Curtiss-Wright

NYSE: CW · AEROSPACE, DEFENCE & NUCLEAR COMPONENTS

EXCEPTIONAL 5/5 SERIES CANDIDATE

SECTOR	INDUSTRY	HQ	MARKET CAP
Industrials	Aerospace & Defense	Davidson, NC	$25.8bn

THE ONE-MINUTE VERSION

Curtiss-Wright makes highly engineered components for three demanding customers: military aircraft and ground vehicles, naval nuclear propulsion, and commercial power generation. Pumps, valves, control-rod drive mechanisms, embedded computing, sensors and actuation — the parts inside the system rather than the system itself.

WHAT IS IT?

Curtiss-Wright makes highly engineered components for three demanding customers: military aircraft and ground vehicles, naval nuclear propulsion, and commercial power generation. Pumps, valves, control-rod drive mechanisms, embedded computing, sensors and actuation — the parts inside the system rather than the system itself.

HOW IT CREATES VALUE

Content is designed into a platform and then earns for as long as the platform runs. A control-rod drive mechanism specified into a reactor is bought again as spares and service for the life of that reactor.

THE MOAT

Being embedded in programmes that outlive the purchase decision. Once the part is in the drawings and the programme is running, switching means requalifying a component in a system where failure is not a commercial matter.

THE TREND SHAPING ITS MARKET

Defence budgets are rising across the Western alliance, and nuclear power has moved from managed decline to expansion. **Both are decade-length programmes, not order cycles**, and both need qualified suppliers who were already in the room.

THE STRUCTURAL BOTTLENECK

Not manufacturing capacity — **qualification**. Getting a part certified into a naval reactor or a weapons system takes years, and the customer bears the cost and the risk of changing it afterwards.

THE COMPETITION — THE HONEST BIT

BWX Technologies is the more focused naval-nuclear supplier; Mercury Systems and Kratos compete hard in defence electronics; TransDigm and HEICO own more of the aerospace aftermarket. **Curtiss-Wright is a portfolio of strong niches rather than a dominant position in any one of them.**

THE FIVE STRUCTURAL TESTS — EVERY COMPANY, THE SAME FIVE

COMPOUNDING	EARNINGS QLTY	BALANCE SHEET	CAPITAL ALLOC.	PER-SHARE VAL.
PASS	PASS	PASS	PASS	PASS

TRAJECTORY · IMPROVING ↑ EPS grew 22.0% over the latest reported year, against 14.7% the year before. The rate of growth is rising, not just the earnings.

THE COMPOUNDING RECORD — SAME FIVE METRICS FOR EVERY COMPANY IN THE SERIES

EPS CAGR, 11 YRS	YEARLY COMPARISONS UP	WORST EARNINGS DRAWDOWN	NET MARGIN	NET DEBT / EQUITY
13.8%	90%	9%	13.8%	0.52×

The Exceptional Company Series is where The Conviction Play profiles the small number of businesses whose economics we judge genuinely exceptional — companies that pass all five of our structural tests and have compounded earnings through a full cycle. The premise is simple: **conviction is built on business quality and an enduring competitive advantage**, not on a price forecast. We publish what the moat is, how it is defended, and what would change our mind — dated. What we never publish is a price target.

— EXPLORE

The seven forces & twenty-two themes

— ARCHIVE

Every company profile to date

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Not a buy signal — exceptional can also be expensive, and capital is at risk. What this is and what it is not, overleaf.

HEAD OFFICE

Davidson, North Carolina, United States

Industrials · Aerospace & Defense

ROIC	12.4%
REVENUE GROWTH	+12.1%
EPS GROWTH	+22.0%
INTEREST COVER	14.8×
FINANCIAL STRENGTH	5 / 5
WEBSITE	www.curtisswright.com

THE CONVICTION WHEEL

COMPOUNDING
Revenue +12.1%, EPS +22.0%

EARNINGS QLTY
FCF/NI 114%

BALANCE SHEET
Interest covered 14.8x

CAPITAL ALLOC.
12.4% return on capital

PER-SHARE VAL.
FCF/share +30.4%/yr, 3y

PEER GROUP — ENGINEERED DEFENCE AND POWER COMPONENTS

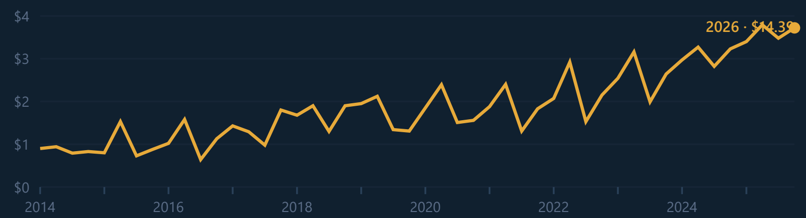
CW · profiled | BWXT BWX Technologies | HEI HEICO | MRCY Mercury Systems

WHY THE ECONOMICS ARE EXCEPTIONAL

Share price, 5 years of monthly closes — shorter than the earnings chart below (our price history only reaches back 5 years; the EPS record below covers the full twelve).

Not a valuation. Marker = date profiled. Refreshes quarterly.

Trailing twelve-month EPS, twelve years of quarterly data. **9 years in 10, this line went up.**



Weakest point: 2020, 9% off the prior peak.

WHAT THIS IS, AND WHAT IT IS NOT

An assessment of business quality — how durable the economics are, and how consistently they have become earnings. Produced by Legend, our rules-based framework, applied identically to every company.

Not a buy signal. Not a valuation, price target, forecast or recommendation, and no view on the share price. Exceptional can also be expensive: this company fell 13% from its April 2022 high and took 7 months to regain that price, while its earnings kept rising. Capital is at risk.

WHERE TO READ MORE — NOT BY US

Mauboussin, *Measuring the Moat* (Morgan Stanley) — how to judge a competitive advantage rather than assert one. Free. · **Thorndike, *The Outsiders*** — capital allocation as the job. · **Berkshire shareholder letters** — free at berkshirehathaway.com.

Company facts and financial data: Legend, from company filings and market data, as at 01 September 2026. Structural assessment computed by Legend from reported earnings history. **A point-in-time snapshot** — recalculated as companies report, and it can change on any earnings release. Nothing here updates itself. Full method at theconvictionplay.com/exceptional.

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