

**CURTISS -
WRIGHT**

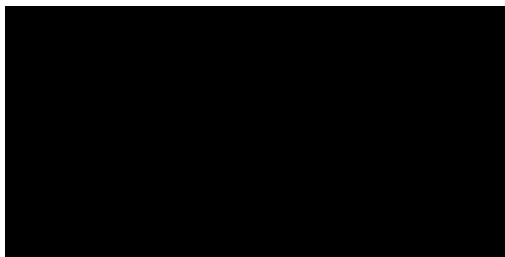
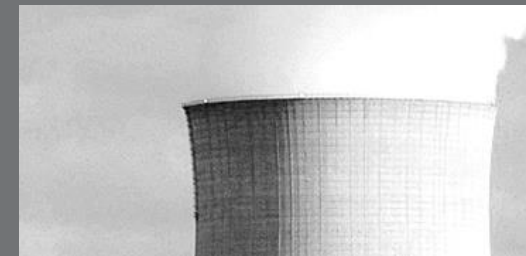


Q2 2020 Earnings Conference Call

August 4, 2020



Listen-Only dial-in numbers:
(844) 220-4970 (domestic)
(262) 558-6349 (international)



NYSE: CW

Safe Harbor Statement

Please note that the information provided in this presentation is accurate as of the date of the original presentation. The presentation will remain posted on this website from one to twelve months following the initial presentation, but content will not be updated to reflect new information that may become available after the original presentation posting. The presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and the Private Securities Litigation-Reform Act of 1995. Such forward-looking statements only speak as of the date of this report and Curtiss-Wright Corporation assumes no obligation to update the information included in this report. Such forward-looking statements include, among other things, management's estimates of future performance, revenue and earnings, our management's growth objectives, our management's ability to integrate our acquisition, and our management's ability to produce consistent operating improvements. These forward-looking statements are based on expectations as of the time the statements were made only, and are subject to a number of risks and uncertainties which could cause us to fail to achieve our then-current financial projections and other expectations, including the impact of a global pandemic or national epidemic. Any references to organic growth exclude the effects of restructuring costs, foreign currency fluctuations, acquisitions and divestitures, unless otherwise noted.

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.

Second Quarter 2020 Business Review and Financial Highlights

- **Maintaining comprehensive COVID-19 health and safety protocols**
- **Net Sales of \$550 million, down 14%**
 - Solid defense market growth, up 5%
 - Reduced commercial market demand, as expected
- **Adjusted Operating Income down 27%; Adjusted Operating Margin down 250 bps to 14.3%**
 - Lower sales and reduced profitability in C/I and Power segments
 - Benefits of ongoing cost containment actions and restructuring savings in all segments
- **Adjusted Diluted EPS of \$1.31, down 31%**
- **New Orders of \$620 million, up 3%; Backlog up 1% YTD**
 - Q2 Book-to-Bill 1.1x, led by strong demand in naval defense
- **Adjusted Free Cash Flow of \$136 million, up 70% (247% FCF conversion)**

Notes:

- 2020 Adjusted results exclude restructuring costs, a non-cash impairment of capitalized development costs related to a commercial aerospace program, one-time inventory step-up, backlog amortization and transaction costs for current and prior year acquisitions, and one-time transition and IT security costs associated with the relocation of our DRG business.
- 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).

Second Quarter 2020 End Market Sales Growth

	Q2'20 Change	% of Total Sales
Aero Defense	5%	20%
Ground Defense	(24%)	4%
Naval Defense	10%	30%
Total Defense	5%	54%
Commercial Aero	(34%)	13%
Power Generation	(18%)	14%
General Industrial	(31%)	20%
Total Commercial	(29%)	46%
Total Curtiss-Wright	(14%)	100%

Key Drivers

Defense Markets:

- **Aerospace Defense:** Higher defense electronics revenues on various ISR programs
- **Ground Defense:** Lower TDSS revenues on Int'l platforms and COTS embedded computing revenues on Abrams platform
- **Naval Defense:** Higher revenues on Virginia class and Columbia class submarine programs and contribution from 901D acquisition; Partially offset by DRG production timing on ramp up of new facility

Commercial Markets:

- **Commercial Aerospace:** Lower sales of equipment and surface treatment services across all major OEM platforms
- **Power Generation:** Lower international aftermarket revenues due to deferrals of maintenance and large projects
- **General Industrial:** Reduced demand across all categories of industrial products and surface treatment services

Notes:

- Percentages in chart relate to Second Quarter 2020 sales compared with the prior year. Amounts may not add due to rounding.

Second Quarter 2020 Adjusted Operating Income / Margin Drivers

(\$ in millions)	Q2'20 Adjusted ⁽¹⁾	Q2'19 Adjusted ⁽¹⁾	Chg vs. Q2'19	Key Drivers
Commercial / Industrial Margin	\$22.1 10.3%	\$51.4 17.5%	(57%) (720 bps)	<ul style="list-style-type: none"> Lower sales / unfavorable absorption in comm'l markets Partially offset by benefits of cost containment / restructuring savings PY gain on sale of building (\$4M)
Defense Margin	36.8 21.6%	33.5 21.0%	10% 60 bps	<ul style="list-style-type: none"> Contribution from 901D acquisition Benefit of restructuring savings
Power Margin	27.8 16.7%	33.2 17.7%	(16%) (100 bps)	<ul style="list-style-type: none"> Unfavorable absorption on lower power generation revenues Timing of naval production revenues due to ramp up in new DRG facility Partially offset by benefit of restructuring savings
Total Segments Adjusted Operating Income	\$86.7	\$118.0	(27%)	
Corp & Other	(\$8.1)	(\$10.3)	21%	<ul style="list-style-type: none"> Lower Corporate spending
Total CW Adjusted Op Income Margin	\$78.5 14.3%	\$107.7 16.8%	(27%) (250 bps)	

• Notes: Amounts may not add down due to rounding. Adjusted operating income and operating margin exclude restructuring costs, a non-cash impairment of capitalized development costs related to a commercial aerospace program, one-time inventory step-up, backlog amortization and transaction costs for current and prior year acquisitions, and one-time transition and IT security costs associated with the relocation of our DRG business.

Strong Balance Sheet Provides Stability

CASH AND DEBT LEVELS

- **Cash balance: \$155M**
- **Adjusted Debt⁽¹⁾: \$825M**
 - \$750M private placement; \$75M drawn from revolver
 - \$100M in notes maturing in 2021
- **Revolver: \$500M (Current Capacity \$403M)**
 - Plus \$200M accordion feature
- **Borrowing Capacity: \$1.6B**
- **Circled \$300M Senior Notes in May**
 - \$150M @ 3.1% (due 2030)
 - \$150M @ 3.2% (due 2032)
 - Delayed draw feature / Closing Aug 13

DEBT AND LEVERAGE RATIOS⁽¹⁾

- **Adjusted Net Debt / Net Cap: 28%**
 - Manage to internal 45% net debt / net cap limitation
- **Adjusted Net Debt / EBITDA: 1.4x**
- **Interest Coverage: 14.8x**
- **Maintain significant financial flexibility for acquisitions and other corporate needs**

Maintain Flexible and Conservative Capital Structure

2020E End Market Sales Growth (Guidance as of August 3, 2020)

Updated

	2020E (Feb 2020)	2020E (Current)	2020E % Total Sales	Key Drivers
Aero Defense	4% - 6%	No Change	19%	<ul style="list-style-type: none"> Favorable growth on key platforms (esp. F-35)
Ground Defense	5% - 7%	(5% - 7%)	4%	<ul style="list-style-type: none"> Lower sales on international ground platforms
Naval Defense	12% - 14%	14% - 16%	27%	<ul style="list-style-type: none"> Strong growth on submarines and aircraft carriers Contribution from 901D acquisition
Total Defense	8% - 10%	No Change	50%	Maintain healthy organic growth, Up 4% - 6%
Commercial Aero	0% - 2%	(19% - 21%)	14%	<ul style="list-style-type: none"> Widespread reduction in OEM production rates
Power Generation	3% - 5%	(3% - 5%)	16%	<ul style="list-style-type: none"> Lower Int'l aftermarket sales (U.S. market relatively flat)
General Industrial	Flat	(18% - 20%)	20%	<ul style="list-style-type: none"> Reduced demand in all major categories (most notably industrial valves and vehicles)
Total Commercial	0% - 2%	(14% - 16%)	50%	Expect conditions to improve during H2'20
Total Curtiss-Wright	4% - 6%	(4% - 6%)	100%	

2020E Financial Outlook (Guidance as of August 3, 2020)

Updated

(\$ in millions)	2020E Adjusted ⁽²⁾ (Feb 2020)	2020E Adjusted ⁽²⁾ (Current)	2020E Change vs 2019 Adjusted ⁽¹⁾⁽²⁾	2020 Key Drivers
Commercial / Industrial	\$1,140 - 1,160	\$935 - 965	(15% - 18%)	<ul style="list-style-type: none"> Reduced demand in commercial aerospace and general industrial
Defense	\$690 - 700	\$675 - 685	8% - 9%	<ul style="list-style-type: none"> Solid growth in aerospace and naval defense Contribution from 901D acquisition
Power	\$760 - 770	\$740 - 750	2% - 4%	<ul style="list-style-type: none"> Solid growth in naval defense and CAP1000 (both weighted to H2) Reduced International aftermarket power generation revenues
Total Sales	\$2,590 - 2,630	\$2,350 - 2,400	(4% - 6%)	
Commercial / Industrial Margin	\$180 - 184 15.8% - 15.9%	\$128 - 136 13.7% - 14.1%	(24% - 29%) (170 - 210 bps)	<ul style="list-style-type: none"> Benefit of restructuring savings and ongoing cost reduction measures helping to mitigate lower sales volume
Defense Margin	\$152 - 155 22.0% - 22.1%	\$156 - 159 23.1% - 23.2%	12% - 14% 80 - 90 bps	<ul style="list-style-type: none"> Benefit of restructuring savings and ongoing cost reduction measures Contribution from 901D acquisition
Power Margin	\$130 - 132 17.1% - 17.2%	\$127 - 129 17.1% - 17.2%	0% - 2% (20 - 30 bps)	<ul style="list-style-type: none"> Favorable overhead absorption on higher sales Benefit of restructuring savings
Corporate and Other	(\$34 - 35)	(\$35 - 36)	(1% - 2%)	<ul style="list-style-type: none"> Higher FX
Total Op. Income CW Margin	\$428 - 437 16.5% - 16.6%	\$376 - 389 16.0% - 16.2%	(5% - 8%) (30 - 50 bps)	FY'20 Decremental Margin to range from 20% - 25%

Note: Amounts may not add down due to rounding.

(1) 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).

(2) 2020 Adjusted guidance excludes restructuring costs, a non-cash impairment of capitalized development costs related to a comm'l aerospace program, one-time inventory step-up, backlog amortization and transaction costs for current and prior year acquisitions, and one-time transition and IT security costs assoc. with the relocation of our DRG business.

2020E Financial Outlook (Guidance as of August 3, 2020)

Updated

(\$ in millions, except EPS)	2020E Adjusted ⁽³⁾ (Feb 2020)	2020E Adjusted ⁽³⁾ (Current)	2020E Change vs 2019 Adjusted ⁽²⁾⁽³⁾	2020 Key Drivers
Total Operating Income	\$428 - 437	\$376 - 389	(5% - 8%)	
Other Income/(Expense)	\$24 - 25	\$23 - 24		
Interest Expense	(\$32 - 33)	(\$35 - 36)		▪ Addition of \$300M Senior Notes
Effective Tax Rate	~23.0%	~23.5%		
Diluted EPS	\$7.50 - 7.70	\$6.60 - 6.85	(6% - 9%)	
Diluted Shares Outstanding	43.0	42.1		▪ Reduction driven by \$100M opportunistic share repurchase
Free Cash Flow ⁽¹⁾	\$370 - 390	\$350 - 380	~ Flat	▪ Strong working capital management
Free Cash Flow Conversion ⁽¹⁾	115% - 118%	126% - 132%		
Capital Expenditures	\$50 - 60	\$40 - 50		▪ Reduced non-essential capital expenditures
Depreciation & Amortization	\$115 - 125	\$110 - 120		

(1) 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 adjusted net earnings.

(2) 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). 2019 Adjusted Free Cash Flow excludes a \$19 million capital investment related to construction of a new, state-of-the-art naval facility for the DRG business (Power segment).

(3) 2020 Adjusted guidance excludes restructuring costs, a non-cash impairment of capitalized development costs related to a comm'l aerospace program, one-time inventory step-up, backlog amortization and transaction costs for current and prior year acquisitions, and one-time transition and IT security costs assoc. with the relocation of our DRG business. 2020 Adjusted Free Cash Flow guidance excludes a voluntary contribution to the Company's corporate defined benefit pension plan of \$150 million, a \$20 million cash impact from restructuring, and a \$13 million capital investment related to construction of a new, state-of-the-art naval facility for the DRG business (Power segment).

2020 Summary and Expectations

- **Maintain outlook for solid revenue growth in Defense; Commercial markets expected to gradually improve remainder of year**
 - Acquisitions providing modest boost to top-line
- **Agile business model helps mitigate impact of reduced profitability**
 - Benefit of increased and accelerated cost containment measures
 - Planned restructuring actions to drive \$40M in annualized savings; Contribute evenly to 2020 and 2021
 - Goal: Maintain top quartile performance vs. peers
- **Maintain flexible and conservative capital structure, with ample liquidity**
- **Adjusted FCF outlook remains strong, provides support to balanced capital allocation strategy**

Curtiss-Wright remains well-positioned to weather the challenging environment

Appendix

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 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 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

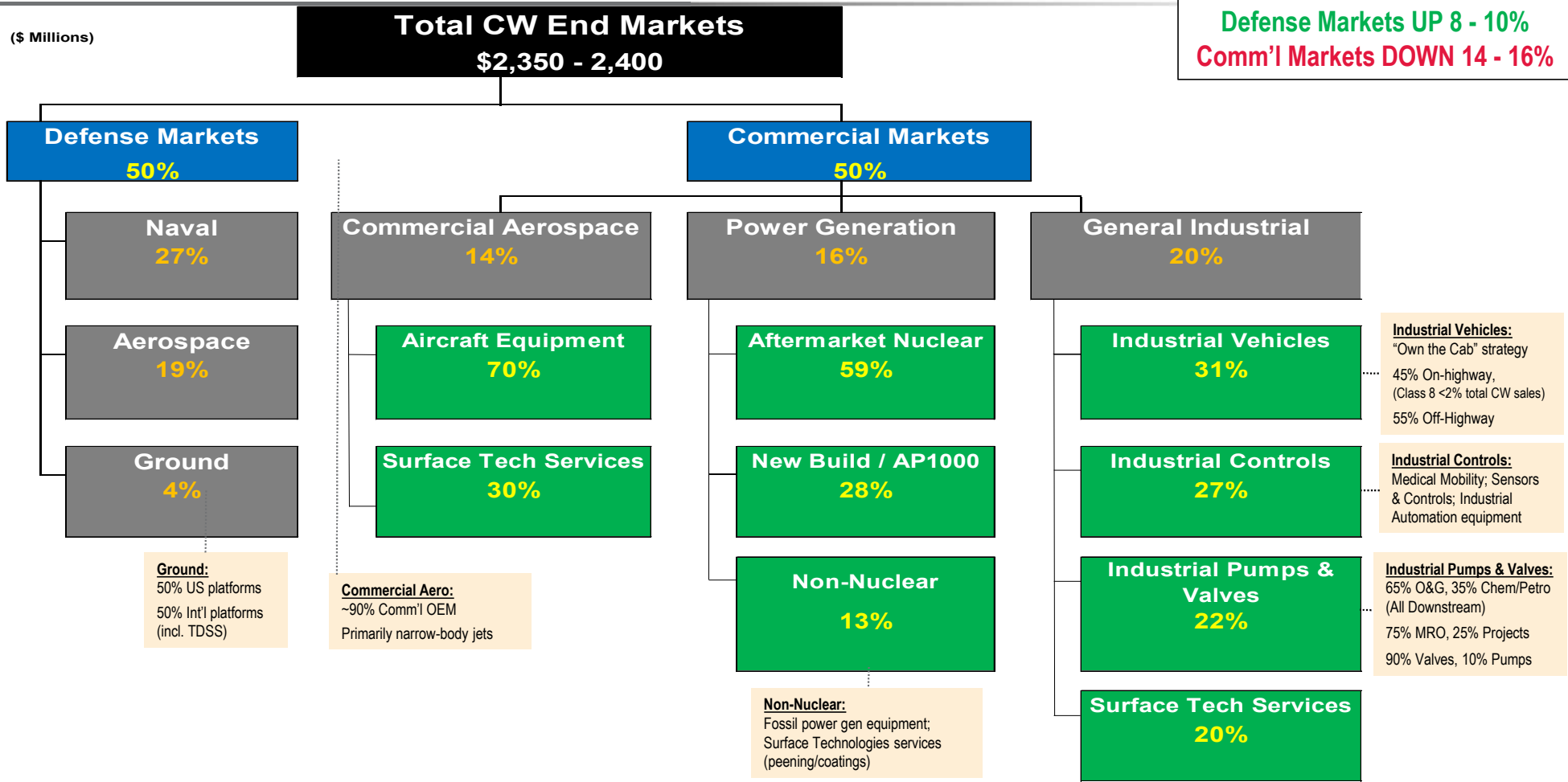
These Adjusted financials are defined as Reported Operating Income, Operating Margin, Net Earnings and Diluted EPS under GAAP excluding: (i) the impact of first year purchase accounting costs associated with acquisitions for current and prior year periods, specifically one-time inventory step-up, backlog 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.

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) 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.

FY2020E Guidance: Sales Waterfall (as of August 3, 2020)

Guidance:
Overall DOWN 4 - 6%
Defense Markets UP 8 - 10%
Comm'l Markets DOWN 14 - 16%



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

CURTISS-WRIGHT CORPORATION

2020 Guidance

As of August 3, 2020

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

	2019 Reported (GAAP)	2019 Adjustments ⁽¹⁾ (Non-GAAP)	2019 Adjusted (Non-GAAP)	2020 Reported Guidance (GAAP)		2020 Restructuring Adjustments ⁽²⁾ (Non-GAAP)	2020 Other Adjustments ⁽²⁾ (Non-GAAP)	2020 Adjusted Guidance ⁽³⁾⁽⁴⁾⁽⁵⁾ (Non-GAAP)		2020 Chg vs 2019 Adjusted
				Low	High			Low	High	
Sales:										
Commercial/Industrial	\$ 1,138	\$ -	\$ 1,138	\$ 935	\$ 965	\$ -	\$ -	\$ 935	\$ 965	
Defense	626	2	628	675	685	-	-	675	685	
Power	724	-	724	740	750	-	-	740	750	
Total sales	\$ 2,488	\$ 2	\$ 2,490	\$ 2,350	\$ 2,400	\$ -	\$ -	\$ 2,350	\$ 2,400	(4 to 6%)
Operating income:										
Commercial/Industrial	\$ 180	\$ -	\$ 180	\$ 106	\$ 114	\$ 20	\$ 2	\$ 128	\$ 136	
Defense	137	2	140	139	142	4	13	156	159	
Power	122	4	126	113	116	11	3	127	129	
Total segments	439	7	446	358	372	35	18	411	424	
Corporate and other	(35)	-	(35)	(35)	(36)	-	-	(35)	(36)	
Total operating income	\$ 404	\$ 7	\$ 411	\$ 323	\$ 336	\$ 35	\$ 18	\$ 376	\$ 389	(5 to 8%)
Interest expense	\$ (31)	\$ -	\$ (31)	\$ (35)	\$ (36)	\$ -	\$ -	\$ (35)	\$ (36)	
Other income, net	24	-	24	13	14	-	10	23	24	
Earnings before income taxes	397	7	403	301	315	35	27	363	377	
Provision for income taxes	(89)	(2)	(90)	(71)	(74)	(8)	(6)	(85)	(89)	
Net earnings	\$ 308	\$ 5	\$ 313	\$ 230	\$ 241	\$ 27	\$ 21	\$ 278	\$ 289	
Diluted earnings per share	\$ 7.15	\$ 0.12	\$ 7.27	\$ 5.47	\$ 5.72	\$ 0.64	\$ 0.50	\$ 6.60	\$ 6.85	(6 to 9%)
<i>Diluted shares outstanding</i>	43.0		43.0	42.1	42.1			42.1	42.1	
<i>Effective tax rate</i>	22.4%		22.4%	23.5%	23.5%			23.5%	23.5%	
Operating margins:										
Commercial/Industrial	15.8%	-	15.8%	11.4%	11.8%	+210 bps	-	13.7%	14.1%	(170 to 210 bps)
Defense	21.9%	+40 bps	22.3%	20.6%	20.8%	+60 bps	+190 bps	23.1%	23.2%	80 to 90 bps
Power	16.9%	+50 bps	17.4%	15.2%	15.4%	+150 bps	+40 bps	17.1%	17.2%	(20 to 30 bps)
Total operating margin	16.2%	+30 bps	16.5%	13.7%	14.0%	+150 bps	+70 bps	16.0%	16.2%	(30 to 50 bps)
Free cash flow ⁽⁶⁾	\$ 352	\$ 19	\$ 371	\$ 167	\$ 197	\$ 20	\$ 163	\$ 350	\$ 380	

Notes: Full year amounts may not add due to rounding. All financial information by reportable segment for the 2019 and 2020 reporting periods reflects the Corporation's first quarter 2020 segment reorganization.

(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 \$35 million in restructuring costs, \$11 million in first year purchase accounting costs, specifically one-time backlog amortization and transaction costs associated with acquisitions, \$4 million non-cash impairment of capitalized development costs related to a commercial aerospace program, and \$3 million in 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.

(3) Commercial/Industrial segment 2020 Adjusted guidance excludes \$20 million in restructuring costs and \$2 million in one-time backlog amortization and transaction costs associated with the acquisition of Dyna-Flo.

(4) Defense segment 2020 Adjusted guidance excludes \$4 million in restructuring costs, \$9 million in one-time backlog amortization and transaction costs associated with the acquisitions of 901D and IADS, and \$4 million non-cash impairment of capitalized development costs related to a commercial aerospace program.

(5) Power segment 2020 Adjusted guidance excludes \$11 million in restructuring costs and \$3 million in one-time transition and IT security costs related to the relocation of the DRG business.

(6) 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 \$13 million capital investment related to the new, state-of-the-art naval facility principally for DRG.

Non-GAAP Reconciliations – Q2 2020 Results

(In millions, except EPS)	Q2-2020	Q2-2019	Change
Sales	\$ 550.0	\$ 639.0	(14%)
Reported operating income (GAAP)	\$ 55.3	\$ 105.7	(48%)
Adjustments ⁽¹⁾	<u>23.2</u>	<u>2.0</u>	
Adjusted operating income (Non-GAAP)	\$ 78.5	\$ 107.7	(27%)
Adjusted operating margin (Non-GAAP)	14.3%	16.8%	(250 bps)
Reported net earnings (GAAP)	\$ 31.0	\$ 80.1	(61%)
Adjustments, net of tax ⁽¹⁾	<u>23.9</u>	<u>1.5</u>	
Adjusted net earnings (Non-GAAP)	\$ 54.9	\$ 81.6	(33%)
Reported diluted EPS (GAAP)	\$ 0.74	\$ 1.86	(60%)
Adjustments, net of tax ⁽¹⁾	0.57	0.04	
Adjusted diluted EPS (Non-GAAP)	\$ 1.31	\$ 1.90	(31%)

(1) Adjusted operating income, operating margin, net earnings and diluted EPS results exclude \$15 million in restructuring costs, a non-cash impairment of capitalized development costs related to a commercial aerospace program, one-time inventory step-up, backlog amortization and transaction costs for current and prior year acquisitions, and one-time transition and IT security costs associated with the relocation of our DRG business.

Non-GAAP Reconciliation – Organic Results

Three Months Ended								
June 30,								
2020 vs. 2019								
	Commercial/Industrial		Defense		Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Organic	(28%)	(59%)	(2%)	(11%)	(11%)	(14%)	(17%)	(35%)
Acquisitions	1%	0%	9%	(1%)	0%	0%	3%	(1%)
Restructuring	0%	(14%)	0%	(5%)	0%	(20%)	0%	(13%)
Foreign Currency	0%	1%	0%	2%	0%	0%	0%	1%
Total	(27%)	(72%)	7%	(15%)	(11%)	(34%)	(14%)	(48%)

Six Months Ended								
June 30,								
2020 vs. 2019								
	Commercial/Industrial		Defense		Power		Total Curtiss-Wright	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Organic	(16%)	(35%)	5%	10%	(7%)	(14%)	(8%)	(19%)
Acquisitions	1%	0%	10%	(1%)	0%	0%	3%	0%
Restructuring	0%	(9%)	0%	(5%)	0%	(13%)	0%	(10%)
Foreign Currency	0%	1%	0%	2%	0%	0%	0%	1%
Total	(15%)	(43%)	15%	6%	(7%)	(27%)	(5%)	(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, foreign currency fluctuations and contributions from acquisitions made during the last twelve months.

Note: Amounts may not add due to rounding

Non-GAAP Reconciliation – Adjusted Debt and Adjusted Net Debt

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

Adjusted Debt and Adjusted Net Debt

(Unaudited, in thousands)

	As of
	June 30, 2020
Current portion of long-term and short-term debt	\$ —
Long-term debt	834,802
Total debt	\$ 834,802
Less: Unamortized interest rate swap proceeds	10,336
Less: Debt issuance costs, net	(534)
Adjusted Debt	\$ 825,000
Less: Cash and cash equivalents	\$ 155,383
Adjusted Net Debt	\$ 669,617

Adjusted Debt and Adjusted Net Debt

The Corporation discloses Adjusted Debt and Adjusted Net Debt as it believes that these measures provide useful information regarding contractual amounts of borrowed capital to be repaid, net of cash available to repay such obligations. Adjusted Debt is defined as consolidated short-term and long-term debt (reported in accordance with GAAP), adjusted to exclude unamortized interest rate swap proceeds and debt issuance costs. Adjusted Net Debt is defined as Adjusted Debt less cash and cash equivalents.

Non-GAAP Reconciliation – EBITDA

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

EBITDA

(Unaudited, in thousands)

	For the trailing 12 months ended 6/30/2020	
Net Earnings	\$	254,700
Add back: Interest		32,121
Add back: Income Taxes		81,136
Add back: Depreciation and Amortization		107,384
EBITDA	\$	475,341

EBITDA

The Corporation discloses EBITDA as it believes that this measure is useful in evaluating the Corporation's operating performance. EBITDA is defined as net earnings before interest, income taxes, depreciation, and amortization for the trailing twelve month period ended June 30, 2020.

Non-GAAP Reconciliation – Leverage Ratios

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

(Unaudited, in thousands, except ratios)

Adjusted Net Debt-to-Net Capitalization

	<u>As of June 30, 2020</u>
Adjusted Net Debt	\$ 669,617
Total Stockholders' equity	<u>1,713,295</u>
Net Capitalization	\$ 2,382,912
	28.1 %

Adjusted Debt-to-EBITDA

	<u>As of June 30, 2020</u>
Adjusted Debt	\$ 825,000
EBITDA	<u>475,341</u>
	1.7

Adjusted Net Debt-to-EBITDA

	<u>As of June 30, 2020</u>
Adjusted Net Debt	\$ 669,617
EBITDA	<u>475,341</u>
	1.4

Interest Coverage Ratio

	<u>As of June 30, 2020</u>
EBITDA	\$ 475,341
Interest Expense	<u>32,121</u>
	14.8