



# Woodward and Hexcel Combine in Merger of Equals


*Creates a Premier Integrated Systems Provider  
Propelling the Future of Flight and Energy Efficiency*





## Woodward Hexcel to be Among the Top Independent Aerospace and Defense Suppliers


 Leading supplier well positioned to deliver forward-looking technologies to address evolving customer needs

 Accelerates innovation and growth through combined R&D capabilities

 Well-balanced portfolio across customers, end markets, and investment cycles

 Significant shareholder value creation opportunities

 Strong balance sheet, significant cash flow, balanced capital allocation strategy

 Complementary cultures and operating philosophies

### TRANSACTION DETAILS

- All-stock merger of equals
- Hexcel shareholders will receive 0.625 shares of Woodward for each Hexcel share they own
- Combined company to be named Woodward Hexcel

### OWNERSHIP

- ~55% EXISTING WOODWARD
- ~45% EXISTING HEXCEL


### CORPORATE HQ

Fort Collins, Colorado

### LEADERSHIP AND BOARD

- Nick Stange will serve as Chief Executive Officer
- Tom Gendron will serve as Executive Chairman
- 10 Directors:
  - 5** WOODWARD
  - 5** HEXCEL

### ROADMAP TO COMPLETION

 Expected to close in the third calendar quarter of 2020

Subject to the approval of Hexcel and Woodward shareholders, as well as other customary closing conditions, including required regulatory approvals

## Strong Financial Profile

**~\$5.3B**

FY19 pro forma net revenue

**~\$1B**

forecasted combined free cash flow annually and growing

**\$125M+**

expected annual cost synergies by the second full fiscal year post-closing

## Highly Experienced and Proven Leadership

Executive leadership team will be composed of members from both companies



**“** Our two companies are each independently working toward addressing the sustainability and efficiency needs of our customers. This merger accelerates our technology investments and creates greater benefits and growth opportunities than either company could have achieved alone. Both Woodward and Hexcel have attractive growth trajectories, with strong aftermarket positions and increased composite penetration driving our respective outlooks.”

**Tom Gendron**  
Chairman, CEO and President | Woodward



**“** The future of flight and energy efficiency will be defined by next-generation platforms delivering lower cost of ownership, reduced emissions, and enhanced safety — and a combined Hexcel and Woodward will be at the forefront of this evolution. Woodward’s innovative control systems and Hexcel’s advanced lightweight materials are designed to drive improved reliability, efficiency, and emissions.”

**Nick Stange**  
Chairman, CEO and President | Hexcel

## **Forward-Looking Statements**

Certain of the matters discussed in this communication which are not statements of historical fact constitute forward-looking statements that involve a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Words such as “strategy,” “expects,” “continues,” “plans,” “anticipates,” “believes,” “will,” “estimates,” “intends,” “projects,” “goals,” “targets” and other words of similar meaning are intended to identify forward-looking statements but are not the exclusive means of identifying these statements.

Important factors that may cause actual results and outcomes to differ materially from those contained in such forward-looking statements include, without limitation, the occurrence of any event, change or other circumstances that could give rise to the right of one or both of Hexcel or Woodward to terminate the merger agreement; the outcome of any legal proceedings that may be instituted against Hexcel, Woodward or their respective directors; the ability to obtain regulatory approvals and meet other closing conditions to the merger on a timely basis or at all, including the risk that regulatory approvals required for the merger are not obtained on a timely basis or at all, or are obtained subject to conditions that are not anticipated or that could adversely affect the combined company or the expected benefits of the transaction; the ability to obtain approval by Hexcel stockholders and Woodward stockholders on the expected schedule; difficulties and delays in integrating Hexcel's and Woodward's businesses; prevailing economic, market, regulatory or business conditions, or changes in such conditions, negatively affecting the parties; risks that the transaction disrupts Hexcel's or Woodward's current plans and operations; failing to fully realize anticipated cost savings and other anticipated benefits of the merger when expected or at all; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger; the ability of Hexcel or Woodward to retain and hire key personnel; the diversion of management's attention from ongoing business operations; uncertainty as to the long-term value of the common stock of the combined company following the merger; the continued availability of capital and financing following the merger; the business, economic and political conditions in the markets in which Hexcel and Woodward operate; and the fact that Hexcel's and Woodward's reported earnings and financial position may be adversely affected by tax and other factors.

Other important factors that may cause actual results and outcomes to differ materially from those contained in the forward-looking statements included in this communication are described in Hexcel's and Woodward's publicly filed reports, including Hexcel's Annual Report on Form 10-K for the year ended December 31, 2018 and Woodward's Annual Report on Form 10-K for the year ended September 30, 2019.

Hexcel and Woodward caution that the foregoing list of important factors is not complete and do not undertake to update any forward-looking statements that either party may make except as required by applicable law. All subsequent written and oral forward-looking statements attributable to Hexcel, Woodward or any person acting on behalf of either party are expressly qualified in their entirety by the cautionary statements referenced above.

## **Additional Information and Where to Find It**

In connection with the proposed merger, Woodward will file with the SEC a registration statement on Form S-4 to register the shares of Woodward's common stock to be issued in connection with the merger. The registration statement will include a preliminary joint proxy statement/prospectus which, when finalized, will be sent to the respective stockholders of Hexcel and Woodward seeking their approval of their respective transaction-related proposals. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4 AND THE RELATED JOINT PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT HEXCEL, WOODWARD AND THE PROPOSED MERGER.

Investors and security holders may obtain copies of these documents free of charge through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or from Hexcel at its website, [www.hexcel.com](http://www.hexcel.com), or from Woodward at its website, [www.woodward.com](http://www.woodward.com). Documents filed with the SEC by Hexcel will be available free of charge by accessing Hexcel's website at [www.hexcel.com](http://www.hexcel.com) under the heading Investor Relations, or, alternatively, by directing a request by telephone or mail to Hexcel Corporation at 281 Tresser Boulevard Stamford, Connecticut 06901, (203) 352-6826, and documents filed with the SEC by Woodward will be available free of charge by accessing Woodward's website at [www.woodward.com](http://www.woodward.com) under the heading Investors, or, alternatively, by directing a request by telephone or mail to Woodward, Inc. at PO Box 1519, Fort Collins, Colorado 80522, (970) 498-3580.

## **Participants In The Solicitation**

Hexcel, Woodward and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the respective stockholders of the Company and Woodward in respect of the proposed merger under the rules of the SEC. Information about Hexcel's directors and executive officers is available in Hexcel's proxy statement dated March 22, 2019 for its 2019 Annual Meeting of Stockholders. Information about Woodward's directors and executive officers is available in Woodward's proxy statement dated December 13, 2019 for its 2019 Annual Meeting of Stockholders. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the merger when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Hexcel or Woodward using the sources indicated above.

## **No Offer Or Solicitation**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.