

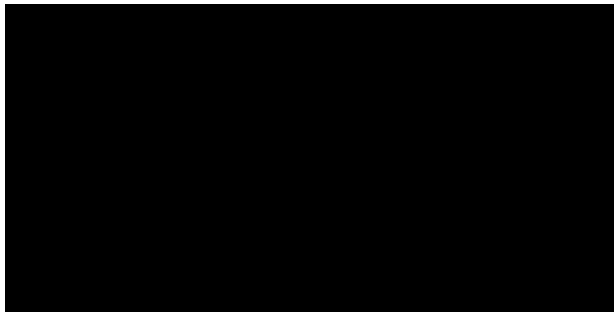
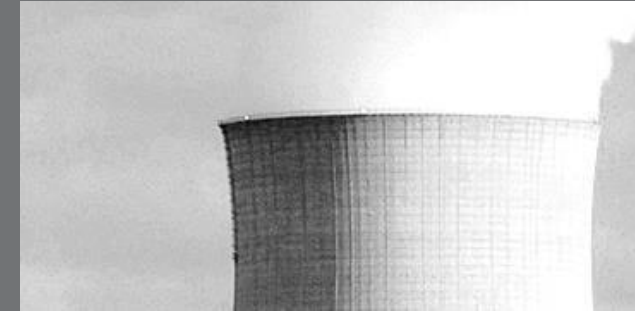


Q4 and FY 2020 Earnings Conference Call

February 25, 2021



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Safe Harbor Statement

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This presentation also includes certain non-GAAP financial measures with reconciliations to GAAP financial measures being made available in the earnings release that is posted to our website and furnished with the SEC. We undertake no duty to update this information. More information about potential factors that could affect our business and financial results is included in our filings with the Securities and Exchange Commission, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, including, among other sections, under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is on file with the SEC and available at the SEC's website at www.sec.gov.

Leadership Transition

- **Advancing the One Curtiss-Wright Vision**
- **Continued focus on top quartile performance**
- **Pivot to Growth**
 - Acceleration of organic growth and acquisitions
- **Increasing focus on internal investments**
- **Simplification of CW story and value proposition**
 - Unveiling new Segment and End Market structure
 - Driving improved alignment of strategies and industry drivers
- **Hosting Investor Day on May 26, 2021**

OPERATIONAL STATUS

- **Maintaining focus on Employee health and safety**
 - Global workforce following guidelines and safety protocols
 - Strong IT focus with enhanced security protocols
 - Maintain real-time tracking and reporting system across all sites world-wide
 - Ongoing rollout of vaccines remains paramount to ensuring employee safety and business continuity

MANAGEMENT ACTIONS

- **Preserving Profitability and Free Cash Flow**
 - Successfully implemented restructuring plans
 - Reduced incentive compensation (including leadership)
 - Reduced discretionary spending
 - Slowed pace of CapEx spending
 - Maintained R&D investment level
 - Strong focus on balance sheet and liquidity

Strong Finish to 2020: Q4 and FY'20 Highlights

Fourth Quarter 2020 Highlights

- **Net Sales increased 2% YOY; Up 17% Sequentially**
 - Strong defense market growth, up 27% overall (15% organic); **Sequentially higher sales across all commercial markets**
- **Adjusted Operating Income rose 8%, with Adjusted Operating Margin up 100bps to 19.8%**
 - Benefits of ongoing cost containment actions and restructuring savings in all segments
- **Adjusted Diluted EPS of \$2.39, up 12%**
- **Record Reported FCF of \$246M; Adjusted FCF of \$256M, up 3%**
- **Closed PacStar acquisition for \$400M in cash**

FY 2020 Highlights

- **Net Sales of \$2.4B, down 4%**
 - Strong defense market growth, up 17% overall (10% organic); Commercial market weakness principally driven by COVID-19 impacts
- **Adjusted Operating Margin nearly flat YOY at 16.3%**
 - Savings generated by ongoing restructuring actions mitigated significant portion of commercial market challenges
- **Adjusted Diluted EPS of \$6.87, exceeded guidance**
- **Total Share Repurchases \$200M (\$150M opportunistically)**
- **Record Adjusted FCF of \$394M, up 6% (137% FCF conversion)**
- **Book-to-bill: 1.0x (Defense Markets ~1.1x)**

Notes:

- 2020 Adjusted results exclude restructuring costs, one-time inventory step-up, backlog amortization and transaction costs for acquisitions, one-time transition and IT security costs associated with the relocation of our DRG business, and an impairment loss for our industrial valve business in Germany being classified as held for sale during the fourth quarter of 2020
- 2020 Adjusted Free Cash Flow excludes a voluntary contribution to the Company's corporate defined benefit pension plan, the cash impact from restructuring, and a capital investment related to construction of a new, state-of-the-art naval facility for the DRG business (Power segment).

Fourth Quarter 2020 Financial Review

(\$ in millions)	Q4'20 Adjusted	Q4'19 Adjusted	Chg vs. Q4'19	2020 Key Drivers
Commercial / Industrial	\$249	\$296	(16%)	<ul style="list-style-type: none"> Reduced YOY demand in commercial aerospace and general industrial (Up sequentially vs Q3) Partially offset by higher F-35 sales in aerospace defense
Defense	\$217	\$173	26%	<ul style="list-style-type: none"> Strong 5% organic growth, led by aerospace (electronics) and naval defense Contribution from PacStar and 901D acquisitions
Power	\$202	\$186	8%	<ul style="list-style-type: none"> Strong growth in naval defense Partially offset by reduced aftermarket power generation revenues
Total Sales	\$668	\$656	2%	
Commercial / Industrial <i>Margin</i>	\$47 19.0%	\$49 16.7%	(4%) 230 bps	<ul style="list-style-type: none"> Benefit of restructuring savings and ongoing cost reduction measures helped to mitigate unfavorable absorption on lower sales
Defense <i>Margin</i>	\$53 24.2%	\$44 25.5%	20% (130 bps)	<ul style="list-style-type: none"> Benefit of restructuring savings mainly offset by increased R&D Contribution from acquisitions
Power <i>Margin</i>	\$43 21.1%	\$38 20.4%	12% 70 bps	<ul style="list-style-type: none"> Strong naval defense revenues and benefits of cost containment / restructuring savings
Total Op. Income <i>CW Margin</i>	\$133 19.8%	\$123 18.8%	8% 100 bps	Restructuring savings drove Q4 benefit of \$14M; FY'20 benefit of \$25M

Note: Amounts may not add down due to rounding.

- 2019 Adjusted results exclude first year purchase accounting costs, specifically one-time inventory step-up, backlog amortization and transaction costs for acquisition of TCG (Defense segment), and one-time transition and IT security costs associated with the relocation of our DRG business (Power segment).
- 2020 Adjusted results exclude restructuring costs, one-time inventory step-up, backlog amortization and transaction costs for acquisitions, one-time transition and IT security costs associated with the relocation of our DRG business, and an impairment loss for our industrial valve business in Germany being classified as held for sale during the fourth quarter of 2020.

Transition to New Segment Structure (2020)

(FY20 Sales, \$ in millions)	Old Segment Structure	Adjustments		New Segment Structure ⁽¹⁾	
		Division Realignment	Exiting Non-Core Operations		
Commercial / Industrial	\$950	(\$144)	(\$67)	\$738	Aerospace & Industrial
Defense	\$736	(\$125)	-	\$611	Defense Electronics
Power	\$708	\$269	(\$26)	\$951	Naval & Power
Total Sales	\$2,393	-	(\$93)	\$2,300	Total Sales

Key Benefits:

- Concentrates same/similar products and markets within the same segment
 - Division realignment shifts all valves revenue from C/I and Defense segments into new Naval & Power segment
- Improves alignment of segments with major industry drivers and metrics

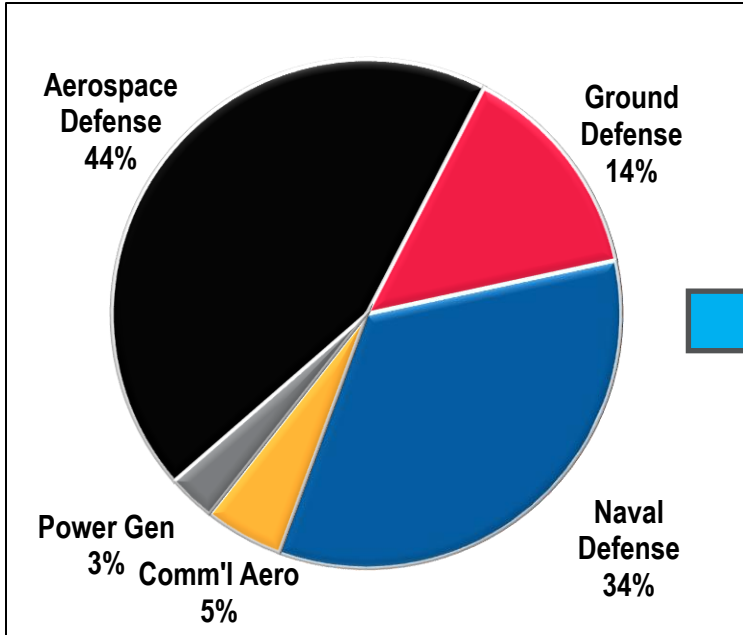
Note: Amounts may not add down due to rounding.

1) Reflects 2020 sales excluding our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited, as well as our German valves business which was classified as held for sale, both in the fourth quarter of 2020, as well as our new segment structure based upon the Corporation's first quarter 2021 segment reorganization.

Defense Electronics Segment Transition

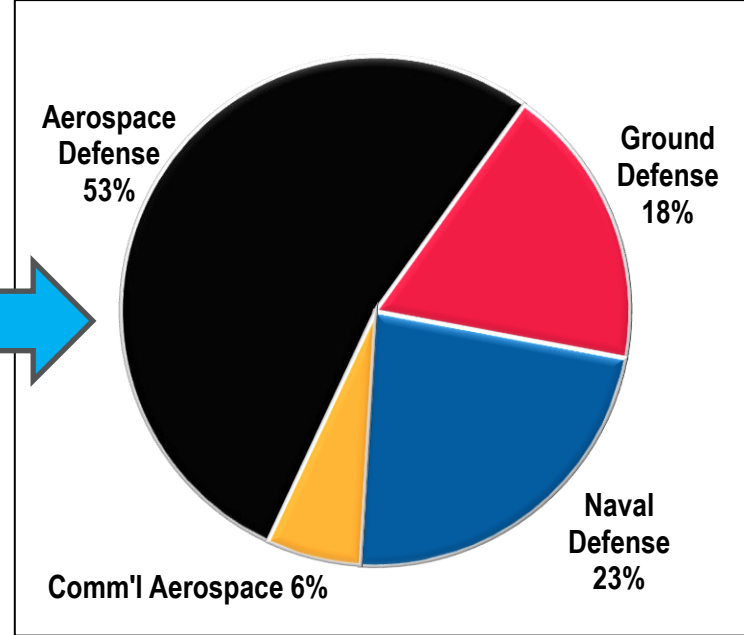
Valves business serving Power Gen and Navy moves to Naval & Power segment

Defense



\$736M
In FY20
Revenues

Defense Electronics



\$611M
In FY20
Revenues ⁽¹⁾

Product Focus

- COTS embedded computing
- Tactical battlefield communications
- Flight test instrumentation
- Stabilization systems

Key Industry Drivers / Metrics

- DoD spending (Procurement and RDT&E)
- Naval shipbuilding plan
- OEM Production rates (Boeing and Airbus)

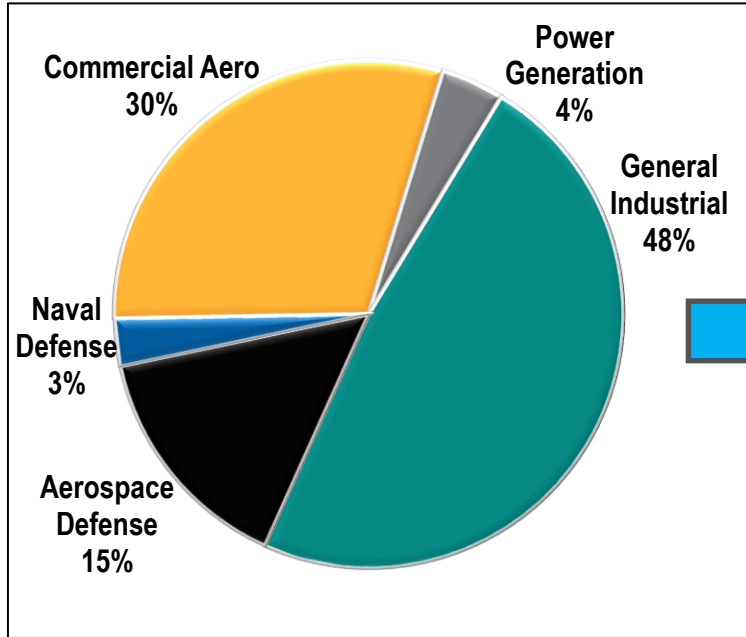
Note: Amounts may not add down due to rounding.

1) Reflects new segment structure based upon the Corporation's first quarter 2021 segment reorganization.

Aerospace & Industrial Segment Transition

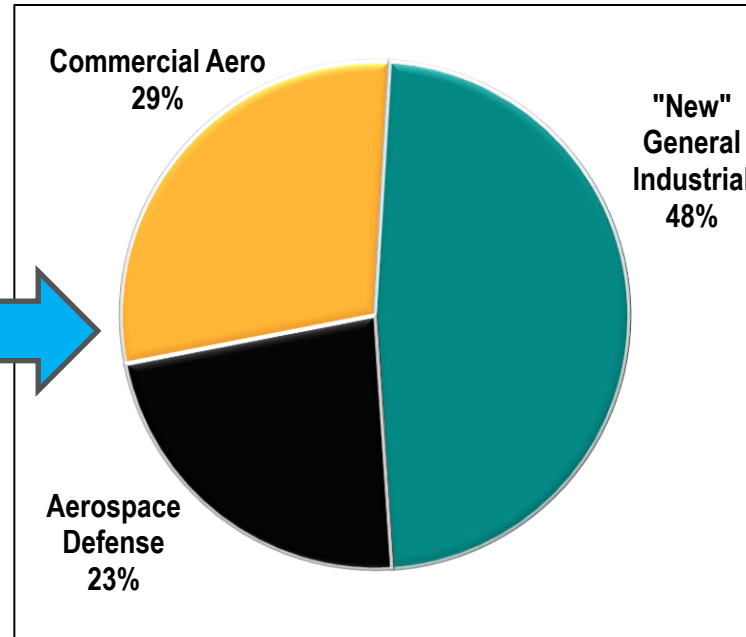
Valves business serving Power Gen and Navy moves to Naval & Power segment
 "New" General Industrial sales concentrated in one segment

Commercial / Industrial



\$950M
 In FY20
 Revenues

Aerospace & Industrial



\$738M
 In FY20
 Revenues ⁽¹⁾

Product Focus

- Actuation
- Sensors
- Electronic Systems & Subsystems
- Surface Treatment services

Key Industry Drivers / Metrics

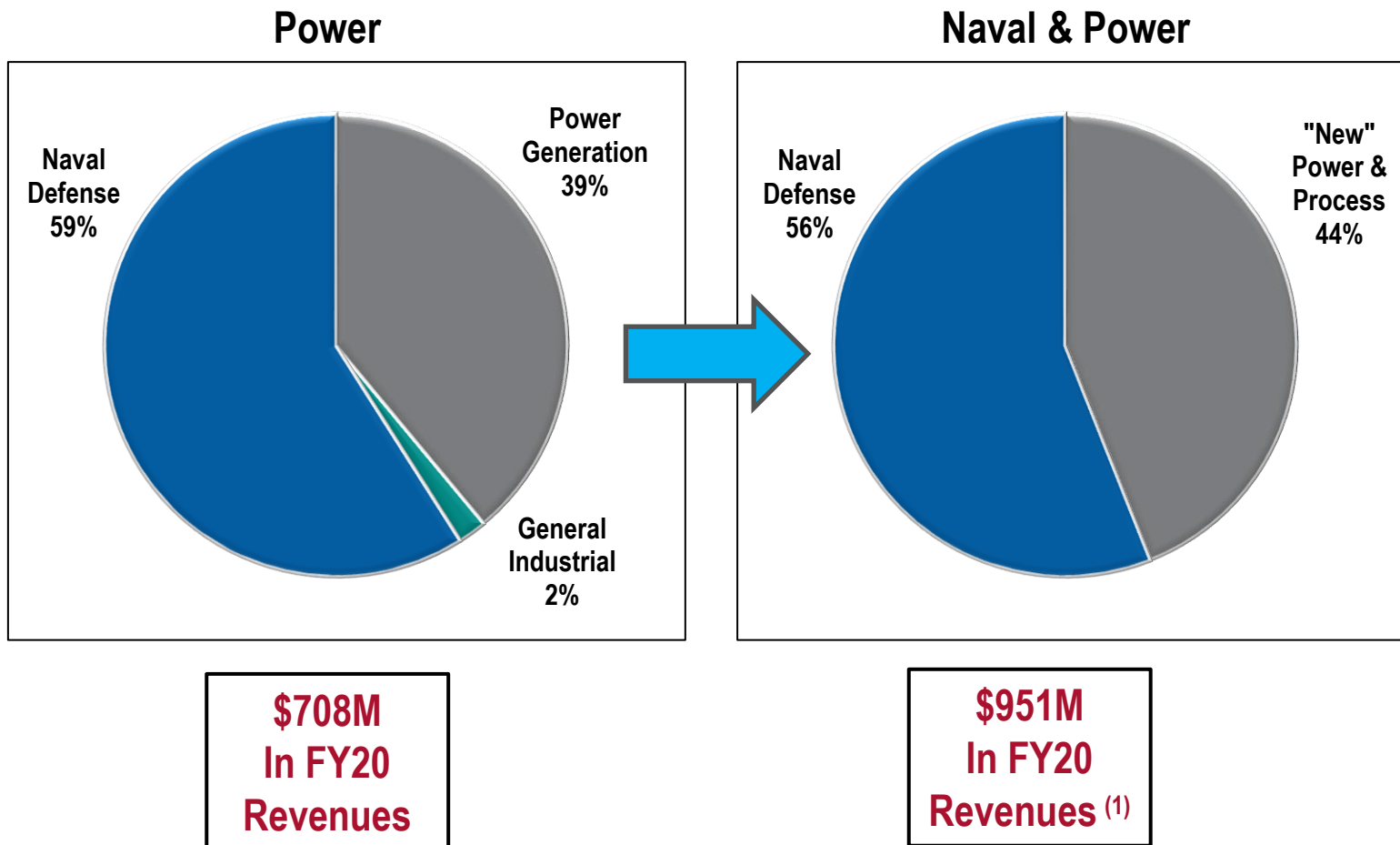
- Global medium & heavy-duty truck and bus production rates
- Global construction, AG & material handling equipment production rates
- Global GDP & Industrial Production Rates
- OEM Production rates (Boeing and Airbus)
- DoD spending (Procurement and RDT&E)

Note: Amounts may not add down due to rounding.

1) Reflects new segment structure based upon the Corporation's first quarter 2021 segment reorganization.

Naval & Power Segment Transition

Division realignment shifts all valves revenue from C/I and Defense segments into new Naval & Power segment
 "New" Power & Process sales concentrated in one segment



Product Focus

- Reactor coolant pumps
- Valves
- Steam turbines
- Generators
- Control and Monitoring

Key Industry Drivers / Metrics

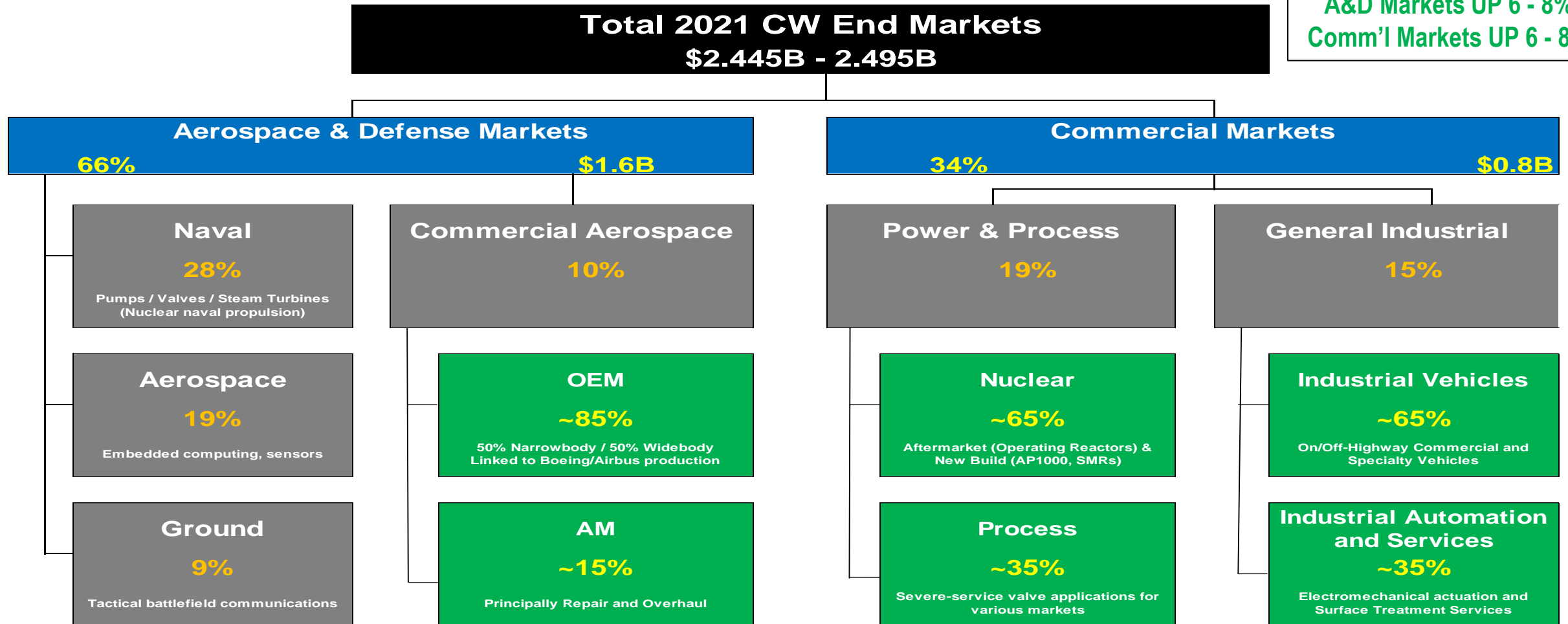
- Naval shipbuilding plan
- U.S. Nuclear Operating Reactors / DOE
- Global new construction market
- Global CapEx spending for process markets

Note: Amounts may not add down due to rounding.

1) Reflects new segment structure based upon the Corporation's first quarter 2021 segment reorganization.

2021E End Market Sales Waterfall (as of February 24, 2021)

FY'21 Guidance:
 Overall UP 6 - 8%
 A&D Markets UP 6 - 8%
 Comm'l Markets UP 6 - 8%



Key Benefits to Realignment:

- Realigns primary end market structure as Aerospace & Defense (2/3) and Commercial (1/3)
- Concentrates same/similar products and markets within the same segment
 - New Power & Process market sales concentrated in new Naval & Power segment
 - All General Industrial sales concentrated in new Aerospace & Industrial segment

2021E End Market Sales Growth (Guidance as of February 24, 2021)

	2021E Growth vs 2020	2021E % Sales	Key Drivers
Aero Defense	2% - 4%	19%	<ul style="list-style-type: none"> Favorable growth on C5ISR and helicopter programs
Ground Defense	100% - 105%	9%	<ul style="list-style-type: none"> Contribution from PacStar acquisition
Naval Defense	Flat	28%	<ul style="list-style-type: none"> Solid growth on aircraft carriers offset by lower sub revenues (timing) Long-term trend intact following 22% growth in 2020
Commercial Aero	Flat	10%	<ul style="list-style-type: none"> Core OEM and Aftermarket stabilizing
Total Aerospace & Defense Markets	6% - 8%	66%	
Power & Process	3% - 5%	19%	<ul style="list-style-type: none"> Higher U.S. nuclear aftermarket partially offset by lower CAP1000 program revenues (timing) Solid growth in valves sales in Process market
General Industrial	9% - 11%	15%	<ul style="list-style-type: none"> Strong rebound across most industrial markets
Total Commercial Markets	6% - 8%	34%	
Total Curtiss-Wright	6% - 8%	100%	Organic growth up 2% - 4%

Notes: Amounts may not add down due to rounding. 2020 financial results and 2021 Adjusted guidance exclude our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited, as well as our German valves business which was classified as held for sale, both in the fourth quarter of 2020.

2021E Financial Outlook (Guidance as of February 24, 2021)

(\$ in millions)	2020 Adjusted ⁽¹⁾ (New Structure)	2021E Adjusted ⁽³⁾	2021E Change vs 2020 Adjusted ⁽²⁾⁽³⁾	
Aerospace & Industrial	\$738	\$745 - 760	1% - 3%	<ul style="list-style-type: none"> Strong rebound in general industrial markets; part. offset by lower A&D
Defense Electronics	\$611	\$740 - 755	21% - 24%	<ul style="list-style-type: none"> Solid organic growth (up 3-6%) driven by higher Aero Defense sales PacStar contributing HSD revenue growth
Naval & Power	\$951	\$960 - 980	1% - 3%	<ul style="list-style-type: none"> Modest sales increases in Power & Process markets
Total Sales	\$2,300	\$2,445 - 2,495	6% - 8%	Organic growth up 2% - 4%
Aerospace & Industrial Margin	\$98 13.3%	\$112 - 115 15.0% - 15.2%	14% - 18% 170 - 190 bps	<ul style="list-style-type: none"> Benefit of PY restructuring savings Segment profitability returning to 2019 levels
Defense Electronics Margin	\$144 23.6%	\$157 - 162 21.2% - 21.4%	9% - 12% (220 - 240 bps)	<ul style="list-style-type: none"> Sales contribution from acquisition dilution to margin Accelerated R&D investments \$6M; Unfavorable mix (more systems work)
Naval & Power Margin	\$171 18.0%	\$172 - 177 18.0% - 18.1%	1% - 4% 0 - 10 bps	<ul style="list-style-type: none"> Benefit of PY restructuring savings Improved segment profitability despite winding down on CAP1000 program
Corporate and Other	(\$38)	(\$38 - 39)	-	
Total Op. Income CW Margin	\$375 16.3%	\$404 - 414 16.5% - 16.6%	7% - 10% +20 - 30 bps	On path to 17% margin despite R&D increase (\$10M)

Note: Amounts may not add down due to rounding.

1) 2020 Adjusted results exclude restructuring costs, first year purchase accounting costs associated with acquisitions, a non-cash impairment of capitalized development costs related to a commercial aerospace program, and one-time transition and IT security costs related to the relocation of the DRG business, as well as a \$10 million non-cash currency translation loss (within non-operating income) related to the liquidation of a foreign legal entity. 2020 financial results excludes our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited, as well as our German valves business which was classified as an asset held for sale, both in the fourth quarter of 2020, and also reflects the first quarter 2021 segment reorganization.

2) 2021 Adjusted guidance excludes our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited, as well as our German valves business which was classified as an asset held for sale, both in the fourth quarter of 2020, first year purchase accounting costs, specifically one-time backlog amortization and transaction costs associated with acquisitions, and pension costs (within non-operating income), and also reflects the first quarter 2021 segment reorganization.

2021E Financial Outlook (Guidance as of February 24, 2021)

(\$ in millions, except EPS)	2020 Adjusted ⁽¹⁾ (New Structure)	2021E Adjusted ⁽²⁾	
Total Operating Income	\$375	\$404 - 414	Solid growth, up 7-10%, despite increased R&D (\$10M)
Other Income/(Expense)	\$21	\$15 - 17	<ul style="list-style-type: none"> ▪ Pension (lower discount rates)
Interest Expense	(\$36)	(\$41 - 42)	<ul style="list-style-type: none"> ▪ Includes full year of \$300M senior notes
Diluted EPS	\$6.59	\$7.00 - 7.20	Solid growth, up 6-9%, despite increased R&D (\$0.18)
Diluted Shares Outstanding	42.0	41.4	<ul style="list-style-type: none"> ▪ Expect minimum \$50 million in share repurchases
Free Cash Flow	\$394	\$330 - 360	Maintain solid FCF generation following record 2020
Free Cash Flow Conversion	137%	114% - 121%	<ul style="list-style-type: none"> ▪ Remain above 110% long-term target
Capital Expenditures	\$37	\$50 - 60	<ul style="list-style-type: none"> ▪ Return to normal discretionary spending
Depreciation & Amortization	\$116	\$115 - 125	

Notes: Amounts may not add down due to rounding. 2020 financial results and 2021 Adjusted guidance exclude our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited, as well as our German valves business which was classified as held for sale, both in the fourth quarter of 2020, and also reflects the first quarter 2021 segment reorganization. Free Cash Flow is defined as cash flow from operations less capital expenditures. FCF Conversion is calculated as free cash flow divided by net earnings from continuing operations. Adjusted FCF Conversion is calculated as adjusted free cash flow divided by net earnings from continuing operations.

1) 2020 Adjusted results exclude restructuring costs, first year purchase accounting costs associated with acquisitions, a non-cash impairment of capitalized development costs related to a commercial aerospace program, and one-time transition and IT security costs related to the relocation of the DRG business, as well as a \$10 million non-cash currency translation loss (within non-operating income) related to the liquidation of a foreign legal entity. 2020 Adjusted Free Cash Flow guidance excludes a voluntary contribution to the Company's corporate defined benefit pension plan of \$150 million, a \$22 million cash impact from restructuring, and a \$10 million capital investment related to construction of a new, state-of-the-art naval facility for the DRG business (Power segment).

2) 2021 Adjusted guidance for operating income and diluted EPS excludes first year purchase accounting costs, specifically one-time backlog amortization and transaction costs associated with acquisitions, and a one-time, \$3 million pension settlement charge related to the retirement of two former executives (within non-operating income).

Curtiss-Wright Remains Well-Positioned for Long-Term Profitable Growth

- **Solid revenue growth across A&D and Commercial markets, up 6% - 8%**
 - Improved organic growth (up 2% - 4%) plus PacStar acquisition providing strong boost to top-line
- **Steady adjusted operating margin expansion to reach 16.5% - 16.6%**
 - Driven by solid top-line growth and savings generated by restructuring actions
 - Increased profitability despite additional R&D investments (\$10M)
 - Long-term goal: Maintain top quartile performance vs. peers
- **Solid growth in adjusted diluted EPS, up 6% - 9%**
- **Strong adjusted free cash flow of \$330 - \$360M; FCF conversion ~117%**
- **Disciplined and focused capital allocation strategy**

Non-GAAP Financial Results

The company reports its financial performance in accordance with accounting principles generally accepted in the United States of America ("GAAP"). This press release refers to "Adjusted" amounts, which are Non-GAAP financial measures described below.

We utilize a number of different financial measures in analyzing and assessing the overall performance of our business, and in making operating decisions, forecasting and planning for future periods. We consider the use of the non-GAAP measures to be helpful in assessing the performance of the ongoing operation of our business. We believe that disclosing non-GAAP financial measures provides useful supplemental data that, while not a substitute for financial measures prepared in accordance with GAAP, allows for greater transparency in the review of our financial and operational performance.

The Company's presentation of its financials and guidance includes an Adjusted (non-GAAP) view that excludes an impairment of a German valves business classified as held for sale, significant restructuring costs in 2020 associated with its operations, including one-time actions taken in response to COVID-19, a non-cash impairment of capitalized development costs related to a commercial aerospace program, first year purchase accounting costs associated with its acquisitions, as well as one-time transition and IT security costs, and capital investments, specifically associated with the relocation of the DRG business in the Power segment. Transition costs include relocation of employees and equipment as well as overlapping facility and labor costs associated with the relocation. We believe this Adjusted view will provide improved transparency to the investment community in order to better measure Curtiss-Wright's ongoing operating and financial performance and better comparisons of our key financial metrics to our peers. Reconciliations of "Reported" GAAP amounts to "Adjusted" non-GAAP amounts are furnished within this release.

Reconciliations of "Reported" GAAP amounts to "Adjusted" non-GAAP amounts are furnished with this presentation. All per share amounts are reported on a diluted basis.

The following definitions are provided:

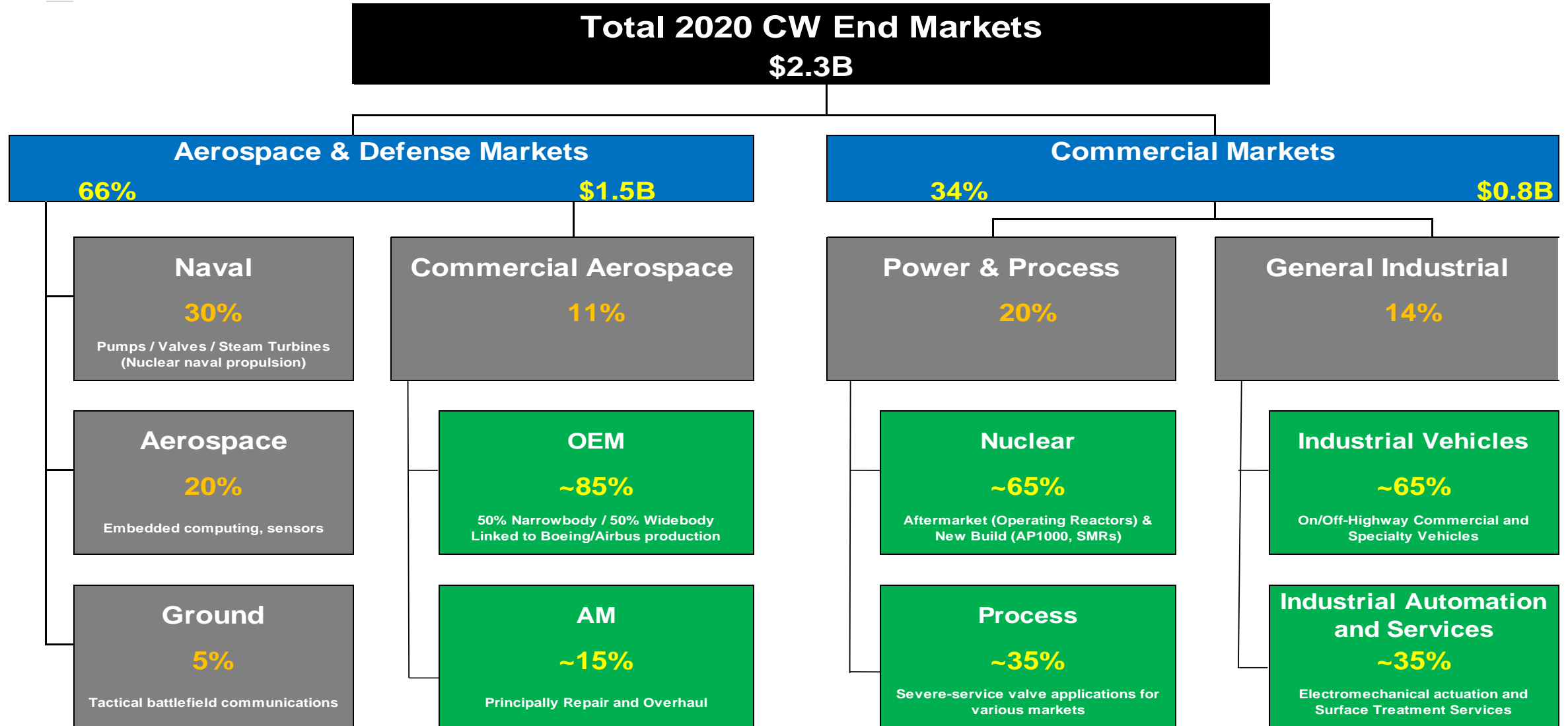
Adjusted Operating Income, Operating Margin, Net Earnings and Diluted EPS

These Adjusted financials are defined as Reported Operating Income, Operating Margin, Net Earnings and Diluted Earnings per Share (EPS) under GAAP excluding: (i) the impact of first year purchase accounting costs associated with acquisitions for current and prior year periods, specifically one-time inventory step-up, backlog amortization and transaction costs; (ii) one-time transition and IT security costs associated with the relocation of a business in the current year period; (iii) the non-cash impairment of capitalized development costs related to a commercial aerospace program; and (iv) significant restructuring costs in 2020 associated with its operations, and (v) an impairment of a German valves business classified as held for sale.

Free Cash Flow and Free Cash Flow Conversion

The Corporation discloses free cash flow because it measures cash flow available for investing and financing activities. Free cash flow represents cash available to repay outstanding debt, invest in the business, acquire businesses, return capital to shareholders and make other strategic investments. Free cash flow is defined as cash flow provided by operating activities less capital expenditures. Adjusted free cash flow excludes: (i) a capital investment in the Power segment related to the new, state-of-the-art naval facility principally for DRG; (ii) a voluntary contribution to the Company's corporate defined benefit pension plan made in the first quarter of 2020; and (iii) the cash impact from restructuring in 2020. The Corporation discloses free cash flow conversion because it measures the proportion of net earnings converted into free cash flow and is defined as free cash flow divided by net earnings from continuing operations. Adjusted free cash flow conversion is defined as Adjusted free cash flow divided by Adjusted net earnings.

2020 End Market Sales Waterfall



Non-GAAP Reconciliation – 2020 vs. 2019 (Adjusted)

CURTISS-WRIGHT CORPORATION
2020 Reconciliation Reported (GAAP) to Adjusted (Non-GAAP)
(Old Segment Structure)
As of February 24, 2021
(\$'s in millions, except per share data)

	2019 Reported (GAAP)	2019 Adjustments ⁽¹⁾ (Non-GAAP)	2019 Adjusted ⁽¹⁾ (Non-GAAP)	2020 Reported (GAAP)	2020 Restructuring Adjustments ⁽²⁾ (Non-GAAP)	2020 Other Adjustments ⁽²⁾ (Non-GAAP)	2020 Adjusted ⁽²⁾ (Non-GAAP)	2020 Chg vs 2019 Adjusted
Sales:								
Commercial/Industrial	\$ 1,138	\$ -	\$ 1,138	\$ 950	\$ -	\$ -	\$ 950	
Defense	626	2	628	734	-	2	736	
Power	724	-	724	708	-	-	708	
Total sales	\$ 2,488	\$ 2	\$ 2,490	\$ 2,391	\$ -	\$ 2	\$ 2,393	(4%)
Operating income:								
Commercial/Industrial	\$ 180	\$ -	\$ 180	\$ 82	\$ 20	\$ 36	\$ 138	
Defense	137	2	140	140	3	23	166	
Power	122	4	126	105	17	3	125	
Total segments	439	7	446	327	41	61	429	
Corporate and other	(35)	-	(35)	(38)	-	-	(38)	
Total operating income	\$ 404	\$ 7	\$ 411	\$ 289	\$ 41	\$ 61	\$ 391	(5%)
Interest expense	\$ (31)	\$ -	\$ (31)	\$ (36)	\$ -	\$ -	\$ (36)	
Other income, net	24	-	24	10	2	10	21	
Earnings before income taxes	397	7	403	263	43	71	377	
Provision for income taxes	(89)	(2)	(90)	(62)	(10)	(17)	(88)	
Net earnings	\$ 308	\$ 5	\$ 313	\$ 201	\$ 33	\$ 54	\$ 289	
Diluted earnings per share	\$ 7.15	\$ 0.12	\$ 7.27	\$ 4.80	\$ 0.78	\$ 1.30	\$ 6.87	(5%)
<i>Diluted shares outstanding</i>	43.0		43.0	42.0			42.0	
<i>Effective tax rate</i>	22.4%		22.4%	23.4%			23.4%	
Operating margins:								
Commercial/Industrial	15.8%	-	15.8%	8.6%	+220 bps	+380 bps	14.5%	(130 bps)
Defense	21.9%	+40 bps	22.3%	19.1%	+40 bps	+310 bps	22.6%	30 bps
Power	16.9%	+50 bps	17.4%	14.8%	+240 bps	+40 bps	17.6%	20 bps
Total operating margin	16.2%	+30 bps	16.5%	12.1%	+170 bps	+260 bps	16.3%	(20 bps)
Free cash flow ⁽³⁾	\$ 352	\$ 19	\$ 371	\$ 214	\$ 20	\$ 160	\$ 394	

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

(1) 2019 Adjusted financials are defined as Reported Operating Income, Operating Margin, Net Income and Diluted EPS under GAAP excluding the impact of first year purchase accounting costs associated with acquisitions (Defense segment), specifically one-time backlog amortization and transaction costs, as well as one-time transition and IT security costs related to the relocation of the DRG business (Power Segment).

(2) 2020 Adjusted financials are defined as Reported Operating Income, Operating Margin, Net Income and Diluted EPS under GAAP excluding restructuring costs, first year purchase accounting costs, specifically one-time backlog amortization and transaction costs associated with acquisitions, a non-cash impairment of capitalized development costs related to a commercial aerospace program, one-time transition and IT security costs related to the relocation of the DRG business, as well as a \$10 million non-cash currency translation loss (within non-operating income) related to the liquidation of a foreign legal entity. 2020 Adjusted financial results also exclude an impairment loss of \$33 million for our industrial valve business in Germany, which was classified as held for sale during the fourth quarter of 2020.

(3) Free Cash Flow is defined as cash flow from operations less capital expenditures. 2019 Adjusted Free Cash Flow excludes a \$19 million capital investment in the Power segment related to construction of a new, state-of-the-art naval facility for the DRG business. 2020 Adjusted Free Cash Flow guidance excludes a \$150 million voluntary contribution made in January to the Company's corporate defined benefit pension plan, a \$20 million cash impact from restructuring, and a \$10 million capital investment related to the new, state-of-the-art naval facility principally for DRG.

Non-GAAP Reconciliation – 2020 vs 2021 (Adjusted)

CURTISS-WRIGHT CORPORATION
2021 Segment Reorganization
As of February 24, 2021
(\$'s in millions, except per share data)

	2020 Adjusted (Non-GAAP) (Prior Structure)	Division Realignment	Exiting Non-Core Operations	2020 Adjusted ^(2,3) (Non-GAAP) (New Segment Structure)	2021 Adjusted Guidance ^(2,4) (Non-GAAP)		
					(New Segment Structure)		2021 Chg vs 2020 Adjusted
					Low	High	
Sales:							
Commercial/Industrial	\$ 950	\$ (144)	\$ (67)	\$ 738	\$ 745	\$ 760	1 - 3%
Defense	736	(125)	-	611	740	755	21 - 24%
Power	708	269	(26)	951	960	980	1 - 3%
Total sales	\$ 2,393	\$ -	\$ (93)	\$ 2,300	\$ 2,445	\$ 2,495	6 to 8%
Operating income:							
Commercial/Industrial	\$ 138	\$ (24)	\$ (16)	\$ 98	\$ 112	\$ 115	14 - 18%
Defense	166	(22)	-	144	157	162	9 - 12%
Power	125	46	-	171	172	177	1 - 4%
Total segments	429	-	(16)	413	441	454	
Corporate and other	(38)	-	-	(38)	(38)	(39)	
Total operating income	\$ 391	\$ -	\$ (16)	\$ 375	\$ 404	\$ 414	7 to 10%
Interest expense	\$ (36)	\$ -	\$ -	\$ (36)	\$ (41)	\$ (42)	
Other income, net	21	-	-	21	15	17	
Earnings before income taxes	377	-	(16)	361	378	389	
Provision for income taxes	(88)	-	4	(85)	(89)	(92)	
Net earnings	\$ 289	\$ -	\$ (12)	\$ 277	\$ 290	\$ 298	
Diluted earnings per share	\$ 6.87	\$ -	\$ (0.29)	\$ 6.59	\$ 7.00	\$ 7.20	6 to 9%
<i>Diluted shares outstanding</i>	<i>42.0</i>			<i>42.0</i>	<i>41.4</i>	<i>41.4</i>	
<i>Effective tax rate</i>	<i>23.4%</i>			<i>23.4%</i>	<i>23.5%</i>	<i>23.5%</i>	
Operating margins:							
Commercial/Industrial	14.5%	NM	NM	13.3%	15.0%	15.2%	170 to 190 bps
Defense	22.6%	NM	NM	23.6%	21.2%	21.4%	(220 to 240 bps)
Power	17.6%	NM	NM	18.0%	18.0%	18.1%	0 to 10 bps
Total operating margin	16.3%	NM	NM	16.3%	16.5%	16.6%	20 to 30 bps
Free cash flow⁽⁵⁾	\$ 394	\$ -	\$ -	\$ 394	\$ 330	\$ 360	

Notes:

(1) Full year amounts may not add due to rounding

(2) The above supplemental financial information by reportable segment for the 2020 and 2021 reporting periods reflects the Corporation's first quarter 2021 segment reorganization.

(3) 2020 Adjusted financials are defined as Reported Operating Income, Operating Margin, Net Income and Diluted EPS under GAAP excluding restructuring costs, first year purchase accounting costs, specifically one-time backlog amortization and transaction costs associated with acquisitions, a non-cash impairment of capitalized development costs related to a commercial aerospace program, and one-time transition and IT security costs related to the relocation of the DRG business, as well as a \$10 million non-cash currency translation loss (within non-operating income) related to the liquidation of a foreign legal entity. 2020 financial results excludes our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited, as well as our German valves business which was classified as held for sale, both in the fourth quarter of 2020.

(4) 2021 Adjusted financials are defined as Reported Operating Income, Operating Margin, Net Income and Diluted EPS under GAAP excluding the first quarter 2021 segment reorganization, our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited, as well as our German valves business which was classified as held for sale, both in the fourth quarter of 2020, first year purchase accounting costs, specifically one-time backlog amortization and transaction costs associated with acquisitions, and a one-time, \$3 million pension settlement charge related to the retirement of two former executives (within non-operating income).

(5) Free Cash Flow is defined as cash flow from operations less capital expenditures. 2020 Adjusted Free Cash Flow guidance excludes a \$150 million voluntary contribution made in January to the Company's corporate defined benefit pension plan, a \$20 million cash impact from restructuring, and a \$10 million capital investment related to the new, state-of-the-art naval facility principally for DRG.

Non-GAAP Reconciliation – 2020 vs 2021 (Adjusted)

CURTISS-WRIGHT CORPORATION
2021 Guidance (New Segment Structure)
As of February 24, 2021
(\$'s in millions, except per share data)

	2020 Adjusted ^(1,3) (Non-GAAP)	2021 Reported Guidance (GAAP)		Exiting Non- Core Operations	2021 Adjustments ⁽²⁾ (Non-GAAP)	2021 Adjusted Guidance ⁽²⁾ (Non-GAAP)		2021 Chg vs 2020 Adjusted
		Low	High			Low	High	
Sales:								
Aerospace & Industrial	\$ 738	\$ 759	\$ 774	\$ (14)	\$ -	\$ 745	\$ 760	1 - 3%
Defense Electronics	611	740	755	-	-	740	755	21 - 24%
Naval & Power	951	991	1,011	(31)	-	960	980	1 - 3%
Total sales	\$ 2,300	\$ 2,490	\$ 2,540	\$ (45)	\$ -	\$ 2,445	\$ 2,495	6 to 8%
Operating income:								
Aerospace & Industrial	\$ 98	\$ 114	\$ 117	\$ (2)	\$ -	\$ 112	\$ 115	14 - 18%
Defense Electronics	144	151	156	-	6	157	162	9 - 12%
Naval & Power	171	174	179	(2)	-	172	177	1 - 4%
Total segments	413	439	452	(4)	6	441	454	
Corporate and other	(38)	(38)	(39)	-	-	(38)	(39)	
Total operating income	\$ 375	\$ 402	\$ 412	\$ (4)	\$ 6	\$ 404	\$ 414	7 to 10%
Interest expense	\$ (36)	\$ (41)	\$ (42)	\$ -	\$ -	\$ (41)	\$ (42)	
Other income, net	21	12	13	-	3	15	17	
Earnings before income taxes	361	373	384	(4)	9	378	389	
Provision for income taxes	(85)	(87)	(90)	1	(2)	(89)	(92)	
Net earnings	\$ 277	\$ 286	\$ 294	\$ (3)	\$ 7	\$ 290	\$ 298	
Diluted earnings per share	\$ 6.59	\$ 6.90	\$ 7.10	\$ (0.07)	\$ 0.17	\$ 7.00	\$ 7.20	6 to 9%
<i>Diluted shares outstanding</i>	<i>42.0</i>	<i>41.4</i>	<i>41.4</i>			<i>41.4</i>	<i>41.4</i>	
<i>Effective tax rate</i>	<i>23.4%</i>	<i>23.5%</i>	<i>23.5%</i>			<i>23.5%</i>	<i>23.5%</i>	
Operating margins:								
Aerospace & Industrial	13.3%	15.0%	15.1%	+10 bps	-	15.0%	15.2%	170 to 190 bps
Defense Electronics	23.6%	20.4%	20.6%	-	+80 bps	21.2%	21.4%	(220 to 240 bps)
Naval & Power	18.0%	17.6%	17.7%	+40 bps	-	18.0%	18.1%	0 to 10 bps
Total operating margin	16.3%	16.1%	16.2%	+20 bps	+20 bps	16.5%	16.6%	20 to 30 bps
Free cash flow	\$ 394	\$ 330	\$ 360	-	-	\$ 330	\$ 360	

Notes: Full year amounts may not add due to rounding. All financial information by reportable segment for the 2020 and 2021 reporting periods reflects the Corporation's first quarter 2021 segment reorganization.

(1) 2020 Adjusted financials are defined as Reported Operating Income, Operating Margin, Net Income and Diluted EPS under GAAP excluding restructuring costs, first year purchase accounting costs, specifically one-time backlog amortization and transaction costs associated with acquisitions, a non-cash impairment of capitalized development costs related to a commercial aerospace program, and one-time transition and IT security costs related to the relocation of the DRG business, as well as a \$10 million non-cash currency translation loss (within non-operating income) related to the liquidation of a foreign legal entity. 2020 financial results excludes our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited, as well as our German valves business which was classified as held for sale, both in the fourth quarter of 2020.

(2) 2021 Adjusted financials are defined as Reported Operating Income, Operating Margin, Net Income and Diluted EPS under GAAP excluding our build-to-print actuation product line supporting the Boeing 737 MAX program which we exited, as well as our German valves business which was classified as held for sale, both in the fourth quarter of 2020, first year purchase accounting costs, specifically one-time backlog amortization and transaction costs associated with acquisitions, and a one-time, \$3 million pension settlement charge related to the retirement of two former executives (within non-operating income).

(3) Free Cash Flow is defined as cash flow from operations less capital expenditures. 2020 Adjusted Free Cash Flow guidance excludes a \$150 million voluntary contribution made in January to the Company's corporate defined benefit pension plan, a \$20 million cash impact from restructuring, and a \$10 million capital investment related to the new, state-of-the-art naval facility principally for DRG.

Non-GAAP Reconciliations – Q4 2020 Results

(In millions, except EPS)	Q4-2020	Q4-2019	Change
Sales	\$ 668.4	\$ 655.8	2%
Reported operating income (GAAP)	\$ 76.5	\$ 120.7	(37%)
Adjustments ⁽¹⁾	<u>56.4</u>	<u>2.5</u>	
Adjusted operating income (Non-GAAP)	\$ 132.8	\$ 123.2	8%
Adjusted operating margin (Non-GAAP)	19.8%	18.8%	100 bps
Reported net earnings (GAAP)	\$ 54.0	\$ 89.4	(40%)
Adjustments, net of tax ⁽¹⁾	<u>45.0</u>	<u>1.9</u>	
Adjusted net earnings (Non-GAAP)	\$ 99.0	\$ 91.3	8%
Reported diluted EPS (GAAP)	\$ 1.30	\$ 2.08	(37%)
Adjustments, net of tax ⁽¹⁾	<u>1.09</u>	<u>0.04</u>	
Adjusted diluted EPS (Non-GAAP)	\$ 2.39	\$ 2.12	12%

(1) Adjusted operating income, operating margin, net earnings and diluted EPS results exclude \$33 million related to an impairment of a German valves business within the Commercial/Industrial segment classified as held for sale, \$12 million in restructuring costs and \$11 million in one-time inventory step-up, backlog amortization and transaction costs for acquisitions. Amounts may not add due to rounding.

Non-GAAP Reconciliation – Organic Results

Three Months Ended								
December 31,								
2020 vs. 2019								
	Commercial/Industrial		Defense		Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Organic	(18)%	(4)%	5%	6%	8%	18%	(5)%	5%
Acquisitions	1%	(1)%	20%	(8)%	0%	0%	6%	(3)%
Impairment of assets held for sale	0%	(67)%	0%	0%	0%	0%	0%	(28)%
Restructuring	0%	(13)%	0%	0%	0%	(16)%	0%	(11)%
Foreign Currency	1%	0%	1%	(1)%	0%	0%	1%	0%
Total	(16)%	(85)%	26%	(3)%	8%	2%	2%	(37)%

Year Ended								
December 31,								
2020 vs. 2019								
	Commercial/Industrial		Defense		Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Organic	(18)%	(25)%	5%	6%	(2)%	0%	(8)%	(10)%
Acquisitions	1%	(1)%	12%	(2)%	0%	0%	4%	(1)%
Impairment of assets held for sale	0%	(18)%	0%	0%	0%	0%	0%	(8)%
Restructuring	0%	(11)%	0%	(3)%	0%	(14)%	0%	(9)%
Foreign Currency	0%	0%	0%	1%	0%	0%	0%	0%
Total	(17)%	(55)%	17%	2%	(2)%	(14)%	(4)%	(28)%

Organic Sales and Organic Operating Income

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

Note: Amounts may not add due to rounding