

(USD in millions except for per share data)

	Q2 2020	Q2 2019	Q2 Change	FY 2019 A
Sales	\$ 765.3	\$ 718.8	6%	\$ 2,904.7
Net Earnings	49.7	41.1	21%	174.5
Net Earnings Per Share	\$ 1.48	\$ 1.17	26%	\$ 4.96
Segment Sales				
Aircraft Controls	\$ 341.4	\$ 320.6	6%	\$ 1,303.0
Space and Defense Controls	193.0	164.8	17%	683.5
Industrial Systems	230.9	233.4	(1%)	918.2
	<u>\$ 765.3</u>	<u>\$ 718.8</u>	<u>6%</u>	<u>\$ 2,904.7</u>
Operating Profit				
Aircraft Controls	\$ 34.7	\$ 27.1	28%	\$ 122.7
Space and Defense Controls	24.7	20.5	20%	89.0
Industrial Systems	24.8	30.2	(18%)	109.5
	<u>\$ 84.1</u>	<u>\$ 77.9</u>	<u>8%</u>	<u>\$ 321.1</u>
Operating Margins				
Aircraft Controls	10.2%	8.5%		9.4%
Space and Defense Controls	12.8%	12.4%		13.0%
Industrial Systems	10.7%	13.0%		11.9%
	<u>11.0%</u>	<u>10.8%</u>		<u>11.1%</u>
Effective Tax Rate	19.2%	23.8%		23.1%

Cash Flow from Operations	\$ 39	\$ 45		\$ 181
Capital Expenditures	(26)	(36)		(118)
Free Cash Flow	\$ 12	\$ 9		\$ 63
Share buybacks	(122)	(2)		(23)
Payment of dividends	(8)	(9)		(35)
Other items	(6)	(5)		(8)
Decrease (Increase) in Net Debt	\$ (124)	\$ (7)		\$ (4)
Net Debt to Total Capitalization	43.9%	35.2%		35.9%
Depreciation and Amortization	\$ 22	\$ 22		\$ 85

Changes in FY 2019 results due to change in accounting principle

In the first quarter of 2020, we made a change in pension accounting principle. This change requires retrospective application. The Net Earnings Per Share impact of adoption for Q2 2019 was (\$0.03) and for FY 2019 was (\$0.15). All periods presented for Net Earnings and Net Earnings Per Share reflect this change in accounting principle, and Operating Profit is not impacted.

Non-GAAP Financial Measure

We present Free Cash Flow, which is defined as Cash Flow from Operations less Capital Expenditures. Management believes this non-GAAP financial measure provides investors important insight into the Company's ongoing operational performance. The Company does not intend for this information to be considered in isolation, or as a substitute, to the most closely related GAAP measure.

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	Q2 2020	Q2 2019	Q2 Change	FY 2019 A
Military OEM	\$ 115.2	\$ 102.1	13%	\$ 414.7
Military Aftermarket	60.6	52.9	14%	207.4
Military Aircraft	175.8	155.0	13%	622.1
Commercial OEM	126.4	129.1	(2%)	539.8
Commercial Aftermarket	39.2	36.5	7%	141.1
Commercial Aircraft	165.6	165.6	0%	680.8
Aircraft Controls	\$ 341.4	\$ 320.6	6%	\$ 1,303.0

Space	\$ 73.6	\$ 53.3	38%	\$ 219.0
Defense	119.4	111.5	7%	464.5
Space and Defense Controls	\$ 193.0	\$ 164.8	17%	\$ 683.5

Energy	\$ 36.8	\$ 30.0	23%	\$ 120.8
Industrial Automation	106.2	116.4	(9%)	447.5
Simulation and Test	25.6	31.2	(18%)	122.9
Medical	62.3	55.8	12%	227.0
Industrial Systems	\$ 230.9	\$ 233.4	(1%)	\$ 918.2

Note - numbers may not add to totals due to rounding

