit facilities, some of which are tied to net amounts on deposit at certain foreign financial institutions. These foreign credit facilities are reviewed annually for renewal. We use borrowings under these foreign credit facilities to finance certain local operations on a periodic basis. For further discussion of our revolving credit facility and our other credit facilities, see Note 15, *Credit facilities, short-term borrowings, and long-term debt* in the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

At March 31, 2026, we had total outstanding debt of \$1,123,278, consisting of outstanding balances on our revolving credit facility, various series of unsecured notes due between 2026 and 2033, and obligations under our finance leases.

At March 31, 2026, we had \$623,000 outstanding on our revolving credit facility, all of which is classified as short-term borrowings based on our intent and ability to repay this amount in the next 12 months. Revolving credit facility and short-term borrowing activity during the six months ended March 31, 2026 were as follows:

Maximum daily balance during the period	\$	685,153
Average daily balance during the period	\$	353,468
Weighted average interest rate on average daily balance		4.8%

At March 31, 2026, we had additional borrowing availability of \$369,125 under our revolving credit facility, net of outstanding letters of credit, and additional borrowing availability of \$25,526 under various foreign credit facilities.

We were compliant with all our debt covenants as of March 31, 2026. See Note 15, *Credit facilities, short-term borrowings, and long-term debt* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of our Annual Report on Form 10-K for fiscal year 2025, for more information about our covenants.

In addition to utilizing our cash resources to fund the working capital needs of our business, we evaluate, and from time to time, use cash for additional strategic uses, including the repurchase of our common stock under our authorized stock repurchase program, payment of dividends, significant capital expenditures, strategic acquisitions, and other potential uses of cash.

Our ability to service our long-term debt, to remain compliant with the various restrictions and covenants contained in our debt agreements, and to fund working capital, capital expenditures and product development efforts will depend on

our ability to generate cash from operating activities, which in turn is subject to, among other things, future operating performance as well as general economic, financial, competitive, legislative, regulatory, and other conditions, some of which may be beyond our control.

We believe that cash flows from operations, along with our contractually committed borrowings and other borrowing capability, will continue to be sufficient to fund anticipated capital spending requirements and our operations for the foreseeable future. However, we could be adversely affected if the financial institutions providing our capital requirements refuse to honor their contractual commitments, cease lending, or declare bankruptcy. We believe the lending institutions participating in our credit arrangements are financially stable and do not currently foresee adverse impacts to financial institutions supporting our capital requirements.

Cash Flows

	Six Months Ended March 31,	
	2026	2025
Net cash provided by operating activities	\$ 205,264	\$ 112,341
Net cash used in investing activities	(99,463)	(4,138)
Net cash provided by (used in) financing activities	74,431	(17,602)
Effect of exchange rate changes on cash and cash equivalents	(6,494)	(8,730)
Net change in cash and cash equivalents	173,738	81,871
Cash and cash equivalents, including restricted cash, at beginning of year	327,431	282,270
Cash and cash equivalents, including restricted cash, at end of period	<u>\$ 501,169</u>	<u>\$ 364,141</u>

Net cash provided by operating activities for the first half of fiscal year 2026 was \$205,264, compared to \$112,341 for the same period of fiscal year 2025. The increase in net cash provided by operating activities in the first half of fiscal year 2026 as compared to the same period of fiscal year 2025 was primarily attributable to increased earnings.

Net cash used in investing activities for the first half of fiscal year 2026 was \$99,463, compared to \$4,138 for the same period of fiscal year 2025. The increase in net cash used in investing activities in the first half of fiscal year 2026 as compared to the same period of fiscal year 2025 was primarily due to higher capital expenditures in the current fiscal year and proceeds received from certain business divestitures as part of product rationalization efforts in the prior fiscal year.

Net cash provided by financing activities for the first half of fiscal year 2026 was \$74,431, compared to net cash used in financing activities of \$17,602 for the same period of fiscal year 2025. The increase in net cash provided by financing activities for the first half of fiscal year 2026 as compared to the same period of fiscal year 2025 was primarily attributable to an increase in net debt borrowings, partially offset by increased repurchases of common stock. During the first half of fiscal year 2026, we had net debt borrowings in the amount of \$425,193, compared to net debt borrowings of \$43,627 in the first half of fiscal year 2025. During the first half of fiscal year 2026, we repurchased \$354,890 of our common stock, whereas in the first half of fiscal year 2025, we repurchased \$79,493.

Non-U.S. GAAP Financial Measures

Adjusted net earnings, adjusted earnings per share, adjusted income tax expense, adjusted effective tax rate, EBIT, adjusted EBIT, EBITDA, adjusted EBITDA, and free cash flow are financial measures not prepared and presented in accordance with U.S. GAAP. However, we believe these non-U.S. GAAP financial measures provide additional information that enables readers to evaluate our business from the perspective of management.

Earnings based non-U.S. GAAP financial measures

Adjusted net earnings is defined by the Company as net earnings excluding, as applicable, (i) product rationalization, (ii) costs related to business development activities, and (iii) restructuring charges. The product rationalization adjustment pertains to the elimination and divestiture 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, their exclusion illustrates more clearly how the underlying business of Woodward is performing. Management uses adjusted net earnings to evaluate the Company's performance excluding these infrequent or unusual period expenses that are not necessarily indicative of the Company's operating performance for the period. Management defines adjusted earnings per share as adjusted net earnings, as defined above, divided by the weighted-average number of diluted shares of common stock outstanding for the period. Adjusted income tax expense is defined by the Company as income tax expense excluding, as applicable, (i) product rationalization, (ii) costs related to business development activities, and (iii) restructuring charges. The product rationalization adjustment pertains to the elimination and divestiture of certain product lines.

Management uses adjusted net earnings, adjusted earnings per share, adjusted effective tax rate, and adjusted income tax expense when comparing operating performance to other periods.

The reconciliation of net earnings and earnings per share to adjusted net earnings and adjusted earnings per share, respectively, is shown in the tables below:

	Three Months Ended March 31,			
	2026		2025	
	Net Earnings	Earnings Per Share	Net Earnings	Earnings Per Share
Net earnings (U.S. GAAP)	\$ 134,013	\$ 2.19	\$ 108,949	\$ 1.78
Non-U.S. GAAP adjustments:				
Restructuring charges	6,815	0.11	—	—
Product rationalization ¹	—	—	(11,163)	(0.18)
Business development activities ²	—	—	3,793	0.06
Tax effect of Non-U.S. GAAP net earnings adjustments	(1,702)	(0.03)	1,811	0.03
Non-U.S. GAAP adjustments	5,113	0.08	(5,559)	(0.09)
Adjusted net earnings (Non-U.S. GAAP)	<u>\$ 139,126</u>	<u>\$ 2.27</u>	<u>\$ 103,390</u>	<u>\$ 1.69</u>

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

(2) Presented in the line item "Selling, general and administrative expenses" in Woodward's Condensed Consolidated Statement of Earnings.

	Six Months Ended March 31,			
	2026		2025	
	Net Earnings	Earnings Per Share	Net Earnings	Earnings Per Share
Earnings per share (U.S. GAAP)	\$ 267,732	\$ 4.36	\$ 196,040	\$ 3.20
Non-U.S. GAAP adjustments, net of tax:				
Restructuring charges	6,815	0.11	—	—
Product rationalization ¹	—	—	(20,524)	(0.33)
Business development activities ²	—	—	7,310	0.12
Tax effect of Non-U.S. GAAP net earnings adjustments	(1,702)	(0.03)	3,130	0.05
Total non-U.S. GAAP adjustments	5,113	0.08	(10,084)	(0.16)
Adjusted earnings per share (Non-U.S. GAAP)	<u>\$ 272,845</u>	<u>\$ 4.44</u>	<u>\$ 185,956</u>	<u>\$ 3.04</u>

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

(2) Presented in the line item "Selling, general and administrative expenses" in Woodward's Condensed Consolidated Statement of Earnings.

The reconciliation of income tax expense to adjusted income tax expense and the adjusted effective tax rate, is shown in the tables below:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Income tax expense (U.S. GAAP)	\$ 33,414	\$ 24,014	\$ 68,846	\$ 38,777
Tax effect of Non-U.S. GAAP net income adjustments	1,702	(1,811)	1,702	(3,130)
Adjusted income tax expense (Non-U.S. GAAP)	<u>\$ 35,116</u>	<u>\$ 22,203</u>	<u>\$ 70,548</u>	<u>\$ 35,647</u>
Adjusted effective tax rate (Non-U.S. GAAP)	20.2%	17.7%	20.5%	16.1%

Management uses EBIT to evaluate Woodward's performance without financing and tax related considerations, as these elements do not fluctuate with operating results. Management uses 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. Securities analysts, investors, and others frequently use EBIT and EBITDA in their evaluation of companies, particularly those with significant property, plant, and equipment, and intangible assets subject to amortization. The Company believes that EBIT and EBITDA are useful measures to the investor when measuring operating performance as they eliminate the impact of financing and tax expenses, which are non-operating expenses and may be driven by factors outside of the Company's operations, such as changes in tax laws or regulations, and, in the case of EBITDA, the noncash charges associated with depreciation and amortization. Further, as interest from financing, income taxes, depreciation, and amortization can vary dramatically between companies and between periods, management believes that the removal of these items can improve comparability.

Adjusted EBIT and adjusted EBITDA represent further non-U.S. GAAP adjustments to EBIT and EBITDA, in each case adjusted to exclude, as applicable, (i) product rationalization, (ii) costs related to business development activities, and (iii) restructuring charges. The product rationalization adjustment pertains to the elimination and divestiture of certain product lines. As these charges are infrequent or unusual items that can be variable from period to period and do not fluctuate with operating results, management believes removing these gains and costs from EBIT and EBITDA improves comparability of past, present, and future operating results and provides consistency when comparing EBIT and EBITDA between periods.

EBIT and adjusted EBIT reconciled to net earnings were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Net earnings (U.S. GAAP)	\$ 134,013	\$ 108,949	\$ 267,732	\$ 196,040
Income tax expense	33,414	24,014	68,846	38,777
Interest expense	12,035	11,889	22,379	24,230
Interest income	(715)	(1,021)	(1,416)	(2,398)
EBIT (Non-U.S. GAAP)	178,747	143,831	357,541	256,649
Non-U.S. GAAP adjustments:				
Restructuring charges	6,815	—	6,815	—
Product rationalization ¹	—	(11,163)	—	(20,524)
Business development activities ²	—	3,793	—	7,310
Total non-U.S. GAAP adjustments	6,815	(7,370)	6,815	(13,214)
Adjusted EBIT (Non-U.S. GAAP)	\$ 185,562	\$ 136,461	\$ 364,356	\$ 243,435

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

(2) Presented in the line item "Selling, general and administrative expenses" in Woodward's Condensed Consolidated Statement of Earnings.

EBITDA and adjusted EBITDA reconciled to net earnings were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Net earnings (U.S. GAAP)	\$ 134,013	\$ 108,949	\$ 267,732	\$ 196,040
Income tax expense	33,414	24,014	68,846	38,777
Interest expense	12,035	11,889	22,379	24,230
Interest income	(715)	(1,021)	(1,416)	(2,398)
Amortization of intangible assets	7,424	6,772	14,766	13,686
Depreciation expense	22,482	20,794	44,178	41,756
EBITDA (Non-U.S. GAAP)	208,653	171,397	416,485	312,091
Non-U.S. GAAP adjustments:				
Restructuring charges	6,815	—	6,815	—
Product rationalization ¹	—	(11,163)	—	(20,524)
Business development activities ²	—	3,793	—	7,310
Total non-U.S. GAAP adjustments	6,815	(7,370)	6,815	(13,214)
Adjusted EBITDA (Non-U.S. GAAP)	\$ 215,468	\$ 164,027	\$ 423,300	\$ 298,877

- (1) Presented in the line item "Other income, net" in Woodward's Condensed Consolidated Statement of Earnings.
- (2) Presented in the line item "Selling, general and administrative expenses" in Woodward's Condensed Consolidated Statement of Earnings.

The use 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. As adjusted net earnings, adjusted net earnings per share, adjusted income tax expense, adjusted effective tax rate, EBIT, adjusted EBIT, EBITDA, and adjusted EBITDA exclude certain financial information compared with net earnings and income tax expense, the most directly comparable U.S. GAAP financial measures, users of this financial information should consider the information that is excluded. Our calculations of adjusted net earnings, adjusted net earnings per share, adjusted income tax expense, adjusted effective tax rate, EBIT, adjusted EBIT, EBITDA, and adjusted EBITDA may differ from similarly titled measures used by other companies, limiting their usefulness as comparative measures.

Cash flow-based non-U.S. GAAP financial measures

Management uses free cash flow, which is defined by the Company as net cash provided by operating activities less payments for property, plant, and equipment, in reviewing the financial performance of and cash generation by Woodward's various business groups and evaluating cash levels. We believe free cash flow is a useful measure for investors because it portrays our ability to grow organically and generate cash from our businesses for purposes such as paying interest on our indebtedness, repaying maturing debt, funding business acquisitions, repurchasing our common stock, paying dividends, and investing in additional research and development. In addition, securities analysts, investors, and others frequently use free cash flow in their evaluation of companies.

The use of this non-U.S. GAAP financial measure is not intended to be considered in isolation of, or as substitutes for, the financial information prepared and presented in accordance with U.S. GAAP. 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. Our calculation of free cash flow may differ from similarly titled measures used by other companies, limiting their usefulness as comparative measures.

Free cash flow reconciled to net cash provided by operating activities was as follows:

	Six Months Ended March 31,	
	2026	2025
Net cash provided by operating activities (U.S. GAAP)	\$ 205,264	\$ 112,341
Payments for property, plant and equipment	(96,720)	(51,990)
Free cash flow (Non-U.S. GAAP)	<u>\$ 108,544</u>	<u>\$ 60,351</u>

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires us to make judgments, assumptions, and estimates that affect the amounts reported in the Condensed Consolidated Financial Statements and accompanying notes. Note 1, *Operations and summary of significant accounting policies* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of our most recently filed Annual Report on Form 10-K, describes the significant accounting policies and methods used in the preparation of the Consolidated Financial Statements. Our critical accounting estimates, identified in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 of our most recently filed Form 10-K, include the discussion of estimates used for revenue recognition, inventory valuation, reviews for impairment of goodwill and other indefinitely lived intangible assets, and our provision for income taxes. Such accounting estimates require significant judgments and assumptions to be used in the preparation of the Condensed Consolidated Financial Statements included in this Form 10-Q, and actual results could differ materially from the amounts reported.

New Accounting Standards

From time to time, the FASB or other standards-setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standards Codification are communicated through issuance of an Accounting Standards Update.

To understand the impact of recently issued standards, whether adopted or to be adopted, please review the information provided in Note 2, *New accounting standards* in the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q. Unless otherwise discussed, we believe that the impact of recently issued standards, whether adopted or to be adopted in the future, is not expected to have a material impact on our Condensed Consolidated Financial Statements upon adoption.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we have exposures to interest rate risk from our long-term and short-term debt and our postretirement benefit plans, and foreign currency exchange rate risk related to our foreign operations and foreign currency transactions. We are also exposed to various market risks that arise from transactions entered into in the normal course of business related to items such as the cost of raw materials and changes in inflation. Certain contractual relationships with customers and vendors mitigate risks from changes in raw material costs and foreign currency exchange rate changes that arise from normal purchasing and normal sales activities.

These market risks are discussed more fully in “Quantitative and Qualitative Disclosures About Market Risk” in Part II, Item 7A of our most recent Form 10-K. These market risks have not materially changed since the date our most recent Form 10-K was filed with the SEC.

Item 4. Controls and Procedures

We have established disclosure controls and procedures, which are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer (Charles Blankenship, Jr., Chairman of the Board and Chief Executive Officer) and Principal Financial and Accounting Officer (William Lacey, Chief Financial Officer), as appropriate, to allow timely decisions regarding required disclosures.

Charles Blankenship, Jr. and William Lacey evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on their evaluations, they concluded that our disclosure controls and procedures were effective as of March 31, 2026.

There have not been any changes in our internal control over financial reporting during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Woodward is currently involved in claims, pending or threatened litigation or other legal proceedings, investigations, and/or regulatory proceedings arising in the normal course of business, including, among others, those relating to product liability claims, employment matters, worker's compensation claims, contractual disputes, product warranty claims, and alleged violations of various laws and regulations. Woodward accrues for known individual matters using estimates of the most likely amount of loss where it believes that it is probable the matter will result in a loss when ultimately resolved and such loss is reasonably estimable.

While the outcome of pending claims, legal and regulatory proceedings, and investigations cannot be predicted with certainty, management believes that any liabilities that may result from these claims, proceedings, and investigations will not have a material effect on Woodward's liquidity, financial condition, or results of operations.

Item 1A. Risk Factors

Investment in our securities involves risk. An investor or potential investor should consider the risks summarized under the caption “Risk Factors” in Part I, Item 1A of our most recent Form 10-K when making investment decisions regarding our securities. The risk factors that were disclosed in our most recent Form 10-K have not materially changed since the date our most recent Form 10-K was filed with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities <i>(In thousands, except for shares and per share amounts)</i>	Total Number of Shares Purchased	Weighted Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that may yet be Purchased under the Plans or Programs at Period End (1)
January 1, 2026 through January 31, 2026 (2)	282,110	\$ 319.92	282,110	\$ 1,619,504
February 1, 2026 through February 28, 2026 (2)	235,551	383.18	235,528	1,529,254
March 1, 2026 through March 31, 2026 (2)	114,102	394.45	114,079	1,484,255

- (1) In January 2024, the Board authorized a program for the repurchase of up to \$600,000 of Woodward’s outstanding shares of common stock on the open market or in privately negotiated transactions over a three-year period. The Company completed its \$600,000 authorization in November 2025. In November 2025, the Board authorized a new program for the repurchase of up to \$1,800,000 of Woodward’s outstanding shares of common stock on the open market or in privately negotiated transactions over a three-year period ending in November 2028.
- (2) Under a trust established for the purposes of administering the Woodward Executive Benefit Plan, 23 shares of common stock were acquired in March 2026 on the open market related to the deferral of compensation by certain eligible members of Woodward’s management who irrevocably elected to invest some or all of their deferred compensation in Woodward common stock. In addition, 23 shares of common stock were acquired in February 2026 on the open market related to the reinvestment of dividends for shares of treasury stock held for deferred compensation. Shares owned by the trust, which is a separate legal entity, are included in "Treasury stock held for deferred compensation" in the Condensed Consolidated Balance Sheets.

Item 5. Other Information

On February 12, 2026, Karrie Bem, Executive Vice President, General Counsel, Corporate Secretary, and Chief Compliance Officer, entered into a trading plan pursuant to Rule 10b5-1 of the Exchange Act intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act. The new trading plan provides for the sale of up to 929 shares of common stock of the Company upon the exercise of non-qualified stock options and terminates on December 7, 2026, for a duration of 298 days.

During the three months ended March 31, 2026, no other directors or officers, as defined in Rule 16a-1(f), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibits filed as part of this Report are listed in the Exhibit Index.

WOODWARD, INC.

EXHIBIT INDEX

<u>Exhibit</u> <u>Number</u>	<u>Description</u>
* 3.1	Certificate of Amendment of Certificate of Incorporation, dated April 21, 2026
* 31.1	Rule 13a-14(a)/15d-14(a) certification of Charles Blankenship, Jr.
* 31.2	Rule 13a-14(a)/15d-14(a) certification of William Lacey.
* 32.1	Section 1350 certifications
* 101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Earnings, (iii) Condensed Consolidated Statements of Comprehensive Earnings, (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Stockholders' Equity, and (vi) Notes to Condensed Consolidated Financial Statements.
* 104	Cover page Interactive Data File (embedded within the Inline XBRL document and are contained in Exhibit 101)

* Filed as an exhibit to this Report

SIGNATURES

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, thereunto duly authorized.

WOODWARD, INC.

Date: April 30, 2026

/s/ Charles Blankenship, Jr.

Charles Blankenship, Jr.

Chairman of the Board and Chief Executive Officer

(on behalf of the registrant and as the registrant's Principal Executive Officer)

Date: April 30, 2026

/s/ William Lacey

William Lacey

Chief Financial Officer

(on behalf of the registrant and as the registrant's Principal Financial and Accounting Officer)

Delaware

The First State

I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "WOODWARD, INC.", FILED IN THIS OFFICE ON THE TWENTY-FIRST DAY OF APRIL, A.D. 2026, AT 12:14 O'CLOCK P.M.



C. P. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

831266 8100 Authentication: 203723666

SR# 20261930429 Date: 04-22-26

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:14 PM 04/21/2026
FILED 12:14 PM 04/21/2026
SR 20261930429 - File Number 831266

**CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION
OF
WOODWARD, INC.**

(a Delaware Corporation)

Woodward, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL") (such corporation, the "Corporation"), hereby certifies as follows:

1. This Certificate of Amendment has been duly adopted in accordance with Section 242 of the DGCL. The Board of Directors of the Corporation duly adopted resolutions declaring advisable the amendments set forth herein and directing that such amendments be submitted to the stockholders of the Corporation for their approval, and the amendments were thereafter duly adopted by the stockholders of the Corporation at the Corporation's Annual Meeting of Stockholders held on January 28, 2026.
2. The Certificate of Incorporation is hereby amended as follows:

A. Article FIFTH of the Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

"FIFTH. The affirmative vote of the holders of a majority of the outstanding shares of Common Stock of the Corporation shall be required (i) for the adoption of any amendment, alteration, change or repeal of any provision of this Certificate of Incorporation, (ii) for the adoption of any agreement for the merger or consolidation of the Corporation with or into any other corporation, (iii) to authorize any sale, lease or exchange of all or substantially all of the assets of the Corporation, or (iv) to authorize the dissolution of the Corporation. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that some lesser percentage may be specified, by law or in any agreement to which the Corporation is a party."

B. Article SIXTH of the Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

"SIXTH. [Reserved]"

C. Article SEVENTH, paragraph B, of the Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

"B. The Board of Directors shall have concurrent power with the stockholders to adopt, amend or repeal the By-Laws of the Corporation; provided, however, that no By-Law may be adopted by the stockholders which shall impair or impede the power of the Board of Directors under paragraph A of this Article SEVENTH.

3. This Certificate of Amendment shall be effective upon filing with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be duly executed by its duly authorized officer April 21, 2026.

WOODWARD, INC.

By: /s/ Karrie Bem

Name: Karrie Bem

Title: Executive Vice President, General counsel, Corporate Secretary,
and Chief Compliance Officer

Woodward, Inc.
Rule 13a-14(a)/15d-14(a) certifications

CERTIFICATION

I, Charles Blankenship, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2026, of Woodward, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2026

/s/ Charles Blankenship, Jr.

Charles Blankenship, Jr.
Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Rule 13a-14(a)/15d-14(a), or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Rule 13a-14(a)/15d-14(a), has been provided to Woodward and will be retained by Woodward and furnished to the Securities and Exchange Commission or its staff upon request.

Woodward, Inc.
Rule 13a-14(a)/15d-14(a) certifications

CERTIFICATION

I, William Lacey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2026, of Woodward, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2026

/s/ William Lacey
William Lacey
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Rule 13a-14(a)/15d-14(a), or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Rule 13a-14(a)/15d-14(a), has been provided to Woodward and will be retained by Woodward and furnished to the Securities and Exchange Commission or its staff upon request.

Woodward, Inc.
Section 1350 certifications

We hereby certify, pursuant to 18 U.S.C. Section 1350, that the accompanying Quarterly Report on Form 10-Q for the period ended March 31, 2026 (the "Quarterly Report"), of Woodward, Inc., fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Woodward, Inc.

Date: April 30, 2026 /s/ Charles Blankenship, Jr.
Charles Blankenship, Jr.
*Chairman of the Board and
Chief Executive Officer*

Date: April 30, 2026 /s/ William Lacey
William Lacey
Chief Financial Officer

A signed original of this written statement required by Rule 13a-14(b)/15d-14(b) and 18 U.S.C. Section 1350, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement, has been provided to Woodward and will be retained by Woodward and furnished to the Securities and Exchange Commission or its staff upon request.
