

**CURTISS -  
WRIGHT**

# INVESTOR BRIEFING

Fourth Quarter 2022

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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 and this presentation that are posted to our website and furnished with the SEC. We undertake no duty to update this information. More information about potential factors that could affect our business and financial results is included in our filings with the Securities and Exchange Commission, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, including, among other sections, under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is on file with the SEC and available at the SEC's website at [www.sec.gov](http://www.sec.gov).

# THE CURTISS-WRIGHT INVESTMENT STORY

## Leveraging the Power of One Curtiss-Wright to Enhance Shareholder Value

1

Strong & Defensible  
MARKET POSITIONS

- #1 or #2 market leader
- High barriers to entry
- Deeply embedded customer relationships

2

Aligned with  
GROWTH VECTORS  
& SECULAR TRENDS

- Aerospace & Defense (A&D) markets (2/3 portfolio)
- Commercial markets (1/3 portfolio)

3

UNIFIED PORTFOLIO  
Positioned to  
Accelerate Growth

- Cross-over technologies
- Inherent synergies
- Resilient through-the-cycle performance

4

Track Record as  
EXCEPTIONAL  
OPERATORS

- Strong balance sheet
- Robust FCF generation
- Lean operating structure
- New Operational Growth Platform

5

Executing  
PIVOT TO GROWTH  
Strategy

- Accelerate organic growth
- Drive growth through operational excellence
- Maintain disciplined capital allocation (prioritizing M&A)

REINVESTING IN THE BUSINESS TO FUEL INNOVATION, PURSUING VALUE-CREATING M&A & DRIVING MARGIN EXPANSION

# CURTISS-WRIGHT AT A GLANCE

**~\$2.5B+**  
2022E Sales

**\$6.4B**  
Market Cap<sup>1</sup>

**Leading Provider of Highly Engineered & Mission Critical Technologies in Aerospace & Defense, Commercial Power, Process & Industrial Markets**

## BROAD & INTEGRATED PORTFOLIO

2022E Sales by End Market

### AEROSPACE & DEFENSE

**66%**



*Aerospace, Ground & Naval Defense*  
(55%)



*Commercial Aero*  
(11%)

### COMMERCIAL

**34%**



*Power & Process*  
(18%)

*General Industrial*  
(16%)

**SYNERGIES AND CROSS-SELLING OPPORTUNITIES ACROSS THE PORTFOLIO**

## GLOBAL FOOTPRINT

2022E Sales by Geography

**77%**

N. America

**13%**

Europe

**10%**

Asia

**90**

Countries Served

**40**

Major Sites (>50 employees)

**8.0K**

Employees

**1.8K**

Engineers

<sup>1</sup> Market Cap as of 10/31/2022

Note: FY 2022 guidance includes partial year sales contribution from engineered arresting systems acquisition.





## OUR AMBITION

To better the world by enabling strong national defenses, energy independence, and sustainable commercial applications through our highly engineered, mission critical solutions.

# CORE CAPABILITIES DRIVE SUSTAINABLE COMPETITIVE ADVANTAGES

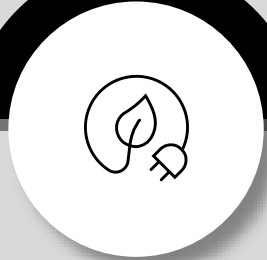
## STRONG TECHNICAL EXPERTISE

managing and designing to meet customer needs and reduce risk



## DECADES OF KNOWLEDGE TRANSFER

since inception in most of our major markets



## GLOBAL FOOTPRINT

engineering, sales, support and manufacturing



## LONG-STANDING CUSTOMER RELATIONSHIPS

Deeply embedded in workflows



## HIGHLY ENGAGED CULTURE

dedicated to integrity, excellence and innovation



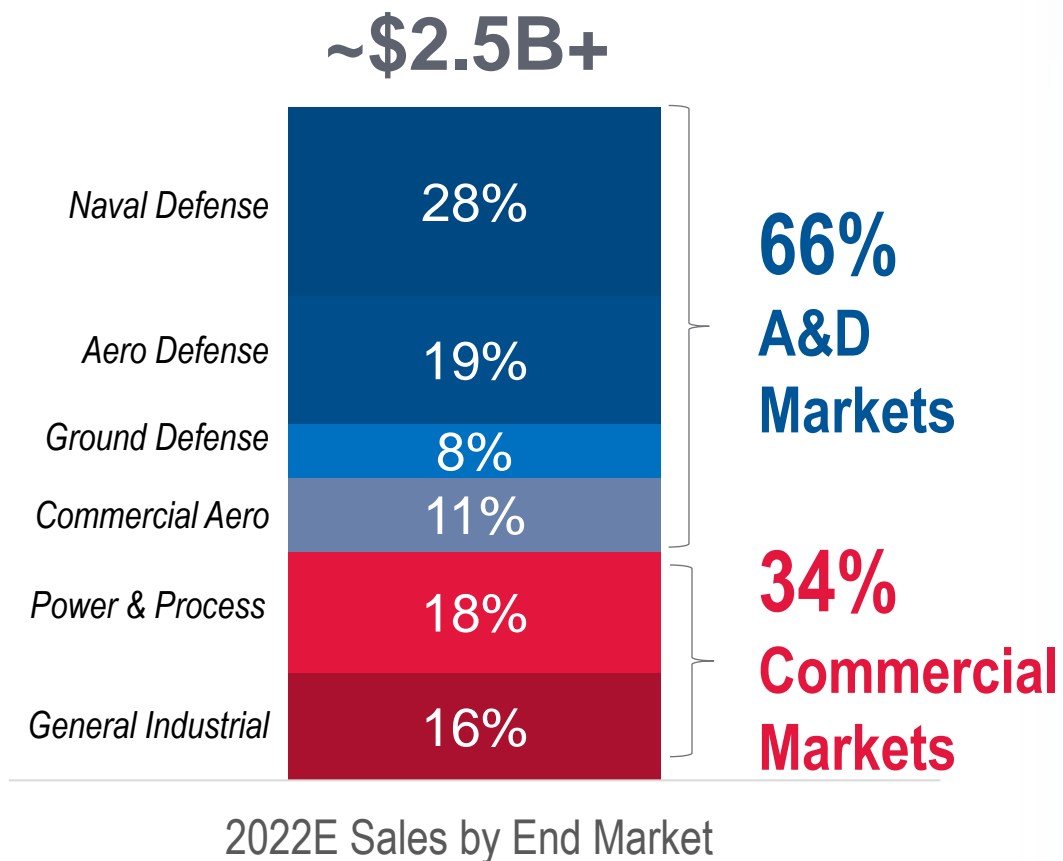
## UNIQUE INNOVATIVE SOLUTIONS

High IP to enhance safety, reliability and performance



MARKET LEADER WITH #1 OR #2 REVENUE SHARE ACROSS THE MAJORITY OF OUR CRITICAL NICHE MARKETS

# PROACTIVELY TARGETING HIGHEST GROWTH VECTORS IN ATTRACTIVE END MARKETS



Secular Trends Playing to our Strengths:

**Elevated threat environment from U.S. adversaries**  
driving urgency for global defense spending and strong global shipbuilding base; "Return to Major Power Competition"

**Advancement of high-tech battlefield**  
driving increased demand for more sophisticated technologies

**Move to electrification**  
across a broad range of air, land and sea platforms

**Drive to carbon-free energy & energy independence**  
promotes need for nuclear innovation and safety and advanced products to enhance nuclear plant efficiency and reliability

# DEFENSE MARKETS

## PROVEN ABILITY TO LEVERAGE GROWTH IN GLOBAL DEFENSE SPENDING

### STRONG & DEFENSIBLE MARKET POSITION

#### LT Visibility Across Key Platforms

*Ford-class Aircraft Carrier,  
Columbia-class & Virginia-class  
Submarines, F-35 Fighter Jet*

#### Defense Electronics Well-insulated

*325 Platforms, >3,000 Programs  
Past 10 Years*

**Numerous Sole Source Positions and Strong IP Content** Across Portfolio

### ALIGNED WITH LEADING GROWTH DRIVERS

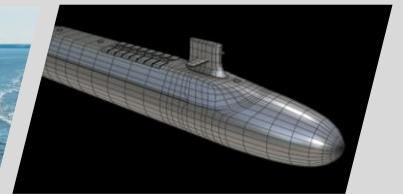
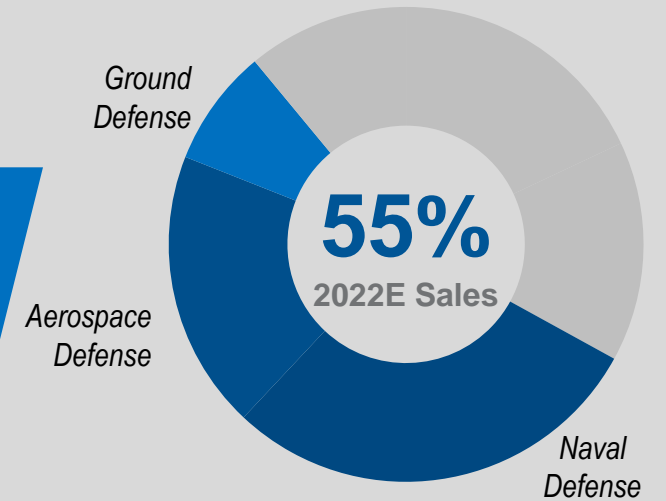
#### DoD Priorities

Naval Shipbuilding (Columbia Platform is #1 priority), C5ISR, Army Modernization

#### Technological Trends

Modular Open Systems Approach (MOSA), Cyber, Security, Net-centric Connected Battlefield, Hypersonics, Electrification of Army Vehicles

#### Increased NATO / FMS Spending





# COMMERCIAL AEROSPACE MARKET

## OPPORTUNITIES FOR GROWTH BEYOND STRONG OEM FOUNDATION

### BROAD & RELEVANT PRODUCT PORTFOLIO

**Strong Presence on Majority of  
Commercial Aircraft Programs**

*80% OEM / 20% Aftermarket*

### Portfolio of Highly Relevant Solutions

*Actuation, High Temp and High  
Accuracy Sensors, Surface  
Treatment Services, Avionics*

### ALIGNED WITH LEADING GROWTH DRIVERS

- **Acceleration in Narrowbody  
Production through 2025**
- **Emerging Platforms**
  - All-Electric Aircraft
  - Advanced Air Mobility
- **Technological Trends**
  - Electrification
  - Green Initiatives / Emissions  
Reduction
  - Fuel Efficiency

Commercial  
Aerospace



# POWER & PROCESS MARKET

## RENEWING THE CORE & ALIGNING TO NEXT-GEN TECHNOLOGIES

### STRONG & RELEVANT PRODUCT PORTFOLIO

#### Enhancing Power Plant Efficiency And Reliability

*Long-standing Aftermarket Presence*

#### Critical Supplier to the World's Safest Nuclear Reactor

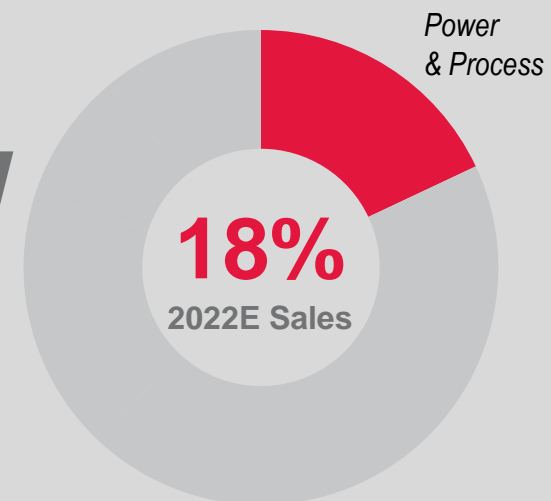
*Reactor Coolant Pumps (RCPs) on  
Gen III+ Westinghouse AP1000*

#### Supporting Next-Gen Solutions

*Small Modular Reactors (SMRs),  
Advanced Reactors (ARs),  
Cryogenic Safety Relief Valves*

### ALIGNED WITH LEADING GROWTH DRIVERS

- **Renewed Interest in Commercial Nuclear Power**  
Increasing Focus on Reducing Carbon Emissions and Energy Independence
- **Sustainment of Global Nuclear Operating Reactor Fleet**
- **Global Growth in Gen III+ & Gen IV Projects**
- **Subsea Oil & Gas Solutions**
- **Cross-market Demand for Critical Valve Technologies**



# GENERAL INDUSTRIAL MARKET

## TECHNOLOGIES THAT ADVANCE CUSTOMER EFFICIENCY, SAFETY AND REDUCED EMISSIONS

### WELL-ESTABLISHED MARKET POSITIONS

#### **Broad Portfolio Of Highly- engineered Products & Services**

Promoting Efficiency, Safety,  
Reduced Emissions & Longevity

#### **Trusted Supplier**

*Long & Well-Established  
Customer Relations;  
"Own the Cab"*

### ALIGNED WITH LEADING GROWTH DRIVERS

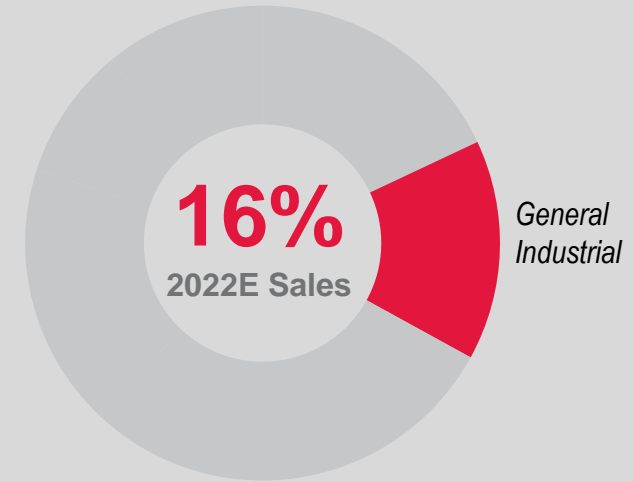
#### **Advancing Green Technologies**

Push for Zero / Low-emission Vehicles  
Improving Engine Efficiency  
Electrification

#### **Electronification of Vehicle Platforms**

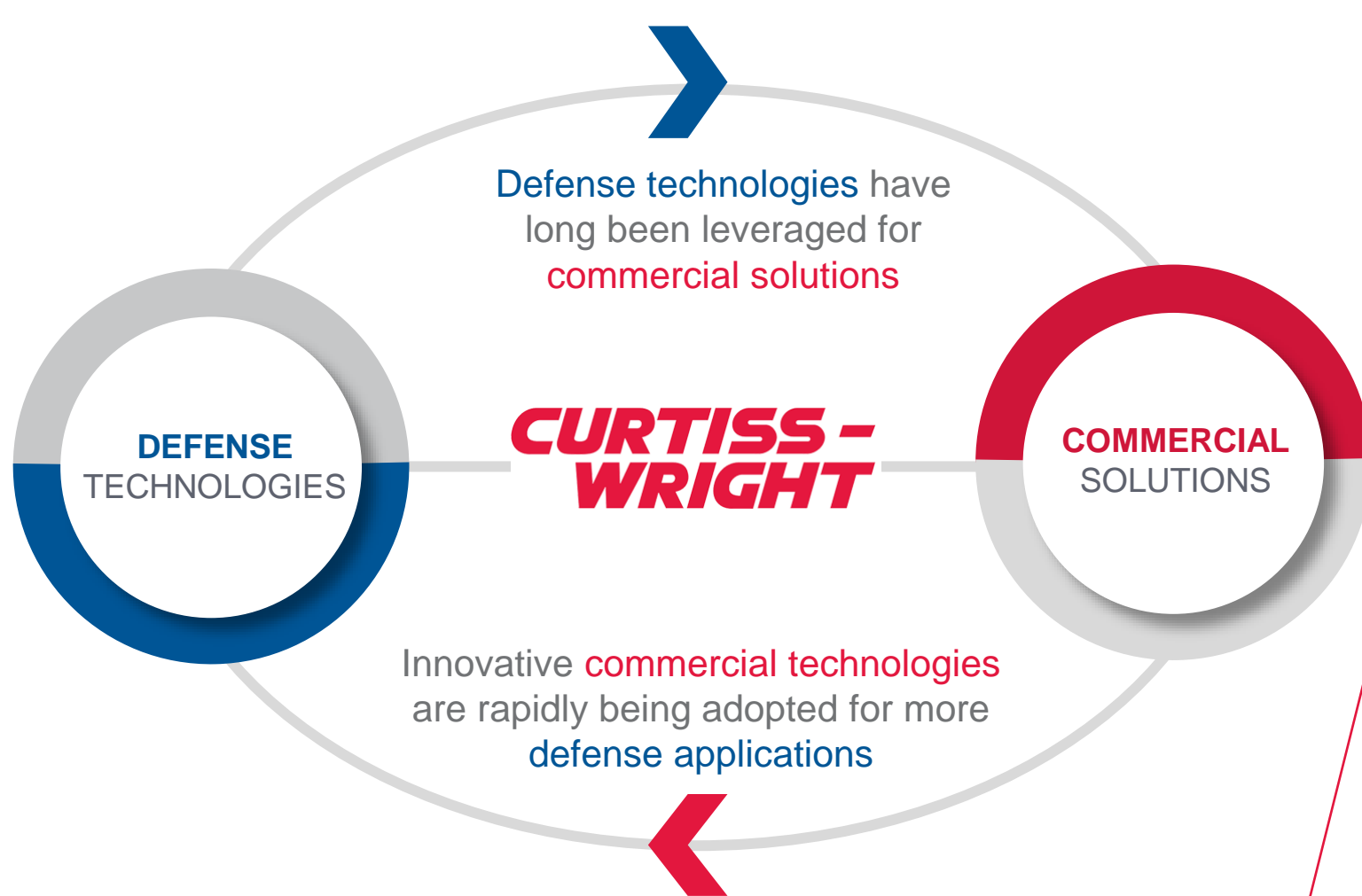
Human Machine Interface (HMI)  
Internet of Things (IoT)

#### **Industrial Automation & Robotics**

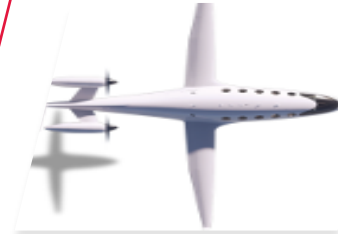


# THE POWER OF ONE CURTISS-WRIGHT:

Positioned to Leverage Cross-Over Technologies to Accelerate Growth Across the Portfolio



## CROSS-OVER TECHNOLOGY EXAMPLES



Industrial Electrification Applied to Commercial Aircraft / Green Aviation



Flight Data & Cockpit Voice Recorders for Defense Applications Used for Commercial Jets



Commercially Developed Surface Treatments to Sustain F-35 Fighter Jets

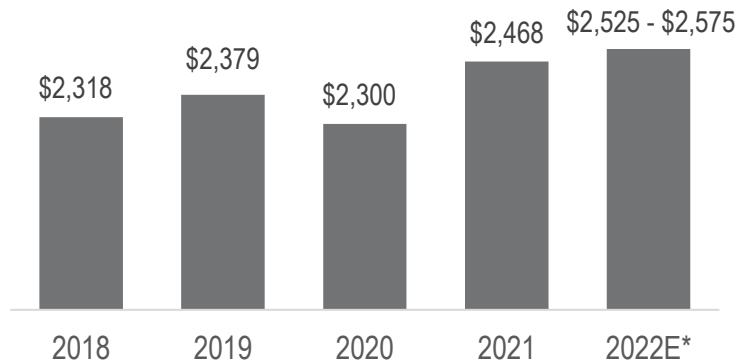


Industrial and Defense Collaboration on Military Ground Vehicle Electrification

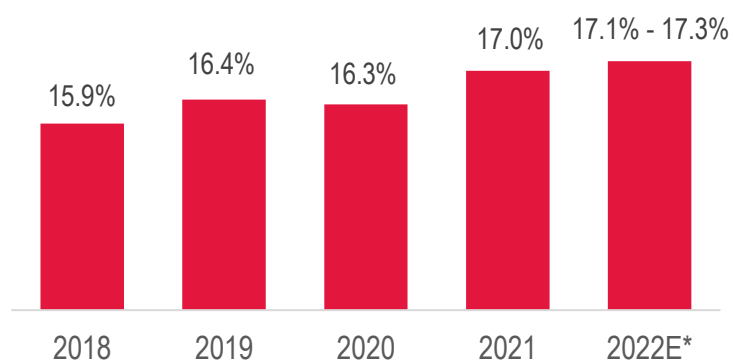


# STRONG FOUNDATION OF FINANCIAL & OPERATIONAL EXCELLENCE

## ADJ. NET SALES (\$M)



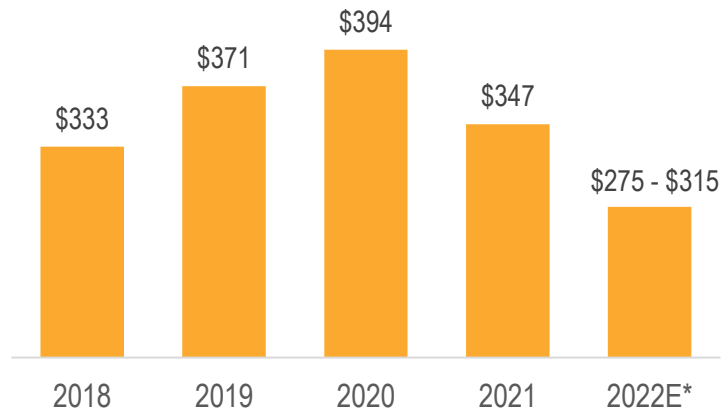
## ADJ. OPERATING MARGIN



## ADJ. DILUTED EPS



## ADJ. FREE CASH FLOW (\$M)



## 2022 GUIDANCE HIGHLIGHTS

- **2% - 4% Sales growth (weighted to H2)**
  - Driven by increases in A&D and Commercial markets
- **Continued Operating Margin expansion**
  - Expect 10 - 30 bps increase to 17.1% - 17.3%
  - Including continued incremental R&D investments
- **10% - 12% EPS growth driven by improved profitability and benefit of share repurchase**
- **Growing order book and strong backlog provide visibility and confidence in long-term outlook**

2019-2022E Adjusted financials per Company 8-K filings; 2018 P&L excludes Boeing build-to-print business and Phonix divestiture; Refer to Non-GAAP Financials Results disclaimer for definition of Adjusted Financials

Note: FY 2022 guidance includes partial year sales contribution from engineered arresting systems acquisition.

# COMMITTED TO ADVANCING OUR ESG EFFORTS

to drive value for our team members, customers, shareholders and communities we serve



## ENVIRONMENTAL

- Compiling energy/waste data across CW
- Technology supporting low or zero-emissions energy sources



## SOCIAL

- Strive for best-in-class safety performance
- Employee training, development & engagement
- Supply chain management – safety, human rights and product quality
- Corporate philanthropy & giving



## GOVERNANCE

- Board oversight of ESG
- Strong Board diversity (30% female directors)
- Independent lead director

### OUR PROGRESS:

- Long track record of strong governance and safety metrics
- MSCI ESG rating of “A”
- Board / executive oversight
- Created cross-functional ESG council
- Launched Sustainability website
- Company-wide EHS management system

### OUR FUTURE COMMITMENTS:

- Disclose 3-year energy data by end of 2023
- Establish long term ESG milestones and goals
- Continued transparency with our progress

PORTFOLIO SUPPORTS GREEN TECHNOLOGIES, ENERGY INDEPENDENCE & NATIONAL SECURITY



# PIVOT TO GROWTH STRATEGY FOR LONG-TERM PROFITABLE GROWTH

1

**Accelerate  
Organic  
Growth**

Through Innovation  
and Collaboration

2

**Drive Growth  
Through  
Continued  
Operational  
Excellence**

3

**Maintain  
Disciplined  
Capital  
Allocation**

Utilize M&A as a  
Strategic  
Accelerator

**Maximizing Revenue And Operating Income Growth For Our Shareholders**



# ON TRACK TO ACHIEVE 3-YEAR FINANCIAL TARGETS (2021-2023)



5-10%  
Total Revenue  
CAGR  
*(3-5% Organic)*



Operating  
Income  
Growth >  
Revenue  
Growth



Top Quartile  
Margin  
Performance<sup>1</sup>



≥ 10%  
Adj. EPS  
CAGR



> 110%  
Free Cash  
Flow  
Conversion



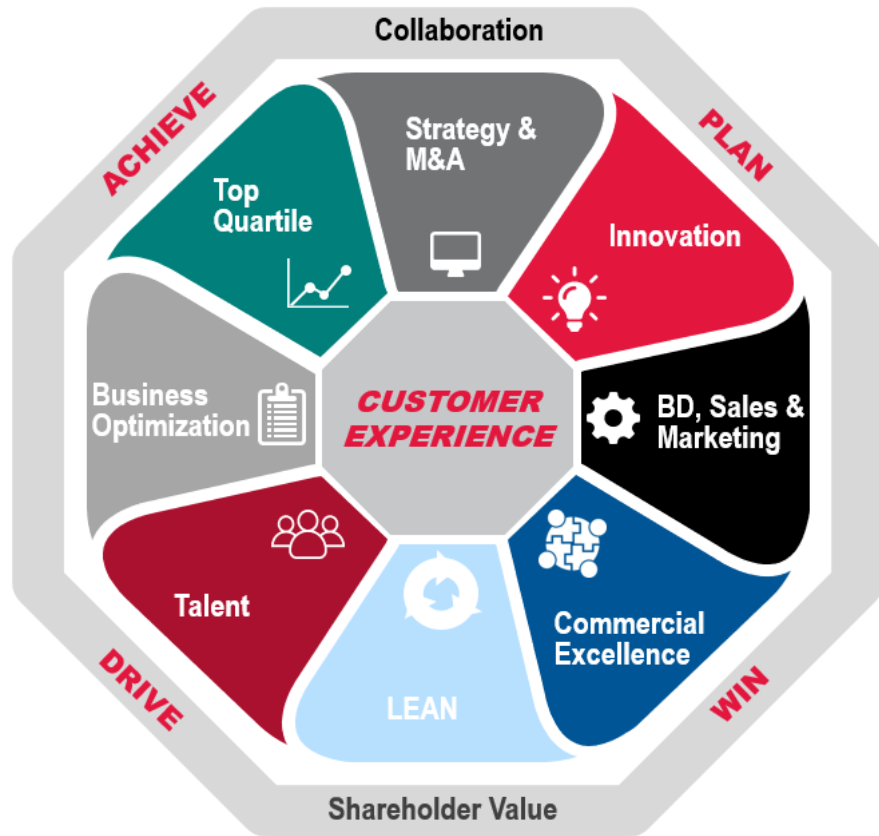


Multiple Growth Levers

- ✓ **LEVERAGING INNOVATION OPERATING SYSTEM**  
*to drive visibility of ideas & new solutions across CW*
- ✓ **MAXIMIZING R&D AND IP COLLABORATION**  
*to expand our capabilities*
- ✓ **TARGETING NEW AND ADJACENT MARKETS**  
*that play to our strengths and provide attractive growth opportunities*
- ✓ **LEVERAGING CROSS-OVER TECHNOLOGIES**  
*that build upon the strength of combined CW portfolio*
- ✓ **REALIGNING INCENTIVES**  
*to enhance growth focus*

Well-positioned for  
**LONG-TERM  
GROWTH ACROSS  
THE PORTFOLIO**

Building on Established Positions in Critical Technologies & Ensuring Technology Leadership



OUR OPERATIONAL GROWTH PLATFORM (OGP)

## BENEFITS

- Reinvigorated innovation and collaboration
- New opportunities in commercial excellence and strategic pricing
- Improved business development, sales and engineering collaboration
- Greater customer satisfaction and retention

Driving savings to cover acquisition integration, invest in R&D or result in margin expansion



Use of Cash  
2016 – 2022E

**\$1.4B**

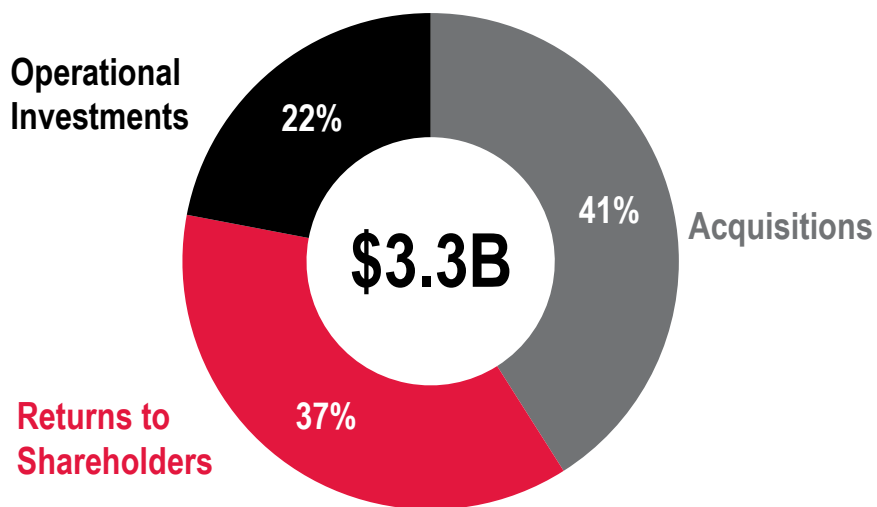
Acquisitions  
• 7 Deals • 6 A&D • 1 Commercial

**\$1.2B**

Returns to Shareholders  
• \$1.0B Buybacks • \$195M Dividends  
Avg: \$150M+/yr Avg: \$28M/yr

**\$0.7B**

Operational Investments  
• CapEx • Pension funding • Debt repayment



Future Priorities

- M&A remains the top priority (SAA acquisition closed Jun'22)\*
- Seeking operational investments with the highest returns
- Maintain consistent return to shareholders
  - 2021 Repo \$350M RECORD (up from \$200M in 2020)
  - 2022 Dividend \$29M (increases in-line with LT sales growth)
  - 2022 Repo \$50M Min

ENABLED BY STRONG AND FLEXIBLE BALANCE SHEET AND CONSISTENT FREE CASH FLOW GENERATION



## STRATEGIC FILTERS

Unique, High-Value IP

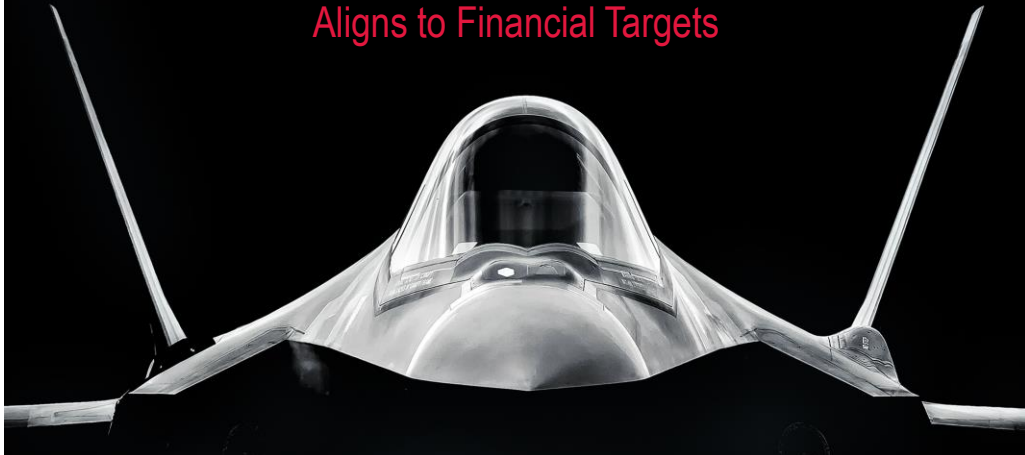
Market, Customer, Product Alignment

Operations and Supply Chain Alignment

Clear Synergies, Leverages CW's Operational Excellence

High Barriers to Entry

Aligns to Financial Targets



## FINANCIAL FILTERS

- Long-term Sustainable Organic Growth
- Operating Income Growth > Revenue Growth
- Supports Corporate-wide Top Quartile Financial Performance
- Adjusted EPS<sup>1</sup> Accretive in Year 1
- FCF Conversion > 100% (Average)
- ROIC > Cost of Capital by Year 3

<sup>1</sup> Excludes first year purchase accounting costs



# BUILDING ON SUCCESSFUL M&A TRACK RECORD



DRG Business  
(SAS and Fleet)



STRATEGIC FILTERS

Acquisition Close	January 2017	April 2018	December 2019	March 2020	November 2020	June 2022
Annual Sales Added <sup>1</sup>	\$65M	\$95M	\$48M	\$25M	\$120M	\$70M*
Unique, High-Value IP	✓	✓	✓	✓	✓	✓
Market, Customer, Product Alignment	✓	✓	●	✓	✓	✓
Operations and Supply Chain Alignment	✓	●	✓	✓	✓	✓
Clear Synergies, Leverages CW's Op. Excellence	✓	✓	✓	✓	✓	✓
High Barriers to Entry	✓	✓	✓	✓	✓	✓
Tracking to Financial Targets	✓	✓	✓	●	✓	*
Acquisition Impact / Market Capabilities	<ul style="list-style-type: none"> <li>Increased breadth of product portfolio (flight test instrumentation)</li> <li>Geographic expansion</li> <li>Ability to cross-sell</li> </ul>	<ul style="list-style-type: none"> <li>Increased footprint (expanded nuclear naval shipset content)</li> <li>Aftermarket fleet services</li> <li>Ability to cross-sell</li> </ul>	<ul style="list-style-type: none"> <li>Increased breadth of naval product portfolio (ruggedized shipboard enclosure solutions)</li> <li>Increased footprint</li> <li>Ability to cross-sell (non-nuclear vessels)</li> </ul>	<ul style="list-style-type: none"> <li>Increased breadth of industrial valve portfolio</li> <li>Enhanced our leadership position</li> <li>Ability to cross-sell (nuclear market)</li> </ul>	<ul style="list-style-type: none"> <li>Increased breadth of embedded computing portfolio; proprietary software</li> <li>Ability to cross-sell: CW (intra-platform) + PacStar (inter-platform)</li> </ul>	<ul style="list-style-type: none"> <li>Increases breadth of global defense portfolio</li> <li>Establishes CW as leading global supplier of fixed-wing aircraft recovery and arresting systems</li> </ul>

1. As disclosed at time of acquisition ✓ = Meets Expectations ● = Continued Opportunity

\*On June 30, 2022, Curtiss-Wright completed the acquisition of the Safran aerospace arresting systems business.

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# Appendix

# NON-GAAP FINANCIAL INFORMATION

The Corporation supplements its financial information determined under U.S. generally accepted accounting principles (GAAP) with certain non-GAAP financial information. Curtiss-Wright believes that these Adjusted (non-GAAP) measures provide investors with improved transparency in order to better measure Curtiss-Wright's ongoing operating and financial performance and better comparisons of our key financial metrics to our peers. These non-GAAP measures should not be considered in isolation or as a substitute for the related GAAP measures, and other companies may define such measures differently. Curtiss-Wright encourages investors to review its financial statements and publicly filed reports in their entirety and not to rely on any single financial measure. Reconciliations of "Reported" GAAP amounts to "Adjusted" non-GAAP amounts are furnished within the Company's earnings press release.

The following definitions are provided:

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

These Adjusted financials are defined as Reported Sales, Operating Income, Operating Margin, Net Earnings and Diluted Earnings per Share under GAAP excluding: (i) the impact of first year purchase accounting costs associated with acquisitions in the prior year, specifically one-time inventory step-up, backlog amortization, deferred revenue adjustments and transaction costs; (ii) the sale or divestiture of a business or product line; (iii) pension settlement charges; and (iv) significant legal settlements, impairment costs, and costs associated with shareholder activism, as applicable.

## Organic Sales and Organic Operating Income

The Corporation discloses organic sales and organic operating income because the Corporation believes it provides investors with insight as to the Company's ongoing business performance. Organic sales and organic operating income are defined as sales and operating income, excluding contributions from acquisitions made during the last twelve months, loss on divestiture of the German valves business, and foreign currency fluctuations.

## Free Cash Flow and Free Cash Flow Conversion

The Corporation discloses free cash flow because it measures cash flow available for investing and financing activities. Free cash flow represents cash available to repay outstanding debt, invest in the business, acquire businesses, return capital to shareholders and make other strategic investments. Free cash flow is defined as net cash provided by operating activities less capital expenditures. Adjusted free cash flow for 2022 excludes: (i) payments associated with the Westinghouse legal settlement and (ii) executive pension payments. The Corporation discloses adjusted free cash flow conversion because it measures the proportion of net earnings converted into free cash flow and is defined as adjusted free cash flow divided by adjusted net earnings.

## EBITDA

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



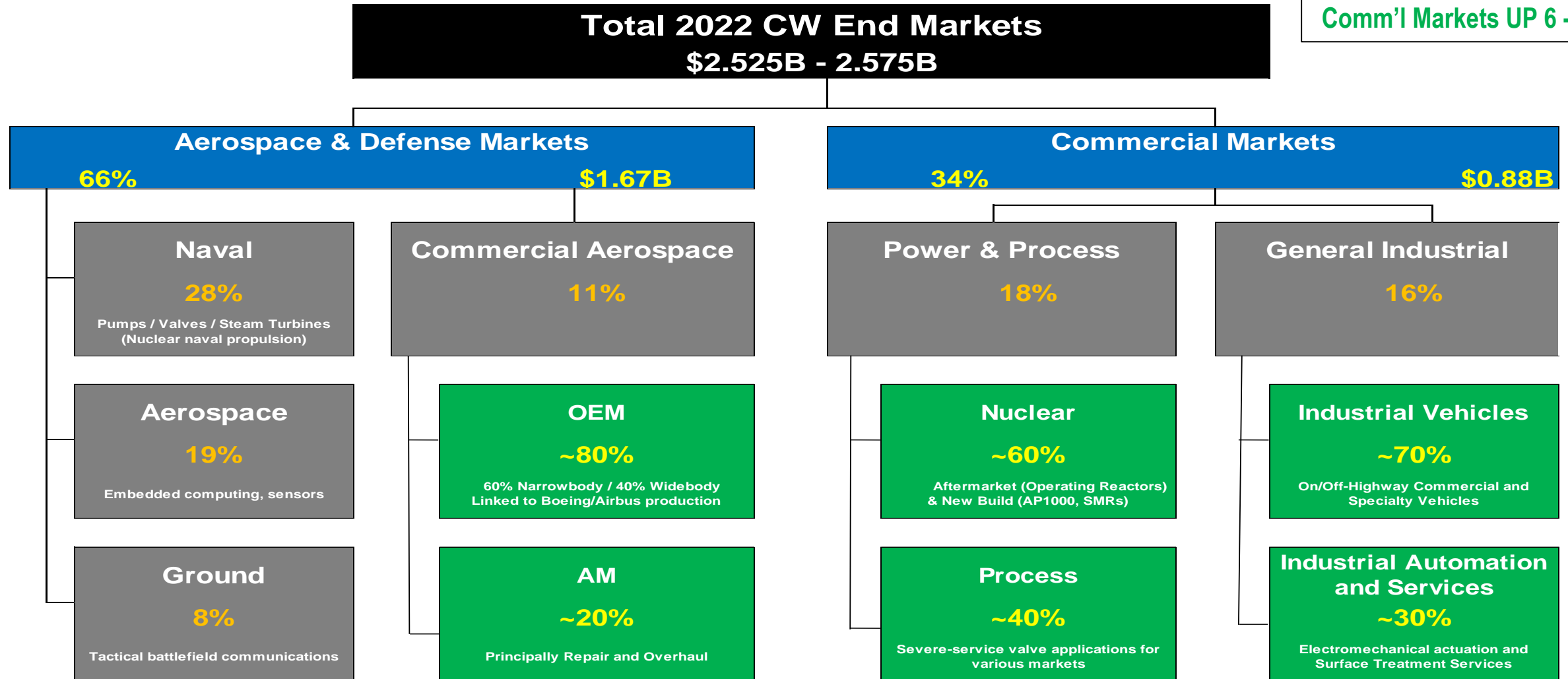
# 2022E END MARKET SALES WATERFALL (as of November 2, 2022)

**FY'22 Adjusted Guidance:**

Overall UP 2 - 4%

A&D Markets UP 1 - 3%

Comm'l Markets UP 6 - 8%



Note: Amounts may not add down due to rounding.

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

# 2022 END MARKET SALES GROWTH GUIDANCE (As of November 2, 2022)

Updated (in blue)

	2022E Growth vs 2021 (Prior)	2022E Growth vs 2021 (Current)	2022E % Sales	
Aerospace Defense	9% - 11%	3% - 5%	19%	<ul style="list-style-type: none"> <li>Contribution from arresting systems acquisition; Timing of defense electronics revenues</li> </ul>
Ground Defense	(1% - 3%)	(7% - 9%)	8%	<ul style="list-style-type: none"> <li>Timing of tactical communications equipment revenues</li> </ul>
Naval Defense	1% - 3%	Flat	28%	<ul style="list-style-type: none"> <li>Solid revenue growth on CVN-81 aircraft carrier and Columbia-class submarine offset by lower CVN-80 A/C and Virginia-class submarine revenues</li> </ul>
Commercial Aero	9% - 11%	9% - 11%	11%	<ul style="list-style-type: none"> <li>Strong recovery in OEM (mainly narrowbody) and Aftermarket</li> </ul>
<b>Total Aerospace &amp; Defense</b>	<b>4% - 6%</b>	<b>1% - 3%</b>	<b>66%</b>	<b>Defense markets impacted by supply chain and delayed signing of FY22 budget</b>
Power & Process	4% - 6%	5% - 7%	18%	<ul style="list-style-type: none"> <li>Strong U.S. nuclear aftermarket and Gen IV SMR revenues, partially offset by lower CAP1000 program revenues (wind down)</li> <li>Strong growth in valves sales to process market</li> </ul>
General Industrial	6% - 8%	6% - 8%	16%	<ul style="list-style-type: none"> <li>Continued strength in industrial vehicles</li> </ul>
<b>Total Commercial</b>	<b>5% - 7%</b>	<b>6% - 8%</b>	<b>34%</b>	<b>Continued strong demand in Comm'l markets, up ~10% ex. CAP1000</b>
<b>Total Curtiss-Wright</b>	<b>4% - 6%</b>	<b>2% - 4%</b>	<b>100%</b>	<b>Organic sales of 2 to 4%</b>

# 2022 FINANCIAL GUIDANCE (As of November 2, 2022)

Updated (in blue)

(\$ in millions)	2022E Adjusted (Prior)	2022E Adjusted (Current)	% Change vs 2021	
Aerospace & Industrial	\$820 - 840	\$820 - 840	6% - 8%	<ul style="list-style-type: none"> <li>Strong growth in Commercial Aerospace and General Industrial markets</li> </ul>
Defense Electronics	\$720 - 735	\$675 - 690	(7%) - (5%)	<ul style="list-style-type: none"> <li>A&amp;D sales growth impacted by timing; Expecting supply chain improvement in 2023</li> <li>Lower Aerospace Defense (embedded computing) and Ground Defense (tactical communications)</li> </ul>
Naval & Power	\$1,030 - 1,045	\$1,030 - 1,045	7% - 8%	<ul style="list-style-type: none"> <li>Naval Defense growth LSD driven by CVN-81 aircraft carrier and Columbia-class submarine</li> <li>Strong growth in Nuclear Aftermarket and Process, part. offset by wind down on CAP1000 program</li> <li>Reflects ½ year contribution from acquisition (\$40M)</li> </ul>
<b>Total Sales</b>	<b>\$2,570 - 2,620</b>	<b>\$2,525 - 2,575</b>	<b>2% - 4%</b>	
Aerospace & Industrial Margin	\$133 - 137 16.2% - 16.4%	\$135 - 139 16.4% - 16.6%	12% - 16% 90 - 110 bps	<ul style="list-style-type: none"> <li>Strong absorption on higher sales</li> <li>Benefit of ongoing operational excellence and pricing initiatives</li> </ul>
Defense Electronics Margin	\$160 - 165 22.2% - 22.4%	\$150 - 155 22.2% - 22.4%	(9%) - (6%) (20 - 40) bps	<ul style="list-style-type: none"> <li>Unfavorable absorption on lower A&amp;D revenues</li> </ul>
Naval & Power Margin	\$186 - 190 18.0% - 18.2%	\$186 - 190 18.0% - 18.2%	6% - 8% (20) - 0 bps	<ul style="list-style-type: none"> <li>Higher Nuclear AM and Process sales offset by wind down on profitable CAP1000 program</li> <li>Solid incremental margin expansion excl. CAP1000 impact</li> <li>Acquisition accretive to operating income, but initially dilutive on operating margin</li> </ul>
Corporate and Other	(\$39 - 40)	(\$38 - 39)	2% - 5%	
<b>Total Op. Income CW Margin</b>	<b>\$439 - 452 17.1% - 17.3%</b>	<b>\$433 - 444 17.1% - 17.3%</b>	<b>3% - 6% +10 - 30 bps</b>	<b>Continued Margin Expansion despite reduced top-line outlook and CAP1000 wind down</b>

# 2022 FINANCIAL GUIDANCE (As of November 2, 2022)

Updated (in blue)

(\$ in millions, except EPS)	2022E Adjusted (Prior)	2022E Adjusted (Current)	% Change vs 2021	
<b>Total Sales</b>	\$2,570 - 2,620	<b>\$2,525 - 2,575</b>	<b>2% - 4%</b>	
<b>Total Operating Income</b>	\$439 - 452	<b>\$433 - 444</b>	<b>3% - 6%</b>	<b>Growth in operating income exceeds sales</b>
Other Income	\$17 - 18	\$17 - 18		
Interest Expense	(\$44 - 45)	<b>(\$46 - 47)</b>		Reflects use of revolver and new financing
<b>Diluted EPS</b>	<b>\$8.10 - 8.30</b>	<b>\$8.05 - 8.20</b>	<b>10% - 12%</b>	<b>Maintain double-digit long-term growth rate</b>
Diluted Shares Outstanding	38.6 - 38.8	<b>38.6</b>		Min. \$50M share repurchase in '22
<b>Free Cash Flow</b>	<b>\$345 - 365</b>	<b>\$275 - 315</b>		<ul style="list-style-type: none"> <li>▪ Timing of Defense revenues</li> <li>▪ Delayed receipt of significant payment expected upon final delivery of CAP1000 reactor coolant pumps to China to align with customer's project schedule</li> </ul>
Free Cash Flow Conversion	>110%	<b>90% - 100%</b>		<ul style="list-style-type: none"> <li>▪ &gt;100% excluding CAP1000 payment push out</li> </ul>
Capital Expenditures	\$50 - 60	<b>\$40 - 45</b>		<ul style="list-style-type: none"> <li>▪ Average ~2% of Sales (over time)</li> </ul>
Depreciation & Amortization	\$110 - 120	\$110 - 120		



# LONG-TERM REVENUE GROWTH ASSUMPTIONS (As of May 2021 Investor Day)

End Markets	ORGANIC REVENUE CAGR (2021-2023)
Aerospace Defense	LSD
Ground Defense	Org (LSD) + PacStar (HSD)
Naval Defense	LSD (up 22% in '20)
Comm'l Aerospace	MSD (Expect narrowbody recovery end of 2023; Widebody by end 2025)
Power & Process	Nuclear: LSD (Excluding new AP1000 orders) Process: MSD-HSD (Expect full recovery by 2023)
General Industrial	Industrial Vehicles: HSD (Expect full recovery by 2022); <b>Achieved in 2021</b> Industrial Automation and Services: MSD
<b>Total CW</b>	<b>Organic: 3-5% CAGR</b> <b>Base (Organic + PacStar): Min. 5% CAGR</b> <b>Base + M&amp;A: Opportunity for 10% CAGR</b>